

UBA Chairman's Speech

**The Annual Bankers' Dinner on 25th November 2016 at Kampala Serena Hotel,
Katonga Hall.**

PROTOCOL

- The Governor Bank of Uganda, Professor Emmanuel Tumusiime Mutebile.
- The Deputy Governor Bank of Uganda, Dr. Louis Kasekende.
- The Senior Management Team, Bank of Uganda.
- The Principal Judge of HC of Uganda, Hon Justice Dr. Yorokamu Bamwine.
- IMF Resident Representative to Uganda.
- Chairs of Committees of Parliament.
- Bank CEO's, Board Members, Fellows and Associates of the Uganda Institute of Banking and Financial Services.
- Chief Executive Officers, present.
- Our former Executive Director Mr. Emmanuel Kikoni.
- Executives and Officers of Commercial Banks and MDIs.
- Our valued stakeholders in your various capacities
- Distinguished guests, all protocol observed.

WELCOME & EXPRESSION OF GRATITUDE

I welcome you all to this Annual Bankers' Dinner that has been organized by the Uganda Bankers' Association in conjunction with Uganda Institute of Banking and Financial Services.

I welcome you our Guest of Honor, the Governor and your dear wife and all our guests for accepting our invitation and joining us at this annual event when we take time off as the festive season approaches to take stock of the events, achievements and challenges of the year and crown it with all with a party.

It is a prudent & healthy practice to come together to share an evening, chat, laugh and catch up after several months of hard work.

I recognize the presence of our valued stakeholders, partners and friends who continue to work with us in building a sound banking industry and financial sector as a whole.

The justice law & order sector is well represented here by the Principal Judge of the High Court His Lordship Hon. Justice Dr. Yorokamu Bamwine. Your Lordship you are most welcome.

We recognize the presence of the IMF representative to Uganda (Ms. Clara), and the various international development agencies here including FSDU, UNCDF, Abitrust, Rural Challenge fund and many others present here this evening.

I salute our valued stakeholders in their various capacities representing the Governmental agencies, manufacturers, business community, telecoms, professional firms like the legal fraternity, finance & accounting professionals, valuers, the Print & Electronic Media all of whom we work with in the course of executing our mandate.

I would like to take this opportunity to recognize and thank the following partners for the tremendous support towards UBA this year 2016. These include; Uganda Revenue Authority, Capital Markets Authority, PriceWaterHouseCoopers(PWC), Uganda Registration Services Bureau, The Financial Sector Deepening Unit, Financial Intelligence Authority, the Credit Reference Bureaus, The Ministry of Finance, Planning & Economic Development and the committees of Parliament on the Economy and Finance. The level of engagements and support received from these institutions this year was tremendous and we thank you most sincerely for this.

I would like to also thank the President of the Uganda Institute of Banking and Financial Services Mr. Juma Kisaame and the Chairperson of the Board of Directors of the institute Mr. Herman Kasekende, The Chief Executive Mr. Anthony Mulindwa together with all the members of the Board of Directors and staff of the UIBFS for their dedication to steer the Institute.

I equally salute our own Executive Director at the Bankers Association secretariat, Mr. Wilbrod Owor and staff for their work and contribution to the Association.

I convey my gratitude to the various UBA Committees' represented by the respective Chairs at this dinner. I will at the end of my remarks recognize your work with certificates of good service.

Lastly and in a special way, I would like to express my deep gratitude to our former Executive Director Mr. Emmanuel Kikoni who is retiring from active service to the Association but has remained available to support us.

Mr. Kikoni served the association for 16 years from 2000 to August 2016 during which period, he built the foundation of the association and steered it, to where it is now.

Mr. Kikoni, related with all of us very well bringing the spirit of resilience through the many years of experience that he brought along with him. He won us very many friends and relationships against which we premise our plans today.

We thank the family of Kikoni for dedicating him to us and for the numerous contributions you enabled him make to our Association.

We thank you Emmanuel and know that even while you are busy with your other plans, you will find time for us.

At the end of my remarks, I shall request you to receive a humble gift of appreciation from us.

MAIN BODY OF SPEECH.

TAKING STOCK OF 2016

As I mentioned in the earlier part of my remarks, at an annual dinner like this one when we come together, it is a good time for stock taking.

Challenges.

As you are all aware, the economy has been challenged with a lower growth rate during the year 2016 for various reasons, and the banking sector could not escape from this turbulence arising from the economic shocks therein.

Industry NPLs became a rude reality when stressed businesses spread across the country in nearly all sectors struggled with arrears, impacting on banking business significantly.

The debates on the cost of credit & proposals for capping interest became yet another topical issue nearly diverting some sections of the population away from underlying causes and more sustainable solutions as opposed to knee jerk reactions.

In the 4th qtr, one of our own members has had to wither through very stormy waters, although thanks to the resoluteness of our regulator, this turbulence is being addressed appropriately and we do believe it will come to pass.

Achievements

The challenges aside, we registered numerous positives in the course of the year 2016.

As an association, at the end of 2015 and early 2016, we finalized **our medium term strategy 2016-2018** based on the following five (5) pillars.

- 1. Building Institutional Capacity:** Objective being to strengthen capacity of UBA to achieve the 3-year strategic plan.
- 2. Stakeholder Engagement:** Objective being to work with many more partners in fulfilling our mandate to promote financial services sector priorities.
- 3. Drive Visibility:** To enable us play a more supportive & informative role in banking, the financial sector & wider economy as a whole.
- 4. Foster Research & Innovation:** To improve on financial services delivery, introduce new products & contribute to policy development based on evidenced research.
- 5. Financial Sustainability:** To Broaden UBA funding base required as an enabler for the delivery of our objectives.

In the course of the year, we beefed up the secretariat with a new Executive Director in the names of Mr. Wilbrod Owor and recruited additional staff in the key areas of Communications & Corporate Affairs, Research & Policy development and have introduced more committees & technical working groups including credit, assets reconstruction and agent banking to steer key initiatives in line with our strategic plan.

We undertook several stakeholder dialogue sessions in the course of the year including with traders, private sector foundation stakeholders, civil society budget action groups,

the media, various players in the financial sector, the ministry of finance and various development agencies, all meant to draw consensus on financial sector priority areas for attention and interventions required therein. These engagements have helped us develop proposals as well as build foundations for partnerships, collaborations and undertaking of initiatives that we will be driving in 2017 onwards.

In doing this we worked closely with the print & electronic media who remained close to us in seeking alternative views and shaping the very insightful dialogue that was going on. We thank our dear friends in the media fraternity, although in some of the areas, we call for more professionalism and care due to sensitivity of the matters discussed including balanced and accurate coverage. We remain available when in need of reference.

During the year 2016, The Association was recognized with the Commissioner General's Award for the collaborative support provided by member banks as the primary collecting agencies for Uganda Revenue Authority. We pledge to continue playing this role and continuously improve our side of the process.

We are further pleased to report that the banking industry introduced various products through electronic platforms that today has enabled our customers among others, access loans through the phone and spread access to areas previously underserved. This effort will continue as we forge more collaborations. Uganda Bankers' Association is committed to supporting innovations, growth and diversification of financial products and services to enable more and more of our population access financial services and get them to the regulated formal financial system, which enables further improvements on transmission of monetary policy in Uganda. UBA is to join hands with other stakeholders to spearhead a rigorous public awareness/education campaign on financial literacy and Credit Reference Bureau Services as part of the financial inclusion initiatives.

The progress made in 2016, towards the pursuit of our medium term strategy has prepared us for 2017. With the support of our regulators and our various partners, including Government, the various agencies & stakeholders, we have lined up a number of activities for the year 2017 and count on your support.

I wish to share with you some of the key initiatives lined up for 2017.

UBA member banks are undertaking collaboration projects that will involve rolling out a shared technology platform to support agent banking, increase outreach and extend financial services to previously unserved or underserved populations. Through collaboration with several other stakeholders & players like telecoms, fin-tech companies and agents across the country, more products including loan products will be extended to the huge chain of agents to enable them run their own businesses as well as reach the wider population. The eco system around agent banking will bring about **new business opportunities** for thousands of agents spread across the country through service management, training opportunities, operations, KYC/AML compliance monitoring, cash management, Business Analytics, Fraud control and management, standards & brand management etc, all of which work to increase Job creation & improvement of household incomes. We envisage the introduction of more mass market products and services considering that the agents are the same business people who also double as the key distributors, wholesalers, retailers etc in any given location and as such would have business related needs while still serving as agents to the banks.

Uganda Bankers Association is also spearheading the establishment of the Assets Reconstruction Company (ARC) to assist banks in management of toxic debt through restructure/reconstruction/turnaround of such companies especially those with systemic ramifications.

The benefits envisaged out of the ARC include,

- Acquisition of Non-Performing Loans from challenged Banks, is expected to improve the financial position of banks including liquidity, retained earnings, capitalization and overall stimulate recovery of banking system.
- The ARC further presents an increased opportunity for reconstruction of and turnaround of stressed businesses as well as investment opportunities for equity investors and all supporting agencies like insurers,

investment advisors, legal & accounting firms, tax authorities etc and economy as a whole including employment.

This process is on-going and is expected to take shape in 2017.

Our guest of honor & invited guests, the Association in conjunction with its partners will be launching the Annual Banking Conference series, that will from 2017 onwards become an annual event where, we take stock of key industry issues and trends and focus discussions on aligning the banking industry to the economy's sustainable development aspirations. Presentations of research papers, policy proposals, and recognition awards will be some of the key highlights of this conference. It is our intention to build on this to establish a strong collaborative research network roundtable that will become a permanent organ in our association to foster research & policy development.

Once again we count on your support towards this initiative and we will share more information on this event in due course.

CONCLUSION

In conclusion our distinguished guests, we are confident that the banking sector is resilient and will continue to position itself to respond to the demands of the times, no doubt with your support.

I would like to end by thanking you our guest of honor and all our guests for sparing time to be with us this evening and trust that you will fully enjoy the dinner and the entire evening.

UBA wishes you all a Merry Christmas and a fruitful 2017.

I thank you all.

Fabian Kasi

Chairman Uganda Bankers' Association

INVITE COMMITTEE CHAIRS AND GIVE THEM RECOGNITION CERTIFICATES

INVITE MR KIKONI TO RECEIVE HIS GIFT JOINED BY HIS FAMILY.

TAKE PHOTO AS WELL/JOINED BY GOVERNOR/GUEST OF HONOUR