

## 'Get ready for next revolution'

A needed to ready itself for the fourth industrial revolution if it is to stay competitive, Standard Bank CEO Sim Tshabalala said.



Sim Tshabalala, CEO: Standard Bank. Photo: Martin Rhodes

"In a country like SA, for us to be competitive we have to be able to use [such advancements] as Big Data," Tshabalala said.

"What do business, labour, civil society and government do to make SA competitive in this fourth industrial revolution?"

Tshabalala's comments came after the release of the bank's results for the year to December 2017. These showed that 1.6-billion transactions in the bank's South African personal and business bank sector came from digital channels " mostly mobile devices - compared with just 30-billion from face-to-face interactions.

In the Africa Regions, the bank's operations outside SA, 209-million transactions were conducted through digital channels compared with 39-million from personal interactions. This helped deliver R30.4bn in income to the transactional products line, the personal and business bank's largest line, clocking R4.1bn in headline earnings.

Headline earnings from the personal and business bank rose 10% to R14bn, and still accounts for the largest share of the group's R26.3bn in total earnings, although the corporate and investment bank sector grew faster at 11% to R11.5bn.

Tshabalala attributed the 14% growth in group earnings, which was faster than that of rivals Barclays Africa, Nedbank, and FirstRand, to patiently sticking to the group's strategy, investment in its core banking and digital platforms, and efficient cost controls.

The fourth industrial revolution did not necessarily have to lead to large-scale job cuts, Tshabalala said.

"Staff has to be skilled in a different way," he said. "When you write a will, for example, you will still have to see someone " We're going to need staff, but with a different set of skills."

Still, the SA personal and business bank's staff complement fell 1% to 28,125 employees during the financial year as the bank increasingly goes digital, while the branch network declined 3% to 375,000m.

Rahima Cassim, a fund manager at Ashburton Investments, said people were once worried that ATM machines would cut jobs but that did not happen.

"While Sim is correct that we need to understand how to remain competitive, we have to do it in the context of the reality of the country where education and opportunities are limited for many people," Cassim said.

"In this regard, mobile banking is brilliant as it makes it convenient for people in rural areas to transact " From the perspective that we have a workforce that needs to remain employed, while innovation is important, it should also be used responsibly, otherwise you can't fix unemployment."

**Source: Business Day**

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