

## **RESIDUAL DEBT SERVICES LIMITED ("RDS") - STUB INSTRUMENTS FACE VALUES**

### **Introduction**

The exchange offer, as detailed in the Offering Information Memorandum ("OIM") issued on 4 February 2016, was successfully implemented on 4 April 2016. The OIM, inter alia, detailed the creation of a new bank (African Bank Limited) and the transfer of the core assets and business to the new African Bank Limited, which received an injection of R10 billion from its new parent, African Bank Holdings Limited (the "Transaction").

The material liabilities of Residual Debt Services Limited ("RDS") were exchanged, as part of the Transaction, for new instruments held in African Bank Limited, together with certain residual claims on the assets of RDS – "senior stub instruments" and "sub-ordinated stub instruments" and a partial cash settlement.

### **Stub instruments' carrying values**

In terms of the exchange offer executed on 4 April 2016, three distinct tranches of stub instruments were issued with specific terms and conditions and applicable term sheets.

In order to assist holders of the various types of stub instruments to calculate their contractual carrying values for their respective holdings, the detailed calculations below have been provided for this purpose. The three categories of stub instruments are:

1. Transferable senior stub instruments (ZAU000014557) with a nominal value of R3 972 899 102 and an interest commencement date of 10 August 2014;
2. Non-transferable senior stub instruments (ZAU000014540) with a nominal value of R1 326 100 and an interest commencement date of 10 August 2014; and
3. Transferable subordinated stub instruments (ZAU000014532) with a nominal value of R3 620 892 415 and an interest commencement date of 4 April 2016.

Please note that the values disclosed are the contractual carrying values and **do not** necessarily represent the fair values or market values of these instruments.

Senior stub holders (transferable and non-transferable) instruments issued as part of the exchange offer effected on 4 April 2016 represent their proportionate share of the total transferable instrument value of R3 972 899 102 and total non-transferable instrument value of R1 326 100 respectively, being the nominal values as at 10 August 2014. So for example if you received, as part of the exchange offer, R1 000 000 transferable senior stub instruments (ZAU000014557), your holding has a contractual face value of R1 273 162 (R1 000 000/3 972 899 102 multiplied by R5 058 144 006 (31 January 2018 total face value after taking into account the R500m stub payment which took place on 29 January 2018)).

The three distinct contractual face values are updated on a monthly basis and posted on the RDS webpage.

### **Disclaimer:**

This release must be read in conjunction with the OIM. Nothing in this statement should be considered to alter the legal terms and conditions agreed to and detailed in the OIM and pursuant to the Transaction. The curator of RDS does not make any representation that all relevant information

has been disclosed in this release, nor does he accept any responsibility for the accuracy, completeness, validity or correctness of the statements made in this release or any other document prepared in connection with this release or any omissions therefrom. Holders should seek their own independent financial, legal and tax advice on the merits and on the consequences of this release.

## 1. Transferable senior stub instruments (ZAU000014557)

| Transferable Senior Stub (ZAU000014557) |           |             |                      |                         |                       |
|---|-----------|-------------|----------------------|-------------------------|-----------------------|
|   |           |             |                      | Nominal as at 10 Aug'14 | 3 972 899 102         |
|   |           |             |                      | Spread Over 3m Jibar    | 300                   |
|   |           |             |                      | Today's Date            | 31-Jan-18             |
| Reset/Value Date                        | Weekday   | Jibar Reset | 3M Jibar plus Spread | CashFlows (PMT)         | Capitalised Principal |
| 10-Aug-14                               | 08-Aug-14 |             |                      |                         | 3 972 899 102         |
| 10-Nov-14                               | 10-Nov-14 | 6.025%      | 9.025%               |                         | 4 063 274 393         |
| 10-Feb-15                               | 10-Feb-15 | 6.092%      | 9.092%               |                         | 4 156 391 729         |
| 10-May-15                               | 11-May-15 | 6.100%      | 9.100%               |                         | 4 249 654 327         |
| 10-Aug-15                               | 11-Aug-15 | 6.125%      | 9.125%               |                         | 4 347 396 376         |
| 10-Nov-15                               | 10-Nov-15 | 6.300%      | 9.300%               |                         | 4 448 196 419         |
| 10-Feb-16                               | 10-Feb-16 | 6.333%      | 9.333%               |                         | 4 552 837 010         |
| 04-Apr-16                               | 04-Apr-16 | 6.983%      | 9.983%               |                         | 4 620 079 544         |
| 10-May-16                               | 10-May-16 | 6.983%      | 9.983%               | -                       | 4 664 907 899         |
| 10-Aug-16                               | 10-Aug-16 | 7.308%      | 10.308%              | -                       | 4 786 110 642         |
| 10-Nov-16                               | 10-Nov-16 | 7.358%      | 10.358%              | -                       | 4 911 065 632         |
| 10-Feb-17                               | 10-Feb-17 | 7.358%      | 10.358%              | -                       | 5 039 282 926         |
| 10-May-17                               | 10-May-17 | 7.350%      | 10.350%              | -                       | 5 166 459 240         |
| 10-Aug-17                               | 10-Aug-17 | 7.342%      | 10.342%              | -                       | 5 301 135 952         |
| 10-Nov-17                               | 10-Nov-17 | 7.058%      | 10.058%              | -                       | 5 435 528 608         |
| 29-Jan-18                               | 29-Jan-18 | 7.050%      | 10.050%              | -499 833 162            | 5 055 425 993         |
| 31-Jan-18                               | 31-Jan-18 | 7.050%      | 10.050%              | -                       | 5 058 144 006         |

## 2. Non-transferable senior stub instruments (ZAU000014540)

| Non-Transferable Senior Stub (ZAU000014540) |           |             |                      |                         |                       |
|---|-----------|-------------|----------------------|-------------------------|-----------------------|
|   |           |             |                      | Nominal as at 10 Aug'14 | 1 326 100             |
|   |           |             |                      | Spread Over 3m Jibar    | 300                   |
|   |           |             |                      | Today's Date            | 31-Jan-18             |
| Reset/Value Date                            | Weekday   | Jibar Reset | 3M Jibar plus Spread | CashFlows (PMT)         | Capitalised Principal |
| 10-Aug-14                                   | 08-Aug-14 |             |                      |                         | 1 326 100             |
| 10-Nov-14                                   | 10-Nov-14 | 6.025%      | 9.025%               |                         | 1 356 266             |
| 10-Feb-15                                   | 10-Feb-15 | 6.092%      | 9.092%               |                         | 1 387 347             |
| 10-May-15                                   | 11-May-15 | 6.100%      | 9.100%               |                         | 1 418 477             |
| 10-Aug-15                                   | 11-Aug-15 | 6.125%      | 9.125%               |                         | 1 451 102             |
| 10-Nov-15                                   | 10-Nov-15 | 6.300%      | 9.300%               |                         | 1 484 748             |
| 10-Feb-16                                   | 10-Feb-16 | 6.333%      | 9.333%               |                         | 1 519 675             |
| 04-Apr-16                                   | 04-Apr-16 | 6.983%      | 9.983%               |                         | 1 542 120             |
| 10-May-16                                   | 10-May-16 | 6.983%      | 9.983%               | -                       | 1 557 083             |
| 10-Aug-16                                   | 10-Aug-16 | 7.308%      | 10.308%              | -                       | 1 597 539             |
| 10-Nov-16                                   | 10-Nov-16 | 7.358%      | 10.358%              | -                       | 1 639 247             |
| 10-Feb-17                                   | 10-Feb-17 | 7.358%      | 10.358%              | -                       | 1 682 045             |
| 10-May-17                                   | 10-May-17 | 7.350%      | 10.350%              | -                       | 1 724 494             |
| 10-Aug-17                                   | 10-Aug-17 | 7.342%      | 10.342%              | -                       | 1 769 448             |
| 10-Nov-17                                   | 10-Nov-17 | 7.058%      | 10.058%              | -                       | 1 814 306             |
| 29-Jan-18                                   | 29-Jan-18 | 7.050%      | 10.050%              | -166 838                | 1 687 433             |
| 31-Jan-18                                   | 31-Jan-18 | 7.050%      | 10.050%              | -                       | 1 688 340             |

### 3. Transferable subordinated stub instruments (ZAU000014532).

| Subordinated Stub (ZAU000014532) |           |             |                      |                      |                       |
|----------------------------------|-----------|-------------|----------------------|----------------------|-----------------------|
|                                  |           |             |                      | Bal on 04 April 2016 | 3 620 892 415         |
|                                  |           |             |                      | Spread Over 3m Jibar | 500                   |
|                                  |           |             |                      | Today's Date         | 31-Jan-18             |
|                                  |           |             |                      |                      |                       |
| Reset/Value Date                 | Weekday   | Jibar Reset | 3M Jibar plus Spread | CashFlows (PMT)      | Capitalised Principal |
| 04-Apr-16                        | 04-Apr-16 |             |                      |                      | 3 620 892 415         |
| 04-Jul-16                        | 04-Jul-16 | 7.233%      | 12.233%              |                      | 3 731 324 971         |
| 04-Oct-16                        | 04-Oct-16 | 7.358%      | 12.358%              |                      | 3 847 551 757         |
| 04-Jan-17                        | 04-Jan-17 | 7.358%      | 12.358%              |                      | 3 967 398 883         |
| 04-Apr-17                        | 04-Apr-17 | 7.358%      | 12.358%              |                      | 4 088 292 592         |
| 04-Jul-17                        | 04-Jul-17 | 7.375%      | 12.375%              |                      | 4 214 427 619         |
| 04-Oct-17                        | 04-Oct-17 | 7.350%      | 12.350%              |                      | 4 345 617 555         |
| 04-Jan-18                        | 04-Jan-18 | 6.992%      | 11.992%              |                      | 4 476 969 977         |
| 31-Jan-18                        | 31-Jan-18 | 7.158%      | 12.158%              |                      | 4 517 234 005         |