

## Media Release

### Standard Bank Group announces firm offer to buy 100% of Liberty Holdings *“Creation of a united and formidable competitor in financial services in Africa, at scale”*

#### Highlights of the proposed transaction

- The integration closer of Standard Bank Group and Liberty’s products and services will create a strong and established, unified financial services powerhouse in Africa.
- Represents a natural evolution of the successful and strategic relationship between the two entities.
- Enhances scale and competitiveness, providing the best financial services offerings to clients through the most effective means.
- The offer will be made through a combination of Standard Bank Group shares and cash consideration, representing a premium of over 32% to Liberty’s current share price.

**JOHANNESBURG, 15 JULY 2021** - Standard Bank Group (“SBG”) is proposing to buy 100% of Liberty Holdings Limited (“Liberty”) and to integrate Liberty more closely into the greater group. This will, subject to shareholder and regulatory approvals, lead to the de-listing of Liberty and Liberty becoming a wholly owned subsidiary of SBG. SBG currently owns 54% of Liberty’s issued ordinary shares.

SBG and Liberty have enjoyed a long-standing strategic relationship, with Standard Bank as a majority shareholder, as well as a highly successful and valuable bancassurance arrangement. The proposed transaction is a natural progression in this special relationship, increasing our ability to collaborate to provide the best financial service offerings to our clients through the most effective means.

SBG’s strategy is to be an Africa-focused, client centred, digitally enabled integrated financial services group. This strategy is underpinned by SBG’s purpose: Africa is our home, we drive her growth. SBG’s strategy and vision commits SBG to delivering simple, relevant and complete solutions to its clients through their preferred channel, whether online or in person. SBG has now begun the process of extending its range of services to become a trusted and preferred provider of an increasingly wide range of financial and associated services.

Liberty’s strategy is to become a human-augmented platform business whose purpose is to make its clients’ financial freedom possible. This naturally complements and reinforces SBG’s purpose and strategy.

SBG CEO Sim Tshabalala said; “The integration of Liberty into Standard Bank Group enhances our ability to meet our clients’ financial needs, making possible holistic advice and competitive solutions for them, especially during major transition points in their lives. This transaction creates significant opportunities to find for capital efficiencies and to grow the united group by providing a fully integrated set of client offerings throughout SBG’s operations across Africa”.

He added: “We are creating a more united Group that will bring our banking, insurance and asset management businesses much closer together to create something really special. This will be a whole that will be much greater than the sum of its parts”.

Liberty Group CEO David Munro said, “The proposed transaction is a strong vote of confidence by SBG in the strength of Liberty’s business, its client franchise, and very importantly its adviser networks and teams of people. SBG’s banking, private client asset management and short-term insurance



capabilities will complement Liberty's strength in long term insurance and asset management, enhancing the competitive position of Liberty's offerings while facilitating the creation of a united and formidable competitor in financial services in Africa, at scale."

The Independent Board of Liberty intends to recommend that the Ordinary Shareholders and Preference Shareholders vote in favour of the Ordinary Scheme and the Preference Scheme as outlined in the firm intention announcement.

#### **Salient details of the transaction**

If the transaction is implemented, Liberty's minority shareholders will receive a cash consideration of R25.50 per share, together with 0.5 Standard Bank shares per Liberty share held. This represents a premium of 40.5% to Liberty's 30-day VWAP prior to the announcement of the transaction, and of 32.6% to the closing price on 14 July 2021.

The transaction will require the approval of Liberty's minority shareholders as well as regulatory approval across numerous jurisdictions, including the SARB Prudential Authority, the JSE, the Competition Commission and the Takeover Regulation Panel in South Africa.

The decision has been approved by the Boards of Standard Bank Group and Liberty. It was also supported by a preliminary independent fair and reasonable assessment which has been undertaken by an independent expert.

Should Liberty's minority shareholders approve the transaction, it is expected to be finalised by the first quarter of 2022. We expect that the strong alignment of Standard Bank Group and Liberty's purposes and goals should allow for an accelerated and seamless integration of the businesses. Until that point, the entities will function as two separate entities and operate on a business-as-usual basis, offering client service with minimal disruption.

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#### **Notes to Editors:**

##### **About Standard Bank Group**

Standard Bank Group is the largest African bank by assets, operating in 20 African countries and 5 global financial centres. Headquartered in Johannesburg, South Africa, we are listed on the Johannesburg Stock Exchange, with share code SBK, and the Namibian Stock Exchange, share code SNB.

Standard Bank has a 158-year history in South Africa and started building a franchise outside southern Africa in the early 1990s.

Our strategic position, which enables us to connect Africa to other select emerging markets as well as pools of capital in developed markets, and our balanced portfolio of businesses, provide significant opportunities for growth.

The group has over 50 000 employees, more than 1100 branches and over 6500 ATMs on the African continent, which enable it to deliver a complete range of services across personal and business banking, corporate and investment banking and wealth management.



Headline earnings for 2020 were R15.9 billion and total assets were R2.5 trillion (about USD170 billion). Standard Bank's market capitalisation as of 31 December 2020 was R209.4 billion (USD14 billion).

The group's largest shareholder is the Industrial and Commercial Bank of China (ICBC), the world's largest bank, with a 20.1% shareholding. In addition, Standard Bank Group and ICBC share a strategic partnership that facilitates trade and deal flow between Africa, China and select emerging markets. For further information, go to <http://www.standardbank.com>

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