

AFRICAN BANK LIMITED

(Incorporated in the Republic of South Africa)

(Registered Bank)

(Registration No. 2014/176899/06)

LEI: 2549008X8SL1B1J86F98

Company code: ABKI

("African Bank" or the "Bank")

RELEASE OF THE QUARTERLY BASEL III PILLAR 3 REPORT AS AT 31 DECEMBER 2022, 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 2022, ("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 balance sheets of African Bank and the African Bank Holding Limited remains liquid, with adequate cash resources of R6.6 billion (FY22: R2.8 billion) at the group level. The Group's balance sheet and liquidity position has been strengthened as a result of the Grindrod Bank acquisition and the acquisition of the assets and liabilities of Ubank. Liquidity risk, interest rate risk and foreign exchange risks are managed within our approved risk appetite framework.

The overall impact of the balance sheet structure is setup for expansion in business. The key prudential ratios as at 31 December 2022, includes a CET1 ratio of 31.6%, a leverage ratio of 22.2%, a liquidity coverage ratio of 943% and a net stable funding ratio of 138% at the African Bank level. Consequently, African Bank and African Bank Holdings Limited operate above the minimum required regulatory levels in respect of all prudential ratios.

31 March 2023

Debt Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)