

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")

African Bank Holdings Limited concludes partnership with MMI Holdings Limited (subject to regulatory approval)

African Bank Holdings Limited ("ABHL"), the holding company of African Bank, is pleased to announce that it has concluded an agreement with MMI Holdings Limited ("MMI", together referred to herein as "the Parties") in terms of which an expanded range of financial service solutions will be offered to their respective customers to facilitate financial wellness. The Parties envisage that this partnership will enable each of them to provide a wider range of products and services to their customers and expand their service footprint, leading to an improved client experience and product offering. To this end, the Parties have agreed to develop businesses on three fronts:

- African Bank will provide the capabilities to enable an unsecured lending solution to MMI clients. Through a separate company 49% held by African Bank and 51% held by MMI, African Bank will thus be the exclusive provider of unsecured credit products to MMI clients. It is envisaged that the size and profitability of this business could become significant over time and that the Parties will share equally in the profits that arise from it. The Parties have agreed to capitalise and provide funding for the business as required in proportion to their shareholding, subject to certain detailed terms and conditions. It is anticipated that this business will build an advances book in excess of R10 billion over its first five years. This business will be initiated during the second half of 2017 and is planned to be fully operational by the start of 2018;
- On an exclusive basis, MMI's full range of insurance products (appropriate to the relevant target market and as appropriate to introduce such products) will be made available to African Bank's customer base through its branch infrastructure and other direct distribution channels at its disposal. After having compensated each other for the ongoing costs of executing this business, the Parties will share the profits equally. It is anticipated that this business will develop over time into one that is able to generate in-force premiums in excess of R1 billion within five years. This business will be initiated during the second half of 2017; and
- African Bank will act as a sponsoring bank to MMI to facilitate transactional banking solutions that MMI wishes to offer to its clients.

The agreement concluded by the Parties is subject to Regulatory approval.

Stakeholders are referred to a corresponding a Johannesburg Stock Exchange News Service announcement by MMI released today.

12 June 2017

Debt Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)