

AFRICAN BANK LIMITED

(Incorporated in the Republic of South Africa)

(Registered Bank)

(Registration No. 2014/176899/06)

Company code: ABKI

LEI: 2549008X8SL1B1J86F98

(“African Bank” or the “Bank”)

SARB ISSUES AN UPDATE RELATING TO THE DISPOSAL OF ITS SHAREHOLDING IN AFRICAN BANK HOLDINGS LIMITED (“ABHL”)

The South African Reserve Bank (“SARB”) has published an update relating to the disposal 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 Limited) after it was placed under curatorship. In its role as a 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 created a potential conflict of interest between its role as a regulator of the Bank and as a major shareholder of ABHL.

In June 2021 the SARB invited interested parties, both local and international, to submit expressions of interest. The SARB has concluded its consideration of all the expressions of interest and consulted with all relevant stakeholders and regulators in this process.

After due consideration, the SARB has concluded that none of the interested investors would be suitable to acquire the SARB’s shareholding at this stage. The SARB will continue to work closely with ABHL and the rest of the shareholders and proceed with the alternative exit option of an initial public offering (“IPO”). The timing of the IPO will be dependent on prevailing market conditions. The SARB noted that the period leading up to the IPO will provide the ABHL group with the opportunity to continue with its successful turnaround and execute on its accelerated growth strategy.

The ABHL group’s accelerated growth strategy is focused on building a diversified, scalable and sustainable business that is true to its founding philosophy of being “a bank for the people, by the people, serving the people”.

22 March 2022

Debt Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)