



**EFMA-ACCENTURE BANKING
INNOVATION AWARDS 2021**
Nedbank Group Limited
Submission

Avo by Nedbank

16th September 2021

see money differently

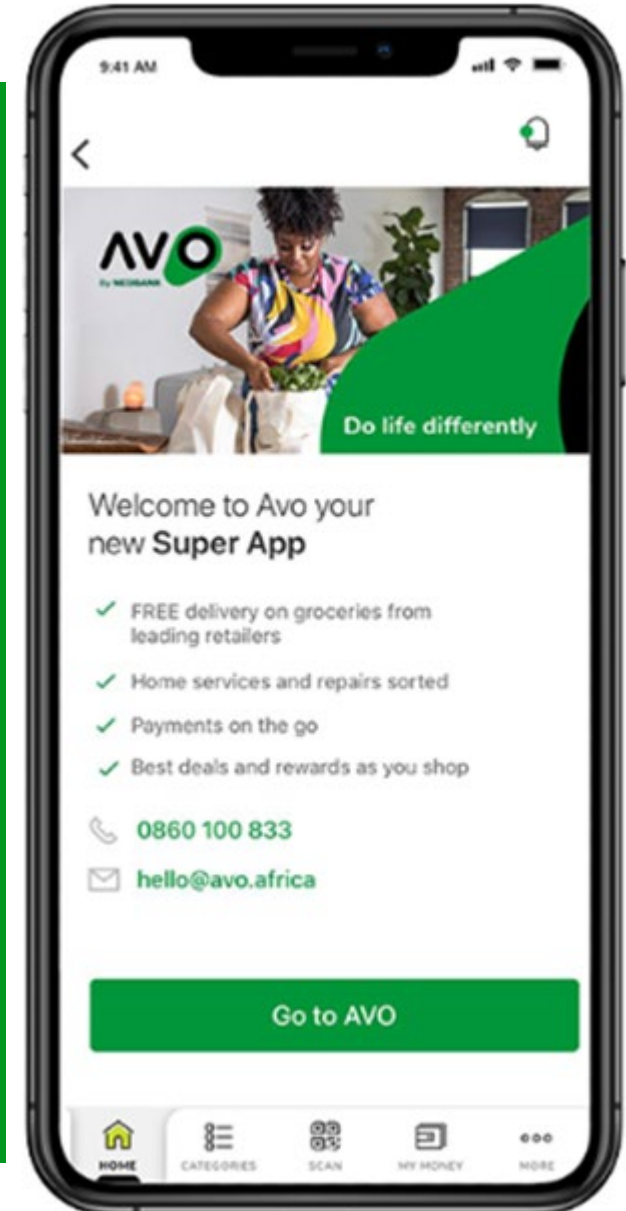
NEDBANK

AVO

WHAT IS IT?

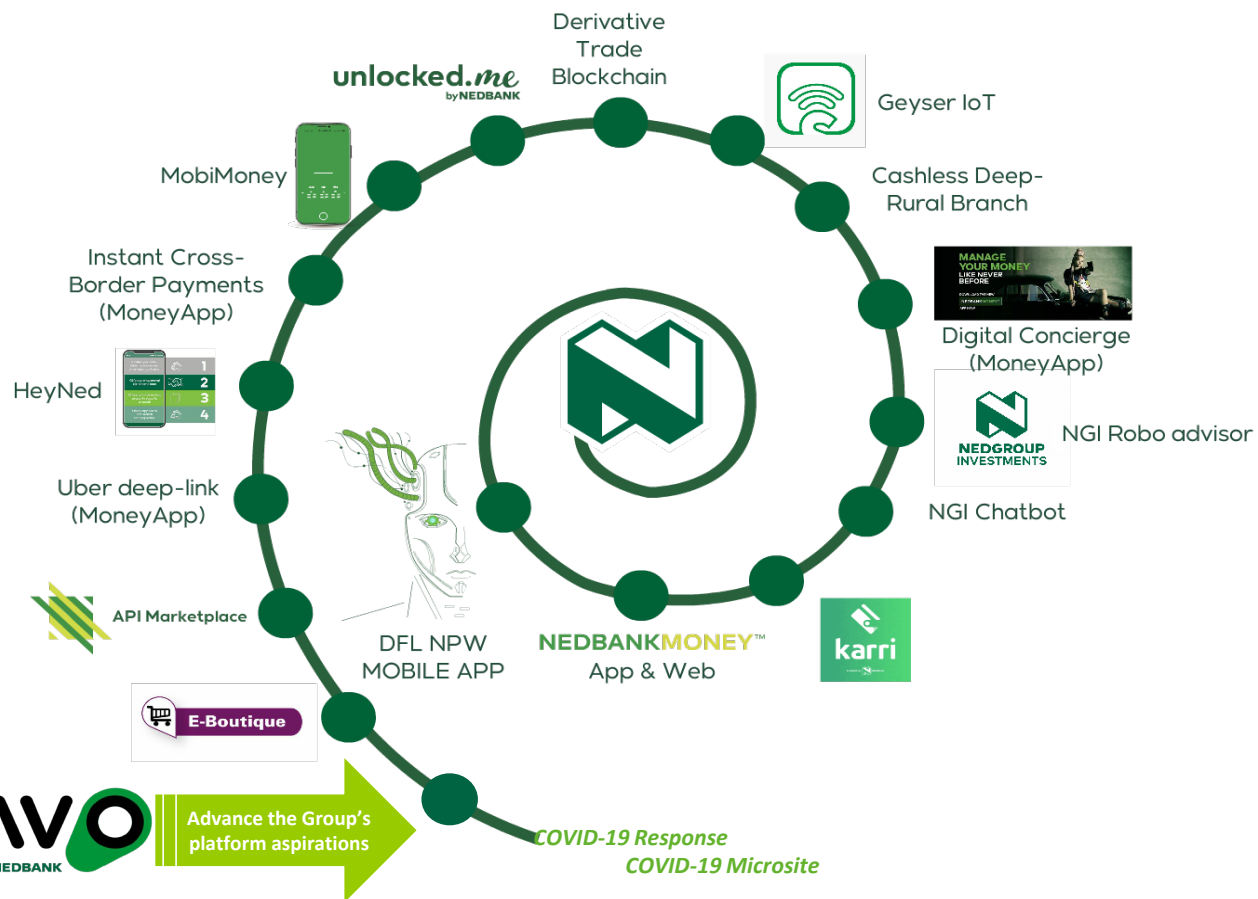


- Avo is the first South African “Super App” enabling digital engagements between consumers and businesses that join our “marketplace”. The “marketplace” enables the selling and receiving of payments securely.
- Avo’s vision is to address the daily needs of clients and in so doing provide convenient, safe and secure online purchases such as groceries, essential household services, beauty, baby, technology, digital, entertainment products including the next family holiday etc. using a digital wallet embedded in the Avo Super App.
- Utilising Avo’s sophisticated digital distribution logistics enables fast and efficient nation-wide delivery of goods purchased on the Super App.
- Avo is not only for Nedbank clients but for all South Africans, irrespective who they bank with.
- Avo provides access to great value goods and services digitally at the clients finger tips.





AVO IS AN EVOLUTION OF THE DIGITAL ROADMAP IN NEDBANK



Nedbank's Technology Strategy

- Nedbank's aspiration is to be 'Africa's #1 digital financial services provider' supported by our reimagined future to be 'Digital 1st & 1st in Digital' and our beyond banking client journeys.
- Globally there has been an increase of platform revolution scaling and disrupting traditional business models. At Nedbank, we saw this as an opportunity and aligned our platform aspirations to our Digital Roadmap. Nedbank embarked on developing a platform business from within, with a start up mentality, to drive quick to market client centric solutions with the client at the heart of everything that we do, pivoting to their needs.

Avo Powered by Nedbank

- Avo was released to Nedbank staff in Beta phase on the 23 March 2020, a few days before lockdown in South Africa as result of the COVID pandemic. The platform was lifestyle focused with features like get movies and experiential activities. These features were prohibited during stringent lockdown protocols and the platform had to pivot within a week to support our staff during lockdown providing critical solutions like essential goods and services. Pivoting early during the COVID pandemic demonstrated Nedbank's agility, delivering solutions at high velocity to meet client needs during this challenging time and beyond.
- Avo has been built with key foundational capabilities such as Data / Artificial Intelligence / Machine Learning, Bank Grade Security authentication, enhanced wallet payment features and cloud technologies.
- Avo was released to the public in June/July 2020 during the national lockdown with enhanced features to meet the growing needs of clients during the pandemic.
- In South Africa, we are the only app offering clients multiple journeys in a single point to conveniently meet their daily needs.
- The platform / Super App has been evolving at a rapid pace that has seen:
 - Partnerships with the JHI Property Company to enable Sandton City & Nelson Mandela Square as one of the 1st Digital Mall concepts in South Africa.
 - Integrating into logistic providers allowing SME businesses access to the whole of South Africa.
 - Enabling wine farms to access a captive audience and broaden their reach.
 - Creating a loyalty exchange, with the first partner being Nedbank Greenbacks and their clients having access to over **19 000 businesses** to spend their points.
 - Within the first year of launch we have exceeded **330 000 clients** registered on the platform.

OUTPERFORMANCE...

Only by changing faster, by leveraging new 'tech' better and scaling these capabilities better than the peer group will we outcompete our competitors

AVO IS A DOUBLE SIDED PLATFORM WITH MULTIPLE OFFERINGS TO MEET CLIENT WANTS AND NEEDS IN THE MOMENT, WITHOUT EXPERIENCING ANY FRICTION.



CLIENT



Shopping

- Clients can shop for great deals and a wide range of products from multiple stores like airtime, data, vouchers, clothes, goods, travel and much more.



QR Payments

- A client can conveniently scan multiple QR codes like SnapScan, MasterPass, FNB Pay to make payments.



Credit Terms

- At checkout a client can conveniently apply to purchase the item on terms digitally on the app.



On Demand offerings available

- Based on a client's location they can purchase from their favourite restaurant, liquor store or grocer.



Loyalty and Rewards

- On each purchase on the platform, a client gets 1% cash back in Avo points. Clients with Nedbank Greenbacks can easily convert their points via a loyalty exchange and purchase across the over 10 000 businesses on the platform.



Person to Person Payments

- Avo offers free Person to Person payments, so you can easily transfer money to your loved ones via wallet technology.



Financial Services

- Clients can easily apply for a Personal Loan, Funeral Cover or a Pre-Approved Home Loan on the app, as well as search for available properties.



HeyNed your client support

- A virtual personal assistant to help you with service requests, planning a party and much more.



Escrow / Payment Reservation Protection

- Protecting clients on the shopping or service journeys on the platform, by payments only being released upon successful confirmation of purchases or services provided.



BUSINESS

Home Service Merchants

- Initially enabled essential services aligned to lockdown restrictions and opened up in accordance with government regulations. A client can search for a plumber, electrician, etc on the platform.



Voucher Providers

- An integrated voucher engine enabling multiple voucher providers.



Product / Goods Suppliers

- Enabling businesses to create a digital online store on Avo and sell their goods.



Restaurants & Takeaways

- Providing a solution which removes clutter, reduced pricing to support SME growth and an alternative sales channel.



Liquor Stores

- Providing a solution which removes clutter, reduced pricing to support SME growth and an alternative sales channel.



Digital Mall

- Partnered with JHI Property Company on Sandton City & Nelson Mandela Square to create the first Digital Mall concept. A click and collect lounge.



Grocery Partners

- Partnered with OneCart to offer clients large retailers to purchase from like Woolworths, Pick n Pay, Dis-Chem, Clicks etc.



Logistic Partners

- Avo offers businesses an integrated logistics offering for on demand or delivery shipping capability.



PROUD PARTNERS OF THE AVO FAMILY – A SNAPSHOT OF THE CURRENT PARTNERSHIP NETWORK



Product partners (Shopping) providing large brands and goods

Take away Partners

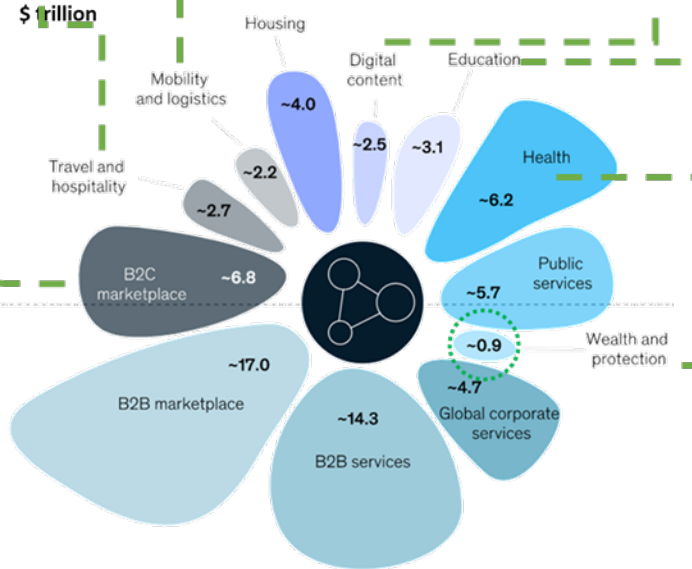
Liquor Partners

Grocery Partners

Supporting travel industry

Building out a logistic network for OnDemand and Nationwide Delivery

Leveraging the VAS engine partnerships



~\$70 trillion global revenue pool of integrated-network economy in 2030

Source: McKinsey analysis

Partner for customer acquisition

AfroCentric GROUP

Partner for seamless integration

ELECTRONIC LINE

Partnering for educational growth on the Platform

Partnering for health solutions across the market

First Digital Mall

EXTERNAL SUCCESS / AWARDS TO DATE



Silver Loeries Award 2020:
Avo the Super App solving for in-home experience



Mobexx Gold Award 2020:
Avo by Nedbank - Best mobile wallet

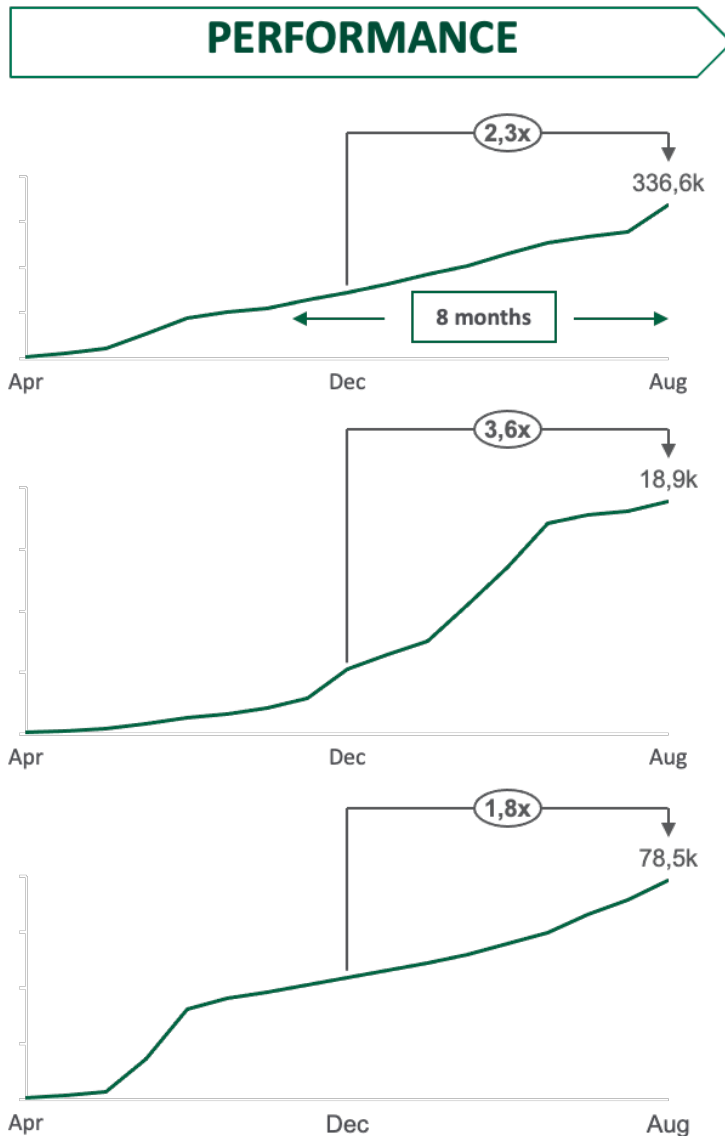


Euromoney - Best Digital Bank Africa:
Avo by Nedbank



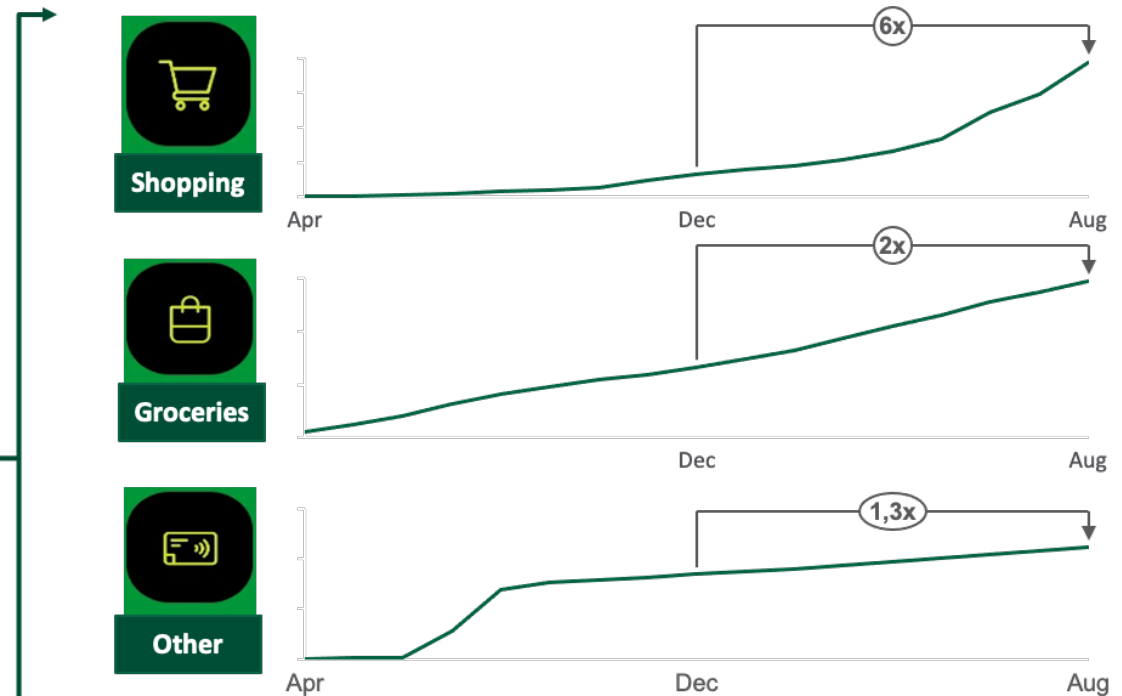
World Economic Magazine - Most Innovative Digital Bank – South Africa:
Avo by Nedbank

AVO PROGRESS FROM INCEPTION: HIGH-LEVEL PLATFORM PERFORMANCE WITH HIGHLIGHTS OVER THE PAST 8 MONTHS



Key Performance Highlights

- 337k clients signed up to date (2,3x growth YTD).
 - 58k customers registrations in August (5x growth compared to previous month), **Record month since launch.**
- c19k Businesses on-boarded, (3,6x growth YTD).
- 79k transactions and grew by 1,8x over the past 8 months mainly driven by the **shopping journey** which continues to drive traffic and rapidly growing as we launch new deals and introduce alternative payment methods.

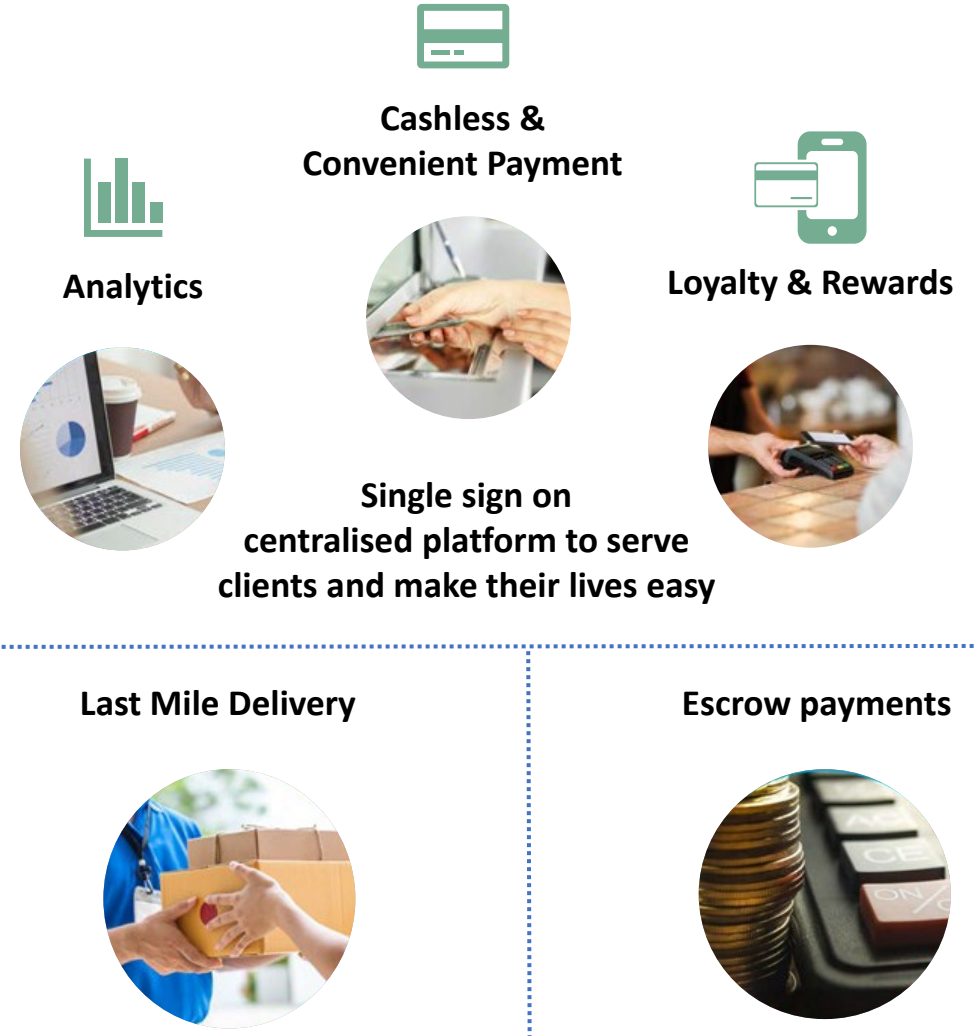
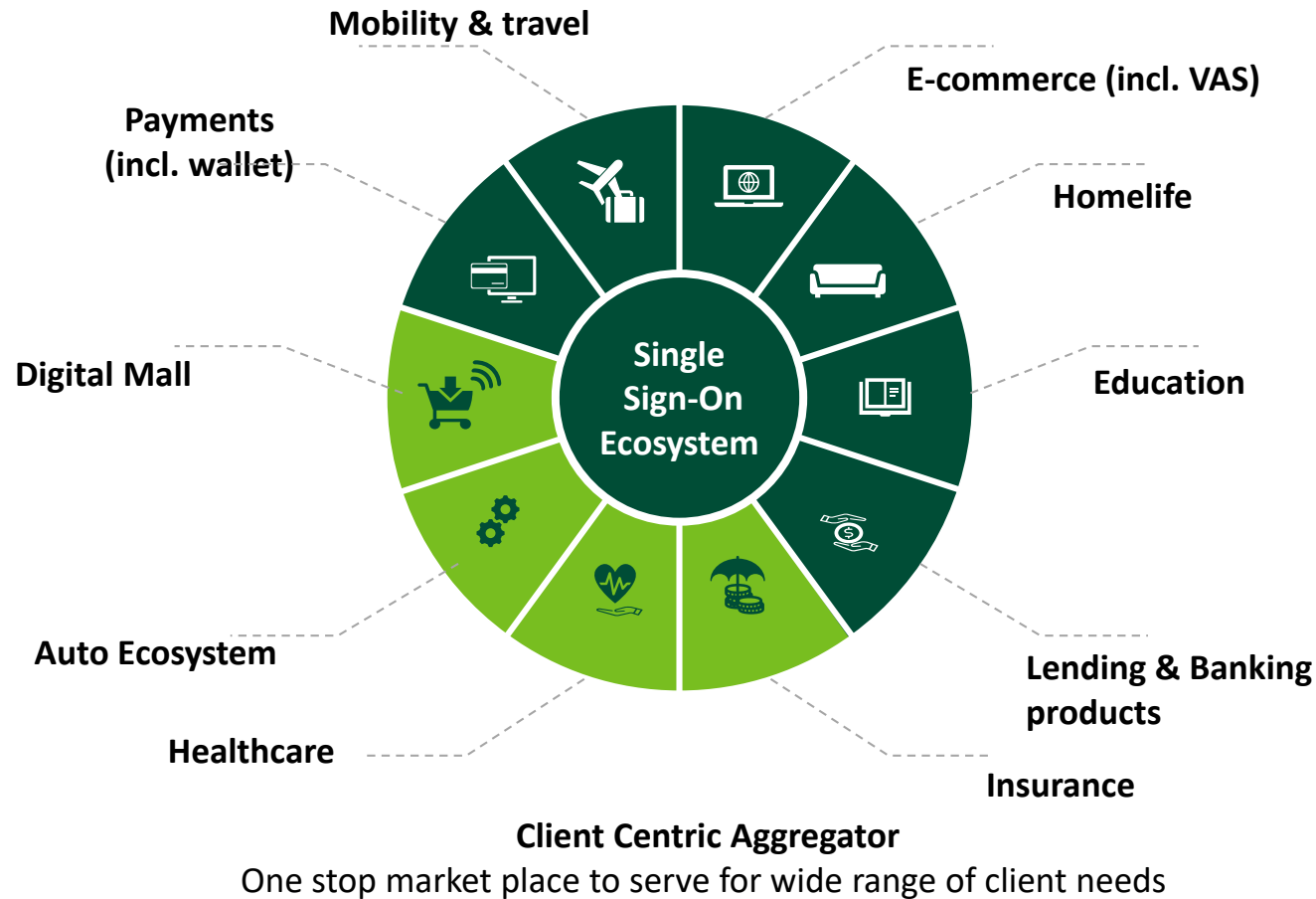


AVO VISION IS TO BE THE LEADING ECOSYSTEM IN AFRICA BUILDING A PLATFORM THAT LEVERAGES EXISTING NEDBANK ASSETS AROUND NATURAL ADJACENCIES



Ecosystem Value Proposition

South African market opportunity



Africa's #1

digital
financial

services
provider



Sponsors:

- **Ray Naicker:** Nedbank Chief Digital Officer



This nomination has been approved by:

- **Vishal Maharaj:** Nedbank Executive – Digital Fast Lane
- **Roshinee Naicker:** Nedbank Executive – Digital Fast Lane
 - Email: roshneen@nedbank.co.za
 - Mobile: +27 83 276 3841
- **Adriano Cosani:** Nedbank Executive – Strategy and CIO Office
 - Email: adrianoc@nedbank.co.za
 - Mobile: +27 82 940 2319



This nomination has been written by:

- **Mpho Rangoako:** Lead Financial Modeller
- **Privesan Naidoo:** Strategic Partnership Lead

