

AFRICAN BANK LIMITED
(Incorporated in the Republic of South Africa)
(Registered Bank)
(Registration No. 2014/176899/06)
Company code: ABKI
("the Bank" or "African Bank")

Offer to buy back certain notes issued in terms of the DMTN programme listed on the JSE

African Bank has today via the electronic Strate bond system issued a Tender Instruction Form (the Instruction Form) and an accompanying Term Sheet (the Term Sheet) relating to an invitation to noteholders by African Bank to offer to sell any or all of their holdings in certain senior unsecured notes issued under the Bank's Domestic Medium Term Note (DMTN) programme listed on the Interest Rate Market of the Johannesburg Stock Exchange (the Invitation). The following notes are included in the Invitation:

Stock Code	ISIN	Contractual Maturity Date	Outstanding Issued Nominal Amount (ZAR)	Indicative Invitation Clean Price as a Percentage of Original Nominal ¹
ABK1	ZAG000134420	7 November 2018	R360 million	102.58%
ABK2	ZAG000134438	24 May 2018	R420 million	100.47%
ABK3	ZAG000134446	7 November 2018	R400 million	101.07%
ABK4	ZAG000134453	24 May 2018	R304 million	100.41%
ABK5	ZAG000134461	31 October 2018	R800 million	100.26%
ABK11	ZAG000134529	20 May 2019	R408 million	100.53%
ABKI01	ZAG000134545	7 November 2018	R541.5 million ²	149.89%

Note 1: This indicative price is expressed at prevailing prices at the close of business on 6 September 2017. Given movements in the underlying yield curve between the opening of the Invitation and the closing of the Invitation, the clean price will effectively be determined at 17h00 on the tender offer closing date, based on a curve as determined by the Tender Agent in its sole and absolute discretion, in respect of the floating rate notes and market rates with respect to the relevant benchmark bonds with respect to the fixed and inflation linked notes.

Note 2: Notes which are held by or on behalf of the Bank are deemed not to be outstanding.

The terms and conditions of the Invitation are clearly set out in the Term Sheet issued to the registered Central Securities Depository Participants (CSDPs) of noteholders via the electronic Strate bond system. The key dates and required information necessary to execute an offer in terms of the Invitation are set out in the Instruction Form, also sent to registered CSDPs of noteholders via the Strate messaging system. Both the Term Sheet and the Instruction Form are available on the African Bank website at <https://www.africanbank.co.za/en/home/investors/corporate/debt-investor-information/>.

For the sake of clarity, noteholders should note the following key dates:

Date	Time	Event
8 September 2017	09:00	Opening of Tender Offer Invitation
14 September 2017	17:00	Closing of Tender Offer Invitation
15 September 2017	09:00	Announcement of the extent of the Bank's acceptance of the Tender Offer Notes on SENS
19 September 2017		Settlement of Tender Offers

Noteholders who are interested in tendering an offer to sell will need to complete the Instruction Form and email it to ABKtenderoffer@rmb.co.za before 17h00 on Thursday 14th September. No other form of communicating an offer will be accepted.

The rationale of the tender offer for the Bank is to reduce its interest expense and thus improve earnings. The targeting of the shorter-dated DMTN bonds is explicit so as to preserve longer term liquidity, while structuring the balance sheet more effectively from a capital and liquidity perspective.

The results of the Invitation process will be communicated to the market via a Johannesburg Stock Exchange News Service (SENS) notice at or before 09:00 on 15 September 2017.

8 September 2017

Debt Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)