



# Annual Report

# 2024

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# List of acronyms

**UBA**- Uganda Bankers' Association  
**CEOs**- Chief Executive Officers  
**FY**- Financial Year  
**NPL**- Non Performing Loan  
**SACCOs**- Savings and Credit Cooperative Organisations  
**ESG**- Environment, Social and Governance  
**SFIs**- Supervised Financial Institutions  
**CFO**- Chief Finance Officer  
**CSR**- Corporate Social Responsibility  
**ARC**- Assets Reconstruction Company  
**WEEI**- Women Economic Empowerment Initiative  
**ICT**- Information Communication Technology  
**CRB**- Credit Reference Bureau  
**MDI**- Microfinance Deposit-taking Institutions  
**CI**- Credit Institutions  
**URSB**- Uganda Registration Services Bureau  
**NPSPA**- National Payment Systems Providers Association  
**YoY**- Year on Year  
**FIA**- Financial Intelligence Authority  
**ISU**- Institute of Surveyors Uganda  
**ADR**- Alternative Dispute Resolution  
**MSMEs**- Micro, Small and Medium Enterprises  
**PWDs**- Persons With Disabilities  
**DFI**- Development Financial Institutions  
**NITA-Uganda**-National Information Technology Authority-Uganda  
**NIRA**- National Identification and Registration Authority  
**E-KYC**- Electronic Know Your Customer  
**AML**- Anti-Money Laundering  
**CFT**- Counter-Financing of Terrorism  
**IFRS**- International Financial Reporting Standards

# Section 1

## ORGANIZATIONAL OVERVIEW



# Organizational Overview

## About Uganda Bankers' Association

Uganda Bankers' Association (UBA) is the umbrella organization for financial institutions licensed and supervised by the Bank of Uganda. Established in 1981, UBA's objectives are;

- To promote and represent the interests of member financial institutions.
- To develop and maintain a code of ethics and best banking practices among its membership.
- To develop and undertake high quality policy development initiatives and research on the banking sector through partnerships and collaboration with other

agencies (local, regional including academia) to generate new policy insights.

- To develop and deliver advocacy strategies to influence relevant stakeholders and achieve policy changes at industry and national level.
- Work closely with the regulator Bank of Uganda, other financial sector regulators, non-bank financial institutions and organizations in promoting financial sector growth through training, development of products, technology and Initiatives.

As an umbrella organisation, UBA works to advance the

interests of the membership by promoting close cooperation, exchanging of ideas, building knowledge through research, influencing the industry and national development processes to achieve policy changes through advocacy.

UBA continues to enhance its position as;

1. The voice of the banking industry by representing the views of its membership to diverse stakeholders and;
2. An innovative leader within the banking and financial services sector championing initiatives aimed at growth of the industry and the Ugandan economy as a whole.

### Our Vision

A strong, vibrant and respected financial services industry in the East African Region.

### Our Mission

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

### Our Values

Integrity, Transparency, Professionalism, Good Governance, Team Work and Service Excellence.



**Delegates at the UBA Women Economic Empowerment Forum 2024**

### Our Operational Structure

Uganda Bankers' Association membership comprises thirty-four (34) supervised financial institutions and its Apex Governance body is made up of the Chief Executive Officers of these institutions.

The Central Executive Committee (CEC) is made up of seven (7) members and Mr. Julius Kakeeto is the current Chairperson.

To deliver on its mandate, UBA works in consultation with the following technical committees;

- Clearing House Committee
- Credit Reference Bureau Committee
- Frauds and Forgeries Committee
- Digital Financial Services Committee
- Credit Committee
- Compliance Committee
- Communications and Marketing Committee
- Treasurers Forum
- Chief Financial Officers Committee
- Risk Committee
- Bancassurance Committee
- Human Resource Committee
- Operations Committee
- ICT and Cybersecurity Committee
- Security Committee
- Legal Committee



**UBA Governance Council at the 2024 AGM**



**UBA Committee Leadership during the Retreat Session**

# Membership as at 31<sup>st</sup> December 2024

## Tier 1



## Development Financial Institutions



## Tier 2 & 3 Financial Institutions



## Partners

### Development Partners



### Strategic Partners



## Member CEOs 2024



**Mr. David Wandera**  
Ag. CEO, Absa Bank



**Mr. Arthur Isiko**  
CEO, Bank of Africa



**Mr. Shashi Dhar**  
CEO, Bank of Baroda



**Mr. Srikant Wikhe**  
CEO, Bank of India (U) Ltd



**Mrs. Sylvia Jagwe Owachi**  
Ag. CEO, Cairo Bank Uganda



**Dr. Fabian Kasi**  
CEO, Centenary Bank



**Ms. Sarah Arapta**  
CEO, Citibank (U) Ltd



**Mr. Godfrey Sebaana**  
CEO, Diamond Trust Bank (U) Ltd



**Mr. Charles Mudiwa**  
CEO, dfcu Bank



**Ms. Grace Muliisa**  
CEO, Ecobank Uganda



**Mr. Anthony Kituuka**  
CEO, Equity Bank (U) Ltd



**Mr. Henry Lugemwa**  
CEO, Exim Bank

## Member CEOs 2024



**Ms. Annet Nakawunde Mulindwa**  
CEO, Finance Trust Bank



**Mr. Michael Mugabi**  
CEO, Housing Finance Bank



**Mr. Edgar Byamah**  
CEO, KCB Bank



**Mr. Mark Anthony Muyobo**  
CEO, NCBA Bank (U) Ltd



**Mr. Julius Kakeeto**  
CEO, Post Bank



**Mr. Michael Mande**  
CEO, Salaam Bank Ltd



**Mr. Mumba Kalifungwa**  
CEO, Stanbic Bank



**Mr. Sanjay Rughani**  
CEO, Standard Chartered Bank  
(U) Ltd



**Mr. Abdulaziz M.A. Mansur**  
Managing Director, Tropical Bank



**Mr. Kenneth Kisambira**  
CEO, United Bank for Africa  
Uganda



**Mr. Kundakwashe Matereke**  
Regional Chief Operating Officer,  
Afreximbank



**Ms. Vivienne Yeda Apopo**  
CEO, East African Development  
Bank

## Member CEOs 2024



**Ms. Patricia Ojangole**  
CEO, Uganda Development  
Bank



**Mr. Jesse Timbwa**  
CEO, ABC Capital Bank



**Mr. Moyo Nkosilathi**  
CEO, Brac Uganda Bank



**Mr. James Onyutta**  
CEO, FINCA (U) Ltd



**Ms. Fatima Alii**  
CEO, Guaranty Trust Bank (U) Ltd



**Mr. Owen Amany**  
CEO, Opportunity Bank (U) Ltd



**Mr. Shafi Nambobi**  
CEO, UGAFODE



**Mr. Om Parkash Khatkar**  
CEO, Yako Bank Uganda



**Mr. Robin Bairstow**  
CEO, I&M Bank Uganda Ltd



**Ms. Veronicah Gladys  
Namagembe**  
MD, Pride Microfinance

# Central Executive Committee 2024



**Mr. Julius Kakeeto**  
CEO, Post Bank (U) Ltd  
**Chairperson**



**Mr. Michael Mugabi**  
CEO, Housing Finance Bank (U) Ltd  
**Vice Chairperson**



**Mr. Mumba Kalifungwa**  
CEO, Stanbic Bank Uganda  
**Hon. Auditor**



**Mr. Edgar Byamah**  
CEO KCB Bank (U) Ltd  
**Hon. Treasurer**



**Mr. Sanjay Rughani**  
CEO, Standard Chartered Bank (U) Ltd  
**Committee Member**



**Mr. Shafi Nambobi**  
CEO, UGAFODE  
**Committee Member**



**Ms. Patricia Ojangole**  
CEO, Uganda Development Bank  
**Committee Member**



**Mr. Wilbrod Humphreys Owor**  
**Executive Director**  
Uganda Bankers Association



## Secretariat Staff



Ms. Patricia Amito Lutwama  
**Head Communications and  
Corporate Affairs**



Mr. Wilbrod  
Humphreys Owor  
**Executive Director**



Mr. Ronald Ochen  
**Senior Research Officer**



Mr. Ronald Mugisha  
**Senior Cyber and Fraud Risk Officer**



Mr. Solomon Ichumar  
**Senior Administration Officer**



Ms. Charity Kesiime  
**Coordinator ACI, Financial  
Markets Association of Uganda**



Mr. Joel Naluwairo  
**Legal and Corporate  
Affairs Officer**



Mr. Samuel Tenywa Naigambi  
**Information Communication  
Technology (ICT) Officer**



Ms. Flavia Nabukwasi  
**Project Manager, UBA-GIZ Responsible  
Land Policy in Uganda (RELAPU)**



Mr. Micheal Enyangu  
**Executive support Officer**



Ms. Racheal Akampurira  
**Ag. Executive Assistant**

# Technical Committee Chairpersons 2024

**Bancassurance  
Committee**



**Ms. Martha Aheebwa**  
Standard Chartered  
Bank

**Chief Financial Officers  
Committee**



**Mr. Ronald Makata**  
Stanbic Bank

**Clearing House  
Committee**



**Ms. Mary Nakkazi**  
KCB Bank

**Compliance  
Committee**



**Mr. Isaac Boss**  
Exim Bank

**Communications and  
Marketing Committee**



**Mr. Jude Kansime**  
Dfcu Bank

**Credit  
Committee**



**Ms. Muchae Gladys.G**  
Stanbic Bank

**Credit Reference  
Bureau Committee**



**Ms. Aida Kawuma**  
Standard Chartered  
Bank

**Digital Financial  
Services Committee**



**Mr. Sam Kiyaga**  
Absa Bank Uganda Ltd

**Frauds & Forgeries**



**Mr. Francis Yiga**  
Diamond Trust Bank

**Human Resource  
Committee**



**Mr. Raymond Byamah**  
Diamond Trust Bank

**ICT/Cyber Security  
Committee**



**Mr. Philip Walera**  
Absa Bank Uganda Ltd

**Legal  
Committee**



**Mr. Max Manzi**  
Brac Uganda Bank

**Operations  
Committee**



**Ms. Phiona  
Ahimbisibwe**  
United Bank for Africa

**Risk  
Committee**



**Mr. John Robert  
Kakeeto**  
United Bank for Africa

**Security  
Committee**



**Mr. Mutabazi Keneth**  
Stanbic Bank

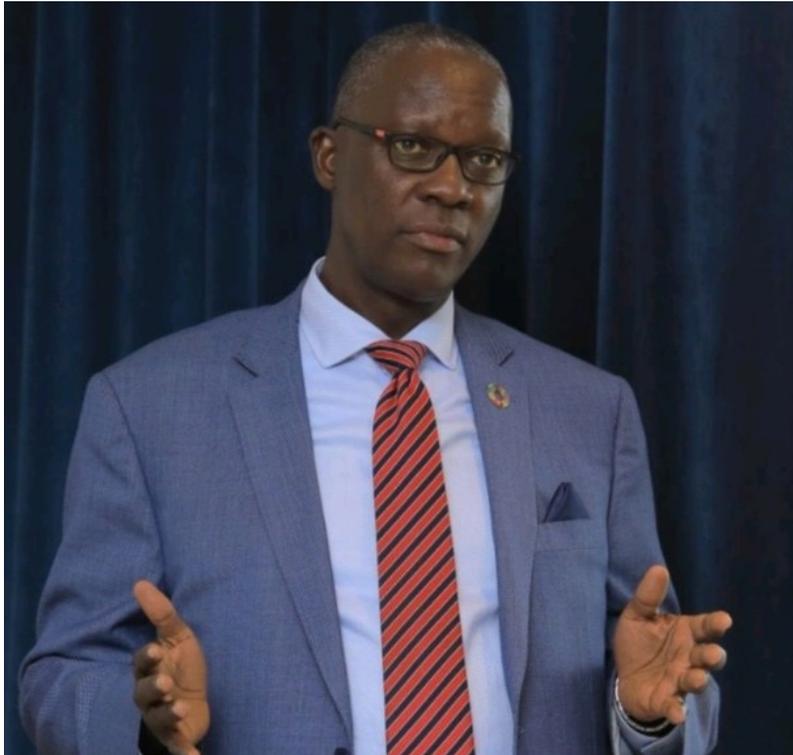
**Treasurers  
Committee**



**Mr. Allan Muhinda**  
Stanbic Bank



# Statement from the Executive Director



**Mr. Wilbrod Humphreys Owor**  
Executive Director

On behalf of the UBA Secretariat, I would like to express our heartfelt gratitude for the invaluable support all our member financial institutions provided throughout the year 2024.

We are pleased to share our comprehensive annual report for FY 2024, which highlights the strategic initiatives we undertook, our achievements, challenges and where we are to date.

2024 was a remarkable year for the industry, marked by significant developments and activities listed in the report. This report reflects our collective efforts and outlines our pathway in the coming years.

Special gratitude goes to the dedicated members of our industry technical committees which are sixteen (16) in number as well as staff from the

secretariat who do the execution.

We greatly appreciate the instrumental and invaluable support that the development, technical and strategic partners continue to provide in helping us to reach the milestones registered as we pursue our mandate.

Their unwavering support always plays a critical role in our journey and we deeply appreciate their commitment to our shared vision and mission.

In January 2025, we commenced the implementation of the 3-year strategy cycle (2025-2027) with the top 10 focus areas being,

1. The implementation of and bringing alive all anti-fraud recommendations from the prior year's forum.
2. Tracking and proactively responding to trends and developments in the

technology space including, **a) payments, b) digital lending, c) cyber risk, d) artificial intelligence** and other automations for operations efficiency.

3. ESG Institutionalization for sustainability (Climate/Green Finance).
4. Addressing constraints in credit and its administration including securing the regulatory accommodations required.
5. Playing a leading role in the deepening of financial markets.
6. Formulating our Industry response to Government's ten-fold (ATMs) strategy including the continued engagement of Ministry of Finance, Planning and Economic Development and Uganda Revenue Authority on fiscal (tax) Policy matters.
7. More participation in the oil and gas sector.
8. Continued institutionalization of Alternative Dispute Resolution (ADR) in the banking and financial services sector.
9. Training and capacity building in the industry including adoption of the industry competence framework.
10. Enforcement of the code of conduct for staff.

We look forward to not only another year 2025, but also the full strategy cycle ending in December 2027 to take the industry to another level and most importantly support the delivery of the envisaged growth of the economy and significant impact.

**Wilbrod Humphreys Owor.**  
Executive Director

# Activity Calendar 2024

## Quarter 1 (Jan-Mar)

- Launch of the Banking Industry Guidelines on Fraud Mitigation
- Strategy Session with Member CEOs
- Agribusiness Stakeholder Convening
- Dialogue with NUDIPU
- Dialogue with FIA



## Quarter 3 (Jul-Sep)

- Annual Bankers Conference 2024
- Bancassurance Inaugural Leadership Forum
- Annual Anti-Fraud Forum
- Strategy Session of UBA Committees
  - Dissemination of Digital Lending Series



## Quarter 4 (Oct-Dec)

- Annual Women Economic Empowerment Forum 2024
- Evaluation of EKYC System Workshop
- Partnership ICAMEK and PSFU
- Launch of Coaching program partnership with Association for the Advancement of Psychosynthesis (AAP)



## Quarter 2 (Apr-Jun)

- Launch of the ESG Framework for the Banking Industry
- UBA AGM 2024
- UBA WEEI Leadership Session
- PAPSS Workshop
- Uganda Manufacturers Association Financial Symposium
- Launch of Finscope Survey 2023
- UBA Multistakeholder Dialogue with GIZ Relapu



# Committee Highlights 2024

## Chief Finance Officer (CFO) Awards

On 18<sup>th</sup> October 2024, Deloitte held the 8<sup>th</sup> edition of the prestigious Chief Finance Officer Awards at the Kampala Serena Hotel, and celebrated outstanding financial leaders who had made significant contributions to their organizations and the economy.

The awards ceremony honored Chief Finance Officers (CFOs)

across 10 categories, showcasing the diversity and impact of financial leadership in various sectors.

Congratulations to all the member bank CFOs who were honored across the various categories during the award ceremony

**1. Finance Transformation and Technology Award and CFO of**

**the Year Award** – Kate K. Kiiza, CFO and Executive Director, DFCU Bank

**2. Strategy Execution Award** – Ronald Makata, Chief Finance and Value Management Officer, Stanbic Bank Uganda Limited

**3. Compliance & Governance Award** – Peter Ssenyange, CFO Post Bank Uganda Limited



The Winners of the CFO Awards Pose for a picture with the Deputy Governor, Bank of Uganda



The Winners of the CFO Awards Pose for a picture with the Judges



Stanbic Bank's Ronald Makata receives his award



Post Bank's Peter Senyange receives his award



DFCU Bank's Kate Kiiza receives her award and air ticket as CFO of the year

## Statistics of Committee Meetings held in 2024

| COMMITTEE                              | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | NO. OF MEETINGS HELD | %          |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|----------------------|------------|
| CHIEF FINANCE OFFICERS                 | ✓   |     |     | ✓   |     |     | ✓   |     |     |     |     |     | 3                    | 25%        |
| CLEARING HOUSE                         | ✓   |     |     | ✓   |     | ✓   |     | ✓   |     | ✓   |     |     | 5                    | 42%        |
| COMPLIANCE- FIA / AML                  | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | 12                   | 100%       |
| CREDIT REFERENCE BUREAU                | ✓   |     |     |     |     | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   |     | 6                    | 50%        |
| CREDIT                                 |     | ✓   |     |     | ✓   |     |     |     |     | ✓   | ✓   |     | 4                    | 33%        |
| DIGITAL FINANCIAL SERVICES             |     |     |     | ✓   | ✓   |     |     | ✓   |     | ✓   | ✓   |     | 5                    | 42%        |
| FRAUDS & FORGERIES                     | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   |     | 11                   | 92%        |
| HUMAN RESOURCE                         |     | ✓   |     | ✓   | ✓   | ✓   |     |     |     | ✓   |     |     | 4                    | 33%        |
| INFORMATION & COMMUNICATION TECHNOLOGY |     | ✓   |     |     | ✓   |     |     |     | ✓   |     |     |     | 3                    | 25%        |
| LEGAL                                  |     |     |     | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   |     | 8                    | 67%        |
| OPERATIONS                             | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | 12                   | 100%       |
| SECURITY                               | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | 12                   | 100%       |
| TREASURER'S FORUM                      | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | ✓   | 12                   | 100%       |
| BANCASSURANCE                          |     | ✓   |     | ✓   |     |     | ✓   | ✓   | ✓   |     | ✓   |     | 6                    | 50%        |
| RISK                                   |     |     |     |     | ✓   | ✓   |     | ✓   |     | ✓   |     |     | 4                    | 33%        |
| COMMUNICATION & MARKETING              |     |     |     |     | ✓   | ✓   |     |     | ✓   |     |     |     | 3                    | 25%        |
| <b>TOTAL NUMBER OF MEETINGS HELD</b>   |     |     |     |     |     |     |     |     |     |     |     |     | <b>110</b>           | <b>57%</b> |

| COMMITTEE  | PERFORMANCE IN 2024   |  |   |
|--|---|--|---|
| <b>FRAUDS AND FORGERIES</b>  | <p>The Frauds and Forgeries Committee is committed to ensuring the integrity of financial transactions and preventing fraudulent activities within the financial sector. The key 2024 highlights for the committee included:</p> <p><b>1. Fraud Portal Utilization</b><br/>As of December 2024, 18 member supervised financial institutions were connected to the fraud portal. However, utilization remained low. The committee will in 2025 continue to promote greater engagement, emphasizing the portal's role as a critical resource for fraud detection and industry collaboration. Full connectivity of the remaining supervised financial institutions is essential to enhance the portal's effectiveness.</p> <p><b>2. Fraud Forum Participation</b><br/>The committee actively participated in the 2024 Fraud Forum, interacted with key stakeholders in sector and shared knowledge including experiences on emerging fraud trends and best practices for mitigation.</p> <p><b>3. Fraud Types</b><br/>The Committee report identified the following types of frauds reported by the membership in the course of 2024;</p> <table border="1" style="width: 100%;"> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>• Cash theft</li> <li>• Forex Fraud</li> <li>• Fraud in reconciliation</li> <li>• Money Transfer Fraud</li> <li>• Online Banking Fraud</li> <li>• Account takeover</li> <li>• Agent Banking Fraud</li> <li>• Bribery</li> <li>• Burglary</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>• Card fraud</li> <li>• Cash suppression</li> <li>• Cheque fraud</li> <li>• Counterfeit fraud</li> <li>• Cyber fraud</li> <li>• Document fraud</li> <li>• Impersonation</li> <li>• Loan fraud</li> <li>• Mobile banking fraud</li> </ul> </td> </tr> </tbody> </table> <p>The rise in fraud cases noted in 2024, was primarily driven by an uptick in Impersonation Fraud, Account Takeover, and Cyber Fraud. Mobile Banking Fraud cases remained high. Cheque Fraud saw a significant drop suggesting improved security measures.</p> <p>In light of the evolving nature of financial fraud, with an increase in cyber-related threats and impersonation schemes, the committee will in 2025 support the industry in rolling out various initiatives that will contribute to strengthened vigilance through investment in fraud mitigation technologies, customer awareness and education, in collaboration with regulatory bodies and key stakeholders.</p> | <ul style="list-style-type: none"> <li>• Cash theft</li> <li>• Forex Fraud</li> <li>• Fraud in reconciliation</li> <li>• Money Transfer Fraud</li> <li>• Online Banking Fraud</li> <li>• Account takeover</li> <li>• Agent Banking Fraud</li> <li>• Bribery</li> <li>• Burglary</li> </ul> | <ul style="list-style-type: none"> <li>• Card fraud</li> <li>• Cash suppression</li> <li>• Cheque fraud</li> <li>• Counterfeit fraud</li> <li>• Cyber fraud</li> <li>• Document fraud</li> <li>• Impersonation</li> <li>• Loan fraud</li> <li>• Mobile banking fraud</li> </ul> |
| <ul style="list-style-type: none"> <li>• Cash theft</li> <li>• Forex Fraud</li> <li>• Fraud in reconciliation</li> <li>• Money Transfer Fraud</li> <li>• Online Banking Fraud</li> <li>• Account takeover</li> <li>• Agent Banking Fraud</li> <li>• Bribery</li> <li>• Burglary</li> </ul> | <ul style="list-style-type: none"> <li>• Card fraud</li> <li>• Cash suppression</li> <li>• Cheque fraud</li> <li>• Counterfeit fraud</li> <li>• Cyber fraud</li> <li>• Document fraud</li> <li>• Impersonation</li> <li>• Loan fraud</li> <li>• Mobile banking fraud</li> </ul>   |  |   |

|                                    |   |
|------------------------------------|---|
| <b>HUMAN RESOURCE COMMITTEE</b>    | <p>In 2024, Uganda Bankers Association contracted Korn Ferry to undertake a Custom Salary Survey. The task was supported by the UBA Technical Committee on Human Resources and was a key deliverable for this committee</p> <p>24 Supervised Financial Institutions participated in the survey that provided deeper insights of the current reward and compensation program across the industry.</p> <p>The key principles that were considered for an effective compensation management included;</p> <ul style="list-style-type: none"> <li>• Effective reward arrangements linked to performance and support the delivery of the business strategy.</li> <li>• The nature of the people and the desired culture influenced the type of reward arrangements.</li> <li>• The level of pay between roles and job functions / families aligned with job size and complexity</li> <li>• Pay practices aligned to market rates for comparable roles is a key feature of compensation design.</li> <li>• Pay, including the design of incentives, increasingly being impacted by regulation and governance considerations.</li> <li>• An effective compensation program aligned to the reward strategy and philosophy of the company.</li> </ul> <p><b>Key Findings</b></p> <ul style="list-style-type: none"> <li>• 94% of companies had adjusted salaries in the past year ranging from 5.8% to 7.5% and all companies were planning to adjust salaries in the next year to increase with a range from 6.0% to 7.5%</li> <li>• The typical job by grades identified across the UBA members ranged between 8-23, with Grade 23 being the highest (CEO) and Grade 8 being the lowest (General Clerk)</li> </ul> |
| <b>DIGITAL FINANCIAL SERVICES</b>  | <p>The committee engaged member financial institutions on a discussion on harmonization of the prices for Bank to Wallet and Wallet to Bank transactions. These discussions will be finalized in 2025.</p> <p>The committee participated in discussions to progress the implementation of an industry wide roll out of the contactless solution with support from VISA</p>  |
| <b>BANCASSURANCE</b>               | <p><b>Inaugural Bancassurance Thought Leaders Forum:</b> The Bancassurance Technical Committee (BTC) organised the first Thought Leaders Forum as part of the efforts to improve understanding of Bancassurance Business and also strengthen the capacity of members of the Technical Committee to support drive the business.</p> <p><b>Stakeholder Engagement:</b> The Committee participated in numerous engagements with the Insurance Training College, Insurance Regulatory Authority and Uganda Insurers Association aimed at driving growth of Bancassurance business among member financial institutions</p>   |
| <b>COMMUNICATION AND MARKETING</b> | <p><b>National Journalism Awards:</b> The committee through UBA in partnership with the African Center for Media Excellence participated in the National Journalism Awards that were held in 2024. Musa Ladu received the award under the category of the Business, Economics and Finance.</p> <p><b>Customer education and awareness:</b> The committee supported the industry in driving awareness on Fraud through various messages that were pushed in the traditional and electronic media platforms.</p> <p><b>Savings Challenge:</b> The committee further worked closely with UBA and UIBFS to successfully launch the second edition of the industry wide Savings Challenge Initiative in October 2024 as part of the commemoration of World Savings Day. This initiative will contribute to raising awareness and promoting a savings culture at individual, family and institutional level. At the end of the challenge in October 2025, the resources that were mobilized will be given to a business actively undertaking green initiatives and led by women and youth as part of the industry wide Corporate Social Responsibility (CSR) cause.</p>   |

| <p><b>CREDIT COMMITTEE</b></p>     | <p><b>1. Land Issue Discussions – Mukono and Kayunga Cases</b></p> <p>The Credit Committee dedicated significant time to discuss the land-related challenges impacting financial institutions, particularly the recurring issues faced in Mukono and Kayunga. The committee together with members of the UBA Legal Committee had engagements with the Ministry of Lands, Housing and Urban Development to address and proposed solutions/recommendation to resolve the issues was shared with the Ministry to avoid future similar risks from arising.</p> <p>Key legal concerns were discussed, focusing on the Ministry’s immunity under the Registration of Titles Act and the implications of disclaimer clauses in search certificates during legal disputes. Acknowledging the widespread nature of this problem, the committee emphasized the need for protective measures for financial institutions and borrowers alike.</p> <p>Further, the committee evaluated the Ministry’s proposal to implement caveats on alternative land titles, thereby enabling financial institutions with legitimate interests to safeguard their claims. The committee emphasized the need for a coordinated industry response in dealing with this issue and recommended the development of structured proposals to resolve these challenges while ensuring the protection of financial institutions and their customers.</p> <p><b>2. Technical Paper on Regulatory Reviews</b></p> <p>In line with efforts to strengthen risk management practices, the Credit Committee presented key regulatory proposals to the Bank of Uganda (BOU). These proposals sought to enhance the flexibility of loan restructuring, harmonize provisioning and write-off policies with international standards, adjusting risk-weighting for guaranteed facilities, and support to finance local content in Uganda’s nascent oil &amp; gas sector.</p> <p><b>Key recommendations included:</b></p> <ul style="list-style-type: none"> <li>• Expanding the limits for loan restructuring and incorporating sector-specific provisions.</li> <li>• Aligning provisioning and write-offs with IFRS 9 to ensure the adequacy of recoverable assets.</li> <li>• Providing relief on Risk Weighted Assets (RWA) for facilities backed by strong rated guarantees.</li> <li>• Establishing a Local Content Fund to support financing to the oil &amp; gas sector.</li> </ul> <p>These proposed reforms aim to increase resilience of Uganda’s financial sector, improve risk management practices, and contribute to sustainable economic growth. The Credit Committee is committed to continued engagement with relevant stakeholders to foster a more adaptive and effective regulatory framework.</p> <p><b>3. Discussions on Environmental, Social, and Governance (ESG) Issues</b></p> <p>The Credit Committee also engaged in meaningful discussions around Environmental, Social, and Governance (ESG) considerations, emphasizing the critical role the bank can play in supporting sustainable finance. The committee reviewed opportunities for reinforcing the bank’s commitment to ESG principles, positioning the bank as a responsible leader within Uganda’s financial sector. These discussions highlighted the importance of balancing economic growth with environmental stewardship, ensuring that financial activities contribute positively to both society and the environment.</p> |        |   |  |         |         |    |                     |    |                       |  |    |  |    |     |  |    |  |    |     |  |    |  |    |            |  |    |  |    |          |  |    |   |    |          |                        |    |                        |    |   |                                    |    |                           |    |      |  |    |                                 |    |          |   |
|------------------------------------|--|--------|---|--|---------|---------|----|---------------------|----|-----------------------|--|----|--|----|-----|--|----|--|----|-----|--|----|--|----|------------|--|----|--|----|----------|--|----|---|----|----------|------------------------|----|------------------------|----|---|------------------------------------|----|---------------------------|----|------|--|----|---------------------------------|----|----------|---|
| <p><b>COMPLIANCE COMMITTEE</b></p> | <p>The committee organised and ensured delivery of trainings amongst member banks to support improvements in their respective compliance and AML/CFT programs. The key trainings delivered included.</p> <table border="1" data-bbox="421 1352 1123 1733"> <thead> <tr> <th>SN</th> <th>Topic of Training</th> <th>Period</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>AML Risk Assessment</td> <td>Q1</td> <td>External - BRJ Mazars</td> <td>The end-to-end process as prescribed in the BOU AML guidelines for ML,TF,PF risk assessment.</td> </tr> <tr> <td>2.</td> <td>The Convention on Mutual Administrative Assistance in Tax Matters Act 2023</td> <td>Q2</td> <td>URA</td> <td>Key compliance obligations for SFIs &amp; the role of the Compliance function.</td> </tr> <tr> <td>3.</td> <td>National Payments Systems Laws &amp; Applicability</td> <td>Q2</td> <td>BOU</td> <td>Key compliance obligations for SFIs &amp; the role of the SFIs</td> </tr> <tr> <td>4.</td> <td>Maintaining Compliance Obligations Register &amp; Automation of the register</td> <td>Q2</td> <td>Cairo Bank</td> <td>The end-to-end process of establishing and operating effective compliance obligations register</td> </tr> <tr> <td>5.</td> <td>Cyber security (being a key influencer of financial crime) ...including cyber security frameworks and their adequacy covering things like NIST standards and relevant ISO standards.</td> <td>Q2</td> <td>External</td> <td>Cyber security risk as a key principal risk.</td> </tr> <tr> <td>6.</td> <td>Financial Crime Typologies (Illegal Wildlife &amp; Human Trafficking)</td> <td>Q2</td> <td>RUSI/UWA</td> <td>Risk awareness program</td> </tr> <tr> <td>7.</td> <td>FATCA &amp; CRS Compliance</td> <td>Q3</td> <td>External - Global Finance &amp; Compliance Hub.</td> <td>The KYC and reporting requirements</td> </tr> <tr> <td>8.</td> <td>Data Protection &amp; Privacy</td> <td>Q3</td> <td>NCBA</td> <td>Refresher program on compliance requirements and recent industry exposures</td> </tr> <tr> <td>9.</td> <td>External Stakeholder Management</td> <td>Q4</td> <td>ED (UBA)</td> <td>End to end refresher on effective stakeholder management.</td> </tr> </tbody> </table> <p>The committee actively participated in the following other key activities.</p> <ol style="list-style-type: none"> <li>1) Revision of the UBA 3 years (2025 -2027) strategy.</li> <li>2) Sourcing of additional E-KYC service providers for the industry.</li> <li>3) Engagement of regulators and authorities for instance Bank of Uganda, the Financial Intelligence Authority, The Deposit Protection Fund, Uganda Revenue Authority, and the Uganda Registration Services Bureau on a number of industry issues including access to information, trainings and alignment of laws, regulations, and guidelines.</li> <li>4) Consultative discussions engagements with NITA Uganda, and the Office of the Prime Minister, UNHCR, Directorate of Immigration &amp; Citizenship (Ministry of Internal Affairs) and continues to pursue improvements in the verification of customer identification documents including registration documents for refugee identification documents, work permits and Visas.</li> </ol>   | SN     | Topic of Training                           | Period   | Trainer | Remarks | 1. | AML Risk Assessment | Q1 | External - BRJ Mazars | The end-to-end process as prescribed in the BOU AML guidelines for ML,TF,PF risk assessment. | 2. | The Convention on Mutual Administrative Assistance in Tax Matters Act 2023 | Q2 | URA | Key compliance obligations for SFIs & the role of the Compliance function. | 3. | National Payments Systems Laws & Applicability | Q2 | BOU | Key compliance obligations for SFIs & the role of the SFIs | 4. | Maintaining Compliance Obligations Register & Automation of the register | Q2 | Cairo Bank | The end-to-end process of establishing and operating effective compliance obligations register | 5. | Cyber security (being a key influencer of financial crime) ...including cyber security frameworks and their adequacy covering things like NIST standards and relevant ISO standards. | Q2 | External | Cyber security risk as a key principal risk. | 6. | Financial Crime Typologies (Illegal Wildlife & Human Trafficking) | Q2 | RUSI/UWA | Risk awareness program | 7. | FATCA & CRS Compliance | Q3 | External - Global Finance & Compliance Hub. | The KYC and reporting requirements | 8. | Data Protection & Privacy | Q3 | NCBA | Refresher program on compliance requirements and recent industry exposures | 9. | External Stakeholder Management | Q4 | ED (UBA) | End to end refresher on effective stakeholder management. |
| SN                                 | Topic of Training  | Period | Trainer                                     | Remarks  |         |         |    |                     |    |                       |  |    |  |    |     |  |    |  |    |     |  |    |  |    |            |  |    |  |    |          |  |    |   |    |          |                        |    |                        |    |   |                                    |    |                           |    |      |  |    |                                 |    |          |   |
| 1.                                 | AML Risk Assessment  | Q1     | External - BRJ Mazars                       | The end-to-end process as prescribed in the BOU AML guidelines for ML,TF,PF risk assessment.   |         |         |    |                     |    |                       |  |    |  |    |     |  |    |  |    |     |  |    |  |    |            |  |    |  |    |          |  |    |   |    |          |                        |    |                        |    |   |                                    |    |                           |    |      |  |    |                                 |    |          |   |
| 2.                                 | The Convention on Mutual Administrative Assistance in Tax Matters Act 2023   | Q2     | URA   | Key compliance obligations for SFIs & the role of the Compliance function.                     |         |         |    |                     |    |                       |  |    |  |    |     |  |    |  |    |     |  |    |  |    |            |  |    |  |    |          |  |    |   |    |          |                        |    |                        |    |   |                                    |    |                           |    |      |  |    |                                 |    |          |   |
| 3.                                 | National Payments Systems Laws & Applicability   | Q2     | BOU   | Key compliance obligations for SFIs & the role of the SFIs                                     |         |         |    |                     |    |                       |  |    |  |    |     |  |    |  |    |     |  |    |  |    |            |  |    |  |    |          |  |    |   |    |          |                        |    |                        |    |   |                                    |    |                           |    |      |  |    |                                 |    |          |   |
| 4.                                 | Maintaining Compliance Obligations Register & Automation of the register   | Q2     | Cairo Bank                                  | The end-to-end process of establishing and operating effective compliance obligations register |         |         |    |                     |    |                       |  |    |  |    |     |  |    |  |    |     |  |    |  |    |            |  |    |  |    |          |  |    |   |    |          |                        |    |                        |    |   |                                    |    |                           |    |      |  |    |                                 |    |          |   |
| 5.                                 | Cyber security (being a key influencer of financial crime) ...including cyber security frameworks and their adequacy covering things like NIST standards and relevant ISO standards.   | Q2     | External                                    | Cyber security risk as a key principal risk.   |         |         |    |                     |    |                       |  |    |  |    |     |  |    |  |    |     |  |    |  |    |            |  |    |  |    |          |  |    |   |    |          |                        |    |                        |    |   |                                    |    |                           |    |      |  |    |                                 |    |          |   |
| 6.                                 | Financial Crime Typologies (Illegal Wildlife & Human Trafficking)  | Q2     | RUSI/UWA                                    | Risk awareness program   |         |         |    |                     |    |                       |  |    |  |    |     |  |    |  |    |     |  |    |  |    |            |  |    |  |    |          |  |    |   |    |          |                        |    |                        |    |   |                                    |    |                           |    |      |  |    |                                 |    |          |   |
| 7.                                 | FATCA & CRS Compliance   | Q3     | External - Global Finance & Compliance Hub. | The KYC and reporting requirements   |         |         |    |                     |    |                       |  |    |  |    |     |  |    |  |    |     |  |    |  |    |            |  |    |  |    |          |  |    |   |    |          |                        |    |                        |    |   |                                    |    |                           |    |      |  |    |                                 |    |          |   |
| 8.                                 | Data Protection & Privacy  | Q3     | NCBA  | Refresher program on compliance requirements and recent industry exposures                     |         |         |    |                     |    |                       |  |    |  |    |     |  |    |  |    |     |  |    |  |    |            |  |    |  |    |          |  |    |   |    |          |                        |    |                        |    |   |                                    |    |                           |    |      |  |    |                                 |    |          |   |
| 9.                                 | External Stakeholder Management  | Q4     | ED (UBA)                                    | End to end refresher on effective stakeholder management.                                      |         |         |    |                     |    |                       |  |    |  |    |     |  |    |  |    |     |  |    |  |    |            |  |    |  |    |          |  |    |   |    |          |                        |    |                        |    |   |                                    |    |                           |    |      |  |    |                                 |    |          |   |

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| <p><b>OPERATIONS COMMITTEE</b></p> | <p><b>Driving Operational Excellence in Uganda's Banking Sector</b></p> <p>The UBA Operations Committee is mandated to serve in an advisory capacity, providing recommendations on banking operational and technical issues to enhance efficiency, security, and compliance across the industry.</p> <p><b>Key Achievements in 2024/2025</b></p> <p><b>1. Enhanced Cheque Standards Compliance</b><br/>In August 2024, Heads of Operations underwent a training session on cheque standards, facilitated by Invicta Africa. The session served as a refresher on compliance requirements, with recommendations provided to banks needing adjustments. This initiative strengthens fraud prevention by closing potential loopholes in cheque processing.</p> <p><b>2. Strengthening Operational Risk Controls</b><br/>The UBA Risk Committee leadership led an insightful discussion on operational risks, highlighting major vulnerabilities and strategies to strengthen controls. The session emphasized reducing operational losses and closing gaps in banking processes.</p> <p><b>3. Successful Launch of Cash Processing Project</b><br/>Towards the end of the year and early January 2025, the cash processing project went live, enabling banks to deposit pre-sorted cash (fit/unfit) at the Bank of Uganda (BOU). This initiative allows BOU to focus on its core mandates while improving efficiency in cash handling across the industry.</p> <p><b>4. Introduction of the 3<sup>rd</sup> Clearing Session</b><br/>The 3<sup>rd</sup> Clearing Session, launched on 10th February 2024, has significantly reduced the Turnaround Time (TAT) for interbank fund transfers. This development minimizes physical cash handling and supports Uganda's journey toward digital financial transactions.</p> <p><b>5. Cost Collaboration Initiatives</b><br/>The committee is championing cost-saving collaborations for shared industry services. Currently, engagements are underway with National Identification verification service providers to secure favorable group rates for member banks. This collective approach strengthens bargaining power, ensuring cost-effective solutions for the sector.</p> |
| <p><b>TREASURERS FORUM</b></p>     | <p><b>4th Financial Stability Symposium (FSS)</b><br/>The Bank of Uganda, through its communications department and in collaboration with the Supervision Directorate, successfully hosted the 4th Financial Stability Symposium (FSS) on Monday, May 13th, 2024. The event brought together Heads of Financial Markets from commercial banks to enhance their awareness, understanding, and appreciation of the Bank's financial stability analysis and policy recommendations. It also provided clarity on key issues related to the stability of Uganda's financial sector.</p> <p><b>Moody's Credit Rating Downgrade and Market Response</b><br/>On May 17, 2024, Moody's credit rating agency downgraded Uganda's sovereign rating from B2 to B3 and revised the outlook from negative to stable. This downgrade was attributed to the country's weakened debt affordability, driven by an increased reliance on higher-cost sources of financing. The resulting rise in borrowing costs widened Uganda's debt affordability gap relative to its peers.<br/>Following the downgrade, the Ugandan Shilling experienced significant depreciation, weakening from UGX 3,760 to UGX 3,830 by Monday, May 20, 2024.</p> <p>In response, ACI Uganda facilitated discussions among market participants on the implications of the downgrade. On May 24, 2024, a detailed and insightful discussion was held with a team from Moody's, providing market participants with a deeper understanding of the factors influencing the rating change and its potential impact.</p> <p><b>Capacity Building</b><br/>Eight (8) capacity-building activities were conducted over the year, where market participants were equipped with enhanced skills and knowledge essential for their roles. These sessions covered a wide range of topics, including but not limited to logical reasoning and quantitative thinking, the art of negotiation, the ACI dealing and operations certificate, technical analysis and market techniques and best practice.</p>  |
| <p><b>LEGAL COMMITTEE</b></p>      | <ol style="list-style-type: none"> <li>1. The Committee engaged with various stakeholders, including the Judiciary, the Ministry of Justice and Constitutional Affairs, the Attorney General, the Ministry of Lands, Housing and Urban Development, and the Parliament of Uganda, among others to address critical issues impacting the banking and financial sector.</li> <li>2. In 2024, the Committee actively participated in workshops and stakeholder engagements aimed at reviewing several proposed laws and legislative amendments relevant to the banking and financial services industry.</li> <li>3. The Committee took part in the UBA Committee strategy session that was held at Protea Hotel, Entebbe, where it contributed significantly to the development of the industry's strategic direction for the period 2025–2027. During this session, the Committee presented key strategic initiatives designed to capitalize on emerging opportunities.</li> <li>4. The Committee provided legal advice and opinions on a range of industry-related matters to other UBA Committees, supporting informed decision-making and policy development</li> </ol>  |

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| <b>CHIEF FINANCIAL OFFICERS COMMITTEE</b> | <p>The year was characterised by the elevation of ESG in preparation for the industry to adopt IFRS sustainability disclosure standards issued by the International Sustainability Standards Board (ISSB) in June 2023 IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.</p> <p>The committee carried out the following key initiatives that were executed through three work streams as highlighted below.</p> <p><b>TAX WORKSTREAM</b><br/> <b>Capacity Building:</b> Successfully conducted a refresher training for CFOs focusing on PAYE and key thematic areas within the FY2024/2025 Budget proposals, with over 100 participants in attendance.</p> <p><b>URA Engagements:</b> Collaborated with the UBA Secretariat to successfully advocate against a proposed stamp duty on account opening forms, resulting in its withdrawal.</p> <p><b>Annual Judges Conference:</b> Facilitated an enlightenment and knowledge session with Judges on key pain points for the Banking Industry and collaborative areas to spur revenue collection.</p> <p><b>NEWSTANDARDS WORK STREAM</b><br/> The Standards committee focussed of awareness and training of members on the emerging new IFRS Sustainability Standards (S1 &amp; S2) and updated the industry on the new IFRS Sustainability Standards requirements, the ESG reporting frameworks and the role of Financial Institutions in the ESG agenda.</p> <p>The work stream organised a workshop in collaboration with KPMG on 30th October 2024, that equipped the CFOs with knowledge surrounding this topic and guided them through the standards implementation process. The workshop was attended by over 300 participants from all the member banks, with representation from Finance, Risk, Compliance, Strategy, CSR/Marketing, Audit and other departments.</p> <p><b>STRATEGY WORKSTREAM:</b> focused on identifying key strategic issues impacting member financial institutions including operational focus areas that would drive shared value.</p> <p>The CFO committee will continue to forecast emerging challenges in advance and support the members better navigate the ever evolving operating environment to ensure compliance and drive efficiencies.</p> <p>The committee plans to sustain momentum in 2025 by deepening ESG implementation through continued training and alignment with IFRS sustainability disclosure standards, while advancing digital transformation initiatives focused on cost optimization and operational efficiency.</p> |
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# Key Research Highlights

## Dissemination of the Survey on Digital Lending in Uganda

In 2024, following the completion and dissemination of series 1 of the Digital Lending Series, Uganda Bankers' Association in partnership with Asigma Capital Advisory Services progressed with the second series that focused on the digital credit providers, the essential supporting functions and the regulatory environment

within Uganda's digital lending landscape.

A total of 43 market system actors namely 20 digital lenders (both bank and non-bank), 19 supporting function actors, 3 regulatory bodies and 1 umbrella body were interviewed for this series as indicated below.

Moreover, the recent instances of fraud highlight the critical importance of robust fraud risk management systems. The incidents underscore the necessity for continuous improvement in validation/verification processes and heightened vigilance against fraudulent activities in the digital space

### Market System Actors (Majority of these were interviewed)

| Digital Credit Providers | Supporting Function Actors | Regulators and Umbrella Bodies |
|--------------------------|----------------------------|--------------------------------|
|                          |                            |                                |

Disclaimer: This slide mainly showcases the actors that participated in the targeted survey. However, this is not an exhaustive list of all Uganda's digital lending market system actors and some of the listed digital credit providers are not yet licensed or regulated.

Below are findings of the survey that was disseminated in July 2024,

### Market Dynamics:

Uganda's digital lending sector is characterized by a dynamic competition between traditional banks, microfinance institutions (MFIs), and fintech lenders. Fintechs leverage technology to disrupt credit provision, while banks benefit from established frameworks. However, regulatory ambiguity and operational hurdles, such as integration challenges and fraud, pose significant challenges.

### Regulatory Environment:

14 out of 20 digital loan providers interviewed in the survey emphasized the significant challenges posed by regulatory ambiguity and fragmentation to the smooth integration of digital lending solutions.

There is need for collaboration among regulators and stakeholders to streamline processes, enhance compliance and create a more conducive environment for digital lenders.

### Risk Operational Hurdles and Fraud:

Operational efficiency in digital lending is hindered by integration hurdles and technical glitches, impacting the seamless delivery of financial services.

Despite the highlighted challenges, the Uganda digital lending landscape presents good opportunities for innovation and growth. The survey indicates that there are 25 million Ugandans striving under the Serviceable Addressable Market projected to grow digital loan volumes to UGX 17.7 trillion by 2029.

According to the report findings, Uganda can harness the transformative power of digital finance to drive prosperity and progress for individuals and communities across the nation by addressing the above challenges head on and leveraging the untapped opportunities.

The survey provided actionable recommendations for digital credit providers, regulators, and supporting functions, which can be accessed in the detailed report available on the Uganda Bankers' Association Website.



**Mr. Daniel Mutumba from Asigma Capital Advisory, gives remarks during the dissemination of the Digital Lending Series report.**



**Ms. Rashmi Pillai, Independent Board Member, Agent Banking Company, shares views during the dissemination of the Digital Lending Series report.**



**Participants at the dissemination event.**

### Market Systems Development Convention 2024

Uganda Bankers’ Association research team participated in the Market Systems Development (MSD) Convention 2024, that was organized by Asigma Capital Advisory Services and Financial Sector Deepening Uganda (FSDU).

Under the theme “**Leveraging Technology and Finance to Enhance Market Participation for Sustainable Development**,” the convention brought together key ecosystem players, including telecommunications firms, development partners, financial institutions, and policymakers, to discuss market access challenges.

This theme underscored finance and technology as essential for inclusive and climate-responsive growth, and covered two subthemes: access to finance and technology as catalysts for market access. The discussions on finance highlighted innovative models that were supporting underserved groups like women, youth, and smallholder farmers, and emphasized flexible, climate-smart investments to build resilience. The technology subtheme focused on user-centric digital solutions that enhanced market inclusion and sustainable development through accessible, well-designed tools.

The Uganda Bankers’ Association (UBA) participated in the panel

that discussed access to finance for market participation. To support market access and climate resilience for underserved groups like smallholder farmers, women, youth, and rural entrepreneurs, the speakers noted that tailored financial solutions were essential.

Discussants further noted that traditional financial models had often excluded the above groups due to high collateral requirements, lack of formal credit histories, and products that did not align with rural income cycles or seasonal cash flows.

The meeting recommended the following;

1. Effective solutions such as

adaptable loan products, group lending based on social collateral, and blended finance were critical to support high-risk projects like climate-smart agriculture.

2. Innovations in digital lending, microfinance for productive assets, and climate-smart finance options, such as green bonds and pay-as-you-go schemes, would offer rural communities access to essential resources like solar energy, building resilience to climate disruptions.

The above financial mechanisms would ensure inclusive growth by meeting the specific needs of these communities while enhancing sustainability and resilience.



**Panelists during the Market Systems Development Convention 2024.**

# Section 2

## ANNUAL GENERAL MEETING

# Notice of Annual General Meeting

NOTICE TO: ALL CHIEF EXECUTIVE  
OFFICERS OF UBA MEMBER  
INSTITUTIONS

**The Annual General Meeting of UBA is scheduled for 16th May, 2025  
starting at 4.00pm**

## **Agenda for the Annual General Meeting**

1. Welcome Remarks by the Chairperson and Confirmation of Agenda
2. Minutes of the previous meeting held on 16th May 2024
3. Matters Arising
4. Chairperson's Report
5. Treasurers Report: Presentation of Accounts for the year 2024 and the expression of opinion by the External Auditors
6. Membership Updates
7. Election of office bearers
8. A.O.B



# Chairperson’s Statement



**Mr. Julius Kakeeto**  
Chairperson

Dear Members,

I warmly welcome you all to the 2025 Annual General Meeting (AGM) of the Uganda Bankers’ Association.

Although it is a statutory requirement to hold an AGM, this meeting serves as a vital platform for us to reflect on our achievements over the past year, discuss the challenges we faced in the evolving financial landscape, and re-evaluate our strategic priorities for the coming year.

Your presence in person is therefore very important and I thank you for the commitment you give to industry matters.

The banking industry demonstrated remarkable resilience throughout the year 2024.

Amid these various challenges including the rise in risks particularly cyber related, there has been a change and volatility in global dynamics with the new

administration in the USA bound to change the market landscape. Additionally, we have an election coming in 2026.

Through the year 2024, a number of significant developments unfolded, amplified by various impactful activities. I wish to present these in six (6) broad categories.

1. Regulatory Developments.
2. Stakeholder Engagements.
3. ESG framework Implementation
4. 2024 Industry Performance.
5. Governance and membership matters
6. Outlook for 2025.

Each category is further elaborated on in detail within the annual report, which provides comprehensive insights into our progress and achievements.



**the banking industry  
demonstrated remarkable  
resilience in 2024”**

## 1. Regulatory Developments

The industry registered several regulatory developments, as highlighted below:

- Guidelines on cyber risk and climate finance risk management were issued.
- Revision in the minimum capital requirements aimed at cushioning the industry against external shocks resulted in realignments for some of our members.
- The new corporate governance regulations were introduced. We, however, drew the attention of Bank of Uganda to some of the areas we do believe significantly constrain banking operations and as such look forward to their speedy resolution.
- The Parliament of Uganda passed legislation to cap interest rates for Tier 4 financial institutions and money lenders. However, as an industry, we remain concerned and believe that capping interest rates in a free market is not a viable solution when there exist several unresolved structural issues within the economy. Nevertheless, we will continue to dialogue on this matter through discussions outside of the media.
- During the course of 2024, BOU issued a consultation paper to bring to the fore the pertinent issues relating to the development of Central Bank Digital Currency (CBDC) for Uganda. The primary goal of the consultation was to gather input from the financial sector

stakeholders regarding Uganda's preparedness for CBDC, including its potential impacts and benefits.

Following the feedback that was received, BOU convened an engagement early this year to share the draft report from the consultative process.

## 2. Stakeholder Engagements

We held numerous stakeholder engagements in 2024, as follows:

- The first and maiden Bancassurance Thought Leadership Forum on 26<sup>th</sup> of July 2024.
- The industry also held three (3) thought leadership sessions under the Women's Economic Empowerment Initiative. The underlying discussions hinged on access to credit issues for women, the leadership challenges and opportunities that can be leveraged on to scale women's involvement in the financial sector.

These events were crucial because they advanced gender related issues faced both in the financial sector as well as in accessing financial services.

- We held our flagship 7<sup>th</sup> Annual Bankers Conference under the theme **“Navigating the Future of Banking: ESG, Sustainability, and Digital Transformation”**.

This event bolstered the importance of the supervised financial institutions adopting and implementing the ESG framework for the sustainable financial

development of our industry. Also, several research papers were presented by various resource persons that provided relevant policy recommendations in bringing to life the ESG framework.

- We held the 2<sup>nd</sup> Anti-Fraud Forum on 24<sup>th</sup> July 2024 which focused on,
  - » New developments and trends in order to re-enforce collaboration among stakeholders in the banking and financial/payments services sector and other relevant sectors to combat fraud effectively.
  - » Knowledge sharing and capacity building among participants on fraud detection, prevention, and response mechanisms.
  - » Strengthening legal/regulatory frameworks and enforcement mechanisms to deter and prosecute perpetrators of fraud.
  - » Promoting the adoption of innovative technologies and practices to enhance the resilience of the financial services sector against fraud.

Several action points from the forum were adopted including the establishment of the anti-fraud consortium.

Following the signoff of the terms of reference for the Anti-Fraud Consortium (AFC) constituted by Uganda Bankers' Association (UBA), the National Payments System Providers Association (NPSA), Bank of Uganda, Financial Intelligence Authority and Uganda Communications Commission in December 2024 and the approval of the work plan in February this year, the AFC was officially launched on the 23<sup>rd</sup> April 2025 and this was presided

over by Justice Jane Frances Abodo, the Director Public Prosecutions.

- On the 25<sup>th</sup> of June 2024, the Uganda Bankers' Association (UBA) held a meeting with the Ministry of Finance, Planning, and Economic Development, that was chaired by the Permanent Secretary/ Secretary to the Treasury (PSST), to align banking sector goals with government priorities. Key discussions included; Uganda's macro economic stability issues, FY2024/25 budget focus areas and the 10-fold growth plan. Additionally, other issues like concerns on clearing domestic arrears especially with significant exposure to supervised financial institutions was also discussed alongside strategies to boost Uganda's international image as a destination country for foreign direct investment and financial flows.
- Early this year, on the 7<sup>th</sup> of February 2025, we held a retreat session with UBA member CEOs and representatives from government agencies in the ATMS sectors, together with key players in the private sector as well as experts from academic institutions. We considered and discussed in depth the Government's tenfold Gross Domestic Product (GDP) growth strategy.

A draft discussion paper was developed from this retreat and we have further proposed that a smaller joint UBA-BOU technical team be constituted to utilize the draft as a working document to build on for a more concrete plan and actions required.

### 3. ESG framework implementation

Following the launch of the industry ESG framework in June 2024, we have since done nearly nine (9) months and issued two (2) reports (Q3 2024, that was issued in November 2024, and Q4, that was issued recently in February 2025).

Going by the reports, we still have a long way to go in the 36-month implementation roadmap. We are working on a handholding plan for at least two-thirds of our membership supported by development partners offering technical assistance in capacity building.

### 4. Key Industry Performance Indicators for 2024.

Based on the published financial statements, total assets for the supervised financial institutions, expanded by 8% year-on-year reaching Ugx 53.6 trillion by the end of December 2024, from Ugx 49.5 trillion the previous year.

Loans balances to customers grew by 6% from Ugx 20.5 trillion recorded in December 2023 to Ugx 21.7 trillion recorded in December 2024.

Customer deposits in the banking sector as of December 2024 grew by 5% to Ugx 35.7 trillion from Ugx 33.9 trillion reported in December 2023.

The industry loan-to-deposit ratio was reported at 60.9% very close to the 60.4% reported in 2023.

Non-performing loans by the close of December 2024, was reported at 4.7% compared to 5.9% in December 2023.

Total comprehensive income as at

31st December 2024 was reported at Ugx 1.574 trillion vs Ugx 1.447 trillion reported in the prior year with cost income ratio improving slightly to 71% compared to 73.5% reported in the prior year.

RTGS values and volumes increased by 14.3 % and 22.2% respectively in September 2024

Value of EFTs increased by 6.0% YoY from UGX 57.9 million to UGX 61.4 million.

YoY cheque values and volumes decreased by 9.6% and 9.1% respectively. Value.

In terms of shared agent banking, there was a significant increase of 40.7% in value and a 7.2% increase in volume of agent banking transactions, with a 38.4% increase in the number of agents on the shared network.

POS volumes increased by 7.6% while values increased by 13% to UGX 1.3 trillion YoY. Active debt cards decreased by 2.9% to 3.4million with debit card

transaction volume up by 19.1% YoY

Credit cards posted a 7.1% increase in value to 119.5b while debt cards posted a 21.1% increase to UGX 2.3trillion YoY.

As at end of December 2024, there were 31 Supervised Financial Institutions (SFIs) actively accessing the NIRA database for E-KYC verification of their customers.

### 5. Membership and Governance Matters:

#### Celebrating our teams

In 2024 and early 2025, Uganda Bankers' Association bid farewell to several esteemed CEOs who completed their respective tenures, including:

- » Sameer Ranjan Behera, MD Bank of India.
- » Varghese Thambi, MD of Diamond Trust Bank.
- » Ann Juuko, MD Stanbic Bank
- » Chioma Mang, MD of United



**Ms. Anne Juuko, Former CEO, Stanbic Bank with Ms. Varghese Thambi, Former CEO, Diamond Trust Bank, pose for a picture at a farewell event that was held for them at the UBA Secretariat Offices in Muyenga.**

- Bank for Africa.
- » Oluwole Shodiyin, MD Guaranty Trust Bank
- » Henry Kyanjo Lugemwa, MD Exim Bank.
- » Anthony Kituuka, MD Equity Bank

We salute all of them for a job well done.

During the year 2024, our membership also faced challenges that saw among others, the closure of EFC and Mercantile Credit Bank respectively. There were lessons we all pick from these challenges for improvement.

Concurrently, we extended a warm welcome to new members who joined the UBA family:

- » Edward Kanyike, MD Exim Bank
- » Fatima Alli, MD Guaranty Trust Bank.
- » Gift Shoko, MD Equity Bank.
- » Mumba Kalifungwa, MD Stanbic Bank.
- » Srikant Wikhe, MD Bank of India.
- » Kenneth Kisambira, MD United Bank for Africa.
- » David Wandera, Ag. MD Absa Bank.

We also celebrated the performance of three of our Chief Finance Officers, who won the top accolades in the 2024 CFO Award ceremony as follows.

**a. Finance Transformation and Technology Award and CFO of the year:**

Ms. Kate Kiiza, also Executive Director of dfcu Bank.

**b. Strategy Execution Award:**

Mr. Ronald Makata, Chief Finance and Value Management Officer, Stanbic Bank Uganda Ltd.

**c. Compliance and Governance Award:**

Mr. Peter Senyange, Chief Finance Officer Post Bank Uganda

In the course of 2024, our

subsidiary company, the Agent Banking Company Limited (ABC) successfully concluded an investment transaction that led to the injection of additional capital. This development is expected to significantly enhance ABC's proposition and offering as the said capital will be deployed to technology, security and other market and business support systems.

Two of the founding directors on the board of ABC, Mr. Fabian Kasi and Mrs. Anne Nakawunde Mulindwa retired from the board. We thank them most sincerely for their stewardship of ABC from inception up-to where it is now.

ABC registered very positive financial results in the financial year ending 31<sup>st</sup> December 2024. We welcome on board the new investors and board directors steering ABC.

Uganda Bankers' Association received accolades for collaboration as an apex body from aBi Finance, GIZ, Uganda Manufacturers Association and Uganda Revenue Authority.

This year 2025, we received the good news of the issuance of Pride Microfinance Ltd with a Tier II license.

This is a milestone for which we congratulate them.

**Challenges.**

- The industry struggled with the impact of the downgrade of Uganda by international rating agencies considering that lines of credit are in a way determined by country ratings. We are glad that the Government was quick to attend to some of the factors underpinning the ratings then and the situation has since improved.
- We also face the risk of potential loan exposures likely to arise from RAPEX (Rationalization of Agencies and Public Expenditure) since there were several staff in the various entities being rationalized and to whom we extended credit facilities both at institutional as well as employee level on terms under their previous employers and yet the rationalization may impact on their loan repayment abilities or installments therein.

We will continue to engage both Bank of Uganda and Government as well as count on their support.



*Mr. Julius Kakeeto, UBA Chairperson and Mr. Ramathan Ggoobi, the Permanent Secretary/Secretary to the Treasury, MOFPED during a meeting at the MOFPED offices*

## 6. Macro-economic outlook

The development of infrastructure in the oil sector and scheduled commercial production thereafter is expected to drive related industrial and economic growth during the forecast period from 2024 to 2028.

According to the National Development Plan (NDP) IV, it is projected that Uganda's economy will experience a rapid acceleration in real GDP growth, from 6.6% in the current fiscal year 2024/25 to 7.35% by the end of the fiscal year 2025/26 and further to 9.05% by the fiscal year 2026/27.

This optimistic growth trajectory is anchored on advancements in the oil sector, supported by substantial investment in the expansion of infrastructure and other sectors of the ATMS, as well as in real estate, manufacturing, trade, and services. Also, expected increase in exports and foreign direct investments.

In addition, with the accommodative fiscal and

monetary policy frameworks, in the medium term, inflation is expected to remain within the 5% inflation target, and exchange rates will remain stable.

It is indeed against this background that the industry is putting together a response plan to support the envisaged growth between 2025-2040.

### Conclusion

In closing, I would like to take this opportunity to express my heartfelt gratitude to each of you esteemed member CEOs and the esteemed institutions you represent for the unwavering support and strong sense of cohesiveness that characterized our efforts throughout 2024.

I extend my sincere thanks to the members of the executive committee with whom I had the privilege to work closely with. Together, we focused on the association's mandate and activity plan for the year.

A special acknowledgment goes to the UBA secretariat, under the leadership of the Executive Director and his dedicated team, whose tireless efforts and

strategic initiatives served as the driving force behind our collective achievements.

I also wish to recognize the regulator, the Bank of Uganda, for their steadfast partnership. Our continued warm, cordial, and collaborative relationship has been instrumental in navigating the challenges and opportunities within our sector.

Furthermore, my appreciation extends to the various development partners, sister associations and technical partners and the various stakeholders whose tremendous support, open communication, and collaboration greatly enriched our work throughout 2024.

As we reflect on the past year, we look forward to yet another interactive and productive year 2025, filled with new opportunities for growth and collaboration.

**Julius Kakeeto**  
**Chairperson,**  
**Uganda Bankers' Association**



**UBA CEC members led by Mr. Julius Kakeeto, Chairperson pose for a picture with Mr. Ramathan Ggoobi, the Permanent Secretary/ Secretary to the Treasury and his team after a meeting at the Ministry Headquarters.**

# Industry Statistics 2024

| Tier 1 Banks Financial Statements            |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| Amounts in Shs M                             | FY 2024           | FY 2023           | FY 2022           | FY 2021           |
| <b>A. INCOME STATEMENT</b>                   |                   |                   |                   |                   |
| <b>Income</b>                                |                   |                   |                   |                   |
| Interest on deposits and placements          | 297,606           | 232,063           | 193,548           | 135,213           |
| Interest on loans and advances               | 3,540,233         | 3,294,058         | 2,824,419         | 2,549,510         |
| Interest on marketable/ trading securities   | 1,365,120         | 1,283,211         | 954,155           | 907,250           |
| Interest on investment securities            | 697,945           | 624,783           | 509,069           | 449,719           |
| Fees & commission income                     | 1,023,902         | 935,910           | 747,279           | 784,349           |
| Foreign Exchange income                      | 464,577           | 334,242           | 488,220           | 229,701           |
| Other income                                 | 113,657           | 149,925           | 107,177           | 117,316           |
| <b>Total Income</b>                          | <b>7,053,040</b>  | <b>6,624,193</b>  | <b>5,823,867</b>  | <b>5,183,658</b>  |
| <b>Expenses</b>                              |                   |                   |                   |                   |
| Interest Expense on deposits                 | 1,143,048         | 943,473           | 698,340           | 613,912           |
| Interest Expense on borrowings               | 298,028           | 275,601           | 195,180           | 164,739           |
| Fees & Commission Expense                    | 24,403            | -                 | -                 | -                 |
| Management Fees                              | 116,993           | 70,456            | 388,151           | 105,845           |
| Operating expenses                           | 3,432,793         | 3,211,947         | 2,028,812         | 2,107,125         |
| Provisions for impaired loans and advances   | 321,023           | 514,413           | 831,595           | 574,231           |
| <b>Total Expenses</b>                        | <b>5,336,289</b>  | <b>5,015,889</b>  | <b>4,142,078</b>  | <b>3,565,853</b>  |
| <b>Profit from operations before tax</b>     | <b>2,166,752</b>  | <b>1,808,304</b>  | <b>1,681,790</b>  | <b>1,617,205</b>  |
| Income tax (expense)/ credit                 | (338,680)         | (382,765)         | (404,796)         | (315,273)         |
| <b>Net profit after tax</b>                  | <b>1,638,061</b>  | <b>1,415,539</b>  | <b>1,276,994</b>  | <b>1,301,932</b>  |
| Other comprehensive income                   | (61,824)          | 31,910            | (67,664)          | 50,212            |
| <b>Total comprehensive income</b>            | <b>1,576,237</b>  | <b>1,447,449</b>  | <b>1,209,330</b>  | <b>1,352,144</b>  |
| <b>B. BALANCE SHEET</b>                      |                   |                   |                   |                   |
| <b>Assets</b>                                |                   |                   |                   |                   |
| Cash and balances with Bank of Uganda        | 5,895,576         | 6,328,224         | 5,755,328         | 5,469,366         |
| Balances with Banking Institutions           | 3,485,093         | 2,597,387         | 2,559,882         | 3,198,222         |
| Due from parent/group companies              | 2,541,041         | 1,834,256         | 1,834,424         | 1,788,010         |
| Marketable trading securities                | 11,175,559        | 10,474,444        | 7,883,281         | 5,817,133         |
| Loans and advances to customers (Net)        | 21,723,439        | 20,525,674        | 19,099,335        | 17,194,909        |
| Financial Investments                        | 5,148,570         | 4,840,769         | 5,552,046         | 4,957,516         |
| Interest receivable and other assets         | 1,036,257         | 682,350           | 845,227           | 731,300           |
| Property, plant and Equipment                | 881,977           | 819,354           | 753,402           | 740,204           |
| Other Assets                                 | 11,239,351        | 971,517           | 789,140           | 1,185,929         |
| Prepaid operating leases                     | -                 | -                 | -                 | 30,579            |
| Deferred Tax asset                           | 620,543           | 501,888           | 396,804           | 313,825           |
| Income tax recoverable                       | 46,022            | 33,051            | 605,355           | 39,285            |
| <b>Total Assets</b>                          | <b>53,604,469</b> | <b>49,527,013</b> | <b>46,078,227</b> | <b>41,446,279</b> |
| <b>Liabilities</b>                           |                   |                   |                   |                   |
| Customer deposits                            | 35,677,479        | 33,963,084        | 31,573,450        | 28,196,802        |
| Balances due to other institutions           | 2,271,355         | 1,579,881         | 1,347,183         | 1,454,705         |
| Balances due to Group                        | 1,920,841         | 1,382,375         | 1,517,563         | 1,059,441         |
| Other liabilities                            | 2,963,196         | 2,172,465         | 2,626,910         | 2,736,170         |
| Subordinated debt                            | 121,224           | 126,994           | 257,463           | 228,966           |
| Inter bank borrowings                        | 314,436           | 251,892           | 235,991           | 124,180           |
| Tax payable                                  | 54,528            | 54,392            | 75,419            | 46,965            |
| Dividends payable                            | 33,752            | 1,043             | 21,407            | 16,323            |
| Deferred income tax liability                | 8,414             | 8,364             | 554,974           | 15,920            |
| <b>Total Liabilities</b>                     | <b>43,365,227</b> | <b>40,140,490</b> | <b>37,611,259</b> | <b>33,918,572</b> |
| <b>Shareholder Equity</b>                    |                   |                   |                   |                   |
| Share Capital                                | 3,669,344         | 3,271,173         | 2,707,508         | 1,789,142         |
| Share premium                                | 1,541,684         | 2,015,749         | 1,507,489         | 1,853,890         |
| Retained earnings                            | 4,275,222         | 3,178,788         | 3,482,194         | 3,254,618         |
| Subordinated debt                            | -                 | -                 | -                 | -                 |
| Revaluation reserves                         | 31,959            | 48,812            | 24,465            | 34,801            |
| Reserves                                     | 272,882           | 282,816           | 276,905           | 257,424           |
| Regulatory reserves                          | 100,427           | 84,827            | 64,346            | 109,293           |
| Proposed dividend                            | 347,725           | 524,288           | 404,982           | 248,527           |
| <b>Total Equity</b>                          | <b>10,239,242</b> | <b>9,386,553</b>  | <b>8,466,968</b>  | <b>7,527,697</b>  |
| <b>Total Equity and Liabilities</b>          | <b>53,604,469</b> | <b>49,527,013</b> | <b>46,078,227</b> | <b>41,446,279</b> |
| <b>C. RATIOS</b>                             |                   |                   |                   |                   |
| Cost/ Income ratio (incl. ecl)               | 71.12%            | 73.90%            | 71.1%             | 68.8%             |
| Cost/ Income ratio (excl. ecl)               | 66.84%            | 65.96%            | 56.8%             | 57.7%             |
| Cost/ Assets ratio (incl. ecl)               | 6.62%             | 6.63%             | 5.2%              | 5.3%              |
| Non-interest Income (NII)/ Cost (Incl. ecl)  | 30.02%            | 28.31%            | 32.4%             | 32.0%             |
| Non-interest Income (NII)/ Income            | 21.35%            | 20.81%            | 23.1%             | 22.0%             |
| Interest Income/ Income                      | 78.65%            | 79.19%            | 76.9%             | 78.0%             |
| Net Interest margin                          | 10.76%            | 10.81%            | 10.2%             | 10.5%             |
| Loan Deposit Ratio                           | 60.89%            | 60.44%            | 60.5%             | 61.0%             |
| Effective Tax Rate                           | 24.49%            | 21.72%            | 24.1%             | 19.5%             |
| Interest burden or Interest Coverage Ratio   | 526.66%           | 459.79%           | 651.8%            | 666.6%            |
| Return on Equity                             | 15.98%            | 15.08%            | 15.08%            | 17.30%            |
| Return on Assets                             | 3.05%             | 2.86%             | 2.77%             | 3.14%             |
| Interest expense/ Interest Income            | 24.42%            | 22.56%            | 19.9%             | 3.9%              |
| <b>D. OTHER DISCLOSURES</b>                  |                   |                   |                   |                   |
| <b>Contingent Liabilities</b>                |                   |                   |                   |                   |
| Letters of Credit                            | 571,559           | 718,830           | 1,460,010         | 666,133           |
| Guarantee and performance Bonds              | 4,701,601         | 4,511,477         | 4,122,178         | 3,782,213         |
| Other Contingent Liabilities                 | 19,898            | 21,329            | 10,489            | 683               |
| <b>Totals</b>                                | <b>5,293,058</b>  | <b>5,251,736</b>  | <b>5,592,677</b>  | <b>4,449,029</b>  |
| <b>Commitments</b>                           |                   |                   |                   |                   |
| Undrawn standby facilities                   | 2,104,631         | 2,150,628         | 132,982           | 1,560,752         |
| Undrawn credit lines                         | 2,621,522         | 2,882,511         | 4,336,548         | 2,264,580         |
| Other Commitments to lend                    | 674,315           | 1,155,648         | 449,502           | 340,107           |
| <b>Totals</b>                                | <b>5,400,467</b>  | <b>5,988,787</b>  | <b>4,919,031</b>  | <b>4,165,440</b>  |
| <b>Non Performing Loans and Other Assets</b> |                   |                   |                   |                   |
| NPL %  | 4.7%              | 5.9%              | 6.3%              | 6.4%              |
| Non Performing Loans                         | 1,030,250         | 1,211,551         | 1,195,263         | 1,100,417         |
| Interest in Suspense                         | 100,229           | 116,937           | 133,931           | 33,722            |
| Bad debts written off                        | 539,249           | 529,486           | 512,538           | 317,135           |
| Large loan exposures                         | 5,982,860         | 6,374,336         | 5,450,941         | 5,470,211         |
| Inside Loan exposures                        | 247,520           | 176,111           | 137,103           | 175,015           |
| <b>Capital Position</b>                      |                   |                   |                   |                   |
| Core Capital                                 | 8,432,551         | 7,655,037         | 7,001,369         | 25,294,968        |
| Supplementary Capital                        | 416,498           | 392,367           | 390,893           | 377,772           |
| <b>Total Qualifying Capital</b>              | <b>8,849,049</b>  | <b>8,047,404</b>  | <b>7,392,262</b>  | <b>25,672,740</b> |
| Total Risk Weighted Assets (RWA)             | 34,550,745        | 31,093,103        | 29,430,096        | 36,246,783        |
| Core Capital to RWA                          | 24.41%            | 24.69%            | 23.8%             | 69.8%             |
| <b>Total Qualifying Capital to RWA</b>       | <b>25.81%</b>     | <b>25.96%</b>     | <b>25.1%</b>      | <b>70.8%</b>      |

| Tier 2 & 3 Financial Statements              |                  |                  |                  |
|--|------------------|------------------|------------------|
| Amounts in Shs M                             | FY 2024          | FY2023           | FY 2022          |
| <b>A. INCOME STATEMENT</b>                   |                  |                  |                  |
| <b>Income</b>                                |                  |                  |                  |
| Interest on deposits and placements          | 6,993            | 6,499            | 141,727          |
| Interest on loans and advances               | 314,548          | 285,303          | 118,310          |
| Interest on marketable/ trading securities   | 868              | 206              | 829              |
| Interest on investment securities            | (32)             | -                | 2,767            |
| Fees & commission income                     | 38,263           | 26,714           | 32,607           |
| Foreign Exchange income                      | 44               | 62               | (601)            |
| Other income                                 | 19,165           | 22,549           | 20,763           |
| <b>Total Income</b>                          | <b>379,849</b>   | <b>341,332</b>   | <b>316,403</b>   |
| <b>Expenses</b>                              |                  |                  |                  |
| Interest Expense on deposits                 | 15,182           | 14,340           | 49,861           |
| Interest Expense on borrowings               | 54,183           | 55,512           | 14,281           |
| Fees & Commission Expense                    | 500              | -                | -                |
| Management Fees                              | 529              | 2,984            | 4,382            |
| Operating expenses                           | 251,322          | 209,581          | 213,918          |
| Provisions for impaired loans and advances   | 23,748           | 37,790           | 15,348           |
| <b>Total Expenses</b>                        | <b>345,463</b>   | <b>320,206</b>   | <b>297,790</b>   |
| <b>Profit from operations before tax</b>     | <b>34,386</b>    | <b>21,126</b>    | <b>18,613</b>    |
| Income tax (expense)/ credit                 | (10,841)         | (6,992)          | (8,322)          |
| <b>Net profit after tax</b>                  | <b>23,545</b>    | <b>14,134</b>    | <b>10,291</b>    |
| Other comprehensive income                   | -                | -                | -                |
| <b>Total comprehensive income</b>            | <b>23,545</b>    | <b>14,134</b>    | <b>10,291</b>    |
| <b>B. BALANCE SHEET</b>                      |                  |                  |                  |
| <b>Assets</b>                                |                  |                  |                  |
| Cash and balances with Bank of Uganda        | 78,705           | 72,443           | 67,111           |
| Balances with Banking Institutions           | 246,629          | 108,035          | 176,700          |
| Due from parent/group companies              | 4,547            | 4,948            | 2,361            |
| Marketable trading securities                | 20,798           | 3,660            | 170,200          |
| Loans and advances to customers (Net)        | 720,014          | 667,531          | 685,963          |
| Financial Investments                        | -                | -                | -                |
| Interest receivable and other assets         | 2,047            | -                | -                |
| Property, plant and Equipment                | 87,814           | 87,614           | 71,541           |
| Other Assets                                 | 181,060          | 212,470          | 58,156           |
| Prepaid operating leases                     | -                | -                | -                |
| Deferred Tax asset                           | 3,958            | 7,471            | 8,894            |
| Income tax recoverable                       | 4,466            | 5,065            | 4,674            |
| <b>Total Assets</b>                          | <b>1,350,038</b> | <b>1,169,237</b> | <b>1,245,418</b> |
| <b>Liabilities</b>                           |                  |                  |                  |
| Customer deposits                            | 529,145          | 496,223          | 631,337          |
| Balances due to other institutions           | 125,304          | 143,078          | 127,150          |
| Balances due to Group                        | 116,361          | 5,109            | 3,160            |
| Other liabilities                            | 98,064           | 111,683          | 127,497          |
| Subordinated debt                            | -                | 24,485           | 4,282            |
| Inter bank borrowings                        | 87,865           | 35,431           | 26,810           |
| Tax payable                                  | 483              | 76               | 235              |
| Dividends payable                            | -                | -                | -                |
| Deferred income tax liability                | 4,184            | 4,356            | 4,245            |
| <b>Total Liabilities</b>                     | <b>961,408</b>   | <b>820,440</b>   | <b>924,717</b>   |
| <b>Shareholder Equity</b>                    |                  |                  |                  |
| Share Capital                                | 202,024          | 183,620          | 148,218          |
| Share premium                                | 13,497           | 13,372           | 21,150           |
| Retained earnings                            | 153,206          | 133,713          | 131,923          |
| Subordinated debt                            | -                | -                | 3,450            |
| Revaluation reserves                         | -                | -                | 873              |
| Reserves                                     | 4,655            | 4,698            | -                |
| Regulatory reserves                          | 12,208           | 10,571           | 13,166           |
| Proposed dividend                            | 3,039            | 2,823            | 1,923            |
| <b>Total Equity</b>                          | <b>388,630</b>   | <b>348,797</b>   | <b>320,701</b>   |
| <b>Total Equity and Liabilities</b>          | <b>1,350,038</b> | <b>1,169,237</b> | <b>1,245,418</b> |
| <b>C. RATIOS</b>                             |                  |                  |                  |
| Cost/ Income ratio (incl. ecl)               | 91%              | 94%              | 94%              |
| Cost/ Income ratio (excl. ecl)               | 85%              | 83%              | 89%              |
| Cost/ Assets ratio (incl. ecl)               | 19%              | 18%              | 18%              |
| Non-interest Income (NII)/ Cost (Incl. ecl)  | 17%              | 15%              | 18%              |
| Non-interest Income (NII)/ Income            | 15%              | 14%              | 17%              |
| Interest Income/ Income                      | 85%              | 86%              | 83%              |
| Net Interest margin                          | 26%              | 29%              | 19%              |
| Loan Deposit Ratio                           | 136%             | 135%             | 10%              |
| Effective Tax Rate                           | 32%              | 33%              | 45%              |
| Interest burden or Interest Coverage Ratio   | 5.5              | 4.9              | 493%             |
| Return on Equity                             | 9%               | 6%               | 6%               |
| Interest expense/ Interest Income            | 22%              | 24%              | 24%              |
| <b>D. OTHER DISCLOSURES</b>                  |                  |                  |                  |
| <b>Contingent Liabilities</b>                |                  |                  |                  |
| Letters of Credit                            | -                | -                | 1,188            |
| Guarantee and performance Bonds              | 9,112            | 7,588            | 6,846            |
| Other Contingent Liabilities                 | -                | 5,453            | -                |
| <b>Totals</b>                                | <b>9,112</b>     | <b>13,041</b>    | <b>8,034</b>     |
| <b>Non Performing Loans and Other Assets</b> |                  |                  |                  |
| Non Performing Loans                         | 30,893           | 28,157           | 34,376           |
| Interest in Suspense                         | 6,092            | 4,136            | 5,305            |
| Bad debts written off                        | 19,865           | 21,131           | 30,700           |
| Large loan exposures                         | 17,083           | 9,483            | 52,758           |
| Inside Loan exposures                        | 1,340            | 6,550            | 1,891            |
| <b>Capital Position</b>                      |                  |                  |                  |
| Core Capital                                 | 346,536          | 312,088          | 275,691          |
| Supplementary Capital                        | 15,956           | 15,608           | 15,652           |
| <b>Total Qualifying Capital</b>              | <b>362,492</b>   | <b>327,696</b>   | <b>291,343</b>   |
| Total Risk Weighted Assets (RWA)             | 1,012,464        | 862,200          | 876,776          |
| Core Capital to RWA                          | 34.23%           | 36.20%           | 31%              |
| <b>Total Qualifying Capital to RWA</b>       | <b>35.80%</b>    | <b>38.01%</b>    | <b>33%</b>       |

# 2024 Banking Industry Staff Numbers

|    | Bank                                  | Executive (CEO & DCEO) |        | EXCO |        | Senior Management |        | Junior Management & Supervisory |        | Other staff |        | Total Number of staff |        | Total staff |
|----|---------------------------------------|------------------------|--------|------|--------|-------------------|--------|---------------------------------|--------|-------------|--------|-----------------------|--------|-------------|
|    |                                       | Male                   | Female | Male | Female | Male              | Female | Male                            | Female | Male        | Female | Male                  | Female |             |
| 1  | ABC Capital Bank Uganda Ltd           | 2                      |        | 1    | 2      | 1                 | 3      | 2                               | 2      | 15          | 18     | 21                    | 25     | 46          |
| 2  | Absa Bank Uganda Ltd                  | 3                      | 0      | 4    | 5      | 28                | 23     | 151                             | 150    | 297         | 485    | 483                   | 663    | 1,146       |
| 3  | Bank of Africa                        | 2                      | -      | 5    | 2      | 14                | 7      | 71                              | 82     | 81          | 137    | 173                   | 228    | 401         |
| 4  | Bank of Baroda                        | 2                      | -      | 4    | 2      | 31                | 2      | 40                              | 37     | 72          | 36     | 149                   | 77     | 226         |
| 5  | Bank of India Uganda Ltd              | 2                      |        | 5    | 2      | 7                 | 1      | 4                               | 6      | 10          | 15     | 28                    | 24     | 52          |
| 6  | BRAC Uganda Bank LTD                  | 2                      | 1      |      |        | 5                 | 5      | 332                             | 1,543  | 6           | 2      | 1,547                 | 349    | 1,896       |
| 7  | Cairo Bank Uganda                     | -                      | 1      | 2    | 5      | 5                 | 9      | 29                              | 29     | 54          | 40     | 90                    | 84     | 174         |
| 8  | Centenary Bank Limited                | 2                      | -      | 10   | 4      | 25                | 10     | 620                             | 460    | 1,039       | 1,103  | 1,696                 | 1,577  | 3,273       |
| 9  | Citibank Uganda Limited               | 1                      | 1      | 6    | 3      | 6                 | 2      | 4                               | 5      | 9           | 11     | 26                    | 22     | 48          |
| 10 | DFCU Bank Ltd                         | 1                      | -      | 1    | 6      | 14                | 10     | 165                             | 128    | 432         | 522    | 613                   | 666    | 1,279       |
| 11 | Diamond Trust Bank                    | 1                      | 1      | 8    | 1      | 25                | 11     | 60                              | 80     | 184         | 282    | 278                   | 375    | 653         |
| 12 | Ecobank Limited                       |                        | 1      | 8    | 4      | 22                | 22     | 16                              | 22     | 14          | 78     | 60                    | 127    | 187         |
| 13 | Equity Bank Uganda Ltd                | 3                      |        | 7    | 5      | 106               | 38     | 105                             | 121    | 476         | 563    | 697                   | 727    | 1,424       |
| 14 | Exim Bank Uganda Ltd                  | 2                      | -      | 9    | 1      | 32                | 14     | 8                               | 11     | 51          | 58     | 102                   | 84     | 186         |
| 15 | Finance Trust Bank Ltd                | 0                      | 2      | 9    | 5      |                   |        | 106                             | 85     | 267         | 296    | 382                   | 388    | 770         |
| 16 | FINCA Uganda Limited                  | 2                      |        | 3    | 6      | 10                | 5      | 70                              | 61     | 127         | 171    | 217                   | 238    | 455         |
| 17 | Guaranty Trust Bank                   | -                      | 1      | 9    | 8      | 6                 | 3      | 15                              | 12     | 73          | 58     | 103                   | 82     | 185         |
| 18 | Housing Finance Bank Ltd              | 1                      | 1      | 4    | 4      | 6                 | 5      | 124                             | 117    | 41          | 76     | 176                   | 203    | 379         |
| 19 | I&M Bank (U) Ltd                      | 1                      | 1      | 7    | 5      | 7                 | 3      | -                               | -      | 121         | 161    | 137                   | 169    | 306         |
| 20 | KCB Bank Uganda Limited               | 1                      | 1      | 6    | 3      | 35                | 28     | 108                             | 65     | 27          | 46     | 177                   | 143    | 320         |
| 21 | NCBA Bank                             | 2                      | -      | 8    | 4      | 15                | 18     | 27                              | 32     | 43          | 56     | 95                    | 110    | 205         |
| 22 | Opportunity Bank Uganda Ltd           | 2                      | -      | 6    | 3      | 2                 | 2      | 54                              | 78     | 98          | 163    | 162                   | 246    | 408         |
| 23 | Post Bank Uganda Limited              | 2                      |        | 6    | 2      | 16                | 6      | 199                             | 139    | 426         | 408    | 649                   | 555    | 1,204       |
| 24 | Pride Microfinance Limited            | 1                      | 1      | 4    | 3      | 31                | 15     | 115                             | 83     | 470         | 271    | 621                   | 373    | 994         |
| 25 | Salaam Bank Ltd                       | 2                      |        | 5    | 2      | 2                 | 1      | 6                               | 5      | 15          | 19     | 28                    | 29     | 57          |
| 26 | Stanbic Bank Limited                  | 2                      | -      | 7    | 5      | 124               | 96     | 587                             | 609    | 202         | 347    | 922                   | 1,057  | 1,979       |
| 27 | Standard Chartered Bank               | 3                      | -      | 6    | 5      | 17                | 17     | 3                               | 6      | 89          | 125    | 118                   | 153    | 271         |
| 28 | Tropical Bank Ltd                     | 1                      | 1      | 6    | 4      | 8                 | 6      | 13                              | 7      | 102         | 89     | 130                   | 107    | 237         |
| 29 | UGAFODE Microfinance Ltd              | 2                      |        | 3    | 8      |                   |        | 41                              | 49     | 132         | 145    | 178                   | 202    | 380         |
| 30 | Uganda Development Bank Limited       | -                      | 1      | 7    | 1      | 22                | 19     | 23                              | 14     | 27          | 25     | 79                    | 60     | 139         |
| 31 | United Bank for Africa Uganda Limited | 1                      | 1      | 7    | 1      | 3                 | 6      | 19                              | 14     | 80          | 90     | 110                   | 112    | 222         |
| 32 | Yako Bank Uganda Ltd                  | 2                      | -      | 4    | 4      | 5                 | 4      | 6                               | 4      | 18          | 22     | 35                    | 34     | 69          |
|    | <b>Total</b>                          | 48                     | 15     | 177  | 115    | 630               | 391    | 3,123                           | 4,056  | 5,098       | 5,918  | 10,282                | 9,289  | 19,571      |
|    | <b>Percentage</b>                     | 76%                    | 24%    | 61%  | 39%    | 62%               | 38%    | 44%                             | 56%    | 46%         | 54%    | 53%                   | 47%    |             |

# Section 3

## ENGAGEMENT WITH OUR STAKEHOLDERS

# 1. Member CEO Retreat

On 19<sup>th</sup> January 2024, UBA held a strategy review session and CEO Retreat at Latitude Hotel in Makindye.

A total of forty-one (41) participants who comprised CEOs/representatives from member financial institutions, Ernst and Young, Uganda Institute of Banking Financial Services and Kampala Associated Advocates attended the one-day event.

The key highlights/ outputs from the session included;

1. The adoption of the Banking Industry ESG Framework which was officially launched on the 4<sup>th</sup> of June 2024 by the Deputy Governor Bank of Uganda.

This was a key milestone for the industry and enabled member financial institutions embark on their ESG Journey and reporting with clear guidelines and support.

2. The adoption of an industry study report on oil and gas that was undertaken by Uganda Bankers Association in collaboration with the Petroleum Authority of Uganda.

This report became a working document that informed the decisions and participation of supervised financial institutions in contributing to the growth of the sector.

3. Approval of the UBA Strategy 2025-2027 with recommendations to review the capacity of the Secretariat to align with expectations of the new strategy period, enhancing value proposition of membership through various strategic partnerships.

The retreat session provided a good opportunity for bonding, learning and sharing of experiences and shaped the key focus areas or areas of the interest for the industry over the year.



## 2. Strategy Session with the Leadership of UBA Committees

The technical committees are a key organ that supports and contributes to the delivery of the Association’s mandate. UBA held a strategy retreat session with the leadership of the sixteen (16) committees on 11th September

2024 at Protea Hotel, Entebbe.

During this one- day retreat, a presentation was shared that highlighted the evolving operating environment within which financial institutions operated

and enabled the members exchange ideas and share views to support the implementation of the new strategy 2025-2027.



**UBA Committee Leaders during the Strategy Session**



**UBA Committee Leaders during the Strategy Session**



**Group Photo with the Committee Leaders at the Strategy Session**



**UBA Secretariat Team led by the Executive Director**



### 3. The Pan-African Payment and Settlement Systems (PAPSS) Workshop

On 23<sup>rd</sup> April 2024, Uganda Bankers' Association in partnership with the Pan-African Payment and Settlement System (PAPSS)/Afreximbank, organized a joint breakfast engagement that showcased the value proposition, payment infrastructure Architecture, and the criteria for member financial institutions to join the innovative payments system.

Over sixty (60) participants

comprising heads of Information technology, heads of compliance, heads of operations from the member financial institutions attended the half-day session that was facilitated by a team from PAPSS

Launched in 2022, PAPSS is a financial markets infrastructure that facilitates Intra-African cross-border payments for customers across Africa instantly and in local currencies. PAPSS works as a

real-time payment and settlement system, enabling swift and efficient flow of money securely across African borders.

Afreximbank, as the main settlement agent for PAPSS, provides settlement guarantees on the payment system and overdraft facilities to all settlement agents, in partnership with Africa's participating central banks.



**Ms. Patricia Amato, Head Communications and Corporate Affairs (UBA), Mr. Kundakwashe Matereke, Regional Chief Operating Officer, Afreximbank and other delegates at the PAPSS Workshop.**



**Mr. Edgar Byamah, Hon. Treasurer, Uganda Bankers' Association gives remarks during the opening of the workshop.**



**Mr. Bosco Sebabi, Deputy Chief Executive Officer, PAPSS gives remarks at the opening of the workshop.**



**Delegates pose for a group photo at the close of the Workshop.**

## 4. Combatting Wildlife Crime Workshops

In September 2024, Uganda Bankers' Association in partnership with Royal United Services Institute for Defence and Security Studies (RUSI) – a UK-based independent, not-for-profit think tank, conducted the second edition of the Combatting Wildlife Crime Through Financial Compliance Workshops.

Funded by USAID/Uganda Combatting Wildlife Crime (CWC) Activity 2020-2025 through the Wildlife Conservation Society Project, this private sector engagement event comprised a Senior Leadership Breakfast Session that targeted UBA Member Bank Chief Executive Officers and a one day workshop that targeted all Heads of Compliance from the UBA Member Financial Institutions.

On 25<sup>th</sup> September 2024, during the senior leadership breakfast which was also attended by representatives from the Financial Intelligence Authority and Uganda Wildlife Authority, member bank CEOs received insights on the scale and harm of illegal wildlife trade with a Ugandan nexus and were urged to ensure that the tone from top supports the appropriate prioritization of wildlife-related financial crime within key targets AML systems, policies and resource prioritization.

A total of 36 people participated in the senior leadership session, of which 22 (61%) were private sector participants, including 22 CEOs, Managing Directors and delegated Heads of Compliance and Risk from a UBA Member Supervised Financial Institutions. 33% of attendees were female, and 67% were male.

The Senior Leadership meeting agreed to progress with the development and signing of

a public private partnership framework with key stakeholders to contribute towards combatting wildlife related financial crime.

On 26<sup>th</sup> September 2024, the one-day workshop with the compliance managers of the supervised financial institutions under the UBA membership was held and included participants from public sector agencies including the Kampala/Entebbe based financial investigation mentees under the Combatting Wildlife Crime (CWC) project.

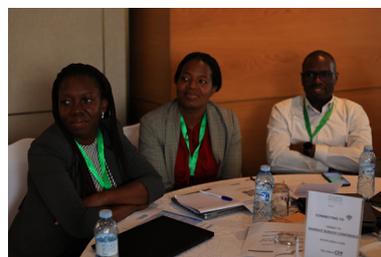
A total 60 attendees participated at the workshop, of which 32 (53%) were private sector participants, with seniority ranging from Heads of Compliance to Money Laundering Compliance Officers (MLCOs) from all financial institutions in the UBA membership. 52% of attendees were female and 48% were male.

The compliance managers' workshop continued to build capacity of the officers at a technical level, sharing information and contemporary case studies from Ugandan illegal wildlife trafficking incidents, advanced the understanding of risk indicators for wildlife-related suspicious transactions; and facilitated the development of cross-sector relationships and information sharing.

This workshop further identified the agreed structure for the creation of a dedicated Uganda Illegal Wildlife Trade (IWT) Threat Profile report that is currently under review and will be available to UBA members in 2025. This report will use publicly available information to create information and training assets for UBA member financial institutions.



**Mr. Julius Kakeeto, Chairperson gives remarks during the Senior Leadership Breakfast Meeting that was held at Sheraton by Four Points.**



**Ms. Cecilia Muhwezi, Head Financial Crime Compliance, Nigeria and West Africa, Standard Chartered Bank Nigeria presents during the senior leadership breakfast.**

## 5. The Inaugural Bancassurance Thought Leadership Forum

The first supervised financial institution was granted a Bancassurance license in 2017. The channel has since grown with 19 supervised financial institutions currently licensed by the Insurance Regulatory Authority.

On 26<sup>th</sup> July 2024, Uganda Bankers Association working with the UBA Bancassurance Technical Committee organized the Inaugural Bancassurance Thought Leaders Forum under the theme: **“A Reflection on insurance in Uganda: There is value in partnering with your financial institution/bank for insurance services”**

The event brought together all the members of the UBA Bancassurance Technical Committee, Bank of Uganda, Insurance Regulatory Authority, Insurance companies among others.

In her remarks the Chair of the UBA Bancassurance Technical Committee, Ms. Martha Aheebwa noted that in Uganda, the bancassurance channel had been pivotal in driving the industry towards an improved client proposition through new and improved products, all of which were leveraging on the digital platforms of the supervised financial institutions to simplify the distribution of insurance. She further indicated that there was still need to do much more than digitization of insurance products.

In his opening remarks the Chief Executive Officer of the Insurance Regulatory Authority, Mr. Alhaj Kaddunabbi Ibrahim Lubega described the gathering as a unique opportunity to explore how stakeholders could foster greater synergy across different

sectors, particularly through innovation and Fintech in bancassurance.

He further stated; *“One key enabler of this synergy is data, Banks and insurers collect vast amounts of data that, when combined, potentially provides a 360-degree view of the customer, hence providing tailored services. This innovative model leverages the strengths of both sectors, making insurance products more accessible to the public and integrating financial services into a seamless customer experience”*

Mr. Kaddunabbi, further shared insights from a 2022 survey that was conducted by the Insurance Regulatory Authority of Uganda on Bancassurance, which had revealed that 401 bank branches were actively engaged in offering bancassurance services nationwide.

He further stated that this number was anticipated to rise to 562 branches by 2026 and also noted that in 2023, Bancassurance had contributed Ugx179.48 billion to the industry’s Ugx1.6 trillion Gross Written Premiums (GWP), up from Ugx142.7 billion of the Shs1.4 trillion GWP in 2022, representing 25.77% growth. “This growth reflects the great potential that resides in mutual partnerships,” he said.

Mr. David F.K. Mpanga, delivered the keynote address where he highlighted the current state of Uganda's insurance sector, and noted that the country’s insurance penetration had remained below 1%.

### The highlights of the keynote address included;

- Uganda has over 24.9 million bank accounts, representing approximately 12.5 million account holders, or about 60% of the adult population. Notably, 65% of these bank account holders use mobile banking apps.
- There were significant opportunities for collaboration that could foster growth in both the banking and insurance sectors. He noted that each year, about one million people in Uganda turned 18. If the industry planned strategically, it could capture this growing demographic through banking channels and then transition population into bancassurance.
- It was important to study customer behavior, preferences, and needs in order to tailor financial solutions effectively.
- Investing in training, customer education and aligning the goals of banking and insurance are fundamental elements for building a robust bancassurance framework in the banking sector.

The forum included a panel session with the following resource persons.

1. Dr. Paul Kasenene – Founder, Kasenene Wellness Clinic
2. Mr. Robin Bairstow – CEO & MD, I&M Bank Uganda Limited
3. Mrs. Rita Namakiika – Chairperson, Insurance Appeals Tribunal
4. Mr. Sylvester Rokani – Head Bancassurance, Exim Bank Uganda

The panel discussion recommended that bancassurance be viewed as part of a broader financial services offering that includes banking, wellness, and risk management products.

All speakers emphasized;

- The need to leverage data more effectively to innovate products that meet the evolving needs of customers.
- Integrating wellness into medical insurance,
- Offering comprehensive policies that cover more than just the basics, and ensuring that premiums are priced fairly based on risk.
- The need for supervised financial institutions and insurance companies to focus on building stronger relationships with their clients



**L-R, Ms. Martha Aheebwa, Chair UBA Bancassurance Technical Committee, Mr. Sylvester Rokani, Head Bancassurance, Exim Bank, Ms. Rita Namakiika, Chairperson Insurance Appeals Tribunal, Mr. Robin Bairstow, CEO, I&M Bank and Dr. Paul Kasenene, during the Panel Session.**



**Ms. Martha Aheebwa, Chair UBA Bancassurance Committee speaks during the Forum.**



**Mr. Alhaj Kaddunabbi Ibrahim Lubega, Chief Executive Officer, Insurance Regulatory Authority, gives remarks at the Forum.**



**Mr. David, F.K Mpanga, delivers a keynote address at the Inaugural Forum**

# 5. Strengthening the capacity of financial institutions to increase lending to Agricultural SMES

## a) Knowledge Sharing Session with Stakeholders supporting Agricultural SMES

Uganda Bankers Association joined more than 200 participants from across Kenya, Rwanda, Tanzania, Uganda, Zambia and beyond at a stakeholder convening that was organized by Aceli Africa from 18-20 March 2024 at the Lake Victoria Serena Hotel, Entebbe

During the meeting, a presentation was made

on the proposed policy recommendations assignment that was undertaken by UBA as part of the effort to increase lending to Agri-SME lending by financial institutions. An award ceremony was held at the convening where Post Bank (Uganda) received an institutional award under lenders and a staff from Centenary Bank (Uganda) received an award under the

frontline staff category.

In 2025, UBA will finalize the development of the policy briefs and the respective recommendations that will be shared with Bank of Uganda for adoption to support with increased lending to Agribusiness SMEs.



**Representatives from Post Bank receive their Institutional Award from Mr. John Robert Okware, Country Director, Uganda Aceli Africa**



**Staff from Centenary Bank pose for a picture after receiving the Award.**

## b) Capacity Building Session on Climate Finance

Uganda Bankers' association staff participated in the Aceli Climate Finance Capacity Building Program for Lenders in Uganda, that was launched by Aceli Africa, in partnership with the Frankfurt School of Finance & Management and KPMG.

The two-day workshop titled **"Exploring Climate Finance: Key Concepts and Initial Steps"**, took place on 4<sup>th</sup> and 5<sup>th</sup> December 2024 at Protea Skyz Hotel, Naguru, Kampala, Uganda.

This offered a unique in-person learning experience and

prioritized hands-on activities and case studies, along with peer-to-peer learning and networking opportunities.

We are indeed grateful to Aceli Africa for the opportunity and partnership.

## 8. Financial Services for Ugandans in the Diaspora



**Ambassador Robie Kakonge (Center) with Mr. Wilbrod Owor, Executive Director and Ms. Patricia Amito at the Uganda Bankers Association Offices in Muyenga**

On 8<sup>th</sup> February, the Ambassador of the Republic of Uganda to Washington D.C. Amb. Robie Kakonge paid a courtesy visit to Uganda Bankers' Association at our offices in Muyenga.

The meeting discussed how the banking industry can support Ugandans living in the diaspora access information on available products and services to inform and encourage them to explore investment opportunities in Uganda.

The meeting agreed to explore initiatives and partnerships that will enable sustainable engagements and information sharing with Ugandans in the diaspora.

## 9. Dialogue with Financial Intelligence Authority

On 13<sup>th</sup> February, Uganda Bankers' Association met with a team from the Financial Intelligence Authority led by the Executive Director Mr. Samuel Wandera.

The meeting that took place at the UBA offices was attended by the UBA ED and Leadership of the

Compliance Committee.

The UBA ED commended the efforts by FIA and the entire task force in removing Uganda from the Financial Action Task Force (FATF) grey list but also emphasized continued collaboration and compliance to ensure Uganda does not get back

onto the grey list.

Both institutions agreed to strengthen collaboration especially in the areas of sharing and exchange of information among members including holding regular engagements.



**Mr. Samuel Wandera, Executive Director, Financial Intelligence Authority and his team with Mr. Wilbrod Owor, Executive Director, Uganda Bankers' Association and members of the UBA Compliance Committee.**



## 10. Partnership with Uganda Manufacturers Association to host Financial Symposium

Uganda Bankers Association collaborated with the Uganda Manufacturers Association to deliver the financial symposium and exhibition under the theme **“Financing Options for the Manufacturing Sector”**

The inaugural event took place on the 8<sup>th</sup> and 9<sup>th</sup> of May 2024, with a primary focus on addressing the persistent financing challenges facing Uganda’s manufacturing sector. Despite the sector comprising over 7,700 firms and being recognized as an attractive investment destination within the East African Community, access to affordable long-term credit has remained a significant barrier, particularly for Small and Medium

Enterprises (SMEs), where only 22.9% report access to financing.

In response to these challenges, the symposium sought to raise awareness of available financing instruments and explore viable solutions to enhance financial accessibility for manufacturers.

The symposium that convened about 400 participants, including key policymakers, industry stakeholders, academic representatives, and members of the financial sector, was officiated by Hon. David Bahati, the State Minister for Industry under the Ministry of Trade, Industry, and Cooperatives, who was the Guest of Honour.

Throughout the symposium, participants engaged in in-depth discussions on critical issues such as uncompetitive interest rates, short loan gestation periods, complex loan application processes, and the high cost of financing.

Key recommendations from the symposium included;

1. The need to advocate for interest rate reductions,
2. Investment towards fostering innovation in financial products, and promoting greater transparency and accessibility within financial institutions.
3. The need to deepen engagement with capital markets and;
4. Explore the feasibility of establishing an industrial bank tailored to the unique requirements of the manufacturing sector.

The event concluded with a call to action for stakeholders across the public and private sectors to collaborate in developing sustainable financing solutions that will drive the growth and competitiveness of Uganda’s manufacturing industry.



**Hon. David Bahati, Minister of State for Trade, Industry and Cooperatives poses for a picture with key stakeholders at the UMA Financial Symposium.**



**Ms. Charity Kesiime, Uganda Bankers’ Association has a handshake with Hon. David Bahati during the UMA Financial Symposium.**



**Mr. Godfrey Sebaana, CEO Diamond Trust Bank speaks during the panel session at the Financial Symposium.**



# 11. Strategic Partnership with the Credit Reference Bureaus Association (CRBA)

In 2024, Uganda Bankers' Association held a series of discussions and engagements with the Credit Reference Bureaus Association, an umbrella organization for credit reference bureaus licensed and operating in Uganda.

These discussions highlighted the challenges and opportunities within the industry and agreed to joint efforts to build a stronger efficient financial and credit ecosystem in Uganda

In 2025, a memorandum of understanding was signed

between both institutions, who will work together to implement joint initiatives that will contribute towards, capacity building, research and information sharing among financial institution and credit reference bureaus.



**Mr. Wilbrod Owor, Executive Director, Uganda Bankers Association and Ms. Barbara Among Arinda, Executive Director, Credit Reference Bureaus Association, sign Memorandum of Understanding at the UBA offices in Muyenga.**



**The Leadership of the Credit Reference Bureau Association led by the Chairperson, Mr. Elly Mukasa, Executive Director, Metropol CRB, Vice Chair, Mr. Mark Mwanje, Managing Director, Creditinfo Uganda CRB Ltd and Ms. Barbara Among Arinda, CEO, CRBA, with Mr. Wilbrod Owor, Executive Director, UBA and Ms. Patricia Amito, Head Communications and Corporate Affairs pose for a picture after a meeting at the CRBA offices in November 2024.**

## 12. Engagement with the National Union for Persons with Disabilities (NUDIPU)

On 20<sup>th</sup> February 2024, Uganda Bankers' Association received a delegation from the National Union for Persons with Disabilities (NUDIPU) at the secretariat offices in Muyenga.

During this meeting which was attended by a representative from the Association of Microfinance Institutions in Uganda (AMFIU), NUDIPU shared concerns/ issues for the attention of UBA, regarding access and use of formal financial services by persons with disabilities. These included:

- Physically inaccessible infrastructure

- Challenges in accessing information and executing documents
- Negative attitudes towards persons with disabilities
- Absence of focal point persons on disability

UBA acknowledged the gaps above and committed to engage and work closely with its members to resolve these challenges in both the short and long term.

Currently, discussions are underway between UBA, AMFIU and NUDIPU including development of a disability

inclusion roadmap that includes, capacity building for UBA members on disability inclusion, undertaking accessibility audit during the course of 2025.

UBA also initiated discussions with an international organization called INABLE to provide technical support to the industry in the area of digital accessibility of financial services for Persons with Disabilities in Africa and it is anticipated that this partnership will commence during the course of 2025



**A delegation from the National Union for Persons with Disabilities, representative from AMFIU pose for a photo with UBA Team led by Mr. Wilbrod Owor, Executive Director after meeting at the UBA offices in Muyenga**

## 13. Banking Sector Engagement with Uganda Revenue Authority

On 10<sup>th</sup> April 2024, a delegation from Uganda Bankers' Association (UBA) led by Mr. Arthur Isiko, the Chief Executive Officer, Bank of Africa, who also oversees the UBA Tax Work Stream met with a team from the Uganda Revenue Authority, that was led by Ms. Sarah Chelangat, the Commissioner Domestic Taxes (CDT).

The meeting mainly discussed the challenges that the sector was currently facing, the strategic nature of the banking sector and the importance of strategic collaboration with government, for financial institutions under the UBA umbrella who collect over 94% of tax revenue and extends a similar percentage of private sector credit including to Government via domestic borrowing.

In light of the above, and in order to address the wider relationship and operational challenges faced by supervised financial institutions, the meeting further discussed the need for a comprehensive framework to streamline tax administration processes, promote compliance and enhance cooperation between supervised financial institutions and tax authorities.

Once established, this new relationship management framework called the Accredited Financial Institutions (AFI) Framework would aim to address the challenges faced by supervised financial institutions in navigating tax administration system while fostering a more collaborative and conducive environment for the banking sector and government.

### Other highlights of the meeting included

- The need for the banking sector to extend financial commitment and support towards training of the Judiciary and strengthen the Alternative Dispute Resolution (ADR) approach to facilitate and settle tax related disputes faster.
- The need for Uganda Revenue Authority to engage Supervised Financial Institutions (SFIs) on tax proposals in advance, and be able to understand the unique aspects and practicalities of how to deal with specific sector issues. This will ensure that tax proposals that are sent to parliament are well aligned.



**Mr. Rujoki Musinguzi, the Commissioner General URA and the Commissioner Domestic Taxes, Ms. Sarah Chelangat at one of the UBA CEO monthly meetings.**

## 14. East African Banking School Conference 2024

Uganda Bankers' Association participated in the 21<sup>st</sup> East African Banking School (EABS) Conference that was hosted by the Uganda Institute of Banking and Financial Services (UIBFS), in partnership with The Kenya Institute of Bankers and The Tanzania Institute of Bankers, from July 9<sup>th</sup> to July 12<sup>th</sup>, 2024, at the Sheraton Hotel, Kampala.

Under the theme **“The Role of Financial Services in Building Sustainable Regional Economies,”** the conference provided a platform for networking, knowledge exchange, and professional development, focusing on emerging topics such as Ethics and Integrity in the banking sector, ESG,

Opportunities for Oil and Gas in the finance and so much more.

This premier event brought together banking and financial services professionals from across East Africa and beyond to discuss the latest trends, challenges, and opportunities in the industry.



# 15. World Savings Day 2024 and Banking and Financial Services Awareness Month

On 31<sup>st</sup> October 2024, Uganda Bankers Association joined the Uganda Institute of Banking and Financial Services, Bank of Uganda, Deposit Protection Fund of Uganda and launched the 2024 Banking and Financial Services Awareness Month at Kampala Serena Hotel as part of the activities to commemorate the World Savings Day 2024.

The Banking and Financial Services Awareness Month is a key industry event that focuses on promoting awareness and

supporting behavior change and positive attitude towards use of financial services among the population, ultimately driving a savings and investment culture in Uganda. The year's theme was, **"Sustainability and Personal Finance - Save Protect Grow,"** aimed at encouraging Ugandans to embrace sustainable financial habits.

In his remarks, Dr. Tumubweinee Twinemanzi, the Executive Director National Payments Systems at Bank of Uganda,

urged banking and financial services sector players to provide good, reasonable and affordable financial services for Ugandans to invest in and grow their savings.

The banking and financial services awareness month was implemented in collaboration with a range of key players delivering banking and financial services during the course of November and December 2024 through direct physical engagements, webinars and radio talk shows among others.



**Dr. Twinemanzi Tumubweinee, Executive Director National Payments, Bank of Uganda, gives remarks at the World Savings Day Commemoration event that was held at Serena Hotel.**



**Mr. Wilbrod Owor, ED, UBA, Ms. Goretti Masadde, CEO, UIBFS, Dr. Twinemanzi Tumubweinee (BOU) and Mr. Michael Mugabi, Chair, UIBFS, launch the 2024 Banking and Financial Services Awareness Month.**



**Representatives of key banking/financial sector players pose for a group photo at the launch of the 5th edition of the Banking and financial Services Awareness Month.**

## Annual Bankers Sports Gala (work without play leads to unfitness)

The 2024 Bankers Gala organized by the Uganda Institute for Banking and Financial Services in collaboration with Uganda Bankers' Association kicked off in September 2024, with 29 supervised financial institutions including financial sector regulator Bank of Uganda competing in a variety of events, starting with a fitness competition. The outdoor games took place at Kyambogo

University grounds with the final indoor events being held at the Lugogo Indoor Arena in October 2024.

The gala also featured an online quiz that saw 10 winners from different supervised financial institutions earn medals for their success. The finale featured athletics, football, basketball, tug of war, sack race, and the crowd-pleasing bottle balancing race.

Bank of Uganda emerged the overall winner and that was driven by strong performances in darts, chess and table tennis, along with solid results in other disciplines, securing an impressive collection of 92 gold medals. DFCU Bank finished in second place with 71 gold medals and Equity Bank claimed the third position with 29 gold medals.



**Team dfcu, celebrate their win in the second position**



**Team Equity celebrate their third position place at the Annual Bankers Gala event**



**Overall Winners of the Annual Bankers Sports Gala, Bank of Uganda receive their trophy from Dr. Fabian Kasi, CEO, Centenary Bank.**

## 16. Driving and Improving productivity of the Secretariat Team

On 12<sup>th</sup> January 2024, the UBA Secretariat staff converged for a retreat at Extreme Adventure Park and undertook various team building activities aimed at re-energizing the staff, strengthening bond among team members

and driving cohesion. Stepping away from the work environment allowed the team to engage in creative activities, sharing ideas and experiences that helped align individual goals with the broader mission of UBA, boosting morale

and motivation. Ultimately, team-building efforts like these contribute to a stronger, more unified team, driving improved performance and a positive work culture within the Association.



# 17. Regulatory Matters

## ICT/Cyber Risk Management Guidelines

Bank of Uganda (BOU) issued the ICT/Cyber risk management guidelines for all supervised financial institutions mandating the adoption of robust cybersecurity and technology risk management practices throughout the industry. This proactive stance aims to enhance the resilience of the financial sector against cyber threats. In addition to the already existing regulations and guidelines, the BoU guidance note established the minimum requirements that supervised financial institutions must adopt to develop effective cybersecurity governance and cyber and technology risk management frameworks. These requirements cover areas such as governance, cyber testing and exercises, cloud computing, supply chain risk management, and public key infrastructure, among others.

## Financial Institutions (Corporate Governance) Regulations 2024

Bank of Uganda issued the Financial Institutions (Corporate Governance) Regulations 2024, which revoked the Financial Institutions (Corporate Governance) Regulations of 2005. Additionally, the Bank also issued the Microfinance Deposit-Taking Institutions (Corporate Governance) Regulations 2024 to extend governance oversight to microfinance institutions.

These regulations reflect the key corporate governance principles previously outlined in the Bank of Uganda Consolidated Corporate Governance Guidelines 2022. With the enactment of the 2024 regulations, the provisions from the Consolidated Corporate Governance Guidelines now carry the force of law, ensuring

enforceability and compliance across the financial sector.

## Regulation of Digital Lending

In 2024, the Uganda Microfinance Regulatory Authority (UMRA), the statutory body that regulates tier 4 microfinance institutions and money lenders, issued guidelines regulating digital lending in Uganda. The guidelines, referred to as the “Tier 4 Microfinance Institutions and Money Lenders Digital Lending Guidelines” (the “Guidelines”), provide for the licensing and governance of digital credit providers, among other aspects.

These guidelines are intended to streamline the provision of services and products via digital channels and provide consumer protection for borrowers often targeted by exploitative digital lenders.

## Sustainability

In June 2024, Bank of Uganda, in collaboration with Uganda Bankers Association, launched the Environmental, Social, and Governance (ESG) Framework for the Banking Industry in Uganda. The framework’s primary objectives include supporting Uganda in achieving its sustainability goals, ensuring financial inclusivity and social welfare, embedding ESG considerations into the operations and policies of member banks, supporting the Bank of Uganda’s ambition of promoting sustainability practices within Uganda’s banking sector, and providing and communicating a strategic ESG framework, combining global best practices tailored to Uganda’s unique context.

The framework’s recommendations are aligned with internationally recognized

standards such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the International Sustainability Standards Board (ISSB), and are guided by the International Capital Market Association’s (ICMA) Green Bond Principles (GBP) and Social Bond Principles (SBP).

## Climate Finance Risk Management Guidelines

In March 2024, Bank of Uganda issued the draft Guidelines & Principles for the Effective Management of Climate-related Financial Risks to all supervised financial institutions for review and comments.

Bank of Uganda drafted these guidelines to address the new challenges posed by climate change to both the regulators and financial service providers, given its associated physical and transition risks that could affect the safety and soundness of the supervised financial institutions and have broader financial stability implications across the entire banking system

The guidelines and embedded principles are intended to ensure that supervised financial institutions are fully aware of climate change related financial risks and have processes, tools and resources to assess the impact of climate change on their businesses as well as on and in their operating environments.

# Section 4

## **UBA'S STRATEGIC JOURNEY TO CREATE VALUE**

# 4.1 Launch of the Banking Industry Guidelines on Mitigation of Fraud (BIGF) & Code Of Conduct (COC)

**O**n February 20, 2024, Uganda Bankers’ Association convened a stakeholder breakfast meeting at Sheraton Hotel, where the Banking Industry Guidelines on Mitigation of Fraud (BIGF) and the Revised Industry Code of Conduct (COC) were officially launched by Dr. Michael Atingi-Ego, the Deputy Governor Bank of Uganda, who was the Chief Guest.

In his remarks, Dr. Micheal Atingi-Ego noted that this initiative was a critical stepping stone towards the bedrock of trust and confidence that underpinned financial institutions. He further urged leaders of the financial institutions to entrench an atmosphere of ethics and customer protection and to make the banking sector the gold standard of trust, which will foster public confidence and foster a way for a more resilient banking system.

**The Banking Industry Guidelines on mitigation of Frauds (BIGF)** will strengthen fraud prevention and industrywide collaboration by establishing a framework for information sharing among financial institutions, regulators, and law enforcement agencies. This will aim to enhance fraud detection and response mechanisms and ultimately provide standardized procedures in fraud reporting mechanisms.

**The Revised Industry Code of Conduct** will uphold ethical standards in banking by setting a minimum ethical benchmark across the sector, ensuring uniform governance principles and responsible banking practices. This will serve as a point of reference and a set of expectations for financial institutions.

The industry stakeholders were called upon to embrace the framework and support the industrywide adoption and implementation.

Further the stakeholders emphasized the role of regulatory oversight and industry compliance in building trust, safeguarding consumers, and strengthening the integrity of Uganda’s financial sector.

In 2025, the UBA Secretariat together with partners will progress with the support to member financial institutions in implementing the two frameworks through industry-wide sensitization, capacity building, and ongoing collaboration with key stakeholders.



**Dr. Micheal Atingi-Ego, Deputy Governor Bank of Uganda, with Ms. Sarah Arapta, UBA Chair. Emeritus at the launch of the Banking Industry Guidelines on Mitigation of Fraud and Code of Conduct last year at Sheraton Hotel.**



**UBA Member CEOs and Partner Representatives pose for a picture with Dr. Micheal Atingi-Ego at the launch event that was held at Sheraton Hotel.**



**Dr. Twinemanzi Tumubweinee (BOU) with Mr. Sanjay Rughani, CEO, Standard Chartered Bank pose for picture at the launch event.**



**Mr. Wilbrod Owor, Executive Director, Uganda Bankers Association, signs the guidelines Board at the launch event.**



**Member CEOs and partners at the launch of the guidelines that was held at Sheraton**

## 4.2 Annual Bankers Conference 2024

Uganda Bankers Association in collaboration with partners held the 7th edition of the Annual Bankers Conference on 19th June 2024 at the Kampala Serena Conference Center under theme: ***Navigating the future of banking: ESG, Sustainability, and Digital Transformation***

The conference facilitated focused discussions on the opportunities in supporting investments in ESG and also highlighted the challenges related to ESG and recommendations on how ESG principles could be integrated into financial strategies.

In his opening address, Mr. Ramathan Ggoobi, the Permanent Secretary/Secretary to the Treasury, Ministry of Finance, Planning and Economic Development, urged stakeholders to support the government initiatives aimed at accelerating the growth of the economy sustainably and shared that government had put in place a number of frameworks to enable the country adapt to climate change and mitigate it as well.

In his remarks, Mr. Julius Kakeeto, the Chairperson of Uganda Bankers Association, highlighted that embracing Environment, Social and Governance (ESG) aspects was a strategic move towards enduring sustainability and resilience in a dynamic business environment. He further stated that financial institutions occupied a pivotal position in addressing ESG risks because they could direct capital towards transformative investments and projects.

The conference also included a keynote address that was delivered by Mr. Martin Oduor Othieno, the Chairman and CEO of Leadership Group Limited, which was followed by panel

sessions that were anchored by a rich and diverse combination of resource persons comprising representation from supervised financial institutions, regulators, sustainability practitioners, green finance experts, impact investors and numerous industry players and partners in the banking and sustainability/green finance space, players in energy sector all of whom were actively playing their role to drive energy sustainability.

Mastercard, who have supported the Annual Bankers Conference event from inception as a key sponsor showcased innovative ESG-driven products, such as eco-friendly cards and carbon calculators and emphasized that PVC cards will be discontinued and replaced with eco-friendly cards globally by 2028.

The one day's conference was attended by a total of 207 in-person participants and 1,374 virtual who comprised regulators, government ministries, department and agencies, supervised financial institutions, academia, industry associations, media, and the private sector among others.

### Key recommendations/ takeaways from the conference

1. Organizations need to create tailored ESG strategies that align with their purpose and

operational context, ensuring long-term sustainability.

2. Supervised Financial Institutions need to dedicate a portion of their profits (e.g., 1%) to fund start-ups and sustainable projects, fostering innovation and economic growth.
3. There is need to foster collaboration by encouraging partnerships between supervised financial institutions, governments, and private sector players to scale sustainable development projects and achieve ESG goals.
4. There is need for more innovative financing mechanisms, such as blended finance and patient capital, to fund long-term sustainable projects.
5. There is need to balance digitization with robust cybersecurity measures to mitigate risks and drive efficiency and inclusion.
6. There is need for simplified messaging and investments in grassroots-level education to drive public awareness and adoption of ESG principles.

The Bankers' Conference is a key activity in UBA's annual calendar and appreciation to Mastercard and all our partners for the support extended towards this conference.



**Mr. Julius Kakeeto, the Chairperson, Uganda Bankers' Association gives welcome remarks at the Annual Bankers Conference event at Serena Hotel.**



**Mr. Patrick Ayota, Managing Director, NSSF, Dr. Winfred Kiryabwire, Board Chair, dfcu Bank with other speakers during the panel discussion at the conference**



**Ms. Eileen Walusimbi Oloya, Sustainability Expert, Mr. John Robert Okware, Uganda Country Director, Aceli Africa at a panel discussion during the conference**



**Mr. Julius Kakeeto, UBA Chairperson and the members of the Central Executive Committee pose for a picture with the Keynote Speaker, Dr. Martin Oduor-Otieno at the Annual Bankers Conference 2024**



**Mr. Ramathan Ggoobi, the Permanent Secretary/ Secretary to the Treasury, Ministry of Finance, Planning and Economic Development, gives remarks at the opening of the Annual Bankers Conference.**



**L-R, Mr. Micheal Mugabi, UBA Vice Chair, Mr. Wilbrod Owor, Executive Director, UBA with Mr. Shehryar Ali, Senior Vice President/Country Manager, East Africa, Mastercard.**

## 4.3 Annual Anti-Fraud Forum 2024

Uganda Bankers Association in collaboration with partners convened the second edition of the Financial Anti-Fraud Forum on July 24, 2024 at Mestil Hotel.

Under the theme "**Collaboration Against Fraud: Building Resilience for Today, Tomorrow, and Beyond,**" the forum addressed the escalating threat of financial fraud and cybercrime, which undermined public trust, economic growth, and the financial inclusion agenda and was attended by about 228 key stakeholders from banking, telecom, regulatory bodies, law enforcement, development partners, researchers, and the media.

The key discussion highlights from the forum included:

**• Technology and Data Analytics:** Speakers emphasized data-driven approaches and the power of innovation in combating fraud to stay ahead of increasingly sophisticated threats.

**• Strengthening Legal and Enforcement Frameworks:** Discussions centered on enhancing Uganda's legal and regulatory landscape to combat fraud effectively. Participants explored closing gaps in existing laws, addressing emerging fraud types like cybercrime, and ensuring effective prosecution of offenders.

**• Empowering Stakeholders for a Unified Defense:** The forum addressed the critical need to tackle insider threats and promote ethical conduct within financial institutions. Participants also discussed empowering customers by providing them with the knowledge and tools to protect themselves from fraud

**• Regulatory Interventions: Building a Secure Ecosystem:** The Financial Sector Regulators outlined their vital roles in creating a secure ecosystem that fosters trust and stability in Uganda's financial services. Their

interventions included measures to combat money laundering, provide identity verification services, and foster a regulatory environment that promotes innovation while mitigating risk.

**The key recommendations and take-aways from the forum included:**

**a) Establishment of the Financial Sector Anti-Fraud Consortium (AFC)** to coordinate actions against fraud such as establishment of a fraud fund, unified public awareness campaigns and capacity building initiatives

**b) Strengthening Uganda's legal framework** to ensure effective deterrence and prosecution of fraud including enhanced penalties and addressing emerging cybercrime.

**c) Fostering international partnerships** to enhance cross-border cooperation in fraud detection, prevention, and asset recovery.



**L-R: Mr. Julius Kakeeto, UBA Chairperson, Dr. Twinemanzi Tumubweinee, Executive Director National Payments, BOU, and Lt. Col. Emmy T. Katabazi, ISO interact during the Anti-Fraud Forum that was held at Mestil Hotel.**



**Mr. Julius Kakeeto, Chairperson Uganda Bankers Association gives opening remarks at the second Anti-Fraud Forum held at Mestil Hotel.**



**L-R: Ms. Patricia Amito(UBA), Dr. Michael Atingi-Ego, Deputy Governor, BOU, Mr. Basil Kithinji (Visa), Mr. Julius Kakeeto, Chairperson UBA, Hon. Nyombi Thembo, Executive Director, UCC, Lt. Col. Emmy Katabazi, ISO and Mr. Wilbrod Owor, Executive Director, UBA pose for a picture during the Anti-Fraud Forum last year**



**Extreme right: Mr. Ronald Azairwe, Managing Director, Pegasus Technologies with other delegates at the Anti-Fraud Forum 2024.**



**The Hon. Justice Dr. Flavian Zeija, speaks during a session at the Anti-Fraud Forum that was held at Mestil Hotel.**

## 4.4 Report on the review of Uganda’s legal and regulatory framework for the detection, prevention, deterrence and remediation of fraud within the financial services industry

In 2024, Uganda Bankers Association engaged Ligomarc Advocates, a leading finance law firm in Uganda, to review the applicable legal framework for detection, prevention, deterrence and remediation of fraud within the financial services sector and to establish whether it is sufficient to deal with the evolving fraud practices in this digital era.

The objectives of the assignment included;

- a. Review the domestic and international anti- fraud legal framework.
- b. Analyze the effectiveness of the existing laws on prevention, detection, deterrence, and remediation of fraud.
- c. Identify the shortfalls, if any, in the existing laws on prevention, detection, and deterrence of financial crimes.
- d. Benchmark developed jurisdictions with effective anti - fraud legal frameworks.
- e. Make recommendations to stakeholders

### Findings of the study

1. Fraud remains a significant challenge in Uganda, with substantial financial losses recorded annually.
2. In 2023, Uganda lost Ushs 1.8 trillion to economic and corruption-related crimes, yet only Ushs 80 billion was recovered.
3. Emerging fraud trends, including exceeding authorized access to computers, damaging data, password trafficking, and corporate liability for fraud, are not yet criminalized under the Ugandan law.

4. The legal framework lacks deterrent punishments, and there is no provision for minimum sentences for fraud-related offenses. The conviction rate remains low due to poor evidence management, weak evidence gathering, and a lack of asset management strategies for recovered fraud assets.
5. Uganda also faces challenges in combating fraud due to inadequate funding for capacity building, a lack of a comprehensive cybersecurity legal framework, and insufficient international cooperation on cybercrime.

As fraud continues to evolve, the above gaps in the legal, regulatory, and law enforcement systems continue to hinder effective prevention and prosecution efforts.

### Key recommendations from the study include;

- The establishment of a Financial Sector Anti-Fraud Alliance or Consortium, comprising financial sector regulators, key financial sector umbrella associations and other relevant stakeholders. This consortium would help coordinate efforts to effectively combat fraud and enhance cybersecurity across the financial services sector in Uganda.
- The establishment of a fraud/ cybersecurity fund managed by the Bank of Uganda which support would be extended towards capacity building in fraud deterrence, cybersecurity, cross-border asset tracking and

recovery, investigations, and the enforcement of court orders across jurisdictions.

- The enactment of regulations and issuance of practice directions for the preservation and management of both physical and electronic evidence, which would be overseen by the Ministry of Justice.
- Amendments to the Computer Misuse Act by introducing a more comprehensive cybersecurity legal framework, establishing a regulatory body for compliance monitoring, and enhancing penalties for offenses related to cybercrime.
- Amendments to the Anti-Corruption Act and Penal Code to increase penalties for fraud-related offenses, introduce asset tracing measures, and provide provisions for blacklisting convicted fraudsters, barring them from participating in financial services for 5-10 years.
- Establishment of a framework for the protection of whistleblowers who provide crucial information for fraud investigations within the financial sector, encouraging reporting of fraudulent activities.

As part of the next steps, UBA will in 2025 officially launch and operationalize the Financial Sector Anti-Fraud Consortium and strive to commence implementation of the recommendations of the report over an agreed period of time working closely with the financial sector regulators and other stakeholders.

# 4.5 Evaluation of the Electronic Know Your Customer (E-KYC) System for verification of customer identity

Uganda Bankers' Association in collaboration with Financial Sector Deepening Uganda (FSDU) and Bank of Uganda (BoU), launched and officially implemented the Electronic Know Your Customer (E-KYC) project in 2020 with technical support from Laboremus, the technology firm.

During the first phase of implementation, thirty-one (31) Supervised Financial Institutions ("SFIs") were successfully integrated and enabled to undertake KYC verification through real-time access to the national identification register /database maintained by the National Identification and Registration Authority ("NIRA").

In September 2023, FSDU contracted PricewaterhouseCoopers Limited (PwC) to undertake an end-to-end evaluation of the project aimed at:

- Assessing the project successes and challenges.
- Identifying areas of improvement; and
- Determining the project's readiness for the next phase which involves integration with other sector players including lower tier financial institutions (III and IV), Office of the Prime Minister (office in charge of registration of refugees), immigration and Payments Service Providers (PSPs)

On 8th October 2024, Uganda Bankers' Association and Financial Sector Deepening Uganda co-hosted a breakfast meeting with key stakeholders where the findings of this evaluation were presented.

The key highlights of the dissemination included;

The evaluation highlighted that 68% of the SFIs found the E-KYC system satisfactory for verification of customer identity, due to its ease of use and speed, increased efficiency during customer onboarding, enhanced financial crime risk management.

However, SFIs also noted some challenges with specific system features/ functionalities such as the lack of image verification and lack of unique identifier.

In light of the above, the implementation of the next phase of this project that will focus on enhanced E-KYC solutions is set to commence in February 2025.

We are grateful to the Financial Sector Deepening Uganda (FSDU) for the financial and technical support extended towards this important project.



**Mr. Wilbrod Owor, Executive Director, Uganda Bankers' Association gives remarks at the Dissemination Event.**



**-L: Ms. Patricia Ahumuza (UMRA), Ms. Julianne Mweheire (UCC), Mr. Wilbrod Owor (UBA), Ms. Barbara Among Arinda (CRBA) with other guests during the dissemination event.**



**R-L: Ms. Vanessa Muhwezi (UMRA), Mr. James Bukulu (BOU), Mr. Joseph Lutwama (FSDU), Ms. Patricia Amito (UBA) with other guests at the dissemination event at Four Points by Sheraton.**



**Ms. Diana Akullu Wanyama, Intervention Manager, Market Infrastructure, FSDU, facilitates a Q&A session during the dissemination meeting at Four Points by Sheraton Hotel.**

# 4.6 Strengthening Cybersecurity Resilience in the Banking and Financial Sector

The Uganda Bankers' Association (UBA) Cybersecurity Operations Center (CSOC) is a strategic project/initiative aimed at strengthening cybersecurity resilience across Uganda's banking and financial sector.

During the course of 2024, the following milestones were achieved under the CSOC project.

- » **Fraud and Cyber Incident Portal rollout:** A centralized platform to streamline fraud reporting and enhance collaboration among UBA member banks, regulators, and law enforcement was launched. This portal will accelerate threat response and sector-wide information sharing.
  - » **Secure Cloud Infrastructure Expansion:** The UBA Virtual Private Cloud was upgraded to support scalable and secure expansion of the fraud incident portal to facilitate integration of other critical data sources and facilitate access by licensed and regulated stakeholders such as regulators, Payment Service Providers (PSPs), Payment Systems operators and microfinance institutions.
  - » **Post-Deployment Security Audit:** Commenced the procurement process for a firm to carry out a comprehensive audit of enhanced UBA private cloud infrastructure. The objective is to validate compliance with security standards, optimize performance, and ensure infrastructure resilience.
  - » **On-Demand Cyber Forensic Services:** Specialized firms were identified and prequalified to provide on demand incident response, forensic investigations, and recovery support for member supervised financial institutions, minimizing operational disruption in the event of a cyber breach.
  - » **National Cyber Taskforce (NCTF) Collaboration:** UBA continued its collaboration with the NCTF to bolster cyber fraud detection, prevention and investigation across UBA member financial institutions. This initiative has enabled sector-wide capacity building, enabling agile responses to evolving cyber threats.
- In 2025, UBA will collaborate with the relevant stakeholders to operationalise the Financial Sector Anti-Fraud Consortium and all its components on infrastructure strengthening, capacity building, stakeholder engagement and roll out industrywide fraud awareness campaigns.



## 4.7 Strengthening Private Sector utilization of International Center for Arbitration and Mediation in Kampala (ICAMEK)

On Wednesday 23<sup>rd</sup> October 2024, Uganda Bankers' Association welcomed the Private Sector Foundation Uganda (PSFU) as the newest member to join the International Centre for Arbitration and Mediation in Kampala (ICAMEK).

The ICAMEK PSFU partnership will contribute to strengthening the private sector, meeting the needs of Uganda's Business Community and enhancing Uganda's Economic Landscape. ICAMEK, provides a reliable and fast alternative to resolving commercial disputes that businesses face in a timely and appropriate manner.

Mr. John F. Kanyemibwa, Interim Board Chairperson, ICAMEK stated that the partnership signified a pivotal moment for both ICAMEK and PSFU, and would pave the way for a new era of dispute resolution that would significantly empower Uganda's business sector.

*"The Banking Sector is open to this valuable partnership. Alternative Dispute Resolution has proven instrumental in addressing the various disputes our member banks encounter. By providing a faster and more efficient means of resolving conflicts. ADR has facilitated quick settlements and also contributed significantly to reducing case backlogs in Ugandan courts"* stated Mr. Wilbrod Owor, the Executive Director, Uganda Bankers' Association.

Mr. Stephen Asiimwe, the

Executive Director, Private Sector Foundation Uganda, said that this strategic partnership would provide a much needed solution for the private sector. *"By embracing ADR, we will improve contract enforcement, reduce litigation costs and create a business environment that fosters trust and stability. This will position Uganda's private sector*

*for growth."* he said.

Uganda Bankers Association together with stakeholders committed to continue raising awareness about the alternative dispute resolution mechanism and support capacity building for various sectors to increase utilization of ICAMEK.



**Mr. John F. Kanyemibwa, Interim Board Chair, ICAMEK gives remarks at the event that was held at Latitude Hotel.**



**Mr. Stephen Asiimwe, Executive Director, Private Sector Foundation Uganda (PSFU) speaks at the event.**



**Mr. John Kanyemibwa and Mr. Stephen Asiimwe exchange signed agreements at Latitude Hotel.**



**ICAMEK Board Members welcome the new member PSFU and pose for a picture with Mr. Stephen Asiimwe.**

### About ICAMEK

The International Centre for Arbitration and Mediation in Kampala "ICAMEK", is registered as a Company Limited by Guarantee to serve as a complimentary independent Arbitration and Mediation Centre and offer a platform as a preferred centre for Alternative Dispute Resolution (ADR) in Africa, providing relevant and distinctive ADR services responsive to the evolving needs of all stakeholders on the African Continent.

For more information visit the website: <https://www.icamek.org>

## 4.8. The Women Economic Empowerment Initiative

The UBA Women Economic Empowerment Initiative (WEEI) represents a pivotal step towards creating a more inclusive, diverse and prosperous banking and financial services industry in East Africa. By focusing on leadership development, gender responsive policies and strategic

partnerships, WEEI aims to unlock the full potential of women in banking, from entry level positions to the highest echelons of leadership.

The UBA WEEI initiative is committed to fostering an enabling environment within

the banking and financial services industry that promotes growth of professional women, women leaders, and women entrepreneurs.

In 2024, UBA implemented the following key programmes under this initiative.



**L-R: Ms. Patricia Amito (UBA) with Ms. Damalie Mukiibi, Ms. Hellen Luyima (Ecobank), Ms. Sylvia Jagwe Owachi (Cairo Bank) and Ms. Elizabeth Mwerinde Kasedde (Ecobank), who were speakers of the UBA Women Leadership session at Protea Hotel**



**Ms. Sarah Arapta, CEO Citibank, gives opening remarks at the UBA women leadership series.**

## 4.8.1 Women Leadership Series for female leaders in Banking

On April 5 2024, Uganda Bankers' Association hosted a women leadership breakfast under the theme: **Navigating through life as a working female. How to make life as working female work for you?**

The half-day session provided valuable insights and strategies for personal growth and emphasized the empowerment of women as leaders and key contributors within the banking sector.

Ms. Mona Muguma Sebuliba, the Chief Executive Officer, aBi Finance, delivered a keynote address and shared profound insights into achieving economic empowerment by nurturing five (5) forms of capital; physical, spiritual, intellectual, relational

and financial capital.

### The key takeaways from this session included;

- **Brand and impact:** It is essential to establish a brand. As one moves through their career, leaving a lasting impact is crucial
- **Emotional intelligence and consistency:** The ability to get things done without procrastination and creating a memorable impact are vital. Consistency in these efforts can define your legacy.
- **Mentorship and support:** Starting your mentorship Journey earlier is crucial and finding sponsors can significantly aid career advancement. Sharing experiences and supporting each other enhances collective growth and empowerment.
- **Personal Development:** Continuous learning, setting achievable goals, and learning from mistakes are key to personal and professional development.
- **Authenticity and individuality:** Embracing one's uniqueness and breaking away from being overly politically correct can accelerate personal growth. Everyone progresses at their own pace, and recognizing this can help align personal and career goals more effectively.



Ms. Mona Muguma Sebuliba, CEO aBi Finance delivers a keynote address at the Women Leadership session at Protea Hotel



### 4.8.2 Women in Banking and Finance Conference 2024

Uganda Bankers Association in partnership with the Uganda Institute of Banking and Financial Services and other partners organized the Inaugural Women in Banking and Finance Conference on 21<sup>st</sup> June 2024 at the Sheraton Hotel.

As part of the Women Economic Empowerment Initiative(WEEI), the conference focused on the theme **“Empowering Women, Shaping the Future of Banking and Finance”** and provided a good opportunity for over 212 participants from UBA member financial institutions, Insurance, SACCOS, financial sector regulators, top women banking experts from the region to share experiences, knowledge and learn from each other.

The top women banking executives who spoke at the conference noted that majority of their junior counterparts were lagging behind because of low self-esteem, lack of self-confidence and believability. This they said had enabled their male counterparts to ambitiously grab these opportunities.

In her keynote address, Hon. Maria Kiwanuka, the Board Chairperson of Standard Chartered Bank, stated that the role of women was to ensure adequate representation by training women to take up leadership positions, sponsoring and supporting other women to ascend to top positions.

She further called for the increased participation of women in the labour force, enhanced earnings, access to productive assets and elimination gender bias and discrimination across the banking and financial services sector.

In 2025, UBA together with key stakeholders will continue to drive initiatives that will create an enabling environment within the banking and financial services sector for women as leaders and take up emerging opportunities.



**L-R: Ms. Sylvia Jagwe Owachi, Ag. CEO Cairo Bank Uganda, Ms. Grace Muliisa, CEO Ecobank, Ms. Chioma Mang, former CEO United Bank for Africa, Ms. Goretti Masadde, CEO, UIBFS, Ms. Beatrice Lugalambi, GM Corporate Communications & Marketing, Centenary Bank, Ms. Veronica Namagembe, CEO, Pride Microfinance pose for a picture after the panel session.**



**Hon. Maria Kiwanuka, Board Chair Standard Chartered Bank delivers a keynote address at the Women in Banking and Finance Conference 2024.**



**Ms. Patricia Amito, Head Communications and Corporate Affairs receives an award from Ms. Goretti Masadde as recognition of UBA's support towards the conference.**



**Participants pose for a group photo after the conference that was held at Sheraton Hotel.**

### 4.8.3 Annual Women Economic Empowerment Forum 2024

In collaboration with partners, Uganda Bankers' Association (UBA) convened the second edition of the Annual Women Economic Empowerment Forum on 6<sup>th</sup> November 2024 at Mestil Hotel, Kampala under the theme; **Accelerating Female Leadership for Gender Inclusive Financial Services.**

The half day event brought together leaders from finance, policy, and development to address key challenges and opportunities for advancing women's roles in financial services.

Building on last year's conference, the forum tackled systemic barriers to women's financial inclusion and continued to foster a collaborative platform to creating actionable solutions.

Ms. Daniele Nyirandutiye, Mission Director, USAID Uganda, delivered a compelling keynote address that highlighted the following key priorities for enabling female leadership and inclusion in financial systems

- Encouraged financial institutions to lower barriers to entry for

women, especially first time borrowers.

- Advocated for expanded financial literacy programs to equip women with knowledge and tools to manage and grow their businesses effectively.
- Emphasized collaboration between public and private sectors to create an enabling environment that supports women leaders and entrepreneurs.

Speakers and Panelists shared strategic insights on developing an enabling environment for women in finance, promoting financial products tailored for women and advancing gender

equality in leadership.

**Key recommendations from the forum included;**

1. Develop a standardized curriculum for financial literacy program, accessible entrepreneur content and expand delivery mechanisms.
2. Create a structured mentorship and coaching program.
3. Review lending criteria and advocate for regulatory reforms, develop women centric products, create innovative assessment approaches.
4. Strengthen public-private collaboration, foster partnerships with academia.



**Ms. Anne Juuko Makubuya, Regional Head Global Markets, East Africa, Standard Bank Group shares with other speakers and participants during the panel session at the Forum.**



**Participants follow the proceedings at the Women Economic Empowerment Forum 2024.**



**Participants follow the proceedings at the Women Economic Empowerment Forum 2024.**



**Ms. Daniele Nyirandutiye, Mission Director, USAID Uganda, delivers her address at the Forum last year.**



**UBA Member CEOs and partners pose for a picture with speakers after a panel discussion.**

### 4.8.4 Launch of the Partnership for the UBA Women Coaching Program

In October 2024, Uganda Bankers' Association launched a partnership with the Association for the Advancement of Psychosynthesis (AAP), a North America based non-profit organization with Psychosynthesis coaches, counselors and therapists worldwide.

AAP will support UBA's Women Economic Empowerment (WEE) initiative, which aims to promote the growth of professional women in banking, through the Synthesis for a Global Community (SGC), the coaching wing of AAP. Their mission is to be a catalyst, bringing professional coaching psychosynthesis techniques and approaches to communities throughout the world who seek support and empowerment: to transform global challenges in an authentic way together.

The first cohort of this initiative which targets female banking professionals with over 10 years' experience and having managerial responsibilities will be on boarded in February 2025 with the assignment of coaches and coaches. The Coaching program is set to commence in March 2025 and run for a period of six months.

We believe this Psychosynthesis Coaching program will give individuals the capacity to reorient their lives in the direction of purpose, meaning and values.

Furthermore, it will have a direct impact on the wellbeing, stress handling, developing perspective, scaling and expanding personal abilities and mindset of the women who will join the 1<sup>st</sup> Cohort and they in turn will be able to lift other women and live

up to their potential.

A huge thank you the Ms. Ruchira Chakravarty and the entire team at CoachCoegi for enabling these connections and commitment to ensuring these initiative commenced.



## 4.9 Judicial Colloquium on Finance and Banking 2024

Uganda Bankers Association participated in the Judicial Colloquium on Finance and Banking that was hosted by Bank of Uganda in conjunction with the Judicial Training Institute on the 24<sup>th</sup> to 26<sup>th</sup> November 2024, at the Lake Victoria Serena Golf Resort and Spa Kigo.

The two-day event brought together Judges of the High Court, private legal practitioners, heads of legal from UBA member financial institutions, staff of the Judicial Training Institute, UBA secretariat and staff from the Legal Department of Bank of Uganda.

The colloquium was officially opened by the then Principal Judge of the High Court of Uganda, Dr. Flavian Zeija who commended Bank of Uganda under the leadership of Dr. Michael Atingi-Ego for organizing the Judicial Colloquium, an important platform to use to educate and inform judges about the latest and current innovations in the banking and financial services industry.

The colloquium provided a good opportunity to strengthen collaboration among the Judiciary, Bank of Uganda and other financial institutions sector players, highlighted the principles of financial regulation, the processes involved and their practical application. The engagement further fostered deeper appreciation of the interplay between financial regulation, markets, and judicial decisions and the impact on the economy

During the colloquium, several presentations were made regarding the changing mandate of the Central Bank and the drivers of this change, deposit insurance and bank resolution as tools for financial stability, the future of banking and payments.

### Key highlights from the colloquium

1. The Judiciary indicated that they were working on the issue of standardization and uniformity of decisions on common issues.
2. The Judiciary noted that there was increased

regulatory oversight on payments and interests and hence the need for more training for judicial officers on financial laws, banking practices and the adjudication of fraud cases.

3. The Judiciary further indicated that they were in the process of rolling out the evaluative mediation as the final stage before litigation and that this would be done by retired judges. In this case, the retired judge would evaluate and assess cases, weigh evidence before them, consider arguments and submissions by the parties, sustainability of reliefs sought so that at the end, both parties are able to understand how their cases stand and the potential outcome if the matters go to trial.
4. The Judiciary urged Bank of Uganda and Uganda Bankers' Association to regularly update them about new developments and regulations in the banking and financial services sector.



**Hon. Dr. Flavian Zeija delivers opening remarks on day one of the Colloquium**



**Center (Seated): Dr. Micheal Atingi-Ego, Deputy Governor, Bank of Uganda, Hon. Justice Dr. Flavian Zeija, with Judges and Registrars of the High Court, Legal Teams from Bank of Uganda and UBA membership pose for a photo at the Colloquium**



**Back row - The ED UBA, Mr. Wilbrod Owor, Mr. Max Manzi - Chairperson of the UBA Legal Committee**



**Judges & Members of UBA at the Judicial Colloquium**

## 4.10 Strengthening the capacities of financial institutions to provide credit and financial services to small-scale farmers in Uganda.

Uganda Bankers' Association (UBA) signed a partnership agreement to implement the GIZ RELAPU-ILGU project component on **“Improvement of Land Governance in Uganda to increase the productivity of small-scale farmers on Mailo-Land – Phase II (ILGU II)”** in the four (4) districts of Mityana, Mubende, Kassanda and Gomba in Central Uganda, supported by the German Federal Ministry of Economic Cooperation and the European Union.

Six (6) supervised financial institutions namely; Post Bank, Equity Bank, Opportunity Bank, Centenary Bank, FINCA Bank, and Pride Microfinance signed up to participate in this pilot project and adopt the Land Inventory Protocols (LIPs and Certificate of Occupancy (CoO) into their credit assessments to be able to facilitate access to finance for the small holder farmers in the above four districts.

According to reports from GIZ Relapu, to date, a total of 87,533 households in Central Uganda have received documented land use or ownership rights for LIPs and 1,500 CoOs.

In 2024, UBA conducted two multi-stakeholder dialogue sessions with representatives from the six supervised financial institutions, government agencies, and farmer organizations where discussions emphasized the relevance of the land documentation's (LIPs and COOs) in driving access to finance and promoting

sustainable practices for small holder farmers, the participants further highlighted the need for strengthening legal frameworks to facilitate utilization of the LIPs and COO documents including investments in capacity building for the owners of these documents and the lenders.

During the same year (2024), the Relapu ILGU II Project commissioned a consultancy that was awarded to the ICON-Institute to implement activities that comprised undertaking a survey and developing a capacity building program aimed at contributing to increased utilization of LIPs and COOs among supervised financial institutions and by small holder farmers.

A total of 28 Master Trainers comprising nine (9) staff from the six participating member financial institutions (Centenary Bank, FINCA, Opportunity Bank, and Equity Bank), 16 district officials, 2 external consultants, and 1 from UBA, plus 24 farmers in Kikandwa sub-county (Mityana) were trained by ICON.

To date 10,000 farmers in Mityana District have acquired LIPs, of which 200 farmers reported that they had secured loans using LIPs from the SFIs.

By end of December 2024, three (3) financial institutions (Opportunity Bank, Post Bank, and FINCA) were accepting and using LIPs and CoOs as an assessment tool for assessing

creditworthiness either as a loan or a base on other documentation.

Despite the above progress, the LIPs remain a social document rather than a legally binding instrument, limiting their acceptance by financial institutions. In addition, the limited financial literacy among farmers and financial institutions continues to affect the adoption of LIPs.

### Key recommendations from the engagements during the multi-stakeholder dialogues

1. There is need to enhance the financial literacy programs for both customers and lenders on LIPs and COOs.
2. There is need for stakeholder engagement on policy reforms and advocacy to have the LIPs legally recognized.
3. Development of a practice guide/compendium on LIPs and CoOs is crucial which will offer strategies for integrating these documents into banking services, enhancing access to credit for beneficiaries through best practices and models.

We are grateful for the support from GIZ Relapu towards this project and the partnership aimed at driving financial inclusion and rural development for smallholder farmers in Uganda.



**Participants at the Multi-stakeholder dialogue pose for a group pictures after the session that was held at Golden Tulip Hotel, Kampala.**



**Participants at the market place session during the Multi-stakeholder dialogue that was held at Onomo Hotel, Kampala.**



**Mr. Wilbrod Owor, Executive Director, UBA gives remarks during the second Multi-Stakeholder dialogue at Onomo Hotel.**



**Centenary Bank representative makes his submission during the dialogue session at Onomo Hotel**



**Group photo with representatives from the Participating Financial Institutions, Farmer Groups, GIZ Relapu, and Development Partners after the dialogue that was held at Onomo Hotel.**

## 4.11 Launch of FinScope 2023

On 11<sup>th</sup> April 2024, Uganda Bankers' Association joined key stakeholders for the dissemination of the FinScope 2023 Uganda Survey findings and launch of the 5<sup>th</sup> FinScope 2023 that was organized by Ministry of Finance Planning and Economic Development and Bank of Uganda together with partners.

The FinScope survey indicated the state of financial inclusion in Uganda and gave insights into the attitudes and perceptions of Ugandan adults regarding money management, financial products, and services. Some of the highlights of the survey included;

- Financial Inclusion in Uganda as of 2023 is at 81%. This is an increase from 77% in 2018.
- Financial inclusion is highest amongst men at 84% compared to women at 79% as well as for the urban population at 87% compared to rural at 78%
- Mobile money drives formal inclusion, although the use of banks and SACCOs has increased since 2018.
- Savings groups drive informal inclusion. The use of moneylenders has increased since 2018.
- The main reported barriers

to using formal providers are affordability, relevance, and awareness.

Uganda Bankers Association

was honored to have been a member of the FinScope Steering Committee that supported the process of reviewing and approving the final survey report.



**A panel discussion during the dissemination of the FinScope 2023 Survey.**



**Centre, Mr. Richard Ndyanabo, MOFPED (Chair), FinScope Steering Committee, with Ms. Patricia Amito, UBA (2<sup>nd</sup> left) Vice Chair, and the members of the committee pose for a picture at the dissemination event.**



**Participants pose for a group photo after the dissemination and launch of the FinScope 2023 Survey Report.**

## 4.13 Awards to Uganda Bankers' Association

### aBi Finance Implementing Partner Award

During an aBi Finance stakeholder engagement event that was held on 7th November 2024 at the Kampala Serena Hotel, Uganda Bankers' Association was recognized and received an award for

its invaluable support and partnership in advancing green and inclusive finance in Uganda's agribusiness sector.

This award celebrates our journey, ongoing partnership

and acknowledges our efforts in transforming the way agribusiness operates, promoting sustainability and fostering inclusivity within the banking and financial sector.



**Ms. Patricia Amito, Head Communications and Corporate Affairs receives the UBA Award from Mr. Ole Dahl Rasmussen, Team Leader, Danish Embassy in Uganda.**



**Awardees pose for a photo with the aBi Finance Board Members and Development Partner representatives from the European Union and the Danish Embassy in Uganda.**



### Uganda Revenue Authority's Annual Tax Payers Appreciation Award

At the 18th Tax Payers Appreciation Awards Ceremony that was held on 11th December 2024 at the Uganda Revenue Authority Headquarters, Nakawa, Uganda Bankers' Association was recognized and appreciated for its contribution towards growing and widening the tax base necessary for the economic development of Uganda under the theme: **Honouring Pillars for National Growth**



**Mr. Wilbrod Owor, Executive Director joined by Member Bank CEOs/ representatives, receives the UBA award from the Hon. Henry Musasizi, Minister of State for Finance, Planning and Economic Development (General Duties).**



# Section 5

## **STRENGTHENING OUR ESG COMMITMENT**



# Launch of Banking Industry ESG Framework



**Dr. Micheal Atingi-Ego, Deputy Governor Bank of Uganda, speaks before officially launching the ESG Framework for the Banking Sector last year.**

Following the finalization of its development, the Environmental, Social and Governance (ESG) Framework for Uganda's Banking Sector was officially launched on 4<sup>th</sup> June 2024, at the Kampala Serena Conference Centre, Katonga Hall, by the Deputy Governor Bank of Uganda, Dr. Micheal Atingi-Ego.

Speaking at the launch, Dr. Micheal Atingi-Ego stated that the framework signified the industry's commitment to embedding ESG principles within the Banking and Financial Sector and further noted that the successful implementation of the framework required the commitment and collaboration among stakeholders.

Dr. Michael Atingi-Ego concluded by highlighting that member financial institutions had been entrusted with a significant responsibility to

steer the sustainability agenda and recommended that the following be done as part of the transformative ESG journey that the industry was undertaking.

**1. Development of an ESG Taxonomy:** Establish a credible and transparent common language defining sustainability in our sector, addressing the risk of green washing

**2. Continuous review of the ESG framework:** Ensure its relevance and alignment with the dynamic operating environment.

**3. Standardization of ESG reporting:** Create a reporting framework that sets clear requirements for institutions based on ESG maturity, aiming for standardization across all supervised financial institutions

In his remarks, Mr. Julius Kakeeto, the Chairperson of Uganda

Bankers' Association stated that the official launch, was the beginning of an important industry milestone in the ESG journey after the presentation and adoption of the ESG framework by UBA member CEOs on 19<sup>th</sup> January 2024.

Mr. Julius Kakeeto conveyed the gratitude of the entire industry and fraternity of UBA members to the regulator, development partners such as aBi Finance, Aceli Africa and Ernst & Young, who provided technical and financial support towards the development of the robust industry ESG framework.

The Chairperson concluded his remarks with a call to member financial institutions and additional partners to support the process and various activities that would contribute towards enhancement of knowledge in ESG and Sustainability.

## Update on the Implementation of Industry ESG framework



**L-R: Mr. Wilbrod Owor, Executive Director, UBA, Ms. Mona Muguma Sebiliba, Chief Executive Officer, aBi Finance, Dr. Micheal Atingi-Ego, Deputy Governor Bank of Uganda, Mr. Julius Kakeeto, Chairperson, UBA with copies of the launched ESG Framework.**

Following the launch, Member financial Institutions received initial training and embarked on the phase one implementation of their ESG journey within a period of 12 months ending June 2025, reporting on a quarterly basis in line with the initial milestones across the following four (4) key pillars of the framework.

**1. ESG Governance:** This pillar focuses on establishing strong leadership and accountability mechanisms within organizations. It encompasses, understanding ESG capabilities and opportunities, development of clear policies and practices that promote ethical behavior, diversity, and stakeholder engagement, ensuring that ESG considerations are integrated into decision-making processes at all levels.

**2. Sustainable Finance:** This includes the mobilization of financial resources to support projects and initiatives that contribute to sustainable development. It focuses on aligning investment strategies with ESG criteria, promoting responsible investment practices, and encouraging the flow of capital towards green and social projects that generate positive environmental and social impacts.

**3. ESG Risk Management:** This

pillar focuses on identifying, assessing, and mitigating risks associated with environmental and social factors. It involves regular monitoring of potential ESG risks, such as climate change, regulatory changes, and social unrest, and developing strategies to address these risks proactively to safeguard long-term organizational resilience and reputation.

**4. ESG reporting and disclosure:** This involves transparent and comprehensive reporting on ESG metrics identified from the framework. Organizations are encouraged to adopt standardized reporting frameworks that facilitate clear communication with stakeholders, thereby enhancing trust and accountability. Effective disclosure practices not only reflect compliance but also highlight commitment to continuous improvement in ESG practices

Below are highlights of the 2024 quarter four ESG progress assessment report prepared by our Research Department

- A total of 26 member supervised financial institutions submitted reports on the status of their ESG implementation.
- Most Supervised Financial Institutions (SFIs) performed well in the governance-related modules, with 15 institutions out of 26 reporting a completion rate on the Governance pillar representing 59%.
- However, there were notable challenges, particularly in more complex or resource-intensive areas. Many institutions struggled in the areas under pillar 2, 3 and 4, with some scoring 0% or achieving low completion rates. These areas included materiality assessment, use of proceeds, ESG risk appetite modules and reporting.

To ensure continuous support to member supervised financial institutions, Uganda Bankers Association will in 2025, develop and roll out a comprehensive ESG technical assistance program in collaboration with development partners that will aim to enhance ESG knowledge and catalyse implementation of the ESG across the industry.



**UBA Member Bank CEOs, Development Partners pose for a picture after the launch of the ESG Framework for the Banking Sector.**

# Member developments

## Bank of Africa celebrates 40<sup>th</sup> anniversary with commissioning of its new head offices

On 7<sup>th</sup> February 2024, Bank of Africa celebrated 40 years since the Bank was established in Africa, with the official opening of its doors to its new state of the art head office building located along Lugogo by-pass in Kampala.

According to the CEO, Mr. Arthur Isiko, this marked a key milestone in the bank's journey and its commitment to growth, innovation and client centricity.



## Dfcu Bank Celebrates 60 Years in Uganda

On 27<sup>th</sup> June 2024, dfcu marked its 60<sup>th</sup> anniversary at a grand gala, celebrating six decades of operation and impactful service towards fulfilling its purpose of transforming lives and businesses.

According to the CEO, Mr. Charles Mudiwa, the bank's purpose has been deeply rooted in the aspiration to empower Ugandans and contribute to the prosperity of Uganda.



## Citibank Uganda Celebrates 25 years

On 11<sup>th</sup> November, Citibank celebrated its 25<sup>th</sup> Anniversary at Protea Hotel in Kampala, recognizing its Journey in Uganda, innovation, partnerships

and commitment to sustainability and social responsibility.

During the same event, Citibank's 2024 Global Innovation Challenge

of \$500,000 was awarded to Habitat for Humanity for Uganda, and this was a special highlight of the evening.



## Pride Microfinance Limited (MDI) transitions to a Tier II Credit Institution

In December 2024, Bank of Uganda approved the name change of Pride Microfinance Limited (MDI) to Pride Bank Ltd and granted the institution a license as a Tier 2 Credit Supervised Financial Institution.

Congratulations to the Board, Management and staff of Pride Microfinance on this new transition.

## I&M Bank Commemorates 50 Years of Banking in East Africa

On 28<sup>th</sup> June 2024, I&M Bank held its Golden Jubilee celebrations at the Kampala Serena Hotel. The Bank CEO, Mr. Robin Bairstow, expressed gratitude for the dedication of the bank's staff, loyal customers, the support from partners and the visionary leadership and the resilience by the institution's founders, as some of the key aspects that had propelled the organization forward across the region over the past five decades.



## Financial Institutions partner with the Government to Boost Food Security by Financing Large-Scale Farmers

Three Financial Institutions were selected to provide interest-free loans to large-scale commercial farmers under a new government financing scheme aimed at enhancing food security and addressing supply chain challenges.

The scheme, which is part of the government’s efforts to promote agro-industrialization and support the 10-fold growth strategy, will provide timely, affordable, and accessible financial resources to farmers.

The scheme will establish a financing mechanism to support private large-scale commercial farmers in producing 132,600 metric tons of maize, beans, soya beans, sorghum, and animal feeds on a total proposed acreage of 114,661 acres.

Agro-industrialization, an anchor sector of the strategy, aims to commercialize and formalize farming, leading to a fivefold

growth of agro-industrial exports with an estimated value of US\$ 20 billion.

### Key Highlights of the Scheme:

- 1. Implementation:** Government-owned financial institutions, including PostBank Uganda, Pride Bank, and Housing Finance Bank, will provide a principal amount of UGX 176 billion
- 2. Interest Component:** The government will meet the

corresponding interest component of Shs 40 billion annually.

- 3. Repayment Plan:** The scheme has a flexible loan repayment plan and will initially run for six years.
- 4. Eligibility:** Companies, cooperatives, and other qualifying entities must have available land or be engaged in large-scale farming with a minimum of 50 acres of land.



**Chief Executive Officers, Ms. Veronica Namagembe, of Pride Microfinance, and Mr. Julius Kakeeto, of Post Bank Uganda sign the agreement to support the Government Financing Scheme.**



**Hon Matia Kasaija, Minister for Finance, Planning and Economic Development, Hon. Frank Tumwebaze, Minister for Agriculture, Animal Industry and Fisheries hold copies of the signed agreements and pose for a picture with Member Bank CEOs and key stakeholders.**



## Agent Banking Company Limited (ABC): Strategic Investment, Governance Renewal & Strengthened Market Position

2024 marked a transformative year for the Agent Banking Company Limited (ABC), highlighted by the successful conclusion of a landmark investment transaction with Goodwell Investments, an impact investment firm based in the Netherlands.

Goodwell supports early-growth companies across Africa and other emerging markets, particularly those operating in financial services, agriculture, and mobility. This strategic partnership affirms strong market confidence in ABC's pivotal role as a catalyst for inclusive financial services in Uganda and sets the stage for a new phase of innovation, growth, and impact.

### Strategic Deployment of Capital

The capital injection from Goodwell will be deployed to accelerate ABC's strategy across three key areas:

- **Technology Advancement:** Strengthening cybersecurity, scaling system performance and interoperability, driving product innovation, and expanding the channel range to include mobile, merchant, and online platforms.
- **Business Growth:** Expanding the client base to include non-bank financial services providers such as Microfinance Deposit-taking Institutions (MDIs), Microfinance Institutions (MFIs), Credit Institutions,

SACCOs, and Fintechs, while deepening agent and merchant network coverage across the country.

- **Institutional Capacity Building:** Strengthening ABC's internal capacity to efficiently and compliantly implement its strategy and meet growing market demand.

As a Payment System Operator licensed by the Bank of Uganda, ABC continues to provide shared, secure, and interoperable platforms that enable banks as well as other financial institutions to extend their reach and deliver services more efficiently and cost-effectively.



**L-R: Mr. Wilbrod Owor, Executive Director, UBA, Ms. Lillian Oyando, Goodwell Representative, Mr. Fabian Kasi, Chair Emeritus, ABC, Ms. Anette Nakawunde Mulindwa, Former Director, ABC Board and Mr. Sebie Abdulrahman Salim, Board Director, sign the partnership agreement with Goodwell at the ABC offices in Muyenga.**



### Governance Transition and Board Renewal

In 2024, ABC also underwent a significant governance transition. The institution bid farewell to two of its founding directors, **Mr. Fabian Kasi** and **Mrs. Anne Nakawunde Mulindwa**, whose leadership and guidance since inception were instrumental in shaping ABC's journey and also welcomed new board members who bring outstanding expertise and leadership;

- **Ms. Anita Asiiimwe** – Appointed as an **Independent Board Member and Board Chairperson**, Ms. Asiiimwe is the Country Director at Strathmore Global Institute – Uganda and Rwanda. She brings deep experience in scaling digital payment solutions across the banking, telecom, and Fintech sectors in East Africa. Her leadership will reinforce ABC's commitment to sound governance and sustainable growth.
- **Ms. Lillian Oyando** – **Appointed to represent Goodwell Investments**, Ms. Oyando is a seasoned investment professional

with extensive experience in financial services, agribusiness, and manufacturing investments across Africa. She currently serves as Associate Partner, East Africa for Goodwell.

- **Ms. Rashmi Pillai** – Also appointed as an **Independent Board Member**, Ms. Pillai is a widely respected expert in financial inclusion and fintech policy. A former Executive Director of FSD Uganda, she brings a rich background in impact investing, inclusive financial systems, and digital financial services across Africa and South Asia.

### Strengthened Market Position and 2025 Outlook

In 2024, with nineteen (19) commercial banks, two (2) Microfinance Deposit-taking Institutions (MDIs), ten (10) fintechs integrated on the technology platform and over 16,000 agents on the Shared Agent Banking Platform, ABC delivered its strongest financial performance since inception. This milestone reflects the company's continued growth, operational efficiency, and the increasing adoption of its shared platforms

and infrastructure services. It is a testament to the progress made through close collaboration with participating financial institutions and provides a strong foundation for future expansion and innovation.

With the support of new investment and a strengthened, diverse Board of Directors, ABC is well-positioned to deepen institutional partnerships, enhance the quality and breadth of its services, and accelerate the pace of financial inclusion across Uganda.

Looking ahead, ABC will launch a suite of new services in 2025 designed to help financial institutions expand their outreach, improve operational efficiency, and better serve existing and new customer segments. ABC will engage participating financial institutions to co-create value and ensure these services meet evolving market needs.

ABC remains steadfast in its commitment to delivering high-quality, secure, and inclusive financial infrastructure that supports innovation and growth across Uganda's financial sector.

# Member Bank CSR 2024



## Keep a girl in school

The second edition of the Absa KH3 - 7 Hills Run, an annual event organized by Absa Bank Uganda and Kampala Hash House Harriers, raised **Ugx 300 million** to help keep girls in school. The funds were distributed among six implementing partners: World Vision Uganda received UGX 90M, Baylor Uganda UGX 50M, Joshua Cheptegei Foundation UGX 50M, Windle International UGX 60M, Nyaka AIDS UGX 20M, and AMREF UGX 30M. These contributions are expected to benefit 7,278 girls, helping ensure they stay in school and continue their education.

Additionally, Absa Bank Uganda partnered with World Vision Uganda to commission facilities aimed at improving water and

sanitation for girls in Abim district, Karamoja. The handover included a fully functional borehole and changing room facilities, positively impacting 897 girls enrolled at Awach Primary School and addressing critical menstrual hygiene challenges.

World Vision Uganda, a key beneficiary of the 2023 Absa KH3 - 7 Hills Run proceeds, received UGX 90M toward WASH (Water, Sanitation, and Hygiene) management. This funding benefitted over 5,700 people, including 2,141 children in schools, who gained access to essential drinking water services, significantly improving their health and wellbeing.



## 638,308 trees planted in our 1M tree Commitment

Absa Uganda committed to plant and grow 1million trees in an effort to offset the bank's own emissions and promote biodiversity conservation. In 2024, 327,718 trees were planted, contributing to 638,308 trees planted in the bank's 1 million Tree Commitment. The Bank launched a Schools Greening Program aimed at combating climate change and promoting environmental education and awareness in collaboration with different partners like My Tree Initiative Organization and Rotary Uganda, where 240,000 student volunteers planted and are protecting 420,000 trees across 483 schools nationwide. In addition to the Schools Greening Program, Absa Bank Uganda marked World Earth Day by partnering with Bishop

Stuart University to plant 5,500 trees in support of the Restore River Rwizi initiative. River Rwizi, which provides water to much of Uganda's western region, is at risk of drying up due to severe

deforestation along its banks. This tree planting effort aims to help restore the river's ecosystem and ensure a sustainable water source for future generations.



## Green Financing

In the Bank's commitment to sustainable development and financial inclusion in Uganda, Absa Bank provided 38 billion in funding to Mogo Uganda and Watu Credit to support

purchase of electric motorbikes. This initiative helped us offer accessible, eco-friendly electric bikes to Uganda's hardworking 'boda boda' operators through affordable hire-purchase options,

which allows riders to access cleaner, cost-effective mobility solutions, reducing emissions and saving on fuel costs.



## Financial Literacy and Skills Development

Absa Uganda reached 44,428 beneficiaries through financial literacy trainings in collaboration with various organizations and workplace banking partners. These initiatives have been essential in enhancing the financial knowledge of individuals across the country, especially considering recent findings from the 2023 Uganda FinScope Survey Report, that revealed that seven out of ten Ugandans are operating under a personal budget deficit, lack long-term financial plans, and 60% are not confident about their financial security in old age. Absa's efforts go beyond financial literacy. In 2024, we launched a new partnership with DHL, a global leader in logistics, where the bank introduced SMEs to the Growing Beyond Borders Entrepreneurial Training Programme. This initiative was designed to empower Small and Medium Enterprises (SMEs) in Uganda, helping them understand the economic potential of international trade and its benefits.

readiness skills through the Absa ReadytoWork program with modules in work skills, people skills, entrepreneurial skills, and money skills via activations across various universities in the country.



Additionally, 2,351 youths were reached with vital work

## BRAC Uganda Bank Driving Women Economic Empowerment

### a) Testimony from Nampiina Teopista who Joined BRAC Uganda Bank in 2019 to get a loan to improve their poultry business

Nampiina Teopista and her husband never knew this was the first step to the rest of her life. Teopista and her husband jointly run Balubwama Local Agro Enterprises Limited which deals in poultry rearing, veterinary medicine, and coffee farming. The company started simply as a small poultry farm and with Brac Uganda Bank's financial services, it has now grown to a large-scale business with over 5,000 birds being sold weekly on 7 acres of

land employing over 50 people.

Teopista's passion for poultry, which she inherited from her father, and her resilience for a better life for her children made her unstoppable in her pursuit of the life she dreamed of. She acknowledged that the seed for her company was planted when she acquired a 3 million loan to purchase more chicks. This helped her double her profits within two months.

She is now a proud owner of her dream house, her children are in International schools and her business is venturing into animal husbandry. She encourages women not to depend on their husbands entirely but rather support them and save money with institutions like Brac Uganda Bank that advocate for the empowering of women.

### b) Testimony from Nantongo Yudaya who joined BRAC Uganda Bank looking for a sense of belonging and empowerment amongst her fellow women

Nantongo Yudaya had just started a walk-in restaurant in Buikwe that was off to a slow start with 8-10 customers coming in daily. Once she was credited with her first loan, she rented a bigger space and bought food equipment that could help prepare food in a short period of time.

Yudaya grew up as an only child

who lost both her parents but had a passion for food and catering. She has acquired 3 loan cycles that have helped her grow her restaurant that now serves over 1,000 people a month. She has also ventured into outside catering to cater to customers with weddings, birthdays, graduations etc. She also bought a steel kiosk that she turned into a boutique for women's

clothes. This helped her diversify her income which enabled her and her husband to build their family home, keep their children in school, and maintain the husband's taxi through car repairs.

She advises women to be hardworking to get out of poverty like she did.





## RISEE Project

In 2024, Standard Chartered Bank launched their Futuremakers Phase 2.0 strategy project dubbed “Ready for Inclusive Sustainable Employment and Entrepreneurship” - (RISE-E). This project aims to create employment for 270 youth with disabilities in a joint effort between the Standard Chartered Foundation, Sightsavers and

Challenges Worldwide.

The total project investment is UGX 3,088,295,278 (Three billion eighty-eight Million two hundred ninety-five thousand, two hundred seventy-eight shillings) for a duration of 3 years starting 2024 to 2027 with a focus on youth in the Kampala Metropolitan.

RISE-E will develop a talent pool of appropriately skilled, employment-ready young people (specifically those with disabilities) with the skills to fill jobs in the microbusinesses and other employment opportunities in their communities.



## Case Study: Fiona's Journey to Disability Advocacy



*Fiona (grey suit) represented RISE/E project beneficiaries in project strategic discussions with SMEs (TATA) to promote equal opportunities for youth with disabilities in Uganda's job market.*

As a case study, one of the Bank's beneficiaries, Fiona Boonabaana, who graduated in 2023 with Bachelor of Science in Natural Resource Economics, was enrolled into the project and now exemplifies empowerment. As a Skills to Succeed trainee, Fiona's leadership skills earned her the role of group leader among 29 youth with disabilities. Now working as a paid volunteer with the Federation of Uganda

Employers, Fiona champions disability advocacy, promoting inclusion and employment among the Business Disability Network (BDN) and other SMEs. Recently, Fiona joined forces with Sightsavers and the National Union for Persons with Disabilities (NUDIPU) at TATA, a car assembling plant, at initial engagement to appeal for youth employment.

Fiona's confidence stems from the mentorship, disability confidence and the Accenture Academy's soft skills trainings supported by Futuremakers. Her success showcases RISE/E's progress towards building confidence and resilience among youth with disabilities, enhancing employability through skills training, promoting inclusive employment practices.

"Disability is not inability. We're employment-ready, talented and eager to contribute to Uganda's economy. Recognize our potential and provide equal opportunities." She stated.

Through Fiona's advocacy, Sightsavers and the National Union for Persons with Disabilities (NUDIPU) are driving meaningful change towards employer disability confidence, paving the way for youth with disabilities to access decent jobs.

## Tree planting

In line with their strategy to accelerate to Net Zero agenda where Standard Chartered Bank committed to reduce the bank's carbon emissions as fast as possible, without slowing development, and contributing to put the world on a sustainable path to net zero by 2050, the bank planted 45,000 trees in Kikuube District.

This was in partnership with Buhimba Farmers Union who distributed seedlings across 12 villages, 412 household farmers and 8 institutions who planted

on their private land, both indigenous and fruit species. This was the third year that the bank planted trees in the Hoima region, bringing the total trees planted by Standard Chartered Bank to 120,000 since 2022, benefiting over 4,000 households and 22 institutions.

By planting indigenous trees, the bank aims to preserve the local heritage, eco biodiversity and support medicinal plant growth, while the fruit trees will provide nutritious value and income for the beneficiaries once they begin

bearing fruit. The bank's goal is to create a sustainable ecosystem that addresses climate change and boosts local livelihoods.

Besides the tree-planting initiative, over 10 bank employees engaged over 150 students' various schools in career talks and financial literacy sessions. Through these sessions, the students were equipped with knowledge to manage their finances and inspired to adopt a mindset that fosters long-term success in both their personal and professional lives.





## Here to transform the Education sector!!

As part of the bank's commitment to transforming the education sector, Tropical Bank Ltd continues to play a vital role in supporting schools and fostering community development. The bank's Executive Director, **Mrs. Joweria Mukalazi**, paid a visit to **Mbogo Mixed Secondary School**, where she engaged in discussions with the Head Teacher, **Hajj Lumu Hamid**, on key initiatives aimed at improving the school's infrastructure and to foster a conducive learning environment.

Recognizing the importance of quality education and better facilities, Tropical Bank Ltd contributed **200 bags of cement** to support the construction and enhancement of the school's critical infrastructure. This generous contribution aligned with the bank's **corporate social responsibility (CSR)** initiatives.

In her speech, the ED

emphasized the bank's dedication to uplifting education standards and ensuring that students have a conducive learning environment. ***"At Tropical Bank, we believe that education is a cornerstone for Uganda's development. By investing in school infrastructure, we are not only empowering students but also contributing to a brighter future for our country,"*** she stated.

She also pointed out Tropical Bank's Education Sector Customer Value Proposition, designed to address key challenges that schools face, during school fees collection, short-term budgetary gaps, inadequate infrastructure, and transportation for students. The bank offers up to UGX 500 million in unsecured school bridge financing, in addition to funding school expansion, vehicle purchases, and asset acquisition that can help education institutions achieve their goals.

### Summary of the Education Customer Value Proposition includes;

- Affordable school account with no management fees.
- Unsecured loan amounts of up to Ugx 500M.
- Seamless school fees collection through our Mobile App, internet banking, agent banking, and school Pay.
- Access to financing for school expansion, vehicle, and other asset acquisition
- Salary loans to teachers and staff of up to Ugx 350M.
- Contract financing and invoice discounting to suppliers and contractors of schools.

Hajj. Lumu Hamid, Head Teacher of Mbogo Mixed Secondary School, expressed his appreciation for the bank's long-term commitment to the school and innovative solutions it has offered to make banking convenient.





**Tree Planting Initiative:**

**B**ank of Baroda (Uganda) Limited partnered with the National Forestry Authority (NFA) to restore 20 hectares of the Jubiya Central Forest Reserve in Masaka District. The Jubiya Central Forest Reserve, renowned for its high biodiversity, faces significant threats from degradation and deforestation, primarily due to encroachment

by local communities. The Community activities such as charcoal burning and tree cutting for firewood contributed to the deterioration of this valuable ecosystem.

As part of this initiative, the bank committed UGX 55.8 million towards the restoration project, which focuses on reforestation, afforestation, and landscape restoration. This effort will aim

to protect the environment and restore the forest’s ecological balance.

**Blood Donation Drive:**

**I**n alignment with the bank’s commitment to Environmental, Social, and Governance (ESG) principles, Bank of Baroda (Uganda) Limited actively supported initiatives that enhanced the well-being of local communities. In 2024, the bank sponsored 11 blood donation camps across the various regions that included Mbale, Entebbe, Lugazi, and Kampala. These efforts resulted in the collection of 913 units of blood, significantly contributing to the health and safety of individuals in need.

Additionally, the bank extended its support to the well-being of children with cerebral palsy and sponsored a corneal transplant operation for a child in need, reaffirming our dedication to improving lives and fostering a positive impact in the communities that it serves.



**Committed to a greener future: Bank of Baroda (Uganda) Limited during a tree planting event at Jubiya Forest Reserve.**



**Managing Director Mr. Shashi Dhar (Second Right) together with other staff at a blood donation camp held at Head Office, Kampala.**



**The Deputy Governor of Bank of Uganda Michael Atingi-Ego (Left) and the Managing Director Bank of Baroda (Uganda) Limited (right) hand over a dummy cheque to Esther, for the purpose of doing a Corneal transplant for her son’s two eyes.**



## Centenary Bank Embracing ESG, Driving Sustainability and Community Impact

At Centenary Bank, ESG is deeply embedded in the bank's strategy. The Bank is committed to fostering sustainability, promoting financial inclusion, and driving positive social impact through ethical leadership and responsible practices.

### Environment and Sustainability

Centenary Bank's commitment to environmental sustainability drives it to take significant strides in reducing waste, conserving energy, and protecting natural resources. By integrating sustainable practices into their operations, the bank aims to create lasting positive impacts on the environment and the communities they serve.

A key pillar of the bank's sustainability agenda is minimizing its environmental impact. In 2024 alone, the bank successfully recycled 1,700 tonnes of obsolete records, reducing paper waste and

promoting a more sustainable work environment. This initiative not only enhanced waste management but also contributed to lowering the bank's carbon footprint. Additionally, the bank continued to encourage digital transactions among its customers, further reducing paper consumption and waste.

Recognizing the crucial role of trees in environmental sustainability, Centenary Bank actively supports afforestation efforts. To date, the bank has contributed to over 70,000 tree-growing initiatives, reaffirming its commitment to preserving the environment for future generations.

Proper waste disposal is another critical aspect of sustainability. To reinforce responsible waste management, Centenary Bank donated dustbins to various stakeholders, helping communities maintain cleaner and healthier environments.

Similarly, recognizing water as a vital resource, the bank supported conservation efforts by donating water tanks to different stakeholders, ensuring efficient water storage and management to mitigate scarcity challenges. In 2024, the bank partnered with water.org to develop a microfinance loan product to provide financing for water, sanitation and hygiene solutions.

Centenary Bank partnered with Green Hub East Africa to launch the Green Hub Kampala Project, a ground-breaking initiative aimed at supporting sustainable transportation. This project introduced charging stations for electric motorcycles and provided financial assistance to individuals seeking to purchase electric motorcycles. By fostering the adoption of clean energy transportation, the bank is playing a key role in reducing carbon emissions and promoting a greener future.



## Social Initiatives: Empowering Communities

Centenary Bank is dedicated to making a meaningful social impact by supporting programs that enhance healthcare, financial literacy, and community development.

For the past 13 years, the bank has proudly partnered with Rotary on multiple initiatives and invested over Ugx 4bn, including the flagship Rotary Cancer Run. The funds raised through this initiative have contributed significantly to cancer care infrastructure, including the construction of a 36-bed cancer treatment centre at Nsambya Hospital. In 2023, the bank further expanded this effort by commencing the construction of two bunkers to house LINAC cancer testing and treatment machines, which will enhance early detection and treatment capabilities.

Centenary Bank's commitment to healthcare extends beyond

infrastructure. By collaborating with various stakeholders, including government agencies, the private sector, and corporate partners, the bank amplifies its impact and work towards a more robust healthcare system that serves all.

Financial literacy remains a core focus of the bank's social initiatives. Through numerous training sessions, Centenary Bank equips individuals and businesses with essential financial management skills, covering savings, investment, and responsible borrowing. By empowering communities with financial knowledge, the bank fosters stability and economic growth.

Being founded by the Catholic Church, Centenary Bank remains deeply committed to supporting various church-led initiatives that uplift communities. Through

financial contributions and active participation, the bank helps sustain programs that promote social welfare and community development.

The bank also extends its support to Muslim brothers and sisters during Ramadan by donating essential items to help them observe the holy month with ease. This initiative reflects the bank's commitment to inclusivity and fostering unity across diverse communities.

Centenary Bank donates 2% of the previous year's profits to CSR initiatives, demonstrating its financial commitment to community development. These funds are directed towards projects aligned with the bank's ESG goals, ensuring that its contributions create a lasting and meaningful impact.





## Governance

In today's business landscape, strong governance is the backbone of sustainability. At Centenary Bank, governance goes beyond compliance, it's about building a responsible institution that upholds integrity, transparency, and accountability while driving financial inclusion and economic empowerment. The bank is already leading the way in aligning its strategy with Sustainable Development Goals (SDGs) and Uganda's National Development Plan (NDP).

As part of its Environmental, Social, and Governance (ESG) strategy, the bank's governance framework ensures that ethical leadership and sound decision-making guide every aspect of its operations. The Board of Directors, as the supreme governing body, plays a critical role in setting the bank's strategic direction. Reporting directly to the Group Board, it oversees performance, mitigates risks, and ensures long-term stability.

Beyond oversight, governance at Centenary Bank is about inclusivity and resilience. The bank prioritizes customer-first policies, fair lending practices, and financial transparency, creating trust among stakeholders. Additionally, it continuously enhances risk management frameworks, safeguarding both the institution and its customers against financial shocks.

By embedding good governance in its ESG approach, Centenary Bank is strengthening not only its business but also its impact on the communities it serves. Through ethical banking, responsible leadership, and a commitment to financial integrity, the bank remains a trusted partner in Uganda's development.

With sustainability now a core strategic objective, Centenary Bank has strengthened its ESG reporting mechanisms, aligning with the Global Reporting Initiative (GRI) framework. The bank is also working towards ESG

Bank Certification, a critical step in ensuring adherence to global sustainability standards.

With regulatory frameworks evolving and ESG expectations rising, Centenary Bank is positioning itself as a leader in sustainable banking. By integrating strong governance practices, advancing social impact initiatives, and championing environmental stewardship, the bank is reshaping the future of finance in Uganda.

At the heart of Centenary Bank's agenda is a robust governance structure, ensuring accountability, ethical leadership, and long-term value creation. The Board of Directors oversees strategy and ensures alignment with ESG priorities. Currently, the bank women and men ratio is 48:52 within the bank, demonstrating a strong commitment to gender diversity. The Board of Directors has ethnically diverse members and independent non-executive directors.



### DTB Green Initiative

**D**iamond Trust Bank Uganda Partnered with the National Forest Authority (NFA) to conserve the environment and promote the reduction of carbon emission under the Net Zero action pillar.

In a campaign named “DTB Green Initiative” the bank collaborated with the National Forest Authority in a joint effort to plant over 100,000 trees in 3 years to restore the degraded parts of forest

reserves in Uganda.

The campaign started by planting over 9,000 trees at Kasonke Central Forest Reserve in Masaka which had seen more than 31% of its total land mass encroached for charcoal, agriculture and settlements. Kasonke Central Forest Reserve is known for its high biodiversity value that needs to be protected as well as combat climate change.



**Mr. Kaziro Kyambadde, the Head of Corporate, Institutional and Business Banking leading the DTB staff in tree planting at Kasonke Central Forest reserve in Masaka.**

### Financial Literacy Training

**D**iamond Trust Bank extended financial literacy training to over 1,789 Ugandan among them, Parish Development Model (PDM) beneficiaries in areas of Namisindwa and Manafwa, Wakiso and Kampala districts. The training empowered people with financial management skills, savings, budgeting and investment. This is part of the bank’s sustainability agenda and also an initiative to support government efforts of financial deepening and inclusion.



**DTB Mbale team in one of the trainings at Namisindwa**

### Diamond Trust Bank supports 10,000 vulnerable schoolgirls with Menstrual hygiene kits to keep in Schools

**D**iamond Trust Bank in partnership with the United Nations Population Fund (UNFPA) and the Danish Embassy embarked on a campaign to reduce school absenteeism and improve menstrual hygiene education among young girls.

The bank contributed US \$ 106,458 as financial support towards 10,000 vulnerable school girls who received:

- Reusable sanitary pads (School Girl kit) consisting of

5pads ,2 carrying pouches, and a leak-proof pouch for storing soiled pads.

- 10,000 pairs of underwear
- 10,000 backpacks
- Hygiene education booklets available in 3 languages.

These essential items were donated under the bank’s campaign double “**DTB Achieve More Gals**” to create a lasting impact on the lives of young girls, promoting dignity, confidence and education continuity.



**DTB Executive Director Mrs Emejeit Mbabazi (centre), Gift Malunga UNFPA Uganda Country Representative and AFRI pads Uganda staff at the partnership Launch.**



*Sustainable development within our communities is embedded in the ethos of I&M Bank. Leveraging the I&M Bank Foundation CSR pillars: Economic Empowerment, Education & skills enhancement, Environmental Conservation and donations towards health improvement, allows us to drive impactful change that directly benefits communities in which we operate and ultimately, champion sustainable growth.*

I&M Bank Uganda has been at the forefront of championing initiatives that address critical issues which impact the Ugandan community.

In commemoration of Mother's Day and efforts to improve maternal health and bolster the welfare of both mothers and their newborns, I&M Bank donated 500 mama kits and emergency trolleys to Nsambya Hospital

In 2024, I&M Bank proudly partnered with the Kabaka Birthday Run for the third consecutive year, supporting the fight against HIV/AIDS and the global goal to eliminate the epidemic by 2030.

In response to the Ministry of Health's report that 35% of Uganda's population face mental health challenges., I&M Bank joined partnered with Her Royal Highness Sylvia Nagginda, the Queen of Buganda Kingdom to raise awareness and promote mental health across the country.



**L-R Head of Marketing Annette Nakiyaga, I&M Bank CEO Robin Bairstow, Nsambya Hospital CEO Andrew Ssekiteleko, Sr. Assumpta Nabawunka**



**I&M Bank CEO Robin Bairstow and Masheruka Student**

In a bid to enhance student access to technology and support the education of girl child, I&M Bank donated 16 fully equipped computers to Masheruka Girl's Secondary School, impacting over 800 girls.

With the I&M Bank Katogo Golf Series now a household name on the golfing calendar, I&M Bank donated Shs 20 million to ensure that caddies and the children of the course maintenance staff of Entebbe Club (the home of the tournament) stay in school. Furthermore, recognising that 64% of female students miss school regularly due to lack of sanitary pads, I&M Bank partnered with Kids of Africa, an annual charity run which aims to create awareness and promote the use of reusable sanitary pads.

Family businesses in Uganda

stand at a critical threshold as few family-owned businesses survive past their founding members and almost none transcend to the third generation. Against this background, I&M Bank Uganda joined forces with Enjovu Family Business, a leading resource network for family businesses in Uganda, to address community and family business challenges through shared knowledge and solutions.

Family Business Breakfast organised under the theme "Preserve Your Legacy and Protect Your Family Business with an Estate Plan. The second event was the Enjovu Family Business Conference themed "Family Governance - Managing Conflict and Building Family Businesses to Last," focused on addressing key challenges family businesses face, particularly in Africa.





## Support to the Kiteezi Landfill Victims

As part of its Corporate Social Responsibility (CSR) efforts, Pride Microfinance extended much-needed support to the victims of the Kiteezi landfill tragedy. The institution donated essential relief items, including charcoal stoves, briquettes, and rice, to help affected families regain stability. The donation was officially handed over by the Executive Management Committee, led by the Executive Director, Mr. Edward Nkangi. This initiative underscored Pride Microfinance’s commitment to uplifting communities in times of need, ensuring sustainable solutions that enhance livelihoods and promote resilience.



## Support to SOS Children’s Village - Entebbe

Pride Microfinance continued to uphold its commitment to Environmental, Social, and Governance (ESG) principles through impactful Corporate Social Responsibility (CSR) initiatives. As part of the

institution’s ongoing three-year partnership with SOS Children’s Village Entebbe, Pride Microfinance donated essential sanitary items to support the well-being and dignity of young beneficiaries. Through

such initiatives, the institution reaffirmed their dedication to fostering sustainable communities and creating lasting positive change.





## UBA Uganda visited Hope For Aids Orphans to celebrate the festivities

On the 4th December, 2024, the bank joined Hope for Aids Orphans Uganda which is located in Nakabango- Jinja District to share love, Joy and hope with about 150 children living with aids as part of the celebrations of the festive season.

- During this visit, the bank staff emphasized the importance of giving children hope, even in the face of challenges like living with HIV and becoming orphans at tender age. It is great to show these children that they matter and they are loved.
- For the bank, the significance of creating a bright future, providing for and nurturing these kids was not just a duty; but an investment in their promising futures.

- The bank contributed to improving the well-being of such a young generation because they are the leaders and bankers of tomorrow. It is one of the reasons that United Bank for Africa had programs like these to share gifts, love and encouraging stories with the needy children.

The visit contributed towards:

- Supporting the less privileged by providing essential food items and other necessities to children in need, taking hope and joy to them during the festive season as disadvantaged individuals.
- The socio-economic development of the community where UBA

operates by fostering a sense of social responsibility and community engagement.

- Staff engagement and volunteerism: UBA staff were encouraged to contribute in kind or cash as a way of participating in the community service. This promoted a culture of volunteerism and social responsibility within the Bank.

This demonstrated UBA's commitment to giving back to the community and making a positive impact on the lives of those in need.



## United Bank for Africa Runs a Blood Donation Campaign

On the 16th December 2024, UBA Uganda held a health-related blood donation drive in collaboration with Uganda Blood Transfusion Services (UBTS) to contribute towards addressing the blood shortage challenge that is normally faced during festive seasons due to different causes. The full day drive targeted self-willed staff and members of the nearby communities and was supported by a team from Uganda Blood Transfusion Services (UBTS) including medical personnel.

At the end of the day 59 people had donated blood and contributed to saving a total of 118 lives since each blood pack saves 2 people.

Through this blood donation drive the bank achieved the following:

- Saved Lives by contributing to the availability of blood for medical emergencies and surgeries of patients with blood disorders.
- Gave back to the community by demonstrating corporate social responsibility and support to the community that the bank operates in.
- Promoted employee engagement and volunteerism through fostering a sense of

social responsibility and teamwork among those who participated.

- Supported public health initiatives by contributing towards national blood supply.
- Raised awareness about blood donation and encouraged members of the

community to participate.

- Demonstrated the bank's commitment to social responsibility and sustainability, aligned with its values.





**1. Citi Annual Global Community Day.**

In 2024, for their 19th annual Global Community Day, Citi Uganda led a greening initiative to help conserve the environment at their neighbouring school - Nakasero Primary School. Citi Volunteers led by Citi Uganda's CEO, Ms. Sarah Arapta, rolled up their sleeves and planted grass and fruit trees at the school. The bank donated dust bins and water tanks to help harvest rainwater to reduce the school's water bills. It's a Citi tradition to create a positive impact by giving back to the communities in which we live.



**2. Habitat for Humanity receives a \$500,000 (UGX 1.8 Billion) grant from The Citi Foundation to help combat homelessness in Uganda**

In 2024, the Citi Foundation announced the 50 community organizations around the world that each received \$500,000 in catalytic funding as part of the 2024 Global Innovation Challenge. Citi Foundation's Global Innovation Challenge sought applications providing sustainable solutions to addressing homelessness.

Habitat for Humanity was announced as the grant recipient in Uganda, as part of their commitment to support and uplift the local community. The project will train youth on low-cost, innovative construction techniques to facilitate the increase in supply of affordable homes with the dual goal of increasing the income of participating youth. The programs funded by these grants will be implemented over a two-year period.



**From L-R – Habitat For Humanity Interim National Director – Ruth Mitimangi Nabutali, Bank of Uganda Executive Director Supervision – Mr. David Kalyango, Citi Middle-East & Africa Cluster CEO – Ebru Pakcan, The Honourable Minister of State for General Duties – Hon. Henry Musasizi, Citibank Uganda CEO – Sarah Arapta, Citi SSA Cluster Head – Akin Dawodu, Habitat For Humanity Board Chairperson - Owek. Robert Waggwa Nsibirwa and Habitat For Humanity Communications Director for Africa - Caroline Nyamamu**



### Stanbic Bank Uganda Invests UGX 3B in Corporate Social Investments

In 2024, Stanbic Bank Uganda invested UGX 3 billion in Corporate Social Investments (CSI), reinforcing its commitment to the well-being of Ugandans

through education, maternal health, and environmental sustainability. These initiatives are not just a testament to the bank's corporate responsibility

but also part of its ongoing mission to drive Uganda's growth and prosperity.



*Bless a child foundation - The Stanbic Business Incubator along with SBG Securities and the Operations team visited the Bless a Child Foundation Uganda, an NGO supporting children with cancer. Each year, the centre receives 1,700 cancer patients, 40% of which are children.*

### Empowering Youth through Stanbic National Schools Championship

The Stanbic National Schools Championship, launched in 2014, has become a cornerstone of the bank's educational initiatives. The 2024 edition, under the theme "Powering Innovation for Job Creation", attracted over 60,000 students from more than 100 secondary schools. The championship fosters innovation and entrepreneurship, providing students with the opportunity to pitch business ideas to investors and mentors.

In 2024, the program saw a significant expansion, with 258 schools applying up from 100 in 2023. The initiative has now impacted over 480,000 learners and educators. One remarkable story came from Abia Seed S.S. in Alebtong District, whose students developed a security alarm system that they sold to their school and the local community. Additionally, St. Joseph's High School Namagunga created the Alpha 3 Lawn Mower Machine, a solar-powered, eco-friendly device, earning seed capital to refine the product.



### Driving Partnerships to Improve Maternal Health

Stanbic Bank Uganda’s maternal health initiatives are designed to reduce preventable maternal and neonatal deaths in Uganda, which remain alarmingly high. In 2024, the bank invested UGX 500 million to support safe motherhood initiatives. This included the donation of essential maternal equipment to Bwindi Health Centre III, a facility serving 45 mothers monthly. The centre, previously constrained by inadequate resources, now benefits from the donated

equipment, improving care for expectant mothers.

Stanbic Bank Uganda also extended its support to 25 additional health facilities, contributing to the reduction of maternal and neonatal mortality rates. These efforts align with the bank’s broader vision of contributing to Uganda’s National Development Plan and global health objectives.



**Kawala health centre - The Metro Regional Team at Kawala Health Centre IV where items were donated to enhance healthcare services and improve safe motherhood.**

### Together for Mama: A Community-Driven Campaign

In August 2024, Stanbic Bank Uganda partnered with the Ministry of Health to launch the Together for Mama Fun Race, aimed at raising funds for maternal health services. This event was part of the 4th National Safe Motherhood Conference, where the Permanent Secretary of the Ministry of Health, Dr. Diana Atwine, announced a significant reduction in maternal mortality rates from 189 to 90 per 100,000 live births. The success of this campaign demonstrates the power of community engagement in improving health outcomes.

Cathy Adengo, Stanbic Bank Uganda’s Head of Sustainability, emphasized the bank’s

dedication: “Our CSI initiatives aim to make a meaningful impact across Uganda. By focusing on education, health, and environmental sustainability, we are helping build a stronger and more resilient nation.”

The results of Stanbic Bank Uganda’s CSI investments are evident in the lives transformed and the communities uplifted. In 2024, the bank’s programs contributed to the economic empowerment of Ugandans, improved healthcare, and supported future leaders through educational initiatives.

Sam Mwogeza, Executive Director and Head of Private and Personal

Banking, added: “Our investments in these programmes reflect our commitment to the growth of Uganda. As a leading bank, we strive to make a positive and lasting difference in the communities we serve.”

With an investment of UGX 3 billion in 2024, Stanbic Bank Uganda continues to demonstrate its dedication to the country’s growth. By focusing on education, maternal health, and sustainable development, the bank is making a tangible difference in the lives of Ugandans, reinforcing its role as a catalyst for positive change in the nation.



**Tuku health centre - The Northern team at Terego District’s Tuku Health Centre IV. In celebration of October’s love month initiatives, the team ventured out to donate essential medical equipment equating to UGX 25M.**





**UGAFODE extends financial services to refugees and earns international recognition**

In August 2024, UGAFODE expanded its reach in the area of refugee financing by opening up a Sales and Customer Service Centre in Kyangwali Refugee Settlement in Kikuube district. This was the third outlet set up by UGAFODE to serve refugees and host communities, having started with a branch in Nakivale Refugee Settlement in Isingiro district in March 2020, the first of its kind in Uganda. This made UGAFODE a pioneer in financial inclusion for refugees in Uganda. The institution also opened up a sales and customer service centre in Rubondo also in Isingiro district in 2023.

UGAFODE was internationally recognised for its work in the area of refugee financing and it was a semi finalist at the European Microfinance Awards 2024, which were held under the theme, **“Advancing Financial Inclusion for Refugees and Forcibly Displaced People”**.

In addition to providing refugees with financial services, UGAFODE also carried out financial literacy training to build the refugees’ capacity in entrepreneurship, digital financing and business development skills to enable them achieve greater resilience and self-reliance to improve their livelihoods.

In 2025, UGAFODE will continue to extend services to refugees and plans are underway to expand into Kyaka II and Rwamwanja Settlements.



**UGAFODE opened a sales and customer service centre in Kyangwali Refugee Settlement in Kikuube district in August 2024**



**UGAFODE management and staff plus stakeholders cutting the cake at the launch of the Sales and Customer Service Centre in Kyangwali**

## UGAFODE honoured for excellence in Corporate Governance

UGAFODE Microfinance Limited (MDI) was the second runner-up in the microfinance category at the third Corporate Governance Awards organized by the Institute of Corporate Governance Uganda on October 18, 2024. The awards were held under the theme, “Recognizing Resilience and Sustainable Impact”.

The prestigious recognition paid homage to UGAFODE’s unwavering commitment to upholding high standards of corporate governance and its dedication to integrity, transparency and accountability, in addition to affirming UGAFODE’s position as a trusted and well-governed institution dedicated to serving its clients and stakeholders with integrity.

UGAFODE prides itself on having a strong, cohesive and independent-minded Board that relentlessly pursues excellence and has been instrumental in directing the institution in navigating the evolving financial landscape. The board members’ expertise and adaptability have enabled the institution to capitalize on opportunities, such as green financing, which have protected it against shocks.

The Board is committed to continuous improvement of the institution as it enhances the governance framework by integrating innovative practices that promote transparency and accountability, which have maintained UGAFODE as a leader in the microfinance sector.



**UGAFODE’s Company Secretary Christine Imong (second right) and Senior Legal Officer Rachel Namuddu receiving a plaque from the CEO of the Institute of Corporate Governance, Dison Okumu**



**In July 2024, UGAFODE bid farewell to former Board Chairperson Prof. Ben Kiregyera (right) who retired after serving for 12 years. Handing over the certificate is the institution’s current Board Chairperson Ruth Doreen Mutebe Nseko**

# Section 6

## **BANKING INDUSTRY IN THE MEDIA**

# BUSINESS VISION

MARKET NEWS...STOCKS...TENDERS...PERSONAL FINANCE



## ANNUAL BANKERS CONFERENCE 2024

INTERVIEW

JOB MARKET

INVESTMENT

### ESG RULES: WHAT THEY MEAN FOR BANKS, CUSTOMERS

ESG is a set of considerations including environmental, social and governance factors that are used to evaluate the ethical and financial performance of a company. ESG is becoming an increasingly important factor for investors, regulators and consumers alike. Banks are being held to account for their ESG performance, and this is having a significant impact on their operations and the way they interact with their customers.

ESG is a set of considerations including environmental, social and governance factors that are used to evaluate the ethical and financial performance of a company. ESG is becoming an increasingly important factor for investors, regulators and consumers alike. Banks are being held to account for their ESG performance, and this is having a significant impact on their operations and the way they interact with their customers.

## CHANGING CLIMATE ALREADY AFFECTING ECONOMIES

### Debit and credit cards

Debit and credit cards are becoming increasingly popular in Uganda, with a significant increase in usage over the past few years. This is driven by the convenience and security they offer, as well as the growing digital economy. However, the rise of digital payments has also led to an increase in fraud, particularly in the case of debit cards. Banks are therefore implementing new measures to protect their customers' funds and ensure the integrity of their payment systems.

### REGULATORY CHALLENGES

The regulatory environment for banks in Uganda is becoming increasingly complex, with a focus on strengthening consumer protection and financial stability. Regulators are implementing new rules and standards to ensure that banks are operating in a transparent and accountable manner. This is a challenge for banks, as they need to invest in new technology and processes to comply with these requirements.

### WESTERN AND EASTERN AFRICA COULD SEE UP TO ABOUT 15% OF THEIR GROSS DOMESTIC PRODUCT BY 2050 - AFRICA DEVELOPMENT BANK

The Africa Development Bank (AfDB) has released a report that warns of a significant economic decline in Western and Eastern Africa by 2050. The report estimates that these regions could lose up to about 15% of their gross domestic product (GDP) due to the impacts of climate change. This is a stark warning that highlights the urgent need for action to address the challenges posed by a changing climate.

This is an edited version of remarks made by the Bank of Uganda Deputy Governor, Dr Michael Atingi-Ego, at the second Financial Fraud Forum on July 24 in Kampala

## Why knowing customer, employee is important to prevent fraud in banks

**DR MICHAEL ATINGI-EGO**

As we all know, the financial sector is the engine that drives the economy by mobilising savings domestically or facilitating access to foreign savings, intermediating the funds to those that require credit, supporting people and businesses to manage risks, and transferring monetary value between economic agents by use of the payments system to support economic activity. In addition, the transmission and effectiveness of monetary policy depend, in part, on the depth and stability of the financial system.

Financial fraud threatens the very foundation of the financial system and the aforementioned roles. First, people's loss of their hard-earned savings on account of fraud makes them lose faith or trust in the financial sector as a safe custodian of their funds or the payments system as the means of choice in transferring monetary value, which impedes the savings mobilisation role of the industry and ultimately undermines our financial inclusion agenda.

Second, fraud threatens the continuity of individual financial institutions or service providers as going concerns, as it could erode their capital due to provisions for non-performing assets that could be a result of loan fraud.

Relatedly, fraud also has implications for financial stability at a macro-prudential level.

Third, the reputation and integrity of our financial system is undermined by fraud

and our economy's attractiveness as an investment destination is thus affected. Financial fraud is multifaceted and happens on account of many factors. I want to summarise them into three dimensions. The first is the moral angle where greed drives some actors to engage in fraudulent activities, and this moral question could be related to the lack of severe deterrents in terms of sanctions of errant economic agents.

The second is the fraudsters exploiting the occasional human failures of those charged with running the payments systems, their foundational information technology systems and the financial institutions.

The third angle I look at is the regulatory arbitrage where one exploits loopholes in our legal and regulatory framework.

Having looked at the probable sources of fraud and its effect on the economy, the question that automatically comes to mind is what we can do as players in the financial system and, indeed, the

wider economy to minimise the probability of fraud. The response lies in the three KY Principles attributed to the former deputy governor of the Reserve Bank of India, R. Gandhi. That is, know your customer, know your employee and know your partner.

Often, we design processes and safeguards to mitigate fraud with a view of the threat being external. Unfortunately, as we have observed, the insiders may be the source of the fraud.

This human aspect is also crucial because fraudsters and cyber attackers now target legitimate customers or service consumers and manipulate them to access otherwise fortified systems in financial institutions or payment platforms.

Clearly, all the three KYs speak to the need to deal with information asymmetry in all our processes and decision-making as financial services providers. It implies that beyond robust systems, multiple complementary models that bolster our information gathering about all the players and sharing it to support real-time detection, swift deterrence, and consequence management are pivotal in fighting fraud.

All these call for collaboration among all the stakeholders across the industry and the Government because, according to Travis Tygart, "Prevention and education are



The writer is the Deputy Governor, Bank of Uganda

## APPROACH TO ADD TECHNOLOGICAL, REGULATORY MEASURES COLLABORATION CRUCIAL IN EFFECTIVE FRAUD PREVENTION, SAY EXPERTS

By Simon Okiteta and Evelyn Kabanywa

Experts have recommended the urgent need to integrate human factors into fraud prevention strategies in a bid to curb the rampant problem.

This was the focal point of discussion during the 2nd Financial Fraud Forum 2024, held at the Marriott Hotel in Kampala recently.

The forum was organised by the Uganda Bankers' Association, Bank of Uganda, Uganda Communications Commission and VISA, among other partners.

In his address, Atingi-Ego emphasised that "fraud is not only a technical issue, but fundamentally a human one". He stressed that while advancements in technology and regulatory frameworks are important, they are insufficient without addressing the underlying human factors.

"The moral angle where

greed drives some actors and weak deterrents fail to discourage wrongdoing and must be addressed," Atingi-Ego said.

### INTRODUCTION OF PRINCIPALS

The forum introduced the "Three K" principles: Know Your Customers, Know Your Employee, and Know Your Partner, which are key for incorporating human elements into fraud prevention.

This approach aims to complement technological and regulatory measures by fostering a deeper awareness in the industry's behaviour, influencing fraud.

Participants were encouraged to enhance their fraud detection systems while also focusing on continuous employee due diligence and cultivating a culture of integrity.

"Recognising and rewarding integrity, alongside enforcing a zero-tolerance policy for fraud, is crucial for maintaining trust and preventing misconduct,"

### UCC INITIATIVES

Nyombi Thombo, the executive director of Uganda Communications Commission (UCC), emphasised the necessity of collaboration in combating cyber fraud, which has the potential to undermine Uganda's banking and payment services ecosystem.

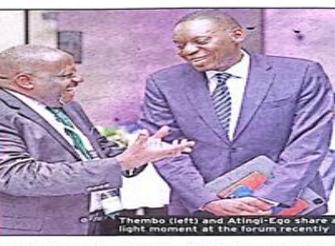
"The exponential growth of digital financial services in Uganda, driven by technological advancements and increased internet access, has made mobile money a cornerstone of our financial ecosystem and a prime target for cyber attacks," he said.

UCC is currently running highlighted initiatives such as digital forensic lab and awareness programmes aimed at raising cybersecurity standards across the sector.

This second series of the financial fraud forum was anchored on the learnings from the first one that was held last year that called for more collaboration among domestic, regional and international anti-fraud stakeholders and agencies.

According to information shared at the previous fraud forum, the most common category by way of volumes was impersonation, identify theft and forgery. Cash suppression stood at 42.4%, digital/cyberpayment related fraud stood at 31.9%, while loan related frauds stood at 25.7%.

Atingi-Ego said, "The nature of fraud and the critical



Nyombi Thombo (left) and Atingi-Ego share a light moment at the forum recently

Bankers' Association, underlined the evolving nature of fraud and the critical

importance of adapting strategies to address these new challenges. "As privileged activities continue to evolve and become more sophisticated, it is important to regularly conduct a risk assessment of our systems and processes," he said.

He also pointed to the inadequacies in current collaborations between financial institutions, law enforcement agencies and international partners.

Thombo, the executive director of Uganda Communications Commission, echoed the urgency of the situation, framing the issue as a collaborative battle against a common enemy that has the capacity to compromise or even bring down our financial systems," Nyombi said.

# BUSINESS VISION

MARKET NEWS...STOCKS...TENDERS...PERSONAL FINANCE

## BANCASSURANCE: HOW BANKS ARE MONETISING TRUST

As Uganda's population becomes younger, services, too, must evolve to meet their needs. **All Twaha** finds out how bankers are adapting to emerging technology and trends to provide a nearly decade-old product – bancassurance



In harnessing additional customer relationships and trust, banks have found bancassurance to be a profitable addition to their service offers

**OPINION**  
IN FINANCIAL MARKETS  
The position is not as bleak as one might think. **PAGE 22**

**FARMING**  
OPPORTUNITIES FOR INSURANCE IN AGRICULTURE  
Farmers insurance policies available to safeguard your investment in farming. **PAGE 22**

**PERSONAL FINANCE**  
**EVERY ANNUUM**  
There's that wealth earned in one generation is not lost by the next. **PAGE 22**

## BANKERS MAP TERRITORY FOR INSURANCE

From page 19

Some approaches to 2024, however, **Kadduabbi Lubega**, the chairperson of the Bancassurance Technical Committee, told **All Twaha** Finance that there are banks to avoid depending, given the many opportunities in the space.

"The bancassurance channel has been great in driving the insurance growth on improved client prospects. Through new and improved products, all of which are leveraging on the digital platform of the banks is simplifying the insurance process," he said.

"I believe we will continue to see many of these across the industry. We must continue to do much more to design and simplify insurance for the Ugandan public," **Abelwa** said.

In 2023, the gross written premium booked through the 19 licensed financial institutions grew by 10% from 44,767.78 in 2022, representing a 10% growth.

**USE CASE, OTHER OPPORTUNITIES**  
Africa's insurance sector has been growing steadily over the past, driven by economic development, a rising middle-class population and increasing awareness of insurance products.

However, the insurance penetration rate (percentage of insurance premium to gross domestic product) in Africa has historically been lower compared to other regions.

Various challenges have limited insurance, hindering regulatory frameworks, limited distribution channels, low financial literacy and low awareness of insurance products.

Some stakeholders promote bancassurance as a way to drive insurance penetration in the region, including insurance companies and other market. The traditional model of off-site insurance, which involves agents, is being replaced by a more digital approach, including mobile-based insurance products.

The banks are sought to provide such digital products for individuals or companies for the current individuals or the corporate businesses.

**LOWER INTEREST RATES**  
Governor **Richard**, the bancassurance manager of 21 Law Bank, said they were having discussions to offer clients lower interest rates when purchasing insurance through the bank for certain projects that need financing.

By considering insurance as a revenue stream, banks have the flexibility to invests project risk and can negotiate lower interest rates with clients as they offset potential losses through alternative channels.

"One of the products we are most interested in is insurance premium financing. You can actually negotiate a 50% on the interest rate if you are getting insurance. There are some ways we can demonstrate to the customer that doing insurance through the bank can add value to you as a company and help you reduce some of the costs," **Richard** said.

**BETWEEN THE LINES**  
In 2023, the gross written premium booked through the 19 licensed financial institutions grew by 10% from 44,767.78 in 2022, representing a 10% growth.

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**Dr Paul Kasemwa**, a multi-faceted expert, said insurance products around things people consume with a variety of financial products to choose from in one location.

"The thing with bancassurance is that people aren't aware of the banks and the relationships that you have. They also understand your financial situation," **Kasemwa** said.

"It's also easier to sign on. There is a unique opportunity for the banks in that space. Most people who need insurance need to be sure that the product is good for them. Bancassurance brings it to a personal touch and it's convenient with the digital platform."

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# Our regulations do not bar banking agents from selling insurance

By **Alhaj Kadduabbi Ibrahim Lubega**

Reference is made to a story that ran recently in one of the daily newspapers titled **Insurers engage banks to expand insurance access**.

The story quotes the former DTB bank managing director, **Varghese Thambi**, saying the current regulations should be amended to facilitate the delivery of insurance services directly to the grassroots customers using the banking agents channel.

He is quoted to have noted that with 65,000 banking agents spread countrywide, they are potential distribution points for bancassurance products.

I would like to clarify that the Insurance Regulatory Authority of Uganda (IRA)'s regulations do not bar banking agents from selling insurance, but instead facilitate them to do so.

According to the IRA guidelines on eligibility and approval of specified agents passed in 2020, bank agents can solicit and procure insurance business on behalf of the bancassurance agent.

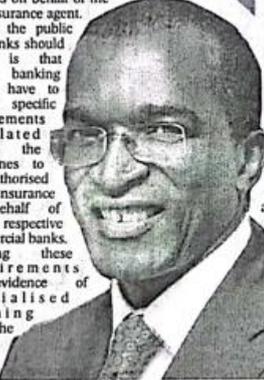
What the public and banks should know is that the banking agents have to fulfil specific requirements stipulated in the guidelines to be authorised to sell insurance on behalf of their respective commercial banks.

Among these requirements is evidence of specialised training from the Insurance Training College (ITC). We require anyone selling insurance to at least have a minimum of a Certificate of Proficiency (COP) in insurance. This is intended to ensure that anyone selling insurance has adequate knowledge about the service they are selling so as not to mislead.

Additionally, as stipulated in Regulation 9 of the Insurance (Bancassurance) Regulations No.40, 2017, the person to act as an agent for a bancassurance agent should not be a director of any insurer or an agent of any insurer.

There is no way IRA would refuse to authorise any agent that meets the above requirements to sell insurance. Our target is actually to have more agents sell insurance so as to take insurance services closer to the people.

The writer is the chief executive officer, Insurance Regulatory Authority of Uganda



# HACKERS HIT 16 GOVT AGENCIES, BANKS

A security breach at a bank in Kampala, Uganda, which affected approximately 100,000 customers, was reported on 14/12/2023. The breach was attributed to a group of hackers who accessed the bank's internal systems and stole sensitive data, including customer names, addresses, and account numbers. The bank's IT department is currently investigating the breach and has implemented measures to prevent further attacks.

**UNTIL FILES PUBLICATION**

A mobile phone with the locked screen on the left side of the image. The screen displays the text "UNTIL FILES PUBLICATION". The phone is held by a person whose hands are visible at the bottom of the frame.

**Tips to fend off hackers**

- **Use strong passwords:** Create unique, complex passwords for all accounts and change them regularly.
- **Enable two-factor authentication:** Add an extra layer of security to your accounts.
- **Keep software updated:** Regularly update your operating system, applications, and mobile devices.
- **Be cautious of phishing emails:** Do not click on suspicious links or download attachments from unknown sources.
- **Use secure networks:** Avoid using public Wi-Fi for sensitive transactions.
- **Limit app permissions:** Review and restrict the permissions granted to mobile applications.
- **Use security software:** Install and update antivirus and anti-malware software on your devices.
- **Be wary of social media:** Avoid sharing sensitive information on social media platforms.
- **Use a VPN:** Consider using a Virtual Private Network (VPN) when using public networks.
- **Secure your mobile device:** Lock your phone and enable remote wipe capabilities.
- **Use a secure email provider:** Consider using a secure email service for sensitive communications.
- **Be cautious of USB drives:** Do not use unknown USB drives and avoid connecting to public charging stations.
- **Use a secure browser:** Consider using a secure browser like Brave or Firefox.
- **Use a secure search engine:** Consider using a secure search engine like DuckDuckGo.
- **Use a secure VPN:** Consider using a secure VPN service like NordVPN or ExpressVPN.
- **Use a secure email provider:** Consider using a secure email service like ProtonMail or Tutanota.
- **Use a secure search engine:** Consider using a secure search engine like DuckDuckGo.
- **Use a secure VPN:** Consider using a secure VPN service like NordVPN or ExpressVPN.

Security breaches in Kampala, Uganda, have become a recurring theme for several years. In 2023, a major breach at a bank affected approximately 100,000 customers, leading to the theft of sensitive data. This was followed by another breach at a government agency, which exposed the names and addresses of thousands of citizens. These incidents have raised concerns about the security of digital infrastructure in Uganda and the need for stronger cybersecurity measures.

**BETWEEN THE LINES**

The Finance Ministry last week reported that the country's foreign exchange reserves had increased by 10% in the first quarter of 2024. This is a significant achievement, given the challenges faced by the country's economy. The increase is attributed to a combination of factors, including a strong performance in the export sector and a reduction in foreign debt repayments.

**THE UGANDA MARKET**

The Uganda market is showing signs of recovery after a period of volatility. The stock market has gained momentum, and there is a renewed interest in the country's economic prospects. This is largely due to the government's efforts to improve the business environment and attract foreign investment. However, challenges remain, particularly in the areas of infrastructure and regulatory reform.

**THE UGANDA MARKET**

The Uganda market is showing signs of recovery after a period of volatility. The stock market has gained momentum, and there is a renewed interest in the country's economic prospects. This is largely due to the government's efforts to improve the business environment and attract foreign investment. However, challenges remain, particularly in the areas of infrastructure and regulatory reform.

# Uganda drafts financial Bill

Uganda is still plagued by the low capacity of local investors characterised by pension assets per capita of only about \$125 (Shs482,735).



## BANKING SECTOR

**Capital requirements**

The Ugandan banking system remains robust, supported by a strong regulatory framework. The Central Bank of Uganda (CBU) has implemented stringent capital requirements to ensure the stability and soundness of the banking sector. These requirements include higher levels of capital adequacy and improved risk management practices. The CBU has also introduced measures to enhance the transparency and accountability of financial institutions.

# BANK DEPOSITS ARE CURRENTLY PROTECTED UP TO SH10M

## GOVT HINTS AT DEPOSIT PROTECTION LIMIT REVIEW

**By Ali Twaha**

The Government is considering a review of the deposit protection limit, to encourage the adoption of formal financial services and maintain stability, finance minister Maria Kasajja said. In a speech to members of the Africa Regional Committee of the International Association of Deposit Insurers (IADI) in Kampala, Kasajja noted the global financial ecosystem's volatility and dynamism, indicating the Government's awareness of the need for adaptability. "It is comforting to note that at the current protected limit of sh10m, up to 98% of the less sophisticated depositors, are fully covered. We review this limit every five years and we shall be undertaking the review this year," Kasajja said. "Ensuring financial stability is, therefore, a key factor to motivate the uptake of



## BETWEEN THE LINES

**Regulated bank deposits are currently protected up to sh10m per depositor per supervised contributing institution, a limit reviewed from sh3m in 2019.**

formal financial engagement, especially among the less sophisticated depositors." Kasajja's comments follow the recent closure of two lenders, EFC Uganda and Mercantile Credit Bank Limited, due to undercapitalisation and poor governance issues. He spoke at the Africa Regional Committee (ARC) conference and Annual General Meeting, themed *Ensuring Financial Stability and Protecting Depositors in a Dynamic Financial Ecosystem*. The conference brought together experts from African member countries with deposit insurance entities. IADI, formed in 2002, has 95 members and eight regional committees, including the ARC. Attendees included Bello Hassan, the vice-chairperson and CEO of Nigeria Deposit Insurance Corporation; Pearl Esua-Mensah, the publicity secretary and CEO of Ghana Deposit Protection Corporation and Hellen Chepkwony, the deputy general secretary and CEO of Kenya Deposit Insurance Corporation. Others in attendance were Mohammed Maharawi, the head of banking resolution and intervention from Morocco and Olivier Ngenzi, the general

secretary and manager of Rwanda's National Bank of Deposit Guarantee Fund.

**PROTECTING DEPOSITORS**

In 2016, the Financial Institutions Act 2004 was amended, establishing the Deposit Protection Fund of Uganda (DPF) as a separate legal entity from the Bank of Uganda. Regulated bank deposits are currently protected up to sh10m per depositor per supervised contributing institution, a limit reviewed from sh3m in 2019. "Deposit insurance is not a panacea. It is one tool in a comprehensive toolkit for maintaining financial stability. As your central bank, we remain committed to rigorous supervision and regulation. We conduct regular stress tests to

ensure our banking sector can withstand shocks. We employ risk-based supervision to identify and address potential issues before they escalate," said Michael Atim-Ego, the deputy governor, BOU. "We recognise the protection of depositors extends beyond the insurance threshold. For larger deposits, we have mechanisms in place from purchase and assumption transactions to assisted mergers – to safeguard funds and maintain the integrity of our financial system." Dr Julia Clare Olima Oyet, the CEO of DPF, said deposit insurance is key for protecting vulnerable depositors. She noted that recommendations from member engagements contribute to policy formulation within the IADI and national governments. "It is also widely known that 20 years ago, when a few banks were put under liquidation, depositors took months, if not years to receive their protected deposits. With the creation of the DPF as a legal entity with its own board and staff, this is history," Oyet said. The DPF has compensated the majority of depositors at EFC Uganda and Mercantile Credit Bank Limited with balances of less than sh10m.

## COMMENTARY Nigeria enacts law, takes grassroots approach to entrench open banking

### MONDATO

As several areas of deep reform, none of the central bank's frameworks have begun to be implemented. In fact, the central bank has not even started to develop a regulatory framework for open banking. And though progress has been made, the central bank's approach to open banking is not as comprehensive as it should be. The central bank's approach to open banking is not as comprehensive as it should be. The central bank's approach to open banking is not as comprehensive as it should be.



Through a series of public consultations, the UK's open banking framework begins to take shape. The central bank's approach to open banking is not as comprehensive as it should be. The central bank's approach to open banking is not as comprehensive as it should be. The central bank's approach to open banking is not as comprehensive as it should be.

With growth and good returns for all, we will resolve the challenges that are ahead of us. The central bank's approach to open banking is not as comprehensive as it should be. The central bank's approach to open banking is not as comprehensive as it should be. The central bank's approach to open banking is not as comprehensive as it should be.

## Why financial institutions should integrate ESG criteria to lending

### MONDATO

Environmental, Social, and Governance (ESG) factors have become crucial for businesses globally. Financial institutions in Uganda, incorporating ESG principles is not just about compliance or ethics but a strategic move that fosters sustainable growth and competitive advantage. Integrating ESG criteria into lending significantly enhances risk management and contributes to financial stability.

Uganda faces environmental challenges like climate change and biodiversity loss. Including environmental assessments in the lending process allows institutions to identify and mitigate risks linked to environmental degradation or regulatory changes. Factors like labour practices, community impact, and human rights can affect borrower performance and reputation. By evaluating social criteria, institutions can offer financing projects with potential social benefits and positive community impacts, reducing reputational risks.



Companies with strong ESG performance may benefit from lower borrowing costs due to reduced risk profiles. Financial institutions integrating ESG considerations can offer favourable terms to borrowers who demonstrate strong environmental and social performance, encouraging responsible practices and enhancing the institution's own ESG profile. Financial institutions that integrate ESG into lending practices can boost their reputation and attract investment.

Investor preferences: There is growing demand from investors for ESG-compliant assets. By aligning lending practices with ESG criteria, Ugandan financial institutions can appeal to this investor base, accessing a broader pool of capital.

Embedding ESG factors in lending decisions improves credit assessments and investment quality. Projects adhering to strong ESG standards are better positioned for long-term success, with more sustainable practices leading to lower operational risks and potentially higher returns. Focusing on ESG criteria enhances the quality of loan portfolios and supports projects with better growth prospects.

Market positioning: Emphasizing ESG factors positions financial institutions as leaders in sustainability and responsible lending. This reputation attracts clients and investors who prioritize ethical and sustainable business practices.

Integrating ESG criteria into lending supports broader socioeconomic and environmental goals. ESG-focused lending aligns with the United Nations Sustainable Development Goals (SDGs), promoting economic growth, social equity, and environmental stewardship. By financing projects contributing to these goals, financial institutions play a pivotal role in national and global sustainability efforts.

Lending to projects with positive social and environmental impacts leads to broader community benefits, such as improved infrastructure, job creation, and environmental conservation. This enhances the social value of the institution's portfolio and contributes to the well-being of local communities.

Adopting ESG criteria in lending helps financial institutions navigate an evolving regulatory landscape and future-proof their operations. As global and local regulations increasingly focus on ESG disclosures and practices, integrating these criteria into lending helps institutions stay compliant and avoid legal challenges.

The Bank of Uganda has introduced a framework encouraging financial institutions to be compliant. ESG integration prepares financial institutions for future market and regulatory changes, making them more adaptable and resilient to emerging trends and challenges.

For financial institutions in Uganda, integrating ESG criteria into lending processes is a strategic move that enhances risk management, investment quality, and reputation. By focusing on environmental, social, and governance factors, these institutions can improve financial stability, attract investment, and contribute to sustainable development. As global emphasis on ESG grows, integrating these principles into lending practices will not only align with international trends but also support long-term success and resilience in Uganda's financial landscape.

Therefore, ESG policies or reports should be mandatory for loan applicants, and banks should ensure that all suppliers and contractors have ESG policies in place.

Fredrick T. Muvumba, Team Lead - ESG and Business Transition at Envirocare Consulting Uganda

## 22,000 national IDs in wrong hands

By Ivan Tscheni

The National Identification and Registration Authority (NIRA) has revealed that about 11,000 people are in possession of more than one national identification card. This means that about 22,000 national identification cards are in the wrong hands.

**DOUBLE REGISTRATION**  
According to Rosemary Kasembe, the executive director of NIRA, a thorough check through the database reveals a total of 27 million registered Ugandans indicated that a sizable section wrongly attempted to do double registration.

Kasembe noted that much as there would have been some missing gaps where people had been given two identity cards mistakenly, there is a section of people who, for illegal unknown reasons, fought their way through to acquire more than one card.

The act, however, according to the NIRA boss, is illegal, and the law would take its course should the registration body land on the culprits.

"Our only problem is that we are still running after those people. We shall subject them to the law, should we be lucky enough to arrest them," Kasembe said.

She implored stakeholders to join the hunt for the culprits, noting that it is the only way the country can collectively fight the vice.

Kasembe explained that the people holding more than one national ID approach several organisations, such as hospitals, schools, and banks, therefore, asking such agencies to support NIRA in hunting down culprits.

"As the registration authority, we may not have all it takes to get those people, but we very well know that you transact business with such elements on a daily basis. Please help us get those culprits," she said.

**BETWEEN THE LINES**  
"There is a section of people who, for illegal unknown reasons, fought their way through to acquire more than one card."

Kasembe made the remarks while she presided over the NIRA's first-ever engagement conference on marriage registration at the Public Procurement and Disposal of Public Assets Authority (PDDA) auditorium on Tuesday in Kampala.

However, according to Act 4, section 53 of the registration of persons, a person who willfully gives any false information or particulars for the purpose of registration is liable to a fine not exceeding 12 currency points or to a term of imprisonment not exceeding six months.

## CIVIL WEDDING

During the same event, Kasembe presided over the first-ever NIRA civil wedding of Fortunata Nwabwemba. It was the first wedding to be presided over by NIRA since marriage registration functions were transferred to the registration body from Uganda Registration Services Bureau (URSB).

In April this year, Parliament passed and considered the government Bill that sought to nationalise some services. This was through the Registration of Persons Amendment Bill, 2024, that saw the transfer of civil registration services from URSB to NIRA.

The august House, however, amended Clause 1 and Clause 4 of the Bill that empowered NIRA with the mandate of registering the guardianship.

This was part of the government's rationalisation plan of its agencies, a process that aims at eliminating redundancy in government operations and allow it (the Government) to focus on its most important functions.

Therefore, the inaugural civil wedding was organised to ceremoniously launch full operation of NIRA in that same area.

Speaking about the wedding, Vincent Katuzi, the commissioner in charge of civil registration in NIRA, congratulated the couple and implored others to emulate married couples, saying the move would help them escape scammers who he said are flooding social media.

Katuzi said there has been an incident where people wed with their partners' photographs, but end up being denied at the end. He said proxy marriages do not allow one to sign any document, noting that it makes it easy for them to deny having consented to the affair.

"In this mode of wedding, we require both partners to be physically present. We know this is what the local cultures and religious sects agree on," the commissioner in charge of civil registration in NIRA said.

**STAKEHOLDERS WEIGH IN**  
Pastor Joseph Ssewadda, the presiding apostle of the Born-Again Churches, said there were people trying to 'gamble' with the marriage Bill before it is passed. He said the Bill refers to Christian marriage as church marriage, something he said would depict the entire essence.

Fredrick Ssemwanga, the legal officer of the Uganda Episcopal Conference, called on all religious sects to embrace the ongoing transition process where some functions are being transferred to NIRA.



NIRA staff led by Kasembe (third-right) handing over a gift to Nwabwemba (right) and his wife Fortunata (second-right) during their civil wedding ceremony that was conducted by NIRA during the marriage registration dialogue in Kampala on Tuesday. (Left in the picture is the 'Virtual Digital' Experience to watch in real time)

after the death of the male spouse due to lack of these registrations," Katuzi said.

He warned the public against being lured into acts of proxy marriages, noting that the move would help them escape scammers who he said are flooding social media.

Katuzi said there has been an incident where people wed with their partners' photographs, but end up being denied at the end. He said proxy marriages do not allow one to sign any document, noting that it makes it easy for them to deny having consented to the affair.

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# Section 7

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS FOR THE YEAR ENDED  
DECEMBER 31, 2024**



## Organisation Information

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|  |   |
|--|---|
| <b>Country of incorporation and domicile</b>       | Uganda  |
| <b>Nature of business and principal activities</b> | Protect, represent and develop the professional business interest of its members  |
| <b>Registered office</b>                           | Plot 2702, Nyangweso Road<br>PO Box 8002<br>Kampala, Uganda   |
| <b>Bankers</b>                                     | Bank of Baroda (Uganda) Limited<br>PO Box 7197<br>Kampala, Uganda<br><br>ABSA Bank Uganda Limited<br>PO Box 2971<br>Kampala, Uganda<br><br>United Bank For Africa (Uganda) Limited<br>PO Box 7396<br>Kampala, Uganda<br><br>NCBA Bank Uganda Limited<br>PO Box 28707<br>Kampala, Uganda |
| <b>Independent auditor</b>                         | Grant Thornton<br>Certified Public Accountants<br>PO Box 7158<br>Kampala, Uganda  |
| <b>Secretary</b>                                   | Wilbrod Humphrey Owor<br>PO Box 8002<br>Kampala, Uganda   |
| <b>Tax identification number</b>                   | 1000467303  |

## Executive Committee Report

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### 1. Background

Uganda Bankers' Association (UBA) was founded in 1981, UBA is an umbrella organization for financial institutions licensed and supervised by the Bank of Uganda. UBA was established in 1981 and is currently made up of 34 members comprising 22 Commercial Banks, 3 development banks (Uganda Development Bank, Afreximbank and East African Development Bank), and 9 Associate Members comprising Tier 2 & Tier 3 Financial institutions.

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.

### 2. Introduction

The Executive Committee has the pleasure in submitting their report on the financial statements of Uganda Bankers' Association ("the Association") for the year ended December 31, 2024, which discloses the state of affairs of the Association.

### 3. Principal activity

To protect, represent and develop the professional business interest of its members.

### 4. Vision

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

### 5. Mission

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

### 6. Values

- a) Integrity
- b) Transparency
- c) Professionalism
- d) Good Governance
- e) Teamwork
- f) Service Excellence

### 7. Mandate

a) Develop and maintain a code of ethics and best banking practices among its members.

b) To encourage and 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 and finance, in collaboration with other agencies (local, regional, international including academia) and research networks to generate new and original policy insights.

c) To develop and deliver advocacy strategies to influence relevant stakeholders and achieve policy changes at the industry and national levels.

d) To work closely with the regulator Bank of Uganda (BOU) and other non-bank financial institutions & organizations in promoting financial sector growth, through training, development of products, technologies, and initiatives to promote financial sector growth.

e) To promote and represent the professional interests of its members.

### 8. Review of financial results

The financial statements have been prepared on going concern basis in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2012. The accounting policies have been applied consistently to all the periods presented in the accompanying financial statements.



## Executive Committee Report

### 9. Results for the year

The Association results for the year ended December 31, 2024, are set out on page 115.

### 10. Members of the Executive Committee

The executive Committee members who held office during the year and to the date of this report were:

| Name                        | Role Organisation                            | Designation                         |
|-----------------------------|--|-------------------------------------|
| Ms. Sarah Arapta            | CEO, Citibank Uganda Limited                 | Chairperson (up to May 2024)        |
| Mr. Julius Kakeeto          | CEO, Postbank Uganda Limited                 | Chairperson (from May 2024)         |
| Mr. Shashi Dhar             | CEO, Bank of Baroda (Uganda) Limited         | Committee Member                    |
| Mr. Edgar Igumira Byamah    | CEO, KCB Bank Uganda Limited                 | Committee Member                    |
| Mr. Wilbrod Humphreys Owor  | ED, Uganda Bankers' Association              | Executive Director                  |
| Mr. James Onyutta Onencan   | CEO, FINCA Uganda Limited (MDI)              | Committee Member (up to May 2024)   |
| Ms. Chioma Agwu Mang        | CEO, United Bank For Africa (Uganda) Limited | Committee Member (up to May 2024)   |
| Mr. Michael Mugabi          | CEO, Housing Finance Bank Limited            | Committee Member (from to May 2024) |
| Mr. Mumba Kalifungwa        | CEO, Stanbic Bank Uganda Limited             | Committee Member (from to May 2024) |
| Mr. Byamah Igumira Edgar    | MD, KCB Bank Uganda Limited                  | Committee Member (from to May 2024) |
| Mr. Sanjay Rughani          | CEO, Standard Chartered Bank Uganda Limited  | Committee Member (from to May 2024) |
| Ms. Patricia Adong Ojangole | CEO, Uganda Development Bank Limited         | Committee Member (from to May 2024) |
| Mr. Shafi Nambobi           | CEO, UGAFODE Microfinance Limited (MDI)      | Committee Member (from to May 2024) |

### 11. Attendance of Executive Committee meetings

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

| No | Old Executive Committee  | Designation      | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | No of meetings attended |
|----|--------------------------|------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------------------------|
| 1  | Ms. Sarah Arapta         | Chairperson      | Y   | NM  | Y   | NM  | N   | -   | -   | -   | -   | -   | -   | -   | 2                       |
| 2  | Mr. Julius Kakeeto       | Vice-chairperson | Y   | NM  | Y   | NM  | Y   | -   | -   | -   | -   | -   | -   | -   | 3                       |
| 3  | Mr. Shashi Dhar          | Hon. Auditor     | Y   | NM  | Y   | NM  | Y   | -   | -   | -   | -   | -   | -   | -   | 3                       |
| 4  | Mr. Byamah Igumira Edgar | Committee Member | Y   | NM  | Y   | NM  | N   | -   | -   | -   | -   | -   | -   | -   | 2                       |
| 5  | Wilbrod Humphreys Owor   | Secretary        | Y   | NM  | Y   | NM  | Y   | -   | -   | -   | -   | -   | -   | -   | 3                       |
| 6  | Onyutta OnencanJames     | Committee Member | Y   | NM  | Y   | NM  | Y   | -   | -   | -   | -   | -   | -   | -   | 3                       |
| 7  | Chioma Mang Agwu         | Committee Member | Y   | NM  | Y   | NM  | Y   | -   | -   | -   | -   | -   | -   | -   | 2                       |

| No | New Executive Committee     | Designation      | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | No of meetings attended |
|----|-----------------------------|------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------------------------|
| 1  | Mr. Julius Kakeeto          | Chairperson      | -   | -   | -   | -   | -   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | 7                       |
| 2  | Mr. Michael Mugabi          | Vice-chairperson | -   | -   | -   | -   | -   | N   | Y   | Y   | Y   | Y   | Y   | Y   | 6                       |
| 3  | Mr. MumbaKalifungwa         | Hon. Auditor     | -   | -   | -   | -   | -   | N   | Y   | Y   | Y   | N   | Y   | Y   | 4                       |
| 4  | Mr. Byamah Igumira Edgar    | Hon. Treasurer   | -   | -   | -   | -   | -   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | 7                       |
| 5  | Mr. Sanjay Rughani          | Committee Member | -   | -   | -   | -   | -   | N   | Y   | N   | Y   | Y   | Y   | Y   | 5                       |
| 6  | Ms. Patricia Adong Ojangole | Committee Member | -   | -   | -   | -   | -   | Y   | Y   | N   | N   | Y   | Y   | Y   | 5                       |
| 7  | Mr. Shafi Nambobi           | Committee Member | -   | -   | -   | -   | -   | Y   | N   | N   | Y   | N   | Y   | Y   | 4                       |
| 8  | Wilbrod Humphreys Owor      | Secretary        | -   | -   | -   | -   | -   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | 7                       |

#### Key

N - Absent with apology      Y - Attended      NM - No Meeting

## Executive Committee Report

### 12. Stakeholders

|                      |   |                             |  |
|----------------------|---|-----------------------------|--|
| Ministers            | Prime Minister  | Uganda Revenue Authority    | Commissioner General   |
|                      | Finance minister  |                             | Commissioner Domestic taxes                                      |
|                      | Trade Minister  |                             |  |
|                      | Energy Minister   | KCCA                        | Executive Director   |
|                      | Works Minister  |                             | Treasurer  |
|                      | ICT Minister  |                             |  |
| Parliament           | Speaker   | Security agencies           | Inspector General of Police                                      |
|                      | Deputy Speaker  |                             | Deputy/GP  |
|                      | Chairs of Parliamentary Committees (Finance & Budget, Economy, COCASE etc |                             | CID Boss   |
|                      | Vocal Members of Parliament   |                             | ISO Boss   |
|                      | Chief Justice   | Media                       | CEOs New Vision, Member of Red pepper                            |
| Judiciary            | Principal Judge   |                             | CEOs KFM, Capital Radio, Radio One, Sanyu, CBS                   |
|                      | Head of Commercial Court  |                             | CEO, NTV,NBS and UBA   |
|                      | Head of land Division   |                             | Editors in Chief & Business Editors all newspapers               |
|                      | Head of Civil Division  |                             | CEOs/Editors of key magazine, e.g. independent, CEO magazine etc |
|                      | Key registrars  |                             | Specific: news reporters or pressmen                             |
|                      |   |                             | Social Media Contracts + Online news anchors                     |
| Uganda Law Society   | President<br>CEO<br>ULS<br>Cluster members                                | UCC                         | ED   |
|                      |   | UMA                         | Chair &ED, Board members   |
|                      |   | KACITA                      | Chair, CE, spokesman   |
|                      |   | PSFU                        | Chair &ED, Board members   |
| Civil society        | ED Civil Society Budget Action Group (CSBAG)                              | Uganda Investment Authority | Chair, ED, Board Members   |
|                      | ED Action for Development ACODE   | IRA                         | ED, key Officers   |
|                      | ED NGO Forum  | Ug Insurance ASSOC          | ED   |
| FIA                  | ED & Deputy ED  | URSB                        | ED, Director Legal   |
|                      |   | NIRA                        | ED, Heads of Dept  |
| Pension Sector       | CEO UBRCA   | CMA                         | ED   |
|                      | CEO NSSF  |                             |  |
|                      |   | Professional Bodies         | Managing partners PWC, KPMG, EY, Deloitte                        |
| Development partners | FSDU  |                             | President & CEO, Institute of Certified Public Accountants       |
|                      | IMF   |                             | President Values & surveyors (ISU)                               |
|                      | World Bank  |                             | President Association of Professional Engineers                  |
|                      | European Union  |                             | Association of Contractors                                       |
|                      | USAID   |                             |  |
|                      | UNCDF   |                             |  |
|                      | aBi Finance   |                             |  |
|                      | GIZ   |                             |  |



## Executive Committee Report

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### 13. Membership

Uganda Bankers' Association (UBA) is an umbrella organization for financial institutions licensed and supervised by Bank of Uganda. UBA was established in 1981 and is currently made up of 34 members. All twenty-two licensed Commercial Banks, the three development banks, and nine Tier 2 and Tier 3 Supervised Financial Institutions under the associate membership category.

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

### 14. Statement of disclosure to the Association's auditors

With respect to each member of the Executive Committee on the day that this report is approved:

- There is, so far as the Executive Committee is aware, no relevant audit information of which the association's auditors are unaware; and
- The Executive Committee has taken all the steps that it ought to have taken as a Committee to be aware of any relevant audit information and to establish that the Association's Auditors are aware of that information.

### 15. Events after the reporting period

The Committee members are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 16. Independent auditor

Grant Thornton Certified Public Accountants have expressed their acceptance to be as an auditor of the association in accordance with Section 167(2) of the Companies Act, 2012.

### 17. Secretary

The Association secretary is Wilbrod Humphreys Owor, whose registered office is at Plot 2702, Nyangweso Road, PO Box 8002, Kampala, Uganda.

On behalf of the Executive Committee

*Wilbrod Humphreys Owor*

Secretary



Place of Signature

Financial statements for the year ended December 31, 2024

## Statement of Executive Committee Responsibilities

Section 198 of the Uganda Companies Act, 2012 requires the Executive Committee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association at the end of the financial year and of its operating results for that year. It also requires the Executive Committee to ensure the Association keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Association. They are also responsible for safeguarding the assets of the Association.

The Executive Committee is ultimately responsible for internal control. The Executive Committee delegates responsibility for internal control to management at the secretariat. Standards and systems of internal control are designed, approved, and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify, and maintain accountability of the Association's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates are applied on a consistent and using the going concern basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures, and adequate segregation of duties.

The Executive Committee accepts responsibility for the year's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the manner required by the Ugandan 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 its operating results. The Executive Committee further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the executive committee to indicate that the association will not remain a going concern for at least next twelve months from the date of this statement.

The financial statements set out on pages 115 to 139, which have been prepared on the going concern basis, were approved by the Executive Committee on April 17, 2025 and were signed on its behalf by:

Chairman

Hon. Treasurer

Executive Director

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April 17, 2025  
Kampala, Uganda

## Independent Auditor's Report

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**To the members of Uganda Bankers' Association**

**Report on the audit of the financial statements**

### Opinion

We have audited the financial statements of Uganda Bankers' Association ("the Association") set out on pages 10 to 34, which comprise the statement of financial position as at December 31, 2024, 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 material accounting policies.

In our opinion, the Association's financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2012.

### 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 statement's* section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Uganda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Uganda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other matter

The financial statements of the Association for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on May 7, 2024.

### Other information

Management is responsible for the other information on pages 107 to 111.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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, 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 directors for the financial statements

The executive committee are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2012, and for such internal control as the executive committee determine 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 are 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 have no realistic alternative but to do so.

The directors are responsible for overseeing the Association's financial reporting process.

## Independent Auditor's Report

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### 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 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 judgement and maintain professional scepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 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 Company 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 directors 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.

### Report on other legal and regulatory requirements

As required by the Companies Act, 2012, we report to you, based on our audit that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- (iii) The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CPA Nilesh Patel - P0374.



Nilesh Patel  
P0374



Grant Thornton  
Certified Public Accountants

May 10, 2025

Kampala, Uganda

## Statement of Income and Expenditure

|   | Note | 2024<br>UShs '000 | 2023<br>Restated *<br>UShs '000 |
|---|------|-------------------|---------------------------------|
| <b>Income</b>                                   |      |                   |                                 |
| Annual subscription                             |      | 1,647,566         | 1,575,076                       |
| Special project contribution                    |      | 1,699,955         | 739,592                         |
| Annual bankers' conference                      |      | 272,980           | 249,555                         |
| Other income                                    | 3    | 51,552            | 114,319                         |
|   |      | <b>3,672,053</b>  | <b>2,678,542</b>                |
| <b>Expense</b>                                  |      |                   |                                 |
| Staff expenses                                  | 4    | 1,631,030         | 1,010,240                       |
| Project expenses                                | 5    | 1,343,330         | 629,788                         |
| UBA activities/initiatives                      | 6    | 696,674           | 608,451                         |
| Governance costs                                | 7    | 33,439            | 40,930                          |
| Administration expenses                         | 8    | 204,723           | 379,877                         |
| Finance costs                                   | 9    | 22,277            | 12,094                          |
| Depreciation, amortization, and impairment      | 10   | 758,648           | 78,202                          |
|   |      | <b>4,690,121</b>  | <b>2,759,582</b>                |
| Share of profit from joint ventures, net of tax | 11   | 2,033,559         | 162,300                         |
| <b>Surplus for the year</b>                     |      | <b>1,015,491</b>  | <b>81,260</b>                   |

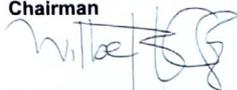
The notes on pages 118 to 139 are an integral part of these financial statements.

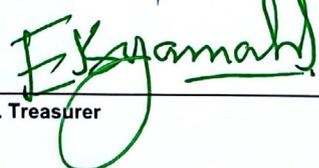
## Statement of Financial Position

|   | Note | 2024<br>US\$ '000 | 2023<br>Restated *<br>US\$ '000 | January 1<br>2023<br>Restated *<br>US\$ '000 |
|---|------|-------------------|---------------------------------|--|
| <b>Assets</b>                               |      |                   |                                 |  |
| <b>Non-Current Assets</b>                   |      |                   |                                 |  |
| Property, equipment and right-of-use assets | 12   | 283,745           | 220,174                         | 121,211                                      |
| Intangible assets                           | 13   | 775               | 8,147                           | 775  |
| Investment in joint ventures                | 14   | 4,015,288         | 2,642,265                       | 2,479,964                                    |
| Investment in government securities         | 15   | 145,281           | -                               | -  |
|   |      | <b>4,445,089</b>  | <b>2,870,586</b>                | <b>2,601,950</b>                             |
| <b>Current Assets</b>                       |      |                   |                                 |  |
| Subscription and other receivables          | 16   | 287,539           | 447,702                         | 252,439                                      |
| Amounts advanced to related parties         | 17   | 392,309           | 434,992                         | 375,853                                      |
| Investment in government securities         | 15   | 123,800           | 131,216                         | 313,729                                      |
| Cash and cash equivalents                   | 18   | 245,038           | 799,134                         | 516,408                                      |
|   |      | <b>1,048,686</b>  | <b>1,813,044</b>                | <b>1,458,429</b>                             |
|   |      | <b>5,493,775</b>  | <b>4,683,630</b>                | <b>4,060,379</b>                             |
| <b>Total Assets</b>                         |      |                   |                                 |  |
| <b>Reserves and Liabilities</b>             |      |                   |                                 |  |
| <b>Reserves</b>                             |      |                   |                                 |  |
| Members' Funds                              | 19   | 5,429,809         | 5,429,809                       | 5,429,809                                    |
| Accumulated reserves                        |      | (1,720,894)       | (2,736,385)                     | (2,817,645)                                  |
|   |      | <b>3,708,915</b>  | <b>2,693,424</b>                | <b>2,612,164</b>                             |
| <b>Liabilities</b>                          |      |                   |                                 |  |
| <b>Non-Current Liabilities</b>              |      |                   |                                 |  |
| Loans from related parties                  | 20   | -                 | 287,409                         | 287,409                                      |
| Lease liabilities                           | 21   | 99,579            | 55,266                          | -  |
| Deferred income                             | 22   | 609,371           | 1,207,740                       | 588,387                                      |
|   |      | <b>708,950</b>    | <b>1,550,415</b>                | <b>875,796</b>                               |
| <b>Current Liabilities</b>                  |      |                   |                                 |  |
| Payables                                    | 23   | 868,322           | 382,999                         | 497,631                                      |
| Lease liabilities                           | 21   | 65,377            | 56,792                          | 17,002                                       |
| Bank overdraft                              | 18   | 142,211           | -                               | 57,786                                       |
|   |      | <b>1,075,910</b>  | <b>439,791</b>                  | <b>572,419</b>                               |
|   |      | <b>1,784,860</b>  | <b>1,990,206</b>                | <b>1,448,215</b>                             |
|   |      | <b>5,493,775</b>  | <b>4,683,630</b>                | <b>4,060,379</b>                             |
| <b>Total Liabilities</b>                    |      |                   |                                 |  |
| <b>Total Funds and Liabilities</b>          |      |                   |                                 |  |

The financial statements on pages 115 to 139, were approved by the board on April 17, 2025 and were signed on its behalf by:

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Executive Director

  
 \_\_\_\_\_  
 Hon. Treasurer

## Statement of Changes in Members' Funds

|  | Members'<br>funds<br>UShs '000 | Accumulated<br>reserves<br>UShs '000 | Total<br>UShs '000 |
|--|--------------------------------|--------------------------------------|--------------------|
| <b>Opening balance as previously reported</b>          | <b>5,429,809</b>               | <b>132,200</b>                       | <b>5,562,009</b>   |
| Prior period error                                     | -                              | (2,949,845)                          | (2,949,845)        |
| <b>Restated* Balance at January 1, 2023 - Restated</b> | <b>5,429,809</b>               | <b>(2,817,645)</b>                   | <b>2,612,164</b>   |
| Surplus for the year - restated                        | -                              | 81,260                               | 81,260             |
| <b>Balance at December 31, 2023 - Restated</b>         | <b>5,429,809</b>               | <b>(2,736,385)</b>                   | <b>2,693,424</b>   |
| Surplus for the year                                   | -                              | 1,015,491                            | 1,015,491          |
| <b>Balance at December 31, 2024</b>                    | <b>5,429,809</b>               | <b>(1,720,894)</b>                   | <b>3,708,915</b>   |
| Note   | 19                             |                                      |                    |

The notes on pages 118 to 139 are an integral part of these financial statements.

## Statement of Cash Flows

|   | 2024               | 2023                    |
|---|--------------------|-------------------------|
| Note  | UShs '000          | Restated *<br>UShs '000 |
| <b>Cash flows from operating activities</b>                     |                    |                         |
| Surplus before taxation   | 1,015,491          | 81,260                  |
| <b>Adjustments for:</b>   |                    |                         |
| Depreciation and amortisation                                   | 90,741             | 78,202                  |
| Interest expense on lease liabilities                           | 12,778             | 7,008                   |
| Lease modification  | (29,265)           | -                       |
| Unrealised forex differences on lease liabilities               | (6,124)            | -                       |
| Impairment of ARC investments                                   | 660,535            | -                       |
| <b>Changes in working capital:</b>                              |                    |                         |
| Subscription and other receivables                              | 160,162            | (195,261)               |
| Amounts advanced to related parties                             | 42,683             | (59,139)                |
| Payables  | 485,324            | (114,632)               |
| <b>Cash generated from / (used in) operations</b>               | <b>2,432,325</b>   | <b>(202,562)</b>        |
| <b>Cash flows from investing activities</b>                     |                    |                         |
| Purchase of property, equipment and right-of-use assets         | (14,639)           | (13,672)                |
| Purchase of intangible asset                                    | -                  | (7,372)                 |
| Movement in investment joint ventures                           | (2,033,474)        | (162,301)               |
| (Investment in) / proceeds from government securities           | (137,949)          | 182,513                 |
| <b>Net cash used in investing activities</b>                    | <b>(2,186,062)</b> | <b>(832)</b>            |
| <b>Cash flows from financing activities</b>                     |                    |                         |
| Deferred income   | (598,369)          | 619,353                 |
| Repayment of shareholders loan                                  | (287,409)          | -                       |
| Payment on lease liabilities                                    | (56,792)           | (75,446)                |
| <b>Net cash (used in) / generated from financing activities</b> | <b>(942,570)</b>   | <b>543,907</b>          |
| <b>Net change in cash and cash equivalents for the year</b>     |                    |                         |
| Cash and cash equivalents at the beginning of the year          | 799,134            | 458,621                 |
| <b>Cash and cash equivalents at end of the year</b>             | <b>102,827</b>     | <b>799,134</b>          |

18

The notes on pages 118 to 139 are an integral part of these financial statements.

## Notes to the Financial Statements

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### Corporate information

The Uganda Bankers' Association (UBA), established in 1981, is the umbrella organization for financial institutions licensed and regulated by the Bank of Uganda. UBA currently comprises 34 members, including 22 commercial banks, 3 development banks - namely, Uganda Development Bank, Afreximbank, and East African Development Bank - and 9 Associate Members made up of Tier 2 and Tier 3 financial institutions.

UBA's core mandate is to promote, protect, represent, and advance the professional and business interests of its members. Additionally, the Association plays a key role in fostering sound and orderly practices within the banking industry, in accordance with the laws and regulations in force in Uganda.

The registered office of the Association is located at Plot 2702, Nyangweso Road, PO Box 8002, Kampala, Uganda.

### 1. Material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below.

#### 1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and with the requirements of the Companies Act, 2012.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Uganda Shillings ("UShs"), which is the Association's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These accounting policies have been applied consistently throughout the current period and in all periods presented.

#### 1.2 Use of significant judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### A. Significant judgements

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

#### Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Association recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### B. Key sources of estimation uncertainty

Information about estimates and assumptions that may have significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

#### Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Association uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Association's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

## Notes to the Financial Statements

### 1.2 Use of significant judgements and key sources of estimation uncertainty (continued)

#### Impairment of non-financial assets

The Association reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

#### Useful lives of property, equipment and right-of-use assets

Management assesses the appropriateness of the useful lives of property, equipment and right-of-use assets at the end of each reporting period. The useful lives of property, equipment and right-of-use assets are determined based on Association replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

#### Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

### 1.3 Property, equipment and right-of-use assets

Property, equipment and right-of-use assets are tangible assets which the association holds for its own use or for rental to others (excluding investment property) and which are expected to be used for more than one year.

An item of property, equipment and right-of-use assets is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Association, and the cost of the item can be measured reliably.

Property, equipment and right-of-use assets is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets, wherever appropriate.

Increases in the carrying amount arising on revaluation are credited to a revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, equipment and right-of-use assets are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the association and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, equipment and right-of-use assets is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount other than land and capital work-in-progress, over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the association. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The method of items of property, equipment and right-of-use assets have been assessed as follows:

| Item                   | Depreciation method | % of depreciation |
|------------------------|---------------------|-------------------|
| Furniture and fixtures | Written down value  | 12.50%            |
| Office equipment       | Straight line       | 12.50%            |
| IT equipment           | Written down value  | 33.33%            |

## Notes to the Financial Statements

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### 1.3 Property, equipment and right-of-use assets (continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, equipment and right-of-use assets with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

An item of property, equipment and right-of-use assets is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, equipment and right-of-use assets, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

### 1.4 Financial instruments

#### Recognition and derecognition

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

#### In the periods presented the Association does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other operating expenses.

#### Subsequent measurement of financial assets

##### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

## Notes to the Financial Statements

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### 1.4 Financial instruments (continued)

#### Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### Financial assets at fair value through other comprehensive income (FVOCI)

The Association accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

#### Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Association first identifying a credit loss event. Instead the Association considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.
- 12-month expected credit losses are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### Subscription and other receivables

The Association makes use of a simplified approach in determining expected credit losses on subscription and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Association uses its historical credit loss experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

#### Write-off

The gross carrying amount of a financial asset is written off when the Association has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Association has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Association expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Association's procedures for recovery of amounts due



## Notes to the Financial Statements

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### 1.4 Financial instruments (continued)

#### Classification and measurement of financial liabilities

The Association's financial liabilities include borrowings and trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Association designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

### 1.5 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

### 1.6 Leases

#### The Association as lessee

The Association considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Association assesses whether the contract meets three key evaluations which are whether:

## Notes to the Financial Statements

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### 1.6 Leases (continued)

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Association
- the Association has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Association has the right to direct the use of the identified asset throughout the period of use. The Association assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

#### Measurement and recognition of leases as a lessee

At lease commencement date, the Association recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Association, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Association depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Association also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Association measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Association's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Association has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included as a separate line item under liabilities.

### 1.7 Impairment of non-financial assets

The carrying amounts of the Association's non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Association's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.



## Notes to the Financial Statements

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### 1.7 Impairment of non-financial assets (continued)

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

### 1.8 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

#### Defined contribution plans

The Association and all its' employees contribute to the National Social Security Fund, which is a defined contribution scheme. A defined contribution plan is a pension plan under which the Association pays a fixed contribution to a separate entity. The Association has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Association's contributions to the defined contribution scheme are charged to the statement of profit or loss and other comprehensive income in the year to which they fall due.

### 1.9 Provisions and contingencies

Provisions are recognised when:

- the Association has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

## Notes to the Financial Statements

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### 1.10 Revenue recognition

Income represents the inflow of economic benefits to the association from various sources, including annual subscriptions from member banks, special project contributions, revenue from the annual bankers' conference, and receipts from non-member funds, including development partners. Income is recognized based on the principles of accrual accounting, and is recorded in the period in which it is earned, provided that the amount can be reliably measured, and it is probable that the economic benefits will flow to the association.

The following types of income are recognized in the financial statements:

**1. Annual subscriptions from member banks:** This income represents the regular annual fees paid by member banks to support the activities and services provided by the association. Subscription income is recognized in the year in which it is received or, if Committed in advance, in the period to which it relates.

**2. Special project contributions:** Contributions from member banks, development partners, or other stakeholders for specific projects or initiatives are recognized when received or when there is a clear commitment from the contributor. If the project or initiative spans more than one reporting period, income is recognized over the period in which the related project activities are carried out.

**3. Revenue from the annual bankers' conference:** Income from the annual bankers' conference, including participant fees, sponsorships, and other related revenues, is recognized in the year the conference occurs. If the event involves advance payments, income is recognized in the period to which the payment pertains.

**4. Non-member fund receipts:** Income received from non-member funds, including contributions from development partners and other external entities, is recognized when the amount can be reliably measured, and it is probable that the economic benefits will flow to the association. These receipts are recorded as income in the year of receipt, or in the year of commitment if there is a binding agreement and it is probable that the conditions for receipt will be met.

### 1.11 Reserves and expenditure

Reserves relate to the accumulated reserves of the prior year and the surplus/deficit for the current year.

Expenditure represents costs incurred during the reporting period in relation to the operation and administration of the association. These costs include, but are not limited to, expenses associated with administration, staff, governance, as well as activities related to the promotion, protection, representation, and development of the members' interests.

The association recognizes expenditures on an accrual basis in the period in which they are incurred, regardless of when the payment is made. This means that costs are recorded when the associated services or benefits are received, or when the liability to pay arises, rather than when cash transactions occur.

### 1.12 Deferred income

The Association recognizes income related to grants, donations, or other forms of income only after the associated expenses or project for which the income was intended has been completed. Deferred income represents funds received by the Association that have not yet been recognized as revenue, as the associated obligations or conditions have not been met.

Income is initially recognized as deferred income in the statement of financial position upon receipt or when there is an unconditional commitment from the funding party. This deferred income is then recognized as revenue in the statement of income and expenses when the related project or expense has been completed, and all criteria for recognition have been satisfied.



## Notes to the Financial Statements

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### 1.13 Investment in associates or joint ventures

The Association's investments in joint ventures are accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost, and the carrying amount is increased or decreased to recognize the Association's share of the profit or loss of the investee after the date of acquisition. The Association's share of the investee's profit or loss is recognized in the Association's profit or loss.

Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Association's proportionate interest in the investee arising from changes in the investee's other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Association's share of those changes is recognized in the investor's other comprehensive income.

The Association assesses at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If such evidence exists, the Association determines the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognizes the loss in the statement of income and expenditure.

Upon disposal of an investment in a joint venture, the difference between the proceeds from disposal and the carrying amount of the investment is recognized as a gain or loss in profit or loss.

## Notes to the Financial Statements

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### 2. New Standards and Interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the association has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

##### **Supplier finance arrangements - amendments to IAS 7 and IFRS 7**

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendment is for years beginning on or after January 1, 2024.

The association has adopted the amendment for the first time in the 2024 financial statements.

The impact of the amendment is not material.

##### **Non-current liabilities with covenants - amendments to IAS 1**

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after January 1, 2024.

The association has adopted the amendment for the first time in the 2024 financial statements.

The impact of the amendment is not material.

##### **Classification of Liabilities as Current or Non-Current - Amendment to IAS 1**

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after January 1, 2024.

The association has adopted the amendment for the first time in the 2024 financial statements.

The impact of the amendment is not material.

## Notes to the Financial Statements

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### 2. New Standards and Interpretations (continued)

#### 2.2 Standards and interpretations not yet effective

The association has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the association's accounting periods beginning on or after January 1, 2025 or later periods:

| Standard/ Interpretation:   | Effective date:<br>Years beginning on or<br>after | Expected impact:                         |
|---|---|--|
| • IFRS 19 Subsidiaries without Public Accountability Disclosures  | January 1, 2027                                   | Unlikely there will be a material impact |
| • IFRS 18 Presentation and Disclosure in Financial Statements   | January 1, 2027                                   | Unlikely there will be a material impact |
| • Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments. | January 1, 2026                                   | Unlikely there will be a material impact |
| • Lack of exchangeability - amendments to IAS 21  | January 1, 2025                                   | Unlikely there will be a material impact |

## Notes to the Financial Statements

|  | 2024<br>UShs '000 | 2023<br>Restated *<br>UShs '000 |
|--|-------------------|---------------------------------|
| <b>3. Other income</b>                                       |                   |                                 |
| Interest from advances to related parties                    | 7,317             | 43,951                          |
| Interest income from bank balances and government securities | 44,235            | 70,369                          |
|  | <b>51,552</b>     | <b>114,320</b>                  |
| <b>4. Staff expenses</b>                                     |                   |                                 |
| Basic  | 1,343,694         | 801,504                         |
| Bonus  | 48,500            | -                               |
| Medical expenses   | 31,749            | 29,598                          |
| Local service tax  | 900               | 600                             |
| Staff welfare  | 27,373            | 18,704                          |
| Gratuity   | 89,407            | 79,917                          |
| National social security fund contributions                  | 89,407            | 79,917                          |
|  | <b>1,631,030</b>  | <b>1,010,240</b>                |
| <b>5. Project expenses</b>                                   |                   |                                 |
| Special Projects Costs                                       | 1,189,190         | 547,371                         |
| Agency banking expenses                                      | -                 | 20,165                          |
| NIRA Connectivity Expenses                                   | -                 | 62,252                          |
| Other UBA projects   | 154,140           | -                               |
|  | <b>1,343,330</b>  | <b>629,788</b>                  |
| <b>6. UBA activities/initiatives</b>                         |                   |                                 |
| Stakeholder engagements and public relations                 | 62,833            | 138,046                         |
| Strategy and research  | 27,905            | 44,239                          |
| UBA dinners, seminars workshops                              | 605,936           | 426,166                         |
|  | <b>696,674</b>    | <b>608,451</b>                  |
| <b>7. Governance expenses</b>                                |                   |                                 |
| Member meeting costs   | 17,327            | 21,858                          |
| Subcommittee expenses  | 16,112            | 19,072                          |
|  | <b>33,439</b>     | <b>40,930</b>                   |

## Notes to the Financial Statements

|  | 2024<br>UShs '000 | 2023<br>Restated *<br>UShs '000 |
|--|-------------------|---------------------------------|
| <b>8. Administration expenses</b>                          |                   |                                 |
| Professional fees  | 139,855           | 113,529                         |
| ICT expense  | 71,147            | 64,093                          |
| Travel and subsistence                                     | 67,564            | 74,611                          |
| Office expense and supplies                                | 60,157            | 52,299                          |
| Other general expense                                      | 43,609            | 24,102                          |
| Printing and stationery                                    | 43,566            | 21,476                          |
| Audit fees   | 39,589            | 29,236                          |
| VAT on imported services                                   | 18,846            | -                               |
| Fines and penalties  | 10,372            | -                               |
| Utilities  | 9,406             | 531                             |
| Security   | 2,089             | -                               |
| Other expenses   | (272,211)         | -                               |
| Lease modification   | (29,266)          | -                               |
|  | <b>204,723</b>    | <b>379,877</b>                  |
| <b>9. Finance cost and finance income - net</b>            |                   |                                 |
| Interest expense on borrowings                             | 18,777            | 7,008                           |
| Bank charges   | 4,730             | 5,086                           |
| Foreign exchange differences                               | (6,124)           | -                               |
| Amortization of premium on government securities bond      | 4,894             | -                               |
|  | <b>22,277</b>     | <b>12,094</b>                   |
| <b>10. Depreciation, amortization and impairment</b>       |                   |                                 |
| <b>Depreciation</b>  |                   |                                 |
| Property, equipment and right-of-use assets                | 90,742            | 78,202                          |
| <b>Amortisation</b>  |                   |                                 |
| Write-off of intangible assets                             | 7,371             | -                               |
| <b>Impairment losses</b>                                   |                   |                                 |
| Impairment of joint venture                                | 660,535           | -                               |
| <b>Total Depreciation, amortization and impairment</b>     |                   |                                 |
| Depreciation   | 90,742            | 78,202                          |
| Amortisation   | 7,371             | -                               |
| Impairment of joint venture                                | 660,535           | -                               |
|  | <b>758,648</b>    | <b>78,202</b>                   |
| <b>11. Share of profit from joint ventures, net of tax</b> |                   |                                 |
| Agent Banking Company of Uganda Limited                    | 2,033,559         | 162,300                         |

## Notes to the Financial Statements

|  | 2024      | 2023                    | January 1<br>2023       |
|--|-----------|-------------------------|-------------------------|
|  | US\$ '000 | Restated *<br>US\$ '000 | Restated *<br>US\$ '000 |

### 12. Property, equipment and right-of-use assets

|                        | 2024           |                          |                | 2023           |                          |                |
|------------------------|----------------|--------------------------|----------------|----------------|--------------------------|----------------|
|                        | Cost           | Accumulated depreciation | Carrying value | Cost           | Accumulated depreciation | Carrying value |
| Furniture and fixtures | 149,629        | (84,987)                 | 64,642         | 147,029        | (74,719)                 | 72,310         |
| Office equipment       | 56,264         | (32,076)                 | 24,188         | 56,264         | (28,840)                 | 27,424         |
| IT equipment           | 105,660        | (81,825)                 | 23,835         | 86,250         | (69,851)                 | 16,399         |
| Right-of-use assets    | 545,710        | (374,630)                | 171,080        | 413,408        | (309,367)                | 104,041        |
| <b>Total</b>           | <b>857,263</b> | <b>(573,518)</b>         | <b>283,745</b> | <b>702,951</b> | <b>(482,777)</b>         | <b>220,174</b> |

|                        | 2022           |                          |                |
|------------------------|----------------|--------------------------|----------------|
|                        | Cost           | Accumulated depreciation | Carrying value |
| Furniture and fixtures | 136,071        | (65,922)                 | 70,149         |
| Office equipment       | 56,264         | (26,219)                 | 30,045         |
| IT equipment           | 83,536         | (62,519)                 | 21,017         |
| Right-of-use assets    | 249,915        | (249,915)                | -              |
| <b>Total</b>           | <b>525,786</b> | <b>(404,575)</b>         | <b>121,211</b> |

#### Reconciliation of property, equipment and right-of-use assets - 2024

|                        | Opening balance | Additions     | Modification   | Depreciation    | Closing balance |
|------------------------|-----------------|---------------|----------------|-----------------|-----------------|
| Furniture and fixtures | 72,310          | 2,600         | -              | (10,268)        | 64,642          |
| Office equipment       | 27,424          | -             | -              | (3,236)         | 24,188          |
| IT equipment           | 16,399          | 19,411        | -              | (11,975)        | 23,835          |
| Right-of-use assets    | 104,041         | -             | 132,302        | (65,263)        | 171,080         |
|                        | <b>220,174</b>  | <b>22,011</b> | <b>132,302</b> | <b>(90,742)</b> | <b>283,745</b>  |

#### Reconciliation of property, equipment and right-of-use assets - 2023

|                        | Opening balance | Additions      | Depreciation    | Closing balance |
|------------------------|-----------------|----------------|-----------------|-----------------|
| Furniture and fixtures | 70,150          | 10,958         | (8,798)         | 72,310          |
| Office equipment       | 30,044          | -              | (2,620)         | 27,424          |
| IT equipment           | 21,015          | 2,714          | (7,330)         | 16,399          |
| Right-of-use assets    | -               | 163,494        | (59,453)        | 104,041         |
|                        | <b>121,209</b>  | <b>177,166</b> | <b>(78,201)</b> | <b>220,174</b>  |

#### Reconciliation of property, equipment and right-of-use assets - 2022

|                        | Opening balance | Additions    | Depreciation    | Total          |
|------------------------|-----------------|--------------|-----------------|----------------|
| Furniture and fixtures | 77,555          | 2,632        | (10,038)        | 70,149         |
| Office equipment       | 31,774          | 1,507        | (3,236)         | 30,045         |
| IT equipment           | 26,052          | 5,139        | (10,174)        | 21,017         |
| Right-of-use assets    | 57,880          | -            | (57,880)        | -              |
|                        | <b>193,261</b>  | <b>9,278</b> | <b>(81,328)</b> | <b>121,211</b> |

## Notes to the Financial Statements

|  | 2024      | 2023       | January 1  |
|--|-----------|------------|------------|
|  | US\$ '000 | Restated * | 2023       |
|  |           | US\$ '000  | Restated * |
|  |           |            | US\$ '000  |

### 13. Intangible assets

|                   | 2024  |                          |                | 2023   |                          |                |
|-------------------|-------|--------------------------|----------------|--------|--------------------------|----------------|
|                   | Cost  | Accumulated amortisation | Carrying value | Cost   | Accumulated amortisation | Carrying value |
| Computer software | 4,522 | (3,747)                  | 775            | 11,894 | (3,747)                  | 8,147          |

|                   | 2022  |                          |                |
|-------------------|-------|--------------------------|----------------|
|                   | Cost  | Accumulated amortisation | Carrying value |
| Computer software | 4,522 | (3,747)                  | 775            |

#### Reconciliation of intangible assets - 2024

|                   | Opening balance | Write-off | Closing balance |
|-------------------|-----------------|-----------|-----------------|
| Computer software | 8,147           | (7,372)   | 775             |

#### Reconciliation of intangible assets - 2023

|                   | Opening balance | Additions | Closing balance |
|-------------------|-----------------|-----------|-----------------|
| Computer software | 775             | 7,372     | 8,147           |

#### Reconciliation of intangible assets - 2022

|                   | Opening balance | Amortisation | Total |
|-------------------|-----------------|--------------|-------|
| Computer software | 4,522           | (3,747)      | 775   |

## Notes to the Financial Statements

|  | 2024      | 2023                    | January 1<br>2023       |
|--|-----------|-------------------------|-------------------------|
|  | US\$ '000 | Restated *<br>US\$ '000 | Restated *<br>US\$ '000 |

### 14. Investments in joint ventures

| Name of the Company                             | Holding      |              |              | Carrying amount |                |                |
|---|--------------|--------------|--------------|-----------------|----------------|----------------|
|   | Dec 31, 2024 | Dec 31 2023  | Jan 1, 2023  | Dec 31, 2024    | Dec 31 2023    | Jan 1, 2023    |
| <b>Asset Reconstruction Company (ARC)</b>       |              |              |              |                 |                |                |
| As at 01 January                                | 80.0%        | 80.0%        | 80.0%        | 660,535         | 660,535        | 660,535        |
| Change in ownership structure                   | -            | -            | -            | -               | -              | -              |
| Share of profit from joint ventures, net of tax | -            | -            | -            | -               | -              | -              |
| Impairment                                      | -            | -            | -            | (660,535)       | -              | -              |
| <b>As at 31st December</b>                      | <b>80.0%</b> | <b>80.0%</b> | <b>80.0%</b> | <b>-</b>        | <b>660,535</b> | <b>660,535</b> |

| Name of the Company                                  | Holding      |              |              | Carrying amount  |                  |                  |
|--|--------------|--------------|--------------|------------------|------------------|------------------|
|  | Dec 31, 2024 | Dec 31 2023  | Jan 1, 2023  | Dec 31, 2024     | Dec 31 2023      | Jan 1, 2023      |
| <b>Agent Banking Company of Uganda Limited (ABC)</b> |              |              |              |                  |                  |                  |
| As at 01 January                                     | 51.0%        | 51.0%        | 51.0%        | 1,981,730        | 1,819,429        | 4,769,274        |
| Change in ownership structure                        | (18.5)%      | -            | -            | -                | -                | -                |
| Share of profit from joint ventures, net of tax      | -            | -            | -            | 2,033,559        | 162,301          | (2,949,845)      |
| Impairment   | -            | -            | -            | -                | -                | -                |
| <b>As at 31st December</b>                           | <b>32.5%</b> | <b>51.0%</b> | <b>51.0%</b> | <b>4,015,289</b> | <b>1,981,730</b> | <b>1,819,429</b> |

|                        |  |  |  |                  |                  |                    |
|------------------------|--|--|--|------------------|------------------|--------------------|
| <b>Opening balance</b> |  |  |  | <b>2,642,265</b> | <b>2,479,964</b> | <b>5,429,809</b>   |
| <b>Impairments</b>     |  |  |  | <b>(660,535)</b> | -                | -                  |
| <b>Shared profits</b>  |  |  |  | <b>2,033,559</b> | <b>162,301</b>   | <b>(2,949,845)</b> |
| <b>Closing balance</b> |  |  |  | <b>4,015,289</b> | <b>2,642,265</b> | <b>2,479,964</b>   |

ARC and ABC are Companies incorporated in Uganda and are joint ventures between the Association with other parties. On August 7, 2024, ABC issued additional 31 irredeemable preference shares with a par value of 244,164 thousand per share to Umunthu Investment Company II. This changed the ownership structure of ABC leaving the Association with 32.5%.

The carrying amount of the ARC has been impaired by US\$ 660,535 thousand due to following indicators;

- i) There is uncertainty about the continuation of ARC due to lack of operations since 2018.
- ii) Liquidity issues such as lack of working capital making it difficult to continue as a going concern.

### 15. Investment in government securities

|               |                |                |                |
|---------------|----------------|----------------|----------------|
| Treasury bill | 123,800        | 131,216        | 313,729        |
| Treasury bond | 145,281        | -              | -              |
|               | <b>269,081</b> | <b>131,216</b> | <b>313,729</b> |

### 16. Subscription and other receivables

|                              |                |                |                |
|------------------------------|----------------|----------------|----------------|
| <b>Financial assets:</b>     |                |                |                |
| Subscriptions                | 207,266        | 298,516        | 115,977        |
| <b>Non-financial assets:</b> |                |                |                |
| Prepayments                  | 80,273         | 149,186        | 136,462        |
|                              | <b>287,539</b> | <b>447,702</b> | <b>252,439</b> |

## Notes to the Financial Statements

|  | 2024<br>UShs '000 | 2023<br>Restated *<br>UShs '000 | January 1<br>2023<br>Restated *<br>UShs '000 |
|--|-------------------|---------------------------------|--|
| <b>17. Amounts advanced to related parties</b>   |                   |                                 |  |
| Short term facility to ABC   | 228,431           | 272,684                         | 215,000                                      |
| Other advances to ABC  | 138,585           | 137,016                         | 135,561                                      |
| Independent Centre for Arbitration & Mediation in Kampala (ICAMEK)   | 25,292            | 25,292                          | 25,295                                       |
|  | <b>392,308</b>    | <b>434,992</b>                  | <b>375,856</b>                               |
| <b>18. Cash and cash equivalents</b>   |                   |                                 |  |
| Cash in hand   | 370               | -                               | 152  |
| Cash at bank   | 244,668           | 799,134                         | 516,256                                      |
| Bank overdraft   | (142,211)         | -                               | (57,786)                                     |
|  | <b>102,827</b>    | <b>799,134</b>                  | <b>458,622</b>                               |
| <b>For the purpose of cashflow cash and cash equivalents comprise of :</b>   |                   |                                 |  |
| Cash in hand and at bank   | 245,038           | 799,134                         | 516,408                                      |
| Bank overdraft   | (142,211)         | -                               | (57,786)                                     |
|  | <b>102,827</b>    | <b>799,134</b>                  | <b>458,622</b>                               |
| <p>The Association has a facility with Bank of Baroda Uganda Limited. According to the offer letter dated December 12, 2024, the facility is unsecured, has a limit of Ushs 178,000 thousand, designated to clear its obligations. The facility was granted for a period of 15 days at 25% interest per annum.</p> |                   |                                 |  |
| <b>19. Members' funds</b>  |                   |                                 |  |
| Funds for Assets Reconstruction Company  | 660,535           | 660,535                         | 660,535                                      |
| Funds for Agent Banking Company of Uganda Limited  | 4,769,274         | 4,769,274                       | 4,769,274                                    |
|  | <b>5,429,809</b>  | <b>5,429,809</b>                | <b>5,429,809</b>                             |
| <b>20. Loans from related party</b>  |                   |                                 |  |
| Asset Reconstruction Company   | -                 | 287,409                         | 287,409                                      |
| <b>21. Lease liabilities</b>   |                   |                                 |  |
| At the start of the year   | 112,058           | 17,002                          | 45,737                                       |
| Addition   | -                 | 163,494                         | -  |
| Accrual of interest expenses   | 12,778            | 7,008                           | 7,008  |
| Foreign exchange differences   | (6,124)           | -                               | -  |
| Lease payment during the year  | (56,792)          | (75,446)                        | (35,743)                                     |
| Lease modification/ derecognition  | 103,036           | -                               | -  |
| <b>At the end of the year</b>  | <b>164,956</b>    | <b>112,058</b>                  | <b>17,002</b>                                |
| <b>Minimum lease payments due</b>  |                   |                                 |  |
| - within one year  | 73,496            | 56,792                          | 24,005                                       |
| - in second to fifth year inclusive  | 104,119           | 68,044                          | -  |
|  | 177,615           | 124,836                         | 24,005                                       |
| less: future finance charges   | (12,659)          | (12,778)                        | (7,003)                                      |
| <b>Present value of minimum lease payments</b>   | <b>164,956</b>    | <b>112,058</b>                  | <b>17,002</b>                                |

## Notes to the Financial Statements

|  | 2024           | 2023             | January 1      |
|--|----------------|------------------|----------------|
|  | US\$ '000      | Restated *       | 2023           |
|  |                | US\$ '000        | Restated *     |
|  |                |                  | US\$ '000      |
| <b>21. Lease liabilities (continued)</b>           |                |                  |                |
| <b>Present value of minimum lease payments due</b> |                |                  |                |
| - within one year                                  | 65,377         | 56,792           | 17,002         |
| - in second to fifth year inclusive                | 99,579         | 55,266           | -              |
|  | <b>164,956</b> | <b>112,058</b>   | <b>17,002</b>  |
| Non-current liabilities                            | 99,579         | 55,266           | -              |
| Current liabilities                                | 65,377         | 56,792           | 17,002         |
|  | <b>164,956</b> | <b>112,058</b>   | <b>17,002</b>  |
| <b>22. Deferred income</b>                         |                |                  |                |
| Deferred revenue - IFC project                     | 197,664        | 346,252          | 606,498        |
| Deferred revenue - Others                          | 389,324        | 839,105          | 405,929        |
| Deferred revenue - NIRA Contributions              | 22,383         | 22,383           | 31,976         |
| Government grants                                  | -              | -                | (456,016)      |
|  | <b>609,371</b> | <b>1,207,740</b> | <b>588,387</b> |
| <b>23. Payables</b>                                |                |                  |                |
| <b>Financial liabilities:</b>                      |                |                  |                |
| Other payables                                     | 314,434        | 296,965          | 272,261        |
| Gratuity   | 31,305         | 60,021           | 196,940        |
| Accrued expense                                    | 498,684        | 26,013           | 28,430         |
| <b>Non-financial liabilities:</b>                  |                |                  |                |
| Statutory dues payable                             | 23,899         | -                | -              |
|  | <b>868,322</b> | <b>382,999</b>   | <b>497,631</b> |



## Notes to the Financial Statements

|   | 2024           | 2023                    | January 1   |
|---|----------------|-------------------------|---|
|   | US\$ '000      | Restated *<br>US\$ '000 | 2023<br>Restated *<br>US\$ '000   |
| <b>24. Related parties</b>  |                |                         |   |
| Relationships   |                |                         |   |
| Joint ventures  |                |                         | Agent Banking Company of Uganda Limited<br>Asset Reconstruction Company<br>Independent Centre for Arbitration & Mediation in<br>Kampala (ICAMEK)/ Alternative Dispute Resolution<br>(ADR)   |
| Members of key management   |                |                         | Ms. Sarah Arapta<br>Mr. Julius Kakeeto<br>Mr. Shashi Dhar<br>Mr. Edgar Igumira<br>Mr. Wilbrod Humphreys Owor<br>Mr. James Onyutta Onencan<br>Ms. Chioma Agwu Mang<br>Mr. Michael Mugabi<br>Mr. Byamah Igumira Edgar<br>Mr. Sanjay Rughani<br>Mr. Shafi Nambobi<br>Ms. Patricia Adong Ojangole |
| <b>Related party balances</b>                                       |                |                         |   |
| <b>Due from related party</b>                                       |                |                         |   |
| Asset Reconstruction Company  | -              | 287,409                 | 287,409   |
| <b>Amounts advanced to related parties</b>                          |                |                         |   |
| Agent Banking Company of Uganda Limited                             | 367,016        | 409,699                 | 350,561   |
| ICAMEK/ADR  | 25,292         | 25,292                  | 25,292  |
| <b>Compensation to executive committee and other key management</b> |                |                         |   |
| Short-term employee benefits  | 327,558        | 310,114                 | 310,114   |
| National social security fund contributions                         | 32,756         | 31,011                  | 31,011  |
|   | <b>360,314</b> | <b>341,125</b>          | <b>341,125</b>  |

## 25. Risk management

### Financial risk management

The Association's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk.

The Association's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Association's financial performance. The Association does not hedge any of its risk exposure.

The financial risk management is carried out by the accounts and finance department under policies and guidance provided by the Board of Directors.

## Notes to the Financial Statements

|  | 2024      | 2023       | January 1  |
|--|-----------|------------|------------|
|  | US\$ '000 | Restated * | 2023       |
|  |           | US\$ '000  | Restated * |
|  |           |            | US\$ '000  |

### 25. Risk management (continued)

#### Capital risk management

The Association's objectives when managing capital are to safeguard the Association's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Association may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

#### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of Committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Association treasury maintains flexibility in funding by maintaining availability under Committed credit lines.

The Association's risk to liquidity is a result of the funds available to cover future commitments. The Association manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the Association's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| <b>At December 31, 2024</b> | <b>Less than 1<br/>year</b> | <b>Between 2<br/>and 5 years</b> |
|-----------------------------|-----------------------------|----------------------------------|
| Due from related party      | -                           | 287,409                          |
| Lease liabilities           | 73,496                      | 104,119                          |
| Bank overdraft              | 142,211                     | -                                |
| Payables                    | 337,663                     | -                                |
| <b>At December 31, 2023</b> | <b>Less than 1<br/>year</b> | <b>Between 2<br/>and 5 years</b> |
| Due from related party      | -                           | 287,409                          |
| Lease liabilities           | 56,792                      | 68,044                           |
| Payables                    | 322,986                     | -                                |
| <b>December 31, 2022</b>    |                             | <b>Less than 1<br/>year</b>      |
| Payables                    |                             | 497,631                          |

## Notes to the Financial Statements

|  | 2024      | 2023                    | January 1<br>2023       |
|--|-----------|-------------------------|-------------------------|
|  | US\$ '000 | Restated *<br>US\$ '000 | Restated *<br>US\$ '000 |

### 25. Risk management (continued)

#### Interest rate risk

As the Association has no significant interest-bearing assets and liabilities, the Association's income and operating cash flows are substantially independent of changes in market interest rates.

Sensitivity to changes in interest rates is normally only relevant to financial assets or financial liabilities bearing floating interest rates. The Association does not have any variable interest rate financial assets or financial liabilities and hence not exposed to the interest rate risk.

The Association's interest rate risk arises from long-term and current borrowings. Borrowings issued at variable rates expose the Association to cash flow interest rate risk. The Association regularly monitors financing options available to ensure that optimum interest rates are obtained.

At December 31, 2024, the Association was not exposed to any significant interest rate risk.

#### Credit risk

Credit risk consists mainly of cash at bank and trade and other receivables. The Association only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a limited customer base. Management evaluated credit risk relating to customers on an ongoing basis. The Association's credit controller assesses the credit quality of each customer taking into account its financial position, past experience and many other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument                | 2024<br>US\$ '000 | 2023<br>US\$ '000 | 2022<br>US\$ '000 |
|-------------------------------------|-------------------|-------------------|-------------------|
| Amounts advanced to related parties | 392,309           | 434,992           | 375,856           |
| Trade and other receivables         | 207,266           | 298,516           | 115,977           |
| Cash at bank                        | 245,038           | 799,134           | 516,408           |

No collateral is held for any of the above assets. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

#### Currency risk

The Association operates locally and does not have any significant financial transactions in foreign currency and therefore it is not exposed to any significant foreign exchange risk.

### 26. Commitments

The Association has no significant outstanding capital commitments as at December 31, 2024 (2023: Nil).

### 27. Contingencies

In the opinion of management, the Association did not have any significant contingent liabilities as at December 31, 2024 (2023: Nil).

### 28. Events after the reporting period

The management is not aware of any events after the reporting period and up to the date of this report which requires adjustments to or disclosures in the financial statements.

## Notes to the Financial Statements

|  | 2024      | 2023       | January 1  |
|--|-----------|------------|------------|
|  | US\$ '000 | Restated * | 2023       |
|  |           | US\$ '000  | Restated * |
|  |           |            | US\$ '000  |

### 29. Comparatives

Previous year's figures have been regrouped / reclassified in order to make them comparable with that of current financial period, wherever necessary.

### 30. Restatement

In the current year, it was noted that the Association had not been accounting for its investments in joint ventures using the equity method as required by IFRS 11 Joint Arrangements and IAS 28 – Investments in Associates and Joint Ventures. As a result, the carrying amount of the investments were not accounted for appropriately in the prior years.

The Association did not recognize its share of the joint venture's profits or losses in accordance with the equity method, which should have been applied given the nature of the arrangement hence over / under stating the carrying amount of investments in joint ventures and related incomes / expenditures.

As a result of the correction, the financial statements for the year ended December 31, 2023, and December 31, 2022, have been restated to reflect the correct application of the equity method. The carrying value of the investment in ABC has been adjusted to reflect the Association's share of the joint venture's net assets, profits, and losses as of the restatement date.

The errors have been corrected by restating each of the affected financial statement line items for the period as follows.

#### Impact on the statement of financial position

|                              |   |         |             |
|------------------------------|---|---------|-------------|
| Investment in joint ventures | - | 162,300 | (2,949,845) |
| Reserves                     | - | -       | 2,949,845   |

#### Impact on the statement of income and expenditure

|                                       |   |           |   |
|---------------------------------------|---|-----------|---|
| Share of profits of ABC joint venture | - | (162,300) | - |
|---------------------------------------|---|-----------|---|



