

Absa want to become 'bank of choice' says Ramos

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Absa Group chief executive Maria Ramos on Monday, 15 October 2012, said she wanted to raise the bar in service delivery and product development and make the Barclays-owned bank the first choice among customers.



With rivals pursuing similar ambitions, Ramos said Absa would focus on a "relentless" strategy to deliver relevant products, expand into digital banking and further improve efficiency to consolidate market dominance particularly in retail banking.

JSE-listed Absa, the largest retail bank in South Africa by customer numbers, has engaged in a "root and branch" review of some of its operations to improve efficiency in preparation for growth.

Ramos is attempting to bring an end to the recent run of negative publicity over job losses and its 6% decline the half-year earnings. Absa has said reports of mass retrenchments are untrue.

Absa's financial director David Hodnett also recently said the group had enough capital to fund growth and comply with tougher core tier 1 capital ratios under Basel 3 rules.

The group's under-performance relative to its rivals raised questions about whether Ramos and her team had lost the plot and also under-estimated the magnitude of Absa's impairments, particularly on its residential mortgage book.

While analysts have downgraded Absa's full-year earnings forecast to single digit figures, Ramos said the group knew what needed to be done.

"Our focus now is to make it happen. We have achieved a great deal over the past year by streamlining our operations, driving efficiencies and putting appropriate controls and policies in place," Ramos said.

"The job now is to build on these successes by targeting products and services in client segments and geographies that will generate the biggest risk-adjusted returns and create sustainable growth," she said.

"Underpinning this is our focus on making customers' lives much easier by delivering appropriate products and excellent service. Our objective is to be the bank that people go to first," Ramos said.

She said Absa was recently ranked as the retail and business bank with the best customer service in the latest Ask Africa Orange Index, which measures service standards of local companies. She says the results showed it was making progress towards "becoming a bank of choice".

Absa faces tough competition from rivals. First National Bank's chief executive Michael Jordaan said last week that the bank had a raft of new innovations that would be launched over the next three years, while Standard Bank and Nedbank also have their own plans.

All the banks are racing to embrace the growing convergence between banking and mobile technology.

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