

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)
(Hybrid instrument code: ABLP) (ISIN: ZAE000065215)
("ABIL" or "the company")

CONDENSED REVIEWED FINANCIAL RESULTS FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2015

OVERVIEW

Subsequent to reporting date, the company began voluntary business rescue proceedings on 5 June 2015.

Since the previous year end, there were no changes in status of the company's investments with African Bank Limited ("African Bank") still in curatorship and Ellerine Holdings Limited still under business rescue.

The board of directors of ABIL ("the Board") set out the reasons for not preparing consolidated annual financial statements for the year ended 30 September 2014 in those financial statements.

As a consequence of the above, no consolidated results could be prepared as no consolidated opening balances are available for the current period.

FINANCIAL PERFORMANCE

The company broke even in the current period (March 2014: R481 million loss). This was due to the lower impairments incurred, in respect of investments, in the current period compared to the prior comparative period.

GOING CONCERN

ABIL is currently in business rescue due to the demand for repayment of loans and fulfilment of guarantees issued to various financial institutions. Information regarding the business rescue proceedings is available at <http://abil.investoreports.com/investor-media/abil-business-rescue/>

The company is an investment holding company and hence is reliant on the dividends it receives from its subsidiaries for income in order to meet its commitments.

However, the Board believe that the claims by the creditors will be paid in full for the following reasons:

- The company's subsidiary, The Standard General Insurance Company Limited("Stangen"), is in a strong financial position and has equity of approximately R1.1 billion at 30 September 2015.
- Stangen is profitable and in the 2015 financial year made profits of approximately R1.4 billion.
- Value will be realised from Stangen's run-off credit life book with African Bank despite the lapsing of the purchase and sale agreement for the entire issued shares of Stangen. Stangen is exploring various ways to retain value in its book as well as developing new routes to market independent of African Bank Limited.
- Stangen has sufficient cash and equity to declare dividends to ABIL that will fund operations, facilitate repayment of ABIL's creditors and provide ABIL with funds to either invest in new opportunities or to make distributions to ABIL's shareholders.

The Board believes that if Stangen is either sold or continues operating as a subsidiary of ABIL, there will be sufficient cash to pay ABIL's creditors, fund operations and potentially make new investments or distributions to ABIL's shareholders. Thus the Board concluded that the preparation of the financial information as a going concern is appropriate.

DIVIDENDS

No ordinary or preference dividends were declared in the current period.

DIRECTORATE

Nithia Nalliah resigned on 31 March 2015 and Jack Koolen sadly passed away subsequent to period end on 3 May 2015.

LOOKING AHEAD

The company is currently under business rescue and its future will depend on the outcome of the business rescue process, which is forecast to conclude in 2016.

On behalf of the board

Mutle Mogase
Chairman

COMPANY INCOME STATEMENT

for the six month period ended 31 March 2015

R million	31 March 2015	31 March 2015	30 September 2015
Dividend received	45	1 021	1 271
Interest received	-	12	16

Total income	45	1 033	1 287
Operating costs	(10)	(5)	(372)
Impairment of financial instruments	-	-	(167)
Impairment of subsidiaries	(14)	(1 506)	(16 925)
Finance costs	(21)	-	(6)
Indirect taxation: VAT	-	(1)	(4)
Loss before taxation	-	(479)	(16 187)
Direct taxation: Normal	-	(2)	(4)
Loss for the period	-	(481)	(16 191)
Reconciliation between basic loss and headline earnings			
Loss for the period	-	(481)	(16 191)
Preference dividend	-	(42)	(89)
Basic loss attributable to ordinary shareholders	-	(523)	(16 280)
Adjusted for: Impairment of subsidiaries	14	1 506	16 925
Headline earnings	14	983	645
Earnings per share (cents)			
Basic and diluted loss per share	0.0	(40.3)	(1 160.9)
Headline earnings per share	0.9	75.7	46.0
Weighted number of shares in issue (million)	1 501.0	1 297.8	1 402.4

COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME
for the six month period ended 31 March 2015

R million	31 March 2015	31 March 2014	30 September 2014
Loss for the period	-	(481)	(16 191)
Other comprehensive loss	-	-	-
Total comprehensive loss for the period	-	(481)	(16 191)

COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 March 2015

R million	31 March 2015	31 March 2014	30 September 2014
Assets			
Short-term deposits and cash	14	64	4
Other assets	5	4	4
Deferred tax asset	-	1	-
Investments	-	177	-
Investment in subsidiaries	565	15 783	564
Total assets	584	16 029	572
Liabilities and equity			
Borrowings	447	497	447
Other liabilities	390	28	378
Total liabilities	837	525	825
Ordinary shareholders' equity	(1 383)	14 374	(1 383)
Preference shareholders' equity	1 130	1 130	1 130
Total equity (capital and reserves)	(253)	15 504	(253)
Total liabilities and equity	584	16 029	572
Tangible net asset value per ordinary share (cents)	(92.1)	957.7	(92.1)
Net asset value per ordinary share (cents)	(92.1)	957.7	(92.1)
Number of shares in issue (million)	1 501.0	1 501.0	1 501.0

COMPANY STATEMENT OF CHANGES IN EQUITY
for the six month period ended 31 March 2015

R million	Ordinary shares		Ordinary shareholders' equity
	Share capital and premium	Distributable reserves	
Balance at 30 September 2013	9 440	288	9 728
Dividends paid	-	(41)	(41)
Shares issued in terms of the rights offer	5 210	-	5 210
Total comprehensive loss for the period	-	(523)	(523)
Balance at 31 March 2014	14 650	(276)	14 374
Dividends paid	-	-	-
Total comprehensive loss for the period	-	(15 757)	(15 757)
Balance at 30 September 2014	14 650	(16 033)	(1 383)
Total comprehensive loss for the period	-	-	-
Balance at 31 March 2015	14 650	(16 033)	(1 383)

R million	Preference share capital and premium		Total
	Share capital and premium	Distributable reserves	
Balance at 30 September 2013	1 130	-	10 858
Dividends paid	(42)	-	(83)
Shares issued in terms of the rights offer	-	-	5 210
Total comprehensive loss for the period	42	-	(481)
Balance at 31 March 2014	1 130	-	15 504
Dividends paid	(47)	-	(47)
Total comprehensive loss for the period	47	-	(15 710)
Balance at 30 September 2014	1 130	-	(253)
Total comprehensive loss for the period	-	-	-
Balance at 31 March 2015	1 130	-	(253)

COMPANY STATEMENT OF CASH FLOWS
for the six month period ended 31 March 2015

R million	31 March 2015	31 March 2014	30 September 2014
Cash generated from operations	10	1 027	1 258
Cash receipts	30	1 030	1 287
Cash paid	(20)	(3)	(29)
Indirect and direct taxation paid	-	(5)	(7)
Cash inflow from operating activities	10	1 022	1 251
Cash outflow from investing activities	-	(5 307)	(5 494)
Investments acquired during the period	-	(177)	(177)
Investments disposed of during the period	-	120	132
Investments in subsidiaries	-	(5 250)	(5 449)
Cash inflow from financing activities	-	4 314	4 216
Cash outflow from funding activities	-	(817)	(867)
Issue of ordinary shares	-	5 213	5 213
Preference shareholders' payments and transactions	-	(42)	(89)
Ordinary shareholders' payments and transactions	-	(40)	(41)
Increase/(decrease) in cash and cash equivalents	10	29	(27)
Cash and cash equivalents at the beginning of the period	4	35	35
Reclassification of cash held by African Bank Limited	-	-	(4)
Cash and cash equivalents at the end of the period	14	64	4

NOTES TO THE FINANCIAL STATEMENTS

AUDITORS' REPORT

The accompanying financial information has been reviewed by the independent auditors, Grant Thornton Johannesburg Partnership.

The extract of the adverse review conclusion on the group financial results and an unqualified conclusion on the separate company financial results are as follows:

"Basis for adverse conclusion on consolidated interim financial statements and unqualified conclusion on the separate interim financial statements
The company has subsidiaries and is required by International Financial Reporting Standards to prepare consolidated interim financial statements. As described in the interim financial statements, the directors have prepared unconsolidated interim financial statements. These interim financial statements have been prepared on the same basis as separate financial statements, which are financial statements permitted in terms of International Financial Reporting Standards when an entity also prepares consolidated financial statements. Unconsolidated interim financial statements are prepared on the basis that investments in subsidiaries are reported at cost and income is recognised when dividends from subsidiaries are receivable.

Adverse conclusion on consolidated interim financial statements

Based on our review, because of the significance of the matter discussed in the preceding paragraph, the interim financial statements do not present fairly the financial position of the group as at 31 March 2015, and of its financial performance and cash flows for the period then ended, in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate financial statements of African Bank Investments Limited for the period ended 31 March 2015 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to the going concern statement to the separate interim financial statements which indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern.

Report on other legal and regulatory requirements

In accordance with our responsibilities in terms of Sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified certain unlawful acts or omissions committed by persons responsible for the management of African Bank Investments Limited which constitute reportable irregularities in terms of the Auditing Profession Act, and have reported such matters to the Independent Regulatory Board for Auditors.

The reported irregularities reported are that the annual financial statements for the years ended 30 September 2014 and 30 September 2015 have not been published within six months after the year-end as required in terms of Section 30(1) of the Companies Act and the Annual General Meeting has not been held within 15 months from the previous Annual General Meeting as required by Section 61(7) of the Companies Act."

The full review conclusion is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed

or reported on by the auditors.

BASIS OF PREPARATION

The preparation of this financial information was supervised by Reynold Ngobese CA(SA). Except for the non-preparation of consolidated results, this financial information has 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 SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act of South Africa (Act 71 of 2008) as well as the Listings Requirements of the JSE Limited.

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

- IFRS 10 - Consolidated Financial Statements;
- IFRS 12 - Disclosure of Interests in Other Entities;
- IAS 19 - Employee Benefits;
- IAS 27 - Consolidated and Separate Financial Statements;
- IAS 32 - Financial Instruments: Classification and Measurement;
- IAS 36 - Impairment of Assets;
- IAS 39 - Financial Instruments: Recognition and measurement; and
- IFRIC 21 - Levies.

All the other accounting policies and their application are consistent with those used for the company's 2014 annual financial statements.

Midrand
22 April 2016

Sponsor
Merchantec Capital

Board of directors
Independent non-executive: MC Mogase (Chairman), N Adams, Advocate MF Gumbi, NB Langa-Royds,
M Mthombeni, RJ Symmonds

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