

Rennies Bank Changes its Name to Bidvest Bank

Sunday, 1 July 2007

The Bidvest Group announced today (Sunday, July 1) that it is changing the name of its specialist banking business, Rennies Bank Limited to Bidvest Bank Limited with effect from July 1 2007.

Rennies Foreign Exchange, a division of Rennies Bank that has built a reputation as one of the market leaders in travel foreign exchange and allied banking services, will continue its focused operation, as in the past. However, as a result of the name change, Rennies Foreign Exchange will become a division of Bidvest Bank.

Bidvest Bank's diversification will reposition the bank by providing a broader range of banking products and services that include corporate and retail foreign exchange; a WIDE range of savings, deposit and investment options and short-, medium- and long-term loans and funding to corporate and private customers.

South African-based Bidvest will support the expansion strategy with a multi-media advertising campaign across both the consumer and corporate markets.

Bidvest is a JSE-listed international trading and services group represented in Africa, Europe and Australasia . It is one of South Africa 's largest listed groups with nearly 100,000 employees and close to R90-billion in annual revenue.

Bidvest chief executive Brian Joffe said: "For seven years we have laid the groundwork for strategic expansion into general commercial banking. Today we are ideally placed to leverage the strengths of two exceptional brands – Bidvest and Rennies Foreign Exchange – at a time of growing demand for customer-focused banking.

"We have held a full banking licence since 2000 and have grown a niche bank into one of South Africa 's leading providers of travel foreign exchange, corporate foreign exchange, trade finance and related banking activities. We have credibility, a track record and a substantial client-base, but further growth requires a broader product platform.

" South Africa is on track for 5% sustainable GDP growth. We believe the new middle class will entrench its recent gains, indicating to us that it is time to expand the product range without losing focus on the successful core specialist niche banking. We see substantial long-term potential as a provider of a much wider spectrum of financial services to the market."

In recent years, Rennies Bank has produced pleasing results, generating organic growth in profitability and assets. The bank has a very strong balance sheet and has built a platform for a new step up in its level of performance going forward. Bidvest Bank is a wholly owned subsidiary of Bidvest which has an AA-(zaf) credit rating. Bidvest has earned its reputation through exceeding its customers' expectations – a model that has been successfully implemented for the past 19 years. With the backing of Bidvest, the bank will continue the philosophy of providing the best service, along with excellent returns to the South African market.

Bidvest Bank managing director Alan Salomon believes the timing is ideal.

Salomon explained: "The country is generating sustainable growth and the economy will remain buoyant post the 2010 Soccer World Cup. The World Cup will be an important event and the bank will benefit from the opportunities generated by the build-up to this significant sporting event.

"Market research shows demand for banking products is rising as the consumer shares in the growth of the South African economy and benefits from higher disposable income.

"Last year, the growing black middle class added another R60 billion to the economy. This indicates there is plenty of room for another player in the financial services sector."

Salomon acknowledges that market growth has been accompanied by consumer criticism of banking services and costs in South Africa . Furthermore, the authorities are concerned about the failure of institutions to build a savings culture across the broad mass of the population.

He added: "We will support efforts to reverse the drift into dissaving by developing new saving, deposit and investment options guaranteed by Bidvest. At the same time, we will transfer into commercial banking the same standards of client service set by our parent, Bidvest.

"Our compliance, systems and people have proved themselves in testing competitive situations. Activities already include all the key banking functions. We will expand the base in a phased, controlled and judicious manner, ensuring optimum client service every step of the way."

The current service offering includes travel foreign exchange, corporate foreign exchange, corporate card solutions, trade services; a broad range of savings, deposit and investment options; and short-, medium- and long-term loans and funding to corporate and private customers.

Bidvest Bank has 60 branches in all major centres and plans to roll out more in the short term.

Bidvest recently acquired the business of Master Currency, a profiled company in the travel related foreign exchange market. Master Currency has 20 branches in prime locations in all the major centres and airports Through Bidvest's investment in the bank, Rennie's Foreign Exchange and Master Currency it has a direct presence through 80 branches servicing the growing number of inbound and outbound travellers that will peak during the 2010 Soccer World Cup.

Salomon noted: "The bank's infrastructure and retail base is in place. Our first priority will be to raise the profile of our deposit and lending products and services.

"Bidvest's new banking campaign will be launched during July to introduce our product offering to a wider market segment. We believe prospective customers will be pleasantly surprised by what we have to offer."