**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NO: 903**

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**QUESTION PAPER NO: 09**

**DATE OF REPLY:**

**Ms V Ketabahle** **(EFF) to ask the Minister of Telecommunications and Postal Services:**

1. Does the Post Bank have a banking licence; if not, (a) has the Post Bank applied for a banking licence and (b) how long will it take to complete the process of approving the application;
2. If an application was already submitted, (a) how long ago was the application submitted and (b) what has been completed for the application already?

**NW985E**

**REPLY:**

**I have been informed by the SOUTH AFRICAN POST OFFICE (SAPO) as follows:**

1. The South African Postbank Limited “Postbank” does not have a banking license but it has been exempted from the provisions of the Banks Act as a deposit-taking institution.
2. Yes
3. The timeframe to grant the banking license is determined by the South African Reserve Bank (SARB) and there is no prescribed period in which to grant the license.
4. There are two layers to the banking license application process and the applications for both layers have already been submitted to the SARB.
5. The first layer entailed the lodgement of the application with the SARB for authorisation to establish the bank as required in terms of section 12 of the Banks Act on 05 September 2013. The authorisation was granted to SAPO on 04 July 2016 wherein Postbank was given a maximum of 12 months (1 year) to comply with the set conditions before it could accordingly submit an application for the banking licence. The set conditions were duly met within the set timelines. The actual application to register Postbank as a bank was then lodged with the SARB on 26 June 2017 (ahead of 3 July 2017 deadline) in terms of section 16 of the Banks Act.

1. Achievements to-date:

A critical milestone was achieved when SAPO was granted approval in terms of the Banks Act to establish a Bank and was given a maximum of 12 months to comply with the conditions and accordingly submit an application for the banking licence. The met conditions included:

1. Minister’s determination of the split of Assets & Liabilities between SAPO and Postbank based on completion of independent audits.
2. Submission of the five-year financial forecasts for Postbank to the SARB.
3. Minister’s appointment of the initial Postbank Board: Initial Postbank Board appointed on 01 April 2017 following completion of:
   * + Onerous bank regulatory assessments processes: Fit and proper assessments of the prospective board members conducted by both the independent auditors and the SARB;
     + Concurrent Ministerial approval process (Telecommunications and Postal Services Minister and the Finance Minister); and
     + Cabinet approval process.
4. The appointment of the initial Board enabled the incorporation of the Postbank Company with the [Companies and Intellectual Property Commission](http://www.cipc.co.za/) (CIPC) on 19 April 2017

SARB is busy adjudicating on the actual banking application. Parallel to adjudication process, the Department of Telecommunications and Postal Services, the National Treasury and SAPO have been working together to address some of key challenges. These involve:

* Agreeing on the optimal bank controlling company structure for Postbank.
* Alignment of the Banks Act with the Companies Act to enable state owned entities [Postbank and its bank controlling company (BCC)] to be registered as a bank and BCC respectively.

**Approved/ not approved**

**Dr Siyabonga Cwele, MP**

**Minister of Telecommunications and Postal Services**

**Date:**