

The logo for sasfin, featuring the word "sasfin" in a white, lowercase, sans-serif font on a dark teal rectangular background.

Holdings Limited



Pillar III Risk Management Report

31 December 2024

TABLE OF CONTENTS

1	Introduction
2	Risk management and risk weighted assets (RWA) OV1: Overview of risk weighted assets (Holdings) OV1: Overview of risk weighted assets (Bank)
4	Capital risk KM1: Key prudential metrics (Holdings) KM1: Key prudential metrics (Bank)
6	Leverage ratio LR1: Summary comparison of accounting assets vs leverage ratio exposure LR2: Leverage ratio common disclosure template
9	Credit risk under standardised approach CR1 – Credit quality of assets CR2 – Changes in stock of defaulted loans and debt securities CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects CR5: Standardised approach – exposures by asset classes and risk weights
13	Counterparty credit risk CCR1: Analysis of counterparty credit risk (CCR) exposure CCR2 – Credit valuation adjustment (CVA) capital charge CCR3 – CCR exposures risk weighted – standardised approach
15	Quantitative disclosure – description of a bank’s securitisation exposure SEC1: Securitisation exposures in the banking book
17	Quantitative disclosure – calculation of capital requirements SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor
19	Market risk MR1 – Market risk under standardised approach (SA)
21	Overview of funding and liquidity metrics LIQ1: Liquidity coverage ratio LIQ2: Net stable funding ratio
23	Composition of capital CC1: Composition of regulatory capital CC2: Reconciliation of regulatory capital to balance sheet

1. Introduction

The risk and capital management report (Pillar iii disclosure) provides information regarding the activities of Sasfin Holdings Limited (Holdings) and Sasfin Bank Limited (Bank) ("the Group") in accordance with:

- The Basel Committee on Banking Supervision's (BCBS) revised Pillar iii disclosure requirements (Pillar iii standard), BCBS 309 published in January 2015, and the consolidated and enhanced framework, BCBS 400 published in March 2017; and
- Regulation 43 of the Regulations relating to Banks (Regulations), issued in terms of the Banks Act 94 of 1990, Directive D1/2019 on Matters related to the Pillar iii disclosure requirement framework and all other Pillar iii disclosure- related directives issued by the Prudential Authority (PA).

The information in this report applies mainly to banking operations, relates to risks directly impacting capital, liquidity and other regulatory ratios. Disclosures are prepared on a historical basis. Monetary values are expressed in Rand thousands.

For the reporting period 31 December 2024, the Board and senior management are satisfied that Holdings' and Bank's risk and capital management processes are operating effectively, that business activities have been managed within the Group's Enterprise Risk Management Framework (ERMF) and that the Group is adequately capitalised and funded to support the execution of its strategic reset.

This report has been internally verified through the Group's governance processes, in line with the Group's Public Disclosure Policy, which describes the responsibilities of senior management and the Board in the preparation and review of the Pillar iii disclosure and aims to ensure that:

- Appropriate internal control processes and procedures relating to qualitative and quantitative information are followed;
- The changing nature of user needs as well as the regulatory environment in terms of qualitative and quantitative information are monitored and understood;
- The relevance, frequency and materiality of public information is constantly assessed; and
- Material risks are identified and adequately disclosed.

In this regard the Board and senior management have ensured that the appropriate procedures were followed in the preparation, review and sign-off of all disclosures. The Board is satisfied that the Pillar iii disclosures have been prepared in line with the Public Disclosure Policy, that appropriate internal control processes and review have been applied, and that the Pillar iii disclosure complies with the relevant disclosure requirements.

This report is unaudited.

2. Risk Management and Risk Weighted Assets (RWA)

The approach to risk management is guided by the Group's ERM Framework which is effected by the board, management and other personnel. The ERMF is applied in strategy setting and across the Group, is designed to identify potential events that may affect the Group, to manage risks in accordance with the Group's risk appetite, and to provide reasonable assurance regarding the achievement of the Group's objectives.

2.1 OV1: OVERVIEW OF RISK WEIGHTED ASSETS

Overview of risk management, key prudential metrics and RWA

		Sasfin Holdings Limited				
		a		a	b	c
		RWA				Minimum capital require-ments
		Dec-24	Sep-24	Jun-24	Dec-24	
R'000		T	T	T-1	T	
1	Credit risk (excluding counterparty credit risk)	2 838 360	4 458 864	5 145 545	368 987	
2	Of which: standardised approach (SA) ¹	2 838 360	4 458 864	5 145 545	368 987	
3	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–	–	
4	Of which: supervisory slotting approach	–	–	–	–	
5	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–	–	
6	Counterparty credit risk (CCR)	2 650	2 347	1 430	345	
7	Of which: standardised approach for counterparty credit risk	2 650	2 347	1 430	345	
8	Of which: Internal Model Method (IMM)	–	–	–	–	
9	Of which: other CCR	–	–	–	–	
10	Credit valuation adjustment (CVA)	1 077	981	565	140	
11	Equity positions under the simple risk weight approach	625 617	633 434	658 843	81 330	
12	Equity investments in funds – look-through approach ²	947 524	111 842	280 627	123 178	
13	Equity investments in funds – mandate-based approach	–	–	–	–	
14	Equity investments in funds – fall-back approach	–	–	–	–	
15	Settlement risk	–	–	–	–	
16	Securitisation exposures in the banking book	685 418	746 037	870 883	89 104	
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	–	–	–	–	
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	–	–	–	–	
19	Of which: securitisation standardised approach (SEC-SA) ³	685 418	746 037	870 883	89 104	
20	Market risk	53 126	46 657	49 711	6 906	
21	Of which: standardised approach (SA)	53 126	46 657	49 711	6 906	
22	Of which: internal model approaches (IMA)	–	–	–	–	
23	Capital charge for switch between trading book and banking book	–	–	–	–	
24	Operational risk	2 314 762	2 276 752	2 276 752	300 919	
25	Amounts below thresholds for deduction (subject to 250% risk weight)	160 569	160 569	160 569	20 874	
26	Aggregate capital floor applied	–	–	–	–	
27	Floor adjustment (before application of transitional cap)	–	–	–	–	
28	Floor adjustment (after application of transitional cap)	–	–	–	–	
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	7 629 103	8 437 483	9 444 926	991 783	

¹ Decrease in loan book due to sale of CEF portfolio in November to African Bank Limited.

² Increase in RWA due to excess cash from proceeds received from African Bank Limited invested into Money market funds.

³ Decrease in Securitisation RWA due to sale of assets in Series 2 to African Bank Limited in November.

2. Risk Management and Risk Weighted Assets (RWA) *continued*

2.2 OV1: OVERVIEW OF RISK WEIGHTED ASSETS

Overview of risk management, key prudential metrics and RWA

		Sasfin Bank Limited				
		a		b		c Minimum capital require- ments Dec-24 T
		RWA		Jun-24 T-1		
		Dec-24 T	Sep-24 T			
R'000						
1	Credit risk (excluding counterparty credit risk)	2 564 361	4 085 043	4 856 195	333 367	
2	Of which: standardised approach (SA) ¹	2 564 361	4 085 043	4 856 195	333 367	
3	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–	–	
4	Of which: supervisory slotting approach	–	–	–	–	
5	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–	–	
6	Counterparty credit risk (CCR)	2 650	2 347	1 430	345	
7	Of which: standardised approach for counterparty credit risk	2 650	2 347	1 430	345	
8	Of which: Internal Model Method (IMM)	–	–	–	–	
9	Of which: other CCR	–	–	–	–	
10	Credit valuation adjustment (CVA)	1 077	981	565	140	
11	Equity positions under the simple risk weight approach	290 426	290 441	316 138	37 755	
12	Equity investments in funds – look-through approach ²	947 524	111 842	280 627	123 178	
13	Equity investments in funds – mandate-based approach	–	–	–	–	
14	Equity investments in funds – fall-back approach	–	–	–	–	
15	Settlement risk	–	–	–	–	
16	Securitisation exposures in the banking book	685 418	746 037	870 883	89 104	
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	–	–	–	–	
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	–	–	–	–	
19	Of which: securitisation standardised approach (SEC-SA) ³	685 418	746 037	870 883	89 104	
20	Market risk	53 126	46 657	49 711	6 906	
21	Of which: standardised approach (SA)	53 126	46 657	49 711	6 906	
22	Of which: internal model approaches (IMA)	–	–	–	–	
23	Capital charge for switch between trading book and banking book	–	–	–	–	
24	Operational risk	1 737 543	1 699 534	1 699 534	225 881	
25	Amounts below thresholds for deduction (subject to 250% risk weight)	98 832	83 983	83 983	12 848	
26	Aggregate capital floor applied	–	–	–	–	
27	Floor adjustment (before application of transitional cap)	–	–	–	–	
28	Floor adjustment (after application of transitional cap)	–	–	–	–	
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	6 380 957	7 066 865	8 159 066	829 524	

¹ Decrease in loan book due to sale of CEF portfolio in November to African Bank Limited.

² Increase in RWA due to excess cash from proceeds received from African Bank Limited invested into Money market funds.

³ Decrease in Securitisation RWA due to sale of assets in Series 2 to African Bank Limited in November.

3. Capital Risk

Governance: The Board is responsible for capital management, and has delegated certain aspects of its role to the Group Risk and Capital Management Committee (GRCMC), including setting of appropriate capital parameters and ensuring adequate capitalisation. The capital management function is governed primarily by the GRCMC that oversees the risks associated with capital management, as well as the Asset and Liability Committee (ALCo) and its subcommittee, the Daily Liquidity Committee.

Management and Measurement: The internal capital management approach is embedded in a formal Internal Capital Adequacy Assessment Process (ICAAP) consisting of the Group's risk appetite, capital, and risk management framework (including capital planning and stress testing).

The GRCMC and Board review the Group's risk profile to ensure that the level of available capital:

- Exceeds the Group's minimum regulatory capital requirements by a predetermined margin;
- Remains sufficient to support the Group's risk profile;
- Remains consistent with the Group's strategic goals; and
- Is sufficient to absorb potential losses under severe stress scenarios.

Stress tests are performed on the Group's capital position to determine the impact should a severe economic downturn or other detrimental factor materialise. Stress tests consider changes in the macroeconomic environment, key risks, and vulnerabilities within the Group's business model.

Capital management also includes strategic allocation of capital and capital optimisation.

3.1 KM1: KEY PRUDENTIAL METRICS (HOLDINGS)

Overview of risk management, key prudential metrics and RWA

Sasfin Holdings Limited					
R'000	a Dec-24 T	b Sep-24 T-1	c Jun-24 T-2	d Mar-24 T-3	e Dec-23 T-4
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	1 451 916	1 432 383	1 425 145	1 427 558	1 419 014
1a Fully loaded ECL accounting model	1 451 916	1 432 383	1 425 145	1 427 558	1 419 014
2 Tier 1	1 451 916	1 432 383	1 425 145	1 427 558	1 419 014
2a Fully loaded accounting model Tier 1	1 451 916	1 432 383	1 425 145	1 427 558	1 419 014
3 Total capital	1 483 970	1 488 719	1 492 665	1 496 365	1 485 771
3a Fully loaded ECL accounting model total capital	1 483 970	1 488 719	1 492 665	1 496 365	1 485 771
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	7 629 103	8 437 482	9 444 926	8 975 644	9 005 986
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	19.031%	16.976%	15.089%	15.905%	15.756%
5a Fully loaded ECL accounting model CET1 (%)	19.031%	16.976%	15.089%	15.905%	15.756%
6 Tier 1 ratio (%)	19.031%	16.976%	15.089%	15.905%	15.756%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	19.031%	16.976%	15.089%	15.905%	15.756%
7 Total capital ratio (%)	19.451%	17.644%	15.804%	16.671%	16.498%
7a Fully loaded ECL accounting model total capital ratio (%)	19.451%	17.644%	15.804%	16.671%	16.498%
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9 Countercyclical buffer requirement (%)	–	–	–	–	–
10 Bank D-SIB additional requirements (%)	–	–	–	–	–
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.500%	2.500%	2.500%	2.500%	2.500%
12 CET1 available after meeting the bank's minimum capital requirements (%)	10.53%	8.48%	6.59%	7.05%	7.56%
Basel III Leverage Ratio					
13 Total Basel III leverage ratio measure	10 625 339	11 913 685	12 868 650	12 684 771	13 145 929
14 Basel III leverage ratio (%) (row 2/row 13)	13.66%	12.02%	11.07%	11.25%	10.79%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	13.66%	12.02%	11.07%	11.25%	10.79%
Liquidity Coverage Ratio					
15 Total HQLA	1 546 512	1 351 599	1 094 254	1 234 058	1 122 885
16 Total net cash outflow	219 376	362 012	381 665	426 678	373 575
17 LCR ratio (%)	704.96%	373.36%	286.71%	289.22%	300.58%
Net Stable Funding Ratio					
18 Total available stable funding	7 987 954	7 919 974	8 777 724	4 654 508	5 505 000
19 Total required stable funding	5 861 345	6 925 231	8 096 090	4 464 199	4 867 320
20 NSFR ratio	136.28%	114.36%	108.42%	104.26%	113.10%

3. Capital Risk *continued*

The capital adequacy ratios remain above the minimum regulatory requirements and within the Board approved limits.

Total RWA decreased from R8.437 billion (Sep-24) to R7 629 billion (Dec-24) attributable to the sale of the CEF portfolio to African Bank Limited, offset by additional investment into money market funds.

The liquidity coverage ratio remains above the regulatory requirements and within the Board risk appetite. The quarter-on-quarter (Q-o-Q) increase is mainly due to an increase in high-quality liquid assets (excess cash) arising from the sale of the CEF portfolio to African Bank Limited, offset by decrease in outflows (deposits).

The net stable funding ratio remains above the regulatory minimum requirement of 100%. The Q-o-Q increase is attributable to a decrease in required stable funding because of sale of the CEF portfolio to African Bank Limited.

3.2 KM1: KEY PRUDENTIAL METRICS (BANK)

Overview of risk management, key prudential metrics and RWA

		Sasfin Bank Limited				
R'000		a Dec-24 T	b Sep-24 T-1	c Jun-24 T-2	d Mar-24 T-3	e Dec-23 T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1 031 128	1 021 260	1 039 581	1 000 478	1 027 265
1a	Fully loaded ECL accounting model	1 031 128	1 021 260	1 039 581	1 000 478	1 027 265
2	Tier 1	1 031 128	1 021 260	1 039 581	1 000 478	1 027 265
2a	Fully loaded accounting model Tier 1	1 031 128	1 021 260	1 039 581	1 000 478	1 027 265
3	Total capital	1 049 945	1 033 838	1 099 678	1 041 559	1 063 822
3a	Fully loaded ECL accounting model total capital	1 049 945	1 033 838	1 099 678	1 041 559	1 063 822
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	6 380 957	7 066 865	8 159 066	7 037 749	7 150 142
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	16.160%	14.451%	12.741%	14.216%	14.367%
5a	Fully loaded ECL accounting model CET1 (%)	16.160%	14.451%	12.741%	14.216%	14.367%
6	Tier 1 ratio (%)	16.160%	14.451%	12.741%	14.216%	14.367%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	16.160%	14.451%	12.741%	14.216%	14.367%
7	Total capital ratio (%)	16.454%	14.629%	13.478%	14.800%	14.878%
7a	Fully loaded ECL accounting model total capital ratio (%)	16.454%	14.629%	13.478%	14.800%	14.878%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical buffer requirement (%)	–	–	–	–	–
10	Bank D-SIB additional requirements (%)	–	–	–	–	–
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.500%	2.500%	2.500%	2.500%	2.500%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.66%	5.95%	4.24%	5.72%	5.87%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	10 775 063	11 774 491	12 474 688	8 549 787	9 058 111
14	Basel III leverage ratio (%) (row 2/row 13)	9.57%	8.67%	8.33%	11.70%	11.34%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	9.57%	8.67%	8.33%	11.70%	11.34%
Liquidity Coverage Ratio						
15	Total HQLA	1 546 512	1 351 599	1 094 254	1 234 058	1 122 885
16	Total net cash outflow	219 376	362 012	381 665	426 678	373 575
17	LCR ratio (%)	704.96%	373.36%	286.71%	289.22%	300.58%
Net Stable Funding Ratio						
18	Total available stable funding	7 987 954	7 919 974	8 777 724	4 654 508	5 505 000
19	Total required stable funding	5 861 345	6 925 231	8 096 090	4 464 199	4 867 320
20	NSFR ratio (%)	136.28%	114.36%	108.42%	104.26%	113.10%

4. Leverage ratio

Consistent with the treatment in table KM1, the leverage position is shown on both a regulatory and IFRS basis.

LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE

		Sasfin Holdings Limited	
R'000		a Dec-24	b Sep-24
1	Total consolidated assets as per published financial statements	10 886 387	12 159 881
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–	–
4	Adjustments for derivative financial instruments	(202 457)	(212 315)
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	–	–
6	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	82 885	106 152
7	Other adjustments	(141 476)	(140 033)
8	Leverage ratio exposure measure	10 625 339	11 913 685

LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE

		Sasfin Bank Limited	
R'000		a Dec-24	b Sep-24
1	Total consolidated assets as per published financial statements	10 778 810	11 760 671
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–	–
4	Adjustments for derivative financial instruments	(734)	(586)
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	–	–
6	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	67 955	87 604
7	Other adjustments	(70 968)	(73 198)
8	Leverage ratio exposure measure	10 775 063	11 774 491

4. Leverage ratio *continued*

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

		Sasfin Holdings Limited	
		a	b
		Dec-24	Sep-24
R'000		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	10 542 454	11 805 857
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	–	–
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	10 542 454	11 805 857
Derivative exposures			
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	–	1 063
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	–	614
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	–	–
8	(Exempted CCP leg of client-cleared trade exposures)	–	–
9	Adjusted effective notional amount of written credit derivatives	–	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11	Total derivative exposures (sum of rows 4 to 10)	–	1 677
Securities financing transactions			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14	CCR exposure for SFT assets	–	–
15	Agent transaction exposures	–	–
16	Total securities financing transaction exposures (sum of rows 12 to 15)	–	–
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	435 348	614 482
18	(Adjustments for conversion to credit equivalent amounts)	(352 463)	(508 330)
19	Off-balance sheet items (sum of rows 17 and 18)	82 885	106 152
Capital and total exposures			
20	Tier 1 capital	1 451 916	1 432 383
21	Total exposures (sum of rows 3, 11, 16 and 19)	10 625 339	11 913 685
Leverage ratio			
22	Basel III leverage ratio	13.66%	12.02%

4. Leverage ratio *continued*

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE CONTINUED

		Sasfin Bank Limited	
		a	b
		Dec-24	Sep-24
R'000		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	10 705 215	11 685 210
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	–	–
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	10 705 215	11 685 210
Derivative exposures			
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1 300	1 063
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	593	614
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	–	–
8	(Exempted CCP leg of client-cleared trade exposures)	–	–
9	Adjusted effective notional amount of written credit derivatives	–	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11	Total derivative exposures (sum of rows 4 to 10)	1 893	1 677
Securities financing transactions			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14	CCR exposure for SFT assets	–	–
15	Agent transaction exposures	–	–
16	Total securities financing transaction exposures (sum of rows 12 to 15)	–	–
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	421 423	600 530
18	(Adjustments for conversion to credit equivalent amounts)	(353 468)	(512 926)
19	Off-balance sheet items (sum of rows 17 and 18)	67 955	87 604
Capital and total exposures			
20	Tier 1 capital	1 031 128	1 021 260
21	Total exposures (sum of rows 3, 11, 16 and 19)	10 775 063	11 774 491
Leverage ratio			
22	Basel III leverage ratio	9.57%	8.67%

5. Credit risk under standardised approach

The credit quality of the Group's on-and off-balance sheet assets is reflected in the table CR1 below, through the disclosure of gross carrying values of both defaulted and non-defaulted exposures, as well as the net exposures after impairments and allowances.

CR1 – CREDIT QUALITY OF ASSETS

		Sasfin Holdings Limited						
		a	b	c			d	
		Carrying values of		Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)	
		Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Allocated in regulatory category of Specific	Allocated in regulatory category of General		
R'000		December 2024						
1	Loans	1 062 248	4 466 871	565 264	522 655	42 609	4 963 855	
2	Debt securities	134 539	1 554 569	15 387	13 599	1 788	1 673 721	
3	Off-balance sheet exposures	–	55 509	–	–	–	55 509	
4	Total	1 196 787	6 076 949	580 651	536 254	44 397	6 693 085	
June 2024								
1	Loans	941 311	7 944 789	537 318	454 876	82 442	8 348 782	
2	Debt securities	203 501	1 727 850	35 168	34 300	868	1 896 183	
3	Off-balance sheet exposures	–	106 249	–	–	–	106 249	
4	Total	1 144 812	9 778 888	572 486	489 176	83 310	10 351 214	

CR2 – CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES

Table CR2 presents the movement in the balance of defaulted exposures for the reporting period, including loans and debt securities that have defaulted since the last reporting period, those that have returned to default status and the amounts that have been written-off.

		Sasfin Holdings Limited	
R'000		Dec-24	Jun-24
1	Defaulted loans and debt securities at end of the previous reporting period	1 144 812	1 139 012
2	Loans and debt securities that have defaulted since the last reporting period	172 252	265 243
3	Returned to non-defaulted status	(13 090)	(87 044)
4	Amounts written off	(38 391)	(184 235)
5	Other changes ¹	(68 796)	11 836
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	1 196 787	1 144 812

¹ Repayment of Landbank Bills in September 2024 and remainder is movement on existing exposures in default.

5. Credit risk under standardised approach *continued*

CR4: STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION (CRM) EFFECTS

		Sasfin Bank Limited					
		December 2024					
		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Asset classes							
1	Sovereigns and their central banks	2 940 961	–	2 940 961	–	7 766	0.3%
2	Non-central government public sector entities	323 639	–	323 639	–	228 680	70.7%
3	Multilateral development banks	–	–	–	–	–	–
4	Banks	1 092 284	–	1 092 284	–	220 446	20.2%
5	Securities firms	–	–	–	–	–	–
6	Corporates	4 733 325	421 210	4 733 325	30 784	1 273 155	26.7%
7	Regulatory retail portfolios	380 477	184	380 477	184	23 585	6.2%
8	Secured by residential property	–	–	–	–	–	–
9	Secured by commercial real estate	–	–	–	–	–	–
10	Equity	–	–	–	–	–	–
11	Past-due loans	–	–	–	–	–	–
12	Higher-risk categories	–	–	–	–	–	–
13	Other assets	1 795 738	–	1 795 738	–	1 497 224	83.4%
14	Total	11 266 424	421 394	11 266 424	30 968	3 250 856	28.8%

		June 2024					
Asset classes							
1	Sovereigns and their central banks	2 776 160	–	2 776 160	–	7 111	0.3%
2	Non-central government public sector entities	497 906	–	497 906	–	314 662	63.2%
3	Multilateral development banks	–	–	–	–	–	–
4	Banks	122 046	–	122 046	–	26 160	21.4%
5	Securities firms	–	–	–	–	–	–
6	Corporates	8 003 744	1 128 450	8 003 744	57 728	3 995 683	49.6%
7	Regulatory retail portfolios	444 803	25 307	444 803	184	35 638	8.0%
8	Secured by residential property	–	–	–	–	–	–
9	Secured by commercial real estate	–	–	–	–	–	–
10	Equity	–	–	–	–	–	–
11	Past-due loans	–	–	–	–	–	–
12	Higher-risk categories	–	–	–	–	–	–
13	Other assets	1 353 003	–	1 353 003	–	1 348 389	99.7%
14	Total	13 197 663	1 153 757	13 197 663	57 912	5 727 643	43.2%

5. Credit risk under standardised approach *continued*

CR5: STANDARDISED APPROACH – EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS

Sasfin Bank Limited

	a	b	c	d	e	f	g	h	i	j
	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
Risk weight*	December 2024									
Asset classes										
1 Sovereigns and their central banks	2 916 492	–	–	–	16 251	–	8 143	76	–	2 940 961
2 Non-central government public sector entities	30 460	–	153 702	–	18	–	20 308	119 152	–	323 639
3 Multilateral development banks	–	–	–	–	–	–	–	–	–	–
4 Banks	1 178	–	1 088 326	–	–	–	2 780	–	–	1 092 284
5 Securities firms	–	–	–	–	–	–	–	–	–	–
6 Corporates	3 299 700	–	–	–	283 079	–	956 205	225 125	–	4 764 109
7 Regulatory retail portfolios	336 674	–	–	–	14 727	22 520	6 638	103	–	380 661
8 Secured by residential property	–	–	–	–	–	–	–	–	–	–
9 Secured by commercial real estate	–	–	–	–	–	–	–	–	–	–
10 Equity	–	–	–	–	–	–	–	–	–	–
11 Past-due loans	–	–	–	–	–	–	–	–	–	–
12 Higher-risk categories	–	–	–	–	–	–	–	–	–	–
13 Other assets	–	–	–	–	–	–	1 795 738	–	–	1 795 738
14 Total	4 851 565	–	1 242 028	–	314 074	22 520	2 789 812	344 455	–	11 297 392

5. Credit risk under standardised approach *continued*

CR5: STANDARDISED APPROACH – EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS CONTINUED

Sasfin Bank										
June 2024										
Risk weight*	a	b	c	d	e	f	g	h	i	j
Asset classes	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1 Sovereigns and their central banks	2 755 360	–	–	–	12 706	–	8 094	–	–	2 776 160
2 Non-central government public sector entities	109 960	–	196 016	–	295	–	23 366	168 269	–	497 906
3 Multilateral development banks	–	–	–	–	–	–	–	–	–	–
4 Banks	427	–	119 324	–	–	–	2 295	–	–	122 046
5 Securities firms	–	–	–	–	–	–	–	–	–	–
6 Corporates	3 872 751	–	–	–	287 439	–	3 730 850	170 432	–	8 061 472
7 Regulatory retail portfolios	387 852	–	–	–	11 567	39 766	5 802	–	–	444 987
8 Secured by residential property	–	–	–	–	–	–	–	–	–	–
9 Secured by commercial real estate	–	–	–	–	–	–	–	–	–	–
10 Equity	–	–	–	–	–	–	–	–	–	–
11 Past-due loans	–	–	–	–	–	–	–	–	–	–
12 Higher-risk categories	–	–	–	–	–	–	–	–	–	–
13 Other assets	–	–	–	–	–	–	1 353 003	–	–	1 353 003
14 Total	7 126 350	–	315 340	–	312 007	39 766	5 123 410	338 700	–	13 255 575

6. Counterparty credit risk

CCR1: ANALYSIS OF COUNTERPARTY CREDIT RISK (CCR) EXPOSURE

		Sasfin Bank					
		December 2024					
		a	b	c	d	e	f
		Replace- ment cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	1 300	593		1.4	2 650	2 650
2	Internal Model Method (for derivatives and SFTs)			–	–	–	–
3	Simple Approach for credit risk mitigation (for SFTs)					–	–
4	Comprehensive Approach for credit risk mitigation (for SFTs)					–	–
5	VaR for SFTs					–	–
6	Total						2 650

		Sasfin Bank					
		June 2024					
		a	b	c	d	e	f
		Replace- ment cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	425	596		1.4	1 430	1 430
2	Internal Model Method (for derivatives and SFTs)			–	–	–	–
3	Simple Approach for credit risk mitigation (for SFTs)					–	–
4	Comprehensive Approach for credit risk mitigation (for SFTs)					–	–
5	VaR for SFTs					–	–
6	Total						1 430

CCR2 – CREDIT VALUATION ADJUSTMENT (CVA) CAPITAL CHARGE

		Sasfin Bank			
		December 2024		June 2024	
		a	b	a	b
		EAD post- CRM	RWA	EAD post- CRM	RWA
Total portfolios subject to the Advanced CVA capital charge		–	–	–	–
1	(i) VaR component (including the 3x multiplier)	–	–	–	–
2	(ii) Stressed VaR component (including the 3x multiplier)	–	–	–	–
3	All portfolios subject to the Standardised CVA capital charge	2 650	1 077	1 430	565
4	Total subject to the CVA capital charge	2 650	1 077	1 430	565

6. Counterparty credit risk *continued*

CCR3 – CCR EXPOSURES RISK WEIGHTED – STANDARDISED APPROACH

Sasfin Bank									
December 2024									
R'000	a	b	c	d	e	f	g	h	Total credit exposure
0%	10%	20%	50%	75%	100%	150%	Others		
Risk weight**									
Regulatory portfolio*									
Sovereigns	–	–	–	–	–	–	–	–	–
Non-central government public sector entities (PSEs)	–	–	–	–	–	–	–	–	–
Multilateral development banks (MDBs)	–	–	–	–	–	–	–	–	–
Banks	–	–	–	–	–	1 300	–	–	1 300
Securities firms	–	–	–	–	–	–	–	–	–
Corporates	–	–	–	–	–	–	–	–	–
Regulatory retail portfolios	–	–	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	1 300	–	–	1 300

Sasfin Bank									
June 2024									
R'000	a	b	c	d	e	f	g	h	Total credit exposure
0%	10%	20%	50%	75%	100%	150%	Others		
Risk weight**									
Regulatory portfolio*									
Sovereigns	–	–	–	–	–	–	–	–	–
Non-central government public sector entities (PSEs)	–	–	–	–	–	–	–	–	–
Multilateral development banks (MDBs)	–	–	–	–	–	–	–	–	–
Banks	–	–	–	–	–	425	–	–	425
Securities firms	–	–	–	–	–	–	–	–	–
Corporates	–	–	–	–	–	–	–	–	–
Regulatory retail portfolios	–	–	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	425	–	–	425

7. Quantitative disclosure – description of a bank's securitisation exposure

SEC1: SECURITISATION EXPOSURES IN THE BANKING BOOK

		Sasfin Bank Limited								
		a	b	c	e	f	g	i	j	k
		December 2024								
		Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	–	–	–	–	–	–	–	–	–
2	residential mortgage	–	–	–	–	–	–	–	–	–
3	credit card	–	–	–	–	–	–	–	–	–
4	other retail exposures	–	–	–	–	–	–	–	–	–
5	re-securitisation	–	–	–	–	–	–	–	–	–
6	Wholesale (total) – of which	286 733	–	286 733	–	–	–	–	–	–
7	loans to corporates	–	–	–	–	–	–	–	–	–
8	commercial mortgages	–	–	–	–	–	–	–	–	–
9	lease and receivables	286 733	–	286 733	–	–	–	–	–	–
10	other wholesale	–	–	–	–	–	–	–	–	–
11	re-securitisation	–	–	–	–	–	–	–	–	–

7. Quantitative disclosure – description of a bank’s securitisation exposure *continued*

SEC1: SECURITISATION EXPOSURES IN THE BANKING BOOK CONTINUED

Sasfin Bank Limited									
	a	b	c	e	f	g	i	j	k
	Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1 Retail (total) – of which	–	–	–	–	–	–	–	–	–
2 residential mortgage	–	–	–	–	–	–	–	–	–
3 credit card	–	–	–	–	–	–	–	–	–
4 other retail exposures	–	–	–	–	–	–	–	–	–
5 re-securitisation	–	–	–	–	–	–	–	–	–
6 Wholesale (total) – of which	426 524	–	426 524	–	–	–	–	–	–
7 loans to corporates	–	–	–	–	–	–	–	–	–
8 commercial mortgages	–	–	–	–	–	–	–	–	–
9 leases and receivables	426 524	–	426 524	–	–	–	–	–	–
10 other wholesale	–	–	–	–	–	–	–	–	–
11 re-securitisation	–	–	–	–	–	–	–	–	–

8. Quantitative disclosure – calculation of capital requirements

SEC3: SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – BANK ACTING AS ORIGINATOR OR AS SPONSOR

Sasfin Bank Limited

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	
	December 2024																	
	Exposure values																	
	Exposure values (by RW bands)				Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap					
	≤20%	>20%	to 50%	>50%	to 100%	100%	<1250%	1250%	RW	RW	IRB (inc. IAA)	RBA (inc. IAA)	SA/SSFA	1250%	IRB (inc. IAA)	RBA (inc. IAA)	SA/SSFA	1250%
1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

9. Market risk

The risk of change in the actual or effective market value or earnings of a portfolio of financial instruments caused by adverse movements in the market variables such as interest rates, equity values and exchange rates.

MR1 – MARKET RISK UNDER STANDARDISED APPROACH (SA)

		Sasfin Bank Limited	
		a	b
		December 2024	June 2024
		Capital charge in SA	Capital charge in SA
R'000			
1	General interest rate risk	–	–
2	Equity risk	–	–
3	Commodity risk	–	–
4	Foreign exchange risk	53 126	49 711
5	Credit spread risk – non-securitisations	–	–
6	Credit spread risk – securitisations (non-correlation trading portfolio)	–	–
7	Credit spread risk – securitisation (correlation trading portfolio)	–	–
8	Default risk – non-securitisations	–	–
9	Default risk – securitisations (non-correlation trading portfolio)	–	–
10	Default risk – securitisations (correlation trading portfolio)	–	–
11	Residual risk add-on	–	–
12	Total	53 126	49 711

		Sasfin Holdings Limited	
		a	b
		December 2024	June 2024
		Capital charge in SA	Capital charge in SA
R'000			
1	General interest rate risk	–	–
2	Equity risk	–	–
3	Commodity risk	–	–
4	Foreign exchange risk	53 126	49 711
5	Credit spread risk – non-securitisations	–	–
6	Credit spread risk – securitisations (non-correlation trading portfolio)	–	–
7	Credit spread risk – securitisation (correlation trading portfolio)	–	–
8	Default risk – non-securitisations	–	–
9	Default risk – securitisations (non-correlation trading portfolio)	–	–
10	Default risk – securitisations (correlation trading portfolio)	–	–
11	Residual risk add-on	–	–
12	Total	53 126	49 711

9. Market risk *continued*

INTEREST RATE RISK IN THE BANKING BOOK

Managing Interest Rate Risk ("IRR") is a fundamental component in the safe and sound management of risks pertaining to Sasfin. It involves prudently managing mismatched positions to mitigate, within Board approved limits, the impact of changes in interest rates on the Group. Significant factors in managing IRR include the frequency, volatility and direction of rate changes, the slope of the interest rate yield curve, the size of the interest-sensitive position and the basis for repricing at rollover dates.

Risk Measurement: To effectively monitor and manage IRR, appropriate measurements must be used to quantify the risk in operations and the balance sheet, specifically, Net Interest Income (NII) and Net Economic Value (NEV). Sensitivity to both shocks as well as varying interest rate scenarios are to be considered as an evaluation technique. NII is operational and focus on profitability, income stability and liquidity risk and NEV/EVE is balance sheet-focused, assessing long-term stability, structural interest rate risk and capital adequacy.

	December 2024		June 2024	
	Δ EVE (Behavioural)	ΔNII (Behavioural)	Δ EVE (Behavioural)	ΔNII (Behavioural)
Period	T	T	T	T
Parallel up	39 558	24 258	25 619	50 234
Parallel down	(41 976)	(24 258)	(26 801)	(50 234)
Steeper	(31 993)		(21 114)	
Flattener	37 437		24 925	
Short rate up	42 540		29 705	
Short rate down	(45 327)		(31 482)	
Maximum	(45 327)	(45 327)	(31 482)	(31 482)
Tier 1 capital	1 031 128		1 039 581	

10. Overview of funding and liquidity metrics

LIQ1: LIQUIDITY COVERAGE RATIO

The LCR is designed to promote short-term resilience of the 30-calendar day liquidity profile, by ensuring that banks have sufficient high quality liquid assets (HQLA) to meet potential outflows in a stressed environment. The following analysis includes banking and/or deposit taking entities and represents an aggregation of the relevant individual net cash outflows and HQLA portfolios.

		Sasfin Bank Limited	
		a	b
		Total unweighted value (average)	Total weighted value (average)
R'000			
	High-quality liquid assets		
1	Total HQLA		1 546 512
	Cash outflows		
2	Retail deposits and deposits from small business customers, of which:	543 103	54 310
3	Stable deposits	–	–
4	Less stable deposits	543 103	54 310
5	Unsecured wholesale funding, of which:	3 483 471	793 767
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–
7	Non-operational deposits (all counterparties)	3 483 471	793 767
8	Unsecured debt	–	–
9	Secured wholesale funding	352 656	–
10	Additional requirements, of which:	48 928	29 425
11	Outflows related to derivative exposures and other collateral requirements	–	–
12	Outflows related to loss of funding of debt products	–	–
13	Credit and liquidity facilities	48 928	29 425
14	Other contractual funding obligations	–	–
15	Other contingent funding obligations	–	–
16	TOTAL CASH OUTFLOWS		877 502
	Cash inflows		
17	Secured lending (eg reverse repo)	1 610 876	1 610 876
18	Inflows from fully performing exposures	425 431	212 716
19	Other cash inflows	–	47
20	TOTAL CASH INFLOWS	2 036 307	1 823 639

		Sasfin Bank
		Total adjusted value
R'000		
21	Total HQLA	1 546 512
22	Total net cash outflows	219 376
23	Liquidity coverage ratio (%)	704.96%

10. Overview of funding and liquidity metrics *continued*

LIQ2: NET STABLE FUNDING RATIO

The Basel III NSFR became effective on 1 January 2018 with the objective of promoting funding stability and resilience in the banking sector by requiring banks to maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. The available stable funding (ASF) is defined as the portion of capital and liabilities expected to be reliable over the one year time horizon. The amount of required stable funding (RSF) is a function of the liquidity characteristics and residual maturities of the various assets (including off-balance sheet exposures) held by the bank. By ensuring that banks do not embark on excessive maturity transformation that is not sustainable, the NSFR is intended to reduce the likelihood that disruptions to a bank's funding sources would erode its liquidity position, increase its risk of failure and potentially lead to broader systemic risk. Only banking and/or deposit taking entities are included and the group data represents a consolidation of the relevant individual assets, liabilities and off-balance sheet items as at 31 December 2024.

The group maintained NSFR compliance in excess of the regulatory requirement of 100% for the six months ended 31 December 2024.

Sasfin Holdings Limited and Sasfin Bank Limited					
R'000	a Unweighted No maturity*	b value by residual <6 months maturity 6 months to <1 year	c to <1 year	d ≥1 year	e Weighted value
Available stable funding (ASF) item					
1 Capital:	–	–	–	1 104 202	1 104 202
2 <i>Regulatory capital</i>				1 104 202	1 104 202
3 <i>Other capital instruments</i>					–
4 Retail deposits and deposits from small business customers:	–	2 208 706	170 636	235 064	2 413 928
5 <i>Stable deposits</i>		735 557	13 555	–	711 657
6 <i>Less stable deposits</i>		1 473 149	157 081	235 064	1 702 271
7 Wholesale funding:	–	646 436	–	–	323 218
8 <i>Operational deposits</i>		–	–	–	–
9 <i>Other wholesale funding</i>		646 436	–	–	323 218
10 Liabilities with matching interdependent assets					
11 Other liabilities:	–	2 328 687	389 448	3 586 480	4 146 606
12 <i>NSFR derivative liabilities</i>		–			
13 <i>All other liabilities and equity not included in the above categories</i>		2 328 687	389 448	3 586 480	4 146 606
14 Total ASF					7 987 954
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					89 010
16 Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17 Performing loans and securities:	–	3 821 774	678 919	4 277 150	4 193 416
18 <i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	1 307 340	472 866	–	89 010
19 <i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	–	2 248 463	3 538	373 827	712 865
20 <i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>	–	265 971	202 515	3 100 687	2 869 827
21 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>	–	–	–	802 636	521 714
22 <i>Performing residential mortgages, of which:</i>	–	–	–	–	–
23 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>	–	–	–	–	–
24 <i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	–	–	–	–
25 Assets with matching interdependent liabilities	–	–	–	–	–
26 Other liabilities:	–	734	–	1 646 124	1 646 858
27 <i>Physical traded commodities, including gold</i>	–	–	–	–	–
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	–	–	–	–	–
29 <i>NSFR derivative assets</i>	–	734	–	–	734
30 <i>NSFR derivative liabilities before deduction of variation margin posted</i>	–	–	–	–	–
31 <i>All other assets not included in the above categories</i>	–	–	–	1 646 124	1 646 124
32 Off-balance sheet items	–	–	–	–	21 071
33 Total RSF	–	–	–	–	5 861 345
34 Net Stable Funding Ratio (%)	–	–	–	–	136.28%

11. Composition of Capital

CC1: COMPOSITION OF REGULATORY CAPITAL

		Sasfin Holdings Limited	
		a	b
		Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation	
R'000	Amounts		
Common Equity Tier 1 capital: instruments and reserves			
1 Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	161 950		(h)
2 Retained earnings	1 372 955		
3 Accumulated other comprehensive income (and other reserves)	–		
4 <i>Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)</i>	–		
5 Common share capital issued by third parties (amount allowed in group CET1)	59 649		
6 Common Equity Tier 1 capital before regulatory deductions	1 594 554		
Common Equity Tier 1 capital regulatory adjustments			
7 Prudent valuation adjustments	(1 162)		
8 Goodwill (net of related tax liability)	(37 757)		(a)
9 Other intangibles other than mortgage servicing rights (net of related tax liability)	(32 601)		(b)
10 Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	(71 118)		
11 Cash flow hedge reserve	–		
12 Shortfall of provisions to expected losses	–		
13 Securitisation gain on sale (as set out in paragraph 36 of Basel III securitisation framework)	–		
14 Gains and losses due to changes in own credit risk on fair valued liabilities	–		
15 Defined benefit pension fund net assets	–		
16 Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	–		
17 Reciprocal cross-holdings in common equity	–		
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–		
19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–		
20 Mortgage servicing rights (amount above 10% threshold)	–		
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–		
22 Amount exceeding 15% threshold	–		
23 Of which: significant investments in the common stock of financials	–		
24 Of which: mortgage servicing rights	–		
25 Of which: deferred tax assets arising from temporary differences	–		
26 National specific regulatory adjustments	–		
27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	–		
28 Total regulatory adjustments to Common Equity Tier 1	(142 638)		
29 Common Equity Tier 1 capital (CET1)	1 451 916		

11. Composition of Capital *continued*

		Sasfin Holdings Limited	
		a	b
		Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation	
R'000		Amounts	
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	–	
31	OF which: classified as equity under applicable accounting standards	–	
32	Of which: classified as liabilities under applicable accounting standards	–	
33	<i>Directly issued capital instruments subject to phase-out from additional Tier 1</i>	–	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	–	
35	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	–	
36	Additional Tier 1 capital before regulatory adjustments	–	
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own additional Tier 1 instruments	–	
38	Reciprocal cross-holdings in additional Tier 1 instruments	–	
39	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	–	
40	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	–	
41	National specific regulatory adjustments	–	
42	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	–	
43	Total regulatory adjustments to additional Tier 1 capital	–	
44	Additional Tier 1 capital (AT1)	–	
45	Tier 1 capital (T1= CET1 + AT1)	1 451 916	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	–	
47	<i>Directly issued capital instruments subject to phase-out from Tier 2</i>	–	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–	
49	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	–	
50	Provisions	32 054	
51	Tier 2 capital before regulatory adjustments	32 054	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	–	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	–	
54	Investments in capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–	
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	–	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	

11. Composition of Capital *continued*

	Sasfin Holdings Limited	
	a	b
	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation	
R'000	Amounts	
56 National specific regulatory adjustments	–	
57 Total regulatory adjustments to Tier 2 capital	–	
58 Tier 2 capital (T2)	32 054	
59 Total regulatory capital (TC = T1 + T2)	1 483 970	
60 Total risk-weighted assets	7 629 103	
Capital ratios and buffers		
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	19.03%	
62 Tier 1 (as a percentage of risk-weighted assets)	19.03%	
63 Total capital (as a percentage of risk-weighted assets)	19.45%	
64 Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2.50%	
65 Of which: capital conservation buffer requirement	2.50%	
66 Of which: bank-specific countercyclical buffer requirement	–	
67 Of which: higher loss absorbency requirement	–	
68 Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	10.53%	
National minima (if different from Basel III)		
69 National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	7.50%	
70 National Tier 1 minimum ratio (if different from Basel III minimum)	9.25%	
71 National total capital minimum (if different from Basel III minimum)	11.50%	
Amounts below the thresholds for deduction (before risk weighting)		
72 Non-significant investments in the capital and other TLAC liabilities of other financial entities	–	
73 Significant investments in common stock of financial entities	–	
74 Mortgage servicing rights (net of related tax liability)	–	
75 Deferred tax assets arising from temporary differences (net of related tax liability)	–	
Applicable caps on the inclusion of provisions in Tier 2		
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	–	
77 Cap on inclusion of provisions in Tier 2 under standardised approach	–	
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–	
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	–	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80 Current cap on CET1 instruments subject to phase-out arrangements	–	
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	–	
82 Current cap on AT1 instruments subject to phase-out arrangements	–	
83 Amount excluded from AT1 due to cap (excess after redemptions and maturities)	–	
84 Current cap on T2 instruments subject to phase-out arrangements	–	
85 Amount excluded from T2 due to cap (excess after redemptions and maturities)	–	

11. Composition of Capital *continued*

CC2: RECONCILIATION OF REGULATORY CAPITAL TO BALANCE SHEET (GROUP)

R'000	Sasfin Holdings Limited	
	a	b
	Balance sheet as in published financial statements As at period-end	Under regulatory scope of consolidation As at period-end
Assets		
Cash and balances at central banks	2 078 859	586 317
Items in the course of collection from other banks	–	–
Trading portfolio assets	–	–
Financial assets designated at fair value	696 412	596 337
Derivative financial instruments	417 116	202 457
Loans and advances to banks	938 315	1 492 542
Loans and advances to customers	3 900 393	4 648 924
Reverse repurchase agreements and other similar secured lending	–	189 783
Available for sale financial investments	1 673 720	1 908 027
Current and deferred tax assets	173 823	155 530
Prepayments, accrued income and other assets	822 633	822 633
Investments in associates and joint ventures	–	–
Goodwill and other intangible assets	70 968	70 968
Of which: goodwill	37 757	37 757
Of which: intangibles (excluding MSRs)	33 211	33 211
Of which: MSRs	–	–
Property, plant and equipment	132 441	132 441
Total assets	10 904 679	10 805 959
Liabilities		
Deposits from banks	–	–
Items in the course of collection due to other banks	–	–
Customer accounts	4 397 725	4 397 725
Repurchase agreements and other similar secured borrowing	350 074	350 074
Trading portfolio liabilities	–	–
Financial liabilities designated at fair value	–	–
Derivative financial instruments	418 694	418 694
Debt securities in issue	3 177 781	3 177 781
Accruals, deferred income and other liabilities	671 332	671 332
Current and deferred tax liabilities	168 665	168 665
Of which: DTLs related to goodwill	–	–
Of which: DTLs related to intangible assets (excluding MSRs)	–	–
Of which: DTLs related to MSRs	–	–
Subordinated liabilities	–	–
Provisions	46 046	46 046
Retirement benefit liabilities	–	–
Total liabilities	9 230 317	9 230 317
Shareholders' equity		
Paid-in share capital	161 950	161 950
Of which: amount eligible for CET1	161 950	161 950
Of which: amount eligible for AT1	–	–
Retained earnings	1 452 764	1 452 764
Accumulated other comprehensive income	59 648	59 648
Total shareholders' equity	1 674 362	1 674 362

Abbreviations and acronyms

ALCO	Asset and Liability Committee	IRB	Internal ratings-based approach
ASF	Available stable funding	IRR	Interest rate risk
AT1	Additional Tier 1	LCR	Liquidity Coverage Ratio
BCBS	Basel Committee on Banking Supervision	LTV	Loan-to-value
CCF	Credit conversion factor	MSR	Mortgage Servicing Rights
CCP	Central counterparty	NEV	Net Economic value (referred to as EVE)
CCR	Counterparty credit risk	NSFR	Net Stable Funding Ratio
CET 1	Common Equity Tier 1	PA	Prudential Authority (SARB)
CLEC	Credit and Large Exposures Committee	PSE	Public sector entities
CRM	Credit risk mitigation	RBA	Ratings-based approach
CVA	Credit valuation adjustment	RSF	Required stable funding
D-SIB	Domestic systemically important banks	RWA	Risk weighted assets
DTL	Deferred tax liabilities	SA	Standardised approach
EAD	Exposure at default	SEC-ERBA	Securitisation external ratings-based approach
ECL	Expected credit losses	SEC-IRBA	Securitisation internal ratings-based approach
EEPE	Effective expected positive exposure	SEC-SA	Securitisation standardised approach
ERM	Enterprise Risk Management	SFA	Standardised Formula Approach
EVE	Economic value of equity	SFT	Securities financing transactions
F-IRB	Foundation internal ratings-based approach	SPV	Special Purpose Vehicle
GAC	Group Audit Committee	SSFA	Standardised Supervisory Formula Approach
GIA	Group Internal audit	STI	Short-term incentives
GRCMC	Group Risk and Capital Management Committee	T2	Tier 2 capital
G-SIB	Global systemically important banks	TC	Total regulatory capital
HQLA	High-quality liquid assets	TLAC	Total loss-absorbing capacity
IAA	Internal assessment approach	VaR	Value at risk
ICAAP	Internal Capital Adequacy Assessment Process		
IFRS	International Financial Reporting Standards		
IMA	Internal model approach		
IMM	Internal Model Method		

Corporate details

Country of incorporation and domicile	South Africa
Independent Non-executive Chair	Richard Buchholz
Executive Directors	Michael Sassoon (Chief Executive Officer) Harriet Heymans (Group Financial Director) Erol Zeki (Alternate)
Independent Non-executive Directors	Tapiwa Njikizana Mark Thompson (Lead) Tienie van der Mescht Eileen Wilton Anton van Wyk
Non-independent, Non-executive Directors	Gugu Dingaan Nontobeko Ndhrazi Roland Sassoon Shaun Rosenthal (Alternate)
Acting Group Company Secretary	Howard Brown
Transfer secretaries	Computershare Investor Services (Pty) Limited Rosebank Towers 15 Biermann Avenue Rosebank Johannesburg 2196
Independent sponsor	Questco Corporate Advisory (Pty) Limited
Auditors	PricewaterhouseCoopers Inc. (PwC)
Registered office	140 West Street, Sandown, Sandton, Johannesburg, Gauteng, 2196 Tel: +27 11 809 7500 Fax: +27 11 887 6167/2489
Postal address	PO Box 95104 Grant Park Johannesburg 2051
Website	www.sasfin.com
Email	investorrelations@sasfin.com
Company registration number	1987/002097/06
Tax reference number	9300204717

Disclaimer

The Group has, in good faith, made a reasonable effort to ensure the accuracy and completeness of the information contained in this report, including information that may be regarded as forward-looking statements.

Forward-looking statements are not statements of fact, but statements by the Board based on its current estimates, projections, expectations, beliefs and assumptions regarding the Group's future performance, and no assurance is given.

The risks and uncertainties inherent in the forward-looking statements include, but are not limited to, changes to IFRS and the interpretations, applications and practices as they apply to past, present and future periods; domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political risks; and the effects of current and future litigation.

The Group does not undertake to update any forward-looking statements and does not assume responsibility for any loss or damage arising as a result of the reliance by any party thereon, including but not limited to, loss of earnings, profits, consequential loss or damage.

sasfin

beyond a bank

sasfin.com
0861 SASFIN