

Sasfin Bank has seen strong growth in business loans and income

For the six months to December 2022, Sasfin's total income increased by 12.62% to R705,203m (2021: R626,179m) mainly due to strong loan book growth.



Source: Supplied. Harriet Heymans, group financial director, Sasfin Holdings Limited.

The strong income growth improved the cost-to-income ratio to 76.30% (2021: 80.40%) despite cost growth of 6.88% to R538,068m (2021: R503,430m).

Headline earnings reduced by 20.74% to R67,706m (2021: R85,424m) as a result of an increase in the credit loss ratio to 130bps (2021: 23bps).

Total assets increased 10.56% to R13,573bn (2021: R12,277bn) as a result of strong growth of 24.21% in net loans and advances to R8,963bn (2021: R7,216bn).

Core funding increased by 5.17% to R9,492bn (2021: R9,025bn) as deposits from customers increased to R5,941bn (2021: R5,560bn). Total ordinary shareholders' equity increased by 7.66% to R1,713bn (2021: R1,591bn).



"The group has experienced strong growth in loans and advances," said Harriet Heymans, group financial director, Sasfin Holdings Limited. "The loan growth was primarily in well-secured loan portfolios.

"While we have seen an increase in Stage 3 loans, over 40% of these are covered by independently valued security in the form of property and yellow metal equipment and/or insurance held from blue-chip counterparties."

Sasfin Wealth delivered excellent results driven by its distribution capability and solid investment performance.

Asset Finance generated healthy loan and income growth as it continues to diversify and expand its offering, while investing in strengthening its core capabilities to support ongoing growth. While business and commercial banking saw good income growth from commercial banking, higher impairments and rising costs negatively impacted this pillar.

During the period, Sasfin achieved a Level 1 B-BBEE contributor rating.

Supporting job creation

Sasfin asset managers announced a partnership with the National Treasury's jobs fund, enabling it to fund businesses that support job creation.

This follows the successful initiative between Sasfin Bank and the Dutch Entrepreneurial Development Bank which has seen more than R400m in funding provided to youth, women, and Covid-19-affected businesses over the last 24 months.

"We have seen exceptional results out of Sasfin Wealth over this period, which continues to grow from strength to strength. While Sasfin Bank has seen strong growth in loans and income largely in asset finance and commercial banking, earnings have been impacted by higher impairments in these areas and the ongoing investment into business banking.

"We are taking proactive steps to enhance our cost-to-income ratio which should result in improved return on equity in the future," said Michael Sassoon, group chief executive officer of Sasfin Holdings Limited.

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