

CENTRAL BANK OF KENYA



Remarks by

**PROF. NJUGUNA NDUNG’U
GOVERNOR
CENTRAL BANK OF KENYA**

during the

**LAUNCH OF THE EQUITY-M-PESA BANKING
PRODUCT**

*KICC, Nairobi
18th May, 2010*

Your Excellency, Hon. Mwai Kibaki, President and Commander-in-Chief of the Armed Forces of the Republic of Kenya;

The Right Hon. Prime Minister, Raila Odinga;

Hon. Uhuru Kenyatta, Deputy Prime Minister and Minister for Finance of the Republic of Kenya;

Hon. Samuel Poghio, Minister for Information and Communications;

Hon. Ministers present;

Mr. Peter Munga, Chairman, Equity Bank Ltd.;

Dr. James Mwangi, Chief Executive, Equity Bank Ltd.;

Mr. Michael Joseph, Chief Executive, Safaricom Ltd.;

Deputy Governors of the banks of Southern Sudan and Uganda;

Distinguished Guests;

Ladies and Gentlemen:

Your Excellency, May I take this opportunity to express our gratitude for your presence here this morning. Your personal presence demonstrates the seriousness with which the Government of Kenya takes the role of the financial sector and its innovation in the process of our nation's economic development. May I also commend Equity Bank Ltd. and Safaricom Ltd. for partnering to develop this innovative product. It is only through partnerships such as this that we can create strong financial institutions for financial development.

Your Excellency, the product being launched today is expected to play a significant role in expanding access to affordable financial services by Kenyans. Mobile phone technology has in a few years of its existence demonstrated how financial inclusion can be leapfrogged on a major scale and in a short time span using appropriate technological platforms. In only three years of the existence of mobile phone money transfer services, three mobile phone operators have launched the services and have enrolled over

9.5 million customers and recruited over 27,000 agents. Total transactions have now reached Ksh.1.8 billion a day and Ksh.56 billion a month.

Mobile money transfer services have been a phenomenal success and have put Kenya at the global centre stage of financial inclusion and innovation. They have greatly facilitated money transfers across the country. But one criticism has been that these developments have not improved the process of financial intermediation in the country. The product being launched today is a major step in this direction – perhaps the frontier nobody outside Kenya has imagined.

Your Excellency, on its part, the Central Bank will continue to play its role in promoting a stable and conducive environment for financial innovation to thrive. At the micro level, the Bank will continue to work with the Ministry of Finance and the financial sector regulators to promote a sound, safe, efficient and inclusive financial system and with no room for regulatory arbitrage.

Your Excellency, with these few remarks, it is now my pleasant duty to request the Minister for Information and Communications, Hon. Samuel Poghio to make a few remarks and to welcome the Deputy Prime Minister and Minister for Finance.

Honourable Minister for Information and Communications, You Have The Floor.