REX Rates

	BUY	SELL
	3,582	3,605
	4,035	4,750
	4,580	4,750
	34.0	35.4
	1.47	1.80
	255	310
	31.0	36.0
	930	1,040
	3.7	5.8

RATES ARE SUBJECT TO CHANGE

TRIES TOLD TO
TRIALISATION

have been falling,
h country with
e inequality in
l by the United
ion for Africa

ion
a's
Uganda's

Business News

Banks urged to adopt new technology or face collapse

By Samuel Sanya

After the recent collapse of Crane Bank, financial technology (fintech) experts have warned that banks should adapt to the changing lifestyles of Ugandans or face collapse.

Anthony Kituuka, an executive director at Equity Bank Uganda, pointed out that the industry is under siege from foreign entertainment and communication firms like Google, Facebook, and WhatsApp; the telecommunication industry and new fintech innovations that have gained the trust of Ugandans.

He was speaking at the 2017 Uganda Institute of Banking and Financial Services (UIBFS) public lecture under the theme "The evolution of FinTechs in the region: challenges and prospects".

"In the future, it will be possible to send money via Facebook and WhatsApp and this is the real threat to banks. If you cannot adapt, you will die."

Technology a threat

"You cannot stop technology because of its convenience. In the future, it will be possible to send money via Facebook and WhatsApp and this is the real threat to banks. Banking is something you do, not somewhere you go," Kituuka said.

"If you cannot adapt, you will die," he cautioned bankers at the Imperial Royale Hotel.

Kituuka described certain requirements for new account-holders, such as utility bills as out-of-touch with reality since over 70% of all Ugandans are under 30 years and are still renting homes, while most of the rest live in rural areas without access to utilities such as power and piped water.

He urged banks to consider using fingerprints to enable even illiterate customers to transact.

Phrase Donald Lubega, a digital financial services consultant, noted that banks should constantly upgrade their technology systems to guard against digital fraud, which he said has become rampant.

Many Ugandans unbanked

Timothy Musoke, the head of consulting and technology at Laboremus, pointed out that although many banks and telecommunication firms are creating smartphone apps to ease access to their services, it still takes several steps to make simple transactions.

"A large portion of Ugandans is unbanked — this presents a large opportunity, but, many banks lack a digital transformation strategy. Banks have accumulated data over the years, but they have not studied the data to provide what customers want," Musoke explained.

CamScanner