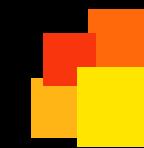


INTEGRATED REPORT

2024



THE BANKING
ASSOCIATION
SOUTH AFRICA





MANDATE

The Banking Association South Africa (BASA) advances the interests of its members, so that banks are better able to provide the financial services that support inclusive economic growth, good governance and environmental and social sustainability in South Africa.

As the national association of domestic and international banks, licenced to operate in South Africa, BASA:

- Advocates the views of the banks on legislation, regulation, and social and economic issues that affect the industry.
- Facilitates the sustainable transformation of the banking industry.
- Promotes inclusive economic growth by working with legislators, regulators, as well as other business associations and stakeholders, to establish a stable and conducive policy and business environment.
- Helps find sustainable solutions to the challenges of poverty, unemployment and inequality by mobilising the skills and resources of the industry.
- Hosts the Southern African Development Community Banking Association (SADC BA), which works with regulators to strengthen the integrity and efficiency of banking services in the region.

As an industry association which represents those banks licenced to operate in South Africa, BASA is not able to resolve customer complaints involving its members. Customer complaints about banking products and services can be referred to the National Financial Ombud Scheme (NFO) at www.nfosa.co.za.

DIVISIONS



MARKET CONDUCT

Protects and promotes the interests of the banking industry regarding legislation and regulation that affects bank customers and clients.



PRUDENTIAL

The Prudential Division represents the interests of the banking industry to the local and international authorities who are responsible for prudential regulation and financial stability. As part of the global financial system, South Africa has had to adopt a host of global standards and best practices, to maintain its access to international financial markets.



PAYMENTS

The National Payments System (NPS) is an operational and legal system that people, businesses and the government use to transfer money to each other, to pay for goods and services and draw cash.

The BASA Payments Division works towards the sustainability and modernisation of the NPS through research, nurturing collaboration between its stakeholders and advocating the interests of the banking industry.



FINANCIAL INCLUSION AND PUBLIC POLICY

The Financial Inclusion and Public Policy Division (FIPP) represents the interests of the banking industry regarding policy, regulation and legislation, aimed at the social and economic development of the country, which affects the business of banking. The division brings together the affordable housing, agriculture, sustainable finance and financial inclusion departments.

Financial Inclusion is responsible for small business development, financial education and transformation, among other social and economic development initiatives supported by BASA. FIPP is responsible for coordinating and leveraging banks' skills and resources – to strengthen their contribution to the national and business imperative of inclusive economic growth.

The division also leads liaison with government departments and agencies, which are not directly responsible for the regulation of banks and other financial service providers.

CONTENTS



4

CHAIR



9

MANAGING DIRECTOR



13

PARLIAMENT



21

FRAUD AND SCAMS



26

SUSTAINABILITY



27

GOVERNANCE



28

FINANCIAL STATEMENTS



CHAIR

MARY VILAKAZI

The global economy faces significant political, policy and economic uncertainty. It follows in the wake of the United States (US) decision to impose heavy tariffs on its trading partners, as part of the Trump administration's efforts to reset US relations with the world. Despite the US administration's decision to pause the implementation of some of the new tariffs while it negotiates individual trade deals with each country, significant uncertainty and volatility persists.

Uncertainty undermines investor, business and consumer confidence, which deters economic activity, economic growth and social development. The outlook for the global economy and international trade in the coming year has been revised weaker.

The International Monetary Fund (IMF) expects **global growth to slow to 2.8% in 2025**, in part due to escalating trade tensions.

While South Africa is by no means the only country challenged by the new US administration and the weak global economic outlook, it is in some ways particularly vulnerable. Beyond the perceptions of South African policy within parts of the US administration, we must consider the impact on bilateral trade from increased tariffs on South African exports to the US and the loss of preferred access to its markets under the African Growth and Opportunities Act (AGOA). While the overall impact on South African exports may be limited, specific industries - like agriculture and automotive - will be harder hit, and there will be knock-on effects into the broader economy, which could lead to supply chain disruptions and job losses. In its latest Monetary Policy Review, the South African Reserve Bank (SARB) warns that increased global tariffs are likely to keep borrowing rates high and hamper economic growth.

As in other disruptive periods, South African banks will have to do what they can to help their customers.

The South African government has taken steps to engage with the US administration on some of its concerns, which is welcome. As has been pointed out by the SARB Governor, Lesetja Kganyago, among others, South Africa is not able to engage in trade wars and must remain committed to reducing and eliminating tariffs and strengthening multilateral trade organisations.

Perhaps even more important than engaging the US, is finding new markets for South African goods and services. The African Continental Free Trade Area (ACFTA) is an emerging channel that presents opportunities for South Africa to increase its exports. Many South African banks are expanding their services in Sub-Saharan Africa, which has been a major source of growth, despite regulatory challenges, economic constraints and currency volatility.

The Middle East and Asia present possible new markets for South African agricultural goods, however new trade deals can take years to negotiate. In the meantime, it is important for South Africa to rapidly increase the pace of its economic reforms and establish policy and political stability, to strengthen the domestic economy and better enable its companies to compete in international markets.

The partnership between business and government has led to a significant improvement in energy security, progress on upgrading the logistics system and adding capacity to the country's anti-crime and corruption efforts. The inefficiencies at local government level, which increases the cost of doing business for companies and is a source of social unrest, are now high on government's agenda.

Unfortunately, what has been achieved by these initiatives so far, is not enough. After the disruption of global trade, the IMF now predicts that the South African economy will only grow by one percent. The consequences for the country's unemployment rate and finances are material. Low economic growth makes it progressively harder to raise taxes to service debt and address persistent social inequality.

What is required are pragmatic policies that help create a more conducive business environment that will encourage investment. More tax will come about through increased business activity, which must be accompanied by better revenue collection. Fiscal discipline and a reduction in unlawful and wasteful expenditure, will also do much to shore-up the country's finances and improve service delivery aimed at improving the lives of the most vulnerable.

The Government of National Unity (the GNU) created an expectation of greater political consensus and stability; a more responsive, accountable government; and faster economic reforms. The uncertainty about the long-term sustainability of the GNU is weighing heavily on confidence in South Africa's economic prospects.

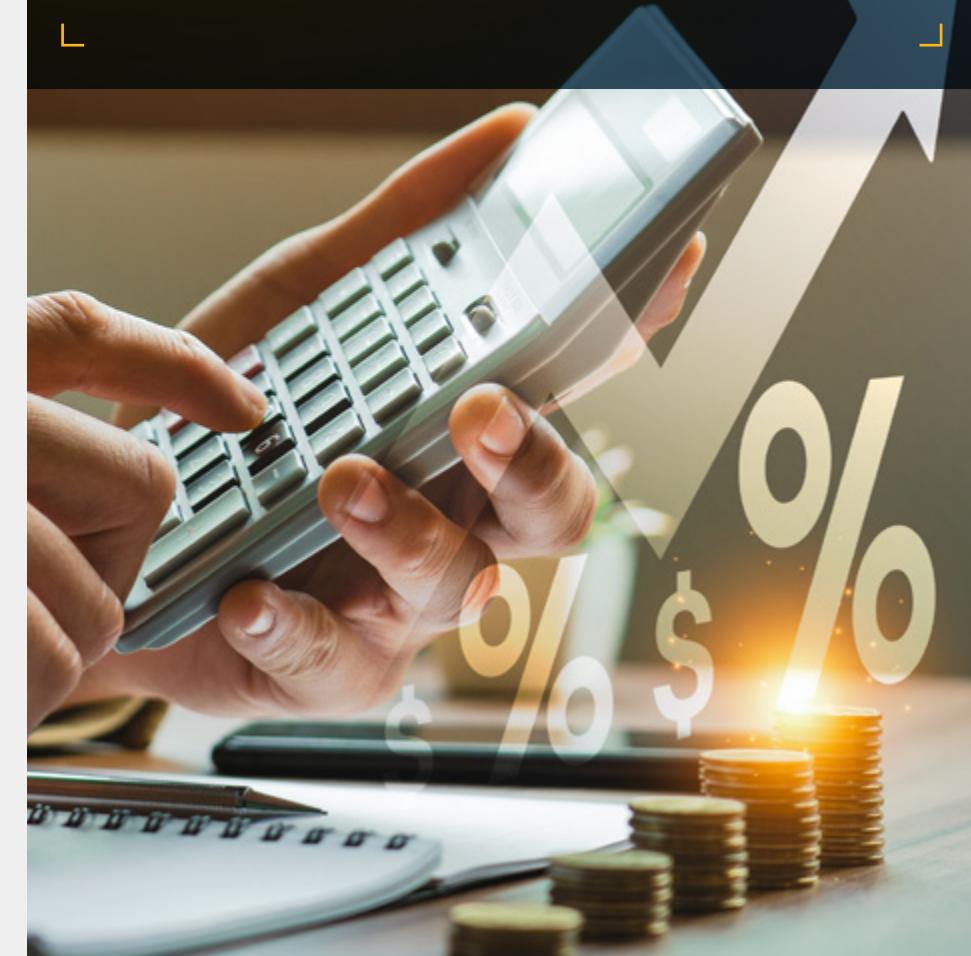
More important than political agreements about the division of power in the GNU or how it will operate, is that the participants must put the national interest front and centre. South Africa's national interest is good governance and faster economic growth.

Gross public debt, a measure of the country's financial health, is estimated at

76% of gross domestic product (GDP).

This debt will cost South Africa almost

R450billion in interest payments,
in 2025.





The hosting of the Group of 20 (G20) countries – an intergovernmental forum of the world's most significant economies - is an opportunity to promote South Africa as a business and investment destination, and for the country to be a leading partner on issues such as financial stability, financial crime, climate change mitigation and sustainable development. International efforts to manage these challenges have a profound impact on the global and domestic regulatory environment of South African businesses and their operations. It is important that South Africa uses this opportunity to ensure that global environmental, social and governance regulations appropriately provide for emerging markets to transition to sustainability, while also addressing their social and economic needs. BASA and its member banks have committed time and resources to ensuring the success of the G20 and the B20 (the official G20 forum for dialogue with the global business community).

Despite the domestic and international uncertainty, South African banks are well-positioned to manage the coming months and years. In its March 2025 Major Banks Analysis, PwC commented:



The major banks' balance sheets remain anchored by robust capital and liquidity positions, with solid buffers beyond regulatory requirements. South Africa's major banks are well-positioned to balance short-term challenges with medium- to long-term growth opportunities. Leveraging their track records of resilience and innovation is likely to guide their value propositions for customers and stakeholders in a highly complex and uncertain operating environment.



Another indication of the health of the banking industry is the number of new entrants, that has resulted in customers benefiting from increased competition, which is encouraging innovation and driving down bank fees.

Protecting customers from fraud and scams is a priority for banks across the world. Banks in South Africa are responding to fraud with layered, technology-driven defences that protect customers without compromising convenience. Importantly, these investments are not only about protecting customers, but also about reinforcing trust in the financial system.

South Africa's world-class banking regulation has long been a competitive advantage for the country and its financial sector. I am pleased that BASA continues to contribute to this by advocating the views of the banking industry with its regulators, to ensure that regulation is effective and sustainable. Another hallmark of the industry is its commitment to the country, as the sector provides expertise and resources to government, among others, in partnerships aimed at resolving national challenges.

The Government-Business Partnership on Tackling Youth Unemployment has identified the importance of Small and Medium Enterprises (SMEs) in helping to create jobs and livelihoods for all South Africans, and especially for young people.

The current regulatory and institutional framework can often constrain banks' ability to assess credit applications, BASA continues to collaborate with government and regulators to address shortcomings and enhance credit information and credit assessments.

BASA remains cautiously optimistic that, by October 2025, South Africa will be removed from the Financial Action Task Force (FATF) grey list of countries that have limitations in their capacity to fight financial crime and terrorism funding. However, the country must still demonstrate a sustained ability to investigate and prosecute complex financial crimes and the financing of terrorism related activities. This is still a cause for concern, given prevailing weaknesses in South Africa's criminal justice system. BASA has assisted by partnering with government to strengthen the forensic and financial crime analysis capability of the Directorate for Priority Crime Investigation (the Hawks), among other initiatives.

BASA wishes to thank the Standing Committee on Finance and the Portfolio Committee on Trade, Industry and Competition for the opportunity to engage with the committees on 4 February 2025. It was a valuable opportunity for us to place on public record the sector's commitment to the social and economic development of South Africa.

Our key messages included:

- Banks hold in trust their customers' earnings, savings and investments. Banks are heavily regulated to protect these deposits and ensure that they are utilised in a responsible manner.
- Banks are committed to the sustainable transformation of the industry and the economy, and the empowerment of the majority of South Africans.
- Banks treat their customers fairly. Customers have recourse to ombuds and the law when they feel this is not the case.



SME retail lending by banks reached over **R274 billion in January 2025**, according to the SARB.

In a warning to his country, the Prime Minister and Minister for Finance of Singapore, Lawrence Wong said:



No one can say how the current situation will unfold in the coming months or years. But we must be clear-eyed about the dangers that are building up in the world. Global institutions are getting weaker; international norms are eroding. More and more countries will act based on narrow self-interest and use force or pressure to get their way. This is the harsh reality of our world today. But we must brace ourselves for more shocks to come. I am sharing this with you so that we can all be mentally prepared.



I would like to take this opportunity to thank my colleagues on the BASA Board, the representatives of our members who serve on the many BASA committees, and the staff of BASA, for the work done in the past year. With cool heads, we will find our way past these turbulent times, to the new opportunities which lie ahead.



MANAGING DIRECTOR

BONGIWE KUNENE

Financial institutions in South Africa are closely regulated to protect South Africans' savings and ensure responsible lending for personal loans and the funding of economic activity in the country.

The Banking Association South Africa (BASA) and its members support the intent of financial regulation and work with industry regulators to ensure regulation is practical, effective and sustainable.

They comply closely with legislation aimed at ensuring customers are treated fairly, preventing money laundering and financial crime and ensuring the stability of the country's financial system. If banks do not comply, they face severe financial penalties – and could even lose their licence to operate.

But banks do not adhere to the law because of the fear of penalties. It is a hallmark of the South African banking industry that it often goes beyond what is required of it, making its expertise and resources available in partnerships, to resolve national challenges.

CODE OF BANKING PRACTICE

The Code of Banking Practice (COBP) is a guide that aims to help individual customers and small businesses better understand their rights. It empowers customers to make the best use of bank products and services and make sure they are treated fairly. It is an important contribution to financial education and inclusion by banks.

The COBP reflects the banks' commitment to standards of service and conduct. It confirms that fairness, transparency, trust, accountability, integrity and reliability will guide banks' relationships with their customers. BASA and its member banks have updated an earlier version of the code, to ensure that banks' commitments to their customers remain in line with applicable law, including the Financial Sector Conduct Authority's (FSCA) Conduct Standard for Banks. The updated code comes into effect from 01 July 2025.

The code reflects among others, banks' responsibilities to:

- Provide suitable, clear advice about a bank's products and services, taking the needs and circumstances of customers into account.
- Ensure that customers' enquiries and transactions are dealt with.
- Not discriminate unfairly when providing banking services or products, or in their quality and terms of services.

Bank staff are receiving training on their responsibilities to customers, under the code. The code is extensive and covers most customer interactions with banks. Importantly, it also sets out customers' responsibilities to banks, including truthfully and accurately disclosing all relevant information in account applications, taking reasonable measures to prevent fraud or theft from an account, and informing their bank as soon as possible when experiencing difficulties in meeting their financial obligations.

Banks will also promote awareness of the code amongst their customers. Where customers feel that banks are not living up to the code, banks have various channels to assist with complaints. In addition, the banks accept and acknowledge the jurisdiction of the National Financial Ombud Scheme South Africa (NFO). Any customer with a complaint that cannot be resolved by a bank may approach the NFO for free assistance, where it falls within their jurisdiction. The NFO can adjudicate complaints and make binding determinations based on the code from 01 July 2025.

BASEL III

The Basel framework is a global set of international banking regulations designed to strengthen the international banking system and prevent financial crises. Overall, the original Basel III framework succeeded in building a high degree of resilience in the global banking system. The South African Banks Act and its regulations are aligned with the Basel framework.

The Basel framework requires that banks maintain sufficient capital and liquidity to repay depositors and investors, with interest, on demand. However, the more capital banks hold, the less they have available to extend credit and finance activity across the economy. There is a trade-off between financial stability and economic growth and the implications of this for the development of different economies, must be considered.

In South Africa, the Prudential Authority has proposed that the final set of the post-crisis Basel III reforms (Basel 3.I) be implemented on 01 July 2025.

The reforms focus on increasing bank capital requirements, particularly for large banks, and standardising how they calculate and manage risks. One of the key objectives of the Basel 3.I framework is to restore credibility in banks' calculation of risk-weighted assets by constraining banks' use of internal risk models. Key components of the proposed reforms include the revised operational risk framework and the revised credit risk framework. These reforms are expected to have a significant impact on the business and operations of banks. As a result, some jurisdictions, including the European Union and the United Kingdom, have chosen to delay the implementation of the Basel 3.I framework. Others, like Japan and Canada are going ahead.

Of major concern for BASA and its members is that unless the Basel 3.I is simultaneously implemented across jurisdictions, some banks will have a regulatory regime that makes it easier to lend and manage their risk. BASA is engaging with the Prudential Authority about these concerns.



EXPROPRIATION ACT

BASA recognizes the legacy of the past and the need to address inequalities in our country. BASA is fully supportive of land reform policy and legislation that fulfils the intent of our Constitution and address the need for land among many South Africans.

The Expropriation Act was promulgated in January 2025 and will come into operation on a date still to be proclaimed. The Act was promulgated after a long process of public consultation, in which BASA actively participated since its early stages as a bill.

There are specific provisions of the Act that require further clarification, which must be addressed through the accompanying regulations to ensure legal clarity and consistency in application.

If the value of mortgaged property is reduced by expropriation to nil compensation or below market value, it will reduce the capital against which banks can extend credit for entrepreneurs and personal development. This, in turn, would undermine the financial sector's ability to support critical economic activities and inclusive growth.

BASA strongly urges that the regulations accompanying the Act be developed through meaningful, fair, open and thorough public consultation. BASA is committed to participating in meaningful industry engagements and collaborating with stakeholders to protect the property rights of all South Africans, and pursue economic growth and development.

FINANCIAL INCLUSION

At least 91 per cent of South African adults have been formally included in its financial system, with only about 2.9 million still excluded. Of those included, 81 per cent have a bank account, according to the National Treasury draft consultation paper, 'An Inclusive Financial Sector for All'.

But the paper also notes that while:



the headline data on financial inclusion in South Africa reflects positively on the country's achievements in this area over the last decade...financial inclusion levels have not adequately translated into improvements in the quality of life and economic environment of low-income South Africans". The 2025 FinScope Consumer Survey arrives at a similar conclusion that "high financial inclusion does not automatically translate to financial well-being.



The BASA Financial Inclusion and Public Policy (FIPP) Division and Market Conduct Division engage extensively with BASA member banks and the relevant regulatory authorities to ensure South Africans have access to appropriate financial services and financial education and to improve access to credit for small businesses, among others. Digital financial services and new credit assessment models have done much to extend the reach, flexibility and relevance of financial services and products.

However, as long as South Africa struggles with low levels of inclusive economic growth and high unemployment, demand for financial products and services will be depressed. Without income, South Africans are not able to save, insure or afford credit. According to National Treasury, if South Africa's nearly 5.3 million social grant beneficiaries are excluded from banking institutions, then only 68 per cent of adults are considered banked.

Present legislation also makes it difficult for banks to provide financial services – like credit – to those who cannot meet regulatory and formal income requirements. Banks are required to do credit assessments to ensure that loans can be repaid and they are not lending recklessly. This means the best way to meaningfully bolster financial inclusion is by increasing economic development and job creation.

TRANSFORMATION FUND

The Department of Trade, Industry and Competition (DTIC) has proposed the creation of a Transformation fund to promote economic transformation and the meaningful participation of black people in the economy and to improve access to funding for majority black-owned and controlled enterprises. BASA and its members have long supported sustainable transformation and economic empowerment.

However, in its submission on the fund, BASA observes that:



The concept paper provides no evidence of how the new fund will succeed where others have failed and does not provide a comparative analysis of existing government-backed funding mechanisms (such as the Khula Fund, Industrial Development Corporation (IDC), or the National Employment Fund (NEF) or private sector schemes (such as the SA SME Fund or Business Partners) and how the proposed Fund would differ from them or aim to complement them.

For now, the draft transformation fund concept document lacks sufficient detail on the practical implementation of the proposed model. To instil credibility in the Fund and ensure contributors have a clear understanding of the execution strategy, it is requested that more detailed operational procedures, governance frameworks, investment criteria, and performance measurement mechanisms be provided, by the IDC.



DIGITAL TRANSFORMATION

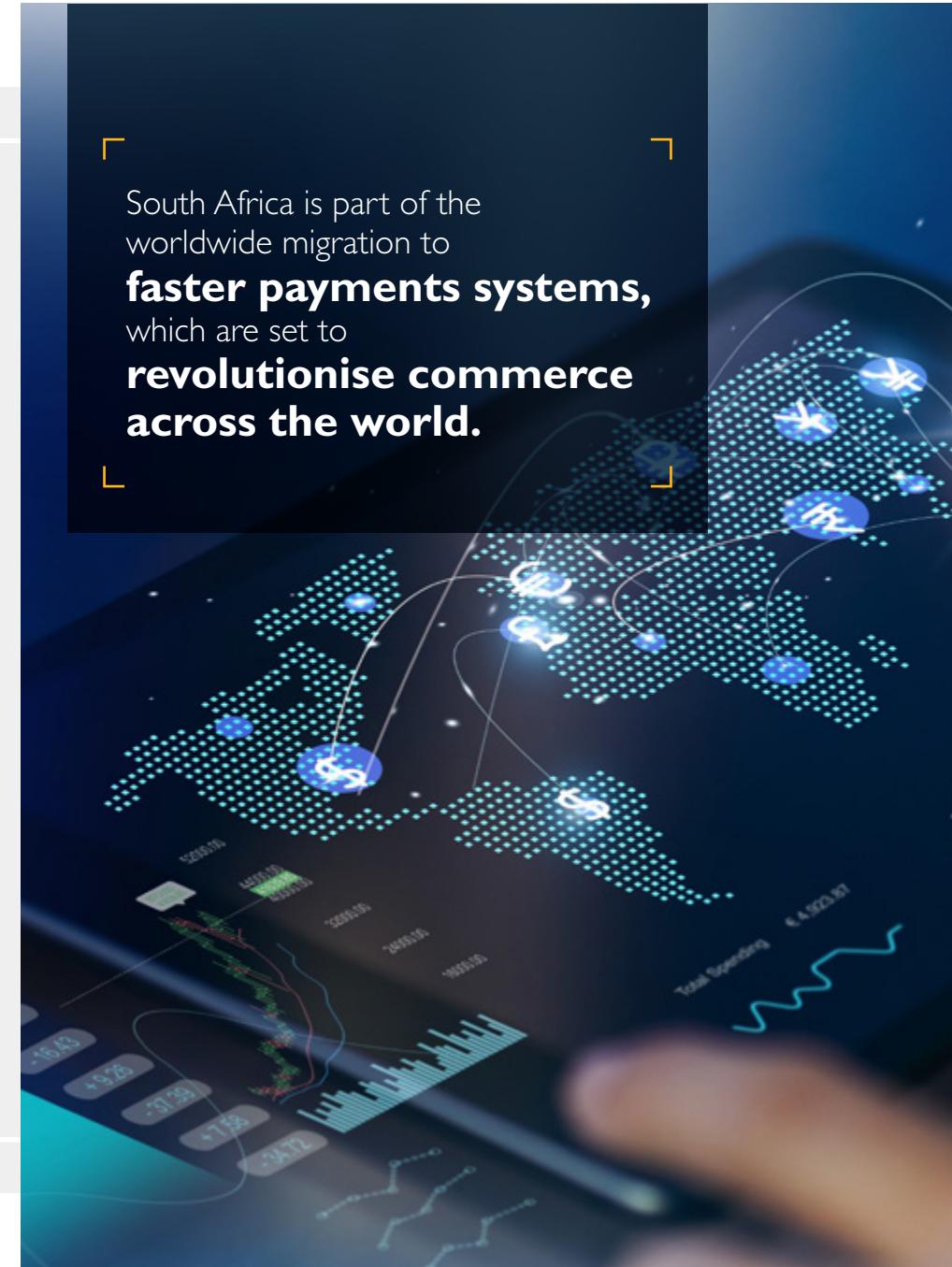
Banks support efforts towards the digital transformation of the South African economy, including the modernisation of the country's payments system. Vision 2025 is the South African Reserve Bank's proposal to modernise the payments system, by maintaining and strengthening its stability, promoting innovation and accommodating new players, to bring the benefits of digital inclusion to more citizens.

Currently, banks and other participants in the financial services industry – fintechs, retailers and telecommunications companies, among others – are collaborating on achieving Vision 2025, which has the objectives of improving financial inclusion, promoting competition and innovation, improving cost effectiveness and interoperability and increasing regional integration.

BASA and its member banks are also working with the Department of Home Affairs (DHA) to make some DHA services – like identity documents and passports – available through banks. A pilot project is underway and there are ongoing engagements between BASA, banks and the DHA to reach agreement on expanding the reach and scope of the services. Banks are still dependent on DHA infrastructure when assisting in the provision of home affairs services.

CONCLUSION

In the coming year, BASA will continue to advocate for the interests of its member banks, in a transparent and ethical manner. Public participation in the legislative process is an integral part of democracy. Industries must be able to engage and influence government policy to help create sustainable business environment and avoid any unintended consequences, of even well-intentioned policy or legislation. Policy formulation must be evidence-based and responsive to social and economic realities. Banks want to constructively engage in policy discussions, to contribute their experience and expertise to solutions that benefit all in society.





PARLIAMENT

The Banking Association South Africa (BASA) participates in Parliamentary hearings to strengthen the regulatory environment for banks and their customers in South Africa, by making submissions and proposing amendments that are based on research and evidence.

South Africa's constitution requires meaningful public participation in the legislative process, so that individuals, communities and organisations can contribute their expertise and experience to the formulation of the laws and policies that affect them.

On 04 February 2025, BASA presented to Standing Committee on Finance and the Portfolio Committee on Trade, Industry and Competition, on the purpose and business of banking in South Africa and their commitments to treating their customers fairly.

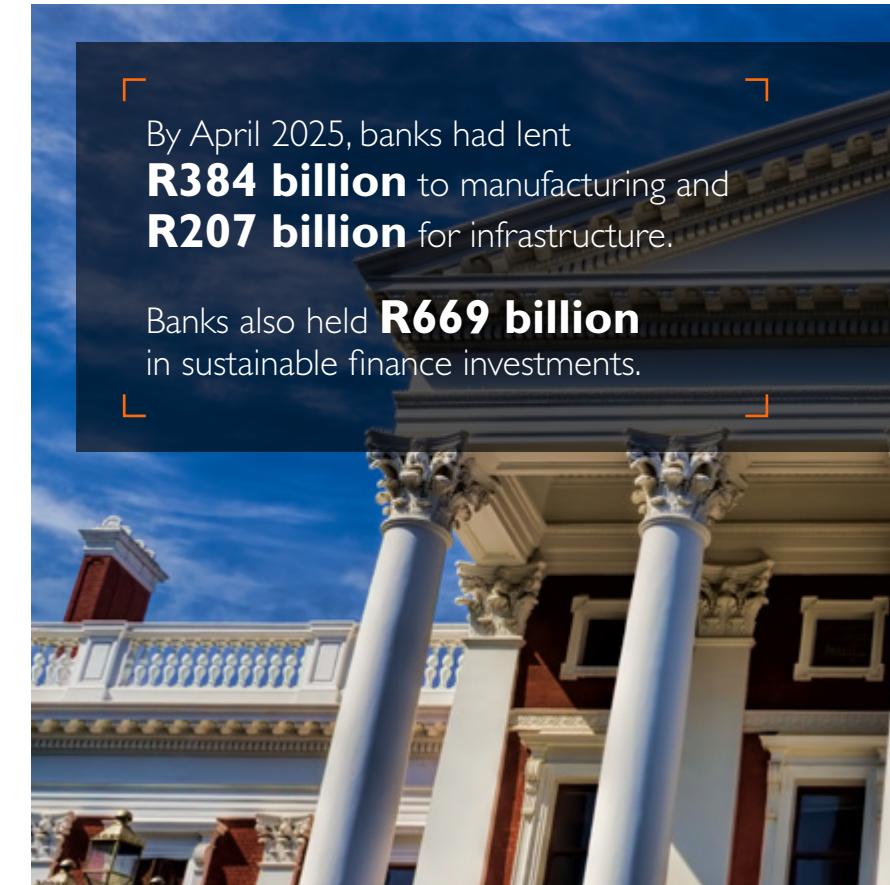
THE BUSINESS OF BANKING

The purpose of banking in South Africa is to facilitate inclusive economic growth by providing the finance and financial services that businesses and entrepreneurs need to invest in economic activity that creates jobs and that households and individuals need to improve their lives.

Banks do this by taking deposits from South African workers, professionals, small businesses and large companies, for safekeeping. These depositors earn interest on the funds they provide to banks. In April 2025, banks held R6,1 trillion in depositors funds.

Banks then use these deposits – and other funds they raise – to lend money to households and businesses. Banks earn revenue by charging interest on the credit they extend to their customers and charging fees for payments and other financial services needed to ensure safe and secure transactions.

The loans to households and businesses are mainly used for mortgages, home loans and property. Banks also lend money for vehicle purchases, consumer credit, business and personal loans and to government to help fund social services and economic infrastructure.



By April 2025, banks had lent **R384 billion** to manufacturing and **R207 billion** for infrastructure.

Banks also held **R669 billion** in sustainable finance investments.

Banks also contribute to the economy as businesses in their own right. In the 12 months to December 2024, banks generated R140 billion in profit. Banks must remain profitable, so that they can increase their capital which allows them to lend more to businesses and for personal loans. Of their profits, banks retained about R62 billion, as capital to finance growth. R78 billion was paid to shareholders, including investors like pension funds and empowerment schemes. The Government Employees Pension Fund, for example, holds about 14% of bank shares. The six largest banks in South Africa employ about 185 000 people and paid R49,3 billion in tax.



TREATING CUSTOMERS FAIRLY

Banks are primarily regulated to protect depositors' funds. Depositors must always be confident that they can receive their money, with a reasonable rate of interest, on demand.

Banks are also regulated to ensure they treat customers fairly and do not discriminate unfairly when providing services or products. They do not discriminate on the grounds of race, gender, ethnicity, sexual orientation, disability or religion, among others.

An essential part of protecting depositors' funds is ensuring that bank customers do not become over-indebted and are able to repay their loans. Most of the banks' lending practices are regulated by the National Credit Act (NCA). However, bank regulation is extensive and spans domestic and international law.

CLOSING ACCOUNTS

Banks have the right to close accounts if they suspect potentially fraudulent activity, if the account is not being used as intended, or if maintaining the account poses a risk to the bank. Financial crime is a threat not only to banks, but the whole country. Because of weaknesses in its anti-money laundering and terrorism financing capacity, South Africa was put on the Financial Action Task Force (FATF) list of countries that have weaknesses in its ability to fight financial crime. Being on the grey list can deter investment and increase the cost of doing business with the country.

Banks can suffer reputational damage, if they are perceived to be facilitating illegal activities. Reputational damage is the loss of trust or share value that arises if individuals or the public form a negative perception of the bank because of something it is allegedly involved in or associated with. Reputational risk is not limited to illegal activities but also arises from activities which the public deem ethically dubious or suspicious. Reputational risk can harm a bank's business relationships and its ability to access funding. Allegations against a customer may not be proved and may be unrelated to the customer's business for which a bank account is used. However, the risk of reputational damage from being associated with an individual or company can still inform a decision to close an account.

However, banks must comply with the law and respect the rights of customers when closing an account. Each case is considered on its own merits. Banks must provide customers with reasonable notice prior to closing a bank account, during which time a customer's appeal can be heard by the bank.

Forty million South Africans have bank accounts. In 2024, the Banking Division of the NFO received only 316 customer complaints regarding the closure of bank accounts. This is 3,98% of the total complaints received by the NFO that year. Bank account closures are not a significant source of complaints for the NFO.

Providing financial services and products is the business of banks. Closing bank accounts, if not merited, is counterproductive for banks. The applicable laws and bank's right to close accounts are in place to protect the integrity of the banking system and prevent its abuse for criminal activities.

Legislation, codes and standards set out the obligations of banks and their customers:



The Promotion of Equality and Prevention of Unfair Discrimination Act promotes equality and prohibits unfair discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.



The Banks Act obliges banks to have comprehensive risk management processes and procedures in place to identify, monitor, mitigate and report on risks, including client involvement in criminal activity, human rights abuses or avoidance of legislative obligations.



The Financial Intelligence Centre Act protects the integrity of the financial system against abuse for illicit purposes. Banks must have a Risk Management Compliance Programme that includes an account termination process. Banks may be asked not to act against an account with suspicious transactions, so that it might be investigated.



The Conduct Standard for Banks issued in terms of the Financial Sector Regulation Act obliges banks to:

- Treat customers fairly and have procedures for withdrawing or terminating an account.
- Provide reasonable notice and reasons for the withdrawal or termination of an account, unless otherwise compelled by law.
- Banks can close an account, without providing reasons, if they have reasonable suspicion that it is being used for illegal purposes and have made the necessary reports to the appropriate authority.



The voluntary Code of Banking Practices states that banks must provide reasonable prior notice of the account closure to the customer's last address it has on record, unless:

- Compelled not to do so by law.
- The account has not been used for a significant period.
- There is reason to suspect it is being used for illegal purposes.



Under the NCA, the credit provider has the right to refuse to enter into a credit agreement on reasonable commercial grounds. A consumer has the right to request the reasons for being refused credit. Consumers are protected against unfair discrimination, particularly in terms of race, sex, and class.



The General Code of Conduct under the Financial Advisory and Intermediary Services Act (FAIS) provides that if a bank terminates the financial services agreement, the bank must explain the implications of the termination to the customer and provide reasonable prior notice.



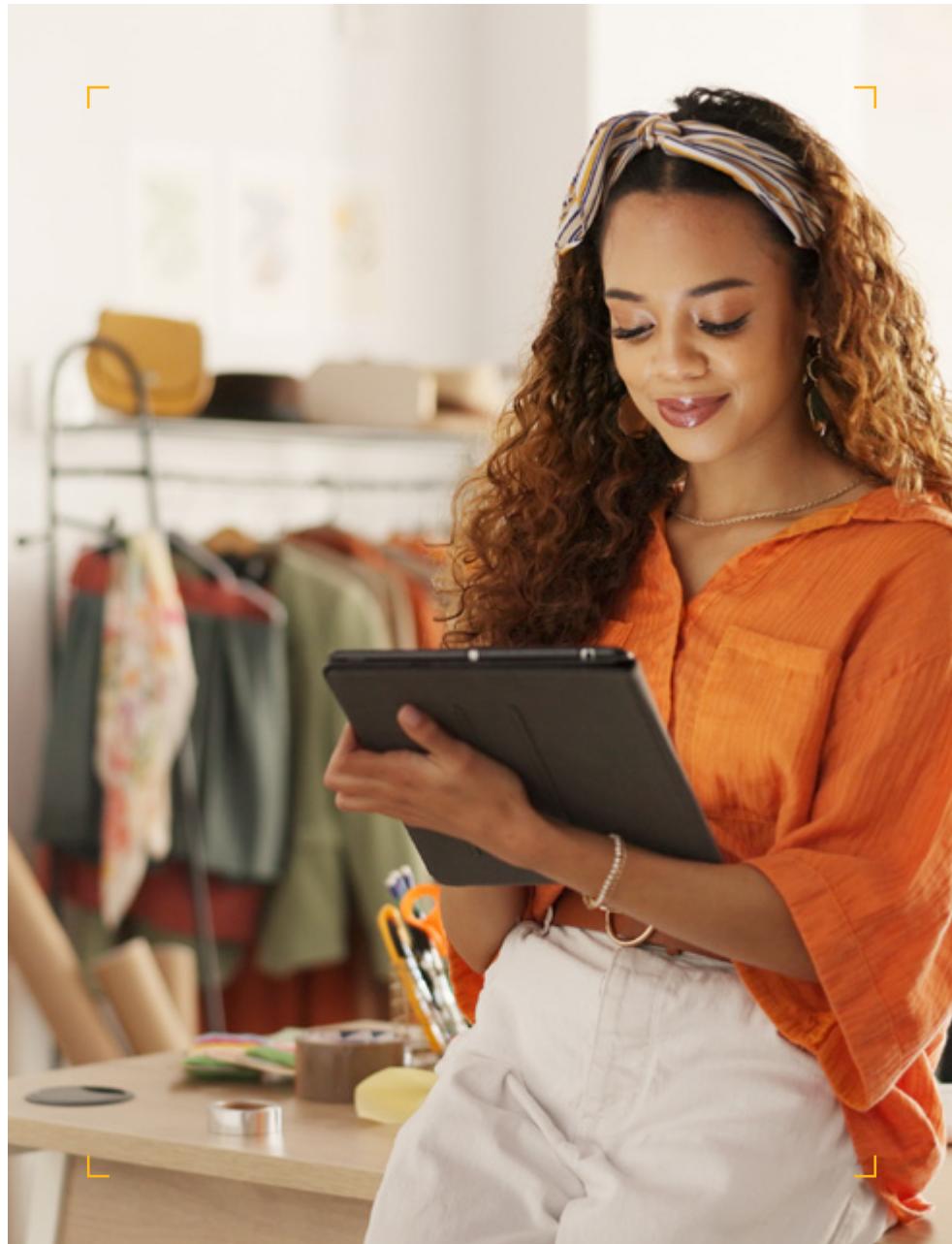
The Prevention and Combating of Corrupt Activities Act provides that if a bank suspects that it is holding assets that are part of corruption, the bank must investigate. Should the bank's suspicion be confirmed, it can no longer hold or deal with the assets involved.



The Protection of Constitutional Democracy Against Terrorist and Related Activities Act (the domestic anti-terrorism law) prohibits any person from providing direct or indirect economic support to a person who is known – or reasonably suspected - to be related with terrorist activity. This prohibition is echoed in the Financial Intelligence Centre Act. Financial institutions could be charged for facilitating terrorism, as well as face penalties for non-compliance with the preventative measures.

Customers who feel they have been unfairly treated also have recourse to the National Financial Ombud Scheme (NFO). Any consumer with a complaint about their financial services provider may approach the NFO for free assistance. This free assistance helps to mitigate concerns that banks may abuse their resources to secure the dismissal of customer complaints.





SMALL AND MEDIUM ENTERPRISES (SME) ACCESS TO CREDIT

The growth of small and medium enterprises (SMEs) is fundamentally dependent on a growing economy, and the willingness of others to purchase their products and services and pay them on time.

Access to finance for working capital, assets and revolving credit facilities, among others, is vital for SMEs to grow. But SME owners will not take on debt that must be repaid, if they do not have confidence in their business opportunities and the economy.

The perception that banks do not want to lend to SMEs is incorrect. Development finance institutions, among other agencies, also provide financing where regulation prevents commercial banks from providing credit.

However, banks are less likely to extend credit where accurate information about the applicant's financial position and credit history is not available. To make a credit decision, banks need to be able to draw on a variety of data sources and to take future revenue flows of SMEs into account.

The National Credit Act (NCA) in its current format, is overly prescriptive about how banks can assess the credit worthiness of SMEs. The Affordability Assessment Regulations requires SMEs to provide records and proof of income that they may not have, limiting banks' ability to lend to them. Credit providers need more flexibility in assessing the credit risk of SMEs and should be able to apply a 'risk-based approach' - instead of the current prescribed 'rules-based' approach. The more flexible risk-based approach will exempt SMEs from formalistic affordability assessment requirements and allow credit providers to apply more relevant, bespoke models when assessing enterprises.

There have been ongoing discussions between BASA, the DTIC, the Department of Small Business Development (DSBD) and the National Credit Regulator (NCR), on the opportunities that could be unlocked if the existing regulatory requirements could be amended. A non-juristic person – like sole proprietors, trusts with two or less trustees and unincorporated partnerships – are exempted from the affordability assessment requirements of the NCA.

Credit bureaus often do not have sufficient information related to SMEs. This complicates the determination of credit risk and affordability by credit providers.

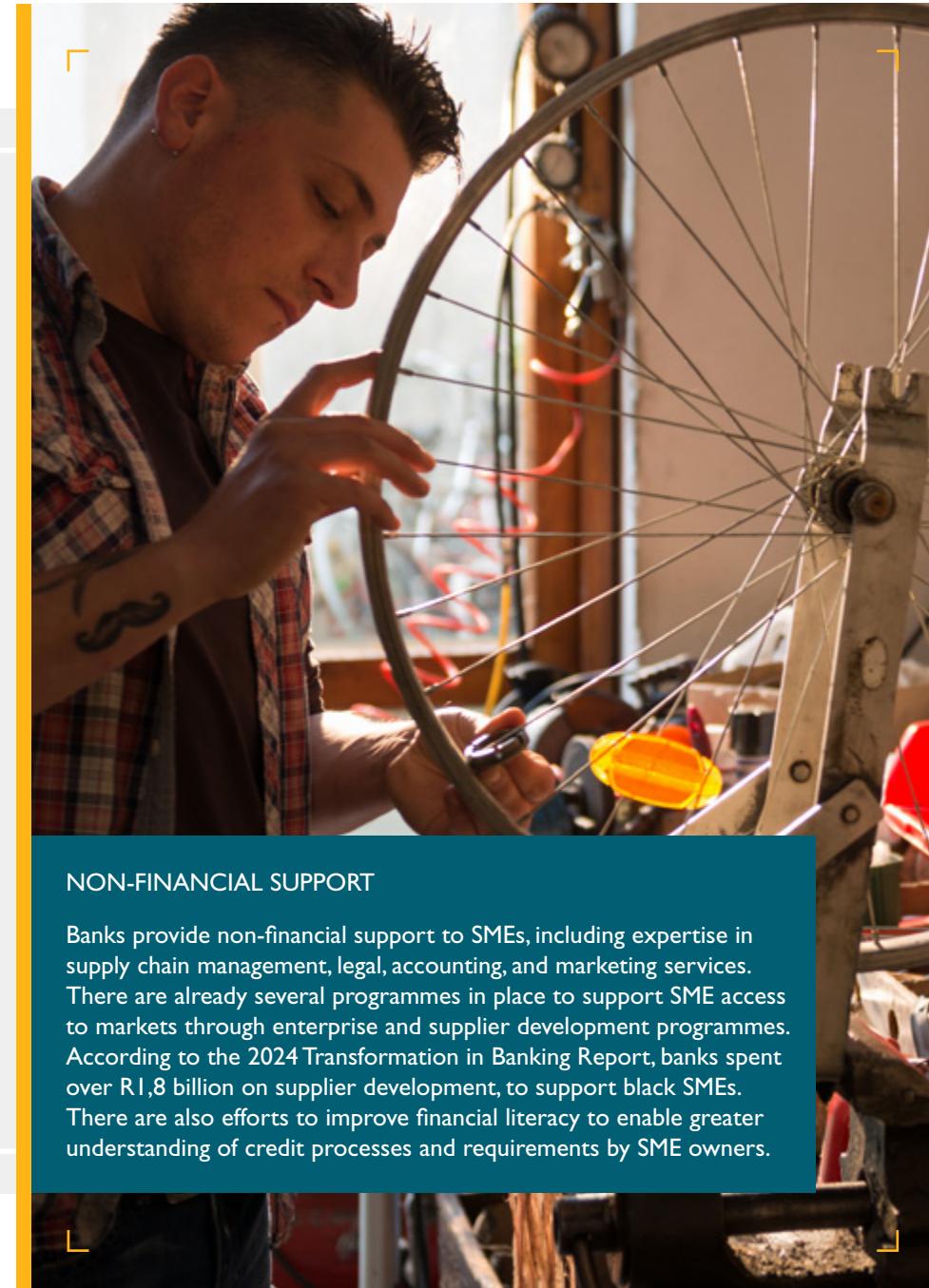
The South African Credit and Risk Reporting Association (SACCRA), NCR and the International Monetary Fund have a strategic initiative to enhance the availability of credit and risk data for SMEs. The objective is to establish a comprehensive business credit and risk information database, at existing NCR-authorised credit bureaus. The provision of comprehensive business credit histories will give credit providers the data required for them to better assess the risk and affordability of enterprises and will facilitate easier access to credit for SMEs.

Extensive consultations with regulators and government departments have taken place and there is in principle support for the project by the Competition Commission, the NCR, the DTIC, National Treasury, and the DSBD. In the event of delays, it will be important for government entities to support SACCRA and the private sector implementing the database on a voluntary basis.

DEVELOPMENTAL CREDIT

Developmental credit is a special type of credit defined in the National Credit Act, which provides for loans for educational purposes to build, expand or improve low-cost housing and to set up SMEs. But developmental credit can only be extended to SMEs as defined in the Small Business Act, hence sole proprietors, trusts with two or less trustees, and unincorporated partnerships are purposefully excluded from being granted developmental credit. The NCA should be amended to include all businesses - whether formal or informal - so that they can also be granted developmental credit.

The government-business partnership that operates under the auspices of the presidency has established working groups to look at the adoption and implementation of the proposed initiatives. BASA also looks to Parliament, as the legislative and oversight authority, to support these initiatives in the interests of SMEs and economic development.



NON-FINANCIAL SUPPORT

Banks provide non-financial support to SMEs, including expertise in supply chain management, legal, accounting, and marketing services. There are already several programmes in place to support SME access to markets through enterprise and supplier development programmes. According to the 2024 Transformation in Banking Report, banks spent over R1.8 billion on supplier development, to support black SMEs. There are also efforts to improve financial literacy to enable greater understanding of credit processes and requirements by SME owners.



FRAUD AND SCAMS

In the digital age, phishing, identity theft, cellphone fraud, fake investment schemes, and romance scams are among the preferred weapons used by fraudsters to rob bank accounts.

South Africa lost almost R3,3 billion in 2023 due to financial crime, according to the 2023 South African Banking Risk Information Centre (SABRIC) Annual Crime Statistics.



This number includes banks, bank customers and merchants, and undermines our economic stability, stifles opportunities for growth and investment and has grave implications for the people of our country. The digital banking sector faced an unprecedented 45% increase in fraud in 2023.



For banks – who have a responsibility to protect their customers - fraud is a priority crime.

But the fraud and scams in South Africa are only one part of an escalating global problem, with fraudsters operating across borders. Globally, scams cost individuals and institutions more than US\$5 trillion annually through occupational fraud and corruption, with Africa alone losing an estimated US\$148 billion a year.

The International Banking Federation (IBFed) has highlighted combatting fraud as a priority for banks around the world.

Banks operating in South Africa have invested heavily in systems, policies, and partnerships to fight fraud as part of their ongoing commitment to customer protection, platform integrity and protecting the stability of the South African financial system.



The current state of scams in South Africa is indicative of the escalating global problem of financial scams. Ultimately, a proactive and internationally collaborative strategy is imperative to combat the threat of financial scams and protect the global financial system, said IBFed in a 2025 Scam Research Paper.



Customer education is vital. Financial institutions have launched awareness campaigns - from text alerts to social media content – to help the public identify red flags and act early. Data sharing across the industry – enabled by South African Banking Risk Information Centre (SABRIC) among others – has improved fraud detection and enabled more rapid responses to threats.

These investments in security are not only about protecting customers, but also about reinforcing trust in the financial system. To increase financial inclusion, banks are using digital and mobile channels to provide appropriate, affordable services and products to the under-banked. If fraud undermines trust in the digital financial products and services needed to participate in the formal economy, it will become more difficult and costly to achieve inclusive economic growth.

But securing South Africa's financial system requires collaboration with financial institutions, their regulators, law enforcement, mobile network operators – who offer financial services - and cybersecurity experts, among others.



By fostering greater collaboration between financial institutions, telecommunications companies, technology providers, and regulatory bodies, we can create a more robust and unified front against financial scams, says IBFed.



HOW BANKS ARE FIGHTING BACK – SECURITY AND EDUCATION.

Banks are responding to fraud with layered technology defences that protect customers without compromising convenience.

DIGITAL SECURITY INNOVATIONS

Banks have implemented strong, multi-factor authentication measures. These include push notifications, biometrics (like fingerprint or facial recognition), and digital banking PINs that replace vulnerable SMS-based OTPs. Some offer app-based confirmations that notify customers of activity in real-time, allowing them to detect and block suspicious actions immediately.

SECURE PAYMENTS AND SMART LIMITS

New digital payment platforms enforce transaction limits and use proxy identifiers – instead of account numbers – to reduce exposure. Application Programming Interface (API) payment gateways allow customers to shop online without revealing card details.

FRICITION WHERE IT COUNTS

For high-risk transactions, some systems introduce deliberate friction, like additional prompts, verification delays and warnings that help customers think twice before proceeding with suspicious transactions.

EDUCATION & AWARENESS CAMPAIGNS

Banks are investing in national awareness campaigns. These campaigns explain different types of scams – from phishing emails to social engineering – and teach customers how to recognise and report threats. These efforts target all age groups, using social media, email, SMS, and in-branch materials.

BEHIND THE SCENES COLLABORATION AND INTELLIGENCE

Fraud intelligence is shared through coordinated platforms, allowing banks to track and trace suspected activity quickly. Real-time collaboration with mobile networks helps intercept SIM swap fraud.

SABRIC

The South African Banking Risk Information Centre (SABRIC) works with banks, regulators, and law enforcement to detect, report, and disrupt fraudulent activity. It also runs public education campaigns and manages partnerships with the South African Fraud Prevention Services (SAFPS), offering protective registration for victims of identity theft.

PROACTIVE PLATFORMS AND INDUSTRY COLLABORATIONS

In addition to their internal measures, banks are increasingly working hand-in-hand with mobile operators, regulatory bodies, and payment platforms to harden the entire financial ecosystem. One notable development is the integration of banking systems with real-time fraud alert platforms like PayShap, which enforces transaction limits and uses proxy identifiers (like ShapIDs) to minimise exposure to scams. These tools not only protect individual transactions but also enhance industry-wide fraud detection and response.

South African banks are also advocating for ISO 20022 standards in digital transactions – a global messaging format that allows for more detailed data sharing between financial institutions. This level of integration means that payments can now be screened with greater context, reducing the chances of false positives and making it easier to catch anomalies.

MTN's Subscriber Identity for Third Parties (SIFT) and Vodacom's real-time SIM swap alerts have empowered banks to act immediately when mobile-linked credentials are compromised. These collaborations have significantly reduced SIM-swap related fraud incidents and point to the potential of cross-sector data intelligence.

SMARTER SCAM DETECTION THROUGH BEHAVIOURAL ANALYTICS

Banks are also deploying advanced behavioural analytics to detect irregularities based on user behaviour. These tools build individual risk profiles and flag actions that deviate from normal patterns, such as late-night logins or unusual payment destinations. The use of machine learning in these systems allows fraud teams to prevent losses even before the customer is aware of the attempt.

PROTECT YOURSELF FROM SCAMS

TEN THINGS YOU NEED TO KNOW



NEVER SHARE PERSONAL INFO

No bank will ever ask you to confirm your PIN, password, or OTP on a call, message or via email. If someone does, it's a scam. Hang up, block the number and report it.



2

PAUSE WHEN THINGS FEEL RUSHED

Scammers often try to create panic – whether it's a “missed payment” or a “limited-time investment opportunity.” “Act now” is a classic warning sign. Trust your discomfort. Take a moment to verify. Don't act on pressure.



3

USE OFFICIAL CHANNELS

Always log into your bank through the official app or website. Don't click on links from unsolicited emails or messages, no matter how real they look. Spoofing is common – the branding may be perfect, but the URL won't be.



4

STRENGTHEN YOUR PASSWORDS

Use strong, unique passwords for banking apps and email. Avoid names, birthdays, or obvious numbers. Use combinations of symbols, upper and lower case letters, and numbers. Where possible, enable biometrics or two-factor authentication.



5

UPDATE YOUR SOFTWARE

Outdated apps and devices are more vulnerable to attack. Keep your phone, computer, and apps up to date. Updates aren't cosmetic. These fix vulnerabilities that hackers target.



6

MONITOR YOUR ACCOUNTS

Check your balances and transaction history regularly. Report any unfamiliar charges immediately.



7

ENABLE NOTIFICATIONS

Most banks let you activate alerts for logins, payments, or failed attempts. These can help you catch fraud early.



8

SECURE YOUR SIM

Request SIM swap protection from your network provider. Avoid sharing your mobile number on public platforms.



9

REPORT FRAUD QUICKLY

If you suspect you've been scammed, contact your bank and report it to platforms like the Southern African Fraud Prevention Service (SAFPS) or Yima immediately.



10

TALK ABOUT IT

Fraud thrives in silence. Share knowledge with friends, family, and community groups. Awareness is essential.



SUSTAINABILITY

Climate change is driving rising temperatures, water stress, and biodiversity loss across Southern Africa and the rest of the continent and may compound socio-economic challenges that already plague the region, such as youth unemployment and energy poverty.

In South Africa, climate risks are already being experienced at scale. The 2024 FinScope Consumer Survey found that 53% of adults were affected by events such as extreme heat, floods, droughts, wildfires, pest outbreaks, and erosion. At the continental level, the State of the Climate in Africa report estimates that African economies may lose between 2% and 5% of their GDP annually due to the increasing frequency and severity of climate-related events.

The financial system is not insulated from these pressures. In its June 2025 Financial Stability Review, the South African Reserve Bank identified climate-related risks as a threat to financial stability. Physical risks are associated with direct damage from extreme weather, while transition risks stem from policy responses, shifting investor sentiment, and the failure of institutions to prepare for evolving regulations and market dynamics.

South African banks are responding by integrating climate risk into their business models and identifying sustainable finance as a means to manage risk and unlock opportunity. Financing is being directed towards low-carbon technologies, climate adaptation, and resource efficiency. Banks are also reassessing exposures, refining credit assessment tools, and adopting broader environmental and social screening across portfolios.



Finance, when used intentionally, can be a force that bridges social divides, restores ecosystems and builds sustainable prosperity. Africa's natural assets –forests, wetlands, fertile soil and the African sun - are sustainable resources for resilience and growth. If protected and leveraged responsibly, they can support climate adaptation, generate sustainable livelihoods, and unlock new investment opportunities. Sustainable finance can help achieve this by directing capital where it can do the best for both people and our planet, says Banking Association South Africa (BASA) Managing Director, Bongiwe Kunene. She was speaking at the 2025 Southern African Development Community (SADC) Sustainable Finance Forum.



The forum aimed to build capacity in the SADC to successfully raise capital in local and international financial markets for climate, nature and social projects and to contribute to the development of regional frameworks for the issuance and trading of sustainability-themed bonds by helping to create a favourable policy and regulatory environment. It was hosted by a partnership of BASA, the International Finance Corporation (IFC) and the SADC Banking Association.

Blue bonds and blue loans are financing instruments designed to support investments in water and wastewater infrastructure, reducing ocean plastic pollution, restoring marine ecosystems, sustainable shipping, eco-friendly tourism, and offshore renewable energy development. According to the African Union, the blue economy generates nearly US\$300 billion for the continent as a whole and sustains 49 million jobs in sectors such as agriculture, fishing, shipping, and tourism.



Recent IFC market research indicates that **blue commercial lending opportunities** in seven key African economies are worth at least **\$10 billion, with \$2 billion in South Africa alone.**

The Seychelles has already proved the viability of blue finance, issuing the first sovereign blue bond in the SADC region in 2018 to raise \$15 million from international investors for financing the sustainable use of marine resources. In May 2025, Angola followed suit by issuing a \$64 million sovereign bond aimed at financing 43 dam projects in the southern province of Namibe to enhance climate resilience and support rural development.

Green bonds channel capital into renewable energy, climate-resilient infrastructure and sustainable agriculture. Sustainability-linked loans tie lending to environmental, social and governance (ESG) performance targets, encouraging better business practices.

Banks not only finance climate-smart infrastructure and innovation, but also help transition industries and regions reliant on high-emission sectors to adapt and diversify to low-carbon operations. Financing terms are being recalibrated to incentivise sustainable practices and banks have integrated sustainability into their existing credit assessments, risk frameworks and investment strategies, and audit portfolios for climate exposure.

Ensuring a just transition is essential to the credibility and success of sustainable finance. A just transition requires financing solutions that integrate social considerations alongside climate and environmental goals, particularly in regions with high unemployment and unequal access to resources.

Smart regulation, blended finance tools, credit risk guarantee mechanisms and industry-government alignment will facilitate sustainable investment into economic infrastructure and, ultimately, better living standards. Across the SADC region, banks have begun developing sustainability-linked loans, climate insurance products, and green mortgages.

South Africa has the potential to position itself as a regional hub for sustainable finance, particularly because of its strong banking infrastructure. Research agency Krutham estimates that South Africa's largest banks have a combined sustainable finance portfolio of close to R700 billion.

However, it is estimated that Africa will need climate adaptation costs of between US\$30 billion and US\$50 billion annually over the next decade. Given the often weak state of national finances on the continent, funds will have to come from development and non-debt financing, and the private sector.

But banks and investors need policy certainty, the harmonisation of regulation, standards and taxonomies, and reliable data and information to deploy sustainable finance at scale.

While initiatives like the SADC Green Bond Programme and various national guidelines are encouraging, regulatory frameworks remain fragmented.

Regulatory authorities should also incorporate globally accepted blue finance guidelines into national sustainable taxonomies and regulations. To label a financial instrument as a blue bond or blue loan it must comply with relevant market standards, for example the Blue Finance Guidelines developed by IFC in 2022 and endorsed by the International Capital Markets Association (ICMA) and the Loan Market Association (LMA). IFC is currently updating these guidelines, and the new version will be available later this year.

Work also needs to be done on sovereign debt reform, such as debt-for-climate swaps and for credit ratings that better reflect the risk of lending on the continent, which will likely reduce the cost of finance and shift climate finance from pledges to implemented projects.

Since 2020, BASA has hosted the Secretariat for South Africa's Sustainable Finance Initiative (formerly the Climate Risk Forum) a platform for public-private dialogue on sustainable finance chaired by the National Treasury.

More detail is available at <https://sustainablefinanceinitiative.org.za/>

Africa is rich in renewable energy potential, biodiversity and untapped human capital. It also has a rapidly urbanising population that demands infrastructure, housing and transport. These are sectors that, if financed smartly, lay the groundwork for a sustainable future.



The South African presidency of the Group of Twenty (G20) countries this year is an opportunity for the SADC to influence the global sustainable finance agenda, in line with South Africa's theme of solidarity, equality, sustainability.

The G20 Sustainable Finance Working Group (SFWG) aims to mobilise sustainable finance as a way of ensuring global growth and stability and promoting the transitions towards greener, more resilient and inclusive societies and economies. The group is tasked with identifying institutional and market barriers to sustainable finance, and contributing to a better alignment of the international financial system with the objectives of the 2030 Agenda for Sustainable Development and the Paris Agreement. For 2025, its priorities are strengthening the global sustainable finance architecture scaling up financing for adaptation and just transitions and unlocking the financing potential of carbon markets.

In parallel, the B20, which manages global business engagement with the G20, has embedded sustainability within its taskforces, most explicitly through the Finance and Infrastructure Taskforce and the Energy Mix and Just Transition Taskforce. These taskforces have outlined priorities such as mobilising capital for renewable energy, de-risking private finance, and supporting resilient, nature-positive infrastructure.

Sustainable finance offers a critical opportunity to unlock new growth, support inclusive development, and manage global risks. BASA supports South Africa's hosting of the G20 and looks forward to engaging with international and domestic partners to advance a sustainable finance agenda that works for all markets.



GOVERNANCE

The Banking Association South Africa (BASA) Board of Directors is committed to the association maintaining the highest corporate governance standards. BASA's governance arrangements are outlined in the Memorandum of Incorporation (MoI), which is aligned to the Companies Act 71 of 2008 (Act).

THE BOARD OF DIRECTORS

The BASA Board of Directors has eleven non-executive directors, made up of representatives of member banks, and the Managing Director of BASA.

The representatives of member banks are:

- The Chief Executive Officers (CEOs) of the six major South African banks, namely: ABSA, Capitec, FirstRand, Investec, Nedbank and Standard Bank South Africa.
- Two CEOs representing Tier-2 South African banks (Bank tiers are a categorisation of banks based on their size relative to the banking market).
- Two CEOs representing international banks operating in South Africa.

The Board has an approved charter, which sets out its roles, duties, powers and responsibilities. It has adopted the King Report on Corporate Governance in South Africa (King IV), making the chair of the Board an independent non-executive director and the role separate from that of the managing director. During the year under review the Board chair and deputy chair rotated, as per the two-year rotation practice as prescribed in the Memorandum of Incorporation. FirstRand Limited became the chair and Absa the deputy chair.

The roles and responsibilities of the Board, as set out in the charter, includes:

- Setting the strategic direction for BASA.
- Acting as the custodians of good corporate governance.
- Effectively representing and promoting the interests of all BASA members.
- Appointing a fit and proper person as an executive managing director and directing and supervising them on delegated affairs.
- Approving and ratifying policies developed by the managing director and management.
- Monitoring the effectiveness of BASA's risk management and internal controls.
- Conducting a performance review of the managing director, the association and the board, at least once a year.

Four meetings of the Board were convened during the reporting period. The minutes of the meetings detail the deliberations of the Board, resolutions, and attendance. A Board member who is not able to attend a scheduled meeting appoints an alternate member to attend on their behalf. Alternate members do not constitute a quorum and have no voting rights.

The Board is satisfied that it has delivered according to its charter.

BOARD COMMITTEES

The Board has constituted three committees to assist in executing its fiduciary responsibilities and oversight of the BASA mandate. The duties, responsibilities and authority delegated to each board committee is set out in their approved terms of reference, which are subject to periodic review by the Board, or as and when it is required.

BOARD EXECUTIVE COMMITTEE (BOARD EXCO)

Board Exco has the authority to act on behalf of the Board to ensure the execution of technical and strategic business matters in collaboration with the member banks. It is constituted by eleven members representing their respective banks and it recommends to the Board pertinent responses to developments aimed at improving the financial services sector, for example, the payments modernization programme.

AUDIT AND RISK COMMITTEE (ARC)

The ARC is responsible for, among others, the appointment of an external auditor, the audited annual financial statements and their recommendation to the Board for endorsement. The committee discusses with the external auditor their engagement letter, the nature and scope of the audit, their quality control procedures and their response to changes in regulations and other guidelines. The committee reviews the external auditor's management letter and audit report. It recommends the audit fee to the Board.

The ARC oversees the implementation of the enterprise risk management framework and recommends to the Board, for approval, the Risk Appetite Statement and the Business Continuity Management Plan.

REMUNERATION AND ETHICS COMMITTEE (REMCO)

The BASA Human Resources Policy is overseen by the Remco. The policy encourages employees to enhance the association's work and to ensure they are fairly rewarded for their individual contributions and performance, as per defined criteria. To attract, retain and motivate employees of the quality required by the association, the committee positions employees' pay levels relative to local industry standards. It plays an integral part in succession planning, particularly in respect of the managing director and the heads of divisions.

The committee monitors the association's social and ethics activities, as required by the relevant legislation or prevailing codes of best practice, including:

- Social and economic development
- Good corporate citizenship
- The environment, health and public policy
- Consumer relationships
- Labour and employment
- Ethical conduct and leadership
- Stakeholder Engagement
- Ensuring that there is promotion of equality, prevention of unfair discrimination, and the reduction of opportunities of corruption in the organisation.



DELEGATION OF AUTHORITY

BASA has an approved Delegation of Authority (DOA) Framework, which is being reviewed to ensure alignment with the business operations.

The Board, without absolving itself of its responsibilities and accountability, delegates appropriately to board committees, individual members, and the managing director. While the Board guides and approves BASA's strategy, its implementation and day-to-day management is vested in the managing director.

The managing director is assisted by an Executive Committee (Exco), which is comprised of the divisional heads. Exco assists in the development of procedures and operating frameworks for the association and its members, and regularly reports to the board committees and to the Board.

COMPANY SECRETARY

BASA is a Non-Profit Company and has appointed a company secretary to align with best practice. The company secretary provides advisory services to the Board, individual board members and the executive management.

The company secretary's functions are enshrined in the Companies Act and are executed for BASA and its associate companies: the Centre of Excellence in Financial Services (COEFS) and the Southern African Development Community Banking Association (SADC BA). Other responsibilities are assigned from time to time, including but not limited to administration of the membership register and acting as the deputy information officer.

CODE OF CONDUCT AND ETHICS

All BASA staff are expected to abide by the Code of Conduct and Ethics Policy which requires the declaration of financial interests that may be in conflict with the company's business.

The revised Code of Banking Practice was approved during the reporting period. It is a voluntary code to which BASA members have subscribed. The code reflects the banks' commitment to standards of service and conduct. It confirms that fairness, transparency, trust, accountability, integrity and reliability will guide banks' relationships with their customers. The BASA MOI empowers the Board to cancel the membership of any member bank, who brings the industry into disrepute.

ANTI-COMPETITIVE PRACTICES

BASA adheres to national and international laws restricting the exchange of information amongst competitors, which may influence market conditions or lead to abuse. The Anti-Competitive Policy Statement is a standing agenda item at BASA meetings to remind representatives to refrain from exchanging or discussing such information.



Independent Auditors' Report

To the Members of The Banking Association South Africa (NPC)

OPINION

We have audited the financial statements of The Banking Association South Africa NPC (the Company), which comprise the statement of financial position as at 31 December 2024, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Banking Association South Africa NPC as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS for SMEs Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits for financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "The Banking Association South Africa NPC annual financial statements for the year ended 31 December 2024", which includes the Directors' Report as required by the Companies Act of South Africa. Other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Leonie Els
SizweNtsalubaGobodo Grant Thornton Inc.
Director
Registered Auditor

06 May 2025

152 14th Road
Noordwyk
Midrand
1687

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of The Banking Association South Africa (NPC) for the year ended 31 December 2024.

1. NATURE OF BUSINESS

The Banking Association South Africa was established with the primary objective of promoting proactively the interests of the banking industry amongst its various stakeholders. The company is registered as a non-profit company in accordance with item 1(1) of chapter 1 of the Companies Act of South Africa of 2008, as amended.

There have been no material changes to the nature of the company's business from the prior year.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. DIRECTORS

The directors in office at the date of this report are as follows:

Directors	Nationality	Changes
M Vilakazi - Chair	South African	Appointed 01 April 2024
CJ Russon - Deputy	South African	Appointed 15 October 2024
PB Kunene - Managing Director	South African	
MWT Brown	South African	Resigned 31 May 2024
KG Bungane	South African	
AKL Fihla	South African	Appointed 01 September 2024
GM Fourie	South African	
L Fuzile	South African	Resigned 31 August 2024
HD Kallner	South African	
CJ Moodliar	South African	Appointed 01 May 2024
AP Pullinger	South African	Resigned 31 March 2024
JP Quinn	South African	Appointed 01 June 2024
A Rautenbach	South African	Resigned 15 October 2024
PW Taylor	South African	
RJ Wainwright	South African	Resigned 30 April 2024
C Zhang	Chinese	Appointed 15 April 2024

4. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. GOING CONCERN

The company's members are committed to contributing membership fees that will ensure that the company is able to meet all its approved operational cash flow requirements for the foreseeable future. The annual financial statements have been prepared on the accounting policies applicable to a going concern. This basis presumes that funds will be available to finance the future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

6. SECRETARY

The company secretary is V Skosana.

STATEMENT OF
Financial Position

AS AT 31 DECEMBER 2024

	2024	2023
ASSETS		
Non-Current Assets		
Property, plant and equipment	1 667 398	946 975
Other financial assets	16 810 639	-
	18 478 037	946 975
Current assets		
Other financial assets	18 147	27 884
Deferred expenses	3 547 390	211 813
Trade and other receivables	7 558 874	2 936 183
Cash and cash equivalents	59 778 091	79 408 135
	70 902 502	82 584 015
Total Assets	89 380 539	83 530 990
EQUITY AND LIABILITIES		
Equity		
Reserves	4 474 986	4 686 465
Accumulated surplus	16 467 210	22 321 133
	20 942 196	27 007 598
LIABILITIES		
Non-Current Liabilities		
Retirement benefit liability	14 519 191	12 675 122
Current Liabilities		
Deferred income	40 709 100	33 476 075
Trade and other payables	13 210 052	10 372 195
	53 919 152	43 848 270
Total Liabilities	68 438 343	56 523 392
Total Equity and Liabilities	89 380 539	83 530 990



STATEMENT OF

Comprehensive Income

AS AT 31 DECEMBER 2024

	2024	2023
Revenue	100 144 615	92 030 018
Other income	310 196	1 346 082
Operating expenses	(105 892 070)	(91 856 616)
Operating (deficit) surplus	(5 437 259)	1 519 484
Net deficit from special projects	(6 585 453)	(2 653 096)
Investment revenue	7 941 218	7 174 715
Finance costs	(1 772 429)	(1 449 873)
(Deficit) surplus for the year	(5 853 923)	4 591 230
Other comprehensive income:		
Items that will not be reclassified to surplus		
Actuarial (losses) gains on defined benefit plans	(211 479)	28 763
Other comprehensive income for the year	(211 479)	28 763
Total comprehensive (deficit) surplus for the year	(6 065 402)	4 619 993



