

TRANSACTION CAPITAL

7 SEPTEMBER | 2015



Transaction Capital

CHRONOLOGY AND GROWTH

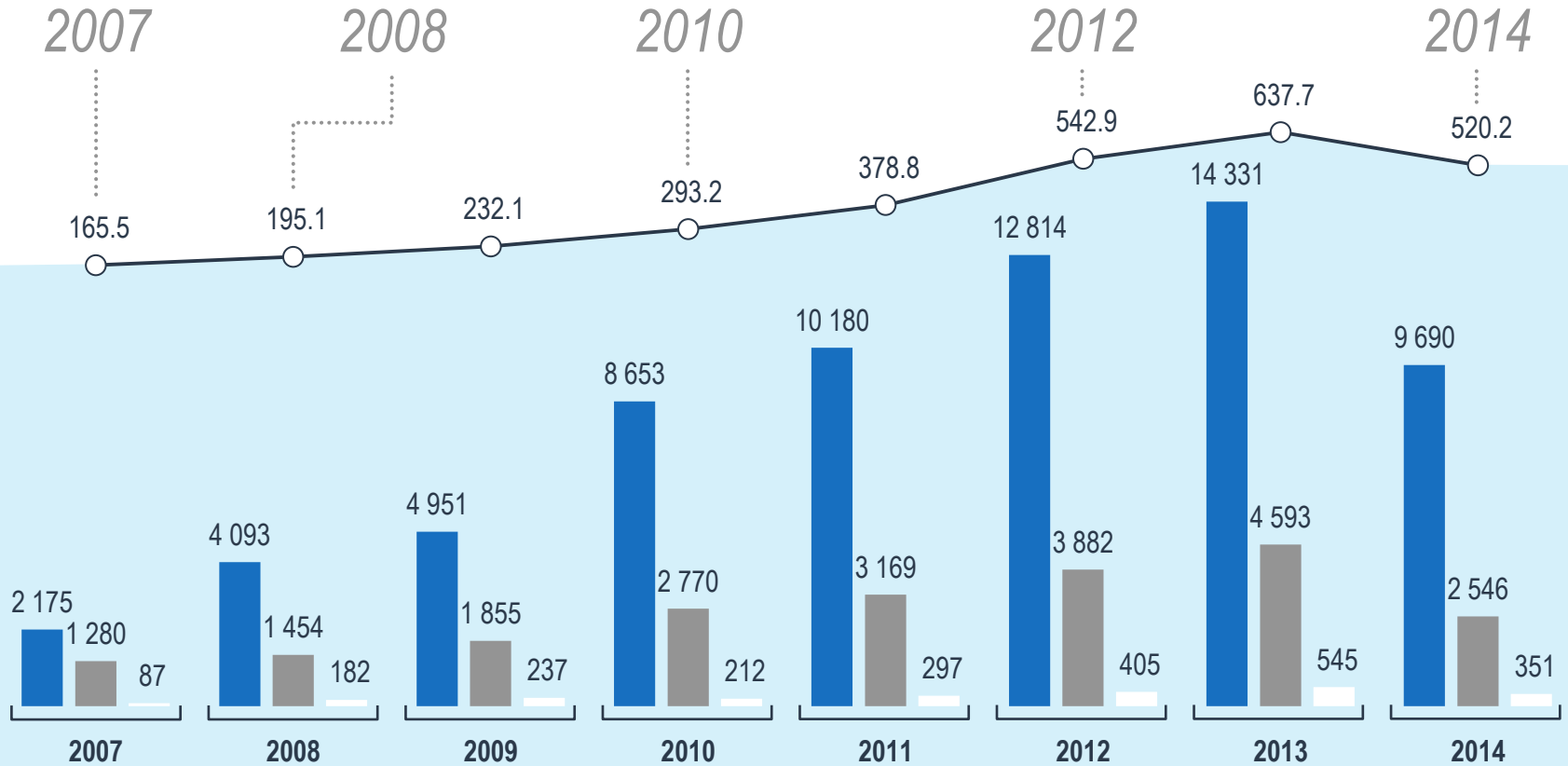
MBD, CMS, SA Taxi and Principa Decisions all commonly owned by the same founding shareholders, are merged with Paycorp to form Transaction Capital

Transaction Capital acquires Rand Trust

Transaction Capital acquires Bayport

Transaction Capital lists on the JSE on 7 June

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)



■ Total assets (Rm)
 □ Headline earnings (Rm)

■ Total income (Rm)
 ○ Net asset value per share (cents)

CHRONOLOGY AND GROWTH

- Earnings performance in line with guidance at IPO
 - FY12 Headline earnings up 31%
 - FY13 Headline earnings up 35%
 - FY14 Headline earnings up 28%
 - 1H15 Headline earnings up 20%
- Value accretive disposals in a challenging environment
 - realised value
 - de-risked the group
 - reduced complexity
- Group restructuring initiated in 2014
 - Change in leadership
 - Group executive office structure simplified, devolving responsibility and authority to the operating businesses
 - Reconstitution of the portfolio into two autonomous divisions of scale
 - asset-backed lending
 - risk services

| | Proceeds | Profit on sale | PE | IRR |
|---------|----------|----------------|------------|-------|
| Paycorp | R937m | R425m | 18.7 times | 18.2% |
| Bayport | R1 336m | R234m | 6.7 times | 32.6% |

SHARE PRICE PERFORMANCE

TCP CLOSING SHARE PRICE (adjusted for 210 cps special distribution)



TRANSACTION CAPITAL GROUP PROFILE – at 31 March 2015

TRANSACTION CAPITAL LIMITED – half year ended 31 March 2015 | Employees: **3 877** | Headline earnings: **R177m**

ASSET-BACKED LENDING

An unconventional asset-backed lender, currently focusing predominantly on the financing of independent SMEs mainly in the minibus taxi industry, but with the intention to expand into adjacent markets or asset classes

CEO: Terry Kier

HEADLINE EARNINGS **R97m** (▲ 31%)
GROSS LOANS & ADVANCES **R6 576m** (▲ 14%)
EMPLOYEES **569**



Innovative asset-backed lender, focusing predominantly on the financing of independent SMEs mainly in the minibus taxi industry

CEO: Terry Kier (49),
BA (Hons)
Group/subsidiary tenure: 8 years

RISK SERVICES

A provider of a comprehensive range of structured credit risk management, debtor management, collection, customer engagement & capital solutions, focusing predominantly on the consumer credit lifecycle as well as commercial solutions for SMEs

CEO: David McAlpin

HEADLINE EARNINGS **R61m** (▲ 20%)
TOTAL INCOME **R523m** (▲ 16%)
EMPLOYEES **3 276**



Provider of working capital & commercial debtor management solutions to SMEs

CEO: Deon Pienaar (43),
BCom (Hons), CA (SA)
Group/subsidiary tenure: 8 years



The challenging SA consumer credit environment provides substantial opportunity to leverage capital solutions, collection services, business process outsourcing, data & analytical services, software solutions & financial services to consumer credit providers

CEO: David McAlpin (53),
BCom, MBA, ACMA
Group/subsidiary tenure: 7 years

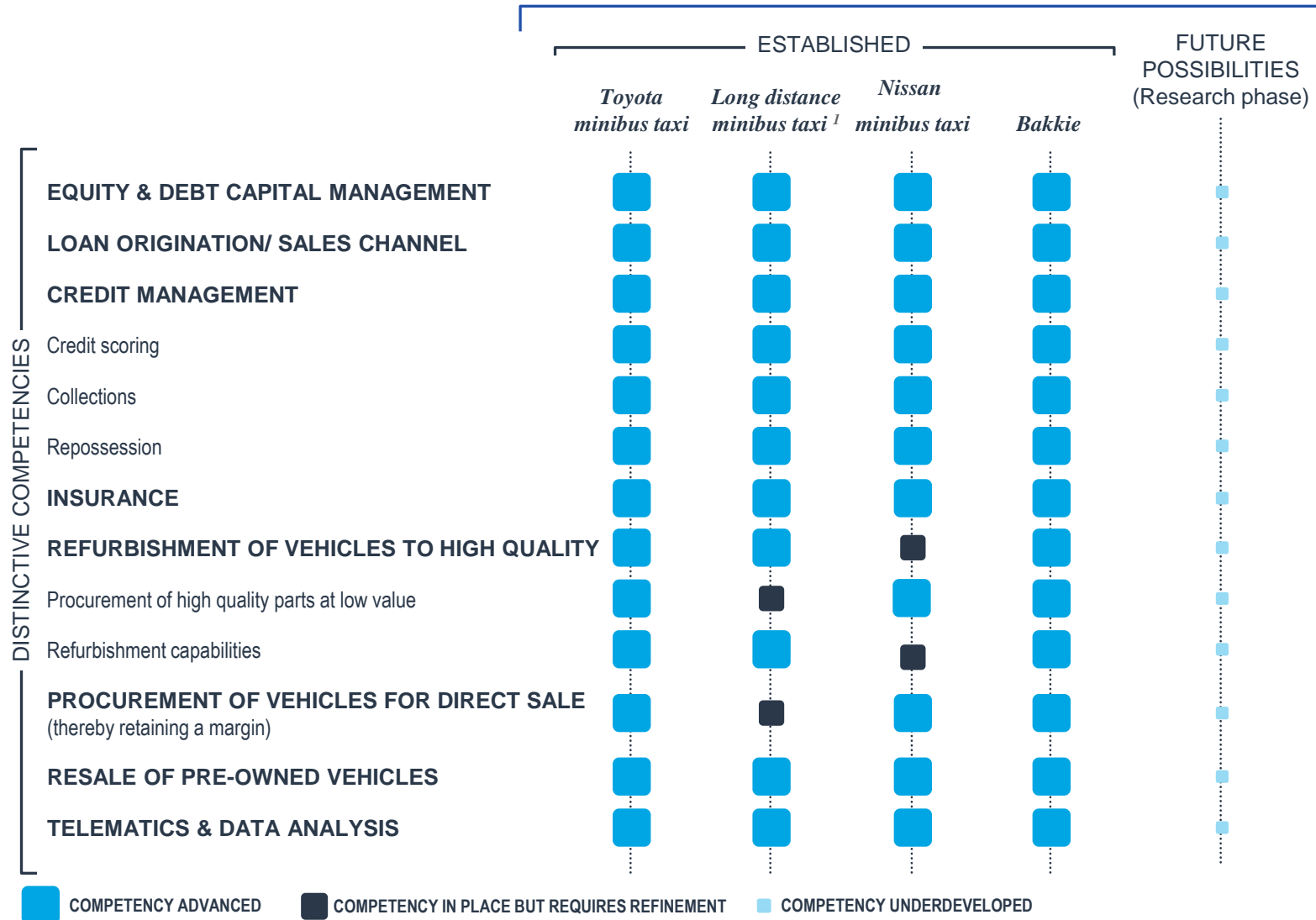


Provider of customer engagement solutions, focusing predominantly on the consumer credit lifecycle

CEO: Jaco Rossouw (46),
BSc
Group/subsidiary tenure: 10 years

ASSET-BACKED LENDING *distinctive competencies*

MARKETS



1. e.g. Mercedes Benz 22-seater

ABOUT SA TAXI

- Founded in 1998
- Dominant and defensive market positioning
- Enabler of affordable and safe transport to 19 million commuters daily
- Facilitated the creation of over 35 000 black SMEs and is an important catalyst for empowerment and development of start-up SMEs in South Africa
- Broadens access to finance for SME minibus taxi operators who would not otherwise access credit from traditional sources
- Portfolio of 24 931 accounts as at 31 March 2015
- Continuously engagement with relevant industry stakeholders (e.g. operators, taxi associations, the Department of Transport, OEMs) is critical to success

SA TAXI - COMPETITIVE ADVANTAGE

SA Taxi's business model has been successful because of specialisation and extensive vertical integration in South Africa's taxi industry:

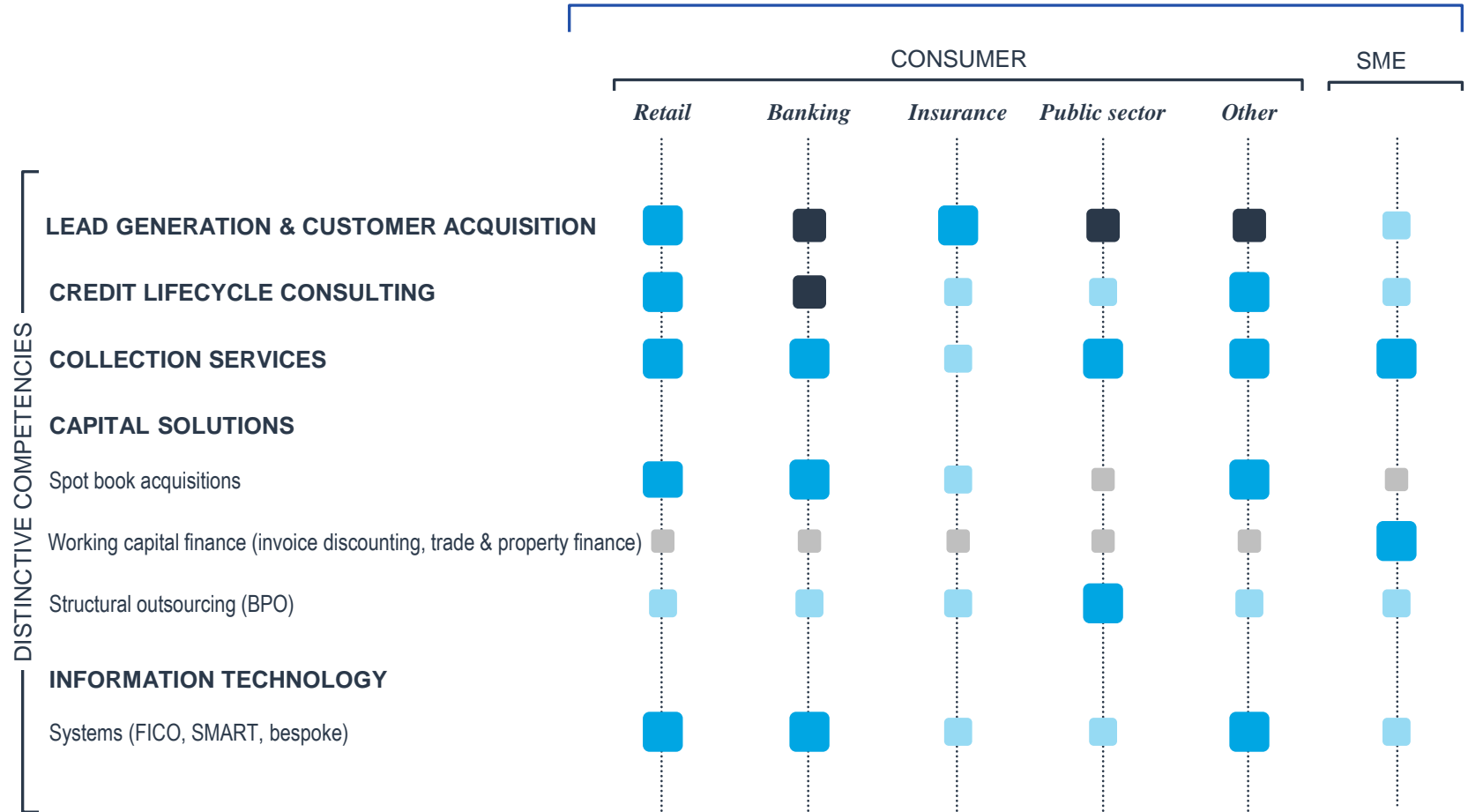
- Bespoke credit process to fully understand and account for risk, considers:
 - Cash flow generation capacity of minibus taxi route
 - Vehicle make, quality and capacity (including ability to refurbish and resell in secondary market)
 - Credit quality and required needs of the minibus taxi operator
- Focus extends well beyond being just the financier of a taxi vehicle
- Direct sales of new and pre-owned vehicles allows SA Taxi to capture additional margin
 - dealer margin
 - credit risk mitigation
- Taximart created in 2009 to receive, refurbish and sell repossessed minibus taxis in the secondary market and improve SA Taxi's recoveries on these vehicles
- Control of procurement through Taximart decreases costs of insurance claims
- Leverage core skill set to other asset classes
 - "Bakkie" finance

TAXIMART



RISK SERVICES *distinctive competencies*

MARKETS



■ COMPETENCY ADVANCED
 ■ COMPETENCY IN PLACE BUT REQUIRES REFINEMENT
 ■ GROWTH OPPORTUNITY
 ■ NOT A CURRENT FOCUS AREA

ABOUT RISK SERVICES

- Founded in 1999
- Dominant and defensive market positioning
- Data set and scale is a barrier to entry and a key competitive advantage:
 - 10 call centres across the region
 - more than 2 700 collection agents
 - more than 80 agency clients including banks, credit retailers, municipalities, parastatals, telecommunications and insurance
 - superior infrastructure and IP, the Cheetah database houses large volumes of current and historical data
- Servicer Quality Rating from Global Credit Ratings Co.

RISK SERVICES: FACTS AND FIGURES FOR THE 6 MONTHS ENDING 31 MARCH 2015

| | | |
|---|--------|--------|
| Total gross collections | Rbn | 1.8bn |
| Total payments received | Number | 3.0m |
| Successful debit orders submitted | Number | 1.2m |
| Total outbound calls | Number | 24.6m |
| Total SMSes sent | Number | 81.3m |
| Total letters sent | Number | 9.8m |
| Customer queries resolved | Number | 0.8m |
| Debt currently under management (31 March 2015) | Rbn | 31.7bn |

INVESTMENT CASE

- Robust earnings growth track record
- Specialisation in familiar business lines will create most value
- Strong balance sheet
- Efficient cost structures
- Acquisition strategy focussed within our existing divisions where we are the market leader
- Sound M&A track record but patience is required
- Management track record and interests are aligned to success of the business
- Solid platforms for growth