

African Bank Limited Press release

15 September 2017

**African Bank buys back R2.019 billion worth of bonds from domestic bondholders**

African Bank Limited (the Bank) has announced that it has bought back bonds with a nominal value of R2.019 billion, issued under its Domestic Medium Term Note programme, by way of a public offer.

African Bank's public offer to domestic bondholders, to buy back any or all shorter-dated domestic bonds maturing before May 2019, was opened to the local market on 8 September 2017 and closed on 14 September 2017 (the Invitation).

The buyback represents 62% of the bonds included in the Invitation and adds substantially to the other buybacks concluded to date, thereby further managing the balance sheet from a sound capital and liquidity perspective and reducing its interest cost, as the Bank continues on its journey to build a successful South African retail bank

Gavin Jones, Group Treasurer, commented: *"We believe that the offer provided a good balance between offering existing bondholders an opportunity to monetise their holdings at a decent return and providing the Bank an opportunity to further right size its balance sheet and eliminate negative carry. This successful offer reduces the Bank's domestic liabilities by some R2 billion and will contribute to a reduction in the interest expense line, which will further enhance the banks future earnings"*.

ENDS

Louise Brugman 083 504 1186; [louise@vestor.co.za](mailto:louise@vestor.co.za)

On behalf of Gavin Jones, Group Treasurer for African Bank Limited

**Notes to editors**

Further details regarding the specific bonds tendered and buyback are included in the SENS announcement.

