

sasfin

Holdings Limited



Pillar III Risk Management Report

30 September 2021

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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. Disclosures are prepared on a prospective basis. Monetary values are expressed in Rand thousands.

For the reporting period 30 September 2021, 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 Ltd				
	a	b		c
	RWA			Minimum capital requirements*
	Sep-21	Jun-21	Sep-20	Sep-21
	T	T-1	T	T
1 Credit risk (excluding counterparty credit risk)	4 974 431	5 137 801	5 892 171	497 443
2 Of which: standardised approach (SA)	4 974 431	5 137 801	5 892 171	497 443
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)	54 123	78 190	53 665	5 412
7 Of which: standardised approach for counterparty credit risk	54 123	78 190	53 665	5 412
8 Of which: Internal Model Method (IMM)***	–	–	–	–
9 Of which: other CCR***	–	–	–	–
10 Credit valuation adjustment (CVA)	9 264	6 331	2 229	926
11 Equity positions under the simple risk weight approach	470 824	341 484	502 487	47 082
12 Equity investments in funds – look-through approach#	124 677	243 689	–	12 468
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	333 961	333 975	333 762	33 396
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)	333 961	333 975	333 762	33 396
20 Market risk	9 393	19 651	204 941	939
21 Of which: standardised approach (SA)	9 393	19 651	204 941	939
22 Of which: internal model approaches (IMA)	–	–	–	–
23 Capital charge for switch between trading book and banking book****	–	–	–	–
24 Operational risk	1 332 530	1 719 613	1 670 872	133 253
25 Amounts below thresholds for deduction (subject to 250% risk weight)	32 253	32 957	20 366	3 225
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)	7 341 455	7 913 691	8 680 493	734 146

* The Capital requirement calculated at 10.00% 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 Ltd				
	a	b	c	
	RWA		Minimum capital requirements*	
	Sep-21	Jun-21	Sep-20	Sep-21
	T	T-1	T	T
1 Credit risk (excluding counterparty credit risk)	3 871 489	3 930 046	4 283 861	387 149
2 Of which: standardised approach (SA)	3 871 489	3 930 046	4 283 861	387 149
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)	54 123	78 190	53 665	5 412
7 Of which: standardised approach for counterparty credit risk	54 123	78 190	53 665	5 412
8 Of which: Internal Model Method (IMM)***	–	–	–	–
9 Of which: other CCR***	–	–	–	–
10 Credit valuation adjustment (CVA)	9 264	6 331	2 229	926
11 Equity positions under the simple risk weight approach	280 761	280 761	231 106	28 076
12 Equity investments in funds – look-through approach#	124 677	243 689	–	12 468
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	333 961	333 975	333 762	33 396
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)	333 961	333 975	333 762	33 396
20 Market risk	9 393	19 651	449	939
21 Of which: standardised approach (SA)	9 393	19 651	449	939
22 Of which: internal model approaches (IMA)	–	–	–	–
23 Capital charge for switch between trading book and banking book****	–	–	–	–
24 Operational risk	1 099 447	1 026 963	928 723	109 945
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)	5 783 114	5 919 605	5 833 795	578 311

* The Capital requirement calculated at 10.00% of RWA. The minimum requirement excludes the capital conservation buffer requirement. The difference to the BCBS base minimum (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 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 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 Ltd					
	a Sep-21 T	b Jun-21 T-1	c Mar-21 T-2	d Dec-20 T-3	e Sep-20 T-4
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	1 347 859	1 349 052	1 376 967	1 369 337	1 389 291
1a Fully loaded ECL accounting model	1 347 859	1 349 052	1 376 967	1 369 337	1 389 291
2 Tier 1	1 347 859	1 353 802	1 395 775	1 388 145	1 426 908
2a Fully loaded accounting model Tier 1	1 347 859	1 353 802	1 395 775	1 388 145	1 426 908
3 Total capital	1 410 939	1 418 392	1 469 075	1 465 244	1 500 320
3a Fully loaded ECL accounting model total capital	1 410 939	1 418 392	1 469 075	1 465 244	1 500 320
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	7 341 455	7 913 691	8 680 279	8 583 438	8 680 493
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	18.360%	17.047%	15.863%	15.953%	16.005%
5a Fully loaded ECL accounting model CET1 (%)	18.360%	17.047%	15.863%	15.953%	16.005%
6 Tier 1 ratio (%)	18.360%	17.107%	16.080%	16.172%	16.438%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	18.360%	17.107%	16.080%	16.172%	16.438%
7 Total capital ratio (%)	19.219%	17.923%	16.924%	17.071%	17.284%
7a Fully loaded ECL accounting model total capital ratio (%)	19.219%	17.923%	16.924%	17.071%	17.284%
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)	2.500%	2.500%	2.500%	2.500%	2.500%
12 CET1 available after meeting the bank's minimum capital requirements (%)	9.985%	8.672%	7.488%	7.578%	7.630%
Basel III Leverage Ratio					
13 Total Basel III leverage ratio measure	11 382 202	11 799 933	11 598 130	11 590 084	1 022 658
14 Basel III leverage ratio (%) (row 2/row 13)	11.84%	11.47%	12.03%	11.98%	12.32%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	11.84%	11.47%	12.03%	11.98%	12.32%
Liquidity Coverage Ratio					
15 Total HQLA	1 142 272	1 120 952	1 061 791	1 004 362	1 022 658
16 Total net cash outflow	385 761	421 247	408 982	409 773	411 016
17 LCR ratio (%)	296.11%	266.10%	259.62%	245.10%	248.81%
Net Stable Funding Ratio					
18 Total available stable funding	5 029 195	5 009 610	5 195 500	4 850 877	4 950 952
19 Total required stable funding	4 838 519	4 792 553	4 162 261	4 129 357	4 138 204
20 NSFR ratio	103.94%	104.53%	124.82%	117.47%	119.64%

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 decrease in available capital amounts is mainly due to an increase in specified deductions from tier 1 capital.

Total RWA: Decrease from R7.914 billion (Jun-21) to R7.341 billion (Sep-21) due mainly to a decrease in operational risk.

The liquidity coverage ratio remains strong, above the regulatory requirements and within the Board risk appetite.

The QoQ increase is mainly attributable to an increase in HQLA coupled with a decrease in net cash outflows.

The net stable funding ratio remains above the regulatory minimum requirement of 100% with no significant QoQ movements.

3.2 KM1: KEY PRUDENTIAL METRICS (BANK)

Overview of risk management, key prudential metrics and RWA

Sasfin Bank Ltd					
	a	b	c	d	e
	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20
	T	T-1	T-2	T-3	T-4
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	993 643	998 377	923 825	922 327	921 665
1a Fully loaded ECL accounting model	993 643	998 377	923 825	922 327	921 665
2 Tier 1	993 643	998 377	923 825	922 327	921 665
2a Fully loaded accounting model Tier 1	993 643	998 377	923 825	922 327	921 665
3 Total capital	1 043 463	1 048 445	982 524	978 570	976 095
3a Fully loaded ECL accounting model total capital	1 043 463	1 048 445	982 524	978 570	976 095
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	5 783 114	5 919 605	6 427 726	6 141 893	5 833 794
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	17.182%	16.866%	14.373%	15.017%	15.799%
5a Fully loaded ECL accounting model CET1 (%)	17.182%	16.866%	14.373%	15.017%	15.799%
6 Tier 1 ratio (%)	17.182%	16.866%	14.373%	15.017%	15.799%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	17.182%	16.866%	14.373%	15.017%	15.799%
7 Total capital ratio (%)	18.043%	17.711%	15.286%	15.933%	16.732%
7a Fully loaded ECL accounting model total capital ratio (%)	18.043%	17.711%	15.286%	15.933%	16.732%
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)	2.500%	2.500%	2.500%	2.500%	2.500%
12 CET1 available after meeting the bank's minimum capital requirements (%)	8.807%	8.491%	5.998%	6.642%	7.424%
Basel III Leverage Ratio					
13 Total Basel III leverage ratio measure	8 827 539	8 489 027	8 294 798	8 052 516	8 029 119
14 Basel III leverage ratio (%) (row 2/row 13)	11.26%	11.76%	11.14%	11.45%	11.48%
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	11.26%	11.76%	11.14%	11.45%	11.48%
Liquidity Coverage Ratio					
15 Total HQLA	1 142 272	1 120 952	1 061 791	1 004 362	1 022 658
16 Total net cash outflow	385 761	421 247	408 982	409 773	411 016
17 LCR ratio (%)	296.11%	266.10%	259.62%	245.10%	248.81%
Net Stable Funding Ratio					
18 Total available stable funding	5 029 195	5 009 610	5 195 500	4 850 877	4 950 952
19 Total required stable funding	4 838 519	4 792 553	4 162 261	4 129 357	4 138 204
20 NSFR ratio (%)	103.94%	104.53%	124.82%	117.47%	119.64%

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

4. Leverage

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)

Leverage ratio

	a Sep-21
1 Total consolidated assets as per published financial statements	11 882 931
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	36 732
5 Adjustment for securities financing transactions (i.e. repos and similar secured lending)	–
6 Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	121 676
7 Other adjustments	(659 137)
8 Leverage ratio exposure measure	11 382 202

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

4. Leverage continued

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE (HOLDINGS)

Leverage ratio

	a Sep-21 T	b Jun-21 T-1
On-balance sheet exposures		
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	11 382 202	11 799 933
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)	11 382 202	11 799 933
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)	23 954	32 175
5 Add-on amounts for PFE associated with <i>all</i> derivatives transactions	12 778	27 037
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)	36 732	59 213
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	742 937	856 292
18 (Adjustments for conversion to credit equivalent amounts)	(621 261)	(716 220)
19 Off-balance sheet items (sum of rows 17 and 18)	121 676	140 072
Capital and total exposures		
20 Tier 1 capital	1 347 859	1 353 802
21 Total exposures (sum of rows 3, 11, 16 and 19)	11 382 202	11 799 933
Leverage ratio		
22 Basel III leverage ratio	11.84%	11.47%

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

4. Leverage continued

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE (BANK)

Leverage ratio

	a Sep-21 T	b Jun-21 T-1
On-balance sheet exposures		
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	8 676 110	8 295 250
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)	8 676 110	8 295 250
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)	23 954	32 175
5 Add-on amounts for PFE associated with <i>all</i> derivatives transactions	12 778	27 037
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)	36 732	59 213
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	114 697	140 073
18 (Adjustments for conversion to credit equivalent amounts)	–	–
19 Off-balance sheet items (sum of rows 17 and 18)	114 697	140 073
Capital and total exposures		
20 Tier 1 capital	993 643	998 377
21 Total exposures (sum of rows 3, 11, 16 and 19)	8 827 539	8 489 027
Leverage ratio		
22 Basel III leverage ratio	11.26%	11.76%

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)

	a	b
	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets		
1 Total HQLA		1 142 272
Cash outflows		
2 Retail deposits and deposits from small business customers, of which:	1 132 008	113 201
3 Stable deposits	–	–
4 Less stable deposits	1 132 008	113 201
5 Unsecured wholesale funding, of which:	3 727 776	1 078 015
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–
7 Non-operational deposits (all counterparties)	3 727 776	1 078 015
8 Unsecured debt	–	–
9 Secured wholesale funding	733 407	–
10 Additional requirements, of which:	844 436	222 667
11 Outflows related to derivative exposures and other collateral requirements	14 586	14 586
12 Outflows related to loss of funding of debt products	–	–
13 Credit and liquidity facilities	829 850	208 082
14 Other contractual funding obligations	129 162	129 162
15 Other contingent funding obligations	–	–
16 TOTAL CASH OUTFLOWS		1 543 046
Cash inflows		
17 Secured lending (e.g. reverse repo)	1 075 531	1 075 531
18 Inflows from fully performing exposures	224 961	112 481
19 Other cash inflows	85 378	50 167
20 TOTAL CASH INFLOWS	1 385 870	1 238 179
		Total adjusted value
R'000		
21 Total HQLA		1 142 272
22 Total net cash outflows		385 761
23 Liquidity coverage ratio (%)		296.11%

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)

	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:	–	–	–	1 141 451	1 141 451
2 <i>Regulatory capital</i>	–	–	–	1 141 451	1 141 451
3 <i>Other capital instruments</i>	–	–	–	–	–
4 Retail deposits and deposits from small business customers:	–	2 005 950	260 347	44 206	2 083 873
5 <i>Stable deposits</i>	–	–	–	–	–
6 <i>Less stable deposits</i>	–	2 005 950	260 347	44 206	2 083 873
7 Wholesale funding:	–	1 003 033	52 227	34 897	562 527
8 <i>Operational deposits</i>	–	–	–	–	–
9 <i>Other wholesale funding</i>	–	1 003 033	52 227	34 897	562 527
10 Liabilities with matching interdependent assets	–	–	–	–	–
11 Other liabilities:	–	2 884 536	43 783	516 258	1 241 344
12 <i>NSFR derivative liabilities</i>	–	–	–	–	–
13 <i>All other liabilities and equity not included in the above categories</i>	–	2 884 536	43 783	516 258	1 241 344
14 Total ASF					5 029 195
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					75 765
16 Deposits held at other financial institutions for operational purposes	–	–	–	–	–
17 Performing loans and securities:	–	3 335 022	728 847	3 486 530	3 822 210
18 <i>Performing loans to financial institutions secured by Level 1 HQLA</i>	–	197 496	219 697	491 773	45 448
19 <i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	–	1 603 176	334 806	283 002	690 881
20 <i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>	–	724 865	174 344	2 344 462	2 442 398
21 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>	–	–	–	367 293	238 741
22 <i>Performing residential mortgages, of which:</i>	–	–	–	–	–
23 <i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>	–	–	–	–	–
24 <i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	–	809 485	–	–	404 742
25 Assets with matching interdependent liabilities	–	–	–	–	–
26 Other liabilities:	–	1 720	–	909 100	910 820
27 <i>Physical traded commodities, including gold</i>	–	–	–	–	–
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>	–	–	–	–	–
29 <i>NSFR derivative assets</i>	–	1 720	–	–	1 720
30 <i>NSFR derivative liabilities before deduction of variation margin posted</i>	–	–	–	–	–
31 <i>All other assets not included in the above categories</i>	–	–	–	909 100	909 100
32 Off-balance sheet items	–	–	–	–	75 173
33 Total RSF					4 838 519
34 Net Stable Funding Ratio (%)					103.94%

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
Company registration number	1987/002097/06
Tax reference number	9300/204/71/7
Independent Non-Executive Chair*	Deon de Kock
Executive Directors	Michael Sassoon (Group CEO) Angela Pillay (Group FD)
Independent Non-Executive Directors**	Richard Buchholz (Lead Independent Director) Eileen Wilton Mark Thompson Tapiwa Njikizana Tienie van der Mescht
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
Sponsor	Sasfin Capital (Pty) Ltd (a member of the Sasfin Group)
Independent sponsor	Deloitte & Touche Sponsor Services (Proprietary) Limited
Auditors	PwC Inc.
Registered office	29 Scott Street Waverley Johannesburg 2090 Tel: +27 11 809 7500 Fax: +27 11 887 6167/2489 Company registration number: 1987/002097/06
Postal address	PO Box 95104 Grant Park Johannesburg 2051
Website	www.sasfin.com
E-mail	investorrelations@sasfin.com

* Roy Andersen retired as Chair of the Company on 25 November 2021 and as Independent Non-Executive Director on 26 November 2021.

** Grant Dunnington retired as Independent Non-Executive Director on 25 November 2021 and Tienie van der Mescht was appointed as Independent Non-Executive Director on 26 November 2021.

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