

Shareholder Administrative Information and Notice of Annual General Meeting

for the year ended 30 June 2023

TO BE READ TOGETHER WITH THE

Integrated Report 2023

The Company's Integrated Report 2023 and the audited Annual Financial Statements for the year ended 30 June 2023 are available on the Company's website, www.sasfin/investor-relations/#results-and-reports

Financial calendar

| | Reports |
|--|------------------|
| Interim report for the six months to 31 December 2022 | 2 March 2023 |
| Announcement of results and dividend declaration for the year ended 30 June 2023 | 31 October 2023 |
| Annual Financial Statements for the year ended 30 June 2023 available on the website | 31 October 2023 |
| Notice of Annual General Meeting posted | 30 November 2023 |

Cash dividend payments

No interim or final dividends were declared

Shareholder meetings

| | |
|------------------------|-----------------|
| Annual General Meeting | 30 January 2024 |
|------------------------|-----------------|

Sasfin Holdings Limited (Incorporated in the Republic of South Africa)
 (Company registration number 1987/002097/06) ("Sasfin" or "the Group" or "the Company")
 (Share code: SFN ISIN: ZAE000006565)
www.sasfin.com

Shareholder diary¹

| | |
|---|----------------------------|
| Record date to receive Notice of AGM | Friday, 17 November 2023 |
| Date of posting of Notice of AGM | Thursday, 30 November 2023 |
| Last date to trade to be eligible to attend, participate in and vote at AGM | Tuesday, 16 January 2024 |
| Record date to be eligible to attend, participate and vote at AGM | Friday, 19 January 2024 |
| Forms of proxy to be lodged preferably by 10:00 | Friday, 26 January 2024 |
| Annual General Meeting at 10:00 | Tuesday, 30 January 2024 |
| Results of Annual General Meeting published on SENS | Tuesday, 30 January 2024 |

¹ Dates may be subject to change

Analysis of ordinary shareholders

as at 30 June 2023

| | Number of shareholdings | % of total shareholdings | Number of shares | % of issued capital |
|--|-------------------------|--------------------------|-------------------|---------------------|
| Shareholder spread | | | | |
| 1 – 1 000 | 1 374 | 79.42% | 223 354 | 0.69% |
| 1 001 – 10 000 | 290 | 16.76% | 965 353 | 2.99% |
| 10 001 – 100 000 | 58 | 3.35% | 1 842 591 | 5.70% |
| 100 001 – 1 000 000 | 4 | 0.23% | 995 867 | 3.08% |
| Over 1 000 000 | 4 | 0.23% | 28 274 276 | 87.53% |
| Total | 1 730 | 100.00% | 32 301 441 | 100.00% |
| Distribution of shareholders | | | | |
| Close Corporations | 14 | 0.81% | 18 818 | 0.06% |
| Collective Investment Schemes | 2 | 0.12% | 184 738 | 0.57% |
| Control Accounts | 1 | 0.06% | 6 | 0.00% |
| Custodians | 3 | 0.17% | 670 541 | 2.08% |
| Foundations & Charitable Funds | 11 | 0.64% | 61 331 | 0.19% |
| Investment Partnerships | 7 | 0.40% | 56 559 | 0.18% |
| Managed Funds | 1 | 0.06% | 125 | 0.00% |
| Private Companies | 49 | 2.83% | 11 866 231 | 36.74% |
| Public Companies | 2 | 0.12% | 15 398 618 | 47.67% |
| Retail Shareholders | 1 540 | 89.02% | 1 989 584 | 6.16% |
| Retirement Benefit Funds | 3 | 0.17% | 8 966 | 0.03% |
| Scrip Lending | 1 | 0.06% | 6 347 | 0.02% |
| Share Schemes | 1 | 0.06% | 1 436 052 | 4.45% |
| Stockbrokers & Nominees | 10 | 0.58% | 99 941 | 0.31% |
| Trusts | 82 | 4.74% | 503 358 | 1.56% |
| Unclaimed Scrip | 3 | 0.17% | 226 | 0.00% |
| Total | 1 730 | 100.00% | 32 301 441 | 100.00% |
| Shareholder type | | | | |
| Non-Public Shareholders | 9 | 0.52% | 28 388 934 | 87.89% |
| Directors and Associates | 5 | 0.29% | 15 420 290 | 47.74% |
| Wipfin Investments (Pty) Ltd + CV Partners Ltd (>10% of issued shares) | 2 | 0.12% | 11 440 050 | 35.42% |
| Employee Share Scheme | 1 | 0.06% | 1 436 052 | 4.45% |
| Sasfin Group Entity | 1 | 0.06% | 92 542 | 0.29% |
| Public Shareholders | 1 721 | 99.48% | 3 912 507 | 12.11% |
| Total | 1 730 | 100.00% | 32 301 441 | 100.00% |

| | Number of shareholdings | Number of shares | % of issued capital |
|--|-------------------------|---------------------|---------------------|
| Beneficial shareholders with a holding greater than 3% of the issued shares | | | |
| Unitas Enterprises Ltd | | 15 398 174 | 47.67% |
| WIPFIN Investments (Pty) Ltd | | 8 107 662 | 25.10% |
| CV Partners Limited | | 3 332 388 | 10.32% |
| Sasfin Share Incentive Trust | | 1 436 052 | 4.45% |
| Total | | 28 274 276 | 87.53% |
| Total number of shareholdings | 1 730 | | |
| Total number of shares in issue | 32 301 441 | | |
| Share price performance | | | |
| Opening Price 01 July 2022 | | R28.89 | |
| Closing Price 30 June 2023 | | R23.45 | |
| Closing High for period | | R31.50 | |
| Closing Low for period | | R22.00 | |
| Number of shares in issue | | 32 301 441 | |
| Volume traded during period | | 2 621 542 | |
| Ratio of volume traded to shares issued (%) | | 8.12% | |
| Rand value traded during the period | | R70 557 031 | |
| Price/earnings ratio as at 30 June 2023 | | 4.84 | |
| Earnings yield as at 30 June 2023 | | 20.65 | |
| Dividend yield as at 30 June 2023 | | 4.12 | |
| Market capitalisation at 30 June 2023 | | R757 468 791 | |

Notice of Annual General Meeting

SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1987/002097/06

Share code: SFN ISIN: ZAE000006565

("Sasfin" or the "Company")

Notice is hereby given of the 36th Annual General Meeting ("AGM") of shareholders of the Company that will be held at 10:00 on Tuesday, 30 January 2024 to transact the below-mentioned business.

The AGM will be conducted physically and by electronic means at the registered offices of the Company, at 140 West Street, Sandown, Sandton. Sasfin shareholders wishing to participate in the AGM by electronic means must follow the procedures set forth in this notice under the section titled, "participation process":

Shareholders who attend the meeting in person will use their own web enabled devices during the meeting to cast their votes. Shareholders will not be provided with special voting devices at the meeting. Should you have any further questions, please send an email to charissa.dejager@sasfin.com.

Purpose of the meeting

1. To present to shareholders the audited annual financial statements of the Company, together with the reports of the Board of Directors of the Company ("Board of Directors"), and the Group Audit Committee (GAC) for the financial year ended 30 June 2023.
2. To present the report of the Social and Ethics Committee of the Company for the financial year ended 30 June 2023 in terms of Regulation 43(5)(c) of the Regulations promulgated in terms of the Companies Act 71 of 2011, as amended ("the Companies Act").
3. To consider and, if deemed fit, approve the ordinary resolutions set out in this Notice of AGM, with or without modification.
4. To consider and, if deemed fit, approve the special resolutions set out in this Notice of AGM, with or without modification.
5. To consider and, if deemed fit, to endorse the non-binding votes set out in this notice of AGM on the Company's remuneration policy and implementation report, with or without modification.

Agenda of the AGM

1. Presentation of the audited annual financial statements and reports

The audited annual financial statements for the financial year ended 30 June 2023, including the reports of the Board of Directors and GAC for the financial year ended 30 June 2023, will be presented by the chair of the AGM, with time for questions. These are available on the Company's website at <https://www.sasfin.com/investor-relations/>

2. Presentation of the report of the Social and Ethics Committee

The report of the Social and Ethics Committee for the financial year ended 30 June 2023 will be presented by the chair of the Social and Ethics Committee, with time for questions. The Social and Ethics Committee's report is included on page 66 of the 2023 Integrated Report and is accessible on the Company's website.

3. Ordinary resolutions

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| VOTING REQUIREMENT FOR ORDINARY RESOLUTIONS |
| <i>For an ordinary resolution to be approved by the shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution</i> |

Ordinary resolution number 1: Re-election of Directors of the Company

The following Directors retire by rotation or are deemed to retire in terms of the Company's Memorandum of Incorporation (MOI) and, being eligible, make themselves available for re-election, each by way of a separate vote.

Ordinary resolution number 1.1

"RESOLVED THAT Mr RWR Buchholz who retires by rotation in terms of the MOI of the Company and, being eligible, offers himself for re-election and is hereby re-elected as a non-executive Director of the Company."

Ordinary resolution number 1.2

"RESOLVED THAT Ms EA Wilton who retires by rotation in terms of the MOI of the Company and, being eligible, offers herself for re-election and is hereby re-elected as a non-executive Director of the Company."

Ordinary resolution number 1.3

"RESOLVED THAT Mr RDEB Sassoon who retires by rotation in terms of the MOI of the Company and, being eligible, offers himself for re-election and is hereby re-elected as a non-executive Director of the Company."

Ordinary resolution number 1.4

"RESOLVED THAT Mr TH Njikizana who retires by rotation in terms of the MOI of the Company and, being eligible, offers himself for re-election and is hereby re-elected as a non-executive Director of the Company."

Motivation

The Company's MOI requires that at each AGM, one-third of the non-executive Directors or, if their number is not a multiple of three, then the number nearest to, but not less than one-third, shall retire from office. The MOI further states that the non-executive Directors who must retire at each AGM shall be those who have been longest in office since their last election.

The four mentioned above Directors who are scheduled to retire by rotation are eligible and have made themselves available for re-election.

Based on their skills, performance, capacity, experience, and independence (as well as a declaration of independence and capacity by all independent non-executive Directors), the Board of Directors has determined that each of the Directors standing for re-election meets the required standards expected of them. The afore-mentioned Directors remain eligible for re-election and the Board of Directors therefore supports their re-election and recommends their re-election to shareholders.

The profiles of all the Directors of the Company are included in the Integrated Report 2023 on pages 103 to 106.

The re-elections will be conducted by a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required under section 68(2) of the Companies Act.

Notice of Annual General Meeting *continued*

Ordinary resolution number 2: Reappointment of independent external auditors

“RESOLVED THAT PricewaterhouseCoopers Inc, with Mr Costa Natsas as the designated auditor, be re-appointed as independent auditors of the Company for the financial year ending 30 June 2024 and to remain in office until the conclusion of the next AGM in terms of section 90(1) of the Companies Act.”

Motivation

The GAC considered the independence of the Company’s auditors on an ongoing basis during the year and has recommended the re-appointment of PricewaterhouseCoopers Inc. as independent auditors of the Company, with Mr Costa Natas as the designated auditor. The Board of Directors has endorsed their appointment.

Shareholders are requested to consider, and if deemed fit, to appoint PricewaterhouseCoopers Inc. as external auditors of the Company, with Mr Costa Natsas as the designated auditor until the conclusion of the next AGM.

4. Special resolutions

| VOTING REQUIREMENT FOR SPECIAL RESOLUTIONS |
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| For a special resolution to be approved by the shareholders, it must be supported by 75% of the voting rights exercised on that resolution |

Special resolution number 1: General authority to repurchase shares

“RESOLVED THAT, subject to the Banks Act, No 94 of 1990, as amended (Banks Act), the relevant legislation which provides for the implementation of the Basel III Accord in South Africa (Capital Regulations) (Basel III), the JSE Limited Listings Requirements (JSE Listings Requirements) and the Companies Act, and in particular section 48(8)(b) thereof, read with sections 114 and 115, to the extent required, the Company and/or its subsidiaries be and are hereby authorised, by way of a general approval, to acquire any of its existing Shares in the issued Share Capital of the Company (Shares), upon such terms and conditions and in such amounts as the Board of Directors of the Company may from time to time decide, provided that:

1. such general approval shall expire at the date of the Company’s next AGM or 15 months from the date of this special resolution, whichever is the earlier;
2. the acquisition of shares is authorised in terms of the Company’s MOI;
3. purchases in the market will only be conducted through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
4. an announcement, as contemplated in the JSE Listings Requirements, will be published when the Company and/or its subsidiaries have acquired, on a cumulative basis, 3% of the initial number of Shares of a class it had in issue at the date of this special resolution and for each additional 3% in aggregate of that initial number of that class. Thereafter, the number of Shares which may be acquired shall not, in any one financial year, exceed 5% of the number of Shares in issue in respect of which the acquisition is being made;
5. an acquisition may not be made at a price greater than 10% above the weighted average of the market value of the applicable class of Shares in issue for the five business days immediately preceding the date on which the transaction is completed. The JSE will be consulted for a ruling if the applicable class of the Company’s Shares has not traded in such a five-business day period;
6. at any point in time, the Company may only appoint one independent agent to effect any acquisition(s) on the Company’s behalf;

7. the Board of Directors has resolved:
 - a) to authorise the acquisition;
 - b) that the Company and/or its subsidiaries have passed the solvency and liquidity test (as contemplated by section 4 (1) of the Companies Act); and
 - c) that, since the solvency and liquidity test was performed, there have been no material changes to the financial position of the Company, the subsidiary, or the Sasfin Group of companies.
8. Shares may not be acquired during any prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless a repurchase programme is in place in respect of which the quantities of Shares to be traded during such period are fixed, has been submitted to the JSE in writing prior to the commencement of the prohibited period, and executed by an independent third party."

Motivation

The effect of the general authority and the rationale is to extend the general authority given to the Directors of the Company or any subsidiary of the Company in terms of the Companies Act and the JSE Listings Requirements for the acquisition by the Company or its subsidiaries of Shares, which authority shall be used at the Directors' discretion during the course of the authorised period.

JSE Listings Requirements

In accordance with the JSE Listings Requirements, it is recorded that:

The Directors would utilise the renewed general authority to repurchase Shares to serve shareholders' interests, as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

Any repurchases under special resolution number 1 by the Company or by a subsidiary of the Company of Shares in the Company will be at market value in accordance with the provisions set out under special resolution number 1.

The Directors undertake that they will not implement any repurchase as contemplated in special resolution number 1 while this general authority is valid unless:

- the Company and its subsidiaries will be able to pay their debts in the ordinary course of business;
- the assets of the Company and its subsidiaries will be in excess of the liabilities of the Company and its subsidiaries, the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited Group Annual Financial Statements;
- the share capital and reserves of the Company and its subsidiaries are adequate for ordinary business;
- the working capital of the Company and its subsidiaries are adequate for ordinary business; and
- the requirements of the Banks Act are complied with.

Disclosures required in terms of paragraph 11.26 of the JSE Listings Requirements:

The following additional information is provided in terms of the JSE Listings Requirements for purposes of special resolution number 1:

On page 2 of this report:

Major shareholders

On page 3 and 18 of this report:

Company's share capital

Notice of Annual General Meeting *continued*

Directors' responsibility statement:

The Directors, whose names are given on pages 103 to 106 of the Integrated Report 2023, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 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 the aforementioned special resolution contains all the information required by law and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the Integrated Report 2023, there have been no material changes in the financial or trading position of the Company or its subsidiaries since the Company's financial year-end, publication of its annual financial statements and the signature date of the Integrated Report 2023.

Special resolution number 2: Financial assistance to related or inter-related companies

"RESOLVED THAT the Company be and is hereby authorised, in terms of a general authority contemplated in section 45(3) (a) (ii) of the Companies Act, to provide direct or indirect financial assistance (as defined in section 45(1) of the Companies Act ("Financial Assistance") for a period of two years from the date of this resolution to any of the following categories of persons (Categories of Persons):

- a) related or inter-related companies or corporations; and/or
- b) member/s of related or inter-related companies or corporations;

subject to, in relation to each grant of Financial Assistance to the Categories of Persons, compliance with the Company's MOI and the Companies Act, including but not limited to the Board of Directors of the Company being satisfied that:

- (i) pursuant to section 45(3)(b)(i) of the Companies Act, immediately after providing the Financial Assistance, the Company would satisfy the requirements of the solvency and liquidity test (as contemplated by section 4(1) of the Companies Act);
- (ii) pursuant to section 45(3)(b)(ii) of the Companies Act, the terms under which the Financial Assistance is proposed to be given are fair and reasonable to the Company; and
- (iii) any conditions or restrictions in respect of the granting of the Financial Assistance set out in the Company's MOI have been satisfied."

Motivation

Section 45 of the Companies Act regulates the provision of Financial Assistance by the Company to certain Categories of Persons. The term 'Financial Assistance' has been widely defined in the Companies Act and includes lending money, guaranteeing a loan or obligation, and securing any debt or obligation, but excludes lending money in the ordinary course of business by a company whose primary business is the lending of money.

In terms of the Companies Act, the Board of Directors may provide Financial Assistance as contemplated in section 45 of the Companies Act to the Categories of Persons, provided that the shareholders of the Company have passed a special resolution within the previous two years which approves such Financial Assistance generally for such Categories of Persons.

The effect is that this will allow the Board of Directors of the Company, subject to applicable law, in particular the solvency and liquidity requirements as set out in the Companies Act, to provide Financial Assistance to the said Categories of Persons.

Special resolution number 3: Financial assistance for subscription of shares

"RESOLVED THAT, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval and subject to any restrictions as may be contemplated in terms of section 78(1) of the Banks Act, the Board of Directors be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board of Directors may deem fit to any company or corporation that is related or inter-related to the Company ("related" or "inter-related" will herein have the meaning attributed to it in section 2 of the Companies Act), on the terms and conditions and for amounts that the Board of Directors may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company."

Motivation

The reason for and effect of special resolution number 3 is to grant the Directors the authority, until the next AGM of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of or in connection with the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation.

This means that the Company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a subsidiary raises funds by way of issuing Preference Shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the Preference Shares.

Notice of Annual General Meeting *continued*

Special resolution number 4: Approval of Non-executive directors' remuneration

"RESOLVED THAT the remuneration of non-executive Directors (plus Value Added Tax (VAT) thereon, where applicable) as set out in the table below, be and is hereby approved to be payable to non-executive Directors for their services as Directors of the Company for the period 1 November 2023 until the last day of the month preceding the date of the next AGM."

| | 2022/2023 | | 2023/2024 | | | |
|--|----------------------|---------------------|--------------------------|------------|---------------------|------------|
| | Annual fee: Member R | Annual fee: Chair R | Annual fee: Member R | % change | Annual fee: Chair R | % change |
| Sasfin Holdings and Sasfin Bank Board of Directors | 299 854 | 1 218 525 | 317 245.53 | 5.8 | 1 199.45 | 5.8 |
| Group Audit Committee (GAC) | 95 767 | 219 789 | 101 321.49 | 5.8 | 232 536.76 | 5.8 |
| Group HR and Remuneration Committee (REMCO) | 76 909 | 134 995 | 81 369.72 | 5.8 | 142 824.71 | 5.8 |
| Social and Ethics Committee (SEC) | 55 871 | 91 770 | 59 111.52 | 5.8 | 97 092.66 | 5.8 |
| Group Risk and Capital Management Committee (GRCMC) | 93 960 | 211 939 | 99 409.68 | 5.8 | 224 231.46 | 5.8 |
| Credit and Large Exposures Committee (CLEC) | 76 909 | 137 881 | 81 369.72 | 5.8 | 145 878.10 | 5.8 |
| Information Technology Committee (ITC) | 62 824 | 115 591 | 66 467.79 | 5.8 | 122 295.28 | 5.8 |
| | | | | | | |
| | | | Per meeting fee R | | | |
| Ad Hoc or Special Committees (paid on attendance and subject to certain conditions being met) ¹ | | | 11 244 | | | |

¹ See note 7.

Notes:

1. Annual Board of Directors member fees include fees for Sasfin Bank Limited.
2. The above fees are exclusive of VAT. Where applicable, VAT will be levied and such fees plus VAT will be paid to the non-executive Directors concerned (subject to the issue of a valid tax invoice reflecting fees plus VAT).
3. The fee for the Chair of the Board of Directors is an all-inclusive fee as Chair and member of any board of directors or committee of any other company in the Group, or any Committee of the Board of Directors.
4. The Board of Directors has considered the statutory requirement to have a separate Directors' Affairs and Nominations Committee (DANC) and agreed to hold the DANC meetings immediately prior to the Board meetings, if possible, without paying a separate fee for attendance at meetings of this committee. The Board of Directors fee proposed reflects this principle.
5. On a like-for-like basis the proposed increase represents a 5.8% increase overall.
6. Annual retainer fees, as outlined in the table above, will be paid in all instances. In line with the recommendations of the REMCO, due to the unique nature of the CLEC, a special meeting fee of 25% of the standard meeting fee will be payable to members of the CLEC on attendance of special meetings.

7. *The REMCO has recommended the introduction of a special meeting fee to be paid in respect of ad hoc or special committees constituted by the Board of Directors subject to certain criteria approved by the DANC and the REMCO, including but not limited to:*
 - a) *Instances where special (not business as usual) circumstances exist that require the constitution of an ad hoc or special subcommittee with a specific mandate, approved by the DANC and constituted by a delegation of the board.*
 - b) *Instances where significant director involvement is required in a specific and time-limited major issue such as restructuring, remediation, acquisitions or in a time of crisis. The work of the ad hoc or special subcommittee may not constitute consulting services and it is acknowledged that the work is onerous, regular and repeatable / frequent (monthly or at shorter intervals).*
 - c) *Instances where there is justification for directors to contribute time and attention to the matter over and above what would be considered an "ordinary" commitment.*
 - d) *The payment of a fee will be approved by the DANC and will be equal to 15% of a director's quarterly retainer fee for membership of the Board of Directors.*
8. *Executive Directors of the Company do not receive fees as members of the Board and Board Committees.*
9. *Directors nominated by Wipfin Investments (Pty) Ltd do not receive any fees, regardless of their attendance at meetings of the Board of Directors or Committees on which they serve.*
10. *Remuneration for any additional work performed by a non-executive Director, outside of the scope of his/her duties towards the Boards of Directors and Committees referred to in the fee schedule and the notes thereto, will be determined by the Chair of the Board of Directors in terms of the authority granted to him/her under this resolution to the extent required for such additional work performed by non-executive Directors. Remuneration for any additional work performed by the Chair of the Board of Directors outside the scope of his/her duties towards the Boards and Committees referred to in the fee schedule and notes thereto, will be determined by the Lead Independent Director in terms of the authority granted to him under this resolution, to the extent required for such additional work performed by the Chair of the Board of Directors.*

Motivation

In terms of section 66(8) and 66(9), read with Section 65 (11) (h) of the Companies Act, remuneration may only be paid to Directors for their services as Directors in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited by the Company's MOI. Sasfin's MOI provides for payment of such remuneration.

If approved by the shareholders at the AGM, the fees as set out in the table above, will be payable to the non-executive Directors on the Board of Directors until the conclusion of the month preceding the next AGM. Remuneration and benefits paid to the directors are in the Remuneration Report, on page 114 of the 2023 Integrated Report.

5. Non-binding advisory votes

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| <i>Non-binding advisory votes</i> |
| If the remuneration policy or the implementation report, or both, are voted against by 25% or more of the voting rights exercised, the Board of Directors will implement certain measures. |

Non-binding advisory vote 1: Endorsement of the Remuneration Policy

"By way of a non-binding advisory vote, the Company's Remuneration Policy as set out in the Remuneration Report on page 109 of the 2023 Integrated Report, is hereby endorsed."

Motivation

King IV™ Report on Corporate Governance for South Africa 2016 (King IV™) recommends, and the JSE Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each AGM.

This enables shareholders to express their views on the remuneration policies adopted by the Company.

Notice of Annual General Meeting *continued*

The non-binding vote is of an advisory nature only and failure to pass the non-binding vote by the requisite number of votes will therefore have no legal consequences on the existing remuneration arrangements.

However, the Board of Directors will engage with dissenting shareholders in good faith in the event that a vote of 25% or more is recorded against the remuneration policy, to ascertain with best reasonable effort the reasons for the dissenting votes, and to address legitimate and reasonable objections which may include amending the remuneration policy or clarifying or adjusting remuneration governance and/or processes. Dissenting shareholders are also invited to engage with the Company to communicate their concerns to the Group Company Secretary, Charissa de Jager, at charissa.dejager@sasfin.com within a reasonable period after the AGM.

The Board of Directors will take the outcome of the vote, and any subsequent engagement with dissenting shareholders, into consideration when considering amendments to the Company's Remuneration Policy.

Non-binding advisory vote 2: Endorsement of the Remuneration Implementation Report

"By way of a non-binding advisory vote, the Company's Remuneration Implementation Report as set out on page 113 of the 2023 Integrated Report, is hereby endorsed."

Motivation

King IV™ recommends, and the JSE Listings Requirements require, that a report on the implementation of a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM.

This enables shareholders to express their views on the implementation of the Company's Remuneration Policy. The non-binding vote is of an advisory nature only and failure to pass the non-binding vote by the requisite number of votes will therefore have no legal consequences on the existing remuneration arrangements.

However, the Board of Directors will engage with dissenting shareholders in good faith in the event that a vote of 25% or more is recorded against the Remuneration Implementation Report, to ascertain with best reasonable effort the reasons for the dissenting votes, and to address legitimate and reasonable objections which may include amending the implementation report or clarifying or adjusting remuneration governance and/or processes. Dissenting shareholders are also invited to engage with the Company to communicate their concerns to the Group Company Secretary, Charissa de Jager at charissa.dejager@sasfin.com within a reasonable period after the AGM.

The Board of Directors will take the outcome of the vote, and any subsequent engagement with dissenting shareholders, into consideration when considering amendments to the Company's Remuneration Implementation Report.

30 November 2023

Charissa de Jager

Group Company Secretary
charissa.dejager@sasfin.com
Tel: 011 531 9253

Registered office:

140 West Street
Sandton 2196

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196

Participation process

All holders of the issued Ordinary Shares are entitled to attend and vote at the AGM.

| | Dematerialised shareholders without own name registration | Own name dematerialised shareholders AND Certificated shareholders |
|---|--|---|
| Shareholders who wish to attend and vote at the AGM either in person or electronically | <ul style="list-style-type: none"> Request your central securities depository participant (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. Register online at www.meetnow.global/za by no later than 10:00 on Friday, 26 January 2024. Shareholders may still register online to participate in and/or vote electronically or in-person at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM. As part of the registration process, you will be requested to upload your letter of representation and proof of identification (e.g. valid South African (SA) identity document, SA driver's license or passport), as well as to provide details, such as your name, surname, email address and contact number. Following successful registration, the Transfer Secretary will provide you with a meeting link to connect electronically to the AGM. Shareholders attending in-person will also use the link to vote electronically. | <ul style="list-style-type: none"> Register online at www.meetnow.global/za by no later than 10:00 on Friday, 26 January 2024. Shareholders may still register online to participate in and/or vote electronically or in-person at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM. As part of the registration process, you will be requested to upload proof of identification (i.e. SA identity document, SA driver's license or passport) and authority to do so (where acting in a representative capacity), as well as to provide details, such as your name, surname, email address and contact number. Following successful registration, the Transfer Secretary will provide you with a meeting link and invitation code in order to connect electronically to the AGM. Shareholders attending in-person will also use the link to vote electronically. |
| Shareholders who wish to vote, but not attend the AGM | <ul style="list-style-type: none"> Provide your central securities depository participant ("CSDP") or broker with your voting instructions in terms of the custody agreement entered into between you and your CSDP or broker. You should contact your CSDP or broker regarding the cut-off time for submitting your voting instructions to them. If your broker or CSDP does not receive voting instructions from you, it will be obliged to vote in accordance with the instructions in the custody agreement. | <ul style="list-style-type: none"> Complete the form of proxy attached to this Notice of AGM and email same, together with proof of identification (i.e. SA identity document, SA driver's license or passport) and authority to do so (where acting in a representative capacity), to the Transfer Secretary, Computershare Investor Services (Pty) Ltd, at proxy@computershare.co.za so as to be received by the Transfer Secretary by no later than 10:00 Friday, 26 January 2024, provided that any form of proxy not delivered to the Transfer Secretary by this time and date may be emailed to the Transfer Secretary (who will provide same to the Chair of the AGM) at any time prior to the AGM, provided that such form of proxy and identification must be verified and registered before the commencement of the AGM. |

Notice of Annual General Meeting *continued*

General important information

1. Each Sasfin shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the Company) to participate, speak and vote in their stead at the AGM.
2. Voting will take place by way of a poll and accordingly each shareholder will have one vote in respect of each share held.
3. The cost (e.g. mobile data consumption) of electronic participation in the AGM will be carried by the shareholder or participant.
4. The shareholder or participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company and its Directors, employees, Company Secretary, Transfer Secretary and/or service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the shareholder/participant or anyone else. In particular, but not exclusively, the shareholder or participant acknowledges that he/she will have no claim against the Company or its Directors, employees, Company Secretary, Transfer Secretary and/or service providers, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the shareholder or participant via the electronic services to the AGM.
5. In terms of section 63(1) of the Companies Act, before any person may attend or participate in a shareholders' meeting such as the meeting convened in terms of this Notice of AGM, that person must present reasonably satisfactory identification and the Chair presiding 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. The Company will regard the presentation of participants' driving licenses, identity documents or passports to be satisfactory documentation.
6. Equity securities held by a share trust or scheme will not have their votes at the AGM considered for the purposes of resolutions proposed in terms of the JSE Limited Listings Requirements.
7. The quorum for the purposes of considering the resolutions shall consist of at least three shareholders present in person or represented by proxy and entitled to vote on at least one matter at the AGM. In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the AGM.
8. Results of the AGM will be announced via SENS and posted on the Company's website as soon as practically possible, but no later than 48 hours after the end of the meeting.

Enquiries

Any shareholder having queries regarding the AGM or the above may contact the Group Company Secretary, Charissa de Jager, on Tel: +27 11 531 9253 or charissa.dejager@sasfin.com

Form of proxy

sasfin

Holdings Limited

SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registration number 1987/002097/06
Ordinary share code: SFN ISIN: ZAE 000006565
("Sasfin" or the "Company")

I/We (names in CAPITAL LETTERS)

Of (address)

Being a shareholder(s) of Sasfin and entitled, on a poll, to _____ (number) votes, hereby appoint:

_____ (name) of _____ (address) or failing him/her

_____ (name) of _____ (address) or failing him/her

the Chair of the AGM, as my/our proxy to vote for me/us and on my/our behalf at the AGM of the Company to be held on Tuesday, 30 January 2024, at 10:00 and/or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done, the proxy or the Chair, as the case may be, will be deemed to have been authorised to vote as he/she thinks fit.

Proxy form resolutions

| Number | Item | In favour | Against | Abstain |
|--------|---|-----------|---------|---------|
| 1. | Presentation of the Annual Financial Statements, together with the reports of the Board of Directors and the GAC for the financial year ended 30 June 2023 | | | |
| 2. | Presentation of the report of the Social and Ethics Committee for the financial year ended 30 June 2023 | | | |
| 3. | Ordinary resolutions | | | |
| | To consider the following ordinary resolutions: | | | |
| | <i>Ordinary resolution 1: Re-election of Directors of the Company</i> | | | |
| | (1.1) To re-elect, as a non-executive Director, Mr RWR Buchholz | | | |
| | (1.2) To re-elect, as a non-executive Director, Ms EA Wilton | | | |
| | (1.3) To re-elect, as a non-executive Director, Mr RDEB Sassoon | | | |
| | (1.4) To re-elect, as a non-executive Director, Mr TH Njikizana | | | |
| | <i>Ordinary resolution 2: Reappointment of independent auditors</i> | | | |
| | To reappoint PricewaterhouseCoopers Inc. as independent auditors, with Mr Costa Natsas as the designated auditor for the 2024 financial year | | | |
| 4. | Special resolutions | | | |
| | <i>Special Resolution 1: General authority to repurchase shares</i> | | | |
| | <i>Special resolution 2: General authority to provide financial assistance to related and inter-related companies/corporations (section 45)</i> | | | |
| | <i>Special resolution 3: General authority to provide financial assistance for subscription of shares (section 44)</i> | | | |
| | <i>Special resolution 4: Approval of Non-Executive Directors' fees 2023/2024</i> | | | |
| 5. | Non-binding advisory votes | | | |
| | <i>Non-binding advisory vote number 1: Endorsement of the Company's Remuneration Policy</i> | | | |
| | <i>Non-binding advisory vote number 2: Endorsement of the Company's Remuneration Implementation Report</i> | | | |

Signature

Date

Please read the notes accompanying this form.

For use only by certificated ordinary shareholders and own-name registered dematerialised ordinary shareholders at the AGM of Sasfin shareholders to be held on Tuesday, 30 January 2024, at 10:00 or such later time that may be applicable.

Not to be used by beneficial owners of shares who have dematerialised their shares (dematerialised shares) through a Central Securities Depository Participant (CSDP) or broker unless they are recorded on the sub-register as own-name dematerialised shareholders. Generally, you will not be an own-name dematerialised shareholder unless you have specifically requested your CSDP or broker to record you as the holder of the shares in your own name in the Company's sub-register.

Only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the Company's sub-register as the holders of dematerialised shares.

Each shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies (none of whom need to be a shareholder of the Company) to attend, speak, and vote in place of that shareholder at the AGM and any adjournment or postponement thereof.

Notes to the form of proxy

1. It is recommended that the proxy forms should be lodged with the Transfer Secretary of the Company, Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or posted to the Transfer Secretary at Private Bag X9000, Saxonwold, 2132, to be received by them not later than 10:00 on Friday, 26 January 2024 (for administrative purposes only). However, any form of proxy not delivered to the Transfer Secretary by this time and date may be emailed to the Transfer Secretary at proxy@computershare.co.za (who will provide same to the Chair of the AGM) at any time prior to the AGM.
2. Voting will be performed by way of a poll so that each shareholder present or represented by way of proxy will be entitled to vote the number of shares held or represented by him or her.
3. The completion and lodging of this form of proxy will not preclude the relevant Sasfin shareholder from attending the AGM and speaking and voting thereat to the exclusion of any proxy appointed in terms hereof. The appointment of a proxy shall remain valid until the end of the meeting contemplated in this appointment. The appointment of a proxy is revocable unless the proxy appointment expressly states otherwise.
4. Where there are joint holders of shares, the votes of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of shareholders, will be accepted.
5. A proxy is entitled to attend, speak and vote at the AGM in place of the shareholder, who he or she is representing. A proxy need not be a shareholder of the Company.
6. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of Shares than you own in Sasfin, insert the number of Shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy or Chair, as the case may be, to vote or to abstain from voting at the AGM as he or she deems fit in respect of all of the shareholder's votes exercisable thereat.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretary of Sasfin or waived by the Chair of the AGM of Sasfin shareholders.
8. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.
9. The Chair of the AGM may, in the Chair's absolute discretion, accept or reject any form of proxy which is completed, other than in accordance with these notes.
10. Dematerialised shareholders, other than by own-name registration, must NOT complete this form of proxy but must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered in to between such shareholders and their CSDP or broker.

Summarised Consolidated Group Results and Dividend Declaration

for the year ended 30 June 2023

Consolidated statement of financial position

at 30 June 2023

| | 2023 R'000 | 2022 R'000 Restated ¹ | 2021 R'000 Restated ¹ |
|---|-------------------|--|--|
| Assets | | | |
| Cash and cash equivalents ¹ | 866 637 | 768 770 | 1 259 600 |
| Negotiable securities | 1 293 411 | 1 790 340 | 2 085 077 |
| Trading assets | 467 196 | 547 848 | 703 433 |
| Trade and other receivables ¹ | 1 232 952 | 838 600 | 463 066 |
| Non-current assets held for sale | – | – | 6 700 |
| Loans and advances ¹ | 9 049 976 | 8 117 587 | 6 717 675 |
| Current taxation asset | 47 679 | 39 766 | 26 595 |
| Investment securities | 700 918 | 689 447 | 644 893 |
| Investments at fair value through profit or loss ¹ | 621 058 | 634 697 | 624 804 |
| Equity accounted associates | 79 860 | 54 750 | 20 089 |
| Property, equipment and right-of-use assets | 164 536 | 183 082 | 65 068 |
| Investment property | 14 600 | 20 138 | 16 400 |
| Intangible assets and goodwill | 110 949 | 144 729 | 160 856 |
| Deferred tax asset | 64 228 | 45 380 | 37 584 |
| Total assets | 14 013 082 | 13 185 687 | 12 186 947 |
| Liabilities | | | |
| Funding under repurchase agreements | 351 885 | 803 976 | 700 067 |
| Trading liabilities | 441 344 | 518 596 | 658 957 |
| Current taxation liability | 1 746 | 1 364 | 5 093 |
| Trade and other payables ¹ | 1 448 676 | 1 114 419 | 885 282 |
| Bank overdraft | 113 081 | 68 541 | 30 392 |
| Provisions | 68 657 | 69 348 | 72 714 |
| Lease liabilities | 151 518 | 157 116 | 43 205 |
| Deposits from customers | 5 629 443 | 5 233 182 | 4 732 764 |
| Debt securities issued | 3 720 138 | 2 991 426 | 2 741 583 |
| Long-term loans | 276 488 | 499 521 | 730 904 |
| Deferred tax liability | 155 633 | 144 696 | 110 770 |
| Total liabilities | 12 358 609 | 11 602 185 | 10 711 731 |
| Equity | | | |
| Ordinary share capital ¹ | 323 | 323 | 323 |
| Ordinary share premium | 166 945 | 166 945 | 166 945 |
| Reserves ¹ | 1 487 205 | 1 416 234 | 1 264 617 |
| Preference share capital | – | – | 18 |
| Preference share premium | – | – | 43 313 |
| Total equity | 1 654 473 | 1 583 502 | 1 475 216 |
| Total liabilities and equity | 14 013 082 | 13 185 687 | 12 186 947 |

¹ Prior periods by restatement, please refer to Note 49 of the full annual financial statements online for additional information.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2023

| | 2023 R'000 | 2022 R'000 Restated ¹ |
|---|--------------------|--|
| Interest income | 1 471 670 | 1 036 421 |
| Interest income calculated using the effective interest method ¹ | 1 414 961 | 987 895 |
| Other interest income ¹ | 56 709 | 48 526 |
| Interest expense | (773 926) | (480 771) |
| Interest expense calculated using the effective interest method | (755 978) | (469 526) |
| Other interest expense | (17 948) | (11 245) |
| Net interest income | 697 744 | 555 650 |
| Non-interest income | 681 094 | 744 078 |
| Net fee and commission income | 382 068 | 384 939 |
| Fee and commission income ¹ | 658 891 | 635 456 |
| Fee and commission expense ¹ | (276 823) | (250 517) |
| Gains and losses on financial instruments | 140 815 | 152 461 |
| Net gains on the derecognition of financial instruments at amortised cost | 17 168 | 25 847 |
| Other gains or losses on financial instruments | 123 647 | 126 614 |
| Other income on non-financial assets ¹ | 158 211 | 206 678 |
| Total income | 1 378 838 | 1 299 728 |
| Credit impairment charges ¹ | (77 424) | (18 238) |
| Net income after impairments | 1 301 414 | 1 281 490 |
| Total operating costs | (1 203 945) | (1 088 532) |
| Staff costs | (620 604) | (560 259) |
| Other operating expenses ¹ | (579 178) | (528 273) |
| Impairments of non-financial assets | (4 163) | – |
| Profit for the year from operations | 97 469 | 192 958 |
| Share of associate income | 31 270 | 14 146 |
| Profit for the year before income tax | 128 739 | 207 104 |
| Income tax expense | (19 912) | (50 134) |
| Profit for the year | 108 827 | 156 970 |
| Total comprehensive income for the year | 108 827 | 156 970 |
| Profit attributable to: | | |
| Equity holders of the Group | 108 827 | 156 970 |
| Total comprehensive income attributable to: | 108 827 | 156 970 |
| Equity holders of the Group | 108 827 | 156 970 |
| Earnings per share: | | |
| Basic and diluted earnings per share (cents) ¹ | 353.65 | 510.09 |

¹ Prior periods by restatement, please refer to Note 49 of the full annual financial statements online for additional information.

Consolidated statement of changes in equity

for the year ended 30 June 2023

| | Ordinary share capital R'000 | Ordinary share premium R'000 | Treasury shares R'000 | Distributable reserves R'000 |
|---|---------------------------------|---------------------------------|--------------------------|---------------------------------|
| 2023 | | | | |
| Restated balance at the beginning of the year | 323 | 166 945 | (40 177) | 1 456 411 |
| Total comprehensive income for the year | - | - | - | 108 827 |
| Profit for the year | - | - | - | 108 827 |
| Transactions with owners recorded directly in equity | | | | |
| Dividends to ordinary shareholders | - | - | - | (37 856) |
| Balance at the end of the year | 323 | 166 945 | (40 177) | 1 527 382 |
| 2022 | | | | |
| Balance at the beginning of the year | 321 | 166 945 | (40 177) | 1 378 150 |
| Restatement (refer Note 49) | 2 | - | - | (73 356) |
| Restated opening balance at the beginning of the year | 323 | 166 945 | (40 177) | 1 304 794 |
| Total comprehensive income for the year | - | - | - | 156 970 |
| Profit for the year | - | - | - | 156 970 |
| Transactions with owners recorded directly in equity | | | | |
| Preference share buy-back and cancellation and transfer of reserves | - | - | - | 43 331 |
| Preference share buy-back accrual write back | - | - | - | 2 556 |
| Dividends to ordinary shareholders | - | - | - | (51 240) |
| Restated balance at the end of the year | 323 | 166 945 | (40 177) | 1 456 411 |

Dividend per share

| | 2023 Cents per share | 2022 Cents per share |
|--|----------------------------|----------------------------|
| Ordinary shares | | |
| Interim dividend (declared and paid) | - | 33.95 |
| Final dividend (declared in 2022 and paid in 2023) | 120.90 | 131.02 |

| Total ordinary shareholders' equity R'000 | Preference share capital R'000 | Preference share premium R'000 | Total shareholders' equity R'000 |
|--|---|---|---|
| 1 583 502 | - | - | 1 583 502 |
| 108 827 | - | - | 108 827 |
| 108 827 | - | - | 108 827 |
| - | - | - | - |
| (37 856) | - | - | (37 856) |
| 1 654 473 | - | - | 1 654 473 |
| 1 505 239 (73 354) | 18 - | 43 313 - | 1 548 570 (73 354) |
| 1 431 885 156 970 | 18 - | 43 313 - | 1 475 216 156 970 |
| 156 970 | - | - | 156 970 |
| 43 331 2 556 (51 240) | (18) - - | (43 313) - - | - 2 556 (51 240) |
| 1 583 502 | - | - | 1 583 502 |

Consolidated statement of cash flows

for the year ended 30 June 2023

| | 2023 R'000 | 2022 R'000 Restated ¹ |
|--|------------------|--|
| Cash flows from operating activities | | |
| Interest received ¹ | 1 316 030 | 899 560 |
| Interest paid ¹ | (785 079) | (481 298) |
| Fee and commission income received ¹ | 658 891 | 635 454 |
| Fee and commission expense paid ¹ | (276 823) | (250 516) |
| Net trading and other income/(expenses) ¹ | 153 701 | 220 656 |
| Cash payments to employees and suppliers ¹ | (1 066 675) | (945 319) |
| Cash inflow from operating activities | 45 | 78 537 |
| Dividends received | 24 954 | 20 965 |
| Taxation paid | (35 352) | (40 905) |
| Dividends paid | (37 856) | (51 240) |
| Cash flows from operating activities before changes in operating assets and liabilities | (48 209) | 7 357 |
| Changes in operating assets and liabilities | (650 907) | (569 065) |
| (Increase) in loans and advances ¹ | (822 009) | (1 235 099) |
| Decrease in trading assets ¹ | 120 648 | 173 329 |
| Decrease in negotiable securities ¹ | 551 875 | 291 834 |
| Increase in trade and other receivables ¹ | (426 239) | (375 534) |
| Increase in deposits from customers ¹ | 398 001 | 500 268 |
| Increase in trade and other payables ¹ | 333 273 | 363 949 |
| (Decrease) in provisions | (54 082) | (55 269) |
| (Decrease) in long-term loans ¹ | (223 033) | (211 383) |
| (Decrease)/Increase in funding under repurchase agreements ¹ | (452 090) | 119 201 |
| (Decrease) in trading liabilities | (77 251) | (140 361) |
| (Decrease) in debt securities issued ¹ | – | – |
| Net cash from operating activities | (699 116) | (561 708) |
| Cash flows from investing activities | | |
| Proceeds from the disposal of property and equipment | 360 | 3 890 |
| Proceeds on disposal of subsidiary | 80 | – |
| Proceeds from the disposal of investment property | 1 097 | 23 972 |
| Proceeds from the disposal of investment securities | 56 756 | – |
| Acquisition of property and equipment | (10 933) | (38 796) |
| Acquisition of intangible assets | (6 256) | (15 665) |
| Acquisition of investment securities | (15) | (1 382) |
| Acquisition of and restructure of associate | – | (20 515) |
| Advances of investment securities | (1 940) | (10 512) |
| Repayments of investment securities ¹ | 8 062 | 52 189 |
| Net cash flows from investing activities | 47 211 | (6 819) |
| Cash flows from financing activities | | |
| Purchase and cancellation of preference shares | – | (135 180) |
| Decrease in Absa preference shares ¹ | – | (20 000) |
| Settlement of debt securities ¹ | (972 625) | (1 041 260) |
| Proceeds from issuance of debt securities ¹ | 1 711 000 | 1 286 000 |
| Repayment of lease liabilities | (15 908) | (33 232) |
| Increase in bank overdraft ² | 113 081 | – |
| Net cash flows from financing activities | 835 548 | 56 328 |
| Net increase/(decrease) in cash and cash equivalents | 183 643 | (512 198) |
| Cash and cash equivalents at beginning of the year ¹ | 700 229 | 1 229 208 |
| Effect of exchange rate movements on cash and cash equivalents | (17 234) | (16 781) |
| Cash and cash equivalents at the end of the year ¹ | 866 637 | 700 229 |

¹ Prior periods by restatement, please refer to Note 49 of the full annual financial statements online for additional information.

² Refer to Accounting policy Note 1.11 in the Annual Financial Statements online for the treatment of the bank overdraft.

Notes to the consolidated financial statements

for the year ended 30 June 2023

1. Basis of preparation

The Consolidated and Separate Annual Financial Statements have been prepared in accordance with 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 and the JSE Listings Requirements.

The full Consolidated and Separate Annual Financial Statements were authorised for issue by the Board on 31 October 2023.

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

The Group has, in the preparation of these Consolidated and Separate Annual Financial Statements, consistently applied the accounting policies with those applied in the previous financial year, unless otherwise stated. The Consolidated and Separate Annual Financial Statements are prepared on the historical cost basis, except as set out in the accounting policies which follow.

Assets and liabilities, income and expenses, are not offset in the income statement or balance sheet unless specifically permitted by IFRS.

| | 2023 R'000 | 2022 R'000 Restated ¹ |
|---|----------------|--|
| 2. Investment securities | | |
| Investments at fair value through profit or loss | 621 058 | 634 697 |
| Listed equity investments | – | 275 |
| Private Equity investments ² | 412 314 | 411 787 |
| Property Equity investments ² | 103 780 | 117 335 |
| Multi-asset fund ¹ | 104 964 | 105 300 |
| Equity accounted associates | 79 860 | 54 750 |
| | 700 918 | 689 447 |

¹ Relates to money market funds that did not meet the definition of cash equivalents. Prior year was amended accordingly. Please refer to Note 49 of the full annual financial statements online for further detail.

² Private and Property Equity investments were disaggregated in the current year. Prior year was amended accordingly.

The associates of the Group that are classified and measured at FVTPL are involved in a variety of businesses. The voting rights in these investments range between 20% and 50%.

All associates are incorporated in South Africa. A full list of associates is available, on request, at the registered office of the Group.

Notes to the consolidated financial statements *continued*

| | 2023 R'000 | 2022 R'000 |
|------------------------------------|------------------|---------------|
| 3. Deposits from customers | | |
| Current deposits | 923 184 | 674 394 |
| Call deposits | 1 705 562 | 1 565 153 |
| Notice deposits | 1 389 965 | 946 497 |
| Fixed deposits | 1 517 341 | 2 011 826 |
| Negotiable certificates of deposit | 93 391 | 35 312 |
| | 5 629 443 | 5 233 182 |

4. Loans and advances

| | Total R'000 | Year 1 R'000 | Year 2 R'000 | Year 3 R'000 | Year 4 R'000 | Year 5 R'000 | More than 5 years R'000 |
|---|--------------------|------------------|------------------|------------------|------------------|-----------------|----------------------------------|
| 2023 | | | | | | | |
| Loans and advances at amortised cost | | | | | | | |
| Gross investment in leases | 9 947 212 | 3 772 945 | 2 758 167 | 1 922 327 | 1 098 123 | 363 465 | 32 185 |
| Equipment Finance | 6 682 660 | 2 627 582 | 1 856 371 | 1 283 607 | 701 073 | 207 898 | 6 129 |
| Capital Equipment Finance | 3 264 552 | 1 145 363 | 901 796 | 638 720 | 397 050 | 155 567 | 26 056 |
| Less: Unearned finance income | (2 137 913) | (968 388) | (651 901) | (347 443) | (138 848) | (28 944) | (2 389) |
| Equipment Finance | (1 431 208) | (676 820) | (433 115) | (223 927) | (83 534) | (13 342) | (470) |
| Capital Equipment Finance | (706 705) | (291 568) | (218 786) | (123 516) | (55 314) | (15 602) | (1 919) |
| Net investment in leases | 7 809 299 | 2 804 557 | 2 106 266 | 1 574 884 | 959 275 | 334 521 | 29 796 |
| Equipment Finance | 5 251 452 | 1 950 762 | 1 423 256 | 1 059 680 | 617 539 | 194 556 | 5 659 |
| Capital Equipment Finance | 2 557 847 | 853 795 | 683 010 | 515 204 | 341 736 | 139 965 | 24 137 |
| Trade and Debtor Finance | 690 213 | | | | | | |
| Other Loans ¹ | 489 947 | | | | | | |
| Loans and advances before expected credit losses | 8 989 459 | | | | | | |
| Credit loss allowance (refer to Note 43) | (523 827) | | | | | | |
| Total loans and advances at amortised cost | 8 465 632 | | | | | | |
| Loans and advances at FVTPL | 584 344 | | | | | | |
| Specialised lending ¹ | 584 344 | | | | | | |
| Total loans and advances² | 9 049 976 | | | | | | |

4. Loans and advances *continued*

| | Total R'000 | Year 1 R'000 | Year 2 R'000 | Year 3 R'000 | Year 4 R'000 | Year 5 R'000 | More than 5 years R'000 |
|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------------------|
| 2022 | | | | | | | |
| Loans and advances at amortised cost | | | | | | | |
| Gross investment in leases | 8 421 351 | 3 297 156 | 2 341 675 | 1 565 270 | 879 098 | 330 611 | 7 541 |
| Equipment Finance | 5 963 276 | 2 392 566 | 1 639 724 | 1 079 249 | 619 783 | 230 174 | 1 780 |
| Capital Equipment Finance | 2 458 075 | 904 590 | 701 951 | 486 021 | 259 315 | 100 437 | 5 761 |
| Less: Unearned finance income | (1 484 624) | (704 400) | (438 346) | (230 574) | (92 626) | (18 037) | (641) |
| Equipment Finance | (1 066 178) | (514 844) | (311 087) | (162 566) | (65 744) | (11 769) | (168) |
| Capital Equipment Finance | (418 446) | (189 556) | (127 259) | (68 008) | (26 882) | (6 268) | (473) |
| Net investment in leases | 6 936 727 | 2 592 756 | 1 903 329 | 1 334 696 | 786 472 | 312 574 | 6 900 |
| Equipment Finance | 4 897 098 | 1 877 722 | 1 328 637 | 916 683 | 554 039 | 218 405 | 1 612 |
| Capital Equipment Finance | 2 039 629 | 715 034 | 574 692 | 418 013 | 232 433 | 94 169 | 5 288 |
| Trade and Debtor Finance | 707 601 | | | | | | |
| Other loans | 571 219 | | | | | | |
| Loans and advances before expected credit losses | 8 215 547 | | | | | | |
| Credit loss allowance (refer to Note 43) | (475 251) | | | | | | |
| Total loans and advances at amortised cost | 7 740 296 | | | | | | |
| Loans and advances at FVTPL | 377 291 | | | | | | |
| Specialised lending | 377 291 | | | | | | |
| Total loans and advances^{2,3} | 8 117 587 | | | | | | |

¹ During the year, a strategic decision was taken to transfer certain outstanding loans to an external party (for which substantially all the risk and rewards of ownership were transferred) resulting in derecognition of these loans and advances. Further, there was also the transfer of an equity investment and profit participation (for which the Group retained all the risks and rewards of ownership); as such this was not derecognised. No associated liabilities were linked to the transferred financial assets for which risks and rewards were retained. For the transferred equity investment and profit participation, the Group is still exposed to the variability of the amounts to be received. Ownership of this was legally transferred, resulting in the Group not being the legal owner of the shares and as such these financial assets were presented as part of loans and advances as the Group has a contractual right to receive the cash. The carrying amount is R13 million and R24 million for the equity investment and the profit participation respectively.

² Loans and advances with a carrying amount of R4.073 billion have been ceded as security for the debt securities issued. Refer to Note 20 of the full annual financial statements online.

³ Prior periods by restatement, please refer to Note 49 of the full annual financial statements online for additional information.

Notes to the consolidated financial statements *continued*

| | 2023 R'000 | 2022 R'000 |
|----------------------------------|------------------|---------------|
| 5. Debt securities issued | | |
| Category analysis | | |
| Rated | 3 720 138 | 2 991 426 |

These floating rate notes are secured by a cession of rentals and equipment, underlying instalment finance assets and bank accounts in the name of SASP (refer to Note 9). All notes are placed with South African investors.

The debt securities in issuance are rated by Global Credit Ratings Co. These ratings are available, on request, at the registered office of the Group. The notes are unsubordinated, secured, compulsory redeemable, asset-backed notes of R1 million each. The Group has not had any defaults or other breaches with respect to its debt securities issued during the year ended 30 June 2023.

They bear interest at between three-month JIBAR+ 1.3000% and three-month JIBAR+ 2.9000%, with various maturity dates (refer to Note 44).

Refer to Note 36 for further information on securitisation, and to Note 48 for events after the reporting date.

SASP has various unsubordinated, compulsory redeemable, asset-backed notes which have varying debt covenant triggers for each of the notes series issued. The triggers per series at year-end, namely net default rate and yield tests and value of debt securities in issue are disclosed below:

- Series 1: The net default trigger level is between 2.625% and 4% and the 2.625% trigger will fall away when those specific notes mature (2022: same as 2023). At June 2023 the average net default rate was at 1.362% (2022: 1.088%) and no breaches were recorded. The average yield of 27.204% (2022: 24.78%) remains above the required yield test of prime rate plus 5.000% (2022: prime plus 5.000%). The debt securities issued as at 30 June 2023 is R1 679 080 935 (2022: R1 363 446 398).
- Series 2: The 0.125% (2022: negative 0.305%) net default rate remains well below the net default trigger level of 4.000% (2022: 4.000%), and with an average yield of 20.458% (2022: 18.98%) remains above the required yield test of prime rate plus 3.000% (2022: prime plus 3.000%). The debt securities issued as at 30 June 2023 is R505 897 460 (2022: R352 569 517).
- Series 3: The net default trigger level is 4.500% (2022: the net default trigger level is between 2.625% and 4.5% and the 2.625% trigger will fall away when those specific notes mature). At June 2023 the average net default rate was at 1.161% (2022: 1.161%) and no breaches were recorded. The average yield of 20.838% (2022: 17.64%) remains above the required yield test of prime plus 4.000% (2022: prime plus 4.000%). The debt securities issued as at 30 June 2023 is R1 535 159 387 (2022: R1 275 410 362).

6. Earnings per share

6.1 Reconciliation of earnings and headline earnings per share

| | Gross R'000 | Direct tax R'000 | Profit attributable to ordinary shareholders R'000 |
|--|----------------|---------------------|--|
| 2023 | | | |
| Basic earnings | 128 739 | (19 912) | 108 827 |
| Headline adjustable items: | 5 586 | (1 730) | 3 856 |
| Investment property – fair value loss | 4 361 | (942) | 3 419 |
| Impairment of non-financial assets | 4 163 | (899) | 3 264 |
| Profit on loss of control of subsidiary | (2 640) | – | (2 640) |
| Profit on disposal of property and equipment | (298) | 111 | (187) |
| Headline earnings | 134 325 | (21 642) | 112 683 |
| 2022 | | | |
| Basic earnings | 207 104 | (50 134) | 156 970 |
| Headline adjustable items: | (22 156) | 5 027 | (17 129) |
| Investment property – fair value loss | 1 162 | (260) | 902 |
| Insurance claim proceeds | (22 172) | 4 966 | (17 206) |
| Profit on disposal of property and equipment | (1 146) | 321 | (825) |
| Headline earnings | 184 948 | (45 107) | 139 841 |

6.2 Summary of earnings and headline earnings per share

| Per ordinary share | Earnings attributable | | Weighted average number of shares | | Cents per share | |
|---------------------------|-----------------------|---------------|--------------------------------------|------------|-----------------|--------|
| | 2023 R'000 | 2022 R'000 | 2023 | 2022 | 2023 | 2022 |
| Earnings | 108 827 | 156 970 | 30 772 847 | 30 772 847 | 353.65 | 510.09 |
| Diluted earnings | 108 827 | 156 970 | 30 772 847 | 30 772 847 | 353.65 | 510.09 |
| Headline earnings | 112 683 | 139 841 | 30 772 847 | 30 772 847 | 366.18 | 454.43 |
| Diluted headline earnings | 112 683 | 139 841 | 30 772 847 | 30 772 847 | 366.18 | 454.43 |

Notes to the consolidated financial statements *continued*

7. Events after the reporting date

7.1 SASP notes

The Group successfully re-financed Class A notes to the value of R263 million in August 2023.

7.2 Contingent liability assessment

Notices of intention to sanction by regulator

On or about 1 October 2023, Sasfin Bank received notifications from the South African Reserve Bank ("SARB", "Regulator") of its intention to impose administrative sanctions for alleged contraventions of certain provisions of the Financial Intelligence Centre Act 38 of 2001 read with the Money Laundering and Terrorist Financing Control Regulations, and provisions of the Exchange Control Regulations and the Banks Act 94 of 1990, read with the Financial Sector Regulation Act 9 of 2017.

The notification of an "intention to sanction" is part of a process required by law in terms of which the Regulator sets out the findings on which its intention to sanction is based, together with the form of the intended administrative sanction(s). As required by law, the regulated institution concerned (in this instance, Sasfin Bank) must be given the opportunity to respond to the notice, make representations (or additional representations as the case may be) relating to the factual and legal basis of the findings on which the intended sanctions may be imposed, and to make submissions as to why some, or all, of the intended sanctions should not be imposed. Should the Regulator, having considered the foregoing, impose a sanction, the regulated institution is further entitled to a reconsideration of the findings by taking the matter on appeal and/or review.

The administrative sanctions available to the Regulator may include one or more of a caution, a reprimand, an instruction to remediate the alleged non-compliance(s), suspension or restriction of certain business activities, and/or financial penalties. In arriving at a final decision on the form and extent of sanction, the Regulator is required to consider all submissions received from the regulated institution. Furthermore, the process prior to the issue of a final sanction is confidential.

Sasfin Bank is considering the Regulator's notifications of intention to sanction and is in the process of preparing comprehensive responses. Sasfin Bank's engagements with the SARB in respect of the notices of intention to sanction are at an early stage. It is therefore not yet possible to reliably estimate the timing, form of resolution, or quantum of any potential sanctions, as there are numerous considerations and factors that may affect any outcome or final determination by the SARB. Based on external legal opinion obtained, no further statements have been made concerning the financial effects of the contingent liability, so as not to compromise the results of the proceedings or the interests of Sasfin Bank. However, the resulting financial impact, based on the SARB's current notice of intention to sanction, could be material. Sasfin Bank is therefore of the view that this matter should be disclosed as a contingent liability.

7.3 Binding heads of agreement for disposal of Capital Equipment Finance business and Commercial Property Finance business to African Bank Limited

Sasfin Bank and SPEIH entered into binding heads of agreement with African Bank Limited ("the Purchaser") on or about 12 October 2023, in terms of which it is intended that, subject to certain suspensive conditions, Sasfin Bank will, as one indivisible transaction, dispose of its Capital Equipment Finance business ("CEF Business") and its Commercial Property Finance business ("CPF Business"), as going concerns, to the Purchaser; and SPEIH (and Sasfin Bank to the extent applicable) will dispose of various shares and claims in entities in which the CPF Business has equity participation rights ("CPF Shares and Claims") to the Purchaser by no later than 28 February 2024 or such later date as may be agreed ("the Closing Date").

The estimated aggregate consideration for the disposal, including CPF Shares and Claims of circa R112 million, is approximately R3.26 billion as at February 2023.

7. Events after the reporting date *continued*

7.3 Binding heads of agreement for disposal of Capital Equipment Finance business and Commercial Property Finance business to African Bank Limited *continued*

The rationale for the transaction is that, as communicated in the Group's interim results released on 2 March 2023, the Group has concluded its strategic review, resulting in the Group focusing on its higher ROE generating businesses, where it has strong competitive capabilities in its Wealth, Rental Finance and focused Banking activities.

The value of the net assets that are the subject of the CEF Business as at 30 June 2023 was R2.5 billion and the profit after tax attributable to such net assets for the year ended 30 June 2023 was R66 million.

The purchase price payable for the CEF Business will be equal to the sum of the gross value of the CEF loan book (i.e. the outstanding amount owing to Sasfin Bank under the CEF Loan Book at the Closing Date), net of the provision for expected credit losses plus R100 million goodwill.

The value of the net assets that are the subject of the CPF Business including the CPF Shares and Claims as at 30 June 2023 was R890 million and the loss after tax attributable to such net assets for the year ended 30 June 2023 was R15.3 million.

The purchase price payable will be equal to the sum of the gross value of the CPF loan book (i.e. the outstanding amount owing to Sasfin Bank under the CPF Loan Book at the Closing Date), net of the provision for expected credit losses plus 33.3% of all profits actually realised following the Closing Date from profit share arrangements and/or agreements subsisting in respect of the CPF Loan Book as at the Closing Date, and which profits were not included in the Final CPF Loan Book Value.

CPF Shares and Claims are separately identifiable components of this transaction. The closing date of the appropriate pre-emptive rights will be the date on which requisite waiver/s as required in respect of any particular Sale Company are obtained and any regulatory approvals, exemptions and/or waivers which are required for the transfer of the relevant CPF Shares and Claims have been obtained by no later than 6 months after the Closing Date. The value of the CPF Shares and Claims was R120 million as at 30 June 2023.

The transaction is subject to relevant conditions and is expected to be concluded in early 2024.

8. Correction of prior period errors

Reconciliation and balance sheet substantiation processes were a key focus for management during the year under review. Through enhancements made to the financial control processes, amendments to certain disclosures, and the year end review, the following material prior period errors were identified and adjusted for:

Business and Commercial Banking (BCB) reconciliations

Due to operational errors, certain reconciling items relating to recoveries (including contractual and non-contractual recoveries) from clients or foreign beneficiaries were incorrectly offset against trade and other payables instead of being recognised in trade and other receivables. This resulted in an understatement of trade and other payables and trade and other receivables on the statement of financial position amounting to R79.2 million in 2022, and an understatement of trade and other payables and trade and other receivables on the statement of financial position amounting to R21.1 million in 2021.

Notes to the consolidated financial statements *continued*

8. Correction of prior period errors *continued*

Asset Finance balance sheet substantiation

Through the balance sheet substantiation process, it was identified that certain balances and transactions were incorrectly accounted for in prior financial years.

The material errors identified related to the following:

Legal costs in trade and other receivables

Incorrect system entries resulted in the capitalisation of legal fees to trade and other receivables instead of these fees being expensed as credit impairment charges on write off of these loans. As a result, trade and other receivables to the value of R11.7 million were written off (R5.7 million to credit impairment charges in the 2022 statement of profit or loss and other comprehensive income and R6 million to the 2022 opening retained earnings).

In addition, in cases where legal fees had been capitalised on loans and advances that were already written off and subsequent legal fees were incurred to attempt to recover the outstanding balances; these legal fees were incorrectly capitalised to trade and other receivables, instead of being expensed as incurred. In correcting the error, these legal fees have now been expensed. Items that were incorrectly capitalised to trade and other receivables amount to R15.3 million (of which R3.8 million impacts operating expense in the 2022 statement of profit or loss and other comprehensive income and R11.5 million impacts the 2022 opening retained earnings).

Further to the above, other unsubstantiated individually immaterial credit balances included in trade and other receivables have also been written off and included in the related column in the table below.

Commission payable to suppliers included in trade and other payables

Commission payable to suppliers includes income received on leases that have reached their end of term.

During the current year, it was identified that a commission expense of R21 million (R7 million in 2022 and R14 million in 2021) for commission payable to suppliers was not raised in the respective prior financial periods.

Other individually immaterial unsubstantiated trade receivable balances related to commission expense were also written off and included in the related column in the table below.

In addition, commissions expenses incurred to the value of R38 million in 2022 were incorrectly netted off against the other income on non-financial assets line item instead of being shown on a gross basis in the fee and commission expense line item.

Individually immaterial errors

In addition to the above material and immaterial errors, further reconciling items were identified that were not individually material, however, when considered in aggregate, these resulted in certain financial statements line items being materially misstated.

These errors are outlined below together with the respective financial statement line items impacted:

Cash and cash equivalents

A misstatement was identified in the cash and cash equivalent balances as a result of incorrect reversals and processing of certain transactions. This resulted in the overstatement of R10.4 million of the cash and cash equivalents and retained earnings line items respectively on the statement of financial position for the 2022 opening balances. The errors were corrected through writing off the amounts to retained earnings as these errors impacted profit or loss in the years prior to the 2022 financial period.

8. Correction of prior period errors *continued*

Asset Finance balance sheet substantiation *continued*

Trade and other receivables

Amounts that were not recoverable from non-performing customers were incorrectly recorded in loan and advances, and in the trade and other receivables line item within the statement of financial position at 30 June 2022. These non-recoverable amounts should have been expensed for those years. The non recoverable balances have now been written off to profit or loss for the respective financial period to which it relates.

Creditors control and sundry creditors in trade and other payables

Unsubstantiated reconciling items were identified on the creditors control and on the sundry creditors control accounts, respectively.

This resulted in the misstatement of trade and other payables and retained earnings within the statement of financial position at 30 June 2022. These unsubstantiated balances were subsequently written off to retained earnings. The misstatements also impacted the other income on non-financial assets and other operating expenses line items in the statement of comprehensive income for the year ended 30 June 2022.

The sundry creditors error resulted in the misstatement of trade and other payables, trade and other receivables and retained earnings within the statement of financial position at 30 June 2022. The misstatements also impacted the other income on non-financial assets and other operating expenses in the statement of profit or loss and other comprehensive income for the year ended 30 June 2022.

Capitalised commissions in trade and other payables

The nature of the errors in capitalised commissions arise from the inaccurate recording of commission expenses and incorrect recording of transactions in commissions payable as opposed to the underlying accounts to which it pertains.

This resulted in the misstatement of trade and other payables and the opening balances of retained earnings within the statement of financial position at 30 June 2022. In the statement of profit or loss and other comprehensive income; fee and commission expense and other income on non-financial assets were also impacted for the year then ended.

Unallocated receipts included within loans and advances

Unsubstantiated balances included in the unallocated receipts account have been written off.

In performing a reconciliation between various system reports, it was identified that certain reconciling amounts in the reconciliation were unsubstantiated which resulted in a misstatement of the loans and advances line item within the statement of financial position at 30 June 2022.

Restatement of ISP

Interest on arrears balances or “late fee interest” was incorrectly excluded from the calculation of interest in suspense (ISP), which resulted in overstatements of interest income calculated using the effective interest method and credit impairment charges in the statement of profit or loss and other comprehensive income. Both the interest charged and related credit impairment charges were incorrectly overstated by R12.5 million in 2022.

Interest income on stage 3 assets was also incorrectly reversed to interest income calculated using the effective interest method for deals that have been cured or written off. This resulted in a misstatement of both the interest income calculated using the effective interest method and credit impairment charges line items which were both overstated by R21.5 million in 2022.

Notes to the consolidated financial statements *continued*

8. Correction of prior period errors *continued*

Other

There were other individually immaterial line items which impacted the financial statements for the period ended 30 June 2022. The nature of these errors ranged from unsubstantiated balances within loans and advances and trade and other payables, incorrect capturing of invoice amounts resulting in over or understatements in amounts owed to third parties, incorrect treatment of recoveries from third parties, incorrect treatment of reloaded deals which resulted in the overstatement in the net investment in the lease, and reconciliation issues within the sundry creditors account.

Fee and commission expense

Fee and commission expenses of R12.4 million were incorrectly netted off against fee and commission income as opposed to being presented separately on a gross basis in the statement of profit or loss and other comprehensive income for the period ended 30 June 2022. This error had no impact on the profit for the 2022 financial year.

Documentation fees

The Group charges client's documentation fees for originating deals. The documentation fees were incorrectly treated as revenue from contracts with customers, instead of taking these fees into account as part of the initial measurement of the net investment in the lease, through the inclusion of the amount as a fixed payment of the lease under IFRS 16 Leases.

This should have formed part of the gross investment in the lease which is equal to the lease payments (including the documentation fees) receivable by the lessor, plus any unguaranteed residual accruing to the lessor.

This resulted in misstatements to loans and advances of R10.1 million (R4.1 million for 2022 and R6.1 million for 2021), interest income calculated using the effective interest method of R11.4 million, fee and commission expenses of R15.4 million and retained earnings of R6.1 million at 30 June 2022 and for the period then ended.

System VAT correction

In prior years, system generated erroneous VAT entries were created upon the transfer of loans between subsidiaries in the Group as part of securitisations of capital equipment finance instalment deals. This resulted in VAT input being claimed in Sasfin Bank Limited and levying of VAT output in South African Securitisation Programme (RF) Limited (positions have a net nil impact at a Group level). The resulting VAT payable and VAT receivable balances have been restated at a Group level.

The potential interest payable to SARS relating to over claiming of VAT from the above, amounts to R11.5 million which is included in trade and other payables, of which R8.6 million is included in retained earnings at 30 June 2022 and R2.9 million is reflected in interest expense for 2022.

Cash equivalents

Cash and cash equivalent balances incorrectly included an investment in a money market fund that did not meet the definition of a cash equivalent in the prior years. The 2022 amount of R105.3 million (2021: R104.8 million) has been reclassified from cash and cash equivalents to the investment securities line item at 30 June 2022.

The interest earned on the money market funds was incorrectly classified as interest income calculated using the effective interest rate as the investment did not meet the requirements of solely payments of principal and interest in prior years. In order to correct this error, an amount of R22.7 million was reclassified from interest income calculated using the effective interest method to other interest income for the year ended 30 June 2022. There was no impact on profit for the year.

8. Correction of prior period errors *continued*

Statement of cash flows

Incorrect classification of debt securities and long-term loans

Debt securities and long-term loan balances were incorrectly classified as cash flows from operating activities instead of cash flows from financing activities in the prior year. For long-term loans, cash flows amounting to R20 million were reclassified from operating activities to financing activities for the 2022 financial period.

For debt securities issued, the cash flows have now been appropriately classified in financing activities (as opposed to being included in cash flows from operating activities) on a gross basis as settlement of debt securities of R1 billion and proceeds from issuance of debt securities of R1.3 billion for the 2022 financial period.

Non-cash and incorrect mapping errors

Non-cash interest accruals were incorrectly included within the interest received (R58 million), interest paid (R10 million), increase in loans and advances (R37.8 million), increase/(decrease) in funding under repurchase agreements and interbank (R15.3 million) and repayments from investment securities (R23.5 million). These and other immaterial non-cash interest accruals resulted in misstatements within the cash generated from operating activities, investing activities and financing activities sections of the statement of cash flows for the period ended 30 June 2022.

A realised gain (R38.8 million) was incorrectly mapped to "decrease in trading assets", as opposed to appropriately including it within the "net trading and other income/(expense)" within the cash generated from operations section of the statement of cash flows. This resulted in an overstatement of the movement in trading assets and an understatement in the net trading and other income/(expense) line items in the statement of cash flows for the period ended 30 June 2022.

In addition to the correction of the statement of cash flows per this section, the restatements in the other sections also had an impact on the statement of cash flows as reflected in the table on page 34.

These errors have been corrected by restating each of the affected financial statement line items for the prior periods affected. The following tables summarise the impacts on the Group's consolidated financial statements.

Notes to the consolidated financial statements *continued*

8. Correction of prior period errors *continued*

The following tables summarise the impacts on the Group's consolidated financial statements.

| | As previously reported R'000 | BCB reconciliations R'000 | Asset Finance balance sheet substantiation R'000 |
|---|------------------------------------|---------------------------------|---|
| 30 June 2022 | | | |
| Consolidated statement of financial position | | | |
| ASSETS | | | |
| Cash and cash equivalents | 884 495 | – | (10 425) |
| Trade and other receivables | 745 903 | 79 257 | (24 622) |
| Loans and advances | 8 130 704 | – | (2 991) |
| Investment securities | 584 147 | – | – |
| Investments at fair value through profit or loss | 529 397 | – | – |
| Total assets | 13 116 532 | 79 257 | (38 038) |
| LIABILITIES | | | |
| Trade and other payables | 945 020 | 79 257 | 40 546 |
| Total liabilities | 11 432 786 | 79 257 | 40 546 |
| EQUITY | | | |
| Ordinary share capital | 321 | – | – |
| Reserves | 1 516 480 | – | (78 584) |
| Total equity | 1 683 746 | – | (78 584) |
| Total liabilities and equity | 13 116 532 | 79 257 | (38 038) |

| Restatement of ISP R'000 | Other R'000 | System VAT correction R'000 | Cash equivalents R'000 | Statement of cash flows changes R'000 | Restated R'000 |
|--------------------------------|----------------|-----------------------------------|------------------------------|--|-------------------|
| - | - | - | (105 300) | - | 768 770 |
| - | - | 38 062 | - | - | 838 600 |
| - | (10 126) | - | - | - | 8 117 587 |
| - | - | - | 105 300 | - | 689 447 |
| - | - | - | 105 300 | - | 634 697 |
| - | (10 126) | 38 062 | - | - | 13 185 687 |
| - | - | 49 596 | - | - | 1 114 419 |
| - | - | 49 596 | - | - | 11 602 185 |
| - | 2 (10 128) | (11 534) | - | - | 323 1 416 234 |
| - | (10 126) | (11 534) | - | - | 1 583 502 |
| - | (10 126) | 38 062 | - | - | 13 185 687 |

Notes to the consolidated financial statements *continued*

8. Correction of prior period errors *continued*

| | As previously reported R'000 | BCB reconciliations R'000 | Asset Finance balance sheet substantiation R'000 |
|--|---------------------------------|------------------------------|---|
| 30 June 2022 | | | |
| Consolidated statement of profit or loss and other comprehensive income | | | |
| Interest income | 1 059 052 | – | – |
| Interest income calculated using the effective interest method | 1 033 288 | – | – |
| Other interest income | 25 764 | – | – |
| Net interest income | 578 281 | – | – |
| Non-interest income | 739 146 | – | 20 400 |
| Net fee and commission income | 439 303 | – | (38 895) |
| Fee and commission income | 639 301 | – | (806) |
| Fee and commission expense | (199 998) | – | (38 089) |
| Other income on non-financial assets | 147 382 | – | 59 295 |
| Total Income | 1 317 427 | – | 20 400 |
| Credit impairment charges | (46 608) | – | (5 675) |
| Net income after impairments | 1 270 819 | – | 14 725 |
| Total operating costs | (1 050 971) | – | (34 631) |
| Other operating expenses | (490 712) | – | (34 632) |
| Profit for the year from operations | 219 848 | – | (19 906) |
| Profit for the year before income tax | 233 994 | – | (19 906) |
| Income tax expense | (50 134) | – | – |
| Profit for the year | 183 860 | – | (19 906) |
| Total comprehensive income for the year | 183 860 | – | (19 906) |
| Profit attributable to: | 183 860 | – | (19 906) |
| Equity holders of the Group | 183 860 | – | (19 906) |
| Total comprehensive income attributable to: | 183 860 | – | (19 906) |
| Equity holders of the Group | 183 860 | – | (19 906) |
| Earnings per share: | 597.47 | – | (64.69) |
| Basic and diluted earnings per share (cents) | 597.47 | – | (64.69) |

| Restatement of ISP R'000 | Other R'000 | System VAT correction R'000 | Cash equivalents R'000 | Statement of cash flows changes R'000 | Restated R'000 |
|--------------------------------|----------------|-----------------------------------|------------------------------|--|-------------------|
| (34 045) | 11 414 | - | - | - | 1 036 421 |
| (34 045) | 11 414 | - | (22 762) | - | 987 895 |
| - | - | - | 22 762 | - | 48 526 |
| (34 045) | 11 414 | - | - | - | 555 650 |
| - | (15 468) | - | - | - | 744 078 |
| - | (15 468) | - | - | - | 384 939 |
| - | (3 039) | - | - | - | 635 456 |
| - | (12 429) | - | - | - | (250 517) |
| - | - | - | - | - | 206 678 |
| (34 045) | (4 054) | - | - | - | 1 299 728 |
| 34 045 | - | - | - | - | (18 238) |
| - | (4 054) | - | - | - | 1 281 490 |
| - | - | (2 929) | - | - | (1 088 532) |
| - | - | (2 929) | - | - | (528 273) |
| - | (4 054) | (2 929) | - | - | 192 958 |
| - | (4 054) | (2 929) | - | - | 207 104 |
| - | - | - | - | - | (50 134) |
| - | (4 054) | (2 929) | - | - | 156 970 |
| - | (4 054) | (2 929) | - | - | 156 970 |
| - | (4 054) | (2 929) | - | - | 156 970 |
| - | (4 054) | (2 929) | - | - | 156 970 |
| - | (4 054) | (2 929) | - | - | 156 970 |
| - | (4 054) | (2 929) | - | - | 156 970 |
| - | (13.17) | (9.52) | - | - | 510.09 |
| - | (13.17) | (9.52) | - | - | 510.09 |

Notes to the consolidated financial statements *continued*

8. Correction of prior period errors *continued*

| | As previously reported R'000 | BCB reconciliations R'000 | Asset Finance balance sheet substantiation R'000 |
|--|---------------------------------|------------------------------|---|
| 30 June 2022 | | | |
| Consolidated statement of cash flows | | | |
| Cash flows from operating activities | | | |
| Interest received | 980 183 | – | – |
| Interest paid | (471 259) | – | – |
| Fee and commission income received | 639 299 | – | (806) |
| Fee and commission expense paid | (199 998) | – | (38 089) |
| Net trading and other income/(expenses) | 122 594 | – | 59 295 |
| Cash payments to employees and suppliers | (910 687) | – | (34 632) |
| Cash inflow/(outflow) from operating activities | 160 132 | – | (14 231) |
| Cash flows from operating activities before changes in operating assets and liabilities¹ | | | |
| | 88 952 | – | (14 231) |
| Changes in operating assets and liabilities | | | |
| | (401 917) | – | 16 841 |
| (Increase) in loans and advances | (1 307 896) | – | – |
| Decrease in trading assets | 212 096 | – | – |
| Decrease in negotiable securities | 295 151 | – | – |
| (Increase) in trade and other receivables | (306 869) | (58 205) | 5 879 |
| Increase in deposits from customers | 500 418 | – | – |
| Increase in trade and other payables | 278 443 | 58 205 | 10 962 |
| (Decrease) in long-term loans | (231 383) | – | – |
| Increase/(Decrease) in funding under repurchase agreements | 103 909 | – | – |
| (Decrease) in debt securities issued | 249 844 | – | – |
| Net cash from operating activities | (312 965) | – | 2 610 |
| Cash flows from investing activities | | | |
| Repayments from investing securities | 28 655 | – | – |
| Net cash flows from investing activities | (30 353) | – | – |
| Cash flows from financing activities | | | |
| Decrease in Absa preference shares | – | – | – |
| Settlement of debt securities | – | – | – |
| Proceeds from issuance of debt securities | – | – | – |
| Net cash flows from financing activities | (168 412) | – | – |
| Net increase/(decrease) in cash and cash equivalents | | | |
| | (511 730) | – | 2 610 |
| Cash and cash equivalents at beginning of the year | 1 344 465 | – | (10 425) |
| Cash and cash equivalents at the end of the year | 815 954 | – | (10 425) |

¹ In the prior year the previously reported subtotal was erroneously presented as a negative amount of R71 180 instead of a positive amount of R88 952. The correction to reflect the correct subtotal did not impact any other subtotals and totals in the consolidated statement of cash flows.

| Restatement of ISP R'000 | Other R'000 | System VAT correction R'000 | Cash equivalents R'000 | Statement of cash flows changes R'000 | Restated R'000 |
|--------------------------------|----------------|-----------------------------------|------------------------------|--|-------------------|
| (34 045) | 11 414 | – | – | (57 992) | 899 560 |
| – | – | – | – | (10 039) | (481 298) |
| – | (3 039) | – | – | – | 635 454 |
| – | (12 429) | – | – | – | (250 516) |
| – | – | – | – | 38 767 | 220 656 |
| – | – | – | – | – | (945 319) |
| (34 045) | (4 054) | – | – | (29 264) | 78 537 |
| (34 045) | (4 054) | – | – | (29 264) | 7 357 |
| 35 022 | – | – | – | (219 011) | (569 065) |
| 35 022 | – | – | – | 37 775 | (1 235 099) |
| – | – | – | – | (38 767) | 173 329 |
| – | – | – | – | (3 317) | 291 834 |
| – | – | (16 339) | – | – | (375 534) |
| – | – | – | – | (150) | 500 268 |
| – | – | 16 339 | – | – | 363 949 |
| – | – | – | – | 20 000 | (211 383) |
| – | – | – | – | 15 292 | 119 201 |
| – | – | – | – | (249 844) | – |
| 977 | (4 054) | – | – | (248 275) | (561 708) |
| – | – | – | – | 23 534 | 52 189 |
| – | – | – | – | 23 534 | (6 819) |
| – | – | – | – | – | – |
| – | – | – | – | (20 000) | (20 000) |
| – | – | – | – | (1 041 260) | (1 041 260) |
| – | – | – | – | 1 286 000 | 1 286 000 |
| – | – | – | – | 224 740 | 56 328 |
| 977 | (4 054) | – | – | (1) | (512 198) |
| – | – | – | (104 832) | – | 1 229 208 |
| – | – | – | (105 300) | – | 700 229 |

Notes to the consolidated financial statements *continued*

8. Correction of prior period errors *continued*

| | As previously reported R'000 | BCB reconciliations R'000 | Asset Finance balance sheet substantiation R'000 |
|---|------------------------------------|---------------------------------|---|
| 1 July 2021 | | | |
| Consolidated statement of financial position | | | |
| ASSETS | | | |
| Cash and cash equivalents | 1 374 857 | – | (10 425) |
| Trade and other receivables | 439 034 | 21 052 | (18 743) |
| Loans and advances | 6 723 672 | – | 75 |
| Investment securities | 540 061 | – | – |
| Investments at fair value through profit or loss | 519 972 | – | – |
| Total assets | 12 179 337 | 21 052 | (29 093) |
| LIABILITIES | | | |
| Trade and other payables | 804 318 | 21 052 | 29 584 |
| Total liabilities | 10 630 767 | 21 052 | 29 584 |
| EQUITY | | | |
| Ordinary share capital | 321 | – | – |
| Reserves | 1 337 973 | – | (58 677) |
| Total equity | 1 548 570 | – | (58 677) |
| Total liabilities and equity | 12 179 337 | 21 052 | (29 093) |

| Restatement of ISP R'000 | Other R'000 | System VAT correction R'000 | Cash equivalents R'000 | Statement of cash flows changes R'000 | Restated R'000 |
|--------------------------------|----------------|-----------------------------------|------------------------------|--|-------------------|
| - | - | - | (104 832) | - | 1 259 600 |
| - | - | 21 723 | - | - | 463 066 |
| - | (6 072) | - | - | - | 6 717 675 |
| - | - | - | 104 832 | - | 644 893 |
| - | - | - | 104 832 | - | 624 804 |
| - | (6 072) | 21 723 | - | - | 12 186 947 |
| - | - | 30 328 | - | - | 885 282 |
| - | - | 30 328 | - | - | 10 711 731 |
| - | 2 | - | - | - | 323 |
| - | (6 074) | (8 605) | - | - | 1 264 617 |
| - | (6 072) | (8 605) | - | - | 1 475 216 |
| - | (6 072) | 21 723 | - | - | 12 186 947 |

Notes to the consolidated financial statements *continued*

9. Report in terms of Section 45 of the Auditing Profession Act

In accordance with their responsibilities in terms of sections 44(2) and 44(3) read with Section 45 of the Auditing Profession Act ("APA"), the Company's external auditors, PwC, on 22 September 2023 reported to the Independent Regulatory Board for Auditors ("the IRBA") that, in their view, a suspected reportable irregularity may have occurred, following which Sasfin Bank and Sasfin Holdings ("the entities") were informed of these reports.

The suspected reportable irregularity arose, primarily, from findings emanating from an investigation mandated by the Prudential Authority of the South African Reserve Bank ("SARB") in terms of its powers under section 135 of the Financial Sector Regulation Act, 2017 ("the Reports").

The investigation looked into allegations that Sasfin Bank contravened provisions of various laws, including the Financial Intelligence Centre Act, 2001, the Banks Act, 1990 and the Exchange Control Regulations, 1961 (refer to Note 26), and that certain prescribed officers and the Board of the entities may have failed to adequately discharge their duties under section 76(3)(c) of the Companies Act, 2008 read with sections 60 and 60B of the Banks Act, 1990.

Subsequent to the initial report to the IRBA and, as required in terms of the APA, PwC engaged with the entities in order to consider the matter further and undertook work to gather additional audit evidence. On 22 October 2023 and, in accordance with its obligations in terms of Section 45 of the APA, PwC notified the IRBA that in their professional opinion, the suspected reportable irregularity is no longer taking place and that adequate remedial actions have been taken for the prevention or recovery of any loss as a result thereof, if relevant.

The investigations mandated by the SARB and covered by the Reports considered activities from as far back as January of 2014. The Reports provided an overview of the different modus operandi of criminal syndicates which targeted Sasfin as a vehicle for illicit transactions, including the export of foreign currency, and took advantage of alleged internal control failures.

The Group also commissioned a leading international audit firm to conduct a forensic investigation into the modus operandi by staff implicated in the financial misconduct. We have previously reported on this matter, noting that the Group is cooperating with authorities. To date, the Group has terminated relationships with implicated businesses through which the syndicates had operated, and has disciplined implicated employees, resulting in terminations and the opening of criminal cases where deemed appropriate.

The Reports and the findings of the independent forensic investigation were considered by our lawyers who did not find evidence to implicate any past or present member of the Board or senior management in the alleged financial misconduct.

Corporate details

| | |
|---|---|
| Independent Non-executive Chair | GP de Kock |
| Executive directors | MEE Sassoon (Chief Executive Officer) HA Heymans (Group Financial Director) |
| Independent Non-executive directors | RWR Buchholz (Lead) TH Njikizana MR Thompson MJ Van der Mescht EA Wilton |
| Non-independent, Non-executive directors | GP Dingaen NS Ndhrazi RDEB Sassoon S Rosenthal (Alternate) |
| Group Company Secretary | C de Jager |
| Auditors | PricewaterhouseCoopers Inc. |
| Transfer secretaries | Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 Private Bag X9000, Saxonwold, 2132 |
| Sponsor | Questco Corporate Advisory Proprietary Limited |
| Registered office | 140 West Street, 6th Floor, Sandton, Gauteng, 2196 Tel: +27 11 809 7500 Website: www.sasfin.com |

Disclaimer

The Sasfin Group (the Group) has, in good faith, made reasonable effort to ensure the accuracy and completeness of the information contained in this document, including all information that may be regarded as “forward-looking statements”.

Forward-looking statements may be identified by words such as “believe”, “anticipate”, “expect”, “plan”, “estimate”, “intend”, “project”, and “target”.

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

The risks and uncertainties inherent in the forward-looking statements contained in this document include but are not limited to changes to IFRS and the interpretations, applications and practices subject thereto 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 both current and future litigation, if any.

The Group does not undertake to update any forward-looking statements contained in this document 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 or consequential loss or damage.

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