



African Bank goes retail

The bank has an arrangement in place with Sanlam to offer more products to customers

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AFRICAN Bank says it will build the institution into a retail bank, launching with an equity base of R10bn and a cash position of about R24bn.

CE designate Brian Riley said yesterday the bank believed it could implement an appropriate strategy with the correct tools, skills set and solid capital foundation to build the business into a successful retail bank.

The bank intends to launch on April 4. The surplus cash, in conjunction with restructured wholesale funding arrangements, will enable the bank to build a track record without the need to raise funds for a number of years, Riley said. The bank will continue to offer loans to consumers and will diversify to offer a broader range of financial products and services with added value for customers.

"We intend to provide more value than is expected by consumers, which will help us attract higher-income and lower-risk customers in addition to recovering some of the better customers we lost during curatorship.

"We will also increase the channels of connection with the bank and seek to partner with other service providers,

where it makes sense," Riley said.

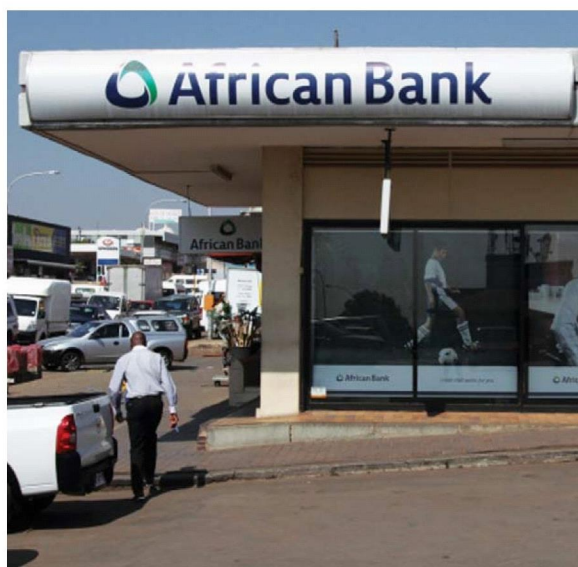
The financial institution and Sanlam have agreed on an initial arrangement to test the viability of offering a broader range of insurance products and services within the bank's branch network. Sanlam will bring an established and trusted brand to consumers, where FAIS-accredited Sanlam representatives will provide financial advice and a range of financial solutions.

The proof of concept will establish the viability of providing financial solutions to consumers within the bank's physical banking channel.

Should this pilot phase deliver the kind of value to customers that is envisaged, the long term sustainable benefits to other stakeholders will be assessed. This strategy is part and parcel of the determination to place the customer at the centre of everything that the institution does.

A longer term objective is to also offer consumers transactional banking services. This means that consumers will be able to deposit their salaries and undertake day to day retail banking transactions through the bank.

"We intend to make the offering a compelling alternative when we launch it in 2017," Riley said. "The development



MAKEOVER: African Bank returns to retail banking with additional services from Sanlam and launches on April 4. PICTURE: GETTY IMAGES

of transactional banking services will also bring a new pillar of funding to the bank, being the ability to attract

a significant amount of retail deposit funding," Riley said.

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