SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registration Number 1987/002097/06)
Ordinary share code: SFN ISIN: ZAE000006565
Preference share code: SFNP ISIN: ZAE000060273
("the Group")

SASFIN HOLDINGS LIMITED/SASFIN BANK LIMITED – BASEL PILLAR III DISCLOSURE – 31 MARCH 2019

Sasfin Holdings Limited and Sasfin Bank Limited are required in terms of Regulation 43(1)(e)(ii) of the Banks Act, No 94 of 1990 , as amended as well as in accordance with the Basel Committee on Banking Supervision (BCBS) revised pillar 3 disclosure requirements, the South African Reserve Bank (SARB) Directives 4 of 2014, 11 of 2015 and 1 of 2018, of South Africa, and Regulations, to report on their capital management plan, capital strategy, capital structure, capital adequacy and leverage ratio publicly.

The Group's risk governance process is fully disclosed in the Group's 2018 Integrated Report which is available and still applicable for the period under review at www.sasfin.com or from the Company Secretary. Sasfin Holdings Limited capital structure, capital adequacy and Sasfin Bank Limited leverage and liquidity coverage ratios at 31 March 2019 are disclsoed in this report.

CAPITAL MANAGEMENT
KM1: KEY METRICS – Sasfin Holdings Limited

		a	b	c	d	e
		Mar-19 T	Dec-18 T-1	Sep-18 T-2	Jun-18 T-3	Mar-18 T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1 330 945	1 344 935	1 290 756	1 470 934	1 470 810
1a	Fully loaded ECL accounting model	1 330 945	1 344 935	1 290 756	–	–
2	Tier 1	1 387 371	1 420 169	1 365 989	1 546 166	1 546 044
2a	Fully loaded accounting model Tier 1	1 387 371	1 420 169	1 365 989	–	–
3	Total capital	1 466 785	1 499 081	1 433 741	1 581 082	1 564 265
3a	Fully loaded ECL accounting model total capital	1 466 785	1 499 081	1 433 741	–	–
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	9 194 401	9 096 892	8 968 386	9 739 147	9 188 479
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	14,476%	14,785%	14,392%	15,103%	16,007%
5a	Fully loaded ECL accounting model CET1 (%)	14,476%	14,785%	0	–	–
6	Tier 1 ratio (%)	15,089%	15,612%	15,231%	15,876%	16,826%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	15,089%	15,612%	0	-	–
7	Total capital ratio (%)	15,953%	16,479%	15,987%	16,234%	17,024%
7a	Fully loaded ECL accounting model total capital ratio (%)	15,953%	16,479%	0	–	–
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2,500%	1,875%	1,875%	1,875%	1,875%
9	Countercyclical buffer requirement (%)	0%	0%	0%	0%	0%
10	Bank D-SIB additional requirements (%)	0%	0%	0%	0%	0%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2,500%	1,875%	1,875%	1,875%	1,875%
12	CET1 available after meeting the bank's minimum capital requirements (%)	6,10%	6,41%	6,02%	6,73%	7,76%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	11 481 774	12 728 982	13 022 234	14 359 382	13 907 040
14	Basel III leverage ratio (%) (row 2/row 13)	12,08%	11,16%	10,91%	9,51%	11,12%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	12,08%	11,16%	10,91%	9,51%	0,00%

CAPITAL MANAGEMENT
KM1: KEY METRICS – Sasfin Bank Limited

		a	b	c	d	e
		Mar-19 T	Dec-18 T-1	Sep-18 T-2	Jun-18 T-3	Mar-18 T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	851 603	856 982	885 854	934 416	956 118
1a	Fully loaded ECL accounting model	851 603	856 982	885 854	–	–
2	Tier 1	851 603	856 982	885 854	934 416	956 118
2a	Fully loaded accounting model Tier 1	851 603	856 982	885 854	–	–
3	Total capital	912 232	914 795	949 339	958 148	971 088
3a	Fully loaded ECL accounting model total capital	912 232	914 795	949 339	–	–
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	6 155 586	5 936 466	6 063 420	6 733 325	6 219 936
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	13,835%	14,436%	14,610%	13,877%	15,372%
5a	Fully loaded ECL accounting model CET1 (%)	13,835%	14,436%	0	–	–
6	Tier 1 ratio (%)	13,835%	14,436%	14,610%	13,877%	15,372%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	13,835%	14,436%	0	–	––
7	Total capital ratio (%)	14,820%	15,410%	15,657%	14,230%	15,613%
7a	Fully loaded ECL accounting model total capital ratio (%)	14,820%	15,410%	0	–	–
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2,500%	1,875%	1,875%	1,875%	1,875%
9	Countercyclical buffer requirement (%)	0%	0%	0%	0%	0%
10	Bank D-SIB additional requirements (%)	0%	0%	0%	0%	0%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2,500%	1,875%	1,875%	1,875%	1,875%
12	CET1 available after meeting the bank's minimum capital requirements (%)	5,46%	6,06%	6,23%	5,50%	7,12%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	8 773 525	12 728 982	13 022 234	14 359 382	13 907 040
14	Basel III leverage ratio (%) (row 2/row 13)	9,71%	11,16%	10,91%	9,51%	11,12%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	9,71%	11,16%	10,91%	9,51%	0,00%
Liquidity Coverage Ratio						
15	Total HQLA	1 406 002	1 164 161	830 415	669 498	743 380
16	Total net cash outflow	1 120 189	922 954	605 569	405 603	377 798
17	LCR ratio (%)	126%	126%	134%	165%	197%
Net Stable Funding Ratio						
18	Total available stable funding	4 634 974	4 558 558	4 509 473	4 649 626	5 082 731
19	Total required stable funding	3 925 417	4 192 769	4 465 095	4 625 016	4 420 682
20	NSFR ratio (%)	118%	109%	101%	101%	115%

OV1: OVERVIEW OF RWA – Sasfin Holdings Limited

		Sasfin Holdings Limited		
		a	b	c
		RWA		Minimum capital requirements
		Mar-19 T	Dec-18 T-1	Mar-19 T
1	Credit risk (excluding counterparty credit risk)	5 897 593	5 750 385	648 735
2	Of which: standardised approach (SA)	5 897 593	5 750 385	648 735
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)	38 067	128 718	4 187
7	Of which: standardised approach for counterparty credit risk	38 067	128 718	4 187
8	Of which: Internal Model Method (IMM)	–	–	–
9	Of which: other CCR	–	–	–
10	Credit valuation adjustment (CVA)	5 338	8 457	587
11	Equity positions under the simple risk weight approach	894 791	851 536	98 427
12	Equity investments in funds – look-through approach	–	–	–
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	416 668	425 406	45 833
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)	416 668	425 406	45 833
20	Market risk	205 527	204 640	22 608
21	Of which: standardised approach (SA)	205 527	204 640	22 608
22	Of which: internal model approaches (IMA)	–	–	–
23	Capital charge for switch between trading book and banking book	–	–	–
24	Operational risk	1 441 795	1 441 795	158 597
25	Amounts below thresholds for deduction (subject to 250% risk weight)	88 133	84 970	9 695
26	Aggregate capital floor applied	206 489	200 985	22 714
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)*	9 194 401	9 096 892	1 011 384

LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE – Sasfin Group level

		a
1	Total consolidated assets as per published financial statements	13 755 906
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–
4	Adjustments for derivative financial instruments	110 796
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	–
6	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	102 692
7	Other adjustments	(2 487 620)
8	*Leverage ratio exposure measure*	11 481 774

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE – Sasfin Group level

		a	b
		Mar-19 T	Dec-18 T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	11 268 286	10 460 136
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)*	11 268 286	10 460 136
Derivative exposures			
4	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	107 847	390 498
5	Add-on amounts for PFE associated with *all* derivatives transactions	36 850	38 819
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)*	144 697	429 317
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	102 692	109 676
18	(Adjustments for conversion to credit equivalent amounts)	–	–
19	*Off-balance sheet items (sum of rows 17 and 18)*	102 692	109 676
Capital and total exposures			
20	*Tier 1 capital*	1 387 371	1 420 169
21	*Total exposures (sum of rows 3, 11, 16 and 19)*	11 481 774	12 728 982
Leverage ratio			
22	*Basel III leverage ratio*	12,08%	11,16%

LIQ1: Liquidity Coverage Ratio (LCR) – Sasfin Bank Limited level

		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		1 133 526
Cash outflows			
2	*Retail deposits and deposits from small business customers, of which:*	1 173 289	117 329
3	Stable deposits	–	–
4	Less stable deposits	1 173 289	117 329
5	*Unsecured wholesale funding, of which:*	3 308 004	1 185 511
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–
7	Non-operational deposits (all counterparties)	3 308 004	1 185 511
8	Unsecured debt	–	–
9	*Secured wholesale funding*		54 955
10	*Additional requirements, of which:*	579 590	74 298
11	Outflows related to derivative exposures and other collateral requirements	20 273	20 273
12	Outflows related to loss of funding of debt products	–	–
13	Credit and liquidity facilities	559 317	54 025
14	*Other contractual funding obligations*	254 949	254 949
15	*Other contingent funding obligations*	–	–
16	*TOTAL CASH OUTFLOWS*		1 687 042
Cash inflows			
17	*Secured lending (eg reverse repo)*	1 772 366	54 955
18	*Inflows from fully performing exposures*	707 717	700 587
19	*Other cash inflows*	67 457	44 379
20	*TOTAL CASH INFLOWS*	2 547 540	799 921
		Total adjusted value	
21	*Total HQLA*		1 133 526
22	*Total net cash outflows*		887 121
23	*Liquidity coverage ratio (%)*		127,8%

31 May 2019

SPONSOR:
Sasfin Capital (a member of the Sasfin group)

INDEPENDENT SPONSOR:
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