

- Total assets up 22% to R2 billion
- HEPS up 50% to 207 cents
- Efficiency ratio improves by 11% to 56,4%
- ROE up 14% to 37%

UNAUDITED INTERIM RESULTS for the six month period ended 31 December 2005

consolidated balance sheet

		31 Dec 2005	31 Dec 2004 Restated	30 June 2005 Restated
	% change	R'000	R'000	R'000
ASSETS				
Short-term interbank funds	18	381 699	322 400	296 553
Short-term negotiable securities		36 604	19 348	19 377
Accounts receivable	36	213 427	157 342	262 703
Advances	16	2 116 401	1 050 169	1 089 708
Investments	116	80 709	37 403	53 157
Investments in associated and joint venture companies		4 953	-	4 301
Deferred taxation		407	614	3 053
Property, plant and equipment		45 209	40 308	43 243
Total assets	22	1 979 409	1 627 584	1 772 095
EQUITY AND LIABILITIES				
Equity				
Ordinary share capital and premium		22 132	19 021	19 814
Reserves		311 587	220 216	255 588
Regulatory general credit-risk reserve		4 700	-	4 400
Ordinary shareholders' equity	41	338 419	239 237	279 802
Minority interest		18 919	14 728	16 997
Preference share capital and premium		99 646	99 646	99 646
Total equity	29	456 984	353 611	396 445
Liabilities				
Interbank funding		20 299	32 042	35 801
Deposits	50	600 403	401 531	402 020
Accounts payable		174 631	130 848	213 316
Provisions		6 810	6 459	10 372
Notes		669 799	667 624	668 223
Deferred taxation		50 483	35 469	45 918
Total liabilities	1 522 425	1 273 973	1 375 650	
Total equity and liabilities	1 979 409	1 627 584	1 772 095	
Commitments and contingencies		78 928	42 010	55 429

consolidated income statement

		31 Dec 2005	31 Dec 2004 Restated	30 June 2005 Restated
	% change	R'000	R'000	R'000
Interest income		102 695	99 421	196 115
Interest expense		46 492	44 167	84 960
Net interest income		56 203	55 254	111 155
Other income	38	142 455	103 002	211 602
Total income	26	198 658	158 256	322 757
Impairment of advances		7 220	6 702	7 154
Operating income	26	191 438	151 554	315 603
Operating expenses	12	112 124	100 184	197 231
Profit from operations	54	79 314	51 370	118 372
Share of associated and joint venture companies' income		2 536	-	1 321
Profit before taxation	59	81 850	51 370	119 693
Taxation		19 908	13 836	28 682
Profit after taxation	65	61 942	37 534	91 011
Profit attributable to:				
Minority shareholders		2 482	1 821	4 890
Preference shareholders		4 015	-	1 017
Profit attributable to ordinary shareholders	55	55 445	35 713	85 104

consolidated statement of changes in equity

		31 Dec 2005	31 Dec 2004 Restated	30 June 2005 Restated
		R'000	R'000	R'000
Ordinary share capital and premium				
Opening balance		19 814	16 976	16 976
Issue of shares		2 318	2 045	2 838
Reserves		311 587	220 216	255 588
GAAP reported balance		255 051	206 908	206 908
IFRS transition		(205)	184	184
Share-based payment reserve		938	536	742
Profit attributable to ordinary and preference shareholders		59 460	35 713	86 121
Available-for-sale portfolio fair value adjustment		23 877	281	1 121
Transfer (to)/from regulatory general credit-risk reserve		(300)	1 000	(3 400)
Preference share dividend		(4 015)	-	(1 017)
Ordinary share dividend		(23 219)	(24 406)	(35 071)
Regulatory general credit-risk reserve	4 700	-	4 400	
Opening balance		4 400	1 000	1 000
Transfer from/(to) distributable reserves		300	(1 000)	3 400
Ordinary shareholders' equity	338 419	239 237	279 802	
Minority interest				
Opening balance		18 919	14 728	16 997
GAAP reported balance		16 639	12 378	12 378
IFRS transition		358	341	342
Ordinary share dividends		(600)	-	(1 360)
Available-for-sale portfolio fair value adjustment		40	188	747
Profit attributable to minority shareholders		2 482	1 821	4 890
Preference share capital and premium	99 646	99 646	99 646	
Opening balance		100 000	-	-
Issue of shares		-	100 000	100 000
Set off of costs relating to issue of shares		(354)	(354)	(354)
Total equity	456 984	353 611	396 445	

consolidated cash flow information

		31 Dec 2005	31 Dec 2004 Restated	30 June 2005 Restated
		R'000	R'000	R'000
Net cash (outflow)/inflow from:				
Operating activities		115 251	59 415	53 271
Investing activities		(40)	(17 807)	(43 398)
Financing activities		2 664	101 257	103 415
Net increase in cash and cash equivalents	117 875	142 865	113 288	
Cash and cash equivalents at beginning of the period		280 129	166 841	166 841
Cash and cash equivalents at end of the period	398 004	309 706	280 129	

financial highlights

		31 Dec 2005	31 Dec 2004 Restated	30 June 2005 Restated
	% change			
SHARE STATISTICS				
Earnings per ordinary share (cents)				
- Headline	50	207,1	138,2	326,4
- Basic	54	212,4	138,2	328,3
Diluted earnings per ordinary share (cents)				
- Headline	50	200,2	133,3	314,5
- Basic	54	205,3	133,3	316,3
Number of ordinary shares in issue at end of the period ('000)				
		26 288	25 971	26 035
Weighted average number of shares in issue ('000)				
		26 103	25 843	25 923
Diluted weighted average shares in issue ('000)				
		27 002	26 788	26 904
Dividends per ordinary share relating to profit for the period (cents)				
	51	62,0	41,0	130,0
Of which interim		62,0	41,0	41,0
Of which final		-	-	89,0
Dividends per preference share relating to profit for the period (cents)				
		396,99	-	503,23
Of which dividend number 1		-	-	101,72
Of which dividend number 2		-	-	401,51
Of which dividend number 3		396,99	-	-
FINANCIAL PERFORMANCE				
Net asset value per ordinary share (cents)				
	40	1 287,4	921,2	1 074,7
Annualised return on ordinary shareholders' average equity (%)				
	14	37,4	32,9	33,5
Annualised return on total average assets (%)				
	25	6,0	4,8	5,4
Efficiency ratio (%)				
	(11)	56,4	63,3	61,1

HEADLINE EARNINGS RECONCILIATION

		R'000	R'000	R'000
Profit attributable to ordinary shareholders		55 445	35 713	85 104
Net profit on disposal of property, plant and equipment		(335)	-	(488)
Net profit on disposal of investments		(1 345)	-	-
Headline earnings	51	54 067	35 713	84 616

headline earnings segmental analysis

		31 Dec 2005	31 Dec 2004 Restated	30 June 2005 Restated
	% change	R'000	R'000	R'000
Business Banking ¹	46	27 915	19 065	46 807
Sasfin Capital ²	51	13 368	8 824	15 637
Sasfin Personal Wealth ³	64	10 469	6 377	17 141
Specialised Services ⁴	60	2 315	1 447	5 031
Total	51	54 067	35 713	84 616

Notes:

1. **Business Banking** comprises Rental Finance and Business Finance (Trade, Debtor and Capital Equipment Finance).
2. **Sasfin Capital** comprises Private Equity, Corporate Finance, JSE Sponsor, Investment Banking and Treasury, which includes interest charged to operating divisions on Group capital.
3. **Sasfin Personal Wealth** comprises Stockbroking and Portfolio Management, Funds Management, Asset Management and Financial Planning.
4. **Specialised Services** comprises International Forwarding and Clearing, Healthcare Consulting, Regulation 28 Consulting and Short-term Insurance.

commentary

NATURE OF BUSINESS

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

BUSINESS REVIEW

- Headline earnings per share for the period under review increased by 50% (2004: 17%) as compared with the restated headline earnings for the corresponding period in the previous financial year.
- All divisions of the Group are trading well and made meaningful contributions to Group headline earnings.
- The efficiency ratio improved to 56.4% from 63.3% in the comparable period.
- Total Group assets increased to almost R2 billion (2004: R1.6 billion) which is reflective of the increased level of activity in all divisions.
- Annualised return on ordinary shareholders' average equity increased to 37.4% (2004: 32.9%).
- The statutory risk-weighted capital adequacy of Sasfin Bank Limited ("the Bank"), currently a wholly-owned subsidiary of the Company (but which will reduce to a 90%-owned subsidiary in terms of the BEE transaction set out below), is 19% (2005: 18.3%). After the implementation of the BEE transaction, the Bank's statutory risk-weighted capital adequacy will increase to 26%.

THE FINANCIAL SECTOR CHARTER

- The Group subscribes to the Financial Sector Charter and has made good progress towards meeting Charter targets.
- On 12 December 2005, Sasfin announced that, subject to South African Reserve Bank approval, with effect from 1 January 2006, InnoVent Investment Holdings (Pty) Limited, ("InnoVent") would, for a consideration of R66.7 million, subscribe for an issue of 10% of the Bank's equity. InnoVent is a black-owned and operated financial services holding company associated with Sasfin, which, through its wholly-owned subsidiaries, focuses on both user-sourced, larger-value structured residual rental finance solutions and in supplier-sourced standard rental finance solutions. Sasfin has financed the transaction out of its own resources by subscribing for cumulative redeemable preference shares in two special purpose vehicles wholly-owned by InnoVent. Approval of the South African Reserve Bank has now been obtained.
- Appropriate appointments to the Board will be announced in due course.

OTHER STRATEGIC DEVELOPMENTS

- In July 2005, Sasfin increased its Investor Participation in Sasfin - MDM Private Equity Fund I from 13.6% to 52.4% for an incremental investment consideration of R34.8 million. In addition, Sasfin Private Equity Fund II, a R100 million generalist private equity fund, has been launched and its first investment was concluded in January 2006. The Board has resolved to issue a further R100 million of preference shares, details of which will be announced in due course.
- Sasfin Investment and Asset Managers (Proprietary) Limited ("SIAM") has concluded a transaction with PIB Financial Services (Proprietary) Limited, an established financial planning organisation, in terms of which these businesses will be sold to

commentary (continues)

and merged with the businesses of SIAM with effect from 1 January 2006. Management owns 32.5% of the equity in the enlarged SIAM, with the balance owned by the Bank.

BASEL II

The Group is on schedule with plans for the implementation of Basel II.

PROSPECTS

- The Group's products and services are in strong demand in the current buoyant economic environment. However, growth in earnings for the remainder of the year is unlikely to be maintained at the same rate.
- Sasfin would not, however, be immune to the effects of a cyclical economic downturn.
- A strong infrastructure of human resources and support systems has been developed to service the growing client base.
- The Group's operations are supported by a high level of capital adequacy.
- The Group strives to be "The Preferred Banking Group for the Entrepreneur".

BASIS OF PREPARATION AND PRESENTATION OF INTERIM FINANCIAL STATEMENTS

The Group implemented International Financial Reporting Standards ("IFRS") during the period under review, the effective date of transition being 1 July 2005. The conversion to IFRS has not resulted in any material adjustments and no additional disclosure as stated in IFRS 1 and IAS 34 on first-time adoption is required.

The abridged interim consolidated financial statements are prepared in accordance with IAS 34 - "Interim Financial Reporting" and the accounting policies applied conform to IFRS.

The shares owned by the Group in JSE Limited (previously JSE rights) have been designated by the Board as "available-for-sale" financial instruments and, in accordance with revised IAS 39, changes in fair value are taken directly to equity. The fair value of this shareholding, as determined by reference to the Over-the-Counter market, amounted to R29.4 million, which gives rise to a "mark to market" adjustment of R27.9 million. This amount, net of a provision for deferred Capital Gains Tax, is not included in profits but is included in equity.

PREFERENCE SHARE DIVIDEND

Notice is hereby given that preference dividend number 3 amounting to 396.99 cents per preference share ("preference dividend") has been declared for the period 1 July 2005 to 31 December 2005 on one million preference shares issued at R100.00 each. The preference dividend is payable to holders of preference shares recorded in the register of the Company at the close of business on Friday, 31 March 2006.

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

	2006
Last day to trade cum the preference dividend	Friday, 24 March
Preference shares commence trading ex the preference dividend	Monday, 27 March
Preference dividend record date	Friday, 31 March
Payment of preference dividend	Monday, 3 April

Preference shares may not be dematerialised or rematerialised between Monday, 27 March 2006 and Friday, 31 March 2006, both days inclusive.

INTERIM ORDINARY SHARE DIVIDEND

The Group has a stated policy of annually declaring ordinary share dividends equal to 40% of headline earnings. Without changing this policy, the Board of Sasfin has resolved to pay an interim dividend as set out below.

Notice is hereby given that an interim ordinary share dividend of 62 cents (2004: 41 cents) per share ("interim dividend") has been declared and is payable to shareholders recorded in the register of the Company at the close of business on Thursday, 13 April 2006.

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

	2006
Last day to trade cum the interim dividend	Thursday, 6 April
Shares commence trading ex the interim dividend	Friday, 7 April
Record date	Thursday, 13 April
Payment of interim dividend	Tuesday, 18 April

Ordinary shares may not be dematerialised or rematerialised between Friday, 7 April 2006 and Thursday, 13 April 2006, both days inclusive.

For and on behalf of the Board

M B GLATT
Chairman

R D E B SASSOON
Chief Executive Officer

2 March 2006

This announcement and additional information (including the reconciliation of previous SA GAAP to IFRS) is available on our website: www.sasfin.com

Chairman:

M B Glatt (Non-Executive)

Executive directors:

R D E B Sassoon* (Chief Executive Officer)
A W Greenstein (Managing Director)
M Segal
*British

Non-executive directors:

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