

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 26 of this Circular apply *mutatis mutandis* throughout this Circular including this front cover (unless the context indicates otherwise).

Action required

- This Circular is important and should be read in its entirety. Shareholders are specifically referred to the section titled: “*Action required by Shareholders in respect of the Scheme*” commencing on page 6 of this Circular, and “*Action required by Shareholders in respect of the Standby Offer*” commencing on page 17 of this Circular, which set out the detailed actions required of them in respect of the matters dealt with in this Circular.
- If you are in any doubt as to what action you should take arising from this Circular, please consult your Broker, CSDP, banker, accountant, legal advisor or other professional advisor immediately.
- If you have disposed of all your Shares, please forward this Circular (together with the Notice of the Eligible Shareholder General Meeting, Notice of Combined General Meeting, Form of Proxy (*blue*) in respect of the Eligible Shareholder General Meeting, Form of Proxy (*green*) in respect of the Combined General Meeting, Form of Proxy (*orange*) in respect of the Combined General Meeting, the Form of Surrender and the Form of Acceptance) to the purchaser of such Shares or to the Broker, CSDP, banker, accountant, attorney or other agent through whom the disposal was effected.

Sasfin does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failures on the part of the CSDP or Broker or any registered holder of the securities of Sasfin to notify such Beneficial Owner of the details set out in this Circular.



SASFIN HOLDINGS LIMITED

Incorporated in the Republic of South Africa
(Registration number 1987/002097/06)
JSE share code: SFN ISIN: ZAE000006565
Preference share code: SFNP ISIN: ZAE000060273
(“**Sasfin**” or “the **Company**”)

CIRCULAR TO SHAREHOLDERS AND NOTICE OF MEETINGS

relating to:

Two separate but concurrent offers by Sasfin to acquire all, or alternatively a portion, of the Preference Shares in Sasfin by way of a repurchase of the Preference Shares to be implemented either by way of (i) a scheme of arrangement or (ii) a standby offer –

The Scheme

- a scheme of arrangement proposed by the Board between Sasfin and the Preference Shareholders, in terms of sections 114(1)(c) and 114(1)(e), read with section 115(2)(a), of the Companies Act, in terms of which, if the Scheme becomes operative, Sasfin will repurchase all the Scheme Shares (being 100% of the issued Preference Shares held by the Eligible Shareholders), through the Scheme, for a cash consideration of ZAR 75 per Scheme Share, being the Increased Scheme Consideration and which Scheme Shares will be delisted, cancelled (and returned to the authorised preference share capital) by Sasfin; and

The Standby Offer

- a general offer by Sasfin to the Preference Shareholders, subject to the Scheme not becoming operative, in terms of which Sasfin will offer to repurchase all (or a part) of the Preference Shares held by the Eligible Shareholders for a cash consideration of ZAR 68 per Preference Share, being the Standby Offer Consideration, and the subsequent delisting of only those Preference Shares that are cancelled from the Main Board of the JSE; and

The Repurchase

- the implementation of the Scheme or the Standby Offer (if the Scheme does not become unconditional and operative) by the Company will require approval in terms of paragraph 5.69 of the Listings Requirements and section 48(8)(b) (read with the requirements of sections 114 and 115) of the Companies Act, as the Company intends to repurchase all (or a part) of the issued Preference Shares either by way of the Scheme, or if the Scheme does not become unconditional and operative, by way of the Standby Offer;

and including:

- a notice convening the Eligible Shareholder General Meeting to be held entirely by way of electronic communication;
- a notice convening the Combined General Meeting to be held entirely by way of electronic communication;
- the Independent Expert's Report in respect of the Scheme and the Standby Offer;
- extracts of section 115 of the Companies Act dealing with the approval requirements for fundamental transactions and section 164 of the Companies Act dealing with Dissenting Shareholders' Appraisal Rights attached as Annexure B to this Circular and incorporated by reference to the Independent Expert's Report;
- a Form of Proxy (*blue*) in respect of the Eligible Shareholder General Meeting (for use by Certificated Eligible Shareholders and "own-name" Dematerialised Eligible Shareholders only);
- a Form of Proxy (*orange*) in respect of the Combined General Meeting (for use by Certificated Eligible Shareholders and "own name" Dematerialised Eligible Shareholders only);
- a Form of Proxy (*green*) in respect of the Combined General Meeting (for use by Certificated Ordinary Shareholders and "own-name" Dematerialised Ordinary Shareholders only);
- a Form of Surrender (*pink*) in respect of the Scheme (for use by Certificated Eligible Shareholders only); and
- a Form of Acceptance (*yellow*) in respect of the Standby Offer (for use by Certificated Eligible Shareholders only).

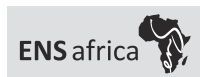
Corporate Advisor and
Transaction Sponsor



Independent Expert



Legal Advisor to Sasfin



Reporting Accountant and
Auditors



Independent Sponsor



Date of issue: Wednesday, 5 May 2021

*This Circular is available in English only. Copies of this Circular may be obtained during normal business hours (09h00 to 17h00) from the Registered Office of the Company and the Transfer Secretaries whose respective addresses are set out in the "Corporate Information and Advisors" section of this Circular from **Wednesday, 5 May 2021** until **Wednesday, 2 June 2021**, and on Sasfin's website (<https://www.sasfin.com/>) as from the date of distribution hereof until the date of the Eligible Shareholder General Meeting and the Combined General Meeting.*

IMPORTANT LEGAL NOTICES AND DISCLAIMERS

The definitions and interpretations commencing on page 26 of this Circular apply, *mutatis mutandis*, to this “Important Legal Notices and Disclaimers” section (unless the context indicates otherwise).

DISCLAIMERS

The release, publication or distribution of this Circular in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Circular is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws or other laws of any such jurisdiction. Sasfin, the Board, the Independent Board and the Advisors disclaim any responsibility or liability for the failure to become informed of or to observe or for any violation of such requirements by any person.

To the extent that the release, publication or distribution of this Circular in certain jurisdictions outside South Africa may be restricted or prohibited by the laws of such foreign jurisdiction, then this Circular is deemed to have been provided for information purposes only and neither Sasfin nor the Board (including the Independent Board), accept any responsibility for any failure by Shareholders to inform themselves about, and to observe, any applicable legal requirements in any relevant foreign jurisdiction.

This Circular does not constitute the solicitation of an offer to sell or an invitation to purchase or subscribe for any securities of Sasfin or a solicitation of any vote or approval in any jurisdiction in which such offer or solicitation would be unlawful.

Shareholders are advised to read this Circular with care. Any decision to approve the Scheme or accept the Standby Offer and/or vote in favour of the resolutions proposed at the Eligible Shareholder General Meeting and the Combined General Meeting should be made on the basis of the information in this Circular only.

Shareholders must rely upon their own representatives, including their own legal advisors, accountants and other professional advisors, and not those of Sasfin, as to legal, tax, investment or any other related matters concerning Sasfin.

APPLICABLE LAWS

The Scheme as well as the Standby Offer (and the associated Repurchase to implement the Scheme or the Standby Offer, as the case may be) is proposed solely in terms of this Circular, which includes the terms and conditions on which the Scheme is to be implemented and the terms and conditions on which the Standby Offer is to be implemented, if the Scheme does not become operative.

The Scheme as well as the Standby Offer (and the associated Repurchase to implement the Scheme or the Standby Offer, as the case may be) relates to the securities of a South African company and is governed by, and must be construed in accordance with the laws of South Africa, including but not limited to, the Companies Act, the Takeover Regulations and the Exchange Control Regulations. Accordingly, both the Scheme and the Standby Offer are subject to South African procedural and disclosure requirements. It is proposed that (i) the Scheme be implemented as a scheme of arrangement provided for under South African company law and (ii) the Standby Offer be implemented by way of a repurchase offer provided for under South African company law in respect of those Eligible Shareholders who accept the offer.

This Circular has been prepared in accordance with applicable laws and regulations of South Africa, including the Companies Act, the Takeover Regulations and the Listings Requirements. The information disclosed in this Circular may not be the same as that which would have been disclosed had this Circular been prepared in accordance with the laws and regulations of any jurisdictions outside South Africa.

NON-RESIDENT SHAREHOLDERS

The Scheme as well as the Standby Offer (and the associated Repurchase to implement the Scheme or the Standby Offer, as the case may be), may be affected by the laws of the relevant jurisdictions of Non-resident Shareholders. As such, Non-resident Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any Non-resident Shareholder to satisfy themselves as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the Scheme and the Standby Offer (and the associated Repurchase to implement the Scheme

or the Standby Offer, as the case may be), including obtaining any governmental, exchange control or other consents or making any filings which may be required, complying with other necessary formalities, paying any transfer or other taxes or other requisite payments due in such jurisdiction.

Any Non-resident Shareholder will be responsible for any transfer or other taxes or other requisite payments by whomsoever payable. **Sasfin and any other person acting on its behalf shall be fully indemnified and held harmless by Non-resident Shareholders for any such transfer or other taxes as such person may be required to pay.**

If you are a Non-resident Shareholder, you are urged to read the important information relating to Non-resident Shareholders contained in paragraph 8.3 (*Non-resident Shareholders and Exchange Control Regulations*) in this Circular and more fully detailed in **Annexure A** attached to this Circular. If you are in doubt as to your position in connection with the matters set out in this Circular, you should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information provided in this Circular is provided as at the Last Practicable Date.

CORPORATE INFORMATION AND ADVISORS

Company Secretary and Registered Office

Charissa De Jager
(admitted as an attorney of the High Court of South Africa)
Sasfin Holdings Limited
(Registration number 1987/002097/06)
29 Scott Street
Waverley, 2090
(PO Box 95104, Grant Park, 2051)

Corporate Advisor and Transaction Sponsor

Sasfin Capital Proprietary Limited
(Registration number 1997/013153/07)
29 Scott Street
Waverley, 2090
(PO Box 95104, Grant Park, 2051)

Reporting Accountant and Auditors

PricewaterhouseCoopers
(Registration number: 1998/012055/21)
4 Lisbon Lane
Waterfall City
Jukskei View, 2090
(Private Bag X36, Sunninghill, 2157)

Independent Sponsor

Deloitte & Touche Sponsor Services
Proprietary Limited
(Registration number 1996/000034/07)
Deloitte Place
5 Magwa Crescent
Waterfall City, 2090
(Private Bag X6, Gallo Manor, 2052)

Date of incorporation of Sasfin

15 May 1987

Place of incorporation of Sasfin

South Africa

Website

www.sasfin.com

Legal Advisor to Sasfin

Edward Nathan Sonnenbergs Incorporated
(Registration number 2006/018200/21)
Tower 1/The Marc
129 Rivonia Road
Sandown
Sandton, 2031
(PO Box 783347, Sandton, 2146)

Independent Expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
22 Wellington Road
Parktown, 2193
(PO Box 1574, Houghton, 2041)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

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ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE SCHEME

The definitions and interpretations commencing on page 26 of this Circular apply, *mutatis mutandis*, to this “Action required by Shareholders in respect of the Scheme” section (unless the context indicates otherwise).

Please take careful note of the following provisions regarding the actions required of Shareholders in respect of the Scheme.

1. If you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, accountant, legal advisor or other professional advisor immediately.
2. If you have disposed of all your Shares, then this Circular (together with the Notice of Eligible Shareholder General Meeting, Notice of the Combined General Meeting, Forms of Proxy, Form of Surrender and Form of Acceptance) should be forwarded to the purchaser of such Shares or to the CSDP, Broker or other agent through whom such disposal was effected.
3. This Circular contains information relating to the Scheme (and the associated Repurchase) and related matters and the special and ordinary resolutions required to be approved by Shareholders at two separate Meetings in connection with approving the Scheme (and the associated Repurchase).
4. As an Eligible Shareholder, you should carefully read through this Circular in its entirety and decide how you wish to vote on the special and ordinary resolutions (as set out in the Notice of Eligible Shareholder General Meeting attached hereto as **Annexure H** and commencing on page 150) to be proposed at the Eligible Shareholder General Meeting.
5. As a Shareholder, you should carefully read through this Circular in its entirety and decide how you wish to vote on the special and ordinary resolutions (as set out in the Notice of Combined General Meeting attached hereto as **Annexure I** and commencing on page 156) to be proposed at the Combined General Meeting.
6. **Sasfin does not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker or any registered holder of the securities of Sasfin to notify any Beneficial Owner of the Eligible Shareholder General Meeting, the Combined General Meeting or any other matter set out in this Circular.**

7. NOTICE OF MEETINGS

7.1 Eligible Shareholder General Meeting

- 7.1.1 Eligible Shareholders are invited to participate in the Eligible Shareholder General Meeting to be held entirely by way of electronic communication at **10h00 on Wednesday, 2 June 2021** (or any other adjourned or postponed date and time in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements), convened in terms of the Notice of Eligible Shareholder General Meeting attached hereto as **Annexure H**, incorporated in this Circular, for purposes of considering and, if deemed fit, passing, with or without modification, the Scheme Resolution.

7.1.2 Condition to the Scheme Resolution being proposed at the Eligible Shareholder General Meeting:

It is a condition of the Scheme Resolution that if, before it is to be voted on at the Eligible Shareholder General Meeting, the Company receives any written notice from any Relevant Shareholder in terms of section 164(3) of the Companies Act objecting to the Scheme Resolution and such condition has not been waived by Sasfin, in its sole discretion, then the chairperson of the Eligible Shareholder General Meeting **shall** close the Eligible Shareholder General Meeting without putting the Scheme Resolution to the vote.

7.2 Combined General Meeting

7.2.1 Shareholders are invited to participate in the Combined General Meeting, to be held entirely way of electronic communication at the later of **10h30** or at the conclusion of the Eligible Shareholder General Meeting on **Wednesday, 2 June 2021** (or any other adjourned or postponed date and time in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements), convened in terms of the Notice of Combined General Meeting attached hereto as **Annexure I**, incorporated in this Circular, for purposes of considering and, if deemed fit, passing, with or without modification, the Repurchase Resolutions.

7.2.2 Conditions to the Repurchase Resolutions being proposed at the Combined General Meeting:

It is a condition to the Repurchase Resolutions that if, before they are to be voted on at the Combined General Meeting, the Company receives any written notice from any Relevant Shareholder exercising its Appraisal Rights (and who exercises such rights validly), in terms of section 164(3) of the Companies Act objecting to the Companies Act Repurchase Resolution and such condition has not been waived by Sasfin, in its sole discretion, then the chairperson of the Combined General Meeting **shall** close the Combined General Meeting without putting either of the Repurchase Resolutions to the vote.

8. VOTING AND PARTICIPATION AT THE MEETINGS

8.1 Eligible Shareholder General Meeting

8.1.1 Dematerialised Eligible Shareholder without "own-name" registration

If you **have** Dematerialised your Preference Shares **without** "own-name" registration, then the following actions are relevant to you in connection with the Eligible Shareholder General Meeting:

8.1.1.1 Voting instructions in respect of the Eligible Shareholder General Meeting

- Your CSDP or Broker should contact you to ascertain how you wish to cast your vote (or abstain from casting your vote) at the Eligible Shareholder General Meeting and thereafter cast your vote (or abstain from casting your vote) in accordance with your instructions.
- If you have not been contacted by your CSDP or Broker, it would be advisable for you to contact your CSDP or Broker and furnish them with your voting instructions.
- You **must** furnish your voting instructions to your CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.
- If your CSDP or Broker **does not** obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your CSDP or Broker.
- You must **not** complete the attached Form of Proxy (*blue*).

8.1.1.2 Participation and representation at the Eligible Shareholder General Meeting:

In accordance with the mandate between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to participate in the Eligible Shareholder General Meeting in person, or if you wish a proxy to represent you at the Eligible Shareholder General Meeting. Your CSDP or Broker will issue the necessary letter of representation to you or your proxy to participate in the Eligible Shareholder General Meeting.

The Board (including the Independent Board) and Sasfin do not accept responsibility, and will not be held liable, under any applicable law or regulation, for any action of, or omission by, the CSDP or Broker of a Dematerialised Eligible Shareholder, including, without limitation, any failure on the part of the CSDP or Broker of any Beneficial Owner to notify

such Beneficial Owner of the Eligible Shareholder General Meeting or of the matters set out in this Circular.

8.1.1.3 Dematerialised Eligible Shareholders without “own-name” registration are strongly encouraged to ensure the timely receipt by the Transfer Secretaries of the aforementioned letter of representation. Due to the exigencies of the necessary verification exercise that must be completed to ensure that all attendees are lawful participants, it may not be possible to promptly verify a Dematerialised Eligible Shareholder without “own-name” registration once the Eligible Shareholder General Meeting has commenced.

8.1.2 *Dematerialised Eligible Shareholders with “own-name” registration **or** if you hold Certificated Preference Shares*

If you **have** Dematerialised your Preference Shares **with** “own-name” registration **or** if you hold **Certificated Preference Shares**, then the following actions are relevant to you in connection with the Eligible Shareholder General Meeting:

- You may participate and vote at the Eligible Shareholder General Meeting (or be represented by proxy in compliance with section 58 of the Companies Act) or abstain from voting.
- If you do not wish to or are unable to participate in the Eligible Shareholder General Meeting but wish to be represented thereat, you may appoint a proxy to participate and vote in your stead. A proxy need not be a Shareholder and shall be entitled to vote on a poll. If you wish to appoint a proxy you **must complete** the attached Form of Proxy (*blue*) in accordance with the instructions contained therein to be delivered to and received by the Transfer Secretaries by no later than **10h00 on Monday, 31 May 2021** as follows:
 - Hand delivery to: Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa.
 - By post to: Computershare Investor Services Proprietary Limited, Private Bag X9000, Saxonwold, 2132.
 - Electronically to: proxy@computershare.co.za
- If you do not lodge your Form of Proxy (*blue*) to reach the Transfer Secretaries by the relevant time, you will nevertheless be entitled to email the Form of Proxy (*blue*) to the Transfer Secretaries (who will provide same to the chairman of the Eligible Shareholder General Meeting) at any time prior to the commencement of the Eligible Shareholder General Meeting, provided that such Form of Proxy (*blue*) and the identification must be verified and registered before the commencement of the Eligible Shareholder General Meeting.

8.2 Combined General Meeting

8.2.1 *Dematerialised Shareholders without “own-name” registration*

If you **have** Dematerialised your Shares **without** “own-name” registration, then the following actions are relevant to you in connection with the Combined General Meeting:

8.2.1.1 *Voting instructions in respect of the Combined General Meeting*

- Your CSDP or Broker should contact you to ascertain how you wish to cast your vote (or abstain from casting your vote) at the Combined General Meeting and thereafter cast your vote (or abstain from casting your vote) in accordance with your instructions.
- If you have not been contacted by your CSDP or Broker, it would be advisable for you to contact your CSDP or Broker and furnish them with your voting instructions.
- You **must** furnish your voting instructions to your CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature.
- If your CSDP or Broker **does not** obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your CSDP or Broker.

- You must **not** complete the attached Form of Proxy (*green*) or the attached Form of Proxy (*orange*).

8.2.1.2 *Participation and representation at the Combined General Meeting:*

In accordance with the mandate between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to participate in the Combined General Meeting in person, or if you wish to send a proxy to represent you at the Combined General Meeting. Your CSDP or Broker will issue the necessary letter of representation to you or your proxy to participate in the Combined General Meeting.

The Board (including the Independent Board) and Sasfin do not accept responsibility, and will not be held liable, under any applicable law or regulation, for any action of, or omission by, the CSDP or Broker of a Dematerialised Shareholder, including, without limitation, any failure on the part of the CSDP or Broker of any Beneficial Owner to notify such Beneficial Owner of the Combined General Meeting or of the matters set out in this Circular.

- #### 8.2.1.3
- Dematerialised Shareholders without “*own-name*” registration are strongly encouraged to ensure the timely receipt by the Transfer Secretaries of the aforementioned letter of representation. Due to the exigencies of the necessary verification exercise that must be completed to ensure that all attendees are lawful participants, it may not be possible to promptly verify a Dematerialised Shareholder without “*own-name*” registration once the Combined General Meeting has commenced.

8.2.2 *Dematerialised Shareholders with “own-name” registration **or** if you hold Certificated Shares*

If you **have** Dematerialised your Shares **with** “*own-name*” registration **or** if you hold **Certificated Shares**, then the following actions are relevant to you in connection with the Combined General Meeting:

- You may participate and vote at the Combined General Meeting (or be represented by proxy in compliance with section 58 of the Companies Act) or abstain from voting.
- If you do not wish to or are unable to participate in the Combined General Meeting but wish to be represented thereat, you may appoint a proxy to participate and vote in your stead. A proxy need not be a Shareholder and shall be entitled to vote on a poll. If you wish to appoint a proxy, if (i) you are an Ordinary Shareholder you **must complete** the attached Form of Proxy (*green*) or (ii) if you are a Preference Shareholder you **must complete** the attached Form of Proxy (*orange*), in accordance with the instructions contained therein to be delivered to and received by the Transfer Secretaries by no later than **10h30 on Monday, 31 May 2021** as follows:
 - Hand delivery to: Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa.
 - By post to: Computershare Investor Services Proprietary Limited, Private Bag X9000, Saxonwold, 2132.
 - Electronically to: at proxy@computershare.co.za
- If you do not lodge your Form of Proxy (*green*) or your Form of Proxy (*orange*) to reach the Transfer Secretaries by the relevant time, you will nevertheless be entitled to email the Form of Proxy (*green*) or the Form of Proxy (*orange*) to the Transfer Secretaries (who will provide same to the chairman of the Combined General Meeting) at any time prior to the commencement of the Combined General Meeting, provided that such Form of Proxy (*green*) or such Form of Proxy (*orange*) and the identification must be verified and registered before the commencement of the Combined General Meeting.

8.3 **Identification of Shareholders and proxies**

In terms of section 63(1) of the Companies Act, before any person may participate in the Meetings, that person must present reasonably satisfactory identification and the person presiding at the relevant Meeting must be reasonably satisfied that the right of the person to participate and vote at the relevant Meeting, either as a Shareholder, or as a proxy for a Shareholder, has been reasonably verified. Acceptable forms of identification include a valid green bar-coded or smart card

identification document issued by the South African Department of Home Affairs, a South African driver's licence or a valid passport. Please refer to paragraph 8.4.8 below for details of how your identity will be verified in respect of the electronic meeting.

8.4 Electronic participation

8.4.1 In light of the restrictions on public gatherings pursuant to the regulations issued in terms of section 27(2) of the Disaster Management Act, No. 57 of 2002 arising from the COVID-19 pandemic, the Meetings will be conducted entirely through electronic communication. Sasfin is permitted in terms of the Companies Act and its MOI to hold a shareholders' meeting entirely by electronic communication. The decision has been taken by the Board that it is appropriate to hold the Meetings entirely by electronic communication in accordance with the provisions of clause 23.8 of the MOI read with section 63(2) of the Companies Act.

8.4.2 The electronic meeting facilities will permit all Shareholders to be able to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the meeting. Voting via the electronic facility will be the only method available to Shareholders to vote their Shares at the Meetings. The electronic meeting facility which has been elected by Sasfin for purposes of the Meetings is Lumi AGM, an electronic facility which may be accessed by using either a smartphone, tablet or computer.

8.4.3 Registration

8.4.3.1 Should you wish to participate in the Meetings you will be required to pre-register your personal details to enable you to participate in the Meetings by taking the following action:

8.4.3.1.1 register online at **www.smartagm.co.za** by no later than **09h00 on Wednesday, 2 June 2021**. You may still register online to participate in and/or vote electronically at the Meetings after this date and time, provided, however, that for you to participate and/or vote electronically at the Meetings, you must be verified and registered before the commencement of each of the Meetings respectively. Please note that you will be required to upload the documents listed in paragraph 8.4.3.1.2 below in order to register and be verified for the Meetings; and

8.4.3.1.2 upload onto www.smartagm.co.za proof of identification (e.g. valid South African identity document, South African driver's license or passport), and provide the following details: your (i) name, (ii) surname, (iii) email address and (iv) contact number.

8.4.3.2 If you have Dematerialised your Shares without "own-name" registration then you must in addition to the actions listed above, request your CSDP or Broker to provide you or your proxy with the necessary authority (i.e. letter of representation) in terms of the Custody Agreement entered into between you and your CSDP or Broker and upload same along with proof of your identification.

8.4.3.3 Following successful registration, the Transfer Secretaries will provide you, via email, with a meeting ID number, username and password in order to connect electronically to the Meetings. If you do not receive such verification email with the aforementioned information please contact proxy@computershare.co.za for assistance.

8.4.4 Participation

Following successful completion of the registration process contemplated above, you will be required to connect to the relevant Meeting by using the link below and following the relevant prompts:

<https://web.lumiagm.com>

8.4.5 Access and Navigation

8.4.5.1 Visit **<https://web.lumiagm.com>** on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

- 8.4.5.2 Once you have entered <https://web.lumiagm.com> into your web browser, you will be prompted to enter the Meeting ID, which shall have been emailed to you (or your representative or proxy) following completion of the registration process contemplated above.
- 8.4.5.3 Once you have successfully entered the Meeting ID, you will then be required to enter your username and password, both of which shall have been emailed to you following completion of the registration process contemplated above.
- 8.4.5.4 When you are successfully authenticated, the info screen will be displayed. You can view company information, ask questions and watch the webcast.
- 8.4.5.5 If you would like to watch the webcast press the broadcast icon at the bottom of the screen.
- 8.4.5.6 If viewing on a computer, the webcast will appear at the side automatically once the meeting has started.
- 8.4.6 *Voting*
 - 8.4.6.1 Shareholders connecting to the Meetings will be able to participate and vote in the Meetings.
 - 8.4.6.2 In terms of clause 23.30 of the MOI, voting at the Eligible Shareholder General Meeting and the Combined General Meeting is by way of a show of hands, unless certain categories of people demand a poll, one of whom is the chairman. As it will not be possible for votes to be taken by a show of hands, the chairman will demand a poll on the Scheme Resolution, the Repurchase Resolutions and any other resolutions to be proposed at the Eligible Shareholder General Meeting and the Combined General Meeting, respectively.
 - 8.4.6.3 The chairman will open voting on the resolutions at the start of each Meeting. Once the voting has opened, the polling icon  will appear on the navigation bar at the bottom of the screen. From here, the resolutions and voting choices will be displayed.
 - 8.4.6.4 To vote, simply select the requisite voting direction from the options shown on screen. A confirmation message will appear to show that the vote has been received. The confirmation of the vote being received shall be depicted as follows:
For – Vote received.
 - 8.4.6.5 To change the vote, simply select another direction. If you wish to cancel the vote, press “Cancel”.
 - 8.4.6.6 Once the chairman has opened voting, voting can be performed at any time during the relevant Meeting until the chairman closes the voting on the resolution in question. At that point your last choice will be submitted.
 - 8.4.6.7 You will still be able to send messages and view the webcast whilst the poll is open.
 - 8.4.6.8 Shareholders who participate via the electronic platform or by proxy at the –
 - 8.4.6.8.1 Eligible Shareholder General Meeting shall have 1 vote for every Preference Share held or represented; and
 - 8.4.6.8.2 Combined General Meeting –
 - 8.4.6.8.2.1 an Ordinary Shareholder shall have 1 vote for every Ordinary Share held or represented; and
 - 8.4.6.8.2.2 a Preference Shareholder shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the Preference Shares held by him/her bears to the aggregate amount of the nominal value of all Shares issued by the Company (in accordance with the provisions of clause 46.2.10 of the MOI).

8.4.6.9 **Although voting will be permitted by way of electronic communication, you are strongly encouraged to submit your votes by proxy before the Meetings.**

8.4.7 *Assistance*

If you experience any difficulty with (i) the registration process contemplated above or (ii) logging into either of the Meetings (by **09h00 on Wednesday, 2 June 2021**) you should request an agent of the Transfer Secretaries to assist you with such difficulty by emailing the following email address: proxy@computershare.co.za.

8.4.8 *Electronic Notice and Identification*

8.4.8.1 **IMPORTANT NOTE:** As required in terms of section 63(1) of the Companies Act, before any person may participate in the Meetings, that person must present reasonably satisfactory identification, and the presiding person at the meeting must be reasonably satisfied, that the right of that person to participate and vote, either as a Shareholder or as a proxy for a Shareholder, has been reasonably verified. So as to comply with this verification procedure set out in section 63(1) of the Companies Act, if you wish to participate electronically in the Meetings and you have not registered at www.smartagm.co.za, you are strongly encouraged to email a written notice to the Transfer Secretaries at proxy@computershare.co.za by no later than **10h00 on Monday, 31 May 2021** confirming that you wish to participate via electronic communication at the Eligible Shareholder General Meeting and/or the Combined General Meeting, as applicable, (the “**Electronic Notice**”). The Electronic Notice must contain a valid email address for the person wishing to participate and must be accompanied by:

8.4.8.1.1 if you are an individual, a copy of your original South African identity document and/or passport and/or South Africa driver's licence;

8.4.8.1.2 if you are not an individual, a copy of a resolution by the relevant entity and a certified copy of the South African identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the Eligible Shareholder General Meeting and/or the Combined General Meeting, as applicable, via electronic communication; and

8.4.8.1.3 in all cases, a valid email address and/or mobile telephone number (the contact email address/number).

This is necessary in order to obtain a username and a unique nine-digit meeting identity code, without which it will not be possible to participate in the Meetings. Sufficient time is needed for the Transfer Secretaries to verify the participant and then assign a username and a unique nine-digit meeting identity code which reflects the number of Ordinary Shares and/or Preference Shares in respect of which voting is permitted. If the number of Ordinary Shares or Preference Shares reflected is nil, you will be permitted to participate in the Meetings and view the proceedings as a guest but will not be permitted to ask questions, make comments or vote.

8.4.8.2 If you do not send an Electronic Notice recording your intention to participate in the Eligible Shareholder General Meeting and/or the Combined General Meeting, as applicable, to the Transfer Secretaries by **10h00 on Monday, 31 May 2021**, you may still participate via electronic communication at the Eligible Shareholder General Meeting and/or the Combined General Meeting, as applicable, and may email the Electronic Notice to the Transfer Secretaries at any time prior to the commencement of the Eligible Shareholder General Meeting or the Combined General Meeting. **However, for the purpose of effective administration, you (and your proxies and representatives wishing to participate in either the Eligible Shareholder General Meeting or Combined General Meeting) are strongly encouraged to send the Electronic Notice by 10h00 on Monday, 31 May 2021.**

- 8.4.9 Sasfin will make the webcast facilities available via Lumi AGM for the duration of the Meetings at no cost to you. However, any third-party costs relating to the use or access of the webcast facilities will be for your own account.
- 8.4.10 You will be liable for your own network charges in relation to electronic participation in and/or voting at the Meetings. Any such charges will not be for the account of the JSE, Sasfin and/or the Transfer Secretaries.
- 8.4.11 Neither the JSE, Sasfin nor the Transfer Secretaries will be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents you from participating in and/or voting at the Meetings.

The provisions of this paragraph 8.4, in particular the procedures and action to be taken in order to participate electronically in the Meetings, apply equally to your representative and or proxy (if any).

9. ACTIONS REQUIRED OF ELIGIBLE SHAREHOLDERS RELATING TO THE OPERATION OF THE SCHEME

9.1 Dematerialised Eligible Shareholders with or without “own-name” registration

You do **not** have to surrender any Documents of Title. The transfer of your Scheme Shares and Increased Scheme Consideration will be handled by your CSDP or Broker. Consequently, you must **not** complete the attached Form of Surrender (*pink*) in respect of the Scheme.

If the Scheme becomes unconditional and operative, you will have your account held at your CSDP or Broker credited with the Increased Scheme Consideration and debited with the Preference Shares you are transferring to Sasfin on the Scheme Operative Date, or, if applicable, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 7.4 (below) of this Circular, you will have your account held at your CSDP or Broker credited with the Increased Scheme Consideration and debited with the Preference Shares you are transferring to Sasfin on the date set out in paragraph 7.4.2 (below) of this Circular.

9.2 Certificated Eligible Shareholders

If you are a Certificated Eligible Shareholder, then you should **pay special attention** to the provisions of this paragraph 9.2 and paragraph 5.7 (*Surrender of Documents of Title*) of this Circular, since to receive the Increased Scheme Consideration to which you are entitled if the Scheme becomes unconditional and operative, you will be required to have surrendered your Preference Shares (by way of delivery of your Documents of Title and completed Form of Surrender (*pink*) in respect of the Scheme). If you are in any doubt as to what action you should take, please consult a Broker, CSDP, banker, attorney or other professional advisor.

- 9.2.1 If the Scheme becomes unconditional and operative, you will have to surrender your Documents of Title in exchange for the Increased Scheme Consideration, irrespective of whether you voted in favour of the Scheme or not in terms of sections 114(1)(c) and 114(1)(e) of the Companies Act.
- 9.2.2 If you wish to expedite receipt of the Increased Scheme Consideration, you should surrender your Preference Shares prior to the Scheme becoming unconditional and operative by duly completing the attached Form of Surrender (*pink*) in respect of the Scheme and lodging it, together with your Documents of Title, in accordance with the instructions contained therein, with the Transfer Secretaries to be received by the Transfer Secretaries by not later than **12h00 on the Scheme Record Date (expected to be Friday, 2 July 2021)**.
- 9.2.3 If the Scheme becomes unconditional and operative and you **have** surrendered your Documents of Title and duly completed Form of Surrender (*pink*) in respect of the Scheme to the Transfer Secretaries **by 12h00 on the Scheme Record Date (expected to be Friday, 2 July 2021)**, the Increased Scheme Consideration will be paid to you on the Scheme Operative Date, by way of an EFT, into the South African bank account nominated by you in **Part C** of the Form of Surrender (*pink*) in respect of the Scheme.

- 9.2.4 If the Scheme becomes operative and you **have not** surrendered your Documents of Title and duly completed Form of Surrender (*pink*) in respect of the Scheme **by 12h00 on the Scheme Record Date (expected to be Friday, 2 July 2021)**, the Transfer Secretaries will only pay you the Increased Scheme Consideration by way of an EFT within 5 Business Days of receipt of your Documents of Title and duly completed Form of Surrender (*pink*) in respect of the Scheme (including your South African bank account details in **Part C**), provided that should you:
- 9.2.4.1 be a Dissenting Shareholder who subsequently becomes a Scheme Participant as envisaged in paragraph 7.4 (below) of this Circular, you will still need to submit your Documents of Title, together with a duly completed Form of Surrender (*pink*) in respect of the Scheme, to the Transfer Secretaries and payment of the Increased Scheme Consideration will be paid to you by way of EFT on the date set out in paragraph 7.4.2 (below) of this Circular; and
 - 9.2.4.2 fail to submit your Documents of Title and duly completed Form of Surrender (*pink*) in respect of the Scheme to the Transfer Secretaries or in respect of a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 7.4 (below) of this Circular and which Scheme Participant subsequently fails to submit his/her/its Documents of Title and duly completed Form of Surrender (*pink*) in respect of the Scheme to the Transfer Secretaries, then the Increased Scheme Consideration payable to such Scheme Participant will be held in trust by Sasfin (or any third party nominated by it for this purpose) for the benefit of the Scheme Participant concerned for a maximum period of 3 years, after which period such funds shall be made over to the Guardian's Fund of the High Court. For the avoidance of doubt, no interest will accrue on any such funds held by Sasfin (or its nominee).
- 9.2.5 If you wish to surrender your Documents of Title in anticipation of the Scheme becoming unconditional and operative:
- 9.2.5.1 you should complete the Form of Surrender (*pink*) in respect of the Scheme in accordance with its instructions and return it, together with your Documents of Title, to the Transfer Secretaries, as follows:
 - Hand delivery to: Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, South Africa; or
 - By post to: Computershare Investor Services Proprietary Limited, PO Box 61763, Marshalltown, 2107,so as to be received **by no later than 12h00 on the Scheme Record Date (expected to be Friday, 2 July 2021)**;
 - 9.2.5.2 it should be noted that you will not be permitted to deliver your Documents of Title to the Transfer Secretaries electronically as the original Documents of Title are required; and
 - 9.2.5.3 it should be noted that you will not be able to Dematerialise or deal in your Preference Shares between the date of surrender of your Documents of Title and the Scheme Operative Date or, if the Scheme does not become unconditional and operative, the date on which your Documents of Title are returned to you pursuant to paragraph 9.2.6 (below).
- 9.2.6 Documents of Title surrendered prior to **12h00** on the Scheme Record Date, in anticipation of the Scheme becoming unconditional and operative, will be held in trust by the Transfer Secretaries, at the risk of the Certificated Eligible Shareholder, pending the Scheme becoming unconditional and operative (or should the Scheme Participant also have completed the Form of Acceptance in respect of some or all of its Preference Shares pending the Standby Offer becoming effective and surrendered corresponding Documents of Title, these Documents of Title will be held in trust by the Transfer Secretaries, at the risk of the Certificated Eligible Shareholder, pending the Standby Offer becoming unconditional and operative). Should the Scheme not become unconditional and operative and the Standby Offer not become effective or should the Certificated Eligible Shareholder not have

completed a Form of Acceptance in respect of the Standby Offer, any Documents of Title surrendered and held by the Transfer Secretaries will be returned to the Certificated Eligible Shareholder concerned by registered post in South Africa at the risk of the Certificated Eligible Shareholder within 5 Business Days from (i) the date of receipt of the Documents of Title; or (ii) the date on which it becomes known that the Scheme will not become operative; or (iii) if the Certificated Eligible Shareholder has completed a Form of Acceptance, the date on which it becomes known that the Standby Offer will not become effective, whichever is later.

- 9.2.7 **If you wish to Dematerialise your Preference Shares, please contact a CSDP or Broker. Please note that** you are **not** required to dematerialise your Preference Shares to participate in the Scheme or to receive the Increased Scheme Consideration.

10. VALIDITY OF FORM OF SURRENDER (*PINK*) IN RESPECT OF THE SCHEME

In respect of Certificated Eligible Shareholders, Sasfin reserves the right in its sole and absolute discretion to:

- 10.1 treat as invalid a Form of Surrender (*pink*) in respect of the Scheme not accompanied by (i) valid Documents of Title and/or (ii) proof of the authority of the person signing the Form of Surrender (*pink*) in respect of the Scheme where such proof has not yet been lodged with, or recorded by, the Transfer Secretaries; and/or
- 10.2 treat as invalid a Form of Surrender (*pink*) in respect of the Scheme which (i) has not been fully completed and/or (ii) has been incorrectly completed.

11. CERTIFICATED TRANSFER

Where Documents of Title have been surrendered, no receipts will be issued to Certificated Eligible Shareholders for the Form of Surrender (*pink*) in respect of the Scheme and the Documents of Title lodged with the Transfer Secretaries, unless specifically requested by such Certificated Eligible Shareholders in writing. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them to the Transfer Secretaries for stamping together with the Documents of Title lodged.

12. LOST OR DESTROYED DOCUMENTS OF TITLE IN RESPECT OF CERTIFICATED ELIGIBLE SHAREHOLDERS

If Documents of Title have been lost or destroyed, Certificated Eligible Shareholders should nevertheless (i) return the Form of Surrender (*pink*) in respect of the Scheme, duly signed and completed and (ii) inform the Transfer Secretaries that its Documents of Title have been lost or destroyed. The Transfer Secretaries shall issue a suitable indemnity form to such Certificated Eligible Shareholder, such indemnity form to be in a form and substance acceptable to Sasfin (in its sole and absolute discretion) and Sasfin and the Transfer Secretaries must be satisfied that the Documents of Title have been lost or destroyed. Only upon receipt by the Transfer Secretaries of such indemnity form duly completed and signed by such Certificated Eligible Shareholder to be received by no later than **12h00** on the Scheme Record Date shall Sasfin consider the action taken by such Certificated Eligible Shareholder in terms of the Scheme.

13. GENERAL

13.1 Shareholder approval of the Scheme

- 13.1.1 The Scheme must be approved by a special resolution, in accordance with sections 114(1)(c) and 114(1)(e), as read with section 115(2)(a), of the Companies Act, at the Eligible Shareholder General Meeting, at which meeting for quorum purposes at least 3 Eligible Shareholders must be present (in person or by proxy), and such Eligible Shareholders present must be entitled to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised at the Eligible Shareholder General Meeting.
- 13.1.2 In addition, if the Scheme is approved at the Eligible Shareholders General Meeting and becomes unconditional, it will be implemented by way of a repurchase of more than 5% of the issued Preference Shares and accordingly the associated Repurchase must be approved by special resolutions, in accordance with section 48(8)(b) of the Companies Act, paragraph 5.69 of the Listings Requirements and the MOI, at the Combined General

Meeting, at which meeting for quorum purposes at least 3 Shareholders must be present (in person or by proxy), and such Shareholders present must be entitled to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised at the Combined General Meeting.

13.2 Conditions applicable to the relevant special resolutions being proposed at the Meetings

Shareholders are advised to note the conditions to which the special resolution/s being put to the vote at the relevant Meeting is subject, as more fully described in paragraphs 7.1.2 and 7.2.2 above and restated in the Notices.

13.3 Potential court approval

13.3.1 Shareholders are advised that, in accordance with section 115(3) of the Companies Act, Sasfin may in certain circumstances not proceed to implement the Scheme without the approval of the court, despite the fact that the Scheme Resolution and/or the Repurchase Resolutions will have been duly adopted at the Meetings.

13.3.2 In this regard, a copy of section 115 of the Companies Act which details the circumstances under which court approval may be required for implementation of the Scheme, is set out in **Annexure B** to this Circular.

13.4 Non-resident Shareholders

If you are a Non-resident Shareholder, you are urged to read the important information for Non-resident Shareholders relating to the Scheme in the section titled: "*Important Information, Disclaimers – Non-resident Shareholders*" commencing on page 4 of this Circular, and the important information contained in paragraph 8.3 (*Non-resident Shareholders and Exchange Control Regulations*) in this Circular and more fully detailed in **Annexure A** attached to this Circular.

13.5 TRP Approval

13.5.1 Shareholders are advised that the Scheme constitutes an "*affected transaction*" as defined in section 117(1)(c)(iii) of the Companies Act, and as such, the Scheme is regulated by the Companies Act and the Takeover Regulations and therefore requires the approval of the TRP.

13.5.2 **Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of "*affected transactions*" when it approves such transactions.**

13.6 Settlement of the Increased Scheme Consideration

13.6.1 If the Scheme becomes unconditional and operative Scheme Participants will be entitled to receive the Increased Scheme Consideration in respect of their Preference Shares which will be transferred to the Company.

13.6.2 Please refer to paragraph 5.4 of this Circular for further information regarding the settlement of the Increased Scheme Consideration in respect of the Scheme.

13.7 Other

13.7.1 Forms of Surrender (*pink*) in respect of the Scheme and Documents of Title that are sent through the post are sent at the risk of the Eligible Shareholder concerned. Accordingly, Eligible Shareholders should take note of postal delivery times so as to ensure that the forms and relevant Documents of Title are received timeously. **It is therefore recommended that such forms and Documents of Title rather be sent by registered post or delivered by hand to the Transfer Secretaries.**

13.7.2 The contents of this Circular do not purport to constitute legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Scheme for each Preference Shareholder. Preference Shareholders are accordingly advised to consult their professional advisors about their personal legal, regulatory and tax positions regarding the Scheme and, in particular, the Increased Scheme Consideration.

ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE STANDBY OFFER

The definitions and interpretations commencing on page 26 of this Circular apply, *mutatis mutandis*, to this “Action required by Shareholders in respect of the Standby Offer” section (unless the context indicates otherwise).

Please take careful note of the following provisions regarding the actions required of Shareholders in respect of the Standby Offer.

1. If you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, accountant, legal advisor or other professional advisor immediately.
2. If you have disposed of all your Shares, then this Circular (together with the Notice of Eligible Shareholder General Meeting, Notice of the Combined General Meeting, Forms of Proxy, the Form of Surrender and Form of Acceptance) should be forwarded to the purchaser of such Shares or to the CSDP, Broker or other agent through whom such disposal was effected.
3. The Standby Offer is a separate offer that will run concurrently with the Scheme, however, implementation of the Standby Offer will be conditional on, *inter alia*, (i) the Scheme not becoming unconditional and operative and (ii) the Repurchase Resolutions being adopted with the requisite majority at the Combined General Meeting.
4. This Circular contains information relating to the Standby Offer (and the associated Repurchase) and associated matters and the special and ordinary resolutions required to be approved by Shareholders at the Combined General Meeting in connection with approving the Standby Offer.
5. As a Shareholder, you should carefully read through this Circular in its entirety and decide how you wish to vote on the special and ordinary resolutions (as set out in the Notice of Combined General Meeting attached thereto as **Annexure I** and commencing on page 156) to be proposed at the Combined General Meeting.
6. Eligible Shareholders, should carefully read through this Circular in its entirety and decide whether they wish to either:
 - 6.1 accept the Standby Offer in respect of all (or a portion) of their Offer Shares; or
 - 6.2 decline the Standby Offer.
7. The Standby Offer will be open for acceptances on Thursday, 6 May 2021 (being the Standby Offer Opening Date).
8. As an Eligible Shareholder, if you wish to accept the Standby Offer you must do so in the manner set out below.
9. Should you wish to decline the Standby Offer and if:
 - 9.1 you are a Certificated Eligible Shareholder you do not need to take any further action and will continue to hold your Preference Shares and will be deemed to be a Remaining Shareholder, subject to the Scheme not becoming unconditional and operative; or
 - 9.2 you are a Dematerialised Eligible Shareholder with or without “*own-name*” registration you are advised to contact your CSDP or Broker with your instructions. If you fail to furnish your CSDP or Broker with your instructions, your CSDP or Broker will be required to vote in accordance with your Custody Agreement. Accordingly, you are advised to contact your CSDP or Broker if you wish to decline the Standby Offer. If the Standby Offer is declined you will continue to hold your Preference Shares and will be deemed to be a Remaining Shareholder, subject to the Scheme not becoming unconditional and operative.
10. **Sasfin does not accept responsibility and will not be held liable for any act of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker or any registered holder of the securities of Sasfin to notify a Beneficial Owner of the Eligible Shareholder General Meeting, the Combined General Meeting or any other matter set out in this Circular.**

11. NOTICE OF MEETINGS

- 11.1 Shareholders are referred to paragraph 7 “*Notice of Meetings*” under the section entitled “*Action Required by Shareholders in respect of the Scheme*” to ascertain the action required of Shareholders in respect of the Combined General Meeting in terms of which the Repurchase Resolutions are proposed to the Shareholders.
- 11.2 Accordingly, the provisions of paragraph 7 “*Notice of Meetings*” under the section entitled “*Action Required by Shareholders in respect of the Scheme*” apply *mutatis mutandis* to the resolutions to be passed in respect of the Standby Offer.

12. VOTING AND PARTICIPATION IN THE MEETINGS

- 12.1 Shareholders are referred to paragraph 8 “*Voting and Participation at the Meetings*” under the section entitled “*Action Required by Shareholders in respect of the Scheme*” to ascertain the action required of Shareholders in respect of the Combined General Meeting in terms of which the Repurchase Resolutions are proposed to the Shareholders.
- 12.2 Accordingly, the provisions of paragraph 8 “*Voting and Participation at the Meetings*” under the section entitled “*Action Required by Shareholders in respect of the Scheme*” apply *mutatis mutandis* to the resolutions to be passed in respect of the Standby Offer and, in particular, all Shareholders are required to follow the process set out in paragraph 8.4 above (“*Electronic Participation*”) under the section entitled “*Action Required by Shareholders in respect of the Scheme*” to ensure they are able to participate in the Combined General Meeting.

13. ACTIONS REQUIRED OF ELIGIBLE SHAREHOLDERS WHO WISH TO ACCEPT THE STANDBY OFFER AND SURRENDER OF DOCUMENTS OF TITLE

13.1 Dematerialised Shareholders with or without “*own-name*” registration

If you **have** Dematerialised your Preference Shares **with** or **without** “*own-name*” registration, then the following actions are relevant to you in connection with **accepting** the Standby Offer:

- Your CSDP or Broker should contact you to ascertain whether you wish to accept or reject the Standby Offer and the number of Preference Shares that you wish to tender in respect of the Standby Offer.
- If you have not been contacted by your CSDP or Broker, it would be advisable for you to contact your CSDP or Broker and confirm:
 - that you intend **accepting** the Standby Offer and the number of Preference Shares that you wish to tender in respect of the Standby Offer; or
 - that you intend **rejecting** the Standby Offer.
- You **must** furnish your instructions to your CSDP or Broker by the cut-off time and date advised by the CSDP or Broker for instructions of this nature and if no such instructions are tendered to your CSDP or Broker they will be obliged to respond to the Standby Offer in accordance with the instructions contained in the Custody Agreement concluded between you and your CSDP or Broker.
- If your CSDP or Broker is required to reject the Standby Offer in terms of the Custody Agreement concluded between you and your CSDP or Broker or if you have instructed your CSDP or Broker to reject the Standby Offer, your CSDP or Broker will not be required to take any further action and you will be considered a Remaining Shareholder (subject to the Scheme not becoming unconditional and operative).
- You do not have to surrender any Document of Title and must **not** complete the attached Form of Acceptance (*yellow*) in respect of the Standby Offer.
- If you notify your Broker or CSDP of your acceptance of the Standby Offer, you will not be able to rematerialise and/or trade in those Offer Shares from the date of acceptance of the Standby Offer in respect of such Offer Shares.
- Please note, if you accept the Standby Offer, you **will** still be entitled to participate in, speak and vote at the Eligible Shareholder General Meeting and the Combined General Meeting and in the event that:

- the Scheme becomes unconditional and operative, you will sell your Offer Shares and any other Scheme Shares, as applicable, in terms of the Scheme and accordingly receive the Increased Scheme Consideration in respect of such Preference Shares, as the Standby Offer will lapse; and
- the Scheme does not become operative and the Standby Offer becomes wholly unconditional and operative you will be entitled to receive the Standby Offer Consideration in respect of your Offer Shares.

13.2 Certificated Eligible Shareholders

If you **have** Certificated Preference Shares, then the following actions are relevant to you in connection with **accepting** the Standby Offer:

- You **must** complete the attached Form of Acceptance (*yellow*) in respect of the Standby Offer in accordance with the instructions contained therein and deliver **it together** with the relevant Documents of Title to the Transfer Secretaries, as follows:
 - Hand delivery to: Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196, South Africa; or
 - By post to: Computershare Investor Services Proprietary Limited, PO Box 61763, Marshalltown, 2107,

so as to be received **by no later than 12h00 on the Standby Offer Closing Date (expected to be Friday, 2 July 2021)**;

Please note that you will not be permitted to deliver your Documents of Title to the Transfer Secretaries electronically as the original Documents of Title are required.

- Please note that, if you complete the Form of Surrender (*pink*) in respect of the Scheme and return it, together with the relevant Documents of Title to the Transfer Secretaries in anticipation of the Scheme becoming unconditional and operative, you will still be required to complete the Form of Acceptance (*yellow*) in respect of the Standby Offer but **you will not** be required to surrender your Documents of Title (as you have already surrendered your Documents of Title pursuant to the Scheme when submitting your Form of Surrender (*pink*) in respect of the Scheme).
- If a duly completed Form of Acceptance (*yellow*) in respect of the Standby Offer and the relevant Documents of Title (if applicable) are not received by the Transfer Secretaries by **12h00** on the Standby Offer Closing Date, you will be deemed to have declined the Standby Offer. **Any Form of Acceptance (*yellow*) in respect of the Standby Offer received after this date and time will not be accepted and will accordingly be invalid.**
- If you accept the Standby Offer, you will not be able to rematerialise and/or trade in those Offer Shares from the date of acceptance of the Standby Offer in respect of such Offer Shares.
- Please note that, if you accept the Standby Offer and surrender your Documents of Title prior to the Meetings, you **will** still be entitled to participate in, speak and vote at the Eligible Shareholder General Meeting and the Combined General Meeting and in the event that:
 - the Scheme becomes unconditional and operative, you will be obliged to sell your Offer Shares and any other Scheme Shares, as applicable, in terms of the Scheme and accordingly receive the Increased Scheme Consideration in respect of such Preference Shares, as the Standby Offer will lapse; and
 - the Scheme does not become operative and the Standby Offer becomes wholly unconditional and operative, you will be entitled to receive the Standby Offer Consideration in respect of your Offer Shares.
- Documents of Title surrendered prior to the Meetings, in anticipation of the Scheme becoming unconditional and operative or the Standby Offer becoming effective, will be held in trust by the Transfer Secretaries, at the risk of the Certificated Eligible Shareholder, pending the Scheme becoming unconditional and operative or the Scheme not becoming unconditional and operative but the Standby Offer becoming wholly unconditional and effective. Should neither the Scheme nor the Standby Offer become unconditional or effective, any Documents of Title held by the Transfer Secretaries will be returned to the Certificated Eligible Shareholder within 5 Business Days from (i) the date of receipt of the Documents of Title; or (ii) the date on which it becomes known that the Scheme will not become operative; or (iii) the date on which it becomes known that the Standby Offer will not become effective, whichever is later.

- **If you wish to Dematerialise your Preference Shares, please contact a CSDP or Broker.**
You are not required to dematerialise your Preference Shares to participate in the Standby Offer or to receive the Standby Offer Consideration.

14. **VALIDITY OF FORM OF ACCEPTANCE (YELLOW) IN RESPECT OF THE STANDBY OFFER**

- 14.1 In respect of Certificated Eligible Shareholders, Sasfin reserves the right in its sole and absolute discretion to:
- 14.1.1 subject to paragraph 14.2 below, treat as invalid a Form of Acceptance (*yellow*) in respect of the Standby Offer not accompanied by (i) valid Documents of Title and/or (ii) proof of the authority of the person signing the Form of Acceptance (*yellow*) in respect of the Standby Offer where such proof has not yet been lodged with, or recorded by, the Transfer Secretaries; and/or
 - 14.1.2 treat as invalid a Form of Acceptance (*yellow*) in respect of the Standby Offer which (i) has not been fully completed and/or (ii) has been incorrectly completed.
- 14.2 Please note that if you complete the Form of Surrender (*pink*) in respect of the Scheme and return it, together with the relevant Documents of Title, to the Transfer Secretaries in anticipation of the Scheme becoming unconditional and operative, you will still be required to complete the Form of Acceptance (*yellow*) in respect of the Standby Offer but **you will not** be required to surrender your Documents of Title (as you have already surrendered your Documents of Title pursuant to the Scheme when submitting your Form of Surrender (*pink*) in respect of the Scheme).

15. **CERTIFICATED TRANSFER**

Where Documents of Title have been surrendered, no receipts will be issued to Certificated Eligible Shareholders for the Form of Acceptance (*yellow*) in respect of the Standby Offer and the Documents of Title lodged with the Transfer Secretaries, unless specifically requested by such Certificated Eligible Shareholders in writing. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them to the Transfer Secretaries for stamping together with the Documents of Title lodged.

16. **LOST OR DESTROYED DOCUMENTS OF TITLE IN RESPECT OF CERTIFICATED ELIGIBLE SHAREHOLDERS**

If Documents of Title have been lost or destroyed, Certificated Eligible Shareholders should nevertheless (i) return the Form of Acceptance (*yellow*) in respect of the Standby Offer, duly signed and completed and (ii) inform the Transfer Secretaries that its Documents of Title have been lost or destroyed. The Transfer Secretaries shall issue a suitable indemnity form to such Certificated Eligible Shareholder, such indemnity form to be in a form and substance acceptable to Sasfin (in its sole and absolute discretion) and Sasfin and the Transfer Secretaries must be satisfied that the Documents of Title have been lost or destroyed. Only upon receipt by the Transfer Secretaries of such indemnity form duly completed and signed by such Certificated Eligible Shareholder to be received by no later than **12h00** on the Standby Offer Closing Date shall Sasfin consider the action taken by such Certificated Eligible Shareholder in terms of the Standby Offer.

17. **GENERAL**

17.1 **Shareholder approval of the Standby Offer**

As the Standby Offer may result in a repurchase of more than 5% of the issued Preference Shares, it must be approved (i) in accordance with the provisions of section 48(8)(b), as read with the requirements of section 114 and 115, of the Companies Act; and (ii) in terms of paragraph 5.69 of the Listings Requirements, at the Combined General Meeting, at which meeting for quorum purposes at least 3 Shareholders must be present (in person or by proxy), and such Shareholders present must be entitled to exercise in aggregate, at least 25% of all the voting rights that are entitled to be exercised at the Combined General Meeting.

17.2 Conditions applicable to the relevant special resolutions being proposed at the Meetings

Shareholders are advised to note the conditions to which the special resolutions being put to the vote at the Combined General Meeting are subject, which are more fully described in paragraph 7.2.2 under the section entitled "*Action Required by Shareholders in respect of the Scheme*" and restated in the Notice of Combined General Meeting.

17.3 Potential court approval

17.3.1 Shareholders are advised that, in accordance with section 115(3) of the Companies Act, Sasfin may in certain circumstances not proceed to give effect to the Standby Offer without the approval of the court, despite the fact that the Repurchase Resolutions will have been duly adopted at the Combined General Meeting.

17.3.2 In this regard, a copy of section 115 of the Companies Act which details the circumstances under which court approval may be required for the Standby Offer, is set out in **Annexure B** to this Circular.

17.4 Non-resident Shareholders

If you are a Non-resident Shareholder, you are urged to read the important information for Non-resident Shareholders relating to the Standby Offer in the section titled: "*Important Information, Disclaimers – Non-resident Shareholders*" commencing on page 1 of this Circular, and the important information contained in paragraph 8.3 (*Non-resident Shareholders and Exchange Control Regulations*) in this Circular and more fully detailed in **Annexure A** attached to this Circular.

17.5 TRP Approval

17.5.1 The Standby Offer is regulated by the Companies Act and the Takeover Regulations and therefore requires the approval of the TRP.

17.5.2 **Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of "affected transactions" when it approves such transactions.**

17.6 Settlement of the Standby Offer Consideration

17.6.1 If you have accepted the Standby Offer, and if the Scheme does not become unconditional and operative and the Standby Offer becomes wholly unconditional, effective and is implemented, the Standby Offer Participants will be entitled to receive the Standby Offer Consideration in respect of the Offer Shares tendered by them.

17.6.2 Please refer to paragraph 6.6 of this Circular for further information regarding the settlement of the Standby Offer Consideration in respect of the Standby Offer.

17.7 Other

17.7.1 Please note that, for the avoidance of doubt, you **may not**, after acceptance of the Standby Offer, instruct any Broker or CSDP to hold your Offer Shares in respect of which the Standby Offer has been accepted as nominee on your behalf or, where such Offer Shares are already held by the Broker or CSDP as nominee, request the Broker or CSDP to dispose of or otherwise transfer the Offer Shares in respect of which the Standby Offer has been accepted.

17.7.2 Forms of Acceptance (*yellow*) in respect of the Standby Offer and Documents of Title that are sent through the post are sent at the risk of the Eligible Shareholder concerned. Accordingly, Eligible Shareholders should take note of postal delivery times so as to ensure that the forms and relevant Documents of Title are received timeously. **It is therefore recommended that such forms and Documents of Title rather be sent by registered post or delivered by hand to the Transfer Secretaries.**

17.7.3 The contents of this Circular do not purport to constitute legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Standby Offer for each Preference Shareholder. Preference Shareholders are accordingly advised to consult their professional advisors about their personal legal, regulatory and tax positions regarding the Standby Offer and, in particular, the Standby Offer Consideration.

APPRAISAL RIGHTS

The definitions and interpretations commencing on page 26 of this Circular apply, *mutatis mutandis*, to this "Appraisal Rights" section (unless the context indicates otherwise).

In terms of section 164 of the Companies Act, Relevant Shareholders are advised of the following rights which they have:

1. at any time before the Scheme Resolution and/or the Companies Act Repurchase Resolution is to be voted on at the Eligible Shareholder General Meeting or the Combined General Meeting a Relevant Shareholder may give Sasfin written notice objecting to the Scheme Resolution and/or the Companies Act Repurchase Resolution;
2. within 10 (ten) Business Days after the Scheme Resolution has been adopted and/or the Companies Act Repurchase Resolution has been adopted, Sasfin must send a notice confirming that the Scheme Resolution and/or the Companies Act Repurchase Resolution has been adopted, to each Relevant Shareholder who (i) gave Sasfin written notice objecting to the relevant resolution and has (ii) neither withdrawn that notice nor voted in favour of the Scheme Resolution and/or the Companies Act Repurchase Resolution;
3. a Relevant Shareholder, who has validly exercised their Appraisal Rights and given Sasfin written notice in terms of section 164 of the Companies Act objecting to the Scheme Resolution and/or the Companies Act Repurchase Resolution and has complied with all of the procedural requirements set out in section 164 of the Companies Act, may, if the Scheme Resolution has been adopted and/or the Companies Act Repurchase Resolution has been adopted, demand in writing:
 - 3.1 within 20 Business Days after receipt of the notice referred to in paragraph 2 above; or
 - 3.2 if the Relevant Shareholder does not receive the notice from Sasfin referred to above, within 20 Business Days after learning that the Scheme Resolution and/or the Companies Act Repurchase Resolution has been adopted,that Sasfin pay the objecting Relevant Shareholder the fair value (in terms of and subject to the requirements set out in section 164 of the Companies Act) for all the Shares held by that Relevant Shareholder.
4. A more detailed explanation of the Appraisal Rights of a Dissenting Shareholder is contained in paragraph 7 (below) of this Circular.
5. A copy of section 164 of the Companies Act is set out in **Annexure B** to this Circular.

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 26 of this Circular apply, *mutatis mutandis*, to this "important dates and times" section (unless the context indicates otherwise).

2021

Last Practicable Date	Monday, 26 April
Posting Record Date to be eligible to receive the Circular and the Notices	Friday, 30 April
Posting of the Circular and the Notices on	Wednesday, 5 May
Announcement confirming: (i) publication of the Circular on Sasfin's website and (ii) posting of the Circular and the Notices, released on SENS on	Wednesday, 5 May
Announcement confirming: (i) publication of the Circular on Sasfin's website and (ii) posting of the Circular and the Notices, published in the South African press on	Thursday, 6 May
The Standby Offer Opening Date	Thursday, 6 May
Last day to trade Shares in order for Shareholders to be recorded in the Register on the Meetings Record Date	Tuesday, 25 May
Meetings Record Date to be eligible to vote at the Eligible Shareholder General Meeting and the Combined General Meeting	Friday, 28 May
Recommended last day and time to lodge Forms of Proxy (<i>blue</i>), Forms of Proxy (<i>green</i>) and Forms of Proxy (<i>orange</i>) with the Transfer Secretaries by 10h00 on	Monday, 31 May
Last Day to register to participate in the Eligible Shareholder General Meeting and/or the Combined General Meeting electronically by 09h00 on	Wednesday, 2 June
Last day for any Relevant Shareholder to deliver written notice to the Company objecting to the Scheme Resolution and/or the Companies Act Repurchase Resolution in accordance with section 164(3) of the Companies Act before the relevant resolutions are to be voted on at either the Eligible Shareholder General Meeting or the Combined General Meeting, respectively	Wednesday, 2 June
Eligible Shareholder General Meeting to be held entirely by way of electronic communication at 10h00 on	Wednesday, 2 June
Combined General Meeting to be held entirely by way of electronic communication at the later of 10h30 or the conclusion of the Eligible Shareholder General Meeting on	Wednesday, 2 June
Results of the Eligible Shareholder General Meeting and Combined General Meeting released on SENS on	Wednesday, 2 June
Results of the Eligible Shareholder General Meeting and Combined General Meeting published in the South African press on	Thursday, 3 June
Last date for Shareholders who voted against the Scheme Resolution and/or the Companies Act Repurchase Resolution to require Sasfin to seek Court approval for the Scheme and the Repurchase in terms of section 115(3)(a) of the Companies Act, if the requisite special resolutions in terms of section 115(2)(a) of the Companies Act were opposed by at least 15% of the voting rights that were exercised	Wednesday, 9 June
Last date for Shareholders who voted against the Scheme and/or the Companies Act Repurchase Resolution to be granted leave by a Court to apply for a review of the Scheme and the Repurchase in terms of section 115(3)(b) of the Companies Act	Thursday, 17 June

Last date for Sasfin to give notice of adoption of the Scheme Resolution and/or the Companies Act Repurchase Resolution in terms of section 164(4) of the Companies Act to Shareholders who delivered written notices to the Company objecting to the relevant special resolutions in accordance with section 164 of the Companies Act and have neither withdrawn that notice or voted in support of the resolutions

Thursday, 17 June

If no Shareholders exercise their rights in terms of section 115(3) of the Companies Act

TRP compliance certificate delivered in terms of section 121(b)(i) of the Companies Act

Friday, 18 June

If the Scheme and the Repurchase are duly approved by Shareholders at the Eligible Shareholder General Meeting and the Combined General Meeting, no Shareholders exercise their rights in terms of section 115(3) of the Companies Act and all other Scheme Conditions Precedent are fulfilled (or waived, where such conditions are capable of waiver):

Scheme Finalisation Date announcement expected to be released on SENS on

Friday, 18 June

Scheme Finalisation Date announcement published in the South African press on

Monday, 21 June

Expected Scheme last day to trade Preference Shares in order for Eligible Shareholders to be recorded in the Register on the Scheme Record Date to receive the Increased Scheme Consideration

Tuesday, 29 June

Expected suspension of listing of Preference Shares from the Main Board of the JSE at commencement of trading

Wednesday, 30 June

Last day to deliver Form of Surrender (*pink*) in respect of the Scheme and Documents of Title (in order to receive the Increased Scheme Consideration on the Scheme Operative Date) to be received by the Transfer Secretaries, which is expected to be by **12h00** on

Friday, 2 July

Expected Scheme Record Date, being the date and time on which Eligible Shareholders must be recorded in the Register to receive the Increased Scheme Consideration, which is expected to be by **17h00**

Friday, 2 July

Expected Scheme Operative Date

Monday, 5 July

Dematerialised Scheme Participants expected to have their accounts (held at their CSDP or broker) debited with the Scheme Share and credited with the Increased Scheme Consideration

Monday, 5 July

Expected date of settlement of the Increased Scheme Consideration to be paid electronically to Certificated Scheme Participants (if the Form of Surrender (*pink*) in respect of the Scheme and Documents of Title are received by the Transfer Secretaries by **12h00** on the Scheme Record Date)

Monday, 5 July

Expected termination of listing of the Preference Shares on the Main Board of the JSE at the commencement of trade

Tuesday, 6 July

If the Scheme Conditions Precedent are not fulfilled (or waived, where such conditions are capable of waiver) and the Scheme does not become operative, the Standby Offer Conditions Precedent are fulfilled (or waived, where such conditions are capable of waiver) and assuming no Shareholders exercise their rights in terms of section 115(3) of the Companies Act:

The Standby Offer Finalisation Date announcement expected to be released on SENS on

Friday, 18 June

The Standby Offer Finalisation Date announcement expected to be published in the South African press on

Monday, 21 June

Expected Standby Offer last day to trade Preference Shares in order for Eligible Shareholders to be recorded in the Register on the Standby Offer record date to participate in the Standby Offer and thereby receive the Standby Offer Consideration	Tuesday, 29 June
Preference Shares trade "ex" the right to participate in the Standby Offer	Wednesday, 30 June
Expected Standby Offer record date to determine who is eligible to participate in the Standby Offer and thereby receive the Standby Offer Consideration	Friday, 2 July
Expected Standby Offer Closing Date at 12h00 on	Friday, 2 July
Results of the Standby Offer released on SENS on	Monday, 5 July
Expected date of settlement of the Standby Offer Consideration to be paid electronically to Certificated Standby Offer Participants who accepted the Standby Offer (if the Form of Acceptance (<i>yellow</i>) in respect of the Standby Offer and Documents of Title are received by the Transfer Secretaries on or before 12h00 on the Standby Offer Closing Date)	Monday, 5 July
Dematerialised Standby Offer Participants expected to have their accounts held at their Broker or CSDP debited with the Offer Shares and the Standby Offer Consideration credited	Monday, 5 July
Results of the Standby Offer published in the South African press on	Tuesday, 6 July
Expected termination of listing of those Preference Shares repurchased in terms of the Standby Offer on the Main Board of the JSE at the commencement of trade on	Tuesday, 6 July

Notes:

1. All dates and times above and quoted generally in this Circular are South African dates and times, unless otherwise stated.
2. These dates and times are subject to amendment by Sasfin (and, to the extent necessary, the JSE, the TRP and other regulatory authorities). The dates have been determined based on certain assumptions regarding the date by which Shareholder and regulatory approvals will be obtained and that no Court approval or review of the Scheme Resolution and/or the Companies Act Repurchase Resolution will be required. Any such amendment of the dates and times will be released on SENS and published in the South African press.
3. Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place 3 Business Days after such trade. Therefore, Shareholders who acquire Shares after close of trade on **Tuesday, 25 May 2021** will not be eligible to participate and vote at the Meetings.
4. For purposes of being able to participate and vote at the Eligible Shareholder General Meeting or the Combined General Meeting, as the case may be, no Dematerialisation or rematerialisation of Shares may take place between **Wednesday, 26 May 2021** and **Friday, 28 May 2021**, both days inclusive.
5. Shareholders are reminded that Preference Shares can only be traded in Dematerialised form. It is therefore suggested that Certificated Shareholders on the Register Dematerialise their Preference Shares prior to the last day to trade Preference Shares to receive either the Increased Scheme Consideration or the Standby Offer Consideration, as the case may be, expected to be **Tuesday, 29 June 2021**.
6. For the purpose of being eligible to participate in the Scheme or the Standby Offer, as the case may be, no Dematerialisation or rematerialisation of Preference Shares may take place **after the last day to trade Preference Shares for the Scheme and the Standby Offer**.
7. If the Eligible Shareholder General Meeting or the Combined General Meeting is adjourned or postponed, the above dates and times will change, but the applicable Form of Proxy (*blue*) submitted for the Eligible Shareholder General Meeting and the Form of Proxy (*green*) or the Form of Proxy (*orange*), as the case may be, submitted for the Combined General Meeting will remain valid in respect of any postponement prior to convening, adjournment or postponement of the Eligible Shareholder General Meeting or the Combined General Meeting, as the case may be.
8. Any Form of Proxy (*blue*), Form of Proxy (*green*) or Form of Proxy (*orange*) not delivered to the Transfer Secretaries by the date and time stipulated herein may be submitted to the Transfer Secretaries by no later than the commencement of the Eligible Shareholder General Meeting (or any adjournment or postponement thereof) or the Combined General Meeting (or any adjournment or postponement thereof), respectively, before such Shareholder's voting rights are exercised at such meeting (or any adjournment or postponement thereof).

DEFINITIONS AND INTERPRETATIONS

In this Circular and the documents attached hereto, unless otherwise stated or clearly indicated otherwise, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other genders, references to a natural person include references to a juristic person and *vice versa* and cognate expressions shall bear corresponding meanings.

"Advisors"	collectively those advisors whose details are set out in the <i>"Corporate Information and Advisors"</i> section of this Circular;
"Annexures"	the annexures to this Circular;
"Appraisal Rights"	the rights afforded to Shareholders entitled to exercise appraisal rights in terms of section 164 of the Companies Act, as described in paragraph 7 (below) of this Circular and set out in Annexure B to this Circular, where a copy of section 164 of the Companies Act is provided;
"Appraisal Rights Offer"	an offer made by Sasfin to a Dissenting Shareholder in terms of section 164(11) of the Companies Act;
"Authorised Dealer"	an authorised dealer of the South African Reserve Bank, established in terms of section 9 of the Currency and Banking Act, 31 of 1920 and currently governed by the South African Reserve Bank Act, 90 of 1989, designated as such in the Exchange Control Regulations;
"Beneficial Owner"	a shareholder on whose behalf any Certificated Share is held by a nominee or on whose behalf a Dematerialised Share (not held on an "own-name" basis) is held by a CSDP or Broker, or a nominee of a CSDP or Broker, in accordance with a Custody Agreement;
"Board" or "Directors"	means the board of directors of Sasfin, as set out on page 51 of this Circular;
"Broker"	any person registered as a <i>"broker member equities"</i> in terms of the rules of the JSE in accordance with the provisions of the Financial Markets Act;
"Business Day"	any day other than a Saturday, Sunday or proclaimed public holiday in South Africa;
"Cautionary Announcement"	the cautionary announcements published by Sasfin in respect of the proposed repurchase of the Preference Shares on 30 September 2020, 13 November 2020, 29 December 2020 and 10 February 2021 and any update announcement or renewal of cautionary announcement published by Sasfin in this regard;
"cents"	South African cents, a denomination of the official currency of South Africa;
"Certificated Eligible Shareholders"	Eligible Shareholders who are Certificated Shareholders;
"Certificated Ordinary Shareholders"	Ordinary Shareholders who are Certificated Shareholders;
"Certificated Preference Shares"	issued Preference Shares which have not been Dematerialised, and title to which is represented by a share certificate or other Documents of Title;
"Certificated Scheme Participants"	Scheme Participants who are Certificated Eligible Shareholders;

"Certificated Shareholder/s"	Shareholders who hold Certificated Shares;
"Certificated Shares"	issued Shares which have not been Dematerialised, and title to which is represented by a share certificate or other Documents of Title;
"Certificated Standby Offer Participants"	Standby Offer Participants who are Certificated Eligible Shareholders;
"Circular"	this bound document, dated Wednesday, 5 May 2021 , including the Annexures hereto and incorporating the Notice of Eligible Shareholder General Meeting, Notice of Combined General Meeting, Forms of Proxy, the Form of Surrender and the Form of Acceptance attached hereto;
"Combined General Meeting"	the general meeting of Shareholders convened in terms of the Notice of Combined General Meeting attached to, and forming part of, this Circular, to vote on the special and ordinary resolutions set out therein (including the Repurchase Resolutions), which meeting is expected to take place entirely by electronic participation at the later of 10h30 or the conclusion of the Eligible Shareholder General Meeting on Wednesday, 2 June 2021 ;
"Common Monetary Area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended and substituted from time to time;
"Companies Act Repurchase Resolution"	the resolution to be passed by the Shareholders at the Combined General Meeting authorising the Repurchase (either by way of the Scheme or the Standby Offer) in terms of section 48(8)(b), as read with the requirements of sections 114 and 115, of the Companies Act;
"Companies Regulations"	the Companies Regulations, 2011, as promulgated in terms of section 223 of the Companies Act;
"Company Secretary"	the company secretary of Sasfin, who as at the date of this Circular is as set out on page 3 under the <i>"Corporate Information and Advisors"</i> section of this Circular;
"Company" or "Sasfin"	Sasfin Holdings Limited (Registration Number: 1987/002097/06), a public company duly incorporated and registered in accordance with the laws of South Africa and the Shares of which are listed on the Main Board of the exchange operated by the JSE;
"CSDP"	a Central Securities Depository Participant, being a "participant" as defined in section 1 of the Financial Markets Act;
"Custody Agreement"	a custody mandate agreement which may be concluded between a Shareholder and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on the respective sub-register of the applicable Shareholders as administered by such CSDP or Broker on behalf of such Shareholders;
"Delisting"	the proposed termination of the listing of the Preference Shares on the JSE pursuant to the application by the Company described in paragraph 1.6 of this Circular should the Scheme become wholly unconditional and be implemented;
"Dematerialised" or "Dematerialising"	the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares in accordance with the rules of Strate and for trading on the JSE, as contemplated in the Financial Markets Act;

"Dematerialised Eligible Shareholders"	Eligible Shareholders who are Dematerialised Shareholders;
"Dematerialised Ordinary Shareholders"	Ordinary Shareholders who are Dematerialised Shareholders;
"Dematerialised Scheme Participants"	Scheme Participants who are Dematerialised Eligible Shareholders;
"Dematerialised Shareholders"	Shareholders who hold Dematerialised Shares;
"Dematerialised Shares"	Shares which have been Dematerialised;
"Dematerialised Standby Offer Participants"	Standby Offer Participants who are Dematerialised Eligible Shareholders;
"Dissenting Shareholders"	any Relevant Shareholder who validly exercise their Appraisal Rights by demanding, in terms of sections 164(5) and 164(8) of the Companies Act, that the Company pay to them fair value for all of their Shares;
"Documents of Title"	Share certificates, certified transfer deeds, balance receipts and other documents evidencing title to Preference Shares that are acceptable to Sasfin;
"EFT"	electronic funds transfer;
"Eligible Shareholder General Meeting"	the meeting of Eligible Shareholders convened in terms of the Notice of Eligible Shareholder General Meeting attached to, and forming part of, this Circular, to vote on the special and ordinary resolutions set out therein (including the Scheme Resolution), which meeting is expected to take place entirely by way of electronic participation at 10h00 on Wednesday, 2 June 2021 ;
"Eligible Shareholders"	Preference Shareholders, all of whose Preference Shares form the subject of the Scheme and the Standby Offer;
"Emigrants"	former residents of the Common Monetary Area whose addresses are outside the Common Monetary Area;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933, as amended;
"Financial Effects"	reviewed <i>pro forma</i> financial effects of the Repurchase, as described in more detail in paragraph 9 (below) of this Circular and as set out more fully in Annexure C to this Circular;
"Financial Markets Act"	the Financial Markets Act, No. 19 of 2012, and the regulations thereunder, as may be amended and substituted from time to time;
"Firm Intention Announcement"	the firm intention announcement by the Company, setting out the terms of the Scheme and the Standby Offer, as published on SENS on 18 March 2021 and published in the South African press on 19 March 2021;
"Form of Acceptance"	the form of acceptance (<i>yellow</i>) in respect of the Standby Offer attached to, and forming part of this Circular, for use by Certificated Eligible Shareholders who wish to accept the Standby Offer;
"Form of Surrender"	the form of surrender (<i>pink</i>) in respect of the Scheme attached to, and forming part of, this Circular for use by Certificated Eligible Shareholders only, who wish to surrender their Preference Shares in terms of the Scheme;

"Form(s) of Proxy"	the form of proxy (<i>blue</i>), the form of proxy (<i>green</i>) and the form of proxy (<i>orange</i>) incorporated into this Circular for use by Certificated Shareholders and Dematerialised Shareholders with " <i>own-name</i> " registration only, for purposes of appointing a proxy to represent such Shareholder at the Eligible Shareholders General Meeting or the Combined General Meeting, as the case may be;
"Group"	Sasfin and its subsidiaries as at the Last Practicable Date;
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board from time to time;
"Income Tax Act"	the Income Tax Act, No. 58 of 1962, as amended and substituted from time to time;
"Increased Scheme Consideration"	ZAR 75, being the revised repurchase price offered by Sasfin for each Scheme Share held by Eligible Shareholders on the Scheme Record Date, as further envisaged in the Updated Announcement and as detailed in this Circular, which Increased Scheme Consideration is payable in cash by Sasfin;
"Independent Board"	those independent non-executive directors of Sasfin, appointed in terms of the Takeover Regulations as the independent board of Sasfin for purposes of the Repurchase, being RWR Buchholz, GC Dunnington, GP de Kock, and MR Thompson;
"Independent Expert"	the independent expert appointed to provide the appropriate independent advice to the Independent Board in terms of section 114(3) of the Companies Act and regulation 90 of the Takeover Regulations, being BDO Corporate Finance Proprietary Limited (Registration number 1983/002903/07), a private company incorporated in accordance with the laws of South Africa;
"Independent Expert Report"	the report prepared by the Independent Expert in accordance with section 114 of the Companies Act and regulation 90 of the Takeover Regulations, and attached as Annexure E to this Circular, which report sets out the Independent Expert's fair and reasonable opinion as regards the Increased Scheme Consideration and the Standby Offer Consideration;
"Interim Results"	the unaudited condensed consolidated interim results of Sasfin for the 6 months ended 31 December 2020 published on SENS on 3 March 2021;
"JSE"	the JSE Limited (Registration Number: 2005/022939/06), a public company duly incorporated and registered in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
"Last Practicable Date"	Monday, 26 April 2021 , being the last practicable date prior to finalisation of this Circular;
"Listings Requirements"	the listings requirements of the JSE, as amended or supplemented from time to time;
"Meetings"	collectively, the Eligible Shareholder General Meeting and the Combined General Meeting;
"Meetings Record Date"	the date determined by the Board in terms of section 59 of the Companies Act and the Listings Requirements for Shareholders to be recorded in the Register in order to be eligible to participate and vote at the Meetings, being Friday, 28 May 2021 ;

"MOI"	the memorandum of incorporation of Sasfin, as contemplated under the Companies Act;
"Non-resident"	a person not ordinarily resident in South Africa whose address is outside the Common Monetary Area and who is not an Emigrant;
"Notices"	collectively, the Notice of Combined General Meeting and Notice of Eligible Shareholder General Meeting;
"Notice of Combined General Meeting"	the notice to Shareholders convening the Combined General Meeting to conduct the business described therein and to consider and, if deemed fit, pass with or without modification, the special and ordinary resolutions set out therein, and which notice is attached to, and forms part, of this Circular;
"Notice of Eligible Shareholder General Meeting"	the notice to Eligible Shareholders convening the Eligible Shareholder General Meeting to conduct the business described therein and to consider and, if deemed fit, pass with or without modification, the special and ordinary resolutions set out therein, and which notice is attached to, and forms part, of this Circular;
"Offer Shares"	in relation to an Eligible Shareholder, the number of Preference Shares an Eligible Shareholder elects to dispose of pursuant to the Standby Offer;
"Ordinary Shareholders"	registered holders of issued Ordinary Shares;
"Ordinary Shares"	ordinary shares with a par value of 1 cent each in the issued ordinary share capital of Sasfin, all of which are listed on the Main Board of the exchange operated by the JSE;
"Posting Record Date"	the date determined by the Board in terms of section 59 of the Companies Act and the Listings Requirements for Shareholders to be recorded in the Register in order to be eligible to receive the Circular, being Friday, 30 April 2021 ;
"Preference Shareholders"	registered holders of issued Preference Shares;
"Preference Shares"	1 797 226 non-redeemable, non-cumulative, non-participating variable rate preference shares in the capital of Sasfin with a par value of 1 cent each, all of which are listed on the Main Board of the exchange operated by the JSE;
"Rand" or "R" or "ZAR"	the lawful currency of South Africa;
"Register"	the register of Certificated Shareholders maintained by the Transfer Secretaries on behalf of Sasfin and each of the sub-registers of Dematerialised Shareholders maintained by the relevant CSDPs in terms of the Financial Markets Act;
"Registered Office"	the registered office of Sasfin, being 29 Scott Street, Waverley, Johannesburg, 2090;
"Relevant Shareholder"	in respect of the Scheme and/or the Standby Offer (including the Companies Act Repurchase Resolution) a Shareholder who is entitled to exercise their Appraisal Rights in respect thereof;
"Remaining Shareholders"	in the event that the Scheme does not become operative but the Standby Offer becomes wholly unconditional and effective, those Eligible Shareholders who elect to reject the Standby Offer in respect of all or some of their Preference Shares and/or do not complete a Form of Acceptance and continue to hold Preference Shares following the implementation of the Standby Offer;

"Reporting Accountant"	PricewaterhouseCoopers, Registration number: 1998/012055/21;
"Repurchase"	the proposed repurchase of Preference Shares from the Eligible Shareholders, in terms of section 48(8)(b) (read with the requirements of sections 114 and 115) of the Companies Act, paragraph 5.69 of the Listings Requirements and the MOI, which repurchase is to be implemented by way of the Scheme or failing fulfilment (or waiver, where applicable) of the Scheme Conditions Precedent, to be implemented by way of the Standby Offer;
"Repurchase Resolutions"	the special resolutions approving the Repurchase to be considered at the Combined General Meeting, as more fully described in paragraphs 4.2.1 and 4.2.2 (below) of this Circular and in the Notice of Combined General Meeting, including the Companies Act Repurchase Resolution and the resolution to be passed in terms of paragraph 5.69 of the Listings Requirements in relation to a specific repurchase;
"Scheme"	the scheme of arrangement in terms of section 114(1)(c) and 114(1)(e) of the Companies Act, proposed by the Board between Sasfin and the Eligible Shareholders, which scheme of arrangement is more fully described in paragraph 5 (below) of this Circular, in terms of which, subject to the Scheme Conditions Precedent becoming fulfilled (or waived, where such conditions are capable of waiver), Sasfin will acquire all of the Scheme Shares held by Scheme Participants, and the Scheme Participants shall be deemed to have sold and transferred all of the Scheme Shares to Sasfin, in exchange for the Increased Scheme Consideration;
"Scheme Conditions Precedent"	the conditions precedent to which the Scheme is subject, as set out and described in more detail in paragraph 5.5 of this Circular, which are required to be fulfilled or waived, to the extent permissible, in order for the Scheme to become operative;
"Scheme Consideration"	ZAR 71, being the initial repurchase price which was originally envisaged to be offered by Sasfin for each Scheme Share held by Eligible Shareholders on the Scheme Record Date, as contemplated in the Firm Intention Announcement;
"Scheme Finalisation Date"	the date on which all the Scheme Conditions Precedent shall have been fulfilled or waived, as the case may be;
"Scheme Operative Date"	the date on which the Scheme will become operative after fulfilment (or waiver, where applicable) of the Scheme Conditions Precedent, expected to be Monday, 5 July 2021 ;
"Scheme Participants"	Eligible Shareholders who are recorded in the Register at the close of business of the Scheme Record Date, which Eligible Shareholders will receive the Increased Scheme Consideration in exchange for Sasfin repurchasing their Scheme Shares in terms of the Scheme;
"Scheme Record Date"	the date determined by the Board in terms of section 59 of the Companies Act and the Listings Requirements for Eligible Shareholders to be recorded in the Register in order to be eligible to receive the Increased Scheme Consideration, expected to be Friday, 2 July 2021 ;
"Scheme Resolution"	the special resolution approving the Scheme to be considered at the Eligible Shareholder General Meeting, as more fully described in paragraph 4.1 (below) of this Circular and in the Notice of Eligible Shareholder General Meeting;

"Scheme Shares"	the 1 797 226 Preference Shares that will be repurchased by Sasfin in terms of the Scheme, constituting 100% of the issued Preference Shares;
"SENS"	the Stock Exchange News Service of the JSE;
"Shares"	collectively, Ordinary Shares and Preference Shares;
"Shareholders"	collectively, Ordinary Shareholders and Preference Shareholders;
"South Africa"	the Republic of South Africa;
"Standby Offer"	the offer made by the Company to the Eligible Shareholders, in terms of which the Company offers to repurchase all (or a part) of the Offer Shares from the Eligible Shareholders, subject to the Standby Offer Conditions Precedent becoming fulfilled (or waived, where such conditions are capable of waiver), for an amount equal to the Standby Offer Consideration, as more fully described in paragraph 6 (below) of this Circular;
"Standby Offer Closing Date"	the date on which the Standby Offer will close for acceptance by the Eligible Shareholders, expected to be Friday, 2 July 2021 , or such later date as determined by Sasfin and communicated to the Shareholders on SENS and in the South Africa press;
"Standby Offer Conditions Precedent"	the conditions precedent to which the Standby Offer is subject, as set out and described in more detail in paragraph 6.7 of this Circular, which are required to be fulfilled or waived, to the extent permissible, in order for the Standby Offer to become operative;
"Standby Offer Consideration"	ZAR 68, being the repurchase price offered by Sasfin for each Offer Share held by Standby Offer Participants, which Standby Offer Consideration is payable in cash by Sasfin;
"Standby Offer Finalisation Date"	the date on which all the Standby Offer Conditions Precedent shall have been fulfilled or waived, as the case may be;
"Standby Offer Implementation Date"	the date on which the Standby Offer will become effective and be implemented after fulfilment (or waiver, where applicable) of the Standby Offer Conditions Precedent, expected to be Monday, 5 July 2021 ;
"Standby Offer Opening Date"	the date on which the Standby Offer opens for acceptance by the Eligible Shareholders, expected to be Thursday, 6 May 2021 ;
"Standby Offer Participants"	those Preference Shareholders who have accepted the Standby Offer on or before the Standby Offer Closing Date;
"Strate"	Strate Proprietary Limited (Registration Number: 1998/022242/07), a private company duly incorporated and registered in accordance with the laws of South Africa, which is a registered central securities depository in terms of the Financial Markets Act and which is responsible for the electronic settlement system for transactions that take place on the JSE and off market trades;
"Takeover Regulations"	Chapter 5 of the Companies Regulations, as amended;
"Transfer Secretaries"	the transfer secretaries of Sasfin, presently being Computershare Investor Services Proprietary Limited, whose details are set out on page 3 under the <i>"Corporate Information and Advisors"</i> section of this Circular;
"TRP" or "Panel"	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;

“Updated Announcement”

the updated announcement by the Company, setting out the Increased Scheme Consideration, as published on SENS on 26 April 2021 and published in the South African press on 28 April 2021; and

“VWAP”

the volume weighted average traded price of a Preference Share on the JSE.

Notes:

In this Circular, unless the context indicates a contrary intention:

1. any word or expression defined in the Listings Requirements and/or the Companies Act and not expressly defined in this Circular shall have the meaning given in the Listings Requirements and/or the Companies Act;
2. references to a paragraph or Annexure are to a paragraph of, or Annexure to, this Circular;
3. references to a paragraph or Annexure are to a paragraph of, or Annexure to, this Circular;
4. any reference to a time of day is a reference to South Africa Standard Time (SAST), unless a contrary indication appears;
5. a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified, replaced or re-enacted;
6. a reference to any other document referred to in this Circular is a reference to that other document as amended, revised, varied, novated or supplemented at any time;
7. where any number of days is prescribed, those days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which event the last day shall be the next succeeding Business Day; and
8. the use of the word including, include/s, in particular or any similar such word followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s.

SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1987/002097/06)

(JSE share code: SFN ISIN: ZAE000006565)

("Sasfin" or the "Company")

Sasfin Directors

Executive

- Michael Sassoon (*Group Chief Executive Officer*)
- Angela Pillay (*Group Financial Director*)

Non-Independent, Non-Executive

- Gugu Dingaan
- Nontobeko Ndhrazi
- Roland Sassoon
- Shaun Rosenthal (*alternate*)

Company Secretary

- Charissa de Jager

Independent Non-Executive

- Roy Andersen (*Chairman*) (exemption from Directive 4 of 2018 (issued by the Prudential Authority) granted by the Prudential Authority until March 2023)
 - Richard Buchholz (*Lead Independent*)
 - Grant Dunnington (exemption from Directive 4 of 2018 (issued by the Prudential Authority) granted by the Prudential Authority until the Group's 2021 annual general meeting)
 - Deon de Kock
 - Thabang Magare
 - Mark Thompson
 - Eileen Wilton
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CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

- 1.1 Shareholders are referred to the Firm Intention Announcement published on SENS on 18 March 2021 wherein Shareholders were advised that the Board resolved to proceed with the steps required to repurchase all, or alternatively a portion, of the Preference Shares (held by Eligible Shareholders), by way of 2 separate but concurrent offers comprising:
 - 1.1.1 an offer to all the Eligible Shareholders to acquire all of their Preference Shares for a cash consideration of ZAR 71 per Scheme Share, in accordance with the provisions of sections 114(1)(c) and 114(1)(e), read with read with section 115(2)(a), of the Companies Act, by way of a scheme of arrangement, between the Company and the Preference Shareholders, which, if successfully implemented will result in all the Preference Shares being repurchased, cancelled and removed from the issued share capital of Sasfin and subsequently delisted from the Main Board of the JSE; and
 - 1.1.2 separate to the Scheme, but concurrently with it, a general offer by the Company to the Eligible Shareholders to repurchase all or, if only certain of the Eligible Shareholders accept the Standby Offer, a portion of their Preference Shares for a cash consideration of ZAR 68 per Preference Shares, which Standby Offer may be accepted or rejected by Eligible Shareholders (in whole or in part) and which will be implemented only if the Scheme fails and, if successfully implemented, will result in only those Preference Shares which have been voluntarily tendered being repurchased, cancelled and removed from the issued share capital of Sasfin, and the subsequent delisting of only those Preference Shares that are cancelled from the Main Board of the JSE. For the avoidance of doubt, this is not a delisting as contemplated in section 1 of the Listings Requirements.
- 1.2 Shareholders are also referred to the Updated Announcement published on SENS on 26 April 2021, wherein Shareholders were advised, *inter alia*, that the Scheme Consideration to be offered to Shareholders for a Scheme Share would be increased from ZAR 71 to ZAR 75 (being the Increased Scheme Consideration).

- 1.3 As the Scheme or the Standby Offer, as the case may be, will or may result in a repurchase of more than 5% of the issued Preference Shares, in order to implement the Scheme or the Standby Offer, the Shareholders will be required to approve the repurchase of the Preference Shares in compliance with section 48(8)(b), as read with the requirements of sections 114 and 115, of the Companies Act as well as in terms of paragraph 5.69 of the Listings Requirements.
- 1.4 The Scheme and the Standby Offer are proposed concurrently on the basis that implementation of the Standby Offer will be conditional on, *inter alia*, the Scheme not becoming unconditional and operative. **In this regard, in the event that the Scheme becomes unconditional and operative, the Standby Offer will lapse. Alternatively, if the Scheme does not become unconditional and operative and the Standby Offer becomes wholly unconditional, the Standby Offer will become effective.**
- 1.5 The operation of the Scheme is subject to the fulfilment (or waiver, where appropriate) of the Scheme Conditions Precedent (as detailed in paragraph 5.5 below), which conditions include, *inter alia*, that the Scheme must be approved by the requisite majority of Eligible Shareholders, as detailed in the Notice of Eligible Shareholder General Meeting, and the associated Repurchase must be approved by the requisite majority of Shareholders (entitled to vote), as detailed in the Notice of Combined General Meeting.
- 1.6 In the event that the Scheme Conditions Precedent are fulfilled (or waived, where such conditions are capable of waiver), the Scheme will become unconditional and operative, and the consequence thereof is that by operation of law, the Scheme Participants (i.e. Eligible Shareholders) will be deemed to have disposed of, and transferred, their Scheme Shares to Sasfin and Sasfin in turn, shall be deemed to have repurchased all the Scheme Shares, in exchange for the Increased Scheme Consideration, being ZAR 75 per Preference Share held by a Scheme Participant. For further details of the mechanics that will apply if the Scheme is duly approved and becomes unconditional and operative, please refer to paragraph 5 below which details the operation of the Scheme more fully.
- 1.7 As a consequence of the Scheme, in terms of paragraph 1.17(b) of the Listings Requirements, the Company shall apply to the JSE for the Delisting of the Preference Shares from the Main Board of the JSE with effect from **Tuesday, 6 July 2021**, subject to the Scheme becoming unconditional and operative. Accordingly, upon the Scheme becoming unconditional and operative, the Scheme Shares will be repurchased, delisted, cancelled (and returned to the authorised preference share capital) by Sasfin.
- 1.8 The Scheme constitutes an "*affected transaction*" as defined in section 117(1)(c)(iii) of the Companies Act, and as such, the Scheme is regulated by the Companies Act and the Takeover Regulations and therefore requires the approval of the TRP.
- 1.9 In the event that the Scheme Conditions Precedent are not fulfilled (or waived, where such conditions are capable of waiver) and the Scheme does not become unconditional and operative, the Standby Offer will, subject to the fulfilment (or waiver, where appropriate) of the Standby Offer Conditions Precedent set out in paragraph 6.7 below, become effective.
- 1.10 If the Standby Offer becomes unconditional and effective, then on the Standby Offer Implementation Date the Standby Offer Participants will be deemed to have disposed of and transferred their Offer Shares to Sasfin and Sasfin in turn, shall be deemed to have repurchased all the Offer Shares disposed of by the Standby Offer Participants, in exchange for the Standby Offer Consideration, being ZAR 68 per Offer Share disposed of by a Standby Offer Participants. Upon the Offer Shares being repurchased by Sasfin, the Offer Shares will be cancelled, delisted and returned to the authorised share capital of Sasfin.
- 1.11 As it is possible that not all the Eligible Shareholders accept the Standby Offer, whether in whole or in part, the Remaining Shareholders will continue to hold Preference Shares in the Company and such Preference Shares shall continue to be listed on the Main Board of the JSE.
- 1.12 The Standby Offer constitutes an "*affected transaction*" as defined in section 117(1)(v) of the Companies Act, and as such, the Standby Offer is regulated by the Companies Act and the Takeover Regulations and therefore requires the approval of the TRP.
- 1.13 Additionally, as a bank controlling company, Sasfin is required to and has obtained the consent of the South African Reserve Bank's Prudential Authority in terms of regulation 38(16)(a)(ii) (as read with regulation 38(16)(c) of the Regulations relating to Banks, 2012) to proceed with the Repurchase to be implemented, either in terms of the Scheme or the Standby Offer, as the case may be.

- 1.14 **For a full understanding of the Scheme and the Standby Offer, this Circular should be read in its entirety.**

2. **PURPOSE OF THIS CIRCULAR**

The purpose of this Circular is to:

- 2.1 set out the terms and conditions on which Sasfin proposes the Repurchase to be implemented, either by way of the Scheme or the Standby Offer, to Eligible Shareholders;
- 2.2 provide Shareholders with all relevant information (including statutorily required information) in respect of the Scheme and Standby Offer, including *inter alia*, the (i) Independent Expert Report prepared in terms of section 114 of the Companies Act and regulation 90 of the Takeover Regulations; and (ii) Board's views, opinion and recommendation regarding the Scheme, the Increased Scheme Consideration, the Standby Offer and the Standby Offer Consideration, so as to enable Shareholders to make an informed decision as to whether or not they should vote in favour of the special and ordinary resolutions set out in the Notice of Eligible Shareholder General Meeting and Notice of Combined General Meeting, respectively, and/or accept the Standby Offer;
- 2.3 give the required notice convening the Eligible Shareholder General Meeting in order for Eligible Shareholders to consider and determine whether to pass the special and ordinary resolutions set out in the Notice of Eligible Shareholder General Meeting, which notice is attached hereto, and forms part of this Circular; and
- 2.4 give the required notice convening the Combined General Meeting, in order for Shareholders (who are entitled to vote) to consider and determine whether to pass the special and ordinary resolutions set out in the Notice of Combined General Meeting, which notice is attached hereto, and forms part of, this Circular.

3. **BACKGROUND AND RATIONALE FOR THE REPURCHASE TO BE IMPLEMENTED BY WAY OF THE SCHEME OR THE STANDBY OFFER**

3.1 **Background to issue of Preference Shares**

- 3.1.1 Sasfin has issued and the public have subscribed for 1 797 226 Preference Shares with a par value of ZAR 0.01 each, which Preference Shares are currently listed on the Main Board of the JSE Limited under the abbreviated name SASFIN-PREF.
- 3.1.2 The Preference Shares were issued in two tranches at a price of either ZAR 100 per Preference Share on 17 November 2004 or ZAR 110.50 per Preference Share on 7 June 2006 and have a current blended carrying value on Sasfin's balance sheet of ZAR 104.65 ("**Book Value**"). The current market conditions, including low liquidity and trading volumes have resulted in the Preference Shares trading at a material discount to their issued value and Book Value. The quoted closing price of the Preference Shares on Tuesday, 17 March 2021, the day preceding the Firm Intention Announcement was ZAR 65.98 per Preference Share.

3.2 **Rationale for the Repurchase, the Scheme and the Standby Offer**

The purpose for proposing the Repurchase, to be implemented through the Scheme or the Standby Offer, is to obtain the following benefits through the implementation thereof:

- 3.2.1 the Preference Shares are perpetual and accordingly, other than through a sale of the Preference Shares by the Preference Shareholders, there is no other practical way for a Preference Shareholder to dispose of its Preference Shares;
- 3.2.2 the market for the Preference Shares is very thin resulting in low trading liquidity and trading volumes;
- 3.2.3 the declaration of a dividend to Preference Shareholders is required by Sasfin if Sasfin declared a dividend to Ordinary Shareholders and essentially, because of the COVID-19 pandemic during 2020 and guidance note 4/2020 issued by the South African Reserve Bank Prudential Authority, no dividend was declared to Ordinary Shareholders and consequently no dividend was declared to the Preference Shareholders in 2020. As the dividends are non-cumulative, if Sasfin were to declare a dividend in 2021, it would not take into account the fact that no dividends were declared during 2020;

- 3.2.4 the Repurchase therefore presents a good opportunity for Preference Shareholders to dispose of their Preference Shares in Sasfin at a premium to market value (which premium is set out below) as there is no guarantee that Sasfin will consistently declare dividends in future years;
- 3.2.5 the Increased Scheme Consideration and the Standby Offer Consideration represents a 41.94% and 28.69% premium respectively to the 60-day volume weighted average price of the Preference Shares of ZAR 52.84 per Preference Share at the date of the first Cautionary Announcement (published on SENS on 30 September 2020);
- 3.2.6 the Increased Scheme Consideration and the Standby Offer Consideration represents a 40.53% and 27.41% premium respectively, to the 30-day volume weighted average price of the Preference Shares of ZAR 53.37 per Preference Share at the date of the first Cautionary Announcement;
- 3.2.7 the Increased Scheme Consideration represents a 9.59% premium and the Standby Offer Consideration represents a 0.64% discount, to the 30-day volume weighted average price of the Preference Shares of ZAR 68.44 per Preference Share at the Last Practicable Date;
- 3.2.8 the Board has proposed that Sasfin uses available internal cash resources to repurchase the Preference Shares. The proposed Repurchase (which will cost Sasfin a maximum of approximately ZAR 134 791 950 to fund the Increased Scheme Consideration, being the maximum consideration required to implement the proposed Repurchase, which is to be implemented by way of the Scheme or the Standby Offer) will provide Eligible Shareholders with an opportunity to realise their investment in the Preference Shares through an exit/partial exit at a premium; and
- 3.2.9 the Board has considered the reduced contribution the Preference Shares have towards the Group's capital and are of the view that the proposed Repurchase would be value accretive to the Group's regulatory capital, income statement and balance sheet.

3.3 Intentions regarding continuation of the business of Sasfin

The Repurchase contemplated in this Circular is only in respect of the Preference Shares. Accordingly, there will be no change regarding the continuation of the business of Sasfin, nor will there be a change in the continuation in the office of the directors of Sasfin as a result of the implementation of the Repurchase, either by way of the Scheme or if the Scheme fails, the Standby Offer.

4. AUTHORITY TO IMPLEMENT THE SCHEME AND THE STANDBY OFFER

At the Meetings, provided that the chairperson of the relevant Meeting has not closed the relevant Meeting, special and ordinary resolutions will be proposed to the relevant Shareholders to approve (i) the Scheme and (ii) the implementation of the Repurchase, either by way of the Scheme or the Standby Offer, including the following resolutions:

- 4.1 At the **Eligible Shareholder General Meeting**: a special resolution in terms of sections 114(1)(c) and 114(1)(e), read with section 115(2)(a), of the Companies Act, in order to approve the implementation of the Scheme in terms of sections 114(1)(c) and 114(1)(e) of the Companies Act. Only Eligible Shareholders will be entitled to vote on this resolution.
- 4.2 At the **Combined General Meeting**:
 - 4.2.1 a special resolution in terms of paragraph 5.69(b) of the Listings Requirements, to authorise the specific repurchase to be implemented either by way of the Scheme or the Standby Offer. All Shareholders are required to vote on this resolution, except for the Eligible Shareholders who are precluded from voting on this resolution by virtue of their participation in the Repurchase; and
 - 4.2.2 a special resolution in terms of section 115(2)(a) of the Companies Act (as contemplated in section 48(8)(b), read with the requirements of sections 114 and 115, of the Companies Act) to authorise the Repurchase, either by way of the Scheme or the Standby Offer. All Shareholders (including Eligible Shareholders) are required to vote on this resolution.

5. TERMS AND CONDITIONS OF THE SCHEME

5.1 The Scheme is proposed by the Board, on the terms and conditions as set out in this paragraph 5, between Sasfin and the Eligible Shareholders, for Sasfin to repurchase **all** of the Scheme Shares held by Scheme Participants for the Increased Scheme Consideration by way of a scheme of arrangement in terms of sections 114(1)(c) and 114(1)(e) of the Companies Act.

5.2 The Scheme

5.2.1 In terms of the Scheme proposed by the Board between Sasfin and the Eligible Shareholders, Sasfin will, if the Scheme Conditions Precedent are fulfilled (or waived, where such conditions are capable of waiver), repurchase **all** of the Scheme Shares from Scheme Participants for the Increased Scheme Consideration in terms of section 114(1)(c) and 114(1)(e) of the Companies Act.

5.2.2 The operation of the Scheme is subject to the fulfilment or waiver (as the case may be), of the Scheme Conditions Precedent as described in paragraph 5.5 of this Circular.

5.2.3 If the Scheme becomes unconditional and operative, it shall be binding on all the Scheme Participants (**irrespective of whether a Scheme Participant voted in favour of the Scheme or not**) and each Scheme Participant shall be deemed, with effect from the Scheme Operative Date, to:

5.2.3.1 have disposed and transferred all of their Scheme Shares, free and clear of encumbrances, to Sasfin, and Sasfin shall be deemed to have repurchased all the Scheme Shares, without any further act or instrument being required, in exchange for the Increased Scheme Consideration;

5.2.3.2 have irrevocably and *in rem suam* authorised Sasfin and/or the Transfer Secretaries, as agent, with full power of substitution, to cause the Scheme Shares disposed of by the Scheme Participant in terms of the Scheme to be transferred to Sasfin on the Scheme Operative Date, and to do all such things and take all such steps (including the signing of any transfer form) as may be necessary or expedient in order to effect the transfer; and

5.2.3.3 have instructed Sasfin as principal, but with power to appoint agents, to procure that the Increased Scheme Consideration is paid to the Scheme Participants entitled thereto, in accordance with the terms and conditions of the Scheme, as set out in this Circular.

5.2.4 Should the Scheme become unconditional and operative, the Scheme Participants shall:

5.2.4.1 if they are Certificated Eligible Shareholders, against surrender by them of the Documents of Title in respect of their Scheme Shares and duly completed Form of Surrender (*pink*) in respect of the Scheme, receive the Increased Scheme Consideration; and

5.2.4.2 if they are Dematerialised Eligible Shareholders, have their Scheme Shares transferred to Sasfin and the Increased Scheme Consideration transferred to their CSDP or Broker who should credit them with the Increased Scheme Consideration, in terms of their Custody Agreement.

5.2.5 The rights of the Scheme Participants to receive the Increased Scheme Consideration in respect of the Scheme Shares held by them will be rights enforceable by Scheme Participants against Sasfin only, subject to the terms and conditions of the Scheme as set out in this Circular.

5.2.6 As a consequence of implementation of the Scheme, in terms of paragraph 1.17(b) of the Listings Requirements, the Delisting will be implemented automatically by virtue of no Preference Shares remaining in issue.

5.2.7 The effect of the Scheme will be, *inter alia*, that Sasfin will, with effect from the Scheme Operative Date, repurchase all the Scheme Shares, which shares shall then be delisted from the Main Board of the JSE and cancelled and shall thereafter have the same status as Preference Shares that have been authorised and not issued. None of the Scheme Shares will be transferred to any other person.

- 5.2.8 Sasfin undertakes that, upon the Scheme becoming unconditional and operative, it will give effect to the terms and conditions of the Scheme and will take all actions and sign all documents necessary to give effect to the Scheme.

5.3 Increased Scheme Consideration

- 5.3.1 In terms of the Scheme, Sasfin will repurchase the Scheme Shares from the Scheme Participants at a price of ZAR 75 per Scheme Share, to be settled in cash.
- 5.3.2 The Increased Scheme Consideration represents a premium of **3.31%** to the closing price of ZAR **72.60** of the Preference Shares as at the Last Practicable Date, and a 12.56% premium to the VWAP price of ZAR **66.63** of the Preference Shares traded on the JSE during the 60 trading days up to (and including) the Last Practicable Date.
- 5.3.3 The Directors have determined, by way of a resolution, that the distribution to Scheme Participants (in an amount equal to the Increased Scheme Consideration) pursuant to the Repurchase comprises a return of “CTC” (as defined in section 1 of the Income Tax Act). Accordingly, no portion of the Increased Scheme Consideration will comprise a “dividend” (as defined in section 1 of the Income Tax Act) and the Increased Scheme Consideration will comprise a return of capital to Scheme Participants of ZAR 75 per Scheme Share.
- 5.3.4 The Board and the Independent Board is of the opinion that the Increased Scheme Consideration reflects a fair and reasonable value for the Preference Shares and that it is therefore, fair and reasonable insofar as the Shareholders are concerned. In this regard, the Shareholders are referred to paragraph 22 of this Circular and the Independent Expert Report attached to this Circular as **Annexure E**.

5.4 Settlement of the Increased Scheme Consideration

- 5.4.1 Subject to what is set out below and to the Scheme becoming unconditional and operative, the Scheme Participants will be entitled to receive the Increased Scheme Consideration.
- 5.4.2 The Increased Scheme Consideration will be settled by Sasfin through drawings by it from its own cash resources and will not be subject to any lien, right of set-off, counterclaim or other analogous right. In addition, settlement of the Increased Scheme Consideration to Scheme Participants who are Non-resident Shareholders will be subject to the Exchange Control Regulations, the salient provisions of which are set out in **Annexure A** to this Circular.
- 5.4.3 Sasfin and its agents will administer and effect payments of the Increased Scheme Consideration to Scheme Participants.
- 5.4.4 The Increased Scheme Consideration will be payable in cash in Rands only.
- 5.4.5 If the Scheme becomes unconditional and operative:
- 5.4.5.1 **Dematerialised Eligible Shareholders** who become Scheme Participants will have their account at their CSDP or Broker credited with the Increased Scheme Consideration and debited with the Scheme Shares on the Scheme Operative Date, or in the case of Dissenting Shareholders who subsequently become Scheme Participants as envisaged in paragraph 7.4 below, on the date contemplated in paragraph 7.4.2 below; and
- 5.4.5.2 **Certificated Eligible Shareholders** who become Scheme Participants:
- 5.4.5.2.1 and who have submitted their Documents of Title and duly completed Form of Surrender (*pink*) in respect of the Scheme to the Transfer Secretaries **by 12h00 on the Scheme Record Date (expected to be Friday, 2 July 2021)**, will have the Increased Scheme Consideration paid to them by way of an EFT into the South African bank account nominated by such Certificated Eligible Shareholder in the relevant section of the Form of Surrender (*pink*) in respect of the Scheme;
- 5.4.5.2.2 and who submit their Documents of Title and duly completed Form of Surrender (*pink*) in respect of the Scheme **after 12h00 on the Scheme Record Date (expected to be Friday, 2 July 2021)**, will have the Increased Scheme Consideration paid to them by way of

EFT, within 5 Business Days of the Transfer Secretaries receiving their Documents of Title and duly completed Form of Surrender (*pink*) in respect of the Scheme, unless such Scheme Participants were Dissenting Shareholders who have subsequently become Scheme Participants as envisaged in paragraph 7.4 below, in which case such Scheme Participants will still need to submit their Documents of Title, together with their duly completed Forms of Surrender (*pink*) in respect of the Scheme to the Transfer Secretaries and payment of the Increased Scheme Consideration will only be paid to them by way of EFT, on the date set out in paragraph 7.4.2 below; or

5.4.5.2.3 and who have failed to submit their Documents of Title and duly completed Form of Surrender (*pink*) in respect of the Scheme to the Transfer Secretaries or in respect of a Dissenting Shareholder who subsequently becomes a Scheme Participant as envisaged in paragraph 7.4 below and which Scheme Participant subsequently fails to submit his/her/its Documents of Title and duly completed Form of Surrender (*pink*) in respect of the Scheme to the Transfer Secretaries, then the Increased Scheme Consideration payable to such Scheme Participant will be held in trust by Sasfin (or any third party nominated by Sasfin for this purpose) for the benefit of the Scheme Participants concerned until lawfully claimed by such Scheme Participants (but for no longer than 3 years, in which case the Increased Scheme Consideration, if not claimed, will be paid to Guardian's Fund of the High Court).

5.4.6 Where, on or subsequent to the Scheme Operative Date, a person, who was not a registered holder of Scheme Shares on the Scheme Record Date, tenders to the Transfer Secretaries Documents of Title together with a duly executed Form of Surrender (*pink*) in respect of the Scheme, and, provided that the Increased Scheme Consideration attaching to such Scheme Shares has not already been paid out or discharged in some other manner, then such Documents of Title together with a duly executed Form of Surrender (*pink*) in respect of the Scheme may be accepted by Sasfin as if it were a valid transfer to such person of the Scheme Shares concerned, provided that Sasfin has been, if Sasfin so requires, provided with an indemnity on terms acceptable to Sasfin in respect of such Increased Scheme Consideration.

5.4.7 The Increased Scheme Consideration will be transferred to Scheme Participants, in accordance with the terms of the Scheme without regard to any lien, right of setoff, counterclaim or other analogous right to which Sasfin may otherwise be, or claim to be, entitled.

5.5 Scheme Conditions Precedent

5.5.1 The operation of the Scheme is subject to the fulfilment, or waiver (to the extent permissible), of the following conditions precedent, which remain outstanding as at the Last Practicable Date, by no later than **17h00** on 31 August 2021 or such later time and date as Sasfin may in its sole discretion determine (and subject to approval from the TRP):

5.5.1.1 subject to paragraph 5.5.2, no written notice from any Relevant Shareholder/s, is received by the Company in terms of section 164(3) of the Companies Act objecting to the Scheme Resolution and/or the Companies Act Repurchase Resolution, before the Scheme Resolution is to be voted on at the Eligible Shareholder General Meeting and/or the Companies Act Repurchase Resolution is to be voted on at the Combined General Meeting, as more fully discussed in paragraph 7 below and as restated in the appropriate special resolutions in the Notices. If any such objection notices are received by the Company, and such condition has not been waived by Sasfin, in its sole discretion, as contemplated in paragraph 5.5.2 below, then it is noted that the chairperson of the Eligible Shareholder General Meeting and/or the Combined General Meeting, as the case may be, **shall** close the relevant meeting without putting such special resolution/s to the vote;

- 5.5.1.2 all necessary Shareholder approvals and/or resolutions as may be necessary to give effect to the Scheme having been obtained, including but not limited to:
 - 5.5.1.2.1 the Scheme having been approved by the requisite majority of the Eligible Shareholders at the Eligible Shareholder General Meeting as contemplated in sections 114(1)(c) and 114(1)(e) and section 115(2)(a) of the Companies Act, as described in more detail in the Notice of Eligible Shareholder General Meeting; and
 - 5.5.1.2.2 the Repurchase Resolutions having been approved by the requisite majority of the Shareholders (who are entitled to vote) at the Combined General Meeting, as described in more detail in the Notice of Combined General Meeting;
- 5.5.1.3 to the extent that the provisions of section 115(2)(c) of the Companies Act become applicable:
 - 5.5.1.3.1 the Scheme being approved by the relevant court unconditionally or, if subject to conditions, the person on whom such conditions are imposed approves such conditions and undertakes in writing to comply therewith; and
 - 5.5.1.3.2 Sasfin not treating the aforesaid special resolutions as a nullity in terms of section 115(5)(b) of the Companies Act; and
- 5.5.1.4 the receipt of unconditional approvals, consents or waivers from all applicable regulatory authorities as may be required in order to implement the Scheme (including the TRP, by means of the issue of a compliance certificate in relation to the Scheme as required by section 115(1)(b), read with section 119(4)(b) and section 121(b), of the Companies Act) or, to the extent that any such approvals, consents or waivers are subject to conditions or qualifications, Sasfin confirms in writing that such conditions or qualifications are acceptable to it.
- 5.5.2 The Scheme Condition Precedent stipulated in paragraph 5.5.1.1 above may be waived (in whole or in part) at the sole and absolute discretion of the Board. The remaining Scheme Conditions Precedent stipulated above are not capable of waiver.
- 5.5.3 An announcement will be released on SENS as soon as possible after the fulfilment, waiver or non-fulfilment, as the case may be, of the Scheme Conditions Precedent.
- 5.5.4 For the avoidance of doubt, if the Scheme Conditions Precedent are not fulfilled or waived (to the extent permissible) by **17h00** on 31 August 2021 or such later time and date as Sasfin may in its sole discretion determine (and subject to approval from the TRP and the JSE), then the Scheme shall not become unconditional and operative and, subject to the Standby Offer not becoming unconditional and/or being implemented, Eligible Shareholders will continue in their present position as Preference Shareholders in the Company.

5.6 Effects of the Scheme

If all the Scheme Conditions Precedent, as set out in paragraph 5.5 above, are fulfilled or waived, as the case may be, the Scheme will become operative. The effect of the Scheme will be that Sasfin will, with effect from the Scheme Operative Date, repurchase all the Scheme Shares, which Scheme Shares shall be delisted, cancelled and shall thereafter have the same status as Preference Shares that have been authorised and not issued.

5.7 Surrender of Documents of Title

5.7.1 *Certificated Eligible Shareholders*

- 5.7.1.1 Certificated Eligible Shareholders shall, subject to the Scheme becoming unconditional and operative, only be entitled to receive the Increased Scheme Consideration in respect of their Scheme Shares once they complete the attached Form of Surrender (*pink*) in respect of the Scheme and have surrendered their Documents of Title in respect thereof.

5.7.1.2 Certificated Eligible Shareholders who wish to surrender their Documents of Title in anticipation of the Scheme becoming unconditional and operative are referred to the instructions set out in paragraph 9 (above) entitled “*Actions Required of Eligible Shareholders relating to the Operation of the Scheme*” under the section entitled “*Actions Required by Shareholders in respect of the Scheme*” commencing on page 11 of this Circular.

5.7.2 *Dematerialised Eligible Shareholders*

Dematerialised Eligible Shareholders must **not** complete the attached Form of Surrender (*pink*) in respect of the Scheme and are not required to surrender any Documents of Title. On the Scheme Operative Date, they shall automatically become entitled to receive the Increased Scheme Consideration.

5.8 **Potential court approval**

5.8.1 Shareholders are advised that, in accordance with section 115(3) of the Companies Act, Sasfin may in certain circumstances not proceed to implement the Scheme and the associated Repurchase without the approval of the court, despite the fact that the Scheme Resolution and/or the Repurchase Resolutions will have been duly adopted at the Eligible Shareholder General Meeting and/or the Combined General Meeting.

5.8.2 In this regard, a copy of section 115 of the Companies Act which details the circumstances under which court approval may be required for implementation of the Scheme, is set out in **Annexure B** to this Circular.

5.9 **Amendments, Variations and Modifications to the Scheme**

5.9.1 Subject to paragraph 5.9.2 of this Circular, Sasfin may –

5.9.1.1 before or at the Eligible Shareholder General Meeting, but prior to the Eligible Shareholders casting their votes, agree to any amendment, variation or modification of the Scheme;

5.9.1.2 after the Eligible Shareholder General Meeting, agree to any amendment, variation or modification of the Scheme, provided that no amendment, variation or modification made after the Eligible Shareholder General Meeting may have the effect of negatively affecting the rights which will accrue to a Scheme Participant in terms of the Scheme.

5.9.2 Shareholders will be notified of any such amendment, variation or modification on SENS and in the South African press, on the basis that any such amendment, variation or modification shall be subject to approval from the TRP and the JSE, to the extent necessary.

5.9.3 All dates and times referred to in this Circular in respect of the Scheme are subject to change. Any such change shall be published on SENS and published in the South African press.

6. **TERMS AND CONDITIONS OF THE STANDBY OFFER**

6.1 The Standby Offer is proposed by the Board, on the terms and conditions as set out in this paragraph 6, between Sasfin and the Eligible Shareholders, for Sasfin to repurchase all (or a part) of the Preference Shares held by Eligible Shareholders who accept the Standby Offer and become Standby Offer Participants.

6.2 **The Standby Offer**

6.2.1 Simultaneously with the Scheme, Sasfin hereby makes a separate but concurrent offer to the Eligible Shareholders to repurchase all, or a portion, of the Preference Shares from the Eligible Shareholders, subject to the Standby Offer Conditions Precedent being fulfilled (or waived, where such conditions are capable of waiver).

6.2.2 For the avoidance of doubt, implementation of the Standby Offer will be conditional on, *inter alia*, the Scheme not becoming unconditional and operative. If the Scheme does become unconditional and operative the Standby Offer will lapse and be of no force and effect. In addition to the Standby Offer being conditional on the Scheme not becoming

unconditional and operative, the Standby Offer is also subject to the fulfilment or waiver (as the case may be), of the Standby Offer Conditions Precedent as described in paragraph 6.7 of this Circular.

- 6.2.3 If the Standby Offer becomes unconditional and operative, it shall be binding on all the Eligible Shareholders who elected to accept the Standby Offer whether in whole or in part (thereby becoming Standby Offer Participants) and each Standby Offer Participant shall be deemed, with effect from the Standby Offer Implementation Date, to:
- 6.2.3.1 have disposed and transferred all of their Offer Shares, free and clear of encumbrances, to Sasfin, and Sasfin shall be deemed to have repurchased all the Offer Shares, without any further act or instrument being required, in exchange for the Standby Offer Consideration;
 - 6.2.3.2 have irrevocably and *in rem suam* authorised Sasfin and/or the Transfer Secretaries, as agent, with full power of substitution, to cause the Offer Shares disposed of by the Standby Offer Participant to be transferred to Sasfin on the Standby Offer Implementation Date, and to do all such things and take all such steps (including the signing of any transfer form) as may be necessary or expedient in order to effect the transfer; and
 - 6.2.3.3 have instructed Sasfin as principal, but with power to appoint agents, to procure that the Standby Offer Consideration is paid to the Standby Offer Participants entitled thereto, in accordance with the terms and conditions of the Standby Offer as set out in this Circular.
- 6.2.4 Should the Standby Offer become unconditional and effective, the Standby Offer Participants shall:
- 6.2.4.1 if they are Certificated Eligible Shareholders, against completion of the Form of Acceptance (*yellow*) in respect of the Standby Offer and the surrender by them of the Documents of Title in respect of their Offer Shares, receive the Standby Offer Consideration; and
 - 6.2.4.2 if they are Dematerialised Eligible Shareholders, have their Offer Shares transferred to Sasfin and the Standby Offer Consideration transferred to their CSDP or Broker who should credit them with the Standby Offer Consideration, in terms of the Custody Agreement.
- 6.2.5 The rights of the Standby Offer Participants to receive the Standby Offer Consideration in respect of the Offer Shares which they elected to dispose of pursuant to the Standby Offer will be rights enforceable by Standby Offer Participants against Sasfin only, subject to the terms and conditions of the Standby Offer as set out in this Circular.
- 6.2.6 The effect of the Standby Offer will be, *inter alia*, that Sasfin will, with effect from the Standby Offer Implementation Date, repurchase all the Offer Shares (which may not be all of the issued Preference Shares) which Offer Shares will be delisted and cancelled (and returned to the authorised preference share capital) by Sasfin.
- 6.2.7 Sasfin undertakes that, upon the Standby Offer becoming effective, it will give effect to the terms and conditions of the Standby Offer and will take all actions and sign all documents necessary to implement the Standby Offer.

6.3 Standby Offer Consideration

- 6.3.1 If the Scheme does not become unconditional and operative and the Standby Offer becomes effective, Sasfin will repurchase the Offer Shares from the Standby Offer Participants at a price of ZAR 68 per Offer Share, to be settled in cash.
- 6.3.2 The Standby Offer Consideration represents a discount of **6.34%** to the closing price of ZAR **72.60** of the Preference Shares as at the Last Practicable Date, and a 2.06% premium to the similarly adjusted VWAP of ZAR 66.63 of the Preference Shares traded on the JSE during the 60 trading days up to (and including) the Last Practicable Date.
- 6.3.3 The Directors have determined, by way of resolution, that the distribution to the Standby Offer Participants (in an amount equal to the Standby Offer Consideration) pursuant to the Repurchase comprises a return of "CTC" (as defined in section 1 of the Income Tax

Act). Accordingly, no portion of the Standby offer Consideration will comprise a “dividend” (as defined in section 1 of the Income Tax Act) and the Standby Offer Consideration will comprise a return of capital to the Standby Offer Participants of ZAR 68 per Offer Share.

- 6.3.4 The Board is of the opinion that the Standby Offer Consideration reflects a fair and reasonable value for the Preference Shares, notwithstanding the fact that it is less than the Increased Scheme Consideration and is therefore, fair and reasonable insofar as the Shareholders are concerned. In this regard, the Shareholders are referred to paragraph 22 of this Circular and the Independent Expert Report attached to this Circular as **Annexure E**.

6.4 Standby Offer Period

- 6.4.1 The Standby offer is irrevocable and will open for acceptance from **Thursday, 6 May 2021** on the Standby Offer Opening Date and will in the event that the Scheme does not become unconditional and operative, close at **12h00 on Friday, 2 July 2021**, being the Standby Offer Closing Date.
- 6.4.2 Accordingly, the Standby Offer will remain open for acceptance by those Eligible Shareholders that are recorded in the Registers at any time during the period commencing on the Standby Offer Opening Date and ending on the Standby Offer Closing Date, subject to the Scheme not becoming unconditional and operative and subject to the other Standby Offer Conditions Precedent being fulfilled (or waived, where such conditions are capable of waiver). Subject to any approvals required by the JSE and the TRP, Sasfin reserves the right to extend the Standby Offer Closing Date. Any change in the Standby Offer Closing Date will be published on SENS and in the South Africa press.

6.5 Procedure for acceptance of the Standby Offer

- 6.5.1 If an Eligible Shareholder does not wish to accept the Standby Offer in respect of any of the Preference Shares held by it and:
- 6.5.1.1 if such Eligible Shareholder is a Certificated Eligible Shareholder, then it **does not** need to take any further action and will continue to hold its Preference Shares and will be considered to be a Remaining Shareholder, subject to the Scheme not becoming unconditional and operative; or
- 6.5.1.2 if such Eligible Shareholder is a Dematerialised Eligible Shareholder with or without “own-name” registration, then it will be advised to **instruct its CSDP or Broker to reject the Standby Offer**, as if it does not furnish instructions to its CSDP or Broker, the CSDP or Broker will be obliged to act in accordance with the Custody Agreement entered into between such Eligible Shareholder and its CSDP or Broker. If the Standby Offer is declined, such Eligible Shareholder will continue to hold its Preference Shares and will be deemed to be a Remaining Shareholder, subject to the Scheme not becoming unconditional and operative.
- 6.5.2 For the avoidance of doubt, Eligible Shareholders will be entitled to accept the Standby Offer from **12h00** on the Standby Offer Opening Date, however any Offer Shares tendered will not be repurchased until such time as the Standby Offer becomes effective and is implemented, which is conditional on the Scheme not becoming unconditional and operative and the Standby Offer becoming wholly unconditional.
- 6.5.3 **Dematerialised Shareholders**
- 6.5.3.1 Eligible Shareholders who are considered Dematerialised Eligible Shareholders and who wish to accept the Standby Offer in respect of all or a portion of their Preference Shares are required to accept the Standby Offer in accordance with the instructions set out in paragraph 5 (above) “*Action Required by Shareholders in respect of the Standby Offer*” titled “*Acceptance of the Standby offer and surrender of Documents of Title*” commencing on page 44 of this Circular.
- 6.5.3.2 If an acceptance is not communicated to the Transfer Secretaries, through a Broker or CSDP, by **12h00** on the Standby Offer Closing Date, Eligible Shareholders who hold Dematerialised Shares will be **deemed to have declined** the Standby Offer and will continue to hold their Preference Shares and will be a Remaining Shareholder, subject to the Scheme not becoming unconditional and operative.

- 6.5.3.3 Dematerialised Shareholders must **not** complete the attached Form of Acceptance (*yellow*) in respect of the Standby Offer.

6.5.4 **Certificated Eligible Shareholders**

- 6.5.4.1 Eligible Shareholders who hold Certificated Shares and who wish to accept the Standby Offer in respect of all or a portion of their Preference Shares are required to accept the Standby Offer by completing the Form of Acceptance (*yellow*) in respect of the Standby Offer and delivering it, together with the Documents of Title in respect of the Offer Shares tendered by them, in accordance with the instructions set out in paragraph 5 (above) "*Action Required by Shareholders in respect of the Standby Offer*" titled "*Acceptance of the Standby offer and surrender of Documents of Title*" commencing on page 44 of this Circular, to the Transfer Secretaries by not later than **12h00 on the Standby Offer Closing Date**.
- 6.5.4.2 If the Standby Offer is not validly accepted by **12h00 on the Standby Offer Closing Date**, the Standby Offer will be deemed to have been declined.
- 6.5.4.3 If the Standby Offer lapses because of the non-fulfilment of one or more of the Standby Offer Conditions Precedent, any Documents of Title surrendered and held by the Transfer Secretaries will be returned to Eligible Shareholders by the Transfer Secretaries, at its own risk, by registered post within 5 Business Days from (i) the date the Documents of Title are received by the Transfer Secretaries or (ii) the date on which the Standby Offer lapses or (iii) the Scheme fails, whichever is the later.

6.6 **Settlement of the Standby Offer Consideration**

- 6.6.1 Subject to what is set out below and to the Standby Offer becoming wholly unconditional and being implemented, the Standby Offer Participants will be entitled to receive the Standby Offer Consideration.
- 6.6.2 The Standby Offer Consideration will be settled by Sasfin through drawing by it from its cash resources and will not be subject to any lien, right of set-off, counterclaim or other analogous right. In addition, settlement of the Standby Offer Consideration to Standby Offer Participants who are Non-resident Shareholders will be subject to the Exchange Control Regulations, the salient provisions of which are set out in **Annexure A** to this Circular.
- 6.6.3 Sasfin and its agents will administer and effect payments of the Standby Offer Consideration to Standby Offer Participants.
- 6.6.4 The Standby Offer Consideration will be payable in cash in Rands only.
- 6.6.5 If the Standby Offer becomes unconditional and operative:
- 6.6.5.1 **Dematerialised Eligible Shareholders** who become Standby Offer Participants will have their account at their CSDP or Broker credited with the Standby Offer Consideration and debited with the Offer Shares on the Standby Offer Implementation Date; and
- 6.6.5.2 **Certificated Eligible Shareholders** who become Standby Offer Participants by submitting their Documents of Title and duly completed Form of Acceptance (*yellow*) in respect of the Standby Offer to the Transfer Secretaries **by 12h00 on the Standby Offer Closing Date (expected to be Friday, 2 July 2021)**, will have the Standby Offer Consideration paid to them by way of an EFT into the designed South African Bank Account detailed in the relevant sections of the Form of Acceptance (*yellow*) in respect of the Standby Offer, on the Standby Offer Implementation Date.
- 6.6.6 If an Eligible Shareholder has not validly accepted the Standby Offer on or before the Standby Offer Closing Date, such Eligible Shareholder will not be entitled to receive the Standby Offer Consideration.

6.7 Standby Offer Conditions Precedent

- 6.7.1 The implementation of the Standby Offer is subject to the fulfilment, or waiver (to the extent permissible), of the following conditions precedent, which remain outstanding as at the Last Practicable Date, by no later than **17h00** on 31 August 2021 or such later time and date as Sasfin may in its sole discretion determine (and subject to approval from the TRP and the JSE):
- 6.7.1.1 the Scheme does not become unconditional and operative (meaning that a Scheme Conditions Precedent has not been fulfilled or waived by no later than **17h00** on 31 August 2021 or such later time and date as Sasfin may in its sole discretion determine (and subject to approval from the TRP);
 - 6.7.1.2 subject to paragraph 6.7.2, no written notice from any Relevant Shareholder/s, is received by the Company in terms of section 164(3) of the Companies Act objecting to the Companies Act Repurchase Resolution, before the Companies Act Repurchase Resolution is to be voted on at the Combined General Meeting, as more fully discussed in paragraph 7 below and as restated in the appropriate special resolutions in the Notices. If any such objection notices are received by the Company and such condition has not been waived by Sasfin, in its sole discretion, as contemplated in paragraph 6.7.2 below, then it is noted that the chairperson of the Combined General Meeting **shall** close the meeting without putting such special resolution/s to the vote;
 - 6.7.1.3 all necessary Shareholder approvals and/or resolutions as may be necessary to give effect to the Repurchase having been obtained, including but not limited to the Repurchase Resolutions having been approved by the requisite majority of the Shareholders (who are entitled to vote) at the Combined General Meeting, as described in more detail in the Notice of Combined General Meeting;
 - 6.7.1.4 to the extent that the provisions of section 115(2)(c) of the Companies Act become applicable:
 - 6.7.1.4.1 the Standby Offer being approved by the relevant court unconditionally, or if subject to conditions, the person on whom such conditions are imposed approves such conditions and undertakes in writing to comply therewith; and
 - 6.7.1.4.2 Sasfin not treating the aforesaid special resolution as a nullity in terms of section 115(5)(b) of the Companies Act; and
 - 6.7.1.5 the receipt of unconditional approvals, consents or waivers from all applicable regulatory authorities as may be required in order to implement the Standby Offer (including the TRP, by means of the issue of compliance certificate in relation to the Standby Offer as required by section 115(1)(b), read with section 119(4)(b) and section 121(b), of the Companies Act) or, to the extent that any such approvals, consents or waivers are subject to conditions or qualifications, Sasfin confirms in writing that such conditions or qualification are acceptable to it.
- 6.7.2 The Standby Offer Condition Precedent stipulated in paragraph 6.7.1.2 above may be waived (in whole or in part) at sole and absolute discretion of the Board. The remaining Standby Offer Conditions Precedent stipulated above are not capable of waiver.
- 6.7.3 An announcement will be released on SENS as soon as possible after the fulfilment, waiver or non-fulfilment, as the case may be, of the Standby Offer Conditions Precedent.
- 6.7.4 For the avoidance of doubt, if the Standby Offer Conditions Precedent are not fulfilled or waived (to the extent permissible) by **17h00** on 31 August 2021 or such later time and date as Sasfin in its sole discretion determine (and subject to approval from the TRP and the JSE), then the Standby Offer shall not become unconditional and be implemented and the Standby Offer Participants will continue in their present position as Preference Shareholders in the Company.

6.8 Potential court approval

- 6.8.1 Shareholders are advised that, in accordance with section 115(3) of the Companies Act, Sasfin may in certain circumstances not proceed to implement the Standby Offer and the associated Repurchase without the approval of the court, despite the fact that the Companies Act Repurchase Resolution will have been duly adopted at the Combined General Meeting.
- 6.8.2 In this regard, a copy of section 115 of the Companies Act which details the circumstances under which court approval may be required for implementation of the Repurchase, is set out in **Annexure B** to this Circular.

6.9 Amendments, Variations and Modifications to the Standby Offer

- 6.9.1 Subject to paragraph 6.9.2 of this Circular, Sasfin may:
 - 6.9.1.1 before or at the Combined General Meeting, but prior to the Shareholders casting their votes, agree to any amendment, variation or modification of the Standby Offer; and
 - 6.9.1.2 after the Combined General Meeting, agree to any amendment, variation or modification of the Standby Offer, provided that no amendment, variation or modification made after the Combined General Meeting may have the effect of negatively affecting the rights which will accrue to a Standby Offer Participant in terms of the Standby Offer.
- 6.9.2 Shareholders will be notified of any such changes on SENS and in the South African press on the basis that any such changes shall be subject to approval from the TRP and the JSE, to the extent necessary.
- 6.9.3 All dates and times referred to in this Circular in respect of the Standby Offer are subject to change. Any such change shall be published on SENS and published in the South African press.

7. DISSENTING SHAREHOLDER APPRAISAL RIGHTS

- 7.1 In terms of section 164(2)(b) of the Companies Act, Relevant Shareholders are hereby notified of their Appraisal Rights. Relevant Shareholders who wish to exercise their rights in terms of section 164 of the Companies Act are required before the Scheme Resolution to approve the Scheme is voted on at the Eligible Shareholder General Meeting and/or before the Companies Act Repurchase Resolution is to be voted on at the Combined General Meeting to:
 - 7.1.1 give notice to Sasfin in writing objecting to the aforesaid resolution/s in terms of section 164(3) of the Companies Act; and
 - 7.1.2 vote against the Scheme Resolution at the Eligible Shareholder General Meeting and/or the Companies Act Repurchase Resolution at the Combined General Meeting.
- 7.2 A copy of section 164 of the Companies Act (which sets forth the Appraisal Rights) is included in **Annexure B** to this Circular.
- 7.3 If the Board waives the Scheme Condition Precedent contemplated in paragraph 5.5.1.1 or the Standby Offer Condition Precedent contemplated in paragraph 6.7.1.2, any Dissenting Shareholder that, pursuant to the exercise of its Appraisal Rights, has accepted an Appraisal Rights Offer and/or transferred Shares to Sasfin pursuant to section 164(13) or section 164(15)(c)(v) of the Companies Act shall not participate in the Scheme or the Standby Offer.
- 7.4 As regards the Scheme, in the event that any Dissenting Shareholder withdraws a valid demand in the circumstances contemplated in section 164(9)(a) or (b) of the Companies Act and a Dissenting Shareholder has not exercised its rights in terms of section 164(14) of the Companies Act to apply to court to determine a fair value in respect of the Shares that were the subject of the demand, such that such Relevant Shareholder ceases to be a Dissenting Shareholder:
 - 7.4.1 on or prior to the Scheme Record Date, then such Relevant Shareholder who was, up until that time, a Dissenting Shareholder will be deemed a Scheme Participant and be subject to the terms and conditions of the Scheme; and
 - 7.4.2 after the Scheme Record Date, then such Relevant Shareholder who was, up until that time, a Dissenting Shareholder will be deemed to have been a Scheme Participant as at the Scheme Operative Date and be deemed to have transferred its Scheme Shares to Sasfin,

provided that settlement of the Increased Scheme Consideration shall take place on the later of: (i) the Scheme Operative Date; (ii) the date which is 5 Business Days after that Dissenting Shareholder so withdrew its demand or allowed the Company's offer to lapse, as the case may be, without exercising its rights in terms of section 164(14); and (iii) if that Dissenting Shareholder is a Relevant Shareholder with Certificated Preference Shares, the date which is 5 Business Days after that Dissenting Shareholder shall have submitted its Documents of Title and duly completed Form of Surrender (*pink*) in respect of the Scheme to the Transfer Secretaries.

- 7.5 As regards the Standby Offer, in the event that any Dissenting Shareholder withdraws a valid demand in the circumstances contemplated in section 164(9)(a) or (b) of the Companies Act and a Dissenting Shareholder has not exercised its rights in terms of section 164(14) of the Companies Act to apply to court to determine a fair value in respect of the Shares that were the subject of the demand, such that such Relevant Shareholder ceases to be a Dissenting Shareholder then such Relevant Shareholder shall still be entitled to accept the Standby Offer prior to the Standby Offer Closing Date.
- 7.6 Before exercising their rights under section 164 of the Companies Act, Relevant Shareholders, should have regard to the following factors relating to the Scheme Resolution and the Companies Act Repurchase Resolution:
 - 7.6.1 the Independent Expert Report set out in **Annexure E** to this Circular, which concludes that the terms of the Repurchase (to be implemented either by way of the Scheme or the Standby Offer) are fair and reasonable to the Shareholders; and
 - 7.6.2 the court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.

8. GENERAL PROVISIONS RELATING TO THE SCHEME AND THE STANDBY OFFER

8.1 Governing law and jurisdiction

- 8.1.1 The Scheme and the Standby Offer shall be governed by, and construed in accordance with, the laws of South Africa.
- 8.1.2 Each Shareholder shall be deemed to have irrevocably submitted to the exclusive jurisdiction of the courts of South Africa in relation to matters arising out of or in connection with the Scheme and the Standby Offer.

8.2 Tax Implications for Eligible Shareholders

Notwithstanding the provisions of paragraphs 5.3.3 and 6.3.3 of this Circular, the tax implications of the Scheme and the Standby Offer on Preference Shareholders will depend on the individual circumstances of each Preference Shareholder. Accordingly, Eligible Shareholders are advised to obtain independent tax advice in relation to the tax implications of the Scheme and the Standby Offer.

8.3 Non-resident Shareholders and Exchange Control Regulations

Annexure A to this Circular contains a summary of certain important information for Non-resident Shareholders, including a summary of the Exchange Control Regulations as they apply to Scheme Participants (and Standby Offer Participants) who are Non-resident Shareholders. Scheme Participants (and Standby Offer Participants) who are Non-resident Shareholders must satisfy themselves as to the full observance of the laws of any relevant jurisdiction concerning the receipt of the Increased Scheme Consideration (or the Standby Offer Consideration), including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction. If in doubt, Scheme Participants (and Standby Offer Participants) should consult their professional advisors immediately.

9. PRO FORMA FINANCIAL EFFECTS

- 9.1 The table below sets out the Financial Effects of the Repurchase whether implemented in terms of the Scheme or the Standby Offer and has been prepared for illustrative purposes only, in order to enable Shareholders to assess the impact the Repurchase would have on the Group if implemented on the dates indicated in the notes below.

- 9.2 Due to their nature, the Financial Effects may not fairly present the financial position or the effect on earnings, changes in equity or cash flows of Sasfin after implementation of the Repurchase.
- 9.3 The Financial Effects are presented in a manner that is consistent with the accounting policies of the Company for the 6 months ended 31 December 2020, prepared in accordance with IFRS. For a full understanding of Sasfin's accounting policies, please refer to Sasfin's audited annual financial statements for the year ended 30 June 2020, which can be found on Sasfin's website at: <https://www.sasfin.com/investor-relations/>.
- 9.4 The preparation of the Financial Effects is the responsibility of the Directors. Consistent with the foregoing, the Financial Effects set out in the table below are based on available information and certain assumptions and estimates, which the Board believes, are reasonable.
- 9.5 The Financial Effects, which include *inter alia*, the unadjusted financial information, the *pro forma* adjustments and the *pro forma* financial information, have been given no greater prominence than unadjusted financial figures, are presented in a manner consistent with both the format and accounting policies adopted in the historical financial information of Sasfin and adjustments have been quantified on the same basis as would normally be calculated in preparing financial statements.
- 9.6 The *pro forma* financial information has been prepared in accordance with the Listings Requirements, the Takeover Regulations, IFRS, the accounting policies adopted by the Group and the SAICA guide on *pro forma* financial information.

Cents per share	Before	<i>Pro forma</i> after	% Change
Scheme (Assuming 100% Repurchase)³			
Earnings ¹	121.50	114.52	(6%)
Headline earnings ¹	83.54	76.55	(8%)
Net asset value ²	4,780.00	4,914.15	3%
Tangible net asset value ²	4,027.67	4,161.82	3%
Standby Offer (Assuming 50% Repurchase)⁴			
Earnings ¹	121.50	118.33	(3%)
Headline earnings ¹	83.54	80.37	(4%)
Net asset value ²	4,780.00	4,851.50	1%
Tangible net asset value ²	4,027.67	4,099.16	2%
Standby Offer (Assuming 25% Repurchase)⁴			
Earnings ¹	121.50	119.92	(1%)
Headline earnings ¹	83.54	81.95	(2%)
Net asset value ²	4,780.00	4,800.58	0%
Tangible net asset value ²	4,027.67	4,048.25	1%
Weighted average ordinary shares in issue ('000)	32,197	32,197	
Ordinary shares in issue ('000)	32,197	32,197	

***Notes:**

1. The *pro forma* effects on earnings and headline earnings are based on the assumption that the Repurchase was effective 1 July 2020.
 2. The *pro forma* effects on net asset value and tangible net asset value are based on the assumption that the Repurchase was effective 31 December 2020.
 3. The *pro forma* effects of the Scheme assume a 100% Repurchase of all of the Preference Shares at the Increased Scheme Consideration of ZAR 75 per Preference Share.
 4. The number of Preference Shares which will be repurchased in terms of the Standby Offer is currently uncertain. Consequently, the *pro forma* effects are presented based on various scenarios, being an assumption of a 50% Repurchase and a 25% Repurchase and the Standby Offer Consideration of ZAR 68 per Preference Share.
 5. Further notes and assumptions underlying the Financial Effects of the Scheme are set out in **Annexure C** to this Circular.
- 9.7 The Financial Effects as set out above, should be read in conjunction with the full *pro forma* consolidated statement of comprehensive income, *pro forma* statement of financial position and related detailed notes and assumptions on the Scheme as set out in **Annexure C** to this Circular, together with the reasonable assurance report of the Reporting Accountant set out in **Annexure D** to this Circular.

10. FINANCIAL INFORMATION AND MATERIAL RISKS

10.1 *Pro forma* financial information

The Financial Effects detailing the financial impact of the Scheme and different iterations of the Repurchase is set out in paragraph 9 above, and the financial impact of the Scheme is further set out in **Annexure C** to this Circular, respectively, and the Reporting Accountant's report on the *pro forma* financial information of Sasfin is attached to this Circular as **Annexure D**.

10.2 Historical financial information and material risks of Sasfin

Sasfin's published audited consolidated annual financial statements for the financial years ended 30 June 2018, 30 June 2019 and 30 June 2020 and the Interim Results are incorporated herein by reference as contemplated in paragraph 11.61 of the Listings Requirements and can be accessed on the Company's website at the following links:

Information incorporated by reference	Website Link
Audited annual financial statements of Sasfin for the year ended 30 June 2018	https://sasfin.com/media/w1gdogdi/afs_2018.pdf
Audited annual financial statements of Sasfin for the year ended 30 June 2019	https://sasfin.com/media/cgep0lgq/sasfin_holdings_limited_annual_financial_statements_2019.pdf
Audited annual financial statements of Sasfin for the year ended 30 June 2020	https://sasfin.com/media/byopyjuv/sasfin-bank-limited-annual-financial-statements-2020.pdf
Interim Results	https://www.sasfin.com/investor-relations/
Material risks	https://sasfin.com/media/jo0fxv2g/sasfin-holdings-limited-integrated-report-2020.pdf

11. ADEQUACY OF CAPITAL AND THE SOLVENCY AND LIQUIDITY TEST

The Directors have considered the effect of implementing the Repurchase, whether implemented in terms of the Scheme or the Standby Offer, on Sasfin's working capital requirements and are of the opinion that:

- 11.1 the Company and the Group will be able, in the ordinary course of business, to pay their debts for a period of 12 months after the date of the approval of this Circular;
- 11.2 the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of this Circular. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the Company's latest audited consolidated annual financial statements;
- 11.3 the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of this Circular;
- 11.4 the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of this Circular; and
- 11.5 based on a resolution of the Board authorising the Repurchase (to be implemented either by way of the Scheme or the Standby Offer), the Company and its subsidiary/ies have passed the solvency and liquidity test and, since the test was performed, there have been no material changes in the financial position of the Company and the Group.

It is further recorded, in respect of the Repurchase, that:

- 11.6 in terms of section 46(1)(a)(ii) of the Companies Act and the Listings Requirements, the Board has authorised the Repurchase in terms of the Scheme or the Standby Offer, by way of a resolution;
- 11.7 in terms of section 46(1)(b) of the Companies Act, the Board is satisfied that it reasonably appears that the Company will satisfy the solvency and liquidity test as set out in section 4 of the Companies Act, immediately after completing the Repurchase (whether by way of the Scheme or the Standby Offer) and, in this regard, the different considerations offered under each of the Scheme and the Standby Offer have been taken into account;

11.8 in terms of section 46(1)(c) of the Companies Act, the Board has, by resolution, acknowledged that it has applied the solvency and liquidity test, as set out in section 4 of the Companies Act, and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the Repurchase (whether implemented in terms of the Scheme or the Standby Offer); and

11.9 since the solvency and liquidity test was performed, there have been no material changes to the financial position of the Group.

12. SHARE CAPITAL OF SASFIN

The authorised and issued share capital of Sasfin **before** and **after** the Repurchase (whether implemented in terms of the Scheme or the Standby Offer and on the assumption that if implemented in terms of the Standby Offer it is accepted in full by all the Eligible Shareholders) is set out in the tables below:

Before the Repurchase

Authorised Share Capital	ZAR
100 000 000 Ordinary Shares with a par value of ZAR 0.01 each	1,000,000
5 000 000 Preference Shares with a par value of ZAR 0.01 each	50,000
Total authorised share capital:	1,050,000

Issued Share Capital	ZAR
32 301 441 Ordinary Shares with a par value of ZAR 0.01 each	323,014
1 797 226 Preference Shares with a par value of ZAR 0.01 each	17,972
Ordinary Share premium account as at the Last Practicable Date	166,945,123
Preference Share premium account as at the Last Practicable Date	188,068,000
Total issued share capital:	355,354,109

Notes:

*The information in the above tables includes (i) 12 017 treasury shares held by Sasfin Share Incentive Trust and (ii) 92 542 treasury shares held by Sasfin Securities Proprietary Limited.

After the Repurchase*

Authorised Share Capital	ZAR
100 000 000 Ordinary Shares with a par value of ZAR 0.01 each	1,000,000
5 000 000 Preference Shares with a par value of ZAR 0.01 each	50,000
Total authorised share capital:	1,050,000

Issued Share Capital	ZAR
32 301 441 Ordinary Shares with a par value of ZAR 0.01 each	323,014
0 Preference Shares with a par value of ZAR 0.01 each	–
Ordinary Share premium account as at the Last Practicable Date	166,945,123
Preference Share premium account as at the Last Practicable Date	–
Total issued share capital:	167,268,137

Notes:

*The information in the above tables includes (i) 12 017 treasury shares held by Sasfin Share Incentive Trust and (ii) 92 542 treasury shares held by Sasfin Securities Proprietary Limited.

*This table reflects the position on the assumption that all the Preference Shares are repurchased (either through the implementation of the Scheme or the Standby Offer).

As at the Last Practicable Date, the Ordinary Shares and the Preference Shares are listed on the Main Board of the exchange operated by the JSE.

13. PREFERENCE SHARE TRADING HISTORY

Annexure F to this Circular sets out the aggregate volumes, dates and prices of Preference Shares traded on the JSE (i) for each trading day during the 30-day period ended on the Last Practicable Date and (ii) for each month over the previous 12 months prior to the last practicable date of issue of this Circular.

14. MAJOR SHAREHOLDERS OF SASFIN

As at the Last Practicable Date, to the knowledge of the Company, the names of Ordinary Shareholders, excluding any Director, who are directly or indirectly beneficially interested in 5% or more of the issued ordinary share capital of Sasfin, are as follows:

Ordinary Shareholders	Number of Ordinary Shares	% of Issued Ordinary Shares*
Unitas Enterprises Limited**	15 059 123	46.62%
Wipfin Investments Proprietary Limited	8 107 662	25%

Notes:

*Based on 32 301 441 Ordinary Shares in issue (including treasury shares) as at the Last Practicable Date.

**An Associate of Mr RDEB Sassoon and Mr MEE Sassoon.

As at the Last Practicable Date, to the knowledge of the Company, the names of Preference Shareholders, excluding any Director, who are directly or indirectly beneficially interested in 5% or more of the issued preference share capital of Sasfin, are as follows:

Preference Shareholders	Number of Preference Shares	% of Issued Preference Shares*
Municipal Workers Retirement Fund	131 899	7%

Notes:

*Based on 1 797 226 Preference Shares in issue as at the Last Practicable Date.

15. IRREVOCABLE UNDERTAKINGS

As at the Last Practicable Date, no Eligible Shareholder has provided an irrevocable undertaking that it will accept the Standby Offer or vote in favour of the Scheme Resolution and/or the Companies Act Repurchase Resolutions.

As at the Last Practicable Date, no Eligible Shareholder has provided an irrevocable undertaking that it will reject the Standby Offer or vote against the Scheme Resolution and/or the Companies Act Repurchase Resolutions.

16. MATERIAL CHANGE

There have been no material changes in the financial or trading position of the Company between 31 December 2020 (being the end of the last financial period for which unaudited interim reports have been published) and the Last Practicable Date.

17. DIRECTORS' INFORMATION

17.1 Directors' Remuneration

There will be no variation in the remuneration to be received by any of the Directors as a direct consequence of the Repurchase.

17.2 Directors' Interest in Securities

As at the Last Practicable Date the Directors (and any associate of the Directors), and persons who were directors of Sasfin within the preceding 18 (eighteen) months, have the following direct or indirect beneficial interests in the Ordinary Shares:

Director	Beneficial direct interest (No. of Shares)	Beneficial indirect interest (No. of Shares)	% of Issued Share Capital*
Mr RDEB Sassoon and Mr MEE Sassoon**	–	15 064 577	46.64%
Mr RDEB Sassoon	5 328	–	0.016%
Mr MG Lane (alternate director)	10 605	–	0.033%
	15 933	13 910 377	46.68%

Notes:

*Based on 32 301 441 Ordinary Shares in issue (including treasury shares) as at the Last Practicable Date.

**Through their indirect discretionary interests in Unitas Enterprises Limited and Mr DE Sassoon, Mr RDEB Sassoon's son.

Save for the acquisition of Unitas Enterprises Limited (which is considered an Associate of Mr RDEB Sassoon and Mr MEE Sassoon) of 1 154 200 Ordinary Shares which was announced on SENS on 24 March 2021, there has been no change in the directors' interest between **31 December 2020** and the Last Practicable Date.

There will be no change in the aforementioned Director's interests as a result of the Repurchase.

17.3 As at the Last Practicable Date no Directors were the holders of any Preference Shares.

18. SERVICE CONTRACTS

The service contracts in place between the Company's executive directors and the Company contain terms and conditions that are usual for contracts of this nature. No service contracts were entered into or amended in the six months preceding the Last Practicable Date.

19. DISCLOSURE IN TERMS OF THE TAKEOVER REGULATIONS

19.1 In terms of regulation 106(4)(c)(i) of the Takeover Regulations, an offer circular must contain a statement of direct and indirect beneficial interests in or holdings of securities, or actions to be effected by the offeror, including separate disclosure of concert party holdings, in the offeree regulated company.

19.2 In terms of regulation 106(7)(d)(i) of the Takeover Regulations, an offeree response circular must contain a statement of direct and indirect beneficial interests in or holdings of securities, or actions to be effected by the offeree regulated company in the offeror.

19.3 In terms of regulation 106(4)(e) of the Takeover Regulations, an offeror offer circular must contain a statement indicating whether or not any agreement exists between the offeror, or any person acting on concert with the offeror, and:

19.3.1 the offeree regulated company;

19.3.2 any of the directors or equivalent of the offeree regulated company, or persons who were directors or equivalent within the preceding 12 months of the offeree regulated company; or

19.3.3 holders of offeree regulated company securities, or persons who were holders thereof within the preceding 12 months, if the agreement is considered to be material to a decision regarding the offer to be taken by the holders or offeror holders,

and material terms of any such agreement.

19.4 In terms of regulation 106(7)(g) of the Takeover Regulations, an offeree response circular must contain a statement indicating whether or not any agreement exists between the offeree regulated company and:

- 19.4.1 the offeror or any of its concert parties;
- 19.4.2 any directors or the equivalent of the offeror, or persons who were directors or equivalent within the preceding 12 months; or
- 19.4.3 holders of offeror securities or a beneficial interest in the offeror, or persons who were holders thereof or interested therein within the preceding 12 months if the agreement is considered to be material to a decision regarding the offer to be taken by the holders or offeror holders,
- and material terms of any such agreement.
- 19.5 Due to the nature of the Repurchase (whether implemented in terms of the Scheme or the Standby Offer), the Takeover Regulations referred to above are not applicable to this Circular.
- 19.6 Disclosures per the Takeover Regulations have been made in paragraphs 5 and 6 of (and elsewhere in) this Circular, to the extent that they are applicable to the Repurchase (whether implemented in terms of the Scheme or the Standby Offer).
- 19.7 The following exemptions have been obtained from the TRP, namely: exemption dated 11 March 2021 granted by the TRP in respect of regulation 106(7)(c)(i) of the Takeover Regulations and exemption dated 15 March 2021 granted by the TRP in respect of regulation 106(7)(c)(ii) of the Takeover Regulations, which exemptions permitted Sasfin to include its last three years of financial statements in this Circular by reference and base its Financial Information on its Interim Results, provided that this Circular contains extracts of those financial statements and that full copies thereof are made available to Shareholders on request.
- 19.8 The aforementioned exemption applications and responses thereto are available for inspection as contemplated in paragraph 29 below.

20. **CONFIRMATION OF CASH SET ASIDE**

Sasfin will use available cash resources within the Sasfin Group (other than Sasfin Bank Limited) to fund the Increased Scheme Consideration or the Standby Offer Consideration, as applicable. The funds to settle the Increased Scheme Consideration or the Standby Offer Consideration are available and are currently held in an account with Sasfin Bank Limited. In accordance with regulation 111(4) and 111(5) of the Takeover Regulations, Sasfin has delivered to the TRP a written confirmation of cash set aside in respect of the total Increased Scheme Consideration, being the maximum possible consideration in respect of the Repurchase.

21. **INDEPENDENT EXPERT REPORT**

- 21.1 The report of the Independent Expert prepared in accordance with section 114(3) of the Companies Act and regulation 90 of the Takeover Regulations (applicable to both the Scheme and the Standby Offer) is provided in **Annexure E** to this Circular.
- 21.2 Having considered the terms and conditions of the Repurchase (whether implemented in terms of the Scheme or the Standby Offer) and based upon and subject to the terms and conditions set out in the report of the Independent Expert, the Independent Expert is of the opinion that the Repurchase (whether implemented in terms of the Scheme or the Standby Offer) is fair and reasonable to the Shareholders.

22. **INDEPENDENT BOARD OPINION AND RECOMMENDATION**

- 22.1 The Independent Board has been tasked to consider whether the terms and conditions of the Scheme, including the Increased Scheme Consideration, and the terms and conditions of the Standby Offer, including the Standby Offer Consideration, are fair and/or reasonable to Shareholders. In discharging its obligations, the Independent Board undertook an independent assessment of the terms and conditions of the Repurchase (whether implemented in terms of the Scheme or the Standby Offer) and engaged the Independent Expert to provide the Independent Expert Report.
- 22.2 The Independent Board, after due consideration of the Independent Expert Report, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Scheme, the Scheme Offer Consideration, the Standby Offer

and the Standby Offer Consideration, as contemplated in the regulation 110(3)(b) of the Takeover Regulations. The Independent Board has also formed a view of the range of the fair value of the Preference Shares, which accords with the valuation range contained in the Independent Expert Report.

- 22.3 In forming its opinion, the Independent Board considered the factors which are difficult to quantify or are unquantifiable (as contemplated in regulation 110(6) of the Takeover Regulations) as identified in the Independent Expert Report.
- 22.4 The Independent Board is of the opinion that, after taking into consideration the opinion of the Independent Expert –
- 22.4.1 the terms and conditions of the Scheme, including the Increased Scheme Consideration of ZAR 75 per Preference Share, are fair and reasonable to the Shareholders; and
- 22.4.2 the terms and conditions of the Standby Offer, including the Standby Offer Consideration of ZAR 68 per Preference Shares, are fair and reasonable to the Shareholders (notwithstanding that it is lower than the Increased Scheme Consideration).
- 22.5 Accordingly, the Independent Board recommends to Shareholders to vote in favour of all necessary special and ordinary resolutions set out in the Notices, including the Scheme Resolution and the Repurchase Resolutions.
- 22.6 All Directors who own Shares in their personal capacity, who are able to vote, intend to vote in favour of the aforesaid resolutions at the Meetings.

23. DIRECTORS' RESPONSIBILITY STATEMENT

23.1 Board

The Directors, whose names and details are provided on page 52 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

23.2 Independent Board

The members of the Independent Board collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

24. LITIGATION STATEMENT

The Company is not aware of any legal or arbitration proceedings (including any such proceedings which are pending or threatened), which may have or may have had, in the last 12 months, a material effect on the Group's financial position.

25. CONSENTS

All the parties listed in the section entitled "*Corporate Information and Advisors*" (including for the avoidance of doubt the Reporting Accountant) have consented in writing to act in the capacities stated and to their names being stated in this Circular and, where applicable, to the inclusion of their reports in the form and context in which they have been reproduced in this Circular and have not withdrawn their consents prior to publication of this Circular. The consent letters are available for inspection as contemplated in paragraph 29 below.

26. PRELIMINARY EXPENSES

The following expenses and provisions are expected, or have been provided for, in connection with the Repurchase (whether implemented in terms of the Scheme or the Standby Offer) by Sasfin. All the fees payable to the parties below are exclusive of value added tax:

Description	Payable to	Estimated Amount (ZAR)
Independent Sponsor	Deloitte	110,000
Corporate Finance Advisors	Sasfin Capital	7,000,000
Legal	Edward Nathan Sonnenbergs Incorporated	600,000
Independent Expert	BDO	250,000
Reporting Accountant	PricewaterhouseCoopers	100,000
Printing and Postage	INCE	446,050
	Computershare Investor Services Proprietary Limited (including Online Voting Platform for the Meetings)	53,179
Transfer Secretaries	JSE	34,913
Documentation Review	TRP	206,000
TRP inspection exemption fees		965,992
Miscellaneous		336,980
Securities transfer tax		
Total		10,103,115

27. NOTICE OF MEETINGS

27.1 Eligible Shareholder General Meeting

The Eligible Shareholder General Meeting, convened in terms of the Notice of Eligible Shareholder General Meeting incorporated in this Circular, will be entirely by way of electronic participation at **10h00 on Wednesday, 2 June 2021** or any other adjourned or postponed date and time determined in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements, to consider and, if deemed fit, pass the special and ordinary resolutions set out therein. A notice convening the Eligible Shareholder General Meeting of the Eligible Shareholders is attached to, and forms part of, this Circular.

27.2 Combined General Meeting

The Combined General Meeting, convened in terms of the Notice of Combined General Meeting is incorporated in this Circular, will be held entirely by way of electronic communication at the later of **10h30** or the conclusion of the Eligible Shareholder General Meeting on **Wednesday, 2 June 2021** or any other adjourned or postponed date and time determined in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements, to consider and, if deemed fit, pass the special and ordinary resolutions set out therein. A notice convening the Combined General Meeting of the Shareholders is attached to, and forms part of, this Circular.

27.3 Conditions applicable to the special resolutions being proposed at Meetings

27.3.1 Shareholders are advised to note the conditions to which the special resolutions being put to the vote at the relevant Meeting are subject, as more fully described in paragraphs 7.1.2 and 7.2.2 of the section titled: *"Action required by Shareholders in respect of the Scheme"* commencing on page 6 and in paragraph 17.2 of the section titled: *"Action required by Shareholders in respect of the Standby Offer"* commencing on page 28.

27.3.2 For the avoidance of doubt, Shareholders are required to take note that the Scheme Resolution and the Repurchase Resolutions are **not** inter-conditional upon each other.

28. ACTION TO BE TAKEN BY SHAREHOLDERS

Please refer to pages 11 and 28 of this Circular, which sets forth in detail the actions required to be taken by Shareholders in connection with the Eligible Shareholder General Meeting and the Combined General Meeting.

29. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at Sasfin's registered office at 29 Scott Street, Waverley, 2090, South Africa during normal business hours (**09h00 to 17h00**) (alternatively, electronic copies are available on written request to Charissa de Jager at charissa.dejager@sasfin.com) from the date of posting of this Circular until the Standby Offer Closing Date from (being **Wednesday, 5 May 2021** up to and including **Friday, 2 July 2021**):

- 29.1 this Circular;
- 29.2 the existing memorandum of incorporation of Sasfin and major subsidiaries;
- 29.3 the audited annual financial information of Sasfin for the 3 years ended 30 June 2018, 30 June 2019 and 30 June 2020;
- 29.4 the service contracts of the executive Directors;
- 29.5 those material contracts entered into in the last 12 months prior to the Last Practicable Date required to be disclosed as contemplated in paragraph 7.G.1 of the Listings Requirements;
- 29.6 Interim Results;
- 29.7 the signed Independent Expert Report;
- 29.8 the reasonable assurance report of the Reporting Accountant;
- 29.9 a letter from the TRP approving the circular;
- 29.10 any exemption application made by Sasfin to the TRP in respect of the Circular and TRP's response thereto;
- 29.11 the letter issued by the Prudential Authority approving the Repurchase;
- 29.12 the letter received from the authorised dealer of Sasfin approving the content of **Annexure A**;
- 29.13 signed copy of the cash confirmation referred to in paragraph 20 above; and
- 29.14 each of the consent letters referred to in paragraph 25 above.

By order of the Board, by way of resolution.



RC Andersen Chair

Wednesday, 5 May 2021

By order of the Independent Board, by way of resolution.



RWR Buchholz

Wednesday, 5 May 2021

Registered Office

29 Scott Street
Waverley
Johannesburg
2090

NON-RESIDENT SHAREHOLDER INFORMATION & EXCHANGE CONTROL REGULATIONS

All the terms defined in the Circular, to which this Annexure A is attached, shall bear the same meaning when used in this Annexure A.

The following summary is provided for information purposes only. It is therefore not comprehensive and should not be construed as advice.

1. RESIDENTS OF THE COMMON MONETARY AREA

- Scheme Participants (and Standby Offer Participants) holding Dematerialised Shares whose registered addresses in the Register are within the Common Monetary Area and whose accounts with their CSDP or Broker have not been restrictively designated in terms of the Exchange Control Regulations will have their accounts with their CSDP or Broker credited with the relevant Increased Scheme Consideration (and Standby Offer Consideration) in accordance with paragraphs 5.4.5.1 and 6.6.5.1 of the Circular; or
- Scheme Participants (and Standby Offer Participants) holding Certificated Shares whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations will have their relevant Increased Scheme Consideration (and Standby Offer Consideration) dealt with in accordance with paragraphs 5.4.5.2 and 6.6.5.2 of the Circular.

2. EMIGRANTS FROM THE COMMON MONETARY AREA

The Increased Scheme Consideration (and Standby Offer Consideration) accruing to a Scheme Participant (and Standby Offer Participants) holding Dematerialised Shares who is an Emigrant from the Common Monetary Area and has not been restrictively designated in terms of the Exchange Control Regulations, will be issued and transferred to their CSDP or Broker, which shall arrange for the same to be credited directly to the blocked Rand bank account of the Preference Shareholder concerned with their Authorised Dealer in foreign exchange in South Africa.

The Increased Scheme Consideration (and Standby Offer Consideration) accruing to a Scheme Participant (and Standby Offer Participants) holding Certificated Shares who is an Emigrant from the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations will be forwarded to the Authorised Dealer in foreign exchange in South Africa controlling the Preference Shareholder's blocked assets in accordance with the Exchange Control Regulations. The attached Form of Surrender (*pink*) in respect of the Scheme and the attached Form of Acceptance (*yellow*) in respect of the Standby Offer makes provision for details of the Authorised Dealer concerned to be given.

3. ALL OTHER NON-RESIDENTS OF THE COMMON MONETARY AREA

The Increased Scheme Consideration (and Standby Offer Consideration) accruing to a Scheme Participant (and Standby Offer Participant) holding Dematerialised Shares, who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area will be credited to its CSDP or Broker and be restrictively endorsed as "Non-Resident".

The Increased Scheme Consideration (and Standby Offer Consideration) accruing to a Scheme Participant (and Standby Offer Participant) holding Certificated Shares who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the Authorised Dealer in foreign exchange in South Africa nominated by such Scheme Participant (and Standby Offer Participant).

4. **INFORMATION NOT PROVIDED**

If the information regarding Authorised Dealers is not given, or the instructions are not given and no bank account or address details for the Preference Shareholder in question appears in the Register, the Increased Scheme Consideration (and Standby Offer Consideration) will be held in trust by Sasfin or the Transfer Secretaries on behalf of Sasfin.

EXTRACT OF SECTION 115 AND 164 OF THE COMPANIES ACT

“115: Required approval for transactions contemplated in Part A

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
- (a) the disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4)(b), or exempted the transaction in terms of section 119(6).
- (2) A proposed transaction contemplated in subsection (1) must be approved:
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company, if any, if:
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
 - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
 - (a) required to be present or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), “act in concert” has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
 - (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
 - (a) the resolution is manifestly unfair to any class of holders of the company’s securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
 - (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
 - (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.”

“164: Dissenting shareholders appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or

- (b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
 - (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
 - (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
 - (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
 - (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of:
 - (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or

- (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

- (15A) At any time until the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
- (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case,
- a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

PRO FORMA FINANCIAL EFFECTS OF THE SCHEME

The *pro forma* financial information set out below is the responsibility of the Directors, and is provided for illustrative purposes only and, because of its *pro forma* nature, may not fairly present the Group's financial position, changes in equity, results of operations or cash flow, nor the effect and impact of the Scheme going forward.

The *pro forma* financial information set out below has been prepared to illustrate the impact of the Scheme on the Interim Results, based on the Increased Scheme Consideration. The *pro forma* financial information has been prepared in accordance with the Listings Requirements, IFRS, the accounting policies adopted by the Group and the SAICA guide on *pro forma* financial information.

Pro forma Condensed Consolidated Statement of Financial Position

The *pro forma* condensed consolidated statement of financial position set out below is based on the assumption that the Scheme was effective 31 December 2020 at the Increased Scheme Consideration.

R'000	Before (31 Dec 2020) 1	Preference share buy back 2	Transaction costs 3	Pro forma after
ASSETS				
Cash and cash balances	1,590,023	(134,792)	(10,103)	1,445,128
Negotiable securities	2,135,895			2,135,895
Trading assets	1,044,571			1,044,571
Trade and other receivables	535,930			535,930
Non-current assets held for sale	6,700			6,700
Loans and advances	6,360,064			6,360,064
Current taxation assets	20,619			20,619
Investment securities	523,859	–	–	523,859
Investments at fair value through profit and loss	513,685			513,685
Equity accounted associates	10,174			10,174
Property, equipment and right-of-use assets	82,075			82,075
Investment property	13,123			13,123
Intangible assets and goodwill	202,475			202,475
Deferred tax asset	39,754			39,754
Total assets	12,555,088	(134,792)	(10,103)	12,410,193

R'000	Before (31 Dec 2020) 1	Preference share buy back 2	Transaction costs 3	Pro forma after
LIABILITIES				
Funding under repurchase agreements and interbank	876,077			876,077
Trading liabilities	975,852			975,852
Current taxation liabilities	13,119			13,119
Trade and other payables	725,516			725,516
Bank overdraft	110,380			110,380
Provisions	46,043			46,043
Lease liabilities	54,281			54,281
Deposits from customers	4,831,076			4,831,076
Debt securities issued	2,740,271			2,740,271
Long-term loans	364,474			364,474
Deferred tax liability	90,895			90,895
Total liabilities	10,827,984	–	–	10,827,984
EQUITY				
Ordinary share capital	321			321
Ordinary share premium	166,945			166,945
Reserves	1,371,752	53,294	(10,103)	1,414,943
Preference share capital	18	(18)		–
Preference share premium	188,068	(188,068)		–
Non-controlling interest	–			–
Total equity	1,727,104	(134,792)	(10,103)	1,582,209
Total liabilities and equity	12,555,088	(134,792)	(10,103)	12,410,193
Number of ordinary shares in issue ('000)				
	32,197			32,197
Net asset value per share (cents)	4,780.00			4,914.15
Net tangible asset value per share (cents)	4,027.67			4,161.82

Notes:

1. Extracted from the unaudited condensed consolidated interim results of Sasfin for the six months ended 31 December 2020.
2. The repurchase of 100% of the Preference Shares, at the Increased Scheme Consideration of ZAR 75 per Preference Share, will be funded from surplus cash reserves. The discount on the Repurchase is recognised directly within equity.
3. Represents estimated once off costs related to the Repurchase, including Securities Transfer Tax at 0.25% of the Increased Scheme Consideration paid, which are charged directly to equity.
4. All adjustments have an ongoing effect except where otherwise stated.
5. There are no material subsequent events that require adjustment in these *pro forma* results.

Pro forma Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The *pro forma* condensed consolidated statement of profit or loss and other comprehensive income set out below is based on the assumption that the Scheme, at the Increased Scheme Consideration, was effective 1 July 2020.

R'000	Before (31 Dec 2020) 1	Preference share buy back 2	Pro forma after
Interest and similar income	517,227	(3,124)	514,103
Interest income calculated using the effective interest method	507,212		507,212
Other interest income	10,015	(3,124)	6,891
Interest and similar expense	(238,288)	–	(238,288)
Interest expense calculated using the effective interest method	(227,411)		(227,411)
Other interest expense	(10,877)		(10,877)
Net interest income	278,939	(3,124)	275,815
Non-interest income	345,357	–	345,357
Net fee and commission income	202,916	–	202,916
Fee and commission income	301,537		301,537
Fee and commission expense	(98,621)		(98,621)
Other income	59,573		59,573
	82,868		82,868
Total income	624,296	(3,124)	621,172
Credit impairment charges	(130,491)		(130,491)
Net income after impairments	493,805	(3,124)	490,681
Total operating costs	(446,148)	–	(446,148)
Staff costs	(257,542)		(257,542)
Other operating expenses	(188,606)		(189,066)
Profit from operations	47,657	(3,124)	44,533
Share of associate income	8,721		8,721
Profit before income tax	56,378	(3,124)	53,254
Income tax expense	(17,258)	875	(16,383)
Profit for the period	39,120	(2,249)	36,871
Other comprehensive income for the period, net of tax effects			
Foreign exchange differences on translation of foreign operation	(35,021)		(35,021)
Total comprehensive income for the period	4,099	(2,249)	1,850

R'000	Before (31 Dec 2020) 1	Preference share buy back 2	Pro forma after
Earnings per share:			
Basic and diluted earnings per share (cents)	121.50		114.52
Headline earnings reconciliation			
Earnings attributable to equity holders of the Group			
Headline adjustable items	39,120	(2,249)	36,871
Headline adjustable items	(12,224)	–	(12,224)
Gain on disposal of interest in associate – Gross	(21,518)		(21,518)
Gain on disposal of interest in associate – Tax impact	9,294		9,294
Headline earnings	26,896	(2,249)	24,647
Headline earnings per ordinary share (cents)	83.54		76.55
Weighted average shares in issue ('000')	32,197		32,197

Notes

1. Extracted from the unaudited condensed consolidated interim results of Sasfin for the six months ended 31 December 2020.
2. Interest forgone on the surplus cash utilised to fund the repurchase of 100% of the Preference Shares, at the Increased Scheme Consideration of ZAR 75 per Preference Share, is based on an interest rate of 4.64% per annum, being the average interest rate earned on the surplus cash during the 6 month period to 31 December 2020, before tax.
3. All adjustments have an ongoing effect except where otherwise stated.
4. Qualifying costs attributable to an equity transaction – e.g. issuing or buying back own shares – are debited directly to equity. IAS 32.35–35A, 37

REASONABLE ASSURANCE REPORT

To the Directors of Sasfin Holdings Limited

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information included in a Circular

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Sasfin Holdings Limited (the “Company” or “Sasfin”) by the directors. The *pro forma* financial information, as set out in paragraph 9 and Annexure C to the Circular, consist of the *pro forma* financial effects, the *pro forma* statement of financial position as at 31 December 2020, the *pro forma* statement of comprehensive income for the six months ended 31 December 2020 and related notes (the “*Pro forma Financial Information*”). The applicable criteria on the basis of which the directors have compiled the *Pro forma Financial Information* are specified in the JSE Limited (“JSE”) Listings Requirements and described in paragraph 9 and Annexure C of the Circular.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the buy-back of preference shares (“the Repurchase”). As part of this process, information about the Company’s financial position and financial performance has been extracted by the directors from the Company’s unaudited condensed consolidated interim financial results for the six months ended 31 December 2020, which is unaudited.

Directors’ responsibility

The directors of the Company are responsible for compiling the *Pro forma Financial Information* on the basis of the applicable criteria specified in the JSE Listings Requirements as well as Company Act Regulations and described in paragraph 9 and Annexure C of the Circular.

Our independence and quality control

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors (Revised January 2018)* and parts 1 and 3 of the Independent Regulatory Board for Auditors’ *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors’ (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant’s responsibility

Our responsibility is to express an opinion about whether the *Pro forma Financial Information* has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 9 and Annexure C of the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro forma* Financial Information.

The purpose of *Pro forma* Financial Information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *Pro forma* Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction in respect of which *Pro forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 9 and Annexure C of the Circular.

PricewaterhouseCoopers Inc.

Vincent Tshikhovhokhovho

Director: Registered Auditor

Johannesburg

28 April 2021

INDEPENDENT EXPERT REPORT

The Independent Board
 Sasfin Holdings Limited
 29 Scott Street
 Waverly
 2090

28 April 2021

Dear Sirs

Report of the independent professional expert to Sasfin Holdings Limited regarding the proposed acquisition by Sasfin Holdings Limited of all or some of its issued non-redeemable, non-cumulative, non-participating, variable rate preference shares by way of a scheme of arrangement or a standby offer (if applicable)

Introduction

In terms of the Firm Intention Announcement published by Sasfin Holdings Limited ("Sasfin" or the "Company") on the Stock Exchange News Service of the JSE Limited ("JSE") ("SENS") on Thursday, 18 March 2021 ("FIA") and pursuant to the announcements published on SENS on 30 September 2020 ("First Cautionary Announcement"), 13 November 2020, 29 December 2020 and 10 February 2021 (collectively the "Cautionary Announcements") and in terms of the updated announcement published on SENS on 26 April 2021 ("Updated Announcement") Sasfin shareholders ("Shareholders") were advised of the firm intention by the Company to propose a repurchase to acquire all or some of the non-redeemable, non-cumulative, non-participating variable rate preference shares with a par value of 1 cent each in the issued capital of Sasfin ("Preference Shares") (the "Proposed Repurchase").

The Proposed Repurchase will be implemented by way of:

- an offer to all of the holders of Preference Shares ("Eligible Shareholders") to acquire all of their Preference Shares ("Scheme Shares") for a cash consideration of ZAR 75.00 per Scheme Share in terms of the Updated Announcement ("Increased Scheme Consideration"), in accordance with the provisions of sections 114(1) (c) and (e) and section 115(2)(a) of the Companies Act, No. 71 of 2008, as amended ("Companies Act"), by way of a scheme of arrangement ("Scheme"), which if successfully implemented will result in all Preference Shares being repurchased, cancelled and removed from the issued Preference Shares of Sasfin and subsequently delisted from the securities exchange operated by the JSE; and
- separate to the Scheme, but concurrently with it, a general offer ("Standby Offer") by Sasfin to Eligible Shareholders, to acquire all (or a portion) of the Preference Shares ("Standby Offer Shares") for a cash consideration of ZAR 68.00 per Standby Offer Share ("Standby Offer Consideration"), in accordance with the provisions of sections 48(8)(b), 114 and 115 of the Companies Act, which Standby Offer may be accepted or rejected by Eligible Shareholders (in whole or in part) and which will be implemented only if the Scheme fails and, if successfully implemented, will result in only those Preference Shares which have been voluntarily tendered being repurchased, cancelled and removed from the issued Preference Shares of Sasfin, and the subsequent delisting of those Preference Shares from the securities exchange operated by the JSE.

The Scheme and the Standby Offer are proposed concurrently on the basis that implementation of the Standby Offer will be conditional on, *inter alia*, the Scheme not becoming operative. In this regard, in the event that the Scheme becomes operative, the Standby Offer will lapse. Alternatively, if the Scheme does not become operative and the Standby Offer becomes wholly unconditional, the Standby Offer will be implemented.

The authorised and issued share capital of Sasfin as at Monday, 26 April 2021, being the last practicable date prior to the finalisation of the circular ("Last Practicable Date") to Shareholders regarding the Proposed Repurchase ("Circular") is set out below:

	Stated Capital (ZAR)
Authorised share capital	
100,000,000 ordinary shares of 1 cent each	1,000,000
5,000,000 non-redeemable, non-cumulative, non-participating, variable rate preference shares with a par value of 1 cent each	50,000
Issued share capital	
32,301,441 ordinary shares of 1 cent each	323,014
1,797,226 non-redeemable, non-cumulative, non-participating preference shares of 1 cent each	17,972

Full details of the Proposed Repurchase are contained in the Circular, which will include a copy of this letter.

The material interests of the directors of Sasfin are set out in paragraph 17.2 of the Circular and the effects of the Proposed Repurchase are set out in paragraphs 5.6 and 6.2.6 of the Circular.

Extracts of sections 115 and 164 of the Companies Act are set out in Annexure B of the Circular and are incorporated herein by reference for purposes of section 114(3)(g) of the Companies Act.

Independent expert report required in terms of the Companies Act and Companies Regulations

The independent board of directors ("Independent Board") is required to retain an independent expert, who meets the requirements of section 114(2) of the Companies Act, to express an opinion dealing with the matters set out in section 114(3) of the Companies Act and regulations 90 and 110(1) of the Companies Regulations, 2011, as promulgated in terms of section 223 of the Companies Act ("Companies Regulations"), on whether each of, the Increased Scheme Consideration in relation to the Scheme and the Standby Offer Consideration in relation to the Standby Offer, are fair and reasonable to Eligible Shareholders (the "Fair and Reasonable Opinion").

BDO Corporate Finance Proprietary Limited ("BDO Corporate Finance") has been appointed as the independent expert by the Independent Board to assess the Scheme and the Increased Scheme Consideration and the Standby Offer and Standby Offer Consideration, respectively, as required in terms of section 114 of the Companies Act and Regulation 90 and 110 of the Companies Regulations, for the sole purpose of assisting the Independent Board in forming and expressing an opinion on the Scheme and Increased Scheme Consideration and the Standby Offer and Standby Offer Consideration for the benefit of Eligible Shareholders.

Responsibility

Compliance with the Companies Act and Companies Regulations is the responsibility of the Board and Independent Board. Our responsibility is to report to the Board, Independent Board and Eligible Shareholders on whether the terms and conditions of the Scheme and Increased Scheme Consideration and the Standby Offer and Standby Offer Consideration, respectively, are fair and reasonable to Eligible Shareholders.

Explanation as to how the terms "fair" and "reasonable" apply in the context of the Proposed Repurchase

The assessment of the "fairness" of a transaction is primarily based on quantitative considerations. A transaction will generally be considered fair to a company's shareholders if the benefits received by a shareholder, as a result of corporate action, are equal to or greater than the value surrendered by a shareholder.

The Scheme will be considered fair if the Increased Scheme Consideration is equal to or more than the market value per Preference Share and unfair if the Increased Scheme Consideration is less than the market value per Preference Share.

The Standby Offer will be considered fair if the Standby Offer Consideration is equal to or more than the market value per Preference Share and unfair if the Standby Offer Consideration is less than the market value per Preference Share.

The assessment of reasonableness of a transaction is generally based on qualitative considerations surrounding an offer. Hence, even though the consideration to be paid in respect of an offer may be lower than the market value, the offer may be considered reasonable after considering other significant qualitative factors.

The Scheme and the Standby Offer may be said to be reasonable if the Increased Scheme Consideration and Standby Offer Consideration, respectively, are greater than the trading price of a Preference Share as at the time of announcement of the Scheme and the Standby Offer, or at some other more appropriate identifiable time.

Details and sources of information

In arriving at our opinion, we have relied upon the following principal sources of information:

- The terms and conditions of the Proposed Repurchase;
- Audited financial statements of Sasfin for the financial periods ended 30 June 2018, 30 June 2019 and 30 June 2020 ("2020 AFS");
- Summarised unaudited condensed consolidated interim results of Sasfin for the six months to 31 December 2020;
- Discussions with Sasfin directors and management regarding the rationale for the Proposed Repurchase;
- Dividend history in respect of the Preference Shares;
- Published share price data in respect of the Preference Shares from 17 November 2004, being the initial date of listing of the Preference Shares, until the Last Practicable Date and assessment of the liquidity of the Preference Shares;
- The South African zero-coupon interest rate yield curve data published by Thomson Reuters and IRESS as at the Last Practicable Date;
- Sasfin's average borrowing costs as disclosed in the 2020 AFS, credit rating and our assessment of market related borrowing costs applicable to Sasfin;
- Discussions with Sasfin directors and management regarding the historical and forecast financial information of Sasfin;
- Discussions with Sasfin directors and management on prevailing market, economic, legal and other conditions which may affect underlying value of the Preference Shares;
- Preference Share price information of comparable preference share instruments in the market;
- Publicly available information relating to Financial Services sector in general; and
- Publicly available information relating to the Financial Services sector that we deemed to be relevant, including company announcements and media articles.

The information above was secured from:

- Directors and management of Sasfin and their advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing, Sasfin.

Procedures

In arriving at our opinion, we have undertaken the following procedures and taken into account the following factors in evaluating the fairness and reasonableness of the Proposed Repurchase:

- Reviewed the terms and conditions of the Proposed Repurchase;
- Reviewed the audited and unaudited financial information related to Sasfin, as detailed above;
- Performed a valuation of the Preference Shares based on the net present value of dividend cash flows discounted at an appropriate market-related rate of return;
- Considered the terms of the Preference Shares and corresponding terms for market-related instruments;
- Performed a sensitivity analysis on key assumptions included in the Preference Share valuations, specifically related to fair market yields;
- Assessed the long-term potential of Sasfin;
- Evaluated the relative risks associated with Sasfin and the Financial Services industry;
- Reviewed certain publicly available information relating to Sasfin and the Financial Services sector that we deemed to be relevant, including company announcements and media articles;

- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Sasfin operates, and to analyse external factors that could influence the business of Sasfin; and
- Held discussions with the directors and management of Sasfin as to their strategy and the rationale for the Proposed Repurchase and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the Financial Services sector.

Other considerations

In arriving at our opinion, we have considered, in addition to the procedures referred to above, other key qualitative factors as set out below:

- Rationale for the Proposed Repurchase as set out in the Circular.

Assumptions

We arrived at our opinion based on the following assumptions:

- That the Proposed Repurchase will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Sasfin; and
- That reliance can be placed on the audited and unaudited financial information of Sasfin.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Reliance on audit reports in the financial statements of Sasfin;
- Determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of Sasfin and the economic environment in which the Company operates.

Limiting conditions

This opinion is provided in connection with and for the purposes of the Proposed Repurchase. The opinion does not purport to cater for each individual Eligible Shareholder's perspective, but rather that of the general body of Eligible Shareholders.

Individual Eligible Shareholders' decisions regarding the Proposed Repurchase may be influenced by such Eligible Shareholders' particular circumstances and accordingly individual Eligible Shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Proposed Repurchase.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of Sasfin relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods.

We have also assumed that the Proposed Repurchase will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Sasfin and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

Independence, competence and fees

We confirm that we have no direct or indirect interest in ordinary shares with a par value of 1 cent each in the issued ordinary share capital of Sasfin, Preference Shares or the Proposed Repurchase or any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulation 90(6)(i) and Regulation 90(3)(a) of the Companies Regulations, that we are independent in relation to the Proposed Repurchase and will reasonably be perceived to be independent taking into account other existing relationships and appointments. We also confirm that we have the necessary competence to provide the Fair and Reasonable Report on the Proposed Repurchase and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of ZAR 250,000 (excluding VAT) are payable in cash and are not contingent upon the success of the Proposed Repurchase.

Valuation approach

The Preference shares are listed under the “Specialist Securities – Preference Shares” sector of the exchange operated by the JSE. Dividends are paid semi-annually at a rate of 82.5% of the ruling prime rate.

The fair value of the Preference Shares is yield-based, affected by the following factors:

- the current and forecast prime rate of interest;
- an appropriate market-related borrowing rate for Sasfin, affected by:
 - prevailing risk-free rate: the zero-coupon swap rate curve as at the Last Practicable Date as published was used to determine the risk-free rate;
 - A credit spread range over the risk-free rate to derive an expected borrowing rate; and
- The expected dividend payment dates and whether dividends will be paid in the future.

The Preference Shares were valued by discounting the expected cash flows, i.e. the expected dividends, at a market related borrowing rate. We assumed a credit spread range of 3.75% to 4.75% over the zero-coupon swap rate (“Credit Spread”) to derive an expected borrowing rate applicable to Sasfin. In determining the Credit Spread we have also considered the cost of Sasfin’s current borrowings.

The valuation was performed taking cognisance of risk and other market and industry factors affecting Sasfin.

Key internal value drivers to the valuation of the Preference Shares are the credit rating applicable to Sasfin which informs the Credit Spread, being B+ as per Thomson Reuters.

External value drivers are key macro-economic parameters being the forecast prime lending rate as follows:

- Year ended 1 July 2021: 7.00%;
- Year ended 1 July 2022: 7.82%;
- Year ended 1 July 2023: 8.98%;
- Year ended 1 July 2024: 10.27%; and
- Year ended 30 June 2025: 11.49%.

In addition, a sensitivity analysis was performed in respect of the Credit Spread by increasing and decreasing the Credit Spread range by a maximum of 50 basis points.

These sensitivity analyses did not indicate a sufficient effect on the valuation to alter our opinion in respect of the Proposed Repurchase.

Valuation results

In undertaking the valuation exercise above, we determined a valuation range for the Preference Shares of ZAR 67.54 to ZAR 72.76 per Preference Share with a most likely value of ZAR 70.05 per Preference Share.

The valuation ranges above are provided solely in respect of this fair and reasonable opinion and should not be used for any other purposes.

Reasonableness of scheme consideration

The Increased Scheme Consideration and Standby Offer Consideration are at a 41.94% and 28.69% premium, respectively, to the 60-day volume weighted average price ("VWAP") at the First Cautionary Announcement date, which was ZAR 52.84 per Preference Share as at 30 September 2020. The Increased Scheme Consideration is above the valuation range set out above and the Standby Offer Consideration is within the valuation range set out above.

The Proposed Repurchase will have a beneficial effect on the capital adequacy ratio of the Company.

Opinion

The Increased Scheme Consideration and Standby Offer Consideration represents a premium of 41.94% and 28.69% to the 60-day VWAP per Preference Share on the JSE at the First Cautionary Announcement date, respectively, and are within the suggested range calculated from our valuation. The rationale for the Proposed Repurchase is set out in paragraph 3.2 of the Circular. We are not aware of any material adverse effects of the Proposed Repurchase.

BDO Corporate Finance has considered the proposed terms and conditions of the Proposed Repurchase in respect of the Increased Scheme Consideration and Standby Offer Consideration.

Based upon and subject to the conditions set out herein, BDO Corporate Finance is of the opinion that the terms and conditions of the Increased Scheme Consideration in respect of the Scheme and Standby Offer Consideration in respect of the Standby Offer are fair and reasonable to Eligible Shareholders.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Proposed Repurchase are reasonable from the perspective of the Company.

Our opinion is necessarily based upon the information available to us up to the Last Practicable Date, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Proposed Repurchase have been or will be fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Consent

We consent to the inclusion of this letter and the reference to our opinion to be issued to the Shareholders in the form and context in which it appears.

Yours faithfully

BDO CORPORATE FINANCE PROPRIETARY LIMITED

Nick Lazanakis

Director

Wanderers Office Park
52 Corlett Drive
Illovo
2196

PREFERENCE SHAREHOLDING TRADING HISTORY

Set out below is a table showing the average prices traded and the aggregate volumes and values traded in the Preference Shares for:

- each trading day during the 30-day period ended on the Last Practicable Date; and
- each month over the previous 12 months prior to the date of issue of this Circular.

	High (Rands per Preference Share)	Low (Rands per Preference Share)	Volume (Preference Shares)	Value (R'000)
Monthly				
2020				
April	72.00	45.00	66	3,894
May	55.00	45.00	2,082	102,752
June	59.00	50.00	8,550	444,600
July	52.50	51.00	140	7,168
August	54.00	50.20	–	–
September	60.00	50.30	23,659	1,323,769
October	60.00	56.00	–	–
November	65.00	55.50	1,510	89,560
December	60.00	55.71	5,790	343 268
2021				
January	61.55	60.00	–	–
February	65.00	60.00	–	–
March	69.75	59.99	262,168	17,469
Daily				
March				
10/03/2021	–	–	–	–
11/03/2021	–	–	–	–
12/03/2021	–	–	–	–
15/03/2021	66.00	62.25	8,100	523,021
16/03/2021	65.98	65.98	1,906	125,757
17/03/2021	–	–	–	–
18/03/2021	69.75	65.90	143,966	976,248
19/03/2021	68.50	68.25	31,006	212,324
23/03/2021	68.50	68.30	27,200	1,858,160
24/03/2021	68.90	68.50	360	24,712
25/03/2021	68.25	68.25	1,760	120,120
26/03/2021	68.25	68.25	2,000	136,500
29/03/2021	68.50	68.50	17	1,164.5
30/03/2021	–	–	–	–
31/03/2021	–	–	–	–

	High (Rands per Preference Share)	Low (Rands per Preference Share)	Volume (Preference Shares)	Value (R'000)
April				
01/04/2021	–	–	–	–
06/04/2021	68.40	68.15	7,964	543,084
07/04/2021	68.40	68.40	145	9,918
08/04/2021	68.90	68.15	31,636	2,164,612
09/04/2021	68.90	68.90	850	58,565
12/04/2021	69.49	69.49	25	1,737
13/04/2021	69.49	69.00	16,767	1,157,074
14/04/2021	69.50	69.00	12,720	883,566
15/04/2021	–	–	–	–
16/04/2021	–	–	–	–
19/04/2021	–	–	–	–
20/04/2021	69.40	69.40	1,000	69,400
21/04/2021	69.40	69.40	33	2,290
22/04/2021	–	–	–	–
23/04/2021	–	–	–	–
26/04/2021	72.93	69.40	52,859	3,717,990

Source: JSE Limited

EXTRACTS FROM THE FINANCIAL STATEMENTS OF SASFIN AND FROM THE INTERIM RESULTS

AUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS OF SASFIN HOLDINGS LIMITED FOR THE FINANCIAL YEARS ENDED 30 JUNE 2020, 2019 and 2018

BASIS OF PREPARATION

The consolidated statements of financial position, statements of comprehensive income, statements of changes in equity, cash flow statements and notes of Sasfin Holdings Limited Group (Sasfin) for the financial years ended 30 June 2020, 2019 and 2018 have been extracted and compiled from the audited consolidated annual financial statements of Sasfin. The preparation of this Annexure G is the responsibility of the Sasfin Directors.

The historical financial information of Sasfin was audited by PricewaterhouseCoopers Inc and was reported on without qualification for all of the aforementioned financial periods.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED

	Note	30 June 2020 Audited R'000s	30 June 2019 Audited Restated ¹ R'000s	30 June 2018 Audited R'000s
Interest and similar income		1,285,549	1,330,151	1,281,874
Interest and similar income calculated using the effective interest rate method		1,250,375	1,292,269	1,204,995
Other interest income		35,174	37,882	76,879
Interest and similar expense		(779,234)	(830,879)	(809,095)
Interest expense calculated using the effective interest rate method		(733,312)	(779,507)	(753,421)
Other interest expense		(45,922)	(51,372)	(55,674)
Net interest income		506,315	499,272	472,779
Non-interest income		640,180	727,588	746,437
Net fee and commission income	27	429,445	427,022	482,861
Fee and commission income		638,402	673,280	771,042
Fee and commission expense		(208,957)	(246,258)	(288,181)
Gains and losses on financial instruments		85,674	187,400	130,767
Other Income		125,061	113,166	132,809
Total income		1,146,495	1,226,860	1,219,216
Credit impairment charges	42,3	(252,618)	(80,358)	(144,178)
Net income after impairments		893,877	1,146,502	1,075,038
Total operating costs		(959,040)	(954,366)	(871,274)
Staff costs		(517,605)	(504,421)	(453,741)
Other operating expenses		(424,784)	(437,895)	(408,097)
Impairment on non-financial assets		(16,651)	(12,050)	(9,436)
(Loss)/profit from operations		(65,163)	192,136	203,764
Share of associate income		20,161	19,149	110
(Loss)/profit before income tax		(45,002)	211,285	203,874
Total income tax		1,848	(48,832)	(71,428)
(Loss)/profit for the year		(43,154)	162,453	132,446
Other comprehensive income for the year net of tax effects				
<i>Items that may subsequently be reclassified to profit or loss</i>				
Gain/(loss) on hedge of net investment in foreign operation		41,313	4,877	9,741
Total comprehensive (loss)/income for the year		(1,841)	167,330	142,187
(Loss)/profit attributable to:		(43,154)	162,453	132,446
Non-controlling interest		1,993	(562)	1,981
Preference shareholders		15,029	14,955	15,531
Equity holders of the Group		(60,176)	148,060	114,934
Total comprehensive (loss)/income attributable to:		(1,841)	167,330	142,187
Non-controlling interest		1,993	(562)	1,981
Preference shareholders		15,029	14,955	15,531
Equity holders of the Group		(18,863)	152,937	124,675
Earnings per share:				
Basic and diluted earnings per share (cents)		(186,90)	459,86	358,68

¹ Refer to the commentary for the information on the restatement.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED	30 June 2020 Audited R'000s	30 June 2019 Audited ¹ Restated ² R'000s	30 June 2018 Audited R'000s
ASSETS			
Cash and cash balances	1,731,243	1,312,786	1,892,167
Negotiable securities	3,126,595	3,077,519	1,975,407
Trading assets	1,060,342	1,187,523	1,476,511
Trade and other receivables	436,644	410,776	375,380
Non-current assets held for sale	6,700	–	–
Loans and advances	6,609,328	7,499,508	7,617,179
Current taxation asset	21,035	23,799	19,809
Investment securities	654,966	735,411	628,493
Investments at fair value through profit or loss	528,771	622,995	616,319
Equity accounted associates	126,195	112,416	12,174
Property, equipment and right-to-use assets ¹	103,550	75,245	88,687
Investment property	13,123	8,900	12,600
Intangible assets and goodwill	205,206	235,028	202,283
Deferred tax asset	36,808	34,907	30,568
Total assets	14,005,540	14,601,402	14,319,084
LIABILITIES			
Funding under repurchase agreements and interbank	1,882,806	2,271,610	1,924,975
Trading liabilities	999,842	1,175,828	1,449,203
Current taxation liability	3,963	4,526	21,819
Trade and other payables	783,786	899,119	764,040
Bank overdraft	151,462	46,008	–
Provisions	41,629	57,695	37,705
Lease liabilities ¹	70,266	–	–
Deposits from customers	5,138,778	4,981,067	4,449,344
Debt securities issued	2,743,823	2,753,521	3,115,432
Long-term loans	371,649	495,715	674,616
Deferred tax liability	94,531	138,929	140,179
Total liabilities	12,282,535	12,824,018	12,577,313
EQUITY			
Ordinary share capital	321	321	321
Ordinary share premium	166,945	166,945	166,945
Reserves	1,367,653	1,418,360	1,382,185
Preference share capital	18	18	18
Preference share premium	188,068	188,068	188,068
Non-controlling interest	–	3,672	4,234
Total equity	1,723,005	1,777,384	1,741,771
Total liabilities and equity	14,005,540	14,601,402	14,319,084

¹ Comparative information has not been restated for the adoption of IFRS 16. Therefore comparability may not necessarily be achieved.

² Refer to note the commentary for information on the restatement.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED	30 June 2020 Audited R'000s	30 June 2019 Audited R'000s	30 June 2018 Audited R'000s
Opening total shareholders' equity	1,777,384	1,741,771	1,659,225
Changes on initial application of IFRS 9	–	(66,103)	–
Restated Opening total shareholders' equity	1,777,384	1,675,668	1,659,225
Total comprehensive (loss)/income for the year	(1,841)	167,330	142,187
(Loss)/ profit for the year	(43,154)	162,453	132,446
Other comprehensive income net of income tax for the year	41,313	4,877	9,741
Changes in ownership interests			
Disposal of controlling interest in subsidiary	(5,665)	–	–
Transactions with owners recorded directly in equity			
Issued shares	–	–	413,491
Repurchase of shares	–	–	(390,552)
Preference share dividend	(15,029)	(14,955)	(15,531)
Ordinary share dividend	(31,844)	(50,659)	(67,049)
Closing balance	1,723,005	1,777,384	1,741 771
Ordinary shares			
Interim Dividend	48.89	49.86	46.89
Final Dividend	–	50.01	104.37
Preference shares			
Dividend no 27	–	–	427.42
Dividend no 28	–	–	414.03
Dividend no 29	–	418.09	–
Dividend no 30	–	419.34	–
Dividend no 31	416.91	–	–

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED

	30 June 2020 Audited R'000s	30 June 2019 Audited R'000s	30 June 2020 Audited R'000s
Cash flows from operating activities			
Cash inflow from operating activities	207,244	196,097	294,547
Dividends received	23,845	18,014	22,185
Taxation paid	(43,140)	(57,121)	(32,987)
Dividends paid	(46,872)	(65,614)	(82,580)
Cash flows from operating activities before changes in operating assets and liabilities	141,077	91,376	201,165
Changes in operating assets and liabilities	154,604	(589,533)	802,743
Decrease/(Increase) in loans and advances	717,316	(33,754)	(120,207)
Decrease/(Increase) in trading assets	165,804	357,612	(123,348)
(Increase) in negotiable securities	(77,060)	(1,102,112)	(579,885)
(Increase)/Decrease in trade and other receivables	(26,048)	(35,396)	63,252
Decrease/(Increase) in deposits	157,711	531,723	(102,646)
(Decrease)/Increase in long-term funding	(124,066)	(178,901)	244,943
(Decrease)/Increase in funding under repurchase agreements and interbank	(388,804)	346,635	618,049
(Decrease)/Increase in trading liabilities	(175,986)	(273,375)	115,652
(Decrease)/Increase in debt securities	(9,698)	(361,911)	618,714
(Decrease)/Increase in trade and other payables	(52,455)	139,956	92,275
(Decrease)/ Increase in provisions	(32,110)	19,990	(24,056)
Net cash from operating activities	295,681	(498,157)	1,003,908
Cash flows from investing activities	48,374	(123,709)	(1,281,352)
Proceeds from the disposal of property and equipment	–	568	4,299
Proceeds from disposal of investment property	–	–	56,500
Proceeds from the disposal of investment securities	–	37,721	4,700
Proceeds from the disposal of a subsidiary	270	–	–
Acquisition of property and equipment	(12,712)	(22,751)	(22,471)
Acquisition of intangible assets	(29,595)	(61,083)	(82,815)
Net cash paid on acquisition of subsidiaries	–	–	(1,167,031)
Acquisition of investment securities	(11,176)	(47,672)	(108,145)
Repayments/(Advance) of investment securities	101,587	(30,492)	33,611
Net cash flows from financing activities	(31,052)	–	22,939
Proceeds from issue of ordinary shares	–	–	413,491
Purchase and cancellation of ordinary shares	–	–	(390,552)
Repayment of lease liabilities	(31,052)	–	–
Net increase/(decrease) in cash and cash balances	313,003	(621,866)	(254,505)
Cash and cash equivalents at beginning of the year	1,266,778	1,892,167	2,165,379
Effect of exchange rate movements on cash and cash balances	–	(3,523)	(18,707)
Cash and cash balances at the end of the year	1,579,781	1,266,778	1,892,167

CONDENSED HEADLINE EARNINGS RECONCILIATION

FOR THE YEAR ENDED	30 June 2020 Audited R'000s	30 June 2019 Audited R'000s	30 June 2018 Audited R'000s
EARNINGS PER SHARE			
Reconciliation between basic and headline earnings			
Earnings are determined as follows:			
(Loss)/earnings after tax attributable to equity holders of the Group	(43,154)	162,453	132,446
Profit after tax attributable to non-controlling and preference shareholders	(17,022)	(14,393)	(17,512)
(Loss)/earnings after tax attributable to ordinary shareholders	(60,176)	148,060	114,934
Headline adjustable items	11,559	13,245	7,218
Profit on loss of control of subsidiary	(4,674)	–	–
Gross	(4,674)	–	–
Tax impact	–	–	–
Investment property – fair value loss on non-current assets held for sale	1,707	2,874	310
Gross	2,200	3,700	400
Tax impact	(493)	(826)	(90)
Profit on disposal of assets	–	–	6
Gross	–	–	9
Tax impact	–	–	(3)
Property and equipment and right-of-use assets impairment	–	4,316	–
Gross	–	5,995	–
Tax impact	–	(1,679)	–
Goodwill and intangible asset impairments	16,651	6,055	6,902
Gross	16,651	6,055	9,436
Tax impact	–	–	(2,534)
(Gain)/loss on dilution of interest in associate	(2,125)	–	–
Gross	(2,125)	–	–
Tax impact	–	–	–
Headline earnings	(48,617)	161,305	122,152
Summary of earnings and headline earnings per share			
Earnings attributable			
Earnings per ordinary share (R'000)	(60,176)	148,060	114,934
Diluted earnings per ordinary share (R'000)	(60,176)	148,060	114,934
Headline earnings per ordinary share (R'000)	(48,617)	161,305	122,152
Diluted headline earnings per ordinary share (R'000)	(48,617)	161,305	122,152
Weighted average number of shares			
Earnings per ordinary share (Number)	32 196 882	32 196 882	32 043 426
Diluted earnings per ordinary share (Number)	32 196 882	32 196 882	32 043 426
Headline earnings per ordinary share (Number)	32 196 882	32 196 882	32 043 426
Diluted headline earnings per ordinary share (Number)	32 196 882	32 196 882	32 043 426
Cents per share			
Earnings per ordinary share (Cents)	(186.90)	459.86	358.68
Diluted earnings per ordinary share (Cents)	(186.90)	459.86	358.68
Headline earnings per ordinary share (Cents)	(151.00)	501.00	381.21
Diluted headline earnings per ordinary share (Cents)	(151.00)	501.00	381.21

CONDENSED CONSOLIDATED SEGMENT REPORT

FOR THE YEAR ENDED

	30 June 2020 Audited R'000s	30 June 2019 Audited R'000s	30 June 2018 Audited R'000s
GEOGRAPHICAL SEGMENTS			
External revenue			
South Africa	1,118,305	1,199,509	1,190,912
Asia Pacific	28,195	27,351	28,304
Total	1,146,500	1,226,860	1,219,216
Segment assets			
South Africa	13,487,002	14,078,139	13,582,182
Asia Pacific	518,537	523,263	736,902
Total	14,005,539	14,601,402	14,319,084
BUSINESS SEGMENTS			
Segment revenue			
Banking	785,454	828,304	760,828
Wealth	313,425	302,255	288,849
Capital	57,076	96,095	168,250
Sasfin Holdings and Group Eliminations	(9,460)	206	1,289
Total segment revenue	1,146,495	1,226,860	1,219,216
Segment profit			
Banking	(36,583)	125,346	68,946
Wealth	56,494	40,351	30,517
Capital	(72,105)	(2,939)	39,182
Sasfin Holdings and Group Eliminations	9,040	(305)	(6,199)
Total segment profit	(43,154)	162,453	132,446
Segment assets			
Banking	11,751,527	12,339,439	12,142,868
Wealth	1,358,624	1,532,868	1,636,775
Capital	1,156,166	1,021,895	684,310
Sasfin Holdings and Group Eliminations	(260,777)	(292,800)	(144,869)
Total segment assets	14,005,540	14,601,402	14,319,084
Segment liabilities			
Banking	10,413,805	11,069,105	11,009,915
Wealth	1,080,661	1,287,063	1,419,314
Capital	1,079,968	778,221	297,890
Sasfin Holdings and Group Eliminations	(291,899)	(310,371)	(149,806)
Total segment liabilities	12,282,535	12,824,018	12,577,313

COMMENTARY

PURPOSE

We contribute to society by going beyond a bank to enable growth in the businesses and global wealth of our clients.

THE IMPACT OF COVID-19

While the Covid-19 pandemic had a significant impact on the global economy, it remains first and foremost a disease that has caused much pain at a human level. We wish strength and comfort to those who have borne the brunt of the enormous personal and economic cost of the virus.

The South African economy has suffered over the last few years, culminating in the downgrade of our sovereign credit rating in March 2020. Covid-19 exacerbated this position, with gross domestic product (GDP) now expected to decline by approximately 8% in 2020.

FINANCIAL PERFORMANCE

Sasfin posted a headline earnings loss of R48.617 million (2019: profit of R161.305 million) for the year ended 30 June 2020. The loss for the year is largely as a result of increased International Financial Reporting Standards (IFRS) 9 credit impairment provisions and a decline in private equity valuations, attributable to the very weak economy.

Total income declined 6.37%, due primarily to the private equity valuations, where lower forecast cash flows, taking into account the anticipated impact of Covid-19, were projected. These write-downs, together with lower volumes in the Banking Pillar, saw non-interest revenue drop by 10.69%, despite healthy growth in income in Sasfin Wealth (including foreign income growth of 35%). Positively, net interest income grew by 1.41%, despite lower loans and advances, as margins improved. Excluding the private equity mark-to-market write-downs, total income would have been flat year on year.

Despite marginal growth of 0.49% in total costs reflecting the focus on cost management and significantly lower bonus provisions, the lower total income resulted in the Group's cost-to-income ratio deteriorating to 82.20% (2019: 76.59%). Included in the operating costs, is an increase in depreciation from the adoption of IFRS 16 Leases as well as amortisation and impairment of intangible assets. Excluding these non-cash items, costs declined by 4.57% over the period.

FINANCIAL AND CAPITAL POSITION

Total assets declined 4.08% to R14.006 billion (2019: R14.601 billion), with net loans and advances contracting by 11.87% to R6.609 billion (2019: R7.500 billion). This decline was due to lower demand for credit and a conservative credit approach adopted during the Covid-19 lockdown.

The Group focused on maintaining a strong balance sheet to withstand further shocks to the economy. This is demonstrated by cash and near cash (net of Land Bank bills in 2020 and repurchase agreements) improving to R2.351 billion (2019: R2.073 billion). Total deposits increased 3.17% to R5.139 billion (2019: R4.981 billion).

Due to the losses, the Board of Directors (Board) has not declared any final dividends. The Group's capital adequacy ratio (unaudited) improved to 16.991% (2019: 15.67%) as a result of prior appropriations and a decline in risk-weighted assets. In addition, the liquidity coverage ratio and net stable funding ratio remain strong. As indicated in the cautionary announcement issued today, Sasfin intends making an offer to the holders of its non-redeemable, non-cumulative preference shares to repurchase their shares, subject to preference shareholders' and regulatory approval.

CREDIT PERFORMANCE

South African businesses have come under increasing pressure, particularly in the last quarter; accordingly, we have seen a deterioration in arrears. This, together with forward looking overlays raised primarily against our stage 1 loans, have resulted in an increase in our balance sheet credit loss coverage ratio to 7.96% (June 2019: 5.09%) and a threefold increase in our income statement credit loss ratio to 303 bps (June 2019: 102 bps). The profile of our book remained relatively consistent in terms of:

- Stage 1 loans (up to date loans): 81.68% of total book (2019: 82.61%)
- Stage 2 loans (overdue loans): 8.06% of total book (2019: 8.18%)
- Stage 3 loans (non-performing loans): 10.26% of total book (2019: 9.22%)

Furthermore, a detailed assessment was performed on our holdings of government-related negotiable securities. While we believe we will recover our full exposure to these entities, provisions were raised in line with the IFRS 9 expected credit loss requirements.

During the national lockdown, we provided relief and support to our clients which was assessed on a case by case basis and focused primarily on granting payment holidays. By 30 June 2020 this relief had been provided to clients with exposures amounting to R1.57 billion.

ADOPTION OF IFRS 16 LEASES AND PRIOR YEAR RESTATEMENTS

IFRS 16 sets out the principles for the recognition, measurement and presentation of leases for both parties to a contract – the lessee and the lessor. It provides a single lessee accounting model, requiring lessees to recognise right-of-use assets and lease liabilities for all leases, unless the lease term is 12 months or less or the underlying asset is a low-value asset. As allowed by IFRS 16, the Group has elected to adopt the standard without restating the comparative numbers.

The following prior year restatements, that do not have an impact on the Group's loss, financial position or key reporting ratios, have been made:

- Correction of the prior year classification of specialised lending product: During 2020 it was identified that upon transition to IFRS 9, the Group continued to recognise a specialised lending product as a bifurcated financial instrument in accordance with IAS 39 i.e. a portion at amortised cost in loans and advances and the other portion as a financial asset at fair value through profit or loss (FVPL), as part of investment securities. In terms of IFRS 9, the correct classification for this specific specialised lending product is a financial asset at FVPL, since the combined instrument does not meet the solely for payments of principal and interest (SPPI) criteria. The carrying amount of the specialised lending product approximated its fair value and accordingly did not impact the Group's total assets, loss for the year, credit impairment charges or loss per share.
- Correction of the prior year: presentation of fair value changes on financial instruments at FVPL: IAS 1 requires gains and losses arising from the derecognition of financial assets measured at amortised cost to be presented as a separate line item in the statement of comprehensive income. Previously, settlement profits (representing gains/losses on the derecognition of loans and advances) were included as part of other income. The statement of comprehensive income has been restated to disclose the gains/losses separately. The correction did not have an impact on the non-interest revenue.
- Correction of the prior period presentation of fair value changes on financial instruments at FVPL: Fair value changes in trading assets were reclassified from net fee and commission income to gains and losses of financial instruments: fair value adjustments on financial instruments held at FVPL. Both these line items are reported under non-interest income.

SEGMENTAL OVERVIEW

Sasfin Bank

Sasfin Bank posted an operating loss of R51.39 million (2019: profit of R169.02 million) largely caused by the increased credit losses detailed above. Income also contracted in the last quarter as a result of lower volumes experienced during the national lockdown.

• Asset Finance

Client purchases of assets, which we typically finance, dropped materially in the last quarter, resulting in a reduction in our Asset Finance book. Increased arrears, together with forward looking overlays, resulted in a significant increase in impairments. We continue to diversify the book and expand our offering, with specialised equipment finance growing to 22% of the total Asset Finance book (up from 19% in 2019). Post year-end we have seen a pick-up in volumes but they are not yet at pre-lockdown levels.

• Business Banking

We continue to transform the digital business banking experience of our clients. Our platform, B\\YOND, now incorporates a mobile app and revolving business loans. We are merging our foreign exchange operations unit into this area which will result in an improved client experience and cost savings. We saw good client and income growth off the back of B\\YOND and will be increasing our credit offering in this business meaningfully in the coming years. This should enable us to win more business clients across all our product offerings.

Our Trade and Debtor Finance business saw lower utilisation due to lower import volumes of our clients in the last quarter. This business, where we have focused much attention on enhancing credit quality, recorded relatively good credit performance in the year. Going forward this unit will fall under Sasfin Capital (which we have transformed into a credit-led business) ensuring that we are well positioned to offer tailored working capital and term debt solutions to medium-sized entrepreneurial businesses.

Sasfin Capital

Sasfin Capital posted an increased operating loss of R66.08 million (2019: R10.65 million loss) as a result of the revaluation of the private equity and property equity portfolios. Together with some realisations at above carrying value, investments at fair value have reduced by 15.12% to R529 million (2019: R623 million). We continue to work closely with management at portfolio companies and, where appropriate, we have entered into discussions to exit some of these investments on acceptable terms.

We grew our specialised business and property lending book. This well-secured portfolio is performing to expectation. The loans typically include profit participation, which provides good revenue growth potential. Sasfin Capital contained costs and grew net interest income by R20 million year on year, which should result in more consistent earnings going forward.

Sasfin Wealth

Sasfin Wealth increased operating profit to R66.41 million (2019: R52.71 million), primarily as a result of record growth in assets under advice and management (collectively AUM) to R48.7 billion (2019: R41.1 billion), with foreign assets now comprising 28.57% of total AUM.

Sasfin Wealth expanded its investment offering and distribution team while producing strong award-winning investment performance for its clients. Sasfin Asset Managers won a Raging Bull award and a Morningstar award for two of its funds, and Sasfin Securities was recognised by Intellidex Top Stockbrokers as the Top Advice-Led Stockbroker in South Africa, evidencing the high-quality client engagement model which is at the heart of Sasfin Wealth.

PROSPECTS AND REFINEMENT OF STRATEGY

Going digital and future of work

The Group's meaningful ongoing investment in digitalisation ensures that we are transforming the way we work and the banking experience of our clients, which will allow us to optimise our service delivery and cost base in the future. We continuously enhance our digital suite and, during the lockdown, we effectively serviced clients remotely and recorded record growth in new business accounts.

Streamlined business – releasing capital

The Group is considering closing its Hong Kong operation, Sasfin Asia Limited, and will look to run its offshore trade finance business from South Africa. This business has contracted, and the capital and cost required to run the business offshore may no longer be justified. We are also focused on exiting non-core businesses, including some of our private equity investments, on acceptable terms. This will help unlock "lazy" capital, which will be deployed to facilitate growth in our core businesses. Finally, we are integrating teams, built around client segments, to drive synergies for the benefit of clients, improve scale, and reduce duplication and costs.

Supporting small and medium enterprises (SMEs) – transforming our society

Post year-end we obtained a R390 million funding line to grow SME lending as well as a \$35 million loan guarantee facility (Nasira) from the FMO (The Dutch Development Bank) to provide loans to women, youth, migrants and Covid-19 impacted businesses. This offering is the next step in our digital business banking evolution and will be launched in 2021. Nasira has been rolled out by the FMO in other parts of the world, and we are proud to be the first South African bank to introduce this solution.

Reducing the cost of funding

In the Bank business, we are focused on growing our depositor base, enhancing fee income and taking on more business clients through our digital platform, B\YOND. This will reduce our cost of funding over time, which underpins our aim to drive business lending growth.

Continued growth in Sasfin Wealth

We have successfully transformed a local private client stockbroking business into a multi-asset class, globally orientated wealth and investment manager. While local portfolio management fees and brokerage have reduced, over the last few years, we have successfully pivoted the business and are seeing strong flows resulting in good growth in foreign income and institutional asset management fees. Sasfin Wealth will expand its distribution and investment offering further.

CONCLUSION

The loss this year has largely been occasioned by the private and property equity devaluations and IFRS 9 credit provisions, which were significantly influenced by the economic shock caused by Covid-19 and the sovereign downgrade.

We are fast-tracking digital transformation across all our Pillars in support of our high-touch engagement model where appropriate. Each of our Pillars is well positioned to compete in the markets in which they operate.

With our strong capital adequacy and liquidity base, the Group is in a good position to grow both organically and acquisitively.

Our country faces big challenges, and the road ahead will no doubt be bumpy. We are focused on supporting the entrepreneurial spirit and investment goals of South Africans. Ultimately it is those businesses and investors that are at the forefront of the economic growth our country so desperately needs.

BASIS OF PREPARATION

The Condensed Consolidated Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act, No 71 of 2008, as amended, and the JSE Listings Requirements.

The directors assess the Group's future performance and financial position on a continuous basis and have no reason to believe that the Group will not be a going concern in the reporting period ahead. Consequently these Condensed Consolidated Annual Financial Statements have been prepared on the going concern basis.

The Group has, in the preparation of these Condensed Consolidated Annual Financial Statements, consistently applied the accounting policies with those applied in the previous financial year, unless otherwise stated.

The Condensed Consolidated Annual Financial Statements were compiled under the supervision of the Financial Director, Angela Pillay CA(SA).

ISSUES AND DISPOSALS OF SAFIN SHARES

There were no issues or disposals of Sasfin Shares during the year.

DIRECTORATE AND CHANGES TO THE BOARD

Roland Sassoon rejoined the Sasfin Bank Limited and Sasfin Holdings Boards on 1 January 2020 as a Non-Independent, Non-Executive Director after serving a 12-month cooling off period.

Mark Thompson joined the Board in June 2019 and chairs the Group Audit and Compliance Committee. Eileen Wilton accepted a position on the Board on 6 August 2019 and chairs the IT Committee. Following the retirement of Shahied Rylands and Gloria Serobe (due to additional national commitments resulting from the COVID-19 pandemic), Thabang Magare joined the Board on 19 December 2019, with Deon de Kock and Nontobeko Ndhlahi joining the Board on 19 August 2020.

INDEPENDENT AUDITORS REPORT

The annual financial statements have been audited by PricewaterhouseCoopers Inc and their unqualified audit opinion is available for inspection on Sasfin's website under Investor relations. This summarised report is extracted from the audited information, but is not itself audited.

The Sasfin Directors take full responsibility for the preparation of this provisional report and are satisfied that the financial information has been correctly extracted from the underlying annual financial statements.

EVENTS AFTER THE REPORTING DATE

During June 2020, Sasfin Asia Limited suffered a loss amounting to \$540 000 due to a fraud event, which has been recognised in full in the annual financial statements. Subsequent to year-end, Sasfin has received judgement in its favour in terms of which \$286 000 (plus interest and costs) will be recovered.

UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

**FINANCIAL HIGHLIGHTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	% Change	31 December 2020 Unaudited	31 December 2019 Unaudited Restated¹	30 June 2020 Audited
Consolidated statement of financial position				
Total cash (Rm)	(1.00)	1 590	1 606	1 731
Total assets (Rm)	(13.57)	12 555	14 527	14 006
Total gross loans and advances (Rm) ¹	(10.15)	6 990	7 780	7 162
Non-performing loans and advances (Rm)	0.94	748	741	712
Income statement				
Earnings attributable to ordinary shareholders (Rm)	(50.29)	39.120	78.702	(60.176)
Headline earnings (Rm)	(65.82)	26.896	78.702	(48.617)
Financial performance				
Return on ordinary shareholders' average equity (%)		3.56	9.73	(3.12)
Return on total average assets (%)		0.41	1.08	(0.34)
Operating performance				
Non-interest income to total income (%)		55.32	59.03	55.84
Cost to income ratio (%)		70.48	74.33	82.20
Credit loss ratio (bps) ¹		240	122	303
Non-performing advances to total amortised cost gross loans and advances (%)		11.15	9.54	10.26
Share statistics				
Earnings per ordinary share (cents)	(50.29)	121.50	244.44	(186.90)
Headline earnings per ordinary share (cents)	(65.82)	83.54	244.44	(151.00)
Number of ordinary shares in issue at end of the period ('000)		32 301	32 301	32 301
Number of ordinary shares in issue at end of the period excluding treasury shares ('000)		32 197	32 197	32 197
Weighted average number of ordinary shares in issue excluding treasury shares ('000)		32 197	32 197	32 197
Dividends per ordinary share relating to profit for the period (cents) ²		–	48.73	48.73
Preference share dividend number 1 for the year (cents)		–	416.91	416.91
Capital adequacy (unaudited)				
Capital adequacy ratio (%)		17.071	17.063	16.593

¹ Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

² This is based on the total shares in issue, including treasury shares.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited Restated¹ R'000	30 June 2020 Audited R'000
ASSETS			
Cash and cash balances	1 590 023	1 605 756	1 731 243
Negotiable securities	2 135 895	2 877 664	3 126 595
Trading assets	1 044 571	1 341 129	1 060 342
Trade and other receivables	535 930	276 479	436 644
Non-current assets held for sale	6 700	–	6 700
Loans and advances ¹	6 360 064	7 346 249	6 609 328
Current taxation asset	20 619	7 571	21 035
Investment securities ¹	523 859	657 965	654 966
Investments at fair value through profit and loss ¹	513 685	547 722	528 771
Equity accounted associates	10 174	110 243	126 195
Property, equipment and right-of-use assets	82 075	135 850	103 550
Investment property	13 123	8 700	13 123
Intangible assets and goodwill	202 475	230 276	205 206
Deferred tax asset	39 754	39 661	36 808
Total assets	12 555 088	14 527 300	14 005 540
LIABILITIES			
Funding under repurchase agreements and interbank	876 077	2 009 067	1 882 806
Trading liabilities	975 852	1 350 499	999 842
Current taxation liabilities	13 119	16 370	3 963
Trade and other payables	725 516	833 064	783 786
Bank overdraft	110 380	41 541	151 462
Provisions	46 043	47 022	41 629
Lease liabilities	54 281	88 031	70 266
Deposits from customers	4 831 076	4 983 459	5 138 778
Debt securities issued	2 740 271	2 751 789	2 743 823
Long-term loans	364 474	430 040	371 649
Deferred tax liability	90 895	135 543	94 531
Total liabilities	10 827 984	12 686 425	12 282 535
EQUITY			
Ordinary share capital	321	321	321
Ordinary share premium	166 945	166 945	166 945
Reserves	1 371 752	1 481 091	1 367 653
Preference share capital	18	18	18
Preference share premium	188 068	188 068	188 068
Non-controlling interest	–	4 432	–
Total equity	1 727 104	1 840 875	1 723 005
Total liabilities and equity	12 555 088	14 527 300	14 005 540

¹ Refer to note 2 in the Selected Explanatory Notes section for more information on restatements

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited Restated¹ R'000	30 June 2020 Audited R'000
Interest and similar income	517 227	683 691	1 285 549
Interest income calculated using the effective interest method ¹	507 212	662 418	1 250 375
Other interest income ¹	10 015	21 273	35 174
Interest and similar expense	(238 288)	(423 811)	(779 234)
Interest expense calculated using the effective interest method	(227 411)	(398 608)	(733 312)
Other interest expense	(10 877)	(25 203)	(45 922)
Net interest income	278 939	259 880	506 315
Non-interest income	345 357	374 454	640 180
Net fee and commission income ¹	202 916	222 584	429 445
Fee and commission income ¹	301 537	345 360	638 402
Fee and commission expense	(98 621)	(122 776)	(208 957)
Gains and losses on financial instruments ¹	59 573	77 031	85 674
Other income	82 868	74 839	125 061
Total income	624 296	634 334	1 146 495
Credit impairment charges	(130 491)	(45 743)	(252 618)
Net income after impairments	493 805	588 591	893 877
Total operating costs	(446 148)	(477 443)	(959 040)
Staff costs	(257 542)	(266 182)	(517 605)
Other operating expenses	(188 606)	(211 261)	(424 784)
Impairments on non-financial assets	–	–	(16 651)
Profit/(loss) from operations	47 657	111 148	(65 163)
Share of associate income	8 721	8 018	20 161
Profit/(loss) before income tax	56 378	119 166	(45 002)
Income tax expense	(17 258)	(32 168)	1 848
Profit/(loss) for the period	39 120	86 998	(43 154)
Other comprehensive income for the period, net of tax effects			

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited Restated ¹ R'000	30 June 2020 Audited R'000
Items that may be subsequently reclassified to profit and loss:			
Foreign exchange differences on translation of foreign operation	(35 021)	112	41 313
Total comprehensive income for the period	4 099	87 110	(1 841)
Profit/(loss) attributable to:	39 120	86 998	(43 154)
Non-controlling interest	–	760	1 993
Preference shareholders	–	7 536	15 029
Equity holders of the Group	39 120	78 702	(60 176)
Total comprehensive income attributable to:	4 099	87 110	(1 841)
Non-controlling interest	–	760	15 029
Preference shareholders	–	7 536	1 993
Equity holders of the Group	4 099	78 814	(18 863)
Earnings per share:			
Basic and diluted earnings per share (cents)	121.50	244.44	(186.90)

HEADLINE EARNINGS RECONCILIATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited R'000	30 June 2020 Audited R'000
Earnings are determined as follows:			
Earnings attributable to equity holders of the Group	39 120	78 702	(60 176)
Headline adjustable items	(12 224)	–	11 559
Goodwill and intangible asset impairments	–	–	16 651
Gross	–	–	16 651
Tax impact	–	–	–
Profit on loss of control of subsidiary	–	–	(4 674)
Investment property – fair value loss on non-current assets held for sale	–	–	1 707
Gain on dilution of interest in associate	–	–	(2 125)
Gain on disposal of interest in associate	(12 224)	–	–
Gross	(21 518)	–	–
Tax impact	9 294	–	–
Headline earnings	26 896	78 702	(48 617)
Headline earnings per ordinary share (cents)	83.54	244.44	(151.00)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited R'000	30 June 2020 Audited R'000
Opening total shareholders' equity	1 723 005	1 777 384	1 777 384
Other comprehensive income net of income tax for the period	4 099	87 110	(1 841)
Profit/(loss) for the period	39 120	86 998	(43 154)
Foreign exchange differences on translation of foreign operations	(35 021)	112	41 313
Transactions with owners recorded directly in equity	–	(7 536)	(5 665)
Disposal of controlling interest in subsidiary			
Dividends to preference shareholders	–	(16 119)	(15 029)
Dividends to ordinary shareholders	–	–	(31 844)
Closing balance	1 727 104	1 840 839	1 723 005

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited R'000	30 June 2020 Audited R'000
Cash flows from operating activities	171 861	87 433	141 077
Changes in operating assets and liabilities	(349 373)	121 624	154 604
Net cash flows from operating activities	(177 512)	209 057	295 681
Net cash flows from investing activities	113 313	98 225	48 374
Net cash flows from financing activities	(15 985)	(10 234)	(31 052)
Net increase/(decrease) in cash and cash equivalents	(80 185)	297 048	313 003
Cash and cash equivalents at the beginning of the period	1 579 781	1 266 778	1 266 778
Effect of exchange rate fluctuations on cash held	(19 954)	389	–
Cash and cash equivalents at end of the period	1 479 643	1 564 215	1 579 781

**CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

Previously management reported on three operating segments: Banking, Capital and Wealth. At the beginning of the 2021 financial year, internal restructuring occurred between existing segments. In order to better represent the revised operating model, management now reports on four segments (excluding the Group and inter-segment eliminations segment). These segments are Asset Finance, B\Yond Business Banking, Capital and Wealth. Accordingly, the segment information for prior periods has been restated.

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited Restated¹ R'000	30 June 2020 Restated¹ R'000
GEOGRAPHICAL SEGMENTS			
External revenue			
South Africa	618 249	621 533	1 118 305
Asia Pacific	6 047	12 801	28 195
Total	624 296	634 334	1 146 500
Segment assets			
South Africa	12 214 597	13 974 727	13 487 003
Asia Pacific	340 491	621 533	518 537
Total	12 555 088	14 596 260	14 005 540
BUSINESS SEGMENTS			
Segment income			
Asset Finance	287 938	264 310	530 264
B\Yond Business Banking	53 505	53 394	69 505
Capital (including Trade and Debtor Finance)	58 265	122 336	162 467
Wealth	177 888	157 662	313 426
Group and inter-segment eliminations	46 700	36 632	70 833
Total income	624 296	634 334	1 146 495
Segment profit			
Asset Finance	82 423	101 374	68 335
B\Yond Business Banking	(15 022)	(22 112)	(42 904)
Capital (including Trade and Debtor Finance)	(18 758)	11 286	(62 775)
Wealth	56 546	30 958	65 136
Group and inter-segment eliminations	(48 811)	(2 340)	(72 795)
Profit/(loss) for the period	56 378	119 166	(45 002)
Segment assets			
Asset Finance	5 986 547	6 255 402	5 975 749
B\Yond Business Banking	140 977	160 930	122 978
Capital (including Trade and Debtor Finance)	2 045 333	2 425 770	2 035 743
Wealth	1 168 632	1 589 815	1 354 080
Group and inter-segment eliminations	3 213 599	4 095 383	4 516 990
Total assets	12 555 088	14 527 300	14 005 540
Segment liabilities			
Asset Finance	3 323 109	3 130 167	3 014 725
B\Yond Business Banking	226 369	433 825	415 058
Capital (including Trade and Debtor Finance)	1 986 278	2 005 426	1 950 821
Wealth	1 002 488	1 280 494	1 075 402
Group and inter-segment eliminations	4 289 740	5 836 513	5 826 528
Total liabilities	10 827 984	12 686 425	12 282 535

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Condensed Interim Consolidated Financial Statements comprise the following:

- Condensed Consolidated Statement of Financial Position
- Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Condensed Consolidated Statement of Changes in Equity
- Condensed Consolidated Statement of Cash Flows
- Condensed Consolidated Segmental Analysis at and for the six months ended 31 December 2020.

These Condensed Interim Consolidated Financial Statements have been prepared under the supervision of Angela Pillay, CA(SA), Group and Bank Financial Director.

BASIS OF PREPARATION AND PRESENTATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

The Condensed Interim Consolidated Financial Statements have been prepared in accordance with and contain disclosure required by IAS 34 Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements (JSE Listings Requirements), and the requirements of the Companies Act of South Africa, No 71 of 2008, as amended (Companies Act).

The directors assess the Group's future performance and financial position on a continuous basis and have no reason to believe that the Group will not be a going concern in the reporting period ahead. Consequently, the Condensed Interim Consolidated Financial Statements have been prepared on the going concern basis.

The Condensed Interim Consolidated Financial Statements are presented in ZAR. All entities in the Group, with the exception of Sasfin Asia Limited, operate in the Republic of South Africa with a functional currency of ZAR.

The accounting policies applied in these unaudited, unreviewed Condensed Interim Consolidated Financial Statements for the period ended 31 December 2020 are in terms of International Financial Reporting Standards (IFRS) and are the same as those applied in the Group's Audited Consolidated Annual Financial Statements at the year ended 30 June 2020.

IMPACT OF COVID-19

The Covid-19 pandemic continued to have a severe impact on the expected credit loss (ECL) recognised on loans and advances, as well as negotiable securities. It also had a negative impact on the fair value measurements of the Group's Private and Property Equity portfolios. The Group continues to maintain a strong cash position and capital adequacy to withstand further shocks that may arise.

Expected credit losses on loans and advances and negotiable securities

The assessment on whether a significant increase in credit (SICR) had occurred specifically included an assessment of the impact of the global Covid-19 pandemic and subsequent lockdown on Probability of Default and Loss Given Default of businesses. This assessment was done in both the consideration of client risk profiles during the granting of payment holidays, as well as in the final calculation of ECLs.

Client requests for payment relief due to Covid-19-related factors were considered on a case by case basis taking into account (inter alia) the industry within which it operates and its own financial strength. Once payment relief had been granted, these loans and advances were then classified as Covid-19 Restructured Exposures in accordance with Directive 3 of 2020 issued by the Prudential Authority of the South African Reserve Bank.

Each client was classified as either Stage 1 where our assessment indicated that the relief was expected to be of a temporary nature and the client should be able to meet its obligations once the relief period had expired (thereby indicating no SICR had occurred), or Stage 2 where we believed that the distress would likely be of a longer or more permanent nature, indicating a SICR had occurred. Clients indicating a more permanent financial distress would be classified as Distressed Restructures in line with Directive 7 of 2015.

Estimation uncertainty

The Covid-19 pandemic significantly increased the overall level of estimation uncertainty and judgement applied by management. The unprecedented nature of this global pandemic renders it challenging to accurately predict the full extent and duration of its economic effect. Although the areas of judgement and estimation applied remained largely the same as in the prior years, greater judgement had to be applied in the following areas:

- Credit impairment of loans and advances.
- Determining the fair value of the private equity and property equity portfolios.

Fair value measurement

The valuation techniques for fair value measurement of the investment securities have been assessed by the respective valuation committees to determine the impact that the market volatility introduced by Covid-19 has had on the fair value measurements of these instruments. When assessing the fair value measurement of financial instruments for this period, the valuation models have been built to take into consideration inputs that are reflective of market participants. The assessment specifically included an assessment of the impact of the global Covid-19 pandemic and subsequent lockdown on forecasted cash flows and other critical assumptions of businesses i.e. capitalisation rates, weighted average cost of capital (WACC) and vacancy rates of properties, specific and other risk premiums added to the discount rates. This assessment was considered on a company by company basis taking into account (inter alia) the industry within which it operates and its own financial strength.

RESTATEMENTS

These transactions are to correct the disclosure and presentation of our Statements of Financial Position, Comprehensive Income and Cash Flows and did not have an impact on the earnings, balance sheet or ratios of the Group for either the prior year or the current year.

Restatement 1: Correction of prior period presentation: presentation of fair value changes on financial instruments at fair value through profit or loss

During June 2020 it was identified that fair value changes of R11.082 million on the Fixed Income trading assets and trading liabilities, being instruments held at fair value through profit or loss, were incorrectly presented as fee and commission income, rather than as part of gains and losses on financial instruments. The total non-interest income after this correction of presentation remains unchanged. This correction has no impact on the carrying amounts of the trading assets and trading liabilities. Consequently, the statement of financial position at 31 December 2019 is not restated. The impact of this adjustment on the statement of comprehensive income is set out in the table on the next page.

Restatement 2: Correction of prior year error: classification of specialised lending products

During June 2020 it was identified that, upon transition to IFRS 9 Financial Instruments, the Group continued to recognise certain specialised lending products as bifurcated financial instruments in accordance with IAS 39 Financial Instruments Recognition and Measurement. A portion was recognised at amortised cost as part of loans and advances and the other portion as a financial asset at fair value through profit or loss, as part of investment securities. In terms of IFRS 9, these instruments should be classified and measured as one instrument, being a financial asset at fair value through profit or loss, since these instruments as a whole do not meet the solely payments of principal and interest criteria. The combined carrying amount of the specialised lending products together with the bifurcated embedded derivative approximates their fair value, thereby not impacting the Group's total assets, profit for the year, credit impairment charges, statement of cash flows or earnings per share. The impact of this correction on the statement of financial position and statement of comprehensive income is set out in the table below.

Summary of impact on Statement of Financial Position and Statement of Comprehensive Income

	31 December 2019			30 June 2019		
	As previously reported R'000	Restatement ¹ Increase/ (decrease) R'000	Restatement ² Increase/ (decrease) R'000	As previously reported R'000	Restatement ¹ Increase/ (decrease) R'000	Restatement ² Increase/ (decrease) R'000
Statement of comprehensive income						
Interest and similar income	683 691	–	683 691			
Interest income calculated using the effective interest method	665 516	(3 098)	662 418			
Other interest	18 175	3 098	21 273			
Net interest income	259 880	–	259 880			
Non-interest income	374 454	–	374 454			
Net fee and commission income	233 666	(11 082)	222 584			
Fee and commission income	356 442	(11 082)	345 360			
Gains and losses on financial instruments	65 949	11 082	77 031			
Net gains or losses on the derecognition of financial instruments at amortised cost						
Other gains or losses on financial instruments	65 949	11 082	77 031			
Other income	74 839	–	74 839			
Statement of financial position						
Investment securities –						
Investments at fair value through profit or loss	560 025	(12 303)	547 722	635 298	(12 303)	622 995
Loans and advances	7 333 946	12 303	7 346 249	7 487 205	12 303	7 499 508
Amortised cost	7 333 946	(209 639)	7 124 307	7 487 205	(17 167)	7 470 038
Fair value through profit or loss	–	221 942	221 942	–	29 470	29 470

CREDIT RISK

Credit risk metrics

Our key credit risk metrics in reporting periods since June 2018 are set out in the Interim Results and can be viewed on the Sasfin website.

Credit risk exposure analysis

The table on the following page contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets, by credit quality.

	Credit risk grading ECL staging	Net amount R'000	Total exposure R'000	Total ECL R'000	Coverage ratio %	A Stage 1 12-Month ECL			A and B Stage 2 Lifetime ECL			Default (C,D and E) Stage 3 Lifetime ECL			Securities and expected recoveries on default exposures R'000		
						Exposure R'000s	ECL R'000	Coverage ratio %	Exposure R'000	ECL R'000	Coverage ratio %	Exposure R'000	ECL R'000	Coverage ratio %			
31 December 2020																	
Maximum credit exposures of financial assets at amortised cost																	
Cash and cash balances	1 590 023	1 590 023	1 590 023	-	-	1 590 023	-	-	-	-	-	-	-	-	-	-	-
Negotiable securities	2 135 895	2 208 642	2 208 642	72 747	3.29	1 738 642	4 503	0.26	-	-	-	470 000	68 244	14.52	-	-	-
Loans and advances	6 078 749	6 708 311	6 708 311	629 562	9.38	5 372 810	130 629	2.43	587 780	51 009	8.68	747 722	447 926	59.91	295 642		295 642
Equipment finance	4 121 924	4 613 098	4 613 098	491 174	10.65	3 843 152	84 020	2.19	250 726	35 506	14.16	519 220	371 649	71.58	147 571		147 571
Capital equipment finance	1 181 350	1 256 490	1 256 490	75 140	5.98	1 088 073	30 482	2.80	75 422	5 585	7.40	92 995	39 073	42.02	53 923		53 923
Trade and debtor finance	519 396	552 226	552 226	32 830	5.95	311 236	8 867	2.85	124 569	4 586	3.68	116 422	19 377	16.64	92 990		92 990
Term loans – secured	239 157	269 048	269 048	29 891	11.11	113 025	6 758	5.98	137 063	5 332	3.89	18 960	17 802	93.89	1 158		1 158
Term loans – unsecured	16 997	17 449	17 449	452	2.59	17 324	427	2.46	-	-	-	125	25	20.00	-	-	-
Guarantees	(75)	-	-	75	-	-	75	-	-	-	-	-	-	-	-	-	-
Trade and other receivables	535 930	536 684	536 684	754	0.14	536 684	754	0.14	-	-	-	-	-	-	-	-	-
Gross carrying amount	10 340 597	11 043 660	11 043 660	703 063	6.37	9 238 159	135 886	1.47	587 780	51 009	8.68	1 217 722	516 170	42.39	295 642		295 642
Off-balance sheet exposure to credit risk																	
Total off-balance sheet exposure	263 028																
Credit loss allowance on off-balance sheet credit risk recognised	4 200																
Maximum credit exposures on financial assets at FVTPL	1 847 351																
Total exposure to credit risk	12 446 776																

	Credit risk grading ECL staging	A and B												Securities and expected recoveries on default exposures R'000
		A Stage 1 12-Month ECL				Stage 2 Lifetime ECL				Default (C,D and E) Stage 3 Lifetime ECL				
		Net amount Restated¹ R'000	Total exposure Restated¹ R'000	ECL Restated¹ R'000	Total Coverage ratio Restated¹ %	Exposure Restated¹ R'000	ECL R'000	Coverage ratio Restated¹ %	Exposure R'000	ECL R'000	Coverage ratio %	Exposure R'000	ECL R'000	
31 December 2019														
Maximum credit exposures of financial assets at amortised cost														
Cash and cash balances	1 605 756	1 605 756		-	1 605 756	-	-	-	-	-	-	-	-	-
Negotiable securities	2 877 664	2 877 664		-	2 877 664	-	-	-	-	-	-	-	-	-
Loans and advances¹	7 124 307	7 558 206	433 899	5.74	6 355 154	62 959	0.99	410 573	12 797	3.12	792 479	358 143	45.19	383 286
Equipment finance	4 695 858	5 034 362	338 504	6.72	4 499 047	36 280	0.81	162 220	7 927	4.89	373 095	294 297	78.88	78 797
Capital equipment finance	1 213 530	1 244 333	30 803	2.48	1 121 066	9 512	0.85	25 336	769	3.04	97 931	20 522	20.96	77 409
Trade and debtor finance	1 026 358	1 058 691	32 333	3.05	565 270	9 880	1.75	223 017	4 101	1.84	270 404	18 352	6.79	252 052
Term loans – secured¹	188 975	220 820	31 845	14.42	169 771	6 873	4.05	-	-	-	51 049	24 972	48.92	-
Term loans – unsecured	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees	(414)	-	414	-	-	414	-	-	-	-	-	-	-	-
Trade and other receivables	276 479	276 479	-	-	276 479	-	-	-	-	-	-	-	-	-
Gross carrying amount¹	11 884 206	12 318 105	433 899	3.52	11 115 053	62 959	0.57	410 573	12 797	3.1	792 480	358 143	45.19	408 258
Off-balance sheet exposure to credit risk														
Total off-balance sheet exposure	211 879													
Credit loss allowance on off-balance sheet credit risk recognised	2 521													
Maximum credit exposures on financial assets at FVTPL¹	1 186 725													
Total exposure to credit risk	13 280 289													

¹ Refer to note 2 in the Selected Explanatory Notes section for more information on restatements

Credit loss allowance analysis

Reconciliation of ECL on loans and advances at amortised cost

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
Credit loss allowance at 1 July 2020	113 581	38 639	400 185	552 405
Net transfers between stages ¹	(912)	9 281	60 567	68 935
Transfer from stage 1	(912)	–	–	(912)
Transfer to stage 2	–	9 281	–	9 281
Transfer to stage 3	–	–	60 567	60 567
Net ECLs raised	17 959	3 089	4 502	25 550
ECL on new exposure raised	28 226	6 960	1 709	36 895
Subsequent changes in ECL	(2 709)	437	10 932	8 660
Change in ECL due to derecognition	(7 558)	(4 308)	(8 139)	(20 005)
Impaired accounts written off	–	–	(17 328)	(17 328)
Credit loss allowance at 31 December 2020	130 629	51 008	447 926	629 562
Credit loss allowance at 1 July 2019²	58 174	22 898	321 673	402 745
Net transfers between stages ¹	(8 238)	(10 101)	58 822	40 483
Transfer from stage 1	(8 238)	–	–	(8 238)
Transfer from stage 2	–	(10 101)	–	(10 101)
Transfer to stage 3	–	–	58 822	58 822
Net ECLs raised	13 023	–	–	13 023
ECL on new exposure raised	30 708	–	–	30 708
Change in ECL due to derecognition	(17 685)	–	–	(17 685)
Impaired accounts written off	–	–	(22 352)	(22 352)
Credit loss allowance at 31 December 2019	62 959	12 797	358 143	433 899

1 It is the Group's practice to transfer the ECL between stages, based on the ECL stage at the beginning of the reporting period and the ECL stage at the end of the reporting period, for those exposures still in existence.

2 Restated. Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

Reconciliation of ECL on loans and advances at amortised cost by product

31 December 2020	Credit loss allowance on 1 July 2020 R'000	Total transfers between stages R'000	Net ECL raised/ (released) R'000	Impaired accounts written off R'000	Credit loss allowance on 31 December 2020 R'000
Equipment finance	432 838	57 696	13 540	(12 899)	491 175
Stage 1	85 887	(2 906)	1 039	–	84 020
Stage 2	24 361	6 101	5 045	–	35 507
Stage 3	322 590	54 501	7 456	(12 899)	371 648
Capital equipment finance	56 682	6 305	12 229	(76)	75 140
Stage 1	15 077	(472)	15 877	–	30 482
Stage 2	6 216	2 888	(3 519)	–	5 585
Stage 3	35 389	3 889	(129)	(76)	39 073
Trade and debtor finance	31 791	4 905	(3 867)	–	32 829
Stage 1	8 902	2 461	(2 496)	–	8 867
Stage 2	1 581	292	2 712	–	4 585
Stage 3	21 308	2 152	(4 083)	–	19 377
Term loans:					
Secured	30 249	–	3 995	(4 353)	29 891
Stage 1	2 870	–	3 888	–	6 758
Stage 2	6 481	–	(1 150)	–	5 331
Stage 3	20 898	–	1 257	(4 353)	17 802
Term loans:					
Unsecured	198	30	224	–	452
Stage 1	198	5	224	–	427
Stage 2	–	–	–	–	–
Stage 3	–	25	–	–	25
Guarantees	646	–	571	–	75
Stage 1	646	–	571	–	75
Stage 2	–	–	–	–	–
Stage 3	–	–	–	–	–
Total	552 405	68 936	25 549	(17 328)	629 562
Stage 1	113 580	(912)	17 960	–	130 629
Stage 2	38 639	9 281	3 088	–	51 009
Stage 3	400 185	60 567	4 501	(17 328)	447 925

31 December 2019¹	Credit loss allowance on 1 July 2019 R'000	Total transfers between stages R'000	Net ECL raised/ (released) R'000	Impaired accounts written off R'000	Credit loss allowance on 31 December 2019 R'000
Equipment finance	320 812	41 435	(1 649)	(22 094)	338 504
Stage 1	33 524	4 405	(1 649)	–	36 280
Stage 2	13 944	(6 017)	–	–	7 927
Stage 3	273 344	43 047	–	(22 094)	294 297
Capital equipment finance	28 518	4 404	(1 861)	(258)	30 803
Stage 1	7 255	4 118	(1 861)	–	9 512
Stage 2	1 843	(1 074)	–	–	769
Stage 3	19 420	1 360	–	(258)	20 522
Trade and debtor finance	35 211	(16 855)	13 977	–	32 333
Stage 1	13 002	(17 099)	13 977	–	9 880
Stage 2	5 120	(1 019)	–	–	4 101
Stage 3	17 089	1 263	–	–	18 352
Term loans: Secured	17 755	11 534	2 556	–	31 845
Stage 1	3 944	373	2 556	–	6 873
Stage 2	1 991	(1 991)	–	–	–
Stage 3	11 820	13 152	–	–	24 972
Guarantees	449	(35)	–	–	414
Stage 1	449	(35)	–	–	414
Stage 2	–	–	–	–	–
Stage 3	–	–	–	–	–
Total	402 745	40 483	13 023	(22 352)	433 899
Stage 1	58 174	(8 238)	13 023	–	62 959
Stage 2	22 898	(10 101)	–	–	12 797
Stage 3	321 673	58 822	–	(22 352)	358 143

¹ Restated. Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

CLASSIFICATION OF ASSETS AND LIABILITIES

Accounting classification and fair values'

	Profit or loss (default) R'000	Fair value through Profit or loss (held for trading) R'000	Amortised cost R'000	Outside scope of IFRS 9 R'000	Total R'000
ASSETS					
2020					
Cash and cash balances	–	–	1 590 023	–	1 590 023
Trading assets	–	1 044 571	–	–	1 044 571
Negotiable securities	–	–	2 135 895	–	2 135 895
Trade and other receivables	–	–	474 348	61 582	535 930
Non-current assets held for sale	–	–	–	6 700	6 700
Loans and advances	281 315	–	6 078 749	–	6 360 064
Current taxation asset	–	–	–	20 619	20 619
Investment securities	513 685	–	–	10 174	523 859
– Investment at fair value through profit or loss	513 685	–	–	–	513 685
– Equity accounted associates	–	–	–	10 174	10 174
Deferred tax asset	–	–	–	39 754	39 754
Property, equipment and right-of-use assets	–	–	–	82 075	82 075
Investment property	–	–	–	13 123	13 123
Intangible assets and goodwill	–	–	–	202 475	202 475
Total assets	795 000	1 044 571	10 279 015	436 502	12 555 088
LIABILITIES					
Funding under repurchase agreements and interbank	–	–	876 077	–	876 077
Trading liabilities	–	975 852	–	–	975 852
Current taxation liability	–	–	–	13 119	13 119
Trade and other payables	–	–	725 096	420	725 516
Bank overdraft	–	–	110 380	–	110 380
Provisions	–	–	–	46 043	46 043
Deposits from customers	–	–	4 831 076	–	4 831 076
Lease liabilities	–	–	54 281	–	54 281
Debt securities issued	–	–	2 740 271	–	2 740 271
Long-term loans	–	–	364 474	–	364 474
Deferred tax liability	–	–	–	90 895	90 895
Total liabilities	–	975 852	9 701 655	150 477	10 827 984

	Profit or loss (default) R'000	Fair value through Profit or loss (held for trading) R'000	Amortised cost R'000	Outside scope of IFRS 9 R'000	Total Restated ¹ R'000
Assets					
2019					
Cash and cash balances	–	–	1 605 756	–	1 605 756
Trading assets	–	1 341 129	–	–	1 341 129
Negotiable securities	–	–	2 877 664	–	2 877 664
Trade and other receivables	–	–	276 479	–	276 479
Non-current assets held for sale	–	–	–	–	–
Loans and advances	221 942	–	7 124 307	–	7 346 249
Current taxation asset	–	–	–	7 571	7 571
Investment securities	547 722	–	110 243	657 965	
– Investment at fair value through profit or loss	547 722	–	–	–	547 722
– Equity accounted associates	–	–	–	110 243	110 243
Deferred tax asset	–	–	–	39 661	39 661
Property, equipment and right-of-use assets	–	–	–	135 850	135 850
Investment property	–	–	–	8 700	8 700
Intangible assets and goodwill	–	–	–	230 276	230 276
Total assets	769 664	1 341 129	11 884 206	532 301	14 527 300
LIABILITIES					
Funding under repurchase agreements and interbank	–	–	2 009 067	–	2 009 067
Trading liabilities	–	1 350 499	–	–	1 350 499
Current taxation liability	–	–	–	16 370	16 370
Trade and other payables	–	–	833 064	–	833 064
Bank overdraft	–	–	41 541	–	41 541
Provisions	–	–	–	47 022	47 022
Deposits from customers	–	–	4 983 459	–	4 983 459
Lease liabilities	–	–	88 031	–	88 031
Debt securities issued	–	–	2 751 789	–	2 751 789
Long-term loans	–	–	430 040	–	430 040
Deferred tax liability	–	–	–	135 543	135 543
Total liabilities	–	1 350 499	11 136 991	198 935	12 686 425

¹ Restated. Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

Fair values of financial assets and financial liabilities

The Group's financial risk management objectives and policies are consistent with those disclosed in the Consolidated and Separate Annual Financial Statements at and for the period ended 30 June 2020.

Financial hierarchy

The table below analyses financial instruments carried at fair value by level of fair value hierarchy. The different levels are based on the inputs used in the calculation of fair value of the financial instruments. The levels have been defined as follows:

Level 1 – fair value is based on quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	31 Dec 2020 Unaudited R'000	31 Dec 2019 Unaudited R'000	30 June 2020 Audited R'000
Financial assets	939 807	104 960	794 804	1 839 571	2 110 794	1 812 126
Investment securities	196	–	513 489	513 685	547 722	528 772
Loans and advances at fair value through profit and loss	–	–	281 315	281 315	221 942	223 011
Trading assets	939 611	104 960	–	1 044 571	1 341 130	1 060 343
Financial liabilities	856 398	119 454	–	975 852	1 350 499	999 841
Trading liabilities	856 398	119 454	–	975 852	1 350 499	999 841
Non-financial assets	–	–	19 823	19 823	8 700	19 823
Investment property – continuing operations	–	–	13 123	13 123	8 700	13 123
Investment property – Non-current assets held for sale	–	–	6 700	6 700	–	6 700

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Levels 1, 2 and 3 of the fair value hierarchy for the period ended 31 December 2020.

	31 Dec 2020 Unaudited R'000	31 Dec 2019 Unaudited R'000	30 June 2020 Audited R'000
Level 3 fair values – Financial and non-financial assets			
Opening balance	771 455	635 077	650 052
Additions	–	–	2 186
Total gains or losses in profit or loss	14 818	14 661	(4 465)
Acquisition of investments	–	10 608	–
Disposal of investments	(34 080)	(96 875)	(92 898)
(Repayments)/advances	62 434	(6 490)	196 254
Transfers	–	2 866	20 326
Closing balance	814 627	559 847	771 455

The valuations of Level 2 and Level 3 investment securities were based predominantly on detailed discounted cash flow methodologies, which were compared with implied price/earnings multiples, and where applicable, benchmarked to proxies of listed entities in similar industries for reasonableness.

This valuation methodology is per the South African Venture Capital and Private Equity guidelines.

CHANGES IN THE COMPOSITION OF THE GROUP

Sasfin's wholly owned subsidiary, Sasfin Wealth Proprietary Limited (Sasfin Wealth), entered into a sale of shares agreement in terms of which, inter alia, Sasfin Wealth disposed of its 21.10% interest in its associate, Efficient Group Limited, for a disposal consideration of R146.261 million. The disposal was concluded on 3 December 2020.

RELATED PARTIES

There has been no material change, by nature or amount, in transactions with related parties since the 2020 financial year-end.

ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE

There has been no significant change to management's estimates in respect of new accounting standards, amendments and interpretations to existing standards that have been published which are not yet effective and which have not yet been adopted by the Group.

SUBSEQUENT EVENTS

On 11 February 2021 the Land Bank repaid 12% of the capital outstanding on the Land Bank Bills held by Sasfin. The gross amount of the Bills, at 31 December 2020, was R470 million.

COMMENTARY

PURPOSE

We contribute to society by going beyond a bank to enable growth in the businesses and global wealth of our clients.

FINANCIAL PERFORMANCE

Sasfin posted headline earnings for the six months ended 31 December 2020 of R26.896 million (2019: R78.702 million). The decline in profit is primarily due to increased International Financial Reporting Standards (IFRS) 9 credit impairment provisions, as a result of the impact of Covid-19 and the associated lockdowns on South African businesses.

Total income declined by 1.45% for the period, positively impacted by improved margins in Sasfin Bank and increased revenue in the Wealth Pillar, but offset by lower loans and advances as well as a decline in fair value valuations.

Proactive cost management saw total costs decline by 6.55%, resulting in the Group's cost-to-income ratio improving by 3.85% to 70.48% (2019: 74.33%).

FINANCIAL AND CAPITAL POSITION

The Group's balance sheet remains strong, with cash and near cash, net of Land Bank bills (2020) and repurchase agreements, at R2.338 billion (2019: R2.433 billion, including Land Bank bills). Total deposits declined 3.08% to R4.831 billion (2019: R4.983 billion).

Total assets declined 13.57% to R12.555 billion (2019: R14.527 billion), with net loans and advances contracting 13.42% to R6.360 billion (2019: R7.346 billion), caused by lower demand and the conservative credit approach adopted during the Covid-19 lockdowns.

After consideration of the guidance from the Prudential Authority (PA) of the South African Reserve Bank (SARB) outlined in Guidance Note 3 of 2021 and the continued recommendation that banks act prudently and preserve capital, the Board has decided not to declare an interim ordinary and preference share dividend for the period ended 31 December 2020. The Group's capital adequacy ratio (unaudited) remained stable at 17.07% (2019: 17.06%). In addition, the liquidity coverage and net stable funding ratios remain strong and above minimum requirements.

Following multiple cautionary announcements, the first of which was issued on 30 September 2020, Sasfin has obtained the consent of the SARB's PA in terms of the Regulations relating to Banks, 2012 to proceed with the proposed repurchase of its preference shares. Sasfin will be announcing the terms of the proposed repurchase shortly.

CREDIT PERFORMANCE

With South African businesses under continued pressure, we have experienced higher arrears, an increase in our credit loss coverage ratio to 9.38% (2019: 5.58%) and the doubling of our credit loss ratio to 240 bps (2019: 122 bps). The profile of our book changed as follows:

- Stage 1 loans (up to date loans): 80.09% of total book (2019: 84.08%)
- Stage 2 loans (overdue loans): 8.76% of total book (2019: 5.43%)
- Stage 3 loans (non-performing loans): 11.15% of total book (2019: 10.49%)

Given the developments at the Land Bank, we have increased the impairment against our exposure to the entity. The Land Bank continues to service interest and repaid 12% of the outstanding capital in February 2021.

SEGMENTAL OVERVIEW

Asset Finance

Asset Finance posted an operating profit of R82.423 million (2019: R101.374 million), representing an 18.69% decline off the back of increased impairments. Income, however, increased 8.94% to R287.938 million (2019: R264.310 million), attributable to better margins offset by lower lending volumes. We continue to diversify the book and expand our offering, with specialised equipment finance growing to 22% of the total Asset Finance book (up from 19% in 2019).

B\\Yond Business Banking

We have merged our foreign exchange operations into this unit, which continues to enhance our integrated digital business client experience while extracting cost efficiencies where appropriate.

Transactional Banking grew revenue 14.02% through increased client volumes, despite lower interest rates. The next step in our digital banking evolution will be to increase the credit offering to small businesses off the back of the Nasira offering.

B\\Yond Business Banking reduced its operating loss by 32.06% to R15.022 million (2019 loss: R22.112 million). This was achieved, largely due to a 9.58% cost saving over the period, following the integration of the business units.

Sasfin Capital (which includes Trade and Debtor Finance)

With effect from 1 July 2020, the Trade and Debtor Finance unit moved into the Capital Pillar. The combined Pillar posted an operating loss of R18.758 million (2019 profit: R11.286 million) largely caused by lower revaluations of the private and property equity portfolios and lower utilisation of facility limits within our Trade and Debtor Finance unit because of declining import volumes and a reduced client base.

Following some realisations at above carrying value, investments at fair value have reduced by 6.20% to R514 million (2019: R548 million). We continue to grow our well-secured specialised finance and property lending book, which is performing to expectation. These loans typically include profit participation, which provides potential for good medium-term revenue growth.

Our Trade and Debtor Finance unit, where we have focused much attention on enhancing credit quality, recorded relatively good credit performance in the year. The lower utilisation resulted in reduced income levels, which were offset by lower costs.

Sasfin Wealth

Sasfin Wealth increased its operating profit by 82.65% to R56.546 million (2019: R30.958 million), in part attributable to the sale of its 21.10% interest in Efficient Group (Proprietary) Limited for R146.2 million. The transaction was concluded on 3 December 2020 at a profit of R12.225 million which has been recognised in the income statement. Excluding this sale, the performance was still strong, with operating profit increasing by 13.15% to R35.030 million (2019: R30.938 million) due to record growth in assets under advice and management (collectively AUM) to R51.8 billion (2019: R44.1 billion), and with foreign assets now comprising 27.80% of total AUM. Included in total income is a further negative fair value adjustment of R6.400 million on our Land Bank bond holdings.

Wealth's investment into distribution, and strong investment performance, continue to drive strong net inflows, particularly into institutional AUM managed by Sasfin Asset Managers (SAM). The business continues to invest in building out its depth and breadth of talent as well as its distribution capability. Last month, SAM was awarded a third consecutive Raging Bull award for its BCI Flexible Income Fund. We continue to strengthen our investment and distribution teams.

PROSPECTS

In the wake of Covid-19, Bradley Fried, chairman of the Bank of England, recently commented:

"2020 – the year of survival; 2021 – the year of repair; 2022 – the year of renewal and 2023 – the first year of growth."

Sasfin emerges from 2020 with a stronger balance sheet and lower cost base. In the last 12 months, Sasfin has created over R300 million in credit provisions to appropriately recognise the risk of clients potentially not being able to meet their obligations, and which consider the economic outlook. Furthermore, Sasfin ensured that it was able to seamlessly service clients remotely and effectively.

In the coming months we aim to:

1. Grow our lending book within the appropriate credit risk profile. The funding and capital are in place to support this growth.
2. Consolidate cost saving gains including further steps in respect of streamlining activities and changing the way we work. We expect to relocate from our Waverley head office in early 2022 and we are in the final stages of negotiating a lease, which should result in a far-improved client and employee experience and achieve meaningful additional cost savings.
3. Further enhance our client experience and distribution capabilities across the Group to achieve growth in our core businesses.

CONCLUSION

The business credit environment remains exceptionally challenging. Most businesses have seen a meaningful reduction in turnover but are managing to find ways to navigate the current economic challenges; many businesses, however, either are under threat of not surviving the pandemic or have already failed. Furthermore, second degree impacts are to be expected as the reality of lower employment levels sets in, and the various forms of Covid-19 relief come to an end.

We will continue to do what we can to support all of our clients in this very challenging economy, while retaining a cautious approach to credit. Investment markets have been resilient, and our Wealth business has delivered stellar investment performance for our clients. We are well placed to continue to enable our clients to grow their businesses and global wealth.

INTERIM ORDINARY SHARE AND PREFERENCE SHARE CASH DIVIDENDS

Ordinary share dividend

After consideration of the guidance from the Prudential Authority of the South African Reserve Bank outlined in Guidance Note 3 of 2021 and the continued recommendation that banks act prudently and preserve capital, the Board has decided not to declare an interim ordinary dividend for the period ended 31 December 2020.

Preference share dividend

The preference shares are non-redeemable, non-cumulative and non-participating. Preference shareholders are entitled to receive dividends out of the profits of Sasfin Holdings that it determines to distribute. Given the financial performance of the Group, the Board has not declared a preference dividend for the period ended 31 December 2020.


SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1987/002097/06)

(JSE share code: SFN ISIN: ZAE000006565)

("Sasfin" or the "Company")

NOTICE OF ELIGIBLE SHAREHOLDERS GENERAL MEETING

Where appropriate and applicable, the terms defined in the Circular to which this Notice of Eligible Shareholders General Meeting is attached and forms part, bear the same meanings in this Notice, and, in particular, in the resolutions set out below.

NOTICE IS HEREBY GIVEN of a general meeting of Eligible Shareholders to be held at **10h00** on **Wednesday, 2 June 2021** (South African Standard Time) entirely by way of electronic communication as contemplated in section 63(2)(a) of the Companies Act and clause 23.8 of the MOI, or any other adjourned or postponed date and time in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements, for Eligible Shareholders to consider, and, if deemed fit, to pass with or without modification, the special resolutions and ordinary resolutions set out below.

1. SPECIAL RESOLUTION NUMBER 1
Approval of the Scheme in terms of sections 114(1)(c) and 114(1)(e), read with section 115(2)(a), of the Companies Act

The proposal of this Special Resolution Number 1 for consideration and voting at the Eligible Shareholder General Meeting is subject to the **condition** that if, before it is voted on at the Eligible Shareholder General Meeting, the Company receives any written notice from any Eligible Shareholder/s in terms of section 164(3) of the Companies Act objecting to this Special Resolution Number 1 and such condition has not been waived by Sasfin, in its sole discretion, then the chairperson of the Eligible Shareholder General Meeting **shall** close this Eligible Shareholder General Meeting, without putting this Special Resolution Number 1 to the vote.

***"Resolved as a special resolution that,** subject to the condition above and the fulfilment or waiver (as the case may be) of the remaining Scheme Conditions Precedent set out in paragraph 5.5 of the Circular, the Scheme (being a scheme of arrangement in terms of sections 114(1)(c) and 114(1)(e) of the Companies Act, the terms and conditions of which are set out more fully in the Circular), proposed by the Board between the Company and the Eligible Shareholders, in terms of which, if the Scheme becomes operative, the Company will acquire (and the Scheme Participants will be deemed to have transferred and disposed to the Company) all (100%) of the Scheme Shares for the Increased Scheme Consideration, be and is hereby approved in terms of sections 114(1)(c) and 114(1)(e), read with section 115(2)(a), of the Companies Act."*

Voting requirement

In order for this Special Resolution Number 1 to be **adopted**, it requires at least 75% of the voting rights entitled to be exercised by Eligible Shareholders, present in person or by proxy, to vote in favour of the resolution in terms of section 115 of the Companies Act.

Explanatory Note

The **reason** for this Special Resolution Number 1 is to obtain the required Eligible Shareholder approval necessary in order for Sasfin to implement the Scheme in terms of sections 114(1)(c) and 114(1)(e), read with section 115(2)(a), of the Companies Act.

The **effect** of this Special Resolution Number 1 is that the Scheme will be approved by the Eligible Shareholders and, if the Scheme becomes operative, Sasfin will acquire all (100%) of the Scheme Shares from the Scheme Participants, and Scheme Participants will be deemed to have transferred and disposed all of their Scheme Shares to Sasfin, in exchange for the Increased Scheme Consideration.

2. SPECIAL RESOLUTION NUMBER 2

Revocation of Special Resolution Number 1 if the Scheme is not implemented and Dissenting Shareholders have exercised their Appraisal Rights under section 164 of the Companies Act

“Resolved as a special resolution that, subject to the passing of Special Resolution Number 1, in the event that:

- (i) Special Resolution Number 1 is approved by Eligible Shareholders;
- (ii) The Scheme is not implemented for any reason;
- (iii) Sasfin makes an announcement on SENS to the effect that the Scheme will not be implemented; and
- (iv) Relevant Shareholders have exercised their appraisal rights in terms of section 164 of the Companies Act,

Special Resolution Number 1 is revoked with effect from the date of the announcement contemplated in (iii) above, as contemplated in section 164(9)(c) of the Companies Act.”

Voting requirement

In order for this Special Resolution Number 2 to be **adopted**, it requires at least 75% of the voting rights entitled to be exercised by Eligible Shareholders, present in person or by proxy, to vote in favour of the resolution.

Explanatory note

In accordance with section 164(9)(c) of the Companies Act, Eligible Shareholders who validly exercise their appraisal rights under section 164 of the Companies Act pursuant to the Scheme Resolution shall, by virtue of Special Resolution Number 2, be re-instated as Preference Shareholders, and their appraisal rights under section 164 of the Companies Act will become void and of no further force or effect if, after the approval of the Scheme Resolution in terms of Special Resolution 1, the Scheme is not implemented for whatever reason and Sasfin makes an announcement on SENS to the effect that the Scheme shall not be continued or implemented. Accordingly, the effect of this Special Resolution Number 2 is to, in the event the Scheme is not implemented, re-instate the rights of the Dissenting Shareholders to their Preference Shares such that any Dissenting Shareholder that has sent a demand to Sasfin in terms of sections 164(5) to 164(8) (both inclusive) of the Companies Act to be paid fair value for its Preference Shares, shall have no right to receive payment of the amount so demanded and such Dissenting Shareholder’s Appraisal Rights under section 164 of the Companies Act will accordingly terminate.

3. ORDINARY RESOLUTION

Authority Granted to Directors

“Resolved that each director of Sasfin be and is hereby individually authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of the Special Resolution Number 1 and Special Resolution Number 2.”

Voting Requirements

The Ordinary Resolution will, in terms of the Companies Act, require at least 50% of the total number of votes exercised by Eligible Shareholders, present in person or by proxy and entitled to vote on such resolution at the Eligible Shareholder General Meeting, to vote in favour of such resolution in order for this Ordinary Resolution to be approved.

Explanatory Note

The adoption of this Ordinary Resolution will authorise any director of the Company to execute all documents and perform all such further acts and things as he may in his discretion consider appropriate to implement and give effect to the resolutions set out in this Notice of Eligible Shareholder General Meeting.

NOTES TO NOTICE OF ELIGIBLE SHAREHOLDER GENERAL MEETING

RECORD DATE

The record date set by the Directors in terms of sections 59(1)(a) and (b) of the Companies Act for the purpose of determining which Eligible Shareholders are entitled to: (i) receive notice of the Eligible Shareholder General Meeting is **Friday, 30 April 2021**; and (ii) participate in and vote at the Eligible Shareholder General Meeting is **Friday, 28 May 2021**. The last day to trade Shares in order to be recorded in the Register on the Meetings Record Date, is **Tuesday, 25 May 2021**.

ELECTRONIC PARTICIPATION AT THE ELIGIBLE SHAREHOLDERS GENERAL MEETING

The Eligible Shareholder General Meeting will be conducted entirely by way of electronic communication (including voting) as contemplated by section 63(2)(a) of the Companies Act and clause 23.8 of the MOI. Shareholders wishing to participate electronically in the Eligible Shareholder General Meeting are required to follow the prescribed procedures set forth in the Circular under the title: "*Electronic Participation*" in the section entitled "*Action Required by Shareholders In Respect Of The Scheme*".

VOTING

As the meeting will be conducted entirely by way of Electronic Participation, it will not be desirable nor practical for voting to take place by way of show of hands. Accordingly, the chairperson has already determined that all voting will be by way of poll through the facility provided by the electronic online facilities. See prescribed procedures set forth in the Circular under the title: "*Electronic Participation*" in the section entitled "*Action Required by Shareholders In Respect Of The Scheme*". Accordingly, each Eligible Shareholder shall have one vote for each Preference Share held.

IDENTIFICATION

Section 63(1) of the Companies Act requires meeting participants (including proxies) to provide the person presiding the meeting with satisfactory identification. The Company will regard the presentation of a valid green bar-coded or smart card identification document issued by the South African Department of Home Affairs, a South African driver's licence or a valid passport to be satisfactory "documentation".

An Eligible Shareholder or its representative or proxy, as the case may be, must electronically deliver the necessary proof of their identification to the Transfer Secretaries to be received by the Transfer Secretaries by no later than **10h00 on Monday, 31 May 2021**, before such person will be entitled to participate in the Eligible Shareholder General Meeting. Failure to do so may mean that the participant is unable to participate in the Eligible Shareholder General Meeting either at all, or promptly. The Company and the Transfer Secretaries shall not be liable for any failure by any Eligible Shareholder or its representative or proxy, as the case may be, to timeously deliver the requisite identification as aforesaid.

PARTICIPATION IN THE ELIGIBLE SHAREHOLDER GENERAL MEETING TO BE CONDUCTED ENTIRELY BY WAY OF ELECTRONIC COMMUNICATION

Certificated Eligible Shareholders and "*own-name*" Dematerialised Eligible Shareholders who are unable to participate in the Eligible Shareholders General Meeting but who wish to be represented thereat, are required to complete and return the attached Form of Proxy (*blue*) in respect of Eligible Shareholder General Meeting, to the Transfer Secretaries, Computershare Investor Services Proprietary Limited at 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or email same to proxy@computershare.co.za preferably by no later than **10h00 on Monday, 31 May 2021**.

Forms of Proxy not lodged with the Transfer Secretaries by **10h00 on Monday, 31 May 2021**, may still be lodged by emailing such Form of Proxy (*blue*) to the Transfer Secretaries prior to the commencement of the Eligible Shareholder General Meeting, to proxy@computershare.co.za.

Dematerialised Eligible Shareholders, other than with "*own-name*" registration, who have not been contacted by their CSDP or Broker with regard to how they wish to cast their votes should contact their CSDP or Broker and instruct their CSDP or Broker as to how they wish to cast their votes at the Eligible Shareholder General Meeting in order for their CSDP or Broker to vote in accordance with such instructions. If the Dematerialised Eligible Shareholder's CSDP or Broker does not obtain voting instructions from it by the cut-off time stipulated in the Custody Agreement, the CSDP or Broker will vote in accordance with instructions contained in such agreement. In accordance with the mandate between the Dematerialised Eligible Shareholder and its CSDP or Broker, the Dematerialised Eligible Shareholder must advise its CSDP or Broker if it wishes to participate in the Eligible Shareholder General Meeting in person, or if such Dematerialised Eligible Shareholder wishes to send a proxy to represent it at the Eligible Shareholder General Meeting. The Dematerialised Eligible Shareholder's CSDP or Broker will issue the necessary letter of representation to it or its proxy to participate in the Eligible Shareholder General Meeting.

The necessary letter of representation (and supporting identification documents and, if applicable, forms of proxy) of Dematerialised Shareholders without “*own-name*” registration must be delivered so as to reach the Transfer Secretaries in South Africa by no later than **10h00 on Monday, 31 May 2021**, to enable the Company to timeously verify the identity of such Shareholders and their proxies who wish to participate by way of electronic communication in the Eligible Shareholder General Meeting.

Dematerialised Eligible Shareholders without “*own-name*” registration are strongly encouraged to ensure the timeous receipt by the Transfer Secretaries of the above documents, as well as the necessary identification documents. Due to the exigencies of the necessary verification exercise that must be completed to ensure that all attendees are lawful participants, it may not be possible to promptly verify a Dematerialised Shareholder without “*own-name*” registration once the Eligible Shareholder General Meeting has commenced.

APPRAISAL RIGHTS OF DISSENTING SHAREHOLDERS

Eligible Shareholders are hereby advised of their Appraisal Rights in terms of section 164 of the Companies Act. A copy of section 164 of the Companies Act is set out in Annexure B to the Circular to which this Notice of Eligible Shareholder General Meeting is attached.

In terms of section 164 of the Companies Act, at any time before the Special Resolution Number 1 as set out in this Notice of Eligible Shareholder General Meeting is to be voted on, an Eligible Shareholder may give the Company a written notice objecting to the special resolution.

Within 10 (ten) Business Days after the Company has adopted the Special Resolution Number 1 as set out in this Notice of Eligible Shareholder General Meeting, the Company must send a notice that the special resolution has been adopted to each Eligible Shareholder who is also a Dissenting Shareholder who:

- gave the Company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of the special resolution.

A Dissenting Shareholder may demand that the Company pay the Dissenting Shareholder the fair value for all of the Preference Shares held by such Dissenting Shareholder if:

- the Dissenting Shareholder has sent the Company a notice of objection as contemplated above;
- the Company has adopted the special resolution; and
- the Dissenting Shareholder voted against the special resolution and has strictly complied with all of the procedural requirements of section 164 of the Companies Act.

Before exercising their rights under section 164 of the Companies Act, Eligible Shareholders should have regard to the following factors relating to the Scheme:

- the Independent Expert Report set out in **Annexure E** to the Circular, which concludes that the terms of the Scheme are fair and reasonable to the Shareholders; and
- the court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.

For and on behalf of the Board

Charissa De Jager
Company Secretary

Waverley
Wednesday, 5 May 2021

Registered office

29 Scott Street
Waverley
Johannesburg, 2090
(PO Box 95104, Grant Park, 2051)

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)


SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1987/002097/06)

(JSE share code: SFN ISIN: ZAE000006565)

("Sasfin" or the "Company")

NOTICE OF COMBINED GENERAL MEETING

Where appropriate and applicable, the terms defined in the Circular to which this Notice of Combined General Meeting is attached and forms part, bear the same meanings in this Notice, and, in particular, in the resolutions set out below.

NOTICE IS HEREBY GIVEN of a Combined General Meeting of Shareholders to be held at the later of **10h30** or the conclusion of the Eligible General Shareholder Meeting on **Wednesday, 2 June 2021** (South African Standard Time) entirely by way of electronic communication as contemplated in section 63(2) (a) of the Companies Act and clause 23.8 of the MOI or any other adjourned or postponed date and time in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements, for Shareholders to consider, and, if deemed fit, to pass with or without modification, the special resolutions and ordinary resolution set out below.

1. SPECIAL RESOLUTION NUMBER 1
Specific repurchase of Preference Shares in terms of paragraph 5.69 of the Listings Requirements

The proposal of this Special Resolution Number 1 for consideration and voting at the Combined General Meeting is subject to the **condition** that if, before the special resolutions set out in this Notice of Combined General Meeting are to be voted on at the Combined General Meeting, the Company receives any written notice from any Shareholder/s validly entitled to exercise Appraisal Rights in terms of section 164(3) of the Companies Act objecting to Special Resolution Number 2 in this Notice of Combined General Meeting and such condition has not been waived by Sasfin, in its sole discretion, then the chairperson of the Combined General Meeting **shall** close this Combined General Meeting and neither Special Resolution Number 1 nor Special Resolution Number 2 shall not be put to the vote.

***"Resolved as a special resolution that,** subject to the condition above and the fulfilment or waiver (as the case may be) of the remaining Scheme Conditions Precedent set out in paragraph 5.5 and the remaining Standby Offer Conditions Precedent set out in paragraph 6.7 of the Circular, and subject to the passing of Special Resolution Number 2 (save to the extent that such resolution is conditional on the passing of this resolution), the specific repurchase by the Company of all or part of the issued Preference Shares from the Eligible Shareholders either in terms of the Scheme or the Standby Offer (the terms and conditions of which are set out more fully in the Circular) in exchange for the Increased Scheme Consideration or the Standby Offer Consideration, as the case may be, be and is hereby approved in terms of paragraph 5.69(b) of the Listings Requirements."*

Voting requirement

In order for this Special Resolution Number 1 to be **adopted**, it requires at least 75% of the voting rights entitled to be exercised by the Shareholders, present in person or by proxy, to vote in favour of the resolution in terms of paragraph 5.69 of the Listings Requirements, excluding the vote of the Eligible Shareholders and their associates in terms of paragraph 5.69(b) of the Listing Requirements pursuant to the implementation of the Repurchase (either by way of the Scheme or the Standby Offer).

Explanatory Note

The **reason** for this Special Resolution Number 1 is to authorise Sasfin to repurchase all or part of the issued Preference Shares from the Preference Shareholders in terms of paragraph 5.69 of the Listings Requirements pursuant to the implementation of the Repurchase, either by way of the Scheme, or if the Scheme Conditions Precedent are not fulfilled (or waived, where such conditions are capable of waiver) and the Scheme does not become unconditional and operative, by way of the Standby Offer.

The **effect** of this Special Resolution Number 1 is that Sasfin will be authorised, to repurchase, in terms of paragraph 5.69 of the Listings Requirements, the aforesaid Preference Shares, either by way of the Scheme (if the Scheme becomes unconditional and operative) or by way of the Standby Offer (if the Scheme does not become unconditional and operative and the Standby Offer becomes wholly unconditional) for the Increased Scheme Consideration or the Standby Offer Consideration, as applicable, and such Preference Shares will be cancelled and will be restored to the status of authorised unissued share capital of Sasfin.

2. SPECIAL RESOLUTION NUMBER 2

Acquisition of more than 5% of the issued Preference Shares in terms of section 48(8)(b), read with the requirements of sections 114 and 115, of the Companies Act

The proposal of this Special Resolution Number 2 for consideration and vote at the Combined General Meeting is subject to the **condition** that if Special Resolution Number 1 above has not been put to the vote by the chairperson of the Combined General Meeting or Special Resolution Number 1 has been put to the vote but has not been duly adopted, then the chairperson of the Combined General Meeting **shall** close this Combined General Meeting without putting this Special Resolution Number 2 to the vote.

***"Resolved as a special resolution that,** subject to the condition above and the fulfilment or waiver (as the case may be) of the remaining Scheme Conditions Precedent set out in paragraph 5.5 and the remaining Standby Offer Conditions Precedent set out in paragraph 6.7 of the attached Circular, and subject to the passing of Special Resolution Number 1 (save to the extent that such resolution is conditional on the passing of this resolution), the repurchase by the Company of all or part of the issued Preference Shares from the Eligible Shareholders in terms of the Scheme or the Standby Offer (the terms and conditions of which are set out more fully in the Circular) in exchange for the Increased Scheme Consideration or the Standby Offer Consideration, as the case may be, which Preference Shares would constitute more than 5% of the issued Preference Shares, be and is hereby approved in terms of the provisions of section 48(8)(b), read with the requirements of sections 114 and 115 of the Companies Act."*

Voting requirement

In order for this Special Resolution Number 2 to be **adopted**, it requires at least 75% of the voting rights entitled to be exercised by the Shareholders, present in person or by proxy, to vote in favour of the resolution in terms of section 115 of the Companies Act.

Explanatory Note

The **reason** for this Special Resolution Number 2 is to authorise Sasfin to repurchase all or part of the issued Preference Shares, which shares will or may constitute more than 5% of the issued Preference Shares, in terms of section 48(8)(b) of the Companies Act, either by way of the Scheme, or if the Scheme Conditions Precedent are not fulfilled (or waived, where such conditions are capable of waiver) and the Scheme does not become unconditional and operative, by way of the Standby Offer.

The **effect** of this Special Resolution Number 2 is that Sasfin will be authorised to repurchase, in terms of section 48(8)(b) of the Companies Act, the aforesaid Preference Shares, either by way of the Scheme (if the Scheme becomes unconditional and operative) for the Increased Scheme Consideration or by way of the Standby Offer (if the Scheme does not become unconditional and operative and the Standby Offer becomes wholly unconditional) for the Standby Offer Consideration, and such Preference Shares will be cancelled and will be restored to the status of the authorised but unissued share capital of Sasfin.

3. SPECIAL RESOLUTION NUMBER 3

Revocation of Special Resolution Number 2 if the Repurchase is not implemented and Dissenting Shareholders have exercised their Appraisal Rights under section 164 of the Companies Act

“Resolved as a special resolution that, subject to the passing of Special Resolution Number 2, in the event that:

- (i) Special Resolution Number 2 is approved by the Shareholders;
- (ii) the Repurchase is not implemented for any reason;
- (iii) Sasfin makes an announcement on SENS to the effect that the Repurchase (either by way of the Scheme or the Standby Offer) will not be implemented; and
- (iv) Relevant Shareholders have exercised their appraisal rights in terms of section 164 of the Companies Act,

Special Resolution Number 2 is revoked with effect from the date of the announcement contemplated in (iii) above, as contemplated in section 164(9)(c) of the Companies Act.”

Voting requirement

In order for this Special Resolution Number 3 to be **adopted**, it requires at least 75% of the voting rights entitled to be exercised by Shareholders, present in person or by proxy, and entitled to vote, to vote in favour of such resolution.

Explanatory note

In accordance with section 164(9)(c) of the Companies Act, Shareholders entitled to exercise their appraisal rights in terms of section 164 of the Companies Act and who validly exercise their appraisal rights under section 164 of the Companies Act pursuant to the Companies Act Repurchase Resolution shall, by virtue of Special Resolution Number 3, be re-instated as Shareholders, and their appraisal rights under section 164 of the Companies Act will become void and of no further force or effect if, after the approval of the Companies Act Repurchase Resolution in terms of Special Resolution 2, the Repurchase is not implemented for whatever reason and Sasfin makes an announcement on SENS to the effect that the Repurchase (either by way of the Scheme or the Standby Offer) shall not be continued or implemented. Accordingly, the effect of this Special Resolution Number 3 is to, in the event that the Repurchase is not implemented (either by way of the Scheme or the Standby Offer), re-instate the rights of the Dissenting Shareholders to their Shares such that any Dissenting Shareholder that had sent a demand to Sasfin in terms of sections 164(5) to 164(8) (both inclusive) of the Companies Act to be paid fair value for its Shares, shall have no right to receive payment of the amount so demanded and such Dissenting Shareholder’s Appraisal Rights under section 164 of the Companies Act will accordingly terminate.

4. ORDINARY RESOLUTION

Authority Granted to Directors

“Resolved that each director of Sasfin be and is hereby individually authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of Special Resolution Number 1, Special Resolution Number 2 and Special Resolution Number 3.”

Voting Requirements

Ordinary Resolution Number 1 will, in terms of the Companies Act, require at least 50% of the total number of votes exercised by Shareholders, present in person or by proxy and entitled to vote on such resolution at the Combined General Meeting, vote in favour of such resolution in order for this Ordinary Resolution Number 1 to be approved.

Explanatory Note

The adoption of this Ordinary Resolution Number 1 will authorise any director of the Company to execute all documents and perform all such further acts and things as he may in his discretion consider appropriate to implement and give effect to the resolutions set out in this Notice of Combined General Meeting.

NOTES TO NOTICE OF COMBINED GENERAL MEETING

RECORD DATE

The record date set by the Directors in terms of sections 59(1)(a) and (b) of the Companies Act for the purpose of determining which Shareholders are entitled to: (i) receive notice of the Combined General Meeting is **Friday, 30 April 2021**; and (ii) participate in and vote at the Combined General Meeting is **Friday, 28 May 2021**. The last day to trade Shares in order to be recorded in the Register on the Meetings Record Date, is **Tuesday, 25 May 2021**.

ELECTRONIC PARTICIPATION AT THE ELIGIBLE SHAREHOLDERS GENERAL MEETING

The Combined General Meeting will be conducted entirely by way of electronic communication (including voting) as contemplated by section 63(2)(a) of the Companies Act and clause 23.8 of the MOI. Shareholders wishing to participate electronically in the Combined General Meeting are required to follow the prescribed procedures set forth in the Circular under the title: "*Electronic Participation*" in the section entitled "*Action Required by Shareholders In Respect Of The Scheme*".

VOTING

As the meeting will be conducted entirely by way of for Electronic Participation, it will not be desirable nor practical for voting to take place by way of show of hands. Accordingly, the chairperson has already determined that all voting will be by way of poll through the facility provided by the electronic online facilities. See prescribed procedures set forth in the Circular under the title: "*Electronic Participation*" in the section entitled "*Action Required by Shareholders In Respect Of The Scheme*". Every Ordinary Shareholder shall have one vote for each Ordinary Share held. A Preference Shareholder shall be entitled to that proportion of the total vote in the Company which the aggregate amount of the nominal value of the Preference Shares held by him bears to the aggregate amount of the nominal value of all Shares issued by the Company.

IDENTIFICATION

Section 63(1) of the Companies Act requires meeting participants (including proxies) to provide the person presiding the meeting with satisfactory identification. The Company will regard the presentation of a valid green bar-coded or smart card identification document issued by the South African Department of Home Affairs, a South African driver's licence or a valid passport to be satisfactory "documentation".

A Shareholder or its representative or proxy, as the case may be, must electronically deliver the necessary proof of their identification to the Transfer Secretaries to be received by the Transfer Secretaries by no later than **10h00 on Monday, 31 May 2021**, before such person will be entitled to participate in the Combined General Meeting. Failure to do so may mean that the participant is unable to participate in the Combined General Meeting either at all, or promptly. The Company and the Transfer Secretaries shall not be liable for any failure by any Shareholder or its representative or proxy, as the case may be, to timeously deliver the requisite identification as aforesaid.

PARTICIPATION IN THE COMBINED GENERAL MEETING TO BE CONDUCTED ENTIRELY BY WAY OF ELECTRONIC COMMUNICATION

Certificated Shareholders and "*own-name*" Dematerialised Shareholders who are unable to participate in the Combined General Meeting but who wish to be represented at the meeting, are required to complete and return either the attached Form of Proxy (*green*), in respect of the Combined General Meeting, if they are Ordinary Shareholders, or the attached Form of Proxy (*orange*), in respect of the Combined General Meeting, if they are Preference Shareholders, to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 1st Floor Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or email same to proxy@computershare.co.za preferably by no later than **10h00 on Monday, 31 May 2021**.

Forms of Proxy in respect of the Combined General Meeting not lodged with the Transfer Secretaries by **10h00 on Monday, 31 May 2021**, may still be lodged by emailing such Form of Proxy (*green*) or such Form of Proxy (*orange*), as applicable, to the Transfer Secretaries prior to the commencement of the Combined General Meeting to proxy@computershare.co.za.

Dematerialised Shareholders, other than with “*own-name*” registration, who have not been contacted by their CSDP or Broker with regard to how they wish to cast their votes should contact their CSDP or Broker and instruct their CSDP or Broker as to how they wish to cast their votes at the Combined General Meeting in order for their CSDP or Broker to vote in accordance with such instructions. If the Dematerialised Shareholder’s CSDP or Broker does not obtain voting instructions from them by the cut-off time stipulated in the Custody Agreement, the CSDP or Broker will vote in accordance with instructions contained in such agreement. In accordance with the mandate between the Dematerialised Shareholder and its CSDP or Broker, the Dematerialised Shareholder must advise its CSDP or Broker if it wishes to participate in the Combined General Meeting, or if it wishes to send a proxy to represent it at the Combined General Meeting. The Dematerialised Shareholder’s CSDP or Broker will issue the necessary letter of representation to it or its proxy to participate in the Combined General Meeting.

The necessary letter of representation (and supporting identification documents and, if applicable, forms of proxy) of Dematerialised Shareholders without “*own-name*” registration must be delivered so as to reach the Transfer Secretaries in South Africa by no later than **10h00 on Monday, 31 May 2021**, to enable the Company to timeously verify the identity of such Shareholders and their proxies who wish to participate by way of electronic communication in the Combined General Meeting.

Dematerialised Shareholders without “*own-name*” registration are strongly urged to ensure the timeous receipt by the Transfer Secretaries of the above documents, as well as the necessary identification documents. Due to the exigencies of the necessary verification exercise that must be completed to ensure that all attendees are lawful participants, it may not be possible to promptly verify a Dematerialised Shareholder without “*own-name*” registration once the Combined General Meeting has commenced.

APPRAISAL RIGHTS OF DISSENTING SHAREHOLDERS

Relevant Shareholders who are entitled to exercise Appraisal Rights in terms of section 164 of the Companies Act, are hereby advised of their Appraisal Rights. A copy of section 164 of the Companies Act is set out in Annexure B to the Circular to which this Notice of Eligible Shareholder General Meeting is attached.

In terms of section 164 of the Companies Act, at any time before Special Resolution Number 2 as set out in this Notice of Combined General Meeting is to be voted on, a Dissenting Shareholder (who is entitled to and who has validly exercised his/her Appraisal Rights in terms of section 164 of the Companies Act) may give the Company a written notice objecting to the special resolution.

Within 10 (ten) Business Days after the Company has adopted Special Resolution Number 2 as set out in this Notice of Combined General Meeting, the Company must send a notice that the special resolution has been adopted to each Dissenting Shareholder who:

- gave the Company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of the special resolution.

A Dissenting Shareholder may demand that the Company pay the Dissenting Shareholder the fair value for all of the Shares held by such Dissenting Shareholder if:

- the Dissenting Shareholder has sent the Company a notice of objection as contemplated above;
- the Company has adopted Special Resolution Number 2; and
- the Dissenting Shareholder voted against Special Resolution Number 2 and has strictly complied with all of the procedural requirements of section 164 of the Companies Act.

Before exercising their rights under section 164 of the Companies Act, Shareholders should have regard to the following factors relating to the Repurchase:

- the Independent Expert Report set out in **Annexure E** to the Circular, which concludes that the terms of the Repurchase are fair and reasonable to the Shareholders, whether the Repurchase is implemented by way of the Scheme or the Standby Offer; and
- the court is empowered to grant a costs order in favour of, or against, a Dissenting Shareholder, as may be applicable.

For and on behalf of the Board

Charissa De Jager
Company Secretary

Waverley

Wednesday, 5 May 2021

Registered office

29 Scott Street
Waverley
Johannesburg, 2090
(PO Box 95104, Grant Park, 2051)

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

Form of Proxy (**blue**) in respect of the Eligible Shareholder General Meeting (for use by Certificated Eligible Shareholders and Own-Name Dematerialised Eligible Shareholders only)



SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1987/002097/06)

(JSE share code: SFN ISIN: ZAE000006565)

("Sasfin" or the "Company")

FORM OF PROXY (**BLUE**)

Where appropriate and applicable, the terms defined in the Circular to which this Form of Proxy (blue) in respect of the Eligible Shareholder General Meeting is attached and forms part of, bear the same meanings in this Form of Proxy (blue).

For use only by Eligible Shareholders who:

- hold their Preference Shares in certificated form ("**Certificated Eligible Shareholders**"); or
- have Dematerialised their Preference Shares with "*own-name*" registration ("**Dematerialised Eligible Shareholders**"),

at the Eligible Shareholder General Meeting of the Company to be held entirely by way of electronic communication at **10h00 on Wednesday, 2 June 2021**, or any other adjourned or postponed date and time determined in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements.

Dematerialised Eligible Shareholders who do not have "*own-name*" registration who wish to participate in or send a proxy to represent them at the Eligible Shareholder General Meeting must inform their CSDP or broker of their intention to participate in or be represented at the Eligible Shareholder General Meeting and request their CSDP or Broker to issue them with the relevant letter of representation to participate in or be represented at the Eligible Shareholder General Meeting and vote. If they do not wish to participate in or be represented at the Eligible Shareholder General Meeting, they must provide their CSDP or Broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or Broker. In the absence of such instructions, the CSDP or Broker will be obliged to vote in accordance with the instructions contained in the custody agreement between them and their CSDP or Broker. These Eligible Shareholders must **not** use this form of proxy.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE):

of (ADDRESS):

Telephone (work + area code):

Telephone (home + area code):

Cell-phone number:

email address:

Identity number:

being a Preference Shareholder and the holder/s of

Preference Shares

do hereby appoint (see notes):

or, failing him/her,

or, failing him/her,

the chairperson of the Eligible Shareholder General Meeting,

as my/our proxy to participate in, speak and vote on a poll for me/us on my/our behalf at the Eligible Shareholder General Meeting (or any adjournment or postponement thereof) convened for purposes of considering and, if deemed fit, passing, with or without modification, the special resolutions and ordinary resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against or abstain from voting for and/or against the special resolutions and ordinary resolution in respect of the Preference Shares registered in my/our name/s in accordance with the following instructions:

	Number of Preference Shares		
	*For	*Against	*Abstain
Special Resolution Number 1 – Approval of the Scheme in terms of section 114(1)(c) and 114(1)(e) read with section 115(2)(a) of the Companies Act			
Special Resolution Number 2 – Revocation of Special Resolution Number 1 if the Scheme is not implemented and Dissenting Shareholders have exercised their Appraisal Rights under section 164 of the Companies Act			
Ordinary Resolution – Authority Granted to Directors			

* Insert the number of votes to be cast "for," "against" or "abstain" as required. If you insert an "X," all votes will be cast in the manner indicated by that X. If no options are marked and no instructions are given in a separate sheet of paper accompanying and attached to this form of proxy, the proxy will be entitled to vote as he/she thinks fit.

Signed at

on

2021

Signature/s

Assisted by (where applicable)

Notes and summary of salient rights in terms of section 58 of the Companies Act:

1. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with, emailed or mailed to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or proxy@computershare.co.za preferably by no later than **10h00 on Monday, 31 May 2021**. Forms of Proxy not lodged with the Transfer Secretaries by **10h00 on Monday, 31 May 2021**, may still be lodged by emailing such Form of Proxy (*blue*) to the Transfer Secretaries prior to the commencement of the Eligible Shareholder General Meeting.
2. As the Eligible Shareholder General Meeting will be conducted entirely by way of electronic participation, the Chairman of the Eligible Shareholder General Meeting has determined that voting will be conducted by way of a poll. Each Eligible Shareholder present or represented by way of proxy will be entitled to vote the number of Preference Shares held or represented by him or her.
3. An Eligible Shareholder entitled to participate and vote at the Eligible Shareholder General Meeting may insert the name of a proxy or the names of two alternative proxies of his/her/its choice in the space provided, with or without deleting "the chairperson of the general meeting". A proxy need not be a Shareholder. The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
4. An Eligible Shareholder is entitled to 1 vote on a show of hands and, on a poll, 1 vote in respect of each Preference Share. An Eligible Shareholder's instructions to the proxy must be indicated by inserting the relevant number of Preference Shares represented by the Eligible Shareholder in the appropriate box. Failure to comply with this will be deemed to authorise the proxy to vote or abstain from voting at the general meeting as he/she deems fit in respect of all the Eligible Shareholder's votes.
5. If an Eligible Shareholder does not indicate on this form that his/her/its proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution/s or any amendment/s which may properly be put before the Eligible Shareholder General Meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
6. The chairperson of the Eligible Shareholder General Meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
7. The completion and lodging of this form of proxy will not preclude the relevant Eligible Shareholder from participating in the Eligible Shareholder General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such an Eligible Shareholder wish to do so.
8. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously registered by the Company or the Transfer Secretaries or unless the chairperson of the Eligible Shareholder General Meeting waives this requirement.
9. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company or the Transfer Secretaries.
10. Where there are joint holders of Preference Shares, any one of such holders may sign the form of proxy, provided that if more than one of such holders is present or represented at the Eligible Shareholder General Meeting, the holder whose name appears first in the Register in respect of such Preference Shares, or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
11. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with the Company or the Transfer Secretaries.
12. A proxy may delegate his/her authority to act on behalf of an Eligible Shareholder to another person subject to any restriction therefore set out in this instrument of proxy.
13. The proxy appointment made herein shall remain valid for a period of one year from the date of signature or any longer or shorter period expressly set out in the appointment, unless revoked by the Eligible Shareholder by cancelling it in writing or making a later inconsistent appointment of proxy and delivering a copy of the revocation instrument to the proxy and the Company.
14. A vote given in accordance with the terms of this form of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy of the authority under which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company before the commencement of the Eligible Shareholder General Meeting (or any adjournment or postponement thereof).
15. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.
16. Irrespective of the form of instrument used to appoint a proxy: (a) the appointment is suspended at any time and to the extent that the Eligible Shareholder chooses to act directly and in person in the exercise of any rights as an Eligible Shareholder; (b) the appointment is revocable, unless the proxy appointment expressly states otherwise; and (c) if the appointment is revocable.
17. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Eligible Shareholder as of the later of: (a) the date stated in the revocation instrument, if any; or (b) the date on which the revocation instrument was delivered to the proxy and to the Company.

Form of Proxy (**orange**) in respect of the Combined General Meeting (for use by Certificated Eligible Shareholders and Own-Name Dematerialised Eligible Shareholders only)



SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1987/002097/06)

(JSE share code: SFN ISIN: ZAE000006565)

("Sasfin" or the "Company")

FORM OF PROXY (ORANGE)

Where appropriate and applicable, the terms defined in the Circular to which this Form of Proxy (orange) in respect of the Eligible Shareholder General Meeting is attached and forms part, bear the same meanings in this Form of Proxy (orange).

For use only by Eligible Shareholders who:

- hold their Preference Shares in certificated form ("**Certificated Eligible Shareholders**"); or
- have Dematerialised their Preference Shares with "*own-name*" registration ("**Dematerialised Eligible Shareholders**"),

at the Combined General Meeting of the Company to be held entirely by way of electronic communication at the later of **10h30** or the conclusion of the Eligible General Shareholder Meeting on **Wednesday, 2 June 2021**, or any other adjourned or postponed date and time determined in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements.

Dematerialised Eligible Shareholders who do not have "*own-name*" registration who wish to participate in or send a proxy to represent them at the Combined General Meeting must inform their CSDP or Broker of their intention to participate in or be represented at the Combined General Meeting and request their CSDP or Broker to issue them with the relevant letter of representation to participate in or be represented at the Combined General Meeting and vote. If they do not wish to participate in or be represented at the Combined General Meeting, they must provide their CSDP or Broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or Broker. In the absence of such instructions, the CSDP or Broker will be obliged to vote in accordance with the instructions contained in the custody agreement between them and their CSDP or Broker. These Eligible Shareholders must **not** use this form of proxy.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE):

of (ADDRESS):

Telephone (work + area code):

Telephone (home + area code):

Cell-phone number:

email address:

Identity number:

being an Eligible Shareholder and the holder/s of Preference Shares

do hereby appoint (see notes):

or, failing him/her,

or, failing him/her,

the chairperson of the Combined General Meeting,

as my/our proxy to participate in, speak and vote on a poll for me/us on my/our behalf at the Combined General Meeting (or any adjournment or postponement thereof) convened for purposes of considering and, if deemed fit, passing, with or without modification, the special resolutions and ordinary resolution to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against or abstain from voting for and/or against the special resolutions and ordinary resolutions in respect of the Preference Shares registered in my/our name/s in accordance with the following instructions:

	Number of Preference Shares		
	*In favour	*Against	*Abstain
Special Resolution Number 1 – specific repurchase of Preference Shares in terms of paragraph 5.69 of the Listings Requirements			
Special Resolution Number 2 – Acquisition of more than 5% of the issued Preference Shares in terms of section 48(8)(b) read with sections 114 and 115 of the Companies Act			
Special Resolution Number 3 – Revocation of Special Resolution Number 2 if the Repurchase is not implemented and Shareholders entitled to exercise their appraisal rights in terms of section 164 of the Companies Act have validly exercised their Appraisal Rights under section 164 of the Companies Act			
Ordinary Resolution Number 1 – Authority Granted to Directors			

* Insert the number of votes to be cast "for," "against" or "abstain" as required. If you insert an "X," all votes will be cast in the manner indicated by that X. If no options are marked and no instructions are given in a separate sheet of paper accompanying and attached to this form of proxy, the proxy will be entitled to vote as he/she thinks fit.

Signed at

on

2021

Signature/s

Assisted by (where applicable)

Notes and summary of salient rights in terms of section 58 of the Companies Act:

1. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with, emailed or mailed to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or proxy@computershare.co.za preferably by no later than **10h00 on Monday, 31 May 2021**. Forms of Proxy not lodged with the Transfer Secretaries by **10h00 on Monday, 31 May 2021**, may still be lodged by emailing such Form of Proxy (*orange*) to the Transfer Secretaries prior to the commencement of the Combined General Meeting.
2. As the Combined General Meeting will be conducted entirely by way of electronic participation, the Chairman of the Eligible Shareholder General Meeting has determined that voting will be conducted by way of a poll.
3. An Eligible Shareholder entitled to participate and vote at the Combined General Meeting may insert the name of a proxy or the names of two alternative proxies of his/her/its choice in the space provided, with or without deleting "the chairperson of the general meeting". A proxy need not be a Shareholder. The person whose name stands first on this form of proxy and who is present at the Combined General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
4. An Ordinary Shareholder is entitled to 1 vote on a show of hands and, on a poll, 1 vote in respect of each Ordinary Share. An Eligible Shareholder shall be entitled to that proportion of the total vote in the Company which the aggregate amount of the nominal value of the Preference Shares held by him bears to the aggregate amount of the nominal value of all Shares issued by the Company.
5. An Eligible Shareholder's instructions to the proxy must be indicated by inserting the relevant number of Preference Shares represented by the Eligible Shareholder in the appropriate box. Failure to comply with this will be deemed to authorise the proxy to vote or abstain from voting at the Combined General Meeting as he/she deems fit in respect of all the Eligible Shareholder's votes.
6. If an Eligible Shareholder does not indicate on this form that his/her/its proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution/s or any amendment/s which may properly be put before the Combined General Meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
7. The chairperson of the Combined General Meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
8. The completion and lodging of this form of proxy will not preclude the relevant Eligible Shareholder from participating in the Combined General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Eligible Shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously registered by the Company or the Transfer Secretaries or unless the chairperson of the Combined General Meeting waives this requirement.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company or the Transfer Secretaries.
11. Where there are joint holders of shares, any one of such holders may sign the form of proxy, provided that if more than one of such holders is present or represented at the Combined General Meeting, the holder whose name appears first in the Register in respect of such Preference Shares, or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
12. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with the Company or the Transfer Secretaries.
13. A proxy may delegate his/her authority to act on behalf of an Eligible Shareholder to another person subject to any restriction therefore set out in this instrument of proxy.
14. The proxy appointment made herein shall remain valid for a period of one year from the date of signature or any longer or shorter period expressly set out in the appointment, unless revoked by the Eligible Shareholder by cancelling it in writing or making a later inconsistent appointment of proxy and delivering a copy of the revocation instrument to the proxy and the Company.
15. A vote given in accordance with the terms of this form of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy of the authority under which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company before the commencement of the Combined General Meeting (or any adjournment or postponement thereof).
16. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.
17. Irrespective of the form of instrument used to appoint a proxy: (a) the appointment is suspended at any time and to the extent that the Eligible Shareholder chooses to act directly and in person in the exercise of any rights as an Eligible Shareholder; (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and (c) if the appointment is revocable.
18. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Eligible Shareholder as of the later of: (a) the date stated in the revocation instrument, if any; or (b) the date on which the revocation instrument was delivered to the proxy and to the Company.

Form of Proxy (**green**) in respect of the Combined General Meeting (for use by Certificated Ordinary Shareholders and Own-Name Dematerialised Ordinary Shareholders only)



SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1987/002097/06)

(JSE share code: SFN ISIN: ZAE000006565)

("Sasfin" or the "Company")

FORM OF PROXY (**GREEN**)

Where appropriate and applicable, the terms defined in the Circular to which this Form of Proxy (green) in respect of the Eligible Shareholder General Meeting is attached and forms part, bear the same meanings in this Form of Proxy (green).

For use only by Ordinary Shareholders who:

- hold their Ordinary Shares in certificated form ("**Certificated Ordinary Shareholders**"); or
- have Dematerialised their Ordinary Shares with "*own-name*" registration ("**Dematerialised Ordinary Shareholders**"),

at the Combined General Meeting of the Company to be held entirely by way of electronic communication at the later of **10h30** or the conclusion of the Eligible General Shareholder Meeting on **Wednesday, 2 June 2021**, or any other adjourned or postponed date and time determined in accordance with the provisions of section 64 of the Companies Act and the MOI, as read with the Listings Requirements.

Dematerialised Ordinary Shareholders who do not have "*own-name*" registration who wish to participate in or send a proxy to represent them at the Combined General Meeting must inform their CSDP or Broker of their intention to participate in or be represented at the Combined General Meeting and request their CSDP or Broker to issue them with the relevant letter of representation to participate in or be represented at the Combined General Meeting and vote. If they do not wish to participate in or be represented at the Combined General Meeting, they must provide their CSDP or Broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or Broker. In the absence of such instructions, the CSDP or Broker will be obliged to vote in accordance with the instructions contained in the custody agreement between them and their CSDP or Broker. These Ordinary Shareholders must **not** use this form of proxy.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE):

of (ADDRESS):

Telephone (work + area code):

Telephone (home + area code):

Cell-phone number:

email address:

Identity number:

being an Ordinary Shareholder and the holder/s of Ordinary Shares

do hereby appoint (see notes):

or, failing him/her,

or, failing him/her,

the chairperson of the Combined General Meeting,

as my/our proxy to participate in, speak and vote on a poll for me/us on my/our behalf at the Combined General Meeting (or any adjournment or postponement thereof) convened for purposes of considering and, if deemed fit, passing, with or without modification, the special resolutions and ordinary resolution to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against or abstain from voting for and/or against the special resolutions and ordinary resolution in respect of the Ordinary Shares registered in my/our name/s in accordance with the following instructions:

	Number of Ordinary Shares		
	*In favour	*Against	*Abstain
Special Resolution Number 1 – specific repurchase of Preference Shares in terms of paragraph 5.69 of the Listings Requirements			
Special Resolution Number 2 – Acquisition of more than 5% of the issued Preference Shares in terms of section 48(8)(b) read with sections 114 and 115 of the Companies Act			
Special Resolution Number 3 – Revocation of Special Resolution Number 2 if the Repurchase is not implemented and Shareholders entitled to exercise their appraisal rights in terms of section 164 of the Companies Act have validly exercised their Appraisal Rights under section 164 of the Companies Act			
Ordinary Resolution Number 1 – Authority Granted to Directors			

* Insert the number of votes to be cast "for," "against" or "abstain" as required. If you insert an "X," all votes will be cast in the manner indicated by that X. If no options are marked and no instructions are given in a separate sheet of paper accompanying and attached to this form of proxy, the proxy will be entitled to vote as he/she thinks fit.

Signed at

on

2021

Signature/s

Assisted by (where applicable)

Notes and summary of salient rights in terms of section 58 of the Companies Act:

1. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with, emailed or mailed to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or proxy@computershare.co.za preferably by no later than **10h00 on Monday, 31 May 2021**. Forms of Proxy not lodged with the Transfer Secretaries by **10h00 on Monday, 31 May 2021**, may still be lodged by emailing such Form of Proxy (*green*) to the Transfer Secretaries prior to the commencement of the Combined General Meeting.
2. As the Combined General Meeting will be conducted entirely by way of electronic participation, the Chairman of the Eligible Shareholder General Meeting has determined that voting will be conducted by way of a poll.
3. An Ordinary Shareholder entitled to participate and vote at the Combined General Meeting may insert the name of a proxy or the names of two alternative proxies of his/her/its choice in the space provided, with or without deleting "the chairperson of the general meeting". A proxy need not be a Shareholder. The person whose name stands first on this form of proxy and who is present at the Combined General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
4. An Ordinary Shareholder is entitled to 1 vote on a show of hands and, on a poll, 1 vote in respect of each Ordinary Share. An Eligible Shareholder shall be entitled to that proportion of the total vote in the Company which the aggregate amount of the nominal value of the Preference Shares held by him bears to the aggregate amount of the nominal value of all Shares issued by the Company.
5. An Ordinary Shareholder's instructions to the proxy must be indicated by inserting the relevant number of Ordinary Shares represented by the Ordinary Shareholder in the appropriate box. Failure to comply with this will be deemed to authorise the proxy to vote or abstain from voting at the Combined General Meeting as he/she deems fit in respect of all the Ordinary Shareholder's votes.
6. If an Ordinary Shareholder does not indicate on this form that his/her/its proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution/s or any amendment/s which may properly be put before the Combined General Meeting be proposed, the proxy shall be entitled to vote as he/she thinks fit.
7. The chairperson of the Combined General Meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes.
8. The completion and lodging of this form of proxy will not preclude the relevant Ordinary Shareholder from participating in the Combined General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Ordinary Shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously registered by the Company or the Transfer Secretaries or unless the chairperson of the Combined General Meeting waives this requirement.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Company or the Transfer Secretaries.
11. Where there are joint holders of shares, any one of such holders may sign the form of proxy, provided that if more than one of such holders is present or represented at the Combined General Meeting, the holder whose name appears first in the Register in respect of such Ordinary Shares, or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
12. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with the Company or the Transfer Secretaries.
13. A proxy may delegate his/her authority to act on behalf of an Ordinary Shareholder to another person subject to any restriction therefore set out in this instrument of proxy.
14. The proxy appointment made herein shall remain valid for a period of one year from the date of signature or any longer or shorter period expressly set out in the appointment, unless revoked by the Ordinary Shareholder by cancelling it in writing or making a later inconsistent appointment of proxy and delivering a copy of the revocation instrument to the proxy and the Company.
15. A vote given in accordance with the terms of this form of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy of the authority under which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company before the commencement of the Combined General Meeting (or any adjournment or postponement thereof).
16. Any alteration or correction made to this form of proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.
17. Irrespective of the form of instrument used to appoint a proxy: (a) the appointment is suspended at any time and to the extent that the Ordinary Shareholder chooses to act directly and in person in the exercise of any rights as an Ordinary Shareholder; (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and (c) if the appointment is revocable, an Ordinary Shareholder may revoke the proxy appointment.
18. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Ordinary Shareholder as of the later of: (a) the date stated in the revocation instrument, if any; or (b) the date on which the revocation instrument was delivered to the proxy and to the Company.

Form of Surrender (**pink**) in respect of the Scheme (for use by Certificated Eligible Shareholders only)



SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1987/002097/06)

(JSE share code: SFN ISIN: ZAE000006565)

("Sasfin" or the "Company")

FORM OF SURRENDER (**PINK**) IN RESPECT OF THE SCHEME

Instructions:

- Words and definitions used herein will bear the meanings assigned to them in the section headed "*definitions and interpretations*" commencing on page 26 of the Circular, of which this Form of Surrender forms part.
- The surrender of Documents of Title is only applicable to Certificated Eligible Shareholders.
- A separate Form of Surrender is required for each Certificated Eligible Shareholder.
 - Part A** must be completed by all Certificated Eligible Shareholders who return this Form of Surrender.
 - Part B** must be completed by all Certificated Eligible Shareholders who are Emigrants.
 - Part C** must be completed by all Certificated Scheme Participants so they can receive payment of the Increased Scheme Consideration by way of the EFTs, and must be returned to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61763, Marshalltown, 2107) so as to be received before **12h00** on the Scheme Record Date, presently scheduled to be **Friday, 2 July 2021**. EFTs will be made on the Scheme Operative Date only to Certificated Scheme Participants who surrender their Documents of Title prior to **12h00** on the Scheme Record Date.
 - If this Form of Surrender is returned with the relevant Document(s) of Title in respect of the relevant Preference Shares before **12h00** on the Scheme Record Date, expected to be **Friday, 2 July 2021**, it will become treated as a conditional surrender which is made subject to the Scheme (details of which are set out in this Circular to which this Form of Surrender is attached) becoming unconditional and operative. In the event of the Scheme not becoming operative for any reason whatsoever, any Documents of Title held by the Transfer Secretaries will be returned to the Certificated Scheme Participant within 5 Business Days from (i) the date of receipt of the Documents of Title; or (ii) the date on which it becomes known that the Scheme will not become operative; or (iii) the date on which it becomes known that the Standby Offer will not become effective, whichever is later.
- Persons who have acquired Preference Shares after the date of issue of the Circular to which this Form of Surrender is attached can obtain copies of the Form of Surrender and the Circular from the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132).
- The Increased Scheme Consideration, presently scheduled to be paid on **Monday, 5 July 2021**, in the case of the Scheme becoming unconditional and operative, will not be paid to Certificated Scheme Participants unless and until (i) Documents of Title in respect of the relevant Preference Shares have been surrendered to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, and (ii) this Form of Surrender has been completed (in particular **Part C**).

Please also read the notes contained at the end of this Form of Surrender.

To: Computershare Investor Services Proprietary Limited
1st Floor, Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61763, Marshalltown, 2107)

Dear Sirs

PART A – to be completed by all Certificated Eligible Shareholder who return this Form of Surrender

Surname or name of corporate body

First names (in full)

Title (Mr, Mrs, Miss, Ms, etc)

Address

Postal code Country

Telephone () Mobile number

In terms of the provisions set out in paragraph 5.7 of the Circular to which this Form of Surrender is attached, I/we surrender and enclose the undermentioned Document(s) of Title in respect of the relevant Preference Shares:

Documents of Title

Name of registered (separate form for each holder)	Certificate number(s) (in numerical order)	Holder number of Preference Shares covered by each certificate

PART B – to be completed by all Emigrants holding Certificated Preference Shares (see notes 1 and 2).

In the case of Emigrants: The Increased Scheme Consideration will be transferred to the Authorised Dealer nominated below for its control and credited to the Emigrant's blocked account. Accordingly, Emigrants must provide the following information:

Name of Authorised Dealer _____

Address _____

Account number _____

In the case of all other non-resident Certificated Eligible Shareholders: The Increased Scheme Consideration will be transferred to the non-resident concerned, unless written instructions to the contrary are received and substitute bank account details are provided below (in each case at the risk of the Certificated Scheme Participant):

Substitute bank details	Stamp and address of agent lodging this form (if any)
Signature of Preference Shareholder	
Details of Authorised Dealer	
Signature of Authorised Dealer	

PART C – submission of banking details (excluding third party accounts) in respect of Certificated Eligible Shareholders. In terms of the Financial Intelligence Centre Act requirements, Transfer Secretaries will only be able to record the banking details if the following documents are attached:

- a certified copy of identity document; and
- a certified true copy of a bank statement.

Name of Certificated Scheme Participant
Name of bank
Branch and branch code
Account number
Contact person
Signature of Certificated Scheme Participant

Sasfin undertakes no responsibility for verifying the banking details provided above or the authenticity of the signature below. Certificated Scheme Participants warrant the correctness of the above banking details and indemnify Sasfin against any loss once funds have been paid into the account whose details have been provided above.

Stamp and address of agent lodging this form (if any)	
Signature of Preference Shareholder	

Note: In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), the Transfer Secretaries will be unable to record any changes of address or payment mandates unless the following documentation is received from the relevant Certificated Scheme Participant:

- a certified true copy of the original identification document (in respect of changes of address and payment mandate);
- a certified true copy of an original bank statement (in respect of bank mandate)
- an original or original certified copy of a service bill to verify your residential address.

Notes:

1. All documents are posted at the risk of the Certificated Scheme Participants. The Increased Scheme Consideration will be transferred on by way of electronic transfer at the risk of the Certificated Scheme Participants. Accordingly, Certificated Scheme Participants are reminded that if they do not complete **Part C** and provide the required documentation to the Transfer Secretaries, they will not receive the Increased Scheme Consideration until such time as such documentation and bank details have been provided.
2. Emigrants must complete **Part B**.
3. All other non-residents of the Common Monetary Area must also complete **Part B** (if they wish the Increased Scheme Consideration to be sent to an Authorised Dealer in South Africa).
4. If **Part B** is not properly completed, the Increased Scheme Consideration (in the case of Emigrants) will be paid by the Company, to an Authorised Dealer of its choice to hold on behalf of the relevant Emigrant pending receipt of the necessary nomination or instruction. No interest will be payable to the Certificated Scheme Participant in respect of such monies.
5. The Increased Scheme Consideration will not be transferred to Certificated Scheme Participants unless and until the Documents of Title in respect of the relevant Preference Shares have been surrendered to the Transfer Secretaries. No interest will be payable to the Scheme Participant in respect of such monies. If a Certificated Scheme Participant produces evidence to the satisfaction of Sasfin that Document(s) of Title in respect of Scheme Shares have been lost or destroyed, surrender of such Document(s) of Title may be waived by Sasfin, provided that Sasfin is, if so required, given an indemnity in respect of such Document(s) of Title and additional evidence or documents or undertakings (including insurance or a guarantee) from the Certificated Scheme Participant as Sasfin may require.
6. If this Form of Surrender is not signed by the Certificated Scheme Participant, the Certificated Scheme Participant will be deemed to have irrevocably appointed the Company Secretary of Sasfin to implement that Certificated Scheme Participant's obligation under the Scheme on his/her behalf.
7. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Sasfin may require proof of the authority of the person signing this Form of Surrender in respect of the Scheme where such proof has not yet been lodged with, or recorded by, the Transfer Secretaries.
8. Any alteration to this Form of Surrender must be signed in full, not merely initialled.
9. If this Form of Surrender is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting (unless it has already been noted by Sasfin or its Transfer Secretaries).
10. Where the Certificated Scheme Participant is a company or a close corporation, unless it has already been registered with Sasfin or its Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Form of Surrender must be submitted if so requested by Sasfin.
11. Note 9 above does not apply in the event of this Form of Surrender bearing the stamp of a broking member of the JSE.
12. Certificated Eligible Shareholder who are married and who complete this Form of Surrender must comply with the provisions of the Matrimonial Property Act, No. 88 of 1984 and by completing this Form of Surrender, they warrant that they have the necessary authority and capacity to tender Documents of Title in anticipation of the Scheme.
13. Where there are joint holders of any Certificated Preference Shares, only the holder whose name appears first in the Register in respect of such Certificated Preference Shares need sign this Form of Surrender.

Form of Acceptance (**yellow**) in respect of the Standby Offer (for use by Certificated Eligible Shareholders only)



SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration Number: 1987/002097/06)

(JSE share code: SFN ISIN: ZAE000006565)

("Sasfin" or the "Company")

FORM OF ACCEPTANCE (**YELLOW**) IN RESPECT OF THE STANDBY OFFER

Instructions:

- Words and definitions used herein will bear the meanings assigned to them in the section headed "*definitions and interpretations*" commencing on page 26 of the Circular, of which this Form of Acceptance forms part.
- This Form of Acceptance is **only** for use by Certificated Eligible Shareholders for purposes of accepting the Standby Offer and tendering Offer Shares in terms of the Standby Offer, full details of which are contained in the Circular to which this Form of Acceptance forms part.
- Eligible Shareholders holding Dematerialised Shares must **not** complete this Form of Acceptance.
- A Certificated Eligible Shareholder who wishes to accept the Standby Offer must complete this Form of Acceptance and must surrender the respective Documents of Title in respect of all or a portion of the Offer Shares held by that Certificated Eligible Shareholder.
- If you complete the Form of Surrender (*pink*) in respect of the Scheme and return it, together with the relevant Documents of Title, to the Transfer Secretaries in anticipation of the Scheme becoming operative, you will still be required to complete this Form of Acceptance, but you will not be required to surrender your Documents of Title again.
- This Form of Acceptance must be completed as follows:
 - Part A:** must be completed by a Certificated Eligible Shareholder who wishes to accept the Standby Offer;
 - Part B:** must be completed by a Certificated Eligible Shareholder who completed Part A and who is a Non-resident Shareholder;
 - Part C:** must be completed by a Certificated Eligible Shareholder who completed Part A and who is an Emigrant; and
 - Part D:** must be completed by a Certificated Eligible Shareholder who completed Part A and who therefore, will receive the Standby Offer Consideration.
- The completed Form of Acceptance and the Documents of Title in respect of the Offer Shares tendered must be returned to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa (PO Box 61763, Marshalltown, 2107, South Africa) so as to be received **by not later than 12h00 on the Standby Offer Closing Date (expected to be Friday, 2 July 2021)**.
- If a Certificated Eligible Shareholder does not validly accept the Standby Offer **by 12h00 on the Standby Offer Closing Date**, such Certificated Eligible Shareholder will be deemed to have declined the Standby Offer. Late acceptances may be accepted or rejected at the sole and absolute discretion of Sasfin.
- Certain Certificated Eligible Shareholders who are Non-resident Shareholders will not be entitled to accept the Standby Offer and/or elect to receive the Standby Offer Consideration. Such Non-resident Shareholders should refer to paragraph 8.3 of the Circular for further information.
- Please refer to paragraph 9.2 under the section "*Action Required by Shareholders in respect of the Standby Offer*" and paragraph 6.5 of the Circular for further information regarding acceptance of the Standby Offer.
- Persons who acquire Preference Shares post the issue of the Circular, which Circular contains this Form of Acceptance, but prior to the last day to trade Preference Shares to receive the Standby Offer Consideration, can obtain copies of the Form of Acceptance and the Circular from the registered offices of the Transfer Secretaries.

Please also read the notes contained at the end of this Form of Acceptance.

To: Computershare Investor Services Proprietary Limited
1st Floor, Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)

Dear Sirs

PART A – to be completed by all Certificated Eligible Shareholders

I/We (full name and surname/name of juristic entity/name of trust together with the name of each trustee)

Identity number/registration number/Master's reference number and identity numbers of each trustee

hereby wish to accept the Standby Offer and hereby tender the Offer Shares set out below and surrender the Documents of Title in respect of such Offer Shares (which I have attached hereto (or surrendered in terms of the Form of Surrender (*pink*) in respect of the Scheme), representing all or a portion of the Offer Shares registered in my/our name/s and conditional upon the Standby Offer becoming unconditional and effective, authorise the Transfer Secretaries to register the transfer of the Offer Shares to the Company.

Certificate number(s) (in numerical order)	Number of Offer Shares tendered covered by each certificate
	Total

Signed at _____ on _____ 2021

Signature(s) _____

Capacity _____

Assisted by (see note 13 below)

Signature _____

Address _____

Postal code _____

Country _____

Telephone () _____

Mobile number _____

Email _____

Note: In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), the Transfer Secretaries, Computershare Investor Services Proprietary Limited, will be unable to record any changes of address or payment mandates unless the following documentation is received from the relevant Preference Shareholder:

- a certified true copy of the original identification document (in respect of changes of address and payment mandate);
- a certified true copy of an original bank statement (in respect of bank mandate); and
- an original or original certified copy of a service bill to verify your residential address.

PART B – to be completed by Certificated Eligible Shareholders who completed Part A and who are Non-resident Shareholders

Completion of this Form of Acceptance will constitute a representation and warranty by you to Sasfin that, except where proof has been provided to Safin's satisfaction that the making of the Standby Offer to you or your acceptance of the Standby Offer will not result in the contravention of any applicable legal requirement in any jurisdiction, you (i) are not accepting the Standby Offer from a restricted jurisdiction; and (ii) are not in any jurisdiction in which it is unlawful to make the Standby Offer.

Non-resident Shareholders are referred to paragraph 8.3 of the Circular for further information.

Signed at _____ on _____ 2021

Signature(s) _____

Capacity _____

Assisted by (see note 13 below)

Signature _____

PART C – to be completed by Certificated Eligible Shareholders who completed Part A and who are Emigrants (see notes 1 and 2 below)

In the case of Certificated Eligible Shareholders who are Emigrants: The Offer Consideration will be transferred (at the risk of the Certificated Eligible Shareholder) to the Authorised Dealer nominated by the Certificated Eligible Shareholder below for its control and credited to the Emigrant's blocked account. Accordingly, Emigrants must provide the following information:

Name of Authorised Dealer _____

Address _____

Account number _____

In the case of all other non-resident Certificated Eligible Shareholders: The Standby Offer Consideration will be transferred to the non-resident concerned, unless written instructions to the contrary are received and substitute bank account details are provided below (in each case at the risk of the Certificated Standby Offer Participant):

Substitute bank details	Stamp and address of agent lodging this form (if any)
Signature of Preference Shareholder	
Details of Authorised Dealer	
Signature of Authorised Dealer	

PART D – submission of banking details (excluding third party accounts) in respect of Certificated Eligible Shareholders. In terms of the Financial Intelligence Centre Act requirements, the Transfer Secretaries, Computershare Investor Services Proprietary Limited, will only be able to record the banking details if the following documents are attached:

- a certified copy of identity document; and
- a certified true copy of a bank statement.

Name of Certificated Scheme Participant
Name of bank
Branch and branch code
Account number
Contact person
Signature of Certificated Scheme Participant

Sasfin undertakes no responsibility for verifying the banking details provided above or the authenticity of the signature below. Certificated Standby Offer Participants warrant the correctness of the above banking details and indemnify Sasfin against any loss once funds have been paid into the account whose details have been provided above.

Stamp and address of agent lodging this form (if any)	
Signature of Preference Shareholder	

Note: In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), the Transfer Secretaries will be unable to record any changes of address or payment mandates unless the following documentation is received from the relevant Preference Shareholder:

- a certified true copy of the original identification document (in respect of changes of address and payment mandate);
- a certified true copy of an original bank statement (in respect of bank mandate)
- an original or original certified copy of a service bill to verify your residential address.

NOTES:

1. All documents are posted at the risk of the Certificated Standby Offer Participants. The Standby Offer Consideration will be transferred on by way of electronic transfer at the risk of Certificated Standby Offer Participants. Accordingly, Certificated Standby Offer Participants are reminded that if they do not complete **Part D** and provide the required documentation to the Transfer Secretaries, they will not receive the Standby Offer Consideration until such time as such documentation and bank details have been provided.
2. Emigrants must complete **Part C**.
3. All other non-residents of the Common Monetary Area must also complete **Part C** (if they wish the Standby Offer Consideration to be sent to an Authorised Dealer in South Africa).
4. If **Part C** is not properly completed, the Standby Offer Consideration (in the case of Emigrants) will be paid by the Company to an Authorised Dealer of its choice to hold on behalf of the relevant Emigrant pending receipt of the necessary nomination or instruction. No interest will accrue or be payable to the Certificated Standby Offer Participant in respect of such monies.
5. The Standby Offer Consideration will not be transferred to Certificated Standby Offer Participants unless and until the Documents of Title in respect of the relevant Offer Shares have been surrendered to the Transfer Secretaries. No interest will be payable to the Certificated Standby Offer Participant in respect of such monies. If a Certificated Standby Offer Participant produces evidence to the satisfaction of Sasfin that Document(s) of Title in respect of Offer Shares have been lost or destroyed, surrender of such Document(s) of Title may be waived by Sasfin, provided that Sasfin is, if so required, given an indemnity in respect of such document(s) of title and additional evidence or documents or undertakings (including insurance or a guarantee) from the Certificated Standby Offer Participant as Sasfin may require.
6. If this Form of Acceptance is not signed by the Certificated Preference Shareholder, the Certificated Preference Shareholder will be deemed to have irrevocably appointed the Company Secretary of Sasfin to implement that Certificated Preference Shareholder's obligation under the Standby Offer on his/her behalf.
7. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts. Sasfin may require proof of the authority of the person signing this Form of Acceptance in respect of the Standby Offer where such proof has not yet been lodged with, or recorded by, the Transfer Secretaries.
8. Any alteration to this Form of Acceptance must be signed in full, not merely initialled.
9. If this Form of Acceptance is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting (unless it has already been noted by Sasfin or its Transfer Secretaries).
10. Where the Certificated Preference Shareholder is a company or a close corporation, unless it has already been registered with Sasfin or its Transfer Secretaries, a certified copy of the Directors' or members' resolution authorising the signing of this Form of Acceptance must be submitted if so requested by Sasfin.
11. Note 9 above does not apply in the event of this form bearing the stamp of a broking member of the JSE.
12. Certificated Eligible Shareholder who are married and who complete this Form of Acceptance must comply with the provisions of the Matrimonial Property Act, No. 88 of 1984 and by completing this Form of Acceptance, they warrant that they have the necessary authority and capacity to tender the Offer Shares in terms of the Standby Offer.
13. Where there are joint holders of any Offer Shares, only the holder whose name appears first in the Register must sign this Form of Acceptance.
14. If this Form of Acceptance is not completed and signed by the Certificated Eligible Shareholder and delivered to the to the Transfer Secretaries together with the Documents of Title (if such Documents of Title have not been surrendered in anticipation of the Scheme becoming unconditional and operative) **before 12h00 on the Standby Offer Closing Date**, then such Certificated Eligible Shareholder shall be deemed to have elected not to participate in the Standby Offer and not to have tendered any Offer Shares.

