

Capitec named world's best bank

 By [Nicci Botha](#)

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When Capitec entered the market in 2001, its unconventional business model probably raised some eyebrows as to whether it would survive against the country's big four banking institutions.



Gerrie Fourie, CEO: Capitec Bank has reason to smile about his bank's performance

But today the eyebrows were raised for another reason, with Capitec being named the top-ranked bank in the world in the inaugural Lafferty Bank Quality Ratings, an independent star-rating of 100 of the world's largest quoted banks in more than 20 economies worldwide by a global banking advisory group.

Never gone off course

"This rating is all about delivering on brand promises and we do deliver. Capitec Bank has always had a very clear vision and strategy – to provide simpler and more transparent banking to the people of South Africa – and we have been very single-minded about achieving this goal since we launched. We've never gone off course."

"We make our customers' financial lives simpler and safer through useful mobile and online tools, client-centric branches, more ATMs, and by providing the most cost effective way to shop in South Africa – swiping a Capitec card. We have worked hard to earn the trust of our customers and we won't stop – we'll keep striving and trying to be better," says Charl Nel, head of communication.

Taking on the big boys

Major international banks such as HSBC, Deutsche Bank, Goldman Sachs, JPMorganChase, UBS and WellsFargo, and South African banks Nedbank, Standard Bank, Barclays (Absa) and FirstRand, were included in the rating by The Lafferty Group, a global banking advisory group with a footprint in 150 countries over the past 30 years. The only other South African bank in the top 10 is Barclays Africa.

The star rating out of five uses a combination of financial and non-financial disclosures in a bank's latest annual report to determine the quality of the organisation and its business model, including strategy, culture, customer satisfaction, "living the brand promise" and other criteria.

Strong financial results

As if to validate the title, Capitec's annual results for 2015/16 showed an increase of active client numbers by 1,03m, to a total of 7,3m for the year to 29 February 2016. This bolstered headline earnings to R3,2bn for the financial year ended February 2016, up 26% on the previous year.

Net transaction fee income increased by 16% to R3bn, notwithstanding a 60% decrease in interchange fees on card purchases during the year. The value of credit advanced increased by 25% year on year, to R24,2bn.

The number of branches the bank has opened increased by 52 to 720, and the number of ATMs by 287 to 3,705 for the year. The bank has also introduced cash recyclers so that smaller retailers can do cash deposits at very low cost. This reduces the overall cost of redistributing cash in the system

Future plans

"We'd like to launch a credit card in the not too distant future. We are also on a drive to show people how they can bank better to live better, so that they can save more money and be more financially secure during tough economic times," concludes Nel.

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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