

sasfin

beyond a bank

Integrated Report 2024

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Navigating this report

This report is an interactive PDF.

It is best viewed in Adobe Acrobat for desktop, mobile or tablet.

For easy navigation, icons are used to refer readers to information elsewhere in this report or our other reports online.



Refers readers to information in this report.



Refers readers to information online.



Refers readers to information in our suite of reports and on our website.

Icons to navigate in this report can be found on each page and within the report.



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Unless otherwise specified, years and references to FY relate to financial years under review ending 30 June.

01

Introduction

About this report

The integrated report provides an overview of Sasfin’s strategy, risks, and performance to enable stakeholders to assess the Group’s ability to create and preserve value.

Scope and boundary

This report provides an overview of the strategy, operating context, and performance of Sasfin Holdings Limited and its subsidiaries (Sasfin or the Group) for the financial year 1 July 2023 to 30 June 2024. The information in this report includes the Group’s activities and prospects for the medium to long term. For internal reporting purposes, Sasfin reports on three distinct pillars of business.

Reporting boundary for value reporting

Financial reporting
Sasfin Holdings Limited

Pillars

Asset Finance

Business and Commercial Banking

Wealth

Reporting boundary for impact

Non-financial reporting

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Sasfin’s external operating environment.

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Sasfin’s key stakeholder relationships.

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Sasfin’s material matters.

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Risks, opportunities and outcomes from Sasfin’s operations.

Time horizons

The Group defines the time horizons considered in identifying and managing material impacts, risks, and opportunities and how these may impact value creation as:

Short term	Medium term	Long term
Within one to two years	Three to five years	Five years and beyond

Forward-looking statements

The Group has made all reasonable efforts to ensure the accuracy and completeness of the information in this report in good faith, including information that may be regarded as forward-looking statements. Forward-looking statements are not strictly factual as they are statements made based on current estimates, projections, expectations, beliefs, and assumptions regarding the Group’s future performance. No assurance is given in terms of their accuracy. The Group’s external assurance providers have not reviewed or provided an opinion on forward-looking statements. Readers are advised to use caution when interpreting this type of information.

Risks, uncertainties, and other factors could cause actual results to differ materially from expectations. These uncertainties can arise from numerous known and unknown factors, ranging from financial reporting changes to political risks, among others. This report is intended to provide stakeholders with information on the performance of the past financial year and to assist in their assessment of value creation in the short, medium, and long term. As such, the Group does not update forward-looking statements and cannot assume responsibility for any loss or damage arising from the reliance by any party thereon, including, but not limited to, loss of earnings, profits, or consequential loss or damage.

Reporting suite and frameworks

The Group's reporting suite is prepared to provide information to a range of readers, including financial capital providers and other stakeholders.

Frameworks

Local and international frameworks are used as a guide when preparing the reports in the suite, including:

- Companies Act, No. 71 of 2008, as amended (Companies Act)
- Banks Act, No. 94 of 1990 and the Regulations relating to Banks as amended (Banks Act)
- International Financial Reporting Standards (IFRS®)
- Integrated Reporting Framework of the IFRS Foundation
- King Report on Corporate Governance for South Africa, 2016 (King IV™)¹
- Broad-based Black Economic Empowerment (B-BBEE) Act, No. 46 of 2013, as amended (B-BBEE Act)
- Basel Framework of the Basel Committee on Banking Supervision (BCBS)
- Listings Requirements of the JSE Limited (Johannesburg Stock Exchange (JSE) Listings Requirements)

¹ Copyright and trademarks are owned by the Institute of Directors in South Africa NPC (IoDSA), and all of its rights are reserved.

Reporting suite

Integrated Report	Sasfin's primary report to providers of financial capital offers insight into the value that Sasfin creates for itself and its stakeholders.
Annual Financial Statements	The Sasfin Holdings Limited Consolidated and Separate Annual Financial Statements 2024 include risk and capital management disclosures, the directors' report, the external auditor's report, and the report of the Group Audit Committee, incorporating commentary on the Group's financial performance for the year.
Notice of Annual General Meeting	An invitation to shareholders to attend Sasfin Holding Limited's Annual General Meeting (AGM), including the notice of the AGM and shareholders' administrative information.
Pillar III Risk Management Report	Provides information regarding the activities of the Group and Sasfin Bank Limited in accordance with BCBS's revised Pillar III disclosure requirements, the Banks Act Regulations, and related Prudential Authority (PA) directives.

 Our reporting suite is available at www.sasfin.com/investor-relations.

We are committed to continually improving our reporting. In this regard, the Group is commencing with a process to focus on closer alignment with the International Sustainability Standards Board's (ISSB) sustainability-related (IFRS S1) and climate change-related (IFRS S2) standards for capital markets and more detailed sustainability disclosures.



Material matters

Material matters have the potential to materially affect the Group's success in the short, medium, and long term. They include matters that could significantly influence the assessments its stakeholders make about the Group's ability to create value and, therefore, the related decisions about its longer-term sustainability. The disclosure of the material matters excludes information that could lead to the loss of its competitive advantage or is considered price sensitive.

Material matters are incorporated into themes that remain reasonably consistent over time. Interviews with leadership and a desktop review of internal documents provide an opportunity to test the key themes and make any changes identified.

Process disclosures

The Group Chief of Staff manages the report preparation process, including overseeing the processes and controls to gather information and metrics.

The Group Chief Executive Officer (CEO), Group Financial Director (FD), and relevant Group Executive Committee (Group Exco) members provide oversight and guidance.

To prepare this report and update our material matters, we interviewed senior leadership and used internal and external sources of trusted information for decision-making, including Sasfin Board of directors (the Board) and management reports, strategy, and presentations.

The following Board sub-committees reviewed relevant sections of this report for accuracy and completeness:

- Directors' Affairs and Nominations Committee (DANC)
- Group Audit Committee (GAC)
- Group Risk and Capital Management Committee (GRCMC)
- Information Technology Committee (ITC)
- Group Human Capital and Remuneration Committee (REMCO)
- Social and Ethics Committee (SEC)

The Group Exco reviewed the content of this report before it was submitted to the GAC and the Board for approval.

The GAC oversees the Group's combined assurance framework, which outlines the assurance that supports the Board in assessing the integrity of the Group's reporting.

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Read more about the combined assurance framework in the corporate governance report.

Approval

The Board is responsible for overseeing the integrity and completeness of this report. It has considered the report's preparation and presentation as well as the appropriateness of the reporting frameworks applied in the process.

The Board has reviewed the related material matters and the report's content and believes the report accurately reflects the Group's performance and strategy for the financial year.

The Board is committed to good corporate governance and applying the practices and principles of King IV. The Board believes that this report broadly aligns with the principles of King IV, which is demonstrated by the King IV disclosures incorporated in this report.

The Board confirms that Sasfin complies with the provisions of the Companies Act and is operating in accordance with its Memorandum of Incorporation (MOI).

The Board approved the 2024 Integrated Report on 29 October 2024.

On behalf of the Board

Richard Buchholz
*Independent
Non-executive Chairperson*

Michael Sassoon
*Executive director:
Group Chief Executive Officer*

Harriet Heymans
*Executive director:
Group Financial Director*

Note: signatures are not included for security purposes.

Feedback

We value feedback from our stakeholders that helps us improve our reporting. We aim to provide balanced, transparent and comprehensive reporting that supports decision-making, so please share your views on our report with us at investorrelations@sasfin.com.

About Sasfin

Our purpose

At Sasfin, we contribute to society by going beyond a bank to enable growth in our clients' businesses and global wealth.

Who we are

Sasfin listed on the JSE in 1987 and is a bank-controlling company comprising three business pillars, with regional offices in four South African provinces and eight cities.

Our strategic reset will result in the delisting of the Group, the reorganisation of our business around our Wealth and Rental Finance pillars, and the exiting of our Business and Commercial Banking business in the short to medium term. This will result in a further refinement of our structure and operating model.

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Read more in the Group
CEO's Report.

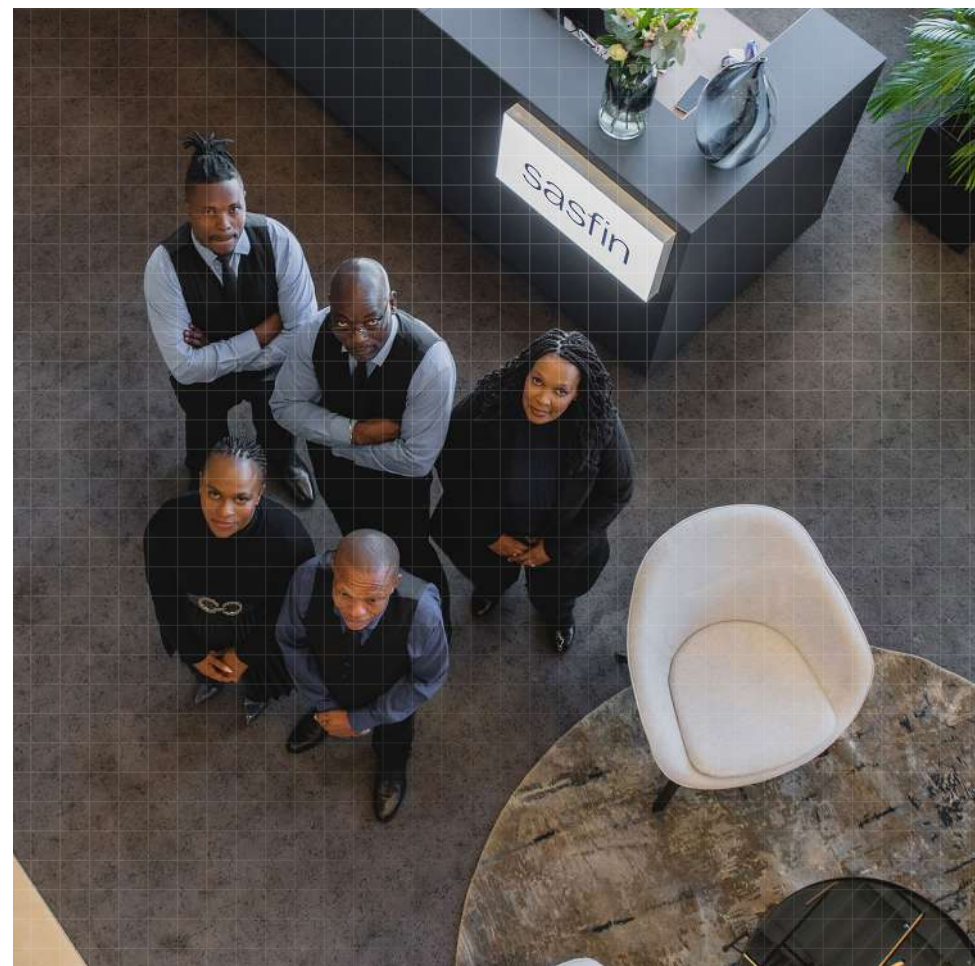
**Asset
Finance**

**Business and
Commercial Banking**

Wealth

Centralised corporate functions

We are guided by our purpose, which informs our short and medium-term strategic objectives to create value for our stakeholders and support the long-term sustainability of the Group.



Our personal touch, entrepreneurial approach, solution-driven mindset and agility allow us to compete effectively.

Our culture: a strategic asset

Our culture is a key driver of our success, rooted in our purpose and values. It shapes how we operate and serves as a foundation for everything we do.

- Empowered teams who embody our values in every action
- A spirit of going above and beyond in service to clients and partners
- We are purpose-led and guided by a strong ethical compass
- Entrepreneurial thinking and a solution-driven mindset drive innovation
- Commitment to treating clients with fairness and respect
- A focus on ethical business practices and integrity
- Continuous dedication to cultivating a high-performance culture

Our values and behaviours

Greatness

We strive for greatness by fostering accountability, passion, innovation, and excellence in both individuals and teams.

We recognise potential in our employees, clients, and partners, understanding that greatness can emerge from unexpected places.

With an entrepreneurial mindset, we aim to contribute to a thriving economy.

Respect

We treat our clients, colleagues, and communities with respect, valuing each relationship.

Integrity

We operate with integrity, balancing ambition with discipline and ethics to ensure long-term success.

Partnership

Inspired by the African spirit of 'ubuntu,' we go beyond expectations in our partnerships.

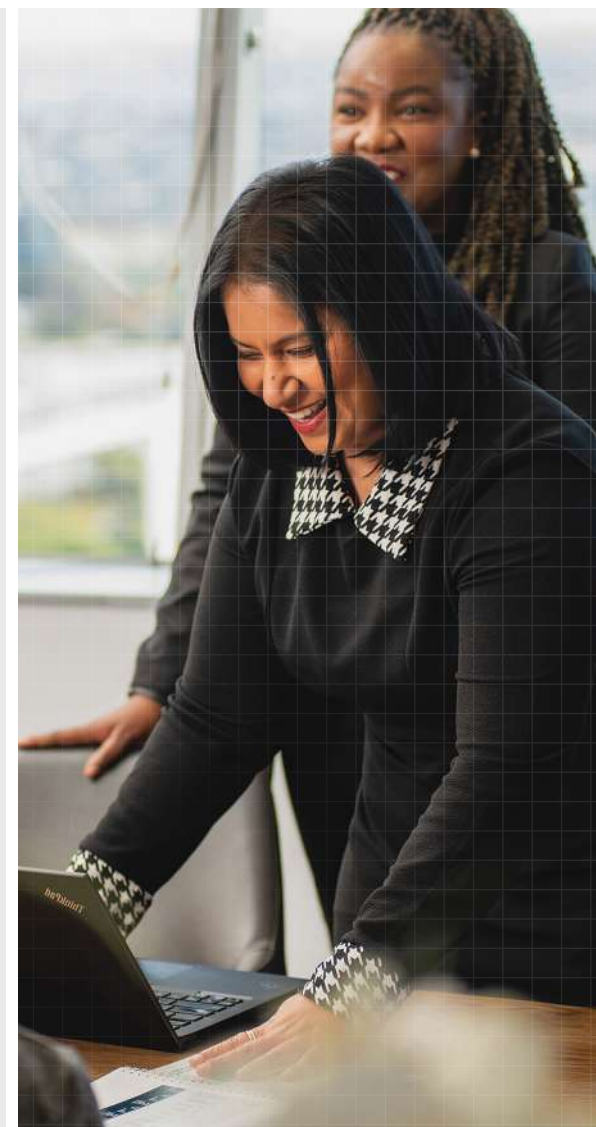
We enhance our services with meaningful offerings and acknowledge that the strength of a team outweighs individual brilliance.

Our commitment to sustainability drives us to uplift the communities we serve through impactful projects.

Our brand

Our brand is built on close client relationships, allowing us to understand their needs and respond with agility to provide tailored solutions.

- Sasfin is an impact-driven brand focused on societal transformation and enabling business growth
- A global wealth and investment manager
- A strong and well recognised rental finance brand
- Committed to service excellence



What we do

We enable entrepreneurs and investors to grow their businesses and global wealth, supporting job creation, sustainable socio-economic development and a culture of saving.

How we do business

We are:

- Client-centric and efficient
- Focused on sales and service excellence
- Leveraging automation and digital tools
- Offering a human touch where it matters
- Building advice-led relationships that go beyond products
- Committed to differentiation where it matters to a client



Our clients*

We are a partner who understands our clients' needs and creates solutions that respond directly to their unique business and wealth management requirements.

Asset suppliers



Suppliers of any asset type who wish to offer financing solutions to their clients.

Small businesses



Businesses that require digitally orientated seamless banking and financial solutions as well as rental finance.

Medium businesses



Businesses that require bespoke working capital and rental finance as well as general banking solutions.

Private clients



Individuals looking for local and global investment advice, savings solutions and managed solutions.

Institutional clients



Corporates and pension funds that require investment advice and managed solutions.

Asset Finance

Business and Commercial Banking

Wealth

* Note that this describes Sasfin's business at publication and that this will change on completion of the strategic reset in the short to medium term.

How we are currently organised

The Group operates through three business pillars supported by centralised corporate services that provide expert advice and functional support. Our federated operating model delegates responsibility for certain corporate services to the three pillars.

Asset Finance		Business and Commercial Banking		Wealth	
48% R574 million contribution to Group total income ¹		18% R225 million contribution to Group total income ¹		34% R416 million contribution to Group total income ¹	
Gross loan book of R7.8 billion		Gross loan book of R1.1 billion		AUM ² of over R65 billion	
Offering	Managing primary risks including	Offering	Managing primary risks including	Offering	Managing primary risks including
Capital Equipment Finance ³ Rental Finance	Operational Credit Funding and liquidity Capital management Market and investment IT and cyber Governance and compliance	Transactional Banking Cash Investments and Deposits Strategic Alliances Trade and Debtor Finance Foreign Exchange ³ Commercial Property Finance ³	Operational Credit Funding and liquidity Capital management Market and investment IT and cyber Governance and compliance Financial crime	Asset Management Local and Global Portfolio Management and Stockbroking Institutional Consulting Advisory Services Fixed Income Broking Digital Investment Platforms	Operational Capital management Market and investment IT and cyber Governance and compliance
Supported by centralised corporate functions					

¹ Excluding Group and Treasury eliminations.

² AUM: Assets under management and advice.

³ This offering forms part of the discontinued operations that have been disposed of or exited as part of the strategic reset.

2024 performance

Continually assessing the Group's performance and evaluating strategic priorities supports the creation of long-term sustainable value for all stakeholders.

Headline (loss)/
earnings
(Rm)

(58.68)

2023: 112.68

Headline earnings
(loss) per ordinary
share (cents)

(190.96)

2023: 366.18

Total income
(including associate
income) (Rbn)

1.28

2023: 1.39

Cost-to-income
ratio
(%)

95.51

2023: 86.69

Return on
shareholders' equity
(ROE) (%)

(3.68)

2023: 6.81

Total assets
(Rbn)

12.86

2023: 14.03

Total equity¹
(Rbn)

1.59

2023: 1.65

Gross loans and
advances (Rbn)

8.89

2023: 9.57

Credit loss ratio
(bps)

165

2023: 117

Net available cash²
(Rbn)

1.67

2023: 1.51

Total assets under
management and
advice³ (Rbn)

64.98

2023: 67.35⁵

Total core
funding base⁴
(Rbn)

9.67

2023: 9.83

Deposits from
customers
(Rbn)

5.37

2023: 5.65

Group capital
adequacy ratio (CAR)
(%)

15.87⁶

2023: 16.23⁷

All regulatory ratios
remain above
regulatory limits.

¹ Excluding non-controlling interests.

² Total cash and liquid negotiable securities less funding under repurchase agreements.

³ Excluding assets under administration.

⁴ Includes deposits from customers, debt securities, funding under repurchase agreements and overdraft funding.

⁵ Restated.

⁶ Unaudited.

⁷ Reflects the final ratio as published in the Pillar III report for June 2023.

Non-financial performance

Group permanent
employee headcount¹

734

2023: 761

Corporate Social
Responsibility (CSR)
spend (Rm)

2.84

2023: 2.62

Investment in skills
development
(Rm)

10.4

2023: 10.4

Chartered Accountant
(CA) trainees

8

2023: 8

B-BBEE rating
(level)

1

2023: 1

African, Coloured
and Indian (ACI)
employees (%)

69

2023: 67

Graduate
programme
recruits

32

2023: 65

Learners
living with
disabilities

19

2023: 22

Persons employed in
permanent roles as
part of our graduate
programme

17

2023: 37

Employees
who received
bursaries

62

2023: 55

Women
employees
(%)

63

2023: 63

Disbursed
(R'000)

R146

to support employees
through the Sasfin
Wish List²

¹ Headcount at 30 June 2024. Headcount
excluding discontinued operations is
687 employees.

² Read more about the Sasfin Wish list.





We are a partner
invested in your future,
as much as ours.

We are creating a world where
our clients feel empowered.

02

Approach to value creation

Operating context

Sasfin's performance in a complex and challenging environment has been underpinned by careful management of credit extension, the risk landscape and prioritising existing client needs. The following factors illustrate the complexities facing all financial institutions.



South African context

Gross domestic product (GDP)

After growing at 0.7% in 2023, the South African economy is expected to grow modestly in the coming years. The International Monetary Fund (IMF)¹ forecasts slow GDP growth of 0.9% in 2024 and 1.2% in 2025.

Credit environment

The local credit environment is marked by cautious optimism and persistent challenges. Financial institutions are focusing on risk management and credit quality. While there are signs of recovery, a balanced approach is needed to stimulate growth while managing inherent risks.

Government of National Unity (GNU)

The formation of a GNU, with enhanced oversight, offers cautious optimism for meaningful improvement. While it holds the potential to drive greater stability, accountability and reform, the success of the GNU will depend on effective collaboration. It could either catalyse much-needed progress or, if unsuccessful, further strain the country's socio-economic environment.

Interest rate cycle and slowing inflation

The South African Reserve Bank (SARB) raised the repo rate to 8.25% in response to high consumer price inflation (CPI) but has recently cut it by 25 bps, following a year of maintaining the rate, due to slower economic growth and easing food and energy prices. The SARB predicts a more stable inflation rate of 4.5% for much of 2025 and is likely to adjust monetary policy in the near-term. While interest rates are expected to dip lower, the easing cycle is expected to be modest rather than deep.

Currency volatility

The volatility of the Rand continued over the past year, but it traded in a slightly narrower range, closing at R18.26/USD on 30 June 2024 (2023: R18.89/USD). The Rand's appreciation over the year was largely due to market optimism following the announcement of the election results and the formation of a GNU.

Deteriorating infrastructure

Eskom will continue to drive its Generation Operational Recovery Plan to improve its Energy Availability Factor and add new capacity. Power outages have had a significantly negative impact on every sphere of the economy. Despite initial scepticism, reaching 100 consecutive days free of load shedding in early July 2024 augurs well for a stronger economy in the months and years to come. While there are positive signs for electricity supply, much still needs to be done on the rail, road and port infrastructure, as well as water supply and wastewater management.

Regulatory environment

The financial regulatory environment aims to ensure stability, protect consumers, and promote fairness in the financial markets. The pace of regulatory change is increasing, with efforts to address emerging issues like climate change and cybersecurity. This is significantly impacting the banking industry, placing pressure on banks to maintain compliance and operational alignment while adding layers to the regulatory landscape. Adapting to these changes requires ongoing investment in compliance and risk management, building strong relationships with regulators, and developing regulatory frameworks that support the ability to adapt quickly. Tier 2 banks in South Africa face significant challenges in competing with larger banks, which benefit from lower funding costs, more lenient capital requirements under the advanced Basel approach, and the scale needed to manage regulatory compliance and infrastructure, while Tier 2 banks often struggle with the difficulty of achieving both scale and differentiation in their product offerings.

¹ IMF: World Economic Outlook, update July 2024.

² Internal sources of information and data.



Global context

GDP

The global economy is set to stabilise in 2024 after several years of decline. Following global GDP growth of 3.3% in 2023, the IMF forecasts global growth of 3.2% in 2024 and 3.3% in 2025¹. The world's advanced economies are expected to grow at an unchanged rate of 1.7% in 2024 before modestly improving to 1.8% in 2025. From growth of 4.4% in 2023, the emerging market and developing economies are forecast to grow at a 4.3% pace in both 2024 and 2025.

Geopolitical and economic tensions

Russia's invasion of Ukraine has continued unabated, while the Middle East conflict has stretched into this year. Geopolitical tensions remain elevated as the deglobalisation trend continues and nations seek greater independence on the global stage. In a year where over half of the globe is going to the polls, political rhetoric has only served to inflame tensions at both the national and international level. The United Kingdom's (UK) shift to Labour, the surprise French election outcome, the Biden (now Harris)-Trump presidential spectacle and South Africa's shift to a GNU all reflect the heightened uncertainty in national governments. Changes in national regimes only further complicate international policies and relationships and the current trade tensions between East and West, causing potential economic damage and even posing life-threatening risks through tariffs, sanctions and threats.

Social instability and demographic shifts

The world's population has grown by one billion people since 2010 and is forecast to grow from eight billion today to around 9.7 billion in the next 30 years². Humans are living longer and fertility rates have increased. The highest fertility rates are among the lower income countries, leaving global population growth more concentrated among the poorer countries of the world, most of which are found in sub-Saharan Africa.

Technological disruption

The introduction of ChatGPT in late 2022 made artificial intelligence (AI) accessible to all. While large language models had been under development for some time, the race to provide practical applications of the technology visibly accelerated. Corporations rushed to add an AI angle to their products, which increased the demand for every aspect of the semiconductor manufacturing process from ultraviolet lithography machines to semiconductor design software to the actual production of the computer chips in fabrication plants. The growing "industry" of AI has also driven the demand for servers running large language models. These electricity-consuming and heat-generating mega-computers have, in turn, spurred greater demand for server real estate as well as cooling systems (with their associated uptake of copper). The rollout of AI around the globe raises uncertainty around job security in certain areas but also opens up the possibility of new jobs being created.

Financial sector instability

Global financial stability broadly improved over the period as markets began anticipating a softer landing for the global economy, with disinflation leading headline inflation rates closer to central banks' targets³. That optimism was manifested in the capital markets with broadly positive gains in bond and equity prices and narrowing credit spreads.

Climate change impacts

Climate change continues to change climates and create less predictable weather patterns. Storms have raged more fiercely, and droughts have intensified with consequences for both human settlements and wildlife. Climate change has challenged food security in some areas and increased health risks in others.



More detailed insight and market commentary can be found online in our Content Hub at <https://contenthub.sasfin.com/>.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024>.

² <https://www.un.org/en/global-issues/population>.

³ <https://mediacenter.imf.org/news/imf-april-2024-global-financial-stability-report/s/82e96594-9580-4e95-ae7b-2610d8b6c3fb>.

Chair's message to stakeholders



Richard Buchholz
Chair

"Sasfin has navigated significant challenges over the past year and, following an extensive strategic reset, has emerged with strengthened resilience and a clearer vision for the future. The combined efforts of a strong and stable Board, alongside the dedication of the Group's employees, has allowed Sasfin to tackle uncertainty with focus and determination, positioning the Group to be even more resilient and focused moving forward."

Returning to a path of growth

This past year has presented numerous challenges for South Africa, including economic pressures such as high interest rates and inflation, deteriorating infrastructure, and persistent load shedding. These issues have been compounded by political uncertainties stemming from recent elections, which temporarily hindered business investment.

However, the formation of a GNU, and the seemingly successful suspension of load shedding have sparked renewed optimism, providing a much-needed boost to market sentiment.

The financial services sector has also been affected by new regulatory demands, particularly following the Financial Action Task Force (FATF) greylisting of South Africa in February 2023, which has increased scrutiny and compliance requirements for financial institutions.

Realising the opportunity from the strategic review

Guided by a mission to support clients in growing their businesses and wealth, Sasfin's leadership has undertaken a comprehensive strategic review. This process has reinforced the Group's commitment to focusing on its core businesses and simplifying operations to enhance liquidity and capital efficiency. Decisive actions over the past 18 months underscore the effort undertaken to reduce complexity and strengthen the compliance and control framework.

Throughout this period, leadership and employees have exhibited resilience and transparency, particularly in engagements with regulators and clients. Sasfin remains committed to open

communication, ensuring all stakeholders are well-informed as these changes are navigated.

Actions taken to date to streamline operations, including the sale of non-core assets and the recent decision to delist from the JSE, will enable the Group to act more swiftly and reduce operational costs. As a public company, Sasfin will continue to have reporting obligations, including financial reporting as well as compliance with various regulations, which will be fulfilled with diligence.

The next phase of the strategic reset will commence with exiting the banking business in the next eighteen months, subject to meeting relevant regulatory requirements and approvals. The Group will continue to ensure transparent engagement with all stakeholders throughout the process to balance their interests and keep them informed.

The outcome of the strategic reset, which is expected to be concluded by the end of 2025, will be a changed Sasfin as a privately held business with two core businesses, together with some strategic direct investments. The Group is therefore honing in on areas where significant advantages exist, such as Wealth, Rental Finance, and those areas that support these businesses. Both businesses have strong competitive positions, inherent scale and can generate healthy risk-adjusted returns for the Group.

The support from Sasfin's major shareholders has been welcome and encouraging, and their increased investment following these actions reflects their confidence in Sasfin's future direction.

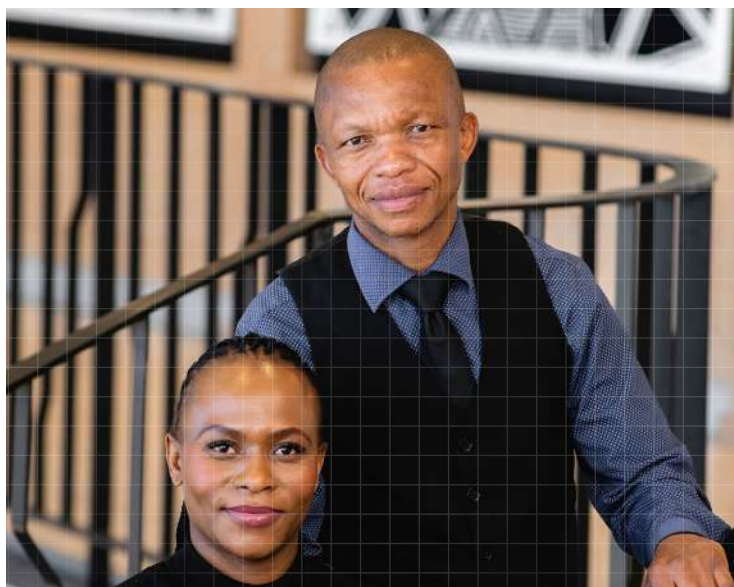
Regulatory and legal action

After the financial year end, the SARB's PA issued Sasfin Bank with notices of administrative sanctions in terms of the Banks Act, Financial Sector Regulation Act, and the Financial Intelligence Centre Act. Sasfin Bank received further notice of a potential action from the SARB in relation to alleged contraventions by former staff of and clients of the discontinued Forex business. Sasfin continues to actively and transparently engage with the regulators to ensure reasonable and proportionate outcomes. To the degree that such an outcome cannot be attained, Sasfin will likely defend and appeal the matters based on the strength of the legal opinions received.

On 9 January 2024, Sasfin Bank was served a civil summons for R4.9 billion, plus interest and costs, in the form of a damages claim instituted by the South African Revenue Services (SARS). Sasfin Bank obtained a legal opinion from ENS which unequivocally concludes that the claim falls outside the recognised parameters of applicable law and has a very remote likelihood of success.

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Read more in the
Group CEO's report.



Governance developments and Board changes

Earlier this year, I was appointed as Chairperson following the unfortunate departure of Deon de Kock due to health reasons. We are grateful for Deon's contribution to the Group and extend our best wishes to him. Despite the changes, the Board has remained stable and committed, providing the necessary oversight and support to guide Sasfin through its strategic reset.

Operating in a highly regulated environment, the Board remains focused on strong governance, meeting more frequently to oversee significant ongoing changes. Good governance is central to the Group's value-creation strategy. In line with this, Sasfin has appointed an Executive Head of Combined Assurance. This role will coordinate the first line of defence within the Pillars and Business Units, oversee the second line in Group Risk and Group Compliance, and ensure effective management of the third line in Group Internal Audit. This integrated approach to combined assurance will yield better outcomes for all stakeholders.

Board and executive effectiveness

The Board and executives have demonstrated their effectiveness through their unwavering commitment to the strategic changes. While filling Board vacancies has been challenging, the team has remained focused on ensuring that the Group is well-governed and capable of meeting its strategic goals.

Sustainability and transformation

Sasfin continues to advance its sustainability and transformation agenda, building on its existing framework to meet responsible investment principles. It remains firmly committed to social and environmental standards, and has retained its Level 1 B-BBEE rating.

Outlook

The initial phases of Sasfin's strategic reset have been successfully implemented, positioning the Group for sustainable growth. The business is more focused with a clear path forward in our core activities. Despite a challenging economic climate, the strategic reset will enable Sasfin to continue delivering value to shareholders and clients.

Acknowledgements and thanks

I would like to thank my fellow directors for their dedication and resilience during this challenging period. I am pleased to welcome Erol Zeki to the Board as an alternate executive director. Erol's experience and insights will be invaluable to the leadership team. Additionally, I am delighted to welcome Anton van Wyk as an independent non-executive director from August 2024. Anton's distinguished career in risk management and accounting, with a deep expertise in corporate governance, risk management, and assurance services across diverse industries, will undoubtedly bring significant value to the Board.

I would like to congratulate Gloria Tomatoe Serobe on her appointment as Chair of the Sasfin Wealth Board on 22 October 2024 and thank Tienie van der Mescht, who was the previous Chair of the Sasfin Wealth Board and continues to serve as a director of the Group and Sasfin Wealth. The Group Board looks forward to the extensive knowledge and experience that Gloria will bring to the Wealth business.

I extend my gratitude to the executive team and all Sasfin's employees for their unwavering commitment. Your efforts have been instrumental in navigating these uncertain times. Lastly, I thank all shareholders, business partners, and regulators for their support and commitment to ethical business practices.

As Chairperson, I reaffirm the Group's commitment to contributing to the broader society by facilitating the growth of client businesses and wealth in a responsible manner.



Key stakeholder relationships

The Group's relationships with stakeholders and its understanding of their needs and expectations are integral to the value creation process. A client-centric approach fosters high-touch relationships that uncover and unlock opportunities for value enhancement.








Stakeholder groups

Our stakeholders have a direct or indirect interest in the Group's strategy and are impacted by its operations. Stakeholder management is a dynamic process influenced by changes in the operating and regulatory environment, and the Group's evolving needs and operations.

We have developed a stakeholder matrix that maps each stakeholder group's relationships and identifies key engagement points. This has been crucial throughout the strategic reset process to ensure timely updates are shared appropriately. By addressing their needs and concerns upfront, the Group can further refine its strategy and approach. These engagements also contribute to the strategic decision-making processes.

The Group continues to proactively and transparently engage with stakeholders and effectively communicate the strategic actions and decisions made. The Group's strategic reset is expected to be completed by the end of 2025.

Defining significant stakeholders

 Employees	 Clients	 Shareholders, investors, and funders	 Business associates	 Government and regulators	 Other stakeholders	 Society
<ul style="list-style-type: none"> • 734 permanent employees (687 permanent employees excluding discontinued operations) and 97 temporary employees and contractors 	<ul style="list-style-type: none"> • Rental suppliers • Institutional clients • Financial consultants and intermediaries • Private clients • Small- to medium-sized enterprises (SMEs) and entrepreneurs • JSE Listed Entities • Incorporations not for gain • Body Corporates and Trusts 	<ul style="list-style-type: none"> • Shareholders • Depositors • Development finance institutions • Institutions via debt capital markets • Private and institutional investors 	<ul style="list-style-type: none"> • Retail vendors/suppliers • Alliance partners • Financial intermediaries • Specialised services outsource partners • Investee companies 	<ul style="list-style-type: none"> • SARB's PA, Financial Surveillance Department, National Payments System Department and Financial Stability Department • JSE Limited • Financial Sector Conduct Authority (FSCA) • SARS • National Credit Regulator • Financial Intelligence Centre (FIC) • Department of Labour • Financial Sector Transformation Council • Competition Commission • Information Regulator of South Africa • National Treasury • Corporation for Deposit Insurance (CODI) 	<ul style="list-style-type: none"> • Industry bodies, for example, the Banking Association of South Africa (BASA) • Suppliers • Third-party vendors • Financial media 	<ul style="list-style-type: none"> • South Africa's population • The natural environment

Employees

Our business thrives because of the dedication and experience of our people, who embody our high-touch approach to building client relationships.

Our teams are driven by their ability to make a meaningful impact on the Group, our clients, and society, and they embrace an entrepreneurial spirit that encourages going beyond.

How is this relationship managed?

- **Leadership oversight:** Management and leadership throughout the Group oversee and manage employee relations
- **Human Capital support:** Human Capital teams within each pillar support management in implementing effective people practices, guided by the central Group Human Capital function

How we measure the quality of the relationship

- **Engagement and ethics surveys:** Results from surveys that assess employee engagement and ethical practice
- **Anecdotal feedback:** Insights gathered by Human Capital teams from informal feedback across the Group
- **Employee turnover:** Feedback collected from employees leaving the organisation, including regrettable resignations, provides valuable insight for improving employee retention strategies
- **Disciplinary and grievance processes:** Records and outcomes of disciplinary actions and grievance resolutions
- **Commission hearings:** Outcomes of hearings of the Commission for Conciliation, Mediation and Arbitration (CCMA)

How and when we engage

- Employee engagement surveys
- Ethics surveys
- Regular townhalls
- Ongoing leadership training
- Ad hoc awareness sessions
- 24/7 whistleblowing hotline
- Feedback exit interviews
- Digital communication channels
- Mindful Mondays, Talk Tuesdays and First Thursdays
- Various social events ranging from smaller targeted groups to larger business units, pillar breakfasts, cake days
- Performance management
- Ask Nelson
- October Health App
- ClarityWave

Outcomes

- Our operating model and open-door policy facilitate effective and targeted engagement with employees, allowing for prompt resolution of issues
- We have strengthened our change management efforts to support employees through strategic shifts, including initiatives to enhance motivation and team morale and achieve the most favourable outcome for all impacted
- We are actively enhancing our employee value proposition, refining our retention strategies, and strengthening our succession planning

Their priorities and concerns

- Employment conditions, including competitive compensation and benefits
- Job security
- Human rights, diversity and inclusion
- Transparent leadership and direction
- Professional development
- Career advancement
- Flexible ways of working
- Work-life balance
- Commitment to ethical business
- Purpose, belonging and making a meaningful contribution

How we create and preserve value

- Training and development
- Wellness and employee assistance programmes
- Career growth opportunities
- Succession planning
- Bursary programmes
- Volunteer programmes
- Fair and market-related remuneration and other employee benefits
- Sasfin Wish List (employee assistance)
- Hybrid and flexible work environment
- Transformation initiatives
- Personal contributions of time and skills to CSR initiatives

Clients

By developing solutions tailored to our clients' unique needs, we enable their businesses growth and enhance their global wealth.

How are these relationships managed?

- **Sales, distribution and business development managers:** Directly engage with clients to understand and address their needs
- **Portfolio managers, wealth advisors, investment consultants:** Provide expert advice and manage client investments
- **Business-specific relationship managers:** Focus on requirements and maintain specialised relationships
- **Client relationship centre:** Serves as a central point for client support and inquiries
- **Group Treasury:** Direct engagement with major funders and note holders
- **Management:** Ensures strategic alignment and overall relationship oversight

How we measure the quality of the relationship

- Collect insights from day-to-day interactions with clients
- Track repeat and new business volumes to assess relationship strength
- Monitor the growth of client accounts and their expanding needs
- Manage feedback through our compliments and complaints process to continuously improve service quality and ensure we are treating our customers fairly

How and when we engage

- Ongoing engagements on social media
- Educational content and resources on the Sasfin **Content Hub**
- Regular in-person meetings and events
- Online client engagement, including webinars
- Direct marketing
- Personalised communication
- Regular business updates
- Customer relationship centre

Their priorities and concerns

- Security of investments and consistent, risk-adjusted returns
- Sustainable long-term investment performance
- Seamless access to banking products and services and capital
- Efficient approval of credit applications and quick turnarounds
- Fair treatment
- Commitment to ethical business conduct
- Diverse investment options
- Sound advice
- Customer service and support
- Transparency
- Convenience and accessibility

How we create and preserve value

- Affordable, reliable and innovative financial products and services
- Competitive interest-bearing deposits
- Excellent wealth management solutions and investment platform
- Access to credit to grow their businesses
- Convenient access to innovative digital platforms
- Transparent pricing
- Secure and protected data
- Deep relationships and access to senior management
- Estate and succession planning
- Client engagement and communication
- Fit-for-purpose financial solutions
- Consistent long-term investment performance

Outcomes

- We help our clients build their brands and deepen their relationships with Sasfin and across our network
- Venues are available at our head office for clients to hold training, business and social engagements with their partners and clients at no charge

A Group-level Client Excellence Committee embeds formal business-as-usual client management processes across the Group. This includes enhancing our compliments and complaints management process to proactively invite feedback from client engagements and then tracking responses and resulting actions.

Client events and webinars



See our Content Hub



Shareholders, investors, and funders

Our shareholders, investors and funders provide crucial support that empowers Sasfin to make strategic decisions and seize opportunities for sustainable long-term value creation.

How are these relationships managed?

- **Board and Board committees:** Oversee and guide strategic and financial decisions
- **Group CEO, Group Treasurer, Group FD and Alternate Executive Director:** Directly manage relationships and ensure alignment with strategy
- **Group Company Secretary:** Ensures compliance with regulatory requirements, manages corporate governance, and facilitates communication between the Board, management, and shareholders
- **Treasury and Debt Capital Markets team:** Manages the Group's liquidity, funding strategies, and capital structure. They engage with debt investors and credit rating agencies to secure funding and optimise the cost of capital
- **Portfolio managers and wealth advisors:** Engage with investors to manage and grow their investments
- **Business bankers:** Build relationships with depositors to secure reinvestments and attract new money
- **Pillar CEOs:** Lead their respective business units, driving performance and strategic initiatives. They engage with key stakeholders to align business unit objectives with overall corporate strategy and ensure sustainable growth

How we measure the quality of the relationship

- **Funding growth and stability:** Track the growth and stability of our funding sources to assess relationship effectiveness
- **Strategic initiatives:** Support for strategic initiatives that drive sustainable growth

How and when we engage

- JSE SENS announcements
- Annual and interim results announcements, presentations and reports
- AGM
- Meetings with potential funders, analysts and credit rating agencies

Their priorities and concerns

- Consistent financial performance and return on investment
- Long-term investment performance and security of investments
- Sasfin's long-term stability and sustainability
- Transparent, accurate and consistent reporting
- Accountability, robust corporate governance and efficient risk management
- Healthy financial, investment, regulatory and credit ratios
- Consideration and application of environmental, social and governance (ESG) principles
- Commitment to transformation
- Commitment to ethical business conduct

How we create and preserve value

- Financial return on capital
- Stable and growth-orientated core businesses with sustainable long-term performance
- Access to management
- Transparent reporting and disclosure
- Investing capital responsibly
- Active management of debt levels, liquidity, refinancing, interest rates and counterparty risks
- Long-standing and established South African Securitisation Programme (SASP)

Outcomes

- SASP issued R676 million listed notes in the domestic capital markets, with a total of R3.6 billion floating rate notes in issue
- The Board has resolved not to declare a dividend in 2024 (2023: nil) as a result of the subdued financial performance and economic climate



Read more about our performance in the Group FD's report.

Business associates

Our enduring relationships with our business associates are essential for providing a compelling value proposition to clients and for developing and customising solutions to meet their needs.

How are these relationships managed?

- Business unit managers
- Account executives
- Relationship managers
- Investment professionals
- Pillar and support management committees
- Pillar CEOs

How we measure the quality of the relationship

- Market share
- Contract renewals and referrals
- Length of relationship

How and when we engage

- Day-to-day business activities
- Board meetings
- Strategy engagements
- Monthly and quarterly reporting
- Audits and reviews

Their priorities and concerns

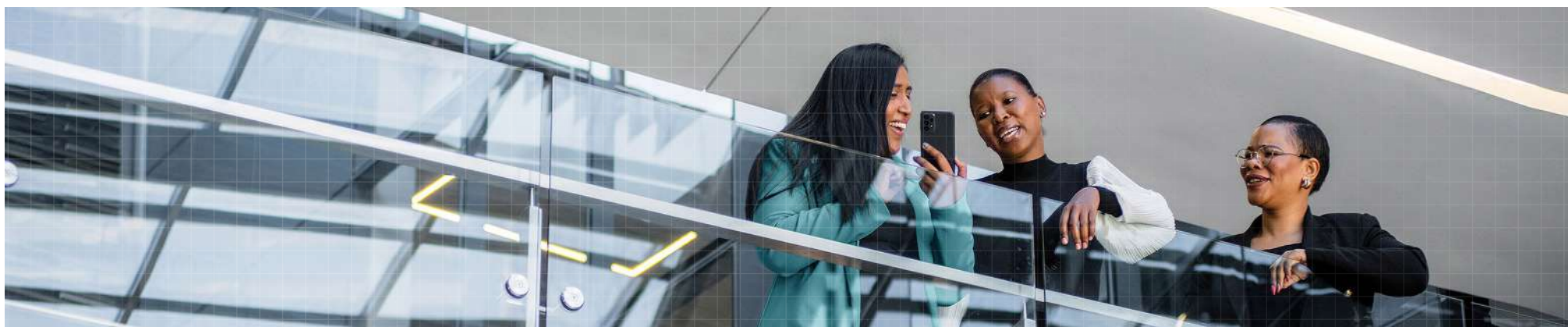
- Value proposition
- Service excellence
- Fair treatment
- Reputation
- Commitment to ethical business conduct
- Commercial opportunities
- Access to markets

How we create and preserve value

- Active engagement to build mutually beneficial relationships
- Opportunities to expand their business and to access more clients
- Opportunity to provide additional services through alliance partnerships
- Client engagement venue offering

Outcomes

- Sasfin is evolving its value proposition to core client segments through strong relationships with business associates



Government and regulators

Government and regulatory bodies grant us the licence to operate, and we are committed to complying with all relevant regulations and legislation. This adherence is crucial for maintaining our licence and the trust of our stakeholders in our ability to deliver sustainable value.

How are these relationships managed?

- The Board
- Group CEO and Group FD
- Pillar CEOs
- Chief Risk Officer
- Group Head: Legal and Acting Group Company Secretary
- Head: Group Compliance
- Executive Head: Combined Assurance
- Group Treasurer
- Acting Head: Internal Audit

How we measure the quality of the relationship

- **Direct communication:** Senior executives maintain direct and transparent communication channels with regulators and government bodies
- **Engagement initiatives:** Regular engagements are initiated to foster transparency, cooperation, and mutual understanding
- **Feedback:** Provide regular feedback to appropriate management, the Board, and relevant committees to ensure continuous improvement and alignment
- **Reviews and inspections:** We take regulatory reviews and inspections seriously, actively assisting with all requirements and ensuring timely, accurate reporting to maintain compliance and foster trust

How and when we engage

- Day-to-day business activities
- Proactive initiation of discussions on key matters
- Formal and ad hoc site visits
- Regulated reporting
- Ad hoc information requests
- Annual meetings and formal engagements
- Representation on industry bodies

Their priorities and concerns

- Treating Customers Fairly (TCF) regulations
- Commitment to ethical business conduct
- Actively managing and meeting regulatory requirements
- A stable risk environment
- Sustainability and resilience of the Group
- The impact of risk data aggregation risk reporting (RDARR) and IFRS 9
- Managing credit losses
- Regulatory compliance and good corporate governance
- Transformation
- Succession planning
- Climate change action and reporting

How we create and preserve value

- Actively engaging with government institutions and regulators on strategic and policy matters
- Being a diligent and responsible taxpayer
- Effectively managing risk in a complex operating environment
- Participating in and contributing to industry and regulatory working groups
- Contributing to government development plans and national priorities, including transformation and job creation
- Supporting national remediation efforts to address South Africa's greylisting by the FATF

Outcomes

- Proactively engages with relevant regulators while exercising legal rights regarding administrative actions
- Reviews, inspections and regular meetings and updates on the Group's remediation programme
- Participation in developing industry-wide processes and controls for identifying beneficial ownership and enhancing cybersecurity
- Members of management regularly attend workshops and information sessions hosted by the FIC, SARB, PA, FSCA and BASA on regulatory and compliance matters

Other stakeholders

These relationships support our relevance in the market and across the supply chain. This ensures we can continue delivering sustainable value and achieving our purpose.

Other stakeholders include industry bodies, suppliers, third-party vendors and the media.

How are these relationships managed?

- Group CEO, Group FD and Group Chief Operating Officer (COO)
- Pillar CEOs
- Pillar and support management committee members
- Head of Debt Capital Markets
- Chief of Staff

How we measure the quality of the relationship

- Media monitoring
- Feedback from engagements

How and when we engage

- Participation in industry surveys, working groups and sub-committees
- Ad hoc engagements with industry bodies and financial media

Their priorities and concerns

- Transparency and regular dialogue
- Transparent and consistent reporting
- Contribution to industry priorities and reputation
- Value-adding information and thought leadership
- Fair payment terms
- Fair competition and openness to collaboration
- Commitment to ethical business conduct
- Reliability and continuity of business relationships
- Prompt payment practices and financial stability
- Reputational issues

How we create and preserve value

- Providing insight and alternative views
- Promoting Tier 2 banks' interests in member body dialogue
- Supporting the contribution of suppliers and partners to the broader economy
- Proactive engagement with the media on topical themes relevant to client segments
- Implementing strong risk management frameworks to navigate the complexities of the financial landscape, thereby protecting Sasfin and its stakeholders from unforeseen challenges
- Maintaining an effective procurement policy

Outcomes

- Ongoing review of industry and market trends to respond to emerging shifts
- Evolving our approach to news and business media with increased content coverage to support our businesses
- Continually enhance our reputation management processes

Society

We are intentional in having a meaningful impact and positive contribution to society. As an engaged corporate citizen, we aim to have a net positive impact on the natural environment.

How are these relationships managed?

- All employees
- Relationship managers
- Pillar and support management committees
- Group Marketing

How we measure the quality of the relationship

The status of our relationships with partner organisations.

How and when we engage

- Ongoing development of impact solutions
- Frequent engagements with flagship partners on CSR initiatives
- Ongoing investment in meaningful innovation to drive financial inclusion
- Targeted media engagements
- Ad hoc meetings with social partners

Their priorities and concerns

- Job creation
- Alignment with sector transformation targets
- Community development through social contributions and skills development
- Sound corporate governance
- Responsible corporate citizenship
- Responsible use of natural resources

How we create and preserve value

- Providing access to financial services
- Partnerships to promote financial inclusion
- Good governance practices
- Positioning sustainability, responsible investment, responsible lending and financial inclusion at the forefront of our business practices
- Zero-tolerance approach to financial crime and unethical behaviour
- Creating internal efficiencies to reduce our use of natural resources, including electricity and water
- Facilitating volunteer programmes
- Trainee programmes, learnerships and bursaries
- Offering financial and non-financial support to CSR partners

Outcomes

- Maintained Level 1 B-BBEE contributor status
- Focused CSR strategy, leveraging the pillars to engage with flagship partners on the ground, which include Noble B-BBEE Advisory, Afrika Tikkun, ORT SA, Smile Foundation, Junior Achievement SA, Hospice Wits, and Impumelelo Day Care Centre
- Established a private market fund in association with RBN Fund Managers through a R360 million Job Fund grant developed in conjunction with National Treasury
- Continually evolve our approach to news and business media, with increased content coverage to support our pillars

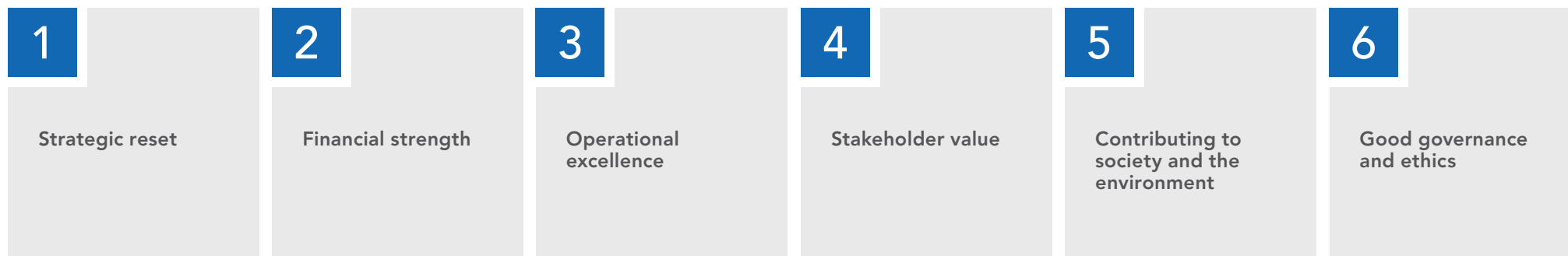
Material matters

Our material matters are the financial and non-financial factors that have the greatest potential impact on Sasfin's ability to create value for stakeholders over the short, medium, and long term.

Material themes

Sasfin's material themes, outlined below (in no particular order of priority), represent our response to the rapidly evolving operating environment. They incorporate key aspects of the Group's sustainability and integrated thinking framework, which is modelled on material business issues and associated value drivers underpinning the Group's strategy, and informed by stakeholder issues when viewed through a risk lens. The material matters have been considered in light of the strategic reset and current risks being faced by the Group.

Management is tasked with implementing measures to oversee these themes effectively and to develop action plans that capitalise on emerging opportunities. The discussion of our material matters aims to provide stakeholders with insight into their impact on value creation, our financial performance for the year, and our short and medium-term outlook.



1. Strategic reset

We have been undergoing a strategic reset to refine our business offerings within our risk appetite and deliver sustainable value to stakeholders. Our focus is on strengthening our core businesses, Wealth and Rental Finance, while exiting non-core activities, including our banking business.

Themes	Stakeholders	Risks	Related opportunities
<ul style="list-style-type: none"> Strengthen the core businesses Capital and liquidity management Divestment of non-core activities Shareholder value enhancement Operational efficiency Regulatory compliance Stakeholder communication Talent management and retention Risk management 	<ul style="list-style-type: none"> Clients Employees Shareholders, investors, and debt funders Business associates Government and regulators Other stakeholders Society 	<ul style="list-style-type: none"> Poor business and strategy execution can lead to operational disruptions and loss of stakeholder confidence Financial costs associated with divesting non-core activities Markets may react negatively, leading to a loss of investor confidence Shift in focus may strain existing resources and impact the performance of core businesses during the transition Strategic reset may lead to uncertainty among employees, causing potential loss of talent and decreased morale 	<ul style="list-style-type: none"> Focusing on core competencies strengthens market position and competitive advantage Exiting non-core activities can release capital and resources to focus on growth areas Strategic agility as a leaner organisation that can respond more quickly to market changes and emerging opportunities Optimisation of talent with core remaining focused businesses

2. Financial strength

Our ability to mitigate and respond to operating environment conditions and increased regulatory oversight, while maximising opportunities to ensure our longer-term financial stability.

Themes	Stakeholders	Risks	Related opportunities
<ul style="list-style-type: none"> Strong balance sheet Stable funding and liquidity Capital management Managing operational, compliance and reputational risk Strategic execution Funding our business growth 	<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders Employees Government and regulators 	<ul style="list-style-type: none"> Credit risk leading to increased default on loans Market volatility and changes in interest rates Liquidity constraints and funding shortfalls Operational risk failures in internal processes, systems or controls could result in financial losses and reputational damage Financial crime could impact client experience, and reputational challenges Governance and compliance – high costs associated with meeting regulatory requirements and potential sanctions Cybersecurity challenges due to increased cyberattacks and potential data breaches 	<ul style="list-style-type: none"> Digital transformation – leveraging technology to improve financial operations and client experience Risk management – improved risk models and stress testing to better model liquidity and capital requirements Governance and compliance – maintain healthy regulatory buffers and a zero-tolerance approach to non-compliance Strengthening stakeholder relationships – long-term relationships with clients, investors, and regulators to support business stability

3. Operational excellence

Achieving operational excellence is paramount to maintaining competitive advantage and ensuring sustainable growth. It encompasses optimising processes, systems, and resources to deliver superior performance, efficiency, and customer satisfaction. We are committed to refining our operations and fostering a culture of excellence to meet the dynamic needs of our stakeholders.

Themes	Stakeholders	Risks	Related opportunities
<ul style="list-style-type: none">• Process optimisation• Technology integration• Risk management• Client experience• Talent development and retention• Quality assurance• Performance metrics• Cost efficiency	<ul style="list-style-type: none">• Clients• Employees• Business associates• Government and regulators• Shareholders, investors, and debt funders• Society	<ul style="list-style-type: none">• Process inefficiencies lead to higher operational costs and decreased client satisfaction• Operational disruptions such as cyberattacks or system failures• Inability to retain and develop high-potential employees and increased employee turnover can hinder operational efficiency	<ul style="list-style-type: none">• Optimised processes lead to faster service delivery and reduced costs• Implementation of robust risk management frameworks can pre-emptively address potential issues• Improved client experience, leading to increased retention and market share• Fostering a culture of continuous improvement encourages continued operational enhancements• Using data and analytics can enhance insights, client experience, and strategic planning, and reduce risk• Strategic clarity enabling the optimisation of talent within the core businesses

4. Stakeholder value

We recognise that our success is intrinsically linked to the trust and collaboration we build with our stakeholders. Our proactive stakeholder engagement initiatives are designed to foster transparent dialogue, address stakeholder concerns, and integrate their insights into our decision-making processes. By prioritising meaningful interactions and valuing diverse perspectives, we enhance our operational resilience and contribute to sustainable value creation for all our stakeholders. This commitment to deliver value underscores our dedication to being a responsible and responsive financial institution in an ever-evolving environment.

Themes	Stakeholders	Risks	Related opportunities
<ul style="list-style-type: none">• Purpose-led and values-based culture• Ethical governance and compliance• Diversity, equity, and inclusion• Service excellence and client-centricity• Digital transformation and access• Sustainable and responsible business practices• Transparent and fair communication• Community engagement and development• Long-term value creation for shareholders• Collaboration and partnership	<ul style="list-style-type: none">• Clients• Employees• Shareholders, investors, and funders• Business associates• Government and regulators• Society	<ul style="list-style-type: none">• Misalignment of interests• Poor communication can result in misunderstanding and loss of trust• Reputational risk• Inefficient use of resources in stakeholder engagement	<ul style="list-style-type: none">• Build trust and long-term relationships• Increased client retention• Investor confidence• Committed employees• Enhanced operational resilience and sustainable growth• Demonstrated resilience and stability

5. Contributing to society and the environment

Our purpose guides us in how we contribute to transforming society and managing and mitigating our environmental impact.

Themes	Stakeholders	Risks	Related opportunities
<ul style="list-style-type: none">• Preserving the environment and reducing our carbon footprint• Enabling growth in businesses• Transformation and inclusion• Enabling a savings culture• Uplifting communities we operate in• Responsible business practices• Employee wellbeing and engagement• Impact investing	<ul style="list-style-type: none">• Clients• Shareholders, investors, and debt funders• Employees• Business associates• Government and regulators	<ul style="list-style-type: none">• Reputational risk• Unmet client expectations around socially responsible products and offerings	<ul style="list-style-type: none">• Job creation• Enhanced reputation• Investment opportunities (ESG funds and green finance)• Operational efficiencies (energy, water, waste)• Purpose-driven culture

6. Good governance and ethics

The financial services industry is highly regulated, with a complex and continually evolving regulatory framework that requires careful risk management, robust governance structures and considerable investment to remain compliant.

Themes	Stakeholders	Risks	Related opportunities
<ul style="list-style-type: none">• Legal and regulatory compliance• Effective risk management• Best practice corporate governance• Strong internal control framework• Transparent and consistent reporting• Ethics	<ul style="list-style-type: none">• Clients• Shareholders, investors, and debt funders• Employees• Business associates• Government and regulators	<ul style="list-style-type: none">• Non-compliance leading to fines and sanctions• Fraud or corruption damaging reputation and impacting financial stability• Ethics breaches or governance failures can impact reputation and erode stakeholder trust	<ul style="list-style-type: none">• Strong governance and ethical practices build trust with stakeholders• Enhanced reputation• Reduced operational risk• Ethical business practices support long-term growth

Group strategy

Our purpose is the foundation that underpins our strategy. Our strategy shifts as our priorities evolve to respond to the operating environment and the risks and opportunities facing the Group. We remain focused on supporting our core businesses while exiting non-core activities to create a more robust financial foundation and provide additional strategic options for future value creation.




Sasfin has made meaningful progress in implementing the strategic reset announced in 2023 and remains focused on refining its business offering, within its risk appetite, to deliver sustainable and scalable value to stakeholders. The strategic reset is expected to be concluded by the end of 2025 with the exiting of Sasfin's banking business, subject to meeting relevant regulatory requirements and approvals, while ensuring that we appropriately balance all stakeholder interests. We anticipate that 2025 will remain challenging as we complete the execution of our strategy. Once finalised, we will be well-positioned to grow our core businesses and drive value creation.

On completion of the strategic reset, the Group will be well positioned for focused future growth and sustainability. We continue to deliver on our purpose – we contribute to society by going beyond a bank to enable the growth in the businesses and global wealth of our clients – underpinned by our key strategic focus areas:

Strategic focus areas	Aspirations	Looking forward	Enabled by:
People and Culture	Purpose- and values-led company under focused entrepreneurial leadership to enable Sasfin to attract and retain the appropriate talent to support the sustainable growth of our businesses, while managing the transition in terms of our strategic reset.	Our Human Capital structure, operating within the pillars, provides increased capacity and competency to provide change management and support while we actively align our workforce to support the new strategy.	Living our purpose and values Fostering an entrepreneurial culture
Back our Champions	Unlock embedded growth and market position in the areas which generate higher ROE through increased focus enabled by exiting non-core activities.	Key operational, financial and technical capabilities are embedded in the Wealth and Rental Finance pillars supported by the Group and governed centrally, driving operational excellence. We continue refining our business operations by exiting non-core activities.	Delivering bespoke client services Technology supported by innovation, transformation and digital enablement
Transform our Society	A diverse and inclusive workforce and culture that supports businesses and savers, benefits society through its CSR initiatives, generates jobs through investments, and delivers on its aspirations as an impact brand.	Governance structures and action plans are in place, with accountabilities assigned and a greater focus on generating and measuring impact.	Commitment to regulatory compliance and ethical corporate citizenship
Operational Excellence	Our platforms support sustainable growth in our core activities, enhancing our ability to deliver value to our clients, while empowering our people to operate efficiently. At the same time, we ensure adherence to governance and operational standards.	Our champion businesses and the progress made in executing our strategic reset will continue to build capacity and strengthen our operating platforms in activities that focus on our core businesses. Our strengthened combined assurance model and enhanced control environment support this.	Strengthening our operating platforms

Business model

Our business model demonstrates how Sasfin uses its available resources and relationships (applying the six capitals approach of the Integrated Reporting Framework) to create value through our business activities. It also considers some of the constraints and trade-offs that face our business. The strategic reset will result in changes to the Business model in the short term.

Capitals	Financial 	Social and relationship 	Intellectual 
Inputs*	<p>Our capital base, deposits and funding from investors and clients support our business operations and create sustained long-term wealth.</p> <ul style="list-style-type: none"> • Core funding base of R9.67 billion (2023: R9.83 billion) • Total ordinary shareholders equity of R1.59 billion (2023: R1.65 billion) • Net available cash of R1.67 billion (2023: R1.51 billion) • Gross loans and advances book of R8.89 billion (2023: R9.57 billion) • Client deposits of R5.37 billion (2023: R5.65 billion) 	<p>Our trust-based relationships and partnerships are central to our long-term sustainability and ability to achieve our purpose. This includes having a meaningful impact in the communities in which we operate and contributing to a strong financial ecosystem in South Africa.</p> <ul style="list-style-type: none"> • Positive, stable relationships with all stakeholders • A growing and loyal client base • Established, trusted brand and reputation • Strategic and alliance partners in each pillar • Maintained Level 1 B-BBEE status 	<p>Our brand, reputation, and the institutional knowledge and experience that protect our reputation enable us to deliver against our purpose and capitalise on our competitive advantages. Our in-house expertise and specialist skills allow us to provide bespoke solutions for our clients.</p> <ul style="list-style-type: none"> • Services and products focused on our clients' needs • Effective and transparent governance structures centred on ethical conduct • Brand awareness and reputation • Innovative thinking and agility
Trade-offs and constraints for achieving our desired outcomes	Managing our capital allocations to ensure that we can invest in our refreshed strategy while managing our liquidity planning and stakeholder expectations in a challenging economic environment.	Managing the quality of our relationships with our stakeholders by considering their legitimate concerns and balancing these against business imperatives and strategic objectives.	Managing the increasingly demanding regulatory environment and the related cost of compliance to protect our brand and reputation and the interests of all stakeholders.
Our desired outcome	Deliver long-term sustainable growth and value creation.	Have a meaningful impact on society and in the communities in which we operate.	Deepen our agility and high-touch model to deliver creative solutions based on strong relationships and a thorough understanding of the needs of our clients.
Outcomes	<ul style="list-style-type: none"> • Headline (loss)/earnings per share (HEPS) of (190.96) cents per share (2023: 366.18 cents per share) • Cost-to-income ratio increased to 95.51% (2023: 86.69%) • Credit loss ratio increased to 165 bps (2023: 117 bps) • AUM of R64.98 billion (2023: R67.35 billion) • Capital adequacy ratio of 15.87% (2023: 16.23%) • Liquidity coverage ratio (LCR) of 204% and net stable funding ratio (NSFR) of 108% 	<ul style="list-style-type: none"> • R77.63 million total tax contribution to public finances (2023: R32.72 million) • CSR spend of R2.84 million (2023: R2.62 million) • In association with RBN Fund Managers, established a private market fund focused on impact investing and job creation, creating 222 jobs to date. 	<ul style="list-style-type: none"> • Award-winning solutions • Positive MSCI ESG ratings in our managed funds • Increasing automation of certain manual processes supporting client experience, efficiency and data accuracy

* For the quantification of our inputs, we have used closing year end balances for consistency.

Capitals

Human

Manufactured

Natural

Inputs*	<p>Our people and leaders have the motivation, capabilities and experience to deliver our strategy, enhanced by ongoing investments in their development and wellbeing. We are constantly investing in growing talent and leadership among our people.</p> <ul style="list-style-type: none"> • 734 permanent employees (2023: 761) and 687 employees excluding discontinued operations • Specialised skills and knowledge • Experienced and skills diverse executive team and Board • Leadership and managerial skills • Employee knowledge, skills and training 	<p>The facilities and general infrastructure that support our business operations and enable us to meet our client needs and improve efficiency.</p> <ul style="list-style-type: none"> • Invested R16.70 million in technology and equipment (2023: R17.19 million) 	<p>Our impact on natural resources through our own operations, including energy, water and climate, and our influence through our business activities.</p> <ul style="list-style-type: none"> • We do not use significant environmental resources and aim to minimise our environmental impact
Trade-offs and constraints for achieving our desired outcomes	<p>Attracting and retaining people with the right skills and entrepreneurial spirit while maintaining focus and productivity in our existing workforce in a high-change and evolving environment where specialist skills are in high demand.</p>	<p>Investing in our systems and IT infrastructure to achieve efficiencies and maintain resilience while containing costs.</p>	<p>Although our direct impact is minimal due to the nature of our business, we are responsible for managing the impact of our business activities on the environment.</p>
Our desired outcome	<p>Create a diverse and inclusive work environment where everyone can reach their potential while supporting our people through the strategic reset.</p>	<p>Invest in innovative opportunities that unlock growth</p>	<p>Achieve a net positive impact on our environment and business activities.</p>
Outcomes	<ul style="list-style-type: none"> • R601.4 million paid in wages and benefits (2023: R620.6 million) • Employee development through skills development and training spend of R12.1 million (2023: R10.4 million) • 707 employees trained through the Sasfin Learning Academy (2023: 526) 	<ul style="list-style-type: none"> • Invest in development, maintenance and enhancement of IT infrastructure of R217.1 million (2023: R205.3 million) 	<ul style="list-style-type: none"> • R2.14 million spent on electricity (2023: R2.52 million) and R1.13 million on water (2023: R0.66 million) • Positive MSCI ESG ratings for managed funds

PG
37

Read more about the risks impacting the availability of capital inputs.

* For the quantification of our inputs, we have used closing year end balances for consistency.

Business activities

We design, develop, and provide financial products, solutions, and services that meet the specific needs of our clients to protect and grow their wealth and businesses.

Asset Finance

- Rental finance solutions
- Capital equipment finance solutions

Business and Commercial Banking

- Deposit and savings products
- Trade finance solutions
- Debtor finance solutions
- Transactional banking
- Alliance banking
- Foreign exchange solutions
- Commercial property finance

Wealth

- Private wealth solutions
- Asset management solutions
- Corporate and institutional solutions

Business enablement activities support our federated operating model by offering centralised specialist corporate services.

Outputs

Our client-focused teams, products and services offer financial solutions across the various stages of business and personal wealth life cycles. We:

- Extend credit in the form of rental finance, asset finance and trade and debtor finance
- Provide treasury services
- Offer savings and investment products
- Provide business banking solutions
- Provide asset management, global portfolio management, stockbroking and wealth advisory services
- Offer advice through institutional consulting and corporate advisory

Note: The Group exited its Foreign Exchange and Foreign Risk Solutions (Forex) businesses. Post year end, Sasfin concluded the disposal of its Commercial Property Finance business to ABL and is in the final stages of implementing the disposal of its Capital Equipment Finance business to ABL. The Group will be exiting the Business and Commercial Banking pillar by the end of 2025, subject to the relevant regulatory approvals.

Approach to sustainability

Our approach to sustainability is principle-driven and underpinned by our purpose and values.

Sustainability and transformation are integral to our strategy in the focus area: Transform our society. As a financial services organisation, our primary impact is economic, as we provide capital to enable the growth of individuals and enterprises, as well as protect and grow wealth (as discussed throughout this report).

Sasfin's approach to sustainability

In addition to being the right thing to do, the Board believes it is appropriate to enhance our approach to sustainability by incorporating sustainability outcomes into our core business operations. This includes ensuring that the design of our policies and products enables the effective and measurable delivery of sustainability objectives.

We constituted an executive-level Sustainability and Transformation Committee in 2022 to oversee how we govern, manage and report on sustainability matters.

The Group sustainability and integrated thinking framework was developed to define our sustainability ambitions and ensure they align with our purpose. However, as the Group adjusted its strategic focus during the year, the framework will be revised in line with our refreshed strategic priorities, and its implementation will commence in 2024.

How we govern sustainability

The Board is the ultimate custodian of sustainability for the Group and promotes Sasfin's long-term sustainable success. Board subcommittees conduct specific sustainability oversight, and management is mandated to implement Sasfin's sustainability commitments.



* Although financial services companies have a relatively small direct environmental footprint, the influence the business has on how clients act, invest or run their everyday affairs can have a significant impact.



Environment*

- Understand and reduce our direct environmental impact (use of water and electricity, and waste generated)
- Understand and reduce our indirect environmental impact (supply chain, including transport)
- Understand the risk profile of climate change for our Group and align with climate reporting obligations and United Nations (UN) Sustainable Development Goals (SDGs)
- Build impact-investing capabilities for clients
- Evolve our offering to include financing renewable solutions like solar and reduce exposure to heavy mining industries
- Provide solutions to help our clients manage their environmental impact



Social

- Cultivate a diverse and inclusive workforce and support their development
- Contribute to social and economic inclusion, including job creation and building the economy
- Purpose-led approach to CSR and impact initiatives



Governance

- Ethical and compliant business conduct and practices

How we apply our sustainability principles to ESG

	Environment	Social	Governance
Themes	<ul style="list-style-type: none"> Understand and reduce our direct environmental impact Understand and reduce our indirect environmental impact Understand the risk profile of climate change for our Group Provide solutions to help our clients manage their environmental impact Build impact-investing capabilities for clients 	<ul style="list-style-type: none"> Cultivate a diverse, fairly remunerated and inclusive workforce, and support their development Contribute to social and economic inclusion and building the economy, particularly in relation to fair lending and investment practices Purpose-led approach to CSR and impact initiatives 	<ul style="list-style-type: none"> Ethical and compliant business conduct and practices Appropriate and transparent disclosure Responsible tax strategy and policies Implement a robust combined assurance model Appropriate use of technology and information
Priorities	<ul style="list-style-type: none"> Impact-investing capabilities and initiatives in Sasfin Wealth Credit policies with prohibited lending practices Financing energy efficient products Sustainable design features of our head office building 	<ul style="list-style-type: none"> B-BBEE and transformation Employee diversity and equity Employee practices and processes that support wellbeing, including culture, fair labour and remuneration practices, health and safety Financial inclusion Social impact financing Digital tools and resources for SMEs Focused CSR and impact initiatives 	<ul style="list-style-type: none"> Experienced, independent Board ethical culture Legal and regulatory compliance and combined assurance structure Fair performance management, remuneration and executive compensation practices Enhanced data capabilities to proactively govern and manage risk (RDARR) Frameworks and measures to manage cybersecurity risks Data privacy and the Protection of Personal Information Act (POPIA) Market conduct
Highlights in 2024	<ul style="list-style-type: none"> MSCI ESG-rated funds in our Wealth pillar 347 loans valued at R96 million provided in energy efficient financing to our clients via our Asset Finance pillar Group Risk completed an initial climate change gap analysis in terms of the PA communication 10 of 2022 against the BCBS principles for the effective management and supervision of climate-related financial risks A climate risk strategy for the Group will be considered in relation to our core businesses following the conclusion of the strategic reset process 	<ul style="list-style-type: none"> Maintained a Level 1 B-BBEE contributor status 707 employees trained through the Sasfin Learning Academy (2023: 526) ACI employees make up 69% of our workforce (2023: 67%) 32 graduates recruited through our Graduate Programme (2023: 65) R2.84 million CSR spend (2023: R2.62 million) Building a private markets fund, with RBN Fund Managers focused on impact investing and job creation, with 222 jobs created to date 	<p>PG 86 See the corporate governance report for details on the Board, ethics and compliance.</p> <p>PG 114 See the remuneration report for details on remuneration.</p> <p>PG 66 See the social report for more about our people practices.</p> <p>PG 82 See the technology review for an overview of RDARR, cybersecurity and data privacy.</p>

Risks and opportunities

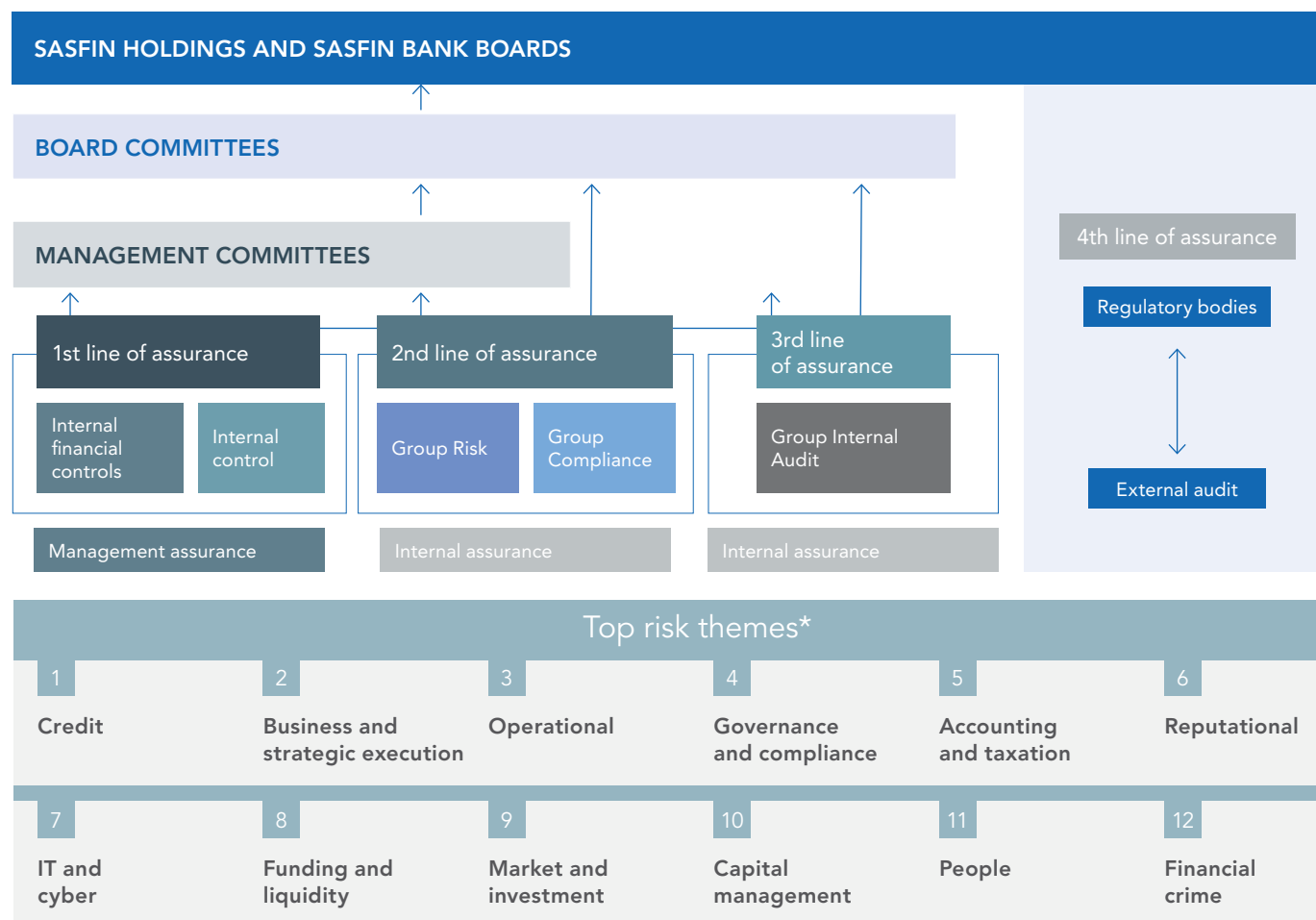
We manage our strategic risks to ensure the Group can continue to sustainably create and protect value. Effective risk management improves performance, encourages innovation, and supports us in achieving our strategic objectives by leveraging opportunities that drive business growth and long-term competitive standing.

How Sasfin manages risk

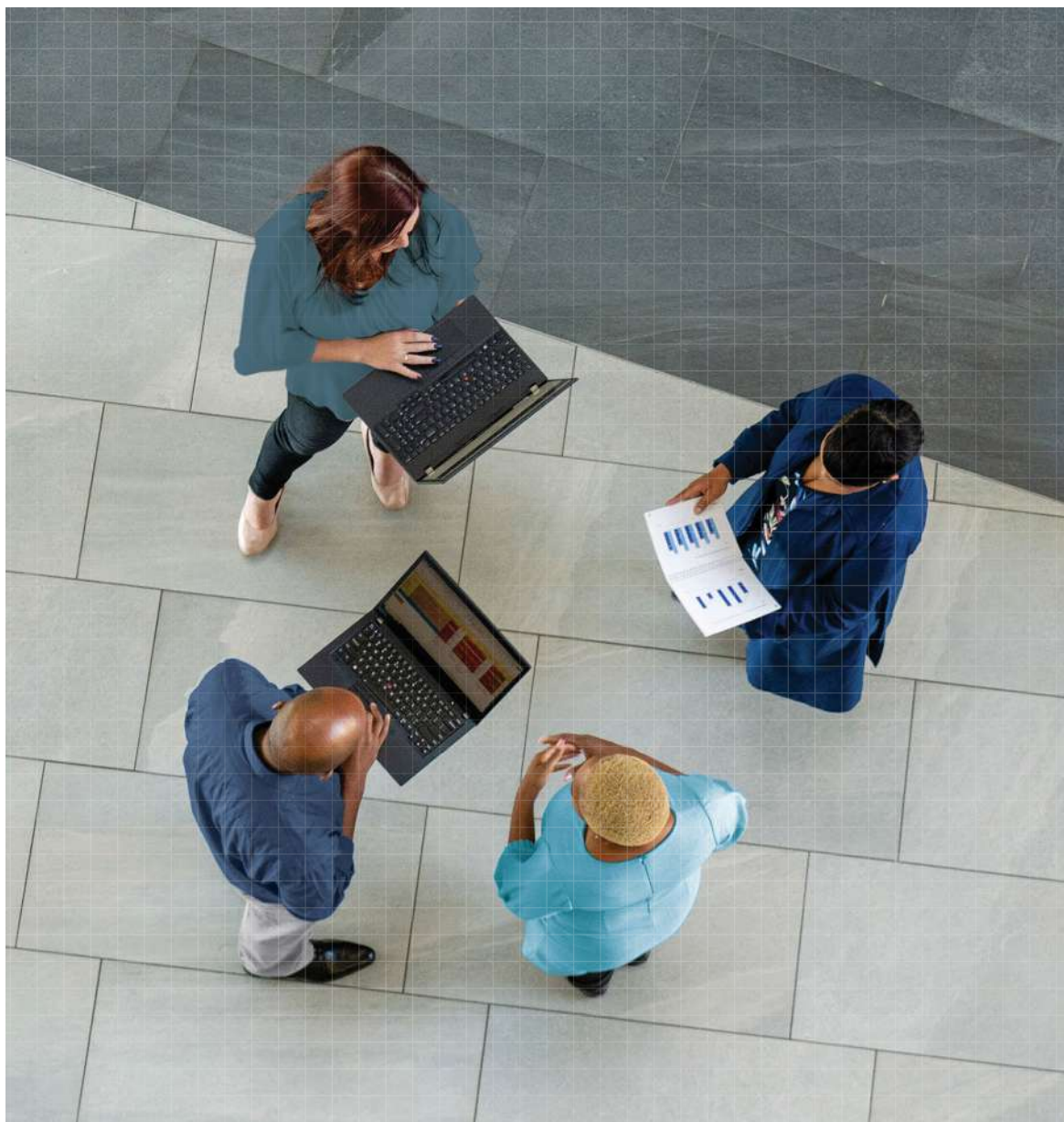
Our established integrated risk management philosophy aims to ensure that the diverse range of risks and opportunities the Group faces are proactively and effectively identified, quantified, and treated or mitigated within acceptable parameters by ensuring we have the appropriate governance structures, processes, and policies and frameworks in place.

The Board is responsible for risk management and defines and sets the Group's risk appetite. The Board also approves the policies and limits that are applied throughout the Group through risk-appropriate tolerance limits and structures.

The GRCMC, Group Exco, Asset and Liability and Investment Committee (ALCO), and Group Governance Committee (GovCo) support the Board in discharging these duties.



* In no particular order.



Approach to risk management

Sasfin's enterprise-wide integrated approach to risk management is designed to optimise our business performance and embed strategic and operational risk capabilities within the business Pillars.

The effectiveness of our enterprise risk management (ERM) processes is reviewed annually to ensure that it appropriately incorporates current and emerging risk management techniques, research, trends, and new or changing regulations that impact risk management.

Risk management process and design

The four lines of assurance model is used to ensure accountability and distinguish between owning and managing risk, overseeing risk, and providing independent assurance. This ensures that risks are managed appropriately and that robust responses are in place to mitigate the risks the Group faces.

The Group's ERM process is embedded in how we do business and is informed by relevant regulations, guidelines, and standards, including the Banks Act and ISO 31000:2018 Risk Management Principles and Guidelines. Our ERM processes are commensurate with the Group's complexity and risk maturity.

Top 12 risks

Our top risk themes include financial and non-financial risks relating to our operations, business, and strategy. We continually review our risk universe and the top risks facing the Group.

01 Credit

The Group is exposed to credit risk due to our lending business activities, which represent a key source of revenue. The credit strategy ensures that we have an optimally diversified and well spread credit portfolio in relation to the risk/return relationship.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Financial loss from a client's failure to meet a contractual repayment obligation, including concentration risk to a particular group of clients 	<ul style="list-style-type: none"> Increased credit risk awareness facilitates better operational and strategic decision-making across the Group Understanding the diversity of risk and managing it with a strong emphasis on risk reduction/mitigation to ensure that returns are enhanced for the risk assumed 	<ul style="list-style-type: none"> Ensure credit extension is based on sound criteria Understand the impact of developments in the operating environment, including the state of the economy, as well as political, social, and demographic developments Enhance the monitoring and risk management of clients showing early signs of higher risk and take proactive corrective action Monitor large exposures Increased focus on collections
STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders 	<ul style="list-style-type: none"> Back our champions Operational excellence 	<ul style="list-style-type: none"> Financial strength Stakeholder value Good governance and ethics

Capitals impacted

Financial Social and relationship Intellectual

BOARD OVERSIGHT

GRCMC

CLEC

RISK RATING

High

Risk exposure movement

Anticipated short-term trend

PG 51 Group FD's report

+ Pillar III disclosure

PG 46 Group CEO's report

+ Annual Financial Statements

02 Business and strategic execution

Global growth remains slow. From a domestic point of view, supply chain disruptions, and heightened inflation and interest rates have been challenges. The Group is continuously assessing its resilience against this backdrop and diligent in the execution of its strategic reset.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Losses or reduced profits arising from the Group's strategic direction and execution, or due to factors in the external environment, such as competition and adverse economic conditions Difficulty providing investors and shareholders adequate returns 	<ul style="list-style-type: none"> Minimise financial losses Enhance productivity and the client experience 	<ul style="list-style-type: none"> Invest in the growth of our core businesses Monitor the environment and the potential impact on strategic execution
STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Employees Business associates Government and regulators Clients Shareholders, investors, and debt funders 	<ul style="list-style-type: none"> Back our champions Operational excellence 	<ul style="list-style-type: none"> Financial strength Strategic reset Stakeholder value Good governance and ethics

Capitals impacted

Financial Social and relationship Intellectual

Human Natural Manufactured

BOARD OVERSIGHT

GRCMC

RISK RATING

High

Risk exposure movement

Anticipated short-term trend

PG 51 Group FD's report

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* The risk exposure movement reflects Sasfin's view on the external environment for each risk theme.

03 Operational

Operational risks remain a key focus area across the Group. Although risk incidents have not increased, the quantum and impact of events usually have root causes that relate to human error, or process or system failures that require a proactive and diligent approach.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Financial loss resulting from inadequate or ineffective internal processes or systems, from external events, or people/human error 	<ul style="list-style-type: none"> Strengthen our operational platforms to be more effective and reliable to reduce losses from operations Improve internal control processes Improve capital deployment 	<ul style="list-style-type: none"> Ensure the systematic and consistent application of policies, procedures, and practices Enhance internal and operational governance Mature first line risk ownership and management/oversight Embed a risk-aware culture Invest in first line risk management skills and expertise
STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders Government and regulators Employees Business associates 	<ul style="list-style-type: none"> People and culture Back our champions Operational excellence 	<ul style="list-style-type: none"> Strategic reset Operational excellence Stakeholder value Good governance and ethics

Capitals impacted



BOARD OVERSIGHT

GRCMC

GovCo
(management)

RISK RATING

High

Risk exposure movement

Anticipated short-term trend

PG 51

Group FD's report

+

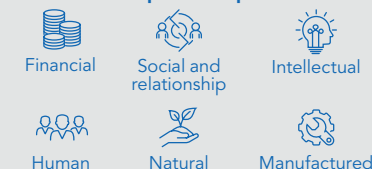
Pillar III disclosure

04 Governance and compliance

Good governance and effective compliance practices safeguard trust and provide stakeholders with greater clarity and transparency. We are cognisant of the need to adapt to a rapidly evolving regulatory environment and are committed to proactively responding to changing requirements to ensure continued compliance.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Exposure to legal penalties, financial forfeiture and/or material loss from failure to act in accordance with laws and regulations, internal policies or prescribed best practices Potential reputational damage and/or the loss of operating licences 	<ul style="list-style-type: none"> Good governance and compliance practices enhance the ability to respond to and manage regulatory change and improve financial performance 	<ul style="list-style-type: none"> Coordinate initiatives and programmes to strengthen the ethics and compliance culture Invest in compliance systems and processes that enable effective monitoring of compliance Coordinate compliance activities across the Group and mature first line compliance ownership and management Mature the combined assurance model Enhance the Group's climate risk assessment and reporting process Exited the FX business as part of the strategic reset
STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders Employees Governments and regulators 	<ul style="list-style-type: none"> People and culture Back our champions Operational excellence 	<ul style="list-style-type: none"> Financial strength Stakeholder value Good governance and ethics

Capitals impacted



BOARD OVERSIGHT

GRCMC

DANC

GAC

RISK RATING

High

Risk exposure movement

Anticipated short-term trend

PG 18

Key stakeholder relationships

PG 86

Corporate governance report

05

Accounting and taxation

Internal financial controls support financial reporting and data quality, which better informs management decision-making. We continue to strengthen our control environment and have a remediation programme in place to address any identified shortcomings.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Inaccurate or misleading financial reporting Incorrect interpretation or application of tax legislation 	<ul style="list-style-type: none"> Effective financial management and decision-making Mitigation against unplanned losses in adverse economic conditions 	<ul style="list-style-type: none"> Ongoing improvement in financial reporting to support decision-making Matured balance sheet substantiation processes
STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders Employees Governments and regulators 	<ul style="list-style-type: none"> Operational excellence 	<ul style="list-style-type: none"> Good governance and ethics Financial strength Operational excellence

Capitals impacted



BOARD OVERSIGHT

GRCMC

GAC

RISK RATING

High

Risk exposure movement

Anticipated short-term trend

PG 51

Group FD's report

+

Annual Financial Statements

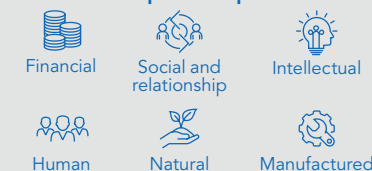
06

Reputational

This risk comprises both reputational and conduct risk where the former is the risk associated with the loss of stakeholder confidence or trust and the latter refers to the risks associated with inappropriate, unethical, or unlawful behaviours carried out by employees purportedly on behalf of the entity.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Regulatory or statutory penalties/fines Inadequate quality of services or products offered Loss of business and/or investments and/or funding Breakdown in stakeholder relationships Heightened employee turnover 	<ul style="list-style-type: none"> Maintaining transparent and open communication with regulatory bodies, which is beneficial to the Group's strategic objectives 	<ul style="list-style-type: none"> Enhancement of operational processes to ensure ongoing compliance with relevant regulatory and other requirements and embedment of market conduct outcomes in the way Sasfin does business Regular internal audits of identified risk areas Strengthened first and second lines of assurance to continuously oversee and monitor the adequacy and effectiveness of controls to treat identified risks Monitoring of media Proactive stakeholder engagement
STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders Employees Governments and regulators 	<ul style="list-style-type: none"> People and culture Back our champions Operational excellence 	<ul style="list-style-type: none"> Stakeholder value Contributing to society and the environment Good governance and ethics

Capitals impacted



BOARD OVERSIGHT

GRCMC

SEC

RISK RATING

High

Risk exposure movement

Anticipated short-term trend

PG 66

Social report

07 IT and cyber

Information security risk, including cyber risk, continues to increase globally. Alongside this heightened risk, increasingly complex technology governance and control structures are required to serve hybrid and remote working models, all while keeping up with the latest developments in technology.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Potential for IT incidents that expose the Group to harm or financial loss Business disruption due to cyber attacks and unauthorised internal manipulation could result in reputational damage and/or fines and penalties Outdated technological solutions could result in lost business and decreased competitiveness 	<ul style="list-style-type: none"> Effective IT risk management increases network security, reduces management costs, achieves greater compliance, and supports the availability of quality data for decision-making 	<ul style="list-style-type: none"> Identify and prioritise treatment/mitigation of the Group's primary cyber risks Provide multiple layers of defence, including the use of virtual private networks, access point technologies, and effective identity access management

STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders Employees Business associates 	<ul style="list-style-type: none"> Back our champions Operational excellence 	<ul style="list-style-type: none"> Stakeholder value Operational excellence

Capitals impacted



Social and relationship



Human



Manufactured

BOARD OVERSIGHT

GRCMC

ITC

RISK RATING



Medium



Risk exposure movement



Anticipated short-term trend

08 Funding and liquidity

Funding and liquidity risk has played a key role in all historical banking crises and its ongoing management is critical. Securitisation is a key funding mechanism and provides the Group with a highly efficient and sustainable funding source.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Insufficient funding or cash resources to meet short- and long-term obligations immediately as they fall due 	<ul style="list-style-type: none"> Effective management of funding and liquidity supports loan book growth, enhances returns and improves product pricing 	<ul style="list-style-type: none"> Assess opportunities to lower the cost of funding Appropriately manage loan book growth and funding base Proactively manage regulatory ratios in line with risk appetite thresholds

STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders Employees Business associates 	<ul style="list-style-type: none"> Back our champions Operational excellence 	<ul style="list-style-type: none"> Financial strength Stakeholder value Good governance and ethics

Capitals impacted



Financial



Social and relationship



Intellectual

BOARD OVERSIGHT

GRCMC

ALCO management

RISK RATING



High



Risk exposure movement



Anticipated short-term trend

09 Market and investment

The Group has limited interest rate risk, private equity risks, and limited currency risk.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Adverse changes in the value of an investment in a company, fund, or financial instrument where fluctuation in the valuation can impact financial results Market performance impacts the Wealth pillar in terms of fees earned on AUM/AUA 	<ul style="list-style-type: none"> Effective management promotes consistent returns in volatile markets 	<ul style="list-style-type: none"> Diverse solutions across asset classes and geographies Exiting foreign exchange and private equity portfolios Shielding the balance sheet from interest rate fluctuations
STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders Employees Governments and regulators 	<ul style="list-style-type: none"> Back our champions Operational excellence 	<ul style="list-style-type: none"> Strategic reset Financial strength Stakeholder value

Capitals impacted



BOARD OVERSIGHT

GRCMC

WIOC

ALCO
(management)

RISK RATING

Low

Risk exposure movement

Anticipated short-term trend

PG 61 Pillar review: Wealth

PG 51 Group FD's report

10 Capital

The Group's strategy requires adequate capital to meet its strategic objectives.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Capital position falling outside of the range required to support strategic aims Breach of regulatory requirements and inadequate capital to fund the business 	<ul style="list-style-type: none"> Optimise financial performance to reduce the cost of capital By exiting non-core activities, we free up capital to drive growth in higher ROE businesses 	<ul style="list-style-type: none"> Maintain liquidity and capital buffers Assess alternative forms of capital funding to support growth
STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders Employees Governments and regulators 	<ul style="list-style-type: none"> Back our champions Operational excellence 	<ul style="list-style-type: none"> Strategic reset Financial strength Good governance and ethics

Capitals impacted



BOARD OVERSIGHT

GRCMC

CLEC

ALCO
(management)

RISK RATING

High

Risk exposure movement

Anticipated short-term trend

+ Pillar III disclosure

PG 51 Group FD's report

11 People

Constantly evolving environment, with key focuses on employee retention, employee wellbeing, and succession planning.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Financial losses and negative social performance related to inadequate management of human capital Capacity constraints hampering the delivery of strategic and critical projects 	<ul style="list-style-type: none"> A purpose-led organisation with brand strength that can retain and attract the right talent to support sustainable business growth 	<ul style="list-style-type: none"> Invest in developing and training our people Enhance employee engagement through targeted initiatives and a strong employee value proposition Ensure robust ethics policies and awareness Strengthen talent management and succession planning Manage the impact of our strategic decisions on our people transparently and responsibly, ensuring that our core values remain intact
STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders Employees Governments and regulators 	<ul style="list-style-type: none"> People and culture Back our champions Transform our society 	<ul style="list-style-type: none"> Good governance and ethics Stakeholder engagement Contributing to society and the environment

Capitals impacted



BOARD OVERSIGHT

GRCMC

REMCO

SEC

RISK RATING



PG 66

Social report

12 Financial crime

This risk category includes potential exposure to criminal activities related to financial transactions, operations, and services. Money laundering, terrorist and/or proliferation financing, bribery and corruption, tax evasion, and cybercrime are areas of risk considered.

Impact	Opportunities	Our priorities and response
<ul style="list-style-type: none"> Financial losses from fraud, regulatory fines, and costs of litigation Loss of business opportunities from potential partners or clients avoiding association with the brand Investigative, remediation, and enhancement measures might divert resources from core operations 	<ul style="list-style-type: none"> Investment in robust processes and technology to aid in prevention and detection 	<ul style="list-style-type: none"> Regular review and update of policies, controls, and technology Implementation of effective remediation plans (including obtaining independent assurance) Encouraging internal reporting of suspicious activities through whistleblowing mechanisms Ensuring accurate, consistent, and timely data for effective monitoring and detection Exited the FX business.
STAKEHOLDERS IMPACTED	RELATED STRATEGIC FOCUS AREAS	RELATED MATERIAL MATTERS
<ul style="list-style-type: none"> Clients Shareholders, investors, and debt funders Employees Governments and regulators 	<ul style="list-style-type: none"> People and culture Back our champions Operational excellence 	<ul style="list-style-type: none"> Stakeholder engagement Contributing to society and the environment Good governance and ethics

Capitals impacted

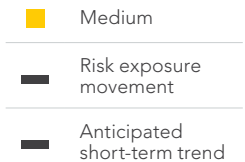


BOARD OVERSIGHT

GRCMC

GAC

RISK RATING



PG 82

Technology review

PG 46

Group CEO's report

03

Delivering value

Group Chief Executive Officer's report



Michael Sassoon
Group CEO

"In 2025 we will conclude our strategic reset, aimed at delivering continued sustainable value through our streamlined Wealth and Rental Finance businesses. We have made huge strides by exiting non-core activities, while navigating stormy waters and are in a strong position to execute the balance of the strategy in the coming months."

Since listing in 1987, Sasfin had been on a journey to grow into a multi-line, diversified banking group. This has been effected through numerous acquisitions, the development of new product lines and growing our service offering to attract a broader client base. Sasfin is the last of the independent South African Tier 2 banks that existed at the turn of the century. This is a significant achievement and testament to the Group's ability to adapt and transform through the cycles, while ensuring that we provide our clients and customers the service and value they need.

In recent years, increasing regulatory complexity, a challenging economic environment and a fast-shifting competitive landscape have made it exceptionally challenging for Tier 2 banks to generate appropriate risk-adjusted returns on equity. The revised reporting, capital and regulatory requirements, the lack of a tiered banking regulatory framework and increasingly complex operating environment are rapidly reshaping the financial services industry.

Tier 2 banks have traditionally struggled to compete effectively against larger banks, who have far lower cost of funding and capital requirements as they operate under the advanced approach in terms of Basel. These banks have the inherent scale to absorb the fixed costs required to ensure regulatory compliance and to build effective and efficient banking infrastructure. In addition, focused mono-line Tier 2 banks have historically suffered from concentration risk, while the multi-line Tier 2 banks have struggled to achieve the necessary scale and competitive differentiators in their product lines.

Backing our Champion Businesses

While Sasfin has been significantly impacted by the above, the Group has been agile to the environment and has built two exceptional businesses with strong competitive positions, healthy scale and clear differentiation in its Wealth and Rental Finance businesses.

Sasfin has been a market leader in the rental finance industry for many years and has, via its associate, Sunlyn, developed a deep understanding of asset supplier business models, providing holistic solutions to these suppliers in serving their clients. While Rental Finance has not been immune to the effects of the challenging economy, it continues to generate healthy returns. Sasfin currently, through Sunlyn, has R5 billion worth of assets across 30 000 small-and-medium sized businesses. We disburse around R200 million in new rental finance contracts to SMEs on a monthly basis. These are primarily backed by the funding provided by our securitisation vehicle, SASP. Our asset-backed securitisation programme has been running since 1991 with strong support from funders.

Sasfin Wealth has grown steadily, building on its exceptional portfolio managers who have delivered excellent service and superior above market returns to long-standing clients for many decades. In the last ten years, Sasfin Wealth has successfully transitioned from a local private client portfolio and stockbroker into a diversified wealth and asset manager servicing both private and institutional clients, across a wide range of local and global asset classes. We have strengthened these capabilities further and continue to attract excellent talent to this business. Our associate, DMA, has become an increasingly important part of Sasfin Wealth, having developed exceptional technological capabilities to simplify investment management processes, which it provides to a broad range of investment managers.

The Wealth and Rental Finance businesses have healthy income and earnings, strong future growth prospects and continue to deliver sustainable value to our stakeholders. Our focus is therefore firmly on making strategic decisions that support the long-term growth of these businesses while exiting non-core activities and simplifying our business model.

Navigating risks

The Group has had to navigate complex and unforeseen risks that have been costly and difficult to address and therefore have had a significant impact on its performance and sustainability. This required significant investments in specialist skills, new systems to build capability and enhance our compliance and control environment, while navigating regulatory and accounting changes including IFRS 9, Twin Peaks, revisions to the FICA and anti-money laundering (AML) requirements and the introduction of RDARR. This took place with the backdrop of the socio-economic challenge of COVID-19, while embarking on a journey to build our Business and Commercial Banking capabilities.

Following this, concurrent headwinds emerged – a rising interest rate cycle and power supply challenges contributing to a constrained post-COVID economy that impacted client and business growth. In addition, and most notably, the discovery and negative publicity arising from the criminal syndicate that colluded to engage in fraudulent activity across the sector, including within Sasfin. Our strong leadership team has been able to successfully navigate these risks and challenges and the support, dedication and loyalty from internal and external stakeholders has been instrumental.

Delivering the strategic reset

The implementation of the strategy has been complicated by the reputational, regulatory and legal risks that the Group has faced. Despite this, we have made meaningful progress in the past 18 months.

Exiting non-core businesses

We have disposed of the Specialised Finance and Commercial Solutions businesses, and closed the Foreign Exchange (FX) business, providing core clients with alternate FX solutions while exiting all direct FX only clients. We continue to exit non-strategic private equity investments and, post year-end, concluded the disposal of the Commercial Property Finance business to African Bank Limited (ABL) and we are in the final stages of implementing the disposal of our Capital Equipment Finance business, resulting in aggregate c. R3.14 billion realisation.

Delisting from the JSE

We also announced our intended delisting from the JSE, subject to the relevant shareholder and regulatory approvals, expected to be obtained by December 2024. The delisting, backed by our largest shareholders, WIPHOLD and Unitas, is an important step that will support the growth of Sasfin Wealth, reduce listing-related costs and provide an opportunity for shareholders who prefer not to remain in an unlisted Sasfin to exit at a meaningful premium.

Behind the decision

The Board believes that delisting Sasfin from the JSE will enhance the Group's ability to execute its repositioned strategy in an unlisted environment effectively. Because of the limited free float and liquidity of the Group's listed shares, this will also eliminate the ongoing costs associated with being a listed entity.

How the transaction will work

Before delisting, the Group's two major shareholders will make a cash investment, each acquiring an 8.8% stake in Sasfin Wealth. This infusion of capital will facilitate the repurchase of Sasfin Holdings shares from shareholders opting to divest their holdings. Following this transaction, Sasfin will apply to delist from the JSE, transitioning to an unlisted company.

The structure of the transaction, therefore, provides shareholders who do not want to remain invested in an unlisted Sasfin with the opportunity to dispose of their shares at a fair price. Those shareholders who wish to remain invested in Sasfin, once the delisting is completed, will remain shareholders in the unlisted company, with the tradability of their shares being limited.

The increased investment in the Group and the support for the proposed transaction demonstrates the confidence that Sasfin's major shareholders have in the future direction of the Group, following the completion of the proposed transaction.

After the delisting

After the proposed delisting, the Group will continue executing its strategic reset, with a focus on divesting from non-core activities, including its banking business, which will free up capital, reduce risk, and prioritise value creation for stakeholders while safeguarding its people and clients. This will also enable the Group to right-size its cost base to ensure efficiency and sustainability. Additionally, the Group plans to incentivise key management in its core businesses through increased equity participation.

The strategic reset is anticipated to be completed by the end of 2025. Given that it may involve additional corporate actions, Sasfin, as a more streamlined and unlisted entity, will have enhanced agility in pursuing these opportunities.

The Group will issue a circular to shareholders detailing the next steps and requirements in relation to the delisting in due course.

Final phase of the strategic reset

Alongside the executive team, Sasfin remains focused on the delivery of our strategy. The steps outlined above have put us in a strong position to finalise the strategic reset, and will ultimately result in Sasfin becoming a privately held business focused on its Wealth and Rental Finance businesses, along with some strategic direct investments.

The Rental Finance business will be non-bank funded and focused on asset suppliers and the needs of small and medium businesses, while the Wealth business will concentrate on serving institutional and private clients.

Strengthened balance sheet

The strategic reset and challenges faced by the Group have resulted in large once off costs and lost revenue opportunities in the short-term. Notwithstanding this, we have ensured that the Group maintains a strong balance sheet and is able to navigate the environment by adopting a cautious stance to lending and exiting non-core lending activities. To this end, net available cash has increased by 10.5% to R1.7 billion. Further, following the sale to ABL, our net available cash is expected to grow by circa R2.7 billion, after settling securitised notes directly linked to the Capital Equipment Finance book.

	June 2024 Rm	June 2023 Rm	YoY movement %
Total assets	12 861	14 031	(8.3)
Total liabilities	11 268	12 377	(9.0)
Total equity	1 592	1 654	(3.7)
Deposits from customers	5 367	5 647	(5.0)
Gross loans and advances ²	8 886	9 574	(7.2)
Net available cash ¹	1 668	1 510	10.5

Sasfin Wealth and Asset Finance continue to perform well, although this was dampened by increased losses incurred in the Business and Commercial Banking and Group Treasury. While earnings are likely to remain constrained in the coming financial year, Sasfin is confident that the completion of the strategic reset in 2025, will position the Group well to generate healthy returns for shareholders.

PG 51 Read more about our financial and pillar performance in the Group FD's report.

Legal and regulatory actions

On 1 August 2024, the SARBS PA issued Sasfin Bank with notices of administrative sanctions in terms of the Banks Act, Financial Sector Regulation Act, and the Financial Intelligence Centre Act. Sasfin is also facing potential action from the Financial Surveillance Department of the South African Reserve Bank and, on 9 January 2024, Sasfin Bank was served a civil summons for R4.9 billion, plus interest and costs, in the form of a damages claim instituted by the SARS.

Administrative sanctions

The total net administrative sanctions amount to R160,6 million (a total of R209,7 million, of which R49,0 million is suspended), which primarily relate to a criminal syndicate of former clients and staff working outside of their scope of employment of the now closed-down FX business of Sasfin Bank. As early as 2017, senior management of the bank identified and proactively reported suspicious activity to regulators. Since discovering this syndicate, Sasfin took significant steps, at an extensive cost, to respond, which included identifying the extent of the syndicate, commissioning a forensic report by a leading independent audit firm, proactively sharing the information with the relevant regulators and authorities, closing all the relevant accounts, reporting the suspicious transactions and laying criminal charges against the implicated employees.

While the outcomes of the extensive internal, independent and regulatory investigations confirmed that there was no involvement by any Board members or senior management in the fraudulent activity, Sasfin, its shareholders, Board and management are

deeply disappointed that this was able to perpetuate within the organisation and took all necessary steps and actions to prevent this from happening again. We are acutely aware of the devastating impact of financial crime in South Africa, of which Sasfin has now been a direct victim.

Sasfin has been served administrative sanctions and are actively engaging with the regulators to seek reasonable and proportionate outcomes. A provision of R55.4 million has been raised based on the legal opinion received regarding the weighted average probability of what we may be expected to pay. To the degree that an acceptable accommodation cannot be reached, we intend to pursue appeals and/or reviews against these administrative decisions. The balance of the sanctions are disclosed as a contingent liability. We look forward to putting these matters behind us for the benefit of all stakeholders and the system at large.

+ For more information, please see notes 18 and 26 in the Annual Financial Statements.

- 1 Non-IFRS measure relevant in the financial services industry. Calculated as the sum of cash and cash equivalents of R595.7 million (2023: R884.6 million) and negotiable securities of R1 896.2 million (2023: R1 293.4 million) less funding under repurchase agreements of R551.2 million (2023: R351.9 million), bank overdrafts of R69.1 million (2023: R113.1 million) and gross Land Bank bills of R203.5 million (2023: R203.5 million) as per the Annual Financial Statements.
- 2 Non-IFRS measure relevant in the financial services industry. Calculated as the sum of loans and advances before expected credit losses of R8 466.3 million (2023: R8 989.5 million) and loans and advances at fair value through profit and loss related to specialised lending of R419.8 million (2023: R584.3 million).

Civil summons

In relation to the SARS summons, Sasfin Bank obtained a legal opinion from ENS, authored by Professor Dale Hutchison, Professor Michael Katz and Aslam Moosajee, and endorsed by Adv. Wim Trengove S.C (Legal Opinion). The Legal Opinion unequivocally concludes that the claim falls outside the recognised parameters of applicable law and has a very remote likelihood of success. It is important to reiterate that this is not a tax claim, but a claim for damages that has nothing to do with Sasfin's own tax affairs.

Strengthening the control environment

The Board remains committed to its detailed remediation programmes, in which significant progress has been made. They continue to monitor the progress of this critical area and anticipate that the remaining streams will be significantly strengthened and that we will return to business-as-usual in the coming months.

Our people

Throughout this period of heightened uncertainty and change, our team has remained steadfastly focused and resilient. The dedication of our people has been the driving force behind our business success, and their unwavering commitment has been evident as they continue to rise to every challenge. Despite these difficulties, we have upheld our integrity and transparency, ensuring that our core values remain intact.

As leaders, we have prioritised active engagement with our employees, addressing concerns related to the strategic review, restructuring, and its implications. To enhance our communication efforts, we have introduced a formal change management programme alongside existing engagement forums. This approach has been crucial in maintaining transparency, addressing issues, and keeping our teams motivated during these times.

We are committed to managing the exit from non-core activities responsibly, considering its impact on our employees. We have structured the ABL transaction to ensure a smooth transition, including the transfer of the respective teams and ongoing support through the change management programme until completion.

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Read more about
our people.

Purpose-led societal transformation

Sasfin is built on enabling the growth of our client's businesses and assisting them with increasing their global wealth – both fundamental pillars in growing an economy. As such, we remain committed to focusing on entrepreneurship, SME growth, and development in our CSR initiatives, as well as how we design the Sasfin of tomorrow and deliver our purpose today.

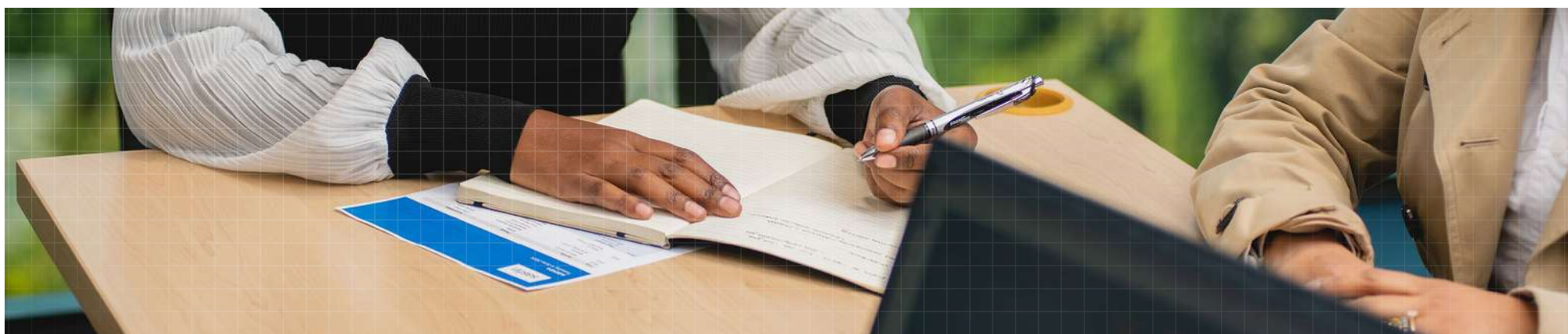
The Sasfin Wish List assists employees with various needs, such as school fees, urgent medical treatments, and groceries. Venue hire fees from our 14th-floor lounge and deck at our Sandton office are donated to support this initiative.

We have continued to focus on funding businesses to drive job creation through a Fund that we created in 2023 in partnership with RBN Fund Managers to support SMEs and job creation. To date, 222 jobs have been created, of which 99% are filled by previously disadvantaged individuals, 78% by women and 69% by youth.

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Read more in our
social report.

We have also maintained our Level 1 B-BBEE contributor status, further demonstrating our commitment to driving transformation and providing a flexible, safe, diverse and inclusive work environment where our people can reach their full potential.



Looking ahead and in closing

The strategic reset is a challenging journey, requiring difficult decisions and sacrifices to position the Group for long-term success. We are well on the road to emerge as a leaner organisation, supporting exceptional businesses with inherent scale and competitive advantages. By focusing our energies on these businesses while remaining steadfast in our commitment to making a positive contribution to society through ethical leadership, we will continue to guide Sasfin in delivering sustainable value to our stakeholders.

The Group is pleased to welcome Gloria Tomatoe Serobe as Chair of the Sasfin Wealth Board following her appointment in October 2024. We look forward to the direction and leadership she will bring to the Group and Wealth Pillar as we focus on progressing the implementation of the revised strategy.

We would like to extend our gratitude to our stakeholders for their unwavering support. We deeply value the trust our clients place in us as partners in their growth. We also appreciate the guidance and oversight provided by our regulators, as well as the steadfast support of our shareholders, funders, and business partners, which enables us to pursue our mission. To the Board and executive team, our thanks for your integrity and dedication. Finally, to our people – thank you for your resilience and commitment as we navigate this transformative strategic journey together.



Group Financial Director's report

"In an operating environment that has been challenging and volatile, Sasfin's purpose guides the decisions taken to reposition the Group, reset the strategy and focus our operational efforts, which has resulted in increased once off costs and lost revenue opportunities in the short-term. We have ensured that the Group maintains an extremely healthy balance sheet to help navigate the risks faced and deliver on strategic activities. Our purpose continues to underpin everything we do for our clients, employees, partners and other stakeholders as we implement the strategic reset to strengthen the financial standing and position the Group to deliver longer term value."

External operating environment

The past year has been characterised by a fragile recovery in the wake of the pandemic, with progress slowed by challenges such as high inflation, geopolitical tensions, energy crises, and supply chain disruptions, all of which have impacted economic growth. South Africa and the global economy continue to face uncertainties, necessitating adaptable policies and strategies to navigate this complex environment.

This complexity has contributed to increased pressure on consumers, resulting in increased levels of credit

impairments and non-performing loans (NPLs). Although there are signs of cautious optimism amid the persistent challenges, as falling inflation has given rise to a marginal reduction in interest rates, a longer-term recovery is expected. Financial institutions continue to focus on risk management and credit quality.

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Read more about Sasfin's operating context.



Harriet Heymans
Group Financial Director

Total income
(including associate income and discontinued operations)

R1.3 billion

(2023: R1.4 billion)

Total assets

R12.9 billion

(2023: R14 billion)

Total core funding

R9.7 billion

(2023: R9.8 billion)

Assets under management
and advice

R65.0 billion

(2023: R67.4 billion)*

* Restated

Performance overview

Post year end, Sasfin concluded the disposal of its Commercial Property Finance business to ABL and is in the final stages of implementing the disposal of its Capital Equipment Finance business to ABL. These transactions, together with the closed FX business, have been classified as discontinued operations in the Group's results for the year for IFRS disclosure purposes, where only directly attributable gross income, expenses and related taxes are considered as part of the discontinued operations. This treatment, therefore, does not represent the true contribution of either the discontinued or continuing operations as no funding costs were allocated to the discontinued operations and there is no assumed return considered from the cash that will be realised from these sales.

The Group incurred a loss of R58.7 million for the year, down from a profit of R112.7 million in 2023. This is largely due to an increase in Expected Credit Losses (ECL) and a decline in non-interest income driven by negative fair value adjustments in its Private Equity portfolio from the impact of the challenging economic environment on the business sector, and a provision raised in respect of the administrative sanctions received. The Group's Wealth and Asset Finance pillars continued to perform well, while increased losses were incurred in the Business and Commercial Banking pillar.

The balance sheet contracted by 8.3% to R12.9 billion (2023: R14.0 billion), driven by focused derisking of the balance sheet and strategic shift in funding strategy, with gross loans and advances of R8.9 billion (2023: R9.6 billion) and total core funding of R9.7 billion (2023: R9.8 billion). Wealth maintained assets under management and advice at R65.0 billion (2023: R67.4 billion).

As a result of the current and forecasted challenging economic conditions and the subdued financial performance, the Board decided not to declare dividends during the year (2023: nil dividend).

Net interest income decreased by 2.8% to R657.4 million (2023: R676.4 million), driven by lower gross loans and advances. Non-interest revenue is down 14.4%, mainly due to negative fair value adjustments.

The increase in impairment charges is mainly driven by compositional changes in impairment stages, higher provisions and lower recoveries, partly offset by lower credit impairments and the release of a provision related to a specific exposure. We remain conservative in our impairments and continue our efforts to recover outstanding balances from specific counterparties.

Cost growth for continuing operations was contained to 1.4%, with a marginal decline in employee costs being offset by an increase in other operating expenses of 9.4%, which included increased costs relating to legal and other costs related to its remediation programme and strategic reset and a provision raised in respect of potential SARB sanctions.

Income from associates was up 22.2%, mainly from increased revenue from associates in the Wealth pillar.



Read more in our Consolidated Annual Financial Statements.



Income statement analysis

Abridged aggregated profit or loss for the Group extracted from the segment reporting in the Annual Financial Statements (refer to note 47):

	June 2024 R'000	June 2023 R'000	YoY movement %
Statement of profit or loss			
Interest income	1 625 625	1 450 348	12.1
Interest expense	(968 179)	(773 926)	25.1
Net interest income	657 446	676 422	(2.8)
Non-interest income	582 934	681 094	(14.4)
Net fee and commission income	388 862	382 068	1.8
Gains and losses on financial instrument	32 717	140 815	(76.8)
Other income on non-financial assets	161 355	158 211	2.0
Total income	1 240 380	1 357 516	(8.6)
Credit impairment charges	(106 456)	(56 102)	89.8
Net income after impairments	1 133 924	1 301 414	(12.9)
Total operating costs	(1 221 241)	(1 203 945)	1.4
Staff costs	(601 411)	(620 604)	(3.1)
Depreciation	(37 677)	(39 475)	(4.6)
Amortisation	(31 173)	(35 874)	(13.1)
Other operating expenses	(550 980)	(503 829)	9.4
Goodwill and intangible asset impairments	–	(4 163)	(100)
(Loss)/Profit from operations	(87 317)	97 469	(189.6)
Share of associate income	38 216	31 270	22.2
(Loss)/Profit for the year	(49 101)	128 739	(138.1)
Income tax expense	(10 994)	(19 912)	(44.8)
(Loss)/Profit for the year	(60 095)	108 827	(155.2)
Headline earnings adjustment	1 418	3 856	(63.2)
Headline earnings	(58 677)	112 683	(152.07)

Segmental performance overview

Asset Finance

Asset Finance performed well in a highly strained and challenging trading environment, delivering an operating profit for the year of R158.7 million (2023: R197.7 million). Asset Finance continued strengthening its operational, financial, and technology capabilities, improving operational efficiency and driving a marginal reduction in operating costs. Credit losses and NPLs remained closely managed. The Rental Finance business continues to operate at a healthy scale and is well positioned in terms of financial and competitive strength.

Business and Commercial Banking (BCB)

The Group is focused on streamlining the BCB pillar, implementing several strategic measures to reduce risk and closing, disposing and scaling back non-core operations. BCB's total income declined to R225.1 million (2023: R295.3 million), with an operating loss of R156.1 million recorded (2023: R137.7 million), which was primarily as a result of the negative fair value adjustments in its property portfolio. Other factors include the exit of Specialised Lending and closure of the Forex business, coupled with lower utilisation and new business volumes in Trade and Debtor Finance.

Sasfin Wealth

Sasfin Wealth delivered a strong performance despite market volatility. Operating profit including associate income, grew to R139.8 million (2023: R117.3 million), as income grew 9.9% to R455 million (2023: R414 million). AUM declined slightly to R65.0 billion (2023: R67.4 billion*). The private client business performed strongly, experiencing AUM growth in its offshore offerings. Solid performance and distribution capabilities continue to enhance our institutional business.

* Restated

Drivers of net income

- Net interest income is the difference between the interest we charge clients on credit extended to help them grow their businesses and the costs we pay to raise these funds from depositors and other funders.
- Non-interest income represents fees earned on assets under management and administration in Wealth, on treasury services, banking payments and transactions, stockbroking and wealth advisory services, institutional consulting and corporate advisory, and fair value adjustments on our private equity portfolio.
- Credit impairments represent the ECL on loans and advances and trade receivables that are expected not to be repaid, as well as net write-offs (gross write-offs less provisions) and recoveries on written off balances. Our credit loss ratio represents the proportion of credit impairments to gross loans and advances.

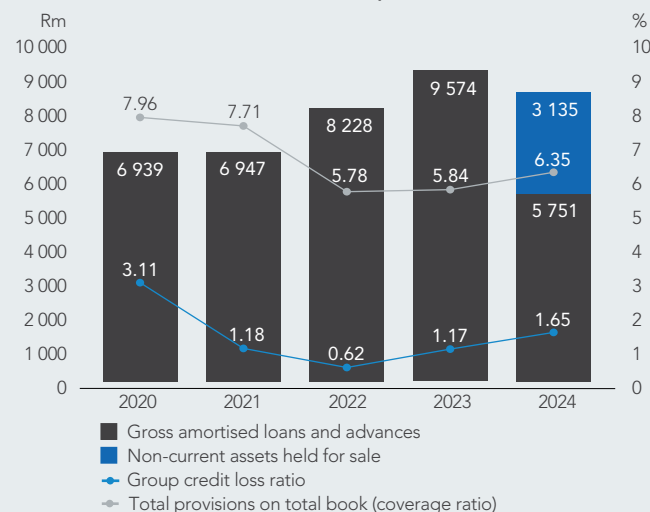
Credit performance

Overall, the credit environment has remained constrained by persistent challenges, with credit impairment charges impacted by the difficult macroeconomic environment and client-specific strain.

Through intentional tightening of credit criteria, the credit loss ratio of 165 bps is in line with our through-the-cycle target range (2023: 117 bps). The increase in ECL was mainly due to higher stage 2 provisions and lower recoveries partly offset by a release of stage 3 provisions.

We continue to work closely with clients who have fundamentally strong business models and who have faced cash flow pressures as a result of economic challenges.

Gross amortised loans and advances, and credit risk



Stage 1 performing

- Performing loans with no significant increase in credit risk since origination
- Client accounts fully paid up



12-month ECL

(result from default events expected within 12 months after the reporting date)

Stage 2 underperforming (credit deteriorated)

- Account in arrears (between seven and 90 days overdue)
- Significant increase in credit risk but no measurable evidence of impairment
- Clients designated as high care due to showing signs of financial pressure



Lifetime ECL

(result from default events over the expected life)

Stage 3 non-performing (credit impaired)

- Regulatory default due to specific conditions
- Credit impaired on origination or after initial recognition



Lifetime ECL

(difference between gross carrying amount and the present value of estimated future cash flows)



Gross amortised loans and advances

	June 2024				June 2023			
	Exposure R'000	Exposure % of book	ECL R'000	Coverage ratio %	Exposure R'000	Exposure % of book	ECL R'000	Coverage ratio %
Stage 1	6 978 214	82.42	51 393	0.74	7 832 953	87.13	68 428	0.87
Stage 2	546 815	6.46	31 049	5.68	220 972	2.46	20 731	9.38
Stage 3	941 311	11.12	454 876	48.32	935 534	10.41	434 668	46.46
Total	8 466 340	100	537 318	6.35	8 989 459	100	523 827	5.83

Strengthening our control environment

During the year, the Group continued to enhance its internal financial control framework. Focus areas included reviewing controls over routinely produced numbers, formalising a process for significant accounting matters (including technical assessments and judgements), ensuring effective and robust

balance sheet substantiation, and reviewing controls and procedures related to Group results and reporting disclosures. The Group continually takes steps to deepen the maturity of the internal financial control framework.



More detail about the restatements can be found in the Annual Financial Statements.

Introduction	Approach to value creation	Delivering value	Governance practices and outcomes	Additional information

Financial, liquidity and capital position

	YOY movement %	2024 R'000	2023 R'000
Assets			
Cash and negotiable securities	14.4	2 491 861	2 178 033
Trading assets	(7.1)	433 989	467 196
Other receivables	(62.1)	466 914	1 232 952
Net loans and advances ¹	(42.4)	5 213 402	9 049 976
Investments at fair value through profit and loss	(3.4)	599 953	621 058
Equity-accounted associates	(4.9)	75 960	79 860
Non-current assets held for sale	–	3 135 380	–
Other assets	1 100.5	358 693	291 043
Intangible assets and goodwill	(23.9)	84 424	110 949
Total assets	(8.3)	12 860 576	14 031 067
Equity and liabilities			
Funding under repurchase agreements and interbank	56.6	551 205	351 885
Trading liabilities	(6.1)	414 601	441 344
Trade and other payables, provisions and taxation	(51.5)	812 521	1 674 712
Liabilities directly associated with assets classified as held for sale	–	173	–
Bank overdraft	(38.9)	69 081	113 081
Deposits from customers	(5.0)	5 367 193	5 647 428
Lease liability	1.2	153 394	151 518
Debt securities issued	(0.9)	3 685 800	3 720 138
Long-term loans	(22.5)	214 150	276 488
Total liabilities	(9.0)	11 268 118	12 376 594
Ordinary share capital	–	167 268	167 268
Reserves	(4.2)	1 425 190	1 487 205
Total equity	(3.7)	1 592 458	1 654 473
Total equity and liabilities	(8.3)	12 860 576	14 031 067

1 Net loans and advances include amortised loans as well as loans held through fair value and profit and loss.

Total assets decreased by 8.3% to R12.9 billion (2023: R14.0 billion) due to lower gross loans and advances of R8.9 billion* (2023: R9.6 billion*) following a strategic decision to tighten credit criteria, cap individual loan sizes and discontinue certain products.

The Group's cash position remains strong, with net available cash up 10.5% to R1.7 billion (2023: R1.5 billion). We continue to depreciate our intangible assets, which are mainly capitalised IT costs, through the income statement.

Core funding was slightly lower by 1.6%, aligning with the shift in the Group's funding strategy for the year and marginally lower deposits from customers of R5.37 billion (2023: R5.65 billion).

Total ordinary shareholders' equity decreased by 3.7%.

The Group CAR decreased from 16.23% to 15.87% due to an increase in risk weighted assets relative to the amount of equity held, after assessing the appropriate risk weighting for operational risk, securitised assets, the loan book and considering the after tax loss for the group for 2024. All the Group's regulatory ratios remain above the regulatory requirements.

* Includes non-current assets held for sale.

Prospects

The economic environment is expected to remain challenging, although signs for cautious optimism exist. The strength of our balance sheet places the Group in a robust position to continue supporting the growing needs of our core clients for the long term.

The conclusion of the disposal of the Commercial Property Finance business loan book post year-end, along with the imminent completion of the disposal of the Capital Equipment Finance loan book to ABL, will enable the Group to leverage and build on

our core businesses of Wealth and Rental Finance, while continuing to focus on right sizing the cost base to align with the new business structure, ensuring efficiency and sustainability.

While earnings are likely to remain challenging in the coming financial year, the expectation is that by the end of 2025, the Group will be positioned to generate healthy returns for shareholders supported by the fundamental strengths of its core businesses.

Appreciation

I would like to thank all stakeholders for their continued contribution to maintaining the strategic and operational momentum created at Sasfin over the year. In particular, I would like to share my appreciation for the finance, operational and business teams across the Group for their dedication and effort during the year. Looking ahead, we will continue to work together to move the Group forward.



Linda Fröhlich
Chief Executive: Asset Finance

Competitive advantages

- A strong and well recognised asset finance brand
- Excellent client service and relationships built on a deep understanding of client business needs
- Strong distribution channels and speed to market
- A diverse and granular asset finance book
- Strong credit decision-making capabilities
- Diversity of products financed

Business drivers

- Economic growth
- Business confidence
- SME business activity

Pillar performance

Asset Finance

“Our business thrives on relationships and, in 2024, we have deepened our connections with both our clients and our people. We have concentrated on regrouping to harness the remarkable commitment and resilience of our people, enabling us to continue delivering exceptional products and services to our loyal clients. We remain united under the mantra ‘*Our blood is blue*’, which fuels our unwavering pursuit of excellence.”

Our performance in 2024 has been strong, despite a challenging credit environment, driven by our commitment to maintain a healthy loan book. This achievement is a testament to the loyalty and deep relationships we cherish with our clients. We place great value on delivering quality products and service excellence, which has been central to our strategy. We have also made concerted efforts to refine our processes and procedures, further enhancing our efficiency. The strategic reset will deliver a Rental Finance business that will be non-banked funded and focused on asset suppliers and the needs of small and medium businesses. This will enable us to focus on leveraging the foundation created to realise the opportunity presented by our competitive advantages, differentiation, and scale to deliver sustainable long-term growth.

Key industry trends in FY24

- The credit environment remains tight, reflecting increasingly challenging market conditions
- Higher inflation and rising interest rates have significantly impacted our clients
- Demand for office automation equipment has remained robust
- Growth opportunities in financing renewable energy assets continue to flourish

Highlights

- Continued investments in our people and technology have significantly enhanced operational efficiency
- Strong performance from our mature rental book
- Hybrid work models have continued to drive demand for suitable office automation products, supporting loan book growth
- Significant progress made in readying the Capital Equipment Finance (CEF) business for disposal to ABL, including the introduction of a change management programme
- Strengthening employee engagement to support the successful delivery of the strategic reset

Challenges

Regulatory

- Evolving regulatory requirements demanded significant attention and adaptability
- New compliance standards and stricter oversight required comprehensive reviews and updates
- Close collaboration with legal and compliance experts ensured alignment with laws and regulations

Operational challenges from the energy crisis

- Frequent power shortages and escalating energy costs impacted production and increased expenses
- Implemented energy-efficient technologies and explored alternative energy sources
- Optimised energy consumption through strategic planning and process improvements

Logistical constraints and port delays

- Logistical constraints and prolonged port delays disrupted global supply chains
- Setbacks in procuring materials and delivering products affected operational efficiency
- Diversified supplier base and leveraged advanced logistics planning to enhance supply chain resilience

System enhancements

- Completing system enhancements to fully extract value from investments posed a challenge

Strategic review and reset

- Navigating the strategic review and reset process required careful management and planning
- Maintaining a quality loan book in a difficult credit environment

Performance in FY24

Asset Finance continues to contribute meaningfully in a challenging environment, with operating profit for the year of R158.7 million (2023: R197.7 million), the decline largely due to decline in net interest income of 6% and a decline of non-interest income of 7%. More stringent credit criteria resulted in a decline in the loan book of 1% but the benefits of this can be seen in the 10.5% improvement in credit impairment charges. The business performed well in a highly strained and challenging trading environment, in which our clients have shown remarkable resilience. Business sentiment improved towards the latter half of the financial year as load shedding eased and the post-election resolution to establish a government of national unity created positive momentum. Credit losses and NPLs remained closely managed, with NPLs improving from 8.53% to 8.34%. This has been supported by our focus on improving our collection systems and vendor management processes through increased automation to benefit both the business and our clients.

We have continued strengthening our operational, financial and technology capabilities and improving operational efficiency, driving a marginal reduction in operating costs.

Rental Finance

The Rental Finance business continues to operate at a healthy scale even though it had a decline in total income of 16%. This was due to the decline of non-interest income of 34% mainly attributable to a negative fair value adjustment in an investment in an associate. Credit losses were managed well due to a tight credit environment. With the current performance in mind there has been an ongoing focus on strengthening existing systems and processes.

We continue to diversify our solution offerings to respond to the rapidly evolving IT, technological and energy needs of our clients. Our vendor management system and strong vendor relationships supported the growth of our offering in finance software-as-a-service (SaaS) and alternative energy solutions. We ensure that we have the right partnerships and risk-adjusted offering that supports efficient and demand-based servicing of our clients, positioning the business well to leverage its relationship and financial and competitive strength to deliver growth in the future.

Capital Equipment Finance

We announced the disposal of the CEF business to ABL as a going concern in October 2023. Final regulatory approvals have been received, and the disposal will now be effected in accordance with the disposal agreements and regulatory implementation requirements, which will be fulfilled jointly with ABL. Our focus has been on ensuring the CEF team has all the tools required to succeed.

The period since the announcement of the sale of the CEF business has been bittersweet. On completion of the transaction, ABL will not only receive a successful business but also a highly skilled team that will enable them to deliver real growth in the future through the strong relationships which have been built up and nurtured with clients over four decades.

It is in this spirit that we wish the CEF team and ABL a prosperous future.

Our people

Our business is about people and central to our success is a strong, experienced and highly engaged management team leading an agile workforce. In 2024, we made a concerted effort to strengthen our team culture, supporting our people through a well-designed change management programme aimed at deepening their resilience and adaptability to change.

The programme not only embedded the necessary technology and process shifts needed to deliver operational excellence but was also motivated by the change necessitated by the disposal of CEF. This initiative strengthened team unity and boosted morale, even in the face of uncertainty.

We also introduced a range of initiatives and interventions aimed at fostering a sense of community and connection, addressing the long-term effects of the pandemic on our people and culture. These activities included 'Motivational Mondays,' leadership communication sessions, and various team-led initiatives designed to deepen connectedness and stay attuned to the diverse realities our people face.

We remain supportive of the Sasfin graduate programme and have successfully employed 14 graduates within our business over the past three years.

We are committed to investing in leadership and skills development to nurture internal talent and support their career progression.

Operational excellence

Embracing digital transformation has consistently been a fundamental aspect of our strategy. The events of the past few years have highlighted its critical urgency and significance. In light of changing customer demands and market conditions, we have intensified our initiatives to digitise internal workflows. This includes improving our loan application processes and improving AI technology for risk assessment. This shift towards digital not only boosts efficiency and lowers operational costs but also significantly enhances the overall customer experience and improves internal controls.

Our valued clients

Asset finance is vital for South African SMEs, enabling them to invest in equipment and technology that boost productivity and competitiveness. Access to finance allows these businesses to expand, manage cash flow, and navigate financial challenges, contributing to economic growth and job creation. However, many SMEs still face barriers to obtaining formal financing, such as high interest rates and insufficient collateral. By improving access to asset finance, SMEs can secure long-term investments, enhancing their survival and growth, which is crucial for reducing economic inequality and fostering a more equitable society.

The Group's strategic reset remains anchored in our commitment to meeting client needs, delivering exceptional service, and supporting our people. We are deeply grateful to our clients for their continued partnership during these uncertain times, and we are committed to providing the outstanding service they deserve.

Looking ahead

The past year was deliberately focused on regrouping and delivering the right foundation for sustainable future growth. The outcome of the strategic reset will continue to support our commitment to delivering scalable, sustainable value.

Our priorities for the short term to realise our competitiveness and differentiation:

- Completion of the disposal of the Capital Equipment Finance business
- Continue to have our clients at the heart and centre of all we do
- Continue to adopt automation and improve processes and procedures. By leveraging our current distribution base, we can enhance operational efficiency and expand our market reach
- Create an environment for our people to thrive
- Leverage the foundation set in 2024 to drive sustainable growth
- Diversify our funding structure with the objective of becoming a fully non-bank funded entity



Maston Lane
COO Bank and Group, and
Acting Chief Executive: BCB

Competitive advantages

- Our ability to respond with agility and speed to the needs of SMEs
- Deep lending expertise with a solutionist mindset
- Access to senior leadership and decision-makers to facilitate expeditious credit decisions

Business drivers

- Economic growth
- Business confidence
- SME business activity

Business and Commercial Banking

“As we prepare to exit the banking business, we reflect on how we have navigated this challenging and transformative period. We have emerged as a more streamlined entity, sharply focused on our core business activities. This strategic refinement positions us to seize new opportunities arising from the review process. The stability we have achieved is a testament to the strong relationships we have built with our stakeholders over many years, the strength of our brand, and the unwavering commitment of our team.”

During this period, we have continued to focus on strengthening our control environment, becoming more adaptable and responsive to change, and achieving greater efficiencies by optimising our systems and processes.

Key industry trends in FY24

- Subdued GDP growth characterised by load shedding, logistics and infrastructure challenges and socio-political uncertainty
- Elevated interest rates constraining business investment and expansion, with downward pressure on property prices
- Increasing financial pressure on consumers, evidenced by rising impairment rates and weak non-performing loan performance across the sector

Highlights

- Prioritised cost containment initiatives
- Exited and disposed of non-core activities
- Maintained a strong focus on credit quality amidst a challenging macro environment
- Retail deposits remained stable
- We are now strategically positioned to exit the banking business and seize new opportunities

Challenges

- Change management arising from strategic shift in the operating environment
- Load shedding and logistics challenges impact on clients' businesses
- Elevated interest rates impacting Property Finance clients with large exposures
- Increasing regulatory complexity, a challenging economic environment, and a rapidly shifting competitive landscape have intensified pressure on the bank to achieve sustainable, risk-adjusted returns on equity

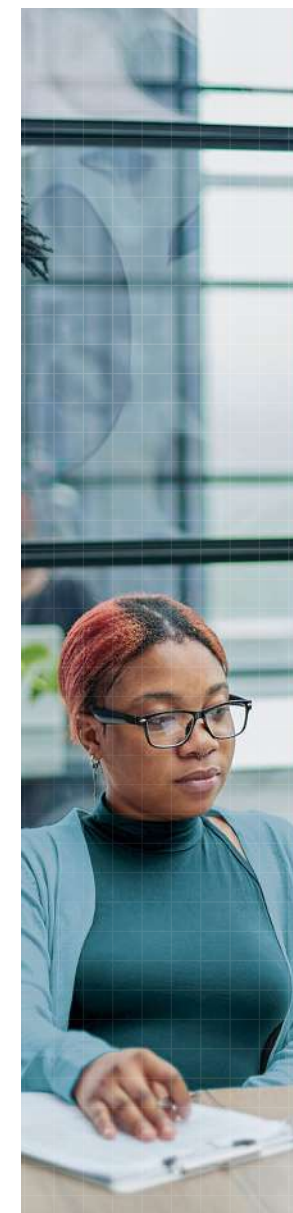
Performance in FY24

BCB recorded an operating loss of R156.1 million (2023: R137.7 million loss) as a result of significantly higher impairments and a reduction in total income. Net interest income reduced due to poor revenue performance within the Trade and Debtor business coupled with a decline in the Property and Specialised Lending loan books. Non-interest revenue was negatively impacted by lower fair value gains than previously generated due to the closure of the FX business in the current year.

BCB implemented several strategic measures aimed at reducing risk on the balance sheet, adopting a more conservative approach, which included the closure, disposal,

and scaling back of non-core operations. These actions successfully reduced operating costs by 18%.

By taking these deliberate strategic actions, we maintained the credit quality of our portfolio in a tight credit environment. Client activity remained constrained in a macroeconomic environment characterised by ongoing port and logistics infrastructure issues, pressure on property values due to sustained high interest rates and ongoing load shedding. In addition, concerns around the election process and the potential outcome contributed to uncertainty and delayed business activity.



Delivering on the strategic review

The strategic reset undertaken by the Group resulted in the disposal of our Commercial Property Finance (CPF) business to ABL and the closure of our foreign exchange activities. The process was closely managed to minimise any negative impact on our clients and people. Throughout this period, the team proactively engaged with our key stakeholders, enabling us to retain our base and maintain stability in the deposit book.

Despite the challenging economic environment, Trade and Debtor Finance remains a growth area, with a strong focus on maintaining credit quality. As previously indicated, we will no longer be actively growing our Revolving Credit Facility and have reduced the portfolio significantly by working with clients to reduce exposure. Transactional Banking and deposit-taking activities have remained stable.

We continue to see good results from our HelloPaisa relationship, which has maintained growth in deposits. This mutually beneficial partnership offers low-cost banking services to HelloPaisa's African diaspora clients. Due to the regulatory complexity of transactional banking, the focus of this business offering is on simplifying its products and underlying processes to deliver value to Sasfin and its stakeholders.

Our people

Our team has demonstrated exceptional commitment and dedication, fostering a strong sense of camaraderie during a period marked by strategic change. To bolster the team, we have brought in experienced people from within the organisation, supported by temporary staff.

We have also engaged an external service provider to deliver resilience training, equipping our employees with the tools to navigate the changing environment. Additionally, we've conducted information-sharing sessions to keep our people informed and aligned with strategic decisions and developments.

Operational environment

We continue to enhance our processes and operational platforms and strengthen our control environment and compliance capabilities.

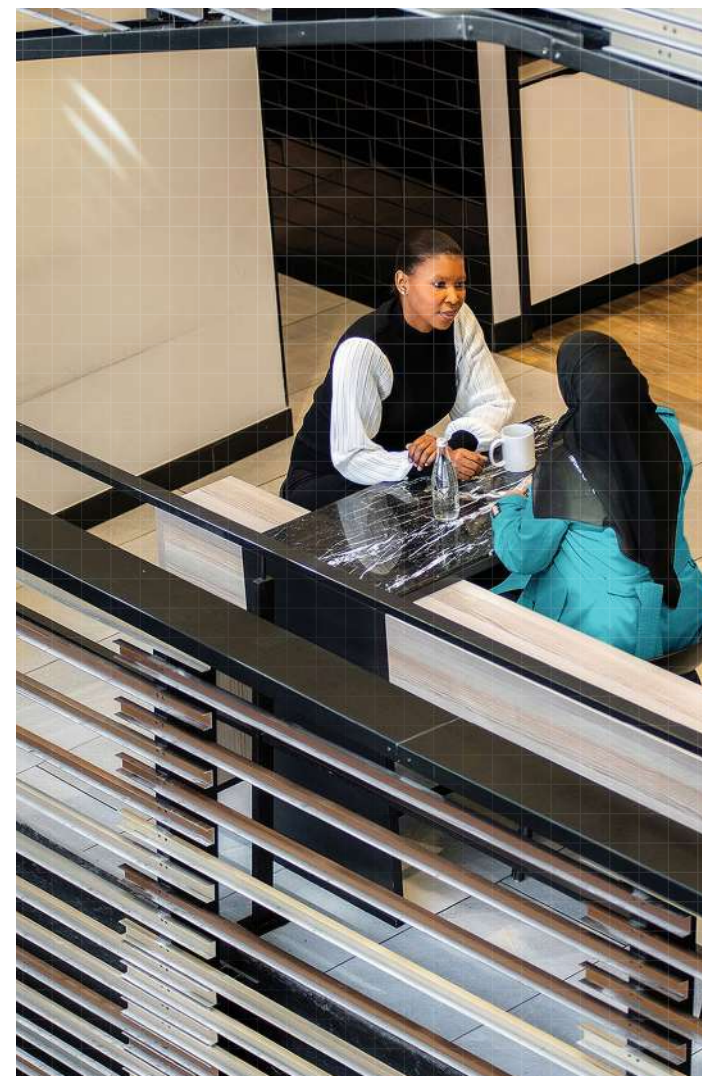
We have embedded risk and compliance capabilities in first line and second-line functions, restructuring resources to enhance our combined assurance model with notable positive contributions already being seen.

Looking ahead

The regulatory requirements and associated cost, competitive dynamics and economic conditions have made it extremely difficult for Tier 2 banks to generate an appropriate risk adjusted ROE while effectively meeting an extensive range of regulatory requirements.

We therefore intend to exit the remaining banking business within the next 18 months, in a responsible manner, subject to meeting relevant regulatory requirements and approvals.

We will continue to engage transparently and regularly with key stakeholders to ensure that we appropriately balance all interests throughout this process to achieve the best possible outcomes for all stakeholders.





Erol Zeki
Chief Executive: Wealth

Competitive advantages

- A well-regarded player in the industry, known for reliability and trustworthiness
- High-touch approach underpinned by a client-centric business model and multigenerational client relationships
- An established, diverse, and growing team of investment professionals with exceptional track records
- Established capabilities in private market funds and products with high barriers to entry, for example, impact investing
- Seamless client experience supported by advanced technology
- Positioned to be both credible and agile, balancing scale with flexibility

Wealth

“We have remained true to our purpose with the competitive strength of our business underpinned by the strength of our brand, demonstrable expertise, and trust-based relationships. Understanding what the Group’s strategic reset means for the business and how to navigate it has clarified the Wealth business as a core, non-bank business that operates at scale with strong market differentiation and opportunities to deliver sustainable future growth.”

Wealth operates as a largely independent, federated business, differentiating ourselves both within and across the Group. The recent announcement by the Group of its decision to delist demonstrates the confidence our major shareholders have in the business, as evidenced by their intent to increase their direct investment in Wealth. This is complemented by the executive management team’s intended acquisition of a 15% holding in the business through a vendor funded loan.

While this process unfolds, Wealth remains focused on serving both private and institutional clients, offering a multitude of local and offshore investment solutions across a diverse set of asset classes. Our commitment to client service excellence and innovative solutions remains central to our strategy.

Key environmental factors in FY24

- Ongoing geopolitical tensions contribute to market uncertainty
- Global recovery continues, albeit at a subdued pace, as inflation moderates and interest rate hiking cycles ease
- Increased demand for private markets solutions and ongoing delistings from regulated capital markets globally
- Shrinking local asset management industry, driven in part by increased prudential limits on the percentage of retirement fund assets that can be invested directly offshore combined with a shrinking JSE in terms of listings
- Regulatory change including the impact of South Africa’s greylisting which has materially increased operating and compliance requirements and costs
- The ‘two-pot’ retirement system came into effect in South Africa from 1 September 2024. This will put a lot of operational pressure on the industry and could result in a reduction in retirement savings
- Political uncertainty in a new era for the country as a result of coalition government
- Rising demand for ESG considerations in investment portfolios
- Talent acquisition and retention within the industry
- Major advances in technology, in particular AI, impacting both investment management and strategy as well as operating models

Highlights

- Continued profit growth, after normalising for once-off insurance settlement received relating to FY22 operational loss
- Continued strong growth in offshore assets and revenue, with direct managed offshore portfolios now making up in excess of 30% of total assets under management and advice
- Continued attraction and retention of top talent, combined with a highly successful internal development programme, which has resulted in numerous internal promotions and permanent placements of candidates from our graduate programme
- Material progress made in optimising client segmentation, engagement and product architecture
- Continued strong growth in income from associates, which is generated primarily in hard currency
- Seeing increased institutional interest in our Asset Management offering, for example, being placed on the buy list for AlexForbes’ new discretionary fund management (DFM) unit
- Successfully settled insurance claims relating to past period operational losses, bolstering financial resilience
- Sasfin Asset Managers maintained its B-BBEE Level 1 rating

Challenges

- Continuing competition in the market for specialist skills, with a limited pool of experienced professionals in a small and specialised industry
- A challenging business environment characterised by a low growth paradigm locally, as well as international geopolitical and socio-economic factors
- Increasingly demanding regulatory and compliance landscape, adding complexity, costs, and barriers to business
- Slight decline in assets under management and advice, with strong growth in offshore assets being offset by net outflows in the asset management space.
- Managing reputational impacts from strategic review and activities of the broader Sasfin Group on clients and the business

Business drivers

- Global capital markets
- Regulation
- Competition
- Technology
- Effective investment solutions
- Experienced investment professionals

Introduction	Approach to value creation	Delivering value	Governance practices and outcomes	Additional information

Performance in FY24

We have remained true to our purpose by investing in the future of South Africa through enabling the future of its people. By building wealth and creating jobs, we not only empower individuals but also strengthen communities and build a more sustainable economy for all. We have therefore sought to diversify our offerings across regions and asset classes. This has been achieved through a multi-strategy approach to ensure our continued growth and resilience.

During this period, our focus has been on building and retaining our long-standing relationships with our clients, and we have been very proactive in our engagements with them. In addition, we have made further progress in our engagement and distribution models to ensure that we have the right solutions for our clients, which are also fit for purpose and cost-effective.

Overall, our businesses – Private Clients, Asset Management and Institutional Consulting – remain focused on delivering on the Group's purpose, in growing the businesses and global wealth of our clients, but equally in contributing to society through responsible investment and job creation.

The Wealth pillar delivered a strong financial performance during 2024, despite market volatility and concentration of

performance around global technology companies, as well as the reputational risks facing the Group. Total income grew 9% to R416.4 million (FY23: R382.3 million) while assets under management and advice declined slightly to R65.0 billion (2023: R67.4 billion*).

Several once-off items relating to prior periods boosted financial performance. These included the release of a provision relating to Land Bank exposure in the fixed income broking business and the settlement of an insurance claim linked to a past operational loss in the stock broking business.

There is an ongoing trend of South Africans increasing the geographic diversification of their investment portfolios by taking a larger portion of their investments offshore. This has resulted in the business managing offshore assets of over R9 billion, close to one-third of assets under management and advice.

Investor interest in private markets as an investment option for both institutional and private clients continues to increase. We have introduced products in the private client business to provide our clients with access to both global and local private equity opportunities to respond to the global decline in corporate listing on regulated security exchanges.

Investing for impact as well as for financial returns offers clients a holistic way in which to invest responsibly and sustainably in solutions that contribute to delivering measurable positive social, economic or environmental impacts. These impact investment strategies have the potential to address some of our most pressing social challenges in South Africa: economic inequality, job creation, poverty and conserving our natural resources. As such, we launched a private credit fund in partnership with RBN Fund Managers, focused on providing debt funding to SMEs with specific job creation targets built into the structure. The fund is augmented by a grant from the National Treasury's Jobs Fund. The innovative way we have approached this is to use the grant as a guarantee to raise additional third-party investment, which we then use to support funding SMEs and contribute to the creation of much-needed jobs. This model fits into our focus on strong income franchise by taking advantage of our expertise, innovative thinking and origins of being a lender to SMEs to contribute towards their growth.

* Restated

Our people

Our human capital team has continued to assist with skills development, career progression and succession planning during this period. We continue to attract some of the top talent in the industry, but, more importantly, we are growing and developing our own talent. Several senior people have either retired, emigrated or moved on in their careers and, in all cases, we have promoted individuals from within the business into these leadership roles. This demonstrates the success of our talent management practices and programmes in developing our people and their career progression in the Group. We participate in a comprehensive graduate programme, which has a placement rate of close to 100%. We are committed to the development and growth of our people

and ensuring we have a well-structured skills pipeline and succession process.

We have also continued to enhance our engagement with our people through activities that are not only about providing regular business updates and information sharing but also creating an opportunity for people to connect. This is especially necessary with the current hybrid office and remote working model which has required additional effort to engage with people and ensure we are creating spaces for people to engage within and across teams. To ensure we know and understand what our people need, we have incorporated a real-time electronic tool allowing all employees to engage on a broad range of matters and issues anonymously.

Operational excellence

Our focus on delivering operational excellence remains core to our business, and we continue to invest in technology and explore different platforms to deliver efficiencies in our processes and improve client experience.

We have continued to ensure that we have a robust control environment and strong compliance and governance practices in place.



Private Clients

Sasfin Wealth remains a South African leader in offering private clients global investment solutions and holds an exceptional track record. The private client business experienced strong asset and revenue growth across its advisory and managed investment services and solutions.

Our restructured and optimised client engagement and operating model in the Private Client business continues to foster greater collaboration across functions and enhance how we focus on our clients and our ability to excel in key capabilities. We continue to focus on our client segmentation to ensure that we provide cost-effective and appropriate solutions to clients at the right risk and return profile.

High-touch client engagements remain our focus, but a digital hybrid model of engagement is helping to bridge the physical divide between the Sasfin Wealth service frontline and our client base. However, we are exploring the viability of reallocating key relationship managers where necessary to maintain the service levels our clients expect from us.

Our clients continued to focus on diversifying their portfolios. This included geographic diversification, where we now manage offshore assets of over R9 billion, as well as marked diversification into private markets, for example, through our global market access solution, which allows individual clients to gain access to global private markets investment opportunities by blending alternative and traditional investment instruments.

Asset Management

Our asset management business continues to gain traction and increased penetration into the institutional market.

Our business has a multi-strategy approach, mainly servicing the local market, with great opportunity for growth given our relative size in the market. We are focused on solutions where we have a competitive edge to remain differentiated and where it matters for our clients. Our ability to provide quality global investment management continues to meet the evolving expectations of our clients, given the shifting risk profiles locally and globally.

Institutional Consulting

Operating independently from both Private Clients and Asset Management, our Institutional Consulting business serves institutional clients by providing quality independent bespoke advice, implemented investment strategies and solutions and appropriate member outcomes.

We have embedded a partnership model, working with a variety of employee benefit consultants and participating employers in solving for a broad range of member needs.

Our focus on the opportunities in healthcare to provide more inclusive and cost-effective products into the market continues to evolve. We continue to monitor developments in the National Health Insurance Bill.

Enhancing our ESG impact – beyond mere numbers

With just six years remaining to implement the goals of the 2030 Agenda for Sustainable Development, much remains to be done. Sasfin Wealth continues to be proactive in translating the UN SDGs into actionable efforts that contribute directly and indirectly across various spheres. These initiatives include:

CSR and green projects

We support flagship CSR projects and are expanding into green initiatives. We are piloting the Hospice Wits Food Garden Permaculture Project, which focuses on developing sustainable approaches to food self-sufficiency and medicinal applications, with training provided to ensure successful outcomes. The initiative also intentionally involves Sasfin Wealth graduates.

Job creation

Through the Sasfin RBN Enhanced Job Creation Fund (see alongside) and its first private debt deals, 222 jobs have been created to date, with more in the pipeline. Of these jobs, 99% are filled by previously disadvantaged individuals, 78% by women and 69% by youth.

Graduate programme

Sasfin Wealth's Graduate Programme boasts a diverse and inclusive group of graduates across various departments, ensuring an equitable pipeline of next-generation professionals.

Sustainable investment practices

As part of our commitment to long-term value creation and risk management, Sasfin Asset Managers are now formally implementing proxy voting as part of their investment process.

Support for black-owned trading houses

In its trading practices, Sasfin Asset Managers continues to support black-owned and managed trading houses.

Business stewardship

We partner with suppliers to reduce carbon emissions, eliminate environmentally unfriendly items within the business; conduct ESG-ratings assessments of key portfolios (maintaining their A-ratings) and disseminate educational content on sustainability to employees to maintain awareness and promote sustainable practices.

Sasfin Wealth remains steadfast and deliberate in its practices and behaviours, ensuring that its efforts impact daily lives beyond mere numbers.

Private credit fund to support SME growth and job creation

Sasfin Asset Managers (SAM) and RBN Fund Managers were awarded a grant of R85 million from National Treasury to use as a guarantee facility to the Fund. The Fund provides debt funding to growing local businesses where the investment translates into real and measurable job creation while providing an appropriate risk adjusted return to investors. The guarantee mechanism is leveraging R360 million of third-party investment into the Fund structure.

The Fund targets strong risk adjusted returns as well as the creation of 1 520 jobs over the initial two years. To date, 222 jobs have been created, mostly in the agricultural sector. Once the concept has proved successful, the intention is to scale up the guarantee mechanism by attracting further institutional investors.

This initiative draws on the synergies between SAM and RBN to drive our combined impact investing objectives. Members of the RBN impact investing team have successfully implemented two previous projects with the Jobs Fund over a decade, attracting R2 billion in institutional investment and successfully delivering over 15 000 permanent and verified jobs over six years. Both the financial and impact returns were consistently above benchmark and targets.

We are confident that our combined capabilities will successfully deliver the credit enhanced and job creation mandate while appropriately managing risk. SAM and RBN's two-year goal is to build a successful portfolio of SME loans that produces strong commercial returns and a high social impact (job creation).

The success of this impact solution will enable SAM and RBN to further leverage and bolster the guarantee to attract additional institutional investors and scale this impact solution. This opportunity creates collaboration across public and private sectors and allows us to demonstrate how a guarantee can reduce credit rationing, create jobs and, over time, source additional funding for Sasfin's SME lending.



Looking ahead

As we look ahead, the Wealth business is excited to continue our journey alongside our clients, people, and partners. We are particularly encouraged by the confidence expressed by our major shareholders, who have committed to further investment and with the appointment of Gloria Tomatoe Serobe as Chair of the Wealth Board. The Wealth leadership team extends its gratitude to Tienie van der Mescht for his leadership as the former Chair of the Wealth Board. We appreciate his ongoing service as a director of both the Group and Sasfin Wealth, as well as his role as Chairman of the Sasfin Wealth Investment Oversight Committee.

We are excited about the developments unfolding within Sasfin Wealth, particularly in view of the confidence our shareholders and management have in the business and the support they provide in moving the business forward along its growth path once the proposed delisting is completed.

Our priorities over the short term remain to increase our competitiveness and differentiation by:

- Navigating the strategic reset as a business and exploring additional strategic actions
- Focus on growing our high profile and competent team
- Innovate across our broad set of global solutions, including private markets
- Unlock opportunities to grow our client base and assets under management, locally and offshore
- Deliver organic growth as well as explore potential corporate activity to drive growth
- Deepen our brand strength as an independent innovative wealth and asset management specialist
- Enhance our client experience and platforms, including futureproofing the business through process optimisation and technology



Tienie van der Mescht
Chair: Social and Ethics
Committee

Social report

Social and Ethics Committee report

Social and Ethics Committee (SEC) mandate

The SEC operates according to a formal charter which outlines its composition, responsibilities and duties as a statutory committee constituted in terms of the Companies Act.



See Board Committees: Social and Ethics Committee for more detail

The SEC ensures that:

- The ethos of the Group, as set by the Board, is in place and is embedded in the Group's strategy and integrated into the day-to-day activities of each individual working at Sasfin
- The Group's strategies, policies and initiatives supporting the culture and purpose are implemented ethically and responsibly
- ESG elements and principles of treating customers fairly are integrated into decision-making processes
- Transformation practices are relevant and aligned to our purpose
- As a statutory committee, the SEC effectively discharge its duties in terms of Regulation 43 of the Companies Act

Primary activities in 2024

People

- **Employee treatment:** Reviewed CCMA cases, whistleblowing hotline reports, EAP themes, and initiatives related to diversity and inclusion
- **B-BBEE and transformation:** Implemented the new codes and managed commitments under this framework. Despite the disposal of several business units, we maintained our focus on transformation goals
- **Skills development:** Our efforts to grow our people through skills development continued throughout the year

Health and public safety

- **OHS review for occupational Health and Safety Act:** Conducted a full review with a service provider to ensure compliance and effectiveness

ESG (Environmental, Social, and Governance)

- **ISSB Standards S1 and S2:** The Group Finance team began preparations for reporting, with initial workshops conducted
- **ESG:** Was not a primary focus amid ongoing changes to the business

Whistleblowing

- **Trust and process:** No alarming reports; we emphasised building trust to ensure effective whistleblowing processes

Strategic reset

- **Employees:** Focus on employees and their wellbeing through change management processes and resilience training

Fair pay assessment

- **Compliance with Companies Act:** Conducted a fair pay assessment for the second time, reviewing horizontal and vertical fairness and addressing disparities
- **Detailed analysis:** Examined race and gender pay disparities, considering tenure, skills, experience, and market scarcity. No significant disparities were identified to be addressed

Reputation management

- **Media coverage:** Oversaw the impact of media coverage on employee morale and public perception, providing strategic direction to ensure alignment with the Group's values and ethical standards

Highlights

- Maintained Level 1 B-BBEE contributor status
- Kept employees engaged and committed during a time of extensive change for the Group
- Supported the creation of 222 jobs through the Sasfin and RBN partnership
- Successfully implemented the CSR strategy by embedding partnerships within pillars
- Completed an initial climate change gap analysis
- Contributed insights on race and gender diversity to enhance the Group's succession planning efforts
- Conducted a fairness review of Sasfin's pay and reward structures

Challenges

- Managing the impact of extensive change and uncertainty on our people and their morale
- Ensuring that the Group was well placed to navigate the challenges and change appropriately, adjusting work plans and slowing or deferring non-priority processes
- Managing reputational risk in the face of intense media scrutiny

2024 overview

The SEC operates according to a multi-year strategy and work plan aimed at enhancing Sasfin's role in society in terms of transformation, social impact, stakeholder value creation, and sustainability, framed by and aligned to the Group's purpose.

The SEC has remained dedicated to upholding the Group's core purpose in a period of significant organisational change, including a strategic reset and remediation activities. Our commitment extends beyond meeting social, economic and environmental priorities to actively prioritising the wellbeing and motivation of employees amid uncertainty and transition. We have maintained a strong focus on ensuring that Sasfin's culture remains firmly rooted in ethical principles and values, promoting a work environment where people do the right thing because it is the right thing to do.

A review of the fairness of Sasfin's pay and reward structures was undertaken by Group Risk at the request of REMCO. An assessment of substantive and procedural remuneration fairness is regularly undertaken to ensure that the Group does not inadvertently build unintended bias and unforeseen consequences into pay structures. The report, which is presented to the SEC, found that Sasfin's remuneration structures and pay practices, processes and policies remain demonstrably fair and equitable.

The SEC has continued to oversee the Group's CSR activities, ensuring they are focused and deliberate in transforming the lives of their intended beneficiaries, while also encouraging active involvement from Sasfin's employees. We remain dedicated to supporting the growth of SMEs, which are crucial for achieving economic growth and social stability in South Africa.

In response to the changes across the Group, we have re-evaluated and enhanced our business processes, refining them and implementing necessary remediation activities. Our efforts have extended to fostering a culture of strong ethics and integrity throughout the organisation. Upholding ethical conduct is central to our values and forms the basis of the ethics survey conducted this financial year.



Read more about Sasfin's Ethics Framework.

The SEC prioritises a strong organisational culture, grounded in the Group's commitment to ethics, values, and a positive employee experience at Sasfin. In times of change, maintaining trust between employees and leadership is essential. Moving forward, the Committee will focus on deepening its understanding of and enhancing the Group's culture amidst ongoing transformations.

The Committee also remains vigilant on regulatory matters, particularly regarding the fair treatment of clients and understanding their needs. This vigilance is a key part of our continuous improvement efforts, including regularly revisiting these issues.

This year, we conducted a comprehensive review of the Group's occupational health and safety (OHS) code and practices. We onboarded a new service provider and implemented additional processes to align with best practices and ensure ongoing compliance with OHS requirements.

The SEC addresses a variety of employee-related factors, including transformation, diversity, inclusion, and fair treatment. We review cases brought before the

CCMA, analyse reports from the whistleblowing hotline, and assess trends and themes from our Employee Assistance Programme (EAP). Special attention is given to issues such as workplace bullying and diversity, with appropriate measures taken to address these concerns.

We conduct quarterly reviews of compliance reports and provide governance oversight on TCF, health and safety, CSR initiatives, employment equity, skills development, and diversity management. Moving forward, we will continue to oversee these areas through our various activities and will review the SEC's mandate and terms of reference to ensure their ongoing relevance and effectiveness.

The Bank established the Client Excellence Committee (CEC) to ensure compliance with market conduct legislation and regulations, with a particular focus on the fair treatment of clients. The CEC oversees and monitors the integration of these principles into Sasfin's business practices, ensuring adherence to TCF standards as set by the FSCA. The CEC provides quarterly reports to the SEC, which reviews these reports to supervise all Sasfin Bank business units. The SEC's responsibilities include evaluating TCF measures, monitoring complaint trends, and ensuring that corrective actions are implemented as needed by the CEC. Through its oversight, the SEC ensures that the CEC maintains high standards of client care and market conduct, driving both accountability and continuous improvement in Sasfin's operations.

Transformation

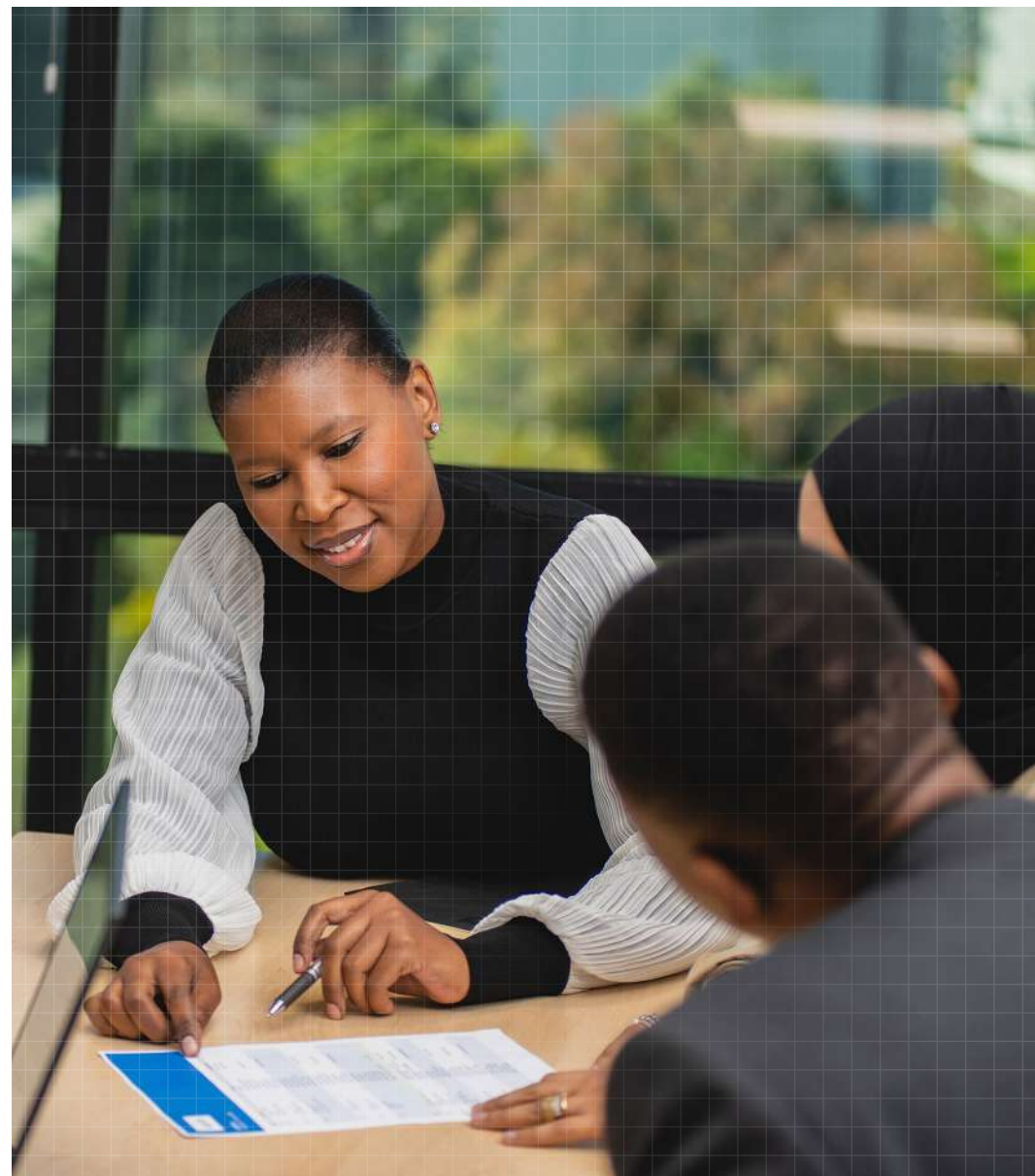
We are deeply committed to the Group's transformation journey, where our efforts to drive meaningful transformation continue. The Group has maintained its Level 1 B-BBEE contributor status, despite the changes in the structure of the Group due to the strategic decisions made. Our core businesses have continued to support financial inclusion and education, SME development and growth, job and wealth creation to enable meaningful societal transformation.

Additional work has been undertaken to ensure that the Group can meet its obligations in terms of adhering to the new amendments in the Employment Equity Act. These amendments require employers to establish five-year numerical targets to accelerate transformation. The SEC has supported the development and submission of updated employment equity plans to the Department of Employment and Labour. Moving forward, the SEC will concentrate on overseeing the implementation of these commitments.

Our dedication to transformation extends beyond employment equity; it also involves fostering employee growth and development while keeping our employees motivated. This commitment is reflected in our efforts to reskill and upskill our people through skills development plans and our ongoing investment in training and development to build our skills pipeline.

Sustainability

The implementation of the Group's sustainability and integrated thinking framework, which brings together the Group's materiality themes, strategy and value drivers, was set to commence in the year. Due to the extent of the shift in strategic focus, this will be revised to align with the updated strategic priorities following the strategic reset to ensure that clear lines of accountability are in place, together with appropriate metrics and targets to create a holistic and evidence-based approach to managing and reporting on sustainability. In addition, work has commenced to understand the impact of the new sustainability reporting standards introduced by the ISSB. Group Risk has also completed an initial climate change gap analysis which will further inform our climate change reporting in time. The analysis was performed against the BCBS Principles for the effective management and supervision of climate-related financial risks.



Ethics

Our Ethics Framework is drawn from The Ethics Institute's Framework¹ for the governance and management of ethics. This Ethics Framework forms the foundation of Sasfin's organisational ethics programme, which has enabled us to implement the required governance and management structures, codes and policies, and monitoring and reporting frameworks to drive an ethical culture. These various components are continually reviewed and updated as regulatory requirements, industry practices, and organisational needs change.

A key aspect of a successful ethics programme is ongoing training. Believing that *"sunlight is the best disinfectant"*, our ethics-related training is carried out under the banner of *"shining a light on unethical conduct"*. Our employees each received a desk-drop keyring torch with the contact details of Sasfin's anonymous whistleblowing mechanism and fraud hotline printed on one side. Aligned with this, early in 2024, we partnered with Ethicalways to provide employees and non-executive directors with formal ethics-related training. We rolled out the first module, *"Don't be fooled, it's fraud"* in May 2024. The second module, *"Don't feed the octopus"*, will roll out in October 2024 and deals with anti-bribery and corruption. Added to this, ethics continues to be included as an induction programme component.

PG 88

Read more about ethics in the corporate governance report.

Ethics surveys

The Group conducts an ethics survey biennially, with the last survey undertaken in late November 2023. While participation rates and the overall ethical culture score were slightly lower than in the prior iteration, they were higher than the benchmarks we compared against. We use the results of these surveys to inform the continuous improvement of the ethics programme and, based on the 2023 outcomes, we will continue to focus extensively on promoting and supporting whistleblowing processes.

Whistleblowing: Deloitte Tip-Offs Anonymous

Sasfin maintains a Whistleblowing/Protected Disclosures Policy, which focuses on systems and processes to protect whistleblowers, along with driving the imperative to report unethical and/or illegal activity. Aligned with this policy, the Group Ethics Officer manages our whistleblowing and related investigation function.

The Ethics Office received one whistleblowing report directly and a further 63 (2023: 50) whistleblowing reports through the Tip-Offs Anonymous reporting mechanism, which is independently hosted by Deloitte. Of the reports received, 97% related to transactional banking fraud by third parties, which we reviewed and acted on as needed. The remaining 3% of reports related to alleged employee misconduct, which we investigated and actioned.

Focusing on encouraging and supporting whistleblowing, in November 2023, Sasfin participated in the Association of Certified Fraud Examiners (ACFE) International Fraud Awareness Week and invited Ronel van Wyk, a former SARS criminal investigator who blew the whistle on state capture at the tax authority, to share her story with employees. In this very well-attended session, contrasted against Ms van Wyk's traumatic experience as a whistleblower, employees heard about Sasfin's expectation that they should report any improper activity they are or become aware of, and which expectation is underpinned by Sasfin's commitment to protect employees who do blow the whistle from any occupational detriment for speaking up.

Ethical tax practice

Sasfin regularly evaluates its tax practices for compliance with South African tax regulations and to maintain the Group's status of good standing with SARS.

Any noncompliance, if and when identified, is thoroughly assessed to identify the root cause, understand the impact, and develop and implement an action plan to remediate the matter for any future submissions and to rectify any historical inaccuracies through the appropriate channels.

Fines and sanctions

Sasfin was advised in October 2023 of the SARB's intention to issue sanctions (as reported in the Integrated Report for the year ended 30 June 2023), but no fines or other sanctions were imposed on Sasfin in the financial year to 30 June 2024. On 1 August 2024, Sasfin Bank received notifications from the SARB's PA of its imposition of administrative sanctions for alleged historic non-compliance, principally in Sasfin Bank's discontinued FX business.



Read more in notes 18 and 26 of the Annual Financial Statements.



Read more in the Chair's message to shareholders.

The SEC's focus areas for 2025

- Continuously monitor and adapt to changes following the strategic reset
- Evaluate and redefine the SECs role in the evolving business landscape
- Review and realign company culture with Sasfin 2.0, ensuring the right people, approach, and intentional cultural shaping
- Maintain ongoing efforts to enhance both internal and external brand and reputation
- Assess the rollout of the new incentive scheme and its potential cultural impact
- Consider the impact of employees becoming shareholders on behaviour, and address accordingly
- Evaluate the impact of new risk systems, reporting structures, and governance frameworks on people and operations
- Strengthen the execution of the TCF framework through the CEC

¹ The Ethics Institute, *The Ethics Office Handbook* (2018/09)



Taryn Marcus
Head: Group Human Capital

"We are purpose-led, focusing on building a diverse and inclusive workforce and culture that contributes meaningfully to society as an active corporate citizen."

People and culture

Our employees are our most valuable asset in delivering the Group's purpose, driving our high-touch, client-centric approach. We strive to create an equitable environment where everyone can reach their full potential.

In response to our strategic reset and ongoing remediation efforts, we implemented critical human capital interventions, including incentive schemes to retain key skills and the restructuring of specific divisions. Notably, we conducted a Section 197 due to employee transfers for Forex Risk Solutions, CEF and CPF businesses, and we upgraded our Sage 300 system to streamline processes.

We prioritised the wellbeing of our employees through change management interventions and an evaluation of our EAP provider. Group-level initiatives were consistently rolled out, with targeted support where needed. We developed Human Capital Playbooks to guide managers and employees on various policies and processes. Our focus on succession planning has become more dynamic, emphasising the importance of business continuity. We are confident that our strategic reset will support the Group's high-performance culture journey, addressing the demands of each pillar with a values-centred approach.

2024 Highlights

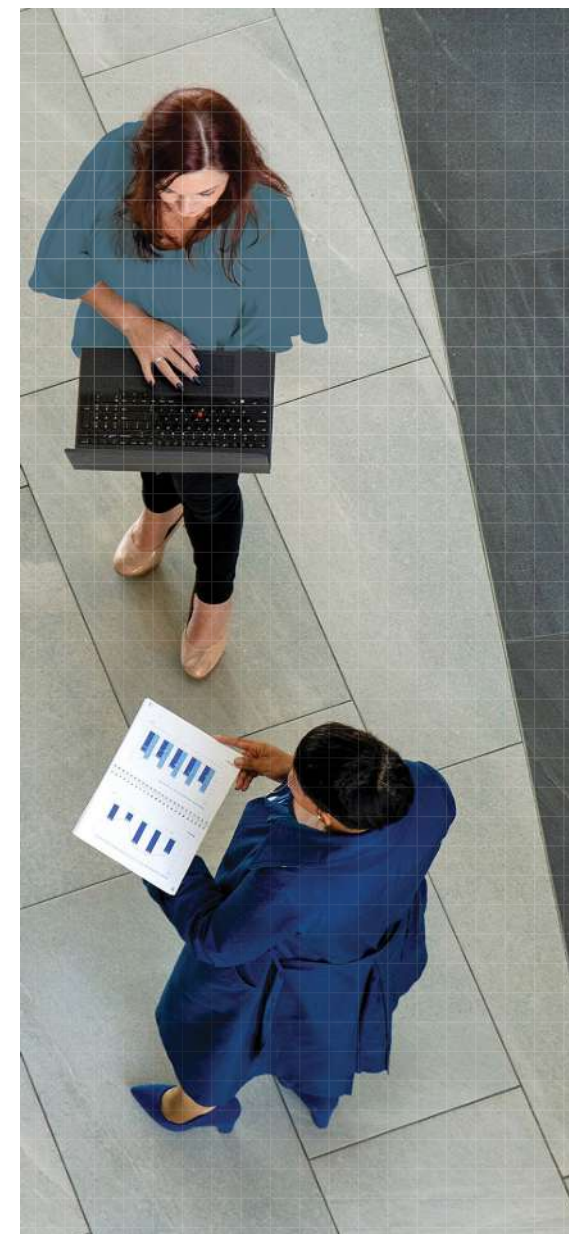
- Our people remained steadfast in living our values, and we retained most of our key employees
- We reassigned our high performing talent and expertise to areas where needed, ensuring operational stability
- The hybrid operating model added value to our employee value proposition
- We improved our people platforms and streamlined processes

Challenges

- Motivating employees during a time of change, uncertainty and heightened media scrutiny
- Sustain and align the Sasfin culture, and pillar specific employee value propositions, given the speed and volume of change the Group experienced

Focus areas for 2025

- Implement a Culture Decoder to strengthen and enhance the Sasfin culture
- Design and implement Sasfin's job architecture and competency framework to shift human capital to a proactive, data centric function to ensure the core, transactional and strategic people practices are integrated to function optimally
- Leadership development and alignment
- Change management and additional employee support as part of the next phase of the strategic reset



Human Capital governance

Each pillar has distinct human capital requirements and specialist skills that enable it to compete successfully in its respective industries. Our core businesses are supported by dedicated Human Capital managers who support our strategic direction.

Board committees

Group Human Capital and Remuneration Committee (REMCO)

REMCO assists the Board in setting the human capital and remuneration strategy and oversees the adequacy and efficiency of the remuneration practices and human capital policies applied within the Group. It ensures that Sasfin remunerates fairly, responsibly, and transparently. The Group Human Capital Management Committee develops and recommends Sasfin's people and remuneration policies to REMCO for approval and oversees and monitors policy implementation across the Group. The pillar HC Manco oversees the implementation of and compliance with policies at a pillar level.

PG 114 See the remuneration report

Social and Ethics Committee (SEC)

The SEC oversees the Group's approach to societal transformation and, in the context of human capital, focuses on culture, ethics, diversity, transformation, inclusion, and people development. It also oversees FSC scorecard compliance.

PG 66 See the social and ethics committee report

Management committees

Group Human Capital Management Committee (Group HC Manco)

The Group HC Manco determines, develops and recommends Sasfin's HC and remuneration policies and strategy to the REMCO for approval. The committee oversees and monitors the implementation of policies across the Group.

PG 117 See the remuneration governance report

Pillar Human Capital Management Committee (pillar HC Manco)

The pillar HC Manco's mandate is aligned with that of the Group HC Manco as it relates to applying Sasfin's HC and remuneration policies in each pillar. The committee oversees the implementation of and compliance with policies and change management at the pillar level.

Sustainability and Transformation Committee (STC)

The STC supports the strategic integration of sustainability and transformation into the Group's operating model and day-to-day operations to ensure the promotion of an ethical culture. It oversees the sustainability and transformation plans developed by the pillars to implement the Group sustainability framework and ambitions.

PG 35 See our approach to sustainability

Our people practices

Our people are key to the Group's delivery of its purpose. Sasfin operates in a market characterised by a fierce war for talent. While there is an oversupply of skills for junior roles in some job families (and high levels of unemployment in these areas), specialised skills are in high demand. We continue to explore options to address skills shortages and enhance the mobility of skilled employees in specific areas.

We seek to attract employees who want to be part of a purpose-driven and caring culture where they can make a meaningful contribution and be recognised for it.

Corporate Support Services (CSS)

We appointed an Executive Head: Combined Assurance who will coordinate first line assurance in the pillars and across business units, as well as be responsible for management oversight over the second line in Group Risk and Group Compliance, and Group Internal Audit in the third line. We also appointed a new Acting Head: Internal Audit.

CSS hosted its inaugural social event, CSS Connect, providing employees a relaxed atmosphere to socialise and connect, enhancing the overall employee experience.

As part of the disposal of our CEF business to ABL, a number of CSS employees who support CEF were transferred into the business to move across to ABL on completion of the transaction.

Business and Commercial Banking

BCB continued to require significant focus given the strategic reset. The shifting of key talent into the environment from other parts of the business proved hugely beneficial and new energy and ideas were introduced to ensure delivery on many aspects of the remediation programme. The structuring and staffing of the remediation team was finalised.

The Group Compliance AML team was transferred into the Pillar. Monthly business updates are conducted, and the team celebrated birthdays with a special cake day each month.

Asset Finance

Asset Finance has invested in equipping the entire team with the skills to successfully navigate change through a bespoke Change Enablement Programme, focused specifically on building adaptive resilience. Executive coaching has been initiated for the management team coupled with a Purpose-Driven Leadership Programme. Continuous leadership coaching has been undertaken for the identified potential successors to the management team.

Wealth

Recognising the need to balance gender representation in senior roles, we launched the Women in Wealth programme, dedicated to empowering career-driven women within our organisation. With a strong commitment to fostering a diverse talent pipeline, we have consistently promoted from within, ensuring our female talent thrives and our succession plans are robust.

Beyond career advancement, we have invested in holistic employee experiences. Our Money Management programme has been expanded to include colleagues across Sasfin, offering comprehensive financial wellbeing support. Our dedicated Financial Coach, available virtually or onsite twice a month, helps our staff build skills that extend beyond client relationships.

Empowering personal and professional growth is at the heart of our myLearning initiative. With the addition of The Coach Hub, many of our

employees have flourished, achieving new heights both professionally and personally. Through myCulture, we assess the attitudes and behaviours of our employees using the ClarityWave platform. A year ago, we introduced the ClarityWave prize store, and we are now expanding it to include donations to the Sasfin Wish List, because charity, as we believe, begins at home.

Our commitment to social responsibility is reflected in the formation of the Wealth CSI, Transformation, and Sustainability Committee. This committee has not only created opportunities for staff to give back to flagships in need but also fostered a culture of innovation and collaboration. We are uplifting communities, educating our young talent, and working towards preserving the environment – ensuring that our impact extends far beyond the workplace.

Diversity, equity, inclusion and belonging

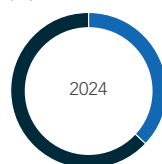
Sasfin supports diversity, equity, inclusion and belonging for current and potential employees. A true spirit of diversity and inclusion is not always captured in a scorecard.

We strive to incorporate all aspects of diversity, including gender, age, sexual orientation and background, in how we conduct our business.

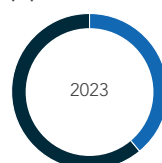
We are introducing an initiative to broaden awareness of what constitutes disability and diversity training for managers and teams. This training will improve

Group diversity

Gender (%)



Gender (%)



Diversity (%)



Diversity (%)



our understanding of the impact of unconscious bias and the support needed by people with disabilities to participate fully in the work environment.

Besides the formal programmes, Human Capital teams across the business facilitate conversations and interventions, where required, to support employees.

Health, safety and wellness

The Ask Nelson employee wellness programme provides counselling and wellness services to our employees and their dependents. In 2024, it provided counselling to 160 employees. Additionally, Ask Nelson has brought an onsite counsellor to Wealth once a month, a resource that has proven invaluable.

A number of financial wellness programmes, including money management courses and financial coaching, have been helpful in the current economic environment. The Ask Nelson offering also provides group interventions and engagement opportunities to teams. 247 employees attended our wellness days this year.

We promote a culture of openness and transparency to support employee wellbeing and combat burnout. We have shifted our policy towards greater flexibility around work-from-home versus workplace attendance, preferring an output-focused performance management approach.

Learning and development

Our people are key to the Group delivering against its purpose. We provide opportunities for our employees to enhance their skills to be best equipped to perform their roles and to upskill them. This covers formal qualifications as well as training that improves effectiveness in the workplace.

We offer support to junior-level employees who are unable to afford tertiary education for their dependents. We monitor and provide our employees with continuous professional development as part of our performance review processes.

We have a long standing and successful graduate programme. Given our size and organisational structure, our environment provides a meaningful learning experience and an opportunity for each graduate to contribute to the business. It enables exposure to learning opportunities not necessarily accessible to graduates in other organisations.

We employ high performing graduates who align with our culture.

Invested in learning and development/ skills development in 2024

R10.4 million

2023: R10.4 million

Employees who benefitted from training

96.3%

2023: 69.1%

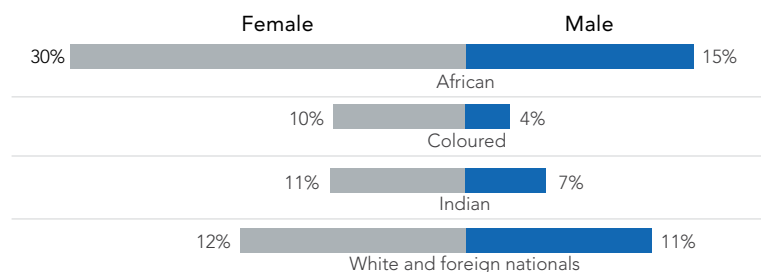
Learning and development highlights

Group training and development

Training offered

- Regulatory and compliance: fraud awareness training and ethics training
- Coaching
- Soft skills including conflict management, critical thinking, business writing and presentation skills
- Disability awareness
- AI programmes and data analysis
- Leadership training

Training and development spend by race and gender



62 employees received bursaries, of which 55 were ACI

2023: 55 employees, 49 ACI

96.3% of employees benefitted from training

2023: 69.1%

CA trainees

Number of CA trainees on our programme

8

Race and gender split

African female	3
African male	2
Indian female	1
White male	2

Internal audit trainees

Number of internal audit trainees

3

Race and gender split

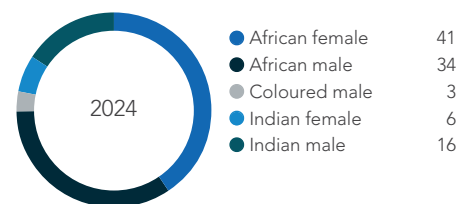
African female	2
African male	1

Graduates

Number of graduates recruited in 2024

32

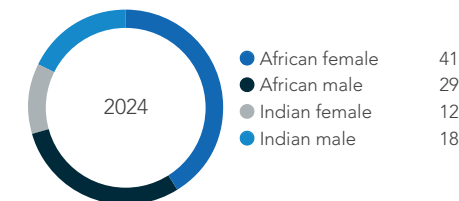
Race and gender split (%)



Number of graduates placed

17

Race and gender split (%)



Sector Education and Training Authority (SETA) rebates

2024

R1 267 868

2023

R1 491 149

2022

R902 365



Elisheva Gilbert
Chief of Staff

“Corporate social responsibility is not a department in Sasfin, but a Group-wide imperative.”

Transform our society

CSR objectives

We demonstrate our commitment to the broader social aspect of our purpose through our CSR initiatives. Our key objectives are to deliver tangible and measurable positive impact through these initiatives, and drive awareness to permeate involvement across the Group. Internally, our CSR activities foster a sense of belonging and meaning. Externally, they help to deepen relationships and encourage greater involvement, activation and enablement with our key partners. We seek to go beyond CSR as a regulatory requirement and focus on the positive difference we can make to people and their stories.

At Sasfin, our purpose is to contribute to society by going beyond a bank to enable the growth of the businesses and global wealth of our clients. This reflects an intentional decision to place our commitment to society front and centre in how we approach business and understand our place in society. Our purpose drives our performance in delivering growth to our clients through our core offering, but also extends to creating positive social impact. We consider society to include our Sasfin community and broader society.

Our CSR strategy

CSR is not a department at Sasfin, but a company-wide priority. To deepen relationships with our current partners and provide more non-financial support alongside our monetary contributions, our business pillars have chosen to partner with several of our existing beneficiaries:

- Wealth has partnered with ORT SA, Afrika Tikkun, and Hospice Wits

- The Asset Finance pillar has teamed up with Impumelelo Day Care Centre in Kanana Park, Gauteng, and Durbanville Kinderhuis in the Cape
- CSS offers support based on ad hoc requests from beneficiaries

These partnerships have gained significant traction, enhancing our overall impact.




SASFIN WEALTH

ORT SA (partner since 2015)

ORT SA aims to make people employable, create job opportunities, and alleviate poverty through skills development and socio-economic initiatives.

Sasfin Wealth's first collaboration was sponsoring the Sasfin Wealth Padel Cup in August 2023, benefiting ORT SA in that each team's donation went directly to ORT.

 Read and watch more about it here: <https://contenthub.sasfin.com/csr/articles/game-set-empowerment-sasfin-wealth-padel-cup-fundraiser-tournament-1/>

Following this, they sponsored a Golf Day in November 2023, including the goodie bags and gifts.



For 2024, Sasfin Wealth will:

- Collaborate on "In the Boardroom" sessions
- Sponsor talks by Sasfin specialists at business events
- Provide videography resources for promotional content
- Be the flagship sponsor for the Sasfin Wealth ORT SA Padel Cup

AFRIKA TIKKUN (partner since 2007)

Afrika Tikkun's centre in Alexandra Township offers a 360-Degree Cradle to Career Programme, serving over 300 children and various age groups with early childhood development, youth programmes, and career development. The centre also hosts a clinic and provides daily meals to over 500 people.

In October 2023, Sasfin Wealth collected numeracy and literature books for Grade R to Grade 5 students, filling five shelves with reading materials. They also provided 270 party packs, and the Wealth team visited the centre to interact with the children and assist the kitchen staff.

Collaborations included sponsoring a Spelling Bee, and a book drive for Afrika Tikkun's Diepsloot Centre.

HOSPICE WITS (partner since 2012)

Hospice Wits provides palliative care for those with life-threatening illnesses and relies heavily on donations due to high costs and lack of government funding.

Sasfin Wealth helped secure a valid B-BBEE certificate for Hospice Wits by funding a comprehensive accreditation, enabling further donations. Additionally, Sasfin Wealth conducted a food drive ("You CAN, make a Difference!") from August to October 2023, supporting patients' nutritional needs. Financial awareness sessions were also offered to Hospice staff, equipping them with essential skills for personal financial management and planning.

Looking ahead, Sasfin Wealth will continue to provide financial coaching for Hospice employees. Funds have been approved for a Food Garden initiative at Hospice, promoting sustainability and providing fresh, nutritious food for patients. This project will be led by Wealth Graduates with support from Wealth leadership.

HATZOLAH

Hatzolah, a medical response company operating in Johannesburg and Cape Town, provides free emergency medical services. They hosted a fundraising bowls competition at Killarney, with Sasfin Wealth as a key sponsor.

SMILE FOUNDATION (partner since 2012)

On Mandela Day 2024, Sasfin Wealth partnered with the Smile Foundation to host a Padel Fundraiser. The event supported children with facial conditions, raising money to fund surgeries for up to four children. Participants also donated items for children's care packs.



Read and watch more about it here: <https://contenthub.sasfin.com/csr/articles/serving-smiles-sasfin-wealth-s-contribution-to-a-heartfelt-fundraiser/>



SASFIN ASSET FINANCE

IMPUMELELO DAY CARE CENTRE (partner since 2016)

Impumelelo Day Care Centre started in a single shack at Marjory Xoseka's location in Thula Mntwana. After several relocations by the Department of Housing, they were eventually granted land in Kanana Park. The centre has expanded from seven to 200 children aged three months to six years, employing six teachers, a cook, and a gardener from the local community. It features six classrooms, flushing toilets, and a fully equipped kitchen.

The centre provides nutritious meals, helping children to learn effectively. Graduates are well-prepared for school, often ranking in the top 10% of their new schools.

Sasfin Asset Finance supported Impumelelo's 2024 Mandela Day initiative by donating knitted items for blankets, along with treats for the children after a community clean-up event.

DURBANVILLE KINDERHUIS (partner since 2018)

Durbanville Kinderhuis, established in 1883, is one of South Africa's oldest children's homes, currently caring for 144 children placed there by court orders. They aim to support these children and their families, ultimately restoring healthy family relationships. Sasfin Asset Finance organised a Winter Drive to provide knitting supplies for scarves and blankets to help keep the children warm. The Sasfin team plans to visit the Kinderhuis for a day of service at the end of the year.



SASFIN CORPORATE SUPPORT SERVICES

THE SMILE FOUNDATION (partner since 2012)

One of the key initiatives undertaken by the Smile Foundation is their annual Smile Week, during which they mobilise operating theatres and additional staff at an academic hospital to perform as many surgeries as possible, including complex procedures.

We had the opportunity to join the team during Mandela Week at the Nelson Mandela Children's Hospital, where we met the mothers and their children undergoing or who had already undergone surgery that week. It was a privilege to witness the incredible work Smile do. We enjoyed drawing with the kids and were fortunate to gift them pyjamas, slippers, and games.




ORT SA (partner since 2015)


ORT SA has used our 14th-floor Head Office venue and successfully hosted two events to which Sasfin staff were invited: a breakfast and talk by Howard Sackstein titled "Election 2024 – The Results Are All Your Fault," and a ChatGPT Masterclass with Dean Furman, accompanied by a light lunch. Additionally, we created a promotional video for ORT which they can use for their marketing efforts.


ADOPT A SWIMMER (partner since 2018)

We had the privilege of meeting the founder Louise Auersperg, volunteers, and children benefiting from the programme in December 2023. We developed content for distribution across multiple channels to share the incredible work this phenomenal organisation is doing.

 [Click here to view the article on the Sasfin Content Hub](#)

The full video loaded on the Sasfin YouTube channel can be found [here](#)

 **LinkedIn – Post 1** (a must watch, you get to meet the children of Adopt A Swimmer), **Post 2**, **Post 3**


 **Instagram – Post 1**, **Post 2**

 **Facebook – Post 1**, **Post 2**, **Post 3**

JUNIOR ACHIEVEMENT (partner since 2017)

In June, being Youth Month, we decided to shine a spotlight on the youth of our country which presented the perfect opportunity to partner with Junior Achievement (JA). Our objective was to tell their story in three parts, thereby assisting them by creating marketing materials that they can use to attract further potential donors and mentors. This collaboration also served as an opportunity for Sasfin to showcase its partnership with JA and the programmes it supports.

 **Part 1 –**
Empowering Young
Minds: Junior
Achievement
South Africa

 **Part 2 –**
Valentine Mabaso
shines as a Junior
Achievement
SA Success Story

 **Part 3 –**
JA SA is Empowering
the Next Generation
of Entrepreneurs

NOBLE B-BBEE ADVISORY (partner since 2018)

Sasfin participated in an insightful session facilitated by Noble, which was attended by SMEs at various stages of growth alongside Sasfin representatives. Our Working Capital business unit provided valuable information on financial support options for SMEs exceeding R50 million in turnover. Additionally, one of our Wealth Advisors shared expert insights on retirement planning, wills, and estates, ensuring comprehensive financial guidance for all attendees.

Noble specialises in creating tailored strategies, leveraging innovation, and driving growth for businesses across industries. Sasfin and Noble have been CSR partners for over six years in the area of consumer education, designed to empower SMEs.

Fostering good relationships with our employees and society

We recognise the importance of having a clear purpose in creating meaningful work. This is enhanced by the need to contribute to something greater than oneself. Accordingly, we provide opportunities for all our people to participate in programmes and initiatives that extend into society and provide opportunities for growth, development and fun.

Mindful Mondays

Our Mindful Mondays continued over the year, providing a regular, short communication that focuses on #MentalHealthMatters. Topics covered included understanding and overcoming workplace stress, and leading with mental health in mind.



Talk Tuesdays

An hour is set aside monthly on a Tuesday to provide support, inspiration, relaxation and fun to aid mental and physical wellbeing. A variety of activities and topics were covered, including personal and professional growth, ChatGPT Masterclass, Silent Disco and Breathwork, a Jiu Jitsu Class, Rebounding with Lisa Raleigh, a Sip & Paint, among others.

First Thursdays

We had a lot of fun this year with our First Thursday initiative. Themes included Rugby World Cup fever, a Comedy Evening with Shanray van Wyk, and a 4th of July celebration as we ended the financial year.



Special days

We celebrate our employees at Sasfin on special days, including Valentine's Day, Mother's Day, Father's Day, Spring Day, and Halloween. The office is themed, and we place treats and notes in the pause areas.

Mandela Day

Celebrating Mandela Day with Afrika Tikkun

Mandela Day, observed annually on 18 July, is a global call to action, encouraging individuals and organisations to dedicate 67 minutes to community service in honour of Nelson Mandela's 67 years of activism. This year, Sasfin partnered with Afrika Tikkun to volunteer at their community centre in Orange Farm. Our employees participated in various activities, including planting and cleaning the vegetable garden, painting facilities, preparing meals for children, and engaging in arts and crafts. By going #Beyond67, we made a meaningful impact, supporting Afrika Tikkun's mission to rebuild young lives and furthering our commitment to contributing to society.



Women's Month

Sasfin proudly celebrated the achievements and contributions of women through a series of empowering initiatives.

On August 6th, we hosted an exclusive Rebounding with Bounti class. Lisa Raleigh, a renowned South African health and wellness expert, led the session, and promoted a holistic approach to wellbeing that encompasses physical fitness, nutrition, and mental health.

Later in the month, we welcomed esteemed motivational speaker Saray Khumalo. This inspiring event, followed by a light networking lunch, featured Saray sharing her extraordinary journey as an award-winning mountaineer, Guinness World Record holder, and transformational coach. Her narrative of resilience and perseverance resonated deeply with attendees, reinforcing the spirit of Women's Month.

Sasfin Wealth celebrated Women's Month on their 'Money is More Than Money' podcast by featuring inspiring women in business, discussing topics ranging from 'Motherhood, Money, and Managing Priorities' to 'A Story of Self-Published Success'.

These activities underscore Sasfin's commitment to celebrating women by fostering an environment of empowerment and support.



The Sasfin Wish List

We launched the Sasfin Wish List more than ten years ago as an initiative to help employees across the Group. The Wish List provides support to employees based on need, such as paying school fees, helping cover the cost of urgent medical treatment or providing groceries when an employee is experiencing difficulties. An employee requests assistance from the Wish List through their line manager or by sending a request directly to the Wish List administrator. The venue hire fee for external parties using our 14th floor lounge and deck at our Sandton office is donated to the Sasfin Wish List. The Sasfin Wealth ClarityWave prize store now offers their employees the option to donate to the Sasfin Wish List.

Sasfin Wish List Food Drive: Charity Begins at Home

During Mandela Week this year, we hosted an internal food drive, collecting non-perishable items for the Sasfin Wish List. Our goal was to support colleagues who are struggling to make ends meet and need assistance. We gathered over 250 items, showcasing a remarkable spirit of community and generosity within our organisation. Special thanks to Group Exco and Group Finance for their exceptional contributions, leading the way in giving back.

For 2024, the Sasfin Wish List:

R146 284

disbursed

R151 000

employee donations and venue rental income



Championing SMEs

We provide tools for small businesses on our digital platforms, including:

Dashboard	Payroll	Quotes and invoices
A full overview of accounts with the B\\YOND® platform dashboard.	Perform payroll management simply and free, from paying employees to generating SARS-compliant payslips in real time.	Generate and send personalised quotes and invoices, with company name, VAT number and logo directly through internet banking.
Account classification and tagging	Unlimited transaction history	Beneficiary management
Account classification and tagging of transactions to manage revenue and expenses, and easily keep track of projects.	Available at no extra charge via the B\\YOND® platform.	Move, import or add beneficiaries easily.
Intuitive user experience	Multiple transactions	Single sign-on
Mobile-friendly, intuitive user experience that allows card and account detail management online.	Multiple transactions such as account transfers in one action	Seamlessly switch between portfolios – business and personal – without needing to log into two separate platforms.
Xero cloud accounting	PayShap	
Connect business transactional accounts to Xero to enable automatic transaction flow by setting up a direct feed. Regular reconciliation of transactions ensures an up-to-date view of finances at all times.	Make and receive payments, instantly, securely, 24/7, up to R3 000 per transaction across any participating bank, by using a bank-registered cellphone number (ShapID) or bank account details.	



Josh Souchon
Group Chief Information Officer

Technology review

The capabilities unlocked by our IT strategy are critical to the Group's operations and sustainability. Our core information systems have been implemented and we continue to make progress in decommissioning legacy systems.

Over the past five years, the Group has made significant progress in ensuring that the IT strategy is a critical enabler of Sasfin's strategy, operations and controls. We continue to refine our existing platforms and consider new digital technology to strengthen our capabilities and support innovation.

Our focus is ensuring our technology platforms and data provide strategic value for the Group.

How we govern IT

IT infrastructure is governed centrally, with dedicated IT capabilities embedded in each pillar to provide the support needed to meet their specific strategic requirements. This allows the pillars to own and manage their specific IT systems, where appropriate.

Group IT policies, standards, procedures and frameworks apply across all business units and are reviewed regularly to ensure they remain current. Project implementation is overseen by Group Exco and managed by the Project Steering Committee. It is executed in terms of a formal project management standard that includes an independent project assurance model provided by Group Internal Audit. IT projects are being prioritised through an established assessment process. They are overseen from project initiation, delivery to client and business adoption by ensuring efficient management of resources with quality control.

Board

The Board is responsible for governing information and technology across the Group.

IT Committee

- Sets and monitors the development and execution of the IT strategy through the IT governance framework, policies and procedures
- Oversees, monitors and evaluates significant IT investments and expenditure
- Oversees information security, cybersecurity and governance of IT risk
- Evaluates the progress of IT change programmes

Operational management committees

- Executive IT & Change Committee
 - Assesses the prioritisation and impact of IT projects
- Group IT Manco (inclusive of each pillar IT)
 - Ensures alignment of IT projects to Group strategy
 - Oversees the execution of projects
 - Operational management, governance and security

Our strategic focus areas are:

People and culture
Put people first and lead

Design and build
Stop, reflect, re-group and proceed

Business enablement
Running Sasfin optimally

Cybersecurity
People are our first defence

2024 Highlights

- Industry recognition for technology and innovation initiatives
- Technology and data enablement to provide strategic value and insights
- Deepening the strength of our internal and external IT partnerships

Challenges

- Realising the value, benefit and appropriateness of systems
- Information and data and its quality, protection, adoption, management and analysis
- Cyber risk and global dependencies
- War on talent, particularly specialised IT skills

IT strategy

Our strategic imperatives are assessed and updated annually during the strategic review. These contribute to the Group's strategic execution by meeting the needs of Sasfin's businesses and enabling teams with fit-for-purpose IT tools. We use a human factors lens to ensure that our technology helps Sasfin's people deliver value and inform our approach to cybersecurity.

Performance in 2024

With the federated model bedded down and accountable IT teams in each pillar, Group IT is ensuring that we are actively managing risks and opportunities across the Group. This includes considering the natural trade-offs between Group and Pillar initiatives, including cost management and resourcing enabled by clear lines of accountability, embedded controls and communication across all IT-related functions.

We follow the approach of 'best of need'. Within this work frame, the federated model enables pillar IT teams to focus their expertise on unique Pillar requirements around client engagement and delivery, and regulatory and reporting needs. This supports the Pillars' agility to adapt to market shifts and initiate platform enhancements and product innovations that match client needs.

IT resources have played a vital role in ensuring Compliance and RDARR initiatives are being executed and reporting automation where possible. The project management methodology has been enhanced with the inclusion of RDARR principles to ensure sustainability.

Client experience remains a primary consideration in our projects across all pillars, ensuring they serve the Group's high-touch service model that is key to our brand strength and reputation. We also believe that digital solutions cannot be imposed – they should rather form part of a hybrid approach to maintaining deep relationships within the high-touch model.

Contributing to operational excellence

During the annual strategic review, we undertook a structured review of the IT projects underway. This included assessing how the Group prioritises technology investments, initiates projects and releases funding, how resources and skills are allocated to deliver projects, including the required change management processes and the value realised by the Group from the investment made.

The following process is being followed:

Stop	<ul style="list-style-type: none"> Review all projects and categorise them in order of priority and benefit versus cost
Reflect and review	<ul style="list-style-type: none"> Review the priority projects against specific criteria and lessons learnt on recent projects
Re-group	<ul style="list-style-type: none"> Prioritise projects following a critical review by a multi-disciplinary team
Proceed	<ul style="list-style-type: none"> Establish clear success criteria and plan to monitor and measure progress in delivering quality business outcomes

Considering the current economic climate and fast-evolving technology environment, the Group IT function uses this process to narrow the number of active projects. This will ensure the successful delivery of critical projects and focus our efforts on extracting maximum value. Cost management is challenging due to rising technology costs vulnerable to Rand weakness and pricing that has remained stubbornly high despite global supply chain challenges abating. We are assessing the viability of localising platforms and services to minimise exchange rate and global inflation risks. There is limited scope for reducing costs for critical operational systems, especially from a compliance and cybersecurity perspective.

Our people

During the year, the IT function dedicated significant resources to the multidisciplinary teams undertaking remediation projects, including the compliance systems within Business and Commercial Banking. Within the balance sheet substantiation at Group and Asset Finance, we have developed and institutionalised tools to automate reconciliations to reduce error and enhance controls, and this is proving beneficial.

Partnerships are critical to the IT function in delivering secure, stable, and value-adding platforms within budget. We are engaging with specific partners on an outsourced consulting basis to advise and support certain technical aspects of the remediation projects, ensuring efficient resolution and enhancing platform stability. This is supported by internal change management interventions as required.

The hybrid working model continues to add value by providing flexibility to employees as part of our value proposition and increasing our access to a pool of talent beyond geographic boundaries. As a new way of working, a shift in mindset is required in managing a workforce – from monitoring time and attendance to measuring clearly defined outputs. We are guided by the concept that work is something you do, not a place – and work requires purpose. We have taken a deliberate approach to enabling collaboration, synergy, and learning and development in delivering the hybrid model. We have an initiative running to understand the functionality of different teams and how they collaborate remotely, the learnings of which will be applied to enhance the hybrid model. A critical element remains face-to-face interaction and understanding the balance between remote and office-based tasks.

We provide ongoing training to drive the hybrid model and upskill employees in digital and technology developments through continuous learning, coaching and targeted leadership development programmes.

Attracting specialist IT skills remains challenging, especially as we are competing for talent across industries and geographies. Our value proposition is rooted in the culture of Sasfin, where our smaller size relative to Tier 1 banks and multi-nationals allows each individual to be valued and acknowledged in delivering against our purpose.



Awards received in 2024

Chief Information Security Officer

Del van Rooyen, Sasfin's Chief Information Security Officer (CISO), received the 'CISO of the Year 2024' award at the **Innovation and Excellence Awards 2024** and 'CISO of the Year 2024' at the Finnovex Summit.

Chief Information Officer

Josh Souchon, Sasfin's Chief Information Officer, received two awards from CIO South Africa - the 'Digital Innovation Award' and the 'IT Project of the Year Award'.

Cybersecurity roadmap



Information management

The Data Services team oversees information management, including business intelligence and data governance. The relevant pillars own data, and Group IT provides the tools to manage, move, and secure it. The Group's network infrastructure is designed to ensure continuity, and we continuously maintain and upgrade our core infrastructure.

Formal disaster recovery plans and backup strategies are in place, and these are tested and updated regularly.

Managing and analysing data effectively is critical to the ongoing success of the Group. Data is at the heart of what we do and enables insight-driven decision-making to drive a better client experience. Enhanced business intelligence allows us to understand client needs better and creates opportunities for business growth through cross-selling and improved client retention. In addition, using data intelligently reduces risk and enhances our compliance with regulations.

Cybersecurity and data protection

Cybersecurity risks in the global operating environment remain elevated, especially for financial services. Our cybersecurity roadmap provides a sound foundation for a stable and safe environment for the Group. An external party regularly reviews the Group's cybersecurity framework and performs cyber simulations to assess the Group's cybersecurity performance.

People are our first line of defence in our cybersecurity efforts. Our employees and clients are a critical pillar in our approach to minimising cyber risk, supplemented by internal systems and a network of cybersecurity partnerships. We continue to see the effectiveness of ongoing cyber awareness training with employees and clients, which is also part of a human factors approach to delivering effective technology.

Data protection efforts include privileged access protocols that are aligned to regulatory requirements.

Looking ahead

Our focus is on ensuring that our technology infrastructure enables the Group strategy, guided by Group IT's strategic imperatives:

- Deliver a safe and secure platform to service all Sasfin's businesses, through ongoing cyber security investment
- Enhance trust in our technology and data
- Review of existing systems in line with our best of need strategy especially in light of the strategic reset undertaken
- Manage risks in a globally connected world
- Strengthening our data capability for insights and AI

04

Governance practices and outcomes

Corporate governance report

The Sasfin Board is the ultimate custodian of good corporate governance and leads the Group in its commitment to doing business ethically and with integrity. The Board recognises the relationship between good corporate governance and creating value for all stakeholders.

The Board strives to achieve the following corporate governance outcomes identified by King IV:

Ethical culture

Good performance

Effective control

Legitimacy

Corporate governance practices and outcomes

Our governance framework enables the effective delegation of authority and accountability for conducting the Group's business and provides clear guidance for our work by defining the boundaries within which directors, management, employees, and other stakeholders operate, and promoting an environment that supports fairness, accountability, responsibility, and transparency.

The framework further enables the decision-making process and allows the Board to monitor and oversee implementation and execution by management. This applies to the execution of strategy, protection of the interests of depositors, shareholders, and other key stakeholders, alignment of organisational culture with ethical values, integrity, and compliance with laws and regulations.

Key governance practices



The majority of non-executive directors are independent.



The Board charter articulates the policy on the balance of power.



Board-approved policy for the appointment of directors and executive officers.



The Board charter outlines the role of the chairman and lead independent director.



Annual independence assessments are performed.



Self-evaluations of the Board and its committees are conducted annually, with external evaluations every three years.



Annual written declarations of directors' interests are obtained and are updated when changes occur.



Conflicts of interest are required to be declared at every meeting.



Board member's external directorships and time commitments are assessed annually.



A policy on obtaining independent professional advice is in place.



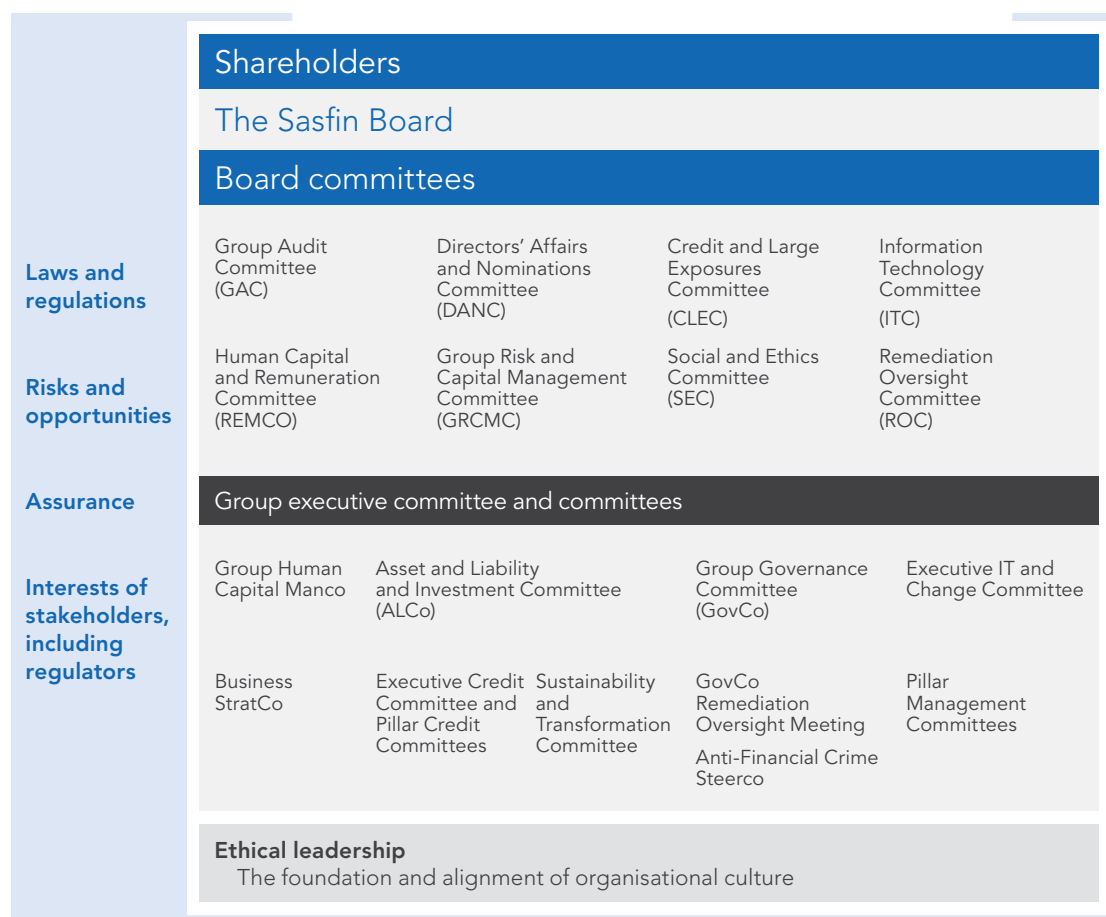
New directors receive induction training, and there is a programme of continuous directors' professional development and training.



A policy governing share trading by directors and employees is in place.

Governance framework

Our governance framework is flexible enough to enable the fast-paced, innovative culture needed to support our business and clients. Our foundation of ethical leadership and the alignment of our organisational culture with our values promote an environment that upholds compliance, focus, and accountability.



Corporate governance objectives set by the Board

The Board is of the opinion that the Group's governance practices are appropriate and suitable in the context of our business and the needs of our stakeholders. They support our client-centric approach and entrepreneurial spirit without compromising the need for adequate control and effective oversight.

The Board has set eight corporate governance objectives, aligned to King IV, that provide an overarching guide against which performance is annually assessed with due consideration of the processes, policies and practices that are in place and any relevant events that occurred during the year under review:

- 1 The Board leads the Group in its commitment to doing business ethically and with integrity and maintains a purpose- and values-led entrepreneurial culture.
- 2 In their decision-making, individual Board members act independently, in good faith, and in the Company's best interest, with due regard to the duty of care, skill, and diligence. Directors ensure they are informed about matters presented for decision-making and adhere to the Companies Act requirements concerning the declaration of personal financial interests.
- 3 Directors actively engage in the affairs of the Group and keep abreast of material changes in the Group's business and the external environment, and act in a timely manner to protect the Group's long-term interests.
- 4 The Board provides leadership and vision to the Group to ensure sustainable growth and appropriate corporate citizenship for all Group stakeholders.
- 5 The Board ensures that there is a framework of robust and effective controls, which enables the assessment and effective management of risk and opportunity, compliance, and financial and regulatory reporting.
- 6 The Board has ultimate responsibility and is accountable for the Group's business strategy and financial soundness, internal organisation and governance structure and practices, risk management, and compliance obligations. The Board appoints committees to assist with the execution of its duties.
- 7 The Board ensures sound corporate governance, guided by the principles of King IV and those issued by the Basel Committee, and governance around the Board itself and its performance.
- 8 The Board oversees the development and implementation of a sustainability strategy and framework for the Group to ensure sustainability risks are regularly reviewed and managed and that an effective governance framework for sustainability is established.

Good corporate governance practices underpinning value creation by applying the King IV principles



1

PRINCIPLE

Leadership ✓

The governing body should lead ethically and effectively.

The Board adheres to its fiduciary duties by providing leadership and strategic guidance aimed at protecting stakeholder interests and shareholder value within a governance framework that is regularly reviewed for effectiveness.

Members of the Board, both individually and collectively, cultivate and present the following characteristics in their duty: integrity, competence, responsibility, accountability, fairness, and transparency.

The Board, as the ultimate governing body for the Group, assumes responsibility for governance across the Group. The Board is guided by the principles and practices recommended in King IV and the legal requirements pertaining to our business. The Board is satisfied that Sasfin complies with the provisions of the Companies Act, its MOI, and the principles and practices recommended by King IV.



2

PRINCIPLE

Ethics ✓

The governing body should monitor whether the ethics programme, and fraud and corruption risk treatments are adequate and effective.

The Board, assuming responsibility for the governance of ethics, sets the ethical tone and direction for the Group and operates with a strong culture of integrity and ethical competence.

Sasfin's values and ethical standards are integral to our stakeholder relationships and are implicit in how we do business. Sasfin's Code of Ethics provides clear objectives, standards, and expectations for every employee and director to ensure alignment with the highest ethical standards and our values of integrity, partnership, respect, and greatness. Sasfin's Code of Ethics is centred on the society we serve and is an aspirational philosophy that supports our way of doing business, underpinned by our organisational culture and values.

Leadership is seen to live the ethical values that are integral to effective and mutually beneficial stakeholder relationships. The Board, while simultaneously exercising ongoing oversight, holds management accountable for ethical leadership by linking performance to ethical behaviour and values. This practice is applied to all employee performance contracts throughout the Group. The primary management responsibility for ethics oversight and coordination rests with the Group Ethics Officer. Other functions like Group Human Capital, Group Risk, Group Compliance, Group Internal Audit, and the Group Company Secretary also play a role in the management of ethics-related activities.

Governance of ethics

The Board is accountable for monitoring the risks and activities relating to organisational ethics and the governance thereof.

GRCMC

- Monitors whether fraud and corruption risk mitigation is adequate and effective
- Monitors strategic, business, and operational risks with due consideration of the ethical impact of any risks

DANC

- Oversees the effectiveness of the Group's corporate governance frameworks and activities that enable governance of ethics
- Receives reports on ethics oversight and coordination, including whistleblowing hotline reporting, gifts policy, personal account share trading, anti-bribery and corruption, and fraud

REMCO

- Responsible for ensuring fair and transparent pay practices, together with the SEC
- Reviews general human capital and remuneration policies, as well as terms and conditions of employment

GAC

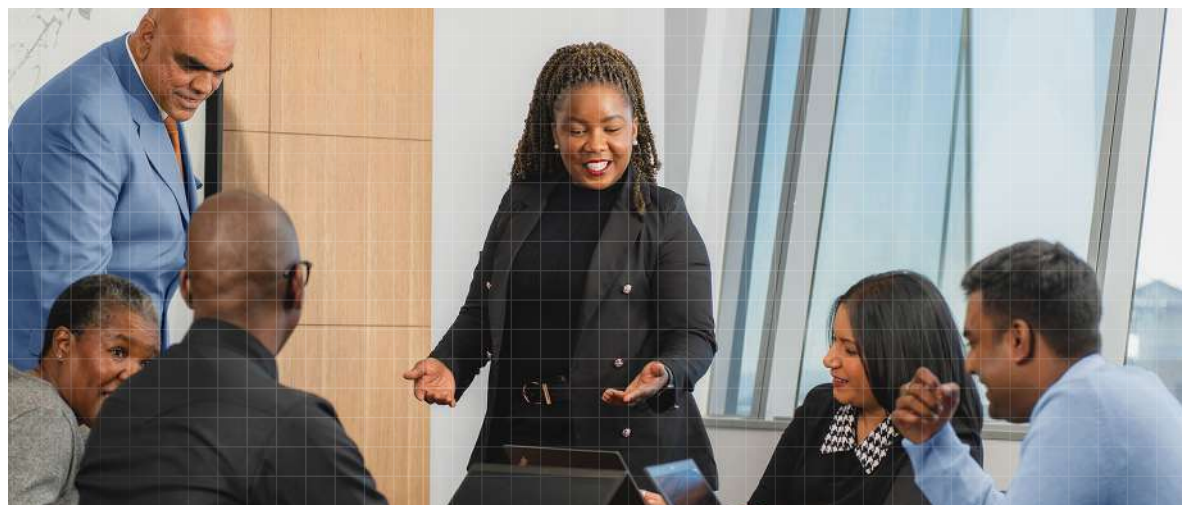
- Oversees compliance with all relevant laws and regulations to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error
- Mandated to instruct that ethics-related reviews, including forensic investigations, be undertaken

SEC

- Monitors the implementation of the ethics strategy and the adequacy and relevance of ethics management
- Ensures that measures are in place to achieve a sustainable, ethical culture, including ensuring that appropriate policies and procedures are in place
- Collaborates with other Board committees to ensure that ethical outcomes are achieved

Ethics management framework

The Group's Ethics Framework aims to drive initiatives that help employees live their commitment to ethical business conduct and practices.



Key codes and policies

Our policies aim to mitigate market abuse, conflicts of interest, bribery, and other unethical conduct. Policies promoting positive ethics are shared with employees. The following codes and policies support the governance of ethics at Sasfin:

The Sasfin **Code of Ethics** is an aspirational document setting out the values, behaviours, and practice norms the Group has embraced and expects its employees to demonstrate.

The **Anti-Bribery and Corruption (ABC) Policy**, aligned with local and international regulations and frameworks, sets out the Group's zero-tolerance approach to bribery and corruption.

The **Whistleblowing Policy** encourages employees to raise concerns through appropriate channels and provides guidance for reporting (including anonymously) any suspected or identified instances of fraud or other misconduct.

The Sasfin **Code of Banking Practice**, aligned with that of BASA, is a voluntary code that sets out the minimum standards for service and conduct regarding the services and products we offer our clients.

The **Treating Customers Fairly (TCF) Policy** aligns Sasfin's objectives with the TCF outcomes, which are embedded into our business to achieve desired outcomes for clients.

Related to TCF, the **Market Conduct Policy** expands and enhances the Group's TCF outcomes, making market conduct a key strategic and cultural driver.

Also related to TCF, the **Complaints Policy** directs the Group's management of complaints, compliments, and suggestions and emphasises Sasfin's commitment to clear and transparent communication with clients.

The **Anti-Market Abuse Policy** defines the Group's obligations to prevent it from being involved in facilitating abusive behaviours that might negatively impact investors or undermine the market.



PRINCIPLE

Responsible corporate citizenship ✓

The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

The Board, together with the SEC, assesses and assumes responsibility for our business activities, CSR policies and strategy, and their implementation to ensure we contribute to society as a responsible and ethical corporate citizen. Decision-makers consider the impact the business has on all its stakeholders, including employees, the environment, and local communities.

The Group has developed a Sustainability Management Framework that formalises our sustainability priorities, including economic and ESG factors. The framework combines the material themes, strategy, and value drivers to create clear lines of accountability. It identifies the projects, metrics, and targets that support a holistic and evidence-based approach to managing and reporting on sustainability.

The Board and Group Exco recognise the importance of setting sustainability priorities and ensuring that they are aligned with the Group's purpose. Thus, the Group will continue to work to create value for all stakeholders while supporting its long-term sustainability.

The Board is satisfied that Sasfin's efforts to be a responsible corporate citizen include compliance with the law, the Constitution of South Africa, leading standards, and our internal codes and policies.

PG
35

Read more about our approach to sustainability.



PRINCIPLE

Elements of value creation ✓

The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance, and sustainable development are inseparable elements of the value creation process.

The Board delegates strategy formulation to management via the Business StratCo of the Group Exco. The strategy is considered and approved by the Board, including financial and non-financial performance measures and targets over the short, medium, and long term, in accordance with an integrated thinking approach.

The Board also oversees strategy implementation within the overall operating context and evaluates management's performance against the targets set, the Group's purpose, and strategic focus areas.

Our regulatory environment and the society in which we operate, as well as Sasfin's broad array of financial products offered to a wide range of consumers, inform the specialist knowledge required by Board members in terms of creating value for all stakeholders.

The Board reviews the Group's strategy on an annual basis, considering execution, prevailing macroeconomic dynamics, risks and opportunities, and the evolving social and regulatory landscape.

At the start of each financial year, the Board identifies the Group's top risks and risk 'deep dives' are undertaken from time to time to assist the Board in assessing and managing risk in the context of the broader Group strategy. Board meetings include standing agenda items, such as feedback on key matters considered by Board committees, updates from the Group CEO on top-of-mind matters, and key financial and strategic drivers of each pillar. The Group FD reports on the financial performance of the Group. Additional quarterly focus areas include pillar business spotlights and strategic reviews to evaluate progress against strategic goals.



PRINCIPLE

Reporting ✓

The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects.

The Board oversees the Group's reporting suite. It is responsible for approving the interim and year-end communications, all SENS announcements, disclosures made in terms of Regulation 43 of the Banks Act, and other media statements. All such reports and communications are published on Sasfin's website and/or other appropriate platforms to enable easy access by stakeholders.

Robust governance and assurance structures and processes are in place to review the completeness and accuracy of reported information. The Group is committed to ensuring that formal and informal communication with stakeholders is transparent and honest.

Our governance processes, policies, and frameworks have Group-wide application and form the basis for managing the relationship between the holding company and its subsidiary companies. Group policies, including delegations of authority, provide clear guidelines on applying governance processes, and management is responsible for implementing the necessary procedures to ensure compliance.

The Board receives feedback from subsidiary companies to ensure that corporate governance practices and the Group's strategic initiatives are consistently and adequately applied. This allows the Group to exercise appropriate governance oversight over its subsidiaries while recognising and respecting the roles and duties of subsidiary directors and management, as well as the legal and governance responsibilities that apply to each subsidiary.

Reporting assurance

The GAC oversees the Group's combined assurance framework (CAF), which covers four lines of assurance.

The CAF outlines the assurance that supports the Board in assessing reporting integrity. The sources of assurance provided over various aspects of the reporting suite are shown in the table alongside, together with the key frameworks or standards applied to the reporting process.

Sasfin combined assurance framework for reporting

Reporting content	First line of assurance	Second line of assurance	Third line of assurance	Fourth line of assurance (external assurance providers)	Frameworks/ standards
Financial reporting	<ul style="list-style-type: none">• Group Finance• Pillar Finance• Group Exco	N/A	<ul style="list-style-type: none">• Group Internal Audit	<ul style="list-style-type: none">• External auditors	<ul style="list-style-type: none">• IFRS Accounting Standards, Companies Act, and JSE Listings Requirements• Company MOI
Regulatory reporting	<ul style="list-style-type: none">• Group Finance• Group Treasury• Group Credit	<ul style="list-style-type: none">• Group Risk• Group Compliance			<ul style="list-style-type: none">• Banks Act• Basel Framework
Corporate governance	<ul style="list-style-type: none">• Group Exco• Company Secretary• GovCo			<ul style="list-style-type: none">• King IV, Companies Act, and JSE Listings Requirements• Company MOI	
Non-financial information (environmental, social and governance)	<ul style="list-style-type: none">• Group Exco• Company Secretary• Group Finance• Group Human Capital• Group Marketing• Pillar Mancos			<ul style="list-style-type: none">• Internal models, policies and frameworks	
Internal controls and risk management	<ul style="list-style-type: none">• First line business unit risk owners• Management assurance (1½ line of assurance)• Group Finance• Group Exco• GovCo	<ul style="list-style-type: none">• Group Risk		<ul style="list-style-type: none">• External auditors*	<ul style="list-style-type: none">• International Standards for the Professional Practice of Internal Auditing• Basel Framework• Banks Act, King IV, and JSE Listings Requirements
B-BBEE status	<ul style="list-style-type: none">• Group Exco• Group Procurement• Group Human Capital	N/A		<ul style="list-style-type: none">• AQRate (Pty) Ltd	<ul style="list-style-type: none">• B-BBEE Codes of Good Practice• Financial Sector Codes

* Not all financial reporting controls form part of the external auditor's scope. The nature and extent of external audit work is based on risk assessment and a GAC-approved audit approach.



PRINCIPLE

Role and responsibilities of the Board ✓

The governing body should serve as the focal point and custodian of corporate governance in the organisation.

The Board ensures that applicable governance practices and principles are adhered to and that it is responsible for the performance and strategic direction of the Group.

The Board is supported by the DANC, which considers, monitors and reports to the Board on the key risks arising from and associated with the Group's corporate governance requirements. The Board has adopted a charter that sets out its responsibilities, duties and accountabilities, which is reviewed annually.

The Board is constituted in terms of Sasfin's MOI, and its functions and composition are determined by reference to the Board charter (which is based on the recommendations in the King IV report), corporate governance principles for banks issued by the Basel Committee on Banking Supervision, the Banks Act, and other relevant legal and listings requirements.

The offices of the Chair of the Board (the Chair) and the CEO are separate, with a clearly defined division of responsibilities to ensure a balance of authority and power. The CEO bears ultimate executive responsibility and is accountable to the Board. The roles of the Chair and lead independent director are outlined in the Board charter. Sasfin's policy on the balance of power is articulated in the Board charter and the policy on appointing directors and executive officers.

The Board appropriately delegates certain functions to its committees and annually reviews each committee's charter. Reporting and governance processes are in place to ensure that the Board remains informed of how committees discharge their duties.

Certain key decisions that impact the Group are reserved for the Board, most notably decisions relating to:

- Strategy
- Policy, planning, and structure
- Human capital management, including executive management selection, remuneration, and succession planning
- Material contracts and capital expenditure
- External relations and reporting/ disclosure
- Key risk indicators (KRIs), risk philosophy, and Board risk appetite

The Board is satisfied that it has fulfilled its responsibilities in accordance with the Board Charter for the current reporting period.

The Board's top priorities in 2024:

- Considering and approving the Group's strategy and strategic reset
- Maintaining oversight of the various Group remediation projects
- Overseeing the orderly disposal and closure of non-core businesses
- Responding appropriately to our regulators and to related sanctions and legal actions
- Managing the Group's reputational risk
- Enhancing the Group's combined assurance model





PRINCIPLE

7

Composition of the Board ✓

The governing body should have the appropriate balance of knowledge, skills, experience, diversity, and independence to discharge its governance role and responsibilities objectively and effectively. All appointments are subject to approval by the PA.

Sasfin has a unitary Board with the necessary collective knowledge and balance of skills, experience, and diversity to guide the business effectively. The Board's composition promotes the balance of power and authority and precludes any one director from dominating decision-making. The mix of skills, diversity, contribution, and tenure of directors are assessed regularly by the DANC and annually by the Board as part of the Board effectiveness and performance review.

A policy on the appointment of directors is in place to give effect to the PA Directive 4/2018, which includes independence assessments, tenure, skills (fit and proper) and experience requirements.

The Board consisted of ten directors, excluding alternate directors, at 30 June 2024, following the resignation of Deon de Kock in March 2024. The size of the Board is considered appropriate and in line with the requirements of the banking industry. Four of the Board committees are statutory in nature and maintain adequate levels of independence in terms of their constitution.

The nature of our business and the Group's broad range of financial products and services requires that we maintain a diverse Board with different perspectives and specialist skills to drive the appropriate strategy and create value for all stakeholders.

The Board assesses the appropriate mix of skills, diversity, knowledge, and experience of the directors, with the support of the DANC and is confident that the Board has the right balance of skills, knowledge, experience, and diverse perspectives needed to fulfil its fiduciary responsibilities and to provide the necessary oversight over the development and implementation of strategy.

The Board is cognisant of the need to achieve balance in terms of race, age, culture, and gender diversity and has set targets for its composition. Our gender and black representation targets are both 35%. The Board remains committed to reaching the agreed diversity targets and prioritises recruiting candidates from diverse backgrounds.

During the year under review, Deon de Kock resigned as Chairman and member of the Board, Richard Buchholz was appointed as Chairman of the Board, Mark Thompson was appointed as lead independent director, and Erol Zeki was

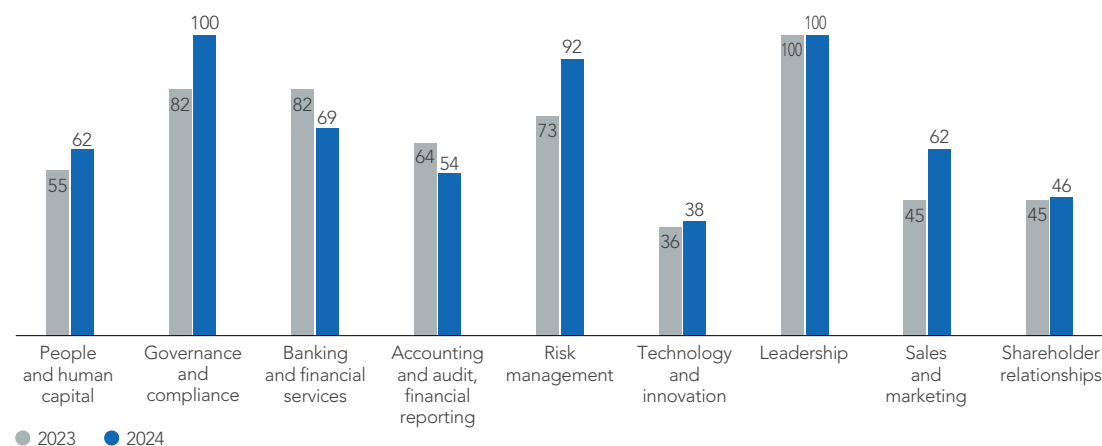
appointed as an alternate executive director. Subsequent to year-end, Anton van Wyk was appointed as an independent non-executive director.

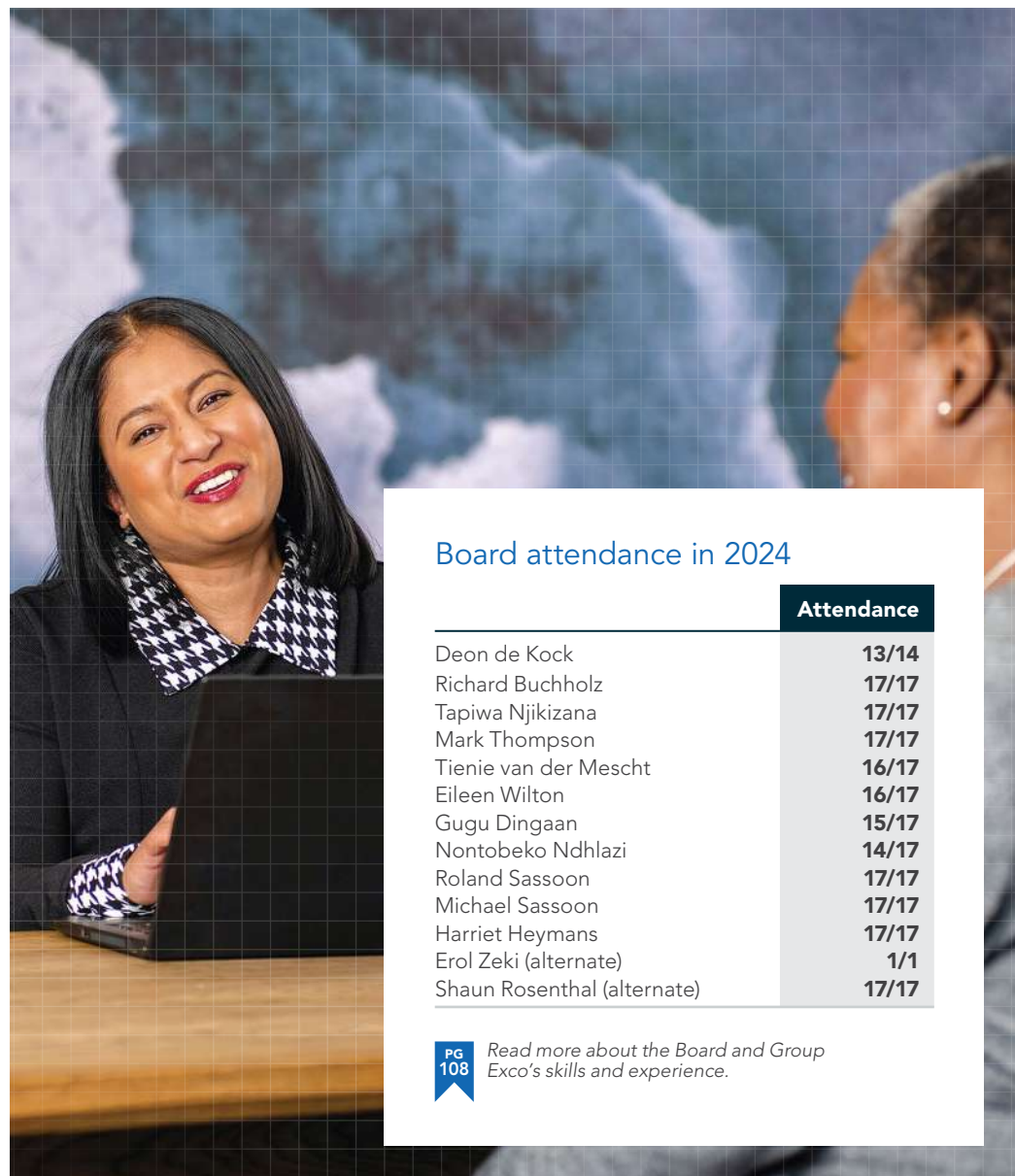
The Board held four scheduled meetings during the year under review and thirteen special meetings, including a strategy deep dive to review and agree on the strategic focus and implementation plans going forward.

The DANC considers the following in terms of Board composition:

- Board dynamics and culture
- Continuity and skills transfer
- Tenure and age
- Introduction of new perspectives
- Diversity of thought
- Optimal Board size and Board committees' composition
- Competencies and skills required
- Organisational expertise
- Reputation

Board skills matrix (%)





Board attendance in 2024

	Attendance
Deon de Kock	13/14
Richard Buchholz	17/17
Tapiwa Njikizana	17/17
Mark Thompson	17/17
Tienie van der Mescht	16/17
Eileen Wilton	16/17
Gugu Dingaan	15/17
Nontobeko Ndhrazi	14/17
Roland Sassoon	17/17
Michael Sassoon	17/17
Harriet Heymans	17/17
Erol Zeki (alternate)	1/1
Shaun Rosenthal (alternate)	17/17



Read more about the Board and Group
Exco's skills and experience.



PRINCIPLE

8

Committees of the Board ✓

The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

The Board delegates specific roles and responsibilities to its committees in terms of approved charters and appoints the members of all the committees. Committee members are selected according to their suitability for their qualifications, skills and experience and are assessed through the annual Board effectiveness and performance review.

Independent non-executive directors chair all Board committees. The DANC ensures that committee membership is managed effectively to ensure an appropriate spread of responsibility and independence.

The Group Exco and management operate under a defined delegation of authority framework to ensure effective collaboration and accountability. This report outlines details of each committee's membership and responsibilities.

The Board approves committees' charters, and each committee approves its annual work plan. Board committees report to the Board on all key matters and activities on a quarterly basis or as and when material issues arise.

The minutes of Board committee meetings are made available to all Board members. The Chief Risk Officer and Head of Compliance are permanent invitees to all committee meetings, apart from REMCO, which is attended only by the Chief Risk Officer.

The Board and committees need clear visibility of business-as-usual matters, and matters outside the ordinary course of business, to facilitate sound decision-making. Committees' priorities have been reviewed during the year to assess the need for re-prioritisation and the risks associated with deferring or postponing any non-critical work to focus on high priority matters. During the year, the Board constituted a special ad hoc committee, the ROC, to oversee the Group's remediation programmes on behalf of the Board.

The Board committees support the Board in its governance role, and the Board is satisfied that the committees have fulfilled their responsibilities in accordance with their terms of reference. A summary of each committee's responsibility, meeting attendance, and focus areas are set out in the pages that follow.

Credit and Large Exposures Committee (CLEC)

Mark Thompson
CLEC Chair

Responsibilities

- Reviewing and approving credit and impairment policies for Sasfin group
- Monitoring the credit risk portfolio and compliance with the Board risk appetite and regulatory requirements
- Reviewing compliance with approved credit and investment policies
- Reviewing and approving the Group's large exposures
- Approving new investments in private equity and private property equity
- Monitoring the management, measurement, and reporting of all credit risks in accordance with the RDARR principles of accuracy, comprehensiveness, clarity, usefulness, frequency, and distribution

Committee composition at 30 June 2024

Members	Attendance	Appointed to the committee
Chair		
Mark Thompson	9/9	Member – 21/06/2019 Chair – 25/11/2021
Members		
Richard Buchholz	6/7	Member – 07/03/2018 Resigned – 18/03/2024
Harriet Heymans	9/9	04/04/2022
Maston Lane	9/9	28/05/2002
Magda Oosthuisen	9/9	20/02/2018
Shaun Rosenthal	9/9	13/12/2017
Michael Sassoon	9/9	13/02/2014
Roland Sassoon	9/9	01/01/2020
Stewart Tomlinson ¹	9/9	14/02/2019
Tienie van der Mescht	9/9	25/11/2021

¹ Resigned with effect from 31 October 2024.

The committee is chaired by an independent non-executive director.

The committee held six scheduled and three special meetings during the year.

The committee:

- Reviewed and approved appropriate impairments for large exposures
- Monitored the credit environment, credit risk, and collections
- Performed biannual reviews of the valuation of investments valued at fair value though profit and loss
- Developed and approved cash flow and other metrics to enhance creditworthiness analyses of potential clients
- Approved the annual review of the Group Credit Policy and the Group Impairment Policy
- Evaluated the effectiveness and performance of the committee, with no material matters of concern raised



Directors' Affairs and Nominations Committee (DANC)

Richard Buchholz *
DANC Chair

Responsibilities

- Assisting the Board with its corporate governance and related responsibilities, including fulfilling the responsibilities of a Nominations Committee
- Evaluating the adequacy, efficiency, and appropriateness of the Group's corporate governance structures and practices
- Overseeing the Board and committees' composition, directorship continuity and succession planning, and makes recommendations to the Board
- Monitoring directors' responsibilities and oversees the evaluation of the Board as a collective and directors' individual performances
- Executing statutory functions in terms of Section 64B of the Banks Act

* As at June 2024

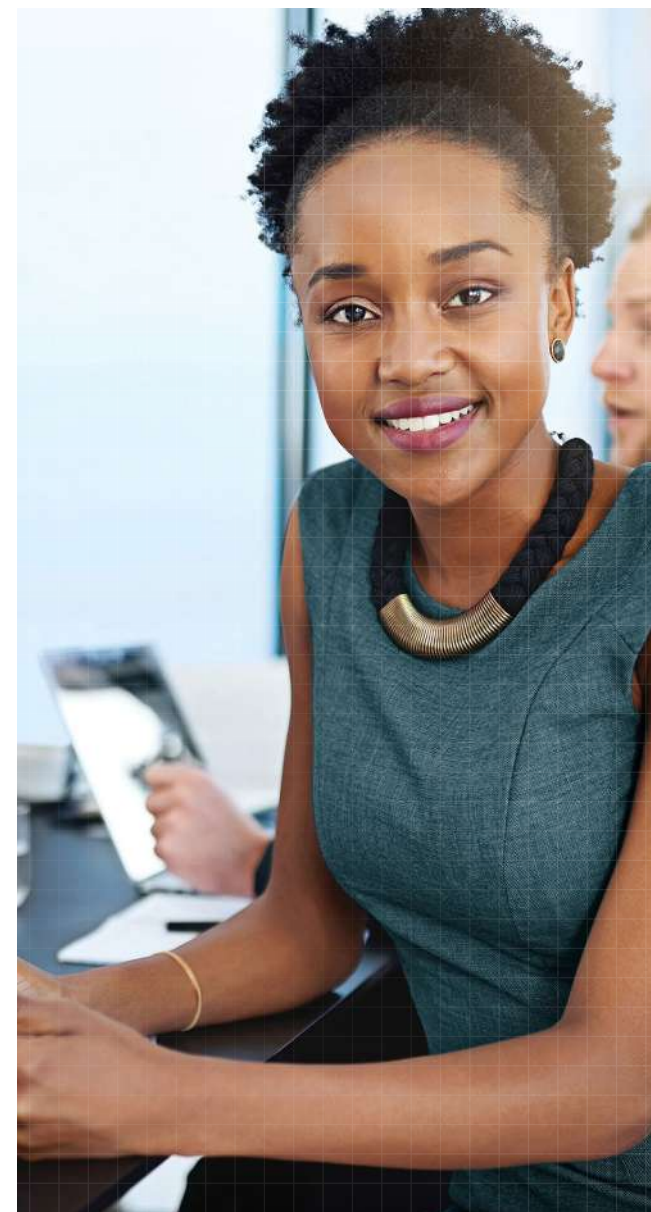
Committee composition at 30 June 2024

Members	Attendance	Appointed to the committee
Chair		
Deon de Kock	3/3	Member – 15/09/2020 Chair – 25/11/2021 Resigned – 15/03/2024
Richard Buchholz	4/4	Member – 07/03/2018 Chair – 15/03/2024
Members		
Gugu Dingaan	4/4	07/03/2018
Nontobeko Ndhlahi	4/4	15/09/2020
Tapiwa Njikizana	4/4	26/05/2021
Shaun Rosenthal (alternate)	4/4	13/12/2017
Roland Sassoon	4/4	01/01/2020
Mark Thompson	4/4	21/06/2019
Tienie van der Mescht	4/4	24/02/2022
Eileen Wilton	4/4	06/08/2019

The committee is chaired by an independent non-executive director. The committee held four scheduled meetings during the year.

The committee:

- Reviewed the succession planning strategy and principles and continuity of the Board and its committees
- Monitored the Board's performance against agreed corporate governance objectives and compliance with regulation 39 (18) of the Banks Act Regulations
- Considered the organisational, governance, and management structure as it relates to the strategic review and the finalisation of investigations, reprioritising non-critical work to focus on high priority matters and ensuring sufficient management capacity
- Balanced the short- and long-term strategic intent, enhancing management capacity, and clarifying roles and accountabilities
- Responded to the findings of the Board self-assessments, and ensured that any shortcomings were addressed
- Identified the Remediation Programme and short-term risks facing the Group as critical priorities for the year



Group Risk and Capital Management Committee (GRCMC)

Mark Thompson*
GRCMC Chair

Responsibilities

- Monitoring the Group's risk universe and overseeing the mitigation of risks
- Reviewing risk management policies and procedures
- Reviewing capital management policies
- Reviewing capital planning activities
- Reviewing and monitoring adherence to the Board risk appetite and other tolerance levels, and reporting any breaches to the Board
- Monitoring the functions of and receiving reports from the ALCO
- Monitoring the management, measurement, and reporting of all risks to the committee in accordance with the RDARR principles of accuracy, comprehensiveness, clarity, usefulness, frequency, and distribution

* As at June 2024

Committee composition at 30 June 2024

Members	Attendance	Appointed to the committee
Chair		
Richard Buchholz	3/3	Member 21/06/2019 and Chair – 25/11/2021, Resigned – 19/03/2024
Mark Thompson	4/4	Member – 23/02/2022 Chair – 19/03/2024
Members		
Harriet Heymans	4/4	14/04/2022
Tapiwa Njikizana	4/4	27/05/2021
Shaun Rosenthal	4/4	13/12/2017
Stewart Tomlinson ¹	4/4	19/11/2018
Eileen Wilton	4/4	01/10/2019

¹ Resigned with effect from 31 October 2024.

The committee is chaired by an independent non-executive director. The committee held four scheduled meetings during the year.

The committee:

- Reviewed and revised the Group's top risks in line with strategic focus areas and the evolving external environment
- Oversaw the strengthening of the Group's capital and liquidity positions and the mitigation steps put in place by management
- Monitored the Board risk appetite
- Considered the future business model, the impact of the sale of the CEF and CPF businesses to ABL, and the management of risks associated with the disposal of the two businesses
- Evaluated the effectiveness and performance of the committee, with no material matters of concern raised



Group Audit Committee (GAC)

Tapiwa Njikizana
GAC Chair

Responsibilities

- Overseeing financial reporting, financial risk management, regulatory and legal compliance, internal control systems and practices, the internal audit function, and external audit

Committee composition at 30 June 2024

Members	Attendance	Appointed to the committee
Chair Tapiwa Njikizana	13/13	Member – 03/05/2021 Chair – 25/11/2021
Members Richard Buchholz Mark Thompson	12/12 13/13	Member – 07/03/2018 Resigned – 19/03/2024 21/06/2019

The committee is chaired by an independent non-executive director and comprises independent non-executive directors only.

The committee held four scheduled and nine special meetings during the year.



The committee:

- Approved the required trading updates and financial reporting information provided to investors, including the Integrated Report
- Monitored balance sheet substantiation, internal financial controls remediation, and reconciliation programmes, as well as the AML remediation effort, as part of monitoring the compliance landscape
- Monitored the remediation of findings from the regulatory audit
- Monitored the effectiveness of the Internal Audit function (execution against plan, scope, resources, independence and skills) and its performance
- Reviewed reports issued by Internal Audit and monitored management actions taken to address findings
- Oversaw the activities of the Group Compliance function as contemplated in the Banks Act, including effective management of regulatory and supervisory responsibilities
 - Increased its focus on anti-financial crime compliance activities as well as compliance management in general:
 - Received reports on and monitored the Group's AML, combating the financing of terrorism (CFT), combating proliferation financing, and sanctions compliance levels, along with the outcomes of inspections by the SARB and other regulators
- Monitored the maturing combined assurance programme, including strengthening the lines of assurance
- Evaluated the effectiveness and performance of the committee, with no material matters of concern raised

Human Capital and Remuneration Committee (REMCO)

Eileen Wilton REMCO Chair

Responsibilities

- Overseeing and guiding remuneration governance, including fairness of pay and ensuring that Sasfin remunerates responsibly and transparently
- Overseeing remuneration risk management
- Aligning the Group's remuneration and people structures, policies, and practices to its strategic objectives and value drivers
- Overseeing the compensation and performance management systems design and operation
- Succession management

The committee:

- Reviewed and updated the Group's senior management succession plan
- Assessed and oversaw a review of the Group's organisational culture and employee value proposition
- Reviewed and updated the Group's Human Capital and Remuneration policies
- Approved annual increase and incentive payments, including changes required to align with the Group's achievement of the objectives of the strategic review and to encourage individual performance
- Considered and addressed shareholder votes against remuneration-related AGM resolutions and incorporated, where possible, enhancements to remuneration disclosures in our Integrated Report
- Reviewed and approved executives' key performance indicators
- Monitored employee morale and turnover
- Approved a retention bonus for identified personnel who were deemed to be key role players in the implementation of the revised strategy and future of the company. Certain conditions were attached to the retention bonus, which resulted in the update of the Remuneration Policy
- Established a working committee to consider employee risks during the business transition
- Developed a retention incentive scheme for senior management employees identified by Group Exco as high risk employees in terms of key person dependency. The scheme is subject to terms and conditions including minimum performance targets
- Developed share incentive schemes for Sasfin Group and Sasfin Wealth, which were approved in principle, subject to all regulatory requirements being met
- Evaluated the effectiveness and performance of the committee, with no material matters of concern raised

Committee composition at 30 June 2024

Members	Attendance	Appointed to the committee
Chair Eileen Wilton	5/5	Member – 01/10/2019 Chair – 30/11/2020
Members Deon de Kock	2/3	19/08/2020 Resigned – 15/03/2024
Tienie van der Mescht	5/5	26/11/2021
Tapiwa Njikizana	2/2	19/03/2024

The committee is chaired by an independent non-executive director and comprises independent non-executive directors only.

The committee held four formal meetings and one special meeting to attend to regular matters. In addition, the committee had several meetings to assess options and proposals for a Group and Wealth share incentive scheme.

PG 114 Read more about the REMCO responsibilities in the remuneration report.

Information Technology Committee (ITC)

Eileen Wilton ITC Chair

Committee composition at 30 June 2024

Members	Attendance	Appointed to the committee
Chair Eileen Wilton	4/4	Member and Chair – 01/10/2019
Members Deon de Kock	2/3	19/08/2020 Resigned – 15/03/2024
Tapiwa Njikizana	4/4	23/02/2022
Shaun Rosenthal	4/4	13/12/2017
Michael Sassoon	4/4	16/03/2018

The committee is chaired by an independent non-executive director. The committee held four scheduled meetings during the year.

Responsibilities

- Overseeing information and technology matters
- Monitoring the execution of IT strategy in support of the Group strategy
- Overseeing, monitoring and evaluating significant IT projects, risks, and investments
- Overseeing information security, cybersecurity, and governance of IT risk

The committee:

- Monitored the implementation and execution of IT projects
- Continued digital transformation and monitoring of data quality and automation across the business
- Continued to oversee the implementation of new IT systems, and sunseting of old systems
- Reviewed existing systems as part of a benefits realisation exercise
- Monitored improvement to the Cyber Risk Framework
- Identified the scarcity of IT resources as a significant challenge
- Evaluated the effectiveness and performance of the committee, with no matters of concern raised

Social and Ethics Committee (SEC)

Tienie van der Mescht
SEC Chair

Responsibilities

- Promoting good corporate citizenship
- Supporting social and economic development
- Monitoring environmental, health, and public safety
- Advancing ESG investment and sustainability initiatives
- Fostering consumer relationships
- Addressing labour and employment matters
- Encouraging ethical practices and transformation initiatives
- Ensuring B-BBEE compliance
- Overseeing FSC compliance

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Read more about our social impact.

Committee composition at 30 June 2024

Members	Attendance	Appointed to the committee
Chair		Member and Chair – 01/12/2020 resigned as Chair – 19/03/2024
Eileen Wilton	4/4	Member – 26/11/2021 Chair – 19/03/2024
Tienie van der Mescht	4/4	
Members		
Gugu Dingaan	4/4	07/03/2018
Nontobeko Ndhrazi	3/4	13/11/2020
Michael Sassoon	4/4	01/01/2018

The committee is chaired by an independent non-executive director. The committee held four scheduled meetings during the year.

The committee:

- Monitored the implementation of the Ethics Strategy in the Group
- Approved the following focus areas for the year: sustainability and ESG, ethics, brand and reputation assessment, market conduct, transformation, and measured the impact of these on the Group
- Monitored the implementation of the CSR strategy within the Group pillars
- Monitored compliance with market conduct-related legislation and regulations, including TCF, and related process implementation
- Awareness training on fraud and ethics was rolled out for all employees and non-executive directors
- Evaluated the effectiveness and performance of the committee, with no matters of concern raised

Remediation Oversight Committee (ROC)

Eileen Wilton
ROC Chair

Responsibilities

- Oversight on behalf of the Board of the remediation programmes underway
- The ROC is an ad hoc committee of the Board

Committee composition at 30 June 2024

Members	Attendance	Appointed to the committee
Chair		Member and Chair – 01/06/2023 Resigned – 15/03/2024 Member – 01/06/2023
Richard Buchholz	7/7	Chair – 15/03/2024
Eileen Wilton	9/11	
Members		01/06/2023
Tapiwa Njikizana	6/8	Resigned – 15/03/2024
Nontobeko Ndhrazi	11/11	01/06/2023
Tienie van der Mescht	11/11	01/06/2023

The committee is chaired by an independent non-executive director. The committee held eleven scheduled meetings during the year.

The committee:

- Evaluated and approved the scope of work and related plans for each remediation stream
- Monitored and tracked progress of remediation against approved plans
- Interrogated delays in and changes to remediation plans
- Received assurance, as appropriate, from Internal Audit on the completeness and effectiveness of remediation before approving close-out of plans



PRINCIPLE

Role and responsibilities of the board ✓

The governing body should ensure that the evaluation of its performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

The Board performs an independent review of its performance and effectiveness every third year and a self-evaluation of its performance, including that of its committees, its Chair, and its individual members annually.

Although good governance guidelines are in place, we believe that respect, trust, and candour are also important and inseparable elements of building an involved and effective Board.

Board evaluation for 2024

A self-assessment was conducted for 2024. Overall, the Board was satisfied, among others, that there was clear leadership on ethics, and effective oversight of change management and stakeholder engagement processes in the strategic reset.

There was sufficient transparency and accountability in the management of the strategic reset, and there were sufficient management resources in this regard.

The Board was also satisfied that there were clear goals and timelines to achieve financial and operational key performance indicators, and that the Board received sufficient and adequate information to support its decision-making in this regard.

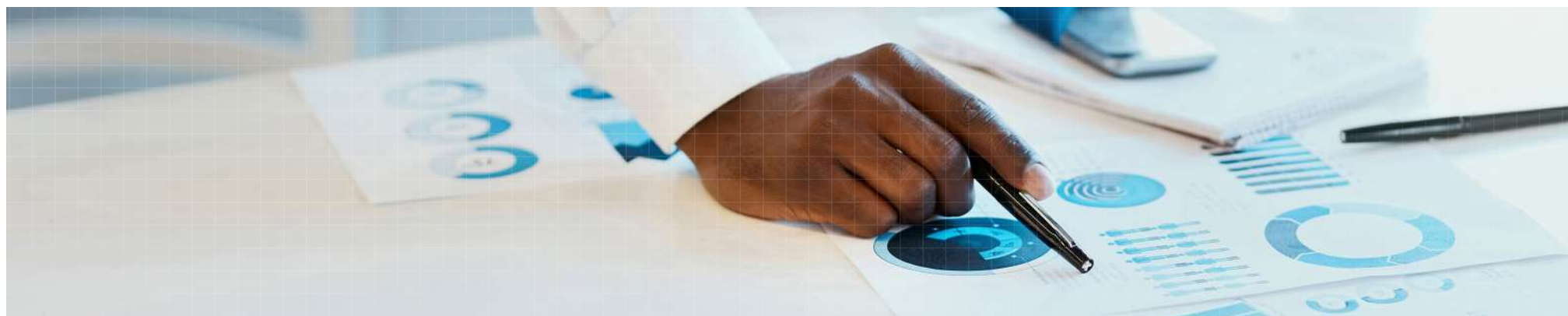
Independence

The independence of directors is assessed prior to their appointment and continuously during their tenure. The Board is satisfied that appropriate processes are in place for assessing the independence of non-executive directors, including:

- Annual independence assessments of individual directors by DANC and as part of the Board evaluation assessment and peer review using the King IV independence criteria as a guideline
- Declarations of interests, annually and as and when changes occur

Should a director wish to take on any additional commitments, they are required to discuss and agree this with the Chair prior to doing so. This ensures that these commitments do not present a potential conflict of interest that would affect their ability to exercise their fiduciary duties.

Following a thorough assessment of directors' independence and based on the DANCs recommendation, the Board concluded that the independent non-executive directors meet the criteria for independence and that no conflicts exist that are likely to affect or could appear to affect the directors' objectivity.





PRINCIPLE

10

Appointment of and delegation to management ✓

The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibility.

The Board oversees key executive appointments and is satisfied that the delegation of authority framework and governance structures contribute to role clarity, oversight, and the effective exercise of authority and responsibility.

Sasfin's policy on the balance of power, succession planning, and the appointment of directors and executive officers is articulated in the Board charter.

Board succession planning

Succession planning is key to securing Sasfin's leadership and is an important component of the overall talent management strategy. The Board is ultimately responsible for succession planning and has delegated oversight thereof and the development of future leadership to the REMCO. The DANC is responsible for overseeing the Board's succession plan. We strive to achieve a balance of independence, diversity, skills, abilities and experience that are

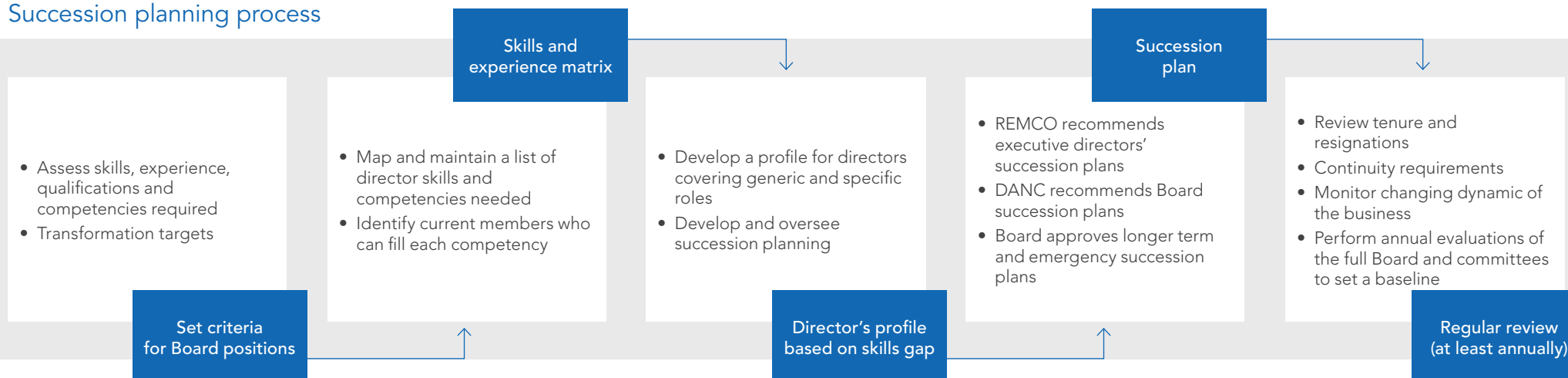
aligned with our strategy and risk landscape. Planned rotation and exits allow for good transition and retention of skills.

The composition of the Board is reviewed continuously. The Board's policy on the appointment of directors gives effect to the provisions of Directive 4 of 2018 issued by the SARB PA. These principles include:

- Board and committee chairs must be independent non-executive directors

- The process for identifying, assessing and selecting candidates is aligned to general good practice
- Appointments must promote continuity. The promotion of broader diversity must be considered (across gender, race, culture, age, knowledge, skills and experience)
- Specific competency requirements for certain Board roles

Succession planning process



Induction and directors' professional development

New directors undergo an induction programme aimed at facilitating their understanding of the Group's business activities, their responsibilities as directors, and the business environment and markets in which the Group operates. In addition, they attend onboarding briefings with the Chair, CEO, and management to provide an overview of the business. The DANC identifies and recommends relevant interventions to enhance continuous professional development, including briefings, training, and updates, on a periodic basis.

The Board has arrangements in place for its members to access independent, professional corporate governance and legal advice should the need arise and is satisfied that these arrangements are effective.

Board training programmes during the year included:

- POPIA
- Cyber risk: overview of legal aspects and threats
- IoDSA 'boardroom bytes' webinars and King IV updates

Training planned for late 2024 includes:

- Board's responsibilities in respect of Sasfin's risk management and compliance programme and risk-based approach
- RDARR and section 34(a) of the Prevention and Combating of Terrorist Activity Act (PRECCA)

Delegation of authority

Group Exco and management operate under a defined authority matrix designed to ensure effective collaboration, performance management, oversight, and accountability.

The Board-approved delegation of authority emphasises management's mandate and drives accountability through clear responsibilities. Individual business units have clear mandates in their respective areas, and specific responsibilities are delegated to executive directors and officers. Managers are assigned individual responsibilities and mandates, a process managed by the Group Company Secretary.

Management committees ensure managerial oversight, integrity of information, and peer review of reports prior to submission to the Board. The Board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

Acting Group Company Secretary

Due to the resignation of Ms Charissa de Jager, Mr Howard Brown was appointed as Acting Group Company Secretary.

He is responsible for the administration of all Board matters, ensuring the statutory compliance of the Company and advising the Board of its fiduciary duties and responsibilities. All directors have access to the services of the Group Company Secretary, who is not a member of the Board.

A performance evaluation on the Acting Company Secretary was not conducted.



PRINCIPLE

11

RISK MANAGEMENT ✓

The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

The Board defines the Group's risk appetite and risk tolerance, which are formalised in risk appetite statements and relevant metrics based on input from the GRMC. These are further broken down into measurable tolerance levels. Executive management oversight of the risk function is delegated to the Chief Risk Officer who reports through the Combined Assurance structure to the CEO.



Read more about assurance.

The Board is responsible for risk management. The Board is supported by, among others, the GRMC, ALCO, Group Compliance, Group Exco, and Group GovCo in discharging its duties.

Sasfin's enterprise-wide integrated approach to risk management is designed to optimise our business performance and embed strategic and operational risk capabilities throughout the Group. The four lines of assurance model is used to ensure accountability and distinguish between owning and managing risk, overseeing risk, and providing independent assurance.

The effectiveness of risk structures and practices is assessed annually. Based on an assessment, the Chief Risk Officer affirms annually to the GRMC and Board that Sasfin has a fit-for-purpose ERM process and framework in place. In addition, regulators conduct site visits, thematic reviews and other visits, ad hoc reviews, and prudential

meetings to review the effectiveness of risk policies, frameworks, and processes, including the applicable governance structures.

The Board defines and sets the risk appetite and approves the policies and limits that are applied throughout the Group through risk appropriate tolerance limits and structures.

Quantitative risk appetite statements and measurable tolerance levels are in place. Risk appetite is reviewed at least annually to ensure that risk tolerance levels are appropriate and complete.

Performance against and adherence to the Board risk appetite is monitored on an ongoing basis by Group Risk and quarterly by the GRMC and Board. In the event that risk appetite is breached, it is immediately escalated to the GRMC and Board for consideration and decision-making about remedial action.



PRINCIPLE

12

Information and technology (IT) governance ✓

The governing body should govern technology and information in such a way that it supports the organisation setting and achieving its strategic objectives.

The ITC oversees IT governance and monitors the development and execution of the Group's IT strategy through the IT governance framework, policies, and procedures.

The ITC provides oversight of significant IT risks (including information security and cyber-related opportunities, investments and expenditure).

PG
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Read more about
IT governance.



PRINCIPLE

13

Compliance governance ✓

The governing body should govern compliance with applicable laws and adopt non-binding rules, codes, and standards in a way that supports the organisation being ethical and a good corporate citizen.

In line with enhancements to the Group's combined assurance structures, Sasfin has built strong compliance functions in the first- and second lines of assurance. In the first line, this is represented by operational compliance and 1½ line compliance management assurance; in the second line, the Group's compliance function provides internal assurance. Compliance governance is focused on, among others, banking regulation, AML, market conduct, statutory compliance, exchange control, and regulatory interaction. The Board acknowledges its accountability and provides the necessary guidance for managing compliance risk to ensure that it obtains sufficient assurance. The Board delegates specific oversight responsibility to the GAC.

PG
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Read more
about assurance.

The Board is ultimately accountable for compliance risk, which is one of the top risk types identified. Compliance is a material risk for the Group, and the Board understands and appreciates its fiduciary obligations in respect of compliance. The Board is responsible for reviewing the adequacy of Group compliance governance, risk management, and control that are implemented to ensure that the Group complies with all relevant regulatory requirements. Compliance is an essential governance aspect that supports Sasfin's commitment to a values-led culture.

During 2024, management continued the extensive compliance remediation efforts initiated in the prior financial year. The ad hoc Board ROC retained oversight of these efforts, assessing progress against formal plans, and evaluating the adequacy and effectiveness of actions taken, with assistance from the independent third line of assurance. Compliance governance assurance reviews are overseen by the GAC as part of its mandate in respect of compliance in the Group.

PG
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Read more
about ROC.



Compliance governance structures

Sasfin's compliance manual formalises the compliance monitoring process and is supported by an annual risk-based monitoring plan approved by the Board. Compliance monitoring is conducted according to a documented process aligned with the Generally Accepted Compliance Practice® framework and, in 2024, was focused on AML, market conduct, occupational health and safety, and privacy regulation.

Ongoing compliance requirements relating to regulations that include the Banks Act, JSE Listings Requirements, FICA, FAIS, and POPIA, are managed and implemented by the first line (i.e., business) with oversight from the 1½ line, and monitored by Group Compliance. All concerns noted and not satisfactorily closed out are reported to the relevant governance structures.

Group Compliance reports monthly to the Group Governance Committee and quarterly to the GAC, providing assurance to management and the Board regarding the effectiveness of compliance management within the Group.

The Group Compliance function is reviewed annually by Group Internal Audit, based on its risk-based audit plan. Group Compliance is also subject to regular reviews by the various regulators.

The Board and its committees oversee compliance across the Group, along with the Group's relationships with regulators. The GAC has primary oversight of compliance and assists the Board to execute its compliance obligations.



Read more
about assurance.

First- (and 1½) line Compliance Functions

- Implements and oversees implementation of the Group's compliance policies, processes, and systems to enable compliance with regulatory and statutory obligations
- In alignment with Group Compliance, defines a granular, bottom-up regulatory universe to identify and manage pillar/business unit-specific regulatory risks
- Partners with Group Compliance to drive a culture of compliance
- Conducts pillar/business unit operational compliance training

Head: Group Compliance

- Reports through the combined assurance structure to the CEO
- Provides continuous strategic compliance risk management leadership and independent compliance risk monitoring (of compliance in the first line)
- Sets the Group compliance framework, and works closely with the pillars on compliance matters
- Monitors the compliance universe (new and current laws / regulations)
- Evaluates policies in line with regulatory developments
- Reports to the Board, GAC, ROC, and SEC on the effectiveness of compliance as well as any identified non-compliance (along with remediation plans to address this)
- Reports to the ROC on compliance remediation activities
- Plays a key role in managing relationships with regulators
- Serves as AML Control Officer
- Leads the Group Compliance Function

Group Compliance Function

- Monitors the regulatory universe and defines Group policies, processes, and systems to enable compliance with regulatory and statutory obligations
- Partners with management and business units to identify and manage regulatory risks, enable effective monitoring of compliance, and enhance the culture of compliance
- Coordinates compliance activities across the Group in line with the regulatory framework introduced by the Financial Sector Regulation Act, 2017 (referred to as Twin Peaks)
- Maintains the Compliance Manual, Compliance Coverage Plan, and Compliance Training Plan
- Conducts awareness and related compliance training

Group Anti-Financial Crime Steering Committee

- Considers matters relating to financial crime, including compliance with regulations and requirements, ABC, and fraud

Group Governance Committee

- Monitors and oversees material issues relating to compliance, including reviewing and recommending policies, processes, and systems
- Reviews the adequacy and effectiveness of the Group-wide Compliance Risk Management Programme
- Investigates or requests reports from any area of the business on indicators relating to compliance
- Provides management oversight of remediation programmes



PRINCIPLE

14

Remuneration governance ✓

The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

REMCO reviews and approves the Group's remuneration policies in terms of its Board-approved mandate. It considers whether remuneration is fair and consistent and encourages behaviour that is aligned to the strategic direction, values, and risk appetite of the Group through a combination of fixed and variable pay.

The Group's remuneration policy and its implementation are subject to non-binding shareholder votes. REMCO considers shareholder feedback in formulating remuneration policies. The REMCO is aware of the changes promulgated in the amendment to the Companies Act and is doing the preparatory work necessary to be able to comply when the implementation date is announced.



Read more about the Group's remuneration practices.



PRINCIPLE

15

Assurance ✓

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

The GAC has oversight responsibility for ensuring that internal assurance functions and external assurance services facilitate an effective control environment. The Group uses a combined assurance model to arrive at a holistic risk-based assessment of the Group's governance, risk management, and control processes.

The Group GovCo and Combined Assurance Forum support the GAC in its role and oversee the implementation of controls and related review processes.

The Executive Head: Combined Assurance leads the combined assurance approach, which is focused on enabling the lines of assurance to empower the Group to meet its objectives ethically, legally, effectively, and efficiently.

With risk defined as the possibility of the organisation not meeting its objectives, this focus is on assurance providers helping the Group and its employees to manage the organisational risk universe in a manner that is aligned with the Group's commitment to integrity, is compliant with relevant laws and regulations, and is both fit-for-purpose and sustainable.

The Group's approach to combined assurance ensures alignment of control validation/assurance approaches and efforts across the Group, driving efficiency and the appropriate levels of comfort for stakeholders.

Our risk-based approach to combined assurance ensures:

- Application of a common risk and assurance language
- Coordinated and relevant assurance efforts are directed to the risks that matter most
- Consistent improvement, and enhancement of internal control systems to strengthen governance, risk management, compliance, and internal control
- Consolidated reporting that provides insight and foresight in relation to assurance
- Assurance activities produce valuable, integrated data, based on collaboration
- Improved and more efficient reporting
- A comprehensive and prioritised approach in tracking remedial actions in respect of identified weaknesses

Combined assurance activities are overseen by the Group GovCo, ROC and GAC.



PRINCIPLE

16

Stakeholders ✓

In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests, and expectations of material stakeholders with the best interests of the organisation over time.

The Board has identified all its key stakeholders and recognises the importance of maintaining good quality relationships with them. It manages stakeholder risk as an integral part of the overall risk management framework and business model. The Board seeks to ensure that legitimate stakeholder concerns are addressed and that routine engagement with key stakeholders is undertaken. Input from stakeholders is used to guide the Group's future strategy and business model.

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Read more about our stakeholder engagements.



PRINCIPLE

17

Responsible investing ✓

The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote good governance and the creation of value by the companies in which it invests.

The Group has a social and environmental management system policy framework, which guides the Group's lending, client practices, and investment activities, ensuring the Group's activities do not breach international, social, or environmental norms. The framework is integrated into operational processes. The Group reports quarterly to the European Development Finance Institutions as well as semi-annually on its adherence to the framework.

A responsible investment standard is also applied to investments made by the Wealth and BCB pillars. Adherence to the standard is overseen by the SEC and GRCMC.



Our leadership

Board of directors*

The Board is the ultimate custodian of good corporate governance and leads the Group in its commitment to doing business ethically and with integrity.

Committee key:

CLEC	Credit and Large Exposures Committee
DANC	Directors' Affairs and Nominations Committee
GAC	Group Audit Committee
GRCMC	Group Risk and Capital Management Committee
ITC	Information Technology Committee
REMCO	Group Human Capital and Remuneration Committee
SEC	Social and Ethics Committee
ROC	Remediation Oversight Committee

* As at publication.



Richard Buchholz ⁶⁶

*Independent
Non-executive Chairperson*

Appointment date
March 2018

Appointment as Chair
March 2024

Qualifications
BCom, CA(SA)

Key strengths and experience

- Risk management
- Commercial banking strategy setting and execution
- Leadership
- Accounting and audit
- Corporate governance and compliance

Other directorships

Octodec Investments Limited

Committee membership

DANC (chair)



Mark Thompson ⁷¹

*Lead independent
Non-executive Director*

Appointment date
June 2019

Qualifications
BCom, LLB, BAcc, CA(SA)

Key strengths and experience

- International business and finance
- Accounting and audit
- Investment banking and treasury
- Financial reporting
- Risk management
- Leadership
- Corporate governance and compliance

Other directorships

Hudaco Industries Limited
PPC Limited
Thelo Rolling Stock Leasing

Committee membership

CLEC (chair) • **DANC** • **GAC** • **GRCMC** (chair)



Tapiwa Njikizana ⁴⁸

*Independent
Non-executive Director*

Appointment date
May 2021

Qualifications
CA(SA)

Key strengths and experience

- Corporate governance
- Financial reporting
- Accounting and audit
- Risk management
- Technology and innovation

Other directorships

Lewis Group Limited

Committee membership

DANC • **GAC** (chair) • **GRCMC** • **ITC** • **REMCO**

BOARD MEETING ATTENDANCE 100%

BOARD MEETING ATTENDANCE 100%

BOARD MEETING ATTENDANCE 100%



**Tienie
van der
Mescht** ⁶⁵

*Independent
Non-executive Director*

Appointment date
November 2021

Qualifications
BSc, MBA

Key strengths and experience

- Risk management
- Leadership
- Financial services
- Investment and asset management
- Business development
- Corporate governance and compliance

Other directorships
None

Committee membership
CLEC • DANC • REMCO • ROC
• **SEC** (chair)

BOARD MEETING ATTENDANCE 94%



**Anton van
Wyk** ⁶²

*Independent
Non-executive Director*

Appointment date
August 2024

Qualifications
BCompt, CD(SA), QIAL, CIA, CRMA

Key strengths and experience

- Leadership
- Business strategy
- Corporate governance
- Risk management
- Accounting and audit
- Global business leadership

Other directorships
Arabella Country Estate (Chairman)

Committee membership
DANC • GAC • GRMC

BOARD MEETING ATTENDANCE N/A



**Eileen
Wilton** ⁶⁴

*Independent
Non-executive Director*

Appointment date
August 2019

Qualifications
BCom, HDip in Education, PG Dip in Digital
Business, Certificate in Cybersecurity, CD(SA)

Key strengths and experience

- Leadership
- People and HR
- Risk management
- ESG
- Corporate governance
- Stakeholder relations
- Technology and innovation
- Business and digital strategy development

Other directorships
Growthpoint Properties Limited
Shoprite Holdings Limited
IoDSA (Chair)

Committee membership
DANC • GRMC • **ITC** (chair) • **REMCO** (chair)
• **ROC** (chair) • **SEC**

BOARD MEETING ATTENDANCE 94%



**Gugu
Dingaan** ⁴⁹

Non-executive Director

Appointment date
December 2017

Qualifications
PGDip (Accounting), Executive
Development Programme, CA(SA)

Key strengths and experience

- Accounting and audit
- Corporate finance, mergers and acquisitions, and investment experience
- People and HR
- Corporate governance

Other directorships
Distell Group Holdings Limited
RCL Foods Limited

Committee membership
DANC • **SEC**

BOARD MEETING ATTENDANCE 88%



**Nontobeko
Ndhrazi** ⁴⁹

Non-executive Director

Appointment date

August 2020

Qualifications

BCom, Postgraduate Diploma in Accounting

Key strengths and experience

- Accounting and audit
- Risk management
- Corporate governance
- Strategy formulation and implementation
- Leadership
- Financial reporting

Other directorships

Institute of Directors of South Africa

Committee membership

DANC • ROC • SEC

BOARD MEETING ATTENDANCE 82%



**Roland
Sassoon** ⁷⁸

Non-executive Director

Appointment date

January 2020

Qualifications

FCIS

Key strengths and experience

- Leadership
- Banking and financial services
- Credit management
- Risk management
- Securitisation and mergers and acquisition

Other directorships

None

Committee membership

CLEC • DANC

BOARD MEETING ATTENDANCE 100%



**Shaun
Rosenthal** ⁶⁰

Alternate Non-executive Director

Appointment date

March 2018

Qualifications

B.Bus.Sci, CA(SA), CFA

Key strengths and experience

- Business strategy development and implementation
- Asset management, treasury management and stockbroking
- Risk management
- Corporate finance, mergers and acquisitions and investment management
- Corporate governance

Other directorships

None

Committee membership

CLEC • DANC • GRMC • ITC

BOARD MEETING ATTENDANCE 100%



**Michael
Sassoon** ⁴²

*Executive Director:
Group CEO*

Appointment date

As director October 2015 and as CEO in 2019

Qualifications

BCompt, MBA

Key strengths and experience

- Leadership
- Business strategy development and implementation
- Banking and financial services
- Risk management
- People and HR
- Wealth management
- Corporate governance

Committee membership

CLEC • ITC • SEC

BOARD MEETING ATTENDANCE 100%



Harriet Heymans ⁴⁹

Executive Director:
Group FD

Appointment date
April 2022

Qualifications

BCom Honours (Accounting, CTA), CA(SA)

Key strengths and experience

- Banking and financial services – financial, sales and operational management
- Leadership
- Strategy implementation
- Accounting and auditing
- Financial reporting
- Risk management

Committee membership

CLEC • GRMC

BOARD MEETING ATTENDANCE 100%



Erol Zeki ⁴⁸

Chief Executive Wealth and Alternate Executive Director

Appointment date
To Group Exco in 2017 and to Board in May 2024

Qualifications

BCom, BCom (Hons), SAIS, CFA

Key strengths and experience

- Leadership
- Investment Management, Investment Advisory, and stockbroking
- Financial services
- Risk management
- Mergers and acquisitions
- Corporate governance
- Business strategy development and implementation

Committee membership

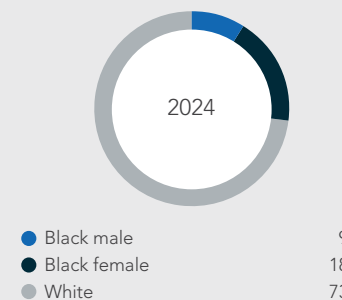
DANC

BOARD MEETING ATTENDANCE 100%*

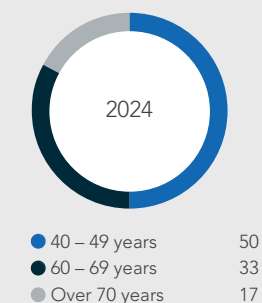
* Attended one meeting after his appointment

2024 Board metrics

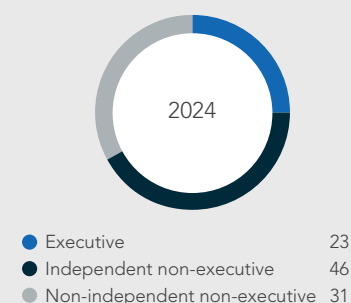
Race diversity (%)



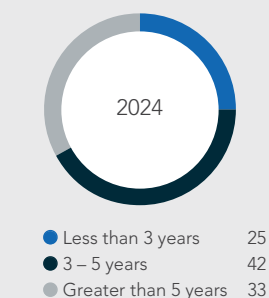
Age (%)



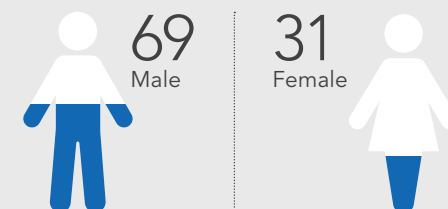
Independence (%)



Tenure (%)



Gender diversity (%)



PG
93

Read more about the Board composition and skills in Principle 7.

Group Executive Committee*

The Group Exco is a diverse and experienced management team led by the Group CEO. The Group Exco develops the Sasfin strategy and budget for the Board to approve and regularly reviews the Group's performance and progress against its strategic objectives.



Michael Sassoon ⁴²
Group CEO

Tenure
15 years' service at Sasfin



Read more about the executive directors.



Harriet Heymans ⁴⁹
Group FD

Tenure
Two years' service at Sasfin



Read more about the executive directors.



Erol Zeki ⁴⁸
CEO: Sasfin Wealth and Alternate Executive Director

Tenure
Seven years' service at Sasfin



Read more about the executive directors.



Linda Fröhlich ⁵⁵
Chief Executive: Asset Finance
Exco appointment 2013

Qualifications
Diploma in Financial Management (Damelin)

Tenure
22 years' service at Sasfin



Maston Lane ⁵⁸
Chief Operating Officer
Exco appointment 2003

Qualifications
National Certificate (United Institute of Credit Management), SIRM (UK)

Tenure
24 years' service at Sasfin



Howard Brown ⁵⁹
Head: Group Legal and Acting Group Company Secretary
Exco appointment 2006

Qualifications
BA (Wits), LLB (Wits), HDip Corporate Law (Unisa) (cum laude), Admitted Attorney

Tenure
18 years' service at Sasfin



Elisheva Gilbert ⁵¹
Chief of Staff

Exco appointment 2019
Qualifications
Public Relations Diploma (Varsity College), PGDip (Advertising and Marketing) Red & Yellow School, GIBS Certified Professional Business Coach

Tenure
Seven years' service at Sasfin



Dhesegan Govender ⁴⁹
Group Treasurer

Exco appointment 2018
Qualifications
BAcct (Hons) (University of KwaZulu-Natal), CA(SA)

Tenure
12 years' service at Sasfin



Taryn Marcus ⁴³
Head: Group Human Capital

Exco appointment 2024
Qualifications
MA Industrial Psychology (UJ), BA Hons Industrial Psychology (Cum Laude, UJ), BA Human Resource Management (Cum Laude, RAU), Certified Reinvention Practitioner, Registered Industrial Psychologist (HPCSA), and Harvard Business School Alumnus

Tenure
Seven months' service at Sasfin

* At publication date.

**Salomi Naidoo** ⁵⁵*Head: Group Compliance***Exco appointment** 2023**Qualifications**

BProc, LLB (University of KwaZulu Natal), LLM (Tax) (University of Pretoria), Admitted Attorney

Tenure

One years' service at Sasfin

**Magda Oosthuysen** ⁶⁰*Head: Group Credit***Exco appointment** 2017**Qualifications**

BCom (Hons) (University of Johannesburg), HDip Tax Law (Wits), CA(SA)

Tenure

Seven years' service at Sasfin

**Ingrid Ravenscroft** ⁴⁵*Executive Head: Combined Assurance***Exco appointment** 2024**Qualifications**

BCom (UJ), BCom (Hons) (Unisa), HDip (Computer Auditing) (Wits), MPhil Internal Audit (UP)

Tenure

Three years' service at Sasfin

**Andrew (Josh) Souchon** ⁵⁹*Group Chief Information Officer***Exco appointment** 2016**Qualifications**

BEng (Hons) (Imperial College, University of London, UK)

Tenure

Eight years' service at Sasfin

**Stewart Tomlinson** ⁵⁹*Chief Risk Officer***Exco appointment** 2018**Qualifications**

BCom (Wits), Hons, BCompt (UNISA), CA(SA)

Tenure

Six years' service at Sasfin, resigned with effect from 31 October 2024

Permanent invitees to Exco

**Marlice Carstens** ³⁸*Acting Head: Internal Audit***Qualifications**

BCom (UP), BCom (Hons) (UP), Certified Internal Auditor (CIA)

Tenure

Three years' service at Sasfin

**Karien Jones** ⁵⁰*Chief Operating Officer, Group Finance***Qualifications**

BCom Accounting, BCom Honours (University of Johannesburg), CA(SA)

Tenure

Four years' service at Sasfin

Remuneration report



Eileen Wilton
Chair: Human Capital
and Remuneration
Committee

Chair's letter and overview of activities

In a year marked by ongoing challenges in both global and domestic economies, which has placed additional pressure on South African consumers and businesses, Sasfin has experienced a period of intensive change and evolution.

The unique challenges faced by the Group have prompted a thorough review of its strategy, business processes, and operations across all areas. This has led to a detailed analysis aimed at strengthening resilience and positioning the Group for long-term sustainability. As a result, several difficult decisions have been made, and the Group has committed to a comprehensive programme of change and remediation, focused on implementing industry-leading practices and ensuring future stability.

This thorough review, alongside a careful evaluation of the current business environment, has led to the development of a strategic initiative aimed at redefining our organisational structure to enhance resilience and agility. We have created a comprehensive plan for sustainable growth and adaptive capacity, ensuring we remain robust in the face of future challenges. Additionally, we have introduced an integrated assurance model that combines compliance, risk, and internal audit functions while maintaining independence for internal audit to enhance overall governance. By identifying risks and opportunities and making substantial progress in stabilising and sharpening our focus, we are positioned to move forward as a streamlined and purpose-driven organisation, ready to

achieve new heights in growth and impact. Additionally, as part of our restructuring, we have disposed of certain business units and made thorough preparations to ensure smooth handovers to new operators.

Remuneration strategy and policy

Sasfin's approach to remuneration is guided by principles of equity, transparency, responsibility, and performance. We seek to incentivise performance that supports the Group's strategic objectives, recognises the significant contributions of our employees and aligns outcomes with shareholder's interests.

Our remuneration policy is designed to increase stakeholder value and uphold strong governance standards. We are committed to providing equitable and transparent compensation, which we believe is essential for achieving our purpose, delivering our strategy, and cultivating an ethical performance culture aligned with our values. Our approach complies with King IV recommendations, BCBS Governance Guidelines, and other relevant regulations. We regularly undertake benchmarking to ensure we continue to maintain best practices and remuneration standards.



Considerations in awarding remuneration

REMCO deeply recognises the importance of supporting our employees through this period of uncertainty and change. We are committed to fostering an environment where transparency is balanced with empathy, ensuring our people feel secure and valued even as we navigate confidential corporate decisions. This uncertainty was further heightened by the review process, which led to changes in work methods and standard operating procedures.

Given the challenges faced by the Group, REMCO has prioritised not only the retention of key talent and leadership but also the wellbeing and morale of all employees. We strive to ensure every member of our team feels appreciated and supported throughout these transitions. Our approach to retention included revising and refocusing our KPIs to be outcome-oriented and more flexible, allowing for adjustments on a quarterly basis. In addition, significant work has been done, together with our remuneration advisors, RemChannel, and has resulted in our introducing new share schemes at Group and Wealth pillar level, as well as making several enhancements to strengthen our retention schemes. We have continued with our practice of assessing our remuneration through RemChannel benchmarking reviews and a subsequent revision of pay scales.

The enhancement of our long-term share schemes across the business is in the process of being implemented. These include a management subscription share scheme in the Wealth pillar. This Wealth pillar share scheme offers our people significant opportunities to invest in the future growth of the Wealth business and enhances the alignment of their long-term reward with shareholder outcomes. The Group scheme is a forfeitable share plan and serves as both a retention tool as well a mechanism to drive enhanced performance alignment of participants with business outcomes. REMCO is optimistic that these enhanced schemes, combined with Sasfin's reputation as a purpose-led business, will help retain specialist skills and leadership talent.

To further enhance our culture, we conducted an ethics survey and revised our employee value proposition, focusing on increasing employee satisfaction and engagement. Additional measures undertaken during the year included benchmarking exercises and the development of a comprehensive employee value proposition. This included a review of our payroll policies to ensure that they are future-fit and appropriate for the Sasfin of the future and extending the unlimited leave policy to additional participants and specialist roles. We transitioned from maternity leave to parental leave to ensure that any employee who will be the primary

caregiver for their child during the leave period receives the same benefits traditionally provided by maternity leave.

In 2024, REMCO approved an average increase of 6% across the Group. Individual increases were determined based on both personal and pillar performance, current pay relative to pay scales, and reward levels, with attention to ensuring our lower-level employees continue to receive a living wage. REMCO regularly reviews compensation across the Group to ensure all employees earn at least our defined minimum living wage and bi-annually conducts a fair pay review to ascertain whether any gender, racial or other biases are apparent in our implementation. This reflects our commitment to ensuring pay is fair.

We also review those who exceed the pay scales in relation to market demand and critical skills required by the Group. The number of employees deemed underpaid by REMCO has significantly reduced from 141 to just four in the past two years, all of whom are within 80% of our minimum scale.

Finally, we bid farewell to our Head of Group Human Capital, Naseema Fakir, who spent over 20 years in service at Sasfin and welcome our new Head of Group Human Capital, Taryn Marcus, who is focused on supporting our people and continuing with our change management process.



Governance

The remuneration policy and implementation report are tabled annually for separate non-binding advisory votes by shareholders at the Sasfin AGM. At the AGM on 30 January 2024, a total of 99.98% of the shareholder votes were for the remuneration policy (2023: 99.66%) and 100% for the implementation report (2023: 99.66%). The votes endorsing the policy and implementation report were above the King IV requirement of 75%, so the REMCO did not engage with a wider group of shareholders. The Board and REMCO will continue to engage with shareholders and consider the views they express to address concerns raised relating to the Group's remuneration.

	2023 AGM	2022 AGM	2021 AGM
Shareholder votes for the remuneration policy	99.98	99.66	98.14
Shareholder votes for the implementation report	100.00	99.66	98.14

The committee is aware of the amendments to the Companies Act and is preparing enhanced reporting to enable our compliance with the requirements of the Act when it needs to be implemented.

Succession planning

Within its human capital mandate, REMCO has continued to evaluate progress in the Group's succession planning processes. Over the past year, there has been a strong emphasis on succession planning across the key pillars. This focus has enabled the identification of both emergency and medium-term successors, facilitated talent recognition across Sasfin, and led to the immediate implementation of development plans. As a result, employees have gained access to development opportunities, ensuring that talent from across the Group acquires cross-functional experience. Benchmarking of key management positions was conducted to assess what skills and experience are required within each pillar.

REMCOs focus areas for 2025

- Continue to strengthen succession and retention strategies through ongoing assessments of opportunities and risks associated with talent retention.
- Implement the new Group and Wealth share schemes
- Explore the practical implementation of agile KPIs for leadership in this rapidly changing and dynamic environment to achieve an outcomes approach which enables flexibility.
- Review our employee handbook to factor in the changing environment.
- Deepen understanding and meet requirements of the amendments to the Companies Act.
- Continue to deepen the Group's ongoing commitment to fairness by identifying and addressing any wage gaps, particularly in terms of race and gender.
- Reinforce the Group's culture and values that people do the right thing because it is the right thing to do and ensure this carries through to recruitment practices and performance appraisals.



Remuneration governance, policy and implementation

Remuneration governance

REMCO assists the Board with setting and approving the Group's remuneration policy that gives effect to the board's direction on fair, responsible and transparent remuneration. It engages with stakeholders, including shareholders, regulators, external consultants and management on matters relating to remuneration. The REMCO considers and recommends a remuneration policy for all the employees of Sasfin to enable reward practices which ensure ethical and consistent performance. It does this while considering the company's risk appetite, financial wellbeing and regulatory requirements.

Board

- Governs remuneration at a Group level, provides a mandate to REMCO, and approves changes to the remuneration policies and practices of the Group

REMCO

- Develops and recommends Sasfin's policies on human capital and remuneration
- Approves executive appointments, performance scorecards, and remuneration
- Approves incentive schemes across the Group

Group HC Manco

- Develops the Group reward strategy and policies for approval by REMCO
- Executes remuneration philosophy, policies and practices
- Approves senior management appointments and remuneration, within the agreed policy frameworks

Group HC Pillar Manco

- Recommends divisional incentive schemes and reward structures to Group HC Manco for support before submission to REMCO for approval
- Approves middle management appointments and remuneration, within the agreed policy frameworks

Management and Human Capital

- Oversees, adheres to and implements the approved policies and processes
- Approve junior management appointments and remuneration, within the agreed policy frameworks

Employees

- Adhere to and benefit from reward policies and processes

Shareholders

- Approve non-executive directors' fees
- Non-binding advisory vote on the remuneration policy and implementation report

GRCMC

- Provides oversight and input on risk
- Advises REMCO on appropriate risk adjustments in remuneration structures if and when applicable

Independent advisors

- Provide independent advice on best practice, benchmarking and remuneration governance

The GRCMC reviews and provides input to the remuneration decisions that have implications for the Group's risk appetite.

The Group CEO, Executive Head: Combined Assurance and Head: Human Capital attend REMCO meetings as invitees and report on employee matters of concern.



Read more in our corporate governance report.

Remuneration practices

Fair and responsible remuneration

Sasfin regularly conducts assessments to determine what constitutes a living wage in South Africa. While the legislated minimum wage is R4 543 per month, we are guided by the Labour Research Service (LRS) benchmark for the median monthly income required for a decent standard of living. According to the most recent data, as of September 2021, this figure was R7 911 per month. The 2024 update has yet to be published.

This LRS figure is based on the Socially Perceived Necessities (SPNs) approach, which outlines the income needed to access essential goods and services and participate fully in society. We are satisfied that all our employees earn significantly more than this benchmark.

Sasfin remains aware of the need to address the wage gap between junior level employees and senior executives. As has been Sasfin's practice for many years now, in FY24, junior level employees again received higher percentage annual increases than management and executives to address this concern. A review was again conducted by Group Risk to assess parity in pay practices, specifically regarding gender and race. It is Sasfin's practice to assess this bi-annually, and make key corrections to our practices should they be warranted. The outcome of the assessment showed Sasfin's pay practices are fair and aligned with the remuneration policy, with reasonable explanations for any anomalies identified.

We continue to review and increase the remuneration of those employees who were paid below the minimum of Sasfin's pay scale so that no employee earns less than 80% of the minimum of the pay scale. In addition, the number of employees earning above the maximum of the pay scale remained the same from 2023 to 2024 given both the increase in payscales over the past years as well as deliberate practices to manage such circumstances.

Benchmarking

All positions are benchmarked individually, and regularly. Independent remuneration consultants, which include, inter alia, REMchannel and Zonal Leadership Institute, perform the benchmarking. Job evaluations that are supported by independent benchmarking by external consultants who are specialists in this field. These reviews provide REMCO with assurance that roles are graded correctly and that employees are paid in line with the market for the jobs they perform.

Sasfin aims to pay employees with three years' experience in the Group in line with the median for each reward level, although other factors are considered when finalising individual compensation. As the Group's businesses are diverse, and each requires unique skill sets and qualifications, in the future, the policy may need to be adjusted based on specific unique requirements. The Group HC Manco assesses instances where proposed employee remuneration falls outside the policy and/or the benchmark and submits those that it supports to REMCO for approval.

REMCO uses the benchmarking and an analysis of market increases to decide the annual increase guidelines aligned with the remuneration policy. These are factored into individual increase decisions such that the total increases per business do not exceed the overall Board-approved percentage increase.

In assessing individual remuneration, Group HC Manco and REMCO consider the following:

- The employee's individual performance and alignment with the Sasfin culture, values and approach to risk, according to his/her performance contract
- Internal parity and individual positioning relative to pay scale
- Specialised skills required, market scarcity and replacement cost
- Decent standard of living measure, equal pay for equal work, wage gap and gender pay parity
- Alignment with the Board risk appetite and REMCO remuneration guidelines
- Specific experience and previous remuneration level
- Any specific incidents/circumstances that may negatively impact the financial results and the progress made during the year

Malus and clawback provisions

Incentive remuneration is subject to malus and clawback provisions that are triggered where there has been misconduct or material error by a participating employee or where his or her actions have resulted in reputational damage to the Group, material failure of risk management, or financial loss or damage. They also apply where awards have been based on material misstatements.

The Board empowers REMCO with the discretion to enforce or decline to enforce malus or clawback and should, in determining whether to enforce or decline to enforce malus or clawback, consider the interests of the Company and its shareholders. In applying its discretion in terms of this policy, the Board and REMCO shall at all times act in good faith.

How remuneration is structured

Total remuneration comprises both fixed and variable remuneration.

Fixed remuneration

The fixed remuneration policy is designed to attract and retain talent by offering fair, market-related compensation to all employees, without performance hurdles or deferral. As part of ongoing updates to the remuneration policy, medical aid cover through Discovery became compulsory for individual employees as of September last year, unless they can provide proof of coverage under a partner or spouse's medical aid. Additionally, the reimbursement rate for travel was increased from R4.70 to R4.84 per kilometre, and the e-tolling policy was removed to further streamline employee benefits.

Basic remuneration and benefits

- Cash salary
- Contribution to pension/provident fund
- Medical aid
- Risk benefits

How this is determined

Pay scales and annual increase guidelines are set after considering independently benchmarked data.

Individual increases take into consideration:

- Scarce or critical skills
- Internal parity
- Equal pay for work of equal value
- The wage gap
- Scope and influence of the role
- Individual performance and good standing/conduct

Variable remuneration

Sasfin's variable remuneration links reward to performance to provide transparency to employees. Performance is assessed and rewarded based on individual, pillar and Group performance against key performance indicators (KPIs) that are agreed in advance and reviewed regularly. We also consider adherence to Sasfin's values, responsible risk-taking and cultural fit, measured by key risk indicators (KRIs) and key value indicators (KVIIs).

Variable remuneration can comprise discretionary annual cash bonuses as well as short- and long-term incentive awards. Incentive payments are awarded at REMCO's discretion, and employees who do not meet their KPIs, KRIs or KVIIs, or who have a current disciplinary record, do not qualify for annual increases or discretionary incentive awards. Our variable remuneration includes short- and long-term elements, with deferred payments falling due over a period of up to three years from the date of award. This deferral of payments aids employee retention. In exceptional circumstances, the deferral period will be four years. This deferral facilitates a clawback of bonuses paid, in the event of poor financial or personal performance or misconduct.

Discretionary performance bonuses

The discretionary performance bonuses comprise an annual bonus for employees not on commission or any incentive scheme.

How this is determined

REMCO determines the annual incentive pool based on Group performance and if the Group's base return on capital employed target is achieved.

In 2024, the annual bonus comprises a cash payment and discretionary bonuses ranged from 25% of a 13th cheque to 300% of a 13th cheque, depending on pillar and individual performance.

Performance incentive scheme: Key Talent

The performance incentive scheme aims to retain talent, and align Sasfin's key talent performance targets to stakeholder value creation. There were no policy changes in 2024.

To be eligible, identified individuals must be in good standing and not underperforming in terms of KPIs, KVLs and KRIs.

In addition to the personal KPI score, Group and pillar financial targets are measured. A non-financial component is also included, which includes items relating to compliance, risk, strategy implementation, stakeholder expectations, transformation and ethics.

These bonuses were accounted for in the 2024 financial year and will be paid out in October and November 2024.



Retention scheme

A retention scheme has been introduced in FY24 to recognise and retain **key talent** to October 2025. Relevant employees have been identified to participate in the scheme. Awards range from 1.2 – 4.7 of an employee's monthly cost to company (CTC).

Objectives of the retention scheme

The retention scheme aims to recognise and reward the commitment and performance of key employees during the implementation and transition phase of the strategic reset.

This will allow the Group to:

- Motivate and reward employees to achieve strategic objectives
- Retain corporate memory and specialised knowledge
- Ensure that the deferred portion is meaningful enough to retain talent

Retention scheme terms

The incentive comprises a bonus award that is paid in two tranches, 12 months apart, with a commitment to remain employed at Sasfin for a period of 12 months from the date of each payment, continuing until October 2025. Therefore, if a participant leaves within 12 months of the last bonus payment being received, the full pre-tax amount will need to be repaid.

Participants must achieve a performance rating of three or higher and be in good standing. A scheme participant leaves on a no-fault basis such as retrenchment or the conclusion of a mutual separation agreement, then the participant will forfeit any future payments due but will not be required to pay back any bonus payment already received.

The bonus award is the guaranteed minimum bonus that a participant may receive, based on the annual CTC at the time of award. Additional discretionary bonus awards may be approved, subject to Group financial performance, pillar and business unit financial performance, and individual personal performance and good standing status.

Remuneration implementation report

Fixed remuneration

Basic remuneration and annual increases

Remuneration payments were made in terms of the Group's remuneration policy. Any remuneration decisions or recommendations that deviate from the policy were submitted to REMCO for approval.

An overall payroll budget increase of 6% has been approved by REMCO but a proposed 5.5% pool allocation to be used now for reviews, with a 0.5% reserve for ad hoc/promotions to be conducted during FY25. The total awarded is still to be finalised. There were no restraint payments made. We paid R1,134,501.58 million in mutual separation agreements entered into with five individuals (2023: R2.2 million to 18 individuals).

Variable remuneration

Employee annual bonuses

Total bonus payments across the Group amounted to R55 million (2023: R56.4* million) for the 2024 financial year. General bonuses awarded to employees who do not qualify for participation in any specific incentive schemes amounted to a total maximum bonus pool of R11.5 million.

Performance incentive scheme

Deferral payment for past incentive schemes were awarded in October 2024 in line with the scheme rules.

* Restated - Sasfin Wealth bonus number was omitted from prior year.

Executive directors' pay

The KPIs and objectives of executive directors are set annually. The Group CEO's and Alternate Executive Director's objectives are set by the Group and REMCO Chairs. The Group FD's objectives are set by the GAC Chair and Group CEO.

Each KPI includes a set of specific focus areas that include, among others, the strategic reset, stakeholder engagement, regulatory matters and business-as-usual.

Pay mix and potential remuneration of executive directors and prescribed officers

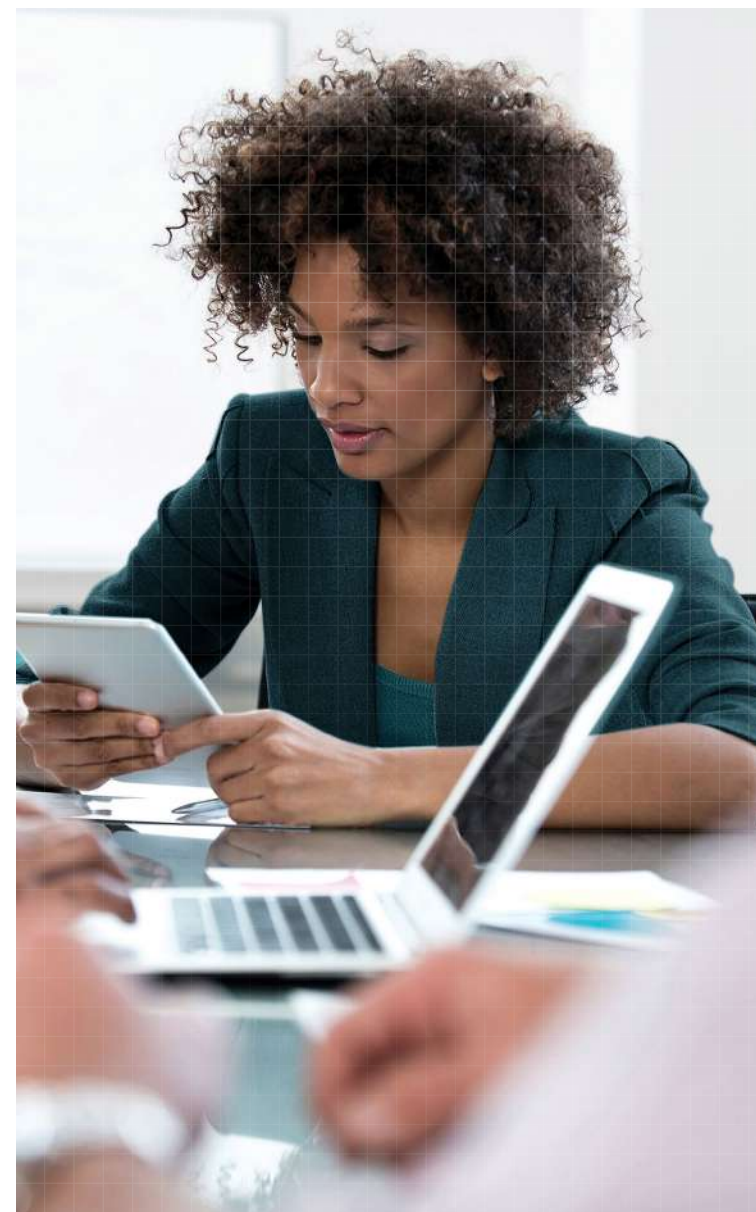
The performance of each prescribed officer is reviewed by their manager and relevant Board members. Executive directors and management participate in the Group performance incentive scheme.

The Group CEO and prescribed officers all achieved positive performance ratings on their personal KPIs.

The Group CEO achieved a performance rating of 3.6 out of 5 and a total bonus payment of R5.02 million. An annual increase of 5.5% was approved by the REMCO.

The Group FD achieved a performance rating of 3.6 out of 5 and a total bonus payment of R2.6 million. An annual increase of 7% was approved by the REMCO.

The Alternative Executive Director achieved a performance rating of 3.7 out of 5 and a total bonus payment of R3.7 million. An annual increase of 5.5% was approved by the REMCO.



Executive directors' and prescribed officers' remuneration

The remuneration of prescribed officers, including executive directors, who are considered to be the material risk-takers of the Group, is paid by subsidiaries of the Company and disclosed under cash package in the table below. Other benefits comprise provident fund, medical aid, group life insurance, company car and sign-on bonuses.

	Services as directors R	Cash package ¹ R	Other benefits ² R	Incentive bonus ³ R	TOTAL R
2024					
Executive directors					
H Heymans	–	3 459 712	450 977	800 000	4 710 689
MME Sassoon	–	4 309 430	804 466	1 225 000	6 338 896
E Zeki	299 584	2 759 118	640 303	2 217 293	5 916 298
Independent non-executive directors					
RWR Buchholz	1 020 119	–	–	–	1 020 119
GP de Kock ^a	949 231	–	–	–	949 231
TH Njikizana	726 194	–	–	–	726 194
MR Thompson	738 887	–	–	–	738 887
T van der Mescht	594 129	–	–	–	594 129
EA Wilton	758 698	–	–	–	758 698
Non-independent non-executive director					
RDEB Sassoon	446 077	–	–	–	446 077
Prescribed officers					
LR Fröhlich	–	3 326 363	504 527	800 000	4 630 890
MG Lane	–	3 027 309	813 782	841 667	4 682 758
S Tomlinson ^b	–	2 156 359	728 205	342 833	3 227 397
	5 532 919	19 038 291	3 942 260	6 226 793	34 740 263

* G Dingaan, N Ndhrazi and S Rosenthal receive compensation through a management fee paid to WIPHOLD, refer to note 40.2 of the Annual Financial Statements.

a Resigned effective 15 March 2024.

b Resigned 1 August 2024 and is serving a three months' notice period until 31 October 2024.

1 The remuneration of the Executive Directors is paid by subsidiaries of the Company.

2 Other benefits comprise: provident fund, medical aid, group life, company car and sign-on bonuses.

3 Relates to the Group's and individual's performance in the 2024 financial year.

Non-executive directors' (NED) fees

In setting Sasfin's NED remuneration, the REMCO and management have consistently considered a range of factors, including the reasonability of remuneration in relation to the important role that directors play, Sasfin's growth and financial performance, complexity of the business, alignment to management increases, directors' workload and the general economic climate.

NED fees are reviewed annually based on external benchmarking that takes place every two years. The fees are recommended to REMCO for consideration, in consultation with executive directors, other than in respect of REMCO members' own fees, and REMCO submits the recommendation to the Board for noting via the DANC. Increases are presented to and approved by shareholders at the AGM.

An overall increase of 6.5% in NED fees has been proposed for 2025 across all committees and including board fees. In addition, a fee increase of 9.7% has been proposed for the GAC Chair, and 8.6% for a GAC member. External benchmarking of non-executive directors' fees is done every second year and will be performed by an independent consultant in 2025.

Currently, annual retainer fees are paid in all instances and no special meeting fees are payable, with the exception of the CLEC. In line with the recommendations of the REMCO, due to the unique nature of the CLEC, a special meeting fee of 25% of the standard meeting fee will be payable to members of the CLEC on attendance of special meetings. Refer to the Notice of AGM where it has been proposed to provide fees for GAC members with additional fees in relation to ad hoc or special meetings.

The Board and committees' annual retainer fees include a number of ongoing duties such as:

- Serving on ad hoc or sub-committees
- Attending training and induction as well as interviews with potential candidates for appointment to the Board

- Attending to urgent matters that cannot reasonably be postponed until the next meeting
- Consideration of and voting on written resolutions
- Committee chairs duties include the discussion and settlement of agenda, which may include a meeting with executive directors or the company secretary and dealing with matters within the ambit of the relevant committee's mandate which arise between meetings

The REMCO has recommended the introduction of a special meeting fee to be paid in respect of ad hoc or special committees constituted by the Directors subject to certain criteria approved by the DANC and the REMCO, including but not limited to:

- Instances where special (not business as usual) circumstances exist that require the constitution of an ad hoc or special subcommittee with a specific mandate, approved by the DANC and constituted by a delegation of the Board.
- Instances where significant director involvement is required in a specific and time-limited major issue such as restructuring, remediation, acquisitions or in a time of crisis. The work of the ad hoc or special subcommittee may not constitute consulting services and it is acknowledged that the work is onerous, regular and repeatable / frequent (monthly or at shorter intervals).
- Instances where there is justification for directors to contribute time and attention to the matter over and above what would be considered an "ordinary" commitment.
- The payment of a fee will be approved by the DANC and will be equal to 15% of a director's quarterly retainer fee for membership of the Board.

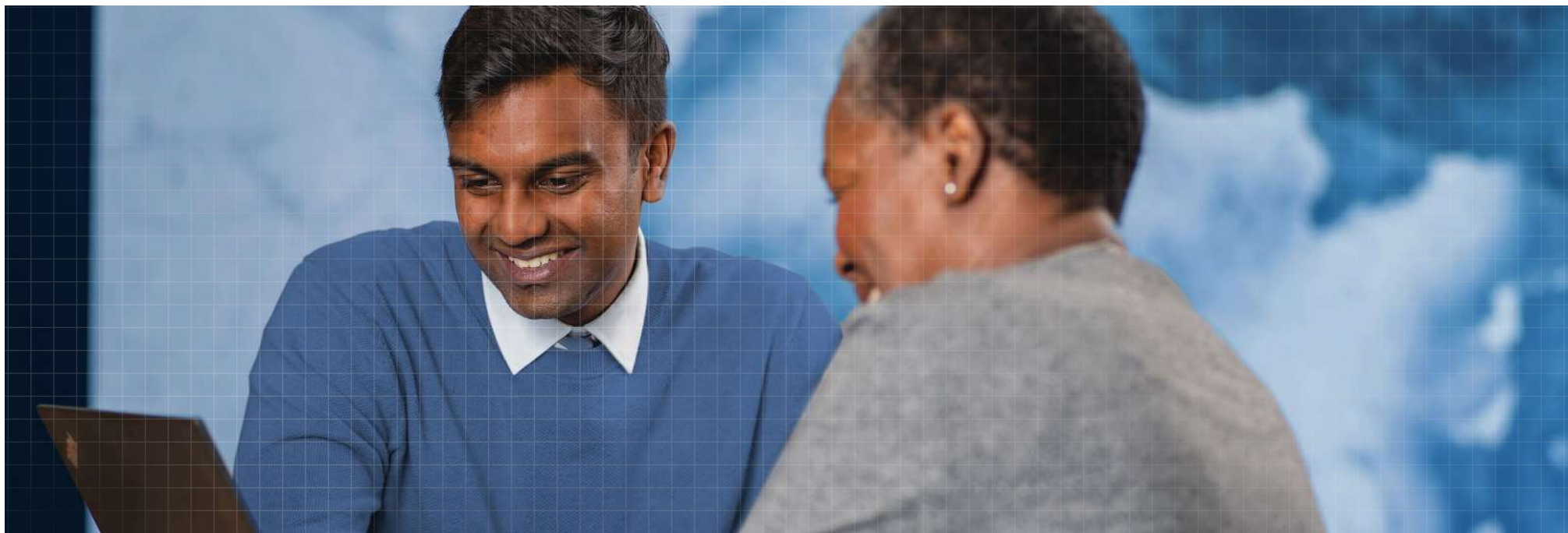
A framework and principles for payment and approval of ad hoc or special sub-committee fees is recommended as follows (subject to approval by shareholders at the AGM).

Board member fees

Annual board member fees include the directors' fees for serving as members of the Board of Sasfin Bank. The fee for the Chair of the Board is an all-inclusive fee as Chair and member of any Board or Board committee.

	2023/2024		2024/2025	
	Annual fee: member R	Annual fee: chair R	Annual fee: member R	Annual fee: chair R
Sasfin Holdings and Sasfin Bank Boards	317 245	1 289 200	337 866	1 372 997
Group Audit Committee (GAC)	101 321	232 536	110 000	255 000
Group HR and Remuneration Committee (REMCO)	81 369	142 824	86 659	152 108
Social and Ethics Committee (SEC)	59 111	97 092	62 954	103 404
Group Risk and Capital Management Committee (GRCMC)	99 409	224 231	105 871	238 807
Credit and Large Exposures Committee (CLEC)	81 369	145 878	86 659	155 360
Information Technology Committee (ITC)	66 467	122 295	70 788	130 244

Non-executive directors' fees are exclusive of VAT.



05

Additional information

Glossary

ABC	Anti-bribery and corruption
ABL	African Bank Limited
ACFE	Association of Certified Fraud Examiners
ACI	African, Coloured and Indian
AGM	Annual General Meeting
AI	Artificial intelligence
ALCO	Asset and Liability and Investment Committee
AML	Anti-money laundering
AUM	Assets under management and advice
Banks Act	Banks Act, No. 94 of 1990 and the Regulations relating to Banks as amended
BASA	Banking Association of South Africa
B-BBEE	Broad-based Black Economic Empowerment
B-BBEE Act	Broad-based Black Economic Empowerment Act, No. 46 of 2013, as amended
BCB	Business and Commercial Banking
BCBS	Basel Committee on Banking Supervision
CAR	Capital adequacy ratio
CA	Chartered Accountant
CAF	Combined Assurance Framework
CCMA	Commission for Conciliation, Mediation and Arbitration
CEC	Client Excellence Committee
CEF	Capital Equipment Finance
CEO	Chief Executive Officer
CISO	Chief Information Security Officer
CLEC	Credit and Large Exposures Committee

CODI	Corporation for Deposit Insurance
Companies Act	Companies Act, No. 71 of 2008, as amended
COO	Chief Operating Officer
CPF	Commercial Property Finance
CPI	Consumer price index
CSR	Corporate Social Responsibility
CTC	Cost to company
CSS	Corporate Support Services
CTF	Combatting the financing of terrorism
DANC	Directors' Affairs and Nominations Committee
DFM	Discretionary Fund Managers
EAP	Employee Assistance Programme
ECL	Expected credit loss
ERM	Enterprise risk management
ESG	Environmental, social and governance
Exco	Executive Committee
FATF	Financial Action Task Force
FD	Financial Director
FIC	Financial Intelligence Centre
FX/Forex	Foreign exchange
FSCA	Financial Sector Conduct Authority
GAC	Group Audit Committee
GDP	Gross domestic product

GNU	Government of National Unity
GovCo	Governance Committee
GRCMC	Group Risk and Capital Management Committee
HC Manco	Human Capital Management Committee
HEPS	Headline earnings per share
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IoDSA	Institute of Directors in South Africa NPC
ISSB	International Sustainability Standards Board
ITC	Information Technology Committee
JA	Junior Achievement
JSE	Johannesburg Stock Exchange
JSE Listings Requirements	Listings Requirements of the JSE Limited
King IV	King Report on Corporate Governance for South Africa, 2016
KPI	Key performance indicators
KRI	Key risk indicator
KVI	Key value indicator
LCR	Liquidity coverage ratio
LRS	Labour Research Service
MOI	Memorandum of Incorporation
NED	Non-executive director
NPLs	Non-performing loans
NSFR	Net stable funding ratio
OHS	Occupational Health and Safety
PA	Prudential Authority

POPIA	Protection of Personal Information Act
RDARR	Risk data aggregation risk reporting
PRECCA	Prevention and Combating of Terrorist Activity Act
REMCO	Group Human Capital and Remuneration Committee
ROC	Remediation Oversight Committee
ROE	Return on equity
SaaS	Software-as-a-service
SAM	Sasfin Asset Managers
SARB	South African Reserve Bank
SARS	South African Revenue Services
SASP	South African Securitisation Programme
Sasfin or the Group	Sasfin Holdings Limited and its subsidiaries
SDGs	Sustainable Development Goals
SEC	Social and Ethics Committee
SETA	Sector Education and Training Authority
SMEs	Small- to medium-sized enterprises
SPN	Socially Perceived Necessities
STC	Sustainability and Transformation Committee
STI	Short-term incentive
TCF	Treating Customers Fairly
the Board	Board of directors of Sasfin Holdings Limited
UK	United Kingdom
UN	United Nations
USD	United States Dollar
VWAP	Volume weighted average price

Corporate information

Country of incorporation and domicile

South Africa

Company registration number

1987/002097/06

Tax reference number

9300/204/71/7

Board of directors

Independent non-executive Chairperson

Richard Buchholz

Independent non-executive directors

Tapiwa Njikizana
Mark Thompson (Lead independent)
Tienie van der Mescht
Anton van Wyk
Eileen Wilton

Non-independent, non-executive directors

Gugu Dingaan
Nontobeko Ndhrazi
Roland Sassoon
Shaun Rosenthal (alternate)

Executive directors

Michael Sassoon (Group CEO)
Harriet Heymans (Group FD)
Erol Zeki (alternate)

Acting Group Company Secretary

Howard Brown

Transfer secretaries

**Computershare Investor
Services (Proprietary) Limited**

Rosebank Towers, 15 Biermann Avenue, Rosebank
Johannesburg, 2196

Sponsor

**Questco Corporate Advisory
Services (Pty) Limited**

Auditors

PricewaterhouseCoopers Inc.

Registered office

140 West Street, Sandown, Sandton
Johannesburg, 2139

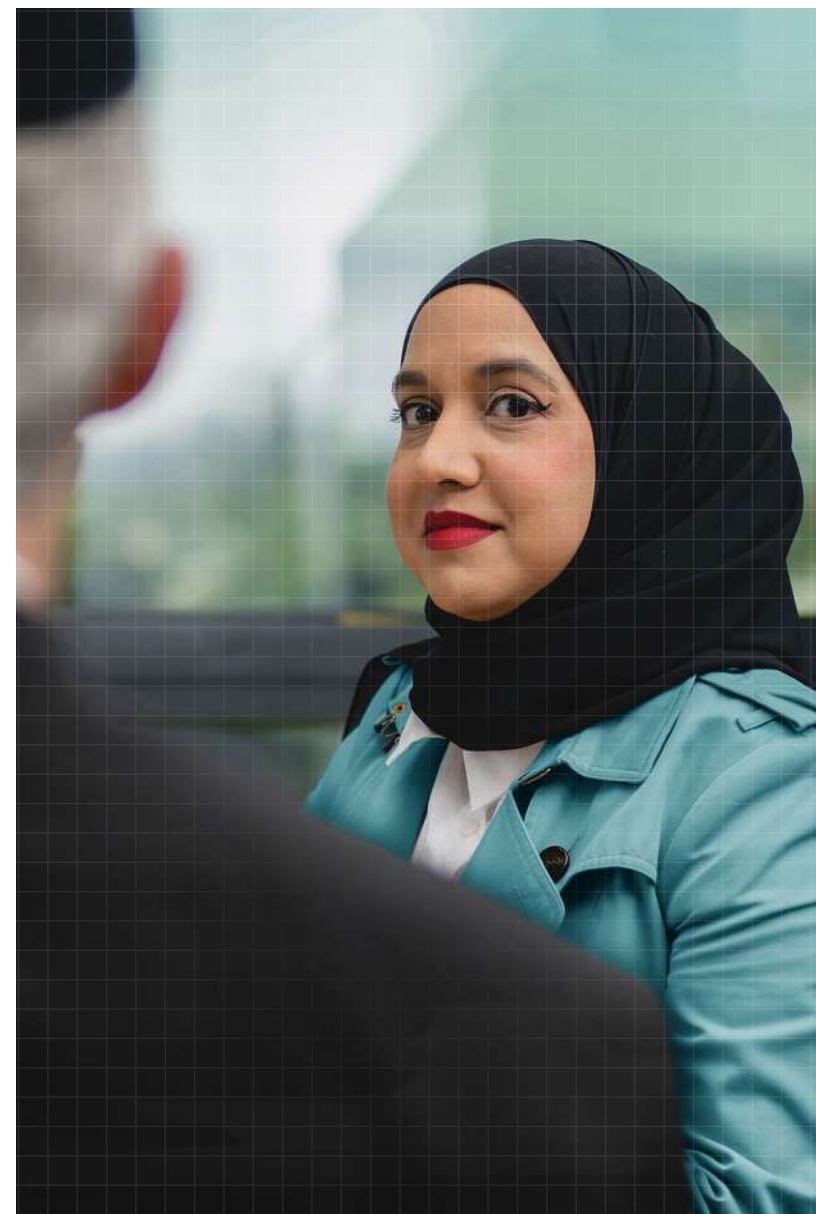
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