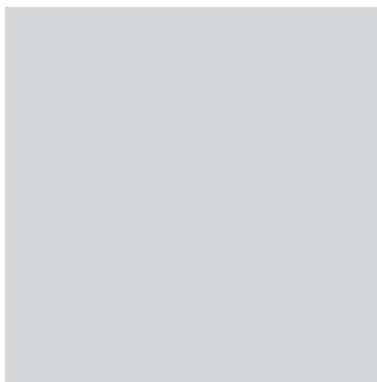




UNAUDITED INTERIM RESULTS AND CASH DIVIDEND DECLARATION

FOR THE SIX MONTHS ENDED 31 MARCH 2013

and incorporating a **CIRCULAR to ABIL ordinary shareholders** regarding the payment of an interim gross cash dividend of 25 cents per ordinary share to ordinary shareholders or an election to receive capitalisation shares as an alternative to the cash dividend and including a **FORM OF ELECTION**



UNAUDITED INTERIM RESULTS AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 31 MARCH 2013

Features

- **Headline earnings decline by 26% to R1 015 million (H1 2012: R1 370 million)**
- **Headline earnings per share of 125,7 cents (H1 2012: 170,4 cents)**
- **Return on equity of 13,9% (H1 2012: 20,3%)**
- **Economic loss of R47 million (H1 2012: Economic profit of R390 million)**
- **Ordinary dividends per share of 25 cents (H1 2012: 85 cents)**
- **African Bank won EMEA Finance's Best Swiss Bond Award**
- **A range of new innovative products launched**
- **Strong growth in direct channels**
- **Call centre expanded to 1 300 agents**

Challenges

- **Subdued economic outlook**
- **Slowing consumer demand**
- **Tough collections environment**
- **Regulatory uncertainty**
- **Growing the customer base**
- **Balancing growth, shareholder returns and capital requirements**
- **Retail merchandise sales growth in current economic environment**

Highlights

- **25% growth in advances to R59 billion**
- **2,7 million customers, growth of 4%**
- **1 600 strong distribution network**
- **African Bank named Bank of the Year for 2012 by The Banker**

OVERVIEW

Trading environment

The first half of 2013 proved to be a challenging period. The significant increase in unsecured lending by all players in the market during 2012 introduced unacceptable risk into certain segments of our customer base. ABIL's response was to forego volume growth for risk reduction through lower offer rates, smaller loan sizes and increased pricing. These measures have substantially curbed credit offers. The demand for credit also reduced as consumers faced high levels of household debt and our offers became less competitive, which generally led to lower growth in disbursements. It also helped safeguard ABIL to a large extent against further increases in risk.

The negative impact of slowing credit extension is twofold: Book and revenue growth are affected and credit quality ratios deteriorate as the bad debts from previous high growth periods flow through. These trends were particularly evident in the current six months, where bad debts increased as a result of collections having come under pressure. The knock-on effect from the recent strike activity led to increased debt servicing burdens. The group is actively addressing these trends by bolstering the call centre capacity, implementing additional risk reduction measures, increasing provisions for credit losses and by placing increased emphasis on assisting customers through rehabilitation efforts.

Trading conditions in the furniture industry deteriorated rapidly during the period, as customers' lower disposable incomes and higher indebtedness affected both their willingness and ability to spend. Deflationary trends in durable goods continued. Measures implemented by ABIL to reduce high risk credit extension via smaller parcels of credit adversely impacted the sale of merchandise. Efforts to further reduce costs and maintain firm margins could not fully counter the decline in merchandise sales. The business is currently carrying duplicate costs from the recent rollout of the centralised distribution network which further affected results.

Financial performance

Commenting on results ABIL said, "The drop in earnings was impacted by a combination of a sharper than expected decline in the macro-economic landscape and some once-off business related factors. We made the prudent decision in March to write off an additional amount of NPLs to improve the quality of our loan book in light of the economic outlook. The *in duplum* (once-off adjustment in respect of capping of arrears interest and fees), increased bad debt charge and retrospective insurance claims, were also once-off charges, all of which should normalise from now on, albeit at slightly higher levels."

Headline earnings and headline earnings per share declined by 26% to R1 015 million (H1 2012: R1 370 million) and 125,7 cents (H1 2012: 170,4 cents), respectively. The group generated a return on total equity of 13,9% for the six months to 31 March 2013 (H1 2012: 20,3%) and a return on average tangible equity of 23,9% (H1 2012: 37,5%). ABIL generated an economic loss, after charging for its cost of equity, of R47 million (H1 2012: economic profit of R390 million). An interim ordinary dividend per share of 25 cents (H1 2012: 85 cents) was declared.

Headline earnings benefited from the replacement of secondary tax on companies (STC) with a dividend withholding tax by an amount of R79 million. Excluding this benefit, headline earnings would have been 30% lower than the comparable period in 2012.

Headline earnings in the Banking unit declined by 20% to R1 001 million (H1 2012: R1 259 million) and economic profit by 72% to R129 million. The unit produced a return on equity of 16,6% (H1 2012: 22,9%) and a return on average tangible equity of 24,9%. The Banking unit continued to show positive advances growth and maintained good control over operating and funding costs. These improvements were, however, negated by:

- A lower yield, partially as a result of higher suspension of income on increased non-performing loans and more so due to a once-off charge as a result of the final implementation of *in duplum* for the credit card portfolio. The once-off charge impacted the yield by approximately 50 basis points. Excluding the once-off *in duplum* adjustment, the yield was marginally lower than the second half of 2012.

The group has also increased pricing over the past year to ameliorate the increased risk and the current incoming gross yield prior to suspension is higher than in the comparative period.

- An elevated charge for bad and doubtful advances resulting from higher NPL formation in the first few months of the year, exacerbated by ABIL's decision to write off an additional R445 million of non-performing loans in March. This increased write-off coupled with the group's communicated intent to reduce the value of the previously written off book had the effect of reducing coverage, and accordingly NPL coverage was increased to recent norms post the write-off. These actions were taken to improve the quality of the loan book over the long term but in the short term, it affected the income statement particularly negatively.
- Insurance claims and related provisions increased as a result of the group broadening the range of insured events. The charge is retrospective in nature, as ABIL has previously applied a narrower definition of loss of income through retrenchment.

Headline earnings in the Retail unit decreased to R18 million (H1 2012: R191 million), due to the 11% decline in sales and the high fixed cost nature of the furniture retail business. Good cost management and slightly firmer margins could not sufficiently counteract the merchandise sales decline. EHL is also currently carrying duplicate costs from the recent rollout of the centralised distribution network which contributed to the negative result and which is expected to disappear towards the end of 2014 as leases expire and old warehouses are shut down. The Retail unit generated a return on sales of 0,8%, a return on equity of 1,3% and a return on average tangible equity of 5,0%. It generated an economic loss of R189 million. EBITDA was R138 million for the period, relative to R350 million for the corresponding period.

Probe by the National Credit Regulator

The National Credit Regulator (NCR) announced in October 2012 that it was investigating a number of lenders including African Bank for possible reckless lending. The investigation into African Bank focused on fraudulent activity at one of its branches. The NCR advised African Bank in February 2013 that it has referred the matter to the National Consumer Tribunal (NCT) and has proposed that the NCT impose a fine of R300 million on the Bank.

African Bank has handed the matter to its attorneys, contests the allegations and believes, based on legal counsel, that the fine is unwarranted given the specific facts and circumstances. Both parties have submitted their documents to the NCT for review and it is expected that the NCT will review the matter within the next few months. Accordingly, no provision has been made in these results for any potential fine.

DIRECTORATE

Leeanne Goliath was appointed company secretary to African Bank Investments Limited on 18 October 2012.

There have been no changes to the ABIL board over the reporting period.

LOOKING AHEAD

The lower sales and collections for the first half of the 2013 financial year has put pressure on ABIL's full year results. The group has therefore implemented further revenue enhancing initiatives, whilst reducing risk and has renewed the impetus to tightly manage collections, operating costs and capital expenditure. Trading conditions are expected to remain difficult for the remainder of the year and possibly deteriorate slightly in the retail environment. The risk reduction measures of lower offer rates, smaller loan sizes and increased pricing will continue to impact on sales but will strengthen the quality of the loan book and sustain profitable growth beyond 2013.

ABIL's advances growth will continue to exceed sales growth as older short term loans pay off and are replaced by longer term loans. New products and changes in the group's customer offering also bode well for business over the medium term.

The bad debt charge is expected to remain elevated for the rest of the year, but the risk reduction measures implemented should benefit the charge from 2014. At the same time, the large write-offs have improved the quality of the remaining NPL portfolio.

The higher incoming yield, the fact that the effect of income suspension on the NPL portfolio will reduce and that the retrospective credit card *in duplum* charge will not repeat, should support the yield going forward.

Operating and funding cost growth remains well contained and approximately R100 million of duplicate costs is expected to come out of the Retail unit during 2014.

The slowdown in furniture sales growth is expected to endure due to continued pressure on the consumer as a result of rising inflation, lower consumer confidence, increasing debt burdens and continuing tightening of credit. The challenge lies in assessing how long the slowdown will last and implementing appropriate strategies given this assessment. The Retail unit will continue to focus on margin management, further cost reduction initiatives to provide maximum operational leverage and exploring opportunities for profitable growth, while also paying close attention to stock levels, collections, the credit proposition, marketing and effective operational execution.

On ELH results the group said, "We witnessed a further decline in customers in our furniture outlets, which resulted in us lowering our expectations on customers' ability to spend even further towards the end of this reporting period. Current duplicate costs further exacerbated the retailers' drop in earnings. We have reduced our credit offering and do not foresee an improvement in our customers' disposable incomes and ability to spend, in the near future. While we are doing everything operationally to reduce the impact of lower sales, we anticipate a challenging year ahead for this business."

ABIL remains profitable and well-funded, with a solid capital position. The existing loan book continues to generate strong cash flows and our conservative funding approach continues to enable the Bank to withstand volatile economic cycles.

While the outlook for the short term is for continuing challenging conditions, we have spent the past few years building a group that is financially and operationally robust and resilient and can withstand downturns in the economy and in credit markets. ABIL remains confident of its ability to entrench its position as the market leader in a larger, more competitive and fast changing unsecured credit market, despite the challenging outlook.

The information in this announcement has not been reviewed nor audited and reported on by ABIL's external auditors.

On behalf of the board

Mutle Mogase
Chairman

20 May 2013

Leon Kirkinis
Chief executive officer

DIVIDEND DECLARATION

Ordinary dividend declaration and capitalisation share alternative

Ordinary shareholders are advised that the board of directors has declared an interim gross cash dividend of 25 cents per ordinary share (21,25000 cents net of dividend withholding tax) for the six months to 31 March 2013 (the cash dividend). No secondary tax on companies (STC) credits were applied to this dividend declaration. The dividend has been declared as a cash distribution but with an opportunity for ordinary shareholders to elect capitalisation shares to provide flexibility for shareholders wishing to increase their holding in the company given recent changes to dividend tax in South Africa.

Ordinary shareholders will be entitled to elect to receive ordinary shares of 2,5 cents each in the company as capitalisation shares in lieu of the cash dividend (the capitalisation issue), to be determined by the ratio that 25 cents bears to the volume weighted average price of the company's ordinary shares on the exchange operated by the JSE Limited (JSE) during the nine-day trading period ending 30 May 2013.

The cash dividend will be paid out of the company's distributable profits while the issue price of the capitalisation shares (which will equal the volume weighted average price of ABIL's ordinary shares traded on the JSE for the 9 day period ending on Thursday, 30 May 2013) will be settled by the company utilising a portion of the company's share premium reserves of R9 324 million but the share premium will only be utilised to the extent of the par value of the capitalisation shares (being 2,5 cents each) and the balance of the issue price shall be paid for through the capitalisation of distributable profits. The capitalisation shares will, upon their issue, rank *pari passu* in all respects with the other ordinary shares then in issue.

Details of the ratio will be released on the Securities Exchange News Services (SENS) of the JSE by no later than 11:00 on Friday, 31 May 2013 and published in the South African press the following business day. Trading in the Strate Limited environment does not permit fractions and fractional entitlements. Accordingly, where an ordinary shareholder's entitlement to new ordinary shares calculated in accordance with the above formulae gives rise to a fraction of a new ordinary share, such fraction of a new ordinary share will be rounded up to the nearest whole number where the fraction is greater than or equal to 0,5 and rounded down to the nearest whole number where the fraction is less than 0,5.

A circular relating to the cash dividend and the alternative capitalisation issue will be posted to ordinary shareholders on or about Friday, 24 May 2013.

Timetable for ordinary shares

Share code	ABL
ISIN	ZAE000030060
Company registration number	1946/021193/06
Company tax reference number	9850164717
Dividend number	25
Gross cash dividend per share	25 cents
Net dividend amount represented as cents per share	21,25000 cents
Issued shares as at declaration date	810 232 118
Declaration date	Monday, 20 May 2013
Circular and form of election posted to shareholders on	Friday, 24 May 2013
Finalisation announcement released on SENS	Friday, 31 May 2013
Finalisation announcement published in the press	Monday, 3 June 2013
Last date to trade to be eligible for the cash dividend/capitalisation shares	Friday, 7 June 2013
Shares commence trading ex-cash dividend/capitalisation shares	Monday, 10 June 2013
Listing of maximum possible number of ordinary shares from	Monday, 10 June 2013
Last date to elect to receive the capitalisation issue instead of the cash dividend. Forms of election to reach the transfer secretaries by 12:00 on	Friday, 14 June 2013
Record date in respect of cash dividend/capitalisation shares	Friday, 14 June 2013
Dividend payment date	Tuesday, 18 June 2013
Results of capitalisation issue released on SENS	Tuesday, 18 June 2013
Share listing adjusted	Wednesday, 19 June 2013

Share certificates may not be dematerialised or rematerialised between Monday, 10 June 2013 and Friday, 14 June 2013, both dates inclusive.

Tax implications

The cash dividend and the capitalisation issues are likely to have tax implications for both resident and non-resident shareholders. Shareholders are therefore encouraged to consult their professional tax advisers should they be in any doubt as to the appropriate action to take.

In terms of the Income Tax Act, the cash dividend will, unless exempt, be subject to dividend withholding tax (DWT) that was introduced with effect from 1 April 2012. South African resident shareholders that are liable for DWT, will be subject to DWT at a rate of 15% of the cash dividend and this amount will be withheld from the cash dividend. Non-resident shareholders may be subject to DWT at a rate of less than 15% depending on their country of residence and the applicability of any double tax agreement (DTA) between South Africa and their country of residence.

The capitalisation issue is not subject to DWT in terms of the Income Tax Act, but the subsequent disposal of shares obtained as a result of the capitalisation issue is likely to have income tax or capital gains tax (CGT) implications. Where any future disposals of shares obtained as a result of the capitalisation issue fall within the CGT regime, the base cost of such shares will be deemed to be zero in terms of the Income Tax Act (or the value at which such shares will be included in the determination of the weighted average base cost method will be zero).

Preference dividend declaration

Preference shareholders are advised that the board of directors has declared an interim gross cash dividend of 322 cents per ordinary share (273,70000 cents net of DWT). The dividends have been declared from income reserves.

A dividend withholding tax of 15 % will be applicable to all shareholders who are not exempt from the tax, or liable to lower tax rates due to any DTA.

Timetable for preference shares

Share code	ABLP
ISIN	ZAE000065215
Company registration number	1946/021193/06
Company tax reference number	9850164717
Dividend number	17
Gross cash dividend per share	322 cents
Net dividend amount represented as cents per share	273,70000 cents
Issued shares as at declaration date	13 523 029
Declaration date	Monday, 20 May 2013
Last date to trade cum-dividend	Friday, 7 June 2013
Shares commence trading ex-dividend	Monday, 10 June 2013
Record date	Friday, 14 June 2013
Dividend payment date	Tuesday, 18 June 2013

Share certificates may not be dematerialised or rematerialised between Monday, 10 June 2013 and Friday, 14 June 2013, both dates inclusive.

OTHER DISCLOSURES

Basis of preparation

The preparation of these group condensed interim financial statements was supervised by the chief financial officer, Nithia Nalliah CA(SA).

These condensed group interim financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board, Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, IAS 34 – Interim Financial Reporting, the AC 500 Standards as issued by the Accounting Practices Board, the requirements of the Companies Act 71 of 2008 as well as the Listings Requirements of the JSE Limited.

The group has adopted the following standards and interpretations during the financial year, which did not have a material impact on the reported results:

- IAS 1 – Presentation of Items of Other Comprehensive Income; and
- IAS 12 – Measurement of Deferred Tax Asset.

The accounting policies and their application are consistent with those used for the group's 2012 annual financial statements.

Contingent liability

The group has a contingent liability in respect of the proposed fine by the National Credit Regulator. There is no provision as it is not practical to estimate the outcome of the matter.

CONDENSED SEGMENTAL INCOME STATEMENT

for the six months ended 31 March 2013

R million	% change	31 March 2013 (Unaudited)			Consolidation adjustments
		ABIL Group	Banking unit	Retail unit	
Gross margin on retail business	(11)	1 042	–	1 042	–
Interest income on advances	25	5 680	5 630	50	–
Assurance income	26	2 491	2 274	217	–
Non-interest income	1	1 632	1 475	235	(78)
Income from operations	16	10 845	9 379	1 544	(78)
Credit impairment charge	45	(3 463)	(3 441)	(22)	–
Claims paid	> 100	(801)	(801)	–	–
Risk-adjusted income from operations	1	6 581	5 137	1 522	(78)
Product insurance claims	(24)	(32)	–	(32)	–
Other interest and investment income	23	177	180	36	(39)
Interest expense	25	(2 199)	(2 181)	(52)	34
Operating costs	7	(2 982)	(1 606)	(1 457)	81
Indirect taxation: VAT	60	(69)	(66)	–	(3)
Profit from operations	(28)	1 476	1 464	17	(5)
Capital items	(100)	–	–	–	–
Profit before taxation	(28)	1 476	1 464	17	(5)
Direct taxation: STC	(100)	–	–	–	–
Direct taxation: Normal	(26)	(419)	(421)	1	1
Profit for the period	(24)	1 057	1 043	18	(4)
Reconciliation of headline earnings					
Profit for the period (basic earnings)	(24)	1 057	1 043	18	(4)
Preference shareholders	91	(44)	(44)	–	–
Basic earnings attributable to ordinary shareholders	(26)	1 013	999	18	(4)
Adjustment for non-headline items:	(50)	2	2	–	–
Gross		2	2	–	–
Tax thereon		–	–	–	–
Headline earnings	(26)	1 015	1 001	18	(4)
Basic earnings per share (cents)	(26)	125,4			
Headline earnings per share (cents)	(26)	125,7			
Weighted number of shares in issue (million)	–	807,6			

Intersegment revenues included in income from operations are for the Retail unit only and amounted to R78 million (H1 2012: R108 million).

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 March 2013

R million	% change	Unaudited	Unaudited	Audited
		6 months to 31 Mar 2013	6 months to 31 Mar 2012	12 months to 30 Sep 2012
Profit for the period	(24)	1 057	1 389	2 803
Other comprehensive income comprising of items that are or may subsequently be reclassified to profit or loss				
Exchange differences on translating foreign operations	> (100)	5	(4)	(4)
Movement in cash flow hedge reserve	> 100	324	44	(200)
IFRS 2 reserve transactions (employee incentives)	> (100)	(31)	46	(7)
Other comprehensive income for the period, net of tax	> (100)	298	86	(211)
Total comprehensive income for the period	(8)	1 355	1 475	2 592

NOTES

1. Number of ordinary shares at 31 March 2013

	Total	Weighted
Number of shares in issue at the beginning of the year	804 175 200	804 175 200
Shares issued during the period	6 056 918	3 461 096
	810 232 118	807 636 296

31 March 2012 (Unaudited)				30 September 2012 (Audited)			
ABIL Group	Banking unit	Retail unit	Consolidation adjustments	ABIL Group	Banking unit	Retail unit	Consolidation adjustments
1 172	–	1 172	–	2 134	–	2 134	–
4 557	4 509	48	–	9 919	9 823	96	–
1 976	1 749	227	–	3 828	3 401	427	–
1 616	1 465	259	(108)	3 291	3 018	479	(206)
9 321	7 723	1 706	(108)	19 172	16 242	3 136	(206)
(2 385)	(2 375)	(10)	–	(5 197)	(5 170)	(27)	–
(395)	(394)	(1)	–	(912)	(918)	6	–
6 541	4 954	1 695	(108)	13 063	10 154	3 115	(206)
(42)	–	(42)	–	(60)	–	(60)	–
144	141	37	(34)	219	324	74	(179)
(1 762)	(1 753)	(43)	34	(3 680)	(3 771)	(84)	176
(2 795)	(1 516)	(1 387)	108	(5 467)	(2 957)	(2 716)	206
(43)	(43)	–	–	(72)	(72)	–	–
2 043	1 783	260	–	4 003	3 678	329	(4)
(6)	–	(6)	–	(6)	–	(6)	–
2 037	1 783	254	–	3 997	3 678	323	(4)
(79)	1	–	(80)	(82)	(2)	–	(80)
(569)	(502)	(67)	–	(1 112)	(1 038)	(75)	1
1 389	1 282	187	(80)	2 803	2 638	248	(83)
1 389	1 282	187	(80)	2 803	2 638	248	(83)
(23)	(23)	–	–	(61)	(61)	–	–
1 366	1 259	187	(80)	2 742	2 577	248	(83)
4	–	4	–	12	3	9	–
6	–	6	–	17	4	13	–
(2)	–	(2)	–	(5)	(1)	(4)	–
1 370	1 259	191	(80)	2 754	2 580	257	(83)
169,9				341,0			
170,4				342,5			
803,9				804,0			

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2013

R million	Ordinary shares					Preference share capital and premium	Total
	Share capital and premium	Distributable reserves	Share-based payment reserve	Other	Ordinary shareholders' equity		
Balance at 30 September 2011 (audited)	9 151	4 263	81	(249)	13 246	719	13 965
Dividends paid	–	(804)	–	–	(804)	(23)	(827)
Issue of preference shares	–	–	–	–	–	411	411
Profit on group employees acquiring ABIL Share	–	–	–	–	–	–	–
Trust shares less dividends received	–	3	–	–	3	–	3
Shares purchased into the ABIL Employee Share	–	–	–	–	–	–	–
Trust less shares issued to employees (cost)	–	–	–	8	8	–	8
Transfer to insurance contingency reserve	–	(4)	–	–	–	–	–
Total comprehensive income for the period	–	1 366	46	40	1 452	23	1 475
Balance at 31 March 2012 (unaudited)	9 151	4 824	127	(197)	13 905	1 130	15 035
Dividends paid	–	(684)	–	–	(684)	(38)	(722)
Shares purchased into the ABIL Employee Share	–	–	–	–	–	–	–
Trust less shares issued to employees (cost)	–	–	–	3	3	–	3
Transfer from share-based payment reserve	–	77	(77)	–	–	–	–
Total comprehensive income for the period	–	1 376	(53)	(244)	1 079	38	1 117
Balance at 30 September 2012 (audited)	9 151	5 593	(3)	(438)	14 303	1 130	15 433
Dividends paid	–	(692)	–	–	(692)	(44)	(736)
Shares issued in terms of the scrip distribution announced on 30 November 2012	193	(193)	–	–	–	–	–
Total comprehensive income for the period	–	1 013	(31)	329	1 311	44	1 355
Balance at 31 March 2013 (unaudited)	9 344	5 721	(34)	(109)	14 922	1 130	16 052

CONDENSED SEGMENTAL STATEMENT OF FINANCIAL POSITION

as at 31 March 2013

R million	% change	31 March 2013 (Unaudited)			Consolidation adjustments
		ABIL Group	Banking unit	Retail unit	
Assets					
Short term deposits and cash	(1)	4 672	5 011	92	(431)
Statutory assets – bank and insurance	43	5 133	4 292	642	199
Inventories	3	872	–	872	–
Other assets	> 100	2 369	2 216	211	(58)
Other assets – intragroup	–	–	770	199	(969)
Taxation	27	33	–	33	–
Net advances	24	50 842	50 973	396	(527)
Deferred tax asset	37	732	192	537	3
Property and equipment	34	1 286	605	692	(11)
Intangible assets	(10)	647	–	647	–
Goodwill	–	5 472	4 000	755	717
Total assets	22	72 058	68 059	5 076	(1 077)
Liabilities and equity					
Short term funding	27	5 577	5 109	468	–
Short term funding – intragroup	–	–	199	691	(890)
Other liabilities	14	2 100	1 194	1 405	(499)
Other liabilities – intragroup	–	–	58	107	(165)
Taxation	(75)	26	22	4	–
Deferred tax liability	(6)	206	–	206	–
Bonds and other long term funding	28	43 742	43 654	88	–
Subordinated bonds	40	4 355	4 355	–	–
Total liabilities	28	56 006	54 591	2 969	(1 554)
Ordinary shareholders' equity	7	14 922	12 338	2 107	477
Preference shareholders' equity	–	1 130	1 130	–	–
Total equity (capital and reserves)	7	16 052	13 468	2 107	477
Total liabilities and equity	22	72 058	68 059	5 076	(1 077)

CONDENSED STATEMENT OF CASH FLOWS

for the six months ended 31 March 2013

R million	Unaudited	Unaudited	Audited
	6 months to 31 Mar 2013	6 months to 31 Mar 2012	12 months to 30 Sep 2012
Cash generated from operations	5 703	4 860	9 558
Cash received from lending, insurance activities, sale of merchandise and cash reserves	12 253	10 825	21 917
Recoveries on advances previously written off	110	98	300
Cash paid to funders, staff, suppliers and insurance beneficiaries	(6 660)	(6 063)	(12 659)
Increase in gross advances	(8 352)	(8 352)	(16 274)
Increase in working capital	(1 421)	(321)	(344)
(Increase)/decrease in inventories	(1)	38	14
Increase in other assets	(1 211)	(115)	(438)
(Decrease)/increase in other liabilities	(209)	(244)	80
Indirect and direct taxation paid	(589)	(808)	(1 486)
Cash inflow from equity accounted incentive transactions	–	11	14
Cash outflow from operating activities	(4 659)	(4 610)	(8 532)
Cash outflow from investing activities	(687)	(618)	(1 304)
Acquisition of property and equipment (to maintain operations)	(185)	(227)	(568)
Disposal of property and equipment	57	13	31
Other investing activities	(559)	(404)	(767)
Cash inflow from financing activities	7 200	7 169	10 487
Cash inflow from funding activities	7 936	7 585	11 625
Issue of preference shares	–	411	411
Preference shareholders' payments and transactions	(44)	(23)	(61)
Ordinary shareholders' payments and transactions	(692)	(804)	(1 488)
Increase in cash and cash equivalents	1 854	1 941	651
Cash and cash equivalents at the beginning of the period	4 260	3 609	3 609
Cash and cash equivalents at the end of the period	6 114	5 550	4 260
Made up as follows:			
Short term deposits and cash	4 672	4 733	3 070
Statutory cash reserves – insurance	1 442	817	1 190
	6 114	5 550	4 260

31 March 2012 (Unaudited)				30 September 2012 (Audited)			
ABIL Group	Banking unit	Retail unit	Consolidation adjustments	ABIL Group	Banking unit	Retail unit	Consolidation adjustments
4 733	4 886	78	(231)	3 070	3 394	92	(416)
3 586	3 045	541	–	4 322	3 533	605	184
847	–	847	–	871	–	871	–
1 006	685	391	(70)	1 310	971	411	(72)
–	324	156	(480)	–	464	184	(648)
26	–	26	–	27	–	27	–
41 014	41 085	348	(419)	46 013	46 130	363	(480)
534	175	358	1	762	323	437	2
962	575	390	(3)	1 152	627	531	(6)
718	–	718	–	683	–	683	–
5 472	4 000	755	717	5 472	4 000	755	717
58 898	54 775	4 608	(485)	63 682	59 442	4 959	(719)
4 393	3 955	438	–	4 587	4 111	476	–
–	156	319	(475)	–	184	459	(643)
1 841	724	1 541	(424)	2 201	1 003	1 689	(491)
–	70	–	(70)	–	66	–	(66)
105	64	41	–	94	79	15	–
219	–	219	–	216	–	216	–
34 200	34 173	27	–	37 320	37 300	20	–
3 105	3 105	–	–	3 831	3 831	–	–
43 863	42 247	2 585	(969)	48 249	46 574	2 875	(1 200)
13 905	11 398	2 023	484	14 303	11 738	2 084	481
1 130	1 130	–	–	1 130	1 130	–	–
15 035	12 528	2 023	484	15 433	12 868	2 084	481
58 898	54 775	4 608	(485)	63 682	59 442	4 959	(719)

CORPORATE INFORMATION

Board of directors

Non-executive: MC Mogase (Chairman), N Adams, Advocate MF Gumbi, JDMG Koolen#,
NB Langa-Royds, S Sithole*, RJ Symmonds
Executive: L Kirkinis (CEO), A Fourie, N Nalliah, TM Sokutu

* Zimbabwean # Dutch

Company secretary: L Goliath

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)

Investor relations and shareholder details

Lydia du Plessis Chiquita Schram
Telephone: +27 11 564 6991 +27 11 256 9523
Email: investor.relations@africanbank.co.za

Share transfer secretaries

Link Market Services South Africa (Pty) Limited
13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein
PO Box 4844, Johannesburg, 2000
Telephone +27 11 713 0800
Telefax: +27 86 674 4381

Registered office

59 16th Road
Midrand, South Africa, 1685
Private Bag X170, Midrand
South Africa, 1685

Sponsor

Rand Merchant Bank
(a division of FirstRand Bank Limited)
1 Merchant Place,
cnr Fredman Drive & Rivonia Road,
Sandton, 2196



www.abil.co.za

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action to take, please consult your central securities depository participant ("CSDP"), broker, banker, attorney or other professional advisor immediately.

If you have disposed of all your ordinary shares in ABIL on or before Friday, 7 June 2013, you should forward this Circular immediately with the enclosed form of election ("Form of Election") to the purchaser to whom, or the CSDP, broker, banker, attorney or agent through whom, you disposed of such shares.



African Bank

INVESTMENTS LIMITED

African Bank Investments Limited
(Registration number 1946/021193/06)
(Incorporated in the Republic of South Africa)
(Registered bank controlling company)
Ordinary share code: ABL ISIN: ZAE000030060
Preference share code: ABLP ISIN: ZAE000065215
("ABIL" or "the Company")

CIRCULAR TO ABIL ORDINARY SHAREHOLDERS ("THIS CIRCULAR")
regarding
**THE PAYMENT OF AN INTERIM GROSS CASH DIVIDEND OF 25 CENTS PER ORDINARY SHARE
TO ORDINARY SHAREHOLDERS OR AN ELECTION TO RECEIVE CAPITALISATION SHARES
AS AN ALTERNATIVE TO THE CASH DIVIDEND**
and including
**A FORM OF ELECTION (ONLY FOR USE BY CERTIFICATED SHAREHOLDERS ELECTING
CAPITALISATION SHARES)**

The following information pertains to all of the Company's ordinary Shareholders ("Shareholders").

You are entitled to receive a Cash Dividend of 25 cents per ordinary share ("the Cash Dividend") held by you in ABIL at the close of business on the Record Date, being Friday, 14 June 2013 (the "Record Date"). However, should you so elect, you will be entitled to receive a Capitalisation Issue ("Capitalisation Issue") of new, fully-paid, ordinary ABIL shares with a par value of 2,5 cents each in proportion to your ordinary shareholding in ABIL as of the Record Date and in accordance with the ratio set out in this Circular ("Capitalisation Shares"), instead of all or part of your entitlement to the Cash Dividend.

If you wish to receive Capitalisation Shares for all or part of your ordinary shareholding and

- You hold dematerialised ordinary shares, you should instruct your CSDP or broker accordingly, in terms of the agreement entered into between you and your CSDP or broker; or
- You hold certificated ordinary shares, you must complete the attached form of election (*grey*) and return it to the transfer secretaries.

Forms of election must be lodged with or mailed to the transfer secretaries to be received by no later than 12:00 noon on Friday, 14 June 2013. Forms of election received after this time will not be accepted.

If you do not wish to receive any capitalisation shares, no further action is required, unless you are a certificated shareholder who has not previously provided the transfer secretaries with your banking details.

Should you take no action, regardless of being a certificated or dematerialised shareholder, on Tuesday, 18 June 2013 the cash dividend will be transferred to you subject to and in accordance with the provisions detailed in this circular.

24 May 2013

Attorneys to ABIL



Merchant bank and sponsor



IMPORTANT DATES AND TIMES

EVENT	2013
Announcement released on the Stock Exchange News Service ("SENS") relating to the Cash Dividend and the Capitalisation Issue	Monday, 20 May
Announcement relating to the Cash Dividend and the Capitalisation Issue released in the press	Tuesday, 21 May
Circular and Form of Election posted to Shareholders on	Friday, 24 May
Announcement released on SENS of the ratio applicable to the Capitalisation Issue, based on the nine-day volume weighted average price ending on Thursday, 30 May 2013 by 11:00 on	Friday, 31 May
Announcement published in the press of the ratio applicable to the Capitalisation Issue, based on the nine-day volume weighted average price ending on Thursday, 30 May 2013 on	Monday, 3 June
Last day to trade in order to be eligible for the Cash Dividend or, alternatively, the Capitalisation Issue	Friday, 7 June
Ordinary shares trade "ex" the Cash Dividend/Capitalisation Issue on	Monday, 10 June
Listing of maximum possible number of ordinary shares from the commencement of business on	Monday, 10 June
Last day to elect to receive the Capitalisation Issue instead of the Cash Dividend, Forms of Election to reach the Transfer Secretaries by 12:00 noon on	Friday, 14 June
Record Date in respect of the Cash Dividend and the Capitalisation Issue	Friday, 14 June
Share certificates posted and Cash Dividend payments made, CSDP/broker accounts updated on	Tuesday, 18 June
Announcement relating to the results of the Cash Dividend and the Capitalisation Issue released on SENS on	Tuesday, 18 June
Listing of ordinary shares adjusted at the commencement of business on	Wednesday, 19 June

All times provided in this Circular are South African local times. The above dates and times are subject to change. Any change will be announced on SENS.

Share certificates may not be dematerialised or rematerialised between Monday, 10 June 2013 and Friday, 14 June 2013, both days inclusive.



African Bank

INVESTMENTS LIMITED

African Bank Investments Limited
(Registration number 1946/021193/06)
(Incorporated in the Republic of South Africa)
(Registered bank controlling company)
Ordinary share code: ABL ISIN: ZAE000030060
Preference share code: ABLP ISIN: ZAE000065215
("ABIL" or "the Company")

Non-Executive Directors: MC Mogase (*Chairman*), N Adams, S Sithole*, RJ Symmonds, Advocate MF Gumbi, JDMG Koolen**, NB Langa-Royds

Executive Directors: L Kirkinis (CEO), N Nalliah, A Fourie, TM Sokutu

* Zimbabwean

** Dutch

CIRCULAR

1. INTRODUCTION

The unaudited interim financial results of the ABIL group for the six months ended 31 March 2013 were released on SENS on 20 May 2013 and published in the press on 21 May 2013. In these results announcements, ABIL Shareholders were advised that the board of directors of the Company ("Board") had resolved to declare an interim gross cash dividend of 25 cents per ordinary share ("the Cash Dividend") to ordinary Shareholders ("Shareholders") recorded in the register of the Company at the close of business on the Record Date, being Friday, 14 June 2013.

Shareholders will, however, be entitled to elect to receive fully paid ordinary shares with a par value of 2,5 cents in ABIL as Capitalisation Shares, in respect of all or part of their ordinary shareholding instead of the Cash Dividend. Capitalisation Shares will be issued only to those:

- certificated Shareholders whose Forms of Election to receive the Capitalisation Shares, in respect of all or part of their shareholding, are received by the Transfer Secretaries on or before 12:00 noon on Friday, 14 June 2013; and
- dematerialised shareholders who have instructed their CSDP or broker accordingly and in the manner and time stipulated in their agreement with such CSDP or broker.

The terms of the Capitalisation Issue are contained in paragraph 3 below.

Shareholders not electing to receive the Capitalisation Shares in respect of all or part of their ordinary shareholding will, without any action on their part, be entitled to be paid the Cash Dividend in accordance with their ordinary shareholding as at the close of business on the Record Date, being Friday, 14 June 2013. Certificated Shareholders who have not previously provided the Transfer Secretaries with their banking details will need to do so by completing the **FORM B: Direct Credit – Bank Account Details** attached hereto and returning same to the Transfer Secretaries.

No payment to Shareholders contemplated in this Circular shall carry interest as against the Company. Furthermore, any reference in this Circular to the Cash Dividend payable to or receivable by Shareholders refers to the amount of such dividend, after the deduction of Dividend Withholding Tax, if any, as contemplated in paragraph 3.4 below.

2. RATIONALE

The ABIL group's current capital adequacy position is such that it allows for the payment of a full cash dividend. The rationale for the Cash Dividend with the election to receive Capitalisation Shares is to afford Shareholders the opportunity to increase their shareholding in ABIL, which consequently affords ABIL the opportunity to increase its capital base to support continued growth, whilst providing flexibility for those Shareholders who would prefer to receive the Cash Dividend.

3. THE AWARD OF THE CASH DIVIDEND OR THE ELECTION TO RECEIVE THE CAPITALISATION SHARES

3.1 Terms of the Cash Dividend and the Capitalisation Issue

Subject to this Circular and to due completion of the attached Form of Election, Shareholders will be entitled to receive a gross Cash Dividend of 25 cents per ordinary share in respect of all or part of their ordinary shareholding held by such Shareholders at the close of business on the Record Date, being Friday, 14 June 2013, to the extent that such Shareholders have not elected to receive Capitalisation Shares.

Shareholders will, however, be entitled to elect to receive Capitalisation Shares, being fully paid new ordinary shares with a par value of 2,5 cents in ABIL. The number of Capitalisation Shares to which each of the Shareholders will become entitled pursuant to the Capitalisation Issue (should they so elect, using the Form of Election attached) will be determined by reference to such Shareholder's ordinary shareholding in ABIL (at the close of business on the Record Date, being Friday, 14 June 2013) in relation to the ratio that 25 cents bears to the volume weighted average price ("VWAP") of an ordinary ABIL share traded on the JSE during the nine-day trading period ending on Thursday, 30 May 2013, provided that, where the application of this ratio gives rise to a fraction of an ordinary share, the rounding principles described in paragraph 3.2 below will be applied.

Example of Capitalisation Issue entitlement:

This example assumes that a Shareholder holds 1 000 ordinary shares at the close of business on the Record Date, being Friday, 14 June 2013 and elects to receive the Capitalisation Shares for all of such ordinary shares and that the volume weighted average price of ABIL's ordinary shares traded on the JSE for the nine-day period ending on Thursday, 30 May 2013 is 2 180 cents per share.

$$\begin{aligned}\text{New ordinary share entitlement} &= \frac{1\,000 \times 25 \text{ ZAR cents}}{2\,180 \text{ ZAR cents}} \\ &= 11 \text{ Capitalisation Shares per 100 shares held (subject to the rounding principles described in paragraph 3.2 below)}\end{aligned}$$

The Cash Dividend will be paid out of the Company's distributable profits while the issue price of the Capitalisation Shares (which will equal the volume weighted average price of ABIL's ordinary shares traded on the JSE for the nine-day period ending on Thursday, 30 May 2013) will be settled by the Company utilising a portion of the Company's share premium reserves of R9 324 million but the share premium will only be utilised to the extent of the par value of the Capitalisation Shares (being 2,5 cents each) and the balance of the issue price shall be paid for through the capitalisation of distributable profit. The Capitalisation Shares will, upon their issue, rank *pari passu* in all respects with the other ordinary shares then in issue.

No Secondary Tax on Companies credits have been applied to the Cash Dividend.

The Company's total number of issued shares at the date of this Circular is 810 232 118.

If all Shareholders were to elect to receive the Capitalisation Shares, the number of Capitalisation Shares issued would amount to 9 291 653, based on the assumed Capitalisation Issue ratio in the example above (and ignoring rounding up or down for fractions on a per Shareholder basis).

If all Shareholders were to accept the Cash Dividend, without electing the Capitalisation Issue, the maximum gross cash dividend payable by the Company would be R202 558 029,50.

3.2 Fractions

Trading in the Strate Limited environment does not permit fractions and fractional entitlements. Accordingly, where a Shareholder's entitlement to new ordinary shares calculated in accordance with the above formula gives rise to a fraction of a new ordinary share, such fraction of a new ordinary share will be rounded up to the nearest whole number where the fraction is greater than or equal to 0,5 and rounded down to the nearest whole number where the fraction is less than 0,5.

3.3 Nominee companies

The Transfer Secretaries have been instructed to treat applications from nominee companies as separate applications on the submission of a breakdown of the beneficial owners of ordinary shares registered in the name of the nominee companies.

3.4 Tax implications

The Cash Dividend and the Capitalisation Issue are likely to have tax implications for both resident and non-resident Shareholders. Shareholders are therefore encouraged to consult their professional tax advisers, should they be in any doubt as to the appropriate action to take.

In terms of the Income Tax Act 58 of 1962 ("the Income Tax Act"), the Cash Dividend will, unless exempt, be subject to Dividend Withholding Tax ("DWT") that was introduced with effect from 1 April 2012. South African resident Shareholders that are liable for DWT will be subject to DWT at a rate of 15 % of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 21,25000 cents per share. Non-resident Shareholders may be subject to DWT at a rate of less than 15 %, depending on their country of residence and the applicability of any Double Tax Agreement between South Africa and their country of residence.

The Capitalisation Issue is not subject to DWT in terms of the Income Tax Act, but the subsequent disposal of shares obtained as a result of the Capitalisation Issue is likely to have Income Tax or Capital Gains Tax ("CGT") implications. Where any future disposals of shares obtained as a result of the Capitalisation Issue falls within the CGT regime, the base cost of such shares will be deemed to be zero in terms of the Income Tax Act (or the value at which such shares will be included in the determination of the weighted average base cost method will be zero).

4. FOREIGN SHAREHOLDERS

The distribution of this Circular, and the rights to receive the Capitalisation Shares in jurisdictions other than the Republic of South Africa, may be restricted by law and any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Accordingly, Shareholders will not be entitled to receive the Capitalisation Shares, directly or indirectly, in those jurisdictions. Such non-resident Shareholders should inform themselves about and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions in respect of the Capitalisation Issue, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate adviser in the relevant jurisdictions without delay.

5. PROCEDURE FOR CERTIFICATED SHAREHOLDERS WHO ELECT TO RECEIVE THE CAPITALISATION SHARES

Shareholders who wish to receive the Capitalisation Shares must take the following action:

5.1 Certificated Shareholders wishing to receive the Capitalisation Shares:

Shareholders who hold certificated ordinary shares ("Certificated Shareholders") and who wish to receive the Capitalisation Shares must complete the attached Form of Election in respect of all or part of their shareholding in accordance with the instructions contained therein and lodge it with, or post it to, Link Market Services South Africa (Proprietary) Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein (PO Box 4844, Johannesburg, 2000) (the "Transfer Secretaries"), so as to be received by the Transfer Secretaries by no later than 12:00 noon South African time on Friday, 14 June 2013. Forms of Election received after this date and time will not be accepted.

5.2 Dematerialised Shareholders wishing to receive the Capitalisation Shares:

Shareholders who have dematerialised their ordinary shares ("Dematerialised Shareholders") must *not* complete the attached Form of Election. Dematerialised Shareholders are required to notify their duly appointed CSDP or broker if they wish to receive the Capitalisation Shares in the manner and the time stipulated in the agreement governing the relationship between such Shareholders and their CSDP or broker, failing which they will receive the Cash Dividend.

Dematerialised Shareholders' CSDP/broker accounts will be credited and updated on Tuesday, 18 June 2013, in accordance with any election made.

5.3 Election in respect of all or part of the Shareholders' ordinary shares

Shareholders may make the election, using the Form of Election, in respect of all or any part of their ordinary shares held on the Record Date, being Friday, 14 June 2013. If an election is made in respect of part of an ordinary shareholding, the Shareholder concerned will receive the Cash Dividend in respect of the ordinary shares for which the election to receive Capitalisation Shares is not made. Shareholders who do not wish to receive any Capitalisation Shares do not need to take any further action and will receive the Cash Dividend. Shareholders electing to receive the Capitalisation Shares should note that the election is irrevocable and, once an election to receive Capitalisation Shares is made, such election cannot be cancelled.

6. PAYMENT OF CASH DIVIDEND, POSTING OF SHARE CERTIFICATES AND UPDATING/CREDITING OF CSDP ACCOUNTS

According to the election made, Cash Dividend payments will be made by electronic funds transfer into the personal bank accounts of Certificated Shareholders on Tuesday, 18 June 2013. Certificated Shareholders who have not already provided the Transfer Secretaries with their banking details are requested to complete **FORM B: Direct Credit – Bank Account Details** attached to this Circular and return same to the Transfer Secretaries. (To combat the increase in cheque fraud, the Company has discontinued payments by cheque and accordingly, payment of any Cash Dividend to Certificated Shareholders is dependent on the Transfer Secretaries being in possession of such Certificated Shareholder's banking details.)

Where applicable, share certificates will be dispatched to all Certificated Shareholders by registered post at the risk of such Shareholders on Tuesday, 18 June 2013 to their registered addresses or in accordance with the instructions given to the Transfer Secretaries.

Shareholders' CSDP/broker accounts will be updated on Tuesday, 18 June 2013.

7. LISTING OF NEW ORDINARY SHARES

Application has been made to the JSE to list the Capitalisation Shares issued in terms of the Capitalisation Issue, with effect from the commencement of business on Monday, 10 June 2013. An adjustment of the number of ordinary shares listed will be made on or about Wednesday, 19 June 2013, in accordance with the actual elections made.

The right to receive new ordinary shares is not renounceable and may not be traded on the JSE.

8. EXCHANGE CONTROL REGULATIONS

In terms of the Exchange Control Regulations of the Republic of South Africa:

8.1 in the case of certificated Shareholders:

- 8.1.1 any share certificate that may be issued to non-resident Shareholders will be endorsed "non-resident";
- 8.1.2 any new share certificates based on emigrant Shareholders' ordinary shares controlled in terms of the Exchange Control Regulations will be forwarded to the Authorised Dealer in foreign exchange controlling their blocked assets. The election by emigrant Shareholders for the above purpose must be made through the Authorised Dealer in foreign exchange controlling their blocked assets. Such new share certificates will be endorsed "non-resident"; and
- 8.1.3 dividend payments paid out of the Company's distributable profits due to non-residents and emigrant Shareholders are freely transferable from South Africa. In respect of all non-residents of the common monetary area (collectively, the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland) the dividend payments due will be sent to the registered address of the Shareholder concerned or in accordance with instructions given to the Transfer Secretaries. In respect of all emigrants, the dividend payments will be sent to the Authorised Dealer in foreign exchange controlling their blocked assets.

8.2 in the case of dematerialised Shareholders:

- 8.2.1 any ordinary shares issued to emigrant Shareholders from the common monetary area will be credited to their blocked shares accounts at the CSDP controlling their blocked portfolios. Any ordinary shares issued to a non-resident of the common monetary area will be credited to such non-residents CSDP or broker account and a "non-resident" annotation will appear in the CSDP or broker register;
- 8.2.2 any dividend payments paid out of the Company's distributable profits to non-residents and emigrant Shareholders from the common monetary area are freely transferable and will be credited to the CSDP or broker controlling their portfolios.

9. EXPERTS' CONSENTS

The attorney, merchant bank and sponsor and the Transfer Secretaries to ABIL have consented in writing to act in the capacity stated and to their names being included in this Circular and have not withdrawn their consents prior to the publication of this Circular.

This Circular is available in English only. Copies may be obtained from the Transfer Secretaries at the address set out in paragraph 5.1 of this Circular.

By order of the Board

Leeanne Goliath
Company Secretary

24 May 2013

African Bank INVESTMENTS LIMITED

African Bank Investments Limited
(Registration number 1946/021193/06)
(Incorporated in the Republic of South Africa)
(Registered bank controlling company)
Ordinary share code: ABL ISIN: ZAE00030060
Preference share code: ABLP ISIN: ZAE00065215
("ABIL" or "the Company")

FORM OF ELECTION

A CASH DIVIDEND OR, ALTERNATIVELY, CAPITALISATION SHARES

Only for use by Shareholders who hold ordinary shares in ABIL in certificated form and who elect to receive Capitalisation Shares for all or part of their ordinary shareholding held, or deemed to be held, at the close of business on the Record Date, being Friday, 14 June 2013, failing which the Cash Dividend will, by default, be paid to such Shareholders.

Dematerialised Shareholders who wish to receive the Capitalisation Shares are required to notify their duly appointed CSDP or broker of their election in the manner and the time stipulated in the agreement governing the relationship between such Shareholders and their CSDP or broker and must not complete this Form of Election. Please refer to paragraph 5.2 of the Circular to which this Form of Election is attached ("Circular").

IF YOU WISH TO RECEIVE THE CAPITALISATION SHARES FOR ALL OR PART OF YOUR ORDINARY SHAREHOLDING AND

- YOU HOLD DEMATERIALIZED ORDINARY SHARES, YOU SHOULD INSTRUCT YOUR CSDP OR BROKER ACCORDINGLY, IN TERMS OF THE AGREEMENT ENTERED INTO BETWEEN YOU AND YOUR CSDP OR BROKER; OR
- YOU HOLD CERTIFICATED ORDINARY SHARES, YOU MUST COMPLETE THE ATTACHED FORM OF ELECTION AND RETURN IT TO THE TRANSFER SECRETARIES.

IF YOU DO NOT WISH TO RECEIVE ANY CAPITALISATION SHARES, NO FURTHER ACTION IS REQUIRED.

SHOULD YOU TAKE NO ACTION, REGARDLESS OF BEING A CERTIFICATED OR DEMATERIALIZED SHAREHOLDER, ON TUESDAY, 18 JUNE 2013 THE CASH DIVIDEND WILL BE TRANSFERRED TO YOU IN ACCORDANCE WITH THE PROVISIONS DETAILED IN THE CIRCULAR.

FORMS OF ELECTION MUST BE LODGED WITH OR MAILED TO THE TRANSFER SECRETARIES SO AS TO BE RECEIVED BY NO LATER THAT 12:00 NOON ON FRIDAY, 14 JUNE 2013. FORMS OF ELECTION RECEIVED AFTER THIS TIME AND DATE WILL NOT BE ACCEPTED.

To the Transfer Secretaries:

Link Market Services South Africa (Proprietary) Limited
13th Floor, Rennie House, 19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

Attention: Corporate Actions Department

Tel: +27 11 713 0800 (available between 08:00 and 16:30 SA time)
Fax: +27 86 674 3330
Email: specialprojects@linkmarketservices.co.za

I/We _____

(name in BLOCK LETTERS)

regarding the election of the Capitalisation Shares instead of the Cash Dividend:

- hereby irrevocably, and on the terms and conditions contained in this Form of Election and in the Circular, elect to receive Capitalisation Shares, the number of which will be determined in the ratio that 25 cents bears to the volume weighted average price of an ordinary ABIL share traded on the JSE during the nine-day trading period ending on Thursday, 30 May 2013, in respect of the number of ordinary shares reflected in Block (D) overleaf (provided that, where the application of this ratio and calculation give rise to a fraction of an ordinary share, I agree that no fractional entitlement shall arise and the result of such calculation will be rounded up to the nearest whole number, where the fraction is greater than or equal to 0,5, and rounded down to the nearest whole number, where the fraction is less than 0,5);
- acknowledge that this Form of Election is applicable only in respect of ordinary shares in the Company of which I/we was/were the registered holder(s) at the close business on the Record Date, being Friday, 14 June 2013; and
- acknowledge that I/we am/are not entitled to a cash dividend of 25 cents per ordinary share in respect of the ordinary shares held, or deemed to be held, by me/us at the close of business on the Record Date, being Friday, 14 June 2013 in respect of which I/we have elected to receive the Capitalisation Shares.

Signed at _____ on _____ 2013

Assisted by (where applicable) _____

Signature _____

Telephone numbers including international and area codes:

Home: _____ Work: _____

Cellphone/mobile number: _____

CERTIFICATED SHAREHOLDERS ARE REQUIRED TO ACCURATELY COMPLETE THE INFORMATION IN THE BLOCKS BELOW:

Name, address and contact number of registered Shareholder	
(A)	
Name:	
Address:	
Contact telephone or cellular phone number:	
Share Certificate number	Number of ordinary shares held
(B)	(C)
Number of ordinary shares for which the Capitalisation Issue is elected: The remaining Cash Dividend and the Capitalisation Issue will be calculated by the Transfer Secretaries. The maximum number of ordinary shares for which the Capitalisation Issue can be made is the number of ordinary shares still registered in your name in the Company's registers on the Record Date.	(D)
(If Block D is not completed, but the remaining parts of the Form of Election are completed, then you are deemed to have elected to receive the Capitalisation Issue based on your entire holding of ordinary shares held, or deemed to be held, on the Record Date, being Friday, 14 June 2013.) Therefore certificated Shareholders who wish to receive the Capitalisation Issue based on their entire holding of ordinary shares need not complete Block D (but may if they wish) but must complete and sign the rest of the Form of Election in accordance with the instructions herein and lodge this Form of Election with the Transfer Secretaries.	
Date of signature	Signature

Instructions on how to complete this Form of Election:

- For the terms and conditions governing the election, refer to the Circular and to the notes below.
- If you hold share certificate(s) and elect to receive Capitalisation Shares in respect of all or part of your shareholding, you should complete Block D above in accordance with the instructions herein and lodge this Form of Election with the Transfer Secretaries. If Block D is not completed, but the remaining parts of the Form of Election are completed, then you are deemed to have elected to receive the Capitalisation Issue based on your entire holding of ordinary shares held, or deemed to be held, on the Record Date, being Friday, 14 June 2013.
- The signature on this Form of Election of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
- Any alteration or correction made to this Form of Election must be initialled by the signatory(ies).
- In order to be valid, this Form of Election must be properly completed and received by the Transfer Secretaries detailed above, by no later than 12:00 noon on Friday, 14 June 2013. If your Form of Election is not received by the Transfer Secretaries by no later than 12:00 noon on Friday, 14 June 2013, you will receive the Cash Dividend in accordance with your shareholding in the Company at the close of business on the Record Date, being Friday, 14 June 2013.
- Should you have any queries as to the completion of this Form of Election, please contact the Transfer Secretaries.

Notes:

- Capitalised terms in the Form of Election bear the same meaning as in the Circular unless the context indicates otherwise.
- Please note that, if your preference is to participate in the Capitalisation Issue, an election must be made in respect of the number of ordinary shares in the Company for which the Capitalisation Issue is required. If no election is made for a Capitalisation Issue, or if a Form of Election is received by the Transfer Secretaries timeously but it is not completed in accordance with the above instructions, the Shareholder will be paid the Cash Dividend in accordance with the Shareholder's ordinary shareholding in the Company as of the Record Date, being Friday, 14 June 2013. Certificated Shareholders who have not previously provided the Transfer Secretaries with their banking details will need to do so by completing **FORM B: Direct Credit – Bank Account Details** attached hereto and returning same to the Transfer Secretaries.
- ABIL reserves the right, in its discretion, to:
 - 1 treat as invalid (in which case the Cash Dividend will be awarded) any Form of Election not complying with the terms of the election or any instruction contained in the Circular;
 - 2 require proof of the authority of the person signing this Form of Election, where such proof has not yet been lodged with or recorded by the Transfer Secretaries.
- No fractional entitlements to ordinary shares will arise due to the rounding provision contemplated in paragraph 3.2 of the Circular.

FORM B: DIRECT CREDIT – BANK ACCOUNT DETAILS FORM

FOR COMPLETION ONLY BY CERTIFICATED SHAREHOLDERS OF AFRICAN BANK INVESTMENTS LIMITED (“ABIL”) WHO HAVE NOT PREVIOUSLY PROVIDED THE TRANSFER SECRETARIES WITH THEIR LATEST BANKING DETAILS

Full name of registered shareholder:
Identity number of person signing this form:
Your shareholder number (if known):
E-mail address:
Cellphone number:
Office phone number:
Home phone number:
Fax number:

REQUEST FOR DIRECT CREDITING OF PAYMENTS – BANK ACCOUNT DETAILS

PLEASE NOTE: We cannot accept banking details in the name of a third party

Name of bank account holder				
Name of South African bank				
Name of bank branch		Bank account number		
Bank branch code	Account type	Cheque	Transmission	Savings

I/We hereby authorize **Link Market Services** and/or ABIL to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash, but do not override any previous reinvestment instructions.

Signature of shareholder _____ Day _____ Month _____ Year _____

If you are signing this form in a representative capacity, please indicate which capacity (see over)

BANK VERIFICATION	BANK STAMP HERE
I/We confirm that the above information about the abovementioned shareholders account at this Bank is correct	
Signed on behalf of Bank	
THIS MUST BE COMPLETED BY YOUR BANK	

THIS FORM MUST BE SIGNED AND ACCOMPANIED BY AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT (COPIES OF CERTIFIED COPIES WILL NOT BE ACCEPTED).

PLEASE BE ADVISED THAT FACSIMILE/ELECTRONIC COPIES WILL NOT BE ACCEPTED.

HOW TO COMPLETE THIS FORM**Request for direct crediting of payments**

This form must be completed in full if you wish your cash dividend/distribution payments to be paid directly into your nominated South African bank account. Until cancelled in writing by you, all future cash payments will be paid into the nominated account.

IMPORTANT: Do not use the number quoted on your credit or debit card.

By signing this form you:

- Confirm that the details are true and correct.
- Understand that neither ABIL nor Link Market Services South Africa (Pty) Ltd is obliged to post you a dividend cheque in the event that we are unable to transfer the funds due to you electronically and any decision to do so will be at the sole and absolute discretion of ABIL on a case by case basis.
- Agree that if ABIL determines that a cheque will be sent to you by post, it will be at your own risk.
- Understand and agree that neither ABIL nor Link Market Services South Africa (Pty) Ltd shall be responsible in any way for any loss you may suffer as a result of transfer/deposits being made in accordance with the information provided on this form.
- Understand and agree that any such deposit shall constitute a full and sufficient discharge of ABIL and/or Link Market Services South Africa (Pty) Ltd obligation to make such payments to me/us.
- Understand and agree that this payment instruction will be applied to all future cash payments.

This instruction only applies to the specific holding identified by the holder number and the name appearing on the front of this form.

NOTE: We cannot accept banking details in the name of a third party.

IF YOU ARE SIGNING THIS FORM IN A REPRESENTATIVE CAPACITY, LINK MARKET SERVICES REQUIRES THE FOLLOWING DOCUMENTATION IN ADDITION TO AN ORIGINAL CERTIFIED COPY OF YOUR IDENTITY DOCUMENT:	
Joint holding:	Where the holding is in more than one name, the signature of the first mentioned shareholder is required
Power of attorney:	To sign under a Power of Attorney, you must have already lodged the Power of Attorney with Link Market Services. Alternatively, please attach an original certified copy of the Power of Attorney to this form when you return it together with an original certified copy of the registered holder's identity document.
Trusts:	The form must be signed by the authorised trustee. If you have not already done so, please attach an original certified copy of the Trustee Resolution/Power of Attorney authorising you to act on behalf of the trust, together with original certified copies of the Letters of Authority issued by the Master of the High Court and the Trust Deed.
Companies/Closed Corporations/ Funds:	Any authorised company official/member may sign on behalf of the company/closed corporation/fund. Please indicate the office held when signing the form. If you have not already done so, please provide Link Market Services with an original certified copy of your authorisation to act on behalf of the company/closed corporation/fund in the form of an original certified copy of the board minute/resolution detailing the authorised signatories including specimen signatures and a company letterhead for noting in our records. In addition, Link Market Services requires an original certified copy of the Certificate of Incorporation/CK1 Founding Statement/Constitution.
Minors:	If the shares are registered in the name of a minor, the form must be completed by the natural guardian, stating the capacity in which he/she is signing or in the case of a legal guardian attach an original certified copy of the Letters of Guardianship (if not previously provided). The guardian must attach an original certified copy of his/her identity document together with an original certified copy of the birth certificate of the minor.
Deceased shareholders:	This form must be signed by the Executor/s of the Deceased Estate. If you have not already done so, please provide Link Market Services with an original certified copy of the Letters of Executorship together with an original certified copy of the Executor's identity document.
Shareholder under Curatorship:	The form must be signed by the Curator Bonis appointed by the Master of the High Court. If you have not already done so, please provide Link Market Services with an original certified copy of the Letters of Curatorship together with an original certified copy of the Curator's identity document.
Shareholder under Liquidation:	The form must be signed by the liquidator appointed by the Master of the High Court. If you have not already done so, please provide Link Market Services with an original certified copy of your Letter of Appointment together with an original certified copy of the shareholder's identity document.