

In South Africa, 5.7 million adults are financially excluded while 9.1 million adults or 25% of the adult population do not have a formal account at a financial institution. Those that are financially included, both those that do have a bank account and those that do not, use a range of non-traditional financial service providers to complement or meet their financial needs. These non-traditional financial service providers include many of the largest retailers in South Africa.

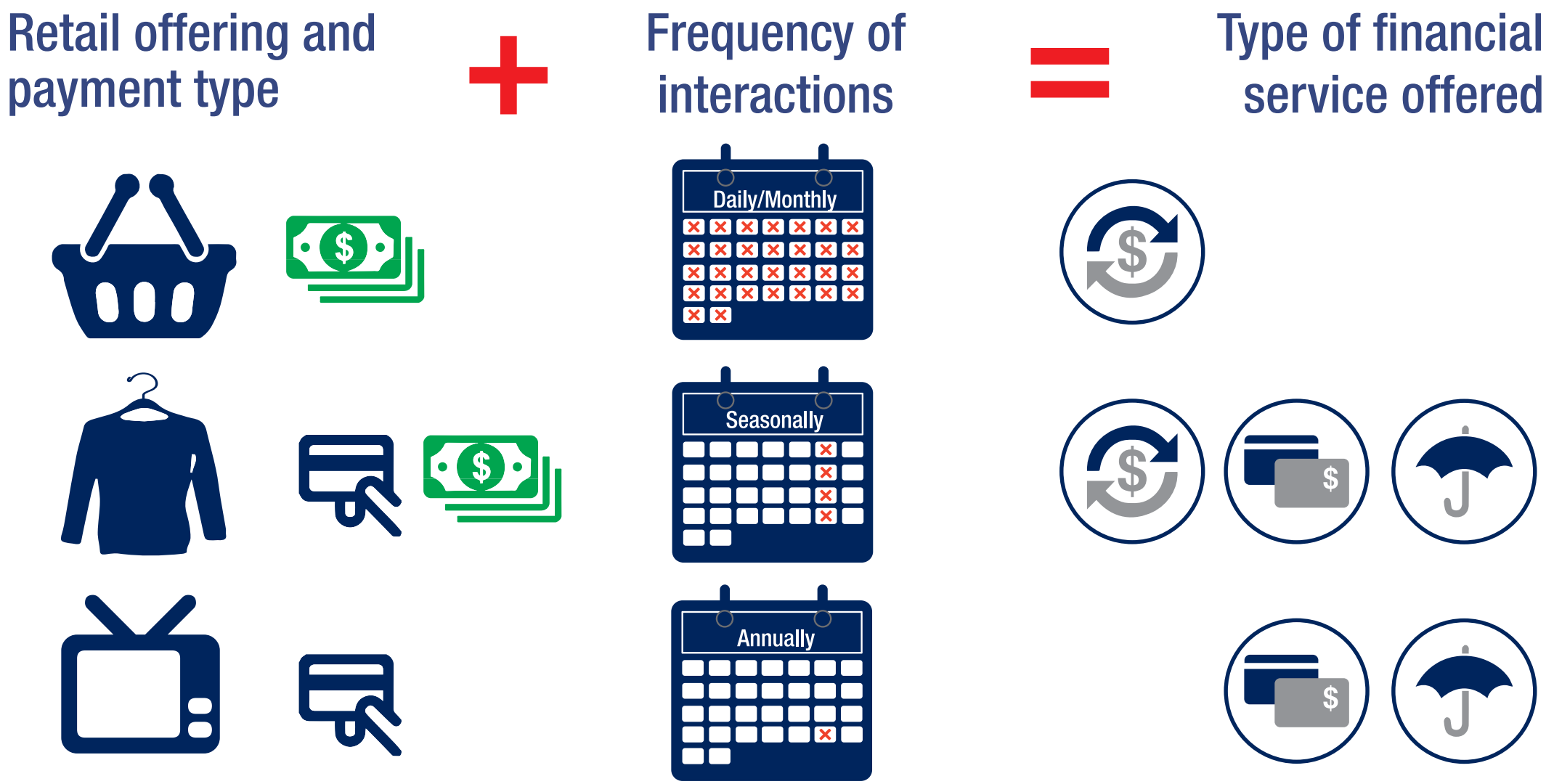
WHAT MOTIVATES RETAILERS TO OFFER FINANCIAL SERVICES TO CLIENTS? SOUTH AFRICA CASE STUDY

Study reviewed 25 retailers operating in the low-income market



Study revealed that between 15% and 50% of these retailers' clients were unbanked

Drivers of type of financial services offered

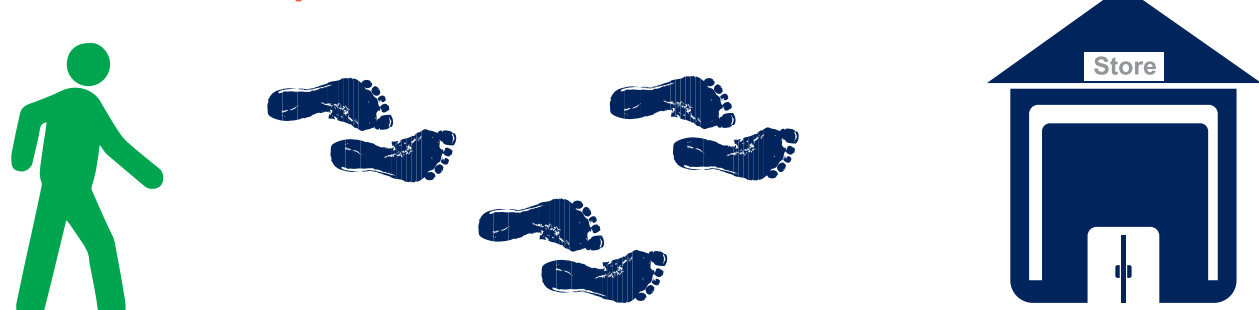


Why are financial services offered by Retailers



Business case for retailers: Increasing footfall

Increase client acquisition



Increase the number of interactions with clients

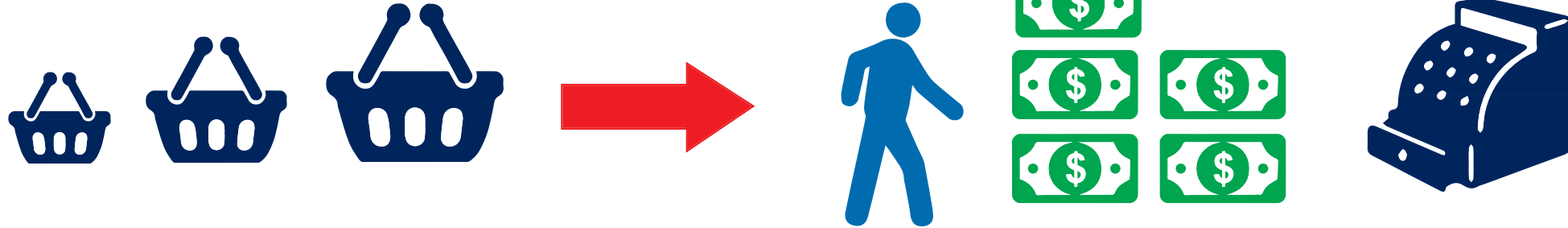


"Money Market forms part of the Group's non-core value-added strategy aimed at increasing consumer traffic in its stores. The main focus of the services offered is adding value to consumers' shopping experience by providing convenience and saving the consumer time, so turning outlets into destination stores".

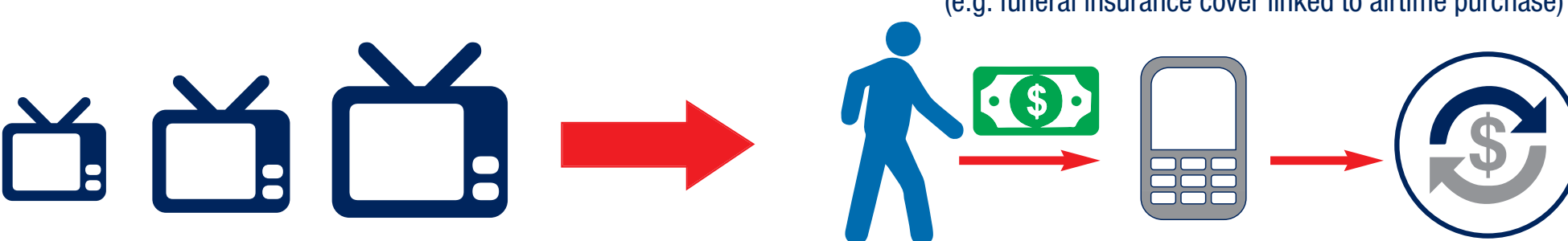
Shoprite Annual Report (2007)

Business case for retailers: Driving more profitable behaviour

Increase basket size



Sale of higher margin products



Business case for retailers: Leveraging existing investment



Data Game: Financial services and merchandise

