

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”)

RELEASE OF THE QUARTERLY BASEL III PILLAR 3 REPORT AS AT 31 DECEMBER 2020, AS PRESCRIBED BY THE BANKS ACT

African Bank is pleased to announce the release of the quarterly Basel III Pillar 3 report, as at 31 December 2020, (“Pillar 3 Report”), as prescribed in terms of Regulation 43 of the Banks Act (Act No. 94 of 1990) (the “Banks Act”).

The Pillar 3 Report covers African Bank and its holding company, African Bank Holdings Limited, a registered bank controlling company registered under Section 44(1) of the Banks Act.

The full version of the Pillar 3 Report can be accessed on the Bank’s website via the following url: <https://www.africanbank.co.za/> under Regulatory Announcements - Basel Pillar III Announcements within the Investors section of the website.

The overall balance sheet of the Bank remains strong, with advances well provided for and high capital adequacy ratios. Cash and surplus liquid asset holdings amount to R4.0 billion. Liquidity risk, interest rate risk and foreign exchange risk are managed within a conservative risk appetite framework.

The overall impact of the strong balance sheet structure, as expressed in the conservative risk appetite, is evidenced in the various sections of the Pillar 3 Report which, as of 31 December 2020, includes a CET1 ratio of 33.6%, a leverage ratio of 27.6%, a liquidity coverage ratio of 612% and a net stable funding ratio of 136% at the African Bank level. Consequently, African Bank and African Bank Holdings Limited operate well above the minimum required regulatory levels in respect of all prudential ratios.

26 February 2021

Debt Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)