Unaudited results
and dividend declarations
for the 6 month period ended 31 December 2011

sasfin Holdings Limited
a partner beyond expectations

Sasfin Holdings Limited
Incorporated in the Republic of South Africa
Company Registration Number: 1987/002097/06
"Sasfin" or "the Group" or "the Company"
Ordinary share code: SFN ISIN: ZAE000006565
Preference share code: SFNP ISIN: ZAE000060273

headline earnings	headline earnings per ordinary share	total equity ▲ 9%	total funding base ▲ 38%	total gross loans and advances ▲ 15%	total assets ▲ 28%	return on ordinary shareholders' average equity ▼ 1 pps	return on total average assets ▼ 1 pps	group capital adequacy ▲ 1 pps
R52,5 million in 2011	163 cents in 2011	R1,2 billion in 2011	R3,6 billion in 2011	R2,7 billion in 2011	R5,3 billion in 2011	12% in 2011	2% in 2011	29% in 2011
R52,5 million in 2010	163 cents in 2010	R1,1 billion in 2010	R2,6 billion in 2010	R2,4 billion in 2010	R4,1 billion in 2010	13% in 2010	3% in 2010	28% in 2010

financial highlights

	% Change	31 Dec 2011 Unaudited	31 Dec 2010 Unaudited	30 June 2011 Audited
Consolidated statement of financial position				
Total assets (Rm's)	28	**5 233**	4 090	4 373
Total gross loans and advances (Rm's)	15	**2 735**	2 376	2 429
Non-performing loans and advances (Rm's)	60	**256**	160	189
Income statement				
Earnings attributable to ordinary shareholders (Rm's)	–	**52,5**	52,5	98,0
Headline earnings (Rm's)	–	**52,5**	52,5	95,6
Financial performance				
Return on ordinary shareholders' average equity (pps)	(1)	**12**	13	11
Return on total average assets (pps)	(1)	**2**	3	2
Operating performance				
Non-interest income to total income (pps)	2	**69**	67	64
Efficiency ratio (pps)	3	**70**	67	69
Credit loss ratio (pps)	(0,4)	**1,2**	1,6	1,7
Non-performing loans and advances to total gross loans and advances (pps)	2	**9**	7	8
Share statistics				
Earnings per ordinary share (cents)	–	**163**	163	304
Headline earnings per ordinary share (cents)	–	**163**	163	297
Diluted earnings per ordinary share (cents)	–	**163**	163	304
Diluted headline earnings per ordinary share (cents)	–	**163**	163	297
Number of ordinary shares in issue at end of the period ('000)	–	**32 237**	32 236	32 237
Weighted average number of ordinary shares in issue ('000)	–	**32 237**	32 212	32 224
Diluted weighted average ordinary shares in issue ('000)	–	**32 237**	32 218	32 229
Dividends per ordinary share relating to profit for the period (cents)	–	**49**	49	118
Preference share dividend number 15 (cents)	–	**340,27**	–	–
Preference share dividend number 14 (cents)	–	**–**	–	334,73
Preference share dividend number 13 (cents)	–	**–**	362,05	362,05
Net asset value per ordinary share (cents)	7	**2 880**	2 681	2 771
Capital adequacy				
Group capital to risk weighted assets (pps)	1	**29**	28	32
Sasfin Bank Limited capital to risk weighted assets (pps)	3	**25**	22	30
Employees				
Permanent staff complement	27	**726**	572	583

consolidated statement of financial position

	% Change	31 Dec 2011 Unaudited R'000	31 Dec 2010 Unaudited R'000	30 June 2011 Audited R'000
ASSETS				
Cash and cash balances	102	**1 270 831**	627 997	805 233
Short-term negotiable securities		**86 125**	89 108	72 405
Loans and advances to customers	16	**2 632 441**	2 275 163	2 332 986
Other receivables		**371 455**	338 064	370 925
Investment securities		**426 951**	386 261	405 176
Investment in associated companies		**83 939**	69 819	77 932
Property, plant and equipment		**206 815**	181 062	175 379
Investment property		**51 038**	51 038	51 038
Taxation		**1 495**	–	4 534
Intangible assets and goodwill		**90 346**	61 162	69 244
Deferred tax asset		**11 866**	10 552	8 412
Total assets	28	**5 233 302**	4 090 226	4 373 264
LIABILITIES				
Interbank funding		**90 126**	151 268	60 453
Deposits from customers	27	**1 646 999**	1 293 507	1 215 446
Long-term loans	149	**604 617**	242 898	242 897
Debt securities issued		**1 297 949**	945 281	1 297 614
Other payables		**369 248**	298 281	374 922
Taxation		**12 065**	6 186	9 246
Deferred tax liability		**56 327**	73 819	63 815
Total liabilities	35	**4 077 331**	3 011 240	3 264 393
EQUITY				
Ordinary share capital and share premium		**162 732**	162 731	162 732
Reserves		**765 825**	701 563	730 425
Preference share capital and share premium		**199 278**	199 278	199 278
Total equity attributable to equity holders of the parent	6	**1 127 835**	1 063 572	1 092 435
Non-controlling interest		**28 136**	15 414	16 436
Total equity	7	**1 155 971**	1 078 986	1 108 871
Total liabilities and equity	28	**5 233 302**	4 090 226	4 373 264
Commitments and contingent liabilities		**97 587**	57 704	67 711

consolidated income statement

	% Change	31 Dec 2011 Unaudited R'000	31 Dec 2010 Unaudited R'000	30 June 2011 Audited R'000
Interest income		**220 436**	199 156	359 256
Interest expense		**125 866**	108 308	168 676
Net interest income	4	**94 570**	90 848	190 580
Non-interest income	13	**205 794**	182 212	345 431
Total income	10	**300 364**	273 060	536 011
Impairment charges on loans and advances	(13)	**15 304**	17 680	37 712
Net income after impairments		**285 060**	255 380	498 299
Operating costs	15	**214 894**	187 620	376 490
Staff costs		**115 600**	94 901	199 259
Other operating expenses		**99 294**	92 719	177 231
Profit from operations		**70 166**	67 760	121 809
Share of associated companies' income		**8 509**	5 596	12 205
Profit before income tax	7	**78 675**	73 356	134 014
Income tax expense		**17 426**	12 829	20 161
Profit for the period	1	**61 249**	60 527	113 853
Profit attributable to:				
Non-controlling interest		**2 453**	795	1 693
Preference shareholders		**6 377**	7 249	14 147
Equity holders of the parent		**52 419**	52 483	98 013
Profit for the period		**61 249**	60 527	113 853
Earnings per ordinary share (cents)		**163**	163	304
Diluted earnings per ordinary share (cents)		**163**	163	304

condensed consolidated statement of cash flows

	31 Dec 2011 Unaudited R'000	31 Dec 2010 Unaudited R'000	30 June 2011 Audited R'000
Cash flows from operating activities	**25 001**	57 524	61 320
Movement in operating assets and liabilities	**123 776**	(95 132)	(200 395)
Net cash flows from operating activities	**148 777**	(37 608)	(139 075)
Net cash flows used in investing activities	**(55 005)**	10 622	(30 628)
Net cash flows from financing activities	**365 305**	37 680	435 019
Net increase in cash and cash equivalents	**459 077**	10 694	265 316
Cash and cash equivalents at beginning of the period	**817 185**	539 353	539 353
Effect of exchange rate fluctuations on cash held	**(9 432)**	15 790	12 516
Cash and cash equivalents at end of the period	**1 266 830**	565 837	817 185

consolidated statement of comprehensive income

	31 Dec 2011 Unaudited R'000	31 Dec 2010 Unaudited R'000	30 June 2011 Audited R'000
Profit for the period	**61 249**	60 527	113 853
Other comprehensive income for the period net of income tax	**5 269**	(9 508)	(10 396)
Foreign currency translation reserve	**32 560**	(28 031)	(25 163)
Net gains on re-measurement of available-for-sale financial assets	**–**	632	335
Gains on re-measurement of available-for-sale financial assets	**–**	735	575
Income tax effect	**–**	(103)	(129)
Non-controlling interest	**–**	–	(111)
Net gains on hedge of net investment in foreign operations	**(27 291)**	17 891	14 432
Gains on hedge of net investment in foreign operations	**(37 904)**	24 849	20 044
Income tax effect	**10 613**	(6 958)	(5 612)
Total comprehensive income for the period	**66 518**	51 019	103 457
Attributable to:			
Non-controlling interest	**2 453**	795	1 804
Preference shareholders	**6 377**	7 249	14 147
Equity holders of the parent	**57 688**	42 975	87 506
Total comprehensive income for the period	**66 518**	51 019	103 457

consolidated statement of changes in equity

	31 Dec 2011 Unaudited R'000	31 Dec 2010 Unaudited R'000	30 June 2011 Audited R'000
Opening total shareholders' equity	**1 108 871**	1 063 900	1 063 900
Total comprehensive income for the period	**66 518**	51 019	103 457
Profit for the period	**61 249**	60 527	113 853
Other comprehensive income for the period			
Foreign currency translation reserve	**32 560**	(28 031)	(25 163)
Hedging reserve	**(27 291)**	17 891	14 432
Available-for-sale reserve	**–**	632	335
Transactions with owners recorded directly in equity			
Movement in non-controlling interest	**9 247**	(1 814)	(1 579)
Issue of ordinary shares	**–**	1 390	1 391
Share-based payments reserve movements	**–**	(220)	(221)
Preference share dividend	**(6 377)**	(7 249)	(14 147)
Ordinary share dividend	**(22 288)**	(28 040)	(43 930)
Closing balance	**1 155 971**	1 078 986	1 108 871

condensed headline earnings reconciliation

	31 Dec 2011 Unaudited R'000	31 Dec 2010 Unaudited R'000	30 June 2011 Audited R'000
Earnings are determined as follows:			
Earnings attributable to equity holders of the parent	**52 419**	52 483	98 013
Headline adjustable items	**37**	50	(2 402)
Loss on sale of property and equipment	**37**	50	11
Gross	**51**	70	15
Tax impact	**(14)**	(20)	(4)
Revaluation of investment property	**–**	–	(2 413)
Headline earnings	**52 456**	52 533	95 611
Headline earnings per ordinary share (cents)	**163**	163	297

condensed segmental analysis

	31 Dec 2011 Unaudited R'000	31 Dec 2010 Unaudited R'000	30 June 2011 Audited R'000
Segment Results			
Business Banking	**42 546**	37 688	88 775
Capital	**2 725**	11 420	3 235
Treasury	**674**	3 389	5 142
Wealth Management	**11 741**	9 341	18 479
Commercial Solutions	**8 318**	2 838	6 287
Group	**(4 755)**	(4 149)	(8 065)
Profit for the period	**61 249**	60 527	113 853
Segment Revenue			
Business Banking	**238 809**	208 737	442 293
Capital	**38 271**	47 536	73 453
Treasury	**76 651**	64 273	131 694
Wealth Management	**61 628**	56 622	113 008
Commercial Solutions	**56 173**	34 010	67 479
Group and Inter-segment eliminations	**(36 793)**	(24 214)	(111 035)
Total segment revenue	**434 739**	386 964	716 892
Segment Assets			
Business Banking	**2 908 487**	2 679 057	2 744 334
Capital	**560 647**	550 100	550 840
Treasury	**2 328 762**	1 516 886	1 605 975
Wealth Management	**214 030**	213 575	248 346
Commercial Solutions	**224 896**	116 380	117 958
Group and Inter-segment eliminations	**(1 003 520)**	(985 772)	(894 189)
Total segment assets	**5 233 302**	4 090 226	4 373 264
Segment Liabilities			
Business Banking	**2 599 370**	2 386 457	2 447 481
Capital	**501 836**	487 216	505 098
Treasury	**2 329 771**	1 515 285	1 602 800
Wealth Management	**122 769**	114 097	169 242
Commercial Solutions	**121 415**	66 163	51 215
Group and Inter-segment eliminations	**(1 597 830)**	(1 557 978)	(1 511 443)
Total segment liabilities	**4 077 331**	3 011 240	3 264 393

acquisition of subsidiary

During the period under review, Sasfin acquired a controlling equity stake in IQuad Group Limited ("IQuad"), a diversified group of specialist financial and business services companies listed on the AltX of the JSE.

Sasfin is seeking to add complementary services for its clients through the acquisition of businesses complementary to Sasfin's non-banking activities. Significant cross-selling opportunities exist within the broader Sasfin Group in terms of both potential corporate and private clients. IQuad has a solid track record in performance and has proven systems and procedures in place to take advantage of Sasfin's networks to grow the existing businesses of both Sasfin and IQuad.

Acquisition of shares in IQuad:

Date	Number of shares	% acquired	Cost per share	Purchase consideration R'000
Friday, 9 September 2011	12 042 344	42,9	2,57	30 949
Wednesday, 16 November 2011	2 290 000	8,2	2,57	5 885
Effective control gained	14 332 344	51,1	2,57	36 834
Friday, 2 December 2011	4 880 472	17,3	2,57	12 543
Total investment	19 212 816	68,4	2,57	49 377

Sasfin Group executive directors have been appointed to the board of IQuad with Tyrone Soondarjee assuming the role as non-executive chairman. From the date of control, the results of IQuad have been consolidated and are reflected under the Commercial Solutions segment.

The following summarises the major classes of assets acquired and liabilities assumed at the acquisition date:

Fair value of identifiable assets and liabilities at the date of control	R'000
Investment property	14 434
Property, plant and equipment	14 445
Intangible assets	4 881
Trade and other receivables	40 504
Cash and cash equivalents	9 163
Trade and other payables	(36 677)
Fair value of net assets acquired	46 750

Goodwill on acquisition of control

In terms of the fair value of the net assets acquired, goodwill of R12,9 million arose on acquisition. The goodwill is mainly attributable to the intellectual property of IQuad and the synergies expected from the existing customer base of IQuad through increased cross selling. Goodwill will be assessed annually for impairment in accordance with Sasfin's accounting policy. Goodwill is a non-deductable tax item.

	R'000
Fair value of net assets acquired	46 750
Total consideration transferred	36 834
Sasfin's 51,1% share of net assets acquired	(23 889)
Goodwill on acquisition	12 945

Non-controlling interest	**R'000**
Non-controlling interests, based on their proportionate interest (48,9%) in the fair value of recognised assets and liabilities	22 861
Further acquisition of 17,3% by Sasfin	(12 543)
Non-controlling interest	10 318

Acquisition-related costs

The Group incurred acquisition-related costs of R1,2 million related to external fees and due diligence costs. These costs have been recognised in administrative expenses in the Group's consolidated statement of comprehensive income.

commentary

NATURE OF BUSINESS
Sasfin is a bank-controlling company listed in the "Financials: Investment Services" sector of JSE Limited ("the JSE"). Sasfin and its subsidiaries provide a wide range of complementary banking, financial and related services.

BUSINESS REVIEW: GROUP PERFORMANCE
Business environment

- The global economic outlook, in particular the Eurozone, remained volatile and uncertain throughout the period under review. The fears of sovereign default and the resulting contagion therefrom affected domestic markets materially. Unemployment levels remained stubbornly high with increased levels of consumer debt.
- The banking sector, whilst resilient, appeared sluggish with the demand for credit being mixed and subdued in most areas.
- Sasfin continued on its growth trajectory in its core business activities. Total assets grew by 28% to R5,3 billion year on year, underpinned by further solid growth in the Business Banking division, where loans and advances reached R2,7 billion, a 15% increase over the corresponding period of 2010, and a much healthier cash and liquid assets position with funds in excess of R1,3 billion.
- In line with its strategy to broaden and strengthen its non-banking activities, the Group acquired a 68,4% majority stake in Business and Financial Services listed company, IQuad, in November 2011. The primary driver for this acquisition was to expand the Group's service and product offering and leverage off IQuad's client base.

Financial overview

- The Group's headline earnings of R52,5 million (2010: R52,5 million) reflects a benign performance over 2010, with headline earnings per share at 163 cents (2010: 163 cents). The drop in earnings of R8,7 million in the Capital division and R2,7 million in the Treasury division largely contributed to the flat earnings for the period.
- The Treasury division reflected a decrease in earnings due to higher funding costs, whilst the Capital division's results were negatively affected by further impairments and writedowns in its private equity portfolio.
- The Business Banking division delivered a good set of results, with earnings for the period of R42,5 million (2010: R37,7 million), an increase of 13%. These results were positively impacted by the 15% growth in the lending book, margin retention and lower impairment charges.
- Credit impairment losses continued a downward trend, with the annualised credit loss ratio at a Group level decreasing to 1,2% on average loans and advances from 1,6% in 2010, whilst the credit loss ratio for the Business Banking division decreased to 0,6% from 0,7% in 2010.
- Group costs reflect a 15% increase over 2010, largely due to the cost base of IQuad, which has been consolidated into the Group results from November 2011. Excluding this cost base, costs have increased marginally above inflation due to increased depreciation and amortisation costs.
- The changes implemented in the Wealth Management segment are contributing favourably to Group earnings. Earnings for the period showed a growth of 26%, driven primarily by increased trading volumes and improved fee income.
- The Risk and Logistics division which has been re-branded as Commercial Solutions, is gaining momentum following the acquisition of IQuad, and showed a meaningful contribution to Group profits of R8,3 million (2010: R3 million).
- The restructured Capital division is returning to profitability following the change in the business model in the Private Equity and Property Private Equity units. As stated previously, the Group is exiting and realising certain investments and progress has been made in this regard. In addition to this, the Group has entered into a strategic relationship with Annuity Properties Limited, a property fund to be listed, with the intention of disposing of its owner-occupied Head Office building to this fund, and simultaneously acquiring a 25% stake in its asset management company. Accordingly, the Group is in the process of exiting its current property private equity portfolio. The Corporate Finance unit which is incorporated under the Capital division remains profitable, with some significant mandates under its belt.

Statement of financial position and capital management review

- The Group's deposit and funding continued to grow, with an improved deposit mix and maturity profile. Deposits grew by 27% to R1,7 billion from R1,3 billion in 2010.
- As previously announced, Sasfin Bank Limited ("the Bank") successfully concluded a seven-year €35 million term loan from three European Development Finance Institutions in December 2011, further strengthening and diversifying its funding base, and its ability to meet the stringent Basel III liquidity standards to be pronounced shortly.
- Sasfin's securitisation vehicle, a leader in its market, continues to perform well and has re-financed R1,348 billion of notes at favourable terms in the 2011 calendar year.
- The Group maintains comfortable levels of capital and at 31 December 2011, its statutory risk-weighted capital adequacy ratio was 29% (2010: 28%) and that of the Bank 25% (2010: 22%), which are well above the prescribed regulatory requirements.

PROSPECTS
- Sasfin is well positioned as a banking and financial services Group focusing on the entrepreneurial market, and based on prevailing market conditions, the Group expects to see improved levels of business activity in the second half of the financial year.
- Sasfin is poised for future growth in its target markets, following the significant strategic initiatives and investments made in prior years, and its strong brand equity.

BASIS OF PREPARATION AND PRESENTATION OF INTERIM FINANCIAL STATEMENTS
The condensed unaudited interim consolidated financial statements have been prepared in accordance with IAS 34 – "Interim Financial Reporting" and the requirements of the Companies Act of South Africa and in compliance with the JSE Listings Requirements and the accounting policies applied conform to International Financial Reporting Standards and the AC500 series. The same accounting policies and methods of computation are followed in the interim financial statements as compared to the 2011 annual financial statements. There are no material events subsequent to the end of the interim period, other than the disposal of the Group's fixed property to Annuity Properties Limited.

In terms of S29(1)(e)(ii) of the Companies Act, it is confirmed that the preparation of these financial statements is done under the supervision of Tyrone Soondarjee CA(SA), financial director of the Group.

PREFERENCE SHARE DIVIDEND
Notice is hereby given that preference dividend number 15 amounting to 340,27 cents (2010: 362,05 cents) per preference share ("preference dividend") has been declared for the six months ended 31 December 2011 on one million preference shares issued at R100,00 each and on nine hundred and five thousand preference shares issued at R110,49 each. The preference dividend is payable to holders of preference shares recorded in the register of the Company at the close of business on Friday, 30 March 2012.

The salient dates relating to the preference dividend are as follows:

Last day to trade *cum* the preference dividend	Friday, 23 March 2012
Preference shares commence trading *ex* the preference dividend	Monday, 26 March 2012
Preference dividend record date	Friday, 30 March 2012
Payment of preference dividend	Monday, 2 April 2012

Preference shares may not be dematerialised or rematerialised between Monday, 26 March 2012 and Friday, 30 March 2012, both days inclusive.

INTERIM ORDINARY SHARE DIVIDEND
The Group has a stated policy of declaring interim and final ordinary share dividends equal in aggregate to 40% of headline earnings. In accordance with this policy, the Board of Sasfin has resolved to pay an interim dividend as set out below.

Notice is hereby given that an interim ordinary share dividend of 49 cents (2010: 49 cents) per ordinary share ("interim ordinary dividend") has been declared and is payable to ordinary shareholders recorded in the register of the Company at the close of business on Friday, 13 April 2012.

The salient dates relating to the interim ordinary dividend are as follows:

Last day to trade *cum* the interim ordinary dividend	Wednesday, 4 April 2012
Ordinary shares commence trading *ex* interim ordinary dividend	Thursday, 5 April 2012
Ordinary share dividend record date	Friday, 13 April 2012
Payment date of interim ordinary dividend	Monday, 16 April 2012

Ordinary share certificates may not be dematerialised or rematerialised between Thursday, 5 April 2012 and Friday, 13 April 2012, both days inclusive.

CHANGES TO THE BOARD AND COMPANY SECRETARIAT
Mr Malcolm Segal retired as an executive director of the Company and the Bank on 31 October 2011, but remained on both boards as a non-executive director.

Mr Howard Brown was appointed as Group Company Secretary with effect from 26 August 2011.

For and on behalf of the Board

CN AXTEN — *Chairman*
RDEB SASSOON — *Chief Executive Officer*

7 March 2012

This announcement and additional information is available on the website: **www.sasfin.com**

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Independent Non-Executive Chairman
CN Axten#

Executive Directors
RDEB Sassoon* *(Chief Executive Officer)*,
TD Soondarjee *(Financial Director)*
** British*

Non-Executive Directors
RC Andersen#, ETB Blight#, GC Dunnington#,
DD Mokgatle#, J Moses#, MS Rylands, M Segal
 # Independent

Company Secretary
H Brown

Transfer Secretaries
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Lead Sponsor
KPMG Services (Pty) Limited

Joint Sponsor
Sasfin Capital (a division of Sasfin Bank Limited)

Corporate Law Advisors
Edward Nathan Sonnenbergs Inc.

DISCLAIMER
The Group has in good faith made reasonable effort to ensure the accuracy and completeness of the information contained in this document, including all information that may be regarded as "forward-looking statements".

Forward-looking statements may be identified by words such as "believe", "anticipate", "expect", "plan", "estimate", "intend", "project", "target".

Forward-looking statements are not statements of fact, but statements by the management of the Group based on its current estimates, projections, expectations, beliefs and assumptions regarding the Group's future performance and no assurance can be given to this effect.

The risks and uncertainties inherent in the forward-looking statements contained in this document include but are not limited to changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political risks; and the effects of both current and future litigation.

The Group does not undertake to update any forward-looking statements contained in this document and does not assume responsibility for any loss or damage and howsoever arising as a result of the reliance by any party thereon, including, but not limited to, loss of earnings, profits or consequential loss or damage.

HKLM