

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 audited AFS for African Bank Limited and related group information for the year ended 30 September 2016

African Bank is pleased to announce the release of the audited annual financial statements for the year ended 30 September 2016. The Bank commenced operations on 4 April 2016 and therefore the results reflected in these accounts were generated in the last six months of the financial year.

Key aspects of the African Bank Limited stand-alone results include the following

- Operating profit R314 million before tax
- Loss for the year R1 699 million, after goodwill impairment of R1 947 million
- Net customer advances balances R20 111 million
- Cash balances R12 862 million
- Core Equity Tier 1 capital adequacy 31.5%

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

The ABHL group has material insurance operations that are housed in African Insurance Group Limited, a separate 100% held subsidiary of ABHL 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 ABHL group according to International Financial Reporting Standards ("IFRS"), although the pro forma financial position and performance of this entity is dealt with in the Chief Financial Officer's Report included in the ABHL group annual integrated report.

ABHL has today also released its Annual Integrated Report and audited consolidated financial statements for the year ended 30 September 2016.

Key aspects of the African Bank Holdings Limited consolidated results include the following

- Operating profit R 335 million before tax
- Loss for the year R1 678 million, after goodwill impairment of R1 947 million
- Earnings from Insurance operations R33 million

These following published results in respect of the year ended 30 September 2016 can be accessed on the African Bank's website via the following url: <https://www.africanbank.co.za/about-us/investors>

1. African Bank Holdings Limited Annual Integrated Report
2. African Bank Holdings Limited audited Group Consolidated Financial Statements
3. African Bank Limited audited Financial Statements
4. African Bank Holdings Limited Investor Slide Presentation

Commenting on the results, Brian Riley the group CEO noted: “It is a privilege – and no small achievement – to deliver the first set of results for African Bank and the wider African Bank Holdings Limited group within the brief period of trading following the curatorship and restructuring of the old African Bank. We believe our first six months of existence evidences significant improvement in all aspects of the business, while setting a good foundation for the transparent reporting and business transformation that will be essential to our success.” He added “the foundation for success is being set. What we have achieved so far in a short period of time gives me confidence that we will deliver on our strategy to the benefit of all our stakeholders.”

Conference call details, presentation material and playback facility

Interested parties are invited to register for a conference call during which Brian Riley and Gustav Raubenheimer, CFO of African Bank will take participants through the results. Details of the conference call are

- Date: Tuesday, 29 November 2016
- Time: 11h00 SAST/CAT
- Web pre-registration: Interested parties are requested to pre-register for this conference call at <http://goo.gl/WCrBDq> and follow the instructions provided.

A playback recording will be available on (+27) 11 305 2030, playback code 53686# until 2 December 2016.

29 November 2016

Debt Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)