

African Bank Ltd press release

24 June 2020

Resilient and adaptable despite challenging conditions

Today, African Bank released its financial results for the six months ended 31 March 2020 and CEO, Basani Maluleke, reminded us how the health and humanitarian crisis caused by the pandemic have exacerbated the pain of a fragile economy on all South Africans.

Of significance in the last six months African Bank has:

- Steadily grown the number of MyWORLD transactional banking accounts. Over 258 000 have been opened since May 2019.
- Continued to offer South Africans the best interest rate, currently 12.33% at expiry on a 5-year fixed rate deposit. Savings and investment portfolio has increased by 158% year-on-year to R3.8 billion.
- Seen a 10% increase in the number of customers, measured across all our products over the past six months, to a total of 1.2 million.
- In March 2020, the South African Customer Satisfaction Index rated African Bank the best bank for customer service in South Africa.
- Launched accredited programmes that prepare African Bank employees to embrace and excel in the digital age. For the half-year, the Bank's total spend on qualifications and digital learning amounted to R13.5 million, benefitting over 1 600 employees.
- Established a Data Science Internship Programme initiated to build and bolster internal data science capabilities for the Bank.

“As the economy begins to recover, we believe that consumers will continue to gravitate towards organisations that offer good value and good customer service,” notes Maluleke.

“During these extraordinary times, it is important to go back to basics and for African Bank this has meant looking at how best we can advance the lives of our staff and customers,” says Maluleke.

Maluleke says during lockdown the Bank has:

- Provided customers with an uninterrupted banking service.
- Provided a continuous flow of educational commentary to support customers.
- As of May 2020, provided R263 million in cash flow relief to customers in the form of payment breaks and Credit Life Insurance.
- Upscaled its social responsibility activities to provide distressed communities in KZN, Mpumalanga and Eastern Cape with over 100 000 food relief meal packages; 6 400 tertiary students with computers and masks and over 8 300 Covid-19 screening tests to residents of historically disadvantaged communities through Pink Drive and the National Department of Health.

Maluleke says there is much for corporate South Africa to do to mitigate the humanitarian and economic destruction sowed by the pandemic. “The new global order that will prevail, once we have acclimated to the changes necessitated by the pandemic, demands that the Bank adapt its strategy to enable it to continue to advance lives and to thrive.”

“Our strong balance sheet and liquidity profile continues to provide our stakeholders with a solid investment proposition,” noted Maluleke.

At the half-year, the Group’s balance sheet remains robust with high available cash resources of R5.4 billion. Notwithstanding the post-Covid-19 adjustment, management continued to maintain a strong liquidity profile with high Group equity capital levels of R10.5 billion (H1 2019: R10.0 billion).

“Despite the extraordinary times we find ourselves in, the African Bank Group is strong and resilient in the face of the unprecedented macroeconomic and Covid-19 market challenges. Focusing on our immediate priorities will ensure that we weather the current storms while we adapt our strategy and future-proof our organisation and operating model for the society and economy that will emerge from the impact of the pandemic. What we are facing is daunting, but I am heartened by the commitment, drive and passion of our people throughout the organisation. We know what needs to be done to manage our business, adapt our strategy, accelerate certain priorities and continue to advance lives

through the provision of our financial products and related services,” Maluleke concludes.

ENDS

Presentation and conference call today at 10am

Interested parties are invited to register for a conference call during which Basani Maluleke (CEO) and Gustav Raubenheimer (CFO) will take participants through the operational highlights, financial results and business prospects.

Details of the conference call are:

- Date: Wednesday 24 June 2020
- Time: 10h00 SAST

Interested parties are requested to pre-register for this webcast at the following [live webcast](#) link and follow the instructions provided. A recording of the results presentation will be available on the Bank’s website after the presentation.

Contact:

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On behalf of CEO of African Bank, Basani Maluleke

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, ABSA Trading and Investments Solutions Proprietary Ltd, 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.

African Bank offers a diversified range of products and services that compete on the basis of innovation, creating customer value and socially responsible banking.

Building and maintaining a reputation of trustworthiness is a key element in our development of a successful business.

Culture, customer-centricity and data are the three pillars of our strategy. In today’s dynamic world, the companies who are the most customer-centric will win. We strive to understand our customers so that we speak to them in a way that is relevant and offer them products that are right for them. Here, our focus on data will play a big role. Having the right information at the right time to make the right offers to our customers is a key enabler of customer-centricity.