

Disposal of Stangen

AFRICAN BANK INVESTMENTS LIMITED (in business rescue)

Incorporated in the Republic of South Africa

(Registration number: 1946/021193/06)

Ordinary share code: ABL ISIN: ZAE000030060

Preference share code: ABLP ISIN: ZAE000065215

("ABIL" or "the Company")

DISPOSAL OF STANGEN

Shareholders are referred to the announcements released on SENS on 5 June 2015, 30 June 2015 and 14 July 2015 wherein shareholders were, inter alia, advised of the potential sale by ABIL of the entire issued share capital of its wholly-owned subsidiary, The Standard General Insurance Company Limited ("Stangen") and that the Company had commenced voluntary business rescue proceedings in terms of section 129 of the Companies Act, 2008 (Act 71 of 2008), as amended. Stangen operates as a long-term insurer within South Africa, and is primarily involved in underwriting credit life businesses to customers of African Bank Limited (in curatorship) ("ABL").

Shareholders are further advised that the Company has entered into a share purchase agreement with its wholly-owned subsidiary, ABL and Stangen in terms of which ABIL will dispose of the entire issued share capital of Stangen ("Sale Shares") to ABL ("the Disposal") subject to the fulfilment (or, to the extent permissible, the waiver) of certain suspensive conditions including, inter alia, regulatory approvals, the completion of a due diligence investigation, and the adoption of a business rescue plan proposing inter alia, the sale of the Sale Shares ("Business Rescue Plan").

The purchase consideration for the Sale Shares is expected to be R1.378 billion, which may increase by a maximum of R50 million dependent on the actual level of net asset value of Stangen on the effective date of the Disposal, being 1 October 2015. In addition to the abovementioned purchase price, ABIL has received a dividend in cash and in specie totalling R797 million and will receive a further dividend of surplus cash on the Stangen balance sheet immediately prior to the closing date of the Disposal.

The Disposal is in line with ABIL's joint business rescue practitioners' business rescue strategy and will form part of the Business Rescue Plan.

Further details pertaining to the Disposal and the total realisations will be included in the Business Rescue Plan which is due to be published on or about 14 September 2015.

By order of Messrs Dawie van der Merwe and John Evans as joint business rescue practitioners and the board.

Midrand

9 September 2015

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Merchantec Capital

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