

## **Caleb M Fundanga: Access to improved financial services in Zambia**

Remarks by Dr Caleb M Fundanga, Governor of the Bank of Zambia, at the Standard Chartered Bank M-Banking Media Launch, Lusaka, 17 March 2009.

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The Standard Chartered Bank Plc – Managing Director, Ms Mizinga Melu  
Management and Staff – Standard Chartered Bank Zambia Plc  
Members of the Press;  
Distinguished Guests;  
Ladies and Gentlemen

I am honoured and thankful for the invitation to officiate at this important launch of the m-Banking product.

**Distinguished Ladies and Gentlemen;** allow me to begin by commending Standard Chartered Bank for the important role it continues to play in the financial sector in Zambia. Since 1906, when Standard Chartered Bank was established in Zambia, the bank has grown to be one of the biggest players in the market. As at 31 January 2009 the bank accounted for about 15% of the banking sector's total assets, while its deposit base accounted for 18% of total sector deposits. More importantly, the bank's loan portfolio accounted for 13% of the total loans in the sector.

**Madam Managing Director,** I congratulate you for the Bank's commitment to providing products and services that best suit the needs of customers. This, in my view, should be emulated by other banks to ensure that more people have access to banking and financial services that are tailor made to meet the needs of customers. Under your leadership the bank has continued to bring to the banking sector an array of products and services that provide convenient alternative channels that lead to customer satisfaction and improved service delivery.

The introduction of new products and services such as mobile banking, internet banking and e-statements provide customers with greater flexibility in their banking requirements, enabling them to transact at their own convenience, knowing that their finances are completely secure. This will no doubt enhance customer confidence in the banking system in Zambia.

**Ladies and Gentlemen,** I am reliably informed that the m-Banking product we are launching today, will allow the bank to reach out to many more customers. This will increase the number of people with access to the financial system. At Bank of Zambia, we believe strongly that wider access to financial services through positive action by the banking community is vital. We also believe that the driving force will be banks and other financial institutions searching for new, profitable market opportunities.

Furthermore, a key element in the strategy of poverty alleviation is the provision of financial services to the majority of our people especially the small and micro entrepreneurs who are financially excluded. Access to improved financial services, through the provision of better ways of accumulating savings and access to credit to augment accumulated savings, avails funds for investment in income generating projects that help the public to lay foundation for better standards of living for themselves and their families.

**Madam Managing Director,** as your bank introduces these products on the market, please ensure that the pricing aspect is also critically looked at. Many a time a good product is introduced on the market yet it is out of reach of ordinary citizens due to the costs associated with the products. Consumers of these products expect an affordable service if indeed these are new and innovative products. Banks need to show more commitment to the growth and

development of the country by encouraging more Zambians to open bank accounts through provision of easily accessible and affordable products and services.

As I end my remarks, I want to remind all players in the financial sector that some of the challenges we face in our country today can indeed be mitigated by all stakeholders playing their respective roles. In particular, we have seen food prices increasing dramatically in the past few months. This is despite Zambia possess vast arable land, relatively good weather and plenty of fresh water.

Further, Zambia is predominantly an agricultural country, but lending to agriculture has been limited. The challenge therefore is to devise financial products that meet the requirements of the sector while at the same time devise means of protecting the financial institutions from the risks associated with lending to the agricultural sector. A vibrant Agriculture sector will no doubt lead to a vibrant economy less dependent on the mining sector.

I hope that Standard Chartered Bank will lead the way in establishing affordable products and services for our small scale farmers throughout our country. I encourage you Madam Managing Director in your capacity as the Deputy Chairperson of the Bankers Association of Zambia to expand your horizon and collectively join hands with all stakeholders in addressing this problem.

I thank you for your attention.