

2020 PERFORMANCE

of the African Bank Holdings Limited Group for the year ended September 2020

26 January 2020

As South Africa's 6th largest retail bank by customers, our purpose is to advance lives through financial and related services. Despite the harsh external forces and the turbulent socio-economic environment, we remain steadfast to deliver on our purpose.

“The Group remains committed to creating opportunities for our customers, our people and other stakeholders to improve their lives and those of their families and communities.

To my African Bank colleagues, thank you for your resilience, empathy and professionalism, demonstrated towards our customers and each other during these turbulent times.

To our customers, business partners, regulators and commentators, from all of us at African Bank, we wish you good health and financial wellness.”

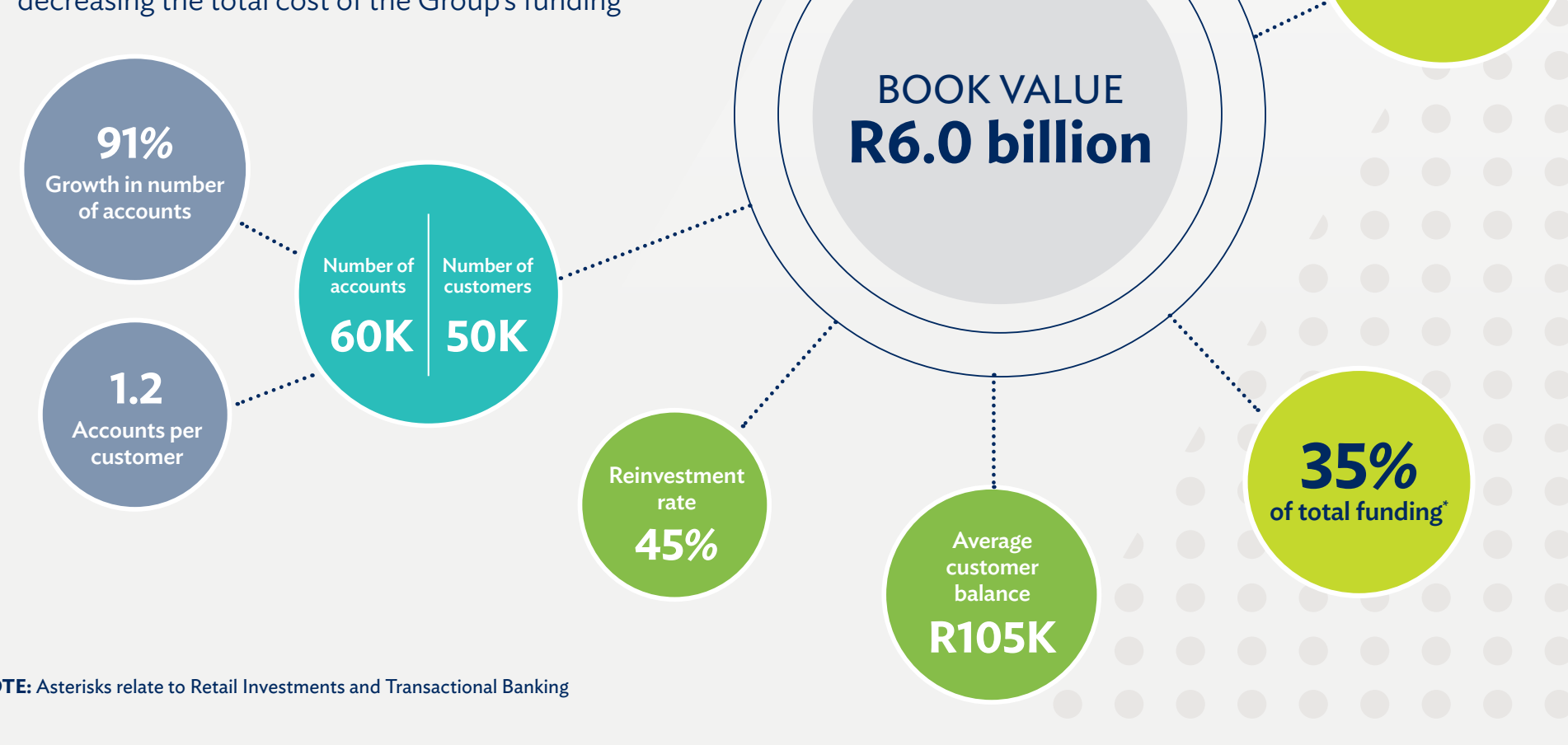
Basani Maluleke
Chief Executive Officer
African Bank Holdings Limited

A leader in customer service: Rated #1 in the SA-csi*	Ranked first , and the only bank in SA with a positive sentiment , based on more than 2 million social media posts**	52% engagement score , well above the industry average of 38%, demonstrating our strong, dynamic culture
149% year-on-year growth in Savings and Investment deposits with a book value of R6.0 billion	Over 368 000 MyWORLD bank accounts opened with R8.9 billion processed through these accounts	Total customers increased to 1.35 million as at the year-end
Supporting our customers with credit life insurance pay outs, payment breaks and instalment relief measures during the Covid-19 pandemic	Providing empowering information delivered through a customer empowerment programme, supporting financial wellness across our communities	R8 billion in shareholder support arrangement concluded in September 2020, providing further confidence to South African funders for future funding requirements.

* According to the 2019 South African Customer Satisfaction Index (SA-csi) report, published in March 2020
** According to the BrandsEye report on South African Banking Sentiment Index 2020

STRONG GROWTH IN SAVINGS AND INVESTMENTS SHOWS HEIGHTENED CONFIDENCE IN OUR BRAND AND BALANCE SHEET STRENGTH

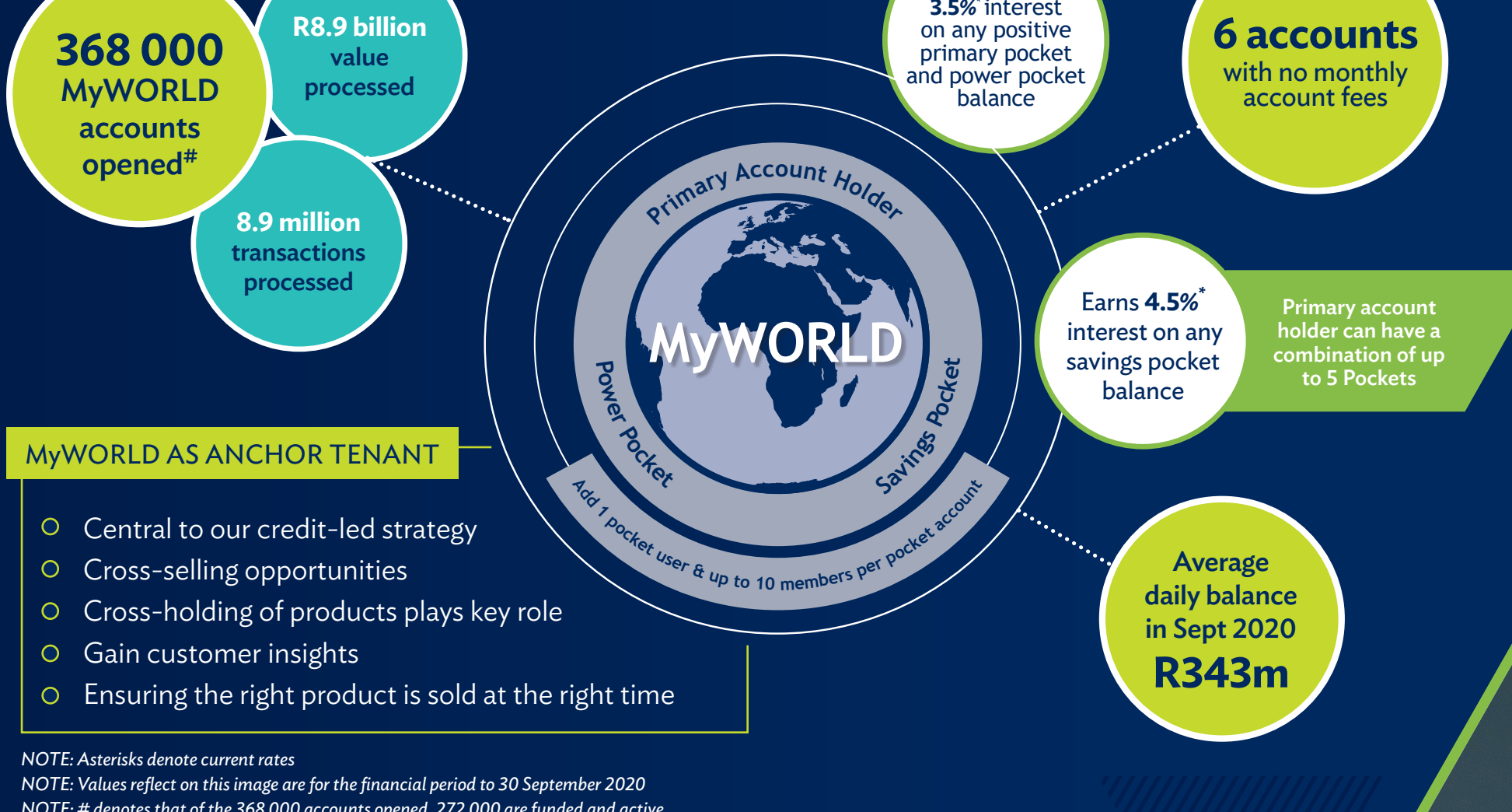
- We're still offering SA's **BEST** interest rates
- Improved contribution of **retails savings (35%)**, decreasing the total cost of the Group's funding



NOTE: Asterisks relate to Retail Investments and Transactional Banking

STEADY TAKE-UP OF MyWORLD OFFERING

With no monthly fees, low transactional fees and ease of use, African Bank provides enhanced value to customers



NOTE: Asterisks denote current rates
NOTE: Values reflect on this image are for the financial period to 30 September 2020
NOTE: # denotes that of the 368 000 accounts opened, 272 000 are funded and active

FINANCIAL PERFORMANCE

Staying on course despite the challenges

- Subdued set of financial results negatively impacted by Covid-19:
 - Increased credit provisions in the Bank
 - Increased insurance claims and provisioning
- Year-end net loss after tax of **R27 million (H1 loss: R111m, H2 profit: R84m)**
- High cash resources at **R6.9 billion** to support growth strategy
- Advances **reduced by 5%**, non-performing loans up to **41.0%**
 - Macro-economic stresses, tightened credit underwriting and reduced credit activity, exacerbated by the Covid-19 pandemic, resulted in disbursements reduction of 37%
 - Early indications of improvement in credit risk in most recent data points
- 87%** of loan disbursements to low-risk customers
- Over **368 000 MyWORLD accounts** opened (272 000 active and funded)
- 149%** growth in Savings and Investment deposit book
- High Group equity capital levels of **R10.6 billion**
- 39.1%** Group total capital adequacy ratio

DIGITAL: THE NEW NORMAL

Embracing new technologies and using data effectively and efficiently to play a leading role in the digital revolution

- App downloads** up by more than **167%**
- Online registrations** up by more than **78%**
- USSD channel registrations** up by **37%**
- Logins across **all digital banking platforms** up by **211%**
- 1st** South African bank to partner with a recognised international leader in the speech analytics software industry – CallMiner
- African Bank's Chat Banking**, using WhatsApp, **soon to launch**
- Karabo, our Chatbot, launched in March 2020, manages **31 000** unique interactions per month

DISRUPTING AND CHALLENGING THE SOUTH AFRICAN FINTECH LANDSCAPE

A three-year journey culminated in the full implementation of our **leading-edge Omni-channel**. Through the channel of their Centre, callphone, App and web, our customers will enjoy a **seamless, world-class experience and access to affordable financial products and services.**

OMNI-CHANNEL

An Omni-channel **customer experience** is a variety of individual customer touchpoints, over a made up of channels that **seamlessly connect.**



OUR PEOPLE, OUR CULTURE

Our resilience and adaptability are strengthened by our culture of **collaboration, problem-solving** and **doing things better together.** Our high levels of **engagement** and **values-driven interactions** are crucial, particularly during times of crisis and uncertainty.

ADDING VALUE TO ALL OUR STAKEHOLDERS

<p>At the start of the Covid-19 pandemic</p> <ul style="list-style-type: none"> Engaged our employees, customers, regulators and board Covid-19 safety, health and wellness guidelines implemented across our operations Introduced work-from-home measures Activated our comprehensive business continuity plans Constituted our Covid-19 response team with daily executive committee check-ins and weekly board updates 	<p>New normal focus areas</p> <ul style="list-style-type: none"> Covid-19 safety, health and wellness guidelines part of our standard operating procedures Future to include blended work-from-home and office strategy and to equip our people accordingly Assessing workforce productivity and efficiency gains in automating certain roles and activities Updating business continuity plans as the pandemic evolves
<p>At the start of the Covid-19 pandemic</p> <ul style="list-style-type: none"> R3 million toward Covid-19 pandemic relief measures Contributed to over 100 000 food relief meal packages and student remote learning initiatives Sponsored educational equipment and data Sponsored screening and testing through Pink Drive 	<p>At the start of the Covid-19 pandemic</p> <ul style="list-style-type: none"> Proactively and empathetically engaged with our customers Quick to assist with key customer financial support measures including payment breaks and credit life insurance Customer instalment relief provided Entire branch network and contact centre remained fully operational
<p>New normal focus areas</p> <ul style="list-style-type: none"> Accelerating financial awareness education campaigns for the public at large Providing budgeting guidance through a range of digital and faceto-face channels Advancing support of student remote learning initiatives 	<p>New normal focus areas</p> <ul style="list-style-type: none"> Enhancing digital banking solutions, including related security and privacy features Evaluating longer term role of branch network Promoting financial wellness and budgeting support services and advice

EMPOWERING SOUTH AFRICANS TO PREPARE FOR A BETTER FUTURE

To be a customer-centric organisation, we need to proactively build and maintain **strong customer relationships**, whether face-to-face in-branch or through our contact centres and digital channels.

Our success will be linked to our **ability, willingness and agility to adapt** to an ever-evolving macroeconomic and socio-political context and to changes in consumer needs, motivations and behaviours. We are relentless in our commitment to find ways to offer the **best experience** and the **most value possible** to consumers, in our bid to encourage more and more South Africans to join African Bank.