

## **Caleb M Fundanga: Enhancing access to finance in Zambia**

Opening remarks by Dr Caleb M Fundanga, Governor of the Bank of Zambia, at the official launch of the Access Bank Zambia Limited Acacia and Longacres branches and the Visa Debit Card, Lusaka, 16 February 2010.

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***Your Excellency the High Commissioner of the Republic of Nigeria in Zambia, Ms Marcus Folake Bello;  
The Chairman of the Board Access Bank Zambia Ltd, Mr Caleb Mulenga;  
The Group Deputy Managing Director, Access Bank Plc, Mr Herbert Wigwe;  
The Managing Director, Access Bank Zambia Ltd, Mrs Mukwandi Chibesakunda;  
Members of the Board of Directors for Access Bank Zambia Ltd, present;  
Management and Staff of Access Bank Zambia Ltd;  
Colleagues from Bank of Zambia;  
Distinguished Invited Guests;  
Members of the Press;  
Ladies and Gentlemen.***

It is my privilege and honour to officiate at this important launch of the Longacres and Acacia branches of Access Bank Zambia Limited.

As the Central Bank and regulator of the banking sector, we are always pleased to be associated with the achievements of the institutions that we regulate, particularly where these developments lead to increased access to banking services as well as convenience for the Zambian public.

***Ladies and Gentlemen***, it is a well known fact that bank branch expansion programmes play an important role in increasing access to the banking services. It is also true that such developments will not only bring banking services closer to those who need them, but also improve competition among banks in Zambia while creating jobs for our people. However, there is need to complement physical branch expansion with product innovation programmes that will capture a lot more people in the remote areas of our country.

***In addition***, the crucial role that banks play in financial intermediation cannot be over-emphasised. The real challenge is for all financial sector players to play their honest part in enhancing savings mobilization and to effectively channel the public's savings to support financing of economic activities in all parts of the country.

***Chairperson***, it is pleasing to note that despite the recent challenges facing the global economies, Access Bank Zambia Limited remains committed to growth through its efforts to expand its branch network and through product innovation. Although the bank has been in existence for just under two years, it now has three branches which is a very welcome development. I am certain that this development will go a long way in enhancing access to finance.

Furthermore, I am reliably informed that the bank is earmarked not only to expand its branch network to five this year but also bring to the financial sector some exciting and innovative products. An example of this is the Visa Debit-card which was launched today. It is the Bank of Zambia's expectation that these efforts, accompanied by prudence in risk management, will contribute to the further deepening of our financial markets.

However, I must mention here that, most banks in Zambia have concentrated their branches expansion programmes in the already banked districts of our country. We still have a number of districts with a lot of economic potential but without financial service providers. This entails that civil servants and other citizens in formal employment have to travel long distances and in some instances for a number of days before they can access their salaries.

Furthermore, income earning citizens in the informal sector like fishermen and farmers cannot deposit their earnings in a safe savings account due to the absence of bank branches. Most of our people cannot borrow loans to further create wealth by growing their projects. A number of them end up losing their hard earned income in fires, theft and other calamities. It is also very common for hard working women to lose their little incomes to their beer drinking husbands who know where their wives keep their little savings.

I therefore, wish to challenge Access Bank through the Group Deputy Managing Director as well as the Managing Director of Access Bank in Zambia to consider opening branches in areas like Chavuma, Chiengi, Gwembe, Chilubi, Lufwanyama, Mufumbwe and several others to tap into the vast potential these places possess. This will not only improve financial inclusion but will also provide you with new customers and thus a higher deposit base. I am certain that over time these places will be your most profitable centers as places like Lusaka will only yield narrow margins due to stiff competition.

**Chairperson**, Zambia's economy has shown some resilience in the midst of the global economic crisis. As you are aware, the economy has posted some marked improvements in macroeconomic indicators in 2009 with GDP growth estimated at 6.3%. Both inflation and the yield rates on Government securities have edged downwards while the exchange rate of the Kwacha against major international currencies has also shown some stability in the recent months. It is for this reason that I reiterate my appeal to all financial service providers including Access Bank Zambia Limited, to make some meaningful efforts in addressing the high cost of banking services in the country.

It is also my expectation that the banking sector will take advantage of opportunities arising from the conducive macroeconomic environment in the country to create wealth and contribute to the development in our economy.

Finally, let me extend my gratitude to the Board of Directors and the Managing Director of Access Bank Zambia Limited for inviting me to officiate at this launch of the two branches and the Visa Debit Card. I also wish to particularly thank the Access Bank, Group Deputy Managing Director, Mr Herbert Wigwe for having travelled all the way from Nigeria, to come and be part of this event today.

It now gives me great pleasure and honour to declare the Acacia and Longarces branches officially launched.

***I thank you for your attention.***