

AFRICAN BANK LIMITED

(Incorporated in the Republic of South Africa)

(Registered Bank)

(Registration No. 2014/176899/06)

LEI: 2549008X8SL1B1J86F98

Company code: ABKI

(the “Bank” or “African Bank”)

AFRICAN BANK’S PROPOSED ACQUISITION OF THE MAJORITY OF THE ASSETS AND LIABILITIES OF UBANK LIMITED (“UBANK”) (“PROPOSED TRANSACTION”)

African Bank is pleased to announce that it is the successful bidder to acquire the majority of Ubank’s disclosed assets and liabilities and take on its employees on a going concern basis on the closing of the Proposed Transaction.

Ubank is a well-established financial services provider with a strong presence across selected mining and rural communities. Ubank has continued to operate in the ordinary course of business, despite it being placed under curatorship on 16 May 2022. African Bank will not be acquiring the Ubank legal entity, and any residual assets and liabilities will remain with its legal entity.

The Proposed Transaction fits into African Bank’s Excelerate25 strategy of building a scalable, diversified and sustainable banking business with a compelling listable proposition, that is true to its founding philosophy of being “a bank for the people, by the people, serving the people”.

Ubank has a unique market position within the mining sector and a distribution footprint that complements African Bank’s existing national offering. The lending book of Ubank can be efficiently absorbed into African Bank’s larger lending book. African Bank has been working to diversify funding sources and has added significant retail deposits over the last few years. The addition of Ubank’s deposit base would accelerate this effort.

The Proposed Transaction would give customers of Ubank immediate access to African Bank’s nationwide distribution footprint. Ubank customers will be migrated to African Bank’s MyWORLD product which offers a higher degree of personalisation, lower fees and greater competitive value.

Following an extensive due diligence process, the parties have agreed on a total cash consideration payable to Ubank, in terms of the Proposed Transaction, of up to R80 million.

The Proposed Transaction is subject to the fulfilment of various conditions precedent including, but not limited to, regulatory approvals which include that of the Minister of Finance.

The effective date of the transaction will be the first business day of the calendar month immediately following the calendar month during which the conditions precedent is fulfilled.

Further information will be made available in due course as various milestones are reached.

26 August 2022

Debt Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)