

African Bank Limited

(Incorporated in the Republic of South Africa)
(Registered Bank)
(Registration No. 2014/176899/06)
Company code: ABKI
LEI: 2549008X8SL1B1J86F98
(the “Bank” or “African Bank”)

African Bank Holdings Limited

(Incorporated in the Republic of South Africa)
(Registration No.: 2014/176855/06)
Company code: ABLI
LEI: 254900UUEMIK0XL5A056
(“ABHL”)

African Bank’s proposed acquisition of Sasfin Bank’s Capital Equipment Finance and Commercial Property Finance businesses

On 12 October 2023, African Bank entered into a binding heads of agreement with Sasfin Bank Limited (“Sasfin Bank” or “SBL”) and Sasfin Private Equity Investment Holdings Proprietary Limited (“SPEIH”), subsidiaries of the listed entity Sasfin Holdings Limited (“Sasfin Holdings”), to acquire its Capital Equipment Finance (“CEF”) and its Commercial Property Finance (“CPF”) businesses, as going concerns in one indivisible transaction.

The value of the transaction is approximately R3 260 million, using the 28 February 2023 net asset values for the CEF and CPF advances books, which will be adjusted at the closing date of the transaction. The CEF business is valued at R2 440 million, consisting of the advances book and a goodwill component, with the CPF business value determined at R820 million consisting of the advances book and associated shares and claims in this business.

The transaction is subject to various conditions precedent which are to be concluded by 28 February 2024, and include;

- requiring the favourable outcome of a due diligence review,
- board of director approvals,
- Prudential Authority and other regulatory approvals.

The parties acknowledge that the Prudential Authority is not a party to the agreement and cannot be held liable in terms of time stipulations, as it is subject to regulatory requirements that must be met before approvals can be granted.

Commenting on this transaction, African Bank’s Group Chief Executive Officer, Kennedy Bungane stated: “African Bank is on a journey to expand its core by looking for non-organic opportunities to scale and grow our business in line with our Excelerate25 strategic objectives. This acquisition helps to diversify our income streams, balance sheet, the customers we serve as well as diversifying the risk profile to more secured lending, and so enhancing our compelling listing

proposition. We also look forward to welcoming the team that will be joining African Bank as part of this transaction.”

Please refer to the detailed Sasfin Holdings Stock Exchange News Services announcement, released today for more detail.

13 October 2023

Debt sponsor

RAND MERCHANT BANK (a division of FirstRand Bank Limited)