

Caleb M Fundanga: Bringing banking facilities closer to the people in Zambia

Speech by Dr Caleb M Fundanga, Governor of the Bank of Zambia, at the official opening of the Stanbic Bank Matero Branch, Matero, Lusaka, 2 February 2005.

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- Your Excellency, the South African High Commissioner to Zambia, Mr. Mzwandile Masala
- Honourable Chance Kabaghe, MP - Matero Constituency
- Your Worship the Deputy Mayor of Lusaka
- The Town Clerk, Lusaka City Council
- Stanbic Africa Regional Director, Mr. Robert Mbugua
- Representative of Stanbic Africa Retail, Mr. Lincoln Mali
- Managing Director of Stanbic Bank Zambia, Mr. Larry Kalala
- Distinguished Invited Guests
- Ladies and Gentlemen.

I feel extremely honoured to have been invited to officiate at this important occasion to mark the official opening of the Stanbic Bank Matero Branch.

Sometime last year, Stanbic Bank management informed me that they would be opening two new branches, namely the Arcades Branch and the Matero branch, and asked me to choose which one I would prefer to officiate at. Without much hesitation, I choose to officiate at the opening of the Matero Branch.

The reason was very simple. For those of you that are familiar with the development of the city of Lusaka, you will recall that Matero compound is one of the oldest communities in Lusaka. Yet in spite of being the oldest, Matero has not seen any growth in modern infrastructure, let alone banking facilities. For this reason therefore, as Governor of the Central bank, it gives me tremendous pleasure to see a reputable, privately owned commercial bank taking the bold step of bringing banking services, of international standards, to the doorsteps of a community like Matero. In this regard, the opening of the Stanbic Branch today has given me enormous optimism and re-assurance that banking facilities can, indeed, be extended to 'financially excluded' communities, like Matero.

Ladies and Gentlemen

Developments, like the one we are witnessing today, must not be taken for granted nor taken lightly. I am reliably informed that this has come about as a result of the policy reforms, undertaken by the Standard Bank Group, which have culminated in Stanbic Bank Zambia being conferred with the status of a 'Universal Bank'. By assuming this status, Stanbic Bank Zambia has been given the authority to offer banking services to all the segments of the market.

For obvious reasons, this move is not only uplifting to the technological advancement and capability of the Matero community through the provision of modern banking services like the AutoBank, but also goes a long way in assisting the Bank of Zambia, as a monetary authority, to have a firm control over the implementation of monetary policy. You would agree with me that it is quite difficult for a central bank, like ours, to implement monetary policy effectively in an environment characterised by inadequate banking facilities.

It is for this reason therefore that I commend the Management of Stanbic Bank Zambia for bringing banking facilities closer to the people. In this regard, I wish to assure you that on our part we shall continue to support you in your endeavours to open more of such branches, because we firmly believe that you are making our work and that of the Government much easier.

However, may I take this opportunity to advise the Management of Stanbic Zambia that if you want this branch or many of such branches you intend to open in future to be beneficial to the communities in which they operate, kindly be flexible on the requirements for opening accounts as well as lowering

the minimum account balances to be maintained by your clients. I say so because communities like Matero and the surrounding areas comprise mainly of people who are in the informal sector.

Therefore, it would be unreasonable for you to ask an unemployed prospective customer to bring a letter from their employer before an account could be opened with your branch! In other words, I strongly urge you to tailor your banking services to the needs of the community you operate in.

Finally, let me also take this opportunity to urge the other commercial banks operating in Zambia to emulate Stanbic Bank Zambia by establishing community banking branches. As your regulator and supervisor, we take a lot of pride in seeing commercial banks coming up with innovative and progressive financial services, such as community banking. I believe that it is through the provision of such tailor-made banking services that banks would meaningfully fulfil their role as financial intermediaries in our economy.

With these few remarks, Ladies and Gentlemen, it is now my honour and privilege to declare the Stanbic Bank Matero Branch officially open.

I thank you.