sasfin Holdings Limited

a partner beyond expectations

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)

audited group results and dividend declarations

for the year ended 30 June 2011

	headline earnings	headline earnings per ordinary share	total assets	funds under management
YEAR ENDED 30 JUNE 2011 >	R96 million	297 cents	R4,4 billion	R45,3 billion
YEAR ENDED 30 JUNE 2010 >	R107 million	355 cents	R3,6 billion	R36,8 billion

	return on ordinary shareholders' average equity	earnings business banking	funding base	group capital adequacy ratio
YEAR ENDED 30 JUNE 2011 >	11%	R80 million	R2,8 billion	32%
YEAR ENDED 30 JUNE 2010 >	16%	R43 million	R2,1 billion	32%

Business Banking • Capital • Wealth Management • Treasury • Logistics and Risk Management

financial highlights

	Change	**30 June 2011 Audited**	30 June 2010 Audited
Consolidated statement of financial position			
Total assets (Rm)	23	**4 373**	3 552
Total gross loans and advances (Rm)	22	**2 429**	1 983
Non-performing loans and advances (Rm)	29	**189**	147
Income statement			
Earnings attributable to ordinary shareholders (Rm)	(18)	**98**	120
Headline earnings (Rm)	(11)	**96**	107
Financial performance			
Return on ordinary shareholders' average equity (pps)	(5)	**11**	16
Return on total average assets (pps)	(2)	**2**	4
Operating performance			
Non-interest income to total income (pps)	(2)	**69**	71
Efficiency ratio (pps)	2	**72**	70
Credit loss ratio (pps)	0,3	**1,70**	1,40
Non-performing advances to total gross loans and advances (pps)	1	**8**	7
Share statistics			
Earnings per ordinary share (cents)	(23)	**304**	396
Headline earnings per ordinary share (cents)	(16)	**297**	355
Diluted earnings per ordinary share (cents)	(23)	**304**	396
Diluted headline earnings per ordinary share (cents)	(16)	**297**	355
Number of ordinary shares in issue at end of the period ('000)		**32 237**	32 186
Weighted average number of ordinary shares in issue ('000)	7	**32 224**	30 203
Diluted weighted average ordinary shares in issue ('000)	7	**32 229**	30 233
Dividends per ordinary share relating to profit for the period (cents)	(11)	**118**	133
Preference share dividend number 14 (cents)		**334,73**	–
Preference share dividend number 13 (cents)		**362,05**	–
Preference share dividend number 12 (cents)		**–**	380,55
Preference share dividend number 11 (cents)		**–**	401,51
Net asset value per ordinary share (cents)	5	**2 771**	2 635
Capital adequacy (unaudited)			
Group capital to risk weighted assets (pps)		**32**	32
Sasfin Bank Limited and its subsidiaries capital to risk weighted assets (pps)	6	**36**	30
Employees			
Permanent staff complement	4	**583**	563

summarised consolidated statement of cash flows

All figures in R'000	**30 June 2011 Audited**	30 June 2010 Audited
Cash flows from operating activities	**61 320**	89 269
Movement in operating assets and liabilities	**(200 395)**	(14 299)
Net cash flows from operating activities	**(139 075)**	74 970
Net cash flows used in investing activities	**(30 628)**	(160 444)
Net cash flows from financing activities	**435 019**	217 613
Net increase in cash and cash equivalents	**265 316**	132 139
Cash and cash equivalents at beginning of the period	**539 353**	403 583
Effect of exchange rate fluctuations on cash held	**12 516**	3 631
Cash and cash equivalents at end of the period	**817 185**	539 353

consolidated statement of financial position

All figures in R'000	% Change	**30 June 2011 Audited**	30 June 2010 Audited
ASSETS			
Cash and cash balances	51	**805 233**	533 447
Short-term negotiable securities		**72 405**	58 000
Loans and advances to customers	23	**2 332 986**	1 902 500
Other receivables		**370 925**	292 989
Investment securities		**405 176**	396 017
Investment in associated companies		**77 932**	65 334
Property, plant and equipment		**175 379**	184 406
Investment property		**51 038**	51 038
Taxation		**4 534**	2 928
Intangible assets and goodwill		**69 244**	55 217
Deferred tax asset		**8 412**	9 646
Total assets	23	**4 373 264**	3 551 522
LIABILITIES			
Interbank funding		**60 453**	52 094
Deposits from customers	33	**1 215 446**	911 559
Long-term loans		**242 897**	182 450
Other payables		**374 922**	338 187
Debt securities issued	40	**1 297 614**	924 436
Taxation		**9 246**	9 784
Deferred tax liability		**63 815**	69 112
Total liabilities	31	**3 264 393**	2 487 622
EQUITY			
Ordinary share capital and share premium		**162 732**	161 341
Reserves		**730 425**	686 848
Preference share capital and share premium		**199 278**	199 278
Total equity attributable to equity holders of the parent	4	**1 092 435**	1 047 467
Non-controlling interest		**16 436**	16 433
Total equity	4	**1 108 871**	1 063 900
Total liabilities and equity	23	**4 373 264**	3 551 522
Commitments and contingent liabilities		**67 711**	61 283

summarised consolidated statement of changes in equity

All figures in R'000	**30 June 2011 Audited**	30 June 2010 Audited
Opening total shareholders' equity	**1 063 900**	930 734
Total comprehensive income for the year	**103 457**	139 921
Profit for the year	**113 853**	139 296
Other comprehensive income for the year		
Foreign currency translation reserve	**(25 163)**	(853)
Hedging reserve	**14 432**	1 280
Available-for-sale reserve	**335**	198
Transactions with owners recorded directly in equity		
Movement in non-controlling interest	**(1 579)**	(51 130)
Issue of ordinary shares	**1 391**	117 865
Share-based payments reserve movements	**(221)**	(411)
Preference share dividend	**(14 147)**	(16 947)
Ordinary share dividend	**(43 930)**	(56 132)
Closing balance	**1 108 871**	1 063 900

consolidated income statement

All figures in R'000	% Change	**30 June 2011 Audited**	30 June 2010 Audited
Interest income		**359 256**	352 052
Interest expense		**168 676**	172 448
Net interest income	6	**190 580**	179 604
Non-interest income		**420 218**	446 134
Total income		**610 798**	625 738
Impairment charges on loans and advances	37	**37 712**	27 552
Net income after impairments		**573 086**	598 186
Operating costs	3	**451 277**	436 393
Staff costs		**199 259**	185 883
Other operating expenses		**252 018**	250 510
Profit from operations		**121 809**	161 793
Share of associated companies' income		**12 205**	8 093
Profit before income tax		**134 014**	169 886
Income tax expense		**20 161**	30 590
Profit for the year	(18)	**113 853**	139 296
Profit attributable to:			
Non-controlling interest		**1 693**	2 775
Preference shareholders		**14 147**	16 947
Equity holders of the parent		**98 013**	119 574
Profit for the year	(18)	**113 853**	139 296
Earnings per ordinary share (cents)		**304**	396
Diluted earnings per ordinary share (cents)		**304**	396

summarised headline earnings reconciliation

All figures in R'000	% Change	**30 June 2011 Audited**	30 June 2010 Audited
Earnings are determined as follows:			
Earnings attributable to equity holders of the parent	(18)	**98 013**	119 574
Headline adjustable items		**(2 402)**	(12 377)
Loss on sale of property and equipment		**11**	30
Gross		**15**	42
Tax impact		**(4)**	(12)
Revaluation of investment property		**(2 413)**	(12 407)
Gross		**–**	(17 232)
Tax impact		**(2 413)**	4 825
Headline earnings	(11)	**95 611**	107 197
Headline earnings per ordinary share (cents)	(16)	**297**	355

summarised consolidated statement of comprehensive income

All figures in R'000	% Change	**30 June 2011 Audited**	30 June 2010 Audited
Profit for the year	(18)	**113 853**	139 296
Other comprehensive (loss)/income for the year, net of income tax		**(10 396)**	625
Foreign currency translation reserve		**(25 163)**	(853)
Net gains on remeasurement of available-for-sale financial assets		**335**	198
Gains on remeasurement of available-for-sale financial assets		**575**	230
Income tax effect		**(129)**	(32)
Non-controlling interest		**(111)**	–
Net gains on hedge of net investment in foreign operations		**14 432**	1 280
Gains on hedge of net investment in foreign operations		**20 044**	1 778
Income tax effect		**(5 612)**	(498)
Total comprehensive income for the year	(26)	**103 457**	139 921
Attributable to:			
Non-controlling interest		**1 804**	2 775
Preference shareholders		**14 147**	16 947
Equity holders of the parent		**87 506**	120 199
Total comprehensive income for the year	(26)	**103 457**	139 921

summarised segmental analysis

All figures in R'000	**30 June 2011 Audited**	30 June 2010 Audited
Segment result		
Business Banking	**80 036**	42 802
Capital	**1 572**	37 825
Treasury	**3 172**	15 480
Wealth Management	**11 100**	17 728
Logistics and Risk Management	**6 174**	6 205
Group	**11 799**	19 256
Profit for the year	**113 853**	139 296
Segment revenue		
Business Banking	**444 707**	402 688
Capital	**75 475**	97 255
Treasury	**133 252**	142 500
Wealth Management	**179 330**	173 855
Logistics and Risk Management	**69 789**	65 771
Inter-group eliminations	**(110 874)**	(75 790)
Total segment revenue	**791 679**	806 279

COMMENTARY

NATURE OF BUSINESS

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

BUSINESS REVIEW: GROUP PERFORMANCE

Business environment

- The South African economy continued its recovery, albeit at a relatively slow pace with uncertainty and volatility stemming from the global economy where fears of sovereign credit default and recessionary concerns exist.
- Locally, the banking sector remained resilient showing signs of stability and a return of credit appetite in certain areas. In addition, the changing regulatory environment has impacted growth opportunities and significantly increased costs of compliance.
- In line with its growth strategies, Sasfin experienced strong asset growth of 23% year on year, largely underpinned by good business activity and momentum in the Business Banking segment. Total assets grew to R4,4 billion from R3,6 billion in 2010 on the back of a stabilised cost base.

Financial overview

- The Group's operating performance was positively impacted by the strong lending base in the Business Banking segment, which contributed approximately 70% of the Group's profit for the year. Business Banking achieved a profit of R80 million for the period, an increase of 87% over 2010 on the back of impressive asset growth and higher margins. All other segments traded profitably, although at lower levels when compared to 2010, with Sasfin Capital showing a sharp drop in profits.
- Headline earnings of R96 million (2010: R107 million) represents an 11% decrease over 2010, whilst headline earnings per share decreased by 16% due to the increase in the weighted average number of shares in issue.
- The Group's results were affected by lower business volumes in its non-banking activities. In particular, Private and Property Private Equity results were negatively impacted through a combination of impairment charges and fair value writedowns in its portfolio where certain of the material investments failed to achieve their profit targets and generate the resultant revaluation surpluses. The higher than expected impairment charges on the loan portfolio in this asset class contributed materially to the increase in the Group impairment charge of 37% over the corresponding year and a credit loss ratio of 1,7% (2010: 1,4%) at Group level.
- Notwithstanding the exceptionally strong asset growth in Business Banking, the credit impairment losses in this division reflect a positive downward trend in the credit loss ratio to 0,7% from 1,4% in 2010.
- Net interest income on interest-earning assets increased by 6% primarily due to the larger lending book, with an average cost of funding in line with the previous year.
- As a result of the various cost-containment initiatives deployed by the Group, a below inflationary cost growth of 3% was achieved in the year. Driving cost efficiencies remains an important management tool in an environment where the outlook for revenue remains uncertain. The Group's cost-to-income ratio is still relatively high at 72% (2010: 70%), which is a consequence of the lower revenue levels and lack of scale in non-banking activities.

Statement of financial position and capital management review

- Deposits and funding showed growth across all channels, with the funding book increasing to R1,5 billion from R1,1 billion. The deposit mix has improved, reflecting a lengthening of the maturity profile of the deposit book.
- Once again, the Group's securitisation structure continued to perform exceedingly well, and remains a leading vehicle in the industry. During the year, the Group successfully refinanced a tranche of R351 million of its maturing notes and issued a further R209 million of notes. This issue was significantly oversubscribed, demonstrating the underlying asset quality and performance of this class of assets.
- The Group remains well capitalised with a primary tier I equity ratio of 27% (2010: 26%), and a total capital adequacy ratio of 32% (2010: 32%), well above the South African Reserve Bank's ("SARB") minimum requirements and the Group's internal targets.
- The Group participated in the Basel III quantitative impact assessment as required by SARB. Based on our internal assessment, the outcomes indicate that the Group remains well capitalised and meets the new Basel III liquidity requirements. Sasfin continues to monitor the impact of the Basel III liquidity standards and ratios in anticipation of the final regulations to be pronounced by SARB.

Strategic update

During the year, the Group formulated a refined growth strategy in response to the changing banking and regulatory landscape post the global crises, with a view to broadening its franchise value. In this regard, the Group has implemented and embarked on the following initiatives:

- Changed the leadership in the Wealth Management division with greater focus on asset management offering and more effective mining of its large private client base
- Consolidated the Business Banking activities into a single unit, targeting the corporate and SME market in a client centric manner.

- Refocused and downsized its Private and Property Private Equity businesses in its target market. In addition, the Group will seek to exit from its Property Private Equity portfolio and also from some of its mature Private Equity investments, in terms of a clearly-defined realisation strategy.
- Diversification of funding sources with a more favourable maturing profile. To this end, Sasfin Bank Limited ("the Bank") intends to launch a Corporate Bond programme and has also secured a €35 million seven-year facility from three European Development Funding Institutions which is being finalised with disbursement expected in the near future.
- Subsequent to 30 June 2011, the Group acquired a 42,9% stake in IQUAD Group Limited, a diversified group of specialist financial and business services companies listed on the AltX of the JSE. The objective of this acquisition is to broaden and expand the Group's commercial services and consolidate these activities in a unified structure and leverage off its enlarged client base.

PROSPECTS

- Sasfin is well positioned to grow its franchise, focusing on the entrepreneurial market and private client base.
- Despite the prevailing level of global economic uncertainty, the Group expects to see improved levels of business activity across all segments.
- Sasfin's growth trajectory is indeed sustainable on the back of its strong capital position, improved liquidity levels and diversified funding and activity base.

BASIS OF PREPARATION AND PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

Basis of preparation

The summarised audited consolidated financial statements are prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards and presented in accordance with the minimum content, including disclosures, prescribed by IAS 34 Interim Financial Reporting applied to year-end reporting, and South African Statements and Interpretations of Statements of Generally Accepted Accounting Practice (AC 500 Standards).

These summarised audited results are a summary of the consolidated annual financial statements that are prepared in thousands of South African Rand ("R'000") on the historical cost basis, in accordance with International Financial Reporting Standards ("IFRS") and the Companies Act, except for certain financial assets and liabilities which are recognised at fair value.

The accounting policies are those presented in the annual financial statements for the year ended 30 June 2011 and have been applied consistently to the periods presented in these audited summarised consolidated financial statements and with those of the previous financial year, and by all Group entities. The Group has early adopted the amendment to IAS 12 and this did not have a significant impact on the Group.

The summarised audited consolidated financial statements comprise a consolidated statement of financial position at 30 June 2011, and a consolidated income statement, a consolidated statement of comprehensive income, a summarised statement of changes in equity, a summarised cash flow statement and summarised segmental analysis reports for the year ended 30 June 2011.

Reports of the independent auditors

The unmodified audit reports of KPMG Inc. and PKF (Jhb) Inc., the independent auditors, on the annual financial statements and the summarised provisional financial statements contained herein for the year ended 30 June 2011 dated 8 September 2011, are available for inspection at the Company's registered office.

PREFERENCE SHARE CASH DIVIDEND

Notice is hereby given that preference cash dividend number 14 amounting to 334,73 cents (2010: 380,55 cents) per preference share ("preference dividend") has been declared for the period 1 January 2011 to 30 June 2011, on 1 000 000 preference shares issued at R100,00 each, and on 905 000 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 of Friday, 7 October 2011.

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

Last day to trade *cum* the preference dividend	Friday, 30 September 2011
Preference shares commence trading *ex* the preference dividend	Monday, 3 October 2011
Preference dividend record date	Friday, 7 October 2011
Payment date of preference dividend	Monday, 10 October 2011

Preference share certificates may not be dematerialised or rematerialised between Monday, 3 October 2011 and Friday, 7 October 2011, both days inclusive.

FINAL ORDINARY SHARE CASH DIVIDEND

Notice is hereby given that a final ordinary share cash dividend for the financial year ended 30 June 2011, amounting to 69 cents per share (2010: 87 cents per share) ("ordinary dividend") has been declared. The ordinary dividend is payable to holders of ordinary shares recorded in the register of the Company at the close of business on Friday, 14 October 2011.

Together with the interim ordinary dividend of 49 cents declared on 2 March 2011, the total ordinary dividends for the financial year amount to 118 cents per share (2010: 133 cents per share).

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

Last day to trade *cum* the ordinary dividend	Friday, 7 October 2011
Ordinary shares commence trading *ex* the ordinary dividend	Monday, 10 October 2011
Ordinary dividend record date	Friday, 14 October 2011
Payment date of ordinary dividend	Monday, 17 October 2011

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 10 October 2011 and Friday, 14 October 2011, both days inclusive.

The above dates and times are subject to amendment. Any such amendment will be released on SENS and published in the press.

DIRECTORATE AND CHANGES TO COMPANY SECRETARIAT

Following the retirement of Martin Glatt, Norman Axten was appointed as non-executive Chairman of the Company and the Bank with effect from 26 November 2010.

Tyrone Soondarjee was appointed an executive director of the Company and the Bank on 4 October 2010, and assumed the position of financial director of the Group.

John Moses and Roy Andersen were appointed as non-executive directors of the Company and the Bank on 21 December 2010 and 14 February 2011 respectively.

Marius Smith retired as non-executive director of the Company and the Bank on 31 March 2011.

Howard Brown was appointed as Company Secretary to the Group on 26 August 2011, following the resignation of Hannetjie Boshoff as Company Secretary due to an extended period of illness.

Malcolm Segal will be retiring as an executive director of the Company and the Bank with effect from 31 October 2011. Malcolm will, however, remain on both boards as a non-executive director.

NOTICE OF ANNUAL GENERAL MEETING AND POSTING OF INTEGRATED REPORT

The annual general meeting of Sasfin will be held at 29 Scott Street, Waverley, Johannesburg, on Thursday, 24 November 2011 at 14:00.

The integrated report, incorporating the annual financial statements, will be posted to shareholders on or about 26 October 2011.

For and on behalf of the Board

CN AXTEN
Chairman

RDEB SASSOON
Chief Executive Officer

14 September 2011

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)*, M Segal,
TD Soondarjee *(Financial Director)*
**British*

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

Group Company Secretary
H Brown

Transfer Secretaries
Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Joint Auditors
KPMG Inc. and PKF (Jhb) Inc.

Lead Sponsor
KPMG Services (Pty) Limited

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

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