sasfin
Holdings Limited
a partner beyond expectations

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

Audited Group Results and Dividend Declarations

for the year ended 30 June 2014

HEADLINE EARNINGS
UP 14% to R154 MILLION
(2013: R135 MILLION)

HEADLINE EARNINGS PER ORDINARY SHARE
UP 15% to 486 CENTS
(2013: 421 CENTS)

DIVIDENDS PER ORDINARY SHARE
UP 14% to 191 CENTS
(2013: 168 CENTS)

RETURN ON ORDINARY SHAREHOLDERS' AVERAGE EQUITY
(EXCL GOODWILL IMPAIRMENT)
UP by 100 BPS to 15%
(2013: 14%)

TOTAL ASSETS
UP 25% to R8.2 BILLION
(2013: R6.5 BILLION)

GROSS LOANS AND ADVANCES
UP 17% to R3.98 BILLION
(2013: R3.41 BILLION)

FUNDING BASE
UP 22% to R5.4 BILLION
(2013: R4.4 BILLION)

FUNDS UNDER ADMINISTRATION AND MANAGEMENT
UP 28% to R91 BILLION
(2013: R71 BILLION)

GROUP CAPITAL ADEQUACY RATIO
DOWN by 300 BPS to 23%
(2013: 26%)

FINANCIAL HIGHLIGHTS

	% change	30 June 2014 Audited	30 June 2013 Audited
Consolidated statement of financial position			
Total assets (Rm's)	25	**8 168**	**6 529***
Gross loans and advances (Rm's)	17	**3 981**	**3 416**
Non-performing loans and advances (Rm's)	(20)	**155**	**193**
Income statement			
Earnings attributable to ordinary shareholders (Rm's)	10	**150**	**136**
Headline earnings (Rm's)	14	**154**	**135**
Financial performance			
Return on ordinary shareholders' average equity (%)		**14**	**14**
Return on ordinary shareholders' average equity excluding goodwill impairment (%)		**15**	**14**
Return on total average assets (%)		**2**	**2**
Operating performance			
Non-interest income to total income (%)		**72**	**71**
Efficiency ratio			
Group (%)		**72**	**72**
Banking Group (%)		**64**	**62**
Credit loss ratio (bps)		**80**	**70**
Non-performing advances to total gross loans and advances (%)		**3.9**	**5.6**
Share statistics			
Earnings per ordinary share (cents)	12	**474**	**423**
Headline earnings per ordinary share (cents)	15	**486**	**421**
Diluted earnings per ordinary share (cents)	12	**474**	**423**
Diluted headline earnings per ordinary share (cents)	15	**486**	**421**
Number of ordinary shares in issue at end of the period ('000)		**31 737**	**31 737**
Weighted average number of ordinary shares in issue ('000)		**31 737**	**32 171**
Diluted weighted average ordinary shares in issue ('000)		**31 737**	**32 171**
Dividends per ordinary share relating to profit for the year (cents)	14	**191**	**168**
Preference share dividend number 20 (2013: 18) for the year (cents)		**364.92**	**347.74**
Preference share dividend number 19 (2013: 17) for the year (cents)		**353.51**	**355.65**
Net asset value per ordinary share (cents)	11	**3 534**	**3 187**
Capital adequacy (unaudited)			
Capital to risk weighted assets			
Group (%)		**23**	**26**
Banking Group (%)		**21**	**22**
Employees			
Permanent staff complement	4	**727**	**701**

* *Restated – Refer to Note 2*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All figures in R'000	% change	30 June 2014 Audited	30 June 2013 Audited
ASSETS			
Cash and cash balances		**1 095 438**	**1 021 186**
Short-term negotiable securities		**987 386**	**573 898**
Loans and advances to customers	18	**3 890 969**	**3 309 235**
Financial assets held for trade facilitation		**536 513**	**284 372**
Reverse repurchase agreements		**562 626**	**285 150***
Other receivables		**490 375**	**473 303***
Investment securities		**456 156**	**338 247**
Investments in associated companies		**5 955**	**107 353**
Property, plant and equipment		**55 737**	**53 801**
Taxation		**16 744**	**3 114**
Intangible assets and goodwill		**60 314**	**71 822**
Deferred tax asset		**9 950**	**7 098**
Total assets	25	**8 168 163**	**6 528 579**
LIABILITIES			
Interbank funding		**248 645**	**143 819**
Deposits from customers	25	**2 706 578**	**2 161 141**
Debt securities issued		**1 574 340**	**1 378 691**
Long-term loans		**652 083**	**538 247**
Repurchase agreements		**552 547**	**275 785***
Financial liabilities held for trade facilitation		**550 882**	**280 942**
Other payables		**475 390**	**455 929**
Taxation		**4 028**	**4 626**
Deferred tax liability		**82 712**	**62 695**
Total liabilities	29	**6 847 205**	**5 301 875**
EQUITY			
Ordinary capital and share premium		**144 327**	**144 327**
Reserves		**977 353**	**883 099**
Preference share capital and share premium		**199 278**	**199 278**
Total equity		**1 320 958**	**1 226 704**
Total liabilities and equity	25	**8 168 163**	**6 528 579**
Commitments and contingent liabilities		**388 286**	**378 273**

* *Restated – Refer to Note 2*

CONSOLIDATED INCOME STATEMENT

All figures in R'000	% change	30 June 2014 Audited	30 June 2013 Audited
Interest income		**616 557**	**473 686**
Interest expense		**364 412**	**253 479**
Net interest income	15	**252 145**	**220 207**
Non-interest income	19	**636 377**	**533 562**
Total income	18	**888 522**	**753 769**
Impairment charges on loans and advances	32	**29 588**	**22 376**
Net income after impairments		**858 934**	**731 393**
Operating costs		**657 661**	**561 046**
Staff costs	17	**350 676**	**299 244**
Other operating expenses	13	**296 985**	**261 802**
Goodwill impairment		**10 000**	**–**
Profit from operations		**201 273**	**170 347**
Share of associate income		**9 901**	**20 453**
Profit before income tax		**211 174**	**190 800**
Income tax expense		**47 411**	**38 226**
Profit for the year		**163 763**	**152 574**
Profit attributable to:			
Non-controlling interest		**–**	**2 860**
Preference shareholders		**13 359**	**13 472**
Equity holders of the Group	10	**150 404**	**136 242**
Profit for the year		**163 763**	**152 574**
Earnings per ordinary share (cents)	12	**474**	**423**
Diluted earnings per ordinary share (cents)	12	**474**	**423**
Headline earnings per ordinary share (cents)	15	**486**	**421**
Diluted headline earnings per ordinary share (cents)	15	**486**	**421**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

All figures in R'000	30 June 2014 Audited	30 June 2013 Audited
Profit for the year	163 763	152 574
Other comprehensive income for the year, net of income tax	(161)	4 337
Net gains on remeasurement of available-for-sale financial assets	923	900
Derecognition of available-for-sale reserve upon sale of investment	(5 997)	–
Gross	(7 367)	–
Income tax effect	1 370	–
Derecognition of revaluation reserve upon sale of property companies	–	(2 097)
Foreign exchange differences on translation of foreign operation	14 161	33 428
Net loss on hedge of net investment in foreign operation	(9 248)	(27 894)
Loss on hedge of net investment in foreign operation	(12 845)	(38 742)
Income tax effect	3 597	10 848
Total comprehensive income for the year	163 602	156 911
Total comprehensive income attributable to:		
Non-controlling interest	–	2 860
Preference shareholders	13 359	13 472
Equity holders of the Group	150 243	140 579
Total comprehensive income for the year	163 602	156 911

SUMMARISED HEADLINE EARNINGS RECONCILIATION

All figures in R'000	% change	30 June 2014 Audited	30 June 2013 Audited
Earnings are determined as follows:			
Earnings attributable to equity holders of the Group	10	150 404	136 242
Headline adjustable items		3 921	(787)
Profit on sale of property and equipment		(82)	(14)
Gross		(114)	(19)
Income tax effect		32	5
Impairment of goodwill		10 000	–
Gain on the disposal of available-for-sale investments		(5 997)	(773)
Gross		(7 367)	(773)
Income tax effect		1 370	–
Headline earnings	14	154 325	135 455
Headline earnings per ordinary share (cents)	15	486	421

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All figures in R'000	30 June 2014 Audited	30 June 2013 Audited
Opening total shareholders' equity	1 226 704	1 180 215
Total comprehensive income for the year	163 602	156 911
Profit for the year	163 763	152 574
Available-for-sale reserve	(5 074)	900
Net gains on remeasurement	923	900
Derecognition upon sale of investments	(5 997)	–
Property revaluation reserve	–	(2 097)
Foreign currency translation reserve	14 161	33 428
Hedging reserve	(9 248)	(27 894)
Transactions with owners recorded directly in equity		
Movement in non-controlling interest	–	(21 101)
Treasury shares	–	(18 405)
Derecognition of revaluation reserve	–	2 097
Changes in ownership interests in subsidiaries	–	(11 735)
Preference share dividend	(13 359)	(13 472)
Ordinary share dividend	(55 989)	(47 806)
Closing balance	1 320 958	1 226 704

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

All figures in R'000	30 June 2014 Audited	30 June 2013 Audited
Cash flows from operating activities	100 809	88 586
Movement in operating assets and liabilities	261 992	(52 790)
Change in loans and advances	(611 322)	(497 191)
Change in funding	309 485	80 376
Change in other receivables	(17 707)	2 407*
Change in financial assets held for trading	(252 141)	(284 372)
Change in reverse repurchase agreements	(277 476)	(285 150)*
Change in deposits	545 437	373 841
Change in financial liabilities held for trading	269 940	280 942
Change in repurchase agreements	276 762	275 785*
Change in other payables	19 014	572
Net cash flows from operating activities	362 801	35 796
Net cash flows from investing activities	25 661	19 416
Net cash flows from financing activities	–	(18 405)
Net increase in cash and cash equivalents	388 462	36 807
Cash and cash equivalents at beginning of the year	1 451 265	1 408 987
Effect of exchange rate fluctuations on cash held	(5 548)	5 471
Cash and cash equivalents at end of the year	1 834 179	1 451 265
Cash and cash equivalents comprise:		
Cash and cash balances	1 095 438	1 021 186
Short-term negotiable securities	987 386	573 898
Interbank funding	(248 645)	(143 819)
Cash and cash equivalents at end of the year	1 834 179	1 451 265

* *Restated – Refer to Note 2*

SUMMARISED SEGMENTAL ANALYSIS

All figures in R'000	30 June 2014 Audited	30 June 2013 Audited
Segment result		
Business Banking	101 491	89 844
Capital	14 377	9 422
Transactional Banking and Treasury	12 249	10 006
Wealth Management	48 179	46 155
Commercial Solutions	35 335	33 798
Group and inter-segment eliminations	(47 868)	(36 651)
Profit for the year	163 763	152 574
Segment revenue		
Business Banking	621 986	523 186
Capital	88 251	76 695
Transactional Banking and Treasury	260 520	188 398
Wealth Management	241 338	168 485
Commercial Solutions	195 307	182 545
Group and inter-segment eliminations	(144 568)	(111 608)
Total segment revenue	1 262 834	1 027 701
Segment assets		
Business Banking	4 148 675	3 603 255
Capital	541 234	470 097
Transactional Banking and Treasury	3 235 362	2 640 345
Wealth Management	795 996	813 673*
Commercial Solutions	210 370	244 489
Group and inter-segment eliminations	(763 474)	(1 243 280)
Total segment assets	8 168 163	6 528 579
Segment liabilities		
Business Banking	3 658 701	3 257 444
Capital	172 071	395 516
Transactional Banking and Treasury	2 829 377	2 630 338
Wealth Management	727 180	732 868*
Commercial Solutions	71 179	109 610
Group and inter-segment eliminations	(611 303)	(1 823 901)
Total segment liabilities	6 847 205	5 301 875

* *Restated – Refer to Note 2*

NOTE 1: FINANCIAL INSTRUMENTS: FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amount of the financial assets and financial liabilities is a reasonable approximate of fair value.

The Group's financial risk management objectives and policies are consistent with those disclosed in the summarised audited consolidated financial statements as at and for the year ended 30 June 2013.

Financial hierarchy

The table below analyses financial instruments carried at fair value, by level of fair value hierarchy. The different levels are based on the inputs used in the calculation of the fair value of financial instruments. These levels have been defined as follows:

Level 1 – fair value is based on quoted market prices (unadjusted) in active markets for identical instruments

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – unobservable inputs for the asset or liability

All figures in R'000	Level 1	Level 2	Level 3	2014 Total	2013 Total
Short-term negotiable securities	987 386	–	–	987 386	573 898
Financial assets held for trading	536 513	–	–	536 513	284 372
Reverse repurchase agreements	562 626	–	–	562 626	285 150
Investment securities	38 854	9 894	407 408	456 156	338 247
Other receivables	–	26 758	–	26 758	52 816
Total financial assets carried at fair value	2 125 379	36 652	407 408	2 569 439	1 534 483
Financial liabilities held for trading	550 882	–	–	550 882	280 942
Repurchase agreements	552 547	–	–	552 547	275 785
Other payables	–	23 775	–	23 775	54 954
Total financial liabilities carried at fair value	1 103 429	23 775	–	1 127 204	611 681

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy for the year ended 30 June 2014.

Level 3 fair values *All figures in R'000*		Investment securities
Balance at 1 July 2013		283 711
Unrealised gains and losses for the year included in profit or loss		33 744
Net investments/(settlements)		89 953
Reclassification of associates as fair value investments	70 155	
Net purchases/(settlements)	19 798	
Balance at 30 June 2014		407 408

The valuations in Level 3 were based predominantly on detailed discounted cash flow methodologies, which were sanity checked against implied price/earnings multiples, and where applicable, benchmarked to proxies of listed entities in similar industries. This valuation methodology is allowed per the South African Venture Capital and Private Equity Association guidelines.

NOTE 2: RESTATEMENT OF 2013 COMPARATIVES

The Group holds proprietary bond positions for trade facilitation in its Fixed Income business. These positions are disclosed as financial assets held for trade facilitation and financial liabilities held for trade facilitation.

In the normal course of business, the Group enters into Repurchase agreements ("Repo") and Reverse repurchase agreements ("Reverse repo") to facilitate these trades.

For the year ended June 2013, the Repurchase agreements and Reverse repurchase agreements were set-off. In terms of IAS 39: Financial Instruments, these instruments must be shown gross.

The effect of the restatement is as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EXTRACT): *All figures in R'000*	**2013 Restated Audited**	**2013 Reported Audited**
ASSETS		
Reverse repurchase agreements	285 150	–
Other receivables	473 303	482 668
Total assets	**6 528 579**	**6 252 794**
LIABILITIES		
Repurchase agreements	275 785	–
Total liabilities	**5 301 875**	**5 026 090**
Total equity and liabilities	**6 528 579**	**6 252 794**

COMMENTARY

Nature of business

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

Business environment

- While the world economy as a whole is expected to gradually recover, led by the USA, the Chinese economy, a key driver of global economic growth, particularly for commodity exporting countries, remains under pressure exacerbated by a shadow banking credit crunch. Developed economies continue to experience idiosyncratic and geopolitical issues, aggravated by the effect of globalisation, high unemployment and growing wealth and income disparities. The global banking sector has not fully recovered from the 2008 crisis and together with global economic uncertainty and the full implementation of Basel lll, bank lending is inhibited, especially by systemically important banks.

- The South African economy, coupled with its twin deficits, faced significant headwinds caused by prolonged levels of labour unrest and rising unemployment across many sectors. This inevitably led to lower growth levels that were disappointingly below the government's medium-term targets. Amid inflationary pressures inflicted by continued Rand volatility, higher input costs and possible further sovereign downgrade concerns, the macro environment remained soft with a concomitant rising interest rate outlook.

- Notwithstanding the above and the recent demise of the country's largest unsecured lender, the South African banking industry remains resilient and well capitalised despite uncertainty in the credit markets and a likely increase in funding costs.

Group overview

- Sasfin maintained its growth levels in its core business activities and produced a satisfactory set of results, reflecting a 15% increase in headline earnings per share to 486 cents (2013: 421 cents) for the year and significantly strengthened its balance sheet. Total assets grew by 25% to R8.2 billion over the corresponding year, underpinned by a 17% growth in gross loans and advances, which now amounts to R3.98 billion (2013: R3.41 billion).

- The Group improved its financial position by expanding and diversifying its funding base, which resulted in a healthy surplus liquidity position of R2.1 billion (2013: R1.6 billion) – a growth of 31%.

- On 1 January 2014, the Group changed the accounting treatment of certain investments in associates that were previously equity accounted for as Investments in Associates to Private Equity ("PE") investments held at fair value. The primary reason for the change was to achieve fairer presentation of these investments, their characteristics being more PE in nature than equity and accordingly meeting the IFRS criteria to be classified as such. The resultant impact on Group earnings was a net increase of R9.0 million (post-tax) on fair value earnings when compared to the expected equity-accounted earnings per the prior accounting treatment. This increase has been accounted for in the Capital division's results.

- Strong revenue growth across all business segments, coupled with a marginally higher impairment charge, resulted in Group headline earnings growth of 14% to R154 million (2013: R135 million). The Group credit loss ratio for the year crept up 10 bps to 80 bps, compared to 70 bps in 2013.

- Total income grew by 18% on the back of good growth achieved in the lending book and a 19% increase in non-interest revenue, which was partly impacted by the negative carry costs on the high surplus liquidity position.

- Group costs, excluding the goodwill impairment charge of R10 million arising on the acquisition of a Corporate Finance company in 2010, reflect a 15% increase when compared to the same period in 2013, primarily driven by a 17% increase in employee costs. The growth in employee costs is attributed to an increase in employee numbers, particularly in Wealth Management, recruitment of a new Fixed Income trading team, the establishment of the new Transactional Banking division and a new Stellenbosch client and sales office. Because of this and the increased negative carry on the surplus liquidity levels, the Group's cost-to-income ratio remained flat at 72%, while at Banking Group level, the cost-to-income ratio increased to 64% from 62%.

Segmental overview

- The Business Banking division delivered a solid set of results, with profits for the year at R101.5 million (2013: R89.9 million), a 13% increase over 2013. The key factors were strong growth in loans and advances, margin retention and a below-budget impairment charge. While the Business Banking credit loss ratio showed an increase to 85 bps (2013: 63 bps), non-performing loans showed a positive downward trend representing 3.9% (2013: 5.6%) of the gross lending book, highlighting the inherent asset quality in Sasfin's lending book and stringent credit criteria.
- The Wealth Management division delivered a 4% growth in profit to R48.1 million from R46.1 million in 2013. This division's results were impacted by its expansion initiatives and investment in high-quality people to support its aggressive growth strategies. The division experienced an increase in local and globally-managed portfolios resulting in improved annuity income. These combined initiatives resulted in Funds Under Administration and Management growing to R91 billion (2013: R71 billion), providing a strong platform for continued growth.
- The Domestic Treasury division, which has now been incorporated into the Group's Transactional Banking segment, continued to grow its deposit base impressively and reached R2.7 billion at June 2014, an increase of 25%. Equally impressive is the lengthening of the deposit base with notice and fixed-term deposits now representing 50% of total deposits. While growing encouragingly, the Foreign Exchange business remains a drag on the Group's profitability, and has accordingly been transferred to the Commercial Solutions division for renewed management attention.
- The launch of the Transactional Banking business remains firmly on track as Phase I (Sasfin's internal banking requirements) went live in June 2014. The transactional offering to clients is scheduled to go to market at the end of this year, with a comprehensive range of electronic banking services.
- The Capital division's profitability grew to R14.4 million (2013: R9.4 million) for the year, after accounting for the increase in fair value on the previously equity accounted for investments and a goodwill impairment charge of R10 million. This PE unit is well poised for further growth following the new funding obtained.
- The Commercial Solutions division delivered a satisfactory set of results with a profit of R35.3 million, a 5% increase when compared to the same period in 2013. This segment is growing encouragingly, achieving scale and becoming a meaningful contributor to Group earnings.

Statement of financial position and capital management review

- The Group's deposits and funding continued to grow, with an improved deposit mix and maturity profile. Overall, the Group's funding position remains strong with a diversified funding base of R5.4 billion, up from R4.4 billion last year. This funding base has enabled Sasfin Bank Limited to meet the stringent Basel III liquidity requirements of liquidity coverage ratio and the net stable funding ratio well ahead of their respective implementation dates in a sustainable manner.
- Sasfin's securitisation vehicle, South African Securitisation Programme (RF) Limited ("SASP"), Series 1, a leader in its market, continued to deliver consistent performance with refinancing R362 million of maturing notes which was oversubscribed 2.5 times. In addition, the Debt Capital Market ("DCM") team arranged and concluded a second securitisation transaction (SASP Series 2) under the current Domestic Medium Term Note Programme and raised R350 million to fund an alternate asset class comprising capital equipment and larger rental deals.
- The DCM team also successfully arranged a R150 million redeemable preference share structure specifically earmarked for expansion in the PE business.
- The Group's capital adequacy ratio has declined by 300 bps to 23% (2013: 26%) due to new Basel III capital requirements coupled with a growth in assets. The Group remains well capitalised with a primary Tier I capital ratio of 21% (2013: 22%), which is a key measure of capital strength. Both ratios remain well above the minimum regulatory requirements.

Prospects

- Sasfin continues to focus on its target market comprising entrepreneurial businesses, institutions, corporates and private clients. Despite the prevailing levels of uncertainty and constrained growth levels in the economy, the Group remains cautiously optimistic about the improved levels of business activity across all segments.
- Sasfin is well poised for sustainable growth and further expansion of its franchise value in its chosen markets. This growth will be aided by the recently launched Transactional Banking service offering, strengthened by a strong capital and liquidity position, and supported by Sasfin's highly interactive service model.

BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

The summarised audited consolidated financial statements have been prepared in accordance with IAS 34: Interim Financial Reporting, the requirements of the Companies Act of South Africa, and in compliance with the JSE Listings Requirements. The accounting policies applied conform to International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides. There are no material events to report subsequent to the financial year end of 30 June 2014.

These summarised audited consolidated financial statements are a summary of the consolidated annual financial statements that are prepared in thousands of South African Rand ("R'000") on the historical cost basis, except for certain financial assets and liabilities which are recognised at fair value.

Except as described below, the accounting policies applied in these summarised audited consolidated financial statements for the year ending 30 June 2014 are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2013.

The Group has adopted the following new standards and amendments, with a date of initial application of 1 July 2013.

- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 13: Fair Value Measurement

Subsidiaries

As a result of IFRS 10, the Group has applied the new accounting standard for determining whether it has control over, and consequently, whether it consolidates its investees. IFRS 10 introduces a new control model that is applicable to all investees, by focusing on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, IFRS requires the Group to consolidate investees that it controls on the basis of *de facto* circumstances.

In accordance with the transitional provisions of IFRS 10, the Group reassessed the control conclusion for its investees at 1 July 2013. There has been no impact on the recognised assets, liabilities and comprehensive income of the Group.

Joint arrangements

As a result of IFRS 11, the Group has applied this new accounting standard to its interests in joint arrangements. Under IFRS 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations to the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances.

The Group has re-evaluated its involvement in its only joint arrangement, which it has classified as a joint operation, and therefore continues to account for its share in the assets and liabilities. Accordingly there has been no impact on the recognised assets, liabilities and comprehensive income of the Group.

Fair value measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRSs. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no impact on the measurements of the Group's assets and liabilities.

Summarised annual financial statements

The summarised audited consolidated financial statements comprise a consolidated statement of financial position at 30 June 2014, a consolidated income statement, a consolidated statement of comprehensive income, a summarised statement of changes in equity, a summarised cash flow statement and a summarised segmental analysis for the year ended 30 June 2014.

Responsibility of financial statements

In terms of S29(1)(e)(ii) of the Companies Act, these financial statements are prepared under the supervision of Tyrone Soondarjee CA(SA), Group Financial Director.

REPORTS OF THE INDEPENDENT AUDITORS

The unmodified audit reports of KPMG Inc. (Partner: Sipho Malaba) and Grant Thornton (Jhb) Inc. (Partner: Garron Chaitowitz), the independent auditors, on the annual financial statements and the summarised consolidated financial statements contained herein for the year ended 30 June 2014, dated 10 September 2014, are available for inspection at the Company's registered office.

PREFERENCE SHARE CASH DIVIDEND

Notice is hereby given that the directors have declared a gross cash preference dividend number 20 amounting to 364.92 cents per share (310.1820 cents per share net of 15% dividend withholding tax) (2013: 347.74 cents per share (295.290 cents per share net of 15% dividend withholding tax)) ("preference dividend") for the period 1 January 2014 to 30 June 2014. Preference dividends have been paid on 1 000 000 (2013: 1 000 000) preference shares issued at R100.00 (2013: R100.00) each, and on 905 000 (2013: 905 000) preference shares issued at R110.49 (2013: R110.49) each. These dividends have been declared from income reserves and no secondary taxes on companies' credits have been used. The preference dividend is payable to holders of preference shares recorded in the register of the Company at the close of business of Friday, 3 October 2014.

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

Last day to trade *cum* the preference dividend	Friday, 26 September 2014
Preference shares commence trading *ex* the preference dividend	Monday, 29 September 2014
Preference dividend record date	Friday, 3 October 2014
Payment date of preference dividend	Monday, 6 October 2014

Preference share certificates may not be dematerialised or rematerialised between Monday, 29 September 2014 and Friday, 3 October 2014, both days inclusive.

FINAL ORDINARY SHARE CASH DIVIDEND

Notice is hereby given that a final ordinary share cash dividend for the financial year ended 30 June 2014, amounting to 125.77 cents per share (2013: 108 cents per share) ("ordinary dividend"), has been declared.

Together with the interim ordinary dividend of 65.34 cents (2013: 60 cents) declared on 11 March 2014, the total ordinary dividend for the financial year amounts to 191.11 cents per share (2013: 168 cents per share).

The following further information is provided to shareholders with regard to the final dividend declaration in respect of the new dividends tax:

- The dividend has been declared from income reserves.
- The dividend withholding rate is 15%, and a net dividend of 106.9045 cents (2013: 91.80 cents) per share is paid to those shareholders who are not exempt from dividend withholding tax.
- The issued number of ordinary shares as at the declaration date is 32 301 441 (2013: 32 301 441).
- Sasfin's tax reference number is 9300/204/71/7.

The ordinary dividend is payable to holders of ordinary shares recorded in the register of the Company at the close of business on Friday, 10 October 2014.

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

Last day to trade *cum* the ordinary dividend	Friday, 3 October 2014
Ordinary shares commence trading *ex* the ordinary dividend	Monday, 6 October 2014
Ordinary dividend record date	Friday, 10 October 2014
Payment date of ordinary dividend	Monday, 13 October 2014

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 6 October 2014 and Friday, 10 October 2014, both days inclusive.

The above dates and times are subject to amendment. Any such amendment will be released on SENS and published in the press.

CHANGES TO THE BOARD

Norman Axten retired as Director and Non-executive Chairman of the Board at the annual general meeting held on 28 November 2013. Roy Andersen was appointed as Independent Non-executive Chairman of Sasfin Holdings Limited and its subsidiary Sasfin Bank Limited.

Linda Fröhlich, Maston Lane and Michael Sassoon were appointed as Alternate Executive Directors of Sasfin Holdings Limited and Sasfin Bank Limited effective 9 October 2013.

Linda de Beer and Lesego Sennelo were appointed as independent Non-executive Directors of Sasfin Holdings Limited and Sasfin Bank Limited effective 1 July 2014.

Eddie Blight and Dolly Mokgatle have indicated their intention to retire and resign respectively from the Boards of Sasfin Holdings Limited and Sasfin Bank Limited at the conclusion of the annual general meeting to be held on 27 November 2014.

NOTICE OF ANNUAL GENERAL MEETING AND POSTING OF INTEGRATED REPORT

The annual general meeting of Sasfin Holdings Limited will be held at 29 Scott Street, Waverley, Johannesburg, on Thursday, 27 November 2014 at 14:00.

The integrated report will be posted to shareholders on or about 24 October 2014. The audited Group Annual Financial Statements will be available on the Company's website on or about 27 October 2014.

For and on behalf of the Board

RC ANDERSEN
Non-executive Chairman

RDEB SASSOON
Chief Executive Officer

TD SOONDARJEE
Group Financial Director

10 September 2014

This announcement and additional information is available on the website: **www.sasfin.com**

Independent Non-executive Chairman
RC Andersen

Executive Directors
RDEB Sassoon (Chief Executive Officer)
TD Soondarjee (Financial Director)

Alternate Executive Directors
LR Fröhlich, MG Lane, MEE Sassoon

Non-Executive Directors
ETB Blight#, L de Beer#, GC Dunnington#,
DD Mokgatle#, J Moses#, MS Rylands, LJ Sennelo#
#Independent

Group Company Secretary
H Brown

Joint Auditors
KPMG Inc. and Grant Thornton (Jhb) Inc.

Lead Sponsor
KPMG Services (Pty) Limited

Joint Sponsor
Sasfin Capital (a division of Sasfin Bank Limited)

Registered Office
29 Scott Street, Waverley, 2090, Johannesburg.
Tel: +27 11 809 7500
Fax: +27 11 887 6167/2489

Transfer Secretaries
Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107

Website
www.sasfin.com

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