



AFRICAN BANK LIMITED
(Registration number 2014/176899/06)
(incorporated with limited liability in the Republic of South Africa)

The ISSUER

**Issue of ZAR825 000 000 Subordinated Unsecured Floating Rate Tier 2 Notes due 20 March 2034
(subject to Write-Off upon the occurrence of a Trigger Event)**

Under its ZAR25 000 000 000 Domestic Medium Term Note Programme

Stock Code ABKS02

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Programme Memorandum dated 14 March 2019, prepared by the Issuer in connection with the ZAR25 000 000 000 Domestic Medium Term Note Programme of the Issuer, as updated by supplements thereto dated 28 March 2022 and 29 June 2023 respectively, as further amended or supplemented from time to time (the “**Programme Memorandum**”).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed “Terms and Conditions of the Notes”.

The Notes described in this Applicable Pricing Supplement are issued on and subject to the Terms and Conditions in the Programme Memorandum and this Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

The Tier 2 Notes issued under and pursuant to this Applicable Pricing Supplement are intended to qualify as capital for the issuing bank in terms of the provisions of the Banks Act. Any direct or indirect acquisition of the Tier 2 Notes issued or to be issued under and pursuant to this Applicable Pricing Supplement by a bank or controlling company, as defined in the Banks Act, or by a non-bank subsidiary of a bank or controlling company, shall be regarded as a deduction against the capital of the acquiring bank or controlling company in question, in an amount equal to the book value of the said investment in the relevant Tier 2 Notes.

The Tier 2 Notes issued or to be issued under and pursuant to this Applicable Pricing Supplement constitute direct, unsecured and subordinated obligations of the Issuer and rank: (i) pari passu without any preference among themselves (ii) save for those that have been accorded preferential rights by law, at least pari passu with all other subordinated obligations of the Issuer (other than any subordinated obligations which rank or are expressed to rank senior to the Issuer’s obligations under the Tier 2 Notes) including but not limited to subordinated obligations in the form of other Tier 2 Notes and Tier 2 Capital, whether issued before the date of issue of the Tier 2 Notes or thereafter, (iii) ahead of and in priority to all Junior Obligations, and (iv) behind in priority to all claims of Depositors and Senior Creditors.

In the event of the dissolution of the Issuer or if the Issuer is wound-up or put into liquidation or curatorship, voluntarily or involuntarily, the claims of Tier 2 Noteholders shall be subordinated to the claims of Depositors and Senior Creditors. In any such event, no amount shall be payable to any Tier 2 Noteholders under the Tier 2 Notes issued or to be issued under and pursuant to this Applicable Pricing Supplement until the claims of Depositors and Senior Creditors which are admissible in any such dissolution, winding-up, liquidation or curatorship have been paid or discharged in full as more fully set out in Condition 5.2.

The Relevant Regulator has approved the issue of the Tier 2 Notes issued or to be issued under and pursuant to this Applicable Pricing Supplement in terms of the Banks Act (as read with

Regulation 38(12)(a)(ii) of the "Regulations Relating to Banks" promulgated under the Banks Act) and for such Tier 2 Notes to rank as "tier 2 capital" as defined in the Banks Act.

The Tier 2 Notes represented by this Certificate are issued for a minimum period of 5 years and one day. The Tier 2 Notes represented by this Certificate may be redeemed, purchased, cancelled, (in whole or in part), modified, substituted or varied before the Maturity Date (stipulated in this Certificate) only at the option of the Issuer and subject to compliance with Condition 8.8.

DESCRIPTION OF NOTES

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| 1. | Issuer | African Bank Limited (Registration number 2014/176899/06) |
| 2. | Status of Notes | Subordinated, unsecured Tier 2 Notes intended to qualify as Tier 2 Capital In accordance with the Capital Regulations, Tier 2 Notes issued under and pursuant to this Applicable Pricing Supplement will be subject to Write-Off if a Trigger Event occurs in relation to the Issuer |
| 3. | Series Number | 7 |
| 4. | Tranche Number | 1 |
| 5. | Aggregate Nominal Amount: | |
| | • (a) Series | ZAR825 000 000 |
| | • (b) Tranche | ZAR825 000 000 |
| 6. | Interest | Interest-bearing |
| 7. | Interest Payment Basis | Floating Rate |
| 8. | Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another | N/A |
| 9. | Form of Notes | Listed Registered Notes: The Notes in this Tranche are issued in uncertificated form to the CSD |
| 10. | Issue Date | 20 December 2023 |
| 11. | Maturity Date | 20 March 2034 |
| 12. | Maturity Period | Subject to the applicable Capital Regulations, the Tier 2 Notes will have a minimum maturity of five years and three months |
| 13. | Nominal Amount per Note | ZAR1,000,000 |
| 14. | Specified Denomination | ZAR1,000,000 |
| 15. | Issue Price | 100 per cent of the Nominal Amount of each Note |
| 16. | Interest Commencement Date | 20 December 2023 |
| 17. | Payment Day (if different from that set out in Condition 7.6) | N/A. Condition 7.6 applies |
| 18. | Specified Currency | ZAR |
| 19. | Final Redemption Amount | 100 per cent of the outstanding Nominal Amount of each Note (calculated, if applicable, after taking account of any Write-off required pursuant to the Contractual Write-off Condition) |

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| 20. Books Closed Period(s) | The Register will be closed from 10 March to 19 March, from 10 June to 19 June, from 10 September to 19 September and from 10 December to 19 December (all dates inclusive) in each year until the Maturity Date/Optional Redemption Date |
| 21. Last Day to Register | By 17h00 on 9 March, 9 June, 9 September and 9 December, or if such day is not a Business Day, the Business Day preceding each Books Closed Period, in each year until the Maturity Date/Optional Redemption Date |
| 22. Business Centre | Johannesburg |
| 23. Additional Business Centre | N/A |
| 24. Applicable Business Day Convention | Modified Following Business Day |

FLOATING RATE NOTES

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| 25. (a) Floating Interest Payment Date(s) | The first Floating Interest Payment Date of 20 March 2024 (the First Floating Interest Payment Date) and thereafter 20 March, 20 June, 20 September and 20 December in each year up to and including the Maturity Date/Optional Redemption Date (and the Maturity Date/Optional Redemption Date) or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the Applicable Business Day Convention |
| (b) Interest Period(s) | Each period commencing on (and including) a Floating Interest Payment Date and ending on (but excluding) the following Floating Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) the First Floating Interest Payment Date (each Floating Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention) |
| (c) Interest Rate | Reference Rate plus the Margin per annum |
| (d) Definition of Business Day (if different from that set out in the Terms and Conditions) and Applicable Business Day Convention | The same as that set out in the Terms and Conditions Modified Following Business Day Convention |
| (e) Minimum Rate of Interest | N/A |
| (f) Maximum Rate of Interest | N/A |
| (g) Day Count Fraction | Actual/365 |
| (h) Other terms relating to the method of calculating interest | N/A |
| 26. Manner in which the Rate of Interest is to be determined | Screen Rate Determination |
| 27. Margin | 450 basis points (to be added to the relevant Reference Rate to determine the Interest Rate) |

28. If ISDA Determination: N/A
29. If Screen Determination:
- (a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) ZAR-JIBAR-SAFEX.
In the event that the ZAR-JIBAR-SAFEX ceases to apply such other rate as may be determined by the Calculation Agent and notified to the Noteholders pursuant to Condition 16 (Notices)
- (b) Interest Rate Determination Date(s) 14 December 2023 and thereafter the first Business Day of each Interest Period
- (c) Relevant Screen Page and Reference Code Reuters Code: page SAFEX Reference Code J2Ycode 01209 or any successor page
30. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/Fallback provisions
In the event that the ZAR-JIBAR-SAFEX ceases to apply such other rate as may be determined by the Calculation Agent and notified to the Noteholders pursuant to Condition 16 (Notices)
31. Calculation Agent responsible for calculating amount of principal and interest the Issuer
32. Default Rate Interest Rate plus 2% per annum

If upon due presentation thereof, payment of principal is improperly withheld or refused, interest will accrue at the Default Rate until the date on which all amounts due in respect of such Note have been paid in accordance with the applicable procedures

Subject to the applicable Capital Regulations

PROVISIONS REGARDING REDEMPTION/MATURITY

33. Prior consent of Relevant Regulator for any redemption prior to Maturity Date
Yes, save for redemption of Tier 2 Notes for regulatory reasons as contemplated in Condition 8.3 (Redemption of Tier 2 Notes for Regulatory Reasons)

Condition 8.8 (Conditions to redemption, purchase, cancellation, modification, substitution or variation of Tier 2 Notes) is not applicable to the redemption of this Tranche of Notes upon the occurrence of a Regulatory Event, pursuant to Condition 8.3
34. Redemption at the Option of the Issuer: Yes, subject to the applicable Capital Regulations and Condition 8.8
- If yes:
- (a) Optional Redemption Date(s) 20 March 2029 (being 5 years and three months from Issue Date) and every Floating Interest Payment Date thereafter, subject to the Terms and Conditions and the applicable Regulatory Capital Regulations
- (b) Minimum period of notice (if different from Condition 8.4) N/A

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| (c) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) | 100 per cent of the outstanding Nominal Amount of each Note |
| (d) If redeemable in part: | No |
| (e) Other terms applicable on Redemption | See Conditions 8.2, 8.3, and 8.4 and the applicable Capital Regulations. For the avoidance of doubt, a Write Off would not constitute a Regulatory Event |
| 35. Redemption at the Option of the Senior Noteholders | No |
| 36. Early Redemption Amount(s) payable on redemption for taxation reasons or on redemption for regulatory reasons or on Event of Default (if required). | 100 per cent of the outstanding Nominal Amount of each Note (calculated, if applicable, after taking account of any Write-Off required pursuant to the Contractual Write-Off Condition), subject to the applicable Regulatory Capital Requirements and condition 8.3 |
| TIER 2 NOTES | Yes |
| TRIGGER EVENT | Applicable to Tier 2 Notes |
| 37. Contractual Conversion Condition | Not Applicable |
| 38. Contractual Write-Off Condition | Applicable. See Conditions 5.3, 5.4 and 5.6 to 5.9 |
| OTHER TIER 2 PROVISIONS | |
| 39. Additional Conditions | Not Applicable |
| 40. Substitution and Variation for Tier 2 Notes | Applicable |
| 41. Substitution and Variation for Tier 2 Notes upon a Change in Law | Applicable |
| 42. Amendment Option to disapply Contractual Conversion Condition for Tier 2 Notes pursuant to Condition 5.8 | Not Applicable |
| 43. Amendment Option to disapply Contractual Write-off Condition for Tier 2 Notes pursuant to Condition 5.8 | Applicable |
| GENERAL | |
| 44. Arranger | Rand Merchant Bank, a division of FirstRand Bank Limited |
| 45. Calculation Agent | African Bank Limited |
| 46. Specified office of the Calculation Agent | 59, 16th Road, Midrand, 1685, South Africa |
| 47. Paying Agent | The Standard Bank of South Africa Limited |
| 48. Specified office of the Paying Agent | 1st Floor, 6 Simmonds Street, Johannesburg, 2001, South Africa |
| 49. Settlement Agent | The Standard Bank of South Africa Limited |
| 50. Specified office of the Settlement Agent | 1st Floor, 6 Simmonds Street, Johannesburg, 2001, South Africa |
| 51. Transfer Agent | JSE Investor Services Proprietary Limited |
| 52. Specified office of the Transfer Agent | One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196, South Africa |

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| 53. Issuer Agent | The Standard Bank of South Africa Limited |
| 54. Specified office of the Issuer Agent | 1st Floor, 6 Simmonds Street, Johannesburg, 2001, South Africa |
| 55. Financial Exchange | Interest Rate Market of the JSE |
| 56. Additional selling restrictions | N/A |
| 57. ISIN No. | ZAG000202003 |
| 58. Stock Code | ABKS02 |
| 59. Stabilising manager | N/A |
| 60. Provisions relating to stabilisation | N/A |
| 61. Exchange Control Approval Required | No |
| 62. Rating assigned to the Issuer (if any) | 'zaA-/zaA-2' long-term and short-term and national scale rating |
| 63. Rating Agency | S&P Global Ratings |
| 64. Governing law (if the laws of South Africa are not applicable) | N/A |
| 65. The notice period required for exchanging Uncertificated Notes for Individual Certificates | 30 days prior to the requested Exchange Date |
| 66. Surrendering of Notes in the case of Notes represented by an Individual Certificate | The Issuer shall not be obliged to make or cause to be made any payment in respect of the final redemption of a Registered Note represented by an Individual Certificate until at least 7 days has passed since the date on which the Individual Certificate in respect of the Tier 2 Notes to be redeemed has been surrendered to the Transfer Agent at its Specified Office |
| 67. Use of Proceeds | As stated in the Programme Memorandum |
| 68. Aggregate Nominal Amount of Notes in Issue | As at the Issue Date (but excluding the Notes issued under this Applicable Pricing Supplement or any other Notes issued on the Issue Date), the Issuer has in issue Notes in the aggregate total Nominal Amount of ZAR2,485,000,000 under the Programme Memorandum dated 22 March 2016 as supplemented and under the Programme Memorandum |
| 69. Programme Amount | The Programme Amount of ZAR25 000 000 000 has not been exceeded |
| 70. Material Change | There has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's last audited annual financial statements for year ended 30 September 2023. As at the date hereof, there has been no involvement by the auditors of the Issuer in making the aforementioned statement |
| 71. Litigation Statement | Save as disclosed in the Programme Memorandum (including any information incorporated by reference therein) as read together with this Applicable Pricing Supplement, as at the date of this Applicable |

- Pricing Supplement, the Issuer is not engaged (whether as defendant or otherwise) in any legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Issuer is aware, that may have or have had in the recent past, being the previous 12 months, a material effect on the Issuer's financial position
72. Applicable Laws Save as disclosed in the Programme Memorandum (including any information incorporated by reference therein) as read together with this Applicable Pricing Supplement, as at the date of this Applicable Pricing Supplement, the Issuer is not aware of any failure by it to comply with Applicable Laws to which it is subject, in a manner which would reasonably be expected to have a material effect on the financial position or the operations of the Issuer
73. Other provisions (including additional covenants, if any) Not Applicable

Responsibility:

The Issuer certifies that, to the best of its knowledge and belief, there are no facts that have been omitted which would make any statements in the Programme Memorandum as read with this Applicable Pricing Supplement false or misleading and that all reasonable enquiries to ascertain such facts have been made, as well as that the Programme Memorandum as read together with this Applicable Pricing Supplement contains all information required by Applicable Laws and the JSE Debt Listings Requirements.


The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum as read together with this Applicable Pricing Supplement, except as otherwise stated therein or herein.

The JSE takes no responsibility for the contents of this Programme Memorandum, the financial statements, any Applicable Pricing Supplements, or any annual report (and any amendments or supplements to the aforementioned documents), makes no representation as to the accuracy or completeness of any of this Programme Memorandum, the financial statements, any Applicable Pricing Supplements, or any annual report (and any amendments or supplements to the aforementioned documents) and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the Notes shall not be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

Application is hereby made to list this issue of Notes 20 December 2023.

For and on behalf of

AFRICAN BANK LIMITED

DocuSigned by:

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Name: Anbann Chetti

Capacity: Director and CFO

Who warrants his authority hereto

Date: 13 December 2023