

28 February 2019

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 078 365 (R1 000 000/3 972 899 102 multiplied by R4 284 236 982 (28 February 2019 total face value after taking into account the R500m stub payment which took place on 29 January'18, the R650m stub payment which was made on 30 July'18, and the R650m stub payment made on 30 January'19)).

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	3 972 899 101.87
						Spread Over 3m Jibar	300
						Today's Date	13-Mar-19
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		
10-Feb-18	12-Feb-18	7.050%	10.050%	-	5 074 452 085		
10-May-18	10-May-18	7.133%	10.133%	-	5 197 013 449		
30-Jul-18	30-Jul-18	6.900%	9.900%	-649 783 111	4 661 408 012		
10-Aug-18	10-Aug-18	6.900%	9.900%	-	4 674 974 954		
10-Nov-18	12-Nov-18	6.975%	9.975%	-	4 795 070 577		
30-Jan-19	30-Jan-19	7.017%	10.017%	-649 783 111	4 249 247 618		
10-Feb-19	11-Feb-19	7.017%	10.017%	-	4 262 899 128		
28-Feb-19	28-Feb-19	7.150%	10.150%	-	4 284 236 982		

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	13-Mar-19
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
10-Feb-18	12-Feb-18	7.050%	10.050%	-	1 693 783
10-May-18	10-May-18	7.133%	10.133%	-	1 734 693
30-Jul-18	30-Jul-18	6.900%	9.900%	-216 889	1 555 915
10-Aug-18	10-Aug-18	6.900%	9.900%	-	1 560 443
10-Nov-18	12-Nov-18	6.975%	9.975%	-	1 600 530
30-Jan-19	30-Jan-19	7.017%	10.017%	-216 889	1 418 341
10-Feb-19	11-Feb-19	7.017%	10.017%	-	1 422 898
28-Feb-19	28-Feb-19	7.150%	10.150%	-	1 430 020

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	13-Mar-19
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
04-Apr-18	04-Apr-18	7.158%	12.158%	-	4 611 183 404
04-Jul-18	04-Jul-18	6.892%	11.892%	-	4 747 898 297
04-Oct-18	04-Oct-18	6.958%	11.958%	-	4 891 003 333
04-Jan-19	04-Jan-19	7.017%	12.017%	-	5 039 149 010
28-Feb-19	28-Feb-19	7.150%	12.150%	-	5 133 084 270