

AFRICAN BANK LIMITED

(Incorporated in the Republic of South Africa)

(Registered Bank)

(Registration No. 2014/176899/06)

Company code: ABKI

Bond Code: ABKS1

ISIN: ZAG000134412

(the “Bank” or “African Bank”)

Status update with regards to the R1.485 billion ABKS1 subordinated note

On 4 April 2016, African Bank issued ZAR1.485 billion subordinated notes under its Domestic Medium Term Note programme (“DMTN programme”) the proceeds of which rank as Tier 2 capital (“ABKS1 Notes”), with a maturity date of 4 April 2026. The ABKS1 Notes include optional early redemption dates in the terms and conditions, at the option of African Bank and with the prior consent of the Prudential Authority of the South African Reserve Bank (the “PA”), on each business day occurring on or after 5 April 2021.

African Bank has indicated at the year-end-results presentation, held on 26 January 2021, that it intends to exercise this early redemption option. The Bank has duly made the necessary applications for approval to this effect, to both the shareholders of African Bank Holdings Limited (“ABHL”) and the PA. These approvals have now been obtained. As the DMTN programme requires at least 23 days’ notice to effect the redemption, the early redemption will not take place on 5 April 2021, but it is expected that the redemption of the ABKS1 Notes will take place at the end of April 2021, or shortly thereafter. A further announcement will be made as to the exact timing of the redemption in due course.

Prior to the redemption of the ABKS1 notes, the Bank will be capitalised by a R1.485 billion injection of capital by its holding company ABHL, funded from ABHL’s excess cash reserves, with this capital ranking as CET1. Post the redemption, the Bank will have replaced Tier 2 qualifying capital with better quality CET1 capital.

29 March 2021

Debt Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)