



ANNUAL BANKERS CONFERENCE 2023

Rapporteur's Report



**TRENDS & INNOVATIONS IN THE
FINTECH SPACE, CHANGING THE
FACE OF BANKING & FINANCIAL
SERVICES.**

14TH AUGUST 2023 | SERENA HOTEL, KAMPALA

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6th ANNUAL BANKERS' CONFERENCE SPONSORS AND PARTNERS CATALOGUE

Mastercard, MTN MOMO, Raxio, Unterswitch, BPC, Check point, eLAAB



ACRONYMS

ABC	Annual Bankers Conference
ACH	Automated Clearing House
AHA	Accelerated Hub Architecture
AI	Artificial Intelligence
API	Application Programming Interface
BOU	Bank of Uganda
CBDC	Central Bank Digital Currency
CEO	Chief Executive Officer
E-KYC	Electronic Know your customer
ESG	Environmental, Social and Governance
FDTI	Future Technology devices International Limited
FI	Financial Institution
FITSPA	Financial Technologies Services Providers' Association
FSI	Floor space index
FSSF	First Special Service Force
IFC	International Foundation Class
KYC	Know Your Customer
MNO	Mobile Network operators
MOICT	Ministry of Information Communication and Technology
NFI	Non-financial Information
NFSI	National Strategy for Financial Inclusion
NIRA	National Identification and Registration Authority
QR	Quick Response code
RTGS	Real Time Gross Settlement
SBG	Strategic Business Group
SME	Small and medium-sized enterprises
SPL	Summary Plan Description
SSA	Secure Service Access
UBA	Uganda Bankers Association
UCC	Uganda Communications Commission
URSB	Uganda Registration Services Bureau
VSLA	Village Savings and Loan Association
YOY	Year-Over- year

01.

EXECUTIVE SUMMARY

THEME:
TRENDS & INNOVATIONS IN THE F
CHANGING THE FACE OF BANKING
SERVICES.



1.0 EXECUTIVE SUMMARY

The 6th Annual Bankers Conference was held on 14th -15th August 2023 at the Serena Hotel in Kampala to take stock of the tremendous contribution fintech and other players in the financial eco-system are making towards the growth and transformation of banking and financial services and was climaxed with a training on cyber security.

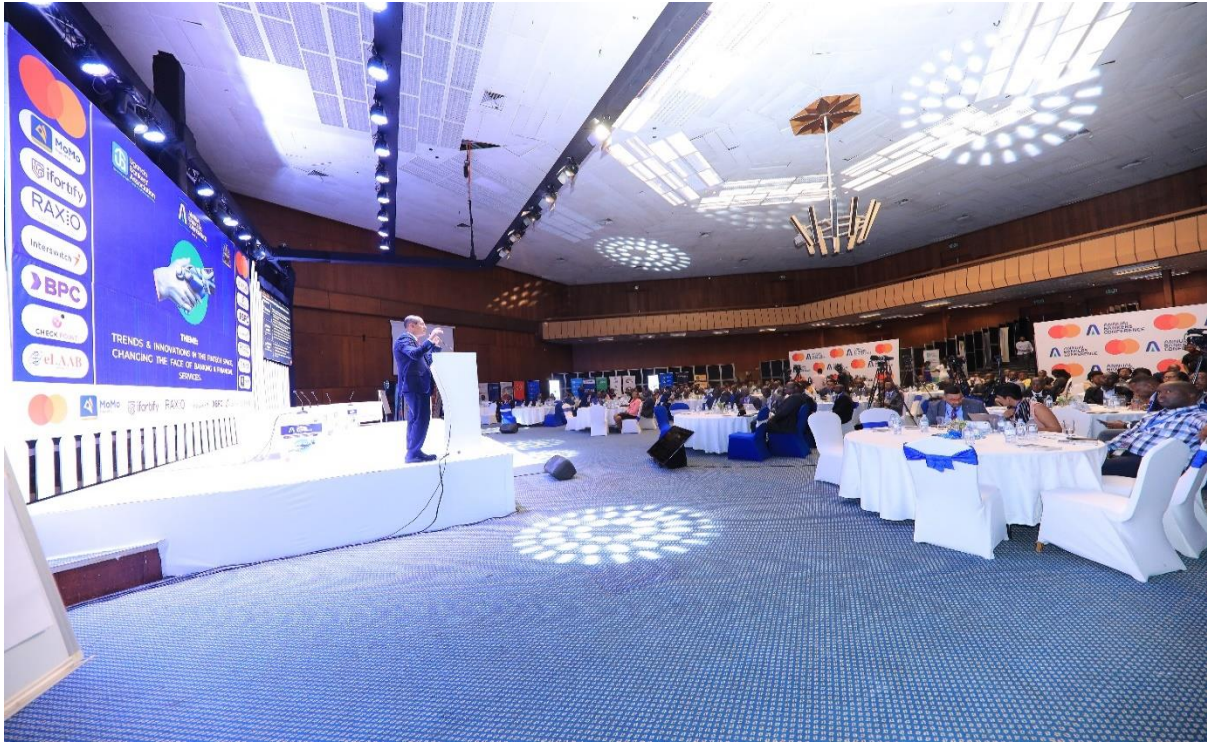
“The aim of the Conference was to discuss how the participants in the payments and wider financial ecosystem can leverage technology to offer solutions, improve customer experience, increase penetration, manage risk, and support social economic development in a competitive and sustainable manner”

Delegates from the Bank of Uganda, government ministries, partners, and numerous stakeholders attended the conference both virtually and physically. There were around 184 (one hundred and eighty-four) physical participants, and the social media engagement on the various social media accounts, namely Twitter, Facebook, youtube, and LinkedIn, is summarized below;

DIGITAL PLATFORM	TOTAL VIEWS	ENGAGEMENTS	IMPRESSIONS
YOUTUBE	374	646	13,000
TWITTER	849	185	4,875
LINKEDIN	2,246	646	13,000
FACEBOOK	77	46	1,260

In Uganda today, over 23 million bank accounts are in existence as of June 2023 coming from under 7 million accounts in 2016, thanks to the existing partnerships with MNOs and Fintechs. This is a whopping 70% growth in only 7 years - 16 million accounts or 2.2 million accounts added into the system annually.

According to the World Bank Global Findex Report 2021, account ownership in Uganda stood at 66% up from 59% in 2017, largely driven by mobile money penetration, in comparison to the 54% formal account ownership as per the Finscope 2018 survey.



Over the last 7 years, the banking industry had disbursed credit approximately 6 trillion to over 13.3 million customers via digital lending largely done via mobile phones with ticket sizes for individuals averaging from UGX 150,000 to UGX 1 million. Out of the 13.3 million customers, over 560,000 are SMEs who take between UGX 7 million daily, every 2-3 days. These include banking and mobile money agents, retail shop owners, suppliers, market vendors.

Today banking hours are a relic of the past. Fintech companies provide banking services more innovatively, efficiently, and often at lower fees. To avoid obsolescence, traditional banks have embraced digitalization and are promoting branchless banking, a trend that will continue as technology evolves to offer more innovative ways of promoting banking and financial services more conveniently, affordably, and hopefully, universally inclusive.

The latest statistics from the Bank of Uganda (BOU) indicate that growth in electronic payments, comprising mobile money and Real Time Gross Settlement (RTGS) transfers recovered strongly in 2020 and 2021, at 18% and 26% respectively, after sluggish growth in 2018 and 2019, respectively from 12% and 6%. This recovery is due to the impact of restrictions during COVID-19-related lockdowns as well as legal/ regulatory reforms aimed at reducing the dependence on cash in the Ugandan economy.

As of July 31, 2023, twenty-seven (27) institutions had been licensed as payment service providers and payment system operators. In the year ending June 2023, mobile money payments posted a 22.6% increment from UGX 156 trillion for the year ended June 2022 to UGX 191.3 trillion in the year to June 2023. The transaction volumes similarly increased by 21.8% from 4.76 billion to 5.8 billion over the same period.

Digital innovation and transformation are however not without risks and have come with some challenges namely;

- Balancing innovations with safety
- Safeguarding competition
- Financial stability
- Integrity
- Consumer protection
- Data privacy

Cyber security threats are the other matter that keeps financial sector players awake. It is not only a matter of concern for the FinTech but also traditional financial service providers have been vulnerable leading to significant financial losses.

The central bank's initiatives to address the cyber security attacks include;

- Implementation of the National Switch to address the issue of interoperability challenges in the sector
- The development of the 2nd National Financial Inclusion Strategy (NFIS) 2023 – 2027
- Working on fair competition regulations to address the emerging anti-competitive practices
- Developing the capacity to leverage big data analytics to improve financial and economic modeling and forecasting for monetary policy
- Adopting technologies for real-time banking regulation and supervision
- Working with UBA on a strategy to promote e-payments for a cash-lite economy
- Institution of cyber security guidelines to promote safe operation and adoption of electronic/digital payment channels to be implemented by payment service providers
- Reskilling and Retooling human resources and ethically leverage fourth-industrial revolution technologies
- Capacity building and retooling initiatives for forex bureaus and money remittance operators

In conclusion, ICT is the fastest-growing sector in Uganda, and it will be a key driving force to push the country into middle-income status by 2040. There are more than 160 fintech companies in Uganda as of 2021 offering solutions in money transfer, insurtech, payments, lending, and blockchain, among others. Mobile money penetration has grown at a fast pace with over 30.74 million registered customers in Uganda.

1.1 6TH ANNUAL BANKERS CONFERENCE PROGRAM

DAY 1 AUGUST 14th 2023: Annual Bankers Conference 2023		
7.30am	Registration and Reception	
7.30 am	Breakfast	
OPENING SESSION AND KEYNOTE ADDRESS (VICTORIA HALL)		
8.30 am	Master of Ceremonies	Mr. Michael Niyitegeka
8.35 am	Welcome Remarks from Uganda Bankers Association	Ms. Sarah Arapta UBA Chairperson
8.45 am	Remarks by Bank of Uganda	Dr. Michael Atingi-Ego Deputy Governor, Bank of Uganda
8.55 am	Remarks from Ministry of ICT and National Guidance	Dr. Amina Zawedde, Permanent Secretary of the Ministry of ICT and National Guidance
Interlude (video from Title Sponsor)		
9.10 am	Remarks from Title Sponsor and Keynote Address Topic: The trends & innovations in the fintech space, changing the face of banking and financial services By Mr. Shehryar Ali, Country Manager, East Africa, Sub Sahara Africa, Mastercard	
10.00 am	Coffee Break	Exhibition, Networking and Refreshments
10.30am	PANEL SESSION 1: Moderated by Mr. Peter Kawumi, Country General Manager, Interswitch Topic: The trends & innovations in the fintech space, changing the face of banking and financial services	
	PANELISTS 1.Mr. Herbert Olowo, Head Operations and Information Technology, Absa Bank Uganda 2.Ms. Josephine Olok- Chairperson, Financial Technologies Services Providers Association (FITSPA) 3. Mr. Richard Yego-Chief Executive Officer, MTN MOMO 4. Mr. Noah Baalessanvu- Head of Strategy, Crypto Savannah	
	Sponsor Video Interlude	
12.00pm	PANEL SESSION 2: Moderated by Mr. Maurice Mugisha, Deputy Managing Director Uganda Broadcasting Corporation	

	Topic: Digitization and regulatory challenges	
	<p>PANELISTS</p> <ol style="list-style-type: none"> 1. Mr. Collin Babirukamu, Director e-Government Services, National Information Technology Authority (NITA) 2. Ms. Rosemary Kisembo, Executive Director, National Identification & Registration Authority (NIRA) 3. Dr. Twinemanzi Tumubweinee, Executive Director Supervision, Bank of Uganda 4. Ms. Julianne Mweheire, Director Industry Affairs and Content Development, Uganda Communications Commission (UCC) 	
1.00pm	Lunch break	Exhibition, Networking and Refreshments
2.00pm	<p style="text-align: center;">PANEL SESSION 3:</p> <p style="text-align: center;">Moderated by Mr. Peter Kawumi, Country General Manager, Interswitch</p> <p>Topic: Digital services and other fintech offerings, Trends, Challenges and Opportunities.</p>	
	<p>PANELISTS</p> <ol style="list-style-type: none"> 1. Mr. Gerald Otim, CEO Ensibuuko 2. Mr. Paul Kirungi, CEO Zofi Cash 3. Mr. James Byaruhanga, General Manager, RAXIO Data Center, Uganda 4. Mr. Joel Muhumuza, CEO, Stanbic Flyhub 5. Mr. Victor Ndlovu, Director – Business Development Lead – Mastercard, East Africa 	
3.00pm	Coffee Breaks/ Sponsor Video Interlude	
3.15pm	<p style="text-align: center;">PANEL SESSION 4:</p> <p style="text-align: center;">Moderated by Maurice Mugisha, Deputy Managing Director Uganda Broadcasting Corporation</p> <p>Topic: Cybersecurity: The role of eco-system participants in managing fraud and cybersecurity risks.</p>	
	<p>PANELISTS</p> <ol style="list-style-type: none"> 1. Ms. Diana Majimbo, Manager for Cyber and Intelligence, East Africa, Mastercard 2. Mr. Frank Molla, Managing Director, Head of Sub – Saharan, Africa, BPC 3. Mr. Ronald Azairwe, Managing Director, Pegasus Technologies (U) Ltd 4. Mr. John Patrick Okiring- Ifortify Uganda 	

X

.30PM	WRAP-UP SESSION (VICTORIA HALL)	
	Summary from Panel Session	MC & Session Moderators
4.40PM	Remarks by BOU NPS and Presentation of Awards	Mr. Mackay Aomu, Director National Payments Systems, Bank of Uganda.
5.30PM	Group Photo and Closure	MC
DAY 2- August 15th 2023 Cyber Security Training		
7.30am	Registration and Breakfast	
Training Session on Cyber Security		
8.00am	Welcome remarks & recap of Day 1	MC
8.15 am	Opening remarks by UBA	Mr. Wilbrod Humphreys Owor, Executive Director, Uganda Bankers' Association
8.25am	Remarks by Mastercard	Mr. Shehryar Ali, Country Manager, East Africa, Sub Sahara Africa, Mastercard
8.45am	Training Session	Ms. Diana Majimbo, Manager for Cyber and Intelligence, East Africa at Mastercard
9.45am	Q&A Session	MC
10.00am	Wrap up and Next Steps	MC

 **ANNUAL
BANKERS
CONFERENCE**
2023

02.

**WELCOME REMARKS
FROM UGANDA
BANKERS
ASSOCIATION**



2.0 WELCOME REMARKS FROM UGANDA BANKERS ASSOCIATION

Ms. Sarah Arapta, UBA Chairperson



“We stand on the brink of a technological revolution that has fundamentally altered the way we live, work, and relate to one another”

In her remarks, she noted that the banking sector had arguably been one of the most impacted by the proliferation of disruptive technology that had significantly changed the way the financial ecosystem operated and delivered products and services to clients, which had positively impacted economic growth through financial inclusion.

Ms. Arapta highlighted that the conference would particularly take stock of the tremendous contribution that fintech and other players in the financial eco-system were making towards the growth and transformation of banking and financial services i.e. the trends, impact, the regulatory environment, opportunities and challenges as well as associated risks both present and emerging. It would focus on how best players in the payments and wider financial ecosystem could competitively and sustainably leverage technology to offer solutions, enhance customer experience, drive penetration, mitigate risk and foster social economic development.

In Uganda today, over 23 million bank accounts were in existence as of June 2023 coming from under 7 million accounts in 2016, thanks to the existing partnerships with MNOs and Fintechs. This is a whopping 70% growth in only 7 years - 16 million accounts or 2.2 million accounts added into the system annually.

Following the lull experienced during the covid 19 pandemic, digital financial services are playing a significant role in growing credit markets in Uganda, thus creating new opportunities. Over the last 7 years, the banking industry had disbursed credit approximately 6 trillion to over 13.3 million customers via digital

lending largely done via mobile phones with ticket sizes for individuals averaging from UGX 150,000 to UGX 1 million. Out of the 13.3 million customers, over 560,000 are SMEs who take between UGX 7 million daily, every 2-3 days. These include banking and mobile money agents, retail shop owners, suppliers, market vendors

Ms. Sarah Arapta further noted that the monumental challenges faced today i.e. the covid 19 pandemic, the turbulent global macro environment, the impacts of the Russia/Ukraine war, Ebola outbreak in Uganda and the most recent consequences of the World Bank suspension of the funding following the enactment Accelerated Hub Architecture (AHA) remind us that throughout history, turbulent times are often accompanied by innovation.

The technology enabled innovations in banking and financial services known as Fintechs had accelerated rapidly in reshaping the future of financial services thus blurring the boundaries of financial firms and the financial sector.

Digital innovation and transformation is however not without risks and had come with some challenges namely;

- Balancing innovations with safety
- Safeguarding competition
- Financial stability
- Integrity
- Consumer protection
- Data privacy



As means to address these risks and challenges, the following interventions have been undertaken

- The 1st Fraud Symposium was held on 23rd March 2023 with various stake holders outside the banking system and the five (5) pillars of the industry fraud mitigation plan include;
 - a) Empowering customers and end users
 - b) Promoting integrity among banking and financial sector staff and partners

- c) Enhancing systems and processes among FIs and our respective partners
- d) Promoting collaboration among key domestic anti-fraud stakeholders
- e) Subscribing to and collaborating with international anti-fraud agencies

Other works underway include;

- Running public awareness campaigns to mitigate the ever-evolving risk landscape
- Revision of the industry code of conduct and ethics which will be launched in September 2023
- Plan to launch the industry framework for ESG/sustainability standards in Q4

Ms. Sarah Arapta concluded by stating that the key takeaways from the conference were expected to provide pathways that would inform current and future industry directions.

2.1 Remarks by Bank of Uganda

Dr. Michael Atingi-Ego, Deputy Governor Bank of Uganda



“People need banking, not banks”

In his remarks, the Deputy Governor recalled that banks used to have limited banking hours due to factors like; time-consuming processes, security concerns, and business clients that operated during the day.

In the saying that “People need banking, not banks”, Bill gates dismissed brick-and-mortar retail banks as “dinosaurs” that would be “bypassed” because people need the services that banks provide rather than the banks.

Jamie Dimon, JPMorgan Chase’s CEO warned in a June 2015 letter to the bank’s shareholders that digitalization would upend business models and facilitate

greater competition for banking incumbents by prophesying, "Silicon Valley is coming".

Today banking hours are a relic of the past. Fintech companies provide banking services more innovatively, efficiently, and often at lower fees. To avoid obsolescence, traditional banks had embraced digitalization and are promoting branchless banking, a trend that will continue as technology evolves to offer more innovative ways of promoting banking and financial services more conveniently, affordably, and hopefully, universally inclusive.

Technology-enabled innovation i.e. FinTech and Mobile money are transforming financial services by producing new business models, applications, processes, or products.

Contributions of Fintech include;

- Improved financial inclusion
- Transformation of payment systems that are efficient and accessible
- Facilitated rich insights into consumer behavior through data analytics, artificial intelligence, and machine learning
- Influenced the central bank through the trends that are shaping the evolution of banking and financial services within the operating environment i.e. the Bank of Uganda has prioritized several related initiatives in its Strategic- Plan for 2022-2027
- Enhanced accessibility to financial services through mobile money

Some of the initiatives by the Bank of Uganda to address cyber threats include;

- Developing the capacity to leverage big data analytics to improve financial and economic modeling and forecasting for monetary policy
- Adopting technologies for real-time banking regulation and supervision
- Working with UBA on a strategy to promote e-payments for a cash-lite economy
- Institution of cyber security guidelines to promote safe operation and adoption of electronic/digital payment channels to be implemented by payment service providers
- Reskilling and retooling human resources and ethically leverage fourth-industrial revolution technologies
- Capacity building and retooling initiatives for forex bureaus and money remittance operators

However, as more financial transactions move to digital platforms and online, the reliance on IT infrastructure grows and so do the related IT and cyber security vulnerabilities. Cyber-attacks targeting banks pose risks to individual institutions by disrupting critical financial operations which can diminish public confidence in the banking system.

While they offer immense growth, they also present challenges and risks as mentioned below;

- Data privacy

- Regulatory complexities
- Cyber risk
- AML and CFT risks

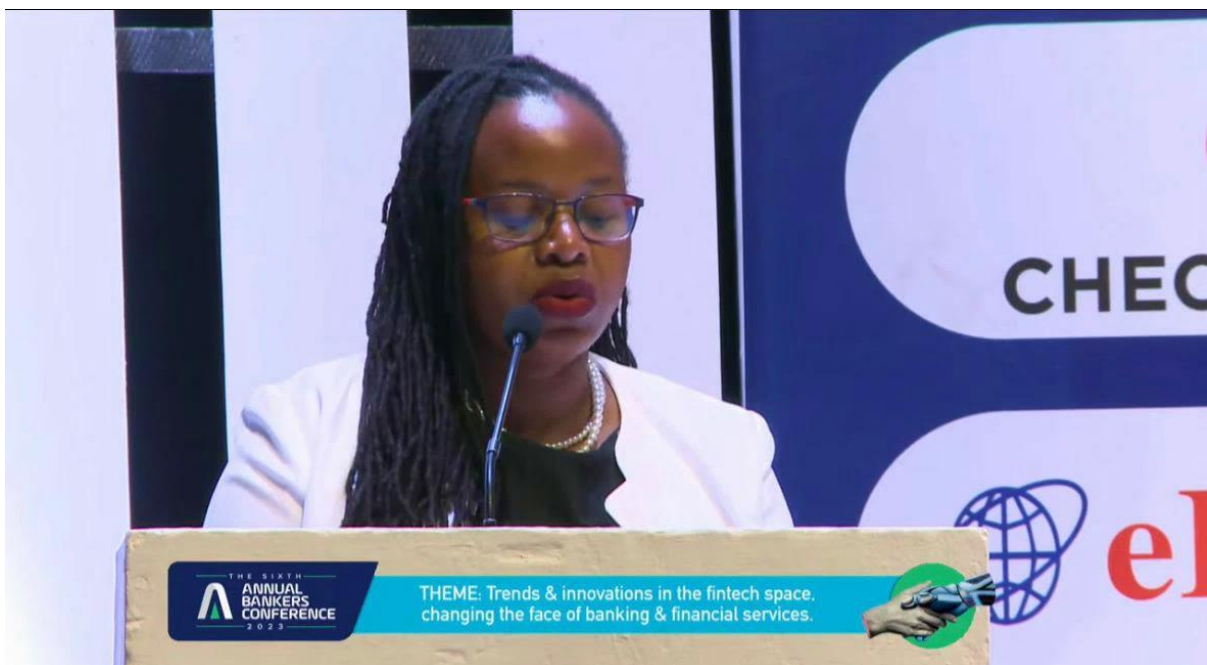
The Deputy Governor applauded members of UBA for the virtuous collaboration with the Telco's and Fintech startups aiming to democratize access to digital financial services.

" Dr. Atingi-Ego said **"the Fintech revolution is transforming the financial landscape and demands thoughtful consideration and proactive risk management."** He further added, **" as financial professionals, we are responsible for embracing these changes, adapting our strategy, and ensuring that these innovations are harnessed to create a more inclusive, efficient, and secure financial future for all."**

He concluded by stating that the Bank of Uganda remains committed to ensuring a smooth and orderly embrace of innovations to enhance financial inclusion, strengthening the banks operational and policy frameworks and foster a resilient financial sector that supports Uganda's economic transformation by increasing the economy's monetization.

2.2 Remarks from the Permanent Secretary, Ministry of ICT and National Guidance

Represented by Dr. Rebecca Isabella Kiconco, VC BPO, and Innovation Council, MOICT



"Access to untapped markets offers start-ups the chance to drive financial inclusion while addressing real-world needs"

The Permanent Secretary noted that the conference was timely and dedicated to exploring the dynamic landscape of Financial Technology within the remarkable context of Uganda.

Uganda's journey towards embracing FinTech as a catalyst for economic growth, financial inclusion and technological advancement was both inspiring and transformative. Uganda had emerged as a beacon of opportunity for local and international FinTech ventures by streamlining licensing procedures, fostering collaboration, and promoting digital infrastructure.

The MOICT had developed the digital transformation roadmap which would be launched on 17th August 2023 and hinged on the pillars below;

- Enhancing digital infrastructure
- Promoting digital services
- Fostering innovations and entrepreneurship
- Empowering digital skills and literacy
- Promoting cyber security, data protection and privacy

The roadmap will focus on enhancing digital literacy, expanding connectivity and optimizing digital government services as well as laying a foundation for the digital economy. Development partners like the Japanese government had been instrumental in supporting the process of rolling it out e.g. through JICA, they launched a project that will provide the right skill set to the talent pool as well as support other key pillars.

The African Union's vision of achieving a 60% digital economy by 2030 opens doors to unprecedented potential. By harnessing the momentum of a rapidly digitizing Africa, Uganda's FinTech eco-system stands to play a transformative role in shaping the region's economic and technological future.



In this context, the convergence of cutting-edge technologies like blockchain and Artificial Intelligence (AI) becomes crucial. Blockchain's secure and transparent

ledger system could revolutionize financial transactions, enhance security, reduce fraud, and increase transparency. AI, on the other hand, presents opportunities to optimize risk assessment, customer engagement, and fraud detection within the FinTech landscape.

However, it was important to acknowledge that the rapid development of Fintech also brings unintended consequences i.e. potential disruptions to traditional financial systems and concerns about data privacy and cyber security. The government's role in mitigating these risks like striking the right balance between innovation and stability as well as implementing robust data protection measures would be vital.

However, amidst the above-mentioned challenges lie incredible opportunities like the vibrant young talent pool, the government's supportive initiatives, and the digital transformation roadmap that position our nation as a hub for groundbreaking innovations.

Permanent Secretary called on participants to engage in insightful discussions on how government and private sector interventions, aligned with the Digital Transformation roadmap and the African Union's aspirations, can overcome obstacles and magnify opportunities while safeguarding against unintended consequences. She noted that together, we could foster a FinTech landscape that not only thrives on innovation but also operates with utmost integrity, benefiting both our entrepreneurs and the broader Ugandan population.

03.

**REMARKS FROM
THE KEY NOTE
SPEAKER**



3.0 KEY NOTE PRESENTATION

Mr. Shehryar Ali, Country Manager, East Africa, Sub Sahara Africa, Mastercard



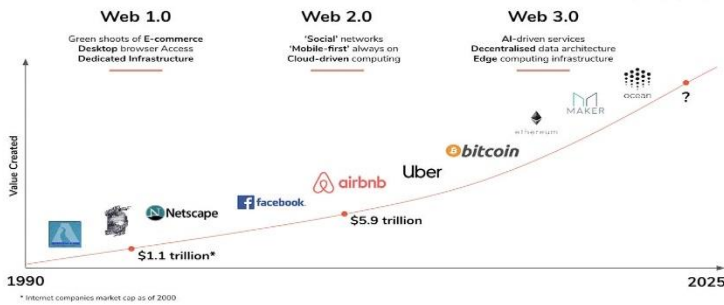
“Consumers will shop around to seek out the best experience that delivers on their expectations”

In 2016, for the first time in history, card payments surpassed cash payments. Many stores in Scandinavia and even street vendors in China no longer accept cash! The way we pay is evolving, along with our means of payment. Card payment has only been around for a few decades, yet it has never ceased to reinvent itself. The latest payment cards integrate new technologies (contactless, biometrics, dynamic cryptogram) and innovative designs, be they personalized, eco-friendly, or prestigious—think metal cards

The latest statistics from the Bank of Uganda (BOU) indicate that growth in electronic payments, comprising mobile money and Real Time Gross Settlement (RTGS) transfers recovered strongly in 2020 and 2021, at 18% and 26% respectively, after sluggish growth in 2018 and 2019, respectively of 12% and 6%. This recovery is due to the impact of restrictions during COVID-19-related lockdowns as well as legal/ regulatory reforms aimed at reducing the dependence on cash in the Ugandan economy.

The evolution of the web from 1.0 to 3.0

The Evolution of the Web



Web 1.0 also referred to as Syntactic web or read-only web is the era (1990–2000) where the role of a user is limited to reading the information provided by the content producers.

Web 2.0 also referred to as Social Web or read-write web is the era (2000–2010

and continues even now) that facilitates interaction between web users and sites which intern allows users to communicate with other users. Some of the famous Web 2.0 applications are Facebook, Youtube, Flickr, Twitter, etc.

Web 3.0 also referred to as Semantic Web or read-write-execute is the era (2010 and above) that refers to the future of the web. In this era, computers can interpret information like humans via Artificial Intelligence and Machine Learning which helps to intelligently generate and distribute useful content tailored to a particular need of a user.

Consumers lead always-on, digitally enhanced lives and expect their financial institutions to deliver a seamless digital experience.

- 76% of consumers believe it is easier than ever to simply take their business elsewhere if unsatisfied with a company's experience
- 68% of consumers globally are willing to consider a nonfinancial services company for financial services
- 38% of unsecured personal loans come from fintech, up from 5% five years ago as consumer loan volume shifts from incumbents

Mastercard is, therefore, the perfect partner for many digital banks, Telco, fintech players, and governments around the world e.g. Apple, Nu Bank, Orange Bank, MTN, and Airtel.

Digital disruption across the payments landscape is accelerating the opportunity to capture market share i.e.

- Global mobile payments are projected to grow 33% annually, 2019-2026
- Global fintech platform revenues are forecast to reach \$636.8 billion in 2024
- 46% of payment executives list bank offerings from fintech as a primary disruptor to the industry

The four main areas for future growth of mobile payments in SSA

Shifting from cash to digital payments accelerating	<ul style="list-style-type: none"> • Mobile internet users growing to 474m by 2025 • Smart phones growing to 64% penetration by 2025 • Youth Consumers are tech-savvy and more likely to access mobile services
Mobile at the center of creation and usage of innovative solutions	<ul style="list-style-type: none"> • Strong investor and consumer interest in digital platforms point to a digital-centric future for Sub-Saharan Africa • Growth of mobile-only fintech • Growth in Gig workers driven by access to global opportunities via mobile internet access
Diversifying use cases for mobile payments	<ul style="list-style-type: none"> • Bill payments • Savings • Micro-loans • E-Commerce • Remittances
Meeting the socio-economic challenges of covid-19 & ESG	<ul style="list-style-type: none"> • Significantly increased use of mobile services including financial payments & ESG initiatives like Carb.Calc.

The 5-year predictions in commerce and payments

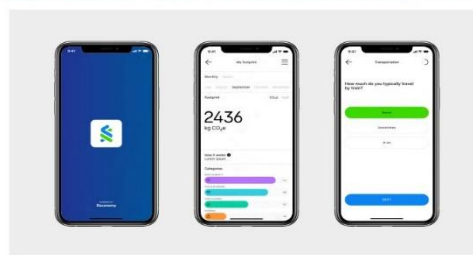
- **Interface:** Up to 70% of annual digital commerce volume will pass through the top five platforms i.e. market places, aggregators, and super-apps thus attracting severe regulator scrutiny
- **Business models:** Open banking, transactional financing², the gig economy, subscription and on-demand, sustainability and other value-based product constructs will drive consumer loyalty
- **Payment types;** P2P, Micropayments, Fast ACH, and digital currencies will gain momentum

Innovation and ESG-CARBON CALC. API

Standard Chartered Live since November 2021

Standard Chartered is a multinational bank with a strong retail-banking focus in the APAC and Africa regions. They are also highly committed to sustainable social and economic development. Their vision is to become the world's most sustainable and responsible bank and are now collaborating with Doconomy to develop a solution that could support positive climate development in the region.

Standard Chartered was first in the market with launching both Doconomy's carbon and water Index. Through the utilization of our API they can showcase both the CO₂e and H₂O emissions of every customer transaction.



Mastercard powers a “multi-rail” network for its customers and fintech partners. The services provided include;

- Payment initiation i.e. P2P, P2M, B2B, Bill pay, disbursements
- Flexible payments
- Credential management
- Micropayments
- Crypto wallets
- Digital identity
- Data

Opportunities in Uganda

- Uganda boasts a market-based economy rich in natural resources with comparative advantages in agriculture and increasing interest among foreign investors
- ICT is the fastest-growing sector in Uganda, and it will be a key driving force to push the country into middle-income status by 2040
- There were more than 160 fintech companies in Uganda as of 2021 offering solutions in money transfer, insurtech, payments, lending, and blockchain, among others
- Mobile money penetration has grown at a fast pace with over 30.74 million registered customers in Uganda

Recommendations

- Collaborative policymaking and flexibility to attract FDI and other companies
- Fintech and NFI licensing & Governance
- Digital E-KYC enablement for digital onboarding
- Encouraging and/or mandating interoperability
- Ensure securitization e.g. biometrics, Nudata, D1360, Cipher trace
- Sandbox + Test and Learn Platforms e.g. digital currencies. Fintech

- Level playing field- for all FIs, MNOs, Fintech, etc.
- Tax incentives for digitization and incentives to become a tech hub

Mastercard's partnerships model



BUILD

Build new products with innovative, digital experiences to stay ahead

- **Strategy development and planning**
- **Innovation services**
- **Research and proposition development**
- **Education and training**



LAUNCH

Implement data-driven operational strategies across acquisition, activation and retention

- **Go-to-market planning and support**
- **Analytics and data services**
- **Marketing execution and measurement**
- **Risk and security management**



GROW

Formulate advanced pricing strategies and detailed growth models enabling advancement beyond initial target segments and geographies to gain competitive advantage.

- **New market entry research and strategy development**
- **Product line diversification**
- **Segment expansion strategies**
- **Optimisation and maximisation**

Mastercard innovations

Workshops on Digital Safari

This is an immersive, three-to-four-day inspiration event to reimagine your digital transformation plans.

Portfolio optimization

Mastercard drives incremental improvements in portfolio performance by leveraging extensive spend data and advanced deep learning models to arrive at the most impactful insights i.e. machine learning Algorithms, card segmentation, card activity triggers, country benchmarking and recommendation logic.

Digital acquisition

Mastercard supports fintech partners from start to finish in optimizing their digital acquisition campaigns.

- The campaign optimization approach;

- Discovery session
- Campaign strategy and test design
- Prospect identification and segmentation
- Offer and creative development
- Campaign execution
- Measurement and optimization

Why Mastercard?

Mastercard has a well-built innovation platform dedicated to bringing the best of Fintech to our customers, and the end consumer. The end-to-end approach to partnering is supported by four dedicated programs;

- **Fintech Express:** Transactions with our top five Fintech customers increased more than ten-fold in 2018
- **Start Path:** 200+ startups have participated in Start Path, going on to raise \$ 1.5 billion in capital
- **Engage:** 70% of new digital NFC solutions using Mastercard cloud-based payments functionality leverage Fintech technology
- **API developers:** Mastercard APIs have seen 400% YOY increase in usage

Conclusion;

Mr. Shehyar Ali, concluded with a call to participants to be flexible, open to new ideas, and embrace the power of collaboration to see that the innovations solve the pain points of Uganda.





04.

**THE TRENDS AND
INNOVATIONS IN THE FINTECH
SPACE, CHANGING THE FACE
OF BANKING AND FINANCIAL
SERVICES**

4.0 THE TRENDS AND INNOVATIONS IN THE FINTECH SPACE, CHANGING THE FACE OF BANKING AND FINANCIAL SERVICES

The panel was held to discuss the trends and innovations in the fintech space and the current changes in the banking and financial services

Moderator:



Mr. Peter Kawumi – Country Manager, Interswitch Uganda

Panelists:

- Mr. Herbert Olowo – Head Operations and Information Technology, Absa Bank Uganda
- Ms. Josephine Olok – Chairperson, Financial Technologies Services Providers Association (FITSPA)
- Mr. Richard Yego – Chief Executive Officer, MTN Mobile Money Uganda
- Mr. Noah Baalessanvu – Head of Strategy – Crypto Savannah

4.1 Remarks from the keynote speaker's address

➤ **Mr. Noah Baalessanvu – Head of Strategy – Crypto Savannah**



and how to profit from it.

Financial technology is transforming the financial sector e.g. it is now the driving force of the 6th Bankers Association Conference. This revolution challenges the money movement and value transmission, highlighting society's evolution and connection. Regulators, innovators, and mainstream players like Mastercard are exploring the potential for Africans

➤ **Mr. Herbert Olowo – Head Operations and Information Technology, Absa Bank Uganda**



Looking at what is going on, we can observe actual convergence and the value we are receiving. Opportunities such as Metaverse demonstrate that there is opportunity in our country. The present financial services and the types of partnerships we have, illustrate that there is room for expansion in financial technology.

➤ **Ms. Josephine Olok – Chairperson, Financial Technologies Services Providers Association (FITSPA)**



It is amazing that the FITSPA pillars of collaboration, innovation, community, and opportunity are still being discussed today. This is what we want as a Fintech association, to be able to engage with partners and address specific concerns in the country, thus providing secure connections.

➤ **Mr. Richard Yego – Chief Executive Officer, MTN MOMO**



Artificial intelligence is a developing technology that allows us to collaborate closely so that we can roll out services as quickly as feasible.

The fact that people require banking services rather than banks should serve as a wake-up call to all of us. We should use technology to propel the country's economic progress. The consumer's desire for efficient financial services necessitates collaboration with

partners to address specific consumer challenges.

4.2 The trends, and innovations in Uganda and across the continent.

Mr. Herbert Olowo – Head Operations and Information Technology, Absa Bank Uganda

Consumers can now access banking services using their phones thanks to mobile banking, mobile money, and agent banking. As Absa, we have advanced the technology to the point where one may get money from anyplace using QR codes. The emphasis on sustainability, data privacy, and cyber security have all grown in importance.

Absa's technology is a major pillar, and significant investment has been made in digital transformation, as well as skilling, to provide value. The regulator and other stakeholders are also discussing ways to improve financial inclusion. These are driving the current changes in the industry.

4.3 How is MTN MOMO keeping up with the current trends and innovations in financial services in Uganda and across the continent?

Mr. Richard Yego – Chief Executive Officer, MTN MOMO

MTN MOMO recognizes that consumer expectations change on a daily basis and so ensures that consumers benefit from innovations. Examples of consumers are agents, merchants, SACCOs, VSLAs, various age groups, and so on.

MTN undertakes social network research to provide information into the types of goods that should be produced for clients. There is a separate division that handles data analytics for AI and machine learning to provide insights on the type of loan products to be produced for what sector of consumers, such as Mokash, Momo advance, and MoSente. The latest FMCG digital suite is a solution that was informed by data mining to handle difficulties in the FMCG sector and SMEs.

MTN MOMO also collaborates with partners to deliver pertinent financial services.



4.4 The adoption of the exploration of CBDCs in Uganda.

Mr. Noah Baalessanvu – Head of Strategy – Crypto Savannah

The fourth industrial revolution introduced blockchain technology, which benefits financial institutions by providing security and information through advanced cryptography. It offers easy accountability, inclusion, and lower transaction costs, making it a powerful tool for monetary policy. Central banks are adopting blockchain technology, such as CBDC, which merges KYC with transactions.

Crypto Savanna offers digital KYC services, and plans to upgrade it to integrating utility bills. Their clients are NSSF, UCC, among others. Digital currency provides a unified KYC transaction, thus curbing fraud and Money Laundering.

Although the system works, it is early in Africa. However, many countries are discussing adopting blockchain technology.

4.5 What kind of support is FITSPA providing to FinTech?

Ms. Josephine Olok – Chairperson, Financial Technologies Services Providers Association (FITSPA)

- FITSPA ensures that the solutions provided by the financial institutions comply with standards and regulatory issues. The association further encourages collaboration, transparency in operations, good governance.
- FITSPA ensures that the partners have clearly defined roles to optimize operation.

- Encourage members to collaborate in addressing the issues of cyber security and data privacy through awareness, sharing stories. They should collaborate with partners that have launched APIs e.g. MTN and Airtel.
- The central bank has provided regulatory sandboxes to allow piloting of solutions hence the association provides support to members to ensure they are regulated
- Provide training in tailoring solutions according to the customer's needs

4.6 What are banks looking for from Fintech to strengthen collaboration?

Mr. Herbert Olowo – Head Operations and Information Technology, Absa Bank Uganda

Banks have valued their collaborations with fintech and are looking for new partners with whom to innovate in order to better serve their consumers. To service the customer, the partners must be regulated, managed, secure, and agile. Since banks are trusted and fintech is flexible, the combination can benefit customers.

4.7 Discussion: Questions from participants

1. How will the CBDC reach the common man?

Wholesale CBDC will be issued to financial institutions by the Central Bank who will then distribute it to the final consumer through enabling feature phones. This will minimize risks like data privacy.

2. Highlight the key risks around the CBDCs.

- Data privacy risks
- Cyber security risk

3. What are the objectives of implementing the CBDC in Uganda?

- Innovation
- High demand for the digital currencies



4.8 Recommendations for policy makers regarding facilitation of the technology and fintech in the era of digital transformation

➤ **Mr. Richard Yego – Chief Executive Officer, MTN MOMO**

MTN sees digital transformation as a chance to innovate outside the box and roll out ideas that move customers away from cash. We have established infrastructure to support a cashless proposal, such as the MOMO pay merchant. We are also developing solutions to complement government initiatives by digitizing them, such as the Parish development model. Additionally, we have educated the public on security, i.e. how to transact wisely through campaigns like beera steady, tonfera.

We obtained 140MHz of spectrum, which increased internet speed and increased connectivity. As a result, we urge governments to use collaboration and partnerships to improve technologies that benefit all customers.

➤ **Ms. Josephine Olok – Chairperson, Financial Technologies Services Providers Association (FITSPA)**

Tax cuts should be considered by policymakers in order to boost innovation. Customers bear the expense of high taxes, which reduces investment options and hence impact access to financial services.

Uganda should be recognized as a Fintech destination, with a Fintech-savvy economy, but this may be accomplished by enacting fair and limiting taxes.

➤ **Mr. Herbert Olowo – Head Operations and Information Technology, Absa Bank Uganda**

Forward-thinking decisions must be intelligent and informed. We must consider and implement the six Ds of exponential growth: digitization, deception, disruption, demonetization, dematerialization, and democratization. To ensure a smooth digital transformation, stakeholders should deepen their alliances and collaboration.

➤ **Mr. Noah Baalessanvu – Head of Strategy – Crypto Savannah**

Applauded the government for adopting new technologies such as AI, and some government organizations, such as UCC, have adopted blockchain technology. We must keep in mind that the speed at which things move is significantly faster, resulting in a much shorter response time. As a result, we must be aware of the changes. Collaborations and discussions around digital asset law are underway, and the bill will soon have its first reading in Parliament.



05.

**DIGITIZATION AND
REGULATORY CHALLENGES**

5.0 DIGITIZATION AND REGULATORY CHALLENGES

The panel discussed the challenges faced in the current technological changes and the regulatory challenges arising from these changes.

Moderator:



Mr. Maurice Mugisha, Deputy Managing Director Uganda Broadcasting Corporation

Panelists:

- Dr. Twinemanzi Tumubweinee, Executive Director Supervision, Bank of Uganda
- Ms. Julianne Mweheire, Director Industry Affairs and Content Development, Uganda Communications Commission (UCC)
- Mr. Sanjay Rughani, CEO Standard Chartered Bank, Uganda

5.1 The role of the central bank in the coordination space, amidst the changes in Technology.

Dr. Twinemanzi Tumubweinee, Executive Director Supervision, Bank of Uganda



The coordination that BOU has been dealing with is risk. Bank of Uganda is the chair and secretariat for the Financial Sector Stability Forum which brings together all the regulators in the financial sector. The focus of the FSSF is standardization.

BOU also revised and amended the existing cooperation agreement with UCC thus enhancing common conversations regarding digital transformation.

5.2 How can UCC facilitate the necessary innovations in the sector without burdening the customers?



Ms. Julianne Mweheire, Director Industry Affairs and Content Development, Uganda Communications Commission (UCC)

The UCC prioritizes open communication with other regulators; for example, the UCC served as co-chair when the National Payments Systems Act was prepared and enacted. To avoid conflict, the MOU between UCC and BOU precisely outlines each regulator's responsibility. UCC undertakes a regulatory impact assessment to

ensure that all other authorities are involved and that there are no conflicts, as well as coordination with sector participants.

5.3 As a bank, what fit-for-purpose regulation would you consider from the regulators that would support innovation?

Mr. Sanjay Rughani, CEO of Standard Chartered Bank, Uganda



To leverage fit-for-purpose regulation, regulators need to have nationwide inclusive connectivity.

Standard Chartered Bank developed a digital 2020 agenda and engaged Ugandan regulators. The agenda considers client and stakeholder centricity as a whole, but regulatory attitude is also highly important. Digitization is a culture that focuses on leadership, governance, strategy, process change, and risk mitigation in the ecosystem. The game of fit-for-purpose will be a continuing quest. However, in terms of rules, the judiciary and financial education fall behind. As a result, regulators should improve inclusivity.

5.4 What are the benefits of the National switch?

Mr. Mackay Aomu, Director of National Payments Systems, Bank of Uganda



Since the Central Bank serves as the secretariat for the National Financial Inclusion Strategy, the National switch arose during the mid-term evaluation. The emphasis was on how we could upgrade the infrastructure from problems such as excessive transaction costs and failed transactions. We, therefore, plan to increase financial inclusion, promote interoperability, and improve liquidity management. The industry should be consulted collectively and reinforce

collaborations.

5.5 What initiatives are in place to protect the consumers?

➤ **Dr. Twinemanzi Tumubweinee, Executive Director Supervision, Bank of Uganda**

In 2011, the Bank of Uganda announced guidelines on financial consumer empowerment. Because there is no centralized consumer protection agency or authority, each regulator is responsible for protecting its consumers within the sub-sector. However, there is a contradiction in that while consumers are protected, telecom service providers are not. This contradiction, however, must be

resolved. The Bank of Uganda advocates for a centralized consumer protection agency. They also encourage consumers to be both financially and digitally literate in order to benefit. In addition, the Bank of Uganda has created consumer protection standards for national payments.

The government is responsible for protecting consumers. Individuals, on the other hand, must educate themselves on what they are expected to do in terms of consumer protection, such as reviewing the terms and conditions before signing for loans and other services.

➤ **Ms. Julianne Mweheire, Director of Industry Affairs, and Content Development, Uganda Communications Commission (UCC)**

The primary goal of UCC is to safeguard consumers. The Data Protection and Privacy Act states that some important components of data will only be utilized with the consumer's consent before the service is provided. Regulators guarantee that the necessary information is provided and that the process is transparent. Regulators also maintain pricing transparency so that consumers can choose the best product for them.

For consumer awareness and advocacy, regulators run awareness campaigns on all of the market's services, particularly those related to communication. Regulators guarantee that redress options are easily accessible and available to consumers.

➤ **Mr. Sanjay Raghani, CEO of Standard Chartered Bank, Uganda**

Consumer protection is a constantly evolving game that everyone must play. Organizations should consider their internal data management and governance systems, such as the type of training provided, data collecting and storage, and internal accountability mechanisms. Staff should be knowledgeable about data and consumer protection.

Consumers should be treated fairly, particularly when it comes to pricing, and the government should keep a close eye on this. Before choosing on a product, the customer should have a clear understanding of what they are agreeing to.



Discussion: Questions from participants

1. **Is it possible for the regulators to consider a converged sandbox?**

A converged sandbox is applicable where the risks in the sector are similar. However, there are varying risks in the sectors.

2. **There are regulatory gaps in cloud banking e.g. Neo banks, API, digital credit banks, etc. Can we have loose guidelines for legal advocates?**

The Bank of Uganda is concentrating on the threats that the services entail. The parties who use these services must be aware of the risks, mitigation strategies, and efficacy of risk mitigation, as well as the capital they have. They can then develop rules, criteria, and restrictions for that specific service.

3. **What is the banking industry's progress in terms of open banking?**

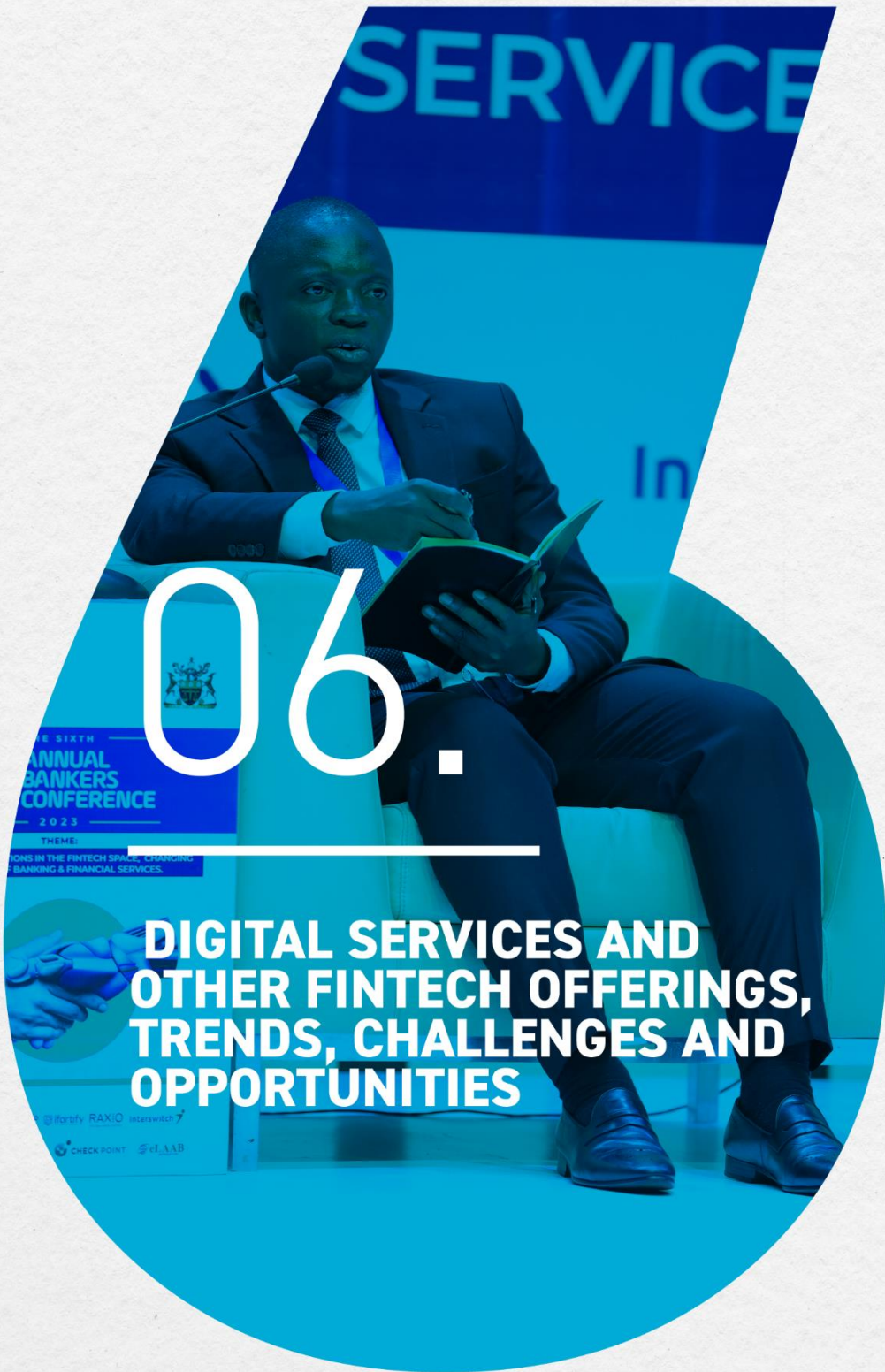
Open banking is not applicable because Uganda lacks open banking legislation. However, a framework containing a third-party agent is possible, but it is fraught with danger.

Standard Chartered Bank, on the other hand, has mechanisms for opening accounts that do not require you to visit a branch, but require multiple identification and risk analyses. To supply the product to the customer, the KYC model is used.

4. **Isn't the NIRA database linked to banks so that we can go digital with banking services and no longer need to carry our national identity cards?**

Ongoing discussions with NIRA, BOU, and UBA on validating identity, such as the photograph, are happening. However, biometrics capability has not yet been established, but conversations are ongoing.

Fraudsters steal money from mobile money agents mostly because banks, unlike mobile money brokers, require identifying documents to make a transaction. At the point of paying out, let us attach an image comparison/authentication identity. We should incorporate it within the onboarding process.



06.

**DIGITAL SERVICES AND
OTHER FINTECH OFFERINGS,
TRENDS, CHALLENGES AND
OPPORTUNITIES**

THE SIXTH
**ANNUAL
BANKERS
CONFERENCE**
2023
THEME:
TRENDS IN THE FINTECH SPACE, CHANGING
DYNAMICS IN BANKING & FINANCIAL SERVICES.



Partners RAXIO Interswitch
CHECKPOINT AAB

6.0 DIGITAL SERVICES AND OTHER FINTECH OFFERINGS, TRENDS, CHALLENGES AND OPPORTUNITIES

The panel discussed the new technologies in the financial sector, the opportunities and challenges faced with the trends.

Panelists:

- Mr. Gerald Otim, CEO Ensibuko
- Mr. Paul Kirungi, CEO Zofi Cash
- Mr. James Byaruhanga, General manager, RAXIO data Center, Uganda
- Mr. Joel Muhumuza, CEO, Stanbic Flyhub
- Victor Ndlovu, Director - Business Development Lead - Mastercard, East Africa

6.1 Lessons, challenges, opportunities and recommendations with digital services

➤ **Mr. Gerald Otim, CEO Ensibuko**



Ensibuko, is a Fintech partner that supports over 120 SACCOs and 5000 VSLAs with cloud-native banking technology and digital banking software. They aim to expand financial inclusion by targeting rural customers, refugees, and farmers. However, the challenges faced include cultural barriers, knowledge and skill shortages, and infrastructure issues. Ensibuko encourages collective banking through facilitative banking e.g. the digital agent model, and shared wallet. We call upon banks to recognize savings

groups as partners in banking.

➤ **Mr. Paul Kirungi, CEO Zofi Cash**



By providing quick wage advances, Zofi Cash promotes financial independence. They provide wage advances to businesses so that employees can satisfy their daily necessities. Employees may thus access their money whenever and wherever they need it in the least amount of time.

Over 10 million Ugandans are paid both formally and informally, thus creating a potential for investment as well as embedded financing.

➤ **Mr. Joel Muhumuza, CEO, Stanbic Flyhub**



Fly hub is a Standard Bank project with the goal of becoming a technological enabler. It assists new firms in understanding how to transition from being an unofficial business to receiving banking services. The available opportunity is to build an alternative path that allows for simple collaboration with fintech and financial solutions suppliers who think outside the box.

Fly hub built a big native cloud environment to host apps that could not coexist with the banking environment. It has also built an API gateway to speed up integration.

Some of the lessons learned include the advantages of having a banking license, having the proper people on board, and following requirements.

➤ **Mr. James Byaruhanga, General Manager, RAXIO data Center, Uganda**



Raxio is a provider of infrastructure and data. The Telcos generated a disruption in the fintech market by acquiring mobile money platforms, development of Flyhub, and establishing independent fintech. However, finance and technology have recently fused to form the fintech business.

Raxio delivers a home/infrastructure as a data center. A robust data center was developed to provide clients with technical support. Collaboration, on the other hand, is what will bring us there. We are now constructing and concentrating on the echo system itself. Allow us to be viewed as solution providers rather than infrastructure providers, with the solution being to get the ecosystem to work.

➤ **Mr. Victor Ndlovu, Mastercard**



Mastercard is a global payment technology company and is crucial in Uganda for digitization and creating robust market mechanisms. To drive local relevance, Mastercard collaborates with stakeholders in the payment ecosystem and supports blockchain and cryptocurrency development. The company prioritizes financial inclusion and security, collaborates with regulators, and addresses skill gaps through models like the digital safaris.

The goal is to provide secure, dependable, transparent, and controlled solutions for market opportunities.

6.2 Discussion: Questions from participants

1. Why do fintech charge very high-interest rates and who regulates them?

The Microfinance Regulatory Authority oversees fintech. The possibilities of getting the money back are slim, and the costs of retrieving it are substantially higher. This could explain why they have such high interest rates.



2. Why are banks hesitating to go digital yet partners are available?

Due to the risks involved, the nature of the banking sector and knowledge gaps between banks and fintech hinder down digitalization adoption. However, current competition has resulted in cooperation, and change is taking place.

3. How does the automation of operations look like for VSLAs and how are you able to mitigate the risks?

We have created the technology that allows the VSLA to be incorporated into the regular banking system and transfer funds to any bank account of their choosing. We have teamed with a bank to provide VSLAs with digital lending. The VSLA's operation paradigm remains same, but credit is granted to the group using data from the VSLA platform.

07

**CYBER
SECURITY**



7.0 CYBER SECURITY

The panelists discussed the role of eco-system participants in managing fraud and cybersecurity

Panelists:

- Ms. Diana Majimbo, Manager for cyber and intelligence, East Africa, Mastercard
- Mr. Ronald Azairwe, Managing Director, Pegasus Technologies (U) Ltd
- Mr. John Patrick Okiring – CEO, Ifortify Uganda
- Mr. Frank Molla, Managing Director, Head of Sub-Saharan, Africa, BPC

7.1 The scale and complexity of cybercrime, mitigation measures and recommendations

Mr. Frank Molla, Managing Director, Head of Sub-Saharan, Africa, BPC



There is always fraud where there is money! After the United States and China, cyber security will have the third largest population on the planet. Cyber security is becoming increasingly important in Uganda, and it is one of the world's most pressing issues. However, in order to reach the desired result, innovation should involve thinking and doing differently.

Holding conferences like this one is one way to minimize cyber security where expertise is shared, such as on KYC. Collaboration, however, is insufficient. We require mechanisms to mitigate the risks posed by cybersecurity,

Mr. John Patrick Okiring – CEO, Ifortify Uganda

The technological footprint has grown rapidly, but many people are excluded from the cyber security economy for reasons such as a lack of knowledge of the cost of risk. Risk is what causes the complexity. The necessity to integrate new technologies emphasizes this point.

The issue of trusted identities has an impact on accountability. There is an issue with verification and authentication systems. All of this exposes you to a slew of security issues, increasing identity theft.

Ms. Diana Majimbo, Manager for cyber and intelligence, East Africa, Mastercard



Conduct a proper organization risk analysis using the inside-out strategy, such as appraising staff, sensitizing and training them about cyber security. For the outside-in strategy, companies should devise ways to defend themselves, such as knowing and screening their partners. We should educate the public about the dangers of exposure.

7.2 Are we doing enough to curb the risk?

Mr. Ronald Azairwe, Managing Director, Pegasus Technologies (U) Ltd



No! We are not doing nearly enough. We are focusing on technology and processes while overlooking people. We should do due diligence on employees during recruitment because internal employees are heavily implicated in fraud.

7.3 Recommendations to government entities to provide the necessary safeguards for the industry to curb cyber security

Ms. Diana Majimbo, Manager for cyber and intelligence, East Africa, Mastercard

From the Mastercard perspective;

- We are working in close collaboration with government and its entities to build capacity thus closing the knowledge gap on digitization.
- Providing the tools and systems and solutions e.g. the payment gateway in the tourism industry
- Providing collaborative spaces for marketing

Mr. John Patrick Okiring – CEO, Ifortify Uganda

Trusted identities is a key element of a secure system.

- Adopt a more effective identification mechanism that is certificate based particularly PKI that is effective in authentication, authorization, verification.

- Practicing safe code life cycle management
- Conduct the right security test on the system that has been built
- Code signing to build trust by knowing the source thus making it easy to account
- Strengthen community awareness and personal responsibility
- Strengthening the trust centers like NIRA

7.4 What are other jurisdictions doing to curb cyber risk and how to manage it? Can we apply it?

Mr. Frank Molla, Managing Director, Head of Sub-Saharan, Africa, BPC

We should reflect on the areas below;

- Vetting the collaboration partners. Fraudsters are at every part of the system and
- Human Resources onboarding
- The roles the police play in the fraud ecosystem
- How is SIM card recycling is handled?

Therefore, focus should be more on the deterrence than the recovery



7.5 Discussion: Questions from participants

1. To what extent are we applying the necessary controls when monitoring product development?

Security by design is a concept that we should bear in mind while building our products. The security team to be integrated at the development phase, thus having minimal security risks.

2. What is the effort from the MNOs in averting on going threats especially through sim cards?

As MTN MOMO,

- A transaction threshold for withdrawing funds was set for new sim cards, about 1million maximum. A monitoring mechanism is in place to detect unusual activity on the simcard and it is blocked for any unusual patterns.
- To control sim swaps API was developed and integrated with the banks to send an alert in case of a simcard swap. In this situation, mobile banking is blocked.
- Controls on PIN resets were developed.
- Conducted campaigns to create awareness of fraud e.g. beera steady, tonfera.

08.

**SOCIAL MEDIA
DISCUSSION**



THE SIXTH
**ANNUAL
BANKERS
CONFERENCE**

8.0 SOCIAL MEDIA DISCUSSION

The discussion was shared on the various social media handles for the Uganda Bankers' Association with a hashtag on tweeter, #BankingConf23, under the theme,

” Trends and Innovations in the Fintech Space: Changing the face of Banking and Financial Services”

SOCIAL MEDIA HANDLE live stream	TOTAL VIEWS	TOTAL WATCH TIME	UNIQUE VIEWERS	IMPRESSIONS
UTUBE	374	107.5 min	646	1,300
TWITTER	849	185		4,875
LINKEDIN	2,246	107.5	646	
FACEBOOK	77	31.25	46	1,260

NBS Television @nbstv • 14 Aug
Michael Atingi-Ego, Deputy Governor, @BOU_Official: Bank of Uganda has already started capacity building and retooling initiatives for forex bureaus and money remittance operators.

#BankingConf23 #NBSUpdates



1 4 32 3,837

MTN Uganda @mtnug • 14 Aug
The MD @mtnmomoug @yego_richard speaking at the 06th Annual Bankers' Conference, 2023 happening now. #MTNMoMo #BankingConf23 #TogetherWeAreUnstoppable




Uganda Bankers' Association

2 15 34 3,868

 Mastercard MEA  @Mas... · 14 Aug
Replying to @MastercardMEA and @ugbanker
"The fintech revolution has ignited a wildfire of change, redefining traditional banking norms and reshaping the financial services landscape." – Shehryar Ali, Country Manager, Mastercard. @ugbankers #BankingConf23



  6  10  3,398 

 Uganda Bankers' Association @... · 2d
Replying to @ugbankers @BOU_Official and 1
CONFERENCE HIGHLIGHTS:
@noahbaalessanvu, serves as the Head of Technology at @CryptoSavannah, explained that blockchain represents a novel method of organizing data, enhancing both its security & transparency. Using advanced cryptography, information is concealed. #BankingConf23



Absa Bank Uganda and 9 others

 1  3  10  27 

NBS Television @nbstv · 14 Aug
Rebecca Kiconco: The vibrant young talent pool of Uganda coupled with government-supportive initiatives and a digital transformation roadmap presents incredible opportunities for startups and innovations.

#BankingConf23 #NBSUpdates



3 9 3,390

Engineer Faisal @Pyepa... · 14 Aug
Now speaking is @byaruhj of @raxioug

"I remember telecoms set the trend with MOBILE MONEY, banks reacted & this gave rise to fintechs. From outside as an infrastructure provider is we had to see how to plug in" #BankingConf23



1 2 12 813

Eric Zachary Mugisha @... · 14 Aug
If you had the opportunity to engage any of the presenters/panellists at the ongoing #BankingConf23, what would you ask them?



7 11 1,490

Mastercard MEA @Mas... · 14 Aug
Diana Majimbo, Manager, Cyber and Intelligence, East Africa, at Mastercard, joined the last panel discussion at the sixth Annual Bankers Conference to discuss the role of eco-system participants in managing fraud and cybersecurity risks. @ugbankers #BankingConf23



2 3 2,347

Uganda Bankers' Association @... · 3d
Replying to @ugbankers
CONFERENCE HIGHLIGHTS: Victor Vusumuzi Ndlovu, Business Development Lead for Mastercard East Africa: We are deeply invested in forging a future where Technology & Finance intersect seamlessly, enabling a world beyond cash only achievable through partnerships. #BankingConf23



1 2 39

14:03 #BankingConf23

Top Latest People Media

Interswitch Uganda @inte... · 14 Aug
#PanelHighlights
From a banking perspective, Herbert Olovo, Head of Operations and IT @AbscUganda mentioned that the banking space is looking to collaborate to drive innovation. Banks are inherently trusted and fintechs are agile, making their partnerships viable. #BankingConf23

Uganda Bankers' Association and 2 others
1 3 7 5

Uganda Bankers' Association @... · 2d

Uganda Bankers' Association @... · 2d
Replying to @ugbankers @BOU_Official and 18
CONFERENCE HIGHLIGHTS:
@josephine_olok, specialises in Financial Technology @FitspaUG, conveyed that: they promote the advancement of FinTech solutions, as these innovations are typically designed to address challenges that traditional banks are unable to tackle. #BankingConf23



 **ANNUAL
BANKERS
CONFERENCE**
2023

09

NEXT STEPS



9.0 NEXT STEPS

PANNEL DISCUSSION	ACTION POINT	RESPONSIBILITY PERSON
Trends and innovations in the fintech space, changing the face of banking and Financial services	➤ Monitor consumer pricing	Regulators
	➤ Adopt block chain technology e.g. CBDC to curb fraud and money laundering	Bank of Uganda
	➤ Enact fair tax laws for financial institutions	Government of Uganda
	➤ Endorse the law on Digital assets	Government of Uganda
	➤ Strengthen partnerships and collaboration	Financial institutions
Digitization and regulatory challenges	➤ Advocate for a central consumer protection agency/authority to address issues concerning consumer protection	Bank of Uganda
	➤ Financial institutions to provide training for their staff regarding consumer protection	Financial Institutions
	➤ Improve on inclusivity of other sectors like the judiciary and education sector in the ecosystem	Regulators
Digital services and other fintech offerings, trends, challenges, and opportunities	➤ Provide digital and financial knowledge to the customers so as to benefit from consumer protection guidelines	Regulators
	➤ Strengthen the trust centres like NIRA i.e. make the image authentication identification an integral part in the financial system to curb fraud	Regulators
	➤ Avail redress options to consumers that are accessible	Regulators
Cyber security	➤ Convening conferences regularly to share information on cyber security	Financial institutions
	➤ Conduct proper risk analysis using the inside-out and outside-in strategy to curb issues concerning data security	Financial institutions
	➤ Conduct due diligence of staff at the point of recruitment to mitigate the risks associated with cybersecurity	Financial institutions
	➤ AI should be included in the technical solutions developed and	Financial institutions

	accepted by financial institutions to help reduce fraud.	
	➤ Establish ways how mobile money gets into crypto currency and find measures to mitigate this	Bank of Uganda
	➤ The security team should be involved in the development process of new technology solutions.	Financial institutions

10.

**CLOSING
REMARKS**



10.0 CLOSING REMARKS

Mr. Mackay Aomu, Director of National Payments Systems, Bank of Uganda



“The unexploited market potential of digital financial services is more than enough for all players in the market to operate profitably”

The Uganda Bankers' Association was applauded for consistently holding the Annual Bankers Conference which has become a flagship event on the annual financial sector calendar in Uganda at which topical issues are discussed to inform policy. Additionally, he appreciated the theme which directly resonates with what is currently ongoing in the sector.

Mr. Mackay noted that technological innovations have transformed the delivery of traditional banking services and have come up with new innovative products like digital credit, savings and investments partnerships, and micro insurance. We hope to leverage these developments to further scale up the adoption of digital financial services and increase financial inclusion for which mobile money has been a key driver.

According to the World Bank Global Findex Report 2021, account ownership in Uganda stood at 66% up from 59% in 2017, largely driven by mobile money penetration, in comparison to the 54% formal account ownership as per the Finscope 2018 survey.

As of July 31, 2023, twenty-seven (27) institutions had been licensed as payment service providers and payment system operators. In the year ending June 2023, mobile money payments posted a 22.6% increment from UGX 156 trillion for the year ended June 2022 to UGX 191.3 trillion in the year to June 2023. The transaction

volumes similarly increased by 21.8% from 4.76 billion to 5.8 billion over the same period.

He highlighted that the unexploited market potential of digital financial services is more than enough for all players in the market to operate profitably. However, this can only be unlocked through the levying of reasonable charges. We, therefore, call upon all financial service providers to charge reasonable prices so as to increase the appeal to the bigger population.



He further mentioned that Cyber security threats are the other matter that keeps financial institutions awake. It is not only a matter of concern for the FinTech but also traditional financial service providers have been the source of vulnerabilities thus leading to significant financial losses.

Some of the policy and regulatory initiatives by the Bank of Uganda to address the cyber security attacks include;

- Implementation of the National Switch to address the issue of interoperability challenges in the sector
- The development of the 2nd National Financial Inclusion Strategy (NFIS) 2023 – 2027
- Working on fair competition regulations to address the emerging anti-competitive practices

Mr. Mackay in conclusion noted that the current trends in the financial sector dictate a multi stake holder collaborative approach therefore forums such as this conference are key to opportunities to deliberate on developments and propose policy interventions. We look forward to receiving the policy proposals or recommendations from today's conference.

Finally, as regulators, we commit to continue providing an enabling legal and regulatory environment to support cost effective innovation.

ANNEXES

ANNEX I: Events Program



ABC 2023 Program
Final.docx

ANNEX II: Attendance list



Attendance list - ABC
2023.xlsx



THANK
YOU

