

## **EQUITY BANK NOW TRANSFORMS ITS BRANCHES INTO RELATIONSHIP MANAGEMENT CENTRES FOR ITS CUSTOMERS**

*...as focus shifts to alternative banking platforms to drive revenue growth*

Tuesday, 31st October 2017... Equity Bank Holdings Plc has embarked on an aggressive innovation journey geared towards transforming its key branches into relationship management centres, in a move meant to offer its customers personalized customer experience.

Speaking during the release of the bank's Q3 Financial Results, Equity Bank Holdings MD & CEO, Dr. James Mwangi noted that for the last three months, the Group's innovation and digitization strategy led to 91% of all transactions moving from the fixed cost delivery channels of brick and mortar of bank branches and ATMs to variable cost delivery channels of mobile, internet, mobile App, Agency and merchant banking.

Regulatory and social pressure on banks' pricing structures and downward pressure on deposit spreads is leading to the recognition that asset or relationship management is a viable new banking segment. Banks are starting to understand that asset management will boost non-interest revenue and foreign currency earnings

"Of the total 341.3 million monetary transactions, only 30.3 million transactions passed through the branches and ATMs with the rest, 311 million transactions passing through the third-party channels. This shift in delivery channels resulted in a reduction of 11% in staff costs while registering a modest increase of 2% in total costs maintaining a cost income ratio of 51.6% at the Group," Dr. Mwangi said.

The above results indicate that more customers have now shifted to accessing financial services via personalized devices like the EazzyBanking App, Equitel, Internet Banking, Agency Banking and Merchants. Equitel recorded 197 million transactions by September 2017 compared to 150 million transactions during the same period in 2016. Equitel recorded a 41% growth from Ksh 250.8 billion to Ksh353.6 billion, Internet Banking 1,696% from Ksh5.4 billion to Ksh96.9 billion, Agency Banking 18% from Ksh331.6 billion to Ksh391.3 billion and Merchants growing by 16% from Ksh34.8 billion to Ksh40.3 billion in transaction value.

Despite branches recording a decline in number of transactions by 6% from 15.7 million to 14.7 million, there has been a 3% increase in the value of transactions from Ksh1,071B to Ksh1,106B. This has been largely driven by the Bank's focus on the SME sector, corporate and Supreme banking. Currently, Equity Bank has rolled out Supreme branches countrywide, as it sets its eyes on positioning the branches as relationship management centers of excellence.

This comes at a time when in a recent survey by Geopoll ranked Equity Bank as the Most Preferred Lender in Kenya with the highest scale in Africa followed by Capitec of South Africa and GT Bank of Nigeria.

<http://equitybankgroup.com/uploads/default/files/2017/grouppressreleases/Equity%20Group%20Holdings%20Plc%202017%20Q3%20Financial%20Results.pdf>