SASFIN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa) Registration Number 1987/002097/06)

Ordinary share code: SFN ISIN: ZAE000006565 Preference share code: SFNP ISIN: ZAE000060273

("the Group")

SASFIN HOLDINGS LIMITED / SASFIN BANK LIMITED CAPITAL ADEQUACY – QUARTERLY REPORT 30 June 2018

Sasfin Holdings Limited and Sasfin Bank Limited capital structure, capital adequacy, leverage and liquidity coverage ratios at 30 June 2018 are disclosed below.

Sasfin Holdings Limited and Sasfin Bank Limited are required in terms of Regulation 43(1)(e)(ii) of the Banks Act, No 94 of 1990, as amended, of South Africa, and Regulations, to report on their capital management plan, capital strategy, capital structure, capital adequacy and leverage ratio publicly.

The Group's capital management plan and strategy are fully disclosed in the Group's 2017 Integrated Report and the 2017 Audited Annual Financial Statements which are available at www.sasfin.com or from the Company Secretary.

| | | Sasfin Holdings Limited | | | | Sasfin Bank Limited and Subsidiaries | | | | | Sasfin Bank Limited | | | | | |
|---|---|---------------------------|------------------------------|---------------------------------|----------------------------------|--------------------------------------|---------------------------|------------------------------|---------------------------------|----------------------------------|-----------------------------|---------------------------|------------------------------|---------------------------------|----------------------------------|-----------------------------|
| | Key metrics | R'000 June 2018 (T) | R'000 March 2018 (T-1) | R'000 December 2017 (T-1) | R'000 September 2017 (T-2) | R'000 June 2017 (T-3) | R'000 June 2018 (T) | R'000 March 2018 (T-1) | R'000 December 2017 (T-1) | R'000 September 2017 (T-2) | R'000 June 2017 (T-3) | R'000 June 2018 (T) | R'000 March 2018 (T-1) | R'000 December 2017 (T-1) | R'000 September 2017 (T-2) | R'000 June 2017 (T-3) |
| 1 | Available capital (amounts) Common Equity Tier 1 (CET1) | 1 470 934 | 1 470 810 | 1 481 239 | 1 426 762 | 1 367 515 | 1 203 943 | 1 223 238 | 1 229 436 | 1 218 815 | 1 200 411 | 934 416 | 956 118 | 969 229 | 929 470 | 939 313 |
| 2 | Tier 1 | 1 546 166 | 1 546 044 | 1 575 282 | 1 520 805 | 1 461 558 | 1 203 943 | 1 223 238 | 1 229 436 | 1 218 815 | 1 200 411 | 934 416 | 956 118 | 969 229 | 929 470 | 939 313 |
| 3 | Total capital Risk weighted assets (amounts) Total risk- weighted | 1 581 082 | 1 564 265 | 1 597 780 | 1 545 327 | 1 486 780 | 1 235 189 | 1 242 248 | 1 254 507 | 1 246 365 | 1 227 988 | 958 148 | 971 088 | 990 258 | 953 172 | 963 045 |
| 4 | assets (RWA) Risk-based capital ratio's as a percentage of RWA Common Equity Tier 1 | 9 739 147 | 9 188 478 | 8 860 353 | 8 857 511 | 8 892 621 | 8 173 516 | 7 527 461 | 7 411 225 | 6 883 776 | 7 417 207 | 6 733 325 | 6 219 936 | 6 147 604 | 5 498 747 | 6 181 858 |
| 5 | ratio (%) | 15.103 | 16.007 | 16.718 | 16.108 | 15.378 | 14.730 | 16.250 | 16.589 | 17.706 | 16.184 | 13.877 | 15.372 | 15.766 | 16.903 | 15.195 |
| 6 | Tier 1 ratio (%) Total capital | 15.876 | 16.826 | 17.779 | 17.170 | 16.436 | 14.730 | 16.250 | 16.589 | 17.706 | 16.184 | 13.877 | 15.372 | 15.766 | 16.903 | 15.195 |
| 7 | ratio (%) Additional CET1 buffer requirements as a | 16.235 | 17.024 | 18.033 | 17.447 | 16.720 | 15.112 | 16.503 | 16.927 | 18.106 | 16.556 | 14.229 | 15.613 | 16.108 | 17.334 | 15.579 |

| | percentage of RWA Capital conservation buffer requirement | | | | | | | | | | | | | | | | |
|----|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|--|
| 8 | (2.5% from 2019) (%) Countercyclical buffer | 1.875 | 1.875 | 1.250 | 1.250 | 1.250 | 1.875 | 1.875 | 1.250 | 1.250 | 1.250 | 1.875 | 1.875 | 1.250 | 1.250 | 1.250 | |
| 9 | requirements (%) Total of bank CET1 specific buffer | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | |
| 11 | requirements (%) CET1 available after meeting the bank's minimum | 1.875 | 1.875 | 1.250 | 1.250 | 1.250 | 1.875 | 1.875 | 1.250 | 1.250 | 1.250 | 1.875 | 1.875 | 1.250 | 1.250 | 1.250 | |
| 12 | capital requirements (%) Basel III leverage ratio Total Basel III leverage ratio | 9.603 | 10.507 | 10.718 | 10.108 | 9.378 | 9.230 | 10.750 | 10.589 | 11.706 | 10.184 | 8.377 | 9.872 | 9.766 | 10.903 | 9.195 | |
| 13 | exposure measure Basel III leverage ratio (%) (row 2/ | 13 907 040 | 13 907 040 | 13 338 513 | 13 046 766 | 12 727 748 | 11 995 049 | 11 995 049 | 11 488 764 | 10 641 153 | 10 912 675 | 7 348 462 | 8 546 668 | 7 873 029 | 7 539 578 | 7 968 039 | |
| 14 | row 13) Liquidity Coverage Ratio | 11.118 | 11.117 | 11.810 | 11.657 | 11.483 | 10.037 | 10.198 | 10.701 | 11.454 | 11.000 | 12.716 | 11.187 | 12.311 | 12.328 | 11.789 | |
| 15 | Total HQLA | | | | | | | | | | | 669 498 | 743 380 | 842 637 | 592 868 | 545 943 | |
| 16 | Total net cash outflow | | | | | | | | | | | 369 234 | 377 798 | 348 891 | 295 782 | 333 360 | |
| 17 | Net Stable Funding Ratio | | | | | | | | | | | 181 | 197 | 242 | 200 | 164 | |
| 18 | Total available stable funding | | | | | | | | | | | 4 984 714 | 5 082 731 | 4 901 061 | 4 565 397 | 4 911 513 | |
| 19 | Total required stable funding | | | | | | | | | | | 4 802 770 | 4 420 682 | 4 159 529 | 4 203 833 | 4 464 399 | |
| 20 | NSFR ratio (%) | | | | | | | | | | | 104 | 115 | 118 | 109 | 110 | |

| | | Sasfin Holdings Limited | | | Sasfin Ban | nk Limited and Su | ubsidiaries | Sasfin Bank Limited | | | |
|----|---|-------------------------|------------|----------------|---------------|-------------------|----------------|---------------------|----------------|----------------|--|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | |
| | | Risk | Risk | Minimum | Risk | Risk | Minimum | Risk | Risk | Minimum | |
| | | weighted | weighted | capital | weighted | weighted | capital | weighted | weighted | capital | |
| | | assets | assets | requirements * | assets | assets | requirements * | assets | assets | requirements * | |
| | Risk weighted assets | | March 2018 | | | March 2018 | | June 2018 | March 2018 (T- | | |
| | | June 2018 (T) | (T-1) | June 2018 (T) | June 2018 (T) | (T-1) | June 2018 (T) | (T) | 1) | June 2018 (T) | |
| | Overview of Risk weighted assets | | | | | | | | | | |
| 1 | Credit risk (excluding counterparty credit risk) (CCR) | 6 574 987 | 5 943 439 | 731 467 | 5 760 393 | 5 214 826 | 640 844 | 5 016 007 | 4 595 771 | 558 031 | |
| 2 | Of which: standardised approach (SA) | 6 574 987 | 5 943 439 | 731 467 | 5 760 393 | 5 214 826 | 640 844 | 5 016 007 | 4 595 771 | 558 031 | |
| 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) | 134 684 | 107 468 | 14 984 | 134 684 | 107 468 | 14 984 | 128 869 | 107 368 | 14 337 | |
| 7 | Of which: standardised approach for counterparty credit risk | 134 684 | 107 468 | 14 984 | 134 684 | 107 468 | 14 984 | 128 869 | 107 368 | 14 337 | |
| 8 | Of which: internal model method (IMM) | - | - | - | - | - | - | - | - | - | |
| 9 | Of which: other CCR | - | - | - | - | - | - | - | - | - | |
| 10 | Credit valuation adjustment (CVA) | 5 729 | 5 729 | 637 | 5 729 | 5 729 | 637 | 5 729 | 5 729 | 637 | |
| 11 | Equity positions under the simple risk weight approach | - | - | - | - | - | - | - | - | - | |
| 12 | Equity investments in funds - look-through approach | - | - | - | - | - | - | - | - | - | |
| 13 | Equity investments in funds - mandate-based approach | - | - | - | - | - | - | - | - | - | |
| 14 | Equity investments in funds - fall back approach | - | - | - | - | - | - | - | - | - | |
| 15 | Settlement risk | - | - | - | - | - | - | - | - | - | |
| 16 | Securitisation exposures in banking book | 592 511 | 604 336 | 65 917 | 592 511 | 604 336 | 65 917 | 592 511 | 604 336 | 65 917 | |
| 17 | Of which: securitisation internal ratings-based approach (SEC-IRBA including internal | | | | | | | | | | |
| | assessment approach (IAA) | - | - | - | - | - | - | - | - | - | |
| 18 | including internal assessment approach (IAA) | - | - | - | - | - | - | - | - | - | |
| 19 | Of which: securitisation standardised approach (SEC-SA) | 592 511 | 604 336 | 65 917 | 592 511 | 604 336 | 65 917 | 592 511 | 604 336 | 65 917 | |
| 20 | Market risk | 162 594 | 83 691 | 18 089 | 162 594 | 83 691 | 18 089 | 1 606 | 3 815 | 179 | |
| 21 | Of which standardised approach (SA) | 162 594 | 83 691 | 18 089 | 162 594 | 83 691 | 18 089 | 1 606 | 3 815 | 179 | |
| 22 | Of which internal model approaches (IMM) | - | _ | - | - | - | - | _ | - | - | |
| 23 | Capital charge for switch between trading book and banking book | - | _ | - | _ | - | _ | _ | _ | - | |
| 24 | Operational risk | 1 491 169 | 1 433 563 | 159 484 | 956 476 | 910 155 | 89 938 | 755 807 | 704 246 | 51 390 | |
| 25 | Amounts below the thresholds for deduction (subject to 250% risk weight) | 450 139 | 465 048 | 50 078 | 310 688 | 322 448 | 34 564 | - | - | - | |
| 26 | Floor adjustment | 327 337 | 545 204 | 36 416 | 250 441 | 278 808 | 27 862 | 232 797 | 198 671 | 25 899 | |
| | Total | 9 739 147 | 9 188 478 | 1 077 072 | 8 173 516 | 7 527 461 | 892 835 | 6 733 325 | 6 219 936 | 716 388 | |
| | | | | | | | | | - | | |

^{*} The minimum capital requirement per risk category is 11.125% which comprises the Base minimum (8.000%) plus the Pillar 2A systemic risk Add-on (1.250%) plus the Capital Conservation Buffer (CCB) (1.8750%).

| | Sasfin Holdings Limited | | Sasfin Bank Limited and | Subsidiaries | Sasfin Bank Limited | | |
|---|-------------------------|------------|-------------------------|--------------|---------------------|------------|--|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | |
| | June | March | June | March | June | March | |
| | 2018 (T) | 2018 (T-1) | 2018 (T) | 2018 (T-1) | 2018 (T) | 2018 (T-1) | |
| Qualifying capital and reserves | | | | | | | |
| Tier 1 capital | 1 546 166 | 1 546 044 | 1 203 943 | 1 223 238 | 934 416 | 956 118 | |
| Common equity tier 1 capital | 1 470 934 | 1 470 810 | 1 203 943 | 1 223 238 | 934 416 | 956 118 | |
| Share capital and premium | 160 103 | 160 103 | 463 476 | 463 476 | 463 476 | 463 476 | |
| Distributable reserves and other | 1 303 975 | 1 312 608 | 672 965 | 749 819 | 446 288 | 452 208 | |
| Prescribed deductions and non-qualifying reserves | 6 886 | -1 859 | 81 699 | 22 387 | 24 653 | 40 434 | |
| Intragroup investments | -30 | -42 | -14 198 | -12 444 | - | - | |

| Additional tion 4 control | | | | | | |
|--|------------------------------------|------------------|------------------------------------|------------------|-----------------------------------|------------------|
| Additional tier 1 capital | 75.224 | 75.224 | | | | |
| Non-redeemable preference share capital | 75 234 | 75 234 | 24.246 | - | - | - |
| Tier 2 capital | 34 915 | 18 221 | 31 246 | 19 010 | 23 732 | 14 970 |
| Sub-ordinated debt | 2 980 | 2 208 | 2 998 | 2 997 | 2 998 | 2 998 |
| General allowance for credit impairment | 31 935 | 16 013 | 28 248 | 16 013 | 20 734 | 11 972 |
| Total qualifying capital and reserves | 1 581 082 | 1 564 265 | 1 235 189 | 1 242 248 | 958 148 | 971 088 |
| Minimum required capital and reserves | 1 077 072 | 1 022 218 | 892 835 | 837 431 | 716 388 | 691 968 |
| Capital adequacy ratios | | | | | | |
| Tier 1 capital (%) | 15.876 | 16.826 | 14.730 | 16.250 | 13.877 | 15.372 |
| Common equity tier 1 (%) | 15.103 | 16.007 | 14.730 | 16.250 | 13.877 | 15.372 |
| Additional tier 1 (%) | 0.772 | 0.819 | - | - | - | - |
| Tier 2 capital (%) | 0.359 | 0.198 | 0.382 | 0.253 | 0.352 | 0.241 |
| Total capital adequacy ratio (%) | 16.235 | 17.024 | 15.112 | 16.503 | 14.229 | 15.613 |
| Minimum required capital adequacy ratio (%) | 11.125 | 11.125 | 11.125 | 11.125 | 11.125 | 11.125 |
| | | | | | | |
| <u> </u> | Sasfin Holdings | | Sasfin Bank Limited a | | Sasfin Bank | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Summary comparison of accounting assets vs leverage ratio exposure | luna 2019 /T\ | March 2018 (T-1) | luno 2019 /T\ | March 2018 (T-1) | luna 2019 (T) | March 2018 (T-1) |
| measure Total consolidated assets as per the published financial statements | June 2018 (T) 14 321 086 | 13 831 383 | June 2018 (T) 12 362 383 | 11 880 548 | June 2018 (T) 8 646 719 | 8 448 596 |
| Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | - | - | - | - | - | - |
| 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 | 218 168 | 170 060 | 218 168 | 170 060 | 199 102 | 169 645 |
| Adjustment for securities financing transactions (i.e. repos/secured | | _ | | _ | | |
| 5 lending | 0 | 0 | - | 0 | - | - |
| Adjustment for off balance sheet items (i.e. conversion to credit | | | | | | |
| 6 equivalent amounts of off balance sheet exposures | 109 656 | 130 651 | 149 588 | 168 015 | 124 790 | 127 993 |
| 7 Other adjustments | (289 528) | (225 053) | (286 732) | (223 574) | (256 630) | (199 566) |
| 8 Leverage ratio exposure measure | 14 359 382 | 13 907 040 | 12 443 407 | 11 995 049 | 8 713 980 | 8 546 668 |
| | Sasfin Holdings | Limited | Sasfin Bank Limited a | nd Subsidiaries | Sasfin Bank | Limited |
| - | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Leverage ratio common disclosure template | June 2018 (T) | March 2018 (T-1) | June 2018 (T) | March 2018 (T-1) | June 2018 (T) | March 2018 (T-1) |
| On balance sheet exposures | | | | | | |
| On balance sheet exposures (excluding derivatives and securities | | | | | | |
| 1 financing transactions (SFT's), but including collateral | 14 144 881 | 13 697 787 | 12 182 965 | 11 746 952 | 8 472 535 | 8 315 695 |
| 2 (Asset amounts deducted in determining Basel III Tier 1 capital | (113 323) | (91 457) | (107 314) | (89 978) | (82 446) | (66 665) |
| Total on- balance sheet exposures (excluding derivatives and SFT's) | | | | | | |
| 3 (sum of rows 1 and 2) | 14 031 558 | 13 606 330 | 12 075 651 | 11 656 974 | 8 390 089 | 8 249 030 |
| Derivative exposures | | | | | | |
| Replacement cost associated with all derivatives transactions (where | | | | | | |
| applicable net of eligible cash variation margin and/or with bilateral | 159 820 | 129 218 | 159 820 | 129 218 | 159 367 | 129 216 |
| 4 netting) | 159 820 | 129 218 | 129 970 | 129 218 | 159 30/ | 129 216 |

40 841

58 348

40 841

39 735

58 348

5 Add on amounts for PFE associated with all derivatives transactions

40

429

| 6 7 | Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | - | - | - | - | - | - |
|---------|--|------------|------------|-------------|------------|------------|------------|
| 8 | (Exempted CCP leg of client-cleared trade exposures) | - | - | - | - | - | - |
| 9 10 | Adjusted effective notional amount of written credit derivatives (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | - | <u>-</u> | - | - - | - | - |
| 11 | Total derivative exposures (sum of rows 4 to 10) | 218 168 | 170 060 | 218 168 | 170 060 | 199 102 | 169 645 |
| | Securities financing transaction exposures | 220 200 | 270 000 | 220 200 | 2.0000 | 200 202 | 0.0 |
| 12 | <u> =</u> | - | - | - | - | - | - |
| 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 | 809 811 | 1 059 688 | 935 290 | 1 155 497 | 698 477 | 783 232 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | (700 155) | (929 037) | (785 702) | (987 482) | (573 687) | (655 239) |
| 19 | Off balance sheet items (sum of rows 17 to 18) | 109 656 | 130 651 | 149 588 | 168 015 | 124 790 | 127 993 |
| 13 | Capital and total exposures | 103 030 | 130 031 | 143 300 | 100 013 | 124 750 | 127 333 |
| 20 | Tier 1 capital | 1 546 166 | 1 546 044 | 1 203 943 | 1 223 238 | 934 416 | 956 118 |
| 21 | Total exposures (sum of rows 3, 11, 16 and 19) | 14 359 382 | 13 907 040 | 12 443 407 | 11 995 049 | 8 713 981 | 8 546 668 |
| 21 | Leverage ratio | 14 333 302 | 13 307 040 | 12 443 407 | 11 555 045 | 8 7 13 361 | 8 540 008 |
| 22 | Basel III leverage ratio | 10.768 | 11.117 | 9.675 | 10.198 | 10.723 | 11.187 |
| | | | | 5.5.5 | | R'000 | R'000 |
| | | | | | | June | June |
| | | | | | | 2018 (T) | 2018 (T) |
| | | | | | | Total | Total |
| | | | | | | unweighted | weighted |
| | | | | | | value | value |
| 1 | High- quality liquid assets Total HQLA | | | | | 669 498 | 669 498 |
| | Cash outflows | | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | | | | | 1 992 370 | 119 395 |
| 3 | Stable deposits | | | | | 1 193 948 | 119 395 |
| 4 | Less stable deposits | | | | | 798 422 | 0 |
| 5 | Unsecured wholesale funding, of which: Operational deposits (all counterparties) and deposits in networks of | | | | | 3 266 805 | 1 010 076 |
| 6 | cooperative banks | | | | | 369 638 | 92 410 |
| 7 | Non-operational deposits (all counterparties) | | | | | 2 897 167 | 917 667 |
| 8 | Unsecured debt | | | | | | |
| 9 | Secured wholesale funding | | | | | | 54 563 |
| 10 | Additional requirements, of which: | | | | | 866 973 | 292 903 |
| | Outflows related to derivative exposures and other collateral | | | | | 47.007 | 47.00- |
| 11 | requirements | | | | | 47 927 | 47 927 |
| 12 | Outflows related to loss of funding on debt products | | | | | - | - |

| 13 | Credit and liquidity facilities | 570 553 | 53 297 |
|----|---|-----------|-----------|
| 14 | Other contractual funding obligations | 183 791 | 183 791 |
| 15 | Other contingent funding obligations | | |
| 16 | TOTAL CASH OUTLOWS | | 1 476 937 |
| | Cash inflows | | |
| 17 | Secured lending | 1 449 749 | 54 562 |
| 18 | Inflows from fully performing exposures | 1 547 998 | 1 547 446 |
| 19 | Other cash inflows | 74 819 | 62 144 |
| 20 | TOTAL CASH INFLOWS | 3 072 566 | 1 664 152 |
| | | | |
| | | | Total |
| | | | adjusted |
| | | | value |

669 498

369 234

181%

21 Total HQLA

- 22 Total net cash outflows
- 23 Liquidity Coverage Ratio (%)

Risk weighted assets flow statements of credit risk exposures under IRB

Sasfin does not use the internal ratings based, but rather the standardised approach, in the calculation of credit risk-weighted assets. This template is therefore not completed.

Risk weighted assets flow statements of CCR exposures under Internal Model Method (IMM)

Sasfin does not use an internal model method, but rather the standardised approach, in the calculation of counterparty credit risk. This template is therefore not completed.

Risk weighted assets flow statements of market risk exposures under an

IMA

Sasfin does not use an internal model approach, but rather the standardised approach, for its market risk exposures. This template is therefore not completed.

Key metrics - TLAC requirements

Sasfin is not a G-SIB. This template is therefore not completed.

The amounts highlighted in yellow cast, however due to the use of the round formula results in a marginal difference when multiplying total risk weighted assets by the regulatory minimum percentage.

1 October 2018

Johannesburg

Sponsor

Sasfin Capital (a member of the Sasfin group)

Independent Sponsor

Deloitte & Touche Sponsor Services (Pty) Ltd