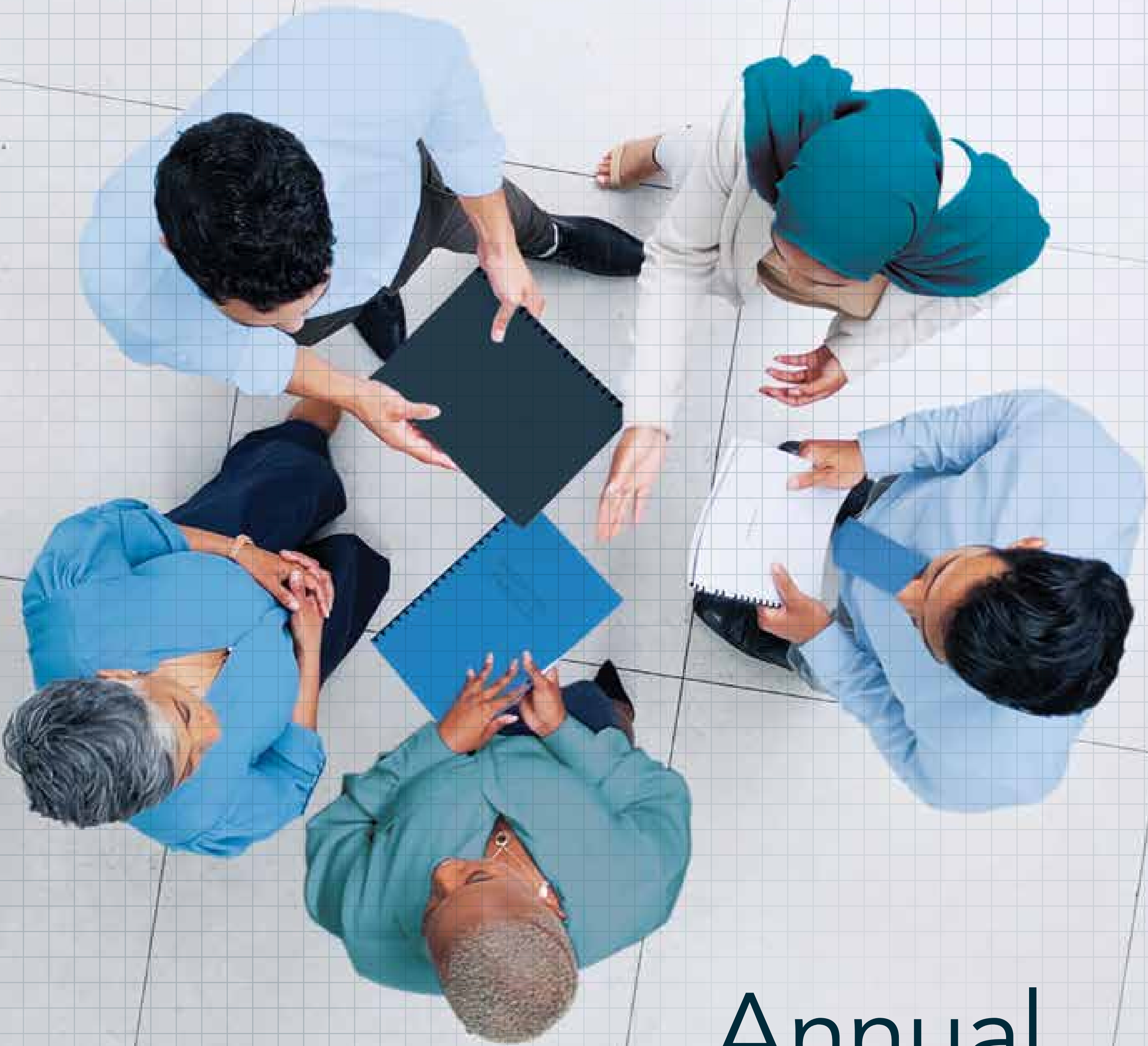
sasfin Holdings Limited



Annual Financial Statements

for the year ended 30 June 2024

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Annual Financial Statements

Indicates additional information available online or from the Company Secretary.

OUR REPORTS

Annual Financial Statements 2024

This report presents Sasfin Holdings' Annual Financial Statements and includes risk and capital management disclosures.

Integrated Report 2024

This is Sasfin's primary report, offering insight into the value that Sasfin creates for itself and its stakeholders. This is expected to be published on or before 31 October 2024.

Legal entity terminology used in this report

Group/Sasfin: Sasfin Holdings Limited and its subsidiaries

Company: Sasfin Holdings Limited

Banking Group: Sasfin Bank Limited and its subsidiaries

Bank: Sasfin Bank Limited

Wealth Group: Sasfin Wealth (Pty) Limited and its subsidiaries

SasSec: Sasfin Securities (Pty) Limited

Capital: Sasfin Capital (Pty) Limited

Statement of preparation

In terms of section 29(1)(ii) of the Companies Act No. 71 of 2008 (Companies Act), as amended, we confirm that these Annual Financial Statements were prepared under the supervision of Harriet Heymans CA(SA), Group Financial Director, and have been audited in compliance with the requirements of sections 29(1)(e)(i) and 30(2)(a) of the Companies Act.

Disclaimer

The Group has, in good faith, made a reasonable effort to ensure the fair presentation, 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 Board of Directors (the Board) 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 forward-looking statements in this document are not reviewed and reported on by the Group's external assurance providers.

The risks and uncertainties inherent in the forward-looking statements contained in this document include, but are not limited to, changes to International Financial Reporting Standards (IFRS® Accounting Standards) 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, inflation 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.

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.

Directors' responsibility statement

The Board of Directors (the Board) of Sasfin Holdings Limited (Sasfin or the Group) is responsible for the preparation and fair presentation of the Directors' Report and the Consolidated and Separate Annual Financial Statements of the Group and Company, including significant accounting policies and other explanatory notes.

The Consolidated and Separate Annual Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB®), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited (JSE Listings Requirements), and the requirements of the Companies Act No. 71 of 2008, as amended (Companies Act).

The Board is also responsible for such internal controls as they deem necessary to enable the preparation of these Consolidated and Separate Annual Financial Statements and for maintaining adequate accounting records and an effective system of risk management.

The directors of the Company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission. The examination of controls over the maintenance and integrity of the Company's website is beyond the scope of the audit of the financial statements. However, the directors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. However, if management does become aware of any subsequent amendments, management will notify the directors that the financial statements no longer correspond with the manually signed financial statements.

Based on its own monitoring and oversight as well as assurance obtained from management, and the Group Risk, Compliance, and Internal Audit functions, the Board is of the view that the internal financial control environment supports the integrity of the Consolidated and Separate Annual Financial Statements. The Board has a reasonable expectation that the Company will have adequate resources to continue operating as a going concern in the financial year ahead.

It is the responsibility of the independent auditor to report on the fair presentation of the Consolidated and Separate Annual Financial Statements.

The Consolidated and Separate Annual Financial Statements for the year ended 30 June 2024 were approved by the Board on 21 October 2024 and are signed on its behalf by:

Richard Buchholz	Michael Sassoon	Harriet Heymans
Chair	*Chief Executive Officer*	*Group Financial Director*
21 October 2024		

Company Secretary's certification

I hereby certify that, in terms of section 88(2)(e) of the Companies Act, for the financial year ended 30 June 2024, Sasfin Holdings Limited has filed all returns and notices required by the Companies Act with the Companies and Intellectual Property Commission, and that all such returns and notices as are required of a public company are true, correct and up to date.

Howard Brown
Acting Company Secretary

21 October 2024

Chief Executive Officer and Group Financial Director's responsibility statement

In compliance with JSE Listings Requirement 3.84(k), the directors, whose names are stated below, hereby confirm that –

a) the annual financial statements set out on pages 24 to 168, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the issuer;

d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

f) we are not aware of any fraud involving directors.

Michael Sassoon
Chief Executive Officer

Harriet Heymans
Group Financial Director

21 October 2024

Group Audit Committee report

Introductory comments

The Group Audit Committee (GAC or the Committee) is pleased to present its report in respect of the 2024 Annual Financial Statements of Sasfin Holdings Limited (Sasfin or the Group), in compliance with section 94(7) of the Companies Act. The Committee's functions are further informed by the Companies Act, the Banks Act, No. 94 of 1990 (the Banks Act), the JSE Listings Requirements and King IV Report on Corporate Governance for South Africa, 2016 (King IV™)* and are set out in its Charter, which is approved by the Board.

Committee composition and assessment of its performance

In terms of the Banks Act, members of the Committee are appointed by the Board and not by the shareholders. Only independent non-executive directors are eligible to serve on the Committee.

Members		Appointed	Resigned
Tapiwa Njikizana	Chair[1]	**3 May 2021**	
Mark Thompson		**21 June 2019**	
Richard Buchholz		**7 March 2018**	18 March 2024[2]
Anton van Wyk		**23 August 2024**	

1. *Appointed Chair with effect from 25 November 2021.*
2. *Resigned from the GAC due to his appointment as Chair of Sasfin Holdings Limited Board*

The Committee holds private meetings with the External Auditors, the Head of Internal Audit, the Head of Group Compliance and the Group Financial Director. The Chair of the Board, Executive Directors, executive management and representatives of the External Auditors are invitees to meetings of the Committee.

The Chair of the Committee has regular contact with the management team to discuss relevant matters directly. The Internal and External Auditors as well as Head of Group Compliance have direct access to the Chair of the Committee on any matter that they regard as relevant to the fulfilment of their responsibilities.

Functions of the Committee

The role of the Committee is to assist the Board to fulfil its oversight responsibilities in areas such as financial reporting, internal control practices, governance, compliance and the Internal and External Audit functions.

The functions of the Committee are outlined in its Charter, which was reviewed and updated during the year and is available on the Sasfin website.

Activities during the year

During the year under review, the Committee, among other matters, dealt with the following:

Financial control and financial reporting

- Reviewed the Interim Results, Annual Financial Statements, Integrated Report, dividend declarations and trading updates of the Group, and recommended those to the Board for approval;
- Reviewed the Group Financial Director's quarterly financial analysis of the Group's performance;
- Considered quarterly status updates from the Group Financial Director on internal financial controls, remediation programmes and balance sheet substantiation;
- Assessed the appropriateness of the going concern basis for the preparation of the Interim Results and Annual Financial Statements, as well as the solvency and liquidity tests in support of financial assistance and/or distributions;
- Assessed the accounting policies and key assumptions applied in the preparation of the Annual Financial Statements, as well as technical reporting matters relating to complex accounting issues, exceptional transactions and significant accounting judgements and estimates;
- Oversaw compliance of the Interim Results and Annual Financial Statements including IFRS and material JSE Listings Requirements;

- Considered the annual JSE Proactive Monitoring Report to enhance the integrity of the financial information in the Annual Financial Statements and noted management's response relating to the 2023 calendar year and additional reports issued by the JSE as applicable to the 2024 financial year; and
- Evaluated the adequacy and effectiveness of the internal financial controls and reporting processes, supported by the work of the Internal Audit function and other assurance providers. Where weaknesses were identified, specifically on system-related controls and processes, the adequacy and design of compensating controls instituted by management were considered. The Committee satisfied itself as to the overall adequacy and operating effectiveness of the internal financial control environment. During the prior year, management initiated a remediation programme to address compliance and internal financial control related gaps identified. The Board subsequently constituted a sub-committee (Board Remediation Oversight Committee) to oversee the adequate and effective implementation of the remediation plans, progress of which was reported to the Committee on an ongoing basis.

The Group continued to enhance its internal financial control framework during the year and focussed its efforts on the following areas:

- First line controls over routinely produced numbers embedded in operations, risk and finance;
- The formalised process to deal with technical assessments and judgements through detailed business and technical memos. This process applies to significant accounting matters (such as complex accounting, non-business as usual transactions, areas where significant judgement applies and new accounting standards/interpretations are involved);
- Various controls and review processes over the consolidations process of group results;
- A range of high-level review procedures designed to ensure the adequacy of disclosures in the Annual Financial Statements in terms of IFRS. This also included procedures to identify and deal with accounting disclosure requirements, particularly where these were not readily apparent from the accounting records – such as going concern considerations, covenant compliance, post balance sheet events, related party transactions and contingent liabilities;
- Compliance with IFRS 9 as it relates to the credit impairments and risk disclosures. Ensuring adequate review and independent assessment of the accuracy and robustness of the IFRS 9 model; and
- Effective and robust balance sheet substantiation.

At year-end, the committee, with input from the Financial Director, reviewed the operating effectiveness of the internal financial control framework, and the Committee noted improvements made during the year and progress made against remedial actions.

Based on this work, the committee's overall assessment of the Group's internal controls over financial reporting is that:

- The Group's financial reporting framework, although not fully matured, is comprehensive and entails a robust methodology to effectively assess the control environment;
- Ownership, effective design, documentation, and embedding of controls remained a key focus during the reporting period;
- Given that the Group's control environment could mature further, adequate compensating control measures have been implemented and, where required, gave comfort that the financial reporting of the Group fairly represents in all material respects the financial position and performance of the Group and the Company, in accordance with the accounting standards.

The Committee noted the JSE Listing Requirements (paragraph 3.84 (k)), as they relate specifically to the responsibility of the Chief Executive Officer and Group Financial Director to affirm the fair presentation of the Annual Financial Statements and the adequacy and efficacy of internal financial controls and reporting processes. The Chief Executive Officer and Group Financial Director have disclosed to the Committee and the External Auditors a comprehensive report on identified deficiencies in the design and operational effectiveness of material internal financial controls, together with a description of the actions required to remediate same, and by when this will be done.

External Audit

- As required in terms of the JSE Listings Requirements, paragraph 22.15(h), in considering the re-appointment of the External Auditors, the Committee reviewed the reports related to the latest inspection performed by the Independent Regulatory Board for Auditors (IRBA) on the External Auditors, including the decision letter, findings report and the proposed remedial actions to address the findings. The Committee was satisfied that there were no material concerns and was comfortable to recommend the re-appointment of PricewaterhouseCoopers Inc (PwC) as the external audit firm. The Committee considered and recommended to the Board and shareholders for approval the re-appointment of Mr. Costa Natsas as the designated audit partner, which was subsequently approved;
- The Committee monitored the extent of non-audit engagements provided by the Group's external audit firm, in accordance with approved internal policies and limits, and was satisfied that non-audit related services carried out by the External Auditors were in accordance with the Board-approved non-audit services policy;
- In consultation with executive management, the Committee approved the engagement letter, audit plan and budgeted audit fees for the 2024 financial year;
- The Committee enabled effective communication between the External Auditors and Internal Audit; and
- The Board and management, through the GAC, approved the audit plan which included a largely substantive approach to the audit.

The Committee has satisfied itself that PwC is independent of the Group, and that the partner who is responsible for signing the Group's Annual Financial Statements, as set out in section 94(8) of the Companies Act, has the requisite skills and expertise. This included consideration of:

- the representations by PwC to the Committee, including the auditor's suitability assessment in terms of the JSE Listing Requirements;
- the independence of PwC not being impaired, as set out by IRBA as well as other regulatory and internal processes within the audit firm; and
- policies and controls regarding non-assurance services provided by PwC.

Internal Audit

- Reviewed and approved the Group Internal Audit Charter, the annual audit plan and periodic amendments thereto, staffing, and the Internal Audit budget for the financial year;
- Reviewed reports issued by Internal Audit, including considering any weaknesses in controls that were identified and the corrective actions proposed by management;
- On a quarterly basis, the Committee reviewed the status of the audit plan and approved changes made, to ensure it was appropriate in its response to the changing risk landscape;
- Considered quarterly status update reports on the progress made towards addressing the internal and external audit findings;
- Evaluated the independence and performance of the Group Internal Audit function and the persons heading the internal audit function. The Committee concluded that the Head, and, subsequently, the Acting Head of Internal Audit and the function were independent and effective for the period under review;
- Tracked progress on high and moderate risk findings, and monitored related management actions; and
- Met with the Head of Internal Audit and Acting Head of Internal Audit as needed, without management being present, to discuss the remit of and reports of internal audit and any issues arising from the internal audits conducted.

The former Head of Internal Audit, Ingrid Ravenscroft, was appointed Executive Head: Combined Assurance on 1 June 2024 and, on the same day, Marlize Carstens was appointed Acting Head of Internal Audit. Mss Ravenscroft and Carstens reported regularly to the Committee and had unrestricted access to the Committee Chair.

Compliance

- Monitored the appropriateness of the Group's actions to manage compliance risks and compliance with applicable laws and regulations, rules, codes, and standards;
- Considered quarterly status update reports from the Head of Group Compliance on all matters related to the Group's compliance, including that remediation plans are in place to address any concerns or non-compliance. The Committee noted improvements and progress made during the year under review to mitigate the Group's risks in relation to non-compliance, along with the remedial actions planned for the year ahead under the oversight of the Board Remediation Oversight Committee.

In accordance with Regulation 49(2)(a)(ii) of the Banks Act, the Head of Group Compliance is mandated to, of her own initiative, communicate directly and freely with members of the Committee in respect of any relevant matter, including decisions made by management that might be in conflict with legal or regulatory requirements.

Combined Assurance

Having considered the appropriateness of the Group's Combined Assurance Programme and identified a need for it to be matured, the Board and GAC recommended the appointment of the Executive Head: Combined Assurance to align the control and validation/assurance efforts of the first-, second-, and third lines of assurance across the Group. The key focus of the Programme is coordinating the efforts of assurance providers to help the Group and its employees manage the organisational risk universe in a manner that is aligned with the Group's commitment to ethical behaviour, is compliant with relevant laws and regulations, and is both fit-for purpose and sustainable.

Finance Function

- Received regular reports from the Group Financial Director regarding the financial performance of the Group, the tracking and monitoring of key performance indicators and regulatory ratios, and details of budgets, forecasts and long-term plans;
- Received regular updates on the capital and liquidity position of the Group and, in particular, the Bank as the Group navigated various risks;
- Considered updates and relevant remedial plans on the enhancement of the financial reporting controls and processes, and the adequacy and reliability of the management information used in the financial reporting process;
- Received feedback from both Internal and External Audit regarding the financial control environment;
- Considered the responsibilities of the Finance function and concluded on the appropriateness thereof;
- Considered the expertise, resources and experience of the senior management responsible for the Finance function;
- Considered the experience, effectiveness and expertise of the Group Financial Director; and
- Concluded that these were appropriate.

Key Audit Matters as reported by the External Auditors

The Committee considered Key Audit Matters as reported by the External Auditors as part of the PwC audit report.

These matters are also key aspects considered by the Committee as part of the year-end reporting process in recommending the Annual Financial Statements, as well as the adequacy and effectiveness of internal financial controls, to the Board for approval and disclosure.

In respect of Key Audit Matters reported in the current year, the Committee's oversight and monitoring processes include the following:

Judgment in the application of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

As per the detailed disclosure in Note 49, the Committee considered the IAS 8 treatment relating to the new model implementation used for calculating current and deferred taxation balances in respect of certain leased assets.

The Committee gained comfort with the accounting treatment following detailed technical and operational assessments by management, supported by external legal and expert advice. The Committee also took note of the key audit matter as disclosed in the audit report.

Group Audit Committee report *continued*

Expected credit losses (ECL)

This is an area that is reviewed by the Credit and Large Exposures Committee (CLEC) before consideration by this Committee. The Committee considered the oversight of the Group's calculation of expected credit losses (ECL) by the CLEC, with specific review and consideration given to the macro-economic factors used to calculate the forward-looking scenarios. The Committee challenged the level of ECL, model methodology and assumptions applied to calculate the ECL provisions held by the Group. The Committee considered the expert judgment applied to Stage 3 clients and write-offs applied during the year. Finally, the Committee considered the appropriateness of the proposed ECL on the Land Bank bills and other Government Backed Securities, and intercompany loans, and noted the specific assertions made by management in support of the ECL. The Committee also paid specific attention to the IFRS 9 Financial Instruments (IFRS 9) disclosure in the Annual Financial Statements and considered its appropriateness.

Valuation of Private and Property Equity Investments

The Committee considered the oversight of the Loans held at Fair Value through Profit and Loss, as well as Private and Property equity valuations reviewed and approved by the CLEC bi-annually. The assumptions, judgements, methodology, and recommendations by independent external valuers were reviewed and discussed by the Committee to enable it to satisfy itself as to the reasonableness of the valuations. The Committee also had specific discussions with the External Auditors in order to satisfy itself in this regard.

Going concern assessment

The Committee, on behalf of the Board, evaluated the Group's going concern assessment and recommended that the financial statements be prepared on this basis (refer to Note 51). In its review, the Committee considered reports on the Group's latest budget, profitability, capital, liquidity, solvency, regulatory compliance, and the impact of corporate actions and legal proceedings.

In conclusion, the Committee is satisfied that it has fulfilled its mandate, complying with all legal, regulatory and governance responsibilities.

Tapiwa Njikizana CA(SA)
Group Audit Committee Chair

21 October 2024

Directors' report

Nature of business and strategic reset

Sasfin Holdings Limited (Sasfin or Group) is a bank-controlling company listed on the JSE. Sasfin and its subsidiaries provide a comprehensive range of specialist financial products and services focused on the needs of asset suppliers, small and medium businesses, and institutional and private clients.

Since March 2023 when Sasfin announced a strategic reset, it has made meaningful progress in this regard including:

- disposing of its Specialised Finance and Commercial Solutions businesses;
- concluding the disposal of its Commercial Property Finance business to African Bank Limited post year end and is in the final stages of implementing the disposal of its Capital Equipment Finance business to African Bank;
- closing its Foreign Exchange (Forex) business and providing its core clients with alternative Forex solutions, while exiting all direct Forex-only clients;
- progressing the exit of non-strategic private equity investments; and
- announcing its intended delisting from the JSE, subject to relevant approvals, which the Company aims to conclude by December 2024.

Sasfin is one of the last remaining independent Tier 2 banks in South Africa. Increased regulatory complexity, compliance requirements and associated costs, along with competitive dynamics and economic conditions have made it particularly difficult for Tier 2 banks to generate an appropriate risk-adjusted return on equity. The absence of a tiered banking regulatory framework and increasingly complex industry requirements needing specialised skills, advanced IT capabilities, and ongoing investment, continues to reshape the financial services industry. Considering these challenges and its strategic reset, Sasfin intends to exit its banking business by the end of 2025, subject to relevant regulatory requirements and approvals, while ensuring that it appropriately balances all stakeholder interests.

The Group has continued to build its Rental Finance and Wealth businesses, two businesses with strong competitive positions, scale, and differentiation. Sasfin has maintained its position as market leader in the rental finance industry for many years, with a deep understanding of asset supplier business models, providing holistic solutions to these suppliers in serving their clients. The Sasfin Wealth business has grown steadily, leveraging on its experienced portfolio managers who have delivered good service and returns to long-standing private clients. In recent years, Sasfin Wealth has successfully transitioned from a local private client portfolio manager and stockbroker into a diversified business serving both private and institutional clients across a wide range of local and global asset classes.

Sasfin's core businesses, Rental Finance and Wealth, continue to demonstrate good growth prospects, healthy income and earnings, delivering value to clients. As a result, the Group's strategic reset has been focused on decisions that support the sustainable long-term growth of these businesses, while exiting non-core activities in order to simplify its business model.

The strategic reset is expected to be concluded by the end of 2025 and will bring about significant changes to the nature of Sasfin's business. Its Rental Finance business (comprising c. R5 billion of loans to SA businesses – the bulk of Sasfin's loans and advances), which is substantially funded by securitisation, will transition to being non-bank funded, remaining focused on asset suppliers and addressing the needs of small and medium businesses. The Wealth business will continue to focus on delivering relevant products and services to institutional and private clients.

Sasfin intends to emerge as an unlisted entity, with its Rental Finance and Wealth businesses at the core and a portfolio of non-strategic direct investments.

Financial results and business update

This section includes non-IFRS financial measures as annotated with an (*). These measures constitute pro-forma financial information in terms of the JSE Listing Requirements and are the responsibility of the Group's Board of Directors. They are presented for illustrative purposes only and, due to their nature may not fairly present the Group's financial position, changes in equity, results of operations or cash flows. The pro forma information has been compiled in terms of the JSE Listings Requirements and the Revised Guide on Pro Forma Information by SAICA. The pro forma financial information should be read in conjunction with the Independent Auditor's ISAE 3420 report on the compilation of the pro forma financial information.

The strategic reset, together with the various risks faced by the Group, has resulted in increased once-off costs and lost revenue opportunities in the short-term. We have monitored the execution of this strategy to ensure that the Group maintains a healthy balance sheet to help navigate the risks faced and deliver on the strategic reset.

The conservative approach to the balance sheet resulted in an increase in net available cash*[1] of 10.50% to R1.67 billion (2023: R1.51 billion). The increase in cash was a result of a decrease in Gross Loans and Advances*[2] of 7.11% to R8.89 billion (2023: R9.57 billion) due to the strategic reset and tighter credit management, offset by a decrease in Total Core Funding*[3] of 1.63% to R9.67 billion (2023: R9.83 billion). Assets Under Management and Advice in Sasfin Wealth have largely been maintained during difficult economic conditions, decreasing slightly by 3.51% to R64.98 billion (2023: R67.35 billion[4]).

High-level extract from the statement of financial position:

	Jun-24 R'm	Jun-23 R'm	YoY movement %
Total assets	**12 861**	14 031	(8.3%)
Total liabilities	**11 268**	12 377	(9.0%)
Total equity	**1 592**	1 654	(3.7%)
Deposits from customers	**5 367**	5 647	(5.0%)
Gross loans and advances*[2]	**8 886**	9 574	(7.2%)
Net available cash*[1]	**1 668**	1 510	10.5%

In terms of the strategic reset, Sasfin announced the sale of its Capital Equipment Finance and Commercial Property Finance businesses to African Bank Limited for circa R3.14 billion, which sale will be fully implemented in the 2025 financial year, and closed its Forex business.

After due consideration and applying significant judgement, these businesses were classified as discontinued operations for IFRS presentation and disclosure purposes. The presentation of a discontinued operation does not change the Group's aggregate income earned, expenses incurred or the profit for the year; rather it requires the categorisation of these items between continuing and discontinued operations. In terms of the IFRS requirements, only directly attributable income (before the associated cost of funding), related expenses and related taxes are considered as part of the discontinued operations.

From a business and commercial perspective, this treatment does not represent the true contribution of either the discontinued or continuing operations in future periods, as no funding costs (except for the interest on Series 2 securitised notes) were allocated to the discontinued operations and there is no assumed return considered from the future cash that will be realised from the sale of these operations. In other words, the disclosures relating to continuing operations (in terms of IFRS) shows only the interest expenses associated with the R0.5 billion worth of securitised notes directly linked to the sale, and do not consider that Sasfin, in future periods, will receive R3.14 billion (before tax) and earn a return on the balance of R2.64 billion (before tax) if it was assumed to settle only the securitised notes and no other liabilities.

Therefore, this treatment, when considered in commercial terms, significantly overstates the profit from discontinued operations and overstates the loss of continuing operations.

For illustrative purposes*, before considering any indirect costs, which will reduce post the disposal, if Sasfin were to earn a conservative aggregate top-line return of 10% on the net proceeds on the cash received, its annual continuing operations income would be c. R264 million (before tax) higher than what is presented in terms of IFRS.

As such, we prepared the following view to enable stakeholders to consider the aggregate profit and loss position (i.e. continuing operations plus discontinued operations) of the Group for the year under review.

1 *Non-IFRS measure relevant in the financial services industry. Calculated as the sum of cash and cash equivalents of R595.7 million (2023: R884.6 million) and negotiable securities of R1,896.2 million (2023: R1,293.4 million) less funding under repurchase agreements of R551.2 million (2023: R351.9 million), bank overdrafts of R69.1 million (2023: R113.1 million) and gross Land Bank bills of R203.5 million (2023: R203.5 million) as per the annual financial statements.*

2 *Non-IFRS measure relevant in the financial services industry. Calculated as the sum of loans and advances before expected credit losses of R8,466.3 million (2023: R8,989.5 million) and loans and advances at FVTPL related to specialised lending of R419.8 million (2023: R584.3 million).*

3 *Non-IFRS measure relevant in the financial services industry. Calculated as the sum of funding under repurchase agreements of R551.2 million (2023: R351.9 million), bank overdrafts of R69.1 million (2023: 113.1 million), deposits from customers R5,367.2 million (2023: R5,647.4 million) and debt securities issued of R3,685.8 million (2023: R3,720.1 million).*

4 *Refer to Note 37.*

Abridged aggregated profit or loss for the Group extracted from the segment reporting in the annual financial statements (refer to Note 47):

	Jun-24 R'000	Jun-23 R'000	YoY movement %
STATEMENT OF PROFIT OR LOSS			
Interest income	**1 625 625**	1 450 348	12.1%
Interest expense	**(968 179)**	(773 926)	25.1%
Net interest income	**657 446**	676 422	(2.8%)
Non-interest income	**582 934**	681 094	(14.4%)
Net fee and commission income	**388 862**	382 068	1.8%
Gains and losses on financial instruments	**32 717**	140 815	(76.8%)
Other income on non-financial assets	**161 355**	158 211	2.0%
Total income	**1 240 380**	1 357 516	(8.6%)
Credit impairment charges	**(106 456)**	(56 102)	89.8%
Net income after impairments	**1 133 924**	1 301 414	(12.9%)
Total operating costs	**(1 221 241)**	(1 203 945)	1.4%
Staff costs	**(601 411)**	(620 604)	(3.1%)
Depreciation	**(37 677)**	(39 475)	(4.6%)
Amortisation	**(31 173)**	(35 874)	(13.1%)
Other operating expenses	**(550 980)**	(503 829)	9.4%
Goodwill and intangible asset impairments	**–**	(4 163)	(100%)
(Loss)/Profit from operations	**(87 317)**	97 469	(189.6%)
Share of associate income	**38 216**	31 270	22.2%
(Loss)/Profit for the year	**(49 101)**	128 739	(138.1%)
Income tax expense	**(10 994)**	(19 912)	(44.8%)
(Loss)/Profit for the year	**(60 095)**	108 827	(155.2%)
Headline earnings adjustment	**1 418**	3 856	(63.2%)
Headline earnings	**(58 677)**	112 683	(152.07%)

The Group posted a Headline Earnings loss of R58.68 million in 2024, compared to a profit of R112.68 million in 2023, despite a small increase in net interest and net fee and commission income. Headline Earnings per share decreased from 366.18 cents to a loss of 190.96 cents per share.

The loss is largely due to an increase in expected credit losses and a decline in non-interest income, driven by negative fair value adjustments in the Private Equity portfolio, largely due to the impact of the challenging economic environment and a provision raised in respect of the administrative sanctions received, as set out in note 18. The exiting of non-core activities also negatively impacted total income, while core operating costs remained flat. In due course, in terms of the strategic reset, costs are expected to reduce materially.

The Group's core businesses, Wealth and Rental Finance, continued to perform well, while increased losses were incurred in the Business and Commercial Banking business, which the Group intends exiting. While growth in earnings is likely to remain challenging in the coming financial year, the expectation is that by the end of 2025, the Group will be better positioned to generate healthy returns, supported by the fundamental strengths of its core businesses.

The Group's balance sheet is healthy and, post the finalisation of the disposal to African Bank Limited, which is expected to conclude imminently, the Group will have significant additional excess liquidity and capital.

As a result of the loss, the Board has resolved not to declare a dividend for 2024.

Legal and Regulatory Actions

As previously communicated, on 1 August 2024, the South African Reserve Bank's Prudential Authority (PA) issued Sasfin Bank with notices of administrative sanctions in terms of the Banks Act, Financial Sector Regulation Act, and the Financial Intelligence Centre Act. Sasfin Bank received further notice of a potential action from the SARB in relation to alleged contraventions by former staff of and clients of the discontinued Forex business and, on 9 January 2024, was served a civil summons for R4.9 billion, plus interest and costs, in the form of a damages claim instituted by the South African Revenue Services (SARS).

Administrative sanctions

The total net administrative sanctions by the PA amount to R160.64 million (total of R209.69 million of which R49.05 million has been suspended). These primarily relate to the activities of a criminal syndicate of former clients and staff, working outside of their scope of employment, of the now closed-down Forex business of Sasfin Bank. Since discovering this syndicate, Sasfin took significant steps, which included:

- identifying the extent of the syndicate's operations;
- commissioning of a forensic report by a leading independent audit firm, at considerable cost;
- proactively sharing the information with the relevant regulators and authorities;
- closing all relevant accounts;
- reporting suspicious transactions where required;
- laying criminal charges against the implicated employees;
- responsibly exiting the Forex business at a considerable cost, while ensuring that all clients were either provided with alternate solutions or given adequate notice; and
- taking all relevant steps to further strengthen its compliance and control environments.

The outcomes of the extensive internal, independent and regulatory investigations confirmed that there was no involvement by any board members or senior management in the fraudulent activity. Despite the sophisticated nature of the collusion, senior management identified suspicious activity which triggered the proactive reporting of the relevant transactions and the closure of the implicated accounts. Most of these accounts were closed prior to December 2017 and prior to any regulatory investigations.

Sasfin, its Board and management deeply regret that this fraudulent activity took place in our organisation. We are acutely aware of the devastating impact of financial crime in South Africa, of which Sasfin has also been a direct victim.

Sasfin continues to actively and transparently engage with the regulators to ensure a reasonable and proportionate outcome. To the degree that such an outcome cannot be attained, based on the strength of the opinions received from external legal counsel, Sasfin will likely defend and appeal the matters. Notwithstanding these ongoing engagements with regulators and the uncertainty regarding the final outcomes of such matters, based on the input received from counsel and after applying judgment in considering a range of possible outcomes, a provision of R55 million has been recognised.

(Refer to Note 18 and 26 for more information).

Civil summons

In relation to the SARS summons, Sasfin Bank obtained a legal opinion from ENS, authored by Professor Dale Hutchinson, Professor Michael Katz and Aslam Moosajee, and endorsed by Adv. Wim Trengove S.C (Legal Opinion). The Legal Opinion unequivocally concludes that the claim falls outside the recognised parameters of applicable law and has a remote likelihood of success.

(Refer to Note 50 for more information).

Strengthening the control environment

The Board remains committed to its detailed remediation programme, on which significant progress has been made. The Board monitors progress of this critical area and anticipates, that through this initiative, the control environment will be further significantly strengthened. Sasfin is confident it will return to business-as-usual operations in the coming months.

Prospects

Throughout the challenges faced by Sasfin, the Group has maintained its integrity and transparency, ensuring that its core values remain intact. The leadership team, combined with the depth and breadth of management, and guidance from the SARB's PA, has been pivotal in navigating through these times. The unwavering support of the Group's key stakeholders - employees, clients, shareholders and the Board – is testament to the Group's credibility.

Sasfin remains focused on delivering sustainable value to stakeholders. The Group continues to develop its core Wealth and Rental Finance businesses to ensure sustainable and scalable returns. Simultaneously, the Group intends to responsibly exit non-core activities, prioritising the optimisation of value for stakeholders, safeguarding its depositors and looking after its people. The Group is committed to right-sizing its cost base to align with the new business structure, ensuring efficiency and sustainability.

As the Group undergoes this transformation, it will remain dedicated to the principles that have made Sasfin successful and will be well positioned for future growth and long-term resilience.

Directorate and company secretary

Independent Non-executive Directors		Appointed	Resigned
Richard Buchholz	Chair[1]	**7 March 2018**	
Deon de Kock	Chair[2]	**19 August 2020**	15 March 2024
Mark Thompson	Lead[6]	**21 June 2019**	
Eileen Wilton		**6 August 2019**	
Tapiwa Njikizana		**3 May 2021**	
Tienie van der Mescht		**29 November 2021**	
Anton van Wyk		**23 August 2024**	

Non-independent, Non-executive Directors		Appointed	Resigned
Gugu Dingaan		**13 December 2017**	
Nontobeko Ndhlazi		**19 August 2020**	
Roland Sassoon		**1 January 2020**	
Shaun Rosenthal	Alternate	**7 March 2018**	

Executive Directors		Appointed	Resigned
Michael Sassoon	Group Chief Executive Officer[3]	**23 October 2015**	
Harriet Heymans	Group Financial Director	**4 April 2022**	
Erol Zeki	Alternate[7]	**10 May 2024**	

Company Secretary	Appointed	Resigned
Charissa de Jager[4]	**13 December 2019**	1 May 2024

Acting Company Secretary	Appointed	Resigned
Howard Brown[5]	**1 August 2024**	

1 *Appointed as Chair of the Board with effect from 19 March 2024.*
2 *Resigned as Chair of the Board on 15 March 2024.*
3 *Appointed Group Chief Executive Officer 1 January 2018.*
4 *Resigned 1 May 2024 and served a three months' notice period until 31 July 2024.*
5 *Appointed as Acting Company Secretary with effect from 1 August 2024.*
6 *Appointed Lead Independent Director effective 19 March 2024.*
7 *Appointed as Alternate Executive Director effective 10 May 2024.*

Share capital

Ordinary share capital

There were no changes to the authorised and issued ordinary share capital.

Analysis of shareholders

Refer to Note 40.1 for an analysis of shareholder interests. A full analysis of ordinary shareholders is provided in the Shareholders and Administrative Information Booklet included as part of the 2024 Integrated Report.

Special resolutions passed

Special resolutions passed during the year are available for inspection at the registered office of the company.

Statement on compliance

The directors confirm that the Company complies with the provisions of the Companies Act and the Company's Memorandum of Incorporation.

Events after the reporting date

The Board is not aware of any material events that occurred after the reporting date and up to the date of this report, apart from those mentioned in Note 48 to the Annual Financial Statements.

Independent auditor's report

To the Shareholders of Sasfin Holdings Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sasfin Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Sasfin Holdings Limited's consolidated and separate financial statements set out on pages 24 to 168 comprise:

- the consolidated and separate statements of financial position as at 30 June 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information, but excluding the sections marked as "unaudited" in note 46 to the consolidated financial statements.

Basis for opinion

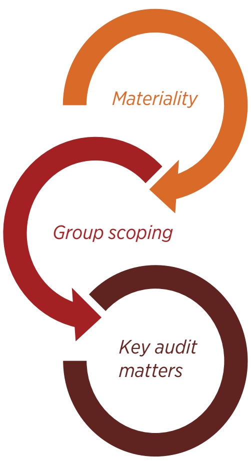
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Our audit approach



Overview

Overall group materiality

- Overall group materiality: R19.7 million which represents 5% of consolidated loss for the year from continuing operations before income tax.

Group audit scope

- Full scope audits were performed on those components that were considered to be financially significant based on their contribution to consolidated income and / or total assets of the Group, and those components where significant risks were identified relating to valuation of private and property equity investments.
- In addition, audits of specific financial statement line items were performed for those components that were not considered to be financially significant and where other significant risks were identified, to ensure sufficient coverage was obtained over the consolidated financial statements.
- Analytical procedures were performed over the remaining components.

Key audit matters

- Judgements in the application of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8");
- Credit loss allowance; and
- Valuation of private and property equity investments.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	R19.7 million
How we determined it	5% of consolidated loss for the year from continuing operations before income tax
Rationale for the materiality benchmark applied	We chose consolidated loss for the year from continuing operations before income tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is measured by users. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The consolidated financial statements are a consolidation of the Company and 20 subsidiaries (each considered a component for the purposes of our group audit scoping). We conducted full scope audits on the Company and an additional 3 components that were considered to be financially significant, based on their contribution to consolidated income and / or total assets of the Group, as well 2 components where significant risks were identified relating to valuation of private and property equity investments. In addition, we conducted audits on specific financial statement line items in certain components that were not considered to be financially significant and where other significant risks were identified, to provide us with sufficient coverage over the consolidated financial statements. We performed analytical review procedures over the remaining 13 components.

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team and by component auditors operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the Group. Where the work was performed by component auditors, we determined the level of our involvement necessary in the audit work at those components in order to be able to conclude whether sufficient appropriate audit evidence has been obtained to support our opinion on the consolidated financial statements.

Further audit procedures were performed by us as the group engagement team on the consolidation process. The work performed by component auditors, together with these additional procedures performed at the group level, provided us with sufficient evidence to express an opinion on the Group's consolidated financial statements as a whole.

Emphasis of matter

We draw attention to Note 49 of the consolidated financial statements, which describes the prospective correction of a possible prior period error.

As disclosed, a cumulative adjustment has been processed to the current period taxation and deferred taxation elements included within the income tax expense in the consolidated statement of profit or loss and other comprehensive income to correct for various historical errors in the calculation of the current and deferred taxation assets/liabilities. As also disclosed, due to the inability to determine the impact on prior periods, if any, the comparative information has not been restated retrospectively. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

Key audit matter	How our audit addressed the key audit matter
Judgements in the application of IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8")	
Refer to the following accounting policies and notes to the consolidated financial statements: • Note 1.16 (Accounting policies for Taxation); • Note 2.7 (Critical estimates, judgements and assumptions: Current and deferred taxation) • Note 15 (Deferred tax assets and liabilities); • Note 35 (Income tax expense); • Note 49 (Correction of prior period errors). During the current year, the Group identified possible prior period errors attributable to the historical model ("Old Model") used for the calculation of current and deferred taxation balances in respect of certain lease assets. These errors resulted from historical data and system limitations, computational deficiencies, and application of tax principles, and reconciliation differences between the accounting and operational datasets used to calculate historical tax values, which have likely impacted multiple prior financial years from 2019 onwards. Consequently, during the current financial year, the Group has implemented a new model ("New Model") to compute the deferred and income tax balances at the end the current financial year, however, as a result of data limitations, compounded by the other errors as noted above, there is limited financial information available to accurately quantify the period-specific or cumulative effect of the errors for each of the prior periods. Accordingly, a cumulative adjustment to current and deferred tax has been accounted for prospectively as permitted by IAS 8. Management has concluded that the first practicable date on which reliable and accurate information is available to restate the potential errors, is 30 June 2024. A cumulative prospective adjustment of R53,421,571 (prior to the utilisation of assessed losses) has been recognised within the statement of financial position in the current year. Refer to Notes 15 and 35. We considered the application of IAS 8 and the determination that it is impracticable to retrospectively correct for the potential prior period errors to be a matter of most significance to our current year audit due to the significant judgement applied by the Group in determining the earliest practicable date of prospective restatement.	We understood the Group's basis for concluding on the earliest practical date of restatement by obtaining a detailed understanding of the design and implementation of the New Model and performing the procedures as described below. We assessed the data inputs required by the New Model for purposes of determining whether a retrospective restatement could be made by applying the New Model to historical datasets. This assessment included comparing the data inputs required by the New Model with the datasets and source information available from historical source systems. Due to the limitations of the historical data – including the availability and quality thereof, and the compounding effects of predecessor system reliability issues, historical estimation complexities, and other computational matters – we found that many of the critical data inputs required by the New Model could not be derived from the Old Model and/or source documents and systems in respect of historical leases predating 2019. Moreover, due to system limitations, we found that the other computational errors in the Old Model, which impacted the current and deferred taxation computations for certain leases accounted for between 2019 and 2023, could not be reliably quantified. We further assessed the New Model to determine whether a reliable estimate of current and deferred tax could be made from the earliest date of prospective restatement, being 30 June 2024. We found this to be a reasonable conclusion given that the historical lease book, which was impacted by the data integrity issues described above, had largely run-off by this date. Utilising our accounting expertise, we reviewed the accounting principles applied in the Group's determination of the earliest practicable date of prospective restatement. We found these to be appropriate and in accordance with IAS 8. We also assessed the disclosure included in the financial statements as required in accordance with IAS 8 and noted no material omissions.

Key audit matter	How our audit addressed the key audit matter
Credit loss allowance	
Refer to the following accounting policies and notes to the consolidated financial statements for details: • Note 1.13 (Financial instruments – Accounting policy); • Note 2.1 (Critical estimates, judgements and assumptions – Impact of economic conditions); • Note 2.2.1 (Critical estimates, judgements and assumptions – Credit impairment of loans and advances); • Note 2.2.2 (Critical estimates, judgements and restatements – Credit impairment of negotiable securities); • Note 5 (Negotiable Securities); • Note 9 (Loans and advances); and • Note 43 (Credit risk). At 30 June 2024, loans and advances at amortised cost before expected credit losses amounted to R8.47 billion, against which a credit loss allowance of R537 million was recognised while negotiable securities before impairments amounted to R1.9 billion, against which a credit loss allowance of R35 million was recognised. In calculating the credit loss allowance in terms of the International Financial Accounting Standards – Financial Instruments ('IFRS 9'), the key areas of significant management judgement and assumptions included the following: • Determining whether evidence exists that there has been a significant increase in credit risk ("SICR") since initial recognition in accordance with the Group's SICR definition as disclosed in note 1.13.10 to the consolidated financial statements. • Determination of the write-off point. The Group considers this to be the point at which there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that there is no realistic prospect of recovering the monies owed as disclosed in note 1.13.13 to the consolidated financial statements. • Determining the inputs to be used in the credit loss allowance model, i.e. Probability of Default (PD), Loss given default (LGD), Exposure at default (EAD) and Time to default (TTD) that are used to estimate the credit loss allowance for each of Stage 1, Stage 2 and Stage 3 exposures.	Through inspection of underlying supporting documentation and discussions with management, we obtained an understanding of the following management controls implemented over the Group's credit systems and processes: • Information technology controls supporting credit systems and processes; • Relevant credit risk assessment controls that facilitate the identification and measurement of credit risk across all lending products; and • The Group's review controls for high care clients, annual review of credit files, approval of external collateral valuation vendors and approval of significant individual impairments. **Evaluation of SICR and default definition** Making use of our credit expertise, we assessed the reasonableness of the SICR definition and staging assumptions applied by management in the credit loss allowance model by performing the following procedures: • We recalculated the ageing for a sample of loans and advances with reference to underlying supporting documentation. No material exceptions were noted. • We selected a sample of Stage 1 and Stage 2 exposures and assessed through inspection of underlying supporting documentation whether the stage classification of these exposures was appropriate in terms of the Group's accounting policy for SICR at reporting date since the origination date of these exposures. No material exceptions were noted. • We selected a sample of accounts in stage 1 and stage 2 and assessed the performance of the SICR thresholds applied and the resultant transfer rate into Stage 2 for SICR. This included benchmarking of the volume of up-to-date accounts transferred to Stage 2 based on a forward looking view of credit risk. We found the SICR thresholds and transfer rates to be reasonable. • We evaluated the completeness of Stage 3 exposures by selecting a sample of exposures not classified at Stage 3 to assess whether the stage classification was in line with the Group's accounting policy for the definition of default for Stage 3 exposures. No material exceptions were noted. • We assessed the adequacy of the SICR triggers by comparing the volume of non-arrears accounts transferred into stage 2 against the volume of non-arrears accounts that roll into arrears or default over a period of 12 months.

Key audit matter	How our audit addressed the key audit matter
Credit loss allowance *continued*	
• Incorporation of macro-economic inputs and forward-looking information into the SICR assessment and credit loss allowance measurement and determining the impact of forward-looking information (FLI) on the credit loss allowance. The forward-looking nature of the credit loss allowance model requires estimates about the macro-economic outlook. In light of the changing economic environment, the macro-economic factors considered as part of the forward-looking information are the Gross Domestic Product (GDP), Prime overdraft, Rand/USD exchange rate, PPI Electricity and Investment to GDP. • Incorporation of an expert judgement approach which is used to determine the LGD for Stage 3 exposures which determines the expected loss for Stage 3 exposures based on an anticipated salvage calculation as disclosed in note 1.13.8 in AFS. We considered the credit loss allowance to be a matter of most significance to our current year audit due to: • The degree of judgement and estimation applied by management in determining the credit loss allowance; and • the magnitude of the exposures and the credit loss allowance recognised in relation to these in the consolidated financial statements.	**Evaluation of write-off point** Making use of our credit expertise, we evaluated the reasonableness of the write-off point applied by management in the credit loss allowance model by performing the following procedures: • We assessed the point at which there was no reasonable expectation of further recovery against the requirements of IFRS 9; and • We tested the application of the IFRS 9 write-off principles, including the exclusion of post write-off recoveries from the LGD as determined by management by obtaining the approved write-off schedules to inspect whether the write-offs were appropriately approved. Based on our work performed, we accepted the write-off point applied by management as reasonable. **Calibrating of credit loss allowance statistical model components (PD, EAD, TTD and LGD)** Making use of our credit expertise, we assessed the reasonableness of the PD, EAD, TTD and LGD used by management in the credit loss allowance model by performing the following procedures: • We assessed the quality of the data used in the credit management, reporting and modelling process for completeness and accuracy through data analytics and substantive procedures, with specific focus on the appropriateness of assumptions made by management in determining the applicable macroeconomic inputs, credit ratings, EAD, PD, TTD, LGD and valuation of collateral in the current economic climate. No material exceptions were noted. • Through discussions with management and inspection of relevant supporting documentation, we obtained an understanding of the methodologies and assumptions used by management in the various credit loss allowance model components and how these were calibrated to use historical information to estimate future cash flows. • Independently recalculated PD, EAD, TTD and LGD estimates to derive a reasonable range of credit loss allowance values. Management's calculation was determined to be within our range.

Key audit matter	How our audit addressed the key audit matter
Credit loss allowance *continued*	

Inclusion of forward-looking information and macro-economic variables in the credit loss allowance (applicable to loans and advances)
Making use of our credit and economics expertise, we assessed the reasonableness of the forward-looking information (FLI) and macro-economic variables applied by management in the credit loss allowance model by performing the following procedures:

- We obtained an understanding of managements' process and key controls including approvals for the FLI methodology and evaluated the appropriateness of forward-looking economic expectations included in the credit loss allowance by comparing it to independent industry data. This included consideration of the variables under the best, expected and worst case scenarios and management's corresponding weightings of each scenario. We found management's forward-looking economic expectations to be reasonable;
- We assessed the reasonableness of the impact of the scenarios on the credit loss allowance by challenging the reasonability of the methods and assumptions applied, performing independent modelling and critically evaluating counterparty-specific estimates. We found management's scenarios to be reasonable; and
- We independently recalculated the credit loss allowance taking into consideration our assessment of the FLI range and noted that management had sufficiently catered for the FLI.

Incorporation of an expert judgement approach / Assessment of credit loss allowance raised for individual exposures
Where credit loss allowance have been raised for individual exposures, we performed the following procedures to assess the reasonableness of management's assessment of the recoverability of the exposure, and the reasonableness of the valuation of the collateral held:

- For a sample of Stage 3 exposures, we independently recalculated the impairment losses based on our assessment of the expected cash flows and recoverability of collateral at an individual exposure level. Our assessment included evaluation of the lender's financial information. We noted no material exceptions;
- For collateral held, we inspected legal agreements and other underlying documentation to assess the existence and the Group's legal right to the collateral held, as well as the realisability thereof. We considered the appropriateness of scenarios and weightings applied by management in terms of collateral realisation outcomes. This included consideration of forced-sale; trade-out and market sale scenarios (including the appropriate inclusion of costs to be incurred in sale scenarios). We noted no material exceptions in this regard; and
- We evaluated the collateral valuation techniques applied by management against the Group's valuation guidelines and found these to be aligned.

Key audit matter	How our audit addressed the key audit matter
Valuation of private and property equity investments	
Refer to the following accounting policies and notes to the consolidated financial statements for details: • Note 1.13 (Financial instruments – Accounting policy); Note 2.1 (Critical estimates, judgements and assumptions – Impact of economic conditions); • Note 2.3 (Critical estimates, judgements and assumptions – Private Equity investment valuations); • Note 2.4 (Critical estimates, judgements and assumptions – Property Equity investment valuations); • Note 2.5 (Critical estimates, judgements and assumptions – Fair value); • Note 10 (Investment Securities); and • Note 41 (Classification of assets and liabilities – Accounting classification and fair values). Included in the Group’s investments measured at fair value through profit and loss as at 30 June 2024, are private and property equity investments with a fair value of R599 million. In relation to the valuation of private equity investments, the Group mainly follows a discounted cash flow or earnings methodology, which is corroborated by a market multiples approach, where appropriate. The assumptions and judgements applied in these methodologies and approaches are disclosed in note 2.3 to the consolidated financial statements. In relation to the valuation of property equity investments, the Group obtains third party valuations from registered professional valuers with experience relevant to the types of properties being valued and applies the net income capitalised methodology. The assumptions and judgements applied in the net income capitalised methodology are disclosed in note 2.4 to the consolidated financial statements. As per IFRS 13 – Fair value measurement, these investments are classified as level 3 in terms of the fair value hierarchy, which implies that the value is determined with reference to unobservable inputs and includes investments that are valued using quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the investments. We considered the valuation of the Group’s private and property equity investments to be a matter of most significance in the current year audit of the consolidated financial statements due to: • the significant judgement applied in determining the fair value of these investments, which includes determining the appropriate models and inputs; and • the magnitude of the fair value of these investments in relation to the consolidated financial statements.	Through discussions with management, we obtained an understanding of the relevant controls and processes implemented over the valuation of private and property equity investments. Through inspection of underlying supporting documentation and attendance at Credit and Large Exposures Committee meetings, we evaluated the design and operating effectiveness of the following control supporting the valuations of private and property equity investments: • the adequacy of the Group’s Credit and Large Exposures Committee governance controls over the approval of valuations of the private and property equity investments. Utilising our valuations expertise, for a sample of private equity investments, we assessed the reasonableness of management’s determined fair values by performing the following procedures: • Through discussions with management and inspection of relevant supporting documentation, we obtained an understanding of the methodology used to determine the fair value against industry available information and IFRS 9 and 13 requirements and found these to be aligned; • We tested the consistency of the assumptions and methodologies utilised to the prior year and assessed the reasoning for any significant changes. We noted no material exceptions; • We assessed the reasonableness of assumptions underlying the calculation of the fair value, ensuring that the assumptions reflect market participant assumptions and that the cash flows are reasonable. We noted no material exceptions; • We assessed the forecasts used in the valuation to be consistent with market expectations and compared forecasts to up to date budgets and business plans that were formally approved by management. In addition, the current and previous years’ forecasts were compared to actual results of the underlying investee entities to assess the reasonability of management’s budgeting techniques. We noted no material exceptions; • We evaluated that the terminal growth rate and valuation adjustments were reasonable and that the terminal value was correctly calculated, taking into account financial services industry benchmarks and inflationary prospects within the respective countries of the investee entities; • We assessed that the discount rate used was reasonable and that cash flows were correctly discounted to the valuation date; and • We independently recalculated the fair values utilising the inputs and assumptions referred to above, in accordance with the valuation approach, and compared our results with those of management. We noted no material exceptions.

Key audit matter	How our audit addressed the key audit matter
Valuation of private and property equity investments *continued*	
	Utilising our valuations expertise, for a sample of property equity investments, we assessed the reasonableness of management's determined fair values by performing the following procedures: • We evaluated the appropriateness of the valuation methodology against industry available information and IFRS requirements and found these to be aligned; • We inspected title deeds and building plans to confirm that the gross lettable area used in valuation was accurate. We noted no material exceptions; • We reviewed the assumptions underlying the calculation of fair value (i.e. market-related rental yields, operating cost escalations,expected occupancy and capitalisation rates), ensuring that the assumptions reflect market participant assumptions and that the cash flows were reasonable. We noted no material exceptions; • We assessed the forecasts used in the valuation to be consistent with market expectations and compared forecasts to up to date budgets and business plans that were formally approved by management, as well as current lease contracts and tenancy schedules; • We independently sourced inputs and assessed the judgements and estimates applied in relation to our knowledge of current market practice and conditions. We found management's inputs and assumptions to be reasonable; • We obtained the cash flows, market rental growth, expected occupancy factors and exit capitalisation rates from underlying supporting documentation and/or market related data for purposes of our independent recalculation; • We independently recalculated the fair values utilising the inputs and assumptions referred to above and below, in accordance with the income capitalisation approach, and compared our results with those of management. Management's results were found to be within acceptable ranges;and • Where investments included profit participation agreements, on a sample basis, we inspected the agreements, supporting evidence and calculations relating to future profit assumptions; discount rate risk adjustments; timing of the settlement; and the counterparty's ability to settle such amounts. We compared this to management's inputs and calculated values. We noted no material exceptions. As part of our assessment of the reasonableness of the fair values of property equity investments, we assessed the competence, objectivity and capabilities of the registered professional valuers appointed by management, by performing the following procedures: • For a sample of valuations performed, we inspected the registered professional valuers' valuation reports to form an assessment of their objectivity. We also made use of our valuations expertise in assessing the valuations for compliance with valuation standards; and • We confirmed the registered professional valuers' affiliation with the South African Council for the Property Valuers Profession. No aspects requiring further consideration were noted.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sasfin Holdings Limited Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report, the Group Audit Committee Report and the Company Secretary's Certification as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the document titled "Sasfin Integrated Annual Report 2024", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements[1]

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

[1] *The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.*

- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Sasfin Holdings Limited for seven years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: C Natsas
Registered Auditor
4 Lisbon Lane, Waterfall City, Jukskei View, 2090, South Africa
21 October 2024

Consolidated statement of financial position

at 30 June 2024

	Accounting policy	Note	2024 R'000	2023 R'000 Restated[1]
Assets				
Cash and cash equivalents[1]	1.11	4	**595 678**	884 622
Negotiable securities	1.13	5	**1 896 183**	1 293 411
Trading assets	1.13	6.2	**433 989**	467 196
Trade and other receivables	1.13	7	**466 914**	1 232 952
Non-current assets held for sale	1.21	8	**3 135 380**	–
Loans and advances	1.13	9	**5 213 402**	9 049 976
Current taxation asset	1.16.1		**27 721**	47 679
Investment securities	1.13	10	**675 913**	700 918
Investments at fair value through profit or loss	1.13	10	**599 953**	621 058
Equity accounted associates	1.3.6	10	**75 960**	79 860
Long-term receivable[2]	1.13	11	**47 086**	–
Property, equipment and right-of-use assets	1.6	12	**149 426**	164 536
Investment property	1.4	13	**14 800**	14 600
Intangible assets and goodwill	1.5	14	**84 424**	110 949
Deferred tax asset	1.16.2	15	**119 660**	64 228
Total assets			**12 860 576**	14 031 067
Liabilities				
Funding under repurchase agreements	1.13	16	**551 205**	351 885
Trading liabilities	1.13	6.3	**414 601**	441 344
Current taxation liability	1.16.1		**13 483**	1 746
Trade and other payables	1.13	17	**517 924**	1 448 676
Bank overdraft	1.11		**69 081**	113 081
Liabilities directly associated with assets classified as held for sale	1.21	8	**173**	–
Provisions	1.8	18	**136 987**	68 657
Lease liabilities	1.9	19	**153 394**	151 518
Deposits from customers[1]	1.13	20	**5 367 193**	5 647 428
Debt securities issued	1.13	21	**3 685 800**	3 720 138
Long-term loans	1.13	22	**214 150**	276 488
Deferred tax liability	1.16.2	15	**144 127**	155 633
Total liabilities			**11 268 118**	12 376 594
Equity				
Ordinary share capital	1.10.1	23	**323**	323
Ordinary share premium	1.10.1	24	**166 945**	166 945
Reserves			**1 425 190**	1 487 205
Total equity			**1 592 458**	1 654 473
Total liabilities and equity			**12 860 576**	14 031 067

1 *Prior periods by restatement, please refer to Note 49 for additional information.*
2 *The Corporation of Deposit Insurance (CODI) is South Africa's Deposit Insurance Scheme (DIS) which requires, by law, that banks maintain funds with CODI. Effective from 1 April 2024 therefore, there is no comparative balance.*

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2024

	Accounting policy	Note	2024 R'000	2023 R'000 Restated[1] Re-presented[2]
Continuing operations				
Interest income	1.14	27	**1 139 407**	1 060 354
Interest income calculated using the effective interest method[1]			**1 073 084**	1 009 403
Other interest income[1]			**66 323**	50 951
Interest expense		28	**(913 064)**	(739 467)
Interest expense calculated using the effective interest method	1.14		**(870 824)**	(721 519)
Other interest expense	1.14		**(42 240)**	(17 948)
Net interest income			**226 343**	320 887
Non-interest income			**553 534**	637 765
Net fee and commission income	1.14	29	**397 454**	393 989
Fee and commission income			**637 502**	649 449
Fee and commission expense	1.14		**(240 048)**	(255 460)
Gains and losses on financial instruments			**983**	93 900
Net gains on the derecognition of financial instruments at amortised cost	1.14	30	**16 750**	12 123
Other gains or losses on financial instruments		30	**(15 767)**	81 777
Other income on non-financial assets		31	**155 097**	149 876
Total income			**779 877**	958 652
Credit impairment charges[1]	1.13 & 2.2	43.3.5	**(96 134)**	(51 231)
Net income after impairments			**683 743**	907 421
Total operating costs			**(1 115 905)**	(1 104 014)
Staff costs	1.15	32	**(569 508)**	(571 387)
Other operating expenses		33	**(546 397)**	(528 464)
Impairments of non-financial assets	1.12	34	**–**	(4 163)
Loss for the year from operations			**(432 162)**	(196 593)
Share of associate income	1.3.6		**38 216**	31 270
Loss for the year from continuing operations before income tax			**(393 946)**	(165 323)
Income tax expense	1.16	35	**95 415**	67 583
Loss for the year from continuing operations			**(298 531)**	(97 740)
Profit for the year from discontinued operations	1.21	8	**238 436**	206 567
(Loss)/Profit for the year			**(60 095)**	108 827
Total comprehensive income for the year			**(60 095)**	108 827
(Loss)/Profit attributable to:				
Equity holders of the Group			**(60 095)**	108 827
Total comprehensive income attributable to:				
Equity holders of the Group			**(60 095)**	108 827
Earnings per share:				
Basic and diluted earnings per share attributable to the equity holders of the Group	1.17	38.2	**(195.57)**	353.65
Basic and diluted earnings per share from continuing operations (cents)	1.17	38.2	**(971.52)**	(317.61)

[1] *Prior periods by restatement, please refer to Note 49 for additional information.*
[2] *Prior year re-presented due to discontinued operations. Refer to Note 8 for additional information.*

Consolidated statement of changes in equity

for the year ended 30 June 2024

	Ordinary share capital R'000	Ordinary share premium R'000	Treasury shares[1] R'000	Distributable reserves[1] R'000	Total shareholders' equity R'000
2024					
Balance at the beginning of the year	**323**	**166 945**	**(40 177)**	**1 527 382**	**1 654 473**
Total comprehensive income for the year	**–**	**–**	**–**	**(60 095)**	**(60 095)**
Loss for the year	**–**	**–**	**–**	**(60 095)**	**(60 095)**
Transactions with owners recorded directly in equity	**–**	**–**	**(1 920)**	**–**	**(1 920)**
Increase in treasury shares	**–**	**–**	**(1 920)**	**–**	**(1 920)**
Balance at the end of the year	**323**	**166 945**	**(42 097)**	**1 467 287**	**1 592 458**
2023					
Balance at the beginning of the year	323	166 945	(40 177)	1 456 411	1 583 502
Total comprehensive income for the year	–	–	–	108 827	108 827
Profit for the year	–	–	–	108 827	108 827
Transactions with owners recorded directly in equity	–	–	–	(37 856)	(37 856)
Dividends to ordinary share holders	–	–	–	(37 856)	(37 856)
Balance at the end of the year	323	166 945	(40 177)	1 527 382	1 654 473

[1] *Reserves R1 425.190 million (2023: R1 487.205 million) comprises of treasury shares and distributable reserves.*

Dividends per share

	2024 Cents per share	2023 Cents per share
Ordinary shares		
Interim dividend (declared and paid)	**–**	–
Final dividend (declared in 2022 and paid in 2023)	**–**	120.90

Consolidated statement of cash flows

for the year ended 30 June 2024

	Note	2024 R'000	2023 R'000 Restated[1]
Cash flows from operating activities			
Interest received[1]		**1 484 992**	1 294 708
Interest paid		**(938 311)**	(785 079)
Fee and commission income received		**642 245**	658 891
Fee and commission expense paid		**(253 577)**	(276 823)
Net trading and other income[1]		**171 744**	175 023
Cash payments to employees and suppliers		**(1 039 157)**	(1 066 675)
Cash inflow from operating activities	39.1	**67 936**	45
Dividends received[2]		**56 438**	24 954
Taxation paid	39.2	**(51 135)**	(35 352)
Dividends paid	39.3	**–**	(37 856)
Cash flows from operating activities before changes in operating assets and liabilities		**73 239**	(48 209)
Changes in operating assets and liabilities		**(295 531)**	(632 922)
Decrease/(Increase) in loans and advances		**604 253**	(822 009)
Decrease in trading assets		**42 936**	120 648
(Increase)/Decrease in negotiable securities		**(562 539)**	551 875
Decrease/(Increase) in trade and other receivables		**771 616**	(426 239)
Increase in long-term receivable		**(47 086)**	–
(Decrease)/Increase in deposits from customers[1]		**(284 090)**	415 986
(Decrease)/Increase in trade and other payables		**(947 173)**	333 273
Decrease in provisions		**(42 345)**	(54 082)
Decrease in long-term loans		**(3 680)**	(223 033)
Increase/(Decrease) in funding under repurchase agreements		**199 320**	(452 090)
Decrease in trading liabilities		**(26 743)**	(77 251)
Net cash from operating activities		**(222 292)**	(681 131)
Cash flows from investing activities			
Proceeds from the disposal of property and equipment		**421**	360
Proceeds on disposal of subsidiary		**–**	80
Proceeds from the disposal of investment property		**–**	1 097
Proceeds from the disposal of investment securities		**45 907**	56 756
Proceeds from the disposal of an associate		**3 723**	–
Acquisition of property and equipment		**(3 560)**	(10 933)
Acquisition of intangible assets		**(3 022)**	(6 256)
Acquisition of investment securities		**–**	(15)
Advances of investment securities		**(12 387)**	(1 940)
Repayments of investment securities		**150**	8 062
Net cash flows from investing activities		**31 232**	47 211
Cash flows from financing activities			
Acquisition of treasury shares		**(1 920)**	–
Settlement of debt securities	21	**(676 000)**	(972 625)
Proceeds from issuance of debt securities	21	**642 000**	1 711 000
Repayment of lease liabilities	19	**(17 350)**	(15 908)
(Decrease)/Increase in bank overdraft[3]		**(44 000)**	113 081
Net cash flows from financing activities		**(97 270)**	835 548
Net (decrease)/increase in cash and cash equivalents		**(288 330)**	201 628
Cash and cash equivalents at beginning of the year	4	**884 622**	700 229
Effect of exchange rate movements on cash and cash equivalents		**(614)**	(17 234)
Cash and cash equivalents at the end of the year[1]	4	**595 678**	884 622
Cash flows of discontinued operations	8		

1 *Prior periods by restatement, please refer to Note 49 for additional information.*
2 *Refer to Accounting policy Note 1.14.2 for the treatment of dividend income received.*
3 *Refer to Accounting policy Note 1.11 for the treatment of the bank overdraft.*

Notes to the consolidated financial statements

For the year ended 30 June 2024

1. Accounting policies

The principal accounting policies adopted in the preparation of these Consolidated and Separate Annual Financial Statements are set out below.

1.1 Reporting entity

Sasfin Holdings Limited is a company domiciled in South Africa. The Company's registered office is at 140 West Street, Sandton, Gauteng, 2196. These consolidated financial statements comprise Sasfin Holdings Limited and its subsidiaries (collectively, Sasfin or the Group). Sasfin and its subsidiaries provide a comprehensive range of specialist financial products and services focused on the needs of asset suppliers, small and medium businesses, and institutional and private clients.

1.2 Basis of preparation

The Consolidated and Separate Annual Financial Statements have been prepared in accordance with IFRS Accounting Standards 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 Consolidated and Separate Annual Financial Statements were authorised for issue by the Board on 21 October 2024.

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.

1.2.1 Adoption of new and amended standards for the first time in the current financial year

The following amendments have been adopted without affecting the Group's previously reported financial results, disclosures or accounting policies. The items mentioned below are confirmed not to have had an impact on the Group's or the Company's financial statements for the 2024 financial year-end.

IFRS 17 *Insurance Contracts*

IFRS 17 replaces the current standard on insurance contracts, IFRS 4. It creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. Among others, IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows, taking into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are further required to be measured based only on the obligations created by the contracts. An entity will also be required to recognise profits as an insurance service is delivered rather than on receipt of premiums.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Deferred tax related to assets and liabilities arising from a single transaction (Amendment to IAS 12)

These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

International tax reform – pillar two model rules (Amendment to IAS 12)

These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development (OECDs) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

1. Accounting policies *continued*

1.2 Basis of preparation *continued*

1.2.2 Interest rate benchmarks and reference interest rate reform

The Financial Stability Board initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Reserve Bank (SARB) has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments.

On 6 May 2024, the SARB published their transition plan. The transition plan defines the trajectory of the transition away from JIBAR, having considered the best practice recommendations that have emerged through similar offshore transitions and taking into account the structure of the South African financial markets. The transition plan can be defined in three key pillars:

- Pillar 1: Adoption in derivatives markets (new contracts/positions);
- Pillar 2: Adoption in cash markets (new contracts/positions); and
- Pillar 3: Transition of legacy positions

The transition away from JIBAR is subject to a formal announcement of the cessation of JIBAR and the production of the benchmark. The SARB indicated that a formal announcement of the cessation of JIBAR is to be made during 2025 and the producing of the benchmark should be discontinued before the end of 2026. The SARB is yet to determine the exact dates for the JIBAR cessation announcement and the actual cessation of the benchmark.

Accordingly, there is still uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the Group. Based on the Group's assessment, it is expected that debt securities will most likely be impacted by the transition to ZARONIA. The Group is exposed to a re-pricing risk on transition to ZARONIA. The Group and will monitor the transition plan to ensure readiness.

1.2.3 Accounting policy elections

The following accounting policy elections have been made by the Group and Company:

Asset/liability	Options	Election and implication	Accounting policy
Property and equipment, and right-of-use assets	Cost/revaluation model	*Group* • Buildings are carried at cost less accumulated depreciation • Computer equipment, furniture and fittings and motor vehicles are carried at cost less accumulated depreciation	1.6
Investment properties	Cost/fair value model	*Group* • Investment properties are carried at fair value with changes in fair value recognised in profit or loss	1.4
Investments in subsidiaries	Cost/financial instrument	*Company* • Cost less accumulated impairments *Group* • Subsidiaries are consolidated	1.3

1. Accounting policies *continued*

1.3 Basis of consolidation

1.3.1 Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control transfers to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input, a substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The Group accounts for business combinations at the acquisition date – the date at which control over an investee transfers to the Group.

The consideration transferred for the acquisition of a subsidiary comprises of the:

- fair value of the assets transferred;
- fair value of the liabilities incurred to the former owners of the acquired business;
- fair value of equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The Group elected to initially measure a non-controlling interest at the proportionate share of the acquiree's identifiable net assets at the date of acquisition (refer to Note 1.3.3). The acquisition consideration is measured at fair value and does not include amounts related to the settlement of pre-existing relationships, which are recognised in profit or loss. Identifiable net assets acquired are measured at fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a gain on bargain purchase.

Where settlement of any part of a cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability.

Amounts classified as financial liabilities are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Goodwill is tested annually for impairment (refer to Note 14), and any gain on bargain purchase is recognised in profit or loss immediately. Contingent considerations payable are measured at fair value at the acquisition date.

1. Accounting policies *continued*

1.3 Basis of consolidation *continued*

1.3.2 Subsidiaries

Subsidiaries are investees controlled by the Group. The financial statements of subsidiaries are consolidated into the Group Annual Financial Statements from the date of control until the date on which control ceases.

The Group controls an investee if it has the power to direct its significant activities, is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

Investments in subsidiaries are reflected at cost less accumulated impairment in the Company's Separate Annual Financial Statements.

1.3.3 Non-controlling interests

Non-controlling interests are measured initially at the proportionate share of the acquiree's identifiable net assets at the date of acquisition or at fair value as determined on an acquisition-by-acquisition basis.

Changes in the Group's interest in a subsidiary that do not result in loss of control are accounted for as transactions with owners and recognised directly in equity.

1.3.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is initially recognised at fair value when control is lost.

1.3.5 Structured entities

Structured entities are formed to accomplish a narrow and well-defined objective such as the securitisation of assets or the execution of a specific borrowing, lending or other transaction.

The Group, in substance, controls a structured entity where the Group:

- controls the activities of the structured entity according to the Group's specific needs;
- has the decision-making powers to control the activities of the structured entity;
- has delegated decision-making powers by setting up an 'autopilot' mechanism;
- has rights to obtain the majority of the benefits of the structured entity;
- is exposed to risks incidental to the activities of the structured entity; and
- retains the majority of the residual ownership risks related to the structured entity or its assets.

The assessment of whether the Group has control over a structured entity is carried out at inception. There is normally no further reassessment of control unless:

- there are changes to the structure of the relationship between the Group and the structured entity;
- there are additional transactions between the Group and the structured entity;
- changes in market conditions alter the substance of the relationship between the Group and the structured entity; and
- the Group's voluntary actions, such as lending amounts in excess of existing liquidity facilities or extending terms beyond those established originally, change the relationship between the Group and the structured entity.

The Group has consolidated the following structured entities:

- Sasfin Share Incentive Trust (SIT), controlled by Sasfin Holdings Limited;
- South African Securitisation Programme (RF) Limited (SASP), controlled by Sasfin Bank Limited;
- Fintech Receivables 2 (RF) Limited (FR2), controlled by Fintech (Pty) Limited (Fintech), a subsidiary of Sasfin Bank Limited; and
- Sunlyn (Pty) Limited, controlled by Sasfin Bank Limited.

1. Accounting policies *continued*

1.3 Basis of consolidation *continued*

1.3.6 Associates

An associate is an investee over which the Group has significant influence.

Investments in associate companies are initially accounted for at cost from the date of significant influence.

Strategic investments

Subsequent to initial recognition, investments in associates held as strategic investments are equity accounted. The Group's proportionate share of associate income (or loss) is accounted for in profit or loss and as part of the investment in associates. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment. Should the dividend income exceed the carrying amount of the investment in the associate, the excess is recognised in profit or loss.

When the Group's share of losses in an associate exceeds its carrying amount, the investment in that associate is written down to zero and recognition of further losses is discontinued except to the extent that the Group has guaranteed obligations in respect of the associate.

Impairments to investments in associates are written down in profit or loss when they are impaired and are reflected at cost less accumulated impairment losses in the statement of financial position in the separate financial statements.

Associate companies held by and managed by Private Equity and Property Equity business units

Investments in associates held by the Private Equity and Property Equity business units of the Group are classified at fair value through profit or loss (FVTPL) as these investments are managed on a fair value basis in accordance with a business model to realise these investments through sale.

Changes in the fair value of these investments are recognised in non-interest income in profit or loss in the period in which they occur.

1.4 Investment properties

Investment properties are held to earn rental income or for capital appreciation, or both. Investment properties are initially recognised at cost.

Subsequent to initial recognition, investment properties are accounted for at fair value.

Fair value is determined annually either by independent professional valuators or by the directors of the Group with the relevant experience. Where fair value cannot be reliably determined, the Group uses alternative valuation methods such as discounted cash flow projections or recent prices in active markets.

Fair value adjustments on investment properties are reflected in profit or loss as part of non-interest income in the Group in the period in which these gains or losses arise.

When the use of a property changes, such that it is re-classified to or from investment property, its fair value at the date of re-classification becomes its new cost. A change in use only occurs when a property meets or ceases to meet the definition of investment property, and there is evidence of such a change in use.

1. Accounting policies *continued*

1.5 Intangible assets and goodwill

1.5.1 Goodwill

Goodwill that arises upon the acquisition of subsidiaries in the Group is recognised as an intangible asset and is measured at cost.

Subsequent to initial recognition, goodwill is tested annually for impairment and is reflected at cost less any accumulated impairment losses. Refer to Note 2.6 for further information.

1.5.2 Software and distributor relationships

The Group capitalises its own unique and identifiable software (internally developed software) when it can reliably measure the cost to develop, is able to demonstrate its ability and intention to complete development and is satisfied that the internally developed software will generate future economic benefits.

Subsequent expenditure is only capitalised to the internally developed software asset when the Group determines that the expenditure will increase future economic benefits beyond those initially envisaged.

Purchased and internally developed software are reflected at cost less accumulated amortisation and accumulated impairment losses. They are amortised in profit or loss on the straight-line basis over their useful lives at rates that will reduce the assets to their anticipated residual values. Refer to Note 2.6 for further information.

Distributor relationships are capitalised when acquired as part of a business combination, and the Group is satisfied that the relationship will generate future economic benefits. These relationships are amortised in profit or loss on the straight-line basis over their expected useful lives.

Amortisation methods, residual values and useful lives are reviewed and adjusted annually where appropriate. Amortisation expense is recognised in profit or loss.

The estimated useful lives of software (including internally developed software) are two to seven years, and for distributor relationships are five to 10 years for the current and comparative years.

1.6 Property, equipment and right-of-use assets

1.6.1 Owned assets

Property and equipment in the Group are initially measured at cost, including any expenditure directly attributable to the acquisition of, or for, bringing the asset into use.

Property and equipment are reflected at their carrying amounts being cost less accumulated depreciation and impairment losses.

Repairs and maintenance on property and equipment are recognised directly in profit or loss. Subsequent expenditure is only capitalised if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

1.6.2 Right-of-use assets

Refer to Note 1.9.2.

1.6.3 Depreciation

Assets are depreciated on the straight-line basis over their useful lives at rates that will reduce the assets to their anticipated residual values.

Depreciation methods, residual values and useful lives are reviewed and adjusted annually where appropriate. The following estimated useful lives are applied:

- Buildings: 20 years;
- Computer equipment: two to five years;
- Furniture and fittings: six to 10 years;
- Motor vehicles: five years;
- Buildings and leasehold improvements: five to 10 years; and
- Right-of-use assets: shorter of the lease term and the asset’s useful life (as per the above).

1. Accounting policies *continued*

1.6 Property, equipment and right-of-use assets *continued*

1.6.4 Profit or loss on disposal

A profit or loss on the sale/disposal of an item of property and equipment is calculated as the difference between the carrying amount and the net proceeds received. This profit or loss is recognised within non-interest income in profit or loss.

1.7 Currencies

1.7.1 Functional and presentation currency

The Consolidated and Separate Annual Financial Statements are presented in South African Rand (ZAR), and all amounts, unless otherwise indicated, are stated in thousands of ZAR (R'000).

All entities in the Group operate in the Republic of South Africa with a functional currency of ZAR.

1.7.2 Transactions and balances

Foreign currency transactions in the Group are translated into the functional currency at exchange rates at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of foreign exchange assets or liabilities or the translation of monetary assets and liabilities are recognised in profit or loss except for qualifying net investment hedges which are recognised in other comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the:

- exchange rate at the transaction date if measured at historical cost; or
- exchange rate at the date the fair value was determined if measured at fair value.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Foreign exchange gains and losses on monetary and non-monetary assets and liabilities are accounted for based on the classification of the underlying items.

1.8 Provisions

A provision is recognised when the Group has a present, legal or constructive obligation, as a result of a past event, from which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Where the effects of the time value of money are material, provisions are recognised at the present value of the expected obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Contracts may contain lease and non-lease components.

The Group allocates the consideration in the contract to each lease component based on its relative stand-alone prices. For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from the non-lease components.

1.9.1 Group as the lessor

Rental, lease and instalment sale contracts are financing transactions, with rentals and instalments receivable, less unearned finance charges, being reflected as loans and advances in the statement of financial position. Finance income is recognised over the term of the lease using the effective interest method.

1. Accounting policies *continued*

1.9 Leases *continued*

1.9.2 Group as the lessee

The Group mainly leases office space. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date (i.e. the date on which a lessor makes the underlying asset available for use by lessee), plus any initial direct costs and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term (refer to Note 1.2.3). The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is reduced by impairment losses (refer to Note 1.12), if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. The Group mostly uses the lessee's incremental borrowing rate as the discount rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

In determining the incremental borrowing rate, the Group considers five factors, being the tenure of the lease, currency of the lease, asset type, level of indebtedness of the lessee entity and the economic environment.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

Extension and termination options are included in several property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. In most instances the extension and termination options held are exercisable only by the Group and not by the respective lessor. The Group assesses whether these options are reasonably certain to be exercised in determining the lease term and lease payments.

The Group presents right-of-use assets in property and equipment and lease liabilities as such in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group regards items such as tablets, personal computers, mobile phones and small items of office furniture to be low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1. Accounting policies *continued*

1.10 Share capital

1.10.1 Ordinary share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of tax.

Dividends are accounted for as distributions from equity in the period in which they are payable to shareholders.

1.10.2 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

1.11 Cash and cash equivalents

Cash and cash equivalents, as reflected on the statement of financial position, comprises of funds on call, balances with the SARB, cash on hand, money market funds and highly liquid deposits that are readily convertible to a known amount of cash, subject to an insignificant risk of changes in value and are used in the management of short-term commitments.

Cash and cash equivalents, as reflected on the statement of cash flows comprises of:

- cash and cash equivalents as reflected on the statement of financial position; and
- bank overdrafts repayable on demand. Bank overdrafts are included as a component of cash and cash equivalents when the use of these overdrafts form an integral part of the Group's cash management. Evidence supporting such an assertion would be that the bank balance often fluctuates from being positive to overdrawn. Where overdrafts do not often fluctuate from being negative to positive, then the arrangement does not form part of the Group's cash management and, instead, represents a form of financing.

Cash and cash equivalents are available for use by the Group, unless otherwise stated, and are accounted for at amortised cost in the Annual Financial Statements. Money market funds classified as cash equivalents are measured at FVTPL.

1.12 Impairment of non-financial assets

The Group annually assesses all non-financial assets for impairment. Impairment occurs when the carrying amount of the non-financial asset exceeds its recoverable amount.

Impairment losses are recognised in profit or loss when the carrying amount of the non-financial asset or cash-generating unit exceeds its recoverable amount.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

1.12.1 Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of its fair value less costs to dispose, and its value in use. In determining value in use, estimated future cash flows to be generated from the non-financial asset are discounted to their present value using a pre-tax market-related risk-adjusted discount rate specific to the asset.

The recoverable amount of non-financial assets that do not generate largely independent cash inflows is determined for the cash-generating unit to which the asset belongs.

1.12.2 Impairment reversals

Impairment losses on non-financial assets are reversed where there have been changes to the recoverable amount. Impairment losses are reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation if no impairment loss had been recognised. Reversal of impairment losses is not recognised for goodwill that has been impaired.

1. Accounting policies *continued*

1.13 Financial instruments

Financial instruments, as reflected on the statement of financial position, include all financial assets, financial liabilities, derivative instruments and financial guarantee contracts issued. These exclude investments in subsidiaries and associated companies (refer to Note 1.3).

Financial assets and financial liabilities are recognised on the date on which the Group becomes party to the contractual provisions of the contract that is a financial instrument.

Financial instruments are initially recognised at fair value.

Transaction costs directly attributable to the acquisition of a financial asset or financial liability are recognised in profit or loss for financial instruments measured at FVTPL and, for all other financial instruments, against the financial instrument.

Subsequent to initial measurement, financial instruments are either measured at FVTPL, or amortised cost, based on the business model in terms of which the financial instruments are acquired and managed, as well as the contractual cash flow characteristics thereof.

1.13.1 Amortised cost

Amortised cost financial assets and financial liabilities are measured at the amount determined on initial recognition, less principal repayments and cumulative amortisation using the effective interest method adjusted for any ECL allowance.

1.13.2 Financial instruments at FVTPL

Where the Group has designated financial assets and financial liabilities at FVTPL, it is to eliminate or significantly reduce an accounting mismatch that would otherwise arise. The Group further classifies financial assets and financial liabilities at FVTPL when the business model is such that these financial assets and financial liabilities are managed and measured on a fair value basis, since realisation of these is anticipated to be through sale.

Financial assets and financial liabilities at FVTPL are measured at fair value, with fair value gains and losses reported in non-interest income, apart from those related to interest rate swaps which are reported as part of other gains or losses on financial instruments.

The fair value gains and losses on interest rate swaps are included in net interest income. Interest income and interest expense on debt instruments classified as at FVTPL are reported as such in the statement of profit or loss and comprehensive income.

1.13.3 Classification and measurement of financial assets

Financial assets are classified and measured based on the Group's business model for managing them and the contractual cash flow characteristics of the financial assets.

Financial assets held by the Group in a business model that has the objective of holding the financial assets to collect contractual cash flows, and the contractual terms of the financial assets lead to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are classified and measured as 'measured at amortised cost'.

Financial assets held by the Group in a business model that has the objective of realising cash flows through the sale of the assets and/or that is managed on a fair value basis, including those held for trading, are classified and measured as FVTPL.

1. Accounting policies *continued*

1.13 Financial instruments *continued*

1.13.4 Business model assessment

Sasfin assesses the objective of a business model in which an asset is held at a portfolio level since this best reflects the way the business is managed, and information is provided to management. The following information is considered:

- The stated policies and objectives for the portfolio and the practical implementation of those policies. Specifically, whether management's strategy focuses on earning contractual interest revenue, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising profits and cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to Sasfin's management;
- The risks that affect the performance of each portfolio and the strategy for how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. Information about sales activity is considered as part of the overall assessment of how Sasfin's stated objective for managing the financial assets concerned is achieved and how cash flows are realised.

1.13.5 Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets that are held for trading (i.e. acquired for the purpose of selling in the short-term) and those that the Group has elected to designate as at FVTPL are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

1.13.6 Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing those financial assets.

1. Accounting policies *continued*

1.13 Financial instruments *continued*

1.13.7 Impairments

The Group recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments including trade and other receivables;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

The Group measures loss allowances at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, which are measured as 12-month ECL (see Note 43).

For lease receivables, the Group has elected, in accordance with the allowed accounting policy choice in IFRS 9, to apply the general model for measuring loss allowance, as explained above.

1.13.8 Measurement of ECL (Refer to Note 43)

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows; and
- Financial guarantee contracts, letters of credit and loan commitments: the expected payments to reimburse the holder, less any amounts that the Group expects to recover.

The key inputs for the measurement of ECL are the following variables:

- Probability of Default (PD);
- Loss Given Default (LGD);
- Exposure at Default (EAD);
- Time to Default (TTD);
- Expert judgement referred to below; and
- Forward-looking parameters.

Both qualitative and quantitative measurements should be used in the process of calculating the ECL on the Performing, Under-performing and Non-Performing exposures.

ECL is a “three-stage” model for calculating impairment losses, based on changes in credit quality since initial recognition, namely:

- 12-month ECL is the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.
  - Stage 1 includes exposures that have not had a Significant Increase in Credit Risk (SICR) (defined on the next page) since initial recognition. For these financial instruments, ECL is calculated based on the relevant 12-month PD, TTD, LGD and EAD.
- Lifetime ECL is the ECL that result from all possible default events over the expected life of the financial instrument.
  - Stage 2 includes exposures that had a SICR since initial recognition but do not have objective evidence of impairment. For these financial instruments, ECL are calculated based on the relevant lifetime PD, TTD, LGD and EAD; and
  - Stage 3 includes exposures for which there is objective evidence of impairment at the reporting date. For these financial instruments, ECL is calculated based on a lifetime PD, TTD, LGD and EAD. The financial instrument must be classified as in “Stage 3” when it is credit-impaired.

Objective evidence of impairment is defined as the occurrence of one or more events since the date of original recognition of the asset, which will have an impact on the expected future cash flow of the borrower e.g. insolvency and business rescue.

1. Accounting policies *continued*

1.13 Financial instruments *continued*

1.13.8 Measurement of ECL (Refer to Note 43) *continued*

Forward-looking information is included in both the assessment of a SICR and the measurement of ECL by means of a "High Care" classification. Refer to the next page for more information.

An expert judgement approach is used to determine the LGD for Stage 3 exposures in the Rental, Capital Equipment Finance, Trade and Debtor Finance and Other Loan portfolios. This approach determines the expected loss for Stage 3 exposures based on an anticipated salvage calculation. The value of the anticipated salvage used in the determination of the ECL of credit impaired financial instruments is calculated taking the following factors into account:

- Realisable market value of security (e.g. stock, equipment, property) after taking account of costs associated with such sale;
- Stage and nature of legal process;
- Wherewithal of debtor to pay based on available credit data (e.g. financial statements, cash flows, third party credit bureau reports);
- Any supporting suretyships or guarantees;
- Financial standing/reputation of the client group and or related parties;
- Any recourse/warranty claim against a supplier or any other third party;
- Any applicable insurance claim;
- Any negotiated settlement agreements;
- Expected dividend in the case of a liquidation/sequestration; and
- Timing of expected recoveries.

1.13.9 Low credit risk

A financial instrument can have a low credit risk when:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

1.13.10 Significant Increase in Credit Risk (SICR)

Credit risk needs to be re-assessed at each reporting period for each financial instrument, to determine whether there is a SICR. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition, and considers reasonable and supportable information that is available without undue cost or effort that is indicative of a SICR since initial recognition.

The Group defines a SICR as follows:

- Rental and Capital Equipment Finance
  - when a debtor is flagged as High Care; or
  - once an account becomes past due/arrears for more than seven days and up to and including 90 days. This is based on statistical analysis of the historical behaviour of the portfolio, which indicated that past due up to seven days did not provide an indication of financial stress, rather it could be due to administration issues or post-month-end payment cycles.

- Trade Finance
  - when a debtor is flagged as High Care; or
  - when no extensions have been granted in excess of the maximum tenor contractually agreed with the debtor and the debtor then becomes past due/arrears up to and including 90 days; or
  - when extensions have been granted in excess of the maximum tenor contractually agreed with the debtor and the account has been extended more than 30 days. Any one or more extensions will be counted from the first invoice's original payment date.

- Debtor Finance
  - when a debtor is flagged as High Care; or
  - margin excess – once an account is in margin excess for longer than seven days and up to and including 90 days.

- Other Term Loans
  - when a debtor is flagged as High Care; or
  - once an account becomes past due/arrears for more than seven days and up to and including 90 days.

1. Accounting policies *continued*

1.13 Financial instruments *continued*

1.13.10 Significant Increase in Credit Risk (SICR) *continued*

Clients defined as High Care are those that have shown signs of financial and cash flow pressure because of changes in operating environment, industry sector, and adverse financial health. These have, however, not defaulted.

Such signs referred to above could include any one or more of the following factors:

- Material deterioration, particularly over a period of time, in the cash flow generation of a business;
- Material and consistent financial losses;
- Material and/or consistent reduction in revenue and/or gross profit margins;
- Significant increases in interest-bearing debt and related finance costs, such that there is a concern about the company's ability to service and repay its financial obligations;
- Material increases in trade creditors out of line with the sales and business growth, indicating an inability to pay creditors on time and in line with credit terms;
- Material increases in trade debtors and/or stock which could place pressure on cash flow generation;
- Regular breaches in the terms and conditions of its financing arrangements, requests for extension of payment dates, excesses, extensions on repayment deadlines, etc.;
- Material negative changes in the business, competitors or economic environment within which the business operates. This will include material negative changes in the business's supply chain;
- Difficulty in producing regular financial information;
- Deterioration in collateral value as a reduction in the value of collateral securing the financial instrument might suggest an increased risk of loss in the event of default; or
- Significant changes within key leadership with no meaningful succession planning.

Negotiable Securities and Intercompany Loans

- Government and intercompany exposures are evaluated for a SICR by comparing the credit risk rating at the reporting date to the origination credit risk grade. Where the relative change in the credit risk rating exceeds certain pre-defined criteria or when a contractual payment becomes more than 30 days overdue, the exposure is classified within Stage 2. These pre-defined criteria thresholds have been determined based on historic default experience, which indicates that higher-rated risk exposures are more sensitive to a SICR than lower-risk exposures. For the purpose of this calculation, a SICR is defined as a three notch downgrade.

1.13.11 Restructured financial assets

If the terms of a financial asset are renegotiated or modified, or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and an ECL is measured as follows:

- Where the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset; and
- Where the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date, using the original effective interest rate of the existing financial asset.

1. Accounting policies *continued*

1.13 Financial instruments *continued*

1.13.12 Default and curing

A financial instrument is classified as being in default, which is aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due or in excess on its original contractual payments/margin/limits, excluding Immaterial Arrears as well as any extensions of more than 90 days from the original contractual payment date.

Immaterial Arrears is defined as an amount that is less than 5% of the next contractual instalment.

Qualitative criteria

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- the client has been flagged as legal;
- significant financial difficulty of a borrower;
- default or delinquency by a borrower;
- distressed restructuring of credit obligations. Per IFRS 9, distressed restructures will be credit-impaired, but per Prudential Authority Directive 7/2015 (section 6.1) these should as a minimum be classified as special mention;
- indications that a borrower would enter provisional or final liquidation or business rescue;
- repayment of the principal amount and/or accrued interest has been overdue for more than 90 days, and the net realisable value of security is insufficient to cover the payment of the principal amount and accrued interest;
- the principal amount and accrued interest are fully secured, but the repayment of the principal amount and/or accrued interest has been overdue for more than 12 months; and
- significant deficiencies exist that threaten the obligor's business, cash flow or payment capability, which deficiencies may include the items specified below:
  - the credit history or performance record of the obligor is not satisfactory;
  - labour disputes or unresolved management problems may affect the business, production or profitability of the obligor;
  - increased borrowings are not in proportion with the obligor's business;
  - the obligor is experiencing difficulty with the repayment of obligations to other creditors; or
  - construction delays or other unplanned adverse events resulting in cost overruns are likely to require loan restructuring.

When a debtor has been classified as credit-impaired (Stage 3), it can be cured to Stage 1 subject to:

- the debtor being up to date;
- six consecutive payments are paid on or before due date; and
- no SICR exists.

Should the debtor be defined as a "High Care" account, it will cure to Stage 2 and not Stage 1. Also, should the client still represent a SICR, curing may only take place to Stage 2. For distressed restructured loans that were in default, there must be at least six consecutive monthly payments under the revised terms to cure.

If the credit risk of the debtor improves to the extent that there is no longer a SICR since initial recognition, then the debtor can cure from Stage 2 to Stage 1 and a 12-month ECL is recognised. This is distinguished between the qualitative and quantitative triggers for the debtor being in Stage 2. A debtor that is in Stage 2 due to quantitative factors (for example based on the day count on an outstanding balance) will cure to Stage 1 once the quantitative factors are resolved. A debtor that is in Stage 2 due to qualitative reasons (for example "High Care") will cure to Stage 1 only once the qualitative triggers have improved to such an extent that the High Care status is resolved.

1.13.13 Write-offs

Loans and advances as well as debt securities, are written off when there is no reasonable expectation of recovering a financial asset in its entirety. This is generally the case when the Group determines that there is no realistic prospect of recovering the monies owed.

Write-offs will be considered once all sources of recovery have been exhausted or no further reasonable expectation of further material recoveries exists. The assessment of when an exposure has no reasonable prospect of being recovered will be based on the financial standing of the borrower and the sureties/guarantors vs the outstanding exposure, the value of the security in a forced sale scenario vs the outstanding exposure, as well as the nature and tenor of the legal processes required to pursue recovery, the costs associated with recovery as well as the prospect of success of the legal case.

Recoveries of amounts previously written off are included in 'credit impairment charges' in the statement of profit or loss and other comprehensive income.

Financial assets that are written off could still be subject to enforcement activities to comply with the Group's procedures for recovery of amounts due.

1. Accounting policies *continued*

1.13 Financial instruments *continued*

1.13.14 Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- financial guarantee contracts: as a deduction from loans and advances. However, the ECL on intercompany financial guarantee contracts is presented in other payables; and
- where a financial instrument includes both a drawn and an undrawn component, the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component.

1.13.15 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Refer to Notes 29 and 35 for more details.

1.13.16 Classification and measurement of financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

1.13.17 Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

1.13.18 Repurchase agreements

The Group enters into the sale of securities with a simultaneous agreement to repurchase the same securities, called repurchase agreements. Repurchase agreements are entered into as part of the Group's Fixed Income trading activities or to obtain short-term liquidity for the Group.

For repurchase agreements, the cash received, including accrued interest, is recognised in the statement of financial position together with a corresponding liability representing the Group's obligation to return the cash and interest.

Interest incurred on repurchase agreements is recognised over the life of each agreement using the effective interest method and recognised as interest expense in profit or loss.

1.13.19 Reverse repurchase agreements

The Group enters into the purchase of securities with a simultaneous agreement to resell the same securities, called reverse repurchase agreements. Reverse repurchase agreements are entered into as part of the Group's Fixed Income trading activities.

For reverse repurchase agreements, the cash paid, including accrued interest, is recognised in the statement of financial position together with a corresponding asset representing the Group's right to receive the cash and interest.

Interest earned on reverse repurchase agreements is recognised over the life of each agreement using the effective interest method and recognised as interest income in profit or loss.

1. Accounting policies *continued*

1.13 Financial instruments *continued*

1.13.20 Derivative financial instruments

A derivative is a financial instrument that changes value in response to an underlying variable, requires little or no initial net investment, and is settled at a future date. Derivatives are initially recognised at fair value on the date on which the derivatives are entered into and subsequently remeasured at fair value at each reporting date.

Gains and losses from changes in the fair value of derivatives that are classified as held for trading are recognised in profit or loss.

1.14 Total income

1.14.1 Net interest income

Net interest income comprises interest income less interest expense as well as the fair value gains and losses on interest rate swaps.

Interest income and interest expense on financial instruments and finance lease receivables are recognised using the effective interest method.

The effective interest rate is the rate that discounts future cash payments or receipts over the expected life of the financial instrument to the carrying amount of the financial instrument and finance lease receivables.

In calculating the effective interest rate, the Group estimates expected cash flows considering all contractual terms of the financial instrument and finance lease receivables, excluding future credit losses but including all fees paid or received, transaction costs and all other premiums or discounts between parties to the contract.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. The reversal of interest income calculated on the amortised cost of credit impaired financial assets that have been cured is recognised as a reduction of the credit impairment charges on loans and advances.

The effective interest rate is established on initial recognition of the financial instrument and finance lease receivables and not subsequently revised.

Interest income and expense on financial assets and financial liabilities held at FVTPL are presented in other interest income and other interest expense respectively.

1.14.2 Non-interest income

Non-interest income comprises fees and commissions, brokerage commission, asset management fees, fair value gains and losses (apart from those fair value gains and losses on derivative instruments that are recognised as part of net interest income), dividend income, foreign exchange gains and losses, and other income on non-financial assets.

Fee and commission income

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a service to a customer.

The Group provides banking and financial services to retail and corporate customers. The Group earns fees and commissions from a range of services it provides to clients. Income earned on the execution of a distinct performance obligation is recognised when the distinct performance obligation has been performed. Revenue is recognised at a point in time.

1. Accounting policies *continued*

1.14 Total income *continued*

Income earned from the provision of services is recognised over time as the performance obligation is fulfilled. Categories of these fees are accounted for as follows:

- Foreign income comprises fees earned on interchange and foreign currency transactions. These are charged to the customer's account when the transaction takes place at a point in time.
- Brokerage income is earned on trades made by the client. This is recognised at a point in time.
- Asset management fees are calculated based on a percentage of the assets managed and deducted from the customer's account balance on a monthly basis. Revenue from asset management services is recognised over time as the services are provided.
- Confirming fees are transaction-based fees that are recognised at a point in time.
- Commission income includes fees received from clients for refinancing and factoring and is recognised at a point in time.
- Administration fees include fees received from clients with an investment, fees received from billing and fixed monthly fees on clients with shareholdings in the private client business. Fees are charged over time through a monthly service fee.
- Other fee and commission income includes commission received on executed trades and assets under management, advisory fees, consulting fees, claim fees, and other fee income earned during the normal course of business from the Asset Finance segment and the Business and Commercial Banking (BCB) segment. These are recognised at a point in time.

Fee and commission income is recognised net of any trade discounts, volume rebates and amounts received on behalf of third parties, such as Value Added Tax (VAT). Furthermore, when the Group is acting as an agent, amounts collected on behalf of the principal are not recognised as revenue.

Gains and losses on financial instruments

Dividend income is received from equity investments in entities that the Group does not control and those investments in associates that are recognised at FVTPL (refer to Note 1.3.6). Dividend income is recognised when the Group's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Dividend income received, as reflected in the statement of cash flows comprises of:

- dividend income received as recognised in the statement of profit or loss and other comprehensive income (refer to Note 30); and
- dividend income received from equity accounted associates (refer to Note 10).

For financial instruments measured at FVTPL the fair value gains and losses are recognised as part of 'gains and losses on financial instruments'.

Other income on non-financial assets

Included in other income is rental income earned on leases that have reached their end of term and the customer continues to pay for the use of the asset as well as income from non-financial assets.

1.15 Employee benefits

1.15.1 Short-term benefits

Short-term benefits comprise salaries, incentive bonuses, accumulated leave pay, provident fund contributions, medical aid contributions, group life contributions and company car benefits.

Short-term benefits are recognised in profit or loss as they become due.

A provision is recognised for employees' leave entitlement when the Group has a present legal obligation to settle with the employee in cash or by leave to be taken.

A provision is recognised for employees' bonus entitlement when the Group has a present legal or constructive obligation to make such payments to the employee.

1.15.2 Defined contribution plan

The Group pays fixed contributions to a third party as part of a defined contribution provident fund and retirement fund plan for the benefit of its employees. The Group has no further legal or constructive obligation in terms of the defined contribution benefit plan beyond these contributions.

Defined contributions are recognised in profit or loss as they become due.

1. Accounting policies *continued*

1.16 Taxation

Income and capital gains tax comprise current and deferred taxation and are recognised in profit or loss.

1.16.1 Current tax

Current tax, comprising income tax and capital gains tax, is calculated on taxable income for the year based on current tax legislation.

1.16.2 Deferred tax

Deferred tax, comprising deferred income tax and deferred capital gains tax, is calculated using the statement of financial position method against which existing tax legislation is applied to temporary differences between the tax and accounting bases of assets and liabilities.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted.

Deferred tax assets are reviewed for recoverability at each reporting date.

Deferred tax resulting on items accounted for directly in the statement of changes in equity or statement of profit or loss and other comprehensive income is recognised in the statement of changes in equity and statement of profit or loss and other comprehensive income, respectively.

Deferred tax is not recognised on:

- the initial recognition of goodwill;
- the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits and losses; and
- investments in subsidiaries where the Group controls the timing of the reversal of temporary differences, and it is probable that these differences will not reverse in the foreseeable future.

Deferred tax assets are recognised on tax losses to the extent that it is probable that future taxable profits will be earned.

1.17 Earnings per share (EPS)

Basic EPS represents profit or loss attributable to ordinary shareholders of the Group divided by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS represents the profit or loss attributable to ordinary shareholders of the Group divided by the weighted average number of shares outstanding, taking into account the dilutive effects of potential ordinary shares.

1.18 Commitments, contingent assets and contingent liabilities

Commitments represent the Group's commitment to future transactions.

Contingent liabilities are provisions of the Group with an uncertain timing or amount. Contingent liabilities principally consist of third-party obligations underwritten by the Group, guarantees other than financial guarantees, letters of credit, and matters arising from legal proceedings.

Commitments and contingent liabilities are not recognised but disclosed in the Notes to the Consolidated and Separate Annual Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent assets are not recognised but disclosed. When realisation of a contingent asset is virtually certain, it is no longer considered contingent and is recognised as an asset. The asset is recognised in the period in which this change from contingent asset to asset occurs.

1.19 Funds under administration, advisement and management

The Group holds and manages funds and acts as trustee in a fiduciary capacity on behalf of its clients.

The resulting assets and liabilities are not those of the Group but of the Group's clients and are not accounted for in the Consolidated and Separate Annual Financial Statements.

Income relating to these activities is recognised in profit or loss as part of fee and commission income.

1.20 Segment reporting

Management reports on three pillars (excluding the Group and inter-segment eliminations segment). These pillars are Asset Finance, Business and Commercial Banking, and Wealth.

The operating results of the three pillars are regularly reviewed by the Group's Board, Chief Executive Officer, and senior management, who assess the performance of the divisions, and make decisions as to the appropriate resources to be allocated between pillars. Pillars are further segmented into business units as part of the Group's management and internal reporting structure.

Corporate Services includes Treasury and represents the Group's central functions, and these costs are allocated to the operating pillars using an internal model of cost allocation.

1. Accounting policies *continued*

1.21 Non-current assets held for sale, liabilities directly associated with assets classified as held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 8.

2. Critical estimates, judgements and assumptions

The preparation of these Consolidated and Separate Annual Financial Statements in accordance with IFRS Accounting Standards requires management to make certain judgements, estimates and assumptions in its calculation of the carrying value of assets and liabilities and the reported amounts of profit or loss.

The assumptions, judgements and estimates used are based on historical experience and other factors that are believed to be reasonable.

Assumptions, judgements and estimates are reviewed on an ongoing basis, with revisions recognised in the period in which the revision was made, or in future periods if applicable.

2.1 Impact of economic conditions

Given continued inflationary pressures, central banks in both advanced economies and emerging market and developing economies (EMDE's) will likely remain cautious in easing monetary policy. As such, average benchmark policy interest rates over the next few years are expected to remain about double the 2000 to 2019 average and with delays in monetary easing.

Various macro-economic factors have been considered as part of our credit impairments and are reflected in the use of a 77% weighting in our weighted probability scenario approach referred to in Note 2.2.1 and fair value measurements in Note 2.5.

2.2 Credit impairment

2.2.1 Credit impairment of loans and advances (refer to Notes 9 and 43)

The Group assesses its loans and advances portfolio for impairment monthly using the ECL model.

The Group applies judgement in the way it defines and applies a SICR, which is the driver in dividing the loans and advances portfolios between Stage 1 and Stage 2, with the driver for Stage 3 being default. The 'three-stage model' for ECL is:

- Stage 1: 12-month ECL for those financial assets where there has not been a significant increase in credit risk since initial recognition;
- Stage 2: Lifetime ECL for those financial assets where there has been a significant increase in credit risk on a collective basis; and
- Stage 3: Lifetime ECL for all credit-impaired financial assets.

Refer to accounting policy Note 1.13 for more information on a SICR.

The Group further applies judgement in determining the inputs used in the ECL model, i.e. the PD, LGD, EAD and TTD that are used to determine the ECL for each of Stage 1, Stage 2 and Stage 3.

The IFRS 9 ECL requires forward-looking macroeconomic factors to be incorporated into the calculated loan book ECL to ensure the timely recognition of expected future credit losses. To capture the effect of economic changes accurately and forecast the required levels of impairment provisions expected to be held, the Group uses statistical modelling.

2. Critical estimates, judgements and assumptions *continued*

2.2 Credit impairment *continued*

2.2.1 Credit impairment of loans and advances (refer to Notes 9 and 43) *continued*

Various macro-economic factors were statistically tested for the current financial year to identify key drivers in the context of power shortages, weak economic outlook, high inflation, and interest rates that have remained elevated for an extended period, GDP, Prime overdraft, Producer Price Index (PPI) of electricity, ZAR/USD exchange rate and investment to GDP were identified as the most significant drivers of the loan book and were used in the model. For each of the scenarios listed below for 2024, the variables over the next 12 months are disclosed. The average GDP, Prime overdraft %, PPI of electricity, ZAR/USD exchange rate and investment to GDP over the remaining forecast period, from 2024 to 2026, were used in the statistical modelling.

A weighted probability scenario approach was applied to determine the model derived scalar as per the table below. Given the inherent risk in economic conditions that have been stressed for a prolonged period, a management overlay to account for this risk was applied to determine the final scalar.

	Best		Expected		Worst		Blended[1]	
	12 Months average (%)	Lifetime average (%)	12 Months average (%)	Lifetime average (%)	12 Months average (%)	Lifetime average (%)	12 Months average (%)	Lifetime average (%)
2024								
Factors								
GDP (%)	**2.92**	**2.39**	**1.29**	**1.39**	**-2.96**	**-2.94**	**0.61**	**0.66**
Prime overdraft (%)	**10.58**	**9.60**	**11.39**	**10.69**	**12.44**	**12.69**	**11.54**	**11.00**
PPI of electricity	**180.60**	**195.18**	**191.96**	**216.01**	**204.35**	**250.92**	**193.62**	**221.25**
Rand/USD exchange rate	**16.80**	**16.82**	**18.24**	**19.15**	**22.87**	**25.45**	**19.00**	**20.17**
Investment to GDP (%)	**15.62**	**16.35**	**15.52**	**16.03**	**14.74**	**14.46**	**15.39**	**15.77**
Scenario probability (%)	**5%**		**77%**		**18%**		**Combination**	
Scalar	**1.12**		**1.22**		**1.41**		**1.25**	
	R'000		**R'000**		**R'000**		**R'000**	
Impact on ECL – (Decrease)/Increase[2]	**(5 673)**		**(1 309)**		**6 982**		**Base**	

[1] *The blended scenario is the probability-weighted scenario made up of the following scenarios – best case (5%), expected case (77%) and a worst case (18%).*

[2] *The impact of forward-looking information on the IFRS 9 ECL provision is an increase of R20.87 million. This is depicted as the zero base case in the blended column in the above table as the impact is already included in the ECL for the current period. The percentage change of the total IFRS 9 provision is a 1.1% downward adjustment should a 100% best case scenario be assumed, a 0.25% downward adjustment should a 100% expected scenario be assumed and a 1.35% downward adjustment should a 100% worst-case scenario be assumed.*

2. Critical estimates, judgements and assumptions *continued*

2.2 Credit impairment *continued*

2.2.1 Credit impairment of loans and advances (refer to Notes 9 and 43) *continued*

	Best		Expected		Worst		Blended[1]	
	12 Months average %	Lifetime average %	12 Months average %	Lifetime average %	12 Months average %	Lifetime average %	12 Months average %	Lifetime average %
2023								
Factors								
PPI of electricity	155.95	168.16	170.84	193.69	177.14	220.73	171.23	197.28
Rand/USD exchange rate	15.03	15.39	17.78	18.50	19.87	22.77	18.02	19.11
Investment to GDP (%)	16.06	16.6	15.38	15.88	14.33	14.72	15.22	15.71
Scenario probability (%)	5%		77%		18%		Combination[1]	
Scalar	1.2		1.4		1.64		1.44	
	R'000		R'000		R'000		R'000	
Impact on ECL – (Decrease)/Increase[2, 3]	(10 300)		(1 717)		8 583		Base	

[1] *The blended scenario is the probability-weighted scenario made up of the following scenarios – best case (5%), expected case (77%) and a worst case (18%).*

[2] *The impact of forward-looking information on the IFRS 9 ECL provision is an increase of R31.25 million. This is depicted as the zero base case in the blended column in the above table as the impact is already included in the ECL for the current period. The percentage change of the total IFRS 9 provision is a 2.0% downward adjustment should a 100% best case scenario be assumed, a 0.3% downward adjustment should a 100% expected scenario be assumed and a 1.6% upward adjustment should a 100% worst-case scenario be assumed.*

[3] *For enhanced disclosure purposes and to understand the impact on ECL, (Decrease)/Increase was added.*

The Group further applies judgement when determining whether a specific loan and/or advance should be written off due to it not being recoverable.

2.2.2 Credit impairment of negotiable securities (refer to Notes 5 and 43)

Similar to the credit impairment on loans and advances, the Group applies judgement in the manner in which it defines and applies a SICR, which is the driver in dividing the negotiable security portfolio between Stage 1 and Stage 2, with the driver for Stage 3 being default. The 'three-stage model' for ECL is:

- Stage 1: 12-month ECL for those financial assets where there has not been a significant increase in credit risk since initial recognition;
- Stage 2: Lifetime ECL for those financial assets where there has been a significant increase in credit risk on a collective basis; and
- Stage 3: Lifetime ECL for all credit-impaired financial assets.

Refer to accounting policy Note 1.13 for more information on a SICR.

The Group further applies judgement in determining the inputs used in the ECL model, i.e. the PD, LGD and EAD that are used to determine the ECL for each of Stage 1, Stage 2 and Stage 3. The Rating Scale used to determine the PD's of government bonds and treasury bills, align to ratings as published by the government that are obtained from external rating agencies. Similar to the credit impairment on loans and advances, the Group applies expert judgement in the manner in which it defines and applies a SICR, which is the driver in segmenting the negotiable security portfolio between Stages 1 and 2. The move from 12-month expected credit loss to lifetime expected credit loss can result in a substantial increase in ECL.

2. Critical estimates, judgements and assumptions *continued*

2.2 Credit impairment *continued*

2.2.2 Credit impairment of negotiable securities (refer to Notes 5 and 43) *continued*

The sensitivity analysis performed indicates an additional ECL charge of circa R47.075 million to the income statement if 40% of the gross carrying amount of negotiable securities held at amortised cost suffered a SICR and moved from Stage 1 to Stage 2 as at 30 June 2024. A 40% increase in financial instruments held at amortised cost categorised as Stage 2 can be viewed as a severe possible alternative based on the nature of the instrument and current deterioration in economic conditions. To calculate a net present value (NPV) and ECL of the Land Bank, being a Stage 3 exposure, expert judgement was applied. The calculation of the ECL for the financial year ended 30 June 2024 was done on an NPV basis similar to what was done for the June 2023 year end, using the expected cash inflows from the 3.5 year term loan as set out in the proposed Liability Solution 5 (LS5). As at year-end, the LS5 had not been legally implemented, but funders had approved the term sheet and the legal documentation. Various cash flow scenarios were built ranging from an expected case to mild stress to severe stress, each then discounted using an expected, best case and worst-case credit risk premium. The final NPV was then calculated as a blended NPV by attaching probabilities to each of the potential outcomes to derive a final proposed ECL. The range between best case and worst case was R24 million to R64 million with a blended ECL of R39 million. Refer to Note 48 for the finalisation of LS5 which occurred post year end.

2.3 Private Equity investment valuations (refer to Note 10)

The Group aims to adopt best practice valuation techniques as incorporated in the South African Venture Capital and Private Equity Association guidelines. It mainly follows a discounted cash flow or earnings methodology, corroborated by a market multiples approach, where appropriate.

These valuations are subject to various assumptions and professional judgement including, but not limited to:

- marketability and minority discounts;
- weighted average cost of capital (WACC);
- estimates of local and global macro-economic performance, including factors such as expected interest and exchange rates;
- estimates of future operating cash flows of investees' businesses;
- estimates of long-term underlying operational performance of investees' businesses;
- expected capital expenditure and working capital needs of investees' businesses;
- assessment of long-term viability of investees' business models; and
- the inherent risks specific to the investees' businesses and the industries and countries in which these entities operate.

The valuations are reviewed and approved by the CLEC and are recommended to the Board for approval.

2.4 Property Equity investment valuations (refer to Note 10)

In relation to investments held by the Group, where the primary underlying assets are property, the Group obtains third-party valuations from registered professional valuers with experience relevant to the types of properties being valued, using the net income capitalised methodology.

These valuation experts use best practice market norms in arriving at the value of the underlying property assets. Once the Group has received these valuations, relevant adjustments are made to take into account financial assets, profit participation and/or obligations associated with these investments.

These valuations are subject to various assumptions and professional judgement including, but not limited to:

- selection of capitalisation rates appropriate for the property considering its location, condition, nature of tenant(s), lease term, etc;
- estimated operating factors such as operating costs, expected occupancy and tenant turnover; and
- comparisons to market-related rental yields and/or sold prices achieved for similar properties.

The valuations are reviewed and approved by the CLEC and recommended to the Board for approval.

2. Critical estimates, judgements and assumptions *continued*

2.5 Fair value (refer to Note 41)

The valuation techniques for fair value measurement of the investment securities have been assessed by the respective valuation committees to determine the impact on the fair value measurements of these instruments. When assessing the fair value measurement of financial instruments for this period, the valuation models have been built to take into consideration inputs that are reflective of market participants.

The assessment factored in the lingering impact of the shock events on the forecasted cash flows and other critical assumptions of businesses and the economy as a whole i.e. capitalisation rates, growth rate assumptions, terminal growth rate, WACC, cost of capital, and vacancy rates of properties. This assessment was considered on a company-by-company basis taking into account (inter alia) the industry within which it operates, and its own financial strength.

Fair value is the price that would be realised on the sale of an asset or paid to transfer a liability on an arm's-length basis to an unrelated party.

The Group measures the fair value of a financial instrument using its quoted price in an active market.

A market is regarded as active if transactions for the financial instrument take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The most accurate fair value of a financial instrument at initial recognition is normally the transaction price. If the Group determines that the fair value of a financial instrument (measured at amortised cost) at initial recognition differs from the transaction price, and the fair value is evidenced neither by a quoted price in an active market for an identical financial instrument nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value with the difference between the fair value at initial recognition and the transaction price recognised in profit or loss over the life of the instrument, but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

'Bid' prices in an active market are used to measure financial assets held at fair value, while 'ask' prices in an active market are used to measure financial liabilities held at fair value.

Financial asset portfolios that are exposed to market risk and credit risk are measured based on a price that would be received when selling a net long position for a particular risk exposure. Financial liability portfolios that are exposed to market risk and credit risk are measured based on a price that would be paid to transfer a short position for a particular risk exposure. Market risk and credit risk portfolio level adjustments are allocated to the individual assets and liabilities based on the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit will not be less than the amount payable by the Group on demand, discounted from the first date on which the amount could be required to be paid.

The determination of the fair value of financial instruments that are not quoted in active markets or trade infrequently with little price transparency requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions, and other risks affecting the specific instrument, and is determined by using valuation techniques which are validated and independently reviewed by qualified and experienced senior personnel within and external to the Group.

The Group's valuation methodologies comprise:

- price earnings multiple valuation methodology;
- recent transaction prices and comparisons with similar instruments;
- net asset value;
- discounted cash flow or earnings; and
- Black-Scholes Option Pricing.

2. Critical estimates, judgements and assumptions *continued*

2.5 Fair value (refer to Note 41) *continued*

Assumptions and inputs used in the valuation methodologies comprise:

- risk-free interest rates;
- benchmark interest rates;
- credit spreads; and
- liquidity and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices, and expected price volatilities and correlations.

Fair value estimates obtained from models are adjusted for factors such as liquidity risk or model uncertainties that the Group believes an independent market participant would take into account when pricing a valuation.

Fair value hierarchy

Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Transfers between levels are recognised at the end of the reporting period during which the change has occurred.

2.6 Intangible assets and goodwill (refer to Note 14)

2.6.1 Intangible assets

Intangible assets comprise internally generated and purchased information technology software as well as distributor relationships acquired as part of business combinations.

The costs associated with internally developed software are only capitalised once the research phase has been concluded and the requirements for the development phase have been met, namely:

- it is technically feasible to complete the software for use;
- the Group is committed to complete the software for use;
- it will be possible to use the software, and the Group intends to use the software to increase efficiencies and/or support the business;
- there are sufficient resources available to complete the software; and
- the costs can be reliably measured.

It requires judgement from management to determine when these requirements have been met for capitalisation.

On an annual basis, the Group assesses impairment indicators relating to internally generated and purchased information technology software such as technology advancement and the ability of the asset to continue to generate future economic benefits. Should an impairment indicator be triggered, the related software is assessed for impairment.

Internally developed software that is still in the development phase is assessed annually for impairment.

Changes in estimates of related cash flow benefits from customers would give rise to impairment indicators relating to distributor relationships.

2. Critical estimates, judgements and assumptions *continued*

2.6 Intangible assets and goodwill (refer to Note 14) *continued*

2.6.1 Intangible assets *continued*

The individual carrying amounts of the respective intangible assets are compared to their estimated recoverable amounts in order to compute the impairment. Determining the estimated recoverable amount (being the greater of the asset's discounted cash flows to determine its value in use and fair value less costs to sell) and future cash flows of the relevant Cash-Generating Units (CGUs), where applicable, as well as the impairment assessment requires management judgement.

2.6.2 Goodwill

On an annual basis, the Group assesses recognised goodwill for impairment. Management judgement is required in both the assessment for impairment and the impairment test. The impairment tests comprise comparing the carrying amount of the CGU being assessed to the estimated CGU Value-In-Use (VIU). If the carrying amount is less than the VIU in a CGU, then a goodwill impairment is recognised. The CGU comprises separate elements of the business to which the goodwill is allocated. The assessment of the value-in-use requires management judgement of future performance. The assumptions applied in determining the value-in-use match those applied in the preparation of the Group's budgets and forecasts which cover a five-year period. The related pre-tax expected future cash flows used to determine the forecasts in the calculation are discounted at an appropriate risk-adjusted rate which is referenced against the Group's historical long-term cost of funding rate.

2.7 Current and deferred taxation (refer to Notes 15 and 35)

The Group is subject to direct and indirect taxation charges. There are elements of uncertainty and resultant judgement involved in the ultimate determination of these tax balances and charges. Should the final outcome differ to what was initially calculated, the impact will be accounted for in the period in which the outcome is known.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date for recoverability. These assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Management's judgement surrounding the probability and sufficiency of future taxable profits, future reversals of existing taxable differences and ongoing developments will determine the recognition of deferred tax. The most significant management assumption in determining whether the deferred tax asset should be recognised is the forecasts used to support the probability assessment that sufficient taxable profits will be generated by the entities in the Group to utilise the deferred tax assets in the medium term.

2.8 Assessment of significant influence and control of entities (refer to Note 40)

In assessing significant influence, the Group assesses voting rights and exercises judgement to determine whether the Group has the power to participate in an entity's financial and operating policy decisions rather than control thereof.

The Group controls and consolidates an entity after having regard to whether the Group has power over the investee, exposure or rights to the variable returns and its ability to affect the amount of the returns in the investee. The Group assesses each entity's core activities and exercises judgement to determine whether the Group has any control over those activities and the variable returns they give rise to. Regard is given to both current and potential voting rights, de facto control and any other contractual rights.

2.9 Statement of cash flows – allocation of funding between operating and financing activities

Management applies significant judgement to determine which proportion, if any, of changes in long-term funding relates to the operating activities of the Group (i.e. granting funding to clients), and which relates to funding the financing activities of the Group.

2.10 Prescription

Assets and liabilities are regularly assessed to determine whether they may be subject to a claim where the claim may be defeated due to prescription. Prescription occurs when the legal right to enforce a claim or obligation has expired, typically as defined by applicable laws and regulations. The Company relies on legal counsel and expert advice to assess prescription. Prescription periods are interrupted by an admission of indebtedness or by institution of judicial process whereby, the creditor institutes legal action to recover the debt. Upon meeting the prescription requirements, the assets or liabilities are derecognised and a corresponding entry is recognised in profit or loss.

2. Critical estimates, judgements and assumptions *continued*

2.11 Discontinued operations (refer to Note 8)

Significant judgement was applied in the assessment of discontinued operations and in the presentation of discontinued and continuing operations.

2.12 Provisions (refer to Note 18)

Significant judgement and estimation were applied in the assessment of the administrative sanctions.

2.13 Application of IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors* (refer to Note 49)

Critical estimates, judgments and assumptions were applied in the IAS 8 treatment relating to the new model implementation used for calculating current and deferred taxation balances in respect of certain leased assets.

3. Standards/interpretations issued but not yet effective

There are new or revised accounting standards and interpretations in issue that are not yet effective for the year ended 30 June 2024 and have not been applied in preparing these Consolidated and Separate Annual Financial Statements. The Group does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated. These include the following standards and interpretations that have been issued with an indication of the estimated impact on the future financial statements of the Group:

Pronouncement	Title and details	Effective date
Amendments to IAS 1 *Presentation of Financial Statement*	*Classification of liabilities as current or non-current and non-current liabilities with covenants* Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and, instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. The amendments clarified that a company has a right to defer settlement of a liability if the company complies with those conditions at that date. As part of the amendment it specified that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. For liabilities that a company is only required to assess compliance with covenants within twelve months after the reporting date (or further), it would have no effect on the classification of a liability. However, for such liabilities the amendment requires separate disclosure of the information about the covenants, the carrying amount of the related liabilities and the facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants in the annual financial statements. It also clarified that an entity does not have a right to defer settlement (and therefore classify it as current), if the liability could become repayable within twelve months at the discretion of the counterparty or third party or depending on an uncertain future event or outcome that is unaffected by the Group's future actions. These amendments are not expected to have an impact on the Group.	Annual periods beginning on or after 1 January 2024.

3. Standards/interpretations issued but not yet effective *continued*

Pronouncement	Title and details	Effective date
Amendments to IFRS 16 *Leases*	*Lease liability in a sale-and-leaseback* The amendment clarifies how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. The amendment is to be applied retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. These amendments are not expected to have an impact on the Group.	Annual periods beginning on or after 1 January 2024.
Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures*	*Supplier finance arrangements* The amendments made to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* is to enhance the usefulness of information provided by entities in relation to supplier finance arrangements. The amendments are intended to assist the users of the financial statements to better understand the effect of such arrangements on the Group's liabilities, cash flows and exposure to liquidity risk. As part of the amendment, the amendment clarifies the characteristics of supplier finance arrangements and disclosure requirements. The disclosure requirements includes the requirement for an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows. These amendments are not expected to have an impact on the Group.	Annual periods beginning on or after 1 January 2024.
Amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates*	*Lack of exchangeability* The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* aims to clarify how an entity should assess whether a currency is exchangeable, how to determine the spot exchange rate when exchangeability is lacking and disclosure in the financial statements to enable the financial users to understand the impact of a currency not being exchangeable. These amendments are not expected to have an impact on the Group.	Annual periods beginning on or after 1 January 2025.

3. Standards/interpretations issued but not yet effective *continued*

<table>
<tr><th>Pronouncement</th><th>Title and details</th><th>Effective date</th></tr>
<tr><td>Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures</td><td>Amendments to the classification and measurement of financial instruments
The amendments:
Clarify that a financial liability is derecognised on the ‘settlement date’. The ‘settlement date’ is the date when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. The new exception permits companies to elect to derecognise certain financial liabilities settled via electronic payment systems earlier than the settlement date subject to meeting certain conditions.
Clarify how to assess the contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features
Clarify the treatment of non-recourse assets and contractually linked instruments.
Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference to contingent events (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.
The Group is still assessing the impact of this amendment.</td><td>Annual periods beginning on or after 1 January 2026.</td></tr>
<tr><td>IFRS 18 Presentation and Disclosure in Financial Statement</td><td>Presentation and disclosure in financial statements
IFRS 18 is set to replace IAS 1. The new Standard will assist companies to provide more useful information about their financial performance through their financial statements. Investors will benefit from greater consistency of presentation in the income and cash flow statements, and more disaggregated information. It also requires making certain ‘non-GAAP’ measures part of the audited financial statements as this will bring more creditability to management’s key performance indicators.

Companies’ net profit will not change rather how results are presented on the face of the income statement and information disclosed in the notes is expected to change.

The Group is still assessing the impact of the newly published standard.</td><td>Annual periods beginning on or after 1 January 2027.</td></tr>
</table>

3. Standards/interpretations issued but not yet effective *continued*

Pronouncement	Title and details	Effective date
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	*Subsidiaries without public accountability: disclosures* The newly issued Standard allows for eligible entities to elect to apply IFRS 19's reduced disclosure requirements while still applying the recognition, measurement, and presentation requirements in other IFRS accounting Standards. The application of the Standard is optional for eligible entities. The criteria for eligible entities to apply the Standard is if, at the end of the reporting period: • it is a subsidiary a defined in IFRS 10 *Consolidated Financial Statements*; • it does not have public accountability; and • it has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting Standards. An entity has public accountability if *'its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market'* or *'holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.'* An entity that meets the requirements to apply IFRS 19, may apply the Standard on a voluntary basis. An entity may revoke its election to apply IFRS 19 at any time, in which case, it would be required to prepare financial statements providing the disclosures set out in the other IFRS accounting Standards. The Group is still assessing the impact of the newly published standard	Annual periods beginning on or after 1 January 2027.

4. Cash and cash equivalents

	2024 R'000	2023 R'000
Measured at amortised cost	**495 674**	633 192
Funds on call[1, 2]	**348 904**	477 960
Balance with the SARB[3]	**146 757**	155 219
Cash on hand	**13**	13
Measured at fair value	**100 004**	251 430
Money market funds at fair value through profit or loss	**100 004**	251 430
Total per consolidated statement of financial position and statement of cash flows	**595 678**	884 622

[1] *Prior periods by restatement, please refer to Note 49 for additional information. The prior period was restated by reclassifying R17.99 million from deposits with customers to funds on call included within cash and cash equivalents. The funds on call balance was previously stated at R338.99 million.*

[2] *In the current year, improvements were made to the internal financial processes to identify the types of cash products. This resulted in errors identified in the categorisation of funds on call. Fixed deposits of R27.29 million and notice deposits of R93.69 million were reclassified respectively to funds on call. The correction did not impact the primary financial statements.*

[3] *The balance with the SARB is for minimum reserve requirements and is available for use subject to certain restrictions and limitations imposed by the central bank.*

5. Negotiable securities

	2024 R'000	2023 R'000
Treasury bills[1, 2]	**1 507 175**	934 853
Government bonds[1, 2]	**220 740**	216 610
Land Bank bills	**203 436**	203 478
Negotiable securities before impairments	**1 931 351**	1 354 941
Credit loss allowance[3]	**(35 168)**	(61 530)
Net negotiable securities	**1 896 183**	1 293 411

[1] *Treasury bills with a carrying value of R458 million (2023: R203.4 million) and Government bonds with a carrying value of R151.0 million (2023: R232 million) have been pledged for the SARB refinancing auction. The fair value is R456.1 million (2023: R203.1 million) and R125.7 million (2023: R189.6 million) respectively for Treasury bills and Government bonds. The associated liabilities carrying value equal fair value and is R450.0 million (2023: R200.1 million) and R100.7 million (2023: R151.8 million) respectively for Treasury bills and Government bonds. This results in a net fair value of R6.1 million (2023: R3.0 million) and net fair value R25.0 million (2023: R37.8 million) for Treasury bills and Government bonds respectively.*

[2] *In the prior year the balance presented for Treasury bills of R1.2 billion incorrectly included Government bonds of R216.6 million. This has been corrected to separately present Treasury bills and Government bonds, respectively.*

[3] *For key management inputs and assumptions relating to ECL, refer to Notes 43.1 and 43.3.3.*

6. Trading assets and liabilities[1]

	Financial assets		Financial liabilities	
	2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Financial assets held for trade facilitation comprise the following categories of rated bond positions all of which are traded through the JSE:				
Government bonds	**23 801**	26 083	**179 327**	195 019
Government-owned entities	**144 180**	161 420	**–**	–
Corporate bonds	**33 717**	33 989	**–**	–
Traded through the JSE	**201 698**	221 492	**179 327**	195 019
Derivatives[2]	**30**	32 798	**2 285**	27 683
	201 728	254 290	**181 612**	222 702
Financial assets no longer held for trade facilitation as they were delisted from the JSE:				
Government-owned entities[3]	**22 766**	19 309	**–**	–
	224 494	273 599	**181 612**	222 702

[1] *Financial assets and liabilities held for trade facilitation relate to the Fixed Income trading business in Sasfin Securities (Pty) Limited. Financial assets held for trade facilitation are economically hedged by financial liabilities held for trade facilitation, minimising the Group's exposure to interest rate risk.*
[2] *The derivatives in the table above are now separately presented, it was previously incorrectly disclosed as a separate line item as part of traded through the JSE. The prior year was amended accordingly, and no impact is noted on the primary financial statements or the trading assets and liability balances.*
[3] *Refer to Note 41.1 for additional information.*

6.1 Reverse repurchase and repurchase agreements

The Group holds proprietary bond positions for trade facilitation related to the Fixed Income business in Sasfin Securities (Pty) Limited. This book consists of rated bond positions all traded through the JSE. In the normal course of business, the Group enters into repurchase (repo) and reverse repurchase (reverse repo) agreements to facilitate these trades. Repurchase and reverse repurchase agreements are not set off.

	2024 R'000	2023 R'000
Reverse repurchase agreements (assets)	**209 495**	193 597
Repurchase agreements (liabilities)	**232 989**	218 642
6.2 Total trading assets	**433 989**	467 196
Financial assets	**224 494**	273 599
Reverse repurchase agreements (assets)	**209 495**	193 597
6.3 Total trading liabilities	**414 601**	441 344
Financial liabilities	**181 612**	222 702
Repurchase agreements (liabilities)	**232 989**	218 642

	2024 R'000	2023 R'000
7. Trade and other receivables		
Financial assets	**285 391**	1 070 097
Stockbroking receivables[1]	**124 022**	782 567
Trade receivables	**99 529**	168 300
Sundry receivables[2]	**61 840**	119 230
Non-financial assets	**188 050**	178 996
Value added taxation	**154 002**	139 620
Prepaid expenses	**33 709**	31 815
Other receivables	**339**	7 561
Other receivables before impairments	**473 441**	1 249 093
Credit loss allowance	**(6 527)**	(16 141)
Net trade and other receivables	**466 914**	1 232 952

1 *The stockbroking receivables represent unsettled transactions in terms of the trading rules applicable to the specific exchange where the deal was booked.*

2 *In the current year, sundry receivables are primarily representative of movements in the margin call accounts (R22.6 million) and client control accounts for trades done (R16.5 million) in Wealth. In the prior year, sundry receivables are primarily representative of recoveries from duplicate and excess client balances in foreign exchange (forex) and Visa deposit of R49.2 million.*

8. Non-current assets held for sale, liabilities directly associated with assets classified as held for sale and discontinued operations

Disposal of Capital Equipment Finance and Commercial Property Finance businesses to African Bank Limited

As previously reported, the Group, through its wholly owned subsidiary Sasfin Bank entered into agreements, in terms of which, subject to certain suspensive conditions, it would, 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 African Bank Limited (the Purchaser, African Bank) (the Disposal). The CEF Business and CPF Business form part of the Asset Finance segment and BCB segment respectively.

The agreements relating to the Disposal were concluded on 16 February 2024 for the CEF Business and 22 February 2024 for the CPF Business. The only suspensive condition remaining as at 30 June 2024 was the approval from the Prudential Authority (PA).

On 1 August 2024 approval was received from the PA setting out conditions to be met pre and post the Disposal. On 21 August 2024, the CPF Business was successfully disposed to African Bank (refer to Note 48), in line with management's expectation of three months after year-end. The disposal of the CEF Business is in the process of being finalised with the expectation that it should be finalised in the fourth quarter of the calendar year.

Classification as held for sale

As at 30 June 2024, it was assessed that the Disposal meets the criteria for non-current assets held for sale. Therefore, the related loans and advances ('Capital Equipment Finance' forming part of the CEF Business, 'Other loans' and 'Specialised lending' forming part of the CPF Business), and provisions ('Leave provision') were reclassified to non-current assets and liabilities directly associated with assets classified as held for sale.

On 9 April 2024, SASP notified the noteholders of Series 2 of its intention of early settlement of these notes subject to the Disposal to African Bank being unconditional. In applying judgement, management has concluded that the intention to early settle these notes (and consequently, the interest expense on these notes) are directly attributable to the discontinued operation of CEF business. However, the intention to early settle these notes did not meet the criteria to be classified as held for sale as at 30 June 2024 due to the carrying amount not principally realising through a sale, therefore, no portion of debt securities was classified as held for sale.

Closure of the foreign exchange business unit

During the current year, as part of its previously reported strategic reset, the Group ceased operations of its foreign exchange business unit that forms part of the BCB segment. During May 2024, trading ceased. As this was a closure, the held for sale classification was not applicable.

8. Non-current assets held for sale, Liabilities directly associated with assets classified as held for sale and discontinued operations *continued*

Significant judgements – determination of discontinued operations and related presentation

Significant judgment was applied in assessing whether the disposal of the CEF Business and the CPF Business as going concerns to African Bank and the closure of the foreign exchange business unit constituted discontinued operations. Further significant judgement was applied in the presentation of discontinued and continuing operations. The key significant judgements are summarised below.

Assessment of the definition of discontinued operations

The determination of whether the CEF Business, CPF Business, and the foreign exchange business unit are discontinued operations required management to determine if they represent separate major lines of business. The concept of a "separate major line of business" is not accompanied by any application criteria or guidance in IFRS 5. The IASB and IFRS Interpretations Committee (IFRIC) are aware of this gap, however it remains unaddressed.

Under such circumstances, management followed the process required in terms of IAS 8 which requires it to develop policies to address such gaps.

In line with the policy developed to address the above-mentioned gap, management considered both qualitative and quantitative factors (including assessing normalised and pre-normalised profit contribution of these businesses to the aggregate profit of the entity). Ultimately, after applying significant judgement, management determined that, under the circumstances, the CEF Business, CPF Business, and the foreign exchange business unit constitute discontinued operations.

Presentation of the discontinued and continuing operations

In terms of IFRS 5, it is required to present and disclose the post-tax profit from discontinued operations in the statement of profit or loss. The presentation of a discontinued operation does not change the Group's income earned, expenses incurred or the profit for the year, rather it requires the categorisation of these items between continuing operations and discontinued operations.

In presenting discontinued operations, only directly attributable income and expenses, and the taxes thereon can be considered. In other words, only income and expenses that will cease on disposal or closure of the business unit, and the related tax thereon are considered as part of the discontinued operations. To meet this requirement, management was required to assess all income, expenses, cash flows and tax adjustments, related to the discontinued operation. Given that these businesses are not separate legal entities, are not reported separately for statutory or internal reporting purposes and that there are typically shared costs between these business units and others, the process to determine the appropriate presentation required significant analysis.

In terms of calculating the income tax and cash flows directly attributable to the discontinued operations, complexity arose as these discontinued operations are not legal entities and there is no clear guidance on how tax and cash flows should be determined in such a case. Management applied significant judgement as follows:

- For tax purposes, these businesses are not separate tax paying entities and have therefore not filed separate tax returns in South Africa. In calculating the income tax expense, management started with the profit before tax for the respective businesses after analysing the discontinued and continuing profit for the year as noted above. Management then analysed the legal entity tax and identified adjustments that could be considered directly attributable to the business unit based on the information available (for example adding back operational losses incurred when directly attributable to a business unit as non-deductible for tax purposes). In terms of the CEF Business, the interest income earned for the rentals on leases were not considered for deferred tax purposes as the information was not readily available. Therefore, management applied the approach of taxing these amounts in full at the corporate tax rate of 27%.

8. Non-current assets held for sale, Liabilities directly associated with assets classified as held for sale and discontinued operations *continued*

8.1 Non-current assets held for sale and Liabilities directly associated with assets classified as held for sale

	2024 R'000		
	CEF Business	**CPF Business**	**Total**
Non-current assets held for sale			
Loans and advances			
Balance at the beginning of the year	–	–	–
Transfer from loans and advances	**2 683 475**	**451 905**	**3 135 380**
Measured at amortised cost	**2 683 475**	**67 068**	**2 750 543**
Measured at FVTPL	**–**	**384 837**	**384 837**
Total loans and advances held for sale	**2 683 475**	**451 905**	**3 135 380**
Total non-current assets held for sale	**2 683 475**	**451 905**	**3 135 380**
Liabilities directly associated with assets classified as held for sale			
Provisions			
Balance at the beginning of the year	–	–	–
Transfer from provisions	**108**	**65**	**173**
Total provisions held for sale	**108**	**65**	**173**
Total Liabilities directly associated with assets classified as held for sale	**108**	**65**	**173**

Please note that the comparative year is not presented as no asset or liability met the criteria to be classified as held for sale at the prior year reporting date.

8. Non-current assets held for sale, Liabilities directly associated with assets classified as held for sale and discontinued operations *continued*

8.2 Discontinued operations

	2024 R'000			
	CEF Business	CPF Business	Foreign exchange business	Total
Analysis of the post-tax profit of discontinued operations:				
Interest income	412 188	69 356	4 674	486 218
Interest income calculated using the effective interest method	412 188	11 005	4 674	427 867
Other interest income	–	58 351	–	58 351
Interest expense	(51 562)	–	(3 553)	(55 115)
Interest expense calculated using the effective interest method	(51 562)	–	(3 553)	(55 115)
Net interest income	360 626	69 356	1 121	431 103
Non-interest income	(1 520)	12 740	18 180	29 400
Net fee and commission income	(11 503)	3 736	(825)	(8 592)
Fee and commission income	368	3 736	833	4 937
Fee and commission expense	(11 871)	–	(1 658)	(13 529)
Gains and losses on financial instruments	6 147	9 004	16 583	31 734
Net gains on the derecognition of financial instruments at amortised cost	6 147	–	–	6 147
Other gains or (losses) on financial instruments	–	9 004	16 583	25 587
Other income on non-financial assets	3 836	–	2 422	6 258
Total income	359 106	82 096	19 301	460 503
Credit impairment charges	(11 783)	(535)	1 996	(10 322)
Net income after impairments	347 323	81 561	21 297	450 181
Total operating costs	(29 771)	(5 138)	(70 427)	(105 336)
Staff costs	(26 829)	(3 449)	(1 625)	(31 903)
Other operating expenses	(2 942)	(1 689)	(68 802)	(73 433)
Profit/(loss) for the year from operations	317 552	76 423	(49 130)	344 845
Profit/(loss) for the year before income tax	317 552	76 423	(49 130)	344 845
Income tax expense	(92 620)	(13 789)	–	(106 409)
Profit/(loss) for the year from discontinued operations	224 932	62 634	(49 130)	238 436
Earnings per share:				
Basic and diluted earnings per share from discontinued operations (cents)	732.00	203.83	(159.88)	775.95
Basic and diluted headline earnings per share from discontinued operations (cents)	732.00	203.83	(159.88)	775.95
Cash flows from discontinued operations are as follows:				
Net cash inflow/(outflow) from Operating Activities	126 475	242 016	(211 360)	157 131
Net cash outflow from Investing Activities	–	–	–	–
Net cash outflow from Financing Activities	–	–	–	–
Net cash inflow/(outflow)	126 475	242 016	(211 360)	157 131

8. Non-current assets held for sale, Liabilities directly associated with assets classified as held for sale and discontinued operations *continued*

8.2 Discontinued operations *continued*

	2023 R'000 CEF Business	2023 R'000 CPF Business	2023 R'000 Foreign exchange business	2023 R'000 Total
Analysis of the post-tax profit of discontinued operations:				
Interest income	323 091	60 817	6 086	389 994
Interest income calculated using the effective interest method	323 091	11 295	6 086	340 472
Other interest income	–	49 522	–	49 522
Interest expense	(27 950)	–	(6 509)	(34 459)
Interest expense calculated using the effective interest method	(27 950)	–	(6 509)	(34 459)
Net interest income	295 141	60 817	(423)	355 535
Non-interest income	(4 183)	11 601	35 911	43 329
Net fee and commission income	(14 490)	6 573	(4 004)	(11 921)
Fee and commission income	354	6 573	2 515	9 442
Fee and commission expense	(14 844)	–	(6 519)	(21 363)
Gains and losses on financial instruments	5 045	5 028	36 842	46 915
Net gains on the derecognition of financial instruments at amortised cost	5 045	–	–	5 045
Other gains or (losses) on financial instruments	–	5 028	36 842	41 870
Other income on non-financial assets	5 262	–	3 073	8 335
Total income	290 958	72 418	35 488	398 864
Credit impairment charges	13 702	(1 917)	(16 656)	(4 871)
Net income after impairments	304 660	70 501	18 832	393 993
Total operating costs	(27 488)	(13 657)	(58 786)	(99 931)
Staff costs	(26 379)	(11 363)	(11 475)	(49 217)
Other operating expenses	(1 109)	(2 294)	(47 311)	(50 714)
Profit/(loss) for the year from operations	277 172	56 844	(39 954)	294 062
Profit/(loss) for the year before income tax	277 172	56 844	(39 954)	294 062
Income tax expense	(71 137)	(14 656)	(1 702)	(87 495)
Profit/(loss) for the year from discontinued operations	206 035	42 188	(41 656)	206 567
Earnings per share:				
Basic and diluted earnings per share from discontinued operations (cents)	669.54	137.09	(135.37)	671.26
Basic and diluted headline earnings per share from discontinued operations (cents)	669.54	137.09	(135.37)	671.26
Cash flows from discontinued operations are as follows:				
Net cash inflow/(outflow) from Operating Activities	(252 767)	(220 679)	(103 147)	(576 593)
Net cash outflow from Investing Activities	–	–	–	–
Net cash outflow from Financing Activities	–	–	–	–
Net cash inflow/(outflow)	(252 767)	(220 679)	(103 147)	(576 593)

All the assets and liabilities classified as held for sale is outside of the measurement scope of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations therefore, there is no remeasurement to fair value less costs to sell.

9. 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
2024							
Loans and advances at amortised cost							
Gross investment in leases	**9 773 605**	**3 907 738**	**2 817 799**	**1 844 795**	**892 430**	**299 999**	**10 844**
Equipment Finance	**6 319 217**	**2 613 745**	**1 825 749**	**1 167 983**	**539 240**	**171 691**	**809**
Capital Equipment Finance[2]	**3 454 388**	**1 293 993**	**992 050**	**676 812**	**353 190**	**128 308**	**10 035**
Less: Unearned finance income	**(2 021 101)**	**(968 576)**	**(616 566)**	**(303 520)**	**(110 312)**	**(21 461)**	**(666)**
Equipment Finance	**(1 308 864)**	**(653 920)**	**(393 621)**	**(186 561)**	**(64 225)**	**(10 502)**	**(35)**
Capital Equipment Finance[2]	**(712 237)**	**(314 656)**	**(222 945)**	**(116 959)**	**(46 087)**	**(10 959)**	**(631)**
Net investment in leases	**7 752 504**	**2 939 162**	**2 201 233**	**1 541 275**	**782 118**	**278 538**	**10 178**
Equipment Finance	**5 010 353**	**1 959 825**	**1 432 128**	**981 422**	**475 015**	**161 189**	**774**
Capital Equipment Finance	**2 742 151**	**979 337**	**769 105**	**559 853**	**307 103**	**117 349**	**9 404**
Trade and Debtor Finance[2]	**319 810**						
Other Loans[2]	**394 026**						
Loans and advances before expected credit losses	**8 466 340**						
Credit loss allowance[2] (refer to Note 43)	**(537 318)**						
Total loans and advances at amortised cost	**7 929 022**						
Loans and advances at FVTPL	**419 760**						
Specialised lending[2]	**419 760**						
Total Loans and advances before transfers	**8 348 782**						
Transfer to non-current assets held for sale[2]	**(3 135 380)**						
Total loans and advances[1]	**5 213 402**						

1 *Loans and advances with a carrying amount of 2024 R4.124 billion (2023: R4.073 billion) have been ceded as security for the debt securities issued in SASP. Refer to Note 21.*

2 *Gross exposure of Capital Equipment Finance of R2.7 billion, Other Loans of R69.7 million, and Specialised lending of R384.8 million will be disposed to African Bank Limited. The credit loss allowance of R58.6 million and R2.6 million for Capital Equipment Finance and Other Loans respectively will also be transferred on disposal. Refer to Note 8 for additional information and the expected timing of the sale.*

	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	584 344						
Total loans and advances	9 049 976						

1 *During the year, a strategic decision was taken to transfer certain 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.*

10. Investment securities

	2024 R'000	2023 R'000
Investments at fair value through profit or loss	**599 953**	621 058
Private Equity investments	**376 970**	412 314
Property Equity investments	**117 216**	103 780
Multi-asset fund	**105 767**	104 964
Equity accounted associates	**75 960**	79 860
	675 913	700 918

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. Refer to Note 40.5.1 for any changes in associates noted.

Material associates[1]

	Material associates			
	Innovent Investment Holdings (Pty) Limited (Innovent)		Joytone Trading (Pty) Limited	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
	Fair value through profit or loss			
Dividends received	**13 440**	–	**–**	–
Summarised financial information:				
Current assets	**393 114**	340 202	**18**	1 182
Non-current assets	**321 988**	423 190	**213 400**	225 692
Current liabilities	**107 962**	288 211	**13 782**	6 134
Non-current liabilities	**182 435**	164 933	**237 686**	237 825
Total equity	**424 705**	310 248	**(38 050)**	(17 084)
Revenue	**578 239**	624 589	**24 819**	37 951
Profit or (loss) from continuing operations	**36 284**	60 958	**(14 395)**	(6 003)
Post tax profit or loss from discontinued operations	**–**	–	**–**	–
Other comprehensive income	**–**	–	**–**	–
Total comprehensive income or (loss)	**36 284**	60 958	**(14 395)**	(6 003)
Reconciliation of summarised financial information presented to the carrying amount of equity accounted associate				
Total equity	Not required as it is accounted for at fair value through profit or loss			
Group's share in equity – 70%[2]				
Additional share of profit				
Group's carrying amount of the investment				

1 *All of the above associates (except for Innovent) have a different year end to the Group, namely February. Management's best estimates were therefore used to reflect balances as at 30 June. This includes the amounts for Innovent as the information was not readily available. The total carrying amount of material associates is R378.9 million (2023: R388.0 million). This consist of material associates that are measured at FVTPL of R305.2 (2023: R317.1 million) with private equity and private property being R193.1 million (2023: R218.6 million) and R112.1 million (2023: R98.5 million) respectively. The total carrying amount of material equity accounted associates are R73.7 million (2023: R71.0 million).*

2 *The Group has an equity investment of 49% in Axo Holdings, however, due to the Group holding in Axo Holdings preference shares, the Group's economic interest is 70%.*

Material associates			
Kerisys (Pty) Limited		Axo Holdings (Pty) Limited (Axo Holdings)	
2024 R'000	2023 R'000	**2024 R'000**	2023 R'000
Fair value through profit or loss		Equity accounted	
–	–	**36 400**	6 160
1 523	10 107	**99 414**	86 012
414 660	410 356	**38 919**	38 842
18 787	20 974	**37 338**	27 184
267 770	258 027	**3 189**	7 036
129 626	141 463	**97 806**	90 634
53 818	14 607	**232 864**	180 309
(5 639)	(1 849)	**81 321**	45 879
–	–	**–**	–
–	–	**–**	–
(5 639)	(1 849)	**81 321**	45 879
		97 806	90 634
		68 464	63 444
		5 236	7 551
		73 700	70 994

10. Investment securities *continued*

Immaterial associates

	Immaterial associates[1]	
	2024 R'000	2023 R'000
Carrying amount[2, 3]	**43 613**	64 232
(Loss) or profit from continuing operations	**(18 660)**	5 142
Total comprehensive income	**(18 660)**	5 142
Dividends received[4]	**998**	1 248

[1] *The immaterial associates have a different year end to the Group. Therefore, management's best estimates were used to reflect balances as at 30 June.*

[2] *The prior year amount has been corrected to accurately reflect the carrying amount of the immaterial associates. The carrying amount was previously incorrectly reflected as R55.2 million and has now been corrected to show as R64.2 million. No impact is noted on the primary financial statements.*

[3] *The carrying amount is the total of associates accounted at FVTPL R41.3 million (2023: R55.1 million) with the rest being equity accounted associates of R2.3 million (2023: R9.1 million).*

[4] *Enhanced disclosure has been added in the form of dividends received from immaterial associates not previously disclosed. No impact is noted on the primary financial statements.*

11. Long-term receivable

	2024 R'000	2023 R'000
CODI receivable	**47 086**	–

The Corporation of Deposit Insurance (CODI) is South Africa's Deposit Insurance Scheme (DIS) which requires, by law (effective 1 April 2024), that banks maintain funds with CODI. CODI is required to pay interest thereon based on the repo rate. Interest is recognised when earned and is paid monthly from May 2024.

The amount that banks are required to maintain in the account of the DIS is determined with reference to their Fund Liquidity Contribution (which is based on a percentage of the eligible deposit book). This amount is adjusted and rolled over each month. There is no set repayment date.

The monthly premium of R0.8 million and annual levy of R0.2 million paid to date to CODI are recorded as operating expenses.

12. Property, equipment and right-of-use assets

	Computer equipment R'000	Furniture and fittings R'000	Motor vehicles R'000	Land and Buildings (leasehold improve-ments) R'000	Right-of-use assets R'000	Total R'000
2024						
Cost at the beginning of the year	**120 887**	**21 148**	**2 929**	**45 400**	**227 942**	**418 306**
Additions	**2 806**	**755**	**–**	**–**	**19 226**	**22 787**
Disposals	**(28 516)**	**(5 849)**	**(655)**	**–**	**(11 196)**	**(46 216)**
Cost at the end of the year	**95 177**	**16 054**	**2 274**	**45 400**	**235 972**	**394 877**
Accumulated depreciation and impairment at the beginning of the year	**(97 836)**	**(12 957)**	**(2 852)**	**(31 126)**	**(108 999)**	**(253 770)**
Depreciation charge for the year	**(10 644)**	**(2 262)**	**(55)**	**(2 826)**	**(21 890)**	**(37 677)**
Disposals	**28 460**	**5 685**	**655**	**–**	**11 196**	**45 996**
Accumulated depreciation and impairment at the end of the year	**(80 020)**	**(9 534)**	**(2 252)**	**(33 952)**	**(119 693)**	**(245 451)**
Carrying amount at the beginning of the year	**23 051**	**8 191**	**77**	**14 274**	**118 943**	**164 536**
Carrying amount at the end of the year	**15 157**	**6 520**	**22**	**11 448**	**116 279**	**149 426**

12. Property, equipment and right-of-use assets *continued*

	Computer equipment R'000	Furniture and fittings R'000	Motor vehicles R'000	Land and Buildings (leasehold improvements) R'000	Right-of-use assets R'000	Total R'000
2023						
Cost at the beginning of the year	115 110	18 744	2 929	44 404	219 944	401 131
Additions	7 419	2 517	–	996	10 059	20 991
Disposals	(1 642)	(113)	–	–	(2 061)	(3 816)
Cost at the end of the year	120 887	21 148	2 929	45 400	227 942	418 306
Accumulated depreciation and impairment at the beginning of the year	(86 933)	(11 012)	(2 757)	(27 920)	(89 427)	(218 049)
Depreciation charge for the year	(12 510)	(2 031)	(95)	(3 206)	(21 633)	(39 475)
Disposals	1 607	86	–	–	2 061	3 754
Accumulated depreciation and impairment at the end of the year	(97 836)	(12 957)	(2 852)	(31 126)	(108 999)	(253 770)
Carrying amount at the beginning of the year	28 177	7 732	172	16 484	130 517	183 082
Carrying amount at the end of the year	23 051	8 191	77	14 274	118 943	164 536

13. Investment property

	2024 R'000	2023 R'000
Fair value at the beginning of the year	**14 600**	20 138
Disposal	**–**	(1 177)
Fair value movements during the year[1]	**200**	(4 361)
Fair value at the end of the year	**14 800**	14 600

[1] *The fair value movement of the investment property has been determined by an independent valuator with the necessary experience and knowledge of the area in which the investment property is located, as at 1 June 2024.*

14. Intangible assets and goodwill

	Distributor relationships R'000	Purchased software[5] R'000	Internally generated intangible assets[1] R'000	Goodwill[2] R'000	Total R'000
As at 1 July 2023					
Cost	**58 429**	**6 005**	**229 743**	**33 087**	**327 264**
Accumulated amortisation and impairment	**(50 018)**	**(4 411)**	**(161 051)**	**(835)**	**(216 315)**
Carrying amount at the beginning of the year	**8 411**	**1 594**	**68 692**	**32 252**	**110 949**
Additions	**–**	**–**	**3 022**	**2 021**	**5 043**
Amortisation	**(5 375)**	**(727)**	**(25 071)**	**–**	**(31 173)**
Impairment	**–**	**–**	**(395)**	**–**	**(395)**
Carrying amount at the end of the year	**3 036**	**867**	**46 248**	**34 273**	**84 424**
As at 1 July 2022					
Cost	58 429	17 523	223 486	33 087	332 525
Accumulated amortisation and impairment	(44 643)	(15 201)	(127 117)	(835)	(187 796)
Carrying amount at the beginning of the year	13 786	2 322	96 369	32 252	144 729
Additions	–	–	6 257	–	6 257
Amortisation	(5 375)	(728)	(29 771)	–	(35 874)
Impairment	–	–	(4 163)	–	(4 163)
Carrying amount at the end of the year	8 411	1 594	68 692	32 252	110 949

1 *All software-related intangible assets are internally generated and bespoke and therefore cannot be reliably valued at fair value. The recoverable amount was therefore based on value-in-use (VIU), where applicable. Treasury's WACC of 12.65% (2023: 11.11%), a terminal growth rate of 1% (2023: 1%) (South African GDP-based growth rate) and a three-year pre-tax budgeted cash flow forecast[3] was used to discount expected future cash flows.[4] There were no impairments required for software-related intangible assets.*

2 *The Group assesses the recoverable amount based on VIU of the CGU, which is R266.603 million (2023: R260.128 million) for Fintech and R10.051 million (2023: R15.69 million) for SWIP to which the goodwill relates, taking into account the current and estimated future profitability of the CGU, to determine whether it is at least equal to the carrying amount of the related goodwill. Should the carrying amount exceed the recoverable amount, an impairment is recognised. The CGU is, in most cases, the subsidiary to which the goodwill relates. A WACC of 15.93% (2023: 15.19%) for Fintech and 18.95% (2023: 18.2%) for SWIP, a terminal growth rate of 1% (2023: 1%) (South African GDP-based growth rate) and a three-year budgeted cash flow forecast[3] is used to discount expected future cash flows.*

3 *The three-year budgeted cash flow forecast is based on pre-tax budgeted inputs which were adjusted for macro-economic drivers including GDP, inflation, credit risk, exchange rates, and other cost drivers for a three-year period from 2025 to 2027.*

4 *If the growth and cash flow inputs are flexed there is still not a material difference to the outcome of the calculations.*

5 *Purchased Software with an acquisition cost of R11.52 million and a net book value of zero was disposed of in 2023. The opening balance as at 1 July 2023 of cost and accumulated amortisation and impairment purchased software reflects the value after this disposal.*

	2024 R'000	2023 R'000
Allocation of goodwill		
Goodwill relating to the Asset Finance Pillar	**30 518**	28 497
Goodwill relating to the Wealth Pillar	**3 755**	3 755
	34 273	32 252

15. Deferred tax assets and liabilities

	2024 R'000	2023 R'000
Deferred tax assets	**119 660**	64 228
Deferred tax liabilities	**(144 127)**	(155 633)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2024			2023		
	Assets R'000	Liabilities R'000	Net R'000	Assets R'000	Liabilities R'000	Net R'000
Equipment finance	**(58 533)**	**(142 953)**	**(201 486)**	(2 522)	(254 685)	(257 207)
Tax losses[1]	**148 933**	**937**	**149 870**	72 540	91 963	164 503
Fair value adjustment	**(47 660)**	**(9 661)**	**(57 321)**	(22 631)	(33 159)	(55 790)
Prepayments	**(4 468)**	**–**	**(4 468)**	(353)	(4 023)	(4 376)
Provisions	**84 443**	**10 261**	**94 704**	23 270	49 083	72 353
Investment property	**–**	**(949)**	**(949)**	–	(789)	(789)
Intangible assets	**(520)**	**(253)**	**(773)**	3 338	(7 988)	(4 650)
Property, equipment and right-of-use assets	**(31 160)**	**–**	**(31 160)**	(1 442)	(30 581)	(32 023)
Lease liabilities	**40 882**	**–**	**40 882**	1 665	38 499	40 164
Other temporary differences[2]	**(12 257)**	**(1 509)**	**(13 766)**	(9 637)	(3 953)	(13 590)
Net tax assets/(liabilities)	**119 660**	**(144 127)**	**(24 467)**	64 228	(155 633)	(91 405)

1 *These tax losses have arisen from the group entities incurring operational tax losses. These assets are anticipated to be recovered, as financial projections for a period of five years indicate that it is probable that these entities will produce sufficient future taxable profit. The Group has actual tax losses of R173.4 million of which R13.9 million (2023: R11.2 million) have not been recognised.*

2 *These relate primarily to a portion of the deferred tax asset on assessed losses derecognised in Sasfin Capital (Pty) Limited and Sasfin Private Equity Investments (Pty) Limited.*

Refer to Note 49 for the IAS 8 treatment relating to the new model implementation used for calculating current and deferred taxation balances in respect of certain leased assets.

15. Deferred tax assets and liabilities *continued*

Recognised deferred tax assets and liabilities *continued*

Movements in temporary differences during the year

	Balance at 1 July R'000	Recognised in profit or loss R'000	Balance at 30 June R'000
2024			
Equipment finance	**(257 207)**	**55 721**	**(201 486)**
Tax losses	**164 503**	**(14 633)**	**149 870**
Fair value adjustment	**(55 790)**	**(1 531)**	**(57 321)**
Prepayments	**(4 376)**	**(92)**	**(4 468)**
Provisions	**72 353**	**22 351**	**94 704**
Investment property	**(789)**	**(160)**	**(949)**
Intangible assets	**(4 650)**	**3 877**	**(773)**
Property, equipment and right-of-use assets	**(32 023)**	**863**	**(31 160)**
Lease liabilities	**40 164**	**718**	**40 882**
Other temporary differences	**(13 590)**	**(176)**	**(13 766)**
	(91 405)	**66 938**	**(24 467)**
2023			
Equipment finance	(245 881)	(11 326)	(257 207)
Tax losses	134 242	30 261	164 503
Fair value adjustment	(40 733)	(15 057)	(55 790)
Prepayments	(3 403)	(973)	(4 376)
Provisions	69 396	2 957	72 353
Investment property	(984)	195	(789)
Intangible assets	(3 114)	(1 536)	(4 650)
Property, equipment and right-of-use assets	(35 556)	3 533	(32 023)
Lease liabilities	41 777	(1 613)	40 164
Other temporary differences	(15 060)	1 470	(13 590)
	(99 316)	7 911	(91 405)

16. Funding under repurchase agreements

	2024 R'000	2023 R'000
Funding under repurchase agreements	**551 205**	351 885
	551 205	351 885

The Bank participates in the SARB repurchase auction by tendering for cash against eligible collateral, refer to Note 5.

Cash received from the tender is borrowed for one week at the repo rate.

17. Trade and other payables

	2024 R'000	2023 R'000
Financial liabilities	**335 256**	1 306 295
Stockbroking payables[1]	**125 694**	827 284
Accounts payable	**119 521**	353 900
Other payables[2]	**90 041**	125 111
Non-financial liabilities	**182 668**	142 381
Value-added taxation	**137 503**	102 404
Audit fees and other services	**31 268**	18 001
Accruals	**13 897**	21 976
	517 924	1 448 676

[1] *The Stockbroking payables represent unsettled transactions in terms of the trading rules applicable to the specific exchange where the deal was booked.*

[2] *In the current year, other payables primarily comprises of accruals for commission payable to suppliers (R34.6 million) and amounts owed to clients from fixed trading income (R33.2 million). In the prior year the balance primarily comprises of accruals for commission payable to suppliers (R21.6 million) and transactional income owed to Hello Paisa (R25.7 million).*

18. Provisions

	2024 R'000	2023 R'000
Provisions - Employee Benefits related:	**81 587**	68 657
Bonus provision	**57 693**	47 014
Leave pay provision	**23 894**	21 643
Provisions – Other:	**55 400**	–
Administrative sanctions provision	**55 400**	–
	136 987	68 657

18. Provisions *continued*

Movements in each class of provision

	Bonus provision R'000	Leave pay provision R'000	Admini-strative sanctions provision R'000	Total R'000
2024				
Carrying amount at the beginning of the year	**47 014**	**21 643**	**–**	**68 657**
Movement recognised in profit or loss:	**49 835**	**5 613**	**55 400**	**110 848**
Additional provisions recognised	**52 569**	**5 613**	**–**	**58 182**
Provision raised in the current year	**–**	**–**	**55 400**	**55 400**
Over provision in prior year	**(2 734)**	**–**	**–**	**(2 734)**
Amounts used during the year	**(39 156)**	**(3 189)**	**–**	**(42 345)**
Transfer to liabilities directly associated with assets classified as held for sale[1]	**–**	**(173)**	**–**	**(173)**
Carrying amount at the end of the year	**57 693**	**23 894**	**55 400**	**136 987**

[1] *Refer to Note 8 for additional information.*

	Bonus provision R'000	Leave pay provision R'000	Total R'000
2023			
Carrying amount at the beginning of the year	46 993	22 355	69 348
Movement recognised in profit or loss:	48 895	4 505	53 400
Additional provisions recognised	55 297	6 409	61 706
Over provision in prior year	(6 402)	(1 904)	(8 306)
Amounts used during the year	(48 874)	(5 217)	(54 091)
Carrying amount at the end of the year	47 014	21 643	68 657

Leave pay provision

The Leave pay provision is the amount payable to employees in respect of the annual leave days accumulated by them. A maximum of the previous leave cycle may be accumulated annually. Any leave balance in excess of the previous cycle entitlement and the current entitlement will be forfeited. Therefore, the annual leave pay provision accumulates to a maximum of twice an employees' annual leave cycle entitlement, whereafter no additional leave will accrue.

Bonus provision

The Bonus provision is the amount payable to employees based on the achievement of their agreed Key Performance Indicators, subject to satisfactory performance of the Group and continued employment within the Group.

Update on administrative sanctions

As reported last year, Sasfin Bank received notifications from the SARB ("Regulator") of its intention to impose administrative sanctions for alleged contraventions of certain provisions of the Financial Intelligence Centre Act 38 of 2001 ("FICA") 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 ("FSRA"). These sanctions mainly relate to allegations of historic non-compliance within Sasfin Bank's now discontinued foreign exchange (Forex) business.

18. Provisions *continued*

Movements in each class of provision *continued*

Update on administrative sanctions *continued*

On 1 December 2023, Sasfin Bank submitted its representations to the Regulator responding to the notices. On 1 August 2024, Sasfin Bank received notices of administrative sanctions from the Regulator amounting to R160.64 million in net sanctions, being total sanctions of R209.69 million of which R49.05 million has been suspended. Since then, Sasfin Bank received further correspondence from the SARB which is dealt with in the note on Commitments and Contingent Liabilities (refer to Note 26).

Sasfin continues to proactively engage with the relevant regulators, while following its legal rights in terms of these administrative actions. The process of engaging with the various regulators is ongoing and sensitive and, based on external legal advice, it has been determined that the disclosure of further details regarding these matters and engagements with regulators would be prejudicial to the interests of the Group.

Notwithstanding the ongoing engagement with regulators and the uncertainty regarding the final outcomes of such matters, IFRS requires that a provision should be measured at the best estimate of the expenditure required to settle the obligation at the end of the reporting period. Accordingly, management applied its judgement and recognised a provision after considering a range of possible outcomes. As part of this process, management has considered the assessments of legal experts and determined that a provision of R55 million should be raised, of which R52.40 million is directly attributable to the discontinued Forex business (refer to Note 8).

However, when considering the complex nature of estimating the final outcomes of the amounts required to settle the obligations arising from the administrative sanctions, there is significant estimation risk inherent in its measurement. Therefore, the provision amount represents management's best estimate based on the information available at reporting date.

19. Lease liabilities

	2024 R'000	2023 R'000
Reconciliation of lease liabilities		
Opening lease liabilities	**151 518**	157 116
Additions	**19 226**	10 059
Interest expense (refer to Note 28)	**13 859**	14 346
Capital repayments	**(17 350)**	(15 908)
Interest repayments	**(13 859)**	(14 095)
Total capitalised lease liability	**153 394**	151 518

The total cash outflow for leases included in the lease liability in 2024 was R31.2 million (2023: R30.0 million). Refer to Note 44.1 for the maturity analysis of the undiscounted contractual cash flows.

The Group leases various office buildings in which to conduct its operations. The rental contracts are typically entered into for a fixed period of five years, with some having renewal options. The lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

20. Deposits from customers

	2024 R'000	2023 R'000
Current deposits	**979 859**	923 184
Call deposits[1]	**1 649 161**	1 723 547
Notice deposits	**1 385 795**	1 389 965
Fixed deposits	**1 287 456**	1 517 341
Negotiable certificates of deposit	**64 922**	93 391
	5 367 193	5 647 428

[1] *Prior periods by restatement, please refer to Note 49 for additional information.*

21. Debt securities issued

	2024 R'000	2023 R'000
Category analysis		
Rated	**3 685 800**	3 720 138
Debt rate reconciliation for the consolidated statement of cash flows[1]		
Opening balance	**3 720 138**	2 991 429
Proceeds from issuance of debt securities	**642 000**	1 711 000
Settlement of debt securities	**(676 000)**	(972 625)
Accrued interest	**(338)**	(9 666)
Closing balance	**3 685 800**	3 720 138

[1] *The disclosure has been added in the current period as a disclosure enhancement to enable the financial users to understand the movement in the debt securities. No impact is noted on the primary financial statements.*

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 2024.

The Notes bear interest at between three-month JIBAR+ 1.300% and three-month JIBAR+ 2.900%, 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 issued per series. 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%, the 2.625% trigger noted in 2023 has fallen away as the specific notes have matured (2023: net default trigger level same as 2024). At June 2024 the average net default rate was at 2.285% (2023:1.362%).
- The average yield of 24.590% (2023: 27.204%) remains above the required yield test of prime rate plus 5.000% (2023: prime plus 5.000%).
- The debt securities issued as at 30 June 2024 amount to R1 679 103 442 (2023: R1 679 080 935).

Series 2:

- The net default trigger level is 4.000% (2023: Same as 2024). At June 2024 the average net default rate was at 1.633% (2023: 0.125%).
- The average yield of 19.860% (2023: 20.458%) remains above the required yield test of prime rate plus 3.000% (2023: prime plus 3.000%).
- The debt securities issued as at 30 June 2024 amount to R505 921 261 (2023: R505 897 460).

Series 3:

- The net default trigger level is 4.500% (2023: Same as 2024). At June 2024 the average net default rate was at 1.175% (2023: 1.161%).
- The average yield of 20.520% (2023: 20.838%) remains above the required yield test of prime rate plus 4.000% (2023: prime plus 4.000%).
- The debt securities issued as at 30 June 2024 amount to R1 500 775 668 (2023: R1 535 159 387).

22. Long-term loans

		2024 R'000	2023 R'000
Represented by:	**Repayment date:**		
Absa Bank Limited – Redeemable preference shares[1]	30 August 2025	**200 000**	200 000
Other[2]	5 Aug 2021 – 31 December 2026	**14 150**	76 488
Total		**214 150**	276 488

Long-term loans are interest-bearing, and the interest rates are individually negotiated. Dividends on the Absa redeemable preference shares are prime-linked. The Group has not had any defaults of principal or interest or other breaches with respect to its long-term loans during the year ended 30 June 2024.

[1] *On 29 August 2022, SPEIH refinanced the preference shares with a new scheduled redemption date of 30 August 2025 from 30 August 2022. The Group's shareholding in its wholly-owned subsidiary Sasfin Private Equity Investment Holdings (Pty) Limited (SPEIH) is pledged as security for these redeemable preference shares. Refer to the Sasfin Holdings Separate Annual Financial Statements, Note 18.4 for additional information on the guarantee issued.*

[2] *This refers to a special-purpose loan provided to the group by the SARB with a partial credit guarantee during COVID to assist businesses. The loan is repaid from receipts on client loans.*

23. Ordinary share capital

	2024 R'000	2023 R'000
Authorised		
100 000 000 (2023: 100 000 000) ordinary shares with a par value of 1 cent each	**1 000**	1 000
Issued		
32 301 441 (2023: 32 301 441) ordinary shares with a par value of 1 cent each		
Balance at the beginning of the year	**323**	323
Balance at the end of the year	**323**	323
Reconciliation of the number of shares issued		
Total shares in issue (number)	**32 301 441**	32 301 441
Less: Treasury shares held by the Sasfin Share Incentive Trust (number)	**(1 453 651)**	(1 436 052)
Less: Treasury shares held by SasSec (number)	**(177 280)**	(92 542)
	30 670 510	30 772 847

24. Ordinary share premium

	2024 R'000	2023 R'000
Balance at the beginning of the year	**166 945**	166 945
Balance at the end of the year	**166 945**	166 945

25. Preference share capital

Authorised

5 000 000 (2023: 5 000 000) non-redeemable, non-cumulative, non-participating, variable rate preference shares with a par value of 1 cent each

Issued

Both for the current and prior year, 0 shares have been issued.

Sasfin entered into a scheme of arrangement in 2021, which was finalised in 2021, whereby the entire issued preference share capital class was repurchased and cancelled. Therefore, there are nil preference shares in issue at 30 June 2024. The shares were acquired at a discount and the remaining balance was transferred directly to distributable reserves.

26. Commitments and contingent liabilities

	2024 R'000	2023 R'000
Letters of credit	**–**	37 125
Loan commitments	**49 543**	104 911
Financial guarantees[1]	**56 706**	39 375
Capital expenditure	**120**	11
	106 369	181 422

[1] *Refer to Note 43.1 for the ECL raised.*

Funds to meet these commitments will be provided from internal Group resources or external funding arrangements as deemed necessary. Guarantees have been issued by the Group on behalf of clients.

Legal proceedings

In the ordinary course of business, the Group is involved as both plaintiff and defendant in litigation, lawsuits and other proceedings. Management recognises the inherent difficulty of predicting the outcome of legal proceedings. Nevertheless, based on management's knowledge from investigation, analysis and after consulting with both internal and external legal counsel, management believes that there are no individual legal proceedings that are currently assessed as being "likely to succeed and material" other than the sanctions matter referred to below. There are three matters in which the Group is involved which are considered to be "unlikely to succeed but material should they succeed"; one of these matters has been heard but judgment has been reserved. The others are not expected to be enrolled for trial in the forthcoming year. Management is accordingly satisfied that the legal proceedings currently pending against the Group and Company should not have a material adverse effect on the Group's or Company's consolidated financial position.

The Group is also exposed to certain actual and potential claims in the ordinary course of its business, none of which are individually material. The directors are not expecting any of these to have a material adverse effect on the Group.

Update on administrative sanctions

On or about 17 July 2024, the SARB ("Regulator") issued Sasfin an invitation to make representations in terms of the *audi alterem partum* principles requiring that Sasfin be entitled to respond to allegations against it to answer why it should not attach or block funds standing to the credit of Sasfin. This notice is separate to the other notices received in respect of the administrative sanctions but arise from the same set of facts (refer to Note 18).

On 16 September 2024, Sasfin submitted detailed representations to the Regulator, in answer to these notices which addressed the factual allegations as well as legal considerations of rationality and proportionality. In arriving at a final decision on the form and extent of action, the Regulator is required to consider all submissions received from Sasfin. Furthermore, the process prior to the issue of any final action is confidential.

Sasfin Bank's engagements with the SARB in respect of this action is at an early stage. It is therefore not yet possible to reliably estimate the timing, form of resolution, or quantum of any potential action, 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 *audi* process, could be material. Sasfin Bank is therefore of the view that this matter should be disclosed as a contingent liability.

27. Interest income

	2024 R'000	2023 R'000
Interest income calculated using the effective interest method		
Interest income	**10 541**	12 634
Deposits with banks	**37 727**	8 070
Long term receivable[2]	**339**	–
Negotiable securities[1]	**125 794**	111 032
Equipment finance	**804 355**	739 609
Capital Equipment finance	**413 471**	326 371
Trade and Debtor finance	**63 156**	74 173
Other loans[1,3]	**45 568**	77 986
	1 500 951	1 349 875
From continuing operations	**1 073 084**	1 009 403
From discontinued operations[4]	**427 867**	340 472
Other interest income		
Specialised lending[1]	**70 917**	64 628
Trading assets and other interest income	**(5 055)**	(383)
Fixed income	**17 050**	14 072
Money market fund	**41 762**	22 156
	124 674	100 473
From continuing operations	**66 323**	50 951
From discontinued operations[4]	**58 351**	49 522
Total interest income	**1 625 625**	1 450 348
From continuing operations	**1 139 407**	1 060 354
From discontinued operations[4]	**486 218**	389 994
Total interest income	**1 625 625**	1 450 348
Interest income on items measured at amortised cost	**1 500 951**	1 349 876
– Performing financial assets	**1 463 022**	1 298 838
– Credit impaired financial assets	**37 929**	51 038
Interest income on items measured at fair value through profit or loss	**124 674**	100 472

1 *Prior periods by restatement, please refer to Note 49 for additional information.*
2 *This refers to the interest income earned on the funds with CODI. This is effective from 1 April 2024 therefore, there is no comparative balance. Refer to Note 11 for additional information.*
3 *Other loans consist of revolving credit facilities, overdrafts and term loans.*
4 *Refer to Note 8 for additional information.*

28. Interest expense

	2024 R'000	2023 R'000
Interest expense calculated using the effective interest method		
Funding under repurchase agreements	**35 336**	43 950
Call deposits	**146 181**	100 809
Notice deposits	**132 194**	102 546
Fixed deposits	**155 164**	140 419
Lease liabilities	**13 859**	14 346
Bank overdraft	**10 110**	9 515
Debt securities	**377 318**	286 943
Long-term borrowings	**20 570**	27 147
Current accounts	**31 469**	21 456
Other deposits and loan accounts	**3 738**	8 847
	925 939	755 978
From continuing operations	**870 824**	721 519
From discontinued operations[1]	**55 115**	34 459
Other interest expense (all continuing operations)	**42 240**	17 948
Trading liabilities and other[2]	**22 205**	–
Fixed income	**20 035**	17 948
Total interest expense	**968 179**	773 926
From continuing operations	**913 064**	739 467
From discontinued operations[1]	**55 115**	34 459

1 *Refer to Note 8 for additional information.*
2 *This amount relates to interest payable to SARS.*

29. Net fee and commission income

	2024 R'000	2023 R'000
Fee and commission income		
Brokerage income and asset management fees	**336 724**	304 672
Foreign income	**195 892**	162 967
Brokerage income	**56 966**	62 810
Asset management fees	**83 866**	78 895
Confirming fees	**30 678**	43 031
Commission income	**7 697**	26 302
Administration fees	**27 237**	28 747
Other fee and commission income[1]	**240 103**	256 139
	642 439	658 891
From continuing operations	**637 502**	649 449
From discontinued operations[2]	**4 937**	9 442
Fee and commission expense		
Brokerage and asset management expenses	**54 585**	47 235
Commission expense	**146 685**	151 490
Administration fee expense	**9 147**	7 360
Other fee and commission expense	**5 432**	6 933
Commission paid to suppliers	**37 728**	63 805
	253 577	276 823
From continuing operations	**240 048**	255 460
From discontinued operations[2]	**13 529**	21 363
Net fee and commission income	**388 862**	382 068
From continuing operations	**397 454**	393 989
From discontinued operations[2]	**(8 592)**	(11 921)

1 *Refer to accounting policy Note 1.14.2 for additional information. For current year purposes, this amount includes of the following income earned from Sasfin Wealth - R39.9 million earned as commission from assets under management, R51.0 million earned as advisory fees and R46.0 million commission income earned on executed trades, whilst it also includes R58.2 million of other fees earned from the Asset Finance segment (R17.3 million relating to a service fee earned on managing leases) and the BCB segment (R19.4 million relating to other fees earned on banking transactions) in the normal course of business. For prior year purposes no amount in this balance was individually material.*

2 *Refer to Note 8 for additional information.*

30. Gains and losses on financial instruments

	2024 R'000	2023 R'000
Net gains or losses on the derecognition of financial instruments at amortised cost		
Net gains on the derecognition of financial assets measured at amortised cost	**22 897**	17 168
Settlement profits[1]	**22 925**	15 671
Realised foreign exchange (loss)/gains	**(28)**	1 497
	22 897	17 168
From continuing operations	**16 750**	12 123
From discontinued operations[2]	**6 147**	5 045
Other gains or losses on financial instruments	**9 820**	123 647
Dividend income	**20 038**	24 954
Fair value adjustments on financial instruments held at fair value through profit or loss	**(24 666)**	51 044
Unrealised (losses)/gains	**(3 983)**	15 678
Realised gains on derivative instruments	**10 101**	15 372
Realised gains on foreign exchange	**8 330**	16 599
	9 820	123 647
From continuing operations	**(15 767)**	81 777
From discontinued operations[2]	**25 587**	41 870
Total gains and losses on financial instruments	**32 717**	140 815
From continuing operations	**983**	93 900
From discontinued operations[2]	**31 734**	46 915

1 *Settlement profits represent the gain earned or loss incurred on the settlement of a deal as a result of termination or upgrade. This gain or loss is calculated as the difference between the settlement received from the client and any remaining rentals due by the client as well as any unearned finance income.*
2 *Refer to Note 8 for more information.*

31. Other income on non-financial assets

	2024 R'000	2023 R'000
Other income on non-financial assets		
Income received from rent-for-use assets	**123 304**	125 536
Rental income from investment property	**2 778**	3 102
Fair value gain	**200**	–
Profit on disposal of property and equipment	**199**	333
Profit on loss of control of subsidiary	**–**	2 640
Sundry income[1]	**34 874**	26 600
Total other income on non-financial assets	**161 355**	158 211
From continuing operations	**155 097**	149 876
From discontinued operations[2]	**6 258**	8 335

[1] *In the current year, a significant part of this balance (R23.5 million) relates to the payment of an insurance claim receipt lodged in 2021 by Sasfin Wealth, in respect of an operational loss reported on in that period.*
[2] *Refer to Note 8 for additional information.*

32. Staff costs

	2024 R'000	2023 R'000
Salaries and wages	**511 497**	537 043
Executive Directors', Alternate Directors' and Prescribed Officers' remuneration (refer to Note 40.3)	**29 207**	35 180
Non-Executive Directors' remuneration (refer to Note 40.3)	**5 533**	5 701
Contributions to defined contribution plans and other	**55 174**	42 680
	601 411	620 604
From continuing operations	**569 508**	571 387
From discontinued operations[1]	**31 903**	49 217

[1] *Refer to Note 8 for additional information.*

33. Other operating expenses

	2024 R'000	2023 R'000
The following items are included in operating expenses		
Total fees paid to auditors[1]:	**48 751**	30 113
Fees paid to PwC	**46 107**	29 807
Audit fees – Current year	**23 630**	21 555
Audit fees – Under provision prior year	**18 714**	7 105
Regulatory	**692**	629
Non-audit services	**3 071**	518
Fees paid to other auditors	**2 644**	306
Audit fees – Current year	**2 644**	306
Administration and management fees	**1 136**	9 339
Amortisation of intangible assets	**31 173**	35 874
Buildings, equipment and consumables	**16 954**	18 760
Computer costs	**174 789**	162 344
Consulting fees	**56 499**	64 731
Depreciation	**37 677**	39 475
Legal costs[4]	**41 751**	36 658
Fair value loss on investment property	**–**	4 361
Loss on disposal of non-financial assets	**1 994**	35
Loss on disposal of property and equipment	**–**	35
Loss on dilution of interest in associate	**1 278**	–
Loss on disposal of interest in associate	**716**	–
Marketing costs	**24 037**	25 883
Market and data provider costs	**12 255**	12 611
Occupation and accommodation	**15 504**	14 317
Lease expense – Short term leases (IFRS 16)	**48**	66
Expenses relating to investment property	**1 533**	1 359
Other occupation and accommodation	**13 923**	12 892
Fines and penalties[2]	**55 472**	164
Operational loss	**12 299**	41 859
Categorisation of *total* other operating expenses	**619 830**	579 178
Continuing operations	**546 397**	528 464
Discontinued operations[3]	**73 433**	50 714

[1] *In the current year, the disclosures were enhanced. As a result, the audit fees were disaggregated between the amount paid to PwC and other auditors. No impact is noted on the primary financial statements.*
[2] *Of this amount, R55.4 million relates to an administrative sanctions provision being raised. Refer to Note 18 for additional information.*
[3] *Refer to Note 8 for additional information.*
[4] *In the current year, legal costs were disclosed due to the increase from prior year.*

34. Impairments of non-financial assets

	2024 R'000	2023 R'000
Software		
Internally developed software	**–**	4 163
All from continuing operations	**–**	4 163

35. Income tax expense

	2024 R'000	2023 R'000
Current tax expense	**77 625**	32 716
Current year	**79 213**	32 699
(Over)/Under provision in prior years	**(1 588)**	17
Deferred tax expense	**(66 631)**	(12 804)
Current year	**(64 917)**	(11 601)
Over provision in prior years	**(1 714)**	(1 203)
	10 994	19 912
From continuing operations	**(95 415)**	(67 583)
From discontinued operations[1]	**106 409**	87 495

	%	%
South African normal tax rate	**27.00**	27.00
Adjusted for:	**(49.39)**	(11.26)
Exempt income[2]	**31.64**	(16.64)
Under/(Over) provision in prior years	**6.73**	(0.86)
Non-deductible expenses[3]	**(86.80)**	8.22
Additional deductible tax allowances	**4.17**	(1.05)
Capital gains	**(0.70)**	–
Fair value adjustments	**(2.17)**	0.09
Other[4]	**(2.26)**	(1.02)
Effective rate	**(22.39)**	15.74
Losses, balances of allowances and credits for which a deferred tax asset has been raised:		
Estimated tax losses available to offset future taxable income	**590 694**	497 621

1 *Refer to Note 8 for additional information.*
2 *Exempt income comprises exempt local dividends and profit share on equity accounted associates.*
3 *Non-deductible expenses consist of amortisation of intangible assets, leasehold improvements, interest, penalties and fines, legal fees, consulting fees, donations, operational losses, preference share dividends classified as interest.*
4 *Other consist of write-backs and recoveries, derecognition of deferred tax assets and accruals of a capital nature.*

Refer to Note 49 for the IAS 8 treatment relating to the new model implementation used for calculating current and deferred taxation balances in respect of certain leased assets.

36. Securitisation

	2024 R'000	2023 R'000
In the ordinary course of business, Sasfin Bank Limited transfers financial assets to structured entities. The information below sets out the extent of such transfers and the Group's retained interest in transferred assets.		
Carrying and fair value of transferred assets[1]	**4 124 154**	4 073 075
Carrying and fair value of associated liabilities[2]	**(3 685 800)**	(3 720 138)
Net carrying amount and fair value	**438 354**	352 937

1 *The prior year balance for the carrying and fair value of transferred assets were incorrectly disclosed at Group. The carrying and fair value of transferred assets was reflected as R3.98 billion and has now been corrected to show as R4.07 billion. No impact is noted on the primary financial statements.*
2 *The Group refinanced a further R642 million (2023: R861 million) worth of rental agreements during the year (refer to Note 21).*

37. Funds under advisement and management

	2024 R'000	2023 R'000
The Group administers in a fiduciary capacity client funds, which comprise:		
Assets under management[1, 2]	**49 783 285**	53 228 895
Assets under advisement	**15 194 725**	14 116 272
Assets under administration	**42 311 237**	62 454 000
	107 289 247	129 799 167

1 *Prior year reflected an incorrect amount of R52.3 billion as it incorrectly excluded offshore exposure of R0.9 billion. This was corrected to R53.2 billion to more accurately reflect the assets under management. No impact is noted on the primary financial statements or funds under advisement and management balances.*
2 *This includes R235.6 million (2023: R242.8 million) managed by Sasfin Wealth for entities that form part of the Group.*

38. Earnings per share

38.1 Reconciliation of earnings and headline earnings per share

	Gross R'000	Direct tax R'000	Profit attributable to ordinary shareholders R'000
2024			
Basic earnings – continuing operations	**(393 946)**	**95 415**	**(298 531)**
Headline adjustable items	**1 795**	**(377)**	**1 418**
Loss on disposal of equity accounted associate	**1 994**	**(431)**	**1 563**
Profit on disposal of property and equipment	**(199)**	**54**	**(145)**
Headline earnings – continuing operations	**(392 151)**	**95 038**	**(297 113)**
Headline earnings – discontinued operations	**344 845**	**(106 409)**	**238 436**
Total headline earnings	**(47 306)**	**(11 371)**	**(58 677)**
2023			
Basic earnings – continuing operations	(165 323)	67 583	(97 740)
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 – continuing operations	(159 737)	65 853	(93 884)
Headline earnings – discontinued operations	294 062	(87 495)	206 567
Total headline earnings	134 325	(21 642)	112 683

38.2 Total Summary of earnings and headline earnings per share

	Earnings attributable		Weighted average number of shares		Cents per share	
Per ordinary share	**2024 R'000**	2023 R'000	**2024**	2023	**2024**	2023
Continuing Operations						
Earnings	**(298 531)**	(97 740)	**30 728 451**	30 772 847	**(971.52)**	(317.61)
Diluted earnings	**(298 531)**	(97 740)	**30 728 451**	30 772 847	**(971.52)**	(317.61)
Headline earnings	**(297 113)**	(93 884)	**30 728 451**	30 772 847	**(966.91)**	(305.08)
Diluted headline earnings	**(297 113)**	(93 884)	**30 728 451**	30 772 847	**(966.91)**	(305.08)
Discontinued Operations						
Earnings	**238 436**	206 567	**30 728 451**	30 772 847	**775.95**	671.26
Diluted earnings	**238 436**	206 567	**30 728 451**	30 772 847	**775.95**	671.26
Headline earnings	**238 436**	206 567	**30 728 451**	30 772 847	**775.95**	671.26
Diluted headline earnings	**238 436**	206 567	**30 728 451**	30 772 847	**775.95**	671.26
Total						
Earnings	**(60 095)**	108 827	**30 728 451**	30 772 847	**(195.57)**	353.65
Diluted earnings	**(60 095)**	108 827	**30 728 451**	30 772 847	**(195.57)**	353.65
Headline earnings	**(58 677)**	112 683	**30 728 451**	30 772 847	**(190.96)**	366.18
Diluted headline earnings	**(58 677)**	112 683	**30 728 451**	30 772 847	**(190.96)**	366.18

39. Notes to the statement of cash flows

39.1 Cash inflow from operating activities

	2024 R'000	2023 R'000
Reconciliation of operating profit to cash flows from operating activities		
(Loss)/ Profit before income tax	**(49 102)**	128 739
Adjusted for:	**117 038**	(128 694)
Profit on disposal of property and equipment	**(199)**	(298)
Non-cash interest received[1]	**(140 633)**	(134 318)
Non-cash interest paid	**29 869**	(34 855)
Non-cash fee and commission income	**(193)**	–
Non-cash debt securities interest	**–**	23 451
Dividend received	**(20 038)**	(24 954)
Credit impairment charges[1]	**106 101**	56 102
Movement in provisions	**55 447**	53 400
Gains on disposal of financial instruments held at fair value through profit and loss	**(26 908)**	7
Settlement profits	**(22 925)**	(15 671)
Unrealised foreign exchange gains and losses	**(3 983)**	15 678
Fair value adjustments on financial instruments	**24 754**	(137 312)
Share of profit of associate	**(38 216)**	(31 270)
Loss on Disposal of interest in associate	**1 994**	–
Impairment of non-financial assets	**–**	4 163
Non-cash lease liabilities interest	**–**	251
Fair value (gain)/loss on investment property	**(200)**	4 361
Depreciation	**37 677**	39 475
Exchange rate fluctuations on cash held	**614**	17 229
Administrative sanctions provision	**55 400**	–
Amortisation of intangible assets	**31 569**	35 874
Cash inflow from operating activities	**67 936**	45

[1] *Prior periods by restatement, please refer to Note 49 for additional information.*

39.2 Taxation paid

	2024 R'000	2023 R'000
Unpaid at the beginning of the year	**45 933**	38 402
Charge to the income statement	**(77 625)**	(27 821)
Unpaid at the end of the year	**(19 443)**	(45 933)
	(51 135)	(35 352)

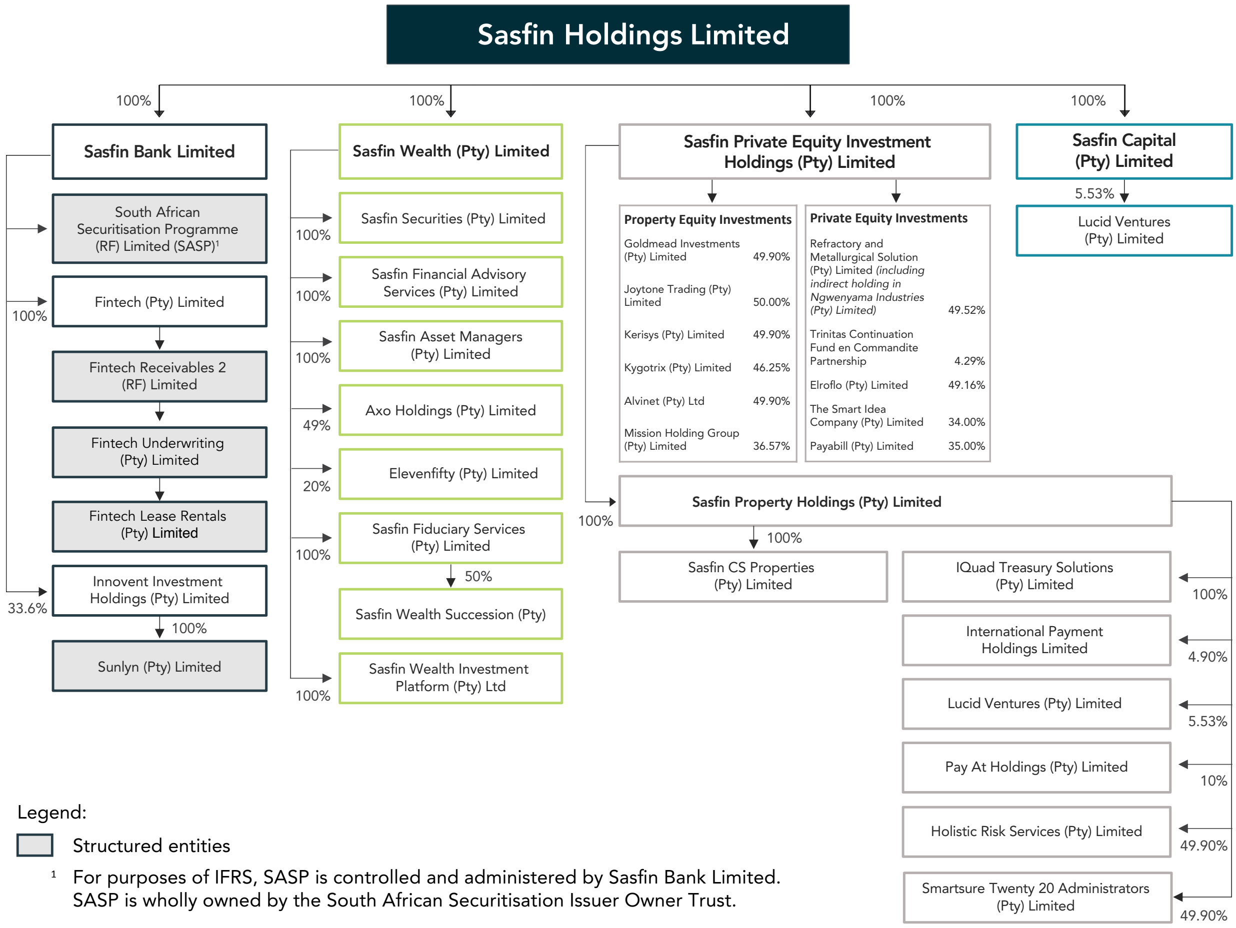
39.3 Dividends paid

	2024 R'000	2023 R'000
Charge to distributable reserves[1]	**–**	(37 856)
Total dividends paid	**–**	(37 856)

[1] *Dividends declared and paid.*

40. Related-party transactions

40.1 Subsidiaries and controlled structured entities (Refer to Note 4 of the separate financial statements)



Legend:

Structured entities

[1] For purposes of IFRS, SASP is controlled and administered by Sasfin Bank Limited. SASP is wholly owned by the South African Securitisation Issuer Owner Trust.

Beneficial shareholders with a holding greater than 5% of the issued shares	Number of shares	Percentage of issued share capital
Unitas Enterprises Limited	15 398 174	47.67%
Wipfin Investment Investments (Pty) Limited	8 107 662	25.10%
CV Partners Limited	3 332 388	10.32%

Non-Public:

- *Unitas Enterprises Limited (2024: 15 398 174 shares (47.67%); (2023: 15 398 174 shares (47.67%)), a company owned by trusts, of which Roland Sassoon and Michael Sassoon are discretionary beneficiaries.*
- *Sasfin Share Incentive Trust (2024: 1 453 651 (4.50%)); (2023: 1 436 052 (4.45%)).*
- *Sasfin Securities Proprietary Limited (2024: 177 280 (0.55%); (2023: 92 542 (0.29%))*
- *Rolbase Investments Proprietary Limited, which is 100% owned by the Sassoon Children's Trust (2024: 6 123 shares (0.02%); 2023: 6 123 shares (0.02%))*
- *RDEB Sassoon (2024: 5 328 shares (0.02%); 2023: 5 328 shares (0.02%))*
- *Directors of major subsidiaries, prescribed officers and their associates (2024: 24 080 shares (0.07%); 2023: 22 480 shares (0.07%))*

Public:

- *2024: 15 414 085 shares (47.72%); (2023: 7 238 722 shares (22.41%))[1].*

Sasfin Bank has provided financial support to SASP in the form of subordinated loan funding in an amount of R394 million (2023: R394 million). The subordinated loan funding accrues interest at a 3-month Jibar plus 5.50% (Series 1 and 2) or 7.50% (Series 3) and is payable on a quarterly basis. The capital is repayable once the underlying notes are redeemed. The undertaking by Sasfin Bank to support SASP does not adversely affect the Group's solvency and liquidity.

[1] *The increase in the number of public shares is due to a change in the JSE definition of public shareholders versus non-public shareholders.*
It was erroneously stated that Alvinet (Pty) Limited was disposed of in the prior year. This is incorrect as the Group still holds the investment.

40. Related-party transactions *continued*

40.2 Balances and transactions with related parties

The Group's key management personnel, and persons connected with them, are considered to be related parties for disclosure purposes. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Sasfin Holdings Limited (directly or indirectly) and comprise of the Board and the heads of the major business units and functions. Transactions are made on terms equal to those on an arm's-length basis as offered to the Group's clients. Key management personnel and their immediate relatives have balances with the Group at year-end as follows:

	2024 R'000	2023 R'000
Balances		
Deposits[1]	**771 494**	122 869
Interest paid	**6 011**	141
Funds under management[4]	**39 156**	15 007
Funds under administration	**269 822**	361 315
Transactions		
Management fees paid to WIPHOLD	**7 172**	6 738
Guarantees – Series 3 subordinated debt[2,3]		
WIPHOLD	**22 000**	22 000
Rolbase Investments Proprietary Limited	**41 000**	41 000

[1] *Several business bank accounts are held by related party entities with the Group (refer to note 40.1). Directors of the company and Key management personnel also hold transactional and other deposit accounts with the Group which are entered into on an arm's length basis.*

[2] *As security for these Guarantees, the Guarantor has ceded in securitatem debiti and pledged to Sasfin, cash in the amount equal to the Maximum Guarantee Amount.*

[3] *The note has been amended to reflect the guarantees provided by related parties, there is no impact to the primary statements.*

[4] *The prior year balance was incorrectly reflected as R27.2 million and is now corrected to R15 million to reflect the balance more accurately. No impact is noted to the primary financial statements.*

40. Related-party transactions *continued*

40.3 Key management personnel and related remuneration for Group and Company

Directors' and Prescribed Officers' remuneration

	Services as directors R	Cash package[1] R	Other benefits[2] R	Incentive bonus[3] R	Total 2024 R
2024*					
Executive Directors					
H Heymans	–	3 459 712	450 977	800 000	4 710 689
MEE Sassoon	–	4 309 430	804 466	1 225 000	6 338 896
Independent non-executive Directors					
RWR Buchholz	1 020 119	–	–	–	1 020 119
GP de Kock[a]	949 231	–	–	–	949 231
TH Njikizana	726 194	–	–	–	726 194
MR Thompson	738 887	–	–	–	738 887
T van der Mescht	594 129	–	–	–	594 129
EA Wilton	758 698	–	–	–	758 698
Non-independent, Non-executive Directors					
RDEB Sassoon	446 077	–	–	–	446 077
Prescribed officers					
LR Fröhlich	–	3 326 363	504 527	800 000	4 630 890
MG Lane	–	3 027 309	813 782	841 667	4 682 758
S Tomlinson[b]	–	2 156 359	728 205	342 833	3 227 397
E Zeki	299 584	2 759 118	640 303	2 217 293	5 916 298
	5 532 919	19 038 291	3 942 260	6 226 793	34 740 263

* *G Dingaan, N Ndhlazi and S Rosenthal receive compensation through a management fee paid to WIPHOLD, refer to Note 40.2.*
a *Resigned effective 15 March 2024*
b *Resigned 1 August 2024 and is serving a three months' notice period until 31 October 2024.*
1 *The remuneration of the Executive Directors is paid by subsidiaries of the Company.*
2 *Other benefits comprise: provident fund, medical aid, group life, company car and sign-on bonuses.*
3 *Relates to the Group's and individual's performance in the 2023 financial year.*

40. Related-party transactions *continued*

40.3 Key management personnel and related remuneration for Group and Company *continued*

Directors' and Prescribed Officers' remuneration *continued*

	Services as Directors R	Cash package[1] R	Other benefits[2] R	Incentive bonus[3] R	Total 2023 R
2023*					
Executive Directors					
H Heymans	–	3 200 421	425 984	500	3 626 905
MEE Sassoon	–	4 079 842	749 389	1 441 667	6 270 898
Independent non-executive Directors					
RWR Buchholz	911 584	–	–	–	911 584
GP de Kock	1 280 884	–	–	–	1 280 884
TH Njikizana	664 963	–	–	–	664 963
MR Thompson	712 710	–	–	–	712 710
T van der Mescht	937 998	–	–	–	937 998
EA Wilton	726 988	–	–	–	726 988
Non-independent, Non-executive Directors					
RDEB Sassoon	465 840	–	–	–	465 840
Prescribed officers					
LR Fröhlich	–	3 130 964	440 984	2 655 000	6 226 948
MG Lane	–	2 883 432	760 988	1 142 167	4 786 587
S Shabalala[a]	–	3 042 405	606 345	2 250 000	5 898 750
S Tomlinson	–	2 073 420	686 879	615 666	3 375 965
E Zeki	–	2 836 390	606 616	1 550 626	4 993 632
	5 700 967	21 246 874	4 277 185	9 655 626	40 880 652

* *G Dingaan, N Ndhlazi and S Rosenthal receive compensation through a management fee paid to WIPHOLD, refer to Note 40.2.*
a *Resigned effective 30 June 2023.*
1 *The remuneration of the Executive Directors is paid by subsidiaries of the Company.*
2 *Other benefits comprise: provident fund, medical aid, group life, company car and sign-on bonuses.*
3 *Relates to the Group's and individual's performance in the 2022 financial year.*

40. Related-party transactions *continued*

40.4 Directors' interest in shares

Directors' interest in the Company's issued ordinary share capital at 30 June 2024 were:

Director	Direct beneficial	Indirect beneficial	Total
Number of shares			
2024			
MEE Sassoon[1]	**–**	**5 135 786**	**5 135 786**
RDEB Sassoon[2]	**5 328**	**10 268 511**	**10 273 839**
Directors of major subsidiaries, prescribed officers and their associates[3]	**24 080**	**–**	**24 080**
Total	**29 408**	**15 404 297**	**15 433 705**
2023			
MEE Sassoon[1]	–	5 135 786	5 135 786
RDEB Sassoon[2]	5 328	10 268 511	10 273 839
Directors of major subsidiaries, prescribed officers and their associates[3]	22 480	–	22 480
Total	27 808	15 404 297	15 432 105

[1] *MEE Sassoon is a discretionary beneficiary of the Ezra Trust which owns 33.3% of Unitas, the controlling shareholder of the Company. He is also a discretionary beneficiary of the Sassoon Children's Trust which owns 100% of Rolbase Investments Proprietary Limited.*

[2] *RDEB Sassoon is a discretionary beneficiary of the Ezra Trust and the Redwood trust, each of which owns 33.3% of Unitas, the controlling shareholder of the Company. He is also a discretionary beneficiary of the Sassoon Children's Trust which owns 100% of Rolbase Investments Proprietary Limited.*

[3] *Due to the announcement published on SENS on 15 July 2024 announcing the intended subscriptions for shares in Wealth by Unitas and WIPFIN and proposed delisting, disclosures have been enhanced and includes disclosures for Directors of major subsidiaries, prescribed officers and their associates with comparative information.*

No Director dealt in the shares of Sasfin Holdings Limited in the period after the financial year-end until the results were issued to the public.

40. Related-party transactions *continued*

40.5 Associates

40.5.1 List of associates

Name	Nature of business	% ownership 2024	2023
Equity-accounted associates			
Axo Holdings (Pty) Limited	Developer of trading and investment platforms	**49.00**	49.00
Povilux (Pty) Limited[1]	Financial services	**–**	30.00
Elevenfifty (Pty) Limited	Financial services	**20.00**	20.00
Associates recognised at fair value through profit or loss			
Innovent Investment Holdings (Pty) Limited	Financial services holding company	**33.60**	33.60
Refractory and Metallurgical Solution (Pty) Limited	Refractory and metallurgical solutions supplier	**49.52**	49.52
Elroflo (Pty) Limited[3]	Holding company of a corporate clothing manufacturer	**49.16**	49.16
The Smart Idea Company (Pty) Limited[2]	Office equipment supplier	**34.00**	34.00
Payabill (Pty) Limited	Digital small business finance	**35.00**	35.00
Goldmead Investments (Pty) Limited	Investment property holding	**49.90**	49.90
Joytone Trading (Pty) Limited	Investment property holding	**50.00**	50.00
Kerisys (Pty) Limited	Investment property holding	**49.90**	49.90
Kygotrix (Pty) Limited	Investment property holding	**46.25**	46.25
Alvinet (Pty) Limited[2]	Investment property holding	**45.00**	45.00
Mission Holding Group (Pty) Limited	Investment property holding	**36.57**	36.57
Holistic Risk Solutions and Smartsure Twenty20 (Pty) Limited	Short-term insurance broker	**49.90**	49.90

1 *The investment was disposed of during the current period.*
2 *In the prior year financial statements it was erroneously stated that it was disposed of during the 2023 financial reporting period. The Group currently still holds the investment. No impact is noted on the primary financial statements.*
3 *This company is currently dormant. In the prior period, the percentage holding was incorrectly reflected as 49.10% as opposed to 49.16%. No impact is noted on the primary financial statements.*

40.5.2 Transactions and balances with associates

The Group provides shareholder loans to some of its associates. The Group further provides Equipment Finance, Capital Equipment Finance, Transactional banking capabilities as well as Trade and Debtor Finance to some of its associates. These transactions are conducted on the same terms as third-party transactions.

Associates in this context include both those that are equity accounted and those that are designated as at FVTPL. The collective amounts included in the Group's consolidated financial statements relating to these transactions, are as follows:

	2024 R'000	2023 R'000
Statement of financial position		
Loans	**202 479**	151 680
Deposits from associates	**4 842**	6 894
Statement of profit or loss and other comprehensive income		
Interest income	**46 313**	31 148
Interest expense	**21**	141
Non-interest income	**38 218**	71 291
Credit impairment charges	**23 061**	–
Other operating expenses	**2 374**	1 344

41. Classification of assets and liabilities

Accounting classification and fair values

The table below sets out the Group's classification of each class of financial assets and liabilities, their fair values and carrying amounts.

Assets	Fair value through – profit or loss (mandatory) R'000	Fair value through – profit or loss (held for trading) R'000	Amortised cost R'000	Outside scope of IFRS 9[1] R'000	Total R'000
2024					
Cash and cash equivalents	100 004	–	495 674	–	595 678
Negotiable securities	–	–	1 896 183	–	1 896 183
Trading assets	30	433 959	–	–	433 989
Trade and other receivables	–	–	278 864	188 050	466 914
Non-current assets held for sale	384 837	–	2 750 543	–	3 135 380
Loans and advances	34 923	–	5 178 479	–	5 213 402
Current taxation asset	–	–	–	27 721	27 721
Investment securities	599 953	–	–	75 960	675 913
– Investments at fair value through profit or loss	599 953	–	–	–	599 953
– Equity accounted associates	–	–	–	75 960	75 960
Long-term receivable	–	–	47 086	–	47 086
Property, equipment and right-of-use assets	–	–	–	149 426	149 426
Investment property	–	–	–	14 800	14 800
Intangible assets and goodwill	–	–	–	84 424	84 424
Deferred tax asset	–	–	–	119 660	119 660
Total assets	**1 119 747**	**433 959**	**10 646 829**	**660 041**	**12 860 576**

Liabilities	Fair value through – profit or loss (mandatory) R'000	Fair value through – profit or loss (held for trading) R'000	Amortised cost R'000	Outside scope of IFRS 9[1] R'000	Total R'000
2024					
Funding under repurchase agreements	–	–	551 205	–	551 205
Trading liabilities	2 285	412 316	–	–	414 601
Current taxation liability	–	–	–	13 483	13 483
Trade and other payables	–	–	335 256	182 668	517 924
Bank overdraft	–	–	69 081	–	69 081
Liabilities directly associated with assets classified as held for sale	–	–	–	173	173
Provisions	–	–	–	136 987	136 987
Lease liabilities	–	–	–	153 394	153 394
Deposits from customers	–	–	5 367 193	–	5 367 193
Debt securities issued	–	–	3 685 800	–	3 685 800
Long-term loans	–	–	214 150	–	214 150
Deferred tax liability	–	–	–	144 127	144 127
Total liabilities	**2 285**	**412 316**	**10 222 685**	**630 832**	**11 268 118**

[1] *Refers to non-financial instruments as well as lease liabilities (which is a financial liability but out of the measurement scope of IFRS 9).*

41. Classification of assets and liabilities *continued*

Accounting classification and fair values *continued*

Assets	Fair value through – profit or loss (mandatory) R'000	Fair value through – profit or loss (held for trading) R'000	Amortised cost R'000	Outside scope of IFRS 9[1] R'000	Total R'000
2023					
Cash and cash equivalents[2]	251 430	–	633 192	–	884 622
Negotiable securities	–	–	1 293 411	–	1 293 411
Trading assets	32 798	434 398	–	–	467 196
Trade and other receivables	–	–	1 053 956	178 996	1 232 952
Loans and advances	584 344	–	8 465 632	–	9 049 976
Current taxation asset	–	–	–	47 679	47 679
Investment securities	621 058	–	–	79 860	700 918
– Investments at fair value through profit or loss	621 058	–	–	–	621 058
– Equity accounted associates	–	–	–	79 860	79 860
Property, equipment and right-of-use assets	–	–	–	164 536	164 536
Investment property	–	–	–	14 600	14 600
Intangible assets and goodwill	–	–	–	110 949	110 949
Deferred tax asset	–	–	–	64 228	64 228
Total assets	1 489 630	434 398	11 446 191	660 848	14 031 067

Liabilities	Fair value through – profit or loss (mandatory) R'000	Fair value through – profit or loss (held for trading) R'000	Amortised cost R'000	Outside scope of IFRS 9[1] R'000	Total R'000
2023					
Funding under repurchase agreements	–	–	351 885	–	351 885
Trading liabilities	27 683	413 661	–	–	441 344
Current taxation liability	–	–	–	1 746	1 746
Trade and other payables	–	–	1 306 295	142 381	1 448 676
Bank overdraft	–	–	113 081	–	113 081
Provisions	–	–	–	68 657	68 657
Lease liabilities[3]	–	–	–	151 518	151 518
Deposits from customers[2]	–	–	5 647 428	–	5 647 428
Debt securities issued	–	–	3 720 138	–	3 720 138
Long-term loans	–	–	276 488	–	276 488
Deferred tax liability	–	–	–	155 633	155 633
Total liabilities	27 683	413 661	11 415 315	519 935	12 376 594

1 *Refers to non-financial instruments as well as lease liabilities (which is a financial liability but out of the measurement scope of IFRS 9).*

2 *Prior periods by restatement, please refer to Note 49 for additional information.*

3 *Lease liabilities were incorrectly classified as amortised cost in stead of outside scope of IFRS 9. This has been corrected and no impact is noted on the primary financial statements.*

41. Classification of assets and liabilities *continued*

41.1 Assets and liabilities measured at fair value

	June 2024			June 2023		
	Level 1 R'000	**Level 2 R'000**	**Level 3 R'000**	Level 1 R'000	Level 2 R'000	Level 3 R'000
Financial assets and liabilities measured at fair value						
Recurring fair value measurements						
Financial assets	**201 698**	**415 296**	**936 712**	221 492	582 789	1 119 747
Cash and cash equivalents[1]	**–**	**100 004**	**–**	–	251 430	–
Non-current assets held for sale	**–**	**–**	**384 837**	–	–	–
Investment securities – excluding equity accounted associates[1]	**–**	**105 767**	**494 186**	–	104 964	516 094
Loans and advances at fair value through profit or loss	**–**	**–**	**34 923**	–	–	584 344
Trading assets[2]	**201 698**	**209 525**	**22 766**	221 492	226 395	19 309
Financial liabilities	**179 327**	**235 274**	**–**	195 019	246 325	–
Trading liabilities[3]	**179 327**	**235 274**	**–**	195 019	246 325	–
Non-financial assets	**–**	**–**	**14 800**	–	–	14 600
Investment property	**–**	**–**	**14 800**	–	–	14 600

1 *This has been valued at the underlying investment funds market value.*

2 *Prior year fair value measurement classification for Level 1 was incorrectly disclosed as R444.2 million and has now been corrected to R221.5 million whilst Level 2 was incorrectly disclosed as R3.7 million and has now been corrected to R226.4 million. The change was due to the incorrect classification of derivatives and reverse repurchase agreements amounting to R29.1 million and R193.6 million respectively. No impact is noted on the primary financial statements.*

3 *Prior year fair value measurement classification for Level 1 was incorrectly disclosed as R441.0 million and has now been corrected to R195.0 million whilst Level 2 was incorrectly disclosed as R0.3 million and has now been corrected to R246.3 million. The change was due to the incorrect classification of derivatives and repurchase agreements amounting to R27.3 million and R218.6 million respectively. No impact is noted on the primary financial statements.*

41. Classification of assets and liabilities *continued*

41.2 Movement in Level 3 instruments

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

	2024				
	Investment securities – excluding equity accounted associates R'000	Loans and advances at fair value through profit or loss R'000	Non-current assets classified as held for sale[1] R'000	Investment property R'000	Trading assets R'000
Movement in Level 3 instruments					
Balance at the beginning of the year	**516 094**	**584 344**	**–**	**14 600**	**19 309**
Additions	**–**	**–**	**–**	**–**	**–**
Total gains or losses in profit and loss	**(19 939)**	**60 190**	**–**	**200**	**3 457**
Disposal of investments	**(8 071)**	**–**	**–**	**–**	**–**
Advances	**12 387**	**166 912**	**–**	**–**	**–**
Repayments	**(6 285)**	**(391 686)**	**–**	**–**	**–**
Transfers to non-current assets held for sale	**–**	**(384 837)**	**384 837**	**–**	**–**
Balance at the end of the year	**494 186**	**34 923**	**384 837**	**14 800**	**22 766**

[1] *The comparative period is not provided as no asset or liability met the criteria to be classified as held for sale in the prior year. Refer to Note 8 for additional information.*

	2023			
	Investment securities – excluding equity accounted associates R'000	Loans and advances at fair value through profit or loss R'000	Investment property R'000	Trading assets R'000
Movement in Level 3 instruments				
Balance at the beginning of the year	529 122	377 291	20 138	20 104
Additions	15	–	–	–
Non-cash portion of additions	–	–	–	7 548
Total gains or losses in profit and loss	43 901	72 834	(4 361)	(8 343)
Disposal of investments	(56 516)	–	(1 177)	–
Advances	1 474	199 886	–	–
Repayments	(1 902)	(65 667)	–	–
Balance at the end of the year	516 094	584 344	14 600	19 309

41. Classification of assets and liabilities *continued*

41.3 Gains and losses from fair value measurements

Total unrealised gains and losses for the reporting period on Level 3 positions held at the reporting date are set out below:

	2024 R'000	2023 R'000
Gains on level 3 instruments held at the reporting date[1]	**43 908**	26 127

[1] *Refer to Note 2.5.*

As part of the Group's risk management processes, stress tests are applied on the significant unobservable parameters to generate a range of possible alternative valuations. The assets that are most impacted by this sensitivity analysis are Level 3 investment securities. The stress tests are applied independently and do not take into account any cross-correlation between separate asset classes that would reduce the overall effect on the valuations.

A significant parameter has been deemed to be one that may result in a change to profit or loss, or a change in the fair value asset of more than 1%.

41. Classification of assets and liabilities *continued*

41.4 Sensitivity analysis of valuations using unobservable inputs

The following tables reflect how the unobservable parameters were changed in order to evaluate the sensitivities of Level 3 financial assets:

	Unobservable inputs	Range inputs 2024	Range inputs 2023	Relationship of unobservable inputs to fair value
Investment securities: Property Equity	Vacancy rate	**4.60%-10.00% (weighted average 8.10%)**	3.10%-10.00% (weighted average 5.00%)	The higher the capitalisation rate and expected vacancy rate, the lower the fair value.
	Capitalisation rate	**11.00%-12.50% (weighted average 11.30%)**	11.00%-13.00% (weighted average 11.00%)	
Investment securities: Private Equity	WACC	**21.00%-24.00% (weighted average 21.50%)**	21.00%-24.00% (weighted average 21.00%)	The higher the WACC, the lower the fair value.
	Marketability and minority discounts	**15.30%-24.30% (weighted average 21.80%)**	15%-24% (weighted average 22.00%)	The higher the discounts, the lower the fair value.
	Revenue	**2.4%-26.60% (weighted average 12.90%)**	-7.00%-26.00% (weighted average 10.00%)	The higher the revenue growth, the higher the fair value.
Loans and advances at fair value through profit and loss[1]	Forecast profit	Forecast profit was determined based upon the selling price of the completed development less the development cost multiplied by the agreed upon rate to be paid to the Group. Therefore, there are no ranges to be disclosed as it is as per contract.		
	Vacancy rate	**7.00%-8.00% (weighted average 7.90%)**	7.00%-8.00% (weighted average 8.00%)	The higher the vacancy rate, capitalisation rate and discount rate, the lower the fair value
	Capitalisation rate	**11.50%-12.50% (weighted average 12.40%)**	11.50%-12.50% (weighted average 12.00%	The higher the capitalisation rate, vacancy rate and discount rate, the lower the fair value
	Discount rate[1]	**13.00%-17.50% (weighted average 14.80%)**	–	The higher the discount rate, vacancy rate and capitalisation rate, the lower the fair value
Trading assets	The loss recognised on the trading asset is an ECL adjustment calculated in terms the Group's credit impairment model.			
Investment properties	Vacancy rate	**5.00%**	3.00%	The higher the capitalisation rate and expected vacancy rate, the lower the fair value.
	Capitalisation rate	**10.00%**	10.00%	

[1] *The discount rate is not an unobservable input for the prior year loans and advances at FVTPL. This is due to the valuation of this not requiring discounting of the forecast profit either due to repayment being imminent or the underlying project funding was provided for was in the early stages.*

41. Classification of assets and liabilities *continued*

41.4 Sensitivity analysis of valuations using unobservable inputs *continued*

Level 3 Instruments	Parameter	Positive/ (negative) variance applied to parameters	Equity type	2024 Potential effect recorded in profit or loss favourable R'm[1]	2023 Potential effect recorded in profit or loss favourable R'm	2024 Potential effect recorded in profit or loss (unfavourable) R'm	2023 Potential effect recorded in profit or loss (unfavourable) R'm
Investment securities	WACC	100/(100) bps	Private equity	**18.7**	22.0	**(16.3)**	(19.2)
	Marketability and minority discounts	100/(100) bps	Private equity	**6.7**	7.1	**(6.7)**	(7.0)
	Revenue growth	100/(100) bps	Private equity	**25.3**	22.0	**(26.5)**	(21.4)
Investment securities[1]	Capitalisation rate	50/(50) bps	Property equity	**4.3**	13.9	**(3.4)**	(11.7)
	Vacancy rate	100/(100) bps	Property equity	**2.0**	4.2	**(0.9)**	(3.3)
Loans and advances at FVTPL[2]	Capitalisation rate	50/(50) bps	–	**0.9**	2.0	**(0.9)**	(1.6)
	Vacancy rate	100/(100) bps	–	**0.3**	0.7	**(0.3)**	(0.5)
	Forecast profit	Not applicable. Refer to above explanation.		**–**	–	**–**	–
	Discount rate[2]	100/(100) bps	–	**3.5**	(3.4)	**(3.4)**	–
Investment properties[2]	Capitalisation rate	50/(50) bps	–	**0.9**	0.8	**(0.8)**	(0.7)
	Vacancy rate	100/(100) bps	–	**0.2**	0.3	**(0.2)**	(0.3)

[1] *This equally applies to the loans and advances at FVTPL that are classified as held for sale at the end of the current reporting period.*
[2] *The discount rate is not an unobservable input for the prior year loans and advances at FVTPL. This is due to the valuation of this not requiring discounting of the forecast profit either due to repayment being imminent or the underlying project funding was provided for was in the early stages.*

41.5 Market risk sensitivity on investment securities classified as Level 3

The table below illustrates the market risk sensitivity for all investment securities held by the Group, assuming a 10% shift in the share price or proxy share price.

	2024			2023		
	10% reduction in fair value R'000	Fair value R'000	10% increase in fair value R'000	10% reduction in fair value R'000	Fair value R'000	10% increase in fair value R'000
Unlisted						
Equity securities at fair value	**444 768**	**494 186**	**543 605**	464 485	516 094	567 703
Impact on gains and (losses) recognised in profit or loss for the year[1]	**(19 717)**	**(21 908)**	**(24 099)**	(11 725)	(13 028)	(14 331)

[1] *Prior year was amended to reflect the balances as losses due to the balance decreasing from the 2022 to 2023 reporting period. No impact is noted on the primary financial statements.*

41. Classification of assets and liabilities *continued*

41.6 Financial assets and financial liabilities not measured at fair value

	2024				
	Fair value			Total fair value	Amortised cost
	Level 1 R'000	Level 2 R'000	Level 3 R'000	R'000	R'000
Financial assets	**181 051**	**2 048 646**	**8 384 603**	**10 614 300**	**10 646 829**
Cash and cash equivalents[3]	**–**	**495 674**	**–**	**495 674**	**495 674**
Negotiable securities[2]	**181 051**	**1 505 886**	**169 137**	**1 856 074**	**1 896 183**
Trade and other receivables[3]	**–**	**–**	**278 864**	**278 864**	**278 864**
Non-current assets held for sale[1, 2]	**–**	**–**	**2 752 313**	**2 752 313**	**2 750 543**
Loans and advances[1, 2]	**–**	**–**	**5 184 289**	**5 184 289**	**5 178 479**
Long-term receivable[3]	**–**	**47 086**	**–**	**47 086**	**47 086**
Financial liabilities	**3 687 862**	**5 987 790**	**546 382**	**10 222 034**	**10 222 685**
Funding under repurchase agreements[3]	**–**	**551 205**	**–**	**551 205**	**551 205**
Trade and other payables[3]	**–**	**311**	**334 945**	**335 256**	**335 256**
Bank overdraft[3]	**–**	**69 081**	**–**	**69 081**	**69 081**
Deposits from customers[3]	**–**	**5 367 193**	**–**	**5 367 193**	**5 367 193**
Debt securities issued[2]	**3 687 862**	**–**	**–**	**3 687 862**	**3 685 800**
Long-term loans[2]	**–**	**–**	**211 437**	**211 437**	**214 150**

1 *Only includes Loans and advances measured at amortised cost.*
2 *The fair values of the respective items have been calculated using either quoted prices, observable inputs or unobservable inputs through a discounted cash flow which has been classified as level 1, level 2 and level 3 respectively.*
3 *The fair value approximates the carrying value.*

	2023				
	Fair value			Total fair value	Amortised cost
	Level 1 R'000	Level 2 R'000	Level 3 R'000	R'000	R'000
Financial assets	173 363	1 623 790	9 712 639	11 509 792	11 446 191
Cash and cash equivalents[1]	–	633 192	–	633 192	633 192
Negotiable securities[2, 3, 4]	173 363	990 598	143 597	1 307 558	1 293 411
Trade and other receivables	–	–	1 053 956	1 053 956	1 053 956
Loans and advances[2, 5]	–	–	8 515 086	8 515 086	8 465 632
Financial liabilities	3 723 158	6 112 394	1 580 070	11 415 622	11 415 315
Funding under repurchase agreements	–	351 885	–	351 885	351 885
Trade and other payables	–	–	1 306 295	1 306 295	1 306 295
Bank overdraft	–	113 081	–	113 081	113 081
Deposits from customers[1]	–	5 647 428	–	5 647 428	5 647 428
Debt securities issued[2]	3 723 158	–	–	3 723 158	3 720 138
Long-term loans[2]	–	–	273 775	273 775	276 488

1 *Prior periods by restatement, please refer to Note 49 for additional information.*
2 *The fair values of the respective items have been calculated using either quoted prices, observable inputs or unobservable inputs through a discounted cash flow which has been classified as level 1, level 2 and level 3 respectively.*
3 *For the Land Bank exposure (R143.6 million), prior year was incorrectly reflected as Level 2 and has now been corrected to reflect Level 3 due to the significant judgement applied in calculating the ECL. No impact is noted on the primary financial statements.*
4 *The investment into a listed Government bond (R173.4 million) was incorrectly reflected as Level 2 and has now been corrected to reflect Level 1. No impact is noted on the primary financial statements.*
5 *Only includes Loans and advances measured at amortised cost.*

42. Financial risk management

Risk management is an essential component of value creation and the protection of that value. Implemented effectively, it improves performance, encourages innovation and supports the achievement of the Group's strategic objectives. The Group's well-established integrated risk management philosophy aims to ensure that the diverse risks and opportunities across the Group are identified and proactively addressed within acceptable parameters through appropriate governance structures, processes, policies and frameworks, while supporting business growth. The Group's risk management procedures include, but are not limited to, credit risk, liquidity risk, interest rate risk and market risk. The Group's approach to managing risk and capital is set out in the Group's enterprise risk governance framework approved by the GRCMC.

43. Credit risk

Credit risk is the risk of a financial loss stemming from a borrower's failure to repay a loan or to meet a contractual obligation.

Credit risk arises principally from the Group's loans and advances, deposits placed with other banks, negotiable securities, trade and other receivables, financial guarantees issued, carry facilities granted and letters of credit issued. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (individual obligor default risk as well as country and sector risk).

Management of credit risk

The Board has delegated responsibility for the management of credit risk to the CLEC. The Group credit department, which reports to the Group Chief Operating Officer, is responsible for management of the Group's credit risk, including:

- Formulating credit policies in consultation with business units, and the legal department, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, impairments, and compliance with regulatory and statutory requirements;
- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits, as approved and reviewed regularly by the Board, are allocated to business unit credit officers and credit committees;
- Larger facilities may require approval by the Executive Credit Committee, and/or the CLEC;
- Reviewing and assessing credit risk. Group Credit assesses all credit exposures, prior to facilities being committed to customers by the business unit concerned;
- Managing post-implementation credit risk in line with the Group's credit policies and Board Risk Appetite;
- Limiting concentrations of exposure to counterparties, geographies and industries for loans and advances, deposits with banks and investment securities (refer Note 43.1);
- Developing and maintaining the Group's risk indicators in order to categorise exposures according to the degree of risk of financial loss faced, and to focus management on the attendant risks. The risk system is used in determining where impairment provisions (i.e. provisions for credit losses) may be required against specific credit exposures. The current risk framework consists of five grades reflecting varying degrees of risk of default, availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive/committee. Risk grades are subject to regular reviews by Group Risk;
- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to Group Credit on the credit quality of local portfolios, and appropriate corrective action is taken;
- Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk;
- Managing, together with the relevant business unit and legal department (where appropriate) the underperforming and non-performing exposures; and
- Ensuring that appropriate expected credit losses are raised in line with accounting standards.

Each business unit is required to implement Group credit policies and procedures, with credit approval authorities delegated from the CLEC. Each business unit is also responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subject to Group approval.

Regular audits of business units and Group Credit processes are undertaken by Group Internal Audit.

Securitisation

The Group uses securitisation primarily as a source of funding for its lending operations, by adding flexibility to structural liquidity risk and diversifying its funding base. All securitisable assets are subject to the Group's credit risk policies and procedures.

The Group fulfils a number of roles in the process of securitising these assets, including that of originator, sponsor, hedge counterparty and administrator, and applies its Group credit risk policies and procedures to these functions.

43. Credit risk *continued*

Management of credit risk *continued*

Deposits with other banks and money market funds

The Group places funds on a daily basis with other banks or money market funds. These deposits are generally held on overnight call or on a short-term tenure and are available on demand or at maturity. The deposits are made in accordance with the mandates and directives provided by the Assets and Liabilities Committee (ALCO) and GRCMC. In terms of these policies, deposits can only be made with banking institutions or money market funds that are rated as investment-grade by accredited global rating agencies, and may not exceed internal risk limits. Deposits with other banks or money market funds are reported to executive management on a daily basis, and to ALCO on a quarterly basis. No collateral is held for deposits with other banks or money market funds.

At the reporting date, the Group does not expect any losses from non-performance by the counterparties for these deposits and money market funds.

Financial assets held for trade facilitation and reverse repurchase agreements

The Group, through its subsidiary SasSec, holds exchange-traded bonds for the purposes of trading with other market participants.

Credit impairment

The Group determines an allowance for credit losses that represents its estimate of ECL in line with IFRS 9. Refer to accounting policy Note 1.13 and Note 2.2 for more information.

Write-off policy

Loans and security balances (and any related allowances for impairment losses) are written off when there is no reasonable expectation of recovering a financial asset in its entirety. This determination is reached after considering information such as the occurrence of significant changes in the borrower's or issuer's financial position resulting in the borrower/issuer no longer being in a position to pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Credit risk measurement and determination

The Group uses internally developed models and practices to measure and manage credit risk, by utilising skilled resources to ensure it is properly managed and controlled. The Group has adopted the standardised approach in terms of Basel III to measure credit risk, and uses the regulatory risk buckets per the SARB as measurement criteria for assessing performing counterparties as follows:

Classification of credit risk exposure	Categorisation of counterparty (IFRS 9)
A Good Book	Stage 1[1] and Stage 2[2]
B Special Mention	Stage 2[3]
C Sub Standard	Stage 3[4]
D Doubtful	Stage 3
E Loss	Stage 3

1 *Up to date until 7 days overdue.*
2 *More than 7 days overdue up to 30 days overdue. These accounts show signs of SICR.*
3 *More than 30 days overdue up to 90 days overdue. These accounts show signs of SICR.*
4 *Refer to Note 1.13, under heading default and curing, for the definition of credit-impaired.*

Collateral for loans and advances

The Group generally holds collateral against loans and advances in order to reduce credit risk. Although collateral is held, the Group's policy is to grant loans and advances on the basis that they are within the customer's capacity to repay the amount, rather than to rely on the collateral held against them. Estimates of the fair value of collateral are based on the value at the time of borrowing and are updated annually if an account is assessed for impairment. Collateral includes general and special notarial bonds over the client's stock, cash, cessions of debtors as well as continuous covering mortgage bonds over property. Insurance taken out by the customer on loans and advances is also viewed as collateral.

Concentration risk

This is the risk of a material exposure by the Group to a small number of depositors, lenders, financial instruments, individuals, corporates, institutions or geographies.

43. Credit risk *continued*

43.1 Credit risk exposure analysis

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

	Credit risk grading ECL staging	Net amount R'000	Total exposure R'000	Total ECL R'000	Coverage ratio %
2024					
Maximum credit exposures of financial assets at amortised cost					
Cash and cash equivalents[1]		495 674	495 674	–	–
Negotiable securities[2]		1 896 183	1 931 351	35 168	1.82
Loans and advances[3, 5, 8]		7 929 022	8 466 340	537 318	6.35
Equipment finance		4 677 151	5 010 353	333 202	6.65
Capital equipment finance		2 683 512	2 742 151	58 639	2.14
Trade and debtor finance		306 396	319 810	13 414	4.19
Other loans		262 718	394 026	131 308	33.32
Guarantees[4]		(755)	–	755	–
Long term receivable[1]		47 086	47 086	–	–
Trade and other receivables[6]		466 914	473 441	6 527	1.38
Net carrying amount		**10 834 879**	**11 413 892**	**579 013**	**5.07**
2024					
Off-balance sheet exposure to credit risk					
Loan commitments		49 543	49 543	–	–
Financial guarantees issued[4]		56 706	56 706	–	–
Total exposure to off-balance sheet credit risk		**106 249**	**106 249**	**–**	**–**
Credit loss allowance on off-balance sheet credit risk recognised[4]		–	–	–	–
2024					
Maximum credit exposures on financial assets at FVTPL		1 553 706			
Cash and cash equivalents		100 004			
Loans and advances		419 760			
Trading assets		433 989			
Investment securities		599 953			
Total exposure to credit risk		**12 494 834**			

1 *Management has assessed these as high-quality liquid assets held with institutions with a low risk of default and hence no ECL allowance has been recognised for these, as it would be immaterial. Refer to Note 4 and Note 11 respectively for cash and cash equivalents and long-term receivable.*
2 *Refer to Note 5 for significant changes in the balance.*
3 *Refer to Note 9 for significant changes in the balance.*
4 *The ECL on off-balance sheet exposures is included as part of the Loans and advances total ECL. This ECL is included as part of each product's ECL charge to which it relates.*
5 *This includes the loans and advances classified as held for sale measured at amortised cost. This is due to the credit risk management not changing for these loans and advances on transfer to being classified as held for sale. Refer to Note 8 for additional information.*
6 *Refer to Note 7 for significant changes in the balance. Includes non-financial assets of R188.1 million that is not subject to credit risk exposure.*
7 *Loans and advances in Stage 1 with a Gross carrying amount of R203.554 million and ECL of R7,097 million has been transferred from Stage 1 to Stage 2 due to SICR based on forward-looking information and using management transfer rate methodology. The impact on the coverage ratio for Stage 1 is minimal and there is an increase in Stage 2 of 16.38%.*
8 *Loans and advances with a Gross carrying amount of R102.5m that relate to Stage 2 exposures are included in Stage 1 above.*

A Stage 1			A and B Stage 2[7]			Default (C, D and E) Stage 3		
Exposure R'000	12-month ECL R'000	Coverage ratio %	Exposure R'000	Lifetime ECL R'000	Coverage ratio %	Exposure R'000	Lifetime ECL R'000	Coverage ratio %
495 674	–	–	–	–	–	–	–	–
1 727 850	868	0.05	–	–	–	203 501	34 300	16.85
6 978 214	51 393	0.74	546 815	31 049	5.68	941 311	454 876	48.32
4 288 014	38 292	0.89	231 197	13 572	5.87	491 142	281 338	57.28
2 328 650	10 652	0.46	258 262	13 199	5.11	155 239	34 788	22.41
224 493	1 422	0.63	43 234	1 084	2.51	52 083	10 908	20.94
137 057	272	0.20	14 122	3 194	22.62	242 847	127 842	52.64
–	755	–	–	–	–	–	–	–
47 086		–	–	–	–	–	–	–
473 441	6 527	1.38	–	–	–	–	–	–
9 722 265	58 788	0.60	546 815	31 049	5.68	1 144 812	489 176	42.73
49 543	–	–	–	–	–	–	–	–
56 706	–	–	–	–	–	–	–	–
106 249	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–

43. Credit risk *continued*

43.1 Credit risk exposure analysis *continued*

	Credit risk grading ECL staging	Net amount R'000	Total exposure R'000	Total ECL R'000	Coverage ratio %
2023					
Maximum credit exposures of financial assets at amortised cost					
Cash and cash equivalents[1, 7]		633 192	633 192	–	–
Negotiable securities[2]		1 293 411	1 354 941	61 530	4.54
Loans and advances[3]		8 465 632	8 989 459	523 827	5.83
Equipment finance		4 854 523	5 251 452	396 929	7.56
Capital equipment finance		2 514 912	2 557 847	42 935	1.68
Trade and debtor finance		682 851	690 213	7 362	1.07
Other loans		414 236	489 947	75 711	15.45
Guarantees[4]		(890)	–	890	–
Trade and other receivables[5]		1 232 952	1 249 093	16 141	3.71
Net carrying amount		11 625 187	12 226 685	601 498	4.93
2023					
Off-balance sheet exposure to credit risk					
Letters of credit		37 125	37 125	–	–
Loan commitments		104 911	104 911	–	–
Financial guarantees issued		39 375	39 375	–	–
Total exposure to off-balance sheet credit risk		181 411	181 411	–	–
Credit loss allowance on off-balance sheet credit risk recognised[4]		–			
2023					
Maximum credit exposures on financial assets at FVTPL					
Cash and cash equivalents		251 430			
Loans and advances		584 344			
Trading assets		467 196			
Investment securities		621 058			
		1 924 028			
Total exposure to credit risk		13 730 626			

1 *Management has assessed these as high-quality liquid assets held with institutions with a low risk of default and hence no ECL allowance has been recognised for these, as it would be immaterial. Refer to Note 4 for significant changes in the balance.*
2 *Refer to Note 5 for significant changes in the balance.*
3 *Refer to Note 9 for significant changes in the balance.*
4 *The ECL on off-balance sheet exposures is included as part of the Loans and advances total ECL. This ECL is included as part of each product's ECL charge to which it relates.*
5 *Refer to Note 7 for significant changes in the balance. Includes non-financial assets of R179 million that is not subject to credit risk exposure.*
6 *Loans and advances in Stage 1 with a Gross carrying amount of R460.782 million and ECL of R3.928 million has been transferred from Stage 1 to Stage 2 due to SICR based on forward-looking information. The impact on the coverage ratio for Stage 1 is minimal and there is an increase in Stage 2 of 16.46%.*
7 *Prior periods by restatement, please refer to Note 49 for additional information.*

A Stage 1			A and B Stage 2[6]			Default (C, D and E) Stage 3		
Exposure R'000	12-month ECL R'000	Coverage ratio %	Exposure R'000	Lifetime ECL R'000	Coverage ratio %	Exposure R'000	Lifetime ECL R'000	Coverage ratio %
633 192	–	–	–	–	–	–	–	–
1 151 463	1 649	0.14	–	–	–	203 478	59 881	29.43
7 832 953	68 428	0.87	220 972	20 731	9.38	935 534	434 668	46.46
4 647 150	50 513	1.09	95 470	13 924	14.58	508 832	332 492	65.34
2 404 558	8 934	0.37	24 946	1 173	4.70	128 343	32 828	25.58
561 247	1 834	0.33	63 721	1 427	2.24	65 245	4 101	6.29
219 998	6 257	2.84	36 835	4 207	11.42	233 114	65 247	27.99
–	890	–	–	–	–	–	–	–
1 233 735	2 089	0.17	2 612	1 306	50.00	12 746	12 746	100.00
10 851 343	72 166	0.67	223 584	22 037	9.86	1 151 758	507 295	44.05
37 125	–	–	–	–	–	–	–	–
104 911	–	–	–	–	–	–	–	–
39 375	–	–	–	–	–	–	–	–
181 411	–	–	–	–	–	–	–	–

43. Credit risk *continued*

43.1 Credit risk exposure analysis *continued*

Financial assets attract credit risk in the form of counterparty credit risk and concentration risk.

	2024 R'000	2023 R'000
Concentration risk of gross advances		
Sectoral analysis		
Agriculture	**650 722**	558 559
Community, social and personal services	**2 014 523**	2 135 538
Construction	**331 977**	309 170
Electricity and water	**48 504**	72 586
Finance, real estate and business services	**2 037 171**	1 836 430
Manufacturing	**1 069 561**	1 257 551
Mining	**272 223**	304 301
Trade, repairs of vehicles and goods as well as hotels and restaurants	**1 439 595**	1 674 776
Transport and communication	**1 112 892**	948 203
Other activities not adequately defined	**15 181**	658 100
Total[1]	**8 992 349**	9 755 214

1 *Amount includes loans and advances at amortised cost, fair value loans through profit or loss, loan commitments, financial guarantees and letters of credit.*

Issuer ratings for negotiable securities[1]

	2024 R'000	**2024 %**	2023 R'000	2023 %
Issuer ratings (local scale) relating to the portfolio of bond assets at amortised cost were as follows				
Aaa/AAA/AAA	**220 740**	**11.43**	216 610	15.98
A1/A+/A+	**1 507 175**	**78.04**	934 853	69.00
Unassigned[2]	**203 436**	**10.53**	203 478	15.02
	1 931 351	**100.00**	1 354 941	100.00

Issuer ratings for trading assets[1]

	2024 R'000	**2024 %**	2023 R'000	2023 %
Issuer ratings (local scale) relating to those traded through the JSE at fair value were as follows				
Aaa/AAA/AAA	**134 972**	**60.13**	127 872	53.10
Aa1/AA+/AA+	**–**	**–**	10 493	4.36
Aa3/AA-/AA-	**–**	**–**	55 256	22.95
A1/A+/A+	**4 495**	**2.00**	27 871	11.57
A3/A-/A-	**62 231**	**27.72**	–	–
Unassigned[2]	**22 766**	**10.15**	19 309	8.02
	224 464	**100.00**	240 801	100.00

1 *The current year disclosure was enhanced to present separately negotiable securities and trading assets ratings. Prior year disclosure was amended accordingly with no impact noted on the primary financial statements.*
2 *The unassigned category relates to the Land Bank bills which are not rated in the current year nor prior year. Refer to Note 5 for more information.*

43. Credit risk *continued*

43.2 Collateral and other security enhancements

43.2.1 Description of collateral for loans and advances

Loans and advances	Security
Equipment finance	The Group retains full ownership of the assets and equipment financed throughout the duration of the contract.
Capital equipment finance	The primary collateral for Capital Equipment Finance is the plant/equipment being financed. However, other security such as general notarial bonds over other assets and continuous covering mortgage bonds over property are sometimes taken to increase the collateral cover.
Trade finance	The primary collateral for Trade Finance is the equipment being financed. However, other security such as general notarial bonds over other assets and continuous covering mortgage bonds over property are sometimes taken to increase the collateral cover.
Debtor finance	The Group's Debtor Finance policy does not permit an advance that exceeds the debtors' book of the counterparty. The Group has control over the debtors' books and is therefore covered regarding its exposure, using primarily the counterparty's receivables as its security. Depending on the credit rating and the industry, the Group also holds a margin of 15% to 30% of the fundable debtors' book of the counterparty as an extra buffer for security. Additional securities may also be held as further collateral against these advances.
Other secured loans	The primary collateral held for commercial property finance comprises first and second covering mortgage bonds and, in some instances, suretyships. The collateral is measured in terms of market-related property valuations.

The Group's policies regarding obtaining and assessing collateral have not significantly changed during the reporting period, and management has no reason to believe that there has been any significant change in the overall quality of the collateral held by the Group since the prior period.

43. Credit risk *continued*

43.2 Collateral and other security enhancements *continued*

43.2.2 Estimates of the fair value of collateral and other security enhancements held against loans and advances

Estimates of the fair value of collateral and other security enhancements held are shown below:

		Security						
	Gross exposure R'000	Stock R'000	Fixed assets R'000	Receiv-ables R'000	Property R'000	Pledges/ deposits R'000	Total R'000	Un-secured R'000
2024								
Loans and advances								
Equipment Finance[1]	**5 010 353**	**–**	**4 120 768**	**–**	**–**	**–**	**4 120 768**	**889 585**
Capital Equipment Finance[1]	**2 742 151**	**–**	**1 939 140**	**–**	**–**	**–**	**1 939 140**	**803 011**
Trade and Debtor Finance	**319 810**	**163 727**	**25 664**	**97 734**	**–**	**31 218**	**318 343**	**1 467**
Other loans[2]	**394 026**	**13 264**	**2 014**	**37 817**	**212 303**	**19 335**	**284 733**	**109 293**
Specialised lending	**419 760**	**–**	**–**	**–**	**380 180**	**–**	**380 180**	**39 580**
	8 886 100	**176 991**	**6 087 586**	**135 551**	**592 483**	**50 553**	**7 043 164**	**1 842 936**
2023								
Loans and advances								
Equipment Finance[1]	5 251 452	–	5 172 559	–	–	–	5 172 559	78 893
Capital Equipment Finance[1]	2 557 847	–	2 483 470	–	–	–	2 483 470	74 377
Trade and Debtor Finance	690 213	236 358	42 896	208 896	1 352	143 481	632 983	57 230
Other loans[2]	489 947	8 389	6 148	38 552	159 882	181 969	394 940	95 007
Specialised lending[3]	584 344	–	–	–	541 349	–	541 349	42 995
	9 573 803	244 747	7 705 073	247 448	702 583	325 450	9 225 301	348 502

[1] *Given the nature of the finance lease rental agreements, whereby the underlying assets are legally owned by the Group, management is comfortable that, at inception of the agreement, the value of the underlying asset equates to the amount due. The value of the asset is not subsequently reassessed unless there is default.*

[2] *This consists of revolving credit facilities.*

[3] *The prior period amounts did not reflect the fair value of collateral held, amounting to R541 million which has now been included as part of Property. The amount was previously incorrectly included as part of the Unsecured balance. No impact is noted on the primary financial statements.*

43. Credit risk *continued*

43.2 Collateral and other security enhancements *continued*

43.2.3 Collateral held against individually impaired assets

	Gross exposure R'000	Security Stock R'000	Fixed assets R'000	Receiv-ables R'000	Property R'000	Pledges/ deposits R'000	Total R'000	Un-secured R'000
2024								
Loans and advances								
Equipment Finance[1, 2]	**491 142**	**–**	**173 644**	**–**	**–**	**–**	**173 644**	**317 498**
Capital Equipment Finance[1]	**155 239**	**–**	**123 425**	**–**	**–**	**–**	**123 425**	**31 814**
Trade and Debtor Finance	**52 083**	**11 210**	**5 355**	**3 913**	**–**	**3 218**	**23 696**	**28 387**
Other loans	**242 847**	**–**	**–**	**–**	**173 400**	**12 302**	**185 702**	**57 145**
	941 311	**11 210**	**302 424**	**3 913**	**173 400**	**15 520**	**506 467**	**434 844**
2023								
Loans and advances								
Equipment Finance[1]	508 832	–	497 804	–	–	–	497 804	11 028
Capital Equipment Finance[1]	128 343	–	85 585	–	–	–	85 585	42 758
Trade and Debtor Finance	65 245	230	8 684	49 661	–	4 037	62 612	2 633
Other loans	233 114	–	–	–	145 444	20 898	166 342	66 772
	935 534	230	592 073	49 661	145 444	24 935	812 343	123 191

[1] *Given the nature of finance lease rental agreements, whereby the underlying assets are legally owned by the Group, management is comfortable that at inception of the agreement, the value of the underlying asset equates to the amount due. The value of the asset is not subsequently reassessed unless there is default.*

[2] *In the current year, this includes the loans and advances classified as held for sale. Refer to Note 8 for additional information.*

43. Credit risk *continued*

43.3 Credit loss allowance analysis

43.3.1 Reconciliation of ECL on loans and advances at amortised cost

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2024				
Total loans and advances				
Credit loss allowance balance beginning of the year	**68 428**	**20 731**	**434 668**	**523 827**
Transfers between stages[1]	**(7 329)**	**15 863**	**84 062**	**92 596**
Stage 1 from Stage 2	**444**	**–**	**–**	**444**
Stage 1 from Stage 3	**138**	**–**	**–**	**138**
Stage 1 to Stage 2	**(1 880)**	**–**		**(1 880)**
Stage 1 to Stage 3	**(6 031)**	**–**	**–**	**(6 031)**
Stage 2 from Stage 1	**–**	**33 052**	**–**	**33 052**
Stage 2 from Stage 3	**–**	**130**	**–**	**130**
Stage 2 to Stage 1	**–**	**(9 072)**	**–**	**(9 072)**
Stage 2 to Stage 3	**–**	**(8 247)**	**–**	**(8 247)**
Stage 3 from Stage 1	**–**	**–**	**69 954**	**69 954**
Stage 3 from Stage 2	**–**	**–**	**24 346**	**24 346**
Stage 3 to Stage 1	**–**	**–**	**(9 761)**	**(9 761)**
Stage 3 to Stage 2	**–**	**–**	**(477)**	**(477)**
Net ECL (released)/raised	**(9 706)**	**(5 545)**	**94 474**	**79 223**
ECL on new exposure raised	**21 771**	**4 058**	**8 957**	**34 786**
Subsequent changes in ECL	**(22 842)**	**(7 227)**	**102 142**	**72 073**
Change in ECL due to derecognition	**(8 635)**	**(2 376)**	**(16 625)**	**(27 636)**
Impaired accounts written off[2]	**–**	**–**	**(158 328)**	**(158 328)**
Credit loss allowance balance end of the year	**51 393**	**31 049**	**454 876**	**537 318**

[1] *It is the Group's practice to transfer the ECL between stages, by comparing the ECL stage for an exposure at the beginning of the reporting period to the ECL stage of that exposure at the end of the reporting period, for those exposures that have not yet been settled.*

[2] *The contractual amounts outstanding on loans and advances that were written off during the period and that are still subject to enforcement activities amounts to R150.6 million.*

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

43.3.1 Reconciliation of ECL on loans and advances at amortised cost *continued*

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2023				
Total loans and advances				
Credit loss allowance balance beginning of the year	92 778	23 976	358 497	475 251
Transfers between stages[1]	(11 803)	4 874	81 561	74 632
Stage 1 from Stage 2	321	–	–	321
Stage 1 from Stage 3	87	–	–	87
Stage 1 to Stage 2	(1 654)	–	–	(1 654)
Stage 1 to Stage 3	(10 557)	–	–	(10 557)
Stage 2 from Stage 1	–	15 265	–	15 265
Stage 2 from Stage 3	–	1 038	–	1 038
Stage 2 to Stage 1	–	(6 429)	–	(6 429)
Stage 2 to Stage 3	–	(5 000)	–	(5 000)
Stage 3 from Stage 1	–	–	65 219	65 219
Stage 3 from Stage 2	–	–	22 003	22 003
Stage 3 to Stage 1	–	–	(5 192)	(5 192)
Stage 3 to Stage 2	–	–	(469)	(469)
Net ECL (released)/raised	(12 547)	(7 215)	62 794	43 032
ECL on new exposure raised	29 999	6 921	16 506	53 426
Subsequent changes in ECL	(28 685)	(9 633)	78 163	39 845
Change in ECL due to derecognition	(13 861)	(4 503)	(31 875)	(50 239)
Impaired accounts written off[2]	–	–	(69 088)	(69 088)
Credit loss allowance balance end of the year	68 428	20 731	434 668	523 827

1 *It is the Group's practice to transfer the ECL between stages, by comparing the ECL stage for an exposure at the beginning of the reporting period to the ECL stage of that exposure at the end of the reporting period, for those exposures that have not yet been settled.*

2 *The contractual amounts outstanding on loans and advances that were written off during the period and that are still subject to enforcement activities amounts to R26.1 million.*

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

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

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2024				
Equipment Finance[1, 2]				
Credit loss allowance balance beginning of the year	**50 513**	**13 924**	**332 492**	**396 929**
Transfer between stages	**(1 575)**	**(3 322)**	**52 402**	**47 505**
Stage 1 from Stage 2	**280**	**–**	**–**	**280**
Stage 1 from Stage 3	**114**	**–**	**–**	**114**
Stage 1 to Stage 2	**(480)**	**–**	**–**	**(480)**
Stage 1 to Stage 3	**(1 489)**	**–**	**–**	**(1 489)**
Stage 2 from Stage 1	**–**	**8 212**	**–**	**8 212**
Stage 2 from Stage 3	**–**	**130**	**–**	**130**
Stage 2 to Stage 1	**–**	**(6 678)**	**–**	**(6 678)**
Stage 2 to Stage 3	**–**	**(4 986)**	**–**	**(4 986)**
Stage 3 from Stage 1	**–**	**–**	**47 823**	**47 823**
Stage 3 from Stage 2	**–**	**–**	**13 516**	**13 516**
Stage 3 to Stage 1	**–**	**–**	**(8 460)**	**(8 460)**
Stage 3 to Stage 2	**–**	**–**	**(477)**	**(477)**
Net ECL (released)/raised	**(10 646)**	**2 970**	**35 467**	**27 791**
ECL on new exposure raised	**15 287**	**2 321**	**5 883**	**23 491**
Subsequent changes in ECL	**(20 074)**	**1 923**	**40 640**	**22 489**
Change in ECL due to derecognition	**(5 859)**	**(1 274)**	**(11 056)**	**(18 189)**
Impaired accounts written off	**–**	**–**	**(139 023)**	**(139 023)**
Credit loss allowance balance end of the year	**38 292**	**13 572**	**281 338**	**333 202**

[1] *Lower portfolio growth due to tightening of credit appetite and improvement in credit risk parameters. Deterioration in Stage 3 due to ageing of the book.*

[2] *The gross carrying amount of Equipment Finance changed as follows in relation to the ECL:*
- *Gross Equipment Finance increased by R1.7 billion due to new business. This resulted in an increase in the expected credit loss allowance of R23.5 million;*
- *The gross carrying amount of impaired accounts written off amounted to R167 million.*
- *The gross carrying amount that were modified during the year that did not result in derecognition was Rnil;*
- *No Equipment Finance was sold during the current year;*
- *Gross carrying amount of Equipment Finance that were transferred were as follows:*
  - *R44.6 million from Stage 1 to Stage 2;*
  - *R138.5 million from Stage 1 to Stage 3;*
  - *R46.2 million from Stage 2 to Stage 1;*
  - *R33.7 million from Stage 2 to Stage 3;*
  - *R22.3 million from Stage 3 to Stage 1; and*
  - *R1.4 million from Stage 3 to Stage 2.*
- *The above disclosure has been added in the current year to enhance disclosure, however, this disclosure was not available for the prior year. No impact is noted on the primary financial statements.*

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

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

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2024				
Capital Equipment Finance[1, 2]				
Credit loss allowance balance beginning of the year	8 934	1 173	32 828	42 935
Transfer between stages	(1 012)	20 339	17 349	36 676
Stage 1 from Stage 2	31	–	–	31
Stage 1 from Stage 3	24	–	–	24
Stage 1 to Stage 2	(824)	–	–	(824)
Stage 1 to Stage 3	(243)	–	–	(243)
Stage 2 from Stage 1	–	21 094	–	21 094
Stage 2 from Stage 3	–	–	–	–
Stage 2 to Stage 1	–	(368)	–	(368)
Stage 2 to Stage 3	–	(387)	–	(387)
Stage 3 from Stage 1	–	–	17 064	17 064
Stage 3 from Stage 2	–	–	1 050	1 050
Stage 3 to Stage 1	–	–	(765)	(765)
Net ECL (released)/raised	2 730	(8 313)	(12 229)	(17 812)
ECL on new exposure raised	5 819	1 737	3 074	10 630
Subsequent changes in ECL	(2 447)	(10 019)	(11 253)	(23 719)
Change in ECL due to derecognition	(642)	(31)	(4 050)	(4 723)
Impaired accounts written off	–	–	(3 160)	(3 160)
Credit loss allowance balance end of the year	10 652	13 199	34 788	58 639

[1] *Continued strong growth despite challenging economic conditions and tightening of credit criteria. Deterioration in Stage 3 due to two large defaults.*

[2] *The gross carrying amount of Capital Equipment Finance changed as follows in relation to the ECL:*
- *The gross Capital Equipment Finance exposure increased with R1.1 billion due to new business. This resulted in an increase in the expected credit loss allowance of R10.6 million;*
- *The gross carrying amount of impaired accounts written off amounted to R3.2 million.*
- *The gross carrying amount that was modified during the year that did not result in derecognition was Rnil;*
- *No Capital Equipment Finance was sold during the current year.*
- *Gross carrying amount of Capital Equipment Finance that were transferred were as follows:*
  - *R224.6 million from Stage 1 to Stage 2;*
  - *R65.8 million from Stage 1 to Stage 3;*
  - *R7.9 million from Stage 2 to Stage 1;*
  - *R7.6 million from Stage 2 to Stage 3;*
  - *R6 million from Stage 3 to Stage 1; and*
  - *Rnil from Stage 3 to Stage 2.*
- *The above disclosure has been added in the current year to enhance disclosure, however, this disclosure was not available for the prior year. No impact is noted on the primary financial statements.*

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

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

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2024				
Trade and Debtor Finance[1]				
Credit loss allowance balance beginning of the year	1 834	1 427	4 101	7 362
Transfer between stages	(378)	(406)	10 830	10 046
Stage 1 from Stage 2	4	–	–	4
Stage 1 from Stage 3	–	–	–	–
Stage 1 to Stage 2	(100)	–	–	(100)
Stage 1 to Stage 3	(282)	–	–	(282)
Stage 2 from Stage 1	–	665	–	665
Stage 2 from Stage 3	–	–	–	–
Stage 2 to Stage 1	–	(323)	–	(323)
Stage 2 to Stage 3	–	(748)	–	(748)
Stage 3 from Stage 1	–	–	1 050	1 050
Stage 3 from Stage 2	–	–	9 780	9 780
Stage 3 to Stage 1	–	–	–	–
Stage 3 to Stage 2	–	–	–	–
Net ECL (released)/raised	(34)	63	(1 523)	(1 494)
ECL on new exposure raised	28	–	–	28
Subsequent changes in ECL	408	77	(4)	481
Change in ECL due to derecognition	(470)	(14)	(1 519)	(2 003)
Impaired accounts written off	–	–	(2 500)	(2 500)
Credit loss allowance balance end of the year	1 422	1 084	10 908	13 414

[1] *The gross carrying amount of Trade and Debtor Finance changed as follows in relation to the ECL:*
- *Gross Trade and Debtor Finance increased by R6.0 million due to new business. This resulted in a minimal ECL being raised on the new exposure.*
- *The gross carrying amount of impaired accounts written off amounted to R2.5 million.*
- *The gross carrying amount that were modified during the year that did not result in derecognition was Rnil;*
- *No Trade and Debtor Finance was sold during the current year; and*
- *Gross carrying amount of Trade and Debtor Finance that were transferred were as follows:*
  - *R36.6 million from Stage 1 to Stage 2;*
  - *R119.6 million from Stage 1 to Stage 3;*
  - *R1.1 million from Stage 2 to Stage 1;*
  - *R25.6 million from Stage 2 to Stage 3;*
  - *Rnil from Stage 3 to Stage 1; and*
  - *Rnil from Stage 3 to Stage 2.*
- *The above disclosure has been added in the current year to enhance disclosure, however, this disclosure was not available for the prior year. No impact is noted on the primary financial statements.*

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

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

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2024				
Other loans[1, 2]				
Credit loss allowance balance beginning of the year	**6 257**	**4 207**	**65 247**	**75 711**
Transfer between stages	**(4 364)**	**(748)**	**3 481**	**(1 631)**
Stage 1 from Stage 2	**129**	**–**	**–**	**129**
Stage 1 from Stage 3	**–**	**–**	**–**	**–**
Stage 1 to Stage 2	**(476)**	**–**	**–**	**(476)**
Stage 1 to Stage 3	**(4 017)**	**–**	**–**	**(4 017)**
Stage 2 from Stage 1	**–**	**3 081**	**–**	**3 081**
Stage 2 from Stage 3	**–**	**–**	**0**	**0**
Stage 2 to Stage 1	**–**	**(1 703)**	**–**	**(1 703)**
Stage 2 to Stage 3	**–**	**(2 126)**	**–**	**(2 126)**
Stage 3 from Stage 1	**–**	**–**	**4 017**	**4 017**
Stage 3 from Stage 2	**–**	**–**	**–**	**–**
Stage 3 to Stage 1	**–**	**–**	**(536)**	**(536)**
Stage 3 to Stage 2	**–**	**–**	**–**	**–**
Net ECL (released)/raised	**(1 621)**	**(265)**	**72 759**	**70 873**
ECL on new exposure raised	**–**	**–**	**–**	**–**
Subsequent changes in ECL[2]	**43**	**792**	**72 759**	**73 594**
Change in ECL due to derecognition	**(1 664)**	**(1 057)**	**–**	**(2 721)**
Impaired accounts written off	**–**	**–**	**(13 645)**	**(13 645)**
Credit loss allowance balance end of the year	**272**	**3 194**	**127 842**	**131 308**

[1] *The gross carrying amount of Other loans changed as follows in relation to the ECL:*

- *Gross Other loans increased by R4.5 million due to new business. This resulted in an increase in the expected credit loss allowance of Rnil;*
- *The gross carrying amount of impaired accounts written off amounted to R24.6 million.*
- *The gross carrying amount that were modified during the year that did not result in derecognition was Rnil;*
- *No Other loans were sold during the current year; and*
- *Gross carrying amount of Other loans that were transferred were as follows:*
  - o *R15.1 million from Stage 1 to Stage 2;*
  - o *R9.5 million from Stage 1 to Stage 3;*
  - o *R12.2 million from Stage 2 to Stage 1;*
  - o *R18.7 million from Stage 2 to Stage 3;*
  - o *Rnil from Stage 3 to Stage 1; and*
  - o *Rnil from Stage 3 to Stage 2.*
- *The above disclosure has been added in the current year to enhance disclosure, however, this disclosure was not available for the prior year. No impact is noted on the primary financial statements.*

[2] *In calculating subsequent changes in ECL for one large client exposure, this included the assessment of various scenarios based on independent expert property valuations received on a trade-out, market value and forced sale basis.*

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

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

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2024				
Guarantees				
Credit loss allowance balance beginning of the year	**890**	–	–	**890**
Transfer between stages	–	–	–	–
Stage 1 from Stage 2	–	–	–	–
Stage 1 from Stage 3	–	–	–	–
Stage 1 to Stage 2	–	–	–	–
Stage 1 to Stage 3	–	–	–	–
Stage 2 from Stage 1	–	–	–	–
Stage 2 from Stage 3	–	–	–	–
Stage 2 to Stage 1	–	–	–	–
Stage 2 to Stage 3	–	–	–	–
Stage 3 from Stage 1	–	–	–	–
Stage 3 from Stage 2	–	–	–	–
Stage 3 to Stage 1	–	–	–	–
Stage 3 to Stage 2	–	–	–	–
Total transfers	**(135)**	–	–	**(135)**
ECL on new exposure raised	**637**	–	–	**637**
Subsequent changes in ECL	**(772)**	–	–	**(772)**
Change in ECL due to derecognition	–	–	–	–
Impaired accounts written off	–	–	–	–
Credit loss allowance balance end of the year	**755**	–	–	**755**

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

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

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2023				
Equipment Finance[1]				
Credit loss allowance balance beginning of the year	77 504	14 047	288 326	379 877
Transfer between stages	(2 504)	1 159	48 845	47 500
Stage 1 from Stage 2	248	–	–	248
Stage 1 from Stage 3	87	–	–	87
Stage 1 to Stage 2	(1 121)	–	–	(1 121)
Stage 1 to Stage 3	(1 718)	–	–	(1 718)
Stage 2 from Stage 1	–	10 625	–	10 625
Stage 2 from Stage 3	–	134	–	134
Stage 2 to Stage 1	–	(5 535)	–	(5 535)
Stage 2 to Stage 3	–	(4 065)	–	(4 065)
Stage 3 from Stage 1	–	–	42 340	42 340
Stage 3 from Stage 2	–	–	12 164	12 164
Stage 3 to Stage 1	–	–	(5 190)	(5 190)
Stage 3 to Stage 2	–	–	(469)	(469)
Net ECL (released)/raised	(24 487)	(1 282)	61 246	35 477
ECL on new exposure raised	22 514	5 738	12 035	40 287
Subsequent changes in ECL	(37 599)	(3 732)	61 843	20 512
Change in ECL due to derecognition	(9 402)	(3 288)	(12 632)	(25 322)
Impaired accounts written off	–	–	(65 925)	(65 925)
Credit loss allowance balance end of the year	50 513	13 924	332 492	396 929

[1] *Lower portfolio growth due to tightening of credit appetite and improvement in credit risk parameters. Deterioration in Stage 3 due to ageing of the book.*

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

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

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2023				
Capital Equipment Finance[1]				
Credit loss allowance balance beginning of the year	7 023	1 838	23 793	32 654
Transfer between stages	(98)	(975)	24 018	22 945
Stage 1 from Stage 2	73	–	–	73
Stage 1 from Stage 3	–	–	–	–
Stage 1 to Stage 2	(28)	–	–	(28)
Stage 1 to Stage 3	(143)	–	–	(143)
Stage 2 from Stage 1	–	747	–	747
Stage 2 from Stage 3	–	–	–	–
Stage 2 to Stage 1	–	(894)	–	(894)
Stage 2 to Stage 3	–	(828)	–	(828)
Stage 3 from Stage 1	–	–	14 180	14 180
Stage 3 from Stage 2	–	–	9 840	9 840
Stage 3 to Stage 1	–	–	(2)	(2)
Net ECL (released)/raised	2 009	310	(13 319)	(11 000)
ECL on new exposure raised	4 716	877	1 876	7 469
Subsequent changes in ECL	(1 981)	(514)	(7 534)	(10 029)
Change in ECL due to derecognition	(726)	(53)	(7 661)	(8 440)
Impaired accounts written off	–	–	(1 664)	(1 664)
Credit loss allowance balance end of the year	8 934	1 173	32 828	42 935

1 *Continued strong growth despite challenging economic conditions and tightening of credit criteria. Deterioration in Stage 3 due to two large defaults.*

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

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

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2023				
Trade and Debtor Finance				
Credit loss allowance balance beginning of the year	3 371	1 228	2 018	6 617
Transfer between stages	(1 625)	432	1 501	308
Stage 1 from Stage 2	–	–	–	–
Stage 1 from Stage 3	–	–	–	–
Stage 1 to Stage 2	(124)	–	–	(124)
Stage 1 to Stage 3	(1 501)	–	–	(1 501)
Stage 2 from Stage 1	–	432	–	432
Stage 2 from Stage 3	–	–	–	–
Stage 2 to Stage 1	–	–	–	–
Stage 2 to Stage 3	–	–	–	–
Stage 3 from Stage 1	–	–	1 501	1 501
Stage 3 from Stage 2	–	–	–	–
Stage 3 to Stage 1	–	–	–	–
Stage 3 to Stage 2	–	–	–	–
Net ECL (released)/raised	88	(233)	2 082	1 937
ECL on new exposure raised	2 399	306	2 595	5 300
Subsequent changes in ECL	1 067	491	(84)	1 474
Change in ECL due to derecognition	(3 378)	(1 030)	(429)	(4 837)
Impaired accounts written off	–	–	(1 500)	(1 500)
Credit loss allowance balance end of the year	1 834	1 427	4 101	7 362

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2023				
Other loans[1]				
Credit loss allowance balance beginning of the year	3 209	6 863	44 360	54 432
Transfer between stages	(7 440)	2 859	8 101	3 520
Stage 1 from Stage 2	–	–	–	–
Stage 1 from Stage 3	–	–	–	–
Stage 1 to Stage 2	(245)	–	–	(245)
Stage 1 to Stage 3	(7 195)	–	–	(7 195)
Stage 2 from Stage 1	–	2 966	–	2 966
Stage 2 from Stage 3	–	–	904	904
Stage 2 to Stage 1	–	–	–	–
Stage 2 to Stage 3	–	(107)	–	(107)
Stage 3 from Stage 1	–	–	7 197	7 197
Stage 3 from Stage 2	–	–	–	–
Stage 3 to Stage 1	–	–	–	–
Stage 3 to Stage 2	–	–	–	–
Net ECL (released)/raised	10 488	(5 515)	12 786	17 759
ECL on new exposure raised	307	–	–	307
Subsequent changes in ECL	10 320	(5 383)	23 940	28 877
Change in ECL due to derecognition	(139)	(132)	(11 154)	(11 425)
Impaired accounts written off	–	–	–	–
Credit loss allowance balance end of the year	6 257	4 207	65 247	75 711

[1] *Other loans include specialised lending, commercial property lending and unsecured lending. The initial growth in the Property lending business is offset by the sale of the specialised lending portfolio. Stage 3 includes settlement of a large client and claim of two clients against the SARB COVID Guarantee. This impact is negated by further deterioration of two large existing clients.*

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

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

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2023				
Guarantees				
Credit loss allowance balance beginning of the year	1 671	–	–	1 671
Transfer between stages	–	–	–	
Stage 1 from Stage 2	–	–	–	–
Stage 1 from Stage 3	–	–	–	–
Stage 1 to Stage 2	–	–	–	–
Stage 1 to Stage 3	–	–	–	–
Stage 2 from Stage 1	–	–	–	–
Stage 2 from Stage 3	–	–	–	–
Stage 2 to Stage 1	–	–	–	–
Stage 2 to Stage 3	–	–	–	–
Stage 3 from Stage 1	–	–	–	–
Stage 3 from Stage 2	–	–	–	–
Stage 3 to Stage 1	–	–	–	–
Stage 3 to Stage 2	–	–	–	–
Total transfers	(781)	–	–	(781)
ECL on new exposure raised	–	–	–	–
Subsequent changes in ECL	(781)	–	–	(781)
Change in ECL due to derecognition	–	–	–	–
Impaired accounts written off	–	–	–	–
Credit loss allowance balance end of the year	890	–	–	890

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

43.3.3 Reconciliation of ECL on negotiable securities

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2024				
Credit loss allowance balance beginning of the year	**1 649**	**–**	**59 881**	**61 530**
Net expected credit losses (re-leased)/raised	**(781)**	**–**	**(25 581)**	**(26 362)**
Subsequent changes in ECL[1]	**(781)**	**–**	**(25 581)**	**(26 362)**
Credit loss allowance balance end of the year	**868**	**–**	**34 300**	**35 168**

[1] *The decrease in the Stage 3 ECL is due to the improved outlook of the client. Refer to Note 2.2.2 and Note 48.6 for additional information.*

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2023				
Credit loss allowance balance beginning of the year	2 085	–	121 593	123 678
Net expected credit losses (re-leased)/raised	(436)		(61 712)	(62 148)
Subsequent changes in ECL	(436)	–	(61 712)	(62 148)
Credit loss allowance balance end of the year	1 649	–	59 881	61 530

43. Credit risk *continued*

43.3 Credit loss allowance analysis *continued*

43.3.4 Reconciliation of ECL on trade and other receivables

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2024				
Credit loss allowance balance beginning of the year	**2 089**	**1 306**	**12 746**	**16 141**
Net expected credit losses (re-leased)/raised	**4 438**	**(1 306)**	**(12 746)**	**(9 614)**
ECL on new exposures raised	**6 340**	**–**	**–**	**6 340**
Subsequent changes in ECL	**702**	**–**	**–**	**702**
Changes in ECL due to derecognition[1]	**(2 604)**	**(1 306)**	**(12 746)**	**(16 656)**
Credit loss allowance balance end of the year	**6 527**	**–**	**–**	**6 527**

[1] *The ECL of R12.7 million in Stage 3 represents a fully impaired trade receivable in the prior period that was written off in the current period.*

	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
2023				
Credit loss allowance balance beginning of the year	493	–	–	493
Net expected credit losses (re-leased)/raised[1]	1 596	1 306	12 746	15 648
Subsequent changes in ECL	1 596	1 306	12 746	15 648
Credit loss allowance balance end of the year	2 089	1 306	12 746	16 141

[1] *Based on the current assessment of certain items included under trade and other receivables, the Group has raised a provision. The amount provided has been recognised as part of the impairment charge in profit or loss.*

43.3.5 Credit impairment charges recognised in profit or loss

	2024 R'000	2023 R'000
Net ECL recognised	**123 446**	62 564
Loans and advances[1, 2]	**161 943**	122 576
Letters of credit, carry facilities, loan commitments and financial guarantees issued[5]	**(716)**	(865)
Negotiable securities[1, 3]	**(36 547)**	(74 795)
Trade and other receivables	**(1 234)**	15 648
Recoveries of loans and advances previously written off	**(16 990)**	(21 415)
Trade and other receivables written off – previously not provided for	**–**	14 953
	106 456	56 102
From continuing operations	**96 134**	51 231
From discontinued operations[4]	**10 322**	4 871

[1] *Prior periods by restatement, please refer to Note 49 for additional information*
[2] *The impact of Interest in Suspense (ISP) of R16.9 million (2023: R8.8 million) and R42.4 million (2023: R13.2 million) related to BCB and Asset Finance respectively is included in interest income (refer to Note 27). This also includes other recoveries. In prior period for BCB this was incorrectly included in credit impairment charges (refer to footnote 1).*
[3] *The impact of ISP of R10.2 million (2023: R12.5 million) is included in interest income (refer to Note 27). In prior period this was incorrectly included in credit impairment charges (refer to footnote 1).*
[4] *Refer to Note 8 for additional information.*
[5] *For enhanced disclosure purposes this has now been separately presented rather than aggregated with loans and advances.*

44. Liquidity risk

Liquidity risk is the risk that a bank may be unable to meet short-term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process.

This risk is inherent in all banking and financial service operations and can be impacted by a range of institution-specific and market-wide events.

Management of liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities, when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. ALCO sets limits and mandates for executive management to manage the liquidity risk within this framework.

Treasury receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of projected cash flows arising from future business. Treasury then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, interbank loans and other interbank facilities, to ensure that sufficient liquidity is maintained within the Group as a whole.

The liquidity requirements of business units and subsidiaries are met through short-term loans from Treasury to cover any short-term fluctuations and longer-term funding to address any structural liquidity requirements. The Group believes that the management of liquidity should encompass an overall consolidated statement of financial position approach, which consolidates all sources and uses of liquidity while maintaining a balance between liquidity, profitability and interest rate considerations.

Liquidity risk measurement

The Group's daily liquidity position is monitored and reported in the form of cash flow projections in terms of key periods ranging from demand to long term. Regular liquidity stress testing is conducted under a variety of scenarios ranging from normal to severe market conditions. All liquidity policies and procedures are subject to review and approval by ALCO. Daily reports cover the liquidity position of the Group and operating subsidiaries. A summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO. Sources of liquidity are regularly reviewed to maintain a wide diversification by financial product and form.

Exposure to liquidity risk

The key measures used by the Group for managing liquidity risk are inter alia:

- The Liquidity Coverage Ratio (LCR). This refers to the proportion of high-quality liquid assets available to meet the banks' liquidity needs during a 30 calendar day liquidity stress period/scenario;
- Net Stable Funding Ratio (NSFR). This refers to the proportion of Available Stable Funding via the liabilities over Required Stable Funding for the assets;
- Various forward-looking liquidity maturity mismatch scenarios; and
- The ratio of net liquid assets to deposits from customers.

For this purpose, net liquid assets are considered as including cash and cash equivalents and investment-grade debt securities for which there is an active and liquid market, less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month. ALCO monitors the Group's exposure to liquidity risk in terms of internal benchmarks it has set and defined for Treasury to maintain.

To manage the liquidity risk arising from financial liabilities, the Group holds high-quality liquid assets comprising cash and cash equivalents, treasury bills and negotiable certificates of deposit for which there is an active liquid market.

44. Liquidity risk *continued*

44.1 Contractual maturity analysis

	Carrying amount R'000	Gross outflow R'000	Less than 1 month R'000	1 – 3 months R'000
2024				
Discounted maturity				
Assets				
Cash and cash equivalents	595 678	595 678	595 678	–
Negotiable securities	1 896 183	1 727 915	1 096 652	414 686
Trading assets[3]	433 989	433 989	433 959	–
Trade and other receivables	466 914	281 532	279 388	–
Non-current assets held for sale	3 135 380	3 135 380	–	454 530
Loans and advances	5 213 402	5 055 004	237 150	140 524
Current taxation asset	27 721	–	–	–
Investment securities	675 913	105 767	105 767	–
Investments at fair value through profit or loss	599 953	105 767	105 767	–
Equity accounted associates	75 960	–	–	–
Long-term receivable[4]	47 086	47 086	41 332	2 263
Property and equipment and right-of-use-assets	149 426	–	–	–
Investment property	14 800	–	–	–
Intangible assets and goodwill	84 424	–	–	–
Deferred tax asset	119 660	–	–	–
Total assets	**12 860 576**	**11 382 351**	**2 789 926**	**1 012 003**
Undiscounted maturity[5]				
Liabilities				
Funding under repurchase agreements	551 205	551 205	551 205	–
Trading liabilities[3]	414 601	416 881	412 316	–
Current taxation liability	13 483	–	–	–
Trade and other payables	517 924	335 256	335 244	–
Bank overdraft	69 081	69 081	69 081	–
Liabilities directly associated with assets classified as held for sale	173	173	–	65
Provisions	136 987	–	–	–
Lease liabilities	153 394	196 122	2 550	5 238
Deposits from customers	5 367 193	5 494 948	3 004 282	1 256 525
Debt securities issued[6]	3 685 800	4 372 108	–	436 764
Long term loans	214 150	235 825	14 150	–
Deferred tax liability	144 127	–	–	–
Total liabilities	**11 268 118**	**11 671 599**	**4 388 828**	**1 698 592**
Off-balance sheet liquidity exposures				
Letters of credit	–	–	–	–
Loan commitments	49 543	49 543	49 543	–
Financial guarantees	56 706	56 706	48 590	–
Capital expenditure	120	120	120	–
Total	**106 369**	**106 369**	**98 253**	**–**

1 *Non-contractual refers to non-financial instruments and the net exposure on non-performing loans (after considering the related ECL) on which legal proceedings have been initiated. This is an enhancement from prior year where the total amount of ECL was classified as non-contractual, including the ECL balance related to performing loans. The prior year was not updated as the disclosure was not available.*

2 *Disclosure of narrower (more) time bands has been provided to enable an understanding of the entity's liquidity risk exposure. In particular, for the single 'time band' of 1 – 5 years. This has been updated for 2024, however this disclosure was not available for the prior year.*

3 *Includes derivative instruments. Refer to Note 45.4 for the maturity analysis. The contractual cash flows for both trading assets and trading liabilities relating to the Fixed Income trading business of Sasfin Securities (refer to Note 6) are reflected as 'up to 1 month'. This is considering that for trading liabilities the counterparty has the choice of when the amount is payable therefore, it is more correct to reflect the cash flows in the earliest period payable. The same applies for trading assets, as the trading assets and trading liabilities are entered into as back-to-back transactions.*

4 *This represents the CODI receivable. This is a new line item for the current year. The expected inflow/outflow is closely aligned to the qualifying deposits from customers.*

5 *The interest rate used to calculate future interest expense payable is the prevailing interest rate at the reporting date.*

6 *SASP intends to early settle the Series 2 notes subject to the successful disposal of the CEF Business to African Bank (Refer to Note 8 and Note 48). The above contractual maturities for Series 2 reflect management's expectation of the realization of the disposal of the CEF Business to African Bank.*

This table represents the contractual maturities of assets and liabilities, as opposed to their "business as usual" maturity profiles.

4 – 12 months R'000	1 – 2[2] years R'000	2 – 3 years[2] R'000	3 – 4 years[2] R'000	4 – 5 years[2] R'000	More than 5 years R'000	Non-contractual[1] R'000	Total R'000
–	–	–	–	–	–	–	595 678
–	–	–	–	–	216 577	168 268	1 896 183
–	–	–	30	–	–	–	433 989
–	1 343	–	801	–	–	185 382	466 914
2 680 850	–	–	–	–	–	–	3 135 380
229 586	825 409	1 514 291	1 106 375	974 492	27 177	158 398	5 213 402
–	–	–	–	–	–	27 721	27 721
–	–	–	–	–	–	570 146	675 913
–	–	–	–	–	–	494 186	599 953
–	–	–	–	–	–	75 960	75 960
3 195	108	6	182	–	–	–	47 086
–	–	–	–	–	–	149 426	149 426
–	–	–	–	–	–	14 800	14 800
–	–	–	–	–	–	84 424	84 424
–	–	–	–	–	–	119 660	119 660
2 913 631	826 860	1 514 297	1 107 388	974 492	243 754	1 478 225	12 860 576
–	–	–	–	–	–	–	551 205
–	–	–	–	4 565	–	–	416 881
–	–	–	–	–	–	13 483	13 483
12	–	–	–	–	–	182 668	517 924
–	–	–	–	–	–	–	69 081
108	–	–	–	–	–	–	173
–	–	–	–	–	–	136 987	136 987
23 320	32 730	34 118	35 886	34 560	27 720	–	196 122
966 738	95 326	55 657	12 274	104 146	–	–	5 494 948
1 224 823	581 719	1 242 523	886 279	–	–	–	4 372 108
20 018	201 657	–	–	–	–	–	235 825
–	–	–	–	–	–	144 127	144 127
2 235 019	911 432	1 332 298	934 439	143 271	27 720	477 265	12 148 864
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	49 543
7 653	–	–	–	–	463	–	56 706
–	–	–	–	–	–	–	120
7 653	–	–	–	–	463	–	106 369

44. Liquidity risk *continued*

44.1 Contractual maturity analysis *continued*

	Carrying amount R'000	Gross outflow R'000	Less than 1 month R'000
2023			
Discounted maturity			
Assets			
Cash and cash balances[3]	884 622	884 622	884 622
Negotiable securities	1 293 411	1 151 463	298 856
Trading assets[4]	467 196	467 196	448 448
Trade and other receivables	1 232 952	1 026 633	1 023 246
Loans and advances	9 049 976	9 078 318	342 624
Current taxation asset	47 679	–	–
Investment securities	700 918	104 964	104 964
Investments at fair value through profit or loss	621 058	104 964	104 964
Equity accounted associates	79 860	–	–
Property and equipment and right-of-use-assets	164 536	–	–
Investment property	14 600	–	–
Intangible assets and goodwill	110 949	–	–
Deferred tax asset	64 228	–	–
Total assets	14 031 067	12 713 196	3 102 760
Undiscounted maturity[4, 5]			
Liabilities			
Funding under repurchase agreements	351 885	351 885	351 885
Trading liabilities[4]	441 344	441 344	426 734
Current taxation liability	1 746	–	–
Trade and other payables	1 448 676	1 306 295	1 306 295
Bank overdraft	113 081	113 081	113 081
Provisions	68 657	–	–
Lease liabilities	151 518	205 048	2 597
Deposits from customers[3]	5 647 428	5 738 337	2 959 339
Debt securities issued	3 720 138	4 613 989	–
Long term loans	276 488	329 775	2 406
Deferred tax liability	155 633	–	–
Total liabilities	12 376 594	13 099 754	5 162 337
Off-balance sheet liquidity exposures			
Letters of credit	37 125	37 125	37 125
Loan commitments	147 062	147 062	147 062
Financial guarantees	43 878	43 878	43 878
Capital expenditure	11	11	11
Total	228 076	228 076	228 076

1 *Non-contractual refers to non-financial instruments, the ECL on financial instruments and non-performing loans on which legal proceedings have been initiated.*
2 *Disclosure of narrower (more) time bands has been provided to enable an understanding of the entity's liquidity risk exposure. In particular, for the single 'time band' of 1 – 5 years. No impact is noted on the primary financial statements.*
3 *Prior periods by restatement, please refer to Note 49 for additional information.*
4 *Includes derivative instruments. Refer to Note 45.4 for the maturity analysis. The contractual cash flows for both trading assets and trading liabilities related to the Fixed Income trading business of Sasfin Securities (refer to Note 6) were incorrectly not classified as 'up to 1 month'. It was assessed that for trading liabilities due to the counterparty having the choice of when the amount is payable, it is more correct to reflect the cash flows in the earliest period payable. The same applies for trading assets, as the trading assets and trading liabilities are entered into as back-to-back transactions.*
5 *The interest rate used to calculate future interest expense payable is the prevailing interest rate at the reporting date.*

This table represents the contractual maturities of assets and liabilities, as opposed to their "business as usual" maturity profiles.

1 – 3 months R'000	4 – 12 months R'000	1 – 5 years R'000	More than 5 years R'000	Non-contractual[1] R'000	Total R'000
–	–	–	–	–	884 622
346 354	289 643	–	216 610	141 948	1 293 411
12 400	6 348	–	–	–	467 196
–	–	3 387	–	206 319	1 232 952
275 326	559 898	7 778 635	121 835	(28 341)	9 049 976
–	–	–	–	47 679	47 679
–	–	–	–	595 954	700 918
–	–	–	–	516 094	621 058
–	–	–	–	79 860	79 860
–	–	–	–	164 536	164 536
–	–	–	–	14 600	14 600
–	–	–	–	110 949	110 949
–	–	–	–	64 228	64 228
634 080	855 889	7 782 022	338 445	1 317 871	14 031 067
–	–	–	–	–	351 885
8 726	5 884	–	–	–	441 344
–	–	–	–	1 746	1 746
–	–	–	–	142 381	1 448 676
–	–	–	–	–	113 081
–	–	–	–	68 657	68 657
5 076	21 656	116 549	59 170	–	205 048
1 275 556	1 360 844	142 598	–	–	5 738 337
266 570	429 253	3 918 166	–	–	4 613 989
4 812	41 506	281 051	–	–	329 775
–	–	–	–	155 633	155 633
1 560 740	1 859 143	4 458 364	59 170	368 417	13 468 171
–	–	–	–	–	37 125
–	–	–	–	–	147 062
–	–	–	–	–	43 878
–	–	–	–	–	11
–	–	–	–	–	228 076

44. Liquidity risk *continued*

44.2 Discounted maturity analysis: Current and non-current

	2024 Current[2] R'000	2024 Non-current[2] R'000	2024 Total R'000	2023 Current R'000	2023 Non-current R'000	2023 Total R'000
Assets						
Cash and cash balances[1]	**595 678**	**–**	**595 678**	884 622	–	884 622
Negotiable securities	**1 510 470**	**385 713**	**1 896 183**	934 853	358 558	1 293 411
Trading assets[3]	**433 959**	**30**	**433 989**	467 196	–	467 196
Trade and other receivables	**466 914**	**–**	**466 914**	1 232 952	–	1 232 952
Non-current assets held for sale	**3 135 380**	**–**	**3 135 380**	–	–	–
Loans and advances	**607 260**	**4 606 142**	**5 213 402**	1 088 689	7 961 287	9 049 976
Current taxation asset	**27 721**	**–**	**27 721**	47 679	–	47 679
Investment securities	**105 767**	**570 146**	**675 913**	104 964	595 954	700 918
Investments at fair value through profit or loss	**105 767**	**494 186**	**599 953**	104 964	516 094	621 058
Equity accounted associates	**–**	**75 960**	**75 960**	–	79 860	79 860
Long-term receivable	**46 790**	**296**	**47 086**	–	–	–
Property and equipment and right-of-use assets	**–**	**149 426**	**149 426**	–	164 536	164 536
Investment property	**–**	**14 800**	**14 800**	–	14 600	14 600
Intangible assets and goodwill	**–**	**84 424**	**84 424**	–	110 949	110 949
Deferred tax asset	**–**	**119 660**	**119 660**	–	64 228	64 228
Total assets	**6 929 939**	**5 930 637**	**12 860 576**	4 760 955	9 270 112	14 031 067
Liabilities						
Funding under repurchase agreements	**551 205**	**–**	**551 205**	351 885	–	351 885
Trading liabilities[3]	**412 316**	**2 285**	**414 601**	441 344	–	441 344
Current taxation liability	**13 483**	**–**	**13 483**	1 746	–	1 746
Trade and other payables	**517 924**	**–**	**517 924**	1 448 676	–	1 448 676
Bank overdraft	**69 081**	**–**	**69 081**	113 081	–	113 081
Liabilities directly as-sociated with assets classified as held for sale	**173**	**–**	**173**	–	–	–
Provisions	**136 987**	**–**	**136 987**	68 657	–	68 657
Lease liabilities[4]	**18 929**	**134 465**	**153 394**	16 970	134 548	151 518
Deposits from customers[1]	**5 165 277**	**201 916**	**5 367 193**	5 504 830	142 598	5 647 428
Debt securities issued	**1 385 800**	**2 300 000**	**3 685 800**	684 853	3 035 285	3 720 138
Long term loans	**14 150**	**200 000**	**214 150**	23 437	253 051	276 488
Deferred tax liability	**–**	**144 127**	**144 127**	–	155 633	155 633
Total liabilities	**8 285 325**	**2 982 793**	**11 268 118**	8 655 479	3 721 115	12 376 594

1 *Prior periods by restatement, please refer to Note 49 for additional information.*
2 *For financial assets that have an ECL balance at the reporting date, the maturity analysis in the current year was enhanced to reflect the net exposure (i.e., after considering the ECL balance exposure) rather than only the gross exposure. This disclosure was not available for prior year.*
3 *The prior year classification for both trading assets and trading liabilities related to the Fixed Income trading business of Sasfin Securities were corrected to reflect only as 'current' classification. This is considering that they are primarily of the purpose of trading.*
4 *The amounts reflected as current will be settled in less than 12 months and the amounts reflected in non-current are expected to be settled in greater than 12 months.*

45. Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates, and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising return.

It is the risk of change in the actual or effective market value or earnings of a portfolio of financial instruments caused by adverse movements in market variables. The Group's principal market risks are:

- Interest rate risk – the risk of difference in the repricing characteristics of assets and liabilities; and
- Equity risk – the risk of an adverse change in the fair value of an investment in listed or unlisted equities.

Settlement risk

The Group is exposed to market price risk through its stockbroker trading activities on behalf of clients and credit risk if counterparties fail to perform as contracted.

These risks are mitigated by the fact that the broker's client base comprises controlled clients (i.e. cash and/or scrip held before trading).

Management of market risk

The Group separates its exposures to market risks between trading and non-trading portfolios.

- **Trading portfolios**

  The Group applies a Value-at-Risk (VAR) model using the previous five years' historical data as an input to monitor market risk, as it is regarded as being one of the soundest and most intuitive methods.

  Two confidence intervals have been selected to analyse. Both scenarios use daily historical closing prices from July 2019 to 28 June 2024 inclusive, and the R186 government bond as the benchmark. ZJS is used as the risk-free rate.

  The VAR model measures the amount of maximum loss which will not be exceeded with 99% probability as a result of normal but adverse market price movements over a 10-day holding period.

  For multiple currencies, all historical prices of securities are first converted back to the base currency of the portfolio (ZAR) at the historical reigning cross-rate on that day, after which the VAR is then calculated.

- **Non-trading portfolios**

  Non-trading portfolios are held by Treasury and are associated with fluctuations in the market price of assets and liabilities. Accordingly, the Group has exposure to interest rate risk and currency risk in respect of non-trading portfolios.

  Overall authority for market risk is vested with ALCO. Group Risk is responsible for the development of detailed risk management policies (subject to review and approval by ALCO and GRCMC) and for the day-to-day review of their implementation. Included in market risk is equity investment risk arising from equity price changes in respect of listed and unlisted investments held by the Group as approved by GRCMC and ALCO, respectively.

Exposure to interest rate risk

- **Trading portfolios**

  Trading portfolios consist of exchange-traded bonds that bear fixed interest rates.

- **Non-trading portfolios**

  The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. ALCO is an executive management monitoring committee for compliance with these limits and is assisted by Group Risk in its day-to-day monitoring activities.

45. Market risk *continued*

Market risk on equity investments

The Group enters into Private Equity and Property Equity investments in unlisted entities in accordance with delegated authority limits as defined by the CLEC. Market risk on these investments is managed in terms of the investment's purpose and strategic benefits to the Group and not only on investment returns and mark-to-market considerations. Periodic reviews and assessments are undertaken on the performance of these investments.

Currency risk

The Group incurs currency risk as a result of trade finance and foreign exchange businesses, as well as services and supplies acquired from foreign suppliers. The currencies in which the Group primarily deals are US Dollars, Pound Sterling and Euros. The Group is therefore exposed to volatility in the exchange rate of the Rand relative to these foreign currencies.

45.1 Derivative financial instruments

Derivatives are entered into in the normal course of business and no material losses are anticipated other than those which have been accounted for in profit or loss. All commitments or contingent commitments under derivative financial instruments are settled in cash.

Notional principal

Represents the gross notional value of all outstanding contracts as at year-end. The gross notional value is the sum of the absolute value of all purchases and sales of derivative instruments. This value will not affect the amount receivable or payable under a derivative contract due to the cash-settled nature of the various contracts. The gross notional value represents only the measure of involvement by the Group in derivative contracts and not its exposure to market or credit risks arising from such contracts.

Exchange rate contracts

The Group utilises forward-exchange contracts from time to time to limit the exposure to movements in the exchange rate on foreign currency liabilities.

Interest rate swaps

Interest rate swaps are used to hedge the Group's exposure to changes in the fair values of its notes and certain loans and advances attributable to changes in market interest rates. Interest rate swaps are matched to specific issuance of notes or loans and advances.

45. Market risk *continued*

45.2 Market risk

The tables summarise the Group's exposure to interest rate risk through categorisation of assets and liabilities into time buckets, determined as being the earlier of the contractual re-pricing date and maturity. The below table is not indicative of when the assets or liabilities are due for settlement but rather when re-pricing of the interest rate will occur. The net pricing gap is therefore not a reflection of the Group's liquidity risk nor its ability to settle liabilities as it become due. Refer to Note 44 for the Group's liquidity risk.

	Up to 1 month R'000	1 – 3 months R'000	4 – 12 months R'000	1 – 5 years R'000	More than 5 years R'000	Total R'000
2024						
Assets						
Non-trading portfolios						
Cash and cash equivalents	**448 921**	**–**	**–**	**–**	**–**	**448 921**
Negotiable securities	**1 300 089**	**410 522**	**–**	**–**	**220 740**	**1 931 351**
Loans and advances	**8 174 014**	**4 473**	**43 122**	**657 461**	**7 030**	**8 886 100**
Total assets	**9 923 024**	**414 995**	**43 122**	**657 461**	**227 770**	**11 266 372**
Liabilities						
Non-trading portfolios						
Funding under repurchase agreements	**551 205**	**–**	**–**	**–**	**–**	**551 205**
Bank overdraft	**69 081**	**–**	**–**	**–**	**–**	**69 081**
Deposits from customers	**4 366 248**	**390 204**	**408 825**	**201 916**	**–**	**5 367 193**
Lease liabilities	**–**	**–**	**–**	**24 130**	**129 265**	**153 395**
Debt securities issued	**–**	**3 685 800**	**–**	**–**	**–**	**3 685 800**
Long-term loans	**214 150**	**–**	**–**	**–**	**–**	**214 150**
Total liabilities	**5 200 684**	**4 076 004**	**408 825**	**226 046**	**129 265**	**10 040 824**
Net pricing gap	**4 722 340**	**(3 661 009)**	**(365 703)**	**431 415**	**98 505**	**1 225 548**
Cumulative repricing gap	**4 722 340**	**1 061 331**	**695 628**	**1 127 043**	**1 225 548**	**1 225 548**
A 100[1] bps interest rate change will have the following effect on profit/loss:						
100[1] bps parallel shock interest rate increase	**5 093**	**3 722**	**6 841**	**–**	**–**	**15 656**
100[1] bps parallel shock interest rate decrease	**(2 769)**	**925**	**14 071**	**–**	**–**	**12 227**
2023						
Assets						
Non-trading portfolios						
Cash and cash equivalents	264 702	–	–	–	–	264 702
Negotiable securities	502 334	346 354	289 642	–	216 610	1 354 940
Loans and advances[1]	8 205 424	217 643	168 292	490 695	870	9 082 924
Total assets[1]	8 972 460	563 997	457 934	490 695	217 480	10 702 566
Liabilities						
Non-trading portfolios						
Funding under repurchase agreements	351 885	–	–	–	–	351 885
Bank overdraft	113 081	–	–	–	–	113 081
Deposits from customers[2]	4 324 310	320 401	796 795	199 494	6 428	5 647 428
Lease liabilities[1]	43	136	385	1 545	–	2 109
Debt securities issued	–	3 720 138	–	–	–	3 720 138
Long-term loans	276 488	–	–	–	–	276 488
Total liabilities[1]	5 065 807	4 040 675	797 180	201 039	6 428	10 111 129
Net pricing gap	3 906 653	(3 476 678)	(339 246)	289 656	211 052	591 437
Cumulative repricing gap	3 906 653	429 975	90 729	380 385	591 437	591 437
A 400[3] basis point interest rate change will have the following effect on profit/loss:						
400[3] bps parallel shock interest rate increase	18 083	11 313	59 330	(15)	–	88 711
400[3] bps parallel shock interest rate decrease	(14 632)	(4 748)	(35 689)	15	–	(55 054)

1 *Casting errors identified for the 'up to 1 month' and 'total' column for loans and advances were corrected which in turn impacted the respective column totals for the 'total assets'. Casting errors were corrected to correct the total of lease liabilities, the total liabilities for '1-3 months' and the total for total liabilities. Considering this correction together with the restatement for deposits from customers (footnote 2), the net pricing gap and cumulative repricing gap was updated accordingly. No impact is noted on the primary financial statements.*

2 *Prior periods by restatement, please refer to Note 49 for additional information.*

3 *During 2024 the sensitivity analysis was modified to use 100 bps as a parallel shock rate compared to prior year.*

45. Market risk *continued*

45.3 Currency risk

The Group incurs currency risk as a result of trade finance and foreign exchange businesses, as well as services and suppliers acquired from foreign suppliers. The currencies in which the Company primarily deals are United States Dollars, Pound Sterling and Euro. The Group utilises forward-exchange contracts to economically hedge its estimated future foreign currency exposure arising from purchases.

Foreign currency risk sensitivity analysis converted into ZAR

	US Dollar R'000	Euro R'000	Japanese Yen R'000	British Pound R'000	Other R'000	Total R'000
2024						
Import Bills	**184**	**–**	**–**	**–**	**–**	**184**
Bank balances	**3 874**	**3 049**	**–**	**1 225**	**–**	**8 148**
Trade receivables	**51 260**	**–**	**–**	**–**	**–**	**51 260**
Usance creditors	**(1 899)**					**(1 899)**
Other payables	**(148)**	**–**	**–**	**–**	**–**	**(148)**
Total net (short)/ long position	**53 271**	**3 049**	**–**	**1 225**	**–**	**57 545**
Sensitivity – 10%[1]	**5 327**	**305**	**–**	**123**	**–**	**5 755**
2023						
Forward exchange contracts	(63 773)	(19 950)	(839)	(2 803)	(500)	(87 865)
Import Bills	177 124	16 951	3 455	1 661	–	199 191
Bank balances	37 560	20 195	652	9 956	2 161	70 524
Trade receivables	61 598	5 360	–	–	–	66 958
Import suppliers	(1 697)	(111)	–	–	–	(1 808)
Usance creditors	(11 374)	–	(2 455)	–	–	(13 829)
Other payables	(27 660)	(22 528)	(650)	(6 777)	(994)	(58 609)
Total net (short)/ long position	171 778	(83)	163	2 037	667	174 562
Sensitivity – 5%[1]	8 589	(4)	8	102	33	8 728

[1] *This indicates the impact on profit or loss and equity that a 10% (2023: 5%) increase in the foreign exchange rate will have. A decrease will have the opposite effect. The sensitivity changed from 5% in the prior year to 10% in the current year based on management's best estimate and considering the current economic environment.*

45. Market risk *continued*

45.3 Currency risk *continued*

Analysis of assets and liabilities by currency converted into ZAR

	US Dollar R'000	Euro R'000	British Pound R'000	South African Rand R'000	Other R'000	Total R'000
2024						
Assets						
Cash and cash equivalents	3 874	3 049	1 225	587 530	–	595 678
Negotiable securities	–	–	–	1 896 183	–	1 896 183
Trading assets	–	–	–	433 989	–	433 989
Trade and other receivables	51 260	–	–	415 654	–	466 914
Non-current assets held for sale	–	–	–	3 135 380	–	3 135 380
Loans and advances	1 204	–	–	5 212 198	–	5 213 402
Taxation	–	–	–	27 721	–	27 721
Investment securities	–	703	–	675 210	–	675 913
Investments at fair value through profit or loss	–	703	–	599 250	–	599 953
Equity accounted associates	–	–	–	75 960	–	75 960
Long term receivable	–	–	–	47 086	–	47 086
Property, equipment and right-of-use assets	–	–	–	149 426	–	149 426
Investment property	–	–	–	14 800	–	14 800
Intangible assets and goodwill	–	–	–	84 424	–	84 424
Deferred tax asset	–	–	–	119 660	–	119 660
Total assets	56 338	3 752	1 225	12 799 261	–	12 860 576
Liabilities						
Funding under repurchase agreements	–	–	–	551 205	–	551 205
Trading liabilities	–	–	–	414 601	–	414 601
Current taxation liabilities	–	–	–	13 483	–	13 483
Trade and other payables	2 047	–	–	515 877	–	517 924
Bank overdraft	–	–	–	69 081	–	69 081
Liabilities directly associated with assets classified as held for sale	–	–	–	173	–	173
Provisions	–	–	–	136 987	–	136 987
Lease liabilities	–	–	–	153 394	–	153 394
Deposits from customers	–	–	–	5 367 193	–	5 367 193
Debt securities issued	–	–	–	3 685 800	–	3 685 800
Long-term loans	–	–	–	214 150	–	214 150
Deferred tax liability	–	–	–	144 127	–	144 127
Total liabilities	2 047	–	–	11 266 071	–	11 268 118

45. Market risk *continued*

45.3 Currency risk *continued*

Analysis of assets and liabilities by currency converted into ZAR *continued*

	US Dollar R'000	Euro R'000	British Pound R'000	South African Rand R'000	Other R'000	Total R'000
2023						
Assets						
Cash and cash equivalents[1]	37 560	20 194	9 955	814 100	2 813	884 622
Negotiable securities	–	–	–	1 293 411	–	1 293 411
Trading assets	24 589	3 521	466	438 520	100	467 196
Trade and other receivables	61 598	5 360	–	1 165 994	–	1 232 952
Non-current assets held for sale	–	–	–	–	–	–
Loans and advances	179 646	16 951	1 660	8 848 264	3 455	9 049 976
Taxation	–	–	–	47 679	–	47 679
Investment securities	–	703	–	700 215	–	700 918
Investments at fair value through profit or loss	–	703	–	620 355	–	621 058
Equity accounted associates	–	–	–	79 860	–	79 860
Property, equipment and right-of-use assets	–	–	–	164 536	–	164 536
Investment property	–	–	–	14 600	–	14 600
Intangible assets and goodwill	–	–	–	110 949	–	110 949
Deferred tax asset	–	–	–	64 228	–	64 228
Total assets	303 393	46 729	12 081	13 662 496	6 368	14 031 067
Liabilities						
Funding under repurchase agreements	–	–	–	351 885	–	351 885
Trading liabilities	23 187	3 060	411	414 634	52	441 344
Current taxation liabilities	–	–	–	1 746	–	1 746
Trade and other payables	40 732	22 639	6 777	1 374 430	4 098	1 448 676
Bank overdraft	–	–	–	113 081	–	113 081
Provisions	–	–	–	68 657	–	68 657
Lease liabilities	–	–	–	151 518	–	151 518
Deposits from customers[1]	–	–	–	5 647 428	–	5 647 428
Debt securities issued	–	–	–	3 720 138	–	3 720 138
Long-term loans	–	–	–	276 488	–	276 488
Deferred tax liability	–	–	–	155 633	–	155 633
Total liabilities	63 919	25 699	7 188	12 275 638	4 150	12 376 594

[1] *Prior periods by restatement, please refer to Note 49 for additional information.*

45. Market risk *continued*

45.4 Derivative financial instruments

	Within 1 year R'000	Net fair value R'000	Positive fair value R'000	Negative fair value R'000	Notional principal R'000
2024					
Interest rate swaps[1]	**(2 256)**	**(2 256)**	**30**	**(2 285)**	**265 001**
Total derivatives	**(2 256)**	**(2 256)**	**30**	**(2 285)**	**265 001**
2023					
Interest rate swaps[1]	3 155	3 155	3 223	(68)	45
Exchange rate contracts[1]	1 960	1 960	29 576	(27 616)	–
Total derivatives	5 115	5 115	32 799	(27 684)	45

[1] *Interest rate swaps were fair valued on a discounted basis using forward interest rates. Foreign exchange contracts were valued using applicable forward rates.*

46. Capital management

The Group's capital management function is designed to ensure that regulatory requirements are met at all times and that the Group entities are capitalised in line with the Group's risk appetite and target ranges, both of which are approved by the board. Capital adequacy is actively managed and forms a key component of the financial reporting, budget and forecasting processes. The capital plan is tested under a range of stress scenarios and takes into consideration the Group's Internal Capital Adequacy Assessment Process (ICAAP) model. The capital management function is governed primarily by management level subcommittees that oversee the risks associated with capital management, as well as the GRCMC, which is a Board committee.

The Group manages its capital to achieve a prudent balance between maintaining appropriate capital levels to support business growth and depositors' confidence and to provide stakeholders with acceptable returns on a sustainable basis.

The key fundamentals of the Group's capital management policy are to ensure that the Group is adequately capitalised to support its risk profile and to develop risk management techniques and internal controls to manage and monitor the risks of the Group.

Key objectives of capital management are to:

- Ensure that the Group has sufficient qualifying capital resources to sustainably meet the minimum regulatory capital requirements as set by the SARB in accordance with the Basel III Accord and the Group's Board Risk Appetite;
- Ensure that the available capital resources of the Group are sufficient to support the economic capital requirements of the Group;
- Optimise value per regulatory and economic capital by aiming to provide investors with market-related returns on a sustainable basis;
- Generate sufficient capital to support the organic and new business growth objectives of the Group;
- Allocate capital to businesses to support the strategic and growth objectives of the Group; and
- Ensure that the Group is sufficiently capitalised to withstand the impact of potential stress events within the parameters of an appropriate capital buffer.

The Board is responsible for assessing and approving the Group's capital management framework, capital plans and capital buffer. The capital plans and buffer are set annually and reviewed quarterly or when the economy shows signs of stress. The Board has tasked the GRCMC to ensure the Group is in compliance with the capital management objectives. The GRCMC meets on a quarterly basis to review the regulatory and economic capital adequacy of the Group. The capital adequacy of the Group is reported to the Board, at least, on a quarterly basis.

Regulatory capital comprises the following:

- Common Equity Tier 1 – ordinary share capital, share premium and retained earnings including reserves that are in line with the consolidated statement of changes in equity, less regulatory deductions.
- Tier 2 – general allowance for credit impairments under the standardised approach.
- Total Capital – Tier 1 plus Tier 2

During the past year, the Group complied with all imposed capital requirements which includes the change in the new securitisation regulations.

The 2024 minimum total regulatory capital adequacy requirement of 11.5% (2023: 11.5%) includes the capital conservation buffer at 2.5% and excludes a bank specific individual requirement (Pillar 2B add-on) as required by regulatory guidance.

	Minimum Regulatory capital requirement Jun-24	**Unaudited Jun-24**	Minimum Regulatory capital requirement Jun-23	Published Pillar III Jun-23[1]
Common Equity Tier 1	**7.500%**	**15.150%**	7.500%	15.455%
Tier 1	**9.250%**	**15.150%**	9.250%	15.455%
Total	**11.500%**	**15.865%**	11.500%	16.226%

[1] *The capital ratios for the prior year have been updated to reflect the final ratios as published in the Pillar III for June 2023.*

47. Segment reporting

Management reports on three segments (excluding the Group and inter-segment eliminations). These segments are Asset Finance, Business and Commercial Banking, and Wealth.

	Asset Finance[1] R'000	Business and Commercial Banking[2] R'000	Wealth Pillar[3] R'000	Group Treasury Eliminations Total R'000	Total R'000	Discontinued operation adjustments R'000	Continuing operations R'000
Business segments 2024							
Interest income	1 255 465	282 725	35 349	52 086	1 625 625	(486 218)	1 139 407
Interest expense	(786 641)	(158 462)	(25 874)	2 798	(968 179)	55 115	(913 064)
Net interest income	468 824	124 263	9 475	54 884	657 446	(431 103)	226 343
Non-interest income	105 495	100 866	406 981	(30 408)	582 934	(29 400)	553 534
Net fee and commission income	(36 486)	76 836	370 746	(22 234)	388 862	8 592	397 454
Fee and commission income	34 577	85 171	536 769	(14 078)	642 439	(4 937)	637 502
Fee and commission expense	(71 063)	(8 335)	(166 023)	(8 156)	(253 577)	13 529	(240 048)
Gains and losses on financial instruments	16 926	6 814	10 829	(1 852)	32 717	(31 734)	983
Other income on non-financial assets	125 055	17 216	25 406	(6 322)	161 355	(6 258)	155 097
Total income	574 319	225 129	416 456	24 476	1 240 380	(460 503)	779 877
Credit impairment charges	(73 292)	(67 274)	(1 126)	35 236	(106 456)	10 322	(96 134)
Net income after impairments	501 027	157 855	415 330	59 712	1 133 924	(450 181)	683 743
Total operating costs	(342 321)	(313 950)	(313 777)	(251 193)	(1 221 241)	105 336	(1 115 905)
Staff costs	(123 510)	(92 824)	(170 270)	(214 807)	(601 411)	31 903	(569 508)
Depreciation	(588)	(147)	(4 036)	(32 906)	(37 677)	–	(37 677)
Amortisation	(5 297)	–	(805)	(25 071)	(31 173)	–	(31 173)
Other operating expenses[4]	(212 926)	(220 979)	(138 666)	21 591	(550 980)	73 433	(477 547)
Profit/(loss) from operations	158 706	(156 095)	101 553	(191 481)	(87 317)	(344 845)	(432 162)
Share of associate income	–	–	38 216	–	38 216	–	38 216
Profit before income tax	158 706	(156 095)	139 769	(191 481)	(49 101)	(344 845)	(393 946)
Income tax expense	(49 557)	36 741	(28 115)	29 937	(10 994)	106 409	95 415
Profit/(loss) for the year	109 149	(119 354)	111 654	(161 544)	(60 095)	(238 436)	(298 531)
Headline earnings adjustment	–	–	1 563	(145)	1 418	–	1 418
Headline earnings	109 149	(119 354)	113 217	(161 689)	(58 677)	(238 436)	(297 113)
Segment assets	8 096 065	1 583 220	926 523	2 254 768	12 860 576	–	12 860 576
Segment liabilities	7 576 060	1 626 019	725 485	1 340 554	11 268 118	–	11 268 118

1 *Asset Finance provides finance contracts for equipment via instalment sales, lease facilities or rental finance.*
2 *Business and Commercial Banking offers a range of banking options for businesses and individuals which includes transactional banking (business accounts, investment accounts and personal accounts), forex and forex risk solutions, unsecured lending and Commercial Banking (specialised lending, commercial property lending, trade finance and debtor finance).*
3 *Incorporates all divisions related to wealth management including Asset Management, Portfolio Management, Stockbroking, Fiduciary Services, Financial Planning as well as Wealth Advisory and Asset Consulting.*
4 *Included in other operating expenses are computer costs of R174.8 million of which R29.0 million and R16.9 million relate to the Business and Commercial Banking and Wealth Pillar respectively and consulting fees of R59.4 million of which R6.3 million, R11.7 million and R8.3 million relate to the Asset Finance, Business and Commercial Banking and Wealth Pillar respectively.*

47. Segment reporting *continued*

	Asset Finance[1] R'000	Business and Commercial Banking[2] R'000	Wealth Pillar[3] R'000	Group Treasury Eliminations Total R'000	Total R'000	Discontinued operation adjustments[4] R'000	Continuing operations R'000
Disaggregation of fee and commission income							
2024							
Brokerage income and asset management fees	–	–	336 724	–	336 724	–	336 724
Foreign income	–	–	195 892	–	195 892	–	195 892
Brokerage income	–	–	56 966	–	56 966	–	56 966
Administration fees	–	–	83 866	–	83 866	–	83 866
Confirming fees	–	30 678	–	–	30 678	–	30 678
Commission income	–	7 494	2 723	(2 520)	7 697	–	7 697
Administration fees	17 958	14 878	9 279	(14 878)	27 237	–	27 237
Other fee and commission income	16 619	32 121	188 043	3 320	240 103	(4 937)	235 166
Fee and commission income	34 577	85 171	536 769	(14 078)	642 439	(4 937)	637 502

The above is presented on continuing. Please refer to Note 8 for additional information.

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3 *Incorporates all divisions related to wealth management including Asset Management, Portfolio Management, Stockbroking, Fiduciary Services, Financial Planning as well as Wealth Advisory and Asset Consulting.*

4 *Please refer to Note 8 for additional information in relation to the discontinued operations adjustment.*

47. Segment reporting *continued*

	Asset Finance[1] R'000	Business and Commercial Banking[2] R'000	Wealth Pillar[3] R'000	Group Treasury Eliminations Total R'000	Total R'000	Discontinued operation adjustments R'000	Continuing operations R'000
Business segments 2023[4]							
Interest income	1 101 220	280 989	27 886	40 253	1 450 348	(389 994)	1 060 354
Interest expense	(601 458)	(134 092)	(22 311)	(16 065)	(773 926)	34 459	(739 467)
Net interest income	499 762	146 897	5 575	24 188	676 422	(355 535)	320 887
Non-interest income	113 589	148 379	376 751	42 375	681 094	(43 329)	637 765
Net fee and commission income	(71 895)	107 679	360 330	(14 046)	382 068	11 921	393 989
Fee and commission income	43 744	119 475	517 546	(21 874)	658 891	(9 442)	649 449
Fee and commission expense	(115 639)	(11 796)	(157 216)	7 828	(276 823)	21 363	(255 460)
Gains and losses on financial instruments	43 464	31 560	12 569	53 222	140 815	(46 915)	93 900
Other income on non-financial instruments	142 020	9 140	3 852	3 199	158 211	(8 335)	149 876
Total income	613 351	295 276	382 326	66 563	1 357 516	(398 864)	958 652
Credit impairment charges	(81 850)	(48 893)	(2)	74 643	(56 102)	4 871	(51 231)
Net income after impairments	531 501	246 383	382 324	141 206	1 301 414	(393 993)	907 421
Total operating costs	(333 790)	(384 115)	(296 254)	(189 786)	(1 203 945)	99 931	(1 104 014)
Staff costs	(114 500)	(129 681)	(155 421)	(221 002)	(620 604)	49 217	(571 387)
Depreciation	(624)	(169)	(3 739)	(34 943)	(39 475)	–	(39 475)
Amortisation	(5 297)	–	(806)	(29 771)	(35 874)	–	(35 874)
Other operating expenses[5]	(213 369)	(254 265)	(136 288)	100 093	(503 829)	50 714	(453 115)
Goodwill and intangible asset impairments	–	–	–	(4 163)	(4 163)	–	(4 163)
Profit/(loss) from operations	197 711	(137 732)	86 070	(48 580)	97 469	(294 062)	(196 593)
Share of associate income	–	–	31 270	–	31 270	–	31 270
Profit/(loss) before income tax	197 711	(137 732)	117 340	(48 580)	128 739	(294 062)	(165 323)
Income tax expense	(53 966)	30 045	(23 186)	27 195	(19 912)	87 495	67 583
Profit/(loss) for the year	143 745	(107 687)	94 154	(21 385)	108 827	(206 567)	(97 740)
Profit for the year from discontinued operations	206 035	532	–	–	206 567	(206 567)	–
Profit/(loss) for the year from continuing operations	(62 290)	(108 219)	94 154	(21 385)	(97 740)	–	(97 740)
Headline earnings adjustment	–	3 419	34	403	3 856	–	3 856
Headline earnings	143 745	(104 268)	94 188	(20 982)	112 683	(206 567)	(93 884)
Segment assets	8 619 412	2 260 887	1 620 010	1 530 758	14 031 067	–	14 031 067
Segment liabilities	8 058 799	2 327 616	1 394 560	595 619	12 376 594	–	12 376 594

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3 Incorporates all divisions related to wealth management, including Asset Management, Portfolio Management, Stockbroking, Fiduciary Services, Financial Planning as well as Wealth Advisory and Asset Consulting.
4 Prior periods by restatements, please refer to Note 49 for additional information.
5 Included in other operating expenses are computer costs of R162.3 million of which R25.7 million and R14.8 million relates to the Business and Commercial Banking and Wealth Pillar respectively and consulting fees of R64.7 million of which R5.2 million, R10.5 million and R6.1 million relate to the Asset Finance, Business and Commercial Banking and Wealth Pillar respectively. This disclosure has been added in the current year for enhancement purposes.

47. Segment reporting *continued*

	Asset Finance[1] R'000	Business and Commercial Banking[2] R'000	Wealth Pillar[3] R'000	Group Treasury Eliminations Total R'000	Total R'000	Discontinued operations adjustment[4] R'000	Continued operations R'000
Disaggregation of fee and commission income							
2023							
Brokerage income and asset management fees	–	–	304 672	–	304 672	–	304 672
Foreign income	–	–	162 967	–	162 967	–	162 967
Brokerage income	–	–	62 810	–	62 810	–	62 810
Administration fees	–	–	78 895	–	78 895	–	78 895
Confirming fees	–	43 031	–	–	43 031	–	43 031
Commission income	–	13 871	2 812	9 619	26 302	–	26 302
Administration fees	37 982	14 071	10 033	(33 339)	28 747	–	28 747
Other fee and commission income	5 762	48 502	200 029	1 846	256 139	(9 442)	246 697
Fee and commission income	43 744	119 475	517 546	(21 874)	658 891	(9 442)	649 449

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3 *Incorporates all divisions related to wealth management, including Asset Management, Portfolio Management, Stockbroking, Fiduciary Services, Financial Planning as well as Wealth Advisory and Asset Consulting.*
4 *Please refer to Note 8 for additional information in relation to the Discontinued operations adjustment.*

48. Events after the reporting date

48.1 Proposed delisting of the Company from the JSE, pursuant to an offer by Wealth to the Company's ordinary shareholders, funded by subscriptions for shares in Wealth by Unitas and Wipfin

On 15 July 2024 the Company announced that its major shareholders Wipfin and Unitas will each subscribe for shares in Wealth to facilitate an offer for the proposed delisting of the ordinary shares of the Company from the JSE.

Wipfin and Unitas each propose subscribing for an 8.8% shareholding directly in Wealth at a subscription amount of R53.6 million each, resulting in a total subscription consideration of R107 million.

As part of the proposed delisting of the Company, the proceeds from the above subscriptions will be used to make an offer to shareholders, at R30 per share, a 66% premium to the 30-day VWAP as at close of trade on 12 July 2024 (R18.16).

On 27 August 2024, the Group issued an update as follows:

- Sasfin Wealth successfully concluded the subscription agreements with Wipfin and Unitas which are subject to the fulfilment of suspensive conditions that are normal and customary for a transaction of this nature.
- Shareholders holding over 90% of the shares have committed not to accept the offer ensuring the Group meets the necessary conditions for the proposed delisting.

48.2 Update on administrative sanctions

Refer to Note 18 *Provisions*.

48.3 Regulatory approvals for disposal by Sasfin Bank of its Capital Equipment Finance (CEF) and Commercial Property Finance (CPF) Businesses to African Bank Limited

On 1 August 2024 final regulatory approvals including from the Minister of Finance were obtained for the African Bank Limited ("African Bank") deal ("Disposals"). This approval is subject to the approval of, and continued compliance with, all the requirements specified by all the relevant regulatory and/or supervisory authorities.

The Disposal of the CEF Business and CPF Business for circa R3.14 billion, based on the loan balances as at the end of June 2024, will now be affected in accordance with the disposal agreements and regulatory implementation requirements which will be fulfilled jointly with African Bank.

In addition, the legal agreements to enable SASP to early settle the Series 2 Notes (Refer to Note 8) were signed after the reporting date.

48.4 Refinancing of SASP notes

The Group successfully re-financed Class A, Class B and Class C notes to the value of R341 million in August 2024.

48.5 Disposal of the CPF Business to African Bank

On 21 August 2024, the Group successfully disposed of its CPF Business to African Bank at a book value of R459 million, Initial payment of R398.5 million was received on 21 August 2024, with the remainder of the balance of R30 million payable in 120 days. The Group incurred a R2.2 million loss on disposal.

48.6 Finalisation of Liability Solution 5

The Land Bank's Liability Solution 5 (LS5), regulating the terms and conditions for the repayment of the Land Bank's remaining debt, was approved in September 2024. In line with this agreement, Sasfin received total capital repayments of R75.1 million on 30 September 2024, in addition to the interest being serviced. Management assessed and concluded that no adjustment was required for the credit impairment reversal made for negotiable securities nor the fair value gain recognised on the trading asset for the 2024 financial reporting period. (For negotiable securities refer to Note 2.2.2 for management's judgement applied as well as Note 5 and 43.3.3. For trading assets refer to Note 6 and Note 41.2).

49. Correction of prior period errors

Through further enhancements made to the financial control processes amendments to certain disclosures and the year-end review, the following prior period errors were identified and adjusted for.

None of the errors corrected had an impact on retained earnings and the basic and diluted earnings per share.

Deferred and income tax assets and liabilities and income tax expense

During the current financial year, due to complexities in the old tax model and related processes, which included incorrect and incomplete historical datasets and other inaccuracies identified in the current financial year, the Group implemented a new tax model for the calculation of tax allowances relating to Equipment Finance.

As part of the transition to the new model, detailed work was performed and required updates incorporated into the new model. This included estimating the leased asset tax values from 2019 and beyond and the correction of historical datasets and other data and system fixes from 2019 to 2023, which were only identified during the 2024 financial year and that are used in income and deferred tax calculations. The new model includes leases which commenced from the 2019 financial year during which a new core line of business system for Asset Finance ("the system") was implemented, but the data required to calculate the accuracy and completeness of tax balances and allowances in relation to the 30 June 2023 (and 1 July 2022) consolidated statement of financial position, and in relation to the consolidated statement of profit or loss and other comprehensive income amounts for the year then ended, was incomplete as it did not include certain historical data pre inception of the new model in 2019. As these leases typically have a five-year term, leases which commenced prior to the system implementation date and which were largely impacted by the afore-mentioned data and system fixes, had by-and-large been fully settled by 30 June 2024.

Further to this, the Group identified differences in the tax/deferred tax calculation results between the new and the old model. The differences may be attributable to errors and changes in estimates arising out of a combination of historic data limitations, application of tax principles, and/or computational deficiencies in the old model.

These differences not only impact the timing but also the recognition of tax and deferred tax balances in the comparative financial years and the current and deferred tax balances in the consolidated statement of financial position as at 30 June 2023 (and at 1 July 2022) and in the consolidated statement of profit or loss and other comprehensive income for the period then ended and in relation to the current financial year.

Despite making every reasonable effort to reliably estimate the opening consolidated statements of financial position and profit or loss and other comprehensive income impacts for 2023 and 2024, in accordance with IAS 8 the Group determined that it is impracticable to determine the impact of the difference retrospectively on comparative periods or on the opening balances of assets, liabilities and equity in the current or prior periods. Consequently, and in line with the requirements of IAS 8, the effects of the implementation of the new model have been applied prospectively in the current period and form part of the current period tax charge. This led to a cumulative prospective adjustment to deferred tax (decrease in deferred tax liability) in the consolidated statement of financial position of R53.4 million (prior to the utilisation of assessed losses) accounted for in the current year. This was, in accordance with external legal advice obtained, correspondingly adjusted for in the calculation of taxable income and treated as temporary differences (refer to Notes 15 and 35).

The Group has concluded that the current and deferred tax balances as at 30 June 2024 are appropriately stated and that, in accordance with IAS 8, 30 June 2024 is regarded as the first practicable date at which the income and deferred tax balances could be reliably determined.

Individually material errors

Interest income reclassification

Interest income earned on loans and advances measured at FVTPL and amortised cost was incorrectly included in *interest income calculated using the effective interest method* and *other interest income* respectively. This resulted in an overstatement of *interest income calculated using the effective interest method* and understatement of *other interest income* of R43.8 million with a net nil effect on net interest income and profit for the year.

No impact on the statement of financial position and statement of cash flows.

49. Correction of prior period errors *continued*

Individually immaterial errors

In addition to the above, further 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:

Intercompany elimination restatement

In the prior year, an intergroup elimination entry relating to eliminating an intercompany account was incorrectly posted during the consolidation process. This resulted in an understatement of cash and cash equivalents and deposits from customers of R17.99 million.

This error had no impact on retained earnings and profit for the 2023 financial year.

BCB ISP reclassification

The principles of interest in suspense (ISP) were erroneously not applied to credit impaired exposures in loans and advances and negotiable securities in the BCB segment. This resulted in an aggregated overstatement of *interest income calculated using the effective interest method* and *credit impairment charges* of R21.3 million. ISP calculated on loans and advances and negotiable securities was R8.8 million and R12.5 million respectively.

This error had a net nil effect on profit for the year, and no impact on the statement of financial position.

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.

Discontinued operations

Due to the IFRS 5 requirement to re-present prior year financial information in the consolidated statement of profit or loss and other comprehensive income for discontinued operations, a column titled 'Discontinued operations adjustment' was included to reconcile the restated number to the re-presented number in the consolidated statement of profit or loss and other comprehensive income. The 'Discontinued operation adjustment' does not have any correlation to the errors corrected.

	As previously reported R'000	Interest income reclassification R'000	Intercompany elimination restatement R'000	BCB ISP reclassification R'000	Restated R'000
30 June 2023					
Consolidated statement of financial position					
Assets					
Cash and cash equivalents	866 637	–	17 985	–	884 622
Total assets	14 013 082	–	17 985	–	14 031 067
Liabilities					
Deposits from customers	5 629 443	–	17 985	–	5 647 428
Total liabilities	12 358 609	–	17 985	–	12 376 594
Total liabilities and equity	14 013 082	–	17 985	–	14 031 067

49. Correction of prior period errors *continued*

	As previously reported R'000	Interest income re-classification R'000	Inter-company elimination restatement R'000	BCB ISP re-classification R'000	Restated R'000	Discontinued operations adjustment R'000	Re-presented R'000
30 June 2023 Consolidated statement of profit or loss and other comprehensive income							
Interest income	1 471 670	–	–	(21 322)	1 450 348	(389 994)	1 060 354
Interest income calculated using the effective interest method	1 414 961	(43 764)	–	(21 322)	1 349 875	(340 472)	1 009 403
Other interest income	56 709	43 764	–	–	100 473	(49 522)	50 951
Net interest income	697 744	–	–	(21 322)	676 422	(355 535)	320 887
Total income	1 378 838	–	–	(21 322)	1 357 516	(398 864)	958 652
Credit impairment charges	(77 424)	–	–	21 322	(56 102)	4 871	(51 231)
Net income after impairments	1 301 414	–	–	–	1 301 414	(393 993)	907 421
Profit/(loss) for the year before income tax from continuing operations	128 739	–	–	–	128 739	(294 062)	(165 323)
Profit/(loss) for the year from continuing operations	108 827	–	–	–	108 827	(206 567)	(97 740)
Profit for the year from discontinued operations	–	–	–	–	–	206 567	206 567
Profit for the year	108 827	–	–	–	108 827	–	108 827
Total comprehensive income for the year	108 827	–	–	–	108 827	–	108 827
Profit attributable to:							
Equity holders of the Group	108 827	–	–	–	108 827	–	108 827
Total comprehensive income attributable to:							
Equity holders of the Group	108 827	–	–	–	108 827	–	108 827

49. Correction of prior period errors *continued*

	As previously reported R'000	Interest income reclassification R'000	Intercompany elimination restatement R'000	BCB ISP reclassification R'000	Restated R'000
30 June 2023					
Consolidated statement of cash flows					
Cash flows from operating activities					
Interest received	1 316 030	–	–	(21 322)	1 294 708
Net trading and other income	153 701	–	–	21 322	175 023
Cash inflow from operating activities	45	–	–	–	45
Cash flows from operating activities before changes in operating assets and liabilities	(48 209)	–	–	–	(48 209)
Changes in operating assets and liabilities	(650 907)	–	17 985	–	(632 922)
(Decrease)/Increase in deposits from customers	398 001	–	17 985	–	415 986
Net cash from operating activities	(699 116)	–	17 985	–	(681 131)
Net (decrease)/increase in cash and cash equivalents	183 643	–	17 985	–	201 628
Cash and cash equivalents at the end of the year	866 637	–	17 985	–	884 622

50. Update on SARS Summons

On 9 January 2024, Sasfin Bank was served a civil summons for a total amount of R4.9 billion plus interest and costs in the form of a damages claim instituted by SARS. The claim arises from SARS's purported inability to collect income tax, Value Added Tax and penalties allegedly owed by certain former foreign exchange clients of Sasfin Bank who allegedly operated as a syndicate that ran an unlawful scheme to facilitate the expatriation of money out of South Africa and colluded with former employees of Sasfin Bank operating outside the scope of their employment. The details of this have been previously disclosed. Sasfin Bank took decisive action when it became aware of this unlawful scheme, including instituting an expanded investigation led by an independent forensic consultancy. This resulted in the termination of relationships with the implicated clients and employees and the opening of criminal cases against them.

Subsequent to receiving the summons, Sasfin Bank engaged transparently with the relevant regulators on the matter and obtained a legal opinion from ENS authored by Professor Dale Huchinson, Professor Michael Katz and Aslam Moosajee and endorsed by Adv. Wim Trengove S.C ("Legal Opinion"). The Legal Opinion is unequivocal that the claim falls outside of the recognised parameters of applicable law and has only a very remote likelihood of success.

During the 2024 financial year, SARS filed an amendment to its claim introducing an alternate basis of calculation, in the event of its main claim failing, which would have the effect of reducing its quantum by approximately R1 billion.

On the basis of the strong Legal Opinion and legal counsel, Sasfin Bank concluded that the claim and amended claim will not result in the recognition of any liability and the likelihood of an outflow of resources embodying economic benefits is remote.

When there is a remote probability of outflow of resources embodying economic benefits, no disclosure is required in terms of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. However, management has disclosed the matter on the basis that it believes that such information at this stage would be useful to the users of financial statements.

51. Going concern

The Group reported a Headline Earnings loss of R58.68 million in 2024, compared to Headline Earnings of R112.68 million in 2023. As a result, Headline Earnings per share decreased year-on-year from 366.18 cents to a loss of 190.96 cents per share.

The loss was the result of a combination of the challenging economic conditions, the implementation of the strategic reset and the impact of a provision relating to the administrative sanctions imposed on Sasfin Bank (see Notes 18 and 26). The results were also impacted by an increase in expected credit losses and a decline in non-interest income caused by negative fair value adjustments in the Private Equity portfolio. The Group experienced lower total income due to its exiting of non-core activities, while costs remained flat. In due course, and in terms of the strategic reset initiatives committed to, costs are expected to reduce.

The Group's core businesses, Wealth and Rental Finance, continued to perform well, while Business and Commercial Banking, which the Group intends to exit, reported increased losses.

Whilst implementing the strategic reset, the Group managed to maintain a healthy balance sheet through proactive management actions, albeit at a short-term cost to our shareholders. Upon the finalisation of the R3.14 billion sale of the Capital Equipment Finance and Commercial Property Finance businesses to African Bank Limited, the Group will further strengthen its liquidity and capital position. The Group has assessed that the conclusion of this deal is imminent. Post the transaction, the CAR is expected to exceed 20%.

Given the strength of the balance sheet, strong excess liquidity and the expected ongoing activities to implement the strategic reset, supported by positive signs relating to the South African economy, the Board has a reasonable expectation that the Company and the Group will continue operating as a going concern into the foreseeable future.

Separate statement of financial position

At 30 June 2024

	Accounting policy	Note	2024 R'000	2023 R'000
Assets				
Cash and cash equivalents	1.11	1	**18 854**	28 340
Trade and other receivables	1.13	2	**3 145**	23 516
Current taxation asset	1.16.1		**–**	264
Deferred tax asset	1.16.2	3	**4 181**	4 615
Investments in subsidiaries and structured entities	1.3	4	**673 319**	552 254
Total assets			**699 499**	608 989
Liabilities				
Trade and other payables	1.13	5	**86 977**	55 991
Total liabilities			**86 977**	55 991
Equity				
Ordinary share capital	1.10.1	6	**323**	323
Ordinary share premium	1.10.1	7	**163 363**	163 363
Distributable reserves			**448 836**	389 312
Total equity			**612 522**	552 998
Total liabilities and equity			**699 499**	608 989

Separate statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Accounting policy	Note	2024 R'000	2023 R'000
Interest income	1.14.1	10	**586**	378
Interest income calculated using the effective interest rate method			**586**	378
Net interest income			**586**	378
Non-interest income			**148 413**	76 962
Net fee and commission income	1.14.2	11	**13 413**	31 962
Fee and commission income			**20 585**	38 700
Fee and commission expense			**(7 172)**	(6 738)
Gains and losses on financial instruments		12	**135 000**	45 000
Other gains or losses on financial instruments			**135 000**	45 000
Total income			**148 999**	77 340
Credit impairment charge	1.13 & 2.2	13 & 21.2.1	**583**	376
Net income after impairments			**149 582**	77 716
Total operating costs			**(89 625)**	(66 440)
Staff costs	1.15	14	**(5 643)**	(5 247)
Other operating expenses		15	**(54 982)**	(61 193)
Impairment of investment[1]			**(29 000)**	–
Profit for the year before income tax			**59 957**	11 276
Income tax expense	1.16	16	**(433)**	2 750
Total comprehensive income for the year			**59 524**	14 026
Profit attributable to:			**59 524**	14 026
Equity holders			**59 524**	14 026

[1] *This refers to the impairment recognised on the investment in SPEIH. Refer to Note 4 for additional information.*

Separate statement of changes in equity

For the year ended 30 June 2024

	Ordinary share capital R'000	Ordinary share premium R'000	Distributable reserves R'000	Total ordinary shareholders' equity R'000
2024				
Opening balance at the beginning of the year	**323**	**163 363**	**389 312**	**552 998**
Total comprehensive income for the year	**–**	**–**	**59 524**	**59 524**
Profit for the year	**–**	**–**	**59 524**	**59 524**
Balance at the end of the year	**323**	**163 363**	**448 836**	**612 522**
2023				
Opening balance at the beginning of the year	323	163 363	414 338	578 024
Total comprehensive income for the year	–	–	14 026	14 026
Profit for the year	–	–	14 026	14 026
Transactions with owners recorded directly in equity				
Dividends to ordinary shareholders	–	–	(39 052)	(39 052)
Balance at the end of the year	323	163 363	389 312	552 998

Separate statement of cash flows

For the year ended 30 June 2024

	Note	2024 R'000	2023 R'000
Cash flows from operating activities			
Interest received	10	**586**	378
Fee and commission income received	11	**20 585**	38 700
Fee and commission expense paid	11	**(7 172)**	(6 738)
Cash payments to employees and suppliers		**(60 625)**	(66 439)
Cash inflow from operating activities	17.1	**(46 626)**	(34 099)
Dividends received	12	**135 000**	45 000
Taxation paid	17.2	**264**	100
Dividends paid	17.3	**–**	(39 052)
Cash flows from operating activities before changes in operating assets and liabilities		**88 638**	(28 051)
Changes in operating assets and liabilities		**51 941**	30 030
Decrease/(Increase) in trade and other receivables		**20 371**	(12 390)
Increase in trade and other payables		**31 570**	42 420
Net cash from operating activities		**140 579**	1 979
Cash flows from investing activities			
Further investment in the Share Incentive Trust		**(65)**	(15)
Additional share subscription in Bank		**(150 000)**	–
Net cash flows from investing activities		**(150 065)**	(15)
Cash flows from financing activities			
Net cash flows from financing activities		**–**	–
Net (decrease)/increase in cash and cash equivalents		**(9 486)**	1 964
Cash and cash equivalents at beginning of the year	1	**28 340**	26 376
Cash and cash equivalents at the end of the year	1	**18 854**	28 340

	2024 R'000	2023 R'000
1. Cash and cash equivalents		
Funds on call	**18 854**	28 340
	18 854	28 340
2. Trade and other receivables		
Financial assets	**26**	23 030
Receivables from companies in the Group	**–**	23 030
Sundry Receivables	**26**	–
Non-financial assets	**3 119**	486
Value added taxation[1]	**2 770**	106
Prepaid expenses	**349**	380
Total trade and other receivables	**3 145**	23 516

[1] *This refers to the value added taxation on the accrual balance in relation to consulting fees in trade and other payables*

	2024 R'000	2023 R'000
3. Deferred tax assets and liabilities		
Deferred tax assets	**4 181**	4 615

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2024 Assets R'000	2024 Net R'000	2023 Assets R'000	2023 Net R'000
Tax losses	**1 773**	**1 773**	2 729	2 729
Prepayments	**(94)**	**(94)**	(88)	(88)
Provisions	**2 502**	**2 502**	1 974	1 974
Net tax assets	**4 181**	**4 181**	4 615	4 615

Movements in temporary differences during the year

	Balance at 1 July R'000	Recognised in profit or loss R'000	Balance at 30 June R'000
2024			
Tax losses	**2 729**	**(956)**	**1 773**
Prepayments	**(88)**	**(6)**	**(94)**
Provisions	**1 974**	**528**	**2 502**
	4 615	**(434)**	**4 181**
2023			
Tax losses	473	2 256	2 729
Prepayments	(67)	(21)	(88)
Provisions	1 459	515	1 974
	1 865	2 750	4 615

		2024 R'000	2023 R'000
4.	**Investments in subsidiaries and structured entities**		
	Unlisted investments[1]		
	Investment in ordinary shares[2]	**635 548**	514 548
	Sasfin Bank Limited	**563 134**	413 134
	Opening Balance	**413 134**	413 134
	Further investment made	**150 000**	–
	Sasfin Wealth (Pty) Limited	**22 045**	22 045
	Sasfin Private Equity Investment Holdings (Pty) Limited[3]	**50 369**	79 369
	Opening Balance	**79 369**	79 369
	Impairment[4]	**(29 000)**	–
	Share Incentive Trust	**37 771**	37 706
	Opening balance	**37 706**	37 691
	Further investment made	**65**	15
	Total	**673 319**	552 254

1 *For disclosure enhancement purposes the underlying entities invested into ordinary shares were disclosed. Prior year disclosure was amended accordingly. No impact is noted on the primary financial statements.*

2 *Refer to Note 40.1 in the notes to the Consolidated Financial Statements for the Group structure.*

3 *The ordinary shares in SPEIH have been ceded to Absa, with Sasfin Holdings Limited providing a guarantee over these preference shares with certain negative undertakings put in place as usual for transactions of this nature.*

4 *The impairment loss of R29 million represents the write-down of the Company's investment in the SPEIH subsidiary to the recoverable amount because of the decline in the fair value of the investments invested in by SPEIH. This was recognised in the statement of profit or loss as part of operating expenses. The recoverable amount of R50.4 million was based on fair value less cost to sell. To determine the fair value less cost to sell, management applied a market-based approach, considering both recent comparable transactions, current market conditions and any offers received (both current and past offers). The key assumptions made by management in determining the fair value less cost to sell include adjusting for market related discount rates on interest bearing debt and consideration of market related transaction costs and fees factored in the sale price. This would be classified as a Level 3 fair value measurement due to the unobservable inputs used. Please refer to Note 41.4 of the consolidated financial statements regarding the key inputs utilized in determining the fair values of the private and property equity investments, investment property and fair value loans used in determining the fair value less costs to sell of SPEIH.*

		2024 R'000	2023 R'000
5.	**Trade and other payables**		
	Financial liabilities	**80 703**	52 430
	Other payables[1]	**10 968**	4 171
	Payables to entities in the Group	**69 735**	48 259
	Non-financial liabilities	**6 274**	3 561
	Audit fees and other services	**6 274**	3 561
		86 977	55 991

1 *This includes the ECL raised for the financial guarantees issued in respect of subsidiaries (refer to Note 18.4 and Note 21.1 for additional information) as well as supplier invoices relating to consulting fees.*

		2024 R'000	2023 R'000
6.	**Ordinary share capital**		
	Authorised		
	100 000 000 (2023: 100 000 000) ordinary shares with a par value of 1 cent each	**1 000**	1 000
	Issued		
	32 301 441 (2023: 32 301 441) ordinary shares with a par value of 1 cent each	**323**	323
	Balance at the end of the year	**323**	323
7.	**Ordinary share premium**		
	Balance at the beginning of the year	**163 363**	163 363
	Balance at the end of the year	**163 363**	163 363
8.	**Preference share capital**		
	Authorised		
	5 000 000 (2023: 5 000 000) non-redeemable non-cumulative non-participating variable rate preference shares with a par value of 1 cent each	**–**	–
	Issued		
	Both for the current and prior year 0 shares have been issued.	**–**	–

		2024 R'000	2023 R'000
9.	**Commitments and contingent liabilities**		
	Guarantees (refer to Note 18.4)	**300 000**	300 000
		300 000	300 000

Refer to note 18.4 for further information.

		2024 R'000	2023 R'000
10.	**Interest income**		
	Interest income calculated using the effective interest method		
	Deposits with banks	**586**	378
	Total interest income	**586**	378
	Interest income on items measured at amortised cost	**586**	378
	– Performing financial assets	**586**	378
11.	**Net fee and commission income**		
	Fee and commission income	**20 585**	38 700
	Administration fees	**20 585**	38 700
	Fee and commission expense	**(7 172)**	(6 738)
	Administration fee expenses	**(7 172)**	(6 738)
	Net fee and commission income	**13 413**	31 962
12.	**Gains and losses on financial instruments**		
	Dividend income	**135 000**	45 000
		135 000	45 000
13.	**Credit impairment allowance**		
	Net ECL recognised		
	Financial guarantees	**583**	83
	Trade and other receivables	**–**	293
	Intercompany receivables	**–**	–
		583	376
14.	**Staff costs**		
	Non-executive directors' remuneration[1]	**5 533**	5 130
	Salaries and wages	**110**	117
		5 643	5 247
15.	**Other operating expenses**		
	The following items are included in operating expenses		
	Fees paid to PwC	**17 059**	13 399
	Audit fees – Current year	**4 270**	5 087
	Audit fees – Under-provision prior year	**9 921**	7 683
	Regulatory	**–**	629
	Non-audit services	**2 868**	–
	Consulting fees	**32 892**	40 829
	Marketing costs	**2 382**	1 161
	Legal Fees	**–**	2 283
	Other charges	**1 321**	1 333
	Tax related expenses	**1 328**	2 188
	Other operating expenses	**54 982**	61 193

		2024 R'000	2023 R'000
16.	**Income tax expense**		
	Current tax expense	–	–
	Under provision in prior years	–	–
	Deferred tax expense	(433)	2 750
	Current year	(433)	2 750

	%	%
Reconciliation of taxation rate	%	%
South African normal tax rate	27.00	27.00
Adjusted for:	(26.28)	(51.38)
Exempt income[1]	(60.79)	(107.63)
Non-deductible expenses[2]	27.98	49.17
Additional deductible tax allowances	0.07	–
Capital expenditure	6.46	7.08
Effective rate	0.72	(24.38)

[1] *Exempt income comprises exempt dividends.*
[2] *Expenses attributable to exempt income.*

		2024 R'000	2023 R'000
17.	**Notes to the statement of cash flows**		
17.1	**Cash inflow from operating activities**		
	Reconciliation of operating profit to cash flows from operating activities		
	Profit before income tax	59 957	11 277
		(106 583)	(45 376)
	Dividend received	(135 000)	(45 000)
	Credit impairment charges on financial guarantees	(583)	(83)
	Credit impairment charges on trade and other receivables	–	(293)
	Impairment on non-financial assets	29 000	–
		(46 626)	(34 099)
17.2	**Taxation paid**		
	Unpaid at the beginning of the year	264	363
	Charge to the income statement	–	–
	Unpaid at the end of the year	–	(264)
	Total taxation refunded	264	100
17.3	**Dividends paid**		
	Charge to distributable reserves	–	(39 052)
	Total dividends paid	–	(39 052)

		2024 R'000	2023 R'000
18.	**Related-party transactions**		
18.1	**Intercompany (payables)/receivables with entities in the Group**		
	Sasfin Capital (Pty) Limited	**(38 393)**	(17 072)
	Sasfin Bank Limited	**(30 823)**	(31 187)
	Sasfin Bank Limited	**–**	23 030
	Sasfin Wealth (Pty) Limited	**(519)**	–
	Total intercompany (payables)/receivables with entities in the Group[1, 2]	**(69 735)**	(25 229)

[1] *The intercompany receivables balances relate to transactions with related parties for admin charges and are payable within 30 days.*
[2] *Please refer to Note 24 for the letter of support received from Sasfin Wealth.*

		2024 R'000	2023 R'000
18.2	**Transactions with subsidiaries**		
	Interest received from Sasfin Bank Limited	**576**	378
	Dividends paid to The Sasfin Share Incentive Trust	**–**	1 389
	Dividends received from Sasfin Wealth (Pty) Limited	**135 000**	45 000
	Dividends paid to Sasfin Securities (Pty) Limited	**–**	112
	Management fee income from Sasfin Bank Limited	**20 585**	38 700
		156 161	85 579
18.3	**Funds on call and deposits with subsidiaries**		
	Sasfin Bank Limited	**18 854**	28 340
		18 854	28 340
18.4	**Financial guarantees issued in respect of subsidiaries**		
	The Company has guaranteed the debt exposures of certain of its subsidiaries, as set out below.		
	Sasfin Securities (Pty) Limited[1]	**100 000**	100 000
	Sasfin Private Equity Investment Holdings (Pty) Limited[2]	**200 000**	200 000
		300 000	300 000

[1] *Guarantee with Nedbank as the beneficiary. Restated the exposure to the guarantee in the prior year which was incorrectly stated as R56.6 million. This does not affect the primary statements.*
[2] *Guarantee on the Absa preference shares issued by Sasfin Private Equity Investment Holdings (Pty) Limited. With the guarantee, the Company irrevocably and unconditionally guarantees to Absa full complete and punctual payment and performance from SPEIH of all its obligations under the preference shares issued and should SPEIH fail to pay the Company shall immediately pay the amount as if it were the principal obligor. Refer to other payables in Note 5 for ECL amounting to R3.595 million (2023: R3.846 million) raised on financial guarantees.*

		2024 R'000	2023 R'000
18.5	**Transactions with other related parties**		
	Management fees paid to WIPHOLD	**7 172**	6 738

19. Classification of assets and liabilities

Accounting classification and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities their fair values and carrying amounts.

Assets	Amortised cost R'000	Outside scope of IFRS 9 R'000	Total R'000
2024			
Cash and cash equivalents	**18 854**	**–**	**18 854**
Trade and other receivables	**26**	**3 119**	**3 145**
Deferred tax asset	**–**	**4 181**	**4 181**
Investments in subsidiaries and structured entities	**–**	**673 319**	**673 319**
Total assets	**18 880**	**680 619**	**699 499**

Liabilities	Amortised cost R'000	Outside scope of IFRS 9 R'000	Total R'000
2024			
Trade and other payables	**80 703**	**6 274**	**86 977**
Total liabilities	**80 703**	**6 274**	**86 977**

Assets	Amortised cost R'000	Outside scope of IFRS 9 R'000	Total R'000
2023			
Cash and cash equivalents	28 340	–	28 340
Trade and other receivables	23 030	486	23 516
Current taxation asset	–	264	264
Deferred tax asset	–	4 615	4 615
Investments in subsidiaries and structured entities	–	552 254	552 254
Total assets	51 370	557 619	608 989

Liabilities	Amortised cost R'000	Outside scope of IFRS 9 R'000	Total R'000
2023			
Trade and other payables	52 430	3 561	55 991
Total liabilities	52 430	3 561	55 991

20. Financial assets and financial liabilities not measured at fair value

	2024				
	Fair value			Total fair value	Amortised cost
	Level 1 R'000	Level 2 R'000	Level 3 R'000	R'000	R'000
Financial assets	**–**	**18 854**	**26**	**18 880**	**18 880**
Cash and cash equivalents	**–**	**18 854**	**–**	**18 854**	**18 854**
Trade and other receivables	**–**		**26**	**26**	**26**
Financial liabilities	**–**	**–**	**80 703**	**80 703**	**80 703**
Trade and other payables	**–**	**–**	**80 703**	**80 703**	**80 703**

	2023				
	Fair value			Total fair value	Amortised cost
	Level 1 R'000	Level 2 R'000	Level 3 R'000	R'000	R'000
Financial assets	–	28 340	23 030	51 370	51 370
Cash and cash equivalents	–	28 340	–	28 340	28 340
Trade and other receivables	–	–	23 030	23 030	23 030
Financial liabilities	–	–	52 430	52 430	52 430
Trade and other payables	–	–	52 430	52 430	52 430

The carrying amount of financial assets and financial liabilities, recognised at amortised cost, is considered a reasonable approximation of fair value, unless otherwise indicated above.

21. Credit risk

21.1 Credit risk exposure analysis

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

		Credit risk grading ECL staging			
	Net amount R'000	Total exposure R'000	Total ECL R'000	Coverage ratio %	A Stage 1 12-month exposure R'000
2024					
Maximum credit exposures of financial assets at amortised cost					
Cash and cash equivalents[1]	**18 854**	**18 854**	**–**	**–**	**18 854**
Trade and other receivables	**3 145**	**3 145**	**–**	**–**	**3 145**
Net carrying amount	**21 999**	**21 999**	**–**	**–**	**21 999**
Off-balance sheet exposure to credit risk					
Financial guarantees issued	**300 000**	**–**	**–**	**–**	**300 000**
Total exposure to off-balance sheet credit risk	**300 000**	**–**	**–**	**–**	**300 000**
Credit loss allowance on off-balance sheet credit risk recognised	**3 595**	**–**	**–**	**–**	**3 595**
Total exposure to credit risk	**296 405**	**–**	**–**	**–**	**296 405**

[1] *Management has assessed these as high-quality liquid assets held with institutions with a low risk of default and hence no ECL allowance has been recognised for these.*

Credit risk grading ECL staging							
		A and B			Default (C, D and E)		
ECL R'000	Coverage ratio R'000	Stage 2 lifetime exposure R'000	ECL R'000	Coverage ratio R'000	Stage 3 lifetime exposure R'000	ECL R'000	Coverage ratio %
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–

21. Credit risk *continued*

21.1 Credit risk exposure analysis *continued*

	Net amount R'000	Credit risk grading ECL staging Total exposure R'000	Total ECL R'000	Coverage ratio %	A Stage 1 12-month exposure R'000
2023					
Maximum credit exposures of financial assets at amortised cost					
Cash and cash equivalents[1]	28 340	28 340	–	–	28 340
Trade and other receivables	23 516	23 516	–	–	23 516
Net carrying amount	51 856	51 856	–	–	51 856
2023					
Off-balance sheet exposure to credit risk					
Financial guarantees issued[2]	300 000	–	–	–	300 000
Total exposure to off-balance sheet credit risk	300 000	–	–	–	300 000
Credit loss allowance on off-balance sheet credit risk recognised	3 846	–	–	–	3 846
Total exposure to credit risk	296 154	–	–	–	296 154

[1] *Management has assessed these as high-quality liquid assets held with institutions with a low risk of default and hence no ECL allowance has been recognised for these.*
[2] *Restated the exposure to the guarantee in the prior year which was incorrectly stated as R56 572 million. This does not affect the primary statements. Please refer to Note 18.4 for further information.*

21.2 Credit loss allowance analysis

21.2.1 Credit impairment charges recognised in profit or loss

	2024 R'000	2023 R'000
Net ECL recognised	**583**	376
Letters of credit, carry facilities, loan commitments and financial guarantees issued	**583**	83
Trade and other receivables	**–**	293
	583	376

Credit risk grading ECL staging

		A and B			Default (C, D and E)		
ECL R'000	Coverage ratio R'000	Stage 2 lifetime exposure R'000	ECL R'000	Coverage ratio R'000	Stage 3 lifetime exposure R'000	ECL R'000	Coverage ratio %
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–

22. Liquidity risk

22.1 Contractual maturity analysis

	Carrying amount R'000	Gross outflow R'000	Less than 1 month R'000	1 – 3 months R'000	4 – 12 months R'000	1 – 5 years R'000	More than 5 years R'000	Non-contractual[1] R'000	Total R'000
2024									
Discounted maturity									
Assets									
Cash and cash equivalents	**18 854**	**18 854**	**18 854**	**–**	**–**	**–**	**–**	**–**	**18 854**
Trade and other receivables	**3 145**	**26**	**26**	**–**	**–**	**–**	**–**	**3 119**	**3 145**
Current taxation asset	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Deferred tax asset	**4 181**	**–**	**–**	**–**	**–**	**–**	**–**	**4 181**	**4 181**
Investments in subsidiaries and structured entities	**673 319**	**–**	**–**	**–**	**–**	**–**	**–**	**673 319**	**673 319**
Total assets	**699 499**	**18 880**	**18 880**	**–**	**–**	**–**	**–**	**680 619**	**699 499**
Undiscounted maturity									
Liabilities									
Trade and other payables	**86 977**	**80 703**	**80 703**	**–**	**–**	**–**	**–**	**6 274**	**86 977**
Total liabilities	**86 977**	**80 703**	**80 703**	**–**	**–**	**–**	**–**	**6 274**	**86 977**
Off-balance sheet liquidity exposures									
Guarantees	**300 000**	**300 000**	**300 000**	**–**	**–**	**–**	**–**	**–**	**300 000**
2023									
Discounted maturity									
Assets									
Cash and cash equivalents	28 340	28 340	28 340	–	–	–	–	–	28 340
Trade and other receivables	23 516	23 030	23 030	–	–	–	–	486	23 516
Current taxation asset	264	–	–	–	–	–	–	264	264
Deferred tax asset	4 615	–	–	–	–	–	–	4 615	4 615
Investments in subsidiaries and structured entities	552 254	–	–	–	–	–	–	552 254	552 254
Total assets	608 989	51 370	51 370	–	–	–	–	557 619	608 989
Undiscounted maturity									
Liabilities									
Current taxation liability	–	–	–	–	–	–	–	–	–
Trade and other payables	55 991	52 430	52 430	–	–	–	–	3 561	55 991
Loans from entities in the Group	–	–	–	–	–	–	–	–	–
Total liabilities	55 991	52 430	52 430	–	–	–	–	3 561	55 991
Off-balance sheet liquidity exposures									
Guarantees[2]	300 000	300 000	300 000	–	–	–	–	–	300 000

[1] *Non-contractual refers to non-financial instruments and the ECL on the financial instrument.*
[2] *Restated the exposure to the guarantee in the prior year which was incorrectly stated as R56 572 million. This does not affect the primary statements. Please refer to Note 18.4 for further information.*

22. Liquidity risk *continued*

22.2 Discounted maturity analysis: Current and non-current

	2024 Current R'000	2024 Non-current R'000	2024 Total R'000	2023 Current R'000	2023 Non-current R'000	2023 Total R'000
Assets						
Cash and cash equivalents	**18 854**	**–**	**18 854**	28 340	–	28 340
Trade and other receivables	**3 145**	**–**	**3 145**	23 516	–	23 516
Current taxation asset	**–**	**–**	**–**	264	–	264
Deferred tax asset	**–**	**4 181**	**4 181**	–	4 615	4 615
Investments in subsidiaries and structured entities	**–**	**673 319**	**673 319**	–	552 254	552 254
Total assets	**21 999**	**677 500**	**699 499**	52 120	556 869	608 989
Liabilities						
Trade and other payables	**86 977**	**–**	**86 977**	55 991	–	55 991
Total liabilities	**86 977**	**–**	**86 977**	55 991	–	55 991

The amounts reflected as current will be settled in less than 12 months, and the amounts reflected in non-current are expected to be settled after 12 months.

23. Capital management

The Company manages its capital to achieve a prudent balance between maintaining appropriate capital levels to support business growth and depositors' confidence and to provide stakeholders with returns on a sustainable basis.

The key fundamentals of the Company's capital management policy are to ensure that the Company is adequately capitalised to support its risk profile and to develop risk management techniques and internal controls to manage and monitor the risks of the Company.

Key objectives of capital management are to:

- Generate sufficient capital to support organic and new business growth objectives of the Company;
- Allocate capital to businesses to support the strategic and growth objectives of the Company; and
- Ensure that the Company is sufficiently capitalised to withstand the impact of potential stress events within the parameters of an appropriate capital buffer.

The Board is responsible for assessing and approving the Company's capital management framework capital plans and capital buffer. The capital plans and buffer are set annually and reviewed quarterly or when the economy shows signs of stress. The Board has tasked the GRCMC to ensure the Company is in compliance with the capital management objectives.

	2024 R'000	2023 R'000
Ordinary share capital	**323**	323
Ordinary share premium	**163 363**	163 363
Distributable reserves	**448 836**	389 312
	612 522	552 998

24. Going concern

The directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient cash resources and borrowing facilities to meet its foreseeable cash requirements. The Company has received a letter of support from a subsidiary that will cover the Company for any shortfall in meeting liquidity requirements, until such time that current liabilities does not exceed current assets. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

25. Events after the reporting date

There were no material events that occurred after the reporting date and up to the date of this report.

Glossary of terms

Term	Definition
AGM	Annual General Meeting
ALCO	Asset and Liability and Investment Committee
ARR	Alternative Risk-Free
Banks Act	Banks Act No. 94 of 1990
Basel III	Set of reform measures in addition to Basel II to strengthen the regulation, supervision and risk management of the banking sector
BCB	Business and Commercial Banking
bps	Basis points
CAR	Capital Adequacy Ratio
CGU	Cash-generating unit
CLEC	Credit and Large Exposures Committee
Companies Act	Companies Act No. 71 of 2008 as amended
DFI	Development Finance Institutions
EAD	Exposure at Default
ECL	Expected Credit Loss/Losses
EPS	Earnings per share
Fintech	Fintech (Pty) Limited
FLI	Forward-looking information
Forex	Foreign exchange
FVTPL	Fair Value Through Profit or Loss
GAC or the Committee	Group Audit Committee
GDP	Gross Domestic Product
GIA	Group Internal Audit
GRCMC	Group Risk and Capital Management Committee
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IBOR	Interbank Offered Rates
ICAAP	Internal Capital Adequacy Assessment Process
IFC	International Finance Corporation
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IRBA	Independent Regulatory Board for Auditors
ISAs	International Standards on Auditing
ISP	Interest in Suspense
JIBAR	Johannesburg Interbank Agreed Rate
JSE	Johannesburg Stock Exchange Limited
JSE Listings Requirements	Listings Requirements of the JSE
King IV	King IV Report on Corporate Governance for South Africa 2016
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
Non-Public	Shareholding as defined in the JSE Listing Requirements paragraph 4.25
NPV	Net Present Value
NSFR	Net Stable Funding Ratio
OECD	Organisation for Economic Co-operation and Development
OCI	Other Comprehensive Income

Glossary of terms *continued*

Term	Definition
PA	Prudential Authority
PD	Probability of Default
PPI	Producer Price Index
Public	Shareholding as defined in the JSE Listing Requirements paragraph 4.25 to 4.27
PwC	PricewaterhouseCoopers Inc.
REMCO	HR and Remuneration Committee
Reporting date	21 October 2024
SAICA	South African Institute of Chartered Accountants
SAM	Sasfin Asset Managers (Pty) Limited
SAMOS	South African Multiple Option Settlement
SARB	South African Reserve Bank
SARS	South African Revenue Services
Sasfin	Sasfin Holdings Limited
SASP	South African Securitisation Programme (RF) Limited
SasSec	Sasfin Securities (Pty) Limited
SCS	Sasfin Commercial Solutions (Pty) Limited
SENS	Stock Exchange News Service
SICR	Significant Increase in Credit Risk
SPEIH	Sasfin Private Equity Investment Holdings (Pty) Limited
SPPI	Solely Payments of Principal and Interest
The Bank	Sasfin Bank Limited
The Banking Group	Sasfin Bank Limited and its subsidiaries
The Board	Board of Directors
The Company	Sasfin Holdings Limited
The Group	Sasfin Holdings Limited and its subsidiaries
TTD	Time to Default
TVM	Time Value of Money
USD	United States Dollar
VAR	Value-at-Risk
VAT	Value-added taxation
VIU	Value-in-use
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
WIPHOLD	Women Investment Portfolio Holdings Limited
ZAR	South African Rand
ZARONIA	South African Rand Overnight Index Average
ZJS	Funding Curve Variation

Corporate details

Country of incorporation and domicile	South Africa
Independent Non-executive Chair	Richard Buchholz[1] Deon de Kock[2]
Executive Directors	Michael Sassoon (Chief Executive Officer) Harriet Heymans (Group Financial Director) Erol Zeki (Alternate)[3]
Independent Non-executive Directors	Tapiwa Njikizana Mark Thompson (Lead)[4] Tienie van der Mescht Eileen Wilton Anton van Wyk[5]
Non-independent, Non-executive Directors	Gugu Dingaan Nontobeko Ndhlazi Roland Sassoon Shaun Rosenthal (Alternate)
Group Company Secretary	Charissa de Jager[6]
Acting Group Company Secretary	Howard Brown[7]
Transfer secretaries	Computershare Investor Services (Pty) Limited Rosebank Towers 15 Biermann Avenue Rosebank Johannesburg 2196
Independent sponsor	Questco Corporate Advisory (Pty) Limited
Auditors	PricewaterhouseCoopers Inc. (PwC)
Registered office	140 West Street, Sandown, Sandton, Johannesburg, Gauteng, 2196 Tel: +27 11 809 7500 Fax: +27 11 887 6167/2489
Postal address	PO Box 95104 Grant Park Johannesburg 2051
Website	www.sasfin.com
Email	investorrelations@sasfin.com
Company registration number	1987/002097/06
Tax reference number	9300204717

1 *Appointed as Chair with effect from 19 March 2024.*
2 *Resigned as Chair on 15 March 2024.*
3 *Appointed as Alternate Executive Director effective 10 May 2024.*
4 *Appointed Lead Independent Director effective 19 March 2024.*
5 *Appointed 23 August 2024.*
6 *Resigned 1 May 2024 and served a three month notice period until 31 July 2024.*
7 *Appointed as Acting Company Secretary with effect from 1 August 2024.*

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