

sasfin

Holdings Limited

Pillar III Risk Management Report

30 September 2023

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1. Introduction

The risk and capital management report (Pillar 3 disclosure) provides information regarding the activities of Sasfin Holdings Limited and Sasfin Bank Limited in accordance with:

- The Basel Committee on Banking Supervision's (BCBS) revised Pillar 3 disclosure requirements (Pillar 3 standard), BCBS 309 published in January 2015, and the consolidated and enhanced framework, BCBS 400 published in March 2017; and
- Regulation 43 of the Regulations relating to Banks (Regulations), issued in terms of the Banks Act 94 of 1990, Directive D1/2019 on Matters related to Pillar 3 disclosure requirement framework and all other Pillar 3 disclosure-related directives issued by the Prudential Authority (PA).

The information in this report applies mainly to banking operations, relates to risks directly impacting capital, liquidity and other regulatory ratios and is unaudited. Monetary values are expressed in Rand thousands.

For the reporting period 30 September 2023 (compared to September 2022 – restated), the Board and senior management are satisfied that Sasfin Holdings Limited (Group) and Sasfin Bank Limited's risk and capital management processes are operating effectively, that business activities have been managed within the Enterprise Risk Management Framework and that the Group is adequately capitalised and funded to support the execution of its strategy.

This report has been internally verified through the Group's governance processes, in line with the Group's Public Disclosure Policy, which describes the responsibilities of senior management and the Board in the preparation and review of the Pillar 3 disclosure and aims to ensure that:

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

In this regard the board and senior management have ensured that the appropriate procedures were followed in the preparation, review and sign-off of all disclosures. The board is satisfied that the Pillar 3 disclosures have been prepared in line with the Public Disclosure Policy, that appropriate internal control processes and reviews have been applied, and that the Pillar 3 disclosure complies with the relevant disclosure requirements.

The information in this report is unaudited.

2. Risk Management and Risk Weighted Assets (RWA)

The approach to risk management is guided by the Enterprise Risk Management (ERM) Framework and is effected by the Board of Directors, management and other personnel. The ERM Framework is applied in strategy setting and across the enterprise, and is designed to identify potential events that may affect the entity, to manage risk to be within its risk appetite and to provide reasonable assurance regarding the achievement of entity objectives.

2.1 OV1: OVERVIEW OF RISK WEIGHTED ASSETS

Overview of risk management, key prudential metrics and RWA

Sasfin Holdings Limited					
R'000		a	b	c	
		RWA Sep-23 T	Jun-23 T-1	Sep-22 ¹ T	Minimum capital require- ments Sep-23 T
1	Credit risk (excluding counterparty credit risk)	6 041 193	6 045 169	5 919 691	664 531
2	Of which: standardised approach (SA)	6 041 193	6 045 169	5 919 691	664 531
3	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–	–
4	Of which: supervisory slotting approach	–	–	–	–
5	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–	–
6	Counterparty credit risk (CCR)	23 403	60 113	108 766	2 574
7	Of which: standardised approach for counterparty credit risk	23 403	60 113	108 766	2 574
8	Of which: Internal Model Method (IMM)	–	–	–	–
9	Of which: other CCR	–	–	–	–
10	Credit valuation adjustment (CVA)	7 359	13 038	16 534	810
11	Equity positions under the simple risk weight approach	313 844	329 417	361 546	34 523
12	Equity investments in funds – look-through approach	307 076	244 105	291 341	33 778
13	Equity investments in funds – mandate-based approach	–	–	–	–
14	Equity investments in funds – fall-back approach	–	–	–	–
15	Settlement risk	–	–	–	–
16	Securitisation exposures in the banking book	207 281	207 281	361 563	22 801
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	–	–	–	–
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	–	–	–	–
19	Of which: securitisation standardised approach (SEC-SA)	207 281	207 281	361 563	22 801
20	Market risk	10 543	17 895	3 165	1 160
21	Of which: standardised approach (SA)	10 543	17 895	3 165	1 160
22	Of which: internal model approaches (IMA)	–	–	–	–
23	Capital charge for switch between trading book and banking book	–	–	–	–
24	Operational risk	2 047 324	2 047 324	1 918 002	225 206
25	Amounts below thresholds for deduction (subject to 250% risk weight)	160 568	160 568	35 757	17 662
26	Aggregate capital floor applied	–	–	–	–
27	Floor adjustment (before application of transitional cap)	–	–	–	–
28	Floor adjustment (after application of transitional cap)	–	–	–	–
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	9 118 591	9 124 910	9 016 365	1 003 045

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

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

2.2 OV1: OVERVIEW OF RISK WEIGHTED ASSETS

Overview of risk management, key prudential metrics and RWA

		Sasfin Bank Limited			
		a	b	c	
		RWA		Minimum capital requirements	
R'000		Sep-23	Jun-23	Sep-22 ¹	Sep-23
		T	T-1	T	T
1	Credit risk (excluding counterparty credit risk)	5 165 880	5 232 794	5 080 388	568 247
2	Of which: standardised approach (SA)	5 165 880	5 232 794	5 080 388	568 247
3	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–	–
4	Of which: supervisory slotting approach	–	–	–	–
5	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–	–
6	Counterparty credit risk (CCR)	23 403	60 113	108 766	2 574
7	Of which: standardised approach for counterparty credit risk	23 403	60 113	108 766	2 574
8	Of which: Internal Model Method (IMM)	–	–	–	–
9	Of which: other CCR	–	–	–	–
10	Credit valuation adjustment (CVA)	7 359	13 038	16 534	810
11	Equity positions under the simple risk weight approach	328 669	328 646	288 947	36 154
12	Equity investments in funds – look-through approach	307 076	244 105	291 341	33 778
13	Equity investments in funds – mandate-based approach	–	–	–	–
14	Equity investments in funds – fall-back approach	–	–	–	–
15	Settlement risk	–	–	–	–
16	Securitisation exposures in the banking book	207 281	207 281	361 563	22 801
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	–	–	–	–
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	–	–	–	–
19	Of which: securitisation standardised approach (SEC-SA)	207 281	207 281	361 563	22 801
20	Market risk	10 543	17 895	3 165	1 160
21	Of which: standardised approach (SA)	10 543	17 895	3 165	1 160
22	Of which: internal model approaches (IMA)	–	–	–	–
23	Capital charge for switch between trading book and banking book	–	–	–	–
24	Operational risk	1 139 813	1 139 813	1 069 566	125 379
25	Amounts below thresholds for deduction (subject to 250% risk weight)	42 568	42 568	–	4 682
26	Aggregate capital floor applied	–	–	–	–
27	Floor adjustment (before application of transitional cap)	–	–	–	–
28	Floor adjustment (after application of transitional cap)	–	–	–	–
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	7 232 592	7 286 253	7 220 270	795 585

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

3. Capital Risk

The Board is responsible for capital management, and has delegated certain aspects of its role to the GRCCM, including setting of appropriate capital targets and ensuring adequate capitalisation. The capital management function is governed primarily by the GRCCM that oversees the risks associated with capital management, as well as the Asset and Liability Committee (ALCO) and its subcommittee, the Daily Liquidity Committee.

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

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

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

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

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

3.1 KM1: KEY PRUDENTIAL METRICS

Overview of risk management, key prudential metrics and RWA

Sasfin Holdings Limited						
R'000	a	b	c	d	e	
	Sep-23	Jun-23	Mar-23 ¹	Dec-22 ¹	Sep-22 ¹	
	T	T-1	T-2	T-3	T-4	
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1 415 555	1 410 219	1 436 410	1 422 982	1 405 787
1a	Fully loaded ECL accounting model	1 415 555	1 410 219	1 436 410	1 422 982	1 405 787
2	Tier 1	1 415 555	1 410 219	1 436 410	1 422 982	1 405 787
2a	Fully loaded accounting model Tier 1	1 415 555	1 410 219	1 436 410	1 422 982	1 405 787
3	Total capital	1 486 296	1 480 611	1 507 889	1 498 759	1 480 088
3a	Fully loaded ECL accounting model total capital	1 486 296	1 480 611	1 507 889	1 498 759	1 480 088
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	9 118 591	9 124 910	8 637 861	9 062 286	9 016 365
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	15.524%	15.455%	16.629%	15.702%	15.592%
5a	Fully loaded ECL accounting model CET1 (%)	15.524%	15.455%	16.629%	15.702%	15.592%
6	Tier 1 ratio (%)	15.524%	15.455%	16.629%	15.702%	15.592%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	15.524%	15.455%	16.629%	15.702%	15.592%
7	Total capital ratio (%)	16.300%	16.226%	17.457%	16.538%	16.416%
7a	Fully loaded ECL accounting model total capital ratio (%)	16.300%	16.226%	17.457%	16.538%	16.416%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical buffer requirement (%)	–	–	–	–	–
10	Bank D-SIB additional requirements (%)	–	–	–	–	–
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.500%	2.500%	2.500%	2.500%	2.500%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.024%	6.955%	8.129%	7.202%	7.092%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	12 855 816	13 778 526	13 183 145	13 464 855	13 164 808
14	Basel III leverage ratio (%) (row 2/row 13)	11.01%	10.23%	10.90%	10.57%	10.68%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	11.01%	10.23%	10.90%	10.57%	10.68%
Liquidity Coverage Ratio						
15	Total HQLA	1 120 438	969 118	748 557	879 859	901 093
16	Total net cash outflow	317 392	409 867	446 149	352 834	376 141
17	LCR ratio (%)	353.01%	236.45%	167.78%	249.37%	239.56%
Net Stable Funding Ratio						
18	Total available stable funding	5 341 747	5 405 657	5 313 375	5 591 305	5 606 598
19	Total required stable funding	5 133 065	5 136 157	5 002 462	5 146 218	5 174 870
20	NSFR ratio	104.07%	105.25%	106.22%	108.65%	108.34%

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

3. Capital Risk *continued*

The capital adequacy ratios remain above the minimum regulatory requirements and within the Board approved limits. The increase in available capital amounts is mainly due to a decrease in specified deductions from tier 1 capital amounts.

Total risk weighted assets decreased marginally from R9.125 billion (Jun-23) to R9.119 billion (Sept-23) mainly attributable to a decrease in counterparty credit risk exposures.

The liquidity coverage ratio remains strong, above the regulatory requirements and within the Board Risk Appetite. The QoQ increase is mainly attributable to an increase in high quality liquid assets, coupled with a decrease in net cash outflows.

The net stable funding ratio remains above the regulatory minimum requirement of 100%. The QoQ decrease is due to a decrease in available stable funding, partially offset by a marginal decrease in required stable funding.

3.2 KM1: KEY PRUDENTIAL METRICS

Overview of risk management, key prudential metrics and RWA

		Sasfin Bank Limited				
		a	b	c	d	e
		Sep-23	Jun-23	Mar-23 ¹	Dec-22 ¹	Sep-22 ¹
R'000		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1 040 299	1 033 007	957 493	951 777	931 762
1a	Fully loaded ECL accounting model	1 040 299	1 033 007	957 493	951 777	931 762
2	Tier 1	1 040 299	1 033 007	957 493	951 777	931 762
2a	Fully loaded accounting model Tier 1	1 040 299	1 033 007	957 493	951 777	931 762
3	Total capital	1 079 168	1 069 941	995 425	1 009 333	996 263
3a	Fully loaded ECL accounting model total capital	1 079 168	1 069 941	995 425	1 009 333	996 263
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	7 232 592	7 286 253	7 085 443	7 284 887	7 220 270
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	14.384%	14.177%	13.514%	13.065%	12.905%
5a	Fully loaded ECL accounting model CET1 (%)	14.384%	14.177%	13.514%	13.065%	12.905%
6	Tier 1 ratio (%)	14.384%	14.177%	13.514%	13.065%	12.905%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14.384%	14.177%	13.514%	13.065%	12.905%
7	Total capital ratio (%)	14.921%	14.684%	14.049%	13.855%	13.798%
7a	Fully loaded ECL accounting model total capital ratio (%)	14.921%	14.684%	14.049%	13.855%	13.798%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical buffer requirement (%)	–	–	–	–	–
10	Bank D-SIB additional requirements (%)	–	–	–	–	–
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.500%	2.500%	2.500%	2.500%	2.500%
12	CET1 available after meeting the bank's minimum capital requirements (%)	5.884%	5.677%	5.014%	4.565%	4.405%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	8 613 598	8 837 930	9 070 906	9 714 497	9 867 965
14	Basel III leverage ratio (%) (row 2/row 13)	12.08%	11.69%	10.56%	9.80%	9.44%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	12.08%	11.69%	10.56%	9.80%	9.44%
Liquidity Coverage Ratio						
15	Total HQLA	1 120 438	969 118	748 557	879 859	901 093
16	Total net cash outflow	317 392	409 867	446 149	352 834	376 141
17	LCR ratio (%)	353.01%	236.45%	167.78%	249.37%	239.56%
Net Stable Funding Ratio						
18	Total available stable funding	5 341 747	5 405 657	5 313 375	5 591 305	5 606 598
19	Total required stable funding	5 133 065	5 136 157	5 002 462	5 146 218	5 174 870
20	NSFR ratio (%)	104.07%	105.25%	106.22%	108.65%	108.34%

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

4. Leverage ratio

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

LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE

R'000		Sasfin Holdings Limited	
		a Sep-23	Jun-23
1	Total consolidated assets as per published financial statements	13 061 957	14 013 082
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–	–
4	Adjustments for derivative financial instruments	(258 079)	(273 600)
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	–	–
6	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	181 249	157 843
7	Other adjustments	(129 311)	(118 800)
8	Leverage ratio exposure measure	12 855 816	13 778 525

LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE

R'000		Sasfin Bank Limited	
		a Sep-23	Jun-23
1	Total consolidated assets as per published financial statements	8 519 663	8 737 196
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–	–
4	Adjustments for derivative financial instruments	(16 906)	(29 576)
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	–	–
6	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	139 818	147 068
7	Other adjustments	(28 977)	(16 758)
8	Leverage ratio exposure measure	8 613 598	8 837 930

4. Leverage ratio *continued*

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

		Sasfin Holdings Limited	
		a	b
		Sep-23	Jun-23
R'000		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	12 641 320	13 568 750
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	–	–
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	12 641 320	13 568 750
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	16 418	28 956
5	Add-on amounts for PFE associated with all derivatives transactions	16 829	22 976
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	–	–
8	(Exempted CCP leg of client-cleared trade exposures)	–	–
9	Adjusted effective notional amount of written credit derivatives	–	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11	Total derivative exposures (sum of rows 4 to 10)	33 247	51 932
Securities financing transactions			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14	CCR exposure for SFT assets	–	–
15	Agent transaction exposures	–	–
16	Total securities financing transaction exposures (sum of rows 12 to 15)	–	–
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	991 380	916 541
18	(Adjustments for conversion to credit equivalent amounts)	(810 131)	(758 697)
19	Off-balance sheet items (sum of rows 17 and 18)	181 249	157 843
Capital and total exposures			
20	Tier 1 capital	1 415 555	1 410 219
21	Total exposures (sum of rows 3, 11, 16 and 19)	12 855 816	13 778 525
Leverage ratio			
22	Basel III leverage ratio	11.01%	10.23%

4. Leverage ratio *continued*

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

		Sasfin Bank Limited	
		a	b
		Sep-23	Jun-23
R'000		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	8 440 533	8 638 929
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	–	–
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	8 440 533	8 638 929
Derivative exposures			
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	16 418	28 956
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	16 829	22 976
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	–	–
8	(Exempted CCP leg of client-cleared trade exposures)	–	–
9	Adjusted effective notional amount of written credit derivatives	–	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11	Total derivative exposures (sum of rows 4 to 10)	33 247	51 932
Securities financing transactions			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14	CCR exposure for SFT assets	–	–
15	Agent transaction exposures	–	–
16	Total securities financing transaction exposures (sum of rows 12 to 15)	–	–
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	970 270	906 945
18	(Adjustments for conversion to credit equivalent amounts)	(830 452)	(759 877)
19	Off-balance sheet items (sum of rows 17 and 18)	139 818	147 068
Capital and total exposures			
20	Tier 1 capital	1 040 299	1 033 007
21	Total exposures (sum of rows 3, 11, 16 and 19)	8 613 598	8 837 930
Leverage ratio			
22	Basel III leverage ratio	12.08%	11.69%

5. Liquidity

LIQ1: LIQUIDITY COVERAGE RATIO (LCR)

		Sasfin Bank Limited	
		a	b
		Total unweighted value (average)	Total weighted value (average)
R'000			
High-quality liquid assets			
1	Total HQLA	–	1 120 438
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	1 287 672	128 767
3	Stable deposits	–	–
4	Less stable deposits	1 287 672	128 767
5	Unsecured wholesale funding, of which:	4 509 358	1 007 096
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–
7	Non-operational deposits (all counterparties)	4 509 358	1 007 096
8	Unsecured debt	–	–
9	Secured wholesale funding	–	–
10	Additional requirements, of which:	927 391	86 573
11	Outflows related to derivative exposures and other collateral requirements	8 329	8 329
12	Outflows related to loss of funding of debt products	–	–
13	Credit and liquidity facilities	919 062	78 244
14	Other contractual funding obligations	–	–
15	Other contingent funding obligations	–	–
16	TOTAL CASH OUTFLOWS		1 222 436
Cash inflows			
17	Secured lending	759 984	759 984
18	Inflows from fully performing exposures	271 269	135 635
19	Other cash inflows	9 426	9 426
20	TOTAL CASH INFLOWS	1 040 679	905 044
R'000			
21	Total HQLA		1 120 438
22	Total net cash outflows		317 392
23	Liquidity coverage ratio (%)		353.01%

5. Liquidity *continued*

LIQ2: NET STABLE FUNDING RATIO (NSFR)

		Sasfin Bank Limited				
		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
R'000		No maturity*	<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item						
1	Capital:	–	–	–	1 126 028	1 126 028
2	Regulatory capital	–	–	–	1 126 028	1 126 028
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and deposits from small business customers:	–	2 621 880	240 544	84 271	2 660 453
5	Stable deposits	–	–	–	–	–
6	Less stable deposits	–	2 621 880	240 544	84 271	2 660 453
7	Wholesale funding:	–	865 551	35 809	2 703	453 383
8	Operational deposits	–	–	–	–	–
9	Other wholesale funding	–	865 551	35 809	2 703	453 383
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	–	2 723 929	395 188	272 522	1 101 883
12	NSFR derivative liabilities	–	–	–	13 764	–
13	All other liabilities and equity not included in the above categories	–	2 723 929	395 188	272 522	1 101 883
14	Total ASF	–	–	–	–	5 341 747
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)	–	–	–	–	70 448
16	Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17	Performing loans and securities:	–	2 910 906	729 146	3 603 272	3 880 065
18	Performing loans to financial institutions secured by Level 1 HQLA	–	1 317 104	–	91 858	70 448
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	–	842 949	424 617	190 450	529 201
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	–	750 853	304 529	2 970 493	3 052 610
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	–	–	350 470	227 806
22	Performing residential mortgages, of which:	–	–	–	–	–
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	–	–	–	–
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	–	–	–	–
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other liabilities:	–	1 863	–	1 188 744	1 190 608
27	Physical traded commodities, including gold	–	–	–	–	–
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	–	–	–	–	–
29	NSFR derivative assets	–	1 863	–	–	1 863
30	NSFR derivative liabilities before deduction of variation margin posted	–	–	–	–	–
31	All other assets not included in the above categories	–	–	–	1 188 744	1 188 744
32	Off-balance sheet items	–	–	–	–	62 392
33	Total RSF	–	–	–	–	5 133 065
34	Net Stable Funding Ratio (%)	–	–	–	–	104.07%

Corporate details

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

Disclaimer

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

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

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

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

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