

Njuguna Ndung'u: Mobile phone banking services in Kenya

Address by Prof Njuguna Ndung'u, Governor of the Central Bank of Kenya, at the Launch of Equity Bank Mobile Phone Banking Service, Nairobi, 3 September 2008.

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Mr. Peter Munga, Chairman of the Board of Directors of Equity Bank Ltd.;
Dr. James Mwangi, Managing Director and Chief Executive Officer of Equity Bank Ltd.;
Board Members here present;
Distinguished Guests;
Ladies and Gentlemen:

I am delighted to be here this afternoon on the occasion of the launch of Equity Bank's mobile phone banking service. Today indeed marks yet another landmark event on Equity's chequered path. I am therefore grateful for the invitation to share in this occasion.

Let me at this early juncture commend the Board, management and staff of Equity on the introduction of the mobile phone banking service that I will be launching shortly. The service provides an EAZZY 24/7 Mobile Phone Banking solution to your customers as they shall literally be carrying their accounts in their hands ("Benki Yangu Mkononi"). This is indeed a revolutionary solution that will provide the following four key benefits:

1. **Convenience:** The launch of mobile phone banking is a step towards making financial services accessible to all Kenyans who have access to a mobile phone. This is a revolutionary mobile solution that delivers mobility, convenience and security to the bank's existing as well as prospective customers. It will leverage on the strong mobile penetration both locally as well as globally and essentially the affinity of mobile devices to the consumer. Customers will be able to generate value from wireless transactions anytime anywhere.
2. **Banking the unbanked:** With 11 million Kenyans having access to a mobile phone, and only approximately 4.5 million banked, the new solution offers an avenue to push forward the access frontier in Kenya. This effort will bring more Kenyans into banking solutions.
3. **Beyond banking; financial solution:** This banking solution will allow for the use of a mobile phone to perform various other services beyond funds transfer. Customers will be able to pay for services, manage their accounts, provide airtime top-ups and execute other service requests.
4. **Opening new economic frontiers and supporting Vision 2030:** This service will contribute to economic expansion for Kenyans, especially the small and medium enterprises. By accessing financial services easily and affordably, Kenyans will be better equipped to support their enterprises. The success of the small and medium enterprise sector undoubtedly lies at the heart of the realisation of Vision 2030.

The four benefits provide us with a solution to Kenyans who view banks as expensive, have barriers to entry and have high transaction costs of maintaining accounts. What Kenyans need is access to bank accounts where they can save and transact easily. This move by Equity indeed answers to that challenge.

The Central Bank welcomes such innovations by the banking sector and is committed to the creation of an enabling regulatory environment towards this end. I would therefore urge the banking sector to seek innovative ways of leveraging on existing technologies and infrastructures to provide affordable and inclusive financial services to Kenyans.

Mr. Chairman, Kenya can not develop, or even realize the aspirations of vision 2030, if the majority of Kenyans at the bottom of the economic pyramid lack access to financial services

such as savings, credit, payment/remittance systems, money transfers, insurance and pension. The example Equity Bank has shown here today takes us steps towards realization of this goal. These are steps to emulate for the growth and development of our financial sector.

Ladies and Gentlemen: It is now my honour and pleasure to declare the Equity Bank Mobile Phone Banking Service Officially Launched.

Thank you.