

**Media Release**

**Financial Institutions heed BOU Governor's call for lowering lending interest rates**

Financial Institutions have heeded the Governor's call and agreed to review lending rates. At the monthly meeting of chief executives of financial institutions held on Friday 10<sup>th</sup> July 2020, under the auspices of Uganda Bankers Association, members agreed to review interest rates downwards within the next 30 days as part of the efforts to stem effects of the economic stress caused by the COVID-19 pandemic.

The UBA Chairman Mathias Katamba, said " financial institutions are the main arteries through which monetary policy is transmitted and in challenging times like these, the membership of UBA wish to convey their unwavering commitment to do whatever is possible within their means and circumstances to support initiatives by Bank of Uganda to stimulate economic activity. We agreed that each and every individual member institution goes back and reviews their internal position and adjust their lending rates accordingly based on what they can accommodate since institutions differ in composition & make up of their cost structures, assets & liabilities he added "

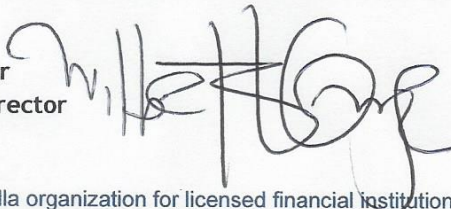
Between March and May 2020 when the lockdown was in effect, financial institutions completely waived off fees for bank to wallet transactions as well as for transactions below Ush 50,000/= at ATMs and Agent Banking points now over 13,000 across the country. UBA members individually & collectively also mobilized support towards the fight against COVID in cash and in kind of Ush 3 billion.

The industry with guidance from Bank of Uganda is currently undertaking loan restructures for qualifying borrowers as part of the efforts to address cashflow challenges occasioned by interruptions of supply chains & overall business stress.

The meeting also agreed to separately engage bank of Uganda and government through the ministry of finance on specific and urgent pain points the industry is faced with that are severely constraining their operational efficiency, expose them to risk and have a bearing to loan pricing and other tariff structures.

Signed by:

**Wilbrod Owor**  
Executive Director



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**About UBA**

Uganda Bankers' Association is an umbrella organization for licensed financial institutions supervised by Bank of Uganda.

UBA was established in 1981 and is currently made up of 38 members (All 27 tier I commercial banks, 2 development banks (Uganda Development Bank & East African Development Bank) and 10 tier II & III financial institutions namely Pride, Post Bank, Finca, UGAFODE, Yako, Mercantile, Top Finance, Brac, & EFC limited.