



Standard Bank and SA Taxi co-arrange first public placement of social bonds via the Transsec 5 securitisation structure

TRANSACTION OVERVIEW

Issuer	Transsec 5 (RF) Limited
Standard Bank Role	Co-arranger and Sustainability agent
Issue Date	26-May-2021
Issue Size	ZAR 900 million (ZAR 1 billion deal size including subordinated loan provided by SA Taxi)
Country	South Africa

Bond Code	Rating (Moody's)	Amount Raised	Bids Received	Expected Tenor (Years)	Price Guidance (bps)	Spread (3m Jibar + bps)
TR50M1	P-1.za	ZAR 90m	ZAR 256m	1	80-90bps	3m Jibar +75bps
TR5A11	Aaa.za	ZAR 329m	ZAR 329m	3 (call)	140-150bps	3m Jibar +148bps
TR5A21	Aaa.za	ZAR 191m	ZAR 291m	5 (call)	160-170bps	3m Jibar +154bps
TR5A31	Aaa.za	ZAR 80m	ZAR 90m	5 (call)	0-10bps	R186 +18bps
TRA5B1	Aa2.za	ZAR 150m	ZAR 365m	5 (call)	200-250bps	3m Jibar +225bps
TRA5C1	Unrated	ZAR 60m	ZAR 196m	5 (call)	400-450bps	3m Jibar +390bps



Transsec 5 (RF) Ltd
2021
ZAR 900 million
Social Bond
SME/Auto Loan ABS



STANDARD BANK INVOLVEMENT

- SA Taxi Holdings (Pty) Limited ("SA Taxi") selected Standard Bank ("SBSA") alongside themselves as their co-arrangers and sustainability agent responsible for the establishment of the ZAR 2.5 billion Transsec 5 (RF) Limited programme ("Transsec 5") and all issuance thereunder.
- SBSA also supported Transsec 5 through the provision of a liquidity facility and was appointed as the Issuer Agent and Debt Sponsor.
- SBSA arranged the first Transsec in 2014 where SA Taxi raised ZAR 665 million under the initial issuance. Post the initial Transsec 5 issuance and prior to the latest Transsec 5 issuance of ZAR 900 million, the cumulative issuance amount was ZAR 4.533 billion.
- Transsec 5 was SA Taxi's first Social Bond issuance under their newly established sustainable bond framework which SBSA assisted in developing and executing a listing on the sustainability segment of JSE's interest rate market. The framework itself was independently verified by S&P Global Ratings.

TRANSACTION HIGHLIGHTS AND IMPACT

- Despite the turbulent period in the market and the increased enhancement requirements in the structure as a result of the South African lockdown restrictions, SA Taxi still managed to improve their cost of capital in the structure, and with the introduction of the Class C Note offering and the broadening of the portfolio mix they managed to improve on the overall economics through the Transsec offering.
- The Social Bonds were issued in line with SA Taxi's newly established sustainable bond framework which is closely aligned with the UN's Sustainable Development Goals and The International Capital Market Association's Social Bond Principles (SBP) 2021.
- The proceeds of the social bonds were used for financing and refinancing existing loans that exclusively belong to the categories defined by the SBP.

Alignment with UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



SA TAXI OVERVIEW

- SA Taxi, a subsidiary of Transaction Capital Limited, is a niche credit provider focused on deploying developmental credit and allied business services to the South African minibus taxi industry, enabling the growth of SMEs in this sector and to ensure that safe taxis are operated by legitimate taxi operators.
- To achieve its sustainability objectives, SA Taxi finances SME's that otherwise might not have access to finance from traditional credit issuers and provides financing for initiatives that promote improve fuel efficiency.
- As at 31 March 2021, SA Taxi had provided credit, together with insurance and other allied products to 33 640 minibus taxi operators.

SA Taxi, together with Standard Bank, produced a Sustainable Bond Framework which culminated in its inaugural social bond issuance on the JSE's sustainability segment. SA Taxi is proud to be a market leader in the automotive industry, in this regard, and is privileged to be making an impact on bettering public transport, enabling financial and social inclusion and enhancing climate resilience. SA Taxi is committed to enhancing its contributions to these important ESG elements.'

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