

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 Limited by Standard & Poor's Rating Services: Outlook revision, affirmation of global scale rating and upgrade of national scale rating

Standard & Poor's Rating Services ("S&P") have revised the outlook for African Bank from 'Negative' to 'Stable' and affirmed the 'B+/B' global scale rating. The national scale rating was raised to 'zaBB' from 'zaBB-'. Amongst other things, S&P noted the following significant points as part of their ratings review:

- African Bank Limited's capitalization has improved markedly largely due to a significant reduction in the balance sheet, combined with better earnings than expected; and
- The stable outlook balances the Bank's very strong capital levels and limited medium-term refinancing risks against the weak economic environment that could negatively impact its earnings and business stability, and the longer term risk that the Bank's funding is susceptible to investor confidence.

The main driver in the significant reduction in the balance sheet has been the systematic repurchase of portions of the Bank's Euro Medium Term Note programme ("EMTN") bonds in issue, as announced on 14 July 2016, 5 September 2016 and 14 September 2016 and certain additional but limited open market trades thereafter. The total ZAR equivalent of all EMTN bond repurchases, together with the early settlement of certain ZAR bilateral funding arrangements, as at 30 September 2016, was ZAR11.7 billion.

The global scale rating also applies to the Bank's 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.

African Bank announces further that it intends to release its interim financial results for the six months to 31 March 2017 on 23 May 2017.

20 April 2017

Debt Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)