

Grindrod Bank bought out

African Bank has acquired 100% of Grindrod Bank, which will allow it to accelerate its entry into the South African business-banking sector. Grindrod Bank is wholly owned by Grindrod Limited. The deal is worth R1.5 bn.



Source: Twitter. African Bank CEO Kennedy Bungane announces on radio African Bank's 100% acquisition of Grindrod Bank.

African Bank's chief executive officer, Kennedy Bungane says: "Following the release of our successful half-year results this week, our acquisition of Grindrod Bank enables us to further realise our business banking aspirations and advance our ambitions in this respect in acquiring valuable sectoral expertise and an existing customer base.

"We announced earlier this year the formation of our business banking division as part of a strategy to diversify and develop a fully-fledged middle of the pyramid business banking offering. This acquisition allows us to do that efficiently and rapidly, and we look forward to incorporating Grindrod Bank into our stable."



African Bank CEO to restore lender's original legacy

Sasha Planting 27 May 2022



Grindrod Bank chief executive officer, David Polkinghorne says Grindrod Bank, founded in 1994, has had several suitors over the years. The synergy with African Bank works well from a strategic and people perspective.

Synergy for both companies

"This is an excellent fit for both parties. The deal has strong support from the shareholders and will enable diversification and growth. African Bank has strong capital and liquidity positions to support the growth of the merged businesses going forward.

"Grindrod Bank will provide a strong entry point into the business-banking and property-finance market which will grow off African Bank's larger balance sheet and additional capital allocation. Both banks are also pursuing opportunities in the platform economy and African Bank will continue with this strategy post acquisition."

“ We are excited to announce that [#AfricanBank](#) has acquired 100% of Grindrod Bank 🎉🎉🎉🎉 Our audacity to believe will see us realise the dream of being a bank for the people, by the people, serving the people! [#AudaciousGrowth](#) [pic.twitter.com/iw62WQ1hi2](#)— African Bank (@AfricanBank) [May 26, 2022](#) ”

The deal will still take some months to formally conclude and is still subject to various regulatory approvals including the Prudential Authority, the National Credit Regulator, the Competition Authorities, and the Minister of Finance. The integration of the two organisations will be measured over time to ensure immediate and continued focus on customers and growth.

Supporting entrepreneurial growth

Bungane says it is critical that African Bank amplify its business banking credentials. “We are committed to helping entrepreneurs achieve their aspirations by providing solutions that transcend the scope of banking. This means that entrepreneurs will soon have access to a support network, allowing them to focus on growing their business. “

Grindrod Limited chief executive officer, Andrew Waller says, “Both Grindrod Limited and Grindrod Bank believe African Bank, with its strategy of building a scalable and sustainable diversified offering across the consumer and business banking segments, is the appropriate shareholder to support Grindrod Bank’s growth strategy. It is a perfect fit for its employees and clients.

The sale aligns with Grindrod's long-stated intention to separate its freight and banking-services businesses.”

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