

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

SPECIFIC ISSUE OF SHARES FOR CASH TO THE INTERNATIONAL  
FINANCE CORPORATION

1. Introduction

Further to the cautionary announcement published on 9 June 2009, shareholders are advised that Sasfin has entered into a subscription agreement ("subscription agreement") in terms of which, subject to the fulfillment or waiver of certain suspensive conditions ("suspensive conditions"), it will allot and issue new Sasfin ordinary shares ("Sasfin shares") to the International Finance Corporation, an international organisation established by articles of agreement among its member countries including the Republic of South Africa ("IFC"), as a specific issue of shares for cash on the terms and conditions contained in the subscription agreement, at a total subscription consideration of approximately the Rand equivalent of US Dollars ("US\$") 10 million determined with reference to the Rand/US\$ exchange rate immediately after the fulfilment or waiver of the suspensive conditions and at a subscription price of ZAR24.811 per share, being the approximate volume weighted average price of Sasfin shares for the 90 days prior to 22 June 2009, provided the total subscription consideration will not exceed US\$10 million and provided further that the number of Sasfin shares to be allotted and issued will not exceed 12% of the enlarged issued ordinary share capital of the company ("the specific issue of shares" or "the transaction"). The number of Sasfin shares

to be issued to IFC in terms of the specific issue of shares, will be determined immediately after fulfilment or waiver of the suspensive conditions.

Subject to such regulatory approvals as may be necessary, the IFC shall be entitled, upon subscription for the Sasfin shares, to propose an appropriate person to be appointed as a non-executive director of the company.

In order to give effect to the specific issue of shares, the company is required to amend its articles of association to provide for the inclusion of the IFC's policy rights on social and environmental requirements and standards, as contemplated in the subscription agreement, ("policy rights").

The IFC has in addition to the specific issue of shares entered into a subordinated loan agreement with Sasfin Bank Limited ("Sasfin Bank") in terms of which, subject to the fulfilment or waiver of certain suspensive conditions, the IFC shall provide Sasfin Bank with a subordinated loan intended to qualify as tier 2 capital in the amount of ZAR 82.45 million ("the loan").

The specific issue of shares and the loan are not conditional upon each another.

Roland Sassoon ("Sassoon"), representing family entities ("the Sassoon group"), which collectively are the major shareholder of Sasfin, has concluded a tag along and put option agreement ("tag along and put option agreement") with the IFC.

The tag along and put option agreement is subject to the fulfilment of certain suspensive conditions (including the condition that the subscription agreement becomes unconditional in accordance with its terms) and provides, *inter alia*, that -

1.1 Sassoon undertakes to procure, in favour of the IFC, that members of the Sassoon group will not sell their Sasfin shares to any third party, unless an offer is made by such third party, on the same terms and conditions, to acquire a pro rata portion of the Sasfin shares acquired by the IFC in terms of the specific issue of shares subject to the terms and conditions contained in the tag along and put option agreement; and

1.2 Sassoon grants the IFC the right to put some or all of the Sasfin shares issued to it in terms of the specific issue of shares to him in the circumstances contemplated in the tag along and put option agreement. The IFC shall be entitled to exercise its put option rights at the put option price, being the volume weighted average price per Sasfin share over the period of 90 days immediately preceding the exercise of the put option, subject to the terms and conditions contained in the tag along and put option agreement.

## 2. Rationale

The IFC is a member of the World Bank Group (consisting of the International Bank for Reconstruction and Development, the International Development Association, the IFC, the Multilateral Investment Guarantee Agency and the

International Centre for Settlement of Investment Disputes) and focuses on investments and advisory services to build the private sector in developing countries. As part of its strategic priorities, the IFC emphasizes building long-term partnerships with emerging global players in developing countries, as well as developing domestic financial markets through institution building. The IFC has identified Sasfin as a partner in terms of increasing the level of access to finance to the small- to medium-sized enterprises or SME market in Southern Africa. Thus the transaction and the provision of the loan mentioned above will not only strengthen the Sasfin group's capital position but, will provide the Sasfin group ("the group") with an influential shareholder which is focused on helping the group grow in its chosen markets. In addition, Sasfin anticipates that it will benefit from the new business opportunities which the IFC will be able to introduce to the group. The proceeds of the specific issue of shares will be utilised to fund the operations of the businesses of the group.

### 3. Suspensive conditions

The specific issue of shares is subject to the fulfilment or waiver, as the case may be, of the suspensive conditions within 120 days of date of signature of the subscription agreement, or such later date as may be agreed between the parties in writing. The suspensive conditions include, inter alia, that:-

3.1 the requisite consents and regulatory approvals, which shall include but not be limited to that of the

Registrar of Banks, the South African Reserve Bank and the JSE Limited ("JSE") are obtained;

3.2 the resolution of independent shareholders of the company in a general meeting is passed waiving their rights, in terms of Rule 8.7 of the Securities Regulation Code on Takeovers and Mergers, pursuant to the implementation of the put option rights granted by Sassoon to the IFC in terms of the tag along and put option agreement and a dispensation of the obligation to make a mandatory offer is obtained from the Securities Regulation Panel;

3.3 the requisite consent of the shareholders of the company in a general meeting is obtained in respect of the transaction as contemplated in the listings requirements of the JSE;

3.4 the special resolution of the shareholders of the company in general meeting amending the articles of association of the company, as contemplated in paragraph 1 above, is passed and registered by the Companies and Intellectual Property Registration Office of South Africa and the Registrar of Banks;

3.5 the tag along and put option agreement becomes unconditional in accordance with its terms; and

3.6 no material adverse effect has occurred, as contemplated in the subscription agreement.

4. Financial effects

The table below illustrates the unaudited pro forma financial effects of the transaction based on the published interim results for the six months ended 31 December 2008. The preparation of the unaudited pro forma financial effects is the responsibility of the directors of Sasfin. The unaudited pro forma financial effects have been prepared for illustrative purposes only to provide information on how the transaction may have impacted on Sasfin's results and financial position, and due to the nature thereof, may not give a fair reflection of Sasfin's results and financial position.

	Before	After	% Change
Headline earnings (R'000)	65 366	68 772	5
Earnings per ordinary share (cents)	239	225	-6
Headline earnings per ordinary share (cents)	239	225	-6
Net asset value per ordinary share (cents)	2 287	2 304	1
Tangible net asset value per ordinary share (cents)	2 226	2 249	1
Number of ordinary shares in issue ('000)	27 432	30 713	12
Weighted average number of ordinary shares in issue ('000)	27 312	30 592	12

Notes:

1. The figures in the "Before" column have been extracted without adjustment from the published interim results for the six months ended 31 December 2008.
2. The figures in the "After" column assume that:

- a. The transaction was implemented on 1 July 2008 for earnings purposes and an after-tax return of 8.5% was generated on the ZAR81.50 million (assuming an exchange rate of US\$1 = ZAR8.015) received net of estimated transaction costs of ZAR1,245 000;
- b. The transaction was implemented on 31 December 2008 for net asset value purposes;
- c. The number of Sasfin shares to be issued to the IFC in terms of the specific issue of shares, will depend on the Rand / US\$ exchange rate immediately after the date of fulfillment or waiver of the suspensive conditions. However, the transaction will result in the IFC owning not more than 12% of the enlarged issued ordinary share capital of the company.

5. Further documentation and withdrawal of cautionary announcement

A circular to shareholders containing the requisite information pertaining to the transaction and convening a meeting of shareholders will be posted to shareholders in due course.

Having regard to the information disclosed in this announcement, shareholders are advised that they no longer need to exercise caution when dealing in the company's securities.

7 July 2009

Waverley, Johannesburg

Lead Sponsor:

KPMG Services (Proprietary) Limited

Joint Sponsor:

Sasfin Capital (a division of Sasfin Bank Limited)

Corporate Law Advisors:

Edward Nathan Sonnenbergs Inc.

Reporting Accountants:

KPMG Inc.