

AFRICAN BANK LIMITED (previously named K2014176899 (South Africa) Limited)
(Incorporated in the Republic of South Africa)
(Registered Bank)
(Registration No. 2014/176899/06)
Company code: ABKI
("the Bank" or "African Bank")

Release of the unaudited interim financial statements for Residual Debt Services Limited (under curatorship) ("Residual Debt Services"), previously named African Bank Limited (under curatorship) for the six months ended 31 March 2016

African Bank hereby draws attention to the fact that Residual Debt Services has today released its unaudited interim financial statements for the six months ended 31 March 2016.

While the unaudited interim financial statements of Residual Debt Services are prepared on behalf of the curator of Residual Debt Services, (the "Curator") African Bank believes that the financial information contained therein may be of interest to investors in African Bank. This financial information is for the period ended 31 March 2016, and investors will be aware that a portion of the business and assets of Residual Debt Services as at that date was acquired by African Bank on its launch, with effect on 4 April 2016.

Notwithstanding this, it is important to note that neither African Bank nor its directors can accept any responsibility for the information contained in such interim financial statements of Residual Debt Services or disclosed below. Such interim financial information of Residual Debt Services is neither incorporated by reference into nor does it form part of African Bank's ZAR25 billion Domestic Medium term Note Programme dated 22 March 2016. African Bank accepts no responsibility whatsoever for such interim financial information and accordingly disclaims any liability howsoever arising in connection therewith.

The unaudited interim financial statements of Residual Debt Services disclose a reported loss of R646 million for the six months ended 31 March 2016 compared to a reported loss of R2 787 million for the comparative six month period ended 31 March 2015.

The condensed statement of financial position as at 31 March 2016 contained in the unaudited interim financial statements of Residual Debt Services reflects the carrying value of *Assets classified as held for sale* at R42 072 million (30 September 2015 : R 37 436 million) and *Liabilities associated with assets classified as held for sale* at R5 303 million (30 September 2015 : R4 453 million).

The unaudited interim financial statements of Residual Debt Services for the six months ended 31 March 2016, together with an investor presentation can be accessed at the following website:

<https://www.africanbank.co.za/about-us/investors>

and following the link under "Financial reporting and operational updates".

Further pertinent aspects of the results of Residual Debt Services include the following disclosures:

- Post-curatorship business continues to show stable and better early arrears;

- Disbursements for the period ended 31 March 2016 were R4 579 million, an increase of 23% compared to the comparative period; and
- Collections stabilised in a tougher economic environment.

As announced in a SENS announcement on 27 June 2016, the Curator of African Bank Limited (under curatorship), Mr Tom Winterboer, will be hosting an investor call on these specific results, detail of which is listed below:

Conference call details

Interested parties are referred to the following details (including the need to pre-register) regarding the conference call:

- Date: Thursday, 30 June 2016
- Time: 16h00 SAST/CAT
- Web pre-registration: Interested parties are requested to pre-register for this conference call at <http://goo.gl/BPHt3K> and follow the instructions supplied

The Curator has advised that the convener of the conference call will allow an opportunity at the end of the call for questions which are relevant to these results.

Midrand

30 June 2016

Debt Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)