Keynote Address: Shaping Africa's Financial Future in the Age of Artificial Intelligence

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Distinguished dignitaries, eminent resource persons, dear delegates, ladies and gentlemen,

Good morning and welcome to the Pearl of Africa!

Opening: A Moment of Unprecedented Transformation

We convene here on the shores of Lake Victoria at an extraordinary moment in financial history—when artificial intelligence has moved from experimental technology to fundamental business transformation. This is not merely another technology upgrade; AI represents a general-purpose technology that will define whether Africa leads or follows in the next chapter of global financial development.

I extend profound gratitude to the Financial Stability Institute of the Bank for International Settlements and the Macroeconomic and Financial Management Institute of Eastern and Southern Africa for choosing AI as our theme.

Your foresight reflects an understanding that we stand at a crossroads where our decisions today will determine Africa's financial trajectory for decades to come. Your consistency and commitment in enhancing capacity and knowledge, demonstrated by holding this annual event, brings together policymakers from across our central banks to address the most critical issues of our time.

The numbers tell a compelling story of acceleration. Global AI investment in financial services surged from $35 billion in 2023 to a projected $97 billion by 2027. Major institutions like JPMorgan Chase report $1.5 billion in AI-driven value creation, while Citi projects AI could add $170 billion to global banking profits by 2028[1]. AI could contribute up to $13 trillion to the global economy by 2030.[2] This is no longer about pilot projects—76% of financial services companies have announced AI initiatives.

The Dual Reality: Promise and Peril

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[1] JPMorgan Chase (2024): "2024 Investor day transcript", JPMorgan Chase & Co, May.
[2] McKinsey Global Institute report: Bughin, J., Seong, J., Manyika, J., Chui, M., Joshi, R. (2018), Notes from the AI frontier: Modelling the impact of AI on the world economy

Let me be direct about our position. Artificial Intelligence is not coming to African finance—it has arrived. Across our region, AI algorithms are already making credit decisions for farmers in Kenya, detecting fraud in mobile money transactions in Uganda, and powering chatbots that serve millions of previously excluded customers. In the past 18 months alone, generative AI has accelerated this transformation exponentially.

Africa enters the AI era with distinct advantages. Our young, digitally native populations embrace new technologies rapidly. Our mobile-first financial ecosystems generate rich data streams that AI systems require—Uganda alone processes over 300 million mobile money transactions monthly, generating invaluable data for AI-driven insights. Most importantly, we have a proven track record of leapfrogging traditional infrastructure through innovation born of necessity.

Yet we face an "AI divide" that could be more consequential than any digital gap we have previously encountered. While 60% of jobs in advanced economies are exposed to AI disruption, only 26% in low-income countries face similar exposure. This sounds protective, but it is actually concerning—it suggests our economies may be structured in ways that limit AI's beneficial applications.

The concentration risks are stark. A handful of firms control the AI supply chain: Nvidia holds over 90% of AI chip markets, while Amazon, Microsoft, and Google dominate cloud infrastructure. OpenAI's GPT-4 alone accounted for 69% of generative AI market revenue in 2023. This concentration creates systemic vulnerabilities that could cascade across our financial systems.

The Central Banker's Imperative: Four Critical Challenges

As central bankers and financial supervisors, we face four immediate imperatives that demand coordinated action:

First, we must transform our supervisory capabilities. How do we monitor AI systems we do not fully understand? Traditional model risk management frameworks, designed for simple scorecards, are inadequate for deep learning systems that function as "black boxes." We need new approaches to validate algorithmic bias detection, monitor data drift, and ensure explainable AI decisions—particularly for high-risk applications like credit scoring and fraud detection.

Second, we must ensure AI serves financial inclusion, not exclusion. AI-powered credit scoring using alternative data can revolutionise access to finance for millions of unbanked Africans. But if algorithms are trained on biased historical data, they will perpetuate and amplify existing inequalities at scale. We must demand fairness testing, representative training data, transparency, explainability, and clear accountability mechanisms from AI systems operating in our jurisdictions.

Third, we must prepare for a transformed cyber threat landscape. AI does not just change how financial institutions operate—it transforms how attackers operate.

While it enhances our fraud detection capabilities, it also enables sophisticated deepfakes, automated social engineering, and polymorphic malware[3] that evades traditional defences. Our cyber resilience frameworks must evolve to address prompt injection attacks, data poisoning, and novel AI-specific vulnerabilities[4].

Fourth, we must become active participants in global AI governance. The European Union's AI Act classifies credit scoring as "high-risk," imposing strict transparency requirements. Ethiopia has established a comprehensive national framework for AI. Similar frameworks are emerging globally. If we remain passive observers, we risk facing regulations designed without consideration for African contexts, needs, or capabilities.

A Strategic Framework for African Leadership

Let me propose a concrete path forward—one that positions our region as active shapers, not passive adopters, of AI in finance.

Immediately, we must harness regionalism. A regional network would pool our collective expertise, share threat intelligence, and coordinate regulatory approaches. No single African central bank possesses the resources to fully understand and oversee AI risks alone. Together, we have formidable capability. MEFMI's covening power could be leveraged for a platform to create an African Financial AI Academy—developing homegrown capabilities rather than remaining dependent on external consultants.

We must create AI regulatory sandboxes with shared learnings. These controlled environments will allow us to observe how AI systems behave under real conditions while maintaining consumer protection and financial stability. The Bank of Uganda commits to exploiting its regulatory sandbox for related innovations and would be in a position to appropriately share pertinent findings shared across the MEFMI network.

We must assert data sovereignty while enabling innovation. Our citizens' financial data represents a strategic national asset. We need frameworks that keep sensitive data under our legal and supervisory jurisdiction while allowing beneficial AI innovation to flourish. This includes establishing clear rules for cross-border data flows and cloud service governance, implementing data classification, quality standards, purpose limitation, and privacy-preserving techniques.

We must invest systematically in human capital. The Bank of Uganda is implementing comprehensive AI training for supervisory staff, but we need regional

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[3] Polymorphic malware, which changes its code to evade detection, poses a significant threat to mobile money systems in Africa by facilitating fraud and unauthorized transactions. Traditional antivirus methods struggle to detect these evolving threats, prompting increased adoption of AI-driven real-time monitoring and fraud detection solutions to protect financial ecosystems, especially in countries like Uganda where mobile money fraud is prevalent

[4] Injection attacks insert malicious code into systems to manipulate mobile money transactions, while data poisoning corrupts AI training data, undermining fraud detection; both are serious risks for Africa's financial tech, demanding robust cybersecurity and AI safeguards to protect users and data integrity.

programs to build deep technical expertise. These developments pose challenges with skill sets and human capacity. We must educate and train our staff to reach and stay at the technological frontier without neglecting the traditional subject matters of central banking.

An Action Agenda for Responsible AI

To translate these imperatives into practice, we could pursue a multi-faceted action agenda:

1. Put people at the centre with "Responsible-by-Design" AI. Require financial institutions to evidence, before deployment, that AI systems meet five tests: materiality, fairness, explainability, robustness, and human oversight. For high-risk uses—credit decisions, AML/CFT monitoring, fraud detection—human-in-the-loop must be a default, not an afterthought.

2. Upgrade model risk management for the AI era. Traditional validation frameworks must be extended for deep learning and generative models. This means independently checking where data comes from and how it moves, reviewing key settings in AI models, watching for changes in data over time, testing how systems perform under tough conditions, and actively looking for any unfair or biased outcomes.

3. Treat data governance as prudential infrastructure. Data is now a systemic asset requiring classification, quality standards, purpose limitation, privacy-preserving techniques, and clear data localisation and cross-border transfer controls consistent with national law.

4. Build cyber resilience for AI-enabled threats. We must accelerate the adoption of threat-intelligence sharing, including red-teaming that incorporates prompt-injection and model-evasion tests[5], software bill of materials requirements (SBOMs) for critical vendors[6], and tabletop exercises simulating simultaneous disruptions.

5. Invest in supervisory technology and skills. To supervise AI, we must use AI responsibly. Priority tools include real-time dashboards, anomaly detection, Natural Language Processing pipelines (a step-by-step process that takes raw text and transforms it into useful insights), and nowcasting models. The Bank of Uganda has embarked on a Big Data Initiative, including enhancing supporting infrastructure, data analytics capabilities, supervision technologies, and efficient interlinked digital payment channels.

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[5] Prompt-injection and model-evasion tests mean deliberately trying to trick AI with sneaky inputs that force it to mess up or break its own rules—making sure it can't be fooled or bypassed easily.
[6] Critical vendor SBOMs must list all software components with version and supplier info, clearly show dependencies, be in a machine-readable format, updated with every change, and be easily accessible for security checks—ensuring full transparency and faster risk detection in the supply chain.

6. Make collaboration our comparative advantage. We can explore an ambitious agenda, including establishing a Regional AI Supervisory College, launching an AI Risk & Resilience Playbook, and setting up a shared threat-intelligence hub focused on our region.

7. Lead by example through public-sector modernisation. Central banks should be key movers on responsible AI, digitising internal workflows, applying AI to statistics and research, and publishing model cards for transparency.

Critical Questions for Our Deliberations

As we embark on these discussions, I urge you to reflect on several key questions:

How can we strengthen our monitoring frameworks and statistical systems to measure AI's impact on financial stability? Conversely, how can we safely leverage AI to enhance our own capabilities, including cutting-edge tools for nowcasting and real-time analytics?

How can we strengthen our collaborations to actively engage in regional and international dialogues on common AI concerns? The recent EU Act on AI and Ethiopia's national framework show us that governance is a global priority, and we must learn from each other's journeys.

How can we double down on our efforts to strengthen our data capacity? Large, quality data repositories are the fuel for AI models and essential to becoming the central bank of the future.

The Stakes: Getting This Right

If we navigate AI thoughtfully, we can build financial systems that serve every African—from smallholder farmers accessing credit through AI-based alternative scoring to small businesses receiving real-time financial advice. The adoption of digital channels for financial services is accelerating, advancing inclusion but also introducing new risks. By harnessing AI for both inclusion and productivity while strengthening safeguards, we can capture the benefits and contain the threats.

If we get this wrong—if we allow biased algorithms to determine who gets credit, if we let cyber vulnerabilities expose our payment systems, if we fail to build domestic AI capabilities—we risk creating a more exclusionary financial system than we have today, one that deepens financial exclusion and concentrates power in foreign technology giants.

A Call for Collective Action

Over the next two days, we have an extraordinary opportunity to move from discussion to implementation. The expertise assembled here—from the BIS's Leonardo Gambacorta to insights on the Financial Stability Board's report,

contributions from MEFMI and distinguished speakers like Jean-Louis Perrier—provides us with world-class guidance for our continent's unique context. But expertise alone is insufficient. We need binding commitments to collective action. What commitments will you make?

Conclusion: The Future We Must Choose

Standing here beside Lake Victoria, Africa's largest lake and a source of life for millions, I am reminded that great bodies of water are fed by many tributaries. Similarly, our AI-enabled financial future will be shaped by many contributions—the policies we implement, the standards we set, the collaborations we forge, and most critically, the leadership we demonstrate.

We have a choice that will echo through generations. We can be passive recipients of AI systems designed elsewhere for other markets, accepting whatever digital colonialism brings. Or we can be active architects of AI applications that serve African needs, values, and aspirations.

At its core, finance runs on trust. AI will not change that—if anything, it raises the bar. People will accept AI in their financial lives when they see that it is fair, explainable, and secure, and that there is accountability when things go wrong. Our job as central banks and supervisors is to anchor that trust.

The algorithms that will govern credit decisions for millions of Africans, the systems that will protect our payment infrastructure, the models that will guide monetary policy—these are being designed now. We must ensure African interests, African values, and African innovations are embedded in these systems.

The future is not predetermined. It is ours to choose and ours to build. But only if we act with urgency, wisdom, and unprecedented collaboration.

Let us begin that work today, here at Kigo, on the shores of Lake Victoria, where the future of African finance will be shaped by the decisions we make together. Let us leave with a shared commitment to harness AI for inclusion and productivity, to harden our systems against new risks, and to ensure that the benefits of this technology accrue to every citizen we serve.

With those remarks, it is my great pleasure to declare this meeting open. I wish you all successful deliberations and a pleasant stay in Uganda.

Thank you. God bless!