

AFRICAN BANK LIMITED

(Incorporated in the Republic of South Africa)

(Registered Bank)

(Registration No. 2014/176899/06)

Company code: ABKI

(“African Bank” or the “Bank”)

AFRICAN BANK BEGINS CONSULTATION PROCESS RELATING TO REDUNDANCIES IN TERMS OF SECTION 189A OF THE LABOUR RELATIONS ACT

African Bank has commenced a consultation process with its recognised union, Sasbo, as prescribed in terms of section 189(3) read together with section 189A of the Labour Relations Act, Act 66 of 1995, as a result of redundancies in its operations.

Over several years, the Bank has been automating processes across its operations and has implemented the omni digital platform to reduce duplication and increase efficiencies. More recently, the Covid-19 pandemic which affected South Africa in March 2020, and the consequential slow down in business volumes and reduction in profitability, has had a significant negative effect on the Bank.

Consequently, this has led to excess staffing capacity and has required the Bank to evaluate its current resource requirements and associated costs which may necessitate reducing duplication of functions. It has therefore become imperative to restructure African Bank and hence the Bank has entered into consultations with Sasbo, which may lead to the loss of jobs.

The CEO of African Bank, Basani Maluleke, stated “We have been deliberate in reducing costs in all areas of our business. The undertaking of a consultation process with our employees is the last resort to further reduce costs. Our intention throughout the process will be to consider appropriate measures to avoid and minimise potential job terminations. During these unsettling times, we will continue to deliver the exceptional service to which our customers have become accustomed.”

It is anticipated that 1 269 employees of the current 3 728 total employees will be affected. It is anticipated that a job loss ratio of approximately 25% of the number affected, may take place.

Currently, the Bank and Sasbo have agreed to a CCMA facilitation process in order to consult on all pertinent issues.

27 October 2020

Debt Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)