

# Museveni launches Uganda's first Islamic insurance company

ROBERT SPIN MUKASA

**KAMPALA** — Guests gathered on Tuesday evening in Kampala for an Iftar dinner that doubled as a milestone for Uganda's financial sector. By the end of the night, the country had taken another step into a financial model that, until recently, existed largely outside its formal banking system.

President Yoweri Museveni on Tuesday officially launched Tamini General Insurance, Uganda's first Islamic insurance company, marking the latest expansion of the country's emerging Sharia-compliant financial ecosystem.

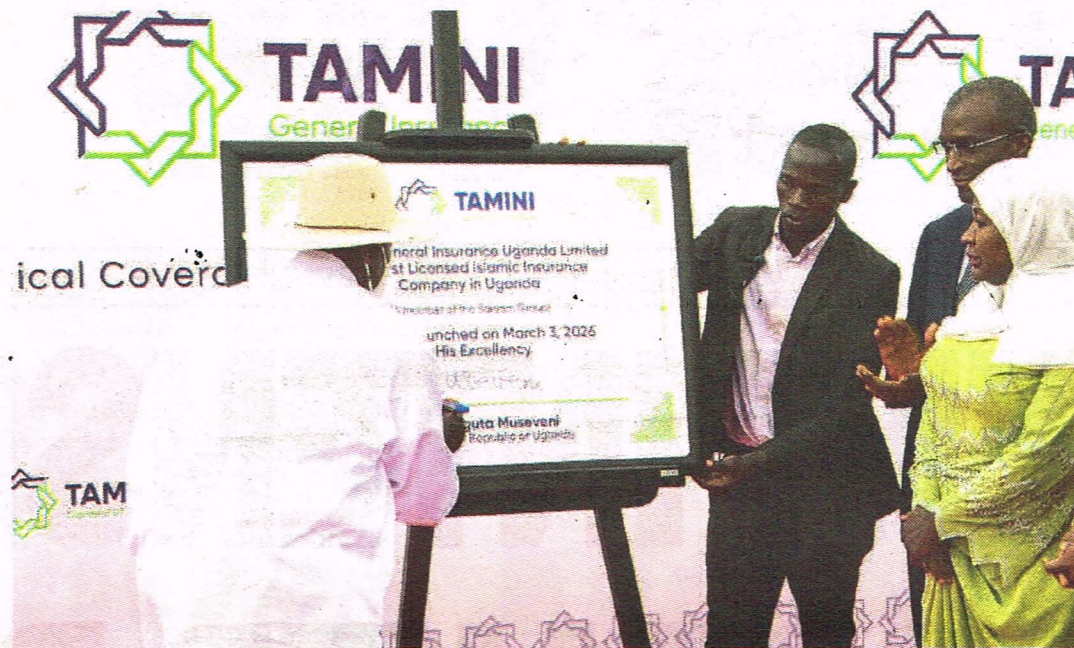
The firm, a subsidiary of the Salaam Group, was unveiled during the dinner organized by the Office of the National Chairman. Its arrival comes nearly two years after the Financial Institutions (Amendment) Act of 2023 legalized Islamic banking and finance in Uganda, a reform that paved the way for the launch of Salaam Bank in 2024, the country's first Islamic bank.

Standing before religious leaders, business figures, and government officials, Museveni framed the moment as part of a broader push to widen financial inclusion in a rapidly growing country.

"I thank you [Salaam Bank and Tamini] for completing the circle of financial inclusion," he said.

The president welcomed the Salaam Group's investment, describing Uganda as a market whose economic potential is only beginning to unfold.

"Salaam Bank and Tamini, you are welcome to Uganda. Uganda is a growing market with over 45 million



President Museveni at the launch

people. The population will reach 100 million by 2050. You are in Uganda at the right time," Museveni said.

He also urged Uganda's Muslim community to use the Takaful model, the Islamic form of insurance, to support economic activity and help lift communities out of poverty.

"We should work to eliminate poverty by getting everyone out of poverty," he said. "By 2013, only 32 percent was the portion in the money economy. Through Operation Wealth Creation, at least 70 percent have entered the money economy. PDM will help to ensure the remaining 30 percent also

gets out of poverty."

Islamic insurance, known as Takaful, operates differently from conventional insurance systems. Instead of transferring risk to a company, participants contribute to a collective pool that protects members against loss. The model is built around mutual cooperation and shared responsibility, avoiding practices such as interest, excessive uncertainty and gambling.

For Salaam Group executives, Tamini Insurance represents the next piece of a financial structure designed to serve Ugandans who have historically felt excluded from conventional banking.

Ibrahim M. Abdirahman, chairman of Salaam Bank Limited (Uganda), praised the government's role in enabling a more inclusive financial framework. He noted that Uganda's insurance penetration remains below one percent, leaving large parts of the population without protection against financial shocks.

Abdirahman said many Ugandans have traditionally avoided formal financial services because of religious or ethical concerns about interest and uncertainty. The introduction of Islamic finance, he argued, is helping bridge that gap.

He added that Salaam Bank's performance so far demonstrates that ethical, Islamic-based finance can be resilient in Uganda's market.

For Mohamed Bahdon, the chief executive officer of Tamini Insurance Group, the launch also represents the continuation of a journey that began with the opening of Salaam Bank.

"Two years ago — almost to this very day — Your Excellency stood and launched Salaam Bank Limited as Uganda's first ethical bank," Bahdon said. "That was a historical leap for the Muslim community. In just two years, Salaam Bank welcomed and serviced thousands of Ugandans who previously felt excluded from the conventional financial system."

Bahdon described banking and insurance as the twin pillars of any modern economy, arguing that the two institutions together could support long-term economic growth.

Within the Salaam Group's vision, the two institutions form a connected financial ecosystem designed to support producers, traders and consumers alike.

"A farmer who accesses Halal financing from Salaam Bank to grow his crop can now insure that crop through Tamini," Bahdon said. "This will result in Uganda's economic transformation from a consuming nation into a producing nation, all in line with the vision set by Your Excellency."