

Digital transformation for financial institutions

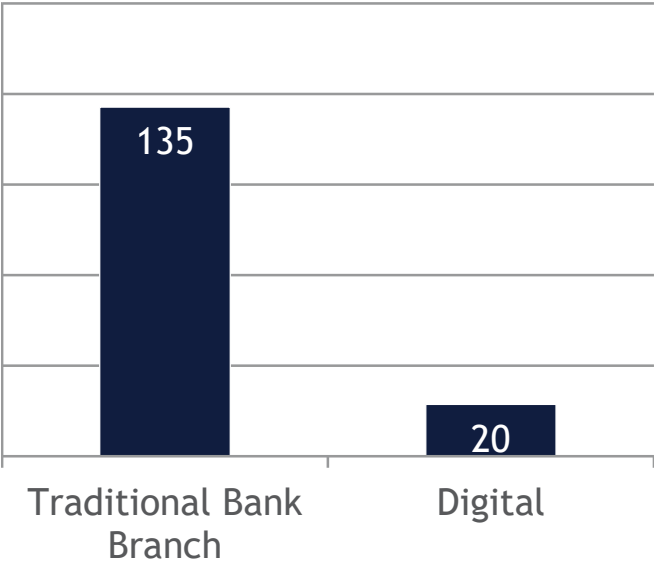
The opportunity and impact

Strategic insights # 5

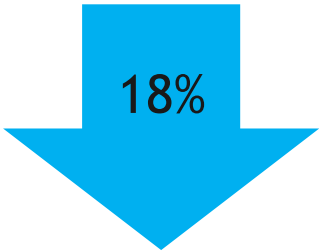


Digital transformation increases efficiency, customers and profits

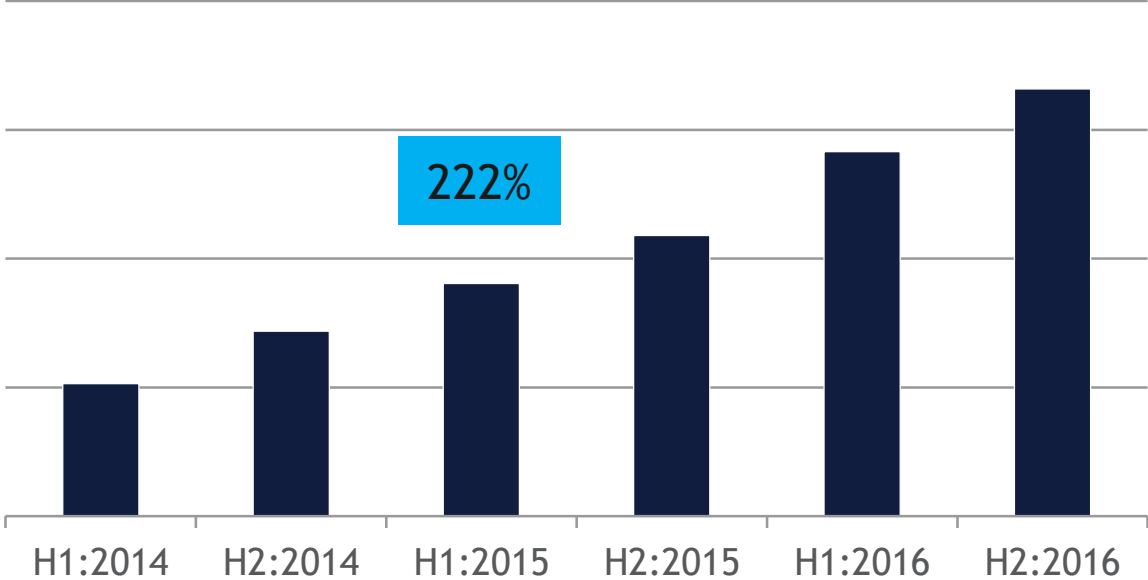
Maximum annual cost to serve one customer (Emerging markets, \$)



Cost-to-income ratios (Traditional vs challenger financial institutions including digital challengers)



Customer growth (Actual IFC client)



New sources of value (Africa & Middle East)



New deposits, trillion

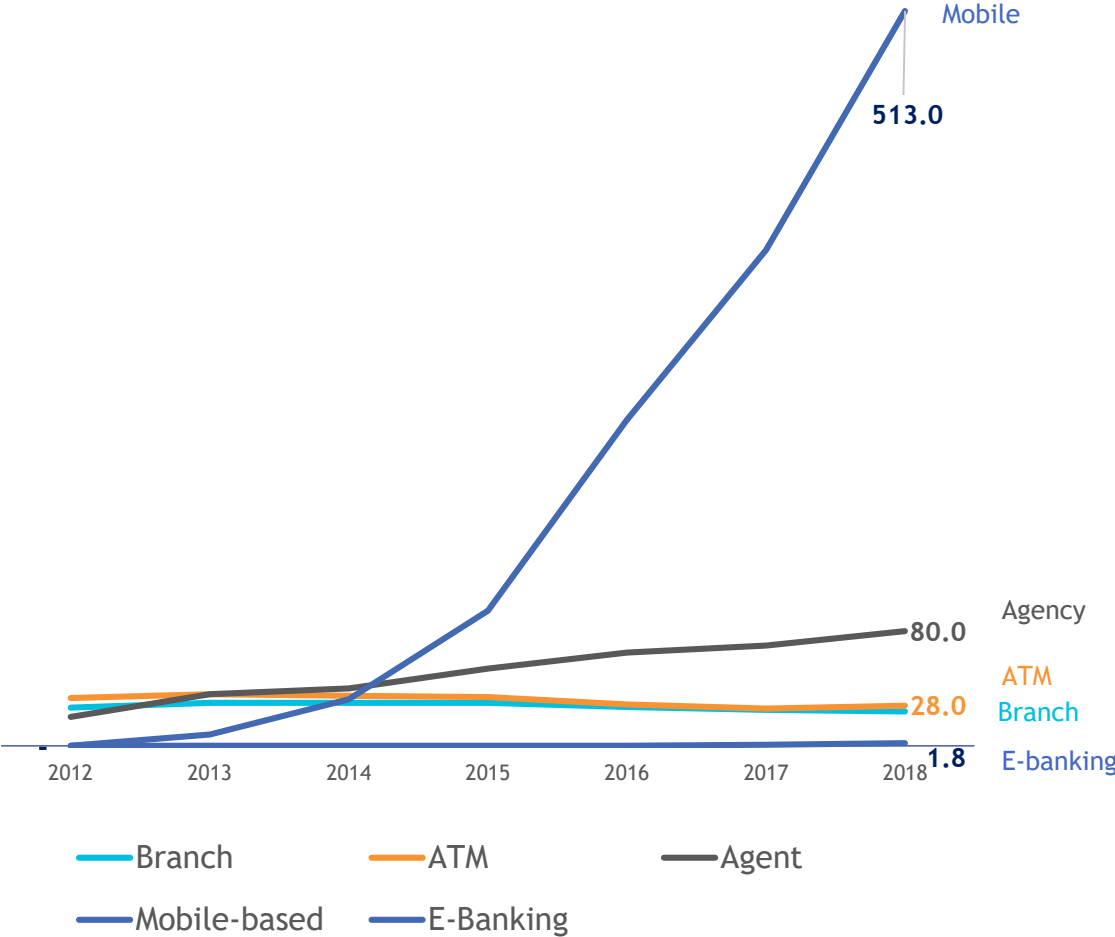


New loans, billion

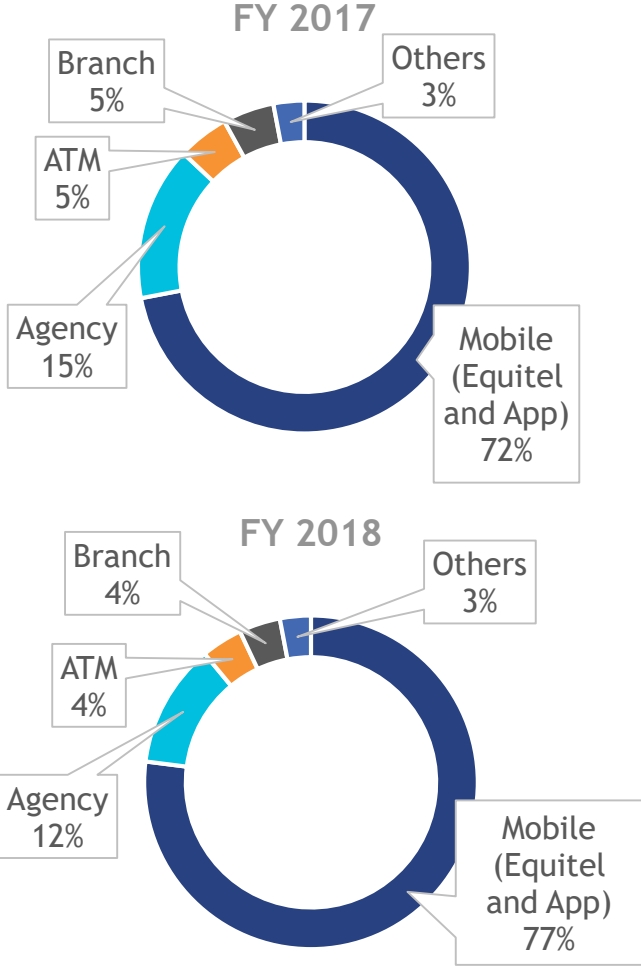
Equity Bank has transformed



Transactions (2005-18, millions per annum)

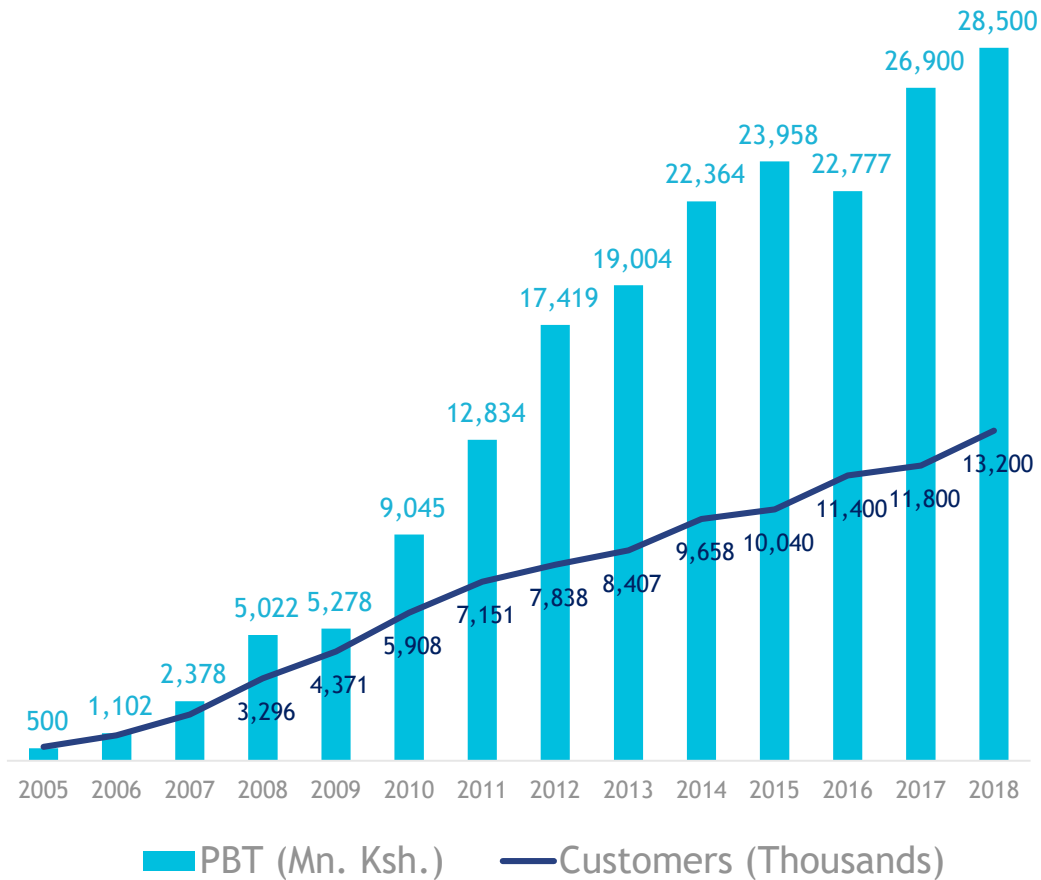


Shift from branch/ATM/agent-assisted to self-initiated transactions



.... and is reaping the benefits

Growth in customers and profits (2005-18)



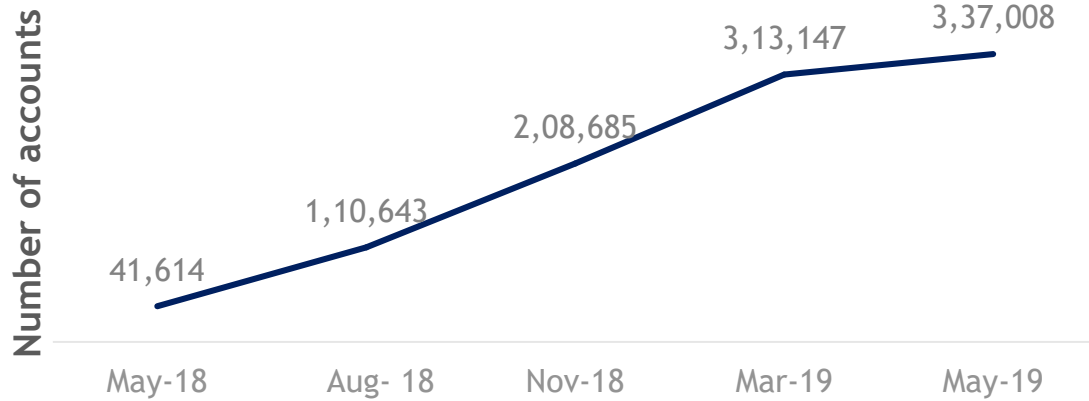
Equity Bank has increased profitability per customer when:

- The Government of Kenya has imposed interest rate caps
- Competition from > 50 digital credit providers (including M-Shwari and KCB-M-Pesa) has increased significantly
- Most other traditional banks are seeing down turns in their bottom line
- The Kenyan economy experienced some headwinds on account of weather vagaries and political instability in 2017-18

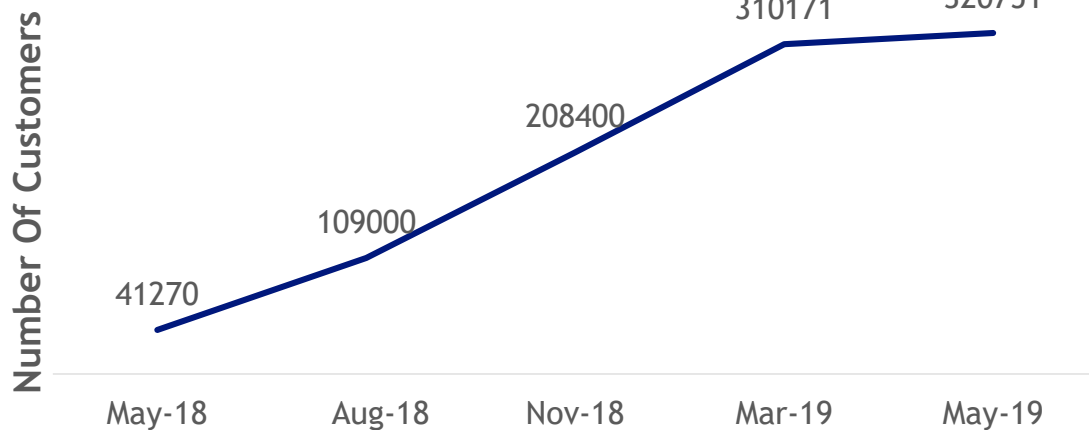
Digital transformation helped Shakti Foundation to offer savings products at scale



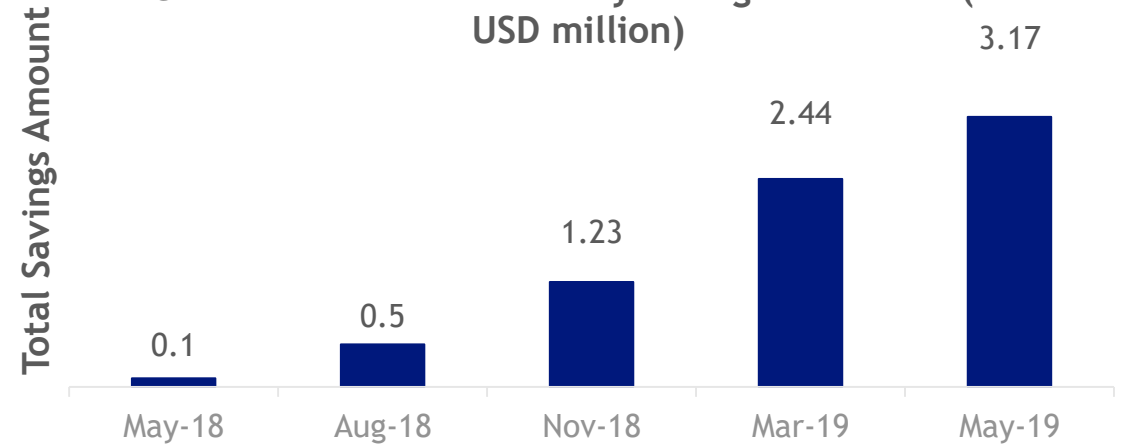
Growth in family savings account



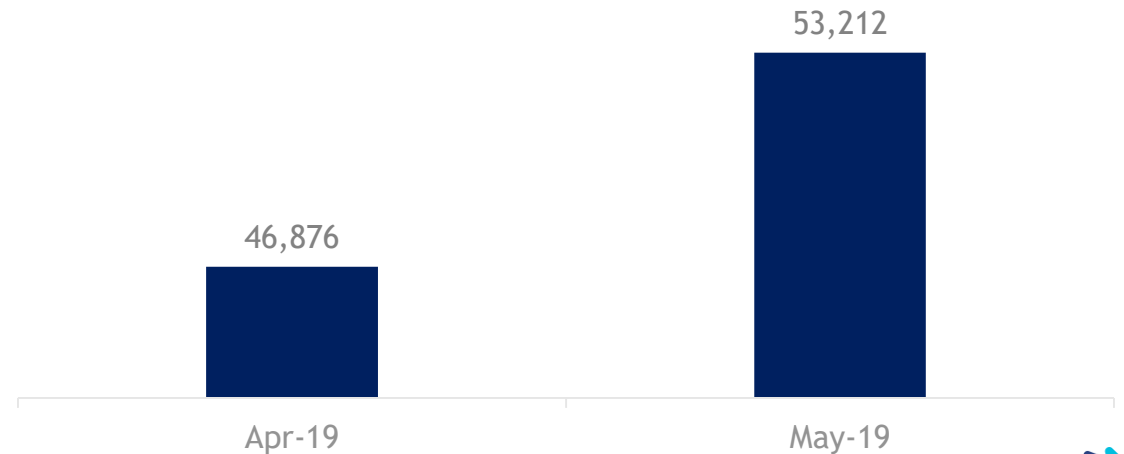
Transactional SMS to client



Growth in amount of family savings mobilized (in USD million)



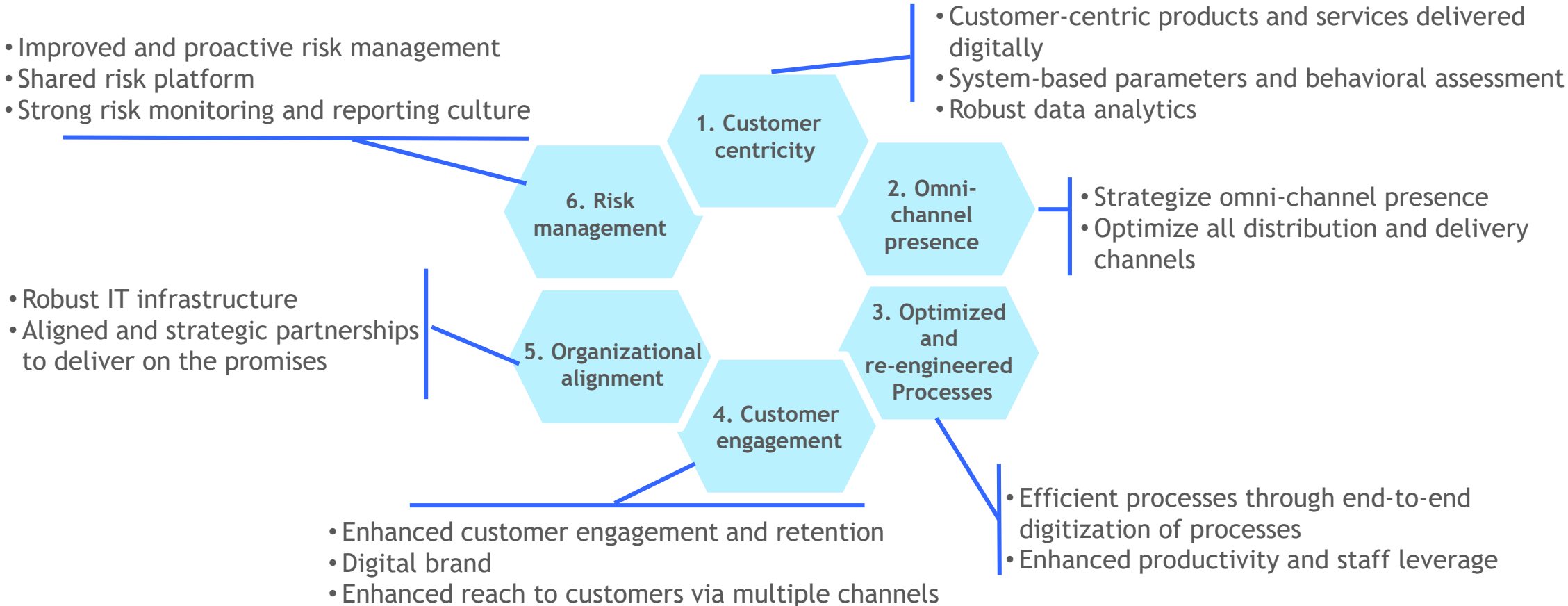
Number of Lakhpati Savings scheme clients



Digital transformation is more than just channels and processes

Digital transformation is offering the right combination of: 1) digital solutions/tools, 2) delivered digitally, 3) riding on digital technology, and 4) providing seamless user experience.

Digital transformation strategy development entails focus across six areas



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Our impact so far

300+
clients

>750
publications

Assisted development of digital G2P services used by **700 million+** people

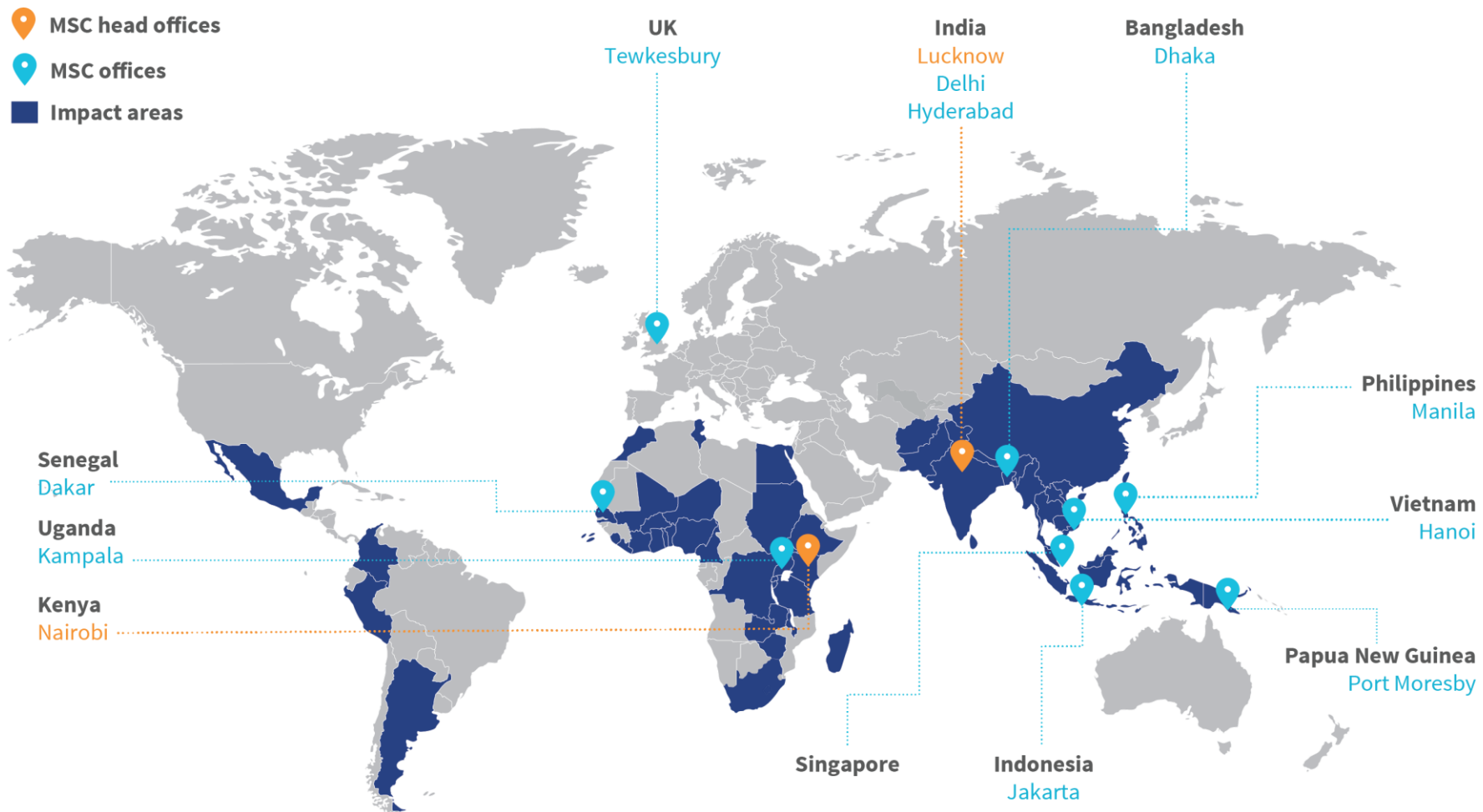
Implemented **>750 DFS projects**

Developed **250+ FI products** and channels now used by **50 million+** people

Trained **8,000+** leading FI specialists globally

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