



**BANK OF ATHENS**

*Business and Commercial Bank*

	<b>ZAR 20 million Debenture</b>	<b>ZAR 30 million Debenture</b>
Issuer	South African Bank of Athens "SABA"	SABA
Unique identifier (for example, CUSIP, ISIN or Bloomberg identifier for private placement)	Not Applicable	Not Applicable
Governing law(s) of the instrument	South African Banks Act of 1990 (Act No. 94 of 1990)	South African Banks Act of 1990 (Act No. 94 of 1990)

### **Regulatory treatment**

Basel III rules Tier II	Tier II provided that during the 5th year preceding the maturity of the instrument, the amount qualifying as Tier 2 capital shall be reduced by an amount equal to 20 percent of the amount so obtained and annually thereafter by an amount that each successive year is increased by 20 percent of the amount so obtained	Tier II provided that during the 5th year preceding the maturity of the instrument, the amount qualifying as Tier 2 capital shall be reduced by an amount equal to 20 percent of the amount so obtained and annually thereafter by an amount that each successive year is increased by 20 percent of the amount so obtained
Eligible at Group & solo	Group	Group
Instrument type (types to be specified by each jurisdiction)	Subordinated Debt	Subordinated Debt
Amount recognised in regulatory capital	ZAR 20 million	ZAR 30 million
Par Value Instrument	ZAR 20 million	ZAR 30 million

Applicable Regulation	Regulation 38(14) of the Banks Act of 1990 Regulation 79 (1) Regulation 79 (2) Regulation 79 (3) Guidance Note 7/2013	Regulation 38(14) of the Banks Act of 1990 Regulation 79 (1) Regulation 79 (2) Regulation 79 (3) Guidance Note 7/2013
Non-compliant transitioned features	No	No
If yes, specify non-compliant features	None	None
Accounting Classification	Subordinated Loan	Subordinated Loan
Original Issue Date	30 November 2015	30 December 2015
Perpetual or dated	Dated	Dated
Original Maturity Date	30 November 2022	30 December 2022
Issuer call subject to prior supervisory approval	Yes	Yes
Optimal call date, contingent call dates and redemption amount (currency in Rm)	30 November 2022	30 December 2022
Subject call dates, if applicable	30 November 2020	30 December 2020
<b>Interest /Dividends</b>		
Fixed or floating interest	Fixed	Fixed
Interest Rate	6 month JIBOR	6 month JIBAR plus the interest margin
Interest Margin	1039 bps until Final Maturity Date calculated on a 365 day basis	1087 bps until Final Maturity Date calculated on a 365 day basis
Interest Payment Dates	30 May & 30 November Calculated from the Issue Date and thereafter on the first day immediately following an Interest Payment Date until Maturity Date	30 June & 30 December Calculated from the Issue Date and thereafter on the first day immediately following an Interest Payment Date until Maturity Date
Existence of a dividend stopper	No	No
Fully discretionally, partially discretionary or mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	No	No

Early Redemption Option	The Debenture may be redeemed at the discretion of the SABA, after an initial 5 year period from the Original Issue date subject to the South African Reserve Bank "SARB" approval	The Debenture may be redeemed at the discretion of the SABA, after an initial 5 year period from the Original Issue date subject to SARB approval
Non - cumulative or cumulative	Non cumulative	Non cumulative
Convertible or non-convertible	Yes, Convertible into Common Equity Tier 1 Capital at the sole discretion of the SARB in accordance with the provisions of Regulation 38(14)(a)(i) of the Banks Act of 1990	Yes, Convertible at the discretion of SABA, into Common Equity Tier 1 Capital at the sole discretion of the SARB in accordance with the provisions of Regulation 38(14)(a)(i) of the Banks Act of 1990
Conversion price	$20\% \text{ of } \{(SC + SP + RI(AL) + RR) / SH\}^1$ as determined at the time of conversion	$20\% \text{ of } \{(SC + SP + RI(AL) + RR) / SH\}^1$ as determined at the time of conversion
Number of Ordinary Shares on conversion	As determined by the conversion price and equal to $DVC / CP^2$	As determined by the conversion price and equal to $DVC / CP^2$
Write-down feature	Not Applicable	Not Applicable
Position in subordinated hierarchy in liquidation (specify instrument type)	Senior debt	Senior debt

1. Where "SC" refers to Share Capital

"SP" refers to Share Premium

"RI" refers to Retained Income (including year to date net profit/loss)

"AL" refers to Accumulated Loss (including year to date net profit/loss)

"NDR" refers to Non distributable Reserves

"RR" refers to Revaluation Reserve

"SH" refers to number of ordinary shares in issue at the debenture issue date

"/" refers to divide

2. Where "DVC" refers to the Debenture Principle Value to be converted into Tier 1 Capital at the Registrars discretion

"CP" refers to the conversion price determined as per the formula