

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")

Release of the unaudited financial results for African Bank Limited and related group information for the six months ended 31 March 2018

African Bank is pleased to announce the release of the unaudited interim financial statements for the six months ended 31 March 2018.

Key aspects of the African Bank Limited results include the following, in comparison to the six months ended 31 March 2017:

- Operating profit R123 million before tax (2017: R83 million)
- Profit for the period R77 million (2017: R53 million)
- Net customer advances balances R18 969 million (2017: R18 743 million)
- Cash deposits, including surplus liquid assets, of R8 638 million, after buybacks with a nominal value of R5 440 million (2017: R12 862 million)
- Core Equity Tier 1 capital adequacy ratio of 32.6% (2017: 32.0%)

African Bank Holdings Limited group information

African Bank is a 100% subsidiary of African Bank Holdings Limited ("ABH" or "ABH group"). ABH is an unlisted, registered bank controlling company under the Banks Act, Act 94 of 1990. The shares in ABH are privately held by the South African Reserve Bank, the Government Employees Pension Fund, Barclays Africa Group Limited, Capitec Bank Limited, FirstRand Bank Limited, Investec Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited.

The ABH group has material insurance operations that are housed in African Insurance Group Limited, a separate 100% held subsidiary of ABH which in turn holds a cell captive investment in Guardrisk Limited ("cell captive"). The cell captive investment, owned 100% by African Insurance Group Limited, is not consolidated by the ABH group according to International Financial Reporting Standards ("IFRS"), although the financial performance of this entity is dealt with in the unaudited consolidated financial statements, by means of a re-measurement of the investment in insurance contracts.

ABH has today also released its unaudited consolidated financial statements for the six months ended 31 March 2018.

Key aspects of the ABH consolidated results include the following, in comparison to the six months ended 31 March 2017:

- Operating profit R494 million before tax (2016: R345 million)
- Profit before tax and foreign exchange losses with insurance profits grossed up for tax purposes was R715 million (2016: R501 million)
- Profit for the period R448 million (2016: R315 million)
- Earnings from Insurance operations R371 million (2016: R280 million)

The following published results in respect of the six months ended 31 March 2018 can be accessed on the African Bank's website via the following url: <https://www.africanbank.co.za>

1. African Bank Holdings Limited Investor presentation and results booklet
2. African Bank Holdings Limited unaudited Group Consolidated Condensed Interim Financial Statements
3. African Bank Limited unaudited Condensed Interim Financial Statements
4. African Bank Limited and African Bank Holdings Limited Basel Pillar III Disclosures

Commenting on the results, Basani Maluleke, ABH group CEO noted: "We have made good progress on our strategy to digitise and right-size the business and modernise the branch network. The growth of our gross advances book and our retail deposit book, coupled with the launch of our My World transactional banking product to our staff are strong indicators of the execution of our strategy. As the competitive landscape becomes more complex, we believe we have the right team to deliver returns acceptable to all our stakeholders and real value to our target market."

Conference call details, presentation material and playback facility

Interested parties are invited to register for a conference call during which Basani Maluleke and Gustav Raubenheimer, ABH group CFO, will take participants through the results. Details of the conference call are:

Date	Tuesday, 29 May 2018
Time	11h00 SAST/CAT
Web pre-registration	Interested parties are requested to pre-register for this conference call at https://goo.gl/TqBPSM and follow the instructions provided.

A transcript of the conference call will be available on the Bank's website at www.africanbank.co.za.

Withdrawal of forecasts in the Offer Information Memorandum for African Bank

The launch of African Bank on 4 April 2016 was preceded by the acceptance of a series of Exchange Offers ("Exchange Offers") by the creditors of the old African Bank ("old Bank" Registration No 1975/002526/06, Company Code BIABL). The affected creditors included holders of notes issued under the old Bank's Domestic Medium Term Note Programme, Euro Medium Term Note Programme and bilateral corporate deposits. The acceptance of these Exchange Offers was a condition precedent to the establishment of African Bank.

The information pertaining to the Exchange Offers was contained in an Offer Information Memorandum ("OIM") published on 4 February 2016, which is available on African Bank's website at <https://www.africanbank.co.za>.

The OIM contains certain financial information pertaining both to the old Bank and to African Bank, referred to as "Good Bank" in that document. A financial forecast for the period from 1 April 2016 to 30 September 2018 was included as part of Annexure A of the OIM. The content of this forecast was also built into the provisions of the Bank's Domestic Medium Term Notice programme. Given this, it has historically become necessary to include a comment in market notices from the Board of Directors ("the Board") which seeks to contextualise differences between actual financial

performance for a relevant period and financial performance which had been forecast for that period.

The Board has resolved, with the agreement of the Johannesburg Stock Exchange, to replace all forecast information in the body of the DMTN with the actual historic information, as it believes that these forecasts cannot be relied on due to the fundamental change in the nature of the business of African Bank since the original date of the forecast.

29 May 2018

Debt Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)