

“my 15min chat with a bank CEO”

Jeremy Ngunze

Chat Summary

Thursday, 16th May 2013

Topic: Mobile Banking Innovations

Time: 10:0am – 12:00pm



If you had the opportunity to chat with a Bank CEO, what would you talk about?

Contents

1. *Mobile banking versus traditional banking*
2. *Opportunities arising from Mobile banking innovation*
3. *Security issues around mobile banking*
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Mobile Banking versus traditional banking

samo: How has mobile banking hindered growth of deposit levels in the banking industry?

@KenyaBankers: JNgunze: funds held in the mobile wallet are represented by actual funds held by banks; & don't deprive banks of deposits #myCEOchat @smusela

@FredMwongela: @KenyaBankers Are we moving to a point where all the online payments are on mobile money? Can't banks provide debit/credit card platforms?

@kenyabankers: JNgunze: I think these will continue to coexist in the future & will provide customers with greater choice #myCEOchat @FredMwongela

@maunig: @KenyaBankers What's in store for Corporate Customers in regard to mobile banking?

@kenyabankers: JNgunze: We have seen corporates benefiting from Paybill options available on mobile platforms #myCEOchat @maunig

@maunig: @KenyaBankers What are the Kenyan banks doing to address barrier interoperability?

JNgunze: telecommunication companies would need to work on interoperability... similar to how banks have the capability #myCEOchat @maunig

Mobile banking regulation

@chrispowillis: @KenyaBankers what's the maximum daily transaction in M-banking?

JNgunze: it depends on the institution offering the service...it varies for banks, however mobile operators have restrictions

@smusela: @kenyabankers is there laxity for mobile money markets contrary to financial markets by CBK?

JNgunze: Mobile money operators are also subject to anti money laundering/AML regulations @smusela

@smusela@iouko: @kenyabankers in case death who claims my savings in my MSHWARI account. This is likely to increase unclaimed assets contrary to what banks are doing to decrease.

JNgunze: As with all financial assets, there is a process for beneficiaries to make a claim.

Security Issues around Mobile Banking

Wgitahi: How can the bank protect clients against risks associated with Mbanking?

Jgunze: regarding security challenges. Banks have built encryption and firewalls to protect the consumer as well as the password access.

@IOuko: @KenyaBankers @smusela there should be consumer awareness assuring them of safety/security and transparency.

@KenyaBankers JNgunze: good idea...consumer awareness is important...we will take it up as KBA. @IOuko @smusela

Growth, uptake trends and the future of Mobile Banking

Mosesr: What is the future of mobile money? Is it continuing the MPesa model, or are financial institutions looking to take more control of the process and accounts, for example by using Near Field Communication in mobile devices (as MasterCard and other global companies are doing)?

@kenyabankers: JNgunze: We are likely to see wider access to lifestyle benefits such as ticket purchases off mobile banking platforms. The positive development of Near Field Communication or NFC is enhancing the convergence of payments from card realm to mobile phone. The future lies in partnerships between banks and mobile network operators. #myCEOchat

@KenyaBankers: We are likely to see banks move from offering basic services to more comprehensive services e.g insurance on the #mobileplatform. #MyCEOchat

Mkiprono: How many banks in Kenya have adopted Mobile banking technology?

JNgunze: We estimate about 30 banks already offer mobile banking services with access to over 5 million customers in Kenya #myCEOchat.

@chrispowillis : @KenyaBankers M-banking is really hitting high globally, what's our banks and mobile operators take on this?

@KenyaBankers: JNgunze: We are proud that Kenya is really at the forefront of mobile banking innovation. Mobile banking has led to significant benefits in terms of efficiency to the economy, compared to the use of cash @chrispowillis

@LucieKM: @KenyaBankers JNgunze, is there any other innovation around mobile payments besides MPESA globally? If so, which one & from which country?

@kenyabankers: JNgunze: there are numerous developments; an example is Near Field Communications (NFC) already in use in Europe @LucieKM

@kavykavi: @kenyabankers how has the mobile banking technology grown in Kenya?

@kenyabankers: JNgunze: We have seen evolution of mobile banking from SMS banking to USSD to WAP and now APPS #myCEOchat @kavykavi

Other Questions

@josiahowiti: @kenyabankers @capitalfm_kenya mobile banking is indeed a technologically breakthrough, why is it still expensive in most banks?

@Kenyabankers: JNgunze: mobile banking is really an extension of services to an additional channel. It really depends on the banks' operational model and the platform they use. @josiahowiti @capitalfm_kenya

Ekngeno: @Jeremy Mobile banking; is it profit or service-oriented?

@kenyabankers JNgunze: Mobile banking is service oriented and is extending access to bank services on the handset so its service oriented #myCEOchat

Kenya Bankers Association

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Other Questions (Continued)

tonnymkenya: The latest innovation is introduction of unmanned digital branch by Stanchart Bank, he can elaborate more on the impact to the banking sector....and unemployment factor as well....thank You.

JNgunze: tonnymkenya you make a good point on technology vs employment...I think it's more of a question about keeping up with developments in technology and therefore offering their customers greater choices in terms of access to banking services... ideally innovation does not necessarily lead to unemployment...it actually creates new opportunities

ITWebAfrica: What more innovations is the bank coming up with to build on top of Mshwari? How many users does Mshwari have up to date? What is the impact on the unbanked, in the rural areas?

JNgunze: ITwebAfrica thank you for your question ... I see commercial banks building on the financial inclusion agenda and beginning to drive towards financial empowerment...we are likely to see banks move from offering basic services to more comprehensive services such as insurance on the mobile platform

Susan: Good morning! What kind of new mobile products are on the pipeline?

JNgunze: Susan...as technology has moved on we are seeing a convergence of cards and mobile phone...we believe that mobile banking is actually creating greater success to banking services...Mshwari is a good example of bringing deposits from the informal sector into the formal sector by creating a bank account for the unbanked

@chrispowillis: @KenyaBankers is mobile banking " holding ATM transaction on the throat

@fredbursar: @kenyabankers True, but don't u think the unbanked mostly need a money transactional platform, to transfer money, rather than to save?#myCEOchat

@KenyaBankers: JNgunze: mobile banking services are key to financial inclusion & provide the unbanked the opportunity access banking services...additionally these deposits are covered by the Deposit Protection Fund @fredbursar

@kenyabankers: JNgunze: Commercial banks building on the financial inclusion agenda & moving towards financial empowerment #MobileBankingInnovations.

Feedback

@LucieKM: Learnt something new 4rm my #CEO 2dy RT @KenyaBankers JNgunze: numerous mobile developments e.g. Near Field Communication technology already in use in Europe.

@KenyaBankers: JNgunze: final thoughts on Mobile Banking Innovation...it is really a positive benefit to the country and ultimately to the banking public

Unanswered Questions

@JPOwade: @CapitalFM_kenya @KenyaBankers #MyCEOchat Don't you think the cost of borrowing is rather prohibitive to most Kenyans who want to own homes?

@matinde: @KenyaBankers are there insurance companies who have cited interest in using Mshwari platform?

Mansosio: I wanted to know why is it that when promotions from KCB come, you only hear the rich ones won and yet we registered with the same process also we have the valid Kenyans IDs like them and the same ATMs?

mitchell: What's making banks not to lower the interest rates since CBK lowered the same?

Bernard_Inzilia: Isn't mobile banking a risk to the banks as their networks are exposed to hackers and all sorts of IT techs?

Wambui: What are banks doing to educate customers on security of mobile and other technological channels?

mwangimaina: What are the unique security challenges the banks face in deploying mobile banking?

GOR: my question to the CEO is how is the banking sector doing to mitigate fraud in mobile banking?

vkaranja: What measures have been put in place by the banking industry to curb and identify fraudulent transactions?

Khamab: Good morning Jeremy, I really appreciate the mobile innovation has done to financial sector and me as a consumer, fraud cases do happen , how is the bank working to mitigate the cases of fraud on the clients end?

karisz: I understand you want new ideas about mobile banking, am a young guy looking for job opportunities where i can utilize my potential fully and I guess the best way to get these ideas you are looking for is to give the young generation an opportunity to use their skills and talents to grow your bank.

issah212: I am currently doing my thesis on Mpesa. I was asking why has M-Pesa reached such a success. Which are its main benefits in terms of richness, jobs opportunities, economy, fighting the poverty?

Wambui: CBA is big on mobile banking especially with the MShwari partnership with Safaricom. Will you and, if yes when, allow other banks to benefit from this innovation?

@maunig: @KenyaBankers What's your take on implementing online banking functionalities on the ATM User interface?

@youngEnergyx: @KenyaBankers when exactly will you guys start moving funds from dormant accounts?