

## Agenda

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- Our financial services heritage
- Financial Services today
- Our vision for 2020

## Our financial services heritage

- The Post Office is not new to the world of financial services
- As Chancellor of the Exchequer, William Gladstone established the Post Office Savings Bank in 1861
- We've come a long way from passbooks and now have a multi-channel offering meeting customers' modern day needs
- Very positive customer interest in Post Office offering a wide range of financial products



## More recently



Financial Services JV created with BoI  
Fastest growing niche player based on launch of simple, good value products e.g., Instant Saver Account, growth bonds and car insurance



Voted best UK Travel Money retailer 7 years in a row



Voted best UK Travel Insurance provider 8 years in a row



First Rate Exchange Services "FRES" created as JV between POL and Bank of Ireland  
Rapid growth based on 0% commission



Travel Insurance launch in 1999 (in partnership with Aon), but created a step-change in the Travel Insurance market in 2004 with the launch of 'Kids go free'



Launched current account  
Introduced face-to-face advised mortgage sales

## Post Office Financial Services today

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- Key growth area for the Post Office
- Comprehensive range of products, including:
  - Savings
  - Car, home and travel insurance
  - Lending products (including mortgages and credit cards)
  - Current account (launched as a pilot in 2013)
  - Pre-paid debit card
- Post Office is the leading provider of retail foreign currency in the UK
  - 25% market share
  - Award winning Travel Money Card (Euro, US\$, C\$, Aus\$, CHF, SA Rand)
- In addition Post Office has a major traditional payments business, including:
  - Over-the-counter payment and bill payment services
  - Personal and business partner banking
  - ATMs cash machines (2,300)

## Post Office Financial Services today

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- Products are offered through strong partnerships with third-party providers, in particular Bank of Ireland (UK) plc, with whom we have built a successful partnership since 2003
- In 2012-13, the Financial Services business delivered £281 million in revenue – an increase of 6.4% on the previous year
- In 2014 we rolled out 100 specialist mortgage specialists, offering advice in this regulated market (new MMR regulations apply from April 2014)
- A further 250 Financial Specialists engage in product and sales conversations with customers
- c2,000 branches have staff able to have a limited client conversation and can complete non-regulated sales
- Remaining branches will have leaflets and refer leads to contact centres or other branches

## The FS Vision for 2020

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**To be the UK's leading challenger Financial Services provider,  
trusted by our customers to deliver the products and services that meet their needs**



Customer value:

**“Transparent, fair and value for money services, with the widest  
access”**

## We will achieve the vision by transitioning from a transaction-based to a customer-focused business

Invest in POL FS **brand** to build awareness of our offers and support consideration

Uplift the **sales model** to build customer relationships and loyalty, increasing average product holding

Offer unrivalled **access** across the full range of channels with simple customer journeys

Deliver products that are **transparent, fair and offer value-for-money**

Use **data analytics** to understand customer needs and drive an increased share of wallet

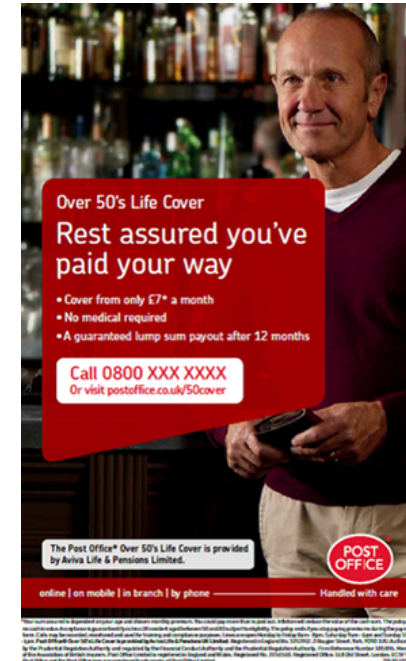
Broaden our reach to customer **segments** through competitive and relevant products and services

Build the skills of our people through an **FS Academy**, supporting a professional organisation and extending career opportunities

## A major campaign is underway, establishing Post Office as a Financial Services destination



- A major FS brand campaign launched in January 2014, integrated across all channels.
- A strong FS brand message to drive awareness, credibility and hence consideration
- Direct response campaigns will run alongside to support mortgages, savings, credit cards & home insurance sales
- The campaign will also support a positive halo effect on FS in general





## Some of our recent awards

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### Moneynet Personal Finance Awards

WINNER - Most Consistent Fixed Rate Bond Provider –  
TRIPLE GOLD 2011/12/13



### What Mortgage Awards 2013

Best Fixed Rate Mortgage Provider  
Best Lender Website



### Your Money Direct Awards 2013

Best Direct Savings Account Provider  
Best Direct Life Insurance Provider  
Best Overall Direct Provider

## Summary

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- Financial Services is a key growth sector for Post Office
- Strong consumer interest in Post Office offering financial products
- Post Office investing in people and capability to deliver the business value
- A number of the key foundation blocks are in place or being built
- Changing regulatory environment will provide opportunities and challenges.

## Appendix Financial Services Products



### Post Office Savings

- Instant Saver
- Reward Saver
- Online Saver
- Premier Cash ISA
- Junior ISA
- Cash ISA
- Online Bond
- Growth Bond
- Fixed Rate ISA
- [Investment ISA – closed book]
- [Inflation Linked Bond – no live issue]
- [5-Year Saver – closed book]
- [Guaranteed Equity Bond – closed book]
- Online Reserve (loyalty offer)
- Easy Saver
- Online Easy Saver
- Loyalty Bond

### Post Office Travel

- Currency – Branches
- Currency – Direct
- Travel Money Card
- International Payments
- MoneyGram

### Partner Banking

- Personal Banking
- Business Banking

### Post Office Transactional Accounts

- Packaged Account
- Standard Account
- Basic Bank Account

### Post Office ATMs

### Post Office Mortgages

- Fixed Rate
- Tracker
- Standard Variable
- Buy to Let
- [Self Certification – no live issue]

### Post Office Credit Cards

- Classic
- Platinum

### Post Office Personal Loans

- Unsecured Personal Loans

### Payment Services

- Bill Payment - Wholesale
- Bill Payment - Direct
- Post Office Budget Card
- Post Office Christmas Club
- Post Office Gift Card
- Pre-Paid Card Servicing
- Post Office Payout
- Ticketing & Travel
- Postal Orders
- Payment Services Provider
- Post Office Prepaid Card

### Post Office Insurance

- Car
- Van
- Motorbike
- Home
- Life (Term)
- Over 50s Life
- Over 50s Life + Funeral Care
- Pet (Cats & Dogs)
- Business Insurance
- Business Insurance for SPMs
- Travel Insurance – Annual
- Travel Insurance – Single Trip