

# Bank Zero granted provisional mutual banking licence by Sarb

If its application is granted final approval by the South African Reserve Bank (Sarb), Bank Zero will become the country's fourth mutual bank alongside Finbond, GBS and VBS, and joins a growing litany of new financial institutions operating in the South African market.



Michael Jordaan. Photo: Invenfin.com

Founded by former FNB heavyweights, Michael Jordaan and Yatin Narsai, the app-driven bank will be subject to the Mutual Banks Act and will not offer a full suite of banking products, as with commercial banks such as Standard Bank and Absa.

According to a press release: "The mutual banking concept mirrors current social media trends and benefits customers by allowing for the support and creation of financial communities. It also provides for a capital-efficient framework, and Bank Zero will be sharing the subsequent cost benefits with its customers (both businesses and individuals)."

Businesses, individuals, families and communities will benefit through Bank Zero's products and services which are in tune with modern day realities, says Jordaan. "Facebook, WhatsApp, Twitter and Instagram are the new normal for societies. Why shouldn't banks also innovate in this era of wider connectedness whilst still ensuring a robust banking value proposition?"

The 45% black-owned bank is set to launch in the fourth quarter of 2018.

Discovery and Tyme Digital were also recently granted banking licences by the Sarb, changing the country's banking landscape which has long been dominated by the Big Four retail banks – Absa, Standard Bank, FNB and Nedbank.

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