

AFRICAN BANK TO ACQUIRE MAJORITY OF THE ASSETS AND LIABILITIES OF UBANK IN R80-MILLION DEAL

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, which is true to its founding philosophy of being "a bank for the people, by the people, serving the people".

African Bank CEO, Kennedy Bungane, says: "Ubank's strong retail deposits, transactional accounts and partnership with MTN's Mobile Money, will accelerate the diversification and scaling of African Bank in line with our mission to build a customer-centric, digital and data-enabled business that is diversified, scalable and sustainable."

Ubank's market position within the mining sector and distribution footprint complement African Bank's existing national offering, and will provide Ubank's customers immediate access to African Bank's nationwide distribution footprint. Ubank's customers will be migrated to African Bank's MyWORLD product, which offers a higher degree of personalisation, lower fees, and more competitive value.

In its latest half-year results, African Bank's net profit after tax increased by 145% to R372-million. In May this year, African Bank acquired 100% of Grindrod Bank in a deal worth R1.5-billion, giving African Bank an existing corporate and SME client base.