

KPI Business Electronic Banking (BEB) and Tracker 2019 (Preliminary for Absa)



Background to Business Electronic Banking and Tracker 2019



Business Electronic Banking and Tracker:
Annual tracking study for over 20 years; focus
on market share, electronic and transactional
banking performance



2019: BEB & Tracker: electronic banking in
the context of overall transactional banking;
personal interviews conducted in the metro
regions (August/October 2019)



Sample of 713 interviews: No prior sample
segmentation by primary business or
corporate bank and primary electronic bank
Controlled Metro sample: Gauteng 60%, Cape
Town 20%, Durban 20%

Presentation structure

Section A: Company demographics, market share analysis, levels of switching, single and multi banked, correlation between personal and business banking, hypothetical choice for next bank

Section B: Electronic banking product and service assessment

Section C; Channels for banking, ERP and payroll systems, levels of innovation, business apps for mobile banking

Section D: Competitive activity, key factors when evaluating a bank, assessment of banking fees

Section E: Market perceptions of the banks

Section F: Relationship banking, value added services, main business bank service assessment

Section G: Bank specific questions and assessment for foreign trade

Section H: Transactional business banking component, bank product usage and bank penetration

RESEARCH OBJECTIVES: Business Electronic Banking



BUSINESS BANK SHARE

Profile and trend upon 20 years of data primary business bank share, as well as levels of multi-banking and BEB platform usage.



CRITICAL FUNCTIONALITY

Profile BEB platform functionalities that are critical to the business, which are redundant, used on an ad-hoc basis and needs that are currently not catered for.



ONLINE BANKING

The relevance and applicability of online banking as a working capital solution, especially for payments and collections.



ELECTRONIC PRODUCTS

Map usage of business electronic banking products – both international and domestic banking (online and host to host).



PLATFORM PERFORMANCE

To profile the major bank's BEB platform performance across factors such as accessibility, security, functionality, ease of navigation, flexibility, system response, uptime, value for money, service and support.



OPPORTUNITIES

To review value added services and features that form part of the online banking solution and solicit respondent input as to areas of value added opportunity.



COMPARISON ACROSS BANKS

Measure and trend comparative service performance levels across the banks against key related attributes pertinent to business electronic banking, as well as prioritisation of such attributes with respect to 'importance' to the business clients.



ASSESS TECHNOLOGY

Assess technology factors such as host to host versus online, means of connectivity, moving between functionalities, integration with company systems and usage of tablets/iPads in online business banking.

RESEARCH OBJECTIVES: Tracker for transactional banking



PERCEPTUAL POSITIONING

Profile the perceptual positioning of the SA banks servicing the business market in the 'eyes' of the business financial decision makers (FDMs) interviewed. For example, who is perceived to be:

- Market leader?
- Innovator?
- Most aggressive or most conservative?
- Have the best representation in Africa?
- Have specialist teams to help beyond traditional banking? etc.



FOREIGN TRADE

Profile foreign trade trends and forecasted growth areas.



TARGET MARKET

Profile the 'main bank' market share by banking institution within the target market segments, also measuring key drivers in main bank selection, main bank loyalty and propensity to change main business bank.



PRODUCT MARKET SHARE

Profile 'product' market share by banking institution at a product specific level within the following business product categories:

- Domestic transactional products (card, POS, cash management etc.)
- Depository products (call, notice, money market etc.)
- Borrowings/lending products (vehicle/fleet finance, asset finance, property finance, factoring, etc.)
- Forex and international trade products (cross border payments, LCs, CFCs, doc collections, trade finance and guarantees, cover, etc.)



SERVICE ATTRIBUTES

Measure and trend comparative service performance levels across the banks, both at a senior relationship level and at a day to day banking level. In doing so, profiling key service attributes that drive business customer satisfaction levels and expectations of their main banks.

- **Section A:**
- Company demographics
- Market share analysis, levels of switching
- Single and multi banked analysis
- Correlation between personal and business banking
- Hypothetical choice for next bank



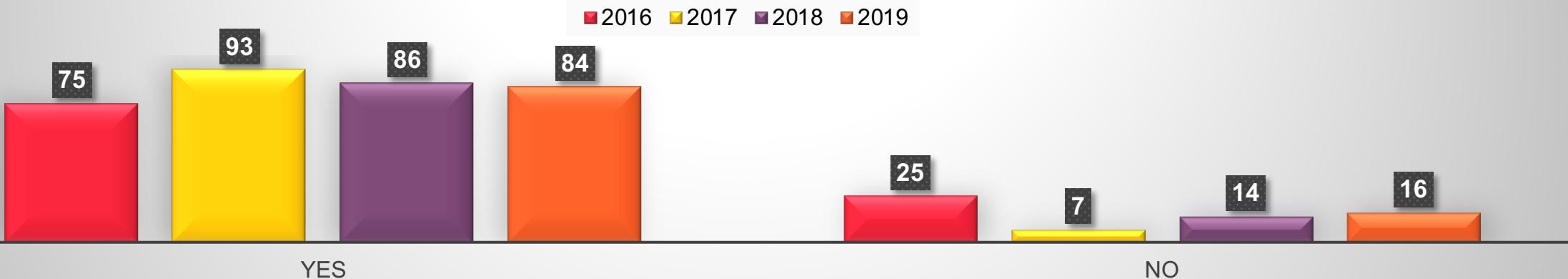
RESEARCH & STRATEGY



Company ownership structure (%)

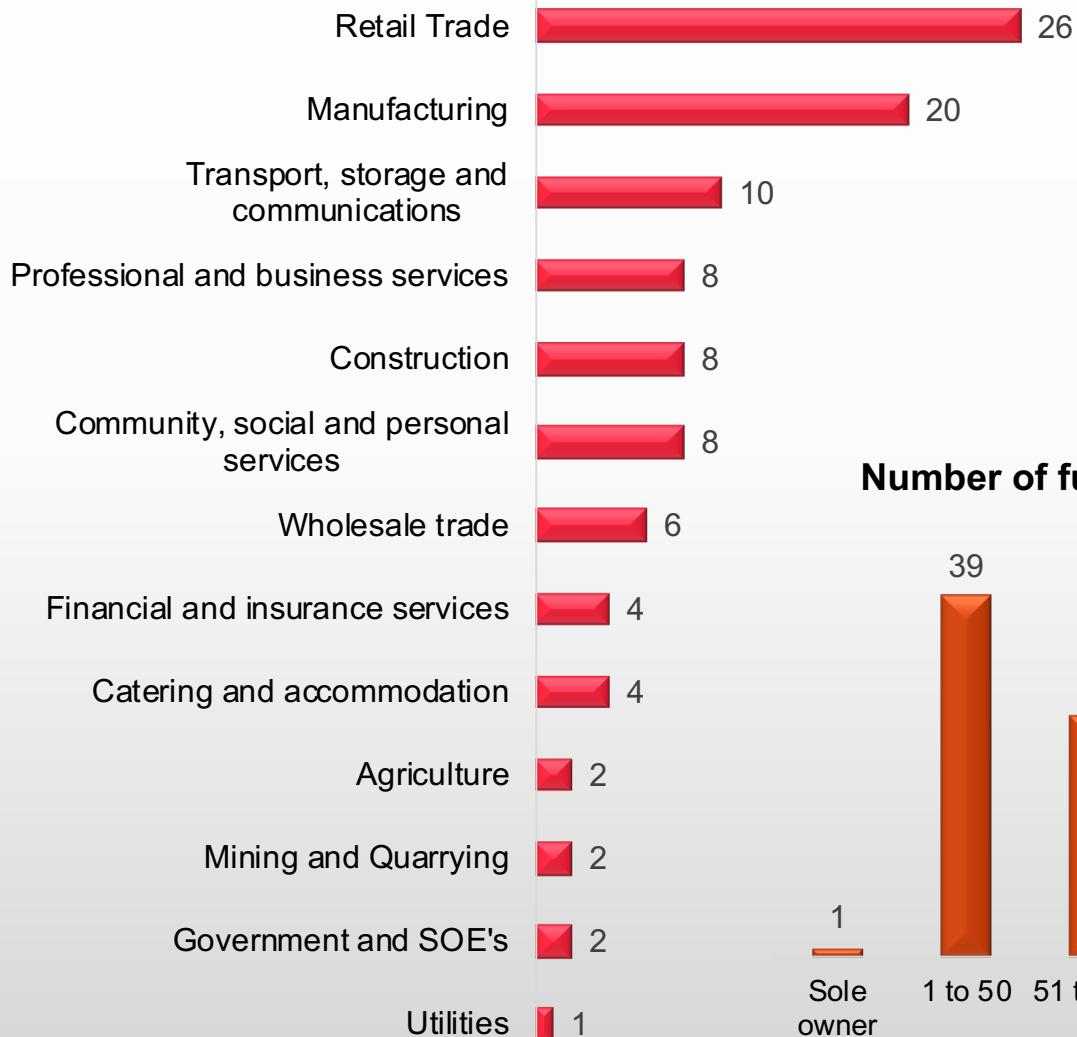


As a company in a group, does your company have the autonomy to make decisions regarding choice of business bank? (%)



Industry sector, number of full time employees, respondent designation and age (%)

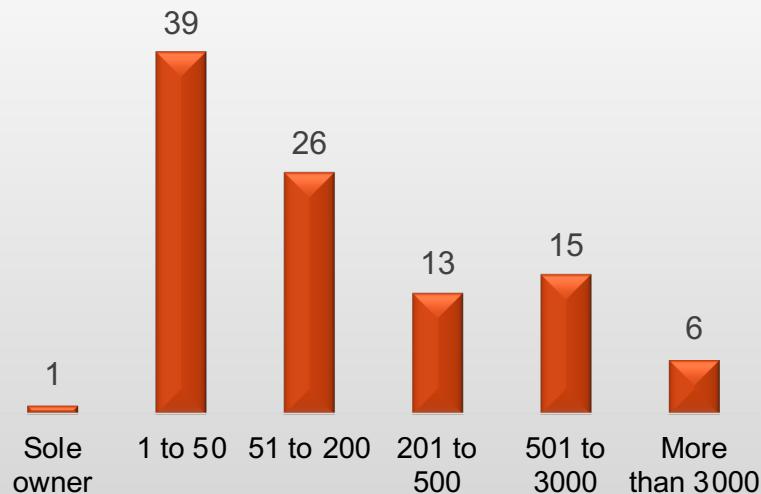
Industry sector (%)



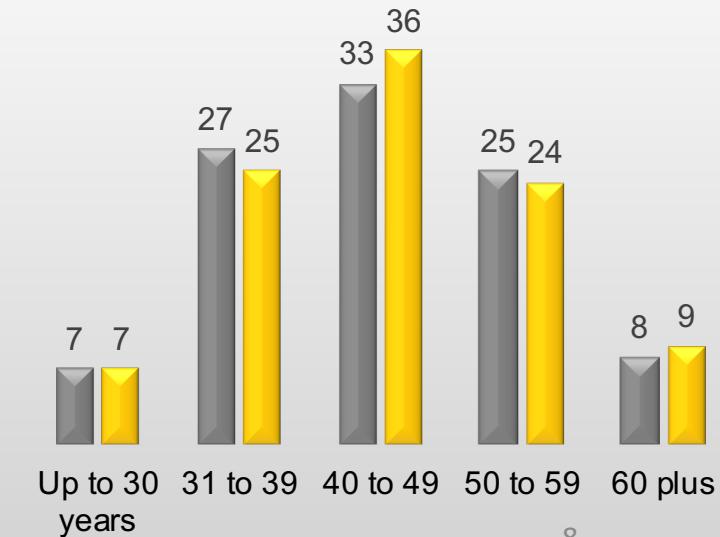
Respondent designations: Financial decision makers (%)



Number of full time employees (%)

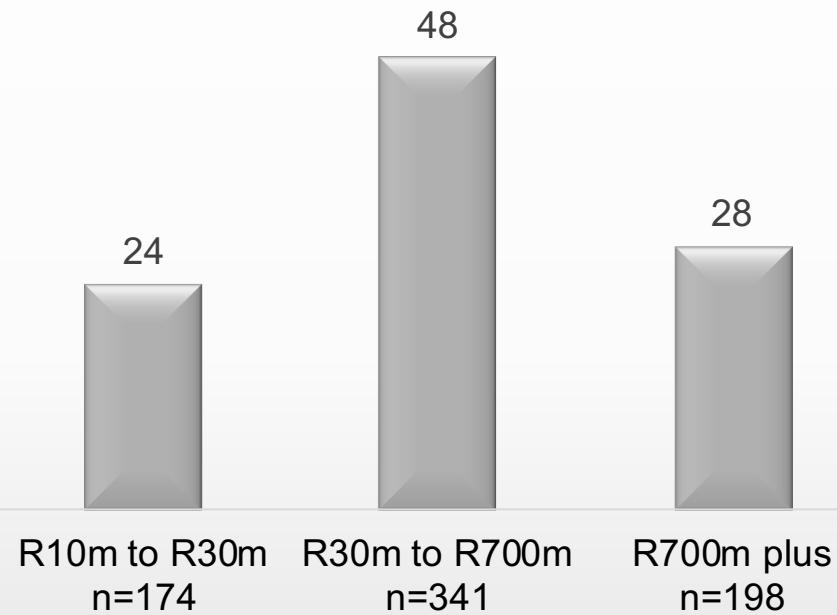


Age groups for FDM's 2018 and 2019 (%)

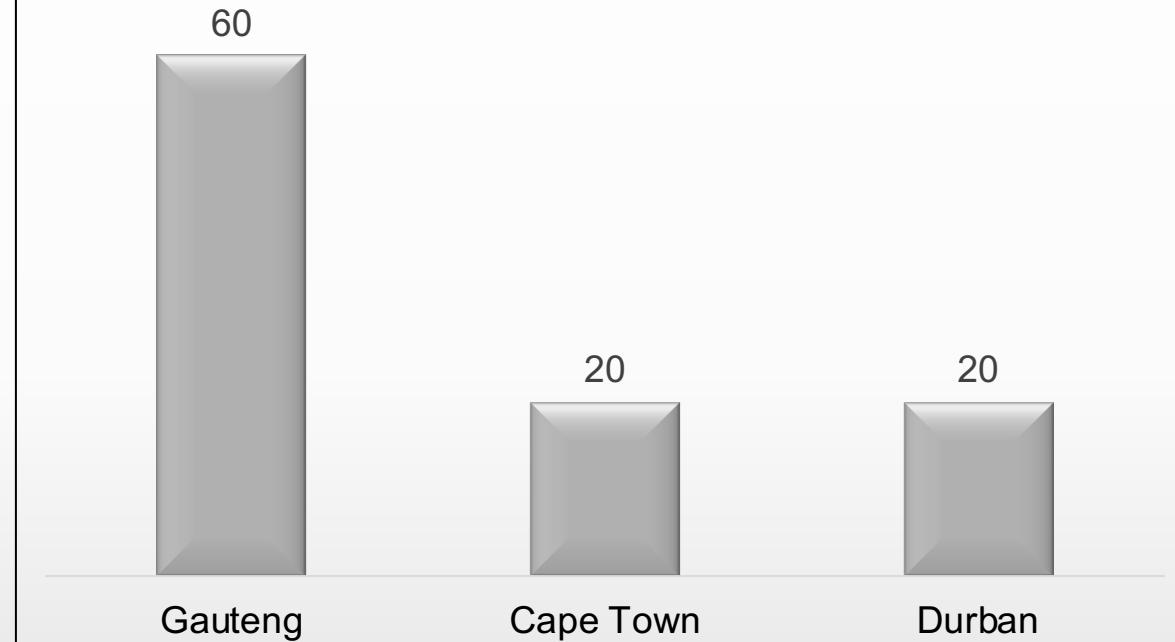


SECTION HEADER: Context for Analysis and Main bank for electronic banking services

2019 Turnover parameters



2019 Metro parameters



Primary bank for business electronic banking services



Primary bank by company annual turnover

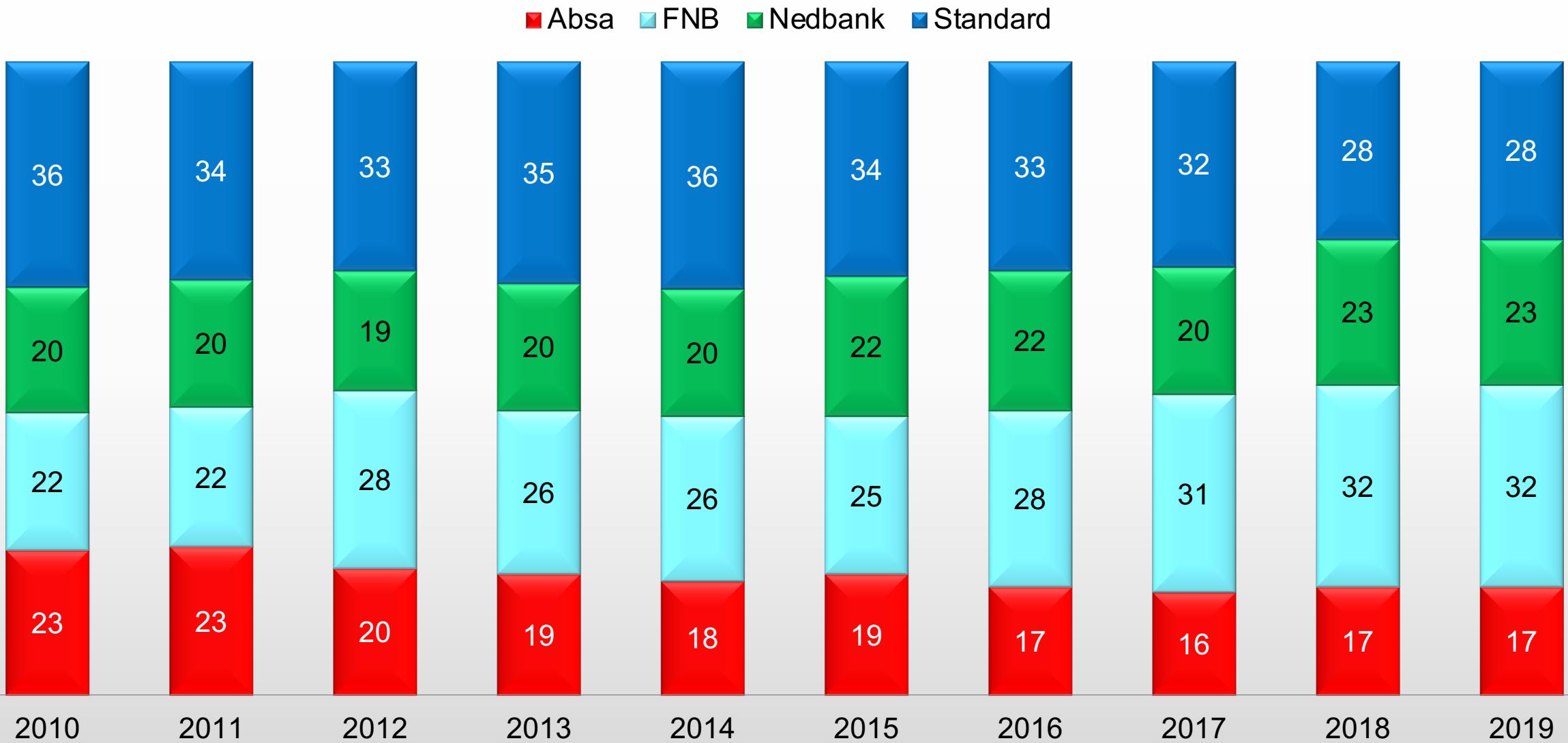


Primary bank by single or multi banked status



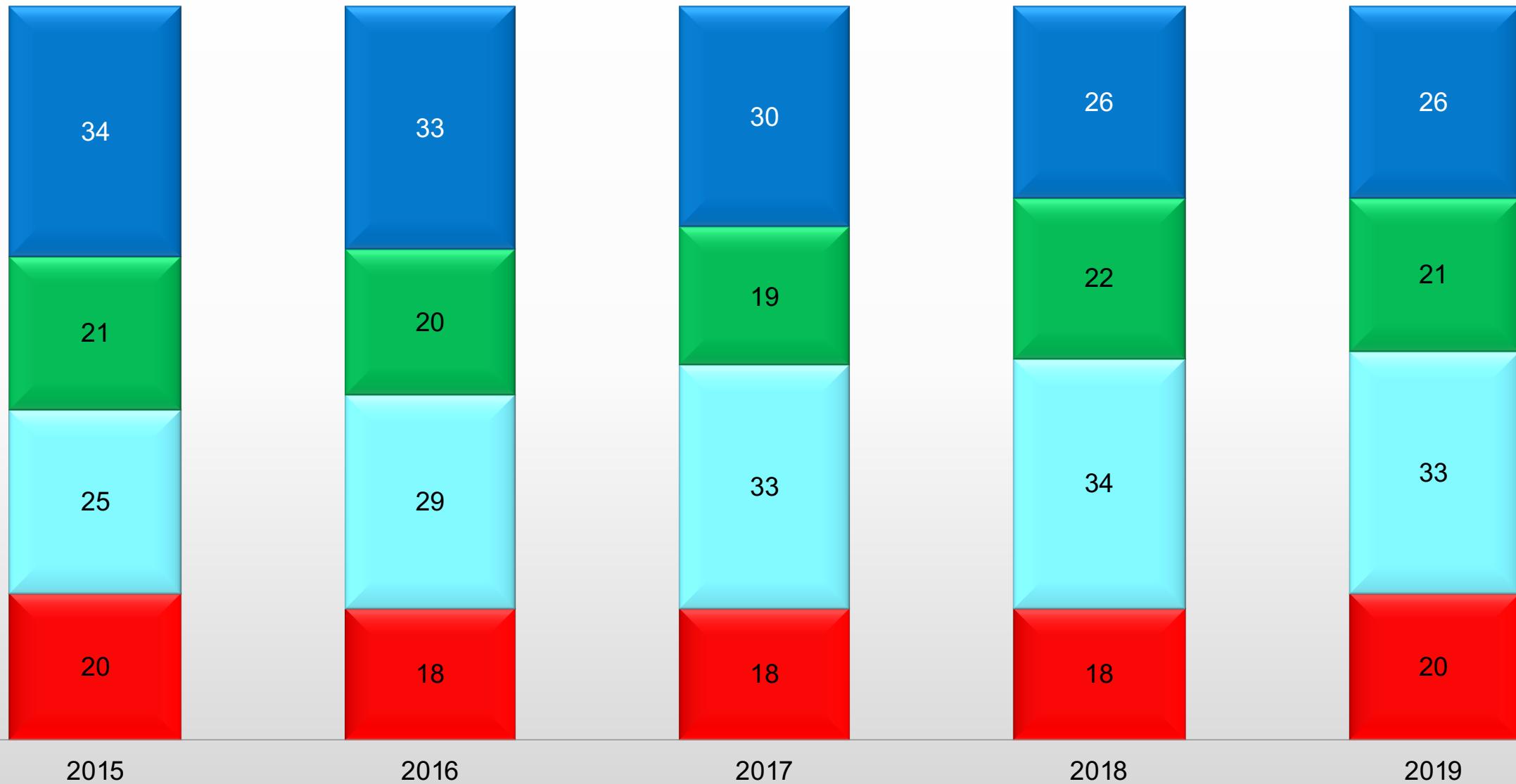
Levels of switching primary electronic bank

Main bank for business electronic banking (% ten years of tracking)

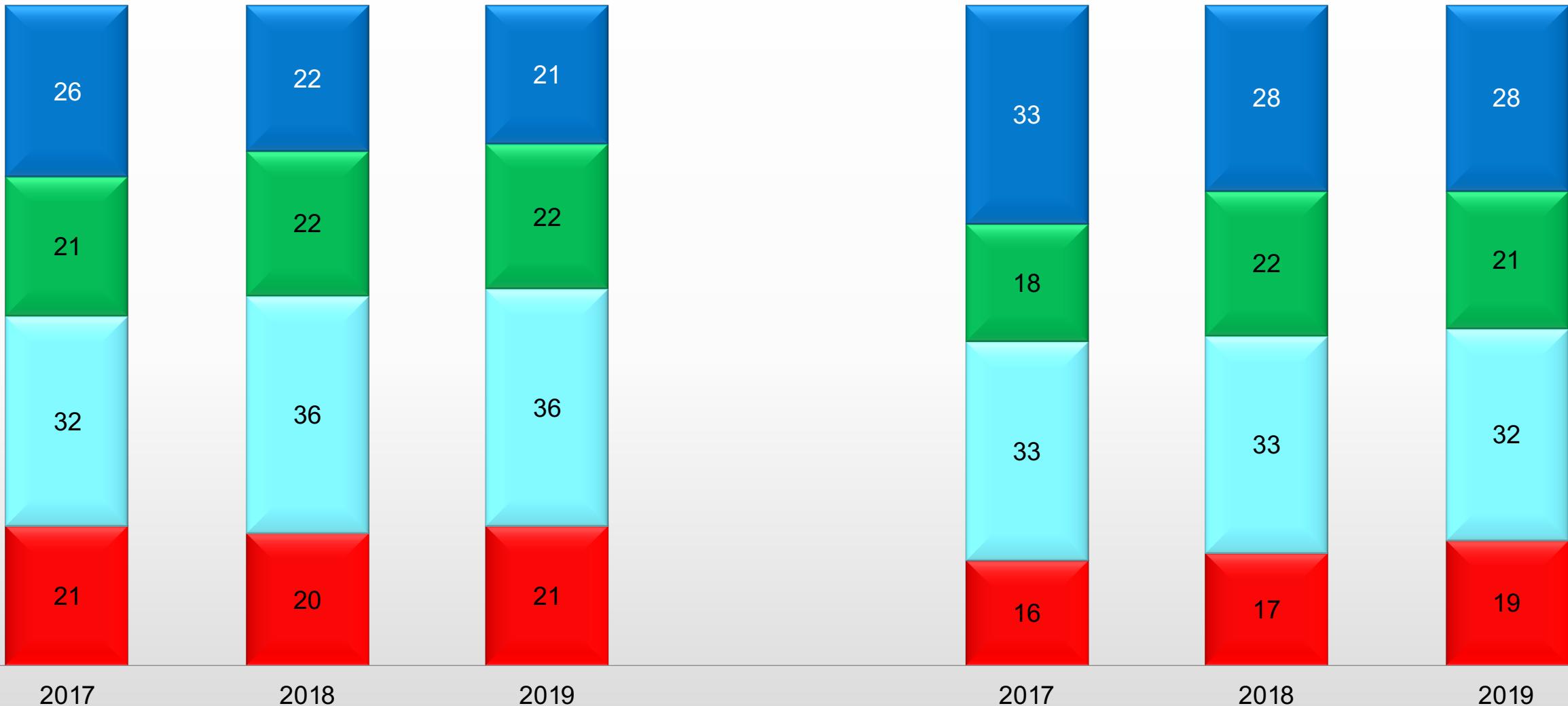


No change between 2018 and 2019

Main bank for business electronic banking by BUSINESS turnover segment (%) R10m to R700m



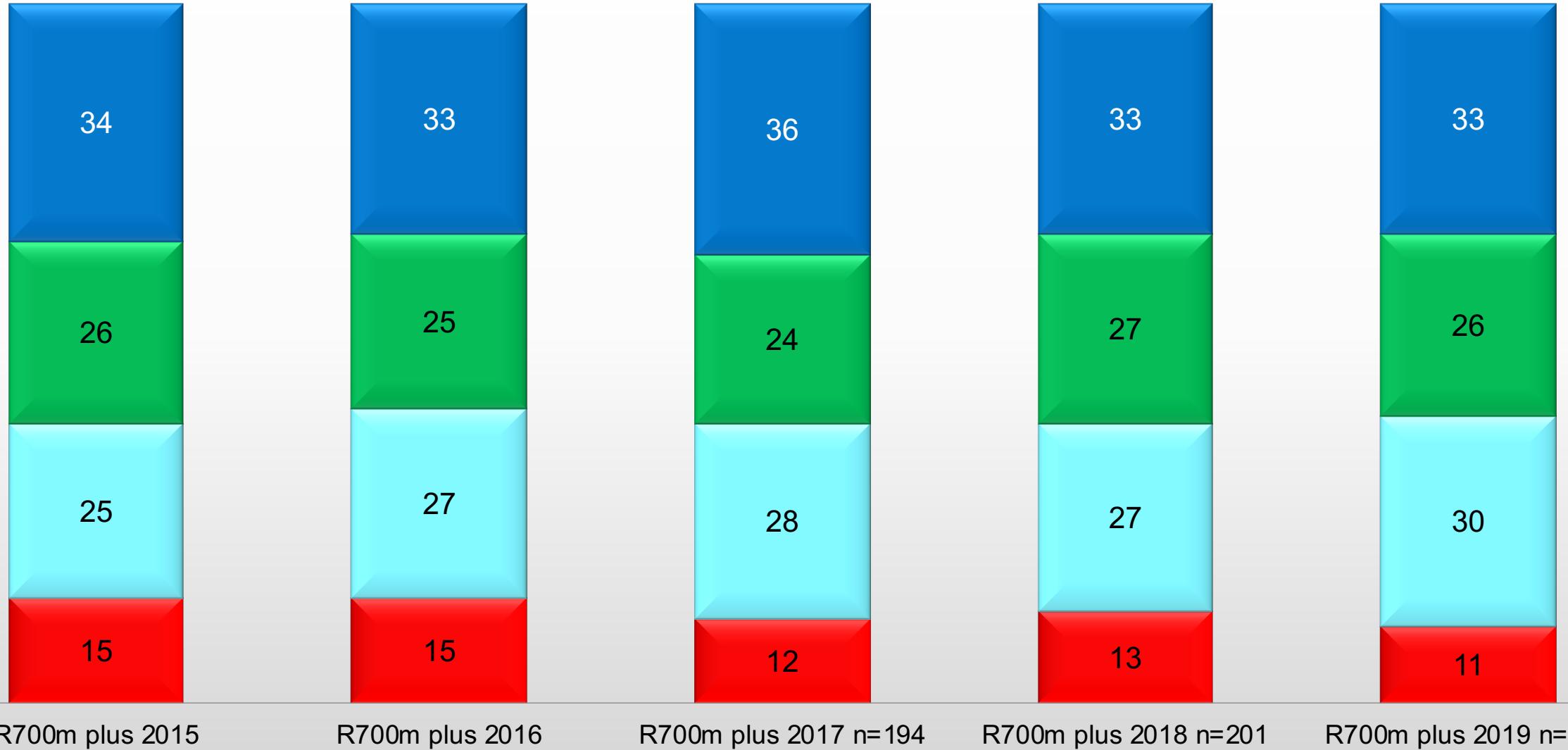
Main bank for business electronic banking by **BUSINESS** turnover segments (%)



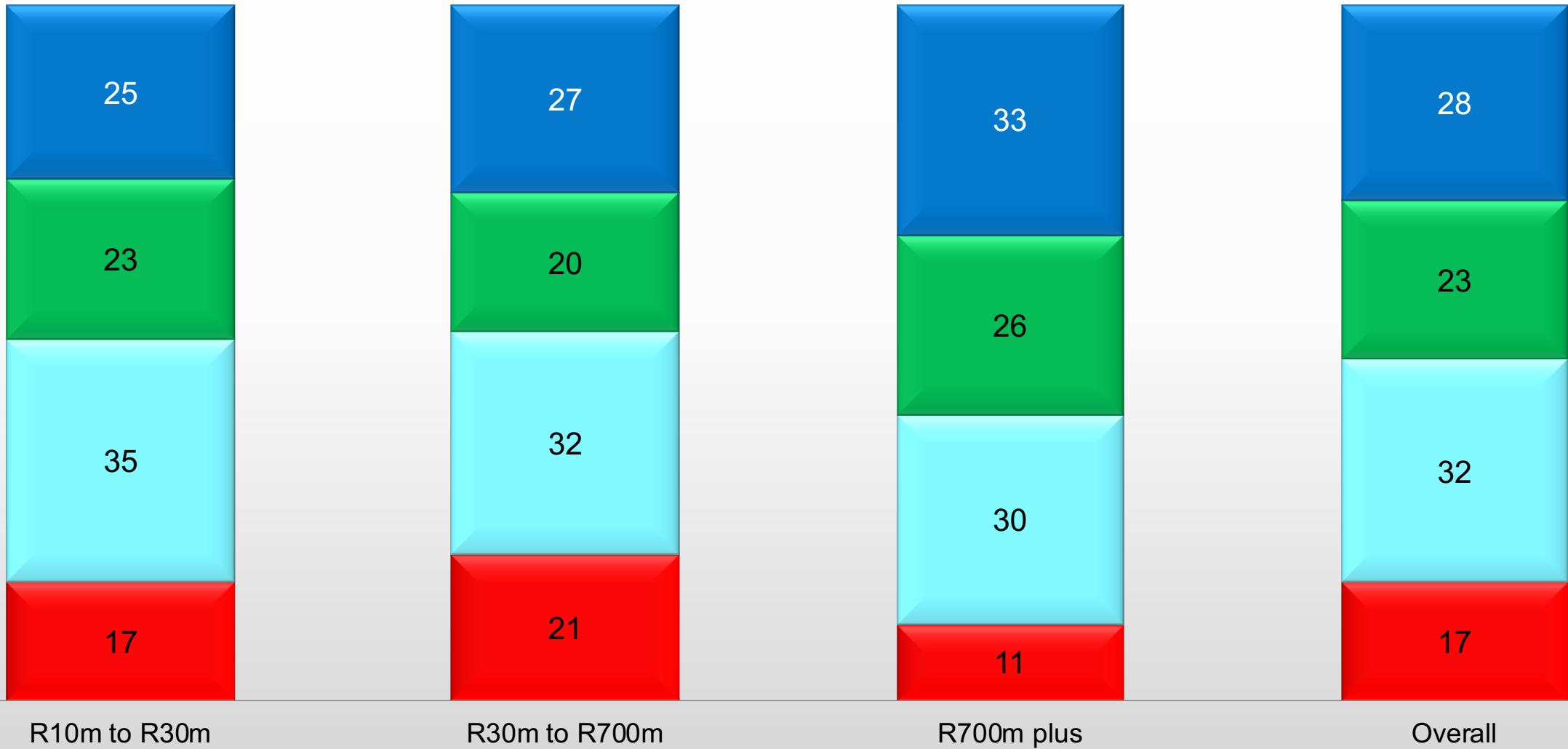
R10m to R20m

R20m to R700m

Main bank for business electronic banking for CIB R700m plus (%)

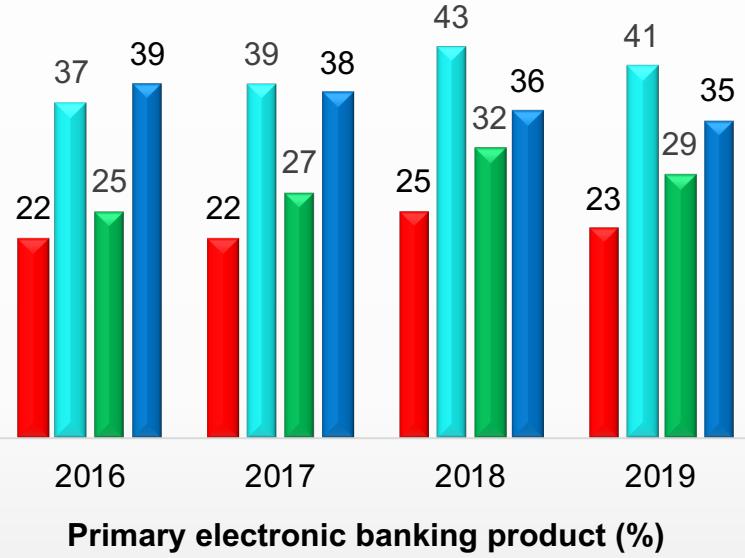


Main bank for business electronic banking by 2019 turnover segments
R10m to R30m, R30m to R700m and R700m plus (%)

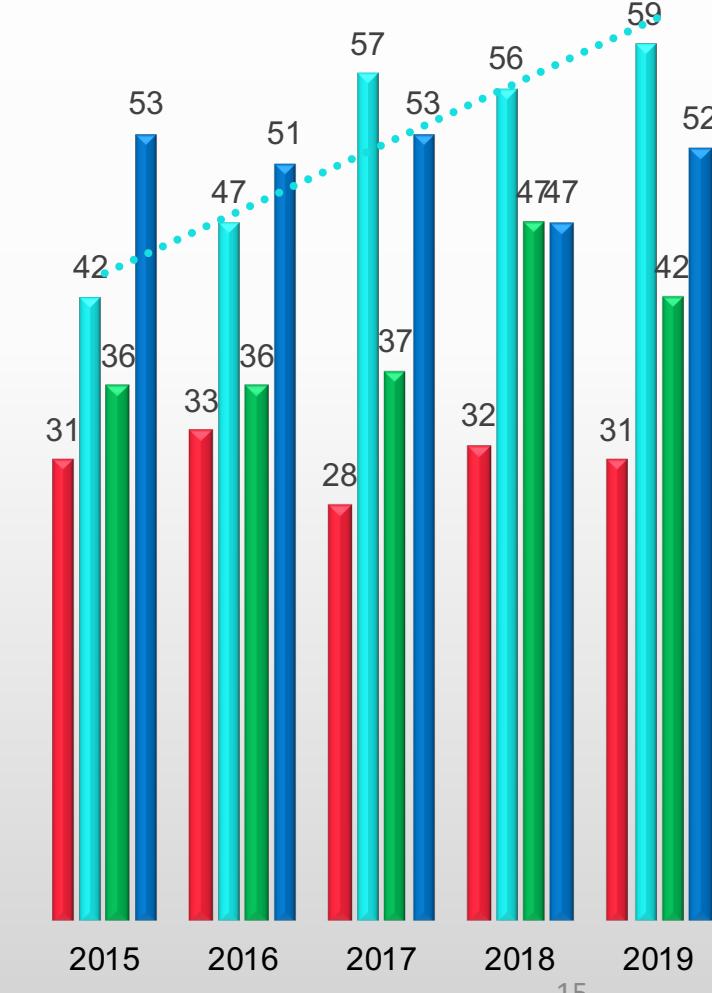


Product trends that influence market share: Cross selling and electronic banking

Cross selling: usage trends for domestic transactional banking products (%)



The % sum of usage for each bank's electronic banking products



Question to confirm and corroborate the correlation between main/primary business bank and main/primary electronic bank

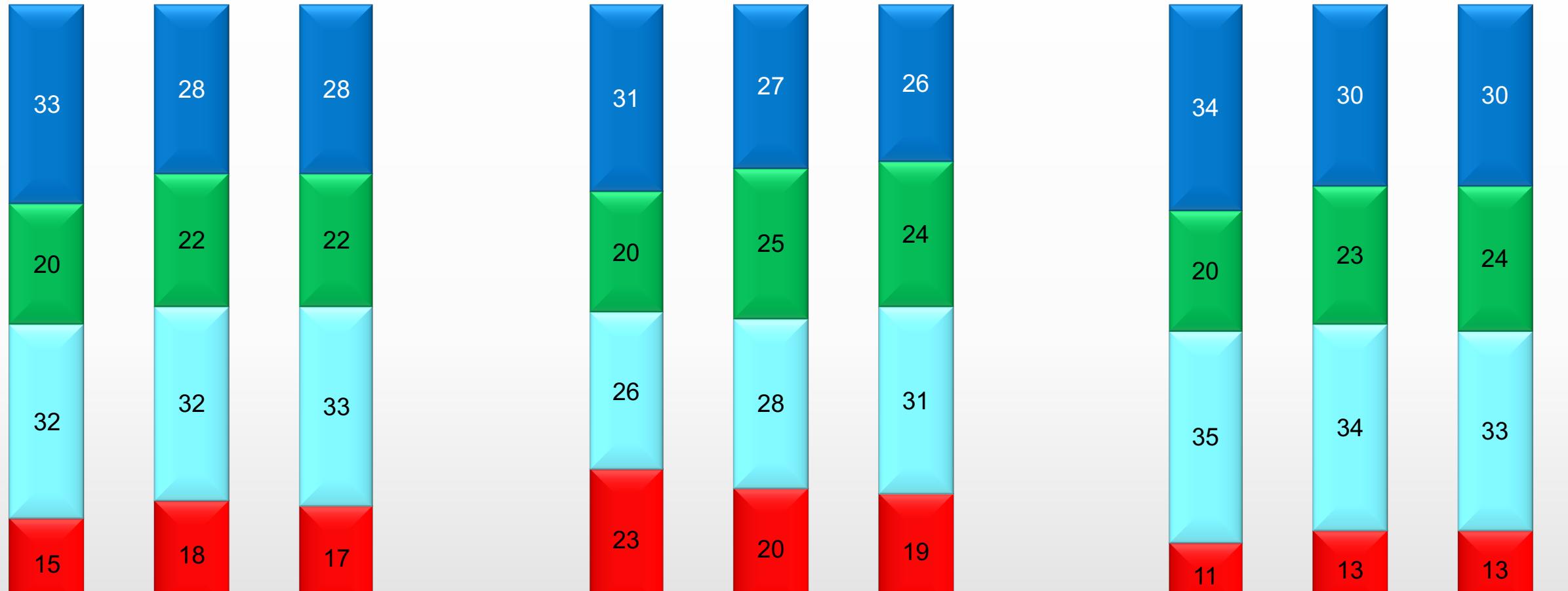
Do you consider your main business electronic bank as your main overall bank for the business?

2018: 100% for Absa, Nedbank and Standard
99% for FNB (1%) consider another bank for reasons...

*Higher interest rate on positive balance
Historical usage; used by other stores and branches of the business*

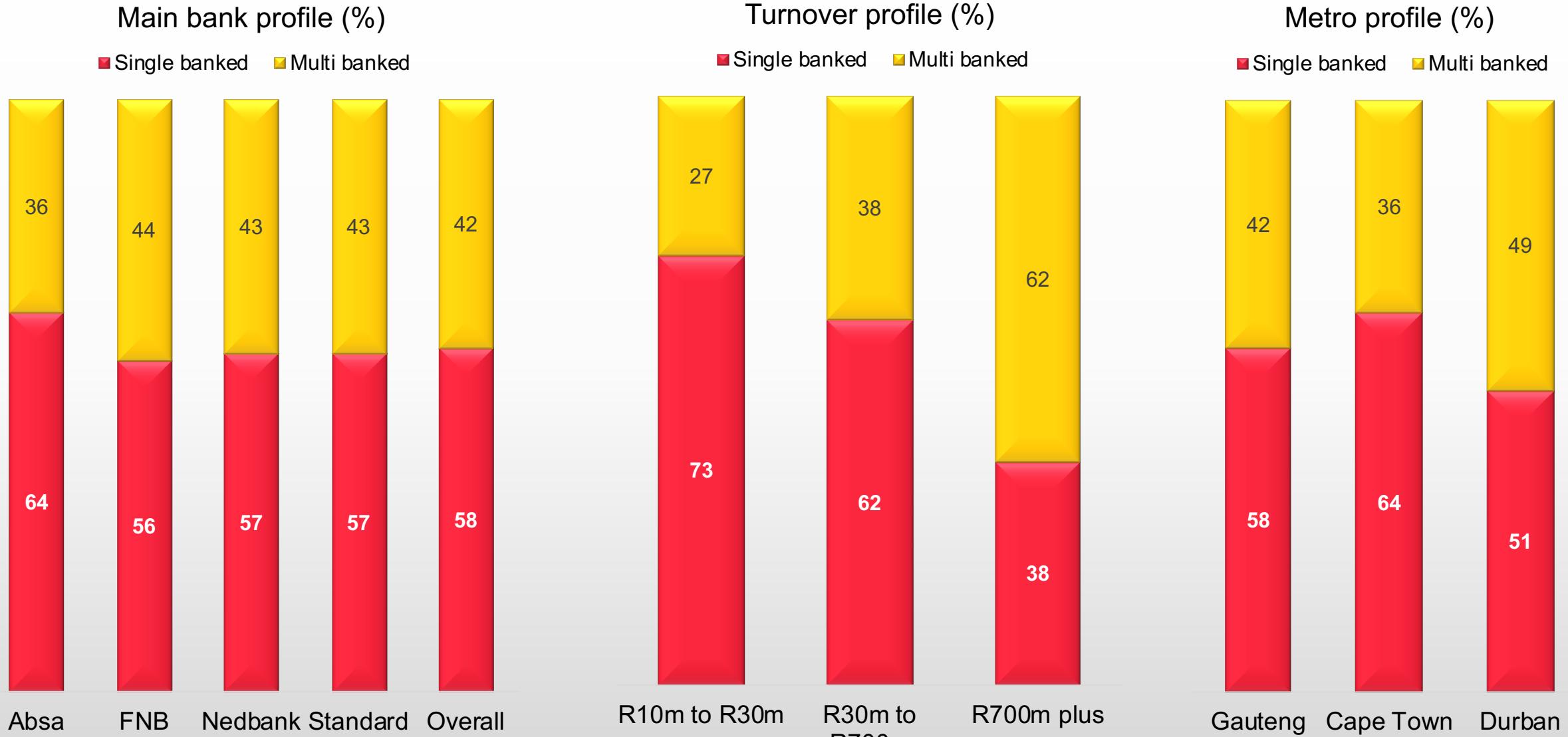
2019: 98% Overall sample with 2% for each bank considering another bank

Main electronic bank for overall banking by metro region (%)



2017	2018	2019		2017	2018	2019		2017	2018	2019
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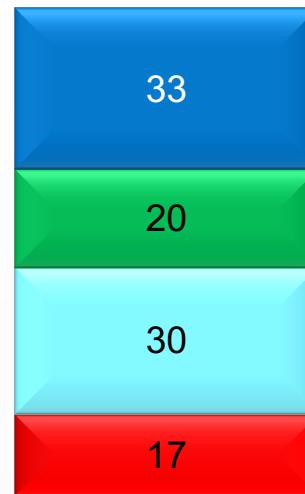
Profile - OVERALL BANKING by single or multi banked status (%)



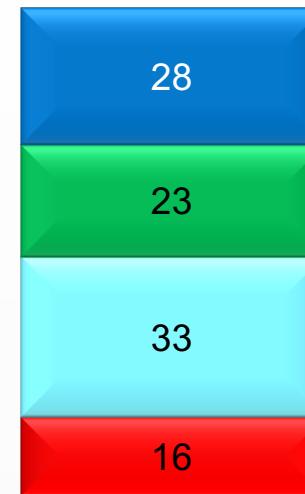
Main bank for OVERALL BANKING by single or multi banked status (%)



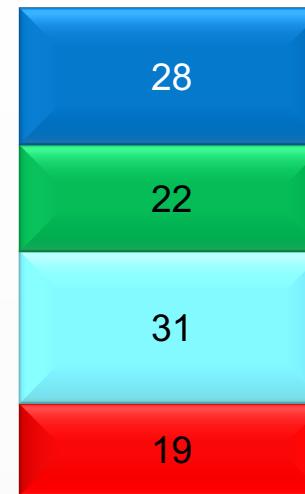
Single banked 2016 n=454



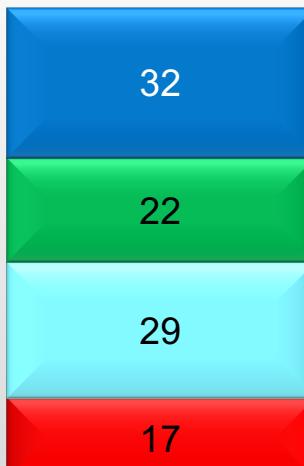
Single banked 2017 n=444



Single banked 2018 n=423



Single banked 2019 n=411



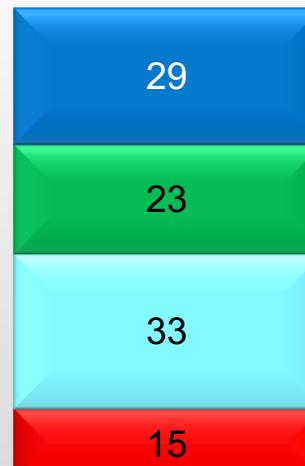
Multi banked 2016 n=296



Multi banked 2017 n=253

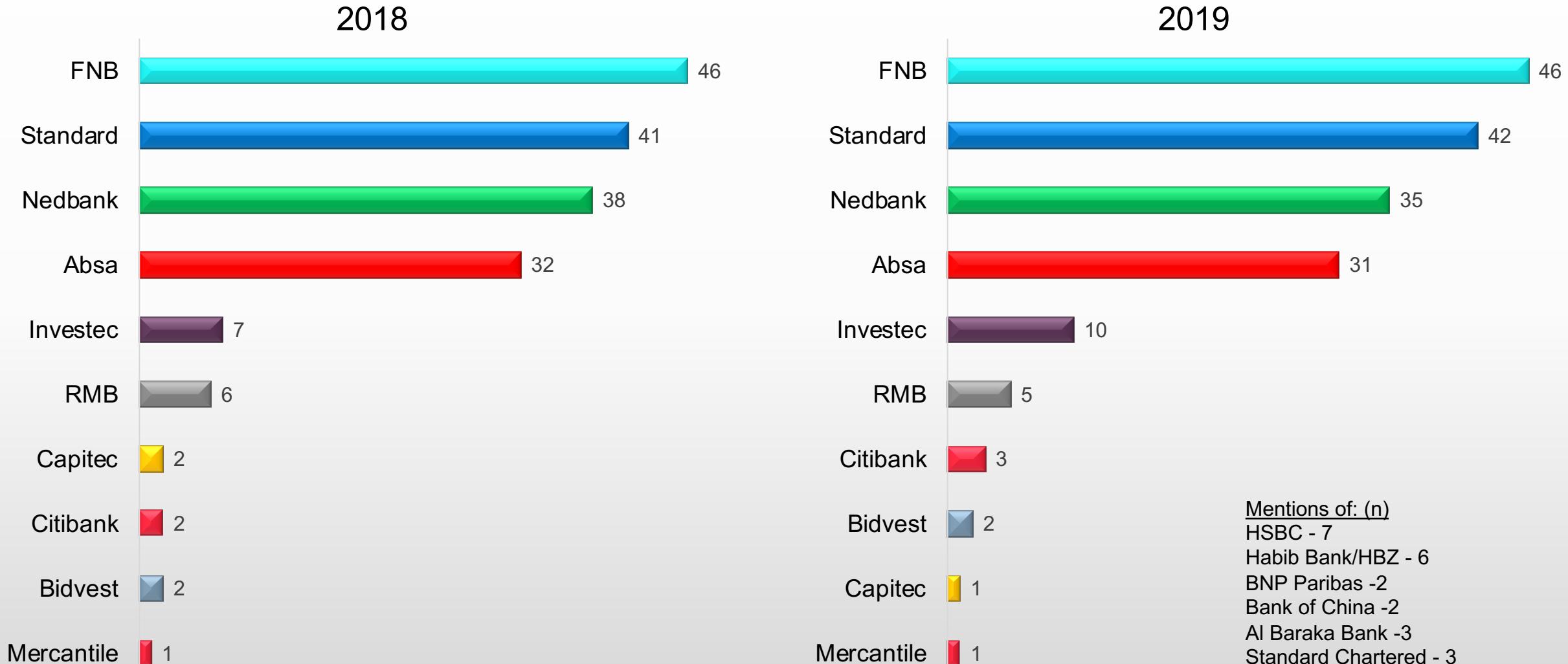


Multi banked 2018 n=277



Multi banked 2019 n=297

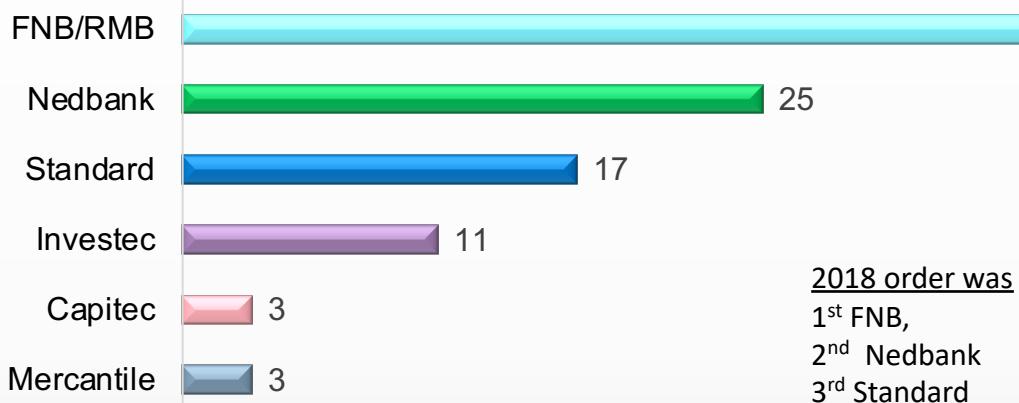
Overall business and corporate banking landscape: bank/s used (%) Multiple responses



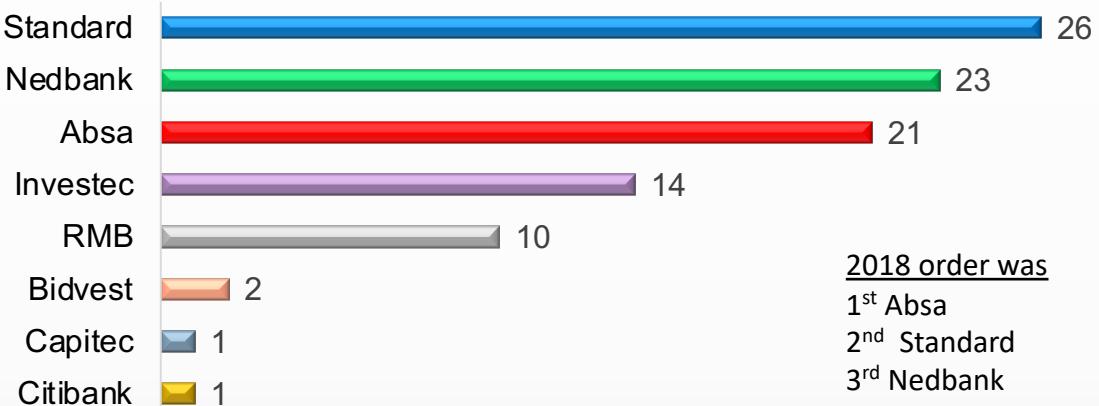
Multi banked for OVERALL BANKING; where the other accounts reside by MAIN ELECTRONIC BANK (%)

Each bank's customer base that is multi banked for OVERALL BANKING – what other banks are they using and the level to which these additional banks have gained traction in these businesses

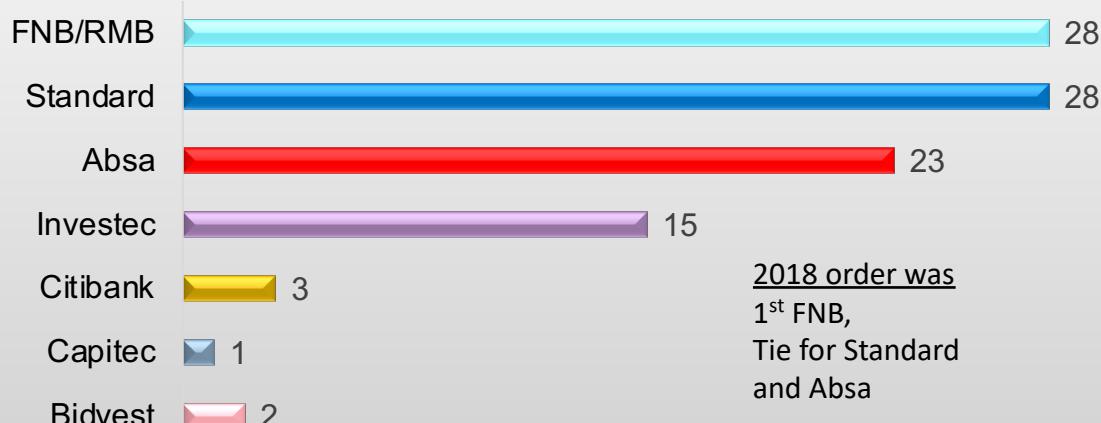
Primary Absa (36%) multi banked (%)



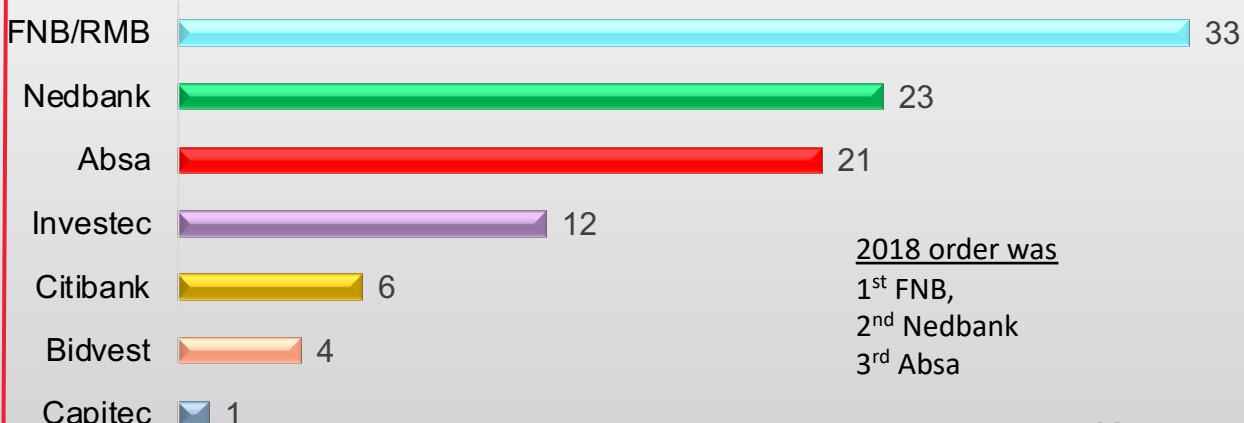
Primary FNB (44%) multi banked (%)



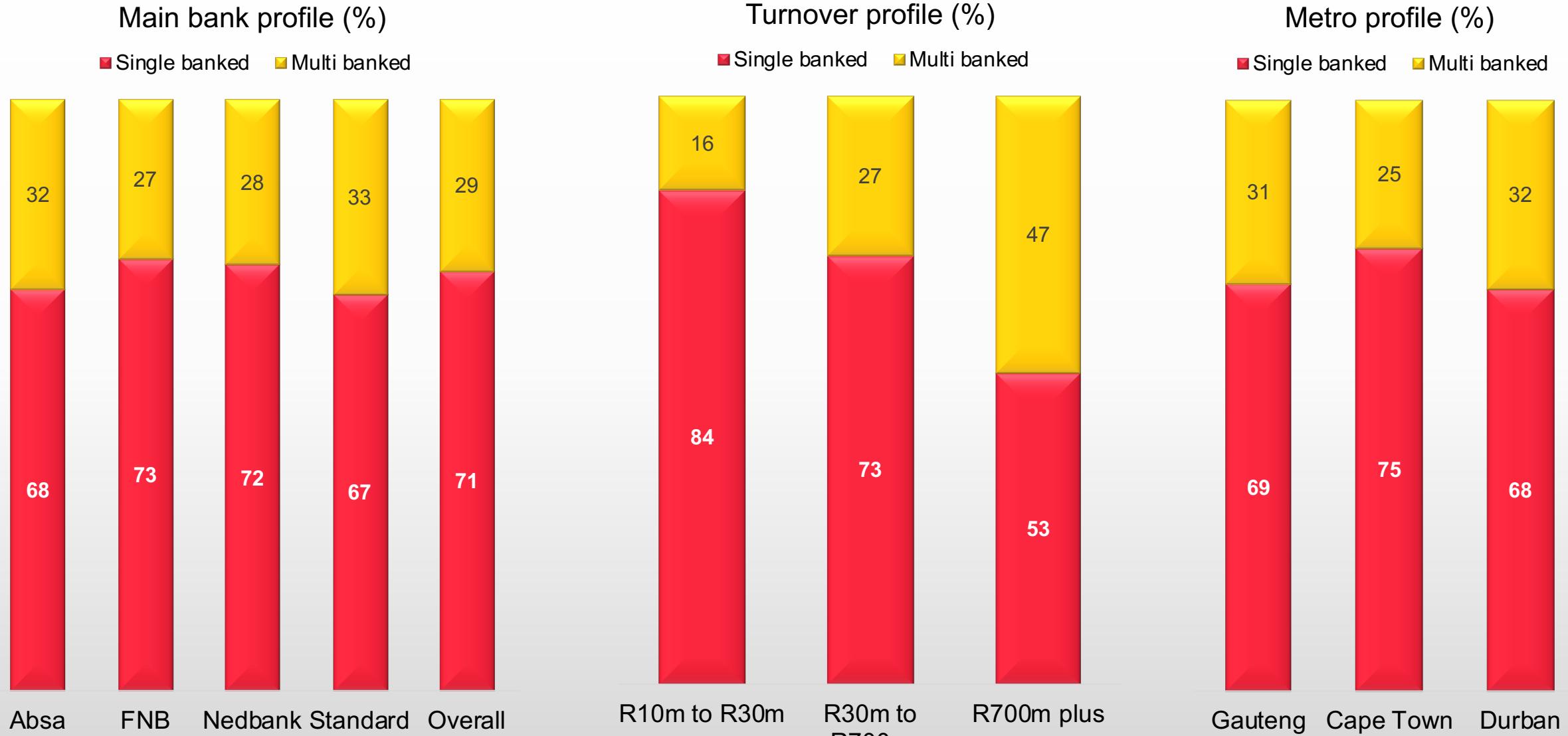
Primary Nedbank (43%) multi banked (%)



Primary Standard (43%) multi banked (%)



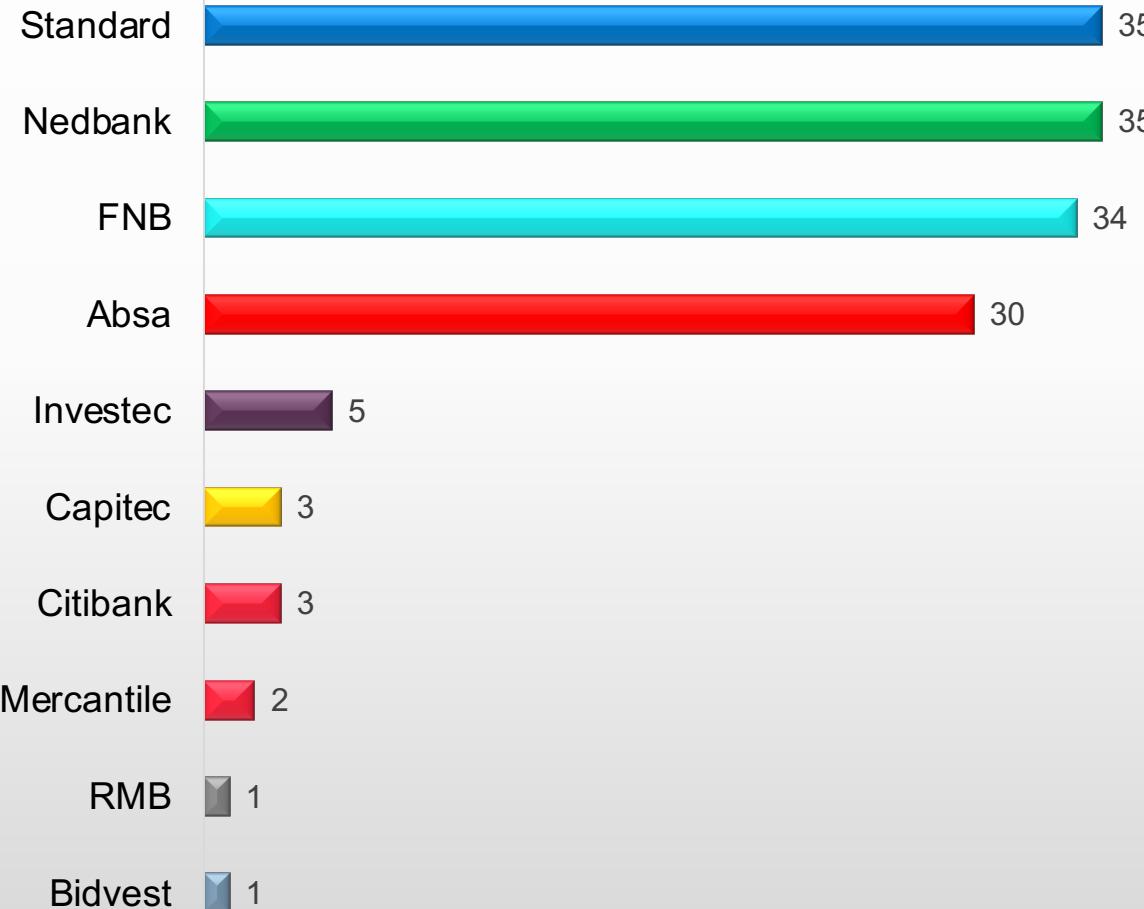
Profile – ELECTRONIC BANKING by single or multi banked status (%)



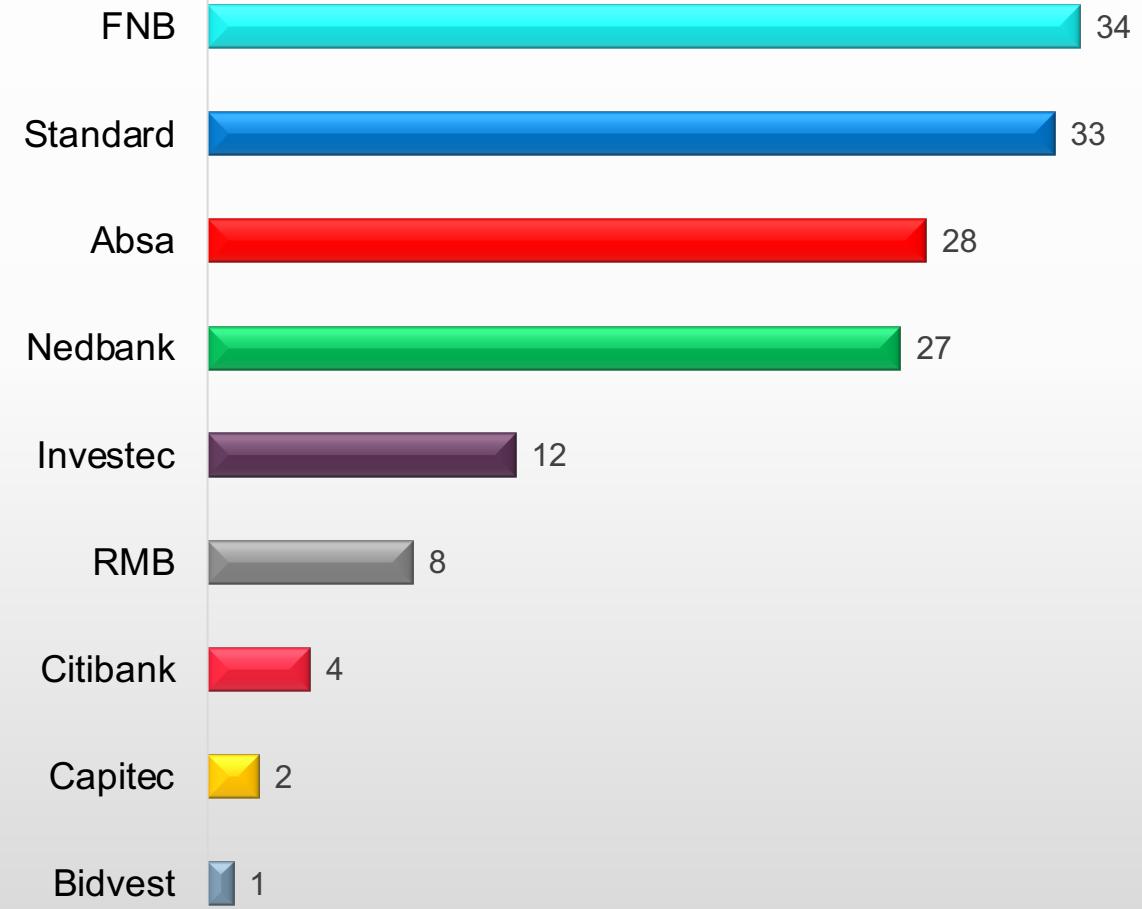
Other banks used for BUSINESS ELECTRONIC BANKING (%) Multiple responses

29% of the overall sample (n=209)

2018

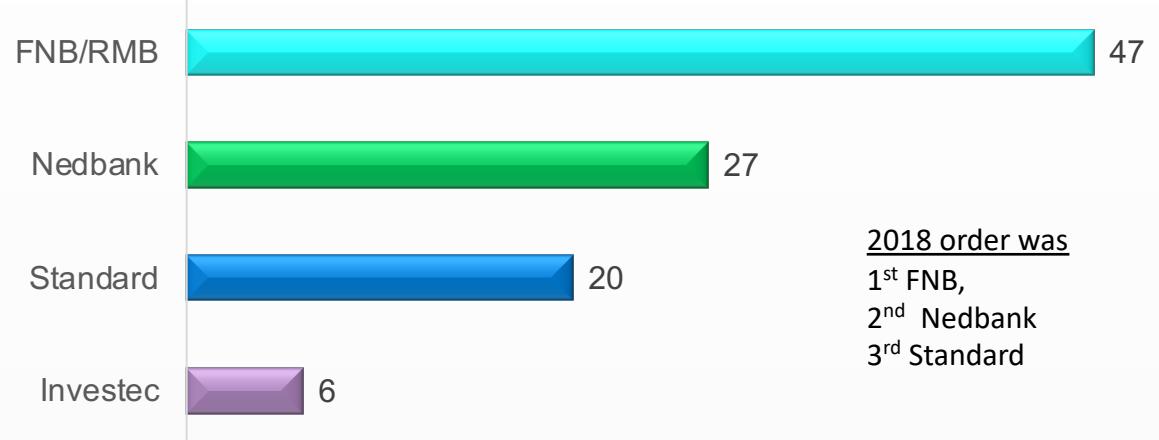


2019

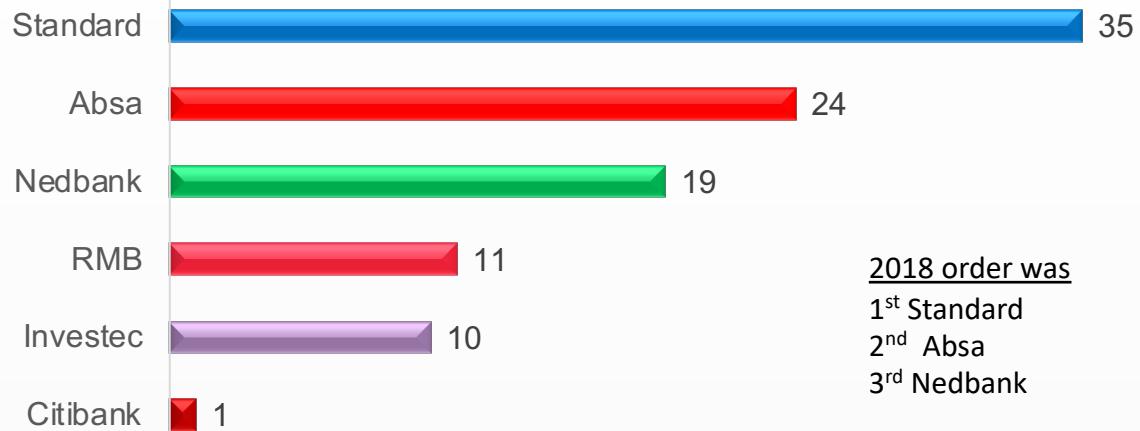


Multi banked for ELECTRONIC BANKING; where the other accounts reside by main electronic bank (%)

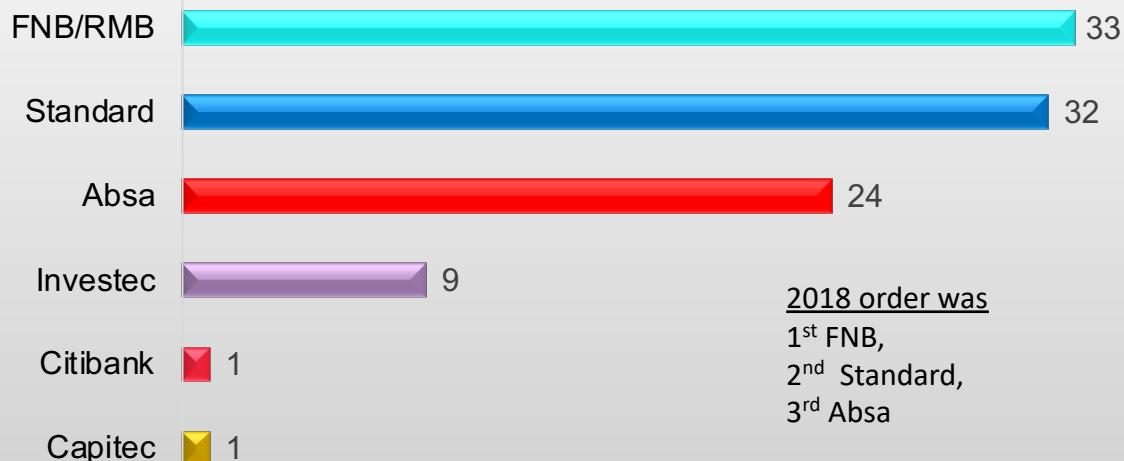
Primary Absa (32%) multi electronic banking (%)



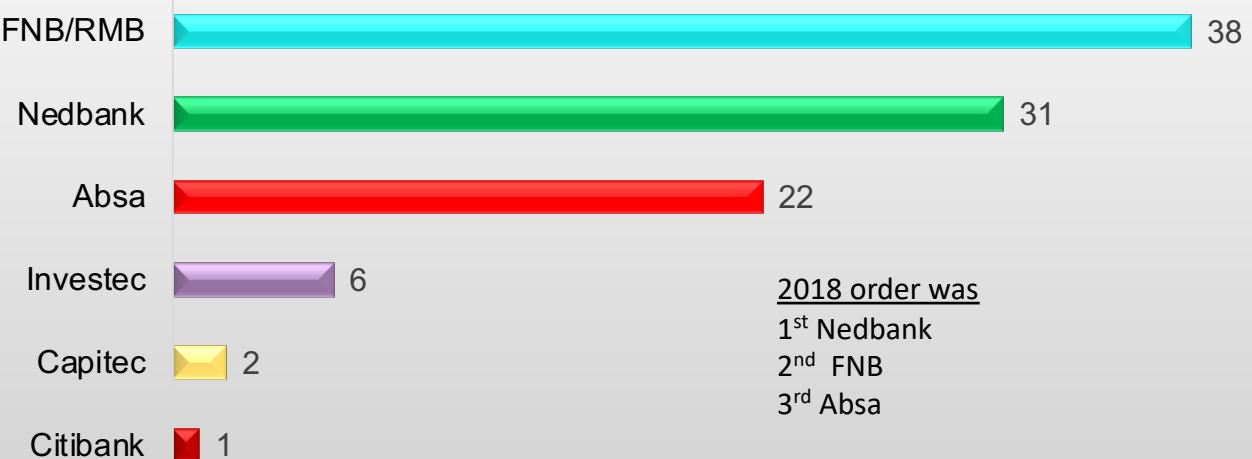
Primary FNB (27%) multi electronic banking (%)



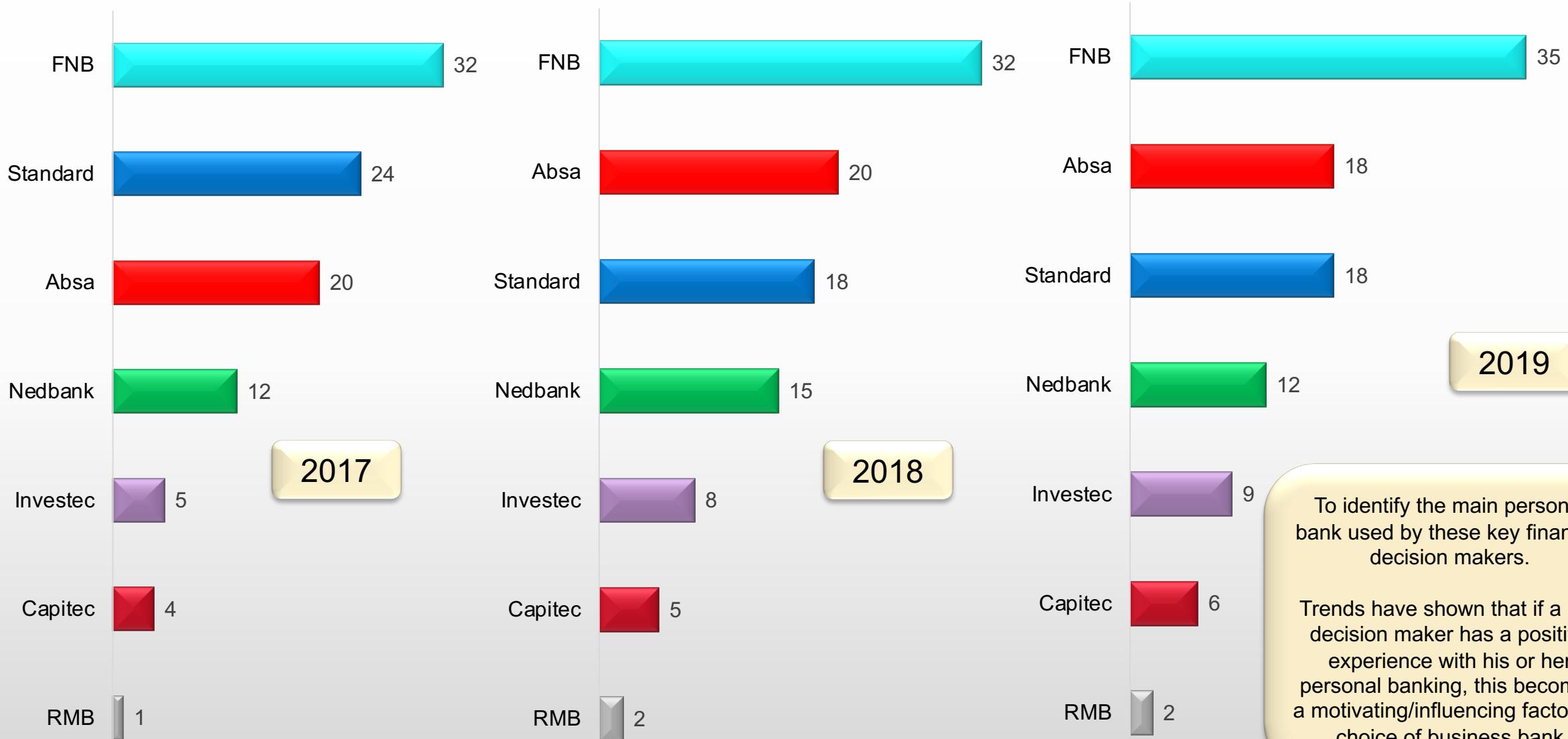
Primary Nedbank (28%) multi electronic banking (%)



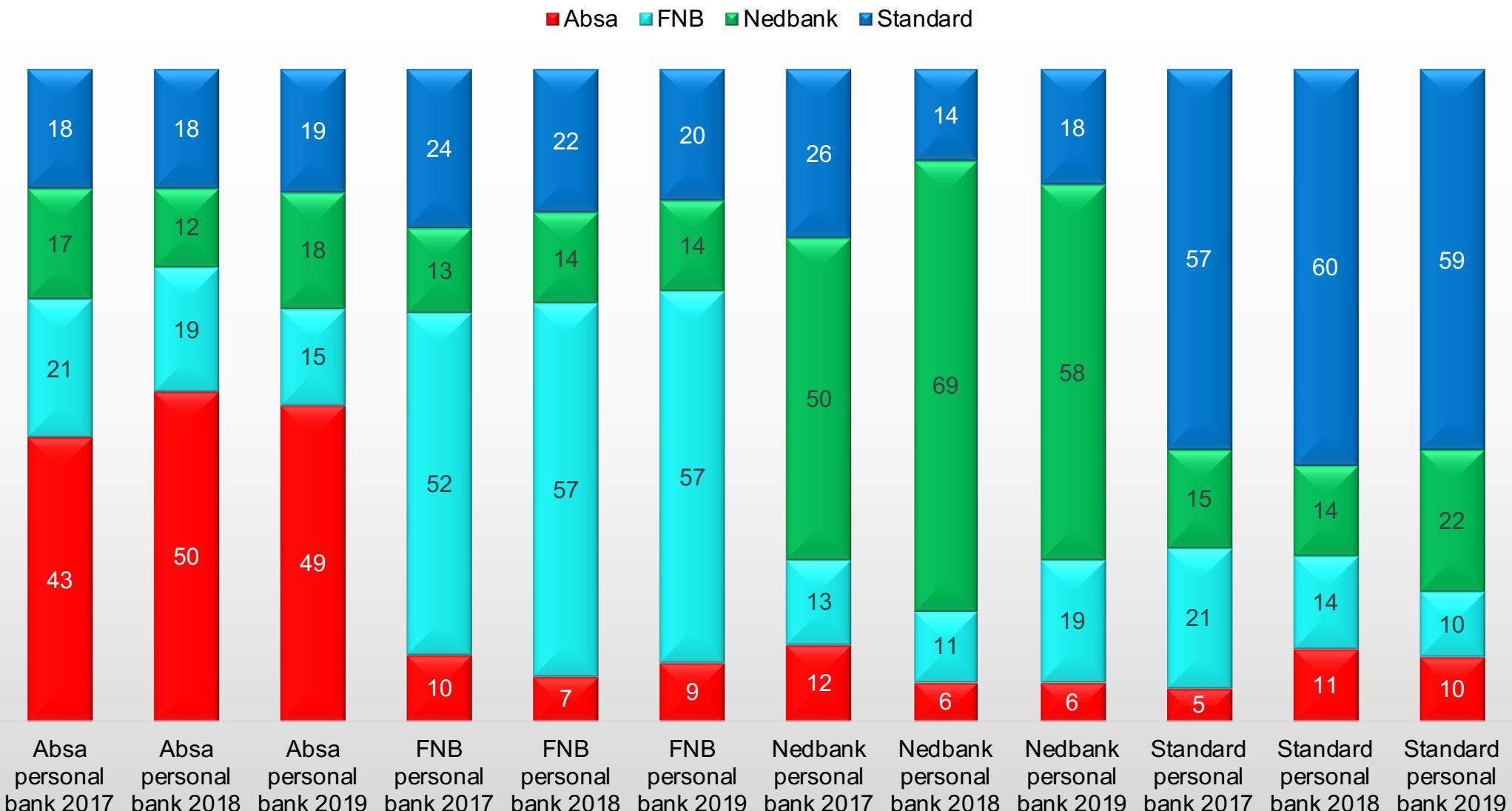
Primary Standard (33%) multi electronic banking (%)



Main PERSONAL bank for financial decision makers (%)



Correlation: Main PERSONAL bank for financial decision makers by main BUSINESS electronic bank (%)



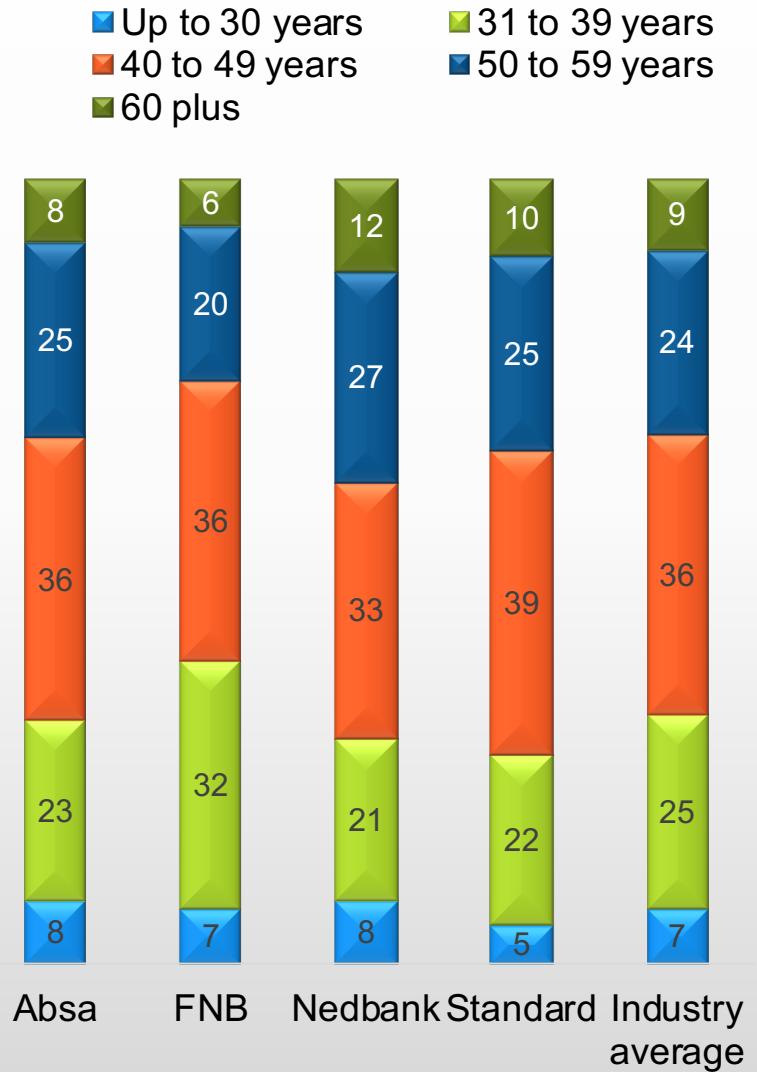
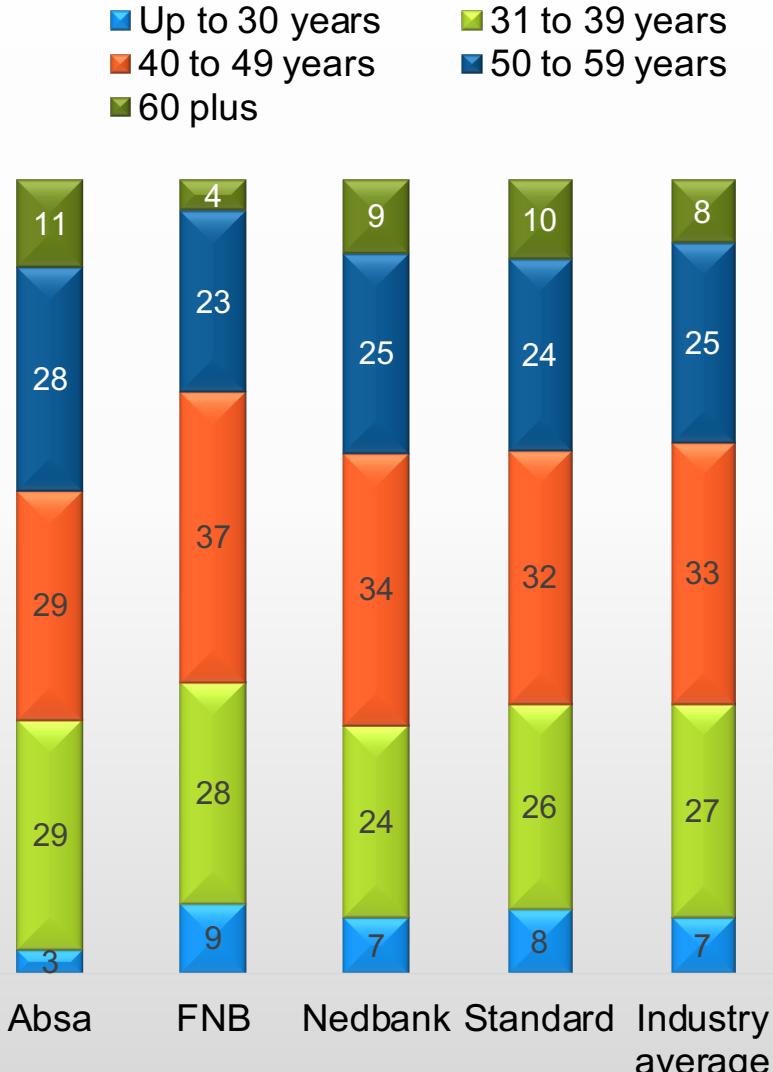
Correlation: eg. if the personal bank for these financial decision makers is FNB, their business account is also with FNB – 57%

Nedbank has a correlation of 58%

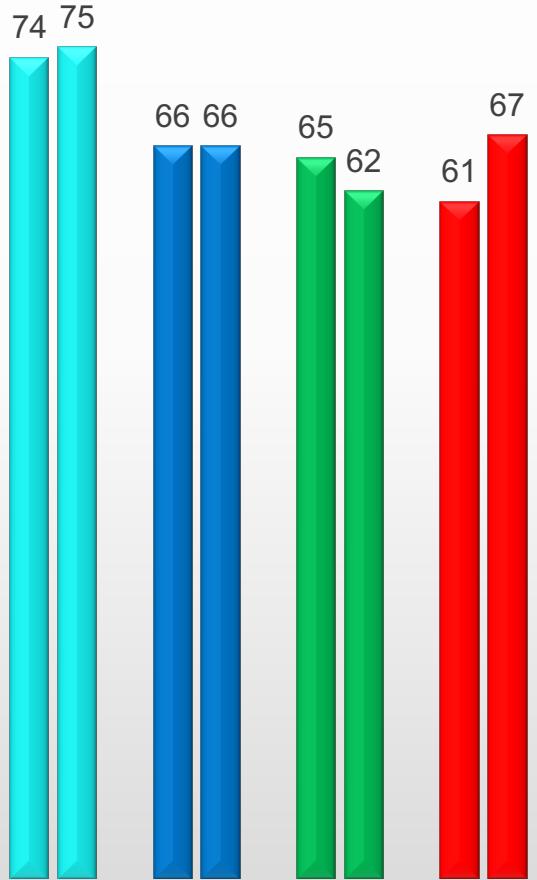
Standard Bank is 59% and Absa is 49%

Overall correlation in 2017 was 50%, 2018 was 59% and 2019 56%

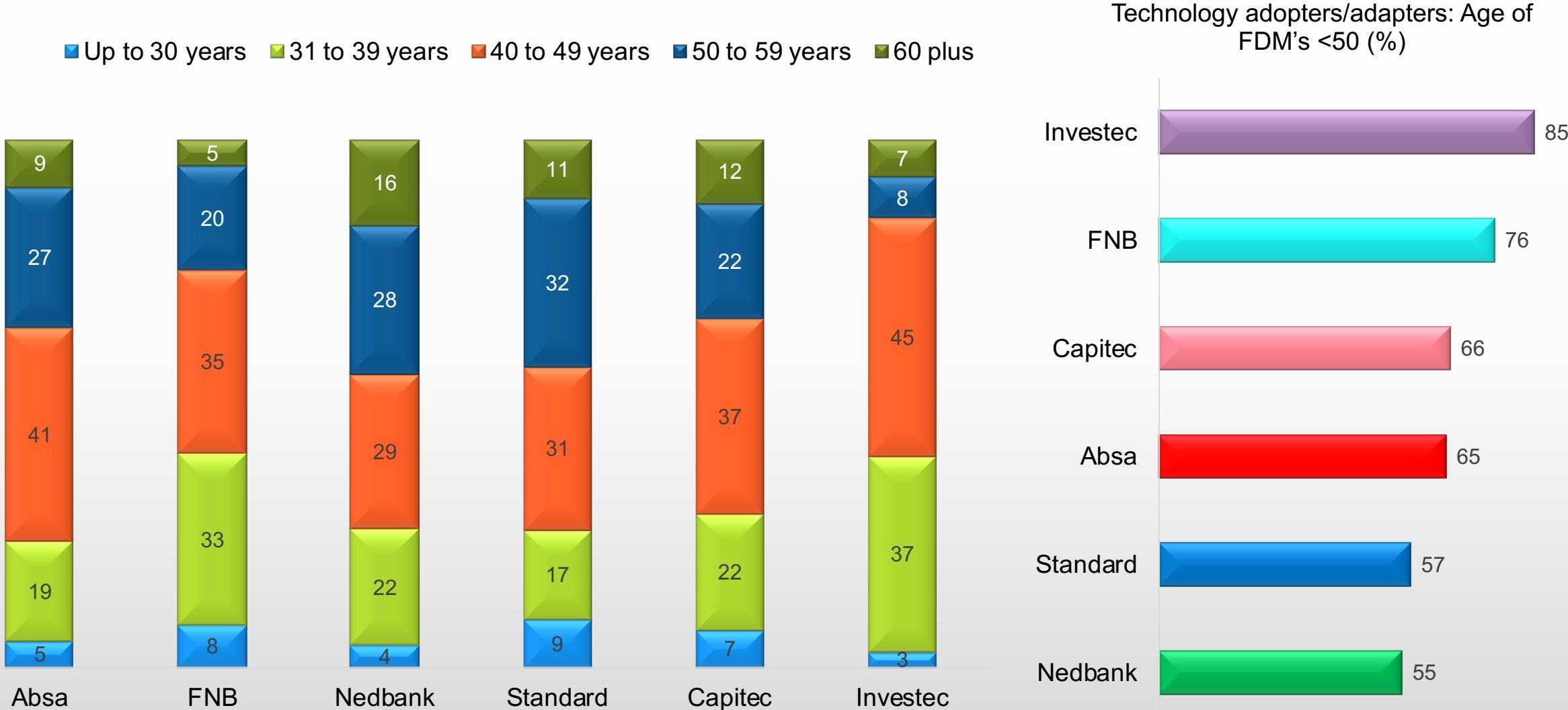
Age groups of financial decision makers segmented by main BUSINESS bank (%)



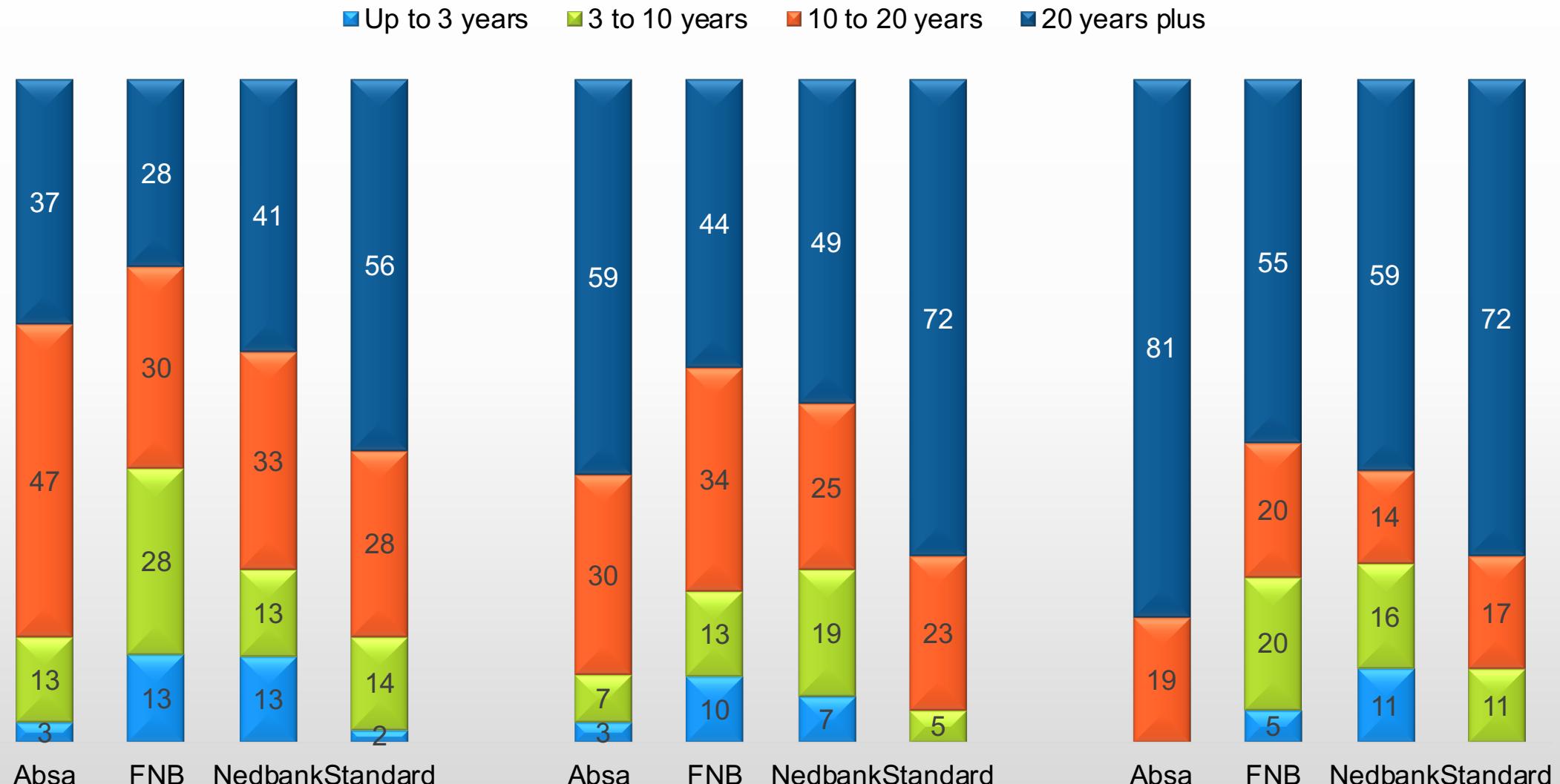
Technology
adopters/adapters: Age of
FDM's <50 (%)
2018 and 2019



Age groups of financial decision makers segmented by PERSONAL bank (%)



Comparison of 'new' and 'old' customers – duration that companies have been a customer of their main bank (%)



A need to aim for 'new' customers, businesses; switched their main bank in the past 3 years.

Note:
FNB and Nedbank each gained 6% 'new' customers in 700m plus while Absa has not gained 'new' clients in R700m plus in the past two years

R10m to R30m

R30m to R700m

R700m plus

Has the organisation changed its main bank in the past 3 years? 2014 to 2019

2014 n=18 3%

2015 n=28 4%

2016 n=24 3%

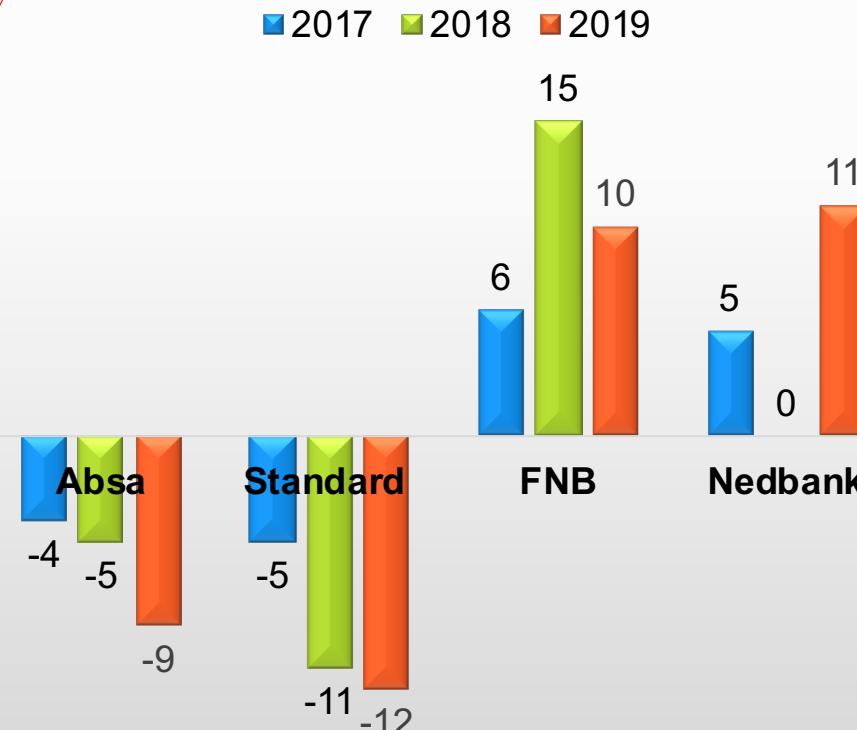
2017 n=39 5.5%

2018 n=35 5%

2019 n=39 5,5%

From bank...	R10m to R700m	R700m plus	Loss
Absa	9	4	13
FNB	4	1	5
Nedbank	2	2	4
Standard	12	2	14
To bank...			Gain
Absa	4	0	4
FNB	12	3	15
Nedbank	11	4	15
Standard	1	1	2

Three year summary of net loss or gain

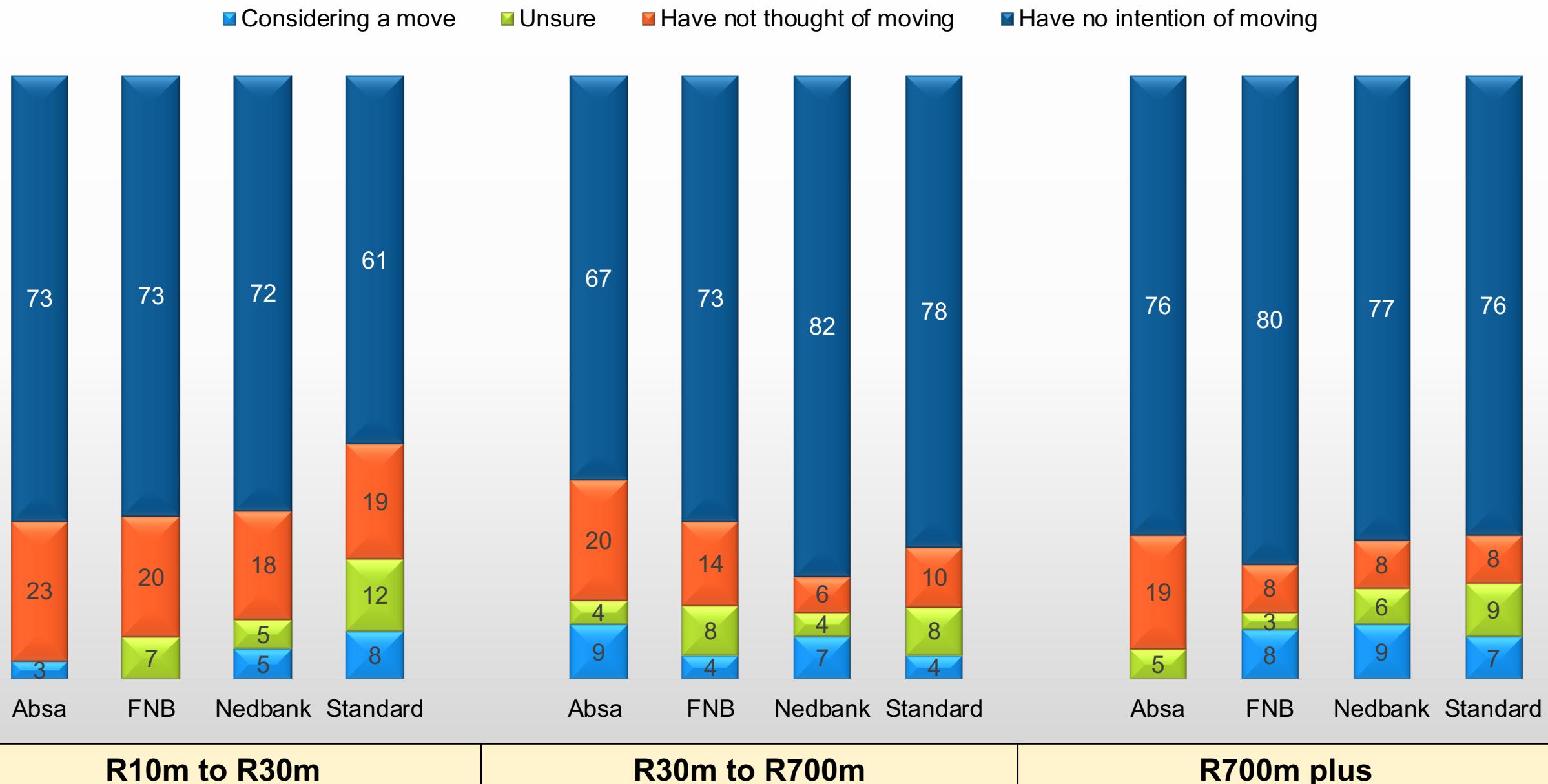


In monitoring the trends for this annual study, there was an overall trend of 3% to 4% movement for these companies to switch their main business or corporate electronic bank account

For the past three years, this figure has been 5% plus

From Bank...	To Bank...	Main reason for changing banks?
STANDARD	ABSA	EXPENSIVE BANK CHARGES FOR STANDARD BANK
NEDBANK	ABSA	EXCELLENT SERVICE FEES FROM ABSA
NEDBANK	ABSA	BOUGHT THE GROUP AND ABSA IS THEIR MAIN BANK
STANDARD	ABSA	BETTER SERVICES AND COST STRUCTURE WITH ABSA
ABSA	FNB	COMPANY TAKEN OVER BY GROUP AND THAT IS THEIR BANK
STANDARD	FNB	INNOVATIVE PRODUCTS AND SERVICES/SYSTEMS THAT INTEGRATE WELL
STANDARD	FNB	SERVICE DELIVERY PATHETIC / NO RESPONSES / A 'DO NOT CARE' ATTITUDE FROM STANDARD
ABSA	FNB	BAD SERVICE PLUS HIGH COSTS AND FEES FROM ABSA
ABSA	FNB	BETTER ELECTRONIC PLATFORM AND APP FEATURES
ABSA	FNB	OVERALL POOR SERVICE DELIVERY AND INADEQAUTE CUSTOMER SERVICE FROM ABSA
STANDARD	FNB	BETTER INTEREST RATES AND BETTER LOCATION WITH FNB
STANDARD	FNB	POOR SERVICES FROM STANDARD AND WERE NOT APPROACHABLE
STANDARD	FNB	LOW LEVELS OF CUSTOMER SERVICE IN ALL AREAS FROM STANDARD
STANDARD	FNB	POOR SERVICE DELIVERY TO THEIR CLIENTS FROM STANDARD
NEDBANK	FNB	BETTER BANKING FACILITIES ALL ROUND AT FNB
ABSA	FNB	COMPETITIVE BANKING FEES / RANGE OF BANKING PRODUCTS
STANDARD	FNB	BETTER ELECTRONIC BANKING PRODUCTS AND SERVICES
ABSA	FNB	BETTER COST STRUCTURE AND GOOD ELECTRONIC BANKING
NEDBANK	HSBC	NEDBANK COULD NOT MEET COMPANY GLOBAL REQUIREMENTS
ABSA	MERCANTILE	INNOVATIVE SOLUTIONS TO THEIR REQUESTS AND EXCELLENT SERVICE
FNB	NEDBANK	FEES NOT TRANSPARENT/NOT SURE OF COSTS WITH FNB
STANDARD	NEDBANK	SERVICE LEVELS HAVE BEEN DROPPING FOR A WHILE AT STANDARD
ABSA	NEDBANK	TENDER EVERY 5 YEARS
ABSA	NEDBANK	OVEALL POOR CUSTOMER SERVICE FOR THE BUSINESS FROM ABSA
ABSA	NEDBANK	BEST COST AND SERVICE COMBINATION AT NEDBANK
STD CHARTERED	NEDBANK	GROUP DECISION AND BETTER FOR AFRICAN MARKET BUSINESS
STANDARD	NEDBANK	OFFERED A GOOD PACKAGE/BETTER RATES AND BANKING FEES
FNB	NEDBANK	ALL BUSINESS NEEDS ARE MET WTH NEDBANK
STANDARD	NEDBANK	RM SUPPORT WAS POOR AND LOW LEVELS OF CUSTOMER SERVICE FROM STANDARD
STANDARD	NEDBANK	BETTER RATES AND BANKING CHARGES WITH NEDBANK
FNB	NEDBANK	COMPETITIVE OVERDRAFT RATES / COMPETITIVE FEES
ABSA	NEDBANK	CHEAPER MONTHLY FEES AND GOOD BUSINESS PACKAGE
FNB	NEDBANK	BETTER RATES AND FACILITIES
ABSA	NEDBANK	COST AND SERVICES ARE EXCELLENT
FNB	NEDBANK	BETTER PROFESSIONAL BANK, USER FRIENDLY SYSTEMS AND COMPETITIVE CHARGES
ABSA	NEDBANK	POOR SERVICE LEVELS/STAFF NOT TRAINED TO OFFER FINANCIAL ADVICE AT ABSA
STANDARD	RMB	BOARD DECISION TO CHANGE BANKS / PUT OUT TO TENDER
ABSA	STANDARD	COMPETITIVE PRICING

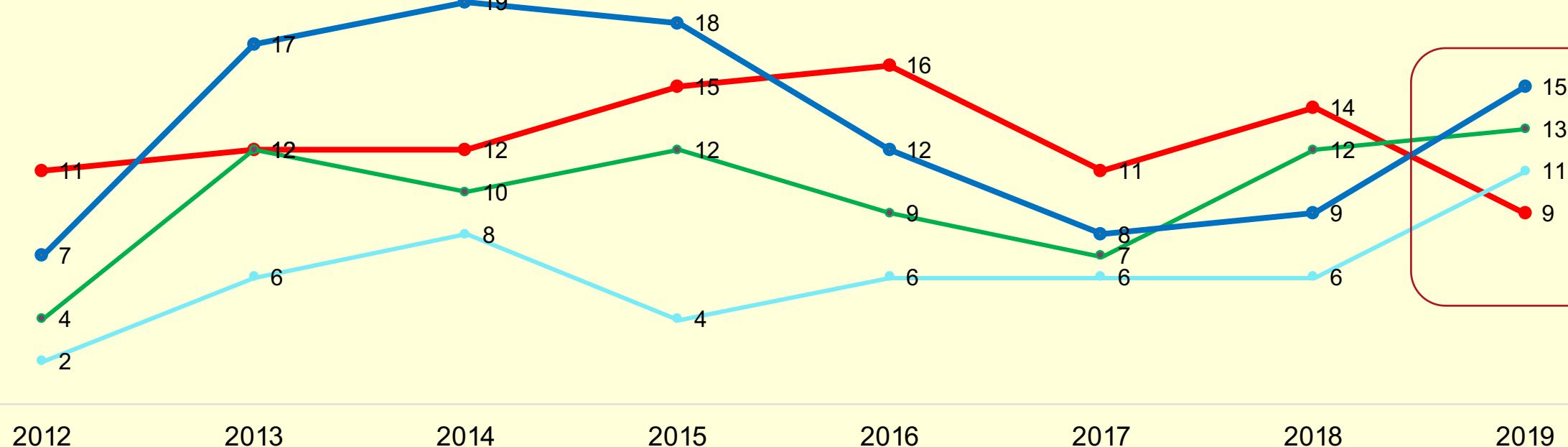
The likelihood of these businesses switching their primary electronic bank (%)



The likelihood of these businesses switching their primary electronic bank in the foreseeable future (%)

Eight year trend for customers that are unsure or considering a move (%)

Absa FNB Nedbank Standard



Excluding current main bank, the hypothetical next choice if switching (%)

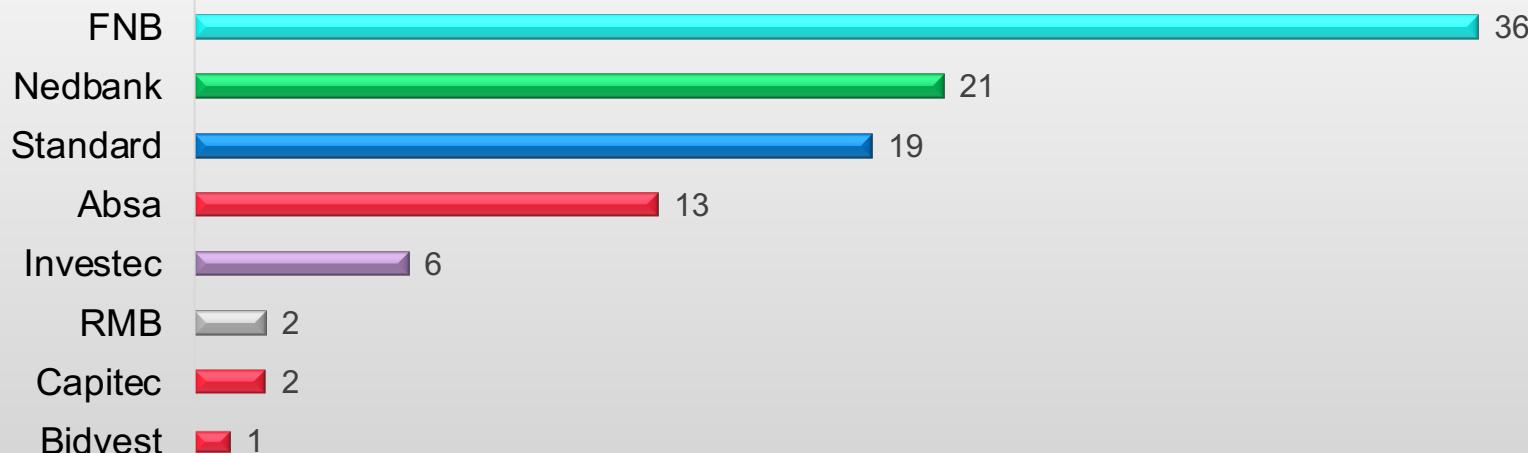
Next choice of bank main electronic bank **2017 %**



Next choice of bank main electronic bank **2018 %**

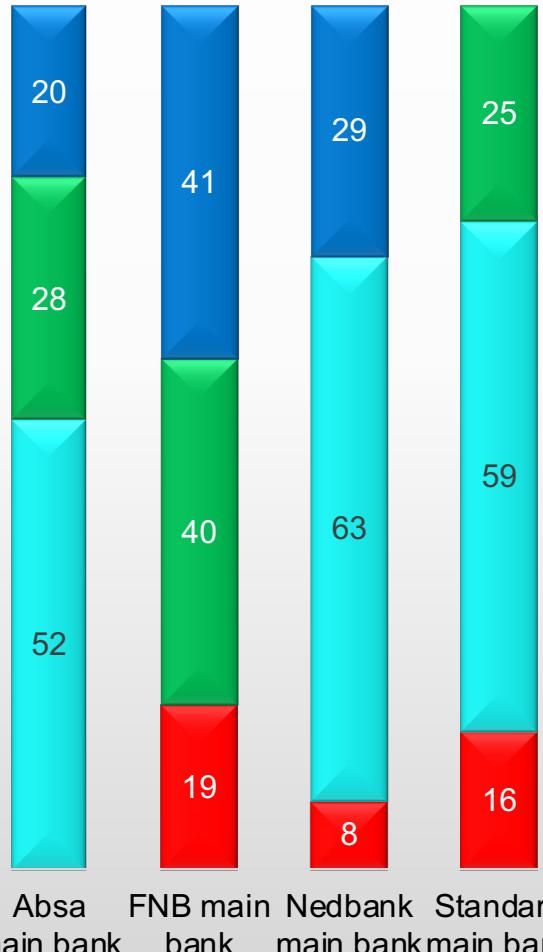


Next choice of bank main electronic bank **2019 %**

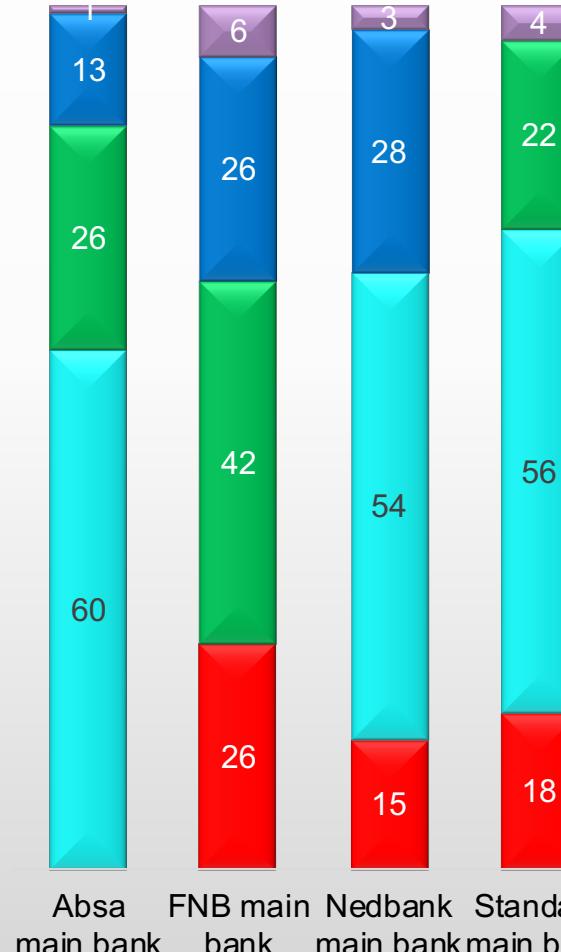


By current main bank client base: three years of market trends for the next hypothetical choice if switching (%)

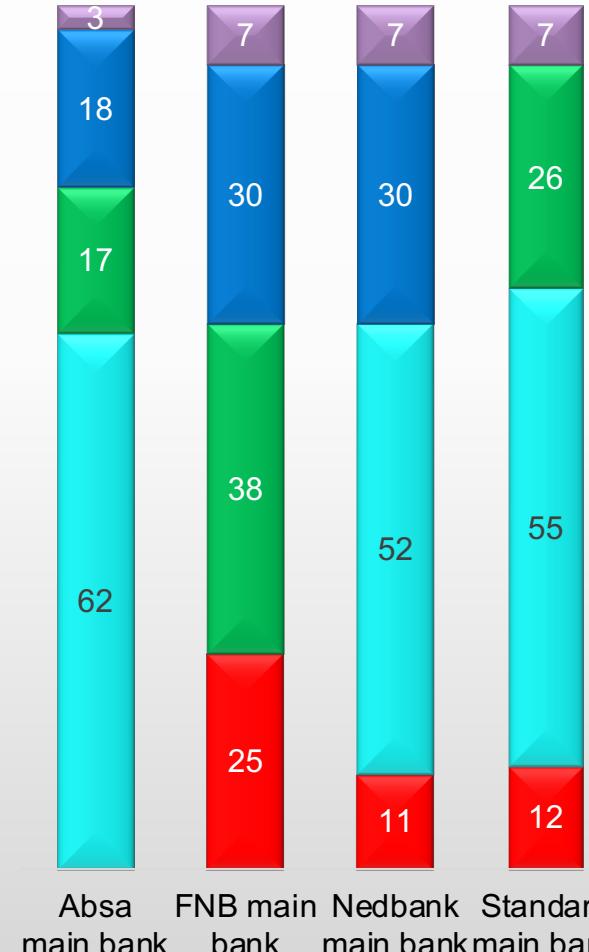
Next choice by main bank
2017



Next choice by main bank
2018

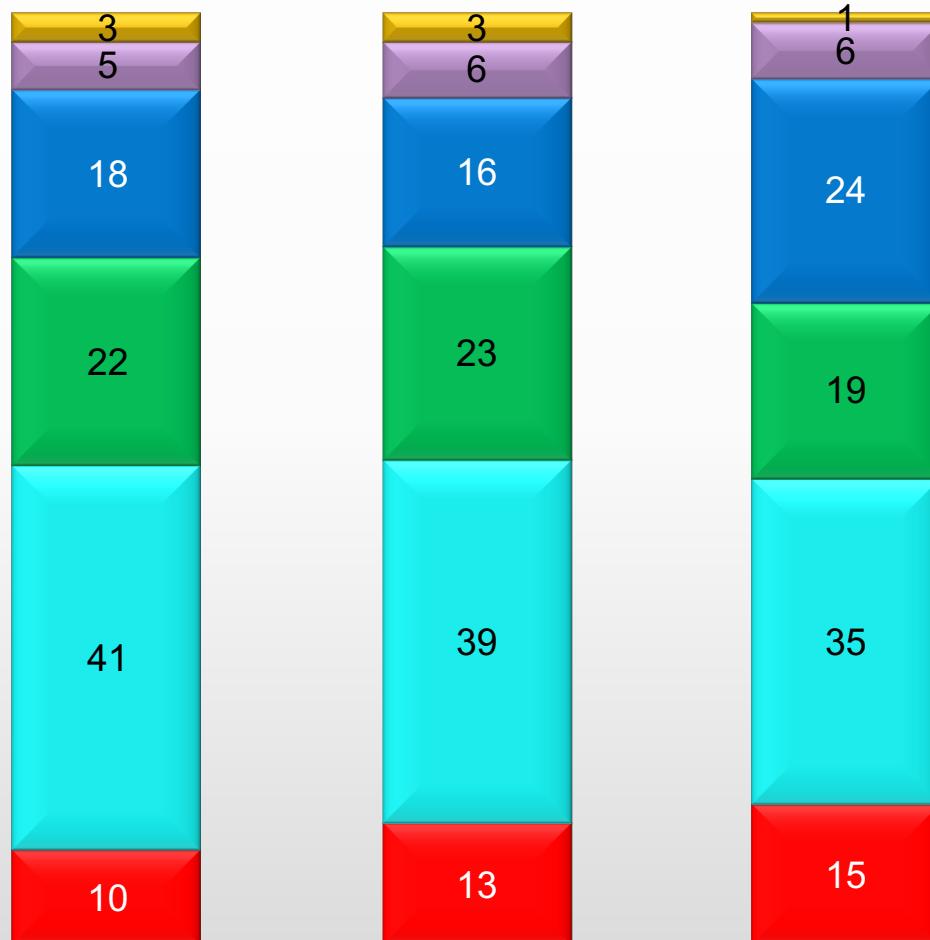


Next choice by main bank
2019



Hypothetical choice of next main BUSINESS bank by turnover and region (%)

■ Absa ■ FNB ■ Nedbank ■ Standard ■ Investec ■ Capitec



R10m to R30m

R30m to R700m

R700m plus

■ Absa ■ FNB ■ Nedbank ■ Standard ■ Investec ■ Capitec



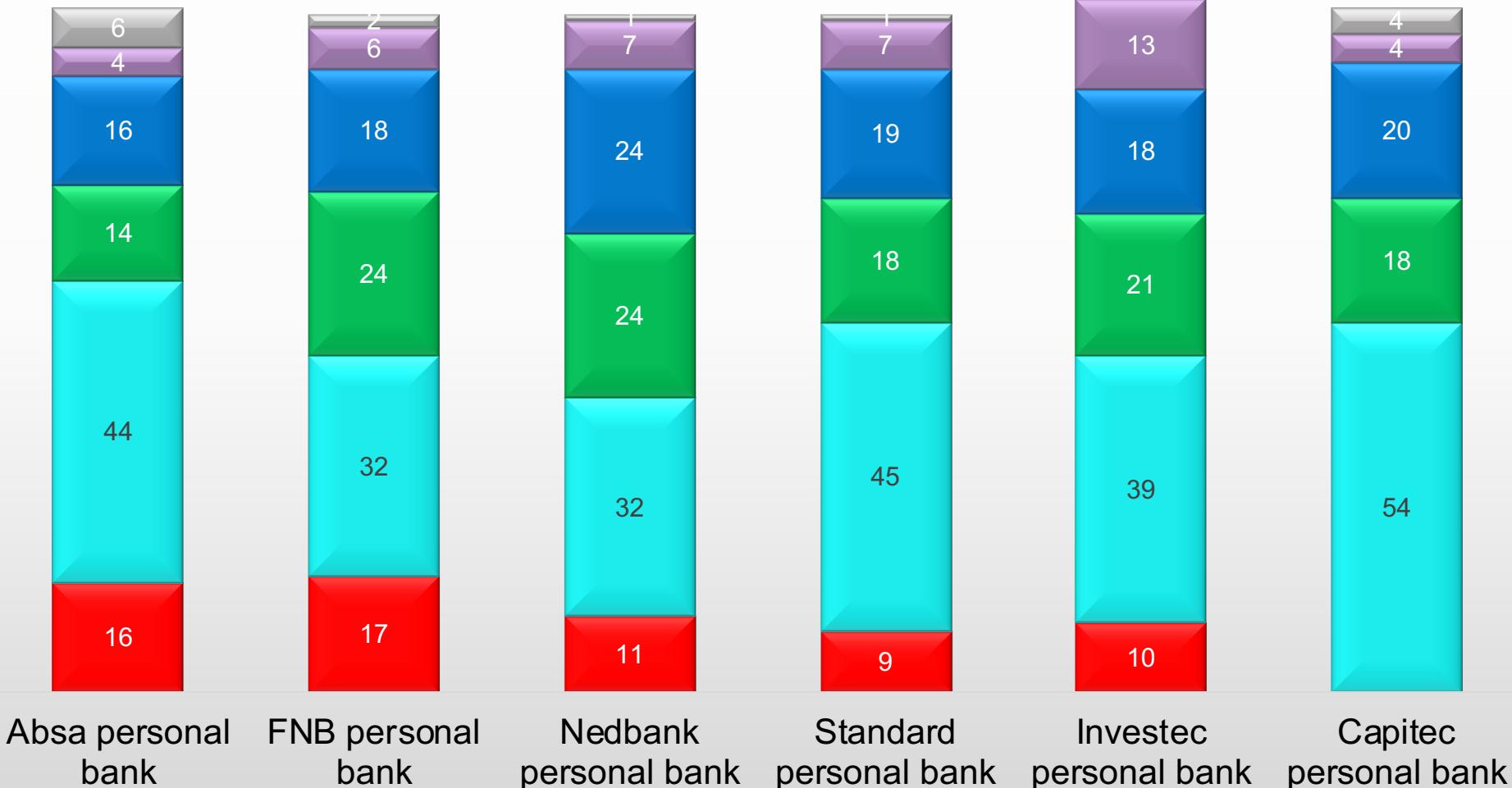
Gauteng

Cape Town

Durban

Hypothetical choice of next BUSINESS main bank by main PERSONAL bank (%)

■ Absa ■ FNB ■ Nedbank ■ Standard ■ Investec ■ Capitec

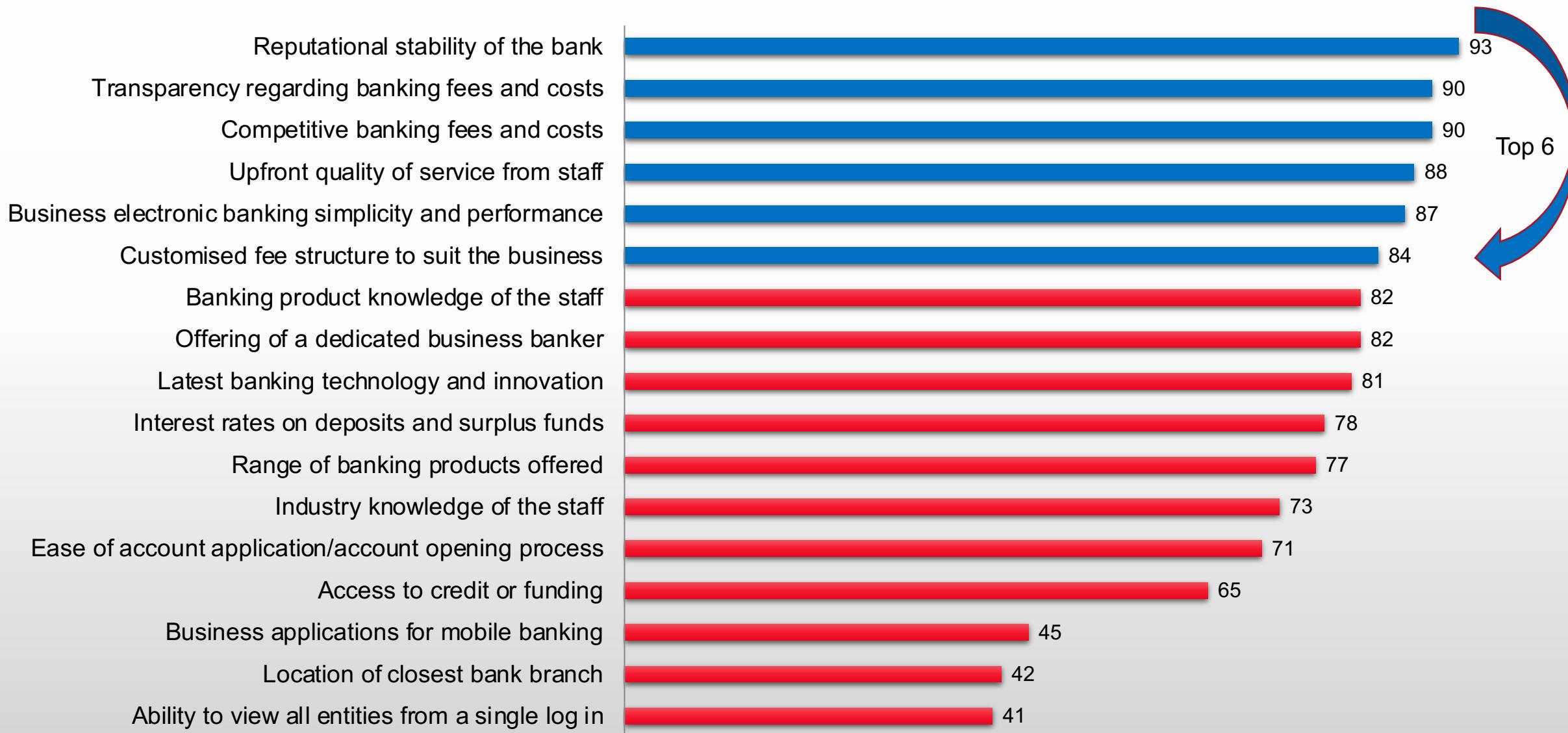


Thus for example, those financial decision makers that have their main personal account with NEDBANK and if they were considering another BUSINESS bank:

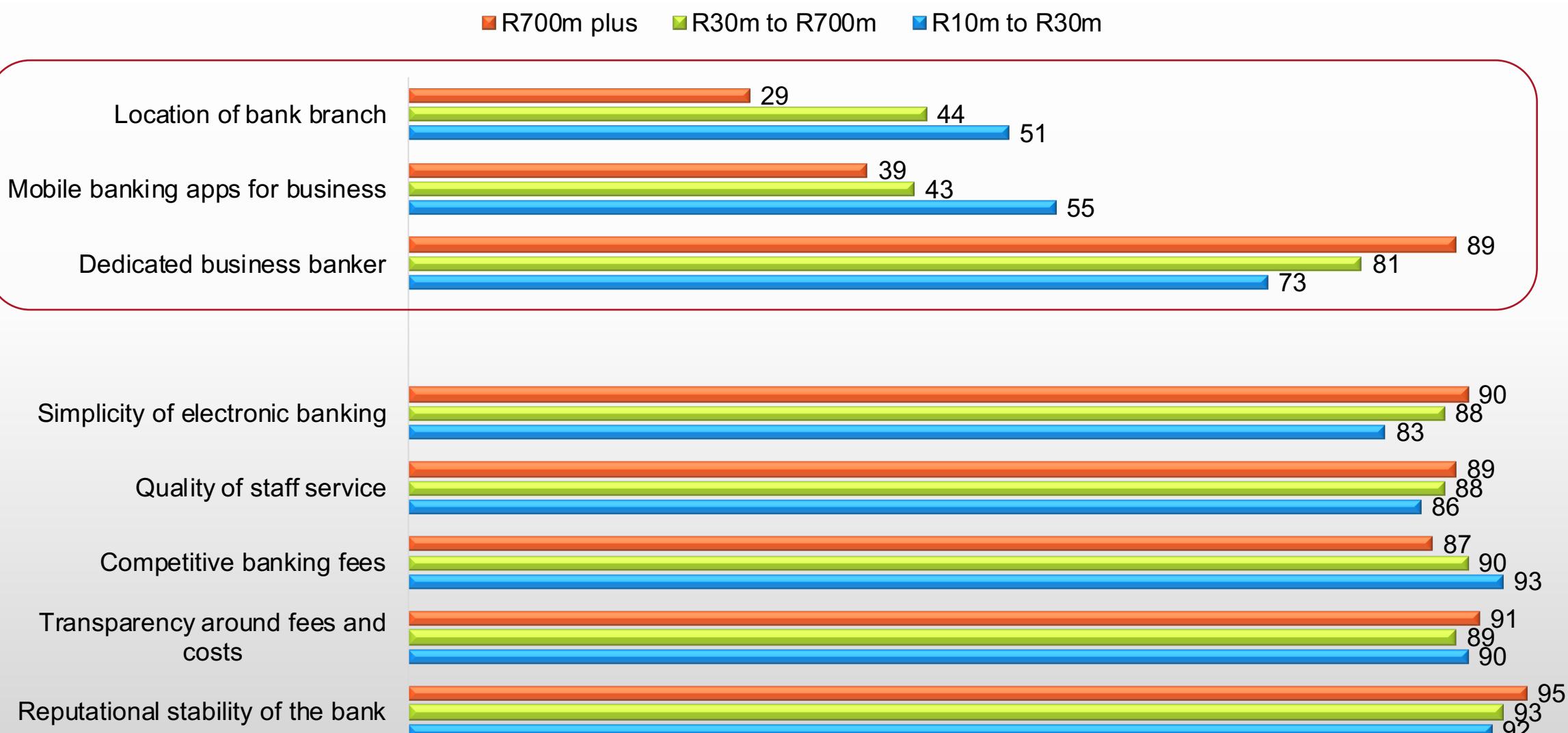
Absa 11%, FNB 32%, Nedbank 24%, Standard 24% and 7% for Investec

A positive shift for Nedbank: 2018 client base was 13% Absa, 49% FNB, 12% Nedbank and 22% Standard

If changing business banks, the importance of these factors in the decision making process
 (% for Extremely important from a structured table)



Selected factors if changing business banks – Extremely important. Convergence and Divergence



**Factors to consider if changing business banks – Extremely important and Extremely satisfied
(New question for Satisfaction) R10m to R30m**

Importance and satisfaction - % for extremely important and extremely satisfied from a four point scale	Importance	Absa	FNB	Nedbank	Standard
The reputational stability of the bank	93	73	82	85	62
The transparency regarding banking fees and costs	90	43	28	33	35
Competitive banking fees and costs	90	30	27	28	21
The quality of service rendered by the staff	88	50	37	56	40
Business electronic banking simplicity and performance	87	80	67	54	49
Willingness to customise a fee structure to suit the business	84	47	27	31	28
The banking product knowledge of the staff	82	60	37	46	40
A business banker dedicated to your business	82	63	39	53	51
The bank being technologically advanced and innovative	81	63	73	56	44
Interest rates offered on deposits and surplus funds	78	53	28	42	36
The range of banking products offered	77	63	65	67	54
The industry knowledge of the staff	73	57	32	34	26
Ease of new account application and turnaround	71	62	57	59	50
Access to credit or funding	65	47	47	44	45
Mobile banking applications for business	45	33	62	60	52
The location of the closest bank branch	42	73	46	53	56
View personal and business profiles from a single login	41	67	39	47	53

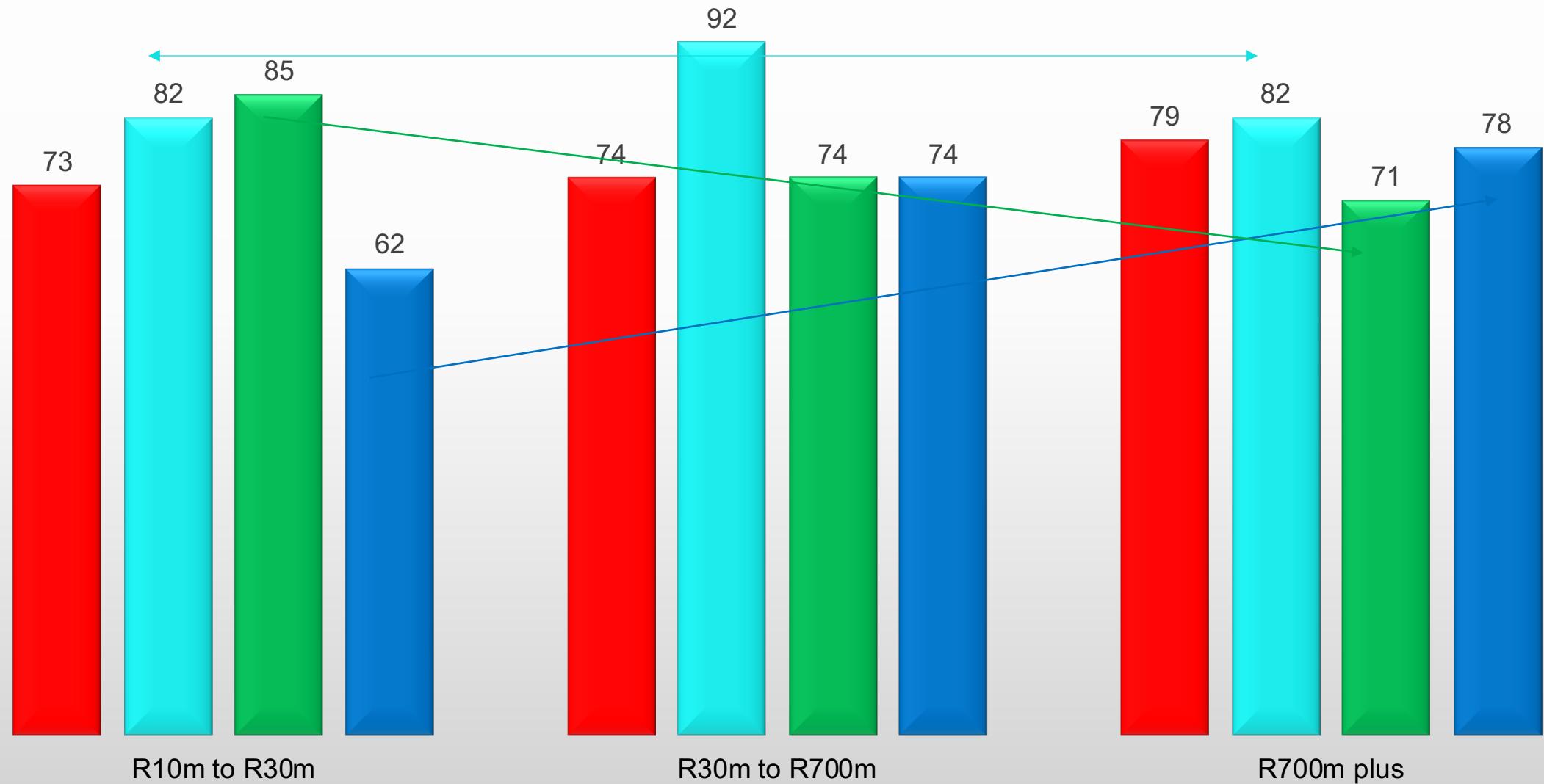
**Factors to consider if changing business banks – Extremely important and Extremely satisfied
(New question for Satisfaction) R30m to R700m**

Importance and satisfaction - % for extremely important and extremely satisfied from a four point scale	Importance	Absa	FNB	Nedbank	Standard
The reputational stability of the bank	93	74	92	74	74
The transparency regarding banking fees and costs	90	40	45	41	37
Competitive banking fees and costs	90	27	42	29	31
The quality of service rendered by the staff	88	61	58	45	52
Business electronic banking simplicity and performance	87	61	74	64	62
Willingness to customise a fee structure to suit the business	84	39	43	35	34
The banking product knowledge of the staff	82	64	51	49	57
A business banker dedicated to your business	82	64	71	59	58
The bank being technologically advanced and innovative	81	57	79	49	57
Interest rates offered on deposits and surplus funds	78	37	46	46	37
The range of banking products offered	77	61	70	55	66
The industry knowledge of the staff	73	46	36	42	42
Ease of new account application and turnaround	71	49	66	42	42
Access to credit or funding	65	44	59	55	52
Mobile banking applications for business	45	45	64	45	30
The location of the closest bank branch	42	54	55	52	45
View personal and business profiles from a single login	41	51	40	40	47

**Factors to consider if changing business banks – Extremely important and Extremely satisfied
(New question for Satisfaction) R700m plus**

Importance and satisfaction - % for extremely important and extremely satisfied from a four point scale	Importance	Absa	FNB	Nedbank	Standard
The reputational stability of the bank	93	79	82	71	78
The transparency regarding banking fees and costs	90	50	55	47	36
Competitive banking fees and costs	90	42	38	33	40
The quality of service rendered by the staff	88	58	64	60	55
Business electronic banking simplicity and performance	87	63	82	50	67
Willingness to customise a fee structure to suit the business	84	68	42	51	38
The banking product knowledge of the staff	82	68	69	54	53
A business banker dedicated to your business	82	84	76	64	74
The bank being technologically advanced and innovative	81	58	82	54	52
Interest rates offered on deposits and surplus funds	78	50	56	53	36
The range of banking products offered	77	68	77	50	61
The industry knowledge of the staff	73	53	45	40	45
Ease of new account application and turnaround	71	53	62	46	52
Access to credit or funding	65	75	60	54	56
Mobile banking applications for business	45	56	62	44	33
The location of the closest bank branch	42	50	54	35	40
View personal and business profiles from a single login	41	29	55	44	40

Graphic summary of the top factor and how the banks compare - Reputational stability of the bank



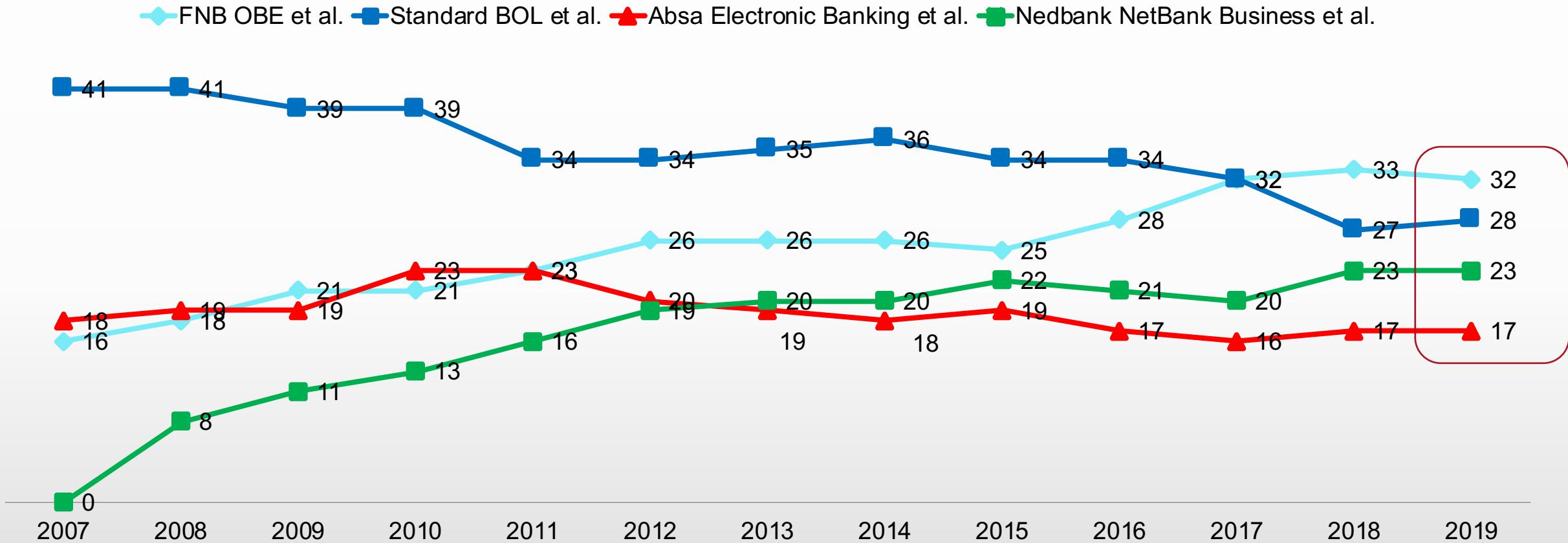
KPI

RESEARCH & STRATEGY

Section B:
Electronic Banking Product and Service Assessment



Primary ELECTRONIC BANKING Product/s used (%) Overall sample

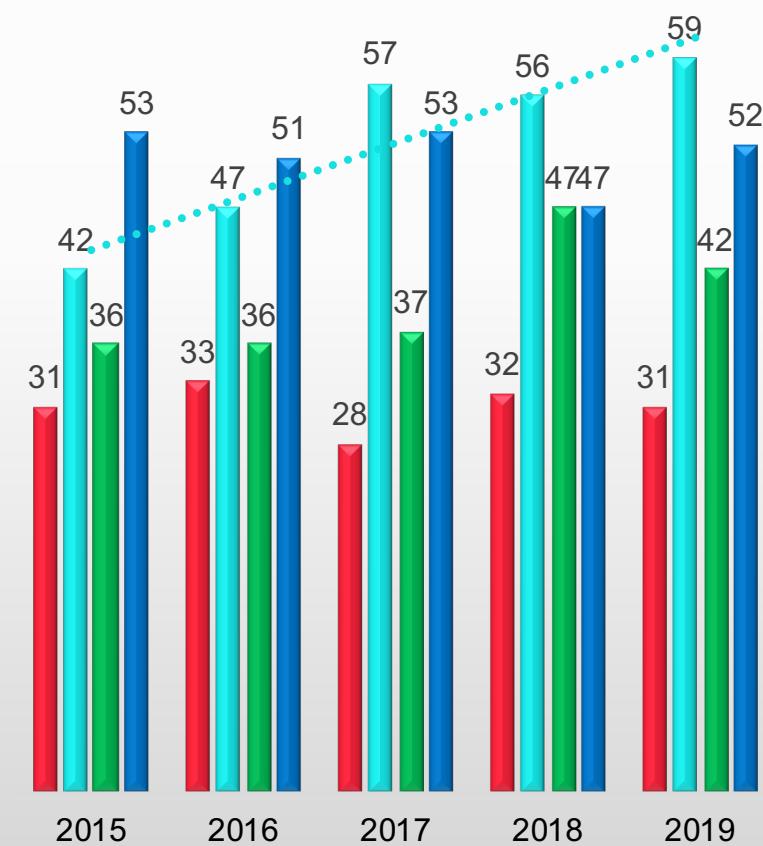


Summary: To continue monitoring the correlation between primary business electronic bank and primary electronic banking product – a reflection of the parallel trends for market share

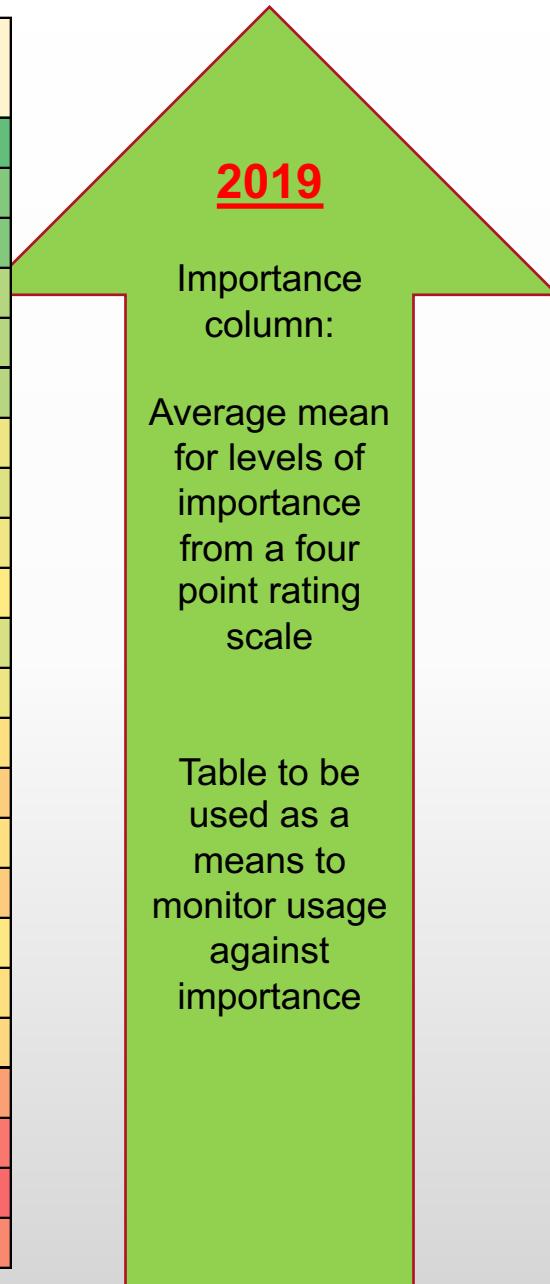
Overview of multiple electronic banking products used – 2016 to 2019 (%)

Bank and Products	2016	2017	2018	2019
FNB OBE (Online Banking Enterprise)	19%	20%	19%	21%
FNB – Online Banking for Business	23%	26%	30%	29%
FNB - PACS – Payments and Collections Systems	2%	4%	3%	3%
FNB - e-Forex	3%	7%	4%	6%
Standard - Business Online Domestic Banking	40%	39%	34%	36%
Standard - Business Online – International Banking	8%	8%	8%	9%
Standard - Business Online – Forex Trading	3%	6%	5%	7%
Absa Electronic Banking (Local Banking and Business Integrator)	22%	22%	14%	13%
Absa Online for Business			11%	14%
Absa - Business Integrator Mailbox	2%	2%	2%	1%
Absa - Business Integrated Solutions (H2H and C2B)	4%	3%	3%	1%
Absa - Business Integrator International Solutions	2%	2%	2%	2%
Nedbank - NetBank Business	22%	18%	21%	21%
NetBank Internet	7%	11%	13%	12%
Nedbank Cash Online	n=3	1%	2%	2%
Nedbank Host-to-host Corporate Payment System	3%	4%	6%	2%
Nedbank NedTreasury	2%	2%	4%	4%
Nedbank Corporate Saver	n=3	n=3	1%	1%
Citibank - CitiDirect	1%	2%	1%	2%
Citibank - Treasury Vision	n=2	n=5	n=2	n=2
Bidvest – Tradeflow	n=2	n=3	0%	n=1
Bidvest – Global Payments Online (GPO)	1%	n=5	n=1	
Bidvest One to One Business account		n=1	0%	n=1
Capitec Internet Banking - Global One			1%	n=2
Investec Online Banking				1%

The % sum of usage for each bank's electronic banking products – means of gaining market share



Electronic banking administration services being used currently and levels of importance (mean from a four point scale)	Using (%)	Importance
Download company bank statements for the business current account/s	96	3,87
To generate proof of payment either online or a banking app to an email	96	3,74
The ability to view beneficiary payment history	93	3,74
Online viewing of cheques issued /deposited or cash deposits made	86	3,55
To maintain our own third party accounts	82	3,54
Manage company password, password control, change your own/users passwords	80	3,54
The usage of notification services	77	3,32
Maintain own profile online, the ability to capture and authorise functionalities	75	3,38
To update personal info online (email details / telephone numbers etc)	74	3,31
The usage of alerts service	73	3,25
Consolidated balance reporting	72	3,41
MIS reports, eg. Comprehensive audit trails – who authorised transactions etc?	69	3,32
Real Time Clearing (clearing a transaction in 60 seconds), Real Time Gross Settlements	68	3,21
To request/open new bank account/s	66	3,14
Action a change authorised by another user on either online or through a banking app	66	3,21
Invest into/withdraw from money market, withdrawal or re-investment instructions online	64	3,13
The facility of billing reports showing bank charges processed against each account	61	3,24
Update/add or delete individuals who can sign documentation on behalf of the company	59	3,21
Online exception reporting of un-reconciled transactions	56	3,18
To determine the grouping of accounts	55	2,97
To decide on the flow of transactions and which screens to have as default	52	2,82
The ability to capture and authorise transactions through a business banking app	50	2,76
Decide on personalised functions and only pay per functions when used	45	2,88



Attribute importance and main bank performance

R10m to R30m (%)

Extremely important and extremely satisfied (four point rating scale)	% Extremely important	Absa	FNB	Nedbank	Standard
Reliability / Stability (i.e. uptime)	94	83	70	72	63
Security features/data integrity	94	80	72	77	61
Speed of system response	89	50	60	62	41
Convenience in terms of being able to transact when required	86	69	65	72	58
Ease of use / Ease of navigation	86	73	67	80	63
Flexibility to modify beneficiaries, add users, change limits etc.	82	53	67	64	58
The range of banking functions and transactions	82	67	77	72	54
Advice on electronic banking services suited to the business	72	53	40	51	36
Transaction notification services via email/SMS	71	70	67	59	54
The systems online support (help screens, user guide etc.)	63	40	54	55	38
The electronic banking call centre support and response to queries	60	33	18	46	25
The security provided for mobile business banking	57	50	54	63	66
Business banking mobile app linked to the electronic banking product	41	56	63	48	33
Overall electronic banking service satisfaction rating		67	64	69	54

Attribute importance and main bank performance

R30m to R700m (%)

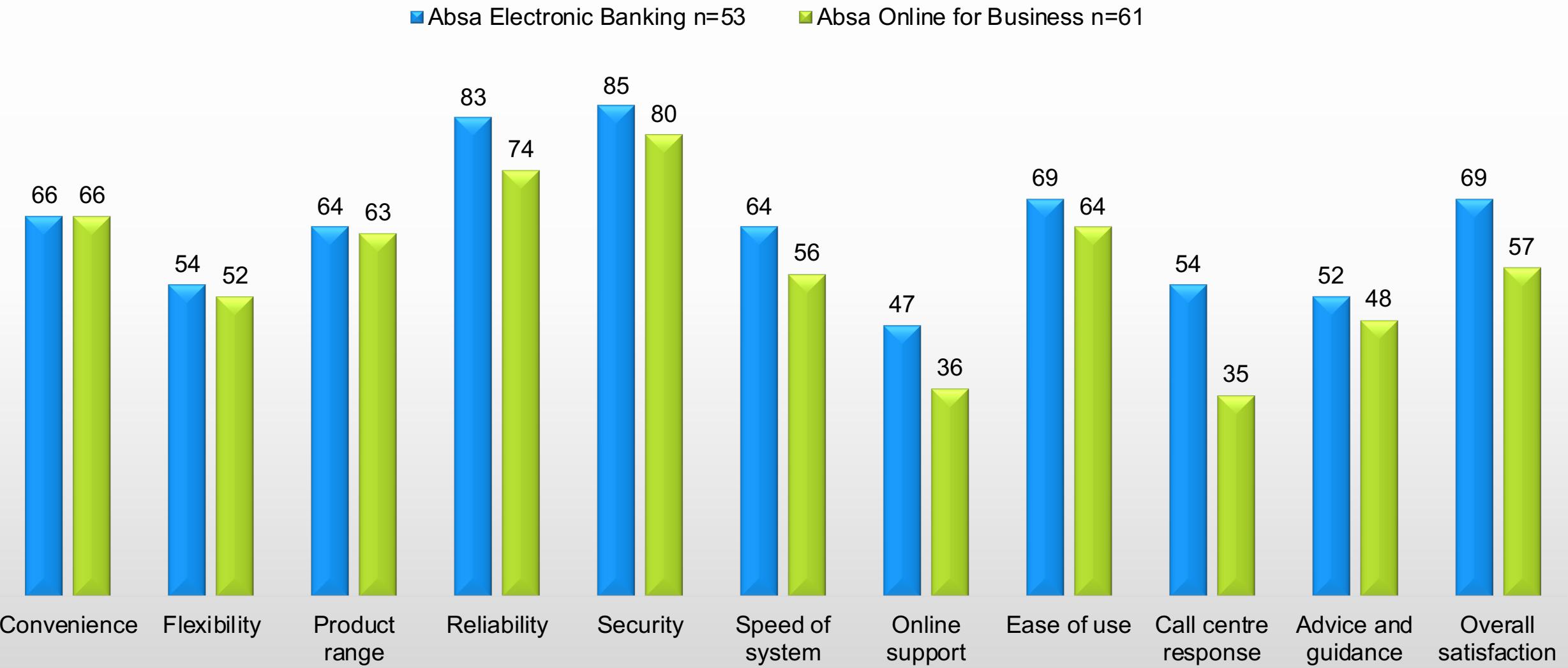
Extremely important and extremely satisfied (four point rating scale)	% Extremely important	Absa	FNB	Nedbank	Standard
Reliability / Stability (i.e. uptime)	94	76	72	64	62
Security features/data integrity	94	80	83	70	73
Speed of system response	89	60	59	52	47
Convenience in terms of being able to transact when required	86	64	65	57	58
Ease of use / Ease of navigation	86	60	71	62	61
Flexibility to modify beneficiaries, add users, change limits etc.	82	46	64	55	56
The range of banking functions and transactions	82	66	66	51	62
Advice on electronic banking services suited to the business	72	48	51	39	36
Transaction notification services via email/SMS	71	65	65	57	44
The systems online support (help screens, user guide etc.)	63	43	43	41	43
The electronic banking call centre support and response to queries	60	46	39	46	47
The security provided for mobile business banking	57	54	61	53	42
Business banking mobile app linked to the electronic banking product	41	62	59	38	28
Overall electronic banking service satisfaction rating		57	65	61	45

Attribute importance and main bank performance

R700m plus (%)

Extremely important and extremely satisfied (four point rating scale)	% Extremely important	Absa	FNB	Nedbank	Standard
Reliability / Stability (i.e. uptime)	94	68	71	65	66
Security features/data integrity	94	90	87	81	81
Speed of system response	89	56	69	55	50
Convenience in terms of being able to transact when required	86	63	71	65	59
Ease of use / Ease of navigation	86	59	77	60	61
Flexibility to modify beneficiaries, add users, change limits etc.	82	67	69	56	50
The range of banking functions and transactions	82	53	66	54	44
Advice on electronic banking services suited to the business	72	39	60	47	48
Transaction notification services via email/SMS	71	42	61	44	53
The systems online support (help screens, user guide etc.)	63	44	50	39	48
The electronic banking call centre support and response to queries	60	50	49	38	43
The security provided for mobile business banking	57	56	72	56	50
Business banking mobile app linked to the electronic banking product	41	50	75	37	40
Overall electronic banking service satisfaction rating		63	77	55	56

Extremely satisfied: Attributes and features of electronic banking (%) Absa Products 2019 (%)



Suggestions regarding the functionality of the company's electronic banking; areas that are currently missing (Summary of comments n=151)

Adding accounts and beneficiaries without paperwork / electronic signatures

Beneficiaries not having to be reloaded / can be deleted once not needed / pre load payments / beneficiaries in 1 folder

Introduce online queries as slow response with personal banker / very institutionalised / rigid forms in changing operator files

Being able to copy previous payment made / and settings on proof of payments / Reconcile payments / track payments from over a year / "repeat button" to double check payments made

Limited viewing/ no confidential info available in the company / profiles and rights to be online / more detailed authority settings

Extend cut-off times up time should be 24 hours

Being able to unblock incorrect entered pin / unnecessary security

Being able to view historic statements immediately and not have to pay for them / difficult in pulling archived ones / more than 2 months

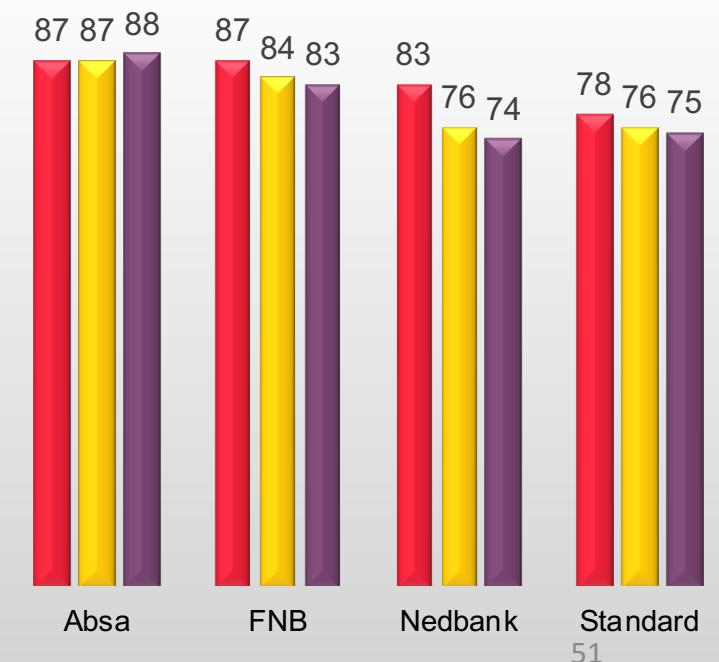
Ease of opening bank accounts (online) - always has to go via their business banker / or into the branch

No limit when transferring funds / changing daily limits online without having to call the bank / or filling in documents

An answer in itself that 80% of the sample had no further suggestions

By main business electronic bank: "No comment, satisfied with current electronic banking services"

■ 2017 ■ 2018 ■ 2019



Suggestions regarding the functionality of the company's electronic banking; areas that are currently missing continued...

Buying airtime / text and data bundles

Getting an overdraft on the banking app

Automation & loading of payments

Cannot immediately reverse an EFT if it needs to be cancelled.

When making business payments the bank defaults to their personal account / need total separation

Cannot do once off payments on the app / beneficiary has to be loaded first

Bank not educating / more education around electronic banking for their clients

Viewing interest on different deposits

Loyalty points linked to business account

Reversal of debit orders once done on line take too long to reflect back into your account / slow process / have to be done manually

Free proof of payments

Placing orders for fleet cards and cards automatically arriving / calling the correct person for this

Slow system especially after banking hours

No security on financial statements (id number for security) should have / dongles are a pain for security

Better education on the products such as apps etc/ assist clients with rolling out the use of mobile apps / knowledge of products / better self help options

Clarity on charges on bank statements / break down of transactional costs

Global view being able to login into all bank accounts across the banks

ATM at your premises for clients to deposit money

Reports are old fashioned, upgrade reporting so that it can be edited

Get a summary of all balances in one currency

Notification of transactions

Too much paper work for international transactions / foreign transactions

Monitoring / management of forex Instructions is poor / expensive/ lack transparency

Suggestions regarding the functionality of the company's electronic banking; areas that are currently missing continued ...

Be able to book own forex rates for incoming funds / better communication between the departments when booking forex, avoiding delays and extra costs / forex management / quicker forex guarantees

App does not allow one to release payments which is primary use of it / authorizing of transactions

Being able to validate payments and releasing goods upon logging in and seeing the payment

Unreconciled deposits - having to call the bank to verify who they are from

Add / delete people who can sign documentation on behalf of the company

Search for beneficiaries by name / locating creditors

Call centre response time slow / responding to queries

Limited banking transactions, no Nomad system, payroll and cash management

Can verify local banking details before making payment but not global - scared to pay unverified accounts / entering a pin to verify an account / verify accounts to other banks

Forthcoming with funding and excellent lending rates / Choosing set fees for transactions

Applying for insurance products online

Outdated products (cannot save e-wallet clients as beneficiaries)

Notifications of deposits / trying to link payments without references

Electronic payments authorize payments release batches same day - sometimes happen on different days. / reserve payments

Immediately identify account holder against account number / does not real time link / match details to account

Banks assisting with car licenses / IDs / passports (easing government departments)

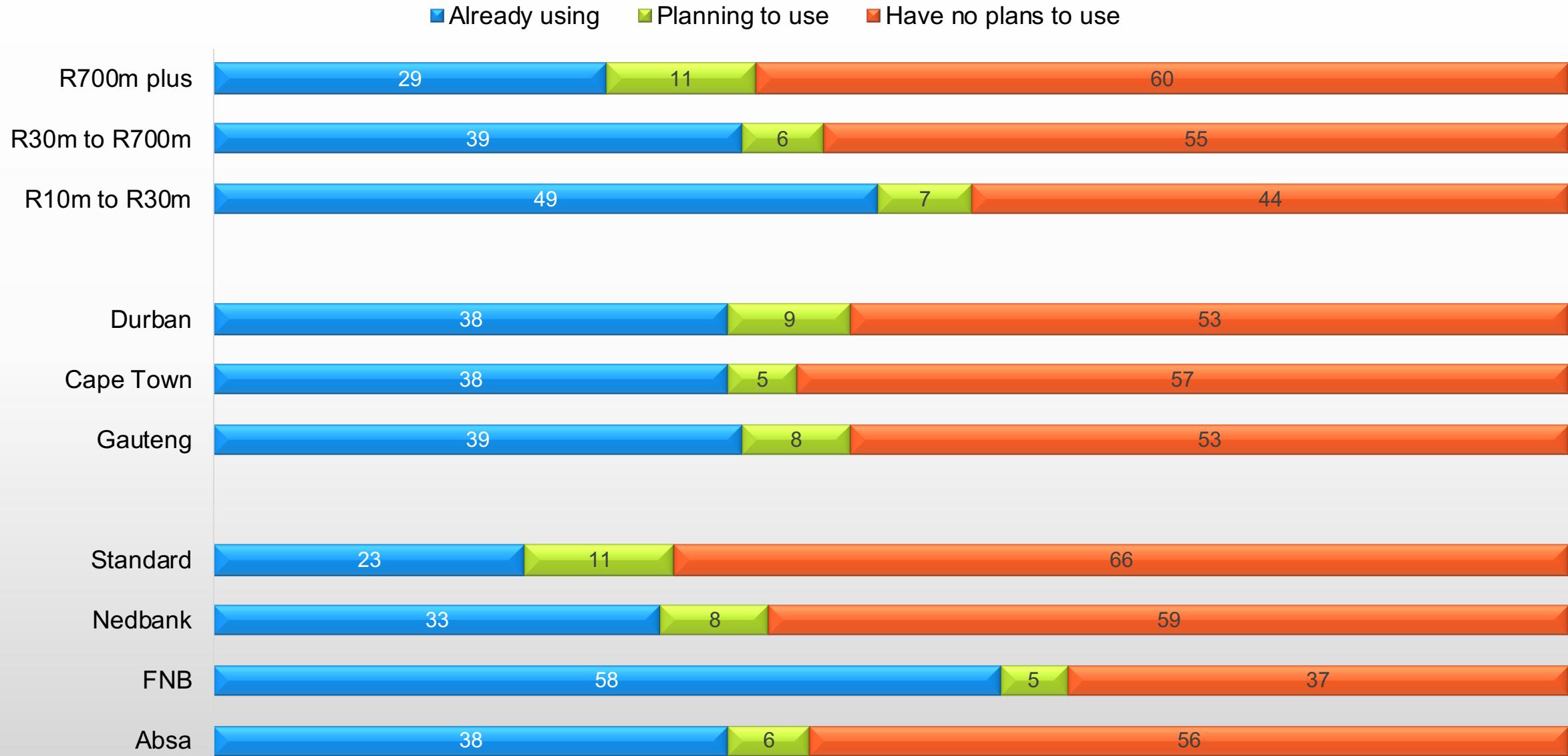


Section C:
**Channels for
business
banking**

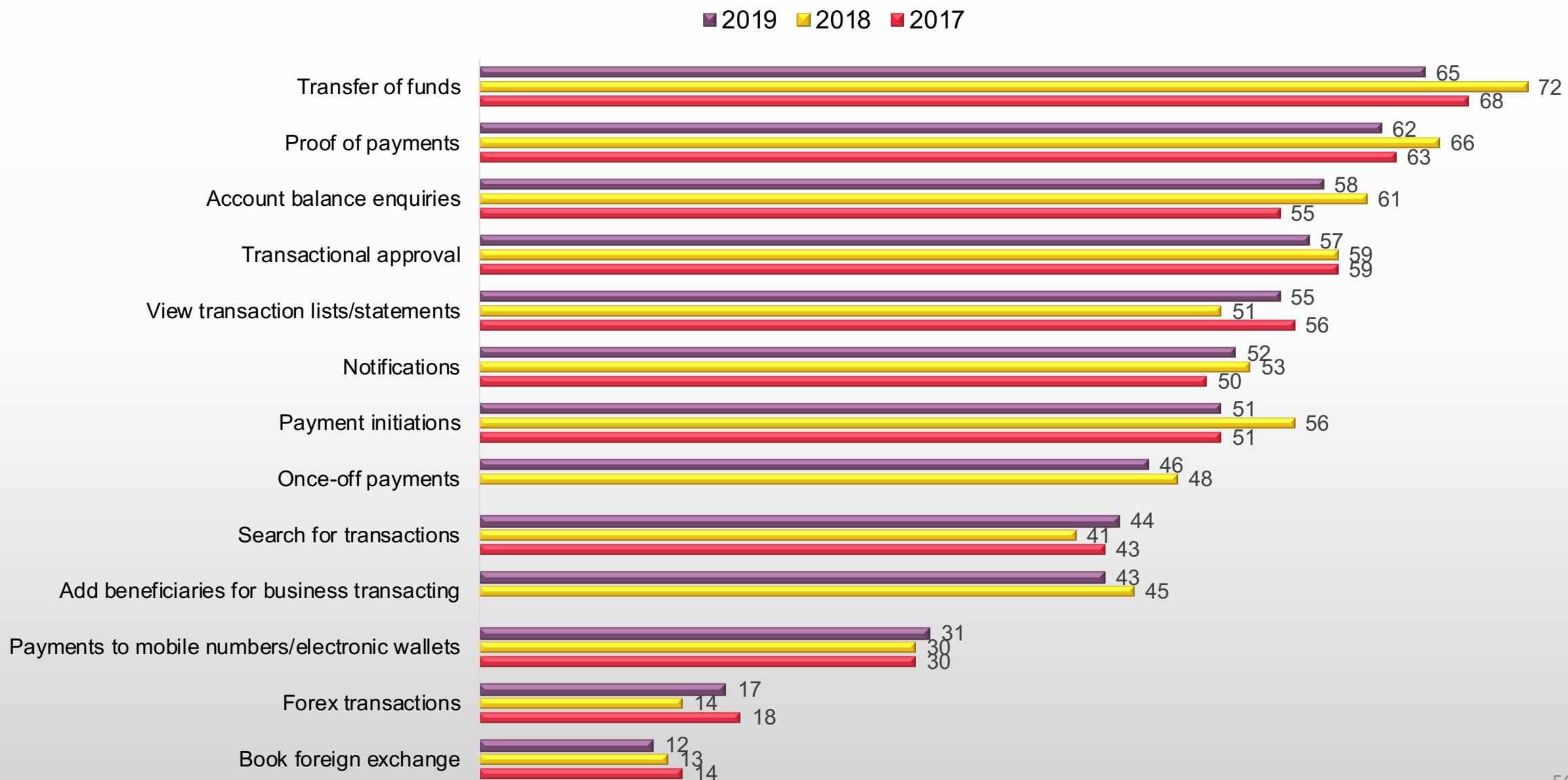
**Levels of
innovation**

**Business
applications for
mobile banking**

Usage of mobile banking apps for business banking (%)

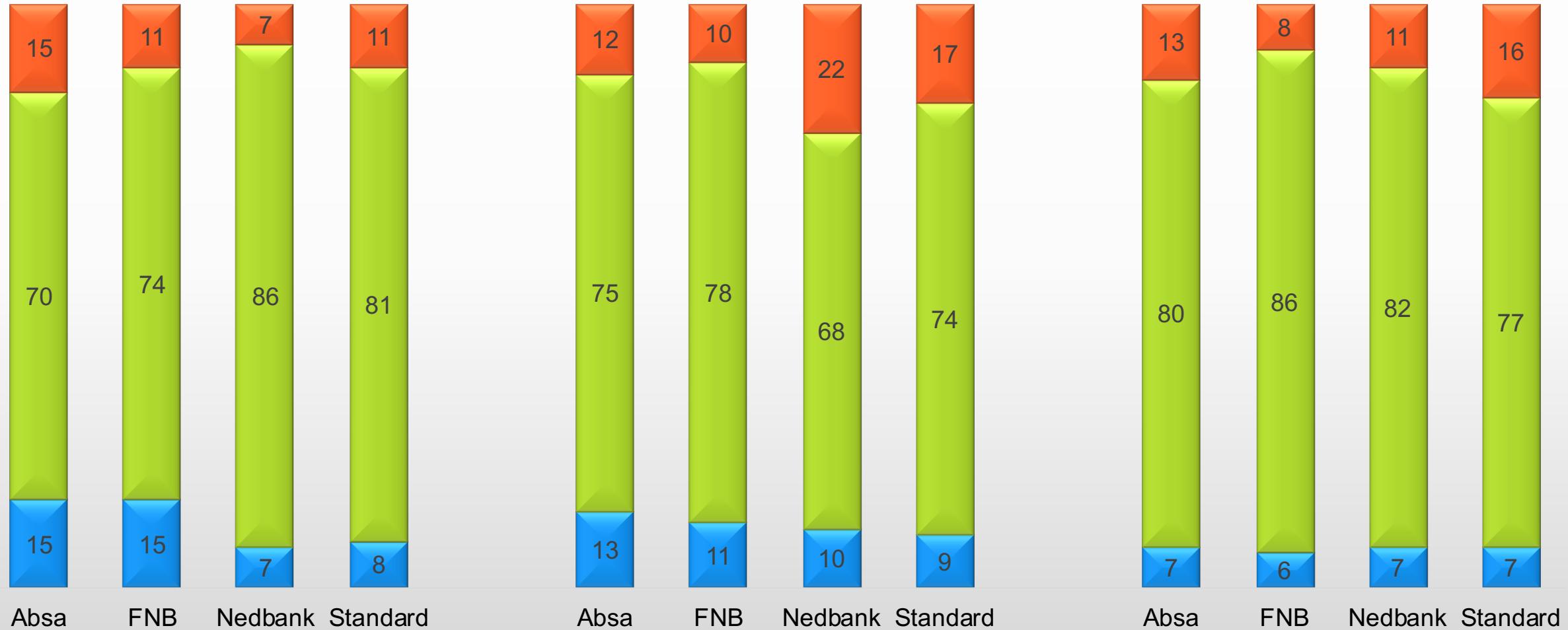


Functionalities: Levels of importance in using a business app to conduct mobile business banking (%)
Already using or planning n=329



The use of electronic banking channels by main bank (%)

■ Host-to-Host ■ Online via Internet/Web ■ Both

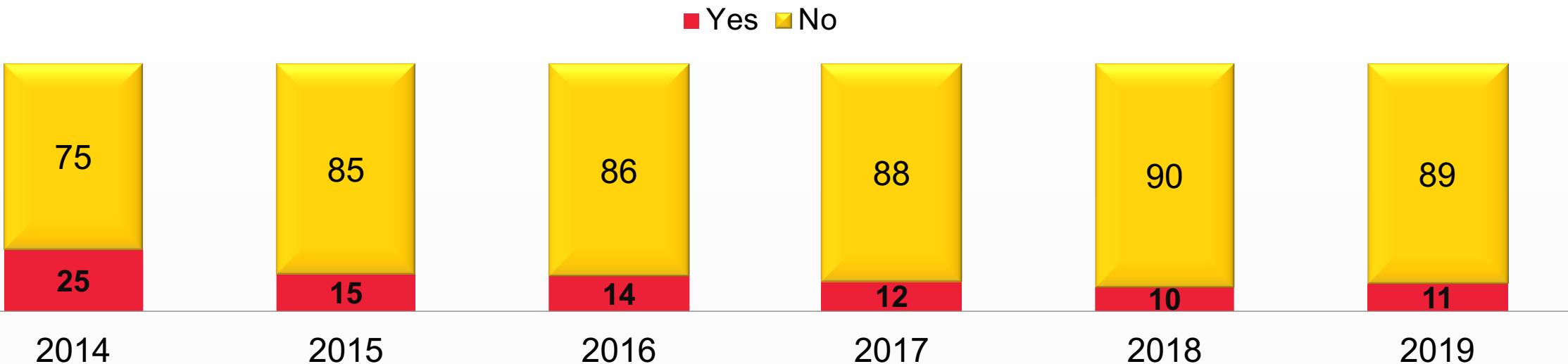


2017

2018

2019

Have the banks introduced any innovative products and/or features in the past year? (%)



If Yes, which bank/s do you consider have introduced innovative products and/or features in the past year? (%)



The appeal and lustre of the word ‘innovation’ still beginning to wane

A decrease from the 25% in 2014 that considered the banks were innovative to 11% in 2019

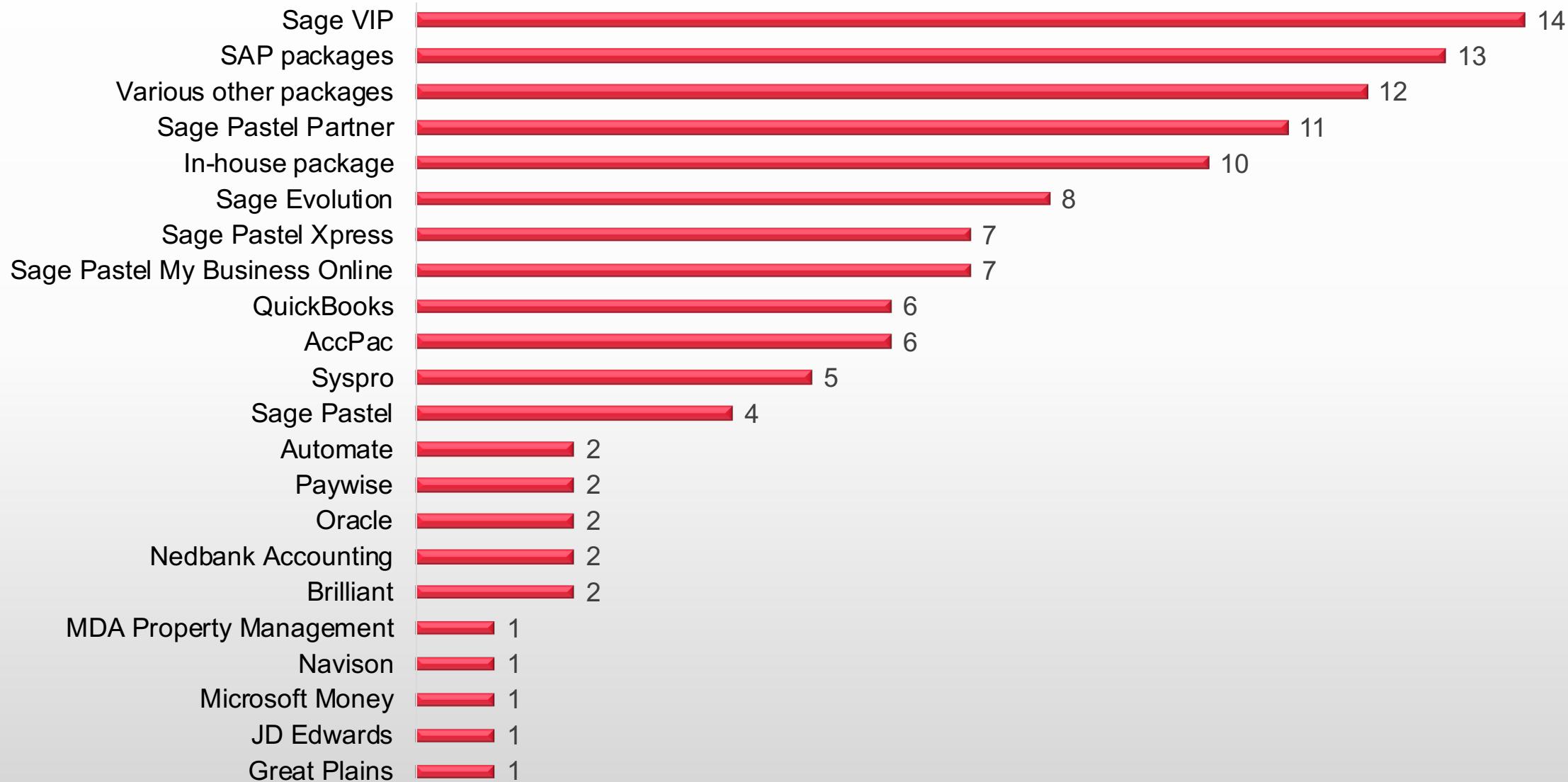
Examples of what is considered ‘innovation’ in business banking. Some may be offered by other banks but demonstrates lack of marketing or conversely, the power of marketing. (Open ended comments and reflective of the retail marketing impact) The comments relating to FNB are illustrated in the next slides



Examples of what is considered ‘innovation’ in offerings from FNB. Once again, some may be offered by other banks but demonstrates lack of marketing or conversely, the power of marketing.



Company usage of line of business/accounting/ERP systems (%)





Section D:

Competitive activity

Key factors when evaluating a bank

Fee transparency and negotiations

Excluding their main bank, other banks that have proactively contacted the business in the past 6 months (%) 2015 to 2019

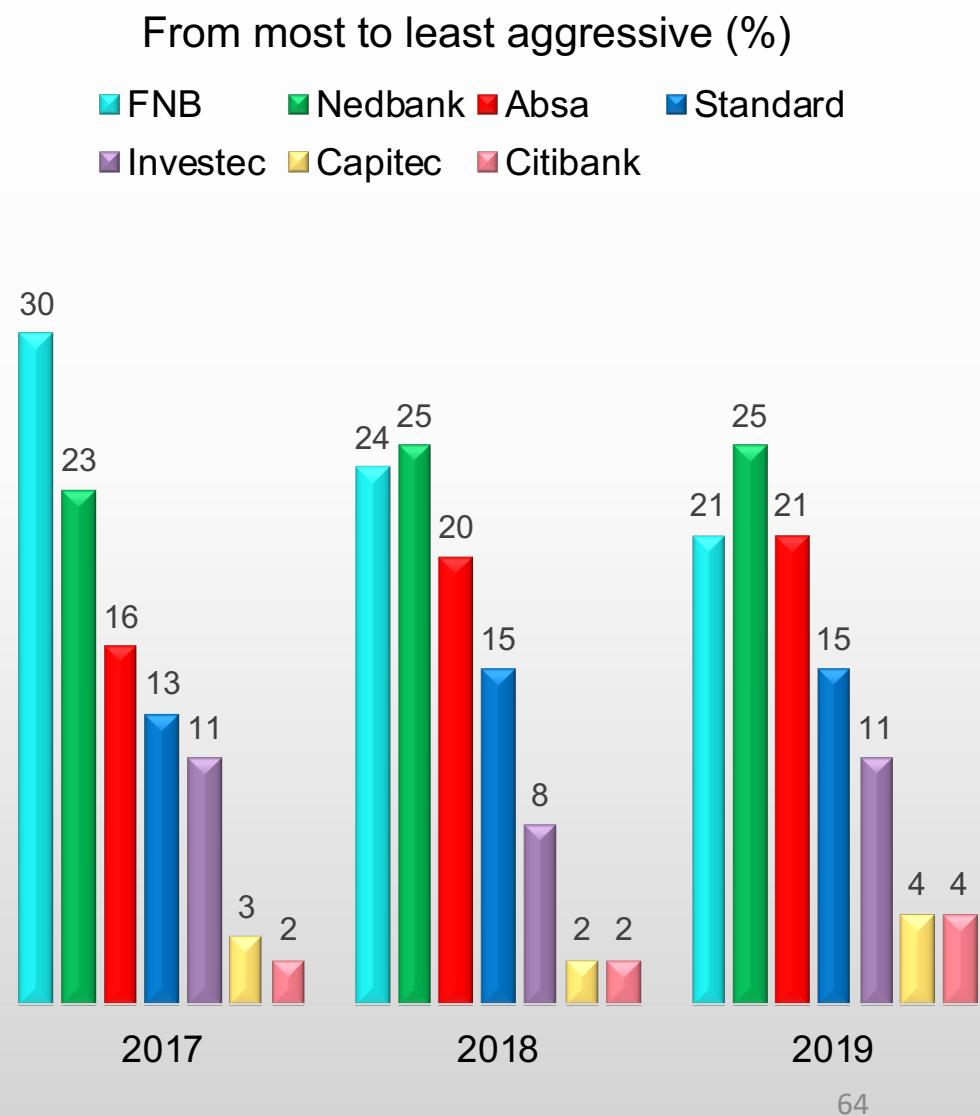
■ Absa ■ FNB ■ Nedbank ■ Standard ■ Investec



Also proactive contacts from Capitec and Citibank (1%) for each bank and one visit from Discovery
Within the overall sample of 713 businesses, 26% (183) have been contacted in the past 6 months and 74% not contacted

Excluding main bank, other banks that have proactively contacted the business in the past 6 months promoting overall banking (%) n=183

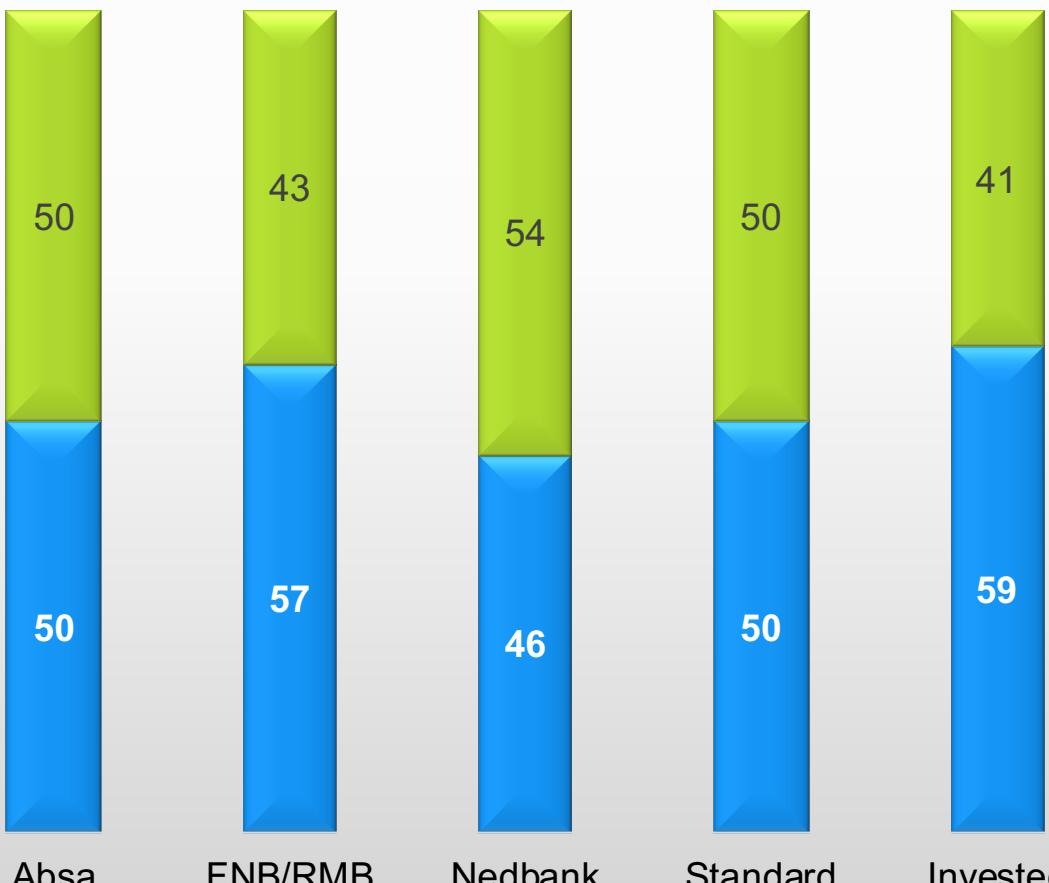
Number of proactive contacts fromto	Absa main bank	FNB main bank	Nedbank main bank	Standard main bank
Absa (53)	-	23	16	14
FNB (47)	13	-	18	16
Nedbank (61)	13	27	-	21
Standard (38)	5	22	11	-
Capitec (10)	1	6	1	2
Citibank (9)	1	2	2	4
Bidvest (2)	-	-	1	1
Investec (28)	1	7	8	12
Total number of contacts to bank...	34	87	57	70
% of customer base contacted	29%	38%	36%	35%



If any of these proactive contacts resulted in a meeting (%)

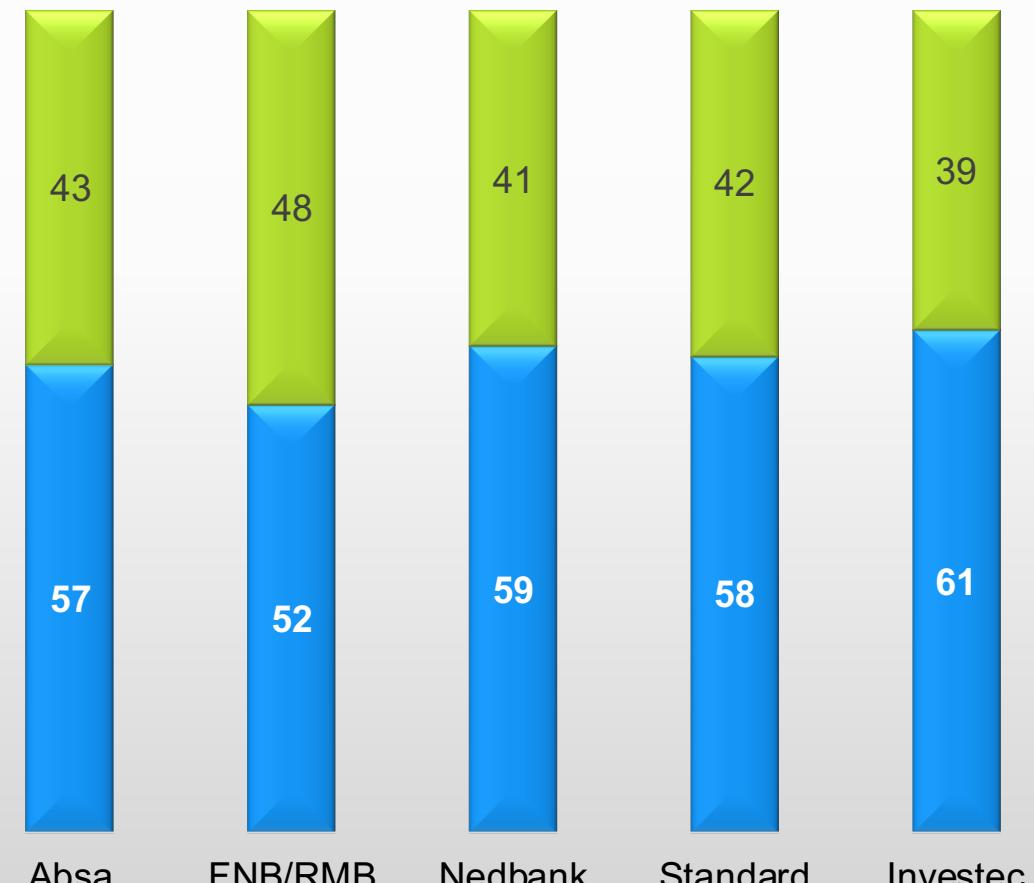
Further meeting with proactive bank? n=183 (%)

■ Yes ■ No

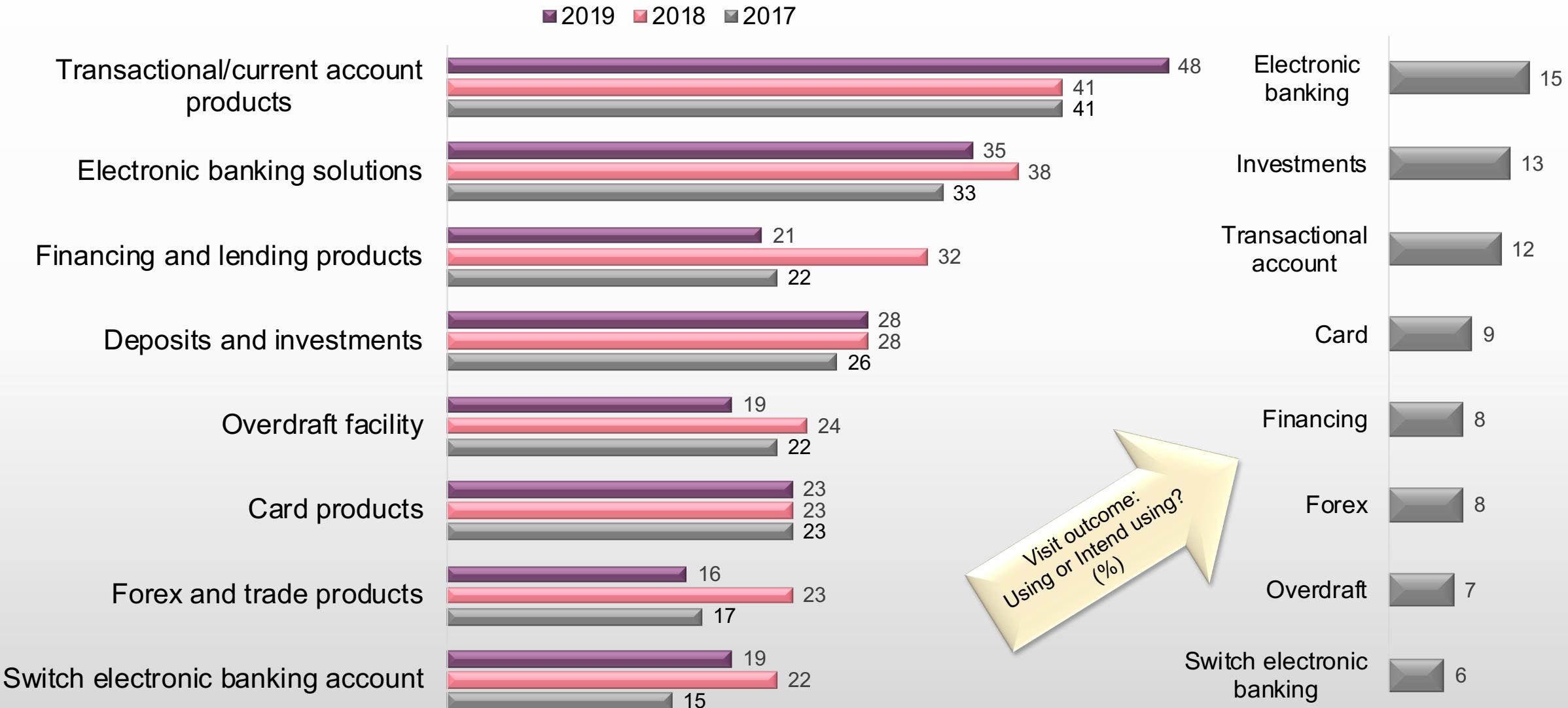


Intend using? n=116 (%)

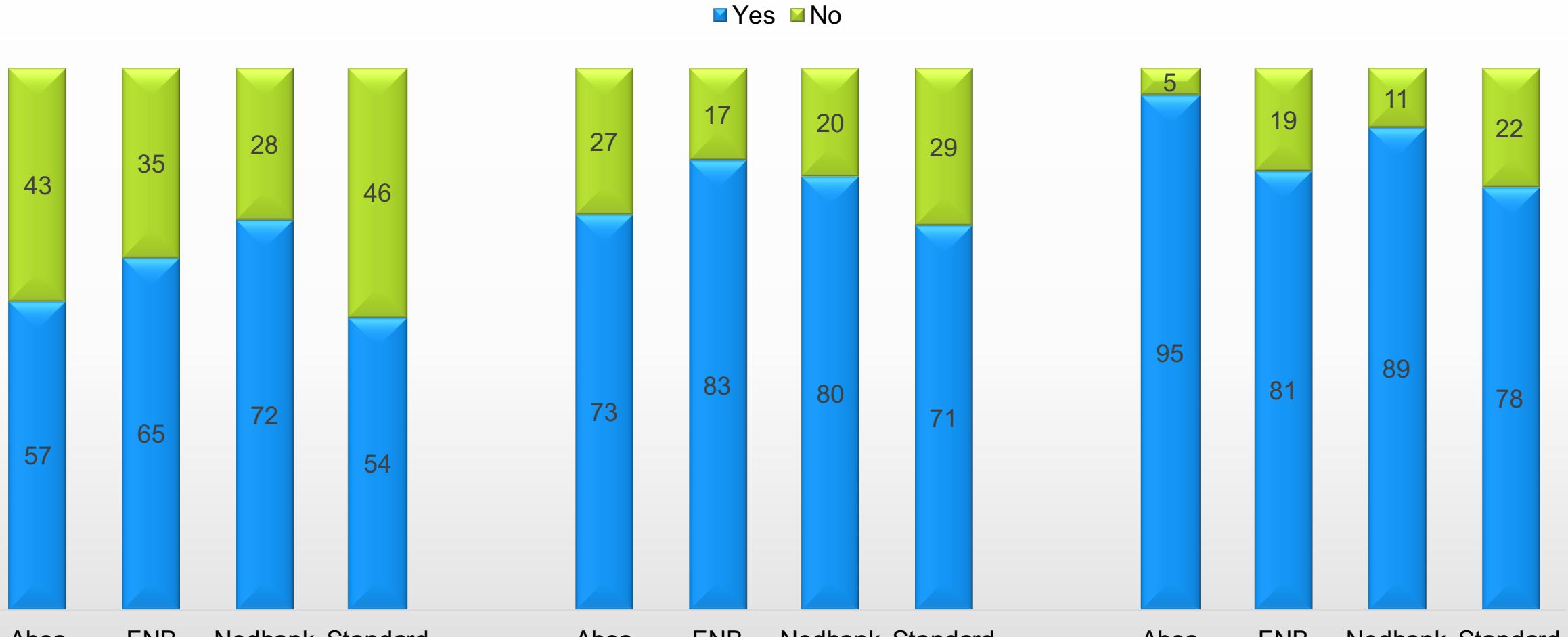
■ Yes ■ No



From these proactive visits, the products or services being promoted n=183 (%)



Is main bank transparent regarding transactional fees for business banking services? (%)

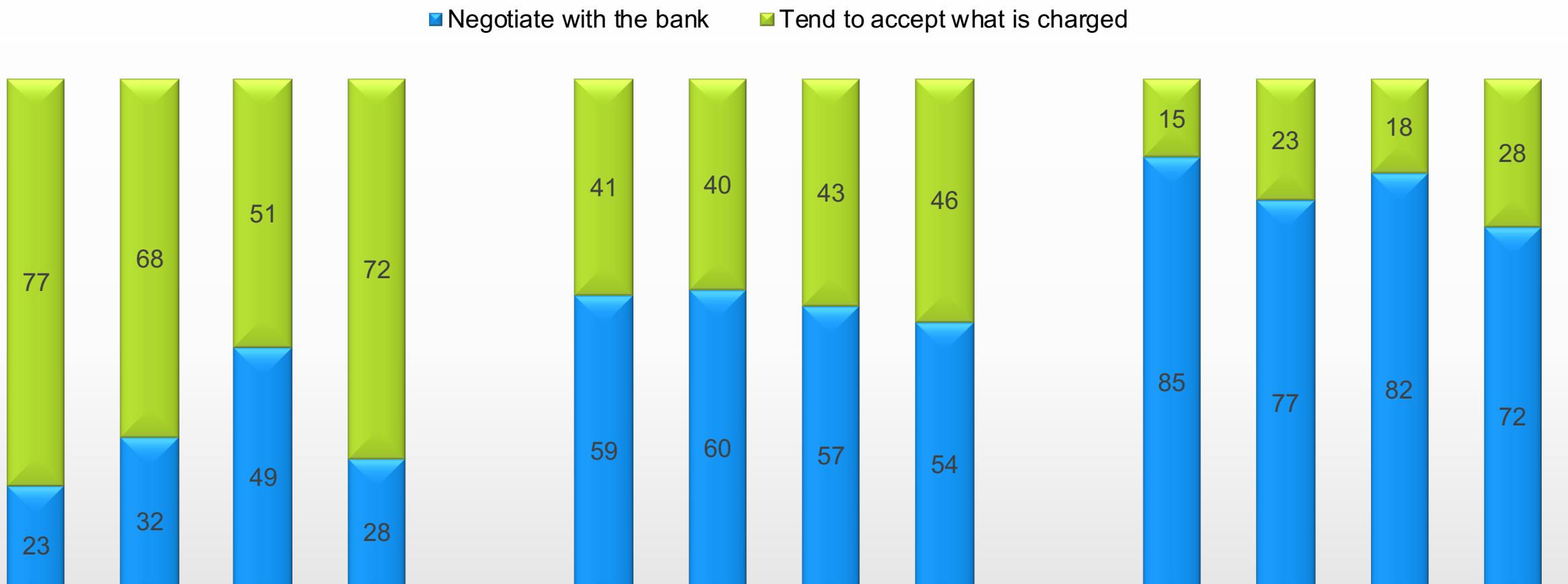


R10m to R30m

R30m to R700m

R700m plus

Negotiate with main bank regarding transactional fees or accept the charges (%)

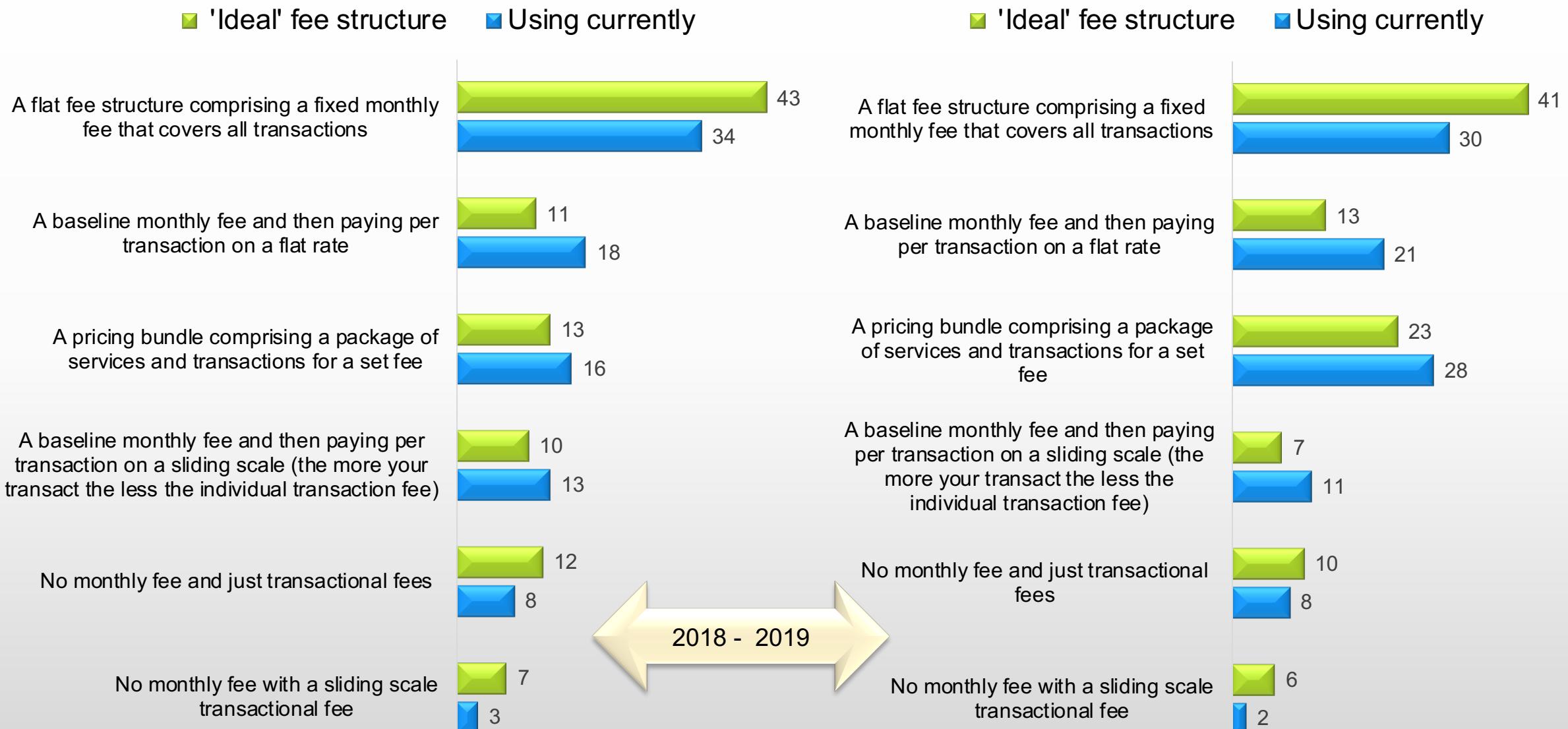


R10m to R30m

R30m to R700m

R700m plus

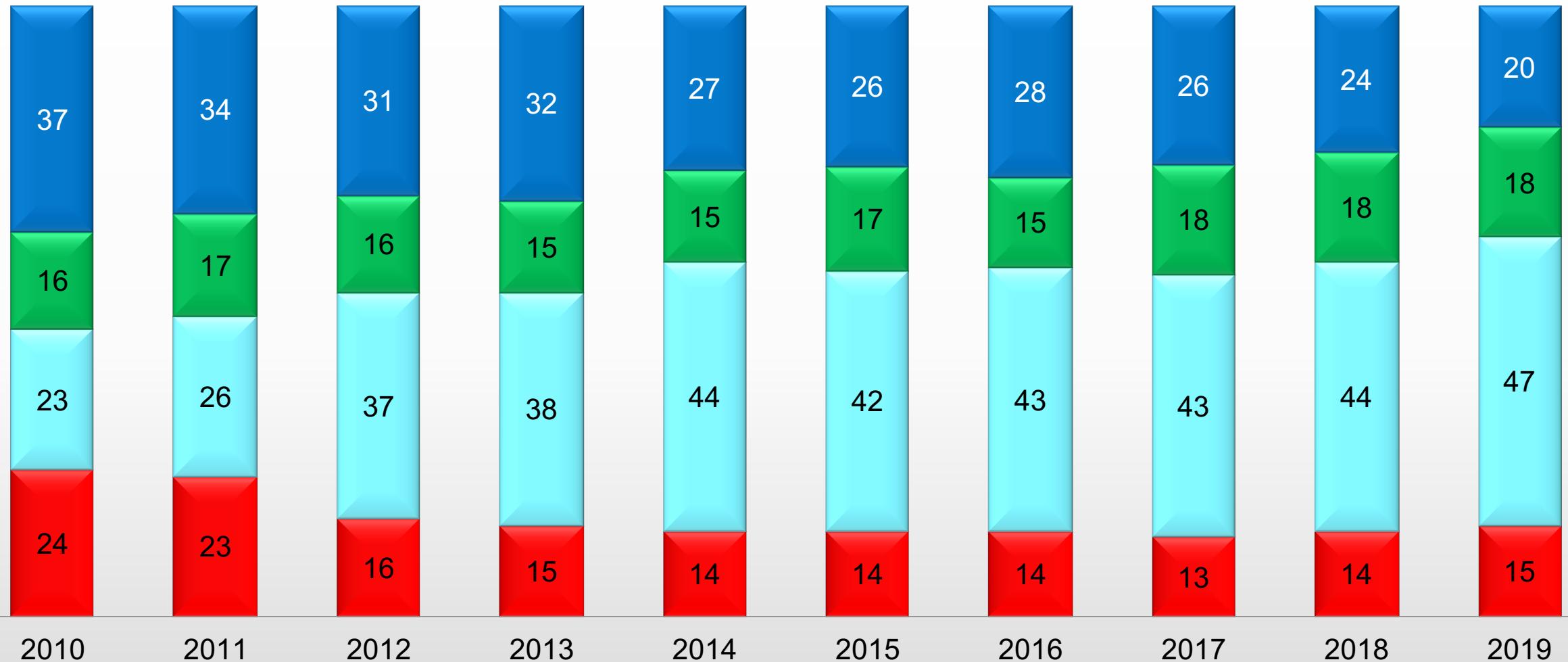
Banking fee structure: how the business currently pays and the 'ideal' structure? (%)





Section E: Market perceptions of the banks

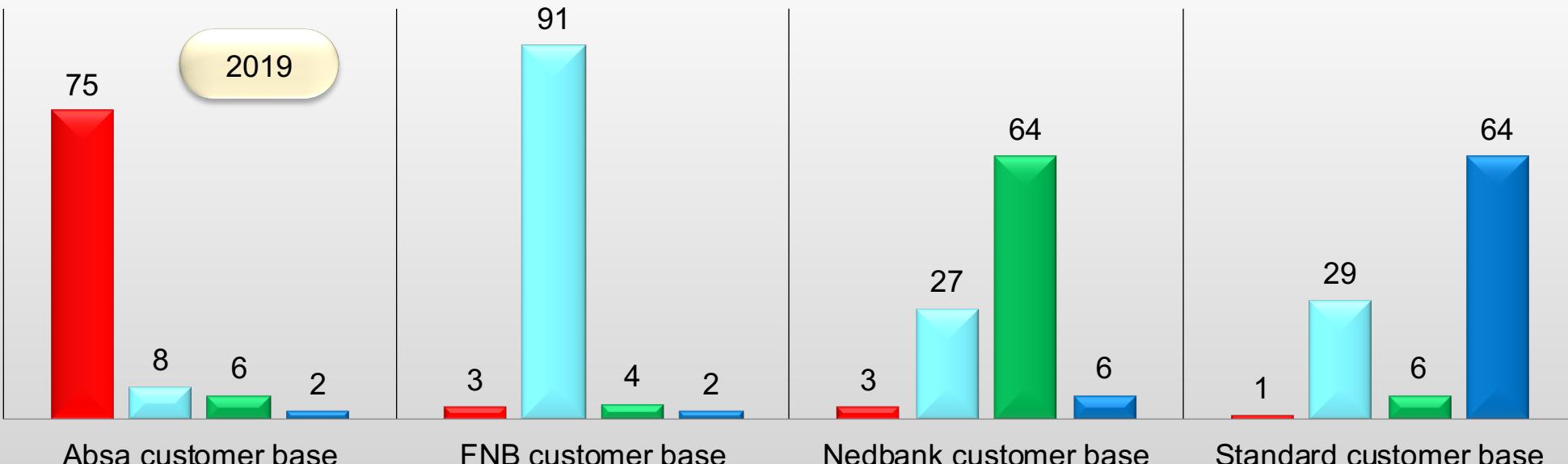
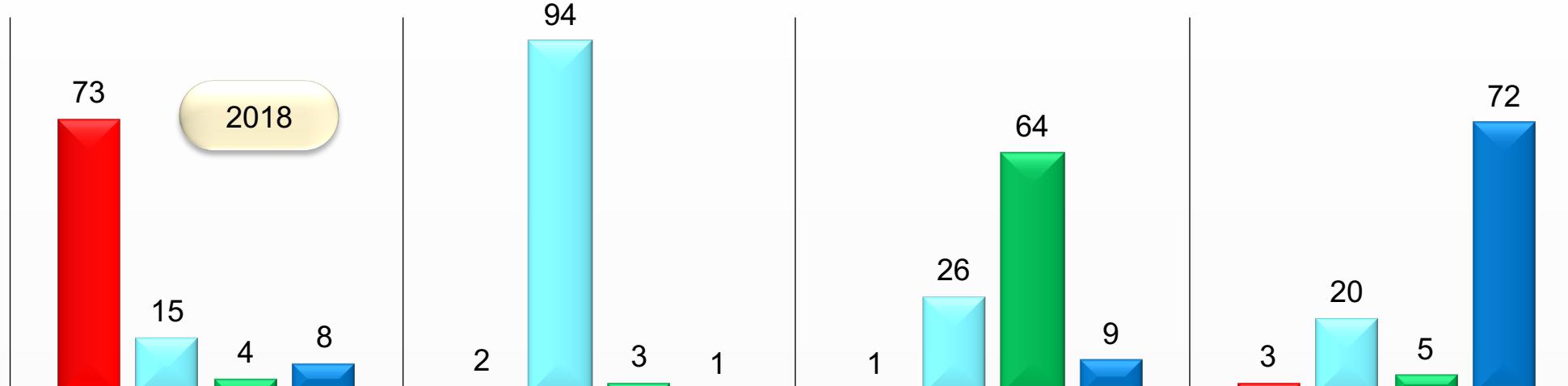
Nominations for market leader for electronic banking services (%)



Summary: From 2012 when FNB surpassed Standard, this domination has been maintained for a further seven years. A 1% increase for Absa, 3% for FNB. Nedbank remains the same and Standard drops 4%

Nominations for MARKET LEADER by primary electronic bank customer base (%)

Testing customer loyalty 2018 and 2019

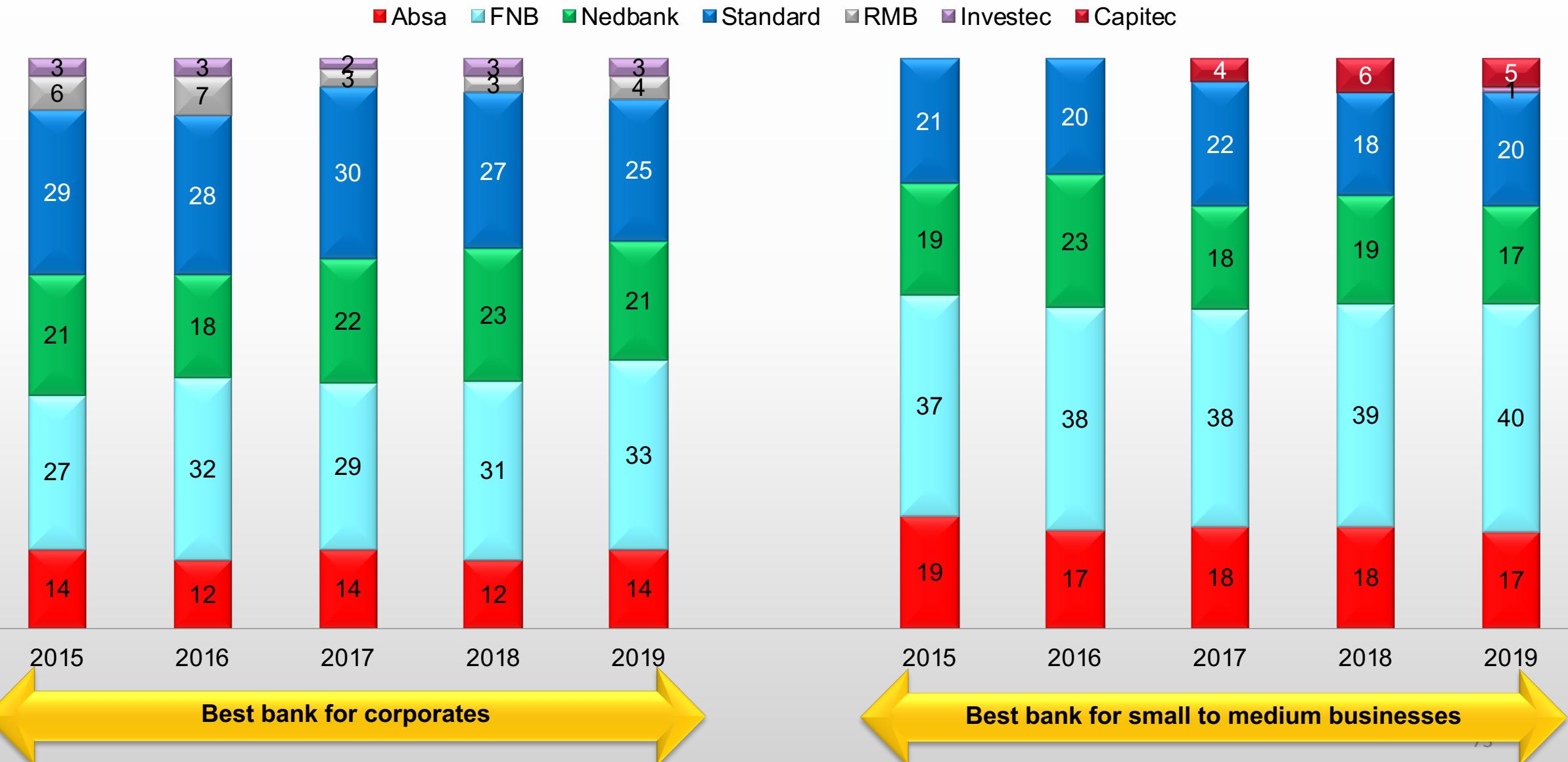


Summary:
How each client base nominated a market leader and laggard.

The ‘votes’ for their own bank and then the ‘votes’ for competitor banks

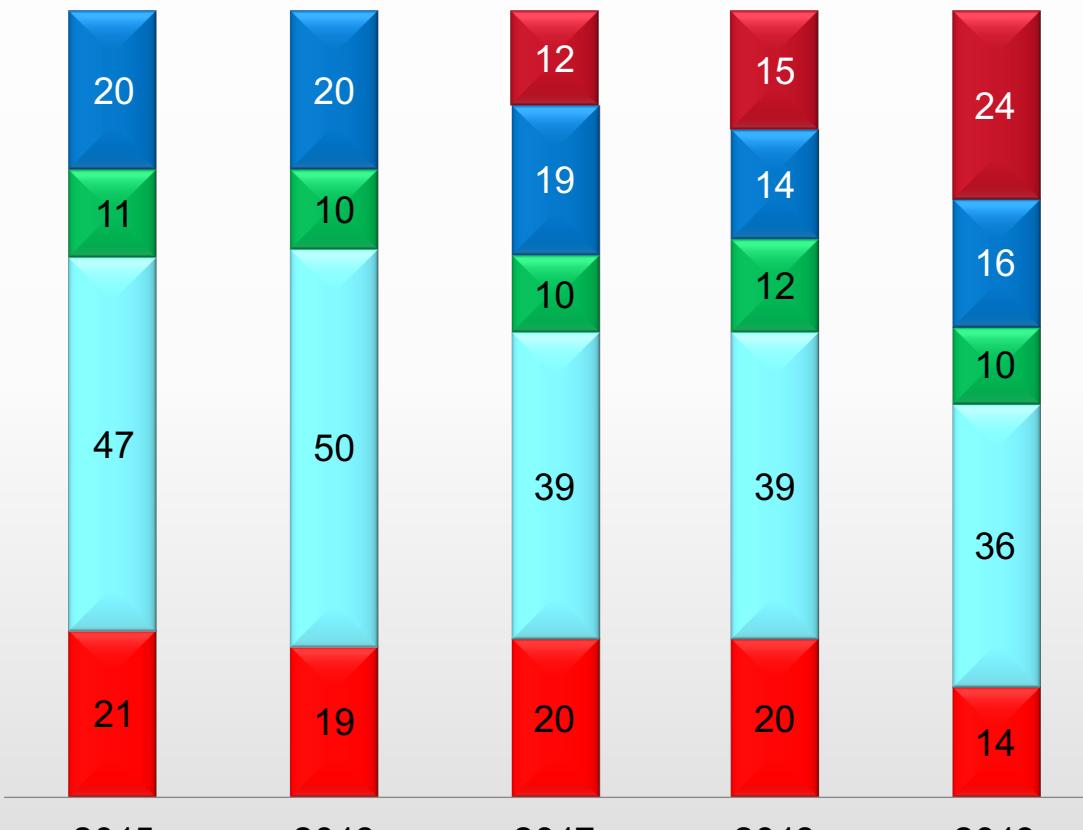
Note the double digits for FNB from Nedbank and Standard clients

Setting the Scene: Which bank would you nominate as the best bank for... (%) 2015 to 2019



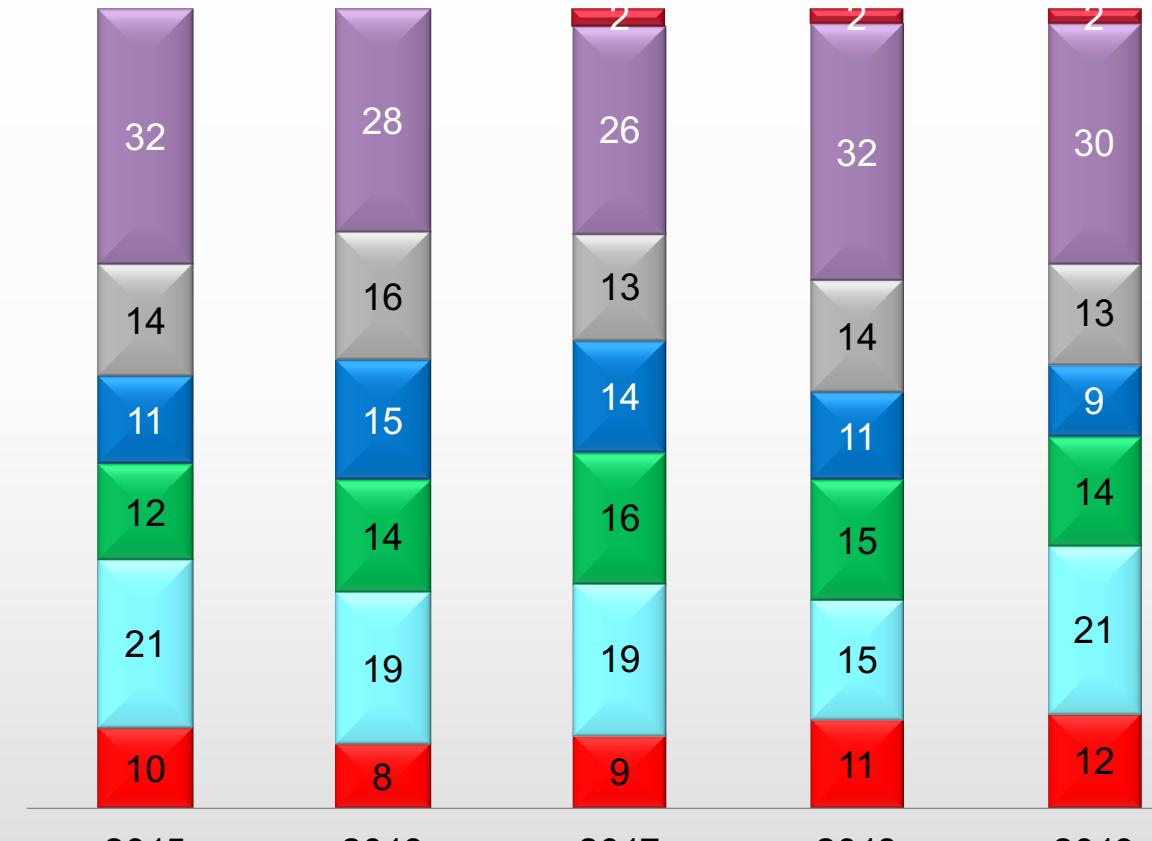
Setting the Scene: Which bank would you nominate as the best bank for... (%) 2015 to 2019

■ Absa ■ FNB ■ Nedbank ■ Standard ■ Capitec



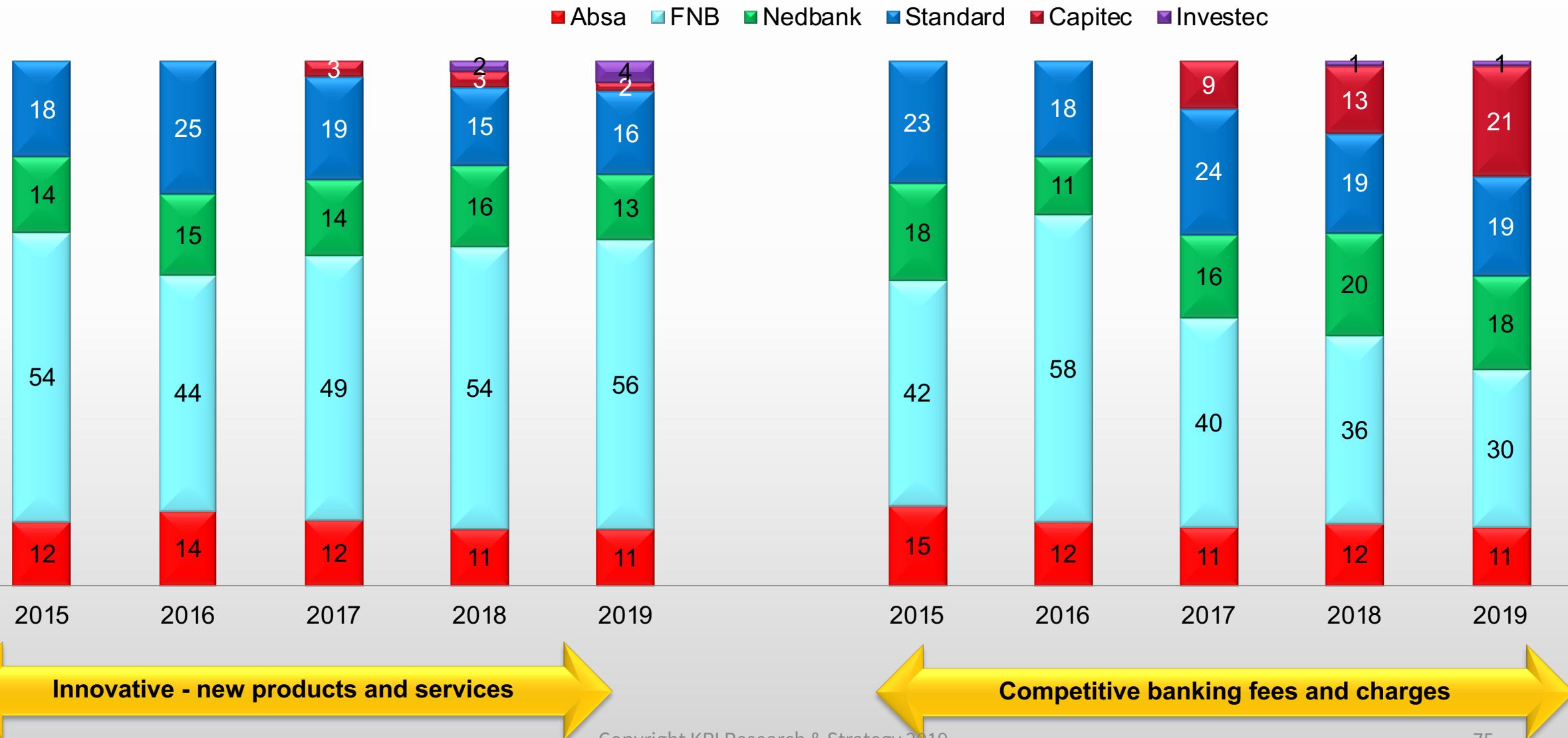
Best bank for consumers (Retail)

■ Absa ■ FNB ■ Nedbank ■ Standard ■ RMB ■ Investec ■ Capitec



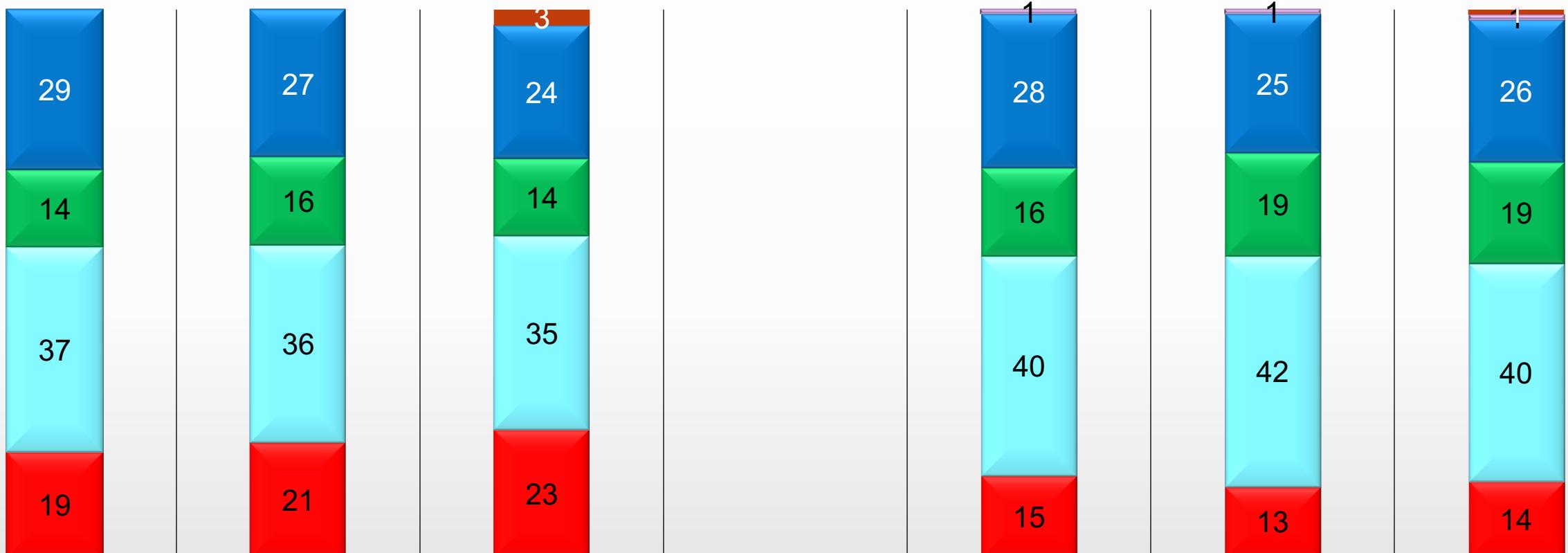
Best bank for private banking

Setting the Scene: Which bank would you nominate as the best bank for... (%) 2015 to 2019



Further nominations on how the banks are perceived 2017 to 2019 (%)

■ Absa ■ FNB ■ Nedbank ■ Standard ■ Investec ■ Capitec



The best branch &
service infrastructure
in SA

Best range of
banking products
and services

2017

2018

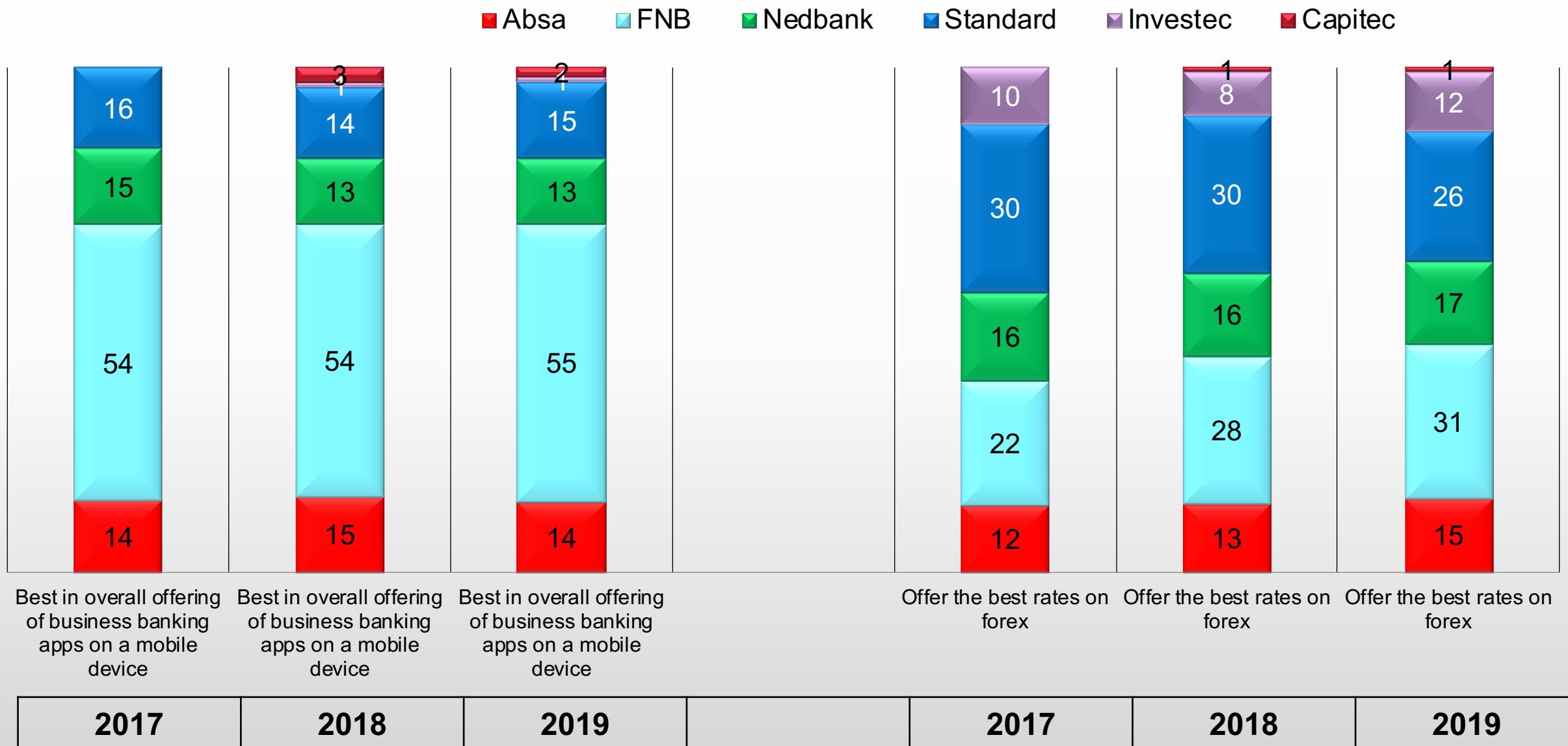
2019

2017

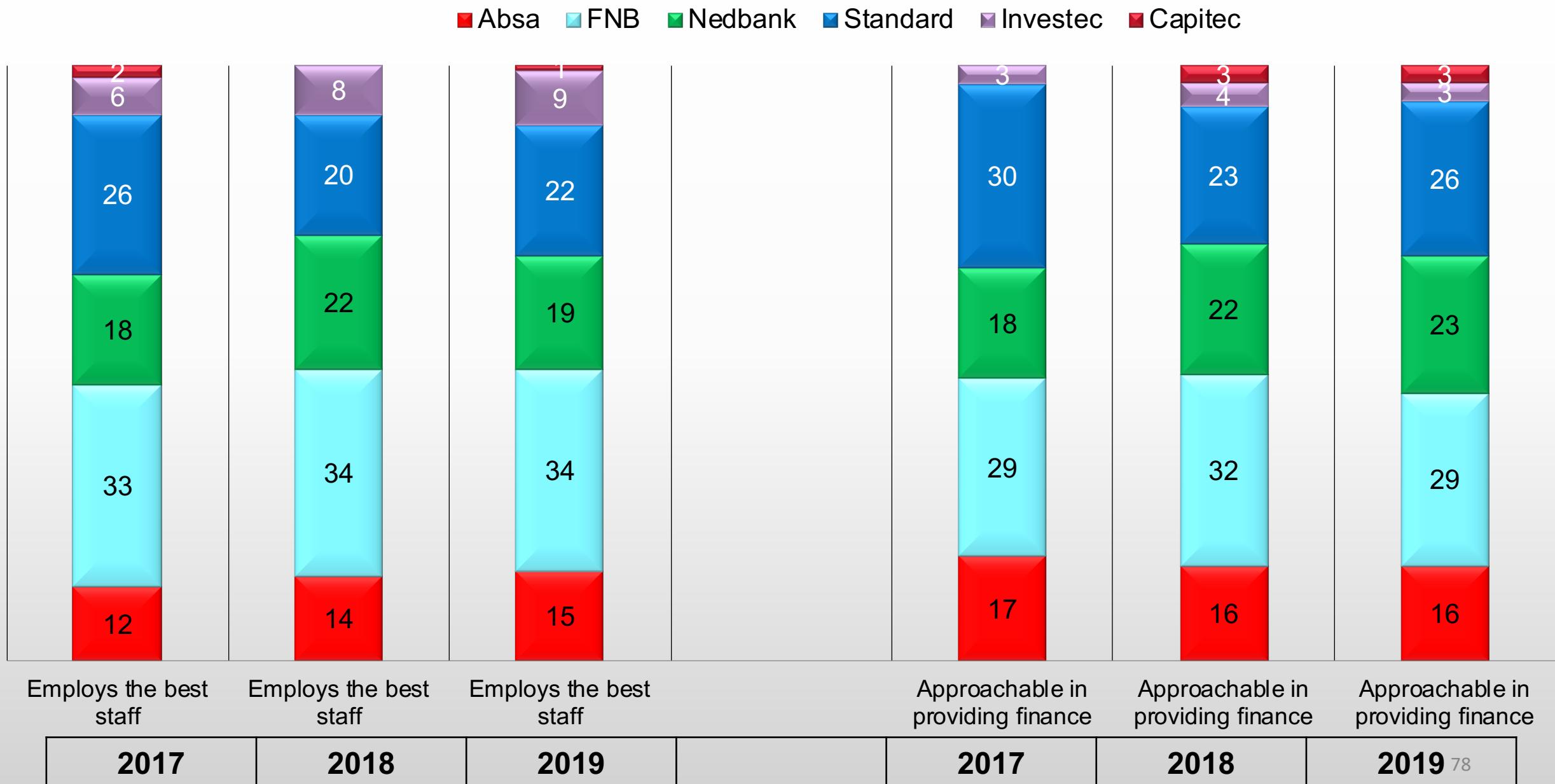
2018

2019

Further nominations on how the banks are perceived 2017 to 2019 (%)

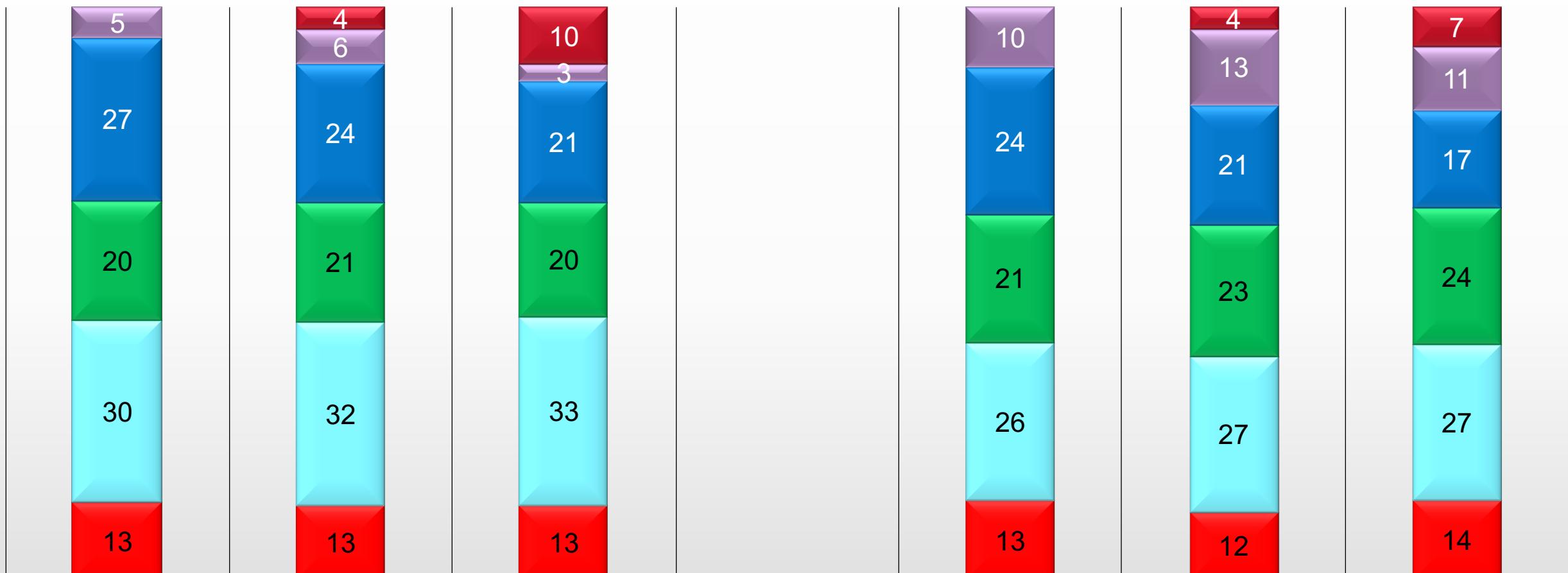


Further nominations on how the banks are perceived 2017 to 2019 (%)



Further nominations on how the banks are perceived 2017 to 2019 (%)

■ Absa ■ FNB ■ Nedbank ■ Standard ■ Investec ■ Capitec



Better interest rates
on finance

Better interest rates
on deposits and
investments

2017

2018

2019

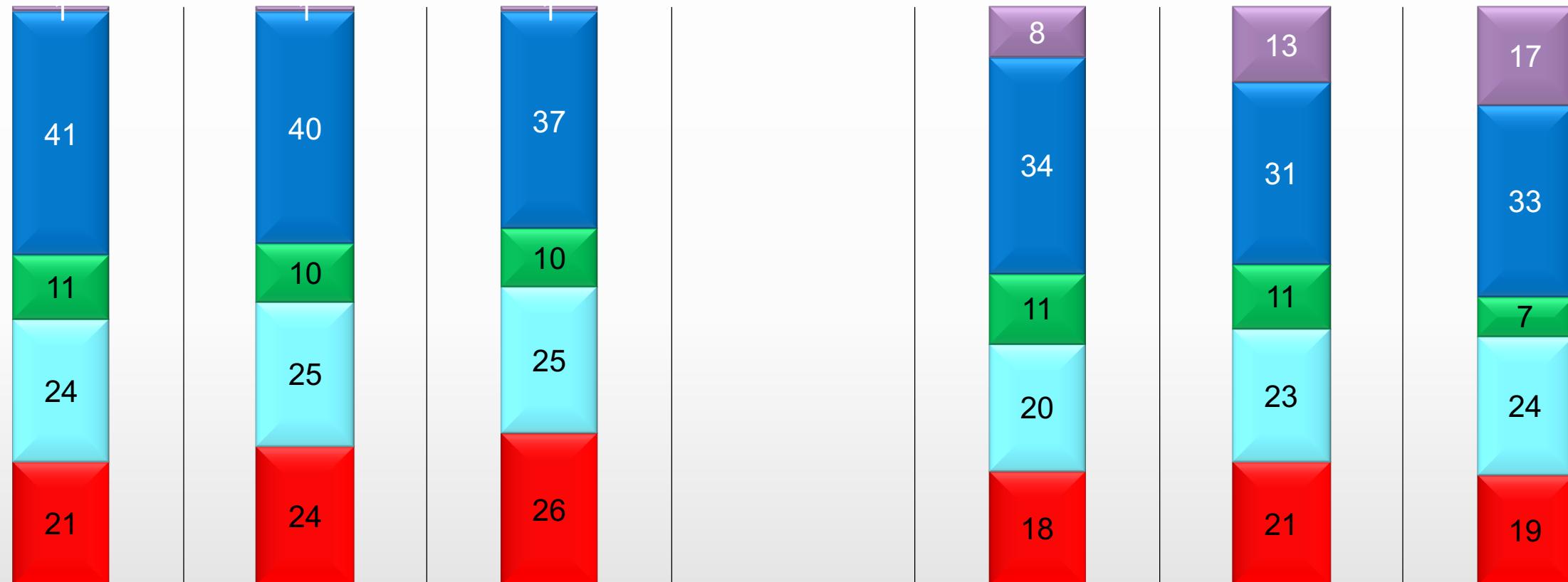
2017

2018

2019 79

Further nominations on how the banks are perceived 2017 to 2019 (%)

Absa FNB Nedbank Standard Investec



Best banking
network and
infrastructure in
Africa

Best banking
network and
infrastructure in
Africa

Best banking
network and
infrastructure in
Africa

Best global banking
network and
infrastructure

Best global banking
network and
infrastructure

Best global banking
network and
infrastructure

2017

2018

2019

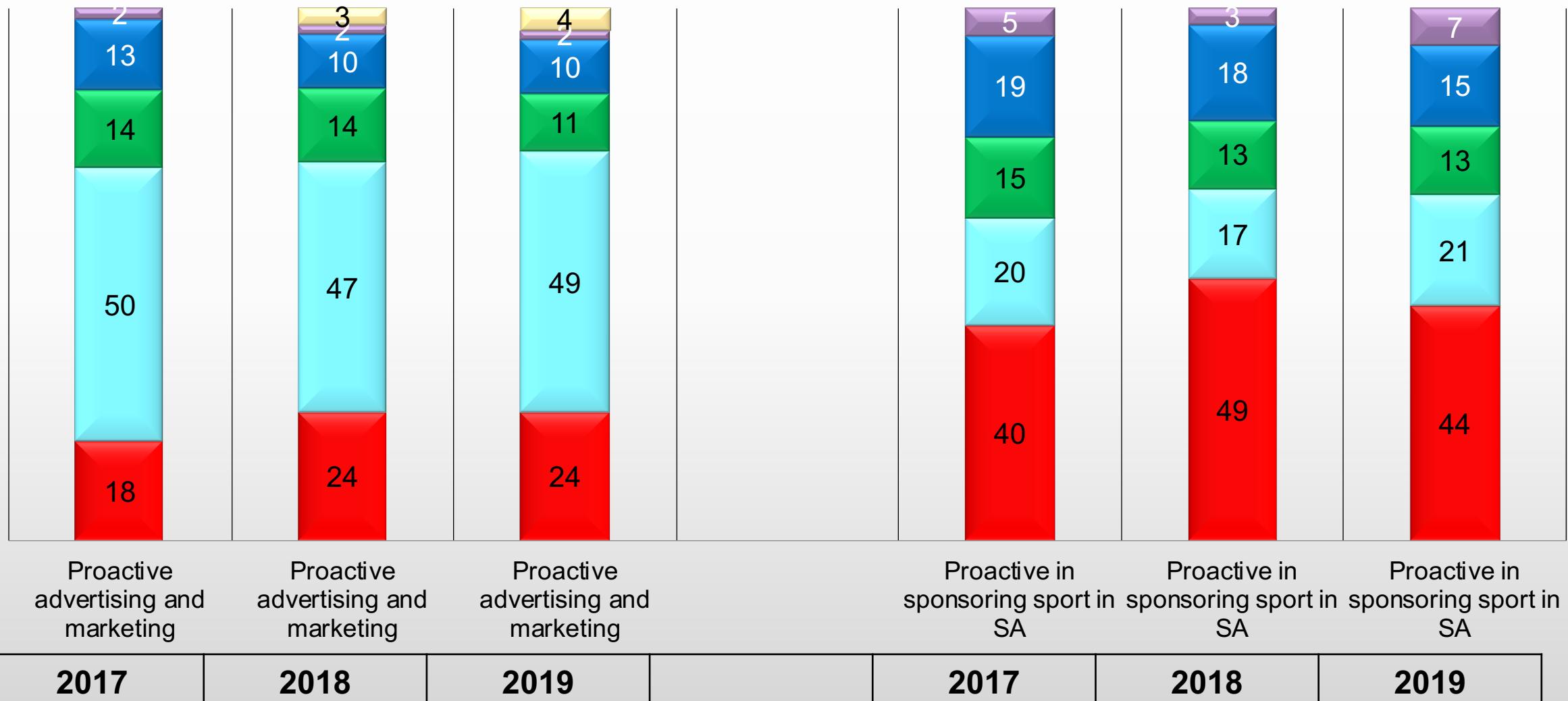
2017

2018

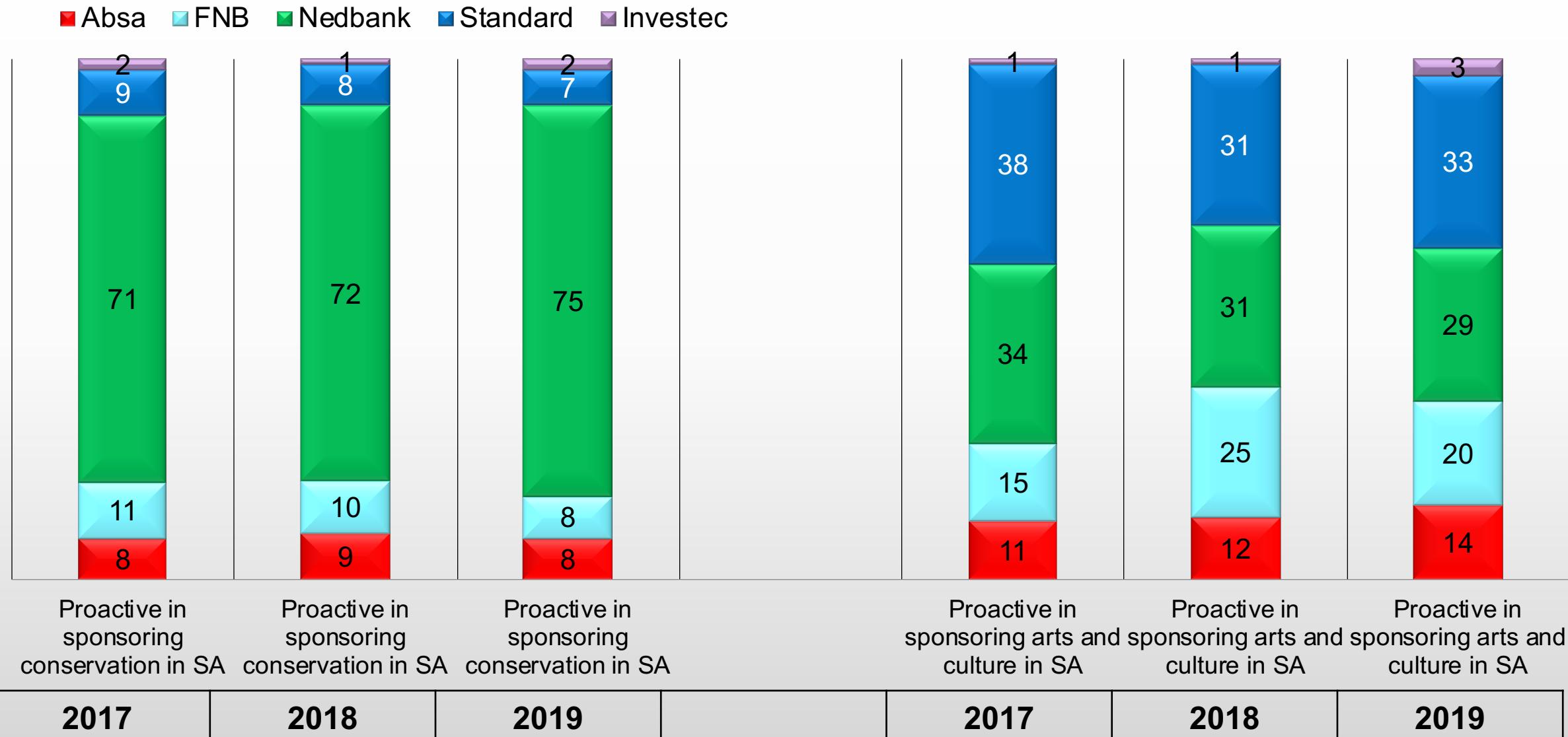
2019 80

Further nominations on how the banks are perceived 2017 to 2019 (%)

Absa FNB Nedbank Standard Investec Capitec

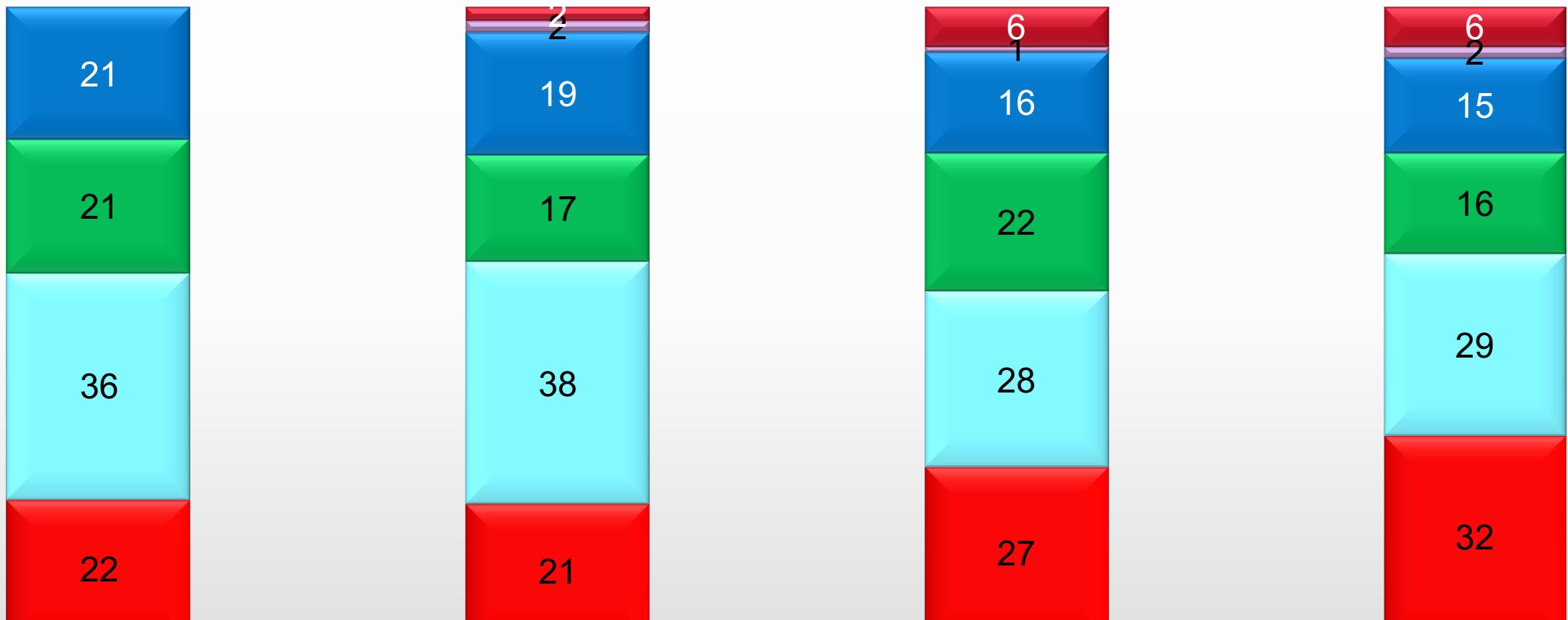


Further nominations on how the banks are perceived 2017 to 2019 (%)



Final nomination on how the banks are perceived 2016 to 2019 (%)

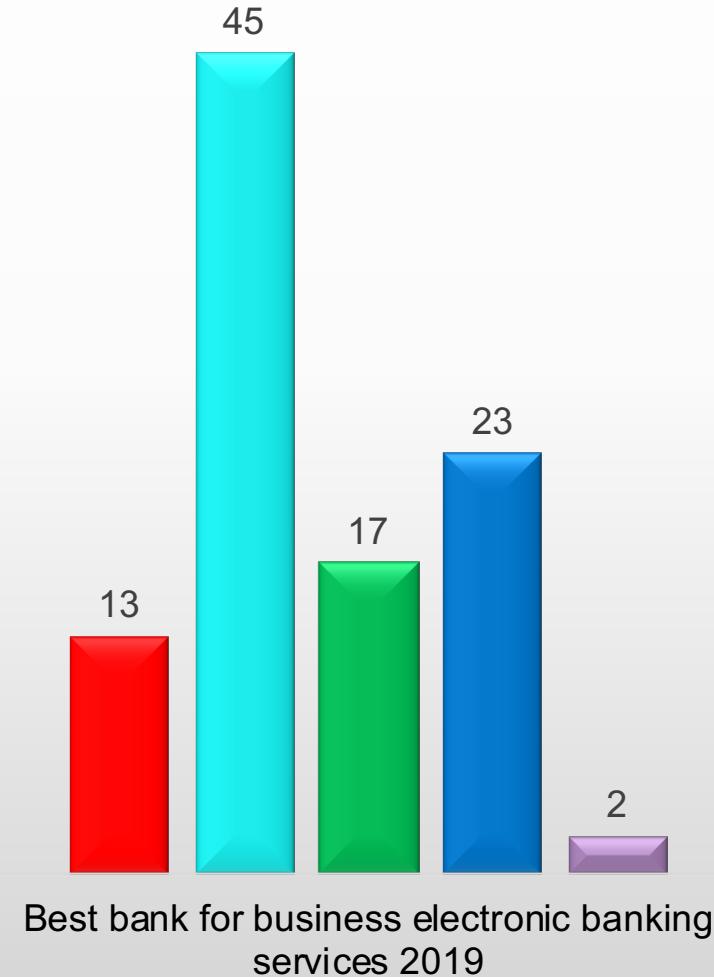
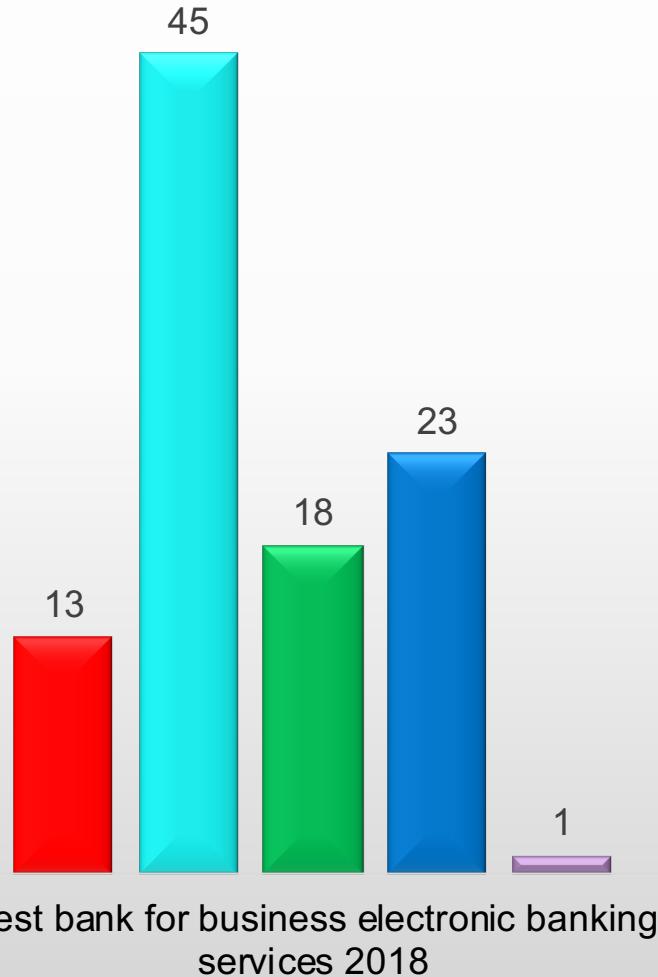
■ Absa ■ FNB ■ Nedbank ■ Standard ■ Investec ■ Capitec



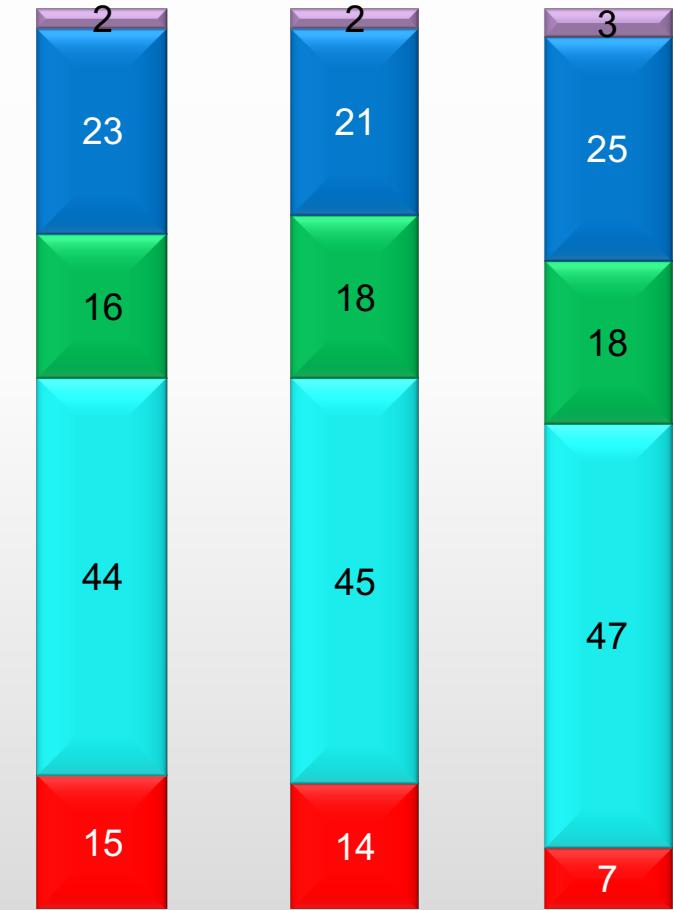
2016 - Proactively involved in 'Nation Building' in SA 2017 - Proactively involved in 'Nation Building' in SA 2018 - Proactively involved in 'Nation Building' in SA 2019 - Proactively involved in 'Nation Building' in SA

Best bank for business electronic banking (%)

Absa FNB/RMB Nedbank Standard Investec



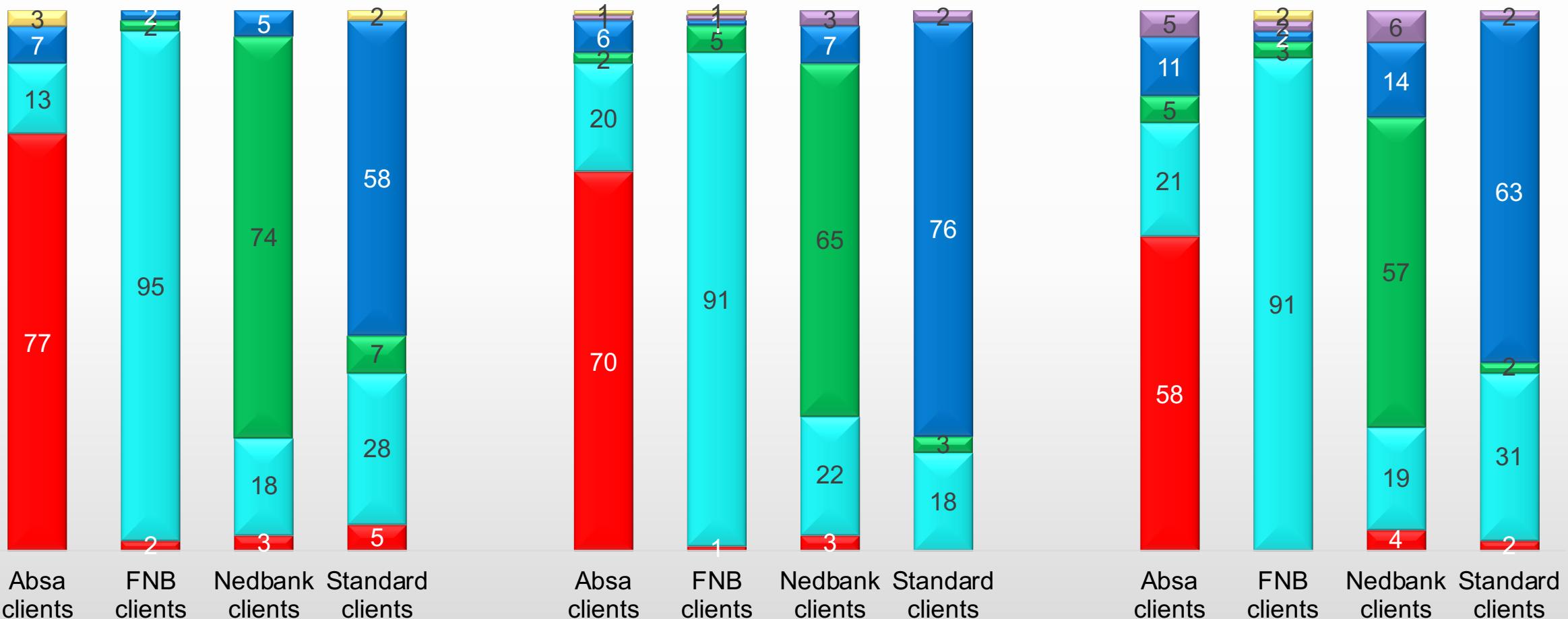
Absa FNB Nedbank
Standard Investec



Best bank for business electronic banking – by main bank and turnover (%)

By client base, best bank for business electronic banking services (%)

■ Absa ■ FNB ■ Nedbank ■ Standard ■ Investec ■ Capitec

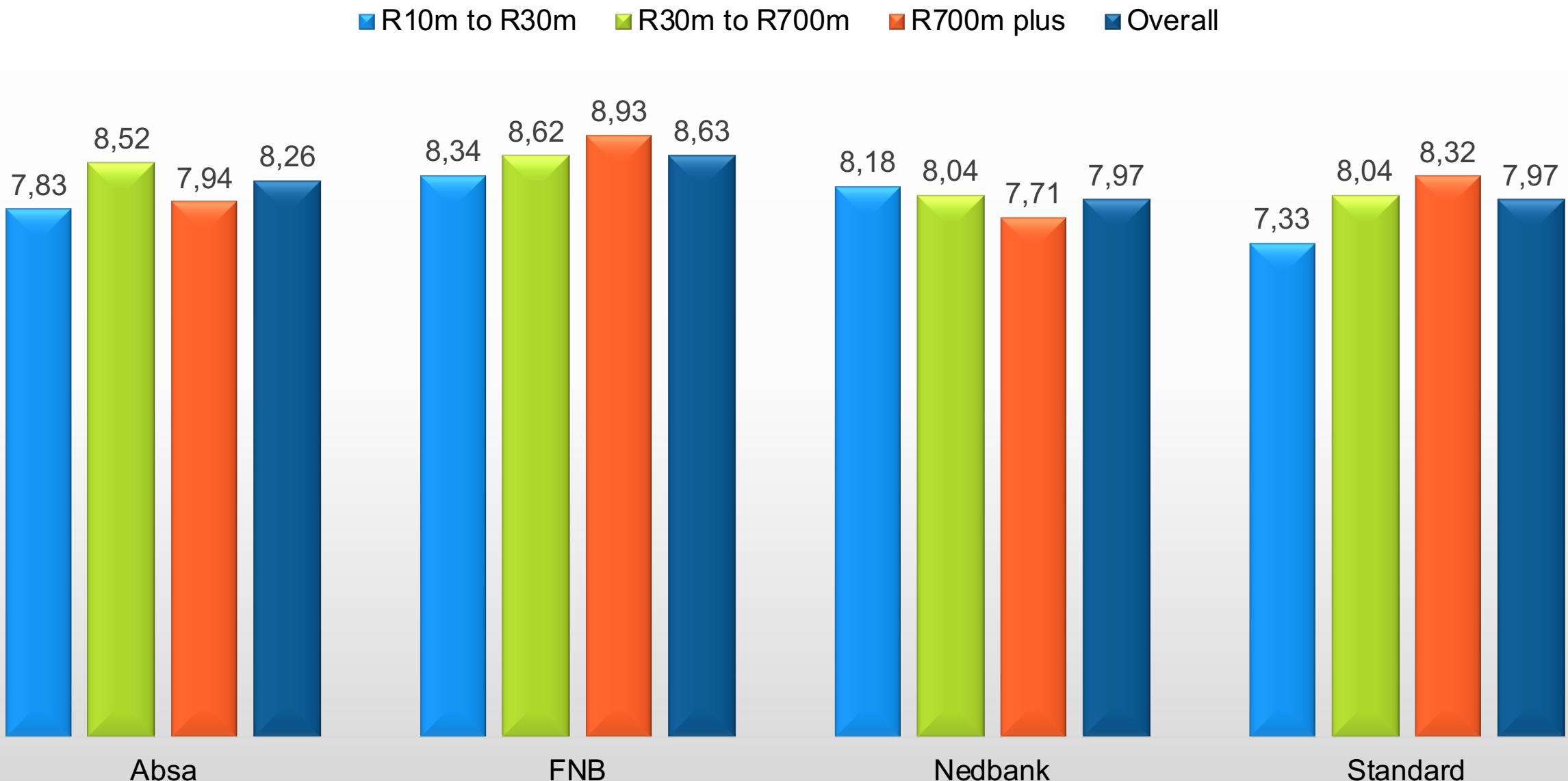


R10m to R30m

R30m to R700m

R700m plus

Likelihood of recommending main business bank: 1 to 10 rating scale (Average mean)



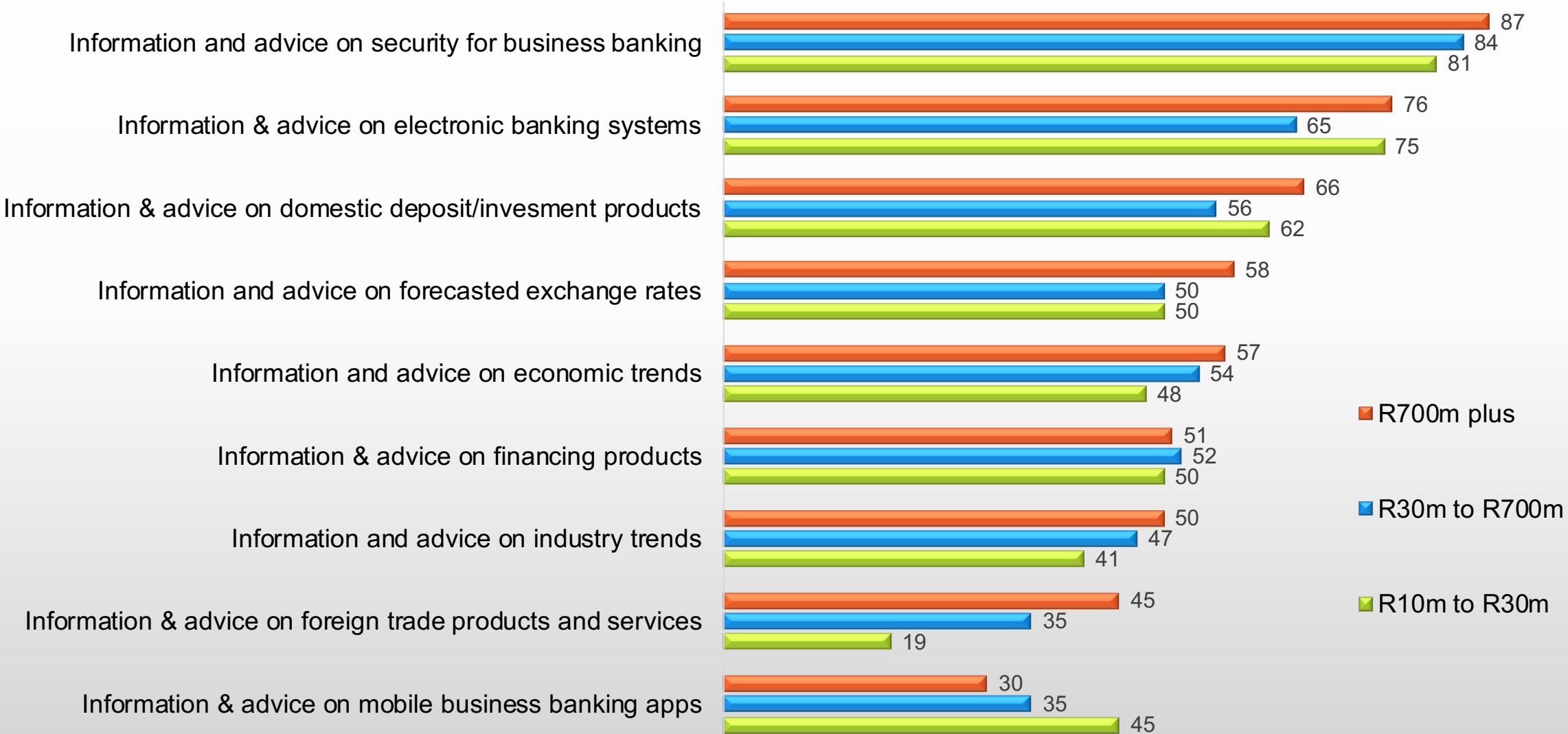
Section F:
**Relationship
Banking**

**Main business
bank service
assessment**



Banking services in the provision of value added information and advice

% for very valuable information



Banking services in the provision of value added information and advice

% for extremely good performance from main bank

Value rating and Bank Performance; Extremely good performance	Value	Absa	FNB	Nedbank	Standard
Information and advice on the security of business banking	84	59	42	44	41
Information and advice on electronic banking systems	71	63	43	54	36
Information on domestic deposit and investment products	60	46	36	45	24
Information and advice on economic trends	54	31	21	26	18
Information and advice on forecasted interest rates	52	48	19	32	13
Information on financing products such as vehicle finance	51	52	27	26	29
Information and advice on industry trends	46	31	19	21	21
Information and advice on mobile business banking apps	36	52	38	52	24
Information and advice on foreign trade products and services	34	29	24	21	5



R10m to R30m turnover

Value rating and Bank Performance; Extremely good performance	Value	Absa	FNB	Nedbank	Standard
Information and advice on the security of business banking	84	52	68	54	51
Information and advice on electronic banking systems	71	54	52	49	44
Information on domestic deposit and investment products	60	40	43	44	29
Information and advice on economic trends	54	34	31	37	26
Information and advice on forecasted interest rates	52	41	28	36	30
Information on financing products such as vehicle finance	51	45	40	41	43
Information and advice on industry trends	46	36	23	33	33
Information and advice on mobile business banking apps	36	39	45	39	16
Information and advice on foreign trade products and services	34	38	33	20	21



R30m to R700m turnover

Banking services in the provision of value added information and advice
% for extremely good performance from main bank R700m plus

Value rating and Bank Performance; Extremely good performance	Value	Absa	FNB	Nedbank	Standard
Information and advice on the security of business banking	84	47	65	61	49
Information and advice on electronic banking systems	71	47	58	53	44
Information on domestic deposit and investment products	60	35	52	31	42
Information and advice on economic trends	54	47	33	42	32
Information and advice on forecasted interest rates	52	53	41	40	34
Information on financing products such as vehicle finance	51	47	35	40	39
Information and advice on industry trends	46	57	34	38	34
Information and advice on mobile business banking apps	36	14	52	22	16
Information and advice on foreign trade products and services	34	33	40	39	27

Service and relationship attributes of Principal Contact; importance and satisfaction (%)

R10m to R30m

Service and relationship attributes % for Extremely important and % for Extremely satisfied from a four point scale	Importance (%)	Absa	FNB	Nedbank	Standard
Efficiency in responding to requests	92	69	43	62	47
Delivers on his/her/their promises	90	76	40	54	40
Contact negotiating on your behalf to get the best rates and fees	89	46	19	40	28
Contact being transparent regarding discussions on banking fees and rates	88	59	21	44	30
Keeping you informed of progress with requests or applications	87	48	46	47	37
Professional approach of principal contact	84	66	38	59	51
Availability and accessibility of your principal contact person	82	55	42	51	37
Electronic banking knowledge and expertise of principal contact	81	55	52	56	48
Transactional banking knowledge and expertise of contact	79	66	64	56	44
Understanding business's banking needs and advising banking products	79	48	35	46	35
Understanding company financial needs beyond electronic banking	78	41	28	41	35
Access to specialists within the bank for complex or technical products	75	48	36	58	42
Contact having dedicated support staff who are familiar with your business	75	41	25	51	42
Effort made in proactively keeping in touch with the client business	72	48	21	36	37
Principal contact understanding your industry	68	59	30	36	35

Service and relationship attributes of Principal Contact; importance and satisfaction (%)

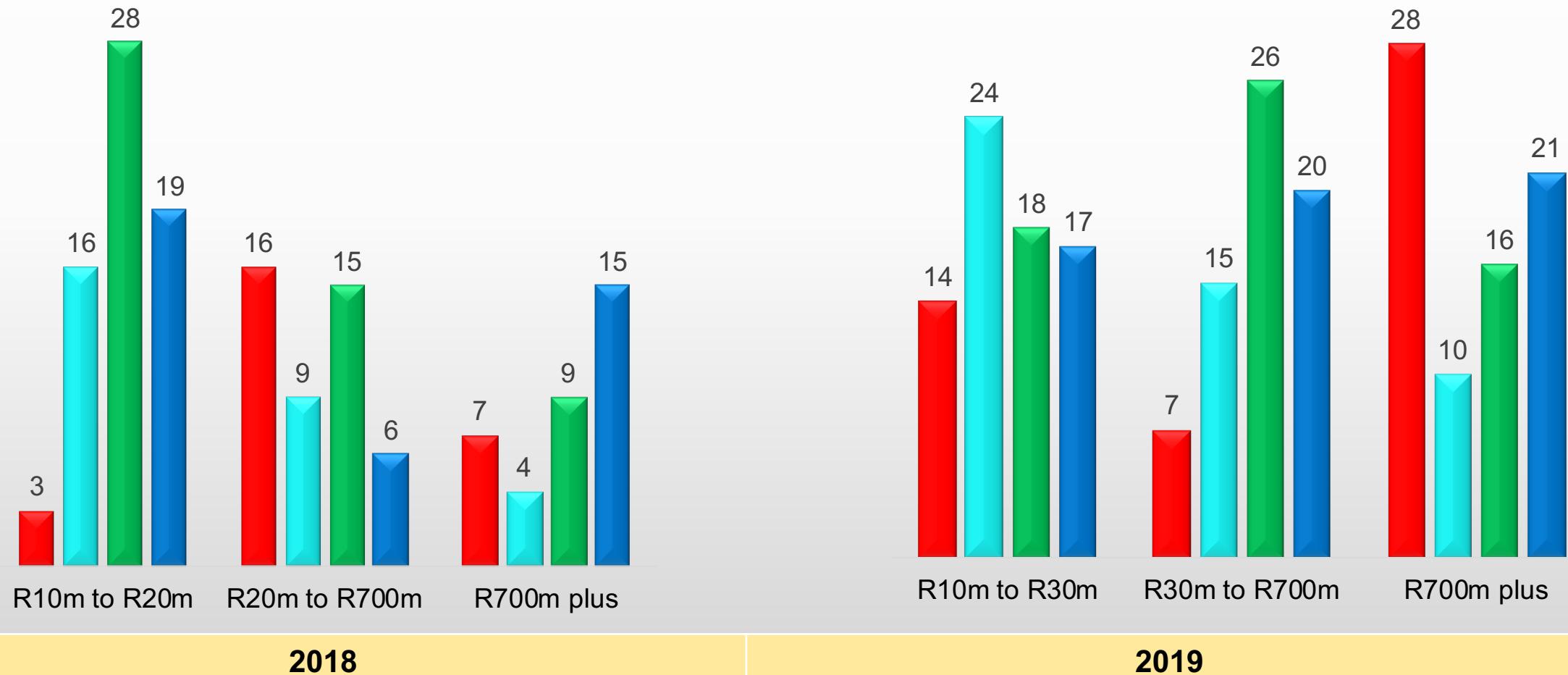
R30m to R700m

Service and relationship attributes % for Extremely important and % for Extremely satisfied from a four point scale	Importance (%)	Absa	FNB	Nedbank	Standard
Efficiency in responding to requests	92	61	59	56	58
Delivers on his/her/their promises	90	63	62	46	52
Contact negotiating on your behalf to get the best rates and fees	89	33	48	35	29
Contact being transparent regarding discussions on banking fees and rates	88	35	48	40	36
Keeping you informed of progress with requests or applications	87	62	52	52	50
Professional approach of principal contact	84	67	57	59	65
Availability and accessibility of your principal contact person	82	60	58	49	44
Electronic banking knowledge and expertise of principal contact	81	63	49	49	56
Transactional banking knowledge and expertise of contact	79	60	55	53	63
Understanding business's banking needs and advising banking products	79	47	49	44	45
Understanding company financial needs beyond electronic banking	78	46	45	35	41
Access to specialists within the bank for complex or technical products	75	56	47	42	49
Contact having dedicated support staff who are familiar with your business	75	49	44	46	45
Effort made in proactively keeping in touch with the client business	72	43	42	41	39
Principal contact understanding your industry	68	35	43	35	35

Service and relationship attributes of Principal Contact; importance and satisfaction (%) R700m plus

Service and relationship attributes % for Extremely important and % for Extremely satisfied from a four point scale	Importance (%)	Absa	FNB	Nedbank	Standard
Efficiency in responding to requests	92	53	62	48	62
Delivers on his/her/their promises	90	68	70	57	58
Contact negotiating on your behalf to get the best rates and fees	89	58	39	53	36
Contact being transparent regarding discussions on banking fees and rates	88	63	45	59	42
Keeping you informed of progress with requests or applications	87	63	57	45	50
Professional approach of principal contact	84	63	71	65	56
Availability and accessibility of your principal contact person	82	74	54	62	58
Electronic banking knowledge and expertise of principal contact	81	47	64	51	47
Transactional banking knowledge and expertise of contact	79	53	64	57	50
Understanding business's banking needs and advising banking products	79	58	54	59	45
Understanding company financial needs beyond electronic banking	78	53	49	56	39
Access to specialists within the bank for complex or technical products	75	53	56	56	51
Contact having dedicated support staff who are familiar with your business	75	58	56	49	52
Effort made in proactively keeping in touch with the client business	72	58	54	48	52
Principal contact understanding your industry	68	47	43	51	36

Has the main bank principal contact changed in past 12 months? (% Yes)

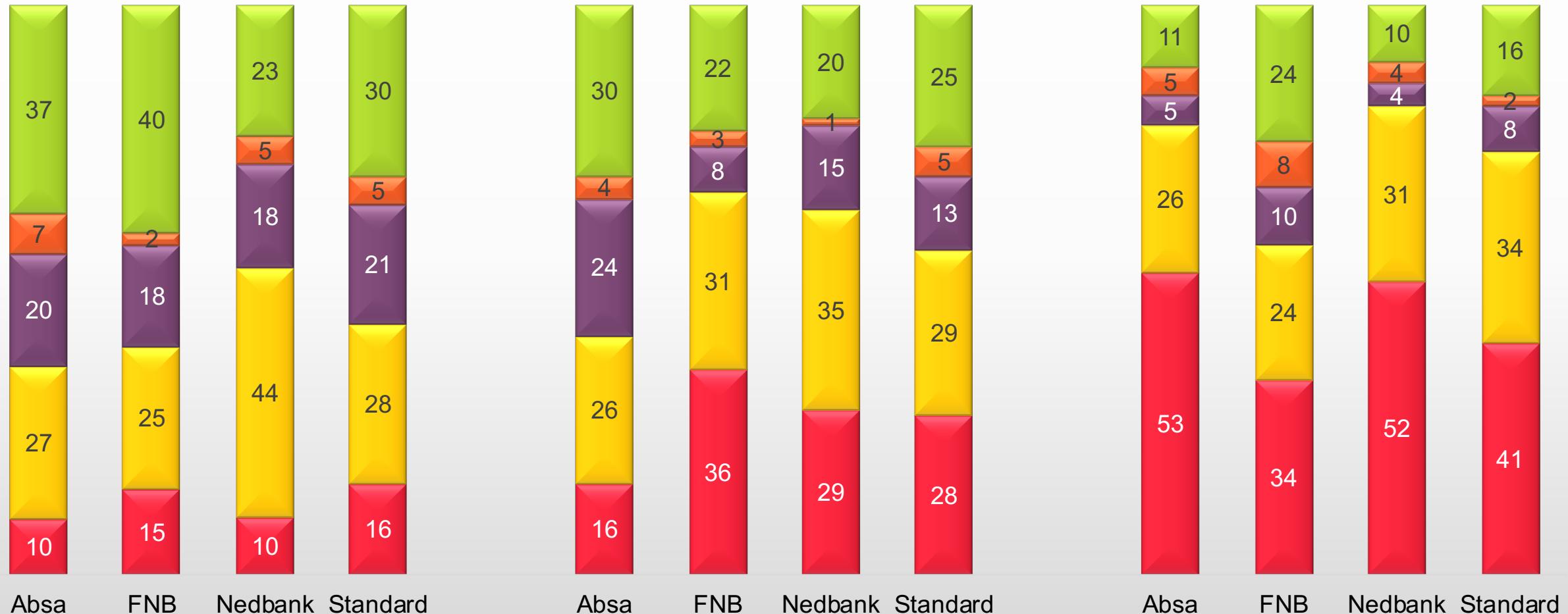


ACTUAL frequency of proactive contact/visit from principal contact (%)



PREFERRED frequency of proactive contact/visit from principal contact (%)

Once a month Every 3 months Every six months Once a year Ad-hoc, when needed

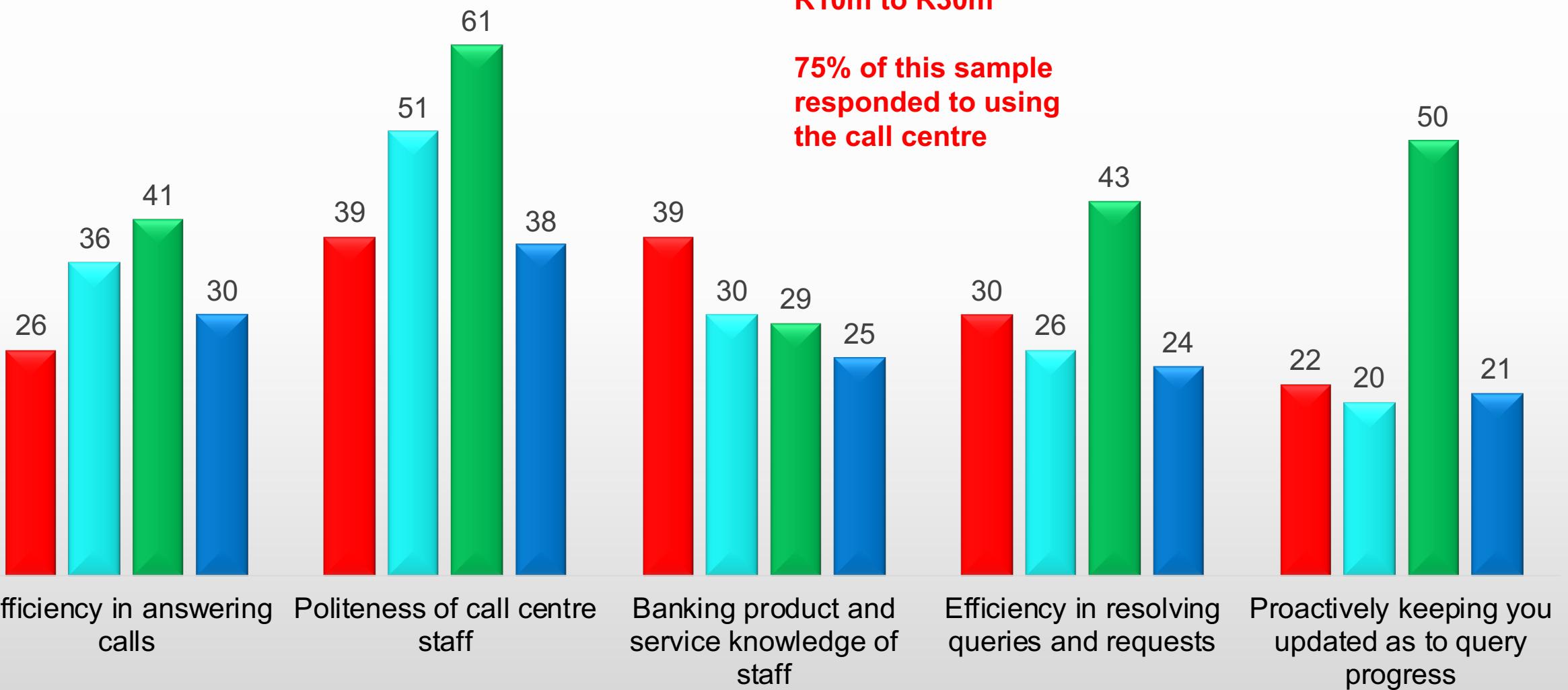


R10m to R30m

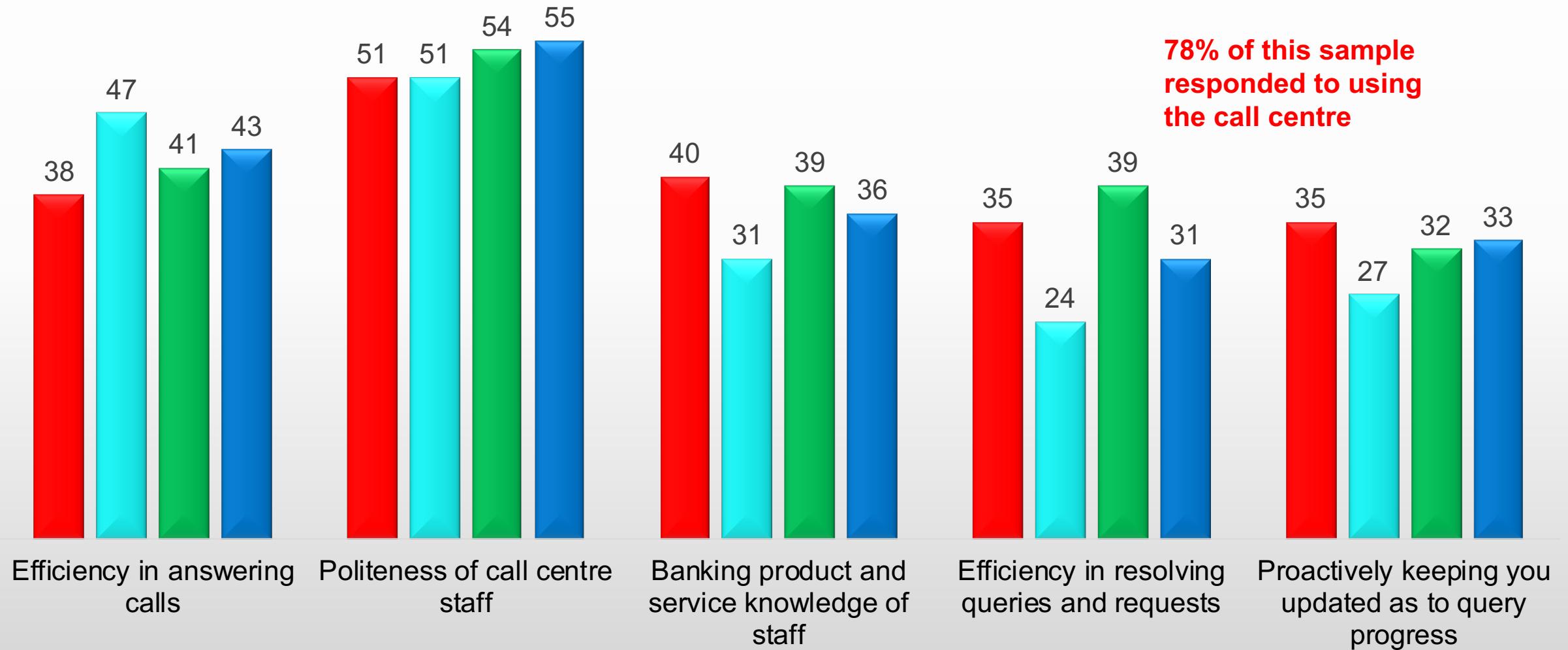
R30m to R700m

R700m plus

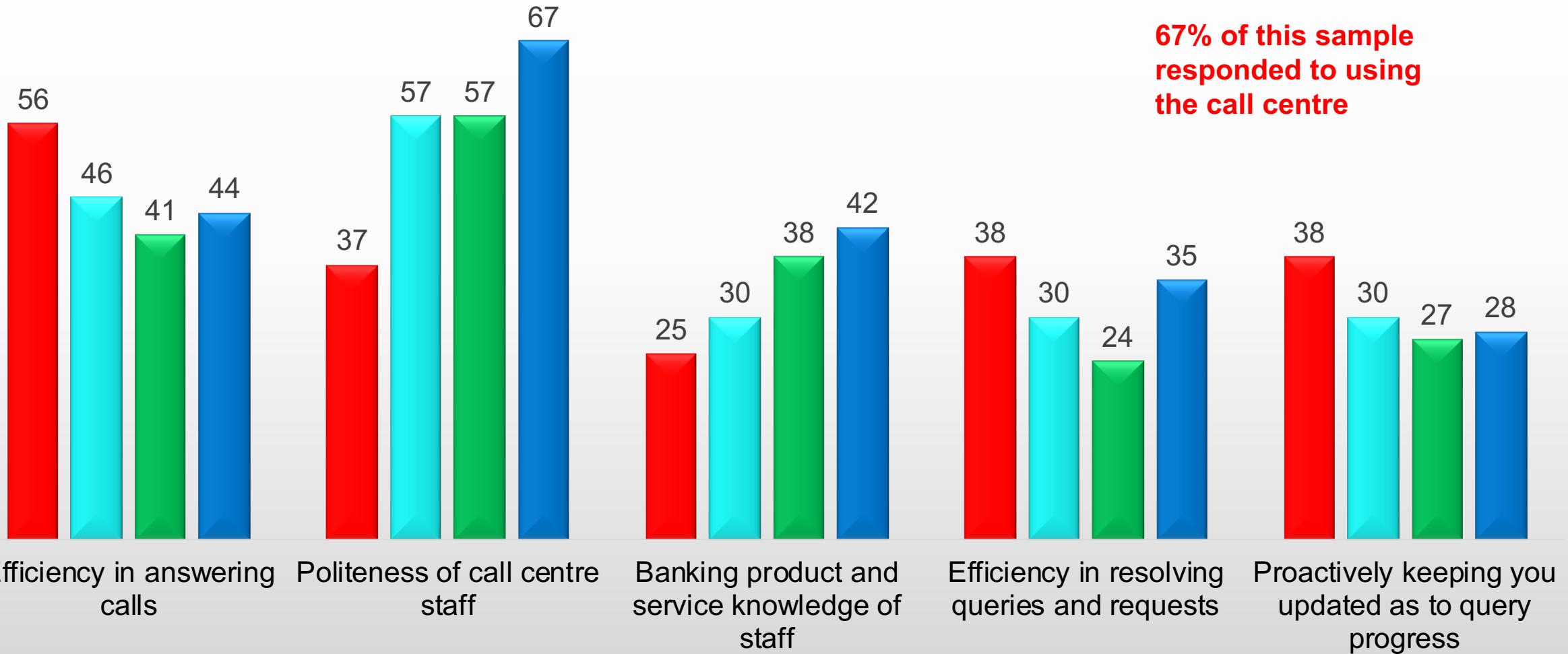
Assessment of call centre/client support centre; four point scale % for extremely high performance (%)



Assessment of call centre/client support centre; four point scale % for extremely high performance (%)



Assessment of call centre/client support centre; four point scale % for extremely high performance (%)



R700m plus

67% of this sample
responded to using
the call centre

Section H:

Transactional business banking component

Bank product usage and bank penetration

Levels of foreign trade

Bank specific questions

A close-up, low-angle shot of the word "BANK" in large, metallic, three-dimensional letters. The letters are a light grey or silver color, reflecting some light. They are mounted on a dark, possibly black, background. The perspective is from below, looking up at the letters, which creates a sense of depth and scale.

Profiling product usage and bank penetration / usage at a specific product level

Explanatory notes:

1) A core section in the 'Tracker' component serves to measure product usage levels within the sample base; which banks were being used by the market sample for business and corporate banking products

2) The next graphs show the outcomes to this analysis. Please note that the "n" value for each product shows how many companies are using the product in question and the % value before the "n" value shows the % of the total sample that is using the product.

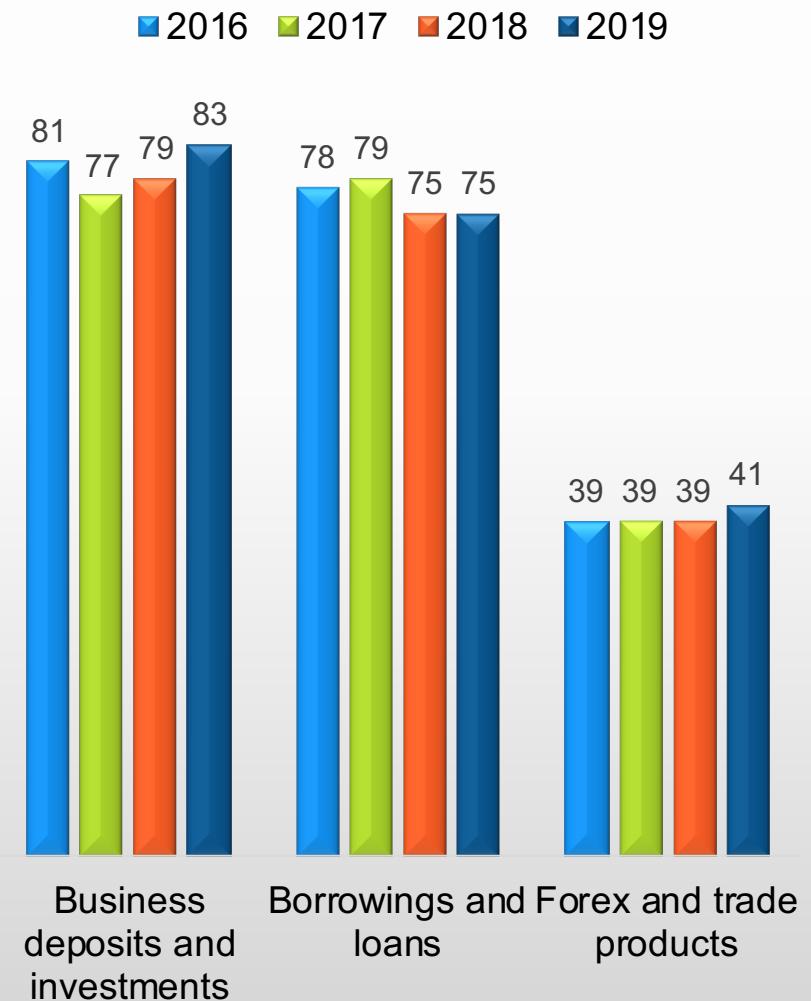
Caution: Some products have a low usage penetration and thus a low 'n' value

3) For product types where levels of multi-banking are high, one would anticipate all of the big 4 banks to have a usage / penetration level higher than their primary bank market share i.e. all their primary bank clients use the bank for the product in question, plus some companies that use another bank as their primary bank.

4) Thus the primary bank market share is also shown in each of the following graphs (100% bar column). This serves as a good benchmark or proxy of the comparative strength of each bank at the specific product level.

5) For example, if a bank's **primary bank share is 20%** but it only has a **penetration of 15% for a specific product**, it highlights a potential product weakness (and the converse applies).

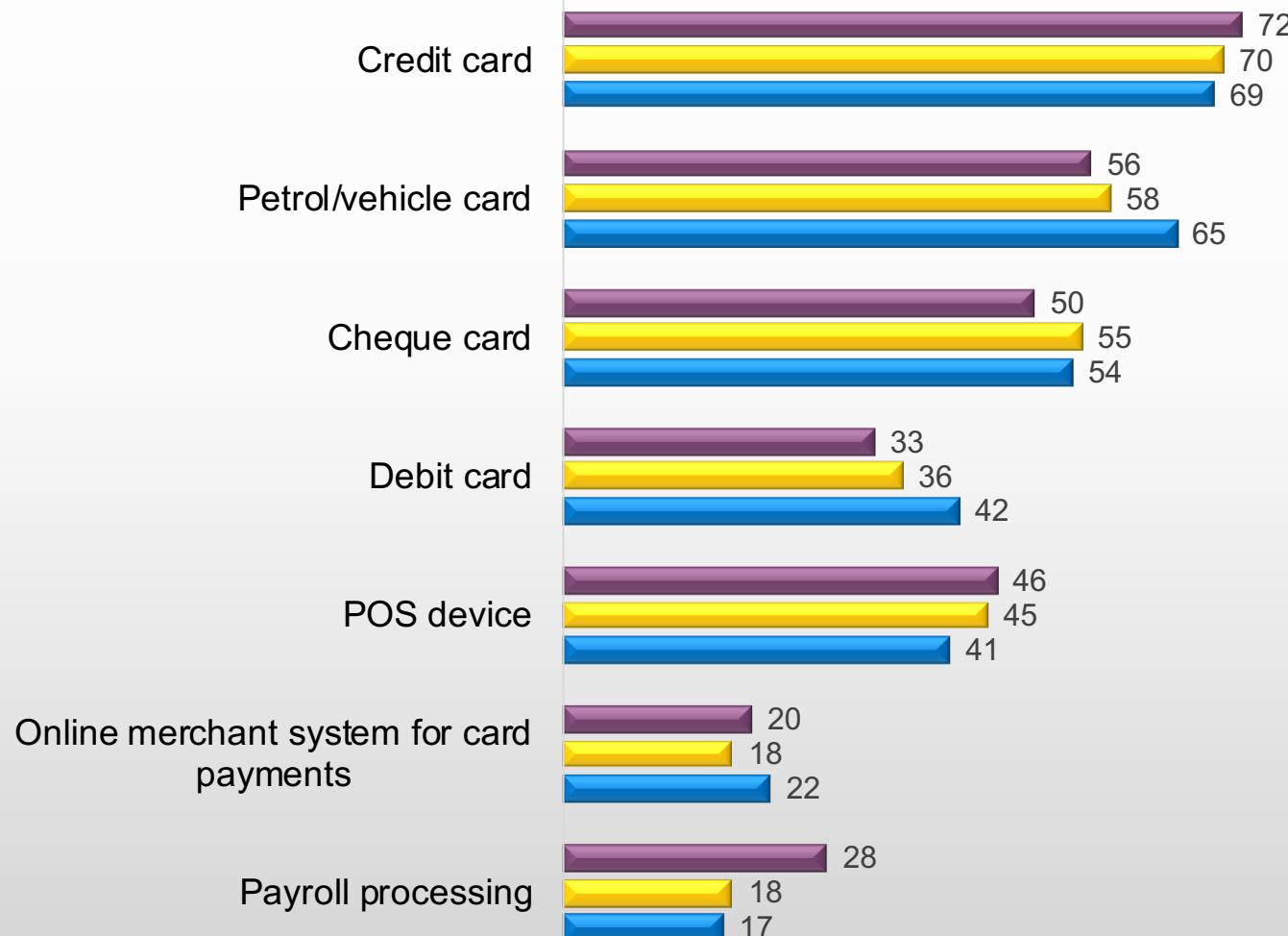
Broad product usage for the overall sample



Finer levels of product category market usage of banking products; product penetration (%)

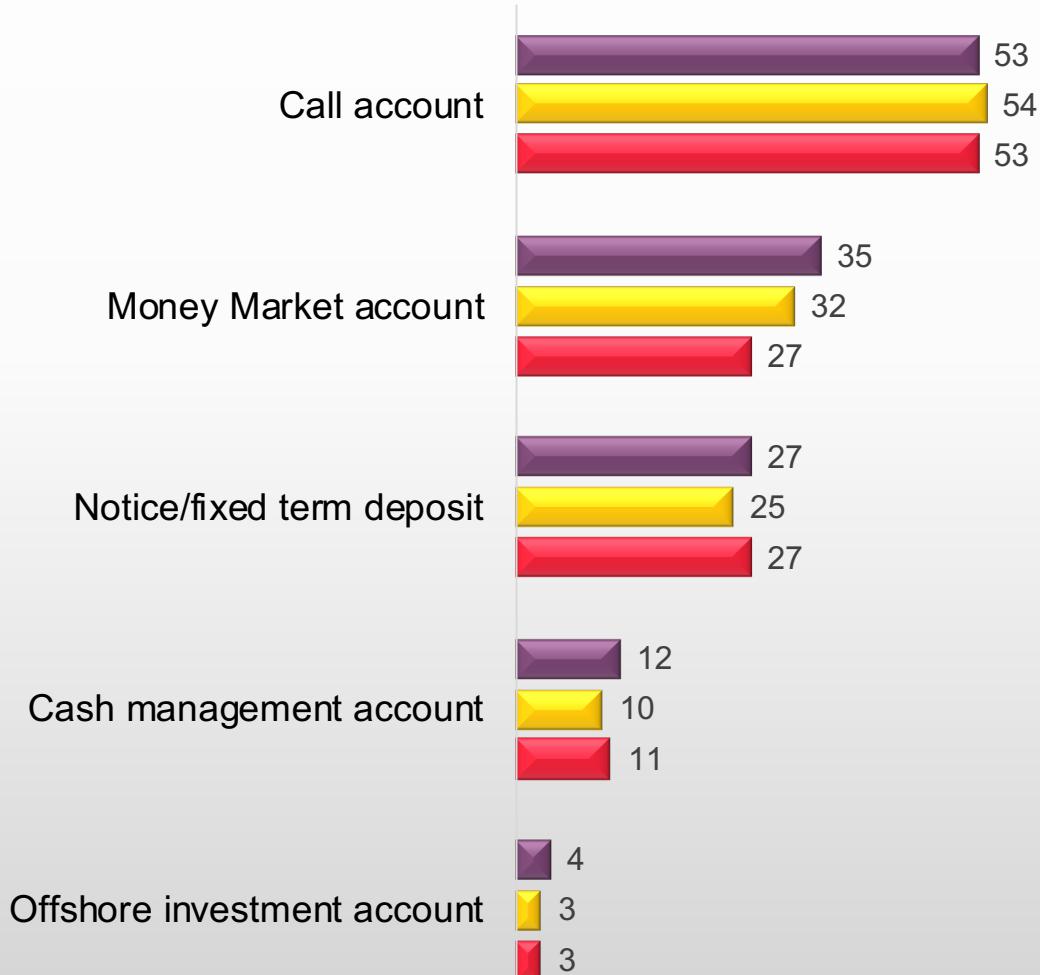
Usage of domestic transactional products

■ 2019 ■ 2018 ■ 2017



Usage of business deposit and investments products

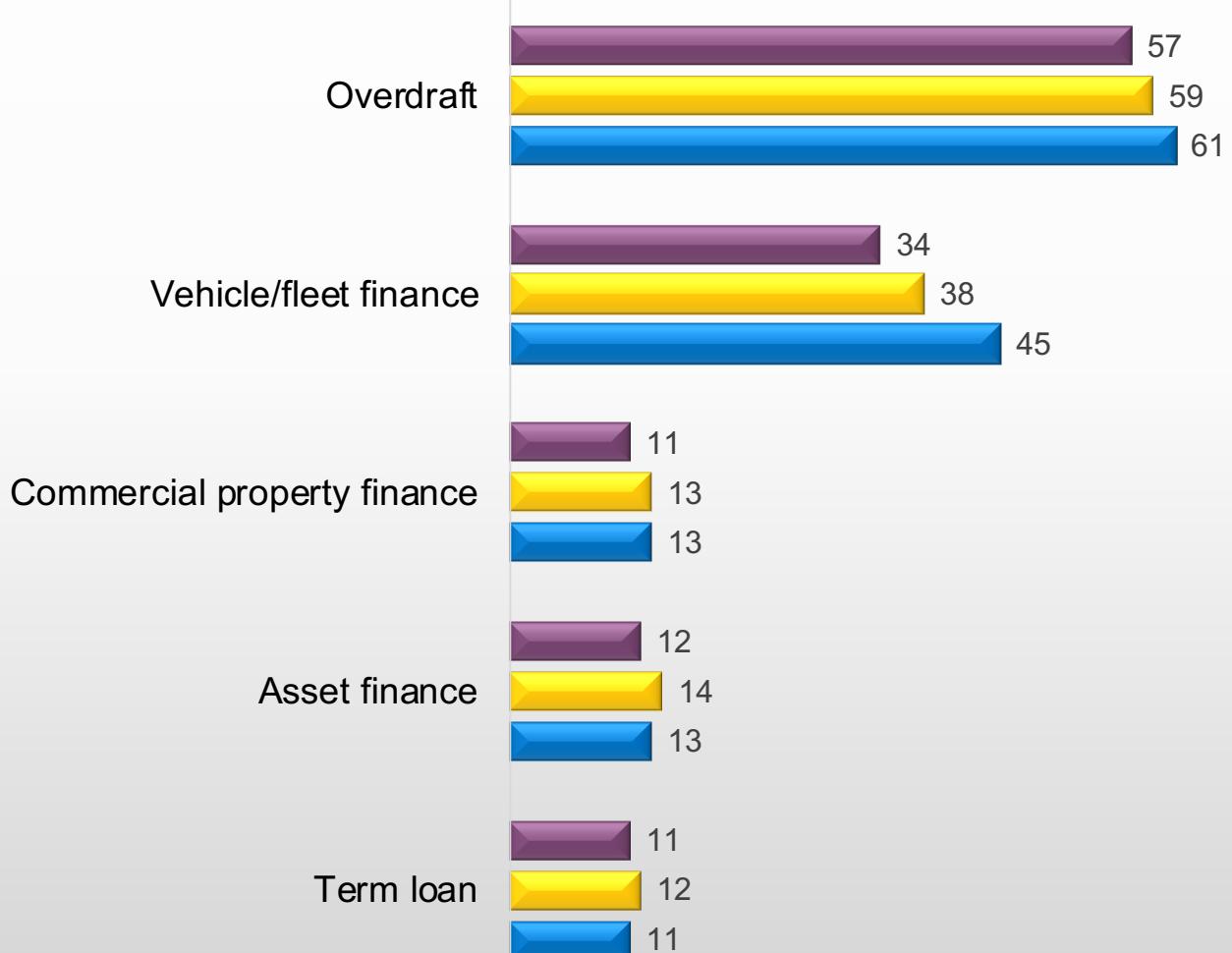
■ 2019 ■ 2018 ■ 2017



Finer levels of product category market usage of banking products; product penetration (%)

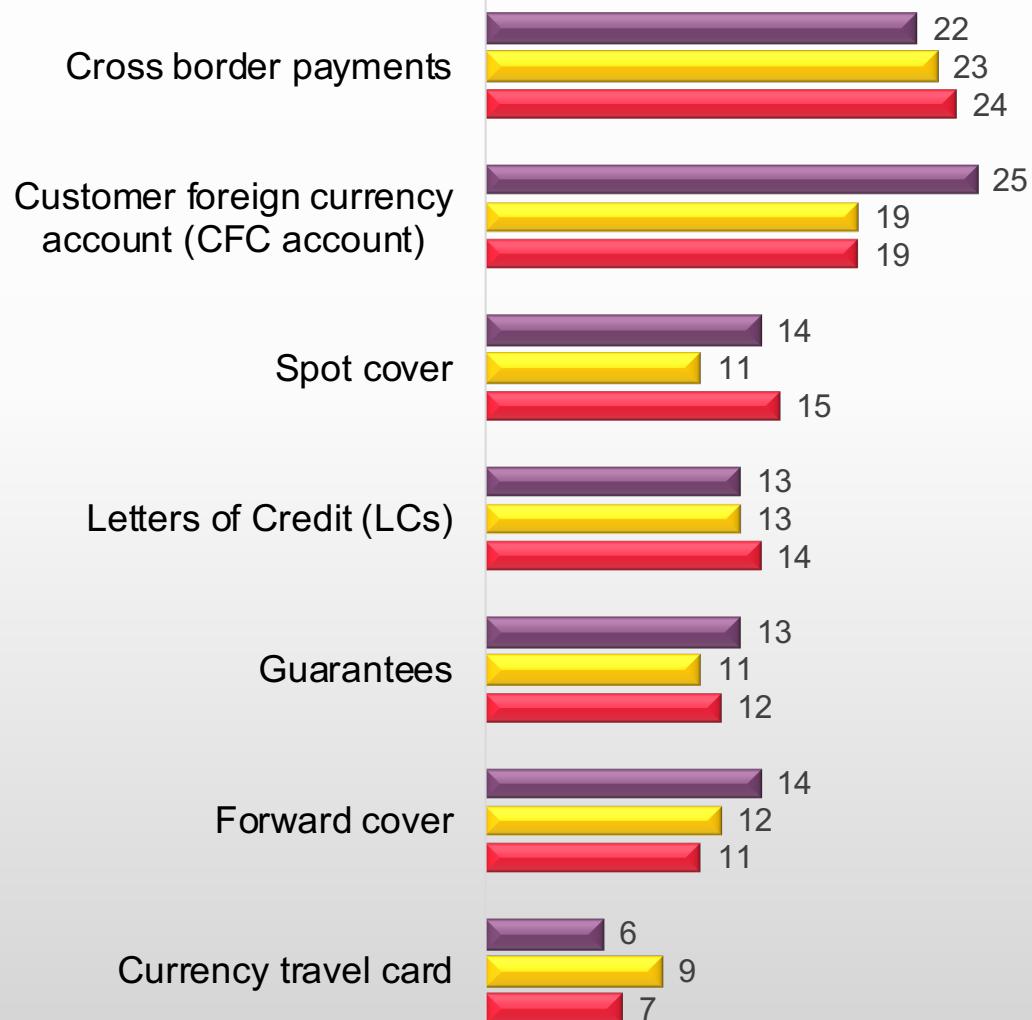
Usage of borrowings and loans

■ 2019 ■ 2018 ■ 2017

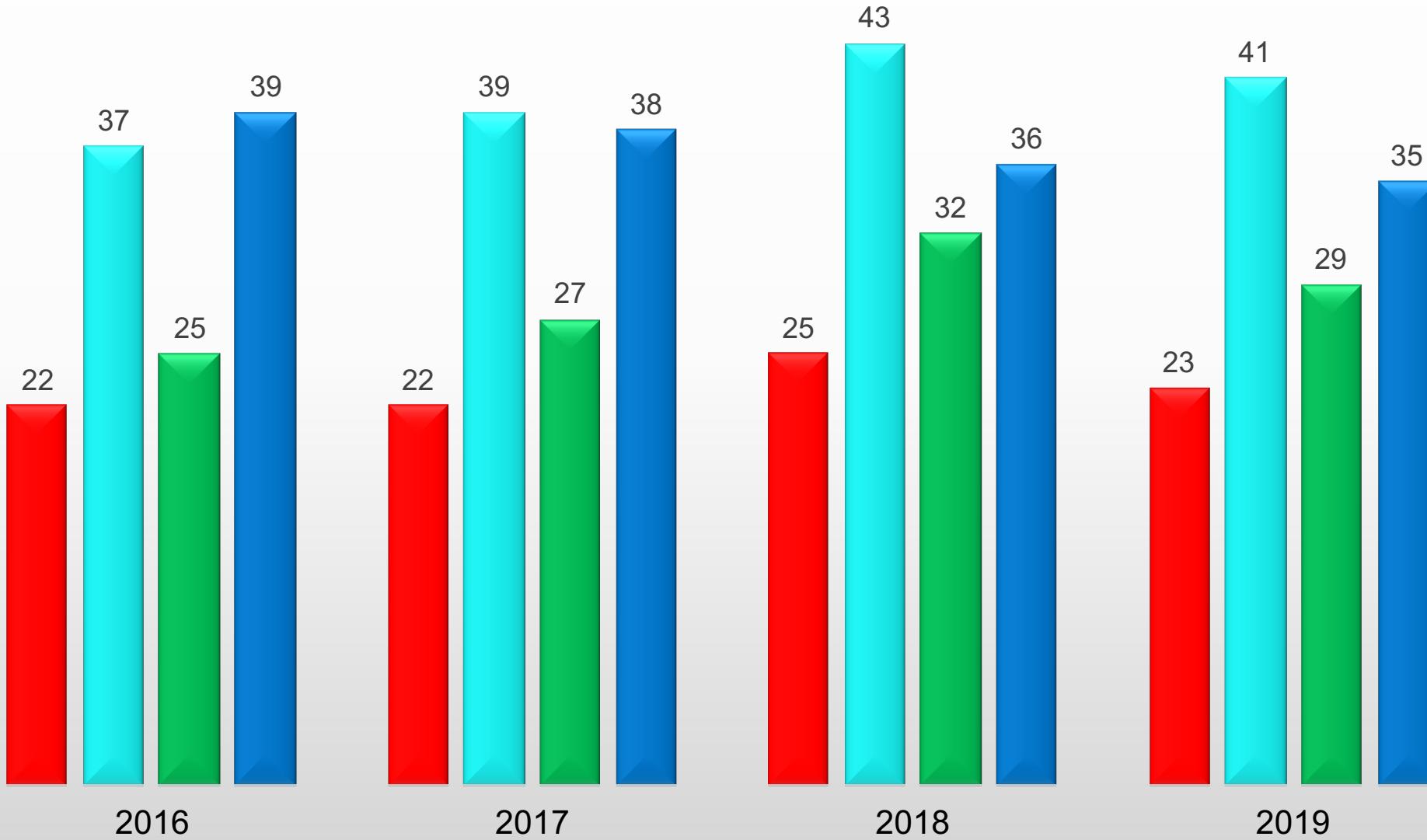


Usage of forex and trade products

■ 2019 ■ 2018 ■ 2017



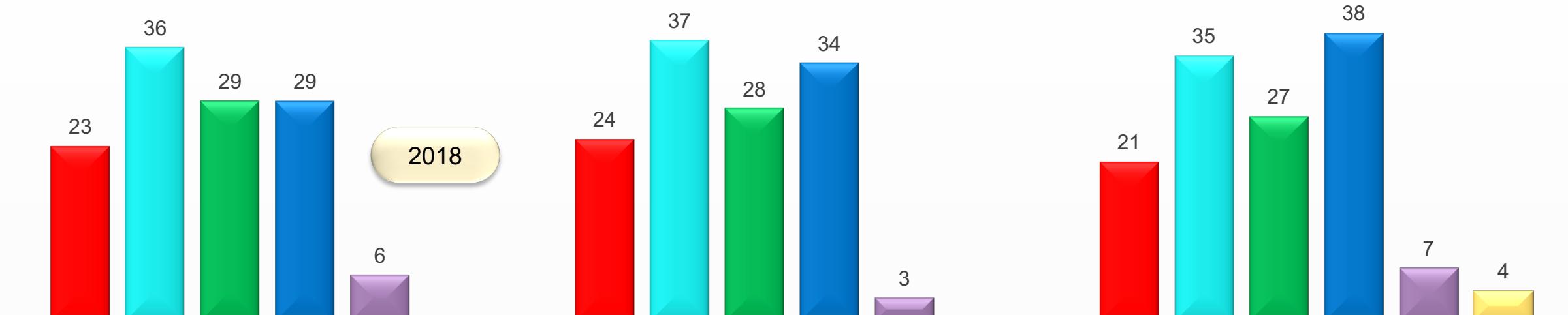
Overall Usage for Domestic Transactional Banking products (%) 2016 to 2019



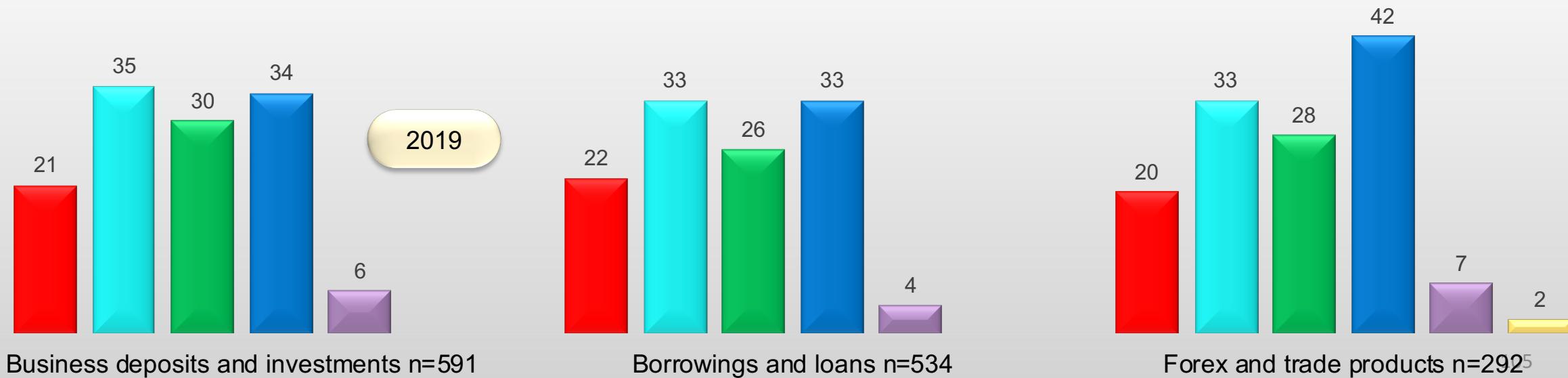
Trends of cross-selling and product usage and uptake over four years:

Products: cheque card, credit/debit card, petrol card, POS device, payroll

Overall Usage per product type. (%) 2018 and 2019

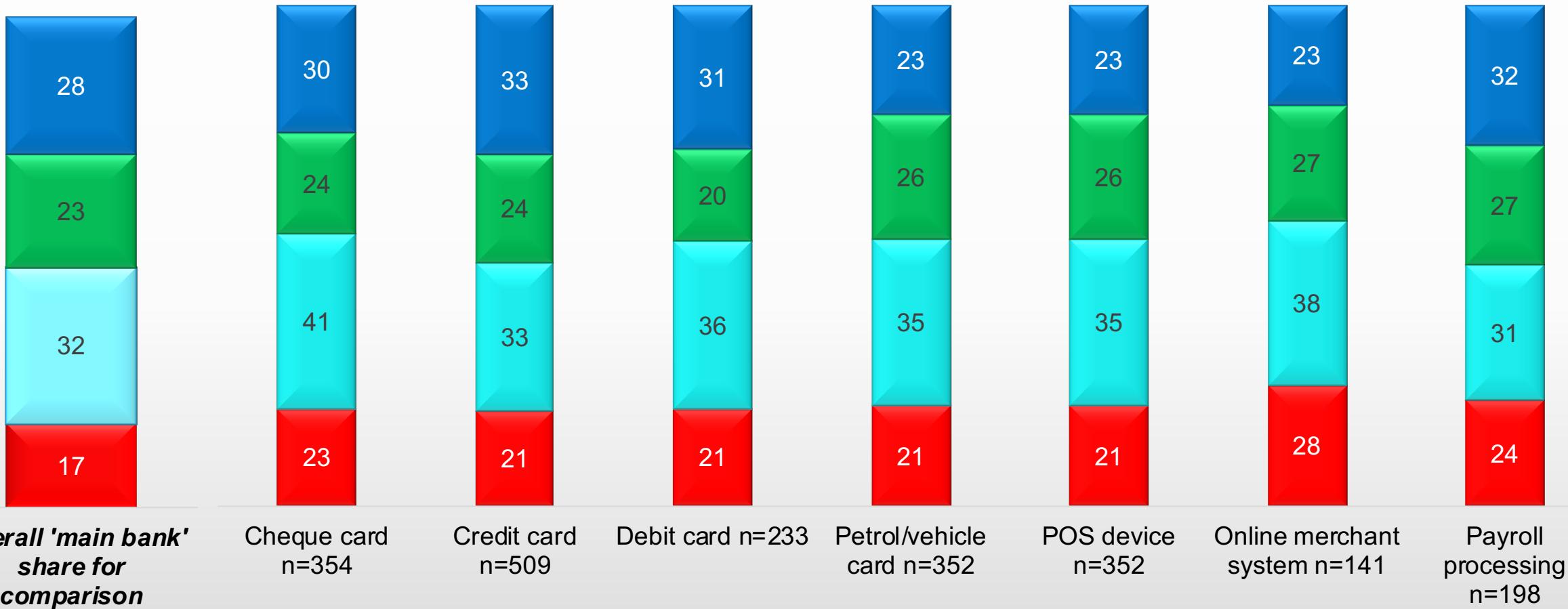


■ Absa ■ FNB ■ Nedbank ■ Standard ■ Investec ■ Bidvest



Domestic transactional products (%)

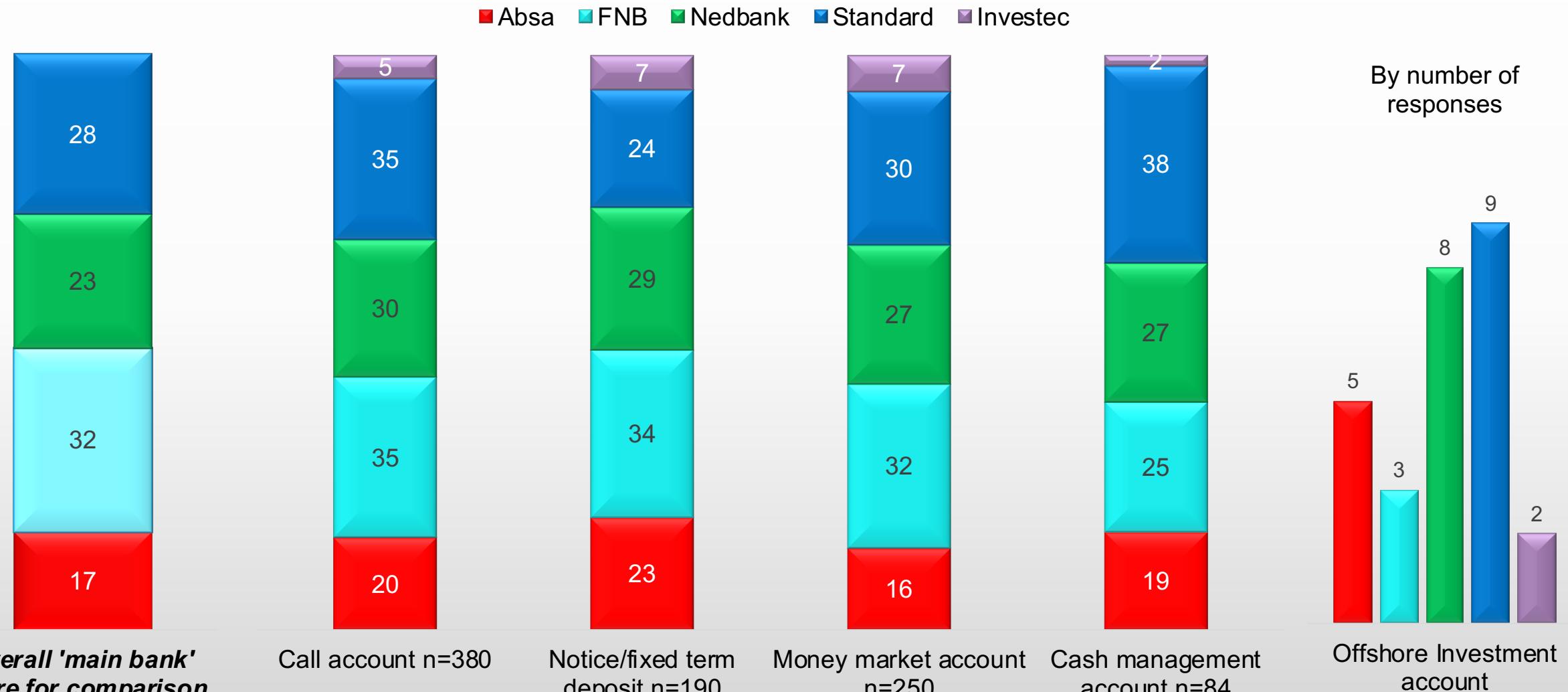
Two dimensions: Which bank is being used and is this usage above or below their main bank market share



As a comparison of product usage against market share, eg. Nedbank with a market share of 23% has an above market usage of all domestic transactional products except for debit cards at 20%.

Business deposits and Investments (%)

Two dimensions: Which bank is being used and is this usage above or below their main bank market share



Overall 'main bank'
share for comparison

Call account n=380

Notice/fixed term
deposit n=190

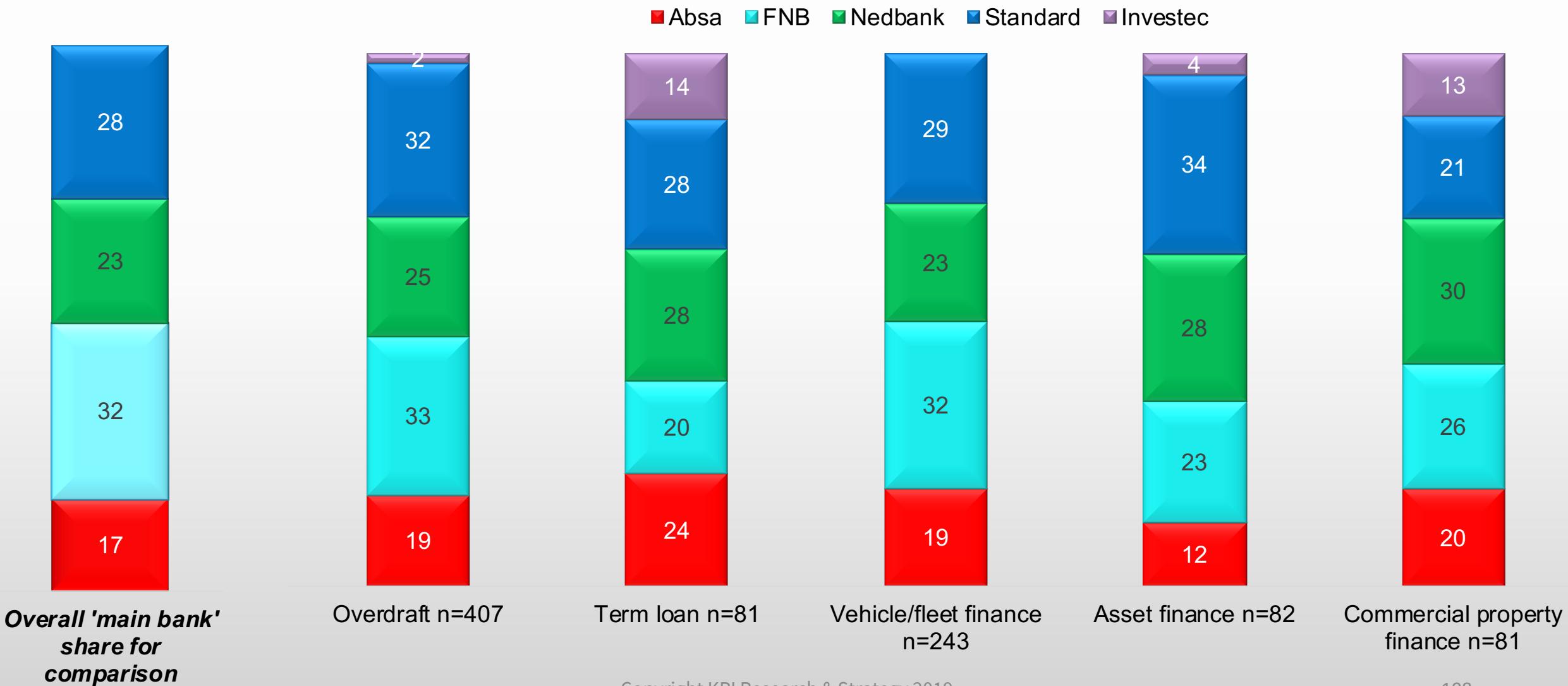
Money market account
n=250

Cash management
account n=84

Offshore Investment
account

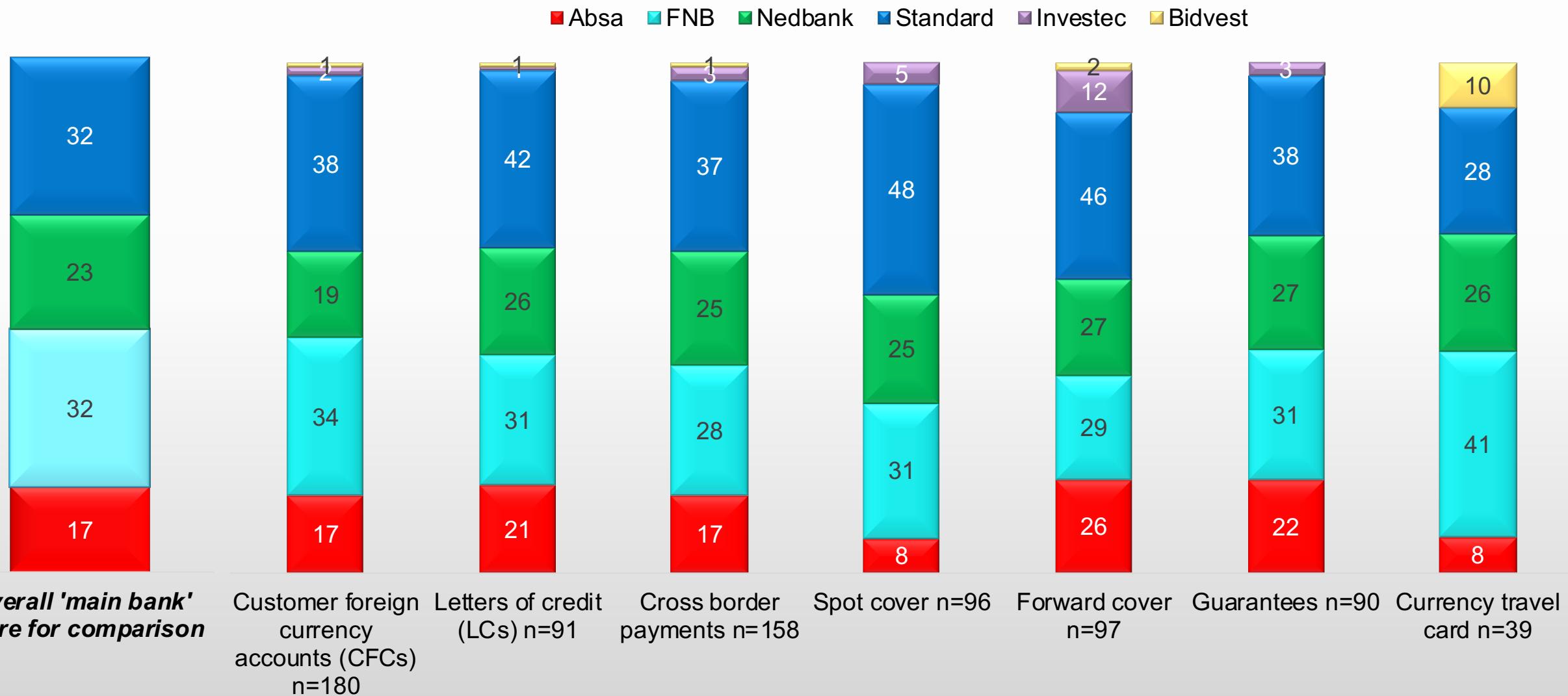
Borrowings and Loans (%)

Two dimensions: Which bank is being used and is this usage above or below their main bank market share

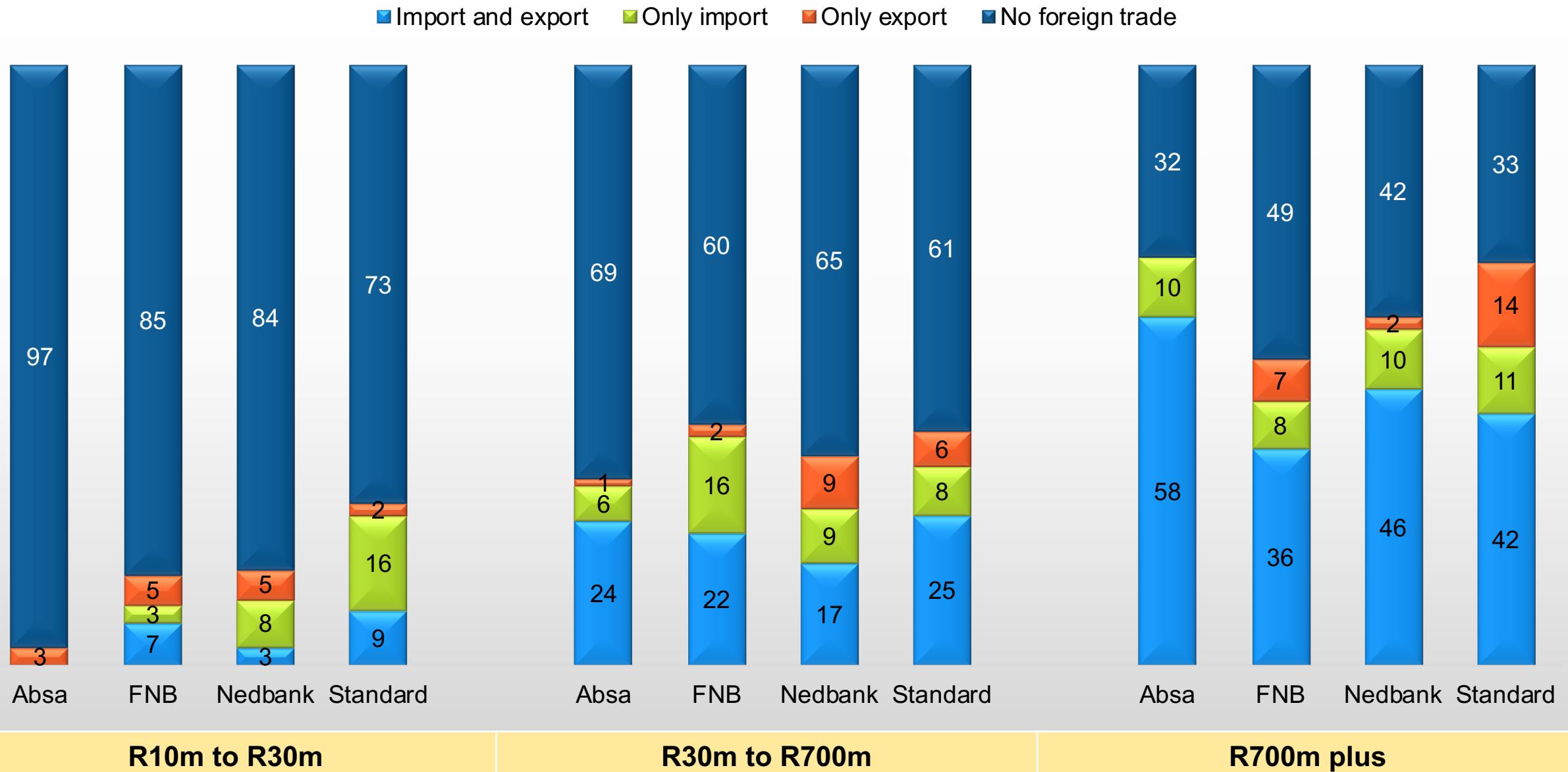


Forex and Trade Products (%)

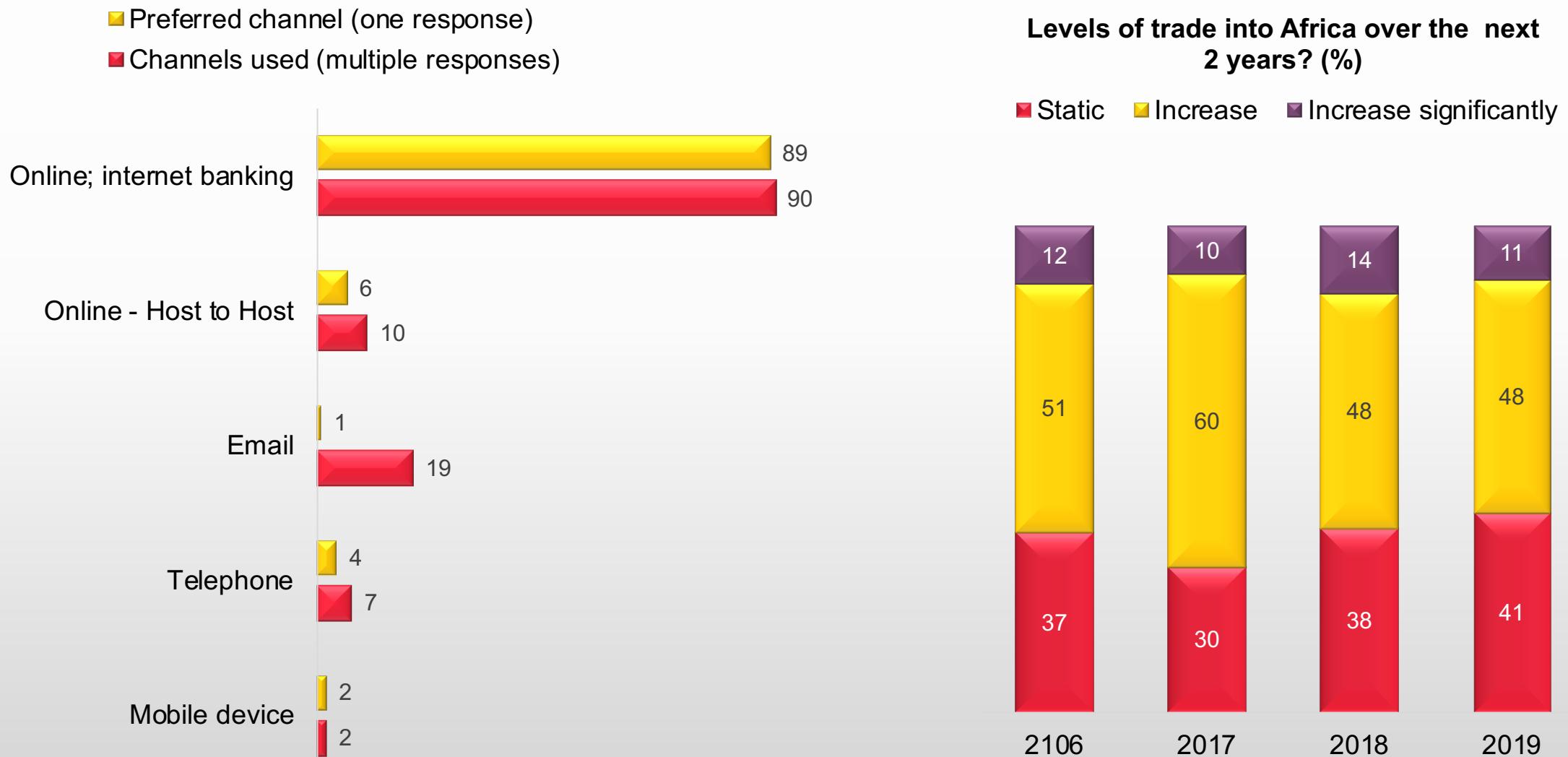
Two dimensions: Which bank is being used and is this usage above or below their main bank market share



Levels of foreign trade segmented by turnover parameters (%)



Channels used for forex related transacting and preferred channel. Levels of trade into Africa (%)





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