

*The directors are responsible for the preparation, integrity and objectivity of the annual financial statements and the related financial information included in this annual report, which fairly represent the state of affairs of the Company, the Group and the Bank at the end of the financial year. In meeting this obligation, they are assisted by the management and the internal and external auditors of the Group. The external auditors are responsible for reporting on the annual financial statements.*

Internal control and administrative systems, designed to provide reasonable assurance as to the integrity and reliability of the financial statements, that assets are adequately safeguarded and that transactions are executed in terms of the Group's policies and procedures, are in place and duly maintained in a cost-effective manner.

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and the provisions of the Companies Act, Banks Act and the JSE Securities Exchange South Africa listing requirements which include complete and responsible disclosure in accordance with the Group's accounting policies. The accounting policies are in compliance with South African Statements of Generally Accepted Accounting Practice and are furthermore supported by reasonable and prudent judgements and estimates.

The directors are of the opinion that the Group will continue to be a going concern in the coming year and consequently the annual financial statements have been prepared on a going concern basis.

*The Board of Directors approved the annual financial statements as set out on pages 34 to 60 on 2 September 2002, which have been signed on their behalf by:*



**RDEB SASSOON**  
Group Managing Director



**MB GLATT**  
Non-Executive Chairman

**CERTIFICATE OF THE GROUP SECRETARY**

In terms of Section 268G (9)(d) of the Companies Act, 1973, as amended, I hereby certify that to the best of my knowledge and belief, the Company has lodged with the Registrar of Companies, for the financial year ended 30 June 2002, all such returns as are required of a public company in terms of the Companies Act that all such returns are true, correct and up to date.



**SK ERASMUS**  
Group Secretary  
2 September 2002

*Report of the independent auditors to the members of Sasfin Holdings Limited*

We have audited the annual financial statements of Sasfin Holdings Limited ("the Company") and the Group annual financial statements of Sasfin Holdings Limited ("the Group") and the Group annual financial statements of Sasfin Bank Limited ("the Bank") set out on pages 34 to 60 for the year ended 30 June 2002. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these annual financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement.

*An audit includes:*

- examining, on a test basis, evidence supporting the amounts and disclosures in the annual financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

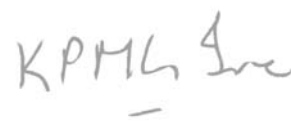
We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the annual financial statements fairly present, in all material respects, the financial position of the Company, the Group and the Bank at 30 June 2002 and results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa.



**FISHER HOFFMAN PKF (JHB) INC.**  
 Registration number 1994/001166/21  
 Chartered Accountants (S.A.)  
 Registered Accountants and Auditors  
 Johannesburg  
 2 September 2002



**KPMG INC.**  
 Registration number 1999/021543/21  
 Chartered Accountants (S.A.)  
 Registered Accountants and Auditors  
 Johannesburg  
 2 September 2002

## NATURE OF BUSINESS

The Company is a bank-controlling company listed under the "Financials: Speciality and Other Finance sector" of the JSE Securities Exchange South Africa ("the JSE"), whose subsidiaries provide a wide range of complementary banking, financial and related services to its target market of entrepreneurial commercial, corporate and private clients.

## FINANCIAL RESULTS

The results of the Company, the Group and the Bank are set out in the annual financial statements and accompanying notes.

## DIRECTORS AND SECRETARY

The directors of your Company at the financial year end were: CN Axten, ETB Blight, MB Glatt, AW Greenstein, D Paizes, RDEB Sassoon, ML Smith and JJ van der Watt.

SK Erasmus is the secretary at the date of this report. Her business and postal address are shown on the inside back cover.

## DIRECTORS' INTEREST

At the financial year end the directors held, directly and indirectly, interests in the Company's issued share capital as reflected below.

	2002			2001		
	Direct Beneficial	Indirect Non-beneficial	Total	Direct Beneficial	Indirect Non-beneficial	Total
RDEB Sassoon	–	4 875 393	4 875 393	–	5 008 245	5 008 245
MB Glatt	–	2 845 589	2 845 589	–	2 763 902	2 763 902
D Paizes	18 012	–	18 012	16 496	–	16 496
	18 012	7 720 982	7 738 994	16 496	7 772 147	7 788 643

There have been no material changes to the above holdings since the year-end to the date of this report.

## DIRECTORS' EMOLUMENTS

THE EMOLUMENTS OF THE DIRECTORS OF SASFIN HOLDINGS LIMITED FOR THE YEAR ENDED 30 JUNE 2002 WERE AS FOLLOWS:

	Services as directors	Cash package*	Other benefits**	Total
<b>Executive Directors</b>				
RDEB Sassoon	–	687 507	160 516	848 023
AW Greenstein	–	910 027	200 516	1 110 543
JJ van der Watt (appointed 4 March 2002)	–	167 666	78 308	245 974
<b>Non-Executive Director</b>				
MB Glatt	287 499	–	–	287 499
<b>Independent Non-executive Directors</b>				
CN Axten	125 000	–	–	125 000
ETB Blight	135 000	93 500	–	228 500
D Paizes	75 000	–	–	75 000
ML Smith	45 000	–	–	45 000
	667 499	1 858 700	439 340	2 965 539

\* The emoluments to the executive directors are paid by subsidiaries of the Company.

\*\* Other benefits comprise: provident fund, medical aid, group life and company car.

#### GROUP SHARE INCENTIVE SCHEMES

Information on options granted to employees and executive directors under the Group Share Incentive Schemes is given on page 61.

#### SHAREHOLDER ANALYSIS

The analysis of ordinary shareholders is given on page 62.

#### SUBSIDIARIES

The interests in subsidiaries, where considered material to the Group's financial position and results, are set out on page 60.

#### EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There is no material fact or circumstance that has occurred between the accounting date and the date of this report.

#### DIVIDEND

The directors have resolved to award capitalisation shares to ordinary shareholders registered in the books of the Company at

the close of business on Friday, 27 September 2002 ("the record date"). Shareholders are entitled and will be given the opportunity to decline the award of capitalisation shares in respect of all or part of their shareholding and instead may elect to receive a cash dividend of 63 cents (2001 : 63 cents) per share.

The rounded number of capitalisation shares to which a shareholder will be entitled in terms of the capitalisation award will be determined by multiplying the number of ordinary shares held by the shareholder by a ratio. This ratio will be arrived at by multiplying 63 cents per share by 1,06 and dividing the result by the weighted average trading price of the ordinary shares of the Company on the JSE for the three days ending Wednesday, 11 September 2002.

#### SHARE CAPITAL

There were no changes in the authorised share capital. On 17 September 2001, 690 074 shares were issued in terms of a capitalisation award to shareholders in lieu of the payment of a cash dividend for the final dividend declared for the year ended 30 June 2001.

On 14 June 2002, 265 000 shares were issued to the Sasfin Share Incentive Trust as part of the Group Share Incentive Scheme established for the benefit of employees.

#### CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF SASFIN BANK LIMITED

Included on pages 36 to 60 of these annual financial statements are the consolidated results, financial position and cash flow of Sasfin Bank Limited ("the Bank"), a subsidiary company of Sasfin Holdings Limited. This information is presented in order to provide investors and depositors with information regarding the financial position of the Bank and its subsidiaries. The information is not intended to constitute the statutory annual financial statements as required by Section 286 of the Companies Act. Accordingly, all the information required by the Companies Act has not been presented.

BANK				GROUP		COMPANY	
2002 R'000	2001 R'000		Note	2002 R'000	2001 R'000	2002 R'000	2001 R'000
		<b>ASSETS</b>					
185 514	174 274	Short-term interbank funds	2	196 224	184 194	–	–
11 354	11 826	Short-term negotiable securities	3	11 354	11 826	–	–
78 400	81 272	Accounts receivable	4	121 271	118 884	–	9
809 681	588 608	Advances	5	778 052	564 535	–	–
15 796	1 550	Investments	6	15 820	14 965	1 111	11 115
6 000	–	Deferred taxation	7	6 341	–	–	–
		Subsidiary companies	8			69 501	55 395
18 319	12 210	Property and equipment	9	45 713	37 494	–	–
<b>1 125 064</b>	<b>869 740</b>	<b>Total assets</b>		<b>1 174 775</b>	<b>931 898</b>	<b>70 612</b>	<b>66 519</b>
		<b>LIABILITIES AND EQUITY</b>					
		<i>Liabilities</i>					
39 161	13 546	Interbank funding	10	89 391	65 001	50 230	50 840
273 093	258 601	Deposits	11	268 823	254 199	–	–
69 774	76 739	Accounts payable	12	101 807	104 124	81	270
522 703	354 645	Debentures	13	522 703	354 645	–	–
27 649	16 588	Deferred taxation	7	27 649	16 588	–	–
<b>932 380</b>	<b>720 119</b>	<b>Total liabilities</b>		<b>1 010 373</b>	<b>794 557</b>	<b>50 311</b>	<b>51 110</b>
		Minority interest		8 606	7 872	–	–
		<i>Equity</i>					
1 033	1 023	Share capital	14	237	228	237	228
71 163	56 927	Share premium		16 495	15 013	16 495	15 013
70 258	40 831	Distributable reserves		139 064	114 228	3 569	168
50 230	50 840	Subordinated debt		–	–	–	–
<b>192 684</b>	<b>149 621</b>	<b>Total equity</b>		<b>155 796</b>	<b>129 469</b>	<b>20 301</b>	<b>15 409</b>
<b>1 125 064</b>	<b>869 740</b>	<b>Total liabilities and equity</b>		<b>1 174 775</b>	<b>931 898</b>	<b>70 612</b>	<b>66 519</b>
		Commitments and contingencies	15	12 674	46 582	–	–
		Number of shares in issue at end of the year ('000)		23 723	22 768		
		Net asset value per share (cents)		657	569		

BANK				GROUP		COMPANY	
2002 R'000	2001 R'000		Note	2002 R'000	2001 R'000	2002 R'000	2001 R'000
141 230	110 577	Interest income	16	139 270	110 085	5 587	5 814
84 437	60 814	Interest expense	17	85 024	61 772	5 541	5 721
56 793	49 763	<b>Net interest income</b>		54 246	48 313	46	93
134 733	93 859	Other income	18	191 099	138 580	14 297	3 002
191 526	143 622	<b>Total income</b>		245 345	186 893	14 343	3 095
10 988	1 456	Provisions for credit losses	5	11 083	1 567	–	–
180 538	142 166	<b>Net income</b>		234 262	185 326	14 343	3 095
138 084	112 476	Operating expenses		185 713	151 180	840	852
42 454	29 690	<b>Net income from operations</b>	19	48 549	34 146	13 503	2 243
8 960	3 912	Taxation	20	13 014	5 510	489	262
33 494	25 778	<b>Income after taxation</b>		35 535	28 636	13 014	1 981
–	–	Minority interest		1 086	1 460	–	–
33 494	25 778	Earnings attributable to ordinary shareholders		34 449	27 176	13 014	1 981
33 494	28 941	<b>Continuing operations</b>		34 449	30 339		
–	(3 163)	<b>Discontinued operations</b>		–	(3 163)		
		Weighted average number of shares in issue ('000)		23 323	22 349		
		Headline earnings per share (cents)	21	148	136		
		Earnings per share (cents)	21	148	122		
		Dividend per share (cents)		63	63		

		SHARE CAPITAL	SHARE PREMIUM	DISTRIBUTABLE RESERVES	TOTAL
	Note	R'000	R'000	R'000	R'000
<b>GROUP</b>					
<i>Balance at 1 July 2000</i>		215	15 026	97 221	112 462
Change in accounting policy	22	–	–	(8 201)	(8 201)
Restated balance		215	15 026	89 020	104 261
Earnings attributable to ordinary shareholders		–	–	27 176	27 176
Dividend		–	–	(1 968)	(1 968)
Issue of share capital		13	(13)	–	–
<i>Balance at 30 June 2001</i>		228	15 013	114 228	129 469
Earnings attributable to ordinary shareholders		–	–	34 449	34 449
Dividend		–	–	(9 613)	(9 613)
Issue of share capital		9	1 482	–	1 491
<b>Balance at 30 June 2002</b>		<b>237</b>	<b>16 495</b>	<b>139 064</b>	<b>155 796</b>
<b>COMPANY</b>					
<i>Balance at 1 July 2000</i>		215	15 026	155	15 396
Earnings attributable to ordinary shareholders		–	–	1 981	1 981
Dividend		–	–	(1 968)	(1 968)
Issue of share capital		13	(13)	–	–
<i>Balance at 30 June 2001</i>		228	15 013	168	15 409
Earnings attributable to ordinary shareholders		–	–	13 014	13 014
Dividend		–	–	(9 613)	(9 613)
Issue of share capital		9	1 482	–	1 491
<b>Balance at 30 June 2002</b>		<b>237</b>	<b>16 495</b>	<b>3 569</b>	<b>20 301</b>
<b>BANK</b>					
<i>Balance at 1 July 2000</i>		1 023	56 927	25 604	83 554
Change in accounting policy	22	–	–	(8 201)	(8 201)
Restated balance		1 023	56 927	17 403	75 353
Earnings attributable to ordinary shareholder		–	–	25 778	25 778
Dividend		–	–	(2 350)	(2 350)
<i>Balance at 30 June 2001</i>		1 023	56 927	40 831	98 781
Earnings attributable to ordinary shareholder		–	–	33 494	33 494
Dividend		–	–	(4 067)	(4 067)
Issue of share capital		10	14 236	–	14 246
<b>Balance at 30 June 2002</b>		<b>1 033</b>	<b>71 163</b>	<b>70 258</b>	<b>142 454</b>

BANK				GROUP		COMPANY	
2002 R'000	2001 R'000		Note	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
50 188	27 201	Cash flows from operating activities	23	58 165	33 090	10 115	2 243
(1 501)	(1 157)	Taxation paid	24	(5 944)	(3 193)	(489)	(668)
(4 067)	(2 350)	Dividend paid	25	(9 613)	(5 226)	(9 613)	(5 226)
44 620	23 694			42 608	24 671	13	(3 651)
(213 072)	(60 752)	<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		(205 947)	(47 287)	(180)	470
(221 073)	(209 555)	Net increase in advances		(213 517)	(185 482)	–	–
2 872	1 856	Net decrease/(increase) in accounts receivable		(2 387)	(4 537)	9	418
14 492	145 929	Net increase in deposits		14 624	141 527	–	–
(9 363)	1 018	Net (decrease)/increase in accounts payable		(4 667)	1 205	(189)	52
(168 452)	(37 058)	<b>Net cash from operating activities</b>		(163 339)	(22 616)	(167)	(3 181)
(28 089)	(10 185)	<b>Cash flows from investing activities</b>		(18 689)	(23 297)	(714)	3 623
702	270	Proceeds from disposal of property and equipment		1 049	774	–	–
(14 545)	(10 405)	Acquisition of property and equipment		(18 883)	(24 441)	–	–
(14 246)	(50)	Decrease/(increase) in investments		(855)	370	8 782	420
–	–	(Increase)/decrease in loans to subsidiary companies		–	–	(9 496)	3 203
181 694	138 039	<b>Net cash from financing activities</b>		169 196	138 481	1 491	–
14 246	–	Issue of shares		1 491	–	1 491	–
–	–	Decrease in minority interest		(353)	–	–	–
168 058	138 481	Increase in debentures		168 058	138 481	–	–
(610)	(442)	Decrease in secondary capital		–	–	–	–
(14 847)	90 796	<b>Net increase/(decrease) in cash and cash equivalents</b>		(12 832)	92 568	610	442
172 554	81 758	Cash and cash equivalents at beginning of year		131 019	38 451	(50 840)	(51 282)
157 707	172 554	<b>Cash and cash equivalents at end of year</b>		118 187	131 019	(50 230)	(50 840)

*The principal accounting policies adopted in the preparation of these financial statements are set out below.*

The accounting policies are consistent with those adopted in the previous year except for the changes made as a result of the implementation of the following accounting statement: Special purpose entities (AC 412), refer accounting policy 3.2 - Basis of consolidation: Special purpose entities.

## 1. STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with, and comply with, South African Statements of Generally Accepted Accounting Practice and the requirements of the South African Companies Act and Banks Act.

## 2. BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis except for certain classes of financial instruments that are recorded at market value.

## 3. BASIS OF CONSOLIDATION

### 3.1 Subsidiary companies

Subsidiaries are those entities over whose financial and operating policies the Group has the power to exercise control, so as to obtain benefits from their activities.

The Group financial statements incorporate the assets, liabilities and results of the Company and its subsidiaries. The results of the subsidiaries are included from the

effective date of acquisition. Intra-group transactions and balances, and any unrealised gains have been eliminated.

Differences between the consideration paid for subsidiaries acquired and the value of their net assets at dates of acquisition are expressed as goodwill or reserve on acquisition of subsidiaries. Goodwill arising on the acquisition of subsidiaries occurring on or after 1 January 2000 is reported on the balance sheet as an intangible asset and is amortised on a straight-line basis over its estimated useful life, not exceeding 20 years. Prior to 1 January 2000, goodwill was written off against share premium. Such goodwill has not been retrospectively capitalised and amortised.

### 3.2 Special purpose entities

Where the Group, in substance, has rights to obtain the majority of the benefits of an entity, such entity is consolidated in the same manner as subsidiary companies.

Accordingly, the Group's securitisation vehicle, Equipment Rentals Securitisation No.1 (Pty) Limited, has been consolidated. Comparative figures have been restated to account for the effect of this change. The effect on the Group's results is detailed in note 22 to the annual financial statements.

## 4. FINANCIAL INSTRUMENTS

### Measurement

Financial instruments are initially measured at cost which include transaction costs. Subsequent to initial recognition, these instruments are measured as set out below:

*Investments* are stated at cost less any provision for permanent diminution in value.

*Loans and other receivables* originated by the Group are stated at cost less provision for credit losses.

*Cash and cash equivalents* are measured at fair value based on the relevant exchange rates at balance sheet date.

*Financial liabilities* are recognised at amortised cost, comprising original debt less principal payments and amortisations.

*Derivative instruments* are measured at fair value.

### Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are included in net profit or loss in the period in which the change arises.

## 5. PROPERTY AND EQUIPMENT

Property and equipment is stated at cost less depreciation. Depreciation is calculated on the straight-line basis at rates which are estimated to amortise the assets to their anticipated residual values over their useful lives. Assets are depreciated from date of acquisition.

• Buildings	50 years
• Computer equipment	3 years
• Computer software	2 years
• Furniture, fittings and office equipment	6-10 years
• Motor vehicles	5 years
• Plant and equipment	5 years

Land is regarded as having an infinite useful life and is not depreciated.

## 6. FINANCE LEASES

Assets which are leased in terms of financial lease agreements are capitalised at the lower of fair value and the present value of minimum lease payments at inception of the lease. The capital element of future obligations under the leases is included as a liability in the balance sheet.

Capitalised leased assets are depreciated on a straight-line basis at rates which are estimated to amortise the assets to their anticipated residual values over their useful lives. The rates are consistent with the accounting policy for equipment. Lease payments are allocated between finance charges and capital repayments using the effective interest rate method.

## 7. FOREIGN CURRENCIES

### 7.1 Foreign currency transactions

Transactions in foreign currencies are accounted for at the rate of exchange ruling on the date of the transaction. Gains and losses arising on translation to South African Rand are recognised in the income statement. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date.

### 7.2 Foreign operations

The foreign subsidiary is an integral part of the Group and is classified as a foreign operation. The translation difference arising on consolidation of foreign operations is recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies are translated into South African Rand at the rates of exchange ruling at balance sheet date. Non-monetary assets and liabilities are translated into South African Rand at rates of exchange approximating those ruling at the date the asset was acquired or the liability entered into.

Income and expenditure are translated into South African Rand at the average rate of exchange during the year.

## 8. TAXATION

Current tax comprises income tax payable, calculated on the basis of expected taxable income for the year using the tax rates enacted at the balance sheet date, and any adjustment of tax payable for prior years.

Deferred tax is provided using the balance sheet liability method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected realisation of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity. Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised.

Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realised.

## 9. PROVISIONS FOR CREDIT LOSSES

Advances and other assets are stated after deduction of general and specific provisions for credit losses. Specific provisions are considered to be adequate to cover identified doubtful advances and losses. General provisions are maintained for potential losses and although not specifically identified, are assumed to be present in any portfolio of advances. While specific provisions are based on periodic evaluations, general provisions take account of past loss experience, economic conditions and changes in the nature and levels of risk exposure. Interest on advances is accrued to income until such time as its recovery is no longer probable.

## 10. OTHER PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

## 11. INSTALMENT FINANCE

Lease and instalment sale contracts are regarded as financing transactions and rentals and instalments receivable thereunder, less unearned finance charges, are included in advances on the balance sheet. Finance

charges are computed at the effective rates of interest inherent in the contract and are recognised in income in proportion to the balance outstanding under each contract.

#### 12.EMPLOYEE RETIREMENT BENEFITS

Payments to defined contribution plans are charged as an expense as they fall due. All Group employees are required to be members of either the defined contribution provident fund or defined contribution pension fund relevant to the particular Group company.

#### 13.REVENUE

Revenue is derived substantially from the business of banking and related activities and comprises net interest income, fees and commission income and other income.

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is probable that such income will accrue. Fee and commission income is recognised when costs can be measured reliably and the receipt of the future economic benefits is probable.

#### 14.CONTINGENCIES AND COMMITMENTS

Transactions are classified as contingencies where the Group's obligations depend on uncertain future events and principally consist of third-party obligations underwritten by banking subsidiaries. Items are classified as commitments where the Group commits itself to future transactions or if the items will result in the acquisition of assets.

#### 15.MANAGED FUNDS

Where Group companies hold and invest funds on behalf of clients and act as trustees in any fiduciary capacity, the assets and liabilities representing these activities are not reflected on the balance sheet. Income relating to these activities is recognised in the income statement in the period in which the services are rendered.

#### 16.CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, short-term negotiable securities and short-term interbank funds net of interbank funding, all of which are available for use by the Group unless otherwise stated.

#### 17.IMPAIRMENT

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If there is an indication of impairment an asset's recoverable amount may be estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount, which is the higher of its net selling price and its value in use.

Any previously recognised impairment losses are reversed if the recoverable amount increases as a result of changes in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount would have been had no impairment loss been recognised in prior years

#### 18.SEGMENT REPORTING

Segment results include revenue, provisioning, expenses and taxes directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment, whether from internal transactions or from transactions with other group segments. Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to a segment or can be allocated to the segment on a reasonable basis.

#### 19.DISCONTINUED OPERATIONS

A discontinued operation results from the sale or abandonment of an operation that represents a separate major line of business and of which the assets, net profit or loss and activities can be distinguished physically, operationally and for financial reporting purposes.

#### 20.COMPARATIVE FIGURES

Where necessary, comparative figures have been restated to be consistent with the disclosure in the current year.

	BANKING OPERATIONS	FREIGHT	ASSET MANAGEMENT	OTHER*	TOTAL
	R'000	R'000	R'000	R'000	R'000
<b>1. SEGMENT REPORTING</b>					
<b>2002</b>					
Interest income	139 204	424	3 041	(3 399)	139 270
Interest expense	84 392	1 124	549	(1 041)	85 024
<b>Net interest income</b>	54 812	(700)	2 492	(2 358)	54 246
Other income	72 972	36 846	82 657	(1 376)	191 099
<b>Total income</b>	127 784	36 146	85 149	(3 734)	245 345
Provision for credit losses	10 988	95	–	–	11 083
<b>Operating income</b>	116 796	36 051	85 149	(3 734)	234 262
Operating expenses	80 454	30 006	78 677	(3 424)	185 713
<b>Net income from operations</b>	36 342	6 045	6 472	(310)	48 549
Taxation	8 668	3 329	524	493	13 014
<b>Income after taxation</b>	27 674	2 716	5 948	(803)	35 535
Minority interest	–	1 086	–	–	1 086
<b>Earnings attributable to ordinary shareholders</b>	27 674	1 630	5 948	(803)	34 449
<b>Total assets</b>	1 076 256	59 924	58 271	(19 676)	1 174 775
<b>Total liabilities</b>	894 700	35 731	36 765	43 177	1 010 373
<b>Capital expenditure</b>	10 475	896	5 099	2 413	18 883
<b>Depreciation</b>	4 988	1 345	3 375	367	10 075
<b>2001</b>					
Interest income	109 384	1 285	2 252	(2 836)	110 085
Interest expense	60 301	1 251	1 108	(888)	61 772
<b>Net interest income</b>	49 083	34	1 144	(1 948)	48 313
Other income	41 821	31 135	66 950	(1 326)	138 580
<b>Total income</b>	90 904	31 169	68 094	(3 274)	186 893
Provision for credit losses	1 456	111	–	–	1 567
<b>Operating income</b>	89 448	31 058	68 094	(3 274)	185 326
Operating expenses	63 001	26 256	64 515	(2 592)	151 180
<b>Net income from operations</b>	26 447	4 802	3 579	(682)	34 146
Taxation	3 651	1 153	434	272	5 510
<b>Income after taxation</b>	22 796	3 649	3 145	(954)	28 636
Minority interest	–	1 460	–	–	1 460
<b>Earnings attributable to ordinary shareholders</b>	22 796	2 189	3 145	(954)	27 176
<b>Total assets</b>	773 316	52 662	74 583	31 337	931 898
<b>Total liabilities</b>	666 398	24 833	51 988	51 338	794 557
<b>Capital expenditure</b>	6 022	1 432	4 913	12 074	24 441
<b>Depreciation</b>	2 568	1 036	3 415	519	7 538
<i>* This includes other operations and interdivisional transactions that have been eliminated for consolidation purposes.</i>					

BANK			GROUP		COMPANY	
2002 R'000	2001 R'000		2002 R'000	2001 R'000	2002 R'000	2001 R'000
		<b>2. SHORT-TERM INTERBANK FUNDS</b>				
66 231	66 259	Money on call	76 941	76 179	–	–
113 600	102 467	Fixed deposits maturing within three months	113 600	102 467	–	–
5 683	5 548	Balance with South African Reserve Bank	5 683	5 548	–	–
<b>185 514</b>	<b>174 274</b>		<b>196 224</b>	<b>184 194</b>	<b>–</b>	<b>–</b>
		The maturity analysis is based on the remaining period to contractual maturity from year-end.				
55 253	50 840	Interbank fixed deposit pledged as security for term loan funding received as per note 10.	55 253	50 840	–	–
		<b>3. SHORT-TERM NEGOTIABLE SECURITIES</b>				
		<i>Held for liquid asset requirements only:</i>				
11 354	11 826	Land Bank bills maturing within three months	11 354	11 826	–	–
		The maturity analysis is based on the remaining period to contractual maturity from year end.				
		<b>4. ACCOUNTS RECEIVABLE</b>				
–	–	Freight forwarding and customs clearing	41 271	35 989	–	–
33 030	54 496	Stockbroking clients	33 030	54 496	–	–
45 370	26 776	Other debtors	46 970	28 399	–	9
<b>78 400</b>	<b>81 272</b>		<b>121 271</b>	<b>118 884</b>	<b>–</b>	<b>9</b>

BANK			GROUP		COMPANY	
2002 R'000	2001 R'000		2002 R'000	2001 R'000	2002 R'000	2001 R'000
		<b>5. ADVANCES</b>				
		<i>Category analysis</i>				
635 042	483 374	Instalment finance	635 042	483 374	–	–
93 839	28 761	Debtor finance	93 839	28 761	–	–
87 418	77 167	Trade finance	87 418	77 167	–	–
31 629	24 073	Other loans	–	–	–	–
847 928	613 375	<i>Gross advances</i>	816 299	589 302	–	–
23 828	11 542	Less specific provisions	23 828	11 542	–	–
14 419	13 225	Less general provisions	14 419	13 225	–	–
809 681	588 608		778 052	564 535	–	–
684 471	117 549	Advances of subsidiaries other than Sasfin Bank Limited, ceded as security for facilities granted.	684 471	117 549	–	–
		<i>Sectoral analysis</i>				
7 019	5 087	Agriculture	7 019	5 087	–	–
9 634	6 784	Construction	9 634	6 784	–	–
3 226	3 006	Electricity and water	3 226	3 006	–	–
193 107	166 842	Finance, real estate and business services	168 530	142 769	–	–
–	110	Individuals	–	110	–	–
126 882	107 015	Manufacturing	126 882	107 015	–	–
9 793	9 553	Mining	9 793	9 553	–	–
308 201	187 568	Trade and accommodation	308 201	187 568	–	–
62 912	44 375	Transport and communication	55 860	44 375	–	–
127 154	83 035	Other services	127 154	83 035	–	–
847 928	613 375		816 299	589 302	–	–
		<i>Geographic analysis</i>				
		The geographic risk concentration is mainly to South African clients.				
		<i>Maturity analysis</i>				
236 536	140 905	Maturing within one year	204 907	116 832	–	–
607 119	470 701	Maturing after one year but within five years	607 119	470 701	–	–
4 273	1 769	Maturing after five years	4 273	1 769	–	–
847 928	613 375		816 299	589 302	–	–
		The maturity analysis is based on the remaining periods to contractual maturity from year-end.				
		<b>PROVISIONS FOR CREDIT LOSSES</b>				
24 767	18 589	Balance at the beginning of the year	24 767	18 589	–	–
2 492	4 722	Net recoveries	2 397	4 611	–	–
10 988	1 456	Charge to income statement	11 083	1 567	–	–
38 247	24 767	<b>Balance at the end of the year</b>	38 247	24 767	–	–

GROUP/BANK 2002						GROUP/BANK 2001			
Outstanding Balance R'000	Security R'000	Net Exposure R'000	Provisions Raised R'000		Outstanding Balance R'000	Security R'000	Net Exposure R'000	Provisions Raised R'000	
				<b>NON-PERFORMING ADVANCES</b>					
25 333	7 588	17 745	17 507	Instalment finance	8 548	3 447	5 101	6 236	
4 563	539	4 024	4 024	Debtor finance	5 363	1 777	3 586	3 591	
10 676	8 379	2 297	2 297	Trade finance	3 326	1 373	1 953	1 715	
40 572	16 506	24 066	23 828		17 237	6 597	10 640	11 542	
				<i>Sectoral Analysis</i>					
258	100	158	110	Agriculture	63	44	19	26	
1 404	1 060	344	303	Construction	129	6	123	166	
14 565	2 414	12 151	12 151	Finance, real estate and business services	1 695	991	704	756	
4 487	1 644	2 843	2 843	Manufacturing	3 149	869	2 280	2 442	
396	274	122	71	Mining	–	–	–	–	
15 473	9 319	6 154	6 154	Trade and accommodation	8 340	2 674	5 666	6 034	
814	168	646	548	Transport and communication	706	156	550	644	
3 175	1 527	1 648	1 648	Other services	3 155	1 857	1 298	1 474	
40 572	16 506	24 066	23 828		17 237	6 597	10 640	11 542	

BANK			GROUP		COMPANY	
2002 R'000	2001 R'000		2002 R'000	2001 R'000	2002 R'000	2001 R'000
		<b>6. INVESTMENTS</b>				
–	–	Listed	2 300	2 300	–	–
15 796	1 550	Unlisted	13 520	12 665	1 111	11 115
15 796	1 550		15 820	14 965	1 111	11 115
–	–	Aggregate market value for listed investments	2 760	2 875	–	–
19 900	8 939	Aggregate directors' value for unlisted investments	21 011	22 735	1 111	13 796
19 900	8 939		23 771	25 610	1 111	13 796
		Detailed information of all investments is obtainable from the Company Secretary.				
		<b>7. DEFERRED TAXATION</b>				
		<i>Deferred tax on timing differences arising from:</i>				
(25 968)	(32 606)	Instalment finance	(25 968)	(32 606)	–	–
13 500	16 018	Tax losses	13 500	16 018	–	–
(4 700)	–	Prepayments	(4 700)	–	–	–
(4 481)	–	Other	(4 140)	–	–	–
(21 649)	(16 588)		(21 308)	(16 588)	–	–
6 000	–	Deferred taxation asset	6 341	–	–	–
(27 649)	(16 588)	Deferred taxation liability	(27 649)	(16 588)	–	–
(21 649)	(16 588)		(21 308)	(16 588)	–	–
		<b>8. SUBSIDIARY COMPANIES</b>				
		<i>Unlisted investments</i>				
–	–	Shares at carrying value - ordinary shares	–	–	20 824	16 214
–	–	Loans	–	–	(1 553)	(11 659)
–	–	Subordinated loan	–	–	50 230	50 840
–	–		–	–	69 501	55 395
		The loans from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The subordinated loan is to Sasfin Bank Limited, has a residual maturity period of more than three years and bears interest at a rate linked to the 90 day JIBAR. A detailed schedule of subsidiaries appears in note 30.				

BANK				GROUP		
Cost R'000	Accumulated depreciation R'000	Net book value R'000		Cost R'000	Accumulated depreciation R'000	Net book value R'000
			<b>9. PROPERTY AND EQUIPMENT</b>			
			<b>2002</b>			
			<i>Land and buildings</i>			
			Offices - Sasfin Place, 13-15 Scott Street, Waverley, Johannesburg	23 128	884	22 244
			Warehouse and offices - Erf 92 and 93, City Deep, Ext 4, Johannesburg	2 383	359	2 024
			<i>Equipment</i>			
			Plant and equipment			
			• Owned	4 429	2 590	1 839
			• Leased	265	265	–
521	387	134	Computer equipment	25 858	16 325	9 533
–	–	–	Computer software	6 473	2 656	3 817
25 858	16 325	9 533	Furniture, fittings and office equipment	7 413	3 083	4 330
6 473	2 656	3 817	Motor Vehicles			
7 076	2 883	4 193	• Owned	2 252	1 385	867
			• Leased	3 248	2 189	1 059
1 659	1 017	642	<b>Total</b>	<b>75 449</b>	<b>29 736</b>	<b>45 713</b>
–	–	–				
41 587	23 268	18 319				
			<b>2001</b>			
			<i>Land and buildings</i>			
			Offices - Sasfin Place, 13-15 Scott Street, Waverley, Johannesburg	20 716	519	20 197
			Warehouse and offices - Erf 92 and 93, City Deep, Ext 4, Johannesburg	2 383	–	2 383
			<i>Equipment</i>			
			Plant and equipment			
			• Owned	2 687	1 814	873
			• Leased	354	354	–
521	285	236	Computer equipment	18 957	12 001	6 956
–	–	–	Computer software	2 104	441	1 663
18 958	12 001	6 957	Furniture, fittings and office equipment	6 493	2 936	3 557
2 104	441	1 663	Motor vehicles			
5 291	2 341	2 950	• Owned	1 560	1 088	472
			• Leased	3 744	2 351	1 393
1 102	733	369	<b>Total</b>	<b>58 998</b>	<b>21 504</b>	<b>37 494</b>
281	246	35				
28 257	16 047	12 210				

BANK				GROUP		
Land and Buildings R'000	Equipment R'000	Total R'000		Land and Buildings R'000	Equipment R'000	Total R'000
			<b>9. PROPERTY AND EQUIPMENT (CONTINUED)</b>			
			<b>2002</b>			
			<b>Movement</b>			
–	28 257	28 257	<i>Cost at the beginning of the year</i>	23 099	35 899	58 998
–	14 545	14 545	Additions	2 412	16 471	18 883
–	(1 215)	(1 215)	Disposals	–	(2 432)	(2 432)
–	41 587	41 587	<i>Cost at the end of the year</i>	25 511	49 938	75 449
–	16 047	16 047	<i>Accumulated depreciation at the beginning of the year</i>	519	20 985	21 504
–	7 916	7 916	Depreciation charge for the year	724	9 351	10 075
–	(695)	(695)	Disposals	–	(1 843)	(1 843)
–	23 268	23 268	<i>Accumulated depreciation at the end of the year</i>	1 243	28 493	29 736
–	18 319	18 319	<b>Net book value at the end of the year</b>	24 268	21 445	45 713
			<b>2001</b>			
			<b>Movement</b>			
–	18 434	18 434	<i>Cost at the beginning of the year</i>	11 025	25 081	36 106
–	10 405	10 405	Additions	12 074	12 367	24 441
–	(582)	(582)	Disposals	–	(1 549)	(1 549)
–	28 257	28 257	<i>Cost at the end of the year</i>	23 099	35 899	58 998
–	10 647	10 647	<i>Accumulated depreciation at the beginning of the year</i>	–	15 134	15 134
–	5 766	5 766	Depreciation charge for the year	519	7 019	7 538
–	(366)	(366)	Disposals	–	(1 168)	(1 168)
–	16 047	16 047	<i>Accumulated depreciation at the end of the year</i>	519	20 985	21 504
–	12 210	12 210	<b>Net book value at the end of the year</b>	22 580	14 914	37 494

BANK			GROUP		COMPANY	
2002 R'000	2001 R'000		2002 R'000	2001 R'000	2002 R'000	2001 R'000
		<b>10. INTERBANK FUNDING</b>				
39 161	13 546	Call funding	39 161	14 161	–	–
–	–	Term loans maturing within three months	–	50 840	–	50 840
–	–	Term loans maturing after three months but within six months	50 230	–	50 230	–
39 161	13 546		89 391	65 001	50 230	50 840
		The maturity analysis is based on the remaining period to contractual maturity from year-end.				
		<b>11. DEPOSITS</b>				
		<i>Category analysis</i>				
160 277	178 001	Demand deposits	156 007	173 599	–	–
6 722	3 912	Notice deposits	6 722	3 912	–	–
97 921	71 015	Fixed deposits	97 921	71 015	–	–
8 173	5 673	Negotiable certificates of deposit	8 173	5 673	–	–
273 093	258 601		268 823	254 199	–	–
		<i>Geographic analysis</i>				
265 647	246 698	South Africa	261 377	242 296	–	–
5 130	3 049	Europe	5 130	3 049	–	–
2 316	8 854	Australia and New Zealand	2 316	8 854	–	–
273 093	258 601		268 823	254 199	–	–
		<i>Maturity analysis</i>				
160 277	178 001	Withdrawable on demand	156 007	173 599	–	–
62 570	60 139	Maturing within one month	62 570	60 139	–	–
12 368	16 285	Maturing after one month but within six months	12 368	16 285	–	–
22 878	4 176	Maturing after six months but within 12 months	22 878	4 176	–	–
15 000	–	Maturing after five years	15 000	–	–	–
273 093	258 601		268 823	254 199	–	–
		The maturity analysis is based on the remaining period to contractual maturity from year-end.				

BANK			GROUP		COMPANY	
2002 R'000	2001 R'000		2002 R'000	2001 R'000	2002 R'000	2001 R'000
		<b>12. ACCOUNTS PAYABLE</b>				
–	–	Capitalised finance leases	1 378	1 673	–	–
42 769	35 667	Accounts payable	70 008	60 313	81	270
27 005	41 072	Stockbroking clients	27 005	41 072	–	–
–	–	Taxation	3 416	1 066	–	–
69 774	76 739		101 807	104 124	81	270
		<b>13. DEBENTURES</b>				
40 049	–	Subordinated, secured, compulsorily redeemable asset-backed floating rate debentures of R1 000 000 each	40 049	–	–	–
–	354 645	Unsecured, compulsorily redeemable asset-backed floating rate debentures of R1 000 000 each	–	354 645	–	–
482 654	–	Secured, compulsorily redeemable asset-backed floating rate debentures of R1 000 000 each	482 654	–	–	–
522 703	354 645		522 703	354 645	–	–
		<i>Geographic analysis</i>				
522 703	354 645	South Africa	522 703	354 645	–	–
		<i>Maturity analysis</i>				
40 678	–	Maturing within six months	40 678	–	–	–
35 604	52 690	Maturing after six months but within 12 months	35 604	52 690	–	–
323 927	236 092	Maturing after one year but within five years	323 927	236 092	–	–
122 494	65 863	Maturing after five years	122 494	65 863	–	–
522 703	354 645		522 703	354 645	–	–
		The maturity analysis is based on the remaining period to contractual maturity from year-end.				
		<b>14. SHARE CAPITAL</b>				
		<i>Authorised</i>				
–	–	40 000 000 ordinary shares of 1c each	400	400	400	400
1 500	1 500	150 000 000 ordinary shares of 1c each	–	–	–	–
		<i>Issued</i>				
		<b>Group and Company:</b> 23 723 361 (2001: 22 768 287) ordinary shares of 1c each				
		<b>Bank:</b> 103 267 692 (2001: 102 307 692) ordinary shares of 1c each				
1 023	1 023	At beginning of year	228	215	228	215
10	–	Issued during the year	9	13	9	13
1 033	1 023		237	228	237	228
		The unissued shares are under the control of the directors until the next Annual General Meeting.				

BANK			GROUP		COMPANY	
2002 R'000	2001 R'000		2002 R'000	2001 R'000	2002 R'000	2001 R'000
		<b>15. COMMITMENTS AND CONTINGENCIES</b>				
–	34 297	Reversionary obligations on rental and lease agreements sold	–	34 297	–	–
7 632	12 285	Unutilised letters of credit established and confirmed orders placed on behalf of clients	7 632	12 285	–	–
3 000	–	Irrevocable unutilised committed facilities	–	–	–	–
5 042	–	Other	5 042	–	–	–
<b>15 674</b>	<b>46 582</b>		<b>12 674</b>	<b>46 582</b>	<b>–</b>	<b>–</b>
		<b>16. INTEREST INCOME</b>				
10 499	9 393	Interbank	11 050	10 820	–	–
1 140	965	Short-term negotiable securities	1 140	965	–	–
104 473	82 612	Instalment finance	104 473	82 612	–	–
9 731	5 227	Debtor finance	9 731	5 227	–	–
11 028	10 368	Trade finance	11 028	10 368	–	–
4 359	2 012	Other	1 848	93	5 587	5 814
<b>141 230</b>	<b>110 577</b>		<b>139 270</b>	<b>110 085</b>	<b>5 587</b>	<b>5 814</b>
		<b>17. INTEREST EXPENSE</b>				
1 533	2 246	Interbank funding	8 045	9 248	5 541	5 721
17 646	14 480	Demand deposits	17 262	14 157	–	–
409	771	Notice deposits	409	771	–	–
7 910	4 790	Fixed deposits	7 910	4 790	–	–
1 027	541	Negotiable certificates of deposit	1 027	541	–	–
50 362	32 261	Debentures	50 362	32 261	–	–
5 550	5 725	Other	9	4	–	–
<b>84 437</b>	<b>60 814</b>		<b>85 024</b>	<b>61 772</b>	<b>5 541</b>	<b>5 721</b>
		<b>18. OTHER INCOME</b>				
99 313	81 756	Fee and commission income	155 677	126 475	840	650
–	–	Profit on disposal of investment	–	–	3 388	–
437	378	Dividend income	439	380	10 069	2 352
34 983	11 725	Foreign exchange gains	34 983	11 725	–	–
<b>134 733</b>	<b>93 859</b>		<b>191 099</b>	<b>138 580</b>	<b>14 297</b>	<b>3 002</b>
		A substantial portion of the Group's capital is invested in hard currencies, resulting in a translation gain due to the depreciation of the Rand. A significant portion of the gain would have been earned as interest had this investment been denominated in Rand.				

BANK			GROUP		COMPANY	
2002 R'000	2001 R'000		2002 R'000	2001 R'000	2002 R'000	2001 R'000
		<b>19. NET INCOME FROM OPERATIONS</b>				
		<i>Net income from operations is stated after charging:</i>				
807	500	Administration fees	–	–	–	–
2 310	1 136	Auditors' remuneration	2 581	1 419	97	51
732	637	Audit fees - Current year	1 144	828	76	50
696	106	Audit fees - Prior year	533	136	–	–
882	393	Other services	904	455	21	1
1 488	2 543	Consulting fees	1 488	2 543	–	–
7 916	5 766	Depreciation	10 075	7 538	–	–
2 632	1 733	Directors' emoluments	2 965	1 897	333	164
		Executive directors				
2 205	1 319	For other services rendered to the Bank	2 205	1 319	–	–
–	–	Non-Executive directors				
427	414	Directors fees paid by the Company	333	164	333	164
–	–	Directors fees paid by the Bank	427	414	–	–
–	–	Operating lease charges	1 046	845	–	–
		<i>And after crediting:</i>				
182	54	Profit on disposal of property and equipment	459	393	–	–
–	–	Administration fees	–	–	840	650
		<b>20. TAXATION</b>				
5 061	2 755	<i>South African normal tax</i>	7 035	4 041	–	–
–	–	Current	2 169	1 286	–	–
5 061	2 755	Deferred	4 866	2 755	–	–
2 266	–	<i>Secondary tax on companies</i>	3 968	247	452	247
2 398	–	Current	3 968	–	452	–
(132)	–	Prior year underprovision/(overprovision)	–	247	–	247
1 633	1 157	<i>Other taxes and duties</i>	2 011	1 222	37	15
8 960	3 912		13 014	5 510	489	262
		Reconciliation of rate of taxation				
%	%		%	%	%	%
30	30	South African normal tax rate	30	30	30	30
(9)	(17)	Adjusted for:	(3)	(14)	(26)	(18)
–	–	Exempt income	–	–	(30)	(30)
–	1	Non-deductible expenditure	–	–	–	–
15	18	Deferred tax asset not created	15	17	–	–
–	(15)	Utilisation of tax losses	–	(14)	–	–
(33)	(23)	Foreign taxes	(30)	(20)	–	–
4	2	Other taxes and duties	4	2	–	1
5	–	Secondary tax on companies	8	1	4	11
21	13	<b>Effective rate</b>	27	16	4	12
56 000	30 387	The Group has estimated tax losses available to offset future taxable income	56 000	30 321	–	–

BANK			GROUP		COMPANY	
2002 R'000	2001 R'000		2002 R'000	2001 R'000	2002 R'000	2001 R'000
		<p><b>21. HEADLINE EARNINGS PER SHARE AND EARNINGS PER SHARE</b></p> <p>The calculation of headline earnings per ordinary share is based on earnings of R34,4 million (2001: R30,3 million) as adjusted for discontinued operations and the weighted average of 23 323 236 (2001: 22 349 069) ordinary shares in issue for the year.</p> <p>The calculation of earnings per ordinary share is based on the consolidated income attributable to ordinary shareholders of R34,4 million (2001: R27,2 million) and the weighted average of 23 323 236 (2001 : 22 349 069) ordinary shares in issue for the year.</p>				
		<p><b>22. CHANGE IN ACCOUNTING POLICY</b></p> <p>In terms of the adoption of Accounting Statement AC 412 special purpose entities are consolidated in preparing Group annual financial statements. The consolidation of Equipment Rentals Securitisation No.1 (Pty) Limited, resulted in the elimination of intra group transactions. The effect of this change is as follows:</p>				
(7 928)	(3 487)	Headline earnings	(7 928)	(3 487)	–	–
–	–	Gross	–	–	–	–
(7 928)	(3 487)	Taxation	(7 928)	(3 487)	–	–
		Income after taxation				
(11 688)	(8 201)	Effect on opening retained income	(11 688)	(8 201)	–	–
		<p><b>23. CASH FLOWS FROM OPERATING ACTIVITIES</b></p>				
42 454	29 690	Net income from operations	48 549	34 146	13 503	2 243
(182)	(54)	Profit on disposal of property and equipment	(459)	(393)	(3 388)	–
7 916	5 766	Depreciation	10 075	7 538	–	–
–	(8 201)	Other non-cash items	–	(8 201)	–	–
50 188	27 201		58 165	33 090	10 115	2 243

BANK			GROUP		COMPANY	
2002 R'000	2001 R'000		2002 R'000	2001 R'000	2002 R'000	2001 R'000
		<b>24. TAXATION PAID</b>				
16 588	13 833	Unpaid at beginning of the year	17 654	15 337	–	406
8 960	3 912	Charged to income statement	13 014	5 510	489	262
(24 047)	(16 588)	Unpaid at end of the year	(24 724)	(17 654)	–	–
1 501	1 157		5 944	3 193	489	668
		<b>25. DIVIDEND PAID</b>				
–	–	Unpaid at beginning of the year	–	3 258	–	3 258
4 067	2 350	Charged to distributable reserves	9 613	1 968	9 613	1 968
4 067	2 350		9 613	5 226	9 613	5 226
		<b>26. MANAGED FUNDS</b>				
		Sasfin Frankel Pollak Securities (Pty) Limited, in a fiduciary capacity on behalf of clients, manages client funds in respect of the following:				
		<i>On a discretionary basis</i>				
77	62	Unlisted equities	77	62	–	–
6 311 545	3 751 519	Listed equities	6 311 545	3 751 519	–	–
179 001	165 363	Gilts	179 001	165 363	–	–
255	225	Unit trusts	255	225	–	–
519 291	548 120	Funds held in money market accounts	519 291	548 120	–	–
7 010 169	4 465 289		7 010 169	4 465 289	–	–

	UP TO 1 MONTH	1-3 MONTHS	4-12 MONTHS	1-5 YEARS	> 5 YEARS	NON-LIQUID	GROUP TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT</b>							
<b>27.1 LIQUIDITY RISK</b>							
<b>2002</b>							
<b>Assets</b>							
Short-term interbank funds	82 624	113 600	–	–	–	–	196 224
Short-term negotiable securities	–	11 354	–	–	–	–	11 354
Accounts receivable	121 271	–	–	–	–	–	121 271
Advances	57 688	141 452	217 866	359 221	1 825	–	778 052
Investments	–	–	–	–	–	15 820	15 820
Deferred taxation	–	–	–	–	–	6 341	6 341
Property and equipment	–	–	–	–	–	45 713	45 713
<b>Total Assets</b>	<b>261 583</b>	<b>266 406</b>	<b>217 866</b>	<b>359 221</b>	<b>1 825</b>	<b>67 874</b>	<b>1 174 775</b>
<b>Liabilities</b>							
Interbank funding	39 161	–	50 230	–	–	–	89 391
Deposits	218 577	10 142	25 104	–	15 000	–	268 823
Accounts payable	101 807	–	–	–	–	–	101 807
Debentures	–	–	76 282	323 927	122 494	–	522 703
Deferred taxation	–	–	–	–	–	27 649	27 649
<b>Total Liabilities</b>	<b>359 545</b>	<b>10 142</b>	<b>151 616</b>	<b>323 927</b>	<b>137 494</b>	<b>27 649</b>	<b>1 010 373</b>
<b>Maturity mismatch</b>	<b>(97 962)</b>	<b>256 264</b>	<b>66 250</b>	<b>35 294</b>	<b>(135 669)</b>	<b>40 225</b>	<b>164 402</b>
Unutilised committed interbank facilities	25 000	–	–	–	–	–	25 000
<b>Net maturity mismatch</b>	<b>(72 962)</b>	<b>256 264</b>	<b>66 250</b>	<b>35 294</b>	<b>(135 669)</b>	<b>40 225</b>	<b>189 402</b>
<b>2001</b>							
<b>Assets</b>							
Short-term interbank funds	81 727	102 467	–	–	–	–	184 194
Short-term negotiable securities	986	10 840	–	–	–	–	11 826
Accounts receivable	118 884	–	–	–	–	–	118 884
Advances	42 751	75 396	126 009	319 818	561	–	564 535
Investments	–	–	–	–	–	14 965	14 965
Property and equipment	–	–	–	–	–	37 494	37 494
<b>Total Assets</b>	<b>244 348</b>	<b>188 703</b>	<b>126 009</b>	<b>319 818</b>	<b>561</b>	<b>52 459</b>	<b>931 898</b>
<b>Liabilities</b>							
Interbank funding	14 161	50 840	–	–	–	–	65 001
Deposits	233 738	12 532	7 929	–	–	–	254 199
Accounts payable	101 401	1 153	1 250	320	–	–	104 124
Debentures	–	–	52 690	236 092	65 863	–	354 645
Deferred taxation	–	–	–	–	–	16 588	16 588
<b>Total Liabilities</b>	<b>349 300</b>	<b>64 525</b>	<b>61 869</b>	<b>236 412</b>	<b>65 863</b>	<b>16 588</b>	<b>794 557</b>
<b>Maturity mismatch</b>	<b>(104 952)</b>	<b>124 178</b>	<b>64 140</b>	<b>83 406</b>	<b>(65 302)</b>	<b>35 871</b>	<b>137 341</b>
Unutilised committed Interbank facilities	32 000	–	–	–	–	–	32 000
<b>Net maturity mismatch</b>	<b>(72 952)</b>	<b>124 178</b>	<b>64 140</b>	<b>83 406</b>	<b>(65 302)</b>	<b>35 871</b>	<b>169 341</b>

The matching of the maturities of assets and liabilities is inherent in the activities of all banks, and it is unusual for banks to ever be perfectly matched. The table reflects on balance sheet maturity categories of the assets and liabilities of the Group. Advances are reflected according to their contractual repayment terms.

	UP TO 1 MONTH	1-3 MONTHS	4-12 MONTHS	NON-INTEREST SENSITIVE	GROUP TOTAL
	R'000	R'000	R'000	R'000	R'000
<b>27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT</b>					
27.2 INTEREST RATE RISK					
2002					
<b>Assets</b>					
Short-term interbank funds	76 941	113 600	–	5 683	196 224
Short-term negotiable securities	–	11 354	–	–	11 354
Accounts receivable	–	–	–	121 271	121 271
Advances	707 255	95 187	13 857	(38 247)	778 052
Investments	–	–	–	15 820	15 820
Deferred taxation	–	–	–	6 341	6 341
Property and equipment	–	–	–	45 713	45 713
<b>Total assets</b>	<b>784 196</b>	<b>220 141</b>	<b>13 857</b>	<b>156 581</b>	<b>1 174 775</b>
<b>Liabilities</b>					
Interbank funding	39 161	50 230	–	–	89 391
Deposits	233 577	10 142	25 104	–	268 823
Accounts payable	–	–	–	101 807	101 807
Debentures	30 946	423 518	68 239	–	522 703
Deferred taxation	–	–	–	27 649	27 649
<b>Total liabilities</b>	<b>303 684</b>	<b>483 890</b>	<b>93 343</b>	<b>129 456</b>	<b>1 010 373</b>
<b>Net interest rate risk mismatch</b>	<b>480 512</b>	<b>(263 749)</b>	<b>(79 486)</b>	<b>27 125</b>	<b>164 402</b>
2001					
<b>Assets</b>					
Short-term interbank funds	76 179	102 467	–	5 548	184 194
Short-term negotiable securities	986	10 840	–	–	11 826
Accounts receivable	–	–	–	118 884	118 884
Advances	526 853	49 562	12 887	(24 767)	564 535
Investments	–	–	–	14 965	14 965
Property and equipment	–	–	–	37 494	37 494
<b>Total assets</b>	<b>604 018</b>	<b>162 869</b>	<b>12 887</b>	<b>152 124</b>	<b>931 898</b>
<b>Liabilities</b>					
Interbank funding	14 161	50 840	–	–	65 001
Deposits	233 738	12 532	7 929	–	254 199
Accounts payable	–	–	–	104 124	104 124
Debentures	–	286 645	68 000	–	354 645
Deferred taxation	–	–	–	16 588	16 588
<b>Total liabilities</b>	<b>247 899</b>	<b>350 017</b>	<b>75 929</b>	<b>120 712</b>	<b>794 557</b>
<b>Net interest rate risk mismatch</b>	<b>356 119</b>	<b>(187 148)</b>	<b>(63 042)</b>	<b>31 412</b>	<b>137 341</b>

The Group is exposed to interest rate risks associated with fluctuations in the market prices of assets and liabilities. These fluctuations in market prices impact on the value of instruments stated at fair market value and, interest income or the cost of instruments stated at original cost and future cash flows of all interest rate sensitive items. The tables summarise the Group's exposure to interest rate risk through categorisation of assets and liabilities into maturity categories, determined as being the earlier of the contractual re-pricing date or maturity. Assets and liabilities not directly affected by changes in interest rates are reflected separately as non-interest sensitive items.

	ZAR	USD	EUR	CHF	OTHER	GROUP TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000
<b>27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT</b>						
27.3 CURRENCY RISK						
<b>2002</b>						
<b>Assets</b>						
Short-term interbank funds	78 991	25 459	59 847	31 914	13	196 224
Short-term negotiable securities	11 354	–	–	–	–	11 354
Accounts receivable	121 271	–	–	–	–	121 271
Advances	771 796	1 709	–	–	4 547	778 052
Investments	15 820	–	–	–	–	15 820
Deferred taxation	–	–	–	–	6 341	6 341
Property and equipment	45 713	–	–	–	–	45 713
<b>Total assets</b>	<b>1 044 945</b>	<b>27 168</b>	<b>59 847</b>	<b>31 914</b>	<b>10 901</b>	<b>1 174 775</b>
<b>Liabilities</b>						
Interbank funding	89 007	–	–	–	384	89 391
Deposits	261 246	4 421	991	1 891	274	268 823
Accounts payable	101 807	–	–	–	–	101 807
Debentures	522 703	–	–	–	–	522 703
Deferred taxation	27 649	–	–	–	–	27 649
<b>Total liabilities</b>	<b>1 002 412</b>	<b>4 421</b>	<b>991</b>	<b>1 891</b>	<b>658</b>	<b>1 010 373</b>
<b>Net on balance sheet currency exposure</b>	<b>42 533</b>	<b>22 747</b>	<b>58 856</b>	<b>30 023</b>	<b>10 243</b>	<b>164 402</b>
<b>Derivative currency management</b>						
Net notional principal	–	54 125	5 439	–	9 540	69 104
<b>Net currency exposure</b>	<b>42 533</b>	<b>76 872</b>	<b>64 295</b>	<b>30 023</b>	<b>19 783</b>	<b>233 506</b>
<b>2001</b>						
<b>Assets</b>						
Short-term interbank funds	106 758	32 899	42 761	–	1 776	184 194
Short-term negotiable securities	11 826	–	–	–	–	11 826
Accounts receivable	118 884	–	–	–	–	118 884
Advances	558 278	4 040	–	–	2 217	564 535
Investments	14 965	–	–	–	–	14 965
Property and equipment	37 494	–	–	–	–	37 494
<b>Total assets</b>	<b>848 205</b>	<b>36 939</b>	<b>42 761</b>	<b>–</b>	<b>3 993</b>	<b>931 898</b>
<b>Liabilities</b>						
Interbank funding	65 001	–	–	–	–	65 001
Deposits	247 806	1 770	3 292	–	1 331	254 199
Accounts payable	104 124	–	–	–	–	104 124
Debentures	354 645	–	–	–	–	354 645
Deferred taxation	16 588	–	–	–	–	16 588
<b>Total liabilities</b>	<b>788 164</b>	<b>1 770</b>	<b>3 292</b>	<b>–</b>	<b>1 331</b>	<b>794 557</b>
<b>Net on balance sheet currency exposure</b>	<b>60 041</b>	<b>35 169</b>	<b>39 469</b>	<b>–</b>	<b>2 662</b>	<b>137 341</b>
<b>Derivative currency management</b>						
Net notional principal	–	55 375	2 764	–	(220)	57 919
<b>Net currency exposure</b>	<b>60 041</b>	<b>90 544</b>	<b>42 233</b>	<b>–</b>	<b>2 442</b>	<b>195 260</b>
The Group currency profile analyses the consolidated assets and liabilities in terms of their originating currencies. The following exchange rates were used for conversion of assets and liabilities into South African Rand:						
US Dollar					2002 R	2001 R
European Euro					10.3500	8.0630
Swiss Franc					10.3024	6.8390
					0.1428	0.2228

	NOTIONAL PRINCIPLE	FAIR VALUE OF ASSETS	FAIR VALUE OF LIABILITIES	NET FAIR VALUE
	R'000	R'000	R'000	R'000
<b>27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT</b>				
27.4 DERIVATIVE FINANCIAL INSTRUMENTS				
2002				
Hedging				
<b>Exchange rate contracts</b>				
Forwards maturing within one year	82 411	1 164	(3 622)	(2 458)
<b>Interest rate contracts</b>				
Interest rate swaps	169 000	1 206	(3 106)	(1 900)
Maturing after one year but within five years	123 000			
Maturing after five years	46 000			
<b>Total derivatives</b>	<b>251 411</b>	<b>2 370</b>	<b>(6 728)</b>	<b>(4 358)</b>
2001				
Hedging				
<b>Exchange rate contracts</b>				
Forwards maturing within one year	69 728	472	(531)	(59)
<b>Interest rate contracts</b>				
Interest rate swaps maturing after one year but within five years	108 000	324	–	324
<b>Total derivatives</b>	<b>177 728</b>	<b>796</b>	<b>(531)</b>	<b>265</b>

#### Derivative instruments

These transactions have been entered into in the normal course of business and no material losses are anticipated other than those for which provision has been made in the income statement. There are no commitments or contingent commitments under derivative financial instruments that are settled other than with cash.

#### Notional principal

Represents the gross notional value of all outstanding contracts as at year-end. The gross notional value is the sum of the absolute value of all purchases and sales of derivative instruments. This value will not affect the amount receivable or payable under a derivative contract due to the cash-settled nature of the various contracts. The gross notional value represents only the measure of involvement by the Group in derivative contracts and not its exposure to market or credit risks arising from such contracts.

#### Fair value of assets and liabilities

The amounts disclosed represent the fair value of all derivative instruments held at year-end. The fair value of a derivative financial instrument represents the market value if the rights and obligations arising from that instrument were closed out by the Group in normal trading conditions as at year-end. Fair values are obtained from quoted market prices and discounted cash flow models.

#### 28. DIRECTORS' SERVICE CONTRACTS

None of the directors retiring at the forthcoming Annual General Meeting have service contracts with notice periods in excess of one year.

#### 29. HOLDING COMPANY GUARANTEES

Sasfin Holdings Limited has provided guarantees for the obligations of certain of its subsidiary companies.

	NATURE OF BUSINESS	ISSUED CAPITAL	EFFECTIVE HOLDING		SHARES AT BOOK VALUE		INDEBTEDNESS	
			2002 %	2001 %	2002 R'000	2001 R'000	2002 R'000	2001 R'000
<b>30. SUBSIDIARY COMPANIES</b>								
<b>Of Sasfin Holdings Limited</b>								
Sasfin Bank Limited	Bank	R1 032 677	100	100	5 633	1 023	48 677	39 031
Premier Freight (Pty) Limited	Freight forwarding and customs clearing	R200	60	60	13 566	13 566	—	—
Sasfin Financial Advisory Services (Pty) Limited	Financial advisory services	R200	100	100	1 625	1 625	—	150
Sasfin Properties (Pty) Limited	Property holding company	R100	100	100	—	—	—	—
Sasfin Properties II (Pty) Limited	Property holding company	R1	100	100	—	—	—	—
					<b>20 824</b>	<b>16 214</b>	<b>48 677</b>	<b>39 181</b>
<b>Of Sasfin Bank Limited</b>								
Irvine International Trade Finance (Pty) Limited	Local trade finance	R14 770	100	100				
Quorum Leasing Services (Pty) Limited	Lease finance	R100	100	100				
Sasfin Asia Limited (Incorporated in Hong Kong)	Overseas trade finance	HK\$1 500 000	100	100				
Sasfin Rentals (Pty) Limited	Instalment finance	R100	50	50				
Sasfin Frankel Pollak Securities (Pty) Limited	Member of the JSE	R100	100	100				
The financial position of the subsidiaries listed above is material for a proper appreciation of the affairs of the Group. Detailed information in respect of all non-material subsidiaries is obtainable from the Group Secretary. All subsidiaries have co-terminus year-ends.								
<b>Special purpose entity</b>								
Equipment Rentals Securitisation No.1 (Pty) Limited	Securitisation vehicle	R100 000	100	100				

	NUMBER	
	2002	2001
<b>GROUP SHARE INCENTIVE SCHEMES RECONCILIATION</b>		
Options outstanding at beginning of the year	1 399 749	1 614 872
Granted	15 000	175 020
Exercised	(186 122)	(118 000)
Lapsed	(131 100)	(272 143)
Options outstanding at end of the year	1 097 527	1 399 749

The following options granted to employees, including executive directors, had not been exercised at 30 June 2002

NUMBER OF ORDINARY SHARES	OPTION PRICE RANGE (CENTS)	WEIGHTED AVERAGE PRICE (CENTS)	OPTION EXPIRY PERIOD
405 511	300 - 1250	848	Year to 30 June 2003
290 454	530 - 1400	582	Year to 30 June 2004
197 150	300 - 1250	1 184	Year to 30 June 2005
116 804	530 - 1400	660	Year to 30 June 2006
6 000	600 - 650	1 150	Year to 30 June 2007
38 804	570-1400	643	Year to 30 June 2008
6 000	650	650	Year to 30 June 2009
36 804	570-715	601	Year to 30 June 2010
<b>1 097 527 *</b>			

\*Includes 20 000 options at a strike price of 600 cents to an executive director - JJ van der Watt.

LOANS FROM THE COMPANY TO THE GROUP SHARE INCENTIVE SCHEME TRUSTS	NUMBER	
	2002	2001
	R'000	R'000
Loans	1 101	173

	SHAREHOLDERS		SHARES HELD	
	Number	%	Number	%
<b>Analysis of holding</b>				
Trusts	107	8.4	8 290 497	34.9
Limited companies	6	0.5	6 641 986	28.0
Individuals	997	78.0	5 045 077	21.3
Private companies	37	2.9	2 472 912	10.4
Other	130	10.2	1 272 889	5.4
	1 277	100	23 723 361	100
<b>Shareholder spread</b>				
Public shareholders	1 273	99.7	9 665 546	40.8
Non-public shareholders				
• Directors	3	0.2	7 738 994	32.6
• Other persons interested, directly or indirectly, in 10% or more	1	0.1	6 318 821	26.6
	1 277	100	23 723 361	100

ANALYSIS OF MAJOR SHAREHOLDERS	NUMBER	%
Unitas Enterprises Limited	6 318 821	26.6
The Sassoon Trust	4 353 418	18.4
Marsas Holdings (Pty) Limited	1 938 589	8.2
The Glattfin Trust	907 000	3.8
Pocot Trust	680 908	2.9
The Sassoon Childrens Trust	521 975	2.2

In accordance with the terms of Section 140A of the Companies Act, the Group has conducted investigations into the registered holders of its ordinary shares and the results are as disclosed above.

PERFORMANCE ON THE JSE SECURITIES EXCHANGE SOUTH AFRICA	2002	2001
Shares traded	3 169 103	9 119 683
Price (cents)		
Highest	800	810
Lowest	560	490
Year-end	630	655