

Press release for Residual Debt Services Ltd

17 July 2018

### **Curator of Residual Debt Services Ltd to pay out R650 million to senior stub holders**

The curator of Residual Debt Services ("RDS"), Craig Du Plessis today announces a second payment to senior unsecured stub holders. The payment of R650 million will bring the total payments to date to R1.150 billion, following the first payment of R500 million on 29 January 2018.

The cash payment of R650 million and total payments of R1.150 billion to senior unsecured stub holders represents approximately 16.36% and 28.94% of the R3.97 billion nominal value of the senior unsecured stub instruments, as at 10 August 2014, when RDS was placed into curatorship, respectively.

The payment is higher than the estimated amount of R500 million announced during the interim results presentation to creditors on 24 May 2018. This was primarily due to better than expected collections over the six month period as well as the receipt of approximately R49 million as a distribution by the business rescue practitioner of Ellerine Holding Ltd to RDS as a creditor, which was not factored into the estimated payment amount.

Craig Du Plessis noted: *"The payment of R650 million is higher than the first payment of R500 million as it includes six months of collections from January 2018 to June 2018, at an average monthly net collection run rate of approximately R100 million. This is compared to the previous four months of September 2017 to December 2017, at an average monthly net collection run rate of just over R110 million, since the indemnity reserve was only fully funded on 1 September 2017. A distribution of approximately R49 million by the business rescue practitioner of Ellerine Holding Ltd was also included in the first payment made on 29 January 2018. Average monthly net collections are expected to reduce further going forward given the run down nature of the book".*

The payment distribution is payable to the senior stub holders on Monday 30 July 2018 on record as at 27 July 2018.

The Curator expects to announce the annual financial results and an operational update for RDS for the year ended 30 September 2018 on or about 20 November 2018. He intends to include an announcement regarding the third payment covering the period July 2018 to December 2018.

ENDS

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On behalf of Craig Du Plessis, Curator of Residual Debt Services Ltd

C Du Plessis was appointed as curator of Residual Debt Services Limited (the "Company") on 1 April 2018 by the Minister of Finance of the Republic of South Africa and pursuant to the Banks Act No. 94 of 1990 (as amended) to manage the affairs of the Company subject to the supervision of the Registrar. Please note, Mr Du Plessis acts in the aforesaid capacity.

**Residual Debt Services Limited** (under curatorship) - Registration Number 1975/002526/06

**Tel:** 011 256 9000 **Address:** 59 16<sup>th</sup> Road, Midrand, South Africa **Postal:** Private Bag X170, Halfway House, 1685, South Africa

**Company Secretary:** BW Unser

NCR Registration number: NCRCP5. Residual Debt Services Limited (under curatorship) is an Authorised Financial Services and Credit Provider. RDC91017/16

**Residual Debt Services Ltd ("RDS")**

RDS was placed under curatorship on 10 August 2014, when it was still known as African Bank Limited. The business was successfully restructured on 4 April 2016 by means of a transfer of an identified portion of the assets and restructured liabilities; together with a fresh capital injection of R10 billion by the new shareholders into the new banking entity renamed African Bank Limited on that date. The old African Bank Limited was as a consequence renamed RDS. African Bank Ltd and RDS are not related entities.

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