

African Bank Limited press release

November 2018

African Bank financially strong and on track for Shared Banking

Today African Bank released a strong set of financial results for the year ended 30 September 2018 and confirmed it is on track for the launch of MyWORLD early in 2019.

HIGHLIGHTS:

- Operating profit for the year up 29% to R1 453 million, compared to R1 130 million for the period ended 30 September 2017
- New credit disbursements increased by 21% to R9.6 billion.
- African Bank has made further inroads in its Savings and Investment products and has grown the book by 225% to over R1 billion. The Bank strives to offer the best interest rates across South Africa and currently offers 10.75% nominal annual compounded annually on a 5 year fixed term product.
- African Bank to launch new transactional banking product, MyWORLD, in the first half of 2019.
- Strategy intent on advancing lives through financial and related services.

Basani Maluleke, African Bank group CEO says, “The Bank has delivered a strong financial performance, notwithstanding the challenging economic backdrop. The consistent improvement in our financial results reflects the sustained progress we have made in transforming the Bank, since emerging from curatorship. While we will continue to be, a significant and responsible provider of unsecured credit to South African consumers, we are also diversifying our products and distribution channels to provide a holistic solution to our customers.”

Since April 2018 MyWORLD (our transactional banking product) has been successfully activated by over 3 000 African Bankers. More recently, employees have been testing the African Bank App, which enables users to access all African Bank products, including savings and investments, personal loans, credit card and transactional banking in App or via the Web.

The biggest differentiator of MyWORLD, which will be ready to launch to customers in the first half of 2019, is its “shared banking” proposition. MyWORLD has been specifically designed to enable groups of people (e.g. families, friends, communities) to save together while enjoying the best savings rates, and bank together, to benefit from the lowest bank fees.

MyWORLD will compete strongly in the digital space and be operated across African Bank’s Omni-channel infrastructure. “South Africans will be able to easily open an account and manage their finances anywhere, anytime, in person or remotely, individually or in groups” says Maluleke.

Maluleke confirmed that the branch network of some 391 branches, which have been fully refreshed and modernised, will remain an attractive option for customers who prefer the

personal and interactive touch of our branch consultants.

African Bank's purpose is to advance lives. Over the last year, many South Africans have experienced financial hardship due to South Africa's low economic growth. It is in this context that we have provided savings and investment products that offer market leading interest rates and customers can enjoy these rates with deposits as little as R500. Furthermore, MyWORLD will offer the lowest bank fees and the highest savings rates, thus allowing our customers to save and grow their money.

"We look forward to revealing MyWORLD to all South Africans. MyWORLD will provide consumers with fast, convenient and cost effective banking. We are privileged to have the opportunity to continue to surprise our customers, creating value where we can and introducing relevant products that improve the lives of all our communities," Maluleke concludes.

ENDS

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Notes to editors

About African Bank

African Bank is a 100% subsidiary of African Bank Holdings Limited ("ABH" or "ABH group"). ABH is an unlisted registered bank controlling company under the Banks Act, Act 94 of 1990. The shares in ABH are privately held by the South African Reserve Bank, the Government Employees Pension Fund, Barclays Africa Group Limited, Capitec Bank Limited, FirstRand Bank Limited, Investec Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited.

The ABH group has material insurance operations that are housed in African Insurance Group Limited, a separate 100% held subsidiary of ABH which in turn holds a cell captive investment in Guardrisk Limited ("cell captive"). The cell captive investment, owned 100% by African Insurance Group Limited, is not consolidated by the ABH group according to International Financial Reporting Standards ("IFRS"), although the financial performance of this entity is dealt with in the unaudited consolidated financial statements, by means of a re-measurement of the investment in insurance contracts.