

sasfin

Holdings Limited

Pillar II Risk Management Report

31 December 2023

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1. Introduction

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

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

The information in this report applies to banking operations only and is unaudited. Monetary values are expressed in Rand thousands.

For the reporting period 31 December 2023, the Board and senior management are satisfied that Holdings and Bank's risk and capital management processes are operating effectively, that business activities have been managed within the Enterprise Risk Management Framework (ERMF) and that the Group is adequately capitalised and funded to support the execution of its strategy.

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

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

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

2. Risk Management and Risk Weighted Assets (RWA)

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

2.1 OV1: OVERVIEW OF RISK WEIGHTED ASSETS

Overview of risk management, key prudential metrics and RWA

R'000		Sasfin Holdings			
		a	a	b	c
		RWA			Minimum capital requirements
		Dec-23	Sep-23	Jun-23	
		T	T	T-1	T
1	Credit risk (excluding counterparty credit risk)	5 706 690	6 041 193	6 045 169	627 736
2	Of which: standardised approach (SA)	5 706 690	6 041 193	6 045 169	627 736
3	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–	–
4	Of which: supervisory slotting approach	–	–	–	–
5	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–	–
6	Counterparty credit risk (CCR)	22 419	23 403	60 113	2 466
7	Of which: standardised approach for counterparty credit risk	22 419	23 403	60 113	2 466
8	Of which: Internal Model Method (IMM)	–	–	–	–
9	Of which: other CCR	–	–	–	–
10	Credit valuation adjustment (CVA)	6 721	7 359	13 038	739
11	Equity positions under the simple risk weight approach	289 379	313 844	329 417	31 832
12	Equity investments in funds – look-through approach	405 706	307 076	244 105	44 628
13	Equity investments in funds – mandate-based approach	–	–	–	–
14	Equity investments in funds – fall-back approach	–	–	–	–
15	Settlement risk	–	–	–	–
16	Securitisation exposures in the banking book	207 281	207 281	207 281	22 801
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	–	–	–	–
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	–	–	–	–
19	Of which: securitisation standardised approach (SEC-SA)	207 281	207 281	207 281	22 801
20	Market risk	11 525	10 543	17 895	1 268
21	Of which: standardised approach (SA)	11 525	10 543	17 895	1 268
22	Of which: internal model approaches (IMA)	–	–	–	–
23	Capital charge for switch between trading book and banking book	–	–	–	–
24	Operational risk	2 195 696	2 047 324	2 047 324	241 527
25	Amounts below thresholds for deduction (subject to 250% risk weight)	160 569	160 568	160 569	17 663
26	Aggregate capital floor applied	–	–	–	–
27	Floor adjustment (before application of transitional cap)	–	–	–	–
28	Floor adjustment (after application of transitional cap)	–	–	–	–
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	9 005 986	9 118 591	9 124 910	990 660

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

2.2 OV1: OVERVIEW OF RISK WEIGHTED ASSETS

Overview of risk management, key prudential metrics and RWA

		Sasfin Bank			
		a	b		c
		RWA			Minimum capital requirements
		Dec-23	Sep-23	Jun-23	Dec-23
R'000		T	T	T-1	T
1	Credit risk (excluding counterparty credit risk)	4 986 401	5 165 880	5 232 794	548 504
2	Of which: standardised approach (SA)	4 986 401	5 165 880	5 232 794	548 504
3	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–	–
4	Of which: supervisory slotting approach	–	–	–	–
5	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–	–
6	Counterparty credit risk (CCR)	22 419	23 403	60 113	2 466
7	Of which: standardised approach for counterparty credit risk	22 419	23 403	60 113	2 466
8	Of which: Internal Model Method (IMM)	–	–	–	–
9	Of which: other CCR	–	–	–	–
10	Credit valuation adjustment (CVA)	6 721	7 359	13 038	739
11	Equity positions under the simple risk weight approach	316 138	328 669	328 646	34 775
12	Equity investments in funds – look-through approach	405 706	307 076	244 105	44 628
13	Equity investments in funds – mandate-based approach	–	–	–	–
14	Equity investments in funds – fall-back approach	–	–	–	–
15	Settlement risk	–	–	–	–
16	Securitisation exposures in the banking book	207 281	207 281	207 281	22 801
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	–	–	–	–
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	–	–	–	–
19	Of which: securitisation standardised approach (SEC-SA)	207 281	207 281	207 281	22 801
20	Market risk	11 525	10 543	17 895	1 268
21	Of which: standardised approach (SA)	11 525	10 543	17 895	1 268
22	Of which: internal model approaches (IMA)	–	–	–	–
23	Capital charge for switch between trading book and banking book	–	–	–	–
24	Operational risk	1 151 383	1 139 813	1 139 813	126 652
25	Amounts below thresholds for deduction (subject to 250% risk weight)	42 568	42 568	42 568	4 682
26	Aggregate capital floor applied	–	–	–	–
27	Floor adjustment (before application of transitional cap)	–	–	–	–
28	Floor adjustment (after application of transitional cap)	–	–	–	–
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	7 150 142	7 232 592	7 286 253	786 515

3. Capital Risk

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

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

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

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

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

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

3.1 KM1: KEY PRUDENTIAL METRICS (HOLDINGS)

Overview of risk management, key prudential metrics and RWA

		Sasfin Holdings				
		a	b	c	d	e
		Dec-23	Sep-23	Jun-23	Mar-23 ¹	Dec-22 ¹
R'000		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1 419 014	1 415 555	1 410 219	1 436 410	1 422 982
1a	Fully loaded ECL accounting model	1 419 014	1 415 555	1 410 219	1 436 410	1 422 982
2	Tier 1	1 419 014	1 415 555	1 410 219	1 436 410	1 422 982
2a	Fully loaded accounting model Tier 1	1 419 014	1 415 555	1 410 219	1 436 410	1 422 982
3	Total capital	1 485 771	1 486 296	1 480 611	1 507 889	1 498 759
3a	Fully loaded ECL accounting model total capital	1 485 771	1 486 296	1 480 611	1 507 889	1 498 759
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	9 005 986	9 118 591	9 124 910	8 637 861	9 062 286
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	15.756%	15.524%	15.455%	16.629%	15.702%
5a	Fully loaded ECL accounting model CET1 (%)	15.756%	15.524%	15.455%	16.629%	15.702%
6	Tier 1 ratio (%)	15.756%	15.524%	15.455%	16.629%	15.702%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	15.756%	15.524%	15.455%	16.629%	15.702%
7	Total capital ratio (%)	16.498%	16.300%	16.226%	17.457%	16.538%
7a	Fully loaded ECL accounting model total capital ratio (%)	16.498%	16.300%	16.226%	17.457%	16.538%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical buffer requirement (%)	–	–	–	–	–
10	Bank D-SIB additional requirements (%)	–	–	–	–	–
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.500%	2.500%	2.500%	2.500%	2.500%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.26%	7.02%	6.96%	8.13%	7.20%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	13 145 929	12 855 816	13 778 526	13 183 145	13 464 855
14	Basel III leverage ratio (%) (row 2/row 13)	10.79%	11.01%	10.23%	10.90%	10.57%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	10.79%	11.01%	10.23%	10.90%	10.57%
Liquidity Coverage Ratio						
15	Total HQLA	1 122 885	1 120 438	969 118	748 557	879 859
16	Total net cash outflow	373 575	317 392	409 867	446 149	352 834
17	LCR ratio (%)	300.58%	353.01%	236.45%	167.78%	249.37%
Net Stable Funding Ratio						
18	Total available stable funding	5 505 000	5 341 747	5 405 657	5 313 375	5 591 305
19	Total required stable funding	4 867 320	5 133 065	5 136 157	5 002 462	5 146 218
20	NSFR ratio	113.10%	104.07%	105.25%	106.22%	108.65%

¹ Restated. Please refer to note 49 of the Annual Financial Statements as at 30 June 2023 for additional information.

3. Capital Risk *continued*

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

Total RWA decreased from R9.125 billion (Jun-23) to R9.006 billion (Dec-23) attributable to a reduction in credit risk, partially offset by an increase in equity risk weighted assets and increased operational risk.

The liquidity coverage ratio remains above the regulatory requirements and within the Board risk appetite. The quarter-on-quarter (Q-o-Q) decrease is mainly driven by an increase in net cash outflows.

The net stable funding ratio remains above the regulatory minimum requirement of 100%. The Q-o-Q increase is attributable to an increase in available stable funding, coupled with a decrease in required stable funding.

3.2 KM1: KEY PRUDENTIAL METRICS (BANK)

Overview of risk management, key prudential metrics and RWA

		Sasfin Bank				
		a	b	c	d	e
		Dec-23	Sep-23	Jun-23	Mar-23 ¹	Dec-22 ¹
R'000		T	T-1	T-2	T-3	T-4
Available capital						
1	Common Equity Tier 1 (CET1)	1 027 265	1 040 299	1 033 007	957 493	951 777
1a	Fully loaded ECL accounting model	1 027 265	1 040 299	1 033 007	957 493	951 777
2	Tier 1	1 027 265	1 040 299	1 033 007	957 493	951 777
2a	Fully loaded accounting model Tier 1	1 027 265	1 040 299	1 033 007	957 493	951 777
3	Total capital	1 063 822	1 079 168	1 069 941	995 425	1 009 333
3a	Fully loaded ECL accounting model total capital	1 063 822	1 079 168	1 069 941	995 425	1 009 333
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	7 150 142	7 232 592	7 286 253	7 085 443	7 284 887
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	14.367%	14.384%	14.177%	13.514%	13.065%
5a	Fully loaded ECL accounting model CET1 (%)	14.367%	14.384%	14.177%	13.514%	13.065%
6	Tier 1 ratio (%)	14.367%	14.384%	14.177%	13.514%	13.065%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14.367%	14.384%	14.177%	13.514%	13.065%
7	Total capital ratio (%)	14.878%	14.921%	14.684%	14.049%	13.855%
7a	Fully loaded ECL accounting model total capital ratio (%)	14.878%	14.921%	14.684%	14.049%	13.855%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.500%	2.500%	2.500%	2.500%	2.500%
12	CET1 available after meeting the bank's minimum capital requirements (%)	5.87%	5.88%	5.68%	5.01%	4.57%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	9 058 111	8 613 598	8 837 930	9 070 906	9 714 497
14	Basel III leverage ratio (%) (row 2/row 13)	11.34%	12.08%	11.69%	10.56%	9.80%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	11.34%	12.08%	11.69%	10.56%	9.80%
Liquidity Coverage Ratio						
15	Total HQLA	1 122 885	1 120 438	969 118	748 557	879 859
16	Total net cash outflow	373 575	317 392	409 867	446 149	352 834
17	LCR ratio (%)	300.58%	353.01%	236.45%	167.78%	249.37%
Net Stable Funding Ratio						
18	Total available stable funding	5 505 000	5 341 747	5 405 657	5 313 375	5 591 305
19	Total required stable funding	4 867 320	5 133 065	5 136 157	5 002 462	5 146 218
20	NSFR ratio (%)	113.10%	104.07%	105.25%	106.22%	108.65%

¹ Restated. Please refer to note 40 of the Annual Financial Statements as at 30 June 2023 for additional information.

4. Leverage ratio

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

LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE

R'000	Sasfin Holdings	
	a Dec-23	b Sep-23
1	13 351 500	13 061 957
2	–	–
3	–	–
4	(246 911)	(258 079)
5	–	–
6	175 033	181 249
7	(133 693)	(129 311)
8	13 145 929	12 855 816

LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE

R'000	Sasfin Bank	
	a Dec-23	b Sep-23
1	8 926 470	8 519 663
2	–	–
3	–	–
4	(13 280)	(16 906)
5	–	–
6	175 943	139 818
7	(31 021)	(28 977)
8	9 058 111	8 613 598

4. Leverage ratio *continued*

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

		Sasfin Holdings	
		a Dec-23 T	b Sep-23 T-1
R'000			
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	12 944 555	12 641 320
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	–	–
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	12 944 555	12 641 320
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	12 460	16 418
5	Add-on amounts for PFE associated with all derivatives transactions	13 881	16 829
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	–	–
8	(Exempted CCP leg of client-cleared trade exposures)	–	–
9	Adjusted effective notional amount of written credit derivatives	–	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11	Total derivative exposures (sum of rows 4 to 10)	26 341	33 247
Securities financing transactions			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14	CCR exposure for SFT assets	–	–
15	Agent transaction exposures	–	–
16	Total securities financing transaction exposures (sum of rows 12 to 15)	–	–
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	1 116 299	991 380
18	(Adjustments for conversion to credit equivalent amounts)	(941 266)	(810 131)
19	Off-balance sheet items (sum of rows 17 and 18)	175 033	181 249
Capital and total exposures			
20	Tier 1 capital	1 419 014	1 415 555
21	Total exposures (sum of rows 3, 11, 16 and 19)	13 145 929	12 855 816
Leverage ratio			
22	Basel III leverage ratio	10.79%	11.01%

4. Leverage ratio *continued*

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE CONTINUED

		Sasfin Bank	
		a	b
		Dec-23	Sep-23
R'000		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	8 855 828	8 440 533
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	–	–
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	8 855 828	8 440 533
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	12 460	16 418
5	Add-on amounts for PFE associated with all derivatives transactions	13 881	16 829
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	–	–
8	(Exempted CCP leg of client-cleared trade exposures)	–	–
9	Adjusted effective notional amount of written credit derivatives	–	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11	Total derivative exposures (sum of rows 4 to 10)	26 341	33 247
Securities financing transactions			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14	CCR exposure for SFT assets	–	–
15	Agent transaction exposures	–	–
16	Total securities financing transaction exposures (sum of rows 12 to 15)	–	–
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	1 176 545	970 270
18	(Adjustments for conversion to credit equivalent amounts)	(1 000 602)	(830 452)
19	Off-balance sheet items (sum of rows 17 and 18)	175 943	139 818
Capital and total exposures			
20	Tier 1 capital	1 027 265	1 040 299
21	Total exposures (sum of rows 3, 11, 16 and 19)	9 058 111	8 613 598
Leverage ratio			
22	Basel III leverage ratio	11.34%	12.08%

5. Credit risk under standardised approach

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

CR 1 – CREDIT QUALITY OF ASSETS

		Sasfin Holdings						Net values (a+b-c)
		a	b	c		d		
		Carrying values of		Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures		
		Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Allocated in regulatory category of Specific	Allocated in regulatory category of General		
R'000		December 2023						
1	Loans	895 838	8 350 773	541 804	457 476	84 328	–	8 704 807
2	Debt securities	203 502	1 241 190	60 752	59 881	871	–	1 383 940
3	Off-balance sheet exposures	–	176 387	–	–	–	–	176 387
4	Total	1 099 340	9 768 350	602 556	517 357	85 199	–	10 265 134
		June 2023						
1	Loans	935 534	8 638 269	523 827	434 668	89 159	–	9 049 976
2	Debt securities	203 478	1 151 463	61 530	59 881	1 649	–	1 293 411
3	Off-balance sheet exposures	–	181 411	–	–	–	–	181 411
4	Total	1 139 012	9 971 143	585 357	494 549	90 808	–	10 524 798

CR 2 – CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES

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

R'000		Sasfin Holdings	
		Dec-23	Jun-23
1	Defaulted loans and debt securities at end of the previous reporting period	1 139 012	1 101 764
2	Loans and debt securities that have defaulted since the last reporting period	157 978	242 777
3	Returned to non-defaulted status	(18 210)	(15 634)
4	Amounts written off	(74 753)	(119 209)
5	Other changes	(104 686)	(70 686)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	1 099 340	1 139 012

5. Credit risk under standardised approach *continued*

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

		Sasfin Bank												
		December 2023												
		a		b		c		d		e		f		
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density		RWA and RWA density		RWA		RWA density		
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount			RWA	RWA density					
Asset classes														
1	Sovereigns and their central banks	2 042 441	–	2 042 441	–	–	–	–	–	–	–	–	–	
2	Non-central government public sector entities	492 101	–	492 101	–	229 626	46.7%							
3	Multilateral development banks	–	–	–	–	–	–	–	–	–	–	–	–	
4	Banks	165 788	–	165 788	–	37 211	22.4%							
5	Securities firms	–	–	–	–	–	–	–	–	–	–	–	–	
6	Corporates	4 431 924	1 147 286	4 431 924	98 321	4 123 459	91.0%							
7	Regulatory retail portfolios	78 160	27 195	78 160	2 189	49 809	62.0%							
8	Secured by residential property	–	–	–	–	–	–	–	–	–	–	–	–	
9	Secured by commercial real estate	–	–	–	–	–	–	–	–	–	–	–	–	
10	Equity	–	–	–	–	–	–	–	–	–	–	–	–	
11	Past-due loans	–	–	–	–	–	–	–	–	–	–	–	–	
12	Higher-risk categories	–	–	–	–	–	–	–	–	–	–	–	–	
13	Other assets	1 618 145	–	1 618 145	–	760 298	47.0%							
14	Total	8 828 559	1 174 481	8 828 559	100 510	5 200 403	58.2%							
		June 2023												
Asset classes														
1	Sovereigns and their central banks	2 048 791	46 379	2 048 791	23 190	–	–	–	–	–	–	–	–	
2	Non-central government public sector entities	522 179	–	522 179	–	240 175	46.0%							
3	Multilateral development banks	–	–	–	–	–	–	–	–	–	–	–	–	
4	Banks	41 355	–	41 355	–	8 686	21.0%							
5	Securities firms	–	–	–	–	–	–	–	–	–	–	–	–	
6	Corporates	4 442 561	882 676	4 442 561	69 485	4 179 331	92.6%							
7	Regulatory retail portfolios	222 970	17 542	222 970	3 133	208 947	92.4%							
8	Secured by residential property	–	–	–	–	–	–	–	–	–	–	–	–	
9	Secured by commercial real estate	–	–	–	–	–	–	–	–	–	–	–	–	
10	Equity	–	–	–	–	–	–	–	–	–	–	–	–	
11	Past-due loans	–	–	–	–	–	–	–	–	–	–	–	–	
12	Higher-risk categories	–	–	–	–	–	–	–	–	–	–	–	–	
13	Other assets	1 518 524	–	1 518 524	–	815 974	53.7%							
14	Total	8 796 380	946 597	8 796 380	95 808	5 453 113	61.3%							

5. Credit risk under standardised approach *continued*

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

Sasfin Bank

	a	b	c	d	e	f	g	h	i	j
	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
	December 2023									
Risk weight*										
Asset classes										
1 Sovereigns and their central banks	2 042 441	-	-	-	-	-	-	-	-	2 042 441
2 Non-central government public sector entities	30	-	311 470	-	12 779	-	167 822	-	-	492 101
3 Multilateral development banks	-	-	-	-	-	-	-	-	-	-
4 Banks	-	-	160 722	-	-	-	5 066	-	-	165 788
5 Securities firms	-	-	-	-	-	-	-	-	-	-
6 Corporates	193 139	-	-	-	124 571	-	4 116 831	95 704	-	4 530 245
7 Regulatory retail portfolios	1 287	-	-	-	14 985	59 854	4 223	-	-	80 349
8 Secured by residential property	-	-	-	-	-	-	-	-	-	-
9 Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
10 Equity	-	-	-	-	-	-	-	-	-	-
11 Past-due loans	-	-	-	-	-	-	-	-	-	-
12 Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13 Other assets	-	-	-	-	-	-	1 618 145	-	-	1 618 145
14 Total	2 236 897	-	472 192	-	152 335	59 854	5 912 087	95 704	-	8 929 069

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

Sasfin Bank

	a	b	c	d	e	f	g	h	i	j
	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
	June 2023									
Risk weight*										
Asset classes										
1	2 071 981	–	–	–	–	–	–	–	–	2 071 981
2	165	–	335 104	–	14 166	–	172 744	–	–	522 179
3	–	–	–	–	–	–	–	–	–	–
4	–	–	40 836	–	–	–	519	–	–	41 355
5	–	–	–	–	–	–	–	–	–	–
6	188 462	–	–	–	123 707	–	4 034 441	165 437	–	4 512 047
7	1 269	–	–	–	14 436	171 239	39 158	–	–	226 102
8	–	–	–	–	–	–	–	–	–	–
9	–	–	–	–	–	–	–	–	–	–
10	–	–	–	–	–	–	–	–	–	–
11	–	–	–	–	–	–	–	–	–	–
12	–	–	–	–	–	–	–	–	–	–
13	–	–	–	–	–	–	1 518 524	–	–	1 518 524
14 Total	2 261 877	–	375 940	–	152 309	171 239	5 765 386	165 437	–	8 892 188

6. Counterparty credit risk

CCR1: ANALYSIS OF COUNTERPARTY CREDIT RISK (CCR) EXPOSURE

		Sasfin Bank					
		December 2023					
		a	b	c	d	e	f
		Replace- ment cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	12 460	13 881		1.4	34 194	22 419
2	Internal Model Method (for derivatives and SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5	VaR for SFTs					-	-
6	Total						22 419

		Sasfin Bank					
		June 2023					
		a	b	c	d	e	f
		Replace- ment cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	28 956	22 976		1.4	68 587	60 113
2	Internal Model Method (for derivatives and SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5	VaR for SFTs					-	-
6	Total						60 113

CCR2 – CREDIT VALUATION ADJUSTMENT (CVA) CAPITAL CHARGE

		Sasfin Bank			
		December 2023		June 2023	
		a	b	a	b
		EAD post- CRM	RWA	EAD post- CRM	RWA
Total portfolios subject to the Advanced CVA capital charge		-	-	-	-
1	(i) VaR component (including the 3x multiplier)	-	-	-	-
2	(ii) Stressed VaR component (including the 3x multiplier)	-	-	-	-
3	All portfolios subject to the Standardised CVA capital charge	34 194	6 721	68 587	13 038
4	Total subject to the CVA capital charge	34 194	6 721	68 587	13 038

6. Counterparty credit risk *continued*

CCR3 – CCR EXPOSURES RISK WEIGHTED – STANDARDISED APPROACH

		Sasfin Bank								
		December 2023								
R'000		a	b	c	d	e	f	g	h	i
		0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Risk weight										
Regulatory portfolio										
	Sovereigns	-	-	-	-	-	-	-	-	-
	Non-central government public sector entities (PSEs)	-	-	-	-	-	-	-	-	-
	Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-
	Banks	-	-	4 640	-	-	5 391	-	-	10 031
	Securities firms	-	-	-	-	-	-	-	-	-
	Corporates	-	-	-	-	-	2 429	-	-	2 429
	Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
	Other assets	-	-	-	-	-	-	-	-	-
	Total	-	-	4 640	-	-	7 820	-	-	12 460

		Sasfin Bank								
		June 2023								
R'000		a	b	c	d	e	f	g	h	i
		0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Risk weight										
Regulatory portfolio										
	Sovereigns	-	-	-	-	-	-	-	-	-
	Non-central government public sector entities (PSEs)	-	-	-	-	-	-	-	-	-
	Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-
	Banks	-	-	2 926	-	-	19 943	-	-	22 869
	Securities firms	-	-	-	-	-	-	-	-	-
	Corporates	-	-	-	-	-	6 087	-	-	6 087
	Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
	Other assets	-	-	-	-	-	-	-	-	-
	Total	-	-	2 926	-	-	26 030	-	-	28 956

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

SEC1: SECURITISATION EXPOSURES IN THE BANKING BOOK

		Sasfin Bank								
		December 2023								
		Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
		a	b	c	e	f	g	i	j	k
1	Retail (total) – of which	–	–	–	–	–	–	–	–	–
2	residential mortgage	–	–	–	–	–	–	–	–	–
3	credit card	–	–	–	–	–	–	–	–	–
4	other retail exposures	–	–	–	–	–	–	–	–	–
5	re-securitisation	–	–	–	–	–	–	–	–	–
6	Wholesale (total) – of which	393 680	–	393 680	–	–	–	–	–	–
7	loans to corporates	–	–	–	–	–	–	–	–	–
8	commercial mortgages	–	–	–	–	–	–	–	–	–
9	leases and receivables	393 680	–	393 680	–	–	–	–	–	–
10	other wholesale	–	–	–	–	–	–	–	–	–
11	re-securitisation	–	–	–	–	–	–	–	–	–

9. Market risk

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

MR1 – MARKET RISK UNDER STANDARDISED APPROACH (SA)

		Sasfin Bank	
		a	b
		December	June
		2023	2023
R'000		Capital	Capital
		charge in SA	charge in SA
1	General interest rate risk	–	–
2	Equity risk	–	–
3	Commodity risk	–	–
4	Foreign exchange risk	11 525	17 895
5	Credit spread risk – non–securitisations	–	–
6	Credit spread risk – securitisations (non–correlation trading portfolio)	–	–
7	Credit spread risk – securitisation (correlation trading portfolio)	–	–
8	Default risk – non–securitisations	–	–
9	Default risk – securitisations (non–correlation trading portfolio)	–	–
10	Default risk – securitisations (correlation trading portfolio)	–	–
11	Residual risk add–on	–	–
12	Total	11 525	17 895

10. Overview of funding and liquidity metrics

LIQ1: LIQUIDITY COVERAGE RATIO

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

		Sasfin Bank	
R'000		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		1 122 885
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	1 298 239	129 824
3	Stable deposits	–	–
4	Less stable deposits	1 298 239	129 824
5	Unsecured wholesale funding, of which:	4 600 950	1 222 380
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–
7	Non-operational deposits (all counterparties)	4 600 950	1 222 380
8	Unsecured debt	–	–
9	Secured wholesale funding	497 581	–
10	Additional requirements, of which:	172 286	63 359
11	Outflows related to derivative exposures and other collateral requirements	7 117	7 117
12	Outflows related to loss of funding of debt products	–	–
13	Credit and liquidity facilities	165 169	56 242
14	Other contractual funding obligations	–	–
15	Other contingent funding obligations	–	–
16	TOTAL CASH OUTFLOWS		1 415 563
Cash inflows			
17	Secured lending (eg reverse repo)	1 044 679	1 044 679
18	Inflows from fully performing exposures	255 950	127 975
19	Other cash inflows	10 035	10 035
20	TOTAL CASH INFLOWS	1 310 664	1 182 689

		Sasfin Bank
R'000		Total adjusted value
21	Total HQLA	1 122 885
22	Total net cash outflows	353 891
23	Liquidity coverage ratio (%)	317.30%

10. Overview of funding and liquidity metrics *continued*

LIQ2: NET STABLE FUNDING RATIO

The Basel III NSFR became effective on 1 January 2018 with the objective of promoting funding stability and resilience in the banking sector by requiring banks to maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. The available stable funding (ASF) is defined as the portion of capital and liabilities expected to be reliable over the one year time horizon. The amount of required stable funding (RSF) is a function of the liquidity characteristics and residual maturities of the various assets (including off-balance sheet exposures) held by the bank. By ensuring that banks do not embark on excessive maturity transformation that is not sustainable, the NSFR is intended to reduce the likelihood that disruptions to a banks funding sources would erode its liquidity position, increase its risk of failure and potentially lead to broader systemic risk. Only banking and/or deposit taking entities are included and the group data represents a consolidation of the relevant individual assets, liabilities and off-balance sheet items as at 31 December 2023.

The group maintained NSFR compliance in excess of the regulatory requirement of 100% for the six months ended 31 December 2023.

R'000	a No maturity*	b <6 months	c 6 months to <1 year	d ≥1 year	e Weighted value
Available stable funding (ASF) item					
1 Capital:	-	-	-	1 106 222	1 106 222
2 <i>Regulatory capital</i>				1 106 222	1 106 222
3 <i>Other capital instruments</i>					-
4 Retail deposits and deposits from small business customers:	-	2 728 418	223 847	136 535	2 793 574
5 <i>Stable deposits</i>		-	-	-	-
6 <i>Less stable deposits</i>		2 728 418	223 847	136 535	2 793 574
7 Wholesale funding:	-	950 247	45 137	-	497 692
8 <i>Operational deposits</i>		-	-	-	-
9 <i>Other wholesale funding</i>		950 247	45 137	-	497 692
10 Liabilities with matching interdependent assets					
11 Other liabilities:	-	2 678 348	285 899	278 334	1 107 512
12 <i>NSFR derivative liabilities</i>		12 376			
13 <i>All other liabilities and equity not included in the above categories</i>		2 678 348	285 899	278 334	1 107 512
14 Total ASF					5 505 000
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					69 880
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities:	-	3 432 437	456 117	3 492 853	3 677 377
18 <i>Performing loans to financial institutions secured by Level 1 HQLA</i>	-	1 303 510	-	94 096	69 880
19 <i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	-	1 498 986	227 581	39 425	378 064
20 <i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>	-	629 940	228 536	3 083 148	3 049 914
21 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>	-	-	-	276 184	179 519
22 <i>Performing residential mortgages, of which:</i>	-	-	-	-	-
23 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>	-	-	-	-	-
24 <i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	-	-	-	-	-
25 Assets with matching interdependent liabilities					-
26 Other liabilities:	-	904	-	1 128 974	1 129 878
27 <i>Physical traded commodities, including gold</i>	-				-
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>					-
29 <i>NSFR derivative assets</i>		904			904
30 <i>NSFR derivative liabilities before deduction of variation margin posted</i>					-
31 <i>All other assets not included in the above categories</i>		-	-	1 128 974	1 128 974
32 Off-balance sheet items					60 065
33 Total RSF					4 867 320
34 Net Stable Funding Ratio (%)					113.10%

11. Composition of Capital

CC1: COMPOSITION OF REGULATORY CAPITAL

	Sasfin Holdings	
	a	b
	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation	
R'000	Amounts	
Common Equity Tier 1 capital: instruments and reserves		
1 Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	167 267	(h)
2 Retained earnings	1 413 371	
3 Accumulated other comprehensive income (and other reserves)	–	
4 <i>Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)</i>	–	
5 Common share capital issued by third parties (amount allowed in group CET1)	–	
6 Common Equity Tier 1 capital before regulatory deductions	1 580 638	
Common Equity Tier 1 capital regulatory adjustments		
7 Prudent valuation adjustments	1 591	
8 Goodwill (net of related tax liability)	32 252	(a)
9 Other intangibles other than mortgage servicing rights (net of related tax liability)	63 348	(b)
10 Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	64 433	
11 Cash flow hedge reserve	–	
12 Shortfall of provisions to expected losses	–	
13 Securitisation gain on sale (as set out in paragraph 36 of Basel III securitisation framework)	–	
14 Gains and losses due to changes in own credit risk on fair valued liabilities	–	
15 Defined benefit pension fund net assets	–	
16 Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	–	
17 Reciprocal cross-holdings in common equity	–	
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	
19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	
20 Mortgage servicing rights (amount above 10% threshold)	–	
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–	
22 Amount exceeding 15% threshold	–	
23 Of which: significant investments in the common stock of financials	–	
24 Of which: mortgage servicing rights	–	
25 Of which: deferred tax assets arising from temporary differences	–	
26 National specific regulatory adjustments	–	
27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	–	
28 Total regulatory adjustments to Common Equity Tier 1	161 624	
29 Common Equity Tier 1 capital (CET1)	1 419 014	

11. Composition of Capital *continued*

	Sasfin Holdings	
	a	b
R'000	Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
Additional Tier 1 capital: instruments		
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	–	
31 Of which: classified as equity under applicable accounting standards	–	
32 Of which: classified as liabilities under applicable accounting standards	–	
33 <i>Directly issued capital instruments subject to phase-out from additional Tier 1</i>	–	
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	–	
35 <i>Of which: instruments issued by subsidiaries subject to phase-out</i>	–	
36 Additional Tier 1 capital before regulatory adjustments	–	
Additional Tier 1 capital: regulatory adjustments		
37 Investments in own additional Tier 1 instruments	–	
38 Reciprocal cross-holdings in additional Tier 1 instruments	–	
39 Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	–	
40 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	–	
41 National specific regulatory adjustments	–	
42 Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions	–	
43 Total regulatory adjustments to additional Tier 1 capital	–	
44 Additional Tier 1 capital (AT1)	–	
45 Tier 1 capital (T1= CET1 + AT1)	1 419 014	
Tier 2 capital: instruments and provisions		
46 Directly issued qualifying Tier 2 instruments plus related stock surplus	–	
47 <i>Directly issued capital instruments subject to phase-out from Tier 2</i>	–	
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–	
49 <i>Of which: instruments issued by subsidiaries subject to phase-out</i>	–	
50 Provisions	66 757	
51 Tier 2 capital before regulatory adjustments	66 757	
Tier 2 capital: regulatory adjustments		
52 Investments in own Tier 2 instruments	–	
53 Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	–	
54 Investments in capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–	
54a Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	–	
55 Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	

11. Composition of Capital *continued*

	Sasfin Holdings	
	a	b
R'000	Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
56 National specific regulatory adjustments	–	
57 Total regulatory adjustments to Tier 2 capital	–	
58 Tier 2 capital (T2)	66 757	
59 Total regulatory capital (TC = T1 + T2)	1 485 771	
60 Total risk-weighted assets	9 005 986	
Capital ratios and buffers		
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	15.76%	
62 Tier 1 (as a percentage of risk-weighted assets)	15.76%	
63 Total capital (as a percentage of risk-weighted assets)	16.50%	
64 Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2.50%	
65 Of which: capital conservation buffer requirement	2.50%	
66 Of which: bank-specific countercyclical buffer requirement	–	
67 Of which: higher loss absorbency requirement	–	
68 Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	7.26%	
National minima (if different from Basel III)		
69 National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	8.50%	
70 National Tier 1 minimum ratio (if different from Basel III minimum)	10.75%	
71 National total capital minimum (if different from Basel III minimum)	13.50%	
Amounts below the thresholds for deduction (before risk weighting)		
72 Non-significant investments in the capital and other TLAC liabilities of other financial entities	–	
73 Significant investments in common stock of financial entities	–	
74 Mortgage servicing rights (net of related tax liability)	–	
75 Deferred tax assets arising from temporary differences (net of related tax liability)	–	
Applicable caps on the inclusion of provisions in Tier 2		
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	–	
77 Cap on inclusion of provisions in Tier 2 under standardised approach	–	
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–	
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	–	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
80 Current cap on CET1 instruments subject to phase-out arrangements	–	
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	–	
82 Current cap on AT1 instruments subject to phase-out arrangements	–	
83 Amount excluded from AT1 due to cap (excess after redemptions and maturities)	–	
84 Current cap on T2 instruments subject to phase-out arrangements	–	
85 Amount excluded from T2 due to cap (excess after redemptions and maturities)	–	

11. Composition of Capital *continued*

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

R'000	Sasfin Holdings	
	a	b
	Balance sheet as in published financial statements As at period-end	Under regulatory scope of consolidation As at period-end
Assets		
Cash and balances at central banks	1 382 614	581 568
Items in the course of collection from other banks	–	–
Trading portfolio assets	465 113	–
Financial assets designated at fair value	597 396	597 396
Derivative financial instruments	–	246 911
Loans and advances to banks	334 467	888 694
Loans and advances to customers	8 370 340	8 398 957
Reverse repurchase agreements and other similar secured lending	–	218 202
Available for sale financial investments	1 383 940	1 602 142
Current and deferred tax assets	131 947	131 947
Prepayments, accrued income and other assets	357 246	437 211
Investments in associates and joint ventures	79 965	–
Goodwill and other intangible assets	96 568	96 568
Of which: goodwill	32 252	32 252
Of which: intangibles (excluding MSRs)	64 316	64 316
Of which: MSRs	–	–
Property, plant and equipment	151 904	151 904
Total assets	13 351 500	13 351 500
Liabilities		
Deposits from banks	–	–
Items in the course of collection due to other banks	–	–
Customer accounts	5 945 631	5 945 631
Repurchase agreements and other similar secured borrowing	500 386	500 386
Trading portfolio liabilities	441 806	–
Financial liabilities designated at fair value	–	441 806
Derivative financial instruments	–	441 806
Debt securities in issue	3 905 358	3 905 358
Accruals, deferred income and other liabilities	451 101	451 101
Current and deferred tax liabilities	164 717	164 717
Of which: DTLs related to goodwill	–	–
Of which: DTLs related to intangible assets (excluding MSRs)	–	–
Of which: DTLs related to MSRs	–	–
Subordinated liabilities	–	–
Provisions	47 204	47 204
Retirement benefit liabilities	–	–
Total liabilities	11 674 647	11 674 647
Shareholders' equity		
Paid-in share capital	167 268	167 267
Of which: amount eligible for CET1	167 268	167 267
Of which: amount eligible for AT1	–	–
Retained earnings	1 509 585	1 509 585
Accumulated other comprehensive income	–	–
Total shareholders' equity	1 676 853	1 676 853

Abbreviations and acronyms

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

Corporate details

Country of incorporation and domicile	South Africa
Independent Non-executive Chair	Richard Buchholz ¹
Executive Directors	Michael Sassoon (Chief Executive Officer) Harriet Heymans (Group Financial Director)
Independent Non-executive Directors	Tapiwa Njikizana Mark Thompson (Lead) Tienie van der Mescht Eileen Wilton
Non-independent, Non-executive Directors	Gugu Dingaan Nontobeko Ndhlazi Roland Sassoon Shaun Rosenthal (Alternate)
Group Company Secretary	Charissa de Jager
Transfer secretaries	Computershare Investor Services (Proprietary) Limited Rosebank Towers 15 Biermann Avenue Rosebank Johannesburg 2196
Independent sponsor	Questco Corporate Advisory (Proprietary) Limited
Auditors	PwC Inc.
Registered office	140 West Street, Sandown, Sandton, Johannesburg, Gauteng, 2196 Tel: +27 11 809 7500
Postal address	PO Box 95104 Grant Park Johannesburg 2051
Website	www.sasfin.com
Email	investorrelations@sasfin.com
Company registration number	1987/002097/06
Tax reference number	9300/204/71/7

¹ Appointed 19 March 2024. Mr Deon de Kock resigned with effect from 15 March 2024 due to health reasons.

Disclaimer

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

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

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

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

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