

31 January 2023

RESIDUAL DEBT SERVICES LIMITED ("RDS") - STUB INSTRUMENTS FACE VALUES

Introduction

The exchange offer, as detailed in the Offering Information Memorandum ("OIM") issued on 4 February 2016, was successfully implemented on 4 April 2016. The OIM, inter alia, detailed the creation of a new bank (African Bank Limited) and the transfer of the core assets and business to the new African Bank Limited, which received an injection of R10 billion from its new parent, African Bank Holdings Limited (the "Transaction").

The material liabilities of Residual Debt Services Limited ("RDS") were exchanged, as part of the Transaction, for new instruments held in African Bank Limited, together with certain residual claims on the assets of RDS – "senior stub instruments" and "sub-ordinated stub instruments" and a partial cash settlement.

Stub instruments' carrying values

In terms of the exchange offer executed on 4 April 2016, three distinct tranches of stub instruments were issued with specific terms and conditions and applicable term sheets.

The three categories of stub instruments were:

1. Transferable senior stub instruments (ZAU000014557) with an original nominal value of R3 972 899 102 and an interest commencement date of 10 August 2014;
2. Non-transferable senior stub instruments (ZAU000014540) with an original nominal value of R1 326 100 and an interest commencement date of 10 August 2014; and
3. Transferable subordinated stub instruments (ZAU000014532) with a nominal value of R3 620 892 415 and an interest commencement date of 4 April 2016.

The Curator Craig Du Plessis announced that an extraordinary payment distribution totalling R2.7 billion was to be made on 06 December 2022. This payment distribution completely redeemed the transferable and non-transferable senior stub instruments' interest owing and capital outstanding amounting to R2,486,267,459.66 as at 6 December 2022. In addition, the subordinate stub holders also received their first part payment distribution amounting to R213,732,540.34 (which was applied to the interest outstanding) as the senior stub instrument holders had been fully repaid.

The extraordinary payment distribution mentioned above was as a result of RDS and African Bank Limited entering into an agreement on or about 21 November 2022, whereby the indemnity reserve was reduced from R3 billion to R500 million. In addition, the Curator reduced the operational float from R500 million to R300 million which resulted in the Company having R2.7 billion excess cash available for distribution to stub instrument holders in accordance with the distribution waterfall.

In order to assist the remaining holders of the subordinated stub instruments calculate their contractual carrying values for their respective holdings, the detailed calculation below have been provided for this purpose.

Please note that the values disclosed are the contractual carrying values and **do not** necessarily represent the fair values or market values of these instruments.

The subordinated stub holder instruments issued as part of the exchange offer effected on 4 April 2016 represent their proportionate share of the total transferable instrument value of R3 620 892 415, being the nominal values as at 4 April 2016. As an example, if you have a holding of R1 000 000 subordinated stub instruments (ZAU000014532), your holding has a contractual face value of R1 982 041 (R1 000 000/R3 620 892 415 multiplied by R7 176 758 335 (31 January 2023 total face value after taking into account the second part stub payment which took place on 31 January 2023)).

Disclaimer:

This release must be read in conjunction with the OIM. Nothing in this statement should be considered to alter the legal terms and conditions agreed to and detailed in the OIM and pursuant to the Transaction. The curator of RDS does not make any representation that all relevant information has been disclosed in this release, nor does he accept any responsibility for the accuracy, completeness, validity or correctness of the statements made in this release or any other document prepared in connection with this release or any omissions therefrom. Holders should seek their own independent financial, legal and tax advice on the merits and on the consequences of this release.

Transferable subordinated stub instruments (ZAU000014532).

						Subordinated Stub (ZAU000014532)	
					Bal on 04 April 2016	3 620 892 415	
					Spread Over 3m Jibar	500	
					Today's Date	09-Feb-23	
Reset/Value Date	Weekday	Jibar Reset	3M Jibar plus Spread	CashFlows (PMT)	Capitalised Principal		
04-Apr-16	04-Apr-16				3 620 892 415		
04-Jul-16	04-Jul-16	7,233%	12,233%	-	3 731 324 971		
04-Oct-16	04-Oct-16	7,358%	12,358%	-	3 847 551 757		
04-Jan-17	04-Jan-17	7,358%	12,358%	-	3 967 398 883		
04-Apr-17	04-Apr-17	7,358%	12,358%	-	4 088 292 592		
04-Jul-17	04-Jul-17	7,375%	12,375%	-	4 214 427 619		
04-Oct-17	04-Oct-17	7,350%	12,350%	-	4 345 617 555		
04-Jan-18	04-Jan-18	6,992%	11,992%	-	4 476 969 977		
04-Apr-18	04-Apr-18	7,158%	12,158%	-	4 611 183 404		
04-Jul-18	04-Jul-18	6,892%	11,892%	-	4 747 898 297		
04-Oct-18	04-Oct-18	6,958%	11,958%	-	4 891 003 333		
04-Jan-19	04-Jan-19	7,017%	12,017%	-	5 039 149 010		
04-Apr-19	04-Apr-19	7,150%	12,150%	-	5 190 116 392		
04-Jul-19	04-Jul-19	7,158%	12,158%	-	5 347 437 778		
04-Oct-19	04-Oct-19	7,025%	12,025%	-	5 509 516 420		
04-Jan-20	06-Jan-20	6,775%	11,775%	-	5 676 590 618		
04-Apr-20	06-Apr-20	6,800%	11,800%	-	5 843 591 249		
04-Jul-20	06-Jul-20	5,608%	10,608%	-	5 998 138 708		
04-Oct-20	05-Oct-20	3,883%	8,883%	-	6 130 977 432		
04-Jan-21	04-Jan-21	3,358%	8,358%	-	6 258 733 228		
04-Apr-21	06-Apr-21	3,642%	8,642%	-	6 395 064 556		
04-Jul-21	05-Jul-21	3,675%	8,675%	-	6 531 857 615		
04-Oct-21	04-Oct-21	3,692%	8,692%	-	6 673 406 011		
04-Jan-22	04-Jan-22	3,675%	8,675%	-	6 819 325 062		
04-Apr-22	04-Apr-22	3,892%	8,892%	-	6 968 842 033		
04-Jul-22	04-Jul-22	4,367%	9,367%	-	7 131 587 788		
04-Oct-22	04-Oct-22	5,050%	10,050%	-	7 312 241 653		
06-Dec-22	06-Dec-22	6,475%	11,475%	-213 732 540,34	7 243 336 573		
04-Jan-23	04-Jan-23	6,475%	11,475%		7 308 054 555		
31-Jan-23	31-Jan-23	7,267%	12,267%	-200 000 000,00	7 174 369 444		
31-Jan-23	31-Jan-23	7,267%	12,267%		7 176 758 335		