

# Digital Transformation

is the **Path**

# to Success

*“The future of banking is undoubtedly digital, with more advantages and benefits for our customers, providing what is most important – a speedy, time-saving service.”*

*Petia Dimitrova  
CEO of Postbank*

*Petia Dimitrova is the Chief Executive Officer and Chairperson of the Management Board of Postbank. Her professional career within the organisation started in 2003 as Chief Financial Officer of the eight subsidiaries of Eurobank Group in Bulgaria. Two years later, in 2005, she became Procurator of Postbank and was appointed Executive Director and Member of the Management Board of DZI Bank in 2007. Following the legal merger of DZI Bank and Postbank, she became Executive Director and Member of the Management Board of the merged bank. In 2012 Petia Dimitrova was appointed Chief Executive Officer and Chairperson of the Management Board of Postbank. Under her management, in the period between 2016 - 2019, the financial institution implemented two successful deals acquiring and integrating the Bulgarian Branch of Alpha Bank first and then Piraeus Bank Bulgaria. These were yet another step in strengthening Postbank's position as a systemic bank on the market and enhancing its role as a trendsetter and a leader in innovations.*

*We caught up with Ms Dimitrova to hear all about the importance of digital transformation, the banking sector in Bulgaria and what it is like to be a female leader in the financial services industry.*



**The COVID-19 pandemic has undoubtedly heightened the need for digitalisation in the banking sector. How has Postbank and the banking sector in Bulgaria responded to this?**

Everything that happened to us in the past year and a half posed many challenges before us all, it was a test of our capability to adequately respond to a change the scale of which could not easily be foreseen or controlled. These recent times have allowed us to get to know the situation we are living in and to efficiently organise internal processes.

Bulgarian banks responded to this situation very well and once again showed that they are resilient and stable institutions. Results show that the banking system has been through minimal stress during this critical period. And although the pandemic has had its effect on the way we work, in an unusual environment with multiple restrictions, the Bulgarian banking sector remains stable, profitable, with high levels of capital adequacy and liquidity. The future of banking is undoubtedly digital, with more advantages and benefits for our customers, providing what is most important – a speedy, time-saving service.

**How has digitalisation affected Postbank?**

At Postbank, we started digitalisation processes a few years ago, when we created a special unit dedicated entirely to that mission. This group developed the overall strategy and its implementation, set priority fields for investment in creating new products with one main aim – digitalisation. This is why in 2020 we were ready, reacted quickly and responded to our customers' expectations. Data is the proof of our timely decisions – for yet another year in a row, we at Postbank



noted a significant increase in customers who choose to use the digital channels of the bank with now more than 70% of transactions being carried out online.

**What are the benefits of digitalisation?**

The pandemic was not only a catalyst for digitalising banks but was also a stimulus for financial literacy among customers after successfully transforming attitudes that we would have waited for years to change under normal circumstances. The months spent in isolation helped many Bulgarians discover the benefits of digital banking channels, the speed and security with which they can manage their funds online. Naturally, this is a process, so we expect it to continue, and we will be by our customers' side meanwhile, responding to all their specific expectations for faster and more convenient banking.

As a modern bank working towards protecting the environment, we were among the first to introduce an innovative way to confirm payment

documents with a digital signature. Thanks to this, we lowered paper expenditure by 43%.

**What trends do you expect to see in the banking sector in Bulgaria for the next 12 – 24 months?**

We are currently focused on instant payments which allow for funds to be transferred to a counterparty in seconds. Postbank together with BORICA, a company providing technology infrastructure of the Bulgarian payment industry, has been working hard to implement this product and we expect it to be available to our customers by the end of the year.

Banks are starting to pay much more attention to online customer experience and are introducing entirely digital processes. I believe they are processes that eventually will benefit customers since in the conditions of a “healthy competition” we manage to further contribute by adding new products and services to e-channels.

**This year, Postbank is celebrating its 30th anniversary as one of the leading banks in Bulgaria. Can you tell us about the initiatives and products you have launched to mark the occasion?**

We offered our customers our unique new generation mobile wallet ONE Wallet with which customers can perform even more banking services through their phones. They can practically have instant contactless access to main banking services as they transfer their physical wallet into their mobile phone. They can add all their cards to their new wallet and freely and efficiently manage them thanks to the rich range of functionalities set in the app. Some of them include contactless POS payments through the phone, managing cards in the mobile wallet by setting limits for different channels (POS, ATM, online payments), opportunities for adding loyalty cards from various merchants, discount vouchers for partners and many more. Our customers have active and flexible control over their funds 24/7, which is certainly a convenience nowadays. This is why I am sure that ONE Wallet will become an irreplaceable application in everyday payments for each of us.

Another major innovation we carried out at Postbank was our express banking digital zones that were immediately recognised as a preferred alternative to banking at a counter. Thanks to the intuitive devices in these zones, customers can easily and quickly carry out a major part of main banking transactions themselves after identifying with their debit or credit card, with no need to be registered for the bank's online banking. Digital zones are already functioning in 75 branches in 32 towns across the country and we will be unveiling more locations and upgrading the service.

Our customers' needs are of greatest



importance to us, and we will therefore continue offering new solutions for managing their finances. One of our main goals in this process is to create high-quality products providing them with the necessary security of the investment.

A few months ago, we became the first bank in Bulgaria to start offering a new generation metal credit card. Once again, we demonstrated our position as an innovator in the sector and succeeded in offering our customers something different, modern and valuable in order to meet their highest demands and expectations. We are happy that our customers appreciated this modern product that gave them even more flexibility and confidence, completely in line with their style.

**Tell us about the educational project you've recently launched with Sofia University.**

It is an honour for us at Postbank to cooperate with the biggest and oldest Bulgarian University, Sofia University Saint Kliment Ohridski, for training future financial experts in the Finance

and Banking master's programme at the Faculty of Economics and Business Administration. We are the only bank joining the curriculum with two separate modules entirely created and developed at our suggestion. The modern Banking Management and Investment Banking disciplines will be part of the 2021-2022 academic year in the oldest higher education institution in Bulgaria and will be led by experts from the bank. The aim is to guarantee an excellent opportunity to acquire valuable practical experience and knowledge alongside the theoretical preparation which will be useful for their further career growth in a real working environment.

Education is a key priority in our bank's corporate social policy, one that we constantly invest in. For 30 years now we have been creating sustainable projects with which we carry out our mission of participating in creating an innovative education model that covers the expectations and needs of future generations. We have been developing our strategic partnership with Finance Academy and realising a series of innovative projects with SoftUni in support of modern education and

through our mentoring programme to the National Trade and Banking High School, we add value to the knowledge and skills of students. We have always strived to engage young people and to support them with our expertise so that they can quickly and easily enter real business practices. We are happy to be able to contribute to the strong connection between education and business with this partnership.

### **You joined Postbank in 2003 and since then, have climbed all the way up to becoming its CEO. How have you managed to achieve this?**

I am grateful to have been an active participant and to have contributed to the writing of the bank's history, especially in years characterised by complex internal and international situations, but also years that have been marked by significant achievements. In these three decades, Postbank has proved itself as one of the most successful banks in Bulgaria, a good partner, employer and a socially responsible company. We have established ourselves as an institution that customers trust and that offers them solutions for their future. The result of this shared trust is that we are third in terms of loan portfolio and the fourth largest bank in Bulgaria in terms of assets and size of deposits, with a market share of more than 10%, with around 200 branches across the country and more than 100 awards won for our digital innovation and products, services and social responsibility policy.

This would not be possible without the efforts of our entire team. I would like to take the opportunity to thank all my colleagues, our customers, shareholders and the strong international group we are a part of.

It is again the entire team of the bank that stands behind the digital achievements I mentioned. We are proud that they were highly esteemed by

the prestigious World Finance Digital Banking Awards of the trusted World Finance Magazine. The awards are in the 2020 Best Consumer Digital Banks, Bulgaria and Best Mobile Banking Apps, Bulgaria categories. And for the fourth year in a row, Postbank won the Best Retail Bank 2021, Bulgaria award in the same prestigious competition.

In 2021, the wreath of these achievements came with the award in the Efficiency category of the Annual Awards of the Bank of the Year Association. It is extremely important to us as efficiency is one of the most significant and leading factors in the banking sector and business as a whole. This recognition will motivate us to continue ahead reaching new highs.

### **Have there been some challenges along the way, particularly connected to your gender? How have you overcome these?**

What defines a person's development is their personal motivation, determination and capability; the direction they grow in as an expert and a person, regardless of their gender.

Considering the intense work-life people who work in the banking sector lead, bringing some female qualities like positive emotionality, empathy and strong intuition could only be beneficial for the general atmosphere in the workplace.

### **What is your advice to other women in finance who strive to become CEOs?**

I wish they have the professional freedom I am blessed with at Postbank so that they can develop their creativity, inventive spirit and diversity and be able to give way to their brave ideas. These are among the most important things I rely on as a manager and believe they work unfailingly. Because everything depends on us and, as George Sand said:

“Happiness depends solely on ourselves and we often only need to reach out to catch it”.

### **What further goals are you working towards with Postbank?**

Other than working on innovative digital products and services, we at Postbank continue focusing our efforts and funds in support of projects with real added value for society and we believe that one of the great effects will be building self-awareness which will change our life for the better.

For the third year in a row, we are participating in the Dare to Scale project – a four-month growth programme, aimed at entrepreneurs and businesses that are already past the initial phase of development and growing their activity. The programme is organised by the Bulgarian office of the global entrepreneurship network Endeavor with Postbank as the main partner. It is extremely important to us to be part of this process, to support the ambitions of companies seeking to upscale their businesses and thus change the entire ecosystem. I am positive that this is the attitude that leads us forward.

The times we live in provide numerous challenges, but they will also positively impact our resilience and capacity to learn and grow. We, at Postbank, will share our high experience and expertise with entrepreneurs in order to support them in the most important stage of their businesses' development and become part of their growth. We will seek the potential of successful partnerships which will allow us to innovate and improve opportunities in the ecosystem.

To us, this is an investment in the future and a chance to be part of the change moving us ahead.