

sasfin

Holdings Limited

Pillar III Risk Management Report

30 September 2022



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1. Introduction

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

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

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

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

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

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

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

2. Risk Management and Risk Weighted Assets (RWA)

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

2.1 OV1: OVERVIEW OF RISK WEIGHTED ASSETS (HOLDINGS)

Overview of risk management, key prudential metrics and RWA

		Sasfin Holdings Limited			
		a	b	c	
		RWA		Minimum capital requirements	
R'000		Sep-22	Jun-22	Sep-21 ¹	Sep-22
		T	T-1	T	T
1	Credit risk (excluding counterparty credit risk)	5 989 496	6 167 598	4 927 100	658 845
2	Of which: standardised approach (SA)	5 989 496	6 167 598	4 927 100	658 845
3	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–	–
4	Of which: supervisory slotting approach	–	–	–	–
5	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–	–
6	Counterparty credit risk (CCR)	108 766	94 247	54 123	11 964
7	Of which: standardised approach for counterparty credit risk	108 766	94 247	54 123	11 964
8	Of which: Internal Model Method (IMM)	–	–	–	–
9	Of which: other CCR	–	–	–	–
10	Credit valuation adjustment (CVA)	16 534	18 079	9 264	1 819
11	Equity positions under the simple risk weight approach	361 546	342 961	470 824	39 770
12	Equity investments in funds – look-through approach	291 341	309 745	124 677	32 048
13	Equity investments in funds – mandate-based approach	–	–	–	–
14	Equity investments in funds – fall-back approach	–	–	–	–
15	Settlement risk	–	–	–	–
16	Securitisation exposures in the banking book	361 563	334 185	333 961	39 772
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	–	–	–	–
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	–	–	–	–
19	Of which: securitisation standardised approach (SEC-SA)	361 563	334 185	333 961	39 772
20	Market risk	3 165	315	9 393	348
21	Of which: standardised approach (SA)	3 165	315	9 393	348
22	Of which: internal model approaches (IMA)	–	–	–	–
23	Capital charge for switch between trading book and banking book	–	–	–	–
24	Operational risk	1 918 001	1 918 001	1 332 530	210 980
25	Amounts below thresholds for deduction (subject to 250% risk weight)	35 758	35 757	32 252	3 933
26	Aggregate capital floor applied	–	–	–	–
27	Floor adjustment (before application of transitional cap)	–	–	–	–
28	Floor adjustment (after application of transitional cap)	–	–	–	–
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	9 086 170	9 220 888	7 294 124	999 479

¹ Restated. Please refer to note 49 of the Annual Financial Statements as at 30 June 2022 for additional information on pages 111 to 114.

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

2.2 OV1: OVERVIEW OF RISK WEIGHTED ASSETS (BANK)

Overview of risk management, key prudential metrics and RWA

		Sasfin Bank Limited					
		a		b		c	
		RWA				Minimum capital requirements	
R'000		Sep-22	Jun-22	Sep-21 ¹	Sep-22	Sep-22	Sep-22
		T	T-1	T	T	T	T
1	Credit risk (excluding counterparty credit risk)	5 152 814	5 127 664	3 768 236	566 810		
2	Of which: standardised approach (SA)	5 152 814	5 127 664	3 768 236	566 810		
3	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–	–		
4	Of which: supervisory slotting approach	–	–	–	–		
5	Of which: advanced internal ratings-based (A-IRB) approach	–	–	–	–		
6	Counterparty credit risk (CCR)	108 766	94 247	54 123	11 964		
7	Of which: standardised approach for counterparty credit risk	108 766	94 247	54 123	11 964		
8	Of which: Internal Model Method (IMM)	–	–	–	–		
9	Of which: other CCR	–	–	–	–		
10	Credit valuation adjustment (CVA)	16 534	18 079	9 264	1 819		
11	Equity positions under the simple risk weight approach	288 947	288 244	280 761	31 784		
12	Equity investments in funds – look-through approach	291 341	309 745	124 677	32 048		
13	Equity investments in funds – mandate-based approach	–	–	–	–		
14	Equity investments in funds – fall-back approach	–	–	–	–		
15	Settlement risk	–	–	–	–		
16	Securitisation exposures in the banking book	361 563	334 185	333 961	39 772		
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	–	–	–	–		
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	–	–	–	–		
19	Of which: securitisation standardised approach (SEC-SA)	361 563	334 185	333 961	39 772		
20	Market risk	3 165	315	9 393	348		
21	Of which: standardised approach (SA)	3 165	315	9 393	348		
22	Of which: internal model approaches (IMA)	–	–	–	–		
23	Capital charge for switch between trading book and banking book	–	–	–	–		
24	Operational risk	1 069 566	1 069 566	1 099 447	117 652		
25	Amounts below thresholds for deduction (subject to 250% risk weight)	–	435	–	–		
26	Aggregate capital floor applied	–	–	–	–		
27	Floor adjustment (before application of transitional cap)	–	–	–	–		
28	Floor adjustment (after application of transitional cap)	–	–	–	–		
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	7 292 696	7 242 480	5 679 862	802 197		

¹ Restated. Please refer to note 49 of the Annual Financial Statements as at 30 June 2022 for additional information on pages 111 to 114.

3. Capital Risk

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

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

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

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

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

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

3.1 KM1: KEY PRUDENTIAL METRICS (HOLDINGS)

Overview of risk management, key prudential metrics and RWA

		Sasfin Holdings Limited				
		a	b	c	d	e
		Sep-22	Jun-22	Mar-22 ¹	Dec-21 ¹	Sep-21 ¹
		T	T-1	T-2	T-3	T-4
R'000						
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	1 405 100	1 407 735	1 349 369	1 337 420	1 290 165
1a	Fully loaded ECL accounting model	1 405 100	1 407 735	1 349 369	1 337 420	1 290 165
2	Tier 1	1 405 100	1 407 735	1 349 369	1 337 420	1 290 165
2a	Fully loaded accounting model Tier 1	1 405 100	1 407 735	1 349 369	1 337 420	1 290 165
3	Total capital	1 479 438	1 482 437	1 417 805	1 402 750	1 352 653
3a	Fully loaded ECL accounting model total capital	1 479 438	1 482 437	1 417 805	1 402 750	1 352 653
4	Risk-weighted assets (amounts)					
	Total risk-weighted assets (RWA)	9 086 170	9 220 888	8 476 154	8 304 923	7 294 124
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	15.464%	15.267%	15.920%	16.104%	17.688%
5a	Fully loaded ECL accounting model CET1 (%)	15.464%	15.267%	15.920%	16.104%	17.688%
6	Tier 1 ratio (%)	15.464%	15.267%	15.920%	16.104%	17.688%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	15.464%	15.267%	15.920%	16.104%	17.688%
7	Total capital ratio (%)	16.282%	16.077%	16.727%	16.891%	18.544%
7a	Fully loaded ECL accounting model total capital ratio (%)	16.282%	16.077%	16.727%	16.891%	18.544%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical buffer requirement (%)	–	–	–	–	–
10	Bank D-SIB additional requirements (%)	–	–	–	–	–
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.500%	2.500%	2.500%	2.500%	2.500%
12	CET1 available after meeting the bank's minimum capital requirements (%)	6.964%	6.767%	7.420%	8.104%	9.688%
	Basel III Leverage Ratio					
13	Total Basel III leverage ratio measure	13 117 982	12 879 762	12 077 236	11 944 129	11 406 295
14	Basel III leverage ratio (%) (row 2/row 13)	10.71%	10.93%	11.17%	11.20%	11.31%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	10.71%	10.93%	11.17%	11.20%	11.31%
	Liquidity Coverage Ratio					
15	Total HQLA	901 093	958 443	1 061 791	1 004 362	1 022 658
16	Total net cash outflow	365 716	378 235	408 982	409 773	411 016
17	LCR ratio (%)	246.39%	253.40%	259.62%	245.10%	248.81%
	Net Stable Funding Ratio					
18	Total available stable funding	5 609 279	5 283 788	5 275 982	5 632 577	4 971 502
19	Total required stable funding	5 213 965	5 173 840	5 071 916	4 969 899	4 733 796
20	NSFR ratio	107.58%	102.13%	104.02%	113.33%	105.02%

¹ Restated. Please refer to note 49 of the Annual Financial Statements as at 30 June 2022 for additional information on pages 111 to 114.

3. Capital Risk continued

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

Total risk weighted assets decreased from R9.221 billion (Jun-22) to R9.086 billion (Sept-22) mainly due to a decrease in credit risk exposures.

The liquidity coverage ratio remains strong, above the regulatory requirements and within the Board risk appetite. The QoQ decrease is mainly attributable to a decrease in high quality liquid assets, partially offset by a decrease in net cash outflows. The decrease in HQLA is mainly attributable to maturing public sector bonds.

The net stable funding ratio remains above the regulatory minimum requirement of 100%. The QoQ increase is due to an increase in available stable funding, driven by notice deposits received from small business customers.

3.2 KM1: KEY PRUDENTIAL METRICS (BANK)

Overview of risk management, key prudential metrics and RWA

		Sasfin Bank Limited				
		a	b	c	d	e
		Sep-22	Jun-22	Mar-22 ¹	Dec-21 ¹	Sep-21 ¹
R'000		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1 004 773	997 159	972 222	940 257	935 949
1a	Fully loaded ECL accounting model	1 004 773	997 159	972 222	940 257	935 949
2	Tier 1	1 004 773	997 159	972 222	940 257	935 949
2a	Fully loaded accounting model Tier 1	1 004 773	997 159	972 222	940 257	935 949
3	Total capital	1 069 274	1 053 203	1 023 475	994 215	985 769
3a	Fully loaded ECL accounting model total capital	1 069 274	1 053 203	1 023 475	994 215	985 769
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	7 292 696	7 242 480	6 381 672	6 339 528	5 679 861
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	13.778%	13.768%	15.235%	14.832%	16.478%
5a	Fully loaded ECL accounting model CET1 (%)	13.778%	13.768%	15.235%	14.832%	16.478%
6	Tier 1 ratio (%)	13.778%	13.768%	15.235%	14.832%	16.478%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	13.778%	13.768%	15.235%	14.832%	16.478%
7	Total capital ratio (%)	14.662%	14.542%	16.038%	15.683%	17.356%
7a	Fully loaded ECL accounting model total capital ratio (%)	14.662%	14.542%	16.038%	15.683%	17.356%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.500%	2.500%	2.500%	2.500%	2.500%
12	CET1 available after meeting the bank's minimum capital requirements (%)	5.278%	5.268%	6.735%	6.832%	8.478%
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	9 774 405	9 212 924	9 031 512	9 901 710	8 851 632
14	Basel III leverage ratio (%) (row 2/row 13)	10.28%	10.82%	10.76%	9.50%	10.57%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	10.28%	10.82%	10.76%	9.50%	10.57%
Liquidity Coverage Ratio						
15	Total HQLA	901 093	958 443	1 061 791	1 004 362	1 022 658
16	Total net cash outflow	365 716	378 235	408 982	409 773	411 016
17	LCR ratio (%)	246.39%	253.40%	259.62%	245.10%	248.81%
Net Stable Funding Ratio						
18	Total available stable funding	5 609 279	5 283 788	5 275 982	5 632 577	4 971 502
19	Total required stable funding	5 213 965	5 173 840	5 071 916	4 969 899	4 733 796
20	NSFR ratio (%)	107.58%	102.13%	104.02%	113.33%	105.02%

¹ Restated. Please refer to note 49 of the Annual Financial Statements as at 30 June 2022 for additional information on pages 111 to 114.

4. Leverage ratio

The leverage position is shown on both a regulatory and IFRS basis in both KM1 and LR1.

LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE (HOLDINGS)

R'000		Sasfin Holdings Limited	
		a Sep-22	Jun-22
1	Total consolidated assets as per published financial statements	13 290 945	13 116 532
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–	–
4	Adjustments for derivative financial instruments	(306 365)	(322 175)
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	–	–
6	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	208 369	193 815
7	Other adjustments	(74 967)	(108 410)
8	Leverage ratio exposure measure	13 117 982	12 879 762

Other adjustments include exclusion of banking, financial, insurance and commercial entities outside of the regulatory scope of consolidation.

LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE (BANK)

R'000		Sasfin Bank Limited	
		a Sep-22	Jun-22
1	Total consolidated assets as per published financial statements	9 702 726	9 121 750
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	–	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–	–
4	Adjustments for derivative financial instruments	(76 740)	(56 456)
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	–	–
6	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	148 216	179 717
7	Other adjustments	203	(32 087)
8	Leverage ratio exposure measure	9 774 405	9 212 924

Other adjustments include exclusion of banking, financial, insurance and commercial entities outside of the regulatory scope of consolidation.

4. Leverage ratio continued

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE (HOLDINGS)

		Sasfin Holdings Limited	
		a	b
		Sep-22	Jun-22
R'000		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	12 820 398	12 621 665
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	–	–
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	12 820 398	12 621 665
Derivative exposures			
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	67 997	44 580
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	21 219	19 702
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	–	–
8	(Exempted CCP leg of client-cleared trade exposures)	–	–
9	Adjusted effective notional amount of written credit derivatives	–	–
10	Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11	Total derivative exposures (sum of rows 4 to 10)	89 215	64 282
Securities financing transactions			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14	CCR exposure for SFT assets	–	–
15	Agent transaction exposures	–	–
16	Total securities financing transaction exposures (sum of rows 12 to 15)	–	–
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	936 459	832 629
18	(Adjustments for conversion to credit equivalent amounts)	(728 090)	(638 813)
19	Off-balance sheet items (sum of rows 17 and 18)	208 369	193 815
Capital and total exposures			
20	Tier 1 capital	1 405 100	1 407 735
21	Total exposures (sum of rows 3, 11, 16 and 19)	13 117 982	12 879 762
Leverage ratio			
22	Basel III leverage ratio	10.71%	10.93%

4. Leverage ratio continued

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE (BANK)

		Sasfin Bank Limited	
		a	b
		Sep-22	Jun-22
R'000		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	9 536 974	8 968 925
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	–	–
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	9 536 974	8 968 925
Derivative exposures			
4	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	67 997	44 580
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	21 219	19 702
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	–	–
8	(Exempted CCP leg of client-cleared trade exposures)	–	–
9	Adjusted effective notional amount of written credit derivatives	–	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
11	Total derivative exposures (sum of rows 4 to 10)	89 215	64 282
Securities financing transactions			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	–	–
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–
14	CCR exposure for SFT assets	–	–
15	Agent transaction exposures	–	–
16	Total securities financing transaction exposures (sum of rows 12 to 15)	–	–
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	827 752	818 530
18	(Adjustments for conversion to credit equivalent amounts)	(679 536)	(638 813)
19	Off-balance sheet items (sum of rows 17 and 18)	148 216	179 717
Capital and total exposures			
20	Tier 1 capital	1 004 773	997 159
21	Total exposures (sum of rows 3, 11, 16 and 19)	9 774 405	9 212 924
Leverage ratio			
22	Basel III leverage ratio	10.28%	10.82%

5. Liquidity

LIQ1: LIQUIDITY COVERAGE RATIO (LCR)

		Sasfin Bank Limited	
		a	b
		Total unweighted value (average)	Total weighted value (average)
R'000			
High-quality liquid assets			
1	Total HQLA	–	901 093
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	971 765	97 176
3	Stable deposits	–	–
4	Less stable deposits	971 765	97 176
5	Unsecured wholesale funding, of which:	4 593 416	1 117 376
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–
7	Non-operational deposits (all counterparties)	4 593 416	1 117 376
8	Unsecured debt	–	–
9	Secured wholesale funding	–	–
10	Additional requirements, of which:	872 366	248 312
11	Outflows related to derivative exposures and other collateral requirements	14 840	14 840
12	Outflows related to loss of funding of debt products	–	–
13	Credit and liquidity facilities	857 526	233 471
14	Other contractual funding obligations	–	–
15	Other contingent funding obligations	–	–
16	TOTAL CASH OUTFLOWS	–	1 462 864
Cash inflows			
17	Secured lending (e.g. reverse repo)	977 235	977 235
18	Inflows from fully performing exposures	214 755	107 378
19	Other cash inflows	18 946	18 946
20	TOTAL CASH INFLOWS	1 210 936	1 103 559
R'000			Total adjusted value
21	Total HQLA		901 093
22	Total net cash outflows		365 716
23	Liquidity coverage ratio (%)		246.39%

5. Liquidity continued

LIQ2: NET STABLE FUNDING RATIO (NSFR)

		Sasfin Bank Limited				
		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
R'000		No maturity*	<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item						
1	Capital:	–	–	–	1 095 524	1 095 524
2	Regulatory capital	–	–	–	1 095 524	1 095 524
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and deposits from small business customers:	–	2 273 468	203 870	24 854	2 254 458
5	Stable deposits	–	–	–	–	–
6	Less stable deposits	–	2 273 468	203 870	24 854	2 254 458
7	Wholesale funding:	–	1 091 255	55 141	119 799	692 997
8	Operational deposits	–	–	–	–	–
9	Other wholesale funding	–	1 091 255	55 141	119 799	692 997
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	–	3 174 766	180 033	760 204	1 566 300
12	NSFR derivative liabilities	–	–	–	–	–
13	All other liabilities and equity not included in the above categories	–	3 174 766	180 033	760 204	1 556 300
14	Total ASF					5 609 279
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)	–	–	–	–	81 276
16	Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17	Performing loans and securities:	–	3 886 581	338 728	3 917 695	4 038 878
18	Performing loans to financial institutions secured by Level 1 HQLA	–	1 353 028	78 289	194 194	81 276
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	–	1 434 785	1 412	179 600	395 524
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	–	1 098 769	259 027	2 898 222	3 142 387
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	–	–	645 679	419 691
22	Performing residential mortgages, of which:	–	–	–	–	–
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	–	–	–	–
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	–	–	–	–
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other liabilities:	–	9 897	–	1 056 835	1 066 732
27	Physical traded commodities, including gold	–	–	–	–	–
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	–	–	–	–	–
29	NSFR derivative assets	–	9 897	–	–	9 897
30	NSFR derivative liabilities before deduction of variation margin posted	–	–	–	–	–
31	All other assets not included in the above categories	–	–	–	1 056 835	1 056 835
32	Off-balance sheet items	–	–	–	–	108 355
33	Total RSF					5 213 965
34	Net Stable Funding Ratio (%)					107.58%

Corporate details

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

Disclaimer

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

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

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

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

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