2015

INTEGRATED ANNUAL REPORT

Transaction Capital

ABOUT THIS REPORT

THE TRANSACTION CAPITAL INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015, THE GROUP'S THIRD REPORT AS A LISTED ENTITY, PROVIDES INSIGHT INTO ITS BUSINESS MODEL AND STRATEGY AND PROVIDES AN ANALYSIS OF FINANCIAL, OPERATIONAL, SOCIAL AND GOVERNANCE PERFORMANCE IN RELATION TO ITS MATERIAL ISSUES.

SCOPE AND BOUNDARY

The scope of this report covers the group holding company and its subsidiaries, which are set out in the group structure and profile on pg **page 12**. Transaction Capital operates primarily in South Africa. Following the restructure of the operating divisions in the 2014 financial year, all information in this report is reported against the new divisional structure.

Group executive management was significantly involved in the preparation of the Integrated Annual Report, and believes the information provided covers all the factors deemed to be material to its ability to create value. Although the report is considered to be relevant to all stakeholders, it is aimed primarily at providers of financial capital, to inform their assessment of Transaction Capital's ability to create value over the short and medium term.

The group executives, with input from the divisional chief executives, determine materiality with reference to stakeholder intelligence gathered through engagement at group and subsidiary levels. The material issues, set out on pg **page 30**, are addressed throughout this report.

This report includes condensed financial results and other selected financial information (pg **page 88** to **103**). The full annual financial statements are available at Transaction Capital's registered office and on its website, **WWW.TRANSACTIONCAPITAL.CO.ZA.**

REPORTING FRAMEWORKS

This report is prepared in accordance with International Financial Reporting Standards, the JSE Listings Requirements and the South African Companies Act 71 of 2008. The International <IR> Framework of the International Integrated Reporting Council (IIRC), released in December 2013, was also considered in preparing this report.

Transaction Capital conforms to most of the principles contained in the King Code on Governance Principles for South Africa 2009 (King III). Non-conformance in relation to certain principles is noted and explained in the governance report starting on pg **page 64** and the King III register available online.

Due to the early adoption of IFRS 9: Financial instruments (IFRS 9) during the year under review, unless otherwise indicated with *, all 2014 comparative numbers in this report are pro forma, calculated as if IFRS 9 was adopted on 1 October 2013. Numbers marked with * are based on previously published 2014 results prepared in terms of IAS 39 Financial Instruments: Recognition and Measurement (IAS 39).

ASSURANCE OF THE REPORT

EXTERNAL

Deloitte & Touche audited the annual financial statements. The scope of the audit was limited to the information set out in the annual financial statements and does not extend to the content of the Integrated Annual Report. The unmodified assurance statement forms part of the annual financial statements, available online. All pro forma financial information has been reported on by Deloitte & Touche in terms of the International Standard on Assurance Engagements 3420 – Assurance Engagements to Report on the Compilation of Pro Forma Financial Information. Their Reporting Accountant's Report can be inspected at Transaction Capital's registered offices. Transaction Capital has not sought external verification of the non-financial content of the Integrated Annual Report.

INTERNAL

The audit, risk and compliance committee acknowledges its responsibility on behalf of the board to ensure the integrity of the Integrated Annual Report. The committee has accordingly applied its collective mind to the report and believes that it appropriately and sufficiently addresses all material matters, and fairly presents the integrated performance of Transaction Capital and its subsidiaries for the year, within the stated scope and boundary. The audit, risk and compliance committee recommended this report to the board for approval. The board approved the Integrated Annual Report for distribution to stakeholders on 18 January 2016.

DAVID HURWITZ, chief executive officer

MARK HERSKOVITS, chief financial officer

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ONLINE

- Audited annual financial statements
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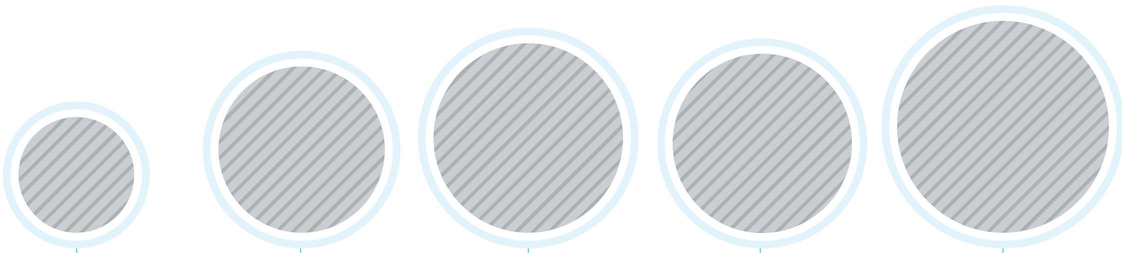
INTRODUCTION

TRANSACTION CAPITAL IS A NON-DEPOSIT TAKING FINANCIAL SERVICES GROUP OPERATING IN UNDER-SERVED SEGMENTS OF THE ASSET-BACKED LENDING AND RISK SERVICES MARKETS.



	2007	2008	2009	2010	2011
Total assests (Rm)	2 175	4 093	4 951	8 653	10 180
Total income (Rm)	1 280	1 454	1 855	2 770	3 169
Headline earnings (Rm)	87	182	237	212	297

2007: MBD, CMS, SA Taxi and Principa, all commonly owned by the same founding shareholders, are merged with Paycorp to form Transaction Capital.

2008: Transaction Capital acquires 90% of Rand Trust.

2010: Transaction Capital acquires 82.65% of Bayport.

Headline earnings

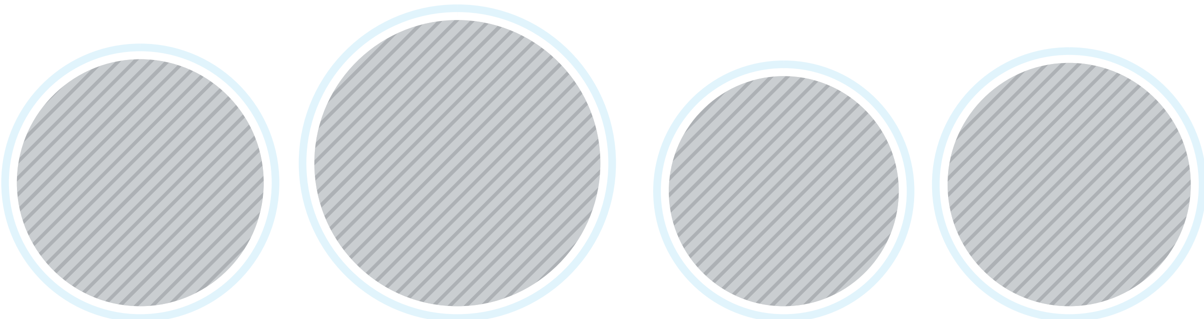
Transaction Capital's divisions operate in market segments perceived to be of higher risk, in which they apply specialised credit, risk, analytics and capital management competencies to achieve scale and leading positions. Transaction Capital focuses on augmenting and refining these distinctive competencies to facilitate deeper vertical integration in its chosen market segments and to enhance its divisions' ability to leverage these competencies in new, adjacent markets, which serves to progressively enhance their customer value propositions and sustainable competitive advantage.

Transaction Capital's unique business model rests on excellent human capital and highly differentiated intellectual property and technology capabilities, driven by a strong entrepreneurial culture. Transaction Capital leverages these strengths to position its businesses to take advantage of opportunities arising from South Africa's macro- and socio-economic context.

This results in highly defensive businesses able to withstand difficult economic conditions, and translates into the creation of broader stakeholder value and societal relevance by fulfilling the specific finance needs of small- and medium-sized enterprises and other entities unable to access conventional credit and, through its risk services division, contributing to the effective functioning of the broader credit system.

Transaction Capital's strategy and business model continue to be refined in response to its operating context and as it manages its assets to realise the highest value for its stakeholders over time. This is evidenced by the performance and continued progress in enhancing the capabilities and market positioning of the two divisions over the year.

The origin, development and selected financial performance indicators of Transaction Capital are illustrated below.



	2012	2013	2014	2015
Total assests (Rm)	12 814	14 331	9 690	9 703
Total income (Rm)	3 882	4 593	2 546	2 699
Headline earnings (Rm)	405	545	351	393

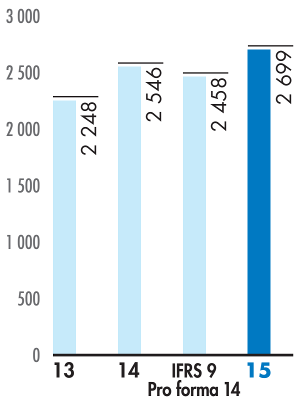
2012: Transaction Capital lists on the JSE on 7 June.

2014: In separate transactions, Transaction Capital disposes of Paycorp and then Bayport, distributing a portion of the proceeds to shareholders (210 cents per share or R1.2 billion in total).

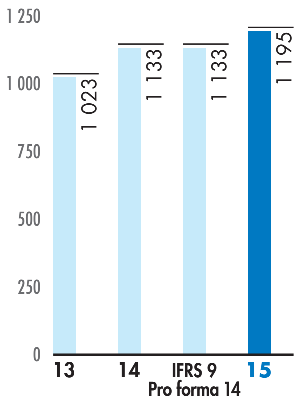
Prior year numbers presented above have not been restated on a continuing operations basis to effectively illustrate the chronology and growth of Transaction Capital.

TRANSACTION CAPITAL GROUP PERFORMANCE INDICATORS ARE CALCULATED ON A CONTINUING OPERATIONS BASIS UNLESS STATED OTHERWISE.

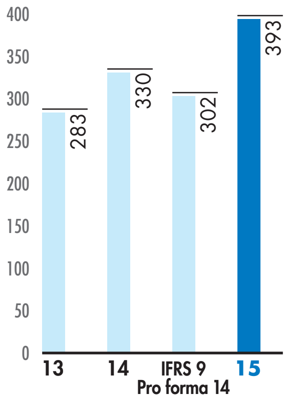
FINANCIAL PERFORMANCE



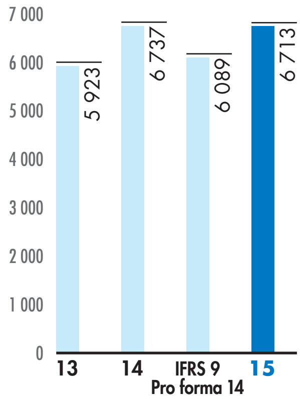
TOTAL INCOME (Rm)



NON-INTEREST REVENUE (Rm)



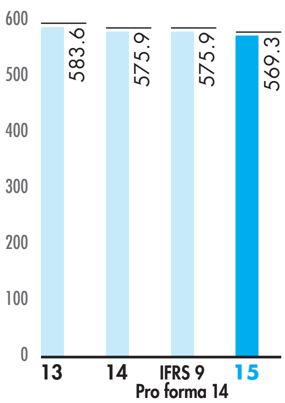
HEADLINE EARNINGS (Rm)



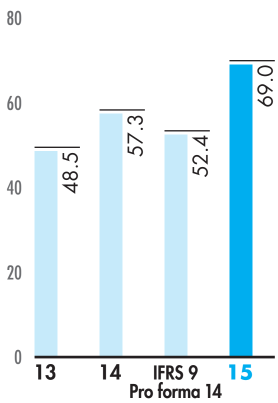
GROSS LOANS AND ADVANCES (Rm)

PERFORMANCE

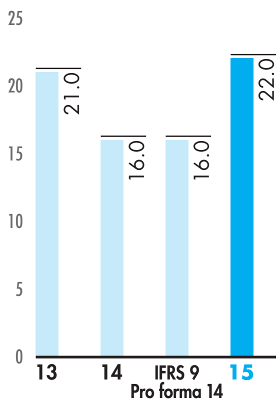
SHARE PERFORMANCE



WEIGHTED AVERAGE NUMBER OF SHARES (million)



HEADLINE EARNINGS PER SHARE (cents)



DIVIDEND PER SHARE (cents)

ACHIEVEMENTS FOR THE YEAR

ROBUST FINANCIAL PERFORMANCE

20% ORGANIC GROWTH in headline earnings per share

CONTINUED IMPROVEMENT

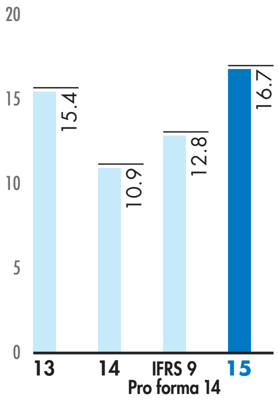
in key operational metrics

RECONSTITUTION OF OPERATING DIVISIONS RESULTING IN:

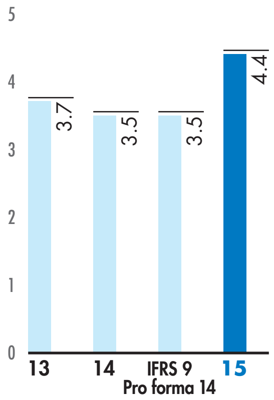
OCCUPATION OF LEADING MARKET POSITIONS

EXPERIENCED and SKILLED management teams

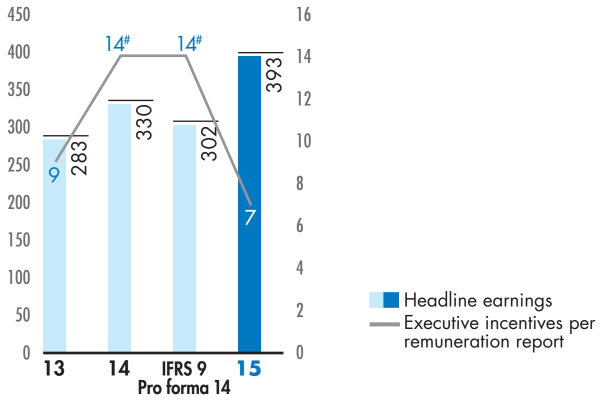
Platforms to develop NEW PRODUCTS and EXPAND INTO NEW MARKETS



RETURN ON EQUITY (%)



RETURN ON ASSETS (%)

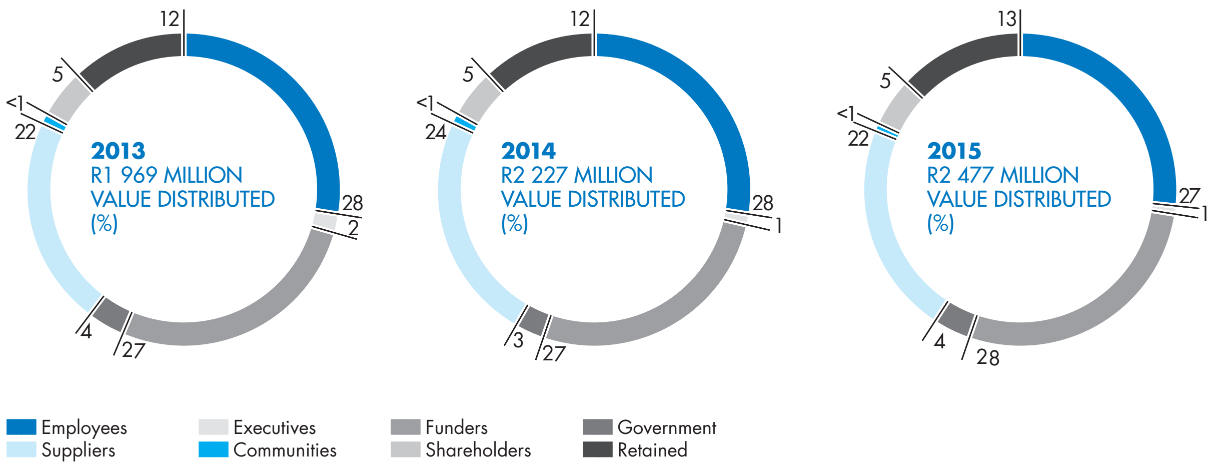


EXECUTIVE INCENTIVES ALIGNMENT WITH PERFORMANCE (Rm)

Executive incentives of R14 million include R8 million paid to executive directors who resigned during the 2014 financial year.

OVERVIEW

VALUE DISTRIBUTED TO STAKEHOLDERS



EARLY ADOPTION OF IFRS 9 LEADING TO:

INCREASED PROVISIONING against asset portfolios, hence lower balance sheet risk

A WELL-CAPITALISED BALANCE SHEET

SA Taxi now being a PREMIUM VEHICLE BUSINESS, expecting improving return and profitability measures

DEPLOYMENT OF CAPITAL

Excess capital enabled EARLY ADOPTION OF IFRS 9

REINVESTED into organic capital deployment opportunities within existing divisions

ACQUISITIONS SEARCH CONTINUES within existing divisions

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VALUES AND VISION

TRANSACTION CAPITAL'S VALUES PROVIDE THE FOUNDATION FOR EFFECTIVE LEADERSHIP AND ARE THE BASIS FOR ALL DELIBERATIONS, DECISIONS AND ACTIONS FROM BOARD LEVEL TO EVERY AREA OF THE BUSINESS.

While Transaction Capital and its businesses subscribe to a single set of core values, the group remains mindful of the benefits of diversity in business culture among its constituent businesses.

WE VALUE **INTEGRITY** BEFORE ALL ELSE.

Integrity goes beyond complying with the law and company policy, to having strong moral principles which inform decisions and actions with regard to families, friends, business colleagues, clients, customers and the company.

WE VALUE **COMPETENCE** AS THE FOUNDATION OF PERSONAL AND CORPORATE PROGRESS.

Competence is more than just knowing how to do the task we are employed for; it comes from knowing that we have taken the time to prepare ourselves for the next challenge in our development and careers.

WE VALUE **RESPECT** FOR ALL WHO COME INTO OUR LIVES.

Respect means that we treat everyone we meet in the same way that we would like to be treated. It requires an understanding and appreciation of diversity, and is especially important given South Africa's history of discrimination.

WE VALUE **INNOVATION** AS THE SOLUTION TO EVERY CHALLENGE OR PROBLEM WE WILL FACE.

Innovation helps us to keep ahead of our competitors, overcome challenges, deal with new and difficult situations, and discover new ways to solve problems for our company, our clients and ourselves.

CLIENTS

will regard Transaction Capital's businesses as their first choice when utilising the cost-effective, specialised, innovative and differentiated services they provide, while acknowledging the group's expertise, value and market reputation.

- Improving and growing customer value propositions through deeper vertical integration within chosen market segments.
- Ongoing client engagement identifies risks and opportunities which feeds back into improving customer value propositions.
- Applying specialised competencies, operational capacity, experience and capital to meeting client needs strengthens transaction capital's reputation and market leadership.

EMPLOYEES

will regard Transaction Capital and its businesses as leading employers in financial services, providing personal development, advancement and highly competitive compensation in exchange for commitment and performance.

- Appropriate employee value propositions implemented in each business.
- Providing work that is meaningful with direct societal impact.
- Competitive remuneration policies, with select employees participating in the Transaction Capital share appreciation rights plan.

LAW MAKERS AND REGULATORS

will regard Transaction Capital and its businesses as approachable, transparent and societally relevant corporate citizens that comply fully with the letter and spirit of all laws, regulations and codes.

- Centralised legal function with appropriate expertise at divisional level to closely monitor regulatory developments.
- Ongoing engagement with regulators and appropriate representation on industry bodies, to gain early understanding of proposed legislation and appropriately positioning Transaction Capital for change.

EXECUTIVES AND MANAGERS

will regard Transaction Capital's strategy of empowering executives and devolving responsibility as intellectually stimulating and intrinsically rewarding, while demanding high quality and thought leadership.

- Diligent adherence to recruitment, assessment, development and succession policies.
- Compensation aligned to both the specific performance of each business as well as group performance.
- Devolvement of operational functions and accountability for performance to divisional executives is ongoing.
- Executive and senior manager participation in the Transaction Capital share appreciation rights plan.

SOCIETY

will regard Transaction Capital and its businesses as responsible, caring and societally relevant corporate citizens which contribute to the wellbeing of their communities.

- Positioning customer value propositions to enhance societal good.
- Continued corporate social investment to reduce societal inequity.

FUNDERS

will regard Transaction Capital and its businesses as financially stable counterparties that exemplify the highest standards of risk management, transparency, disclosure, prudence, innovation, compliance, governance and ethics.

- Further diversifying investor base through new funding structures and channels through which to invest.
- Intentional positioning of businesses to maintain defensible positions under challenging economic conditions through effective risk management and mitigation, as evidenced by stable and improved credit ratings.
- Enhancing funder relationships through ongoing engagement, informal feedback and formally researched funder needs.

SHAREHOLDERS

will regard Transaction Capital and its businesses as well understood, respected, transparent and ethical specialised financial services investments that render consistent growth in high quality risk-adjusted returns through innovative entrepreneurship, exceptional risk management and prudence.

- Maintaining stable earnings and book growth, while rationing capital for credit quality.
- Devolvement of certain functions to businesses resulting in cost efficiencies and reductions.
- Continual focus on developing and augmenting the specialist competencies of the divisions.
- Enhancing investor relationships through ongoing engagement, informal feedback and formally researched shareholder needs.

SUPPLIERS

will regard Transaction Capital and its businesses as demanding but fair clients whose expertise, interpersonal skills, efficient administration, financial stability and long-term orientation make them desirable business partners.

- Ensuring appropriate executive-level interface with providers of goods, services and professional counsel in all businesses.
- Enhancing the ability to design and implement products and controlling the allocation of capital through supplier engagement (mainly in the insurance business within asset-backed lending) thereby enhancing the customer value proposition.

How our vision is being achieved

THE EFFECTIVE EXECUTION OF THE TRANSACTION CAPITAL MISSION RESULTS IN A COMPELLING INVESTMENT CASE AND FINANCIAL OUTPERFORMANCE.

MISSION AND

OUR MISSION

TRANSACTION CAPITAL PROVIDES SPECIALISED FINANCIAL AND ALLIED SERVICES IN SELECTED HIGHER-RISK AND UNDER-SERVED SEGMENTS OF THE SOUTH AFRICAN FINANCIAL SERVICES SECTOR THROUGH ITS BUSINESSES, WHICH:

- benefit from value accretive and defensible competitive strategies, supported by viable business models;
- through deep vertical integration, individually achieve scale and leading market positions;
- are adequately capitalised with equity capital;

OUR INVESTMENT CASE

WHAT DIFFERENTIATES US

POSITIONED IN ATTRACTIVE MARKET SEGMENTS	WITH SPECIALISED COMPETENCIES IN FINANCE AND TECHNOLOGY
■ Businesses occupy strong market positions and are highly defensive, enabling them to withstand difficult economic conditions. ■ Deep vertical integration into our chosen market segments. ■ Ongoing replacement of national taxi fleet stimulates demand for finance. ■ The current economic environment stimulates demand for consumer credit risk services.	■ Decentralised expertise, capabilities and skills. ■ Superior data, leading-edge technology and analytics capabilities differentiate offerings and mitigate risk. ■ Robust processes and skilled people enable effective capital and credit risk management.

- are appropriately geared with debt capital, accessed through diversified funding structures that are attractive to a broad range of local and international investors, who have an in-depth understanding of the underlying businesses and asset classes;
- assess and mitigate credit (i.e. assets), liquidity (i.e. liabilities) and operational risk to acceptable levels through vertical integration, management focus, proven operational capabilities, and leading and proprietary technologies in credit, risk, collections, information management and human capital;
- operate within a strong governance framework and in strict compliance with regulatory requirements; and
- operate under the active direction and management of an experienced team which, through strategic insight, financial acumen, credit risk expertise, entrepreneurial creativity and deep market knowledge, has established a proven record of value creation and growth in unconventional assets.

INVESTMENT CASE

BESPOKE AND ROBUST CAPITAL STRUCTURE GENERATING APPROPRIATE RISK-ADJUSTED RETURNS

- Sufficient capitalisation to optimise equity and debt structures, fund organic growth, and underpin medium-term acquisitive activity to yield an acceptable risk-adjusted return to shareholders.
- Proven ability to raise debt capital efficiently from a diversified range of debt investors.
- Track record of delivering superior earnings growth and risk-adjusted returns.
- Cash generative.

POSITIONED FOR GROWTH

- Organic growth driven through innovating differentiated and new solutions deeper into existing market segments and leveraging capabilities to enter new adjacent markets (local and international).
- Focused acquisition strategy and strong balance sheet.
- Capital rationing and strong risk management skills ensure focus on credit quality through the origination of high-quality assets.
- Businesses are self-sustaining and sizable in their own right.

ROBUST GOVERNANCE FRAMEWORK AND SOUND GOVERNANCE PRACTICES

- Experienced, diverse and independent directors at group and subsidiary level.
- Institutionalised governance, regulatory and risk management practices at group and subsidiary level.

LED BY SKILLED AND EXPERIENCED MANAGEMENT TEAMS

- Experienced and specialised leadership with proven entrepreneurial, merger and acquisition, technical, financial and risk management skills.
- Executives have extensive experience within their areas of specialisation. This intellectual capital is applied over a much smaller asset base than in larger organisations, with an accompanying expectation of higher performance.
- Continual group-wide investment in executive education, expertise and experience.

GROUP STRUCTURE AND PROFILE

ASSET-BACKED LENDING **CEO:** TERRY KIER (49) | *BA (Hons), PDM* | Group/subsidiary tenure – eight years

HEADLINE EARNINGS:
R208 million
(53% OF GROUP)

TOTAL INCOME:
R1 532 million
(57% OF GROUP)

GROSS LOANS AND ADVANCES:
R6 238 million

EMPLOYEES:
627

THE ASSET-BACKED LENDING DIVISION UTILISES ITS PROPRIETARY DATA SETS AND VERTICALLY INTEGRATED SPECIALIST CAPABILITIES TO EXTEND DEVELOPMENTAL CREDIT, INSURANCE, TECHNOLOGY AND ALLIED SERVICES TO THE UNDER-SERVED AND EMERGING SMALL-TO-MEDIUM ENTERPRISE (SME) MARKET.

It predominantly services SMEs in the fixed route minibus taxi industry, and is realising its intention to apply its competencies in adjacent markets where it is able to create defensible positions, such as the financing of income-producing vehicles including bakkies used by SMEs and metered point-to-point taxis.

SOCIETAL RELEVANCE

The asset-backed lending division operates on the premise of developmental or empowerment financing, filling a critical funding gap by supporting entrepreneurs who would otherwise remain outside the formal economy, thus also contributing to job creation. Its focus on financing newer vehicles fitted with the latest safety technology, together with its high-quality refurbishment capabilities, contributes to safer and more eco-friendly public transport in South Africa.

SA Taxi
driving our nation forward

SA Taxi provides loans through finance leases together with insurance and other related products using its credit assessment, collections and capital management competencies. Its operational competencies, which further contribute to its unique market positioning, include vehicle and spare parts procurement, direct vehicle sales, vehicle refurbishment, short-term comprehensive insurance and telematics. Its proprietary data sets and analytics competencies enhance its origination, collection and insurance activities, supporting effective risk mitigation. SA Taxi is realising its intention to apply these competencies in adjacent markets including the financing of income-producing vehicles in the metered point-to-point taxi industry.

SA Bakkie
supporting the nation

SA Bakkie applies the competencies developed in SA Taxi to finance bakkies as income-producing assets for micro to small businesses.

TRANSACTION CAPITAL GROUP

GROUP CEO: DAVID HURWITZ (44)
BAcc (Hons), HDipTax, CA(SA) | Group/subsidiary tenure – 10 years

TRANSACTION CAPITAL'S DIVISIONS OCCUPY LEADING MARKET POSITIONS, ARE LED BY EXPERIENCED AND SKILLED MANAGEMENT TEAMS AND PROVIDE A PLATFORM FOR DEVELOPING NEW PRODUCTS AND EXPANDING INTO NEW MARKETS.

HEADLINE EARNINGS[1]
R393 **million**

TOTAL INCOME[2]
R2 699 **million**

RISK SERVICES **CEO:** DAVID MCALPIN (54) | *BCom, MBA, ACMA* | Group/subsidiary tenure – seven years

HEADLINE EARNINGS:
R134 million
(34% OF GROUP)

TOTAL INCOME:
R1 086 million
(40% OF GROUP)

EBITDA (MBD AND PRINCIPA):
R188 million

EMPLOYEES:
3 265

THE RISK SERVICES DIVISION PROVIDES CUSTOMER MANAGEMENT AND CAPITAL SOLUTIONS, LEVERAGING ITS LEADING TECHNOLOGY AND DATA ANALYTICS CAPABILITIES TO ENABLE ITS CLIENTS TO EFFECTIVELY MANAGE THEIR CUSTOMERS THROUGH THEIR LIFECYCLE.

Its large consumer credit data base, analytical capabilities and technology generate in-depth insights to enable precise and informed decisioning, thus improving its clients' ability to originate, manage and collect from their customers. The division works with large consumer credit providers across multiple industries, including banking, credit retail, telecommunications, insurance, specialist lending, the public sector and SMEs.

SOCIETAL RELEVANCE

The activities of the risk services division's businesses broadly contribute to the efficiency and effectiveness of the South African credit system. This includes the acquisition of distressed book debts which assists clients to strengthen their balance sheets by accelerating cash flow, thus improving their ability to continue providing debt finance into the consumer market. Through MBD and Principa, the division supports the rehabilitation of indebted consumers and the responsible granting and marketing of credit. Its call centres provide employment and development opportunities for first-time job seekers.

Rand Trust provides business support and working capital finance to SMEs that may not otherwise have access to credit, thereby facilitating both SME growth and job creation.

MBD provides a comprehensive range of customer management and capital solutions to South Africa's largest credit providers. Its core service is the collection of accounts receivable across the credit lifecycle, including early stage rehabilitation, late stage collections and legal recoveries, using both call centre and legal collections. Capital solutions are provided in the form of distressed debt purchasing and structural outsourcing.

Principa provides customer management solutions leveraging its consulting, data analytics and technology capabilities. Focusing mainly on the consumer credit lifecycle, it assists its clients to originate, retain and grow customers, to lend responsibly and collect in the most cost-effective manner and to improve their customer experience.

Rand Trust provides working capital finance and commercial receivables management solutions to SMEs. Its core offering, invoice discounting, supports the ongoing commercial viability of SMEs by providing cash flow support through the conversion of a percentage of term invoice amounts into cash.

BDB provides payment processing services through electronic funds transfer and related products to corporate clients, including the processing of debit order and non-authenticated early debit order transactions, wage and third-party payments as well as account holder verification services.

1 *Includes the group executive office, which contributed R51 million to headline earnings for the year.*
2 *Includes the group executive office, which contributed R81 million to total income for the year.*

DIVISIONAL REVIEWS

THE ASSET-BACKED LENDING DIVISION

…UTILISES ITS PROPRIETARY DATA[1] AND VERTICALLY INTEGRATED SPECIALIST CAPABILITIES[2] TO EXTEND DEVELOPMENTAL CREDIT,[3] INSURANCE AND ALLIED SERVICES[4] TO THE UNDER-SERVED AND EMERGING SME MARKET.[5]

1 *Generating in-depth client insight via granular telematics, credit, vehicle and other data to enable precise and informed credit origination and collections decisioning.*

2 *A unique blend of vehicle procurement, sales, repossession and refurbishment capabilities, with comprehensive insurance competencies as well as debt and equity capital management skills.*

3 *Deepening our clients' access to our services.*

4 *Assisting our small- and medium-sized enterprise (SME) clients to maximise cash flow and protect their income-producing vehicles thus improving their ability to succeed.*

5 *Business support to SMEs that may not otherwise have access to credit from traditional banks, thereby facilitating SME growth.*

IN SOUTH AFRICA THERE ARE

>200 000 TAXIS

WHICH ACCOUNT FOR:

69% OF ALL HOUSEHOLD TRIPS*

68% OF TRIPS TO THE WORKPLACE*

70% OF TRIPS TO EDUCATION INSTITUTIONS*

OF WHICH:

70 000 TO 80 000 TAXIS FINANCED**

80 000 TO 90 000 TAXIS INSURED**

OUR PORTFOLIO

SA Taxi *driving our nation forward*

SA Bakkie *supporting the nation*

R6.2 billion CURRENTLY FINANCED

21 300 UNIQUE CLIENTS *owning 25 000 vehicles*

20 600 CURRENTLY INSURED

1 in 3 OF FINANCED NATIONAL TAXI FLEET

100% BLACK-OWNED SMEs

20% WOMEN

RESULTING IN

1.2 billion SA TAXI PASSENGER TRIPS PER YEAR**

R1.9 billion EMPOWERMENT FINANCE INVESTED *into the industry in 2015*

6 000 SAFER MINIBUS TAXIS ON OUR ROADS THIS YEAR

1 900 SMEs CREATED *through the refurbishment and financing of pre-owned vehicles in 2015*

* *National household travel survey 2013.*

** *SA Taxi's best estimate through engagement with the industry and extrapolation of internal data.*

ASSET-BACKED LENDING DIVISION

DISTINCTIVE COMPETENCIES

LEVERAGE UNIQUE CAPITAL, OPERATIONAL, RISK, TECHNOLOGY AND INDUSTRY RELATIONSHIP MANAGEMENT CAPABILITIES THROUGHOUT THE VALUE CHAIN TO PROVIDE DIFFERENTIATED SOLUTIONS.

	01	02	03
VALUE CHAIN	**CAPITAL ALLOCATION AND MANAGEMENT** ALLOCATE EQUITY, GEARED WITH DEBT, TO ACHIEVE RISK-ADJUSTED RETURNS.	**LOAN ORIGINATION AND SALES** ORIGINATE AND SELL NEW AND PRE-OWNED (REFURBISHED) ASSETS.	**RISK MANAGEMENT AND COLLECTIONS** ASSESS, MONITOR AND MANAGE RISK TO ACCEPTABLE LEVELS.
FINANCE SERVICES	Dedicated capital markets team. Proven and diversified funding structures. Local and international investors.	Vehicles sold and loans originated directly via SA Taxi's dealership and other dealer channels.	Bespoke credit scoring, repossession and collections via telematics to reduce credit default. Business case assessed via route profitability (telematics).
	PEOPLE AND CULTURE underpin execution of capabilities		
INSURANCE AND ALLIED SERVICES	Optimum capital levels maintained.	Insurance leads sourced internally and externally. Telematics opportunities generated.	Credit and telematics data to price insurance risk and reduce claim costs.

REFURBISHMENT/ RECYCLING OF ASSETS

EXTEND THE ECONOMIC LIFE OF ASSETS.

04

Loss mitigation via refurbishment and re-sale facility.

Refurbished premium vehicles provide an alternative to inferior entry-level brands.

Taximart reduces claim costs.

LOOKING FORWARD

LEVERAGE EXISTING CAPABILITIES in adjacent under-served market segments

FIXED ROUTE
(MINIBUS TAXI)

Established dedicated panel repair facility.

Continue to strengthen procurement and refurbishment capabilities for Nissan and long-distance taxis.

POINT-TO-POINT
(METERED TAXI)

Apply existing capabilities and develop associated competencies.

SME
(BAKKIE)

Further develop bakkie offering to SMEs, building on successful pilot.

THE RISK SERVICES DIVISION

...IS A TECHNOLOGY-LED,[1] DATA ANALYTICS DRIVEN[2] PROVIDER OF CUSTOMER MANAGEMENT[3] AND CAPITAL SOLUTIONS,[4] ENABLING OUR CLIENTS[5] TO EFFECTIVELY MANAGE THEIR CUSTOMERS THROUGH THEIR LIFECYCLE.[6]

1 *An efficient platform driving superior performance and facilitating scale via cutting edge IT systems and processes.*

2 *Generating in-depth insight to enable precise and informed internal and external decisioning.*

3 *Improving our clients' ability to originate, manage and collect from their customers.*

4 *Assisting clients to optimise their balance sheet by accelerating cash flow through structured capital solutions.*

5 *Working with large consumer credit providers across multiple industries as well as SMEs.*

6 *Assisting our clients to maximise their customer lifetime value.*

IN SOUTH AFRICA THERE ARE

35 million adults

[Aged 15 – 65]

WHICH ACCOUNT FOR

23 million
ACTIVE CREDIT CONSUMERS

11 million
NON-PERFORMING CREDIT CONSUMERS

OUR PORTFOLIO

MBD
Principa
Rand Trust
business, on your terms
BDB

5.7 million
UNIQUE MBD CUSTOMERS

1 in 6
SOUTH AFRICAN ADULTS

1 in 4
CREDIT-ACTIVE PEOPLE

1 in 2
NON-PERFORMING CREDIT CONSUMERS

RESULTING IN

2 800
CALL CENTRE AGENTS

4 million
VOICE INTERACTIONS EACH MONTH

700 000
PAYMENTS RECEIVED EACH MONTH

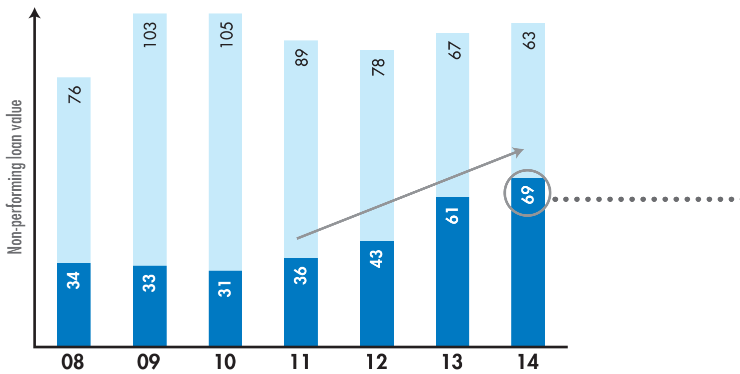
Source: Statistics South Africa, National Credit Regulator (NCR), internal data.

WE BENCHMARK OURSELVES AGAINST THE FOLLOWING GLOBAL LISTED PEERS

LEGEND USING SOUTH AFRICA AS THE BASE REGION:

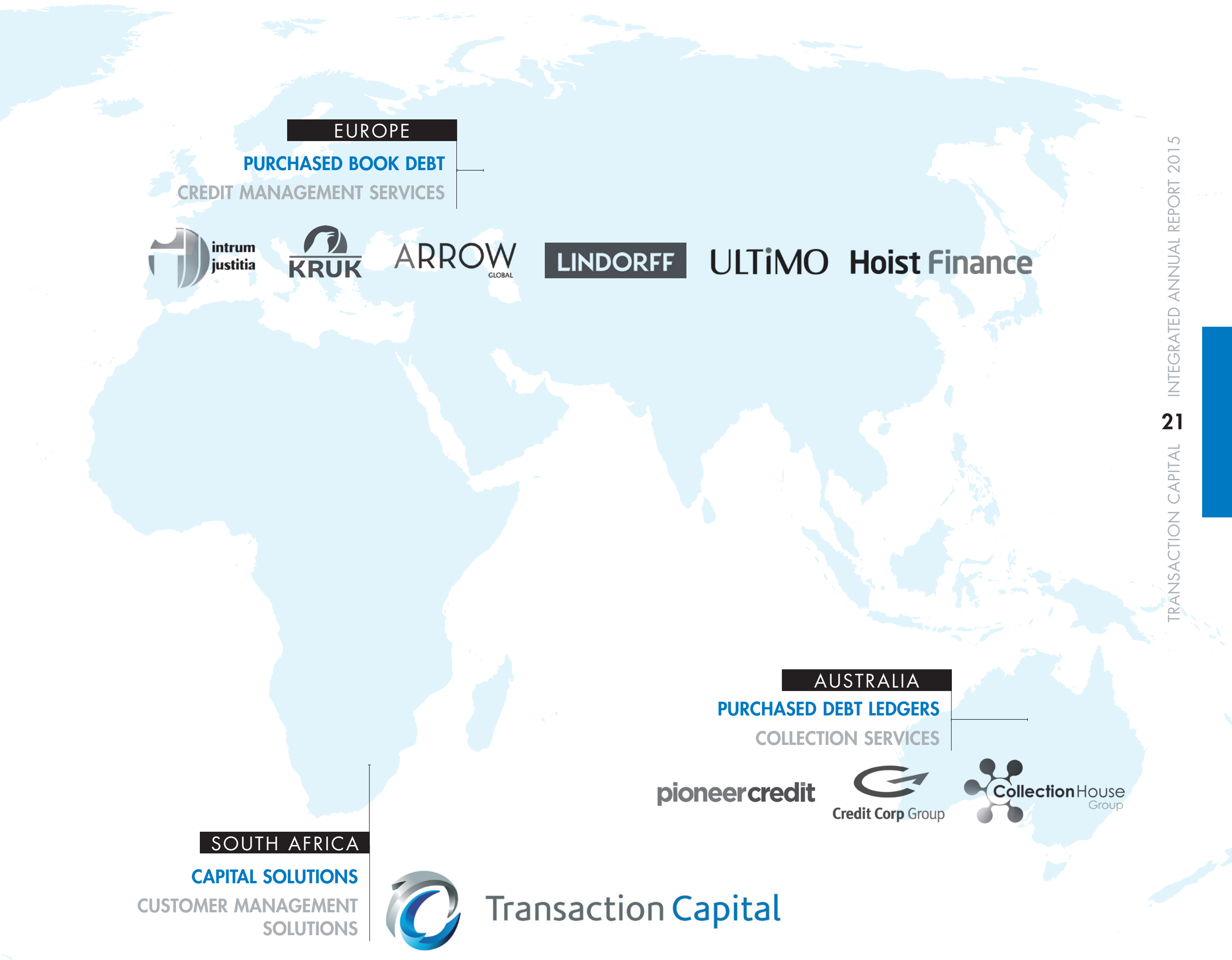
- COMPARABLE TO CAPITAL SOLUTIONS
- COMPARABLE TO CUSTOMER MANAGEMENT SOLUTIONS

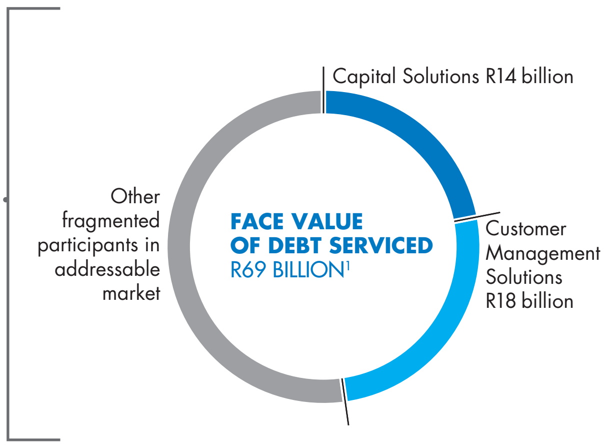
A GROWING NON-PERFORMING LOANS MARKET **IN SOUTH AFRICA**



NON-PERFORMING LOAN MARKET SIZE AND GROWTH (Rbn)[2]

- MBD target market **2008 – 14 CAGR: 12%**
- Mortgages and vehicle finance **2008 – 14 CAGR: -3%**

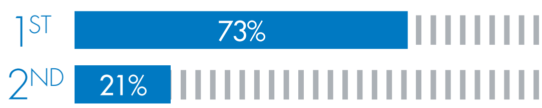




› 154 BOOKS PURCHASED SINCE 1999

› WE RANK 1ST

BY OUR CLIENTS IN 73% OF 180 MANDATES ON PANELS WHERE WE ARE REPRESENTED



1 *R69 billion comprises credit monitored by the NCR. Transaction Capital risk services industry solutions also include SMEs, education, insurance, public sector, telecommunications, state-owned entities (SOEs) and utilities.*

2 *Source: NCR.*

RISK SERVICES DIVISION

DISTINCTIVE COMPETENCIES

PROVIDES CUSTOMER MANAGEMENT AND CAPITAL SOLUTIONS, LEVERAGING ITS LEADING TECHNOLOGY AND DATA ANALYTICS CAPABILITIES TO ENABLE ITS CLIENTS TO EFFECTIVELY MANAGE THEIR CUSTOMERS THROUGH THEIR LIFECYCLE.

VALUE CHAIN

CLIENT ENGAGEMENT MODEL

CUSTOMER MANAGEMENT SOLUTIONS

ORIGINATE

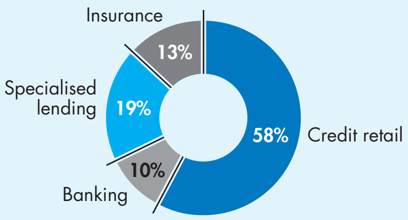
IDENTIFYING AND WINNING NEW CUSTOMERS USING DATA ANALYTICS.

01

Lead generation and customer acquisition

Principa

Leads generation.
Predictive and prescriptive modelling.
Segmentation modelling.
Systems (Smart and FICO).
Analytics.



MANAGE

ENABLING PAYMENT PROCESSES AND CUSTOMER MANAGEMENT.

02

Payment and account management

MBD

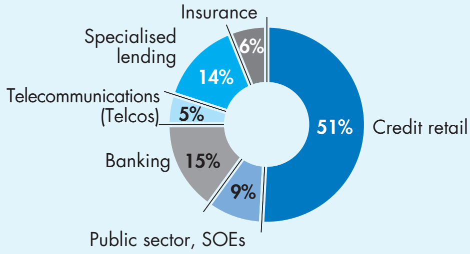
Payment processing.

Principa

Customer retention, profitability, predictive and prescriptive modelling.
Systems (Smart and FICO).
Analytics.

Rand Trust
business, on your terms

Receivables management.



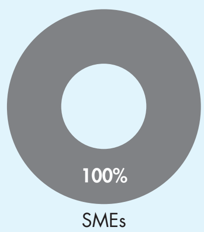
BUSINESS PROCESS OUTSOURCING SOLUTIONS

CAPITAL SOLUTIONS

Working capital financing

Rand Trust
business, on your terms

Invoice discounting.
Trade financing.
Property financing.



COLLECT

SOLVING OUR CLIENTS' IMPAIRED DEBT PROBLEM THROUGH COLLECTIONS AND CAPITAL SOLUTIONS.

03

Collection services

MBD

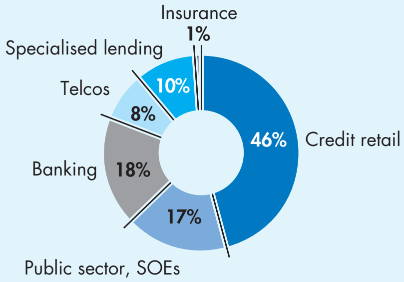
Early stage rehabilitation.
Late stage collections.
Legal recoveries.

Principa

Systems (Smart and FICO).
Analytics.

Rand Trust
business, on your terms

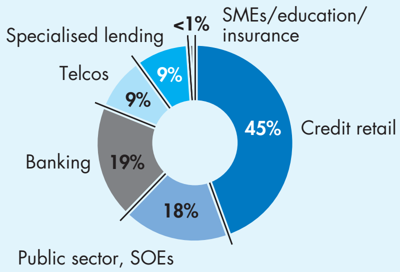
Business-to-business collections.



Debt purchasing

MBD

Spot book acquisition.
Structural outsourcing.
Forward flow agreements.



LOOKING FORWARD

LEVERAGE EXISTING CAPABILITIES across consumer and SME market segments

CREDIT RETAIL

Provide services earlier in collection lifecycle.

BANKING

Target each bank with tailored solutions.

SPECIALIST LENDING

Apply services to a greater component of the collection processes.

PUBLIC SECTOR, SOEs

Expand services to provincial and national government institutions and SOEs.

TELCOS

Develop competencies to expand into this market segment.

INSURANCE

Develop competencies to expand into this market segment.

SMEs

Augment offering to include credit risk and credit insurance solutions.

Expand client base nationally.

Offer specialised solutions in book buying and outsourcing

Q&A WITH DIVISIONAL CEOs

TERRY KIER

CEO, ASSET-BACKED LENDING

What are your focus areas in terms of enhancing the competencies of the asset-backed lending division, and applying those competencies to adjacent market sectors?

Our biggest investment in recent times to enhance our competencies has been our panel repair facility which we're currently building, and should be operational by February 2016. At 11 000m^2 I'd venture that it's the biggest dedicated panel facility on the continent. We've built it around the two vehicle types we offer – Toyota and Nissan – which allows us to be much more focused than traditional facilities. Because of this tight focus, which includes the fact that all the vehicles are the same colour, we're able to achieve significant economies of scale.

This ability to manage the cost of repairs is central to the rationale for building this facility. The savings we'll achieve will be priced into our insurance premiums, which benefits our customers. If our customers' vehicles are off the road, they're not generating an income, and as the financier it's in our best interest to get them back on the road as quickly as possible. Doing repairs through our own panel facility allows us to manage the speed and cost of repairs much more effectively. The panel facility will also complement our Taximart facility, which refurbishes vehicles for re-sale.

In terms of the insurance business, that's performing really well and we're very happy with how it's progressing. We obviously had to price our premium aggressively due to the competitiveness of the market, but that's also given us our competitive edge – the ability to really manage the cost of claims effectively through Taximart and our investment in the panel facility. The team has done really well in delivering a unique product to our customers, again with the central focus being to get our customers back to business as quickly as possible.

An adjacent market we are entering is the metered taxi space. Uber has been a real disruptor in that industry, and it showed us the significant potential of that market. The current national fleet of metered taxis is characterised by much older vehicles and inconsistent pricing of trips. What we'll do is apply our model in terms of our core competencies – focusing on a single vehicle type that we can finance, repair, insure, provide telematics data – and also develop the applications to drive business to that service.

As with the fixed route taxi business, we are facilitating job creation by helping establish sustainable small businesses – that's really our mission in life. We've found that we can effectively apply our existing analytics capabilities to the metered taxi market, and our mechanics are already familiar with the vehicle type, which will be the Toyota Corolla sedan.

SA Bakkie has been running for two years now and is performing steadily. We've learnt that scaling the bakkie business is more difficult, as each small business needs to be evaluated individually in terms of its business model and potential to be sustainable. Over time it should become easier to automate these processes, as we build up data for each business type.

What are some of the technology investments you're looking to make to enhance your value propositions?

Our existing capabilities – in terms of telematics and data analytics – are performing well, so our focus in the year ahead will be on developing applications for our operators as well as consumers. In both the fixed route and metered taxi markets, we'll be introducing commuter applications that will be valuable to people using these services. For our operators, we've introduced a self-help application that provides information based on our extensive data capabilities. It really is about having enough data over a period of time to be able to provide meaningful services.

How are you investing in your people to support your objectives?

We're very fortunate to have a very stable core team – both at executive and senior management level. We've grown and matured as a team, which has allowed us to build a high level of trust between individuals. This has enabled us to build a platform where innovation and new ideas are encouraged, and we've become a really forward-looking business.

We've made significant investments in training our staff in the Taximart facility. Our thinking here is that, as we focus on a single vehicle type, we want to be the best at servicing and repairing that vehicle type. The same applies to our panel repair facility, and we've done a lot of work in developing people for when it launches. We have also made the necessary training interventions in terms of our ability to service Nissan vehicles.

Something I'm very proud of is our annual Make a Difference campaign – what we've done is attach a community service component to our people's bonus conditions. Our people came up with some fantastic projects, one being doing some repainting and repair work to the Noord Street taxi rank in Johannesburg. The ethos we're driving is that, as a business, we can't exist alone – we operate in an industry which is attached to a community. For us as executives it's so much easier to motivate people when the whole business is socially relevant.

DAVID MCALPIN

CEO, RISK SERVICES

What is your approach for sustaining the risk services division's growth?

The risk services division operates across three aspects of the value chain – originate, manage and collect. What we believe will sustain our growth is our ability to apply our capabilities across each of those three segments in different client sectors, leveraging our businesses according to the value chain segment they're strongest in.

In insurance, we started by helping insurers originate but we're looking to expand into collections – in South Africa, due to the low insured population, insurers tend to recover from individuals as opposed to other insurers. We believe we can apply our analytics to score that person's probability of repayment, and help the insurers structure this repayment in a way that the individual can afford. In the telecoms sector, we're already collecting on their behalf and we could be doing more of this, as well as move into origination. The point here is that we already have the relationships in the different sectors, and it's about doing more for those clients.

To strengthen our capabilities in adjacent sectors we've made a number of senior appointments during the year. We've brought in experts with deep specialist knowledge of specific sectors, for example insurance and the banking industry. We have also appointed someone to head up business development across the businesses, who will co-ordinate our division-wide go-to-market strategies. Another change we've made is to reapportion people's portfolios to allow them to have a much deeper and narrowed focus on their clients.

We've also made structural changes to bring our campaign management and call centres closer together. It's allowed us to improve decision making, so if we find a campaign isn't working as it should, we can quickly make changes to improve the campaign's performance. In the past, the process of making those changes was much more bureaucratic.

The risk services division is largely technology-led. What are you doing to strengthen the competitive edge technology provides?

We're looking at making major technology investments into MBD in the year ahead. Likely the biggest of these will be in our dialer – the technology that sits between our analytics and our call centres. We'll also be investing in a workforce management system to better allocate our call centre agents to work at the most effective times.

Together these systems will provide distinct efficiency and productivity benefits, and also link to our performance management system in the call centre environment.

Another focus area is on better leveraging our data, and to do this we'll be creating an internal data base that will give us a unique view of the South African consumer. For example, one of the challenging areas in a business like this is contactability – people might have four different mobile numbers that they use at different times depending on what benefits or services they get from the different network providers. The data base will allow us to better determine when to call someone on what number. It's very complex and requires data from many different sources, but it's something that will give us material competitive advantage.

What are some of your initiatives to ensure you have the right people to take the division forward?

When we think about managing people, we ask ourselves what will make the biggest difference to the division. Our answer is a high-performance culture, and there are a few things we're doing towards that. Our first focus is on leadership – we've been building a cohesive leadership team to develop and implement our strategy, which includes the senior appointments mentioned above. We've also gone through quite a strenuous process of identifying and developing high-potential leaders and putting mechanisms in place to accelerate their progression through the business.

We also drive high performance through our reward and recognition programmes. We have various initiatives in our call centres that incentivise exceptional performance and outcomes. Engagement is another focus area. At executive level we are now able to communicate decisions to senior management near instantly, and we've implemented monthly meetings with staff where we can communicate what's happening in the business and answer their questions directly.

Something I'm very proud of in terms of people is our role in creating employment opportunities and empowering talent. We're able to offer matriculants without experience their first job, and provide the necessary training to become call centre agents. In the period under review we employed 1 328 new people, and across MBD there were over 9 000 training interventions – on average three per employee. Our smaller businesses also have initiatives in place, for example Principa's graduate internship programme.

OUR STRATEGY

STRATEGIC OBJECTIVE
NO. 1

LEVERAGE SPECIALISED COMPETENCIES AND INDUSTRY SOLUTIONS TO DEEPEN PENETRATION WITHIN EXISTING, ADJACENT AND NEW MARKET SEGMENTS, THEREBY DRIVING ORGANIC GROWTH

TRANSACTION CAPITAL'S BUSINESSES LEVERAGE THEIR SPECIALISED COMPETENCIES TO ACHIEVE DEEP VERTICAL INTEGRATION WITHIN MULTIPLE VALUE CHAINS. THIS DRIVES ORGANIC GROWTH BY ENABLING EACH BUSINESS TO:

Grow its client base.

Develop new products and services.

Enhance their customer value proposition by offering existing clients additional products and services.

Move into adjacent and new market sub-segments.

The asset-backed lending and risk services divisions identify, develop and then offer highly customised financial products and services in their chosen market segments. The higher risk nature of these market segments requires a greater level of specialisation, which the group's businesses have developed and refined over a number of years.

The scale and leading market positions achieved over this time enable Transaction Capital's businesses to strengthen their competitive positions through greater penetration of their products and services, and over time allow for reduced pricing and greater product differentiation as the benefits of scale are passed on to clients.

ASSET-BACKED LENDING

Leverages its unique market positioning, strong balance sheet, proprietary data sets and vertically integrated distinctive competencies to:

- Maintain its dominant position as a provider of finance, insurance, technology and allied services to SMEs in the fixed route minibus taxi industry.
- Deepen its vertical integration within this market through a dedicated SA Taxi panel repair facility and vehicle dealership, to augment Taximart's refurbishment and direct sales capability.
- Successfully apply its competencies in adjacent markets where it is able to create defensible positions, such as the financing of income-producing vehicles including bakkies used by SMEs, metered and Uber point-to-point taxis and long-distance fixed route minibus taxis.

RISK SERVICES

Leverages its dominant market positioning, long-established relationships, superior data analytics capabilities, advanced technologies, efficient operating platform and highly experienced team to:

- Develop further industry specialisation and bespoke solutions that take it deeper into existing verticals, with specific focus on the credit retail, banking and specialist lending market segments.
- Apply its scalable platform and expertise to expand into adjacent verticals, with both the insurance and telecommunications market segments identified as growth segments, while maintaining focus on the public and municipal sectors.
- Maximise the capabilities of its constituent businesses through a co-ordinated go-to-market approach.
- Provide solutions earlier in the collections cycle and ultimately offer full business process outsourcing (BPO) solutions.

TRANSACTION CAPITAL'S STRATEGY IS TO ENHANCE THE LEADING MARKET POSITIONS AND SCALE OF ITS ASSET-BACKED LENDING AND RISK SERVICES DIVISIONS BY INVESTING IN ORGANIC AND ACQUISITIVE GROWTH OPPORTUNITIES.

The reconstitution of its portfolio of assets under two distinct divisional pillars and the devolvement of authority and responsibility to competent divisional management teams is largely complete, enabling the group to focus on deploying its capital and resources to drive the growth and enhance the competitive positions of its divisions.

STRATEGIC OBJECTIVE
NO. 2

PIONEER INNOVATIVE AND BESPOKE CAPITAL SOLUTIONS TO DELIVER SUPERIOR RISK-ADJUSTED RETURNS

TRANSACTION CAPITAL'S ABILITY TO GROW AND TO ENHANCE THE COMPETITIVE POSITIONS OF ITS BUSINESSES DEPENDS IN PART ON ITS ABILITY TO ACCESS CAPITAL AND DEPLOY CAPITAL SOLUTIONS.

Transaction Capital is sufficiently capitalised to optimise equity and debt structures, fund organic growth in the short to medium term, and to take advantage of opportunities to deploy capital within its existing businesses in the medium term to yield acceptable risk-adjusted returns for shareholders.

In addition, Transaction Capital is appropriately geared, with debt capital accessed through diversified funding structures attractive to a broad range of local and international investors who have an in-depth understanding of the underlying businesses and their asset classes.

ASSET-BACKED LENDING

- Will continue to source debt from ring-fenced, limited recourse asset-backed funding structures, that facilitate investor diversification and avoid cross-subsidies or risks across businesses, while SA Taxi retains residual exposure through equity or subordinated financing and servicing obligations.
- Under the strategic guidance of the group chief financial officer, has assumed operational responsibility for its own dedicated capital markets team to structure and raise debt and equity capital for the businesses.
- Has been successful in sourcing appropriate debt capital in part from the attractiveness of its high-yielding operational assets; its ability to assess, manage and mitigate risk; its transparent ring-fenced funding structures; and its direct and long-standing relationships with capital investors.

RISK SERVICES

- Has the equity capital and access to external debt to increase the number and size of portfolios it acquires, in line with its growth intentions.
- Possesses the expertise to design and deliver innovative, client-specific capital solutions, including forward flow book acquisitions, BPO and structural outsourcing transactions, in addition to spot book acquisitions.
- Enjoys long-standing relationships with clients, who view the division as a trusted partner.
- Leverages its expertise and intellectual property to optimise its multi-dimensional valuation methodology for pricing decisions, thus mitigating risk and maximising investment returns.

STRATEGIC OBJECTIVE NO. 3

TARGET STRATEGIC ACQUISITIONS TO LEVERAGE AND ENHANCE OUR CAPABILITIES AND EXPAND INTERNATIONALLY

TRANSACTION CAPITAL HAS A PROVEN RECORD OF CREATING VALUE BY IDENTIFYING, PRICING, ACQUIRING AND INTEGRATING NEW BUSINESSES, AND THEN DEVELOPING THEM TO ACHIEVE SCALE AND LEADING POSITIONS IN THEIR MARKET SEGMENTS.

Transaction Capital applies stringent criteria when evaluating potential investments to ensure acquisitions will enhance its specialist capabilities and with a view to expanding internationally. Furthermore, the group favours a narrow focus on assets whose competitiveness and value can be enhanced by active management within its existing divisions.

INVESTMENT CRITERIA

MARKET POSITION

- A niche market participant with proven skills in new industry verticals.
- Strong relationships with their clients.
- Opportunities to consolidate market position.
- For the risk services division, strategically aligned companies in developed economies generating hard currency returns, which will grow its portfolio and diversify risk.

CAPABILITIES

- Deep industry knowledge.
- Intellectual property and expertise that can bolster or grow the group, augment the group's competencies and facilitate access to new verticals.
- Potential to benefit from the group's intellectual property and expertise.
- Strong management team.
- Potential for seamless integration.

BUSINESS MODEL

- Scalable business model with a proven track record.
- Focused business with potential for high return on equity.
- Growth opportunities.

VALUES AND CULTURE

- Driven by systems, data and analytics.
- Alignment between the group's and the target's values.
- Client and solution orientated.
- Entrepreneurial management that are co-invested.

Considering the challenging macro-economic environment in South Africa, coupled with asset values which remain at elevated levels, and in light of the attractive risk-adjusted returns being achieved organically from the group's established businesses which have highly defensible market positions, management's approach in its acquisitive search is to be particularly circumspect and conservative.

In the interim, Transaction Capital continues to focus on further enhancing its future organic growth prospects through acquisitions and organic capital deployment opportunities, and through investing in human capital and intellectual property.

STRATEGIC OBJECTIVE NO. 4

LEVERAGE TECHNOLOGY, DATA AND ANALYTICS WITHIN THE GROUP'S SIZABLE, SCALABLE PLATFORM TO DRIVE PROFITABLE GROWTH

Both the asset-backed lending and risk services divisions will apply their scalable platforms across all verticals and implement the latest technology throughout their businesses to optimise systems, unlock analytical insights and drive profitability.

ASSET-BACKED LENDING

Continued investment in information technology, data management and analytics (specifically telematics and tracking data) has resulted in a superior ability to assess and manage credit, insurance and operational risk, as evidenced by continually improving credit metrics.

RISK SERVICES

Implement technology solutions to drive next generation collection processes, frictionless payment, digital customer engagement, enhanced customer contactability and data-driven analytics.

STRATEGIC OBJECTIVE NO. 5

DEVELOP, ENGAGE AND REWARD OUR PEOPLE TO ENGENDER A HIGH-PERFORMANCE CULTURE

ALL THE FACTORS WHICH UNDERPIN ENHANCED PERFORMANCE REQUIRE THE HIGHEST CALIBRE OF LEADERSHIP AND SPECIALIST TECHNICAL EXPERTISE. THESE FACTORS INCLUDE THE EFFECTIVE MANAGEMENT OF CREDIT AND OPERATIONAL RISK; DATA MANAGEMENT, TECHNOLOGY AND ANALYTICS CAPABILITIES; EFFICIENT EQUITY CAPITAL ALLOCATION AND THE RAISING OF COMPETITIVE DEBT FUNDING; AND STRATEGY DEVELOPMENT AND OVERSIGHT.

Transaction Capital motivates, engages with and develops its people to foster innovation, cultivate leadership and sustainably maintain a high-performance culture, and prioritises the appointment, development and over time devolvement of authority and responsibility to competent management. Over the years, Transaction Capital has established cohesive leadership teams within its operating divisions that have assumed ownership and delivered on their strategies.

Transaction Capital's executives are appropriately qualified and have deep experience within their areas of specialisation. This intellectual capital is typically applied over a much smaller asset base than in larger organisations, with the concomitant expectation of higher performance.

Remuneration structures and development programmes for the group's most senior management are designed to facilitate their attraction, retention, recognition and development. The aim is to preserve sufficient flexibility to support management's entrepreneurial spirit and innovation, while maintaining management accountability and robust risk processes.

The simplified group executive office structure and decentralisation of functions has resulted in the necessary expertise, capabilities and skills of key operational functions being devolved to the divisions. Executives are thus accountable for the performance of their respective business. Strong institutionalised governance, regulatory and risk management practices are maintained at both the group executive office and divisional level. The group executive office continues to possess experienced and specialised leadership with proven entrepreneurial, merger and acquisition, technical, financial and risk management skills, which it applies to augment the skills and capabilities of the divisions.

As a significant employer, Transaction Capital acknowledges its role in creating employment opportunities and empowering talent.

MATERIAL ISSUES

MATERIAL ISSUE

1 Driving growth and performance to maintain stakeholder value creation

THROUGH ITS BUSINESS MODEL, TRANSACTION CAPITAL ENHANCES THE LEADING MARKET POSITIONS AND SCALE OF ITS BUSINESSES BY AUGMENTING AND REFINING THEIR DISTINCTIVE COMPETENCIES TO:

Achieve deep vertical integration in current market segments, which:

- Enhances client value propositions.
- Expands product and service offerings.
- Entrenches market position across value chains.

Apply distinctive competencies in new adjacent market segments, which:

- Broadens its client base.
- Opens new vertical market segments in which to apply distinctive competencies.

These activities position the divisions to take advantage of opportunities for organic growth, which remain strong due to:

- Under-served and fragmented nature of market segments.
- Defensive positioning of businesses, which enables them to prosper despite a challenging and low-growth environment.
- In asset-backed lending, the replacement of the ageing national minibus taxi fleet stimulating demand for taxi finance, and utilisation of taxis remaining consistently high.
- In risk services, the adverse environment stimulating demand from credit providers for services, products and capital to manage consumer credit risk.

pg **Page 26** See **strategic objective 1:**
Leverage specialised competencies and industry solutions to deepen penetration within existing, adjacent and new market segments, thereby driving organic growth.

Transaction Capital considers acquisitions that will enhance the organic growth prospects of its divisions. This includes potential international acquisitions that meet the group's acquisition criteria.

pg **Page 28** See **strategic objective 3:**
Target strategic acquisitions to leverage and enhance our capabilities and expand internationally.

MATERIAL
ISSUE

2 Managing the adequacy and allocation of capital

TRANSACTION CAPITAL'S ABILITY TO SUCCESSFULLY ACCESS AND DEPLOY CAPITAL IS ESSENTIAL TO GROWING AND ENHANCING THE COMPETITIVE POSITIONS OF ITS BUSINESSES.

Capital is raised at a group level and allocated to divisions to ensure an appropriate risk-adjusted return. Divisions operate robust pricing models which target an ROE of 25% on a granular product and customer level. Capital allocation decisions are based on the capital available, the estimated ROE, risk appetite and hurdle ROE rates.

Transaction Capital constantly scans the environment for acquisition and capital deployment opportunities in its existing divisions, targeting a minimum 20% return in the medium term.

pg **Page 27** See **strategic objective 2:**
Pioneer innovative and bespoke capital solutions to deliver superior risk-adjusted returns.

pg **Page 70** See the **risk report** for more on capital adequacy and liquidity management.

Transaction Capital seeks to maintain favourable credit ratings on its listed debt instruments to lower the cost of capital.

- Following the R528 million April 2015 tap of the Transsec programme, the class C Notes were upgraded to A from A- (AAA R623 million, AA R169 million, A R70 million, BBB R127 million).
- Obtained credit rating from Standard & Poor's of AAA for more than 60% of Transsec 2's issue of R321 million (AAA R234 million, A R73 million, BBB R14 million).

MATERIAL
ISSUE

3 Managing credit and investment risk

THE NATURE OF TRANSACTION CAPITAL'S CHOSEN MARKET SEGMENTS HEIGHTENS ITS EXPOSURE TO CREDIT RISK.

Higher pressure on consumers has necessitated a tightening of credit criteria, however the defensive nature of Transaction Capital's businesses enables them to prosper under challenging economic conditions.

Managing credit risk is one of the group's core capabilities, with the divisions' technology, data sets, analytical competencies and proven credit management capabilities being central to the group's unique capability to operate in higher-risk market segments.

Credit metrics continued to improve across the divisions. Growth in loans and advances has been maintained within acceptable risk levels.

Asset-backed lending:
- Non-performing loan ratio continued to improve, supported by the further managing down of the entry-level vehicle portfolio and improvements in collections.

Risk services:
- Depressed consumer environment creates opportunities within the division's client base.

pg **Page 29** See **strategic objective 4:**
Leverage technology, data and analytics within the group's sizable, scalable platform to drive profitable growth.

pg **Page 70** See the **risk report** for more on how Transaction Capital manages credit risk.

pg **Page 46** See the **CFO's report to stakeholders** for performance against key credit metrics.

MATERIAL
ISSUE

4

Ensuring high-calibre talent to drive a high-performance culture

TRANSACTION CAPITAL'S ABILITY TO DIFFERENTIATE ITSELF THROUGH ITS INTELLECTUAL CAPITAL IS A FUNCTION OF ITS PEOPLE. THE GROUP MOTIVATES, ENGAGES WITH, DEVELOPS AND REWARDS ITS PEOPLE TO FOSTER INNOVATION, CULTIVATE LEADERSHIP AND SUSTAINABLY MAINTAIN A HIGH-PERFORMANCE CULTURE.

To achieve this, Transaction Capital prioritises the appointment, development, retention and over time devolvement of authority and responsibility to competent management.

Remuneration structures and development programmes aim to preserve sufficient flexibility to support management's entrepreneurial spirit and innovation, while maintaining accountability and robust risk processes.

The devolving of responsibility to the divisions supports an empowering, high-performance culture through:

- Clear lines of responsibility and accountability from the board to the CEO, and from the CEO to line and functional leadership within divisions.
- Ensuring the appropriate calibre of executive leadership, functional expertise and general management.
- Flat structures and efficient processes, which allow for the rapid flow and evaluation of information, thus facilitating corrective or value-adding intervention by leadership.
- Formal and informal structures and processes which together provide adequate oversight and control to respond quickly to unforeseen circumstances.
- Identifying high-potential leaders, and providing opportunities for development.
- Appropriate reward and recognition programmes to all employees and executives.
- Motivating and retaining staff through deliberate employee engagement.

Human resources skills reside within the individual businesses, together with responsibility and accountability for developing resourcing and succession strategies. Given the depth of functional and subject matter experts within the group, most executive development initiatives aim to enhance leadership skills and address identified development needs.

pg **Page 29** See **strategic objective 5:**
Develop, engage and reward our people to engender a high-performance culture.

pg **Page 79** See the **remuneration report** for how reward structures enhance performance.

MATERIAL
ISSUE

5 Managing regulatory risk

THE CONSTANTLY EVOLVING NATURE OF FINANCIAL SERVICES REGULATIONS CREATES UNCERTAINTY AND INCREASES THE COST OF COMPLIANCE. MAINTAINING AWARENESS OF, PREPARING FOR AND PARTICIPATING IN THE DEVELOPMENT OF PROPOSED LEGISLATION IS AN ONGOING FOCUS OF TRANSACTION CAPITAL'S GOVERNANCE AND EXECUTIVE STRUCTURES.

Dedicated group and divisional legal and compliance functions ensure that regulatory risk management is systematic and robust, and that Transaction Capital's businesses are able to respond proactively to regulatory developments.

Transaction Capital supports the South African Government's implementation of regulatory mechanisms that drive positive social change. During the year, MBD and Principa undertook broad-based black economic empowerment ownership transactions by means of a trust, established as a vehicle to enable participants to share in the growth and profitability of the businesses.

pg **Page 40** See the **chairman's report** for more on B-BBEE transactions.

pg **Page 42** See the **CEO's report to stakeholders** for an overview of regulatory developments and the impact on the group.

pg **Page 70** See the **risk report** for how the group manages regulatory risk.

DIRECTORATE

INDEPENDENT NON-EXECUTIVE DIRECTORS

Christopher
SEABROOKE
(62)

BCom (University of KwaZulu-Natal), BAcc (University of KwaZulu-Natal), MBA (University of the Witwatersrand), FCMA (UK)

CHAIRMAN

Appointed: June 2009

Chris is a financier and investor who has been a director of more than 25 listed companies, both in South Africa and abroad. He is currently chief executive officer (CEO) of Sabvest Limited, chairman of Metrofile Holdings Limited, deputy chairman of Massmart Holdings Limited and Torre Industries Limited and a director of Brait S.E., Net1 U.E.P.S. Technologies Inc and Datatec Limited. Chris is also a director of a number of unlisted companies, including Mineworkers Investment Company Proprietary Limited and Primedia Holdings Proprietary Limited. He is a former chairman of the South African State Theatre, former deputy chairman of the founding board of the National Arts Council and a current member of the Institute of Directors.

Phumzile
LANGENI
(41)

BCom (University of KwaZulu-Natal), BCom (Hons) (Unisa)

Appointed: June 2009

A stockbroker by training, Phumzile is executive chairman of Afropulse Group Proprietary Limited, non-executive chairman of Astrapak Limited and Mineworkers Investment Company Proprietary Limited, a non-executive director of Massmart Holdings Limited, Imperial Holdings Limited, Primedia Proprietary Holdings Limited, St Mary's Foundation Board, Metrofile Holdings and Redefine Properties Limited. Phumzile is also an independent non-executive director on the boards of SA Taxi and MBD. She was previously the economic adviser to the former Minister of Minerals and Energy. Phumzile also previously worked as an executive director and vice president of dual-listed junior platinum miner, Anooraq Resources.

Dumisani
TABATA
(60)

BProc (University of Fort Hare), LLB (University of KwaZulu-Natal)

Appointed: February 2010

Dumisani was admitted as an attorney of the High Court of South Africa in 1984, and in 1996 was appointed as an acting Judge of the High Court, in which position he served for three terms. He was one of the founding partners of Smith Tabata & Van Heerden in King William's Town, where he is today a director. Dumisani has served as deputy chairman of the ABSA Bank regional board in the Eastern Cape. He is an executive director of Vuwa Investments Proprietary Limited and director of Smith Tabata Incorporated East London and Smith Tabata Buchanan Boyes in Cape Town and Johannesburg.

David **WOOLLAM** (51)

04

BCom (Hons) (University of KwaZulu-Natal), BAccSc (Unisa), CA(SA)

Appointed: February 2012

David has over 20 years' experience in the financial services industry in both South Africa and the United Kingdom. After qualifying as a chartered accountant, David spent 10 years working in the investment banking and derivative industry in London. In 1999, he returned to South Africa to join BoE Bank as chief financial officer (CFO) and in 2001 was appointed to the position of executive director of BoE Limited. In 2002, David joined African Bank as group finance director and in 2008, was appointed as CEO of African Bank Limited. He now operates as an independent consultant, director of companies and private equity investor.

NON-EXECUTIVE DIRECTOR

05

Roberto **ROSSI** (53)

BSC (MechEng) and Graduate Diploma (IndEng) (University of the Witwatersrand), BProc (Unisa)

Appointed: September 2003

Roberto founded Miners Credit Guarantee in 1991 to provide credit card-type facilities to mine workers. In 1998, Nisela Growth Investments (part of African Bank) acquired 50% of the shareholding in Miners Credit Guarantee. Shortly thereafter, Roberto assumed an executive role at African Bank Limited and was subsequently responsible for the establishment, acquisition and operation of several of the businesses owned by African Bank. After selling his remaining shares in Miners Credit Guarantee to African Bank in 2003, Roberto partnered with Jonathan Jawno and Michael Mendelowitz to acquire and grow the group of companies that in 2007 became the foundation of Transaction Capital.

EXECUTIVE DIRECTORS

David
HURWITZ
(44)

BAcc (Hons), HDipTax (University of the Witwatersrand), CA(SA)

CHIEF EXECUTIVE OFFICER

Appointed: April 2012

David is a chartered accountant, having served his articles at Grant Thornton, Johannesburg. He has been active in debt capital markets since 1997, holding employment at both a specialist structured finance organisation and a large local bank. In 2005 he joined Transaction Capital's founding shareholders to acquire African Bank's Commercial Vehicle Finance division (now SA Taxi). Shortly thereafter Transaction Capital was formed, where David established and led the capital markets team for a period of five years, and later served as the CFO of SA Taxi for 18 months. He was appointed to Transaction Capital's main board as group chief risk officer in April 2012, thereafter served as the group CFO and in January 2014 was appointed as the group CEO of Transaction Capital Limited.

Jonathan
JAWNO
(49)

BCom (Hons), Graduate Diploma Accounting (University of Cape Town), CA(SA)

EXECUTIVE DIRECTOR

Appointed: March 2003

After completing his articles at Arthur Andersen, Jonathan co-founded Stratvest in 1995. In 1997, African Bank (then Theta Financial Services Limited) acquired 50% of Stratvest, leading to the formation of Nisela Growth Investments. He held the position of joint CEO of Nisela Growth Investments until 2002 and went on to acquire and grow the group of companies that in 2007 became the foundation of Transaction Capital. Jonathan was appointed as an executive director in June 2010.

Michael **MENDELOWITZ** (50)

08

Mark **HERSKOVITS** (41)

09

BCom (Hons), Graduate Diploma Accounting (University of Cape Town), CA(SA)

EXECUTIVE DIRECTOR

Appointed: March 2003

After completing his articles at Deloitte & Touche in 1990, Michael co-founded Stratvest in 1995. In 1997, African Bank (then Theta Financial Services Limited) acquired 50% of Stratvest, leading to the formation of Nisela Growth Investments. Michael held the position of joint CEO of Nisela Growth Investments until 2002 and went on to acquire and grow the group of companies that in 2007 became the foundation of Transaction Capital. Michael was appointed as an executive director in December 2011.

BBusSci (Finance), Post Graduate Diploma in Accounting (University of Cape Town), CA(SA), CFA

CHIEF FINANCIAL OFFICER

Appointed: January 2014

Mark served articles at Deloitte & Touche in Johannesburg. After remaining on as a manager until 2001, he joined Rand Merchant Bank as a corporate bond investment analyst in the special projects international division. In 2007, Mark joined Transaction Capital and was involved in various acquisitions for the group. He joined the capital markets division in 2009 and was appointed head of the team in June 2010. He held this position until January 2014 when he was appointed to his current position of group CFO.

HOW WE'VE PERFORMED

Chairman's report **40**
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CFO's report to stakeholders **46**

CHAIRMAN'S REPORT

OVERVIEW

The reconstitution of Transaction Capital's portfolio of assets under two distinct divisional pillars and the devolvement of authority and responsibility to competent divisional management teams, initiated post the sale of Paycorp and Bayport in 2014, is now largely complete. This has enabled superior operational and financial performance, preceded by greater management focus on enhancing the capabilities and differentiating factors unique to Transaction Capital's operating divisions.

Under the leadership of David Hurwitz, appointed as CEO in January 2014, executive management has further strengthened the market-leading and defensive positioning of the group's divisions, achieved in an environment characterised by heightened macro- and socio-economic challenges. The board remains confident in the capabilities of the executive team, is comfortable that it is constituted appropriately for the size and complexity of the group, supports the strategies and plans management has formulated for the divisions, and is satisfied with the growth projections for the short and medium term.

FINANCIAL REVIEW

The ability of the new divisional structure to deliver superior returns to shareholders was affirmed during the year. Headline earnings increased by 19% to R393 million and the group showed an improvement across most performance metrics and all credit metrics, despite the challenging economic environment. The defensive positioning of the group's divisions augers well for their continued strong performance over the medium term.

Transaction Capital elected to early adopt IFRS 9, which requires the application of a forward-looking expected credit loss model resulting in earlier recognition of expected credit losses than under IAS 39. Transaction Capital is the first listed financial services company in South Africa to early adopt IFRS 9 and in doing so has removed any uncertainty as to the effects of the new model on the results and balance sheet structure of the group. Shareholders were advised of the details of the change in a SENS announcement on 18 November 2015, and is discussed in more detail in the CFO's report to stakeholders.

I refer shareholders to the detailed reviews of the CEO and CFO for their analysis of the performance of the group and the operating context within which it was achieved.

The intention for the surplus cash which arose from the disposals in 2014 remains unchanged; to be deployed in the existing businesses to enhance their organic growth drivers and to make appropriate acquisitions that further entrench their leading market positions. The board supports management's cautious approach to acquisitions, considering the low-growth and challenging environment in South Africa, elevated asset values and the attractive risk-adjusted returns being achieved organically from the divisions.

The CEO's report to stakeholders provides more detail of management's strategic intentions and expectations for the future.

B-BBEE INITIATIVES

In line with the group's support of mechanisms that drive positive social change, MBD and Principa undertook broad-based black economic empowerment ownership transactions during the year by means of the broad-based iThemba Trust, which acquired 17% of the ordinary shares in the respective businesses. The trust provides a vehicle for participants to share in the growth and profitability of the businesses, and is structured to avoid a future position, as has been the case with some other transactions in the market, where it owes external funders more than the investment is worth upon maturity. The beneficiaries of iThemba include education initiatives, general welfare organisations aimed at the betterment of communities, and emerging entrepreneurs.

SHAREHOLDERS AND GOVERNANCE

Subsequent to year-end, Ethos Private Equity disposed of its 8% shareholding in Transaction Capital by way of a book build. Since the inception of Transaction Capital, Ethos has been a supporter of and investor in the company and some of its subsidiaries. Transaction Capital's relationship with Ethos has been constructive and appreciated. As a result of the disinvestment, Shaun Zagnoev tendered his resignation as an independent non-executive director on 8 December 2015. We express our thanks to Shaun for his invaluable input over the years.

The board now comprises nine directors of whom five are non-executive and four are defined as independent. The nominations committee may consider additional appointments in the year ahead. The board and its sub-committees are properly constituted as required by the Companies Act and King III.

The annual performance evaluation of the board, conducted in November 2015, found that the board is effective in its direction of the group. The governance report in this report provides more information on the findings of the evaluation and the activities of the board in the year.

I am pleased to welcome all new shareholders who invested in Transaction Capital during the year. The Ethos sale has increased Transaction Capital's free float and enabled additional institutional investors to join our lists for the first time. Transaction Capital had 798 shareholders on its register at year-end.

APPRECIATION

I would like to thank my colleagues on the board for their ongoing guidance and commitment, and extend my appreciation to our highly proficient management teams at group executive office and subsidiary levels. I also thank our bankers, funders and advisers for their continued support.

CHRISTOPHER SEABROOKE

26 January 2016

THE ABILITY OF THE NEW DIVISIONAL STRUCTURE TO DELIVER SUPERIOR RETURNS TO SHAREHOLDERS WAS AFFIRMED DURING THE YEAR. HEADLINE EARNINGS INCREASED BY 19% TO R393 MILLION AND THE GROUP SHOWED AN IMPROVEMENT ACROSS MOST PERFORMANCE METRICS AND ALL CREDIT METRICS, DESPITE THE CHALLENGING ECONOMIC ENVIRONMENT.

CHRISTOPHER SEABROOKE

CHAIRMAN

TRANSACTION CAPITAL'S BUSINESSES HAVE, OVER A NUMBER OF YEARS, DEVELOPED AND REFINED THE GREATER LEVEL OF SPECIALISATION REQUIRED TO OPERATE IN MARKET SEGMENTS PERCEIVED TO BE OF HIGHER RISK.

DAVID HURWITZ
CEO

20%
ORGANIC GROWTH IN HEADLINE EARNINGS PER SHARE TO **69.0 CENTS**

INTRODUCTION

At the core of Transaction Capital's 2015 three-year strategy is the reconstitution of its portfolio of assets into two autonomous and decentralised divisions of scale, being the asset-backed lending and risk services divisions. The restructuring of the divisions, together with their leading and defensive market positions, has enabled Transaction Capital to achieve strong organic growth despite South Africa's challenging macro- and socio-economic environment.

Transaction Capital's financial, credit and operational performance was in line with expectations for the 2015 financial year. Headline earnings per share grew by 20% to 69.0 cents, together with an improvement across all credit metrics.

CEO's REPORT TO STAKEHOLDERS

OPERATING ENVIRONMENT

South Africa's economic growth remains constrained. Employment levels remain low, with real wage growth largely stagnant. Economic pressure has intensified due to the accelerated currency weakness in the second half of the year, a 75 basis point increase in the repo interest rate over the last 18 months (with a likelihood of further increases in 2016 as the US Federal Reserve Bank raises rates), and higher electricity and fuel costs. These conditions are contributing to an increase in social unrest and protest action and, together with electricity supply constraints, are creating higher risk for consumers and small- and medium-sized enterprises (SMEs).

While both the asset-backed lending and risk services divisions perform better in a positive economic environment, they are also highly defensive businesses intentionally positioned to withstand difficult economic conditions, as evidenced by this year's financial performance.

The estimated national fleet of some 200 000 privately owned minibus taxis remains the primary means of transport for most South African commuters, accounting for an estimated 69% of all household trips. The replacement of ageing minibus taxis and under-supply of premium minibus taxis in the South African market continue to create robust demand for vehicle finance and related services provided by SA Taxi. Commuters' use of minibus taxis remains consistently high even in a depressed economy, as transport spend is non-discretionary.

Prevailing economic conditions are resulting in the risk services division's clients taking further steps to mitigate credit and operational risks associated with their customer base, reduce costs, simplify processes, raise capital and manage working capital. This provides substantial opportunity for the division to leverage its strong market position and reputation to extend credit risk management and capital solutions.

The dynamic regulatory landscape continues to create uncertainty in the financial services sector. Regulations pertaining to caps on interest rates, fees and related credit insurance premium charges have either been proposed or enacted. Amendments to the National Credit Act (specifically in relation to the prescription of debt) came into effect early in 2015, and regulations regarding affordability assessments have also been introduced. Finally, recent court activity regarding the use of emolument attachment orders has been widely publicised and awaits clarification from the Constitutional Court. Any financial impact on the risk services division is not expected to be material, as business processes were aligned and amended in anticipation of these changes almost three years ago. The asset-backed lending division falls largely outside the ambit of these changes.

CORPORATE STRATEGY AND PROSPECTS

The reconstitution of Transaction Capital's portfolio of assets under two distinct divisional pillars and the devolvement of authority and responsibility to competent divisional management teams is largely complete. This has enabled Transaction Capital to focus on deploying its capital and resources to drive organic and acquisitive growth, thus enhancing the scale and entrenching the leading market positions of its divisions.

Transaction Capital's businesses have, over a number of years, developed and refined the greater level of specialisation required to operate in market segments perceived to be of higher risk. A cornerstone of Transaction Capital's strategy is to augment and refine these competencies to achieve deep vertical integration within its chosen market segments, and to leverage its existing and scalable platforms to create defensible positions within identified adjacent market segments.

Management remains circumspect and conservative in its acquisitive search, considering the low-growth and challenging environment in South Africa, elevated asset values and the attractive risk-adjusted returns being achieved organically from the divisions. Transaction Capital favours a narrow focus on assets whose value can be enhanced by active management within its existing divisions, and thus applies stringent criteria when evaluating potential investments to ensure acquisitions will either enhance its specialist capabilities, enable access to adjacent market segments or diversify risk through international expansion.

In light of Transaction Capital's defensive positioning within the current macro- and socio-economic context, management believes that Transaction Capital is well positioned to continue achieving similar levels of organic growth in the medium term.

CONCLUSION

Transaction Capital's scalable operating platforms, significant cash on hand and access to diverse funding sources place the group in a strong position to pursue organic and acquisitive growth, in line with its strategy. I extend my thanks to the board, the executive teams and our people for their efforts towards realising our vision of creating value for all stakeholders.

DAVID HURWITZ

26 January 2016

Q&A

WITH DAVID HURWITZ
CEO, TRANSACTION CAPITAL

Transaction Capital's businesses have delivered excellent growth over the year. How are you positioning the group to maintain this performance going forward?

We are very pleased with the performance of our businesses over the year, especially considering the challenges being experienced in the local economy. It speaks to the sound fundamentals of our businesses in terms of their business models and their socially relevant positions in their respective markets. We would certainly have liked to deploy more of our excess capital, but we've been very active in our search for opportunities and we are comfortable that our cautious approach is right, in light of the strong ROEs being achieved organically by our businesses and the benefits of a strong balance sheet in this environment.

One of the big developments for us in the year was our adoption of IFRS 9, which Mark explains more fully in his CFO's report. We were the first listed financial services company in South Africa to do this and were able to do so because of our strong balance sheet. The more conservative level of provisioning means our balance sheet is stronger and our earnings are of a better quality. We've also been able to reclassify the entry-level vehicle portfolio in asset-backed lending at fair value, which means it is now almost exclusively a premium vehicle business. It's really positioned the divisions for growth as it's provided stability in terms of a more conservatively provisioned and capitalised balance sheet.

We've identified a number of opportunities for deploying capital into the divisions to strengthen their organic growth prospects, in line with our strategy of going deeper into existing market segments and applying their competencies in adjacent sectors. In asset-backed lending we're investing in a panel repair facility and entering the metered taxi space, and in risk services we're looking to go deeper in sectors such as insurance and telecoms. Terry and Dave provide more detail on this in their respective sections.

pg page 24 Q&A with Terry Kier – CEO asset-backed lending

pg page 25 Q&A with David McAlpin – CEO risk services

If there's one area we'll be monitoring closely over the next year, it's the developments in financial services regulations. My concern here is less on the direct impact on our businesses – which either fall outside the scope of the regulations or are already aligned – but more on the second-order effect on our clients. Tighter affordability criteria and lower pricing could shrink the addressable market in terms of our collections business, but we're also active and growing in origination and management, which supports the defensiveness of the risk services division. In asset-backed lending we're not expecting any impact, as SA Taxi is a developmental credit provider and commuters' spend on transport is non-discretionary.

Take us through your acquisitive growth story – how is Transaction Capital adapting given the shortage of opportunities in South Africa that are aligned to your investment criteria?

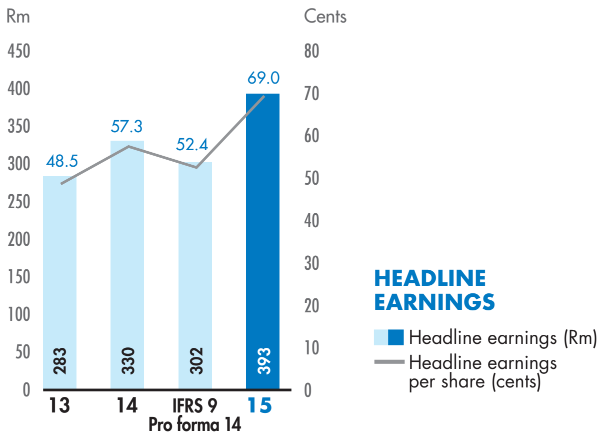
The one change in our thinking around acquisitions is that we will look offshore. Although there are opportunities locally, to date they haven't had the scale we're looking for. Expanding internationally allows us to diversify risk in terms of our current exposure to a single market. Our business model in the risk services division is exportable, in that we can apply proven and efficient operating and cost structures as well as our data and analytics capabilities to similar businesses in other countries. It also provides the opportunity for earning hard currency.

We really covered a lot of ground in the year – our executive team travelled extensively and there were three acquisitions that we came very close to concluding. Our strategy remains the same, in that we will partner with the founding shareholders who would remain executives in the business for a defined period, to ensure alignment between ourselves and the target's management. We've also learnt a lot through looking at similar businesses internationally, and are applying those lessons to our South African businesses, for example deepening the risk services division's offering in the insurance market or investing in the panel repair facility at SA Taxi.

CFO's REPORT TO STAKEHOLDERS

TRANSACTION CAPITAL'S OPERATIONS DELIVERED SATISFYING RESULTS IN LINE WITH EXPECTATIONS, DESPITE CHALLENGING ECONOMIC CONDITIONS. THE GROUP'S DIVISIONS CONTINUED TO STRENGTHEN THEIR LEADERSHIP POSITIONS IN THEIR MARKET SEGMENTS THROUGH DELIVERING UNIQUE VALUE PROPOSITIONS TO STAKEHOLDERS.

Key performance highlights include headline earnings growth of 19% to R393 million (2014: R330* million) and a 20% increase in headline earnings per share to 69.0 cents (2014: 57.3* cents). When compared to 2014 IFRS 9 pro forma numbers, headline earnings grew by 30% and headline earnings per share grew by 32%. Return on assets increased to 4.4% (2014: 3.5%) and return on equity increased to 16.7% (2014: 12.8%).



HEADLINE EARNINGS

MARK HERSKOVITS

CFO

EARLY ADOPTION OF IFRS 9

TRANSACTION CAPITAL EARLY ADOPTED IFRS 9 IN THE 2015 FINANCIAL YEAR. EXCESS CAPITAL HELD SINCE THE SALE OF PAYCORP HOLDINGS (PTY) LTD AND BAYPORT FINANCIAL SERVICES 2010 (PTY) LTD IN THE 2014 FINANCIAL YEAR POSITIONED TRANSACTION CAPITAL WELL TO EARLY ADOPT IFRS 9 AND ABSORB THE RESULTING ONE-OFF EQUITY ADJUSTMENT.

The benefits of early adopting IFRS 9 include:

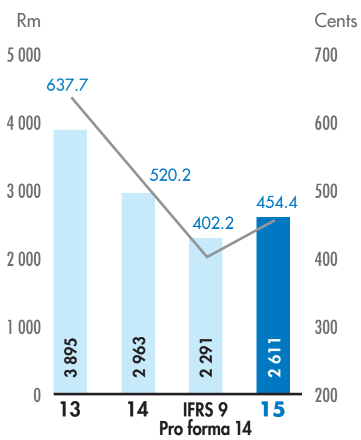
- Closer alignment of accounting policies to Transaction Capital's operational and risk management policies and strategic intentions.
- Lower balance sheet risk due to increased provisions; an approach favoured by management especially considering the challenging economic conditions.
- Removing future uncertainty relating to the implementation of IFRS 9 on financial results and ratios.

In addition to these broader benefits, the following are two specific benefits of early adoption for the group's divisions:

- Asset-backed lending: The compulsory reclassification of entry-level vehicle loans to fair value under IFRS 9 requires the division to consider all forward-looking information and risks in the measurement of the asset class at market-related discount rates, rather than applying information arising from past events as required by IAS 39. This forward-looking methodology results in lower fair values for this category of assets under IFRS 9 than the net carrying value (after provisions) as calculated according to IAS 39. This aligns with management's strategy to accelerate the discontinuance of the entry-level vehicle loan portfolio, now comprising only 2% of loans and advances, and thus achieving the objective of operating an exclusively premium vehicle business from a financial perspective.
- Risk services: The application of IFRS 9 results in a better alignment of the amortisation profile of purchased book debts with the expected collections profile.

The initial adoption of IFRS 9 results in a one-off adjustment of R672 million to the opening retained earnings balance for the financial year ended 30 September 2015. This is required in order to account for the cumulative effect of IFRS 9 treatment in prior years. The following table reflects the reconciliation of the opening retained earnings balance pre and post IFRS 9 adoption.

	Rm	Note
Retained earnings opening balance under IAS 39	2 384	
Decrease in gross loans and advances	(648)	1
De-recognition of written off book	(32)	1
Increase in provision	(166)	1
Decrease in trade and other receivables	(3)	
Decrease in purchased book debts	(81)	2
Deferred tax impact on the above	258	3
Retained earnings opening balance under IFRS 9	1 712	



EQUITY/NET ASSET VALUE (NAV) PER SHARE

Total equity (Rm)
NAV per share (cents)

Notes

1. The movements in gross loans and advances and the impairment provision are further analysed as follows:

	Opening balance IAS 39 Rm	Initial application IFRS 9 Rm	Revised opening balance IFRS 9 Rm
Net loans and advances	6 386	(846)	5 540
Reclassification impact			
Net loans and advances – entry-level vehicles	656	(462)	194
Gross loans and advances – entry-level vehicles	807	(613)	194
Impairment provision – entry-level vehicles	(151)	151	–
Measurement impact			
Net loans and advances – excluding entry-level vehicles	5 698	(352)	5 346
Gross loans and advances – excluding entry-level vehicles	5 930	(35)	5 895
Impairment provision – excluding entry-level vehicles	(232)	(317)	(549)
Carrying value of written off book	32	(32)	–

The decrease in gross loans and advances excluding entry-level vehicles of R35 million results from interest being suspended in line with IFRS 9. The full balance of the written off book has been de-recognised in line with the expected credit loss model requirements of IFRS 9.

2. The decrease in the purchased book debts is a result of the change to an expected loss model, resulting in shorter amortisation profiles for purchased book debts.

3. Total tax impact of the initial application adjustments.

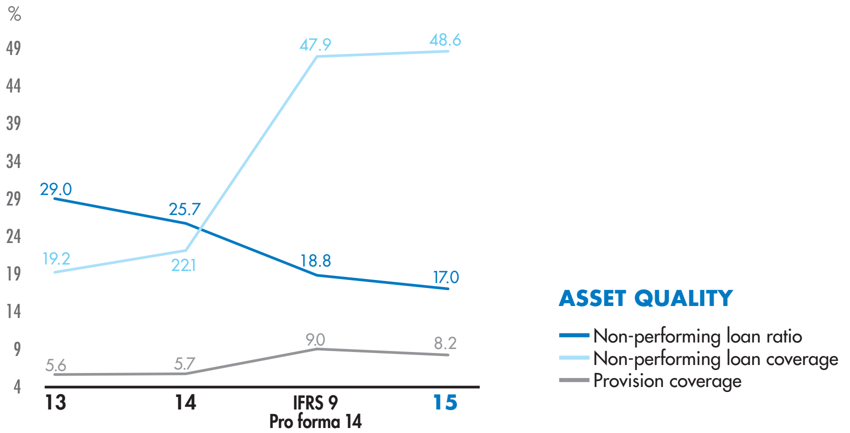
Shareholders are referred to the SENS announcement released by Transaction Capital on 18 November 2015, available on the company website, for further detail on the early adoption of IFRS 9. Shareholders are also referred to the group data sheet (**page 93**), which further sets out the impact of the adoption and presents pro forma information for the 2014 financial year as per the explanation at the outset of this report. This will enable a like-for-like comparison between current and prior year results.

Unless otherwise indicated with *, all 2014 comparative numbers in this report are pro forma, calculated as if IFRS 9 was adopted on 1 October 2013. Numbers marked with * are based on previously published 2014 results prepared in terms of IAS 39. All pro forma financial information has been reported on by Deloitte & Touche in terms of the International Standard on Assurance Engagements 3420 – Assurance Engagements to Report on the Compilation of Pro Forma Financial Information. Their Reporting Accountant's Report can be inspected at the group's registered office. All performance indicators are calculated on a continuing basis unless stated otherwise.

FINANCIAL POSITION

Assets	2015 IFRS 9 Rm	2014 IFRS 9 Pro forma Rm	2014 IAS 39 Rm	Change IFRS 9 %	Change IAS 39 %
Cash and cash equivalents	**1 169**	1 345	1 345	(13)	(13)
Inventories	**21**	4	4	>100	>100
Loans and advances	**6 160**	5 540	6 386	11	(4)
Purchased book debts	**561**	471	552	19	2
Other investments	**343**	238	238	44	44
Intangible assets	**32**	19	19	68	68
Property and equipment	**60**	51	51	18	18
Goodwill	**197**	192	192	3	3
Other assets	**1 160**	1 085	903	7	28
Total assets	**9 703**	8 945	9 690	8	0

LOANS AND ADVANCES



In line with the group's strategy to grow loans and advances conservatively while focusing on credit quality, gross loans and advances grew 10% to R6 713 million and the credit quality of the book improved.

Effective collection strategies, strict credit origination criteria and the improved quality of repossessed vehicles refurbished by Taximart have continued to drive improved credit metrics. The non-performing loan (NPL) ratio showed excellent improvement from 18.8% to 17.0%, the credit loss ratio improved from 4.2% to 3.6%, and NPL coverage strengthened from 47.9% to 48.6%. Compared to 2014 IAS 39, the NPL coverage dramatically increased from 22.1% to 48.6%, highlighting the conservative provisioning requirements of IFRS 9.

PURCHASED BOOK DEBTS

Credit providers continued to realise capital and value through the sale of late stage debtors' books, with high activity levels in the purchase of distressed debt being a feature of the 2015 financial year. MBD was an active bidder on most books that came to market, albeit at lower prices than in the past. During the year, MBD acquired book debts with a face value of R5.3 billion for a cost of R166 million, and incurred an amortisation cost of R114 million due to the cash flows generated by the larger portfolio. Newly acquired portfolios need to season depending on the nature of the book and the collections environment, thus the full benefit of these portfolios is still to be realised. MBD owns 154 diversified principal book portfolios at year-end.

CASH AND CASH EQUIVALENTS

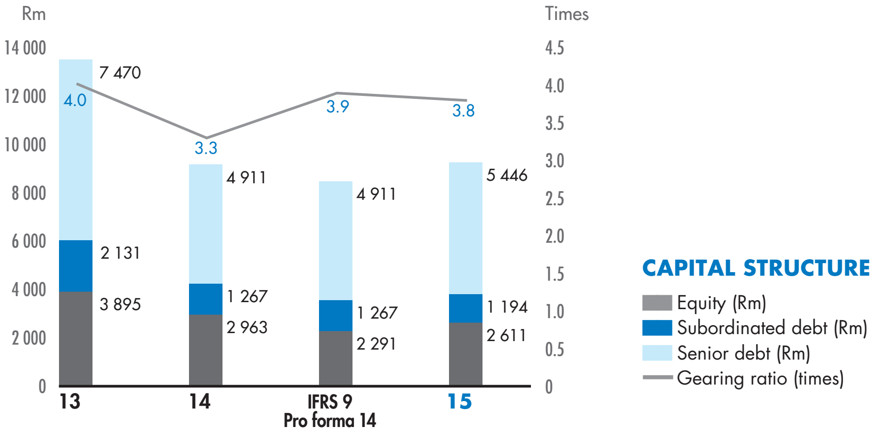
Cash and cash equivalents of R1.1 billion (net of bank overdrafts) are available at year-end, a significant portion of which has been allocated to future organic and acquisitive growth targets.

OTHER INVESTMENTS

Other investments represent the group's investment in the insurance cell captive of the asset-backed lending division. The investment is carried at fair value while movements are recognised in other comprehensive income.

Equity and liabilities	2015 IFRS 9 Rm	2014 IFRS 9 Pro forma Rm	2014 IAS 39 Rm	Change IFRS 9 %	Change IAS 39 %
Equity					
Ordinary share capital and premium	**468**	483	483	(3)	(3)
Other reserves	**122**	96	96	27	27
Retained earnings	**1 991**	1 712	2 384	16	(16)
Equity attributable to ordinary equity holders of the parent	**2 581**	2 291	2 963	13	(13)
Non-controlling interests	**30**	–	–	100	100
Total equity	**2 611**	2 291	2 963	14	(12)
Liabilities					
Bank overdrafts	**52**	101	101	(49)	(49)
Tax payables	**13**	2	2	>100	>100
Trade and other payables	**253**	242	242	5	5
Provisions	**17**	18	18	(6)	(6)
Interest-bearing liabilities	**6 640**	6 178	6 178	7	7
Senior debt	**5 446**	4 911	4 911	11	11
Subordinated debt	**1 194**	1 267	1 267	(6)	(6)
Deferred tax liabilities	**117**	113	186	4	(37)
Total liabilities	**7 092**	6 654	6 727	7	5
Total equity and liabilities	**9 703**	8 945	9 690	8	0

CAPITAL MANAGEMENT



Generating an appropriate risk-adjusted return on the capital deployed within the divisions remains a key strategic objective.

Following the disposal of Paycorp and Bayport and the capital distribution of 210 cents per share to shareholders in the prior year, the group's equity and debt capital position remains strong.

The group's capital adequacy ratio at year-end is 43.3%, comprising 29.0% equity and 14.3% subordinated debt, which results in a gearing ratio of 3.8 times. The group remains favourably capitalised after the IFRS 9 equity adoption charge, has enjoyed uninterrupted access to debt capital markets, and is thus well positioned to fund organic and acquisitive growth opportunities.

Capital adequacy calculation		2015 IFRS 9	2014 IFRS 9 Pro forma	2014 IAS 39
Equity	Rm	**2 611**	2 291	2 963
Subordinated debt capital	Rm	**1 194**	1 267	1 267
Total capital	Rm	**3 805**	3 558	4 230
Less: goodwill	Rm	**(197)**	(192)	(192)
Total capital less goodwill	Rm	**3 608**	3 366	4 038
Total assets less goodwill and cash and cash equivalents	Rm	**8 337**	7 408	8 153
Capital adequacy ratio	%	**43.3**	45.4	49.5
Equity	%	**29.0**	28.3	34.0
Subordinated debt	%	**14.3**	17.1	15.5

EQUITY MANAGEMENT

Return on equity increased to 16.7% in the 2015 financial year, driven by higher headline earnings, effective but conservative capital deployment, and the lower equity base resulting from the IFRS 9 adoption.

The board approved and declared a final dividend of 12 cents per share on 24 November 2015, bringing the total dividend declared for the year to 22 cents per share. Dividend cover of 3.1 times is in line with the group's dividend policy of maintaining a cover ratio of three to four times annual headline earnings.

DEBT MANAGEMENT

Transaction Capital, as a non-deposit taking financial services business, relies on a proven wholesale funding model. In the year, the group continued to find support in debt capital markets, accessing approximately R2.9 billion in debt from 11 institutions. Interest-bearing liabilities increased 7% to R6 640 million.

Pressure in the corporate credit market remains a concern, given that the macro-economic backdrop offers limited growth and increased credit risk in some cases. Market volatility, in terms of both price and demand, as well as deleveraging has resulted in less frequent issuances and limited new issuer placements. Established securitisation issuers are coming to market but are choosing to pre-place the lower-rated tranches of their issuances and are paying up to do so, although price does not always guarantee appetite. The local funding market is thus characterised by constrained liquidity and a reduced funding pool. Although local investors have been more cautious in their approach, Transaction Capital has enjoyed uninterrupted access to both local and international funding pools.

Transaction Capital's wholesale funding model continues to incorporate the following conservative principles:

- A 'positive liquidity mismatch' is maintained, such that the average debt duration exceeds average asset duration, and cash collections from assets are used to redeem amortising debt. Thus, debt is raised primarily to fund asset growth and not to refinance mismatched debt.
- Term instruments are generally issued on an amortising basis to reduce liquidity risk and match cash flows. Bullet instruments are issued opportunistically and only when the maturity date of such instrument coincides with a low point in the total debt repayment profile. This practice ensures that rollover risk is minimised.
- No exposure to overnight or 12-month rolling debt instruments exists.
- Direct relationships between Transaction Capital's capital markets team and the debt capital market participants allow debt investors to gain an in-depth understanding of the group's businesses.
- The majority of debt is raised in ring-fenced funding structures with no cross-default clauses, allowing investor diversification, ensuring no co-mingling of risk, and leveraging capital optimally per individual asset class.
- Capital adequacy levels are targeted per asset class, using a bottom-up approach to capital management.

SA Taxi returned to the local listed debt capital markets during April and November 2015 with the issuances of credit rated debt instruments via the asset-backed note programme of Transsec (RF) Ltd, successfully raising slightly less than R1 billion on a cumulative basis. To augment SA Taxi's access to the listed debt capital markets, the funding strategy remains innovative and continuously pursues multiple tactics to further diversify SA Taxi's funding base and access new pools of capital. The remainder of SA Taxi's debt requirement was successfully raised through both offshore and local unlisted funding sources.

Rand Trust and MBD both secured additional term facilities which will be drawn down over the relevant availability periods. In addition, Rand Trust successfully rolled one maturing facility and attracted its first offshore debt investor.

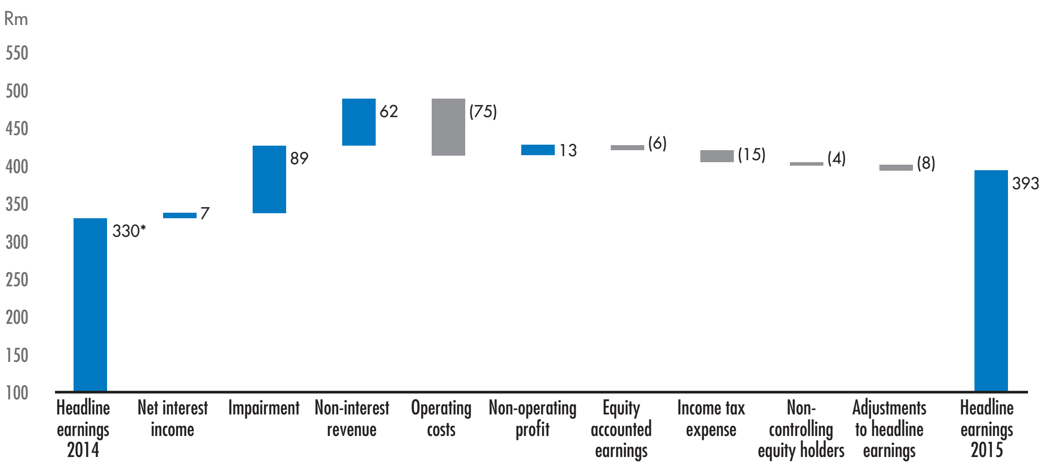
PERFORMANCE

	2015 IFRS 9 Rm	2014 IFRS 9 Pro forma Rm	2014 IAS 39 Rm	Change IFRS 9 %	Change IAS 39 %
Net interest income	**821**	725	814	13	1
Impairment of loans and advances	**(233)**	(234)	(322)	(0)	(28)
Risk-adjusted net interest income	**588**	491	492	20	20
Non-interest revenue	**1 195**	1 133	1 133	5	5
Operating costs	**(1 295)**	(1 258)	(1 220)	3	6
Non-operating profit	**14**	1	1	>100	>100
Equity accounted (loss)/earnings	**(3)**	3	3	>(100)	>(100)
Profit before tax	**499**	370	409	35	22
Income tax expense	**(94)**	(68)	(79)	38	19
Profit from continuing operations	**405**	302	330	34	23
Profit from discontinued operations	**–**	607	607	(100)	(100)
Profit for the year	**405**	909	937	(55)	(57)
Attributable to ordinary equity holders of the parent	**401**	909	937	(56)	(57)
Attributable to non-controlling equity holders	**4**	–	–	100	100

HEADLINE EARNINGS

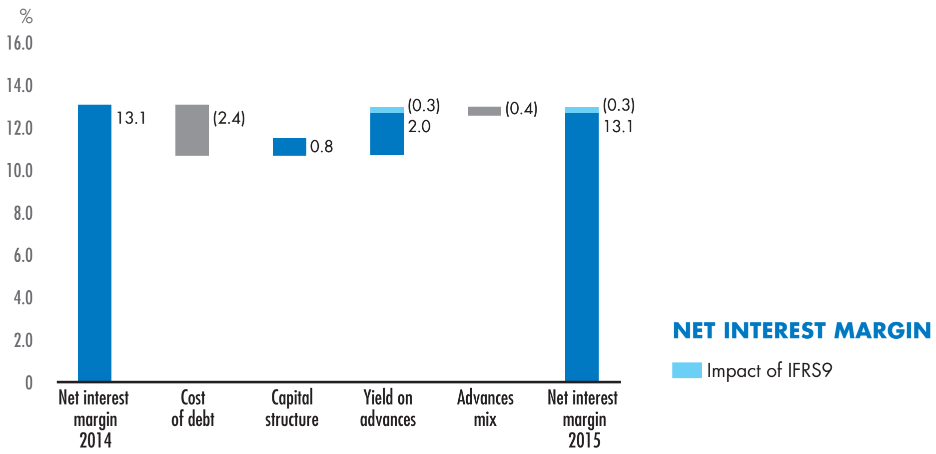
Headline earnings from continuing operations grew 19% from R330* million to R393 million and continuing headline earnings per share increased 20% from 57.3* cents per share to 69.0 cents per share. A combination of incremental contributions from all divisions, in terms of revenue growth and cost containment, underpinned these results.

HEADLINE EARNINGS



NET INTEREST INCOME

Net interest income increased 13%, driven by a 10% growth in gross loans and advances from R6 089 million to R6 713 million and increases in the prime interest rate, offset in part by a higher average cost of borrowings of 10.7% from 10.4% in the 2014 financial year.



The impact of the early adoption of IFRS 9 on the net interest margin is illustrated in the graph above. Interest is now suspended earlier in line with the requirements of IFRS 9, resulting in reduced interest income compared to IAS 39 and a 0.3% decline in the yield on advances and the overall net interest margin.

IMPAIRMENT OF LOANS AND ADVANCES

The group's credit loss ratio improved by 14% to 3.6% in the current year due to effective collection strategies, strict credit origination criteria and an improved quality of repossessed vehicles refurbished by Taximart.

NON-INTEREST REVENUE

Non-interest revenue increased 5% to R1 195 million, driven mostly by MBD's improved agency collections but offset by a more subdued contribution from insurance operations.

OPERATING COSTS

The cost-to-income ratio improved to 64.2% (2014: 67.8%) due to the restructure of the group executive office in the prior year and cost containment and efficiencies in all businesses.

SUMMARISED SEGMENT REPORT

	Asset-backed lending		Risk services	
	2015 Rm	2014 Rm	**2015 Rm**	2014 Rm
Summarised income statement for the year ended 30 September 2015				
Net interest income	**672**	674	**71**	57
Impairment of loans and advances	**(233)**	(317)	**–**	(5)
Non-interest revenue	**242**	250	**953**	861
Operating costs	**(445)**	(408)	**(845)**	(760)
Non-operating profit	**–**	–	**14**	1
Equity accounted (loss)/earnings	**–**	–	**(3)**	3
Profit before tax	**236**	199	**190**	157
Impact of classification to held for sale	**–**	–	**–**	–
Headline earnings from discontinued operations attributable to equity holders of the parent	**–**	–	**–**	–
Headline earnings attributable to equity holders of the parent	**208**	176	**134**	116
Total headline earnings	**208**	176	**134**	116
Summarised statement of financial position at 30 September 2015				
Assets				
Cash and cash equivalents	**594**	209	**57**	84
Loans and advances	**5 703**	5 908	**457**	478
Purchased book debts	**–**	–	**561**	552
Other investments	**343**	238	**–**	–
Other assets and receivables	**888**	534	**299**	276
Total assets	**7 528**	6 889	**1 374**	1 390
Liabilities				
Bank overdrafts	**44**	100	**8**	1
Interest-bearing liabilities	**5 429**	4 788	**467**	504
Group	**1 019**	788	**166**	172
Other liabilities and payables	**134**	195	**246**	223
Total liabilities	**6 626**	5 871	**887**	900
Total equity	**902**	1 018	**487**	490

Group executive office		Group – continuing operations		Discontinued operations		Group	
2015 Rm	2014 Rm	**2015 Rm**	2014 Rm	**2015 Rm**	2014 Rm	**2015 Rm**	2014 Rm
78	83	**821**	814	**–**	–	**821**	814
–	–	**(233)**	(322)	**–**	–	**(233)**	(322)
–	22	**1 195**	1 133	**–**	–	**1 195**	1 133
(5)	(52)	**(1 295)**	(1 220)	**–**	–	**(1 295)**	(1 220)
–	–	**14**	1	**–**	–	**14**	1
–	–	**(3)**	3	**–**	–	**(3)**	3
73	53	**499**	409	**–**	–	**499**	409
–	–	**–**	–	**–**	11	**–**	11
–	–	**–**	–	**–**	10	**–**	10
51	38	**393**	330	**–**	–	**393**	330
51	38	**393**	330	**–**	21	**393**	351
518	1 052	**1 169**	1 345	**–**	–	**1 169**	1 345
–	–	**6 160**	6 386	**–**	–	**6 160**	6 386
–	–	**561**	552	**–**	–	**561**	552
–	–	**343**	238	**–**	–	**343**	238
283	359	**1 470**	1 169	**–**	–	**1 470**	1 169
801	1 411	**9 703**	9 690	**–**	–	**9 703**	9 690
–	–	**52**	101	**–**	–	**52**	101
744	886	**6 640**	6 178	**–**	–	**6 640**	6 178
(1 185)	(960)	**–**	–	**–**	–	**–**	–
20	30	**400**	448	**–**	–	**400**	448
(421)	(44)	**7 092**	6 727	**–**	–	**7 092**	6 727
1 222	1 455	**2 611**	2 963	**–**	–	**2 611**	2 963

DIVISIONAL REVIEW

HEADLINE EARNINGS PER DIVISION

Division	2015 Rm	2014* Rm	Change %	Contribution to headline earnings 2015 %	Contribution to headline earnings 2014 %
Asset-backed lending	**208**	176	18	**53**	50
Risk services	**134**	116	16	**34**	33
Group executive office	**51**	38	34	**13**	11
Headline earnings from continuing operations	**393**	330	19	**100**	94
Headline earnings from discontinued operations	**–**	21	(100)	**0**	6
Headline earnings	**393**	351	12	**100**	100

ASSET-BACKED LENDING – SA TAXI

Financial and operating performance

The asset-backed lending division is the leading provider of financial and allied services to SMEs in the fixed route minibus taxi industry. The division continues to entrench its strong market position encompassing the entire value chain within the fixed route minibus taxi industry, by augmenting its distinctive competencies well beyond credit assessment, collections and capital mobilisation. SA Taxi continues to uplift, diversify and enhance its revenue through the procurement and direct sales of new vehicles, the re-sale of refurbished vehicles and telematics services. Another key component of the value chain from which SA Taxi benefits is its short-term insurance business which continues to grow both its financed and non-financed policy portfolios. New developments include the planned establishment of a dedicated SA Taxi panel repair facility and vehicle dealership, to augment Taximart's refurbishment and direct sales capabilities.

The division is realising its intention to apply its competencies in adjacent markets where it is able to create defensible positions, such as the financing of income-producing vehicles including bakkies used by SMEs as well as metered and Uber point-to-point taxis.

With moderate growth in gross loans and advances, improving credit metrics and a stable net interest margin and cost-to-income ratio, it is evident that SA Taxi's credit, operational and financial performance is robust. The division increased headline earnings by 20% to R212 million (R208 million attributable to ordinary equity holders of the parent) from R176 million in the prior year, by way of a 12% increase in gross loans and advances, no change in the impairment expense, and a continued diversification of its revenue streams. The stable impairment charge despite the growth in loans and advances was driven by improved credit quality and a better construct of its loans and advances, with only 2% being entry-level vehicles.

Credit granting criteria remained conservative and access to new premium vehicles was interrupted from March 2015 onwards due to the temporary closure by Toyota of its local assembly facility for a full plant rebuild. The constrained supply of new Toyota minibus taxis did however provide SA Taxi with an opportunity to re-finance more of its repossessed and refurbished vehicles as well as the recently launched Nissan minibus taxi.

Credit losses have improved from 4.4% in the prior year to 3.9% due to the higher quality of loans and advances, as well as the efficiency of the procurement, repair and resale operations of Taximart (now one of the largest Toyota repair centres in southern Africa).

Continued strong collection trends and the improved quality of repossessed vehicles refurbished by Taximart has resulted in an improved NPL ratio of 18.2%, from 20.5% in the 2014 financial year.

With entry-level vehicles comprising a minimal proportion of loans and advances, Transaction Capital expects the NPL ratio to remain below 20% and the credit loss ratio to remain around 4% over the medium term.

The net interest margin has remained stable at a healthy level of 11.3%, while the cost of borrowing increased slightly from 9.7% to 10.0% due to the recent focus on raising offshore funding which is priced more expensively.

SA Taxi's cost-to-income ratio has improved slightly from 48.9% for the comparative period, and remains lean at 48.7%.

Financial performance		2015 IFRS 9	2014 IFRS 9 Pro forma	2014 IAS 39	Change % IFRS 9	Change % IAS 39
Financial measures						
Net interest margin	%	**11.3**	11.3	11.6	0	(3)
Average cost of borrowing	%	**10.0**	9.7	9.7	3	3
Cost-to-income ratio	%	**48.7**	48.9	44.1	(0)	10
Return on assets (ROA)	%	**3.0**	3.0	2.7	0	11
Credit performance						
Non-performing loans	Rm	**1 138**	1 145	1 731	(1)	(34)
Non-performing loan ratio	%	**18.2**	20.5	27.7	(11)	(34)
Non-performing loan coverage	%	**47.0**	45.9	21.0	2	>100
Credit loss ratio	%	**3.9**	4.4	5.5	(11)	(29)
Provision coverage	%	**8.6**	9.4	5.8	(9)	48
Impairment provision % repossessions	%	**38.7**	31.1	34.4	24	13
Status						
Number of loans	Number	**25 033**	24 346	24 346	3	3
Gross loans and advances	Rm	**6 238**	5 592	6 240	12	(0)
% Leases/repossessions (loans and advances)	%	**96/4**	95/5	95/5		
% Premium/entry-level (gross loans and advances)	%	**98/2**	97/3	84/16		
Originations						
Number of loans originated	Number	**6 005**	6 116	6 116	(2)	(2)
Value of loans originated	Rm	**1 931**	1 855	1 855	4	4
New/existing clients	%	**76/24**	75/25	75/25		
New vehicle originations	Rm	**1 375**	1 400	1 400	(2)	(2)
% Premium/entry-level (disbursements)	%	**100/0**	100/0	100/0		
Average origination value	R	**321 565**	303 303	303 303	6	6

RISK SERVICES – MBD, PRINCIPA, RAND TRUST

Financial and operating performance

The risk services division provides customer management and capital solutions, leveraging its large consumer credit data base, analytical capabilities and technology, thus improving its clients' ability to originate, manage and collect from their customers. The division works with large consumer credit providers across multiple industries, including banking, credit retailers, telecommunications, insurance, specialist lending and the public sector, and provides working capital and commercial receivables management solutions to SMEs.

At the beginning of the 2015 financial year, the executive team of the risk services division was restructured and augmented to facilitate the division's strategic objectives. The reconstitution of this division has yielded promising results, with headline earnings increasing 16%* to R134 million. Despite earnings growth in MBD and Rand Trust exceeding 30%, the disappointing performance of Principa, driven mainly by losses in its Qarar joint venture, significantly tempered performance. For this reason, the Qarar joint venture was sold during September 2015 to Simah, Principa's Saudi joint venture partner, for a profit of R8 million.

The 11% increase in non-interest revenue from R861 million to R953 million during this period, despite the challenging consumer environment, was encouraging. The risk services division continues to make good progress with its existing and newly identified clients, with further benefits being realised from lucrative capital deployment opportunities. Revenue from principal collections increased by 25% to R386 million and revenue from agency collections increased by 16% to R375 million. The division progresses with caution in the municipal sector as most municipalities are in financial distress. Refer to the risk services divisional review starting on **page 18** of this report for a split of revenue per sector.

A continued focus on effective cost management contributed to an improved cost-to-income ratio of 82.5% from 86.9% in the prior year.

Financial performance		**2015 IFRS 9**	2014 IFRS 9 Pro forma	2014 IAS 39	Change % IFRS 9	Change % IAS 39
Financial measures						
EBITDA (MBD and Principa)	Rm	**188**	121	159	55	18
Average cost of borrowing	%	**8.8**	8.8	8.8	0	0
Cost-to-income ratio	%	**82.5**	86.9	82.1	(5)	0
Principal revenue as % of average book value of purchased book debts	%	**75.7**	72.0	58.3	5	30
Assets under management	Rb	**35.4**	31.7	31.7	12	12
Agency	Rb	**19.4**	17.9	17.9	8	8
Principal	Rb	**16.0**	13.8	13.8	16	16
Average book value of purchased book debts	Rm	**510**	466	528	9	(3)
Agency/principal collections revenue split	Value	**49/51**	51/49	51/49		
Status						
Number of agency clients		**81**	68	68	19	19
Number of call centres		**11**	10	10	10	10
Number of collection agents		**2 787**	2 695	2 695	3	3
Employees		**3 265**	3 124	3 124	5	5

GROUP EXECUTIVE OFFICE

The group executive office contributed R51 million to headline earnings in the 2015 financial year, an increase of 34% from the 2014 earnings contribution of R38 million. The increase was largely driven by cost savings as a result of the simplified group office structure as well as increased recoveries of costs from subsidiaries.

ACCOUNTING POLICIES AND ESTIMATES

It is Transaction Capital's objective to ensure that appropriate, understandable and sustainable accounting policies are adopted and implemented, that are aligned with the group's commercial realities, risks and strategies to the greatest extent possible. As discussed earlier in this report, the group has elected to early adopt IFRS 9. There were no further significant changes in accounting policies in the year under review. Accounting estimates have also been assessed for appropriateness and validity.

SUBSEQUENT EVENTS

No events which would have a material impact on either the financial position or operating results of Transaction Capital have taken place between 30 September 2015 and the date of the release of this report.

APPRECIATION

The early adoption of IFRS 9 required a significant team effort by many people across the group. My sincere thanks to the group and operational finance teams for their diligence in ensuring that Transaction Capital is able to provide stakeholders with an accurate and meaningful analysis of its financial and operating performance, in line with the objectives set at the time of listing the group.

MARK HERSKOVITS

26 January 2016

HOW WE'RE MANAGED

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Remuneration report 79

GOVERNANCE REPORT

THE TRANSACTION CAPITAL BOARD OF DIRECTORS IS THE FOCAL POINT OF ITS CORPORATE GOVERNANCE SYSTEM. THE GROUP FOLLOWS A STAKEHOLDER-INCLUSIVE APPROACH TO GOVERNANCE, WITH THE BOARD BEING ULTIMATELY RESPONSIBLE AND ACCOUNTABLE TO STAKEHOLDERS FOR THE PERFORMANCE, ACTIVITIES AND CONTROL OF THE GROUP.

The board maintains a high level of individual and collective responsibility, accountability, fairness and transparency, which together drive a culture of risk awareness, ethical behaviour and value creation.

The board is responsible for strategic direction and sets the group's values and ethics charter. The group's values, set out on pg **page 8**, provide the foundation for effective leadership and are the basis for all deliberations, decisions and actions at board level as well as within every area of the business.

BOARD OF DIRECTORS

THE BOARD PROVIDES EFFECTIVE AND RESPONSIBLE LEADERSHIP BASED ON AN ETHICAL FOUNDATION BY DIRECTING STRATEGY AND OPERATIONS IN A WAY THAT SUPPORTS SUSTAINABLE BUSINESS, WHILE CONSIDERING THE SHORT- AND LONG-TERM IMPACTS ON SOCIETY, THE ENVIRONMENT AND STAKEHOLDERS.

The board is responsible for appointing the chief executive officer (CEO) and for monitoring his management of the performance of Transaction Capital's assets and resources against approved strategic and financial objectives.

The board recognises that strategy, risk, performance and sustainability are inextricably linked. The board informs and approves the strategy and ensures that it is aligned to the purpose of the group, its value drivers and the legitimate interests and expectations of its stakeholders.

The board is specifically responsible for monitoring the management of risks in the reputational and sustainability risk categories of the enterprise-wide risk management framework. Details of risk categories managed by the board sub-committees are included in the risk report starting on pg **page 70**.

The board delegates specific responsibilities to appropriately mandated and constituted sub-committees, which are set out on pg **page 67**. The audit, risk and compliance (ARC) committee and the social and ethics committee both fulfil the statutory governance requirements on behalf of Transaction Capital and its businesses.

The board acts as the custodian of governance and has approved a formal charter that sets out its responsibilities in this regard.

The board is satisfied that it has discharged its duties and obligations during the year under review.

KING III

TRANSACTION CAPITAL'S GOVERNANCE STRUCTURES ARE IN ACCORDANCE WITH THE PRINCIPLES AND RECOMMENDED PRACTICES, WHERE APPLICABLE, OF THE KING CODE ON GOVERNANCE PRINCIPLES FOR SOUTH AFRICA 2009 (KING III).

In addition, the board is committed to complying with all legislation, regulations and best practices relevant to the group. The board regards the process of analysing and monitoring adherence to adopted governance standards as dynamic and endeavours to continually improve the governance structures within the group.

The directors are not aware of material non-compliance with the principles as set out in King III, other than the following exception:

- *Principle 9.3 Sustainability reporting and disclosure should be independently assured:*
  Although a process for independent assurance of sustainability-related information and disclosure has not been implemented, a sustainability policy has been approved by the board and adopted by the group. In addition, the ARC committee oversees the preparation of the Integrated Annual Report, with certain sections being reviewed by the external and internal auditors where appropriate.

GOVERNANCE AND COMPLIANCE FRAMEWORK

TRANSACTION CAPITAL'S GOVERNANCE AND COMPLIANCE FRAMEWORK FACILITATES THE BOARD'S ROLE OF PROVIDING DIRECTION AND OVERSIGHT. IT SETS A HIGH LEVEL OF ACCOUNTABILITY TO SUPPORT CONSISTENT COMPLIANCE WITH REGULATORY REQUIREMENTS AND THE GROUP'S RISK APPETITE, AND AT THE SAME TIME ENCOURAGES AN ENTREPRENEURIAL MINDSET AS A KEY DRIVER OF PERFORMANCE.

Each of Transaction Capital's operating businesses has its own board of directors, and each business's governance processes are aligned to Transaction Capital's governance framework, which appropriately allocates various levels of authority to individuals and committees throughout the group structure. The activities of each business's board include reviewing and providing opinions on the corporate strategy, business plans, risk propensity, budgets and sustainability of their respective businesses. The strategies, business plans and performance criteria for each business are clearly defined, with appropriate key performance indicators having been implemented to measure and monitor performance against their strategies.

The composition of each business's board includes non-executive directors, some of whom may be executive or non-executive directors of Transaction Capital. Directors of these boards are of sufficient calibre, experience and number for their views to carry significant weight in the decisions of the group CEO, divisional CEOs and individual business CEOs.

BOARD APPOINTMENTS, EVALUATIONS AND PROCESSES

TRANSACTION CAPITAL'S BOARD COMPRISES THE FOLLOWING MEMBERS:

INDEPENDENT NON-EXECUTIVE DIRECTORS

- Christopher Seabrooke (chairman)
- Phumzile Langeni
- Dumisani Tabata
- David Woollam

Shaun Zagnoev resigned as an independent non-executive director on 8 December 2015.

NON-EXECUTIVE DIRECTOR

Roberto Rossi

EXECUTIVE DIRECTORS

- David Hurwitz (CEO)
- Mark Herskovits (chief financial officer) (CFO)
- Jonathan Jawno (executive director)
- Michael Mendelowitz (executive director)

See **page 34** for the biographies of group directors.

In compliance with King III, Transaction Capital's board at the date of this report comprises nine directors, being:

- Five non-executive directors (four of which are independent).
- Four executive directors.

CHAIRMAN

Christopher Seabrooke is the independent non-executive chairman of the Transaction Capital board and is responsible for leading the board in fulfilling its mandate. The offices of chairman and CEO are separate. The board appoints the chairman from among its members annually and, together with the nominations committee, is responsible for the succession plan of the chairman. The chairman's performance is reviewed as part of the board's annual self-assessments.

CHIEF EXECUTIVE OFFICER

David Hurwitz is the group CEO, responsible for the leadership of Transaction Capital and the implementation of the strategies, structures and policies adopted by the board. The board appoints the CEO and sets the terms of his employment contract.

The board and its sub-committees have delegated authority to the CEO and management in line with the approved authority framework. Each year during November, the chairman and company secretary facilitate a formal performance appraisal of the CEO comprising an evaluation by each director.

COMPANY SECRETARY

In December 2014 Ronen Goldstein replaced Peter Katzenellenbogen as company secretary. Ronen is a chartered accountant (SA) and CFA charter holder, and has been a member of Transaction Capital's company secretarial team since his employment with the group in April 2012. The board is satisfied that his qualifications, experience and competence are adequate for his position.

All directors have access to the services and advice of the company secretary, who supports the board as a whole and the directors individually in fulfilling their duties.

The company secretary is required to fulfil his duties under the Companies Act and the JSE Listings Requirements, and to ensure that appropriate procedures and processes are in place for board proceedings. He is a resource in the group on governance, ethics and legislative changes. He is entitled to obtain independent advice to achieve these objectives.

The board confirms that the company secretary is not a director of the group and maintains an arm's length relationship with the board.

SKILL, EXPERTISE AND EXPERIENCE REQUIREMENTS

The directors bring independent judgement and experience to the board's deliberations and decisions. Non-executive directors are chosen based on the appropriateness of their business skills and expertise to the strategic direction of the group. The nominations committee and the board take into account the diversity of academic qualifications, technical expertise, industry knowledge, experience, business acumen, race and gender when board appointments are considered.

APPOINTMENT AND INDUCTION PROCESS

The nominations committee assists with identifying suitable board members and performs background and reference checks prior to their appointment. No one individual or group of individuals has unfettered powers of decision-making. New directors are introduced to Transaction Capital through a formal induction programme which is the responsibility of the company secretary and, where appropriate, consists of an information pack, detailed discussions on the environment and operations of each of the major businesses as well as site visits.

CONSULTATION PROCESS

Directors are encouraged to take independent advice, where necessary, for the proper execution of their duties and responsibilities. This is done at Transaction Capital's expense, after consultation with the chairman. In addition, directors have unrestricted access to the group's auditors and professional advisers, and to the advice and services of the company secretary.

After advising the CEO of their intention to do so, directors may attend any committee or subsidiary board meeting and have unrestricted access to any executive, manager or employee in the group as well as to any information generated by the group.

ASSESSMENT OF THE EFFECTIVENESS OF THE BOARD AND ITS COMMITTEES

A formal performance evaluation of the board and its committees is conducted annually by means of a self-evaluation questionnaire, to review the mix of skills, performance during the year, contribution and independence of individual directors and the effectiveness of committees. Results of the evaluations provide the basis for improvement of the board and its committees for the following year.

Based on the annual evaluations undertaken during November 2015, the board is satisfied that:

- All directors are committed to their roles and are performing to acceptable standards.
- The board and its committees are effective and operating to an appropriate standard.
- The group's risk management processes are operating effectively.
- All directors and committee members have the appropriate qualifications, experience and skills required to fulfil the respective committee's mandate.
- Independent non-executive directors meet the criteria for independence in terms of King III.
- The expertise, performance and experience of the chairman, CEO, CFO and company secretary are adequate.

SUCCESSION PLANNING

The nominations committee is responsible for formulating the formal succession plans of the board, the CEO and the CEO's direct reports. The committee reviews these succession plans annually. On approval of the succession plans, the CEO conducts alignment discussions with potential successors, where necessary, which may result in direct development interventions.

BOARD SUB-COMMITTEES

THE GOVERNANCE FUNCTION OF THE BOARD SUB-COMMITTEES IS OUTLINED IN THE RESPECTIVE APPROVED COMMITTEE TERMS OF REFERENCE. A BRIEF DESCRIPTION OF EACH COMMITTEE'S MANDATE CAN BE FOUND AT WWW.TRANSACTIONCAPITAL.CO.ZA.

Included in each committee's terms of reference is the imperative to enhance the standard of governance within the group together with clearly defined authority delegation and reporting procedures. The board receives formal feedback from the chairman of each committee at each board meeting. Copies of the minutes of committee meetings are included in board documentation.

Board sub-committees

	NOMINATIONS	REMUNERATION	SOCIAL AND ETHICS	AUDIT, RISK AND COMPLIANCE
CHAIRPERSON	Christopher Seabrooke[1]	Dumisani Tabata[1]	Phumzile Langeni[1]	David Woollam[1]
MEMBERS	Dumisani Tabata[1] Roberto Rossi[2]	Christopher Seabrooke[1] Jonathan Jawno[3]	David Hurwitz[3] Mark Herskovits[3]	Phumzile Langeni[1] Christopher Seabrooke[1]
FUNCTIONS MANAGED	People Succession	People Remuneration	Transformation Sustainability Ethics	Accounting/tax/compliance Information technology Internal audit Funding/capital Operational Credit
NUMBER OF MEETINGS PER YEAR	At least two	At least two	At least two	At least three
COMPOSITION	Non-executive directors, the majority of whom are independent. The chairperson is the independent non-executive chairman of the board.	A majority of independent non-executive directors.	The chairperson is an independent non-executive director.	Independent non-executive directors.

1 Independent non-executive director. 2 Non-executive director. 3 Executive director.

BOARD MEETINGS

DIRECTORS ARE REQUIRED TO ATTEND ALL BOARD MEETINGS. THE BOARD FOLLOWS A FORMAL WORK PLAN THAT INCLUDES STRATEGY, OPERATIONAL PERFORMANCE, RISK AND GOVERNANCE. PROGRESS AGAINST THE GROUP'S STRATEGIC OBJECTIVES IS REPORTED ON AT EACH MEETING.

The company secretary is responsible for circulating the agenda and other meeting papers in good time. Formal board papers are prepared for each item on the meeting's agenda, including reports by the executive office. At least four board meetings are held annually, one of which includes a strategic review.

Board and committee meeting attendance in the year under review was as follows:

		BOARD	AUDIT, RISK AND COMPLIANCE	NOMINATIONS	REMUNERATION	SOCIAL AND ETHICS
No. of meetings held for the year		**4**	**3**	**2**	**2**	**2**
Board members	Status					
Christopher Seabrooke	Independent non-executive	4	3	2	2	–
Phumzile Langeni	Independent non-executive	4	3	–	–	2
Dumisani Tabata	Independent non-executive	3	–	2	2	–
David Woollam	Independent non-executive	4	3	–	–	–
Shaun Zagnoev•	Independent non-executive	4	3^	2^	2^	–
Roberto Rossi	Non-executive	4	–	2	2^	–
David Hurwitz	Executive	4	3^	2^	2^	2
Mark Herskovits	Executive	4	3^	2^	2^	2
Jonathan Jawno	Executive	4	2^	2^	2	–
Michael Mendelowitz	Executive	4	–	2^	2^	–
Peter Katzenellenbogen#	Company secretary	1^	1^	–	–	–
Ronen Goldstein*	Company secretary	4^	3^	2^	2^	2^

• *Shaun Zagnoev resigned as an independent non-executive director with effect from 8 December 2015.*
Peter Katzenellenbogen retired as company secretary on 30 November 2014.
* *Ronen Goldstein was appointed as company secretary with effect from 1 December 2014.*
^ *Invitee.*

COMPLIANCE

REGULATORY COMPLIANCE IS NON-NEGOTIABLE. THIS APPROACH IS EXPLICITLY ARTICULATED IN TRANSACTION CAPITAL'S VALUES AND ETHICS CHARTER.

The board pro-actively oversees the review of the group's systems of control and governance. It also continuously recommends enhancements to ensure that each business is managed ethically, in compliance with legislative requirements and in line with best practice governance guidelines.

Suitably qualified compliance officers are employed in the businesses that have high levels of regulatory compliance requirements, interaction and reporting. The roles of the compliance officers are to:

- Identify the applicable legislative, regulatory and governance requirements.
- Prepare relevant monitoring programmes relating to the above-mentioned requirements.
- Recommend improvements to the functional heads within the businesses, and assist with implementation.

Quarterly compliance reports are submitted by the businesses to the group legal and compliance function, which in turn prepares a consolidated compliance report which is submitted to the ARC committee for consideration.

The businesses affected by proposed new legislation have actively engaged legal counsel to garner advice on the application and implementation thereof and the potential effect on their respective businesses. No fines or non-monetary sanctions for non-compliance were levied against any business in the group during the year.

REGULATORY ENVIRONMENT

DUE TO THE NATURE OF ITS BUSINESSES, THE GROUP IS SUBJECT TO A RANGE OF REGULATIONS AND LEGISLATION INCLUDING, WITHOUT LIMITATION:

- National Credit Act (NCA).
- Debt Collectors Act (DCA).
- Insurance-related legislation including the Financial Advisory and Intermediary Services Act (FAIS), the Short-term Insurance Act and Long-term Insurance Act.
- Financial Intelligence Centre Act (FICA).
- Consumer Protection Act (CPA).
- Competition Act.
- Legislation relating to the corporate affairs of the group, including the Companies Act, the Financial Markets Act (FMA), the JSE Listings Requirements and the JSE Debt Listings Requirements.
- Tax-related legislation including the Income Tax Act and the Value-Added Tax Act.
- Labour-related legislation including the Labour Relations Act, the Basic Conditions of Employment Act and the Employment Equity Act.
- Second-Hand Goods Act.

Compliance with the letter and spirit of all laws, regulations and codes is required. The board, supported by the ARC committee, is responsible for keeping abreast of changes to the legislative landscape.

Transaction Capital Limited (the legal entity) does not employ any employees, and as such no employment equity statistics for this entity have been included in this report.

INTERNAL AUDIT

THE PURPOSE, AUTHORITY AND RESPONSIBILITY OF THE INTERNAL AUDIT FUNCTION IS DEFINED IN THE INTERNAL AUDIT CHARTER, WHICH IS ALIGNED WITH THE REQUIREMENTS OF THE INTERNATIONAL STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING AND OF KING III.

The group internal audit, fraud and ethics executive reports administratively to the Transaction Capital CEO and functionally to the ARC committee chairman. Internal audit has remained independent of all operational functions.

The role of internal audit is to support the achievement of strategic objectives (and the supporting operational, financial and compliance objectives) through a systematic, disciplined approach to evaluating and recommending improvements that serve to increase the effectiveness of internal controls, risk management and governance processes. The annual internal audit plan is based on an assessment of risk areas identified by internal audit and management and is updated as appropriate to ensure it is responsive to changes in the business.

In accordance with Transaction Capital's combined assurance model, internal audit continues to liaise with external audit and other identified assurance providers to effectively assure against key risks.

ETHICS

THE TRANSACTION CAPITAL ETHICS CHARTER REQUIRES ALL GROUP OPERATIONS TO CONDUCT THEIR BUSINESS WITH HONESTY, INTEGRITY AND IN ACCORDANCE WITH THE HIGHEST LEGAL AND ETHICAL STANDARDS.

The charter aligns the requirements for ethical conduct with the group's key principles and values, guiding stakeholders in how to act in accordance with these values.

The board reviews the charter annually, which is supported by a group ethics strategy, awareness framework and governance policies. Transaction Capital has an independent whistle blowing hotline operated by an external service provider. Reports can be made anonymously through the hotline and reports are directed to the group ethics officer for escalation or investigation. In addition, reporting of unethical or fraudulent behaviour to line management and the respective human resources departments of the group's businesses is encouraged.

RISK REPORT

THE PRIMARY SOURCES OF RISK TRANSACTION CAPITAL IS EXPOSED TO STEM FROM THE CONDITION OF THE FINANCIAL SERVICES SECTOR, THE GROUP'S BUSINESS OPERATIONS AND TO A LESSER EXTENT THE MACRO-ECONOMIC ENVIRONMENT.

For more on regulatory developments impacting the financial services environment in which the group operates, see the CEO's report to stakeholders starting on **page 42**.

For an overview of the funding markets, see the CFO's report to stakeholders starting on **page 46**.

For more on the macro-economic environment and its impact on the group, see the CEO's report to stakeholders starting on **page 42**.

During the year the group early adopted IFRS 9, as revised in July 2014, to replace IAS 39. IFRS 9's more conservative provisioning methodologies compared to IAS 39 have resulted in a de-risked balance sheet, with healthier provisions and more coverage of the loan portfolios. Increased provisions have resulted in a decrease in equity, but no impact on the profits or cash flows of the group.

The adoption also requires the group to measure the asset-backed lending division's entry-level vehicles at fair value, which resulted in a write-down of the value of these vehicles. Entry-level vehicles now account for a significantly smaller portion of the loan book (only 2%), resulting in improved credit metrics which are sustainable in the medium term.

For more on credit metrics, see **page 74** of this report.

For more on the financial impact of the adoption of IFRS 9, see the CFO's report to stakeholders starting on **page 46**.

APPROACH TO RISK MANAGEMENT

Transaction Capital defines risk as uncertain future events that could influence its ability to achieve its objectives. Risk is quantified by the combination of the probability of an event occurring and the consequence thereof.

Risk is a condition in which the possibility of loss is inextricably linked to uncertainty. Thus a detailed framework for managing risk is required to facilitate rational decision-making under uncertain circumstances.

Risk management entails the deliberate planning, arranging and controlling of activities and resources to minimise the negative impact of all risks to levels that can be tolerated by the board, and to maximise potential opportunities and positive impacts of all risks in the pursuit of achieving the group's strategic objectives.

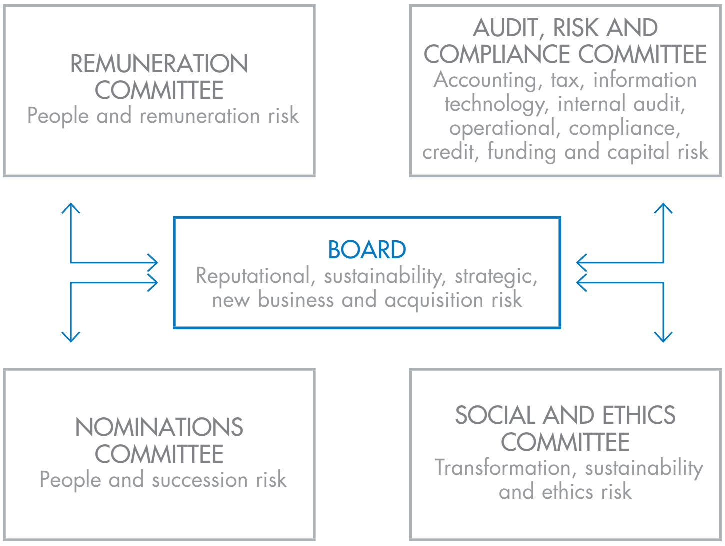
Risk tolerances are determined by each of the group's businesses and approved and monitored by the audit, risk and compliance (ARC) committee.

RISK FRAMEWORK AND THE GOVERNANCE OF RISK

The board is ultimately responsible for the governance of risk. It delegates to respective board committees and management the responsibility to ensure that the group manages risks appropriately, and monitors such management on a quarterly basis.

In terms of the enterprise-wide risk management framework, the board itself retains responsibility for monitoring reputational and sustainability risk, while the monitoring of all other risks is assigned to sub-committees with continuous board oversight, in line with the overall governance structure. The risk framework specifically identifies the following risk categories as comprising the group's risk universe reflected under the responsible body:

RISK UNIVERSE



Risks are recorded in a risk register for each subsidiary, significant business function (such as the capital markets team) and for the group as a whole, and are reported to and discussed with the ARC committee. The profile of each risk details the nature of the threats the group faces, their impact on the business (taking into account financial and non-financial effects) and the likelihood of occurrence, and incorporates information pertaining to the level of controls in place and corrective actions either required or in place.

The group considers financial risk against targets according to a return on equity (ROE) model, which is considered appropriate as the group's sustainability is founded on profit measures coupled with appropriate capital structures. In this regard, capital structure is managed centrally between the executive, capital markets, risk and treasury teams.

Ongoing engagement with stakeholders ensures that external views are represented in the risk identification process. For the purpose of risk identification, stakeholders are prioritised according to their influence, the time and effort the group invests in managing the relationship, and the group's dependency on them. Transaction Capital's sustainability policy sets out the responsibility for overseeing the relationship with each stakeholder group.

Engagement with stakeholders is considered and discussed at board level. Group-wide stakeholder engagement is reported on at each social and ethics committee meeting, the minutes of which are included in the board packs ahead of quarterly board meetings. A stakeholder engagement report is submitted to the board bi-annually.

SIMPLIFIED RISK FRAMEWORK

TOP RISKS

TOP RISKS ARE IDENTIFIED THROUGH THE ENTERPRISE RISK MANAGEMENT (ERM) PROCESS. THE GROUP'S TOP RISKS, MITIGATING ACTIONS AND RELATED STAKEHOLDER CONCERNS ARE AS FOLLOWS:

	1	2	3	4
RISKS	UNCERTAIN REGULATORY ENVIRONMENT AND THE RISK THAT REGULATORS MAY PERCEIVE THE GROUP'S BUSINESSES TO BE ENGAGING IN UNETHICAL OR UNLAWFUL BUSINESS PRACTICES.	ACQUISITION RISK, INCLUDING THE ABILITY TO IDENTIFY, IMPLEMENT AND INTEGRATE POTENTIAL ACQUISITIONS.	RISK OF REDUCED ROE FOLLOWING DISPOSAL OF SUBSIDIARIES.	PUBLIC SECTOR FINANCES ARE GENERALLY IN A POOR STATE, MAKING IT A CLASS OF COUNTER-PARTY WHICH NEEDS TO BE MANAGED CLOSELY TO ENSURE PAYMENTS ARE RECEIVED TIMEOUSLY (MBD).
MITIGATION	■ The group has representation on a number of industry bodies, to maintain a view of the future direction of the regulatory environment. ■ Compliance functions are embedded within the businesses which have high levels of regulatory compliance requirements as a resource for regulatory compliance information and to guide against regulatory breaches. ■ The group legal function partners with the businesses to provide guidance on the interpretation of legal and regulatory requirements and facilitates the process of obtaining independent views from attorneys and senior counsel, where doubt exists in the interpretation of regulatory requirements.	Managed by ensuring that: ■ Transactions are aligned to Transaction Capital's acquisition strategy. ■ A sound financial and business case motivates each potential acquisition. ■ A good cultural fit exists. ■ The acquisition could be funded through an appropriate combination of debt and equity which would result in an appropriate risk-adjusted return. ■ The target is not inappropriately exposed to regulatory, compliance or other risks.	■ The group is actively engaged in various organic growth and acquisitive opportunities for the deployment of excess capital.	■ Management engages regularly with the relevant parties in the public sector to ensure compliance with agreement terms.
STAKEHOLDER CONCERNS	■ Transaction Capital's ability to effectively and efficiently respond to regulatory uncertainty and change. ■ The impact of regulatory uncertainty and change on the sustainability of the business.	■ Inability to conclude appropriate acquisitions. ■ An acquisition is concluded but is not accretive (i.e. potential to destroy value).	■ Transaction Capital's inability to generate returns on invested capital to meet shareholder requirements.	■ Bad debts arising.

5	6	7	8
THE ABILITY TO ADEQUATELY SERVICE PURCHASED BOOK DEBTS TO GENERATE THE APPROPRIATE RETURNS (MBD).	IN THE FACE OF DIFFICULT ECONOMIC CONDITIONS, NOT ACHIEVING REQUIRED NEW BUSINESS ORIGINATION RATE TO COMPENSATE FOR LOSS OF EXISTING CLIENTS (RAND TRUST).	NON-AUTHENTICATED EARLY DEBIT ORDER (NAEDO): AUTHENTICATED DEBIT ORDERS WILL BE PHASED OUT OVER A PERIOD OF TIME. AUTHENTICATION REQUIRED DIRECTLY FROM DEBTOR.	FUNDING AND CAPITAL.
Significant operational intervention through: ■ Investment and development of technology infrastructure to further improve collections. ■ Higher-calibre business analytics. ■ Enhanced training of employees at all levels, from basic skills to Harvard graduate programmes. ■ Expanding the call centre and appointing new collection agents.	This is managed through: ■ Client relationship frameworks being implemented. ■ Strategic alliances. ■ New products being developed and implemented. ■ Increased presence in Johannesburg from a management and operations perspective to align with revenue split.	■ Investigating and implementing other options such as normal debit order and other payment channels. ■ Attending all discussion fora pertaining to NAEDO.	■ Liquidity is unlikely to be a risk in the short term due to the group's current excess capital position. ■ The capital markets team monitors liquidity continuously. ■ The capital markets team reports to the ARC committee through the assets and liabilities committee (ALCO), which meets quarterly. ■ Concentration and roll-over risk is actively managed by ALCO.
■ Generating the appropriate return on funds invested to buy purchased books.	■ Loss of revenue.	■ Lower collection success leading to loss of revenue.	■ Lack of availability of funding lines.

MANAGED RISKS

Managed risks refer to those included in the prior year that have been successfully managed to the extent that they no longer represent a top risk:

RISKS	HOW THEY ARE MANAGED
DECLINING B-BBEE RATING DUE TO CHANGES IN LEGISLATION.	■ Two transactions were finalised, with a broad-based black economic empowerment (B-BBEE) trust taking an ownership stake in MBD and Principa respectively. The group now has satisfactory ratings under the revised codes.
RISK OF INSURANCE SUBSTITUTIONS (SA TAXI).	■ The SA Taxi insurance business is well established, with the financed and non-financed portfolios both showing growth in number of premiums.
RISK OF NOT ACHIEVING SCALE UNDER THE RESTRUCTURED GROUP.	■ The group has achieved organic growth in headline earnings of 19% in the 2015 financial year and this is expected to continue into the future.

KEY RISKS

Key risks are those risks that require specific and ongoing operational, governance and strategic management. Key risks are different from top risks (set out on **page 72** to **73**) as they are expected to be ongoing due to the strategy and business model of the group, while top risks are identified through the ERM process.

Transaction Capital's key risks are detailed in the sections that follow:

CREDIT RISK

Credit risk, or default risk, relates to the lender's risk of loss arising from a borrower who does not pay its full contractual instalment. In the case of Transaction Capital, as a result of its target market, the risk of non-payment is higher than for traditional lenders. This heightened credit risk is controlled by substantial operational capacity, coupled with a higher risk-adjusted yield.

The adoption of IFRS 9 has resulted in the recognition of credit losses utilising an expected loss model, meaning that losses are recognised prior to actually being incurred, resulting in more conservative credit metrics than in prior years.

The loss allowance for a financial instrument is measured at the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. Purchased books are considered credit-impaired assets that are specifically impaired (stage 3) and are measured using lifetime expected credit losses from the onset. These assets remain in stage 3 for the duration of the financial instrument.

At group level, credit risk is monitored by the ARC committee, while each of the lending subsidiaries has its own credit committee responsible for credit risk, which meets at least monthly.

Aspects of credit risk that are monitored include changes to origination strategies, new business approvals and collections strategy and performance.

The group has limited exposure to a single counterparty, with the largest exposure to a single borrower being negligible as a percentage of assets exposed to credit risk. The largest indirect exposure to any single counterparty group is the minibus taxi industry in general.

During the year, the group continued to lend to lower-risk applicants as well as produce high quality refurbished vehicles in Taximart, both of which improved the non-performing loan (NPL) ratio.

In MBD, purchased book debts have inherent credit risk and this is reflected in the heavily discounted purchase price to face value. The approval of an investment in a new purchased book debt involves the operating division's executive committee, the group CEO, CFO and executive directors.

Credit risk is managed operationally at the time of origination and in terms of collections thereafter. MBD has entered into a collection agreement with various public-sector counterparties. Collections from these arrangements are monitored closely as the current state of public sector finances is poor.

The cost of the risk relating to SA Taxi and Rand Trust is calculated below.

	SA Taxi 2015	Rand Trust 2015
Interest income % average gross loans and advances	21.6	27.9
Interest expense % average gross loans and advances	(10.3)	(9.3)
Net interest income % average gross loans and advances (net interest margin)	11.3	18.6
Impairment expense % average gross loans and advances (cost of credit)	(3.9)	(0.5)
Risk-adjusted net interest income % average gross loans and advances	7.4	18.1

Provisions and non-performing loans			2015 IFRS 9	2014 IFRS 9 Pro forma	2014 IAS 39	2013 IAS 39
SA Taxi	Non-performing loan ratio	%	**18.2**	20.5	27.7	31.0
	Provision coverage	%	**8.6**	9.4	5.8	5.7
	Non-performing loan coverage	%	**47.0**	45.9	21.0	18.4
	Credit loss ratio	%	**3.9**	4.4	5.5	5.4
	Net repossession stock value	Rm	**227**	158	313	380
Rand Trust	Credit loss ratio	%	**0.5**	0.5	0.7	0.5

SA Taxi

The NPL ratio decreased from 20.5% to 18.2% and the credit loss ratio decreased from 4.4% to 3.9%. Excellent collections, improved quality and quantity of refurbished vehicles and maintaining tight lending criteria have all contributed to these improved metrics. In addition, the efficiency of Taximart in producing refurbished vehicles has resulted in the loss given default reducing from 30% to 28%.

NPLs continued to improve in both the new and refinanced portfolios due to the strategic imperative to increase the quality of refurbished vehicles via Taximart, targeting lower credit risk when financing new and pre-owned vehicles; and improved customer relations and collections initiatives.

The business continues to rely on Toyota minibus taxis for new vehicle originations, thus potential shortages of these vehicles could negatively impact the business. This risk manifested in the 2015 financial year when Toyota's plant underwent a refurbishment process, which impacted the level of new vehicle originations. The dominance of Toyota supports a stable market value for the sale of repossessed refurbished vehicles, which underpins the credit model. The business is continually diversifyng its product lines to counter the reliance on Toyota minibus taxis including increasing its focus on light commercial vehicle ("bakkies") originations, working with Nissan to ensure their minibus taxi vehicle market is sustainable, increasing the supply of repossessed refinanced Toyota minibus vehicles to meet demand not met by new vehicles, and entering into the metered taxi market.

Rand Trust

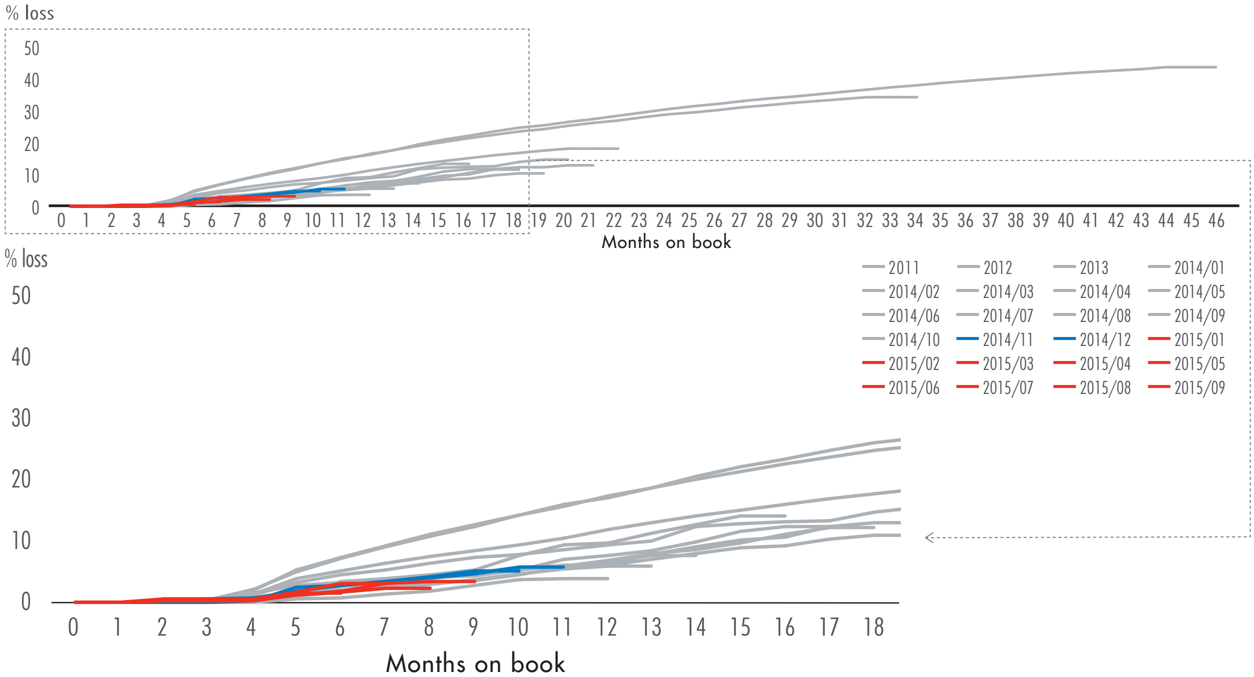
Rand Trust's decades-old business model has continued to prove robust, with a low credit loss ratio of 0.5% for the year under review.

NON-PERFORMING LOANS

Through analysis, loan portfolios are divided into performing loans and non-performing loans. As the group's assets are developmental in nature, in terms of the traditionally under-served market segments they lend to, a higher than average level of arrears is expected. The group's impairment provision models take into account both contractual default and recent payment history. Provisions are held against financial assets to cover expected losses in terms of IFRS 9.

NPLs are further monitored through vintage analysis:

SA TAXI VINTAGE ANALYSIS

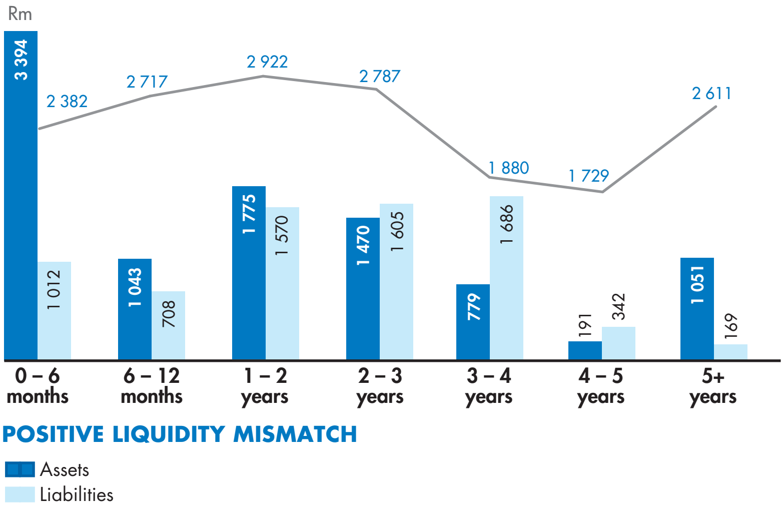


LIQUIDITY RISK

Liquidity risk arises when a borrowing entity within the group does not possess adequate cash resources to meet its payment obligations as they fall due, or can only access liquidity on materially disadvantageous terms.

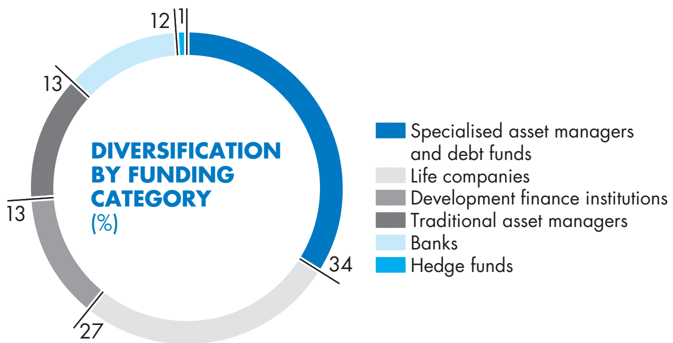
Liquidity risk in the group is primarily controlled through cash-flow matching. This is achieved through setting the duration and repayment terms of debt facilities at the time of issue to suit the projected cash inflows from assets, and through careful monitoring and management of the maturity of debt that has a lump-sum payment due at maturity, where these exist.

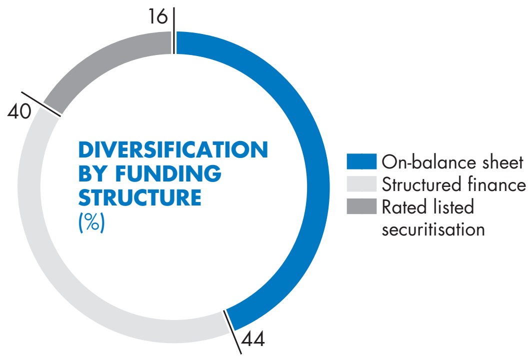
The positive liquidity mismatch graph illustrates a liquidity mismatch favourable to debt investors where asset receipts occur in advance of debt payments, resulting in reduced liquidity risk.



POSITIVE LIQUIDITY MISMATCH

The group's funding strategy is directed by the funding requirements established in the operating divisions' budgets and forecasts and approved by the board. A debt strategy is in place for each operating subsidiary, taking into account its business needs, the demands of the debt markets and the requirements of specific debt investor mandates. This results in a well-diversified funding base.





CAPITAL RISK

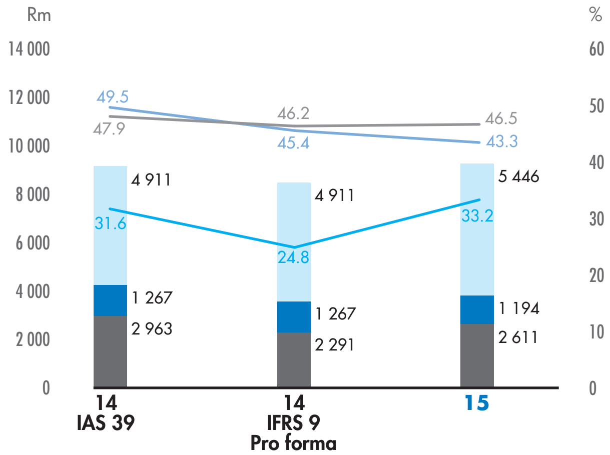
Capital risk is the risk that the group will have insufficient capital to absorb losses and fund its growth.

The businesses in the group are not subject to regulatory capital adequacy requirements. Capital is managed using internally generated capital adequacy models, taking into account targeted growth rates, return on equity, contractual financial covenants, stress testing and targeted credit ratings.

Equity capital is raised at group level, and then allocated to the various subsidiaries based on the capital requirements for each funding structure. Goodwill is not included in assets and is deducted from capital in line with market practices when calculating the capital adequacy ratio.

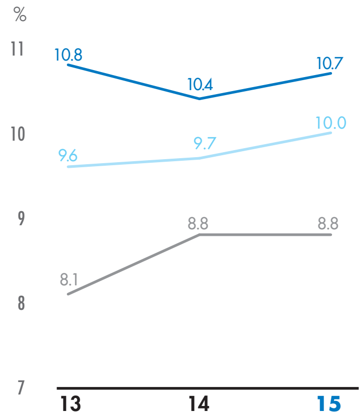
The group's resources at year-end include excess capital of R800 million, which remains available for appropriate acquisitions, development and organic growth.

The cost of borrowing increased in the year under review due to a meaningful proportion of funding being raised from international investors, in line with the strategy to diversify the funding base. Loans denominated in foreign currency are all fully hedged as Transaction Capital does not take exchange rate risk. The associated hedge costs have contributed to the increase in the cost of borrowings.



CAPITAL ADEQUACY RATIO

- Equity (Rm)
- Subordinated debt (Rm)
- Senior debt (Rm)
- Capital adequacy ratio – asset-backed lending (%)
- Capital adequacy ratio – group (%)
- Capital adequacy ratio – risk services (%)



COST OF BORROWING

- Group
- Asset-backed lending
- Risk services

INTEREST RATE RISK

Interest rate risk is the risk that arises from fluctuating interest rates.

The group typically manages interest rate risk through risk-adjusted excess spread, where asset yields are sufficient to absorb movements in interest rates as well as interest rate risk strategies.

The group's general interest rate risk management strategy is to match the re-pricing characteristics of assets to liabilities, thus if a division originates floating-rate assets it should issue floating-rate debt or hedge accordingly.

Each business can, however, deviate from this policy, subject to ARC committee approval. In this instance, the committee reviews the decisions of management and can exercise its discretion to change these decisions if it considers the risk to be out of line with the group's risk tolerance and interest rate forecast. Strategies, including hedging, are used to limit losses arising from interest rate basis risk or to take advantage of structurally low rates. Hedge accounting is applied to remove unnecessary volatility from the income statement.

The group prepares an interest rate forecast quarterly that is approved by ALCO and is used for budgets, forecasts and interest rate decision-making purposes. The committee monitors the sensitivity of the group's net interest income in response to a parallel yield curve shift. Hedges are considered where undue volatility in earnings can materialise.

OPERATIONAL RISK INCLUDING PEOPLE RISK

To manage operational risk, the group adopts specific operational risk practices that assist management to understand the risks and reduce the risk profile, in line with the group's risk appetite. The objective in managing operational risk is to increase the efficiency and effectiveness of the group's resources, minimise operational losses and exploit opportunities.

People risk relates to the risk of inadequate management of human capital practices, policies and processes, resulting in the inability to attract, manage, develop and retain competent resources. People risk includes inadequate recruitment procedures for screening employees, training and change management programmes and human resource and succession planning policies.

The group's people risk measures are as follows:

People metric measured	SA Taxi	MBD	Principa	Rand Trust
Number of employees	627	3 070	84	111
Staff turnover	13%	38%	32%	9%
Number of vacancies (at 30 September 2015)	18	53	5	16
Critical personnel without two successors planned (at 30 September 2015)	21	20	6	3
Critical personnel without 'hot replacement' (at 30 September 2015)	4	10	5	3
Training hours	12 614	199 863	6 281	2 314

All of the above performance indicators are in line with expectations. The number of vacancies at MBD relates mainly to high turnover in the call centre environment.

TRANSFORMATION RISK

As a responsible corporate citizen the group supports transformation objectives in South Africa that seek to address historical imbalances. In addition, many of the group's businesses are required to maintain minimum B-BBEE scores to retain clients. During the year under review two B-BBEE transactions were finalised, with a broad-based BEE trust taking an ownership stake in MBD and Principa respectively.

	SA Taxi	MBD	Principa	Rand Trust	Group
B-BBEE level	4	3	6	5	5

COMPLIANCE RISK

Compliance risk is the risk of legal or regulatory sanctions, financial loss or damage to reputation that the group may suffer as a result of failure to comply with laws, regulations and similar standards and/or internal group policies, authority levels, prescribed practices and ethical standards applicable to its subsidiaries.

Compliance risk is monitored by the ARC committee. Each business with high levels of regulatory compliance requirements has a suitably experienced compliance officer, who has identified the relevant regulations and similar standards applicable to that specific business. pg Refer to **page 69** in the governance report for applicable legislation.

The group retains central legal advisory resources while compliance governance levels at each business remain appropriate.

The following regulatory developments and changes were considered during the year:

- Proposed guidelines published by the National Credit Regulator regarding the interpretation of section 103(5) of the National Credit Act (the so-called "statutory in duplum rule"). The group applies a conservative approach to the interpretation of the "statutory in duplum rule" and therefore does not anticipate the guidelines to negatively impact the group.
- Amendments to the National Credit Act came into force on 13 March 2015 and introduced a prohibition on collection of prescribed debts. This has not had a material impact on MBD as it had anticipated the amendments and had put in place measures to comply. In addition, the amendments introduced affordability requirements which also do not affect the group as SA Taxi is a developmental credit provider.
- The introduction of the Financial Sector Regulation Bill, which will establish two further regulators for intermediaries and credit providers, namely the Prudential Authority and Financial Sector Conduct Authority. The Financial Sector Conduct Authority will have fairly wide powers including the ability to make legislative instruments on an urgent basis without consultation. Significant owners (being persons who, among other conditions, hold 15% or more of a financial institution (including credit providers)) will now require regulatory approval by a financial sector regulator to become a significant owner or to dispose of their financial interest. The group has commented extensively on the proposed bill.
- The publication of the Financial Services Board's Retail Distribution Review, which proposes structural changes to intermediary relationships and remuneration which are likely to affect SA Taxi. SA Taxi submitted comments on the proposals and will work together with its insurance partner to determine any structural changes that are required going forward.
- The decision in the Stellenbosch case in terms of which certain provisions of section 65J of the Magistrates Court Act (relating to emolument attachment orders) were declared unconstitutional by the High Court. The group has obtained advice regarding the effect of this judgment and awaits confirmation and clarification of the judgment by the Constitutional Court. Only MBD uses emolument attachment orders, representing less than 1% of its monthly collections.

TRANSACTION CAPITAL CONSIDERS COMPENSATION A CRITICAL DETERMINANT OF ORGANISATIONAL PERFORMANCE AND SUSTAINABILITY. THIS VIEW IS FOUNDED FIRSTLY IN THE BELIEF THAT ALL FACTORS THAT UNDERPIN ENHANCED PERFORMANCE REQUIRE THE HIGHEST CALIBRE OF LEADERSHIP AND SPECIALIST TECHNICAL EXPERTISE, AND SECONDLY THAT STAKEHOLDERS' INTERESTS ARE BEST SERVED BY ALIGNING STRATEGY, BUSINESS MODEL, STRUCTURE, STAFFING AND COMPENSATION. WITHOUT ATTRACTING, MOTIVATING AND RETAINING THE BEST AVAILABLE TALENT, EVEN THE BEST STRATEGIES, BUSINESS MODELS AND STRUCTURES WILL FAIL.

REMUNERATION REPORT

These principles are reflected in Transaction Capital's fifth strategic objective (pg **page 29**), which emphasises the group's commitment to investing in human and intellectual capital. This investment is informed firstly by the view that in every field of endeavour there is a normal distribution of talent, and secondly that the performance and sustainability of Transaction Capital will correlate highly with where its employees rank within that distribution. Put simply, the better our people, the better our company.

Attracting and retaining high calibre talent depends on providing both intrinsic and extrinsic rewards. While this remuneration report deals with the latter, intrinsic rewards are reflected in the Transaction Capital employee value proposition, which strives to provide talented individuals with good leadership, personal development and support, and meaningful work in an intellectually stimulating environment. To complement this, compensation policies are directed at sustaining a performance-driven culture such that the most talented people at all levels consider Transaction Capital and its businesses a preferred employer.

GOVERNANCE OF COMPENSATION

The success of Transaction Capital and its businesses relies on a wide range of leadership, managerial, functional and technical skills. Many of these skills are unique to specific subsidiaries, departments or organisational levels. The features of the group's approach to compensation are as follows:

- Compensation is defined on a cost to company basis with all benefits included and fully taxed.
- Any change to the compensation of any individual at every level of the group must be approved by the supervisor of the individual's supervisor, with the remuneration committee recommending the compensation of the chief executive officer (CEO), his direct reports and certain functional specialists.
- As part of the annual budgeting process, the group executive office provides guidelines on the percentage increase of fixed compensation to be applied throughout the group. These percentages generally take into account increases in consumer price inflation (CPI), individual performance and level in the organisational hierarchy, with percentages decreasing at higher levels.
- Formal and informal research and benchmarking to determine market norms for similar positions.
- Remuneration is aligned to individual outputs measured through performance management systems that focus on goals achieved and exceeded.
- Incentives and bonuses at executive level are aligned to profit growth and relevant returns in addition to personal performance.
- Monthly or annual performance incentives are used to drive specific behaviours supportive of group, business or departmental performance. In certain instances, a portion of these incentives may be deferred to enhance retention.
- Transaction Capital attempts to eliminate differential compensation related to gender, race and location.
- The remuneration policies of the businesses are approved by the remuneration committee and the board. In those instances where an executive's decisions are likely to have a material impact on shareholder value, an element of their compensation may be aligned with the medium- to longer-term appreciation of the value of Transaction Capital, specifically through defined long-term incentive schemes (LTIs) (see compensation principles below).
- No employees or directors have employment terms that exceed six months' notice.

COMPENSATION PRINCIPLES

GENERAL STAFF

Throughout Transaction Capital, fixed and variable compensation policies and practices are structured to attract, motivate and retain the specific talent and skills required at each level for the progress of the group and its subsidiaries. For the most part, these policies are determined by, and according to, the requirements of subsidiaries or departments within the governance constraints described previously.

LEADERSHIP

Transaction Capital regards the individual and collective intellectual acuity, education, experience and industry knowledge of its most senior leaders and talent pool as a core capability and a source of competitive advantage. As such, the compensation, recruitment, performance, development and succession of the group's top executives is monitored directly by the CEO together with his direct reports, and indirectly by the remuneration committee.

Executive compensation strives to attract, reward and retain the highest calibre of individuals in terms of education, expertise and experience, using three forms of compensation:

- Total guaranteed pay (TGP) around the 60th percentile of the market. The TGP provides executives with a competitive stable income.
- Variable short-term incentives (STI) for individual quantitative and qualitative achievement aligned to corporate and individual objectives, paid annually with a deferred portion where appropriate. STI rewards specific behaviour and promotes retention.
- LTIs related to the appreciation of the company's share price, realisable over the medium to long term. The LTI creates alignment with shareholders and is the major retention mechanism:
  - **Share appreciation rights (SAR) plan**
    The SAR plan allows executives and senior managers to participate in the appreciation of Transaction Capital's share price over time. SARs are issued to participants on an annual basis, with a mid-year award being made to new joiners or participants with a change in role/circumstance. Subject to certain performance criteria, the SARs vest in full after four years (the first three tranches vest after three years), and are exercisable for a 12-month period. The share price growth over the SAR period will be settled in Transaction Capital ordinary shares, with the gain subject to income tax. To the extent that the SAR grant price exceeds Transaction Capital's share price at the time of exercise, no gain or cost is realised by participants.
  - **General share purchase scheme**
    The general share purchase scheme facilitated voluntary investment whereby executives were able to receive loan funding to purchase shares at market value. The scheme was largely wound down in the 2014 financial year. No further allocations will be made in terms of this scheme, which is expected to terminate in December 2017.
  - **Direct investment**
    In appropriate circumstances, senior executives of a business may be afforded the opportunity to subscribe for direct equity in that business, thereby incentivising and aligning their long-term interests with those of the business, Transaction Capital and its shareholders.

2015 REMUNERATION COMPONENTS

REMUNERATION COMPONENT	REMUNERATION POLICY	STRATEGIC INTENT AND DRIVERS
BASIC SALARY	Guaranteed package measured against the 60th percentile of the market.	Competitive with market. Provides a standard of living consistent with the demands of a specific position.
BENEFITS	Group life; medical cover; provident fund; disability cover.	Competitive with market. Provides financial structures for death, retirement, health and wellness.
SHORT-TERM INCENTIVE	Annual incentive based on the achievement of bespoke and individualised qualitative objectives, with a quantitative portion of the bonus awarded subject to the remuneration committee's discretion, and a portion retained where appropriate. Financial objectives include profit growth and relevant returns (for example return on invested capital in the asset-backed lending division or return on sales in the risk services division's businesses).	Competitive with market. Provides means to enjoy a higher quality of life through superior performance.
LONG-TERM INCENTIVE	SAR plan.	Market-related long-term reward and retention for executives and key talent provides risk-free opportunity to accumulate wealth based on share price performance and tenure.
TOTAL REWARD	Providing a competitive and attractive total compensation with a portion paid over the medium term.	To attract, motivate, align and retain scarce talent and to discourage dysfunctional short-term behaviour.

2015 EXECUTIVE COMPENSATION

TOTAL GUARANTEED PACKAGE

Executive TGP was determined based on the findings of an outsourced benchmarking engagement, utilising the Paterson Classic system as an indicator of grades for the executive team. Formal and informal research coupled with market norms and industry practice also influenced the policies and practices in place.

SHORT-TERM INCENTIVE

The 2015 STI was based on the following:

- Growth of group earnings per share above CPI or growth of individual business profit after tax above CPI, with exponentially higher STIs awarded for higher levels of growth.
- Return on invested capital in the asset-backed lending division and return on sales for the risk services division's businesses.
- Where appropriate, and as determined by the remuneration committee, certain executives were awarded qualitative STI payments based on superior individual performance.

LONG-TERM INCENTIVE

Executives were awarded SARs based on executive performance, potential, tenure, job grade, current fixed compensation and short-term incentive relative to market benchmarks; the recommendation of the CEO; and the reasonably expected growth in Transaction Capital's share price. Awards were granted in November 2014 and May 2015 (to new joiners and in certain special circumstances), have a vesting period of four years, and are subject to predefined performance criteria. All SAR awards were approved by the remuneration committee.

In December 2014, Terry Kier (CEO of the asset-backed lending division) was afforded the opportunity to subscribe for shares directly in SA Taxi, incentivising him and directly aligning his long-term interests with those of SA Taxi, Transaction Capital and its shareholders. Mr Kier subscribed for 2% of SA Taxi Holdings Proprietary Limited for R26 million. The subscription price was determined after applying an appropriate minority discount and adjustment for the non-tradability of the SA Taxi shares. A wholly-owned subsidiary of Transaction Capital granted Mr Kier an interest-free loan to subscribe for the shares, which will be repaid from dividends and proceeds from the shares or upon certain pre-determined events.

EXECUTIVE DIRECTORS' REMUNERATION

The following table shows a breakdown of the annual remuneration (excluding SAR awards) of directors for the year ended 30 September:

Executive director	Salary 2015 R	Benefits 2015 R	Annual incentive bonus 2015 R	Total 2015 R	Salary 2014 R	Benefits 2014 R	Annual incentive bonus 2014 R	Total 2014 R
David Hurwitz	**2 526 801**	**860 937**	**2 200 000**	**5 587 738**	2 523 925	811 484	2 208 566	5 543 975
Mark Herskovits[1]	**2 010 156**	**391 596**	**1 170 000**	**3 571 752**	1 372 172	248 194	1 378 411	2 998 777
Jonathan Jawno	**1 069 308**	**150 732**	**2 000 000**	**3 220 040**	1 081 353	139 522	800 000	2 020 875
Michael Mendelowitz	**1 069 155**	**150 885**	**2 000 000**	**3 220 040**	1 081 353	140 122	1 800 000	3 021 475
Roberto Rossi[2]	**–**	**–**	**–**	**–**	374 327	134 858	–	509 185
Mark Lamberti[3]	**–**	**–**	**–**	**–**	1 291 063	20 318	2 150 000	3 461 381
Steven Kark[4]	**–**	**–**	**–**	**–**	383 822	66 887	5 349 501	5 800 210
	6 675 420	**1 554 150**	**7 370 000**	**15 599 570**	8 108 015	1 561 385	13 686 478	23 355 878

1 *Appointed as executive director on 15 January 2014.*
2 *Reclassified to non-executive director from 5 March 2014.*
3 *Reclassified to non-executive director from 15 January 2014 and resigned as director on 5 March 2014.*
4 *Resigned as director on 26 November 2013 due to the sale of Paycorp Holdings Proprietary Limited.*

SHARE APPRECIATION RIGHTS

Executive director	Present value of SAR R	Number of SARs	Vesting period (years)
David Hurwitz			
– Granted on 11 July 2013	3 200 000	2 004 494	3
– Granted on 18 November 2013	2 092 570	979 049	3
– Granted on 25 November 2014	1 029 000	300 000	4
– Granted on 24 November 2015	830 000	250 000	4
Mark Herskovits			
– Granted on 11 July 2013	2 700 000	1 691 292	3
– Granted on 18 November 2013	2 675 060	1 251 578	3
– Granted on 25 November 2014	857 000	250 000	4
– Granted on 24 November 2015	498 000	150 000	4

Refer to note 26 in the annual financial statements for more detail on the SAR plan.

TRANSACTION CAPITAL GENERAL SHARE SCHEME

Executive director	Number of shares	Value of shares at 30 Sep 2015 R	Value of funding at 30 Sep 2015 R
David Hurwitz	**679 740**	**6 797 400**	**4 032 649**
Mark Herskovits	**592 444**	**5 924 440**	**2 391 695**

The rationale and context for the remuneration of these executive directors is as follows:

CHIEF EXECUTIVE OFFICER – DAVID HURWITZ
MR HURWITZ'S INCENTIVE BONUS OF R2 200 000 FOR 2015 COMPRISED:

- a quantitative bonus for the growth of the group's earnings per share; and
- a qualitative bonus for the overall improvement in the state of the group during 2015.

CHIEF FINANCIAL OFFICER – MARK HERSKOVITS
MR HERSKOVITS' INCENTIVE BONUS OF R1 170 000 FOR 2015 COMPRISED:

- a quantitative bonus for the growth of the group's earnings per share; and
- a qualitative bonus for the overall improvement in the state of the financial and risk structures and reporting of the group during 2015.

EXECUTIVE DIRECTOR – JONATHAN JAWNO
MR JAWNO'S INCENTIVE BONUS OF R2 000 000 FOR 2015 COMPRISED:

- a quantitative bonus for the growth of the group's earnings per share; and
- a qualitative bonus for his specific role in the management of risk and capital.

Mr Jawno does not participate in the SAR plan.

EXECUTIVE DIRECTOR – MICHAEL MENDELOWITZ
MR MENDELOWITZ'S INCENTIVE BONUS OF R2 000 000 FOR 2015 COMPRISED:

- a quantitative bonus for the growth of the group's earnings per share; and
- a qualitative bonus for his specific contribution toward capital deployment and strategic opportunities.

Mr Mendelowitz does not participate in the SAR plan.

PRESCRIBED OFFICERS' REMUNERATION

The following table shows a breakdown of the annual remuneration of prescribed officers for the year ended 30 September:

Executive director	Salary 2015 R	Benefits 2015 R	Annual incentive bonus 2015 R	Total 2015 R
Prescribed Officer A	2 546 430	262 443	1 633 333	4 442 206
Prescribed Officer B	2 607 356	1 853 090	1 375 000	5 835 446
	5 153 786	2 115 533	3 008 333	10 277 652

NON-EXECUTIVE DIRECTORS' FEES FOR 2015

The following table illustrates fees paid to non-executive directors for membership of committees. Fees are paid to non-executive directors quarterly in arrears with no additional meeting attendance fees. This is due to board members providing input to the company on an ongoing basis, not limited to the attendance of meetings.

The fees paid to non-executive directors have been determined on a market-related basis, as recommended by the remuneration committee and the board, and approved by shareholders at the annual general meeting.

Board members	C Seabrooke R	D Woollam R	P Langeni[1] R	D Tabata R	S Zagnoev[2] R
Chairperson (including committee attendance)	1 200 000	–	–	–	–
Director	–	250 000	250 000	250 000	250 000
Audit, risk and compliance committee (chairperson)	–	350 000	–	–	–
Audit, risk and compliance committee (member)	–	–	150 000	–	–
Remuneration committee (chairperson)	–	–	–	125 000	–
Nominations committee (member)	–	–	–	60 000	–
Social and ethics committee (chairperson)	–	–	125 000	–	–
Total annual fees	1 200 000	600 000	525 000	435 000	250 000

1 *In addition to the fees received above, P Langeni received directors' fees of R200 000 for acting as an independent non-executive director of SA Taxi Finance Holdings (Pty) Ltd and MBD Credit Solutions Holdings (Pty) Ltd.*

2 *Resigned effective 8 December 2015.*

3 *Mr Rossi received R890 000 for consulting services, in addition to the fees above.*

NON-EXECUTIVE DIRECTORS' FEES FOR 2014

In January 2014, the audit committee and the risk and compliance committee were combined to form the audit, risk and compliance (ARC) committee. The asset and liability committee became a management committee with oversight from the ARC committee. The nominations and remuneration committee was split into the nominations committee and the remuneration committee.

Fees were paid to non-executive directors quarterly in arrears and determined by the board on a market-related basis as recommended by the nominations and remuneration committee (as it was then constituted).

Board members	C Seabrooke[1] R	D Woollam R	P Langeni R	D Tabata R	S Zagnoev R
Chairperson	973 250	–	–	–	–
Lead independent director	125 000	–	–	–	–
Director	–	250 000	250 000	250 000	250 000
Audit committee (chairperson)	–	118 250	–	–	–
Audit committee (member)	42 500	–	42 500	–	–
Risk and compliance committee (chairperson)	–	75 000	–	–	–
Risk and compliance committee (member)	32 500	–	–	–	–
Asset and liability committee (member)	32 500	32 500	–	–	–
Audit, risk and compliance committee (chairperson)	–	262 500	–	–	–
Audit, risk and compliance committee (member)	–	–	112 500	–	–
Nominations and remuneration committee (chairperson)	–	–	–	75 000	–
Nominations and remuneration committee (member)	32 500	–	32 500	–	32 500
Remuneration committee (chairperson)	–	–	–	72 917	–
Remuneration committee (member)	–	–	–	10 000	–
Nominations committee (member)	–	–	–	45 000	–
Social and ethics committee (chairperson)	–	–	143 750	–	–
Social and ethics committee (member)	–	–	–	–	–
Total annual fees	1 238 250	738 250	581 250	452 917	282 500

1 *Effective from January 2014, the chairman and lead independent director's fees are inclusive of committee fees.*

2 *Appointed as a non-executive director effective 5 March 2014. In addition to the fees received above, Mr Rossi received R519 167 for consulting services.*

3 *Resigned effective 5 March 2014.*

4 *Resigned effective 26 November 2013.*

R Rossi[3] R	Total R
–	**1 200 000**
250 000	**1 250 000**
–	**350 000**
–	**150 000**
–	**125 000**
60 000	**120 000**
–	**125 000**
310 000	**3 320 000**

R Rossi[2] R	M Lamberti[3] R	C Ntumba[4] R	Total R
–	150 000	–	**1 123 250**
–	–	–	**125 000**
145 833	–	62 500	**1 208 333**
–	–	–	**118 250**
–	–	42 500	**127 500**
–	–	–	**75 000**
–	–	–	**32 500**
–	–	–	**65 000**
–	–	–	**262 500**
–	–	–	**112 500**
–	–	–	**75 000**
–	–	–	**97 500**
–	–	–	**72 917**
–	–	–	**10 000**
35 000	–	–	**80 000**
–	–	–	**143 750**
–	–	32 500	**32 500**
180 833	150 000	137 500	**3 761 500**

CONCLUSION

TRANSACTION CAPITAL IS MINDFUL OF THE SENSITIVITIES SURROUNDING EXECUTIVE COMPENSATION AND WILL THEREFORE:

- Adhere to King III or any other industry-specific guidelines in the payment and disclosure of executive compensation.
- Disclose the principles and practices used to determine executive compensation.
- Offer full explanation and disclosure in those instances where executive compensation is not aligned to short-term performance.
- Exercise caution in making awards to departing executives.

FINANCIAL INFORMATION

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FINANCIAL RESULTS

The information presented on **page 88** to **92** is an extract from the audited annual financial statements, but is not itself audited. The directors take full responsibility for the preparation of the information presented in this section and that the information has been correctly extracted from the underlying audited financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER

	2015 Rm	2014 Rm	Change %
Assets			
Cash and cash equivalents	**1 169**	1 345	(13)
Tax receivables	**27**	17	59
Trade and other receivables	**621**	493	26
Inventories	**21**	4	425
Loans and advances	**6 160**	6 386	(4)
Purchased book debts	**561**	552	2
Other loans receivable	**257**	293	(12)
Other investments	**343**	238	44
Equity accounted investments	**–**	7	(100)
Intangible assets	**32**	19	68
Property and equipment	**60**	51	18
Goodwill	**197**	192	3
Deferred tax assets	**255**	93	174
Total assets	**9 703**	9 690	0
Liabilities			
Bank overdrafts	**52**	101	(49)
Tax payables	**13**	2	550
Trade and other payables	**253**	242	5
Provisions	**17**	18	(6)
Interest-bearing liabilities	**6 640**	6 178	7
Senior debt	**5 446**	4 911	11
Subordinated debt	**1 194**	1 267	(6)
Deferred tax liabilities	**117**	186	(37)
Total liabilities	**7 092**	6 727	5
Equity			
Ordinary share capital and premium	**468**	483	(3)
Other reserves	**122**	96	27
Retained earnings	**1 991**	2 384	(16)
Equity attributable to ordinary equity holders of the parent	**2 581**	2 963	(13)
Non-controlling interests	**30**	–	100
Total equity	**2 611**	2 963	(12)
Total equity and liabilities	**9 703**	9 690	0

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER

	2015 Rm	2014 Rm	Change %
Interest and other similar income	**1 504**	1 413	6
Interest and other similar expense	**(683)**	(599)	14
Net interest income	**821**	814	1
Impairment of loans and advances	**(233)**	(322)	(28)
Risk adjusted net interest income	**588**	492	20
Non-interest revenue	**1 195**	1 133	5
Operating costs	**(1 295)**	(1 220)	6
Non-operating profit	**14**	1	1 300
Equity accounted (loss)/earnings	**(3)**	3	(200)
Profit before tax	**499**	409	22
Income tax expense	**(94)**	(79)	19
Profit from continuing operations	**405**	330	23
Profit from discontinued operations	**–**	607	(100)
Profit for the year	**405**	937	(57)
Attributable to non-controlling equity holders	**4**	–	100
Attributable to ordinary equity holders of the parent	**401**	937	(57)
Basic earnings per share	**70.4**	162.7	(57)
Diluted basic earnings per share	**69.8**	162.3	(57)
Headline earnings per share	**69.0**	61.0	13
Headline earnings per share – continuing operations	**69.0**	57.3	20
Headline earnings per share – discontinued operations	**–**	3.7	(100)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER

	2015 Rm	2014 Rm	Change %
Profit for the year	**405**	937	(57)
Other comprehensive income	**14**	(48)	129
Fair value losses arising on the cash flow hedge during the year	**(1)**	<1	0
Deferred tax	**<1**	<1	0
Fair value gains/(losses) arising on valuation of assets held at fair value through other comprehensive income	**15**	(48)	131
Total comprehensive income for the year	**419**	889	(53)
Attributable to non-controlling equity holders	**4**	–	100
Attributable to ordinary equity holders of the parent	**415**	889	(53)

CONSOLIDATED HEADLINE EARNINGS RECONCILIATION

FOR THE YEAR ENDED 30 SEPTEMBER

	2015 Rm	2014 Rm	Change %
Profit attributable to ordinary equity holders of the parent	**401**	937	(57)
Headline earnings adjustable items			
Profit on sale of joint venture	**(8)**	–	(100)
Profit on sale of subsidiary companies net of de-grouping tax payable	**–**	(586)	100
Headline earnings	**393**	351	12
Less: Headline earnings from discontinued operations	**–**	(21)	(100)
Headline earnings from continuing operations	**393**	330	19

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER

	Share capital and premium	Other reserves	Retained earnings	Ordinary shareholders equity	Non-controlling interests	Total equity
Balance at 30 September 2013	1 779	385	1 551	3 715	180	3 895
Total comprehensive income	–	(48)	937	889	–	889
Profit for the year	–	–	937	937	–	937
Other comprehensive income for the year	–	(48)	–	(48)	–	(48)
Dividends paid	–	–	(104)	(104)	–	(104)
Grant of share appreciation rights	–	12	–	12	–	12
Repurchase of treasury shares	(15)	–	–	(15)	–	(15)
Repurchase of shares	(72)	–	–	(72)	–	(72)
Capital distribution	(1 209)	–	–	(1 209)	–	(1 209)
Disposal of subsidiary companies	–	(253)	–	(253)	(180)	(433)
Balance at 30 September 2014	483	96	2 384	2 963	–	2 963
IFRS 9 transitional adjustments	–	–	(672)	(672)	–	(672)
Revised opening balance	483	96	1 712	2 291	–	2 291
Total comprehensive income	**–**	**14**	**401**	**415**	**4**	**419**
Profit for the year	**–**	**–**	**401**	**401**	**4**	**405**
Other comprehensive income for the year	**–**	**14**	**–**	**14**	**–**	**14**
Dividends paid	**–**	**–**	**(114)**	**(114)**	**–**	**(114)**
Grant of share appreciation rights	**–**	**16**	**–**	**16**	**–**	**16**
Share appreciation rights – settlements	**–**	**(4)**	**(8)**	**(12)**	**–**	**(12)**
Issue of shares	**12**	**–**	**–**	**12**	**–**	**12**
Repurchase of shares	**(27)**	**–**	**–**	**(27)**	**–**	**(27)**
Transactions with non-controlling equity holders	**–**	**–**	**–**	**–**	**26**	**26**
Balance at 30 September 2015	**468**	**122**	**1 991**	**2 581**	**30**	**2 611**

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER

	2015 Rm	2014 Rm	Change %
Net cash utilised by operating activities	**(9)**	(68)	(87)
Net cash (utilised)/generated by investing activities	**(91)**	2 385	(104)
Net cash utilised by financing activities	**(27)**	(1 296)	(98)
Net (decrease)/increase in cash and cash equivalents	**(127)**	1 021	(112)
Cash and cash equivalents at the beginning of the year	**1 244**	671	85
Less: Cash and cash equivalents at the beginning of the year relating to discontinued operations	**–**	(448)	(100)
Cash and cash equivalents at the beginning of the year from continuing operations	**1 244**	223	458
Cash and cash equivalents at the end of the year relating to continuing operations	**1 117**	1 244	(10)

DATA SHEET

TRANSACTION CAPITAL

		Twelve months ended 30 September			Movement	
		2015	2014	2013	**2015**	2014
		IFRS 9	IAS 39	IAS 39		
TRANSACTION CAPITAL GROUP						
Consolidated income statement*						
Interest and other similar income	Rm	**1 504**	1 413	1 225	**6%**	15%
Interest and other similar expense	Rm	**(683)**	(599)	(539)	**14%**	11%
Net interest income	Rm	**821**	814	686	**1%**	19%
Impairment of loans and advances	Rm	**(233)**	(322)	(283)	**(28%)**	14%
Risk-adjusted net interest income	Rm	**588**	492	403	**20%**	22%
Non-interest revenue	Rm	**1 195**	1 133	1 023	**5%**	11%
Total operating costs	Rm	**(1 295)**	(1 220)	(1 071)	**6%**	14%
Employee expenses	Rm	**(671)**	(641)	(590)	**5%**	9%
Cashing, transaction, processing and bank charges	Rm	**(30)**	(23)	(17)	**30%**	35%
Cost of sale of goods	Rm	**(31)**	(20)	(10)	**55%**	100%
Communication	Rm	**(60)**	(68)	(77)	**(12%)**	(12%)
Depreciation and amortisation	Rm	**(17)**	(17)	(19)	**0%**	(11%)
Consulting, professional, legal and audit	Rm	**(43)**	(40)	(48)	**8%**	(17%)
Commission expense	Rm	**(16)**	(22)	(32)	**(27%)**	(31%)
Rentals	Rm	**(39)**	(35)	(31)	**11%**	13%
VAT apportionment disallowed	Rm	**(29)**	(25)	(31)	**16%**	(19%)
Information technology	Rm	**(24)**	(24)	(22)	**0%**	9%
Other	Rm	**(335)**	(305)	(194)	**10%**	57%
Operating income	Rm	**488**	405	355	**20%**	14%
Non-operating profit	Rm	**14**	1	–	**1 300%**	100%
Equity accounted earnings	Rm	**(3)**	3	4	**(200%)**	(25%)
Profit before tax	Rm	**499**	409	359	**22%**	14%
Income tax expense	Rm	**(94)**	(79)	(76)	**19%**	4%
Profit from continuing operations	Rm	**405**	330	283	**23%**	17%
Profit from discontinued operations	Rm	**–**	607	303	**(100%)**	100%
Profit for the year	Rm	**405**	937	586	**(57%)**	60%
Profit for the year from continuing operations attributable to:						
Ordinary equity holders of the parent	Rm	**401**	330	283	**22%**	17%
Non-controlling equity holders	Rm	**4**	–	–	**100%**	0%
Profit for the year from discontinued operations attributable to:						
Ordinary equity holders of the parent	Rm	**–**	607	261	**(100%)**	133%
Non-controlling equity holders	Rm	**–**	–	42	**0%**	(100%)

* *All Transaction Capital group income statement numbers have been re-presented to show continuing operations.*

		Twelve months ended 30 September			Movement	
		2015	2014	2013	**2015**	2014
		IFRS 9	IAS 39	IAS 39		
TRANSACTION CAPITAL GROUP continued						
Headline earnings						
Profit attributable to ordinary equity holders	Rm	**401**	937	544	**(57%)**	72%
Adjustments for:						
Impairment of goodwill	Rm	**–**	–	1	**0%**	(100%)
Profit on disposal of joint venture/subsidaries	Rm	**(8)**	(659)	–	**(99%)**	100%
De-grouping tax payable on sale of subsidiary	Rm	**–**	73	–	**(100%)**	100%
Headline earnings	Rm	**393**	351	545	**12%**	(36%)
Adjustment for:						
Headline earnings from discontinued operations	Rm	**–**	(21)	(262)	**(100%)**	(92%)
Headline earnings from continuing operations	Rm	**393**	330	283	**19%**	17%
Number of shares	m	**568.1**	569.6	582.6	**(0%)**	(2%)
Weighted average number of shares in issue	m	**569.3**	575.9	583.6	**(1%)**	(1%)
Consolidated statement of financial position						
Assets						
Loans and advances	Rm	**6 160**	6 386	10 232	**(4%)**	(38%)
Purchased book debts	Rm	**561**	552	420	**2%**	31%
Property and equipment	Rm	**60**	51	96	**18%**	(47%)
Inventories	Rm	**21**	4	84	**425%**	(95%)
Goodwill	Rm	**197**	192	594	**3%**	(68%)
Intangible assets	Rm	**32**	19	21	**68%**	(10%)
Cash and cash equivalents	Rm	**1 169**	1 345	673	**(13%)**	100%
Other investments	Rm	**343**	238	481	**44%**	(51%)
Non-current assets classified as held for sale	Rm	**–**	–	769	**0%**	(100%)
Other assets	Rm	**1 160**	903	961	**28%**	(6%)
Total assets	Rm	**9 703**	9 690	14 331	**0%**	(32%)
Liabilities						
Interest-bearing liabilities	Rm	**6 640**	6 178	9 601	**7%**	(36%)
Senior debt	Rm	**5 446**	4 911	7 470	**11%**	(34%)
Subordinated debt	Rm	**1 194**	1 267	2 131	**(6%)**	(41%)
Bank overdrafts	Rm	**52**	101	71	**(49%)**	42%
Liabilities directly associated with non-current assets classified as held for sale	Rm	**–**	–	180	**0%**	(100%)
Other liabilities	Rm	**400**	448	584	**(11%)**	(23%)
Total liabilities	Rm	**7 092**	6 727	10 436	**5%**	(36%)

		Twelve months ended 30 September			Movement	
		2015	2014	2013	**2015**	2014
		IFRS 9	IAS 39	IAS 39		
TRANSACTION CAPITAL GROUP continued						
Consolidated statement of financial position continued						
Equity						
Equity attributable to ordinary equity holders of the parent	Rm	**2 581**	2 963	3 715	**(13%)**	(20%)
Non-controlling interest	Rm	**30**	–	180	**100%**	(100%)
Total equity	Rm	**2 611**	2 963	3 895	**(12%)**	(24%)
Total equity and liabilities	Rm	**9 703**	9 690	14 331	**0%**	(32%)
Shareholder statistics						
Basic earnings per share from continuing operations	cents	**70.4**	57.3	48.5	**23%**	18%
Headline earnings per share from continuing operations	cents	**69.0**	57.3	48.5	**20%**	18%
Net asset value per share	cents	**454.4**	520.2	637.7	**(13%)**	(18%)
Tangible net asset value per share	cents	**414.0**	483.1	532.1	**(14%)**	(9%)
Interim dividend per share	cents	**10.0**	6.0	9.0	**67%**	(33%)
Final dividend per share	cents	**12.0**	10.0	12.0	**20%**	(17%)
Capital adequacy ratio						
Equity	Rm	**2 611**	2 963	3 895	**(12%)**	(24%)
Subordinated debt capital	Rm	**1 194**	1 267	2 131	**(6%)**	(41%)
Total capital	Rm	**3 805**	4 230	6 026	**(10%)**	(30%)
Less: Goodwill	Rm	**(197)**	(192)	(594)	**3%**	(68%)
Total capital less goodwill	Rm	**3 608**	4 038	5 432	**(11%)**	(26%)
Total assets less goodwill and cash and cash equivalents	Rm	**8 337**	8 153	13 064	**2%**	(38%)
Capital adequacy ratio	%	**43.3**	49.5	41.6	**(13%)**	19%
Equity	%	**29.0**	34.0	25.3	**(15%)**	34%
Subordinated debt	%	**14.3**	15.5	16.3	**(8%)**	(5%)

		Twelve months ended 30 September			Movement	
		2015	2014	2013	**2015**	2014
		IFRS 9	IAS 39	IAS 39		
TRANSACTION CAPITAL GROUP continued						
Performance indicators*						
Gross loans and advances	Rm	**6 713**	6 737	5 923	**(0%)**	14%
Carrying value of written off book	Rm	**–**	32	30	**(100%)**	7%
Impairment provision	Rm	**(553)**	(383)	(329)	**44%**	16%
Provision coverage	%	**8.2**	5.7	5.6	**44%**	2%
Non-performing loan ratio	%	**17.0**	25.7	29.0	**(34%)**	(11%)
Non-performing loan coverage	%	**48.6**	22.1	19.2	**120%**	15%
Non-performing loans	Rm	**1 138**	1 731	1 716	**(34%)**	1%
Capital adequacy ratio	%	**43.3**	49.5	41.6	**(13%)**	19%
Average assets	Rm	**9 135**	9 416	7 563	**(3%)**	25%
Average tangible assets	Rm	**8 830**	9 109	7 399	**(3%)**	23%
Average equity	Rm	**2 422**	3 038	1 835	**(20%)**	66%
Average tangible equity	Rm	**2 118**	2 730	1 672	**(22%)**	63%
Average gross loans and advances	Rm	**6 437**	6 220	5 500	**3%**	13%
Average interest-bearing liabilities	Rm	**6 367**	5 742	4 992	**11%**	15%
Total income	Rm	**2 699**	2 546	2 248	**6%**	13%
Net interest margin	%	**12.8**	13.1	12.5	**(2%)**	5%
Credit loss ratio	%	**3.6**	5.2	5.1	**(31%)**	2%
Non-interest revenue as a % of total income	%	**44.3**	44.5	45.5	**(0%)**	(2%)
Cost-to-income ratio	%	**64.2**	62.7	62.7	**2%**	0%
Effective tax rate	%	**18.8**	19.3	21.2	**(3%)**	(9%)
Return on average assets (ROA)	%	**4.4**	3.5	3.7	**26%**	(5%)
Return on average tangible assets (ROTA)	%	**4.6**	3.6	3.8	**28%**	(5%)
Return on average equity (ROE)	%	**16.7**	10.9	15.4	**53%**	(29%)
Return on average tangible equity (ROTE)	%	**19.1**	12.1	16.9	**58%**	(28%)
Services: EBITDA	Rm	**188**	159	135	**18%**	18%
Gearing	times	**3.8**	3.3	4.0	**15%**	(18%)
Debt issued	Rm	**2 855**	3 290	3 009	**(13%)**	9%
Gross yield on average assets	%	**29.5**	27.0	29.7	**9%**	(9%)
Gross yield on average gross loans and advances	%	**41.9**	40.9	40.9	**2%**	0%
Average cost of borrowing	%	**10.7**	10.4	10.8	**3%**	(4%)
Employees	Number	**3 913**	3 719	3 673	**5%**	1%

* *All Transaction Capital group performance indicators are calculated on a continuing operations basis unless otherwise stated.*

		Twelve months ended 30 September			Movement	
		2015	2014	2013	**2015**	2014
		IFRS 9	IAS 39	IAS 39		
ASSET-BACKED LENDING						
Condensed income statement						
Interest and other similar income	Rm	**1 290**	1 183	1 098	**9%**	8%
Interest and other similar expense	Rm	**(618)**	(509)	(488)	**21%**	4%
Net interest income	Rm	**672**	674	610	**(0%)**	10%
Impairment of loans and advances	Rm	**(233)**	(317)	(280)	**(26%)**	13%
Non-interest revenue	Rm	**242**	250	218	**(3%)**	15%
Total operating costs	Rm	**(445)**	(408)	(361)	**9%**	13%
Profit before tax	Rm	**236**	199	187	**19%**	6%
Total income	Rm	**1 532**	1 433	1 316	**7%**	9%
Profit after tax	Rm	**212**	176	154	**20%**	14%
Headline earnings	Rm	**212**	176	154	**20%**	14%
Profit and headline earnings for the period attributable to:						
Ordinary equity holders of the parent	Rm	**208**	176	154	**18%**	14%
Non-controlling interest	Rm	**4**	–	–	**100%**	0%
Other information						
Depreciation	Rm	**7**	8	6	**(13%)**	33%
Amortisation of intangible assets	Rm	**3**	3	1	**0%**	200%
Statement of financial position						
Assets						
Cash and cash equivalents	Rm	**594**	209	160	**184%**	31%
Other investments	Rm	**343**	238	175	**44%**	36%
Loans and advances	Rm	**5 703**	5 908	5 243	**(3%)**	13%
Property and equipment	Rm	**33**	28	26	**18%**	8%
Goodwill and intangibles	Rm	**74**	72	64	**3%**	13%
Goodwill	Rm	**60**	60	60	**0%**	0%
Intangibles	Rm	**14**	12	4	**17%**	200%
Other assets	Rm	**781**	434	345	**80%**	26%
Total assets	Rm	**7 528**	6 889	6 013	**9%**	15%
Liabilities						
Bank overdrafts	Rm	**44**	100	71	**(56%)**	41%
Interest-bearing liabilities	Rm	**5 429**	4 788	4 113	**13%**	16%
Senior debt	Rm	**5 011**	4 452	3 665	**13%**	21%
Subordinated debt	Rm	**418**	336	448	**24%**	(25%)
Group	Rm	**1 019**	788	774	**29%**	2%
Other liabilities	Rm	**134**	195	178	**(31%)**	10%
Total liabilities	Rm	**6 626**	5 871	5 348	**13%**	10%
Segment net assets	Rm	**902**	1 018	665	**(11%)**	53%

DATA SHEET *continued*

		Twelve months ended 30 September			Movement	
		2015	2014	2013	**2015**	2014
		IFRS 9	IAS 39	IAS 39		
ASSET-BACKED LENDING continued						
Capital adequacy						
Equity	Rm	**902**	1 018	665	**(11%)**	53%
Group funding	Rm	**1 019**	795	774	**28%**	3%
Subordinated debt	Rm	**418**	336	448	**24%**	(25%)
Total capital	Rm	**2 339**	2 149	1 887	**9%**	14%
Less: Goodwill	Rm	**(60)**	(60)	(60)	**0%**	0%
Total capital less goodwill	Rm	**2 279**	2 089	1 827	**9%**	14%
Total assets less goodwill and cash and cash equivalents	Rm	**6 874**	6 620	5 793	**4%**	14%
Capital adequacy ratio	%	**33.2**	31.6	31.5	**5%**	0%
Financial measures						
Net interest margin	%	**11.3**	11.6	11.8	**(3%)**	(2%)
Cost-to-income ratio	%	**48.7**	44.1	43.6	**10%**	1%
Return on average assets (ROA)	%	**3.0**	2.7	2.7	**11%**	0%
Return on average tangible assets (ROTA)	%	**3.1**	2.7	2.7	**15%**	0%
Gross yield on average gross loans and advances	%	**25.7**	24.6	24.2	**4%**	2%
Return on average equity (ROE)	%	**28.4**	18.6	30.6	**53%**	(39%)
Return on average tangible equity (ROTE)	%	**36.0**	20.0	35.7	**80%**	(44%)
Average cost of borrowing	%	**10.0**	9.7	9.6	**3%**	1%
Debt issued	Rm	**2 418**	2 441	1 593	**(1%)**	53%
Average assets	Rm	**6 999**	6 506	5 989	**8%**	9%
Average tangible assets	Rm	**6 926**	6 438	5 916	**8%**	9%
Average gross loans and advances	Rm	**5 958**	5 823	5 440	**2%**	7%
Average equity	Rm	**750**	947	504	**(21%)**	88%
Average tangible equity	Rm	**592**	879	431	**(33%)**	104%
Average interest-bearing liabilities	Rm	**6 173**	5 238	5 080	**18%**	3%
Employees	Number	**627**	560	484	**12%**	16%
Operational measures						
SA Taxi						
Status						
Number of loans	Number	**25 033**	24 346	23 453	**3%**	4%
Gross loans and advances	Rm	**6 238**	6 240	5 529	**(0%)**	13%
Carrying value of written off book	Rm	**–**	32	30	**(100%)**	7%
Impairment provision	Rm	**(535)**	(364)	(315)	**47%**	16%
Loans and advances	Rm	**5 703**	5 908	5 243	**(3%)**	13%
% Leases/repossessions (Loans and advances, on value)	%	**96/4**	95/5	93/7	**1%**	2%
% Premium/entry-level (gross loans and advances, on value)	%	**98/2**	84/16	80/20	**17%**	5%
Face value of written off book recognised	Rm	**–**	727	600	**(100%)**	21%
Originations						
Number of loans originated	Number	**6 005**	6 116	5 811	**(2%)**	5%
Value of loans originated	Rm	**1 931**	1 855	1 560	**4%**	19%
Average loan term	Months	**66**	67	66	**(1%)**	2%
% New/existing client (on value)	%	**76/24**	75/25	80/20	**1%**	(6%)
New vehicle originations	Rm	**1 375**	1 400	1 217	**(2%)**	15%
% Premium/entry-level (new vehicle disbursements, on value)	%	**100/0**	100/0	97/3	**0%**	(90%)
Average origination value	R	**321 565**	303 303	268 479	**6%**	13%

		Twelve months ended 30 September			Movement	
		2015	2014	2013	**2015**	2014
		IFRS 9	IAS 39	IAS 39		
ASSET-BACKED LENDING continued						
Operational measures continued						
Credit performance						
Credit loss ratio	%	**3.9**	5.5	5.4	**(29%)**	2%
Provision coverage	%	**8.6**	5.8	5.7	**48%**	2%
Non-performing loans	Rm	**1 138**	1 731	1 716	**(34%)**	1%
Non-performing loan ratio	%	**18.2**	27.7	31.0	**(34%)**	(11%)
Non-performing loan coverage	%	**47.0**	21.0	18.4	**124%**	14%
Impairment provision % repossessions	%	**38.7**	34.4	30.7	**13%**	12%
RISK SERVICES						
Condensed income statement						
Interest and other similar income	Rm	**133**	110	96	**21%**	15%
Interest and other similar expense	Rm	**(62)**	(53)	(40)	**17%**	33%
Net interest income	Rm	**71**	57	56	**25%**	2%
Impairment of loans and advances	Rm	**–**	(5)	(3)	**(100%)**	67%
Non-interest revenue	Rm	**953**	861	790	**11%**	9%
Total operating costs	Rm	**(845)**	(760)	(708)	**11%**	7%
Equity accounted earnings	Rm	**(3)**	3	4	**(200%)**	(25%)
Non-operating profit	Rm	**14**	1	–	**1 300%**	100%
Profit before tax	Rm	**190**	157	139	**21%**	13%
Total income	Rm	**1 086**	971	886	**12%**	10%
Profit after tax	Rm	**142**	116	104	**22%**	12%
Headline earnings						
Profit attributable to ordinary equity holders	Rm	**142**	116	104	**22%**	12%
Adjusted for:						
Profit on disposal of joint venture	Rm	**(8)**	–	–	**100%**	0%
Headline earnings	Rm	**134**	116	104	**16%**	12%
Services: EBITDA (MBD and Principa)	Rm	**188**	159	135	**18%**	18%
Other information						
Depreciation	Rm	**8**	8	8	**0%**	0%
Amortisation of intangible assets	Rm	**3**	3	3	**0%**	0%
Statement of financial position						
Assets						
Cash and cash equivalents	Rm	**57**	84	98	**(32%)**	(14%)
Loans and advances	Rm	**457**	478	381	**(4%)**	25%
Gross loans and advances	Rm	**475**	497	395	**(4%)**	26%
Impairment provision	Rm	**(18)**	(19)	(14)	**(5%)**	36%
Purchased book debts	Rm	**561**	552	420	**2%**	31%
Property and equipment	Rm	**23**	19	21	**21%**	(10%)
Goodwill and intangibles	Rm	**91**	78	74	**17%**	5%
Goodwill	Rm	**71**	71	71	**0%**	0%
Intangibles	Rm	**20**	7	3	**186%**	133%
Other assets	Rm	**185**	179	156	**3%**	15%
Total assets	Rm	**1 374**	1 390	1 150	**(1%)**	21%

		Twelve months ended 30 September			Movement	
		2015	2014	2013	**2015**	2014
		IFRS 9	IAS 39	IAS 39		
RISK SERVICES continued						
Statement of financial position continued						
Liabilities						
Bank overdrafts	Rm	**8**	1	–	**700%**	100%
Interest-bearing liabilities	Rm	**467**	504	433	**(7%)**	16%
Group	Rm	**166**	172	93	**(3%)**	85%
Other liabilities	Rm	**246**	223	213	**10%**	5%
Total liabilities	Rm	**887**	900	739	**(1%)**	22%
Segment net assets	Rm	**487**	490	411	**(1%)**	19%
Financial measures						
Cost-to-income ratio	%	**82.5**	82.1	83.8	**0%**	(2%)
Return on average assets (ROA)	%	**9.9**	9.1	9.6	**9%**	(5%)
Return on average equity (ROE)	%	**27.8**	26.7	27.8	**4%**	(4%)
Capital adequacy ratio	%	**46.5**	47.9	44.4	**(3%)**	8%
Average cost of borrowing	%	**8.8**	8.8	8.1	**0%**	9%
Return on sales (ROS)	%	**13.1**	11.9	11.7	**10%**	2%
Debt issued	Rm	**437**	849	939	**(49%)**	(10%)
Average assets	Rm	**1 437**	1 274	1 085	**13%**	17%
Average equity	Rm	**510**	438	374	**16%**	17%
Average interest-bearing liabilities	Rm	**705**	614	492	**15%**	25%
Employees	Number	**3 265**	3 124	3 119	**5%**	0%
Operational measures						
MBD						
Number of agency clients	Number	**81**	68	66	**19%**	3%
Number of collection agents	Number	**2 787**	2 695	2 744	**3%**	(2%)
Call centres	Number	**11**	10	9	**10%**	11%
Assets under management	Rb	**35.4**	31.7	25.8	**12%**	23%
Agency	Rb	**19.4**	17.9	14.4	**8%**	24%
Principal	Rb	**16.0**	13.8	11.4	**16%**	21%
Average book value of purchased book debts	Rm	**510**	528	393	**(3%)**	34%
Principal revenue as % of average book value of purchased book debts	%	**75.7**	58.3	65.1	**30%**	(10%)
Agency/principal collections revenue split	%	**49/51**	51/49	54/46	**(4%)**	(6%)
Employees	Number	**3 070**	2 960	2 962	**4%**	(0%)
Principa						
Employees	Number	**84**	69	77	**22%**	(10%)
Rand Trust						
Gross loans and advances	Rm	**433**	450	339	**(4%)**	33%
Impairment provision	Rm	**(11)**	(7)	(5)	**57%**	40%
Loans and advances	Rm	**422**	443	334	**(5%)**	33%
Average debtor days outstanding	Days	**46**	44	44	**5%**	0%
Employees	Number	**111**	95	80	**17%**	19%

		Twelve months ended 30 September			Movement	
		2015	2014	2013	**2015**	2014
		IFRS 9	IAS 39	IAS 39		
GROUP EXECUTIVE OFFICE						
Condensed income statement						
Net interest income	Rm	**78**	83	20	**(6%)**	315%
Non-interest revenue	Rm	**–**	22	15	**(100%)**	47%
Net operating costs	Rm	**(5)**	(52)	(2)	**(90%)**	2 500%
Profit before tax	Rm	**73**	53	33	**38%**	61%
Profit after tax	Rm	**51**	38	25	**34%**	52%
Headline earnings	Rm	**51**	38	25	**34%**	52%
Other information						
Depreciation	Rm	**–**	–	–	**0%**	0%
Amortisation of intangible assets	Rm	**–**	1	2	**(100%)**	(50%)
Statement of financial position						
Assets						
Cash and cash equivalents	Rm	**518**	1 052	36	**(51%)**	2 822%
Property and equipment	Rm	**4**	4	1	**0%**	300%
Goodwill and intangibles	Rm	**–**	–	19	**0%**	(100%)
Goodwill	Rm	**–**	–	18	**0%**	(100%)
Intangibles	Rm	**–**	–	1	**0%**	(100%)
Other assets	Rm	**279**	355	1 049	**(21%)**	(66%)
Total assets	Rm	**801**	1 411	1 105	**(43%)**	28%
Liabilities						
Interest-bearing liabilities	Rm	**744**	886	922	**(16%)**	(4%)
Group	Rm	**(1 185)**	(960)	(1 295)	**23%**	(26%)
Other liabilities	Rm	**20**	30	251	**(33%)**	(88%)
Total liabilities	Rm	**(421)**	(44)	(122)	**857%**	(64%)
Segment net assets	Rm	**1 222**	1 455	1 227	**(16%)**	19%
Debt issued	Rm	**–**	–	477	**0%**	(100%)
Employees	Number	**21**	35	70	**(40%)**	(50%)
ENVIRONMENT						
Estimated minibus taxi market	Vehicles	**200 000**	200 000	200 000	**0%**	0%
Estimated minibus taxi market – financed	Vehicles	**70 000**	65 000	60 000	**8%**	8%
Consumers with impaired records NCR	%	**45.0**	45.0	48.0	**0%**	(6%)

PRO FORMA INFORMATION

The following information is presented in order to facilitate the comparison of prior year and current year financial information.

The information presents the effects of the adoption of IFRS 9 for the 12 months ended 30 September 2014, based on the assumption that the adoption of IFRS 9 was implemented on 1 October 2013.

		Twelve months ended 30 September			Movement	
		2015	2014	2014	**2015 IFRS 9**	**2015 IFRS 9**
		IFRS 9	IFRS 9	IAS 39	v 2014 IFRS 9	v 2014 IAS 39
TRANSACTION CAPITAL GROUP						
Consolidated income statement						
Headline earnings from continuing operations	Rm	**393**	302	330	**30%**	19%
Net interest income	Rm	**821**	725	814	**13%**	1%
Consolidated statement of financial position						
Loans and advances	Rm	**6 160**	5 540	6 386	**11%**	(4%)
Total assets	Rm	**9 703**	8 945	9 690	**8%**	0%
Equity	Rm	**2 611**	2 291	2 963	**14%**	(12%)
Shareholder statistics						
Headline earnings per share from continuing operations	cents	**69.0**	52.4	57.3	**32%**	20%
Net asset value per share	cents	**454.4**	402.2	520.2	**13%**	(13%)
Tangible net asset value per share	cents	**414.0**	365.2	483.1	**13%**	(14%)
Performance indicators						
Gross loans and advances	Rm	**6 713**	6 089	6 737	**10%**	(0%)
Carrying value of written off book	Rm	**–**	–	32	**0%**	(100%)
Impairment provision	Rm	**(553)**	(549)	(383)	**1%**	44%
Provision coverage	%	**8.2**	9.0	5.7	**(9%)**	44%
Non-performing loan ratio	%	**17.0**	18.8	25.7	**(10%)**	(34%)
Non-performing loan coverage	%	**48.6**	47.9	22.1	**2%**	120%
Non-performing loans	Rm	**1 138**	1 145	1 731	**(1%)**	(34%)
Capital adequacy ratio	%	**43.3**	45.4	49.5	**(5%)**	(13%)
Gearing	times	**3.8**	3.9	3.3	**(3%)**	15%
Net interest margin	%	**12.8**	13.0	13.1	**(2%)**	(2%)
Total income	Rm	**2 699**	2 458	2 546	**10%**	6%
Credit loss ratio	%	**3.6**	4.2	5.2	**(14%)**	(30%)
Cost-to-income ratio	%	**64.2**	67.8	62.7	**(5%)**	2%
Return on average assets (ROA)	%	**4.4**	3.5	3.5	**26%**	26%
Return on average tangible assets (ROTA)	%	**4.6**	3.7	3.6	**24%**	28%
Return on average equity (ROE)	%	**16.7**	12.8	10.9	**31%**	53%
Return on average tangible equity (ROTE)	%	**19.1**	14.7	12.1	**30%**	58%
Final dividend per share	cents	**12.0**	10.0	10.0	**20%**	20%
Total dividend per share	cents	**22.0**	16.0	16.0	**38%**	38%
Total dividend cover	times	**3.1**	3.3	3.6	**(6%)**	(14%)

		Twelve months ended 30 September			Movement	
		2015	2014	2014	**2015 IFRS 9**	2015 IFRS 9
		IFRS 9	IFRS 9	IAS 39	**v 2014 IFRS 9**	v 2014 IAS 39
ASSET-BACKED LENDING						
Credit performance						
Gross loans and advances	Rm	**6 238**	5 592	6 240	**12%**	(0%)
Carrying value of written off book	Rm	**–**	–	32	**0%**	(100%)
Impairment provision	Rm	**(535)**	(526)	(364)	**2%**	47%
Non-performing loan ratio	%	**18.2**	20.5	27.7	**(11%)**	(34%)
Credit loss ratio	%	**3.9**	4.4	5.5	**(11%)**	(29%)
Provision coverage	%	**8.6**	9.4	5.8	**(9%)**	48%
Non-performing loan coverage	%	**47.0**	45.9	21.0	**2%**	124%
Performance indicators						
Headline earnings	Rm	**212**	176	176	**20%**	20%
Net interest margin	%	**11.3**	11.3	11.6	**0%**	(3%)
Average cost of borrowing	%	**10.0**	9.7	9.7	**3%**	3%
Cost-to-income ratio	%	**48.7**	48.9	44.1	**0%**	10%
RISK SERVICES						
Performance indicators						
Headline earnings	Rm	**134**	88	116	**52%**	16%
Non-interest revenue	Rm	**953**	861	861	**11%**	11%
Purchased book debts	Rm	**561**	471	552	**19%**	2%
Cost-to-income ratio	%	**82.5**	86.9	82.1	**(5%)**	0%
Services: EBITDA (MBD and Principa)	Rm	**188**	121	159	**55%**	18%

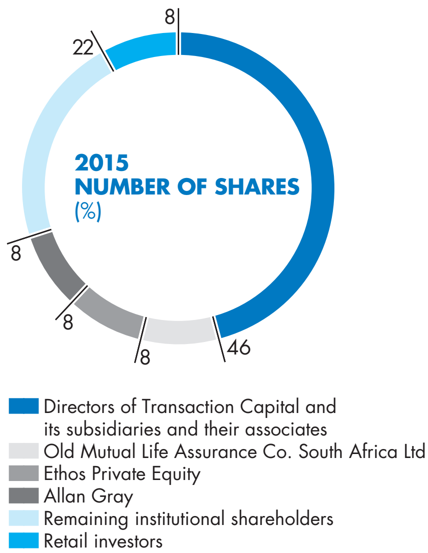
SHAREHOLDER INFORMATION

Shareholder analysis **106**
Notice of annual general meeting **107**
Notes to the form of proxy **116**
Form of proxy **loose**
Electronic participation at annual general meeting **loose**

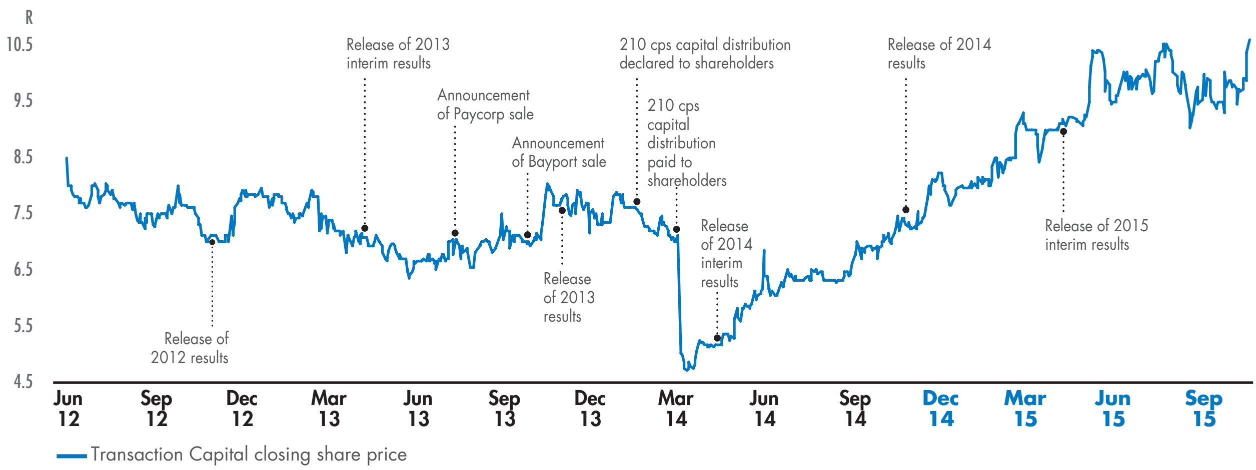
SHAREHOLDER ANALYSIS

AT 30 SEPTEMBER 2015

	Number of shareholders	Number of shares million	Number of shares %
Non-public			
Directors of Transaction Capital and its subsidiaries and their associates	15	262	46
Sub-total	**15**	**262**	**46**
Public			
Old Mutual Life Assurance Co. South Africa Ltd	1	45	8
Allan Gray	1	45	8
Remaining institutional shareholders	53	125	22
Ethos Private Equity	1	44	8
Retail investors	727	47	8
Sub-total	**783**	**306**	**54**
Total	**798**	**568**	**100**



TRANSACTION CAPITAL SHARE PRICE PERFORMANCE SINCE LISTING (JUNE 2012)



PERFORMANCE ON THE JSE

		2015
1 October 2014 – 30 September 2015		
Traded share prices		
closing	R	**10.00**
high	R	**10.52**
low	R	**6.70**
volume weighted average (VWAP)	R	**8.77**
Closing price/net asset value per share		**2.20**
Price earnings ratio based on headline earnings for the year		**14.49**
Volume of shares traded during the year	Units	**73 162 414**
Market capitalisation	Rm	**5 587**

NOTICE OF ANNUAL GENERAL MEETING

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Action required

If you are in any doubt as to what action you should take arising from this notice, please consult your broker, Central Securities Depository Participant (CSDP), banker, accountant, attorney or other professional advisor immediately.

If you have disposed of all of your shares in Transaction Capital, please forward this notice to the purchaser of such shares or to the broker, CSDP, banker, accountant, attorney or other agent through whom the disposal of your Transaction Capital shares was effected.

Transaction Capital does not accept any responsibility and will not be held liable for any failure on the part of the broker or CSDP of any holder of dematerialised Transaction Capital shares to notify such shareholder of this notice and the annual general meeting.

TRANSACTION CAPITAL LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 2002/031730/06
JSE: Code TCP ISIN: ZAE 000167391
('Transaction Capital' or the 'company')

NOTICE TO SHAREHOLDERS OF ANNUAL GENERAL MEETING FOR THE YEAR ENDED 30 SEPTEMBER 2015 AND CONVENED IN TERMS OF SECTION 61 (7) OF THE COMPANIES ACT, NO. 71 OF 2008, AS AMENDED ('THE COMPANIES ACT')

Notice is hereby given to all shareholders recorded in the company's securities register on Friday, 26 February 2016 that the annual general meeting of shareholders of the company ('annual general meeting') will be held in the William Meeting Room, Ground Floor, Transaction Capital, 230 Jan Smuts Avenue, Dunkeld West on Thursday, 3 March 2016 at 09:30 or any other adjourned or postponed date and time determined in accordance with the provisions of sections 64(4) or 64(11)(a)(i) of the Companies Act, as read with the JSE Limited (JSE) Listings Requirements (the 'JSE Listings Requirements'), which meeting may be attended by, participated in and voted at by shareholders recorded in the company's securities register as at Friday, 26 February 2016 (with the last day to trade in order to be able to attend and vote at the annual general meeting being Friday, 19 February 2016), for the purposes of transacting the business set out below and considering (and, if deemed fit, passing, with or without modification) the ordinary and special resolutions contained in this notice in the manner required by the Companies Act and subject to the JSE Listings Requirements. The record date to determine which shareholders are entitled to receive the notice of annual general meeting is Friday, 15 January 2016.

This document is important and requires your immediate attention. Shareholders' attention is drawn to the notes at the end of this notice, which contain important information with regard to shareholders' participation at the annual general meeting.

Copies of the integrated annual report containing this notice are available in English only and may be obtained from the date of issue of this notice of annual general meeting until the date of the annual general meeting, both days inclusive, during normal business hours from the registered office of the company and the offices of the transfer secretaries, the addresses of which are set out in the "Administration" section of the integrated annual report and at the end of this notice.

The purpose of the annual general meeting is for the following business to be transacted and for the ordinary and special resolutions set out below to be proposed:

A. Audited financial statements

1. To present the audited financial statements of the group and the company as envisaged in section 30 of the Companies Act, including the directors' report, external auditor's report and the audit, risk and compliance committee report for the year ended 30 September 2015.
2. To consider the report by the chief executive officer of the company.

B. Ordinary and special resolutions

To consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions:

1. ORDINARY RESOLUTION NUMBER 1

Re-election of directors

Resolved that:

The following directors, who retire in terms of the company's memorandum of incorporation, and who, being eligible, have offered themselves for re-election, be re-elected in terms of section 68(2)(a) of the Companies Act, each by way of a separate vote:

1. M Mendelowitz
2. C Seabrooke
3. D Woollam

The date of appointment, educational qualifications, other significant directorships and details of appointments to company and board committees are given on pages 34 to 37 of the integrated annual report, of which this notice forms part, for each director standing for re-election.

Explanation and effects of ordinary resolution number 1, re-election of directors:

In terms of clause 21.2 of the company's memorandum of incorporation one third of directors retire annually by rotation and all directors who have held office for three years since their last election or appointment also retire. The directors retiring at the annual general meeting have indicated their willingness to stand for re-election.

The re-election of each of the aforementioned directors must be voted on by way of separate ordinary resolutions.

The directors have reviewed the composition of the board and recommend the re-election of each of M Mendelowitz, C Seabrooke and D Woollam which will enable the company, inter alia, to:

- responsibly maintain a mixture of business skills and experience relevant to the company and the group and balance the requirements of transformation, continuity and succession planning; and
- comply with corporate governance requirements, in respect of the balance of executive, non-executive and independent directors on the board of directors of the company (board).

2. ORDINARY RESOLUTION NUMBER 2

Appointment of members of audit, risk and compliance committee

Section 94(2) of the Companies Act

Resolved that:

In terms of section 94 of the Companies Act at each annual general meeting the shareholders must elect an audit committee comprising at least 3 (three) members, each of whom must satisfy the requirements set out in the Companies Act and regulations to the Companies Act. The following independent non-executive directors of the company, each of whom meet the required criteria for a member of the audit, risk and compliance committee stipulated in the memorandum of incorporation of the company, are each elected as a member of the audit, risk and compliance committee, by way of a separate vote, until the next annual general meeting of the shareholders of the company, subject to the provisions of the memorandum of incorporation of the company and the Companies Act:

1. D Woollam
2. C Seabrooke
3. P Langeni

Explanation and effects of ordinary resolution number 2, appointment of members of the audit, risk and compliance committee:

All public companies are required to have an audit committee comprising at least three persons who are independent non-executive directors and eligible in terms of section 94 of the Companies Act. In terms of section 94(2) of the Companies Act, an audit committee must be elected annually at the annual general meeting of a public company. The section 94 requirements of the Companies Act are fulfilled by the audit, risk and compliance committee.

The election of each of the aforementioned independent non-executive directors as audit, risk and compliance committee members will be voted upon by way of separate ordinary resolutions.

3. ORDINARY RESOLUTION NUMBER 3

Appointment of auditors

Sections 90 and 94(7) of the Companies Act

Resolved that:

On recommendation of the current audit, risk and compliance committee, as envisaged in section 94(7)(a) of the Companies Act, Deloitte & Touche (with A Mackie as the lead audit partner) be re-appointed as the independent external auditors of the company until the conclusion of the next annual general meeting of the company, it being recorded that such appointment be in accordance with the provisions of clause 18 of the company's memorandum of incorporation.

Explanation and effect of resolution number 3, appointment of auditors:

In terms of section 90(1) of the Companies Act, a public company is to appoint an auditor each year at its annual general meeting. The effect of this ordinary resolution will be to re-appoint Deloitte & Touche, as auditors for the company, with A Mackie as the lead audit partner, in accordance with the terms of the company's memorandum of incorporation.

4. ORDINARY RESOLUTION NUMBER 4

Non-binding advisory vote on remuneration policy

Resolved that:

The company's remuneration policy be and is hereby endorsed by way of a non-binding advisory vote.

Explanation and effect of ordinary resolution number 4, non-binding advisory vote on remuneration policy:

The company is required in terms of the King Code on Governance Principles for South Africa 2009 to put the company's remuneration policy to shareholders who can vote thereon in a non-binding advisory capacity.

5. ORDINARY RESOLUTION NUMBER 5

Issue of securities for acquisitions in circumstances other than those covered by special resolution number 5

Resolved that:

The authorised but unissued ordinary shares in the capital of the company be and are hereby placed under the control and authority of the board until the conclusion of the next annual general meeting, and that the board be and are hereby authorised and empowered to issue such unissued ordinary shares as consideration for acquisitions in any way they may deem fit, subject to:

11.1. the memorandum of incorporation of the company, the Companies Act and the JSE Listings Requirements, where applicable;

11.2. such issue being an issue only for securities of a class already in issue or where this is not the case, such issue must be limited to such securities or rights that are convertible into securities of a class already in issue; and

11.3. the board's authority in terms hereof is limited to a maximum of 28 402 758 ordinary shares, being 5% of the ordinary shares in issue as at the date of issue of this notice.

Explanation and effect of ordinary resolution number 5, issue of securities for acquisitions in circumstances other than those covered by special resolution number 5:

For listed entities wishing to issue securities for acquisitions, it is necessary for the board not only to obtain the prior authority of the shareholders as may be required in terms of the memorandum of incorporation of the company, but it is also necessary to obtain the prior authority of shareholders in accordance with the JSE Listings Requirements. This ordinary resolution number 5 is accordingly to obtain a general authority from shareholders authorising the directors to issue authorised (but unissued) ordinary securities for acquisitions in compliance with the JSE Listings Requirements.

6. ORDINARY RESOLUTION NUMBER 6

Authority to act

Resolved that:

Any director of the company or the company secretary, all with the power of substitution, be and is hereby authorised to carry out and to do all such things and matters as may be or are necessary in connection with the aforesaid resolutions and which may be required to give effect to such aforesaid resolutions including without limitation being authorised to make, amend and sign all and any such necessary documents, letters, applications, announcements and affidavits as may be required for purposes of and in connection with the resolutions and giving effect to them and including Companies and Intellectual Property Commission forms that may be required.

Explanation and effect of ordinary resolution number 6, authority to act:

Ordinary resolution number 6 grants authority to any director or the company secretary to carry out, execute all documents and do all such things as he may in his discretion consider necessary or appropriate in connection with and to implement and give effect to the ordinary and special resolutions above.

7. SPECIAL RESOLUTION NUMBER 1

Approval of non-executive directors' and committee members' fees

Sections 65(11), 66(8) and 66(9) of the Companies Act

Resolved that:

Subject to compliance with the requirements of the company's memorandum of incorporation and the requirements of the Companies Act, the following annual fees shall be paid to non-executive directors of the company for their services as directors, audit, risk and compliance committee members and other board committee members quarterly in arrears.

The fees have been determined by the board through the remuneration committee on a market related basis (with no additional meeting attendance fees) and in accordance with the provisions set out below:

	Proposed annual fees from January 2016 R
Directors	
Chairman (including committee attendances)	**1 200 000**
Other directors	**250 000**
Audit, risk and compliance committee	
Chairman	**350 000**
Member	**150 000**
Other board committees	
Chairman	**125 000**
Member	**60 000**
Non-executive directors of subsidiaries	
Non-executive director of a group subsidiary company (in conjunction with being a non-executive director of Transaction Capital)	**100 000**

Fees for audit, risk and compliance committee and other board committee members are in addition to board fees.

Explanation and effect of special resolution number 1, approval of non-executive directors' and committee members' fees:

In terms of sections 65(11), 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by shareholders within the previous 2 (two) years and if this is not prohibited in terms of the company's memorandum of incorporation. The passing of this special resolution will have the effect of approving the remuneration and the basis therefor, of each of the non-executive directors of the company and committee members up to the year ending 30 September 2017 in accordance with section 66(9) of the Companies Act.

8. SPECIAL RESOLUTION NUMBER 2

Authority to provide financial assistance in terms of section 45 of the Companies Act

Section 45 of the Companies Act

Resolved that:

The board may, subject to compliance with the requirements of the company's memorandum of incorporation and the requirements of the Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company), authorise the company to provide at any time and from time to time during the period of 2 (two) years commencing on the date of the adoption of this special resolution, direct or indirect financial assistance, including without limitation by way of loans, guarantees, the provision of security or otherwise, as envisaged in section 45 of the Companies Act to a related or inter-related company or corporation (as such term is defined in section 2 of the Companies Act) (subject to the provisions of section 45 of the Companies Act) provided that such financial assistance may be granted up to a limit of R2 billion per transaction on the basis that the aggregate net outstanding financial assistance provided in terms of section 45 of the Companies Act will not at any time exceed R4 billion.

Such authority is to endure for a period of 2 (two) years following the date on which this resolution is adopted or earlier renewal.

Explanation and effect of special resolution number 2, authority to provide financial assistance in terms of section 45 of the Companies Act:

The reason for special resolution number 2 is to obtain approvals from the shareholders of the company to enable the company to provide financial assistance, when the need arises, to one or more related or inter-related companies or corporations (as such term is defined in section 2 of the Companies Act) in accordance with the provisions of section 45 of the Companies Act. The effect of special resolution number 2 is that the company will have the necessary authority to provide financial assistance to the category of potential recipients as and when required but provided that the board will not approve a resolution to authorise such financial assistance unless the directors are satisfied that:

- immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
- the terms under which the financial assistance is proposed to be given in terms of section 45 are fair and reasonable to the company.

The general authority from shareholders in special resolution number 2 will allow the company to continue giving financial assistance, including, without limitation, making loans to subsidiaries as well as granting letters of support and guarantees in appropriate circumstances, one or more related or inter-related companies, subject to the cap on the amount of this financial assistance which may be granted, as contemplated in the special resolution. A general authorisation from shareholders avoids the need to refer each instance to shareholders for approval with the resulting time delays and expense. If approved, this general authority will expire at the end of 2 (two) years from the date on which this resolution is passed. There is, however, the intention to renew the authority annually at the company's future annual general meetings.

Notification

Shareholders are hereby notified in terms of section 45(5) of the Companies Act that the board has passed the corresponding resolutions to take effect on the passing of this special resolution by shareholders.

9. SPECIAL RESOLUTION NUMBER 3

Authority to provide financial assistance in terms of section 44 of the Companies Act

Section 44 of the Companies Act

Resolved that:

The board may, subject to compliance with the requirements of the company's memorandum of incorporation and the requirements of the Companies Act (including but not limited to the board being satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as contemplated in section 4 of the Companies Act) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company), authorise the company to provide, at any time and from time to time during the period of 2 (two) years commencing on the date of the adoption of this special resolution, direct or indirect financial assistance envisaged in section 44 of the Companies Act, to any person for the purpose of or in connection with the subscription of any option, or any securities issued or to be issued by the company or a related or inter-related company (as such term is defined in section 2 of the Companies Act) or for the purchase of any securities of the company or a related or inter-related company, subject to the provisions of section 44 of the Companies Act, including without limitation by way of loan, guarantees, the provision of security, the giving of indemnities, the giving of warranties, or otherwise, as envisaged in section 44 of the Companies Act.

Explanation and effect of special resolution number 3, authority to provide financial assistance in terms of section 44 of the Companies Act:

The reason for special resolution number 3 is to obtain approvals from the shareholders of the company to enable the company to provide financial assistance, when the need arises, to any person for the purpose of or in connection with the subscription of any option, or any securities issued or to be issued by the company or a related or inter-related company (as such term is defined in section 2 of the Companies Act) or for the purchase of any securities of the company or a related or inter-related company in accordance with the provisions of section 44 of the Companies Act. The effect of special resolution number 3 is that the company will have the necessary authority to provide financial assistance as contemplated in section 44 of the Companies Act when required but provided that the board will not approve a resolution to authorise such financial assistance unless the directors are satisfied that:

- immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
- the terms under which the financial assistance is proposed to be given in terms of section 44 are fair and reasonable to the company.

The general authority from shareholders in special resolution number 3 will allow the company to give financial assistance as envisaged in section 44 of the Companies Act, which includes without limitation, the making of loans, the giving of guarantees, the provision of security, the giving of warranties, the giving of indemnities, or otherwise for the purpose of or in connection with the subscription of any option, or any securities issued or to be issued by the company or a related or inter-related company (as such term is defined in section 2 of the Companies Act) or for the purchase of any securities of the company or a related or inter-related company in accordance with the provisions of section 44 of the Companies Act. A general authorisation from shareholders avoids the need to refer each instance to shareholders for approval with the resulting time delays and expense. If approved, this general authority will expire at the end of 2 (two) years from the date on which this resolution is passed. There is, however, the intention to renew the authority annually at the company's future annual general meetings.

10. SPECIAL RESOLUTION NUMBER 4

General authority to repurchase securities

Sections 5.72, 5.68, 5.79 and 11.26 of the JSE Listings Requirements

Resolved that:

The directors are hereby authorised as a general authority, and as permitted in terms of clause 35 of the company's memorandum of incorporation, to repurchase securities issued by the company on such terms and conditions as may be determined by them subject to the restrictions placed by the Companies Act and the following provisions of the JSE Listings Requirements:

- that the company is enabled by the memorandum of incorporation to repurchase such securities;
- that the repurchase of securities be effected on the open market through the order book operated by the JSE trading system and be done without any prior understanding or arrangement between the company and the counter party (reported trades are prohibited);
- that this general authority be valid only until the next annual general meeting or for fifteen months from the date of the passing of this resolution, whichever is the earlier date;
- that an announcement be made giving such details as may be required in terms of the JSE Listings Requirements when the company has cumulatively repurchased 3% of the initial number (the number of that class of securities in issue at the time that the general authority is granted by the passing of this special resolution) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter;
- at any point in time the company may only appoint one agent to effect any repurchase on the company's behalf;
- repurchases may not be made by the company and/or its subsidiaries during a prohibited period as defined by the JSE Listings Requirements unless a repurchase programme is in place where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company will instruct an independent third party, which makes its investment decision in relation to the company's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- the general repurchase of securities shall not, in the aggregate, in any one financial year, exceed 20% of the company's issued capital of that class in any one financial year;
- in terms of the Companies Act, a maximum of 10% in aggregate of the company's issued capital may be repurchased by the subsidiaries of the company;
- the repurchase of securities may not be made at a price greater than 10% above the weighted average of the market value of the securities as determined over the five business days immediately preceding the date on which the transaction is effected. The JSE will be consulted for a ruling if the company's securities have not traded in such five business day period;
- if the company enters into derivative transactions that may or will result in the repurchase of securities in terms of this general authority, such transactions will be subject to the requirements in the first, third, fifth, sixth and seventh bullets above, and the provisions of the JSE Listings Requirements; and
- the board must pass a resolution that they authorised the repurchase and that the company and its subsidiaries have passed the solvency and liquidity test as set out in section 4 of the Companies Act, and that since the test was done there have been no material changes to the financial position of the group.

The directors are of the opinion that, after considering the effect of the maximum repurchase permitted and for a period of twelve months after the date of this notice of annual general meeting:

- the assets of the company and the group, as fairly valued, equal or exceed the liabilities of the company and the group, as fairly valued. For this purpose the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements, which comply with the Companies Act;
- it appears that the company and the group will be able, in the ordinary course of business, to pay their debts as they become due in the ordinary course of business for a period of twelve months after the date on which the test is considered;
- working capital of the company and the group will be adequate for ordinary business purposes; and
- share capital and reserves of the company and the group will be adequate for ordinary business purposes.

Explanation and effect of special resolution number 4, general authority to repurchase securities:

The explanation for special resolution number 4 is to grant the board the general authority and requisite approval to enable and facilitate the acquisition by the company of the company's own securities, subject to the provisions of the memorandum of incorporation of the company, the Companies Act and the JSE Listings Requirements. The effect of special resolution number 4 is that the company is authorised to repurchase its own securities at any time while the general authority exists, in compliance with the provisions of the JSE Listings Requirements, the Companies Act and the memorandum of incorporation of the company. Please see additional information to consider in respect of this special resolution in the section of this notice marked "Additional Information, Record Dates, Voting, Proxies And Electronic Participation" on page 114 of this notice of annual general meeting.

This general authority to acquire the company's securities replaces the general authority granted by the shareholders at the previous annual general meeting of the company held on 27 February 2015.

It is recorded that at present, the board has no specific intention with regard to the utilisation of the general authority which is the subject of special resolution number 4.

11. SPECIAL RESOLUTION NUMBER 5

General authority to allot and issue authorised but unissued securities for cash

Section 5.52 of the JSE Listings Requirements as read with clause 19.9 of the memorandum of incorporation

Resolved that:

The directors are hereby authorised as a general authority, to allot and issue the authorised but unissued securities for cash, upon such terms and conditions and to such persons as they in their discretion may determine, subject to the provisions of the Companies Act, the memorandum of incorporation of the company and the JSE Listings Requirements provided that:

- the securities be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- securities may only be issued to public shareholders as defined in the JSE Listings Requirements, and not to related parties, unless the JSE agrees otherwise;
- the securities which are the subject of general issues for cash:
  - in the aggregate in any one financial year may not exceed 5% of the company's equity securities in issue of that class as at the date of the passing of the notice of the annual general meeting, being 28 402 758 ordinary shares, provided that such authorisation be valid only until the next annual general meeting or fifteen months from the date of passing the resolution, whichever is the earlier date; and
  - in the event of a sub-division or consolidation of the issued equity securities during the period contemplated in the first bullet above, the existing authority must be adjusted accordingly to represent the same allocation ratio.
- the maximum discount at which such securities may be issued or sold, as the case may be, is 10% of the weighted average traded price of such securities on the JSE over the 30 business days preceding the date that the price of the issue is agreed between the company and the party subscribing for the securities. The JSE will be consulted for a ruling if the company's securities have not traded in such 30 business day period;
- any such general issues are subject to exchange control regulations and approval at that point in time;
- a SENS announcement giving full details, including the impact on net asset value, net tangible asset value, earnings and headline earnings per security (and if applicable, diluted earnings and diluted headline earnings per security) will be published at the time of any issue representing, on a cumulative basis within a financial year, 5% or more of the number of securities in issue prior to the issue; and
- this authority includes any options/convertible securities that are convertible into an existing class of equity securities.

Explanation and effect of special resolution number 5, general authority to allot and issue authorised but unissued securities:

The explanation for special resolution number 5 is to authorise and approve the company's allotment and issue of authorised but unissued securities by the board upon such terms and conditions and to such persons as they in their discretion may determine subject to limitations and other provisions contained herein, in the Companies Act, the memorandum of incorporation of the company and the JSE Listings Requirements.

In terms of the JSE Listings Requirements, in order to be adopted, this resolution is ordinarily passed as an ordinary resolution adopted by achieving a 75% majority of the votes cast. In terms of clause 19.9 of the company's memorandum of incorporation, for so long as the company is listed on the JSE, if any of the JSE Listings Requirements require an ordinary resolution to be passed with a 75% majority, the resolution shall instead be required to be passed by a special resolution. Accordingly this general authority to issue securities for cash is being obtained as a special resolution.

C. Report relating to the social and ethics committee to the annual general meeting

This report is contained on page 8 of the annual financial statements. The chairperson of the committee will be available at the meeting to answer any questions thereon.

D. Trading update

A verbal trading update, to be presented by the CEO of the company at the annual general meeting, will simultaneously be released on SENS.

E. Other business

To transact any other business that may be transacted at an annual general meeting.

ADDITIONAL INFORMATION, RECORD DATES, VOTING, PROXIES AND ELECTRONIC PARTICIPATION

Additional information

For the purpose of considering special resolution number 4, and in compliance with paragraph 11.26 of the JSE Listings Requirements, the information listed below has been included in the integrated annual report, in which this notice of annual general meeting is included, at the places indicated:

- major shareholders – refer to page 106; and
- share capital of the company – refer to page 45 of the annual financial statements.

The directors, whose names are set out on pages 34 to 37 of the integrated annual report, collectively and individually accept full responsibility for the accuracy of the above information as contemplated in paragraph 11.26 of the JSE Listings Requirements, for the purpose of special resolution number 4, and certify that to the best of their knowledge and belief, there are no other facts, the omission of which, would make any statement false or misleading and that they have made all reasonable enquiries in this regard to ascertain such facts and that all information required by law and the JSE Listings Requirements is contained herein.

After the last practicable date prior to publishing this notice being Friday, 15 January 2016, there have been no material changes in the financial or trading position of the group that have occurred since 30 September 2015 other than as disclosed in the integrated annual report of which this notice forms part.

Record dates

The record date on which shareholders must be recorded as such in the register of shareholders of the company for the purposes of receiving notice of this annual general meeting is Friday, 15 January 2016.

The record date on which shareholders must be recorded as such in the register of shareholders of the company for the purposes of being entitled to attend, participate and vote at the annual general meeting is Friday, 26 February 2016.

The last day to trade in the company's shares for the purpose of being entitled to attend, participate and vote at the annual general meeting is Friday, 19 February 2016.

Attendance, voting and proxies

1. In terms of the JSE Listings Requirements, as read with the Companies Act, 75% of the votes cast by equities securities holders present or represented by proxy at the meeting must be cast in favour of the above special resolutions for them to be approved.
2. In terms of the Companies Act and save where the contrary is specified in this notice, a majority of the votes cast by shareholders present or represented by proxy at the meeting must be cast in favour of the ordinary resolution for it to be approved.
3. In terms of the company's memorandum of incorporation, on a show of hands each shareholder, or proxy as the case may be, entitled to vote shall have one vote, irrespective of the number of securities held by that person or proxy, as the case may be. On a poll, every person entitled to vote shall have the number of votes determined in accordance with the voting rights associated with the securities in question which, for clarity, shall be one vote for every ordinary share held.
4. Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own-name" registration are entitled:

4.1. to attend, participate and vote at the annual general meeting in person; or alternatively

4.2. at any time, to appoint any individual, including an individual who is not a shareholder of the company, as a proxy to participate in, and speak at and vote at, the annual general meeting on behalf of the shareholder by completing the form of proxy which is attached to this notice and delivering it as contemplated in paragraph 5 below.

5. The person so appointed need not be a shareholder of the company. Forms of proxy must be forwarded to reach the company's transfer secretaries by delivering it to Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, or posting it to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, so as to be received by them preferably by no later than 09:30 on Wednesday, 2 March 2016. Any form of proxy not handed to the transfer secretaries at this time may be handed to the chairman of the annual general meeting at any time before the proxy exercises any rights of the shareholder at the annual general meeting.

6. Forms of proxy must only be completed by shareholders who have dematerialised their shares with "own-name" registration or who have not dematerialised their shares.
7. Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own-name" registration, who are unable to attend the annual general meeting but wish to be represented thereat, must not complete the attached form of proxy, but must instead, contact their CSDP or broker (as the case may be) in the manner and time stipulated in the agreement entered into by such shareholder and the CSDP or broker (as the case may be) to furnish the CSDP or broker (as the case may be) with their voting instructions and in the event that such shareholders wish to attend the annual general meeting, to obtain the necessary letter of representation from their CSDP or broker (as the case may be).
8. The memorandum of incorporation of the company, in accordance with subsection 62(3)(e)(i) of the Companies Act, restricts the number of proxies that may be appointed to one per shareholder and in accordance with the provisions of subsection 58(3)(b) restricts the ability for a proxy to delegate his/her authority to another person.
9. Before any person may attend or participate in the annual general meeting, the person must present reasonably satisfactory identification in terms of section 63(1)(a) of the Companies Act. The company will regard presentation by a participant of an original valid driver's license, identity document or passport to be satisfactory identification.

Electronic participation

Shareholders or their duly appointed proxies will be given the right, as authorised in the memorandum of incorporation and in accordance with the provisions of the Companies Act, to participate by way of electronic communication at the annual general meeting by way of dialling into telephone conference facilities.

Shareholders or their duly appointed proxies who wish to participate by way of electronic communication must apply to the transfer secretaries by completing and submitting the application form (enclosing the documents referred to in the application form) attached to this notice to the transfer secretaries at Computershare Investor Services Proprietary Limited by delivering it to 70 Marshall Street, Johannesburg, 2001 or posting it to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa or emailing it to roneng@transactioncapital.co.za or facsimileing it to fax no +27 049 6899, to be received by them by no later than 12:00 on Friday, 26 February 2016.

By no later than 14:00 on Wednesday, 2 March 2016, shareholders or their duly appointed proxies will be advised by email, telephone call or text message of the relevant telephone number and access code to allow them to dial in and participate electronically in the annual general meeting.

Shareholders, or their proxies, may not vote electronically. If they wish to vote at the annual general meeting, such parties must complete and deliver the proxy form attached to this notice (and must comply with the notes and instructions contained in the proxy form in this regard) or contact their CSDP if they wish to have their vote counted and are not able to attend the meeting in person and vote in person.

Shareholders and their proxies must take note that the cost of the electronic communication facilities will be for the account of the company although the cost of the shareholder's telephone call will be for his/her/its own expense.

By order of the board of directors of the company.

Ronen Goldstein
Company secretary
Transaction Capital Limited
26 January 2016

Registered office
Transaction Capital
230 Jan Smuts Avenue
Dunkeld West
Johannesburg
2196

Transfer Secretaries
Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)
South Africa

NOTES TO THE FORM OF PROXY

(including a summary of rights in terms of section 58 of the Companies Act, 71 0F 2008, as amended (the "Companies Act'))

In terms of section 58 of the Companies Act:

1.1 a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at the annual general meeting on behalf of such shareholder (section 58(1)(b));

1.2 a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy ('Proxy Instrument') (section 58(3)(b)) (but see note 16);

1.3 irrespective of the form of the Proxy Instrument:

1.3.1 the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder (see note 5) (section 58(4)(a));

1.3.2 any appointment by a shareholder of a proxy is revocable, unless the Proxy Instrument states otherwise (section 58(4)(b)); and

1.3.3 if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company (section 58(4)(c)).

1.4 a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the company's memorandum of incorporation, or the Proxy Instrument, provides otherwise (section 58(7))(see note 3).

1.5 the revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 1.3.3 above (section 58(5));

1.6 if the Proxy Instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder must be delivered by the company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so (section 58(6)(b));

1.7 if the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of Proxy Instrument:

1.7.1 the invitation must be sent to every shareholder entitled to notice of the annual general meeting at which the proxy is intended to be exercised (section 58(8 (a)); and

1.7.2 the invitation or form of Proxy Instrument supplied by the company must:

1.7.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Companies Act (section 58(8)(b)(i));

1.7.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and

1.7.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the annual general meeting, or is to abstain from voting (section 58(8)(b)(iii));

1.8 the company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and

1.9 the proxy appointment remains valid only until the end of the annual general meeting at which it was intended to be used, subject to paragraph 1.5 above.

Notes:

1. Each shareholder is entitled to appoint one proxy (who need not be a shareholder of Transaction Capital) to attend, speak and vote (or abstain from voting) in place of that shareholder at the annual general meeting.

2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice (in the event that the appointed proxy is unable to act) in the space/s provided with or without deleting "the chairman of the annual general meeting" but the shareholder must initial any such deletion. The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow, it being recorded that the memorandum of incorporation of the company prohibits a shareholder from appointing more than 1 (one) proxy.

3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate space provided.

4. Failure to comply with the above will be deemed to authorise and direct the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions, or the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit, in respect of all the shareholder's votes exercisable at the annual general meeting.

5. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the transfer secretaries: Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received preferably by no later than 09:30 on Wednesday, 2 March 2016 (24 hours prior to the annual general meeting) or handed to the chairman of the annual general meeting at any time before the appointed proxy exercise/s any of the relevant shareholder's rights at the annual general meeting (or at any time before any adjournment or postponement of the annual general meeting).

6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of the proxy appointed in terms hereof, should such shareholder wish to do so.

7. The chairman of the annual general meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of the company.

8. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. Any insertion, deletion, alteration or correction made to the form of proxy but not complying with the aforegoing will be deemed not to have been validly effected.

9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by Transaction Capital or the transfer secretaries.

10. Section 63(1) of the Companies Act requires that meeting participants provide reasonably satisfactory identification. The company will regard presentation of a participant's original valid driver's license, identity document or passport to be satisfactory identification.

11. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by Transaction Capital or the transfer secretaries or waived by the chairman of the annual general meeting.

12. Where shares are held jointly, all joint shareholders are required to sign this form of proxy.

13. A shareholder who is a minor must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Transaction Capital or the transfer secretaries.

14. Dematerialised shareholders who do not own shares in "own-name" dematerialised form and who wish to attend the annual general meeting, or to vote by way of proxy, must contact their CSDP, broker or nominee who will furnish them with the necessary letter of representation to attend the annual general meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the shareholder and his/her CSDP, broker or nominee.

15. This form of proxy shall be valid at any resumption of an adjourned or postponed annual general meeting to which it relates, although this form of proxy shall not be used at the resumption of an adjourned or postponed annual general meeting if it could not have been used at the annual general meeting from which it was adjourned or postponed for any reason other than it was not lodged timeously for the meeting from which the adjournment took place. This form of proxy shall, in addition to the authority conferred by the Companies Act, except insofar as it provides otherwise, be deemed to confer the power generally to act at the annual general meeting, and subject to any specific direction contained in this form of proxy as to the manner of voting.

16. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no notification in writing of such death, mental disorder, revocation or transfer as aforesaid shall have been received by the transfer secretaries before the commencement of the annual general meeting or adjourned annual general meeting at which the proxy is used.

17. Any proxy appointed in terms of this form of proxy may not delegate his/her authority to act on behalf of the relevant shareholder.

In terms of the memorandum of incorporation of the company, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid for 1 (one) year from the date upon which it was signed.

FORM OF PROXY

TRANSACTION CAPITAL LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 2002/031730/06
JSE: Code TCP ISIN: ZAE 000167391
('Transaction Capital' or the 'company')

Transaction Capital

FORM OF PROXY

For use by certificated shareholders and own-name dematerialised shareholders only. All other dematerialised shareholders must contact their CSDP or broker to make the relevant arrangements concerning voting and/or attendance at the annual general meeting.

I/We (Full names in BLOCK LETTERS) ______________________________

of (address in BLOCK LETTERS) ______________________________

being (a) registered shareholder(s) of the company holding ____________ ordinary shares in the company hereby appoint:

(i) (full names in BLOCK LETTERS) ______________________________

of (address in BLOCK LETTERS) ______________________________ or, failing him/her,

(ii) (full names in BLOCK LETTERS) ______________________________

of (address in BLOCK LETTERS) ______________________________

or, failing him/her, the chairman of the annual general meeting, as my/our proxy to participate in, speak and vote (whether by polling or by show of hands) for me/us and on my/our behalf at the annual general meeting of the company to be held at the William Meeting Room, Ground Floor, Transaction Capital, 230 Jan Smuts Avenue, Dunkeld West on Thursday, 3 March 2016 and at any adjournment(s) thereof, and to vote or abstain from voting on the ordinary and special resolutions to be proposed at such meeting as follows:

RESOLUTIONS

	In favour	Against	Abstain
Ordinary resolution number 1 – Re-election of directors – each to be voted on as a separate resolution:			
■ M Mendelowitz			
■ C Seabrooke			
■ D Woollam			
Ordinary resolution number 2 – Appointment of members of audit, risk and compliance committee – each to be voted on as a separate resolution:			
■ D Woollam			
■ C Seabrooke			
■ P Langeni			
Ordinary resolution number 3 – Appointment of auditors			
Ordinary resolution number 4 – Non-binding advisory vote on remuneration policy			
Ordinary resolution number 5 – Issue of securities for acquisitions in circumstances other than those covered by special resolution 5			
Ordinary resolution number 6 – Authority to act			
Special resolution number 1 – Approval of non-executive directors' and committee members' fees			
Special resolution number 2 – Authority to provide financial assistance in terms of section 45 of the Companies Act			
Special resolution number 3 – Authority to provide financial assistance in terms of section 44 of the Companies Act			
Special resolution number 4 – General authority to repurchase securities			
Special resolution number 5 – General authority to allot and issue authorised but unissued securities for cash			

Please indicate with an 'x' in the appropriate spaces above how you wish your votes and/or abstentions to be cast.

If you return this form duly signed without any specific directions indicated with an 'x' in the appropriate spaces above, the proxy will be entitled to vote or abstain as he/she thinks fit in his/her discretion.

A proxy may not delegate his/her authority to act on your behalf to another person.

Signed at ______________________________ on ______________________________ 2016

Name in BLOCK LETTERS: ______________________ Signature: ______________________

Please refer to the notes on page 116 for instructions on the use of this form of proxy and a summary of the rights of the shareholder and the proxy.

ELECTRONIC PARTICIPATION AT ANNUAL GENERAL MEETING

TRANSACTION CAPITAL LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 2002/031730/06
JSE: Code TCP ISIN: ZAE 000167391
('Transaction Capital' or the 'company')

Transaction Capital

Shareholders, or their proxies, will be given the right, as authorised in the memorandum of incorporation and provided for in the Companies Act, 71 of 2008, as amended (the Companies Act), to participate by way of electronic communication at the annual general meeting. Shareholders or their duly appointed proxies who wish to participate by way of electronic communication must apply to the transfer secretaries by completing this application form and by delivering it to the transfer secretaries at Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 ***or*** posting it to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa ***or*** emailing it to roneng@transactioncapital.co.za ***or*** facsimileing it to fax no +27 049 6899, as soon as possible but in any event, by no later than 12:00 on Friday, 26 February 2016.

Shareholders, or their proxies, may not vote electronically and must use the proxy form attached for this purpose or contact their CSDP if they wish to have their vote counted and are not able to attend the meeting in person and vote in person.

By no later than 14:00 on Wednesday, 2 March 2016, shareholders or their duly appointed proxies will be advised by email, telephone call or text message of the relevant telephone number and access code to allow them to dial in and participate electronically in the annual general meeting.

The company will bear the cost of establishing the electronic communication whilst the cost of the shareholder (or his/her proxy) dialling in will be for his/her/its own account.

By signature of this form, the shareholder or his/her proxy indemnifies and holds harmless the company against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the annual general meeting or any interruption in the ability of the shareholder or proxy to participate in the annual general meeting via electronic communication whether or not the problem is caused by any act or omission on the part of the shareholder, proxy or anyone else, including without limitation the company and its employees.

INFORMATION REQUIRED FOR PARTICIPATION BY ELECTRONIC COMMUNICATION

Full names of shareholder or authorised representative (for company or other legal entity): ______________________

Identity number or registration number of individual/entity: ______________________

Email address: ______________________

Cell phone number: ______________________

Telephone number including dialling codes: ______________________

Name of CSDP or broker if shares are dematerialised: ______________________

CSDP or broker contact number: ______________________

DOCUMENTS REQUIRED TO BE ATTACHED TO THIS APPLICATION FORM

1. In order to vote at the annual general meeting, shareholders who have not dematerialised their shares or who hold their shares in own-name registration are to appoint a proxy, which proxy may only participate and vote at the annual general meeting provided that a duly completed proxy form has been submitted in accordance with the instructions on that form, and is also to be attached to this application.
2. Documentary evidence establishing the authority of the named person, including any person acting in a representative capacity, who is to participate in the annual general meeting, must be attached to this application.
3. A CSDP or broker registered in the company's sub-register participating on behalf of the beneficial owner of shares are requested to identify the beneficial owner on whose behalf they are acting and to attach a copy of the instructions from such owner.
4. Holders of dematerialised shares must request their broker or CSDP to issue them with the necessary authority to attend. The authorisation must be attached to this application.
5. A certified copy of the valid identity document/passport/driver's licence of the person attending the annual general meeting by electronic participation, including any person acting in a representative capacity, must be attached to this application.

Signed at: ______________________ on ______________________ 2016

Signature: ______________________

Assisted by (where applicable): ______________________

Applications to participate by electronic communication will only be considered if this form is completed in full, signed by the shareholder, proxy or representative and delivered to the transfer secretaries as aforesaid. The company may in its sole discretion accept any incomplete forms.

FORMULAE AND DEFINITIONS

ITEM	DEFINITION
Average equity attributable to ordinary equity holders of the parent	Sum of equity attributable to ordinary equity holders of the parent at the end of each month from September to September divided by 13.
Average gross loans and advances	Sum of gross loans and advances at the end of each month from September to September divided by 13.
Average interest-bearing liabilities	Sum of interest-bearing liabilities at the end of each month from September to September divided by 13.
Average tangible assets	Sum of tangible assets at the end of each month from September to September divided by 13. Tangible assets excludes investments fair valued through equity for accounting purposes.
Average tangible equity attributable to ordinary equity holders of the parent	Sum of equity attributable to ordinary equity holders of the parent less goodwill, intangible assets and fair value movements through equity relating to investments at the end of each month from September to September divided by 13.
Average total assets	Sum of total 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.
Cost-to-income ratio	Total operating costs expressed as a percentage of net interest income plus non-interest revenue.
Credit loss ratio	Impairment of loans and advances expressed as a percentage of average gross loans and advances.
EBITDA	Profit before net interest income, tax, depreciation and amortisation of intangible assets (specifically excluding amortisation of purchased book debts) for MBD and Principa only.
Effective tax rate	Income tax expense expressed as a percentage of profit before tax.
Entry-level vehicles	Vehicles brands: CAM, CMC, Jinbei, King Long, Polar Sun, Foton, Force Traveller, Peugeot.
Gearing	Total assets divided by equity attributable to ordinary equity holders of the parent expressed in times.
Gross loans and advances	Gross loans and advances specifically 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 guidance issued by the South African Institute of Chartered Accountants (SAICA) in Circular 2/2013 of December 2013, currently being basic earnings attributable to ordinary shareholders adjusted for goodwill impairments, capital profits and losses and other non-headline items.
Headline earnings from continuing operations	Headline earnings adjusted for non-headline items arising from discontinued operations as defined in SAICA Circular 2/2013.
Headline earnings per share	Headline earnings divided by weighted average number of ordinary shares in issue.

ITEM	DEFINITION
Headline earnings per share from continuing operations	Headline earnings from continuing operations divided by weighted average number of ordinary shares in issue.
Net asset value per share	Equity attributable to ordinary equity holders of the parent divided by number of ordinary shares in issue.
Net interest margin	Net interest income as a percentage of average gross loans and advances.
Non-performing loan coverage	Impairment provision expressed as a percentage of non-performing loans.
Non-performing loan ratio	Non-performing loans expressed as a percentage of gross loans and advances.
Non-performing loans	(a) the balance outstanding of loans and advances with a contractual delinquency greater than three months including repossessed stock on hand (b) reduced by the balance of such outstanding loans and advances for which three cumulative qualifying payments have been received in the three month period preceding the measurement date.
Normalised headline earnings	Headline earnings adjusted for non-headline items arising from discontinued operations as defined in SAICA Circular 2/2013 and the cost of listing equity and debt instruments on an exchange.
Normalised headline earnings per share	Normalised headline earnings divided by weighted average number of ordinary shares in issue.
Premium vehicles	Non-entry level vehicles.
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 total assets.
Return on average tangible assets	Profit for the year expressed as a percentage of average tangible assets.
Return on average equity	Profit for the year attributable to ordinary equity holders of the parent expressed as a percentage of average equity attributable to ordinary equity holders of the parent.
Return on average tangible equity	Profit for the year attributable to ordinary equity holders of the parent expressed as a percentage of average tangible equity attributable to ordinary equity holders of the parent.
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.
Tangible assets	Total assets less goodwill and other intangible assets.
Tangible net asset value per share	Equity attributable to ordinary equity holders of the parent less goodwill and other intangible assets divided by number of ordinary shares in issue.
Total income	Interest and other similar income plus non-interest revenue.
Weighted average number of ordinary shares in issue	The number of ordinary shares in issue at the beginning of the year increased by shares issued during the year, weighted on a time basis for the year during which they have participated in the income of the group excluding treasury shares.

ADMINISTRATION

ADMINISTRATION
Share code: TCP
ISIN: ZAE000167391
JSE Limited sector: Financial Services
Listing date: 7 June 2012
Year-end: 30 September
Company registration number: 2002/031730/06
Country of incorporation: South Africa

DIRECTORS

EXECUTIVE
David Hurwitz (chief executive officer)
Mark Herskovits (chief financial officer)
Jonathan Jawno (executive director)
Michael Mendelowitz (executive director)

INDEPENDENT NON-EXECUTIVE
Christopher Seabrooke (chairman)
Phumzile Langeni
Dumisani Tabata
David Woollam

NON-EXECUTIVE
Roberto Rossi

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Transaction Capital

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