

African Bank Limited press release

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Let your piggy bank bring home the bacon

Perhaps they're not as common as they used to be, but piggy banks still exist all over the world. Alfred Ramosedi, African Bank Group Executive: Sales and Marketing says that despite decades of innovation and computerised banking, the piggy bank's money-saving purpose is a priceless reminder that small change can yield big gains.

Think about it. By dropping just two or three coins into a piggy bank each day - let's say around R12 in loose change - you can save up to R360 per month and R4 320 per year! "The only negative to saving money in a piggy bank," Ramosedi says, "is that you lose out on interest you would get if you deposited the same amount of money into a bank each month."

Ramosedi says the easiest and safest way to save money is to deposit it in a bank. Piggy-bank savings are a great start but you must aim to put these into a real bank account on a regular basis - I would recommend every six months at least - or you'll be losing out on too much interest on your hard-saved money.

"Remember too that saving takes discipline, so choose your savings account wisely. There are various types of savings accounts available and each offers different interest rates and other benefits. Many are also manageable directly in the comfort of your own home via a secure website."

Short-term savings accounts are the easiest and most affordable as they pay interest on even the smallest balance. You may only need as little as R500.00 to open the account. Other accounts are simple but more disciplined and operate via a monthly debit order for at least 12 months.

Ramosedi says a notice deposit account is probably the best way to protect your savings from impulsive withdrawals. The minimum amount needed to open this account is R500.00, the monthly deposits are from R100.00 and you must give the bank at least 7, 32 or 90 days' notice before being able to make a withdrawal. There are no accompanying fees, charges or commissions on deposits attached to these savings products.

"Most bank savings accounts can be opened with a small amount of money - which can easily be accumulated in a piggy bank at home. We believe it is important to assist South Africans to build financial security through the promotion of a culture of savings," says Ramosedi.

Here are my golden rules for successfully saving money in a piggy bank:

Don't be random: Never empty your piggy bank for no reason; then it's really nothing more than somewhere to store loose coins rather than save them.

Keep it real: Attach a specific goal to the piggy bank, like a holiday or new pair of shoes.

Small spender? If you're inclined to spend loose change before 'breaking a note', then piggy bank saving is for you.

Feed it. Tell yourself that you are trying to grow your piggy bank and therefore it needs to be 'fed' every day. So forget that chocolate you would have bought with your loose change and feed your piggy!

No limit: Don't set yourself a limit of what goes into the piggy bank.

Bank it: At regular intervals, deposit your piggy bank savings into a real bank savings account which earns you interest.

These are good guidelines to starting to save into a piggy bank at home. It's a great tool to teach children about saving and once you've saved a good amount and managed to bank it, you'll be well and truly in love with your piggy bank!"

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