

AFRICAN BANK LIMITED

(Incorporated in the Republic of South Africa)

(Registered Bank)

(Registration No. 2014/176899/06)

Company code: ABKI

(“African Bank” or the “Bank”)

SARB ISSUES A REQUEST FOR FORMAL EXPRESSIONS OF INTEREST RELATING TO THE FUTURE DISPOSAL OF ITS SHAREHOLDING IN AFRICAN BANK HOLDINGS LIMITED (“ABHL”)

The South African Reserve Bank (“SARB”) has published a request for formal expressions of interest (“EOI”) relating to the future sale of its shareholding in ABHL.

The SARB acquired its 50% shareholding in ABHL in 2016 as part of the restructuring of African Bank Limited (renamed Residual Debt Services Limited) after it was placed under curatorship. In its role as a shareholder, the SARB provided a capital injection to assist in financing ABHL’s operations. It was never the intention of the SARB to hold this equity stake indefinitely, particularly because its shareholding created a potential conflict of interest between its role as a regulator of the Bank and as a major shareholder of ABHL.

The SARB is of the view that the appropriate time has come to review potential exit options and for ABHL to obtain a long-term sustainable shareholder or shareholders who are better aligned to the Bank’s strategy and growth aspirations.

Following on from the SARB appointing, in 2020, several advisors to advise and manage its disinvestment in ABHL, the SARB has now announced the extension of an invitation to interested parties, both local and international, to submit their EOIs. Interested parties should respond via email to the SARB at EOI@resbank.co.za, following which they will receive a preliminary information pack and a process letter to assist with the preparation of formal EOIs, which should be submitted to the SARB by no later than 12h00 on 2 July 2021.

The Bank notes that the SARB disposal process is underway and will continue to work closely with the SARB to ensure an orderly exit process is achieved.

1 June 2021

Debt Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)