



**SOUTH AFRICAN SECURITISATION AND ASSET  
BACKED DEBT SECURITIES FORUM**

**ANNUAL GENERAL MEETING**

**TO BE HELD ON THURSDAY 22 MAY 2025 11H30**

**VIA MICROSOFT TEAMS**

**Please follow the link in the calendar invite.**



**WELCOME**

**ATTENDANCE**

**APOLOGIES**



## **ADOPT AGENDA**



SOUTH AFRICAN SECURITISATION AND ASSET BACKED DEBT SECURITIES  
FORUM

EIGHTEENTH ANNUAL GENERAL MEETING TO BE HELD  
ON THURSDAY, 22 MAY 2025, AT 11:30

VIA MICROSOFT TEAMS  
Please follow the link in the calendar invite

1. Welcome and Apologies
2. Adopt the agenda.
3. Approval of the minutes of the Annual General Meeting held on 16 May 2024
4. Presentation and adoption of the Chairman's Annual Report for 2025
5. Presentation and adoption of the Annual Financial Report for 2025
6. Budget for 2026
7. Membership Fees – 1 March 2025 to 28 February 2026
8. Reports from sub-committees
  - 8.1 Legal & Regulatory - Hendrik Ackermann
  - 8.2 Communication & Education/Investors - David Towers
  - 8.3 Membership - Megan Kriel
9. Announcement of Office Bearers for 2025/2026
10. General



## **APPROVAL OF PREVIOUS MINUTES**



MINUTES OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE SOUTH AFRICAN SECURITISATION AND ASSET BACKED SECURITIES FORUM HELD ONLINE VIA MICROSOFT TEAMS ON THURSDAY 16 MAY 2024 AT 11H30

**1. WELCOME & APOLOGIES**

The Chairperson, Kurt van Staden, welcomed all those present and attending online to the 17th Annual General Meeting. Forty-five persons, including members and their guests, were in attendance.

Apologies were received from:

Aneria Bouwer	Bowmans
Brett Thornton-Dibb	Quince Capital
Celiwe Rahlagane	TUHF
Gary Sayers	Quadridge Trust
Kristen Reddy	Standard Bank
Lindi Marais	Webber Wentzel
Louis Dirker	Investec Bank
Marita Koti	Standard Bank
Selma Felisberto	BMW
Richard Roothman	Werksmans
Santhuri Thaver	Ashburton
Werner Maree	Mettle
Janneman Labuschagne	Ernst & Young
Neil Montgomery	Stonehage Fleming
Pierre de Vos	Deloitte

The Agenda for the meeting was adopted without change.

**2. APPROVAL OF THE MINUTES OF THE LAST MEETING**

The minutes of the previous Annual General Meeting of 11th May 2023 were tabled. Without comment from the floor, these were approved as a true representation of that meeting. The minutes were included in the AGM board pack.

**3. PRESENTATION OF THE CHAIRMAN'S REPORT**

The Chairman presented his report, which was included in the AGM's board pack. Otherwise, members were directed to the Forum's website at [www.sasf.co.za](http://www.sasf.co.za) for the report including graphics and references.

In summary:

**3.1 Global Economic Overview**

Global economic growth slowed in 2023 due to persistent inflation and tighter monetary policies by major economies. Advanced economies experienced a more pronounced slowdown, while emerging markets, particularly in Asia, showed stronger performance. China and India together accounted for half of the global growth.

Global inflation had decreased from 8.7% in 2022 to 6.8% in 2023. (according to the International Monetary Fund (IMF)).

Several risks could impact the global outlook including high geopolitical tensions, particularly in Eastern Europe and the Middle East. Additionally, tighter monetary policies could strain financial markets and limit credit availability, potentially slowing economic growth.

### 3.2 Domestic Conditions

South Africa achieved a modest real GDP growth of 0.6% in 2023. The economy had continued to face persistent headwinds stemming from electricity supply issues, infrastructural deficits and elevated inflation across services, food, fuel, and electricity.

The immediate outlook remained challenging with high unemployment and poverty levels.

Public debt had risen significantly, increasing borrowing costs and limiting funds available for growth-enhancing sectors. Political uncertainty and governance issues have dampened business sentiment and investor confidence, with the upcoming 2024 elections adding to this uncertainty.

South Africa's economic growth was projected to modestly improve with expected recoveries in household spending as inflation declines and investment in energy-related projects increases.

The primary areas that need attention are energy sector reforms and infrastructure development, in addition to improvement in governance across public administration and state-owned enterprises.

On a positive note, the country had maintained positive FDI inflows, with R96.5 billion recorded in 2023. Key sectors attracting FDI included manufacturing, mining, and financial services.

The economic outlook remained mixed, with both significant challenges and opportunities on the horizon.

### 3.3 EU Securitisation market

The European securitisation market witnessed significant developments, driven by regulatory changes and evolving market conditions. The total issuance for the year showed a slight increase from 2022. A notable trend was the 14.4% increase in Simple, Transparent, and Standardised (STS) securitisation issuance.

Despite these gains, certain sectors faced significant declines, amongst them SME securitisation issuance which plummeted by 86.3%, and issuance in the CMBS and CLO/CDO categories which fell by 37.5% and 11.5%, respectively.

Regulatory changes included enforcing stricter criteria for originators to meet the sole purpose test and comply with Article 6.

Additionally, the European Securities and Markets Authority (ESMA) began reviewing disclosure templates for private securitisation, and the EU Green Bond Standard Regulation mandated that green bond proceeds be invested in environmentally sustainable activities.

The market's shift towards significant risk transfer (SRT) assets saw more activity in Europe than in the US and highlighted the transfer of risks from banks to non-banks.

Anticipated changes to securitisation regulations by 2025 were expected to address factors hindering market development, including prudential treatment, reporting, and due diligence requirements.

### 3.4 United States Securitisation Market

Total securitisation issuance in 2023 was lower compared to 2022, reflecting a decline from the record levels of 2021.

For the future, the market was expected to see a modest increase in issuance volumes, contingent on the Federal Reserve's actions and broader economic conditions.

An additional survey would be included in the web version of this report, to be published on the Forum's website.

### 3.5 Domestic Securitisation Market

The South African Debt Capital Market had evolved to become a very deep pool of liquidity for the South African Economy. However, with the country's limited growth and structural impediments, the demand for funding from Corporate South Africa had been muted compared to the continually growing supply of liquidity available from the fixed-income universe. The steady growth in Issuance since 2020 has not yet regained the record levels seen in 2019. On a Net-Issuance basis, the market had stagnated over the recent years, with the same Issuers accessing the market for refinancing purposes, more than for additional debt.

In 2023, gross bond issuance (excluding commercial paper which totalled R14.6 billion) increased and was expected to continue its gradual recovery to pre-pandemic levels.

The bond market (excluding commercial paper) doubled while still falling well short of the average growth seen in the decade before the pandemic. Financials and corporates were the primary drivers of this growth, effectively counterbalancing the contractions seen in the State-Owned Enterprises (SOE) and Municipal sectors.

From 2017 to 2023, the increasing bond and CP issuance trends reflected the market's fluctuating dynamics. In contrast, the securitisation sector witnessed a decline, with issuances dropping from R17.2 billion in 2022 to R12.0 billion in 2023.

The JSE's Interest Rate Market featured R4.6 trillion in listed debt, with the South African Sovereign issuing over 77% of this total. Banks and State-Owned Companies (SOCs) constitute the next largest segments. Corporate issuers, including property companies, contributed R101 billion from a mere twenty issuers. This resulted in a persistent supply-demand imbalance, as the number of issuers accessing the listed market remained insufficient relative to the expanding fixed-income investor base.

The South African debt capital market remained a vital source of liquidity for the economy, supporting sustainable development and financial stability.

### 3.6 Key Highlights of the Forum's Activities for the Year Under Review

The SASF membership now stood at 33 members, underscoring the Forum's role as a critical nexus for industry stakeholders.

From a regulatory standpoint, a significant focus this year was the engagement with the Prudential Authority (PA) to share knowledge and provide input on the draft Commercial Paper Regulations to best reflect the practical realities and needs of the securitisation market.

The project to transition the Securitisation Course from a workshop format to an online self-study program under the auspices of UCT was nearing completion. Once launched, this would allow securitisation education to reach a wider student base.

The Forum had launched a new reporting database that would serve as a comprehensive repository for securitisation data. This database, via the Forum's website, provided public access to up-to-date statistics, trends, and related information on the industry.

Prudent financial management enabled the Forum to maintain a positive cash position, thereby effectively supporting these initiatives.

In conclusion, the Chair announced he would be stepping down from his three-year term. It had been an honour and a privilege to serve as Chair, and he was profoundly grateful for the unwavering support and recognition he had received from members. He announced that the EXCO had elected a new Chair and Deputy in Brendan Harmse and Greg Wakelin. He was confident that, under their leadership, the Forum would continue to make meaningful progress.



Adoption of the Chairman's Report was proposed by Greg Wakelin and seconded by Gill Raine.

4. **PRESENTATION & ADOPTION OF THE FINANCIAL REPORT FOR THE 12 MONTHS ENDED 29 FEBRUARY 2024.**

NN presented the financial reports and statements as of 29 February 2024, along with the budget for 2025. Nolands Inc. recently completed an audit report with a clean opinion, indicating no material misstatements in the financial statements. The Forum maintains a strong financial position, demonstrating both liquidity and solvency. Revenue increased due to higher membership fees, while operational expenses rose primarily because of the development of a web-hosted securitisation database.

There were no questions regarding the financial reports. Kurt van Staden proposed the adoption of the reports and was seconded by Greg Wakelin.

Kurt van Staden proposed the adoption of the 2024/2025 budget which was seconded by Greg Wakelin.

The Annual Financial Statements, drafted by auditors, Nolands, had been approved at the EXCO level with no notable issues. There were no questions regarding the financial statements.

The AGM adopted these proposals. The Annual Financial Statements would be signed by the Chair and his Deputy and forwarded to the auditors for final approval.

5 **MEMBERSHIP FEES – 1 MARCH 2024 TO 28 FEBRUARY 2025**

The membership fees would remain unchanged for the upcoming year.

6. **PRESENTATION OF REPORTS FROM SUB-COMMITTEES**

The various reports, included in the AGM board pack, were tabled. These, together with the Financial Statements, would be published on the SASF website.

6.1 **Legal and Regulatory Report.**

The Sub-Committee Chair, Hendrik Ackerman, thanked the members of the sub-committee for their input and time during the past busy year. The subcommittee's 2023/2024 activities and projects were detailed in the board pack.

6.1.1 Security Regulatory Framework

The primary focus had been the updates to the Commercial Paper Regulations (CPR). To recap, the PA published revisions to the CPR last July for public comment, along with a position paper and an industry questionnaire that all issuers were required to complete.

The PA identified regulatory arbitrage, noting that certain issuers were using the current Commercial Paper Regulations to issue commercial paper when they should be using the Exemption Notice relating to Securitisation. Additionally, their proposal restricted issuers from issuing commercial papers with maturities of up to 364 days. The definition of "commercial paper" was also amended to align with international best practices, stipulating that the proceeds should only be used for operating capital to support the day-to-day operations of the issuer. Enhanced disclosure requirements were introduced, and issuers were mandated to obtain approval from the PA before issuing commercial papers during the life of their program.

Conversation with the PA indicated that concerns about the growth of shadow banking in South Africa were influencing these regulatory updates.

The Forum contributed to and endorsed BASA's comments. An industry workshop to discuss these issues was subsequently cancelled by the PA after they acknowledged that several of their initial

proposals required further consideration. Recent discussions with the PA suggest they intend to publish a revised draft of the regulations for informal, rather than public, comments by August 2024. Consequently, the originally proposed implementation date of January 2025 was likely to be postponed.

#### 6.1.2 Engagement with the Deputy Chairperson of the Companies Tribunal

Members of the sub-committee met with the Deputy Chairperson of the Companies Tribunal to discuss the need for social and ethics committees and the inconsistent treatment of exemption applications. The Forum had nevertheless observed a recent rise in the number of exemption applications by section 72(5) of the Companies Act, 2008 and a corresponding increase in exemptions granted by the Tribunal. Additionally, the Forum pointed out that most of the new requirements for social and ethics committees were unsuitable for ring-fenced special-purpose entities.

The Forum believed it was in the public interest to address the unnecessary requirement for these entities to establish social and ethics committees. Consequently, the Deputy Chairperson requested that the Forum draft a submission on this issue to be presented to the Department of Trade and Industry (DTI). This submission had been prepared and would be submitted shortly.

#### 6.1.3 Conclusion

The year would continue to be a busy one on the legal and regulatory front. Constructive engagement with regulators would be a key deliverable for the sub-committee towards enabling a well-functioning market.

There were no questions, and the report was adopted and proposed by Kurt van Staden and seconded by Gill Raine.

### 6.2 **Communication and Education**

David Towers, the Sub-Committee Chairman, presented the report. The report was included in the board pack and would be loaded to the SASF website.

#### 6.2.1 UCT Securitisation Course

Over the past year, our primary focus has been on transforming the UCT Securitisation Course into an online, on-demand format suitable for self-study by students. For this purpose, the content from the previous in-person course had been updated and adapted to meet UCT's preferred format.

The revised course content had been submitted to UCT, and introductory videos would be managed at the EXCO level for now. We were collaborating with UCT to finalise these details, and the course was expected to be available online by the end of the third quarter of 2024.

Although the course would be presented under the Law Faculty's banner, it would be marketed to students in the Commerce and Finance Faculty, particularly those associated with the African Institute of Financial Markets, directed by David Taylor. David had expressed interest in offering the course, or portions of it, to his students and had committed to working with Law@Works towards this goal. Consequently, the course would be accessible to students with both legal and financial interests.

There is an 'in-principle' agreement between the Forum and UCT regarding the sharing of student fees generated by the course, though this agreement had yet to be formalised. Once the course had been completed, the Forum planned to offer it, or a streamlined version thereof, to Risk.net members for a fee.

The Chairman of the sub-committee extended his gratitude to all who had contributed significantly to this project's advancement.

#### 6.2.2 Capital Markets Conferences

The Bonds, Loans and ESG Capital Markets Conference was held in Cape Town for the third consecutive year in March 2024. Although the forum was unable to secure a topic on securitisation due to the significant sponsorship required for participation, the event attracted the usual industry attendees who capitalised on the networking opportunities.

#### 6.2.3 Outreach

Standard & Poor gave presentations to Forum members in October 2023 covering regulatory and market developments in the European securitisation market, the RMBS rating methodology approach, and their newly introduced South African national scale ratings. They also held a market update at their offices in Rosebank in November 2023.

Moody's had initially indicated that they were keen to share with the Forum their updated MILAN rating methodology on rating RMBS transactions. However, they had delayed the implementation of the new methodology in South Africa and now planned to make a presentation on it in 2024.

The committee continued, along with Legal and Regulatory, to interact with various regulators to gain a better understanding of their thinking and promote the players' point of view.

Because there were some securitisation transactions in the market issued by non-bank issuers who were not members of the Forum, this clouded any comprehensive view of the market drawn from the Forum's new database. The Forum would approach the parties concerned to either attract them into membership or to agree to report on their data.

- 6.2.4 Cameron Gough enquired about whether the Tribunal had published a guidance note or directive exempting securitisation structures from the need to constitute social and ethics committees. Bongi Dube advised members that while exemptions were currently being regularly granted, no official notice had been published in this regard. Furthermore, since it appeared that the draft regulations would impose more stringent obligations, she suggested advocating for the complete exclusion of these structures from the legislation itself.

#### 6.2.5 Other matters

The Forum had previously engaged in person with the Tribunal in Pretoria and Cape Town, as well as online, to educate them on the SPV structures to get exemption from establishing Social & Ethics committees for these entities. Although there had been no formal response from the Tribunal, as suggested earlier, there had been of late a higher success rate for exemption applications.

The Forum had recently prepared a draft submission to the Tribunal recommending that ring-fenced entities in our industry should receive automatic exemptions.

#### 6.2.6 Database

The new securitisation database had been developed and was now accessible via the SASF website. All historical data from BASA had been migrated, and we were currently in the process of obtaining non-bank issuance data (previously, BASA had reported on Bank issuances only).

All issuers were now requested to enter their monthly data directly into the system using the provided template.

Once the transition had been completed, we would consider providing more comprehensive information to the local market.

### Communications

The main instrument for communication between the Forum and its stakeholders continued to be the website. The site presently contains all relevant details of the Forum and its members. It also contained news, publications, investor reporting, information on education, our constitution, links to other international securitisation forums, and basic information on securitisation and its history in South Africa. We aim to provide all available securitisation investor reporting on the SASF website, shortly after they have been released. Most of the JSE-listed transaction reports were already listed on the website.

Copies of all reports tabled at the AGM of the Forum would be posted on the site immediately after the AGM.

The sub-committee Chair thanked all personnel and institutions who had contributed items to the website.

He thanked the sub-committee members for their contribution throughout the year, particularly those who had shouldered the onerous burden of working on the UCT course presentations.

There were no questions, and the adoption of the report was proposed by Gill Raine and seconded by Kurt van Staden

#### **6.3 Membership Report.**

Nick Gunning presented the report on behalf of Megan Kriel, the Chairperson. The report was included in the board pack and taken as read.

Membership stood at 33, and all membership fees had been paid.

AK Ismail enquired about a strategy for growing the membership. Nick agreed the Forum was light on the Investor side and advised that Megan Kriel had formulated a list of prospective members to approach in the coming year.

There were no further questions, and the adoption of the report was proposed by Kurt van Staden and seconded by Gill Raine.

#### **7. ELECTION OF THE EXECUTIVE COMMITTEE FOR 2024/2025**

Following a three-year term in office, Kurt van Staden and Evelyn Deiner would step down as Chairperson and Deputy Chairperson after the AGM. A new Chairman and Deputy Chairman were elected. Kurt announced that Brendan Harmse would serve as the new Chairman of the Forum, with Greg Wakelin as the Deputy Chairman. His congratulations went to both.

The Chairpersons of the various sub-committees, including the Treasurer, have confirmed their willingness to continue serving in their current roles for the next financial year. The Chairman thanked them for their contributions thus far.

Exco has recommended and approved the following officers for the 2024/2025 term.

Chairman	Brendan Harmse	Stonehage Fleming
		Corporate Services (Pty)Ltd
Deputy Chairman	Greg Wakelin	ABSA Bank
Treasurer	Nirvanee Naicker	PWC
Legal & Regulatory sub-committee	Hendrik Ackermann	Nedbank
Membership sub-committee	Megan Kriel	Standard Bank
Communication & Education	David Towers	Quadrige Trust

The remainder of EXCO would comprise:

AK Ismail	SA Home Loans
Cameron Gough	FirstRand Bank
Dhesegan Govender	Sasfin
Gill Raine	ASISA
Johan Scheepers	KPMG
Lindi Marais	Webber Wentzel
Louis Dirker	Investec Bank
Nadia Abdul	BMW Financial Services
Nick Clarke	TMF Corporate Services (SA)(Pty)Ltd
Richard Roothman	Werksmans
Sanold Koert	Sanlam
Stephen Naidoo	Ninety One
Tarryn Sankar	Stanlib
Santhuri Thaver	Ashburton
Pat Benbow-Hebbert	Secretariat

The Exco recommendations were approved by the AGM.

8. **SECRETARIAL CONTRACT**

Exco members approved the annual contract of the Secretariat for re-signing at the AGM.

9. **GENERAL**

The Forum's constitution, with the name amended to *The South African Securitisation and Asset Backed Securities Forum*, had been circulated. This contained practical changes that better defined the Forum's purpose, allowing for online meetings, and removing outdated clauses.

Incoming chairman Brendan Harmse thanked all members for their endorsement of deputy chair Greg Wakelin and himself. He acknowledged the outstanding leadership of outgoing chairman Kurt van Staden over the past three years, along with Evelyn Deiner and the subcommittees. He believes a strong foundation had been built that would endure. As the new chair, in collaboration with Greg Wakelin, he would engage with all members to understand the current situation and how the Forum could expand its membership and market reach.

Greg Wakelin, the new deputy chair, recognised the high bar set by Kurt van Staden and Evelyn Deiner. He noted that the securitisation market had shrunk since 2009, while other asset classes had grown. He expressed his enthusiasm for the challenge of fostering greater interest in securitisation among investors, asset allocators, and trustee firms.

In his farewell address, Kurt van Staden expressed that it had been a privilege and honour to chair the Forum. He extended his gratitude to Evelyn Deiner and Pat Benbow-Hebbert and conveyed his confidence that the Forum was well-positioned to thrive under the new leadership.

Johan Scheepers enquired if it would not be an idea to have non-fee-paying PA and FSCA regulators sitting on EXCO or being involved in the working groups. He felt that there would be a lot more traction if they were in the mix. Greg Wakelin advised he had had some dialogue with Bob Chibi and was happy to extend an invitation on behalf of EXCO if everyone was happy with it. There were no demurs to this suggestion.

There were no further questions or comments.

The Chairman thanked all attendees at the AGM for their participation, and the meeting was declared closed.

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CHAIRMAN

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DATE



## **PRESENTATION AND ADOPTION OF THE CHAIRMAN'S ANNUAL REPORT FOR 2025**

## **Chairperson's Report to the Annual General Meeting 22 May 2025**

### **1. Introduction**

Ladies and gentlemen, members, and guests, it is my pleasure to welcome you to the 18th Annual General Meeting ("AGM") of the South African Securitisation and Asset-Backed Debt Securities Forum ("Forum").

As always, this gathering is a platform for all of you to raise ideas and make suggestions that could steer our industry forward, that will aid the Forum in fulfilling its mission to promoting the development of the securitisation and asset-backed debt securities market in South Africa ("SA").

I would like to start by extending my gratitude, to Pat and Greg in particular, and the chairpersons of the various sub-committees, for their support and dedication over the past year, which have been instrumental in helping me fulfil my role as your chairperson. All Exco members have offered to continue serving on the Exco, as have the chairpersons of the various sub-committees, bar Mr. David Towers, who has asked to take a well-deserved break. Mr. Cameron Gough will replace him as chairperson of the Communication and Education sub-committee. A big word of appreciation to all of you, for your continued commitment to our industry.

As we come together to reflect on the past year, and to review the Forum's activities and financial health (which remains sound), we will also look forward, to what could potentially shape our industry in the coming year.

### **2. The Past Year Under Review**

#### **2.1. Economic Overview**

##### **2.1.1. Global**

Forum chairperson's reports have in the past included extensive global and domestic economic overviews and data. I decided to "spare" you same this year given that the world economy is at such a precarious moment. Heightened trade tensions, along with major policy uncertainty, have significantly weakened the global economic outlook for 2025.

"The only constant is change," and that change happens quickly and unexpectedly - as we have *inter alia* recently again seen with the Liberation Day related tariffs rollercoaster. Best you securely fasten your safety-belt comprising strategic planning, financial discipline, adaptability, and resilience – and hold on tight for another ride...

##### **2.1.2. Domestic \***

Domestically, one could say "the more things change, the more they stay the same," right? The South Africa's economy is not delivering, and we must fix it.

For the casual viewer of last night's meeting between the US and SA presidents, it was difficult not to deduct that SA is a crime-ridden country at war with itself. President Ramaphosa at least linked the crime to SA's economic crisis, which gave him a gap to link it back to trade. He highlighted how important growth is for SA and how trade will help both countries. While the public meeting with the US in the Oval Office held sizeable risk, the real test still lies ahead for South Africa: "Can it avoid a return to US import tariffs of 31%"?

Budget 3.0 showed a worsening debt outlook (as expected) - so it is critical that the right balance of fiscal prudence be executed. A new approach to spending reviews, is also hoped to lead to savings, which will help avoid future tax increases.

The decision by rating agency S&P Global, over the past weekend to reaffirm its positive outlook for SA's credit rating, reinforces what is at stake. S&P sees potential upside that would lead it to increase our credit rating if an improving track record of effective reforms resulted in the strengthening of economic growth and reduced government debt and contingent liabilities.

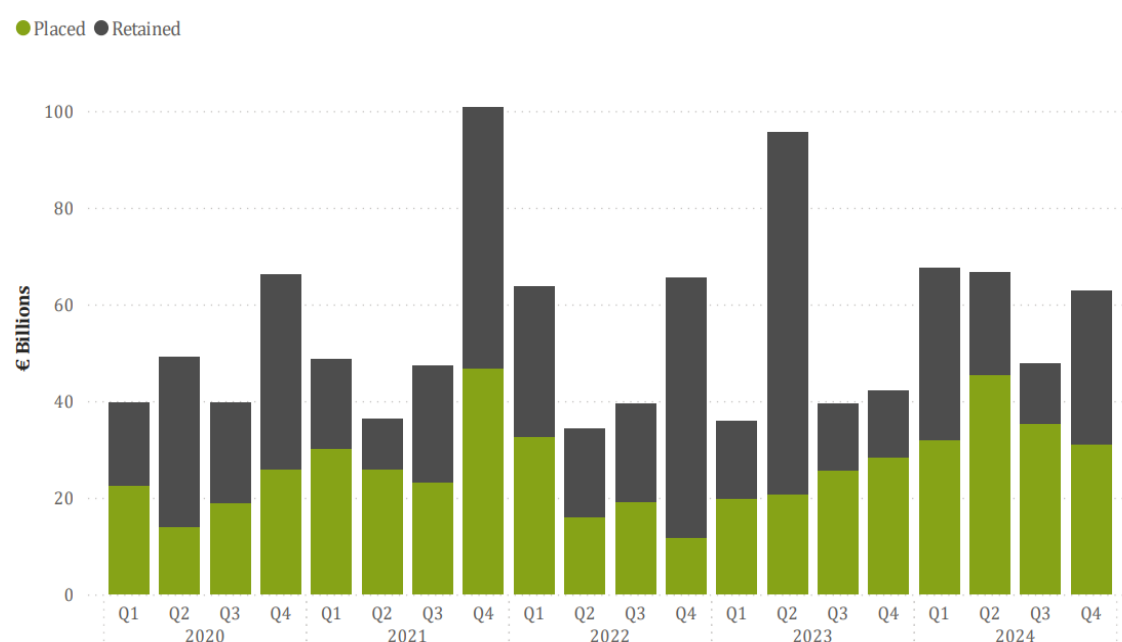
On the other hand, it notes the downside risk is if ongoing economic and governance reforms do not progress, resulting in a deterioration in economic growth or a higher-than-expected fiscal deficit and interest burden. No matter what happens in the international arena, our own structural reforms are critical to enabling our economy. Heed the warning signs!

\* Source: News 24.

## 2.2. Securitisation Markets

### 2.2.1. EU Securitisation Market \*\*

Details of EU securitisation issuance over the past five years are depicted below:



In 2024FY:

- EUR 244.9 bn of securitised product was issued in Europe, an **increase of 14.8%** from the EUR 213.3 bn issued in 2023.
- Of the EUR 244.9 bn issued during 2024FY, EUR 144.0 bn was **placed**, representing **58.8%** of the total, compared to EUR 94.7 bn placed in 2023, representing **44.4%** of the total.
- By asset class, **SME issuance increased by 145.0% YoY** in 2024FY, driven by volumes issued during the second half of 2024.
- Issuance in the ABS and CLO / CDO categories increased by 8.3% and 87.8% respectively, compared to 2023.
- **Simple, Transparent & Standardised ("STS")** issuance totalled EUR 66.5 bn, representing **27%** of total securitisation issuance (STS & non-STS). Year-on-year, STS issuance decreased by 12.2% compared to 2023FY, when EUR 75.7 bn was issued in STS securitisation (making up **35%** of total issuance).
- Outstanding volumes (including CLOs) increased to **EUR 1,217.6 bn** at the end of Q4 2024, an increase of 2.4% QoQ and an **increase of 3.1% YoY**.



During 2024, the Association for Financial Markets in Europe (“AFME”) published its position paper ‘**EU Securitisation back on track**’ paper, which outlines its five-point plan to revive the securitisation market in the EU. In this paper, AFME aims to describe:

- The different ways that securitisation can be used as a tool to support EU growth and strategic objectives.
- It identifies the regulatory hurdles that currently impede its impact and sets out a five-point package of reforms to boost the trajectory of EU securitisation.
- These reforms importantly maintain the existing safeguards embedded within the regulation that prevents the proliferation of high leverage products under the banner of securitisation that originated in the US in the run up to the Global Financial Crisis.

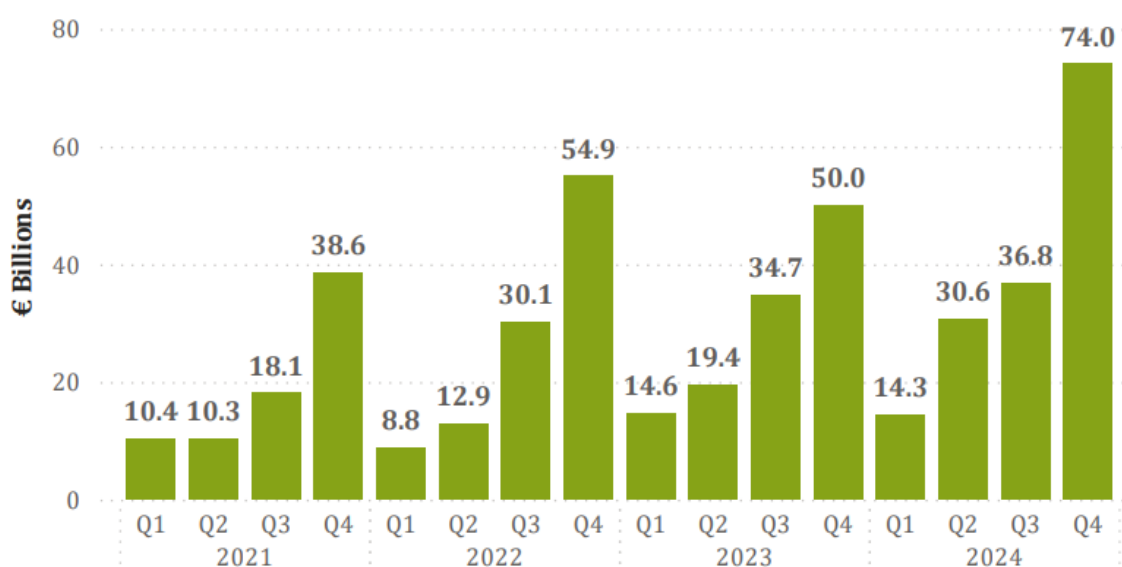
This package proposes measures that, when combined, should increase both the supply and demand for securitisation by:

- Increasing risk sensitivity within the bank prudential framework.
- Reviving demand from the insurance sector by adjusting Solvency II calibrations.
- Adjusting the treatment of securitisation within the Liquidity Coverage Ratio.
- Introducing proportionality for investors conducting regulatory due diligence.
- Fine-tuning regulatory reporting requirements.

We should pay attention to this paper, how its contents develop, and consensus potentially grows (most importantly with regulators) re the contribution securitisation can make to financing growth. We might hopefully see, some regulatory benefit thereof in our local market, given the Basle related interactions between our and EU regulators.

I would also please like to take a moment to stand still at **EU Significant Risk Transfer (“SRT”)**, which has been developing significantly in the EU. SRT is increasingly being used by major EU banks as part of their toolkit to manage their risk and capital. The European SRT market includes both cash and synthetic securitisations, but it focuses on synthetic transactions.

Details of EU SRT growth over the past four years, are depicted below:



It is key to note that **regulation** and **adequate supervisory attention** and **capacity**, have been **enabling factors** for the **growth** of the **EU SRT market**.

\*\* Source: Association for Financial Markets in Europe.

## **2.2.2. Domestic Securitisation Market \*\*\***

### Listed Issuance

Securitisation issuance has maintained a consistent presence in the debt capital markets. In 2024, listed securitisation issuance was encouragingly, 31% higher y/y at R15.2bn.

Securitisation issuance has however, been limited by:

- The absence of the Tier 1 local banks (who own the bulk of underlying assets), given that they can fund cheaper on a senior, unsecured, basis.
- By the non-availability of significant underlying assets from non-banks (which, has been constrained by the limited SA growth).

Although the latter will not significantly move the securitisation issuance needle, the number of private credit related providers considering non-bank debt capital markets funding, seem to be increasing (based on quote requests I have seen from a corporate fiduciary perspective).

### Listed Outstanding Debt

At end 2024, there was ca R5 trillion of listed debt outstanding on the JSE's Interest Rate Market. Securitisation issuers make-up R45bn (ca 1% thereof) and are concentrated, particularly in RMBS, through SA Home Loans.

Investec remains the dominant securitisation issuing bank, as it has three existing structures (Grayston, Richefond and Fox Street) for its respective motor vehicle, commercial and home loan assets. FirstRand and Sasfin have maintained a presence with established vehicle ABS and RMBS structures.

### Unlisted

The level of unlisted securitisation issuance and outstanding debt is obviously difficult to gauge, given the lack of available data and STRATE identifying indicators.

\*\*\* Source: Standard Bank of South Africa Debt Capital Market Update.

## **3. The Forum's Activities**

### **3.1. Workshop with the Prudential Authority**

From a regulatory engagement perspective, a significant focus was the workshop with members of the Prudential Authority ("PA") October 2024. The Forum's objective was to share its securitisation knowledge, challenges and to engage on how the local securitisation market could be revived. A big thank you to our vice-chairman for arranging same, and all Exco members who prepared, presented, and engaged. The Forum's vice-chairman and I continued, and will continue, to reach out to the PA (and its decision makers), on how we could further assist.

We understand that the PA's is aiming first complete new Commercial Paper Regulations, and that only thereafter, our industry's requests to clarify, potentially update and modernise the Securitisation Regulations, would be considered. The timing of both remains uncertain.

### **3.2. Batseta Council of Retirement Funds for South Africa**

Batseta is a non-profit organisation, which is focused on the interests of principal officers, trustees, and fund fiduciaries within the retirement industry.

The Forum's vice-chairman engaged (and continued to reach out to Batseta), re how the Forum could assist with trustees and investor education, with the objective of facilitating increased investor demand for securitisation. We were unfortunately unable to secure a speaking slot at their 2025 Winter Conference, but hopefully this will materialise in 2026.

### **3.3. Sub-committees**

The members of the Forum's sub-committees continued to offer both their time and expertise to advance the Forum's objectives. While each sub-committee chair will present a detailed report, it is imperative to highlight some of their notable achievements.

#### **3.3.1. Membership**

As of 28 February 2025, membership comprised thirty-four members. This will reduce to thirty-three given the acquisition by TMF Group of Stonehage Fleming Corporate Services (South Africa).

The budget has been based on adding two new members during FY2026 on a weighted one-member basis. Various potential new members are currently being engaged.

#### **3.3.2. Communication and Education**

##### UCT course

Following the launch of the UCT Securitisation Course, Ms. Janet Terblanche and Ms. Elena Ilkova of the PA, reviewed the content and requested some of the material be amended. The aim is to complete this project by mid-June 2025. Seventeen learners have registered to date, with fourteen having paid.

##### Database

The new database, supported by Hypoport, has been updated with all banking related issuance (from January 2023 to March 2025). We are still in the process of completing the non-bank issuance data (as previously BASA only reported on bank issuances) – this will be uploaded with effect from January 2025.

Our webmaster will be using quarterly investor reports to prepare the upload templates. All issuers are requested to timeously please confirm the accuracy thereof, so as to enable us to always have accurate data available latest two months after the determination dates. I would like to extend a huge word of thanks to Ms Caryn Pottas, our webmaster, for the resilience she displayed during the update process.

##### Investor reports

It appears that not all public listed securitisation issuers investor reports have been submitted to and published on the SASF website. Related requests have been submitted to the relevant issuers as part of the above database initiatives.

#### **3.3.3. Legal and Regulatory**

##### Draft Commercial Paper Regulations

In July 2024, the PA published for comment, further draft amended Commercial Paper Regulations. Although an improvement on the draft published in 2023, some of the issues raised by the industry previously were not addressed and several new issues have been introduced. The sub-committee submitted comments in August 2024. We are currently awaiting an updated draft from the PA.

##### Draft PCC 23A

The Financial Intelligence Centre ("FIC") published a draft guidance note on the interpretation of credit providers, dealing inter alia with when they deem a credit provider to be in the business of providing credit and therefore in scope of the Act. The Forum compiled comments and made a suggestion that the concept of a "linked company (company that created it)" should be

replaced with “the company that originated the loan.” We are currently awaiting updated feedback from the FIC.

#### Basle 4

Basle 4 is being implemented in SA with effect from July 2025, which will have the effect of slightly increasing the capital requirement for banks holding securitisation tranches on balance sheet.

#### ZARONIA

In line with international best practices, the South African Reserve Bank (“SARB”) is spearheading the transition from JIBAR to a new benchmark reference rate by 2026. This change follows similar global transitions, such as the replacement of LIBOR for USD and GBP and aims to create a more robust interest rate benchmark to price financial instruments in ZAR.

The financial market is actively progressing towards the widespread adoption of ZARONIA. The adoption phase is underway. While both serve as benchmark rates, ZARONIA and JIBAR differ significantly in their methodology and characteristics. ZARONIA is a backward-looking overnight rate based on actual, near risk-free transactions, closely mirroring the SARB's repo rate movements. JIBAR is a forward-looking, unsecured funding rate which anticipates movements in the South African monetary policy repo rates.

A workshop will be hosted as soon as possible, to ensure the securitisation industry is brought up to date, and for securitisation nuances to be debated, presented and considered at the relevant SARB transition committees.

### **3.4. Finance**

Financially, the SASF has maintained a positive cash position throughout the year. Prudent financial management has ensured stability, allowing us to continue supporting our initiatives effectively. Our Treasurer will take you through more details.

### **4. Looking Ahead**

Looking ahead, the SA securitisation industry needs a regulatory related catalyst, to kick start a potential issuance growth revival. Could this potentially be SRT based, as we have seen in the EU?

Developments in the use of synthetic securitisation have been starting to emerge in the SA market. Some of the local banks have been allocating resources towards better understanding the mentioned international trends and how these can be applied within the SA regulatory frameworks. We have seen some large global investors, who are interested in the junior tranches of these transactions, visit our shores.

I want to ask you all at this AGM to please:

- Familiarise yourself with the mentioned international trends (if you have not yet) - so that we can more actively promote the benefits thereof locally.
- Start broadening your securitisation toolkit to beyond traditional RMBS and ABS.
- Start building a new generation of securitisation experts (at buy and sell side alike).

This will take time, focus and effort. But as a Chinese official, after a recent busy weekend of trade negotiations in Geneva replied with a wry smile, to an impatient reporter asking when the results would be reviewed – “Good food is never too late” ...

At the press conference yesterday at the Ritz-Carlton, President Ramphosa smiled when asked about the lunch menu and explained that he usually does not eat dessert, but it looked good. He had some; the lunch was “delicious”!

So, let us today celebrate our above-mentioned achievements over the past year, but aim to achieve more in the coming year.

I wish you all, and the South African Securitisation and Asset Backed Debt Securities Forum, continued and renewed success in 2025/26.

**Brendan Harmse**

**Chairperson**

**22 May 2025**



## **PRESENTATION AND ADOPTION OF**

- **ANNUAL FINANCIAL STATEMENTS**
- **BUDGET FOR 2026**
- **MEMBERSHIP FEES**

**The following items are to be approved and seconded**

- **2025 Audited Financial Statements**
- **2026 Budget**

**The South African Securitisation and Asset Backed Debt Securities Forum  
(Formerly The South African Securitisation Forum)  
Annual Financial Statements  
for the year ended 28 February 2025**

**The South African Securitisation and Asset Backed Debt Securities Forum**  
**Annual Financial Statements for the year ended 28 February 2025**

**General Information**

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Nature of business and principal activities	To promote the development of securitisation in South Africa	
Executive committee members	Name	Change in appointment
	B Harmse (Chairman)	Appointed 16 May 2024
	G Wakelin (Deputy Chairperson)	Appointed 16 May 2024
	N Mthembu (Treasurer)	Appointed 01 September 2024
	N Naicker (Treasurer)	Resigned 24 July 2024
	D Brand (Treasurer)	Appointed 24 July 2024
		Resigned 31 August 2024
	K van Staden	Resigned 16 May 2024
	E Deiner	Resigned 16 May 2024
	N Abdul	
	H Ackermann	
	S Naidoo	
	R Roothman	
	C Gough	
	M Kriel	
	L Marais	
	N Clarke	
	L Dirker	
	D Govender	
	D Towers	
	T Sankar	
	AK Ismail	
	J Scheepers	
	S Koert	
	S Thaver	
Auditors	Nolands Inc	
Secretary	P Benbow-Hebbert	



## **The South African Securitisation and Asset Backed Debt Securities Forum Annual Financial Statements for the year ended 28 February 2025**

### **Index**

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The reports and statements set out below comprise the annual financial statements presented to the members:

<b>Index</b>	<b>Page</b>
Independent Auditor's Report	3 - 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Cash Flows	7
Accounting Policies	8
Notes to the Annual Financial Statements	9 - 10

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	11
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The annual financial statements set out on pages 5 to 11, which have been prepared on the going concern basis, were approved by the executive committee on 23 April 2025 and were signed on its behalf by:

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Chairman

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Deputy Chairperson

Cape Town  
23 April 2025

## **Independent Auditor's Report**

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**To the members of The South African Securitisation and Asset Backed Debt Securities Forum**

### **Opinion**

We have audited the financial statements of The South African Securitisation and Asset Backed Debt Securities Forum set out on pages 5 to 10, which comprise the statement of financial position as at 28 February 2025, the statement of comprehensive income and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present, in all material aspects, the financial position of The South African Securitisation and Asset Backed Debt Securities Forum as at 28 February 2025 and its financial performance and cash flows for the year then ended in accordance with the basis of accounting described in Note 1.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the forum in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter - Basis of accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the committee's own accounting policies to satisfy the financial information needs of the executive committee members. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Other information**

The executive committee members are responsible for the other information. The other information comprises the supplementary information set out on page 11. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independent Auditor's Report**

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### **Responsibilities of the members for the financial statements**

The executive committee members are responsible for the preparation and presentation of the financial statements in accordance with the basis of accounting described in Note 1 and for such internal control as the executive committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive committee members are responsible for assessing the committee's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive committee members either intend to liquidate the committee or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the forum's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee's members.
- Conclude on the appropriateness of the executive committee's members use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the forum's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the forum to cease to continue as a going concern.

Furthermore, we communicate with the executive committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nolands Inc  
Director: Craig Stansfield  
Registered Auditor

Cape Town  
23 April 2025

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**The South African Securitisation and Asset Backed Debt Securities Forum  
Annual Financial Statements for the year ended 28 February 2025**

**Statement of Financial Position as at 28 February 2025**

<b>Figures in Rand</b>	<b>Note(s)</b>	<b>2025</b>	<b>2024</b>
<b>Assets</b>			
<b>Current Assets</b>			
Accounts receivable	2	1 650	-
Cash and cash equivalents	3	361 803	321 326
<b>Total Assets</b>		<b>363 453</b>	<b>321 326</b>
<b>Funds and Liabilities</b>			
<b>Funds</b>			
Accumulated funds	4	340 451	301 198
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	5	23 002	20 128
<b>Total Funds and Liabilities</b>		<b>363 453</b>	<b>321 326</b>

**The South African Securitisation and Asset Backed Debt Securities Forum**  
**Annual Financial Statements for the year ended 28 February 2025**

**Statement of Comprehensive Income**

Figures in Rand	Note(s)	2025	2024
Revenue	6	659 300	655 000
Operating expenses		(649 632)	(806 697)
Operating profit / (loss)	7	9 668	(151 697)
Investment revenue	8	29 585	34 376
Profit / (loss) before taxation		39 253	(117 321)
Taxation	9	-	-
Profit / (loss) for the year		39 253	(117 321)

The South African Securitisation and Asset Backed Debt Securities Forum  
Annual Financial Statements for the year ended 28 February 2025

Statement of Cash Flows

Figures in Rand	Note(s)	2025	2024
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	10	10 892	(133 822)
Interest income	8	29 585	34 376
<b>Net cash flow from operating activities</b>		<b>40 477</b>	<b>(99 446)</b>
<b>Net cash and cash equivalents movement for the year</b>		<b>40 477</b>	<b>(99 446)</b>
Cash and cash equivalents at the beginning of the year		321 326	420 772
<b>Cash and cash equivalents at the end of the year</b>	3	<b>361 803</b>	<b>321 326</b>



**The South African Securitisation and Asset Backed Debt Securities Forum  
Annual Financial Statements for the year ended 28 February 2025**

**Accounting Policies**

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**1. Presentation of annual financial statements**

The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

**1.1 Significant judgements**

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and the related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates.

**1.2 Financial instruments**

**Accounts receivables**

Accounts receivable are items that the Forum has issued invoices for, but not received payment for, as at the reporting date. They are stated at their estimated realisable value, which means that the amount stated is the figure the Forum realistically expects to receive.

**Accounts payable**

Accounts payable are items where the goods and services have been received by the Forum, but as at the reporting date have not yet been paid. They are stated at the amount of cash required to settle those liabilities.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently at amortised cost.

**1.3 Revenue**

Membership fees are recognised on the accrual basis in accordance with the substance of the relevant membership agreements.

**The South African Securitisation and Asset Backed Debt Securities Forum  
Annual Financial Statements for the year ended 28 February 2025**

**Notes to the Annual Financial Statements**

Figures in Rand	2025	2024
<b>2. Accounts receivable</b>		
Membership fees receivable	1 650	-
<b>3. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	361 803	321 326
<b>4. Accumulated funds</b>		
Opening balance	301 198	418 519
Profit / (loss) for the year	39 253	(117 321)
	<b>340 451</b>	<b>301 198</b>
<b>5. Accounts payable</b>		
Trade payables	23 002	20 128
<b>6. Revenue</b>		
Membership fees	636 800	655 000
Services rendered	22 500	-
	<b>659 300</b>	<b>655 000</b>
<b>7. Operating profit / (loss)</b>		
Operating profit / (loss) for the year is stated after accounting for the following expense items:		
Auditors' remuneration	23 000	29 784
Consulting and professional fees	480 983	445 120
Legal expenses	-	81 041
Sundry office costs	4 296	7 738
Travel - local	-	5 483
Website and computer costs	139 239	235 576
<b>8. Investment revenue</b>		
Interest received		
Bank	29 585	34 376
<b>9. Taxation</b>		
The Forum is registered as a Public Benefit Organisation. Its receipts and accruals derived from trading activities fall within the prescribed parameters as contained in Section 10(1)(d)(iv)(bb) of the Income Tax Act of South Africa. Accordingly, no provision for taxation has been made as all receipts and accruals are exempt from taxation.		



**The South African Securitisation and Asset Backed Debt Securities Forum**  
**Annual Financial Statements for the year ended 28 February 2025**

**Notes to the Annual Financial Statements**

Figures in Rand	2025	2024
<b>10. Cash generated from / (used) in operations</b>		
Profit / (loss) before taxation	39 253	(117 321)
Investment income	(29 585)	(34 376)
<b>Changes in working capital:</b>		
Accounts receivable	(1 650)	15 000
Accounts payable	2 874	2 875
	<b>10 892</b>	<b>(133 822)</b>

**11. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

**12. Events after the reporting period**

The executive committee members are not aware of any matter or circumstances of a material nature arising since the end of the financial year.

**The South African Securitisation and Asset Backed Debt Securities Forum**  
**Annual Financial Statements for the year ended 28 February 2025**

**Detailed Income Statement**

Figures in Rand	Note(s)	2025	2024
<b>Revenue</b>			
Membership fees		636 800	655 000
Services rendered - University of Cape Town online course		22 500	-
	6	<u>659 300</u>	<u>655 000</u>
<b>Operating expenses</b>			
Auditors' remuneration		23 000	29 784
Bank charges		2 114	1 955
Consulting and professional fees		480 983	445 120
Legal expenses		-	81 041
Sundry office costs		4 296	7 738
Travel - local		-	5 483
Website and computer costs		139 239	235 576
		<u>649 632</u>	<u>806 697</u>
<b>Operating profit / (loss)</b>		<u>9 668</u>	<u>(151 697)</u>
Interest received	8	29 585	34 376
<b>Profit / (loss) for the year</b>		<u>39 253</u>	<u>(117 321)</u>

## TREASURER'S BUDGET REPORT

**2. Cash Flow Statement – Actual from 1 March 2024 to 28 February 2025 compared to Budget from 1 March 2025 to 28 February 2026**

<b>SOUTH AFRICAN SECURITISATION FORUM</b>				
<b>BUDGET VS ACTUAL RESULTS - 1 MARCH 2024 – 28 February 2025</b>				
Income Statement:	Budget	Actual	Year-on-year movement	Comments on variance between actual YTD and budgeted YTD
	12 Months 28-Feb-26	12 Months 28 Feb -25	till 28-Feb-26	
<b>Income</b>	<b>711 567</b>	<b>687 235</b>	<b>24 332</b>	
Interest	31 567	29 585	1 982	Increase in line with the increase in membership fees at MM rate of 6,7%
Other income- UCT Content	0	22 500	-22 500	Not expected to be earned,
Membership Fees	680 000	635 150	44 850	The number of members is expected to remain constant (34)
<b>Expenses</b>	<b>702 484</b>	<b>646 757</b>	<b>55 727</b>	
Auditors	32 543	30 993	1 550	Increase of 5%
Bank charges	2 204	2 099	105	Increase of 5%
Website design, maintenance costs	120 000	114 375	5625	This consists of Gridhost costs - Caryn's monthly rate, which was previously agreed at R6 825pm and any additional hours at R788ph.
Consulting secretarial fees	493 088	468 715	24 373	Increase of 5.2%- inclusive of Bonus – 13 <sup>th</sup> Cheque
Sundry office costs	3 892	3 707	185	Increase of 5%
Travel	5 757	0	5757	Budget as provision for travel.
Legal Opinions	20 000	0	20 000	Budget as provision for possible legal opinions.
Website Development- Hypoport	20 000	20 000	0	An Annual fee of R20 000 is expected.
Gifts & entertainment	0	1000	-1000	Not expecting to incur the cost
UCT content	0	1 400	-1 400	Not expecting to incur the cost
Annual Web Hosting Fees	5 000	4 468	532	Annual web hosting fees
<b>Profit/(loss) before tax</b>	<b>9 083</b>	<b>40 478</b>		
<b>Tax</b>	<b>-</b>	<b>-</b>		
<b>Profit/(Loss) after tax</b>	<b>9 083</b>	<b>40 478</b>		
Cash at the beginning of the year	<b>361 804</b>	<b>321 326</b>		
Add: Net income over expenses	<b>9 083</b>	<b>40 478</b>		
<b>Closing cash balance</b>	<b>370 887</b>	<b>361 804</b>		



## **FEEDBACK FROM THE SUB-COMMITTEES**

**The following sub-committee reports will be taken as read and only questions will be addressed.**



## **LEGAL & REGULATORY**

## **Annual Report of the Legal & Regulatory Sub-Committee of the South African Securitisation and Asset Backed Debt Securities Forum for the 2024/2025 year**

Members of the Executive Committee of the South African Securitisation and Asset Backed Debt Securities Forum (the “Forum”), Chairpersons of the various sub-committees of the Forum, Colleagues, Ladies and Gentlemen.

### **1. Introduction**

I am presenting this report to you in my capacity as Chairperson of the Legal and Regulatory Sub-Committee (“sub-committee”). I would also like to extend my appreciation to all the members of the sub-committee for their input and time during the past term, which was a busy one on the legal and regulatory front. Four formal sub-committee meetings were held during the term, namely in August and November 2024 and in February and May 2025. All the meetings were well attended.

### **2. Overview of the sub-committee’s 2024/2025 activities**

#### **2.1 Draft update to the Exemption Notice relating to Commercial Paper (Commercial Paper Regulations)**

In July 2024, the Prudential Authority (PA) published for comment, a draft amended Commercial Paper Regulations.

Although an improvement on the draft published in 2023, some of the issues raised by the industry previously were not addressed and several new issues have been introduced. The L&R subcommittee established a small working group to formulate comments on behalf of the Forum. Comments were submitted on the 12<sup>th</sup> of August. The main themes in the proposal are:

#### **A summary of the changes:**

##### **A. Differentiation between the issue of Commercial Paper (CP) and Debt Securities**

- The previous draft limited the issue of bonds to a maturity of not exceeding 365 days. The current draft now allows for bonds with maturities up to 30 years to be issued.

- A distinction, however, is made between bonds with maturities of not exceeding 365 days (referred to as **commercial paper**) and bonds with maturities of longer than 366 days but not exceeding 30 years (referred to as **debt securities**). The main difference between the 2 types of instruments is the **use of proceeds (purpose)**. The Forum and BASA have pushed back and are of the view that the distinction between commercial paper and debt securities, and the conditions to each, is introducing unnecessary complexity without a clear objective. The Forum and BASA recommended doing away with the distinction and having one instrument governed under the Commercial Paper Regulations.

## **B. Purpose/Use of Proceeds**

For **debt securities**, the bonds can only be issued to raise “capital funding” for the purpose of:

- Capital Expenditure (including project finance and green financing bonds);
- A treasury function within a group of companies for use within that group;
- A finance company within a group of companies to finance the acquisition of assets; or
- Secured note programmes and/or repacked note programmes to acquire single assets, provided that they are not pooled, repackaged and securitised;

The placing documents must disclose the specific purpose of the funds raised.

**C.** For **commercial paper**, the bonds can only be issued for operating capital. Operating capital is defined as funds raised for the principal revenue-generating activities of the issuer on a day-to-day basis. Although the definition is wide, we believe the intention is to limit this to working capital.

- BASA and the Forum recommend that the use of proceeds restrictions across the Commercial Paper Regulations be removed. We do not understand what risk this characterisation seeks to mitigate.

## **D. Minimum denomination**

- Debt securities can only be issued or transferred in minimum denominations equal to or greater than R18.75 million, and commercial paper can only be issued or transferred in minimum denominations equal to or greater than R12.50 million.
- BASA and the Forum are requesting clarification on why there is a limit to the investment and trading of debt securities, given the advancement in the financial industry worldwide, to a select few investors based on the denomination size. Also, an issuer of bonds cannot control the transfer of bonds.

#### **E. Auditor confirmation**

- The auditors must confirm that the issuer and issuance of the instruments must comply in all material respects with the provision of the Commercial Paper Regulations at the time of initial issuance.
- The Forum has requested clarification whether an issuer needs to obtain this confirmation for each issuance or for the initial issuance under a placement document only.

#### **F. Reporting**

Issuers and arrangers must submit a quarterly return to the PA (more detailed than the current return).

#### **G. Disclosure**

More detailed disclosure is required in programme documents. Various sections of the proposed Commercial Paper Regulations will need to be changed to reflect the correct information for the appropriate document (Programme Docs vs APS etc) for disclosure and timing thereof.

#### **H. Rating Requirement**

For debt securities, it is now a requirement that the debt security be rated. BASA and the Forum are concerned about the introduction of a rating requirement as this will add delays and is the opposite of international best practice. BASA and the Forum propose to simply provide for a disclosure as to whether debt securities are rated or not.

### **2.2 Draft PCC 23A: Guidance on the interpretation Of Credit Providers, Item 11 Of Schedule 1 to the Financial Intelligence Centre Act, 2001 (Act 38 Of 2001)**

The FICC published a draft guidance note on the interpretation of credit providers dealing, inter alia, with when they deem a credit provider to be in the business of providing credit and therefore in scope of the Act. Commentators were requested to provide their views on whether special purpose vehicles and/or ring-fenced companies registrations could be delegated to the linked company (the company that created it) and the effect thereof.

The Forum compiled comments and made a suggestion that the concept of a “linked company (company that created it)” should be replaced with “the company that originated the loan”. This clarifies that if the SPV can originate credit agreements, it must be registered as an AI and utilise PCC53 to discharge its obligations under the FIC Act.

### **2.3 Basle 4**



Basle 4 is being implemented in SA with effect from July 2025, which will have the effect of slightly increasing the capital requirement for banks holding securitisation tranches on balance sheet.

## **2.4 ZARONIA**

In line with international best practices, the South African Reserve Bank ("SARB") is spearheading the transition from JIBAR to a new benchmark reference rate by 2026. This change follows similar global transitions, such as the replacement of LIBOR for USD and GBP and aims to create a more robust interest rate benchmark to price financial instruments in ZAR.

The financial market is actively progressing towards the widespread adoption of ZARONIA. The adoption phase is underway. While both serve as benchmark rates, ZARONIA and JIBAR differ significantly in their methodology and characteristics. ZARONIA is a backwards-looking overnight rate based on actual, near risk-free transactions, closely mirroring the SARB's repo rate movements. JIBAR is a forward-looking, unsecured funding rate which anticipates movements in the South African monetary policy repo rates.

A workshop will be hosted as soon as possible to ensure the securitisation industry is brought up to date and for securitisation nuances to be debated, presented and considered at the relevant SARB transition committees.

## **2.5 Engagement with the Companies Tribunal**

Members of the sub-committee had various engagements with stakeholders of the Companies Tribunal on the topic of the need for social and ethics committees and the inconsistent treatment of applications for exemptions. David Towers will deal with this in his report.

## **3. Outlook and Conclusion**

In conclusion, 2025 will continue to be a busy year on the legal and regulatory front. Constructive engagement with regulators will be a key deliverable for the sub-committee.

Current market conditions are conducive for new transactions considering conditions in the local Debt Capital Markets.

**Hendrik Ackermann**  
**Chairperson**  
**May 2025**



## **COMMUNICATION AND EDUCATION**



## REPORT OF THE COMMUNICATION AND EDUCATION SUB-COMMITTEE OF THE SOUTH AFRICAN SECURITISATION FORUM FOR 2024/2025

Members: David Towers, Louis Dirker, Evelyn Deiner, Gill Raine, Richard Roothman, Dhesegan Govender, Brendan Harmse and Kurt van Staden.

### EDUCATION

#### UCT Securitisation Course

The updated on-line Securitisation Course was completed and was made available to the public through the UCT on-line portal. Accessibility was via a UCT Law@Works learning portal for self-study and made available throughout the year for students. The duration of the course has been estimated at approximately 15 hours of study time, but students will have access to the material for a year.

However, following the launch of the Securitisation Course, Janet Terblanche and Elena Ilkova, from the Prudential Authority (“PA”), reviewed the content and requested some of the material be amended and re-worked. Given the extent of the comments, the Sub-Committee took the decision to suspend the course while the content was being reviewed. Six of the ten modules that needed to be re-worked have been finalised and we are aiming to complete the project by mid-June at the latest. Given the tight deadlines for completing the Course last year we anticipated that there might be some teething problems and errors. These are in the process of being corrected. The PA intends to make use of the course for other members of its staff. This is a very positive aspect.

While the course will still be held under the banner of the Law Faculty it will be marketed and extended to students in the Commerce and Finance faculty, particularly those in the African Institute of Financial Markets run by David Taylor who indicated to us that he was interested in offering the course, or sections of it, to his students.

Development costs came in at R196 500 while the registration cost per student will be R9 750. The fee to SASF members will be discounted to R7,500.

Seventeen individuals have to date registered for the course, fourteen of which have paid. The Forum will start receiving some financial benefit once UCT have recovered their setup costs (estimated after ca twenty registrations and payments).

## Global Banking & Markets: Africa 2025 Conference

The Global Banking & Markets: Africa Conference was held in Cape Town on 25 and 26 March and was very well attended by participants in our market. Although the Forum was not successful in securing a topic on securitisation at the Conference as it required a significant sponsorship to get this approved, nevertheless the Conference was attended by many players in our market and proved to be a useful forum for many from our industry to engage and network.

## SASF Outreach

Standard & Poors has given presentations to the SASF members in the recent past and will continue to do so as when they have relevant market updates for the industry.

Moody's finally gave the Forum a presentation on their updated MILAN rating methodology on RMBS transactions. The On-line meeting was well attended and the presentation was subsequently shared with members.

We continue to interact with various regulators to help gain a better understanding of all aspects of the market including regulatory developments and how they may impact our industry, this with the intention of mutual information sharing.

## Social & Ethics Committees

The recent Companies Amendment Act made various changes to the rules on the Social & Ethics committees.

Public companies are now required to present a social & ethics committee report for approval at the AGM although the content and consequences for non-approval at the AGM have not yet been implemented. There are also new details on the composition and functions of the committee.

Companies seeking exemptions must now publish their intention to apply.

In terms of the current position on exemption applications, as has previously been reported by this Sub-Committee, the Tribunal has not been consistent in its decision making, especially in respect of the structures that impact members of this Forum. Although many exemptions have been granted to date there have also been many applications that have been denied. Over the past year, at least two exemption applications have been denied, in one case, the applicant had successfully applied for an exemption five years previously on exactly the same basis. These two denials were made by the same Tribunal Commissioner. Subsequent to that Commissioner's decisions, an application with fairly similar facts was granted by another Commissioner. We are also aware of two identical structures applying for exemptions at the same time, the one being granted and the other being denied.

The Tribunal has undertaken to review the decisions taken to date to decide on a consistent approach for such applications. We understand that this process has still not been finalised.

## Database

The new securitisation database supported by Hypoport has been developed and can be accessed via the SASF website. All historic bank issuance data (up to end 2022) from BASA was migrated and updated up to March 2025 (BASA only reported on bank issuances).

We are now the process of obtaining non-bank issuance data, which is being uploaded with effect from January 2025. Accurate updated issuance data (our webmaster will be using quarterly investor reports as the source) will be available by month-end, two months after structures' determination dates (typically falling on month ends).

All issuers are requested to timeously (being three days after receipt of their upload file to be prepared by our webmaster from the investor reports), confirm the accuracy thereof.

Once this transition has been completed, we will consider possibly expanding on the detail to provide more comprehensive information to the local market.

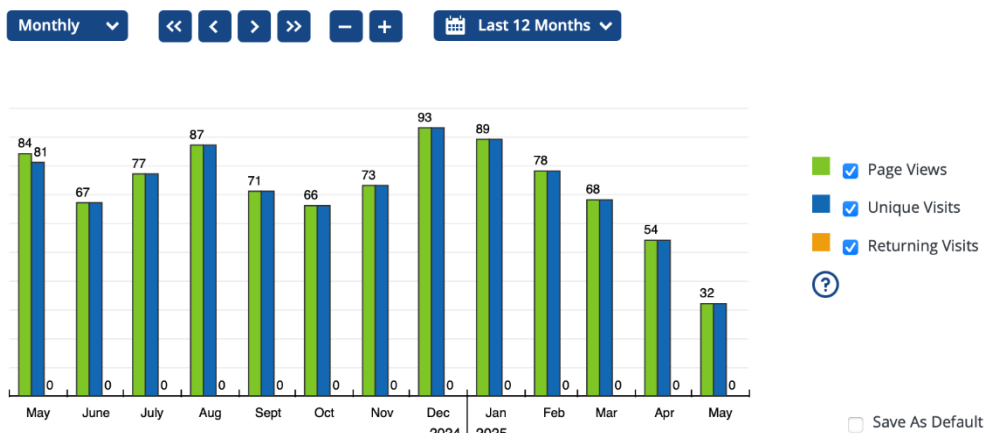
## COMMUNICATION:

The main instrument for communication between the Forum and its stakeholders continues to be our website. The site presently contains all relevant details of the Forum and its members. It also contains news, publications, investor reporting, information on education, our constitution, links to other international securitisation forums, as well as basic information on securitisations and its history in South Africa.

We aim to provide all available securitisation investor reporting on the SASF website shortly after they are released. The majority of the JSE listed transaction reports are listed on the website. Requests for those investor reports not being received, have been submitted to the relevant issuers as part of the above database initiatives.

David Towers  
May 2025

## SASF website usage up to 14 May 2025



Average Monthly Page Views	Average Monthly Unique Visits	Average Monthly First Time Visits	Average Monthly Returning Visits
72.2	72.0	72.0	0.0

	Page Views	Unique Visits	First Time Visits	Returning Visits
+ May 2025	32	32	32	0
+ Apr 2025	54	54	54	0
+ Mar 2025	68	68	68	0
+ Feb 2025	78	78	78	0
+ Jan 2025	89	89	89	0
+ Dec 2024	93	93	93	0
+ Nov 2024	73	73	73	0
+ Oct 2024	66	66	66	0
+ Sept 2024	71	71	71	0
+ Aug 2024	87	87	87	0
+ July 2024	77	77	77	0
+ June 2024	67	67	67	0
+ May 2024	84	81	81	0
Total	939	936	936	0

**Returning Visits** - Based purely on a cookie, if this person is returning to your website for another visit an hour or more later

**First Time Visits** - Based purely on a cookie, if this person has no cookie then this is considered their first time at your website.

**Unique Visitor** - Based purely on a cookie, this is the total of the returning visits and first time visits - all your visitors.

**Page Load** - The number of times your page has been visited.

## **SASF: Investor reports on the website as of 14 May 2025**

Please see below a list of all the latest Investor Reports currently displayed on the SASF website, together with the date of the latest issue available.

### ***Residential Mortgage-Backed Securitisations***

Amber House Fund 2 – SA Homeloans  
April 2025

Amber House Fund 5 – SA Homeloans  
February 2025

Amber House Fund 7 – SA Homeloans  
February 2025

Greenhouse 5 (RF) Limited- Nedbank  
January 2025

Lehae Programme (RF) - FNB Home Loans  
March 2025

Nqaba Finance 1 - Eskom Finance Company (EFC)  
November 2024

Thekwini Funds- SA Homeloans  
Thek 16: August 2024  
Thek 17: February 2025  
Thek 18: February 2025  
Thek 19: February 2025

### ***Commercial Mortgage-Backed Securitisation***

Precinct Funding 2 (RF) Limited - Nedbank Capital  
Precinct Funding 2 (RF) Limited has been unwound at the end of January 2022

### ***Asset-Backed Securitisations***

MW Asset Rentals (RF) Limited Program - Merchant West  
January 2025

SA Securitisation Programme (previously Equipment Rentals Securitisation) - Sasfin Bank  
Series1  
March 2025

Series 2  
Notes matured November 2024, last report October 2024

Series 3  
March 2025

***Asset-Backed Securitisations - Autos***

Nitro Programme (RF) Limited - Nitro 8 – Firststrand  
March 2025

SuperDrive Investments (Pty) Ltd - BMW FS securitisation - Standard Bank

August 2024

Torque Securitisation (RF) Limited  
February 2025

Transsec 4 (RF) Limited  
March 2025  
Transsec 5 (RF) Limited  
February 2025

***ABCP Conduits***

Inkotha Investments (Pty) Ltd - Firststrand Bank  
Archived

Thekwini Warehousing Conduit - SA Homeloans  
April 2025

***Synthetic Securitisations***

***Micro-Lending Receivables***





## **MEMBERSHIP**

## Annual Report of the Membership Sub-Committee for 2024/2025

As of 28 February 2025, the South African Securitisation and Asset Backed Debt Securities Forum (SASF) membership comprised 34 members. This will reduce to 33, given the acquisition by TMF Group of Stonehage Fleming Corporate Services (South Africa). The budget has been prepared based on adding two new members during FY2026 on a weighted one-member basis.

At the Annual General Meeting held on 16 May 2024, the Executive Committee approved an annual membership fee of R20,000 per member.

For the 2024/2025 financial period, membership fees were invoiced for 34 members, totalling R636 800.

Quince Capital and SA Taxi resigned from their membership on 1 June 2024 and 26 August 2024, respectively.

New membership applications were received from Fasken and Credit Benchmark, both of whom joined on a pro-rata basis. The International Finance Corporation (IFC) was invited to join SASF and has become a member; however, as of 28 February 2025, a pro-rata membership fee of R1 650 remained outstanding.

Invitations to join SASF were also extended to Momentum, Futuregrowth, Pallidus and Aluwani.

SA Securitisation and Asset Backed Debt Securities Forum
ABSA Bank
Ashburton Investments
Bayport Securitisation (RF) Limited
BMW Financial Services (SA)(Pty)Ltd
Bowmans
Centrafin Pty Limited
Cliffe Dekker Hofmeyr
CMS RM Partners (Pty) Ltd
Credit Benchmark
Deloitte & Touche
ENS
Ernst & Young
Fasken
FirstRand Bank
Hypoport Africa Limited
IFC
Investec Bank Limited
KPMG Inc
Merchant West Proprietary Limited
Mettle Specialised Finance (Pty) Ltd
Nedbank CIB
Ninety One (Pty) Limited
PricewaterhouseCoopers
Quadridge Trust Services (Pty) Ltd
SA Home Loans
Sanlam Investments
Sasfin Bank Limited
Standard Bank of South Africa Limited
STANLIB
TMF Capital Markets Services (South Africa), previously named Stonehage Fleming Corporate Services (South Africa)
TUHF Limited
Webber Wentzel
Werksmans Attorneys



## **ANNOUNCEMENT OF OFFICE BEARERS FOR 2025/2026**

**Chairman**  
**Deputy Chairman**

- **Brendan Harmse**
- **Greg Wakelin**

**Treasurer**

- **Nosihle Mthembu**

**Sub-Committees -**  
**Legal & Regulatory**  
**Communication & Education**  
**Membership**

- **Hendrik Ackermann**
- **Cameron Gough**
- **Megan Kriel**



## **GENERAL**