



Equity Bank

Agency Banking Presentation To UNCDF

Wednesday, 26th February 2014

Vision: To be the champion of the socio-economic prosperity of the people of Africa.

Mission: Statement: We offer inclusive, customer-focused financial services that socially and economically empower our clients and other stakeholders.

Equity Bank Corporate Philosophies

Purpose

- We exist to transform the lives and livelihoods of our people socially and economically by availing to them modern, inclusive financial services.

Mission Statement

- We offer inclusive, customer-focused financial services that socially and economically empower our clients and other stakeholders.

Vision

- To be the champion of the socio-economic prosperity of the people of Africa.

Equity Rwanda- Branch Distribution Network



What is Agency Banking?



- Agency banking is driving deeper financial inclusion using innovative technology to widen financial services distribution and access by contracting retail outlets (pharmacies, supermarkets, convenience stores etc)

Why Agency?

- ❑ Equity Bank mission – Provide inclusive financial services.
- ❑ 14% of the population currently bank formally,
- ❑ 86% unbanked
- ❑ 78% have never banked.
- ❑ 52% of total population was financially excluded.

Who Qualifies to be an Agent?



- A business entity that must have been in operation for a minimum of 18 months
- Good financial standing (relative to location)
- Good character and social standing
- Business documents for the business entity
- Non religious, non Education, not forex bureaus
- Can be sole proprietor, companies, partnerships
- Approval by Equity Bank & National Bank

Value Proposition

For the Customer

Access

Inclusion

Reach

Savings

For the Agent

Revenue: new revenue streams and diversify existing revenues

Customer Acquisition: Grow their customer base
Efficiencies: Optimize cash management

Brand: Benefit from the Equity Brand

For Equity Bank

Cost Reduction: Reduce costs incurred in setting up a branch and branch regulation

Competitive Pricing: Translates to better pricing for customers due to transaction volumes

Profitability: More profit for the bank

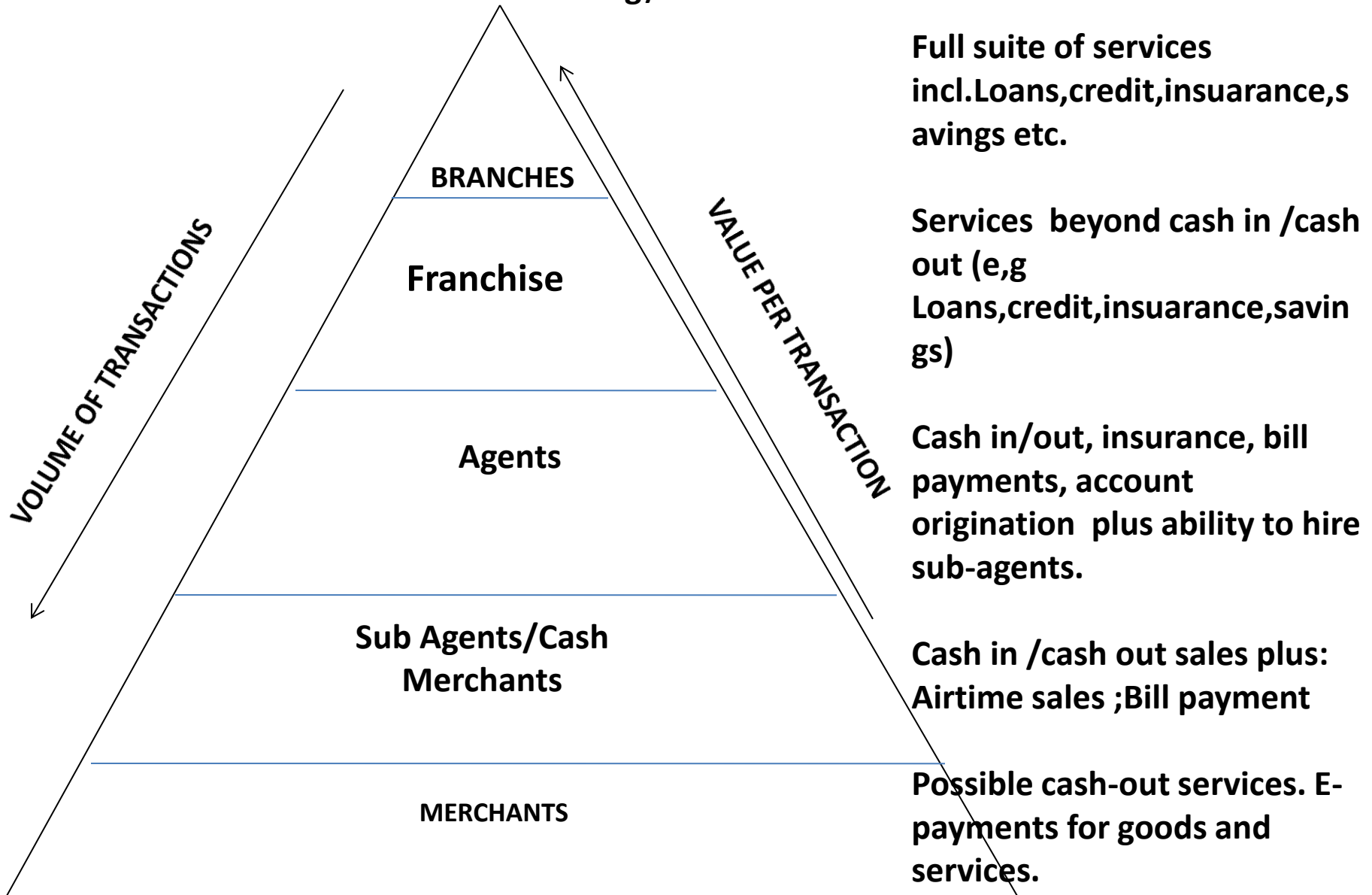
Faster growth: Not constrained by our physical infrastructure
Leverage on technical infrastructure

Benefits to society



- Deeper financial inclusion
- Greater savings both financially and in terms of productive time
- Development of local economies
- Healthier & progressive communities
- Stronger devolved governments

The Distribution Strategy



Growing customer base at agency



Agency Product Offering



- The objective of the Agency Model is to offer the full range of banking services to customers without having to visit a branch.

Basic Banking:

- Account Opening origination
- Activate Dormant Accounts
- Deposit and withdraw cash
- Make balance enquiries
- Generate mini-statements.

Facilitate Payments:

- Buy goods and services without cash
- Buy airtime
- Pay bills e.g. school fees, utilities, rent

Money Transfer:

- Send and receive money locally

Planned Services

Lending:

- Loan Origination
- Accept loan payments

Insurance:

- Originate insurance applications,
- Issue certificates of insurance
- Accept premium payments

Custodial Services:

- Buy and sell shares and other financial instruments

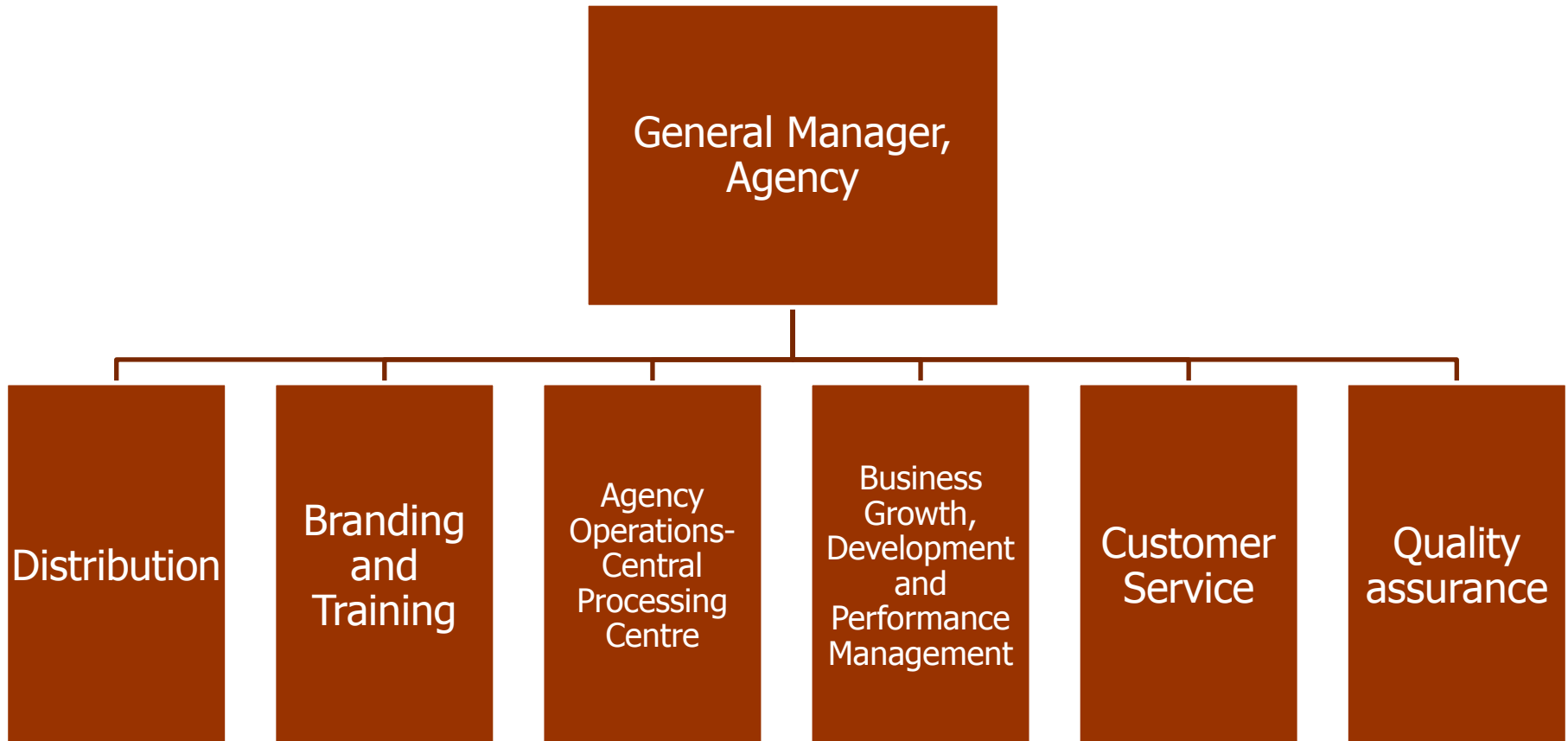
Distribution and Value add Services:

- Distribute for various companies
- Collection points for government payments

Challenges

- Establishment costs
- Recurrent training costs
- Technological- Network coverage
- Security- Increased cases of fraud
- Operational- Agent management
- Public awareness and acceptance

Agency structure



What it has taken to succeed in agency



- Right People
 - Age, attitude, education
 - Quality of customer service
- Right processes
 - Being fully involved with the business
 - Demanding on processes and requirements
- Right Investment
 - Excellent branding, visibility and communication
 - Float management

Dependencies.

- Recruitment of quality agents
- Financial literacy training
- Monitoring and support
- Float management
- Relationship building

“Ask not what agency can do for you but rather what you can do for agency”

TOTAL AND ACTIVE AGENTS



| Month | Total Agents | Active Agents |
|----------------|--------------|---------------|
| January 2013 | 163 | 100 |
| February 2013 | 170 | 109 |
| March 2013 | 184 | 118 |
| April 2013 | 209 | 114 |
| May 2013 | 224 | 155 |
| June 2013 | 238 | 157 |
| July 2013 | 292 | 188 |
| August 2013 | 394 | 246 |
| September 2013 | 480 | 301 |
| October 2013 | 527 | 304 |
| November 2013 | 535 | 309 |
| December 2013 | 589 | 440 |
| January 2014 | 602 | 426 |

AGENT TRANSACTIONS



| Month | Total Deposit Transactions | Total Withdrawal Transactions |
|--------|----------------------------|-------------------------------|
| Jan-13 | 50,230 | 28,312 |
| Jun-13 | 287,179 | 144,037 |
| Jan-14 | 846,870 | 344,778 |



ACCOUNTS OPENED IN AGENCY



| Month | Total Accounts Opened |
|----------------|-----------------------|
| January 2013 | 7,245 |
| February 2013 | 7,388 |
| March 2013 | 8,066 |
| April 2013 | 9,788 |
| May 2013 | 9,554 |
| June 2013 | 10,041 |
| July 2013 | 12,404 |
| August 2013 | 17,446 |
| September 2013 | 20,166 |
| October 2013 | 27,090 |
| November 2013 | 8,063 |
| December 2013 | 5,238 |
| January 2014 | 7,857 |

WITHDRAWAL TRANSACTIONS (Teller / ATM / Agency)



| Month | Teller Withdrawal Transactions | ATM Withdrawal Transactions | Agency Withdrawal Transactions | Total Withdrawal Transactions |
|--------|--------------------------------|-----------------------------|--------------------------------|-------------------------------|
| Jan-13 | 33,524 | 43,859 | 13,391 | 90,774 |
| Feb-13 | 27,732 | 43,320 | 14,501 | 85,553 |
| Mar-13 | 29,266 | 54,901 | 19,726 | 103,893 |
| Apr-13 | 30,543 | 56,637 | 19,965 | 107,145 |
| May-13 | 32,964 | 58,279 | 22,073 | 113,316 |
| Jun-13 | 31,387 | 60,550 | 22,734 | 114,671 |
| Jul-13 | 36,682 | 55,151 | 25,522 | 117,355 |
| Aug-13 | 37,369 | 60,485 | 23,415 | 121,269 |
| Sep-13 | 35,923 | 56,748 | 19,848 | 116,118 |
| Oct-13 | 40,967 | 58,924 | 29,613 | 129,504 |
| Nov-13 | 13,812 | 54,240 | 23,632 | 91,684 |
| Dec-13 | 37,796 | 55,788 | 37,852 | 131,436 |
| Jan-14 | 38,669 | 55,919 | 30,559 | 125,147 |

DEPOSIT TRANSACTIONS (Teller / ATM / Agency)



| Month | Teller Deposits Transactions | ATM Deposits Transactions | Agency Deposits Transactions | Total Deposits Transactions |
|--------|------------------------------|---------------------------|------------------------------|-----------------------------|
| Jan-13 | 37,394 | 3,682 | 23,975 | 65,051 |
| Feb-13 | 35,502 | 3,652 | 26,189 | 65,343 |
| Mar-13 | 35,640 | 5,161 | 34,686 | 75,487 |
| Apr-13 | 36,606 | 5,134 | 37,017 | 78,757 |
| May-13 | 38,080 | 5,806 | 48,958 | 92,844 |
| Jun-13 | 36,550 | 4,473 | 58,341 | 99,364 |
| Jul-13 | 38,839 | 4,204 | 70,605 | 108,050 |
| Aug-13 | 37,407 | 4,292 | 65,007 | 106,706 |
| Sep-13 | 34,083 | 3,599 | 78,141 | 115,823 |
| Oct-13 | 38,034 | 3,985 | 95,367 | 137,386 |
| Nov-13 | 10,450 | 4,095 | 55,668 | 70,213 |
| Dec-13 | 28,948 | 3,631 | 89,970 | 122,549 |
| Jan-14 | 33,645 | 3,716 | 89,069 | 126,430 |

WITHDRAWAL TRANSACTIONS VOLUMES (RWF)



| Month | Teller Withdrawals RWF | ATM Withdrawals RWF | Agency Withdrawals RWF | Total Withdrawal RWF |
|--------|---------------------------|------------------------|---------------------------|----------------------|
| Jan-13 | 8,340,237,479.15 | 1,497,604,510.00 | 434,702,289.00 | 10,272,544,278.15 |
| Feb-13 | 7,275,947,626.00 | 1,421,342,500.00 | 523,143,873.10 | 9,220,433,999.10 |
| Mar-13 | 7,471,602,983.82 | 1,944,201,500.00 | 616,661,411.00 | 10,032,465,894.82 |
| Apr-13 | 7,352,002,134.60 | 1,952,249,965.00 | 695,608,652.00 | 9,999,860,751.60 |
| May-13 | 7,831,466,171.49 | 2,138,346,500.00 | 726,933,912.00 | 10,696,746,583.49 |
| Jun-13 | 7,730,738,362.33 | 2,087,986,840.00 | 670,896,559.00 | 10,489,621,761.33 |
| Jul-13 | 9,431,688,970.45 | 2,058,240,500.00 | 691,685,301.00 | 12,181,614,771.45 |
| Aug-13 | 9,705,327,205.00 | 2,296,147,320.00 | 593,754,693.00 | 12,595,229,218.00 |
| Sep-13 | 9,488,432,660.63 | 2,138,779,800.00 | 686,663,449.00 | 12,313,875,910.00 |
| Oct-13 | 10,033,252,231.21 | 2,261,533,500.00 | 664,458,842.00 | 12,959,244,573.21 |
| Nov-13 | 3,194,754,577.00 | 2,124,886,600.00 | 529,022,426.00 | 5,848,663,603.00 |
| Dec-13 | 8,699,109,495.80 | 2,300,394,300.00 | 863,624,029.00 | 10,999,503,795.80 |
| Jan-14 | 9,247,892,330.84 | 2,231,446,500.00 | 664,023,238.00 | 12,143,362,068.84 |

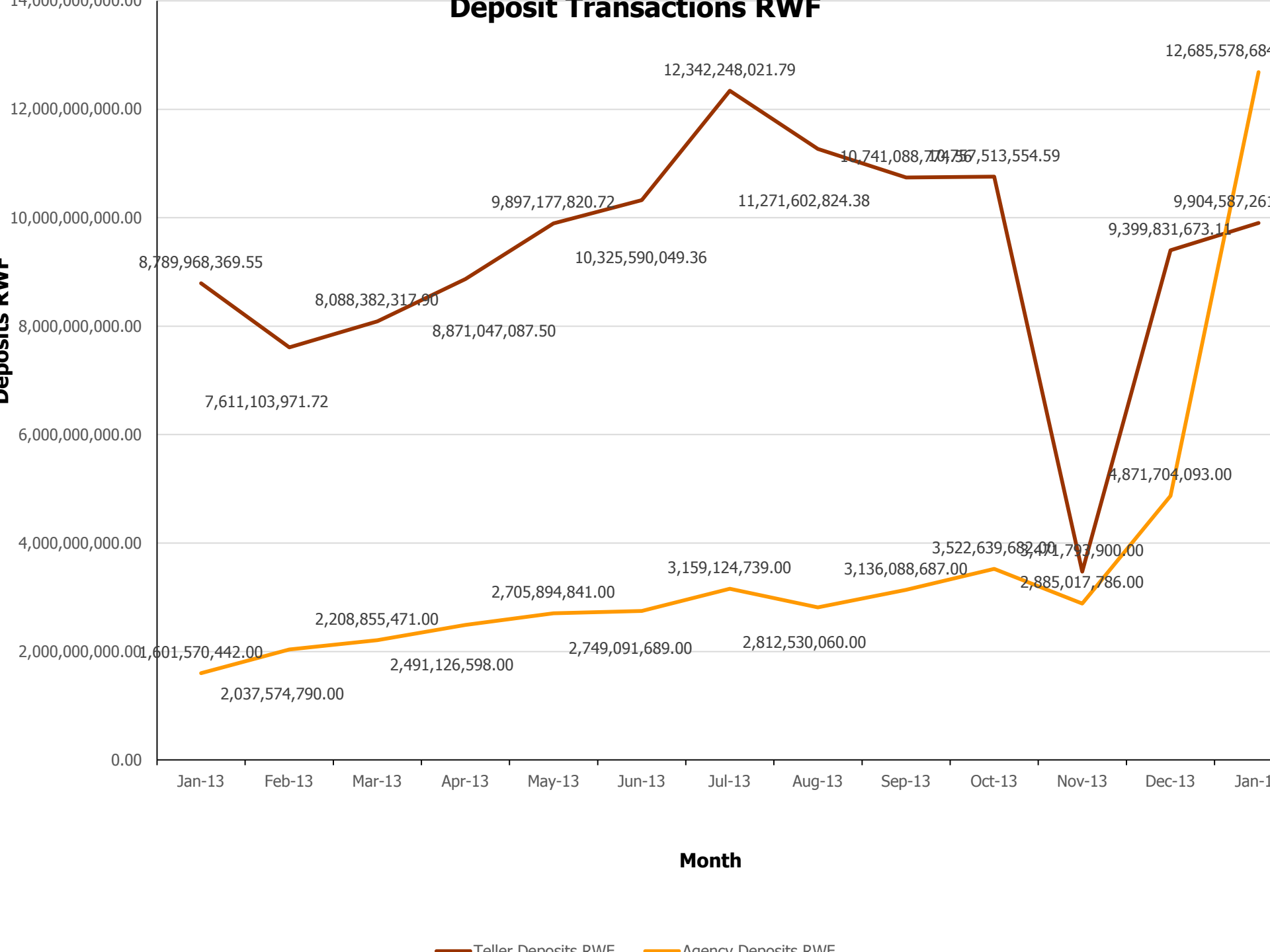
DEPOSIT TRANSACTIONS VOLUMES (RWF)



| Month | Teller Deposits RWF | Agency Deposits RWF | Total Deposits RWF |
|--------|---------------------|---------------------|--------------------|
| Jan-13 | 8,789,968,369.55 | 1,601,570,442.00 | 8,789,968,369.55 |
| Feb-13 | 7,611,103,971.72 | 2,037,574,790.00 | 9,648,678,761.72 |
| Mar-13 | 8,088,382,317.90 | 2,208,855,471.00 | 10,297,237,788.90 |
| Apr-13 | 8,871,047,087.50 | 2,491,126,598.00 | 11,362,173,685.50 |
| May-13 | 9,897,177,820.72 | 2,705,894,841.00 | 12,603,072,661.72 |
| Jun-13 | 10,325,590,049.36 | 2,749,091,689.00 | 13,074,681,738.36 |
| Jul-13 | 12,342,248,021.79 | 3,159,124,739.00 | 15,501,372,761.00 |
| Aug-13 | 11,271,602,824.38 | 2,812,530,060.00 | 14,084,132,884.00 |
| Sep-13 | 10,741,088,774.56 | 3,136,088,687.00 | 13,877,177,462.00 |
| Oct-13 | 10,757,513,554.59 | 3,522,639,682.00 | 14,280,153,236.59 |
| Nov-13 | 3,471,793,900.00 | 2,885,017,786.00 | 6,356,811,686.00 |
| Dec-13 | 9,399,831,673.11 | 4,871,704,093.00 | 14,271,535,766.11 |
| Jan-14 | 9,904,587,261.29 | 12,685,578,684.00 | 22,590,165,945.29 |

Deposit Transactions RWF

Deposits RWF



Our Inspiration

That when years turn our vision dim and gray, we shall still be seeing beauty in the tired wrinkles of our faces and shall take comfort out of the fact and knowledge that when we were given the opportunity we did all we could to empower our people to exploit opportunities and realise their full potential on the road to economic prosperity.

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We Listen
We Care
We Partner

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