



Focused Investing

**STANLIB**

## African Bank launches Good Bank

4 April 2016

Dear Client,

STANLIB is pleased to advise you that African Bank is launching the Good Bank on 4 April 2016. When African Bank was placed under curatorship on 10 August 2014, the South African Reserve Bank (SARB) announced it would create a new Good Bank made up of selected assets and liabilities of the original African Bank. We think it is reassuring that this plan is now close to finalisation.

Once the Good Bank launches, there are a number of things that will happen to your investments held in retention funds (or side pockets).

### Interest and cash back

The good news is we are expecting the Curator to pay out the accrued interest on your investments from the date of curatorship, 10 August to 3 April 2016. He is expected to pay this into your retention funds between 4 April 2016 to 11 April 2016.

If you hold senior debt in your retention fund, the curator will also pay out 10% of the original nominal value of this debt in cash into your retention fund between 4 April 2016 to 11 April 2016.

Once the curator has paid the interest and the 10% cash portion into your retention funds, we will start a process of transferring this to your original investment fund. Our intention is to distribute the interest and cash to your original investment between 15 and 30 April 2016. You may then decide whether you want to withdraw this portion or keep it in your original fund.

The curator will also pay out accrued interest and some capital to junior debt held in retention funds, although this is still to be confirmed by the curator. When we receive this pay-out, we will follow a similar process.



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## Fixed interest instruments

The remaining investments will continue to be held in your retention funds, and will be converted into new instruments issued by the Good Bank. The new bonds will be listed on the JSE and will be available to trade on the open market from 4 April 2016.

The Good Bank bonds will be held in your retention fund until such time as they can be freely traded by our fund managers. As soon as your fund manager is able to realise (sell) these investments for our clients they will be sold and the funds switched back into the originating portfolio. You may then decide whether you want to withdraw this or keep it in your original fund.

## What happens next?

We are working closely with the curator and regulators to finalise how and when we can return the interest and cash repayment portion of your investments to the originating fund. We hope to have clarity on this in the next few days. Once we have more information, we will let you know.

We assure you that we remain committed to your investment with STANLIB. Should you have any further questions or require additional information, please contact your financial adviser or refer to the STANLIB website, [www.stanlib.com](http://www.stanlib.com).

Regards,

**Herman van Velze**  
Head of STANLIB Investments

**Henk Viljoen**  
Head of Fixed Interest Franchise