

SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration Number 1987/002097/06)

Ordinary share code: SFN ISIN: ZAE000006565

Preference share code: SFNP ISIN: ZAE000060273

("the Group")

**SASFIN HOLDINGS LIMITED / SASFIN BANK LIMITED CAPITAL ADEQUACY – QUARTERLY REPORT 31 March 2018**

Sasfin Holdings Limited and Sasfin Bank Limited are required in terms of Regulation 43(1)(e)(ii) of the Banks Act, No 94 of 1990, as amended, of South Africa, and Regulations, to report on their capital management plan, capital strategy, capital structure, capital adequacy and leverage ratio publicly.

The Group's capital management plan and strategy are fully disclosed in the Group's 2017 Integrated Report and the 2017 Audited Annual Financial Statements which are available at [www.sasfin.com](http://www.sasfin.com) or from the Company Secretary.

Sasfin Holdings Limited and Sasfin Bank Limited capital structure, capital adequacy, leverage and liquidity coverage ratios at 31 March 2018 are disclosed below.

	Sasfin Holdings Limited					Sasfin Bank Limited and Subsidiaries					Sasfin Bank Limited				
	R'000 March 2018 (T)	R'000 December 2017 (T-1)	R'000 September 2017 (T-2)	R'000 June 2017 (T-3)	R'000 March 2017 (T-4)	R'000 March 2018 (T)	R'000 December 2017 (T-1)	R'000 September 2017 (T-2)	R'000 June 2017 (T-3)	R'000 March 2017 (T-4)	R'000 March 2018 (T)	R'000 December 2017 (T-1)	R'000 September 2017 (T-2)	R'000 June 2017 (T-3)	R'000 March 2017 (T-4)
<b>Key metrics</b>															
<b>Available capital (amounts)</b>															
1 Common Equity Tier 1 (CET1)	1 470 810	1 481 239	1 426 762	1 367 515	1 345 342	1 223 238	1 229 436	1 218 815	1 200 411	1 140 167	956 118	969 229	929 470	939 313	945 044
2 Tier 1	1 546 044	1 575 282	1 520 805	1 461 558	1 439 385	1 223 238	1 229 436	1 218 815	1 200 411	1 140 167	956 118	969 229	929 470	939 313	945 044
3 Total capital	1 564 265	1 597 780	1 545 327	1 486 780	1 464 962	1 242 248	1 254 507	1 246 365	1 227 988	1 168 599	971 088	990 258	953 172	963 045	969 871
<b>Risk weighted assets (amounts)</b>															
4 Total risk-weighted assets (RWA)	9 188 478	8 860 353	8 857 511	8 892 621	8 337 306	7 527 461	7 411 225	6 883 776	7 417 207	6 898 731	6 219 936	6 147 604	5 498 747	6 181 858	5 757 299
<b>Risk-based capital ratio's as a percentage of RWA</b>															
5 Common Equity Tier 1 ratio (%)	16.007	16.718	16.108	15.378	16.136	16.250	16.589	17.706	16.184	16.527	15.372	15.766	16.903	15.195	16.415
6 Tier 1 ratio (%)	16.826	17.779	17.170	16.436	17.264	16.250	16.589	17.706	16.184	16.527	15.372	15.766	16.903	15.195	16.415
7 Total capital ratio (%)	17.024	18.033	17.447	16.720	17.571	16.503	16.927	18.106	16.556	16.939	15.613	16.108	17.334	15.579	16.846
<b>Additional CET1 buffer requirements as a percentage of RWA</b>															
8 Capital conservation buffer requirement (2.5% from 2019) (%)	1.875	1.250	1.250	1.250	1.250	1.875	1.250	1.250	1.250	1.250	1.875	1.250	1.250	1.250	1.250
9 Countercyclical buffer requirements (%)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
11 Total of bank CET1 specific buffer requirements (%)	1.875	1.250	1.250	1.250	1.250	1.875	1.250	1.250	1.250	1.250	1.875	1.250	1.250	1.250	1.250
12 CET1 available after meeting the bank's minimum capital requirements (%)	10.507	10.718	10.108	9.378	10.136	10.750	10.589	11.706	10.184	10.527	9.872	9.766	10.903	9.195	10.415
<b>Basel III leverage ratio</b>															
13 Total Basel III leverage ratio exposure measure	13 907 040	13 338 513	13 046 766	12 727 748	12 357 405	11 995 049	11 488 764	10 641 153	10 912 675	10 518 313	8 546 668	7 873 029	7 539 578	7 968 039	7 797 907
14 Basel III leverage ratio (%) (row 2/row 13)	11.117	11.810	11.657	11.483	11.648	10.198	10.701	11.454	11.000	10.840	11.187	12.311	12.328	11.789	12.119
<b>Liquidity Coverage Ratio</b>															
15 Total HQLA											743 380	842 637	592 868	545 943	643 031

16	Total net cash outflow						377 798	348 891	295 782	333 360	467 793
17	LCR ratio (%)						197	242	200	164	137
	<b>Net Stable Funding Ratio</b>										
18	Total available stable funding						5 082 731	4 901 061	4 565 397	4 911 513	4 753 605
19	Total required stable funding						4 420 682	4 159 529	4 203 833	4 464 399	4 393 977
20	NSFR ratio (%)						115	118	109	110	108

	Sasfin Holdings Limited			Sasfin Bank Limited and Subsidiaries			Sasfin Bank Limited			
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
	Risk weighted assets	Risk weighted assets	Minimum capital requirements *	Risk weighted assets	Risk weighted assets	Minimum capital requirements *	Risk weighted assets	Risk weighted assets	Minimum capital requirements *	
	March 2018	December	March 2018	March 2018	December	March 2018	March 2018	December	March 2018	
	(T)	2017 (T-1)	(T)	(T)	2017 (T-1)	(T)	(T)	2017 (T-1)	(T)	
	<b>Risk weighted assets</b>									
	<b>Overview of Risk weighted assets</b>									
1	<b>Credit risk (excluding counterparty credit risk) (CCR)</b>	<b>5 943 439</b>	<b>5 806 734</b>	<b>661 208</b>	<b>5 214 826</b>	<b>5 109 823</b>	<b>580 149</b>	<b>4 595 771</b>	<b>4 482 369</b>	<b>511 280</b>
2	Of which: standardised approach (SA)	5 943 439	5 806 734	661 208	5 214 826	5 109 823	580 149	4 595 771	4 482 369	511 280
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-	-	-	-	-	-	-
4	Of which: supervisory slotting approach	-	-	-	-	-	-	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-	-	-	-	-	-	-
6	<b>Counterparty credit risk (CCR)</b>	<b>107 468</b>	<b>168 416</b>	<b>11 956</b>	<b>107 468</b>	<b>168 416</b>	<b>11 956</b>	<b>107 368</b>	<b>168 180</b>	<b>11 945</b>
7	Of which: standardised approach for counterparty credit risk	107 468	168 416	11 956	107 468	168 416	11 956	107 368	168 180	11 945
8	Of which: internal model method (IMM)	-	-	-	-	-	-	-	-	-
9	Of which: other CCR	-	-	-	-	-	-	-	-	-
10	<b>Credit valuation adjustment (CVA)</b>	<b>5 729</b>	<b>7 294</b>	<b>637</b>	<b>5 729</b>	<b>7 294</b>	<b>637</b>	<b>5 729</b>	<b>7 294</b>	<b>637</b>
11	Equity positions under the simple risk weight approach	-	-	-	-	-	-	-	-	-
12	Equity investments in funds - look-through approach	-	-	-	-	-	-	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-	-	-	-	-	-	-
14	Equity investments in funds - fall back approach	-	-	-	-	-	-	-	-	-
15	Settlement risk	-	-	-	-	-	-	-	-	-
16	<b>Securitisation exposures in banking book</b>	<b>604 336</b>	<b>608 814</b>	<b>67 232</b>	<b>604 336</b>	<b>608 814</b>	<b>67 232</b>	<b>604 336</b>	<b>608 814</b>	<b>67 232</b>
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-	-	-	-	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-	-	-	-	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	604 336	608 814	67 232	604 336	608 814	67 232	604 336	608 814	67 232
20	<b>Market risk</b>	<b>83 691</b>	<b>5 200</b>	<b>9 311</b>	<b>83 691</b>	<b>5 200</b>	<b>9 311</b>	<b>3 815</b>	<b>3 824</b>	<b>424</b>
21	Of which standardised approach (SA)	83 691	5 200	9 311	83 691	5 200	9 311	3 815	3 824	424
22	Of which internal model approaches (IMM)	-	-	-	-	-	-	-	-	-
23	<b>Capital charge for switch between trading book and banking book</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
24	<b>Operational risk</b>	<b>1 433 563</b>	<b>1 433 563</b>	<b>159 484</b>	<b>910 155</b>	<b>910 156</b>	<b>101 255</b>	<b>704 246</b>	<b>704 246</b>	<b>78 347</b>
25	<b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b>	<b>465 048</b>	<b>455 537</b>	<b>51 737</b>	<b>322 448</b>	<b>323 856</b>	<b>35 872</b>	<b>-</b>	<b>-</b>	<b>-</b>
26	<b>Floor adjustment</b>	<b>545 204</b>	<b>374 795</b>	<b>60 654</b>	<b>278 808</b>	<b>277 666</b>	<b>31 017</b>	<b>198 671</b>	<b>172 877</b>	<b>22 102</b>
27	<b>Total</b>	<b>9 188 478</b>	<b>8 860 353</b>	<b>1 022 218</b>	<b>7 527 461</b>	<b>7 411 225</b>	<b>837 431</b>	<b>6 219 936</b>	<b>6 147 604</b>	<b>691 968</b>

\* The minimum capital requirement per risk category is 11.125% which comprises the Base minimum (8.000%) plus the Pillar 2A systemic risk Add-on (1.250%) plus the Capital Conservation Buffer (CCB) (1.8750%).

	R'000 March 2018 (T)	R'000 December 2017 (T-1)	R'000 March 2018 (T)	R'000 December 2017 (T-1)	R'000 March 2018 (T)	R'000 December 2017 (T-1)
<b>Qualifying capital and reserves</b>						
<b>Tier 1 capital</b>	<b>1 546 044</b>	<b>1 575 282</b>	<b>1 223 238</b>	<b>1 229 436</b>	<b>956 118</b>	<b>969 229</b>
<b>Common equity tier 1 capital</b>	<b>1 470 810</b>	<b>1 481 239</b>	<b>1 223 238</b>	<b>1 229 436</b>	<b>956 118</b>	<b>969 229</b>
Share capital and premium	160 103	160 103	463 476	463 476	463 476	463 476
Distributable reserves and other	1 312 608	1 301 379	749 819	742 540	452 208	452 207
Prescribed deductions and non-qualifying reserves	-1 859	19 757	22 387	35 300	40 434	53 546
Intragroup investments	-42	0	-12 444	-11 880	-	-
<b>Additional tier 1 capital</b>						
Non-redeemable preference share capital	75 234	94 043	-	-	-	-
<b>Tier 2 capital</b>	<b>18 221</b>	<b>22 498</b>	<b>19 010</b>	<b>25 071</b>	<b>14 970</b>	<b>21 029</b>
Sub-ordinated debt	2 208	6 422	2 997	8 995	2 998	8 995
General allowance for credit impairment	16 013	16 076	16 013	16 076	11 972	12 034
<b>Total qualifying capital and reserves</b>	<b>1 564 265</b>	<b>1 597 780</b>	<b>1 242 248</b>	<b>1 254 507</b>	<b>971 088</b>	<b>990 258</b>
<b>Minimum required capital and reserves</b>	<b>1 022 218</b>	<b>952 488</b>	<b>837 431</b>	<b>796 708</b>	<b>691 968</b>	<b>660 867</b>
<b>Capital adequacy ratios</b>						
<b>Tier 1 capital (%)</b>	<b>16.826</b>	<b>17.779</b>	<b>16.250</b>	<b>16.589</b>	<b>15.372</b>	<b>15.766</b>
Common equity tier 1 (%)	16.007	16.718	16.250	16.589	15.372	15.766
Additional tier 1 (%)	0.819	1.061	-	-	-	-
<b>Tier 2 capital (%)</b>	<b>0.198</b>	<b>0.254</b>	<b>0.253</b>	<b>0.338</b>	<b>0.241</b>	<b>0.342</b>
<b>Total capital adequacy ratio (%)</b>	<b>17.024</b>	<b>18.033</b>	<b>16.503</b>	<b>16.927</b>	<b>15.613</b>	<b>16.108</b>
<b>Minimum required capital adequacy ratio (%)</b>	<b>11.125</b>	<b>10.750</b>	<b>11.125</b>	<b>10.750</b>	<b>11.125</b>	<b>10.750</b>

	R'000 March 2018 (T)	R'000 December 2017 (T-1)	R'000 March 2018 (T)	R'000 December 2017 (T-1)	R'000 March 2018 (T)	R'000 December 2017 (T-1)
<b>Summary comparison of accounting assets vs leverage ratio exposure measure</b>						
1 Total consolidated assets as per the published financial statements	13 831 383	13 242 934	11 880 548	11 359 092	8 448 596	7 762 627
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-	-	-	-	-
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-	-	-	-
4 Adjustments for derivative financial instruments	170 060	231 340	170 060	231 340	169 645	230 462
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0	0	-	0	-	-
6 Adjustment for off balance sheet items (i.e. conversion to credit equivalent amounts of off balance sheet exposures)	130 651	130 401	168 015	168 374	127 993	121 381
7 Other adjustments	( 225 053 )	( 266 162 )	( 223 574 )	( 270 042 )	( 199 566 )	( 241 441 )
8 Leverage ratio exposure measure	13 907 040	13 338 513	11 995 049	11 488 764	8 546 668	7 873 029
<b>Leverage ratio common disclosure template</b>	<b>March 2018 (T)</b>	<b>December 2017 (T-1)</b>	<b>March 2018 (T)</b>	<b>December 2017 (T-1)</b>	<b>March 2018 (T)</b>	<b>December 2017 (T-1)</b>

<b>On balance sheet exposures</b>							
On balance sheet exposures (excluding derivatives and securities financing transactions (SFT's), but including							
1	collateral	13 697 787	13 049 393	11 746 952	11 165 551	8 315 695	7 574 739
(Asset amounts deducted in determining Basel III Tier 1							
2	capital	( 91 457 )	( 72 621 )	( 89 978 )	( 76 501 )	( 66 665 )	( 53 553 )
<b>Total on- balance sheet exposures (excluding derivatives and SFT's) (sum of rows 1 and 2)</b>							
3		13 606 330	12 976 772	11 656 974	11 089 050	8 249 030	7 521 186
<b>Derivative exposures</b>							
Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or							
4	with bilateral netting)	129 218	187 020	129 218	187 020	129 216	187 020
Add on amounts for PFE associated with all derivatives							
5	transactions	40 841	44 320	40 841	44 320	40 429	43 442
Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative							
6	accounting framework	-	-	-	-	-	-
(Deductions of receivables assets for cash variation margin							
7	provided in derivatives transactions)	-	-	-	-	-	-
8	(Exempted CCP leg of client-cleared trade exposures)	-	-	-	-	-	-
Adjusted effective notional amount of written credit							
9	derivatives	-	-	-	-	-	-
(Adjusted effective notional offsets and add-on deductions							
10	for written credit derivatives)	-	-	-	-	-	-
11	<b>Total derivative exposures (sum of rows 4 to 10)</b>	170 060	231 340	170 060	231 340	169 645	230 462
<b>Securities financing transaction exposures</b>							
Gross SFT assets (with no recognition of netting), after							
12	adjusting for sale accounting transactions	-	-	-	-	-	-
(Netted amounts of cash payables and cash receivables of							
13	gross SFT assets)	-	-	-	-	-	-
14	CCR exposure for SFT assets	-	-	-	-	-	-
15	Agent transaction exposures	-	-	-	-	-	-
<b>Total securities financing transaction exposures (sum of rows 12 to 15)</b>							
16		-	-	-	-	-	-
<b>Other off balance sheet exposures</b>							
17	Off-balance sheet exposure at gross notional amount	1 059 688	1 063 011	1 155 497	1 161 865	783 232	720 195
18	(Adjustments for conversion to credit equivalent amounts)	( 929 037 )	( 932 610 )	( 987 482 )	( 993 490 )	( 655 239 )	( 598 814 )
19	<b>Off balance sheet items (sum of rows 17 to 18)</b>	130 651	130 401	168 015	168 374	127 993	121 381
<b>Capital and total exposures</b>							
20	<b>Tier 1 capital</b>	1 546 044	1 575 282	1 223 238	1 229 436	956 118	969 229
21	<b>Total exposures (sum of rows 3, 11, 16 and 19)</b>	13 907 040	13 338 513	11 995 049	11 488 764	8 546 668	7 873 029
<b>Leverage ratio</b>							
22	<b>Basel III leverage ratio</b>	11.117	11.810	10.198	10.701	11.187	12.311
<b>High- quality liquid assets</b>							
1	Total HQLA					648 189	648 189
<b>Cash outflows</b>							
<b>Retail deposits and deposits from small business customers, of which:</b>							
2						<b>2 018 789</b>	<b>198 773</b>
3	Stable deposits					-	-
4	Less stable deposits					2 018 789	198 773
5	<b>Unsecured wholesale funding, of which:</b>					<b>1 242 621</b>	<b>941 608</b>

6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	207 826	53 814
7	Non-operational deposits (all counterparties)	1 025 556	884 099
8	Unsecured debt	9 238	3 695
9	<b>Secured wholesale funding</b>		<b>55 440</b>
10	<b>Additional requirements, of which:</b>	<b>137 504</b>	<b>106 231</b>
11	Outflows related to derivative exposures and other collateral requirements	44 021	44 021
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	93 483	62 211
14	<b>Other contractual funding obligations</b>	<b>263 726</b>	<b>261 886</b>
15	<b>Other contingent funding obligations</b>	<b>36 523</b>	<b>1 826</b>
16	<b>TOTAL CASH OUTFLOWS</b>		<b>1 565 764</b>
	<b>Cash inflows</b>		
17	<b>Secured lending</b>	<b>1 318 469</b>	<b>55 457</b>
18	<b>Inflows from fully performing exposures</b>	<b>2 618 347</b>	<b>2 396 754</b>
19	Other cash inflows	36 154	18 640
20	<b>TOTAL CASH INFLOWS</b>	<b>3 972 969</b>	<b>2 470 851</b>
			<b>Total adjusted value</b>
21	<b>Total HQLA</b>		<b>648 189</b>
22	<b>Total net cash outflows</b>		<b>391 441</b>
23	<b>Liquidity Coverage Ratio (%)</b>		<b>166%</b>

Risk weighted assets flow statements of credit risk exposures under IRB

Sasfin does not use the internal ratings based, but rather the standardised approach, in the calculation of credit risk-weighted assets. This template is therefore not completed

Risk weighted assets flow statements of CCR exposures under Internal Model Method (IMM)

Sasfin does not use an internal model method, but rather the standardised approach, in the calculation of counterparty credit risk. This template is therefore not completed

Risk weighted assets flow statements of market risk exposures under an IMA

Sasfin does not use an internal model approach, but rather the standardised approach, for its market risk exposures. This template is therefore not completed.

Key metrics - TLAC requirements

Sasfin is not a G-SIB. This template is therefore not completed

The amounts highlighted in yellow cast, however due to the use of the round formula results in a marginal difference when multiplying total risk weighted assets by the regulatory minimum percentage

5 June 2018

Johannesburg

Sponsor

Sasfin Capital (a member of the Sasfin group)

Independent Sponsor

Deloitte & Touche Sponsor Services (Pty) Ltd