

African Rainbow Capital Investments Limited
(Incorporated in the Republic of Mauritius)
(Registration number C148430)
JSE share code: AIL
ISIN: MU0553S00000
("AIL" or "the Company")

Increased ownership in TymeDigital

African Rainbow Capital Investments Limited (ARC Investments) today announces that its controlling shareholder African Rainbow Capital (ARC) has reached agreement to acquire, through ARC's 50,1% held subsidiary, ARC Financial Holding Company (FinHoldCo), 90% of TymeDigital by Commonwealth Bank SA, hereafter referred to as TymeDigital, for an undisclosed consideration after which FinHoldCo will become the 100% owner. The acquisition is subject to approval by the regulatory authorities, including that of the Prudential Authority of the South African Reserve Bank. The ARC Fund, an *en commandite* partnership in which ARC Investments is a limited partner, holds 49.9% of FinHoldCo.

TymeDigital is a registered South African bank with a strong fintech focus. It is majority owned by the Commonwealth Bank of Australia (CBA), a leading banking group in its core markets of Australia and New Zealand. FinHoldCo currently holds a 10% shareholding in TymeDigital.

ARC Investments is a listed entity that is 51,7% owned by ARC, which in turn is 100% owned by Ubuntu-Botho Investments (UBI), a broad-based black economic empowerment entity. UBI also owns a 13,5% shareholding in Sanlam, the diversified financial services group, which makes it the single largest shareholder in Sanlam.

The acquisition comprises TymeDigital in South Africa and the related intellectual property and patents. Following the finalisation of the acquisition, ARC may consider introducing new shareholders in the current structure, which may include management.

TymeDigital has been trialling its operations as it works towards an official launch. It aims to provide affordable and accessible banking services through a growing network of partners, including Pick n Pay, its leading distribution partner with 750 Pick n Pay and Boxer stores. Targeted client segments include unbanked and underserved clients as well as small and medium enterprises. Competitive technology allows the bank to on-board clients with greater ease relative to its competitors and keep bank charges more affordable than what SA banking clients pay in general.

FinHoldCo has a strategic objective to invest in mainly four subcategories of financial services, namely insurance, asset management, specialist financial services and banking. Furthermore, the objective is to drive synergies among the various companies in these four subcategories to enhance value creation and control of a digital bank is a critical step in this direction.

The overriding objective in the listing of ARC Investments was to create a capital pooling vehicle that would offer the public an opportunity for capital appreciation as they invest in a broad-based black-controlled entity with an underlying diverse portfolio of investments. The most significant benefit in this regard is access to high-quality listed and unlisted companies. A particular building-block approach is being followed and over 40 investments have been made since ARC was formed in 2015.

Ebène, Mauritius (with simultaneous circulation in Johannesburg)

8 August 2018

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For further information on African Rainbow Capital Investments, please visit our website at www.arci.mu