

Emmanuel Tumusiime-Mutebile: Providing affordable banking services in Uganda

Speech by Mr Emmanuel Tumusiime-Mutebile, Governor of the Bank of Uganda, at the official opening of Orient Bank Limited, Acacia Mall Branch, Kampala, 3 April 2014.

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The Shareholders of Orient Bank Limited;
Members of the Board of Directors;
Senior Management and Staff;
Invited Guests in your respective capacities;
Ladies and Gentlemen.

It is an honour and pleasure for me to join you today at the official opening of Orient Bank's Acacia Mall Branch. Let me begin by congratulating the Shareholders, Directors and Senior Management of Orient Bank for the commendable job they have done in implementing their branch expansion programme, thereby bringing banking services nearer to the people.

During the past twenty years of operation in Uganda, Orient Bank has expanded its service delivery channels and outlets. The branch being opened today here at the Acacia Mall brings the total number to twenty.

Ladies and Gentlemen, this occasion not only marks success for Orient Bank in increasing its presence in the banking industry, but also lends support to the Bank of Uganda's financial inclusion agenda, which aims to extend access to affordable financial services more widely among the population. Extending access to financial services will only be possible on a large scale if banks can overcome the cost barriers which are a major obstacle to the wider provision of financial services. Therefore, I would like take this opportunity to reiterate my view that banks in Uganda must prioritise improving efficiency. Operating costs as a share of total assets are too high. It will only be possible to provide more affordable financial services to Ugandans when operating costs are brought down. One of the ways in which costs can be lowered is through the introduction of new technologies for delivering financial services, such as information technology.

Orient Bank has been at the forefront of introducing innovative technologies and products to the Ugandan banking market. It was the pioneer of the Point of Sale technology in Uganda with its benefits of promoting a cashless economy. In addition, the bank remains the sole issuer of American Express cards in Uganda. I also understand that the bank will soon launch the "CHIP and PIN" Visa cards, an innovation that will enhance the security features of the bank's existing Visa card product. It is however, important to note that increased innovation comes with increased risks. I therefore urge Orient Bank to design robust risk management processes and internal controls to mitigate the risks inherent in technological advancement.

Turning to today's event, the new Acacia Mall is in a very strategic location, as illustrated by the number of banks that have established outlets at this Mall. The "Sapphire Banking Lounge" at this branch is designed to offer Orient Bank's customers a first class banking experience. I also have no doubt that Orient Bank's existing menu of products will appeal to the customers of this branch and that the bank will continue to focus on providing quality services for its customers.

The Bank of Uganda, as Uganda's monetary and regulatory authority, remains committed to ensuring price stability and a sound financial system. We shall continue to conduct vigorous financial sector regulation and supervision to ensure that all banks are well capitalised and that they have robust risk management frameworks.

With these remarks, I once again commend the Shareholders, the Board of Directors and Senior Management of Orient Bank for extending their branch network to bring banking services nearer to the people.

It is now my honour and pleasure to declare Orient Bank's Branch Acacia Mall Kampala officially open.

Thank you for listening.

Emmanuel Tumusiime Mutebile (Prof.)

Governor, Bank of Uganda