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Ubank seeking customer base into the 'millions'

Ubank, formerly Teba Bank, aims to grow its customer base "significantly" over the next 24 months, with the aim of extending "into the millions".

Ubank has traditionally serviced mining workers around the country and has a client base of 500 000, who hold deposits worth about R3 billion.

It has 90 branches, 52 agencies and 80 ATM's countrywide.

Speaking at a press briefing on Thursday, Ubank chief executive Mark Williams said: "Ubank has 500 000 customers.

Over the next 24 months, we will be seeking to grow that significantly. The aim is to get into the millions (customer base). We will be seeking an aggressive acquisition strategy.

"Our vision is to be the workers bank of South Africa," he said.

On Thursday Ubank announced its strategic partnership to develop innovative banking solutions with Blue Label Telecoms.

The partnership brings together the banking capabilities of Ubank and BLT's technology platforms to provide a value added proposition to Ubank's customers.

According to FinScope's 2009 Banking Study, more than 40% of the South African population remain unbanked or under-banked, and over the last two years this number has increased, the groups said.

Ubank said that when it announced its name change from Teba Bank in October, it repositioned itself to provide banking services to a broader spectrum of the population.

The bank has also introduced innovative and unique transactional banking packages relevant to the needs of ordinary South Africans.

"Ubank is expanding its presence to enable convenient access to banking services," it said.

The bank has sent out 23 000 SMS notifications to selected customers as part of a pilot program to run some of the services that BLT has in its stable.



"We are adopting a phased approach," noted Williams.

"Ubank is focused on providing the target market with value for money products.

"Our customers require banking and transactional products which address the particular financial requirements in difficult travelling and working conditions," he said.

Blue Label is a distributor of prepaid secure electronic tokens of value and transactional services within emerging and developing economies.

It recently pointed to new products already or on verge of being rolled out including prepaid electricity (UniPIN), mid-tier bank products, electronic funds transfer, lotto, bill payments and an anti-virus solution for smartphones called Symantec.

BLT has developed an integrated mobile solutions platform which provides the back-end infrastructure to mobile banking solutions, such as cellphone banking, mobile wallets and electronic money transfer, and other value added services, such as prepaid airtime and electricity, transport and event ticketing, and lotto.

This technology, together with its extensive distribution footprint and diverse range of products and services, has played an instrumental role in delivering Ubank's latest products and services, the groups said.

"Blue Label's mobile technology platform, proven capability to process secure, non-banking transactions and extensive distribution network are key to enabling Ubank to deliver to its customer base.

"Blue Label is delighted to be partnering with Ubank in taking this product to the people," said Mark Levy, BLT joint CEO.

He pointed out that globally, the number of mobile banking users is expected to surge more than 16-fold, to 894 million by 2015 from 55 million in 2009.

"South African demographics, such as banked versus unbanked customers, places us favourably for the rapid uptake of this technology by a broad spectrum of the population," Levy said.

Ubank will have access to Blue Label's network of 130 000 points of presence across South Africa, and its core technology processes of secure, non-banking transactions on "competitive" margins.

The initial phase of the partnership will see Ubank customers being able to use "basic services", namely checking bank statements over mobile which would then migrate into basic procurements and enhanced payment capabilities like the ability to apply for a loan, money transfer, and an extended range of non-banking services including pre-paid electricity, and lower cost calls including international.



"Tests are needed, it's an educational process for many of Ubank's customers," said Levy.

"It's no use throwing the kitchen sink at these guys," he added, further pointing out that many Ubank clients were illiterate.

"We need to test how these guys use this service. We are stress testing the system, and its services," he said.

Williams said that while costing details would be announced in due course, "our approach is that there has to be value for the customer.

We wouldn't serve the mineworkers for such a long time if we were an expensive bank," he said.

"From a technology perspective, we will ensure that it is competitive," said Levy.

"We look forward to realising our vision as the workers' bank of choice and on delivering on our brand promise to take banking to the people," Williams concluded.