

Michael Atingi-Ego: Launch of Centenary Bank's Custodial Services

Speech by Mr Michael Atingi-Ego, Governor of the Bank of Uganda, at the launch of Centenary Bank's Custodial Services, Kampala, 5 May 2026.

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Chairman, Managing Director, and Members of the Board of Directors of Centenary Rural Development Bank Limited,
Representatives of the Catholic Church in Uganda,
Regulators, Trustees, Fund Managers,
Colleagues from across Uganda's financial sector,
Distinguished guests,

Good afternoon to you all.

It is an honor to join you today for the launch of Centenary Rural Development Bank Limited's Custodial Services—a landmark development for Uganda's financial sector. At a time when our nation is pursuing the Tenfold Growth Strategy to expand our economy to US\$500 billion by 2040, the need for robust, reliable financial infrastructure has never been greater. And today's launch is a critical step toward meeting that need.

Centenary Bank's position as one of Uganda's largest indigenous banks, with 82 branches, 8,016 active agents, and UGX 8.6 trillion in assets, places it in a unique position to shape the future of our financial system. Its scale, reach, and track record of innovation—from advancing financial inclusion to supporting SMEs—demonstrate the kind of leadership that will drive Uganda's next phase of growth.

The Bedrock of Trust: Why Custodial Services Matter

At the heart of every resilient financial system lies a simple but profound principle: trust. Trust that assets are safe. Trust that transactions are executed with integrity. Trust that when investors commit their capital—whether for retirement, business growth, or national development—that capital is protected, properly administered, and efficiently transferred.

Custodial services are the bedrock of that trust. They are not merely technical or operational functions. They represent a financial market infrastructure hub—the mechanism through which ownership is protected, transactions are validated, risks are contained, and confidence is sustained across the entire system.

In Uganda, where our retirement benefits sector now manages an estimated UGX 30 trillion in assets, and where collective investment schemes, insurance, and corporate funds continue to expand, the importance of professional, automated, and well-governed custody arrangements cannot be overstated.

These frameworks contribute directly to financial stability by reinforcing asset segregation, enhancing transparency, and reducing operational and governance risks that, if left unmanaged, can transmit stress across institutions and markets. In this

sense, custody acts as a stabilising force, quietly underpinning trust long before it is ever tested. The continued development of robust custodial services will strengthen investor confidence by ensuring assets are securely held and efficiently transferred, enhance market discipline through improved transparency and accountability, and support the efficient allocation of long-term capital within our economy. This, in turn, will help us attract more domestic and international institutional investors, deepen our capital markets, and ensure that Uganda remains a competitive and attractive investment destination.

Uganda's Ambition: Patient Capital for a Tenfold Future

This launch could not be more timely. Uganda's Tenfold Growth Strategy aims to expand our economy to US\$500 billion by 2040—a vision that requires mobilizing more than UGX 400 trillion in patient capital to support Supervised Financial Institutions in providing an estimated UGX 490 trillion in working capital for businesses, infrastructure, and job creation.

Patient capital—long-term, stable financing—is the lifeblood of sustainable development. It finances the roads, energy projects, and SMEs that will drive our economy forward. It enables investors to look beyond short-term gains and commit to Uganda's long-term potential. And custodial services are the foundation that makes this possible, giving investors the confidence to deploy capital with the assurance that their assets are secure, transparent, and efficiently managed.

The Bank of Uganda's primary mandate is to maintain price stability. We pursue an inflation target of 5 percent—a level that balances the need to protect consumers from the erosion of their purchasing power while providing investors with a predictable environment for long-term planning. A stable inflation rate at this level supports households by safeguarding the value of their incomes and savings, and it also gives businesses confidence to make investment decisions that drive sustainable growth.

Our economy has demonstrated remarkable resilience in this regard. Real GDP growth reached 6.3 percent in FY2024/25, and we project 6.5–7.0 percent in FY2025/26, with further acceleration expected as oil production commences in July 2026. Inflation remains subdued at 3.4 percent, well below our 5 percent target, while our external position has strengthened significantly. Foreign exchange reserves now stand at US\$6 billion—equivalent to four months of import cover—providing a critical buffer against global shocks.

This stability is the result of deliberate reforms, and our progress has been recognized internationally. In the latest Absa Africa Financial Markets Index, Uganda rose to third place overall, just behind South Africa and Mauritius, reflecting our strengths in foreign exchange market liquidity, expanding adoption of international market documentation such as GMRA and ISDA, and integrating ESG considerations into financial supervision. Yet, suboptimal pension sector development remains a drag on our performance, and it is here that custodial services will play a critical role—catalyzing pension sector reforms to enhance patient capital while also enabling institutional investors to deploy capital with confidence.

A Moment of Transformation: Uganda's Financial Sector in Motion

The Financial Institutions Act, Cap. 57 (Laws of Uganda), recognises the safekeeping and administration of securities as part of a financial institution's business. This legal framework enables licensed commercial banks to provide custodial services as part of their core offerings, provided that they maintain strong operational, governance, and risk management systems. In this regard, the Bank of Uganda welcomes initiatives by supervised financial institutions that contribute to the modernisation and deepening of financial markets in Uganda.

In this context, I commend Centenary Bank for taking this bold and visionary step. With total assets of UGX 8.6 trillion, a loan portfolio of UGX 4.1 trillion, and a non-performing loan ratio of just 2.8 percent, the bank has demonstrated its capacity to manage risk effectively and serve its 3.4 million customers-25 percent of Uganda's banking population.

By expanding its capabilities into custodial services, Centenary Bank is not just diversifying its offerings-it is positioning Uganda as a destination for patient capital. Its scale and reach ensure that these services can be accessible nationwide, supporting institutional investors, pension funds, asset managers, and other market participants that require secure, reliable asset custody.

This development directly advances Uganda's objective of strengthening our domestic investment ecosystem. As the pension sector grows and capital markets evolve, professional custody services will become increasingly important for safeguarding assets and ensuring investments are administered to the highest standards of accountability and transparency.

I therefore encourage Centenary Bank to continue investing in the systems, expertise, and processes necessary to maintain the highest standards of service delivery and risk management in this area. The success of this initiative will depend on the bank's ability to uphold the principles of transparency, accountability, and investor protection that underpin all custodial services.

Let me also thank the leadership of Centenary Bank for taking this step. Initiatives such as this demonstrate the dynamism of Uganda's banking sector and the commitment of our financial institutions to supporting the country's economic transformation.

A Collective Commitment to the Future

Ladies and gentlemen, the launch of Centenary Bank's Custodial Services is more than a corporate milestone. It is a catalyst for Uganda's Tenfold Growth Strategy-a foundation for mobilising the patient capital we need, and a testament to the ambition of our financial sector.

To the leadership of Centenary Bank: Continue investing in the systems, expertise, and governance that will make these services a gold standard for the region.

To the regulators, investors, and market participants: Let us work together to ensure that Uganda's financial infrastructure-from custody to payments to capital markets-supports the long-term capital our nation needs to thrive.

As we look ahead, the Bank of Uganda remains steadfast in our mission to promote price stability and a sound financial system in support of socio-economic transformation. We will continue to work closely with all stakeholders-banks, regulators, trustees, fund managers, and institutional investors-to view custody not merely as a compliance requirement but as a strategic pillar of market confidence and sustainable growth.

On that note, it is now my singular honor to officially launch Centenary Bank's Custodial Services.

Thank you for listening to me. God bless!