

Opening the postal network to numerous financial services providers

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Postbank Vision & Mission

The Postbank **Vision** is to offer simple, affordable and convenient banking solutions for our communities

... in so doing, “become the bank of choice” for the lower end of the market

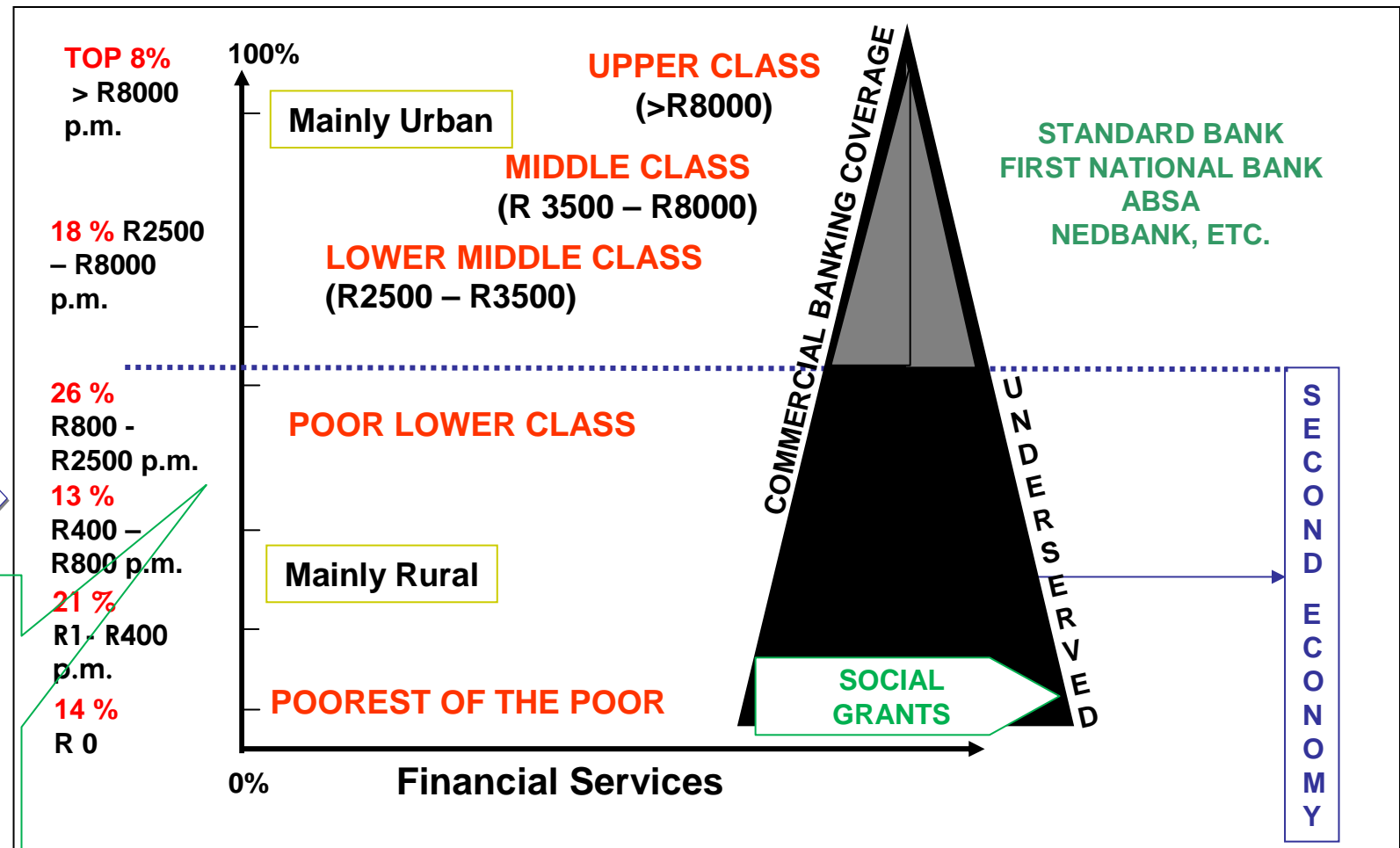
Postbank’s **Mission** is

“To provide **cost effective financial services** to appropriate market segments using **simple processes and a diversified channels and infrastructure**, through effective and **profitable partnerships** ensuring that we serve through a **skilled and motivated workforce** with the support of an **aligned leadership team.**”

Postbank’s **strategic intent** is to ...

Redefine financial services for the un-served and under-served with specific reference to vulnerable groups of the lower end of the market

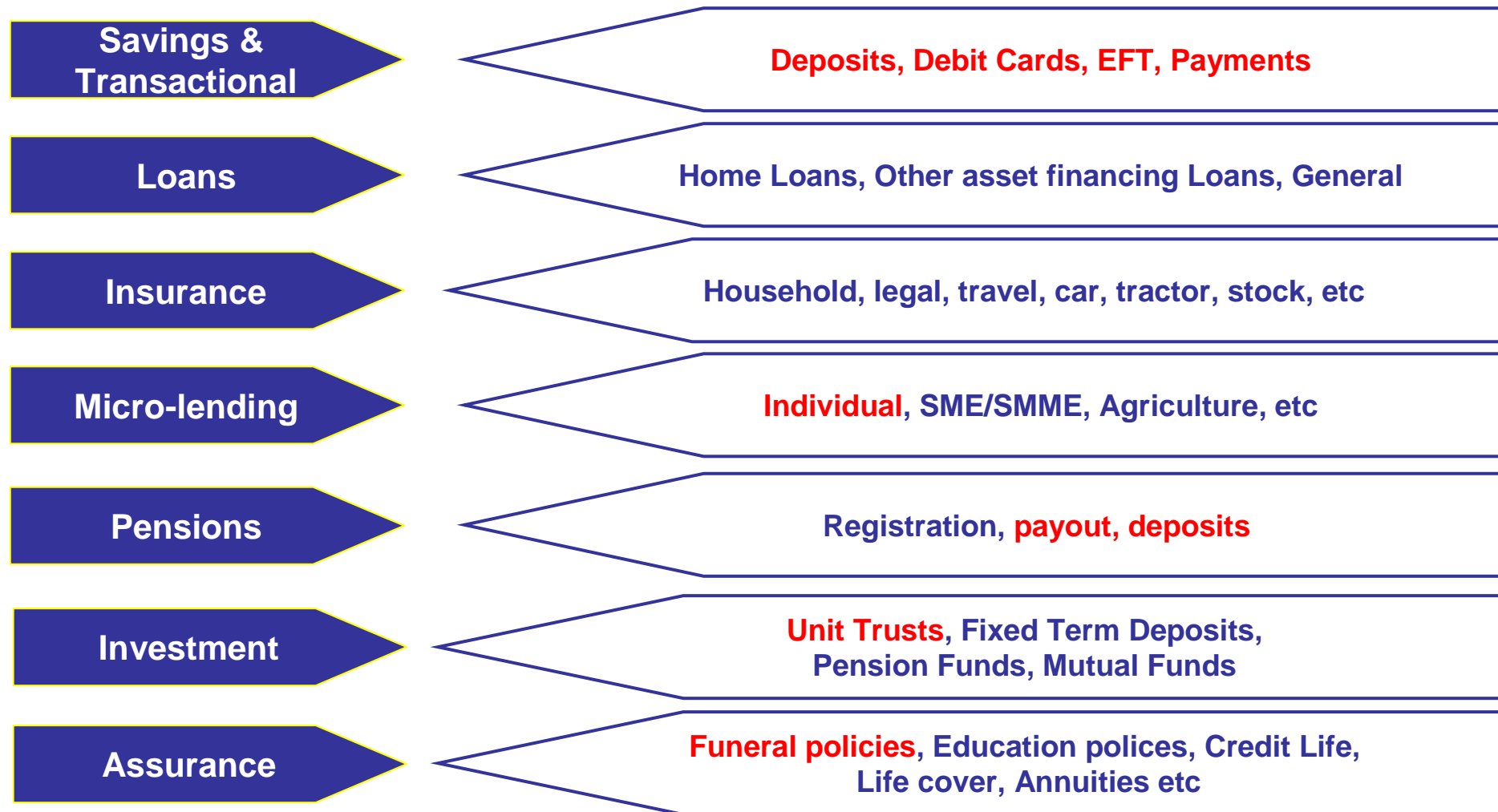
Two Worlds of the SA Economy



The Second Economy

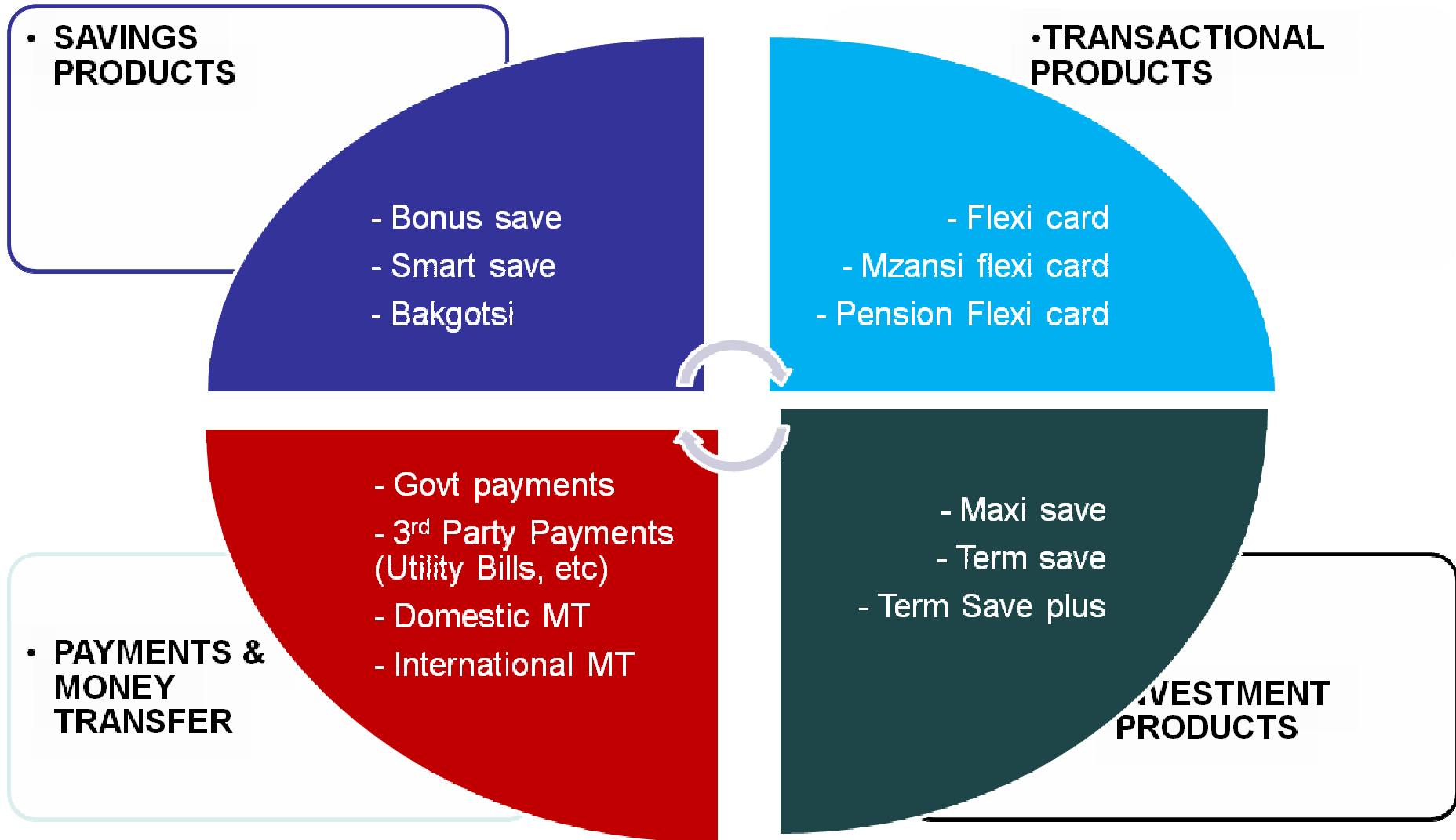
- Main Target Market:**
- Groups / SME
 - Women
 - LSM 1- 5
 - 12 million un-/underbanked

Postal Savings Banks Offerings – International Best Practice

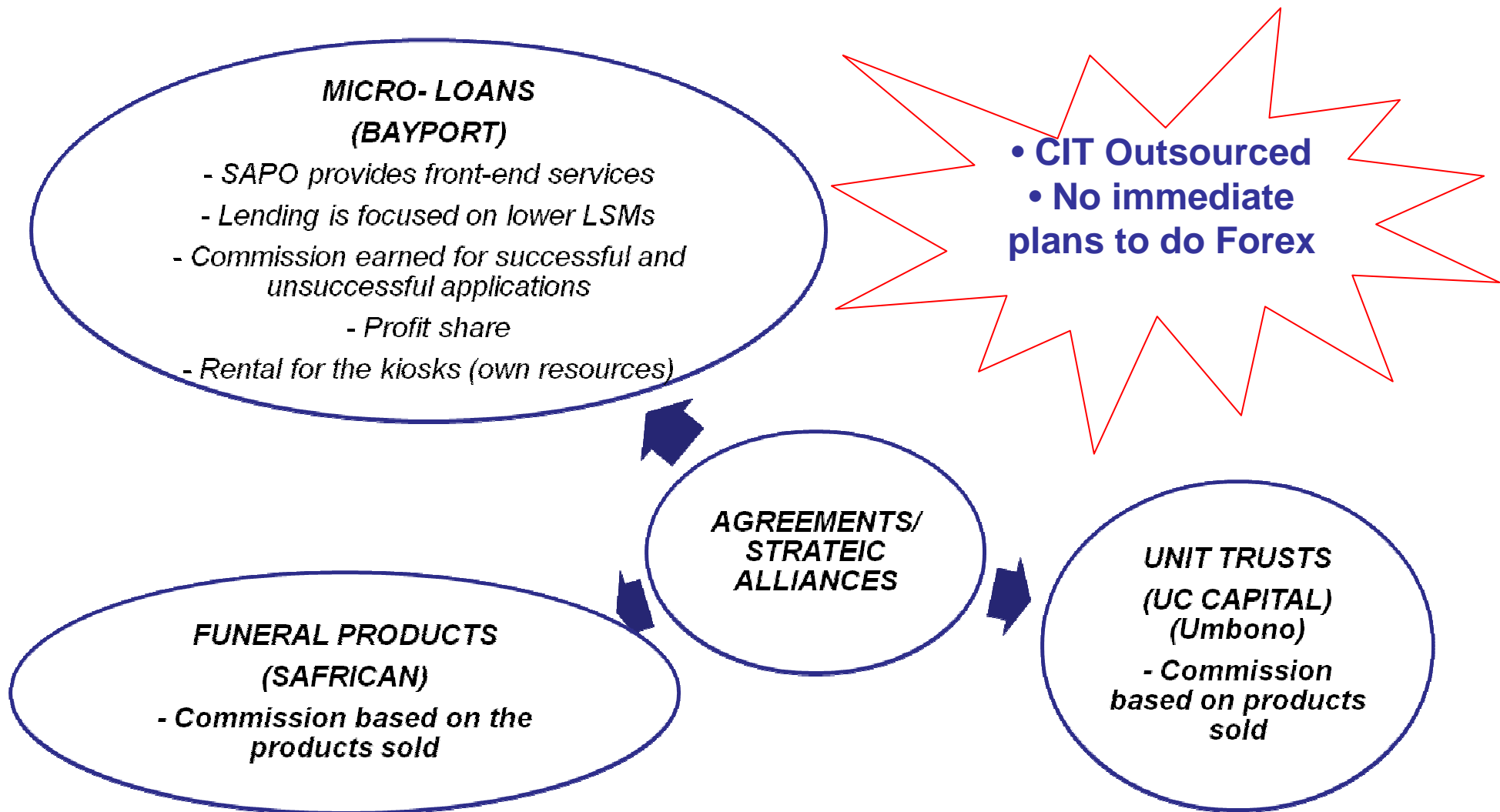


Red = Current Offerings

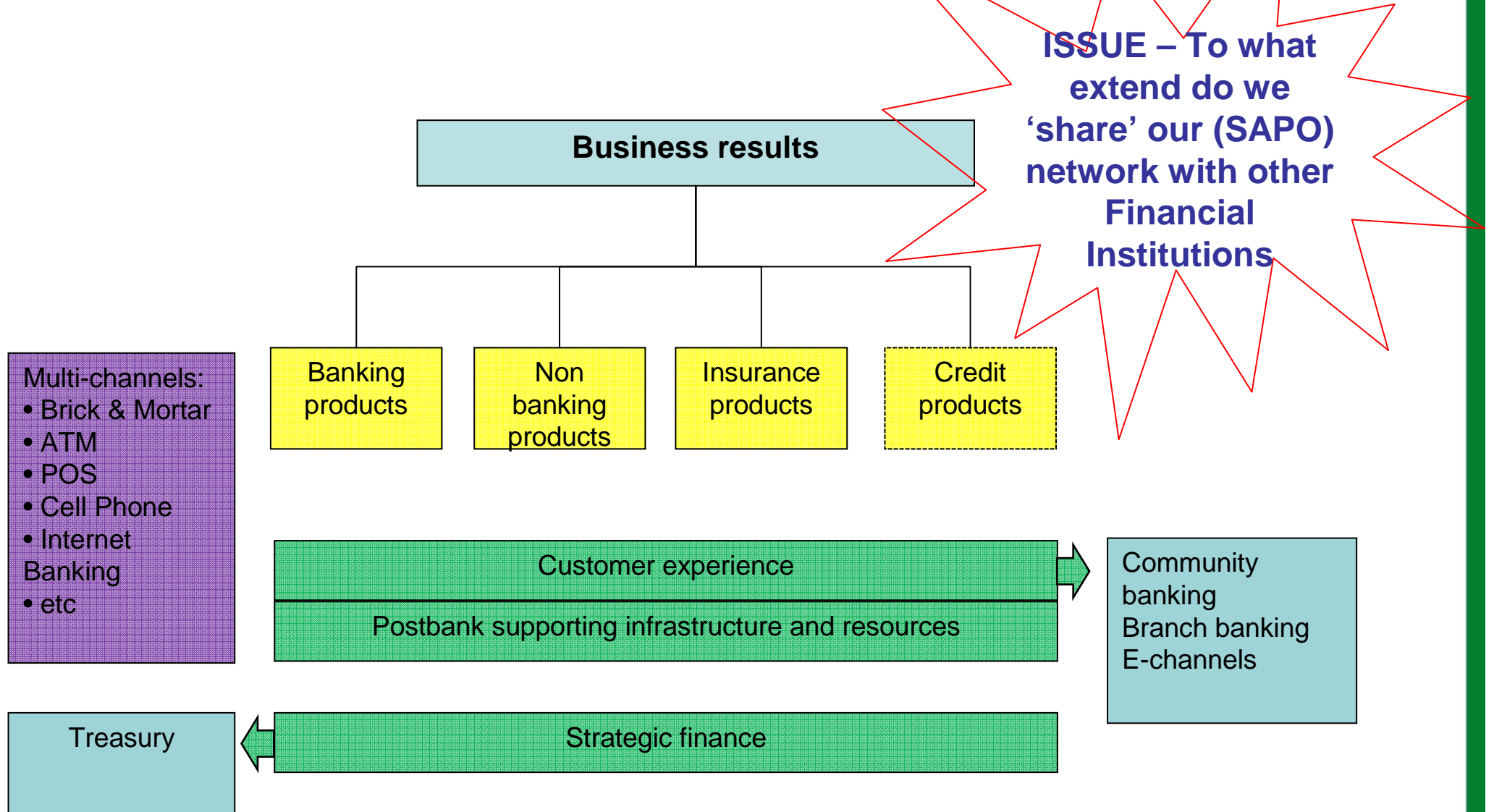
Postbank Products - Banking



Postbank Products – Other non-Banking



Postbank Business Results



Postbank / SAPO 'Partnership'

- Cash Management currently handled entirely by SAPO as Postbank does not have any branches of its own
 - Number of 100% Postbank branches still to be defined – possibly based on transaction ratio (Financial vs Post)
- Cost Accounting & Risk Management is provided by SAPO, but will change after Corporatisation
- Pricing model used – Internal transfer pricing based on ABC model
 - Current model possibly not reliable and include inefficiencies
 - WSBI is currently assisting Postbank with a review of the transfer pricing
- Main 'advantage' of Postbank/SAPO partnership is branch network
- Main 'challenge' with SAPO branch network is skills gap – to be address with SLA
- Multi-Channel strategy
 - Mainly reliant on SAPO for 'origination'
 - Diversification of channels (Cell, Internet Banking, POS, ATM, etc) to improve customer service (convenience) and reduce cost of delivery

Postbank / SAPO 'Partnership'

- Regulatory Issue with Postbank a fully owned subsidiary of SAPO
 - DOC shareholder of SAPO
 - DOC also shareholder and supervision of Postbank

Thank You