

Unaudited Condensed Consolidated Interim Results for the six months ended 31 December 2020

sasfin | Holdings Limited
beyond a bank

▼ **65.82%**

HEADLINE EARNINGS FOR THE PERIOD

R26.896 m
(2019: R78.702 m)

▼ **65.82%**

HEADLINE EARNINGS PER ORDINARY SHARE

83.54 cents
(2019: 244.44 cents)

▼ **1.45%**

TOTAL INCOME*

R633.017 m
(2019: R642.352 m)
** including associate income*

▼ **617 bps**

RETURN ON AVERAGE SHAREHOLDERS' EQUITY

3.56%
(2019: 9.73%)

▼ **385 bps**

COST TO INCOME RATIO

70.48%
(2019: 74.33%)

▼ **13.57%**

TOTAL ASSETS

R12.555 bn
(2019: R14.527 bn)

▼ **6.61%**

TOTAL EQUITY**

R1.539 bn
(2019: R1.648 bn)**
*** total equity excludes preference shares and non-controlling interest*

▼ **10.15%**

GROSS LOANS AND ADVANCES

R6.990 bn
(2019: R7.780 bn)***
**** restated*

▲ **118 bps**

CREDIT LOSS RATIO

240 bps
(2019: 122 bps)***
**** restated*

▼ **3.90%**

NET AVAILABLE CASH

R2.338 bn
(2019: R2.433 bn)

▲ **10.05%**

TOTAL ASSETS UNDER MANAGEMENT AND ADVICE****

R51.807 bn
(2019: R44.077 bn)
***** excluding under administration*

▲ **1 bps**

GROUP TOTAL CAPITAL ADEQUACY RATIO

17.071%
(2019: 17.063%)

FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	% Change	31 December 2020 Unaudited	31 December 2019 Unaudited Restated ¹	30 June 2020 Audited
Consolidated statement of financial position				
Total cash (Rm)	(1.00)	1 590	1 606	1 731
Total assets (Rm)	(13.57)	12 555	14 527	14 006
Total gross loans and advances (Rm) ¹	(10.15)	6 990	7 780	7 162
Non-performing loans and advances (Rm)	0.94	748	741	712
Income statement				
Earnings attributable to ordinary shareholders (Rm)	(50.29)	39.120	78.702	(60.176)
Headline earnings (Rm)	(65.82)	26.896	78.702	(48.617)
Financial performance				
Return on ordinary shareholders' average equity (%)		3.56	9.73	(3.12)
Return on total average assets (%)		0.41	1.08	(0.34)
Operating performance				
Non-interest income to total income (%)		55.32	59.03	55.84
Cost to income ratio (%)		70.48	74.33	82.20
Credit loss ratio (bps) ¹		240	122	303
Non-performing advances to total amortised cost gross loans and advances (%)		11.15	9.54	10.26
Share statistics				
Earnings per ordinary share (cents)	(50.29)	121.50	244.44	(186.90)
Headline earnings per ordinary share (cents)	(65.82)	83.54	244.44	(151.00)
Number of ordinary shares in issue at end of the period ('000)		32 301	32 301	32 301
Number of ordinary shares in issue at end of the period excluding treasury shares ('000)		32 197	32 197	32 197
Weighted average number of ordinary shares in issue excluding treasury shares ('000)		32 197	32 197	32 197
Dividends per ordinary share relating to profit for the period (cents) ²		–	48.73	48.73
Preference share dividend number 1 for the year (cents)		–	416.91	416.91
Capital adequacy (unaudited)				
Capital adequacy ratio (%)		17.071	17.063	16.593

¹ Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

² This is based on the total shares in issue, including treasury shares.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2020

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited Restated ¹ R'000	30 June 2020 Audited R'000
ASSETS			
Cash and cash balances	1 590 023	1 605 756	1 731 243
Negotiable securities	2 135 895	2 877 664	3 126 595
Trading assets	1 044 571	1 341 129	1 060 342
Trade and other receivables	535 930	276 479	436 644
Non-current assets held for sale	6 700	–	6 700
Loans and advances ¹	6 360 064	7 346 249	6 609 328
Current taxation asset	20 619	7 571	21 035
Investment securities ¹	523 859	657 965	654 966
Investments at fair value through profit and loss ¹	513 685	547 722	528 771
Equity accounted associates	10 174	110 243	126 195
Property, equipment and right-of-use assets	82 075	135 850	103 550
Investment property	13 123	8 700	13 123
Intangible assets and goodwill	202 475	230 276	205 206
Deferred tax asset	39 754	39 661	36 808
Total assets	12 555 088	14 527 300	14 005 540
LIABILITIES			
Funding under repurchase agreements and interbank	876 077	2 009 067	1 882 806
Trading liabilities	975 852	1 350 499	999 842
Current taxation liabilities	13 119	16 370	3 963
Trade and other payables	725 516	833 064	783 786
Bank overdraft	110 380	41 541	151 462
Provisions	46 043	47 022	41 629
Lease liabilities	54 281	88 031	70 266
Deposits from customers	4 831 076	4 983 459	5 138 778
Debt securities issued	2 740 271	2 751 789	2 743 823
Long-term loans	364 474	430 040	371 649
Deferred tax liability	90 895	135 543	94 531
Total liabilities	10 827 984	12 686 425	12 282 535
EQUITY			
Ordinary share capital	321	321	321
Ordinary share premium	166 945	166 945	166 945
Reserves	1 371 752	1 481 091	1 367 653
Preference share capital	18	18	18
Preference share premium	188 068	188 068	188 068
Non-controlling interest	–	4 432	–
Total equity	1 727 104	1 840 875	1 723 005
Total liabilities and equity	12 555 088	14 527 300	14 005 540

¹ Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited Restated ¹ R'000	30 June 2020 Audited R'000
Interest and similar income	517 227	683 691	1 285 549
Interest income calculated using the effective interest method ¹	507 212	662 418	1 250 375
Other interest income ¹	10 015	21 273	35 174
Interest and similar expense	(238 288)	(423 811)	(779 234)
Interest expense calculated using the effective interest method	(227 411)	(398 608)	(733 312)
Other interest expense	(10 877)	(25 203)	(45 922)
Net interest income	278 939	259 880	506 315
Non-interest income	345 357	374 454	640 180
Net fee and commission income ¹	202 916	222 584	429 445
Fee and commission income ¹	301 537	345 360	638 402
Fee and commission expense	(98 621)	(122 776)	(208 957)
Gains and losses on financial instruments ¹	59 573	77 031	85 674
Other income	82 868	74 839	125 061
Total income	624 296	634 334	1 146 495
Credit impairment charges	(130 491)	(45 743)	(252 618)
Net income after impairments	493 805	588 591	893 877
Total operating costs	(446 148)	(477 443)	(959 040)
Staff costs	(257 542)	(266 182)	(517 605)
Other operating expenses	(188 606)	(211 261)	(424 784)
Impairments on non-financial assets	–	–	(16 651)
Profit/(loss) from operations	47 657	111 148	(65 163)
Share of associate income	8 721	8 018	20 161
Profit/(loss) before income tax	56 378	119 166	(45 002)
Income tax expense	(17 258)	(32 168)	1 848
Profit/(loss) for the period	39 120	86 998	(43 154)
Other comprehensive income for the period, net of tax effects			
Items that may be subsequently reclassified to profit and loss:			
Foreign exchange differences on translation of foreign operation	(35 021)	112	41 313
Total comprehensive income for the period	4 099	87 110	(1 841)
Profit/(loss) attributable to:	39 120	86 998	(43 154)
Non-controlling interest	–	760	1 993
Preference shareholders	–	7 536	15 029
Equity holders of the Group	39 120	78 702	(60 176)
Total comprehensive income attributable to:	4 099	87 110	(1 841)
Non-controlling interest	–	760	15 029
Preference shareholders	–	7 536	1 993
Equity holders of the Group	4 099	78 814	(18 863)
Earnings per share:			
Basic and diluted earnings per share (cents)	121.50	244.44	(186.90)

¹ Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

HEADLINE EARNINGS RECONCILIATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited R'000	30 June 2020 Audited R'000
Earnings are determined as follows:			
Earnings attributable to equity holders of the Group	39 120	78 702	(60 176)
Headline adjustable items	(12 224)	–	11 559
Goodwill and intangible asset impairments	–	–	16 651
Gross	–	–	16 651
Tax impact	–	–	–
Profit on loss of control of subsidiary	–	–	(4 674)
Investment property – fair value loss on non-current assets held for sale	–	–	1 707
Gain on dilution of interest in associate	–	–	(2 125)
Gain on disposal of interest in associate	(12 224)	–	–
Gross	(21 518)	–	–
Tax impact	9 294	–	–
Headline earnings	26 896	78 702	(48 617)
Headline earnings per ordinary share (cents)	83.54	244.44	(151.00)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited R'000	30 June 2020 Audited R'000
Opening total shareholders' equity	1 723 005	1 777 384	1 777 384
Other comprehensive income net of income tax for the period	4 099	87 110	(1 841)
Profit/(loss) for the period	39 120	86 998	(43 154)
Foreign exchange differences on translation of foreign operations	(35 021)	112	41 313
Transactions with owners recorded directly in equity			
Disposal of controlling interest in subsidiary	–	–	(5 665)
Dividends to preference shareholders	–	(7 536)	(15 029)
Dividends to ordinary shareholders	–	(16 119)	(31 844)
Closing balance	1 727 104	1 840 839	1 723 005

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited R'000	30 June 2020 Audited R'000
Cash flows from operating activities	171 861	87 433	141 077
Changes in operating assets and liabilities	(349 373)	121 624	154 604
Net cash flows from operating activities	(177 512)	209 057	295 681
Net cash flows from investing activities	113 313	98 225	48 374
Net cash flows from financing activities	(15 985)	(10 234)	(31 052)
Net increase/(decrease) in cash and cash equivalents	(80 185)	297 048	313 003
Cash and cash equivalents at the beginning of the period	1 579 781	1 266 778	1 266 778
Effect of exchange rate fluctuations on cash held	(19 954)	389	–
Cash and cash equivalents at end of the period	1 479 643	1 564 215	1 579 781

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

Previously management reported on three operating segments: Banking, Capital and Wealth. At the beginning of the 2021 financial year, internal restructuring occurred between existing segments. In order to better represent the revised operating model, management now reports on four segments (excluding the Group and inter-segment eliminations segment). These segments are Asset Finance, B\\Yond Business Banking, Capital and Wealth. Accordingly, the segment information for prior periods has been restated.

	31 December 2020 Unaudited R'000	31 December 2019 Unaudited Restated ¹ R'000	30 June 2020 Restated ¹ R'000
GEOGRAPHICAL SEGMENTS			
External revenue			
South Africa	618 249	621 533	1 118 305
Asia Pacific	6 047	12 801	28 195
Total	624 296	634 334	1 146 500
Segment assets			
South Africa	12 214 597	13 974 727	13 487 003
Asia Pacific	340 491	621 533	518 537
Total	12 555 088	14 596 260	14 005 540
BUSINESS SEGMENTS			
Segment income			
Asset Finance	287 938	264 310	530 264
B\\Yond Business Banking	53 505	53 394	69 505
Capital (including Trade and Debtor Finance)	58 265	122 336	162 467
Wealth	177 888	157 662	313 426
Group and inter-segment eliminations	46 700	36 632	70 833
Total income	624 296	634 334	1 146 495
Segment profit			
Asset Finance	82 423	101 374	68 335
B\\Yond Business Banking	(15 022)	(22 112)	(42 904)
Capital (including Trade and Debtor Finance)	(18 758)	11 286	(62 775)
Wealth	56 546	30 958	65 136
Group and inter-segment eliminations	(48 811)	(2 340)	(72 795)
Profit/(loss) for the period	56 378	119 166	(45 002)
Segment assets			
Asset Finance	5 986 547	6 255 402	5 975 749
B\\Yond Business Banking	140 977	160 930	122 978
Capital (including Trade and Debtor Finance)	2 045 333	2 425 770	2 035 743
Wealth	1 168 632	1 589 815	1 354 080
Group and inter-segment eliminations	3 213 599	4 095 383	4 516 990
Total assets	12 555 088	14 527 300	14 005 540
Segment liabilities			
Asset Finance	3 323 109	3 130 167	3 014 725
B\\Yond Business Banking	226 369	433 825	415 058
Capital (including Trade and Debtor Finance)	1 986 278	2 005 426	1 950 821
Wealth	1 002 488	1 280 494	1 075 402
Group and inter-segment eliminations	4 289 740	5 836 513	5 826 528
Total liabilities	10 827 984	12 686 425	12 282 535

¹ Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Condensed Interim Consolidated Financial Statements comprise the following:

- Condensed Consolidated Statement of Financial Position
- Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Condensed Consolidated Statement of Changes in Equity
- Condensed Consolidated Statement of Cash Flows
- Condensed Consolidated Segmental Analysis

at and for the six months ended 31 December 2020.

These Condensed Interim Consolidated Financial Statements have been prepared under the supervision of Angela Pillay, CA(SA), Group and Bank Financial Director.

BASIS OF PREPARATION AND PRESENTATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

The Condensed Interim Consolidated Financial Statements have been prepared in accordance with and contain disclosure required by IAS 34 *Interim Financial Reporting*, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements (JSE Listings Requirements), and the requirements of the Companies Act of South Africa, No 71 of 2008, as amended (Companies Act).

The directors assess the Group's future performance and financial position on a continuous basis and have no reason to believe that the Group will not be a going concern in the reporting period ahead. Consequently, the Condensed Interim Consolidated Financial Statements have been prepared on the going concern basis.

The Condensed Interim Consolidated Financial Statements are presented in ZAR. All entities in the Group, with the exception of Sasfin Asia Limited, operate in the Republic of South Africa with a functional currency of ZAR.

The accounting policies applied in these unaudited, unreviewed Condensed Interim Consolidated Financial Statements for the period ended 31 December 2020 are in terms of International Financial Reporting Standards (IFRS) and are the same as those applied in the Group's Audited Consolidated Annual Financial Statements at the year ended 30 June 2020.

1. IMPACT OF COVID-19

The Covid-19 pandemic continued to have a severe impact on the expected credit loss (ECL) recognised on loans and advances, as well as negotiable securities. It also had a negative impact on the fair value measurements of the Group's Private and Property Equity portfolios. The Group continues to maintain a strong cash position and capital adequacy to withstand further shocks that may arise.

Expected credit losses on loans and advances and negotiable securities

The assessment on whether a significant increase in credit (SICR) had occurred specifically included an assessment of the impact of the global Covid-19 pandemic and subsequent lockdown on Probability of Default and Loss Given Default of businesses. This assessment was done in both the consideration of client risk profiles during the granting of payment holidays, as well as in the final calculation of ECLs. Client requests for payment relief due to Covid-19 related factors were considered on a case by case basis taking into account (*inter alia*) the industry within which it operates and its own financial strength. Once payment relief had been granted, these loans and advances were then classified as Covid-19 Restructured Exposures in accordance with Directive 3 of 2020 issued by the Prudential Authority of the South African Reserve Bank.

Each client was classified as either Stage 1 where our assessment indicated that the relief was expected to be of a temporary nature and the client should be able to meet its obligations once the relief period had expired (thereby indicating no SICR had occurred), or Stage 2 where we believed that the distress would likely be of a longer or more permanent nature, indicating a SICR had occurred. Clients indicating a more permanent financial distress would be classified as Distressed Restructures in line with Directive 7 of 2015.

Estimation uncertainty

The Covid-19 pandemic significantly increased the overall level of estimation uncertainty and judgement applied by management. The unprecedented nature of this global pandemic renders it challenging to accurately predict the full extent and duration of its economic effect. Although the areas of judgement and estimation applied remained largely the same as in the prior years, greater judgement had to be applied in the following areas:

- Credit impairment of loans and advances
- Determining the fair value of the private equity and property equity portfolios

Fair value measurement

The valuation techniques for fair value measurement of the investment securities have been assessed by the respective valuation committees to determine the impact that the market volatility introduced by Covid-19 has had 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 specifically included an assessment of the impact of the global Covid-19 pandemic and subsequent lockdown on forecasted cash flows and other critical assumptions of businesses i.e. capitalisation rates, weighted average cost of capital (WACC) and vacancy rates of properties, specific and other risk premiums added to the discount rates. 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.

2. RESTATEMENTS

These transactions are to correct the disclosure and presentation of our Statements of Financial Position, Comprehensive Income and Cash Flows and did not have an impact on the earnings, balance sheet or ratios of the Group for either the prior year or the current year.

Restatement 1: Correction of prior period presentation: presentation of fair value changes on financial instruments at fair value through profit or loss

During June 2020 it was identified that fair value changes of R11.082 million on the Fixed Income trading assets and trading liabilities, being instruments held at fair value through profit or loss, were incorrectly presented as fee and commission income, rather than as part of gains and losses on financial instruments. The total non-interest income after this correction of presentation remains unchanged. This correction has no impact on the carrying amounts of the trading assets and trading liabilities. Consequently, the statement of financial position at 31 December 2019 is not restated. The impact of this adjustment on the statement of comprehensive income is set out in the table on the next page.

Restatement 2: Correction of prior year error: classification of specialised lending products

During June 2020 it was identified that, upon transition to IFRS 9 *Financial Instruments*, the Group continued to recognise certain specialised lending products as bifurcated financial instruments in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. A portion was recognised at amortised cost as part of loans and advances and the other portion as a financial asset at fair value through profit or loss, as part of investment securities. In terms of IFRS 9, these instruments should be classified and measured as one instrument, being a financial asset at fair value through profit

2. RESTATEMENTS continued

or loss, since these instruments as a whole do not meet the solely payments of principal and interest criteria. The combined carrying amount of the specialised lending products together with the bifurcated embedded derivative approximates their fair value, thereby not impacting the Group's total assets, profit for the year, credit impairment charges, statement of cash flows or earnings per share. The impact of this correction on the statement of financial position and statement of comprehensive income is set out in the table below.

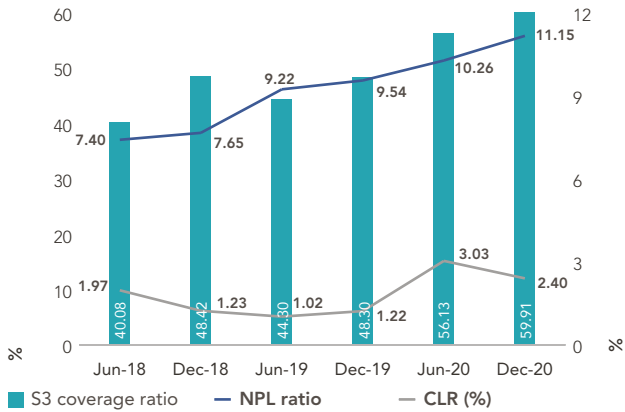
Summary of impact on Statement of Financial Position and Statement of Comprehensive Income

	31 December 2019				30 June 2019		
	As previously reported R'000	Restatement 1 Increase/ (decrease) R'000	Restatement 2 Increase/ (decrease) R'000	Restated R'000	As previously reported R'000	Restatement 2 increase/ (decrease) R'000	Restated R'000
Statement of comprehensive income							
Interest and similar income	683 691	–	–	683 691			
Interest income calculated using the effective interest method	665 516	–	(3 098)	662 418			
Other interest	18 175	–	3 098	21 273			
Net interest income	259 880	–	–	259 880			
Non-interest income	374 454	–	–	374 454			
Net fee and commission income	233 666	(11 082)	–	222 584			
Fee and commission income	356 442	(11 082)	–	345 360			
Gains and losses on financial instruments	65 949	11 082	–	77 031			
Net gains or losses on the derecognition of financial instruments at amortised cost							
Other gains or losses on financial instruments	65 949	11 082	–	77 031			
Other income	74 839	–	–	74 839			
Statement of financial position							
Investment securities – Investments at fair value through profit or loss	560 025	–	(12 303)	547 722	635 298	(12 303)	622 995
Loans and advances	7 333 946	–	12 303	7 346 249	7 487 205	12 303	7 499 508
Amortised cost	7 333 946	–	(209 639)	7 124 307	7 487 205	(17 167)	7 470 038
Fair value through profit or loss	–	–	221 942	221 942	–	29 470	29 470

3. CREDIT RISK

3.1 Credit risk metrics

Our key credit risk metrics in reporting periods since June 2018 are set out in the graph below.



3.2 Credit risk exposure analysis

The table on the following page 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 Group’s maximum exposure to credit risk on these assets, by credit quality.

	Credit risk grading ECL staging	Total			A Stage 1 12-Month ECL			A and B Stage 2 Lifetime ECL			Default (C,D and E) Stage 3 Lifetime ECL			Securities and expected recoveries on default exposures R'000	
		Net amount R'000	Total exposure R'000	Total ECL R'000	Coverage ratio %	Exposure R'000s	ECL R'000	Coverage ratio %	Exposure R'000	ECL R'000	Coverage ratio %	Exposure R'000	ECL R'000		Coverage ratio %
31 December 2020															
Maximum credit exposures of financial assets at amortised cost															
Cash and cash balances	1 590 023	1 590 023	–	–	1 590 023	–	–	–	–	–	–	–	–	–	–
Negotiable securities	2 135 895	2 208 642	72 747	3.29	1 738 642	4 503	0.26	–	–	–	470 000	68 244	14.52	–	
Loans and advances	6 078 749	6 708 311	629 562	9.38	5 372 810	130 629	2.43	587 780	51 009	8.68	747 722	447 926	59.91	295 642	
Equipment finance	4 121 924	4 613 098	491 174	10.65	3 843 152	84 020	2.19	250 726	35 506	14.16	519 220	371 649	71.58	147 571	
Capital equipment finance	1 181 350	1 256 490	75 140	5.98	1 088 073	30 482	2.80	75 422	5 585	7.40	92 995	39 073	42.02	53 923	
Trade and debtor finance	519 396	552 226	32 830	5.95	311 236	8 867	2.85	124 569	4 586	3.68	116 422	19 377	16.64	92 990	
Term loans – secured	239 157	269 048	29 891	11.11	113 025	6 758	5.98	137 063	5 332	3.89	18 960	17 802	93.89	1 158	
Term loans – unsecured	16 997	17 449	452	2.59	17 324	427	2.46	–	–	–	125	25	20.00	–	
Guarantees	(75)	–	75	–	–	75	–	–	–	–	–	–	–	–	
Trade and other receivables	535 930	536 684	754	0.14	536 684	754	0.14	–	–	–	–	–	–	–	
Gross carrying amount	10 340 597	11 043 660	703 063	6.37	9 238 159	135 886	1.47	587 780	51 009	8.68	1 217 722	516 170	42.39	295 642	
Off-balance sheet exposure to credit risk															
Total off-balance sheet exposure	263 028														
Credit loss allowance on off-balance sheet credit risk recognised	4 200														
Maximum credit exposures on financial assets at FVTPL															
Total exposure to credit risk	12 446 776														

3. CREDIT RISK continued

3.2 Credit risk exposure analysis continued

	Credit risk grading ECL staging			A Stage 1 12-Month ECL			A and B Stage 2 Lifetime ECL			Default (C,D and E) Stage 3 Lifetime ECL			Securities and expected recoveries on default exposures R'000
	Net amount Restated ¹ R'000	Total exposure Restated ¹ R'000	Total ECL Restated ¹ R'000	Coverage ratio Restated ¹ %	Exposure Restated ¹ R'000	ECL R'000	Coverage ratio Restated ¹ %	Exposure R'000	ECL R'000	Coverage ratio %	Exposure R'000	ECL R'000	
31 December 2019													
Maximum credit exposures of financial assets at amortised cost													
Cash and cash balances	1 605 756	1 605 756	-	-	1 605 756	-	-	-	-	-	-	-	-
Negotiable securities	2 877 664	2 877 664	-	-	2 877 664	-	-	-	-	-	-	-	-
Loans and advances ¹	7 124 307	7 558 206	433 899	5.74	6 355 154	62 959	0.99	410 573	12 797	3.12	792 479	358 143	45.19
Equipment finance	4 695 858	5 034 362	338 504	6.72	4 499 047	36 280	0.81	162 220	7 927	4.89	373 095	294 297	78.88
Capital equipment finance	1 213 530	1 244 333	30 803	2.48	1 121 066	9 512	0.85	25 336	769	3.04	97 931	20 522	20.96
Trade and debtor finance	1 026 358	1 058 691	32 333	3.05	565 270	9 880	1.75	223 017	4 101	1.84	270 404	18 352	6.79
Term loans – secured ¹	188 975	220 820	31 845	14.42	169 771	6 873	4.05	-	-	-	51 049	24 972	48.92
Term loans – unsecured	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees	(414)	-	414	-	-	414	-	-	-	-	-	-	-
Trade and other receivables	276 479	276 479	-	-	276 479	-	-	-	-	-	-	-	-
Gross carrying amount ¹	11 884 206	12 318 105	433 899	3.52	11 115 053	62 959	0.57	410 573	12 797	3.1	792 480	358 143	45.19

Off-balance sheet exposure to credit risk

Total off-balance sheet exposure	211 879
Credit loss allowance on off-balance sheet credit risk recognised	2 521

Maximum credit exposures on financial assets at FVTPL¹

Total exposure to credit risk	13 280 289
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¹ Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

3. CREDIT RISK continued

3.3 Credit loss allowance analysis

3.3.1 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
Credit loss allowance at 1 July 2020	113 581	38 639	400 185	552 405
Net transfers between stages ¹	(912)	9 281	60 567	68 935
Transfer from stage 1	(912)	–	–	(912)
Transfer to stage 2	–	9 281	–	9 281
Transfer to stage 3	–	–	60 567	60 567
Net ECLs raised	17 959	3 089	4 502	25 550
ECL on new exposure raised	28 226	6 960	1 709	36 895
Subsequent changes in ECL	(2 709)	437	10 932	8 660
Change in ECL due to derecognition	(7 558)	(4 308)	(8 139)	(20 005)
Impaired accounts written off	–	–	(17 328)	(17 328)
Credit loss allowance at 31 December 2020	130 629	51 008	447 926	629 562
Credit loss allowance at 1 July 2019²	58 174	22 898	321 673	402 745
Net transfers between stages ¹	(8 238)	(10 101)	58 822	40 483
Transfer from stage 1	(8 238)	–	–	(8 238)
Transfer from stage 2	–	(10 101)	–	(10 101)
Transfer to stage 3	–	–	58 822	58 822
Net ECLs raised	13 023	–	–	13 023
ECL on new exposure raised	30 708	–	–	30 708
Change in ECL due to derecognition	(17 685)	–	–	(17 685)
Impaired accounts written off	–	–	(22 352)	(22 352)
Credit loss allowance at 31 December 2019	62 959	12 797	358 143	433 899

¹ It is the Group's practice to transfer the ECL between stages, based on the ECL stage at the beginning of the reporting period and the ECL stage at the end of the reporting period, for those exposures still in existence.

² Restated. Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

3. CREDIT RISK continued

3.3 Credit loss allowance analysis continued

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

	Credit loss allowance on 1 July 2020	Total transfers between stages	Net ECL raised/ (released)	Impaired accounts written off	Credit loss allowance on 31 December 2020
31 December 2020	R'000	R'000	R'000	R'000	R'000
Equipment finance	432 838	57 696	13 540	(12 899)	491 175
Stage 1	85 887	(2 906)	1 039	–	84 020
Stage 2	24 361	6 101	5 045	–	35 507
Stage 3	322 590	54 501	7 456	(12 899)	371 648
Capital equipment finance	56 682	6 305	12 229	(76)	75 140
Stage 1	15 077	(472)	15 877	–	30 482
Stage 2	6 216	2 888	(3 519)	–	5 585
Stage 3	35 389	3 889	(129)	(76)	39 073
Trade and debtor finance	31 791	4 905	(3 867)	–	32 829
Stage 1	8 902	2 461	(2 496)	–	8 867
Stage 2	1 581	292	2 712	–	4 585
Stage 3	21 308	2 152	(4 083)	–	19 377
Term loans: Secured	30 249	–	3 995	(4 353)	29 891
Stage 1	2 870	–	3 888	–	6 758
Stage 2	6 481	–	(1 150)	–	5 331
Stage 3	20 898	–	1 257	(4 353)	17 802
Term loans: Unsecured	198	30	224	–	452
Stage 1	198	5	224	–	427
Stage 2	–	–	–	–	–
Stage 3	–	25	–	–	25
Guarantees	646	–	571	–	75
Stage 1	646	–	571	–	75
Stage 2	–	–	–	–	–
Stage 3	–	–	–	–	–
Total	552 405	68 936	25 549	(17 328)	629 562
Stage 1	113 580	(912)	17 960	–	130 629
Stage 2	38 639	9 281	3 088	–	51 009
Stage 3	400 185	60 567	4 501	(17 328)	447 925

3. CREDIT RISK continued

3.3 Credit loss allowance analysis continued

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

31 December 2019 ¹	Credit loss allowance on 1 July 2019 R'000	Total transfers between stages R'000	Net ECL raised/ (released) R'000	Impaired accounts written off R'000	Credit loss allowance on 31 December 2019 R'000
Equipment finance	320 812	41 435	(1 649)	(22 094)	338 504
Stage 1	33 524	4 405	(1 649)	–	36 280
Stage 2	13 944	(6 017)	–	–	7 927
Stage 3	273 344	43 047	–	(22 094)	294 297
Capital equipment finance	28 518	4 404	(1 861)	(258)	30 803
Stage 1	7 255	4 118	(1 861)	–	9 512
Stage 2	1 843	(1 074)	–	–	769
Stage 3	19 420	1 360	–	(258)	20 522
Trade and debtor finance	35 211	(16 855)	13 977	–	32 333
Stage 1	13 002	(17 099)	13 977	–	9 880
Stage 2	5 120	(1 019)	–	–	4 101
Stage 3	17 089	1 263	–	–	18 352
Term loans:					
Secured	17 755	11 534	2 556	–	31 845
Stage 1	3 944	373	2 556	–	6 873
Stage 2	1 991	(1 991)	–	–	–
Stage 3	11 820	13 152	–	–	24 972
Guarantees	449	(35)	–	–	414
Stage 1	449	(35)	–	–	414
Stage 2	–	–	–	–	–
Stage 3	–	–	–	–	–
Total	402 745	40 483	13 023	(22 352)	433 899
Stage 1	58 174	(8 238)	13 023	–	62 959
Stage 2	22 898	(10 101)	–	–	12 797
Stage 3	321 673	58 822	–	(22 352)	358 143

¹ Restated. Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

4. CLASSIFICATION OF ASSETS AND LIABILITIES

Accounting classification and fair values

	Fair value through				Total R'000
	Profit or loss (default) R'000	Profit or loss (held for trading) R'000	Amortised cost R'000	Outside scope of IFRS 9 R'000	
ASSETS					
2020					
Cash and cash balances	–	–	1 590 023	–	1 590 023
Trading assets	–	1 044 571	–	–	1 044 571
Negotiable securities	–	–	2 135 895	–	2 135 895
Trade and other receivables	–	–	474 348	61 582	535 930
Non-current assets held for sale	–	–	–	6 700	6 700
Loans and advances	281 315	–	6 078 749	–	6 360 064
Current taxation asset	–	–	–	20 619	20 619
Investment securities	513 685	–	–	10 174	523 859
– Investment at fair value through profit or loss	513 685	–	–	–	513 685
– Equity accounted associates	–	–	–	10 174	10 174
Deferred tax asset	–	–	–	39 754	39 754
Property, equipment and right-of-use assets	–	–	–	82 075	82 075
Investment property	–	–	–	13 123	13 123
Intangible assets and goodwill	–	–	–	202 475	202 475
Total assets	795 000	1 044 571	10 279 015	436 502	12 555 088
LIABILITIES					
Funding under repurchase agreements and interbank	–	–	876 077	–	876 077
Trading liabilities	–	975 852	–	–	975 852
Current taxation liability	–	–	–	13 119	13 119
Trade and other payables	–	–	725 096	420	725 516
Bank overdraft	–	–	110 380	–	110 380
Provisions	–	–	–	46 043	46 043
Deposits from customers	–	–	4 831 076	–	4 831 076
Lease liabilities	–	–	54 281	–	54 281
Debt securities issued	–	–	2 740 271	–	2 740 271
Long-term loans	–	–	364 474	–	364 474
Deferred tax liability	–	–	–	90 895	90 895
Total liabilities	–	975 852	9 701 655	150 477	10 827 984

4. CLASSIFICATION OF ASSETS AND LIABILITIES continued

Accounting classification and fair values continued

	Fair value through			Outside scope of IFRS 9 R'000	Total Restated ¹ R'000
	Profit or loss (default) R'000	Profit or loss (held for trading) R'000	Amortised cost R'000		
ASSETS					
2019					
Cash and cash balances	–	–	1 605 756	–	1 605 756
Trading assets	–	1 341 129	–	–	1 341 129
Negotiable securities	–	–	2 877 664	–	2 877 664
Trade and other receivables	–	–	276 479	–	276 479
Non-current assets held for sale	–	–	–	–	–
Loans and advances	221 942	–	7 124 307	–	7 346 249
Current taxation asset	–	–	–	7 571	7 571
Investment securities	547 722	–	–	110 243	657 965
– Investment at fair value through profit or loss	547 722	–	–	–	547 722
– Equity accounted associates	–	–	–	110 243	110 243
Deferred tax asset	–	–	–	39 661	39 661
Property, equipment and right-of-use assets	–	–	–	135 850	135 850
Investment property	–	–	–	8 700	8 700
Intangible assets and goodwill	–	–	–	230 276	230 276
Total assets	769 664	1 341 129	11 884 206	532 301	14 527 300
LIABILITIES					
Funding under repurchase agreements and interbank	–	–	2 009 067	–	2 009 067
Trading liabilities	–	1 350 499	–	–	1 350 499
Current taxation liability	–	–	–	16 370	16 370
Trade and other payables	–	–	833 064	–	833 064
Bank overdraft	–	–	41 541	–	41 541
Provisions	–	–	–	47 022	47 022
Deposits from customers	–	–	4 983 459	–	4 983 459
Lease liabilities	–	–	88 031	–	88 031
Debt securities issued	–	–	2 751 789	–	2 751 789
Long-term loans	–	–	430 040	–	430 040
Deferred tax liability	–	–	–	135 543	135 543
Total liabilities	–	1 350 499	11 136 991	198 935	12 686 425

¹ Restated. Refer to note 2 in the Selected Explanatory Notes section for more information on restatements.

4. CLASSIFICATION OF ASSETS AND LIABILITIES continued

Fair values of financial assets and financial liabilities

The Group's financial risk management objectives and policies are consistent with those disclosed in the Consolidated and Separate Annual Financial Statements at and for the period ended 30 June 2020.

Financial hierarchy

The table below analyses financial instruments carried at fair value by level of fair value hierarchy. The different levels are based on the inputs used in the calculation of fair value of the financial instruments. The levels have been defined as follows:

Level 1 – fair value is based on quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	31 Dec 2020 Unaudited R'000	31 Dec 2019 Unaudited R'000	30 June 2020 Audited R'000
Financial assets	939 807	104 960	794 804	1 839 571	2 110 794	1 812 126
Investment securities	196	–	513 489	513 685	547 722	528 772
Loans and advances at fair value through profit and loss	–	–	281 315	281 315	221 942	223 011
Trading assets	939 611	104 960	–	1 044 571	1 341 130	1 060 343
Financial liabilities	856 398	119 454	–	975 852	1 350 499	999 841
Trading liabilities	856 398	119 454	–	975 852	1 350 499	999 841
Non-financial assets	–	–	19 823	19 823	8 700	19 823
Investment property – continuing operations	–	–	13 123	13 123	8 700	13 123
Investment property – Non-current assets held for sale	–	–	6 700	6 700	–	6 700

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Levels 1, 2 and 3 of the fair value hierarchy for the period ended 31 December 2020.

4. CLASSIFICATION OF ASSETS AND LIABILITIES continued

Financial hierarchy continued

	31 Dec 2020 Unaudited R'000	31 Dec 2019 Unaudited R'000	30 June 2020 Audited R'000
Level 3 fair values – Financial and non-financial assets			
Opening balance	771 455	635 077	650 052
Additions	–	–	2 186
Total gains or losses in profit or loss	14 818	14 661	(4 465)
Acquisition of investments	–	10 608	–
Disposal of investments	(34 080)	(96 875)	(92 898)
(Repayments)/advances	62 434	(6 490)	196 254
Transfers	–	2 866	20 326
Closing balance	814 627	559 847	771 455

The valuations of Level 2 and Level 3 investment securities were based predominantly on detailed discounted cash flow methodologies, which were compared with implied price/earnings multiples, and where applicable, benchmarked to proxies of listed entities in similar industries for reasonableness.

This valuation methodology is per the South African Venture Capital and Private Equity guidelines.

5. CHANGES IN THE COMPOSITION OF THE GROUP

Sasfin's wholly owned subsidiary, Sasfin Wealth Proprietary Limited (Sasfin Wealth), entered into a sale of shares agreement in terms of which, *inter alia*, Sasfin Wealth disposed of its 21.10% interest in its associate, Efficient Group Limited, for a disposal consideration of R146.261 million. The disposal was concluded on 3 December 2020.

6. RELATED PARTIES

There has been no material change, by nature or amount, in transactions with related parties since the 2020 financial year-end.

7. ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE

There has been no significant change to management's estimates in respect of new accounting standards, amendments and interpretations to existing standards that have been published which are not yet effective and which have not yet been adopted by the Group.

8. SUBSEQUENT EVENTS

On 11 February 2021 the Land Bank repaid 12% of the capital outstanding on the Land Bank Bills held by Sasfin. The gross amount of the Bills, at 31 December 2020, was R470 million.

COMMENTARY

PURPOSE

We contribute to society by going beyond a bank to enable growth in the businesses and global wealth of our clients.

FINANCIAL PERFORMANCE

Sasfin posted headline earnings for the six months ended 31 December 2020 of R26.896 million (2019: R78.702 million). The decline in profit is primarily due to increased International Financial Reporting Standards (IFRS) 9 credit impairment provisions, as a result of the impact of Covid-19 and the associated lockdowns on South African businesses.

Total income declined by 1.45% for the period, positively impacted by improved margins in Sasfin Bank and increased revenue in the Wealth Pillar, but offset by lower loans and advances as well as a decline in fair value valuations.

Proactive cost management saw total costs decline by 6.55%, resulting in the Group's cost-to-income ratio improving by 3.85% to 70.48% (2019: 74.33%).

FINANCIAL AND CAPITAL POSITION

The Group's balance sheet remains strong, with cash and near cash, net of Land Bank bills (2020) and repurchase agreements, at R2.338 billion (2019: R2.433 billion, including Land Bank bills). Total deposits declined 3.08% to R4.831 billion (2019: R4.983 billion).

Total assets declined 13.57% to R12.555 billion (2019: R14.527 billion), with net loans and advances contracting 13.42% to R6.360 billion (2019: R7.346 billion), caused by lower demand and the conservative credit approach adopted during the Covid-19 lockdowns.

After consideration of the guidance from the Prudential Authority (PA) of the South African Reserve Bank (SARB) outlined in Guidance Note 3 of 2021 and the continued recommendation that banks act prudently and preserve capital, the Board has decided not to declare an interim ordinary and preference share dividend for the period ended 31 December 2020. The Group's capital adequacy ratio (unaudited) remained stable at 17.07% (2019: 17.06%). In addition, the liquidity coverage and net stable funding ratios remain strong and above minimum requirements.

Following multiple cautionary announcements, the first of which was issued on 30 September 2020, Sasfin has obtained the consent of the SARB's PA in terms of the Regulations relating to Banks, 2012 to proceed with the proposed repurchase of its preference shares. Sasfin will be announcing the terms of the proposed repurchase shortly.

CREDIT PERFORMANCE

With South African businesses under continued pressure, we have experienced higher arrears, an increase in our credit loss coverage ratio to 9.38% (2019: 5.58%) and the doubling of our credit loss ratio to 240 bps (2019: 122 bps). The profile of our book changed as follows:

- Stage 1 loans (up to date loans): 80.09% of total book (2019: 84.08%)
- Stage 2 loans (overdue loans): 8.76% of total book (2019: 5.43%)
- Stage 3 loans (non-performing loans): 11.15% of total book (2019: 10.49%)

Given the developments at the Land Bank, we have increased the impairment against our exposure to the entity. The Land Bank continues to service interest and repaid 12% of the outstanding capital in February 2021.

SEGMENTAL OVERVIEW

Asset Finance

Asset Finance posted an operating profit of R82.423 million (2019: R101.374 million), representing an 18.69% decline off the back of increased impairments. Income, however, increased 8.94% to R287.938 million (2019: R264.310 million), attributable to better margins offset by lower lending volumes. We continue to diversify the book and expand our offering, with specialised equipment finance growing to 22% of the total Asset Finance book (up from 19% in 2019).

B\\Yond Business Banking

We have merged our foreign exchange operations into this unit, which continues to enhance our integrated digital business client experience while extracting cost efficiencies where appropriate.

Transactional Banking grew revenue 14.02% through increased client volumes, despite lower interest rates. The next step in our digital banking evolution will be to increase the credit offering to small businesses off the back of the Nasira offering.

B\\Yond Business Banking reduced its operating loss by 32.06% to R15.022 million (2019 loss: R22.112 million). This was achieved, largely due to a 9.58% cost saving over the period, following the integration of the business units.

Sasfin Capital (which includes Trade and Debtor Finance)

With effect from 1 July 2020, the Trade and Debtor Finance unit moved into the Capital Pillar. The combined Pillar posted an operating loss of R18.758 million (2019 profit: R11.286 million) largely caused by lower revaluations of the private and property equity portfolios and lower utilisation of facility limits within our Trade and Debtor Finance unit because of declining import volumes and a reduced client base.

Following some realisations at above carrying value, investments at fair value have reduced by 6.20% to R514 million (2019: R548 million). We continue to grow our well-secured specialised finance and property lending book, which is performing to expectation. These loans typically include profit participation, which provides potential for good medium-term revenue growth.

Our Trade and Debtor Finance unit, where we have focused much attention on enhancing credit quality, recorded relatively good credit performance in the year. The lower utilisation resulted in reduced income levels, which were offset by lower costs.

Sasfin Wealth

Sasfin Wealth increased its operating profit by 82.65% to R56.546 million (2019: R30.958 million), in part attributable to the sale of its 21.10% interest in Efficient Group (Proprietary) Limited for R146.2 million. The transaction was concluded on 3 December 2020 at a profit of R12.225 million which has been recognised in the income statement. Excluding this sale, the performance was still strong, with operating profit increasing by 13.15% to R35.030 million (2019: R30.938 million) due to record growth in assets under advice and management (collectively AUM) to R51.8 billion (2019: R44.1 billion), and with foreign assets now comprising 27.80% of total AUM. Included in total income is a further negative fair value adjustment of R6.400 million on our Land Bank bond holdings.

Wealth's investment into distribution, and strong investment performance, continue to drive strong net inflows, particularly into institutional AUM managed by Sasfin Asset Managers (SAM). The business continues to invest in building out its depth and breadth of talent as well as its distribution capability. Last month, SAM was awarded a third consecutive Raging Bull award for its BCI Flexible Income Fund. We continue to strengthen our investment and distribution teams.

PROSPECTS

In the wake of Covid-19, Bradley Fried, chairman of the Bank of England, recently commented:

“2020 – the year of survival; 2021 – the year of repair; 2022 – the year of renewal and 2023 – the first year of growth.”

Sasfin emerges from 2020 with a stronger balance sheet and lower cost base. In the last 12 months, Sasfin has created over R300 million in credit provisions to appropriately recognise the risk of clients potentially not being able to meet their obligations, and which consider the economic outlook. Furthermore, Sasfin ensured that it was able to seamlessly service clients remotely and effectively.

In the coming months we aim to:

1. Grow our lending book within the appropriate credit risk profile. The funding and capital are in place to support this growth.
2. Consolidate cost saving gains including further steps in respect of streamlining activities and changing the way we work. We expect to relocate from our Waverley head office in early 2022 and we are in the final stages of negotiating a lease, which should result in a far-improved client and employee experience and achieve meaningful additional cost savings.
3. Further enhance our client experience and distribution capabilities across the Group to achieve growth in our core businesses.

CONCLUSION

The business credit environment remains exceptionally challenging. Most businesses have seen a meaningful reduction in turnover but are managing to find ways to navigate the current economic challenges; many businesses, however, either are under threat of not surviving the pandemic or have already failed. Furthermore, second degree impacts are to be expected as the reality of lower employment levels sets in, and the various forms of Covid-19 relief come to an end.

We will continue to do what we can to support all of our clients in this very challenging economy, while retaining a cautious approach to credit. Investment markets have been resilient, and our Wealth business has delivered stellar investment performance for our clients. We are well placed to continue to enable our clients to grow their businesses and global wealth.

INTERIM ORDINARY SHARE AND PREFERENCE SHARE CASH DIVIDENDS

Ordinary share dividend

After consideration of the guidance from the Prudential Authority of the South African Reserve Bank outlined in Guidance Note 3 of 2021 and the continued recommendation that banks act prudently and preserve capital, the Board has decided not to declare an interim ordinary dividend for the period ended 31 December 2020.

Preference share dividend

The preference shares are non-redeemable, non-cumulative and non-participating. Preference shareholders are entitled to receive dividends out of the profits of Sasfin Holdings that it determines to distribute. Given the financial performance of the Group, the Board has not declared a preference dividend for the period ended 31 December 2020.

CORPORATE DETAILS

Country of incorporation and domicile	South Africa
Independent Non-Executive Chair	Roy Andersen*
Executive Directors	Michael Sassoon (Chief Executive Officer) Angela Pillay (Group Financial Director)
Independent Non-Executive Directors	Deon de Kock Eileen Wilton Grant Dunnington** Mark Thompson Richard Buchholz (Lead) Thabang Magare
Non-Independent, Non-Executive Directors	Gugu Dinga Nontobeko Ndhlazi Roland Sassoon Shaun Rosenthal (Alternate)
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	Sasfin Capital (a member of the Sasfin Group)
Independent sponsor	Deloitte & Touche Sponsor Services Proprietary Limited
Auditors	PwC
Registered office	29 Scott Street Waverley, Johannesburg, 2090 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

* Exemption from Directive 4 of 2018 (issued by the Prudential Authority) granted by the PA until March 2023.

** Exemption from Directive 4 of 2018 (issued by the Prudential Authority) granted by the PA until the Group's 2021 AGM.

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 or consequential loss or damage. Forward-looking statements have not been reviewed nor reported on by the Group's external auditors.

