

OVERVIEW

The following information is compiled in terms of the requirements of the Banks Act 1990 (as amended) and Regulation 43(1) (e) (ii) of the Banking Regulations, where all registered banks and controlling companies are obliged to report certain qualitative and quantitative information with regards to their capital adequacy on a regular basis to the public, which incorporates the Basel III Pillar 3 requirements on market discipline.

The information disclosed within this report is based on the definitions, calculation methodologies and measurements as defined by the Amended Regulations and are reported in R'000.

Key metrics: KM1		Sasfin Holdings Limited				
		R'000	R'000	R'000	R'000	R'000
		June 2018	March 2018	December 2017	September 2017	June 2017
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1 470 934	1 470 810	1 481 239	1 426 762	1 367 515
1a	Fully loaded ECL accounting model					
2	Tier 1	1 546 166	1 546 044	1 575 282	1 520 805	1 461 558
2a	Fully loaded ECL accounting model Tier 1					
3	Total capital	1 581 082	1 564 265	1 597 780	1 545 327	1 486 780
3a	Fully loaded ECL accounting model total capital					
Risk weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	9 739 147	9 188 478	8 860 353	8 857 511	8 892 621
Risk-based capital ratio's as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	15,103	16,007	16,718	16,108	15,378
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)					
6	Tier 1 ratio (%)	15,876	16,826	17,779	17,170	16,436
6a	Fully loaded ECL accounting model Tier 1 ratio (%)					
7	Total capital ratio (%)	16,235	17,024	18,033	17,447	16,720
7a	Fully loaded ECL accounting model total capital ratio (%)					
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	1,875	1,875	1,250	1,250	1,250
9	Countercyclical buffer requirements (%)	0	0,000	0,000	0,000	0,000
10	Bank G-SIB and/or D-SIB additional requirements (%)	0	0,000	0,000	0,000	0,000
11	Total of bank CET1 specific buffer requirements (%)	1,875	1,875	1,250	1,250	1,250
12	CET1 available after meeting the bank's minimum capital requirements (%)	9,603	10,507	10,718	10,108	9,378
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	13 907 040	13 907 040	13 338 513	13 046 766	12 727 748
14	Basel III leverage ratio (%) (row 2/ row 13)	11,118	11,117	11,810	11,657	11,483

OV1 - Overview of RWA		RWA		Minimum capital requirements
		R'000	R'000	
		June 2018	June 2017	June 2018
1	Credit risk (excluding counterparty credit risk) (CCR)	5 889 959	5 585 270	471 197
2	Of which standardised approach (SA)	5 889 959	5 585 270	471 197
3	Of which internal rating-based approach (IRB)	-	-	-
4	Counterparty credit risk	140 413	54 966	11 233
5	Of which standardised approach for counterparty credit risk (SA - CCR)	140 413	54 966	11 233
6	Of which internal rating-based approach (IRB)	-	-	-
7	Equity positions in banking book under market-based approach	1 014 652	854 847	81 172
8	Equity investments in funds - Look through approach	-	-	-
9	Equity investments in funds - mandate based approach	-	-	-
10	Equity investments in funds - fall back approach	-	-	-
11	Settlement risk	-	-	-
12	Securitisation exposures in banking bank	590 224	604 336	47 218
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	590 224	10 058	47 218
16	Market risk	162 594	10 058	13 008
17	Of which standardised approach (SA)	162 594	10 058	13 008
18	Of which internal model approach (IMM)	-	-	-
19	Operational risk	1 491 169	1 371 421	119 294
20	Of which Basic Indicator Approach	1 491 169	1 371 421	119 294
21	Of which Standardised Approach	-	-	-
22	Of which Advanced Measurement Approach	-	-	-
23	Amounts below the thresholds for deductions (subject to 250% risk weight)	450 138	411 725	36 011
24	Floor adjustment	-	-	-
25	Total	9 739 149	8 892 623	779 132

LI1 - Differences between accounting and regulatory scopes of consolidation and mapping of financial statements with regulatory risk categories

	Carrying values as reported in the published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:					Not subject to capital requirements or subject to deduction from capital
			subject to credit risk framework	Subject to counterparty credit risk framework	Subject to securitisation framework	Subject to the market risk framework	Subject to Equity Risk	
Assets								
Cash and cash balances	1 892 167	224 472	224 472					
Negotiable securities	1 975 407	1 975 406	1 975 406					
Loans and Advances	7 618 495	9 285 502	8 903 556		381 946			
Trading Assets	1 476 511	179 416	179 416					
Other receivables	375 380	375 054	198 850			176 204		
Investment securities	628 493	1 868 617				-	1 868 617	
Loans and investments in subsidiaries and special purpose entities	-	54 968	-					54 968
Property, plant and equipment	88 206	88 052	88 052					
Non-current assets held for sale - Investment property	12 600	12 600	12 600					
Taxation	19 809	20 590	20 590					
Intangible assets and goodwill	201 448	201 448	-					201 448
Deferred tax	30 568	32 959	32 959					
Total assets	14 319 084	14 319 084	11 635 901	-	381 946	176 204	1 868 617	256 416
Liabilities								
Funding under repurchase agreements and interbank	1 924 975	1 416 008						
Deposits from customers	4 449 344	4 817 321						
Debt securities issued	3 115 432	3 796 313						
Long term loans	674 616							
Trading liabilities	1 449 203	1 449 203						
Other payables	801 745	933 297						
Taxation	21 819	22 601						
Deferred tax	140 179	142 570						
Total liabilities	12 577 313	12 577 313	-	-	-	-	-	-

L12 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	Total	Credit risk framework	Securitisation framework	items subject to: Counterparty credit risk framework	Market risk framework	Equity risk framework
1 Asset carrying value amount under scope of regulatory consolidation	14 319 084	11 635 901	-	381945,8183	176 204	1 868 617
2 Liabilities carrying value amount under regulatory scope of consolidation	12 577 313					
3 Total net amount under regulatory scope of consolidation	1 741 771	11 635 901	-	381945,8183	176 204	1 868 617
4 Off-balance sheet amounts	809 811	809 811				
10 Exposure amounts considered for regulatory purposes	2 551 582	12 445 712	-	381 946	176 204	1 868 617

L1A - Explanations of differences between accounting and regulatory exposure amounts

The reason for the difference between the carrying amounts as reported in the published financial statements and for regulatory consolidation (L11) is the striping out of the Bank's securitisation vehicle's assets and liabilities (speciafically excluded as stipulated in the regulations) and certain direct securitisation exposures to the issued notes and subordinated loans which eliminate for accounting purposes but

CR1 - Credit quality of assets

	Gross carrying values of		Allowances/ Impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
1 Loans	432 495	4 012 628	285 764	4 159 360
2 Debt Securities	-	3 580 677	-	3 580 677
3 Off-balance sheet exposures	-	809 811	-	809 811
4 Total	432 495	8 403 118	285 764	8 549 849

CR2 - Changes in stock of defaulted loans and debt securities

1 Defaulted loans and debt securities at end of the previous reporting period	203 953
2 Loans and debt securities that have defaulted since the last reporting period	364 212
3 Returned to non-defaulted status	0
4 Credit losses	(144 177)
5 Other changes	8 696
6 Defaulted loans and debt securities at end of the reporting period	432 684

CR3 - Credit Risk Mitigation Techniques

	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1 Loans	3 573 832	4 146 798	4 146 798	-	-	-	-
2 Debt securities	33 236	150 393	150 393	-	-	-	-
3 Total	3 607 068	4 297 191	4 297 191	-	-	-	-
4 Of which defaulted	234 625	350 739	350 739	-	-	-	-

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CRD - Qualitative disclosures on banks use of external credit ratings under the standardised approach for credit risk

The Bank makes use of the following external credit assessment institutions (ECAI): Moody's Standard and Poor's Global Credit Rating Fitch The asset classes which ECAI is used for include: International interbank exposures Securitisation exposures International sovereign exposures Debt securities
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CR4 - Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects

Asset classes	Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Sovereigns and their central banks	1 914 870	-	1 914 870	-	1 791	0%
2 Non-central government public sector entities	746 712	-	746 712	-	169 515	23%
3 Multilateral development banks	-	-	-	-	-	0%
4 Banks	689 495	643	689 495	643	138 028	20%
5 Securities firms	990 226	225	990 226	225	990 451	100%
6 Corporates	3 391 411	696 333	3 389 654	55 519	3 431 603	100%
7 Regulatory retail portfolios	1 153 907	112 610	1 154 067	25 500	939 441	80%
8 Secured by residential property	-	-	-	-	-	0%
9 Secured by commercial real estate	-	-	-	-	-	0%
10 Equity	652 792	-	652 792	-	1 013 889	155%
11 Past-due loans	-	-	-	-	-	0%
12 Higher risk categories	-	-	-	-	-	0%
13 Other assets	761 084	-	761 084	-	911 444	120%
14 Total	10 300 496	809 811	10 298 901	81 887	7 596 161	73%

1 302 2511 314 154,46

CR5 - Standardised approach - exposures by asset classes and risk weights

Asset classes by Risk weightings	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1 Sovereigns and their central banks	1 912 190	-	-	-	1 777	-	903	-	-	1 914 870
2 Non-central government public sector entities	3 116	-	715 329	-	4 148	-	23 606	502	-	746 701
3 Multilateral development banks	-	-	-	-	-	-	-	-	-	-
4 Banks	-	-	690 149	-	-	-	-	-	-	690 149
5 Securities firms	-	-	-	-	-	-	990 451	-	-	990 451
6 Corporates	-	-	184 549	-	70 727	-11 856	2 870 314	331 439	-	3 445 174
7 Regulatory retail portfolios	-	-	-	-	76 033	832 222	259 421	11 891	-	1 179 567
8 Secured by residential property	-	-	-	-	-	-	-	-	-	-
9 Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
10 Equity	-	-	-	-	-	-	121 573	522 469	8 750	652 792
11 Past-due loans	-	-	-	-	-	-	-	-	-	-
12 Higher risk categories	-	-	-	-	-	-	-	-	-	-
13 Other assets	119 723	-	-	-	-	-	461 305	-	180 055	761 083
14 Total	2 035 029	-	1 590 027	-	152 686	820 367	4 727 573	866 301	188 805	10 380 788

CCR1 - Analysis of counterparty credit risk (CCR) exposure by approach

	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1 SA-CCR (for derivatives)	159 367	39 735		1,4	179 269	125 644
2 Internal Model Method (for derivatives and SFTs)					-	-
3 Simple Approach for credit risk mitigation (for SFTs)					0	0
4 Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5 VaR for SFTs					-	-
6 Total						125 644

CCR2 - Credit Valuation Adjustment (CVA) capital charge

	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital charge	-	-
1 (i) VaR component (including the 3x multiplier)	-	-
2 (ii) Stressed VaR component (including the 3x multiplier)	-	-
3 All portfolios subject to the Standardised CVA capital charge	179 269	851
4 Total subject to the CVA capital charge	179 269	851

CCR3 - Standardised approach - CCR exposures by regulatory portfolio and risk weights

Regulatory portfolio by risk weightings	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Sovereigns	-	-	-	-	-	-	-	-	-
Non-central government public sector entities (PSEs)	-	-	-	-	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-
Banks	-	-	70 822	33 600	-	-	-	-	104 422
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	1 334	-	-	1 334
Regulatory retail portfolios	-	-	-	-	-	93 345	-	-	93 345
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	70 822	33 600	-	94 680	-	-	199 103

CCRS - Composition of collateral for CCR exposure

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash -domestic currency	-	-	-	-	-	-
Cash - other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	-

Securitisation Risk

SEC1 - Securitisation exposures in the banking book

	Traditional	Bank acts as originator Synthetic	Sub-total	Traditional	Bank acts as sponsor Synthetic	Sub-total	Traditional	Bank acts as investor Synthetic	Sub-total
1 Retail (total) - of which	-	-	-	-	-	-	381 946	-	381 946
2 residential mortgage	-	-	-	-	-	-	-	-	-
3 credit card	-	-	-	-	-	-	-	-	-
4 other retail exposures	-	-	-	-	-	-	381 946	-	381 946
5 re-securitisation	-	-	-	-	-	-	-	-	-
6 Wholesale (total) - of which	-	-	-	-	-	-	-	-	-
7 loans to corporates	-	-	-	-	-	-	-	-	-
8 commercial mortgage	-	-	-	-	-	-	-	-	-
9 lease and receivables	-	-	-	-	-	-	-	-	-
10 other wholesale	-	-	-	-	-	-	-	-	-
11 re-securitisation	-	-	-	-	-	-	-	-	-

SEC4 - Securitisation exposures in the banking book and associated regulatory capital requirements - bank acting as investor

	≤20% RW	>20% to 50% RW	Exposure values (by RW banks)		1250% RW	IRB RBA (including IAA)	Exposure values (by regulatory approach)		1250%	IRB RBA (including IAA)	RWA (by regulatory approach)		1250%	IRB RBA (including IAA)	Capital charge after cap	
			> 50% to 100% RW	> 100% to 1250% RW			IRB SFA	SA/SSFA			IRB SFA	SA/SSFA			IRB SFA	SA/SSFA
1 Total exposures	-	-	-	590 224	-	-	-	-	-	-	-	-	-	-	-	-
2 Traditional securitisation	-	-	-	590 224	-	-	-	-	-	-	-	-	-	-	-	-
3 Of which securitisation	-	-	-	590 224	-	-	-	-	-	-	-	-	-	-	-	-
4 Of which retail underlying	-	-	-	590 224	-	-	-	-	-	-	-	-	-	-	-	-
5 Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Of which re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Of which securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Of which re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Market Risk

MR1 - Market risk under standardised approach

	RWA
Outright products	-
1 Interest rate risk (general and specific)	-
2 Equity risk (general and specific)	-
3 Foreign exchange risk	162 594
4 Commodity risk	-
Options	-
5 Simplified approach	-
6 Delta-plus method	-
7 Scenario approach	-
8 Securitisation	-
9 Total	162 594

Sasfin does not use the internal ratings based, but rather the standardised approach, in the calculation of risk-weighted assets. The following templates are therefore not completed:

- CR6 - IRB - Credit risk exposures by portfolio and PD range.
- CR7 - IRB - Effect on RWA of credit derivatives used as CRM techniques.
- CR10 - IRB (Specialised lending and equities under the simple risk weight method).
- CCR4 - IRB - CCR exposures by portfolio and PD scale.
- MR3 - IMA values for trading portfolios.
- MR4 - Comparison of VaR estimates with gains/losses.

Sasfin does not have exposures to credit derivatives therefore the following template is not completed:

- CCR6 - Credit derivatives exposures.

Sasfin does not have any exposures to central counterparties therefore the following template is not completed:

- CCR8 - Exposures to central counterparties.

Sasfin does not have securitisation exposures in the trading book therefore the following template is not completed:

- SEC2 - Securitisation exposures in the trading book.

Sasfin acts as an investor in the securitisation vehicles. This template is therefore not completed:

- SEC3 - Securitisation exposures in the banking book and associated regulatory capital requirements - bank acting as originator or as sponsor.

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