Why banks must embrace real-time data

TECHNOLOGY

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Uganda's banking industry must accelerate its transition from traditional, historical-data models to real-time, intelligent decision-making systems powered by Artificial Intelligence.

Artificial Intelligence (AI) is no longer a futuristic concept reserved for large international banks or multinational tech giants.

Across the globe, AI is rapidly transforming industries, redefining how organisations operate, make decisions, and interact with customers. In the financial sector, particularly banking, the shift is becoming impossible to ignore.

While many banks in advanced economies have already integrated AI-driven systems into their operations, experts now say Uganda's banking industry must accelerate its transition from traditional, historical-data models to real-time, intelligent decision-making systems powered by AI.

At the heart of this transformation is a growing realisation: the bank of the future will not be product-centered, but customer-centered.

Artificial intelligence, machine learning, advanced analytics, and real-time event processing are increasingly enabling financial institutions to predict customer needs, personalise services instantly, reduce operational costs, and improve risk management.

The age of waiting for monthly or quarterly reports to make strategic decisions is quickly fading.

Predictive banking

Speaking during an interview with Business Daily on May 13, the managing director of Kasi Insight, Mr John Ernest Ssekisonge, emphasized that AI has become an indispensable tool in modern banking.

Mr Ssekisonge stresses that many financial institutions in Uganda continue to rely heavily on time-lag market research data and delayed reporting systems, which do not reflect rapidly changing consumer behaviour.

"Currently, the data in the market, including research data, is usually between 30, 60, or 90 days old," he explained. "By the time banks use that data, customers and consumers have already moved on."

He noted that AI-powered real-time data systems allow banks to monitor and analyse customer trends continuously — daily, weekly, or instantly — enabling faster responses to market shifts and emerging risks.

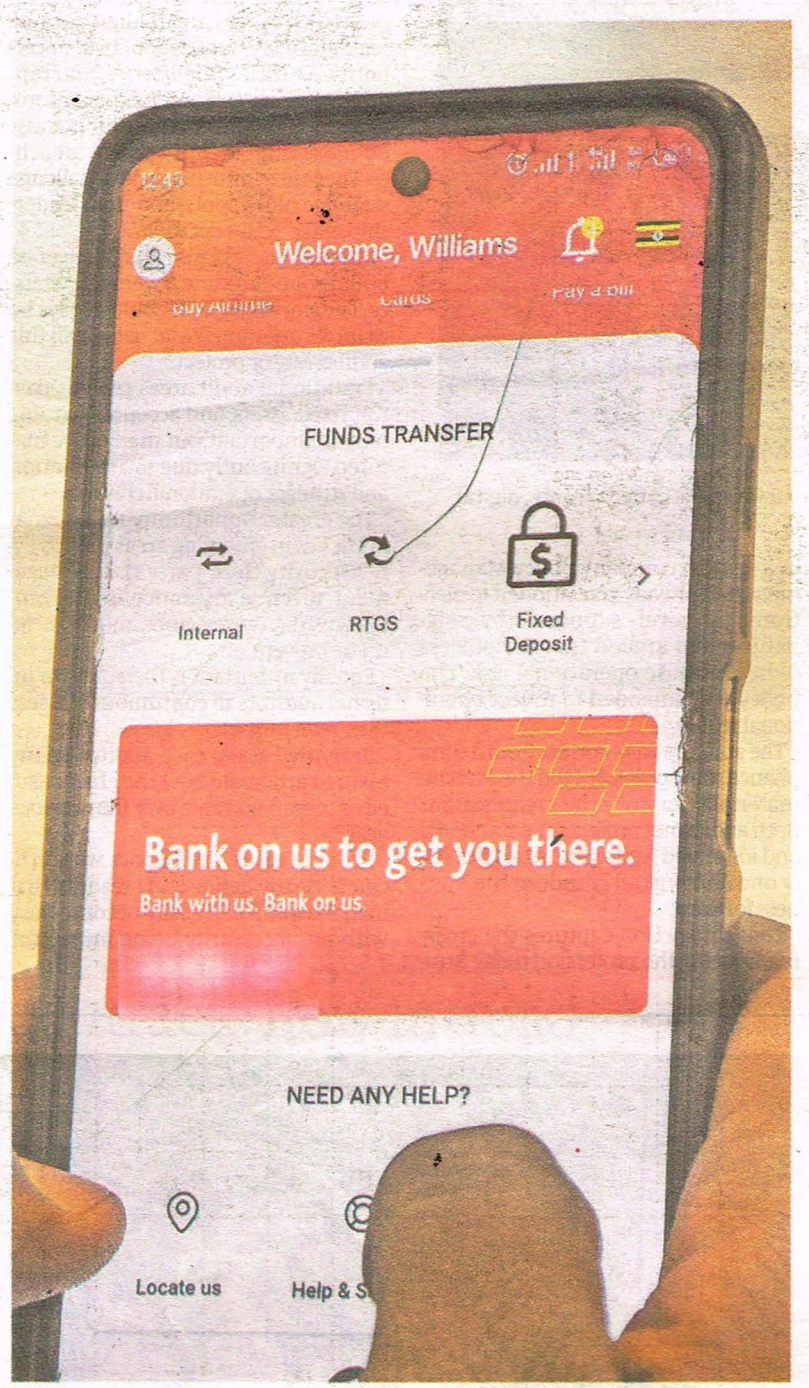
"Real-time data helps institutions understand market changes in record time," Mr Ssekisonge said. "Banks do not have to wait for 30 or 90 days to pivot their strategies because the data is coming in continuously."

The implications are enormous. Traditional banking systems have long depended on historical financial records such as balance sheets, audit reports, and income statements to guide decision-making. While useful, these records only explain the past.

AI, however, introduces predictive intelligence.

"For finance executives, it is important to look ahead and understand what is coming next," Mr Ssekisonge added. "AI combines historical and real-time data to enable predictive analysis for future decision-making."

This predictive capability is expected to significantly reduce loan default rates, improve customer targeting, strengthen fraud detection systems, and lower operational costs.



AI-powered real-time data systems allow banks to monitor and analyse customer trends continuously – daily, weekly, or instantly, enabling faster responses to market shifts and emerging risks. PHOTO/MICHAEL KAKUMIRIZI

AI

'AI is not replacing bankers anytime soon. But bankers who understand AI may replace those who do not.'

Rise of intelligent banking

Globally, financial institutions are already embracing AI-driven automation and analytics at scale. Chatbots now handle customer inquiries instantly, fraud-monitoring systems flag suspicious transactions in seconds, and machine-learning algorithms help banks assess creditworthiness more accurately than traditional models.

For Uganda's banking sector, AI presents an opportunity to leapfrog legacy systems and compete in a rapidly digitising economy.

However, successful AI adoption requires more than simply purchasing new software.

Mr Ssekisonge cautioned banks against treating AI as a strategy in itself. "AI is not a strategy; it is a tool that helps institutions achieve their strategic goals," he explained. "Banks must first understand what they want to achieve, have the right data, and ask the right questions."

He stressed that institutions must establish clear governance frameworks before integrating AI systems into critical operations.

"AI is a delicate subject," he warned. "There must be a clear governance framework around it, with risk and compliance functions playing a key role in implementation."

dfcu Bank's CEO Sounds the Alarm

The conversation around AI governance was echoed strongly by the managing director and chief executive officer of dfcu Bank Uganda Limited, Mr Charles M. Mudiwa.

Inclusive of banks and other organisations, Mr Mudiwa warns that organisations should not be rushing to adopt AI without understanding the risks associated with poorly governed data systems.

"We're getting to a world today where data is being confused," Mr Mudiwa said. "If AI is generating its own data, which people are confusing as real data, and then they've got their own real data, organisations must clearly separate the two."

Mr Mudiwa says one of the greatest dangers facing institutions is the possibility of AI-generated information being mistaken for verified operational or customer data. "Be very clear about what your actual customer data is versus what is AI data," he advised.

Mr Mudiwa emphasized that AI systems are only as reliable as the data used to train them. "If the data is wrong, it will learn the wrong things," he said.

His remarks reflect growing global concerns around AI ethics, misinformation, and accountability — especially as organisations increasingly depend on automated systems to make critical decisions.

Governance before innovation

Across Africa, not only are banks adopting digital services, but many organisations are embracing digital transformation. But experts insist that governance must come before innovation.

In this case, Mr Mudiwa urged institutions to establish ethical standards, accountability mechanisms, and operational controls before deploying AI systems widely. "Let's understand what frameworks we need to create in our systems," he said.

While AI can significantly improve customer experience, operational efficiency, and revenue growth, poor implementation could expose institutions to serious financial and reputational risks.

Importantly, he emphasized that AI should enhance human decision-making and not replace it. "Always remember you have the ultimate accountability," Mr Mudiwa stated firmly. "AI is not accountable. You are."

That message resonates strongly as regulators worldwide begin introducing stricter rules around AI governance, transparency, and data privacy.

Takeaways

- Globally, financial institutions are already embracing AI-driven automation and analytics at scale.
- Chatbots now handle customer inquiries instantly, fraud-monitoring systems flag suspicious transactions in seconds, and machine-learning algorithms help banks assess creditworthiness more accurately than traditional models.
- AI can improve customer experience, operational efficiency, and revenue growth, poor implementation could expose institutions to serious financial and reputational risks.

The human factor in the AI era

Despite the rapid advancement of Artificial Intelligence, experts agree that human judgment remains irreplaceable.

Mr Mudiwa stressed the importance of preparing employees for the AI-driven future through training and reskilling.

"We need a different people's strategy," he explained. "How do we train people, and what are those things that we want to do?"

He urged accountants, analysts, and financial professionals to become more data-literate and participate in building trustworthy data ecosystems. "So, as accountants, let's create the right data," he appealed.

Start small, scale wisely

For institutions beginning their AI journey, Mr Mudiwa offered a simple but powerful message: start small. "Practice with something small and then build it up," he advised. "Get a use case that works and then scale it."

Using African proverbs to drive his point home, Mr Mudiwa cautioned organisations against moving faster than their capabilities allow.

"He who swallows a coconut should trust the size of their palm," he said, emphasizing the importance of measured ambition and responsible implementation.

As Artificial Intelligence reshapes the global economy, Uganda's banking sector faces a defining moment. The institutions that successfully combine innovation, governance, human oversight, and strategic clarity may define the future of finance in the region.

One thing is increasingly clear: AI is not replacing bankers anytime soon. But bankers who understand AI may replace those who do not.

This aligns with findings from the KPMG Global AI in Finance 2026 report titled: The Decision Advantage: How AI is Producing Value Across the Finance Function.

The key findings in it are that more than a third of organisations' active AI use has more than doubled since 2024 (30 percent to 75 percent), with nearly three-quarters of leaders reporting AI is meeting or exceeding ROI (Return on Investment) 71 percent expectation.

70 percent of organisations reported significant improvements in decision-making quality, and 71 percent and forecast accuracy at 64 percent.