

15 September 2016

To the holders of Senior Stub Instruments and Subordinated Stub Instruments of Residual Debt Services Limited (under curatorship) (“RDSL”)

**Repayment of the South African Reserve Bank (“SARB”) Transaction Loan by Residual Debt Services Limited (under curatorship)**

**SARB Transaction Loan**

As part of the restructuring transaction of the predecessor African Bank (“the Transaction”), effective 4 April 2016, the SARB provided RDSL with a loan of R3.3 billion. RDS has since repaid monthly amounts based on the collections for those months, together with cash retained during the course of executing the Transaction, as described in the Offer Information Memorandum (“OIM”). Collections from April 2016 to September 2016 have ranged between approximately R350 million to R400 million per month. Every effort has been made to maintain collection rates, and improve them where possible, however the overall monthly decrease has, as expected and highlighted in the OIM, largely been attributable to the run-off of the advances book.

The Curator is pleased to announce that the loan from the SARB of R3.3 billion was fully repaid on 1 September 2016.

**SARB Indemnity Facility**

No claims, as described in the OIM, have been received to-date and consequently there was no requirement for the SARB Indemnity Facility to be drawn upon for the period to 31 August 2016.

**Indemnity Reserve**

The OIM describes the requirement for an Indemnity Reserve of R3 billion to be established for the purposes described in that document. Following the repayment of the SARB Transaction Loan, as defined in the OIM, cash in excess of that required for the ongoing operations of RDS, will be set aside and accumulated in this Indemnity Reserve.

T Winterboer was appointed as curator of Residual Debt Services Limited (the “Company”) (previously African Bank Limited (under curatorship)) on 10 August 2014 by the Minister of Finance of the Republic of South Africa and pursuant to the Banks Act No. 94 of 1990 (as amended) to manage the affairs of the Company subject to the supervision of the Registrar. Please note, Mr Winterboer acts in the aforesaid capacity.

**Residual Debt Services Limited** (under curatorship) - Registration Number 1975/002526/06

**Tel:** 011 256 9000 **Address:** 59 16<sup>th</sup> Road, Midrand, South Africa **Postal:** Private Bag X170, Midrand, 1685, South Africa.

**Company Secretary:** BW Unser

NCR Registration number: NCRPs. Residual Debt Services Limited (under curatorship) is an Authorised Financial Services and Credit Provider.

**Distributions to creditors**

In line with the OIM, no distributions to creditors are expected to be made in respect of the Stub Instruments for the period ended 30 September 2016.

Yours faithfully

**T Winterboer**

Curator of Residual Debt Services Limited (under curatorship)

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