

Bank of Uganda



Remarks by

Prof. Emmanuel Tumusiime-Mutebile,

Governor, Bank of Uganda

Launch of Standard Chartered Bank (U) Limited's Client Digital initiative

Kampala Serena Hotel

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Honourable Minister of Information,
Communication Technology and National
Guidance, Hon. Frank Tumwebaze

The Board of Directors, Standard Chartered Bank
Uganda Limited

The Chief Executive Officer, Standard Chartered
Bank Uganda Limited

Management & Staff of Standard Chartered Bank
Uganda Limited

Distinguished Guests in your respective capacities

Ladies and Gentlemen,

It is my distinct pleasure to be part of this great evening as Standard Chartered Bank yet again unveils an innovative and revolutionary digital banking initiative.

I take this opportunity to congratulate the Board, Management and staff of Standard Chartered Bank Uganda for pioneering many innovative digital banking solutions in the financial services sector in Uganda, especially in the recent past.

Ladies and Gentlemen, Standard Chartered Bank is the oldest bank in Uganda and its adoption of digitalization can be traced back to the mid-1990s, when the bank was the first to introduce Automated Teller Machines.

The digitalization journey has since seen the roll out of various technology driven business solutions, as the Bank pursued its strategic objectives. If you have been following closely, Standard Chartered Bank over the past half a decade or more has been aggressively changing its business model fundamentally to be 'Digital by Design'. As I recall, Standard Chartered committed to invest US\$1.5bn in technology globally. It is therefore not surprising that today we are convening to witness yet another key milestone in the Standard Chartered Uganda digitalization agenda.

The theme today, “*Digital transformation in banking, future trend and how to remain buoyant*” is not only very relevant to the banking sector, but represents the future of banking and evolution of business models in this sector. It is cognizant of the increasing convergence between banking and technology, and the disruption of existing business models therein.

But how will the digitalization which is taking center stage in the banking today, transform banking tomorrow?

- Banking service delivery is increasingly reliant on technology. The type and application of technology determines how Financial Institutions appropriately respond to consumer expectations and needs. Technology is also an essential in the toolkit Supervised Financial Institutions (SFIs) use to manage the competitive pressures that are increasingly defining the banking sector.

By focusing efforts and resources on the digitization of core business processes, financial institutions enhance their ability to respond to the inherent dynamism associated with technology, and to the competitive pressures that increasingly manifest in the banking sector, both today and tomorrow.

- The evolution and increasing sophistication of customer tastes and preferences must be met by anytime-anywhere functionality. In order to respond appropriately to these needs, financial Institutions must design financial service products and solutions that contain these same features. Currently, digitalization provides financial institutions the ability to collect customer centric information, apply advanced data analytics thereto, and subsequently design and make available relevant financial products.

- With the development and roll out of digital banking solutions like Mobile Banking, Internet Banking etc., Financial Institutions operate as virtual agents on behalf of their consumers, enabling flexibility in the conducting of bank transactions. And with digitalization, comes increased speed of transaction processing and turn-around time.

It is therefore self-evident that new digital banking innovations will continue to emerge, and gain prominence in customer service delivery.

I am glad that Standard Chartered Bank has recognized this trend and has embedded digitalization in its strategy as reflected by the continued implementation of innovative banking solutions.

Indeed, Standard Chartered Bank was awarded the best **“Digital Bank for Africa”** by the “Digital Impact Awards for Africa” in 2017, an attestation that the bank is determined to offer the best in class banking solutions through digital platforms.

I wish to reiterate that while innovations such as the one being launched today accrue benefits to the Financial Institutions and customers, they also present associated risks, which if not well managed have the potential to outweigh the benefits. It is my prayer, and part of their prudential obligation, that Supervised Financial institutions including Standard Chartered Bank Uganda Ltd, continuously review, enhance and improve their risk management programs; especially with respect to the emergent risks inherent in digital banking business solutions.

Ladies and Gentlemen, I wish to remind you that the Bank of Uganda through its Monetary Policy mandate is committed to fostering a stable macroeconomic environment to enhance the stability and soundness of Uganda's financial sector. As was highlighted in the Monetary Policy Statement for December 2018, the economy is projected to grow by 6.5% in the Financial Year 2018/2019, an indication of a brighter economic outlook for business. I therefore urge Standard Chartered Bank that in the pursuit of your strategies, keep in mind the opportunities that will accrue from the promising economic prospects.

The Central Bank as a Regulator, will continue to enhance its supervisory capacity and abilities in order to facilitate and maintain financial sector stability. The Financial Institutions Act 2004 empowers Bank of Uganda to enforce licensing requirements and good corporate governance practices, as well as to evaluate the efficacy of existing risk management frameworks of the

supervised financial institutions. The Bank of Uganda shall continue to execute this mandate.

As I conclude, I would like once again to congratulate Standard Chartered Bank on unveiling this revolutionary digital initiative.

Thank you all for listening to me and wish you a great evening

Prof. Emmanuel Tumusiime-Mutebile
Governor, Bank of Uganda