

THE BIDVEST GROUP LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1946/021180/06
Share code: BVT
ISIN ZAE000117321

VOLUNTARY ANNOUNCEMENT: BIDVEST BANK HOLDINGS LIMITED, FINGLOBAL AND BIDVEST LIFE DISPOSALS

Introduction

Following the 3 July 2024 Stock Exchange News Service (“SENS”) announcement dealing with the Bidvest Financial Services divisional restructure, The Bidvest Group Limited (“Bidvest”) wishes to update stakeholders on the businesses earmarked for disposal.

Bidvest Bank

We are pleased to announce that Bidvest has entered into an agreement to dispose of 100% of Bidvest Bank Holdings Limited (“Bidvest Bank”) to Access Bank plc. (“Access Bank”) (“the Disposal”). All the conditions precedent, which are normal for a transaction of this nature, relate to the required regulatory approvals.

Bidvest will continue to support Bidvest Bank to ensure that it remains financially sound and operationally stable throughout the disposal process.

Access Bank

Access Bank is a leading full-service commercial bank with over 60 million customers globally, serviced through a network of over 700 branches in 23 countries across three continents. Through its strong presence in Nigeria, 16 subsidiaries in Africa, the United Kingdom and representative offices in China, Hong Kong, the United Arab Emirates, India and France, Access Bank employs over 8,400 people. As a diversified financial institution, it combines a strong retail customer franchise and digital platform with deep corporate banking experience to service various markets through four business segments: retail, business, commercial and corporate. Access Bank has proven risk and capital management capabilities. As at the last reporting period ended 31 December 2023, Access Bank’s shareholders’ equity exceeded US\$1.7 billion with customer loans and deposits of US\$6.0 billion and US\$12.5 billion, respectively.

Access Bank has been operating in South Africa since 2021 following its acquisition of Grobank Limited. In South Africa, the strategy has expanded to align with the vision of becoming the gateway to Africa, and the world’s most respected African bank.

Salient terms of the Disposal

The Disposal price is approximately R2.8 billion.

The proceeds from the Disposal will be used to settle existing Bidvest debt. On a pro-forma basis, Bidvest's net debt / EBITDA reduces to 1.6x compared to the reported 1.7x as at 30 June 2024.

Access Bank intends to introduce Broad Based Black Economic Empowerment ownership, including an Employee Stock Ownership Plan.

Conditions precedent

All the conditions precedent relate to the required regulatory approvals customary to a transaction of this nature.

Bidvest's management expects the regulatory approvals to take six months to achieve, implying an expected effective date before the end of the current financial year.

Proforma financial impact

In FY2024, Bidvest Bank generated trading profit and operating income of R371 million and R377 million, respectively. The Bidvest Bank book, which consists mainly of leased assets, loans and advances, totaled R6 billion, which is mainly funded by deposits of R8 billion. Cash and investment securities amounted to R5 billion, which included restricted cash, from a Bidvest perspective, of R3 billion.

FinGlobal

Bidvest has also concluded an agreement to dispose of 100% of FinGlobal to Momentum Group. FinGlobal's unique financial emigration solutions offered to South African expatriates will benefit from the scale and complementary capabilities of the acquiror. All employees will be retained as part of the transaction. Regulatory approvals form the key conditions precedent required to finalise this transaction.

Bidvest Life

Bidvest is in possession of binding offers from existing life insurers for 100% of Bidvest Life. One of these offers will be advanced to an agreement in the coming weeks.

Bidvest Bank, FinGlobal and Bidvest Life will be disclosed as a Disposal Group held for sale in the consolidated Bidvest financial statements for the financial year, which commenced 1 July 2024.

Categorisation of the transactions

The disposals do not constitute categorised transactions in terms of the Listings Requirements of the JSE Limited and accordingly this information is disclosed on a voluntary basis.

Johannesburg

Date: 12 December 2024

Transactional services advisor to Bidvest:

Deloitte

Financial advisor to Bidvest:

Rand Merchant Bank (a division of Firstrand Bank Limited)

Legal advisors to Bidvest:

Alchemy Law

Werksmans Attorneys

Sponsor to Bidvest:

Investec Bank Limited

Legal advisor to Access Bank:

Webber Wentzel