

“ICT FOR EXCELLENCE & INNOVATION”

A PRESENTATION TO THE 5th ETHIOPIAN BANKING AND ICT SUMMIT

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HEAD Agent Banking
KCB KENYA

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KCB

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Introduction:



KENYA

What We are known for



KCB Mobic-Bank

PAYING YOUR BILLS WITH CONVENIENCE FROM YOUR MOBILE PHONE

KCB Mobic-Banking - Banking anytime, anywhere!

Download KCB App to access mobile banking, the latest news, forex rates, NSE stock prices and so much more!

SERVICES

- Kenya Power Tokens
- KPLC Pre-Paid
- DSTV
- GOTV
- Zuku
- Jamba Jet



Great sports



A PREVIEW OF KCB

Started in 1896 by workers who came to build the EA Railway;

Our Pride for among many things;

- The largest bank by Asset Book
- Present in 6 African Countries
- Won The Best Bank in Agent Banking by Think Business
- Largest Bank by Branch Network
- Oldest Bank in Kenya
- Great Innovations
- Great Customer Service Experience



Pre-amble

- Much growth has been seen in banking since year 2000. The current customer is in a hurry and wants things fast. The world has adapted a very fast pace and businesses need to adapt as fast. In the last 100 years, man has discovered that he can fly, he has gone to the moon, he has sent a machine to mars, and has discovered that he can borrow money without going to the bank. Better still he can open an account save and pay for goods at his comfort. And this by use of Alternative banking channels

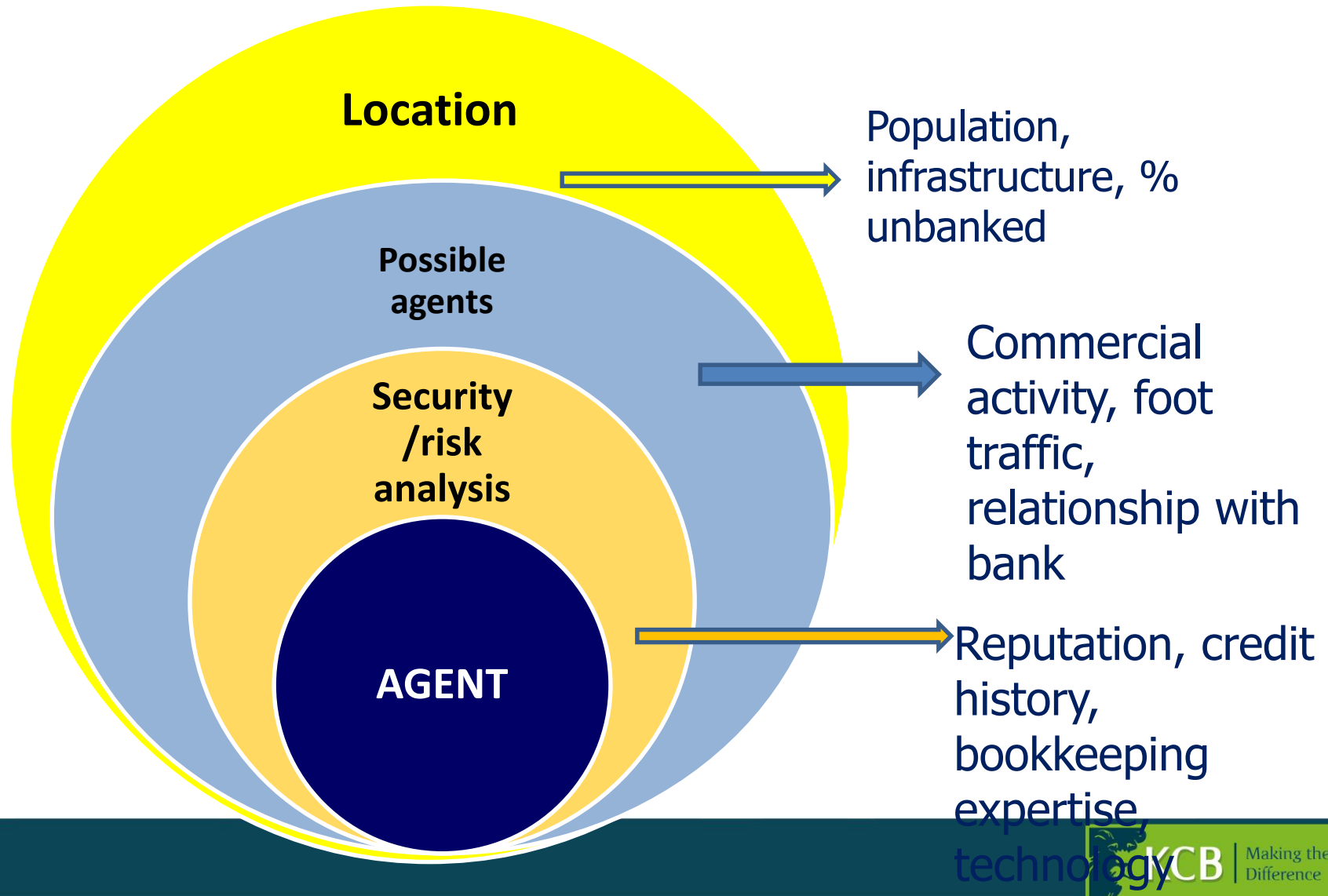
Why implement Agent Banking

- **Growth opportunity** – more customer numbers, Services to unbanked and cover new geographical areas
- **Cost reduction** - push out low values - serve high value transactions in branch network
- **Additional Revenue** – More revenue from transactions and use of agency network by stakeholders
- **Compete effectively** – More market share due to presence
- **Convenience, Accessibility, to customers-** Provide anywhere, anytime banking.
- **Reliability, Accessibility, Ease of use**

Benefits to Agent



AGENT SELECTION



How we select an Agent

CRITERIA	MEASURE
Legal entity	Identification document- Operates within the framework of the law
Business in operation	≥ length of time
Reputation	Trusted by Bank, customers, no criminal record
Commercial activity	Must be frequented by large number of consumers; e.g. supermarket, bakery, petrol station, selected sole proprietorships
Proximity to branch	Should complement branch not compete
Cash Handling	Record of inflows and out flows, secure storage
Cash turnover	A set Minimum daily turnover
Ease of installation of System	Space, communication link
Employees	Should be able to handle additional work, trainable, IT literate, KCSE

Description of Technology:



Must be simple:

- Mobile Banking-
The use of phones
- Card System -
POS
 - Rechargeable
 - Portable
 - Great Security
 - EMV/M.Strip
enabled
 - Tap and Go
technology



Agent Assistance

- Sales and marketing
- Trainings and enhanced products
- Stability of system
- Documented easy procedures
- Compliance and Audit to deal with risks

CASE STUDY: KCB KENYA

- A National Financial Access Survey that was carried out in 2009 in Kenya showed that 32% of Kenya's bankable population was totally outside the orbit of financial services while many more were being served by the informal financial system
- Answering to the above and to vision 2030, KCB Started Agency Banking in end 2010 after change in regulation by CBK.
- This was a strategic decision to reach more customers and serve others remotely.
- Started by use of mobile phone then developed to both POS and phone and the use of super app.

KCB: Development Of Agency Banking

- From Zero agents in 2011 to over 17,000 active in 2018
- From use of mobile phones only (USSD) to use of both POS and super apps
- Presence in all 47 counties with higher concentration in Urban areas
- Contacted by the Government for special payments e.g. social payments, County etc
- Development of more services from cash in-cash out to servicing other banks customers

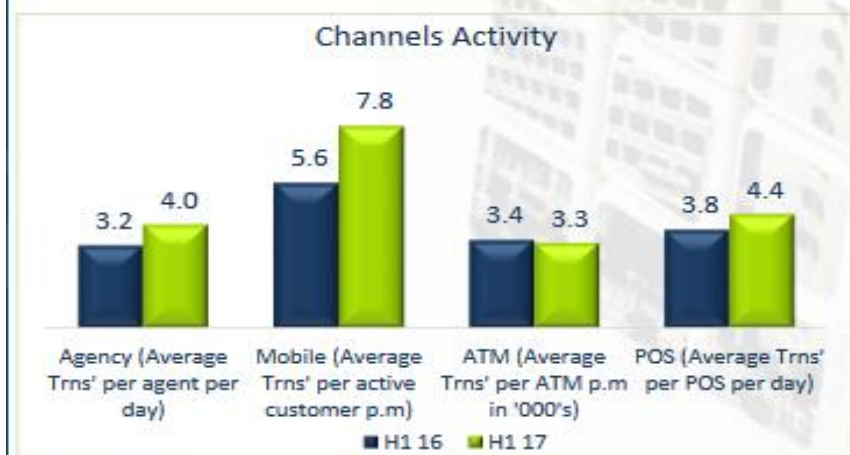
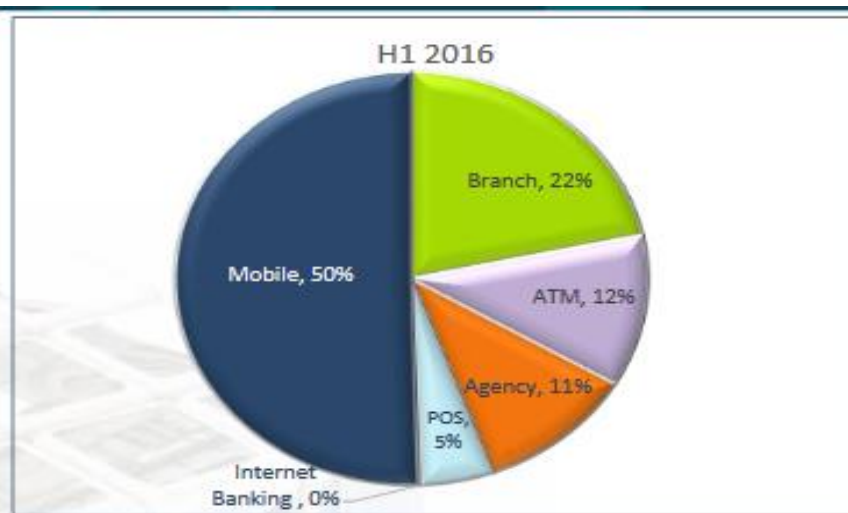
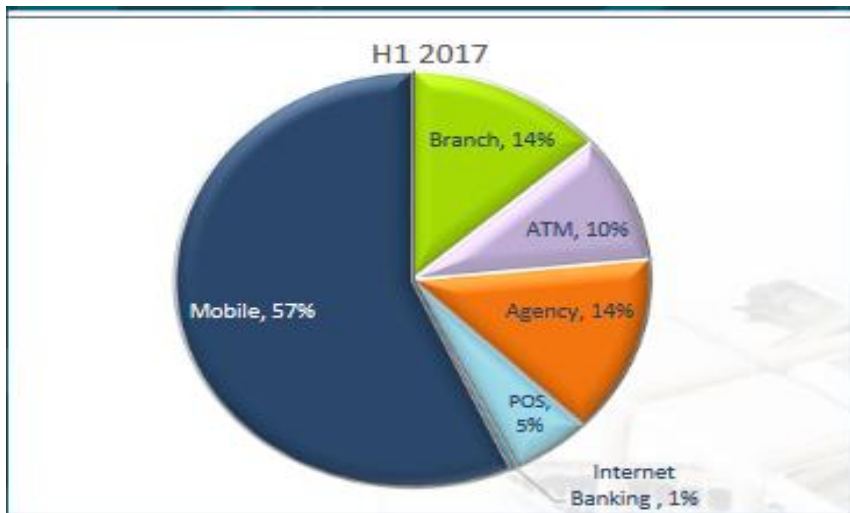
KCB Agent Banking: Successes

- Retail Revenue increased by 15% due to agency
- Agents opened 18% of all Retail Personal accounts
- 30% cash in cash out of all retail transactions
- Instant Electronic Accounts rather than form filling.
- Able to service semi-arid areas in Northern and Coast
- Reduction of branch expansion budget that then was reallocated to other growth areas
- Fewer staff head count than was expected with the equivalent growth (Increase in PBT)

KCB Agent Banking: Successes cont...

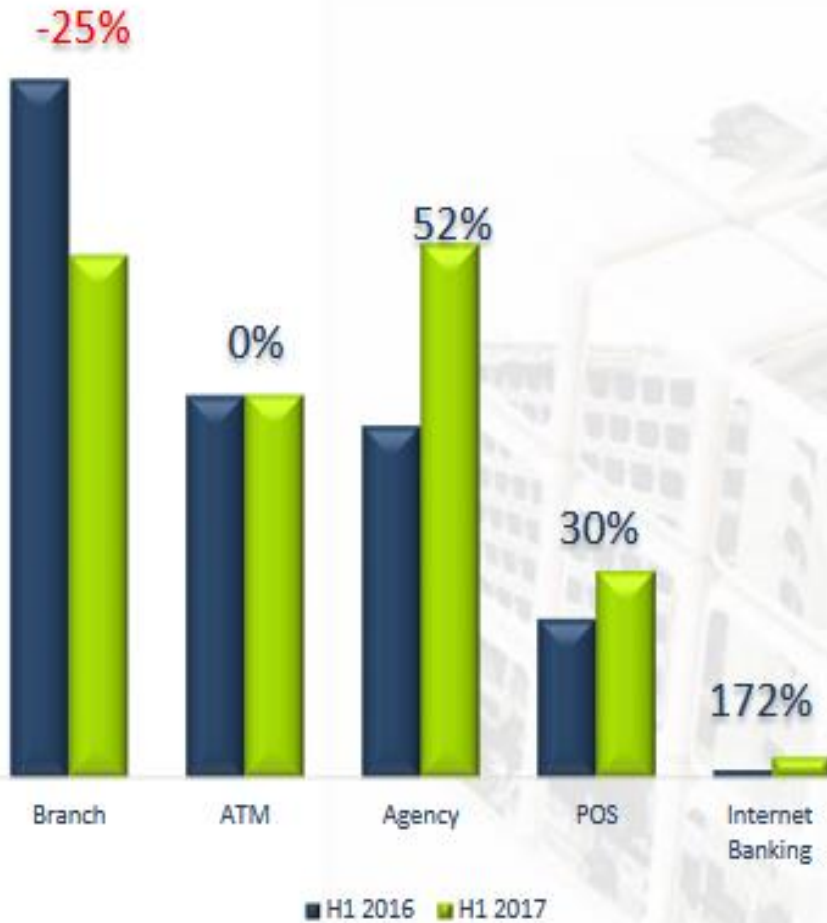
- Enhanced partnerships:
 - e.g. Safaricom thus opened more than 1M KCB – Mpesa accounts in less than a month and still counting
 - Ministry of Devolution; Thus paying more than 1M people on social payments monthly
 - County Governments; For revenue collections within half of the counties in Kenya saving revenue leakage for the counties

86% OF Transactions Outside the branch



Source: KCB data

Evolution of Channel Activity



Agents



KCB Agent Banking: Key Learnings

- Agency Banking is dynamic and key in the future of banking. Rigidity will be retrogressive in Agency Banking
- Technology is dynamic and there is need for constant research and updates especially on system. Have a good and reliable system.
- When your customers trust your agents there is a flow of business.
- Relationship management is key for Agent Banking growth.

Visuals on Agent Activities



Students paying fees at a KCB Agent



An agent receiving an appreciation for good work



Agents at a Training Session



Students lined to open accounts at a KCB Agent

Visuals on Agent Activities



Agents receive T-shirts after a training session



An artist being assessed in branding capabilities



Cycle Riders get jackets after opening accounts



Riders waiting to be addressed by a KCB Agent on account opening

Branding Agent Outlets



KCB says thank you to the organizer and all the event sponsors



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& ICT Summit 2018

* ICT for Excellence & Innovation*

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