TRANSACTION CAPITAL

RESULTS

2019

FOR THE YEAR ENDED 30 SEPTEMBER

Transaction Capital

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TRANSACTION CAPITAL

RESULTS PRESENTATION

2019

FOR THE
YEAR ENDED
30 SEPTEMBER

Transaction Capital


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2019
FOR THE YEAR ENDED 30 SEPTEMBER


Transaction Capital
GROUP HIGHLIGHTS
2019
RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

FINANCIAL HIGHLIGHTS
FY19 COMPARED TO FY18

Transaction Capital 3

SA Taxi
driving our nation forward

R446 million
HEADLINE EARNINGS ATTRIBUTABLE TO GROUP
↑ 21%

R519 million
HEADLINE EARNINGS
↑ 38%

R10.8 billion
GROSS LOANS & ADVANCES
↑ 16%

17.9%
NON-PERFORMING LOAN RATIO
FY18 | 17.5%

3.2%
CREDIT LOSS RATIO
FY18 | 3.5%

R584 million
NON-INTEREST REVENUE
↑ 17%

24.6%
RETURN ON EQUITY
FY18 | 35.0%

Transaction Capital

R803 million
HEADLINE EARNINGS
↑ 18%

131.3 cps
HEADLINE EARNINGS PER SHARE
↑ 18%

61 cps
TOTAL DIVIDEND PER SHARE
↑ 22%

R13.6 billion
MARKET CAPITALISATION
FY18 | R10.8 billion

R950 million
UNDEPLOYED CAPITAL
FY18 | R650 million

18.7%
RETURN ON EQUITY
FY18 | 19.6%

21.9%
RETURN ON EQUITY EXCL. UNDEPLOYED CAPITAL
FY18 | 22.8%

Transaction Capital Risk Services

R313 million
HEADLINE EARNINGS ATTRIBUTABLE TO GROUP
↑ 15%

R1.2 billion
COST PRICE PURCHASED BOOK DEBTS ACQUIRED
↑ 79%

R2.4 billion
CARRYING VALUE OF PURCHASED BOOK DEBTS
↑ 73%

R4.5 billion
ESTIMATED REMAINING COLLECTIONS
↑ 50%

R2.1 billion
NON-INTEREST REVENUE
↑ 15%

78.9%
COST-TO-INCOME RATIO
FY18 | 80.0%

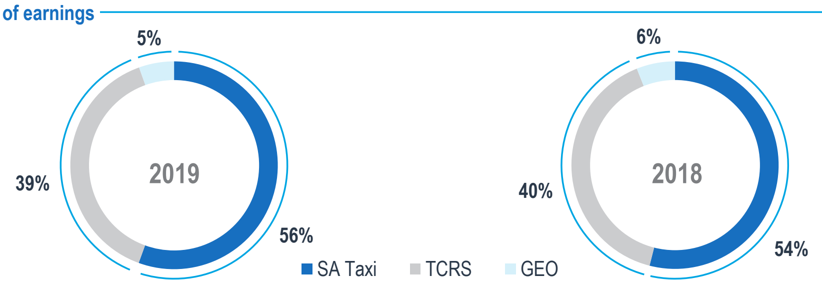
20.9%
RETURN ON EQUITY
FY18 | 20.0%

Financial ratios exclude once-off costs of R84 million attributable to the group relating to SA Taxi's ownership transaction with SANTACO which arose in the first half of 2019
R81 million of these costs are non-cash & in accordance with IFRS 2. R3 million relates to early debt settlement costs.
2018 balances have been restated for the early adoption of IFRS 17 – Insurance Contracts which has no material impact on headline earnings.

GROUP PORTFOLIO MIX

Transaction Capital 4

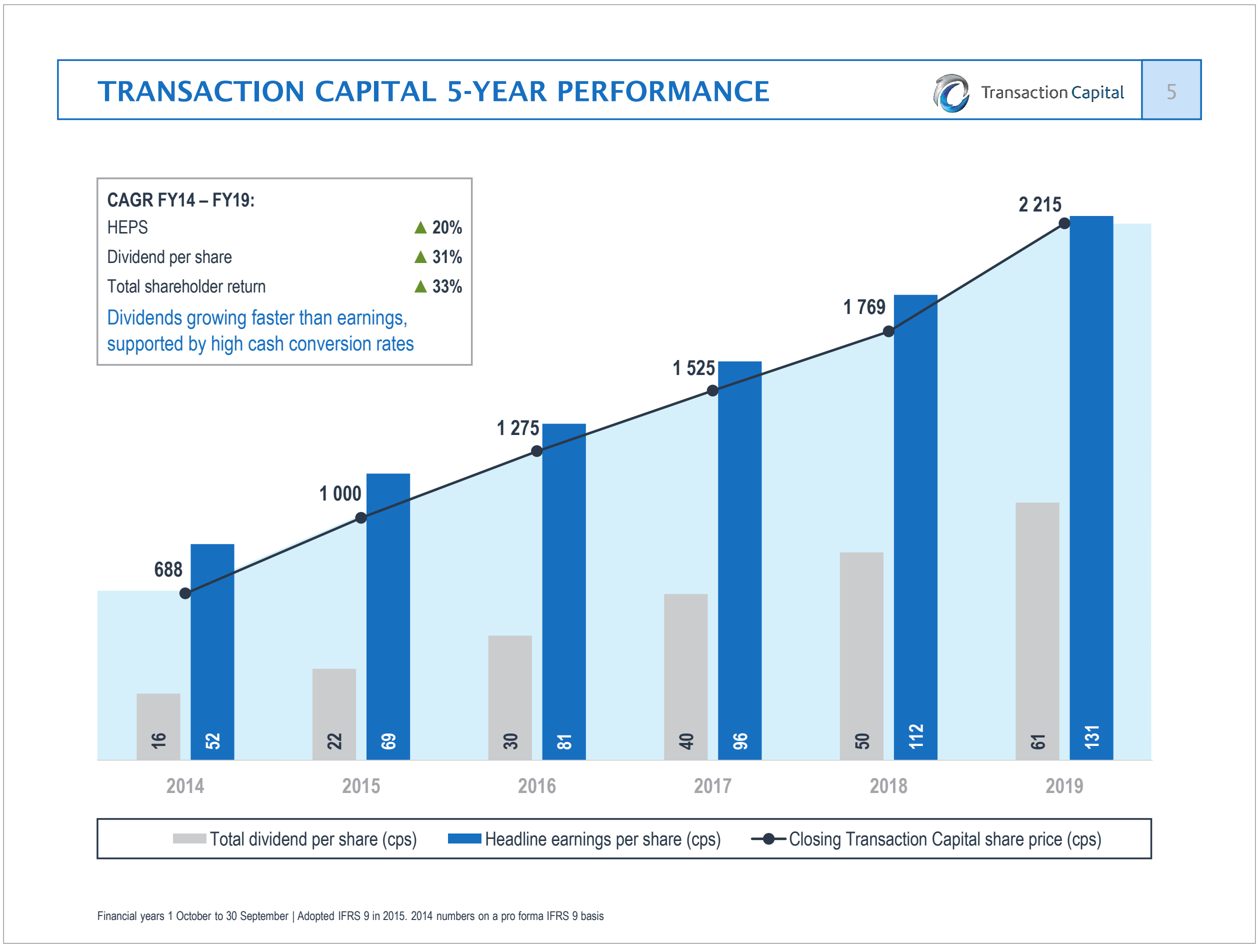
Composition of earnings



CONSERVATIVE CAPITAL STRATEGY
- Group balance sheet well capitalised, ungeared & liquid
- Undeployed capital of **~R950 million**
- Majority allocated towards strategic organic growth initiatives
- Excess capital available to fund acquisitive growth
- Making earnings upside possible in the medium term

Headline earnings	Rm 2019	Rm 2018	Growth 2019
SA Taxi[1]	446	368	▲ 21%
TCRS[1]	313	273	▲ 15%
GEO	44	41	▲ 7%
TOTAL	**803**	**682**	**▲ 18%**
Cents per share	**131.3**	**111.7**	**▲ 18%**

1. Attributable to the group


TRANSACTION CAPITAL 5-YEAR PERFORMANCE
Transaction Capital
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CAGR FY14 – FY19:
HEPS ▲ 20%
Dividend per share ▲ 31%
Total shareholder return ▲ 33%
Dividends growing faster than earnings, supported by high cash conversion rates
688
1 000
1 275
1 525
1 769
2 215
16
52
22
69
30
81
40
96
50
112
61
131
2014
2015
2016
2017
2018
2019
Total dividend per share (cps)
Headline earnings per share (cps)
Closing Transaction Capital share price (cps)
Financial years 1 October to 30 September | Adopted IFRS 9 in 2015. 2014 numbers on a pro forma IFRS 9 basis

NOTES

TCRS STRATEGIC HIGHLIGHTS
DELIVERING ON GROWTH

ROBUST PERFORMANCE FROM RECOVERIES CORPORATION IN AUSTRALIA

- Revenue ▲ **low double-digit %,** all organic growth (new mandates & clients)
- Operating costs stable
- Significant operational leverage achieved
- Deployment of technologies proven in SA into Australian business
- Invested **R122m** in NPL Portfolios (FY18: **R23m**)
- Acquired **25%** of leading debt administration business in May 2019

COLLECTIONS REVENUE IN SOUTH AFRICA ▲> 20% DESPITE CHALLENGING ENVIRONMENT

Excellent revenue growth in the collection of SA NPL Portfolios performed ahead of expectations & has positively offset the expected slow down in contingency collection revenues

Acquisition of NPL Portfolios in SA

- Invested **R1.1bn** (FY18: **R639m**)

Contingency & FFS collection services performed in line with expectations in SA

- Difficult consumer credit environment | Constrained credit extension & lower volumes handed over
- Structural market shift | Clients selling NPL Portfolios earlier to focus on core business & optimise their balance sheets

GROWTH OPPORTUNITIES IDENTIFIED POSITIONING TCRS FOR ORGANIC GROWTH

SA | Continued NPL Portfolio acquisition opportunities

- Underdeveloped & growing sector | TCRS leading expansion of market
  - › New sellers | TCRS educating clients re best practice for sale of NPL Portfolios
  - › Expanding asset classes | pre write-off, collected via legal process, sold on bilateral or recurring contractual basis
- Current SA economic context favours acquisition of NPL Portfolios
- ▲ in unsecured credit extension[1] despite an over-indebted consumer

Australia | Purchase of NPL Portfolios

- Underpinned by growing Australian database & TCRS's analytics & pricing expertise
- Establish meaningful position in sizeable market
  - › Invested **R122m** (FY18: **R23m**)

TC Global Finance established

- Fragmented segment of European market presents growth opportunity
- **€2.7m** deployed to date (**€1.4m** after 30 Sep 2019)
- Initial returns in line with expectations

Portion of undeployed capital allocated towards these strategic organic growth initiatives

1. The NCR reported a year-on-year increase of 11.1% in the unsecured credit gross debtors book (which includes unsecured credit and credit facilities) in June 2019
The BA900 regulatory returns reported a year-on-year increase of 10.2% in banks' unsecured retail credit gross loans & advances in July 2019

SA TAXI STRATEGIC HIGHLIGHTS
DELIVERING ON GROWTH

OWNERSHIP TRANSACTION

- SANTACO acquired **25%** stake in SA Taxi for **R1.7bn**
- Finalised on **6 Feb 2019**
- Settled **~R1bn** of debt, yielding interest savings
  - › **~R76m** pre tax interest expense saving for FY19 (**~R55m** after tax)
- First trickle dividend paid in June 2019
  - › Majority invested into road safety projects led by SANTACO

SA TAXI FINANCE

- Book growth accelerated to **16%** vs. **~12%** per year since listing
  - › No. of loans originated ▲ **11%** (FY18:▲ **3%**)
  - › ▲ Toyota production, ▲ Nissan supply
  - › Launch of lower interest rate product
  - › ▲ finance of pre-owned vehicles

SA TAXI PROTECT

- Gross written premiums ▲ **20%**
  - › ▲ customer acquisition in open market via broker network (**>100**)
- Reduced cost of claim via efficiencies (SA Taxi Auto Repairs & SA Taxi Auto Parts)
- Technology investment | Enhance claims administration, prevent insurable events & reduce cost of claims
- Early adopted IFRS 17 (aligning with IFRS 9)

SA TAXI AUTO REPAIRS & SA TAXI AUTO PARTS

- Launched March 2018, with salvage operations established shortly thereafter
- Finance | Cost of refurbishment ▼ ~4% to 10%[1]; ▼ loss given default; ▲ recovery on repossession
- Insurance | ▼ cost of claim
- Retail | New & pre-owned auto parts targeting open market taxi operators

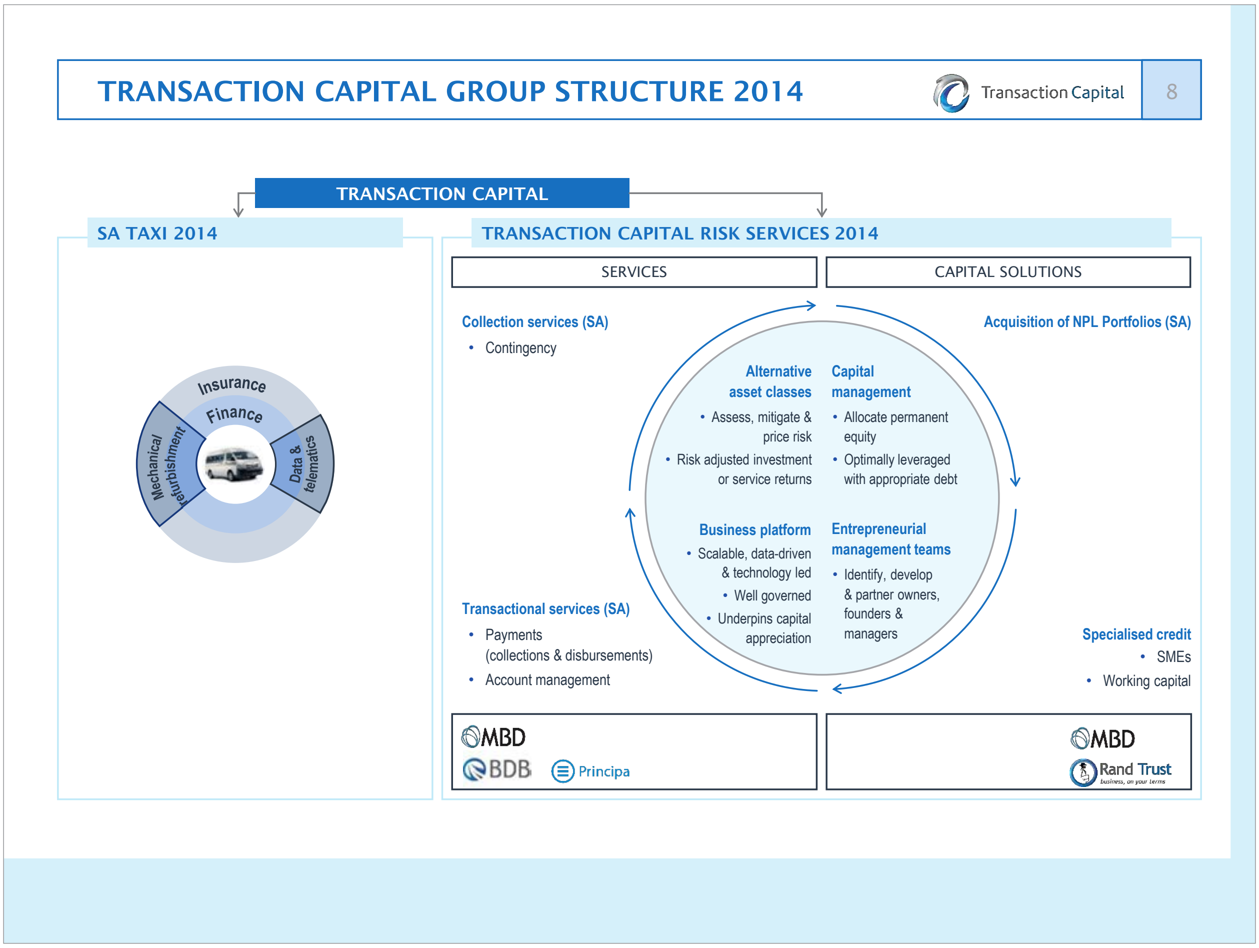
SA TAXI REWARDS

- Ownership transaction enabled SA Taxi & SANTACO to jointly negotiate better pricing
  - › Ultimate beneficiaries are minibus taxi operators & the industry
- Fuel programmes | Shell
- Tyre programme | Bridgestone
- Negotiations with additional partners underway
- Enhances safe & sustainable public transport

DEBT CAPITAL MARKETS

- SA Taxi's 2020 funding requirements already met
- Exploring opportunities with local DFIs

1. Reduction in the cost of refurbishment is dependent on the nature of the refurbishment or repair


TRANSACTION CAPITAL GROUP STRUCTURE 2014
Transaction Capital
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TRANSACTION CAPITAL
SA TAXI 2014
Insurance
Finance
Mechanical refurbishment
Data & telematics
TRANSACTION CAPITAL RISK SERVICES 2014
SERVICES
CAPITAL SOLUTIONS
Collection services (SA)
• Contingency
Acquisition of NPL Portfolios (SA)
Alternative asset classes
• Assess, mitigate & price risk
• Risk adjusted investment or service returns
Capital management
• Allocate permanent equity
• Optimally leveraged with appropriate debt
Business platform
• Scalable, data-driven & technology led
• Well governed
• Underpins capital appreciation
Entrepreneurial management teams
• Identify, develop & partner owners, founders & managers
Transactional services (SA)
• Payments (collections & disbursements)
• Account management
Specialised credit
• SMEs
• Working capital
MBD
BDB
Principa
MBD
Rand Trust
business, on your terms

NOTES

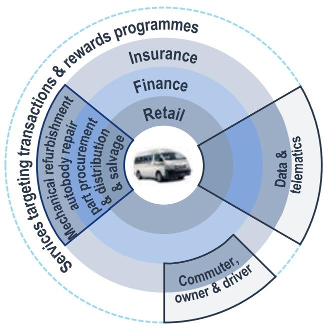
TRANSACTION CAPITAL GROUP STRUCTURE 2019

Transaction Capital 9

GROWING EARNINGS BASE BY EXPANDING EXISTING TOTAL ADDRESSABLE MARKET & ENTERING ADJACENT MARKET SEGMENTS VIA VERTICAL INTEGRATION

TRANSACTION CAPITAL

SA TAXI 2019



TRANSACTION CAPITAL RISK SERVICES 2019

SERVICES	CAPITAL SOLUTIONS

Collection services (SA & Australia)
- Contingency
- Fee-for-service

Value added services (SA)
- Subscription based

Transactional services (SA)
- Fee per payment processed (collections & disbursements)
- Account management

Alternative asset classes
- Assess, mitigate & price risk
- Risk adjusted investment or service returns

Capital management
- Allocate permanent equity
- Optimally leveraged with appropriate debt

Business platform
- Scalable, data-driven & technology led
- Well governed
- Underpins capital appreciation

Entrepreneurial management teams
- Identify, develop & partner owners, founders & managers

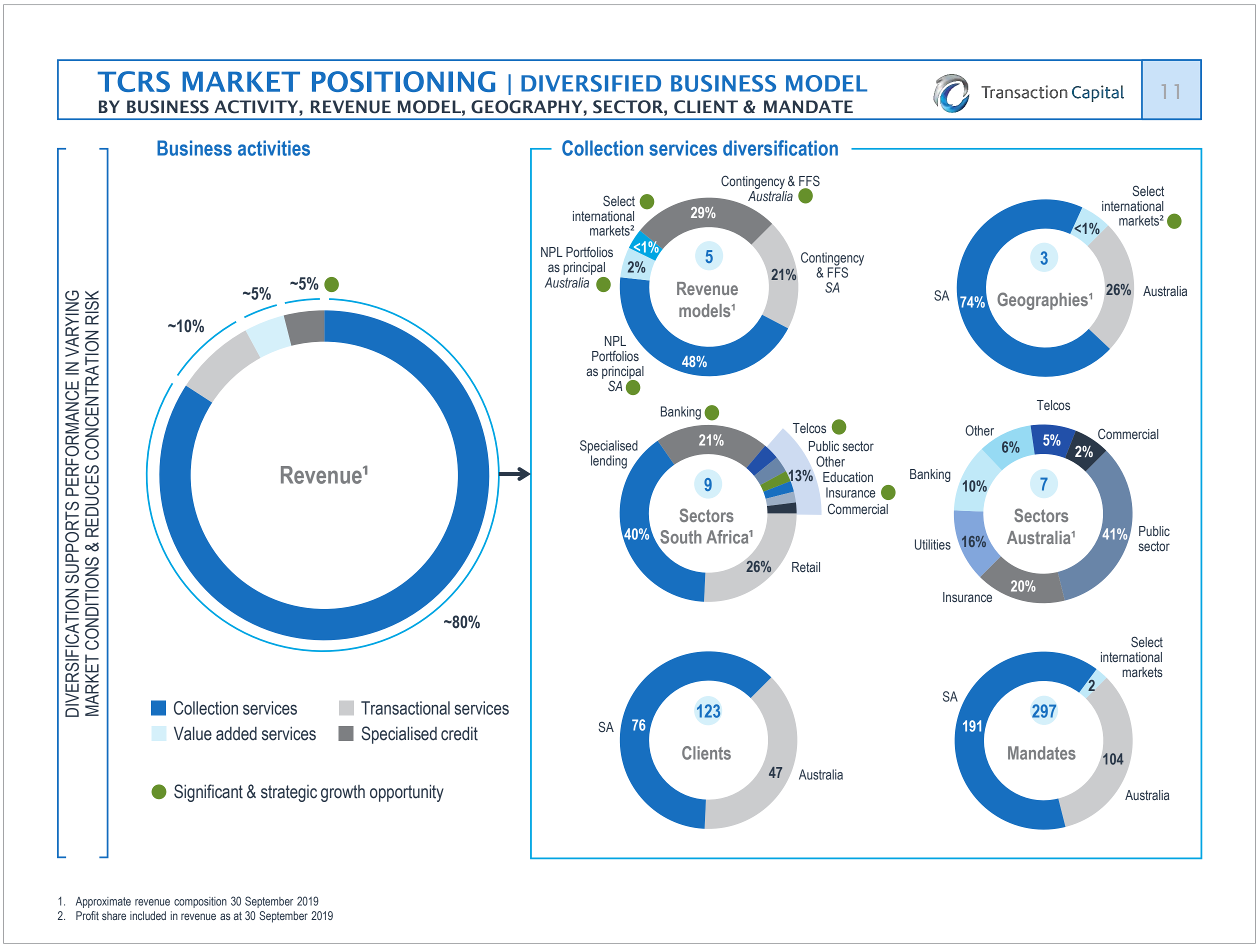
Acquisition of NPL Portfolios (SA & Australia)

International specialised credit & alternative assets (SA & select international markets)
- SMEs
- Mid-tier corporates
- Working capital, distressed debt, mezzanine, specialised property & principal finance

Transaction Capital

TRANSACTION CAPITAL RISK SERVICES

2019 RESULTS FOR THE YEAR ENDED 30 SEPTEMBER


TCRS MARKET POSITIONING | DIVERSIFIED BUSINESS MODEL
BY BUSINESS ACTIVITY, REVENUE MODEL, GEOGRAPHY, SECTOR, CLIENT & MANDATE
Transaction Capital
11
DIVERSIFICATION SUPPORTS PERFORMANCE IN VARYING MARKET CONDITIONS & REDUCES CONCENTRATION RISK
Business activities
Revenue¹
~80%
~10%
~5%
~5%
Collection services
Transactional services
Value added services
Specialised credit
Significant & strategic growth opportunity
Collection services diversification
5
Revenue models¹
Contingency & FFS Australia 29%
Contingency & FFS SA 21%
NPL Portfolios as principal SA 48%
NPL Portfolios as principal Australia 2%
Select international markets² <1%
3
Geographies¹
SA 74%
Australia 26%
Select international markets² <1%
9
Sectors South Africa¹
Banking 21%
Specialised lending 40%
Retail 26%
Telcos
Public sector
Other
Education
Insurance
Commercial
13%
7
Sectors Australia¹
Telcos 5%
Commercial 2%
Public sector 41%
Insurance 20%
Utilities 16%
Banking 10%
Other 6%
123
Clients
SA 76
Australia 47
297
Mandates
SA 191
Australia 104
Select international markets 2
1. Approximate revenue composition 30 September 2019
2. Profit share included in revenue as at 30 September 2019

NOTES

ENVIRONMENT & MARKET CONTEXT | SOUTH AFRICA

DEFENSIVELY POSITIONED IN A CHALLENGING CONSUMER CREDIT ENVIRONMENT

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MACRO- & SOCIO-ECONOMIC ENVIRONMENT IN SA PLACING PRESSURE ON CONSUMERS OVER THE MEDIUM TERM

37 million
Adults[1]

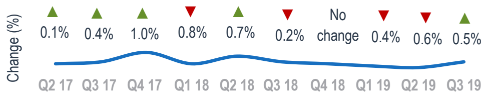
25 million
Credit active consumers in SA[2]

- **10.2 million** (**~40%**) NON-PERFORMING CREDIT CONSUMERS[2]
- HOUSEHOLD DEBT TO INCOME[3] AT **72.7%** (▲ from **71.6%** Q2 2018)
- ELEVATED LEVELS OF UNEMPLOYMENT[4]
  - Total at **29.1%** in Q3 2019 (▲ from **27.5%** Q3 2018)
  - Youth at **58.2%** in Q3 2019 (▲ from **52.8%** Q3 2018)
- INFLATION[5] AT **4.1%** > WAGE GROWTH[4] AT **<4.0%**
- INTEREST RATES ▲ MARGINALLY AVERAGE REPO RATE[6] **6.7%** (FY18: **6.6%**)
- CREDIT EXTENSION ▲

NCR | UNSECURED CREDIT[7] ▲ **11.1%** year-on-year June 2019
BANKS' UNSECURED RETAIL CREDIT[8] ▲ **10.2%** year-on-year July 2019

Transaction Capital's consumer credit rehabilitation index

NATIONAL REHABILITATION PROSPECT TRENDS | QUARTER-ON-QUARTER



Effect on TCRS

- ▲ in credit extension
  - › ▲ **in collection opportunities**
- Challenging consumer credit environment
  - › Contingency & FFS
    - – ▼ yield in contingency collection mandates
  - › Acquisition of NPL Portfolios as a principal
    - – ▲ value & number of NPL Portfolios offered for sale
    - – Negotiate pricing of acquired NPL Portfolios to earn constant yields

NATIONAL CREDIT AMENDMENT BILL – "DEBT RELIEF"

- Enacted August 2019 (No effective date)
  - › Complex implementation
  - › Costly administration (estimated cost to fiscus **>R400** million per year[9])
- Persistently over-indebted consumers[10] | **~1.5 million**
  - › Earning **<R7 500** per month with unsecured debt **<R50 000** & **>9 months** in arrears
- Consumers that could benefit from debt relief bill[11] | **~177 000**

TCRS's response

- Immaterial impact on TCRS
  - › NPL Portfolios acquired | Immaterial value placed on persistently over-indebted consumers in TCRS database due to low propensity to repay
  - › Contingency & FFS | Matters of this nature would not be selected for collection
- Behavioural impact | Training call centres to deal with Debt Relief Bill queries & avoidance

Source: 1. Stats SA, adults aged 15 to 59 | 2. NCR data at June 2019 | 3. June 2019 & 2018 - Bloomberg | 4.Trading economics website | 5. Rate of inflation reported September 2019 - Bloomberg | 6. Average Repo rate for the year ending 30 September 2019 & 2018 - Bloomberg | 7. Unsecured credit & credit facilities gross debtors book - NCR data June 2019 | 8. BA900 Regulatory returns gross loans & advances July 2019 | 9. Genesis Analytics | 10. Treasury estimates 2017 | 11. Department of Trade & Industry

ENVIRONMENT & MARKET CONTEXT | AUSTRALIA

Transaction Capital 13

AUSTRALIAN CONSUMER CREDIT ENVIRONMENT

AUSTRALIAN CONSUMER EMPLOYED BUT HIGHLY LEVERAGED

- **5.3%** unemployment (October 2019)
- Persistently high levels of household debt to disposable income at **~190%**, exacerbated by decreasing housing values
- Monthly debt servicing costs at ~51% (excluding home loans)
- Tightened credit extension policies moderated by lower interest rates & leniency in debt affordability assessments

AUSTRALIAN DEBT COLLECTION ENVIRONMENT

- Consumers:
  - › Predominantly employed
  - › Respond well to non-voice & digital channels & high levels of right party contact
- Market participants:
  - › Paying higher prices with lower access to funding
  - › Increased regulatory compliance

REVENUE OF ~A$1.2 BILLION FOR 2019

FRAGMENTED MARKET COMPRISING ~550 MARKET PARTICIPANTS | EARLY STAGE MARKET CONSOLIDATION

AUSTRALIAN COLLECTIONS MARKET | MARKET SHARE CONCENTRATION

ACQUISITION OF NPL PORTFOLIOS AS PRINCIPAL	**61.4%**	**CONTINGENCY & FFS COLLECTIONS**	**34.3%**
• Credit Corp	14.0%	• illion (formerly Dun & BradStreet)	3.5%
• Collection House	12.3%	• Recoveries Corp (TCRS)	3.4%
• Pioneer Credit Limited	7.9%		
• Panthera	4.1%	**OTHER COLLECTIONS**	**4.3%**
• Recoveries Corp (TCRS)	1.2%		

PRICE OF NPL PORTFOLIOS ACQUIRED PER YEAR

BUYERS OF CONSUMER DEBT IN AUSTRALIA

~A$600 million vs. SA ~ R1.5 billion

Credit Corp Group	~A$198m
Collection House	~A$100m
pioneer credit	~A$80m
Panthera	~A$58m
recoveriescorp	~A$12m
Other smaller players in fragmented	~A$152m

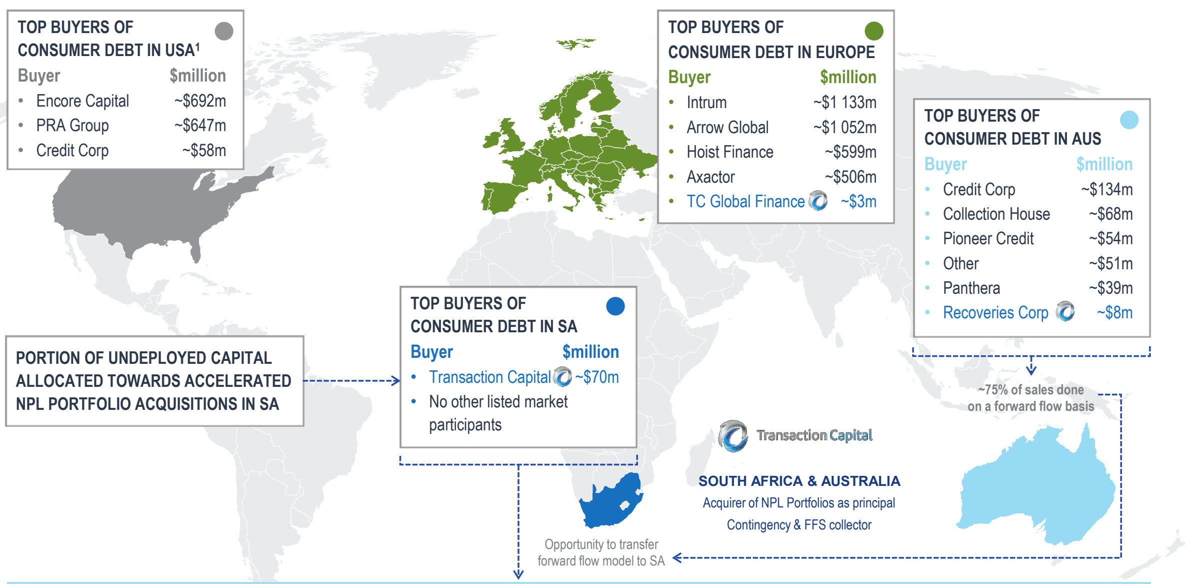
~75% of sales done on a forward flow basis

Source: IBIS World report "Debt collection in Australia April 2019
Transaction Capital estimates per analysis of reported results by companies mentioned above

TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

Transaction Capital | 14

GROWTH OPPORTUNITIES IN AN UNDERDEVELOPED & GROWING SA MARKET



- Underdeveloped & growing sector | TCRS leading the expansion of this market
  - New sellers | TCRS educating clients re best practice for sale of NPL Portfolios
  - Expanding asset classes | NPL Portfolios sold pre write-off, collected via legal process, sold on bilateral or recurring contractual basis
- Current SA economic context favours acquisition of NPL Portfolios
- ▲ in unsecured credit extension despite an over-indebted consumer

Source: Debt Sale Market Update - the changing buying landscape report by Bravure Group 21 August 2019
All amounts reflected in $ millions unless stated otherwise | 1.47 AUD to 1 USD conversion rate as at 18 August 2019 | 15.17 ZAR to 1 USD conversion rate as at 30 September 2019 | 0.91 EUR to 1 USD conversion rate as at 30 September 2019
1. Transaction Capital's approach to enter into the select international markets **excludes** the USA

NOTES

TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

OPPORTUNITIES FOR CAUTIOUS ORGANIC GROWTH IN SIGNIFICANTLY LARGER SELECT MARKETS

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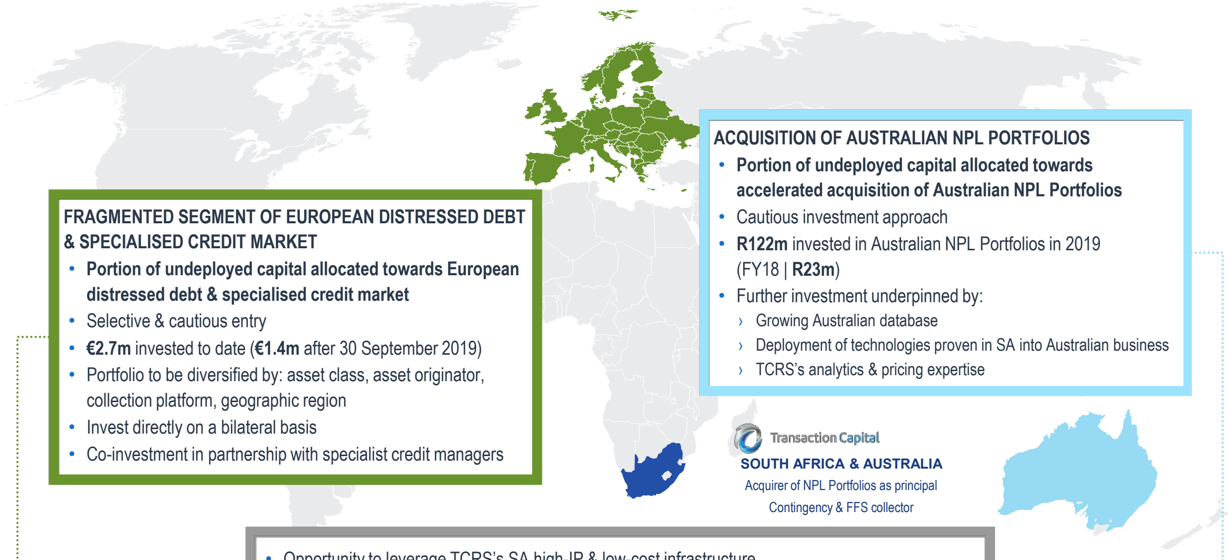

FRAGMENTED SEGMENT OF EUROPEAN DISTRESSED DEBT & SPECIALISED CREDIT MARKET

- **Portion of undeployed capital allocated towards European distressed debt & specialised credit market**
- Selective & cautious entry
- **€2.7m** invested to date (**€1.4m** after 30 September 2019)
- Portfolio to be diversified by: asset class, asset originator, collection platform, geographic region
- Invest directly on a bilateral basis
- Co-investment in partnership with specialist credit managers

ACQUISITION OF AUSTRALIAN NPL PORTFOLIOS

- **Portion of undeployed capital allocated towards accelerated acquisition of Australian NPL Portfolios**
- Cautious investment approach
- **R122m** invested in Australian NPL Portfolios in 2019 (FY18 | **R23m**)
- Further investment underpinned by:
  - Growing Australian database
  - Deployment of technologies proven in SA into Australian business
  - TCRS's analytics & pricing expertise

- Opportunity to leverage TCRS's SA high-IP & low-cost infrastructure
- Intention to replicate TC's business model building scalable servicing platforms leveraging TC's IP
- Small position in these sizeable markets provides meaningful growth opportunity
- Additional revenue model by entering adjacent market sectors
- Within TCRS's skill set & competencies
- Revenue in hard currency | € & A$ in addition to ZAR

TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

ACQUISITION OF NPL PORTFOLIOS AS A PRINCIPAL IN SA & AUSTRALIA

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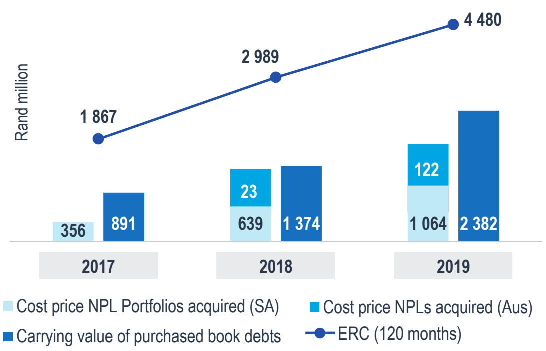
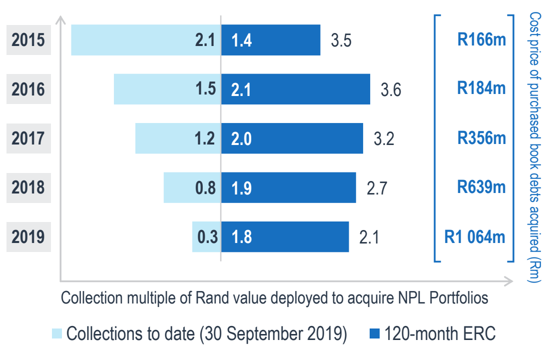
Growth trajectory to support future positive performance



Collection multiple vintage performance[1] as at 30 September 2019



- Current South African economic context favours acquisition of NPL Portfolios
- Invested **R1 064m** into SA NPL Portfolios (FY18: **R639m**)
- Invested **R122m** into Australian NPL Portfolios (FY18: **R23m**)
- **273** NPL Portfolios owned in total with face value of **R23.8bn**
- Carrying value of purchased book debts ▲ **73%** to **R2 382m** (FY18: **R1 374m**)
- Revenue from principal collections ▲ **>30%**

- Collection multiple targets when pricing NPL Portfolios for acquisition
  - SA | Pre write-off & legal debt ~**1.8 times** | faster activation, lower cost, earlier recovery
  - SA | Written off debt **>2.2 times** | extended activation time, higher cost, longer recovery
  - Australia | **<2.0 times** | shorter collection period, lower activation risk (high level of employment & 'right party contact'), lower cost of capital
- Estimated remaining collections (**ERC**) ▲ **50%** to **R4.5bn** supporting strong annuity cash flows & predictable growth in future collections & revenue
  - Average life of ERC ~**3.8 years**

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

TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

DELIVERING ON GROWTH

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INVESTMENT INTO DATA, TECHNOLOGY & ANALYTICS

- Process optimisation: Work force management, dialer, propensity to pay scorecards & right time to call
- Implementation of new technologies including artificial intelligence & digital communications
- Expansion of MDU
  - >12 million ID numbers

COLLECTION SERVICES

Acquisition of NPL Portfolios as principal

Transaction Capital Recoveries | recoveriescorp

SOUTH AFRICA:

- Continued NPL Portfolio acquisitions in an expanding underdeveloped sector
- ▲ in unsecured credit extension despite an over-indebted consumer
- Structural market shift with clients opting to sell NPL Portfolios earlier to focus on core business & optimise their balance sheets

AUSTRALIA:

- Purchase of NPL Portfolios as a principal
  - Establish a more meaningful position in the sizeable Australian collections market
- Bolt on acquisitions | Specialist NPL Portfolios acquirers

Contingency & FFS collection services

Transaction Capital Recoveries | recoveriescorp

SOUTH AFRICA:

- Grow adjacent sectors | consumer accounts receivables & insurance shortfalls
- Bespoke solutions | e.g. early stage collections & debt review
- Bolt-on acquisitions | Specialist collectors

AUSTRALIA:

- Technology to create operational efficiencies
- Expanding TCRS's proven SA technology, BI & analytics to Recoveries Corp in Australia
- Outsource to SA | low-cost, high IP
- Bolt-on acquisitions | Specialist collectors

VALUE ADDED SERVICES

- Apply data & analytics skills to grow direct sales
- Bolt-on acquisitions

SPECIALISED CREDIT

Transaction Capital Business Solutions | Transaction Capital Specialised Credit

TC Global Finance

- Establish meaningful position in sizeable but fragmented segment of the European specialised credit market

TRANSACTIONAL SERVICES

Transaction Capital Payment Solutions | Accsys | Principa

- Creation of a single integrated transactional services platform
- Bolt-on acquisitions

NOTES

TCRS 5-YEAR PERFORMANCE

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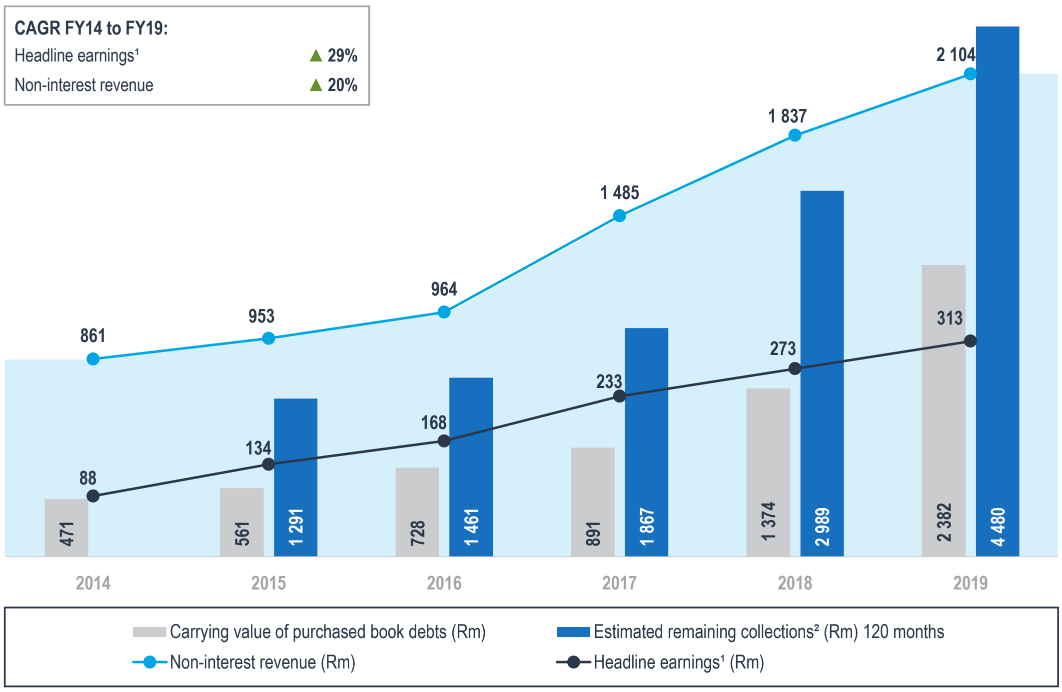

Financial years 1 October to 30 September | Adopted IFRS 9 in 2015 | 2014 numbers on a pro forma IFRS 9 basis

1. Headline earnings attributable to the group
2. ERC for 2014 not reported

TCRS FINANCIAL PERFORMANCE

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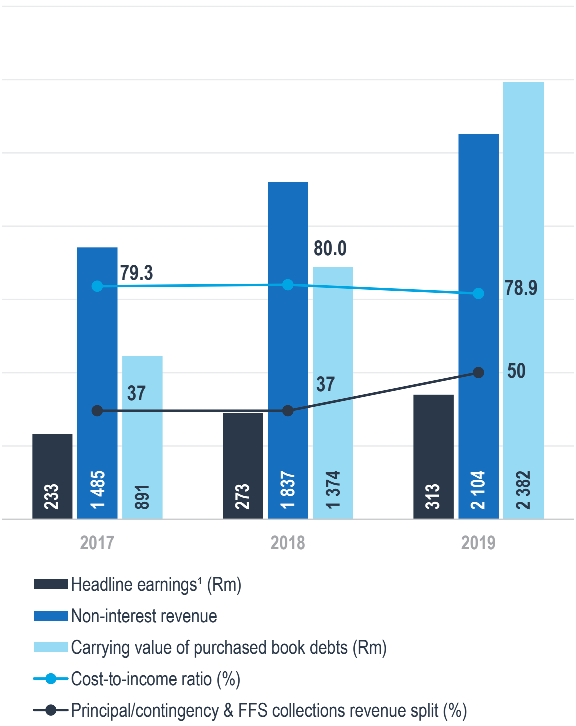
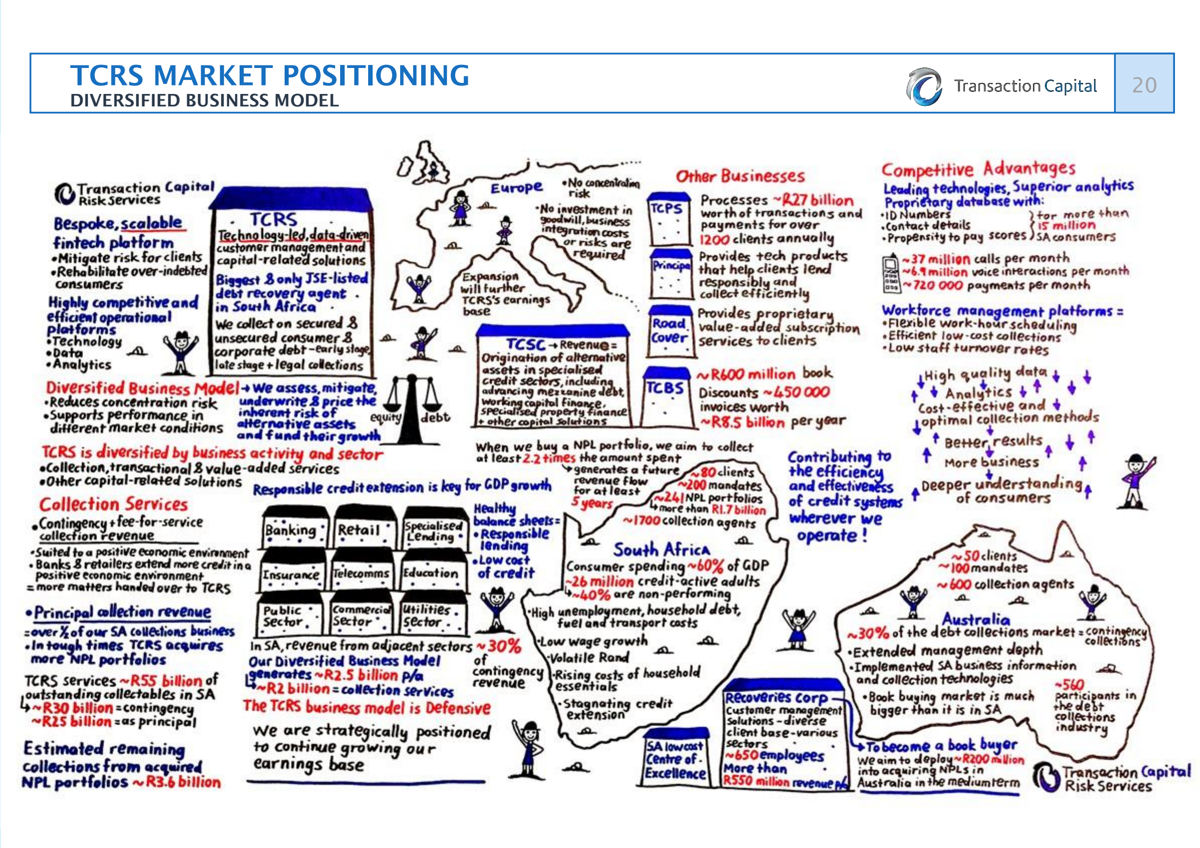


- Headline earnings ▲ **15% to R313m**
- Non-interest revenue ▲ **15% to R2.1 bn**
- Organic revenue from collection services ▲ **21%**
  - › **SA** | Excellent revenue growth in collection of NPL Portfolios positively offset expected slow down in contingency collection revenues
    - SA collections revenue ▲ **>20%**
    - Challenging environment to grow contingency & FFS revenue
  - › **Australia** | Robust performance
    - Revenue ▲ **low double-digit %**
      - » Organic growth from contingency collections (new clients & mandates)
    - Operating costs stable
    - Resulting in significant operational leverage
    - Continued acquisition of NPL Portfolios
- Cost-to-income ratio improved to **78.9%** from **80.0%**
  - › Frugal cost management
  - › Continued investment in data (MDU), technologies & analytics yielding efficiencies
- Transactional & value-added services contributed to earnings growth, but at a rate of **<10%**
  - › Impacted by challenging SA economic & operating environment
- TCBS book growth curbed to not compromise credit risk

1. Attributable to the group



TCRS's business model video telestration as published at HY19 | http://www.transactioncapital.co.za/risk.php

NOTES

Transaction Capital

SA TAXI

2019 RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

ENVIRONMENT FOR MINIBUS TAXI OPERATORS

INDUSTRY IS DEFENSIVE & GROWING WITH RESILIENT OPERATORS DESPITE CHALLENGING ECONOMIC ENVIRONMENT

STRUCTURAL ELEMENTS SUPPORT MINIBUS TAXI INDUSTRY RESILIENCE

DOMINANT & GROWING MODE OF INTEGRATED PUBLIC TRANSPORT NETWORK

69% OF HOUSEHOLDS USE MINIBUS TAXIS (59% in 2003)

>15 million COMMUTER TRIPS DAILY

- Competitively priced
- Convenient
- Accessible
- Currently no government subsidy

- Bus & Rail | subsidised | together account for <2 million trips daily
- New passenger vehicle sales ▼ 43% (FY13 to FY19)
- Increasing commuter density due to urbanisation
- Continued high levels of unemployment ~29%
- Spend by commuters on public transport is non-discretionary

DEMAND FOR MINIBUS TAXIS > SUPPLY IN SOUTH AFRICA

DEMAND

>250 000 MINIBUS TAXIS **>9 YEARS** OLD

~80 000 FINANCED & OR INSURED

~170 000 UNENCUMBERED & HENCE AGED

AGEING FLEET REQUIRING **REPLACEMENT & RECAPITALISATION**

SUPPLY

MAJOR PREMIUM BRAND MINIBUS TAXIS SUPPLIED PER MONTH

~1 800 NEW[1]

~220 PRE-OWNED[1]

EFFECT ON SA TAXI

- Driving higher demand for minibus taxis, finance & other services
- Liquid market for SA Taxi's high quality & affordable pre-owned & refurbished vehicles
- Resulting in higher recoveries as asset retains value due to demand > supply

CHALLENGING ENVIRONMENT FOR MINIBUS TAXI OPERATORS

VEHICLE PRICES

R451 600 TOYOTA HIACE (DIESEL) PRICE[2] Since FY15 | ▲ 24%

~R2 350 ▲ IMPACT ON MONTHLY INSTALMENT SINCE 2015

4.2% ▲ TOYOTA VEHICLE PRICES IN FY19

FUEL PRICES INCLUDING FUEL LEVIES

R15.53 per litre PETROL PRICE[3] ▲ 6%

R14.34 per litre DIESEL PRICE[3] ▲ 10%

FUEL PRICES ONLY 6% LOWER THAN ALL TIME HIGH IN OCTOBER 2018

INTEREST RATES

6.7% AVERAGE REPO RATE[4] FY15 | 5.8%

15.25% to 26.75% SA TAXI RISK BASED PRICING INTEREST RATE RANGE

TAXI RECAPITALISATION PROGRAMME (TRP)

R124 000 ▲ 36% IN APRIL 2019 MINIBUS TAXI SCRAPPING ALLOWANCE

TRP INITIATED BY GOVERNMENT IN 2016

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 | Websites: Rea Vaya, MyCiTi, Rustenberg Rapid Transport

1. Includes Toyota, Nissan & Mercedes | SA Taxi's best estimate based on monthly NAAMSA reports, internal data & Lightstone data | 2. Toyota recommended retail price, including VAT, as at 30 September 2019
3. www.energy.gov.za | 12-month rolling average petrol price (September 2018 to September 2019) | 4. Average Repo rate for year ending 30 September 2019 & 2015

ENVIRONMENT FOR MINIBUS TAXI OPERATORS

MINIBUS TAXIS ARE THE PREFERRED MODE OF PUBLIC TRANSPORT DUE TO COMPETITIVE PRICING, ACCESSIBILITY & RELIABILITY

Transaction Capital 23

LOWER LSM CONSUMERS SPEND ~ 40% OF MONTHLY HOUSEHOLD INCOME ON PUBLIC TRANSPORT FARES
COMMUTER TRIPS VIA BUS & RAIL MOSTLY REQUIRE FIRST & LAST KM UTILISING MINIBUS TAXIS

SHORT DISTANCE ROUTE | SOWETO TO JOHANNESBURG: 23KM

	Minibus taxi	Train	Bus	BRT	Uber
Accessibility	On route	Station & scheduled	Scheduled stops	Scheduled stops	E-hail
Affordability 2017	R14.00	R9.50	R14.80	R13.50	~R260.00
Increase	14%	0%	20%	11%	8%
Affordability 2018	R16.00	R9.50	R17.80	R15.00	~R280.00
Reliability	1 association with ~1 400 members	Every 10 to 20 minutes Stops at 7pm	A few buses operating on the route	Volume of buses < peak capacity required	On demand
Efficiency					

AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY[1]
~R25 000 PER MONTH

LONG DISTANCE ROUTE | JOHANNESBURG TO DURBAN: 595KM

	Minibus taxi	Train	Bus - Eldo	Bus - Greyhound
Accessibility	On route	Station & scheduled	Scheduled stops	Scheduled stops
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 ~900 members	3x per week	7 departures each per day (fewer on a Saturday & Sunday)	
Efficiency				

AVERAGE MINIBUS TAXI OPERATOR PROFITABILITY[1]
~R37 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

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

Latest available information for train, bus and BRT is for 2018. Minibus taxi fares for 2019 are as follows: Soweto to Johannesburg R17.00 | Johannesburg to Durban R320.00

NOTES

ENVIRONMENT FOR MINIBUS TAXI OPERATORS
FARE INCREASES MUTED IN 2019

Transaction Capital 24

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

DESPITE INELASTIC DEMAND FOR MINIBUS TAXI SERVICES THE INDUSTRY KEPT FARE INCREASES MUTED IN 2019 BEING MINDFUL OF THE ECONOMIC HARDSHIP OF COMMUTERS

MPUMALANGA
~80 routes selected
FY19 | NO FARE INCREASE ▲0%
FY18 | ▲9%

NORTH WEST
~65 routes selected
FY19 | NO FARE INCREASE ▲0%
FY18 | ▲23%

GAUTENG INCLUDING SOWETO
~240 routes selected
FY19 | NO FARE INCREASE ▲0%
FY18 | ▲15%

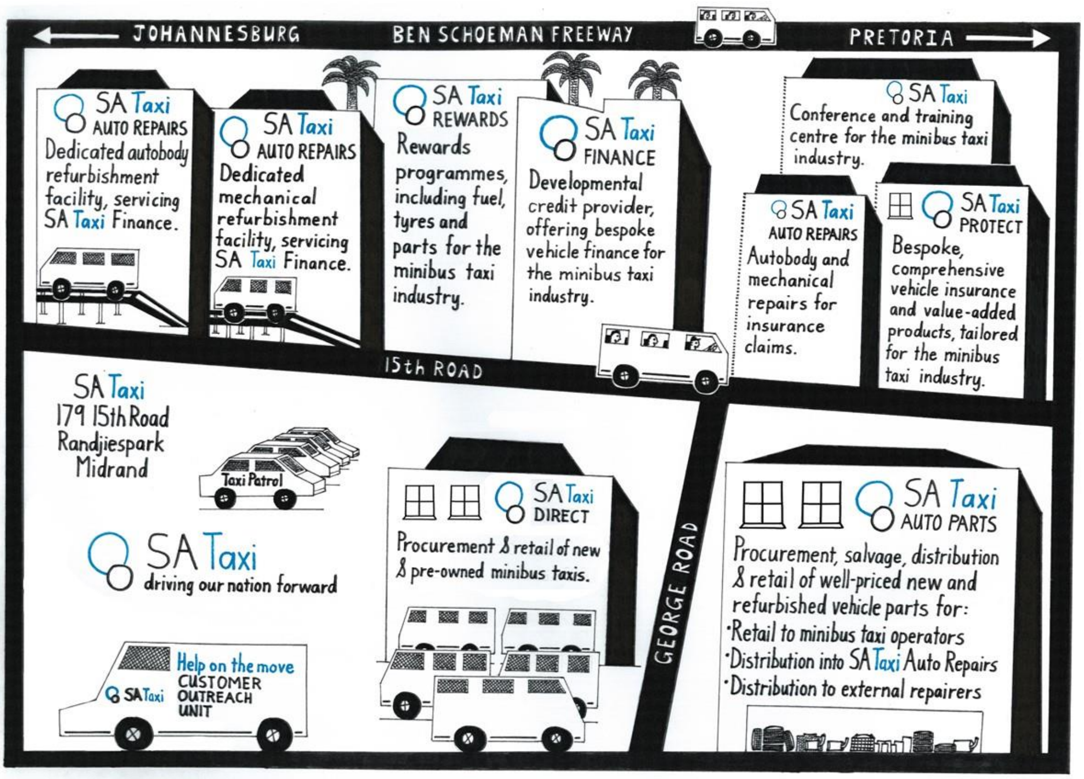
EASTERN CAPE
~130 routes selected
FY19 | AVERAGE FARE INCREASE ▲6%
FY18 | ▲14%

KWA-ZULU NATAL
~260 routes selected
FY19 | AVERAGE FARE INCREASE ▲7%
FY18 | ▲10%

Source: Industry information

SA TAXI MARKET POSITIONING
VERTICALLY INTEGRATED BUSINESS MODEL

Transaction Capital 25

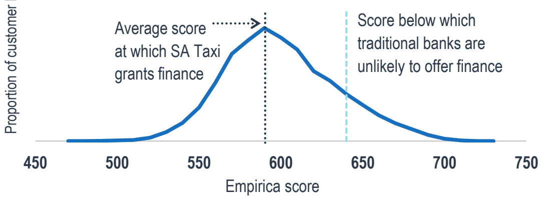


SA TAXI MARKET POSITIONING
VERTICALLY INTEGRATED BUSINESS MODEL

Transaction Capital | 26

DEVELOPMENTAL CREDIT DRIVING POSITIVE SOCIAL IMPACT INCLUSIVE GROWTH | ECONOMIC TRANSFORMATION

PROPORTION OF CUSTOMERS CLASSIFIED AS PREVIOUSLY FINANCIALLY EXCLUDED ~80%



PROPRIETARY DATA & ANALYTICS ENHANCES SA TAXI'S COMPETITIVE ADVANTAGE

Proprietary data continuously accumulated & applied to credit underwriting, collections & repossessions

SA TAXI FINANCE

10.8 billion GROSS LOANS & ADVANCES ↑ 16%	**32 441** LOANS ON BOOK ↑ 6%	**~1.2** VEHICLES PER CLIENT FY18 ~1.2
15.25% to **26.75%** RISK BASED PRICING INTEREST RATE RANGE	**11.1%** AVERAGE COST OF BORROWING FY18 | 11.4%	**12.2%** NET INTEREST MARGIN FY18 | 11.2%
17.9% NON-PERFORMING LOAN (NPL) RATIO FY18 | 17.5%	**3.2%** CREDIT LOSS RATIO FY18 | 3.5%	**9.0%** RISK-ADJUSTED NET INTEREST MARGIN FY18 | 7.7%

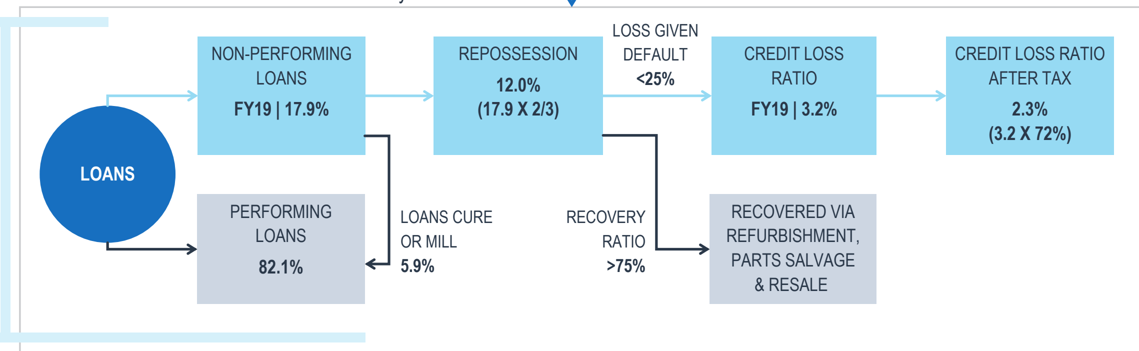
- Book growth accelerated to **16%** vs. ~**12%** per year since listing
  - New | **~500** vehicles per month (FY18 | **~475**)
    - ▲ Toyota production, ▲ Nissan volume, new finance products (lower risk customer offering)
  - Pre-owned | **~220** vehicles per month (FY18 | **~150**), reliable & affordable alternative to purchasing a new minibus taxi in a challenging environment
- Toyota vehicle price ▲ **4.2%** in FY19 (Since FY15 | ▲ **24%**)

SA Taxi FINANCE

NOTES

VERTICALLY INTEGRATED BUSINESS MODEL
MINIMISING THE COST OF RISK, BY MAXIMISING RECOVERIES

SA Taxi's vertically integrated business model
- Repossess, refurbish, salvage parts, resell & refinance
- Loss given default <25%
- Recovery ratio >75%



VS

Traditional vehicle financing model
- Repossess & auction
- Loss given default[1] ~70%
- Recovery ratio[1] ~30%

1. SA Taxi estimates

SA TAXI MARKET POSITIONING
VERTICALLY INTEGRATED BUSINESS MODEL

SA TAXI AUTO REPAIRS | AUTOBODY

SA TAXI AUTO REPAIRS | MECHANICAL

SA TAXI AUTO REPAIRS

~20 000m² WORKSHOP FACILITIES	~220 per month INTERNAL VEHICLE REFURBISHMENT CAPACITY	~400 EMPLOYEES
>75% RECOVERY RATES ON REPOSSESSION, REFURBISHMENT & RESALE	↓ ~4% to ~10% AVERAGE REFURBISHMENT COST[1]	

- One of the largest autobody repair & mechanical refurbishment facilities in Southern Africa
- Focusing exclusively on minibus taxis
- Rebuilding high quality pre-owned minibus taxis, mitigates credit risk & insurance losses
  - ▼ loss given default
  - ▼ cost of refurbishment
    - Efficiencies in SA Taxi Auto Repairs
    - Efficient parts procurement via SA Taxi Auto Parts
  - ▲ quality of repair
  - ▲ value of repossessed vehicles
  - ▲ recovery on repossession

SA Taxi AUTO REPAIRS

1 Cost of refurbishment ▼ ~ 4% to 10% depending on nature of the refurbishment or repair

SA TAXI MARKET POSITIONING
VERTICALLY INTEGRATED BUSINESS MODEL

Transaction Capital 29

NEW MINIBUS TAXI

PRE-OWNED MINIBUS TAXIS

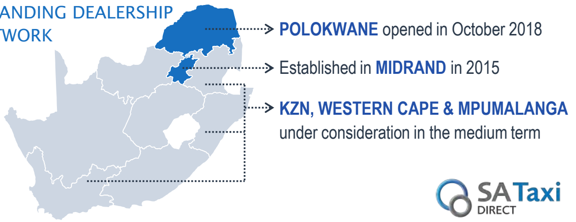
SA TAXI DIRECT

- SA Taxi Direct sells new & pre-owned minibus taxis
- SA Taxi's pre-owned minibus taxis:
  - Rebuilt to a high-quality
  - Trusted product in the industry
  - Provides a reliable & affordable alternative in this challenging environment (vs. purchasing a new minibus taxi)

~R900 million ↑ 13%	~7%
VEHICLE TURNOVER IN FY19	AVERAGE RETAIL MARGIN PER VEHICLE

- Vehicles sold through SA Taxi Direct results in:
  - Product margin earned
  - High take up of SA Taxi insurance & allied products
  - Improved credit performance via a better-informed customer

EXPANDING DEALERSHIP NETWORK



SA Taxi DIRECT

NOTES

SA TAXI MARKET POSITIONING
VERTICALLY INTEGRATED BUSINESS MODEL

Transaction Capital 30

TELEMATICS & TECHNOLOGY

Telematics utilised for insurance underwriting, premium pricing & prevention & detection of loss events

SA TAXI AUTO REPAIRS

SA Taxi's competitive advantage
Manage its cost of claim ▼ allowing for competitive premium pricing

SA TAXI PROTECT

>30 000 INSURANCE CLIENTS

MAJORITY OF FINANCED CLIENTS CHOOSE TO BE INSURED BY SA TAXI[1]

>2.0 PRODUCTS PER CLIENT

>100 BROKER NETWORK to expand total addressable market

R823 million GROSS WRITTEN PREMIUM ↑ 20%
- Premiums remained stable
- ▲ customer acquisition in open market via **>100** broker network
- Stable penetration of SA Taxi's growing financed portfolio
- Broadened product offering (credit life & other)

COST OF CLAIM ↓ VIA SA TAXI AUTO REPAIRS
- Efficiencies in operations
- Lower cost of part procurement
- Savings via salvage of parts
- Opportunity to ▼ cost of claim further. Currently only a small proportion of claims are repaired by SA Taxi Auto Repairs

NEW CLAIMS MANAGEMENT SYSTEM | ENHANCED VALUE PROPOSITION

ADOPTED IFRS 17 | ALIGNING ACCOUNTING & FINANCE BUSINESS

SA Taxi PROTECT

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

SA TAXI MARKET POSITIONING
VERTICALLY INTEGRATED BUSINESS MODEL

Transaction Capital 31

SA TAXI AUTO PARTS | SALVAGE

SA TAXI AUTO PARTS | RETAIL

SA TAXI AUTO PARTS

LAUNCHED MARCH 2018 | SALVAGE OPERATIONS ESTABLISHED THEREAFTER

↓ COST OF REFURBISHMENT
- Import & locally procure new parts from source at lower cost
- Salvage used parts from vehicles not economically viable to repair
- ▼ credit losses & cost of insurance claims

SUPPLY TO SA TAXI AUTO REPAIRS	**~R6** million per month SUPPLIED TO SA TAXI AUTO REPAIRS IN FY19
SUPPLY TO EXTERNAL AUTOBODY REPAIRERS	OPPORTUNITY TO ▼ COST OF INSURANCE CLAIM BY SUPPLYING PREFERRED AUTOBODY REPAIRERS SERVICING SA TAXI PROTECT
RETAIL TO MINIBUS TAXI OPERATORS	**>R3** million per month RETAIL SALES REVENUE IN FY19

- Targeting existing clients and open market minibus taxi operators
  - Exposes SA Taxi's brand & services to wider open market operators
  - Cross sell organic growth opportunities

~7 500m² WORKSHOP | STORAGE | RETAIL

>2 000 UNIQUE PARTS SOLD

SA Taxi AUTO PARTS

SA TAXI MARKET POSITIONING
VERTICALLY INTEGRATED BUSINESS MODEL

Transaction Capital 32

SANTACO & SA TAXI DELIVERING SUSTAINABLE BENEFITS TO SA TAXI CLIENTS & THE INDUSTRY

- Direct benefits for the industry resulting from ownership transaction between SA Taxi & SANTACO
- Leverage industry's purchasing power to negotiate better pricing to benefit taxi operators & associations, whether client of SA Taxi or not
- Telematics & data accumulated from rewards programmes to be used to drive behavioural change in the industry
  - Positive social impact enhancing commuter safety

SA TAXI REWARDS

- Established in 2018
- Provides tailored rewards programmes within minibus taxi ecosystem
- Further programmes aimed at parts procurement under consideration
- Leverage telematics & rewards programmes data to connect to SA's >250 000 minibus taxi operators offering new & existing products suited to their needs

SA TAXI REWARDS

FUEL PROGRAMME

LAUNCHED APRIL 2018

~18 000
CARDS IN ISSUE

~16 million
LITRES OF FUEL PURCHASED IN FY19

TYRE PROGRAMME

BRIDGESTONE

LAUNCHED OCTOBER 2019

- Sold through Supa Quick
- Safety specification designed specifically for minibus taxi industry

~R1 800
ORIGINAL RETAIL PRICE

~R1 350
REDUCED PRICE FOR TAXI OPERATORS[1]

SA Taxi REWARDS

1. Price agreed per contract

NOTES

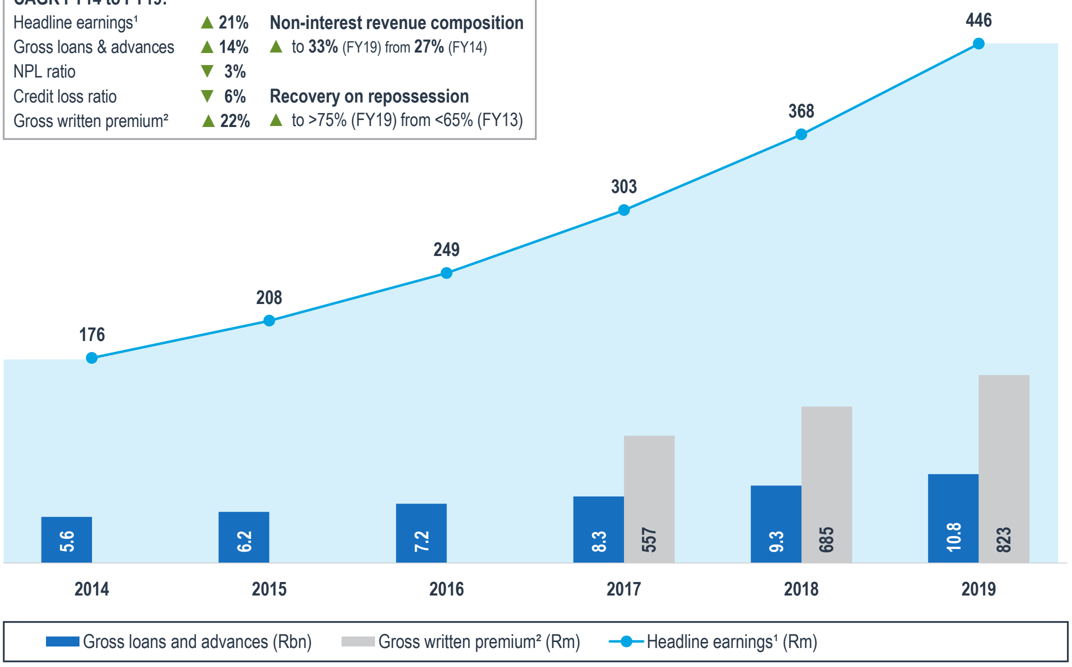
SA TAXI 5-YEAR PERFORMANCE

CAGR FY14 to FY19:

Headline earnings[1]	▲ 21%
Gross loans & advances	▲ 14%
NPL ratio	▼ 3%
Credit loss ratio	▼ 6%
Gross written premium[2]	▲ 22%

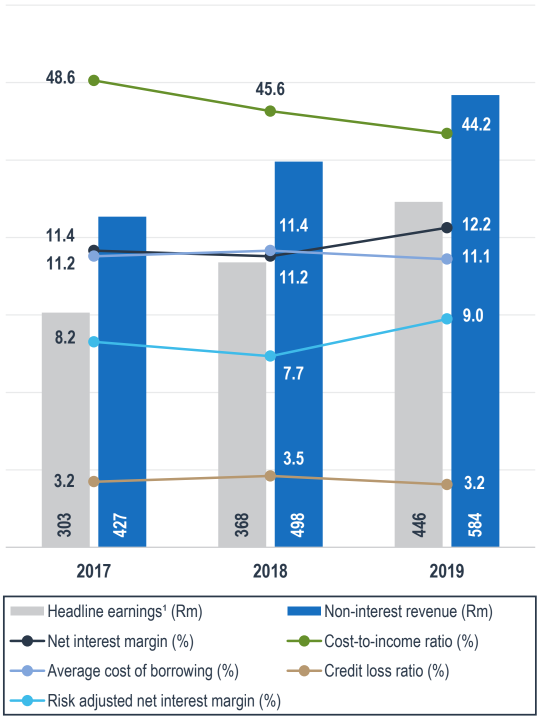
Non-interest revenue composition
▲ to **33%** (FY19) from **27%** (FY14)

Recovery on repossession
▲ to >75% (FY19) from <65% (FY13)



Financial half years 1 October to 30 September | Adopted IFRS 9 in 2015. 2014 numbers on a pro forma IFRS 9 basis
1. Headline earnings attributable to the group
2. Gross written premium FY17 to FY19 | Prior to FY17 insurance operations not consolidated

SA TAXI FINANCIAL PERFORMANCE

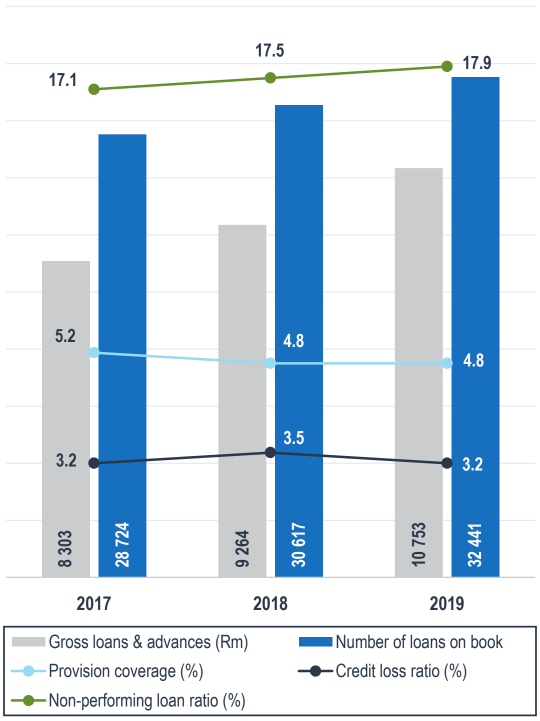


- SA Taxi headline earnings ▲ **38% to R519m**
- TC's attributable portion ▲ **21% to R446m**
  - Despite consolidating only **81.4%** (previously **98.5%**)
  - All organic growth
  - Settled approximately ~**R1bn** of interest-bearing debt on 6 Feb 2019 yielding
    - **~R55m** after tax interest expense saving for FY19
    - Leverage ▼ to **4.9 times** from **9.2 times**
- NIM at **12.2%**
  - Weighted average interest rate on origination **23.7%** (FY18: **23.6%**)
    - NCA maximum rate[2] at **34.3%**
  - Funding costs ▼ by **30bps** to **11.1%** (FY18: **11.4%**)
- Credit loss ratio ▼ to **3.2%** (FY18: **3.5%**)
  - Risk-adjusted NIM ▲ to **9.0%** (FY18: **7.7%**)
- Non-interest revenue ▲ **17%** to **R584m**, driven by:
  - Gross written premium ▲ **20%**
- Cost-to-income ratio improved to **44.2%** (FY18: **45.6%**)
  - Investment into technology to drive operational efficiencies
  - New insurance claims management system implemented within expected timeframes & costs
- Effective tax rate stable at **24.0%** (FY18: **24.3%**)
- Early adoption of IFRS 17

1. Headline earnings attributable to the group
2. National Credit Act maximum rate for developmental credit small & medium business loans | REPO rate x 2.2 plus 20%

SA TAXI CREDIT PERFORMANCE

Transaction Capital 35



- Gross loans & advances ▲ **16%** to **R10.8bn**
  - Number of loans originated ▲ **11%** (FY18: ▲ **3%**)
  - Rand value of loans originated ▲ **16%** (FY18: ▲ **9%**)
  - Toyota vehicle prices ▲ **4.2%** since FY18
- NPL ratio at **17.9%** (FY18: **17.5%**)
  - In line with expectations
  - Conservative credit granting criteria & strong collections performance offset by difficult economic conditions
- Credit loss ratio ▼ to **3.2%** (FY18: **3.5%**)
  - Recovery on repossession >**75%** of settlement value
    - Cost of refurbishment[1] ▼ ~**4%** to **10%**
    - Improved quality & efficiencies in refurbishment centre
    - Cost efficient parts procurement
  - Target credit loss ratio remains **3%** to **4%**
- Provision coverage stable at **4.8%** (FY18: **4.8%**)

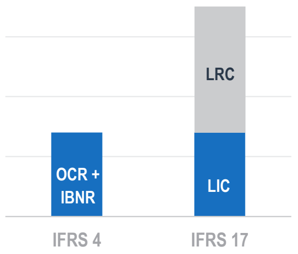
1. Reduction in the cost of refurbishment is dependent on the nature of the refurbishment or repair

NOTES

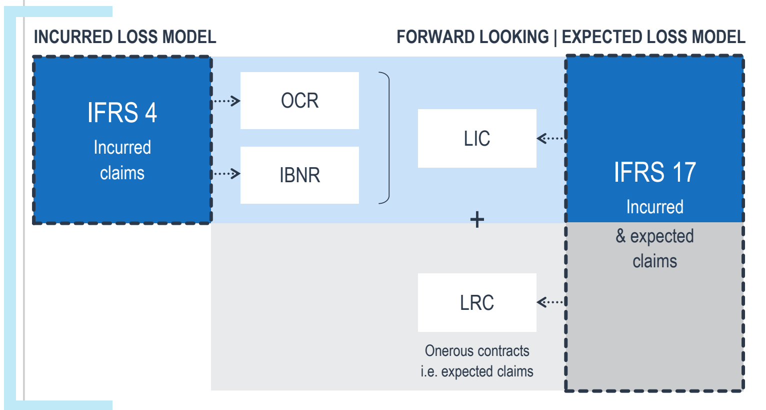
EARLY ADOPTION OF IFRS 17 | INSURANCE CONTRACTS

MORE CONSERVATIVE PROVISIONING METHODOLOGY

INCURRED VS. EXPECTED LOSS



OCR | Outstanding claims reserve
IBNR | Incurred but not reported
LIC | Liability for incurred claims
LRC | Liability for remaining coverage



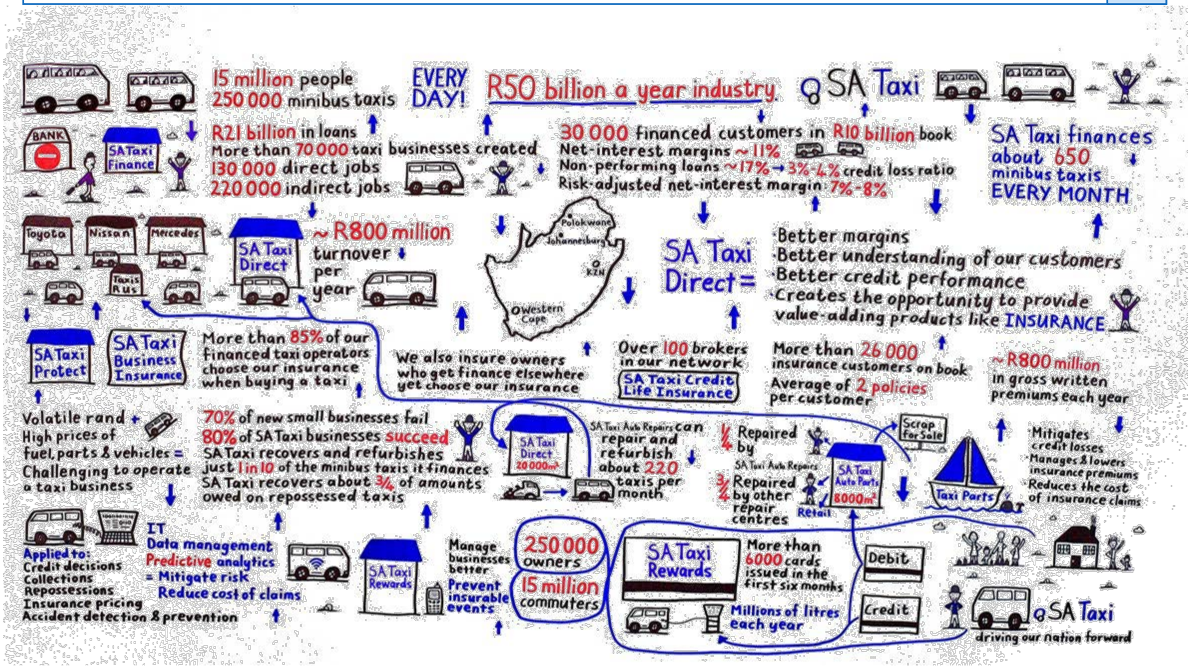
ELECTED TO EARLY ADOPT IFRS 17

- Accounting for insurance (IFRS 17) now aligned to finance (IFRS 9)
- Forward looking approach providing for expected loss rather than only incurred loss
  - Financed & credit life portfolios - 12 months
  - Open market portfolio - 1 month
- Insurance provisions now include both a liability for incurred claims & liability for remaining coverage
- Increased provisions result in more robust balance sheet
- Adoption charge of **R370 million (after tax)** debited to opening equity
- No material impact on earnings
- More extensive disclosures required per IFRS 17

Information presented for illustrative purposes only, actual numbers are not applied above

SA TAXI VERTICALLY INTEGRATED BUSINESS MODEL

BUSINESS PLATFORM SERVICING MINIBUS TAXI OPERATORS ACROSS THE VALUE CHAIN



SA Taxi's business model video telestration as published at FY18 | http://www.transactioncapital.co.za/taxi.php

Transaction Capital

CAPITAL MANAGEMENT & SHAREHOLDING

2019 RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

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CAPITAL MANAGEMENT

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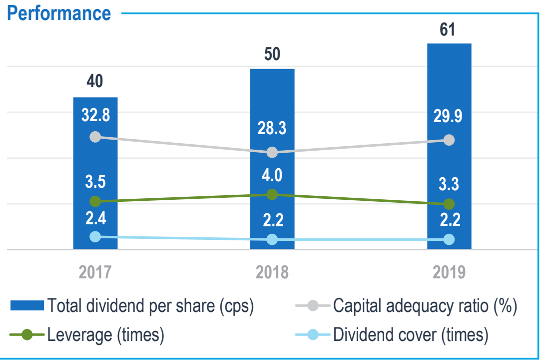
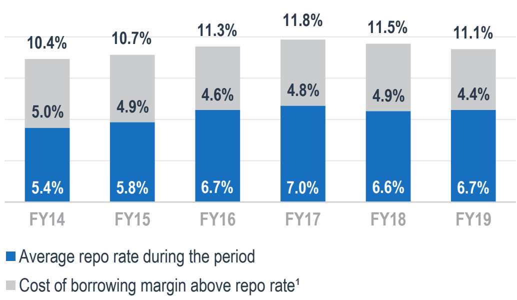
Performance



Cost of borrowing



- Capital strategy conservative & appropriate in current economic conditions
- Holding company balance sheet ungeared & liquid
  - Undeployed capital of **~R950 million**
  - Majority allocated towards strategic organic growth initiatives
  - Excess capital available to fund acquisitive growth
  - Making earnings upside possible in the medium term
- Capital adequacy ▲ to **29.9%** (FY18: **28.3%**)
  - **26.7%** equity; **3.2%** subordinated debt
  - Growth to be funded with efficiently priced senior debt
- Group average cost of borrowing ▼ to **11.1%** (FY18: **11.5%**)
  - Margin above average repo rate **4.4%**
  - Exploring opportunities with local DFIs
- Robust access to the debt capital markets
  - Raised ~**R8.2bn** in debt facilities from **38** funding transactions
  - SA Taxi funding requirements for 2020 already met

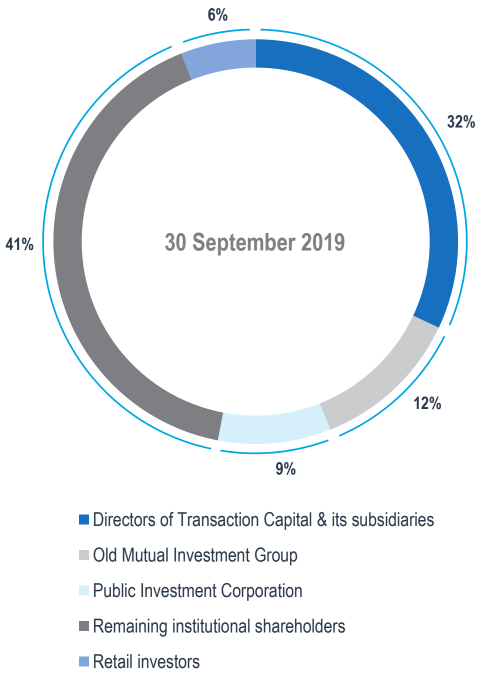
SA TAXI

- Settled ~**R1bn** of interest-bearing debt on **6 Feb 2019**
  - Improved NIMs from lower leverage & interest expense savings
- Transsec 4 | Moody's credit rated & JSE listed programme
  - Issued **R1.7 billion** in FY19
  - **173 bps** above 3 month JIBAR, lowest priced Transsec issuance ever

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

SHAREHOLDING, DIVIDEND & BOARD

Transaction Capital 40



- **Dividends growing faster than earnings**
  - CAGR of **31%** since FY14
  - Total dividend FY19 ▲ **22% to 61cps**
    - Interim dividend per share declared May 2019 ▲ **29% to 27cps**
    - Final dividend per share declared November 2019 ▲ **17% to 34cps**
  - Total dividend cover of **2.2 times** (FY18: **2.2 times**)
- Foreign institutional ownership ▲ to **18.4%** (FY17: **5.8%**)
- Focus on improving liquidity
  - Free float stable at 68%
- Appointment of independent non-executive directors
  - Buhle Hanise appointed 1 January 2019
  - Additional appointments under consideration
- Appointment of Kuben Pillay as the Lead Independent Director effective 15 July 2019


Transaction Capital
QUESTIONS
2019 RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

NOTES

Transaction Capital

APPENDIX

2019 RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

TRANSACTION CAPITAL

IS AN ACTIVE INVESTOR IN

& OPERATOR OF

CREDIT-ORIENTATED ALTERNATIVE ASSETS

MANAGED BY EXPERIENCED

ENTREPRENEURIAL MANAGEMENT TEAMS

EMPLOYING A RIGOROUS

VALUE-LED INVESTMENT APPROACH

TO GENERATE RISK-ADJUSTED

INTEREST RETURNS & CAPITAL APPRECIATION

WHILST DELIVERING SOCIAL VALUE

As a listed entity, to extend our track record of high-quality earnings growth, we identify opportunities to leverage our high IP, leading technologies & low-cost operational infrastructure to expand into attractive adjacent market segments, related alternative asset classes & geographic markets

We apply our highly specialised expertise in distressed debt, specialty credit & other alternative assets to assess, mitigate, underwrite & price credit risk, in originating new assets or acquiring existing assets

We seek an investment outcome that combines attractive risk-adjusted interest returns from our asset portfolios, enhanced by capital appreciation in the value of the operating platforms

Our capital management approach supports the sustainable delivery of growth through an optimal balance of equity & debt

We identify, assess, develop & partner with entrepreneurial, innovative & experienced founders, owners & managers of businesses, in building & scaling highly competitive, efficient, technology-driven operating platforms, which manage our assets

Our investment approach emphasizes exhaustive due diligence investigation, data analysis & risk quantification, enabling us to add value to the design & implementation of operational strategy & to ensure that risk is kept within tolerance levels, thereby creating value for shareholders in a unique manner

Our businesses are deliberately positioned to deliver shared value, through commercial returns & meaningful positive social impact

INVESTMENT CASE
COMPELLING & UNIQUE AS WE EXECUTE ON OUR STRATEGY

Transaction Capital 44

TRANSACTION CAPITAL COMPRISES A DIVERSIFIED PORTFOLIO OF FINANCIAL SERVICES ASSETS

- Two **well established, autonomous & unique** financial services businesses: **SA Taxi & 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 R950 MILLION OF EXCESS CAPITAL

- **Conservative equity capital structure** to fund organic growth & acquisition activity
- Capital management approach supporting sustainable growth through an **optimal balance of debt & equity**
- **Proven ability to raise debt & equity capital** efficiently from diversified range of local & international investors
- **Ungeared & debt free** at holding company level

ESTABLISHED AS A SCALABLE FINANCIAL SERVICES PLATFORM

- **Decentralised businesses** that are self-sustaining & sizable in their own right
- **Highly competitive, efficient, technology-driven** operating platforms, which manage our assets
- For SA Taxi & TCRS to develop **new products** & expand into **new markets**
- For Transaction Capital to **innovate in introducing new organic & acquisitive growth opportunities**

NOTES

INVESTMENT CASE CONTINUED
COMPELLING & UNIQUE AS WE EXECUTE ON OUR STRATEGY

LED BY AN EXPERIENCED ENTREPRENEURIAL OWNER-MANAGER TEAM

- Identify, assess, develop **& partner with entrepreneurial, innovative & experienced founders**, owners & managers of businesses
- **Ownership culture**
- **Empowered, entrepreneurial, innovative, proven & long-serving** leadership
- Specialised **intellectual capital** applied over a much smaller asset base than in larger organisations

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 & IFRS 17**)

WHICH TOGETHER POSITION IT FOR SUSTAINABLE HIGH-QUALITY EARNINGS GROWTH

- Active **investor** in & **operator** of **credit-orientated alternative assets**
  - By identifying opportunities to leverage our high-IP & leading technologies & low-cost operational infrastructure
  - To expand into attractive adjacent market segments, related alternative asset classes & geographic markets
  - Applying expertise to assess, mitigate, underwrite & price credit risk in originating new assets or acquiring existing assets
- Unrelenting **investment into & precise implementation of innovative strategic initiatives**
- Track record of **high-quality earnings with high cash conversion rates & strong organic growth prospects**
- **Dividends growing faster than earnings**

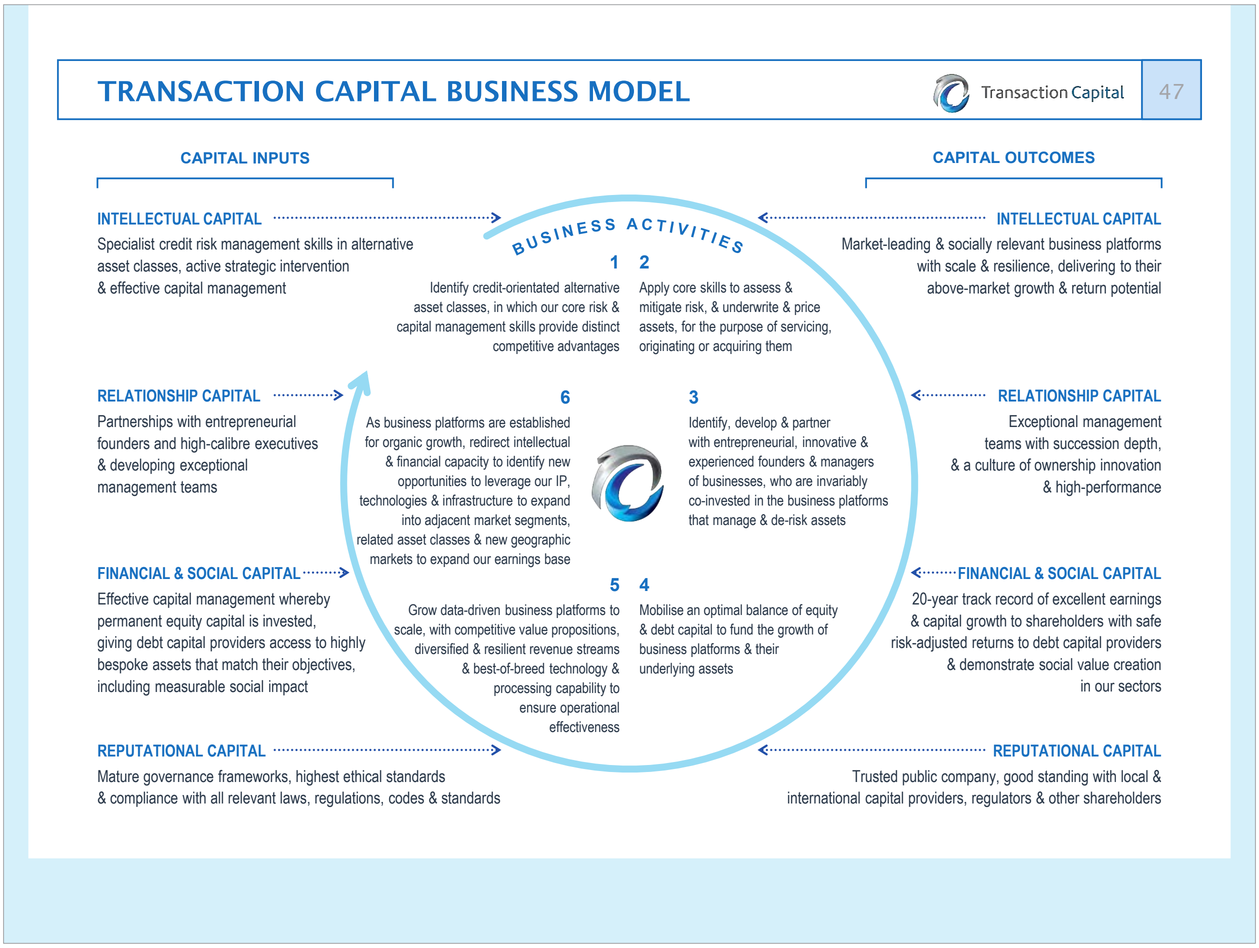
INVESTMENT CASE CONTINUED
COMPELLING & UNIQUE AS WE EXECUTE ON OUR STRATEGY

TO GENERATE RISK-ADJUSTED INTEREST RETURNS & CAPITAL APPRECIATION

- **Value-led** investment approach
- Seeking investment outcome that combines:
  - Attractive risk-adjusted interest returns from our asset portfolios
  - Enhanced by capital appreciation in the value of the operating platforms

& THE DELIVERY OF A MEANINGFUL SOCIAL IMPACT

- Businesses deliberately positioned in relation to demographic & socio-economic trends, to deliver shared value, through **commercial returns & meaningful positive social impact**
- 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**


TRANSACTION CAPITAL BUSINESS MODEL
Transaction Capital
47
CAPITAL INPUTS
CAPITAL OUTCOMES
BUSINESS ACTIVITIES
INTELLECTUAL CAPITAL
Specialist credit risk management skills in alternative asset classes, active strategic intervention & effective capital management
RELATIONSHIP CAPITAL
Partnerships with entrepreneurial founders and high-calibre executives & developing exceptional management teams
FINANCIAL & SOCIAL CAPITAL
Effective capital management whereby permanent equity capital is invested, giving debt capital providers access to highly bespoke assets that match their objectives, including measurable social impact
REPUTATIONAL CAPITAL
Mature governance frameworks, highest ethical standards & compliance with all relevant laws, regulations, codes & standards
1
Identify credit-orientated alternative asset classes, in which our core risk & capital management skills provide distinct competitive advantages
2
Apply core skills to assess & mitigate risk, & underwrite & price assets, for the purpose of servicing, originating or acquiring them
3
Identify, develop & partner with entrepreneurial, innovative & experienced founders & managers of businesses, who are invariably co-invested in the business platforms that manage & de-risk assets
4
Mobilise an optimal balance of equity & debt capital to fund the growth of business platforms & their underlying assets
5
Grow data-driven business platforms to scale, with competitive value propositions, diversified & resilient revenue streams & best-of-breed technology & processing capability to ensure operational effectiveness
6
As business platforms are established for organic growth, redirect intellectual & financial capacity to identify new opportunities to leverage our IP, technologies & infrastructure to expand into adjacent market segments, related asset classes & new geographic markets to expand our earnings base
INTELLECTUAL CAPITAL
Market-leading & socially relevant business platforms with scale & resilience, delivering to their above-market growth & return potential
RELATIONSHIP CAPITAL
Exceptional management teams with succession depth, & a culture of ownership innovation & high-performance
FINANCIAL & SOCIAL CAPITAL
20-year track record of excellent earnings & capital growth to shareholders with safe risk-adjusted returns to debt capital providers & demonstrate social value creation in our sectors
REPUTATIONAL CAPITAL
Trusted public company, good standing with local & international capital providers, regulators & other shareholders

NOTES

Transaction Capital

APPENDIX
TRANSACTION CAPITAL RISK SERVICES

2 0 1 9 RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

TRANSACTION CAPITAL RISK SERVICES

IS A TECHNOLOGY-LED,

DATA-DRIVEN

PROVIDER OF SERVICES

& CAPITAL SOLUTIONS

RELATING TO CREDIT-ORIENTATED

ALTERNATIVE ASSETS

ORIGINATED & MANAGED THROUGH

SCALABLE & BESPOKE PLATFORMS

OPERATING IN SOUTH AFRICA, AUSTRALIA

& SELECT INTERNATIONAL MARKETS

Innovative & bespoke technology systems that drive superior performance & efficiency

Generating in-depth insights from the continuous collection of accurate & valuable data to develop a consolidated view of a position, which enables precise & informed internal & external decisioning

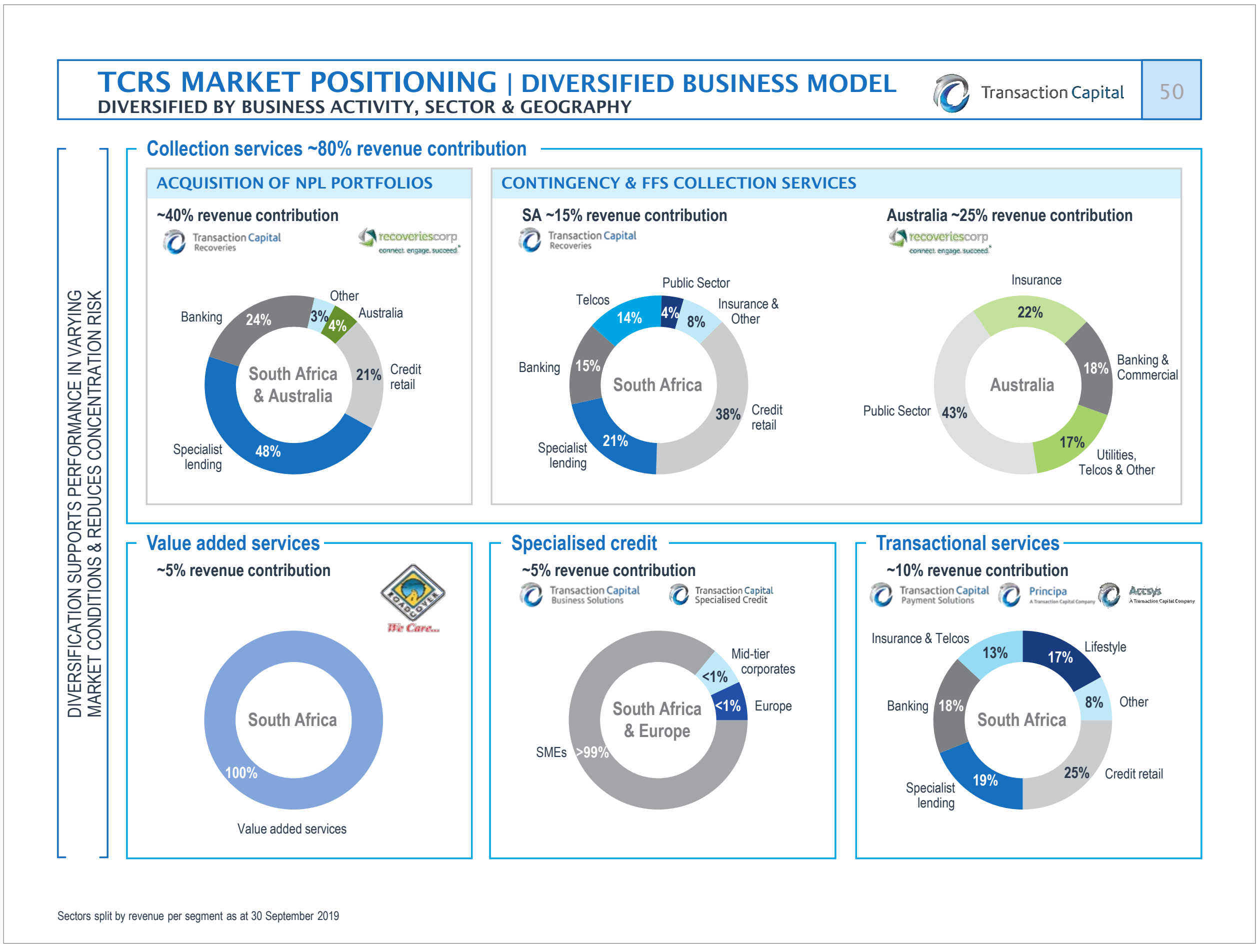
Its services include customer management, collection & payment service solutions & subscription based value added services

Lending & capital investment solutions which balances permanent equity optimally leveraged with appropriate debt

Applying its highly specialised expertise to originate new or acquire &/or service existing distressed debt, specialty credit & other alternative assets

Actively investing in platforms that enable us to continue building our dynamic & flexible servicing capability & fintech solutions allowing deeper vertical integration

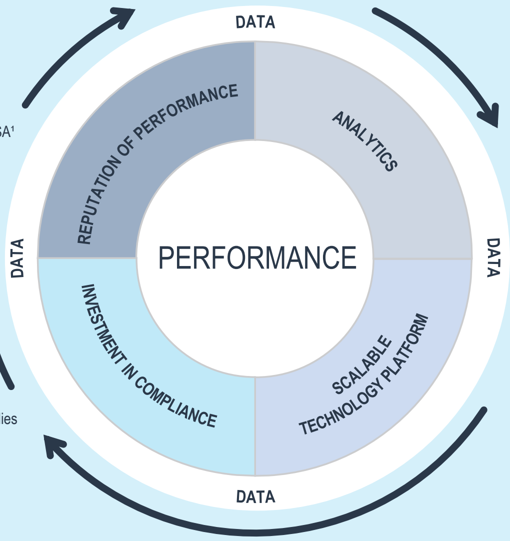
Proud of our South African roots from which we leverage our high SA IP & know-how together with SA's low-cost collection infrastructure & technology environment, to deploy into new markets


TCRS MARKET POSITIONING | DIVERSIFIED BUSINESS MODEL
DIVERSIFIED BY BUSINESS ACTIVITY, SECTOR & GEOGRAPHY
Transaction Capital
50
DIVERSIFICATION SUPPORTS PERFORMANCE IN VARYING MARKET CONDITIONS & REDUCES CONCENTRATION RISK
Collection services ~80% revenue contribution
ACQUISITION OF NPL PORTFOLIOS
~40% revenue contribution
South Africa & Australia
Banking 24%
Other 3%
Australia 4%
Credit retail 21%
Specialist lending 48%
CONTINGENCY & FFS COLLECTION SERVICES
SA ~15% revenue contribution
South Africa
Telcos 14%
Public Sector 4%
Insurance & Other 8%
Banking 15%
Credit retail 38%
Specialist lending 21%
Australia ~25% revenue contribution
Australia
Insurance 22%
Banking & Commercial 18%
Utilities, Telcos & Other 17%
Public Sector 43%
Value added services
~5% revenue contribution
South Africa
100%
Value added services
Specialised credit
~5% revenue contribution
South Africa & Europe
Mid-tier corporates <1%
Europe <1%
SMEs >99%
Transactional services
~10% revenue contribution
South Africa
Insurance & Telcos 13%
Lifestyle 17%
Other 8%
Banking 18%
Credit retail 25%
Specialist lending 19%
Sectors split by revenue per segment as at 30 September 2019

NOTES

TCRS MARKET POSITIONING
COMPETITIVE ADVANTAGES

TCRS's PROPRIETARY DATA
- Database of SA'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 89% 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 practice

SCALABLE TECHNOLOGY PLATFORM
- Dialer enhances scale of ContactAbility
  - › Enabled over any omni-channel
  - › ~40 million outbound calls per month (▲ 8%)
  - › ~7.3 million voice interactions per month (▲ 6%)
  - › ~710 000 payments received per month
- Workforce management enables
  - › Flexible work-hour scheduling
  - › ▲ talk time, activations
  - › ▼ staff turnover, cost of collection

1. In South Africa TCRS ranks 1st or 2nd in 89% of our ranked mandates. In Australia Recoveries Corp is ranked 1st or 2nd by clients in 91% of banking, government & commercial mandates

ENVIRONMENT & MARKET CONTEXT | SOUTH AFRICA
DEFENSIVELY POSITIONED IN A CHALLENGING CONSUMER CREDIT ENVIRONMENT

CREDIT REHABILITATION IS A CRUCIAL ELEMENT IN GROWING AN INCLUSIVE ECONOMY

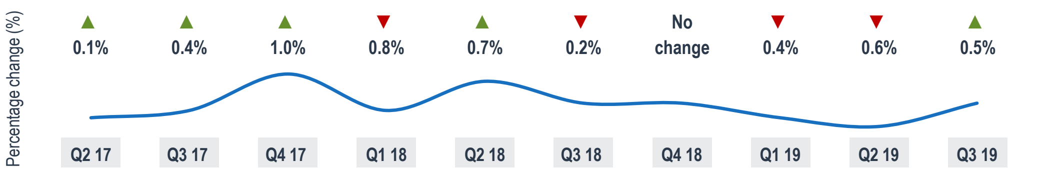
TRANSACTION CAPITAL'S CONSUMER CREDIT REHABILITATION INDEX

% CHANGE IN REHABILITATION PROSPECT FOR Q3 2019

QUARTER ON QUARTER	YEAR ON YEAR
Q3 2019 with Q2 2019 ▲ by **0.5%**	Q3 2019 with Q3 2018 **No change**

- National rehabilitation prospects remain subdued, with limited improvement or deterioration
- TCRS algorithm to score propensity to repay debt
- Empirically based sample of **>5 million** SA consumers in credit default
- Rehabilitation allows:
  - › Consumers to access credit & re-enter consumer market
  - › Lenders to maintain cleaner balance sheet to continue extending credit at affordable costs

National rehabilitation prospect trends

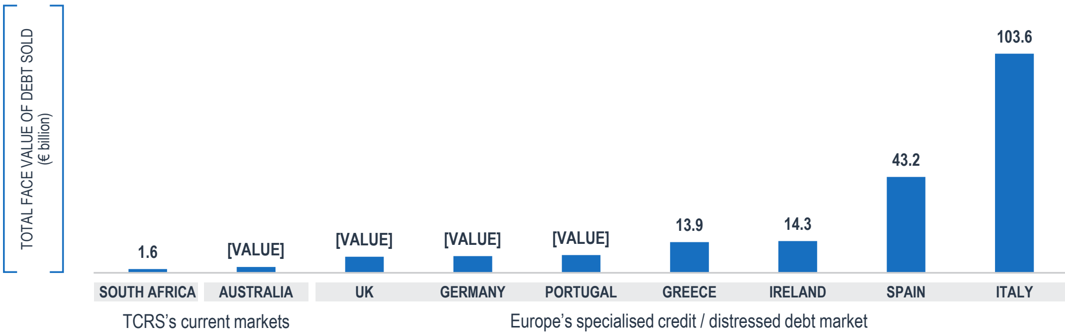


TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

CONCENTRATED SEGMENT OF EUROPEAN DISTRESSED DEBT MARKET UNATTRACTIVE

- High levels of competition
- Many participants of scale (credit management platforms, private equity funds & asset managers)
- Access to cheap capital & leverage deployed for moderate returns
- Priced to yield ~ 8% to 12% IRRs
- Participants outsource to or own collection platforms
- Multiple times larger than SA & Australian markets
- 2018 record year for non-performing loan portfolio sales in Europe
  - Face value of non-performing debt sold **€205 billion**

KRUK, intrum justitia, GROVE, PRA Group, CABOT, Blackstone, LINDORFF, ULTIMO, ARROW, Hoist Finance, BainCapital CREDIT, CERBERUS



Source: European NPLs 2018 report by Debtwire | Kessler Report 2018 | TCRS internal data
All amounts reflected in EUR billions & are applicable to the 2018 year

NOTES

TCRS STRATEGIC GROWTH INITIATIVES TO CREATE VALUE

ENTER FRAGMENTED SEGMENT OF INTERNATIONAL SPECIALISED CREDIT MARKET

TCRS's SELECTIVE & CAUTIOUS INVESTMENT APPROACH

- Target select off-market investment opportunities
- Target corporate & consumer non-performing loan portfolios, distressed debt, special situations & specialised credit asset classes
- Invest directly on a bilateral basis
- Co-investment in partnership with specialist credit managers

INTEND REPLICATING TC's BUSINESS MODEL BY BUILDING SCALABLE SERVICING PLATFORMS LEVERAGING TC's HIGH IP & LOW-COST INFRASTRUCTURE

DIVERSIFICATION SUPPORTS PERFORMANCE IN VARYING MARKET CONDITIONS

- Portfolio to be diversified by: asset class, asset originator, collection platform, geographic region
- Diversified across new geographies
- Additional revenue model: European specialised credit
- Revenue in hard currency: **€** in addition to **ZAR** & **A$**
- Attractive risk-adjusted returns
- Meaningful growth opportunity for TC

SOUTH AFRICA	AUSTRALIA	EUROPE
Price paid by TCRS for NPL Portfolios in FY19 **R1 064 million** **€61.7 million**[1]	Price paid by TCRS for NPL Portfolios in FY19 **R122 million** **€7.4 million**[1]	TCRS completed three small transactions to date for **€2.7 million**[2]

Transaction Capital

recoveriescorp connect. engage. succeed.

1. EUR/ZAR conversion rate for 30 September 2019 was 16.53 | Bloomberg
2. €1.3m deployed during the year ended 30 September 2019 and an additional investment of €1.4m deployed after year end

Transaction Capital

APPENDIX
SA TAXI

2019 RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

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

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

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

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

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

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

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

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

NOTES

ENVIRONMENT & MARKET CONTEXT

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

Transaction Capital 57

TRAIN

< 600 000 ▼ 23%
COMMUTER TRIPS DAILY

RECEIVES **44%** OF GOVERNMENT SUBSIDY

~3 100 km NATIONAL NETWORK
~500 TRAIN STATIONS

MINIBUS TAXI

> 15 million ▲
COMMUTER TRIPS DAILY

CURRENTLY **NO** GOVERNMENT SUBSIDY

>250 000 MINIBUS TAXIS
>2 600 TAXI RANKS
~18 BILLION KM TRAVELLED (per year)

BUS

< 900 000 ▼ 5%
COMMUTER TRIPS DAILY

BUS RAPID TRANSPORT (BRT)[1]

>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:
4 METROPOLITANS
~650 REGISTERED BUSES
~100 BUS STATIONS; ~ 70 ROUTES

PUBLIC TRANSPORT COMMUTERS RELY ON MINIBUS TAXIS GIVEN THEIR ACCESSIBILITY, AFFORDABILITY, RELIABILITY & FLEXIBILITY

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

GROWING MINIBUS TAXI USAGE

- Since 2013, minibus taxi usage (▲ **>20%**)
- **69%** of all households use minibus taxis (**59%** in 2003)
- **75%** of all work & educational public transport trips

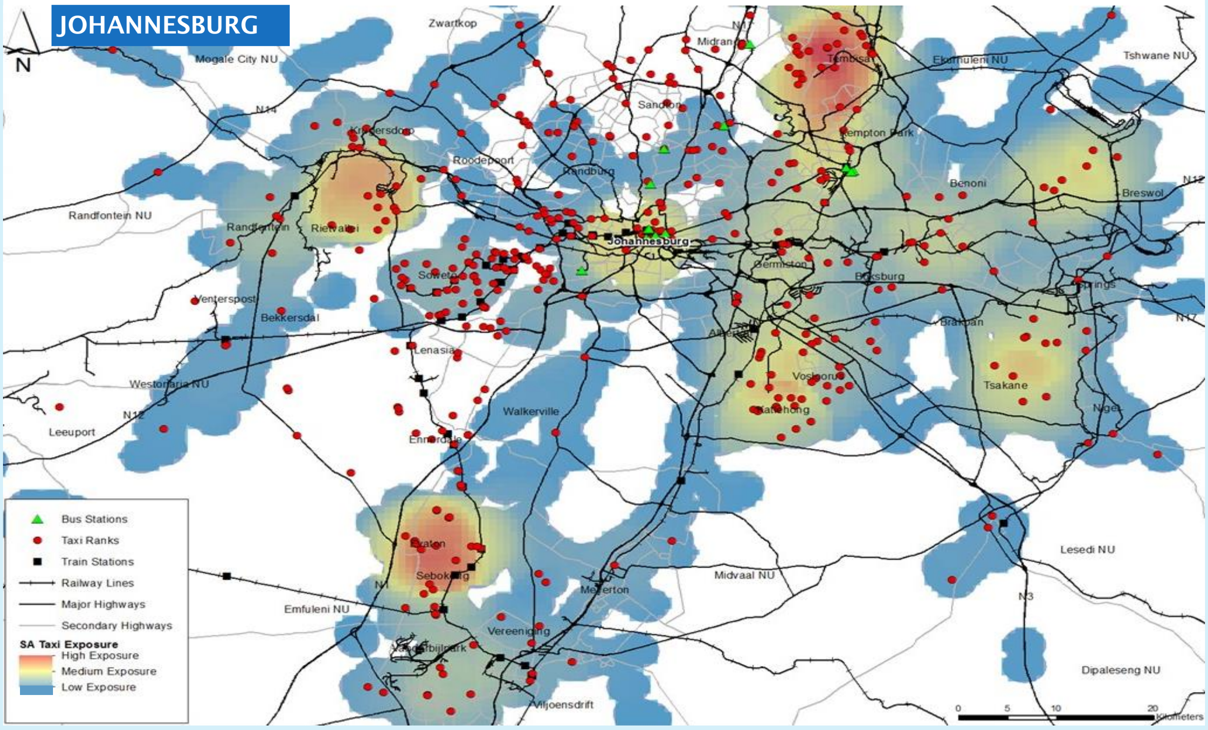
- Population growth since 2013 (▲ **11%**)
- Increasing commuter density due to urbanisation
- Transformation of minibus taxi industry due to ▲ regulation & capitalisation, attracting a more sophisticated taxi operator
- New passenger vehicle sales ▼ **43%** (FY13 to FY19)

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
1. Government invested R15 billion in 3 metropolitans | Timeslive 10 July 2017

ENVIRONMENT & MARKET CONTEXT

INTEGRATED PUBLIC TRANSPORT NETWORK, WITH BUS & RAIL COMMUTERS RELYING ON MINIBUS TAXI INFRASTRUCTURE

Transaction Capital 58



Source: SA Taxi telematics data as at 11 October 2016 | National Land Transport Strategic Framework 2015

SA TAXI IMPACT
DELIVERING SHARED VALUE FOR THE INDUSTRY

Transaction Capital 59

SME EMPOWERMENT

100%	25%	22%
BLACK OWNED SMEs	WOMEN OWNED SMEs[1]	UNDER THE AGE OF 35 YEARS[1]

SUSTAINABLE JOB CREATION

~1.8%
DIRECT JOBS PER TAXI VEHICLE

>145 000
DIRECT JOBS CREATED BY SA TAXI'S FLEET SINCE 2008

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

>15 000
DIRECT JOBS CREATED BY SA TAXI'S FLEET IN FY19

ECONOMIC TRANSFORMATION & INCLUSIVE GROWTH

DEVELOPMENTAL CREDIT ACHIEVING INCLUSIVE GROWTH

R3.8 billion
LOANS ORIGINATED CREATING
8 591
SMEs IN FY19

R25.7 billion
LOANS ORIGINATED CREATING
81 014
SMEs SINCE 2008

FACILITATES ASSET OWNERSHIP BY BLACK SMEs

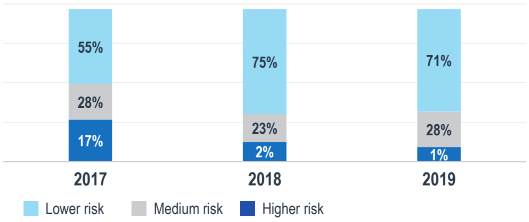
~80%
SA TAXI CUSTOMERS CLASSIFIED AS PREVIOUSLY FINANCIALLY EXCLUDED & UNDER-BANKED

~640
SCORE BELOW WHICH BANKS ARE UNLIKELY TO OFFER FINANCE

~590
AVERAGE SCORE AT WHICH SA TAXI GRANTS FINANCE

Serving higher quality taxi operators to create a more sustainable minibus taxi industry

NEW ORIGINATION VOLUMES BY RISK GRADE



ROAD SAFETY PROJECTS LED BY SANTACO

MAJORITY OF FIRST TRICKLE DIVIDEND INVESTED INTO ROAD SAFETY PROJECTS

TYRE REWARDS | HIGHER SAFETY SPECIFICATIONS AT LOWER COST

DEVELOPING PUBLIC TRANSPORT INFRASTRUCTURE

8 591
RELIABLE NEW & PRE-OWNED MINIBUS TAXIS ON THE ROAD IN FY19

ENVIRONMENTAL SUSTAINABILITY

9.8%
ABATEMENT ON CARBON EMISSIONS[3]

COMMUTER EXPERIENCE

REPLACEMENT OF AGED MINIBUS TAXI FLEET

1. On FY19 originations
2. Department of Transport Minister Dipuo Peters address at National Council of Provinces Budget vote NCOP 2014/15
3. Percentage of tCO2e abatement saved in 2017 through SA Taxi's financing activities

NOTES

SA TAXI OPERATIONAL PERFORMANCE

Transaction Capital 60

SA TAXI OPERATOR PROFILE

1.2 VEHICLES PER CUSTOMER

3.6 years AVERAGE AGE OF VEHICLE

47 years AVERAGE AGE OF CUSTOMER

88% TOYOTA VEHICLES

~30% LOANS ORIGINATED TO REPEAT CUSTOMERS (DURING FY19)

CREDIT PROFILE OF LOANS ON BOOK

71 months AVERAGE LOAN TERM[1]

38% AVERAGE APPROVAL RATE

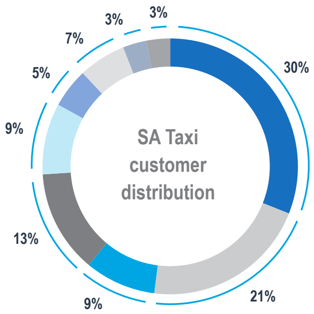
>R6 000 MINIMUM MONTHLY OPERATOR PROFIT

48 months AVERAGE REMAINING LOAN TERM

3.2% CREDIT LOSS RATIO

>75% RECOVERY RATE ON REPOSSESSION

SA TAXI Geographic distribution



TYPICAL NEW CREDIT AGREEMENT[2]

- Recommended retail price[2] *(Toyota diesel | incl. VAT)* R451 600
- Interest charged 23.7%
- Term in months 72
- Origination fee (incl VAT) R2 990

- Finance instalment R11 800
- Insurance instalment R2 100 *(Comprehensive, credit life & other)*
- Administration fee (incl. VAT) R69
- Telematics fee R300
- Total monthly instalment R14 269

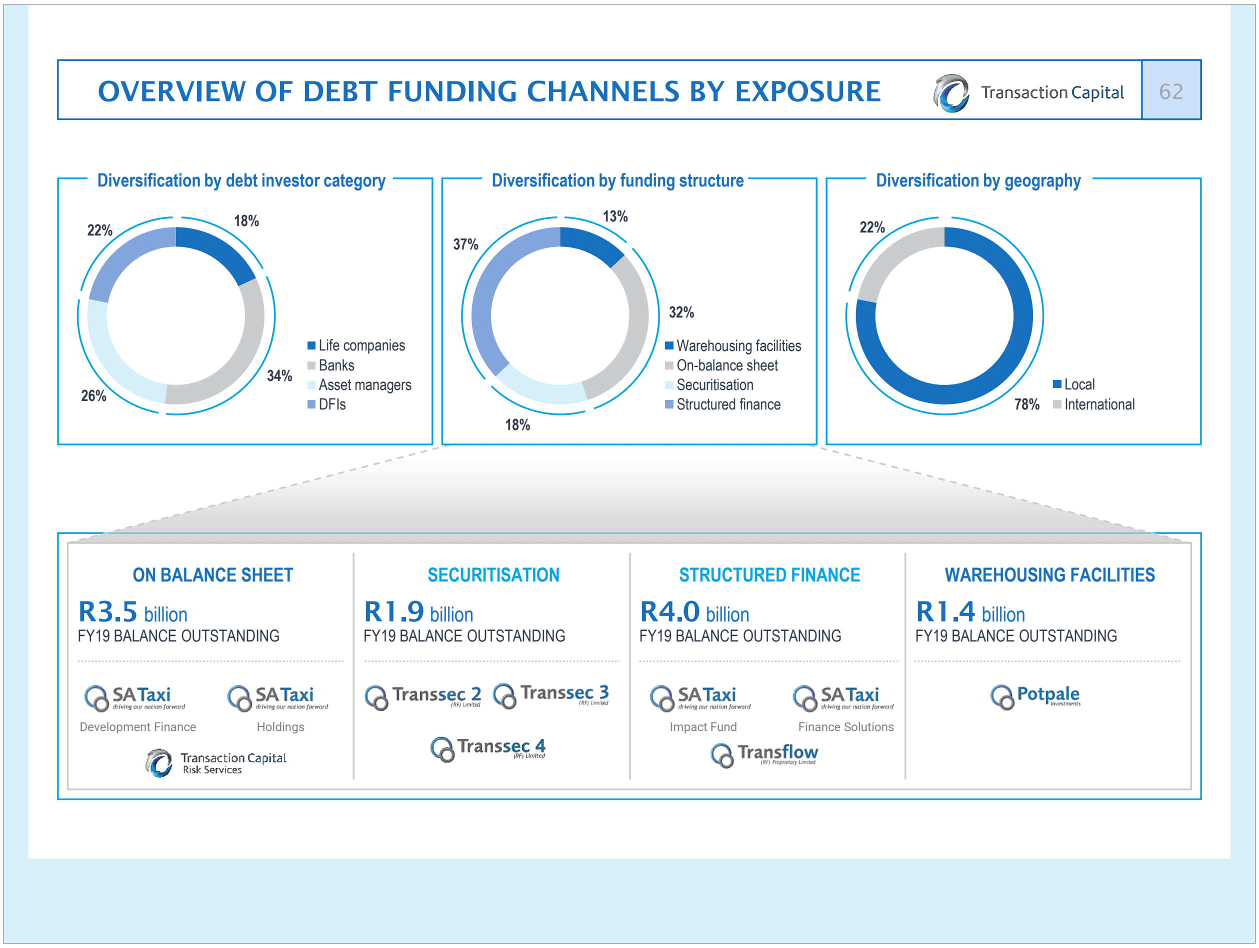
Percentages calculated based on Rand value

1. Average loan term at origination
2. New Toyota HiAce diesel

Transaction Capital

APPENDIX
CAPITAL MANAGEMENT

2 0 1 9 RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

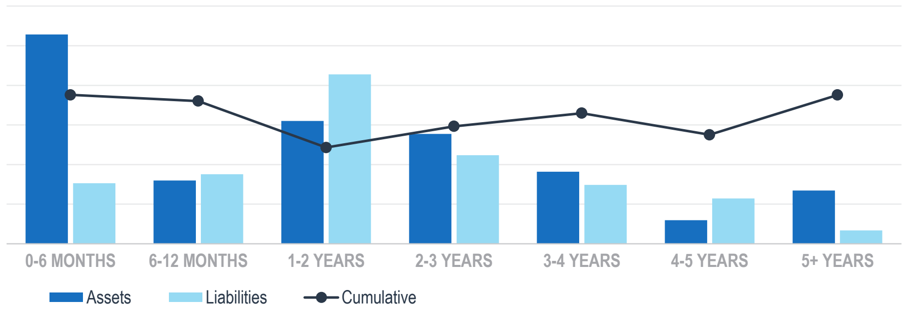

OVERVIEW OF DEBT FUNDING CHANNELS BY EXPOSURE
Transaction Capital
62
Diversification by debt investor category
22%
18%
34%
26%
Life companies
Banks
Asset managers
DFIs
Diversification by funding structure
13%
37%
32%
18%
Warehousing facilities
On-balance sheet
Securitisation
Structured finance
Diversification by geography
22%
78%
Local
International
ON BALANCE SHEET
R3.5 billion
FY19 BALANCE OUTSTANDING
SA Taxi
Development Finance
SA Taxi
Holdings
Transaction Capital Risk Services
SECURITISATION
R1.9 billion
FY19 BALANCE OUTSTANDING
Transsec 2
Transsec 3
Transsec 4
STRUCTURED FINANCE
R4.0 billion
FY19 BALANCE OUTSTANDING
SA Taxi
Impact Fund
SA Taxi
Finance Solutions
Transflow
WAREHOUSING FACILITIES
R1.4 billion
FY19 BALANCE OUTSTANDING
Potpale

NOTES

FUNDING PHILOSOPHY & POSITIVE LIQUIDITY MISMATCH

Transaction Capital 63

Positive liquidity mismatch



At year end a positive asset-liability gap was observed for the group

FUNDING PHILOSOPHY

INNOVATIVE THINKING

Innovative thinking is encouraged & cultivated to develop pioneering funding solutions

ENGAGED DEBT INVESTORS

- Recurring investment by debt investors motivated by performance, the ease of transaction & appropriate risk adjusted returns
- Transparent & direct relationships with debt investors where necessary facilitated by valued intermediaries

JUDICIOUS RISK MITIGATION

- Optimal liquidity management between asset & liability cash flows
- Effective management of interest rate, currency & roll over risk
- Controlled exposure to short term instruments
- Diversification by geography, capital pool, debt investor & funding mandate

OPTIMAL CAPITAL STRUCTURES

- Proactively managing valuable capital & funds raised across the group
- Bespoke & innovative funding structures to meet investment requirements & risk appetite of a range of debt investors while also targeting an optimal WACC
- No cross-collateralisation between structures

Transaction Capital

GLOSSARY

2 0 1 9 RESULTS FOR THE YEAR ENDED 30 SEPTEMBER

GLOSSARY

Transaction Capital 65

BPS	Basis points
CAGR	Compound annual growth rate
CPS	Cents per share
DFI	Developmental finance institution
DPS	Dividend per share
ERC	Estimated undiscounted remaining gross cash collections from NPL Portfolios over the next 120 months
FFS	Fee-for-service
GEO	Group executive office
HEPS	Headline earnings per share
JIBAR	The Johannesburg Interbank Average Rate
NPL	Non-performing loans within SA Taxi's loans & advances portfolio
NPL Portfolio	Non-performing consumer loan portfolio acquired by TCRS to be collected as principal
Open market taxi operator	Minibus taxi operators not previously being a SA Taxi client
Recoveries Corp	Recoveries Corporation in Australia, a 100% owned subsidiary of TCRS
REPO	Rate at which the South African Reserve Bank lends money to banks
SA	South Africa
SANTACO	South African National Taxi Council
TC	Transaction Capital
TCRS	Transaction Capital Risk Services
TRP	Taxi Recapitalisation programme

NOTES

DISCLAIMER

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.

NOTES

TRANSACTION CAPITAL

AUDITED RESULTS AND CASH DIVIDEND DECLARATION

2019

FOR THE YEAR ENDED 30 SEPTEMBER

Transaction Capital

CONTENTS

COMMENTARY

HIGHLIGHTS

↑ 18%

CORE HEADLINE EARNINGS PER SHARE[1]

131.3 cents

2018: 111.7 CENTS

↑ 22%

TOTAL DIVIDEND PER SHARE

61.0 cents

2018: 50.0 CENTS

CORE HEADLINE EARNINGS

attributable to the group[1]

TRANSACTION CAPITAL GROUP[2]

↑ 18%

R803 million

2018: R682 MILLION

TRANSACTION CAPITAL RISK SERVICES

↑ 15%

R313 million

2018: R273 MILLION

SA TAXI[3]

↑ 21%

R446 million

2018: R368 MILLION

INTRODUCTION

Transaction Capital is an active investor in and operator of credit-orientated alternative assets including distressed debt, specialty credit and other alternative assets. Central to our business model is to identify value assets; to apply our specialist expertise to assess, price, underwrite and mitigate the inherent credit risk of these assets; and to fund their growth with an optimal balance of equity appropriately leveraged with debt according to our well-regarded capital management approach.

Our strong decentralised divisional management teams manage these assets within well-governed, efficient operational platforms. Transaction Capital Risk Services (TCRS) and SA Taxi operate in specialised, under-served segments of the South African and Australian financial services markets. They are strategically well positioned in their markets and are defensive, delivering shared value through good commercial returns and meaningful social impact, even in low-growth environments.

To drive sustainable future earnings growth, we continue to leverage our intellectual property (IP), leading technologies and low-cost scalable platforms into alternative credit-orientated asset classes in adjacent market segments and selected larger geographic markets.

Our track record for generating attractive risk-adjusted returns from credit-orientated assets, enhanced by capital appreciation in the value of our operating platforms, has been proven over nearly two decades.

1. *Transaction Capital's core financial ratios exclude once-off costs of R84 million attributable to the group relating to SA Taxi's ownership transaction with the South African National Taxi Council (SANTACO), which arose in the first half of the 2019 financial year. R81 million of these costs are non-cash and in accordance with IFRS 2. A further R3 million relates to early debt settlement costs.*
2. *Transaction Capital's group core headline earnings includes R44 million from the group executive office, R313 million from TCRS and R446 million from SA Taxi.*
3. ***SA Taxi's total core headline earnings increased by 38%, with Transaction Capital's attributable portion of SA Taxi's core headline earnings increasing 21% in 2019.** Transaction Capital's attributable portion of SA Taxi's headline earnings is calculated as follows: For the period 6 February 2019 (effective date of ownership transaction with SANTACO) to 30 September 2019, Transaction Capital consolidated 81.4% of SA Taxi's headline earnings. Prior to 6 February 2019, Transaction Capital consolidated 98.5% of SA Taxi's headline earnings.*

2018 balances have been restated for the early adoption of IFRS 17 – Insurance Contracts which has no material impact on headline earnings.

RESULTS OVERVIEW

The group has achieved compound annual growth in core headline earnings per share of 20% over the past five years.

In the 2019 financial year, despite the economic deterioration in South Africa, Transaction Capital delivered excellent organic growth. Both core headline earnings and core headline earnings per share increased 18% to R803 million and 131.3 cents, respectively this year. TCRS grew headline earnings 15% to R313 million, and SA Taxi grew core headline earnings 38% resulting in the group's attributable portion of SA Taxi's core headline earnings growing by 21% to R446 million.

Divisional management's focus on delivering their strategies underpinned this result. With support from the group executive office, they have refined their competitive value propositions, diversified their revenue streams within existing markets and expanded their total addressable markets. Investments in best-of-breed technology and processing capabilities continue to support operational effectiveness.

The balance sheet is ungeared and liquid at a holding company level. Our capital strategy remains conservative and appropriate in the current economic conditions, with undeployed capital of more than R950 million. The majority of this capital has been allocated towards strategic organic growth initiatives, detailed later in this announcement. The remainder is surplus to the capital adequacy requirements of our well capitalised divisions, making earnings upside possible in the medium term when deployed. SANTACO's acquisition of a 25% equity stake in SA Taxi for R1.7 billion further bolsters SA Taxi's balance sheet. SA Taxi's funding requirements for 2020 are met.

Over the past five years, dividends per share have grown faster than earnings growth at 31% per year. This year, the total dividend per share was 22% higher at 61 cents per share, supported by high-quality earnings and healthy cash conversion rates.

TRADING ENVIRONMENT

Macro-economic conditions have deteriorated slightly since the first half of 2019. South Africa's gross domestic product (GDP) growth has averaged below 1% per year for the past four years, compared to global GDP growth of approximately 3% per year over the same period. Growth is likely to remain below 1% for 2019, constrained by low consumer and business confidence, and high household debt. Despite a benign inflation outlook (reported at 4.1% in September 2019), economic constraints are being exacerbated by wage growth remaining below inflation together with a volatile Rand.

Lower fuel prices since October 2018 may have alleviated some pressure on household spending and debt burdens, but the relief was short-lived. Higher fuel levies in April 2019 have contributed to current prices being only 6% below the record highs set in 2018.

Against this backdrop, unemployment is at record highs (reaching 29.1% in the third quarter of 2019) and many consumers remain over-indebted. It is questionable whether the recently reported increases in unsecured credit extension[1] will benefit South Africa's economic growth. Instead, as the pressure on consumers intensifies, they are expected to struggle to reduce debt over the medium term.

In Australia, GDP growth slowed to 1.8% in the second half of the year, reflecting a slowdown in household consumption and declining home prices, with unemployment levels remaining steady at 5.3% as at October 2019. The Reserve Bank of Australia is forecasting GDP growth of 2.3% for the year to December 2019. Despite persistently high levels of household debt to income at approximately 190%, credit extension is being slightly moderated by lower interest rates (reported at 0.75% in September 2019) and greater leniency in debt affordability assessments.

Economic growth in the Eurozone continues to decelerate. The European Union reported a 1.1% GDP increase year-on-year in the third quarter of 2019. With European regulators continuing to pressure banks to dispose of their non-performing loans earlier, the European distressed debt market reached its peak in 2018 with non-performing loan disposals totaling €205.1 billion in gross book value.

Transaction Capital does not intend pursuing the larger concentrated segment of this market, which is characterised by high levels of competition from sizable market participants with access to cheap capital and leverage to be deployed for moderate returns. To achieve attractive risk-adjusted returns TCRS is targeting niche higher-yielding credit-orientated alternative assets in the European distressed debt and specialised credit market directly through bilateral transactions and indirectly via co-investments in partnership with its network of specialist credit managers.

Despite these trends, TCRS and SA Taxi continue to demonstrate resilience as highly defensive businesses able to deliver good commercial returns in poor economic conditions.

1. *The National Credit Regulator reported a year-on-year increase of 11.1% in the unsecured credit gross debtors book (which includes unsecured credit and credit facilities) in June 2019. The BA900 regulatory returns reported a year-on-year increase of 10.2% in banks' unsecured retail credit gross loans and advances in July 2019.*

TRANSACTION CAPITAL RISK SERVICES

		For the year ended 30 September		
		2019	2018	Movement
FINANCIAL PERFORMANCE				
Headline earnings attributable to the group	Rm	**313**	273	15%
Non-interest revenue	Rm	**2 104**	1 837	15%
PURCHASED BOOK DEBTS				
Cost price of purchased book debts acquired	Rm	**1 186**	662	79%
Carrying value of purchased book debts	Rm	**2 382**	1 374	73%
Estimated remaining collections – 120 months	Rm	**4 480**	2 989	50%

MARKET POSITIONING AND OPERATING CONTEXT

SOUTH AFRICA

Of the 25.1 million credit-active South African consumers at June 2019, more than 40% (10.2 million) had impaired credit records. Transaction Capital's Consumer Credit Rehabilitation Index (CCRI) reflects a distressed consumer credit environment, with consumers' propensity to repay debt at 30 September 2019 unchanged compared to the prior year.

The National Credit Amendment Act (known as the Debt Relief Bill) was signed into law in August 2019. A study commissioned by the National Treasury in October 2017 estimates that only 1.5 million consumers are found to be persistently over-indebted, defined as being nine months or more in arrears. A further study commissioned by the Department of Trade and Industry estimated that only around 177 000 consumers could benefit from the Debt Relief Bill. It is apparent that there is disagreement between various stakeholders on the number of consumers likely to benefit from the Bill. To date, practical implementation of the Bill remains uncertain with no effective date and no guidelines set for how eligible consumers may apply for debt intervention.

TCRS has a detailed understanding of all individual debtors in its portfolio. Irrespective of the new regulations, consumers identified by TCRS as likely to apply for debt intervention are typically assigned a low propensity to repay score; as such, they would not be selected for collection or factored into the valuation of estimated remaining collections. The Debt Relief Bill, therefore, will have little impact on TCRS's contingency collection activities, or on the value of non-performing consumer loan portfolios (NPL Portfolios) acquired as a principal.

AUSTRALIA

The outlook for debt collection in Australia remains positive, and we expect TCRS's continued investment in technology initiatives and resource optimisation frameworks to improve returns. Also, robust employment levels and the positive response of consumers to non-voice and digital channels is contributing to higher levels of right party contact and technology-based payments.

COLLECTION SERVICES

In its most significant business activity, TCRS acts either as a principal in acquiring and then collecting on NPL Portfolios, or as a service provider on an outsourced contingency or fee-for-service (FFS) basis. These business activities are diversified across sectors, clients and geographies, which lowers concentration risk and supports good performance and returns in different market conditions.

TCRS's collection services business delivered organic revenue growth of 21%, driven by an increase of more than 20% from our South African collection activities. Excellent revenue growth in the collection of NPL Portfolios acquired as a principal performed ahead of expectations and has positively offset the impact of the expected slowdown in contingency and FFS collections in South Africa. The Australian collections business performed ahead of expectations with revenue in Australia growing by low double digits during the year.

ACQUISITION OF NPL PORTFOLIOS AS PRINCIPAL

TCRS invested R1 064 million in South African NPL Portfolios and a further R122 million into Australian NPL Portfolios. At 30 September 2019, TCRS owned 273 NPL Portfolios with a face value of R23 795 million. Valued at R2 382 million (an increase of 73% from R1 374 million a year ago), this asset will support strong and predictable annuity revenue (estimated at R4 480 million, an increase of 50% from R2 989 million a year ago) over the medium term.

In South Africa, the market for acquiring NPL Portfolios is underdeveloped and growing. TCRS continues to expand this market through broadening the category of NPL Portfolios traded. Historically the division focused on acquiring NPL Portfolios of written-off unsecured retail debt via an auction process. TCRS has now extended its total addressable market to include NPL Portfolios prior to write-off, those collected via legal process and those sold on a bilateral or recurring contractual basis. Typically these portfolios are characterised by stronger cash flows attracting a higher purchase price. Furthermore, TCRS continues to lead in the development of this market by educating clients of the mutual benefits of selling their NPL Portfolios. These initiatives provide a meaningful growth opportunity for TCRS.

The Australian collections market is significantly larger than the South African market and predominantly comprised of unsecured consumer loan portfolios, an asset class where TCRS has almost 20 years of experience in South Africa. TCRS is following a cautious and selective approach in entering this market. Underpinned by our growing Australian database and TCRS's analytics and pricing expertise, a small position in this market provides a significant growth opportunity for TCRS over the medium term.

We expect the acquisition of NPL Portfolios in the 2020 financial year to be at least in line with that of 2019. The increases in credit extension reported by the NCR in South Africa, the economic climate which favours the acquisition of NPL Portfolios, and TCRS's active involvement in developing and broadening this sector should support this expectation in South Africa, as will our strategy to establish a more meaningful position in the larger Australian market. A portion of our undeployed capital has been allocated towards this strategic organic growth initiative.

CONTINGENCY AND FEE-FOR-SERVICE REVENUE

Recoveries Corporation in Australia posted a robust performance, growing revenue organically in low double digits by gaining new mandates from existing clients and winning new clients. Operating costs were kept stable, achieving significant operational leverage. Greater management depth, investment in data and analytics, the deployment of technologies proven in South Africa into our Australia operations, and implementing business information, payment automation and collection technologies supported this pleasing result.

The South African contingency and FFS division is performing in line with expectations in the difficult consumer credit environment. Despite the lower volumes and yields from contingency matters handed over for collection, TCRS continues to deepen its penetration in its traditional market segments (banks, retailers and specialist lenders) as well as in adjacent sectors (insurance, telecommunication and public sectors), according to its sector specialisation strategy.

TRANSACTIONAL SERVICES AND VALUE-ADDED SERVICES

Transaction Capital Payment Solutions and Road Cover, as services-orientated businesses, have been impacted by the persistently challenging operating environment in South Africa. Notwithstanding this, both contributed positively to the earnings growth of TCRS.

TRANSACTION CAPITAL SPECIALISED CREDIT (TCSC)

TC GLOBAL FINANCE

TC Global Finance was established in 2019 to pursue growth opportunities in select international markets. The fragmented European specialised credit market, which is many times larger than the South African and Australian markets, presents an attractive growth opportunity. TCRS is targeting niche higher-yielding credit-orientated alternative assets in this market directly through bilateral transactions and indirectly via co-investments in partnership with its network of specialist credit managers.

This strategy will provide Transaction Capital with unique access to niche European specialist credit managers, without concentration risk to any particular portfolio, asset class, asset originator, collection platform or geographic market. This strategy serves to diversify TCRS's earnings base further and we expect it to deliver low double-digit hard currency returns.

TCRS has invested €2.7 million to date, with €1.4 million thereof invested after 30 September 2019. Initial returns are in line with our communicated expectations. A portion of our undeployed capital has been allocated towards this strategic organic growth initiative.

In time we intend to replicate Transaction Capital's business model by investing into niche credit orientated asset portfolios, building scalable servicing platforms to manage these assets leveraging TCRS's IP, technologies and low-cost South African infrastructure, and partnering entrepreneurial owners and management teams.

TRANSACTION CAPITAL BUSINESS SOLUTIONS (TCBS) – SOUTH AFRICA

Cognisant of the higher risk in the small- and medium-sized enterprises (SME) sector, TCBS has proactively curbed gross loans and advances growth to this sector since the second half of 2018.

CONCLUSION

TCRS grew headline earnings by 15% to R313 million, with excellent growth in revenue from the collection of NPL Portfolios acquired as a principal and a robust performance from our Australian collections business. Outsourcing certain functions from Australia to our South African low-cost centre of excellence, currently in pilot phase, could support future efficiencies and enable additional organic growth. TCRS's cost-to-income ratio improved to 78.9% (2018: 80.0%), driven by our continued investment in technology. TCRS continues to deploy technologies proven in South Africa into its Australia operations, resulting in higher productivity, effectiveness and efficiency, and lower operating costs per activity. The division continues to explore the benefits of new technologies, including artificial intelligence.

SA TAXI

		For the year ended 30 September		
		2019	2018 Restated	Movement
FINANCIAL PERFORMANCE				
Core headline earnings	Rm	**519**	376	38%
Core headline earnings attributable to the group	Rm	**446**	368	21%
Non-interest revenue	Rm	**584**	498	17%
Net interest income	Rm	**1 217**	979	24%
Net interest margin	%	**12.2**	11.2	
Core cost-to-income ratio	%	**44.2**	45.6	
CREDIT PERFORMANCE				
Gross loans and advances	Rm	**10 753**	9 264	16%
Non-performing loan (NPL) ratio	%	**17.9**	17.5	
Credit loss ratio	%	**3.2**	3.5	

MARKET POSITIONING AND OPERATING CONTEXT

The minibus taxi industry is the most vital and largest service in South Africa's integrated public transport network, providing more than 15 million commuter trips a day. Medium-term population growth and intensifying commuter density due to urbanisation drives demand for minibus taxi services. More commuters choose minibus taxis over bus or rail due to competitive pricing, convenience and accessibility. Spend on minibus taxi transport is non-discretionary spend for most South Africans; rendering the minibus taxi industry defensive and growing, with operators remaining resilient in a challenging environment.

Difficult economic conditions in recent years combined with high taxi vehicle and fuel prices have placed strain on the minibus taxi industry. Minibus taxi prices have risen 4.2% since September 2018, bringing the recommended retail price of a Toyota HiAce diesel vehicle to R451 600, compared to about R345 000 five years ago. During the year, average petrol and diesel prices rose 6% and 10% respectively. Despite strong demand for minibus taxi services, the industry has been mindful of the economic hardship faced by commuters and kept fare increases muted in 2019.

SANTACO OWNERSHIP TRANSACTION AND INDUSTRY INITIATIVES

The ownership transaction between SA Taxi and SANTACO was finalised on 6 February 2019 (refer to the SENS announcements on 19 November 2018 and 6 February 2019, available at www.transactioncapital.co.za/SENS.php). Of the R1.2 billion net proceeds from the transaction, SA Taxi settled about R1.0 billion of interest-bearing debt, with the remainder retained to fund growth. The immediate financial benefit of the transaction (improved net interest margins from lower leverage and interest expense savings), and the operational benefits of a stronger relationship with SANTACO, have been accretive to SA Taxi's and Transaction Capital's earnings. We expect these benefits to support earnings growth over the medium term.

The transaction has also augmented SA Taxi's social impact, which extends to financial inclusion, job creation, skills development and economic transformation. Since 2008, SA Taxi has provided developmental credit of more than R25.7 billion to taxi operators, supporting the creation of over 81 000 SMEs, and more than 145 000 direct and 243 000 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 the quality of this critical component of South Africa's integrated public transport network. SANTACO received its first trickle dividend in June 2019, of which the majority was invested into a road safety campaign.

SA TAXI FINANCE AND SA TAXI AUTO REPAIRS (INCLUDING AUTOBODY REPAIR AND MECHANICAL REFURBISHMENT)

In the last five years, SA Taxi's loans and advances portfolio has shown a relatively stable compound annual growth rate of about 12%. This year, the portfolio grew 16% to R10.8 billion comprising 32 441 loans, with the number of loans originated increasing 11%. Higher vehicle retail prices, Toyota's increased production of minibus taxis, SA Taxi's launch of a lower interest rate product for better quality customers and higher loan origination volumes on Nissan vehicles supported this growth. Strong momentum in the sale and finance of its fully refurbished pre-owned minibus taxis also contributed to growth as operators seek a more affordable but reliable alternative to buying a new minibus taxi in a challenging economic environment.

Net interest income grew 24% to R1.2 billion, with the net interest margin improving to 12.2% (2018: 11.2%). This was mainly due to the settlement of interest-bearing debt of about R1.0 billion in February 2019. A robust risk-adjusted net interest margin of 9.0% was attributable to SA Taxi's higher net interest margin and slightly better credit metrics. The NPL ratio of 17.9% has remained in line with our expectations of about 18% (2018: 17.5%). Our consistently conservative credit granting criteria and strong collection performance was offset marginally by the difficult economic conditions.

Improved recoveries on repossessed vehicles supported an improved credit loss ratio of 3.2%, at the bottom end of our risk tolerance of 3% to 4%. This was partially attributable to a lower average cost to refurbish vehicles due to efficiencies in SA Taxi Auto Repairs, together with SA Taxi Auto Parts' cost-efficient procurement of parts. SA Taxi Auto Parts and SA Taxi Auto Repairs are instrumental in reducing the cost of refurbishment, lowering our credit losses in the event of default and repossession. Rebuilding high-quality income generating pre-owned minibus taxis enhances the value of repossessed vehicles, enabling SA Taxi to recover more than 75% of the loan value on the sale of repossessed vehicles. At 4.8%, provision coverage at year end remains adequate.

SA Taxi raised R5.5 billion in debt facilities during 2019 and its funding requirements into the 2020 financial year are already secured. The business continues to balance its cost of debt against the benefit of committed facilities and longer duration debt from a diversified funding base of approximately 35 distinct local and international debt investors. SA Taxi is exploring opportunities with local developmental finance institutions to lower its cost of debt.

During the year SA Taxi issued R1.7 billion of Moody's credit rated and JSE-listed debt via its Transsec 4 securitisation programme. These debt issuances were priced at a weighted average cost of 173 basis points above three-month JIBAR, the lowest priced Transsec issuances to date.

SA TAXI DIRECT

SA Taxi's dealership sells new and pre-owned minibus taxis, which provide operators with a reliable and affordable alternative to buying new vehicles. Loans originated through its dealerships are more profitable than loans originated through external channels due to product margin earned, higher take up of insurance products and improved credit performance.

SA Taxi's retail dealerships in Midrand and Polokwane showed strong momentum in 2019. The number of minibus taxis sold grew by 14% on last year, generating gross revenue of about R900 million. New dealerships are being considered in the medium term.

SA TAXI PROTECT

SA Taxi's insurance business is the main component of non-interest revenue, with gross written premiums growing 20% to R823 million driven by new customer acquisition. The business broadened its client base via its broker network, specifically targeting open market clients (i.e. insurance clients not financed by SA Taxi Finance). Penetration of SA Taxi's financed customer base remained stable, with the majority of SA Taxi Finance's clients choosing to be insured through SA Taxi Protect.

On average, individual insurance premiums remained stable. SA Taxi Protect's competitive advantage is its ability to reduce its cost of claim through efficiencies in SA Taxi Auto Repairs and SA Taxi Auto Parts, which supports a competitively priced insurance premium.

A small proportion of SA Taxi Protect's insurance claims are processed by SA Taxi Auto Repairs, with the majority outsourced to approved autobody repairers. An initiative to expand SA Taxi's refurbishment capacity specifically dedicated to SA Taxi Protect is set for 2020, with additional premises already secured. This will increase the proportion of SA Taxi Protect insurance claims processed internally by SA Taxi, further improving claims ratios. SA Taxi Protect's new insurance claims administration system, which went live in 2019 in line with expected timeframes and costs, is expected to enhance SA Taxi Protect's customer value proposition.

SA Taxi Protect is also broadening its product offering (currently comprising comprehensive vehicle cover, passenger liability, instalment protection and credit life cover) with SA Taxi's insurance clients now holding more than two insurance products per client. New products are being developed in collaboration with SANTACO.

SA Taxi has elected to adopt International Financial Reporting Standard (IFRS) 17 relating to insurance contracts earlier than required. As the new accounting standard replacing IFRS 4, IFRS 17 aligns insurance provisioning policies to IFRS 9, in that provisions are based on a forward-looking expected loss model rather than an incurred loss model. The resulting increase in provisions has no material impact on headline earnings but does result in a more robust balance sheet.

SA TAXI AUTO PARTS

SA Taxi Auto Parts imports and locally procures new minibus taxi parts directly from source. In addition, its salvage operation recovers and refurbishes used parts from vehicles that are not economically viable to repair. This contributes to a reduced vehicle refurbishment cost. In 2019, SA Taxi Auto Parts supplied parts to the value of approximately R6 million per month to SA Taxi Auto Repairs and has recently started distributing to its network of preferred external autobody repairers as well.

SA Taxi Auto Parts also retails well-priced new and pre-owned auto parts to taxi operators via its parts retail facility in Midrand, targeting existing clients of SA Taxi, as well as other operators in the open market. With the majority of these retail customers not previously being SA Taxi clients, this initiative exposes SA Taxi's brand and services to a wider market, presenting potential for cross sell organic revenue growth opportunities. Retail sales have exceeded initial expectations, achieving revenue of approximately R3 million per month in 2019.

SA TAXI REWARDS

SA Taxi Rewards is an example of the direct benefits resulting from the ownership transaction between SA Taxi and SANTACO. In close collaboration with the minibus taxi industry, SA Taxi Rewards was established in 2018 to leverage the industry's purchasing power to negotiate better pricing to benefit minibus taxi operators, associations and ultimately the entire industry.

In October 2019, SA Taxi Rewards partnered with Bridgestone to launch its tyre programme. This offers operators with a tyre at a lower cost and of higher quality, with a safety specification designed specifically for minibus taxis. Operators who are members of SA Taxi Rewards accrue additional rewards.

Initial programmes provide rewards based on fuel and tyre spend, regardless of whether the operator is a client of SA Taxi or not. Further rewards programmes aimed at parts procurement are under consideration.

SA Taxi is using its telematics and other data accumulated from its rewards programmes to proactively drive behavioural changes in the minibus taxi industry. This has a positive social impact in enhancing commuter safety.

CONCLUSION

Despite the challenging environment, SA Taxi recorded a strong operational, credit and financial performance for 2019. This is evident in accelerated gross loans and advances growth of 16%, higher net interest margins at 12.2% and 17% growth in non-interest revenue. SA Taxi is continually assessing opportunities and investing into adjacent and vertically integrated sectors of the minibus taxi industry supporting future organic growth. This investment is offset by new revenue lines and investment into technology to drive operational efficiencies. The cost-to-income ratio improved to 44.2%.

SA Taxi's organic growth lifted core headline earnings by 38%, resulting in the group's attributable portion of SA Taxi's core headline earnings growing by 21% to R446 million. From February 2019, 81.4% of SA Taxi's earnings are consolidated, compared to 98.5% previously.

GROUP EXECUTIVE OFFICE

The executive office added R44 million to the group's headline earnings for the year, from efficient management of its capital. This result is net of central costs incurred by the group executive office and includes cost recoveries from SA Taxi and TCRS. The Transaction Capital holding company balance sheet is strong and debt free, with undeployed capital of R950 million. This provides Transaction Capital with ample capacity to fund organic and acquisitive growth.

DIRECTOR APPOINTMENTS

Kuben Pillay was appointed as the lead independent non-executive director from 15 July 2019. Mr Pillay has been a director of Transaction Capital since August 2016 and serves as the chairman of the remuneration committee and as a member of the nominations and social and ethics committees.

PROSPECTS AND STRATEGY

Transaction Capital's entrepreneurial management teams will continue to innovate new opportunities and implement their growth strategies with discipline and focus. We expect this to achieve organic earnings and dividend growth over the medium term, at least in line with the group's past performance. Transaction Capital is set to maintain its dividend policy at 2 to 2.5 times cover.

The group's strong balance sheet provides the capacity and flexibility to fund further organic and acquisitive growth opportunities. However, our growth expectations assume no accretive investment of the group's excess capital, making further upside in earnings possible in the medium term. Further, as we have not factored any prospect of an economic upturn in South Africa into our guidance, there could be upside potential for our growth expectations over the next three to five years.

The main driver of organic growth for TCRS will be accelerated NPL Portfolio acquisitions. In South Africa this will be driven by macro factors and TCRS's active involvement in developing and broadening this sector. In Australia we aim to take a more meaningful position in this sizeable collections market. Future performance will be underpinned by TCRS's existing NPL Portfolio which supports growing and predictable annuity revenue growth.

Expanding and enriching its database, and ongoing investment in new technologies should enable TCRS to deliver even higher productivity and operational efficiencies, particularly in our Australian operations. The successful deployment of technologies proven in South Africa into our Australian operations demonstrates our ability to transport these capabilities to other geographies. The pilot to outsource certain functions to our South African low-cost centre of excellence continues. This could support further efficiencies and revenue growth in addition to providing a scalable platform for third party offshoring solutions.

In the medium term, establishing TC Global Finance will complement TCRS's organic growth opportunities in the fragmented segment of the European specialised credit market. To date approximately €6.0 million has been committed for investment. We will continue to deploy capital patiently and cautiously, in identifying our niche in this market, the pace and progression of which is dependent on the risk-adjusted returns achieved on the initial investments we make.

With its strong balance sheet, TCRS is continually assessing opportunities for adjacent, vertically integrated and complementary bolt-on acquisitions in both South Africa and Australia.

In SA Taxi, we expect SA Taxi Finance to sustain mid-teen growth in gross loans and advances, supported by a continuation of the trends seen in 2019. Toyota increasing minibus taxi production, growing uptake of SA Taxi's lower interest rate product and strong momentum in the sale and finance of its pre-owned minibus taxis is expected. SA Taxi continues to develop its strategy of vertical integration to support Nissan's minibus taxi initiative, as it has done with other minibus taxi vehicle models in the past.

SA Taxi Protect will continue to grow gross written premiums by broadening its product offering as well as expanding its client base through its broker network. There is still scope to improve the insurance claims ratio and credit losses via technology, data management and predictive analytics, along with procurement and operational efficiencies in SA Taxi Auto Repairs and SA Taxi Auto Parts. Retailing well-priced parts by SA Taxi Auto Parts is set to boost non-interest revenue.

SA Taxi will expand its tailored rewards programmes within the minibus taxi ecosystem. Ultimately, the division intends to leverage its telematics and rewards programmes data to connect to South Africa's 250 000 minibus taxi operators, selling existing (finance and insurance) and new products and services suited to the needs of minibus taxi operators.

SA Taxi is continually assessing new opportunities and investing into adjacent and vertically integrated sectors of the minibus taxi industry supporting future organic growth. This investment is offset by new revenue lines and investment into technology to drive operational efficiencies.

With SANTACO as a shareholder, SA Taxi aims to leverage its unique position to drive growth over the medium term, to the benefit of taxi operators and the broader industry. This will include identifying commercial opportunities such as accessing cheaper funding, expanding its market share through a finance product for low-risk customers and designing bespoke minibus taxi insurance products.

DIVIDEND DECLARATION

Following the interim dividend of 27 cents per share (2018: 21 cents per share), and in line with our stated dividend policy of 2 to 2.5 times, the board of directors has declared a final gross cash dividend of 34 cents per share (2018: 29 cents per share) for the six months ended 30 September 2019 to those members on the record date below. The dividend has been 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 27.2 cents per share.

The salient features applicable to the final dividend are as follows:

Issued shares as at declaration date	612 398 686
Declaration date	Tuesday 26 November 2019
Last day to trade cum dividend	Tuesday 10 December 2019
Ex-dividend	Wednesday 11 December 2019
Record date	Friday 13 December 2019
Payment date	Tuesday 17 December 2019

Tax reference number: 9466/298/15/6

Share certificates may not be dematerialised or rematerialised between Wednesday 11 December 2019 and Friday 13 December 2019, both dates inclusive.

The cash dividend will be electronically transferred to the bank accounts of all certificated shareholders, where this facility is available, on Tuesday 17 December 2019. Where electronic fund transfer is not available or desired, cheques dated 17 December 2019 will be posted on that date. Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Tuesday 17 December 2019.

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 2019. 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 Sean Doherty (CA)SA. These results represent a summary of the complete set of audited consolidated financial statements of Transaction Capital approved on 26 November 2019. 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, the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee), 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.

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, except for the adoption of IFRS 17 – Insurance Contracts and IFRS 15 – Revenue from Contracts with Customers.

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 International Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements audit report included in these summarised consolidated financial statements.

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

APPROVAL BY THE BOARD OF DIRECTORS

Signed on behalf of the board of directors:

David Hurwitz
Chief executive officer

Sean Doherty
Chief financial officer

Dunkeld West
26 November 2019

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

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

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF TRANSACTION CAPITAL LIMITED

OPINION

The summarised consolidated financial statements of Transaction Capital Limited, which comprise the summarised consolidated statement of financial position as at 30 September 2019, the summarised consolidated 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 2019.

In our opinion, the accompanying summarised 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 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

OTHER MATTER

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The summarised 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 summarised 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 26 November 2019.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in the Basis for Preparation to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

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 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 summarised 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
26 November 2019

Deloitte Place
The Woodlands
Woodlands Drive
Woodmead
Sandton

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September

	2019 Audited Rm	2018 Audited Restated* Rm
ASSETS		
Cash and cash equivalents	**919**	900
Tax receivables	**26**	17
Trade and other receivables	**1 287**	1 126
Inventories	**832**	478
Loans and advances	**10 991**	9 592
Purchased book debts	**2 382**	1 374
Other loans receivable	**45**	39
Equity accounted investments	**92**	–
Intangible assets	**294**	283
Property and equipment	**172**	167
Goodwill	**1 152**	1 142
Deferred tax assets	**271**	368
TOTAL ASSETS	**18 463**	15 486
LIABILITIES		
Bank overdrafts	**381**	116
Other short-term borrowings	**76**	–
Tax payables	**16**	5
Trade and other payables	**709**	737
Provisions	**53**	55
Insurance contract liabilities	**537**	607
Benefits ceded on insurance contracts relating to inventories	**54**	61
Benefits ceded on insurance contracts relating to loans and advances	**174**	204
Benefits accruing to insurance contract holders	**309**	342
Interest-bearing liabilities	**10 806**	9 817
Senior debt	**10 287**	8 753
Subordinated debt	**517**	1 060
Finance lease liabilities	**2**	4
Deferred tax liabilities	**413**	326
TOTAL LIABILITIES	**12 991**	11 663
EQUITY		
Ordinary share capital	**1 103**	1 056
Reserves	**179**	52
Retained earnings	**3 614**	2 656
EQUITY ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**4 896**	3 764
Non-controlling interests	**576**	59
TOTAL EQUITY	**5 472**	3 823
TOTAL EQUITY AND LIABILITIES	**18 463**	15 486

* *Restated for the early adoption of IFRS 17 – Insurance Contracts.*

SUMMARISED CONSOLIDATED INCOME STATEMENT

For the year ended 30 September

	2019 Audited Rm	2018 Audited Restated* Rm
Interest income	**2 472**	2 154
Interest expense	**(1 193)**	(1 054)
NET INTEREST INCOME	**1 279**	1 100
Impairment of loans and advances	**(336)**	(321)
RISK-ADJUSTED NET INTEREST INCOME	**943**	779
Non-interest revenue	**2 688**	2 335
Net insurance result	**364**	301
Insurance revenue	**823**	685
Insurance service expense	**(455)**	(385)
Insurance finance (expense)/income	**(4)**	1
Other non-interest revenue	**2 324**	2 034
Operating costs	**(2 562)**	(2 195)
Non-operating profit/(loss)	**7**	(3)
Equity accounted income	**4**	–
PROFIT BEFORE TAX	**1 080**	916
Income tax expense	**(293)**	(218)
PROFIT FOR THE YEAR	**787**	698
PROFIT FOR THE YEAR ATTRIBUTABLE TO:		
Ordinary equity holders of the parent	**727**	682
Non-controlling interests	**60**	16
EARNINGS PER SHARE (CENTS)		
Basic earnings per share	**118.8**	111.7
Diluted basic earnings per share	**117.4**	110.6

* *Restated for the early adoption of IFRS 17 – Insurance Contracts.*

Transaction Capital's income statement presented above includes once-off costs of R84 million attributable to the group relating to SA Taxi's ownership transaction with SANTACO, which arose in the first half of the 2019 financial year. R81 million of these costs are non-cash and in accordance with IFRS 2. A further R3 million relates to early debt settlement costs. Refer to the group data sheet for core results and ratios, which exclude these once-off transaction costs, as well as the headline earnings reconciliation presented on the next page.

SUMMARISED CONSOLIDATED HEADLINE EARNINGS RECONCILIATION

For the year ended 30 September

	2019 Audited Rm	2018 Audited Restated* Rm
BASIC EARNINGS ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**727**	682
Headline earnings adjustments:		
Profit on disposal of subsidiary	**(8)**	–
HEADLINE EARNINGS ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**719**	682
Core headline earnings adjustments:		
Once-off transaction costs	**84**	–
CORE HEADLINE EARNINGS ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**803**	682
HEADLINE EARNINGS PER SHARE (CENTS)		
Basic headline earnings per share	**117.5**	111.7
Diluted basic headline earnings per share	**116.1**	110.6

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September

	2019 Audited Rm	2018 Audited Restated* Rm
PROFIT FOR THE YEAR	**787**	698
OTHER COMPREHENSIVE INCOME		
Movement in cash flow hedging reserve	**1**	2
Fair value gain arising during the year	**1**	3
Deferred tax	**–**	(1)
Exchange gain/(loss) on translation of foreign operations	**5**	(14)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**793**	686
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Ordinary equity holders of the parent	**733**	670
Non-controlling interests	**60**	16

* *Restated for the early adoption of IFRS 17 – Insurance Contracts.*

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 of the parent Audited Rm	Non-controlling interests Audited Rm	Total equity Audited Rm
BALANCE AT 30 SEPTEMBER 2017 AS PREVIOUSLY REPORTED	1 056	34	2 628	3 718	54	3 772
Adjustment on initial adoption of IFRS 17	–	–	(370)	(370)	–	(370)
RESTATED BALANCE AT 1 OCTOBER 2017	1 056	34	2 258	3 348	54	3 402
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	–	(1)	(4)	(5)	–	(5)
Dividends paid	–	–	(280)	(280)	(11)	(291)
Issue of shares	9	–	–	9	–	9
Repurchase of shares	(9)	–	–	(9)	–	(9)
RESTATED BALANCE AT 30 SEPTEMBER 2018	1 056	52	2 656	3 764	59	3 823
Adjustment on initial adoption of IFRS 15*	–	–	(9)	(9)	–	(9)
RESTATED BALANCE AT 1 OCTOBER 2018	**1 056**	**52**	**2 647**	**3 755**	**59**	**3 814**
Total comprehensive income	**–**	**6**	**727**	**733**	**60**	**793**
Profit for the year	**–**	**–**	**727**	**727**	**60**	**787**
Other comprehensive income	**–**	**6**	**–**	**6**	**–**	**6**
Disposal of subsidiary	**–**	**–**	**–**	**–**	**(3)**	**(3)**
Transactions with non-controlling interests	**–**	**100**	**610**	**710**	**497**	**1 207**
Grant of share appreciation rights and conditional share plans	**–**	**45**	**–**	**45**	**–**	**45**
Settlement of share appreciation rights and conditional share plans	**–**	**(24)**	**(27)**	**(51)**	**–**	**(51)**
Dividends paid	**–**	**–**	**(343)**	**(343)**	**(37)**	**(380)**
Issue of shares	**58**	**–**	**–**	**58**	**–**	**58**
Repurchase of shares	**(11)**	**–**	**–**	**(11)**	**–**	**(11)**
BALANCE AT 30 SEPTEMBER 2019	**1 103**	**179**	**3 614**	**4 896**	**576**	**5 472**

* *The group adopted IFRS 15 – Revenue from Contracts with Customers during the 2019 financial year. In accordance with the transitional provisions of IFRS 15, the group adopted this standard retrospectively, with the cumulative effect of initial adoption reported as an adjustment to the opening balance of retained earnings.*

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	2019 Audited Rm	2018 Audited Restated* Rm
CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated by operations	**1 731**	1 464
Income taxes paid	**(108)**	(87)
Dividends paid	**(380)**	(291)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND WORKING CAPITAL	**1 243**	1 086
INCREASE IN OPERATING ASSETS	**(2 908)**	(2 057)
Loans and advances	**(1 741)**	(1 457)
Purchased book debts	**(1 167)**	(600)
CHANGES IN WORKING CAPITAL	**(553)**	(520)
Increase in inventories	**(354)**	(265)
Increase in trade and other receivables	**(167)**	(430)
(Increase)/decrease in other loans receivable	**(6)**	2
(Decrease)/increase in trade and other payables	**(26)**	173
NET CASH UTILISED BY OPERATING ACTIVITIES	**(2 218)**	(1 491)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	**(48)**	(59)
Proceeds on disposal of property and equipment	**3**	5
Acquisition of intangible assets	**(57)**	(60)
Acquisition of equity accounted investment	**(87)**	–
Business combinations	**(7)**	(35)
Proceeds on disposal of subsidiary	**8**	–
NET CASH UTILISED BY INVESTING ACTIVITIES	**(188)**	(149)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from interest-bearing liabilities	**9 088**	5 946
Settlement of interest-bearing liabilities	**(8 101)**	(4 320)
Increase in other short-term borrowings	**76**	–
Additional interest acquired in subsidiary	**(28)**	–
Net proceeds on issue of shares by subsidiary to non-controlling interests	**1 135**	–
Repurchase of shares	**(11)**	(9)
NET CASH GENERATED BY FINANCING ACTIVITIES	**2 159**	1 617
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(247)**	(23)
Cash and cash equivalents at the beginning of the year**	**784**	808
Effects of exchange rate changes on the balance of cash held in foreign currencies	**1**	(1)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR**	**538**	784

* *Restated for the early adoption of IFRS 17 – Insurance Contracts.*
** *Cash and cash equivalents are presented net of bank overdrafts.*

SUMMARISED CONSOLIDATED SEGMENT REPORT

	SA Taxi		Transaction Capital Risk Services		Group executive office**		Group	
	2019 Audited Rm	2018 Audited Restated* Rm	**2019 Audited Rm**	2018 Audited Rm	**2019 Audited Rm**	2018 Audited Rm	**2019 Audited Rm**	2018 Audited Restated* Rm
SUMMARISED INCOME STATEMENT								
For the year ended 30 September								
Net interest income	**1 217**	979	**(13)**	51	**75**	70	**1 279**	1 100
Impairment of loans and advances	**(322)**	(306)	**(14)**	(15)	**–**	–	**(336)**	(321)
Non-interest revenue	**584**	498	**2 104**	1 837	**–**	–	**2 688**	2 335
Operating costs	**(896)**	(674)	**(1 650)**	(1 510)	**(16)**	(11)	**(2 562)**	(2 195)
Non-operating profit/(loss)	**–**	–	**7**	(3)	**–**	–	**7**	(3)
Equity accounted income	**–**	–	**4**	–	**–**	–	**4**	–
PROFIT BEFORE TAX	**583**	497	**438**	360	**59**	59	**1 080**	916
Profit attributable to ordinary equity holders of parent	**365**	368	**321**	273	**41**	41	**727**	682
Headline earnings adjustments	**–**	–	**(8)**	–	**–**	–	**(8)**	–
Once-off transaction costs***	**81**	–	**–**	–	**3**	–	**84**	–
CORE HEADLINE EARNINGS ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	**446**	368	**313**	273	**44**	41	**803**	682
SUMMARISED STATEMENT OF FINANCIAL POSITION								
At 30 September								
ASSETS								
Cash and cash equivalents	**693**	677	**194**	168	**32**	55	**919**	900
Trade and other receivables	**965**	769	**317**	360	**5**	(3)	**1 287**	1 126
Inventories	**831**	478	**1**	–	**–**	–	**832**	478
Loans and advances	**10 412**	9 026	**579**	566	**–**	–	**10 991**	9 592
Purchased book debts	**–**	–	**2 382**	1 374	**–**	–	**2 382**	1 374
Equity accounted investment	**–**	–	**92**	–	**–**	–	**92**	–
Other assets	**885**	933	**1 035**	1 066	**40**	17	**1 960**	2 016
TOTAL ASSETS	**13 786**	11 883	**4 600**	3 534	**77**	69	**18 463**	15 486
LIABILITIES								
Bank overdrafts	**99**	116	**282**	–	**–**	–	**381**	116
Trade and other payables	**275**	333	**396**	368	**38**	36	**709**	737
Insurance contract liabilities	**537**	607	**–**	–	**–**	–	**537**	607
Interest-bearing liabilities	**9 929**	9 503	**1 821**	1 345	**(944)**	(1 031)	**10 806**	9 817
Senior debt	**9 249**	7 650	**1 038**	1 103	**–**	–	**10 287**	8 753
Subordinated debt	**517**	683	**–**	–	**–**	377	**517**	1 060
Finance leases	**–**	–	**2**	4	**–**	–	**2**	4
Group loans	**163**	1 170	**781**	238	**(944)**	(1 408)	**–**	–
Other liabilities	**192**	56	**361**	330	**5**	–	**558**	386
TOTAL LIABILITIES	**11 032**	10 615	**2 860**	2 043	**(901)**	(995)	**12 991**	11 663
TOTAL EQUITY	**2 754**	1 268	**1 740**	1 491	**978**	1 064	**5 472**	3 823

* *Restated for the early adoption of IFRS 17 – Insurance Contracts.*
** *Group executive office numbers are presented net of group consolidation entries.*
*** *Transaction Capital's core financial ratios exclude once-off costs of R84 million attributable to the group relating to SA Taxi's ownership transaction with the South African National Taxi Council (SANTACO), which arose in the first half of the 2019 financial year. R81 million of these costs are non-cash and in accordance with IFRS 2. A further R3 million relates to early debt settlement costs.*

NOTES TO THE AUDITED SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September

FAIR VALUE DISCLOSURE

	Carrying value 2019 Audited Rm	Fair value 2019 Audited Rm	Carrying value 2018 Restated Audited Rm	Fair value 2018 Restated Audited Rm
ASSETS				
Loans and advances*	**10 759**	**10 744**	9 251	9 246
Purchased book debts	**2 382**	**2 382**	1 374	1 374
Other loans receivable	**45**	**45**	39	39
Trade and other receivables**	**849**	**849**	860	860
Cash and cash equivalents	**919**	**919**	900	900
TOTAL	**14 954**	**14 939**	12 424	12 419
LIABILITIES				
Interest-bearing liabilities	**10 806**	**11 195**	9 817	9 870
Fixed rate liabilities	**266**	**279**	240	247
Floating rate liabilities	**10 540**	**10 916**	9 577	9 623
Trade and other payables***	**473**	**473**	510	510
Other short-term borrowings	**76**	**76**	–	–
Bank overdrafts	**381**	**381**	116	116
TOTAL	**11 736**	**12 125**	10 443	10 496
NET EXPOSURE	**3 218**	**2 814**	1 981	1 923

* *Loans and advances net of expected credit losses (ECL) and benefits ceded on insurance contracts to the credit provider. Loans and advances relating to repossessed stock of R58 million (2018: R137 million) are not financial assets and therefore have been excluded from loans and advances.*

** *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.*

VALUATION METHODS AND ASSUMPTIONS:

Loans and advances for premium vehicles entered into at variable interest rates approximate fair value as the estimated future cash flows are already considered in the expected loss model. The fair value of loans and advances for premium vehicles at fixed interest rates, which is a small component of the loan book, is determined by adjusting the discount rate from the effective interest rate of the contract to a current effective lending rate. Loans and advances for entry-level vehicles are carried at fair value, refer "level disclosure" on next page for additional information in this regard.

Purchased book debt is held at amortised cost. The balance at year end is calculated based on the expected future cash flows which are adjusted for risk as it takes historical cash flows into account to predict forecasted cash flows. The fair value of purchased book debt would be determined by adjusting the discount rate from the credit-adjusted effective interest rate to a current market related discount rate and adjusting the expected cash flows for risk, therefore the carrying value approximates the fair value.

The fair value of interest-bearing liabilities is calculated based on future cash flows, discounted using a forward rate curve plus a valuation margin. The valuation margin is a consensus margin at which deals with similar remaining cash profiles could be secured in the market at the valuation date.

The carrying value of trade and other receivables, cash and cash equivalents, trade and other payables and bank overdrafts approximates fair value as they are short-term in nature and not subject to material changes in credit risk and fair value.

NOTES TO THE AUDITED SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September

LEVEL DISCLOSURE

2019 – 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	–	–	19	19
Other financial assets	–	–	99	99
Derivatives	–	4	–	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Derivatives	–	190	–	190
TOTAL FINANCIAL ASSETS	–	194	118	312
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS				
Derivatives	–	1	–	1
TOTAL FINANCIAL LIABILITIES	–	1	–	1

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

VALUATION METHODS AND ASSUMPTIONS:

Loans and advances for entry-level vehicles: The fair value was calculated using an income approach (estimating and discounting future cashflow) as well as the average collateral value. These represent the significant unobservable parameters applied in the fair value model. The expected cash flows were estimated using a lifetime expected loss model which is consistent with the IFRS 9 provision methodology. The expected cashflows were then discounted at the market related discount rate of 25% to yield a fair value of the total loans and advances for entry level-vehicles.

Other financial assets: The valuation of other financial assets is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. These represent the significant unobservable parameters applied in the fair value model. The group estimates the expected cash flows by considering all the contractual terms of the financial instrument. The discount rate applied to the expected future cash flows reflects specific risk premiums relating to the asset. This includes government risk, single project customer, no previous experience with client and small stock premium for valuations less than R250 million. The discount rate applied to the additional purchase price is based on the current South African prime interest rate.

Derivatives: The group enters into derivative financial instruments with respective counterparties. Interest rate swaps and cross-currency swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves.

LEVEL DISCLOSURE *continued*

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

2019 – Audited	**Fair value through profit or loss Rm**	**Fair value through other comprehensive income Rm**	**Total Rm**
Opening balance	**72**	**–**	**72**
Total gains or losses			
In profit or loss	**(39)**	**–**	**(39)**
Other movements*	**85**	**–**	**85**
CLOSING BALANCE OF FAIR VALUE MEASUREMENT	**118**	**–**	**118**

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

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

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.

NOTES TO THE AUDITED SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September

LEVEL DISCLOSURE *continued*

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

Loans and advances: entry-level vehicles	2019 Audited 10% Favourable Rm	2019 Audited 10% Unfavourable Rm	2018 Audited 10% Favourable Rm	2018 Audited 10% Unfavourable 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)

Other financial assets	2019 Audited 10% Favourable Rm	2019 Audited 10% Unfavourable Rm	2018 Audited 10% Favourable Rm	2018 Audited 10% Unfavourable Rm
SIGNIFICANT UNOBSERVABLE INPUT AND DESCRIPTION OF ASSUMPTION				
Cash flows: change in the expected revenue	**4**	**(4)**	1	(1)
Cash flows: change in expected costs	**<1**	**(<1)**	<1	(<1)
Discount rate: the rate used to discount projected future cash flows to present value	**2**	**(2)**	1	(1)
TOTAL	**6**	**(6)**	2	(2)

Amounts less than R500 000 are reflected as "<1".

NON-INTEREST REVENUE

Revenue earned from the group's vehicle insurance offering ('Net insurance result') mainly includes insurance premiums and commission income earned from insurance contracts, all of which are accounted for in accordance with IFRS 17 – Insurance Contracts, and therefore fall outside the scope of IFRS 15.

The recognition of revenue earned from collecting on purchased credit-impaired loan portfolios as principal ('Revenue from purchased book debts') is in accordance with the amortised cost model under IFRS 9 – Financial Instruments, and therefore fall outside the scope of IFRS 15.

Other non-interest revenue streams are disaggregated into the following major revenue streams in accordance with IFRS 15:

Non-interest revenue	2019 Rm	2018 Restated* Rm
NON-INTEREST REVENUE COMPRISES:		
Net insurance result	**364**	301
Revenue from purchased book debts	**902**	562
Other non-interest revenue	**1 422**	1 472
Fee-for-service revenue	**912**	939
Commission income	**75**	69
Fee income	**300**	298
Revenue from sale of goods	**74**	73
Other income	**61**	93
TOTAL NON-INTEREST REVENUE	**2 688**	2 335

* *Restated for the early adoption of IFRS 17 – Insurance Contracts.*

TRANSACTION CAPITAL

GROUP DATA SHEET

2019

FOR THE YEAR ENDED 30 SEPTEMBER

Transaction Capital

TRANSACTION CAPITAL GROUP DATA SHEET

SA Taxi's ownership transaction with the South African National Taxi Council (SANTACO) was finalised on 6 February 2019. For the period from 6 February 2019 to 30 September 2019, Transaction Capital consolidated 81.4% of SA Taxi's headline earnings, compared to 98.5% previously.

Core financial ratios exclude once-off costs of R84 million attributable to the group relating to SA Taxi's ownership transaction with SANTACO, which arose in the first half of the 2019 financial year. R81 million of these costs are non-cash and in accordance with IFRS 2. A further R3 million relates to early debt settlement costs.

SA Taxi has elected to early adopt IFRS 17 – Insurance Contracts. As the new accounting standard replacing IFRS 4, IFRS 17 aligns insurance provisioning policies to IFRS 9, in that provisions are based on a forward-looking expected loss model rather than an incurred loss model. The group's exposure to the underlying financed portfolio consists of both credit risk (measured in accordance with IFRS 9) and insurance risk (measured in accordance with IFRS 17) which are inextricably linked. To the extent that the insured event affects the recovery of the underlying asset and given that the assessment of risk and exposure on the underlying portfolio is considered on a group basis, a portion of the insurance contract liabilities relating to the active financed debtors and repossessed vehicle stock portfolios, is allocated to net loans and advances or inventories (where the repossessed vehicle stock has moved into a repair/realisation channel). All other insurance liabilities are reflected as part of insurance contract liabilities.

As a result, the data sheet has been presented on a net basis consistent with how the business manages credit and insurance risk. 2018 comparative numbers have been restated for the early adoption of IFRS 17 – Insurance Contracts.

		Year ended 30 September			Movement	
		2019 IFRS 17	2018 Restated IFRS 17	2017 IFRS 4	**2019**	2018
TRANSACTION CAPITAL GROUP SUMMARISED CONSOLIDATED INCOME STATEMENT						
Interest income	Rm	**2 472**	2 154	1 971	**15%**	9%
Interest expense	Rm	**(1 193)**	(1 054)	(964)	**13%**	9%
Net interest income	Rm	**1 279**	1 100	1 007	**16%**	9%
Impairment of loans and advances	Rm	**(336)**	(321)	(260)	**5%**	23%
Risk-adjusted net interest income	Rm	**943**	779	747	**21%**	4%
Non-interest revenue	Rm	**2 688**	2 335	1 937	**15%**	21%
Net insurance result	Rm	**364**	301	–	**21%**	100%
Insurance revenue	Rm	**823**	685	–	**20%**	100%
Insurance service expense	Rm	**(455)**	(385)	–	**18%**	100%
Insurance finance (expense)/income	Rm	**(4)**	1	–	**<(100%)**	100%
Income from insurance activities (IFRS 4)	Rm	**–**	–	260	**n/a**	(100%)
Other non-interest revenue	Rm	**2 324**	2 034	1 677	**14%**	21%
Core operating costs	Rm	**(2 458)**	(2 195)	(1 888)	**12%**	16%
Advertising, marketing and public relations	Rm	**(21)**	(23)	(12)	**(9%)**	92%
Amortisation of intangible assets	Rm	**(46)**	(41)	(31)	**12%**	32%
Amortisation of principal book portfolio	Rm	**(159)**	(117)	(117)	**36%**	0%
Audit fees	Rm	**(18)**	(17)	(17)	**6%**	0%
Bank charges	Rm	**(24)**	(25)	(20)	**(4%)**	25%
Commissions paid	Rm	**(38)**	(27)	(19)	**41%**	42%
Communication costs	Rm	**(78)**	(87)	(79)	**(10%)**	10%
Consulting fees	Rm	**(27)**	(28)	(32)	**(4%)**	(13%)
Depreciation	Rm	**(41)**	(37)	(32)	**11%**	16%
Electricity and water	Rm	**(25)**	(22)	(19)	**14%**	16%
Employee expenses	Rm	**(1 336)**	(1 238)	(1 055)	**8%**	17%
Fees paid	Rm	**(46)**	(43)	(39)	**7%**	10%
Handling, logistics and storage	Rm	**(100)**	(72)	(38)	**39%**	89%
Information technology	Rm	**(53)**	(48)	(40)	**10%**	20%
Non-executive directors' emoluments	Rm	**(7)**	(6)	(5)	**17%**	20%
Operating lease rentals	Rm	**(97)**	(87)	(70)	**11%**	24%
Professional fees	Rm	**(24)**	(19)	(16)	**26%**	19%
Risk management	Rm	**(23)**	(20)	(18)	**15%**	11%
Staff welfare	Rm	**(29)**	(26)	(21)	**12%**	24%
Travel	Rm	**(21)**	(19)	(16)	**11%**	19%
Training and seminars	Rm	**(12)**	(11)	(12)	**9%**	(8%)
Other	Rm	**(233)**	(182)	(180)	**28%**	1%

TRANSACTION CAPITAL GROUP

SUMMARISED CONSOLIDATED INCOME STATEMENT *continued*

		Year ended 30 September			Movement	
		2019 IFRS 17	2018 Restated IFRS 17	2017 IFRS 4	**2019**	2018
Core operating income	Rm	**1 173**	919	796	**28%**	15%
Non-operating profit/(loss)	Rm	**7**	(3)	(3)	**<(100%)**	0%
Equity accounted income	Rm	**4**	–	–	**100%**	n/a
Core profit before tax	Rm	**1 184**	916	793	**29%**	16%
Core income tax expense	Rm	**(294)**	(218)	(203)	**35%**	7%
Core profit for the year	Rm	**890**	698	590	**28%**	18%
Core profit for the year attributable to:	Rm	**890**	698	590	**28%**	18%
Ordinary equity holders of the parent	Rm	**811**	682	577	**19%**	18%
Non-controlling interests	Rm	**79**	16	13	**>100%**	23%
Core headline earnings for the year						
Core profit for the year attributable to ordinary equity holders of the parent	Rm	**811**	682	577	**19%**	18%
Adjusted for:						
Profit on disposal of subsidiary	Rm	**(8)**	–	–	**100%**	n/a
Core headline earnings for the year attributable to ordinary equity holders of the parent	Rm	**803**	682	577	**18%**	18%
Once-off transaction costs	Rm	**84**	–	22	**100%**	(100%)
SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
Assets						
Cash and cash equivalents	Rm	**919**	900	944	**2%**	(5%)
Trade and other receivables	Rm	**1 287**	1 126	687	**14%**	64%
Inventories*	Rm	**778**	417	212	**87%**	97%
Loans and advances*	Rm	**10 817**	9 388	8 456	**15%**	11%
Purchased book debts	Rm	**2 382**	1 374	891	**73%**	54%
Equity accounted investments	Rm	**92**	–	–	**100%**	n/a
Intangible assets	Rm	**294**	283	247	**4%**	15%
Property and equipment	Rm	**172**	167	150	**3%**	11%
Goodwill	Rm	**1 152**	1 142	1 135	**1%**	1%
Other assets	Rm	**342**	424	322	**(19%)**	32%
Total assets	Rm	**18 235**	15 221	13 044	**20%**	17%
Liabilities						
Bank overdrafts	Rm	**381**	116	136	**>100%**	(15%)
Trade and other payables	Rm	**709**	737	479	**(4%)**	54%
Insurance contract liabilities**	Rm	**309**	342	92	**(10%)**	>100%
Interest-bearing liabilities	Rm	**10 806**	9 817	8 191	**10%**	20%
Senior debt	Rm	**10 287**	8 753	7 228	**18%**	21%
Subordinated debt	Rm	**517**	1 060	963	**(51%)**	10%
Finance leases	Rm	**2**	4	–	**(50%)**	100%
Other liabilities	Rm	**558**	386	374	**45%**	3%
Total liabilities	Rm	**12 763**	11 398	9 272	**12%**	23%
Equity						
Equity attributable to ordinary equity holders of the parent	Rm	**4 896**	3 764	3 718	**30%**	1%
Non-controlling interests	Rm	**576**	59	54	**>100%**	9%
Total equity	Rm	**5 472**	3 823	3 772	**43%**	1%
Total equity and liabilities	Rm	**18 235**	15 221	13 044	**20%**	17%

* *Presented net of benefits ceded on insurance contracts related to inventories and loans and advances.*
** *Benefits accruing to insurance contract holders.*

		Year ended 30 September			Movement	
		2019 IFRS 17	2018 Restated IFRS 17	2017 IFRS 4	**2019**	2018
TRANSACTION CAPITAL GROUP *continued*						
SHAREHOLDER STATISTICS						
Number of shares	m	**612.7**	610.2	610.1	**0%**	0%
Weighted average number of shares in issue	m	**611.8**	610.3	598.3	**0%**	2%
Core headline earnings per share	cents	**131.3**	111.7	96.4	**18%**	16%
Net asset value per share	cents	**799.1**	616.8	609.4	**30%**	1%
Interim dividend per share	cents	**27.0**	21.0	15.0	**29%**	40%
Final dividend per share	cents	**34.0**	29.0	25.0	**17%**	16%
Total dividend per share	cents	**61.0**	50.0	40.0	**22%**	25%
Core dividend cover	times	**2.2**	2.2	2.4		
CAPITAL ADEQUACY						
Equity	Rm	**5 472**	3 823	3 772	**43%**	1%
Subordinated debt	Rm	**517**	1 060	963	**(51%)**	10%
Total capital	Rm	**5 989**	4 883	4 735	**23%**	3%
Less: goodwill	Rm	**(1 152)**	(1 142)	(1 135)	**1%**	1%
Total capital less goodwill	Rm	**4 837**	3 741	3 600	**29%**	4%
Total assets less goodwill and cash and cash equivalents	Rm	**16 164**	13 179	10 965	**23%**	20%
Capital adequacy ratio	%	**29.9**	28.3	32.8		
Equity	%	**26.7**	20.3	24.0		
Subordinated debt	%	**3.2**	8.0	8.8		
PERFORMANCE INDICATORS						
Total income	Rm	**3 967**	3 435	2 944	**15%**	17%
Core cost-to-income ratio	%	**62.0**	63.9	64.1		
Average cost of borrowing	%	**11.1**	11.5	11.8		
Core return on average assets	%	**5.3**	4.9	4.8		
Core return on average equity	%	**18.7**	19.6	17.2		
Average assets	Rm	**16 937**	14 104	12 370	**20%**	14%
Average equity attributable to ordinary equity holders of the parent	Rm	**4 336**	3 486	3 364	**24%**	4%
Average interest-bearing liabilities	Rm	**10 718**	9 137	8 161	**17%**	12%
Leverage	times	**3.3**	4.0	3.5		
Debt funders	number	**37**	45	42	**(18%)**	7%
CREDIT RATINGS						
Transaction Capital R2 billion Domestic Note Programme (GCR rated)						
Long-term		**A-(za)**	A-(za)	A-(za)		
Short-term		**A2(za)**	A1-(za)	A1-(za)		
Employees	number	**4 662**	4 445	4 095	**5%**	9%

		Year ended 30 September			Movement	
		2019 IFRS 17	2018 Restated IFRS 17	2017 IFRS 4	**2019**	2018
SA TAXI						
SUMMARISED INCOME STATEMENT						
Interest income	Rm	**2 304**	1 991	1 765	**16%**	13%
Interest expense	Rm	**(1 087)**	(1 012)	(880)	**7%**	15%
Net interest income	Rm	**1 217**	979	885	**24%**	11%
Impairment of loans and advances	Rm	**(322)**	(306)	(253)	**5%**	21%
Non-interest revenue	Rm	**584**	498	427	**17%**	17%
Net insurance result	Rm	**364**	301	–	**21%**	100%
Insurance revenue	Rm	**823**	685	–	**20%**	100%
Insurance service expense	Rm	**(455)**	(385)	–	**18%**	100%
Insurance finance (expense)/income	Rm	**(4)**	1	–	**<(100%)**	100%
Income from insurance activities (IFRS 4)	Rm	**–**	–	260	**n/a**	(100%)
Other non-interest revenue	Rm	**220**	197	427	**12%**	(54%)
Core operating costs	Rm	**(796)**	(674)	(638)	**18%**	6%
Core profit before tax	Rm	**683**	497	421	**37%**	18%
Core profit for the year	Rm	**519**	376	309	**38%**	22%
Core profit and core headline earnings for the year attributable to:	Rm	**519**	376	309	**38%**	22%
Ordinary equity holders of the parent	Rm	**446**	368	303	**21%**	21%
Non-controlling interests	Rm	**73**	8	6	**>100%**	33%
Once-off transaction costs	Rm	**100**	–	–	**100%**	n/a
Once-off transaction costs attributable to ordinary equity holders of the parent	Rm	**81**	–	–	**100%**	n/a
OTHER INFORMATION						
Depreciation	Rm	**19**	15	15	**27%**	0%
Amortisation of intangible assets	Rm	**14**	12	10	**17%**	20%
SUMMARISED STATEMENT OF FINANCIAL POSITION						
Assets						
Cash and cash equivalents	Rm	**693**	677	608	**2%**	11%
Trade and other receivables	Rm	**965**	769	393	**25%**	96%
Inventories*	Rm	**777**	417	212	**86%**	97%
Loans and advances*	Rm	**10 238**	8 822	7 872	**16%**	12%
Intangible assets	Rm	**43**	46	44	**(7%)**	5%
Goodwill	Rm	**507**	499	499	**2%**	0%
Property and equipment	Rm	**92**	88	79	**5%**	11%
Other assets	Rm	**243**	300	211	**(19%)**	42%
Total assets	Rm	**13 558**	11 618	9 918	**17%**	17%
Liabilities						
Bank overdrafts	Rm	**99**	116	136	**(15%)**	(15%)
Trade and other payables	Rm	**275**	333	298	**(17%)**	12%
Insurance contract liabilities**	Rm	**309**	342	92	**(10%)**	>100%
Interest-bearing liabilities	Rm	**9 929**	9 503	8 043	**4%**	18%
Senior debt	Rm	**9 249**	7 650	6 292	**21%**	22%
Subordinated debt	Rm	**517**	683	587	**(24%)**	16%
Group loans	Rm	**163**	1 170	1 164	**(86%)**	1%
Other liabilities	Rm	**192**	56	18	**>100%**	>100%
Total liabilities	Rm	**10 804**	10 350	8 587	**4%**	21%
Segment net assets	Rm	**2 754**	1 268	1 331	**>100%**	(5%)

* *Presented net of benefits ceded on insurance contracts related to inventories and loans and advances.*
** *Benefits accruing to insurance contract holders.*

		Year ended 30 September			Movement	
		2019 IFRS 17	2018 Restated IFRS 17	2017 IFRS 4	**2019**	2018
SA TAXI *continued*						
CAPITAL ADEQUACY						
Equity	Rm	**2 754**	1 268	1 331	**>100%**	(5%)
Group loans*	Rm	**–**	691	764	**(100%)**	(10%)
Subordinated debt	Rm	**517**	683	587	**(24%)**	16%
Total capital	Rm	**3 271**	2 642	2 682	**24%**	(1%)
Less: goodwill	Rm	**(507)**	(499)	(499)	**2%**	0%
Total capital less goodwill	Rm	**2 764**	2 143	2 183	**29%**	(2%)
Total assets less goodwill and cash and cash equivalents	Rm	**12 358**	10 442	8 811	**18%**	19%
Capital adequacy ratio	%	**22.4**	20.5	24.8		
Equity	%	**18.2**	14.0	18.1		
Subordinated debt	%	**4.2**	6.5	6.7		
FINANCIAL MEASURES						
Total income	Rm	**1 801**	1 477	1 312	**22%**	13%
Core pre-provision profit	Rm	**1 005**	803	674	**25%**	19%
Net interest margin	%	**12.2**	11.2	11.4		
Risk-adjusted net interest margin	%	**9.0**	7.7	8.2		
Core cost-to-income ratio	%	**44.2**	45.6	48.6		
Average cost of borrowing	%	**11.1**	11.4	11.2		
Leverage	times	**4.9**	9.2	7.7		
Debt funders	number	**36**	44	41	**(18%)**	7%
Core return on average assets	%	**4.1**	3.5	3.3		
Core return on average equity	%	**24.6**	35.0	25.3		
Weighted average interest rate at origination	%	**23.7**	23.6	24.4		
Average assets	Rm	**12 617**	10 726	9 410	**18%**	14%
Average equity attributable to ordinary equity holders	Rm	**2 110**	1 052	1 199	**>100%**	(12%)
Average gross loans and advances	Rm	**9 982**	8 758	7 786	**14%**	12%
Average interest-bearing liabilities	Rm	**9 756**	8 887	7 855	**10%**	13%
Employees	number	**1 223**	1 098	965	**11%**	14%
OPERATIONAL MEASURES						
Status						
Number of loans	number	**32 441**	30 617	28 724	**6%**	7%
Gross loans and advances**	Rm	**10 753**	9 264	8 303	**16%**	12%
Impairment provision**	Rm	**(515)**	(442)	(431)	**17%**	3%
Net loans and advances**	Rm	**10 238**	8 822	7 872	**16%**	12%
Originations						
Number of loans originated	number	**8 591**	7 734	7 480	**11%**	3%
Value of loans originated	Rm	**3 815**	3 288	3 027	**16%**	9%
Average loan term at origination	months	**71**	69	67	**0%**	3%
Average remaining loan term	months	**48**	47	47	**3%**	0%
New/repeat clients (on value)	%	**71/29**	69/31	74/26		
Average origination value	R	**444 034**	425 194	404 679	**4%**	5%
Credit performance						
Credit loss ratio	%	**3.2**	3.5	3.2		
Provision coverage	%	**4.8**	4.8	5.2		
Non-performing loans	Rm	**1 924**	1 624	1 421	**18%**	14%
Non-performing loan ratio	%	**17.9**	17.5	17.1		

* *A portion of SA Taxi's group loans is not a permanent facility and has been excluded from the capital adequacy calculation (2019: R163 million; 2018: R479 million; 2017: R400 million). The remaining group loans are subordinated debt facilities with fixed repayment terms.*

** *Presented net of benefits ceded on insurance contracts related to loans and advances.*

		Year ended 30 September			Movement	
		2019 IFRS 17	2018 Restated IFRS 17	2017 IFRS 4	**2019**	2018
SA TAXI *continued*						
INSURANCE PERFORMANCE						
Gross written premium	Rm	**823**	685	557	**20%**	23%
Products per insured client	number	**>2.0**	2.0	1.8		
CREDIT RATINGS						
Transsec 1 R4 billion Asset Backed Note Programme (S&P rated)						
Class A Notes		**n/a**	zaAA-(sf)	zaAA(sf)		
Class B Notes		**n/a**	zaAA-(sf)	zaAA(sf)		
Class C Notes		**n/a**	zaAA-(sf)	zaAA(sf)		
Class D Notes		**n/a**	zaA+(sf)	zaA+(sf)		
Transsec 2 R4 billion Asset Backed Note Programme (S&P rated)						
Class A Notes		**zaAAA(sf)**	zaAA-(sf)	zaAA(sf)		
Class B Notes		**zaAAA(sf)**	zaAA-(sf)	zaAA-(sf)		
Class C Notes		**zaAA+(sf)**	zaA(sf)	zaA(sf)		
Transsec 3 R2.5 billion Asset Backed Note Programme (Moody's rated)						
Class A1 Notes		**n/a**	P-1.za(sf)	P-1.za(sf)		
Class A2 Notes		**Aaa.za(sf)**	Aaa.za(sf)	Aaa.za(sf)		
Class A3 Notes		**Aaa.za(sf)**	Aaa.za(sf)	Aaa.za(sf)		
Class A4 Notes		**Aaa.za(sf)**	Aaa.za(sf)	n/a		
Class A5 Notes		**n/a**	P-1.za(sf)	n/a		
Class A6 Notes		**Aaa.za(sf)**	Aaa.za(sf)	n/a		
Class A7 Notes		**Aaa.za(sf)**	Aaa.za(sf)	n/a		
Class B Notes		**Aa3.za(sf)**	Aa3.za(sf)	Aa3.za(sf)		
Transsec 4 R2.5 billion Asset Backed Note Programme (Moody's rated)						
Class A1 Notes		**P-1.za(sf)**	n/a	n/a		
Class A2 Notes		**Aaa.za(sf)**	n/a	n/a		
Class A3 Notes		**Aaa.za(sf)**	n/a	n/a		
Class A4 Notes		**Aaa.za(sf)**	n/a	n/a		
Class B Notes		**Aa3.za(sf)**	n/a	n/a		
ENVIRONMENT						
Estimated minibus taxi market ('000)	vehicles	**>250**	>250	>200		
Price of a new Toyota HiAce (petrol)*	R	**426 300**	408 900	401 300	**4%**	2%
Price of a new Toyota HiAce (diesel)*	R	**451 600**	433 300	421 100	**4%**	3%
Average repo rate	%	**6.66**	6.62	6.95		
Average petrol price per litre**	R	**15.53**	14.61	13.00	**6%**	12%
Average diesel price per litre**	R	**14.34**	12.98	11.19	**10%**	16%

* *Including value added tax (VAT).*

** *12-month rolling average.*

		Year ended 30 September			Movement	
		2019	2018	2017	**2019**	2018
TRANSACTION CAPITAL RISK SERVICES (TCRS)						
SUMMARISED INCOME STATEMENT						
Interest income	Rm	**147**	172	175	**(15%)**	(2%)
Interest expense	Rm	**(160)**	(121)	(98)	**32%**	23%
Net interest income	Rm	**(13)**	51	77	**<(100%)**	(34%)
Impairment of loans and advances	Rm	**(14)**	(15)	(7)	**(7%)**	>100%
Non-interest revenue	Rm	**2 104**	1 837	1 485	**15%**	24%
Core operating costs	Rm	**(1 650)**	(1 510)	(1 238)	**9%**	22%
Non-operating profit/(loss)	Rm	**7**	(3)	(3)	**<(100%)**	0%
Equity accounted income	Rm	**4**	–	–	**100%**	n/a
Core profit before tax	Rm	**438**	360	314	**22%**	15%
Core profit for the year	Rm	**327**	281	240	**16%**	17%
Core profit for the year attributable to:		**327**	281	240	**16%**	17%
Ordinary equity holders of the parent	Rm	**321**	273	233	**18%**	17%
Non-controlling interests	Rm	**6**	8	7	**(25%)**	14%
Core headline earnings						
Core profit attributable to ordinary equity holders of the parent	Rm	**321**	273	233	**18%**	17%
Adjusted for:						
Profit on disposal of subsidiary	Rm	**(8)**	–	–	**100%**	n/a
Core headline earnings attributable to ordinary equity holders of the parent	Rm	**313**	273	233	**15%**	17%
Core EBITDA (excluding Transaction Capital Business Solutions (TCBS))	Rm	**574**	429	331	**34%**	30%
Once-off transaction costs	Rm	**–**	–	22	**n/a**	(100%)
OTHER INFORMATION						
Depreciation	Rm	**21**	21	16	**0%**	31%
Amortisation of intangible assets	Rm	**32**	29	21	**10%**	38%

		Year ended 30 September			Movement	
		2019	2018	2017	**2019**	2018
TCRS *continued*						
SUMMARISED STATEMENT OF FINANCIAL POSITION						
Assets						
Cash and cash equivalents	Rm	**194**	168	161	**15%**	4%
Trade and other receivables	Rm	**317**	360	293	**(12%)**	23%
Loans and advances	Rm	**579**	566	584	**2%**	(3%)
Purchased book debts	Rm	**2 382**	1 374	891	**73%**	54%
Equity accounted investments	Rm	**92**	–	–	**100%**	n/a
Property and equipment	Rm	**78**	78	69	**0%**	13%
Intangible assets	Rm	**251**	237	203	**6%**	17%
Goodwill	Rm	**647**	646	639	**0%**	1%
Other assets	Rm	**60**	105	93	**(43%)**	13%
Total assets	Rm	**4 600**	3 534	2 933	**30%**	20%
Liabilities						
Bank overdrafts	Rm	**282**	–	–	**100%**	n/a
Trade and other payables	Rm	**396**	368	150	**8%**	>100%
Interest-bearing liabilities	Rm	**1 821**	1 345	1 075	**35%**	25%
Senior debt	Rm	**1 038**	1 103	968	**(6%)**	14%
Finance leases	Rm	**2**	4	–	**(50%)**	100%
Group loans*	Rm	**781**	238	107	**>100%**	>100%
Other liabilities	Rm	**361**	330	351	**9%**	(6%)
Total liabilities	Rm	**2 860**	2 043	1 576	**40%**	30%
Segment net assets	Rm	**1 740**	1 491	1 357	**17%**	10%
FINANCIAL MEASURES						
Total income	Rm	**2 091**	1 888	1 562	**11%**	21%
Non-interest revenue net of amortisation	Rm	**1 945**	1 720	1 368	**13%**	26%
Core cost-to-income ratio	%	**78.9**	80.0	79.3		
Average cost of borrowing	%	**9.3**	9.8	9.7		
Leverage	times	**2.6**	2.4	2.2		
Core return on average assets	%	**8.1**	8.6	9.4		
Core return on average equity	%	**20.9**	20.0	22.2		
Core return on sales	%	**15.6**	14.9	14.5		
Average assets	Rm	**4 031**	3 279	2 544	**23%**	29%
Average equity attributable to ordinary equity holders	Rm	**1 568**	1 366	1 051	**15%**	30%
Average interest-bearing liabilities	Rm	**1 723**	1 239	1 009	**39%**	23%
Average book value of purchased book debts	Rm	**1 757**	1 092	884	**61%**	24%
Employees	number	**3 414**	3 322	3 102	**3%**	7%

* *Group loans are not permanent facilities.*

		Year ended 30 September			Movement	
		2019	2018	2017	**2019**	2018
TCRS *continued*						
OPERATIONAL MEASURES						
Contingency and fee-for-service (FFS)/principal collections revenue split	%	**50/50**	63/37	63/37		
Face value of purchased book debts acquired	Rb	**8.0**	13.6	5.2	**(41%)**	>100%
Cost price of purchased book debts acquired	Rm	**1 186**	662	356	**79%**	86%
Asset turnover ratio	%	**51.3**	51.5	52.1		
Estimated remaining collections – 120 months	Rm	**4 480**	2 989	1 867	**50%**	60%
TCRS South Africa						
Number of contingency and FFS clients	number	**76**	82	86	**(7%)**	(5%)
Number of direct staff	number	**2 215**	2 238	2 017	**(1%)**	11%
Call centres	number	**5**	6	7	**(17%)**	(14%)
Assets under management	Rb	**47.5**	50.0	33.2	**(5%)**	51%
Contingency and FFS	Rb	**24.9**	27.9	21.0	**(11%)**	33%
Principal	Rb	**22.6**	22.1	12.2	**2%**	81%
TCRS Australia						
Number of contingency and FFS clients	number	**47**	44	41	**7%**	7%
Number of direct staff	number	**609**	477	543	**28%**	(12%)
Call centres	number	**3**	3	3	**0%**	0%
Assets under management	Rb	**13.0**	11.1	9.6	**17%**	16%
Contingency and FFS	Rb	**11.8**	10.8	9.6	**9%**	13%
Principal	Rb	**1.2**	0.3	–	**>100%**	100%
TCBS						
Gross loans and advances	Rm	**602**	573	570	**5%**	1%
Impairment provision	Rm	**(34)**	(21)	(8)	**62%**	>100%
Loans and advances	Rm	**568**	552	562	**3%**	(2%)
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	**25.1**	24.6	24.8	**2%**	(0%)
Non-performing credit consumers (million)	number	**10.2**	9.6	9.7	**6%**	(1%)
Household debt to income	%	**72.7**	71.6	72.1		
Unemployment rate	%	**29.1**	27.5	27.7		
Average consumer price inflation	%	**4.1**	4.9	5.1		

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

		Year ended 30 September			Movement	
		2019	2018	2017	**2019**	2018
GROUP EXECUTIVE OFFICE*						
SUMMARISED INCOME STATEMENT						
Net interest income	Rm	**75**	70	45	**7%**	56%
Non-interest revenue	Rm	**–**	–	25	**n/a**	(100%)
Core operating costs	Rm	**(12)**	(11)	(12)	**9%**	(8%)
Core profit before tax	Rm	**63**	59	58	**7%**	2%
Core profit for the year	Rm	**44**	41	41	**7%**	0%
Core headline earnings	Rm	**44**	41	41	**7%**	0%
Once-off transaction costs	Rm	**3**	–	–	**100%**	n/a
OTHER INFORMATION						
Depreciation	Rm	**1**	1	1	**0%**	0%
SUMMARISED STATEMENT OF FINANCIAL POSITION						
Assets						
Cash and cash equivalents	Rm	**32**	55	175	**(42%)**	(69%)
Trade and other receivables	Rm	**5**	(3)	1	**<(100%)**	<(100%)
Property and equipment	Rm	**2**	1	2	**100%**	(50%)
Other assets	Rm	**38**	16	15	**>100%**	7%
Total assets	Rm	**77**	69	193	**12%**	(64%)
Liabilities						
Trade and other payables	Rm	**38**	36	31	**6%**	16%
Interest-bearing liabilities	Rm	**(944)**	(1 031)	(927)	**(8%)**	11%
Subordinated debt	Rm	**–**	377	344	**(100%)**	10%
Group loans	Rm	**(944)**	(1 408)	(1 271)	**(33%)**	11%
Other liabilities	Rm	**5**	–	5	**100%**	(100%)
Total liabilities	Rm	**(901)**	(995)	(891)	**(9%)**	12%
Segment net assets	Rm	**978**	1 064	1 084	**(8%)**	(2%)
Employees	number	**25**	25	28	**0%**	(11%)

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

FORMULAE AND DEFINITIONS

ITEM	DEFINITION
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	Sum of equity attributable to ordinary equity holders 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 total income.
Core headline earnings	Headline earnings excluding once-off transaction 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 once-off transaction costs.
Core profit for the year	Profit for the year excluding once-off transaction 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 expressed as a percentage of average equity attributable to ordinary equity holders.
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 total income.
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.
Estimated remaining collections	Estimated undiscounted value of remaining gross cash collections of purchased book debts, estimated to be recovered over the next 120 months.
Gross loans and advances	Gross loans and advances exclude the value of the written-off book brought back on to the balance sheet.
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.

ITEM	DEFINITION
Headline earnings per share	Headline earnings divided by weighted average number of ordinary shares in issue.
Leverage	Total assets divided by total equity expressed in times.
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.
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 expressed as a percentage of average equity attributable to ordinary equity holders.
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	Net interest income plus non-interest revenue.
Weighted average interest rate at origination	Interest rate at origination weighted on initial capital advanced for the year.
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 period during which they have participated in the income of the group excluding treasury shares.

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