

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 unaudited interim financial results for African Bank Limited and related group information for the six months ended 31 March 2019

African Bank is pleased to announce the release of the unaudited interim financial statements for the six months ended 31 March 2019 ("results").

These results represent the sixth set of financial results reported by the Bank and its holding company African Bank Holdings Limited ("ABH" or "ABH Group") which presented the consolidated ABH Group results for the same six-month period ended 31 March 2019.

African Bank has had another successful six-month period as shown in these results, during a period in which the Bank has invested in new initiatives, allowing it to diversify its business. The Bank launched its transactional banking proposition, MyWORLD, which signals a new phase in the Bank's growth. Retail deposit customers continue to show trust in the Bank, as evidenced by the significant increase in savings and investments deposits. The cost of credit risk continues to decrease, while new credit disbursements have increased against a backdrop of stricter credit underwriting criteria. This is also testament to the increased efficiencies between the Bank's distribution network and the alignment of its marketing campaigns. The ABH Group has been able to achieve all of this whilst maintaining robust capital levels and surplus liquidity, and believes that the combination of these factors present African Bank as an attractive and investable proposition.

Key aspects of the African Bank results include the following, in comparison to the African Bank unaudited interim financial statements for the six months ended 31 March 2018:

- Retail customer deposits: R1 489 million, (2018: R680 million)
- Credit impairment charge: R970 million (2018: R1 713 million)
- Net customer advances balances: R19 182 million (2018: R18 969million)
- Profit for the period: R69 million (2018: R77 million)
- Cash deposits, including surplus liquid assets: R5 990 million (2018: R8 668 million)
- Core Equity Tier 1 capital adequacy ratio: 30.1% (2018: 32.0%)

ABH Group information

African Bank is a 100% subsidiary of ABH. 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 Group Limited, 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 ("AIG"), a separate 100% held subsidiary of ABH, which in turn holds a cell captive investment in Guardrisk Limited ("cell captive investment"). The cell captive investment, owned 100% by AIG, 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 interim

financial statements of the ABH Group, by means of a re-measurement of the investment in insurance contracts.

ABH has today also released its unaudited consolidated interim financial statements for the six months ended 31 March 2019 (“ABH consolidated result”).

Key aspects of the ABH consolidated results include the following, in comparison to the ABH unaudited consolidated interim financial statements for the six months ended 31 March 2019:

- Profit for the period: R533 million (2018: R448 million)
- Profit before tax and foreign exchange losses with insurance profits grossed up for tax purposes: R740 million (2018: R715 million)
- Earnings from Insurance operations: R613 million (2018: R516 million)

Shareholder-backed liquidity support arrangement

The Bank continues to work closely with the ABH Group shareholders in respect of a planned shareholder-backed liquidity support arrangement.

Results publication material

The following published results in respect of the six months ended 31 March 2019 can be accessed on African Bank’s website www.africanbank.co.za under the “Investors” – “Corporate Information” – “Financial Information” path on such website

1. African Bank Holdings Limited Investor Presentation and Interim Results Booklet
2. African Bank Holdings Limited unaudited Group Consolidated Condensed Interim Financial Statements
3. African Bank Limited unaudited Condensed Interim Financial Statements
4. African Bank Limited and African Bank Holdings Limited Basel Pillar III Disclosure Documents
5. African Bank Holdings Limited IFRS 9 – Financial Instruments Transition Report

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 ABH group results. Details of the conference call are:

Date	Tuesday, 28 May 2019
Time	10h00 SAST/CAT
Web pre-registration	Interested parties are requested to pre-register for this conference call at www.diamondpass.net/8167232 and follow the instructions provided

28 May 2019



Debt Sponsor

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