

sasfin

Holdings Limited

Pillar III Risk Management Report

March 2023



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1. Introduction

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

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

The information in this report applies to banking operations only and is unaudited. Monetary values are expressed in Rand thousands.

For the reporting period 31 March 2023, the Board and senior management are satisfied that Sasfin Holdings Limited (Group) and Sasfin Bank Limited's (Bank) risk and capital management processes are operating effectively, that business activities have been managed within the Enterprise Risk Management Framework and that the Group is adequately capitalised and funded to support the execution of its strategy.

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

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

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

2. Risk Management and Risk Weighted Assets (RWA)

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

2.1 OV1: OVERVIEW OF RISK WEIGHTED ASSETS

Overview of risk management, key prudential metrics and RWA

		Sasfin Holdings Limited			
		a	b	c	
		RWA			Minimum capital requirements*
R'000		Mar-23 T	Dec-22 T	Sep-22 T-1	Mar-23 T
1	Credit risk (excluding counterparty credit risk)	5 736 177	6 219 176	5 989 496	630 980
2	Of which: standardised approach (SA)	5 736 177	6 219 176	5 989 496	630 980
3	Of which: foundation internal ratings-based (F-IRB) approach**	–	–	–	–
4	Of which: supervisory slotting approach**	–	–	–	–
5	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–	–
6	Counterparty credit risk (CCR)	53 851	64 878	108 766	5 924
7	Of which: standardised approach for counterparty credit risk	53 851	64 878	108 766	5 924
8	Of which: Internal Model Method (IMM)***	–	–	–	–
9	Of which: other CCR***	–	–	–	–
10	Credit valuation adjustment (CVA)	8 893	19 241	16 534	978
11	Equity positions under the simple risk weight approach	412 565	352 802	361 546	45 382
12	Equity investments in funds – look-through approach#	116 622	119 433	291 341	12 828
13	Equity investments in funds – mandate-based approach#	–	–	–	–
14	Equity investments in funds – fall-back approach#	–	–	–	–
15	Settlement risk#	–	–	–	–
16	Securitisation exposures in the banking book	393 092	371 953	361 563	43 240
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	–	–	–	–
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	–	–	–	–
19	Of which: securitisation standardised approach (SEC-SA)	393 092	371 953	361 563	43 240
20	Market risk	3 082	1 223	3 165	339
21	Of which: standardised approach (SA)	3 082	1 223	3 165	339
22	Of which: internal model approaches (IMA)	–	–	–	–
23	Capital charge for switch between trading book and banking book****	–	–	–	–
24	Operational risk	1 947 627	1 947 627	1 918 001	214 239
25	Amounts below thresholds for deduction (subject to 250% risk weight)	35 757	35 757	35 757	3 933
26	Aggregate capital floor applied	–	–	–	–
27	Floor adjustment (before application of transitional cap)	–	–	–	–
28	Floor adjustment (after application of transitional cap)	–	–	–	–
29	Total				
	(1+6+10+11+12+13+14+15+16+20+23+24+25+28)	8 707 666	9 132 091	9 086 170	957 843

* The Capital requirement calculated at 11.00% of RWA. The minimum requirement excludes the capital conservation buffer requirement. The difference to the BCBS base minimum of 8% relates to the buffer add-on for Pillar 2(A).

** The Group does not apply the foundation internal ratings-based and the supervisory slotting approaches (rows 3 and 4 of OV1 template).

*** The standardised approach for measuring counterparty credit risk RWA (SA-CCR) is applied from 1 January 2021. The Group does not apply the internal model method to counterparty credit risk (row 8 of OV1 template) and there were no other CCR (row 9 of OV1 template).

**** There were no switches from the banking to a trading book.

From 1 January 2021 the look-through approach is applied in the measuring of equity positions in funds RWA.

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

2.2 OV1: OVERVIEW OF RISK WEIGHTED ASSET Overview of risk management, key prudential metrics and RWA

		Sasfin Bank Limited				
		a		b		c
		RWA				Minimum capital requirements*
R'000		Mar-23	Dec-22	Sep-22	Mar-23	
		T	T	T-1	T	
1	Credit risk (excluding counterparty credit risk)	5 185 875	5 388 288	5 152 814	570 446	
2	Of which: standardised approach (SA)	5 185 875	5 388 288	5 152 814	570 446	
3	Of which: foundation internal ratings-based (F-IRB) approach**	–	–	–	–	
4	Of which: supervisory slotting approach**	–	–	–	–	
5	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–	–	
6	Counterparty credit risk (CCR)	53 851	64 878	108 766	5 924	
7	Of which: standardised approach for counterparty credit risk	53 851	64 878	108 766	5 924	
8	Of which: Internal Model Method (IMM)***	–	–	–	–	
9	Of which: other CCR***	–	–	–	–	
10	Credit valuation adjustment (CVA)	8 893	19 241	16 534	978	
11	Equity positions under the simple risk weight approach	297 262	293 104	288 947	32 699	
12	Equity investments in funds – look-through approach#	116 622	119 433	291 341	12 828	
13	Equity investments in funds – mandate-based approach#	–	–	–	–	
14	Equity investments in funds – fall-back approach#	–	–	–	–	
15	Settlement risk#	–	–	–	–	
16	Securitisation exposures in the banking book	393 092	371 953	361 563	43 240	
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	–	–	–	–	
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	–	–	–	–	
19	Of which: securitisation standardised approach (SEC-SA)	393 092	371 953	361 563	43 240	
20	Market risk	3 082	1 223	3 165	339	
21	Of which: standardised approach (SA)	3 082	1 223	3 165	339	
22	Of which: internal model approaches (IMA)	–	–	–	–	
23	Capital charge for switch between trading book and banking book****	–	–	–	–	
24	Operational risk	1 099 192	1 099 192	1 069 566	120 911	
25	Amounts below thresholds for deduction (subject to 250% risk weight)	–	–	–	–	
26	Aggregate capital floor applied	–	–	–	–	
27	Floor adjustment (before application of transitional cap)	–	–	–	–	
28	Floor adjustment (after application of transitional cap)	–	–	–	–	
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	7 157 869	7 357 312	7 292 696	787 366	

* The Capital requirement calculated at 11.00% of RWA. The minimum requirement excludes the capital conservation buffer requirement. The difference to the BCBS base minimum of 8% relates to the buffer add-on for Pillar 2(A) and capital conservation buffer.

** The Group does not apply the foundation internal ratings-based and the supervisory slotting approaches (rows 3 and 4 of OV1 template).

*** The standardised approach for measuring counterparty credit risk (SA-CCR) is applied from 1 January 2021. The Group does not apply the internal model method to counterparty credit risk (row 8 of OV1 template) and there were no other CCR (row 9 of OV1 template).

**** There were no switches from the Banking to a trading book.

From 1 January 2021 the look-through approach is applied in the measuring of equity positions in funds RWA.

3. Capital Risk

Governance: The Board is responsible for capital management, and has delegated certain aspects of its role to the Group Risk Capital Management Committee (GRCMC), including setting of appropriate capital targets and ensuring adequate capitalisation. The capital management function is governed primarily by the GRCMC, which oversees the risks associated with capital management, as well as the Asset and Liability Committee (ALCo) and its subcommittee, the Daily Liquidity Committee.

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

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

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

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

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

3.1 KM1: KEY PRUDENTIAL METRICS

Overview of risk management, key prudential metrics and RWA

		Sasfin Holdings Limited				
		a	b	c	d	e
		Mar-23	Dec-22	Sep-22	Jun-22	Mar-22
		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1 435 723	1 422 295	1 405 100	1 407 735	1 349 369
1a	Fully loaded ECL accounting model	1 435 723	1 422 295	1 405 100	1 407 735	1 349 369
2	Tier 1	1 435 723	1 422 295	1 405 100	1 407 735	1 349 369
2a	Fully loaded accounting model Tier 1	1 435 723	1 422 295	1 405 100	1 407 735	1 349 369
3	Total capital	1 507 239	1 498 109	1 479 438	1 482 437	1 417 805
3a	Fully loaded ECL accounting model total capital	1 507 239	1 498 109	1 479 438	1 482 437	1 417 805
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	8 707 666	9 132 091	9 086 170	9 220 888	8 476 154
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	16.488%	15.575%	15.464%	15.267%	15.920%
5a	Fully loaded ECL accounting model CET1 (%)	16.488%	15.575%	15.464%	15.267%	15.920%
6	Tier 1 ratio (%)	16.488%	15.575%	15.464%	15.267%	15.920%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	16.488%	15.575%	15.464%	15.267%	15.920%
7	Total capital ratio (%)	17.309%	16.405%	16.282%	16.077%	16.727%
7a	Fully loaded ECL accounting model total capital ratio (%)	17.309%	16.405%	16.282%	16.077%	16.727%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	–	–	–	–	–
10	Bank D-SIB additional requirements (%)	–	–	–	–	–
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.99%	7.07%	6.96%	6.77%	7.42%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	13 136 319	13 418 030	13 117 982	12 879 762	12 077 236
14	Basel III leverage ratio (%) (row 2/row 13)	10.93%	10.60%	10.71%	10.93%	11.17%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	10.93%	10.60%	10.71%	10.93%	11.17%
Liquidity Coverage Ratio						
15	Total HQLA	748 557	879 859	901 093	958 443	1 061 791
16	Total net cash outflow	435 724	342 409	365 716	378 235	408 982
17	LCR ratio (%)	171.80%	256.96%	246.39%	253.40%	259.62%
Net Stable Funding Ratio						
18	Total available stable funding	5 316 056	5 593 986	5 609 279	5 283 788	5 275 982
19	Total required stable funding	5 041 556	5 185 312	5 213 965	5 173 840	5 071 916
20	NSFR ratio	105.44%	107.88%	107.58%	102.13%	104.02%

3. Capital Risk continued

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

Total RWA: Decreased from R9.132 billion (Dec-22) to R8.708 billion (Mar-23) due to a decrease in credit risk, partially offset by an increase in equity risk.

The leverage ratios remain well above the regulatory requirement of 4%. The increase is driven by a decrease in leverage ratio exposure measure and an increase in Tier 1 capital.

The liquidity coverage ratio remains above the regulatory requirement and within the Board risk appetite. The QoQ decrease is mainly due to a decrease in HQLA, coupled with an increase in net cash outflows.

The net stable funding ratio remains above the regulatory requirement and within the Board risk appetite. The QoQ decrease is driven by a decrease in available stable funding, partially offset by a decrease in required stable funding.

3.2 KM1: KEY PRUDENTIAL METRICS

Overview of risk management, key prudential metrics and RWA

		Sasfin Bank Limited				
		a	b	c	d	e
		Mar-23	Dec-22	Sep-22	Jun-22	Mar-22
		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1 031 503	1 025 787	1 004 773	997 159	972 222
1a	Fully loaded ECL accounting model	1 031 503	1 025 787	1 004 773	997 159	972 222
2	Tier 1	1 031 503	1 025 787	1 004 773	997 159	972 222
2a	Fully loaded accounting model Tier 1	1 031 503	1 025 787	1 004 773	997 159	972 222
3	Total capital	1 069 435	1 083 343	1 069 274	1 053 203	1 023 475
3a	Fully loaded ECL accounting model total capital	1 069 435	1 083 343	1 069 274	1 053 203	1 023 475
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	7 157 869	7 357 312	7 292 696	7 242 480	6 381 672
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	14.411%	13.942%	13.778%	13.768%	15.235%
5a	Fully loaded ECL accounting model CET1 (%)	14.411%	13.942%	13.778%	13.768%	15.235%
6	Tier 1 ratio (%)	14.411%	13.942%	13.778%	13.768%	15.235%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14.411%	13.942%	13.778%	13.768%	15.235%
7	Total capital ratio (%)	14.941%	14.725%	14.662%	14.542%	16.038%
7a	Fully loaded ECL accounting model total capital ratio (%)	14.941%	14.725%	14.662%	14.542%	16.038%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	–	–	–	–	–
10	Bank D-SIB additional requirements (%)	–	–	–	–	–
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	5.91%	5.44%	5.28%	5.27%	6.73%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	8 977 346	9 620 938	9 774 405	9 212 924	9 031 512
14	Basel III leverage ratio (%) (row 2/row 13)	11.49%	10.66%	10.28%	10.82%	10.76%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	11.49%	10.66%	10.28%	10.82%	10.76%
Liquidity Coverage Ratio						
15	Total HQLA	748 557	879 859	901 093	958 443	1 061 791
16	Total net cash outflow	435 724	342 409	365 716	378 235	408 982
17	LCR ratio (%)	171.80%	256.96%	246.39%	253.40%	259.62%
Net Stable Funding Ratio						
18	Total available stable funding	5 316 056	5 593 986	5 609 279	5 283 788	5 275 982
19	Total required stable funding	5 041 556	5 185 312	5 213 965	5 173 840	5 071 916
20	NSFR ratio (%)	105.44%	107.88%	107.58%	102.13%	104.02%

4. Leverage ratio

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

LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE

		Sasfin Holdings Limited
		a
R'000		Mar-23
1	Total consolidated assets as per management accounts	13 291 212
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–
4	Adjustments for derivative financial instruments	(222 063)
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	–
6	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	172 943
7	Other adjustments	(105 773)
8	Leverage ratio exposure measure	13 136 319

LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE

		Sasfin Bank Limited
		a
R'000		Mar-23
1	Total consolidated assets as per management accounts	8 858 269
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–
4	Adjustments for derivative financial instruments	(24 831)
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	–
6	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	173 618
7	Other adjustments	(29 710)
8	Leverage ratio exposure measure	8 977 346

4. Leverage ratio continued

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

		Sasfin Holdings Limited	
		a	b
		Mar-23	Dec-22
R'000		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	12 918 044	13 186 980
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	–	–
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	12 918 044	13 186 980
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	24 448	26 244
5	Add-on amounts for PFE associated with all derivatives transactions	20 885	26 380
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	–	–
8	(Exempted CCP leg of client-cleared trade exposures)	–	–
9	Adjusted effective notional amount of written credit derivatives	–	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11	Total derivative exposures (sum of rows 4 to 10)	45 332	52 624
Securities financing transactions			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14	CCR exposure for SFT assets	–	–
15	Agent transaction exposures	–	–
16	Total securities financing transaction exposures (sum of rows 12 to 15)	–	–
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	917 464	959 816
18	(Adjustments for conversion to credit equivalent amounts)	(744 521)	(781 389)
19	Off-balance sheet items (sum of rows 17 and 18)	172 943	178 427
Capital and total exposures			
20	Tier 1 capital	1 435 723	1 422 295
21	Total exposures (sum of rows 3, 11, 16 and 19)	13 136 319	13 418 030
Leverage ratio			
22	Basel III leverage ratio	10.93%	10.60%

4. Leverage ratio continued

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

		Sasfin Bank Limited	
		a	b
		Mar-23	Dec-22
R'000		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	8 758 396	9 397 875
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	–	–
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	8 758 396	9 397 875
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	24 448	26 244
5	Add-on amounts for PFE associated with all derivatives transactions	20 885	26 380
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	–	–
8	(Exempted CCP leg of client-cleared trade exposures)	–	–
9	Adjusted effective notional amount of written credit derivatives	–	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11	Total derivative exposures (sum of rows 4 to 10)	45 332	52 624
Securities financing transactions			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14	CCR exposure for SFT assets	–	–
15	Agent transaction exposures	–	–
16	Total securities financing transaction exposures (sum of rows 12 to 15)	–	–
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	919 320	953 007
18	(Adjustments for conversion to credit equivalent amounts)	(745 702)	(782 568)
19	Off-balance sheet items (sum of rows 17 and 18)	173 618	170 439
Capital and total exposures			
20	Tier 1 capital	1 031 503	1 025 787
21	Total exposures (sum of rows 3, 11, 16 and 19)	8 977 346	9 620 938
Leverage ratio			
22	Basel III leverage ratio	11.49%	10.66%

5. Liquidity

LIQ1: LIQUIDITY COVERAGE RATIO (LCR)

		Sasfin Bank Limited	
		a	b
		Total unweighted value (average)	Total weighted value (average)
R'000			
High-quality liquid assets			
1	Total HQLA		748 557
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	1 110 482	111 048
3	Stable deposits	–	–
4	Less stable deposits	1 110 482	111 048
5	Unsecured wholesale funding, of which:	4 457 094	1 106 429
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–
7	Non-operational deposits (all counterparties)	4 457 094	1 106 429
8	Unsecured debt	–	–
9	Secured wholesale funding	683 159	–
10	Additional requirements, of which:	924 067	128 534
11	Outflows related to derivative exposures and other collateral requirements	(4 866)	(4 866)
12	Outflows related to loss of funding of debt products	–	–
13	Credit and liquidity facilities	928 932	133 400
14	Other contractual funding obligations	–	–
15	Other contingent funding obligations	–	–
16	TOTAL CASH OUTFLOWS		1 346 011
Cash inflows			
17	Secured lending (eg reverse repo)	810 802	810 802
18	Inflows from fully performing exposures	198 970	99 485
19	Other cash inflows	–	–
20	TOTAL CASH INFLOWS	1 009 772	910 287

		Sasfin Bank Limited
		Total adjusted value
R'000		
21	Total HQLA	748 557
22	Total net cash outflows	435 724
23	Liquidity coverage ratio (%)	171.80%

5. Liquidity continued

LIQ2: NET STABLE FUNDING RATIO (NSFR)

R'000	Unweighted value by residual maturity				Weighted value	
	a No maturity*	b <6 months	c 6 months to <1 year	d ≥1 year		
Available stable funding (ASF) item						
1	Capital:	-	-	-	1 173 678	1 173 678
2	Regulatory capital				1 173 678	1 173 678
3	Other capital instruments					-
4	Retail deposits and deposits from small business customers:	-	2 247 102	243 728	50 301	2 292 047
5	Stable deposits		-	-	-	-
6	Less stable deposits		2 247 102	243 728	50 301	2 292 047
7	Wholesale funding:	-	1 349 677	57 897	82 244	485 968
8	Operational deposits		-	-	-	-
9	Other wholesale funding		1 349 677	57 897	82 244	485 968
10	Liabilities with matching interdependent assets					
11	Other liabilities:	-	2 887 964	334 693	411 177	1 364 363
12	NSFR derivative liabilities				-	-
13	All other liabilities and equity not included in the above categories		2 887 964	334 693	411 177	1 364 363
14	Total ASF					5 316 056
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					73 296
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	-	3 896 080	154 445	3 562 017	3 850 383
18	Performing loans to financial institutions secured by Level 1 HQLA	-	1 465 910	-	-	73 296
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1 178 181	3 767	12 762	191 373
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1 334 053	150 678	2 886 822	3 155 132
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	662 433	430 582
22	Performing residential mortgages, of which:	-	-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities					-
26	Other assets:	-	5 022	-	1 041 576	1 046 598
27	Physical traded commodities, including gold	-				-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					-
29	NSFR derivative assets		5 022			5 022
30	NSFR derivative liabilities before deduction of variation margin posted					-
31	All other assets not included in the above categories		-	-	1 119 731	1 119 731
32	Off-balance sheet items					66 420
33	Total RSF					5 041 556
34	Net Stable Funding Ratio (%)					105.44%

Corporate details

Country of incorporation and domicile	South Africa
Independent Non-executive Chair	Deon de Kock
Executive Directors	Michael Sassoon (Chief Executive Officer) Harriet Heymans (Financial Director)
Independent Non-executive Directors	Richard Buchholz (Lead) Tapiwa Njikizana Mark Thompson Tienie van der Mescht Eileen Wilton
Non-independent, Non-executive Directors	Gugu Dingaan Nontobeko Ndhrazi Shaun Rosenthal (Alternate) Roland Sassoon
Group Company Secretary	Charissa De Jager
Website and email	www.sasfin.com investorrelations@sasfin.com
Transfer secretaries	Computershare Investor Services (Proprietary) Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196
Sponsor	Questco Corporate Advisory (Proprietary) Limited
Auditors	PwC Inc.
Registered office	140 West Street, Sandown, Sandton, Johannesburg, 2196 Tel: +27 11 809 7500 Fax: +27 11 887 6167/2489
Postal address	PO Box 95104, Grant Park, Johannesburg, 2051
Company registration number	1987/002097/06
Tax reference number	9300/204/71/7

Disclaimer

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

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

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

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

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