

sasfin

Holdings Limited



Pillar III Risk Management Report

31 March 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 to banking operations only and is unaudited. Monetary values are expressed in Rand thousands.

For the reporting period 31 March 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
- Material risks are identified

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

2. Risk Management and Risk Weighted Assets (RWA)

The approach to risk management is guided by the Enterprise Risk Management (ERM) Framework and is effected by the Board of Directors, management and other personnel. The ERM Framework is applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and 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	Mar-22 T	Dec-21 T-1	Sep-21 T	Mar-22 T
1 Credit risk (excluding counterparty credit risk)	5 604 174	5 400 041	4 974 431	616 459
2 Of which: standardised approach (SA)	5 604 174	5 400 041	4 974 431	616 459
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)	94 283	63 311	54 123	10 371
7 Of which: standardised approach for counterparty credit risk	94 283	63 311	54 123	10 371
8 Of which: Internal Model Method (IMM)***	–	–	–	–
9 Of which: other CCR***	–	–	–	–
10 Credit valuation adjustment (CVA)	15 263	3 275	9 264	1 679
11 Equity positions under the simple risk weight approach	352 605	429 782	470 824	38 787
12 Equity investments in funds – look-through approach#	333 178	347 075	124 677	36 650
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	333 781	333 642	333 961	36 716
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)	333 781	333 642	333 961	36 716
20 Market risk	452	3 297	9 393	50
21 Of which: standardised approach (SA)	452	3 297	9 393	50
22 Of which: internal model approaches (IMA)	–	–	–	–
23 Capital charge for switch between trading book and banking book****	–	–	–	–
24 Operational risk	1 750 375	1 750 375	1 332 530	192 541
25 Amounts below thresholds for deduction (subject to 250% risk weight)	39 375	21 454	32 253	4 331
26 Aggregate capital floor applied	–	–	–	–
27 Floor adjustment (before application of transitional cap)	–	–	–	–
28 Floor adjustment (after application of transitional cap)	–	–	–	–
29 Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	8 523 486	8 352 254	7 341 455	937 584

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

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

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

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

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

Instructions & Definitions: See pages 24 & 25 of Basel's Pillar 3 disclosure requirements – consolidated and enhanced framework – March 2017.

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 Minimum capital require- ments* Mar-22 T
		RWA		Dec-21 T-1	Sep-21 T	
		Mar-22 T				
R'000						
1	Credit risk (excluding counterparty credit risk)	4 419 075	4 403 287	3 871 489	486 098	
2	Of which: standardised approach (SA)	4 419 075	4 403 287	3 871 489	486 098	
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)	94 283	63 311	54 123	10 371	
7	Of which: standardised approach for counterparty credit risk	94 283	63 311	54 123	10 371	
8	Of which: Internal Model Method (IMM)***	–	–	–	–	
9	Of which: other CCR***	–	–	–	–	
10	Credit valuation adjustment (CVA)	15 263	3 275	9 264	1 679	
11	Equity positions under the simple risk weight approach	284 479	284 479	280 761	31 293	
12	Equity investments in funds – look-through approach#	333 178	347 075	124 677	36 650	
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	333 781	333 642	333 961	36 716	
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)	333 781	333 642	333 961	36 716	
20	Market risk	452	3 297	9 393	50	
21	Of which: standardised approach (SA)	452	3 297	9 393	50	
22	Of which: internal model approaches (IMA)	–	–	–	–	
23	Capital charge for switch between trading book and banking book****	–	–	–	–	
24	Operational risk	1 004 414	1 004 414	1 099 447	110 486	
25	Amounts below thresholds for deduction (subject to 250% risk weight)	–	–	–	–	
26	Aggregate capital floor applied	–	–	–	–	
27	Floor adjustment (before application of transitional cap)	–	–	–	–	
28	Floor adjustment (after application of transitional cap)	–	–	–	–	
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	6 484 925	6 442 780	5 783 114	713 343	

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

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

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

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

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

Instructions & Definitions: See pages 24 & 25 of Basel's Pillar 3 disclosure requirements – consolidated and enhanced framework – March 2017.

3. Capital Risk

Governance: 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 which oversees the risks associated with capital management, as well as the Asset and Liability Committee (ALCo) and its subcommittee, the Daily Liquidity Committee.

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

The 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
- Is sufficient to absorb potential losses under severe stress scenarios

Stress tests are performed on the Group's capital position to determine the impact on the capital position should a severe economic downturn materialise. Stress tests consider changes in the macroeconomic environment, 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
	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
	T	T-1	T-2	T-3	T-4
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	1 407 063	1 395 388	1 347 859	1 349 052	1 376 967
1a Fully loaded ECL accounting model	1 407 063	1 395 388	1 347 859	1 349 052	1 376 967
2 Tier 1	1 407 063	1 395 388	1 347 859	1 353 802	1 395 775
2a Fully loaded accounting model Tier 1	1 407 063	1 395 388	1 347 859	1 353 802	1 395 775
3 Total capital	1 476 091	1 461 309	1 410 939	1 418 392	1 469 075
3a Fully loaded ECL accounting model total capital	1 476 091	1 461 309	1 410 939	1 418 392	1 469 075
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	8 523 486	8 352 254	7 341 455	7 913 691	8 680 279
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	16.508%	16.707%	18.360%	17.047%	15.863%
5a Fully loaded ECL accounting model CET1 (%)	16.508%	16.707%	18.360%	17.047%	15.863%
6 Tier 1 ratio (%)	16.508%	16.707%	18.360%	17.107%	16.080%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	16.508%	16.707%	18.360%	17.107%	16.080%
7 Total capital ratio (%)	17.318%	17.496%	19.219%	17.923%	16.924%
7a Fully loaded ECL accounting model total capital ratio (%)	17.318%	17.496%	19.219%	17.923%	16.924%
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9 Countercyclical buffer requirement (%)	0%	0%	0%	0%	0%
10 Bank D-SIB additional requirements (%)	0%	0%	0%	0%	0%
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12 CET1 available after meeting the bank's minimum capital requirements (%)	8.01%	8.33%	9.99%	8.67%	7.49%
Basel III Leverage Ratio					
13 Total Basel III leverage ratio measure	12 053 143	11 920 036*	11 382 202	11 799 933	11 598 130
14 Basel III leverage ratio (%) (row 2/row 13)	11.67%	11.71%	11.84%	11.47%	12.03%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	11.67%	11.71%	11.84%	11.47%	12.03%
Liquidity Coverage Ratio					
15 Total HQLA	1 188 754	1 176 782	1 142 272	1 120 952	1 061 791
16 Total net cash outflow	627 474	389 904	385 761	421 247	408 982
17 LCR ratio (%)	189.45%	301.81%	296.11%	266.10%	259.62%
Net Stable Funding Ratio					
18 Total available stable funding	5 333 675	5 690 270	5 029 195	5 009 610	5 195 500
19 Total required stable funding	5 014 411	5 074 623	4 838 519	4 792 553	4 162 261
20 NSFR ratio	106.37%	112.13%	103.94%	104.53%	124.82%

* December 2021 was previously incorrectly reported as 11 914 265.

Instructions: See page 18 of Basel's Pillar 3 disclosure requirements – consolidated and enhanced framework – March 2017.

3. Capital Risk continued

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

Total RWA: Increase from R8.352 billion (Dec-21) to R8.541 billion (Mar-22) due mainly to an increase in credit risk.

The liquidity coverage ratio remains strong, above the regulatory requirements and within the Board risk appetite. The QoQ decrease is mainly attributable to an increase in net cash outflows, following an increase in maturing notice deposits coupled with a decrease in inflows. The increase in HQLA is mainly attributable to increased reserving held with SARB.

The net stable funding ratio remains above the regulatory minimum requirement of 100%. The QoQ decrease is due to a reduction in available stable funding, driven by maturing notice deposits.

3.2 KM1: KEY PRUDENTIAL METRICS (BANK)

Overview of risk management, key prudential metrics and RWA

Sasfin Bank Limited					
	a	b	c	d	e
	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21
	T	T-1	T-2	T-3	T-4
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	1 010 874	997 951	993 643	998 377	923 825
1a Fully loaded ECL accounting model	1 010 874	997 951	993 643	998 377	923 825
2 Tier 1	1 010 874	997 951	993 643	998 377	923 825
2a Fully loaded accounting model Tier 1	1 010 874	997 951	993 643	998 377	923 825
3 Total capital	1 062 127	1 051 908	1 043 463	1 048 445	982 524
3a Fully loaded ECL accounting model total capital	1 062 127	1 051 908	1 043 463	1 048 445	982 524
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	6 484 925	6 442 780	5 783 114	5 919 605	6 427 726
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	15.588%	15.489%	17.182%	16.866%	14.373%
5a Fully loaded ECL accounting model CET1 (%)	15.588%	15.489%	17.182%	16.866%	14.373%
6 Tier 1 ratio (%)	15.588%	15.489%	17.182%	16.866%	14.373%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	15.588%	15.489%	17.182%	16.866%	14.373%
7 Total capital ratio (%)	16.378%	16.327%	18.043%	17.711%	15.286%
7a Fully loaded ECL accounting model total capital ratio (%)	16.378%	16.327%	18.043%	17.711%	15.286%
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9 Countercyclical buffer requirement (%)	0%	0%	0%	0%	0%
10 Bank D-SIB additional requirements (%)	0%	0%	0%	0%	0%
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12 CET1 available after meeting the bank's minimum capital requirements (%)	7.09%	7.11%	8.81%	8.49%	6.00%
Basel III Leverage Ratio					
13 Total Basel III leverage ratio measure	9 007 419	9 877 617	8 827 539	8 489 027	8 294 798
14 Basel III leverage ratio (%) (row 2/row 13)	11.22%	10.10%	11.26%	11.76%	11.14%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	11.22%	10.10%	11.26%	11.76%	11.14%
Liquidity Coverage Ratio					
15 Total HQLA	1 188 754	1 176 782	1 142 272	1 120 952	1 061 791
16 Total net cash outflow	627 474	389 904	385 761	421 247	408 982
17 LCR ratio (%)	189.45%	301.81%	296.11%	266.10%	259.62%
Net Stable Funding Ratio					
18 Total available stable funding	5 333 675	5 690 270	5 029 195	5 009 610	5 195 500
19 Total required stable funding	5 014 411	5 074 623	4 838 519	4 792 553	4 162 261
20 NSFR ratio (%)	106.37%	112.13%	103.94%	104.53%	124.82%

Instructions: See page 18 of Basel's Pillar 3 disclosure requirements – consolidated and enhanced framework – March 2017.

4. Leverage ratio

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

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

		Sasfin Holdings Limited	
R'000		a Mar-22	b Dec-21
1	Total consolidated assets as per published financial statements	12 309 990	12 211 025
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	55 675	42 503
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)	138 752	120 278
7	Other adjustments	(451 274)	(453 770)
8	Leverage ratio exposure measure	12 053 143	11 920 036

Instructions & Definitions: See pages 51 & 52 of Basel's Pillar 3 disclosure requirements – consolidated and enhanced framework – March 2017.

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

		Sasfin Bank Limited	
R'000		a Mar-22	b Dec-21
1	Total consolidated assets as per published financial statements	8 980 230	9 842 650
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	55 675	42 503
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)	130 504	138 110
7	Other adjustments	(158 990)	(145 646)
8	Leverage ratio exposure measure	9 007 419	9 877 617

Instructions & Definitions: See pages 51 & 52 of Basel's Pillar 3 disclosure requirements – consolidated and enhanced framework – March 2017.

4. Leverage ratio continued

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE (HOLDINGS)

		Sasfin Holdings Limited	
		a	b
		Mar-22	Dec-21
		T	T-1
R'000			
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	11 858 715	11 757 254*
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)	11 858 715	11 757 254
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	40 748	32 158
5	Add-on amounts for PFE associated with all derivatives transactions	14 927	10 345
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)	55 675	42 503
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	766 055	734 125
18	(Adjustments for conversion to credit equivalent amounts)	(627 302)	(613 846)
19	Off-balance sheet items (sum of rows 17 and 18)	138 753	120 279
Capital and total exposures			
20	Tier 1 capital	1 407 063	1 395 388
21	Total exposures (sum of rows 3, 11, 16 and 19)	12 053 143	11 920 036
Leverage ratio			
22	Basel III leverage ratio	11.67%	11.71%

Instructions & Definitions: See pages 53 to 55 of Basel's Pillar 3 disclosure requirements – consolidated and enhanced framework – March 2017.

* December 2021 was previously incorrectly reported as 11 920 036.

4. Leverage ratio continued

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE (BANK)

		Sasfin Bank Limited	
		a	b
		Mar-22	Dec-21
R'000		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	8 821 239	9 697 004
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	–	–
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	8 821 239	9 697 004
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	40 748	32 158
5	Add-on amounts for PFE associated with all derivatives transactions	14 927	10 345
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)	55 675	42 503
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	130 505	138 110
18	(Adjustments for conversion to credit equivalent amounts)	–	–
19	Off-balance sheet items (sum of rows 17 and 18)	130 505	138 110
Capital and total exposures			
20	Tier 1 capital	1 010 874	997 951
21	Total exposures (sum of rows 3, 11, 16 and 19)	9 007 419	9 877 617
Leverage ratio			
22	Basel III leverage ratio	11.22%	10.10%

Instructions & Definitions: See pages 53 to 55 of Basel's Pillar 3 disclosure requirements – consolidated and enhanced framework – March 2017.

5. Liquidity

LIQ1: LIQUIDITY COVERAGE RATIO (LCR)

		Sasfin Bank Limited	
		a	b
		Total unweighted value (average)	Total weighted value (average)
R'000			
High-quality liquid assets			
1	Total HQLA		1 188 754
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	812 983	81 298
3	Stable deposits	–	–
4	Less stable deposits	812 983	81 298
5	Unsecured wholesale funding, of which:	4 545 903	1 195 707
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–
7	Non-operational deposits (all counterparties)	4 545 903	1 195 707
8	Unsecured debt	–	–
9	Secured wholesale funding	167 241	–
10	Additional requirements, of which:	794 369	258 610
11	Outflows related to derivative exposures and other collateral requirements	12 446	12 446
12	Outflows related to loss of funding of debt products	–	–
13	Credit and liquidity facilities	781 923	246 164
14	Other contractual funding obligations	–	–
15	Other contingent funding obligations	–	–
16	TOTAL CASH OUTFLOWS		1 535 615
Cash inflows			
17	Secured lending (eg reverse repo)	782 482	782 482
18	Inflows from fully performing exposures	214 910	107 455
19	Other cash inflows	18 204	18 204
20	TOTAL CASH INFLOWS	1 015 596	908 141

		Sasfin Bank Limited
		Total adjusted value
R'000		
21	Total HQLA	1 188 754
22	Total net cash outflows	627 474
23	Liquidity coverage ratio (%)	189.45%

Instructions & Definitions: See pages 59 & 60 of Basel's Pillar 3 disclosure requirements – consolidated and enhanced framework – March 2017.

5. Liquidity continued

LIQ2: NET STABLE FUNDING RATIO (NSFR)

R'000		a	b	c	d	e
		Unweighted value by residual maturity				
		No maturity*	<6 months	6 months to <1 year	≥1 year	Weighted value
Available stable funding (ASF) item						
1	Capital:	–	–	–	1 127 118	1 127 118
2	Regulatory capital				1 127 118	1 127 118
3	Other capital instruments					–
4	Retail deposits and deposits from small business customers:	–	1 745 044	201 389	17 716	1 769 506
5	Stable deposits		–	–	–	–
6	Less stable deposits		1 745 044	201 389	17 716	1 769 506
7	Wholesale funding:	–	919 998	151 767	71 692	607 574
8	Operational deposits		–	–	–	–
9	Other wholesale funding		919 998	151 767	71 692	607 574
10	Liabilities with matching interdependent assets					
11	Other liabilities:	–	2 747 657	49 135	1 057 257	1 829 477
12	NSFR derivative liabilities				–	–
13	All other liabilities and equity not included in the above categories		2 747 657	49 135	1 057 257	1 829 477
14	Total ASF					5 333 675
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					76 952
16	Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17	Performing loans and securities:	–	3 493 789	466 308	3 529 922	3 893 335
18	Performing loans to financial institutions secured by Level 1 HQLA	–	439 478	285 879	207 346	46 635
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	–	1 599 705	47 242	162 512	426 089
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:	–	846 212	133 187	2 863 367	2 923 561
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	–	–	296 696	192 853
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	–	608 395	–	–	304 197
25	Assets with matching interdependent liabilities					–
26	Other liabilities:	–	5 826	–	995 202	1 001 028
27	Physical traded commodities, including gold	–				–
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					–
29	NSFR derivative assets		5 826			5 826
30	NSFR derivative liabilities before deduction of variation margin posted					–
31	All other assets not included in the above categories		–	–	995 202	995 202
32	Off-balance sheet items					89 731
33	Total RSF					5 014 411
34	Net Stable Funding Ratio (%)					106.37%

Instructions & Definitions: See pages 61 to 64 of Basel's Pillar 3 disclosure requirements – consolidated and enhanced framework – March 2017.

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 ¹ (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 Shaun Rosenthal (Alternate) Roland Sassoon
Group Company Secretary	Charissa De Jager
Website and email	www.sasfin.com investorrelations@sasfin.com
Transfer secretaries	Computershare Investor Services (Proprietary) Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196
Sponsor	Questco Corporate Advisory (Proprietary) Limited
Sponsor	Deloitte & Touche Sponsor Services (Proprietary) Limited
Auditors	PwC Inc.
Registered office	140 West Street, Sandown, Sandton, Johannesburg, 2196 Tel: +27 11 809 7500 Fax: +27 11 887 6167/2489
Postal address	PO Box 95104, Grant Park, Johannesburg, 2051
Company registration number	1987/002097/06
Tax reference number	9300/204/71/7

¹ Appointed 4 April 2022 following the resignation of Angela Pillay.

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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