

26 November 2019

## African Bank delivers third successive year of growth

Today African Bank released its financial results for the year ended 30 September 2019.

Here are 9 compelling reasons to bank with African Bank

- This is the third successive year African Bank has delivered good growth
- Operating profit for the year ended 30 September 2019 is up by 13%, largely due to improved results in the credit business.
- African Bank has successfully transitioned into a successful diversified financial services business.
- It launched its transactional product, MyWORLD, on the bank's new Omni-channel in May this year. Since May, the transactional product has attracted 100 000 new accounts and has received R67 million in transactional retail deposits.
- It continues to offer the best interest rates across South Africa on all savings and investment products and currently offers 10.75% (nominal annual compounded annually) on a five-year fixed term product.
- Significantly, Savings and Investments are R2.4 billion, having increased by 115%. This shows the bank is attracting new customers.
- It can now offer customers free unlimited access to their detailed credit report through an innovative partnership with TransUnion Credit Bureau.
- It has continued to expand its branch network to create more convenience for customers and the newest branch was opened in Sandton City this year.
- It offers customers access to innovative new products to further diversify the bank's offering and meet customer needs.

"This year has been an important one. We have diversified our customer base and integrated our digital and physical channels," says Basani Maluleke, CEO of African Bank.

"When we relaunched African Bank in 2016, 100% of our credit sales were originated and fulfilled through our branch network. Today, our branch network accounts for 80% of our credit sales and we are pleased that our new sales channels are creating greater convenience for our customers as they allow 24/7 banking through the channel of your choice."

Maluleke says building and maintaining a reputation of trustworthiness has been a key element in the Bank's development over the last three years. "Culture, customer-centricity and data are the three pillars of our strategy. We appreciate that in today's dynamic world, the companies that are the most customer-centric succeed. For this reason, we have invested a lot of time and energy into better understanding our customers so that we speak to them in a way that is relevant and offer them products that are right for them. We also focused heavily on data. Having the right information at the right time to make the right offers to our customer is a key enabler of customer-centricity. Finally, we recognise that an inspiring and collaborative culture will ensure that we are successful in executing our strategy," she says.

Maluleke also emphasised the importance of governance and compliance. African Bank continues to be a significant and responsible provider of unsecured credit, giving South

African consumers access to personal loans and credit cards. The South African consumer, however, remains under financial pressure and the economic outlook is not positive. “We have therefore reassessed the affordability of our customers and taken proactive steps to give customers the reassurance that we are a stable and responsible provider of credit,” she said.

Maluleke highlighted the growth in the African Bank’s Savings and Investments portfolio, which has increased by 115%. For investors in African Bank, this is good news as it means that the bank is on track to reach its non-wholesale funding target of 25% by 2021. The number of retail savings depositors has grown to 26 000, from 15 000 a year ago, while the average deposit has increased to R88 000. Both of these factors show a pleasing increase in trust in African Bank by retail depositors.

The business continues to operate with robust levels of capital and liquidity.

Reflecting on the year ahead, Maluleke highlighted customer-centricity as the key differentiator.

“The successes during 2019 were achieved in a challenging macroeconomic environment. We appreciate that the South African consumer remains under financial pressure and we have chosen to be prudent. We never want to forget our purpose, which is encapsulated in the phrase ‘Advancing lives’ and extends beyond generating profit. So, for the coming year, we will strive to create tangible value for all our current and future stakeholders. We know that with increased competition in the banking sector, customers have more choice. They will choose the organisation that best delivers what they want, which resonates with their own values and helps them to reach their financial goals. We want to be that bank.”

## ENDS

In order to view a short video presentation of these results and a business overview by Basani Maluleke, CEO of African Bank Holdings Limited, please visit our Financial Reporting section at [www.africanbank.co.za](http://www.africanbank.co.za).

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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.