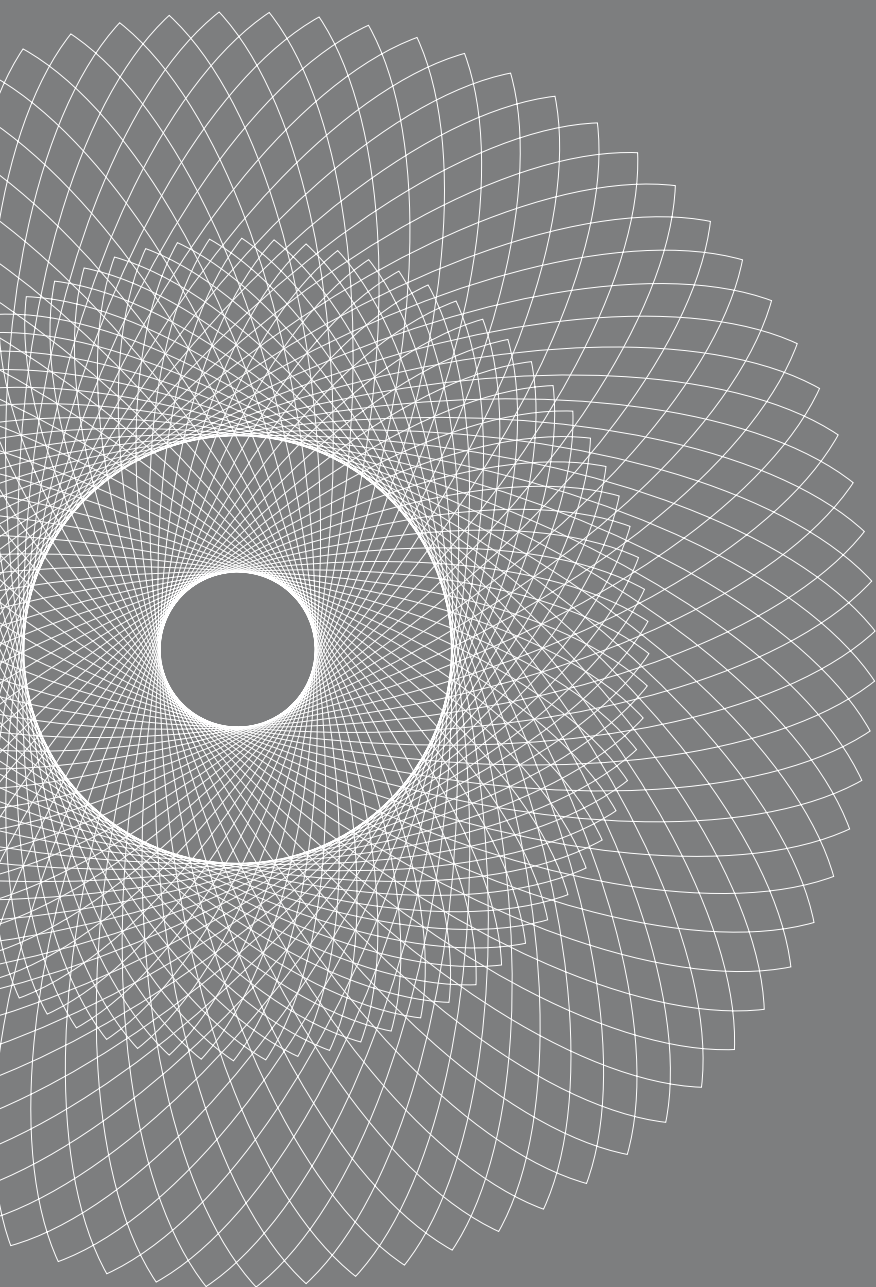


sasfin

HOLDINGS LIMITED

ANNUAL REPORT 2002



“The most important ingredient we put into any relationship is not what we say or what we do, but what we are.” STEPHEN R. COVEY

OUR VISION is to be the preferred bank of the entrepreneur, to which it provides a wide range of complementary products, supported by an intensely personalised service.

OUR MISSION is to facilitate growth and create and protect wealth.

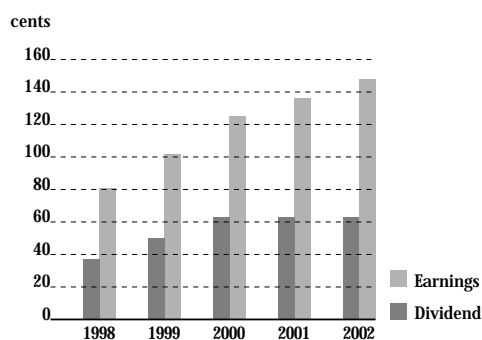
OUR VALUES

- Create a culture of entrepreneurial thinking and innovation
- Practice the highest ethical standards and operate with integrity
- Empower our people to fulfill their potential in a challenging environment with long-term commitment and scope for advancement
- Lead through high levels of customer service and support
- Optimise our services by harnessing the synergies of the Group
- Establish long-term relationships
- Manage risk over a range of economies, business sectors, activities and clients
- Implement innovative cost-effective technology solutions
- Develop a focused and complementary portfolio of banking products and financial services
- Ensure superior returns to shareholders.

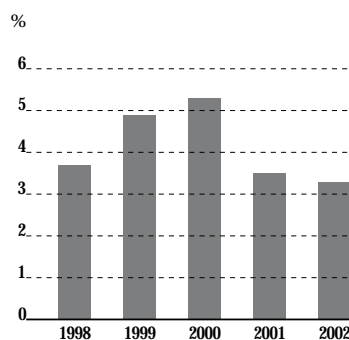
Financial Highlights	2	Directorate: Premier Freight (Pty) Limited	31
Introduction	3	Directors' Responsibility Statement	32
The Board of Directors	4	Auditors' Report	33
Chairman's Report	6	Certificate of the Group Secretary	33
Chief Executive Officer's Report	10	Directors' Report	34
Commercial Finance	17	Balance Sheets	36
Corporate Finance	18	Income Statements	37
Treasury	19	Statements of Changes in Equities	38
Sasfin Frankel Pollak Securities (Pty) Limited	20	Cash Flow Statements	39
Sasfin Financial Advisory Services (Pty) Limited	21	Accounting Policies	40
Premier Freight (Pty) Limited	22	Notes to the Financial Statements	43
Risk Management	23	Group Share Incentive Schemes	61
Corporate Governance	26	Analysis of Ordinary Shareholders	62
Group Structure	28	Notice of Annual General Meeting	63
Directorate: Sasfin Frankel Pollak Securities (Pty) Limited	29	Form of Proxy	67
Directorate: Sasfin Financial Advisory Services (Pty) Limited	30	Contact Details and Shareholders' Diary	INSIDE BACK COVER

This Annual Report can be downloaded in PDF format from www.sasfin.com

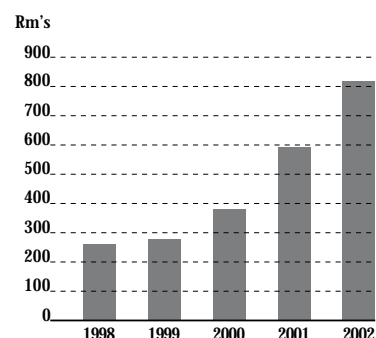
Headline Earnings & Dividend per Share



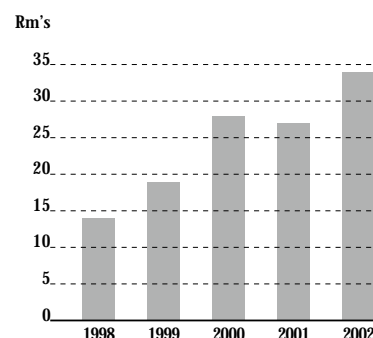
Return on Assets



Gross Advances of the Group



Attributable Income



REVIEW OF HIGHLIGHTS

	2002	2001	2000	1999	1998
Headline earnings (Rm's)	34	30	28	19	14
Earnings attributable to ordinary shareholders (Rm's)	34	27	28	19	14
Headline earnings per share (cents)	148	136	125	102	81
Earnings per share (cents)	148	122	125	102	81
Dividend per share (cents)	63	63	63	50	37
Net tangible asset value per share (cents)	657	569	465	693	662
Return on average equity (%)	24.2	23.1	23.9	15.6	17.0
Return on average total assets (%)	3.3	3.5	5.3	4.9	3.7
Net interest margin (%)	6.0	6.2	9.6	10.5	n/a
Non-interest income to total income (%)	77.9	74.1	64.3	59.7	n/a
Operating expenses to total income (%)	75.7	80.9	73.5	69.3	75.6
Total assets (Rm's)	1,175	932	635	417	354
Total gross advances (Rm's)	816	589	374	278	262
Gross advances growth (%)	38.5	57.5	34.5	6.0	4.9
Group capital to risk weighted assets (%)	15.7	26.7	34.1	n/a	n/a
Bank capital to risk weighted assets (%)	19.3	22.8	52.7	n/a	n/a
Permanent staff complement	499	504	472	268	268

Note: All the financial highlights have been restated due to the change in accounting policy terms of Accounting Statement AC 412 - refer to note 22.

“Friendly to entrepreneurs” is a remark often made by our clients when asked to describe their relationships with Sasfin Bank. While the large retail banks over the last several years have all but done away with branch managers and personal client contact, we at Sasfin are strengthening our focus on building and maintaining personal, face-to-face client relationships around a dedicated client relationship management model.

In this Annual Report, we have departed from our usual approach by focusing on a specific theme - our client relationships at all levels in the Sasfin Group. Long-term relationships are at the core of the Sasfin philosophy - the kind which are built on trust, mutual respect, and the understanding of our clients' requirements. This is what we continually strive for.

When developing the “Relationship” theme, we were acutely aware that, very often, you are judged by those clients who are omitted and by what is not said. We took the view that since our clients would be interviewed by an independent journalist and that no-one from Sasfin would be directly involved in the interview process, we could justify the inclusions objectively.

We accept that not every client could be canvassed for an opinion, and there may be those who do not feel as positively toward Sasfin as those quoted in this Annual Report. Those clients are invited to contact any of the Group's Executive Directors to voice their views, which will be taken seriously and responded to with alacrity.

We were overwhelmed by the number of clients who were willing to be quoted.

There were many who were constrained by legal, confidentiality or corporate policy restrictions from participating, but otherwise, were eager to do so. Owing to space constraints, we have not been able to include any more than one client from each specific area of business.

We thank everyone who participated, or who indicated a willingness to participate, for their co-operation and support in this regard. Each client quoted in this Annual Report has consented to the publication of their name, business details and the content of their quote in the context in which it appears in this publication.

At Sasfin, banking is about relationships. We understand that we cannot be all things to all people, but to our client, we must be everything – a sentiment which is embraced by our Group strapline of “unlimited financial horizons”. This has proved ever truer as the Group has developed from a finance house to a fully-fledged banking group operating within a broader financial services context, but aimed at focused market segments.

We feel it is our ability to develop deep, long-standing relationships with our clients which is our key differentiator and our

competitive advantage. This applies, not only in the commercial finance lending businesses, but also throughout our private client wealth-management business and our specialist consulting and advisory businesses and the other businesses too.

Our Group has come a long way in the 51 years that Sasfin has been in business. This year we decided that our corporate identity needed a re-vamp, to better reflect our identity - a reputable, experienced, solid banking group, recognised for delivering innovative, client-focused solutions for corporate, commercial and private clients.

Sasfin Bank today offers its clients an array of banking and financial services - treasury, commercial finance, corporate finance, asset management and stockbroking, freight clearing and forwarding, and financial advisory services (including healthcare consulting, employee benefits and personnel services). We hope to continuously refine these offerings in line with client requirements, and to supplement or withdraw products as necessary. We remain committed, though, to delivering product and service of undoubted quality and integrity.

We hope you enjoy the read!

“What I like about Sasfin is that I don't need to doubt their integrity. They are always there for me and I have confidence in what they do and what they offer. I've become a financially sounder individual through them.”

ANDRE DE VILLIERS - ADV Investments (Tax consultancy)



MB GLATT

Non-Executive Chairman

(Chairman of Remuneration Committee)
Martin Glatt's experience covers the broad spectrum of merchant banking, finance, business and corporate affairs. He is chairman of a number of other companies.

ETB BLIGHT

Non-Executive Director

(Chairman of the IT Steering and Audit & Compliance Committees)
Eddie Blight retired from Barclays/First National Bank after 44 years' service having been General Manager Internal Audit, Security & Risk Management. He was also a director of the FNB Group Y2K project. Presently he is a director of two private companies.

ML SMITH

Non-Executive Director

Marius Smith started his career with Sanlam and thereafter held managerial positions at both Bank of Johannesburg and Senbank. He was Senior General Manager of Trust Bank. His last full-time position was at Metropolitan Life, where he was Managing Director and retired after 12 years' service with the company.

RDEB SASSOON

Chief Executive Officer

Roland Sassoon had 10 years' experience with factoring, leasing, export shipping and confirming companies before joining the Group 23 years ago as Chief Executive.

AW GREENSTEIN

Executive Director

Alan Greenstein has 15 years' experience across the broad spectrum of financial services, including retail and private banking, asset management, insurance and corporate finance. He is the Chief Executive Officer of Sasfin Frankel Pollak Securities (Pty) Limited, and has overall responsibility for the Group's IT and Marketing Divisions.

JJ VAN DER WATT

Executive Director

Jeff van der Watt has over 20 years banking experience of which nine years have been at General Management/Executive level. He is responsible for the Commercial Finance Division.

CN AXTEN

Non-Executive Director

(Chairman of the Risk Management and Credit Committees)
Norman Axten served the Barclays/First National Bank Group for 42 years and retired as Senior General Manager. He was also Chief Executive of the Banking Council and is presently a director of a number of other companies.

D PAIZES

Non-Executive Director

Dennis Paizes' experience covers the financial services industry. He started his career with Union Acceptances and thereafter held managerial positions at Manufacturers Life Insurance, Liberty Life and AA Mutual. He retired in March 1996 as Managing Director of Fedsure Asset Management Company. He is currently chairman of a number of societies and pension funds and also holds directorships in a number of other companies.



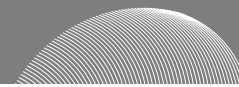
It gives me great pleasure to present the fifteenth Annual Report of Sasfin Holdings Limited since its listing on the JSE Securities Exchange South Africa.

THE ECONOMY

The past year has been an extraordinary one for world economies. The global slowdown already in evidence a year ago plumbed new depths, particularly in the US, after 9/11. In my chairman's statement a year ago I ventured to suggest that the pace and magnitude of monetary relaxation by the world's central banks would hopefully avert a steep recession. This now seems less likely, given the structural fault-lines appearing in the US economy, where declining corporate profitability and diminishing investment returns mark the end of a 19-year bull market.

The foreign investment flows which supported the dollar and the US financial markets for so long have slowed to a trickle, and the dollar's status as a safe haven is now in jeopardy. The Federal Reserve dropped interest rates no less than 11 times in a row in an effort to kick-start recovery, and though interest rates are now at their lowest levels since 1929, the hoped-for consumer-led recovery has not translated into improved corporate profitability. This is a worry, not just for the US, but the entire global economy.

The decline in US financial markets coincides with a crisis of public confidence in Wall Street. Many are questioning the entire basis and integrity of financial reporting on Wall Street, as hardly a week passes without some new disclosure of corporate malfeasance and accounting irregularities.



Deplorable though such practices are, they are likely to lead to more standardised and transparent accounting procedures around the globe, which will be to the benefit of all. Full disclosure and transparency are the bedrock on which the market economy is founded, and where these are perverted, mal-investment occurs.

On the domestic front, the South African economy has held up surprisingly well over the past year, though we should caution against complacency. During the year under review, the rand declined by 29% against the US dollar, adding to inflationary pressures and forcing the South African Reserve Bank to tighten monetary policy.

A laundry list of reasons has been proffered in explanation of this weakness, but they can be summarised as a lack of confidence in the South African economy. While we may berate foreign investors for their poor sense of geography, the reality is that South Africa's image is contaminated by the catastrophe unfolding in Zimbabwe. The tacit and often overt support for President Mugabe, his electoral chicanery notwithstanding, has not gone unnoticed elsewhere in the world.

The Government can and should do more to promote and raise the level of confidence in the country. The newly formed African Union may be the ideal platform from which to demonstrate the regional leadership to which South Africa aspires. Taking a firm stand against delinquent African leaders would help de-couple South Africa from its northern neighbour in the eyes of the world.

Crime prevention remains an area requiring far more urgency, though pockets of progress

have been achieved, such as those in the CBDs of Johannesburg and Cape Town. The Government has the unenviable task of addressing the root causes of crime - poverty and unemployment - under particularly trying circumstances. Another issue of concern is Government's predilection for interfering in the economy in areas such as mining and energy. While its intentions are noble and few dispute the need to redress historical economic imbalances, the consequences of rash action may do irreparable harm to the economy.

Government deserves strong praise for its fiscal management and modest budgetary deficits at a time when populist pressures are overwhelming. It must on the one hand attempt to close the poverty gap in a country of glaring wealth and income disparities, and on the other create a business-friendly environment capable of generating jobs and economic growth. This is no easy task. Improved tax collection by the SA Revenue Service is good news for the country as it results in a more equitable spread of the tax burden and reduces Government's annual borrowing requirement. Hopefully the benefits of this improved tax collection will translate into lower corporate and personal income tax rates, which in turn will boost national savings and investment rates and contribute to stronger economic growth.

The coming year will be a difficult one for global economies and South Africa will not escape this contagion. On a more positive note, the weak rand has had a salutary impact on the country's export performance which augurs well for the economy, particularly the current account and currency stability. Interest rates should start declining in 2003,

which will be beneficial for the economy and the banking industry in general.

THE BANKING INDUSTRY

When the main operating subsidiary, Sasfin Bank Limited, was granted a banking licence on 1 July 1999, there was a proliferation of banks and financial services companies operating in South Africa, and competition was fierce.

Arising from globalisation on the one hand, and poor corporate governance and cronyism on the other, the "Asian contagion", which started in 1999, resulted in the failure of many banks and other companies in the Far East. The contagion soon spread to other emerging markets, such as Turkey and Argentina. This, combined with structural problems within the South African economy, culminated in a crisis in the small to medium-sized bank sector. It is noteworthy that in excess of 20 South African banks have been, or are in the process of being, deregistered since 2000.

Having analysed the cause of bank failures in South Africa, it is clear that, whereas the contagion may have been the last straw, the main underlying causes were in fact:

- poor lending disciplines, in both micro-loan and business lending. This was by far the biggest cause of bank failure;
- small to medium-sized banks trying to compete with the big banks on their turf, by offering products such as mortgage lending that require major financial and infrastructural muscle;
- speculative derivative trading; and
- the use of deposits for activities not related to lending.

None of these situations applies to Sasfin. Sasfin has been in existence for 51 years, and during most of this time it has been successfully lending to the same target market of growing businesses.

Nevertheless, being a small bank in South Africa over the past two years has not been easy, for several reasons:

- depositors, understandably, are very nervous;
- banks have high regulatory and corporate governance compliance costs; and
- there was unprecedented volatility in the rand, an unexpected reversal of declining interest rates and a weak economy with disappointing growth and an increase in business failures.

Generally speaking, the big banks are no longer in a position to provide the nurturing service required by emerging businesses. With the departure of so many small to medium-sized banks, there is something of a vacuum in the market for financing developing businesses, which places Sasfin, with its highly personalised service, in an excellent position to increase its share of this strategically important market.

FUNDING

Sasfin's funding formula has proved to be very resilient in these troubled times. The three primary sources of funding are:

- medium-term funding for instalment financing from securitisation, where liability terms are matched with assets;

- short-term funding for foreign trade financing from offshore capital and bank facilities; and
- short-term funding for debtor finance from deposits, largely from private clients, with whom Sasfin has long-standing personal relationships.

Of the bank's total advances of R816 million, R568 million was securitised, and the balance borrowed in the money market, mainly from clients. Due to the strength of these client relationships, Sasfin escaped the funding crisis faced by other small and medium-sized banks whose primary source of funding was corporates and institutions, which tend to be fickle investors. Sasfin deliberately avoided courting institutional funding, knowing full well the dangers of doing so.

Sasfin supplemented its solid and stable funding base with high levels of liquidity due to the small bank crises, notwithstanding the negative impact on funding costs. This position will be maintained until market conditions have stabilised.

FINANCIAL PERFORMANCE

In the year under review Sasfin's attributable income was R34,4 million (2001: R27,2 million) and headline earnings per share 148 cents (2001: 136 cents). Return on average equity was 24.2% (2001: 23.1%) and return on average total assets was 3.3% (2001: 3.5%).

It is important to note that much of Sasfin's capital is invested in hard currencies, which insulated the bank to a large degree against

rand weakness. The devaluation of the Rand, therefore, had a major and positive impact on financial performance.

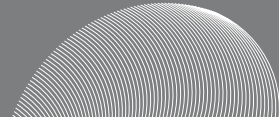
Considering the poor economy and the difficulties experienced by small banks, these results are considered to be satisfactory.

THE BUSINESS MODEL

The thinning out of the small banking sector is positive for the survivors such as Sasfin, which aims to be the pre-eminent South African banking group servicing the entrepreneur, whether private, commercial or corporate. This will be achieved by maintaining a very strong service ethic and by continuing to develop an intimate understanding of clients' requirements. In this way Sasfin is well positioned to meet the financing needs of clients as and when they arise. By their very nature, emerging businesses cannot plan their financing needs as meticulously as mature businesses and therefore require a bank that can respond quickly to changing circumstances. Sasfin has the experience, expertise and infrastructure to respond appropriately to these situations.

A banking and financial services home is created for clients by Sasfin's wide range of facilities and services. These include:

- commercial financing in the forms of trade, debtor and equipment financing;
- corporate financial services in the form of mergers and acquisitions, listings, securitisation services and private equity;



- freight services including forwarding and customs clearing;
- personal financial services, including investment management, stockbroking, fiduciary and custodial services, healthcare consulting, pension fund administration, insurance broking and recruitment services; and
- treasury services.

Group philosophy is that each business unit must be competitive and independently viable without leveraging cross-selling opportunities. Cross-selling is an important component of the business model, resulting in increased revenue streams per client, and hence improved profitability. Sasfin intends to develop customer relationship management in the next financial year to further increase the number of revenue streams per client.

OUTLOOK FOR THE YEAR AHEAD

With inflation and interest rates likely to resume their downward trend in 2003, most economic forecasts for the ensuing financial year are for an improvement in economic growth. However, having seen how unexpected events in one region can spill over into others, I must add a cautionary caveat in the light of current global and regional instability. Nevertheless, with the increased market share that Sasfin should

gain, we are well placed to increase volumes and margins in our lending divisions.

An improvement in the economy will also impact favourably on our private client, corporate finance and freight divisions.

During the year under review Sasfin made substantial improvements in efficiencies in each of its operating divisions. This process is ongoing and a reduction in the cost-to-revenue ratio is expected in the year ahead.

CORPORATE GOVERNANCE

Sasfin has in the past two years radically enhanced its Corporate Governance. While the cost of Corporate Governance, including compliance with bank regulations, is extremely high, Sasfin has benefited from the resultant checks and balances, transparency and depth of management. The high level of Corporate Governance introduced will stand Sasfin in good stead as it continues to grow.

Sasfin's board of directors comprises four independent non-executive directors, three executive directors and one non-executive director, each of whom is well qualified and highly experienced.

APPRECIATION

I welcome Jeff van der Watt as a director to the boards of both Sasfin Holdings Limited

and Sasfin Bank Limited. Jeff, who heads up the Commercial Finance division, was previously the managing director of a major debtor financing company.

I extend my appreciation to all the Group's directors, executives and staff for their dedication and focused efforts. I also thank all our clients, credit insurers and professional advisors for their loyalty and support. In particular I express my thanks to the Registrar of Banks and his office for their sound guidance.

MARTIN B GLATT
Chairman
2 September 2002

“Sasfin has looked after us when the big banks have turned us away. We view them as family, or partners, rather than financial suppliers. They genuinely get excited for us, and call us, when success comes our way.”

ARNOLD GARBER - Compu-Clearing Outsourcing Ltd (providers of systems to the customs clearing and freight forwarding fraternity)

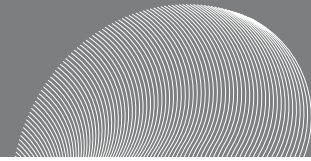


During the past year there was a vicious cycle of bank failures, which resulted in a significant depopulation of the banking sector, including some banks choosing to hand back their licences.

Given the concerns over the stability of the small banking sector, there was a flight by depositors to size. Sasfin withstood this crisis due to its conservative approach towards its lending and funding activities. Not only did this crisis make it difficult to attract deposits, but the Group felt it necessary to maintain an abnormally high level of liquidity during this time to meet any potential exceptional demand for withdrawals. This came at considerable cost and took its toll on profitability. It is most gratifying to note that deposits remained steadfast throughout this period. As pointed out in the Chairman's report, the reliance on securitisation of receivables and a more stable private client deposit base, rather than fickle corporate and institutional funding, protected us from this banking crisis. I believe that, in time, the dust will settle and the markets will again become more conducive to increasing the deposit base.

Due to the reduction in the number of small and medium-sized banks, coupled with the focus of the big banks on the corporate and mass markets, there has been a considerable reduction in competition in lending operations. This should enable the Group, over time, to improve margins, while continuing, as always, to maintain a conservative lending policy.

In December 2001 new regulations regarding securitisation were issued, which are in line with the developed world and which create a high level of bankruptcy remoteness.



Sasfin complied with these regulations by significantly re-engineering the structure of its securitisation special purpose vehicle, now named Equipment Rentals Securitisation No. 1 (Pty) Limited ("ERS"). This included the replacement of over-collateralisation previously provided by Sasfin with outside term funding. Ironically, although Sasfin has now achieved the required level of bankruptcy remoteness for ERS, in terms of Generally Accepted Accounting Practice, Sasfin is now required to consolidate ERS into its Group annual financial statements.

RESULTS

Attributable earnings increased by 26.8% to R34,4 million. The effect of the ERS consolidation resulted in the elimination of intra-Group transactions which, together with increased provisions for credit losses arising, inter alia, from external fraud, negatively affected profits. This was more than offset by a significant net translation gain resulting from the depreciation of the Rand.

Other items that have adversely impacted on these results were:

- immediately expensing all costs related to new equipment rental business;
- losses incurred in the development of the Debtor Finance division, which will only reach the critical mass necessary to break even during the 2003 financial year;
- the liquidity crisis effecting small and medium-sized banks which necessitated a particularly high level of liquidity, with a consequent impact on profits;
- the depressed stock exchange which has

affected the stockbroking and corporate finance divisions;

- an unexpected increase in interest rates which reduced lending margins and volumes and increased credit risk;
- turnover volumes and margins in these difficult times have, in certain areas, not yet reached the levels necessary to justify the high fixed costs associated with the Corporate Governance requirements in banking and other regulated activities; and
- substantial spending on IT systems development, the benefit of which will only accrue in future years.

The cost to revenue ratio of 75.7% (2001: 80.9%) leaves considerable scope for improvement and, with this in mind, Sasfin has embarked on a significant cost cutting exercise. The general provision for bad and doubtful advances remains conservative in relation to the historic levels of bad debts.

In the circumstances, I regard these results as satisfactory.

CAPITAL ADEQUACY

At 30 June 2002, the bank's capital adequacy ratio stood at 19.3% (2001: 22.8%), comfortably above the required minimum of 10%.

INFRASTRUCTURE

The Group has continued to develop the quality and scale of its infrastructure in terms of human resources, IT and the product and service range.

At 30 June 2002, the Group had a staff complement of 499 (2001: 504). The pool

of skills was expanded during the year, both through training and new appointments, and Sasfin enjoys an enviable reputation as an employer of choice in a shrinking banking sector. Enhancements to Sasfin's IT systems resulted in higher levels of efficiency and improved service to clients.

The following new products and services have been introduced, or are in the process of being introduced, to augment the Group's existing businesses:

- **Personnel recruitment**
This will complement the Group's active employment benefits division in terms of medical aid and pension fund administration.
- **Fiduciary services**
Administration of trusts for deceased and insolvent estates as well as inter vivos trusts, working in collaboration with the Commercial Finance and Private Client divisions.
- **Foreign exchange services**
Sasfin Bank Limited has applied for a foreign exchange licence, which will benefit the Commercial Finance and Private Client divisions.

The full range of products and services is listed on pages 17-22 of this annual report.

DIVISIONAL ACTIVITIES

- **Commercial Finance**
The rationalisation of the Trade Finance, Debtor Finance and Equipment Finance divisions to form the Commercial Finance

division on 1 July 2001 took a while to bed down, but indications are that the division is poised for improved performance.

The banking crisis has created an opportunity for Sasfin to grow its customer base of entrepreneurial businesses, a market segment which demands the flexibility and personalised service in which Sasfin has long specialised. This segment is poorly serviced by the bigger banks, falling as it does outside their target markets.

Trade Finance had a good year, contributing handsomely to the bottom line of the division. It is expected to grow its receivables.

Although Debtor Finance has shown strong growth over the past year with both turnover and gross advances up over 200%, it has still not reached the forecast critical mass levels. The restructured sub-division is now only expected to reach break-even levels in the current year. The uncertainty in the debtor finance environment as the large banks review their operations, creates opportunities for Sasfin, where Debtor Finance has been identified as a core product for short-term growth.

Equipment Finance has done well over the years by following a tried and tested business model of sourcing business through suppliers and dealers mainly in office automation equipment. A number of competitors have exited this market, allowing Sasfin to recruit some of their key employees and grow market share.

• Corporate Finance

In line with the Group's overall strategy of providing services to entrepreneurial businesses, Corporate Finance targets small to medium-sized corporates, both listed and unlisted, a sector that has to a large extent been ignored by traditional merchant banking providers. Other than private equity investment, which is handled by Sasfin's associate, our services are purely advisory and cover areas such as sponsorship, merger and acquisition services and capital raising. We help our clients grow and make the transition to larger companies by acting as confidant and trusted advisor.

Sasfin Bank has been successful in being appointed sponsor to 39 listed companies and is working towards increasing the client base by providing a comprehensive sponsor service to our clients. These appointments have provided us with a number of corporate finance assignments and the team prides itself in proactively developing opportunities for clients. The year under review has been difficult, in that many promising assignments were aborted because of the poor market conditions.

Sasfin is the originator of the oldest securitisation vehicle on the market, which finances its equipment rental business. Our intention is to actively promote Sasfin's significant securitisation skills to the market at large.

There is currently an upturn in corporate activity and the contribution of this division should improve.

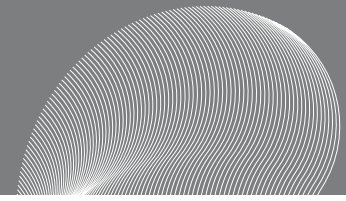
• NIB-MDM Private Equity Fund 1

MDM Growth Investments Limited was delisted during the year and converted into a fund. The major investor is Nedcor Investment Bank. The fund is now benefiting from improved efficiencies, deal flow and selection of investments, which bodes well for the future.

• Premier Freight

Premier Freight (Pty) Limited achieved record profits for the year under review. It celebrates its 25th anniversary in October 2002, and remains a mature, well-established and respected international clearing and forwarding company. The local business, being customs clearing, exports, South African landside warehousing and transport operations, is handled within Premier Freight. The international movement of goods is handled by Hecny Transportation SA (Pty) Limited, a focused international freight forwarder, which is 50% owned by Premier Freight. The other 50% is owned by the Hecny Group, headquartered in Hong Kong, which operates as a multi-national freight forwarder with offices around the world. Given Hecny's strong representation in China, the emphasis in the current year will be on developing trade between South Africa and China. Hecny is ideally placed to be a market leader in this trade lane.

Premier Freight has offices at all major South African ports and airports. It plans to consolidate its three Gauteng offices under one roof in the current year, resulting in improved productivity, cost containment and superior service for customers who



will now have a single channel for all their international and local freighting needs.

While the clearing and forwarding industry is highly competitive, Premier intends to continue developing relationships with its major customers and suppliers, including the Department of Customs and Excise, port and airport authorities and air and ocean carriers. The development of long-term relationships at acceptable margins with customers and suppliers continues to guide business philosophy. The Premier Freight Group has excellent systems and management and is budgeting for yet another record year.

• Sasfin Investment and Asset Managers

(Incorporating Sasfin Frankel Pollak Securities (Pty) Limited ("SFPS"), Sasfin Financial Advisory Services (Pty) Limited ("SFAS") and Sasfin Personnel Services (Pty) Limited)

Regulatory approval for the merger of Sasfin's private client businesses, comprising SFPS and SFAS, to create a single unit, Sasfin Investment & Asset Managers (Pty) Limited ("SIAM") has been received and is presently being implemented. The overriding rationale for this merger is to maximise the *GlobalWealthCreation* strategy initiated last year and to deliver a holistic, "one stop" wealth management service to clients.

The division experienced turbulence during a difficult year for the banking and financial services industries. The events of 9/11 and the ensuing conflicts in Afghanistan and elsewhere, aggravated by a decline in many of the world's economies and a slew of corporate scandals on Wall Street,

contributed to uneasy trading conditions, with turnover on the JSE at the lowest levels in many years.

Despite these factors, both SFPS and SFAS performed profitably for the year:

- SFPS grew its revenues over last year by 17.6%, and profits by 95.2%. Annuity income now represents a large and growing portion of total revenues. Assets under administration/management grew by 57% to R7 billion - a very satisfactory achievement. Partly as a result of STRATE, but also in response to a focused initiative to improve operating efficiencies, the head count reduced by 31 to 105 and the Benoni branch was closed. The Johannesburg scrip administration office was re-located to Sandton.
- SFAS achieved its financial objectives for the year. Total revenue grew by 28.6% over last year. The main contributors to this performance were the Life and Healthcare divisions, with good showings from the Group Employee Benefits division including the newly formed personnel recruitment subsidiary, Sasfin Personnel Services (Pty) Limited.

A number of initiatives are under way to achieve a more comprehensive portfolio of global wealth services, leveraging the Group's key competitive advantages, namely:

- long-standing client relationships, both in the private client and corporate areas;
- the consolidation of the financial services industry, particularly stockbroking; and
- a unique structure embracing bank, asset manager, financial advisor, pension fund administrator, employee benefits

practitioner and personnel recruiter, with a high degree of regulation and compliance.

• Treasury

This division currently offers the following domestic products:

- call, notice and term deposits;
- negotiable certificates of deposit; and
- securitisation debentures.

The deposit base of the bank has grown steadily from zero in July 1999 to R269 million at year end. This has been achieved primarily through the strong and personal relationships established with the client base of SFPS. Over the same period, securitisation debentures grew from R128 million to R523 million.

SUPPORT DEPARTMENTS

• Corporate Governance

The principles of Corporate Governance, disclosure, integrity and accountability, as recommended by the King Committee are fully accepted and promoted within the Group. The integrity of decision making and control over the activities of the Group are protected by applying joint decision making principles and by identifying and monitoring events and risks through board and management participation.

Sasfin believes that the sound corporate governance practised within the Group engenders a desire and willingness by all stakeholders to transact with Sasfin to mutual benefit.

This aspect is dealt with in more detail on pages 26-27 of this annual report.

• Group Finance and Administration

This department is responsible for the financial administration of the Group. Its functions include the preparation of monthly management reports and ensuring best practice and compliance with relevant legislation. It is also the central communication point with the South African Reserve Bank, with whom open and constructive communication channels have been established and maintained.

• Human Resources

The Human Resources department supported senior and line management through the many changes of the last year. The integration of new staff and the restructuring, which was an unavoidable consequence of the implementation of STRATE in SFPS, were two of the many issues handled with sensitivity.

In support of the Group's commitment to staff development and growth and the upskilling of previously disadvantaged staff, training needs were identified and a Skills Development Plan drawn up. A large number of staff studied during the last year and many were sent on courses to upgrade their skills. The Group's Human Resources programme met the requirements of both the Bankseta and Fasset, resulting in a rebate of Skills Development Levies.

The implementation of a staff appraisal system across the Group was well received. A decision taken to implement quarterly

reviews will reinforce the achievement of divisional and organisational goals.

Several vacant positions during the year were filled internally and where possible, appointments were made in furtherance of the Group's commitment to employment equity.

The Human Resources function provides the framework within which Sasfin's most important asset - its people - can achieve both their own personal career goals and those of the organisation.

• Information Technology

The year under review was one of tremendous change. A new CIO, Peter Oeschger, was appointed in December 2001, additional skilled staff joined the division (which now numbers 12), and a range of new and improved IT solutions are being rolled out following a comprehensive audit of the Group's existing technology platforms. These changes are evidence of Sasfin's commitment to delivering world-class solutions through best-of-breed technology and expert personnel to support the Group's businesses and regulatory requirements.

Technology improvements already implemented or in process include standardisation of software on Microsoft platforms, allowing for effective and efficient operation, support and adaptability; a new ERP engine and group-wide integrated MIS tools currently under development; a group-wide CRM software rollout which will ultimately allow a 360-degree view of clients and upgraded disaster recovery and business continuity

solutions, bringing the Group in line with best practice in the area of risk management.

Sasfin has allocated substantial budget resources to ensure the suitability, stability, security and quality of its IT infrastructure, which is regarded as a key enabler for the achievement of the Group's strategic and business objectives.

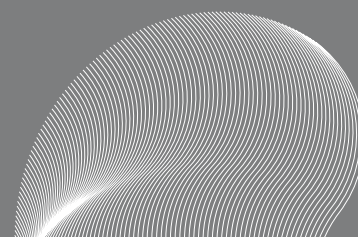
• Marketing

During the year under review, the Group's marketing function was outsourced in order to access a broader, more diverse and expert range of marketing skills and applications. It became apparent that the Group's various divisions required more focused solutions in support of their business plans, which has been accommodated.

The marketing department handles all above, below and through-the-line marketing, advertising and event management activities for the Group, and is supplemented by an Investor Relations and PR programme undertaken by a professional consultant. The department has handled the Group's new corporate identity rollout, the upgrade of the Internet and Intranet facilities, and focused advertising and marketing campaigns for several of the business units. Costs have been closely managed and the Group is generating more mileage for its spend.

• Risk Management

This department is responsible for the management of risks and for ensuring that the Group continuously complies with regulatory and statutory requirements.



The risk management philosophy is aimed at the timeous identification, classification and evaluation of risks in order to proactively manage the impact thereof on the Group by treating, transferring, terminating or tolerating the risk through the implementation of suitable policies and procedures.

In particular, the department's focus on credit risk is aimed at:

- establishing an appropriate credit risk environment;
- a sound credit granting process;
- maintenance of an appropriate credit administration;
- ensuring adequate controls over credit risks; and
- an efficient and effective collection function.

Eugene Havenga was appointed General Manager: Risk & Compliance.

Risk management is dealt with in more detail on pages 23-25 of this report.

SOCIAL RESPONSIBILITY

For South Africa to succeed as a winning nation, it must foster the development of entrepreneurial businesses. With the big banks all focusing on the mass markets and the mature business arena, they are no longer in a position to adequately service this vital

market, which is being sadly neglected. Sasfin in fact is one of the few South African banks geared to provide the personalised service that this market needs, and in so doing, plays its role in the development of the South African economy.

The Group strives to be a good corporate citizen, giving back to the community by supporting institutions that are efficiently controlled and ensuring that the funds reach those who need them.

Sasfin runs a number of programmes aimed at the upliftment of the disadvantaged, including:

- the Phakmani/Tikkun/Rietfontein Agricultural Project;
- the Tsohang Primary School Project;
- the Hillbrow/Tikkun Inner City Community Centre Project.

Some of the other projects supported by Sasfin are Business Against Crime, He'atid Educational Programmes, Mandela Park & Environmental Resource Centre, Rhodes University, READ and ORT.

PROSPECTS

In my previous report I predicted that the Group would be affected by weakness in world and domestic economies, though I did not foresee a collapse in the small to medium banking sector. The South African

economy is looking far healthier and hopefully there will be a decline in interest rates and an improvement in Gross National Product over the coming year. We enter the new financial year with substantially reduced competition and an abundance of new opportunities. Provided the markets in which we operate improve, the Group's business should continue to grow, resulting in improved profitability.

APPRECIATION

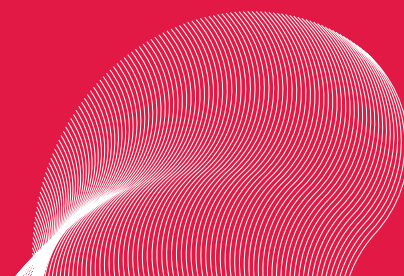
Sasfin is privileged to be staffed by dedicated, long-serving, hard-working, honest and exceedingly competent people, all of whom have been subject to enormous change during the year, in addition to the stresses and strains of usual business activity. I thank each and every one of them for their contribution during the year, and look forward to their continued commitment and effort in the years to come.

ROLAND SASSOON
Chief Executive Officer
2 September 2002

“Sasfin, my working family, does not just take an interest in the Stock Exchange, but in the people involved as well. I believe you would go far to find a group of people that are so enthusiastic, effective and professional in what they do. Besides, with such a cost structure, who would dare to search elsewhere?”

ESMÉ VAN EYSSEN - Compensation Technologies (providers of outsourced Human Resource services)

“Alone we can do so little; together we can do so much.” HELLEN KELLER - American Essayist



The Commercial Finance division serves entrepreneurial companies through the delivery of tailored financial products and lending facilities, essentially by financing stock, debtors and equipment - all the components of working capital.

As small to medium businesses grow and become profitable, they face the working capital barrier. Accessing the requisite working capital through the traditional means of bank overdraft or loan, impersonal and hierarchial, is becoming extremely difficult.

Sasfin Commercial Finance specialises in helping businesses and entrepreneurs to break these barriers and achieve their goals by providing an intensely personalised relationship. We enable them to continue their growth in a controlled and orderly manner.

Through innovation, partnership, entrepreneurial thinking, and service excellence, we maintain our stronghold in the small to medium business sector, and continue to establish and grow relationships with entrepreneurs.

PRODUCTS

- Debtor Finance
- Trade Finance
- Equipment Finance



“Sasfin is a very professional organisation and they’ve built up a reputation in the industry of professionalism over many years - across all of their different divisions. Subsequently, we are now also using Premier Freight for all our freight forwarding. Sasfin have been very good at communicating with us, we always know where we stand on a day-to-day basis.”

CALLUM SCOTT - Director, Scottish Knitwear Company (distributors of Pringle in South Africa)



The Corporate Finance division focuses on its role as a strategic partner in its clients' businesses, both unlisted and listed on the JSE Securities Exchange South Africa ("the JSE").

The constant enhancement of requirements for JSE listed companies has created a market that offers improved confidence to investors and increased transparency to all stakeholders. Sasfin Corporate Finance specialises in simplifying these requirements through a detailed Sponsor Audit and advising on their continuing obligations as listed companies.

We enhance our clients' businesses by adding value through capital raising, structuring, MBO's, LBO's, mergers and acquisitions, private equity, securitisation, and general corporate advisory support.

Through our specific focus on small capitalisation companies, we aim both to grow with them and provide a personal and relevant service.

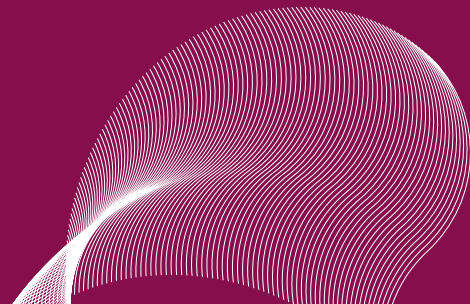
PRODUCTS AND SERVICES

- Sponsor Services
- Securitisation
- Capital Raising
- Mergers and Acquisitions
- Private Equity



“Our relationship with Sasfin dates back more than 10 years. We’re extremely happy with the services being rendered as our sponsoring broker. They keep us abreast of the latest JSE requirements and deliver accurate, timeous and efficient service.”

JOSH LOOTS - Financial Director, Tiger Wheels Limited



The Treasury division is responsible for the funding of Sasfin Bank. Sasfin Treasury offers a range of deposit-based financial instruments designed to meet the needs of all corporate and individual customers.

PRODUCTS INCLUDE

- Call, Term and Fixed Deposits
- Negotiable Certificates of Deposit (NCDs)
- Securitisation Debenture Instruments

The Money-market desk quotes daily rates for all call, term and fixed deposits.



“We’ve had a relationship with our key contact at Sasfin for over 12 years. This is a trust relationship that has been built up over time. I like these people. They’re conservative in their approach and this is where they have superiority over other banks. We feel our money is safe.”

TONIE FERREIRA - General Secretary, National Mutual Aid (The Friendly Society dealing with Transnet)



Sasfin Frankel Pollak Securities (Pty) Limited ("SFPS") has actively participated in the South African stockbroking industry for more than 110 years. It is committed to *GlobalWealthCreation*, a philosophy centred on the delivery of focused, innovative and tailored investment solutions to private clients.

At the core of SFPS' investment philosophy is the recognition that the interests of our clients are paramount. Accordingly, we implement a process that involves careful analysis and close interaction with our client. This procedure also defines individual needs and objectives for investment strategies, and utilises the appropriate products and solutions to achieve maximum benefit and minimum risk.

Our products and services broadly embrace a range of stockbroking, asset management, and bespoke equities investment solutions, both locally and abroad. Underpinned by a national branch network, a highly-rated back office, and sophisticated systems, SFPS has an uncompromising commitment to compliance, governance and client service.

SERVICES

- Referral and Discretionary Portfolio Management
- Deal and Advisory Stockbroking
- Share Scheme Administration
- Asset Management
- Safe Custody
- Treasury and Money Market Instruments
- Offshore Investments
- Research



"The relationship with my stockbroker is a very close one. It has involved a whole new learning curve in my professional life as a scientist to understand the close working relationship required between myself and my stockbroker."

PROFESSOR LOUIS NICOLAYSEN - Private Client (retired professor in Geophysics, WITS University)



Sasfin Financial Advisory Services (Pty) Limited ("SFAS"), soon to change its name to Sasfin Investment and Asset Managers (Pty) Limited, provides clients with a one-stop financial planning solution, delivering life assurance, disability, and retirement planning solutions to maintain and protect continuing lifestyles. It also delivers investment products and advice, both locally and internationally.

Experience, expertise, insight and objectivity is what we offer clients in structuring a sound, strategic, financial platform suited to their individual needs, while proactively monitoring their changing risk profile.

We cater for private clients requiring professional, competent and risk-profiled financial advisory and investment solutions. Entrepreneurial and corporate clients in need of Employee Benefits, Healthcare, Insurance and Personnel Recruitment solutions also benefit from our services.

SFAS focuses on creating innovative solutions and building close client relationships to provide the highest level of personal customised service.

PRODUCTS AND SERVICES

Financial Planning, Employee Benefits, Healthcare Consulting and Personnel Services are the four specialised divisions within SFAS - they offer:

- Estate, tax, investment and retirement planning
- Pension and provident funds consulting and administration
- Healthcare consulting and broking
- Life assurance and specialised assurance situations, such as disability and dreaded disease covers
- Local and international investment advice
- Short-term insurance



“You know, if I had my ways of persuading the world, or the country, on who to get advice from in terms of investing, I’d really recommend Sasfin. And they genuinely care. The whole team we deal with cares, and will always help you.”

SINNAH RAMAKHULA - Executive Director, National Economic Education Trust (NEET) (NEET has provided over 3 000 bursaries to underprivileged students at tertiary institutions for business related courses, in South Africa, over the last 10 years)



Established 25 years ago, Premier Freight is South Africa's leading independent freight forwarding concern. Ranked amongst the top eight freight forwarders in South Africa, Premier Freight employs over 150 specialised personnel in South Africa.

The company specialises in the handling of import, export, air and sea transactions on a door-to-door basis, with a client base of almost 700 regular importers and exporters.

Represented worldwide by the Hecny Group, Premier Freight has access to over 160 offices on a global basis. Their regional offices are located in Johannesburg, Durban, Cape Town and Port Elizabeth.

The Sasfin Group owns 60% of Premier Freight, the balance is owned by its management.

SERVICES

- International Import/Export Air and Sea Freight Forwarding
- Customs Clearing
- Warehousing and Distribution
- Financing
- Logistics Management

“Our relationship with Premier Freight and their staff is a special one. It's more than just a customer–service provider relationship. We feel we're partners with the staff at Premier Freight and speak to them at least 15 times a day. We should have a dedicated line on their switchboard!”

IKE HASSON - Administration Director, Universal Footwear (distributors of Zoom footwear in South Africa)

Risk is the possibility that something will – directly or indirectly – prevent the achievement of business objectives. In managing risk, and particularly in assessing risk, it is crucial to focus on its causes rather than its manifestations. Risk itself is not a reason for concern – risk is necessary for reward. In examining risks, it is essential to quantify the degree of risk that is acceptable for a given return (reward) and determine how that risk should be monitored and controlled. The Group recognises that the business of banking and financial services is conducted within an environment of complex interrelated risks. Accordingly, we have established a philosophy of risk management to ensure that all business and operational risks are managed effectively within acceptable risk profiles, policies and parameters.

The risk management objectives and processes involve the following, which are more fully detailed below:

- risk identification;
- risk measurement and evaluation;
- treatment, transfer, termination or tolerance of risk; and
- risk monitoring and compliance with documented policies and procedures.

Nine principal risk categories have been identified and defined. This set of definitions forms the basis of management and control relative to each division or subsidiary within the Group.

The first seven “direct” risks are: credit, liquidity, market, operational, interest rate, foreign exchange and compliance risks.

These are the risks most prevalent in banking transactions. Because they are quantifiable and can be clearly defined, we are able to evaluate them through examination of our databases, statistics and other records.

The other two “indirect” risks are strategic and reputation risk. These risks are present in almost every decision made by management and the Board and thus impact on the Group's image and success. These decisions

are usually intended to enhance the Group's long-term viability or success and are therefore difficult to quantify at a given point in time.

RISK MANAGEMENT STRUCTURE

The ultimate responsibility for understanding the risks run by the Group, and ensuring that they are appropriately managed, rests with the Board of Directors. The effectiveness of the risk management structure is enhanced through the implementation of sound corporate governance principles.

The Board of Directors approves risk management strategies and delegates authority for decisions to the appropriate committees. Discretionary limits and authorities are in turn delegated to line heads and line managers within prescribed parameters to enable them to execute the Group's risk management policies.

The key committees addressing risk issues are:

- Board of Directors (Sasfin Holdings Limited and subsidiaries)
- Group Executive
- Asset and Liability
- Risk Management
- Audit and Compliance
- Credit Review

- Credit
- IT Steering
- Corporate Governance
- Remuneration

GENERAL APPROACH TO MANAGING CREDIT RISK

Credit risk is the potential that an obligant will fail to pay or fail to meet the terms of its contract. Credit risk could result from default failure on the part of a borrower, counterparty or an issuer such as a securities firm. Credit risk exists in both on and off balance sheet exposures.

The credit risk management processes are governed by the Group's credit policy guidelines as approved by the Board of Directors. Facilities to counterparties are governed by internal limits, which restrict large exposures in relation to the Group's capital.

SETTING COUNTERPARTY LIMITS

Counterparty creditworthiness is evaluated and limits are set on a joint mandate basis before credit is granted.

NON-PERFORMING ADVANCES

Loans and advances are considered non-performing when:

- amounts are due and unpaid for three months; or
- a counterparty is under provisional liquidation, judicial management or declared insolvent; or
- management is uncertain about the collection of future cash flows.

Non-performing loans and advances are proactively managed to ensure that credit losses are minimised. The management actions over these accounts are reviewed at regular “problem account” meetings and the progress reported to the relevant Committees. Where loans and advances are in arrears for less than three months, these are subjected to prescribed credit control procedures.

GENERAL APPROACH TO MANAGING LIQUIDITY RISK

Liquidity risk arises when an organisation has insufficient funds or marketable assets available to fulfil its obligation to a counterparty.

Compliance with liquidity requirements is monitored closely and incorporates the following process:

- maintenance of balance sheet liquidity ratios;
- monitoring depositor concentration in terms of the overall funding mix;
- maintenance of an adequate portfolio of marketable assets and other short-term

investments that can readily be converted to cash; and

- maintenance of liquidity contingency plans

GENERAL APPROACH TO MANAGING MARKET RISK

Market risk exists whenever the Group has assumed trading/banking or investment positions, thereby creating the risk of losses as a result of an adverse move in market variables such as prices, currency exchange rates and interest rates.

Limited foreign exchange risk arises due to the low value of foreign exchange transactions. It is the Group’s policy not to have any uncovered foreign exchange transactions. As the Group has an offshore investment in US Dollars, Euros and Swiss Francs, there is the risk of Rand appreciation against these currencies resulting in a diminution of asset values.

The Board of Directors sets policies and parameters within which market risk is managed. Trading limits are set for individual business units aimed at containing losses to specified amounts in the event of adverse market movements.

The Group does not participate in the capital and derivative markets.

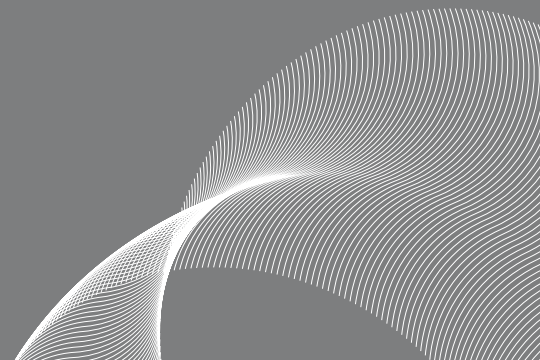
GENERAL APPROACH TO MANAGING OPERATING RISK

Operating risk is defined as the breakdown of controls and procedures required for the efficient functioning of human, electronic, physical and other operating resources.

Operating risk can be defined as the potential for loss arising from flaws or malfunctions in automated systems, failures in internal financial and administrative controls and non-compliance with Group policies and procedures. Moreover, it covers loss from error, fraud and other criminal activities.

Operating risk also includes the following:

- **Transaction Risk**
The risk that during the life cycle of a transaction, a material deviation will occur from management’s intentions and expectations relating to the transaction. Life cycle stages comprise execution, recording, interpretation, documentation and settlement of a transaction. Examples include improper capture, failure to detect and manage unauthorised transactions and faulty processing and recording of transaction details.
- **Internal Control and Procedure Risk**
The risk of failure of established controls and procedures, processing errors and unauthorised or fraudulent transactions. Examples include exceeding credit approval mandates, rogue trading, fraud, money laundering, security failures, management override and loss of key personnel without adequate succession plans.
- **Systems Risk**
This results from system malfunction or unavailability. Examples include design or programming error, model or methodology error and incomplete contingency planning against systems, telecommunications and power failure.



We have established control mechanisms at various levels within the different business divisions to manage operating risk. Heads of business units must manage their own operating risks and ensure that appropriate controls are in place. Located in different markets they are best equipped to use their experience and insight to manage the risks in a timely manner. The most important policy measure is that represented by the Group's determination to instil in all employees a culture of risk awareness, ethics and value generation.

BUSINESS CONTINUITY

Sasfin has completed a major exercise to design a comprehensive business continuity plan aimed at addressing all possible major disruptions in each entity of the business and so ensure that all critical systems and functions can be recovered within an acceptable timeframe. The implementation of the business continuity plan is enhanced by the implementation of comprehensive information security, physical security and compliance policies.

GENERAL

In terms of Regulation 39 of the Banks Act, the Bank's Board of Directors is required to report to the Registrar of Banks on the efficiencies of the internal controls relating to financial and regulatory reporting, and their compliance with the Banks Act and Regulations. To the best of their knowledge, the relevant Boards of Directors are of the opinion that during this reporting period, there are no indications of any material breakdown in the function of these controls, procedures or systems.

“Sasfin is highly regarded in our company as our financial partner. Their swift and logical responses will always rank high in my estimation. We have a relationship which is mutually beneficial and profitable because Sasfin talks with us, not to us!”

STEVE LOUGHTON - Clarion Printed Products (printers and manufacturers of specialised printed products)

The Group endorses the principles incorporated in the Code of Corporate Practices and Conduct as set out in the King II Report and JSE Securities Exchange requirements. The code forms the basis upon which the Group's commitment to sound corporate governance is pursued. The various committees of the Boards of Directors are charged with monitoring and evaluating conformity with the provisions of the King II Code, to ensure integrity, accountability, transparency and equal opportunity in the conduct of the Group's various business enterprises.

REGULATORY ENVIRONMENT

The South African Reserve Bank, through its Bank Supervision Department, carries the responsibility for ensuring that a sound and well-regulated banking system exists and that prudent risk management practices are embedded within the banking environment. The directors of Sasfin Bank Limited ("the Bank") are required in terms of the Banks Act to report annually to the Registrar of Banks on the efficacy of the systems of internal control and to provide reasonable assurance as to the integrity and reliability of the financial statements. Additionally, the directors are required to safeguard, verify and maintain accountability for the Bank's assets.

The Bank also has a Compliance programme which is under the control of the General Manager Risk and Compliance, who reports to the CEO and has unrestricted access to the Chairman of the Audit and Compliance Committee. The JSE Securities Exchange South Africa, which is regulated by the Financial Services Board, regulates the activities of Sasfin Frankel Pollak Securities (Pty) Limited. Sasfin Financial Advisory Services (Pty) Limited falls under the regulatory arm of the Financial Services Board.

The directors bear responsibility for setting and maintaining the Group's systems of internal controls and protecting its assets and earnings against material financial loss. They are committed to discharging these

responsibilities as cost-effectively as possible. Business risks are assessed on an ongoing basis and risk management procedures modified and implemented as needed. The Group has a comprehensive reporting system which is monitored and reviewed monthly by management and the directors. The system facilitates budgetary control, provides reasonable assurance as to the accuracy of financial statements and safeguards the Group's assets.

THE KING II CODE OF CORPORATE PRACTICES AND CONDUCT

The Boards of Directors of companies in the Group are committed to maintaining the standards of integrity and openness detailed in the Code of Corporate Practices and Conduct recommended in the King Report on Corporate Governance. Sasfin adheres both to the specific provisions of the King Code, and to the underlying principles of fairness, transparency, accountability, social responsibility and environmental consciousness.

THE BOARDS OF DIRECTORS

The responsibilities of the Boards of Directors include reviewing and guiding corporate strategy, risk propensity, budgets and business plans. These boards meet regularly to monitor executive management and thereby retain full and effective control over their operations. The Chairmen of Sasfin Holdings Limited, Sasfin Bank Limited, Sasfin Frankel Pollak

Securities (Pty) Limited and Premier Freight (Pty) Limited are all non-executive directors. These boards comprise non-executive directors of sufficient calibre, experience and number for their views to carry significant weight in business decisions.

The various boards are responsible for setting policy, monitoring corporate performance and overseeing major capital expenditure. Where necessary, independent professional advice is canvassed. The company secretary ensures that statutory and other procedures are followed.

NON-EXECUTIVE DIRECTORS

Non-executive directors offer independent judgement to management and, other than their fees, and in some cases shareholdings, there are no extraneous factors that might materially influence their judgement. If there is an actual or potential conflict of interest, the non-executive directors concerned are excused from the related decision-making process. Their fees are market-related and reflect their committed time and levels of responsibility. Non-executive directors are selected through a formal process and when new non-executive directors are appointed by existing directors, such appointments require confirmation at the next Annual General Meeting. Non-executive directors are appointed for specific terms and their re-appointment is not automatic.

EXECUTIVE DIRECTORS

There are three executive directors on the Boards of Sasfin Holdings Limited and the Group's main subsidiary, Sasfin Bank Limited. The Boards' Remuneration Committee determines the emoluments and prerequisites of executive directors.

THE AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee is chaired by a non-executive director, and includes three non-executive directors and at least one executive director. The General Manager: Risk and Compliance attends the Committee by invitation and has unrestricted access to the Committee Chairman.

With the agreement of the South African Reserve Bank, the mandate of the Committee has been expanded to cover compliance matters over and above the following responsibilities:

- ensuring the effectiveness of the systems of internal control;
- ensuring that appropriate systems exist to validate the integrity of the accounting and financial systems;
- assessing the effectiveness of the internal audit, risk and compliance functions; and
- reviewing the scope and quality of the external audit.

This Committee will also review any internal matters raised in the key risk Committees mentioned in the Risk Management section of this document.

INTERNAL AUDIT

The Group Internal Audit function is outsourced to KPMG Inc. who have direct access to the Chairman of the Audit and Compliance Committee.

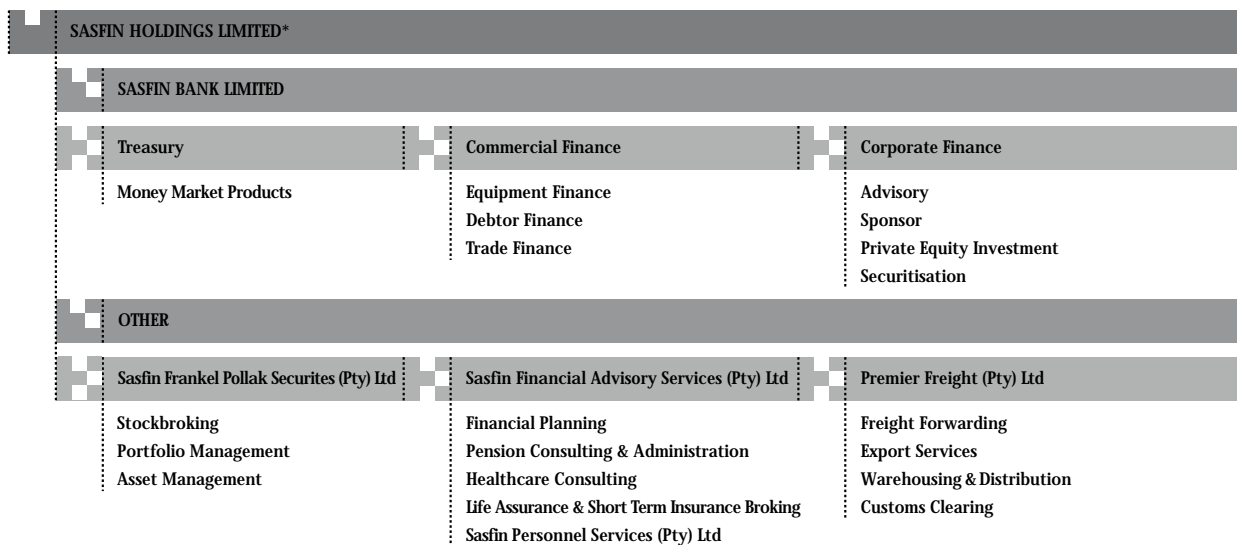
RECORD OF ATTENDANCE AT MEETINGS	Sasfin Group Board	Sasfin Remuneration Committee	Group Audit and Compliance Committee	Group Risk Committee	Credit Review Committee	Assets and Liabilities Committee
Meetings planned	4	3	4	4	12	10
Meetings held	4	3	4	4	12	10
DIRECTORS						
CN Axten	4	–	3	4	12	10
ETB Blight	4	–	4	3	2	8
MB Glatt	4	3	–	–	–	–
AW Greenstein	4	–	–	4	–	(note 1) 10
D Paizes	4	3	4	–	–	–
RDEB Sassoon	4	3	4	4	11	10
ML Smith	4	–	–	–	–	–
JJ van der Watt	(note 3) 2	–	–	4	7	(note 2) 6

NOTE

1. Appointed on 27 February 2002 to the Assets and Liabilities Committee.
2. Appointed on 2 January 2002 to the Assets and Liabilities Committee.
3. Appointed on 4 March 2002 to the Sasfin Group Board.

“I think they understand business requirements and really look at the big picture. This was evident when we were submitting business plans to seek finance; they came to the fore and outstripped all other financial institutions.”

MIKE DEWAR - Colour Planet (Commercial printers)



* Listed on the JSE

“We found that traditional bankers were no longer interested in companies of our size, and we were shunted around from manager to manager with little personal contact. This is the complete opposite to our relationship with the entire Sasfin team.”

KEVIN LARGE - Hirst Trading (provider of dyes and chemicals for the textile trade)

MC MOGASE Non-Executive Chairman

AW GREENSTEIN Chief Executive Officer

ETB BLIGHT Non-Executive Director

RDEB SASSOON Non-Executive Director

Directors

BJ BARCLAY
C BRAUN
DS CAIRNS
H COOPER
JA CUTTEN
C DU PLESSIS (appointed 8/8/2002)
M FRANKS
G HARRINGTON
L HORWITZ
MP KIRK
SS MOHIDEEN
PC NICOLATOS
RL O'BRIEN
CB PHEIFFER
GJ POULTNEY
LA RITOFF
G ROTHSCHILD
BA RUSSELL
AD STUDER

“Our working relationship with Sasfin Healthcare is spontaneous and effective. Their significant expertise and excellent advice facilitates seamless transitions in our needs to improve our medical aid scheme options.”

DAVID ELIAS - TBWA\HuntLascaris (one of South Africa's leading advertising and communications agencies)

RDEB SASSOON Non-Executive Chairman			
BP HIRSCH Managing Director			
Financial Advisory Services	Healthcare Consulting	Employee Benefits	Sasfin Personnel Services (Pty) Ltd
	CC BROWN MD	AM FLEMING CEO	BP HIRSCH Chairman
			AW GREENSTEIN Non-Executive Director
Directors	Director	Director	Directors
PE BARTHOLOMEW MJ COLLEY W HALGREEN DD JACOBS S NORMAN MS SHAPIRO JL SMOLLAN W STEIN C TEN OEVER	SP ROMBERG	MDC FERNANDES	LN BLOOM SA BROIDO (appointed 1/9/2002) TL COPANS

“Professional but still friendly. They’re not your typical financial guys. You’ve got to trust them, since you’re giving them a lot of money – it’s our future they’re dealing with.”

IVANNA GRANELLI - Document and Training International (providers of IT training and support for end-users on ERP systems)

	PTW CURTIS Non-Executive Chairman		
	CG TAYLOR Managing Director		
	BP HIRSCH Non-Executive Director		RDEB SASSOON Non-Executive Director
	Directors		
	RD ADAMSON		
	EGU FABER		
	PJ STEYN		
	AD WEBB		

“I only have a small business, but when the CEO Roland Sassoon asks you to lunch – you know that Sasfin really cares!”

RALPH PHILIPPS - Sandy's Ribbons & Bows cc (one of the largest providers of decorative packaging in South Africa)