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Jul 24, 2020 14:11 CAT

## Discovery Bank offers locked-in interest rate on savings

**24 July 2020, Johannesburg** – In line with National Savings Month, Discovery Bank will postpone implementing the interest rate reduction announced yesterday and will keep the interest rates on all its savings accounts as is for the next 14 days. The interest that Discovery Bank charges its clients on their borrowings will, however, be reduced with effect from July 24 2020.

The South African Reserve Bank (SARB) Monetary Policy Committee this week announced a further reduction of 0.25% in the country's repo rate, a move aimed at supporting the economy and alleviating financial strain on South

Africans amid the COVID-19 crisis.

By not reducing the interest rate on its savings accounts now, Discovery Bank creates opportunity to lock in a higher interest on money in savings accounts for the duration of the investment; unaffected by the 0.25% interest rate reduction.

“Considering that South Africa has one of the lowest savings rates in the world, it’s important for us to find ways to encourage more people, to save more,” Akash Dowra, Head of Client Insights at Discovery Bank says.

“Discovery Bank will not apply the repo rate change immediately to keep the interest rates on our savings products the same. Essentially, demand savings or fixed-deposit accounts, existing or new, can secure the current interest rate on savings from today for the next 14 days. That means that until August 6, we are offering everyone an opportunity to keep saving at a higher interest rate,” Dowra adds.

This current interest rate is one of the lowest that South Africa has seen.

While there are many positives to a lower repo rate, such as revitalising spending and making borrowing, for example home loans, more affordable, it also influences the interest rates offered on all savings and investment accounts.

A decrease in the repo rate means that South Africans also experience a drop in the interest they earn on savings.

The month of July is National Savings Month, a campaign founded by South African Savings Institute (SASI) in a bid to highlight the benefits of saving and encourage South Africans to save.

Discovery Bank, the world’s first behavioural bank, believes that banking practices can be learned - just like the habits of exercise/physical activity or driving safely, and changing five controllable behaviours – saving regularly, spending less than one earns, insuring for adverse events, paying off property, and investing for the long term – individuals can materially improve their financial position and reduce the risk of not being able to meet their financial obligations.

Dowra says, “Saving is one of the behaviours that ensure better financial health. By us keeping interest rates on savings products the same for the next 14 days, it offers a window to secure money in any of our demand savings accounts or fixed-deposit accounts and to be unaffected by the latest change in the repo rate for the duration of the investment period. This can add significantly to growing investments when combined with our Dynamic Interest Rates.”

One of the ways Discovery Bank rewards clients for managing their money well and being financially healthier, is with Dynamic Interest Rates - personalised interest rates enabled by Vitality Money, a sophisticated AI-powered tool that automates the calculation of a client’s financial status – ensuring they know their current financial health, improve it, and get rewarded. The higher the Vitality Money status (Blue, Bronze, Silver, Gold and Diamond) the higher the interest rates.

“The interest rate clients earn with Discovery Bank is linked to how well they manage their money and not their income level. And what client’s effectively get is a stack of rewards - best interest on credit, savings, other rewards and Discovery Miles,” Dowra says.

All Discovery Bank demand savings accounts offer market-leading interest rates and combined with Vitality Money, interest is as high as 5%. Through Vitality Money and Dynamic Interest Rates, clients can also earn up to 4% interest on positive balances in both transaction and credit card accounts.

Encouraging good debt management, Discovery Bank makes it possible to pay as little as 6% interest on their credit, depending on the product. Discovery Bank will apply the repo rate reduction of 0.25% to all its credit and borrowings from July 24, when the new repo rate applies.

Along with being able to secure higher interest on savings for the next 14 days, Discovery Bank also has other offers on its fixed deposit accounts to ensure market-leading growth in savings.

**Comparison of  
interest rates  
across the  
market**

	Transaction	Dem and	24 HR Notice	32 Days' Notice	3M	6M	12M	18M	24M	36M
Rates paid by 6 largest retail banks	0% - 2.5%	0.7% - 3.25%	0.70% - 4.84%	2.57% - 3.93%	3.10% - 3.93%	3.34% - 4.65%	3.55% - 6.31%	3.86% - 5.27%	4.05% - 6.54%	4.42% - 6.54%
<b>Discovery Bank</b> standard rates (New)	2.25%	3.25%	3.75%	4.75%	4.90%	5.60%	6.70%	6.85%	7.30%	8.00%
<b>Discovery Bank</b> standard rates (Current)	2.50%	3.50%	4.00%	5.00%	5.35%	6.20%	6.95%	7.30%	7.75%	8.00%
With Vitality Money										
<b>Discovery Bank</b> + Vitality Money Diamond rates (new)	3.75%	4.75%	5.25%							
<b>Discovery Bank</b> + Vitality Money Diamond rates (current)	4.00%	5.00%	5.50%							

**ENDS**

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## ***Discovery information***

### **About Discovery**

Discovery Limited is a South African-founded financial services organisation that operates in the healthcare, life assurance, short-term insurance, savings and investment and wellness markets. Since inception in 1992, Discovery has been guided by a clear core purpose – to make people healthier and to enhance and protect their lives. This has manifested in its globally recognised

Vitality Shared-Value insurance model, active in 24 markets with over 20 million members. The model is exported and scaled through the Global Vitality Network, an alliance of some of the largest insurers across key markets including AIA (Asia), Ping An (China), Generali (Europe), Sumitomo (Japan), John Hancock (US), Manulife (Canada) and Vitality Life & Health (UK, wholly owned). Discovery trades on the Johannesburg Securities Exchange as DSY.

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## Contacts



**Felicity Hudson**

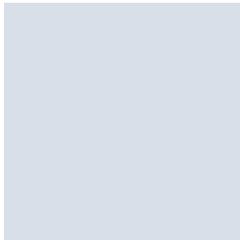
Press Contact

Head of Reputation Management

Discovery Group

media\_relations\_team@discovery.co.za

0115294514



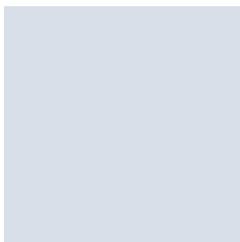
**Nthabiseng Chapeshamano**

Press Contact

Senior Reputation Manager

Healthcare & Sustainability

nthabisengc@discovery.co.za



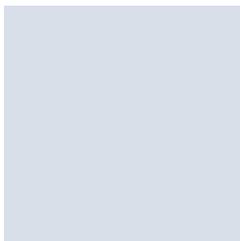
**Munene Khoza**

Press Contact

Senior Reputation Manager

Vitality & Wellness

munenek@discovery.co.za



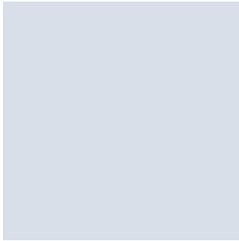
**Zeenat Moorad**

Press Contact

Senior Reputation Manager

Banking & investments

zeenatm2@discovery.co.za



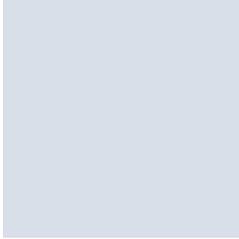
**Shanti Aboobaker**

Press Contact

Reputation Manager

Long and short term insurance

shantia@discovery.co.za



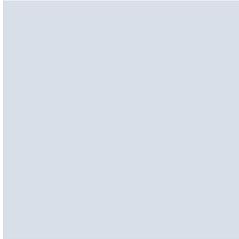
**Karishma Jivan**

Press Contact

Reputation Consultant

Healthcare & Sustainability

karishmaj2@discovery.co.za



**Sesona Ngqakamba**

Press Contact

Reputation Management Consultant

Vitality & Sponsorships

SesonaN@Discovery.co.za