

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")

### **Notification of outcome of consultation process in terms of the Labour Relations Act**

In a Johannesburg Stock Exchange News Service ("SENS") announcement on 1 June 2017 ("Notification of a consultation process in terms of the Labour Relations Act"), African Bank informed stakeholders of the commencement of a facilitated consultation process with its finance union, South African Society of Bank Officials ("Sasbo") and potentially impacted employees as prescribed in terms of Section 189A of the Labour Relations Act, Act 66 of 1995 ("the section 189A process").

After due consultation with Sasbo and the potentially impacted employees, African Bank is pleased to announce that the section 189A process is concluded and it will accordingly not need to continue with the retrenchment process, based on the number of Voluntary Severance and Voluntary Retirement package applications received from employees and duly accepted by the Bank ("the Voluntary Agreements") during the Section 189A process.

Since the commencement of the Section 189A process in April 2017, the Bank confirms that its staff complement has reduced by 636 employees, comprised of 515 applications approved under the Voluntary Agreements offer and normal staff turnover, resulting in further staff reductions of 121 during this period. The Bank expects to save approximately R50 million per annum as a result of the Voluntary Agreements, whilst a once-off cost of approximately R60 million will be incurred and expensed in the annual financial statements for the year ended 30 September 2017.

4 August 2017

Debt Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)