South African Securitisation Programme (RF) Limited

(Registration number:1991/002706/06)

Annual Financial Statements for the year ended 30 June 2024

In terms of section 29(1)(e)(ii) of the Companies Act, No 71 of 2008 as amended, we confirm that these annual financial statements were prepared under the supervision of Harriet Heymans CA(SA), Financial Director of Sasfin Bank Limited, and have been audited in compliance with the requirements of sections 29(1)(e)(i) and 30(2)(a) of the Companies Act, No 71 of 2008 as amended.

South African Securitisation Programme (RF) Limited

(Registration number: 1991/002706/06)
Annual financial statements for the year ended 30 June 2024

Corporate details

Country of incorporation and domicile	South Africa
Directors	DP Towers (Chair) E Deiner D Govender B Harmse
Registered office	140 West Street 6th Floor Sandton Johannesburg 2196
Postal address	PO Box 95104 Grant Park Johannesburg 2051
Controlling entity	Sasfin Bank Limited
Ultimate holding entity	The Company is wholly owned by The South African Securitisation Issuer Owner Trust, a trust set up solely for the purposes of holding the ordinary shares of the Company. The trustee of the trust is Stonehage Fleming Corporate Services (Pty) Ltd. The Company is controlled, administered, and managed by Sasfin Bank Limited in accordance with IFRS.
Auditor	PricewaterhouseCoopers Inc (PwC)
Company Secretary	Stonehage Fleming Corporate Services Proprietary Limited
Company registration number	1991/002706/06
Tax reference number	9664004711
Debt sponsor	Sasfin Bank Limited
Calculation agent	Sasfin Bank Limited
Transfer agent	Sasfin Bank Limited
Paying agent	Sasfin Bank Limited
Publish date	01 November 2024

Contents

The reports and statements set out below comprise the annual financial statements presented to the shareholder.

Legal entity terminology used in this report

Company:	South African Securitisation Programme (RF) Limited
Controlling company:	Sasfin Bank Limited
Group:	Sasfin Holdings Limited and its subsidiaries
Administrator:	Sasfin Bank Limited
Servicer	Sasfin Bank Limited

South African Securitisation Programme (RF) Limited

(Registration number: 1991/002706/06)
Annual financial statements for the year ended 30 June 2024

Directors' responsibility statement

The Board of Directors (the Board) of South African Securitisation Programme (RF) Limited (the Company) is responsible for the preparation and fair presentation of the Directors' report and the annual financial statements of the Company including significant accounting policies and other explanatory notes.

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS® Accounting Standards) as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act, No 71 of 2008, as amended (Companies Act).

The Board is also responsible for such internal controls as they deem necessary to enable the preparation of these annual financial statements and for maintaining adequate accounting records and an effective system of risk management.

The Company has been established as a structured entity for Sasfin Bank Limited and is deemed to be controlled by Sasfin Bank Limited ("Sasfin Bank") in accordance with IFRS Accounting Standards. Consequently, the day-to-day management and oversight of SASP is the responsibility of Sasfin Bank. The Board therefore place reliance on the management and governance by the Sasfin Group in the execution of its duties and obligations towards the Company.

The Sasfin Group is responsible for the controls and the security of Sasfin's website and, where applicable, for establishing and controlling the process for electronically distributing the annual financial statements and other financial information to shareholders. The examination of controls over the maintenance and integrity of the Sasfin's website is beyond the scope of the audit of the financial statements. However, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. However, if management does become aware of any subsequent amendments, management will notify the directors that the financial statements no longer correspond with the manually signed financial statements.

Based on its own monitoring and oversight as well as assurance obtained from management, the Board is of the view that an effective internal financial control environment exists to support the integrity of the annual financial statements. Where weaknesses were identified, specifically on system-related controls and processes, the adequacy and design of compensating controls instituted by management were considered and found to be adequate and effective.

The Board has a reasonable expectation that the Company will have adequate resources to continue in operational existence and as a going concern in the financial year ahead.

It is the responsibility of the independent auditor to report on the fair presentation of the annual financial statements.

The annual financial statements for the year ended 30 June 2024 were approved by the Board on 1 November 2024 and are signed on its behalf by:

DocuSigned by: Evelyn Deiner 64ECF83FB40E48B...	Signed by: D1026CB7872B4BB...
E Deiner	DP Towers
Director	Director
01 November 2024	01 November 2024

Company Secretary's certification

We hereby certify, in terms of section 88(2)(e) of the Companies Act, that South African Securitisation Programme (RF) Limited has filed all returns and notices required by the Companies Act with the Companies and Intellectual Property Commission for the financial year ended 30 June 2024, and that all such returns and notices as required of a public company are true, correct and up to date.

DocuSigned by:

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Stonehage Fleming Corporate Services Proprietary Limited
Company Secretary
01 November 2024

Directors' report

The directors have pleasure in submitting their report on the annual financial statements of South African Securitisation Programme (RF) Limited (the Company) for the year ended 30 June 2024.

1. Nature of Business

The Company is a securitisation structured entity created solely to acquire equipment finance and capital equipment agreements from the Sasfin Holdings Limited Group of Companies (Group).

2. Financial results

The Company posted a profit for the year of R70.8 million (2023: R18.1 million), this 290.3% increase is mainly driven by a reduction of 30.7% in non-interest expenses to R116.8 million (2023: R168.5 million), a reduction of 28.2% in credit impairments to R37.8 million (2023: R52.7 million) and reduction of 24.5% in other operating expenses to R18.1 million (2023: R24.0 million) while net interest income remained flat.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and the requirements of the Companies Act, No 71 of 2008. Full details of the financial position, results of operations and cash flows of the Company are set out in these annual financial statements.

3. The Directors of the Company are:

Members		Date appointed
D Govender	Non-Executive	21/02/2019
DP Towers	Independent Non-executive	01/11/2011
E Deiner	Independent Non-executive	25/04/2017
B Harmse	Independent Non-executive	31/01/2013

4. Company Secretary

Maitland Group South Africa Limited was appointed as Company Secretary on 1 October 2011. Stonehage Fleming (Stonehage) acquired the corporate services business of Maitland during the 2022 financial year with Stonehage continuing as Company Secretary.

Postal address	PO Box 781396 Sandton Johannesburg 2146
Business address	54 Glenhove Road Melrose Johannesburg Gauteng 2196

5. Share Capital

Ordinary Share Capital
There have been no changes to the authorised or issued ordinary share capital during the year under review.

Preference Share Capital
There have been no changes to the authorised or issued preference share capital during the year under review.

Directors' report *… continued*

6. Ultimate Holding Entity

The Company is wholly owned by The South African Securitisation Issuer Owner Trust, a trust set up solely for the purposes of holding the ordinary shares of the Company. The trustee of the trust is Stonehage Fleming Corporate Services (Pty) Ltd.

The Company is controlled, administered and managed by Sasfin Bank Limited in accordance with IFRS Accounting Standards.

The sole beneficiary of the trust is Sasfin Bank Limited.

7. Dividends

The Company declared, and paid preference share dividends of R25 million (2023: R20 million) during the current financial year.

8. Directors' Emoluments

Three directors of the Company are employed by independent external service providers and are remunerated by their respective employers on a separate basis. The remaining director is employed and remunerated by Sasfin Bank Limited. There was no remuneration or benefit paid directly to the directors or by any company within the Group for services provided in their capacity as directors of the Company, other than as disclosed in Note 21.1.

9. Significant events during the reporting period

Management has assessed that the current economic environment, which is mainly impacted by continued inflationary pressures with the central banks in both advanced economies and emerging market and developing economies (EMDE's) will likely remain cautious in easing monetary policy. As such, average benchmark policy interest rates over the next few years are expected to remain about double the 2000 to 2019 average and with delays in monetary easing expected. The Company's operations and financial statements have been largely unaffected by the factors mentioned but the risks will continue to be monitored on an on-going basis by the Company's executive management team.

10. Special Resolutions

No special resolutions were passed during the year.

11. Corporate Governance

The principles of the King Code on Corporate Governance (King IV Code™) as applied to all companies in the Group, are equally applied in the governance of the Company. An explanation of how the King IV Code™ principles are applied in the Group can be found on the Sasfin website, www.sasfin.com/investor-relations/#results-and- reports.

12. Subsequent events

The Board is not aware of any other material events that occurred after the reporting date and up to the date of this report, apart from those mentioned in Note 29 (Subsequent events) to the Annual Financial Statements.

13. Going concern

The directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient cash resources and borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or any pending changes to legislation which may affect the Company.

Audit committee report

1. Members of the Audit Committee

The members of the audit committee are all independent non-executive directors of the Company and are:

Members	Appointment date
B Harmse (Chairman)	17/04/2013
E Deiner	25/04/2017
DP Towers	17/04/2013

The Committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act, Regulation 42 of the Companies Regulations, 2011 and principle 8.55 of King IV.

2. Meetings held by the Audit Committee

The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

For the period under review, the Committee met on 15 August 2023, 27 October 2023, 16 November 2023, 11 March 2024, 8 April 2024, 26 April 2024 and 22 May 2024.

3. Specific Functions of the Committee

Financial Reporting

- Have regard to all factors and risks that may impact on the integrity of the annual financial statements, including factors that may predispose the Servicer and Administrator to present a misleading picture, significant judgements and reporting decisions made, monitoring or enforcement actions by a regulatory body, any evidence that brings into question previously published information, forward-looking statements or information;
- Evaluated the adequacy and effectiveness of the internal financial controls and reporting processes, supported by the work of the Internal Audit function and other assurance providers. Where weaknesses were identified, specifically on system-related controls and processes, the adequacy and design of compensating controls instituted by Sasfin was considered. The Committee satisfied itself as to the overall adequacy and operating effectiveness of the internal financial control environment;
- Review the annual financial statements, announcements, any trading statements and similar documents;
- Comment on the annual financial statements, the accounting practices and the effectiveness of the internal financial controls;
- Recommend to the Board the engagement of an external assurance provider as may be provided for in the Transaction Documents; being the Memorandum of Incorporation of the company, the trust deed of the legal owner and all contracts, agreements, addendums to contracts and agreements and other memorandums governing the rights and obligations of the Company and its counter parties; and
- Recommend the annual financial statements for approval by the Board.

External Audit

The Committee is responsible for recommending the appointment of the external auditor and to oversee the external audit process and in this regard the Committee must after consultation with the Servicer and Administrator:

- Nominate the external auditor for appointment by the shareholders;
- Approve the terms of engagement and remuneration for the external audit engagement;
- Monitor and report on the independence of the external auditor in the annual financial statements;
- Define a policy for non-audit services provided by the external auditor in the annual financial statements;
- Pre-approve the contracts for non-audit services to be rendered by the external auditor;
- Ensure that there is a process for the Audit Committee to be informed of any Reportable Irregularities (as identified in the Auditing Profession Act, 2005) identified and reported by the external auditor in respect of the company;
- Review the quality and effectiveness of the external audit process;

Audit committee report *… continued*

- Consider whether the audit firm and, where appropriate, the individual auditor that will be responsible for performing the functions of auditor, are accredited as such on the JSE list of Auditors and their advisors as required by the JSE Limited Listings Requirements; and
- Recommend for re-election PricewaterhouseCoopers Inc (PwC) as the audit firm, with Costa Natsas as the engagement partner, for shareholder approval.
- The Committee is satisfied that PwC is independent of the Company, and the partner who is responsible for signing the Company's Annual Financial Statements, as set out in section 94(8) of the Companies Act, has the requisite skills and expertise. This included consideration of:
  - The representations by PwC to the Committee including the auditor's suitability assessment in terms of the JSE Listing Requirements;
  - The independence of PwC not being impaired as set out by IRBA as well as other regulatory and internal processes within the audit firm; and
  - Policies and controls regarding non-assurance services provided by PwC.

The Company's external auditor is PwC. Fees paid for audit and other services are approved by the Committee.

Internal Audit

The Committee may, if deemed necessary interact with the internal audit function of the Servicer and Administrator in as far as same relates to and may impact the Company in respect of:

- Financial reporting risks;
- Internal financial controls;
- Fraud risks as it relates to financial reporting; and
- IT risks as it relates to financial reporting.

For clarity, the internal audit function does not report to the Committee, but forms part of the Servicer and Administrator's responsibilities in terms of their relevant appointments and related agreements.

Combined Assurance

- Having considered the appropriateness of the Group's Combined Assurance Programme and identified a need for it to be matured, the Group Board and GAC recommended the appointment of the Executive Head: Combined Assurance to align the control and validation/assurance efforts of the first-, second-, and third lines of assurance across the Group. The key focus of the Programme is coordinating the efforts of assurance providers to help the Group and its employees manage the organisational risk universe in a manner that is aligned with the Group's commitment to ethical behaviour, is compliant with relevant laws and regulations, and is both fit-for purpose and sustainable. The Company leverages off this Programme initiated by the Servicer.

4. Financial Risk Management

The Company's financial risk management is governed by the financial risk management framework, policies and procedures implemented and maintained by the Group.

5. Annual Confirmations of Key Functions for the year

Financial control and financial reporting

The Committee reviews the annual financial statements and dividend declarations and recommends those to the Board for approval. This role includes an assessment of the accounting policies and key assumptions applied in the preparation of the financial statements, as well as dealing in technical reporting matters. In doing so, the Committee also confirmed compliance of the annual financial statements with IFRS and the JSE Debt Listings Requirements. Further, consideration has been given to the Proactive Monitoring report to ensure the integrity of the financial information in the annual financial statements. Lastly the Committee confirms that it has assessed and confirms the appropriateness of the going concern basis for the preparation of the annual financial statements and the solvency and liquidity tests in support of financial assistance and distributions.

Audit committee report *… continued*

6. The Audit Committee can confirm that:

- Resources have been utilised efficiently; and
- The internal controls have been effective in all material aspects throughout the year under review, and where weaknesses have been found adequate remedial action has been taken and/or compensating controls have been implemented;
- Proper accounting records have been maintained;
- Controls have ensured that the Company's assets are safeguarded; and
- The skills, independence, audit plan, reporting and overall performance of the external auditor is acceptable.

7. Annual Financial Statements

The Committee has:

- Reviewed and discussed the audited annual financial statements with the external auditor and Directors;
- Reviewed the external auditor's management letter and management's response thereto; and
- Reviewed significant adjustments resulting from external audit queries and any unadjusted audit differences (where applicable).

The Audit Committee is satisfied with the work performed by the administrator and servicer, with which the day-to-day management and oversight of SASP resides.

On behalf of the Audit Committee

DocuSigned by:
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B Harmse
Audit Committee Chairman
01 November 2024

Independent auditor's report

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Independent auditor's report

To the Shareholder of South African Securitisation Programme (RF) Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of South African Securitisation Programme (RF) Limited (the Company) as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

South African Securitisation Programme (RF) Limited's financial statements set out on pages 18 to 81 comprise:

- the statement of financial position as at 30 June 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards*).

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

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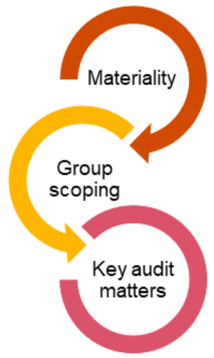
Independent auditor's report *... continued*

Our audit approach

Overview

<table>
<tr><td rowspan="2">
</td><td>Overall materiality

• Overall materiality: R7.1 million which represents 1% of interest income.</td></tr>
<tr><td>Key audit matters

• Judgements in the application of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"); and
• Credit loss allowance</td></tr>
</table>

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall materiality	R7.1 million
How we determined it	1% of interest income
Rationale for the materiality benchmark applied	We chose interest income as the benchmark because in our view, it is the most suitable benchmark for the Company, it is the benchmark against which the performance of the Company is measured by users, and is a generally accepted benchmark. We chose 1% which is consistent with quantitative materiality thresholds used when using income as the benchmark.

Independent auditor's report *... continued*

Emphasis of matter

We draw attention to Note 30 of the financial statements, which describes the prospective correction of a possible prior period error.

As disclosed, a cumulative adjustment has been processed to the current period taxation and deferred taxation elements included within the income tax expense in the statement of profit or loss and other comprehensive income to correct for various historical errors in the calculation of the current and deferred taxation assets/liabilities. As also disclosed, due to the inability to determine the impact on prior periods, if any, the comparative information has not been restated retrospectively. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	***How our audit addressed the key audit matter***
Judgements in the application of IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors* *("IAS 8")* Refer to the following accounting policies and notes to the financial statements: • Note 1.8 (Accounting policies for Taxation); • Note 2.4 (Critical estimates, judgements and assumptions: Current and deferred taxation) • Note 10 (Deferred tax assets and liabilities); and • Note 19 (Income tax expense). During the current year, the Company identified possible prior period errors attributable to the historical model ("Old Model") used for the calculation of current and deferred taxation balances in respect of certain lease assets.	We understood the Company's basis for concluding on the earliest practical date of restatement by obtaining a detailed understanding of the design and implementation of the New Model and performing the procedures as described below. We assessed the data inputs required by the New Model for purposes of determining whether a retrospective restatement could be made by applying the New Model to historical datasets. This assessment included comparing the data inputs required by the New Model with the datasets and source information available from historical source systems. Due to the limitations of the historical data - including the availability and quality thereof, and the compounding effects of predecessor system reliability issues, historical estimation complexities, and other computational matters - we found that many of the critical data inputs required by the New Model could not be derived from the Old Model and/or source documents and systems in respect of historical leases predating 2019.

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Independent auditor's report *... continued*

These errors resulted from historical data and system limitations, computational deficiencies, and application of tax principles, and reconciliation differences between the accounting and operational datasets used to calculate historical tax values, which have likely impacted multiple prior financial years from 2019 onwards.

Consequently, during the current financial year, the Company has implemented a new model ("New Model") to compute the deferred and income tax balances at the end the current financial year, however, as a result of data limitations, compounded by the other errors as noted above, there is limited financial information available to accurately quantify the period-specific or cumulative effect of the errors for each of the prior periods.

Accordingly, a cumulative adjustment to current and deferred tax has been accounted for prospectively as permitted by IAS 8.

Management has concluded that the first practicable date on which reliable and accurate information is available to restate the potential errors, is 30 June 2024.

A cumulative prospective adjustment of R26,421,796 (prior to the utilisation of assessed losses) has been recognised within the statement of financial position in the current year. Refer to Notes 10 and 19.

We considered the application of IAS 8 and the determination that it is impracticable to retrospectively correct for the potential prior period errors to be a matter of most significance to our current year audit due to the significant judgement applied by the Company in determining the earliest practicable date of prospective restatement.

Moreover, due to system limitations, we found that the other computational errors in the Old Model, which impacted the current and deferred taxation computations for certain leases accounted for between 2019 and 2023, could not be reliably quantified.

We further assessed the New Model to determine whether a reliable estimate of current and deferred tax could be made from the earliest date of prospective restatement, being 30 June 2024. We found this to be a reasonable conclusion given that the historical lease book, which was impacted by the data integrity issues described above, had largely run-off by this date.

Utilising our accounting expertise, we reviewed the accounting principles applied in the Company's determination of the earliest practicable date of prospective restatement. We found these to be appropriate and in accordance with IAS 8.

We also assessed the disclosure included in the financial statements as required in accordance with IAS 8 and noted no material omissions.

Independent auditor's report ... *continued*

Credit loss allowance

Refer to the following accounting policies and notes to the financial statements for details:

- Note 1.6 (Financial instruments - Accounting policy);
- Note 2.1 (Critical estimates, judgements and assumptions - Impact of economic conditions);
- Note 2.2 (Critical estimates, judgements and assumptions - Credit impairment of financial assets);
- Note 7 (Intercompany loans from securitised assets); and
- Note 25 (Credit risk).

At 30 June 2024, Intercompany loans from Securitised Assets Gross investment in leases before expected credit losses amounted to R5.5 billion, against which an ECL of R215.9 million was recognised.

As described in note 7, the financial statements reflect the IFRS 9 accounting treatment of the purchased participating securitised assets as an intercompany receivable from Sasfin Bank Limited that is representative of the cash flows expected to be received on the underlying participating securitised assets that are subject to the purchase agreements. The ECL on this intercompany receivable is calculated with reference to these underlying assets.

In calculating the credit loss allowance in terms of the International Financial Accounting Standards - Financial Instruments ('IFRS 9'), the key areas of significant management judgement and assumptions included the following:

- Determining whether evidence exists that there has been a significant increase in credit risk ("SICR") since initial recognition in accordance with the Company's SICR definition as disclosed in note 1.6.9 to the financial statements.
- Determination of the write-off point. The Company considers this to be the point at which there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case

Through inspection of underlying supporting documentation and discussions with management, we obtained an understanding of the following management controls implemented over the Company's credit systems and processes:

- Information technology controls supporting credit systems and processes;
- Relevant credit risk assessment controls that facilitate the identification and measurement of credit risk across all lending products; and
- The Company's review controls for high care clients, annual review of credit files, approval of external collateral valuation vendors and approval of significant individual impairments.

Evaluation of SICR and default definition

Making use of our credit expertise, we assessed the reasonableness of the SICR definition and staging assumptions applied by management in the credit loss allowance model by performing the following procedures:

- We recalculated the ageing for a sample of intercompany loans from securitised assets with reference to underlying supporting documentation. No material exceptions were noted.
- We selected a sample of Stage 1 and Stage 2 exposures and assessed through inspection of underlying supporting documentation whether the stage classification of these exposures was appropriate in terms of the Company's accounting policy for SICR at reporting date since the origination date of these exposures. No material exceptions were noted.
- We selected a sample of accounts in stage 1 and stage 2 and assessed the performance of the SICR thresholds applied and the resultant transfer rate into Stage 2 for SICR. This included benchmarking of the volume of up-to-date accounts transferred to Stage 2 based on a forward looking view of credit risk. We found the SICR thresholds and transfer rates to be reasonable.
- We evaluated the completeness of Stage 3 exposures by selecting a sample of exposures not classified at Stage 3 to assess whether the stage classification was in line with the

when the Company determines that there is no realistic prospect of recovering the monies owed as disclosed in note 1.6.11 to the financial statements.

- Determining the inputs to be used in the credit loss allowance model, i.e. Probability of Default (PD), Loss given default (LGD), Exposure at default (EAD) and Time to default (TTD) that are used to estimate the credit loss allowance for each of Stage 1, Stage 2 and Stage 3 exposures.
- Incorporation of macro-economic inputs and forward-looking information into the SICR assessment and credit loss allowance measurement and determining the impact of forward-looking information (FLI) on the credit loss allowance. The forward-looking nature of the credit loss allowance model requires estimates about the macro-economic outlook. In light of the changing economic environment, the macro-economic factors considered as part of the forward-looking information are the Gross Domestic Product (GDP), Prime overdraft, Rand/USD exchange rate, PPI Electricity and Investment to GDP.
- Incorporation of an expert judgement approach which is used to determine the LGD for Stage 3 exposures which determines the expected loss for Stage 3 exposures based on an anticipated salvage calculation as disclosed in note 1.6.7 in AFS.

We considered the credit loss allowance to be a matter of most significance to our current year audit due to:

- The degree of judgement and estimation applied by management in determining the credit loss allowance; and
- the magnitude of the exposures and the credit loss allowance recognised in relation to these in the financial statements.

Company's accounting policy for the definition of default for Stage 3 exposures. No material exceptions were noted.

- We assessed the adequacy of the SICR triggers by comparing the volume of non-arrears accounts transferred into stage 2 against the volume of non-arrears accounts that roll into arrears or default over a period of 12 months.

Evaluation of write-off point
Making use of our credit expertise, we evaluated the reasonableness of the write-off point applied by management in the credit loss allowance model by performing the following procedures:

- We assessed the point at which there was no reasonable expectation of further recovery against the requirements of IFRS 9; and
- We tested the application of the IFRS 9 write-off principles, including the exclusion of post write-off recoveries from the LGD as determined by management by obtaining the approved write-off schedules to inspect whether the write-offs were appropriately approved.

Based on our work performed, we accepted the write-off point applied by management as reasonable.

Calibrating of credit loss allowance statistical model components
(PD, EAD, TTD and LGD)
Making use of our credit expertise, we assessed the reasonableness of the PD, EAD, TTD and LGD used by management in the credit loss allowance model by performing the following procedures:

- We assessed the quality of the data used in the credit management, reporting and modelling process for completeness and accuracy through data analytics and substantive procedures, with specific focus on the appropriateness of assumptions made by management in determining the applicable macroeconomic inputs, credit ratings, EAD, PD, TTD, LGD and valuation of collateral in the current economic climate. No material exceptions were noted.
- Through discussions with management and inspection of relevant supporting documentation, we obtained an understanding of the methodologies and assumptions used by management in the various credit loss allowance model components and how these were

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Independent auditor's report ... continued

	calibrated to use historical information to estimate future cash flows. ● Independently recalculated PD, EAD, TTD and LGD estimates to derive a reasonable range of credit loss allowance values. Management's calculation was determined to be within our range. **Inclusion of forward-looking information and macro-economic variables in the credit loss allowance** Making use of our credit and economics expertise, we assessed the reasonableness of the forward-looking information (FLI) and macro-economic variables applied by management in the credit loss allowance model by performing the following procedures: ● We obtained an understanding of managements' process and key controls including approvals for the FLI methodology and evaluated the appropriateness of forward-looking economic expectations included in the credit loss allowance by comparing it to independent industry data. This included consideration of the variables under the best, expected and worst case scenarios and management's corresponding weightings of each scenario. We found management's forward-looking economic expectations to be reasonable; ● We assessed the reasonableness of the impact of the scenarios on the credit loss allowance by challenging the reasonability of the methods and assumptions applied, performing independent modelling and critically evaluating counterparty-specific estimates. We found management's scenarios to be reasonable; and ● We independently recalculated the credit loss allowance taking into consideration our assessment of the FLI range and noted that management had sufficiently catered for the FLI. **Incorporation of an expert judgement approach / Assessment of credit loss allowance raised for individual exposures** Where credit loss allowance have been raised for individual exposures, we performed the following procedures to assess the reasonableness of management's assessment of the recoverability of the exposure, and the reasonableness of the valuation of the collateral held:

	• For a sample of Stage 3 exposures, we independently recalculated the impairment losses based on our assessment of the expected cash flows and recoverability of collateral at an individual exposure level. Our assessment included evaluation of the lender's financial information. We noted no material exceptions; • For collateral held, we inspected legal agreements and other underlying documentation to assess the existence and the Company's legal right to the collateral held, as well as the realisability thereof. We considered the appropriateness of scenarios and weightings applied by management in terms of collateral realisation outcomes. This included consideration of forced-sale; trade-out and market sale scenarios (including the appropriate inclusion of costs to be incurred in sale scenarios). We noted no material exceptions in this regard; and • We evaluated the collateral valuation techniques applied by management against the Company's valuation guidelines and found these to be aligned.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "South African Securitisation Programme (RF) Limited Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report, the Audit Committee Report and the Company Secretary's Certification as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Independent auditor's report *… continued*

Responsibilities of the directors for the financial statements[1]

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report *… continued*

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of South African Securitisation Programme (RF) Limited for seven years.

DocuSigned by:
PricewaterhouseCoopers Inc.
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PricewaterhouseCoopers Inc.
Director: C Natsas
Registered Auditor
4 Lisbon Lane, Waterfall City, Jukskei View, 2090, South Africa
1 November 2024[1]

1. The examination of controls over the maintenance and integrity of the Company's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Statement of financial position

	Accounting Policy	Note	2024 R'000	2023 R'000
ASSETS				
Cash and cash equivalents	1.5	4	**379 997**	427 041
Trading assets	1.6	5.1	**-**	2 917
Trade and other receivables	1.6	6	**111 891**	95 738
Intercompany loans from securitised assets	1.6	7	**4 124 153**	4 073 075
Current taxation asset	1.8		**1 399**	42 052
Total assets			**4 617 440**	4 640 823
LIABILITIES				
Trading liabilities	1.6	5.2	**2 710**	-
Trade and other payables	1.6	8	**125 080**	140 427
Debt securities issued	1.6	9	**3 685 800**	3 720 138
Deferred tax liability	1.8	10	**122 176**	144 372
Loans from entities in the Group	1.6	21.2.1	**393 670**	393 649
Total liabilities			**4 329 436**	4 398 586
EQUITY				
Ordinary share capital	1.4	11	**100**	100
Reserves			**287 904**	242 137
Preference share capital	1.4	12	**-**	-
Total equity			**288 004**	242 237
Total liabilities and equity			**4 617 440**	4 640 823

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2024

	Accounting Policy	Note	2024 R'000	2023 R'000
Interest income	1.7	13	**718 810**	611 082
Interest income calculated using the effective interest method			**718 810**	612 449
Other interest income			**-**	(1 367)
Interest expense		14	**(446 502)**	(337 766)
Interest expense calculated using the effective interest method	1.7		**(439 953)**	(337 766)
Other interest expense			**(6 549)**	-
Net interest income			**272 308**	273 316
Non-interest expense			**(116 835)**	(168 497)
Net fee and commission expense	1.7	15	**(233 805)**	(288 221)
Fee and commission income			**507**	5 300
Fee and commission expense			**(234 312)**	(293 521)
Gains and losses on financial instruments	1.7		**6 668**	10 118
Net gains or losses on the derecognition of financial instruments at amortised cost		16	**14 136**	10 118
Other gains or losses on financial instruments		16	**(7 468)**	-
Other Income		17	**110 302**	109 606
Total income			**155 473**	104 819
Credit impairment charges	1.6 & 2.2	25.3.2	**(37 839)**	(52 716)
Net income after impairments			**117 634**	52 103
Other operating expenses		18	**(18 115)**	(23 980)
Profit for the year before income tax			**99 519**	28 123
Income tax expense	1.8	19	**(28 752)**	(9 990)
Profit for the year			**70 767**	18 133
Total comprehensive income for the year			**70 767**	18 133

South African Securitisation Programme (RF) Limited

(Registration number: 1991/002706/06)
Annual financial statements for the year ended 30 June 2024

Statement of changes in equity

for the year ended 30 June 2024

	Ordinary share capital[1] R'000	Reserves R'000	Total ordinary shareholders' equity R'000	Preference share capital[2] R'000	Total shareholders' equity R'000
2024					
Opening balance at 1 July 2023	**100**	**242 137**	**242 237**	**-**	**242 237**
Total comprehensive income for the year	**-**	**70 767**	**70 767**	**-**	**70 767**
Profit for the year		**70 767**	**70 767**	**-**	**70 767**
Transactions with owners recorded directly in equity	**-**	**(25 000)**	**(25 000)**	**-**	**(25 000)**
Dividends to preference shareholders	**-**	**(25 000)**	**(25 000)**		**(25 000)**
Balance at 30 June 2024	**100**	**287 904**	**288 004**	**-**	**288 004**
2023					
Opening balance	100	244 004	244 104	-	244 104
Total comprehensive income for the year	-	18 133	18 133	-	18 133
Profit for the year	-	18 133	18 133	-	18 133
Transactions with owners recorded directly in equity	-	(20 000)	(20 000)	-	(20 000)
Dividends to preference shareholders	-	(20 000)	(20 000)	-	(20 000)
Balance at 30 June 2023	**100**	**242 137**	**242 237**	**-**	**242 237**

[1] Please refer to Note 11
[2] Please refer to Note 12

Statement of cash flows

for the year ended 30 June 2024

	Notes	2024 R'000	2023 R'000
Cash flows from operating activities			
Interest received		**691 291**	556 256
Interest paid		**(440 085)**	(339 424)
Fee and commission income received		**507**	5 300
Fee and commission expense paid		**(234 312)**	(293 521)
Net trading and other income		**108 461**	110 974
Cash payments to suppliers		**(18 115)**	(23 980)
Cash inflow from operating activities	20.1	**107 747**	15 605
Taxation paid	20.2	**(15 499)**	(5 348)
Dividends paid	20.3	**(25 000)**	(20 000)
Cash flows from operating activities before changes in operating assets and liabilities		**67 248**	(9 743)
Changes in operating assets and liabilities		**(80 154)**	(889 488)
Increase in Intercompany loans from securitised assets		**(48 305)**	(814 075)
Increase in trading assets		**-**	(4 285)
Increase in trade and other receivables		**(16 502)**	(16 665)
Decrease in trading liabilities		**-**	(2 783)
Decrease in long-term funding		**-**	(5 500)
Decrease in trade and other payables		**(15 347)**	(46 180)
Net cash from operating activities		**(12 906)**	(899 231)
Net cash from investing activities		**-**	-
Cash flows from financing activities		**(34 138)**	789 834
Settlement of debt securities	9	**(676 000)**	(983 310)
Proceeds from issuance of debt securities	9	**642 000**	1 711 000
Advances of loans from entities in the Group	20.4	**1 855**	65 337
Repayments of loans from entities in the Group	20.4	**(1 993)**	(3 193)
Net decrease in cash and cash equivalents		**(47 044)**	(109 397)
Cash and cash equivalents at the beginning of the year	4	**427 041**	536 438
Cash and cash equivalents at the end of the year		**379 997**	427 041

Notes to the financial statements

1. ACCOUNTING POLICIES

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

1.1 Basis of Preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and IFRS® Interpretation Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act, No 71 of 2008, as amended, and the JSE Debt Listings Requirements.

The Annual Financial Statements were authorised for issue by the Board of Directors on the 01 November 2024.

The directors assess the Company's future performance and financial position on a continuous basis and have no reason to believe that the Company will not be a going concern in the reporting period ahead. Consequently, the annual financial statements have been prepared on the going concern basis.

The Company has, in the preparation of the annual financial statements, consistently applied the accounting policies with those applied in the previous financial year, unless otherwise stated.

The Annual Financial Statements are prepared on the historic cost basis, except as set out in the accounting policies which follow.

Assets and liabilities and income and expenses are not offset in the income statement or balance sheet unless specifically permitted by IFRS.

1.1.1 Adoption of new and amended standards for the first time in the current financial year

The following amendments have been adopted without affecting the Company's previously reported financial results, disclosures or accounting policies. The items mentioned below are confirmed not to have had an impact on the Company's financial statements for the 2024 financial year-end.

Insurance Contracts (IFRS 17)

IFRS 17 replaces the current standard on insurance contracts, IFRS 4. It creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. Among others, IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows, taking into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are further required to be measured based only on the obligations created by the contracts. An entity will also be required to recognise profits as an insurance service is delivered rather than on receipt of premiums.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8)

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Deferred tax related to assets and liabilities arising from a single transaction (Amendment to IAS 12)

These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Notes to the annual financial statements *…continued*

International tax reform – pillar two model rules (Amendment to IAS 12)

These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development (OECDs) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

1.1.2 Interest Rate Benchmark and reference interest rate reform

The Financial Stability Board initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Reserve Bank ("SARB") has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments.

On 6 May 2024, the SARB published their transition plan. The transition plan defines the trajectory of the transition away from JIBAR, having considered the best practice recommendations that have emerged through similar offshore transitions and taking into account the structure of the South African financial markets. The transition plan can be defined in three key pillars:

- Pillar 1: Adoption in derivatives markets (new contracts/positions);
- Pillar 2: Adoption in cash markets (new contracts/positions); and
- Pillar 3: Transition of legacy positions

The transition away from JIBAR is subject to a formal announcement of the cessation of JIBAR and the production of the benchmark. The SARB has indicted that a formal announcement of the cessation of JIBAR is to be made during 2025 and the producing of the benchmark should be discontinued before the end of 2026. The SARB is yet to determine the exact dates for the JIBAR cessation announcement and the actual cessation of the benchmark.

Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the Company. The Company is in the process of assessing which financial instruments could be impacted by the transition to ZARONIA and will monitor the transition plan to ensure readiness.

1.2 Currencies

Functional and Presentation Currency

The annual financial statements are presented in South African Rand (ZAR) and all amounts, unless otherwise indicated, are stated in thousands of ZAR (R'000).

The Company operates in the Republic of South Africa with a functional currency of ZAR.

1.3 Commitments and Contingent Liabilities

Series Guarantee and Series Indemnity

The Series Security special purpose vehicle (SPV) has guaranteed the Issuer's obligation to the Noteholders and the other Series Secured Creditors in terms of the Series Guarantee. The issuer has, in terms of the Series Indemnity, indemnified the Series Security SPV in respect of claims made against the Series Security SPV under the Series Guarantee. In terms of the Series Issuer Security Agreement, the Issuer's obligation to the Series Security SPV under the Series Indemnity has been secured by: (i) a pledge and (ii) a pledge and cession in *securitatem debiti*, of the Series Assets relating to this Series, in favour of the Series Security SPV

Legal Proceedings

In the ordinary course of business, the Company is involved as both plaintiff and defendant in litigation, lawsuits and other proceedings. Management recognises the inherent difficulty of predicting the outcome of defended legal proceedings. Nevertheless, based on management's knowledge from investigation, analysis and after consulting with legal counsel, management believes that there are no individual legal proceedings that are currently assessed as being "likely to succeed and material".

Notes to the annual financial statements *…continued*

1.4 Share Capital

Ordinary Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of tax.

Dividends are accounted for as distributions from equity in the period in which they are payable to shareholders.

Preference Share Capital as Equity

Preference share capital is classified as equity as it is non-redeemable and dividends payable are discretionary at the option of the Company.

Incremental costs directly attributable to the issue of preference shares are recognised as a deduction from equity, net of tax.

Preference dividends are accounted for as distributions from equity when they become payable to shareholders. Preference share capital of the Company, purchased by the Company is recognised as a reduction to equity at the amount of the consideration paid, including directly attributable costs, net of tax, Preference shares repurchased by the Company are cancelled.

1.5 Cash and Cash equivalents

Cash and cash equivalents are available for use by the Company unless otherwise stated and are accounted for at amortised cost in the Annual Financial Statements.

Cash and cash equivalents consist of funds on call and fixed deposits with Nedbank Limited and Sasfin Bank Limited.

1.6 Financial Instruments

Financial instruments, as reflected on the Statement of financial position, include all financial assets, financial liabilities and derivative instruments.

Financial assets and financial liabilities are recognised on the date on which the Company becomes party to the contractual provisions of the contract that is a financial instrument

Financial instruments are initially recognised at fair value.

Transaction costs directly attributable to the acquisition of a financial asset or financial liability are recognised in profit or loss for financial instruments measured at fair value through profit or loss and for all other financial instruments, against the financial instrument.

Subsequent to initial measurement, financial instruments are either measured at fair value through profit or loss, or amortised cost, based on the business model in terms of which the financial instruments are acquired and managed, as well as the contractual cash flow characteristics thereof.

1.6.1 Classification and Measurement of Financial Assets

Financial assets are classified and measured based on the Company's business model for managing it and the contractual cash flow characteristics of the financial assets.

Financial assets held by the Company in a business model that has the objective of holding the financial assets to collect contractual cash flows, and the contractual terms of the financial asset leads to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are classified and measured as "measured at amortised cost".

Financial assets held by the Company in a business model that has the objective of realising cash flows through sale of the assets and/or that is managed on a fair value basis, including those held for trading, are classified and measured as 'fair value through profit or loss (FVTPL)'.

Notes to the annual financial statements *…continued*

1.6.2 Intercompany receivable

The loan to group company or intercompany receivable is classified as a financial asset at amortised cost, and is initially measured at fair value plus transactions costs and subsequently measured at amortised cost using the effective interest method.

1.6.3 Business model assessment

The Company assesses the objective of a business model in which an asset is held at a portfolio level since this best reflects the way the business is managed, and information is provided to management. The following information is considered:

- the stated policies and objectives for the portfolio and the practical implementation of those policies. Specifically, whether management's strategy focuses on earning contractual interest revenue, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising profits and cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company management;
- the risks that affect the performance of each portfolio and the strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. Information about sales activity is considered as part of the overall assessment of how Sasfin's stated objective for managing the financial assets is achieved and how cash flows are realised.

1.6.4 Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets that are held for trading (i.e. acquired for the purpose of selling in the short-term) and those that the Company has elected to designate as at FVTPL are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets

1.6.5 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing those financial assets.

1.6.6 Impairment

The Company recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments including trade and other receivables;
- intercompany loans from securitised assets based on the change in impairment on the underlying loans it legally owns.

The Company measures loss allowances at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, which are measured as 12-month ECL.

For the intercompany loans from securitised assets related to the securitisation of deals (Refer to Note 7), the Company has elected, in accordance with the allowed accounting policy choice in IFRS 9, to apply the general model for measuring loss allowance, as explained above.

12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Life-time ECL is the ECL that results from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments for which a lifetime ECL is recognised and which are credit-impaired, are referred to as 'Stage 3 financial instruments'

1.6.7 Measurement of ECL

ECL is a probability-weighted estimate of credit losses. The ECL relating to the legally owned loans and advances recognised within intercompany loans from securitised assets is calculated as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

The key inputs for the measurement of ECL are the following variables:

- Probability of Default (PD)
- Loss Given Default (LGD)
- Exposure at Default (EAD)
- Time to Default (TTD)
- Expert judgement referred to below; and
- Forward-looking parameters

Both qualitative and quantitative measurements are used in the process of calculating the ECL on the Performing, Underperforming and Non-Performing exposures.

ECL is a "three stage" model for calculating impairment losses, based on changes in credit quality since initial recognition namely:

- 12-month ECLs are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.
  - Stage 1 includes exposures that have not had a Significant Increase in Credit Risk (SICR) (defined on the next page) since initial recognition. For these financial instruments, ECL is calculated based on the relevant 12-month PD, TTD, LGD and EAD.
- Lifetime ECLs are the ECL that result from all possible default events over the expected life of the financial instrument.
  - Stage 2 includes exposures that had a SICR since initial recognition but do not have objective evidence of impairment. For these financial instruments, ECL is calculated based on the relevant lifetime PD, TTD, LGD and EAD; and
  - Stage 3 includes exposures for which there is objective evidence of impairment at the reporting date. For these financial instruments, ECL is calculated based on a lifetime PD, TTD, LGD and EAD. The financial instrument must be classified as in "Stage 3" when it is credit impaired.

Notes to the annual financial statements *…continued*

Objective evidence of impairment is defined as the occurrence of one or more events since the date of original recognition of the asset, which will have an impact on the expected future cash flow of the borrower e.g. insolvency and business rescue.

Forward-looking information is included in both the assessment of a SICR and the measurement of ECL by means of a "High Care" classification. Refer to the next page for more information.

An expert judgement approach is used to determine the LGD for Stage 3 exposures in the Rental Capital Equipment Finance, Trade and Debtor Finance and Other Loan portfolios. This approach determines the expected loss for Stage 3 exposures based on an anticipated salvage calculation. The value of the anticipated salvage used in the determination of the ECL of credit impaired financial instruments is calculated taking the following factors into account:

- Realisable market value of security (e.g. stock, equipment, property) after taking account of costs associated with such sale;
- Stage and nature of legal process;
- Wherewithal of debtor to pay based on available credit data (e.g. financial statements, cash flows, third party credit bureau reports);
- Any supporting suretyships or guarantees;
- Financial standing/reputation of the client group and or related parties;
- Any recourse/warranty claim against a supplier or any other third party;
- Any applicable insurance claim;
- Any negotiated settlement agreements;
- Expected dividend in the case of a liquidation/sequestration; and
- Timing of expected recoveries.

1.6.8 Low credit risk

A financial instrument can have a low credit risk when:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

1.6.9 Significant Increase in Credit Risk (SICR)

Credit risk needs to be re-assessed at each reporting period, for each financial instrument, to determine whether there is a SICR. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of SICR since initial recognition.

The Company defines a SICR for the loans and advances as follows:

- When a debtor is flagged as High Care; or
- Once an account becomes past due/arrears for more than seven days and up to and including 90 days. This was based on statistical analysis of the historical behaviour of the portfolio which indicated that past due up to seven days did not provide an indication of financial stress, rather it could be due to administration issues or post month end payment cycles.

Clients defined as High Care are those that have shown signs of financial and cash flow pressure because of changes in operating environment, industry sector, and adverse financial health. These have, however, not defaulted.

Such signs referred to above could include any one or more of the following factors:

- Material deterioration, particularly over a period of time, in the cash flow generation of a business;
- Material and consistent financial losses;
- Material and/or consistent reduction in revenue and/or gross profit margins;
- Significant increases in interest bearing debt and related finance costs, such that there is a concern about the Company's ability to service and repay their financial obligations;
- Material increases in trade creditors out of line with the sales and business growth, indicating an inability to pay creditors on time and in line with credit terms;
- Material increases in trade debtors and/or stock which could place pressure on cash flow generation;
- Regular breaches in the terms and conditions of its financing arrangements, requests for extension of payment dates, excesses, extensions on repayment deadline, etc.;
- Material negative changes in the business, competitor and economic environment within which the business operates. This will include material negative changes in the businesses' supply chain;
- Difficulty in producing regular financial information;
- Deterioration in collateral value as a reduction in the value of collateral securing the financial instrument might suggest an increased risk of loss in the event of default; and
- Significant changes within key leadership with no meaningful succession planning.

1.6.10 Default and Curing

A financial instrument is classified as being in default, which is aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due or in excess on its original contractual payments/margin/limits, excluding Immaterial Arrears as well as any extensions of more than 90 days from the original contractual payment date.

Immaterial Arrears is defined as an amount that is less than 5% of the next contractual instalment.

Qualitative criteria

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- the client has been flagged as legal.
- significant financial difficulty of a borrower.
- default or delinquency by a borrower.
- distressed restructuring of credit obligations. Per IFRS 9, distressed restructures will be credit impaired.
- indications that a borrower would enter provisional or final liquidation or business rescue.
- repayment of the principal amount and/or accrued interest has been overdue for more than 90 days, and the net realisable value of security is insufficient to cover the payment of the principal amount and accrued interest.
- the principal amount and accrued interest are fully secured, but the repayment of the principal amount and/or accrued interest has been overdue for more than 12 months; and
- significant deficiencies exist that threaten the obligor's business, cash flow or payment capability, which deficiencies may include the items specified below:
    - the credit history or performance record of the obligor is not satisfactory.
    - labour disputes or unresolved management problems may affect the business, production or profitability of the obligor.
    - increased borrowings are not in proportion with the obligor's business.
    - the obligor is experiencing difficulty with the repayment of obligations to other creditors; or
    - construction delays or other unplanned adverse events resulting in cost overruns are likely to require loan restructuring.

When a debtor has been classified as credit-impaired (Stage 3), it can be cured to Stage 1 subject to:

- the debtor being up to date.
- six consecutive payments are paid on or before due date; and
- no SICR exists.

Should the debtor be defined as a “High Care” account, it will cure to Stage 2 and not Stage 1. Also, should the client still represent a SICR, curing may only take place to Stage 2. For distressed restructured loans that were in default, there must be at least six consecutive monthly payments under the revised terms to cure

If the credit risk of the debtor improves to the extent that there is no longer a SICR since initial recognition, then the debtor can cure from Stage 2 to Stage 1 and a 12-month ECL is recognised. This distinguished between the qualitative and quantitative triggers for the debtor being in Stage 2. The debtor that is in Stage 2 due to quantitative factors will cure to Stage 1 once the quantitative factors are resolved. A debtor that is in Stage 2 due to qualitative reasons will cure to Stage 1 only once the qualitative triggers have improved to such an extent that the High Care status is resolved.

1.6.11 Write Off

Financial assets are written off when there is no reasonable expectation of recovering a financial asset in its entirety. This is generally the case when the Company determines that there is no realistic prospect of recovering the monies owed. This assessment is carried out at the individual asset level.

Write-offs will be considered once all sources of recovery have been exhausted or no further reasonable expectation of further material recoveries exists. The assessment of when an exposure has no reasonable prospect of being recovered will be based on the financial standing of the borrower and the sureties/guarantors vs the outstanding exposure, the value of the security in a forced sale scenario vs the outstanding exposure, as well as the nature and tenor of the legal processes required to pursue recovery, the costs associated with recovery as well as the prospect of success of the legal case.

Recoveries of amounts previously written off are included in ‘credit impairment charges’ in the Statement of profit or loss and other comprehensive income.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

1.6.12 Presentation of Allowance for ECL in the Statement of financial position

Loss allowances for ECL are presented in the Statement of financial position as follows:

- financial assets measured at amortised cost as a deduction from the gross carrying amount of the assets.

1.6.13 Classification and Measurement of Financial Liabilities

The Company classifies its financial liabilities as measured at amortised cost or FVTPL.

1.6.14 Derecognition of financial assets and financial liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

1.6.15 Amortised cost

Amortised cost financial assets and financial liabilities are measured at the amount determined on initial recognition, less principal repayments and cumulative amortisation using the effective interest method adjusted for any ECL allowance.

1.6.16 Financial Instruments at Fair Value through Profit or Loss (FVTPL)

The Company classifies financial assets and financial liabilities at fair value through profit or loss when the business model is such that these financial assets and financial liabilities are managed and measured on a fair value basis, since realisation of these is anticipated to be through sale.

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, with fair value gains and losses reported in non-interest income, apart from those related to interest rate swaps.

The fair value gains and losses on interest rate swaps are included in net interest income. Interest income and interest expense on debt instruments classified as at fair value through profit or loss are reported as such in profit or loss.

1.6.17 Offsetting Financial Instruments and Income and Expenses

Financial assets and liabilities are set-off and reported net in the Statement of financial position only when there is a legally enforceable right to do so and there is an intention and ability to settle or realise the asset or liability on a net basis or simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a Company of similar transactions such as in the Company’s trading activity.

1.6.18 Trading assets and liabilities (Derivative Financial Instruments)

A derivative is a financial instrument that changes value in response to an underlying variable, requires little or no initial net investment, and is settled at a future date. Derivatives are initially recognised at fair value on the date on which the derivatives are entered into and subsequently remeasured at fair value at each reporting date.

Gains and losses from changes in the fair value of derivatives that are classified as held for trading are recognised in profit or loss.

1.7 Total income

Net Interest Income

Net interest income comprises interest income less interest expense.

Interest income and interest expense on financial instruments and intercompany loans from securitised assets measured at amortised cost is recognised using the effective interest method.

The effective interest rate is the rate that discounts future cash payments or receipts over the expected life of the financial instrument to the carrying amount of the financial instrument and finance lease receivables.

In calculating the effective interest rate, the Company estimates expected cash flows considering all contractual terms of the financial instrument, excluding future credit losses but including all fees paid or received, transaction costs and all other premiums or discounts between parties to the contract.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. The reversal of interest income relating to credit impaired financial assets that have been cured, is recognised as reduction of the Impairment changes on financial assets.

The effective interest rate is established on initial recognition of the financial instrument not subsequently revised.

Interest income and expense on financial assets and financial liabilities at fair value through profit or loss are presented in other interest income and other interest expense respectively.

Notes to the annual financial statements *…continued*

1.7.1 Net fee and commission expense

Net fee and commission expense comprises of fee and commission income (relating to administration fees and other fee income) and fee and commission expense described below.

Fee and commission income

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Company recognises the revenue when it transfers control over a service to a customer. Other fee and commission refers to commission earned by the Company and is recognised at a point in time.

Fee and commission income is recognised net of any trade discounts, volume rebates and amounts received on behalf of third parties such as Value Added Tax. Furthermore, when the Company is acting as an agent amounts collected on behalf of the principal are not recognised as revenue.

Administration fee and other fee income relates to administration and service fees and the revenue is recognised over a period of time as performance obligations are met.

Gains and losses on financial instruments

Gains and losses on the derecognitions of financial instruments at amortised cost consist of a margin charged for the settlement of lease contracts before contractual maturity date.

For financial instruments measured at FVTPL the fair value gains and losses are recognised as part of ‘gains and losses on derivative instruments’.

Fee and commission expense

Net fee and commission income/expense is recognised net of the following expenses:

- Revenue share expense is a contractual term defined in the legal agreements between the Company, Sasfin Bank Limited and the holders of the debt securities. The revenue share is recognised as an expense for the Company and the recognition and measurement of the expense is dependent on the Company’s profit generating ability above a pre-set hurdle determined by a formula, and only to the extent that this is achieved does the expense become payable.
- Commission expense is recognised in terms of agreements with specified suppliers of office automation equipment as compensation for securing performing finance lease agreements for this office automation equipment.
- Administration fee expense is recognised in terms of servicer agreements with Sasfin Bank Limited for the usage of Sasfin Bank Limited’s resources to manage the portfolio of finance lease agreements and pay administration and management fees to Sasfin Bank Limited in return for these services so rendered.

Other Income

Income derived from:

- Income received on evergreens are recognised on a systematic basis beyond the lease contract’s maturity date in the event where the end-user does not cancel the lease and elects to continue using the office automation equipment originally contracted for.

The Company recognises revenue from other income when it transfers control over a service to a customer and it’s at a point in time.

1.8 Taxation

Income and capital gains tax comprise current and deferred taxation and are recognised in profit or loss.

1.8.1 Current Tax

Current tax, comprising income tax and capital gains tax, is calculated on taxable income for the year based on current tax legislation.

Notes to the annual financial statements *…continued*

1.8.2 Deferred Tax

Deferred tax comprising deferred income tax and deferred capital gains tax is calculated using the existing tax The legislation applied to temporary differences between the tax and accounting bases of assets and liabilities.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted.

Deferred tax assets are reviewed for recoverability at each reporting date.

Deferred tax resulting on items accounted for directly in the Statement of changes in equity or Statement of profit or loss and other comprehensive income are recognised in the Statement of changes in equity and Statement of profit or loss and other comprehensive income respectively.

Deferred tax assets are recognised on tax losses to the extent that it is probable that future taxable profits will be earned.

1.9 Segment report

The Company has only one reportable segment relating to the acquisition of advances and issuing of notes to the market and all of these counterparties reside in the Republic of South Africa.

Notes to the annual financial statements *…continued*

2. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the annual financial statements in accordance with IFRS requires management to make certain judgements, estimates and assumptions in its calculation of the carrying value of assets and liabilities and the reported amounts of profit or loss.

The assumptions, judgements and estimates used are based on historical experience and other factors that are believed to be reasonable.

Assumptions, judgements and estimates are reviewed on an ongoing basis, with revisions recognised in the period in which the revision was made, or in future periods if applicable.

2.1 Impact of economic conditions

Given continued inflationary pressures, central banks in both advanced economies and emerging market and developing economies (EMDE's) will likely remain cautious in easing monetary policy. As such, average benchmark policy interest rates over the next few years are expected to remain about double the 2000 to 2019 average and with delays in monetary easing.

Corruption and inefficiency within state-owned enterprises drain resources and reduce the effectiveness of public spending. This has gone unchecked and unmanaged for several years, undermining the ability of these public institutions to function effectively. The financial instability at municipal level presents a growing problem.

These events have been considered as part of our credit impairments and are reflected in the use of a 77% weighting in our weighted probability scenario approach referred to in Note 2.2 and fair value measurements in Note 2.3.

2.2 Credit Impairment of Financial Assets (refer Note 7 and Note 25)

The Company assesses its intercompany loans from securitised assets for impairment monthly using the ECL model. Changes to the Intercompany loans from securitised assets are based on changes in the ECL of the underlying loans legally owned by the Company.

The Company applies judgement in the way in which it defines and applies a SICR, which is the driver in dividing the loans and advances portfolio between Stage 1 and Stage 2, with default being the driver for Stage 3. The 'three-stage model' for ECL is:

- Stage 1: 12-month expected credit losses for those financial assets where there has not been a significant increase in credit risk since initial recognition.
- Stage 2: Lifetime expected credit losses for those financial assets where there has been a significant increase in credit risk on a collective basis.
- Stage 3: Lifetime expected credit losses for all credit impaired financial assets.

Refer accounting policy Note 1.6 for more information on SICR.

The Company further applies judgement in determining the inputs used in the Expected Credit Loss (ECL) model, i.e. the PD, LGD, EAD and TTD that are used to determine the ECL for each of Stage 1, Stage 2 and Stage 3.

The IFRS 9 ECL requires a forward-looking macroeconomic factors to be incorporated into the calculated loan book ECL to ensure the timely recognition of expected future credit losses. To capture the effect of economic changes accurately and forecast the required levels of impairment provisions expected to be held, the Company uses statistical modelling.

Various macro-economic factors were statistically tested for the current financial year to identify key drivers in the context of power shortages, weak economic outlook, high inflation, and interest rates that have remained elevated for an extended period. GDP, Prime overdraft, Producer Price Index (PPI) of electricity, ZAR/USD exchange rate and investment to GDP were identified as the most significant drivers of the loan book and were used in the model. For each of the scenarios listed below for 2024, the variables over the next 12 months are disclosed. The average GDP, Prime overdraft %, PPI of electricity, ZAR/USD exchange rate and investment to GDP over the remaining forecast period, from 2024 to 2026, were used in the statistical modelling

Notes to the annual financial statements …continued

A weighted probability scenario approach was applied to determine the model derived scalar as per the table below. Given the inherent risk in economic conditions that have been stressed for a prolonged period, a management overlay to account for this risk was applied to determine the final scalar.

	Best		**Expected**		**Worst**		**Blended[1]**	
	12 months	**Life time**	**12 months**	**Life time**	**12 months**	**Life time**	**12 months**	**Life time**
2024	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Factors								
GDP (%)	2.92	2.39	1.29	1.39	-2.96	-2.94	0.61	0.66
Prime Overdraft (%)	10.58	9.60	11.39	10.69	12.44	12.69	11.54	11.00
PPI of electricity	180.60	195.18	191.96	216.01	204.35	250.92	193.62	221.25
Rand/USD exchange rate	16.80	16.82	18.24	19.15	22.87	25.45	19	20.17
Investment to GDP (%)	15.62	16.35	15.52	16.03	14.74	14.46	15.39	15.77
Scenario probability	5%		77%		18%		Combination	
Scalar	1.12		1.22		1.41		1.25	
	R'000		**R'000**		**R'000**		**R'000**	
Impact on ECL – (Decrease)/Increase[2]	**(3 187)**		**(735)**		**3 922**		**Base**	

[1] *The blended scenario is the probability-weighted scenario made up of the following scenarios – best case (5%), expected case (77%) and a worst case (18%).*
[2] *The impact of forward-looking information on the IFRS 9 ECL provision is an increase of R10.418 million. This is depicted as the zero base case in the blended column in the above table as the impact is already included in the ECL for the current period. The percentage change of the total IFRS 9 provision is a 1.51% downward adjustment should a 100% best case scenario be assumed, a 0.35% downward adjustment should a 100% expected scenario be assumed and a 1.86% upward adjustment should a worst-case scenario be assumed.*

	Best		**Expected**		**Worst**		**Blended[1]**	
	12 months	**Life time**	**12 months**	**Life time**	**12 months**	**Life time**	**12 months**	**Life time**
2023	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Factors								
PPI of electricity	155.95	168.16	170.84	193.69	177.14	220.73	171.23	197.28
Rand/USD exchange rate	15.03	15.39	17.78	18.50	19.87	22.77	18.02	19.11
Investment to GDP (%)	16.06	16.6	15.38	15.88	14.33	14.72	15.22	15.71
Scenario probability	5%		77%		18%		Combination[1]	
Scalar	1.2		1.4		1.64		1.44	
	R'000		**R'000**		**R'000**		**R'000**	
Impact on ECL – (Decrease)/Increase[2,3]	**(5 587)**		**(931)**		**4 656**		**-**	

[1] *The blended scenario is the probability-weighted scenario made up of the following scenarios – best case (5%), expected case (77%) and a worst case (18%).*
[2] *The impact of forward-looking information on the IFRS 9 ECL provision is an increase of R16.249 million. This is depicted as the zero base case in the blended column in the above table as the impact is already included in the ECL for the current period. The percentage change of the total IFRS 9 provision is a 2.3% downward adjustment should a 100% best case scenario be assumed, a 0.4% downward adjustment should a 100% expected scenario be assumed and a 1.9% upward adjustment should a 100% worst-case scenario be assumed.*
[3] *For enhanced disclosure purposes and to understand the impact on ECL, (Decrease)/Increase was added.*

Notes to the annual financial statements *...continued*

During the prior year, SICR was disclosed as being triggered once an account becomes past due/arrears for more than seven days and up to and including 30 days. However, the Group policy states that the period is up to 90 days. This has been corrected in the current accounting policy for SICR, however, there is no impact on the financial information that was disclosed in prior years or current years as the application thereof was always based on the 90 days criteria.

2.3 Fair Value (refer Note 22 and 23)

Fair value is the price that would be realised on the sale of an asset or paid to transfer a liability on an arm's length basis to an unrelated party.

The Company measures the fair value of a financial instrument using its quoted price in an active market. A market is regarded as active if transactions for the financial instrument take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The most accurate fair value of a financial instrument at initial recognition is normally the transaction price less the fair value of the consideration given or received. If the Company determines that the fair value of a financial instrument (measured at amortised cost) at initial recognition differs from the transaction price, and the fair value is evidenced neither by a quoted price in an active market for an identical financial instrument nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value with the difference between the fair value at initial recognition and the transaction price recognised in profit or loss over the life of the instrument, but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

'Bid' prices in an active market are used to measure financial assets held at fair value, while 'ask' prices in an active market are used to measure financial liabilities held at fair value.

Financial asset portfolios, that are exposed to market risk and credit risk, are measured on the basis of a price that would be received when selling a net long position for a particular risk exposure.

Financial liability portfolios, that are exposed to market risk and credit risk, are measured on the basis of a price that would be paid to transfer a short position for a particular risk exposure.

Market risk and credit risk portfolio level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit will not be less than the amount payable by the Company on demand, discounted from the first date on which the amount could be required to be paid.

The fair value of financial instruments that are not quoted in active markets or trade infrequently with little price transparency, requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions, and other risks affecting the specific instrument, and is determined by using valuation techniques which are validated and independently reviewed by qualified and experienced senior personnel within and external to the Company.

Fair value estimates obtained from models are adjusted for factors such as liquidity risk or model uncertainties that the Company believes an independent market participant would take into account when pricing a valuation.

Notes to the annual financial statements *…continued*

Fair Value Hierarchy

Valuation models

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Transfers between levels are recognised at the end of the reporting period during which the change has occurred.

2.4 Current and Deferred Taxation (refer Note 10 and Note 19)

The Company is subject to direct and indirect taxation charges. There are elements of uncertainty and resultant judgement involved in the ultimate determination of these tax balances and charges. Should the final outcome differ to that initially calculated, the impact is accounted for in the period in which this outcome is known.

2.5 Application of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (refer to Note 30)

Critical estimates, judgments and assumptions were applied in the IAS 8 treatment relating to the new model implementation used for calculating current and deferred taxation balances in respect of certain leased assets.

Notes to the annual financial statements *…continued*

3. STANDARDS/INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

There are new or revised accounting standards and interpretations in issue that are not yet effective for the year ended 30 June 2024, and have not been applied in preparing these Annual Financial Statements. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated. These include the following standards and interpretations that have been issued, with an indication of the estimated impact on the future financial statements of the Company:

Pronouncement	Title and details:	Effective date
Amendments to IAS 1, Presentation of Financial Statement	*Classification of liabilities as current or non-current and non-current Liabilities with covenants* Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and, instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. The amendments clarified that a company has a right to defer settlement of a liability if the company complies with those conditions at that date. As part of the amendment, it specified that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. For liabilities that a company is only required to assess compliance with covenants within twelve months after the reporting date (or further), it would have no effect on the classification of a liability. However, for such liabilities the amendment requires separate disclosure of the information about the covenants, the carrying amount of the related liabilities and the facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants in the annual financial statements. It also clarified that an entity does not have a right to defer settlement (and therefore classify it as current), if the liability could become repayable within twelve months at the discretion of the counterparty or third party or depending on an uncertain future event or outcome that is unaffected by the company's future actions. These amendments are not expected to have an impact on the Company.	Annual periods beginning on or after 1 January 2024.
Amendments to IFRS 16 Leases	*Lease liability in a sale- and- leaseback* The amendment clarifies how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. The amendment is to applied retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. These amendments are not expected to have an impact on the Company.	Annual periods beginning on or after 1 January 2024.

Notes to the annual financial statements *…continued*

Pronouncement	Title and details:	Effective date
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	*Supplier finance arrangements* The amendments made to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* is to enhance the usefulness of information provided by entities in relation to supplier finance arrangements. The amendments are intended to assist the users of the financial statements to better understand the effect of such arrangements on the entity‘s liabilities, cash flows and exposure to liquidity risk. As part of the amendment, the amendment clarifies the characteristics of supplier finance arrangements and disclosure requirements. The disclosure requirements include the requirement for an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows. These amendments are not expected to have an impact on the Company.	Annual periods beginning on or after 1 January 2024.
Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates	*Lack of exchangeability* The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates aims to clarify how an entity should assess whether a currency is exchangeable, how to determine the spot exchange rate when exchangeability is lacking and disclosure in the financial statements to enable the financial users to understand the impact of a currency not being exchangeable. These amendments are not expected to have an impact on the Company.	Annual periods beginning on or after 1 January 2025.
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	*Amendments to the classification and measurement of financial instruments* The amendments: • Clarify that a financial liability is derecognised on the ‘settlement date’. The ‘settlement date’ is the date when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. The new exception permits companies to elect to derecognise certain financial liabilities settled via electronic payment systems earlier than the settlement date subject to meeting certain conditions. • Clarify how to assess the contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features • Clarify the treatment of non-recourse assets and contractually linked instruments. • Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference to contingent events (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income. The Company is still assessing the impact of this amendment.	Annual periods beginning on or after 1 January 2026.

Notes to the annual financial statements *...continued*

Pronouncement	Title and details:	Effective date
IFRS 18 Presentation and Disclosure in Financial Statement	*Presentation and disclosure in financial statements* IFRS 18 is set to replace IAS 1. The new Standard will assist companies to provide more useful information about their financial performance through their financial statements. Investors will benefit from greater consistency of presentation in the income and cash flow statements, and more disaggregated information. It is also requiring making certain 'non-GAAP' measures part of the audited financial statements as this will bring more creditability to management's key performance indicators. In conclusion, companies' net profit will not change but rather how results are presented on the face of the income statement and information disclosed in the notes. The Company is still busy assessing the impact of the newly published Standard on the Statement of Profit or Loss and other Comprehensive Income.	Annual periods beginning on or after 1 January 2027
IFRS 19 Subsidiaries without Public Accountability Disclosures	*Subsidiaries without public accountability: disclosures* The newly issued Standard allows for eligible entities to elect to apply IFRS 19's reduced disclosure requirements while still applying the recognition, measurement, and presentation requirements in other IFRS accounting Standards. The application of the Standard is optional for eligible entities. The criteria for eligible entities to apply the Standard is if at the end of the reporting period: • it is a subsidiary a defined in IFRS 10 Consolidated Financial Statements; • It does not have public accountability; and • It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting Standards. An entity has public accountability if 'its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market' or 'holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.' An entity that meets the requirements to apply IFRS 19, may apply the Standard on a voluntary basis. An entity may revoke its election to apply IFRS 19 at any time, in which case, it would be required to prepare financial statements providing the disclosures set out in the other IFRS accounting Standards. These amendments are not expected to have an impact on the Company.	Annual periods beginning on or after 1 January 2027

Notes to the annual financial statements *…continued*

		2024 R'000	2023 R'000
4.	**CASH AND CASH EQUIVALENTS[1]**		
	Funds on call	**100 520**	150 439
	Fixed deposits[2]	**279 477**	276 602
		379 997	**427 041**

[1] The full balance of cash and cash equivalents have been ceded as security for debt securities issued. Refer to Note 9.
[2] The funds are easily accessible if required by the Company.

		2024 R'000	2023 R'000
5.	**TRADING ASSETS AND LIABILITIES**		
	Derivatives	**(2 710)**	2 917
		(2 710)	**2 917**
5.1	**Total trading assets**	**-**	2 917
	Financial assets	**-**	**2 917**
5.2	**Total trading liabilities**	**(2 710)**	**-**
	Financial liabilities	**(2 710)**	**-**

		2024 R'000	2023 R'000
6.	**TRADE AND OTHER RECEIVABLES**		
	Financial assets	**13 647**	9 540
	Sundry receivables	**1 098**	-
	Receivables from companies in the Group[1]	**12 549**	9 540
	Non-financial assets	**98 244**	86 252
	Value added taxation	**98 244**	86 252
	Trade and other receivables before impairments	**111 891**	95 792
	Credit loss allowance	**-**	(54)
	Net trade and other receivables	**111 891**	95 738

[1] The receivables are unsecured, bear no interest and have no fixed repayment terms.
Receivables from companies in the Group increased in the normal course of business. Please also refer to Note 21.2.2.

Notes to the financial statements *… continued*

7. INTERCOMPANY LOANS FROM SECURITISED ASSETS

Sasfin Bank legally sells a portion of equipment finance assets (recognised as part of loans and advances) to the Company. The sale of these loans and advances are regarded as a true sale from a legal perspective, however, it does not meet the derecognition principals as set out in IFRS 9 *Financial Instruments* from an accounting perspective, as Sasfin Bank retained substantially all the risks and rewards of ownership and continues to control the underlying assets. As a result, an intercompany loan from securitised assets from Sasfin Bank Limited is recognised for the consideration paid for these loans and advances that have been transferred. The cash flows arising from this asset are directly attributable to the transferred loans and advances and thus, the disclosure below has been made as the carrying amount of the receivable will fluctuate in line with the loans and advances balance. This does not impact the balances or any of the underlying loans and advances key performance indicators.

	Total R'000	Year 1 R'000	Year 2 R'000	Year 3 R'000	Year 4 R'000	Year 5 R'000	More than 5 years R'000
2024							
Gross investment in leases	**5 473 018**	**2 235 720**	**1 597 518**	**1 019 086**	**493 786**	**125 739**	**1 169**
Equipment finance	**4 794 067**	**1 972 410**	**1 396 666**	**886 880**	**433 309**	**104 576**	**226**
Capital Equipment finance[2]	**678 951**	**263 310**	**200 852**	**132 206**	**60 477**	**21 163**	**943**
Less: Unearned finance income	**(1 132 992)**	**(567 855)**	**(342 234)**	**(162 857)**	**(53 584)**	**(6 439)**	**(23)**
Equipment finance	**(996 793)**	**(501 916)**	**(300 061)**	**(142 542)**	**(46 833)**	**(5 436)**	**(5)**
Capital Equipment finance[2]	**(136 199)**	**(65 939)**	**(42 173)**	**(20 315)**	**(6 751)**	**(1 003)**	**(18)**
Net investment in leases	**4 340 026**	**1 667 865**	**1 255 284**	**856 229**	**440 202**	**119 300**	**1 146**
Equipment finance	**3 797 274**	**1 470 494**	**1 096 605**	**744 338**	**386 476**	**99 140**	**221**
Capital Equipment finance[2]	**542 752**	**197 371**	**158 679**	**111 891**	**53 726**	**20 160**	**925**
Intercompany loans from securitised assets before expected credit losses[3]	**4 340 026**						
Credit loss allowance (Refer to Note 25)	**(215 873)**						
Total Intercompany loans from securitised assets[1]	**4 124 153**						

[1] Intercompany loans from securitised assets with a carrying amount of R4.124 billion have been ceded as security for the debt securities issued. Refer to Note 9.
[2] Gross exposure of Capital Equipment Finance of R542.7 million will be disposed of to Sasfin Bank Limited whereafter it will be disposed of to African Bank Limited. The credit loss allowance of R14.7 million for Capital Equipment Finance will also be transferred on disposal. Refer to Note 29 for additional information. Management in applying judgement, concluded that the disposal to Sasfin Bank Limited (and ultimately African Bank Limited) did not meet the definition of held for sale nor a discontinued operation. This is considering that the Intercompany loans from securitised assets is viewed as a homogenous loan it being highly unlikely that a single non-current asset shall be a component of a business and subsequently a discontinued operation.
[3] The Intercompany loans from securitised assets have been bucketed as per their contractual cash flow.

Notes to the financial statements *... continued*

	Total R'000	Year 1 R'000	Year 2	Year 3	Year 4	Year 5 R'000	More than 5 years R'000
7. INTERCOMPANY LOANS FROM SECURITISED ASSETS ***... continued***							
2023							
Gross investment in leases	5 466 013	2 186 148	1 545 846	1 037 083	557 513	137 038	2 385
Equipment finance	4 537 425	1 847 351	1 277 543	854 439	450 297	107 795	-
Capital Equipment finance	928 588	338 797	268 303	182 644	107 216	29 243	2 385
Less: Unearned finance income	(1 152 916)	(560 139)	(348 180)	(175 507)	(61 482)	(7 443)	(165)
Equipment finance	(957 573)	(470 062)	(288 240)	(143 954)	(49 627)	(5 690)	-
Capital Equipment finance	(195 343)	(90 077)	(59 940)	(31 553)	(11 855)	(1 753)	(165)
Net investment in leases	4 313 097	1 626 009	1 197 666	861 576	496 031	129 595	2 220
Equipment finance	3 579 852	1 377 289	989 303	710 485	400 670	102 105	-
Capital Equipment finance	733 245	248 720	208 363	151 091	95 361	27 490	2 220
Intercompany loans from securitised assets before expected credit losses[2]	**4 313 097**						
Credit loss allowance (Refer to Note 25)	(240 022)						
Net Intercompany loans from securitised assets at amortised cost	4 073 075						
Total Intercompany loans from securitised assets[1]	**4 073 075**						

[1] Intercompany loans from securitised assets with a carrying amount of R4.073 billion have been ceded as security for the debt securities issued. Refer to Note 9.
[2] The Intercompany loans from securitised assets have been bucketed as per their contractual cash flow.

Notes to the financial statements ... continued

		2024 R'000	2023 R'000
8.	**TRADE AND OTHER PAYABLES**		
	Financial liabilities	**124 253**	139 789
	Accounts payables[1]	**1 088**	1 041
	Other payables[1, 2]	**8 899**	5 608
	Payables to companies in the Group[1]	**114 266**	133 140
	Non-financial liabilities	**827**	638
	Audit fees and other services	**827**	638
		125 080	**140 427**

[1] The payables are unsecured and bear no interest, have no fixed repayment terms. Payables to companies in the Group decreased in the normal course of business. Please also refer to Note 21.2.2.
[2] The balance comprises of overpaid debtors and sundry creditors of R4.0 million and R4.9 million respectively.

		2024 R'000	2023 R'000
9.	**DEBT SECURITIES ISSUED**		
	Category analysis[1]		
	Rated	**3 685 800**	3 720 138
	Debt rate reconciliation for the statement of cash flows[2]		
	Opening balance	**3 720 138**	2 991 429
	Proceeds from issuance of debt securities	**642 000**	1 711 000
	Settlement of debt securities	**(676 000)**	(983 310)
	Accrued interest[3]	**(338)**	1 019
	Closing balance	**3 685 800**	3 720 138

[1] On 9 April 2024, SASP notified the noteholders of Series 2 of its intention of early settlement of these notes subject to the Disposal to African Bank being unconditional (Refer to Note 29 for additional information). In applying judgement, management has concluded that the intention to early settle these notes did not meet the criteria to be classified as held for sale as at 30 June 2024 due to the carrying amount not principally realising through a sale, therefore, no portion of debt securities was classified as held for sale. This does also not meet the definition of a discontinued operation as it is viewed as a homogenous loan and it being highly unlikely that a single asset or liability shall be a component of a business.
[2] The disclosure has been added in the current period as a disclosure enhancement to enable the financial users to understand the movement in the debt securities. No impact is noted on the primary financial statements.
3 The interest expense (refer to Note 14) was R377.3 million (2023: R286.9 million) whilst interest payments were R377.7 million (2023: R285.9 million).

The notes are secured by a cession of rentals and equipment underlying the instalment finance assets as well as bank accounts owned by SASP refer to Note 4 and 7.

	2024 R'000	2023 R'000
Held at amortised cost		
Class A notes (SLRA6)	**-**	361 722
Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 1.9500%. Scheduled maturity date is 15 November 2023.		
Class A notes (SLRA7)	**279 643**	279 627
Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 1.9000%. Scheduled maturity date is 15 August 2024.		

Notes to the annual financial statements *…continued*

9. DEBT SECURITIES ISSUED *… continued*	2024 R'000	2023 R'000
Class A notes (SLRA8) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 1.8000%. Scheduled maturity date is 15 August 2025.	**327 222**	327 202
Class A notes (SLRA9) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.1000%. Scheduled maturity date is 15 August 2027.	**251 337**	251 324
Class A notes (SLRA10) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 1.9500%. Scheduled maturity date is 16 August 2026.	**327 284**	-
Class A notes (LRFA4) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 1.9000%. Scheduled maturity date is 20 November 2025.	**404 714**	404 694
Class A notes (ERSA28) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.0500%. Scheduled maturity date is 17 August 2023.	**-**	266 359
Class A notes (ERSA29) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 1.7000%. Scheduled maturity date is 17 May 2025.	**436 336**	436 314
Class A notes (ERSA30) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.0000%. Scheduled maturity date is 17 May 2027.	**348 386**	348 371
Class A notes (ERSA31) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.2000%. Scheduled maturity date is 17 February 2028.	**392 030**	392 015
Class A notes (ERSA32) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 1.9000%. Scheduled maturity date is 17 August 2026.	**266 321**	-
Class A notes (ERSB10) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.4000%. Scheduled maturity date is 17 February 2028.	**46 609**	46 608
Class B notes (LRFB4) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.10000%. Scheduled maturity date is 20 November 2025.	**75 901**	75 898

Notes to the annual financial statements *…continued*

9. DEBT SECURITIES ISSUED *… continued*	2024 R'000	2023 R'000
Class B notes (SLRB6) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.3000%. Scheduled maturity date is 15 November 2023.	**-**	31 424
Class B notes (SLRB8) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.000%. Scheduled maturity date is 15 August 2025.	**18 240**	18 239
Class B notes (SLRB9) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.300%. Scheduled maturity date is 15 August 2027.	**82 111**	82 107
Class B notes (SLRB10) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.150%. Scheduled maturity date is 16 November 2026.	**31 419**	-
Class B notes (ERS3B8) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 1.9000%. Scheduled maturity date is 17 May 2025.	**46 581**	46 579
Class B notes (ERS3B9) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.2000%. Scheduled maturity date is 17 May 2027.	**80 027**	80 024
Class C notes (ERS3C10) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.5500%. Scheduled maturity date is 17 February 2028.	**17 228**	17 228
Class C notes (SLRC6) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.5000%. Scheduled maturity date is 15 November 2023.	**-**	25 348
Class C notes (SLRC7) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.45000%. Scheduled maturity date is 15 August 2024.	**20 278**	20 277
Class C notes (SLRC8) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.400%. Scheduled maturity date is 15 August 2025.	**30 415**	30 414
Class C notes (SLRC9) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.700%. Scheduled maturity date is 15 August 2027.	**61 868**	61 866
Class C notes (SLRC10) Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.450%. Scheduled maturity date is 16 November 2026.	**25 348**	-

Notes to the annual financial statements *…continued*

9. DEBT SECURITIES ISSUED *… continued*	2024 R'000	2023 R'000
Class C notes (LRFC4)	**25 306**	25 305
Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.30000%. Scheduled maturity date is 20 November 2025.		
Class C notes (ERS3C8)	**21 269**	21 268
Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.0500%. Scheduled maturity date is 17 May 2025.		
Class C notes (ERS3C9)	**24 316**	24 316
Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.3500%. Scheduled maturity date is 17 May 2027.		
Class B notes (SLRB7)	**45 611**	45 609
Unsubordinated, secured, compulsory redeemable, asset-backed notes of R 1 000 000 each. The notes bear interest at 3-month JIBAR plus 2.2000%. Scheduled maturity date is 15 August 2024.		
Total	**3 685 800**	3 720 138

Financial Risk Management

The company purchased, from Sasfin Bank Limited, participating assets that are subject to the eligibility criteria and portfolio covenants. The company funded the purchase on the first issue date by issuing notes to investors and drawing down on subordinated loans provided by Sasfin Bank Limited. The Company as the first loss provider guarantees performance to secured creditors (which include note holders, Sasfin Bank Limited as the subordinated lender and other creditors) as set out in the priority of payments of the issuer.

The underlying equipment on the contracts of the participating assets serve as security on the loans.
The notes issued to fund the purchase of the participating assets are rated by an external independent rating agency and provides support for the quality of the participating assets. The ratings are determined at inception of the structure and are re-assessed on every annual anniversary.

The Company has various unsubordinated, compulsory redeemable, asset back notes. These have varying debt covenant triggers for each of the issued note's series. The triggers per series at year end, namely net default rate and yield tests are disclosed below:

Series 1:
- The net default trigger level is between 2.625% and 4% and the 2.625% trigger will fall away when those specific notes mature (2023: Same as 2024). At June 2024 the average net default rate was at 2.285% (2023: 1.362%).
- The average yield of 24.590% (2023: 27.204%) remains above the required yield test of prime rate plus 5.000% (2023: prime plus 5.000%).
- The debt securities issued as at 30 June 2024 is R1 679 103 442 (2023: R1 679 080 935).

Series 2:
- The net default trigger level is 4.000% (2023: Same as 2024). At June 2024 the average net default rate was at 1.633% (2023: 0.125%).
- The average yield of 19.860% (2023: 20.458%) remains above the required yield test of prime rate plus 3.000% (2023: prime plus 3.000%).
- The debt securities issued as at 30 June 2024 is R505 921 261 (2023: R505 897 460).

Series 3:
- The net default trigger level is 4.500% (2023: Same as 2024). At June 2024 the average net default rate was at 1.175% (2023: 1.161%).
- The average yield of 20.520% (2023: 20.838%) remains above the required yield test of prime plus 4.000%(2023:prime plus 4.000%).
- The debt securities issued as at 30 June 2024 is R1 500 775 668 (2023: R1 535 159 387).

Notes to the annual financial statements *…continued*

		2024 R'000	2023 R'000
10.	**DEFERRED TAX ASSETS AND LIABILITIES**		
	Deferred tax liability	**(122 176**	(144 372)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2024		2023	
	Liabilities R'000	Net R'000	Liabilities R'000	Net R'000
Equipment finance (Intercompany receivable)	**(132 350)**	**(132 350)**	(158 771)	(158 771)
Tax losses	**-**	**-**	3 248	3 248
Provisions	**10 174**	**10 174**	11 151	11 151
Net tax liabilities	**(122 176)**	**(122 176)**	**(144 372)**	**(144 372)**

	Balance at 1 July R'000	Recognised in profit or loss R'000	Balance at 30 June R'000
2024			
Equipment finance (intercompany receivable)	**(158 771)**	**26 421**	**(132 350)**
Tax losses	**3 248**	**(3 248)**	**-**
Provisions	**11 151**	**(977)**	**10 174**
	(144 372)	**22 196**	**(122 176)**

	Balance at 1 July R'000	Recognised in profit or loss R'000	Balance at 30 June R'000
2023			
Equipment finance (intercompany receivable)	**(149 070)**	**(9 701)**	**(158 771)**
Tax losses	**3 598**	**(350)**	**3 248**
Provisions	**11 090**	**61**	**11 151**
	(134 382)	**(9 990)**	**(144 372)**

Refer to Note 30 for the IAS 8 treatment relating to the new model implementation used for calculating current and deferred taxation balances in respect of certain leased assets.

Notes to the annual financial statements *…continued*

		2024 R'000	2023 R'000
11.	**ORDINARY SHARE CAPITAL**		
	Authorised		
	100,000 (2023: 100,000) ordinary shares of R1 each	**100**	100
	Issued		
	100,000 (2023: 100,000) ordinary shares of R1 each		
	Balance at the beginning of the year	**100**	100
	Balance at the end of the year	**100**	**100**
	Reconciliation of the number of shares issued		
	Total shares in issue (number)	**100 000**	100 000
		100 000	**100 000**

The issued ordinary share capital of the Company is held by The South African Securitisation Issuer Owner Trust. All shares issued are fully paid up.

		2024 Rand	2023 Rand
12.	**PREFERENCE SHARE CAPITAL**		
	Authorised preference share capital		
	100 (2023: 100) non-cumulative, non-redeemable preference shares of no par value		-
	Issued preference share capital		
	3 (2023: 3) non-cumulative, non-redeemable preference shares of no par value		
	Balance at the beginning of the year	**1**	1
	Balance at the end of the year	**1**	1

The issued preference share capital of the Company is held by Sasfin Bank Limited. All shares issued are fully paid up.

		2024 R'000	2023 R'000
13.	**INTEREST INCOME**		
	Interest income calculated using the effective interest method	**718 810**	612 449
	Interest Income	**944**	1 030
	Deposits with banks	**34 363**	30 048
	Intercompany receivable - Equipment finance	**587 005**	498 537
	Intercompany receivable - Capital Equipment finance	**96 498**	82 834
	Other interest income	**-**	(1 367)
	Trading assets and other	**-**	(1 367)
		718 810	611 082

Notes to the annual financial statements *…continued*

		2024 R'000	2023 R'000
13.	**INTEREST INCOME** ***… continued***		
	Total interest income		
	Interest income on items measured at amortised cost	**718 810**	612 449
	- Performing financial assets	**707 501**	583 320
	- Credit impaired financial assets	**11 309**	29 129
	Interest income on items measured at fair value through profit or loss	**-**	(1 367)
		718 810	611 082

		2024 R'000	2023 R'000
14.	**INTEREST EXPENSE**		
	Interest expense calculated using the effective interest method	**439 953**	337 766
	Loans from entities in the Group	**62 681**	50 081
	Debt securities	**377 318**	286 943
	Long-term borrowings	**(46)**	742
	Other interest expense		
	Other[1]	**6 549**	-
		446 502	337 766

[1] This amount relates to interest payable to SARS.

		2024 R'000	2023 R'000
15.	**NET FEE AND COMMISSION EXPENSE**		
	Fee and commission income	**507**	5 300
	Administration fees	**110**	109
	Other fee income	**397**	5 191
	Fee and commission expense	**(234 312)**	(293 521)
	Fee and commission expense: Revenue share expense	**(159 262)**	(223 887)
	Total commission expense	**(9 658)**	(9 640)
	Administration fee expense	**(65 392)**	(59 994)
	Net fee and commission expense	**(233 805)**	(288 221)

		2024 R'000	2023 R'000
16.	**GAINS AND LOSSES ON FINANCIAL INSTRUMENTS**		
	Net gains/losses on the derecognition of financial assets measured at amortised cost	**14 136**	10 118
	Settlement profits	**14 136**	10 118
	Other gains or losses on financial instruments	**(7 468)**	-
	Gains and losses on derivative instruments	**(7 468)**	-
	Total gains and losses on financial instruments	**6 668**	**10 118**

Notes to the annual financial statements …continued

		2024 R'000	2023 R'000
17.	**OTHER INCOME**		
	Income received on Evergreens	**109 770**	108 179
	Sundry income	**532**	1 427
	Other income	**110 302**	109 606

		2024 R'000	2023 R'000
18.	**OTHER OPERATING EXPENSES**		
	The following items are included in operating expenses:		
	Fees paid to auditors	**848**	745
	Management fees	**2 533**	2 432
	Bank charges	**1 310**	1 306
	Buildings, equipment and consumables	**47**	49
	Consulting fees	**13**	151
	Legal costs	**7 254**	3 812
	Operational losses	**16**	6 479
	Other charges	**5 123**	8 807
	Tax related expenses	**971**	199
	Other operating expenses	**18 115**	23 980

		2024 R'000	2023 R'000
19.	**INCOME TAX EXPENSE**		
	Current tax expense	**50 948**	-
	Current year	**53 257**	-
	Over provision	**(2 309)**	-
	Deferred tax expense	**(22 196)**	9 990
	Current year	**(24 505)**	9 990
	Under provision	**2 309**	-
		28 752	9 990
	Reconciliation of taxation rate	**%**	**%**
	South African normal tax rate	**27.00%**	27.00%
	Adjusted for:	**1.89%**	8.52%
	Non-deductible expenses[1]	**2.04%**	8.52%
	Other	**(0.15%)**	-
	Effective rate	**28.89%**	35.52%

[1] For the current year, this primarily consists of penalties and interest payable that are non-deductible.

		2024 R'000	2023 R'000
20.	**STATEMENT OF CASHFLOW NOTE**		
20.1	**Cash inflow from operating activities**		
	Reconciliation of operating profit to cash flows from operating activities		
	Profit before income tax	**99 519**	28 122
	Adjusted for:		
	Credit impairment charges	**37 839**	52 716
	Fair value adjustment on financial instruments	**5 627**	1 367
	Non-cash interest received	**(27 520)**	(54 825)
	Non-cash interest paid	**6 417**	1 022
	Interest from loans from entities in the group	**-**	(2 679)
	Settlement profit	**(14 136)**	(10 118)
		107 746	15 605

		2024 R'000	2023 R'000
20.2	**Taxation paid**		
	Overpaid at the beginning of the year	**42 051**	36 703
	Charge to the income statement	**(50 948)**	-
	Non-cash adjustment	**(5 203)**	-
	Overpaid at the end of the year	**(1 399)**	(42 051)
		(15 499)	**(5 348)**

		2024 R'000	2023 R'000
20.3	**Dividends paid**		
	Charge to distributable reserves	**(25 000)**	(20 000)
	Total dividends paid	**(25 000)**	(20 000)

		2024 R'000	2023 R'000
20.4	**Loans from entities in the Group: Debt rate reconciliation**[1]		
	Opening balance	**393 649**	334 185
	Advances of loans from entities in the Group	**1 855**	65 337
	Repayments of loans from entities in the Group	**(1 993)**	(3 193)
	Interest expense (refer to Note 14)	**62 681**	50 081
	Interest repayments	**(62 522)**	(52 761)
	Closing balance	**393 670**	393 649

[1] The disclosure has been added in the current period as a disclosure enhancement to enable the financial users to understand the movement in the loans from entities in the Group. No impact is noted on the primary financial statements.

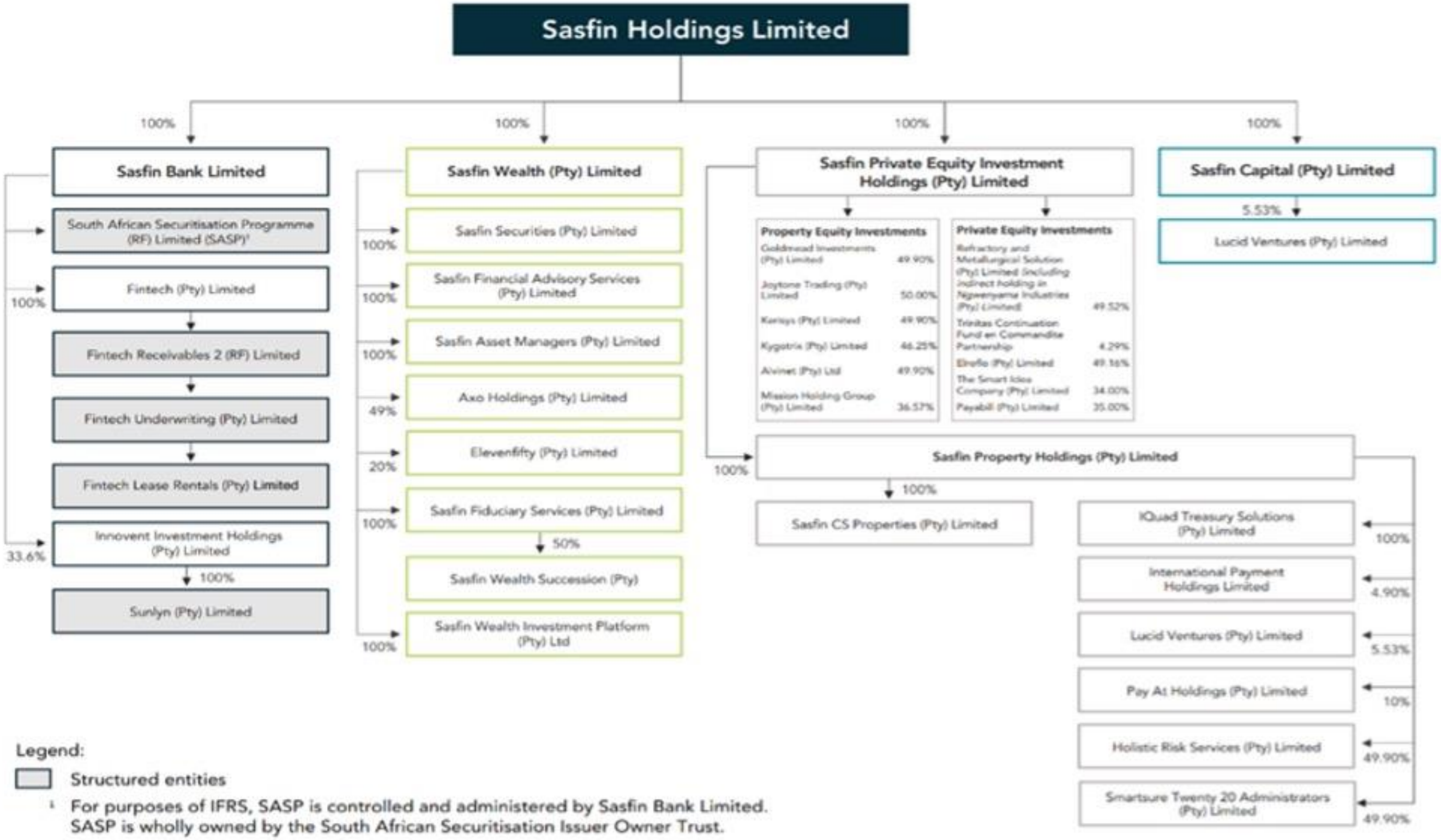
South African Securitisation Programme (RF) Limited

(Registration number: 1991/002706/06)
Annual financial statements for the year ended 30 June 2024

Notes to the financial statements *… continued*

21. RELATED PARTY TRANSACTIONS

Subsidiaries and controlled structured entities



Notes to the financial statements *… continued*

21.1 Key management personnel and related remuneration

Directors' and Prescribed officer's remuneration	Cash package[1] Rand	Other benefits[2] Rand	Incentive bonus[3] Rand	Total Rand
2024				
Non-executive directors				
D Govender	2 548 840	416 609	602 500	3 567 949
	2 548 840	**416 609**	**602 500**	**3 567 949**
Board of director fees[4]	292 479	-	-	292 479
	292 479	**-**	**-**	**292 479**

Directors' and Prescribed officer's remuneration	Cash package[1] Rand	Other benefits[2] Rand	Incentive bonus[3] Rand	Total Rand
2023				
Non-executive directors				
D Govender	2 383 619	395 086	686 667	3 465 372
	2 383 619	**395 086**	**686 667**	**3 465 372**
Board of director fees[4]	251 851	-	-	251 851
	251 851	**-**	**-**	**251 851**

[1] The remuneration of the Director is paid by the Controlling Company for his full role to the Sasfin group and does not relate only to his responsibilities towards the Company.
[2] Other benefits comprise: provident fund, medical aid, group life, company car, cash-settled share options and sign-on bonuses.
[3] Relate to the Group's and individual's performance in the prior financial year.
[4] Director fees for DP Towers, E Deiner (from Quadridge Trust Services) and B Harmse (of Stonehage Fleming Corporate Services (Pty) Ltd) are paid by their respective service providers.

21.2 Related party transactions
21.2.1 Loans from entities in the group

	2024 R'000	2023 R'000
Loans from controlling company		
Sasfin Bank Limited (Series 1)	**(211 461)**	(211 395)
Sasfin Bank Limited (Series 2)	**(50 796)**	(50 746)
Sasfin Bank Limited (Series 3)	**(131 413)**	(131 508)
Total loans from entities in the Group	**(393 670)**	**(393 649)**

The loans are subordinated, secured and bear interest at rates 3-month JIBAR plus 5.5% Series 1 and Series 2, and JIBAR plus 7.5% for Series 3. These loans are repayable on demand. In the current year loans from entities in the group were disaggregated to reflect the amounts payable per series to provide more useful information to the financial statement users. This had no impact on the primary financial statements.

Notes to the annual financial statements …continued

21.2.2 Intercompany (payables) / receivables with entities in the group

	2024 R'000	2023 R'000
(Payables to) / receivables from controlling company	**(100 005)**	(123 351)
Sasfin Bank Limited (Series 1)	**12 218**	(18 406)
Sasfin Bank Limited (Series 2)	**(98 977)**	(78 395)
Sasfin Bank Limited (Series 3)	**(13 246)**	(26 550)
Intercompany loans from securitised assets	**4 124 153**	4 073 075
Sasfin Bank Limited (Series 1)	**1 953 744**	1 881 603
Sasfin Bank Limited (Series 2)	**552 088**	557 011
Sasfin Bank Limited (Series 3)	**1 618 321**	1 634 461
	4 024 148	3 949 724
(Payables to) / receivables from fellow subsidiaries	**(1 712)**	(247)
Fintech (Pty) Ltd	**(1 190)**	(9 787)
Fintech Lease Rentals (Pty) Ltd	**331**	1 287
Fintech Underwriting (Pty) Ltd	**(662)**	776
Sunlyn (Pty) Ltd	**(191)**	7 477
Total (Payables) / receivables with entities in the Group	**4 022 436**	3 949 477

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash, except for the intercompany loans from securitised assets and seller advance (R52.6 million (2023: R50.7 million)) that is a payable to the Controlling Company. The intercompany loans from securitised assets carry interest based on the underlying contract whilst the seller advance carry interest at 1-month JIBAR. There have been no guarantees provided or received for any related party receivables or payables.

21.2.3 Trading (liabilities) / assets with entities in the group

	2024 R'000	2023 R'000
Trading (liabilities) / assets with Controlling company		
Sasfin Bank Limited	**(425)**	67
Total trading (liabilities) / assets with entities in the Group	**(425)**	67

* The company has a prime/JIBAR interest rate swap with Sasfin Bank Limited. This swap is measured at arm's length and outstanding balances at the year-end are settled in cash.

Notes to the financial statements … continued

21.2.4 Transactions with holding companies, subsidiaries and fellow subsidiaries

	2024 R'000	2023 R'000
Controlling company		
Interest received[2, 3]	**717 275**	610 703
Interest paid	**(62 680)**	(50 081)
Administration fees paid*	**(65 392)**	(59 994)
Dividends paid	**(25 000)**	(20 000)
Management fees*	**(2 533)**	(2 432)
Revenue share*	**(159 262)**	(223 887)
Credit impairment charges[4]	**(37 893)**	(52 662)
	364 514	**201 647**

[1] In the prior year, the related party note in the annual financial statements incorrectly disclosed a fee and commission expense of R9.6 million as a transaction with fellow subsidiaries. This transaction is with parties external to the Group and should therefore not have been shown as a transaction with fellow subsidiaries (and therefore not a transaction with related parties). In the current year it has been corrected in the respective note to the financial statements to no longer include this as a transaction with fellow subsidiaries/related parties.
[2] In the prior year interest received on the intercompany loans from securitised assets of R581.4 million (with the Controlling Company) was incorrectly omitted from the related parties note. The related party interest received was therefore corrected from R29.3 million to R610.7 million in the current year, as it relates to the comparative period.
[3] Interest received consist of R683.5 million (2023: R581.4 million) and R33.8 million (2023: R29.3 million) related to the interest on the intercompany loans from securitised assets and interest earned with cash held with the Controlling Company respectively.
[4] In the prior year credit impairment charges amounting to R52.7 million related to the intercompany loans from securitised assets (with the Controlling Company) was incorrectly omitted from the related parties note. The credit impairment charge was therefore corrected from Rnil million to R52.7 million in the current year, as it relates to the comparative period.

* These transactions are measured in terms of agreements between Sasfin Bank Limited and the Company and is based on the performance of the overall equipment finance book.

21.2.5 Cash and cash equivalents with entities in the Group

	2024 R'000	2023 R'000
Cash and cash equivalents with controlling company		
Sasfin Bank Limited[1]	**377 181**	371 497
Total cash and cash equivalents with entities in the Group	**377 181**	371 497

[1] These are entered into at arm’s length and any interest earned on the balance is settled in cash.

22. CLASSIFICATION OF ASSETS AND LIABILITIES

Accounting classification and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities, their fair values and carrying amounts.

	Balance Sheet	Fair Value Through Profit or loss (mandatory)	Total Fair Value	Amortised cost	Outside scope of IFRS 9	Total
ASSETS	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
2024						
Cash and cash equivalents	**379 997**	**-**	**-**	**379 997**	**-**	**379 997**
Trading assets	**-**	**-**	**-**	**-**	**-**	**-**
Trade and other receivables	**111 891**	**-**	**-**	**13 647**	**98 244**	**111 891**
Intercompany loans from securitised assets	**4 124 153**	**-**	**-**	**4 124 153**	**-**	**4 124 153**
Current taxation asset	**1 399**	**-**	**-**	**-**	**1 399**	**1 399**
Total Assets	**4 617 440**	**-**	**-**	**4 517 797**	**99 643**	**4 817 440**
LIABILITIES						
2024						
Trading liabilities	**2 710**	**2 710**	**2 710**	**-**	**-**	**2 710**
Trade and other payables	**125 080**	**-**	**-**	**124 253**	**827**	**125 080**
Debt securities issued	**3 685 800**	**-**	**-**	**3 685 800**	**-**	**3 685 800**
Deferred tax liability	**122 176**	**-**	**-**	**-**	**122 176**	**122 176**
Loans from entities in the Group	**393 670**	**-**	**-**	**393 670**	**-**	**393 670**
Total liabilities	**4 329 436**	**2 710**	**2 710**	**4 203 723**	**123 003**	**4 329 436**

Notes to the financial statements *… continued*

22. CLASSIFICATION OF ASSETS AND LIABILITIES … *continued*

Accounting classification and fair values … ***continued***

The table below sets out the Company's classification of each class of financial assets and liabilities, their fair values and carrying amounts.

	Balance Sheet	Fair Value Through Profit or loss (mandatory)	Total Fair Value	Amortised cost	Outside scope of IFRS 9	Total
ASSETS	R'000	R'000	R'000	R'000	R'000	R'000
2023						
Cash and cash equivalents	427 041	-	-	427 041	-	427 041
Trading assets	2 917	2 917	2 917	-	-	2 917
Trade and other receivables	95 738	-	-	9 486	86 252	95 738
Intercompany loans from securitised assets	4 073 075	-	-	4 073 075	-	4 073 075
Current taxation asset	42 052	-	-	-	42 052	42 052
Total Assets	**4 640 823**	2 917	2 917	4 509 602	128 304	**4 640 823**

LIABILITIES						
2023						
Trading liabilities	-	-	-	-	-	-
Trade and other payables	140 427	-	-	139 789	638	140 427
Debt securities issued	3 720 138	-	-	3 720 138	-	3 720 138
Deferred tax liability	144 372	-	-	-	144 372	144 372
Loans from entities in the Group	393 649	-	-	393 649	-	393 649
Total liabilities	**4 398 586**	**-**	**-**	**4 253 576**	**145 010**	**4 398 586**

Notes to the financial statements *… continued*

23. CLASSIFICATION OF ASSETS AND LIABILITIES … *continued*

23.1 Financial assets and liabilities measured at fair value

	2024		2023	
	Level 2 R'000	Fair value R'000	Level 2 R'000	Fair value R'000
Recurring fair value measurements				
Financial Assets	-	-	2 917	2 917
Trading assets[1]	-	-	2 917	2 917
Trading liabilities	**2 710**	**2 710**	-	-
Trading liabilities[1]	**2 710**	**2 710**	-	-

[1] These were fair valued on a discounted basis using forward interest rates.

23.2 Financial assets and financial liabilities not measured at fair value

2024	Fair Value Level 1 R'000	Level 2 R'000	Level 3 R'000	Total Fair Value R'000	Amortised Cost R'000
Financial assets	**-**	**379 997**	**4 151 978**	**4 531 975**	**4 517 797**
Cash and cash equivalents[1]	**-**	**379 997**	**-**	**379 997**	**379 997**
Trade and other receivables[1]	**-**	**-**	**13 647**	**13 647**	**13 647**
Intercompany loans from securitised assets[2]	**-**	**-**	**4 138 331**	**4 138 331**	**4 124 153**
Financial liabilities	**3 687 862**	**-**	**517 923**	**4 205 785**	**4 203 723**
Trade and other payables[1]	**-**	**-**	**124 253**	**124 253**	**124 253**
Debt securities issued[2]	**3 687 862**	**-**	**-**	**3 687 862**	**3 685 800**
Loans from entities in the Group[1]	**-**	**-**	**393 670**	**393 670**	**393 670**

[1] *The fair value approximates the carrying value.*
[2] *The fair values of the respective items have been calculated using either quoted prices, observable inputs or unobservable inputs through a discounted cash flow which has been classified as level 1, level 2, and level 3 respectively.*

2023	Fair Value Level 1 R'000	Level 2 R'000	Level 3 R'000	Total Fair Value R'000	Amortised Cost R'000
Financial assets	-	427 041	4 144 159	4 571 200	4 595 854
Cash and cash equivalents[1]	-	427 041	-	427 041	427 041
Trade and other receivables[1]	-	-	95 738	95 738	95 738
Intercompany loans from securitised assets[2]	-	-	4 048 421	4 048 421	4 073 075
Financial liabilities	3 723 158	-	534 076	4 257 234	4 254 214
Trade and other payables[1]	-	-	140 427	140 427	140 427
Debt securities issued[2]	3 723 158	-	-	3 723 158	3 720 138
Loans from entities in the Group[1]	-	-	393 649	393 649	393 649

[1] *The fair value approximates the carrying value.*
[2] *The fair values of the respective items have been calculated using either quoted prices, observable inputs or unobservable inputs through a discounted cash flow which has been classified as level 1, level 2 and level 3 respectively.*

24. FINANCIAL RISK MANAGEMENT

The Company's principal objectives are to ensure that it will be able to continue as a going concern and to provide value to its shareholders through a long-term sustainable real return on capital as a result of managing its business risks within an appropriate risk framework.

In common with all other businesses, the Company is exposed to financial risks. These risks are managed as part of the normal operations of the Company. In addition, the duties of the Group Audit Committee encompass the activities of the company. The primary financial risks to which the Company is exposed are: credit risk (Note 25), liquidity risk (Note 26) and market risk (Note 27), which are described in the respective Notes.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk governance principles in respect of credit, market and liquidity risk have remained relatively unchanged from the prior year. Refer Note 25, Note 26 and Note 27 for more information.

25. CREDIT RISK

Credit risk is the risk of a financial loss stemming from a borrower's failure to repay a loan or otherwise fail to meet a contractual obligation.

The Controlling Company legally sold a portion of its Equipment finance and Capital Equipment finance leases to SASP, as a result exposure to credit arises if the equipment finance leases and capital equipment finance leases customers partially fulfil contractual obligations. The Controlling Company has a credit risk policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Company is exposed to credit risks, which is managed by the Controlling Company by authorising credit limits based on a customers risk profile and monitoring customer arrears and payment history. Credit risk arises from exposures to customer contracts, including outstanding receivables and cash and cash equivalents.

Securitisation (Intercompany loans from securitised assets)

The Company uses securitisation primarily as a source of funding for its lending operations, by adding flexibility to structural liquidity risk and diversifying its funding base. All securitisable assets are subject to the Controlling Company's credit risk policies and procedures.

The Company fulfils a number of roles in the process of securitising these assets, including that of originator, sponsor, hedge counterparty and administrator, and applies its Company credit risk policies and procedures to these functions.

Cash and cash equivalents

Reputable financial institutions are used for investing and cash handling purposes with no history of default.

Trade and other receivables

Given the nature that most of the receivables of the Company are receivables from entities within the Group, management does not expect any counterparty to default on meeting its obligations.

Notes to the financial statements *… continued*

Management of Credit Risk

Deposits with other banks

The Company places funds on a daily basis with other banks. These deposits are generally held on overnight call or on a short-term tenor and are available on demand or at maturity. The deposits are made in accordance with the mandates and directives provided by ALCO and GRCMC. In terms of these policies, deposits can only be made with banking institutions that are rated as investment grade by accredited global rating agencies and may not exceed internal risk limits. Deposits with other banks are reported to executive management on a daily basis, and to ALCO on a quarterly basis. Collateral is not held for deposits with other banks. At the reporting date the Company does not expect any losses from non-performance by the counterparties for these deposits.

Credit impairment

The Company determines an allowance for credit losses that represents its estimate of expected credit losses on its loan portfolio. These credit losses impact the intercompany and Trade & Other receivables amounts. Refer accounting policy Note 1.6 and Note 2.2 for more information.

Write-off policy

Loans and security balances (and any related allowances for impairment losses) are written off when it is determined that these loans and securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's or issuer's financial position resulting in the borrower/issuer no longer being in a position to pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Credit risk measurement and determination

The Company uses internally developed models and practices to measure and manage credit risk, by utilising skilled resources to ensure it is properly managed and controlled. The Company has adopted the standardised approach in terms of Basel III to measure credit risk, and uses the regulatory risk buckets per the SARB as measurement criteria for assessing performing counterparties as follows:

Classification of credit risk exposure	Categorisation of counterparty (IFRS 9)
A Good book	Stage 1[1] and Stage 2[2]
B Special mention	Stage 2[3]
C Substandard	Stage 3[4]
D Doubtful	Stage 3
E Loss	Stage 3

[1] Up to date till 7 days overdue.
[2] More than 7 days overdue up to 30 days overdue. These accounts show signs of SICR.
[3] More than 30 days overdue up to 90 days overdue. These accounts show signs of SICR.
[4] Refer to Note 1.6, under heading default and curing, for the definition of credit-impaired.

Collateral for Intercompany loans from securitised assets

The Company holds collateral against the Intercompany loans from securitised assets in order to reduce credit risk. Although collateral is held, the Company's policy is to establish that Intercompany loans from securitised assets which is granted, is within the customer's (and therefore indirectly Sasfin Bank's Limited) capacity to repay the amount, rather than to rely on the collateral held against them. Estimates of the fair value of collateral are based on the value at the time of borrowing less wear and tear until the current year-end and are updated annually and assessed in detail if an account is individually assessed for impairment. Collateral includes general notarial bonds over the client's stock and other assets, cession of debtor books as well as continuous covering mortgage bonds over property. Insurance taken out by the borrower on Intercompany loans from securitised assets is also viewed as collateral.

Concentration risk

This is the risk of a material exposure by the Company to a small number of borrowers, financial instruments, corporates, institutions or geographies. The Company did not consider there to be any significant concentration risk which has not been adequately provided for.

25.1 Credit Risk Exposure Analysis

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Company's maximum exposure to credit risk on these assets, by credit quality.

South African Securitisation Programme (RF) Limited

(Registration number: 1991/002706/06)

Annual financial statements for the year ended 30 June 2024

Notes to the financial statements … continued

25.1 Credit Risk Exposure Analysis … *continued*

2024	Credit risk grading ECL staging	Net amount R'000	Total exposure R'000	Total ECL R'000	Coverage ratio %	A Stage 1 12-month Exposure R'000	ECL R'000	Coverage ratio %	A and B Stage 2 Lifetime Exposure R'000	ECL R'000	Coverage ratio %	Default (C, D & E) Stage 3 Lifetime Exposure R'000	ECL R'000	Coverage ratio %
Maximum credit exposures of financial assets at amortised cost														
Cash and cash equivalents[1]		**379 997**	**379 997**	**-**	**-**	**379 997**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Intercompany loans from securitised assets[2]		**4 124 153**	**4 340 026**	**215 873**	**4.97**	**3 810 401**	**32 325**	**0.85**	**205 895**	**9 550**	**4.64**	**323 730**	**173 998**	**53.75**
Equipment finance		**3 596 266**	**3 797 275**	**201 009**	**5.29**	**3 331 920**	**29 498**	**0.89**	**174 000**	**6 734**	**3.87**	**291 355**	**164 777**	**56.56**
Capital equipment finance		**527 887**	**542 751**	**14 864**	**2.74**	**478 481**	**2 827**	**0.59**	**31 895**	**2 816**	**8.83**	**32 375**	**9 221**	**28.48**
Trade and other receivables[3]		**111 891**	**111 891**	**-**	**-**	**111 891**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying amount		**4 616 041**	**4 831 914**	**215 873**	**4.47**	**4 302 289**	**32 325**	**0.75**	**205 895**	**9 550**	**4.64**	**323 730**	**173 998**	**53.75**

2024		
Maximum credit exposures on financial assets at FVTPL		**-**
Trading assets		**-**
Total exposure to credit risk		**4 616 041**

[1] Management has assessed these as high-quality liquid assets held with institutions with a low risk of default and hence no ECL allowance has been recognised for these, as it would be immaterial. Refer to Note 4 for significant changes in the balance.

[2] Intercompany loans from securities with a gross carrying amount of R33.665 million that relate to Stage 2 exposures are included in Stage 1 above.

[3] Includes non-financial assets of R98.24 million that is not subject to credit risk exposure.

Notes to the financial statements *… continued*

25.1 Credit Risk Exposure Analysis … *continued*

2023	Credit risk grading ECL staging	Net amount R'000	Total exposure R'000	Total ECL R'000	Coverage ratio %	A Stage 1 12-month Exposure R'000	ECL R'000	Coverage ratio %	A and B Stage 2 Lifetime Exposure R'000	ECL R'000	Coverage ratio %	Default (C, D & E) Stage 3 Lifetime Exposure R'000	ECL R'000	Coverage ratio %
Maximum credit exposures of financial assets at amortised cost														
Cash and cash equivalents[1]		427 041	427 041	-	-	427 041	-	-	-	-	-	-	-	-
Intercompany loans from securitised assets		4 073 075	4 313 097	240 022	5.55	3 947 193	37 478	0.95	67 403	8 812	13.07	298 501	193 733	64.90
Equipment finance		3 347 926	3 579 852	231 926	6.46	3 240 966	34 853	1.07	56 354	8 261	14.66	282 532	188 813	66.83
Capital equipment finance		725 149	733 245	8 096	1.10	706 227	2 625	0.37	11 049	551	4.99	15 969	4 920	30.81
Trade and other receivables[2]		95 738	95 792	54	0.08	95 792	54	0.08	-	-	-	-	-	-
Net carrying amount		4 595 854	4 835 930	240 076	5.64	4 470 026	37 532	1.03	67 403	8 812	13.07	298 501	193 733	64.90

2023	
Maximum credit exposures on financial assets at FVTPL	
Trading assets	2 917
Total exposure to credit risk	4 598 771

[1] Management has assessed these as high-quality liquid assets held with institutions with a low risk of default and hence no ECL allowance has been recognised for these, as it would be immaterial. Refer to Note 4 for significant changes in the balance.
[2] Includes non-financial assets of R86 252 million that is not subject to credit risk exposure.

Notes to the financial statements … continued

25.1 Credit Risk Exposure Analysis … *continued*

Concentration risk of advances	2024 R'000	2023 R'000
Sectorial analysis		
Agriculture	**140 897**	128 635
Community, social and personal services	**1 451 086**	1 386 889
Construction	**144 805**	141 279
Electricity and water	**22 050**	29 752
Finance, real estate and business services	**818 930**	767 397
Manufacturing	**534 937**	537 581
Mining	**64 121**	99 364
Trade and accommodation	**761 437**	790 293
Transport and communication	**390 530**	401 253
Other activities	**11 233**	30 654
TOTAL	**4 340 026**	**4 313 097**

25.2 Collateral and other security enhancements

25.2.1 *Description of Collateral for Intercompany loans from securitised assets*

Intercompany loans from securitised assets[1]	*Security*
Equipment finance	Sasfin Bank Limited retains full ownership of the assets and equipment financed throughout the duration of the contract.
Capital equipment finance	The primary collateral held for Capital Equipment Finance by Sasfin Bank Limited is the plant/equipment being financed. However, other security such as general notarial bonds over other assets and continuous covering mortgage bonds over property are sometimes taken to increase the collateral cover.

[1] *Please refer to Note 7 for additional information on the failed derecognition on securitisation by Sasfin Bank Limited.*

Notes to the financial statements *… continued*

25.2.2 ***Description of Collateral for Intercompany loans from securitised assets***

Given the nature of the finance lease rental agreement, whereby the underlying assets are legally owned by the Company, management is comfortable that at inception of the agreement, the value of the underlying asset equates to the amount due. The value of the asset is not subsequently reassessed unless there is default. An estimate of the fair value of collateral and other security enhancements held is shown below.

	Gross exposure R'000	Fixed assets R'000	Total R'000	Unsecured R'000
2024				
Intercompany loans from securitised assets				
Equipment finance	**3 797 275**	**3 175 771**	**3 175 771**	**621 504**
Capital equipment finance	**542 751**	**419 740**	**419 740**	**123 011**
	4 340 026	**3 595 511**	**3 595 511**	**744 515**
2023				
Intercompany loans from securitised assets				
Equipment finance	3 579 852	3 579 852	3 579 852	-
Capital equipment finance	733 245	733 245	733 245	-
	4 313 097	4 313 097	4 313 097	-

25.2.3 ***Collateral held against individually impaired assets***

	Gross exposure R'000	Fixed assets R'000	Total R'000	Unsecured R'000
2024				
Intercompany loans from securitised assets				
Equipment finance	**291 355**	**110 180**	**110 180**	**181 175**
Capital equipment finance	**32 375**	**22 564**	**22 564**	**9 811**
	323 730	**132 744**	**132 744**	**190 986**
2023				
Intercompany loans from securitised assets				
Equipment finance	282 532	282 532	282 532	-
Capital equipment finance	15 969	5 505	5 505	10 464
	298 501	288 037	288 037	10 464

Notes to the financial statements *… continued*

25.3 Credit loss allowance analysis

25.3.1 *Reconciliation of ECL on Intercompany loans from securitised assets at amortised cost by product*

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2024				
Equipment Finance[1]				
Credit loss allowance balance beginning of the year	**34 854**	**8 262**	**188 810**	**231 926**
Transfers between stages	**(1 242)**	**(1 270)**	**40 357**	**37 845**
Stage 1 to Stage 2	**(427)**	**-**	**-**	**(427)**
Stage 2 from Stage 1	**-**	**6 812**	**-**	**6 812**
Stage 1 to Stage 3	**(1 074)**	**-**	**-**	**(1 074)**
Stage 3 from Stage 1	**-**	**-**	**35 522**	**35 522**
Stage 2 to Stage 1	**-**	**(4 880)**	**-**	**(4 880)**
Stage 1 from Stage 2	**205**	**-**	**-**	**205**
Stage 2 to Stage 3	**-**	**(3 255)**	**-**	**(3 255)**
Stage 3 from Stage 2	**-**	**-**	**9 082**	**9 082**
Stage 3 to Stage 1	**-**	**-**	**(4 010)**	**(4 010)**
Stage 1 from Stage 3	**54**	**-**	**-**	**54**
Stage 3 to Stage 2	**-**	**-**	**(237)**	**(237)**
Stage 2 from Stage 3	**-**	**53**	**-**	**53**
Changes in ECL	**(4 114)**	**2 742**	**10 606**	**9 234**
ECL on new exposure raised	**9 699**	**529**	**2 242**	**12 470**
Subsequent changes in ECL	**(9 647)**	**2 893**	**16 337**	**9 583**
Change in ECL due to derecognition	**(4 166)**	**(680)**	**(7 973)**	**(12 819)**
Impaired accounts written off	**-**	**-**	**(77 996)**	**(77 996)**
Credit loss allowance balance end of the year	**29 498**	**9 734**	**161 777**	**201 009**

[1] *The gross carrying amount of Equipment Finance changed as follows in relation to the ECL:*

- *Gross Equipment Finance increased by R1.1 billion due to new business. This resulted in an increase in the expected credit loss allowance of R12.5 million;*
- *The gross carrying amount of Impaired accounts written off amounted to R93.8 million.*
- *The gross carrying amount that were modified during the year that did not result in derecognition was Rnil;*
- *No Equipment Finance was sold during the current year; and*
- *Gross carrying amount of Equipment Finance that were transferred were as follows:*
  - *R39.6 million from Stage 1 to Stage 2;*
  - *R100.2 million from Stage 1 to Stage 3;*
  - *R34.1 million from Stage 2 to Stage 1;*
  - *R21.9 million from Stage 2 to Stage 3;*
  - *R10.9 million from Stage 3 to Stage 1; and*
  - *R0.7 million from Stage 3 to Stage 2.*
- *The above disclosure has been added in the current year to enhance disclosure. Prior year disclosure was updated accordingly. No impact is noted on the primary financial statements.*

Notes to the annual financial statements *…continued*

25.3 Credit loss allowance analysis … *continued*

25.3.1 *Reconciliation of ECL on Intercompany loans from securitised assets at amortised cost by product … continued*

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2023				
Equipment Finance				
Credit loss allowance balance beginning of the year	48 841	6 119	170 047	225 007
Transfers between stages	(1 902)	2 413	33 955	34 466
Stage 1 to Stage 2	(854)	-	-	(854)
Stage 2 from Stage 1	-	7 916	-	7 916
Stage 1 to Stage 3	(1 266)	-	-	(1 266)
Stage 3 from Stage 1	-	-	31 035	31 035
Stage 2 to Stage 1	-	(3 674)	-	(3 674)
Stage 1 from Stage 2	171	-	-	171
Stage 2 to Stage 3	-	(1 850)	-	(1 850)
Stage 3 from Stage 2	-	-	5 594	5 594
Stage 3 to Stage 1	-	-	(2 555)	(2 555)
Stage 1 from Stage 3	47	-	-	47
Stage 3 to Stage 2	-	-	(119)	(119)
Stage 2 from Stage 3	-	21	-	21
Changes in ECL	**(12 085)**	**(270)**	**32 762**	**20 407**
ECL on new exposure raised	12 398	2 102	3 682	18 182
Subsequent changes in ECL	(19 058)	(1 272)	37 643	17 313
Change in ECL due to derecognition	(5 425)	(1 100)	(8 563)	(15 088)
Impaired accounts written off	-	-	(47 954)	(47 954)
Credit loss allowance balance end of the year	**34 854**	**8 262**	**188 810**	**231 926**

Notes to the annual financial statements *…continued*

25.3 Credit loss allowance analysis … *continued*

25.3.1 Reconciliation of ECL on Intercompany loans from securitised assets at amortised cost by product … continued

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2024				
Capital equipment Finance				
Credit loss allowance balance beginning of the year	2 626	552	4 918	8 096
Transfers between stages	(160)	2 101	5 780	7 721
Stage 1 to Stage 2	(112)	-	-	(112)
Stage 2 from Stage 1	-	2 535	-	2 535
Stage 1 to Stage 3	(67)	-	-	(67)
Stage 3 from Stage 1	-	-	5 331	5 331
Stage 2 to Stage 1	-	(61)	-	(61)
Stage 1 from Stage 2	6	-	-	6
Stage 2 to Stage 3	-	(373)	-	(373)
Stage 3 from Stage 2	-	-	912	912
Stage 3 to Stage 1	-	-	(463)	(463)
Stage 1 from Stage 3	13	-	-	13
Stage 3 to Stage 2	-	-	-	-
Stage 2 from Stage 3	-	-	-	-
Changes in ECL	361	163	(1 443)	(919)
ECL on new exposure raised	669	171	32	872
Subsequent changes in ECL	(122)	14	(880)	(988)
Change in ECL due to derecognition	(186)	(22)	(595)	(803)
Impaired accounts written off	-	-	(34)	(34)
Credit loss allowance balance end of the year	2 827	2 816	9 221	14 864

[1] *The gross carrying amount of Capital Equipment Finance changed as follows in relation to the ECL:*

- *Gross Capital Equipment Finance increased by R117.3 million due to new business. This resulted in an increase in the expected credit loss allowance of R0.9 million;*
- *The gross carrying amount of Impaired accounts written off amounted to R0.7 million.*
- *The gross carrying amount that were modified during the year that did not result in derecognition was Rnil*
- *No Capital Equipment Finance was sold during the current year; and*
- *Gross carrying amount of Capital Equipment Finance that were transferred were as follows:*
  - *R30.3 million from Stage 1 to Stage 2;*
  - *R18.3 million from Stage 1 to Stage 3;*
  - *R1.5 million from Stage 2 to Stage 1;*
  - *R7.3 million from Stage 2 to Stage 3;*
  - *R3.3 million from Stage 3 to Stage 1; and*
  - *Rnil from Stage 3 to Stage 2.*
- *The above disclosure has been added in the current year to enhance disclosure. Prior year disclosure was updated accordingly. No impact is noted on the primary financial statements.*

25.3 Credit loss allowance analysis … *continued*

25.3.1 Reconciliation of ECL on Intercompany loans from securitised assets at amortised cost by product … continued

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2023				
Capital equipment Finance				
Credit loss allowance balance beginning of the year	1 372	55	2 348	3 775
Transfers between stages	**19**	**(446)**	**2 233**	**1 806**
Stage 1 to Stage 2	(19)	-	-	(19)
Stage 2 from Stage 1	-	320	-	320
Stage 1 to Stage 3	(26)	-	-	(26)
Stage 3 from Stage 1	-	-	1 836	1 836
Stage 2 to Stage 1	-	(754)	-	(754)
Stage 1 from Stage 2	64	-	-	64
Stage 2 to Stage 3	-	(12)	-	(12)
Stage 3 from Stage 2	-	-	397	397
Stage 3 to Stage 1	-	-	-	-
Stage 1 from Stage 3	-	-	-	-
Stage 3 to Stage 2	-	-	-	-
Stage 2 from Stage 3	-	-	-	-
Changes in ECL	**1 235**	**943**	**808**	**2 986**
ECL on new exposure raised	1 062	355	247	1 664
Subsequent changes in ECL	406	588	666	1 660
Change in ECL due to derecognition	(233)	-	(105)	(338)
Impaired accounts written off	-	-	(471)	(471)
Credit loss allowance balance end of the year	**2 626**	**552**	**4 918**	**8 096**

25.3 Credit loss allowance analysis … *continued*

25.3.1 Reconciliation of ECL on Intercompany loans from securitised assets at amortised cost by product … continued

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2024				
Total Intercompany loans from securitised assets				
Credit loss allowance balance beginning of the year	37 480	8 811	193 731	240 022
Transfers between stages[1]	(1 402)	831	46 137	45 566
Stage 1 to Stage 2	(539)	-	-	(539)
Stage 2 from Stage 1	-	9 347	-	9 347
Stage 1 to Stage 3	(1 141)	-	-	(1 141)
Stage 3 from Stage 1	-	-	40 853	40 853
Stage 2 to Stage 1	-	(4 941)	-	(4 941)
Stage 1 from Stage 2[4]	211	-	-	211
Stage 2 to Stage 3[6]	-	(3 628)	-	(3 628)
Stage 3 from Stage 2	-	-	9 994	9 994
Stage 3 to Stage 1	-	-	(4 473)	(4 473)
Stage 1 from Stage 3	67	-	-	67
Stage 3 to Stage 2[1]	-	-	(237)	(237)
Stage 2 from Stage 3	-	53	-	53
Changes in ECL	(3 753)	(92)	12 160	8 315
ECL on new exposure raised	10 368	700	2 274	13 343
Subsequent changes in ECL	(9 769)	(93)	18 457	8 595
Change in ECL due to derecognition	(4 352)	(699)	(8 571)	(13 622)
Impaired accounts written off	-	-	(78 030)	(78 030)
Credit loss allowance balance end of the year	32 325	9 550	173 998	215 873

It is the Company's practice to transfer the ECL between stages, by comparing the ECL stage for an exposure at the beginning of the reporting period to the ECL stage of that exposure at the end of the reporting period, for those exposures that have not yet been settled.

25.3 Credit loss allowance analysis … *continued*

25.3.1 *Reconciliation of ECL on Intercompany loans from securitised assets at amortised cost by product … continued*

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2023				
Total Intercompany loans from securitised assets				
Credit loss allowance balance beginning of the year	50 212	6 172	172 399	228 783
Transfers between stages[10]	**(1 882)**	**1 968**	**36 186**	**36 272**
Stage 1 to Stage 2	(872)	-	-	(872)
Stage 2 from Stage 1	-	8 236	-	8 236
Stage 1 to Stage 3[5]	(1 292)	-	-	(1 292)
Stage 1 to Stage 3[3]	-	-	32 871	32 871
Stage 2 to Stage 1	-	(4 429)	-	(4 429)
Stage 1 from Stage 2[4]	235	-	-	235
Stage 2 to Stage 3[6]	-	(1 862)	-	(1 862)
Stage 3 from Stage 2	-	-	5 991	5 991
Stage 3 to Stage 1	-	-	(2 557)	(2 557)
Stage 1 from Stage 3	47	-	-	47
Stage 3 to Stage 2[1]	-	-	(119)	(119)
Stage 2 to Stage 3[2]	-	23	-	23
Changes in ECL	**(10 850)**	**671**	**33 570**	**23 391**
ECL on new exposure raised	13 460	2 457	3 929	19 846
Subsequent changes in ECL[7]	(18 652)	(685)	38 309	18 972
Change in ECL due to derecognition[8]	(5 658)	(1 101)	(8 668)	(15 427)
Impaired accounts written off[9]	-	-	(48 424)	(48 424)
Credit loss allowance balance end of the year	**37 480**	**8 811**	**193 731**	**240 022**

[1] Customers are up to date and six consecutive payments paid on due date and no SICR exists.
[2] Customers that are still in high care or the customer still displays signs of SICR. Distressed restructures that were in default and made six consecutive monthly payments under the revised terms.
[3] Customers classified as credit-impaired. For the definition refer to accounting policies Note 1.6.
[4] Customers classified as credit-impaired. For the definition refer to accounting policies Note 1.6.
[5] Customers defined as “high care” showing signs of SICR. SICR takes into account technical arrears (account past due for up to seven days) and materiality (an amount that is equal to or less than 5% of the next instalment due).Refer to accounting policies Note 1.6.
[6] Customers up to date and no qualitative indicators of SICR are present.
[7] Include ECL move in the current stage for increases/decreases in customer exposures.
[8] Settlement of accounts.
[9] No further reasonable expectation of further recovery exists.
[10] It is the Company’s practice to transfer the ECL between stages, by comparing the ECL stage for an exposure at the beginning of the reporting period to the ECL stage of that exposure at the end of the reporting period, for those exposures that have not yet been settled.

25.3.2 ***Credit impairment charges recognised in profit or loss***

	2024 R'000	2023 R'000
Net ECL recognised	**45 635**	60 302
Intercompany loans from securitised assets[1]	**45 689**	60 248
Trade and other receivables	**(54)**	54
Recoveries of Intercompany loans from securitised assets previously written off	**(7 796)**	(7 586)
	37 839	52 716

1 The impact of Interest in Suspense (ISP) of R25.9 million (2023: R1.1 million) is included in interest income (refer to Note 13).

26. LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty meeting obligations from its financial liabilities when they fall due. The risk is inherent in all financial services operations and can be impacted by a range of industry specific and market wide events.

Management of liquidity risk:

To manage the liquidity risk arising from financial liabilities, the Company holds enough high-quality assets comprising of cash and cash equivalents and from a legal perspective the underlying assets of the intercompany loans from securitised assets.

The priority of payments is prepared each month. This sets out the creditor payment requirement per month. Any excess is made available to purchase eligible assets. Any payments due with a longer term than 30 days is provided for. This includes provisional tax, noteholder and subordinated debt interest.

The Company has credit enhancements that include Level 1 enhancements through the Arrear Reserve, Level 2 through the Reserve Fund and Level 3 through subordinated debt.

Exposure to liquidity risk:

Key measures used by the Company for managing liquidity risk are inter alia:

- Excess cash available after priority of payments
- Current ratio

The most material liquidity risk relating to the Company relates to refinance risk on maturity date of the issued notes. This is actively managed through the Debt capital markets capability within the Group, who actively manages funder relationships, investor information and pro-active market engagement prior to maturity date. To date all refinance cycles have been materially refinanced and/or oversubscribed on maturity date.

The maturity profit is presented below.

Notes to the financial statements *… continued*

26.1 Contractual maturity analysis

2024	Carrying Amount R'000	Gross Inflow/ Outflow R'000	Less than 1 month R'000	1 – 3 months R'000	4 – 12 months R'000	1 – 2 years R'000	2 – 3 years R'000	3 – 4 years R'000	4 – 5 years R'000	More than 5 years R'000	Non contractual R'000	Total R'000
Discounted maturity												
Assets												
Cash and cash equivalents	**379 997**	**379 997**	**379 533**	**464**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**379 997**
Trade and other receivables	**111 891**	**13 647**	**13 647**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**98 244**	**111 891**
Intercompany loans from securitised assets[2, 3]	**4 124 153**	**4 015 458**	**10 982**	**13 460**	**204 196**	**725 267**	**1 178 059**	**1 066 718**	**813 192**	**3 584**	**108 695**	**4 124 153**
Current taxation asset	**1 399**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1 399**	**1 399**
Total assets	**4 617 440**	**4 409 102**	**404 162**	**13 924**	**204 196**	**725 267**	**1 178 059**	**1 066 718**	**813 192**	**3 584**	**208 338**	**4 617 440**
Undiscounted maturity												
Liabilities												
Trading liabilities	**2 710**	**2 710**	**2 710**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2 710**
Trade and other payables	**125 080**	**124 252**	**124 252**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**828**	**125 080**
Debt securities issued[2]	**3 685 800**	**4 372 108**	**-**	**436 763**	**1 224 823**	**581 719**	**1 242 524**	**886 279**	**-**	**-**	**-**	**4 372 108**
Deferred tax liability	**122 176**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**122 176**	**122 176**
Loans from entities in the group	**393 670**	**564 021**	**-**	**14 283**	**88 482**	**49 039**	**49 151**	**363 066**	**-**	**-**	**-**	**564 021**
Total liabilities	**4 329 436**	**5 063 091**	**126 962**	**451 046**	**1 313 305**	**630 758**	**1 291 675**	**1 249 345**	**-**	**-**	**123 004**	**5 186 095**

The Company's liquidity risk reporting is based on a contractual maturity basis as opposed to a business-as-usual maturity basis, which is preferred by the ALCO. The liquidity mismatches forecast is highly improbable to occur. The Company closely manages its liquidity positions by including various buffers into its daily liquidity monitoring reports.

1 Non-contractual refers to non-financial instruments and the net exposure on non-performing loans (after considering the related ECL) on which legal proceedings have been initiated. This is an enhancement from prior year where the total amount of ECL was classified as non-contractual, including the ECL balance related to performing loans. The prior year was not updated as the disclosure was not available.

2 SASP intends to early settle the Series 2 notes subject to the successful disposal of the CEF Business to African Bank (Refer to Note 29). The above contractual maturities for Series 2 reflect management's expectation of the realization of the disposal of the CEF Business to African Bank.

3 The Intercompany loans from securitised assets have been bucketed as per their contract end date. Please refer to Note 7 for the contractual cash flow expectations of the Intercompany loans from securitised assets.

Notes to the financial statements … continued

26.1 Contractual maturity analysis … *continued*

2023	Carrying Amount R'000	Gross Inflow/ Outflow R'000	Less than 1 month R'000	1 – 3 months R'000	4 – 12 months R'000	1 – 2 years R'000	2 – 3 years R'000	3 – 4 years R'000	4 – 5 years R'000	More than 5 years R'000	Non contractual[1] R'000	Total R'000
Discounted maturity												
Assets												
Cash and cash equivalents	427 041	427 041	427 041	-	-	-	-	-	-	-	-	427 041
Trading assets	2 917	2 917	2 917	-	-	-	-	-	-	-	-	2 917
Trade and other receivables	95 738	9 540	9 540	-	-	-	-	-	-	-	86 198	95 738
Intercompany loans from securitised assets[3]	4 073 075	4 118 056	30 212	15 353	224 889	703 841	1 097 440	1 105 286	935 148	5 887	(44 981)	4 073 075
Current taxation asset	42 052	-	-	-	-	-	-	-	-	-	42 052	42 052
Total assets[2]	**4 640 823**	**4 557 554**	**469 710**	**15 353**	**224 889**	**703 841**	**1 097 440**	**1 105 286**	**935 148**	**5 887**	**83 269**	**4 640 823**
Undiscounted maturity												
Liabilities												
Trading liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	140 427	139 789	139 789	-	-	-	-	-	-	-	638	140 427
Debt securities issued	3 720 138	4 613 989	-	266 570	429 253	974 818	1 077 379	629 882	1 236 087	-	-	4 613 989
Deferred tax liability	144 372	-	-	-	-	-	-	-	-	-	144 372	144 372
Loans from entities in the group[4]	393 649	619 030	-	13 173	40 729	54 281	100 907	47 477	362 463	-	-	619 030
Total liabilities[2]	**4 398 586**	**5 372 808**	**139 789**	**279 743**	**469 982**	**1 029 099**	**1 178 286**	**677 359**	**1 598 550**	**-**	**145 010**	**5 517 818**

[1] Non-contractual refers to non-financial instruments, the ECL on the financial instruments and non-performing loans on which legal proceedings have been initiated.

[2] The total for column 'gross inflow/outflow' for both assets and liabilities incorrectly included 'non-contractual' amounts for trade and other receivables (restated from R95.7 million to R9.5 million), current taxation asset (restated from R42.1 million to Rnil) and trade and other payables (restated from R140.4 million to R139.8 million). This resulted in the total for the column 'gross inflow/outflow' changing from R4.6 billion to R4.5 billion for assets and from R5.1 billion to R5.4 billion for liabilities, respectively. No impact is noted on the primary financial statements.

[3] The Intercompany loans from securitised assets have been bucketed as per their contract end date. Please refer to Note 7 for the contractual cash flow expectations of the Intercompany loans from securitised assets.

[4] In the prior year, the full balance of R393.6 million related to loans from entities in the group which was incorrectly bucketed as 'less than 1 month' instead of bucketing it per the contractually agreed maturities for both capital repayments and future expected interest. This was therefore corrected in the current year to be bucketed as per the contractually agreed maturities for both capital repayments and future expected interest, as it relates to the comparative period. No impact is noted on the primary financial statements

Notes to the financial statements ... continued

26.2 Discounted maturity analysis: Current and non-current

	2024			2023		
	Current[1] R'000	Non-current[1] R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Assets						
Cash and cash equivalents	**379 997**	**-**	**379 997**	427 041	-	427 041
Trading assets	**-**	**-**	**-**	2 917	-	2 917
Trade and other receivables	**111 891**	**-**	**111 891**	95 738	-	95 738
Intercompany loans from securitised assets	**228 638**	**3 895 515**	**4 124 153**	323 192	3 749 883	4 073 075
Current taxation asset	**1 399**	**-**	**1 399**	42 052	-	42 052
Total assets	**721 925**	**3 895 515**	**4 617 440**	890 940	3 749 883	4 640 823
Liabilities						
Trading liabilities	**2 710**	**-**	**2 710**	-	-	-
Trade and other payables	**125 080**	**-**	**125 080**	140 427	-	140 427
Debt securities issued	**1 385 800**	**2 300 000**	**3 685 800**	684 853	3 035 285	3 720 138
Deferred tax liability	**-**	**122 176**	**122 176**	-	144 372	144 372
Loans from entities in the Group[2]	**57 437**	**336 233**	**393 670**	7 415	386 234	393 649
Total liabilities	**1 571 027**	**2 758 409**	**4 329 436**	832 695	3 565 891	4 398 586

[1] For financial assets that have an ECL balance at the reporting date, the maturity analysis in the current year was enhanced to reflect the net exposure (i.e., after considering the ECL balance exposure) rather than only the gross exposure. This disclosure was not available for prior year.
[2] In the prior year, loans from entities in the Group was incorrectly bucketed as current rather than non-current. The bucketing between current and non-current was corrected in the current year to more accurately reflect the repayment terms, as it related to the comparative period. No impact is noted on the primary financial statements.

27. MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily changes in interest rates. The Company seeks to minimise the effects of interest rate risks by using the derivative financial instruments (see note below).

Derivative financial instruments (refer to Note 27.3)

Derivatives are entered into in the normal course of business and no material losses are anticipated other than those which have been accounted for in profit or loss. All commitments or contingent commitments under derivative financial instruments are settled in 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 Company in derivative contracts and not its exposure to market or credit risks arising from such contracts.

Interest rate swaps

Interest rate swaps are used to hedge the Company’s exposure to changes in the fair values of its notes and certain Intercompany loans from securitised assets attributable to changes in market interest rates. Interest rate swaps are matched to specific issuance of notes or Intercompany loans from securitised assets.

Notes to the financial statements *… continued*

27.1 MARKET RISKS

The tables summarise the Company's exposure to interest rate risk through categorisation of assets and liabilities into time buckets, determined as being the earlier of the contractual re-pricing date or maturity. The below table is not indicative of when the assets or liabilities are due for settlement but rather when re-pricing of the interest rate will occur. The net pricing gap is therefore not a reflection of the Company's liquidity risk nor its ability to settle liabilities as it become due. Refer to Note 26 for the Company's liquidity risk.

	Up to 1 month R'000	1-3 months R'000	4-12 months R'000	1-5 Years R'000	More than 5 years R'000	Total R'000
2024						
ASSETS						
Non-trading portfolios						
Cash and cash equivalents	**379 997**	**-**	**-**	**-**	**-**	**379 997**
Intercompany loans from securitised assets	**4 115 915**	**2 099**	**16 381**	**205 628**	**-**	**4 340 023**
TOTAL ASSETS	**4 495 912**	**2 099**	**16 381**	**205 628**	**-**	**4 720 020**
LIABILITIES						
Non-trading portfolios						
Trade and other Payables	**(52 570)**	**-**	**-**	**-**	**-**	**(52 570)**
Debt securities issued	**-**	**(3 685 800)**	**-**	**-**	**-**	**(3 685 800)**
Loans from Entities in the Group	**(393 670)**	**-**	**-**	**-**	**-**	**(393 670)**
TOTAL LIABILITIES	**(446 240)**	**(3 685 800)**	**-**	**-**	**-**	**(4 132 040)**
NET PRICING GAP	**4 049 672**	**(3 683 701)**	**16 381**	**205 628**	**-**	**587 980**
CUMULATIVE REPRICING GAP	**4 049 672**	**365 971**	**382 352**	**587 980**	**587 980**	**587 980**
A 100 basis point interest rate change will have the following effect on profit/loss[1]						
100 bp parallel shock interest rate increase	**3 370**	**595**	**2 691**	**-**	**-**	**6 656**
100 bp parallel shock interest rate decrease	**(1 453)**	**3 238**	**14 559**	**-**	**-**	**16 344**

[1] During 2024 the sensitivity analysis was modified to use 100 bps as a parallel shock rate compared to prior year.

Notes to the financial statements *… continued*

27.1 MARKET RISKS … *continued*

	Up to 1 month R'000	1-3 months R'000	4-12 months R'000	1-5 Years R'000	More than 5 years R'000	Total R'000
2023						
ASSETS						
Non-trading portfolios						
Cash and cash equivalents[1]	427 041	-	-	-	-	427 041
Intercompany loans from securitised assets[1]	3 866 543	1 925	21 310	229 586	-	4 119 364
TOTAL ASSETS	**4 293 584**	**1 925**	**21 310**	**229 586**	**-**	**4 546 405**
LIABILITIES[2]						
Non-trading portfolios						
Debt securities issued	-	(3 720 138)	-	-	-	(3 720 138)
Long-term loans	-	-	-	-	-	-
Loans from Entities in the Group[1]	-	(393 649)	-	-	-	(393 649)
TOTAL LIABILITIES	**-**	**(4 113 787)**	**-**	**-**	**-**	**(4 113 787)**
NET PRICING GAP[1]	4 293 584	(4 111 862)	21 310	229 586	-	432 618
CUMULATIVE REPRICING GAP	4 293 584	181 722	203 032	432 618	432 618	432 618
A 400 basis point interest rate change will have the following effect on profit/loss:						
400 bp parallel shock interest rate increase	14 312	1 211	6 091	-	-	21 614
400 bp parallel shock interest rate decrease	(12 507)	2 399	10 157	-	-	49

[1] Management is comfortable with the net pricing gap when the up to 1 month and 1-3 months are assessed together.
[2] For enhanced disclosure purposes, the liabilities were amended to be presented in brackets in the current year. No impact is noted on the primary financial statements.

Notes to the financial statements *... continued*

27.2 Currency risk

Analysis of Assets and Liabilities by Currency

	South African Rand R'000	Total R'000
2024		
Assets		
Cash and cash equivalents	**379 997**	**379 997**
Trading assets	**-**	**-**
Trade and other receivables	**111 891**	**111 891**
Intercompany loans from securitised assets	**4 124 153**	**4 124 153**
Current Taxation Asset	**1 399**	**1 399**
Total assets	**4 617 440**	**4 617 440**
Liabilities		
Trading liabilities	**2 710**	**2 710**
Trade and other payables	**125 080**	**125 080**
Debt securities issued	**3 685 800**	**3 685 800**
Deferred tax liability	**122 176**	**122 176**
Loans from entities in the Group	**393 670**	**393 670**
Total liabilities	**4 329 436**	**4 329 436**
2023		
Assets		
Cash and cash equivalents	427 041	427 041
Trading assets	2 917	2 917
Trade and other receivables	95 738	95 738
Intercompany loans from securitised assets	4 073 075	4 073 075
Taxation	42 052	42 052
Total assets	**4 640 823**	**4 640 823**
Liabilities		
Trading liabilities		
Trade and other payables	140 427	140 427
Debt securities issued	3 720 138	3 720 138
Deferred tax liability	144 372	144 372
Loans from entities in the Group	393 649	393 649
Total liabilities	**4 398 586**	**4 398 586**

27.3 Derivative financial instruments

	Within 1 year R'000	Net fair value R'000	Positive fair value R'000	Negative fair value R'000	Notional principal R'000
2024					
Interest rate swaps	**(2 710)**	**(2 710)**	**-**	**(2 710)**	**1 892 826**
Total derivatives	**(2 710)**	**(2 710)**	**-**	**(2 710)**	**1 892 826**
2023					
Interest rate swaps	2 917	2 917	2 917	-	1 931 939
Total derivatives	**2 917**	**2 917**	**2 917**	**-**	**1 931 939**

28. CAPITAL MANAGEMENT

In the current year, the Company has tailored the capital management to align with the Company's capital management rather than the Group's. There have been no changes to what the Company manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's management takes responsibility for the pricing of products and services so as to provide superior returns commensurate with the level of risk.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in Notes 9 and 21.2.1 and cash and cash equivalents disclosed in Note 4 as disclosed in the statement of financial position. The Company defines capital as equity funding provided by shareholders and debt funding from external parties. Shareholder funding comprises permanent paid up capital and share premium.

The Company monitors capital on the basis of the following ratios:

2024:

	SASP 1		SASP 2		SASP 3	
	Minimum requirement	Actual	Minimum requirement	Actual	Minimum requirement	Actual
First tranche loss	**4.46%**	**4.79%**	**2.50%**	**2.50%**	**1.00%**	**1.00%**
Second loss loan	**12.54%**	**12.54%**	**10.00%**	**10.00%**	**8.00%**	**8.66%**

2023:

	SASP 1		SASP 2		SASP 3	
	Minimum requirement	Actual	Minimum requirement	Actual	Minimum requirement	Actual
First tranche loss	4.46%	4.79%	2.50%	2.50%	1.00%	1.00%
Second loss loan	12.54%	12.54%	10.00%	10.00%	8.00%	8.47%

Based on the table above, the Company has complied with this covenant throughout the reporting period.

29. SUBSEQUENT EVENTS AND GOING CONCERN

Subsequent events

Refinancing of SASP notes

The Company successfully re-financed Class A, Class B and Class C notes to the value of R341 million in August 2024.

Regulatory approvals for disposal by Sasfin Bank of its capital equipment finance (CEF) business to African Bank Limited

On 1 August 2024, final regulatory approvals, including from the Minister of Finance, were obtained for the African Bank Limited ("African Bank") deal ("Disposal"). This approval is subject to the approval of, and continued compliance with, all the requirements specified by all the relevant regulatory and/or supervisory authorities.

The Disposal of the CEF Business is for circa R3.14 billion (of which R527.9 million relates to the Company), based on the loan balances as at the end of June 2024, will now be affected in accordance with the disposal agreements and regulatory implementation requirements which will be fulfilled jointly with African Bank. The CEF Business (R527.9 million) relating to the Company, will be disposed of to Sasfin Bank Limited, whereafter it will be disposed of to African Bank. The CEF Business is in the process of being finalised with the expectation that it should be finalised in the fourth quarter of the calendar year.

In addition, the legal agreements to enable the Company to early settle the Series 2 Notes (R505.9 million as at 30 June 2024) between the Controlling Company and Series 2 Security SPV on successful disposal of the CEF Business were signed after the reporting date.

As noted above, the approval of the sale of the CEF Business was subject to the approval of, and continued compliance with, all the requirements specified by all the relevant regulatory and/or supervisory authorities. This approval was obtained on 31 October 2024. The disposal of the CEF Business will occur in three phases, of which the sale of the CEF Business in the Company to the Controlling Company being phase 2.

Sale of Subordinated debt by Controlling Company

As at 30 June 2024, the total subordinated debt liability in Series 1 was R211 million (Capital: R208 million and Accrued Interest of R 3.5 million) which was owed to the Controlling Company. During September 2024, the Controlling Company sold R55 million of this to an external party. This resulted in that R156 million are owed to the Controlling Company whilst R55 million to an external party.

Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in sound financial position and that it has access to sufficient cash resources and borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or any pending changes to legislation which may affect the company.

30. Correction of prior period errors

Deferred and income tax assets and liabilities and income tax expenses

During the current financial year, due to complexities in the old tax model and related processes, which included incorrect and incomplete historical datasets and other inaccuracies identified in the current financial year, the Company implemented a new tax model for the calculation of tax allowances relating to Equipment Finance.

As part of the transition to the new model, detailed work was performed and required updates incorporated into the new model. This included estimating the leased asset tax values from 2019 and beyond and the correction of historical datasets and other data and system fixes from 2019 to 2023, which were only identified during the 2024 financial year and that are used in income and deferred tax calculations. The new model includes leases which commenced from the 2019 financial year during which a new core line of business system for Asset Finance ("the system") was implemented, but the data required to calculate the accuracy and completeness of tax balances and allowances in relation to the 30 June 2023 (and 1 July 2022) consolidated statement of financial position, and in relation to the consolidated statement of profit or loss and other comprehensive income amounts for the year then ended, was incomplete as it did not include certain historical data pre inception of the new model in 2019. As these leases typically have a five-year term, leases which commenced prior to the system implementation date and which were largely impacted by the afore-mentioned data and system fixes, had by-and-large been fully settled by 30 June 2024.

Further to this, the Company identified differences in the tax/deferred tax calculation results between the new and the old model. The differences may be attributable to errors and changes in estimates arising out of a combination of historic data limitations, application of tax principles, and/or computational deficiencies in the old model.

These differences not only impact the timing but also the recognition of tax and deferred tax balances in the comparative financial years and the current and deferred tax balances in the statement of financial position as at 30 June 2023 (and at 1 July 2022) and in the statement of profit or loss and other comprehensive income for the period then ended and in relation to the current financial year.

Despite making every reasonable effort to reliably estimate the opening statement of financial position and profit or loss and other comprehensive income impacts for 2023 and 2024, in accordance with IAS 8 the Company determined that it is impracticable to determine the impact of the difference retrospectively on comparative periods or on the opening balances of assets, liabilities and equity in the current or prior periods. Consequently, and in line with the requirements of IAS 8, the effects of the implementation of the new model have been applied prospectively in the current period and form part of the current period tax charge. This led to a cumulative prospective adjustment to deferred tax (decrease in deferred tax liability) in the statement of financial position of R26.4 million (prior to the utilisation of assessed losses) accounted for in the current year. This was, in accordance with external legal advice obtained, correspondingly adjusted for in the calculation of taxable income and treated as temporary differences (refer to Note 19).

The Company has concluded that the current and deferred tax balances as at 30 June 2024 are appropriately stated and that, in accordance with IAS 8, 30 June 2024 is regarded as the first practicable date at which the income and deferred tax balances could be reliably determined.

Glossary

ALCO	Asset, and Liability and Investment Committee
CLEC	Credit and Large Exposures Committee
DANC	Directors Affairs and Nominations Committee
GAC	Group Audit and Committee
GIA	Group Internal Audit
GRCMC	Group Risk and Capital Management Committee
Priority of Payment	The order in which payments will be made to the company’s creditors and the holders of debt securities
REMCO	Human Resource and Remuneration Committee
Series guarantee	Series guarantee is the written deed executed by Series Security SPV Incorporated in favour of Series Secured Creditors
Series Indemnity	This is the written agreement entered between the issuer and the Series Security SPV incorporated in
Series Issuer	South African Securitisation Programme (RF) Limited
Series Secured Creditors	Creditors of the issuer as set out in the Priority of Payments that are party to Series Transaction Agreement
Series Security SPV	Security SPV Propriety Limited is the SPV incorporated in respect of SASP for the benefit of the noteholders
Series Transaction Agreement	Agreements entered between, among others, the issuer and one or more parties
Treasury	Sasfin Bank Limited's Treasury