

## **AFRICAN BANK LIMITED**

(Incorporated in the Republic of South Africa)

(Registered Bank)

(Registration No. 2014/176899/06)

Company code: ABKI

("the Bank" or "African Bank")

### **Release of the audited financial results for African Bank and related group information for year ended 30 September 2018**

African Bank is pleased to announce the release of the audited financial statements for the year ended 30 September 2018. Key aspects of the African Bank results include the following, in comparison to the year ended 30 September 2017:

- Operating profit of R485 million before tax (2017: R240 million)
- Profit for the year of R303 million (2017: R178 million)
- Net customer advances balances of R19 178 million (2017: R18 743 million)
- Cash deposits, including surplus liquid assets, of R8 246 million (2017: R10 108 million)
- Core Equity Tier 1 capital adequacy ratio of 31.5% (2017: 29.9%)

#### **African Bank Holdings Limited group information**

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 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, 100% owned 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.

ABH has today also released its audited consolidated financial statements for the year ended 30 September 2018. Key aspects of the ABH consolidated results include the following, in comparison to the year ended 30 September 2017:

- Operating profit before tax and foreign exchange losses, with insurance profits grossed up for tax purposes, up 29% to R1 453 million (2017: R1 130 million)
- Total comprehensive profit for the year of R1 019 million (2017: R786 million)
- Earnings before tax from Insurance operations of R972 million (2017: R886 million)

The independent auditor's reports on the financial statements for both African Bank and ABH issued by PricewaterhouseCoopers Inc were unqualified and there were no restatements of the comparative figures.

Commenting on these results, Basani Maluleke, ABH group CEO noted: "We are very proud to deliver another set of solid financial results, particularly in this challenging economic environment. I am also encouraged by the progress that we have made toward fulfilling our strategic objectives, most notably the delivery of our MyWORLD transactional banking product into the beta testing stage and increasing our retail deposits by over 200% year on year. These two achievements

demonstrate the real progress we have made in taking the Bank from recovery towards becoming a serious competitor in the banking industry. We are excited to bring MyWORLD to all South Africans next year and are confident that it will be another important milestone in delivery on our strategic objectives.”

The following documents in respect of the results for the year ended 30 September 2018 can be accessed on the African Bank’s website via the following url: <https://www.africanbank.co.za/en/home/corporate-info-financial-reporting/>

1. African Bank Holdings Limited Annual Integrated Report
2. African Bank Holdings Limited Investor presentation
3. African Bank Holdings Limited audited Consolidated Annual Financial Statements
4. African Bank Limited audited Annual Financial Statements
5. African Bank Limited and African Bank Holdings Limited Basel Pillar III Disclosures

### Shareholder-backed liquidity support arrangement

Although the Board is comfortable that the Bank has sufficient liquidity to meet all its debt maturities over the next 12 months, it has directed management to proactively explore with shareholders of ABH and regulators the establishment of liquidity support arrangements in order to address the refinancing requirements in the future periods. These arrangements are designed to support African Bank’s plans to re-integrate itself into the South African debt capital markets in due course. Further announcements in this regard will be made once the arrangements have been concluded and remain subject to shareholder and regulatory approvals.

The shares in ABH are privately held by the South African Reserve Bank, the Government Employees Pension Fund, Absa Trading and Investment Solutions Proprietary Limited, Capitec Bank Limited, FirstRand Bank Limited, Investec Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited.

### Conference call details, presentation material and playback facility

Interested parties are invited to register for a conference call during which Basani Maluleke and Gustav Raubenheimer, ABH group CFO, will take participants through the results. Details of the conference call are:

Date	Tuesday, 27 November 2018
Time	11h00 SAST/CAT
Web pre-registration	Interested parties are requested to pre-register for this conference call at <a href="http://www.diamondpass.net/8278762">http://www.diamondpass.net/8278762</a> and follow the instructions provided.

27 November 2018

### Debt Sponsor

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