

Dlamini-Zuma sets stage for launch of new bank in South Africa

South Africa is poised to introduce a new bank.

 By [Katja Hamilton](#) 13 Mar 2024



Source: Wikipedia. Nkosazana Dlamini-Zuma, the Minister of the Department of Women, Youth and Persons with Disabilities.

Seeded by a [ministerial launch](#) in January this year, the operations of the SA Innovative Financial Services Cooperative (SAIFSC) are due to kick off this July.

That is if it is able to get its license from the Prudential Authority.

This is according to the Department of Women, Youth and Persons with Disabilities (DWYPD) that made [the announcement](#) at The Multi-Party Women's Caucus (MPWC) last week.

It confirmed the department submitted the SAIFSC's application package to the Prudential Authority (PA) on 3 January 2024, and that it is going through a vetting process.

In September last year, Nkosazana Dlamini-Zuma, DWYPD's minister, [told the](#) MPWC that her department had taken note that women, youth and persons with disabilities tend to be excluded by the financial institutions regarding access to financial assistance.

Based on that, she said the department decided to initiate a bank owned by these groups of people.

Women in agriculture, mining, tourism, ICT, construction and energy have shown interest in joining SAIFSC, the [department said](#).

Dlamini-Zuma was not present at the 7 March MPWC.

Cooperative vs. State bank initiatives

The caucus was chaired by deputy chair of the ANC Women's League, Kate Bilankulu.

At this gathering, the department clarified that the new bank is not a co-operative bank, but rather a financial services co-operative, which is owned and operated by its members, and not directly by the state.

This is in contrast to Postbank, which is due to have its licensing for operations as South Africa's first state bank finalised the 2024/25 financial year. This follows Ramaphosa's enactment of the Postbank Amendment Bill in September 2023, wherein Postbank's ownership from the South African Post Office has been officially transferred to the government. (The became active law in the country on 19 February 2024.)

Unlike traditional banks, which are typically owned by shareholders and operated to generate profits for those shareholder SAIFSC is owned and controlled by its customers or members, who are also the depositors and borrowers.



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In this case, SAIFSC's members are associations that work with women, youth and persons with disabilities, or individuals who are members of such associations.

Already, four savings products and four credit products have been developed. The DWYPD said SAIFSC would cater to members operating in poor, rural areas.

SAIFSC enters cooperative landscape

Once given the green light, SAIFSC will join the ranks of other financial services cooperatives among them The South African Savings and Credit Co-operative (SASCCO), The South African Co-operative Banking Association (SACBA) and The National Association of Co-operative Financial Institutions of South Africa (NACFISA).

[Statistics](#) show there are 41 banks in the country made up of 14 local commercial banks, 13 foreign banks, four foreign-controlled local banks, three mutual banks, and seven cooperative banks.

The qualification figures for SAIFSC's bank application are 200 members and an entry-level R100,000.

[To date](#), SAIFSC has recruited 429 active members and a balance of R278,698.

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