



Remarks

Michael Atingi-Ego
Deputy Governor

Launch of Islamic Banking in Uganda

BoU Board Room

8 September 2023

Permanent Secretary/Secretary to the Treasury, Ministry of Finance, Planning and Economic Development – Our Chief Guest

Members of the Board of Directors of Salaam Bank Limited

Senior Management and Staff of Salaam Bank Limited

Distinguished ladies and gentlemen

Good afternoon.

I welcome you all to the Bank of Uganda (BoU) to commemorate the launch of Islamic Banking in Uganda and the issuance of the first Islamic banking license to Salaam Bank Limited.

I would like to thank the Government and all stakeholders for working tirelessly to put in place the enabling Islamic banking legal framework.

This is a significant milestone for Uganda, and it is a testament to the commitment of all involved to promoting financial inclusion and economic development.

I would also like to congratulate the Board of Directors, management, and staff of Salaam Bank Limited on their efforts to pioneer the Islamic banking model in Uganda. This is a bold and innovative move, and I expect it will succeed.

Islamic banking is based on the principles of Shariah, which prohibits the charging of interest, products with uncertainty (speculation), gambling, and activities that society deems detrimental. This makes it a more ethical and sustainable form of banking, and it is well-suited to the needs of many Ugandans.

I am particularly pleased that Islamic banking is not limited to Muslims. This financial offering can benefit everyone, regardless of their religious beliefs.

Of course, there are risks associated with any new venture. However, I am confident that Salaam Bank Limited has the expertise and resources to manage these risks.

The BoU is committed to providing oversight and support to Salaam Bank Limited as it embarks on this new journey.

We believe that Islamic banking has the potential to make a significant contribution to the development of Uganda's financial sector in several ways, such as:

- financial inclusion: making it easier for people to access financial services, regardless of their income or financial situation.
- product diversity: offering a wider range of financial products and services than traditional banking.
- profit-sharing: not charging interest; instead, sharing profits with their customers, which can be more beneficial for both parties in the long run.
- real-world investment: investing money in real (tangible) assets, such as businesses and property, helping to stimulate the economy and create jobs directly.

Once again, I would like to congratulate everyone involved in this endeavour. I wish Salaam Bank Limited every success in the years to come.

It is now my honour and great pleasure to invite our distinguished chief guest, the Permanent Secretary/Secretary to the Treasury, Ministry of Finance Planning and Economic Development, Mr. Ramathan Ggoobi, to deliver his remarks.

Thank you, and God bless!