

Headline earnings
R30 million

Headline earnings per
share up **169%**

CONSOLIDATED BALANCE SHEET

30 June 2003	31 Dec 2003	31 Dec 2002
Audited	Unaudited	Unaudited
R'000	R'000	R'000
ASSETS		
185 848	171 227	187 028
10 343	13 359	12 803
141 730	140 677	173 686
852 811	938 587	857 796
20 042	19 878	23 999
5 202	433	5 810
40 071	38 968	44 617
1 256 047	1 323 129	1 305 739
LIABILITIES AND EQUITY		
Liabilities		
73 913	60 506	91 905
248 304	251 880	290 132
119 549	112 981	146 729
605 696	663 757	573 710
28 723	27 077	30 492
1 076 185	1 116 201	1 132 968
Equity		
11 453	12 520	11 861
248	257	248
16 484	16 475	16 484
148 862	175 676	142 778
2 815	2 000	1 400
168 409	194 408	160 910
1 256 047	1 323 129	1 305 739
Commitments and contingencies		
28 782	28 698	41 316
Number of shares in issue at end of period ('000)		
24 837	25 721	24 837
Net asset value per share (cents)		
678,1	755,8	647,9
KEY RATIOS		
87,6	68,5	90,5
12,6	33,8	13,7
1,7	4,6	1,8

CONSOLIDATED INCOME STATEMENT

Year ended	31 Dec 2003	31 Dec 2002
30 June 2003	Unaudited	Unaudited
Audited	R'000	R'000
192 425	99 165	94 278
127 666	54 950	61 528
64 759	44 215	32 750
156 722	83 275	78 001
(19 755)	418	(9 729)
201 726	127 908	101 022
(6 485)	2 258	(11 130)
208 211	125 650	112 152
176 811	87 572	91 388
31 400	38 078	20 764
9 141	7 066	8 851
22 259	31 012	11 913
1 876	1 021	1 175
20 383	29 991	10 738
Weighted average number of shares in issue ('000)		
24 569	25 217	24 286
83,0	118,9	44,2
83,0	118,9	44,2
33	-	-

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended	31 Dec 2003	31 Dec 2002
30 June 2003	Unaudited	Unaudited
Audited	R'000	R'000
248	257	248
237	248	237
11	9	11
16 484	16 475	16 484
16 495	16 484	16 495
(11)	(9)	(11)
148 862	175 676	142 778
139 064	148 862	139 064
2 046	-	2 046
141 110	148 862	141 110
20 383	29 991	10 738
(1 399)	(637)	747
(2 815)	815	(1 400)
(8 417)	(3 355)	(8 417)
2 815	2 000	1 400
1 400	2 815	-
1 415	(815)	1 400
168 409	194 408	160 910

*Regulatory reserve created to meet the minimum general provisioning requirements in terms of the Regulations to the Banks Act.

CONSOLIDATED CASH FLOW INFORMATION

Year ended	31 Dec 2003	31 Dec 2002
30 June 2003	Unaudited	Unaudited
Audited	R'000	R'000
Net cash (outflow)/inflow from:		
(71 145)	(52 131)	(57 727)
(8 728)	(4 128)	(3 541)
83 964	58 061	51 007
Net increase/(decrease) in cash and cash equivalents		
4 091	1 802	(10 261)
118 187	122 278	118 187
122 278	124 080	107 926

SEGMENTAL EARNINGS ANALYSIS

Year ended	31 Dec 2003	31 Dec 2002
30 June 2003	Unaudited	Unaudited
Audited	R'000	R'000
18 803	28 674	9 994
2 743	1 532	1 651
(529)	344	523
(634)	(559)	(1 430)
20 383	29 991	10 738

NATURE OF BUSINESS

Sasfin is a bank-controlling company listed under the "Financials: Speciality and other Finance" sector of the JSE Securities Exchange South Africa. The focus of the Group is to provide a wide range of complementary banking, financial and related services to its target markets of entrepreneurial corporate, commercial and private clients.

BUSINESS REVIEW

In our Annual Report for the year ended 30 June 2003, we stated "Sasfin has managed to expand its business while substantially reducing its overheads, widening its margins and tightening its controls, which is an ongoing process." This process has indeed continued with heartening results.

Sasfin completed the re-engineering of its securitisation structure, which is now in line with international best practice, resulting in more flexible and cost effective funding for the equipment rentals unit. The reduction in interest rates has benefited the Group significantly.

A small improvement in the Stockbroking and Corporate Finance divisions was experienced as a result of improved market conditions.

The Group no longer maintains assets in foreign currencies as it was decided to convert these assets to Rand during the previous financial year due to the volatility of exchange rates. In the current period, this has improved Sasfin's interest income, in that assets, which previously earned interest in low-yielding foreign currencies, now earn interest in higher-yielding Rand.

The statutory risk-weighted capital adequacy ratio of Sasfin Bank Limited is 27,6% (2002: 28,4%), which is well above the prescribed minimum of 10%.

FINANCIAL SERVICES SECTOR CHARTER FOR BLACK ECONOMIC EMPOWERMENT

The Group has embraced the principles of this Charter and is aiming for an A rating. Sasfin has already met the initial qualifying requirements for Human Resources and is well on its way to achieving a high score in the other areas.

Sasfin has acquired a 33,6% interest in Innovent Rental and Asset Management Solutions (Pty) Limited, a Black-controlled residual equipment rental company.

BASIS OF ACCOUNTING

The accounting policies applied in the preparation of the unaudited interim financial statements are in accordance with South African Statements of Generally Accepted Accounting Practice and are consistent with those applied in the annual financial statements for the financial year ended 30 June 2003.

In the financial year ended 30 June 2003, Sasfin applied AC133: Financial Instruments – Recognition and Measurement. The interpretation of this complex accounting standard evolved during the 2003 financial year, creating difficulties for the business community as well as users of financial statements. Due to changes in the interpretation of AC133 between publication of Sasfin's interim financial results for the six months to 31 December 2002 and the announcement of its results for the financial year ended 30 June 2003, comparative figures for the six months ended 31 December 2002 have been restated to be in line with the accounting policy applied in the annual financial statements for the year ended 30 June 2003. The significant effects of this restatement are summarised below:

- Earnings attributable to ordinary shareholders previously disclosed as R0,7 million have been restated to R10,7 million due to a net adjustment after tax of R10 million (R14,6 million before tax). The main contributor to this adjustment is the reversal of general provisions at 1 July 2002 of R14,4 million before tax.
- The adjustment to opening distributable reserves at 1 July 2002 was previously disclosed as an increase of R7,8 million. This adjustment has been decreased by R5,8 million, resulting mainly from the remeasurement of advances as at 1 July 2002, to R2 million.

DIVIDEND POLICY

It is the Group's policy to declare an annual dividend at year-end.

PROSPECTS AND TRADING STATEMENT

The Group is projecting enhanced profitability as a result of improved market conditions, increased margins and better efficiencies. It is expected that the results for the next six months ending 30 June 2004 will show a substantial improvement on the results for the comparative period ended 30 June 2003. The word "substantial" in this context is defined as meaning a difference equal to or greater than 30%.

The financial information on which this Trading Statement is based has been reported on by Fisher Hoffman PKF (Jhb) Inc., in their capacity as reporting accountants, whose report is available for inspection at Sasfin's registered office.

WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the Trading Statement and Cautionary Announcement published on SENS on 26 November 2003 and in the press on 27 November 2003, which is hereby withdrawn.

For and on behalf of the Board

M B GLATT
Chairman

R D E B SASSOON
Chief Executive Officer

25 February 2004

This and additional information is available on our website: www.sasfin.com