

26 March 2020

BANKS RESPOND TO COVID-19: KEEPING ESSENTIAL BANKING SERVICES OPEN, PROTECTING OUR STAFF AND HELPING OUR CUSTOMERS

South African banks strongly support the decisive leadership of President Cyril Ramaphosa and his government in the effort to protect lives and slow the spread of Covid-19. Banks play a vital role in the economy and accept that as a designated essential service it is their duty to remain operational and accessible, and to support their customers and ensure their safety - alongside that of our staff - during these challenging times for all South Africans.

This was the focus of discussion when the Board of the Banking Association South Africa (BASA) met on 25 March to consider the industry's response to the Covid-19 pandemic and the lock-down announced by President Ramaphosa. At the request of BASA, the Minister of Trade, Industry and Competition published Government Gazette Notice 11058, which allowed banks to have a collective discussion on how to strengthen their response to the Covid-19 pandemic.

Banks have been declared an essential service during the 21-day lockdown in terms of the regulations issued to give effect to the declaration of a State of National Disaster. BASA members have agreed to do all in their power, while operating within the relevant regulatory frameworks, to responsibly support their customers and preserve the safety and soundness of our financial system.

- All essential banking services will remain open during the lockdown to ensure clients can continue to access financial services. All call centres, ATMs and point of sale (POS) devices will be operational.
- Banks will waive Saswitch penalty fees. Customers can use any ATM and only pay the usual fees charged by their bank. Customers will be notified once this comes into operation. Teams are working on it as a priority.
- Customers are encouraged to transact at ATMs and from their homes – by internet and with smartphone applications - wherever possible, and only visit branches when absolutely necessary.
- Banks will keep open as many branches as necessary. Branches may have less staff than usual and customers are asked to be patient and engage in a manner that protects the health and safety of staff and other customers. Staff and customers are advised to practice social distancing in branches.
- All bank staff performing non-essential services and those who can work from home have been allowed and enabled to do so. The number of staff who will have to work in offices, call centres, data centres and branches will be kept to the minimum and all World Health Organisation (WHO) protocols will be observed.

The banking industry reaffirms its commitment to assist its customers in these difficult times and is working with regulators and government to maintain the strength and stability of the financial sector. We welcome the announcement by the South African Reserve Bank (SARB) of monetary policy interventions which will assist customers, while maintaining the soundness of the financial sector.

Banks will work within current regulations to assist customers. BASA will have ongoing discussions with the National Treasury and the SARB, among others, to evaluate the possible further relaxation of regulations, if necessary.

We strongly encourage all customers to continue to meet their banking and financial services obligations wherever possible. Customers in good standing - those that were up to date with commitments and have historically conducted their relationship with banks responsibly - who experience financial challenges as a result of Covid-19, should contact their banks who will, on a case-by-case basis, assist with appropriate solutions. These solutions could include suitable payment deferrals, the restructuring of debt, the provision of small and medium enterprise (SME) bridging finance and liaising with government and others who are providing additional support mechanisms.

Particular attention will be given to those sectors likely to be most vulnerable in the current circumstances. Banks are investigating ways to assist customers on an industry and collaborative basis wherever possible.

The Board of BASA would like to express its gratitude to the staff of all the banks who will continue serving the public during this very trying period. You are part of the national effort our President has called for to defeat this virus.

ENDS

Issued on behalf of The Banking Association South Africa

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