

**SPEECH BY THE MINISTER FOR FINANCE, HON. ROBINSON NJERU GITHAU, EGH, MP DURING  
THE OFFICIAL OPENING OF ECOBANK KAREN BRANCH AT THE OFFICE PARK, KAREN ON 3<sup>RD</sup>  
APRIL, 2012 AT 11.00 A.M.**

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**The Chairman and Board Members;  
The Managing Director;  
Management and Staff;  
Distinguished Guests;  
Ladies and Gentlemen:**

1. It gives me great pleasure to be with you this morning at the official opening of Ecobank Karen Branch. I am informed that this is Ecobank's newest branch in Kenya and brings the total number of branches of the bank in the country to 24. The launch of this branch, I am told, is a continuation of the bank's strategic expansion and is significant in the sense that it comes barely four years after the bank started its operations in Kenya.

2. I would like to thank Ecobank for its contribution to the banking sector in Kenya, given that the bank ventured into the country in 2008 when we were experiencing significant economic and political stress occasioned by the violence that followed the 2007 elections. This truly reflected Ecobank's determination and commitment to the development of the financial sector in Kenya, as well as Africa despite the numerous social, political and economic challenges that the continent faces. Let me take this opportunity to compliment Ecobank for its resilience and fortitude.

3. **Ladies and gentlemen**, Ecobank's journey has been that of determination and hope. From just under 8 branches less than 4 years ago, its branch network now stands at 24, with more than 45 ATM machines spread around the country and over 300 professionals serving in different categories. I note that as at 31st December 2011, the bank commanded an impressive asset portfolio of KSh. 27.2 billion and customer deposits of KSh. 16.5 billion, double the amount of KSh. 10.5 billion and KSh. 8.3 billion, respectively, as at 31st December 2008, the year when the bank started its operations in Kenya.

4. I am also informed that the bank has been able to roll out various customer friendly products having taken time to study the market in Kenya and interact with their customers. Worth noting is the Rapid Transfer, a money transfer service available in Kenya and in all the 33 countries in which Ecobank operates. Given that Kenya has taken the lead in Africa in money transfer, especially at the lower end of the market, I would like to urge our business people to take advantage of such services to enhance transfer of money and settlement of payments for safe, secure and reliable services.

5. I would also like to commend the bank for its recent launch of new savings products that focus on institutions like schools and churches as well as formal groups and individual high net worth customers. The bank has also invested heavily in security for its card products through the recent launch of the secure Visa Chip debit cards, making it one of the first to do so in the market. Ecobank has also revamped its corporate and retail Internet banking offerings and deployed the robust Flexcube core banking system. I would like to challenge Ecobank to roll out more products that target our SME sector and the retail customers.

6. **Ladies and gentleman**, the banking sector in Kenya has grown tremendously since Ecobank joined it four years ago. Total assets of the sector have grown from KSh.1.2 trillion in December 2008 to KSh.2.1 trillion in December 2011, while total deposits have increased from KSh.936 billion to KSh.1.6trillion, and total loans have risen from KSh.686 billion to KSh.1.2 trillion over the same period.

Ecobank is ranked 21st out of the 44 institutions (43 banks and 1 mortgage finance institution). The growth of the banking sector is largely attributed to the growth of our economy that increases opportunities for investment and demand for credit. The anchor of this growth is Vision 2030, which identifies the financial services sector as one of the six priority sectors that will drive economic growth. The other five priority sectors are agriculture, manufacturing, tourism, trade and business process outsourcing. The vision for the financial services sector is to create a vibrant and globally competitive financial sector that drives high levels of savings to finance Kenya's investment needs. But in order to realize Vision 2030, Kenya needs to grow at the rate of 10% per annum.

7. While 2011 was a difficult year, managing our economy will become even more challenging in 2012. The economy has remained robust with economic growth projected at 5.3% in 2012 compared to 4.5% in 2011. Inflation is expected to decelerate to 10% by the end of the year. However, a number of downside risks remain, including high interest rates, high energy costs, and possible slowdown in tourism.

8. We will need to weather the impact of the Euro crisis, the adverse weather conditions and continue to implement the new Constitution with its far reaching devolution. Kenya has, however, in the past managed economic shocks well. If we succeed in overcoming the ongoing economic challenges and implement devolution effectively, the Government will be in a position to begin delivering a more prosperous future as envisaged in the Vision 2030. The Government remains steadfast in containing macro economic pressures by reigning in inflation expectations; containing its debt to sustainable level; guaranteeing a level playing field for all market players and enhancing export competitiveness.

9. On its part, the banking sector needs to work closely with the Central Bank of Kenya and with the Ministry in order to increase financial access and inclusion. Banks need to see how they can deliver financial services and products to customers in a more cost effective way so as to contribute to lowering the cost of credit. With the fall of non-performing loans to 3%, introduction of innovative banking, including agent banking, adoption of robust banking applications and risk based approach to banking; operating costs for banks should not remain high. Part of the benefits of cost reductions should be passed on to the banks' clients.

10. Coming back to Ecobank, the bank has demonstrated that there is huge potential for integration in the private sector by bringing together various peoples of Africa to create a pan – African bank. The opening of this 24<sup>th</sup> branch of Ecobank Kenya Limited in Karen, far away from where Ecobank first started in West Africa, is a testimony to that achievement.

11. With these few remarks, it is my great please to declare the Karen Branch of Ecobank Kenya Limited officially opened.

Thank You.

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