
AFRICAN BANK INVESTMENTS LIMITED
Incorporated in the Republic of South Africa
(Registration number 1946/021193/06)
Ordinary share code: ABL ISIN: ZAE000030060
Hybrid instrument code: ABLP ISIN: ZAE000065215
("the Company")

TRADING STATEMENT

In terms of the Listings Requirements of the JSE Limited, companies are required to publish a trading statement as soon as they become reasonably certain that the financial results for the period to be reported on will differ by more than 20% from that of the previous corresponding period.

A review by management of the financial results for the six month period ending 31 March 2017 has indicated that the earnings per share ("EPS") and the headline earnings per share ("HEPS") are expected to be at least 26.55 cents lower than the EPS and HEPS of 29.50 cents for the six months ended 31 March 2016, reflecting a decrease of at least 90%.

A further trading statement will be released once the Company has a greater degree of certainty with regards to its financial results for the financial period.

The financial information on which this trading statement is based has not been reviewed or reported on by the Company's auditors.

Further information

The decrease in earnings is a result of the impact of events described in the "Condensed Audited Financial Results for the Year Ended 30 September 2016" released on SENS on 21 December 2016, an extract of which is included below.

"FINANCIAL PERFORMANCE

The Company recorded a profit after tax of R491 million (2015: R1,287 million). The significant change in earnings was mainly due to Stangen exiting its relationship with African Bank Limited.

Included in the income statement is a R189 million discretionary actuarial liability (2015: R0). This is raised to allow for the shortfall in the exposure margins recovered from the in-force policy book compared to the future budgeted expenses envisaged in growing the insurance portfolio and generating new products and business. The continuing operations are therefore profitable if one compares continuing operations premiums to the R14 million in actual claims, excluding the discretionary actuarial liability.

The continuing operations generated a profit for the year of R84 million (2015: R69 million) before taking into account the discretionary actuarial liability.

DISCONTINUED OPERATIONS

Stangen concluded an agreement and financial settlement with African Bank Limited and Residual Debt Services Limited in respect of its run-down credit life portfolio effective 1 April 2016. The agreement passes 100% of the risk and benefit in that credit life book to Guardrisk Life Limited ("Guardrisk") until such time as the run-down credit life book is transferred to Guardrisk. The transfer is subject to regulatory approval and is expected mid-2017."

Shareholders are advised to refer to the results announcement of 21 December 2016 for further information.

Johannesburg
31 January 2017

Sponsor
Merchantec Capital