AFRICAN BANK LIMITED (UNDER CURATORSHIP)

(Registration number 1975/002526/06)
(incorporated with limited liability in the Republic of South Africa)
(to be renamed Residual Debt Services Limited (under Curatorship) on or around 4 April 2016)

Issue of ZAR 3,972,899,101.87 Unsecured Transferable Floating Rate Senior Stub Instruments
(the "Senior Stub Instruments")

The Senior Stub Instruments are issued by and constitute an unlisted claim against African Bank Limited (under Curatorship) (to be renamed Residual Debt Services Limited (under Curatorship) on or around 4 April 2016) (the "Issuer"). The Senior Stub Instruments are not expected to be rated.

| **Issuer:** | African Bank Limited (under Curatorship) (to be renamed Residual Debt Services Limited (under Curatorship) on or around 4 April 2016), 59, 16th Road, Midrand, 1685, South Africa. |
| **Form of Senior Stub Instruments:** | Unlisted registered transferable Senior Stub Instruments: The Senior Stub Instruments are issued in uncertificated form and held in Strate Proprietary Limited, being a registered central securities depository in terms of the Financial Market Act, 2012, and are capable of being held in Euroclear, Clearstream, Luxembourg or SIS (as applicable) via their respective bridge accounts with their relevant South African central securities depositary participant(s). |
| **Issue Date:** | 4 April 2016. |
| **Interest:** | JIBAR plus 300 basis points, capitalised (if unpaid) quarterly, i.e. 10 August, 10 November, 10 February and 10 May of each year commencing on 10 August 2014, calculated on an Actual/365 basis. The Senior Stub Instruments have no fixed interest payment profile. Payments under the Senior Stub Instruments are subject, inter alia, to the discharge in full of prior ranking claims. |
| **Party responsible for calculating amount of principal and interest:** | African Bank Limited (under Curatorship) (to be renamed Residual Debt Services Limited (under Curatorship) on or around 4 April 2016). |
| **Assurances:** | Pari Passu Clause (for details see condition 5 of Appendix D (Terms and Conditions of the Stub Instruments) of the Exchange Offer Document (as defined below)). |
| **Governing Law and Jurisdiction:** | The validity of the Senior Stub Instruments, their interpretation, the respective rights and obligations of the Issuer and the Senior Stub Holders and all other matters arising in any way out of the Senior Stub Instruments or their performance shall be determined in accordance with the laws of the Republic of South Africa. Furthermore, the courts of South Africa shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Senior Stub Instruments or the Terms and Conditions of the Stub Instruments and, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought only in such courts. |
| **ISIN:** | ZAU000014557 |
GENERAL INFORMATION

This Swiss prospectus (the “Swiss Prospectus”) shall be read and construed on the basis that the EMTN consent and exchange offer document dated 4 February 2016 (the “Exchange Offer Document”) which is available on www.africanbank.co.za or https://www.africanbank.co.za/about-us/investors, is deemed to be incorporated in, and to form part of, this Swiss Prospectus.

Except as otherwise stated in this Swiss Prospectus, terms defined in the Exchange Offer Document shall have the same meaning in this Swiss Prospectus.

Notice to Investors

The specific terms of the Senior Stub Instruments set out in the Senior Stub Instrument Term Sheet on page 4 hereof must be read in conjunction with the Terms and Conditions of the Stub Instruments included in Appendix D of the Exchange Offer Document.

The Senior Stub Instruments are governed by the laws of the Republic of South Africa. The place of jurisdiction shall be the courts of South Africa (see front page).

Investors are advised to familiarise themselves with the entire content of this Swiss Prospectus (including, for the avoidance of doubt, the Exchange Offer Document and Appendix D thereto).

Authorisation

The Issuer has obtained all necessary approvals and authorisations in connection with the issue and performance of the Senior Stub Instruments. The issue of the Senior Stub Instruments was authorised by a resolution of the Curator of the Issuer on 17 March 2016.

Board of Directors

The board of directors of the Issuer comprises of the following directors (whose powers have been suspended from 10 August 2014, the date curatorship commenced):

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
<th>Date resigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutle Constantine Mogase</td>
<td>Independent non-executive chairman</td>
<td>16 October 2015</td>
</tr>
<tr>
<td>Nicholas (Nic) Adams</td>
<td>Independent non-executive director</td>
<td>10 November 2015</td>
</tr>
<tr>
<td>Mojankunyane Florence (Mojanku) Gumbi</td>
<td>Independent non-executive director</td>
<td>23 February 2015</td>
</tr>
<tr>
<td>Jacobus Dorotheus Maria Gerardus (Jack) Kooelen (deceased)</td>
<td>Independent non-executive director</td>
<td></td>
</tr>
<tr>
<td>Nomalizo Beryl (Ntombi) Langa-Royds</td>
<td>Independent non-executive director</td>
<td></td>
</tr>
<tr>
<td>Morris Mthombeni</td>
<td>Independent non-executive director</td>
<td></td>
</tr>
<tr>
<td>Robert John (Johnny) Symmonds</td>
<td>Independent non-executive director</td>
<td>19 October 2015</td>
</tr>
</tbody>
</table>
Register

The Issuer is registered as a public company under registration number 1975/002526/06 (registration date: 31 July 1975) for an unlimited duration, with the Companies Registration Office, which registration is valid as if it is registered under the Companies and Intellectual Property Commission established under section 185 of the SA Companies Act. With effect from the Transaction Effective Date the banking licence of the Issuer is expected to be cancelled.

Capital Structure

The Issuer's equity share capital is ZAR 14.404 billion and it has issued 121,251,512 ordinary par value shares (at a par value of ZAR 1 each).


During the previous five years, the Issuer has paid the following dividends in the following total amounts per year:

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>ZAR 377 million</td>
</tr>
<tr>
<td>2012</td>
<td>ZAR 234 million</td>
</tr>
<tr>
<td>2013</td>
<td>ZAR nil</td>
</tr>
<tr>
<td>2014</td>
<td>ZAR nil</td>
</tr>
<tr>
<td>2015</td>
<td>ZAR nil</td>
</tr>
</tbody>
</table>

Audited Annual Financial Statements

The audited annual financial statements of the Issuer for the year ended 30 September 2015 shall be deemed to be incorporated in, and to form part of, this Swiss Prospectus.

Copies of the audited annual financial statements incorporated by reference in this Swiss Prospectus are available for viewing on www.africanbank.co.za or https://www.africanbank.co.za/about-us/investors.

Availability of Documents

Copies of this Swiss Prospectus and the documents incorporated by reference will be available, free of charge, at www.africanbank.co.za or https://www.africanbank.co.za/about-us/investors and Bär & Karrer AG, Brandschenkestrasse 90, 8027 Zurich, Switzerland (telephone: +41 58 261 50 00, facsimile: +41 58 263 50 01 or email: till.spillmann@baerandrkarrer.ch) and African Bank Limited (under Curatorship) (to be renamed Residual Debt Services Limited (under Curatorship) on or around 4 April 2016) (telephone: +27 11 2569000 or email: treasury@africanbank.co.za).
RESIDUAL DEBT SERVICES LIMITED
(Under Curatorship)
(formerly known as African Bank Limited (under Curatorship), incorporated with limited liability in the Republic of South Africa under Registration Number 1975/002526/06)

Issue of ZAR3 972 899 101.87 Unsecured Transferable Floating Rate Senior Stub Instruments

Under the Stub Instrument Terms and Conditions

This document constitutes the Stub Instrument Term Sheet relating to the issue of Senior Stub Instruments 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 document titled TERMS AND CONDITIONS OF THE STUB INSTRUMENTS dated 4 April 2016 as amended or supplemented from time to time as available on the following websites: www.africanbank.co.za or http://www.africanbank.co.za/about-us/investors (the “Stub Instrument Terms and Conditions”). The Senior Stub Instruments described in this Senior Stub Instrument Term Sheet are subject to the Stub Instrument Terms and Conditions and this Senior Stub Instrument Term Sheet must be read in conjunction with such Terms and Conditions. To the extent that there is any conflict or inconsistency between the contents of this Senior Stub Instrument Term Sheet and the Stub Instrument Terms and Conditions, the provisions of this Senior Stub Instrument Term Sheet shall prevail.

DESCRIPTION OF SENIOR STUB INSTRUMENTS

1. Issuer
   Residual Debt Services Limited (Under Curatorship)
2. ISIN No.
   ZAU000014557
3. Nominal Amount:
   ZAR3 972 899 101.87
4. Status of Senior Stub Instruments
   Senior Unsecured
5. Series
   Transferable Series
6. Tranche Number
   1
7. Transferability
   Transferable
8. Form of Senior Stub Instruments
   Unlisted registered Senior Stub Instruments: The Senior Stub Instruments in this Tranche are issued in uncertificated form in the CSD
9. Issue Date
   4 April 2016
10. Interest Commencement Date
    10 August 2014
11. Quarter Commencement Dates
    each of 10 August, 10 November, 10 February and 10 May of each year commencing on the Interest Commencement Date
12. Party responsible for calculating amount of principal and interest
    Residual Debt Services Limited (Under Curatorship)
13. Day Count Fraction
    Actual/365
SIGNED at Midrand, South Africa, on 4 April 2016

For and on behalf of
RESIDUAL DEBT SERVICES LIMITED formerly known as African Bank Limited
(Under Curatorship)

Name: Thomas Winterboer
Title: Curator
Date: 4 April 2016