

African Bank Holdings Limited press release

13 February 2020

### **SARB looks to exit African Bank as its major shareholder**

African Bank has been informed by the South African Reserve Bank (“SARB”) that it has published a request for proposal (“RFP”) to appoint a transaction advisor to assist the central bank with the future sale of its shareholding in African Bank Holdings Limited (“ABHL”).

The SARB acquired its 50% shareholding in ABHL in 2016 as part of the restructuring of African Bank Limited (renamed Residual Debt Services “RDS”) after the bank was placed under curatorship in 2014. In its role as shareholder, the SARB provided a capital injection of R5 billion to assist in financing ABHL’s operations.

The SARB has publicly stated that it was never its intention to hold this equity stake indefinitely, particularly because its shareholding creates a potential conflict of interest between its role as a regulator of African Bank and as a major shareholder of ABHL.

The SARB has therefore issued an RFP to appoint a transaction advisor to assist the SARB in determining the scope and approach for the disposal. The SARB anticipates that the disposal process will be completed within 18 - 24 months after the identification of a suitable buyer.

African Bank’s other shareholders are FirstRand Bank, Standard Bank, ABSA, Nedbank, Capitec, Investec and the Government Employees Pension Fund. These shareholders support the SARB’s decision to appoint a transaction advisor and to commence a process to exit its shareholding.

Since the new African Bank began operations in April 2016, the Bank has made good progress towards achieving its strategic objectives, while increasing profits and building a strong balance sheet.

CEO of African Bank, Basani Maluleke noted, “We appreciate the support received from the SARB as a major shareholder since 2016. We have always been mindful that their shareholding is short term in nature.

Our customers can rest assured that this process will have no impact on our on-going efforts to advance their lives by providing relevant and affordable financial products together with great customer service. Our investors can also be assured that we remain committed to growing African Bank’s image as a trusted bank.”

ENDS

Contact: Louise Brugman 083 504 1186; [louise@vestor.co.za](mailto:louise@vestor.co.za)

On behalf of CEO of African Bank, Basani Maluleke