

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”)

Credit Rating of African Bank by S&P Global Ratings - Long Term Issuer Credit Rating Lowered, National rating maintained; Outlook stable

S&P Global Ratings (“S&P”) have, on 7 May 2020, lowered the ‘B+’ long term issuer credit rating to ‘B’ and affirmed the ‘B’ short term rating. The outlook is stable. S&P have also affirmed the ‘ZaA-/zaA-2’ long term and short term South African national scale ratings for African Bank, respectively.

This rating action follows S&P’s downgrade of the South African sovereign long-term foreign currency rating on 29 April 2020 to ‘BB-’ from ‘BB’. S&P expects South Africa’s already contracting economy to face a further sharp COVID-19 related downturn in 2020 and that the pandemic will create additional and more substantial headwinds to GDP growth due to a strict domestic lockdown, a markedly weaker external demand outlook and tighter credit conditions. As a result of these and other factors detailed in their report, S&P have revised down their Banking Industry Country Risk Assessment (“BICRA”) score for South Africa to group 6 from group 5. The anchor for banks operating only in South Africa is now ‘bb+’ compared with ‘bbb-’ previously.

African Bank’s stand alone credit profile (“SACP”) was lowered by one notch to ‘b’, which is consistent with the one notch downward revision of the anchor for the South African banks.

Amongst other things, S&P noted the following significant points as part of their ratings review:

- “The outlook on African Bank Ltd. is stable and reflects our expectation that its financial and business profile will remain unchanged over the next 12 months, despite earnings pressure and limited growth opportunities in the current economic downturn.”

The long term issuer credit rating applies to the Bank’s Euro Medium-Term Note (“EMTN”) programme and all notes issued under the US\$6 billion EMTN programme, which are listed either on the London Stock Exchange (“LSE”) or the Swiss Securities Exchange (“SIX”), the ZAR25 billion Domestic Medium Term Note programme (“DMTN”) and all notes issued under that programme are not rated.

11 May 2020

Debt Sponsor

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