


<p>SASFIN HOLDINGS LIMITED  (Incorporated in the Republic of South Africa)  (Registration Number 1987/002097/06)  Ordinary share code: SFN ISIN: ZAE000006565  ("Sasfin" or "the Company" or "the Group")</p>	
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**Summarised unaudited condensed consolidated interim results for the six months ended 31 December 2021 and cash dividend**

**RESULTS**

	Growth %	31 December 2021	31 December 2020
Total Income (R'000)	(1.95)	<b>620,696</b>	633,017
Profit before income tax (R'000)	29.60	<b>73,064</b>	56,378
Headline earnings for the period (R'000)	>100	<b>54,833</b>	26,896
Headline earnings per ordinary share (cents)	>100	<b>178.19</b>	83.54
Earnings per ordinary share (cents)	44.24	<b>175.25</b>	121.50
Dividend per ordinary share (cents)	100	<b>33.95</b>	-
Net asset value per ordinary share (cents)	5.14	<b>5 009</b>	4 764

**Financial performance**

Group headline earnings for the six months ended 31 December 2021 grew by 103.9% to R54.8 million (2020: R26.9 million). This improvement was mainly attributable to improved credit performance. Total income (including income from associate) reduced by 1.95% to R620.696 million (2020: R633.017million). This decline is due, in part, to expected margin contraction, additional IFRS 16 interest on our new head office and income earned in the prior period not recurring. Total costs grew by 12.84% to R503.430 million (2020: R446.148 million) significantly influenced by a once-off operational loss and additional IFRS 16 depreciation offset by costs in the prior year not recurring. All these factors contributed to the cost-to-income ratio increasing to 81.11% (2020: 70.48%). Strong credit performance resulted in an improved credit loss ratio of 123bps (2020: 240bps).

**Financial and capital position**

The Group's balance sheet remains strong with core funding increasing by 13.75% to R9.026 billion (2020: R7.935 billion). While total assets declined 2.74% to R12.211 billion (2020: R12.555 billion), net loans and advances grew 13.33% to R7.208 billion (2020: R6.360 billion). Total ordinary shareholders equity

increased by 5.13% to R1.618 billion (2020: R1.539 billion). The Group's capital adequacy ratio strengthened to 17.50% (2020: 17.07%). The liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) remain strong. As a result of the improved profitability and the strong capital and liquidity position, the Company has declared an interim dividend of 33.95 cents (2020: nil) per share.

### **Segmental overview**

Asset Finance operating profit declined by 32.22% to R55.868 million (2020: R82.423 million) off the back of higher costs and margin contraction. While the staging of the book has improved, following the focused collections effort, a decision was taken to increase provisions against our Stage 3 portfolio. Core performance remains strong with new business volumes achieved now higher than during the pre-Covid comparative period. The newly combined Business and Commercial Banking Pillar is better placed to provide a holistic client experience and extract efficiencies where appropriate. The Pillar saw a healthy turnaround, posting an operating profit of R17.224 million (2020: loss of R25.001 million) mainly due to significant recoveries in the current year and a 9.06% increase in income to R133.645 million (2020: R122.542 million). Sasfin Wealth's operating profit declined by 77.74% to R12.639 million (2020: R55.852 million), mainly attributable to the gain on the sale of its stake in Efficient Group in the comparative period not recurring and the once-off operational loss in the current period. Underlying performance was strong on account of record growth in assets under advice or management (collectively AUM) to R62.3 billion (2020: R51.8 billion).

### **Prospects**

While financial performance has improved as we emerge from an extremely tough period for South Africa, returns remain below our aspirations for the Group. However, Sasfin enters 2022 with several positives:

- Our investment in, and repurposing of, the Business and Commercial Banking Pillar over the last few years is paying off;
- We have seen healthy growth in our key financial drivers, namely Loans, Deposits (including Transactional Deposits) and AUM. This growth is the result of the continued investment in our distribution capabilities and improved customer product offerings across the Group; and
- We have successfully moved into new modern premises at 140 West Street, Sandown where we have taken less floor space at reduced rental and implemented a hybrid work model.

In 2022 we aim to:

- Strengthen our platforms to enable growth and improve client service and efficiencies;
- Invest in distribution to drive scale;
- Focus on developing our human capital approach to deal with the changing work realities; and
- Continue to contribute to society by supporting business growth and savers.

### **Changes in directorship**

As previously announced on SENS on 29 November 2021, Mr Tienie van der Mescht was appointed as an independent non-executive director of the Company. He has been an independent non-executive director of Sasfin Wealth (Proprietary) Limited, a subsidiary of the Company, since 2017. The Board welcomes Tienie and looks forward to his contribution. As announced on SENS on Tuesday, 11 January 2022, our Financial Director, Ms. Angela Pillay, will be leaving us next month. Over the last few years Angela has played a significant role in the development of our business as a whole and in enhancing our finance function. The Board thanks Angela for her excellent contribution and wishes her all the best in her future endeavours.

### **Conclusion**

While the business credit environment remains challenging, we are starting to see increased activity and demand for credit. We expect this to gather momentum and remain committed to enabling business growth by supporting our clients to take advantage of opportunities that will present themselves. We recognise the global political tensions and increasing inflationary pressures which are creating new challenges for Central Banks around the world after a long period of stimulatory monetary policy. This creates a new set of challenges for investors, particularly clients in Sasfin Wealth, and we are committed to working with them to grow their global wealth in the uncertain market conditions ahead.

### **Dividend**

Interim Ordinary share cash dividend

The Directors have declared a gross ordinary share cash dividend for the half year ended 31 December 2021 (“interim dividend”) of 33.95026 cents (2020: nil cents) per share.

The following further information is provided to shareholders with regards to the interim dividend declaration:

- The interim dividend has been declared from income reserves.
- The applicable tax rate levied in terms of the Income Tax Act, Act 59 of 1962, as amended (“dividend withholding tax”) is 20%, and a net interim dividend of 27.16021 cents (2020: nil cents) per share is to be paid to those shareholders who are not exempt from dividend withholding tax.
- Sasfin’s income tax reference number is 9300204717.
- The issued number of ordinary shares at declaration date is 32 301 441 (2020: 32 301 441).
- The issued number of ordinary shares excluding treasury shares as at declaration date is 30 772 847 (2020: 32 196 882).

The interim dividend is payable to holders of ordinary shares recorded in the register of the Company at the close of business on Friday, 25 March 2022.

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

Last day to trade "cum" the interim dividend	Tuesday, 22 March 2022
Ordinary shares commence trading "ex" the interim dividend	Wednesday, 23 March 2022
Interim dividend record date	Friday, 25 March 2022
Payment date of interim dividend	Monday, 28 March 2022

Ordinary share certificates may not be dematerialised or rematerialised between Wednesday, 23 March 2022 and Friday, 25 March 2022, both days inclusive.

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

#### **Full Announcement**

This short-form announcement is the responsibility of the Directors of the Company and is a summary of the information in the full announcement which is available for viewing on the following websites:

Company's website: <https://www.sasfin.com/investor-relations/#results-and-reports>

JSE website: <https://senspdf.jse.co.za/documents/2022/jse/isse/sfn/sfn2022.pdf>

Any investment decision by investors and/or shareholders should be based on consideration of the full announcement, copies of which are also available for inspection at our offices and our sponsors' offices on workdays during business hours, at no charge. Copies can also be requested from Sasfin's company secretary at [charissa.dejager@sasfin.com](mailto:charissa.dejager@sasfin.com).

On behalf of the Board

Mr GP de Kock  
Chair

Mr MEE Sassoon  
Group Chief Executive Officer

Johannesburg  
3 March 2022

Sponsor: Questco Corporate Advisory Proprietary Limited

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