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'Cheap' debit card for the **unbanked** pulls them in

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## BANK NOTES

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IT is encouraging that there has been brisk take-up of the Mzansi national bank account, launched by the big four banks plus feisty little Meeg Bank and the PostBank four weeks ago to the sound of vuvuzelas at Soweto's Baragwanath taxi rank.

Issuance of the co-branded Mzansi debit card has cruised through the 110000 barrier and, by the time you read this, should have punched through the 120000 level. Good news, but hardly surprising.

Transactions on the co-branded Mzansi account are relatively cheap and, to keep it that way, they are limited to the most basic things: deposits, balance enquiries, withdrawals, debit card payments.

Mzansi is the banks' last-ditch attempt to entice into the banking mainstream the 42% of South Africa's over-16s who, according to the Finmark Trust's most recent Finscope survey, have never had a bank account. Much is staked on it.

All the banks have easily beaten their initial targets and there is quiet

relief that the majority of the Mzansi clients have not "migrated down" from other (more costly) accounts. Absa and Standard Bank are streets ahead in the Mzansi race, followed by FNB, PostBank, and Nedcor as tail-end Charlie.

Participating bankers tell me the Banking Council has clamped down on the release of Mzansi issuance figures - rather as the government clamped down on the regular release of crime statistics. They say the council wants to stop their banks from using take-up figures to gain a competitive advantage over their peers.

Is it not ironic that, after years of being accused of operating a cartel, the banks now find that their very own industry representative body wants to stamp out a refreshing example of competitive spirit? The council says this is not the aim.

But commercially minded bankers say the industry needs to release Mzansi figures more often than monthly, the better to arouse the interest of those who have yet to hear the Mzansi rallying cry.

Elsewhere, the time taken for Barclays' partial bid for Absa to emerge makes Waiting for Godot seem like a fleeting moment.

Some were upset by last week's suggestion that Barclays might find a little fat within Absa's corridors. However, I have never heard of a bank taking a majority stake in another without some cost-cutting.

Recent experience in the UK, where Spain's Banco Santander Central Hispano has just forked out about £ 9-billion for Abbey National, confirms this norm. BSCH reportedly plans about £ 300-million of cost savings and 3000 job cuts. But much can be achieved by a freezing hire and normal attrition.

The deal has also encouraged Old Mutual Life Assurer to look at the closed life books of Abbey National's Scottish Mutual and Scottish Provident units, which BSCH wants to flog.

Wags say that I underestimate Absa's commitment to offering multilingual services in branches and on its ATMs. Judging by some of the English regional accents heard among the Barclays due diligence team members, who have just completed their task, Estuarine and Geordie English could easily become a feature of Absa outlets under Barclays rule.

For example, instead of "insert card" the ATM screen might mimic Estuarine English, with a message like: "Stuff yer card in this 'ole if yer want any dosh." Balance enquiries might be met with "Money's tight, an' you ain't got none" and withdrawals might be confirmed with the word "Sorted".

Despite sensing that Barclays' sighting shot was to be pitched at about R72 a share, Absa's share price appears to have settled at a lower level that I suspect gives a better steer. Offering R69 a share would attract all manner of saucy jokes, so Barclays should table R68.

Even that number reminds me of the student riots of 1968. And it makes me think Absa shareholders might stage their own revolt and seek a deal closer to R75 in exchange for control of their bank.