

African Bank Group

Final consumer press release

30 November 2021

African Bank returns to profitability

This week African Bank Holdings Ltd, which includes its subsidiaries of African Bank and African Insurance Group, released its financial results for the 2021 financial year. In a period marked by disruption, the Group managed to adapt and evolve, embracing change and capitalising on new opportunities.

Significantly improving its business performance and financial results, the African Bank Group reported a net profit of R534 million for the year ended 30 September 2021, compared to a reported loss of R27 million for the same period last year. The Group has a robust balance sheet with a strong liquidity profile and high available cash resources, including surplus statutory assets which increased to R9 billion (H1 2020: R6.9 billion). The strong cash resources will support the growth ambitions of the Group's new 2025 strategy which seeks to provides customers with a deeper digital offering and a diversification of product offerings, including a digital service to small and medium enterprises.

"As a retail bank serving South Africans from all walks of life, our investment and savings portfolio is very encouraging, reporting a 73% increase year-on-year. Our strategy to optimise opportunities as we have transitioned through these unpredictable times has paid dividends, and the trust demonstrated by new and existing customers has been welcomed," says Kennedy Bungane, Group Chief Executive Officer of African Bank.

Our investment portfolio offers of the best interest rates in SA



“Our 2021 financial year’s performance is significantly better than that of 2020. This is largely due to the fact that the upfront higher credit impairments raised a year ago were sufficient to account for the increased risk of default that was predicted as a result of the impact of Covid-19, strong collections on personal loans, and increased profits from our insurance entity.

“Throughout these unprecedented times, the Group has tailored its strategies to be agile, adaptable and sustainable. It is clear to the Board and our Executive Committee that the organisation remains relevant, competitive and continues to return value to our stakeholders and society as a whole,” Bungane commented.

Take outs worth noting:

- **A new restated vision for a future-fit organisation** – our 2025 strategy is to continue to build a sustainable bank with a diversified business offering that will become a listable entity – for the people, by the people and serving the people.
- A supporting strategy underpinned by its **values, sustainability levers** (customer satisfaction, social responsibility, financial resilience, inclusivity, environmental protection) and **digital ways of working**.
- A firm intention to **keep customers at the centre of everything** it does. Maintaining customer satisfaction and fostering loyalty continues to be of paramount importance, whether the support is provided face-to-face or virtually. Our customers continue to be at the centre of everything we do, and we pride ourselves on offering an increasingly diverse range of products and services which provide for customer value and socially responsible banking.
- **A conviction to revisit our heritage** such that the Bank exists to serve South Africans across all walks of life and contributes towards building better lives and sustainable communities by enabling inclusive access to money management advice and financial products.

Outlook

While many sectors of our economy are still recovering from the impact of the pandemic, African Bank’s agility and effective decision-making has given us a solid position from which to develop our future strategy.

“In planning for the future, we look at the organisation from a financial perspective that is built on the bedrock of our five sustainability levers which include customer satisfaction, social responsibility, financial resilience, inclusivity and environmental promotion that is to permeate throughout the Group

“The implementation of our 2025 strategy, our updated operating model and our aligned Group Executive Committee structure will enable us to further enhance the Group’s capabilities and earnings profile. This, along with our strategy of strengthening and expanding our core, will set African Bank on a path to greater sustainable value creation.

“We are optimistic that we will reach our goal to become a listable entity. As such we can develop a long-term shareholder base and create value for our current shareholders. We will continue to

counter challenges and harness opportunities so that we can operate our purpose of advancing lives through financial and related services,” concludes Bungane.

ENDS

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