



Keynote Address by

**Governor Godwin I. Emefiele**

At the Glo Xchange Mobile Money Launch, 21st August 2014

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The Chairman and Management of Globacom, the Chairman and Managing Directors of Commercial Banks, Distinguished guests, ladies and gentlemen, it is with great pleasure that I personally welcome you to this launching of Globacom's Mobile Money Initiative tagged Glo Xchange. This forum is very significant to us at the Central Bank of Nigeria (CBN) in view of our determination to use telecommunication as an avenue to ensure that, as many Nigerians as possible, are included in the formal financial system of our country.

The role of financial access in poverty reduction, employment generation, and inclusive is widely recognized. Yet, it is estimated that over 46 percent of adult Nigerians do not have access to financial services. In order to achieve the CBN's goal of significantly reducing this number, the Bank is presently initiating and implementing economic and financial policies aimed

at institutionalizing credible, reliable, and efficient payments system in Nigeria.

This is because of our recognition that a well-functioning and efficient payments system represents the major foundation of every modern market economy. Consequently, in setting out the objectives of our National Payment Systems (NPS), the Central Bank's goal has always been to ensure that the system is available without interruption, that it meets the needs of various users, that it includes most Nigerians, and that it operates at minimum risk and reasonable cost.

One of the main reasons why today's launching is personally gratifying is that it directly supports the attainment of the aforementioned goals, which is encapsulated in the Central Bank's Cash-less Policy Initiative. Ladies and gentlemen, it may interest you to know that this policy initiative was intended to drive people to adopt mainly electronic channels of payments away from the traditional use of cash as a means of payments and settlements of financial obligations.

In order to evolve a credible payments system, key electronics channels were identified and relevant guidelines were issued by the CBN to regulate their operations. Some of these channels, which are mostly operational

today, include Point of Sale (PoS), Mobile Payments, Multi-functional Automated Teller Machines (ATMs), Internet Banking, NIBSS Instant Payments (NIP), and Direct Debits.

It is interesting to note that an appraisal of the utilisation of these channels indicate their tremendous usage as a means for the settlement of financial obligations. For instance, the deployment of ATMs across the country increased from about 10,727 in 2012 to nearly 15,000 as of June 2014. This has led to an increase in ATM transactions from about ₦1.3 trillion in 2012 to about ₦1.7 trillion as of June 2014.

Similarly, the deployment of PoS terminals increased from about 114,400 in 2012 to over 125,000 in June 2014. On the back of this, the value of PoS transactions increased from about ₦57.3 billion in 2012 to ₦138 billion as of June 2014. We have also recorded significant growth in the adoption and usage of other e-payments channels such as Electronic Fund Transfers and other internet-based transactions.

The Management of the Central Bank believes that the next revolutionary step in this journey of expanding financial access is the Bank's Mobile Money and Agent Banking Framework. This framework is aimed at encouraging financial institutions to partner with retail agents to extend

financial services in locations in which building new bank branches would not be economical. In this regard, it was expected that existing Telecommunication Companies in the country could compliment the efforts of the CBN to deepen Financial Inclusion and the cash-less policy through the building of agent networks and awareness creation in collaboration with the Banks and the Mobile Money Operators.

It is in view of this expectation that I am particularly delighted with today's launch of Glo Xchange, the First Mobile Money Agent Network in our country. I believe that this launching marks the beginning of a new collaboration between two major industries of our economy: the Telecommunications industry and the Financial Services industry.

I want to sincerely commend the major collaborators in this venture, including Globacom, First Bank, Ecobank and Stanbic IBTC Bank for harnessing the synergies of their technical expertise and creating this network for the betterment of our people. This collaboration could herald the development of a new ecosystem, which could present a win-win situation for banks, telcos, customers, mobile money operators, relevant stakeholders, and the Central Bank.

I also want to use this opportunity to encourage other telecommunications companies and banks not to sit on the fence, but rather, to follow this example of collaboration and join in the CBN's efforts towards expanding financial access to our people.

Distinguished ladies and gentlemen, we are recording steady progress but there is still work to be done. Fortunately, with events like this, I become even more confident that we have all it takes in this country to ensure that ordinary Nigerians can enjoy better and more productive lives.

I thank you for your attention.

**GODWIN I. EMEFIELE**  
Governor