TRANSACTION CAPITAL **RESULTS**

FOR THE YEAR ENDED 30 SEPTEMBER

2018

Transaction Capital

CONTENTS

TRANSACTION CAPITAL RESULTS PRESENTATION

FOR THE YEAR ENDED 30 SEPTEMBER

2018

Transaction Capital

Transaction Capital

TRANSACTION CAPITAL RESULTS PRESENTATION

FOR THE YEAR ENDED 30 SEPTEMBER

2018

Transaction Capital

GROUP HIGHLIGHTS 2018

RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

TRANSACTION CAPITAL GROUP STRUCTURE

2018 FINANCIAL & OPERATIONAL HIGHLIGHTS (FY18 COMPARED TO FY17)

Transaction Capital

SA Taxi – driving our nation forward

CEO: Terry Kier, 11-year group tenure

- **R368 MILLION** HEADLINE EARNINGS [1] ▲ 21%
- **R9.4 BILLION** GROSS LOANS & ADVANCES ▲ 13%
- **R540 MILLION** NON-INTEREST REVENUE ▲ 26%
- **17.7%** NON-PERFORMING LOAN RATIO FY17 17.1%
- **25.9%** RETURN ON EQUITY FY17 25.3%
- **3.3%** CREDIT LOSS RATIO FY17 3.2%

A vertically integrated business platform that provides a comprehensive financial, insurance & allied services offering to minibus taxi operators. The division offers a unique blend of vehicle procurement, retail, repossession & refurbishment capabilities with asset-backed developmental finance & insurance for focused vehicle types.

Transaction Capital

CEO: David Hurwitz, 13-year group tenure

- **R682 MILLION** HEADLINE EARNINGS [1] ▲ 18%
- **111.7 CPS** HEADLINE EARNINGS PER SHARE ▲ 16%
- **50 CPS** TOTAL DIVIDEND PER SHARE ▲ 25%
- **16%** FOREIGN INVESTOR BASE FY17 6%
- **2.2 times** DIVIDEND COVER FY17 2.4 times
- **R10.8 BILLION** MARKET CAPITALISATION [2]

Transaction Capital Risk Services

CEO: Dave McAlpin, 10-year group tenure

- **R273 MILLION** HEADLINE EARNINGS [1] ▲ 17%
- **R1.4 BILLION** PURCHASED BOOK DEBTS ▲ 54%
- **76.8%** COST-TO-INCOME RATIO [3] FY17 77.3%
- **R662 MILLION** PRICE OF PURCHASE BOOK DEBTS ACQUIRED ▲ 86%
- **R1.8 BILLION** NON-INTEREST REVENUE ▲ 24%
- **R3.0 BILLION** ESTIMATED REMAINING COLLECTIONS[4] ▲ 60%

A technology-led, data-driven provider of customer management solutions in South Africa & Australia. The division's scalable & bespoke fintech platform, combined with its technology & propriety data, enables it to mitigate risk & maximise value for clients throughout the customer engagement lifecycle.

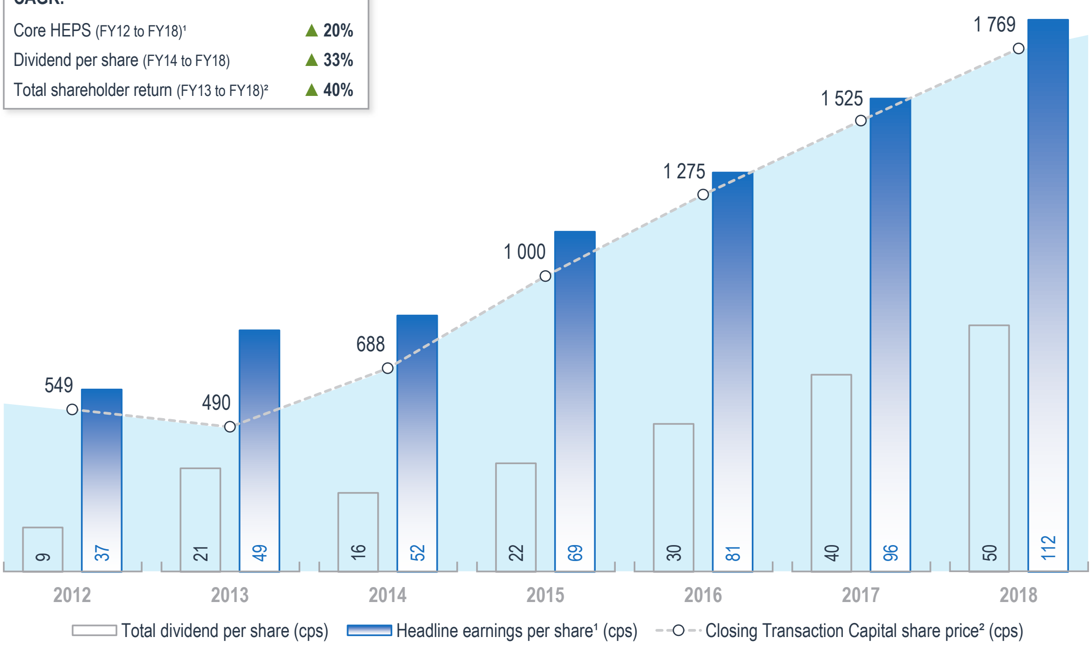
Financial ratios & results exclude once-off acquisition costs of R22 million incurred during the FY17 year
1. Headline earnings attributable to the group | 2. Market capitalisation as at 30 September 2018 | 3. Excludes the effect of acquisitions | 4. 120 months

TRANSACTION CAPITAL PERFORMANCE SINCE LISTING

Transaction Capital

CAGR:

Core HEPS (FY12 to FY18)[1]	▲ 20%
Dividend per share (FY14 to FY18)	▲ 33%
Total shareholder return (FY13 to FY18)[2]	▲ 40%



Financial years 1 October to 30 September | Adopted IFRS 9 in 2015. 2014 numbers on a pro forma IFRS 9 basis. 2012 & 2013 numbers on an IAS 39 basis as reported
1. Core headline earnings per share, excluding impact of Paycorp & Bayport
2. Share price at 30 September 2012 & 2013 has been adjusted for the special distribution of R2.10 per share in March 2014

GROUP PORTFOLIO MIX

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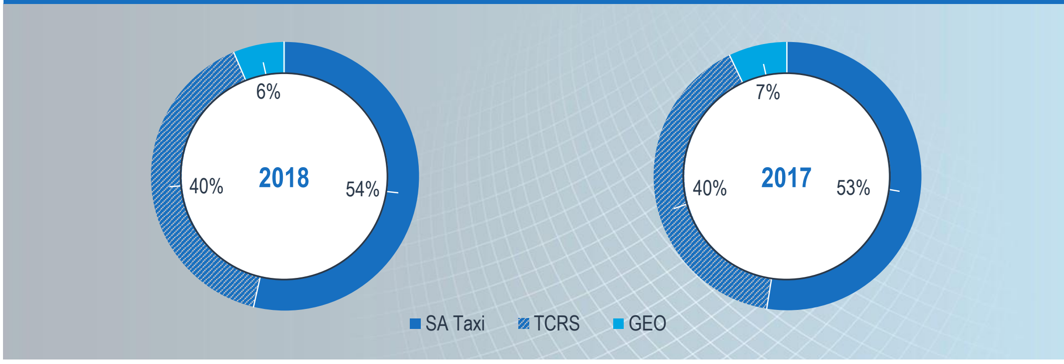
COMPOSITION OF EARNINGS



Headline earnings	Rm 2018	Rm 2017	Growth 2018
SA Taxi[1]	368	303	▲ 21%
TCRS[1]	273	233	▲ 17%
Group executive office (GEO)	41	41	
Total	**682**	**577**	**▲ 18%**
Cents per share	**111.7**	**96.4**	**▲ 16%**

Headline earnings excludes once-off acquisition costs of R22 million incurred during FY17
1. Attributable to the group

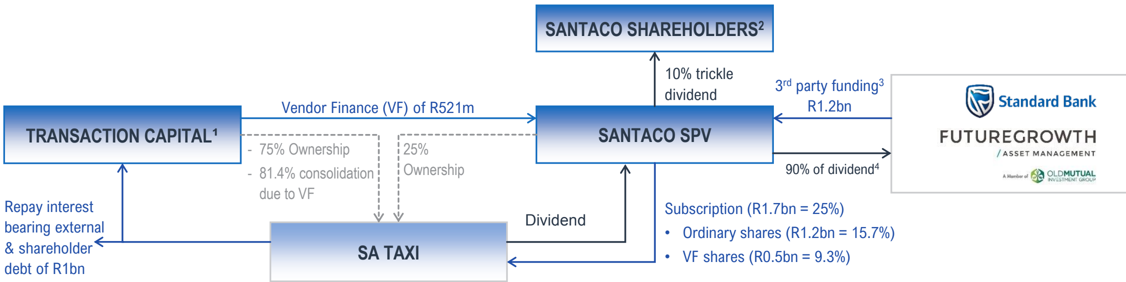
NOTES

GROUP STRATEGIC HIGHLIGHTS

SANTACO ACQUIRES 25% STAKE IN SA TAXI FOR R1.7 BILLION

Transaction Capital

CREATING A MORE SUSTAINABLE MINIBUS TAXI INDUSTRY



DELIVERS POSITIVE SOCIAL IMPACT WHILST ENHANCING COMMERCIAL RETURNS

BENEFITS FOR SANTACO & ITS MEMBERS

Ownership
- Held by SANTACO & a trust representing its broad based provincial structures, ensuring benefits accrue to all levels
- Participation in the value chain achieving sustainable benefits

Dividends
- 90% of dividends applied to debt
- 10% trickle dividend for infrastructure & developmental projects
- Project committee to assess projects
- Strict governance framework to ensure value flows to SANTACO & its members
- Partnerships with local government sought to leverage investment in projects for greater socio-economic impact

EFFECTS FOR TC GROUP: EARNINGS ACCRETIVE

SA Taxi
- Alignment with minibus taxi industry, yielding operational benefits
- Well capitalised balance sheet
  - › Settle **R1bn** of debt, yielding interest saving, future growth funded via cheaper senior debt
  - › ▲ NAV to **~R3bn** (from **~R1.6bn**)
  - › **~ 20%** ROE
- Potential B-BBEE benefits & equity empowerment

Transaction Capital (TC)
- Ungeared & well capitalised balance sheet, R1bn excess cash
- Now consolidating **81.4%** of SA Taxi's earnings (due to vendor finance)
- TC **NAV per share** ▲ **105 cps** after transaction (**FY18: 677.5cps**)
- Expected to be accretive to TC's earnings in the medium-term

1. Transaction Capital & The Empire Family Trust (representing SA Taxi's CEO, Terry Kier)
2. Project committee to assess projects put forward by industry participants
3. 3rd party funding flows into Industry SPV via Industry HoldCo
4. Dividend from 25% shareholding

GROUP STRATEGIC HIGHLIGHTS

SA TAXI INITIATIVES PROVIDING BROAD BASED PARTICIPATION IN THE VALUE CHAIN SUPPORTING & SUSTAINING THE MINIBUS TAXI INDUSTRY

Transaction Capital

"BLACK ELITE" FUEL LOYALTY PROGRAMME
- Launched in April 2018
- Partnership between SA Taxi, the industry & Shell
- Cash back & airtime awarded based on fuel spend
- Enhances instalment affordability
- Annual industry fuel spend of **~3 billion** litres
  - **> 6 300** cards distributed¹
  - **> 40%** in active use¹
  - **> 1.3 million** litres of fuel purchased¹
- Similar programmes to be launched in the future

INSURANCE INITIATIVES
- Credit life & Road Cover products launched in FY18
- Highly competitive & affordable
- Launch of new products planned
  - › Roadside assist

TAXI AUTO PARTS (TAP)
- Launched in March 2018
- Supplying affordable, quality refurbished & new parts
  - › Reduces maintenance costs
- Reduced cost of claims to manage insurance premiums

SA TAXI MEDIA
- Places advertising in & around minibus taxis
- Enables taxi owners to participate in revenue from media campaigns
- Enhances instalment affordability

INTEREST RATES

SA TAXI MAXIMUM RATE	26.5%	▼ from 28.5% (FY17)
SA TAXI AVERAGE RATE	23.6%	▼ from 24.4% (FY17)
NCA² MAXIMUM RATE	33.5%	▼ from 33.75% (FY17)

STAKEHOLDER ENGAGEMENT PROGRAMME
Engaging industry stakeholders re:
- Government subsidies
- Government funding
- Scrapping allowances

PROJECT REFENTSE
- Launched in March 2018
- Certificated training for formally unqualified technicians at ranks
- Enhances vehicle safety
- Funded & facilitated by SA Taxi Foundation

PATROL VEHICLES DONATED TO INDUSTRY
- Invested > R20 million in > 70 patrol vehicles
- Supports industry self-regulation & road safety
- Improves relations between industry & law enforcement

1. As at 30 September 2018 | 2. NCA (National Credit Act)

GROUP STRATEGIC HIGHLIGHTS

DELIVERING ON GROWTH - ACQUISITION OF NON-PERFORMING LOANS AS A PRINCIPAL

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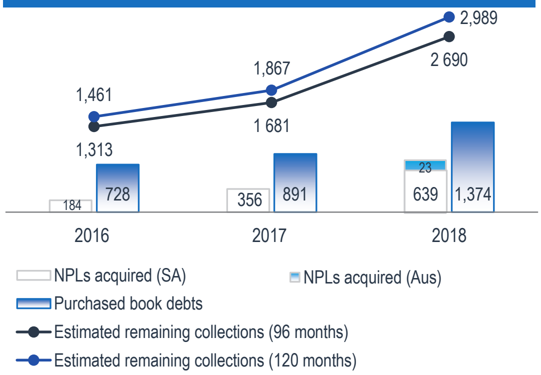
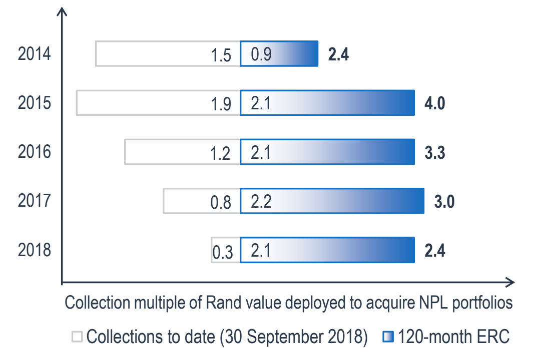
GROWTH TRAJECTORY
EXPECTED TO SUPPORT FUTURE POSITIVE PERFORMANCE



COLLECTION MULTIPLE VINTAGE PERFORMANCE [1]
AS AT 30 SEPTEMBER 2018



- Current South African economic context favours acquisition of NPL portfolios
- **37** portfolios acquired for **R662m** with a face value of **R13.6bn** (FY17: **29** portfolios for **R356m** with a face value of **R5.2bn)**
- **239** portfolios (including **11** Australian portfolios) owned in total with a face value of **R22.4bn**
- Purchased book debts ▲ **54%** to **R1 374m** (FY17: **R891m**)
- 2018 collection multiple of **2.4 times** (> internal target of ~**2.2 times**)
- Estimated remaining collections (**ERC**) ▲ **60%** to **R3.0bn** (120 months)
- Longevity in the yield of principal portfolios on book, expected to support future positive performance
- Revenue from principal collections ▲ **22%**

1. Includes only South African portfolios & excludes contracts where TCRS does not have title of the underlying claim

NOTES

GROUP STRATEGIC HIGHLIGHTS

DELIVERING ON GROWTH

Transaction Capital

ACCELERATED BOOKBUILD IN MARCH 2018

Evolution beyond foundation phase

- Expanded base of local & specifically international investors
- International shareholding ▲ to **16%** (from 6%)
- Everglen remains the largest shareholder at **29%** (from 41%)

Enhanced liquidity & daily trade

- Free float ▲ to **68%**
- At 30 September 2018
  - Average daily number of shares traded ▲ 105% to 468 558 (FY17: 228 804)
  - Average daily value traded (USD) ▲ 142% to USD 595 601 (FY17: USD 245 767)

DEBT CAPITAL MARKETS

Robust access to the debt capital markets

- SA Taxi raised **R4.0 billion** in FY18
- SA Taxi fully funded for > 12 months
- **R1 billion** Transsec 3 total issuance (initial & tap);
  - >2.6 times oversubscribed
  - >80 bps cheaper than Transsec 2 total issuance
- **20%** international debt; **80%** local debt
- $100 million deal approved with African Development Bank

Credit ratings:

- Transsec 3 senior notes: rated Aaa.za(sf) by Moodys
- Transaction Capital's R2bn note programme: rated A-$_{(ZA)}$ by GCR

STRATEGIC POSITIONING OF OPERATING DIVISIONS

6 years since listing

- HEPS compound annual growth rate (CAGR) of **20%**
- Total shareholder return FY13 to FY18 (CAGR) of **40%**

Delivering robust organic growth

- Highly defensive businesses
- Vertically integrated, diversified, efficient, scalable financial services platforms
- Led by entrepreneurial & innovative management teams
- Leverage proprietary data & technology to develop new products & expand into new markets
- Delivering both commercial returns & social benefits

UNGEARED & LIQUID BALANCE SHEET

- Balance sheet remains **well capitalised**
- Liquid excess capital **~R650 million** at 30 September 2018
- Liquid excess capital **~R1 billion** post SA Taxi's equity transaction
- Capital adequacy ratio **30.9%**
- Capacity & flexibility to continue investing in organic & acquisitive opportunities
- **Dividends growing faster than earnings,** CAGR of **33%** since FY14
- Total dividend per share ▲ **25%** to **50cps**
- Total dividend cover of **2.2 times** (FY17: 2.4 times)
- Early adoption of IFRS 9 in 2015 (prior to 2018 deadline)

Transaction Capital

SA TAXI

2018

SA TAXI

Transaction Capital

SA TAXI IS A **VERTICALLY INTEGRATED MINIBUS TAXI PLATFORM** UTILISING **SPECIALIST CAPABILITIES, ENRICHED PROPRIETARY DATA & TECHNOLOGY** TO PROVIDE **DEVELOPMENTAL FINANCE, INSURANCE** & **OTHER SERVICES** TO **EMPOWER SMEs** & **CREATE SHARED VALUE OPPORTUNITIES** THUS ENABLING THE **SUSTAINABILITY** OF THE MINIBUS TAXI INDUSTRY

An innovative & pioneering business model with operations expanding throughout the financial services & asset value chain, building a scalable platform that can be leveraged in adjacent markets

A unique blend of vehicle procurement, retail, repossession & refurbishment capabilities, with financing & comprehensive insurance competencies for focused vehicle types

Innovative technology, valuable client & market insights developed from overlaying granular telematics, credit, vehicle & other data to enable precise & informed origination, collection decisioning & proactive risk management

Enabling financial inclusion by proficiently securing funding from both local & international debt investors to judiciously extend developmental credit to SMEs that may otherwise not easily have access to credit from traditional financiers

Providing complementary business services that assist SMEs to maximise cash flow & protect their income-generating asset, thus improving their ability to succeed, as well as offering value added services to the wider industry stakeholders

Empowering under-served & emerging SMEs to build their businesses, which in turn creates further direct & indirect employment opportunities

Creating shared value opportunities by providing services to the wider industry facilitating engagement & investment

Contributing to the recapitalisation & sustainability of the minibus taxi industry – a critical pillar of the public transport sector servicing the majority of South Africa's working population

11

NOTES

SA TAXI IMPACT

DELIVERING SHARED VALUE FOR THE INDUSTRY

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SME EMPOWERMENT

BLACK OWNED SMEs | 100%
WOMEN OWNED SMEs[1] | 23%
UNDER THE AGE OF 35 YEARS[1] | 23%

SUSTAINABLE JOB CREATION

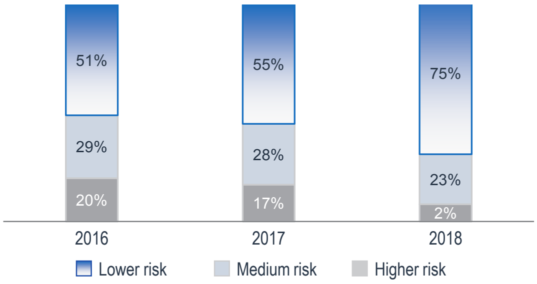
DIRECT JOBS PER TAXI VEHICLE | ~1.8
DIRECT JOBS CREATED BY SA TAXI'S FLEET SINCE 2008 | >130 000

~600 000
INDIRECT JOBS ENABLED BY THE MINIBUS TAXI INDUSTRY[2]

DIRECT JOBS CREATED BY SA TAXI'S FLEET IN FY18 | >13 000

SERVING HIGHER QUALITY TAXI OPERATORS TO CREATE A MORE SUSTAINABLE MINIBUS TAXI INDUSTRY

NEW ORIGINATION VOLUMES BY RISK GRADE



ECONOMIC TRANSFORMATION & INCLUSIVE GROWTH

DEVELOPMENTAL CREDIT ACHIEVING INCLUSIVE GROWTH

R3.3 BILLION LOANS ORIGINATED
CREATING
7 734
SMEs IN FY18

R21.9 BILLION LOANS ORIGINATED
CREATING
72 423
SMEs SINCE 2008

FACILITATES ASSET OWNERSHIP BY BLACK SMEs

~80%
SA TAXI CUSTOMERS CLASSIFIED AS PREVIOUSLY FINANCIALLY EXCLUDED & UNDER-BANKED

~640
SCORE BELOW WHICH BANKS ARE UNLIKELY TO OFFER FINANCE

~600
AVERAGE SCORE AT WHICH SA TAXI GRANTS FINANCE

INVESTOR RETURNS

ROE | 25.9%
HEADLINE EARNINGS FROM FY17 | ▲21%

DEVELOPING PUBLIC TRANSPORT INFRASTRUCTURE

7 734
RELIABLE NEW & PRE-OWNED MINIBUS TAXIS ON THE ROAD IN FY18

ENVIRONMENTAL SUSTAINABILITY

9.8%
ABATEMENT ON CARBON EMISSIONS[3]

COMMUTER EXPERIENCE

REPLACEMENT OF AGED MINIBUS TAXI FLEET

COMMUNICATE & TRANSACT VIA SA TAXI'S CONNECTED SERVICES BUSINESS

1. On FY18 originations
2. Department of Transport Minister Dipuo Peters address at National Council of Provinces Budget vote NCOP 2014/15
3. Percentage of tCO_2e abatement saved in 2017 through SA Taxi's financing activities

ENVIRONMENT & MARKET CONTEXT

MINIBUS TAXI INDUSTRY IS RESILIENT, DEFENSIVE & GROWING DESPITE SA'S ECONOMIC CLIMATE

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TRAIN
< 800 000 ▼ 22%
COMMUTER TRIPS DAILY
RECEIVES 44% OF GOVERNMENT SUBSIDY
~3 100 KM NATIONAL NETWORK
~500 TRAIN STATIONS

MINIBUS TAXI
OVER 15 MILLION ▲
COMMUTER TRIPS DAILY
COMMERCIALLY SELF-SUSTAINABLE RECEIVES NO GOVERNMENT SUBSIDY
~250 000 MINIBUS TAXIS
>2 600 TAXI RANKS
~19 BILLION KM TRAVELLED (per year)

BUS
<1 MILLION *No change*
COMMUTER TRIPS DAILY

BUS RAPID TRANSPORT (BRT)
>120 000 *No change*
COMMUTER TRIPS DAILY

RECEIVES 56% OF GOVERNMENT SUBSIDY

Bus:
>19 000 REGISTERED BUSES
>100 BUS STATIONS
~1 BILLION KM TRAVELLED (per year)

BRT:
3 METROPOLITANS
<700 REGISTERED BUSES
~150 BUS STATIONS; <100 ROUTES

PUBLIC TRANSPORT COMMUTERS RELY ON MINIBUS TAXI GIVEN ITS ACCESSIBILITY, AFFORDABILITY, RELIABILITY & FLEXIBILITY

- **40%** of South Africans use public transport
- Minibus taxi is the dominant form of public transport
- Minibus taxi is an essential service & spend is non-discretionary

GROWING MINIBUS TAXI USAGE

- Since 2013, minibus taxi usage (▲ **>25%**)
- **69%** of all households use minibus taxis (59% in 2003)
- **76%** of all work & educational public transport trips

- Population growth (▲ **9%**)
- Increasing commuter density due to urbanisation
- Transformation of minibus taxi industry due to ▲ regulation & capitalisation, attracting a more sophisticated taxi operator
- New passenger vehicle sales ▼ **19%** (FY13 to FY18)

Source: Stats SA Land Transport Survey 2018 | NAAMSA Sales Results | National Treasury Public Transport & Infrastructure system report | Department of Transport -Transport Infrastructure report | Passenger Rail Agency of SA | SA Bus Operators Association | FIN 24 – "New public transport system" 14/10/2017 | Websites: Rea Vaya, MyCiTi, Rustenberg Rapid Transport

ENVIRONMENT FOR MINIBUS TAXI OPERATORS

MINIBUS TAXI OPERATORS REMAIN RESILIENT IN A CHALLENGING ECONOMIC ENVIRONMENT

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CHALLENGING ENVIRONMENT

VEHICLE PRICES

▲ to 15% — VAT RATE — FY17: 14%

R433 300[1] — TOYOTA SESFIKILE (DIESEL) PRICE — Since FY15: ▲ 20%

▲ ~R1 900 — IMPACT ON MONTHLY INSTALMENT

INTEREST RATES

▼ to 6.6% — SA REPO RATE (AVG) — FY17: 6.95%

23.6% — AVE. INTEREST RATE AT ORIGINATION — Since FY15: ▼ 0.2%

▼ ~R52 — IMPACT ON MONTHLY INSTALMENT

FUEL PRICES

R14.61 per litre[2] — ▲ 12% PETROL PRICE (12 MONTH AVG) — FY17: 13.00

R12.98 per litre[2] — ▲ 16% DIESEL PRICE (12 MONTH AVG) — FY17: 11.19

INDUSTRY RESPONSE

- **Fare increases** July 2018
- Better **asset utilisation & productivity**

▲ OPERATOR INCOME AT ORIGINATION

SA TAXI'S RESPONSE

- Lower risk loan origination strategy
- Better **route** selection

STRUCTURAL ELEMENTS

- DOMINANT & GROWING MODE OF PUBLIC TRANSPORT (Competitively priced; convenient; accessible)
- INCREASING COMMUTER DENSITY DUE TO URBANISATION
- NEW PASSENGER VEHICLE SALES ▼ 19% (FY13 to FY18)
- COMMERCIALLY SELF-SUSTAINABLE (Receives NO government subsidy)
- INTEGRATED COMPONENT OF PUBLIC TRANSPORT NETWORK
- CONTINUED HIGH LEVELS OF UNEMPLOYMENT >27%
- PUBLIC TRANSPORT SPEND IS NON-DISCRETIONARY
- DEMAND FOR MINIBUS TAXI VEHICLES > SUPPLY
  - Ageing national fleet requiring replacement & recapitalisation
  - Driving higher demand for vehicles that are reliable & efficient

- Improved credit performance as SA Taxi is selective on credit risk, due to limited supply
- Improved recoveries as asset retains value due to demand > supply
- Liquid market for high quality & affordable SA Taxi pre-owned vehicles

1. Toyota recommended retail price, including VAT, as at 30 September 2018
2. www.energy.gov.za: 12 month rolling average petrol price (September 2017 to September 2018)

NOTES

ENVIRONMENT FOR MINIBUS TAXI OPERATORS

FUEL PRICE INCREASES PARTIALLY ABSORBED BY COMMUTERS THROUGH FARE INCREASES IN 2018

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FARES DETERMINED BY EACH ASSOCIATION PER ROUTE

- The industry ensures operators remain profitable
- Demand for minibus taxi services is relatively inelastic

FARE INCREASE CONSIDERATIONS INCLUDE

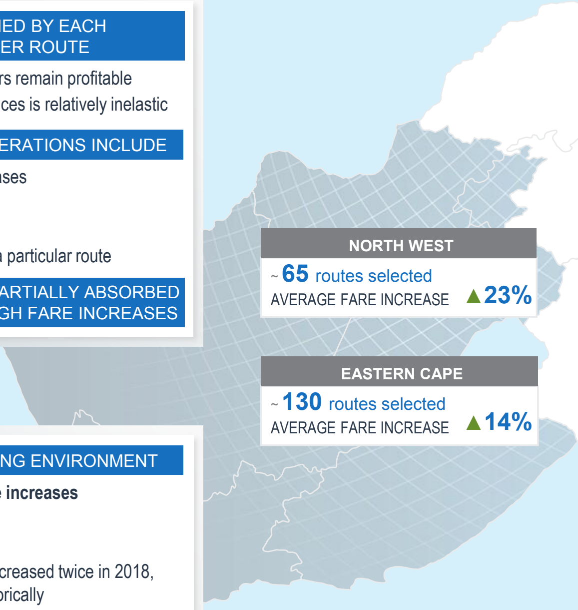
- Timing & extent of prior increases
- Commuter affordability
- Operator profitability
- Other modes of transport for a particular route

FUEL PRICE INCREASES PARTIALLY ABSORBED BY COMMUTERS THROUGH FARE INCREASES

CHALLENGING OPERATING ENVIRONMENT

Resulted in more frequent fare increases

- Fuel prices high
- Vehicle prices high
- In some regions fares were increased twice in 2018, compared to once a year historically



MPUMALANGA
~ 80 routes selected
AVERAGE FARE INCREASE ▲9%

NORTH WEST
~ 65 routes selected
AVERAGE FARE INCREASE ▲23%

GAUTENG INCLUDING SOWETO
~ 240 routes selected
AVERAGE FARE INCREASE ▲15%

EASTERN CAPE
~ 130 routes selected
AVERAGE FARE INCREASE ▲14%

KWA-ZULU NATAL
~ 250 routes selected
AVERAGE FARE INCREASE ▲10%

Source: Industry information

ENVIRONMENT FOR MINIBUS TAXI OPERATORS

MINIBUS TAXI IS THE PREFERRED MODE OF PUBLIC TRANSPORT DUE TO COMPETITIVE PRICING, ACCESSIBILITY & RELIABILITY

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SHORT DISTANCE ROUTE | SOWETO TO JOHANNESBURG: 23KM

	Minibus taxi	Train	Bus	BRT
Accessibility	On route	Station & scheduled	Scheduled stops	Scheduled stops
Affordability 2016	R12.00	R8.50	N/A	R13.30
Increase	17%	12%		2%
Affordability 2017	R14.00	R9.50	R14.80	R13.50
Increase	14%	0%	20%	11%
Affordability 2018	R16.00	R9.50	R17.80	R15.00
Reliability	1 association with ~1400 members	Every 10 to 20 minutes Stops at 7pm	A few buses operating on the route	Volume of buses < peak capacity required
Efficiency				

AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY[1]
~R20 000 PER MONTH

LONG DISTANCE ROUTE | JHB TO DURBAN: 595KM

	Minibus taxi	Train	Bus - Eldo	Bus - Greyhound
Accessibility	On route	Station & scheduled	Scheduled stops	Scheduled stops
Affordability 2016	R270.00	N/A	R210.00	R310.00
Increase	7%		14%	26%
Affordability 2017	R290.00	R360.00	R240.00	R390.00
Increase	3%	8%	0%	1%
Affordability 2018	R300.00	R390.00	R240.00	R395.00
Reliability	3 associations with ~690 members	3x per week	7 departures each per day (fewer on a Saturday)	
Efficiency				

AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY[1]
~R35 000 PER MONTH

1. Based on SA Taxi's affordability calculator at origination | Average operator profitability varies based on profile of financial deal
   - Factors include: new vs. pre-owned vehicle, loan term, deposit paid, region, association, route dynamics & demand, insurance products taken-up
   - SA Taxi's model measuring operator profitability remains conservative: maintenance & fuel costs per km ▲ 20% in 2018 accounting for fuel price ▲& exchange rate movements

Source: Industry information | Websites: Metrorail; Bus Rapid Transport; Rea Vaya; Various bus companies

SA TAXI MARKET POSITIONING
VERTICALLY INTEGRATED BUSINESS MODEL

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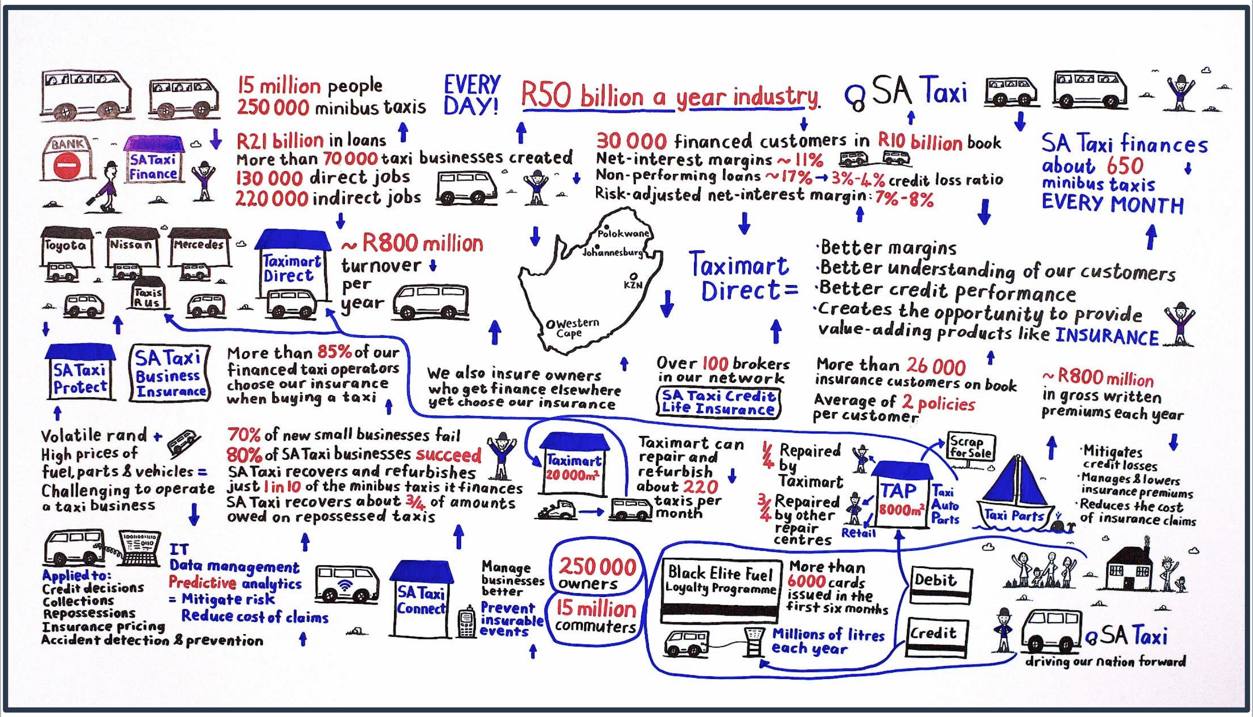

17

NOTES

SA TAXI MARKET POSITIONING

VERTICALLY INTEGRATED BUSINESS MODEL

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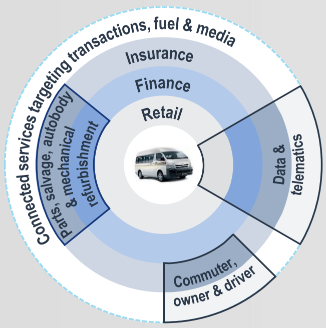
TO PROVIDE FINANCE, INSURANCE & OTHER SERVICES THAT ENABLE THE SUSTAINABILITY OF THE MINIBUS TAXI INDUSTRY



FINANCING OPERATIONS

R9.4 BILLION ▲ 13%	3.3%
GROSS LOANS & ADVANCES	CREDIT LOSS RATIO

11.0%
NET INTEREST MARGIN

30 617 ▲ 7%	17.7%
LOANS ON BOOK	NON-PERFORMING LOAN RATIO

INSURANCE OPERATIONS

R687 MILLION ▲ 23%	>85%
GROSS WRITTEN PREMIUM	FINANCED CLIENTS ALSO INSURED BY SA TAXI[1]

>100
BROKER NETWORK

~26 000 ▲ 10%	~2.0
INSURANCE CLIENTS	PRODUCTS PER CLIENT

TAXIMART DEALERSHIP

~R800 MILLION	~8%
VEHICLE TURNOVER IN FY18	AVERAGE RETAIL MARGIN PER VEHICLE

TAXIMART AUTOBODY & MECHANICAL REFURBISHMENT, PARTS, SALVAGE

>73%	TAP TAXI AUTO PARTS	~220 per month
RECOVERY RATES ON REPOSSESSION, REFURBISHMENT & RESALE	LAUNCHED IN MARCH 2018	INTERNAL VEHICLE REFURBISHMENT CAPACITY

CONNECTED SERVICES

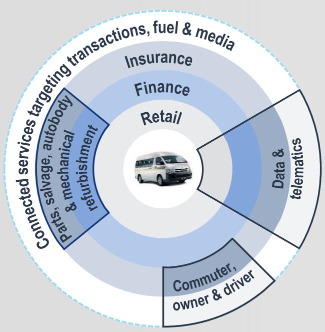
BLACK ELITE	>6 300	~1.3 MILLION
FUEL LOYALTY PROGRAMME Launched April 2018	CARDS DISTRIBUTED	LITRES OF FUEL PURCHASED

1. 100% of taxis financed by SA Taxi are fully insured, > 85% of SA Taxi's financed clients independently elect to be insured by SA Taxi

SA TAXI STRATEGIC GROWTH INITIATIVES

Transaction Capital

TO PROVIDE FINANCE, INSURANCE & OTHER SERVICES THAT ENABLE THE SUSTAINABILITY OF THE MINIBUS TAXI INDUSTRY



INSURANCE OPERATIONS

- Broadened client base (financed by SA Taxi & open market clients)
- Mobilised broker network to >100 brokers
- Broadened product offering (Credit life & Road Cover)
- Reduced cost of claim (broadening of & efficiencies in SA Taxi's autobody & mechanical refurbishment facility)

ACCRETIVE INDUSTRY INCLUSION

- Assist in growing finance, insurance & dealership verticals
- Participation in select new business verticals (e.g. "Black Elite" fuel campaign)

CONNECTED SERVICES

- Broaden SA Taxi's total addressable market
- Initiation to communicating & transacting with >250 000 minibus taxi operators
- Migrating to provision of financial products & services to ~9.9 million households or >15 million commuters

FINANCING OPERATIONS

- Continue to enrich SA Taxi's proprietary database & invest into risk mitigating technologies

TAXIMART AUTOBODY & MECHANICAL REFURBISHMENT, PARTS, SALVAGE

- New vertical integration
  - Parts procurement & distribution
  - Retail to operators
  - Salvage operations established

TAP TAXI AUTO PARTS
LAUNCHED IN MARCH 2018

TAXIMART DEALERSHIP

- Better credit performance & insurance take-up
- Limit unnecessary add-ons, making instalments more affordable for operators
- Expanding network, Polokwane in October 2018

INVESTMENT INTO DATA, TECHNOLOGY & ANALYTICS

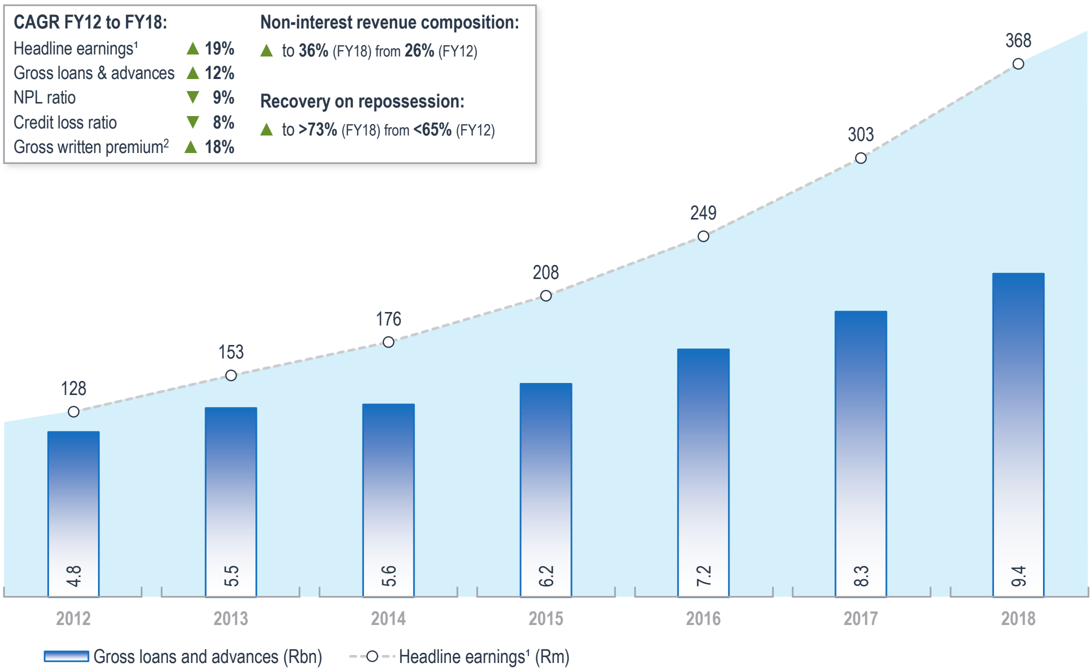
- Designed to reduce risk, prevent insurable events & reduce cost of insurance claims
- Achieve operational efficiencies & leverage

Source: National Household Transport Survey 2013

SA TAXI PERFORMANCE SINCE LISTING

Transaction Capital

CAGR FY12 to FY18:		Non-interest revenue composition:
Headline earnings[1]	▲ 19%	▲ to **36%** (FY18) from **26%** (FY12)
Gross loans & advances	▲ 12%	
NPL ratio	▼ 9%	**Recovery on repossession:**
Credit loss ratio	▼ 8%	▲ to **>73%** (FY18) from **<65%** (FY12)
Gross written premium[2]	▲ 18%	



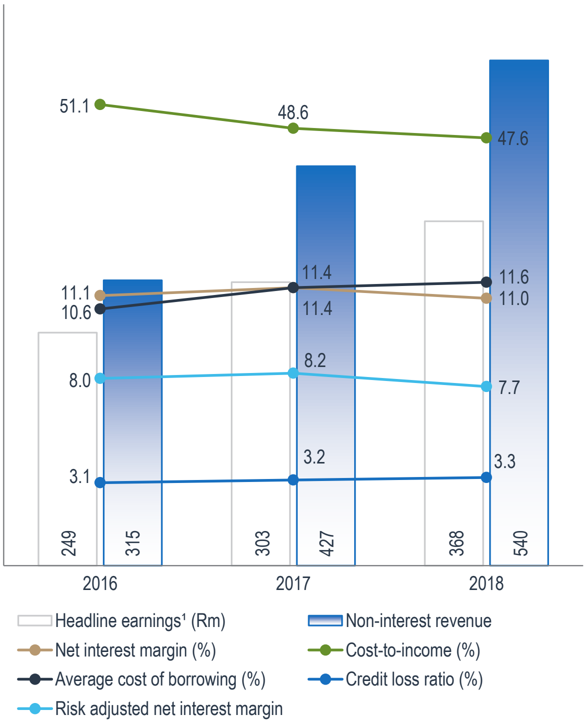
Financial years 1 October to 30 September | Adopted IFRS 9 in 2015. 2014 numbers on a pro forma IFRS 9 basis | 2012 & 2013 numbers on an IAS 39 basis as reported
1. Headline earnings attributable to the group | 2. CAGR from FY14 to FY18

20

NOTES

SA TAXI FINANCIAL PERFORMANCE

Transaction Capital

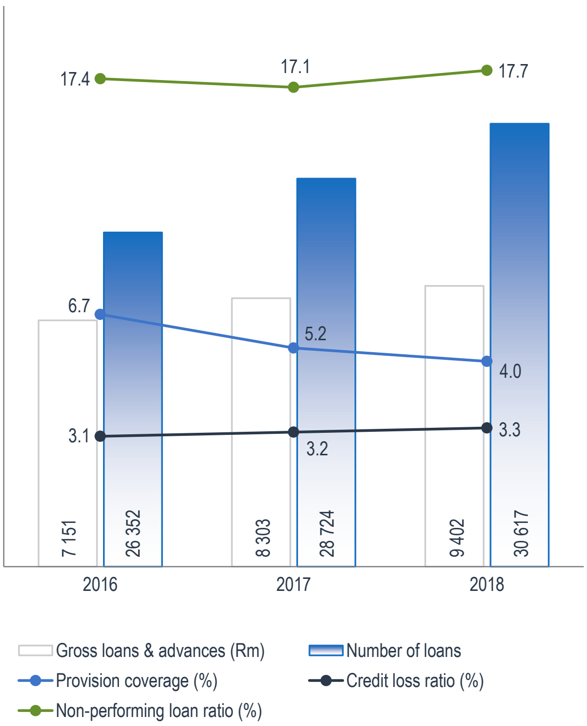


- Headline earnings[1] ▲ **21%** to **R368m**
  - All organic growth
- NIM at **11.0%**
  - Average interest rate on origination **23.6%** (FY17: 24.4%)
    - NCA max cap of **33.5%**
  - Funding costs ▲ by **20bps** to **11.6%** (FY17: 11.4%)
    - Repo rate ▼ **25bps**
    - Foreign debt composition stable at **20%** throughout the period, fully hedged to Rand
  - Gearing ▼ to **7.4 times** from **7.7 times**
- Credit loss ratio of **3.3%** (FY17: 3.2%; HY18: 3.7%)
  - Risk-adjusted NIM at **7.7%**
- Non-interest revenue ▲ **26%** to **R540m**, driven by:
  - Gross written premium ▲ **23%**
    - No. of insurance clients ▲ **10%**
    - Products per client ▲ to **2** (HY18: 1.8)
- Cost-to-income ratio improved to **47.6%** from 48.6%
- Effective tax rate at **24.3%,** resulting from consolidation of insurance operations

1. Headline earnings attributable to the group

SA TAXI CREDIT PERFORMANCE

Transaction Capital



- Gross loans & advances ▲ **13%** to **R9.4bn**
  - Number of loans on book ▲ **7%**
  - Rand value of loans originated ▲ **9%**
  - Toyota vehicle prices: diesel ▲ **2%;** petrol ▲ **1%**
  - VAT ▲ **1%** on 1 April 2018
- NPL ratio at **17.7%**
  - Challenging operating environment
    - Petrol price[1] ▲ **12%,** diesel price[1] ▲ **16%**
- Recovery on repossession **>73%** of settlement value
- Credit loss ratio at **3.3%** (FY17: 3.2%; HY18: 3.7%)
  - Improved quality & efficiencies in refurbishment centre
    - TAP launched in March 2018
    - Ave. refurb cost ▼ **4%** in FY18 (~R71 000 from ~R74 000)
    - Ave. refurb cost ▼ **20%** since FY16
  - Enabling slight increase in disposal via auction & salvage
  - Target credit loss ratio remains **3%** to **4%**
- Provision coverage at **4.0%**
  - Lower risk loan origination strategy
  - ▼ exposure to older vehicle models
  - Annualised TAP impact: ave. refurb cost ▼ **12%**
  - Profit before tax ▲ **18%;** pre-provision profit ▲ **18%**
  - After tax credit loss covered at **1.7** times
  - IFRS 9 adopted in 2015;more conservative methodology

1. www.energy.gov.za: 12 month rolling average price (September 2017 to September 2018)

SA TAXI OPERATIONAL PERFORMANCE

Transaction Capital

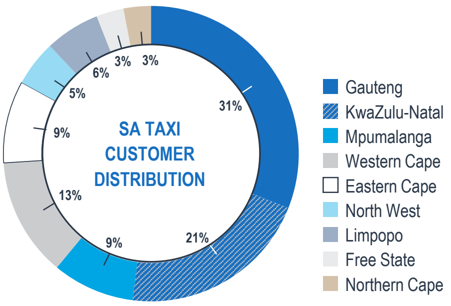
SA TAXI OPERATOR PROFILE

1.2 VEHICLES PER CUSTOMER	**3.9 YEARS** AVERAGE AGE OF VEHICLE
47 YEARS AVERAGE AGE OF OWNER	**85%** TOYOTA VEHICLES
31% LOANS ORIGINATED TO REPEAT CUSTOMERS (DURING FY18)	

CREDIT PROFILE OF LOANS ON BOOK

69 MONTHS AVERAGE LOAN TERM[1]	**37%** AVERAGE APPROVAL RATE
>R6 000 MINIMUM MONTHLY OPERATOR PROFIT	**47 MONTHS** AVERAGE REMAINING LOAN TERM
3.3% CREDIT LOSS RATIO	**>73%** RECOVERY RATES ON REPOSSESSION

SA TAXI GEOGRAPHIC DISTRIBUTION



TYPICAL NEW CREDIT AGREEMENT[2]

- Recommended retail price *(Toyota diesel)* R433 300
- Interest charged 23.6%
- Term in months 72
- Origination fee (incl VAT) R2 990

- Finance instalment R11 250
- Insurance instalment R2 950 *(Comprehensive, credit life & other)*
- Administration fee (incl VAT) R69
- Telematics fee R300
- Total monthly instalment R14 569

Percentages calculated based on Rand value
1. Average loan term at origination
2. New Toyota diesel

23

NOTES

Transaction Capital

TRANSACTION CAPITAL RISK SERVICES

2018

RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

TRANSACTION CAPITAL RISK SERVICES (TCRS)

Transaction Capital

TRANSACTION CAPITAL RISK SERVICES IS A **TECHNOLOGY-LED, DATA-DRIVEN** PROVIDER OF **CUSTOMER MANAGEMENT SOLUTIONS** IN SOUTH AFRICA & AUSTRALIA THROUGH A **SCALABLE & BESPOKE FINTECH PLATFORM,** ENABLING ITS **CLIENTS** TO **MITIGATE RISK** THROUGH THEIR CUSTOMER ENGAGEMENT LIFECYCLE

- *Innovative & bespoke technology systems driving superior performance & efficiency*
- *Generating in-depth insights from the continuous collection of accurate & valuable data to develop a consolidated view of an individual that enables precise & informed internal & external decisioning*
- *Improving its clients' ability to originate, manage & collect from their customers through their lifecycles, thus maximising value*
- *Assisting its clients by accelerating cash flow as an agent on an outsourced contingency or fee-for-service ("FFS") basis, or as a principal in acquiring & collecting non-performing loan portfolios*
- *Proactive workforce management & technology facilitate a flexible & dynamic servicing capability able to meet a client's unique requirements*
- *Regarded as a trusted partner by large consumer-facing businesses & credit providers across multiple industries*
- *Enabling clients to generate higher risk-adjusted returns through their engagements with their customers at the point of origination, management & collection*

ENVIRONMENT & MARKET CONTEXT

DEFENSIVELY POSITIONED IN A CHALLENGING CONSUMER CREDIT ENVIRONMENT

Transaction Capital

MACRO- & SOCIO-ECONOMIC ENVIRONMENT IN SOUTH AFRICA

37 MILLION ADULTS[1]

25 MILLION CREDIT ACTIVE CONSUMERS[2]

- 9.6 MILLION (~40%) NON-PERFORMING CREDIT CONSUMERS[2]
- HOUSEHOLD DEBT TO INCOME AT 71.3% (▼ from 72.6% FY17)
- ELEVATED LEVELS OF UNEMPLOYMENT AT 27.5% IN Q3 2018 (▼ from 27.7% Q3 2017)
- ESCALATING COSTS OF HOUSEHOLD ESSENTIALS OVER THE MEDIUM-TERM AT 4.9% (▼ from 5.1% at FY17)[3]
- WAGE GROWTH < COST OF HOUSEHOLD ESSENTIALS
- MARGINALLY LOWER INTEREST RATE ENVIRONMENT REPO AT 6.5% (▼ from 6.75% at FY17)
- CREDIT EXTENSION RESTRAINED
- IMPROVED POLITICAL BACKDROP (Q1 2018)
  Did not yield increased credit extension, retail fundamentals or pick-up in consumption

OUTLOOK ON SA's CONSUMER

- Consumer confidence will remain subdued unless government implements growth-boosting structural reforms
- Slow deleverage of the SA consumer in the medium-term

EFFECT ON TCRS

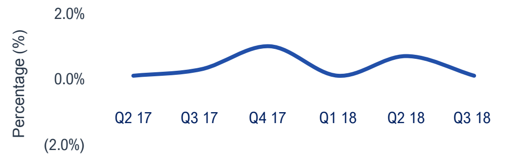
- Should an improving consumer credit environment materialise, TCRS is expected to perform better
  - Higher levels of consumer credit extension
  - Increase in the number of matters handed over in agency mandates
  - Increasing yield on previously acquired NPL portfolios

CREDIT REHABILITATION IS A CRUCIAL ELEMENT IN GROWING AN INCLUSIVE ECONOMY

TRANSACTION CAPITAL'S CONSUMER CREDIT REHABILITATION INDEX

% CHANGE IN REHABILITATION PROSPECT FOR Q3 2018	
QUARTER ON QUARTER Q3 2018 with Q2 2018 ▼ 0.2%	YEAR ON YEAR Q3 2018 with Q3 2017 ▲ 0.7%

NATIONAL REHABILITATION PROSPECT TRENDS



- TCRS algorithm to score propensity to repay debt
- Empirically based sample of >5 million SA consumers in credit default
- National rehabilitation prospects remain subdued, with limited improvement or deterioration
  - ▲ by 0.4% (Q3 17 vs. Q2 17)
  - ▲ by 1.0% (Q4 17 vs. Q3 17)
  - ▼ by 0.8% (Q1 18 vs. Q4 17)
  - ▲ by 0.7% (Q2 18 vs. Q1 18)
  - ▼ by 0.2% (Q3 18 vs. Q2 18)
- Rehabilitation allows:
  - Consumers to access credit & re-enter consumer market
  - Lenders to maintain cleaner B/S to continue extending credit at affordable costs

Source: Stats SA 2018
1. Aged 15 to 65 | 2. NCR data at June 2018 | 3. Inflation measured at 30 September 2018 & 30 September 2017

26

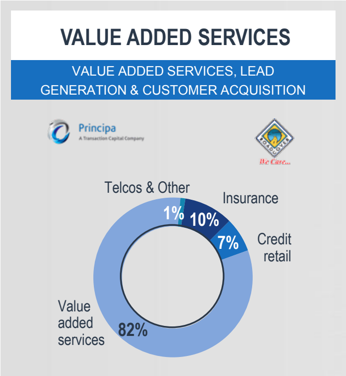
NOTES

TCRS MARKET POSITIONING

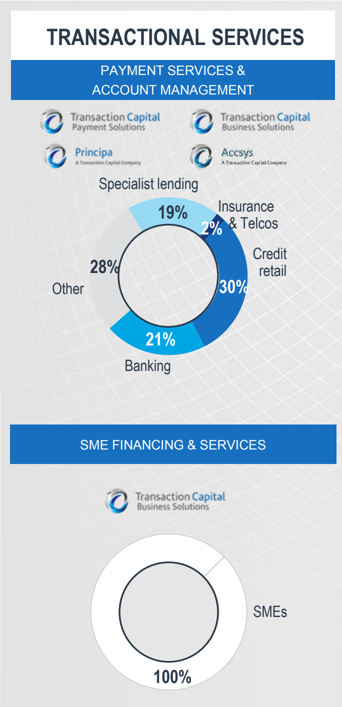
DIVERSIFIED BUSINESS MODEL

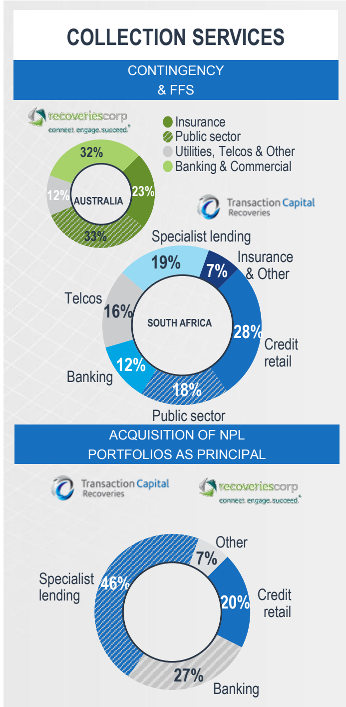
Transaction Capital

DIVERSIFICATION SUPPORTS PERFORMANCE IN VARYING MARKET CONDITIONS & REDUCES CONCENTRATION RISK



- **2 geographies**: South Africa & Australia
- **3 business activities**: Value added services, Transactional services & Collection services
- **Collection Services diversified by revenue model**: Acquisition of NPL portfolios vs. contingency & FFS collector
- **Collection services diversified**
  - › **Across various sectors**: Banking, specialist lending, credit retail, utilities, telcos, insurance & public sectors
  - › **By client base**: 126 clients (SA:82 | Aus:44)
  - › **By mandates**: 300 mandates[1](SA:209 | Aus:91)





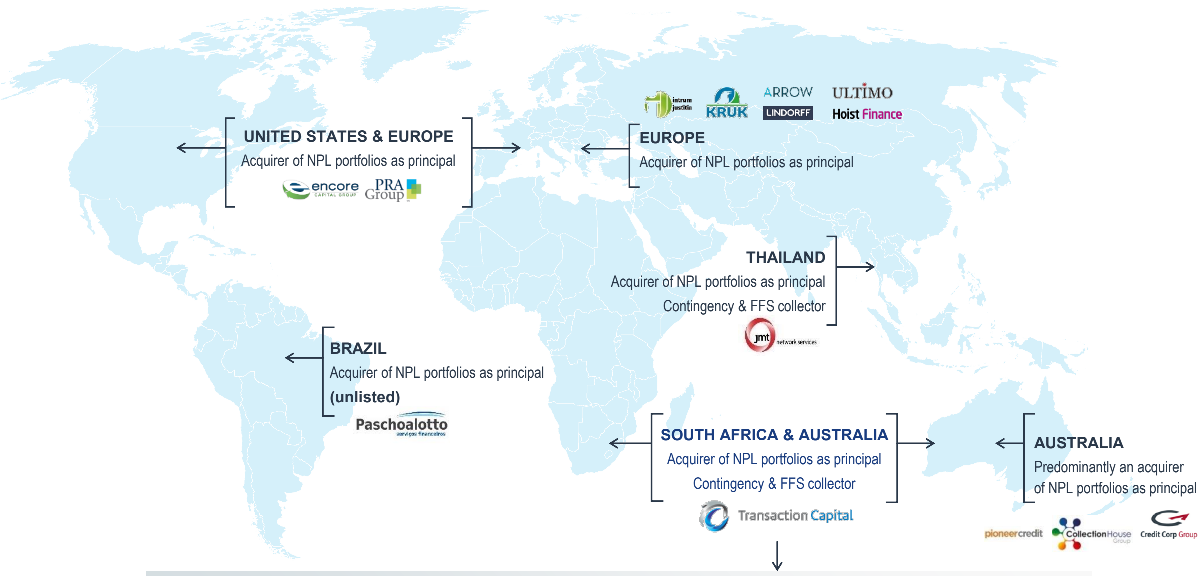
1. In South Africa TCRS ranks 1st or 2nd in 93% of our 209 mandates. In Australia Recoveries Corporation is ranked 1st or 2nd by clients in 79% of banking, government & commercial mandates

Sectors split by revenue per segment as at 30 September 2018

TCRS MARKET POSITIONING

UNIQUE COMPARED TO GLOBALLY LISTED PEERS

Transaction Capital



Diversification supports performance in varying market conditions

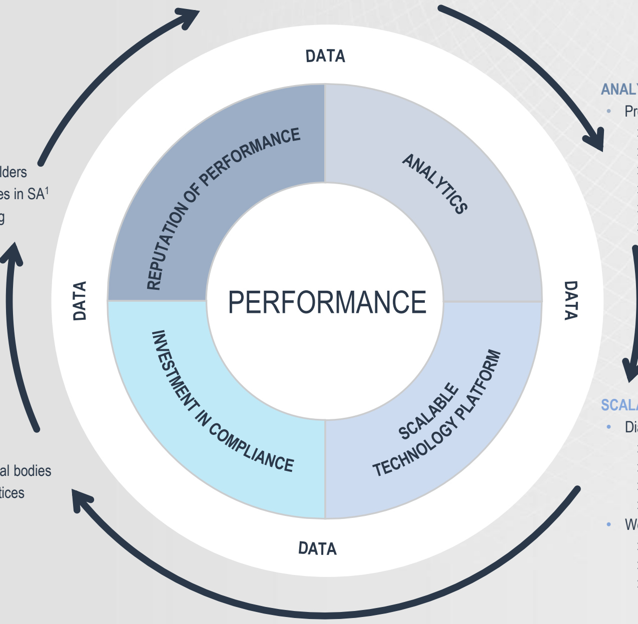
- **Across 2 geographies:** South Africa & Australia
- **Diverse revenue model:** Acquisition of NPL portfolios vs. contingency & FFS collector
- **Across various consumer credit sectors:** Banking, specialist lending, credit retail, utilities, telcos, insurance & public sectors

TCRS MARKET POSITIONING
COMPETITIVE ADVANTAGES

Transaction Capital

TCRS PROPRIETARY DATA
- Database of South Africa's distressed consumers
- Continuously enriched (with collection & ContactAbility results)

REPUTATION OF PERFORMANCE
- Only local listed industry participant
- Diverse range of local & international stakeholders
- Ranked as best or 2nd best in 93% of mandates in SA[1]
- Management & business information providing customised value add insights to clients, allowing TCRS to win more mandates



ANALYTICS
- Predictive & layered voice analytics to determine:
  - Propensity to pay
  - Right time to call
  - Right day to pay
  - Dynamic matter prioritisation
  - Optimised campaign
  - Veracity of Promise to Pay

INVESTMENT IN COMPLIANCE
- Fair treatment of our clients' customers
- Compliant with legislation
- Active membership across various professional bodies
- Benchmarking against international best practices

SCALABLE TECHNOLOGY PLATFORM
- Dialer enhances scale of ContactAbility
  - Enabled over any omni-channel
  - ~38 million outbound calls per month
  - ~6.1 million voice interactions per month
  - ~650 000 payments received per month
- Workforce management enables
  - Flexible work-hour scheduling
  - ▲ talk time, activations
  - ▼ staff turnover, cost of collection

1. In Australia Recoveries Corporation is ranked 1st or 2nd by clients in 79% of banking, government & commercial mandates

29

NOTES

STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

Transaction Capital

VALUE ADDED SERVICES

VALUE ADDED SERVICES, LEAD GENERATION & CUSTOMER ACQUISITION

- Apply data & analytics skills to Road Cover
- Commercialise TCRS' Master Data Universe (MDU)
  - Direct sales via MDU to leverage off rehabilitated principal customers

INVESTMENT INTO DATA, TECHNOLOGY & ANALYTICS

- Optimisation: Work force management, dialer, propensity to pay scorecards & right time to call
- Implementation of new technologies including artificial intelligence & digital communications
- Expansion & commercialisation of TCRS' MDU
  - >12 million ID numbers
- Expanding TCRS' technology, BI & analytics to RCGL in Australia

TRANSACTIONAL SERVICES

PAYMENT SERVICES & ACCOUNT MANAGEMENT

- Creation of a payment services platform
- Cross sell Transaction Capital Payment Solutions & Road Cover services to Accsys clients

SME FINANCING & SERVICES

- Fintech opportunities
  - Online client portal
  - Technology based originations

COLLECTION SERVICES

CONTINGENCY & FFS

SOUTH AFRICA:
- New sectors: Insurance, education & other
- Bespoke solutions (e.g. early stage collections, debt review & debt administration)
- Increased focus: Telcos & tier 1 banks
- Bolt-on acquisitions (specialist collections & niched mandates)

AUSTRALIA:
- Technology to create operational efficiencies
- Bolt-on acquisitions: Specialist collectors

ACQUISITION OF NPL PORTFOLIOS AS PRINCIPAL

SOUTH AFRICA:
- Capital Solutions with municipalities & SOEs
- Bilateral forward flow & structured transactions
- Alternative assets classes: Mortgage, VAF, debt review, pre write-off portfolios

AUSTRALIA:
- Exploring NPL acquisitions selectively
- Bolt on acquisitions: Specialist NPL acquirers

30

AUSTRALIAN DEBT COLLECTIONS MARKET

Transaction Capital

REVENUE OF ~A$1.2 BILLION FOR 2018

MARKET PARTICIPANTS

AUSTRALIAN DEBT COLLECTION MARKET: 557 MARKET PARTICIPANTS

ACQUISITION OF NPLs AS PRINCIPAL	62.7%	CONTINGENCY COLLECTIONS	30.5%
• Credit Corp	16.4%	• illion (formerly Dun & BradStreet)	3.8%
• Collection House	12.6%	• Recoveries Corporation (TCRS)	3.5%
• Pioneer Credit Limit	4.8%	OTHER COLLECTIONS	6.8%
• ACM Group	4.0%		

FRAGMENTED MARKET, COMPRISING A FURTHER 551 MARKET PARTICIPANTS

NPL PORTFOLIOS SOLD PER ANNUM

~A$600 MILLION

vs. South Africa ~ R600 – R700 MILLION

- ~A$500 MILLION — Credit Corp Group, CollectionHouse Group, pioneer credit, PANTHERA FINANCE
- ~A$100 MILLION — Many smaller players in a fragmented market

AUSTRALIAN CONSUMER CREDIT ENVIRONMENT

AUSTRALIAN CONSUMER EMPLOYED BUT HIGHLY LEVERAGED
- **5.3%** unemployment (August 2018)
- Household debt to disposable income **> 190%**
- Monthly debt servicing costs, excluding home, is **51%**

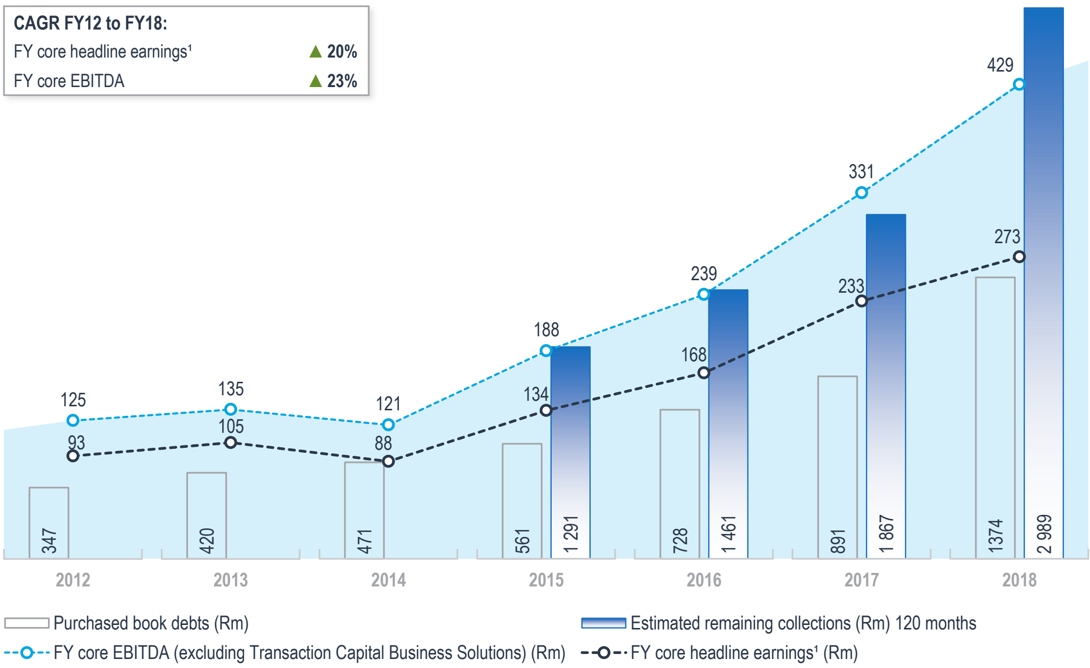
AUSTRALIAN DEBT COLLECTION ENVIRONMENT
- Strong levels of credit extension
- Regulatory environment & legislation more evenly balanced, no consumer bias
- High ability to contact & transact via voice & digital channels
- Moral obligation to repay debt

Source: IBIS World report "Debt collection in Australia 2017/2018"
Transaction Capital estimates per analysis of reported results by companies mentioned above

31

TCRS PERFORMANCE SINCE LISTING

Transaction Capital



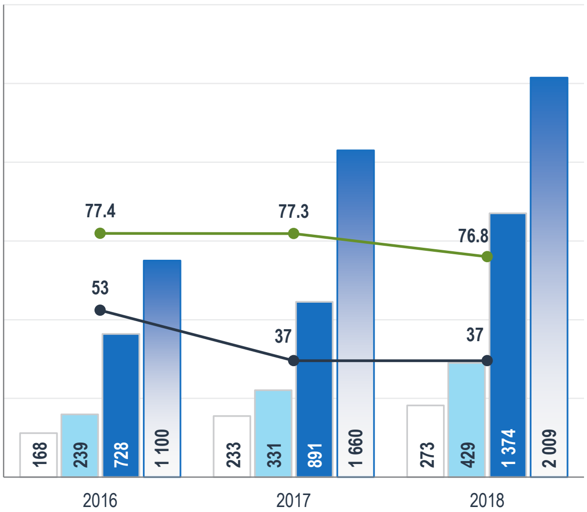
Financial years 1 October to 30 September | Adopted IFRS 9 in 2015 | 2014 numbers on a pro forma IFRS 9 basis | 2012 & 2013 numbers on an IAS 39 basis as reported
1. Headline earnings attributable to the group

32

NOTES

TCRS FINANCIAL PERFORMANCE

Transaction Capital



Headline earnings (Rm)
Core EBITDA[1] (Rm)
Purchased book debts (Rm)
Total income (Rm)
Cost-to-income[2] (%)
Principal/contingency & FFS collections revenue split

- Core headline earnings ▲ **17%** to **R273m**
- Revenue from principal collections ▲ **22%**
- Contingency & FFS revenue ▲ **19%**
  - › Growing revenue from adjacent sectors
  - › Insurance, telecommunications & public sector contributing **38%** of SA contingency revenue (FY17: 27%)
  - › South Africa: Ranked as 1st or 2nd by clients in 93% of our 209 mandates
  - › Australia: Ranked 1st or 2nd by clients in 79% of banking, government & commercial mandates
- Cost-to-income ratio improved (excluding the effect of acquisitions) to 76.8% from 77.3%
  - › Total costs ▲ **7%[2]**
  - › Continued investment in data (MDU), technologies (dialer & workforce management) & analytics yielding efficiencies
  - › Frugal cost management

1. Core EBITDA (excluding Transaction Capital Business Solutions)
2. Excluding the effect of acquisitions

INVESTMENT INTO PEOPLE

EMPLOYEE VALUE PROPOSITION | MAKING IT AN EXCITING PLACE TO WORK

Transaction Capital

2018 HIGHLIGHTS

TCRS SOUTH AFRICA[1]

115 promotions of which **61%** are women & **85%** are black[2]

88% of high potential employees retained

74% of employees are women

92% of employees are black[2]

218 training programmes conducted, attended by **~16 800** delegates

63 average training hours per employee

95% of employees who received training are black[2]

"Investors in people organisation"

ACCREDITATION AFFIRMED IN JANUARY 2018

Gender	African	Coloured	Indian	White	Total
Male	438	67	105	103	713
Female	1 372	255	287	115	2 029
Total	**1 810**	**322**	**392**	**218**	**2 742[1]**
	66%	12%	14%	8%	

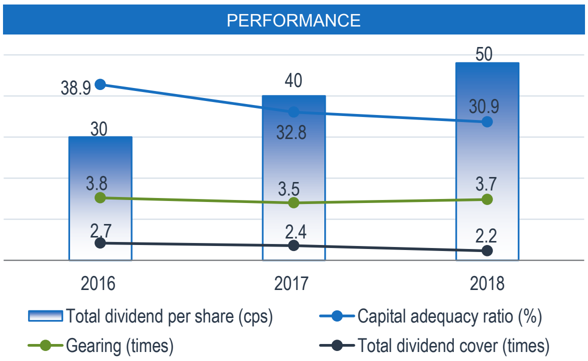
1. TCRS employs a further 580 employees through Recoveries Corporation in Australia, in addition to the statistics provided above
2. Black includes African, Indian & Coloured South Africans

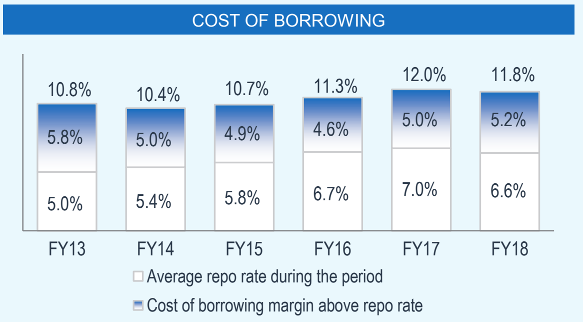

Transaction Capital
CAPITAL MANAGEMENT
2018
RESULTS FOR THE YEAR ENDED 30 SEPTEMBER
The Banker
DEALS OF THE YEAR 2018
Deal of the Year 2018:
Africa – Securitisation
& Structured Finance

NOTES

CAPITAL MANAGEMENT

Transaction Capital





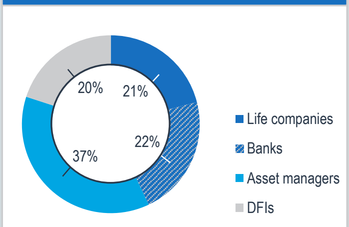
- Robust access to the debt capital markets
  - Raised **~R4.9bn** in debt facilities from **45** separate funding transactions in FY18
  - SA Taxi fully funded for > 12 months
- Continue to diversify funding sources
  - Diverse debt investor base of **45** funders
  - **10** new investors in FY18
- **R1.0bn** Transsec 3 initial & tap issuance;
  - **>2.6** times oversubscribed
  - **>80 bps** < Transsec 2 total issuance
- Group average cost of borrowing improved to **11.8%** (FY17:12%)
  - Margin above repo **5.2%**
  - Foreign debt component stable at **20%,** fully hedged to Rand
- Capital adequacy position remains robust at **30.9%**
  - **22.9%** equity
  - **8.0%** subordinated debt
- Net ungeared & liquid group balance sheet
- Excess cash of **~R650m** on balance sheet
- Excess cash of **~R1bn** post SA Taxi equity transaction

1. Calculated using Transaction Capital's average cost of borrowing for the period & the South African Reserve Bank's average repo rate for the period

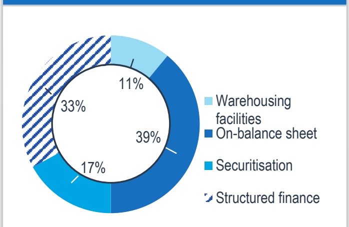
FUNDING PHILOSOPHY

Transaction Capital

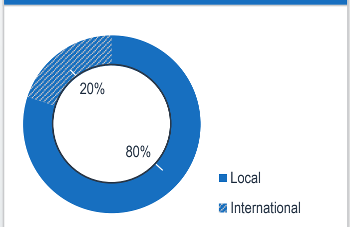
DIVERSIFICATION BY DEBT INVESTOR CATEGORY



DIVERSIFICATION BY FUNDING STRUCTURE



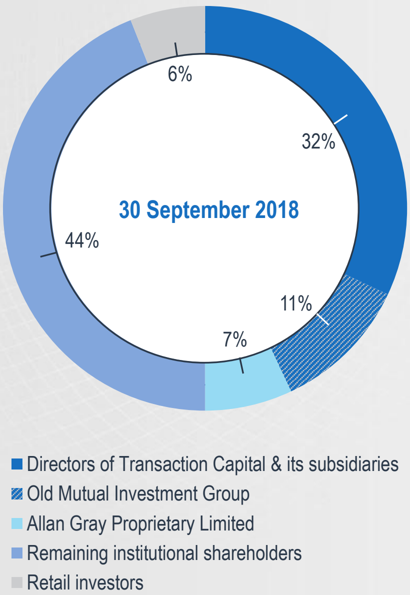
DIVERSIFICATION BY GEOGRAPHY



ON BALANCE SHEET	SECURITISATION	STRUCTURED FINANCE	WAREHOUSING FACILITIES
FY18 BALANCE OUTSTANDING R3.9billion	FY18 BALANCE OUTSTANDING R1.7billion	FY18 BALANCE OUTSTANDING R3.3billion	FY18 BALANCE OUTSTANDING R1.1billion
SA Taxi Development Finance; SA Taxi Finance Holdings; Transaction Capital Risk Services	Transsec; Transsec 2; Transsec 3	SA Taxi Impact Fund; SA Taxi Finance Solutions	Potpale Investments

SHAREHOLDING

Transaction Capital



- Accelerated bookbuild (March 2018)
  - Expanded base of local & international investors
  - Everglen remains the largest shareholder at 29%
  - ~72 million shares sold by Everglen
  - 80% of the accelerated bookbuild taken up by international investors
- Foreign ownership ▲ from **6%** to **16%**
- Institutional shareholding ▲ from **31%** to **44%** (excluding Old Mutual & Allan Gray)
- Retail investors ▲ from **5%** to **6%**
- Enhanced liquidity & daily trade
  - Free float ▲ to **68%** (FY17: 56%)
  - Average daily number of shares traded ▲ **105%** to **468 558** (FY17: 228 804)
  - Average daily value traded ▲ **142%** to **USD 595 601** (FY17: USD 245 767)

38

NOTES

Transaction Capital

CONCLUSION

2018

RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

INVESTMENT CASE

COMPELLING & UNIQUE AS WE EXECUTE ON OUR STRATEGY

Transaction Capital

TRANSACTION CAPITAL COMPRISED OF A **DIVERSIFIED** PORTFOLIO OF **FINANCIAL SERVICES ASSETS**

- Two **well established, autonomous & unique** financial services businesses:
  - › **SA Taxi**
  - › **Transaction Capital Risk Services** (**TCRS**)
- Positioned in **attractive market segments** occupying **leading market positions**
- Highly **defensive businesses** able to withstand difficult economic conditions
- Deep **vertical integration** enabling application of **specialised expertise** to **mitigate risk, participate in margin & provide a broader service to clients**
- **Superior data & leading-edge technology & analytics** capabilities differentiate our offerings, inform business decisions & mitigate risk
- **Via a diversified business model**
  - › Unique blend of highly **cash generative & capital related** businesses
  - › **Diversified revenue model** across adjacent **market segments & geographies**

WITH A **BESPOKE & ROBUST CAPITAL STRUCTURE** INCORPORATING **R1 BILLION[1] OF EXCESS CAPITAL**

- **Conservative equity capital structure** to fund organic growth & acquisition activity
  - › **Ungeared** at holding company level
  - › **Proven ability to raise debt & equity capital** efficiently from diversified range of local & international investors

ESTABLISHED AS A **SCALABLE FINANCIAL SERVICES PLATFORM**

- For SA Taxi & TCRS to develop **new products** & expand into **new markets**
- For Transaction Capital to **innovate** in **introducing new organic & acquisitive growth opportunities**

LED BY AN **ENTREPRENEURIAL OWNER-MANAGER TEAM**

- **Ownership culture**
- **Decentralised, entrepreneurial, innovative, proven & long-serving** leadership
- Specialised **intellectual capital** applied over a much smaller asset base than in larger organisations

1. Post SA Taxi's equity transaction

INVESTMENT CASE CONTINUED

COMPELLING & UNIQUE AS WE EXECUTE ON OUR STRATEGY

Transaction Capital

BUT UNDERPINNED BY A ROBUST **GOVERNANCE FRAMEWORK & SOUND GOVERNANCE PRACTICES**

- Experienced, diverse & **independent directors** at group & subsidiary level
- **Institutionalised governance**, regulatory & risk management practices
- **Conservative accounting policies** (including the early adoption of **IFRS 9**)

WHICH TOGETHER POSITION IT FOR **SUSTAINABLE GROWTH**

- **Decentralised businesses** that are self-sustaining & sizable in their own right
- Unrelenting **investment into & precise implementation of innovative strategic initiatives**
- Track record of delivering predictable, **consistent, high-quality earnings** with **high cash conversion rates & strong organic growth prospects**
- **Dividends growing** at an accelerated rate when compared to earnings
- A **focused acquisition strategy** supported by **R1 billion**[1] **of excess cash**, **highly cash generative businesses**, **supportive capital markets**, & a **strong unleveraged balance sheet**

& THE DELIVERY OF A **MEANINGFUL SOCIAL IMPACT**

- Businesses favourably positioned regarding demographic & socio-economic trends, **delivering both a social & commercial benefit**
- SA Taxi facilitates
  - **Asset ownership by black owned SMEs, financial inclusion, SME empowerment, & sustainable job creation**
  - **Improved public transport infrastructure**
  - **Environmental sustainability**
- TCRS facilitates
  - **Credit rehabilitation** of over-indebted consumers
  - Lenders to maintain cleaner balance sheets to **continue extending credit affordably**

1. Post SA Taxi's equity transaction

41

NOTES

Transaction Capital

QUESTIONS

DISCLAIMER

Transaction Capital

This presentation may contain certain "forward-looking statements" regarding beliefs or expectations of the TC Group, its directors & other members of its senior management about the TC Group's financial condition, results of operations, cash flow, strategy & business & the transactions described in this presentation. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, & underlying assumptions & other statements, which are other than statements of historical facts. The words "believe", "expect", "anticipate", "intend", "estimate", "forecast", "project", "will", "may", "should" & similar expressions identify forward-looking statements but are not the exclusive means of identifying such statements. Such forward-looking statements are not guarantees of future performance. Rather, they are based on current views & assumptions & involve known & unknown risks, uncertainties & other factors, many of which are outside the control of the TC Group & are difficult to predict, that may cause the actual results, performance, achievements or developments of the TC Group or the industries in which it operates to differ materially from any future results, performance, achievements or developments expressed by or implied from the forward-looking statements. Each member of the TC Group expressly disclaims any obligation or undertaking to provide or disseminate any updates or revisions to any forward-looking statements contained in this announcement.

TRANSACTION CAPITAL AUDITED RESULTS AND DIVIDEND DECLARATION

FOR THE YEAR ENDED 30 SEPTEMBER

2018

Transaction Capital

CONTENTS

COMMENTARY

HIGHLIGHTS

SANTACO ACQUIRES 25% STAKE IN SA TAXI FOR R1.7 BILLION

CORE HEADLINE EARNINGS PER SHARE[1]	111.7 cents	▲ 16%	2017: 96.4 cents
TOTAL DIVIDEND PER SHARE	50.0 cents	▲ 25%	2017: 40.0 cents

CORE HEADLINE EARNINGS[1]

TRANSACTION CAPITAL GROUP

▲ 18%

R682 MILLION

SA TAXI

▲ 21%

R368 MILLION

TRANSACTION CAPITAL RISK SERVICES

▲ 17%

R273 MILLION

INTRODUCTION

Transaction Capital owns businesses that operate in highly specialised, under-served segments of the South African and Australian financial services markets. Its divisions, SA Taxi and Transaction Capital Risk Services (TCRS), are diversified and scalable business platforms that leverage their specialised expertise, proprietary data and technology to create value for customers.

Positioned deliberately in relation to socio-economic dynamics, both are highly defensive businesses able to deliver good commercial returns and positive social impact in different economic conditions. Each of them has an entrepreneurial, innovative and experienced management team, and operates according to a mature governance framework.

Since listing on the JSE Limited in June 2012, the group has consistently achieved compound annual growth in earnings per share of 20%, with dividends per share growing even faster at 33%, supported by high cash conversion rates. In the 2018 financial year, the group extended its track record of high-quality organic earnings growth, with core headline earnings up 18% to R682 million. Core headline earnings per share grew 16% to 111.7 cents, diluted by the issue of 28.4 million shares in the prior year (February 2017) that raised R419 million.

The early adoption of IFRS 9 in the 2015 financial year, ahead of the 2018 deadline, resulted in a lower-risk balance sheet and higher-quality earnings. At 30 September 2018, the group's balance sheet was well capitalised and flexible, with excess capital of about R650 million available to fund growth.

1. *Headline earnings attributable to the group. Core financial ratios exclude once-off acquisition costs of R22 million incurred during the 2017 financial year.*

COMMENTARY *continued*

TRADING ENVIRONMENT

Despite positive political developments, macro- and socio-economic conditions in South Africa have deteriorated, with the economy entering a technical recession. Consumer and business confidence remain low, with persistently high unemployment (27.5%) and household debt to income (71.3%) levels, a volatile Rand, fuel prices at record highs, a 1% increase in value-added tax (VAT) to 15%, rising costs of household essentials (with inflation at 4.9% in September 2018), and stagnating credit extension.

SA Taxi and TCRS are resilient businesses, strategically well positioned in their chosen markets. They have adjusted to the persistently difficult economic conditions by refining and diversifying their fintech platforms and achieving operational efficiency. While economic improvement would benefit the divisions, no economic upside has been provided for in our guidance.

ACCELERATED BOOKBUILD IN MARCH 2018

Shareholders are referred to the Stock Exchange News Service (SENS) announcements on 7 and 8 March 2018 (available at http://www.transactioncapital.co.za/SENS.php) detailing the accelerated bookbuild by Everglen Capital (Proprietary) Limited (Everglen), Transaction Capital's largest shareholder currently owning 29%. Everglen sold approximately 72 million shares, which increased the group's free float significantly, enhancing liquidity and daily trade. The group's international investor base increased to 16% at year end from 6% in 2017, reflecting the attractiveness of its investment proposition to these investors.

SA TAXI

		For the year ended 30 September		
		2018	2017	Movement
FINANCIAL PERFORMANCE				
Headline earnings attributable to the group	Rm	**368**	303	21%
Non-interest revenue	Rm	**540**	427	26%
Net interest income	Rm	**979**	885	11%
Net interest margin	%	**11.0**	11.4	
Cost-to-income ratio	%	**47.6**	48.6	
CREDIT PERFORMANCE				
Gross loans and advances	Rm	**9 402**	8 303	13%
Non-performing loan ratio	%	**17.7**	17.1	
Credit loss ratio	%	**3.3**	3.2	

Market positioning and operating context

SA Taxi is a vertically integrated business platform, providing a comprehensive financial, insurance and allied services offering to minibus taxi operators. The division offers a unique blend of vehicle procurement, retail, repossession and refurbishment capabilities with asset-backed developmental finance and insurance specifically designed for the minibus taxi industry.

Around 69% of all South African households use minibus taxis, equating to more than 15 million commuter trips a day. Minibus taxi transport is a non-discretionary expense for most South Africans, which supports the industry's resilience even without financial support from government. In contrast, bus and rail are subsidised but together account for less than two million commuter trips a day.

In recent years, persistently difficult economic conditions combined with high minibus vehicle prices and escalating fuel costs have placed strain on the minibus taxi industry. During the year, average petrol and diesel prices rose by 12% and 16% respectively. Minibus taxi prices increased by 2%, which brought the recommended retail price for a Toyota diesel vehicle to approximately R435 000 at year end (adjusted for the increased VAT rate of 15%) compared to about R350 000 four years ago. Although these conditions necessitated greater fare increases in the year, intensifying commuter density due to urbanisation continues to drive demand, with more commuters choosing minibus taxis over bus or rail due to competitive pricing, convenience and accessibility.

Ground-breaking ownership transaction and initiatives with SANTACO

SA Taxi and the South African National Taxi Council (SANTACO) have engaged over several years to formalise the industry's participation in revenue streams of the minibus taxi industry value chain, and to achieve meaningful and sustainable commercial benefits for industry participants. This supports the viability of minibus taxi operators' businesses and in turn their ability to repay loans and afford insurance premiums.

This relationship has deepened considerably in recent years, culminating in a unique and transformational ownership transaction that formalises SA Taxi's relationship with SANTACO. Via a subscription for new shares to the value of R1.7 billion, SANTACO will acquire a 25% interest in SA Taxi. Proportional ownership, allocated to SANTACO and a trust representing its broad-based provincial structures, will ensure that the economic benefits of this investment accrue to all levels.

Of the total future dividend flows 90% will be applied to reducing debt, with 10% flowing from the outset, to be administered and allocated according to a predetermined charter. This dividend income will support relevant infrastructure and other developmental projects designed to create sustainable value for minibus taxi associations, operators, commuters and other stakeholders. Partnerships with local government will be sought to leverage this investment in infrastructure for greater socio-economic impact.

Of the R1.7 billion subscription price, R1.2 billion will be funded by Standard Bank and Futuregrowth Asset Management, with the remainder facilitated by SA Taxi in the form of vendor funding. SA Taxi will use approximately R1 billion of the net proceeds of R1.2 billion to settle interest bearing external and shareholder debt, with the remainder retained by SA Taxi to fund growth.

Going forward, SA Taxi continues to grow earnings organically at rates similar to prior years. However, the financial benefit of the transaction (improved net interest margins from the lower leverage and interest expenses savings) and the operational benefits of a stronger enhanced relationship with SANTACO is significantly accretive to SA Taxi's earnings over the medium term and are expected to support higher growth rates.

This capitalisation of SA Taxi's balance sheet increases its net asset value by approximately R1.2 billion, will reduce gearing significantly and position SA Taxi strongly for its next wave of organic growth. This growth will be funded predominantly by more efficiently priced senior debt. Despite the capitalisation, accretive earnings growth over the medium term will enable SA Taxi to generate a return on equity of about 20%.

The vendor funding made available by SA Taxi will result in Transaction Capital consolidating 81.4% of SA Taxi's earnings. Although Transaction Capital's proportionate share of SA Taxi's earnings will be smaller, earnings are expected to increase due to the settlement of debt. Seen together with the operational benefits expected from greater alignment with the minibus taxi industry, this ground-breaking deal is expected to be earnings accretive to the group over the medium term.

Shareholders are referred to the SENS announcement released on 20 November 2018 (available at http://www.transactioncapital.co.za/SENS.php) for more detail on the terms of the transaction.

This transaction and resulting partnership is truly ground-breaking. It provides broad-based participation in the value chain in an entirely black-owned industry, comprised entirely of small- and medium-sized enterprises (SMEs), which has developed without government subsidy into the most critical component of the South African integrated public transport system. The alignment of interests required to conclude the transaction has formalised the industry ecosystem to an extent not achieved before, providing a framework for wide-reaching initiatives to transform the minibus taxi industry from within, and to grow and support the sustainability of the industry at all levels.

As a socially responsible corporate citizen, the group is cognisant of businesses' responsibilities to the broader South African society, extending our obligations well in excess of statutory or legislative requirements. Transaction Capital's willingness to take on and to financially facilitate the SANTACO ownership transaction, on a voluntary rather than an obligatory basis, stands as testament to our strategic emphasis on creating shared value – enhancing commercial returns while at the same time delivering positive social impact.

COMMENTARY *continued*

The transaction augments SA Taxi's social impact, which extends to financial inclusion, job creation, skills development and economic transformation, all of which underpin the sustainability of the industry. Most operators in the minibus taxi industry do not qualify for traditional finance, with about eight out of ten SA Taxi clients deemed unsuitable for bank finance. Since 2008, the division has provided loans of more than R21.9 billion to taxi operators, supporting the creation of an estimated 72 423 SMEs, and more than 130 000 direct and 215 000 indirect jobs. More broadly, by enabling taxi operators to replace old vehicles with new, safer and lower emission minibus taxis, SA Taxi assists in improving this critically important component of South Africa's integrated public transport network.

SA Taxi continues to work closely with SANTACO leadership on other initiatives designed to deliver sustainable benefits to SA Taxi's clients and the industry as a whole. These include:

> A highly competitive credit life product, launched in October 2017 and developed by SA Taxi in response to a request from SANTACO.
> The Black Elite fuel loyalty programme in partnership with Shell, launched in April 2018, which rewards minibus taxi operators with cash back and airtime for their petrol or diesel purchases. At 30 September 2018, more than 6 300 cards had been distributed, with over 40% in active use. In the future, similar programmes will be considered, including related rewards and benefits.
> Providing over 70 patrol vehicles, worth more than R20 million, to various regional, provincial, and national taxi associations to support industry self-regulation and road safety.
> Funding and facilitating Project Refentse, launched in March 2018, to provide certificated skills training for unqualified technicians currently repairing vehicles at taxi ranks.
> Approaching various industry stakeholders, specifically government, regarding subsidies, funding, or increasing scrapping allowances to facilitate the recapitalisation of the national minibus taxi fleet.

Vehicle retail

SA Taxi's retail dealership, Taximart Dealership, sells new and pre-owned minibus taxis, with turnover of about R800 million a year. Its vertically integrated business model enables SA Taxi to rebuild high quality income-generating pre-owned minibus taxis that give operators a more affordable alternative to purchasing new vehicles.

Loans originated through SA Taxi's dealership perform better from a credit performance perspective and provide SA Taxi with the opportunity to earn product margin and insurance revenue. Within its dealership, SA Taxi limits unnecessary charges and add-ons to vehicles that add no income producing value, making vehicles more affordable. SA Taxi is expanding its dealership network and opened a dealership in Polokwane during October 2018. Additional dealerships are being considered.

Vehicle financing

SA Taxi's loans and advances portfolio, comprising 30 617 vehicles, grew 13% to R9.4 billion. Growth of 7% in the number of loans on book and the increase in minibus taxi prices supported this result. Focused loan origination strategies resulted in higher credit quality, with 75% of loans originated in better risk categories, and repeat loans to existing clients increasing to approximately 31%, from 26% a year ago.

Net interest income grew 11% to R979 million. Effective capital management kept SA Taxi's net interest margin at 11.0%, despite a marginal increase in the cost of borrowing. The risk-adjusted net interest margin remained robust at 7.7%. The credit loss ratio increased marginally to 3.3% and remains at the bottom end of the division's risk tolerance of 3% to 4%. This increase was partly due to SA Taxi electing to dispose of a portion of repossessed vehicles via auction or salvage as opposed to refurbishment and refinance. The difficult economic conditions combined with high minibus vehicle prices and escalating fuel costs, resulted in an increase in SA Taxi's non-performing loan ratio to 17.7%.

A marginally higher non-performing loan ratio, offset by the reduced average cost to refurbish repossessed vehicles and higher recoveries on the re-sale of these vehicles, resulted in the division reducing provision coverage to 4.0%. At this level, SA Taxi's after-tax credit loss remains covered at 1.7 times.

SA Taxi's funding requirements for the 2019 financial year are secured, with a diversified funding base of 44 distinct debt investors. The business continues to balance the cost of international debt against the benefit of diversified funding.

After issuing R505 million of Moody's credit rated and JSE-listed debt via its Transsec 3 securitisation programme in November 2017, SA Taxi placed an additional R505 million of debt under this programme in June 2018. The issue was 2.24 times oversubscribed, resulting in the weighted average interest cost reducing by 10 basis points to three-month JIBAR plus 170 basis points, when compared to the first Transsec 3 auction.

Vehicle insurance

SA Taxi's insurance business is the main driver of non-interest revenue, growing faster than the vehicle financing business. In 2018, the division's gross written premium grew 23% to R687 million, supported by broadening its client base and product offering. SA Taxi's credit life portfolio grew strongly as it continued to penetrate its customer base. SA Taxi's insured clients each have two SA Taxi insurance products on average. The launch of new products is planned.

More than 85% of SA Taxi's financed clients are insured by SA Taxi, with the remainder insured by other reputable insurers. To grow its base of open market insurance clients (that is insurance clients not financed by the division), SA Taxi initiated its broker network strategy during 2018 with more than 100 brokers participating. Take-up rates are steadily increasing with the number of insurance clients up 10% from the prior period. Annualised new business premium grew to R349 million for the year (2017: R283 million).

Claims ratios improved further as the proportion of insurance claims processed via SA Taxi's combined autobody and mechanical refurbishment facility continued to grow.

SA Taxi's insurance operation is consolidated in accordance with International Financial Reporting Standards.

Autobody repair, mechanical refurbishment, salvage and parts procurement and distribution

SA Taxi's autobody repair and mechanical refurbishment facility is designed to reduce the cost of insurance claims and lower credit losses in the event of repossession. Enhancing the value of repossessed vehicles through a high quality but efficient refurbishment process enables SA Taxi to recover more than 73% of loan value on the sale of repossessed vehicles.

Despite a weaker Rand causing inflationary pressure on spare part costs, the average cost to refurbish repossessed or insured vehicles reduced further in the period, underpinned in part by greater efficiency in SA Taxi's focused refurbishment facility.

SA Taxi established its own parts procurement and distribution, and vehicle salvage operation in March 2018, called Taxi Auto Parts or TAP. Via TAP, SA Taxi is able to import and procure locally quality parts directly at a lower cost, and distribute these to SA Taxi's own refurbishment centre as well as its network of preferred external autobody repairers. Through TAP, SA Taxi is also able to optimise the salvage value of vehicles. A further initiative to support taxi operators is the retailing of well-priced new and refurbished vehicle parts to taxi operators.

Apart from reducing the credit loss and insurance claims ratios, TAP benefits taxi operators by supplying them with well-priced vehicle parts, ultimately managing insurance premiums, reducing the cost of claims and reducing credit shortfalls in the event of repossession.

Connected services, telematics and technology

Data and telematics underpin SA Taxi's operations and are key to mitigating risk. The division continues to enrich its proprietary database, with data accumulated daily from each minibus taxi and applied to credit decisions, collections, repossessions and insurance activities. In addition, it continues to invest in information technology, data management and predictive analytics specifically designed to reduce risk, prevent insurable events and reduce the cost of insurance claims, as well as technologies that improve processing capabilities and extract operational efficiencies.

Wi-Fi in taxis and ranks, SA Taxi's telematics systems and the Black Elite fuel loyalty programme have culminated in SA Taxi's Connected Services division, with a growth strategy focused on initiating communication and transacting with South Africa's 250 000 minibus taxi operators. Once established, this function could serve as a gateway to provide relevant financial products and services to the 9.9 million households or 15 million commuters who use SA Taxi's minibus taxi infrastructure.

Conclusion

SA Taxi's operational, credit and financial performance remains robust. This is evident in 13% growth in gross loans and advances, net interest margins at 11.0% and good credit performance in a challenging environment; 26% growth in non-interest revenue from insurance products, vehicle sales and telematics services, now comprising 36% of SA Taxi's revenue after interest expenses (2012: 26%); and significant operational leverage via the improvement in the cost-to-income ratio to 47.6% (2017: 48.6%). This supported 21% growth in headline earnings to R368 million for the year.

COMMENTARY *continued*

TRANSACTION CAPITAL RISK SERVICES

		For the year ended 30 September		
		2018	2017	Movement
FINANCIAL PERFORMANCE				
Core headline earnings attributable to the group	Rm	**273**	233	17%
Non-interest revenue	Rm	**1 837**	1 485	24%
PURCHASED BOOK DEBTS				
Price of purchased book debts acquired	Rm	**662**	356	86%
Purchased book debts	Rm	**1 374**	891	54%
Estimated remaining collections (120 months)	Rm	**2 989**	1 867	60%

Market positioning and operating context

TCRS is a technology-led, data-driven provider of customer management solutions in South Africa and Australia. The division's scalable and bespoke fintech platform, combined with its technology and propriety data, enables it to mitigate risk and maximise value for clients throughout the customer engagement lifecycle.

TCRS' diversified business model reduces concentration risk and supports performance in different market conditions. TCRS is diversified by business activity across collection, transactional and value-added services. Within its most significant business activity, collection services, TCRS acts as both a principal in acquiring and then collecting on non-performing loan portfolios, and as an agent on an outsourced contingency or fee-for-service (FFS) basis. With its business activities diversified further across various consumer related sectors, clients and geographies, TCRS' business model is defensive.

As noted previously, the trading environment in South Africa has deteriorated and the pressure on consumers intensified throughout 2018. With the increase in the cost of household essentials exceeding wage growth, little indication of job growth, a weakening exchange rate, increased pressure on household spending and higher fuel prices, South African consumers are expected to struggle as they aim to reduce debt slowly over the medium term.

The consumer outlook remains subdued and highly indebted consumers remain vulnerable. Consumer confidence is expected to remain low in the short to medium term unless government implements growth-boosting structural reforms that effectively address unemployment and, importantly, the youth unemployment rate of 53%, which is the highest in sub-Saharan Africa.

Of the 24.6 million credit-active South African consumers at June 2018, almost 40% of these (9.6 million) had impaired credit records. TCRS maintains proprietary data on almost all of these distressed consumers. According to Transaction Capital's Consumer Credit Rehabilitation Index (CCRI), the overall national rehabilitation prospects of delinquent South African consumers improved marginally by 0.7% in the third quarter of 2018 compared to the third quarter of 2017. The quarterly rehabilitation outlook showed a slight deterioration of 0.2% from the second quarter to the third quarter of 2018. This quarter-on-quarter deterioration came after the local economy entered a technical recession in the second quarter of 2018. Any prospect of a meaningful recovery trend in the near future is unlikely.

In this challenging environment, TCRS facilitates consumer credit rehabilitation, which in turn supports consumers' ability to re-access conventional finance. At the same time, TCRS assists lenders to maintain stronger balance sheets and continue extending credit at affordable interest rates. Increased consumer spending is a significant component of South Africa's gross domestic product.

Australia's credit active consumer remains highly leveraged with household debt to income levels exceeding 190% and monthly debt servicing costs, excluding home loan repayments, at 51%. However, low levels of unemployment (5.3% at August 2018), strong levels of credit extension, a stable and evenly balanced regulatory environment, and higher success in contacting and transacting with consumers through both voice and digital channels, enhances debt recovery. This provides a favourable trading environment in the Australian debt collections market.

Collection services

Acquisition of non-performing loan portfolios as principal

In South Africa, the economic climate and TCRS' data, scale and capital position favour the acquisition of non-performing loan portfolios from risk averse clients who prefer an immediate recovery against their non-performing loans. Activity in this sector was higher than in the 2017 financial year, with opportunities to purchase loan portfolios emanating from traditional lenders, credit retailers, municipalities and State-owned Enterprises.

Whereas TCRS historically focused on acquiring portfolios of written-off unsecured retail debt, it has extended its focus to non-performing consumer portfolios in alternative asset classes such as secured loans, debt review portfolios and consumer debt prior to write-off, with the latter typically sold on a private bilateral basis.

In South Africa, TCRS acquired 33 portfolios with a face value of R13.4 billion for R639 million during the 2018 financial year and Recoveries Corporation in Australia invested a further R23 million in portfolios during the period, contributing to 22% growth in revenue from principal collections. At 30 September 2018, TCRS owned 239 principal portfolios with a face value of R22.4 billion, valued at R1.4 billion, up 54% from R891 million a year ago. Estimated remaining collections grew to R3.0 billion, up 60% from R1.9 billion a year ago, which will underpin future performance.

TCRS continues to be cautious as it seeks to apply its analytics, pricing expertise and capital raising capabilities to the selective purchase of non-performing loan portfolios in Australia. Although the debt collection market is highly fragmented, it is estimated that non-performing loan portfolios are acquired annually for an aggregated purchase consideration of AUD600 million, many times larger than the South African market, giving some indication of the growth opportunity for TCRS in this market.

TCRS grew revenues in this sector organically by 22%.

Contingency and fee-for-service revenue

The difficult consumer credit environment since 2016 has resulted in lower levels of consumer credit extension and a consequent contraction in the volumes of contingency matters handed over for collection in South Africa by banks, credit retailers and specialist lenders.

Encouragingly, TCRS' strategy to diversify geographically, deepen its penetration in its traditional market segments (banks, retailers and specialist lenders) and grow revenue from adjacent sectors (insurance, telecommunication and public sectors) supported its organic earnings growth, with TCRS' contingency and FFS revenue growing 19% during the year.

In South Africa, adjacent insurance, telecommunication and public sectors contributed 38% of TCRS' local contingency and FFS revenue, compared to 27% in the prior period. In addition to these strategies, TCRS is continually assessing opportunities for bolt-on acquisitions to enter adjacent sectors and penetrate new product types.

Recoveries Corporation in Australia made excellent progress in achieving its strategic imperative of driving operational efficiencies by deepening management competence and overlaying TCRS' technology and business information capabilities. With the operational integration substantially complete, the business is expected to yield an enhanced return on future revenues. On a like-for-like basis, Recoveries Corporation's revenue was in line with expectations, supported by a broad client base in the insurance (23%), telecommunication and utility (12%), banking and commercial (32%), and public (33%) sectors.

Although Recoveries Corporation is still a small component of TCRS, it continues to diversify the division's contingency and FFS revenue. For a relatively small initial investment, the opportunity to gain a deep understanding of the Australian collections industry and participate in emerging opportunities, is proving meaningful. In addition to achieving operational leverage, growth opportunities include bolt-on acquisitions of specialist collectors and the selective purchase of non-performing loan portfolios.

TCRS grew revenues in this sector by 19%.

COMMENTARY *continued*

Transactional services

The transactional services business includes Transaction Capital Payment Solutions and Transaction Capital Business Solutions (TCBS). Management is exploring progressive fintech and payment technologies to create future opportunities, including the creation of a payment services platform, an online client portal and technology-based originations. Cognisant of higher risk in the SME lending environment, TCBS remains disciplined, intentionally curbing book growth to maintain risk tolerance and ensure high-quality earnings from its SME lending activities.

Value-added services

Acquired in December 2016, Road Cover has been fully integrated and performed to expectation. The growth prospects of this business, including the application of data and analytical skills to augment the Road Cover offering, are encouraging.

Data and technology

Technological and operational enhancements initiated in 2016 and implemented throughout 2017 and 2018, including the optimisation of the dialer and workforce management, have resulted in higher productivity and lower operating costs. On a like-for-like basis, excluding recently acquired businesses, TCRS' cost-to-income ratio improved to 76.8%, compared to 77.3% in the prior year.

TCRS continues to explore the implementation of new technologies, including artificial intelligence technologies. Changing demographics, increased smart phone penetration and increased access to and reducing cost of data are driving changes in consumers' preferred method of communication to non-voice channels.

In addition, TCRS is expanding and enriching its database of South African consumers, which now includes both performing and non-performing credit active consumers.

Conclusion

Strong growth in revenues from both principal collections of acquired non-performing consumer portfolios, and contingency and FFS revenue supported core headline earnings growth of 17% to R273 million for the year. Future performance is well underpinned with the fair value of purchased book debts and estimated remaining collections both growing by more than 50%.

GROUP EXECUTIVE OFFICE

The executive office added R41 million to the group's headline earnings for the year, from efficient management of the R650 million of excess capital. Post the ownership transaction with SANTACO, Transaction Capital's balance sheet will be completely free of debt, now with approximately R1 billion of excess cash and poised for growth.

DIRECTOR APPOINTMENTS AND RESIGNATIONS

As previously reported on SENS, Diane Radley was appointed to the Transaction Capital board as an independent non-executive director with effect from 15 July 2018, and serves as a member of the audit, risk and compliance (ARC) committee and the asset and liability committee.

Olufunke Ighodaro will be resigning as an independent non-executive director and chairman of the ARC committee with effect from 30 November 2018 due to her other executive responsibilities. The board wishes to thank Ms Ighodaro for her valued contribution to the company and wishes her well with her future endeavours. Diane Radley will be appointed as chairman of the ARC committee on this date.

STRATEGY

Despite the adverse environment of the past few years, Transaction Capital's entrepreneurial management teams continue to invest unrelentingly into innovative strategies, creating a diverse and expanded earnings base.

At SA Taxi, these initiatives include the broadening of its insurance client and product base; and reducing the cost of insurance claims and credit losses via technology, data management and predictive analytics, together with procurement and operational efficiencies in its enhanced autobody and mechanical refurbishment facility. SA Taxi's ownership transaction with SANTACO is expected to support growth in the finance, insurance and retail businesses, and unlock further opportunities to provide allied services within the broader taxi community, enabling a deeper penetration of the total addressable market. These benefits, together with the financial benefits of reduced gearing, are expected to be accretive to Transaction Capital's earnings over the medium term.

The main driver of organic growth at TCRS is the bespoke or bilateral acquisition of non-performing loan portfolios. Activity in this sector remains buoyant with future performance underpinned by more than 50% growth this year in the fair value of purchased book debts and estimated remaining collections. Expanding and enriching its database, and investment in the new technologies detailed previously should continue to enhance yields via higher productivity and lower operating costs.

Transaction Capital continues to benefit from deep vertical integration within focused sectors. Underpinned by a deeper understanding of their social relevance, this enables the divisions to continue innovating opportunities which create greater value for all stakeholders.

Although both SA Taxi and TCRS are strong performers in this low/no growth environment, a sustained economic recovery will support their potential to outperform current performance expectations.

PROSPECTS

Precise implementation of the above strategy enables the group to continue achieving robust organic earnings and dividend growth over the medium term at least in line with past periods and current performance.

Our growth expectations assume that the group's excess capital is not deployed accretively, so there may well be further upside potential over the medium term.

Any forecast financial information has not been reviewed or reported on by the company's auditors.

DIVIDEND DECLARATION

Following the interim dividend of 21 cents per share (2017 interim: 15 cents per share), and in line with the stated dividend policy of 2 to 2.5 times, the board has declared a final gross cash dividend of 29 cents per share (2017: 25 cents per share) for the six months ended 30 September 2018 to those members on the record date below. The dividend is declared out of income reserves. A dividend withholding tax of 20% will be applicable to the dividend for all shareholders that are not exempt from the dividend withholding tax, resulting in a net dividend of 23.2 cents per share. The salient features applicable to the final dividend are as follows:

Issued shares as at declaration date	610 212 448
Declaration date	Tuesday 20 November 2018
Last day to trade cum dividend	Tuesday 4 December 2018
Ex-dividend	Wednesday 5 December 2018
Record date	Friday 7 December 2018
Payment date	Monday 10 December 2018

Tax reference number: 9466/298/15/6

Share certificates may not be dematerialised or rematerialised between Wednesday 5 December 2018 and Friday 7 December 2018, both dates inclusive.

On Monday 10 December the cash dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic fund transfer is not available or desired, cheques dated 10 December 2018 will be posted on that date. Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday 10 December 2018.

COMMENTARY *continued*

BASIS FOR PREPARATION

The auditors, Deloitte & Touche, have issued their opinions on the consolidated financial statements and the summarised consolidated financial statements for the year ended 30 September 2018. The audit was conducted in accordance with International Standards on Auditing. They have issued unmodified audit opinions.

The consolidated financial statements and summarised consolidated financial statements have been prepared under the supervision of Ronen Goldstein (CA)SA. These results represent a summary of the complete set of audited consolidated financial statements of Transaction Capital approved on 20 November 2018. The directors take full responsibility and confirm that this information has been correctly extracted from the consolidated financial statements. The complete set of consolidated financial statements is available for inspection at Transaction Capital's registered office.

The summarised consolidated financial statements have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements on the Companies Act of South Africa, 71 of 2008, applicable to summary financial statements. The JSE Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee) and Financial Pronouncements (as issued by the Financial Reporting Standards Council).

The accounting policies applied in the preparation of these summarised consolidated financial statements are in terms of IFRS and are consistent, in all material respects, with those details in Transaction Capital's prior year annual consolidated financial statements.

The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that to obtain a full understanding of the nature of the auditor's engagement, they should read the unmodified (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements* audit report included in these summarised consolidated financial statements.

APPROVAL BY THE BOARD OF DIRECTORS

Signed on behalf of the board of directors:

David Hurwitz
Chief executive officer

Ronen Goldstein
Financial director

Dunkeld West
20 November 2018

Enquiries: Investor Relations
Telephone: +27 (0) 11 049 6700

Sponsor: RAND MERCHANT BANK (A division of FirstRand Bank Limited)

INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF TRANSACTION CAPITAL LIMITED

OPINION

The summary consolidated financial statements of Transaction Capital Limited contained in the accompanying provisional report, which comprise the summary consolidated statement of financial position as at 30 September 2018, the summary consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Transaction Capital Limited for the year ended 30 September 2018.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Transaction Capital Limited, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in the basis for preparation paragraph to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Transaction Capital Limited and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 20 November 2018. That report also includes:

> The communication of key audit matters as reported in the auditor's report of the audited financial statements.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in basis for preparation paragraph to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, *Interim Financial Reporting*.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Deloitte & Touche
Registered Auditors
Per: Paul Stedall

Partner
20 November 2018
Deloitte Place
20 Woodlands Drive
Woodmead Sandton

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER

	2018 Audited Rm	2017 Audited Restated* Rm
ASSETS		
Cash and cash equivalents	**900**	944
Tax receivables	**17**	22
Trade and other receivables	**1 126**	687
Inventories	**478**	212
Loans and advances	**9 592**	8 456
Purchased book debts	**1 374**	891
Other loans receivable	**39**	41
Intangible assets	**283**	247
Property and equipment	**167**	150
Goodwill	**1 142**	1 135
Deferred tax assets	**224**	259
TOTAL ASSETS	**15 342**	13 044
LIABILITIES		
Bank overdrafts	**116**	136
Tax payables	**5**	19
Trade and other payables	**737**	554
Provisions	**148**	147
Interest-bearing liabilities	**9 817**	8 191
Senior debt	**8 753**	7 228
Subordinated debt	**1 060**	963
Finance leases	**4**	–
Deferred tax liabilities	**326**	225
TOTAL LIABILITIES	**11 149**	9 272
EQUITY		
Ordinary share capital	**1 056**	1 056
Reserves	**52**	34
Retained earnings	**3 026**	2 628
EQUITY ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**4 134**	3 718
Non-controlling interests	**59**	54
TOTAL EQUITY	**4 193**	3 772
TOTAL EQUITY AND LIABILITIES	**15 342**	13 044

* *In terms of IFRS 3: Business Combinations, the provisional accounting applied to the acquisition of Recoveries Corporation was finalised in December 2017. As a result, trade and other payables were reduced by R30 million, with a corresponding reduction in goodwill. The impact on the statement of comprehensive income is negligible.*

SUMMARISED CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER

	2018 Audited Rm	2017 Audited Rm
Interest and other similar income	**2 154**	1 971
Interest and other similar expense	**(1 054)**	(964)
NET INTEREST INCOME	**1 100**	1 007
Impairment of loans and advances	**(314)**	(260)
RISK-ADJUSTED NET INTEREST INCOME	**786**	747
Non-interest revenue	**2 377**	1 937
Operating costs	**(2 244)**	(1 910)
Non-operating loss	**(3)**	(3)
PROFIT BEFORE TAX	**916**	771
Income tax expense	**(218)**	(203)
PROFIT FOR THE YEAR	**698**	568
PROFIT FOR THE YEAR ATTRIBUTABLE TO:		
Ordinary equity holders of the parent	**682**	555
Non-controlling interests	**16**	13
EARNINGS PER SHARE (CENTS)		
Basic earnings per share	**111.7**	92.8
Diluted basic earnings per share	**110.6**	92.2

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER

	2018 Audited Rm	2017 Audited Rm
PROFIT FOR THE YEAR	**698**	568
OTHER COMPREHENSIVE INCOME/(LOSS)		
Movement in cash flow hedging reserve	**2**	(8)
Fair value gain/(loss) arising during the year	**3**	(12)
Deferred tax	**(1)**	4
Movement in equity instruments held at fair value	**–**	(72)
Exchange (loss)/gain on translation of foreign operations	**(14)**	15
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**686**	503
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Ordinary equity holders of the parent	**670**	490
Non-controlling interests	**16**	13

SUMMARISED CONSOLIDATED HEADLINE EARNINGS RECONCILIATION

FOR THE YEAR ENDED 30 SEPTEMBER

Headline earnings is equal to profit after tax for the year as there are no headline earnings adjustments required.

	2018 Audited Rm	2017 Audited Rm
Headline earnings	**682**	555
Transaction and other acquisition-related costs	**–**	22
CORE HEADLINE EARNINGS	**682**	577

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER

	Share capital Audited Rm	Reserves Audited Rm	Retained earnings Audited Rm	Ordinary equity holders Audited Rm	Non-controlling interests Audited Rm	Total equity Audited Rm
BALANCE AT 30 SEPTEMBER 2016	510	149	2 285	2 944	34	2 978
Total comprehensive (loss)/income	–	(65)	555	490	13	503
Profit for the year	–	–	555	555	13	568
Other comprehensive loss	–	(65)	–	(65)	–	(65)
Grant of share appreciation rights and conditional share plans	–	18	–	18	–	18
Settlement of share appreciation rights	–	(20)	(64)	(84)	–	(84)
Transfer to retained earnings	–	(48)	48	–	–	–
Dividends paid	–	–	(196)	(196)	(3)	(199)
Issue of shares	557	–	–	557	–	557
Repurchase of shares	(11)	–	–	(11)	–	(11)
Non-controlling interests arising on business combinations	–	–	–	–	10	10
BALANCE AT 30 SEPTEMBER 2017	**1 056**	**34**	**2 628**	**3 718**	**54**	**3 772**
Total comprehensive (loss)/income	**–**	**(12)**	**682**	**670**	**16**	**686**
Profit for the year	**–**	**–**	**682**	**682**	**16**	**698**
Other comprehensive loss	**–**	**(12)**	**–**	**(12)**	**–**	**(12)**
Grant of share appreciation rights and conditional share plans	**–**	**31**	**–**	**31**	**–**	**31**
Settlement of share appreciation rights and conditional share plans	**–**	**(1)**	**(4)**	**(5)**	**–**	**(5)**
Dividends paid	**–**	**–**	**(280)**	**(280)**	**(11)**	**(291)**
Issue of shares	**9**	**–**	**–**	**9**	**–**	**9**
Repurchase of shares	**(9)**	**–**	**–**	**(9)**	**–**	**(9)**
BALANCE AT 30 SEPTEMBER 2018	**1 056**	**52**	**3 026**	**4 134**	**59**	**4 193**

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER

	2018 Audited Rm	2017 Audited Rm
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated by operations	**1 464**	1 134
Income taxes paid	**(87)**	(51)
Dividends received from insurance activities	**–**	115
Dividends paid	**(291)**	(199)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES	**1 086**	999
INCREASE IN OPERATING ASSETS AND LIABILITIES	**(2 057)**	(1 852)
Loans and advances	**(1 457)**	(1 572)
Purchased book debts	**(600)**	(280)
CHANGES IN WORKING CAPITAL	**(520)**	(244)
Increase in inventories	**(265)**	(127)
Increase in trade and other receivables	**(430)**	(223)
Decrease/(increase) in other loans receivable	**2**	(6)
Increase in trade and other payables	**173**	112
NET CASH UTILISED BY OPERATING ACTIVITIES	**(1 491)**	(1 097)
CASH FLOW FROM INVESTING ACTIVITIES		
Business combinations	**(35)**	(226)
Acquisition of property and equipment	**(59)**	(66)
Proceeds on disposal of property and equipment	**5**	–
Acquisition of intangible assets	**(60)**	(70)
NET CASH UTILISED BY INVESTING ACTIVITIES	**(149)**	(362)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from interest-bearing liabilities	**5 946**	4 164
Settlement of interest-bearing liabilities	**(4 320)**	(3 438)
Repurchase of shares	**(9)**	(11)
Issue of shares	**–**	449
NET CASH GENERATED FROM FINANCING ACTIVITIES	**1 617**	1 164
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(23)**	(295)
Cash and cash equivalents at the beginning of the year*	**808**	1 103
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(1)**	–
CASH AND CASH EQUIVALENTS AT THE END OF YEAR*	**784**	808

* *Cash and cash equivalents are presented net of bank overdrafts.*

SUMMARISED CONSOLIDATED SEGMENT REPORT

	SA Taxi	
	2018 Audited Rm	2017 Audited Rm
SUMMARISED INCOME STATEMENT		
FOR THE YEAR ENDED 30 SEPTEMBER		
Net interest income	**979**	885
Impairment of loans and advances	**(299)**	(253)
Non-interest revenue	**540**	427
Operating costs	**(723)**	(638)
Non-operating loss	**–**	–
PROFIT BEFORE TAX	**497**	421
Headline earnings attributable to equity holders of the parent	**368**	303
Once-off transaction and other acquisition-related costs	**–**	–
CORE HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**368**	303
SUMMARISED STATEMENT OF FINANCIAL POSITION		
AT 30 SEPTEMBER		
ASSETS		
Cash and cash equivalents	**677**	608
Loans and advances	**9 026**	7 872
Purchased book debts	**–**	–
Other assets	**2 036**	1 438
TOTAL ASSETS	**11 739**	9 918
LIABILITIES		
Bank overdrafts	**116**	136
Interest-bearing liabilities	**8 333**	6 879
Group loans**	**1 170**	1 164
Other liabilities	**482**	408
TOTAL LIABILITIES	**10 101**	8 587
TOTAL EQUITY	**1 638**	1 331

* *Group executive office numbers are presented net of group consolidation entries.*

** *Of SA Taxi's group loans of R1 170 million at 30 September 2018 (2017: R1 164 million), R479 million (2017: R400 million) are not permanent facilities. The remaining R691 million (2017: R764 million) group loans are subordinated debt facilities with fixed repayment terms. TCRS' total group loans of R238 million (2017: R107 million) are not permanent facilities.*

Transaction Capital Risk Services		Group executive office*		Group	
2018 Audited Rm	2017 Audited Rm	**2018 Audited Rm**	2017 Audited Rm	**2018 Audited Rm**	2017 Audited Rm
51	77	**70**	45	**1 100**	1 007
(15)	(7)	**–**	–	**(314)**	(260)
1 837	1 485	**–**	25	**2 377**	1 937
(1 510)	(1 260)	**(11)**	(12)	**(2 244)**	(1 910)
(3)	(3)	**–**	–	**(3)**	(3)
360	292	**59**	58	**916**	771
273	211	**41**	41	**682**	555
–	22	**–**	–	**–**	22
273	233	**41**	41	**682**	577
168	161	**55**	175	**900**	944
566	584	**–**	–	**9 592**	8 456
1 374	891	**–**	–	**1 374**	891
1 426	1 297	**14**	18	**3 476**	2 753
3 534	2 933	**69**	193	**15 342**	13 044
–	–	**–**	–	**116**	136
1 107	968	**377**	344	**9 817**	8 191
238	107	**(1 408)**	(1 271)	**–**	–
698	501	**36**	36	**1 216**	945
2 043	1 576	**(995)**	(891)	**11 149**	9 272
1 491	1 357	**1 064**	1 084	**4 193**	3 772

BUSINESS COMBINATIONS

FOR THE YEAR ENDED 30 SEPTEMBER 2018 (AUDITED)

SUBSIDIARIES ACQUIRED

	Acquirer	Principal activity	Date of acquisition	Proportion of voting equity interests acquired %	Consideration transferred Rm
Accsys Proprietary Limited (Accsys)	Transaction Capital Risk Services (TCRS)	People management solutions	01/12/2017	**100**	**44**

TCRS acquired 100% of the voting equity in Accsys in the current year. Accsys is a South African software company specialising in people management solutions. Accsys has the potential to unlock value through synergies with TCRS, including Transaction Capital Payment Solutions (TCPS) gaining access to approximately one million disbursements via the Accsys system each month to employees of clients.

CONSIDERATION FOR IFRS 3 PURPOSES

	Total Rm
Cash	**44**
TOTAL	**44**

ASSETS ACQUIRED AND LIABILITIES RECOGNISED AT THE DATE OF ACQUISITION

	Total Rm
Current assets	
Cash and cash equivalents	**9**
Trade and other receivables	**10**
Inventories	**1**
Non-current assets	
Deferred tax assets	**5**
Current liabilities	
Trade and other payables	**(18)**
NET ASSETS ACQUIRED AND LIABILITIES RECOGNISED	**7**

The initial accounting for the acquisition of Accsys has been provisionally determined at the end of the reporting period. For tax purposes, the tax values of certain Accsys assets are required to be reset based on market values of the assets at the date of the acquisition. At the date of finalisation of the year-end results, the necessary market valuations and other calculations from a tax perspective had not been finalised and have therefore only been provisionally determined based on the directors' best estimate of the likely tax values.

The receivables acquired in this transaction have a fair value of R10 million. The receivables acquired compromise principally of trade receivables with a gross contractual amount of R11 million. The best estimate at acquisition date of the contractual cash flows not expected to be collected is R2 million.

GOODWILL ARISING ON ACQUISITION

	Total Rm
Consideration for IFRS 3 purposes	**44**
Less: intangible assets identified from business combination	**(19)**
Plus: deferred tax on intangible assets identified from business combination	**5**
Less: fair value of identifiable net assets acquired	**(7)**
GOODWILL ARISING ON ACQUISITION	**23**

The consideration paid for the business combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Accsys. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

NET CASH OUTFLOW ON ACQUISITION OF SUBSIDIARY

	Total Rm
Consideration paid in cash	**44**
Less: cash and cash equivalents balance acquired	**(9)**
NET CASH OUTFLOW	**35**

IMPACT OF ACQUISITION ON THE RESULTS OF THE GROUP

Included in profit attributable to ordinary equity holders of the group for the year is R5 million attributable to Accsys. Revenue for the year includes R45 million in respect of Accsys.

Had the business combination been effected at 1 October 2017, revenue for the group would have been R4 552 million, and the profit for the year attributable to ordinary equity holders of the group would have been R683 million. The directors consider these pro forma numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

FAIR VALUE DISCLOSURE

FOR THE YEAR ENDED 30 SEPTEMBER

The fair values of financial assets and financial liabilities are disclosed below:

	Carrying value 2018 Audited Rm	Fair value 2018 Audited Rm	Carrying value 2017 Audited Rm	Fair value 2017 Audited Rm
ASSETS				
Loans and advances	**9 592**	**9 587**	8 456	8 454
Purchased book debts	**1 374**	**1 374**	891	891
Other loans receivable	**39**	**39**	41	41
Trade and other receivables*	**860**	**860**	546	546
Cash and cash equivalents	**900**	**900**	944	944
TOTAL	**12 765**	**12 760**	10 878	10 876
LIABILITIES				
Interest-bearing liabilities	**9 817**	**9 870**	8 191	8 571
Fixed rate liabilities	**240**	**247**	25	25
Floating rate liabilities	**9 577**	**9 623**	8 166	8 546
Trade and other payables**	**544**	**544**	361	361
Bank overdrafts	**116**	**116**	136	136
TOTAL	**10 477**	**10 530**	8 688	9 068
NET EXPOSURE	**2 288**	**2 230**	2 190	1 808

* *Prepayments and VAT receivables are not financial assets and therefore have been excluded from trade and other receivables.*

** *Revenue received in advance, deferred lease liabilities, VAT payables and bonus accruals are not financial liabilities and therefore have been excluded from trade and other payables.*

LEVEL DISCLOSURES

FOR THE YEAR ENDED 30 SEPTEMBER

	2018 Audited			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS				
Loans and advances: entry-level vehicles	–	–	**23**	**23**
Other financial assets	–	–	**49**	**49**
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Derivatives	–	**124**	–	**124**
TOTAL FINANCIAL ASSETS	–	**124**	**72**	**196**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS				
Derivatives	–	**4**	–	**4**
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Derivatives	–	**1**	–	**1**
TOTAL FINANCIAL LIABILITIES	–	**5**	–	**5**

	2017 Audited			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS				
Loans and advances: entry-level vehicles	–	–	26	26
Other financial assets	–	–	62	62
Derivatives	–	7	–	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Derivatives	–	46	–	46
TOTAL FINANCIAL ASSETS	–	53	88	141
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS				
Trade and other payables*	–	–	70	70
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Derivatives	–	4	–	4
TOTAL FINANCIAL LIABILITIES	–	4	70	74

* *In terms of IFRS 3: Business Combinations, the provisional accounting applied to the acquisition of Recoveries Corporation was finalised in December 2017. As a result, trade and other payables were reduced by R30 million, with a corresponding reduction in goodwill. The impact on the statement of comprehensive income is negligible.*

FAIR VALUE DISCLOSURE *continued*

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

	2018 Audited		
	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Total Rm
Opening balance	**88**	**–**	**88**
Total gains or losses			
In profit or loss	**(3)**	**–**	**(3)**
Other movements*	**(13)**	**–**	**(13)**
CLOSING BALANCE OF FAIR VALUE MEASUREMENT	**72**	**–**	**72**

	2017 Audited		
	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Total Rm
Opening balance	220	477	697
Total gains or losses			
In profit or loss	(19)	–	(19)
In other comprehensive income	–	(72)	(72)
Capital deployed to cell	–	92	92
Business combination	–	(497)	(497)
Other movements*	(113)	–	(113)
CLOSING BALANCE OF FAIR VALUE MEASUREMENT	88	–	88

* *Other movements include charges on accounts less collections received and write-off's on loans for entry-level vehicles as well as movements in other financial assets.*

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL LIABILITIES

	2018 Audited		
	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Total Rm
Opening balance	**70**	**–**	**70**
Total gains or losses			
Other movements	**(70)**	**–**	**(70)**
CLOSING BALANCE OF FAIR VALUE MEASUREMENT	**–**	**–**	**–**

	2017 Audited		
	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Total Rm
Opening balance	–	–	–
Total gains or losses			
Business combination*	70	–	70
CLOSING BALANCE OF FAIR VALUE MEASUREMENT	70	–	70

* *In terms of IFRS 3: Business Combinations, the provisional accounting applied to the acquisition of Recoveries Corporation was finalised in December 2017. As a result, trade and other payables were reduced by R30 million, with a corresponding reduction in goodwill. The impact on the statement of comprehensive income is negligible.*

FAIR VALUE DISCLOSURE *continued*

SENSITIVITY ANALYSIS OF VALUATIONS USING UNOBSERVABLE INPUTS

As part of the group's risk management processes, stress tests are applied on the significant unobservable parameters to generate a range of potentially possible alternative valuations. The financial instruments that are most impacted by this sensitivity analysis are those with the more illiquid and/or structured portfolios. The stresses are applied independently and do not take account of any cross correlation between separate asset classes that would reduce the overall effect on the valuations. A significant parameter has been deemed to be one which may result in a change in the fair value of the asset or liability of more than 10%. This is demonstrated by the following sensitivity analysis, which includes a reasonable range of possible outcomes.

MOVEMENT IN FAIR VALUE GIVEN THE 10% CHANGE IN SIGNIFICANT ASSUMPTIONS

	2018		2017	
Loans and advances: entry-level vehicles	10% Favourable Audited Rm	10% Unfavourable Audited Rm	10% Favourable Audited Rm	10% Unfavourable Audited Rm
SIGNIFICANT UNOBSERVABLE INPUT AND DESCRIPTION OF ASSUMPTION				
Average collateral value	**1**	**(1)**	1	(1)
Discount rate: the rate used to discount projected future cash flows to present value	**1**	**(1)**	1	(1)
TOTAL	**2**	**(2)**	2	(2)

	2018		2017	
Other financial assets	10% Favourable Audited Rm	10% Unfavourable Audited Rm	10% Favourable Audited Rm	10% Unfavourable Audited Rm
SIGNIFICANT UNOBSERVABLE INPUT AND DESCRIPTION OF ASSUMPTION				
Cash flows: change in the expected revenue	**1**	**(1)**	–	–
Cash flows: change in expected costs	**<1**	**<(1)**	–	–
Discount rate: the rate used to discount projected future cash flows to present value	**1**	**(1)**	<1	<(1)
TOTAL	**2**	**(2)**	<1	<(1)

	2018		2017	
Trade and other payables	10% Favourable Audited Rm	10% Unfavourable Audited Rm	10% Favourable Audited Rm	10% Unfavourable Audited Rm
SIGNIFICANT UNOBSERVABLE INPUT AND DESCRIPTION OF ASSUMPTION				
Recoveries Corporation: profit after tax (for the year ended 30 September 2017)	**–**	**–**	18	–
Recoveries Corporation: profit after tax (for the year ended 30 September 2018)	**–**	**–**	25	–
TOTAL	**–**	**–**	43	–

TRANSACTION CAPITAL GROUP DATA SHEET

FOR THE YEAR ENDED 30 SEPTEMBER

2018

Transaction Capital

TRANSACTION CAPITAL DATA SHEET

All numbers and ratios presented in this data sheet include the consolidated results of acquisitions from the effective transaction dates, as follows:

2018: • Accsys (effective 1 December 2017)

2017: • Road Cover (effective 1 December 2016);
- The Beancounter (effective 1 December 2016);
- Recoveries Corporation (effective 31 December 2016); and
- SA Taxi cell captive (effective 30 June 2017).

The 2017 results included transaction and other acquisition-related costs of R22 million, which have been excluded from the core numbers and ratios presented in this data sheet.

		Year ended 30 September			Movement	
		2018	2017	2016	**2018**	2017
TRANSACTION CAPITAL GROUP						
SUMMARISED CONSOLIDATED INCOME STATEMENT						
Interest and other similar income	Rm	**2 154**	1 971	1 688	**9%**	17%
Interest and other similar expense	Rm	**(1 054)**	(964)	(809)	**9%**	19%
Net interest income	Rm	**1 100**	1 007	879	**9%**	15%
Impairment of loans and advances	Rm	**(314)**	(260)	(209)	**21%**	24%
Risk-adjusted net interest income	Rm	**786**	747	670	**5%**	11%
Non-interest revenue	Rm	**2 377**	1 937	1 279	**23%**	51%
Core operating costs	Rm	**(2 244)**	(1 888)	(1 348)	**19%**	40%
Advertising, marketing and public relations	Rm	**(23)**	(12)	(11)	**92%**	9%
Amortisation of intangible assets	Rm	**(41)**	(31)	(13)	**32%**	>100%
Amortisation of principal book portfolio	Rm	**(117)**	(117)	(112)	**0%**	4%
Audit fees	Rm	**(17)**	(17)	(11)	**0%**	55%
Bank charges	Rm	**(25)**	(20)	(14)	**25%**	43%
Commissions paid	Rm	**(27)**	(19)	(17)	**42%**	12%
Communication costs	Rm	**(87)**	(79)	(56)	**10%**	41%
Consulting fees	Rm	**(28)**	(32)	(23)	**(13%)**	39%
Depreciation	Rm	**(37)**	(32)	(22)	**16%**	45%
Electricity and water	Rm	**(22)**	(19)	(14)	**16%**	36%
Employee expenses	Rm	**(1 283)**	(1 055)	(708)	**22%**	49%
Fees paid	Rm	**(43)**	(39)	(34)	**10%**	15%
Handling, logistics and storage	Rm	**(72)**	(38)	(40)	**89%**	(5%)
Information technology	Rm	**(48)**	(40)	(29)	**20%**	38%
Non-executive directors' emoluments	Rm	**(6)**	(5)	(4)	**20%**	25%
Operating lease rentals	Rm	**(87)**	(70)	(30)	**24%**	>100%
Professional fees	Rm	**(19)**	(16)	(15)	**19%**	7%
Risk management	Rm	**(20)**	(18)	(12)	**11%**	50%
Staff welfare	Rm	**(26)**	(21)	(12)	**24%**	75%
Travel	Rm	**(19)**	(16)	(12)	**19%**	33%
Training and seminars	Rm	**(11)**	(12)	(7)	**(8%)**	71%
Other	Rm	**(186)**	(180)	(152)	**4%**	18%

		Year ended 30 September			Movement	
		2018	2017	2016	**2018**	2017
TRANSACTION CAPITAL GROUP *continued*						
SUMMARISED CONSOLIDATED INCOME STATEMENT *continued*						
Core operating income	Rm	**919**	796	601	**15%**	32%
Non-operating loss	Rm	**(3)**	(3)	–	**0%**	100%
Core profit before tax	Rm	**916**	793	601	**15%**	32%
Income tax expense	Rm	**(218)**	(203)	(138)	**7%**	47%
Core profit for the year	Rm	**698**	590	463	**18%**	27%
Core profit and headline earnings for the year attributable to:	Rm	**698**	590	463	**18%**	27%
Ordinary equity holders	Rm	**682**	577	458	**18%**	26%
Non-controlling interests	Rm	**16**	13	5	**23%**	>100%
Transaction and other acquisition-related costs	Rm	**–**	22	–	**(100%)**	100%
SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
Assets						
Cash and cash equivalents	Rm	**900**	944	1 276	**(5%)**	(26%)
Inventories	Rm	**478**	212	201	**>100%**	5%
Loans and advances	Rm	**9 592**	8 456	7 190	**13%**	18%
Purchased book debts	Rm	**1 374**	891	728	**54%**	22%
Other investments	Rm	**–**	–	477	**n/a**	(100%)
Intangible assets	Rm	**283**	247	93	**15%**	>100%
Goodwill	Rm	**1 142**	1 135	200	**1%**	>100%
Property and equipment	Rm	**167**	150	104	**11%**	44%
Other assets	Rm	**1 406**	1 009	822	**39%**	23%
Total assets	Rm	**15 342**	13 044	11 091	**18%**	18%
Liabilities						
Bank overdrafts	Rm	**116**	136	173	**(15%)**	(21%)
Interest-bearing liabilities	Rm	**9 817**	8 191	7 477	**20%**	10%
Senior debt	Rm	**8 753**	7 228	6 512	**21%**	11%
Subordinated debt	Rm	**1 060**	963	965	**10%**	(0%)
Finance lease	Rm	**4**	–	–	**100%**	n/a
Other liabilities	Rm	**1 216**	945	463	**29%**	>100%
Total liabilities	Rm	**11 149**	9 272	8 113	**20%**	14%
Equity						
Equity attributable to ordinary equity holders of the parent	Rm	**4 134**	3 718	2 944	**11%**	26%
Non-controlling interests	Rm	**59**	54	34	**9%**	59%
Total equity	Rm	**4 193**	3 772	2 978	**11%**	27%
Total equity and liabilities	Rm	**15 342**	13 044	11 091	**18%**	18%

		Year ended 30 September			Movement	
		2018	2017	2016	**2018**	2017
TRANSACTION CAPITAL GROUP *continued*						
SHAREHOLDER STATISTICS						
Number of shares	m	**610.2**	610.1	571.9	**0%**	7%
Weighted average number of shares in issue	m	**610.3**	598.3	568.5	**2%**	5%
Core headline earnings per share	cents	**111.7**	96.4	80.6	**16%**	20%
Net asset value per share	cents	**677.5**	609.4	514.8	**11%**	18%
Interim dividend per share	cents	**21.0**	15.0	12.0	**40%**	25%
Final dividend per share	cents	**29.0**	25.0	18.0	**16%**	39%
Total dividend per share	cents	**50.0**	40.0	30.0	**25%**	33%
Total core dividend cover	times	**2.2**	2.4	2.7		
CAPITAL ADEQUACY						
Equity	Rm	**4 193**	3 772	2 978	**11%**	27%
Subordinated debt	Rm	**1 060**	963	965	**10%**	(0%)
Total capital	Rm	**5 253**	4 735	3 943	**11%**	20%
Less: goodwill	Rm	**(1 142)**	(1 135)	(200)	**1%**	>100%
Total capital less goodwill	Rm	**4 111**	3 600	3 743	**14%**	(4%)
Total assets less goodwill and cash and cash equivalents	Rm	**13 300**	10 965	9 615	**21%**	14%
Capital adequacy ratio	%	**30.9**	32.8	38.9		
Equity	%	**22.9**	24.0	28.9		
Subordinated debt	%	**8.0**	8.8	10.0		
PERFORMANCE INDICATORS						
Total income	Rm	**4 531**	3 908	2 967	**16%**	32%
Core cost-to-income ratio	%	**64.5**	64.1	62.5		
Average cost of borrowing	%	**11.8**	12.0	11.3		
Core return on average assets	%	**4.9**	4.8	4.4		
Core return on average equity	%	**17.7**	17.2	16.9		
Average assets	Rm	**14 218**	12 370	10 422	**15%**	19%
Average equity attributable to ordinary equity holders of the parent	Rm	**3 856**	3 364	2 718	**15%**	24%
Average interest-bearing liabilities	Rm	**8 936**	8 009	7 142	**12%**	12%
Gearing	times	**3.7**	3.5	3.8		
Debt funders	number	**45**	42	35	**7%**	20%
CREDIT RATINGS						
Transaction Capital R2 billion Domestic Note Programme (GCR rated)						
Long-term		**A-(za)**	A-(za)	n/a		
Short-term		**A1-(za)**	A1-(za)	n/a		
Employees	number	**4 445**	4 095	3 260	**9%**	26%

		Year ended 30 September			Movement	
		2018	2017	2016	**2018**	2017
SA TAXI						
SUMMARISED INCOME STATEMENT						
Interest and other similar income	Rm	**1 991**	1 765	1 486	**13%**	19%
Interest and other similar expense	Rm	**(1 012)**	(880)	(742)	**15%**	19%
Net interest income	Rm	**979**	885	744	**11%**	19%
Impairment of loans and advances	Rm	**(299)**	(253)	(206)	**18%**	23%
Non-interest revenue	Rm	**540**	427	315	**26%**	36%
Operating costs	Rm	**(723)**	(638)	(541)	**13%**	18%
Profit before tax	Rm	**497**	421	312	**18%**	35%
Profit after tax	Rm	**376**	309	254	**22%**	22%
Profit and headline earnings for the year attributable to:	Rm	**376**	309	254	**22%**	22%
Ordinary equity holders	Rm	**368**	303	249	**21%**	22%
Non-controlling interests	Rm	**8**	6	5	**33%**	20%
OTHER INFORMATION						
Depreciation	Rm	**15**	15	12	**0%**	25%
Amortisation of intangible assets	Rm	**12**	10	6	**20%**	67%
SUMMARISED STATEMENT OF FINANCIAL POSITION						
Assets						
Cash and cash equivalents	Rm	**677**	608	761	**11%**	(20%)
Inventories	Rm	**478**	212	201	**>100%**	5%
Loans and advances	Rm	**9 026**	7 872	6 675	**15%**	18%
Other investments	Rm	**–**	–	477	**n/a**	(100%)
Intangible assets	Rm	**46**	44	30	**5%**	47%
Goodwill	Rm	**499**	499	63	**0%**	>100%
Property and equipment	Rm	**88**	79	71	**11%**	11%
Other assets	Rm	**925**	604	599	**53%**	1%
Total assets	Rm	**11 739**	9 918	8 877	**18%**	12%
Liabilities						
Bank overdrafts	Rm	**116**	136	173	**(15%)**	(21%)
Interest-bearing liabilities	Rm	**8 333**	6 879	6 482	**21%**	6%
Senior debt	Rm	**7 649**	6 292	5 991	**22%**	5%
Subordinated debt	Rm	**684**	587	491	**17%**	20%
Group loans	Rm	**1 170**	1 164	913	**1%**	27%
Other liabilities	Rm	**482**	408	167	**18%**	>100%
Total liabilities	Rm	**10 101**	8 587	7 735	**18%**	11%
Segment net assets	Rm	**1 638**	1 331	1 142	**23%**	17%

		Year ended 30 September			Movement	
		2018	2017	2016	**2018**	2017
SA TAXI *continued*						
CAPITAL ADEQUACY						
Equity	Rm	**1 638**	1 331	1 142	**23%**	17%
Group loans*	Rm	**691**	764	913	**(10%)**	(16%)
Subordinated debt	Rm	**684**	587	491	**17%**	20%
Total capital	Rm	**3 013**	2 682	2 546	**12%**	5%
Less: goodwill	Rm	**(499)**	(499)	(63)	**0%**	>100%
Total capital less goodwill	Rm	**2 514**	2 183	2 483	**15%**	(12%)
Total assets less goodwill and cash and cash equivalents	Rm	**10 563**	8 811	8 053	**20%**	9%
Capital adequacy ratio	%	**23.8**	24.8	30.8		
Equity	%	**17.3**	18.1	24.7		
Subordinated debt	%	**6.5**	6.7	6.1		
FINANCIAL MEASURES						
Total income	Rm	**2 531**	2 192	1 801	**15%**	22%
Pre-provision profit	Rm	**796**	674	518	**18%**	30%
Net interest margin	%	**11.0**	11.4	11.1		
Risk-adjusted net interest margin	%	**7.7**	8.2	8.0		
Cost-to-income ratio	%	**47.6**	48.6	51.1		
Average cost of borrowing	%	**11.6**	11.4	10.6		
Gearing	times	**7.4**	7.7	8.0		
Debt funders	number	**44**	41	34	**7%**	21%
Return on average assets	%	**3.5**	3.3	3.1		
Return on average equity	%	**25.9**	25.3	25.5		
Weighted average interest rate at origination	%	**23.6**	24.4	25.2		
Average assets	Rm	**10 840**	9 410	8 259	**15%**	14%
Average equity attributable to ordinary equity holders of the parent	Rm	**1 422**	1 199	996	**19%**	20%
Average gross loans and advances	Rm	**8 936**	7 786	6 697	**15%**	16%
Average interest-bearing liabilities	Rm	**8 687**	7 704	7 006	**13%**	10%
Employees	number	**1 098**	965	840	**14%**	15%

* *Of the total group loans of R1 170 million at 30 September 2018 (2017: R1 164 million), R479 million (2017: R400 million) are not permanent facilities and as such have been excluded from the capital adequacy calculation. The remaining R691 million (2017: R764 million) group loans are subordinated debt facilities with fixed repayment terms.*

		Year ended 30 September			Movement	
		2018	2017	2016	**2018**	2017
SA TAXI *continued*						
OPERATIONAL MEASURES						
Status						
Number of loans	number	**30 617**	28 724	26 352	**7%**	9%
Gross loans and advances	Rm	**9 402**	8 303	7 151	**13%**	16%
Impairment provision	Rm	**(376)**	(431)	(476)	**(13%)**	(9%)
Net loans and advances	Rm	**9 026**	7 872	6 675	**15%**	18%
Premium/entry-level (gross loans and advances, on value)	%	**100/0**	100/0	99/1		
Originations						
Number of loans originated	number	**7 734**	7 480	6 866	**3%**	9%
Value of loans originated	Rm	**3 288**	3 027	2 495	**9%**	21%
Average loan term at origination	months	**69**	67	67	**3%**	0%
Average remaining loan term	months	**47**	47	44	**0%**	7%
New/repeat clients (on value)	%	**69/31**	74/26	73/27		
Average origination value	R	**425 194**	404 679	363 388	**5%**	11%
Credit performance						
Credit loss ratio	%	**3.3**	3.2	3.1		
After tax credit loss coverage	times	**1.7**	2.3	3.1		
Provision coverage	%	**4.0**	5.2	6.7		
Non-performing loans	Rm	**1 667**	1 421	1 242	**17%**	14%
Non-performing loan ratio	%	**17.7**	17.1	17.4		
INSURANCE PERFORMANCE						
Gross written premium	Rm	**687**	557	451	**23%**	24%
Annualised new business written premium	Rm	**349**	283	246	**23%**	15%
Products per insured client	number	**2.0**	1.8	1.7	**11%**	6%
CREDIT RATINGS						
Transsec 1 R4 billion Asset Backed Note Programme (S&P rated)						
Class A Notes		**zaAA-(sf)**	zaAA(sf)	zaAAA(sf)		
Class B Notes		**zaAA-(sf)**	zaAA(sf)	zaAA(sf)		
Class C Notes		**zaAA-(sf)**	zaAA(sf)	zaA(sf)		
Class D Notes		**zaA+(sf)**	zaA+(sf)	zaBBB-(sf)		
Transsec 2 R4 billion Asset Backed Note Programme (S&P rated)						
Class A Notes		**zaAA-(sf)**	zaAA(sf)	zaAAA(sf)		
Class B Notes		**zaAA-(sf)**	zaAA-(sf)	zaA(sf)		
Class C Notes		**zaA(sf)**	zaA(sf)	zaBBB(sf)		
Transsec 3 R2.5 billion Asset Backed Note Programme (Moody's rated)						
Class A1 Notes		**P-1.za(sf)**	P-1.za(sf)	n/a		
Class A2 Notes		**Aaa.za(sf)**	Aaa.za(sf)	n/a		
Class A3 Notes		**Aaa.za(sf)**	Aaa.za(sf)	n/a		
Class B Notes		**Aa3.za(sf)**	Aa3.za(sf)	n/a		

		Year ended 30 September			Movement	
		2018	2017	2016	**2018**	2017
SA TAXI *continued*						
ENVIRONMENT						
Estimated minibus taxi market ('000)	vehicles	**>250**	>200	200		
Price of a new Toyota Sesfikile (petrol)*	R	**408 900**	401 300	393 500	**2%**	2%
Price of a new Toyota Sesfikile (diesel)*	R	**433 300**	421 100	412 900	**3%**	2%
Average repo rate	%	**6.62**	6.95	6.70		
Average petrol price per litre	R	**14.61**	13.00	12.29	**12%**	6%
Average diesel price per litre	R	**12.98**	11.19	10.42	**16%**	7%
TRANSACTION CAPITAL RISK SERVICES (TCRS)						
SUMMARISED INCOME STATEMENT						
Interest and other similar income	Rm	**172**	175	136	**(2%)**	29%
Interest and other similar expense	Rm	**(121)**	(98)	(71)	**23%**	38%
Net interest income	Rm	**51**	77	65	**(34%)**	18%
Impairment of loans and advances	Rm	**(15)**	(7)	(3)	**>100%**	>100%
Non-interest revenue	Rm	**1 837**	1 485	964	**24%**	54%
Core operating costs	Rm	**(1 510)**	(1 238)	(796)	**22%**	56%
Non-operating loss	Rm	**(3)**	(3)	–	**0%**	n/a
Core profit before tax	Rm	**360**	314	230	**15%**	37%
Core profit after tax	Rm	**281**	240	168	**17%**	43%
Core profit and headline earnings for the year attributable to:		**281**	240	168	**17%**	43%
Ordinary equity holders	Rm	**273**	233	168	**17%**	39%
Non-controlling interests	Rm	**8**	7	–	**14%**	100%
Transaction and other acquisition-related costs	Rm	**–**	22	–	**(100%)**	100%
Core EBITDA (excluding Transaction Capital Business Solutions (TCBS))	Rm	**429**	331	239	**30%**	38%
OTHER INFORMATION						
Depreciation	Rm	**21**	16	9	**31%**	78%
Amortisation of intangible assets	Rm	**29**	21	7	**38%**	>100%

* *Including value added tax (VAT).*

		Year ended 30 September			Movement	
		2018	2017	2016	2018	2017
TCRS *continued*						
SUMMARISED STATEMENT OF FINANCIAL POSITION						
Assets						
Cash and cash equivalents	Rm	**168**	161	72	**4%**	>100%
Loans and advances	Rm	**566**	584	515	**(3%)**	13%
Purchased book debts	Rm	**1 374**	891	728	**54%**	22%
Property and equipment	Rm	**78**	69	30	**13%**	>100%
Intangible assets	Rm	**237**	203	63	**17%**	>100%
Goodwill	Rm	**646**	639	76	**1%**	>100%
Other assets	Rm	**465**	386	195	**20%**	98%
Total assets	Rm	**3 534**	2 933	1 679	**20%**	75%
Liabilities						
Interest-bearing liabilities	Rm	**1 107**	968	558	**14%**	73%
Senior debt	Rm	**1 103**	968	558	**14%**	73%
Finance lease	Rm	**4**	–	–	**100%**	n/a
Group loans*	Rm	**238**	107	230	**>100%**	(53%)
Other liabilities	Rm	**698**	501	285	**39%**	76%
Total liabilities	Rm	**2 043**	1 576	1 073	**30%**	47%
Segment net assets	Rm	**1 491**	1 357	606	**10%**	>100%
FINANCIAL MEASURES						
Total income	Rm	**2 009**	1 660	1 100	**21%**	51%
Non-interest revenue net of amortisation	Rm	**1 720**	1 368	852	**26%**	61%
Core cost-to-income ratio	%	**80.0**	79.3	77.4		
Average cost of borrowing	%	**9.8**	9.7	10.1		
Gearing	times	**2.4**	2.2	2.8		
Core return on average assets	%	**8.6**	9.4	11.3		
Core return on average equity	%	**20.0**	22.2	31.5		
Core return on average assets excluding TCBS	%	**10.2**	11.2	15.0		
Core return on sales	%	**14.0**	14.5	15.3		
Average assets	Rm	**3 279**	2 544	1 482	**29%**	72%
Average equity attributable to ordinary equity holders of the parent	Rm	**1 366**	1 051	534	**30%**	97%
Average interest-bearing liabilities	Rm	**1 239**	1 008	701	**23%**	44%
Average book value of purchased book debts	Rm	**1 092**	884	599	**24%**	48%
Employees	number	**3 322**	3 102	2 395	**7%**	30%

* *The total group loans at 30 September 2018 of R238 million (2017: R107 million) are not permanent facilities.*

		Year ended 30 September			Movement	
		2018	2017	2016	**2018**	2017
TCRS *continued*						
OPERATIONAL MEASURES						
Contingency and fee-for-service (FFS)/principal collections revenue split	%	**63/37**	63/37	47/53		
Face value of purchased books acquired	Rb	**13.6**	5.2	2.6	**>100%**	100%
Price of purchased book debts acquired	Rm	**662**	356	184	**86%**	93%
Asset turnover ratio	%	**51.5**	52.1	71.1		
Estimated remaining collections – 120 months	Rm	**2 989**	1 867	1 461	**60%**	28%
Estimated remaining collections – 96 months	Rm	**2 690**	1 681	1 313	**60%**	28%
TCRS South Africa						
Number of contingency and FFS clients	number	**82**	86	83	**(5%)**	4%
Number of direct staff	number	**2 238**	2 017	2 035	**11%**	(1%)
Call centres	number	**6**	7	6	**(14%)**	17%
Assets under management	Rb	**50.0**	33.2	35.4	**51%**	(6%)
Contingency and FFS	Rb	**27.9**	21.0	16.1	**33%**	30%
Principal	Rb	**22.1**	12.2	19.3	**81%**	(37%)
TCRS Australia						
Number of contingency and FFS clients	number	**44**	41	n/a	**7%**	n/a
Number of direct staff	number	**477**	543	n/a	**(12%)**	n/a
Call centres	number	**3**	3	n/a	**0%**	n/a
Assets under management	Rb	**11.1**	9.6	n/a	**16%**	n/a
Contingency and FFS	Rb	**10.8**	9.6	n/a	**13%**	n/a
Principal	Rb	**0.3**	–	n/a	**100%**	n/a
TCBS						
Gross loans and advances	Rm	**573**	570	497	**1%**	15%
Impairment provision	Rm	**(21)**	(8)	(11)	**>100%**	(27%)
Loans and advances	Rm	**552**	562	486	**(2%)**	16%
SERVICER RATINGS						
Primary Servicer (GCR rated)		**SQ1-(za)**	SQ1-(ZA)	SQ1-(za)		
Special Servicer (GCR rated)		**SQ1(za)**	SQ1(ZA)	SQ1(za)		
ENVIRONMENT: SOUTH AFRICA*						
Credit active consumers (million)	number	**24.6**	24.7	23.9	**(0%)**	3%
Non-performing credit consumers (million)	number	**9.6**	9.7	9.6	**(1%)**	1%
Household debt to income	%	**71.3**	72.6	74.8		
Unemployment rate	%	**27.5**	27.7	27.1		

* *Latest available published information at time of reporting.*

		Year ended 30 September			Movement	
		2018	2017	2016	**2018**	2017
GROUP EXECUTIVE OFFICE*						
SUMMARISED INCOME STATEMENT						
Net interest income	Rm	**70**	45	70	**56%**	(36%)
Non-interest revenue	Rm	**–**	25	–	**(100%)**	100%
Operating costs	Rm	**(11)**	(12)	(11)	**(5%)**	9%
Profit before tax	Rm	**59**	58	59	**2%**	(2%)
Profit after tax	Rm	**41**	41	41	**0%**	0%
Headline earnings	Rm	**41**	41	41	**0%**	0%
OTHER INFORMATION						
Depreciation	Rm	**1**	1	1	**0%**	0%
SUMMARISED STATEMENT OF FINANCIAL POSITION						
Assets						
Cash and cash equivalents	Rm	**55**	175	443	**(69%)**	(60%)
Property and equipment	Rm	**1**	2	3	**(50%)**	(33%)
Other assets	Rm	**13**	16	89	**(19%)**	(82%)
Total assets	Rm	**69**	193	535	**(64%)**	(64%)
Liabilities						
Interest-bearing liabilities	Rm	**377**	344	437	**10%**	(21%)
Group loans	Rm	**(1 408)**	(1 271)	(1 143)	**11%**	11%
Other liabilities	Rm	**36**	36	11	**0%**	>100%
Total liabilities	Rm	**(995)**	(891)	(695)	**12%**	28%
SEGMENT NET ASSETS	Rm	**1 064**	1 084	1 230	**(2%)**	(12%)
Employees	number	**25**	28	25	**(11%)**	12%

* *Group executive office numbers are presented net of group consolidation entries.*

FORMULAE AND DEFINITIONS

ITEM	DEFINITION
After tax credit loss coverage	Provision coverage divided by after tax credit loss ratio
Asset turnover ratio	Gross principal book revenue expressed as a percentage of average carrying value of purchased book debts
Average equity attributable to ordinary equity holders of the parent	Sum of equity attributable to ordinary equity holders of the parent at the end of each month from September to September divided by 13
Average gross loans and advances	Sum of gross loans and advances at the end of each month from September to September divided by 13
Average interest-bearing liabilities	Sum of interest-bearing liabilities at the end of each month from September to September divided by 13
Average assets	Sum of assets at the end of each month from September to September divided by 13
Average cost of borrowing	Interest expense expressed as a percentage of average interest-bearing liabilities
Capital adequacy ratio	Total equity plus subordinated debt capital less goodwill expressed as a percentage of total assets less goodwill and cash and cash equivalents
Core cost-to-income ratio	Core operating costs expressed as a percentage of net interest income plus non-interest revenue
Core headline earnings	Headline earnings excluding transaction and other acquisition-related costs
Core headline earnings per share	Core headline earnings divided by weighted average number of ordinary shares in issue
Core operating costs	Operating costs excluding transaction and other acquisition-related costs
Core profit for the year	Profit for the year excluding transaction and other acquisition-related costs
Core return on average assets	Core profit for the year expressed as a percentage of average assets
Core return on average equity	Core profit for the year attributable to ordinary equity holders of the parent expressed as a percentage of average equity attributable to ordinary equity holders of the parent
Core return on sales	Core profit for the year expressed as a percentage of total income
Cost-to-income ratio	Total operating costs expressed as a percentage of net interest income plus non-interest revenue
Credit loss ratio	Impairment of loans and advances expressed as a percentage of average gross loans and advances
EBITDA	Profit before net interest income, tax, depreciation and amortisation of intangible assets (specifically excluding amortisation of purchased book debts) excluding Transaction Capital Business Solutions
Effective tax rate	Income tax expense expressed as a percentage of profit before tax
Entry-level vehicles	Vehicles brands: CAM, CMC, Jinbei, King Long, Polar Sun, Foton, Force Traveller, Peugeot
Estimated remaining collections	Estimated undiscounted value of remaining gross cash collections of purchased book debts, estimated to be recovered over the next 120 months or 96 months
Gearing	Total assets divided by equity attributable to ordinary equity holders of the parent expressed in times
Gross loans and advances	Gross loans and advances exclude the value of the written-off book brought back on to the balance sheet
Gross yield on average assets	Total income divided by average assets
Gross yield on average gross loans and advances	Total income divided by average gross loans and advances

ITEM	DEFINITION
Headline earnings	Headline earnings is defined and calculated as per the circular titled Headline Earnings as issued by the South African Institute of Chartered Accountants (SAICA) as amended from time to time, currently being basic earnings attributable to ordinary shareholders adjusted for goodwill impairments, capital profits and losses and other non-headline items
Headline earnings per share	Headline earnings divided by weighted average number of ordinary shares in issue
Net asset value per share	Equity attributable to ordinary equity holders of the parent divided by number of ordinary shares in issue
Net interest margin	Net interest income as a percentage of average gross loans and advances
Non-performing loan coverage	Impairment provision expressed as a percentage of non-performing loans
Non-performing loan ratio	Non-performing loans expressed as a percentage of gross loans and advances
Non-performing loans	a) The balance outstanding of loans and advances where the applicable obligor is: > at least 3.5 monthly instalments in arrears; > in respect of which a qualifying payment/s has not been made during the reference period; and > where such arrears is due to obligor delinquency. *Qualifying payment: a payment made which is more than 50% of the cumulative instalments due during the reference period* *Reference period: The preceding three month period ending at the reporting date*
	b) The value of repossessed stock on hand that has not yet entered the refurbishment facilities
Premium vehicles	Non entry-level vehicles
Pre-provision profit	Profit before tax excluding impairment of loans and advances
Provision coverage	Impairment provision expressed as a percentage of gross loans and advances
Return on average assets	Profit for the year expressed as a percentage of average assets
Return on average equity	Profit for the year attributable to ordinary equity holders of the parent expressed as a percentage of average equity attributable to ordinary equity holders of the parent
Return on sales	Profit for the year expressed as a percentage of total income
Risk-adjusted net interest margin	Net interest margin less credit loss ratio
Structurally subordinated debt	Senior debt issued by a holding company within the group
Subordinated debt	Debt subordinated by agreement with the lender plus structurally subordinated debt
Total income	Interest and other similar income plus non-interest revenue
Weighted average number of ordinary shares in issue	The number of ordinary shares in issue at the beginning of the year increased by shares issued during the year, weighted on a time basis for the year during which they have participated in the income of the group excluding treasury shares

Transaction Capital

230 JAN SMUTS AVENUE, DUNKELD WEST, JOHANNESBURG, 2196
PO BOX 41888, CRAIGHALL, 2024, REPUBLIC OF SOUTH AFRICA
TEL: +27 (0) 11 049 6700 • FAX: +27 (0) 11 049 6899

WWW.TRANSACTIONCAPITAL.CO.ZA