

AFRICAN BANK LIMITED

(Incorporated in the Republic of South Africa)

(Registered Bank)

(Registration No. 2014/176899/06)

Company code: ABKI

(“African Bank” or “the Bank”)

SARB ISSUES AN RFP FOR THE APPOINTMENT OF A TRANSACTION ADVISOR RELATING TO THE FUTURE DISPOSAL OF ITS SHAREHOLDING IN AFRICAN BANK HOLDINGS LIMITED (“ABHL”)

The South African Reserve Bank (“SARB”) has published a request for proposal (“RFP”) to appoint a transaction advisor relating to the future sale of its shareholding in ABHL.

The SARB acquired its 50% shareholding in ABHL in 2016 as part of the restructuring of African Bank Limited (renamed Residual Debt Services “RDS”) after the bank was placed under curatorship. In its role as shareholder, the SARB provided a capital injection to assist in financing ABHL’s operations. It was never the intention of the SARB to hold this equity stake indefinitely, particularly because its shareholding creates a potential conflict of interest between its role as a regulator of African Bank and as a major shareholder of ABHL.

Since the new African Bank began operations in April 2016, the Bank has made good progress towards achieving its strategic objectives, while increasing profits and building a stronger balance sheet. The SARB believes that this is an opportune time for the Bank to obtain a long-term sustainable shareholder who is better aligned to the Bank’s growth aspirations.

The SARB has therefore issued an RFP to appoint a transaction advisor to assist the SARB in determining the scope and approach for the disposal. The SARB anticipates that the disposal process will be completed within 18 - 24 months after the identification of a suitable buyer.

The management and Board of ABHL do not anticipate that this process will impact on the operations of the Bank. The Bank will endeavour to work closely with the SARB to facilitate an orderly process.

The SARB will continue to support the Bank as its major shareholder until the conclusion of the disposal process.

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Debt Sponsor

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