

African Bank Holdings Limited press release

4 August 2017

African Bank concludes Section 189A consultation through voluntary process

African Bank is pleased to announce that a section 189A consultation process as prescribed in terms of the Labour Relations Act, Act 66 of 1995 has been concluded through the settlement of Voluntary Severance and Retirement packages.

Since the commencement of the Sections 189A in April 2017, the Bank's staff complement will reduce by 636 full time employees. This was as a result of the 515 applications approved under the Voluntary Agreements offer in areas of the business targeted by this exercise. Normal staff turnover accounted for a further 121 reduction of the staff complement over the same four month time period.

Brian Riley CEO noted; "It's been a difficult few months within the Bank and we are relieved to have completed this consultation through a voluntary process."

The Bank expects to save approximately R50 million per annum as a result of the Voluntary Agreements. A once-off cost of approximately R60 million to settle the packages, will be incurred and expensed in the annual financial statements for the year ended 30 September 2017.

Riley concluded; "The Bank remains confident that the strategy as articulated previously remains relevant, achievable and continues to gain traction. The successful conclusion of this collaborative exercise has contributed significantly to a more sustainable cost base for the business going forward".

ENDS

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On behalf of CEO of African Bank, Brian Riley