

AFRICAN BANK INVESTMENTS LIMITED
(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")

VOLUNTARY COMMENCEMENT OF BUSINESS RESCUE PROCEEDINGS OF THE COMPANY IN TERMS OF SECTION 129(1) OF THE COMPANIES ACT, NO 71 OF 2008

Since late 2014 the Company has been in discussions with a consortium of six banks and the Public Investment Corporation ("the PIC"), (collectively referred to as "the Consortium") for the sale of The Standard General Insurance Company Limited ("Stangen") to them pursuant to the statement of 10 August 2014 of the then Governor of the South African Reserve Bank ("SARB"). To date no agreement has been concluded and no offer has been received from the Consortium to purchase the Company's equity in Stangen.

The Company has a loan from African Bank Limited (In Curatorship) ("ABL") of approximately R447 million and has issued guarantees to Absa Bank Limited, FirstRand Bank Limited, Investec Bank Limited and The Standard Bank of South Africa Limited, (collectively referred to as the "Creditors") for banking facilities that were granted respectively by these Creditors to Ellerine Furnishers (Proprietary) Limited (In Business Rescue) ("EF"). These guarantees were for a total of approximately R550 million. Certain interim payments were made to these Creditors by EF's business rescue practitioners. ABIL's intention was to settle the Creditors from the proceeds of the sale by it of the entire issued equity held by it in Stangen.

On Wednesday and Thursday, 3 and 4 June 2015, the Creditors served letters of demand on the Company for payment of the loan and amounts due under the guarantees respectively. The Company is not a trading company and its source of cash is from dividends it receives from Stangen. The Company did not have access to cash to pay the Creditors. The board of directors convened a meeting and after considering various options the board of directors resolved to and approved a resolution to voluntarily begin a business rescue process as contemplated in section 129(1) of the Companies Act, No 71 of 2008.

A further announcement will be made in due course.

By order of the board

Midrand

5 June 2015

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)