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unlisted liquor group KWV into a strategic holding in Stellenbosch-based financial services company PSG.

The deal makes perfect sense for PSG, who – according to financial publication Finweek – is planning to launch a fund (Zeeder Investments) that specialises in holding unlisted shares. Obviously Wiese's KWV shares would add critical mass to PSG's unlisted initiative – which already holds shares in entities like Pioneer Foods, Senwes and Kaap Agri.

But the more fascinating question is why Wiese was happy to swap his holding of around R120 million KWV shares – which by all accounts were hard earned – for a small strategic stake in PSG?

Does Wiese simply think PSG – headed by the astute Jannie Mouton – has great prospects? Or is there a specific angle that Wiese is playing?

little more than just infatuated with PSG.

Perhaps what is really attracting Wiese to PSG is the group's substantial holding in Capitec Bank, the promising 'easy-to-use' banking effort aimed at low income earners.

PSG initially unbundled its shares in Capitec some years ago, but has regained a large exposure to the bank after buying out its empowerment partner Arch Equity. Arch Equity held about 20% of Capitec with other main shareholders being former CEO Michiel le Roux and Mouton himself.

Wiese has a penchant for banking. Readers will no doubt remember his first venture into the banking world with the rescuing of Boland Bank and then the subsequent folly of the NBS and BOE deals – which ultimately put the enlarged BOE group into the hands of Nedbank (Nedcor in those days).

During the last few days of BOE Wiese had in place a specialist team tasked with building

Capitec's success. Stassen is currently CEO of Capitec and Le Roux chairman.

PSG wooed Le Roux, Stassen and other key individuals (like Carl Fischer) away from BOE, and not surprisingly the Pep Bank idea was snuffed out.

Now the big question is whether Wiese wants to revisit plans for retail-based banking, perhaps abandoning the Pep Bank brand but using Capitec as an effective in-store branch.

There are huge mutual benefits for Capitec and Wiese's retail interests (which span Pep, Shoprite and Ackermans). Capitec can increase their footprint in their target market at a low cost, while Pep and Shoprite (both cash retailers) will increase footfall and most likely sales by having cash points in-store.

Market watchers canvassed around CBN's speculation feel that such a banking initiative via a retail base is premature for Capitec. Fair enough, just remember you read it first in CBN.

A spark in the ATM market

CAPE TOWN-based Spark ATM Systems has begun the rollout of a new network of convenience ATMs to satisfy South Africa's ever-growing demand for cash. The new-look ATMs, which use the cellular GPRS network to slash communication costs, are aimed at sites overlooked by the traditional banks.

"People have an endless need for convenient cash," says Spark ATM Systems founder Marc Sternberg, "but in South Africa banks will usually only install ATMs in locations with very high transaction volumes. In other countries consumers are used to seeing ATMs in every possible location; we aim to create the same convenience here."

Sternberg says many site owners are already experiencing the benefits of hosting their own machines. "In-store ATMs attract people because they're convenient and secure," he says.

"Then, once people have withdrawn cash they tend to spend more of it in the store. It's also a revenue-generating opportunity for the merchant who is paid a rebate per withdrawal."

An ATM comes at a monthly rental of close R600 and the rebate is R1 per transaction. So

provided withdrawals are 600 a site owner will have the rental cost covered - anything more is then for his own account.

Also, Sternberg points out, the ATM's serve as a convenient method for site owners to circulate their own money notes.

What has really unlocked the market, adds

'We believe we've got a winning formula.'

Sternberg, is that ATMs are now cost-effective to install in most places. "We owe a lot to South Africa's world-class high-speed wireless infrastructure," he says.

"If our only option was landline communications, many of the sites we're going into wouldn't make practical or financial sense. The national GPRS network makes it easy to put an ATM anywhere there's an electrical power point."

Spark ATM Systems is using the CellPAD communications device from Datalux Technologies in all its ATMs, which are imported from a major overseas manufacturer. The CellPAD, a GPRS-based point-of-sale and transaction processing device, has two SIM cards to ensure maximum uptime by automatically switching to whichever network has the best coverage.

"We worked closely with Datalux to integrate the CellPAD with our ATMs," says Sternberg. "The technology is robust, reliable and affordable; it's been an excellent decision."

Sternberg says the timing for Spark ATM's entry into the market couldn't be better.

"There's more cash in circulation in South Africa than ever before. Our ATMs look great and their unique user interface allows for more pleasant transacting. Combine this with our great team and dedication to the best possible customer service and we believe we've got a winning formula."



Marc Sternberg believes his ATM venture will be a winning formula to cream off some more cash.

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