

Uganda Bankers' Association

Annual Report

2019



Uganda Bankers' Association

Promoting Partnerships. Transforming Banking.

Promoting Partnerships

Transforming Banking

Uganda Bankers' Association

Annual
Report



Content.

6

About Uganda
Bankers Association

8

UBA Structure and
Governance

10

UBA Member
Bank CEOs

14

UBA Executive
Committee 2019

15

UBA Secretariat
Management Team

16

UBA Committee
Representatives 2019





Content.

20

2019 **Best Performing**
Committees

23

UBA Chairman's
Message

30

Message from the
Executive Director

31

UBA **Activities**
2019

48

CSR & UBA Member
Bank Activities

61

UBA Partners

62

Financial Statements
for the Year Ended 31
December 2019

About Uganda Bankers Association

Uganda Bankers' Association (UBA) is an umbrella organization for financial Institutions licensed and supervised by Bank of Uganda. Established in 1981 and UBA is currently made up of 25 commercial banks, 2 development Banks (Uganda Development Bank and East African Development Bank and 8 Tier 2 & Tier 3 Financial Institutions (FINCA, Pride Microfinance Limited, Post Bank, Top Finance , Yako Microfinance, UGAFODE, Brac Uganda Bank and Mercantile Credit Bank.



The objectives of UBA include



- Develop and maintain a code of ethics and best banking practices among its membership.
- To encourage & undertake high quality policy development initiatives and research on the banking sector, including trends, key issues & drivers impacting on or influencing the industry and national development processes therein through partnerships in banking & finance, in collaboration with other agencies (local, regional, international including academia) and research networks to generate new and original policy insights.
- To develop and deliver advocacy strategies to influence relevant stakeholders and achieve policy changes at industry and national level.
- To work closely with the regulator BOU and other non-bank financial institutions & organizations in promoting financial sector growth, through training, development of products, technologies & initiatives to promote financial sector growth.
- To promote and represent the professional interests of its members

UBA Vision

A strong vibrant and respected financial services industry in the East African region

UBA Mission

To promote a sound banking environment through research and innovation, advocacy, good governance and best practices



UBA Structure and Governance

UBA is an association of 35 Supervised Financial Institutions that constitute the membership and are represented by the Chief Executive Officers.

The UBA Apex Governance body is made up of the member bank CEOs.

The Executive Committee that is made up of five (5) members namely the Chairman, Vice Chairman, Hon. Treasurer, Hon. Auditor and the Executive Director/Secretary.

The UBA Secretariat has a full-time staff compliment of 7 employees who manage the day to day operations under the leadership of the Executive Director.

UBA Activities are managed by the secretariat which works in consultation with the following committees;



1. Clearing House Committee
2. Operations Committee
3. Credit Reference Bureau Committee
4. Frauds and Forgeries Committee
5. Compliancy Committee
6. Legal Committee
7. Treasurer's forum Committee
8. Credit Committee
9. Cyber Security Committee
10. CFO Forum Committee
11. Digital Financial Services Committee
12. Security Committee
13. Human Resource Committee
14. Bancassurance Committee



UBA Members as at 31st December 2019

1.	ABC Capital Bank Ltd
2.	Bank of Africa Uganda Ltd
3.	Bank of Baroda
4.	Bank of India
5.	Absa Bank
6.	Cairo International Bank
7.	Centenary Bank
8.	Citibank
9.	Commercial Bank of Africa Uganda Ltd
10.	dfcu Bank
11.	Diamond Trust Bank
12.	East African Development Bank
13.	Ecobank
14.	Equity Bank
15.	Exim Bank
16.	Finance Trust Bank
17.	Guaranty Trust Bank
18.	Housing Finance Bank
19.	KCB Bank Uganda Limited
20.	NC Bank Uganda Limited
21.	Opportunity Bank
22.	Orient Bank
23.	Stanbic Bank
24.	Standard Chartered Bank
25.	Tropical Bank
26.	Uganda Development Bank
27.	United Bank for Africa Uganda Ltd
UBA Associate Members	
28.	Pride Microfinance Uganda Limited
29.	UGAFODE
30.	FINCA Uganda
31.	Post Bank Uganda Limited
32.	Yako Microfinance
33.	Mercentile Credit Bank
34.	Top Finance Bank
35.	Brac Uganda Bank

UBA Member Bank CEOs



Mr. Jessy Timbwa
CEO, ABC Capital Bank



Mr. Arthur Isiko
CEO Bank Of Africa



Mr. Ashwini Kumar
CEO, Bank Of Baroda
(U) LTD



Mr. Ajay Panth
CEO Bank Of India



Mr. Rakesh Jha
CEO Absa Bank
(U) LTD



Mr. Fabian Kasi
CEO Centenary Bank



Ms. Sarah Arapta
CEO Citibank (U) LTD



Mr. Anthony Ndegwa
CEO Commercial Bank
For Africa

UBA Member Bank CEOs



Mr. Johnson Agoreyo
CEO United Bank for
Africa (Uganda)



Mr. Varghese Thambi
CEO Diamond
Trust Bank



Mr. Mathias Katamba
CEO dfcu Bank



Mr. Clement Dodoo
CEO Ecobank (U) Ltd



Mr. Samuel Kirubi
CEO EQUITY
Bank (U) LTD



Mr. Sabhapathy Krishnan
CEO EXIM Bank
(U) LTD



Mrs. Annet Nakawunde Mulindwa
CEO Finance
Trust Bank



Mr. Lekan Sanusi
CEO Guaranty Trust
Bank (U) LTD



Mr. Michael Mugabi
CEO Housing
Finance Bank

UBA Member Bank CEOs



Ms. Vivienne A. Yeda Apopo,
Director General
East African
Development
Bank (EADB)



Mr. Edgar Byama
CEO KCB Bank
(U) LTD



Mr. Sam Ntulume
CEO NC Bank
(U) LTD



Mr. Kumaran Pather
Managing Director
Orient Bank



Mr. Patrick Mweheire
CEO Stanbic
Bank
(U) LTD



Mr. Albert Saltson
CEO Standard
Chartered Bank
(U) LTD



Mr. Abdulaziz Mansur
CEO Tropical
Bank (U) LTD



Mrs. Patricia Ojangole
CEO Uganda
Development Bank



Mr. James Onyutta
CEO FINCA
(U) LTD

UBA Member Bank CEOs



Mr. Rajnish Jain
Managing Director
Yako Microfinance
Limited



Mrs. Veronica Namagembe
CEO Pride
Microfinance (U) LTD



Mr. Julius Kakeeto
CEO Post Bank
Uganda



Mr. Tineyi Mawocha
CEO Opportunity
Bank (U) LTD



Mr. Denis Kibuka Musoke
Managing Director,
Top Finance Bank



Mr. Paul Senyomo
CEO Mercantile
Credit Bank (U) LTD



Mr. Wilbrod Humphreys Owor
ED Uganda Bankers
Association



Mr. Jimmy Adiga
CEO BRAC Bank
Limited Uganda



Mr. Shafi Nambobi
CEO UGAFODE
Microfinance
Limited

UBA Executive Committee 2019



Stanbic Bank
Patrick Mweheire
(Chairman)



dfcu Bank
Mathias Katamba,
(Vice Chairman)



Citibank
Sarah Arapta
(Hon. Auditor)



Bank of Baroda
Ashwini Kumar
(Hon. Treasurer)



Uganda Bankers
Association
**Wilbrod
Humphreys Owor**
(Executive Director)

UBA Secretariat Management Team



**Wilbrod
Humphreys Owor**
Executive Director



Patricia Amito
Head Communications &
Corporate Affairs



David Juuko
Head Finance and
Administration



Noelle Nangira
Legal Officer



Solomon Ichumar
Administration Manager



UBA Committee Representatives 2019

Committee

Clearing House

Sponsoring CEO: Bank of Africa (Mr. Arthur Isiko)

Chair: Centenary Bank (Ms. Rose Namutebi Lukwago)

Secretary: Standard Chartered (Mr. Fredrick Nfaaki)

Operations

Sponsoring CEO: Standard Chartered Bank (Mr. Albert Saltson)

Chair: Standard Chartered Bank (Mr. Joseph B. Mwesigye Kimbowa)

Vice Chair: Absa Bank (Mr. Julius Ceaser Kiyemba)

Secretary: dfcu Bank (Ms. Eva Naisanga)

Credit Reference Bureau

Sponsoring CEO: Housing Finance Bank (Mr. Micheal Mugabi)

Chair: Housing Finance Bank (Mr. Joshua Dhuani)

Vice Chair: Standard Chartered Bank (Ms. Aidah Nantege)

Secretary: Pride Microfinance Uganda Limited (Ms. Leila Najjuuko)

UBA Committee Representatives 2019

Committee

Frauds and Forgeries

Sponsoring CEO: Diamond Trust Bank (Mr. Varghese Thambi)

Chair: Diamond Trust Bank (Mr. Benjamin Balinda)

Compliance

Sponsoring CEO: Ecobank Bank (Mr. Clement Dodoo)

Chair: Ecobank Bank (Ms. Patricia Omallah)

Vice Chair: dfcu (Mr. Abdu Victor Nabongho)

Secretary: Exim Bank (Mr. Benedict Kiza)

Legal

Sponsoring CEO: Absa Bank (Mr. Mian Nazim Mahmood)

Chair: Housing Finance Bank (Ms. Anne Abeja)

Vice Chair: Standard Chartered Bank (Ms. Dorothy Ochola)

Secretary: ABC Capital Bank (Ms. Max Manzi)

Treasurer's forum

Sponsoring CEO: Citibank (Ms. Sarah Arapta)

Chair: Stanbic Bank (Mr. Kenneth Kitungulu)

Vice Chair: Standard Chartered (Mr. Charles Katongole)

Secretary: ACI, Financial Markets Association Uganda (Ms. Charity S. Kesiime)

Credit

Sponsoring CEO: dfcu Bank (Mr. Mathias Katamba)

Chair: Equity Bank (Mr. Jimmy Mwangangi)

Vice Chair: Finance Trust Bank (Mr. Ali Lwanga)

Secretary: Mercantile Credit Bank (Ms. Tracy Nakiranda)

UBA Committee Representatives 2019

Committee

ICT & Cyber Security	Sponsoring CEO: Stanbic Bank (Mr. Patrick Mweheire)
	Chair: Stanbic Bank (Mr. Herbert Olowo)
	Vice Chair: Tropical Bank (Mr. Francis Musinguzi)
	Secretary: Ecobank Bank (Mr. Andrew Walusimbi)
CFO Forum Committee	Sponsoring CEO: Centenary Bank (Mr. Fabian Kasi)
	Chair: Centenary Bank (Mr. Godfrey Byekwaso)
	Secretary: Housing Finance Bank (Mr. Medad J. Mwesigwa)
Digital Financial Services (DFS)	Chair: Absa Bank (Mr. Kumaran Pather)
	Vice Chair: Centenary Bank (Ms. Edith Kababure)
	Secretary: Orient Bank (Ms. Elizabeth Damalie)
Security	Chair: Stanbic Bank (Mr. Timothy Ocaa)
Human Resource Committee	Chair: Absa Bank (Ms. Sylvia Mulomi)
	Secretary: Guaranty Trust Bank (Ms. Mary Lillian Nabunya Mayonga)
Bancassurance Committee	Chair: Orient Bank (Mr. Christopher Sengendo)
	Secretary: Standard Chartered Bank (Ms. Ruth Nduhukire Tumwesigye)

As at end of 2019, UBA had 14 committees with the establishment of two more committees that is the Human Resource Committee and Bancassurance Committee

Human Resource Committee



The committee's mandate is to provide guidance on all policy and process issues that impact human resource management in the banking sector. The committee will;

1. Provide advisory & technical support to the Uganda Institute of Banking & Financial Services (UIBFS) by way of generation of appropriate & more relevant capacity building programmes, course content, facilitators, training methodologies, collaborations and all manner of assistance to sharpen the delivery of the UIBFS mandate to the banking industry.
2. Recommend and provide advisory meant to address people risk in the banking industry arising from indiscipline, fraud, confidentiality breaches among others and instead promote best practices as necessary to safeguard & accord banking the profile it deserves.
3. Build relevant & appropriate collaborations necessary to deliver the above mandate and remain abreast of developments, legislation and regulations affecting human resources in the banking industry.

Bancassurance Committee



The Committee seeks to bring together the principle officers of member banks to collectively discuss all matters related to Bancassurance in order to cultivate an environment for the growth of business. The committee will;

1. Identify key industry concerns and recommend interventions to address them
2. Strengthen capacity of member banks to integrate bancassurance within their overall strategies, structure and culture
3. Recommend strategies for growth of Bancassurance



2019 Best Performing Committees

UBA Committees provide a powerful framework within which industry wide issues are addressed in a harmonized manner but also are a strong support for strengthening capacity of an institutions to address challenges/issue that may emerge during the course of their operations.

UBA appreciates the various leadership and members within each committee for their invaluable contribution.

In 2019, three committees were recognized for their tremendous contribution to improvements in the banking and financial sector in Uganda during the course of 2019;

LEGAL COMMITTEE

Achievements for 2019

1. Capacity Building for Judicial Officers:
Formal partnership established between

UBA and the Judicial Training Institute with signing of MOU that provides a framework for UBA Legal Committee to support the capacity building for the judiciary to better handle financial sector related cases.

2. Engaged with the industrial court on labour issues affecting the banking and financial services industry and UBA representative was nominated to the industrial court users' forum to represent the industry's interests. Committee currently working on Terms of Reference for the Court Users Forums alongside the industrial Court.
3. Launch and operationalization of ICAMEK Initiative including engagement of development partners through Justice ,Law & Order Sector (JLOS) for financial and technical support towards this industry initiative.

TREASURERS FORUM

Achievements for 2019

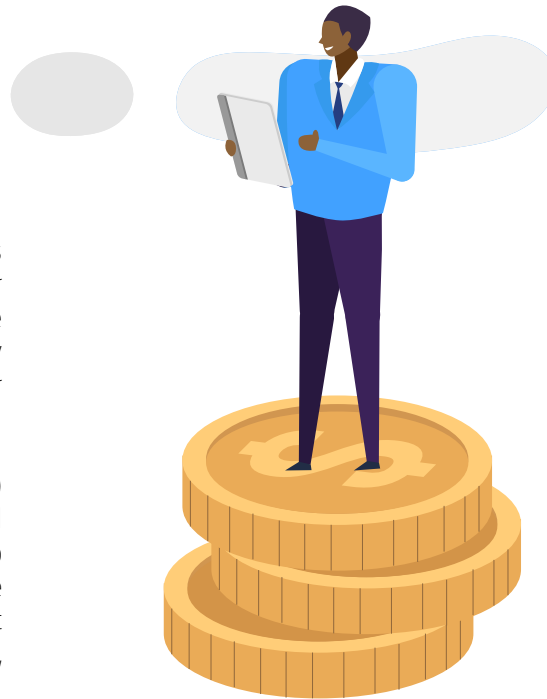
1. Facilitated process leading to member banks executing an annex to the Global Master Repo Agreement (GMRA). Committee engaged with BOU and FrontClear to modify the GMRA and created a Ugandan Annex for GMRA.

The GMRA (with the Uganda annex) was signed by all banks and is a pivotal documentation in developing the repo market and by extension improving the secondary market for trading of government securities because it will increase liquidity, enable funding and provide higher yields.

2. In partnership with the Central Bank, the Committee trained market dealers on the roles and responsibility of the central bank in the regulation of the financial markets and communication was given on the acceptable market conduct.

3. The committee supported the operationalization of the Ebond and FI call outs Platforms which are both electronic fixed Income trading platforms offered by Bloomberg and Refinitiv respectively. All banks in Uganda are able to formally display their various prices for the different tenors in their fixed income products hence streamlining pricing of the trades.

4. Committee engaged with MOFPED, BOU and URA on WHT on trades which initially stood at 20% for all securities, high in EAC in comparison to the regional peers. The key outcome of these engagements was the pronouncement by the Minister of Finance Planning and Economic Developments, the reduction of the tax on the secondary market from 20% to 10% which makes Ugandan securities attractive to both the locals and off shore investors.



Chief Finance Officers' (CFO) COMMITTEE

Achievements for 2019

1. Engagements with URA on key tax policy amendments affecting the industry and customers e.g. Stamp Duty and Income tax which resulted in;
 - i. *The change from charging stamp duty as a percentage to a fair absolute amount.*
 - ii. *An amendment made to exempt financial institutions in the income expense capping that had not exempted them in the prior amendment.*
2. Facilitated and enabled improved IFRS implementation on key new standards among UBA members through organizing professional development workshops for industry CFOS. This was a one-day symposium that shared key learnings in implementation of IFRS 9 and how to best implement IFRS 16. All workshops are certified by both ACCA and ICPAU and thus attract a minimum of 4 CPD hours from each body.

Notice of Annual General Meeting



NOTICE TO: ALL CHIEF EXECUTIVE OFFICERS OF UBA MEMBER INSTITUTIONS

The Annual General Meeting of UBA is scheduled for;
Friday 22nd May 2020 starting at 4.00pm

Agenda for UBA AGM

1. Welcome Remarks by the Chairman & Confirmation of Agenda
2. Minutes of the previous meeting held on 24th May 2019
3. Matters Arising
4. Chairman's Report
5. Treasurers Report
- a) Presentation of Accounts for the year 2019 by External Auditors
6. Membership Updates
7. Election of office bearers
8. A.O.B

Wilbrod Humphreys Owor
Executive Director/Secretary



UBA Chairman's Message

Dear Members, I take this opportunity to welcome you to the 2020 Annual General Meeting of Uganda Bankers' Association.

Good corporate governance requires that at each annual general meeting, the chairman presents a report on the performance, of the Association, and other major events to its members.

1. 2019 Banking Industry Review

1.1 Growth in assets

Total assets of the banking sector increased by **16.7%** from Ugx 28.1 trillion at end of Dec 2018 to Ugx 32.8 trillion as at Dec 2019.

This growth was driven by;

- Growth in loans & advances by 13.9% from Ugx 12.7 trillion reported in 2018 to Ugx 14.46 trillion in 2019.
- Holdings of GOU securities which rose by 19.6% (Ugx 1.18 trillion) from Ugx 6.03 trillion to Ugx 7.21 trillion.
- Growth in customer deposits by 18.4% from Ugx 19.6 trillion in December 2018 to Ugx 23.2 trillion in December 2019. Shilling deposits stood at 14.2 trillion (62.8%) while FX deposits were recorded at Ugx 8.7 trillion (37.2%)
- Total number of accounts were recorded at 15,423,426 as at Dec 2019 compared to 12,172,484 as at December 2018 representing growth of 21%
- Growth of channels specifically agent banking points increased to 12,154 by end of December 2019,

The real estate & construction sector registered the largest increase in nominal terms by **Ugx 365.1 billion.**

Aggregate ROA & ROE improved from **2.8%** and **16.3%** in 2018 to **2.9%** and **16.8%** in 2019

UBA Chairman's Message

1.2 Credit extension.

By sector, loan growth over the year was spread across most sectors.

Lending to agriculture registered the highest annual growth rate of 18.1% (Ugx 298 billion) largely attributed to credit extended to agro processing (Ugx 219.2 billion).

Agriculture accounts for 13.5% of the total industry loan book.

The real estate & construction sector registered the largest increase in nominal terms by Ugx 365.1 billion.

Real estate and construction account for 20.2% of the total industry loan book while manufacturing accounts for 12.8%, trade & commerce 19.2% and personal & household loans 18.4%.

The average industry non-performing loan ratio moved from 4.2% in December 2018 to 5.2% (Ugx 749.2 billion) in December 2019.

Trade & Commerce as well as agriculture were the main contributors to the deterioration of NPL ratios.

The industry average loan to deposit ratio was recorded at 61.4% compared to 68% in 2018

1.3 Earnings & Profitability.

The aggregate banking sector profitability improved for 2019.

Net after tax profits increased by 22.8% from Ugx 691.8 billion in 2018 to Ugx 849.8 billion in 2019. Aggregate ROA & ROE improved from 2.8% and 16.3% in 2018 to 2.9% and 16.8% in 2019.

Industry average cost to income ratio improved from 73.9% in 2018 to 61.4% in 2019.

Eight banks made losses in 2019 largely brought about by provisions for non-performing loans.

1.4 Membership & Institutional Capacity;

During the year, two financial institutions name Opportunity Bank and Afriland Bank were issued with commercial banking licences bringing the total number of tier I banks to 26.

We also admitted the following as ordinary and associate members respectively. East African Development Bank and Brac Uganda.

Beyond the institutional frameworks established in 2017/2018 which we continue to build on, we also established two additional committees for human capital and bancassurance.

UBA Chairman's Message



1.5 Outlook for 2020

Although Uganda's GDP had been projected to grow by 6.0%, the COVID 19 outbreak is expected to have serious economic implications including reduced economic & investment activity precipitated by supply side shocks for the economy.

The outbreak of COVID 19 and its impact across the globe has fueled uncertainty, risk aversion and in spite of stimulus packages triggered by most developed economies, there is likely to be a reversal of capital flows and this could affect foreign exchange volatility.

The impact of COVID 19 is no longer limited to trade, manufacturing, tourism, transport & hospitality services but across all areas with near lockdown of the country.

The above will have severe consequences on tax collection yet public sector financing needs are bound to grow. This situation will no doubt lead to further borrowing by Government which could push up borrowing costs for bank customers and crowd out private sector credit.

The digitization of service delivery channels within the sector has and will continue to enhance financial sector deepening and inclusiveness. During this year 2020 more digital initiatives will be introduced and promoted by financial sector players.

Digitization efforts will be supported through collaborations and partnerships with Fintechs and development partners to grow the financial services sector to reach more of the underserved and unbanked population categories.

2. Medium Term Strategy for 2019-2021

2.1 NIRA Project:

The cornerstone of our medium term (2019-2021) strategy remains leveraging ICT for digital financial services to increase access to and drive initiatives to lower the cost of delivering financial services.

To this end, in Q4 of 2019 we embarked on scoping the project to build infrastructure to enable member financial institution gain access to the national identity and registration authority (NIRA) database for purposes of verification of identity and authentication of transactions.

Funding was mobilized from members who contributed 43.3% of the budget while FSDU contributed 56.7%.

A procurement process for a developer was initiated that culminated into selection of Laboremus Uganda as the best evaluated bidder and a contract to commence development & delivery of the said infrastructure was signed earlier on this year.

Through this interface, members are expected to derive benefits not limited to verification & authentication of information for purposes of;

- I. Account opening for new customers.
- II. Validation and establishment of a single customer view for existing customers.
- III. Identity authentication before undertaking payment transactions.
- IV. Loan /credit transaction due diligence.

UBA Chairman's Message

2.2 Regulatory Reforms:

The strategy retreat held with Bank of Uganda to dimension and review the much-needed regulatory reforms to help take the sector to the next level culminated into the constitution of a joint UBA-BOU taskforce. The task force gathered views & proposals and a consultant has now been brought on board with grant assistance from FSDU to work through the details and ensure completion of this assignment over the next twelve (12 months).

2.3 Re-Branding (New UBA Logo):

We continued to profile UBA through various engagements, events & activities and on the 16th of July 2019, we re-branded & officially launched our new logo to speak to the needs & responses required of our times.

The re-branding was occasioned to address the following,

- The need to reposition ourselves to different stakeholders as alive to a future driven by ICT, data, collaborations and partnerships and to shed off the old identity associated with the past.
- The need for a logo that speaks to our mission and mandate as a thought leader in financial sector development, a body for policy development and advocacy, promoting best practices and professionalism, collaboration and stakeholder management.
- The need to bring out our identity banking industry umbrella body at first sight.

It is against this background that we are re-branded with a tag line of transforming banking and promoting partnerships.

2.4 Institutional Capacity:

The secretariat was beefed up for purposes of strategy implementation by the

establishment of a full directorate for strategy & innovation. This directorate is to house the research function and we recruited a highly experienced banker reporting to the ED to lead this function.

With support from the European Union (EU) & FSDU, a research unit is being established that will ultimately be turned into a full-fledged research center capable of standing on its own.

The following four (4) thematic areas will form its initial focal points

- Policy, Legal and Regulatory Environment.
- Product Development, Market Development and Business Environment.
- Technological Changes and Adoption.
- Financial Inclusion.

3. Stakeholder Engagement.

We continued with a number of stakeholder engagements during the course of 2019, key among being

3.1 Launch of the International Centre for Arbitration & Mediation in Kampala (ICAMEK).

Working in collaboration with the Uganda Law Society, a private sector led arbitration Centre (the International Centre for Arbitration & Mediation in Kampala) was launched on the 25th April 2019.

The establishment of ICAMEK was triggered by the growing number of commercial disputes. Consequently, the demand from various stakeholders was to have an effective dispute resolution mechanism that fosters the growth and development of business in Uganda.

The Private Sector Foundation, the Uganda Insurers Association and the Justice, Law & Order Sector (JLOS) are amongst the institutions that supported this venture.

UBA Chairman's Message



ICAMEK also received tremendous support from the Judiciary led by the Chief Justice and Principal Judge, Bank of Uganda, the Association of Architects, the Institution of Surveyors and Valuers, Uganda Manufacturers' Association, KACITA (Kampala City Traders Association) and the Institute of Chartered Public Accountants, among others.

ICAMEK has commenced the performance of its roles by offering trainings to promote and maintain a high caliber of arbitrators and mediators in the country. These arbitrators and mediators will be governed by a code of conduct to ensure professional ethics are observed. The Centre will also propose model dispute resolution clauses to be used in contracts/ agreements and provide access to a repository of online resources covering key arbitration topics.

3.2 Engagements with the Ministry of Finance Planning & Economic Development (MOFPED):

Fiscal Policy Issues: The Association held a number of fruitful engagements with the Ministry of Finance and the Uganda Revenue Authority through which a number of fiscal issues including tax amendments were discussed. Key issues considered included stamp duty on insurance performance bonds, bank guarantees, indemnity bonds and other similar debt instruments as well as interest on government securities. These amendments were eventually adopted in the budget speech in June 2019.

Financial Sector Development Strategy: We contributed to the drafting and continue to work with the Ministry of Finance to finalize the Financial Sector Development Strategy 2019 - 2025. The strategy aims at articulating and formulating a holistic financial sector strategy for economic and development.

3.3 Frauds: Collaboration with Uganda Police Force.

Uganda Bankers Association has and will continue to collaborate with the Uganda Police Force in the areas of fighting financial crime and frauds committed within the industry. This will provide opportunity for the industry to strengthen the technical capacity of the police force in the same regard.

In an effort to document fraud incidences across the industry, UBA is working with Summit Business to develop a case profiler system which will be used by Member Banks to share fraud incidences from their respective institutions.





Guests during the 2019 Annual Bankers Dinner held at Mestil Hotel in November 2019.

3.4 Annual Dinner.

We held our Annual Bankers Dinner in November 2019 as opportunity to gather numerous stakeholders for year-end get together as well recognize our own people who have made tremendous contribution to the work of the Industry.

Three UBA Committees were also recognized for their contribution to improvements in the banking and financial sector in Uganda. These were Legal, CFO and Treasurers Committee. I thank these committees and their members for their commitments.

Three Business Journalists were also recognized for their contribution to documenting and sharing relevant information about the banking and financial sector through the New Vision & Daily Monitor Newspapers, NTV and bankers Journal Magazine.

3.5 Annual Bankers Conference 2019.

This is one of the key events on the UBA annual calendar and we held our 3rd Annual Bankers Conference 2019 on the 16th of July 2019 under the theme, "De-risking financing & investment in agriculture to promote inclusive growth and youth employment"

The conference was graced by the Prime Minister of Uganda as guest of Honour who was represented by the Minister for Finance and Marianne Schoemaker from Rabo Bank as our key note speaker, together with various resource persons and subject experts.

The conference report issued subsequently summarizes the proceedings & key takeaways. Key conference take-aways for the financial sector are summarized in the extract that captures key focal areas for the financial sector.

We acknowledge the various organizations and institutions who joined us in hosting this event and making it a success. These include Mastercard, Bank of Uganda, Compuscan, Equity Bank, Financial Sector Deepening Uganda, aBi Trust, dfcu Bank, Centenary Bank, Uganda Development Bank, Oracle, Zubacx, and Raxio.

All the panelists and moderators at the respective panel sessions are highly acknowledged for their sharing relevant information, recommendations, and their invaluable contribution that made the entire conference a success.

Sincere appreciation goes to the writers and advertisers who contributed to the conference magazine, the authors who contributed articles to the conference magazine, resource persons including speakers who dedicated time off their busy schedules to attend and share views at this event are duly appreciated. To the Minister for Finance, the Governor BOU, the Keynote Speaker from Rabobank, the Netherlands Ambassador to Uganda, we highly appreciate your contribution.

Last but not least, sincere appreciation to the conference support team, UBA secretariat team, the master of ceremonies, Fenon Events, Fix It, Djito, Media Team for their tireless commitment towards the annual bankers conference and the useful advice to ensure that the conference is a success.

UBA Chairman's Message

Challenges:

The Year was not short of challenges. The cases in court regarding access to all customer information by URA, stamp duty and trade licenses for our numerous points of presence remain pending hearing or judgement, even though orders for stay of execution were realized.

There remains the challenge of low banking penetration & financial literacy which still remains low especially in the semi urban & rural areas coupled with high operating costs. We will through collaborations, partnerships and dialogue continue engaging stakeholders to work on resolving these issues.

The Presidential Policy Directive on no mortgaging of Govt land is one such policy constraint that we hope can be resolved quickly to avoid negative impact to credit growth & investment

Conclusion.

I did communicate earlier that our group office assigned me additional responsibilities in the region effective March 2020 which I have had to take on.

I thank the vice chairman whom we requested to assume responsibilities of chairman, much earlier and I thank him for holding forte.

I would like to thank the rest of my colleagues at EXCO and the team at Secretariat led by the ED for the work done in the 2019 period of review and to all of you for the tremendous support demonstrated all through.

I would like to thank all the chairpersons, members and sponsoring CEOs of the various committees for the support and commitment offered during the year.

I wish to thank all our development partners, JV partners, managers of our other agencies and all those persons and institutions we work closely with for supporting UBA through 2019.

I thank you for entrusting me as chairman UBA for the two years & look forward to the fruits from the various initiatives we started.

Keep the UBA flag flying high!

Patrick Mweheire
Chairman, Uganda Bankers Association

..... May 2020



Message from the Executive Director

2019 was another year of packed with numerous activities as indicated in the statement of the Chairman. The delivery of the 2019 plans, actions and activities was only possible through the tremendous work of my colleagues, the staff at the secretariat, the fifteen (15) committees of UBA, the executive committee & CEOs of UBA member institutions coupled with the support and collaboration from our various stakeholders and partners.

Special thanks to FSDU, aBI Trust, GIZ, IFC, EU, MasterCard, Compuscan, Uganda Law Society, JLOS, the Judiciary, Uganda Revenue Authority, Uganda Insurers Association, Financial Intelligence Authority, Bank of Uganda, the Ministry of Finance, Planning & Economic Development and all the media houses for all the support rendered in the course of the year.

Our re-branding in 2019 speaks to our new direction of transforming banking through fostering partnerships & collaborations.

In the year 2020 we will continue with implementation of the strategic plan 2019-2021 building on foundation laid (laid?) in 2019.

The delivery of the access to KYC data from the National Identity & Registration Authority will be critical to enable the industry progress growth in digital financial services. We therefore look forward to the full support & cooperation of NIRA and the capabilities of Laboremus the solution & infrastructure developer.

Riding on this and our other shared platforms, we plan to leverage on the new payment systems law & our partnership with Financial Technology Service Providers Association (FITSPA) to scale channels, services & products in the industry to continue delivering reach, penetration, variety & financial inclusion.

The delivery of proposals on industry reforms

and their adoption therein is another critical top- on-agenda activity. The industry is ripe form reforms going by the market changes driven not only by technology, but also demographics, geo-changes and numerous other market demands. The proposed reform areas will not be limited to operations but will also cover other regulatory aspects including governance, compliance, risk management, digital financial services, credit, treasury, finance and legal aspects among others.

Lastly the new department for strategy & innovation also specifically responsible for research is expected to take off in 2020.

This function will among others take lead in

- Undertaking research to produce & disseminate research findings, publications, bulletins, position papers etc as appropriate leading to high quality policy development initiatives including trends, key issues & drivers impacting on or influencing the industry and national processes therein.
- Developing and delivering advocacy strategies to engage relevant stakeholders and to achieve policy changes at industry and national level.
- Fostering further innovations through collaborations, partnerships, alliances that build a body of knowledge and enhances new products/services and overall operations of the association and member financial institutions to address the strategic & other emerging sectors for the industry.

Once again, we thank you all for the support & collaboration in 2019 and look forward to yet another year of milestones.

Wilbrod Humphreys Owor
Executive Director

UBA Activities 2019

Uganda Bankers Association retreat with Bank of Uganda

In March 2019, Uganda Bankers Association held the first ever strategy retreat with the industry regulator Bank of Uganda and development partners. This retreat sought to initiate the undertaking of innovative reforms and strategies that will contribute to reduction in costs of business and lower interest rates for the banking industry in Uganda.

The one day retreat provided bankers with the opportunity to share their concerns, ideas and plans with the regulator, align their long term vision with that of the Central Bank and commit to support the initiatives planned to transform the industry.

In attendance were UBA member banks CEOs, the Bank of Uganda Governor and senior management, International Monetary Fund (IMF) resident representative, the European Union (EU) delegation representative and aBi Development.

Regarding the concern of high interest rates the meeting agreed that the Central Bank continues to engage the relevant government

ministries on what policy reforms could be undertaken to reduce interest rates and that the banks continue to explore avenues of collaboration to minimize the cost of doing business, the benefits of which will ultimately be passed on to the customer as a reduced cost of service delivery including cost of credit and affordability coupled with ease of access to banking and financial services.

In light of the above, the following commitments were received;

1. IMF- pledged to advance discussions and advise BOU on issues of cost of credit.
2. EU committed to concluding discussions with Uganda Bankers Association on strategies to improve access to credit through supporting research in the same regard and which research will be beneficial to the sector as a whole.
3. aBi will continue support to the sector through the SABs project that they are already supporting and would like to see how best it can be leveraged to ensure that the lowest in the community get access to banking and financial services.

UBA Activities 2019



BOU Governor poses with team from BOU, UBA Members and Development Partner representatives at Serena Kigo on 25th March 2019 at the end of the Strategy Retreat.

UBA further proposed reviews/reforms in the areas of cash reserve requirements, Credit, Corporate Governance, Compliance and its role, Treasury, MDI Act, Operational issues.

In conclusion, the meeting agreed to focus on initiatives with highest impact within the sector and these included;

1.Connectivity to NIRA for KYC identification and validation of customer unique identifier,

2.Shared services to reduce cost to income ratios, continue championing agent banking to address penetration supported by financial literacy, digitization of valuation and Collateral Registry to support IFRS9 loss provisioning and enriching the Credit Reference Bureau (CRB) database with additional customer information.

As a recommendation from the meeting, a joint task force was constituted to focus on the reforms required in the banking sector. Thus,

a Regulatory Reforms Committee was established and is currently reviewing the relevant reforms necessary for the regulatory environment of the banking sector and will make recommendations to the regulator for consideration. Committee comprises representative of UBA member banks from Legal, Credit, Treasury, Compliance, digital Financial Services, Human Resource, Credit Reference Bureau (CRB), and Chief Finance Officers.

Uganda Bankers Association in collaboration with Uganda Law Society launch ICAMEK

The International Center for Arbitration and Mediation Kampala (ICAMEK) is a private sector led Alternative Dispute Resolution mechanism established to address the concern of case back logs and delays in cases that greatly affects the banking sector.

ICAMEK has also received tremendous support from the Judiciary led by the Chief Justice & Principal Judge, the Minister of Justice & Constitutional Affairs, Bank of Uganda, the Association of Architects, the Institution of Surveyors & Valuers, Uganda Manufacturers' Association, KACITA (Kampala City Traders Association) and the Institute of Chartered Public Accountants, among others.

UBA Activities 2019

UBA joins ULS & Minister of Justice to commission ICAMEK Offices

The ICAMEK offices were officially opened on 25th April, 2019 at Trust Tower. The opening ceremony was officiated by the Minister of Justice and Constitutional Affairs, Hon. Kahinda Otafiire and was attended by the Judiciary, Uganda Bankers Association Members & Uganda Law Society members as well as other relevant stakeholders.

Prior to the official opening of its offices, the Centre had already commenced work and hosted a successful In-house Arbitration Training for interested individuals on 22nd and 23rd March, 2019 at Protea Hotel. The training targeted professional lawyers amongst ICAMEK stakeholders and it attracted a pool of 39 participants.



UBA Chairman Mr. Patrick Mweheire and the Guest of Honour, Minister of Justice and Constitutional Affairs, Maj. Gen. Kahinda Otafiire pose with invited guests at the official opening of ICAMEK offices at Trust Tower on 25th April 2019



The Guest of Honour, Minister of Justice and Constitutional Affairs Maj. Gen. Kahinda Otafiire officially unveils and opens ICAMEK Offices on 4th Floor Trust Tower joined by UBA Chairman Mr. Patrick Mweheire and other guests.



UBA Chairman Mr. Patrick Mweheire speaking at the official opening of ICAMEK Offices at Trust Tower on 25th April 2019

In 2019, ICAMEK in collaboration with the Chartered Institute of Arbitrators (CI Arb) Kenya, organized the first Arbitration Assessment and Examination that was held in Uganda, which was attended by 18 Ugandan lawyers. The examination results were released at the end of October, 2019 and successful candidates were awarded an accelerated route to become Arbitrators and were put on the ICAMEK Panel of Arbitrators. Additionally, already qualified Arbitrators and Mediators were recruited to the Centre's panel through direct application and this process is continuous.

The ICAMEK Secretariats day to day operations are managed by an Ag Executive Director, a Registrar, and a Administration Support Officer.

With technical support from the former Registrar of the Kigali Arbitration Centre, ICAMEK undertook the process to develop a Practice Note that will help ensure smooth administration of disputes that are brought to the Centre. The process included among others a review of the ICAMEK Rules and their application as well as the governance structure to ensure efficient running of the Centre.



Mr. Francis Gimara gives the Guest of Honor, Minister of Justice and Constitutional Affairs, Maj. Gen. Kahinda Otafiire, the instrument making ICAMEK an appointing authority to sign as mandated by law.

UBA Activities 2019

With the Practice Note in place, ICAMEK received 10 Arbitration cases to administer between 1st August 2019 and 20th December 2019; 1 case has been concluded and an award issued. The remaining 9 cases will be handled within the first quarter of 2020.

To raise awareness about its services within the East African Region, ICAMEK Secretariat, established strategic partnerships with relevant institutions that recognized ICAMEK at conferences that were organized in 2019.

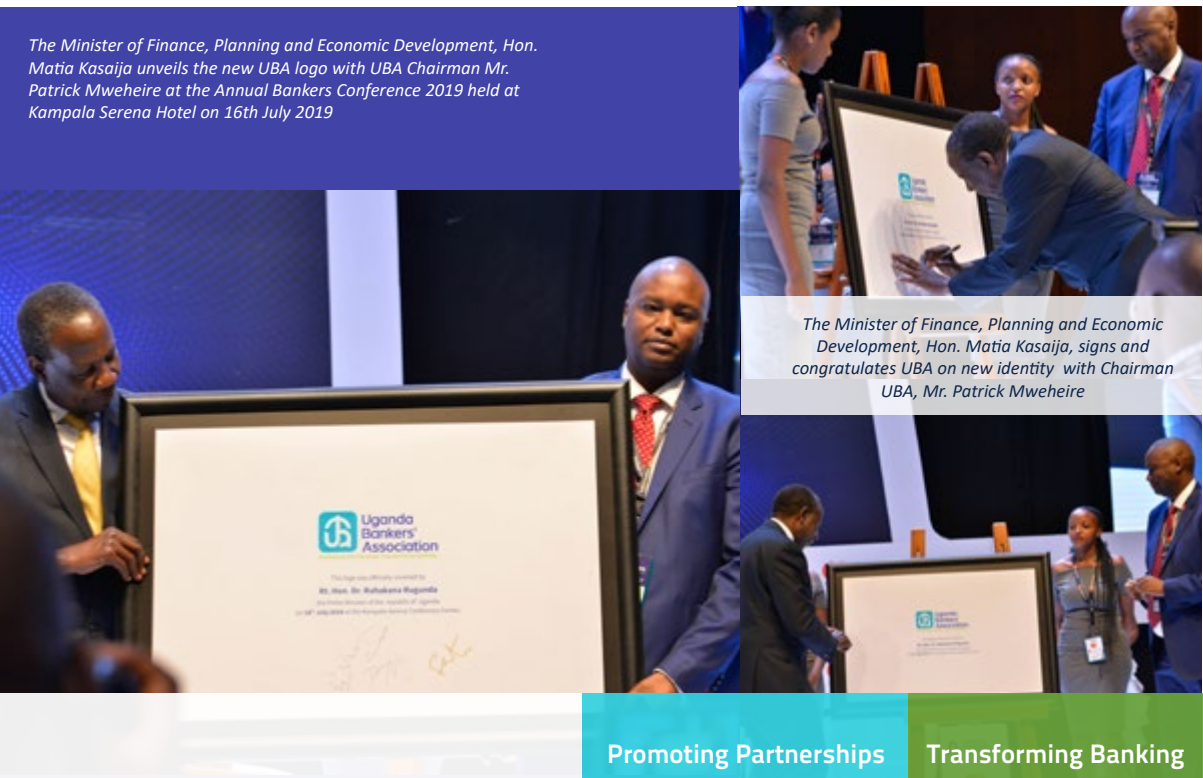
These included the Chartered Institute of Arbitrators, Kenya, East Africa International Arbitration Conference and East African Law Society Conference.

In 2020, ICAMEK will embark on the development of Arbitration Guidelines with the judiciary to clearly set out how arbitration and mediation matters can be referred to the Centre from the Courts, carry out more training sessions so as to grow the Panel of arbitrators and mediators as well as continue to effectively administer the cases filed with it.

Uganda Bankers Association Unveils new Brand Identity

On 16th July 2019, UBA unveiled its new brand identity at the Annual Bankers Conference 2019 event. This new look speaks to the mission and mandate of UBA as a thought leader in financial sector development, a body for policy development and advocacy, promoting best practices and professionalism, with partnership and collaboration.

UBA's new corporate identity reflects the growth of UBA from where it is now to where it is heading.



The Minister of Finance, Planning and Economic Development, Hon. Matia Kasajja unveils the new UBA logo with UBA Chairman Mr. Patrick Mweheire at the Annual Bankers Conference 2019 held at Kampala Serena Hotel on 16th July 2019

The Minister of Finance, Planning and Economic Development, Hon. Matia Kasajja, signs and congratulates UBA on new identity with Chairman UBA, Mr. Patrick Mweheire

Promoting Partnerships

Transforming Banking

UBA Activities 2019



Stanbic Bank Team with Bank of Uganda Team at the official handover of the building that will house the Lira Currency Technical Center

Lira Currency Technical Center

Following an MOU between various financial institutions (Banks) to undertake a joint collaborative partnership project to refurbish a Currency Technical Centre at Stanbic Bank's branch in Lira (project) for use by Bank of Uganda, the works on these premises were completed.

In November 2019, the building that will house the Lira Currency Technical Center was officially handed over to Bank of Uganda by Stanbic Bank Team.

Report on the Annual Bankers Conference 2019

UBA held the third Annual Bankers Conference in 2019 under the theme: "De-risking financing & investment in agriculture to promote decent youth employment and inclusive growth" that facilitated a focused discussion among key players & stakeholders around making financing of agriculture attractive to financial service providers, leveraging on several perspectives for mitigating risk including market incentives, technology, insurance, research, specific policy frameworks & a wider support & collaborative framework to ensure sustainable growth & investment in the agriculture sector of Uganda.



Guests listen to the Minister of Finance, Planning and Economic Development Hon. Matia Kasajja at the Annual Bankers Conference 2019 held at Kampala Serena Hotel on 16th July 2019



The Governor Bank of Uganda Prof. Emmanuel Tumusiime Mutebile gives remarks at the Annual Bankers Conference 2019 at Kampala Serena Hotel on 16th July 2019

UBA Activities 2019

The desired output of the conference was to get recommendations to support a significant increase in the scope and level of funding to the agriculture sector by raising the total credit from financial institutions from the current 12 percent to over 20 percent in the next four to five years, and for this number to keep on increasing in the subsequent years.

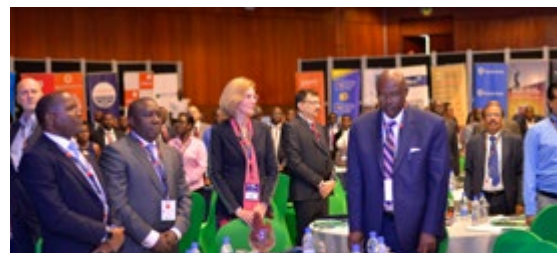
In his remarks, UBA Chairman, stated that there was need to deal with governance issues in SMEs as well as a holistic approach to address the challenges that prevent financial institutions from extending facilities to the agriculture sector.

The Governor of Bank of Uganda, Prof. Emmanuel Tumusiime Mutebile, in his remarks, called upon Government to steer demand driven agriculture development by boosting export-oriented manufacturing and growth of tradable services to meet the growing urban demand for food.

The guest speaker Ms. Marianne Schoemaker, Managing Director Rabo Partnerships during her keynote address emphasized the need for the sector and stakeholders to invest in strategies and models that support derisking to enable financial institutions extended credit towards agricultural sector. She further shared that financial institutions needed to invest in understanding the food agricultural value chains right from the farm to the plate, the entire eco-system.



The Governor Bank of Uganda Prof. Emmanuel Tumusiime Mutebile and the Minister of Finance, Planning and Economic Development Hon. Matia Kasajja at the Annual Bankers Conference held at Kampala Serena Hotel on 16th July 2019



Guests pose for the playing of both the national and East African anthems at the 2019 Annual Bankers Conference held at Kampala Serena Hotel on 16th July 2019



Ms. Marianne Schoemaker, Managing Director, Rabo Partnerships delivers the Key note at the Annual Bankers Conference 2019 held at Kampala Serena Hotel on 16th July 2019

During this conference, three breakaway sessions were held within which in-depth conversation were facilitated among speakers and all addressed issues around agricultural financing and how this can be improved.

The Royal Netherlands Ambassador to Uganda, H.E. Henk Jan Bakker, officiated

over the closing ceremony and concluded with a slogan: Targeting, Tailoring, Layering; which he translated as follows:

- 1) Targeting: Be clear what type of customers you want to reach, know their business, understand what they need and what they can afford.
- 2) Tailoring: Model your financial package so that it fits to the specific needs of customers and their businesses.
- 3) Layering: Combine the financial products & services with other products (like insurance, guarantees, training) to achieve optimal de-risking.

Highlights and key take aways arising out of the deliberations of the Annual Bankers Conference 2019 held on July 16, 2019.

Key role of Banks and Financial institutions in de-risking financing and investments in agriculture to promote descent youth employment and inclusive growth

- Financial institutions should invest in understanding the agricultural sector by knowing the kind of farmers they want to reach, the nature of farming they are engaged in, so as to understand their credit needs and what they can afford. This would facilitate tailoring and modeling financial packages that meet the needs of the specific farmer categories and their businesses.
- Banks were advised to follow their money by paying monitoring visits to the farmers who have accessed agricultural loans as a means of offering guidance and early assessment of their ability to pay back in order to avoid non-performing loans.
- Apart from offering stand-alone financial products, Banks could obtain optimal de-risking by combining their financial products with other products such as insurance, guarantees and training offered in collaboration with other partners, as a means of leveraging commercial money.
- There is need for financial institutions to build strong partnerships and ecosystems with a long horizon. The partnerships can be built with development partners who can improve access to capital for financing farmers and agri-businesses or with other private sector actors and the public sector through blended financing in order to 'leverage' additional funds for strengthening the financial players and mechanisms.
- Still on partnerships, financial institutions were advised to identify and collaborate with value chain champions in the entire agricultural sector as a means of identifying value chain integrators who can work as change agents, obtaining thorough understanding of the differences in the agriculture value chains by nature of commodities and location, the profit margins, determining how they work and how to merge the value chains and in further understanding of all the ecosystem-actors and the role they play in influencing the agricultural sector. By so doing, bankers will be better placed to determine what it means to fund agriculture and the likely implications.
- There is need for the financial institutions to leverage digitization and agricultural technology. There are many initiatives and also innovations that offer digitization options that can be used to capture and analyse data on weather patterns and other parameters that help to understand the volatility of the agricultural sector as well as data pertaining to financial behavior and credit worthiness of farmers that can enable the banks to understand, anticipate and mitigate agricultural financing related risks as well as benchmark bankable and non-bankable farmers. In addition, technology can be used to train and build the capacity of farmers in financial management.



Ambassador Hank Jan Bakker, Netherlands Ambassador to Uganda poses with Keynote Speaker Ms. Marianne Schoemaker and other facilitators of the Annual Bankers Conference 2019 at Kampala Serena Hotel.

Annual Bankers Conference 2019 Pictorial



Ambassador Hank Jan Bakker, Netherlands Ambassador to Uganda speaks at the Annual Bankers Conference 2019 at Kampala Serena Hotel



Guests during the Annual Bankers Conference 2019 held at Kampala Serena Hotel on 16th July 2019



Equity Bank's Team manage their Exhibition stall at the Annual Bankers Conference 2019 held at Kampala Serena Hotel on 16th July 2019



Guest pose for the playing of the national anthems at the opening of the Annual Bankers Conference 2019 at Kampala Serena Hotel on 16th July 2019



dfcu Bank team manage their exhibition stall at the Annual Bankers Conference 2019 held at Kampala Serena Hotel on 16th July 2019

UBA Activities 2019

Report on Capacity Building/ Stakeholder Engagements 2019

1. Uganda Police receives capacity building on bank frauds

On 1st August, 2019, UBA facilitated a session with police force at the CID Headquarters Training School, Kibuli on the topic: "The different forms of bank frauds, including credit card fraud, and an overview of the relevant legislation".

UBA represented by the Executive Director and Vice Chairperson, UBA Legal Committee, made a presentation that highlighted the various trends that have occurred within the industry and the impact these have had on the economy particularly on security. Specific focus was made on cyber security indicating areas of vulnerability and how these can be addressed.



UBA Executive Director Mr. Wilbrod Humphreys Owor speaks to members of Uganda Police Force during the capacity building session that was held at CID Headquarters in Kibuli.

The training was well attended by various police force members across the country and further recommended the following areas of collaboration between UBA and Uganda Police;

- Strengthening investigations by working together and giving enforcement agencies a better understanding of technical aspects of the financial industry and crimes committed therein
- Organizing regular trainings so that all involved parties are updated on industry trends and how to handle them
- Establishing information sharing platforms between Police force and banking sector.
- Subsequently, UBA Secretariat had follow up engagements with the Inspector General of Police to hold other similar sessions within the second quarter of 2020 aimed at providing a platform for the Association to share with the Police the challenges faced by its members during the course of their business and to come to implementable solutions.

Going forward, the Association will continue to foster its relationship with the Police as it is an intricate body in the affairs of the industry.



UBA award from JLOS

2.UBA received an Award from JLOS

In 2019, UBA received the JLOS Partnership and Collaboration Award from the Justice, Law & Order Sector Government of the Republic of Uganda for championing collaborations with the sector in commercial Justice and improving the environment for competitiveness through the establishment of the International Centre for Arbitration and Mediation in Kampala (ICAMEK) initiative



UBA Executive Director after receiving the UBA's JLOS Partnership and Collaboration Award at Mestil Hotel

3.Oracle thought leadership breakfast

UBA in collaboration with Oracle organized a thought leadership breakfast session that took place on 7th May 2019 at Serena Hotel

The interactive session focused on transforming banking for the next generation digital customer and was facilitated by the Oracle Head for Applications, Strategy & Innovation responsible for Eastern Central Europe, Middle East & Africa (ECEMEA) Mr. Anand Subramanian who shared thoughts in this regard.



UBA Head Communications and Corporate Affairs Ms. Patricia Amato speaks to participants during the interactive session organized in collaboration with Oracle.



Representatives from UBA Member Banks attend the interactive session that was facilitated by a resource person from Oracle at Kampala Serena Hotel.

UBA Activities 2019

4. Banking and Fraud Symposium

On the 30th May 2019, UBA Collaborated with Ernst and Young to deliver a one day seminar on financial crime in an effort to help UBA member banks to address financial crime including

Fraud, Electronic Crime, Money Laundering, Bribery and corruption and terrorist financing.

The symposium facilitated in-depth discussion of the vital topics with regards to financial crime in the banking sector and equipped participants with

knowledge to help them and their organizations to efficiently manage financial crime risk.

Participants included financial directors, internal auditors, legal and risk and compliance resource persons in the banking sector.



Representatives from UBA Member Banks participate at the banking and fraud symposium that was facilitated by a resource person from Ernst & Young at UBA Offices in Muyenga



Representatives from UBA Member Banks participate at the banking and fraud symposium that was facilitated by a resource person from Ernst & Young at UBA Offices in Muyenga

5. CISO Round Table Session

UBA partnered with SWIFT to hold the CISO Roundtable session on the 14th November 2019 at Kampala Serena Hotel that sought to address cyber security concerns within the industry.

The session emphasized the need for a concerted effort to drive industry-wide collaboration against cyber threat and help reinforce and safeguard the security of the wider ecosystem.

The session was attended by Heads of internal security, audits, risk and ICT within the UBA banks.

6. IFRS event at Skyz Hotel

On 29th August 2019 Uganda Bankers Association in collaboration with Standard Bank, KPMG and Bank of Uganda organized a symposium on IFRS16 & IFRS 9 at Skyz Hotel Naguru, Kampala



Representatives from UBA Member Banks attend the symposium on IFRS 16 & IFRS 9 that was organized by UBA, BOU, Standard Bank and KPMG at Skyz Hotel Naguru

7. Correspondence Banking Compliance Workshop by AFDB

Regulatory compliance poses considerable challenges for local banks in their dealings with international partner banks. Many banking institutions including in African Jurisdictions, have seen correspondent banking relationships (CBRs) discontinued or seriously threatened by the imperative to combat financial crime in the financial sector. This has a direct and detrimental impact on access to trade finance for SMEs and local corporates.

The ever-increasing complexity of national and international regulations against money laundering (AML), counter financing of terrorism (CFT) and know your Customer (KYC) are now a source of uncertainty for both international banks and local banks. It has also resulted in higher compliance. Thus Local banks need to

upgrade their knowledge of requirements of the Financial Action Task Force (FATF), the Financial Stability Committee (FSB) among other bodies – which apply to CBRs,

In light of the above, The Making Finance Work for Africa Partnership (MFW4A), with the support of the African Development Bank (ADB) and the German Cooperation (BMZ/GIZ) organized a training workshop for local banks on “Correspondence Banking Compliance” on November 28 to 29 2019 in Nairobi Kenya.

UBA was able to send representatives from 10 institutions from the compliance function of member banks attend this capacity building session.

The 3 day training workshop covered relevant modules such as i) Compliance, ML/FT techniques and risk ii) Compliance and ML policy iii) KYC iv) Correspondent Banking v) Trade Finance and vi) ML/FT risks associated with new technologies.



Chairman Uganda Insurers Association speaks at the 2019 Bancassurance Forum that was held at the Kampala Serena Hotel



UBA Executive Director Wilbrod Owor joins other speakers during a panel session at the 2019 Bancassurance Forum held at the Kampala Serena Hotel

8. Report on Annual Bancassurance Forum 2019

Uganda Bankers Association in partnership with the Uganda Insurers Association hosted the Annual Bancassurance Forum under the theme **“Enhancing synergies between banks and the insurance industry to improve the customer experience.”**

The discussions during the forum called for further development of bancassurance in Uganda and highlighted the contributions of various players towards the advancement of bancassurance including additional work that still needs to be done.

In participation were members of UBA Bancassurance Committee and members of Uganda Insurers Association.

Report on ESAAMLG Conference

The 37th Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) Task Force of Senior Officials meetings were held from 7th – 12th April, 2019 at the Arusha International Conference Centre, Arusha, Tanzania. The Task Force meetings were followed by the Mutual Evaluation Assessors' Training Workshop from 14th – 18th April 2019

The 37th ESAAMLG Task force of Senior Officials meetings were attended by representatives from the following member countries: Angola, Botswana, Ethiopia, Kenya, Lesotho, Malawi, Mozambique, Mauritius, Namibia, Seychelles, South Africa, Eswatini, Tanzania, Uganda, Zambia, and Zimbabwe.



The Executive Director Financial Intelligence Authority (FIA) Mr. Sydney Asubo joins other participants for a group photo at the 37th ESAAMLG Task Force Meetings held last year at Arusha Tanzania

Uganda's delegation to the Task Force of Senior Officials meetings was comprised of 19 Officials from various institutions who are also members of the Uganda Anti-Money Laundering / Combating Terrorist Financing Taskforce. These were: Mr. Sydney Asubo (ED/FIA / Head of Delegation)); Mr. Titus W. Mulindwa (BOU); Mr. Godfrey Yiga Masajja (BOU); Mr. Michael Wamasebu (DPP); Mr. Richard Juuko (MoLHUD); Mr. John Habasa (ESO); Mr. Simon Kajura Ogwai (IG); Mr. Paul Okirig (MOJCA); Ms. Brenda Mahoro (FIA); Mr. Sam Wandera (FIA); Mr. Oddo Manyire (FIA); Ms. Esther Aikiriza (FIA); Mr. Jonathan Kyeyune (LGRB); Mr. Nicholas Muganga (URA); Mr. John Emitchell Okot (UWA); Ms. Josephine Adong Matovu (IRA); Ms. Priscilla Namusikwe (CMA); Ms. Patricia Omalla (UBA); and Ms. Vicky Ruth Malongo (MFPED).

UBA Activities 2019

The Task Force of Senior officials meeting was informed by reports generated from meetings of: Evaluation and Compliance Group (ECG); Finance and Audit Committee (FAC); FIU Forum; Legal Working Group (LWG); Review Groups A, B, C and D; Risk, Trends and Methods Group (RTMG); Technical Assistance and Training Coordination Forum (TA&T); and Working Group on Risk, Compliance and Financial Inclusions (RCFI)

1. Key deliberations on Uganda

The deliberations on Uganda mainly focused on the following:

Uganda in its previous review by ESAAMLG had made sufficient progress on identified deficiencies relating to Recommendations. 3, 5, 6, 11, 16, 17, 18 and 20 and made partial progress on Recommendations. 1, 12, 15, 19 and 27.

It was further noted that Uganda had made partial progress in addressing the identified deficiencies relating to Recommendation. 40 by issuing the AML (Exchange of Information) Regulations 2018.

The taskforce of Senior Officials therefore recommended that;

- a) Uganda addresses recommendations which require taking of priority actions and expeditiously continue with the process of implementing the provisions of the existing laws.
- b) Uganda to abide by the given timelines in accordance with the ESAAMLG 2nd Round of AML/CFT Mutual Evaluation Procedures and Follow-Up Process.
- c) Uganda addresses the remaining deficiencies relating to Recs. 1, 2, 7, 10, 12, 14, 15, 19, 22 to 40 as set out under the ESAAMLG Mutual Evaluation Procedures and Follow-Up Process.
- d) Uganda to start reporting on the progress it is making on effectiveness for consideration and noting by the Review Group B.
- e) After undertaking its NRA, Uganda should take necessary measures to develop a risk informed AML / CFT Policy and implement a risk-based approach.
- f) Uganda submits its report on Technical Compliance issues where the authorities are seeking re-rating, four months before the September 2019 meeting (i.e. on or before 2nd May 2019).
- g) Uganda continues reporting biannually and the next report to be submitted two months before the September 2019 meeting and support the progress on immediate outcomes by submitting the necessary information.



UBA Activities 2019

A Black and White theme at the Annual Bankers Dinner 2019



UBA EXCO Members join the Guest of Honour, Hon Ephraim Kamuntu, Minister for Tourism, Wildlife & Antiquities and Minister for Trade, Industry and Cooperatives, Hon Amelia Kyambadde to cut cake at the Annual Bankers Dinner that was held at Mestil Hotel in November 2019

At the end of 2019, UBA hosted its stakeholders to an Annual Dinner. The Guest of Honour at this dinner was the Minister of Tourism, Wildlife and Antiquities, Hon. Prof. Ephraim Kamuntu. The Minister of Trade, Industry and Competitiveness, Hon. Amelia Kyambadde joined UBA too for this dinner.



BOU Director Commercial Banking Mr. Hannington Wasswa interacts with a guest as CEO Pride Microfinance Ms. Veronica Namagembe enjoys the entertainment at the Annual Bankers Dinner at Mestil Hotel in November 2019.



UBA EXCO Mr. Patrick Mweheire and Mr. Mathias Katamba share a light moment with URA Commissioner General Ms. Doris Akol and BOU Governor Prof. Emmanuel Tumusiime Mutebile at the Annual Bankers Dinner that was held in November 2019 at Mestil Hotel.

Below were the highlights of the Annual Dinner 2019

- MOU exchange between UBA and URA
- Recognition of Business Journalists who covered banking sector stories during the course of 2019
- Recognition of UBA Committees for contribution to the industry wide improvements during 2019
- Recognition of Bankers who attained various awards through the Uganda Institute of Banking and Financial Services



Ms. Candy Okoboi and Ms. Anne Abeja receive award on behalf of UBA Legal Committee from Mr. Patrick Mweheire, the UBA Chairman.



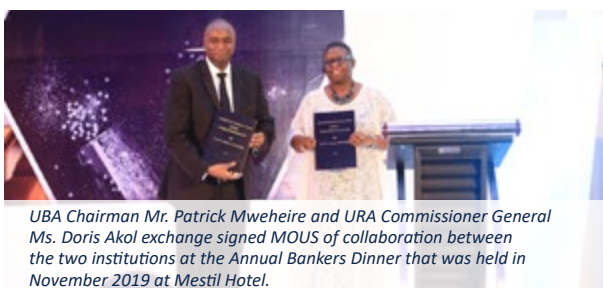
Guests at the Annual Bankers Dinner 2019 held at Mestil Hotel



Guests at the Annual Bankers Dinner 2019 held at Mestil Hotel



FSDU Executive Director Ms. Rashmi Pillai, Mr. Frank Molla, from Mastercard and CEO Equity Bank Mr. Samuel Kirubi interact at the Annual Bankers Dinner held at Mestil Hotel in November 2019



UBA Chairman Mr. Patrick Mweheire and URA Commissioner General Ms. Doris Akol exchange signed MOUs of collaboration between the two institutions at the Annual Bankers Dinner that was held in November 2019 at Mestil Hotel.



Awardees pose for a picture with Guest of Honor, Hon. Ephraim Kamuntu and UBA Exco Members at the Annual Bankers Dinner held at Mestil Hotel.

UBA Activities 2019

Report on Industry Campaigns

Automated Clearing House

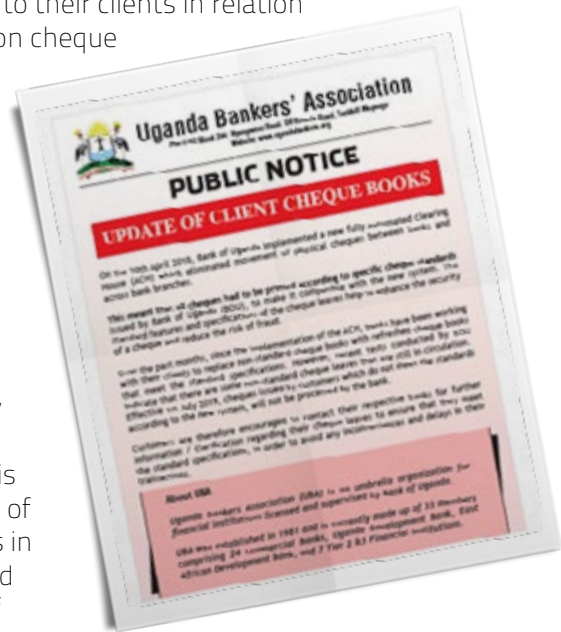
In June 2019, UBA and its members implemented a one month awareness campaign to educate clients/customers of the new fully Automated Clearing House (ACH) that was implemented by Bank of Uganda in 2018.

Customers were sensitized on the implications of the new automated clearing house system that among others reduces the clearing time of cheques presented to banks from one day and also eliminates the movements of physical cheques between banks and across branches.

An advert in relation to the campaign was developed and published in the print and social media platforms, related audio messages were aired on radio stations.

In addition Member Banks placed notices within their banking halls, sent smses to their clients in relation to updates on cheque books.

New Cheque book that conform to new automated system were issued to clients by Banks and the market is more aware of the changes in issuance and clearance of cheques



No Merchant Surcharge

On August 29, 2019 BOU issued the following directives that took effect from September 2019 as indicated below;

1. Merchant surcharge at POS terminals and ATMs prohibited
2. Establishment of a minimum or maximum transaction amount, as a condition to accept card payments is prohibited, and;
3. Supervised Financial Institutions (SFIs) connected to the card payment switches where

there exists a local/ domestic /in country settlement framework should endeavor to have in place a harmonized or uniform domestic charge/ tariff structure across all interoperable ATMs.

Following the issuance of this circular by Bank of Uganda with the above, Uganda Bankers Association held consultations with the respective financial Institutions and other stakeholders including VISA, Mastercard, Merchants, through its technical committee for digital financial

services and undertook a review of the issues therein including ensuring the industry implements the guidance provided by the regulator in a phased & coordinated manner. UBA issued a public notice that was shared with member banks as part of the initial phase sensitization of customers as well as merchants.

The Implementation of this process is currently underway and the industry wide customer/public awareness campaigns will commence in 2020

UBA Activities 2019

Report on Shared Agent Banking

Launched in April 2018, the Shared Agent Banking System, an interoperable technology platform, that enables financial institutions collaborate towards reducing financial exclusion has now 14 SFIs partnering with a total of 7,000 Agents located in various locations across the country.

20 Months after Launch...14 SFIs Connected



Community Sensitization on Agent Banking Services

The Shared Agent Banking System has been enhanced with other services being included such as school fees collections, NSSF collections, local remittance, interbank funds transfer, bill payments, URA tax payments among others.



During the course of 2019, UBA and its members embarked on a community engagements through road shows, radio talk shows and capacity building of agent with financial support from aBi Trust, GIZ and IFC. This created more awareness about what Agent banking is in the various communities.



In 2020, UBA will consolidate this effort by focusing on use of media and community engagement to further explain process flows in relation to access and using agent Banking services.

Road Shows in Pictures

CSR & UBA Member Bank Activities

1. Girls Flourish in collaboration with Ministry of Gender, Labour and Social Development and in partnership with UNWomen.

Adolescent and Young women in Uganda are faced with a number of special challenges, most of which emerge out of years of social conditioning, lack of good education, little public awareness of their plight and limited exposure to the world of possibilities. This has over time short-circuited the realization of the girl child's full potential and by extension denied society the experience and impact of her full value.

In 2019 Girls Flourish (GF) brought a unique approach to promoting the girls child empowerment and women rights agenda;

The first ever Girls Flourish Awards Ceremony was organized to recognize outstanding personalities and entities in the development of the Girl Child, promotion of gender equality and empowerment of women and this coincided with the International Day of

the Girl Child 11th October 2019 at the Kampala Serena Hotel

UBA through the Human Resource Committee participated in the process of selecting nominees in the Finance Category, which saw three women make it to the official list/ finals from which Mrs. Annette Kihuguru, ED Ecobank was pronounced winner under the said category



Ecobank's Executive Director Mrs. Annette Kihuguru receives her award from Ms. Rosa Malango, the United Nations Resident Coordinator Uganda during the Inaugural Girls Flourish Awards Ceremony held at Kampala Serena Hotel on October 11th 2019



Invited Guests at the first ever Girls Flourish Award Ceremony held on October 11th 2019 at the Kampala Serena Hotel



UBA Chairman Mr. Patrick Mweheire and UBA Executive Director Mr. Wilbrod Humphreys Owor join bikers to put in a mile for Climate Change in Mabira, Jinja



UBA Executive Director Mr. Wilbrod Owor, plants a tree at Kiira Primary School Ambercourt Jinja as part UBA CSR contribution

2. Climate Change for Action East Africa. (CCAEEA)

In October 2019, UBA joined other stakeholders and co-sponsored a media launch of the Climate Change Action East Africa.

UBA Chairman and ED put in a mile for climate Change and planted a tree at Kiira Primary School Ambercourt Jinja

UBA as the umbrella body for banks is associated with advocacy for environmental concerns including climate change and contributed towards this cause.



UBA/Agent Banking Team engage visitors at their tent during the URA Tax Payers Week held in September 2019 at Kololo Independence Grounds

3. Supporting Financial Literacy during URA Tax Payers Week

UBA participated at the Annual Taxpayers Appreciation Week that was organized by URA from 25th to 27th September 2019 at Kololo Independence Ground under the theme, "Every Taxpayer Counts"

Teams from UBA and Agent Banking Company took part in the three day exhibition and showcased and shared information on banking and Agent Banking Services among others



BOU Deputy Governor Dr. Louis Kasekende, DPF CEO Mrs. Julia Olima Oyet with CEO of Capital Markets Authority, CEO of Uganda Retirement Benefits Regulatory Authority and other guests at the Commemoration of World Savings Day 2019 at the Constitutional Square.

4. World Savings Day

The World Savings Day was established on 31st October 1924 during the 1st International Savings Bank Congress held in Milano, Italy. The last day of the congress was declared the "World Savings Day" with the objective of encouraging the population to transfer their savings to bank accounts.

On 31st October 2019, Bank of Uganda in conjunction with UBA and other stakeholders joined the rest of the world to



Participants at the World Savings Day 2019 engagements at the Constitutional Square

commemorate the "World Savings Day under the theme **"Save More & Achieve More"**

As part of the commemoration activities, UBA and its members engaged with public at Constitutional Square between 28th October 2019 -1st November 2019.

UBA members showcased savings products that highlighted how individuals and groups can save safely with Supervised Financial Institutions

5. Bankers Sports Gala 2019

The Annual Bankers Sports Gala is a grand sporting, networking and social event that draws participation from employees of financial institutions and their families.

Uganda Institute of Banking and Financial Services and Uganda Bankers Association entered into a partnership in 2019 to jointly host the 20th Annual Bankers Sports Gala.

On 13th October and 20th October indoor games and outdoor games were played in Lugogo Indoor Stadium and Namboole Stadium respectively.

Games included, Pool, Badminton, Volley Ball, Basket Ball, Table Tennis, Chess, football, and athletes among others.

Overall, Team Royal Blue (DFCU Bank) emerged winners at the 2019 Annual Bankers Sports Gala.

Going forward the Annual Bankers Sports Gala will not only be an industry event for competitive sport & fitness among the banking fraternity but will also be transformed into an event for promoting noble and worthy social causes beneficial to the society as a whole.



UBA Member Bank CSR

Commercial Bank Of Africa CSR Activities

KEEPING THE GIRL CHILD IN SCHOOL

On April 12th 2019, CBA started supporting St. Williams High School Kiziba for the 2nd year in a row by donating a water tank and Re-Usable Sanitary Towels to the girls of the school. This was in an effort to End Child Marriages by keeping the girl child in school.



CANCER AWARENESS GOLF TOURNAMENT

In October, CBA partnered with Uganda Golf Union – Ladies' section to support Uganda Women's Cancer Support Organisation (UWOC SO), an NGO that supports cancer victims and survivors. This was in an effort to raise funds for the NGO as well as create Cancer awareness among Golfers.



Equity Bank fellowship members at the Missionaries of the Poor home in Kisenyi

Equity Bank

In 2019, Equity bank fellowship visited Missionaries of the Poor, Kisenyi, a home for children with disabilities and took dry foods, toiletries, clothes, beddings etc. The Bank also had a similar engagement at Soroti Church of Uganda Diocese and participated in the TMR & NHELTA Family Run. In the last quarter, the bank came alongside five professional women to launch The Community Organization Programme for Empowerment (COPE), a National Non-Governmental and non-partisan Organization operating in all the districts of Uganda. COPE's key aim is to redress the education, health, socio-economic and cultural challenges faced by Women/Girls and youth especially Girls at all levels and aspects of life.

Equity Bank



At the family run in Naalya.



Anthony Bazalaki, Business Growth and Development Manager - Wandegaya Branch represented Equity bank.



Official launch of COPE with youth who had completed Financial Literacy training



FINCA Uganda

FINCA Uganda awarded 11 students scholarships for their Bachelor's degrees. Scholarships were awarded after a highly competitive personal interviews of the candidates financial need for educational support.

Housing Finance Bank

Housing Finance Bank is committed to supporting and uplifting the communities in which it operates through Social Responsibility (SR).

In May 2019, the Bank contributed education materials to Kololo Senior Secondary school. This was preceded by a financial literacy initiative aimed at capturing the impact of a good savings culture among others.

Housing Finance Bank partnered with Habitat For Humanity and the Buganda Kingdom for the ground breaking ceremony to launch the "Decent Living Campaign," on June 27, 2019. This campaign is aimed at providing sustainable and affordable housing to at least 11 families annually. The Bank made a contribution worth Ushs 5, 000, 000/= and also had its staff engage actively in the ground breaking ceremony and construction.



Students at Kololo Senior Secondary School (far left), representatives from HFB- Head IT, Peter Angubua and Head- Internal Audit- Dorothy Kiyaga (centre) together with the Headmaster Kololo S.S.S during the financial literacy engagement

Housing Finance Bank

In the months of March, April and May, 2019, the Bank contributed towards construction of facilities within universities, schools and churches in Lira, Maraca, Jinja, Mbale and Mbuya.



HFB's Managing Director-Michael. K. Mugabi, the Executive Director- Ms. Peace Kabunga together with representatives from the Bank's senior management team contributing to the construction of universities, churches and schools in the districts of Lira, Arua, Mbale, Jinja and Mbale

Housing Finance Bank renovated the women's maternity ward at Tororo Main Hospital-Tororo. The activity attracted community involvement and engagement from the hospital authorities and government representatives.



The Managing Director- Michael.K.Mugabi painting the women's ward at Tororo Main Hospital (far left) and on the right team share in a photo moment after the painting.

KCB Bank



KCB Bank's Managing Director Edgar Byamah hands over a dummy cheque of Ugx.10,000,000 to Dr.Barbara Mukasa, the Executive Director Mildmay Uganda at the Bank's premises.

KCB BANK UGANDA DONATES 10,000,000 TO MILD MAY UGANDA SAVING LIVES MARATHON

In a bid to save lives, KCB bank Uganda donated ten million Uganda shillings to Mildmay in sponsorship of the Saving Lives Marathon which took place on Sunday 3rd March, 2019 at Kololo ceremonial grounds. The Marathon cause was specifically targeting tragic cases of road accidents, pregnancy, and other medical complications. Proceeds from the run went towards equipping the Hospital's Emergency Care Unit.

The handover of the bank's contribution, led by KCB's Managing Director Edgar Byamah took place on Tuesday 26th February 2019 at KCB Bank's Head office located at Commercial Plaza, Kampala road.

KCB Bank Sponsors Vocational Skills Training In Buddo

On 25th January, young and talented future job creators gathered at Buddo Parents Academy to receive certificates after a successful vocational skills training camp sponsored by KCB Foundation. KCB Foundation, under the Twekozese Program sponsored 20 former students to attain vocational skills like Liquid soap making, embroidery, sweater making, baking and tailoring. The intention is to equip young adults with the necessary skills that are a must- have in order to sustain themselves.

The TWEKOZESE Program under the KCB Foundation seeks to empower and equip unemployed and out-of-school youth to grow micro enterprises by providing them with technical skill training opportunities as well as up-skilling.



KCB Bank's Managing Director Edgar Byamah hands over a dummy cheque of Ugx.10,000,000 to Dr.Barbara Mukasa, the Executive Director Mildmay Uganda at the Bank's premises.

NC Bank



With an aim to enhance entrepreneurial, innovation and work readiness skills amongst the youth population in Uganda, the NC bank supported Junior Achievements Uganda "Company of the year Expo" which attracted 25 secondary schools.

Seroma Christian High School students showcase their art and crafts innovations at the EXPO



In an effort to improve the health of the community in which we operate, the bank provided financial assistance towards the construction of Nakuule Maternity Hospital, a project of the Rotary Club of Nansana. The purpose of the hospital is to avail maternity care to expectant mothers and their babies in this community.

Managing Director, NC Bank Mr. Sam Ntulume and Out-going Rotary President Miss Priscilla Ahura pose with the impression of the proposed Nakuule Maternity Hospital

Orient Bank



Orient Business academy is the premier corporate social responsibility program of Orient Bank with a focus on training small scale business owners in the areas of; The Entrepreneurial Mindset, Bookkeeping, Competitive Market Analysis, Marketing, Human Resource Management, Operations Planning and Financial Planning.

The Academy which is now running for the third year has already trained over 100 small scale business owners and rewarded 10 of them with financial support of up to shs120 million.

October is a month designated as breast cancer awareness month and every year

Orient Bank shares information about breast cancer; how to prevent it, detect it, and treat it. The bank encourages staff and customers to get tested and at the last Friday of October dubbed Pink Friday staff wear pink in solidarity with fellow staff and customers who have been affected by cancer.

Stanbic Bank

In 2019, Stanbic CSR Areas of Focus included Literacy, Financial Literacy, Life Skills and Entrepreneurship. Stanbic Bank continued with the Business Incubator program that was established in May 2018 and expanded its operations out of Kampala into Hoima, Mbarara and Gulu. An additional 540 businesses were trained in 2019.

The Banks National Schools Championship Project extended support to social, economic and environment areas as below;



Absa Bank



Since its launch in 2018 the Absa Scholarship Programme continued support 25 more students in 2019 increasing the total number of students to 69. Through this program, the students receive full tuition fees, allowances for meals, data and accommodation and a laptop each. The students on the scholarship are supported to pursue various courses at 12 public and private universities across the country. The Bank committed an additional UGX 340M for these students to complete their respective courses and ultimately pushing the total funding to this scholarship programme to over UGX 940M.



The Bank's **ReadytoWork employability Initiative** continued to support more students. An additional 1,379 students were trained in 2019, bringing the total number of beneficiaries to over 8200 since the programme's inception in 2016. Youth on the programme are equipped with skills that the bank believes are critical for the transition from school to the world of work. The training covers four major skills areas of Work, People, Money and Entrepreneurship.



In partnership with GIZ and the Uganda Manufacturers Association, Absa Bank managed to secure an additional 190 graduate training placements bringing the total number to 449 of students from 10 Vocational Training Institutions and 3 Universities across the country. Through the ReadytoWork project the bank secured work placements with 87 participating companies.

Centenary Bank

Centenary Bank Support to Nkozi Hospital Marathon

Nkozi Marathon is an annual event that the bank has supported for the last 4 years as part of the health initiatives. The main aim is to raise funds for the emergency, casualty and trauma centre at Nkozi hospital which registers not less than 10 casualties on a weekly basis arising from motor accidents.



The General Manager Corporate Communication and Marketing, Mrs. Beatrice Lugalambi hands over a dummy cheque to Msgr. Charles Kasibante, one of the Board Members at Nkozi hospital. On the left is Sr. Teddy Ndagire, the Chief organiser and Ms. Jane Kabugo representing the Rotary Team.

Centenary Bank extends Financial Literacy to youth

Considering that the youth still form the bulk part of Uganda's population i.e. over 78%, Centenary Bank annually organizes financial literacy sessions for the youth to equip them with basic financial skills and also enable them run their businesses better. Among the topics covered include managing startups, record keeping, managing inventory, loan management, how to separate family from business among others. The Bank believes in the long run, this will help in building a generation that can make informed financial decisions and hence manage finances better.



Centenary Bank's Sales Supervisor, Ms. Prossy Namubiru training one of the youth cohorts from Bunamwaya.

Citi Bank

Citi Foundation and TechnoServe Team Up to Tackle Youth Unemployment in Uganda

The fourth phase of the Girls' Apprenticeship Program (GAP IV), supported by a \$100,000 grant from the Citi Foundation launched on 10 September 2019 to assist 60 at-risk young women in and around Kampala, to find employment or start a small business. The program includes support from Citi employees who volunteer their time and knowledge and connects these young women to successful business women, who mentor them in trades such as tailoring, hairdressing, baking, welding and craft production. The participants received training designed to build confidence and soft skills. In a previous iteration of GAP, 83 percent of participants found paid employment or started their own business at the conclusion of the program. This is part of a \$100 million Pathways to Progress global investment by the Citi Foundation to empower 500,000 young people to develop employability skills and entrepreneurial mind-sets.



Citibank Managing Director - Sarah Arapta hands over a plaque to the Woman Entrepreneur of the year.

Citibank supports Microentrepreneurs through the Citi Microentrepreneurship Awards program

Citi has partnered with the Association of Microfinance Institutions in Uganda (AMFIU) for the past ten years to implement the Citi Microentrepreneurship Awards program in Uganda. The total contribution to this program is USD 698,000 (UGX 2,617,500,000)

The Citi Microentrepreneurship Awards program was launched in 2005 and is a signature initiative of the Citi Foundation aimed at raising awareness about the importance of Microentrepreneurship and microfinance in supporting the financial inclusion and economic empowerment of low-income individuals. The Awards program seeks to generate recognition for the extraordinary contributions that individual Microentrepreneurs have made to the economic sustainability of their families as well as their communities.

dfcu Bank

In 2019, dfcu Bank continued to play a key role in the financial education and inclusion of the community. The dfcu Women in Business program continued to support the entrepreneurial spirit and enhance the stability of families, while the Investment Clubs program provided a sustainable approach to promoting the savings culture in the community through trainings, peer education and provision of relevant solutions. Over 25,000 women have benefited from financial inclusion workshops and trainings.

The Bank continued to support the 'Uganda's Best Farmer Program, which is playing a key role in improving the quality of farming practices in Uganda through educative farm tours, trainings and farmer exchange programs in the Netherlands. The Agribusiness Development Centre (ADC) which is co-funded by dfcu Bank is supporting the transformation of Farmer Based Organisations in the areas where the bank operate. To date, at least 7,500 farmers, of which 3,700 are women, have received training in three modules covering financial literacy, introduction of cooperatives, and governance.

As part of the local community initiatives, the Bank supported the construction of the Rotary hospital in Mukono, and the establishment of the Rotary Blood Bank at Mengo Hospital. Once completed the hospital will improve access to quality and affordable health care services for at least 700,000 residents in Mukono and the surrounding areas.



dfcu's Manager Women in Business Ms. Victoria Byenkya facilitates a financial literacy session in Mbale



Dfcu recognizes one of the best farmers



Bank contribution towards expansion of Rotary Hospital Mukono

GTBank

Pan Foundation Uganda – GTBank Marathon

Guaranty Trust Bank, believes that what the bank gives back to their host community is important in growing and sustaining the value of the bank's business.

In partnership with Pan Foundation Uganda, GTBank participated in a Marathon that took place in Jinja district, Eastern Uganda, and aimed at raising funds to help finance solutions for boosting menstrual hygiene among the school going girl-child.

GTBank's MD, Mr Lekan Sanusi said "Most schools in Uganda lack proper facilities to cater for menstrual hygiene so we saw this as a good initiative that would help the girl child while going through this period."



Rt Hon Rebecca Alitwala Kadaga (Speaker of the Parliament of Uganda) flagged off the Pan-marathon in Jinja town.



GTBank staff participated in the Pan-Marathon

Opportunity Bank Uganda Limited



The CEO of OBUL Mr Tineyi Mawocha leading his team in donating blood for Mengo blood Bank. The bank also contributed 30M towards funding and buying equipment for the Rotary Blood Bank at the annual Chairman's Marathon held at the Head Office.



Assistant Commissioner Private Schools Minister of Educ with OBUL Management, Beneficiaries (Representatives of parents, students and school proprietors) at scholarship awarding ceremony of 227 pupils.

Post Bank

Kabaka Birthday Run

PostBank staff at the 2019 Kabaka Birthday Run. PostBank was among the major sponsors of the run and proceeds were directed towards fighting Fistula and Sickle Cell Anemia.



MTN Marathon

PostBank Staff participating in the MTN marathon on the 24th November 2019. The proceeds from the run were used in improving maternal health.

Standard Chartered



Stanchat CEO Albert Saltson, ED PSFU Gideon Badagawa, Director Challenges Uganda Neil Fleming at the launch of the Futuremakers Programme



A Facilitator speaking to girls at a session under the GOAL Program

In 2019, the Futuremakers by Standard Chartered Program was launched to tackle inequality and promote economic inclusion for young people among the bank's communities and deliver community programmes focused on education, employability and entrepreneurship. Through Youth 2 Work programme, Standard Chartered Bank partnered with Challenges Worldwide, to upskill and increase the employability of 40 University graduates through the internship placements in the small and medium enterprises. Working with Kampala Capital City Authority Employment Services Bureau, the bank conducted work readiness sessions for over 200 youths.

Standard Chartered further empowered 9,000 vulnerable adolescent girls through a combination of sports and life skills education. This was through the GOAL Program which is the bank's global flagship education program that was launched in 2014. To date the total number of girls reached is 35,000.

Standard Chartered Bank's Seeing is Believing programme implemented by its partners – Brien Holden Vision Institute and Uganda National Association of the Blind with support from the Line Ministries of Health, Education, Gender, Labour and Social Development continued to impart free eye care services. The bank further implemented the Mubende Comprehensive Project that aimed to give over 1 million Ugandans an opportunity to access eye health services and reached over 550 visually impaired children who are now able to attend formal education like their sighted peers.

United Bank for Africa

United Bank for Africa donates story books to SOS Children's Village.

United Bank for Africa- Uganda through the UBA Foundation "Each One Teach" Initiative, on Thursday 19th December, 2019 visited the SOS Children's villages in Kakiri to 1) donate materials in form of locally published story books in partnership with Sooo Many Stories, a Uganda Publishing House and 2) provide food items to the children. This initiative aimed to encourage and build a reading culture in a younger generation and enabled bank staff read to the kids and share in a cake cutting ceremony to celebrate the forthcoming festive season.



SOS Children excited by the books and food items received from UBA

UBA Uganda donate desks and food stuffs to the Ntinda school of the deaf

As part of our Easter initiatives UBA Uganda in April 2019 donated tables, food stuffs and cleaning materials to the Ntinda School of the deaf, one of the oldest schools in Uganda offering education and care for deaf children, free of charge.



Staff OF UBA Uganda handover the donation to the Ntinda School of the deaf

UBA Partners



Life Simplified



Agent Banking



Continued to support Agent Banking



Continued advisory



Research



Public Awareness Campaign



Financial Inclusion and Public Awareness Campaign



Agent Banking

Uganda Bankers' Association Annual Report & Financial Statements

31 December 2019

Abbreviations

ARC	Asset Reconstruction Company
ABC	Agent Banking Company
ABC 2019	Annual Bankers' Conference 2019
ADR	Alternative Dispute Resolution
aBi	Agricultural Business Initiative
ICAMEK	International Centre of Arbitration & Mediation in Kampala
GiZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
eKYC	Electronic Know Your Customer
PoS	Point of Sale
URA	Uganda Revenue Authority

Uganda Bankers' Association Annual Report & Financial Statements for the year ended 31 December 2019

Contents

Organization information	2
Executive Committee's Report	3
Statement of Executive Committee's responsibilities	4
Independent auditors' report	8 – 9
Financial statements:	
Statement of profit or loss and other comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 - 27

Uganda Bankers' Association

Annual Report & Financial Statements for the year ended 31 December 2019

Organization Information

Incorporation

Uganda Bankers Association (UBA) was started out as a Non-Governmental Organisation and later developed into a company limited by guarantee. Founded in 1981, UBA is the umbrella body of commercial banks in Uganda. Membership as at end of December 2019 was made up of 24 commercial banks and two (2) development banks and nine (9) tier 2&3 financial institutions supervised by Bank of Uganda making a total of 35 members.

UBA's mandate among other things includes the promotion, protection, representation and development of the professional and business interests of members. This also includes fostering orderly conditions within the banking industry subject to the laws prevailing at any time in Uganda. (List these below.)

The objectives of UBA include,

- Develop and maintain a code of ethics and best banking practices among its membership
- To encourage & undertake high quality policy development initiatives and research on the banking sector, including trends, key issues & drivers impacting on or influencing the industry and national development processes therein through partnerships in banking & finance, in collaboration with other agencies (local, regional, international including academia) and research networks to generate new and original policy insights.
- To develop and deliver advocacy strategies to influence relevant stakeholders and achieve policy changes at industry and national level.
- To work closely with the regulator BOU and other non-bank financial institutions & organizations in promoting financial sector growth, through training, development of products, technologies & initiatives to promote financial sector growth.
- To promote and represent the professional interests of its members

EXECUTIVE COMMITTEE

Mr. Patrick Mweheire: Chairman
 Mr. Mathias Katamba: Vice Chairman
 Mrs. Sarah Arapta: Hon Auditor
 Mr. Ashwini Kumar: Hon Treasurer
 Mr. Wilbrod Owor: Executive Director

Uganda Bankers' Association

Annual Report & Financial Statements for the year ended 31 December 2019

REGISTERED OFFICE Plot No. 2702, Block 244 Nyangweso Road
P O Box 8002
Kampala, Uganda

INDEPENDENT AUDITOR **Deloitte & Touche**
Certified Public Accountant of Uganda
3rd Floor, Rwenzori House
1 Lumumba Avenue
P O Box 10314
Kampala, Uganda

PRINCIPAL BANKERS **Bank of Baroda (Uganda) Limited**
Plot No. 18, Kampala Road
P O Box 7197
Kampala, Uganda

NC Bank
Rwenzori Towers, Nakasero Road
P O Box 28707
Kampala, Uganda

Barclays Bank
Plot 4 Hannington Road
P.O. Box 2971
Kampala, Uganda

United Bank for Africa
Jinja Rd Branch Plot 2,
Jinja Rd, Kampala, Uganda

SOLICITORS **Ms. Kateera & Kagumire**
Stanbic Chambers
P O Box 7026
Kampala, Uganda

Uganda Bankers' Association

Annual Report & Financial Statements for the year ended 31 December 2019

Executive Committee Report

Introduction

The Executive Committee submits its report and the audited financial statements for the year ended 31 December 2019, which discloses the state of affairs of Uganda Bankers' Association ("the Association"). The principal activity of the Association is the protection, representation and development of the professional business interest of its members.

Vision, Mission and Values

Vision: "A strong, vibrant and respected financial services industry in the East African region"

Mission: "To promote a sound banking environment through research and innovation, advocacy, good governance and best practices."

Values: "Integrity, Transparency, Professionalism, Good Governance, Teamwork and Service Excellence"

UBA 2019-2021 Strategy

Two Strategic goals define the strategy for 2019-2021.

Expanding the role & contribution of Banking in Uganda.

Consolidating & enhancing the achievements of the strategy period 2016-2018.

Against this background, the following are the strategic objectives for 2019-2021.

A) In expanding the role & contribution of Banking in Uganda, we shall focus on the following,
Champion the growth, development & adoption of robust, 24/7, secure, integrated multi-channel digital infrastructure required to transform the industry & harness financial service opportunities in intermediation, credit & payments space.

Champion initiatives intended at driving down the average industry cost of delivering financial services in Uganda. (lower cost income ratio as measure of efficiency).

Champion initiatives to promote financial inclusion, penetration of banking services, participation by the banking industry in key national projects driving the economy and overall expansion and leadership in the financial services sector.

B) In consolidating & enhancing the achievements of the prior strategy period, we will focus on the following

Improve on the realization of 2016-2018 deliverables:

- Strengthen Governance organs including productivity of UBA Committees.
- Strengthening collaborations and partnerships.
- Strengthening lobbying, advocacy and stakeholder engagements.
- Continuously improve the Annual Banking Conference
- Continue driving visibility initiatives.
- Continue championing industry skills improvement initiatives.
- Deliver results from the research function.
- Stabilizing UBA investments in ABC, ARC, ADR.
- Continue to diversify funding sources for UBA.

Uganda Bankers' Association

Annual Report & Financial Statements for the year ended 31 December 2019

Attendance of Executive Committee meetings:

The duties and responsibilities of the Board are exercised through the discussions and decisions that are reached during the following meetings that took place during the year.

2019 UBA EXCO MEETINGS	JAN	Feb	Mar	Apr	May	Jul	Sep	Oct	Nov	Totals	Score
Chair	√	√	√	×	√	√	×	×	√	6	67%
Vice Chair	√	√	√	√	√	√	√	√	√	9	100%
Hon Treasurer	×	×	√	×	√	√	×	×	√	4	44%
Hon Auditor	√	√	×	√	√	√	√	√	√	8	89%
ED/Secretary	√	√	√	√	√	√	√	√	√	9	100%
Attendance	4/5	4/5	4/5	3/5	5/5	5/5	3/5	3/5	5/5		
Score	80%	80%	80%	60%	100%	100%	60%	60%	100%		

During the months of June, August and December no meetings were held as members were engaged.

The executive committee submit their report and the audited financial statements for the year ended 31 December 2019 which disclose the state of affairs of the Association.

Principal Activity

The principal activity of the Association is the protection, representation and development of the professional business interest of its members.

RESULTS	2019	2018
	Shs'000	Shs'000
Operating deficit	(289,148)	(212,295)

Executive Committee

The executive committee who held office during the year and at the date of this report are shown on page 3. In accordance with the Association's Articles of Association, no executive committee member is due for retirement by rotation.

Independent Auditor

Deloitte & Touche, were appointed as statutory auditors and has expressed willingness to continue in office according to the Laws of Uganda.

By Order Of The Executive Committee



EXECUTIVE COMMITTEE ASSOCIATION SECRETARY

Executive Committee/ Association Secretary
KAMPALA

20 May 2020

Uganda Bankers' Association

Annual Report & Financial Statements for the year ended 31 December 2019

Statement of Executive Committee's Responsibilities

The executive committee is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association as at the end of the financial year. It also requires the executive committee to ensure that the Association maintains proper accounting records which disclose with reasonable accuracy the financial position of the Association. The executive committees is also responsible for safeguarding the assets of the Association.

The executive committee is responsible for the preparation and fair presentation of the financial statements in accordance with several with general Accounting guidelines. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The executive committee accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with Financial Institutions Act, 2004 as amended by the Financial Institutions (Amendment) Act 2016, International Financial Reporting Standards and in the manner required by the Uganda Companies Act, 2012. The executive committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Association and of the Association's operating results. The executive committee further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control.

The executive committee certifies that to the best of their knowledge, the information furnished to the auditors for the purpose of the audit was correct and is an accurate representation of the Association's financial transactions.

On 11 March 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries affected as at 27 March 2020, including Uganda. The executive committee have made an assessment and determined that there is no impact on the current year's financial statements and the Company's ability to continue as a going concern for the next twelve months from the date of this statement.

Signed on **20 May 2020** on behalf of the Executive Committee by:



Mr. Patrick Mweheire - Chairman



Mr. Wilbrod Owor - Director



Deloitte & Touche
 Certified Public Accountant of Uganda CPAU
 Registration No: AF0001
 3rd Floor, Rwenzori House
 1 Lumumba Avenue
 P O Box 10314
 Kampala
 Uganda

Tel: +256 (417) 701 000
 +256 (414) 343 850
 +256 (312) 230 300
 Fax: +256 (414) 343 887
 +256 (414) 259 355

Email: admin@deloitte.co.ug www.deloitte.com

Independent Auditors' Report to the Members of Uganda Bankers' Association

Opinion

We have audited the financial statements of Uganda Bankers Association, set out on pages 10 to 28, which comprise of; the statement of financial position as at 31 December 2019, and the Statement of profit or loss and other comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Association financial statements give a true and fair view of the financial position of the Association as at 31 December 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our Responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The executive committees is responsible for the other information, which comprises the information included in the Report of the executive committee. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive committee for the financial statements

The executive committee is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the executive committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

Independent Auditors' Report to the Members of Uganda Bankers' Association (Continued)

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

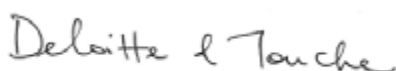
Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive committee.
- Conclude on the appropriateness of the executive committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the executive committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the executive committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner responsible for the audit resulting in this independent auditors' report is Norbert Kagoro, Practicing Number P0035.



Certified Public Accountant of Uganda

**21 May 2020
Kampala**



**Norbert Kagoro
Partner**

Uganda Bankers' Association

Statement of profit or loss and other comprehensive income for the year ended 31 December 2019

		2019			2018	
		UGX '000'				
		BUDGET	BUSINESS AS USUAL	ANNUAL BANKING CONF	TOTAL	TOTAL
Income						
Subscriptions	4	1,120,000	1,168,000	-	1,168,000	1,008,000
Interest	4	40,000	39,260	-	39,260	41,766
Annual Bankers' Conference	4	450,000		384,698	384,698	281,848
Other income	4	250,000	¹ 515,601		515,601	1,842,845
		<u>1,860,000</u>	<u>1,722,861</u>	<u>384,698</u>	<u>2,107,558</u>	<u>3,174,459</u>
Promotion, protection, representation and development of members' interests						
Promotion, protection, representation and development of members' interests	5	149,600	² 591,580		591,580	1,986,987
Governance costs		-	19,340		19,340	54,119
Staff costs	8	799,714	742,972	-	742,972	674,058
Annual Bankers' Conference	6	350,000		380,002	380,002	297,826
Administration costs	9	340,590	³ 662,812		662,812	373,763
Research & Innovation		75,519				
		<u>1,715,423</u>	<u>2,016,704</u>	<u>380,002</u>	<u>2,396,705</u>	<u>3,386,754</u>
		144,577	(293,843)	4,696	(289,148)	(212,295)
		<u>144,577</u>	<u>(293,843)</u>	<u>4,696</u>	<u>(289,148)</u>	<u>(212,295)</u>

The notes on pages 14 to 27 form an integral part of these financial statements.

Report of the independent auditor - pages 8 – 9

¹ Other income includes contributions of 60m worth of condolences for late ABC MD, 260m for PoS legal suit, 30m training charges, 80m for Lira currency centre

² Under promotion, protection & development expenses we have a total of 340m for member shared legal costs and 80m for the Lira currency centre as a special one off project

³ Under Administration expenses: 55m relate to office internet, 60m consultancy fees for governance & quality assurance review to support UBA & its subsidiaries/affiliates, donations in form of condolences worth 20m and bad debts total of 79m all above expenses were non-existent in the previous year

Uganda Bankers' Association Statement of financial position as at 31st December, 2019

	Notes	2019 Shs	2018 Shs
Noncurrent assets			
Property and equipment	10	122,968	107,667
Right of Use Asset	11	163,493	-
Investment in ABC	16	4,769,274	3,948,410
Investment in ARC	16	4660,535	430,282
Intangible Asset	12	2,610	3,915
		5,718,880	4,490,275
Current assets			
Related Party: ABC	17	76,829	25,369
Related Party: ARC	17	-	66,697
Related Party: ICAMEK	17	25,292	-
Accounts receivable	14	893,241	563,326
Prepayments	15	533,636	19,074
Cash and cash equivalents	13	888,692	653,065
		1,917,690	1,327,530
Total Assets		7,636,570	5,817,805
Reserves			
Accumulated reserves		(90,681)	198,467
ABC fund		4,769,274	3,948,410
ARC fund		660,535	430,282
		5,339,128	4,577,159
Current Liabilities			
Related Party: ARC	17	6303,594	-
Accounts payable	18	1,000,815	798,858
Deferred revenue	19	7829,540	441,787
Lease Liability	11	8163,493	-
		2,297,442	1,240,646
Total Reserves and Liabilities		7,636,570	5,817,805

The financial statements on pages 10 to 13 were approved and authorised for issue by the Board of Directors on **20 May 2020** and were signed on its behalf by:


Mr. Patrick Mweheire


Mr. Wilbrod Owor

The notes on pages 14 to 27 form an integral part of these financial statements.

Report of the independent auditor can be found on pages 8 – 9

⁴ UBA & ARC management agreed to capitalise all the funds disbursed to ARC, they total 230m

⁵ Prepayments include rent for 3 months and a payment for a server to host case profiler fraud portal

⁶ Relates to the balance of share capital to ARC from member banks

⁷ Deferred revenue relates to agent banking income whose activities are yet to be implemented and income for NIRA project of 550m to be implemented in 2020

⁸ Lease liability relates to the office space whose recognition is guided by the new accounting standard

Uganda Bankers' Association Statement of changes in equity

	Retained Earnings Ushs '000'	ARC Fund Ushs '000'	ABC Fund Ushs '000'	Total Ushs '000'
As at Jan 2018	410,762	430,282	3,948,410	4,789,455
Prior year adjustments				-
Deficit for the year	(212,295)			(212,295)
As at 31 December 2018	198,467	430,282	3,948,410	4,577,160
As at Jan 2019	198,467	430,282	3,948,410	4,577,160
Addition during the year		230,252	820,864	1,051,116
Deficit for the year	(289,148)	-	-	(289,148)
	(90,681)	660,534	4,769,274	5,108,876
As at 31 December 2018	(90,681)	660,534	4,769,274	5,108,876

The notes on pages 14 to 27 form an integral part of these financial statements.

Report of the independent auditor - pages 8 – 9

Uganda Bankers' Association Statement of cash flows

	Notes	2019 Shs` 000	2018 Shs` 000
Cash flows from operating activities			
Deficit for the year as per accounts		(289,148)	(212,295)
Adjustments:			
Depreciation expenses	9	18,536	20,715
Amortization of intangible assets	9	1,305	1,581
Expenses to RoU Asset		(69,759)	-
Cash flows from operating activities		(269,307)	(189,999)
Changes in Working Capital			
Related party	17	239,539	(92,065)
Increase in accounts receivable	14	(329,915)	(481,381)
Agency banking contribution		-	275,306
Increase in prepayment	15	(14,562)	
Increase in accounts payable	18	201,956	672,760
		151,018	374,619
Net Cash flows from operating activities		(118,289)	184,619
Cash flows from Investing activities			
Purchase of property, plant & equipment	10	(33,837)	(34,137)
Net cash flows from investing activities		(33,837)	(34,137)
Cash flows from financing activities			
Deferred Revenue	19	387,753	(1,348,315)
Net Cash flows from financing activities		387,753	(1,348,315)
Net increase/decrease in cash and cash equivalents		235,627	(1,197,833)
Cash and cash equivalents as at 1st January		653,064	1,850,897
Cash and cash equivalents as at 31 December		888,691	653,064
		888,692	653,065

The notes on pages 14 to 27 form an integral part of these financial statements.

Report of the independent auditor - pages 8 - 9

Uganda Bankers' Association

Notes to the financial statements for the year ended 31 december 2019

1 LEGAL STATUS

Uganda Bankers' Association is a company limited by guarantee, incorporated in Uganda and carries out all operations from within Uganda. Any Bank licensed by Bank of Uganda and operating in Uganda is eligible for membership. The principal activity of the Association is the protection, representation and development of professional business interests of its members.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Accounting

The Association did not decide to early adopt certain accounting standards and amendments, which are effective for annual periods beginning on or after 1 January 2019. The Association has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2019, they did not have a material impact on the annual financial statements of the Association. The nature and the impact of each new standard or amendment are described below:

(b) Changes in accounting policies and disclosures

Amendments to IFRSs that are mandatorily effective for annual periods beginning on or after 1 January 2019 The amendments generally require full retrospective application (i.e. comparative amounts have to be restated), with some amendments requiring retrospective application.

- Amendments to IAS 7 disclosure initiative;
- Amendments to IAS 12 Recognition of Deferred Tax Assets for unrealised losses; and
- Amendments to IFRS 12 included in Annual Improvements to IFRS Standards 2014 – 2016 cycle.

Amendments to IAS 7 disclosure initiative (effective for annual periods beginning on or after 1 January 2019)

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The amendments apply prospectively. Entities are not required to present comparative information for earlier periods when they first apply the amendments.

UBA Notes to the financial statements for the year ended 31 December 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amendments to IAS 12 Recognition of deferred tax assets for unrealised losses (effective for annual periods beginning on or after 1 January 2019)

The amendments clarify the following:

1. Unrealised losses on a debt instrument measured at fair value for which the tax base remains at cost given rise a deductible temporary difference, irrespective of whether the debt instrument's holders expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;
2. When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

Amendments to IAS 12 Recognition of deferred tax assets for unrealised losses (effective for annual periods beginning on or after 1 January 2019) (continued)

3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and
4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively, but did not have an impact on the financial statements.

Amendments to IFRS 12 included in the 2014 – 2016 annual improvements cycle (effective for annual periods beginning on or after 1 January 2019)

The 2014 – 2016 annual improvements cycle includes amendments to a number of IFRSs, one of which is effective for annual periods beginning on or after 1 January 2019.

Standard	Subject of amendment	Details
IFRS 12 Disclosure of interests in other entities	Clarification of the scope of the Standard	<p>IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale.</p> <p>The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.</p> <p>The amendments apply retrospectively</p>

UBA Notes to the financial statements for the year ended 31 December 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019).

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It will supersede the following lease standard and interpretations upon its effective date:

- **IAS 17 leases;**
- **IFRIC 4 determining whether an arrangement contains a lease;**
- **SIC-15 operating leases – incentives; and**
- **SIC -27 evaluating the substance of transactions involving the legal form of a lease.**

Identification of a lease

IFRS 16 applies a control model to the identification of leases, distinguishing between leases and service transactions on the basis of whether there is an identified asset controlled by the customer. Control is considered to exist if the customer has:

- a) The right to obtain substantially all of the economic benefits from the use of an identified asset, and
- b) The right to direct the use of that asset.

The standard provides detailed guidance to determine whether those conditions are met, including instances where the supplier has substantive substitution rights, and where the relevant decisions about how and for what purpose the asset is used are predetermined.

Lessee accounting

IFRS 16 introduces significant changes to leases accounting: it removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognize a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

If a lessee elects not to apply the general requirements of IFRS 16 to short-term leases (i.e. one that does not include a purchase option and had a lease term at commencement date of 12 months or less) and leases of low value assets, the lessee should recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis, similar to the current accounting for operating leases.

Lessor accounting

In contrast to lessee accounting, the IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17, which continue to require a lessor to classify a lease either as an operating lease or a finance lease.

In addition, IFRS 16 also provides guidance on the accounting for sale and leaseback transactions. Extensive disclosure is also required by the new Standard.

The application of these amendments is not expected to result in any impact on the financial performance or financial position of the company.

Due to the prominence of leasing transactions in the economy, many entities across different industries will be affected by IFRS 16. In some cases, the changes may be substantial and may require changes to the existing IT systems and internal controls. Entities should consider the nature and extent of these changes.

IFRS 16 is effective for reporting periods beginning on or after 1 January 2019 with early application permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16. A lessee can apply IFRS 16 either by a full retrospective approach or a modified retrospective approach. If the latter approach is selected, an entity is not required to restate the comparative information and the cumulative effect of initially applying IFRS 16 must be presented to opening retained earnings (or other component of equity as appropriate)

UBA Notes to the financial statements for the year ended 31 December 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company will apply the standard from its mandatory adoption date of 1 January 2019. The Company intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

PROPERTY AND EQUIPMENT

Estimates of residual values are made by management in addition to the estimates of expected useful lives of property and equipment.

The depreciation method reflects the pattern in which economic benefits attributable to the asset flows to the entity. The useful lives of these assets can vary depending on a variety of factors, including but not limited to technological obsolescence, maintenance programs, refurbishments and the intention of management.

Residual values of an asset are determined by estimating the amount that the entity would currently obtain from the disposal of the asset, after deducting the estimated cost of disposal, if the asset were already of age and in a condition expected at the end of its useful life.

The estimation of the useful life and residual values of an asset is a matter of judgement based on the past experience of the Association with similar assets and the intention of management.

(c) Income Recognition

Income represents subscriptions from member banks and interest income earned on cash deposits held in banks. The income is recorded in the financial

statements in the year of receipt or, in the year of commitment to the extent that it is probably that the economic benefits will flow to the Association and the income can be reliably measured.

(d) Expenditure

Expenditure represents costs incurred in the year on administration, staff, governance and costs of promotion, protection, representation and development of members' interests.

(e) Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. All other repair and maintenance costs are recognized in the Statement of Financial Activities as incurred. Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Computer equipment and accessories

3 years
Office equipment
8 years
Furniture and fittings
8 years

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Activities when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(f) Intangible asset

Intangible asset relates to the accounting software called quick books that was obtained as a tool to keep the UBA's books of accounts. Amortization is calculated on a straight line basis at 33.3% per annum.

UBA Notes to the financial statements for the year ended 31 December 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Deferred Revenue

Deferred revenue relates to funds received from donors to fund the activities of the Agency Banking Company and the Asset Reconstruction Company. The amounts are recognised as income to the extent that the amounts are spent and then recognised as investments and funds recognised in equity.

(j) Financial Instruments- initial recognition and subsequent measurement

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics.

All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, any directly attributable incremental costs of acquisition or issue.

Financial assets

Initial recognition and measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognized on the trade date, i.e., the date that the Association commits to purchase or sell the asset.

The Association's financial assets include cash and short-term deposits, and accounts receivable. Subsequent measurement.

The Association's financial assets are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as 'Financial assets held for trading', designated as 'financial Investments-available for sale' or 'financial assets designated at fair value through profit or loss'.

After initial measurement, these financial assets are subsequently measured at amortized cost, using the effective interest rate method, less allowance for impairment. Amortization is calculated by taking into account any discount or premium on acquisition fees and costs that are an integral part of the effective interest rate. The amortization is included in the Statement of Financial Activities. The losses arising from impairment are included in the Statement of Financial Activities.

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

The rights to receive cash flows from the asset have expired; and UBA\ has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either (a) the Association has transferred substantially all the risks and rewards of the asset, or (b) the Association has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

UBA Notes to the financial statements for the year ended 31 December 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank, cash on hand, bank overdrafts and short-term deposits with an original maturity of due months or less.

(h) Reserves

Reserves relate to the accumulated retained earnings of the prior year and the surplus for 2019.

(i) Financial liabilities

The Association's financial liabilities include accounts payable.

Subsequent measurement

After initial measurement, the Association's financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortization is calculated by taking into account any discount or premium on acquisition fees and costs that are an integral part of the effective interest rate. The amortization is included in the Statement of Financial Activities.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Financial Activities.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently

enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(h) Foreign currency translation

The Association's financial statements are presented in Uganda Shillings (Ushs), which is also the Association's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Association at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date which is 1 USD=Shs. 3,611 (Ref: Bank of Uganda) All differences are taken to the Statement of Financial Activities.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

(i) Impairment of non-financial assets

The Association assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Association estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognized in the Statement of Financial Activities in those expense categories consistent with the function of the impaired asset.

UBA Notes to the financial statements for the year ended 31 December 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication is found, the Association estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Financial Activities.

(l) National Social Security Fund contributions

The association contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Association's obligations under the scheme are limited to specific contributions legislated from time to time and are currently 10% of the employees' gross salary. The Association's contributions are charged to the Statement of Financial Activities in the period to which they relate. (o) Impairment of financial assets.

The Association assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(m) Tax

According to the Income Tax Act, Cap 340, under section 2(b), the Association qualifies as an exempt entity for tax purposes. The Association obtained a tax exemption certificate from Uganda Revenue Authority for the period from 1 January 2019 to 31 December 2020.

UBA Notes to the financial statements for the year ended 31 December 2019

3. SUBSCRIPTION INCOME BUDGET

Bank Name	Total 2019	Total 2018
ABC Capital Bank Ltd	32,084,065	26,216,732
Bank of Africa	40,794,592	33,774,299
Bank of Baroda	50,515,303	41,246,006
Bank of India	33,466,810	27,089,432
Barclays	62,260,198	46,717,218
Cairo Int. Bank	32,824,047	26,794,515
CBA	33,210,178	26,738,106
Centenary Bank	65,116,956	51,305,414
Citibank	42,914,224	34,860,186
DFCU Bank	69,162,507	46,713,190
Diamond Trust Bank	50,579,117	42,782,293
ECOBANK	36,234,893	29,295,443
Equity Bank	44,186,578	33,677,575
Exim Bank	34,913,319	29,751,959
Finance Trust Bank	33,590,049	27,517,260
GT BANK	33,841,890	27,108,102
Housing Finance	40,499,031	33,632,523
KCB	40,628,170	34,976,349
NC Bank	34,087,881	28,205,976
Orient Bank	39,853,711	32,752,980
Stanbic Bank	98,769,109	74,177,300
Standard Chartered	66,449,158	60,549,415
Tropical Bank	34,891,416	28,917,222
UBA	34,056,273	27,728,397
UDB	35,070,523	28,249,710
Total	1,120,000,000	900,777,602
Associate Members		
EFC	5,000,000	
YAKO MICROFINANCE LTD	5,000,000	
MCBL	5,000,000	
TOP FINANCE BANK	5,000,000	
Pride Microfinance Limited	5,000,000	1,000,000.00
Post Bank Uganda Limited	5,000,000	1,000,000.00
Opportunity Bank	5,000,000	1,000,000.00
FINCA Uganda Limited	5,000,000	1,000,000.00
	40,000,000	4,000,000.00

UBA Notes to the financial statements for the year ended 31 December 2019

	2019 Shs '000	2018 Shs '000
4 INCOME		
Subscription Income	1,168,000	1,008,000
Interest income	39,260	41,766
Annual Bankers' Conference	384,698	281,848
Other income	515,601	1,842,845
	2,107,558	3,174,459
5 PROMOTION, PROTECTION & DEVT		
Annual dinner	81,922	54,089
Colloquiums-stakeholder meeting	29,542	43,527
Financial literacy expenses	-	3,000
Member shared Legal Costs	346,920	1,296,753
Member Special Projects	95,552	475,319
Member Other events and dinners	37,644	62,564
Newspaper Periodicals	-	16,613
Advertising expenses	-	35,122
	591,580	1,986,987
6 ANNUAL BANKERS' CONFERENCE		
Annual Bankers' Conference Expenses	380,002	297,826
7 GOVERNANCE EXPENSES		
Member meeting expenses	6,225	2,527
Subcommittee expenses	13,115	51,592
	19,340	54,119
8 STAFF COSTS		
Salaries (including 10% Nssf Contribution)	647,610	586,728
Gratuity Expenses	55,965	53,339
Medical expenses	27,109	20,192
Local Service Tax	600	600
Temp Wages	11,688	13,200
	742,972	674,058

UBA Notes to the financial statements for the year ended 31 December 2019

	2019	2018
	Shs	Shs
9 ADMINISTRATION EXPENSES		
Printing	31,481	12,135
Stationery expenses	8,187	21,156
Rent of office premises	-	80,877
Street parking	30	-
Domain and web hosting	4,484	-
Internet - Office	55,715	-
Mobile Internet	2,327	2,337
IT support	6,344	7,706
Telephone costs	11,616	11,916
Other IT Expenses	1,513	-
Consultancy fees	83,714	32,243
Audit fees	28,305	24,780
Legal Fees	9,613	1,815
Advertising	19,728	4,000
Donation Expenses	83,210	4,331
Social Media, & others	4,800	-
Local travel	35,304	21,110
Foreign travel expenses	6,096	29,450
Accommodation and Per Diem	3,562	19,245
Electricity	7,949	7,827
Water	2,089	1,135
Generator Diesel	1,974	3,840
Bank charges	3,205	3,979
Exchange Loss	-	3,313
Interest Expense	8,220	-
Office Supplies	653	4,353
Posting and courier services	447	5,980
News Papers and Magazines	1,408	999
Office Meeting Expenses	2,005	4,380
Outsourced Services	22,591	27,082
Business Meals	3,007	5,023
Security Expenses	12,088	-
Repairs and maintenance expense	867	2,273
TV Subscription	1,282	1,411
Workshops and training	5,181	4,615
Membership and subscription expenses	4,450	2,158
Depreciation expenses	89,685	22,295
	662,812	373,763

UBA Notes to the financial statements for the year ended 31 December 2019

10 Property and Equipment

	Computers and Accessories 3 Years UShs	Office Equipment 8 Years UShs	Furniture & Fittings 8 Years UShs	Total UShs
Cost				
At 1 January 2019	48,099	22,350	112,966	183,415
Additions	7,727	18,258	7,851	33,837
At 31 December 2019	55,826	40,608	120,817	217,252
Depreciation				
At 1 January 2019	32,246	15,456	28,046	75,748
Charge for the period	4,821	2,717	10,998	18,536
At 31 December 2019	37,067	18,173	39,044	94,284
Net Book Value				
At 31 December 2019	18,759	22,436	81,773	122,968
At 31 December 2018	15,853	6,894	84,920	107,667

11 Right of Use Asset

Right-of-use assets relate to leased office premises that are presented as their own line item in the statement of financial position.

	Right of Use Asset - Muyenga Ushs
i)	
Cost	
At 1 January 2019	233,252
Additions	
At 31 December 2019	233,252
Depreciation	
At 1 January 2019	
Charge for the period	69,759
At 31 December 2019	69,759
Net Book Value	
At 31 December 2019	163,493
At 31 December 2018	233,252

	2019 Shs'000
Maturity analysis – Contractual undiscounted cash flows	
Less than one year	55,290
Between one and five years	221,162
More than five years	-
Total undiscounted lease liabilities at 31 December	276,452

UBA Notes to the financial statements for the year ended 31 December 2019

ii) Amounts recognised in profit or loss

	2019 Shs'000
2019 – Leases under IFRS 16	
Depreciation on right of use asset	69,759
Interest on lease liabilities	8,220
Expenses relating to short-term leases	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-

iii) Lease liability

	2019 Shs'000
Balance at 1 January	233,252
Interest on lease liabilities	8,220
Lease payments	77,978
Renewals/additions	-
Balance at 31 December	163,493

	2018 Shs'000
2018 – Operating leases under IAS 17	
Lease expense	80,877
Contingent rent expense	-

iv) Amounts recognised in statement of cash flows

	2019 Shs'000
Total cash outflow for leases	-

12 INTANGIBLE ASSETS

	2019 Ushs	2018 Ushs
Cost		
As at 1 January 2019	6,712	2,190
Additions	-	4,522
As at 31 December 2019	6,712	6,712
Depreciation		
As at 1 January 2017	2,797	1,216
Charge for the year	1,305	1,581
As at 31 December 2017	4,102	2,797
Net Book Value	2,610	3,915

UBA Notes to the financial statements for the year ended 31 December 2019

13 CASH AND CASH EQUIVALENTS

NC Bank - aBi	334,621	457,487
NC Bank - GiZ	1,023	-
Bank of Baroda	49,601	174,095
Barclays Bank	501,819	15,054
United Bank For Africa	1,426	4,790
Petty Cash	314	1,639
Net Book value	888,692	653,065

14 ACCOUNTS RECEIVABLES

	2,019	2,018
	SHS	SHS
Annual subscription receivable & Others	23,712	79,691
Member contributions towards ABC	74,187	57,901
Contributions towards URA case	261,431	364,709
Lira Currency Centre	8,000	45,000
KCCA case & Stamp Duty	33,982	16,024
ARC contribution	397,490	-
Annual Bankers Conference	57,250	-
NIRA eKYC project	36,604	-
PoS Legal Case	66,251	-
others	9,535	-
Accounts receivables Provision	(79,685)	-
	893,241	563,326

15 Prepayments

Prepayments	33,636	19,074
	33,636	19,074

16 INVESTMENTS

	ARC	ABC
Balance as at 1 st Jan 2019	430,282	3,968,410
Additions during the year	<u>230,252</u>	<u>820,864</u>
	<u>660,535</u>	<u>4,769,274</u>

17 RELATED PARTY BALANCES

	Agent Banking Company	Asset Reconstruction Company	ICAMEK/ADR
a)			
As at 1st Jan 2018	25,369	66,697	-
	25,369	66,697	-
Additions	51,461	(370,929)	25,292

UBA Notes to the financial statements for the year ended 31 December 2019

As at 31st Dec 2019

76,829**(303,595)****25,292**

b) DIRECTOR'S EXPENSES

	2019	2018
Salary	234,935	209,775
Gratuity	23,494	20,978
Fuel Allowance	9,600	9,600
Airtime Allowance	3,600	3,600
Total	<u>271,629</u>	<u>243,953</u>

18 Accounts Payable

Audit fees payable	14,170	12,390
Sundry creditors	89,823	22,472
URA Case	605,185	605,185
Lira Currency Centre	10,000	50,000
Stamp Duty, KCCA, & POS Case	223,200	18,300
Agent Banking	-	7,887
Provision for gratuity	58,436	82,624
	<u>1,000,815</u>	<u>798,858</u>

19 DEFERRED REVENUE

	Development Partners	UBA - NIRA Project	TOTAL
Balance as at 1st Jan 2019			
Additions during the year	441,787	-	441,787
	611,494	564,755	611,494
	<u>1,053,281</u>	<u>564,755</u>	<u>1,053,281</u>
Total Spend for the year			
	788,496	-	788,496
Balance as at 31st Dec 2019			
	<u>264,785</u>	<u>564,755</u>	<u>829,540</u>

Uganda Bankers' Association

Annual
Report



Life Simplified