

MARKET NOTICE

Johannesburg
Stock Exchange

Tel: +27 11 520 7000

Fax: +27 11 520 8584

www.jse.co.za

Number: A2064
Date: 11 August 2014

SUBJECT: VALUATION OF ABL DEBT INSTRUMENTS LISTED ON THE JSE

Name and Surname: Graham Smale
Designation: Director: Bonds and Financial Derivatives
Market: Interest Rates
Tel: 011 520 7831
E-mail address: GrahamS@jse.co.za

Further to the SENS announcement by the JSE in respect of the suspension of all securities issued by African Bank Investments Limited (“ABIL”) and African Bank Limited (“ABL”)¹ the JSE wishes to update market participants and holders of the debt instruments listed by ABL under the JSE Debt Listing Requirements (“DLR”) in respect of valuation of these securities by the JSE and supplied through end-of-day files. The market Notice Y1394 of 08 August 2014² confirmed that up until 08 August the JSE continued to apply the methodologies as per the framework agreed with the market. As a result of the additional information disclosed in the press release from the SA Reserve Bank (SARB) in respect of the restructuring of ABIL and ABL (and communicated in the JSE SENS announcement) the following changes will be made to the valuations of the list of instruments detailed below;

- 1) All ABL **Senior** debt, either secured or unsecured will be re-priced to reflect a Clean Price of 90.00. This is based on the intent by the SARB that “senior debt instruments and wholesale deposits (excluding subordinated debt holders) will be transferred at 90% of face value following the restructuring (the absolute interest rate will be based on the revised face value)”.

This change will be affected for valuation on 12th August 2014. Should any market participant consider this to be a flawed approach, please contact the JSE by 12:00 on 12th August.

- 2) The ABL **Subordinated** debt falls within the statement in the SARB press release as: “all other liabilities will remain in African Bank” and does not form part of the new “good bank”. As such, both due to its subordinated nature

¹ <https://www.jse.co.za/content/JSEMarketNoticeItems/Abil.pdf>

² <https://www.jse.co.za/content/JSEMarketNoticeItems/Y1394.pdf>

and it remaining within ABL would imply that the valuation of these securities should be below that of the senior debt. However at this time the JSE has no valid basis upon which to make an assessment on the appropriate value. **Until such time as there is an appropriate basis upon which to amend the value of these bonds in the JSE systems, the current valuation will be maintained. Investors and market participants are urged to exercise caution and to use their discretion on the valuation of these subordinated debt instruments.**

List of Debt Issued by ABL under the DLR

Bond Code	Pricing Class Code	Issue Date	Maturity Date	Nominal in Issue	Waterfall	Call Features	Call Date	Coupon Step-up
ABL11A	V	29/09/10	29/09/14	525.0	SENIOR, UNSECURED	N		
ABL11B	FRN	29/09/10	29/09/14	380.0	SENIOR, UNSECURED	N		
ABL12B	FRN	08/03/11	08/03/15	1,000.0	SENIOR, UNSECURED	N		
ABL10A	V	15/03/10	15/03/15	450.0	SENIOR, UNSECURED	N		
ABL10B	FRN	15/03/10	15/03/15	500.0	SENIOR, UNSECURED	N		
ABLI03	CPI	15/03/10	15/03/15	750.0	SENIOR, UNSECURED	N		
ABL18	FRN	25/09/13	25/09/15	510.0	SENIOR, UNSECURED	N		
ABL14	FRN	09/10/12	09/10/15	709.0	SENIOR, UNSECURED	N		
ABL16	FRN	25/03/13	25/03/16	800.0	SENIOR, UNSECURED	N		
ABL17	FRN	21/06/13	21/06/16	1,000.0	SENIOR, UNSECURED	N		
ABLS2A	V	13/07/09	13/07/16	520.0	SUBORDINATE, UNSECURED	N		
ABLS2B	FRN	13/07/09	13/07/16	480.0	SUBORDINATE, UNSECURED	N		
ABL13	FRN	11/10/11	11/10/16	278.0	SENIOR, UNSECURED	N		
ABLI04	CPI	11/10/11	11/10/16	652.0	SENIOR, UNSECURED	N		
ABL15	FRN	09/10/12	09/10/17	191.0	SENIOR, UNSECURED	N		
ABLI05	CPI	18/02/13	18/02/18	2,000.0	SENIOR, UNSECURED	N		
ABLS3	FRN	31/03/11	31/03/18	515.0	SUBORDINATE, UNSECURED	N		
ABL19	FRN	25/09/13	25/09/18	490.0	SENIOR, UNSECURED	N		
ABLS4	FRN	29/03/12	29/03/19	300.0	SUBORDINATE, UNSECURED	N		
ABLI06	CPI	19/07/13	19/07/20	600.0	SENIOR, UNSECURED	N		
ABLS5	FRN	29/06/12	29/06/24	825.0	SUBORDINATE, UNSECURED	Y	29/06/19	4.99
ABLS1	CPI	29/06/12	29/06/24	133.0	SUBORDINATE, UNSECURED	Y	29/06/19	

Should you require any details please contact any of the following;

Graham Smale

Director: Bonds and Financial Derivatives

grahams@jse.co.za

+27 11 520 7831

Bernard Claassens

Manager: Fixed Income

bernardc@jse.co.za

+27 11 520 7810

Mikhail Maasdorp

Fixed Income Specialist

mikhailm@jse.co.za

+27 11 520 7369