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AFRICAN BANK INVESTMENTS LIMITED – ABIL announces up to R4 billion capital raise via an underwritten rights issue

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ABIL announces up to R4 billion capital raise via an underwritten rights issue

AFRICAN BANK INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registered Bank controlling company)

(Registration number 1946/021193/06)

(Ordinary share code: ABL) (ISIN: ZAE000030060)

(Preference share code: ABLP) (ISIN: ZAE000065215)

("ABIL" or "the group")

AFRICAN BANK LIMITED

(Incorporated in the Republic of South Africa)

(Registered bank)

(Registration number 1975/002526/06)

Company code: BIABL

("African Bank")

ABIL ANNOUNCES UP TO R4 BILLION CAPITAL RAISE VIA AN UNDERWRITTEN RIGHTS ISSUE

Highlights

- Intention to raise up to R4 billion equity capital via rights issue
- Strengthens the balance sheet, addressing Basel III requirements earlier
- Improves already strong March 2013 Tier 1 capital ratio to 28,1% on a pro forma basis and best positions ABIL for the current and prospective environment
- Rights issue fully underwritten by Goldman Sachs International

ABIL announces its intention to raise up to R4 billion in equity capital. The capital raise is intended to be

completed through a rights issue with proceeds of up to R4 billion. ABIL has entered into a standby underwriting agreement with Goldman Sachs International for up to R4 billion, subject to standard terms and conditions.

The aim of the announced capital raise is to align ABIL's financial position with its strategy and the current

challenging market backdrop. The capital raise will strengthen ABIL's balance sheet and is intended to provide a robust financial position for the coming years. The proceeds of the capital raise will serve to improve Basel III capital ratios and provide additional capital in the event of economic headwinds and consequential impact on the credit environment. ABIL's board of directors believes that the capital raise is

in shareholders' best interests and, by substantially enhancing the capital position of the bank, will also

serve to benefit funders and other stakeholders.

The proposed equity capital raise will be submitted for approval at an extraordinary general meeting which will be held in early September in Midrand.

Leon Kirkinis, CEO of ABIL, said: "This capital raise is a strategically significant move for the group and

we decided to take this action as we believe it is the best way to underpin the execution of our objectives

and create sustainable value for our shareholders. We believe that this is a prudent course of action and in the best interests of the group."

On behalf of the board

Midrand

5 August 2013

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

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