



Uganda
Bankers'
Association

Promoting Partnerships. Transforming Banking.

Annual Report 2022



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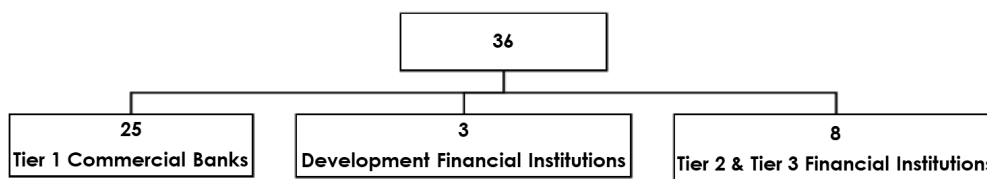
Promoting Partnerships.

Transforming Banking.

Uganda Bankers' Association

Annual Report

UBA Member Financial Institutions



Our Partners



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About Uganda Bankers' Association

Background Information

Uganda Bankers' Association (UBA) is an umbrella organization for financial Institutions licensed and supervised

by Bank of Uganda. Established in 1981, UBA is currently made up of 25 commercial banks, 3 development Banks (Uganda Development Bank, East African Development Bank &

Afreximbank and 8 Tier 2 & Tier 3 Financial Institutions (FINCA, Pride Microfinance Limited, Top Finance, Yako Microfinance, UGAFODE, EFC Uganda Ltd, Brac Uganda Bank and Mercantile Credit Bank).

UBA Objectives

The UBA's objective is to;

- Promote and represent the interests of the member banks
- Develop and maintain a code of ethics and best banking practices among its membership.
- Encourage and undertake high quality policy development initiatives and research on the banking sector, including trends, key issues and drivers impacting on or influencing the industry and national development processes therein

through partnerships in banking & finance, in collaboration with other agencies (local, regional, international including academia) and research networks to generate new and original policy insights.

- Develop and deliver advocacy strategies to influence relevant stakeholders and achieve policy changes at industry and national level.
- Work closely with the regulator BOU and other non-bank financial institutions & organizations in promoting financial sector growth,

through training, development of products, technologies & initiatives to promote financial sector growth.

As the umbrella body of the financial institutions licensed and regulated by Bank of Uganda, UBA continues to enhance its position as the voice of banking and an innovative leader within the banking and financial services sector by championing initiatives aimed at growth of the industry and the Ugandan economy as a whole.

Core values

- Integrity
- Transparency
- Professionalism
- Good Governance
- Teamwork
- Service Excellence

Vision

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

Mission

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

Structure & Governance

UBA is an association of 36 Supervised Financial Institutions that constitute the membership and are represented by the Chief Executive Officers.

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

The Executive Committee is made up of seven (7) members. Ms. Sarah Arapta is the current UBA Chairperson.

The UBA Secretariat has a full-time staff compliment of 9 employees who manage the day to day operations under the leadership of the Executive Director.

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

- Clearing House Committee
- Operations Committee
- Credit Reference Bureau Committee
- Frauds and Forgeries Committee
- Compliance Committee
- Legal Committee
- Treasurer's forum Committee
- Credit Committee
- ICT and Cyber Security Committee
- Chief Finance Officers' Committee
- Digital Financial Services Committee
- Security Committee
- Human Resource Committee
- Risk Committee
- Bancassurance Committee
- Communications and Marketing Committee

UBA Members as at 31st December 2022

Ordinary Members

- | | | |
|-----------------------------------|---------------------------------|---------------------------------------|
| 1. ABC Capital Bank Ltd | 15. Exim Bank Uganda Ltd | 27. Uganda Development Bank |
| 2. Absa Bank | 16. Finance Trust Bank | 28. United Bank for Africa Uganda Ltd |
| 3. Afreximbank Uganda Ltd | 17. Guaranty Trust Bank | |
| 4. Bank of Africa Uganda Ltd | 18. Housing Finance Bank | |
| 5. Bank of Baroda | 19. I&M Bank | |
| 6. Bank of India | 20. KCB Bank Uganda Limited | |
| 7. Cairo Bank Uganda | 21. NCBA Uganda Limited | |
| 8. Centenary Bank | 22. Opportunity Bank Uganda Ltd | |
| 9. Citibank Uganda | 23. Post Bank Uganda Ltd | |
| 10. DFCU Bank | 24. Stanbic Bank | |
| 11. Diamond Trust Bank | 25. Standard Chartered Bank | |
| 12. East African Development Bank | 26. Tropical Bank | |
| 13. Ecobank Uganda Ltd | | |
| 14. Equity Bank Uganda Ltd | | |
| | | 29. Pride Microfinance Uganda Limited |
| | | 30. UGAFODE |
| | | 31. FINCA |
| | | 32. Yako Microfinance |
| | | 33. Mercantile Credit Bank |
| | | 34. Top Finance Bank |
| | | 35. Brac Uganda Bank |
| | | 36. EFC Uganda Limited |

Associate Members

29. Pride Microfinance Uganda Limited
30. UGAFODE
31. FINCA
32. Yako Microfinance
33. Mercantile Credit Bank
34. Top Finance Bank
35. Brac Uganda Bank
36. EFC Uganda Limited

UBA Member Bank CEOs



Ms. Anne Juuko
CEO, Stanbic
Bank



**Mr. Raj Kumar
Meena**
CEO, Bank of Baroda



Mr. Jesse Timbwa
CEO, ABC Capital
Bank



Mr. Michael Mande
Ag. CEO, Top
Finance Bank



Ms. Patricia Ojangole
CEO, Uganda
Development Bank



Mr. Mumba Kalifungwa
CEO, Absa Bank



**Mr. Abdulaziz M.A.
Mansur**
CEO, Tropical Bank



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



Mr. Arthur Isiko
CEO, Bank of Africa

UBA Member Bank CEOs



Mr. Edgar Byamah
CEO, KCB (U) Ltd



Mr. Fabian Kasi
CEO, Centenary
Bank



Mr. James Onyutta
CEO, FINCA (U) Ltd



Mr. Vikash Krishna
CEO, Bank of India
(U) Ltd



Mr. Shem Kakembo
CEO, EFC Uganda



Ms. Chioma Mang
CEO, United Bank for
Africa Uganda



Mr. Owen Amanywa
CEO, Opportunity
Bank (U) Ltd



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



Mr. Shafi Nambobi
CEO, UGAFODE

UBA Member Bank CEOs



Mr. Varghese Thambi
CEO, Diamond Trust Bank (U) Ltd



Ms. Annet Nakawunde Mulindwa
CEO, Finance Trust Bank



Ms. Sarah Arapta
CEO, Citibank (U) Ltd



Mr. Julius Kakeeto
CEO, Post Bank



Mr. Sam Ntulume
Ag. CEO I&M Bank



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



Mr. Mathias Katamba
CEO, dfcu Bank



Mr. Michael Mugabi
CEO, Housing Finance Bank



Mr. Oluwole Shodiyan
CEO, Guaranty Trust Bank (U) Ltd

UBA Member Bank CEOs



Ms. Veronicah Gladys Namagembe

CEO, Pride Microfinance (MDI)



Ms. Vivienne Yeda Apopo

CEO, East African Development Bank



Mr. Shalendra Kundra

CEO, Yako Bank (U) Ltd



Mr. Henry Lugemwa

CEO, Exim Bank



Mr. Paul Senyomo

CEO, Mercantile Credit Bank (U) Ltd



Mr. Moyo Nkosilathi

CEO, Brac Uganda Bank



Mr. Ahmad Maher

CEO, Cairo Bank Uganda



Mr. Kundakwashe Matereke

Regional Chief Operating Officer, Afreximbank



Ms. Grace Muliisa

CEO, Ecobank Uganda

UBA Executive Committee 2022-2023



Ms. Sarah Arapta
Chairperson
CEO, Citibank



Mr. Julius Kakeeto
Vice Chair
CEO, Post Bank Uganda



Mr. Raj Kumar
Hon. Auditor
CEO Bank of Baroda



Mr. Shem Kakembo
Hon. Treasurer
CEO, EFC Uganda Ltd



Mr. James Onyutta
Committee Member
CEO, FINCA Uganda
Ltd



Ms. Chioma Mang
Committee Member
CEO, United Bank for
Africa Uganda Ltd



Mr. Wilbrod H. Owor
Executive Director
Uganda Bankers'
Association

UBA Secretariat Team



**Mr. Wilbrod
Humphreys Owor**
Executive Director



**Ms. Eva
Ssewagudde Jagwe**
Director Strategy &
Innovation



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



Mr. Solomon Ichumar
Administration Manager



Mr. Joel Naluwairo
Legal Officer



Ms. Jackie Karatunga
Research Officer



Mr. Ronald Mugisha
Project Manager Cyber
Security Operations
Center (CSOC)



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



**Mr. Micheal
Enyangu**
Executive Support
Officer

UBA Committee Chairpersons

Clearing House Committee



Chair
Mr. Farouk K. Ssekisaka
dfcu Bank

Operations Committee



Chair
Ms. Eva Naisanga
dfcu Bank

Credit Reference Bureau Committee



Chair
Ms. Aidah Kawuma
Standard Chartered Bank

Frauds and Forgeries Committee



Chair
Mr. Francis Yiga
KCB Bank

Compliance Committee



Chair
Ms. Nelly Erongot
Bank of Africa

Legal Committee



Chair
Mr. Brian Kalule
Citibank

Treasurer's Forum Committee



Chair
Mr. Charles Katongole
Standard Chartered Bank

Credit Committee



Chair
Mr. Martin Mugisha
Post Bank Uganda Ltd

ICT/Cyber Security Committee



Chair
Mr. Paul Bukenya
Uganda Development Bank

Chief Financial Officers Forum Committee



Chair
Mr. Michael Segwaya
Absa Bank

Digital Financial Services Committee



Chair
Mr. Samuel Kiyaga
Absa Bank

Security Committee



Chair
Mr. Anthony Olobo
Absa Bank

Bancassurance Committee



Chair
Mr. John Bosco Wasswa Kalema
Centenary Bank

Risk Committee



Chair
Mr. Ricson Kiiza
Bank of Africa

Key Committee Highlights/ Achievements for 2022

Statistics of meetings held

COMMITTEE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	NO. OF MEETINGS	%
CHIEF FINANCE OFFICERS	√	√		√		√		√		√		√	7	58%
CLEARING HOUSE			√			√			√		√		4	100%
COMPLIANCE- FIA / AML		√	√	√	√	√	√	√	√	√	√	√	11	92%
CREDIT REFERENCE BUREAU		√		√		√	√	√	√	√	√		8	67%
CREDIT		√	√	√	√	√	√	√	√	√			9	75%
DIGITAL FINANCIAL SERVICES				√				√					2	17%
FRAUDS & FORGERIES	√	√	√	√	√	√	√	√	√	√	√	√	12	100%
HUMAN RESOURCE	√	√	√	√	√	√	√	√		√	√		10	83%
INFORMATION & COMMUNICATION TECHNOLOGY								√	√		√		3	25%
LEGAL				√			√				√		3	25%
OPERATIONS	√	√	√	√	√	√	√	√	√	√	√	√	12	100%
SECURITY	√	√	√	√	√	√	√	√	√	√	√	√	12	100%
TREASURER'S FORUM	√	√	√	√	√	√	√	√	√	√	√		11	92%
BANCASSURANCE		√							√	√			3	25%
RISK			√		√	√	√	√	√	√	√	√	9	75%
COMMUNICATION & MARKETING	√		√								√		3	25%
TOTAL NUMBER OF MEETINGS HELD													119	62%

Treasurer's Forum

Market Activity

Below are some of the key product market volumes traded;

Product	Currency	2021	2022
Interbank FX	USD-bn	24.52	29.19
Money Market	UGX-tn	25.31	39.51
Swaps	USD-bn	20.26	13.91
Horizontal Repos	UGX-tn	2.26	4.56
Secondary Market Trades	UGX-tn	44.28	53.39

In 2022, the Committee delivered improvements to the market, through;

- (Re)skilling member financial institutions to ensure they met the demands of the market
- Engaging with the regulator on changes in regulations that will advance the market
- New solutions and products, that meet the needs of member financial institutions
- Re-emphasizing the value of an orderly functional financial market with the formation of the market conducts committee
- Providing a framework for managing the association through the development of a 5-year strategic plan

- Write to Bank of Uganda with the URA clearance and the details of the affected CSD accounts.
- Bank of Uganda does the workaround at the back end of the system.

2. Market Conduct:

A Market Conduct sub-committee was elected to improve and standardize ethical conduct in the industry which is critical for the efficient functioning of financial markets. The committee was given the mandate to roll out pricing standards, settlement penalties and manage dispute resolution within the industry. The elected committee members include; Phillip Ssali – STBG | Anthony Ouma – EBUG | Aloysius Gonzaga - BOAU

Group for engagements through the monthly dealer meeting and introduction of trading platforms that promoted the developments in the industry. These sessions covered Market Conduct, Automation of Repo Trading in Uganda, SWAPs, Sell/buy backs and Horizontal Repos, Understanding the 2022/2023 Budget, FX Options – BASICS and Fixed Income Risk Management.

Bank of Uganda, Frontclear and the United Nations Economic Commission for Africa (ECA) organized and conducted two 2-day trainings on Applied GMRA in September and a Fireside chat on Uganda's Money and Interbank markets in October 2022.

Market Development

1. Double Taxation Agreements (DTAs):

After several engagements with Uganda Revenue Authority (URA) and Bank of Uganda (BOU), The CSD system has now been upgraded to accommodate preferential rates under the DTAs, And the process is;

- Get URA clearance

3. Training and Engagement:

Resource persons from the Member Financial Institutions (Guaranty Trust Bank, Stanbic Bank, dfcu Bank, Equity Bank and Centenary bank) facilitated knowledge sessions for committee members as well as partners ICAP and the London Stock Exchange

4. Strategic Initiatives:

The committee engaged members and hired a Consultant to review and draw up a Strategic plan that can provide a road map for ACI for the next 5 years. This assignment and final strategic document will be completed and ready by end of Q1 2023.

Bancassurance Committee

The committee collaborated with the Insurance Regulatory Authority and the Uganda Insurers Association on initiatives to drive growth of Insurance and Bancassurance across Uganda.

Further, engagements

were held with IRA and the Insurance Training College (ITC) to discuss the Bancassurance course content and timetable, and the guidelines that were issued by IRA to enable SFIs use bank agents to sell bancassurance and proposed amendments to the Bancassurance

regulations were shared with IRA for consideration.

The committee will in course of 2023, strive to strengthen the visibility of bancassurance within the member SFIs by highlighting the contribution to the overall business.

Compliance Committee

The committee facilitated learning sessions for the members as indicated below

Training	Date held	Facilitator	Description
ICAAP and Basel II	25 th January 2022	Bank of Uganda	The role of Compliance officers in ICAAP and Basel II implementation in Supervised Financial Institutions
Liquidity and Capital Buffers	2 nd February 2022	Bank of Uganda	The role of Compliance officers in implementation and monitoring of Liquidity and Capital Buffers in SFIs
Crypto Assets	15 th March 2022	Standard Chartered Bank	Understanding Crypto assets
FATCA and CRS	6 th September 2022	Standard Chartered Bank	Due diligence and reporting requirements, as well as the Compliance program under FATCA / CRS

In addition, the committee compiled responses to the draft guidelines on risk based assessment criteria for vetting of shareholders, directors and senior management of SFIs that were submitted to Bank of Uganda and draft AML (Amended) Regulations

2022 that were submitted to Ministry of Finance Planning and Economic Development

The committee continued to engage members regarding the key circulars from BOU and other regulators.

The committee engaged

the Financial Intelligence Authority and received clarification on access of information from the Inspector General of Government (IGG), sharing of findings on the goAML data quality assurance exercise.

Operations Committee

The cash collaboration agreement to exchange cash requirements among member supervised financial institutions without going to Bank of Uganda was signed off by all UBA Members.

The committee reviewed the UBA Industry Survey report on Bank Operation Costs and three (3) cost collaboration initiatives were identified as priority for implementation by all member financial institutions namely Customer Awareness, Infrastructure sharing and Cash Management & processing.

The committee supported the successful implementation of the National ID validation via

NIRA among member financial institutions and identified areas for further enhancement of the system such as the need for NIRA to return a photo during National ID verification and consider fingerprint verification.

Engagements will be held with the relevant stakeholders during 2023 to address this issue including provision for Refugee and Passport verification.

In collaboration with SWIFT, a session on SWIFT ISO 20022 Upgrade was held, and subsequently a working committee was constituted to support Banks in the implementation effective November 2022

In 2023, the committee will focus on supporting the implementation of

the National Switch, completing the cash processing outsourcing, SWIFT 20022 upgrade and the cost collaborative initiatives.

“In collaboration with SWIFT, a session on SWIFT ISO 20022 Upgrade was held, and subsequently a working committee was constituted to support Banks in the implementation effective November 2022

Legal Committee

The Committee held engagements with stakeholders on respective matters and court related cases such as; engaging URA to obtain clarity on the effect of the Amendment to the Stamp Duty Act, 2022, particularly whether mortgages attract NIL Stamp Duty. There is a conflict in the Act and the true position is uncertain. This exposes SFIs to legal risk.

“The Committee held engagements with stakeholders on respective matters and court related cases such as; engaging URA to obtain clarity on the effect of the Amendment to the Stamp Duty Act...

An engagement was held with the Commissioner Land Registration on the issue of duplicity of certificates of land title. This issue has greatly affected the ability of the lenders to safeguard their interest in land offered as security for credit facilities.

The committee supported and facilitated a training session that was held with the Judiciary in collaboration with the Judicial Training Institute on banking services and syndicated lending.

The Committee conducted a survey among SFIs to assess the use of ICAMEK and made a case to the SFIs to utilise the same as a dispute resolution mechanism. Further, the committee worked with ICAMEK to have focused awareness sessions and trainings with the different SFIs.

The committee reviewed and facilitated the revision of collection agreements between the Banks and URA. In addition, the BOU Revised Risk Based Assessment Criteria for Vetting of Substantial Shareholders, Directors and Senior Managers of SFIs was reviewed and comments shared for the attention of the regulator.

The committee interfaced with the legislative committee of the Parliament of Uganda to debate the proposed amendments to the Companies Act, Anti-money Laundering Act, Trustees Incorporation Act and Partnership Act.

The committee lobbied the Attorney General's Office, seeking a reconsideration of the President's Directive on land evictions as these compromised interests of mortgagors.

Risk Committee

The committee identified the following risks that will inform the engagements and initiatives for 2023

Credit Risk –

- increase in NPLs especially in the education sector and following the expiry of Bank of Uganda credit relief measures in 2022, this position may worsen.
- Grim economic outlook pauses heightened credit risk

Cyber Risks with increased reliance on digital channels

- Wallet and Internet Banking account take overs (lost phones and compromised credentials)
- System vulnerabilities (including third-party environments)
- Online card fraud - card not present (cnp)

Operational Risk

- Third-party risk posed by Aggregators
- Loan and cyber fraud levels

Strategic Risk

Grim economic outlook (supply chain disruptions – Russia war & covid-19 related)

Frauds and Forgeries Committee

The committee compiled and shared a report on fraud statistics to support with industry level engagements and determination of possible solutions and strategies to mitigate the same and impact of an incidence among member Financial Institutions. In addition an adhoc committee was formed to review the fraud guard system aimed at flagging suspicious transactions in Agent Banking.

In 2023, the committee will support the development of an industry level strategy that will support member financial institutions and other stakeholders enhance their capacity to mitigate fraud.

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Human Resource Committee

The Committee supported COVID vaccination drives for the Bankers and best practice sharing on managing the pandemic in the workplace.

The committee participated in the drafting and consultative meeting tabled on Human Resource Bill and held engagements with Uganda Institute of Banking and Financial Services (UIBFS) and discussed the Bankers certification program

The committee undertook the development of the HR Metrics Report.

Communications and Marketing Committee

The committee supported in the successful execution of the Annual Bankers Conference 2022 through promoting awareness and publicising the event among the various stakeholders. The committee implemented a range of awareness and communication initiatives through the member financial institutions on Small Business Recovery Fund, Ebola Awareness, Electronic Fraud through traditional and digital media channels.

The committee collaborated in the

execution of the Annual Bankers Sports Gala and Annual Banking and Financial Services Awareness Month and commemoration of World Savings Day 2022

In 2023, the committee will embark on an initiative to ensure regular engagement of the media fraternity and customers and capacity strengthening of the members to highlight the positive contribution of the banking industry towards socio economic development.

“In 2023, the committee will embark on an initiative to ensure regular engagement of the media fraternity and customers and capacity strengthening of the members to highlight the positive contribution of the banking industry towards socio economic development.”

ICT/Cyber Security Committee

The design of the Cyber Security Operations Center (CSOC) was finalised and preparations are currently underway to commence the implementation phase in 2023.

In response to the National Level Affirmative Action on growing trends in Cyber Scams and Criminality,

a representative was nominated to the National Level Taskforce on cybersecurity.

The Committee supported the development of 3rd Party Integration Standards Document, which has been shared and reviewed by member financial institutions. This document will be signed and operationalized in 2023.

Digital Financial Services Committee

The committee members participated in two consultative meetings that were convened by Bank of Uganda in relation to the national switch and will support its implementation

The committee supported the implementation of the e-kyc project and shared feedback for improvement of verification process for customers and the need to expand points of verification to beyond the National ID.

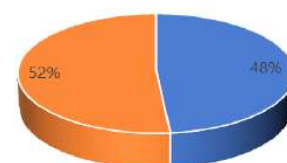
Following the MOU signed between the Payment System Providers Association and Uganda Bankers Association, the committee will support execution of agreed activities as part of this collaboration to mitigate e-fraud and promote growth in electronic payments.

Banking Sector employs more female than male

The Banking sector employs more female than male with 52% or 9,984 employees out of the total tally of 19,362 employees of financial institutions under the UBA umbrella being female compared to 48% or 9,378

who are male.

The statistics probably point towards the fruits from the affirmative action programs that have been put in place over the years.



Male Female
Composition of Banking Sector Staff by Gender

The percentage make up however starts to shift as the level of seniority increases as per table below with middle management nearly split equally then lowering to 34% or 103 ladies at the

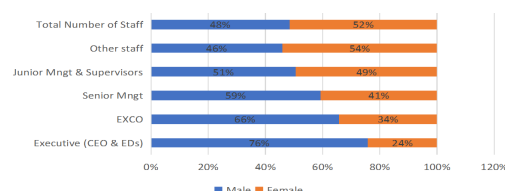
executive level compared to 66% or 197 male at the executive level.

24% or 16 ladies are at the level of CEO or Executive Director compared to 76% or 50 males being at CEO

or Executive Director level.

Currently there are 8 lady CEOs heading financial institutions out of the 36 financial institutions under the UBA umbrella.

Summary Statistics of Staff of Supervised Financial Institutions by Gender		Male		Female	
		Number	%	No	%
Executive (CEO & EDs)		50	76%	16	24%
Executive Management (EXCO)		197	66%	103	34%
Senior Management		547	59%	376	41%
Junior Management & Supervisory		3,050	51%	2,970	49%
Officers & Other staff		5,534	46%	6,519	54%
Total Staff by Gender		9,378	48%	9,984	52%
Total Industry Staff				19,362	



Male Female
Composition of Banking Sector Staff by Gender

Banking Industry Staff Numbers As at December 2022														
SN	BANK NAME	Executive (CEO & EDs)		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	1	0	3	1	1	4	3	0	12	24	20	29	49
2	ABSA Uganda	3	0	8	3	93	69	185	252	169	306	458	630	1,088
3	Bank of Africa	2	0	6	2	11	5	61	71	85	120	165	198	363
4	Bank of Baroda	2	0	9	3	1	0	61	35	75	30	148	68	216
5	Bank of India	2	0	3	1	5	1	2	3	26	0	38	5	43
6	Brac Uganda	2	0	8	3	1	2	44	363	286	1206	341	1,574	1,915
7	Cairo Bank Uganda	1	1	4	4	5	3	12	17	47	46	69	71	140
8	Centenary Bank	2	0	10	3	146	68	444	337	990	1003	1,592	1,411	3,003
9	Citi Bank	1	1	2	4	3	1	14	11	5	6	25	23	48
10	DFCU Bank	1	0	1	4	14	8	137	115	405	464	558	591	1,149
11	Diamond Trust Bank	1	1	10	1	10	1	86	97	184	272	291	372	663
12	Eco Bank	1	1	4	4	0	0	53	73	57	78	115	156	271
13	EFC	2	1	1	2	3	5	5	4	48	48	59	60	119
14	Equity Bank	1	1	5	6	8	8	310	242	434	428	758	685	1,443
15	Exim Bank	2	0	11	1	22	11	8	12	36	53	79	77	156
16	Finance Trust Bank	0	2	3	5	7	7	107	82	334	330	451	426	877
17	Finca	2	0	4	6	7	3	64	47	122	170	199	226	425
18	GT Bank	1	0	16	6	0	0	0	0	84	67	101	73	174
19	Housing Finance Bank	1	1	4	4	7	4	92	96	59	103	163	208	371
20	I&M Bank	1	0	8	2	14	11	9	24	104	116	136	153	289
21	Kenya Commercial Bank	1	1	7	5	27	24	82	45	41	60	158	135	293
22	Mercantile Credit Bank	2	0	4	2	2	3	0	2	9	7	17	14	31
23	NCBA Bank	1	0	4	4	0	0	27	37	27	45	59	86	145
24	Opportunity Bank	2	0	7	2	2	3	56	73	101	147	168	225	393
25	Post Bank Uganda	2	0	8	3	0	0	330	117	775	367	1,115	487	1,602
26	Pride Micro Finance Bank	1	1	9	3	0	0	96	66	526	291	632	361	993
27	Stanbic Bank	0	2	10	6	124	94	586	589	191	324	911	1,015	1,926
28	Standard Chartered Bank	3	0	6	5	16	20	1	10	102	146	128	181	309
29	Top Finance Bank	3	0	1	0	3	1	0	0	5	12	12	13	25
30	Tropical Bank	1	1	3	0	5	5	90	77	10	7	109	90	199
31	Ugafode	2	0	0	0	2	8	40	39	85	118	129	165	294
32	Uganda Development Bank	0	1	7	1	5	3	16	11	37	29	65	45	110
33	United Bank for Africa	1	1	7	3	2	2	27	22	55	73	92	101	193
34	Yako Microfinance Limited	2	0	4	4	1	2	2	1	8	23	17	30	47
Total Staff		50	16	197	103	547	376	3050	2970	5534	6519	9,378	9,984	19,362
Percentage		76%	24%	66%	34%	59%	41%	51%	49%	46%	54%	48%	52%	100%

Source: Data from UBA member financial institutions

Lady CEOs



Ms. Sarah Aapta
CEO, Citibank (U) Ltd



Ms. Anne Juuko
CEO, Stanbic Bank



Ms. Chioma Mang
CEO, United Bank for
Africa Uganda



Ms. Grace Muliisa
CEO, Ecobank
Uganda



Ms. Patricia Ojangole
CEO, Uganda
Development Bank



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



**Ms. Veronicah Gladys
Namagembe**
CEO, Pride
Microfinance (MDI)



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



Uganda
Bankers'
Association

Promoting Partnerships. Transforming Banking.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE TO: ALL CHIEF EXECUTIVE OFFICERS OF
UBA MEMBER INSTITUTIONS

12th
MAY

The Annual General Meeting of UBA
is scheduled for 12th May, 2023
starting at 4.00pm

Agenda for UBA AGM

1. Welcome Remarks by the Chairperson & Confirmation of Agenda
2. Minutes of the previous meeting held on 14th May 2022
3. Matters Arising
4. Chairperson's Report
5. Treasurers Report: Presentation of Accounts for the year 2022 and the expression of opinion by the External Auditors
6. Membership Updates
7. Election of office bearers
8. A.O.B

UBA 2022 AGM PICTORIAL



Mr. Michael Mugabi, CEO Housing Finance Bank, speaking to Member Bank CEOs during the 2022 UBA AGM.



Mr. James Onyutta (CEO, FINCA)



UBA Chair emeritus handing over to Ms. Sarah Arapta



UBA Member bank CEOs at the 2022 AGM

Chairperson's Report



Ms. Sarah Arapfa, UBA Chairperson

Dear Members,

I take this opportunity to welcome you all to the 2023 Annual General Meeting of the Uganda Bankers' Association.

Good corporate governance requires that at each annual general meeting, the chairperson presents a report on the performance of the association in the prior year, and any other major events in the banking and financial services sector to its members.

We are living through

a period defined by unprecedented change and the year 2022 was not different. The year started on a turbulent note even as the economy was opening up, coming from a two (2) year period shaped by the COVID-19 pandemic. Just as we rolled our sleeves in preparation for the year ahead, the industry was hard hit with the demise of our long serving Governor, Professor Emmanuel Mutebile. News filtered in the morning of 23rd January 2022 and the industry was filled with grief over the painful loss

of a revered icon and shepherd of monetary policy who departed from us to join the Lord Almighty for higher service.

We continue to salute and will long remember Prof. Mutebile for his leadership and contribution to the growth, transformation and stability of the banking and financial services sector in Uganda and the economy of Uganda as a whole.

In the course of the year, several developments took shape and

numerous activities were undertaken which I summarize here below under 4 major categories and details of which are well illuminated in the annual report.

1. Regulatory Developments.
2. Stakeholder Engagements.
3. Governance, Member Activities and Events.
4. Industry Performance for 2022 and outlook for 2023.

Regulatory Developments

The year 2022 registered several regulatory developments key among them being, the engagements with and subsequent communication of the revision of paid-up capital across Tier I, II & III respectively by the Central Bank and Ministry of Finance in a formal gazette notice.

- Tier I Commercial Banks. (Ugx 150bn).
- Tier II Micro Finance Credit Institutions. (Ugx 25bn).
- Tier III Micro Deposit Taking Institutions. (Ugx 10bn).

The revision was premised on the fact that the banking sector in Uganda needed to shore up capital levels to not only withstand shocks but also prepare for the

larger financing needs of the country in light of the developments across various sectors especially in the Oil and Gas sector together with its related value chain as well as to position Uganda comparably across the region given that the capital requirements in Uganda were the lowest across this sub region.

Various other regulatory developments took shape including revision of corporate governance guidelines covering board and executive/senior management as well as reporting/disclosure requirements, implementation of ICAAPs (Internal Capital Adequacy Assessment Processes) and other Basel II & III aspects aimed at measuring & reinforcing financial stability. Several other regulations were amended and gazetted including Anti Money Laundering (AML) and Credit Reference Frameworks (CRB Amendments) to widen the scope of credit information available for better risk management.

Towards the end of the year 2022, we made progress on advancing inclusion. The long awaited amendments to the MDI act were presented to parliament for consideration and we did meet the parliamentary

committee on finance that handled the matter.

We expressed support for the amendments and shared with members of parliament the benefits envisaged from these amendments including the importance of expanding access to banking especially because of the proximity of MDI to the last mile beneficiaries in the lower income brackets and potential impact therein.

“Towards the end of the year 2022, the long awaited amendments to the MDI act were presented to parliament for consideration and we did meet the parliamentary committee on finance that handled the matter.”

Stakeholder Engagements

We held numerous stakeholder engagements in the course of 2022, key among them was a special meeting with His Excellency the President of the Republic of Uganda Yoweri Kaguta Museveni on 3rd Nov 2022 where we briefed him on the

various initiatives the industry had undertaken to expand and extend banking services including supporting financial inclusion, tax collection and cushioning key sectors in the economy.

During this meeting, we had the opportunity to share with him our pain points, key among them being the challenges and ramifications his earlier directive constraining recovery processes especially land and other collateral pledged as security in the issuance of credit. H.E The President promptly addressed our concerns by providing the much needed clarity on the matter.

The Annual Bankers Conference 2022 (our signature annual event) was held under the theme **“Bridging financing gaps in the manufacturing and tourism/hospitality sectors to catalyze economic recovery & growth post 2021”** was another key and timely event that deliberated on initiatives to support these high multiplier effect sectors and their related value chains.

Other engagements included continued collaboration and engagement with the judiciary, development partners including GIZ and aBi Finance,

the signing of a collaboration MOU with the Payment Service Providers Association (PSPA), dedicated sessions with stakeholders on more participation by the industry in supporting the Oil & Gas sector as well as policy dialogues with development partners and the Ministry of Finance.

In line with our priority focus areas of mitigating cyber fraud risks, we did engage consultants who finalized the design of the proposed Cyber Security Operations Center (C-SOC) and thereafter brought on board a project manager to oversee its phased rollout. The first phase of the C-SOC is expected to be up and running in Q2 of 2023.

In the same breath a benchmarking visit to Citibank's Fusion Center at Citi group's headquarters in New York where their cyber security function is headquartered was undertaken. The visit illuminated several aspects of cyber defense including the set up and management of cyber security centers, types of cyber risks, methodologies and trends, other 3rd party cyber risks, as well as typical legal risks. Other key learnings included the need to cultivate, foster and reinforce collaboration

in cyber security risk management.

“In line with our priority focus areas of mitigating cyber fraud risks, we did engage consultants who finalized the design of the proposed Cyber Security Operations Center (C-SOC) and thereafter brought on board a project manager to oversee its phased rollout. The first phase of the C-SOC is expected to be up and running in Q2 of 2023.”

Fraud especially cyber/ payment related fraud has increasingly become a common category constituting 31.9% of the total industry frauds with the increase in the use of technology and uptake of electronic services coupled by complexity of cyber fraud stars.

The other major fraud categories being loan related frauds at 25.7% and impersonation, identity theft, forgeries & cash suppression at 42.4%.

A revision and re-launch

of a fraud mitigation strategy is underway and planned for Q2 of 2023.

We launched the Regional Export Facility (REF) in October and initiated the planning process for a Women Empowerment Initiative (WEI) whose fruition is expected in 2023.

We also held engagements with the Ministry of Finance and Uganda Revenue Authority on tax and other fiscal policy matters constraining the growth and expansion of banking and financial services and hope that our proposals will be reflected in the budget statement and related bills for FY 23/24.

We signed an MOU with the Payment Service Providers Association (PSPA) on the 30th of September 2022 and mapped the following focus areas for collaboration.

- Mitigating fraud & cyber security risks-framework for incidence reporting.
- Establishing minimum integration standards to safeguard the integrity of payment ecosystems.
- Identifying any policy, regulatory changes and compliance issues to engage BOU.
- Driving awareness among customers & general public.

Bringing alive this collaboration will be high on our agenda in 2023. Our members continued to undertake several corporate social responsibility initiatives details of which are captured in the annual report.

During the year 2022, the focus on the Environmental, Social, and Governance (ESG) agenda gained more traction with our regulator Bank of Uganda indicating that a policy framework and roadmap would be developed to guide the industry journey in a structured manner in avoidance of piecemeal adoptions.

ESG Sustainability matters are taking center stage and are a crucial agenda item today more than ever. The expectations falling on financial institutions has gotten heavier by the day and we have identified our ESG priorities inline with the financial industry priorities. The industry took a position to reinforce the individual efforts of member SFIs in this regard by having it championed at the UBA secretariat with teams assigned to galvanize various resource inputs and plans to translate the ESG aspirations into strategies/ work plans and have all member

financial institutions embrace this agenda.

Member Supervised Financial Institutions (SFIs) are at different stages of embedding the ESG framework and this will continue gaining traction in 2023.

We continue to advance and will enhance our dialogue in ESG matters working and collaboratively with several other partners local, regional and international to build capacity in this space.

Industry Performance for 2022

Snapshot of aggregated banking sector financials FY 2022

Published financial statements indicate that total assets for the industry grew by 11.2% from Ugx 41.4 trillion in FY 2021 to Ugx 46.1 trillion in FY 2022.

Customer deposits grew from Ugx 28.2 trillion in FY 2021 to Ugx 31.6 trillion in FY 2022 representing a 12.0% growth, while Total loans stood at Ugx 19.9 trillion in FY 2022 up from Ugx 17.7 trillion recorded in FY 2021 representing a 12.5% increase vs prior year.

Total asset growth was mainly driven by an increase in marketable trading securities of Ugx. 2.1tn (35.5% YoY Increase)

and net loans and advances to customers of Ugx. 1.9tn.

Industry profitability has been recorded at Ugx 1.21 trillion for FY 2022 vs Ugx 1.35 trillion recorded in FY 2021 representing a 10.6% drop year on year. Despite a more challenging economic environment, only three commercial banks posted losses FY 2022 compared to eight in the previous year.

Outlook for the banking Industry

Macro-economic overview

Indicators show improved prospects of global and domestic economic conditions which will ease risks to financial stability.

Inflation is expected to continue declining in the months ahead due to lower energy prices, improved global supply chains, and exchange rate stability due to tight monetary and fiscal policies.

Fiscal Outlook:

The budget framework paper FY2023/24 signals a fiscal consolidation strategy, driven by enhanced domestic revenue mobilization and a reduction in non-priority expenditure.

With the current Gross Domestic Product (GDP) growth forecasts, improving economic growth is expected to support businesses and household incomes thereby support the banking sector performance.

The industry is optimistic that 2023 will register growth despite of the economic and geopolitical challenges, however rising domestic public debt levels could adversely affect financial market sentiments and offshore capital flows.

We continue to be aware of evolving challenges and emerging issues such as credit risk, which remains elevated, partly as banks write off further credit losses arising from outstanding CRM loans and pass through of higher lending rates on asset quality.

Rising provisions for credit risk and market losses may thus continue to affect banks' earnings. High credit write-offs and operational risk charges are likely to reduce profitability and capital buffers during 2023 save for the revised paid-up capital requirements.

Conclusion

I take this opportunity to convey my gratitude to all of you, member CEOs and the

institutions you represent for the support rendered and cohesiveness demonstrated throughout 2022.

I thank members of the executive with whom we worked very closely to deliver the association's mandate and activity plan for 2022 as well as to the UBA secretariat led by the Executive Director and his entire team supported by the UBA committees for being the engine behind the above achievements.

I thank our regulator, Bank of Uganda with whom we continue maintaining a very warm, cordial and collaborative relationship, our various development partners, customers and all stakeholders for the tremendous support, transparency and collaboration exhibited throughout the year 2022.

Lastly very deep and special thanks to His Excellency the President of the Republic of Uganda for giving us audience in 2022 and promptly addressing our challenges.

We look forward to yet another engaging year 2023.

Sarah Arapta
Chairperson

Responsibility and Sustainability through Partnerships and Collaborations!

Financial institutions spent over one billion Ushs a day on ICT in 2022, reinforcing the role that technology continues to drive and shape business operations.

392 Billion Shillings in IT Spend to improve processes & Security

Disruptive technologies have markedly changed the way financial institutions operate and deliver products and services to customers.

Technology has changed not only what we do but also who we are. It is affecting our identity and all the issues associated with it: our sense of privacy, our notions of ownership, our consumption patterns, the time we devote to work how we develop our careers, cultivate our skills, meet people, and nurture relationships.

Technological innovation also continues to lead the supply-side as well with long-term gains in efficiency and

productivity.

On the flip side, it has come with risk especially cyber security risks which member financial institutions are having to mitigate and stay ahead of to maintain confidence in the banking and financial system.

1 Trillion 79 billion Shillings in Direct Taxes

In terms of contribution to national revenue, financial institutions directly paid total taxes of over one trillion UShs, in addition to facilitating tax collection as the primary tax collection partner for URA where over 94% of taxes are paid through.

Financial institutions also indirectly contributed to tax generation by originating or facilitating business transactions through extension of credit through which taxes are generated.

The technological enhancements (automation and digitization) referred to above has not only enabled direct integration on the URA Portal for

e-payments to make payments easier and convenient but also enabled 24/7 collection now possible via various channels as well as reduced error rates.

131 billion Shillings in Social Security Contributions

Regarding contribution to social security, over 131 billion UShs was paid to NSSF averaging a monthly sum of 10.9 billion Ushs.

16.3 Billion Shillings in Corporate Social Responsibility

Corporate Social Responsibility remained a key deliverable for the industry with over 16.3 billion Ushs spent in 2022, compared to 8bn in 2018 on sustainability areas of health, sanitation, education & financial literacy and environmental concerns. This is in addition to the extension of credit across various sectors of the economy of up to 20 trillion.

Message from the Executive Director



Mr. Wilbrod Humphreys Owor
Executive Director

On behalf of the team at the secretariat, all the supporting operational committees and technical work streams, I convey greetings and gratitude to all our members and stakeholders for the support provided to us in 2022.

We are delighted to share with you the annual report for FY 2022.

During the year 2022,

following the conclusion of our three (3) year strategy 2022-2024 in 2021, a specific annual plan for the year 2022 was derived from the above and followed through focusing on

- Supporting recovery of the economy, financial inclusion and sustainability of the banking and financial sector.
- Strengthening governance organs and increasing the productivity of UBA work-streams including

the research function.

- Delivering key industry projects and stabilizing earlier ones.
- Fostering stakeholder engagements, promoting partnerships and collaborations.
- Continuing to diversify our revenue streams.

We held a total of eight (8) meetings of the Central Executive Committee (CEC), eight (8) meetings of CEOs and 119 operational and technical working group meetings to handle business matters regarding

the sector. We are grateful to all of the member SFIs for this demonstration of commitment.

In May 2022, one of our members, Afriland First Bank (U) Limited applied for voluntary liquidation and was granted permission by the Central Bank to exit the Ugandan Banking space. The decision for voluntary liquidation was an outcome of a strategic business review by the shareholders.

African Export-Import Bank also referred to as Afreximbank, a pan-African multi-trade finance institution created in 1993 under the auspices of the African Development Bank officially opened its offices in Uganda and joined the UBA as a full member in June 2022.

Four member CEOs namely Lekan Sanusi of Guaranty Trust Bank, Albert Saltson of Standard Chartered Bank who served on the central executive committee of UBA and Anthony Ndegwa of NCBA, and Samuel Kirubi of Equity Bank who served as chairman of the investment

“We collected 100% of the subscriptions and by close of the year most of the prior year outstanding receivables for critical projects had been cleared by members.

committee and vice chairman of the Uganda Institute of Banking and Financial Services (UIBFS) respectively completed their tour of duty in Uganda. We salute them for their contribution to the banking sector and to the economy of Uganda.

We collected 100% of the subscriptions and by close of the year most of the prior year outstanding receivables for critical projects had been cleared by members. Non subscription revenue realized in 2022 was Ugx 1.48bn or 51% of total revenue compared to Ugx 1.29bn or 47% of total revenue realized in 2021.

Our research function continued to take shape and undertook various studies and publications especially in the areas of driving efficiency/ cost management in the banking sector, lending, business distress, financing support frameworks for the manufacturing and tourism sectors, digitization

and financial inclusion among others.

The communication and corporate affairs function anchored over twenty-five (25) other stakeholder engagements in the course of the year to drive the industries strategic goals through partnerships and these are detailed in this annual report.

We remain grateful to all our partners for the support and collaboration exhibited throughout the year 2022

The year 2023 is already with us and as we continue to cope with the changing environment, the industry will continue to rely on its staff (People) and as such we have prioritized the review of the industry code of conduct. This together with standardization of grading of roles and ensuring the requisite skill sets are provided will be a key focus area including for our training institute.

We stand ready and prepared to continue driving the industry agenda and look forward to yet another year of action.

Wilbrod Humphreys Owor
Executive Director

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Key Accomplishments

1. Stakeholder Engagements

1.1. Engagement with the Judiciary



UBA Chairperson, Sarah Arapta speaks during the engagement with the Judiciary



Group Photo of UBA Representatives with Members of the Judiciary at Mestil Hotel

Uganda Bankers' Association (UBA) in partnership with the Judicial Training Institute (JTI), held an inaugural training session for the Judicial Officers on 27th May 2022 at Mestil Hotel.

The half day workshop was attended by the Judiciary, led by the Head of the Commercial Court (HCC), His Lordship Justice Stephen Mubiru who represented the Principal Judge. Several judges of the various divisions of the high court and upcountry circuits, registrars and staff from the judicial

training institute, UBA legal committee and member bank CEOs attended the session.

The training appraised the participants of the developments in the banking and financial sector, best practices for the industry, and called for continuous support in addressing the challenge of case back log.

In her remarks, the UBA Chairperson Ms. Sarah Arapta, commended the Judiciary for the steps that had been taken to address the challenge of

case back-log, notably;

- The establishment of the case back-log committee.
- Creation of party led small claims court.
- Promoting alternative dispute resolution methods like mediation, and
- The development and implementation of the Electronic Case Management System whose objective is to expedite and ease court processes and cases.

“Ms. Sarah Arapta, further highlighted the need for an alternative dispute resolution Centre to promote access to justice by supplementing the existing mechanism, offering an alternative avenue for speedy, cost efficient and effective option for the resolution of commercial disputes



L/R Ms. Grace Muliisa (CEO, Ecobank), EDS Bank of Uganda Dr. Twinemanzi Tumubweine, UBA Chair Ms. Sarah Arapta, and UBA ED Mr. Wilbrob Owor at Mestil Hotel during the engagement with the Judiciary

Ms. Sarah Arapta, further highlighted the need for an alternative dispute resolution centre to promote access to justice by supplementing the existing mechanism, offering an alternative avenue for speedy, cost efficient and effective option for the resolution of commercial disputes.

She concluded by advocating for the

embracing of the International Centre for Arbitration and Mediation in Kampala "ICAMEK", -that was officially launched in April 2019

The Judiciary called for further support from the industry in enhancing knowledge and better understanding of the cases in relation to handling syndication or foreign lender including,

regulatory gaps, and registration requirements.

The meeting proposed that the industry considers setting a threshold amount for which the standard approach should be ADR via ICAMEK at least for 12-18 months as first recourse. As such all SFI cases go to the center, prior to court as a standard operating procedure.



Representatives from the Judiciary and UBA Legal Committee at Mestil Hotel

1.2. Banking Industry readiness to support the Oil & Gas Sector



Uganda Bankers' Association on 22nd April 2022 organized a dedicated industry session on Oil & Gas at Mestil Hotel that facilitated discussions around how the financial sector can contribute to the developments in the Oil & Gas sector. SFI Member CEOs as well as respective Heads of Business/Credit responsible for Oil & Gas attended the session that aimed to;

1. Dimension the opportunity space and establish the industry road map.
2. Identify gaps, risks & challenges.
3. Establish coordination structure/organ to support readying the industry to contribute to the development of the oil & gas sector.
4. Enhance the knowledge and understanding about the O&G industry among UBA members.
5. Share experiences from other jurisdictions such as Nigeria.

The meeting highlighted the following as the key areas that need to be addressed to support the participation of SFIs,

- Assessment of regulatory, skill and laws e.g. local content laws in the oil & gas sector.



Zoram Consulting Group Ltd Led by the CEO, Mr. Jimmy D. Mugerwa facilitate the Banking industry session on oil & gas at Mestil Hotel

- Regulatory requirements, drafting and reviewing of agreements.
- Stakeholder management and capacity building for SFIs.

The Petroleum Authority of Uganda (PAU) provided an update on the status of the oil & gas sector and further highlighted

the opportunities for the financial services sector as:

- Debt financing of the projects
- Provision of tailor-made financial solutions like loan facilities, contract financing, asset leasing, among others.
- Participation in other areas like the local content development fund, commissioning



L-R ED Mercantile Credit Bank, Mr. Ronald Jaggwe, ED Cairo Bank Uganda, Ms. Sylvia Jaggwe and other Member Bank Representatives at the industry session on oil & gas at Mestil Hotel



CEO Opportunity Bank (Third left), Mr. Owen Amany and other participants during the industry session on oil& gas at Mestil Hotel

and funding studies to define and harness linkages to the banking sector.

PAU informed the participants that since its launch in April 2021, US \$ 3.8b had been invested in the sector by end of 2021 with an expectation of US\$ 15billion more over the next 5 years.

United Bank for Africa, Nigeria shared experiences/ lessons learned from the contribution of the banking & financial Sector

to the development of O&G in Nigeria. These included;

- The importance of stakeholder engagement amongst the players that helped shape the activities in the oil & gas industries.
- Financing opportunities were identified to be in the following areas; import financing, acquisition financing, bank commercial loans, local trade financing dealer financing, project financing, intervention

financing programs, and working capital financing.

From the meeting, it was agreed that a strategy for financial institutions to participate in the oil & gas industry is developed based on the experiences and recommendations made during the session.

In 2023, UBA will undertake a study that will explicitly dimension the industry strategy to support the oil & gas sector.



CEO Finance Trust Bank, Ms. Annette Nakawunde with other member bank representatives during the session at Mestil Hotel



CEO NCBA Bank, Mr. Mark Muyobo, UBA HCCA, Ms. Patricia Amito and other participants at the session

1.3. Strengthening the collaboration with Uganda Revenue Authority



URA Commissioner General, Mr. John Musinguzi Rujoki with his team pose for a photo with members of UBA led by the Chair Chief Finance Officers' Committee, Michael Segwaya after a meeting at the URA Offices in Kampala

The UBA Chief Finance Officers' (CFO) Tax Committee with the support of PriceWaterhouse Coopers met with the Commissioner General, Mr. John Musinguzi in December 2022 to discuss how to strengthen collaboration in order to increase tax compliance.

The meeting focused on the treatment of corporation tax for accrued expenses

incurred by banks and further sought the clarification of the difference between accrued interest and expenses and deferred interest and expenses.

The meeting further deliberated on the treatment of withholding tax on the different management and transactional charges on nostro accounts including the enabling laws and guidelines in the collection

of the nostro charges and any other income that may arise from foreign businesses transacting digitally.

The Commissioner General appreciated meeting the UBA delegation, stating that, Banks were one of the biggest contributors to government revenue and provide a platform for tax payers to pay their obligations.



Mr. Michael Segwaya, Chair UBA CFO Committee, Uganda Bankers' Association



Mr. John Musinguzi Rujoki, Commissioner General Uganda Revenue Authority

1.4. Meeting of UBA Member Bank CEOs with the Valuers' Association



Promoting Partnerships. Transforming Banking.



In 2022, a delegation of the Valuers' Association met with and engaged the UBA Member Bank CEOs and the discussions focused on the following areas;

1. Mode of Retainer of Valuers on the Bankers' Panel

The meeting was informed that the Surveyors Registration Board (SRB) had noted that several limited liability companies were engaged in offering valuation services contrary to the SRB Act.

As a result, the SRB had put in place a system to ensure only sole proprietors or partnerships under the Registered Surveyors of Uganda (RSUs) are licensed to offer the services.

Banks were encouraged to reference the Surveyors

Registration Board (SRB) on an annual basis as regards their panel of valuers to ensure they have valid practicing certificates as well any concerns about professionalism, competence and conduct.

Banks were encouraged to reference the Surveyors Registration Board (SRB) on an annual basis as regards their panel of valuers to ensure they have valid practicing certificates as well any concerns about professionalism, competence and conduct.

2. Mode of Issuance of Instructions

The Valuers' Association advised the meeting that the proposed preferred mode for issuance of instructions was a centralized approach or using a regionalized approach for upcountry.

The above mode would help track and manage the quality of work being conducted at all the branches and provide a robust audit process for valuers' conducting these assignments.

3. Mode of Payment of Fees

The team from the Valuers' Association proposed that the fees for valuation work be deducted upfront from the client's account and deposited on the valuer's account

upon finalization of the assignment and delivery of the report. This would help reduce connivance between clients, bank officials and valuers as regards fees, and property/ security values reported in the reports.

“The Valuers’ Association recommended for the provision for a sub-contracting clause including the associated additional costs because often, the valuers seek the input of some other professionals e.g., land surveyors during inspection and investigation of the location of a property.

4. Sub-Contracting Clause

The Valuers’ Association recommended for the provision for a sub-contracting clause including the associated additional costs because often, the valuers seek

the input of some other professionals e.g., land surveyors during inspection and investigation of the location of a property.

5. Reimbursables

Regarding reimbursables, the meeting was informed that these included the costs of obtaining cadastral prints (in case of mailo tenure), costs of obtaining cadastral prints and cadastral data (in case of freehold and leasehold tenure), transport (Ugx. 2,000 per kilometer) and accommodation (Ugx. 80,000 per night).

In addition, it is the duty of the Supervised Financial Institution to carry out title searches and not the valuer or land surveyor.

On the issue of valuation pricing structure, the Valuers’ Association urged Supervised Financial Institutions to appreciate, take cognizance, and agree on a sustainable scale of fees that considers the depth of work, risk entailed and extent of other professional input & judgement in the various types of valuations. For this, SFIs

will need to balance between the quality of valuations, cost, and collateral quality risk.

In conclusion, the meeting was informed that a Valuers Code of Conduct was currently under review with a rigorous disciplinary mandate that includes red flagging fraudulent members to the Supervised Financial Institutions.

UBA Secretariat will work with the Credit Committee to re-evaluate the proposal of the industry, adopting and using an automated valuation tracking system and subsequently guide on how this initiative can be progressed.

“UBA Secretariat will work with the Credit Committee to re-evaluate the proposal of the industry, adopting and using an automated valuation tracking system and subsequently guide on how this initiative can be progressed.

1.5. URA calls upon financial institutions to support Business formalization

During the 6th URA Conference, emphasis was placed on domestic revenue mobilization and financial institutions

were recognized as key in revenue mobilization as both tax payers and platforms through which the wider public pays taxes.

We congratulate member financial institutions that received awards during this event that was held at Mestil Hotel.



Centenary Bank CEO, Mr. Fabian Kasi, receives the Institution's award from URA



Bank of Baroda, award handed to former CEO, Mr. Raj Kumar Meena by the URA Commissioner General



Guaranty Trust Bank representatives received the URA award from Mr. Moses Kaggwa, the Director Economic Affairs, Ministry of Finance Planning and Economic Development



KCB CEO, Mr. Edgar Byamah, received the URA award from Mr. Moses Kaggwa, the Director Economic Affairs, Ministry of Finance Planning and Economic Development

1.6. Tradeclear Uganda launches the Umbrella Guarantee Facility



L-R, ED UBA, Mr. Wilbrod Owor, Chairperson UBA, Ms. Sarah Arapta, CEO Frontclear, Mr. Phillip Buykes, EDS BOU, Dr. Twinemanzi Tumubweine, Deputy Governor BOU, Mr. Michael Atingi-Ego, CEO Capital Markets, Mr. Keith Kalyegira, FMDC Mr. Simon Rutega during the launch at Sheraton Hotel.

In collaboration with Bank of Uganda, Tradeclear Uganda officially launched the Umbrella Guarantee Facility in June 2022, an initiative aimed at strengthening the capacity of Tier 1 commercial banks and support a more inclusive and stable interbank market.

The UGF (Umbrella Guarantee Facility) presents an avenue through which credit and residual risk can be mitigated by allowing participating commercial banks to trade with no bottleneck.

The financial markets fraternity under the ACI Secretariat and the Ugandan banking industry at large will benefit from the Umbrella Guarantee Facility through;

1. An increased number of trading counterparty credit lines amongst the banks. This will led to improved risk management, reduced interbank market segmentation, and accordingly improved pricing and reduced reliance on central bank funding.
2. Improved liquidity within the secondary bond market which will widen the valuation curve and improve

monetary policy transmission.

3. The full implementation of the buy/sell repo market with support from Frontclear.
4. Access to the guarantee platform that will provide valuation and collateral management capabilities to banks that do not have these systems internally yet. With Frontclear acting as a valuation agent, the cost of entry into the market will be lower.
5. The expected development of mean pricing to inform interest rates benchmarked



Bank of Uganda Deputy Governor, Mr. Michael Atingi-Ego delivering the keynote address at the Tradeclear Launch at Sheraton Hotel



Uganda Bankers' Association, Chairperson, Ms. Sarah Arapta speaks during the launch event at Sheraton Hotel.

and yield curve development which is critical for the banks to develop and price loans to their clients.

The Industry will gain from;

- The introduction and execution of best practice documentation that is already being used in the frontier, emerging and advanced markets.
- Reforming the legal and regulatory

framework for standardized requirements that allow for the use of GMRA, as well as ISDA for the FX Swaps, Cross Currency Swaps, and Interest Rate Swaps.

In his keynote address at the launch, the Deputy Governor Bank of Uganda, Michael Atingi-Ego highlighted that in the spirit of the concerted advancement of the financial system, BoU and

Frontclear had undertaken to work together by signing a Memorandum of Understanding (MoU) to support the development of the interbank market in Uganda in 2019.

He further highlighted that the MoU had prioritized three key areas as;

1. a legal and regulatory review on the enforceability of the International Swaps and Derivatives Agreement (ISDA)



Bank of Uganda, Director Commercial Banking, Mr. Hannington Wasswa with guests during the Tradeclear Launch at Sheraton Hotel.



Chief Executive Officer, Frontclear Management, Mr. Phillip Buykes

- and Global Master Repurchase Agreement (GMRA).
- 2. Piloting a money market development framework diagnostic tool.
- 3. Tradeclear – Frontclear's umbrella guarantee product in Uganda.

The launch of Tradeclear Uganda is yet another critical milestone for market development in

Uganda. Tradeclear aims to professionalize market trading and reduce counterparty credit risk such that all banks across all market segments can maintain access to interbank funding and risk management instruments."

At the launch, twelve (12) commercial banks signed MOUs with Tradeclear while the others are in the process of customisation

to the required execution documentation. As of March 2023, trades have successfully been executed on the platform.

UBA will collaborate and support member banks to benefit from capacity-building through the Frontclear Academy on instruments, valuation, and ISDA documentation that will help upskill the various departments.



L-R; Treasurers from ABC Capital Bank, Absa Bank, Centenary Bank, dfcu Bank, Exim Bank, Finance Trust Bank, Housing Finance Bank, I&M Bank, Stanbic Bank and Standard Chartered Bank during the MOU signing ceremony at the Tradeclear Uganda Launch held at Sheraton Hotel

1.7. Promoting lending to Agri Business SMEs



Members of the Uganda Delegation at Aceli Africa Convention that was held in Nairobi, Kenya

Uganda Bankers' Association partnered with Aceli Africa to promote lending to Agri Business SMEs. Aceli Africa is a market incentive facility that unlocks increased private sector lending for inclusive agricultural enterprises in East Africa.

Aceli Africa is designed as a demonstration model with two fold objectives

1. Catalyzing a more competitive financial

Market through financial incentives promote competition and efficiencies that drive down the costs to serve agricultural SMEs and reduce the need for donor funding.

2. Collaborating with partners to promote public sector investment at the country level to support agricultural SME finance.

On 15th and 16th November 2022,

Aceli Africa held a convention session that was attended by various partners, impact investors/funders, lenders, Bankers' Associations. Representatives came from Kenya, Uganda, Tanzania, Rwanda and Zambia among others.

The representatives from Uganda comprised UBA, partner financial institutions as well as agencies like UWEAL, Uganda Cooperative Alliance, BOU, and SME Federation of Uganda

The meeting facilitated discussions on policy proposals relevant to enable increased lending to Agri-SMEs as well promote investments in social and ESG initiatives.

In 2023, UBA will progress a partnership with Aceli Africa that will contribute to increasing access to finance for the Agri business SMEs among others.

UGANDA BANKERS' ASSOCIATION



ED Uganda Bankers' Association, Mr. Wilbrod Owor, poses for a picture with CEOs of Tanzania Bankers' Association, Ms. Tuse Joune and Rwanda Bankers' Association, Mr. Tony Francis Ntore at the Aceli Africa Convention held in Nairobi Kenya.



The Uganda Delegation pose for a photo at Aceli Africa Convention that was held in Nairobi, Kenya

1.8. Promoting Alternative Dispute Resolution-Launch of Conciliation Desk at ICAMEK

ICAMEK is an initiative of Uganda Law Society and Uganda Bankers' Association. The International Centre for Arbitration and Mediation in Kampala (ICAMEK) offers a platform for independent, fast and/or efficient, flexible and impartial administration of Alternative Dispute Resolution mechanism.

Officially launched in April 2019, and issued with an instrument to appoint Arbitrators and Conciliators, ICAMEK is steadily building its reputation for dispute resolution, and has to date registered 56 arbitration cases and published 48 Arbitral

Awards and 8 settlements. The Centre has trained 226 participants and will partner with the judiciary to offer similar training to the Bench.

The Center cultivated a strategic partnership with the Chartered Institute of Arbitrator's Kenyan branch through which Uganda's application to create a chapter was submitted. The Chartered Institute of Arbitrators UK approved the creation of the Ugandan Chapter and it was launched by the Hon Minister of Justice and Constitutional Affairs on the 23rd September 2022.

This will create an enabling environment

for alternative dispute resolution in Uganda as accreditation becomes more easily accessible at a domestic level, making Alternative Dispute Resolution (ADR) a more attractive practice and growing Uganda's pool of arbitrators and mediators.

As part of the effort to also promote conciliation as a relevant means to resolve disputes, a conciliation Project of the Centre was commissioned on 11th October 2022 by the Chief Justice of Uganda, Hon. Justice Alfonse Chigamoy Owiny-Dollo, who welcomed the initiative said it would address the challenge of case backlog and delays in resolution of disputes and that many disputes can be resolved more efficiently and with greater satisfaction to all parties.



Minister of Justice and Constitutional Affairs, Hon. Norbert Mao speaks at the launch of the conciliation desk at ICAMEK



The Chief Justice of the Republic of Uganda, Hon. Justice Alfonse Chigamoy Owiny-Dollo launched the conciliation desk at ICAMEK



The Chief Justice of the Republic of Uganda, Hon. Justice Alfonse Chigamoy Owiny-Dollo, Minister of Justice and Constitutional Affairs, Hon. Norbert Mao, UBA ED, Mr. Wilbrod Owor and the Leadership of ICAMEK during the launch of the conciliation desk at Mestil Hotel

"Alternative dispute resolution is flexible, cost-efficient, time-effective, and gives the parties more control over the process and the results", he said.

Parties who resolve their disputes through ADR are generally more satisfied because they may directly participate in working out the terms of their settlement," he added.

The Minister of Justice and Constitutional Affairs, Hon. Norbert Mao who

attended the launch applauded ICAMEK for providing Uganda with a healthy, yet fast and cost-effective alternative dispute resolution mechanisms to resolve commercial disputes.

"It is a well-established fact in all professional spheres that the ease of doing business is greatly dependent on the presence of a robust ADR practice which bolsters investor confidence and improves the business environment in the

country" he added

The launch of ICAMEK, was attended by Hon Justices of the High Court. Heads of Diplomatic Missions & International Development Agencies, Hon Members of Parliament, the President of the Uganda Law Society, members of the Law Fraternity, members of Human Rights bodies and the Inter-Religious Council as well as other key stakeholders from the public and private sector.

THE MANDATE OF 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 & 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.

ICAMEK is governed by a Board of Directors who have oversight over the Centre, a Registrar responsible for the day- to-day administration of the Centre and to whom all disputes are referred, as well as a Secretariat to support the Centre.

For more information visit the ICAMEK Offices on 4th Floor Trust Tower, Nakasero, Kampala and Website: <https://www.icamek.org>

1.9. 5th Edition of the Annual Bankers' Conference 2022



UBA Chairperson, Ms. Sarah Arapta speaks at the opening ceremony of the 2022 Annual Bankers Conference that was held at Serena Hotel.

In collaboration with its partners, Uganda Bankers' Association hosted the 5th Annual Bankers' Conference on 25th and 26th July 2022 as a two-day hybrid event, under the theme **"Bridging Financing Gaps in The Manufacturing, Tourism and Agribusiness Sectors to Catalyze Economic Recovery and Growth Post 2021"**.

The Conference comprised four (4) panel sessions that discussed;

1. The multiplier role manufacturing plays in promoting growth of SMEs, job creation, regional trade and diversification and specific efficiency and funding challenges constraining this role.
2. Expectations from banking and financial service institutions in the growth and development of the manufacturing sector and how to ready players in the value chains therein.
3. The unexploited potential in tourism for economic growth and development in Uganda.
4. Alternative financing options including Syndication for Scale, Blended Financing, Climate Finance (Green Finance), Responsible Banking for Sustainability and what is required of financial institutions as well as beneficiary and users to leverage on.

The UBA Chairperson, Ms Sarah Arapta in her remarks noted that economies had been disrupted and affected by the restrictions due to the COVID-19 pandemic, the onset of drought and the Russia-Ukraine war, leaving certain sectors worse off and thus the need to identify the financing gaps required to catalyze economic growth in the manufacturing, tourism, and agribusiness sectors.



The Permanent Secretary, Ministry of Trade, Industry and Cooperatives, Ms. Geraldine Ssali speaks at the Annual Bankers Conference event at Serena Hotel

The Chairperson further emphasized the need to identify the factors affecting access to finance and funding and ultimately develop strategies to prepare players in the various sectors to access the different types and combinations of financing.

The two –day conference comprised; addresses by the Permanent Secretaries of the Ministry of Trade, Industries and Cooperatives (MTIC) and Ministry of Tourism, Wildlife and Antiquities (MTWA) respectively, Bank of Uganda and a keynote address that was delivered by Afreximbank and the European Union Delegation to Uganda.

The conference participants included representatives from Uganda Manufactures Association, Traders, Uganda Tourism Association (ticketing, tour guides, tour operators,

SMEs etc.), Uganda Hotel Owners Association, Uganda Tourism Board, Uganda National Chamber of Commerce and Industry, Private Equity Providers, Financial Service Providers, Government (MOFPED, MTIC and MTWA) and Private Sector players. A total of 1,824 participants attended through digital channels and 270 attended in person.

In his keynote address, the Chief Economist and

Director Research and International Cooperation at Afreximbank, Mr. Hippolyte Fofack noted that it was critical to overcome the institutional culture which assumed sectors of manufacturing and tourism were too risky. He further called upon the banking industry to champion/ craft a framework to have in place a financing consortium (participation by SFIs & DFIs) to fund both short & long term including required guarantees built in.

In his remarks, the Chairman Uganda Tourism Board, Hon. Daudi Migereko highlighted the opportunity space in tourism and its value chain, and made a call to SFIs to participate in tourism events. He further informed the meeting that the tourism act was being amended to accommodate private sector financing towards tourism.



The Deputy Governor, Bank of Uganda, Mr. Michael Atingi-Ego speaks during the Annual Bankers Conference held at Serena Hotel



Chairman, Uganda Tourism Board, Hon. David Migereko speaks during the Annual Bankers Conference 2022 at Serena Hotel

Key Issues/challenges identified in the Manufacturing, Tourism and Agribusiness sectors

1. There is a large untapped labour force which the manufacturing and tourism industry could catalyze for inclusive growth and transition the continent out of poverty, while weaning itself off excessive dependency on manufacturing imports.

In a sign of post-crisis normalization, tourism-dependent African economies are expected to enjoy strong growth in 2022. However, considering the various untapped opportunities and potentials in these two sectors, financing was a huge stumbling block in the pathway to sustainable growth.

2. Manufacturing can sustainably grow foreign exchange

- reserves and mitigate the exposure to recurrent adverse commodity price cycles, providing the capital reserve that central bankers need to effectively manage their economies.
3. The manufacturing sector is challenged by the lack of affordable long-term financing of minimum 10 years as Uganda embraces import replacement for effective set up and processing of Iron-ore processing mines and textile spinning mills.
4. There is a lack of

- business formalization among MSMEs and SMEs, and as such this hinders their potential and capacity to access financial support to expand their businesses.
5. There is limited national budget allocation of 0.2 % to the key sector of tourism and this greatly affects productivity and expected output.
6. There is need for legislation that will attract alternative financing channels to complement the traditional financing received from Supervised Financial Institutions.
7. Undeveloped financial services in the region especially in South Sudan and DRC means that a lot of the trade is cash based therefore high risk and poorly reported.
8. Inability to access larger, long-term capital from commercial lenders has inherently crippled



L-R, Mastercard Mr. Shehryar Ali, BOU Deputy Governor, Mr. Michael Atingi-Ego and UBA Chairperson, Ms. Sarah Arapta at the Annual Bankers Conference 2022 at Serena Hotel



L-R Ms. Eugenie Windt Nsubuga, Vice Chairperson, Uganda Tourism Association, Mr. Basil Ajer, Director – Tourism, Ministry of Tourism, Wildlife, and Antiquities, Mr. Julius Mukunda, Executive Director, CSBAG, Mr. Stephen Asiimwe, CEO, PSFU and Mr. Maurice Mugisha, Deputy Managing Director, UBC during a panel session at the conference.

the ability to scale operations, introduce more efficient delivery systems as well as finance innovation.

Key recommendations/ proposed solutions to enable the manufacturing, tourism and agribusiness sectors contribute to economic recovery and growth

1. Upward review of the national budget for tourism from the current 0.2% to 5% and review of fiscal policies and numerous levies in the hotel and other value chain players. Targeted call to all stakeholders to support the tourism sector in promoting the new brand “Explore Uganda, The Pearl of

Africa”.

2. Facilitate the establishment and operationalization of the Regional Export Facility (REF) that is being mooted by UBA. REF is the financial package proposed to be put in place, through which sectoral stakeholders will support Ugandan

exporters, especially local corporates and SMEs to drive export volume to the regional markets, mainly South Sudan, DRC, Rwanda, Burundi and others.

3. Business Development Services – There is need for an incentive framework to encourage most SMEs to formalize their



L-R; Mr. Jonan Kisakye, CEO, Uganda Insurers Association, Mr. Edward Isingoma, Managing Director, Pearl Capital Partners, Mr. David Ofungi, Board Member, Public Private Partnership Unit, Ministry of Finance, Planning and Economic Development, Mr. Richard Wairegi, Manager Export Development Finance Representative, Afreximbank, and Mr. Anthony Kitvuka, CEO, Equity Bank Uganda during a panel session at the conference.



Mastercard Country Manager East Africa, Sub Sahara Africa, Mr. Shehryar Ali being appreciated by UBA ED, Mr. Wilbrod Owor, as CEO aBi Finance, Ms. Mona Muguma Sebuliba prepares to hand him the Title Sponsor Award



L-R Keynote Speakers; Dr. Hippolyte Fofack, Chief Economist and Director, Research and International Cooperation, Afreximbank, Mr. Luis Lechiguero, European Union Delegation to Uganda, Hon. David Migereko, Chairman, Uganda Tourism Board, Ms. Mona Muguma Sebuliba, CEO, aBi Finance and ED UBA, Mr. Wilbrod Owor pose for a photo at the Annual Bankers Conference event at Serena Hotel

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| <p>business operation and qualify for loans through the formal financial service providers. Further, joint collaborative investments in incubation centers and SME Development Hubs will contribute to strengthening the capacity of the businesses.</p> <p>4. Slow implementation of government projects and poor infrastructure,</p> | <p>hampering business growth. A call was made to Government to fast track completion of projects infrastructure to facilitate the transportation of finished goods to the local and regional markets.</p> <p>5. Integrated planning between government, development partners and the private sector to support projects with the highest</p> | <p>impact. Government should identify the value chains that will bring development and impact many areas of the economy from niche markets to export; 13 products including steel, hides and skin, and cocoa are under consideration. This will enable the development of a pipeline of projects focused on the growth sectors and better</p> |
|--|--|---|



Panelists Pose for a group photograph after the session that was moderated by Mr. Maurice Mugish, Deputy CEO UBC



L-R; Mr. Victor Ndlovu, Business Development Lead, Mastercard, East Africa, Dr. Francis Mwesigye, Chief Economist, UDB, Mr. Noah Owomugisha, Head of Investment, BDS & Green Growth, aBi Finance, Mr. Robert Kakande, Executive Director, FINCA Uganda, and Ms. Mildred Tuhaise NBS TV Journalist at a panel session during the Annual Bankers Conference at Serena Hotel.

- investment of funding from private sector.
6. Agri-SMEs cannot grow and thrive without private equity and venture capital to complement commercial bank financing. As such there is need for a supportive taxation policy and framework for private equity funds. There is need to review fiscal policies that limit the inflow of private equity. This may include among others lowering the capital gains tax to attract more equity capital to Uganda.
 7. Government should consider creating a special facility for tourism similar to the Agricultural Credit Facility (ACF) and benchmark from regional jurisdictions that have an operational Tourism Development Fund that will support the achievement of the National Tourism Objectives.
 8. Export Development: Banks should leverage their international networks and linkages to enable development and access to captive markets such as DRC and linkage of small-scale manufacturers to international suppliers.
 9. Promotion and implementation of environmentally friendly initiatives such as the use of solar power to encourage green financing and eco-tourism and use of blended financing for sustainability.



L-R; Mr. Richard Mubiru – Chairman, Board and Policy Affairs, Uganda Manufacturers Association, Mr. Francis Kamulegeya – CPA & Chartered Tax Advisor, Mr. Moses Kaggwa - Director Economic Affairs, Ministry of Finance, Planning and Economic Development and Winnie Lawoko-Olwe, Director of Domestic Investment, Uganda Investment Authority at a panel session during the Annual Bankers Conference at Serena Hotel

1.10. Industry Leadership meeting with H.E The President of Uganda

On Wednesday 3rd November 2022, His Excellency the President of Uganda met with the leadership of the Uganda Bankers' Association at State House Entebbe.

During the meeting that was attended by the Minister for Finance, Hon Matia Kasaija, the PSST, Mr. Ramathan Goobi and Deputy Governor BOU, Dr Micheal Atingi Ego, the President was briefed on the various initiatives the industry had undertaken such as;

1. Promoting financial inclusion and support towards tax collection by investing in electronic platforms

that provide 24-hour collection services, housing and urban development, commercial agriculture via value chain financing and infrastructure support through direct and indirect facilities.

2. Supporting developments in the oil and gas sector particularly local contractors with current exposure to the banks standing at Ugx 1.7 trillion.
3. The industry support towards the manufacturing sector, with particular focus on promoting regional exports that is aligned to the national development plan.

The Banking industry further sought and received clarification on the Presidential Directive that was issued in 2021 halting evictions from land, which had affected the recovery of collateral from borrowers who had previously pledged unencumbered private property or land without tenants/peasants.

The President clarified that his directive was targeted at protecting land with tenants/and disadvantaged peasants/squatters who equally had stakes and not private property and that his directive excluded private land mortgaged by borrowers who fail to pay back their loans.



UBA Chairperson, Ms. Sarah Arapta interacts with H.E the President of Uganda Gen. Yoweri Kaguta Museveni during a meeting at State House

UBA requested H.E the President to equip the commercial court with more judges in an effort to address the challenge of case backlog and resultant capital tied in court disputes estimated at over Ugx 7 trillion, to which the President promised to discuss further with the relevant government agencies and the Chief Justice.

On the challenge of high interest rates, the finance ministry committed to reduce domestic borrowing, by focusing more on alternative and more concessional sources of funding to avoid distorting interest rates in the domestic market and hence crowding out the private sector.

Regarding the delay in settlement of arrears by government, which in-turn had affected the financial sector through non-performing loans, the Ministry of Finance highlighted that measures were being implemented including partial settlements per quarter as committed in the budget framework as well as disciplining accounting officers to avoid diversions.

The meeting concluded with agreements on the steps that would be taken to enable financial institutions use syndication with foreign lenders and equity providers to access long term capital that can then be lent to borrowers.

“UBA requested H.E the President to equip the commercial court with more judges in an effort to address the challenge of case backlog and resultant capital tied in court disputes estimated at over Ugx 7 trillion, to which the President promised to discuss further with the relevant government agencies and the Chief Justice.



UBA delegation led by the Chairperson, Ms Sarah Arapta, the Minister for Finance, the Permanent Secretary, Ministry of Finance Planning and Economic Development, Deputy Governor Bank of Uganda pose for a photograph with H.E the President of Uganda after the meeting at State House.

1.11. NTV Economic Summit 2022



UBA Vice Chairperson Julius Kakeeto interacts with delegates at the NTV Economic Summit that was held at Serena Hotel



CEO Diamond Trust Bank, Mr. Varghese Thambi, CEO, Uganda Insurers Association, Mr. Jonan Kisakyi, and Hon. Ephraim Kamuntu at the NTV Economic Summit 2022

Uganda Bankers Association joined NTV Uganda together with the Ministry of Finance Planning and Economic Development to host the 6th annual Economic series on the 24th November 2022 at the Kampala Serena Hotel Conference Centre.

Under the theme **“the strategies for stabilizing Uganda’s economy to realize sustainable inclusive growth amidst**

global turbulence and uncertainty”, the discussions and submissions from various encouraged stakeholders to embrace the Parish Development Model as key to helping households recover from poverty.

The summit further emphasized the need for continuous investments in Business Development and Advisory Services for SMEs, women and youth

led businesses among others.

The UBA Vice Chair and CEO Post Bank Julius Kakeeto, who participated at the summit as a panelist highlighted initiatives such as the Regional Export Facility that the industry was championing as part of the contribution towards recovery and promotion of exports and growth of manufacturing sector.



UBA Vice Chairperson/ CEO Post Bank Uganda and other speakers during the panel session at the NTV Economic Summit 2022.



1.12. Public dialogue on measures to curb inflation and boost economic growth



UBA ED, Wilbrod Owor during the public dialogue session convened by CSBAG

On 29th September 2022, CSBAG with support from Oxfam Uganda organized a high level meeting under the theme: **“Implications of the Contractionary Fiscal and Monetary Policies on Uganda’s Economy”**, that was held at the Kampala Serena Hotel.

“The meeting recommended that monetary and fiscal policy custodians must work harmoniously to establish the appropriate monetary and fiscal policy mix needed to cushion the economy from the shocks and rejuvenate production to address supply side challenges.”

The meeting recommended that monetary and fiscal policy custodians must work harmoniously to establish the appropriate monetary and fiscal policy mix needed to cushion the economy from the shocks and rejuvenate production to address supply side challenges.

In his remarks, Wilbrod Owor, The Executive Director Uganda Bankers’ Association, encouraged the investment in productive sectors. “If as Government you’re short

of tax collection and struggling with debt, focus on manufacturing sectors so that they produce enough and enable them get markets in the region, focus on tourism, digital finance services and discipline expenditure”.

On the new Markets, Government was warned that increased economic activity without sufficient demand would have no impact on revenue as such the need to focus on improving the quality and quantity of produce to sustainably satisfy the new markets Uganda.

Several speakers also advised government to tighten spending amidst rising budget deficits.

The Ministry of Finance confirmed the need to strengthen coordination and harmonizing the monetary policies to ensure a prudently managed monetary policy, strengthen the economy’s productive capacities while considering social protection.



Delegates pose for a group photograph during the public dialogue session that was convened by CSBAG

1.13. Launch of Green Finance Fund by aBi



L-R The CEO, aBi Finance, Ms. Mona Muguma Sebuliba speaks during the launch of the Green Finance Fund at Serena Hotel



The Deputy Governor, Bank of Uganda, Mr. Michael Atingi- Ego speaks at the launch of aBi the Green Finance Fund at the Kampala Serena Hotel.

In recognition of the climate change threat to the agribusinesses in Uganda, aBi Finance developed interventions to address climate change adaptation, mitigation and biodiversity conservation.

To that end, in partnership with the Global Green Growth Institute (GGGI), aBi Finance developed

a green agribusiness taxonomy to guide financial services sector actors on green agribusiness investments. The taxonomy will enable financial institutions offer green financing to small holder farmers and agribusiness, through the aBi Green Finance Fund, which was launched on 6th December 2022, at Kampala Serena Hotel.

The Green Finance Fund will enable aBi Finance extend Green Lines of Credit, Green Agribusiness Guarantees, Green loan products development and staff capacity building to UBA member financial institutions for green lending to small holder farmers and agribusinesses across the country.



UBA ED, Wilbrod Owor gives remarks at the launch of the Green Finance Fund at the Kampala Serena Hotel.



The Official unveil and launch of the Green Finance Fund by the Deputy Governor Bank of Uganda with the Board and Management of aBi Finance.

1.14. Promoting growth of Insurance and Bancassurance



UBA Head Communications and Corporate Affairs, Ms. Patricia Amato speaks at the press briefing to launch the inaugural insurance week as Mr. Paul Kavuma former CEO UIA looks on.



Health Camp that was conducted as part of the Insurance week activities

In 2022, UBA joined the Insurance Regulatory Authority during the launch of the inaugural Insurance week, an event that sought to take insurance information closer to the people and enable them to make informed buying decisions and increase uptake of insurance services.

The weeklong event was dedicated to raising awareness of the importance of insurance and risk management in Uganda.

During the week, the public was sensitised about the relevance of insurance to cushion them, their loved ones and the property in case of unforeseen disasters.

UBA further collaborated with UIA on the bancassurance week aimed at driving awareness among the general public towards understanding bancassurance and the respective products/ services available and accessible on the market through UBA member SFIs.



The CEO Uganda Insurance Regulatory Authority, Al Hajji Kaddunabbi (C) with representatives from partner institutions during the press briefing to launch the Inaugural Insurance Week 2022

1.15. Presidential CEO Forum (PCF) at Chobe



Delegates at the Presidential CEO Forum that was held at Chobe

UBA attended the 3rd Presidential CEO forum themed **“Unlocking Private Sector Investments Through Strategic Interventions for Socio-economic Transformation”**, that was hosted by H.E the President of Uganda at Chobe Safari Lodge. The PCF is a leading platform that champions private sector inclusion in national development, policy formulation and implementation. The CEOs meet HE the President of Uganda bi-annually to discuss challenges faced by the business community and devise mechanisms through dialogue to redress them.

The purpose of the 3rd PCF retreat was to re-focus the strategic interventions so as to strengthen and build a resilient private sector that cushions the economic development of the country under uncertainties. The

expected outcomes of the retreat included:

1. Understanding the role of e-mobility in the socio-economic transformation of Uganda.
2. Building a strong and resilient private sector aligned to national agenda of socioeconomic transformation.
3. Enhancing Public Private Partnerships with established joint ventures through collaborations between government and the private sector.

In the session, the President officially launched the Presidential CEO Forum Annual Corporate Uganda Book and the PCF Annual Statistical Yearbook.

Key issues discussed in the session include GOU focus on strategic stimuli that will enable the production of goods and services at a lower cost including education, health, peace and stability, infrastructure development, access to funding, transport, electricity, irrigation to support agriculture, among others.

MoFPED through the PSST discussed the focus on capitalization of Uganda Development Bank (UDB) to increase access to capital, increase the share capital of the Uganda Development Corporation (UDC), and digital procurement to prevent procurement fraud and bribery.



Delegates at the Presidential CEO Forum that was held at Chobe

1.16. Strengthening Industry Support towards Women Economic Empowerment



L-R Ms. Eva Ssewagude, Ms. Patricia Ojangole CEO UBD, Ms. Patricia Amato, UBA, Ms. Annet Nakawunde CEO Finance Trust Bank, Ms. Sarah Arapta CEO Citibank and Ms. Gorretti Masadde CEO UIBFS

A survey conducted on behalf of Uganda Bankers' Association by PWC, revealed that 24.4% of total bank lending is extended to women initiatives/businesses.

In November 2022, UBA Secretariat convened a meeting with the female leadership of Member SFIs to discuss how to position the banking industry to support the Women Economic Empowerment Initiative, purposed to serve as a focal point to address the myriad of issues that hinder the progress of women

entrepreneurs and those in the banking/financial sector professional setting.

The key objectives of this initiative will be;

1. Promoting Women Financial Inclusion through an aggregated lens.
2. Streamline the support to UBA member institutions in the delivery of services and value propositions to women.
3. Explore more opportunities for UBA member SFIs offering for women in business to attract more collaboration by partners.
4. Create formal arena for women in business to network, collaborate and share ideas about collective opportunities available in the local and global marketplace.
5. Disseminate information on

financing solutions that meet the needs of women.

6. Increase women's use and leverage of technology to access financial services and market information.
7. Build capacity and professionalism among the Professional Women In Banking and Financial Services (PWIBF) to better support the women entrepreneurs and the industry as a whole.
8. Ensure women economic empowerment is included in planning, budgeting, and overall policy at Institutional and industry level.

A factor that is critical for the success of the Women Empowerment Initiative is the ability to draw in and leverage partner resources. While there's a solid start on account of being anchored by UBA, true impact will accrue out of the ability to draw in a number of institutions that speak to uplifting the agenda of women. In 2023, in collaboration with partners, UBA will officially launch this initiative.



Top L-R Ms. Gorretti Masadde, Ms. Mbabazi K (DTB), Ms. Eva Ssewagude UBA, Ms. Patricia Amato UBA; Sitted L-R Ms. Chioma Mang CEO UBA Bank, Ms. Sarah Arapta Chair UBA, Ms Anne Juuko CEO Stanbic Bank



L-R Ms. Veronica Namagembe CEO Pride Microfinance and Ms. Annet Nakawunde CEO Finance Trust Bank

1.17. Collaborating to drive electronic payments and mitigate electronic fraud



L-R, Deputy Governor, BOU, Mr. Michael Atingi-Ego, CEO MTN MOMO, Mr. Richard Yego, Chair National Payment Systems Providers Association, Mr. Grace Ndyareeba, UBA ED, Mr. Wilbrod Owor, CEO Diamond Trust Bank, Mr. Varghese Thambi, UBA HCCA, Ms. Patricia Amito during the mou signing and exchange ceremony held at BOU Offices

Two umbrella associations, the Uganda Bankers' Association and the National Payments System Providers Association signed a Memorandum of Understanding that was witnessed by the Deputy Governor Dr. Michael Atingi Ego together with officials from the National Payment Systems Department at Bank of Uganda 30th September 2022 at the Bank of Uganda Offices.

The sign off ceremony was held after the meeting of the e-payments apex steering committee that brings together payment service providers licensed by BOU and all regulated member financial institutions of Uganda Bankers Association.

The collaboration will enable UBA and NPSPA work jointly in undertaking initiatives aimed at;

- Addressing challenges arising from electronic fraud and cyber security risks especially in the payments space including supporting consumer education and market awareness.
- Promoting the adoption of operational and technical standards that work to foster confidence in and providing of safeguards for the integrity of payment

- systems.
- Jointly engaging relevant stakeholders on commercial, consumer, policy, regulatory, legislative and any other such matters that contribute to the growth of electronic payments.

The Deputy Governor commended the leadership of UBA and NSPA for joining hands to foster common goals and aspirations in the growth of e-payments and further stated that a collaborative approach between the banks and non-bank payment service

providers was inevitable, because overcoming challenges and barriers that work against the benefits brought about by electronic payments ecosystem would best be delivered under an inclusive and unified framework.



L-R Wave Money, Ms, Rashmi Pillai, M-Cash, Ms. Edith Kuteesa, MTN MOMO, Mr. Richard Yego, Mr. Grace Nyareeba, Micropay/Chair NPSA, BOU, Mr, Andrew Kawere and Ag. CEO Top Finance Bank, Mr. Michael Mande at the signing ceremony that was held at BOU offices

1.18. Strengthening Collaboration between the Banking Sector and Fintechs

Fintech is a fast growing sector greatly supporting the delivery of financial/banking services across Uganda.

signed a strategic collaboration agreement to drive financial inclusion and innovation in the banking/financial services sector.

The Financial Technologies Services Providers's Association (FITSPA) is the umbrella body for fintechs in Uganda with 194 members.

In 2020, UBA and FITSPA



Uganda's Fintech journey across the years (Source: Bank of Uganda, Alliance for Financial Inclusion (AFI))

In 2022, FITSPA further held the Fourth (4th) Edition of its Annual Fintech Conference with focus on "Inclusive Investments and Partnerships."

Uganda Bankers' Association as a key stakeholder participated in various discussions and sessions on how best to attract investment, opportunities, collaboration, and partnerships for sustainable and inclusive growth in the financial services sector.

UBA hosted and facilitated a panel session for women in fintech that comprised;

- Ms. Gorretti Masade. Chief Executive

Officer the Uganda Institute of Banking and Financial Services

- Ms. Sandra Hua Yao, Senior Vice President, Africa Thunes
- Ms. Stella Lugalambi, Founder and Director Hamwe EA
- Ms. Jackie Mbabazi, Executive Director, Association of Microfinance Institutions Uganda.

The need for joint initiatives that support gender inclusion and position women for opportunity was emphasized by all speakers, as critical to enhancing the participation of women across the financial services sector.



1.19. Addressing Cyber Security through collaborations and Partnerships



UBA is championing the establishment of a cyber-security operations Center (CSOC) as an initiative to enhance cyber defence capabilities across the industry.

The CSOC's Objective is to serve the interests of the financial sector institutions towards protecting the customers welfare, increasing sectoral readiness to identify, detect, respond and recover from cyber attacks

The CSOC will:

1. Build a shared cyber security capability championed at the UBA level, complete

with specialized capabilities to ensure readiness, support proactive response, detection, incidence management.

2. Monitor and detect cyber threat.
3. Assist subscribed member institutions in incident handling.
4. Minimise vulnerabilities exposure in the constituency infrastructure.
5. Collect, process and analysis cyber security related information in the global, country and constituent digital environment to assess current risks and improve C-SOC capabilities and member financial institution's security

posture.

6. Improve the security posture by transferring knowledge to subscribed member institutions.

To progress this, a Project team was put in place made up of selected members of the UBA cyber security workstream of the ICT committee supported by the Project Manager.

A Cyber Security consultant firm NRD Cyber Security was brought on board to assist with design phase , which assignment was completed in June 2022.

Currently, the development and subsequent roll out of a

centralized cyber fraud incident management tool has commenced as part of the UBA C-SOC project. A central repository of suspected and confirmed cyber fraudsters will assist member SFIs to implement measures to further protect their environments.

The UBA C-SOC will facilitate cyber knowledge sharing amongst UBA SFIs with a goal of understanding the modus operandi of cyber criminals. Member SFIs and other stakeholders will thus be able to implement strategies that further secure their corporate environments and customer deposits.

Visit to the Citibank Fusion Centre for Cyber Security

Citibank Uganda as part of their support towards the CSOC project, contacted their Citibank Fusion Centre in New York USA, where their cyber security function is headquartered on the possibility of hosting UBA for a high level learning and appreciation tour.

On 10th of August 2022, UBA ED visited and toured the centre in New York and had opportunity to meet with the Fusion Center Leadership Team.



UBA ED, Mr. Wilbrod Owor with the Team at Citibank New York during the visit to the fusion center for Cyber Security

The meeting covered the following areas;

- The set up and management of the Fusion Centre both at HQ, Regional Offices and support provided across the entire group
- Crisis management and supporting hubs
- Typical legal risks (Class action suits especially when customer data is compromised)
- Ransom risks,
- methodologies & trends
- Other 3rd Party cyber risks
- Cloud Security
- Artificial intelligence/ Deep fakes (using observed patterns of human behaviour)
- Innovation labs/Ethical hackers/Cyber threat exercises
- Operations during non crisis times



1.20. Capacity Building for Member Financial Institutions on Cyber Security and Fraud

Through collaboration with technology firms BPC Smart Vista and Kovergence, UBA delivered knowledge sessions for members of the UBA ICT/Cyber Security and Digital Financial Service committees respectively.

UBA partnered with Konvergenz Network Solutions Ltd and hosted a security conference on 16th March 2022 at Golden Tulip Hotel that targeted the ICT/Cyber Security Committee members.

Under the theme “**Zero Trust**

Architecture (ZTA) for the financial sector, Building controls and resilience at the speed of risk”.

Over 30 staff from member supervised financial institutions in charge of ICT/ Cyber Security participated in the half day session.

During the session, the team from Konvergenz shared an update on cyber threats/attacks, cybersecurity challenges and relevant recommendations that can be explored by the member financial institutions.

UBA in partnership with BPC Smart Vista hosted a knowledge session under the theme “**The Anatomy of a New Fraudster**”.

This session targeted

members of the UBA Digital Financial Services Committee with information on the changing trends of fraud and strategies/frameworks to manage fraud in an open, digital payments landscape.



BPC Managing Director Mr. Frank Molla poses for a picture with UBA ED at the thought leadership session on Fraud that was held at Kampala Serena Hotel.



1.21. E-KYC Platform supporting digital authentication



In 2020, Bank of Uganda (BOU), in collaboration with Uganda Bankers' Association (UBA), National Identification and Registration Authority (NIRA), and Financial Sector Deepening Uganda (FSDU) signed a contract with a fintech company Laboremus Uganda to embark on a project to develop a digital ID verification system to be used by all banks and other licensed financial service providers in the country.

This system uses NIRA's National ID card system, to help financial institutions verify the identity of existing and prospective customers. Currently, the system is being used by a total of 25 onboarded financial institutions to verify customers during customer onboarding, account opening and loan origination processes.

In March 2022, Uganda Bankers' Association in collaboration with Financial Sector Deepening Uganda (FSDU) hosted a stakeholder review meeting on the Electronic Know Your Customer project, that took stock of the progress registered on the platform and, more importantly, discussed opportunities for additional support,

maintenance and enhancements that will need to be made to the system.

The meeting noted that as the primary digital authentication platform, the e-KYC system can be integrated with other databases like Uganda Registration Services Bureau (URSB), the lands registry, the movable assets registry, Credit Reference Bureaus (CRBs)





and as such enable advanced background checks for multiple purposes.

It was further agreed that the EKYC Gateway was a key tool in improving financial inclusion initiatives within the ecosystem, as a result holistic stakeholder engagement was critical to underline the importance to all the parties involved and further influence a marked improvement in support areas, quality of responses and customer service hence improving the industry as a whole.

The meeting agreed to continuous support to financial institutions and enhancement of the system as per the needs of the participating

financial institutions. For example, the National Information Technology Authority- Uganda (NITA-U) data developed a data hub which integrates all government data and 29 institutions are currently connected to the electronic KYC (E-KYC) system through the NITA-U data integration platform commonly known as the UGhub.

In 2023, Uganda Bankers' Association and Financial Sector Deepening will undertake an evaluation of the E-KYC project, which will provide a comprehensive understanding of the project's outcomes and impact and inform future project planning and management of the next phase of the project.



1.22. Other Stakeholder Engagements

Engagement with IFC

We had several engagements with the IFC in 2022 including:

- A workshop to discuss the Uganda Warehouse Receipt Systems Authority (UWRS) and warehouse receipt finance purposed to establish the necessary mindshare and partnerships to successfully implement this important financing tool, considering the unique context of Uganda.
- A workshop on enhancing the resilience of credit information systems to support Covid-19 economic recovery, which was co-hosted by Bank of Uganda and IFC. The workshop discussed interventions to

strengthen and expand the credit information landscape to include credit invisible persons, and other measures to support the evolving credit information infrastructure.

- Discussions with consultant arranged by IFC to discuss the alternative data landscape in preparation for rolling out the IFC support in this area.

Engagement with the World Bank

The secretariat had various discussions with the World Bank in the course of the year on the status of the economy and the various interventions that may be required to support recovery. Further, the UBA attended the launch of the twentieth edition of the

Uganda Economic Update, dissemination of the Country Economic Memorandum (CEM 2020), the Country Private Sector Diagnostic (CPSD 2022) and a high-level panel discussion on trade.

Engagement with the IMF

The secretariat had various discussions including financial stability issues with the IMF in the course of 2022 including the workshop to launch the October 2022 sub-Saharan Africa Regional Economic Outlook titled "Living on the Edge" by the IMF resident representative in Uganda, and the workshop to launch the April 2022 sub-Saharan Africa Regional Economic Outlook titled "Another shock and Little Room to Maneuver" by the IMF resident representative in Uganda.



The Resident Representative Uganda, IFC, Mr. Dan Kasirye with delegates joined the Annual Bankers Conference 2022 that was held at Kampala Serena Hotel.

2. Member Developments

2.1. CEO Departures and Appointments

In 2022, the fraternity welcomed the new CEOs to the UBA Family and bid farewell

to members who had completed their tour of duty and wished them well in their new undertakings.



Group photograph during the farewell for Mr. Albert Saltson, former CEO Standard Chartered Bank



New CEO Guaranty Trust Bank, Mr. Oluwale Shodiyan



New CEO Equity Bank, Mr. Anthony Kituuka



UBA Chairman Emeritus, Mr. Mathias Katamba, hands a gift to Mr. Albert Saltson from the Banking Fraternity at his farewell



Incoming CEO BRAC Uganda Bank Mr. Moyo Nkosilathi



Incoming CEO Standard Chartered Sanjay Rughani



UBA Chairperson, Ms. Sarah Arapta and ED, Wilbrod Owor hand a gift to the former CEO Guaranty Trust Bank Mr. Olalekan Sanusi during his farewell.



2.2. Pride Microfinance Limited joins the Sustainability Standards and Certification Initiative (SSCI)



The Board and Management of Pride Microfinance pose for a group photograph after joining the Sustainability Standards and Certification Initiative



Deputy Governor Bank of Uganda, Mr. Michael Atingi-Ego with the Board and Management of Pride Microfinance and guests at the event.

In 2019, the Ministry of Finance Planning and Economic Development, International Council of Sustainability Standards and the European Organization for Sustainable Development together with Late Professor Emmanuel Tumusiime-Mutebile, the Governor of the Bank of Uganda, signed a joint statement that laid a foundation for making sustainability an integral part of Uganda's financial sector.

On 14th September 2022, Pride Microfinance Limited joined the Sustainability Standards and Certification Initiative (SSCI) that delivers the world's most comprehensive framework to those financial institutions that aspire to become most relevant to their economy, their society and customers, to the environment and to their shareholders. This made it the second government owned institution to join after Uganda Development Bank.

In 2023, Uganda Bankers' Association will work closely with Bank of Uganda towards making all financial institutions Sustainability Certified so that they can deliver strong corporate performance and be part of implementing Uganda's National Development Plan, the UN Sustainable Development Goals and the Paris Climate Agreement.

2.3. Uganda Development Bank, wins Global Sustainable Finance Award for the Second Year Running



CEO, Uganda Development Bank, Ms. Patricia Ojangole holds the Sustainability Leader of the Year 2022 Award received during the Karlsruhe Sustainability Awards Ceremony that was held in Germany

Uganda Development Bank and its Managing Director, Ms. Patricia Ojangole were named the Sustainability Leader of the Year 2022 at the Karlsruhe Sustainability Awards Ceremony that was held during the Global Sustainable Finance Conference which took place on 1 and 2 December 2022 in Germany.

Awarded by the International Council of Sustainability Standards and Certification Initiative (SSCI) for value driven Financial Institutions, the accolade is given to individuals/Institutions that demonstrate commitment to creating value for all their stakeholders and protecting the environment.

The bank won for the second time consecutively and it comes at a time when Uganda Development Bank is seeking re certification under SSCI Version 2, after successful implementation of the SSCI version 1 where the bank was awarded Level 5 Certification, the highest level in the Certification process.

“The bank won for the second time consecutively and it comes at a time when Uganda Development Bank is seeking re certification under SSCI Version 2...



2.4. Afreximbank Trade Finance Seminar 2022, Uganda



UBA Chairperson, Ms. Sarah Arapta speaks during the Afreximbank Trade Finance Seminar 2022 that was held at Speke Resort Muyonyo.

“The Trade Finance Seminar, an annual event in the Afreximbank calendar, plays a leading role in equipping Africa’s financial institutions, bankers, regulatory agencies, corporates and legal firms with the unique set of skills required to meet the challenges of financing transactions in times of economic uncertainty.

Afreximbank in collaboration with Uganda Bankers' Association and Government of Uganda organized a 3day Trade Finance Seminar that was held in Speke Resort Muyonyo from 3rd to 6th

October 2022.

The Trade Finance Seminar, an annual event in the Afreximbank calendar, plays a leading role in equipping Africa's financial institutions, bankers, regulatory

agencies, corporates and legal firms with the unique set of skills required to meet the challenges of financing transactions in times of economic uncertainty.

The seminar focused on a range of topical initiatives and subjects, that included the launch of the Afreximbank Academy and the impact of the Ukraine/ Russia conflict on African trade and economies. It also featured insightful discussions, including 'Digitization in Trade – What the Opportunities for Africa are?

The Seminar comprised a keynote address that was delivered by Prof. Benedict Oramah, President and Chairman of the Board, Afreximbank, and a host of other speakers who included the Deputy Governor Bank of Uganda, the Uganda Bankers' Association Chair, International Monetary Fund, and resource persons from United Kingdom and Afreximbank.



L-R Afreximbank Executive Vice President Intra-African Trade Bank, Mrs. Kanayo Awani, Afreximbank President and Chairman of the Board, Prof. Benedict Oramah, Deputy Governor Bank of Uganda, Mr. Michael Atingi-Ego at the Trade Finance Seminar held at Speke Resort Muyonyo



Group Photograph with delegates at the Afreximbank Trade Finance Seminar at Speke Resort Muyonyo.

3. Promoting Financial Inclusion and Supporting Access to Finance

3.1. Financial Institutions to boost government's regional export strategy with a special one trillion facility



EDS, Bank of Uganda, Dr. Twinemanzu Tumubweine and UBA Chairperson, Ms. Sarah Arapta unveil the UBA Regional Export Facility in the presence of stakeholders at the Kampala Serena Hotel.

In October 2022, Uganda Bankers' Association (UBA) unveiled a special Regional Export Facility (REF) of an initial amount of Uganda shillings one trillion as a financial package to support exporters from Uganda, to regenerate and grow export volumes to the regional markets including South Sudan, DRC,

Rwanda, Burundi, Kenya, and Tanzania.

The REF initiative is a special industry intervention to support economic recovery given the post-covid effects that saw global, regional and local markets locked down for at least 2 years, leading to loss of markets and attendant cashflows and yet

Uganda has comparative advantage in the supply and production of many products needed within our regional neighborhood.

The facility is a specialized financing regime supported by a payment and settlement mechanism that will be availed at a maximum interest rate of 12% p.a



Guests at the launch of the UBA Regional Export Facility event that was held at Kampala Serena Hotel

“The Regional Export Facility is open to Ugandan manufacturers/ traders legally operating business in Uganda who export to the region and need to revamp internal production and trading capacities and recover lost regional markets.

for shillings and 6% p.a in dollars with a tenure of between three (3) months to five (5) years depending on purpose and structure of facility.

The facility is intended for use as;

- Direct working capital support in form of loans and overdrafts to fulfill an export order, support for receivables management mainly through discounting as well as indirect support through letters of credit, guarantees etc.
- Short to medium term

CAPEX investment to boost manufacturing and value-add capacity for Export.

The Regional Export Facility is open to Ugandan manufacturers/ traders legally operating business in Uganda who export to the region and need to revamp internal production and trading capacities and recover lost regional markets.

These could be individual exporters, SME exporters, local corporate exporters and multinational

corporate exporters.

In 2023, Uganda Bankers Association will engage with development finance institutions to extend support towards REF for purposes of improving uptake of this facility

The financial sector will further join hands with the Private Sector Foundation of Uganda that includes manufacturers, exporters & other traders to bring alive the regional export drive 2 being championed by the Government.

3.2. Approval of Amendments to the Small Business Recovery Fund

Following a Bank of Uganda workshop that was held with participating financial institutions in March 2022, proposed amendments were shared to enhance the uptake of the Small Business Recovery Fund (SBRF).

In November 2022, the following amendments were approved and an addendum to the SBRF MoA was signed by the Hon. Minister of Finance

Planning and Economic Development and the Permanent Secretary and Secretary to the Treasury;

- The minimum number of employees has been revised from 5 to 2 persons
- The maximum loan amounts have been increased from UGX 100million to UGX 200million
- The maximum annual turnover has been revised from UGX 100million to 300 million
- The funds under the SBRF can now be accessed using the Block Allocation Mechanism as is the case under the Agricultural Credit Facility; and
- Funds under the SBRF can be used to refinance an existing loan that a borrower may have with a Participating Financial Institution (PFI)



Traders and customers at one of the busiest sections of Kikuubo Trading Centre in Kampala

3.3. The 2022 Annual Bankers Sports Gala and The Banking and Financial Services Awareness Month

Bankers Sports Gala 2022

Uganda Bankers' Association and the Uganda Institute of Banking and Financial Services together with partners across the banking and financial services sector hosted the bankers sports gala and season three of the Annual Banking and financial services awareness

month that took place from September 2022 to October 30th 2022 featuring indoor and outdoor games at Kyambogo University grounds and inside the MTN Arena under the theme **Fitness Wellness, Lifestyle.**

The games were launched with a CEO run/walk at Sheraton Hotel and comprised online/virtual games, outdoor

and indoor games and climaxed with the commemoration of the International World Savings day on 31st October 2022.

Centenary Bank was crowned the overall winner of the 2022 Bankers Sports gala with 195 points, dfcu Bank was second with 191.05 points followed by Stanbic Bank in the third position with 185 points.



L-R, UBA HCCA, Ms. Patricia Amito, UIBFS Chair, Mr. Michael Mugabi, BOU ED Administration, Mr. John Chemonges, UIBFS CEO, Ms. Goretti Masadde at the 2022 Annual Bankers Sports Gala closing ceremony.



L-R, Winning Teams at the 2022 Annual Bankers Sports Gala receive awards at the Lugo Indoor Stadium.

Commemoration of the International World Savings Day and Launch of the Savings Challenge

Uganda Bankers' Association, Bank of Uganda, Uganda Institute of Banking and Financial Services and other stakeholders commemorated the World Savings Day on 31st October 2022 under the theme **"Start Small. Grow Big. Be Green Smart."**

A press conference was held with financial sector regulators and stakeholders during which a Savings Challenge was launched and will run from October 2022 to October 2023.

Speaking at this event, the Deputy Governor Bank of Uganda, Mr. Michael

Atingi-Ego said that saving money for future goals and protecting the environment were complementary aspects of sustainability. "The financial sector is developing a vibrant green finance ecosystem by harnessing technology and innovation to build markets and solutions for transitioning to a low-carbon future. We also aim to empower people with effective knowledge and capabilities to save money and access other financial services while minimizing their carbon footprint," he said.

The Deputy Governor further encouraged

everyone to save with regulated financial institutions for safety and accumulation through earning compound interest.

He further stated that It was incumbent on the financial sector to build and extend affordable and userfriendly green financial solutions to the underserved and small earners nationwide.

The launch comprised a panel of representatives from aBi Finance, Uganda Retirement Benefits Authority, Uganda Bankers' Association, Uganda Insurance regulatory Authority, Uganda Insurers Association, Deposit Protection Fund and Member Financial Institutions.



Media Briefing with key stakeholders to commemorate the International World Savings Day and launch the Savings Challenge



The Deputy Governor Bank of Uganda, Mr. Michael Atingi-Ego officially launching the Savings Challenge at the Kampala Serena Hotel and witnessed by key stakeholders.

Currently, 29 institutions have joined the savings challenge and it is expected that each institution will mobilize savings to Ugshs 1,000,000. At the end of the challenge in October 2023, the funds mobilized will be donated towards an SME working on green initiatives.



“The Deputy Governor further encouraged everyone to save with regulated financial institutions for safety and accumulation through earning compound interest.”



L-R, As part of the promotion of green initiatives, the CEO UIBFS, Ms. Goretti Masadde, gifted stakeholders with unique bags at the launch of the savings challenge event that was held at Kampala Serena Hotel.

2022 Annual Banking and Financial Services Awareness Month.

Uganda Bankers Association and Uganda Institute of Banking and Financial Services held season three of the Banking and Financial Services

Awareness Month under the theme **Start Small. Grow Big. Be Green Smart.**

Over a period of six weeks, a total of 31 webinars across a range of topics were hosted and facilitated by resource persons from the participating institutions. A Green Finance week was also held that included an exhibition on 16th and 17th December 2022 that showcased products

made out of various waste materials.

The recordings and presentations can be accessed through my money portal (www.yourmoneycan.or.ug).

We are grateful to Bank of Uganda and all our partners who joined and participated in the Awareness Month, Savings Challenge and Bankers Sports Gala.



L-R, Mr. Noah Owomugisha and CEO, aBi Finance, Ms. Mona Muguma Sebuliba, CEO UIBFS, Ms. Goretti Masadde at the Green Finance Awareness week 2022

Financial Literacy

As part of its partnership with the National Payments Systems

Providers Association to fight electronic/digital fraud, Uganda Bankers' Association joined stakeholders to educate the public and

raise awareness about bafere/fraudsters during a webinar that was hosted at the MTN offices in Kampala.



UBA Head Communications & Corporate Affairs Ms. Patricia Amato at the Stop Bafere Webinar, called upon bank customers to track transactions in their accounts



L-R Mr. Robert Kabushenga (Moderator), Ms. Patricia Amato (UBA), Ms. Stephen Wakhula (MTN Momo), Mr. Richard Yego (MTN MOMO), Mr. Kenneth Natukunda (FIA), Pr. Martin Sempa and Mr. Andrew Rugamba (Airtel money) during the webinar at MTN Offices in Kampala

3.4. Shared Agent Banking Platform and PRUDEV Activities

Agent Banking remains a key enabler of financial inclusion with significant contribution within the market.

In 2022, the Agent Banking Company (ABC) supported a total of twenty-two (22) Commercial Banks offer banking services through an interoperable Shared Agent Banking System (SABS) and shared Bank Agent network across the country. With over 27,000 authorized bank agents operating, the Shared Agent Banking System processed 9.1 million transactions worth 10.3 trillion Uganda Shillings during the course of 2022.

In addition to increasing access to financial services in the country, particularly

in the rural areas, Agent Banking has created over 30,000 new jobs for young people who serve customers at agent outlets or supervise and support bank agents.

To further support the increased access and utilization of shared agent banking services in Northern Uganda, Uganda Bankers' Association received funding support from GIZ Promoting Rural Development (PRUDEV), and in close collaboration with the Agent Banking Company Uganda Ltd, a total of 1367 quality management visits were conducted to the agents by the Project Field Coordinators, which greatly impacted the transaction growth in Northern Uganda.

Also community activation drives, training of agents in the Acholi and Lango sub-regions, development of shared agent banking manual, development of information, communication and education materials and radio talk shows and adverts that supported education and driving awareness of shared agent banking services were successfully implemented.



What is Agent Banking?
Agent Banking is a service provided by financial institutions where the services of a Bank Agent to provide financial services on their behalf outside of the traditional avenues of tellers, ATM machines and Bank premises.

Steps taken when depositing money with an Agent:

1. Present your Bank card details (account number and the amount you wish to deposit to your bank agent).
2. The Bank Agent will type in your bank card details and the amount you are depositing.
3. Confirm with the Bank Agent that the money has gone to the right account.
4. Get a receipt after confirmation of the deposit and sign in the book provided to you by the Bank Agent.

Steps taken when withdrawing money from an Agent:

1. Present your Bank card to the Bank Agent and tell them the amount you would like to withdraw.
2. Confirm that the amount typed into the machine is what you asked for.
3. Type in your pin and get the money as well as a receipt.
4. Sign in the book that will be provided to you by the Bank Agent.

Steps taken when paying bills with an Agent:

1. Present information about the bill that you want to pay for to the Bank Agent.
2. Confirm with Bank Agent information about the bill that the details of the account number and the money you wish to deposit are accurate.
3. After confirmation that the money has gone to the right account get a receipt from the Agent and ensure that you sign in the receipt book provided.

Benefits of Agent banking

- It's simple & secure.
- It's fast & instant.
- It's convenient.

Services offered through Agent Banking:

- Cash deposits to any account.
- Cash withdrawals from your Bank account.
- Bill payments for water, TV, taxes and electricity.
- School fees payment.

NOTE:
*An Authorized Bank Agent with the green and black handshakes logo is able to serve customers of any Bank that is on the shared platform.
*Stay Safe. Stop the Spread of COVID-19.

Service enabled by the Agent Banking Company of Uganda (Ltd) with Support from GIZ

For further information contact Agent Banking Company
Plot 2702, Block 244 Nyangweso Road, Muyenga
P.O. BOX 26604, Kampala
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Email: clientservices@agentbanking.co.ug
www.agentbanking.co.ug
[AgentBankingUG](https://www.facebook.com/AgentBankingUG)

With the Shared Agent Banking Service, your life is simplified.
Enjoy the convenience when you deposit, withdraw, pay bills, and more services at any Authorized Bank Agent with the green and black handshakes logo.

ABC (U) LTD is licensed & regulated by the Central Bank of Uganda.

Logos of partner banks: absa, dfcu, DTB, EXIM BANK, Finance Trust Bank, Housing Finance Bank, Bank of Baroda, UBA, Bank of Africa, Centenary Bank, KCB, NCBA, OPPORTUNITY, Stanbic Bank, GTBank, Tropical Bank, Ecobank, PostBank, standard chartered, i&M, UGAFODE.



Community engagements through sub county demonstrations

In February 2022, Project Field Coordinators participated in sub county demonstrations, organized by GIZ PRUDEV and showcased the agent banking service in a total of 11 sub counties

across the nine (9) districts of implementation.

These demonstrations provided a very good opportunity to introduce the concept of Share Agent Banking services

to the farmer group members. The Bank Agents were part of the demonstrations and were invited to talk about the services offered through the shared technology platform.



L-R Subcounty demonstrations that were held across 9 districts

As part of the partnership, UBA is a member of the GIZ PRUDEV Steering Committee that comprises representatives from the Public Sector, Private Sector and Civil Society Organizations, established to review and discuss the programme's implementation progress and challenges. The Ministry of Local

Government is the main political partner of the GIZ Promoting Rural Development Programme and also the Chair for the PRUDEV Programmes Steering Committee meeting.

UBA and the members of the Steering Committee conducted field visits to the areas

of implementation in Northern Uganda and interacted with Bank Agents, district leadership and community groups (cooperatives and farmer groups).

We are grateful for the support received from GIZ PRUDEV and look forward to an extended partnership.



Members of the GIZ PRUDEV Steering Committee at a meeting that was held at Onomo Hotel in Kampala

3.5. GIZ Promotion of Renewable Energy and Energy Efficiency Products (PREEEP)

In 2022, Uganda Bankers' Association received funding support from GIZ Promotion of Renewable Energy and Energy Efficiency (PREEEP) to contribute towards improving the uptake of renewable energy and energy efficiency products and services.

The activities under the PREEEP project sought to strengthen the capacity of Small and Medium Enterprises (SMEs) and Supervised Financial Institutions (SFIs) in the clean energy (CE) and renewable energy (RE) subsectors in the four (4) districts of implementation in Northern Uganda namely Arua, Gulu, Lira and Soroti, with an ultimate aim of ensuring 50 bankable projects from the said sub sectors are able to access finance for

renewable energy (RE) and energy efficiency (EE) technologies.

As part of the project execution, various engagements were held with stakeholders; regulators, industry associations, financial institutions, SMEs, development partners and local district authorities and a gap analysis was conducted with financial institutions to identify the opportunities available to support SMEs

in CE and RE sub sectors and training.

The ability of SMEs in the CE and RE subsectors to sustainably grow and increase potential to ensure access to funding has been enabled by focusing on 5 pillars including SFI gap analysis, product development, de-risking of SMEs, profiling of SMEs and SME readiness, all supported by communication, and public relations as shown below:



The key activities completed in the course of 2022 included:

- a) Stakeholder Engagements** - Holding of requisite engagement sessions with various stakeholders including regulators, associations, SFIs, SMEs and SME groups, development partners, and local authorities.
- b) SFI Gap Analysis** – Identification of gaps

and the bridging which will ease the funding of SMEs in the CE and RE sub sectors.

- c) Sourcing of partners and service providers** who provided various services including advisory services, business development services, training and development including post training support, coaching and business clinics.
- d) Data collection and collation** – the collected

data has been edited and prepared for entry, testing and subsequent use in the SME profiling tool due to be developed as part of the project.

- e) SME De-risking** - Included improving SME readiness through training, coaching and provision of business development and post training support.
- f) Communication, Public Relations, and support** activities including information sessions



through training as well as radio shows. A total of 189 business owners in the four districts were trained and are receiving post training support. A total of 120 business owners received coaching and 55 completed and submitted their business plans.

The PREEEP project ends on April 30, 2023. The key activities that are the focus of the project in 2023 to ensure at least 50 bankable projects include:

a) Provision of Business Development Services

– Key is business planning and business and technical skills which will result into the development of business plans for the respective business owners.

b) Coaching and post training support – To ensure that the learning undertaken in 2022 is implemented and subsequently embedded in the respective businesses.



c) Development and deployment of the business profiling tool

– Includes development of a database and subsequently an information data base which will enable the profiling of SMEs in the CE and RE subsectors. This will also include data sharing and subsequently ensure regular reporting, which

will ultimately ensure better analysis and more informed decision making about the sub sectors in the future.

d) Support in the submission of proposals

to the SFIs for receipt of funds, for the businesses who are interested in financing.



Group photograph with Business owners after training sessions that were held in Northern Uganda.

3.6. Parish Development Model: How PostBank is Steering PDM Implementation Countrywide



Jessica Alupo, H.E, the Vice President of Uganda (C), Andrew Kabeera (3L), Executive Director, PostBank, Hon. Raphael Magyezi (5L), Minister for Local Government, Hon. Amos Lugolobi (4L), Minister of State for Planning and other government officials pose for a photo with some of the beneficiaries who received UGX. 1 million each during the launch of PDM at PostBank Kayunga Branch in Kayunga District.

The Parish Development Model (PDM), a government strategy aimed at alleviating Ugandans from poverty into the money economy, has thus far seen thousands of beneficiaries gain from the program through PostBank.

Launched in 2021, PDM seeks to enhance food security, boost household incomes, create employment opportunities and improve service delivery at parish level for the socio-economic transformation of all Ugandans.

To ease access to secure, convenient, and transparent financial services for SACCOs and beneficiaries, PostBank

rolled out all possible channels that enable SACCOs receive cash, save, and also make repayments for the loans they've taken.

The beneficiaries can withdraw their funds through the Bank's alternate channels such as the USSD-enabled platform - PostMobile - *263#, PostApp, PostAgents and smart ATMs or Over the Counter in the bank's branches. They can also receive money on their phones without having to travel long distances.

PostBank is embarking on a financial literacy initiative specific to PDM beneficiaries, aimed at training the beneficiaries and their extended communities

in basic personal finance management skills, loans, investment, insurance, saving, and budgeting for their wellbeing.

The Bank further revealed during the PDM launch in Kayunga District in December 2022, that it will support each of the 2,700 PDM SACCOs in the institution with gadgets to enable them to seamlessly benefit from the PDM programme.

To date, PostBank has championed the launch of the Parish Development Model in Kayunga, Kumi, Kakumiro, Kibuku, Mbale, Bweyale, Gulu, Ibanda among other districts and municipalities, with more than 2,400 SACCOs receiving funds through the bank.

The bank has a widespread branch network of 55 branches, over 400 PostAgents and 60 smart ATMs which are complemented by digital channels. These channels guarantee hassle free access to financial services for Ugandans especially those at the grass roots.

3.7. Scale to Save Knowledge Sharing Event on Financial Inclusion

Uganda Bankers' Association joined the World Savings and Retail Banking Institute (WSBI) and other partners to host the scale to save knowledge sharing event that was held in Kampala under the theme **“building resilience and**

economic empowerment for women and youth in Uganda”.

In his keynote address the Deputy Governor Bank of Uganda Mr. Michael Atingi Ego, stated that financial inclusion builds economic empowerment

and financial resilience and highlighted the importance of digital finance to achieve the financial inclusion of low income women so that they can seize economic opportunities.



A Panel Session during the Scale to Save Event that was held at Kampala Serena Hotel

A call to action for industry stakeholders and policy makers was finalized and handed over to Bank of Uganda which included a call to support the expansion of agent banking services across the country through investing in expanding broadband coverage, infrastructure and digital financial literacy.



The BOU representative receives the signed Call to Action that was presented during the knowledge session at Serena Hotel

4. Regulatory Matters & Developments



The Financial Institutions (Revision of Minimum Capital Requirements)

On 16th December 2022, the Minister of Finance, Planning and Economic Development in consultation with Bank of Uganda issued the Financial Institutions (Revision of Minimum Capital Requirements) Instrument, 2022.

Under the minimum capital requirements for Banks

1. A person proposing to transact financial institution business in the capacity of a bank shall have a minimum paid-up cash capital of not less than six million

currency points by 31st December 2022, invested initially in such liquid assets in Uganda as the Central Bank may approve

2. Subject to sub paragraph (1), the minimum capital funds unimpaired by losses shall, at all times, not be less than six million currency points
3. A person proposing to transact financial institution business in the capacity of a bank shall have a minimum paid-up cash capital of not less than seven million five hundred thousand currency points. by 30th June 2024, invested initially in such liquid assets in Uganda as the Central

4. Bank may approve Subject to sub paragraph (3), the minimum capital funds unimpaired by losses shall, at all times, not be less than six million currency points

Under the minimum capital requirements for non-bank financial institutions

1. A person proposing to transact business as a non-bank financial institution business shall have a minimum paid-up cash capital of not less than one million currency points by 31st December 2022, invested initially in such liquid assets in Uganda as the Central Bank may approve



It is anticipated that this enhanced transparency will reward more disciplined borrowers with increased access to credit at affordable interest rates.

2. Subject to sub paragraph (1), the minimum capital funds unimpaired by losses shall, at all times, not be less than one million currency points
3. A person proposing to transact financial institution business in the capacity of a bank shall have a minimum paid-up cash capital of not less than one million two hundred and fifty thousand currency points. by 30th June 2024, invested initially in such liquid assets in Uganda as the Central Bank may approve
4. Subject to sub paragraph (3), the minimum capital funds unimpaired by losses shall, at all times, not be less than one million two hundred and fifty thousand currency points

Amended Credit Reference Bureau Regulations 2022

The amended Credit Reference Bureau regulations were issued by Bank of Uganda on September 30th, 2022.

Credit Reference Bureaus ensure that transparency prevails in the credit markets as they track the credit history of all borrowers to enable lenders know how they repay their loans. Until the recent amendments, this service was only available to the formal banking sector that covers Tiers 1-3 (commercial banks, credit institutions and finance companies and microfinance deposit taking institutions) of Uganda's financial system.

The amended regulations now extend this service

to the entire economy to cover both formal and informal credit providers. It also expands the scope of credit to include financial and non-financial credit. This will greatly enhance the transparency in the entire credit market enabling both suppliers and consumers in this market to have a more complete credit risk score. The new regulations will also help level the playing field for small and large lenders.

It is anticipated that this enhanced transparency will reward more disciplined borrowers with increased access to credit at affordable interest rates. The other anticipated benefit is more appropriate collateral requirements given that credit reports will become their 'reputational collateral'.

The amended credit reference bureau regulations will regulate the obligations of financial institutions, microfinance deposit taking institutions, registered societies accredited credit providers and credit reference bureaus with regard to the operation of the credit reference bureau system in Uganda regulate the use of personal information and provide for the protection of data and privacy of personal information; (d) improve consumer credit information and

reporting; (e) make provision for expansion of the credit reference system to accredited credit providers; and (f) provide for collection of data from other sources to enrich credit data and to provide for other credit information related services

3rd Credit Reference Bureau Licensed

Bank of Uganda licensed GnuGrid CRB Limited as a third Credit Reference Bureau in Uganda and held a half day workshop on 20th January 2022 at Imperial Royale Hotel to formally introduce GnuGrid CRB Limited to the CRB Project Managers of the member supervised financial institutions.

M/s GnuGrid CRB Limited is located at Plot 77 Buganda Road, Nakasero-Kampala. GnuGrid's entry in the credit information sharing market brings additional expertise in the provision of credit information sharing services to the last mile customer, which will ultimately promote access to credit and enhance financial inclusion.

AML amended Regulations 2022

In November 2022, UBA reviewed and forwarded comments on the draft Anti-Money Laundering (Amendment) Regulations 2022 to the Ministry of Finance Planning and Economic Development.

The Anti-Money Laundering (Amendment) Regulations 2023 were passed in January 2023 by Minister of Finance, Planning and Economic Development and on the advice of the Financial Intelligence Authority Board.

Amendments on "beneficial ownership" to combat money laundering and financing of terrorism in Uganda

In 2016, the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Mutual Evaluation Report (MER) was adopted by Uganda. The MER highlighted several areas Uganda needed to address in its AML/CFT legal and regulatory framework for it to be considered compliant with the

Financial Action Task Force (FATF) recommendations. In particular, the FAFT recommendations 24 and 25 require Uganda to enact provisions to strengthen and implement the system of sanctions for violations of beneficial ownership transparency obligations for legal arrangements. Further, Uganda is required to undertake robust legal reforms to address deficiencies in the existing legal framework on beneficial ownership information of legal persons and arrangements for partnerships.

On September 7, 2022, the President assented to amendments made to the Companies (Amendment) Act, 2022 and Partnership (Amendment) Act, 2022. On January 5, 2023, the Minister of Justice and Constitutional Affairs issued two new regulations in the Companies (Beneficial Ownership) Regulations, 2023 and the Partnership (Beneficial Owner) Regulations, 2023. Both the amendment Acts and Regulations provide for registration of beneficial ownership of companies and partnerships and are intended to supplement the law governing money-laundering and streamline Ugandan laws with international anti-money laundering requirements.

The Anti-Money Laundering (Amendment) Regulations 2023 were passed in January 2023 by Minister of Finance, Planning and Economic Development and on the Advice of the Financial Intelligence Authority Board.

MDI amendment bill 2022 presented in Parliament to committee on economy



Parliament of the Republic of Uganda

On 21st December 2022, the committee on Finance, Planning and Economic Development convened a meeting with the UBA leadership to discuss the Micro-Finance Deposit –taking Institutions (Amendment) Bill, 2022, at the Parliament Building.

The meeting was attended by the Chief Executive Officers of Pride Microfinance, UGAFODE and Top Finance, including the members of the UBA Legal Committee and UBA Executive Director.

Below are the proposed amendments/submissions that were shared by the UBA representatives;

1. Allow regulated Microfinance Institutions to use the word "Microfinance Bank" which will

the build the public confidence required for the public to save in the financial system and further financial inclusion efforts. The word "Microfinance Bank" will also distinguish the regulated entities from the unregulated institutions.

2. Allow MDIs to provide Islamic Banking which will create a wide range of financial products in the microfinance sector thereby creating financial arrangement that are structured to customer needs and wants
3. Allow MDIs provide bancassurance services, which involves selling of insurance products through branch network and other platforms. This will contribute to increased uptake of

the insurance and further boost financial inclusion in Uganda.

4. Allowing MDIs provide Agency Banking services that will enable the institutions benefit from reduced cost of doing business and also improve the public perception of MDI. The agency banking model allows banking services to be provided at a personal level which ensures safety and boosts confidence in customers to use formal banking systems.
5. Currently MDIs are only required to display audited financial statements. The periodic display of the MDIs unaudited financial statements to the customers will promote transparency of its financial information.

Status on Regulatory Reforms				
Category	Tracker BOU responses on regulatory reform proposals	No	Percentage (%)	Action
A	Those that have since been actioned either through issuance of guidelines by circular, regulations, standards, amendments in the laws or new legislation passed or BOU feels existing provisions are sufficient to deal with the issue.	46	47%	No further action required.
B	Those that BOU has agreed to consider/work on or review (Work in progress).	29	30%	Track/Follow up
C	Those that BOU has referred to other agencies or regulators to handle e.g URSB, FIA etc.	7	7%	Track/Follow up
D	Those for which BOU has requested for more information/ clarity from UBA	3	3%	Provide Info as requested
E	Those for which BOU believes is within the ambit of SFI to implement or put in place by themselves (Does not require regulator)	6	6%	Share Feedback with SFIs for them to implement in-house
F	Those outrightly rejected or do not make sense in the current environment or for which regulator has strong reasons why they feel status should remain as is.	6	6%	Revisit if still critical or drop.
Totals		97	100%	

Uganda Bankers Association Informal dinner with Bank of Uganda



Deputy Governor, Bank of Uganda, Mr. Michael Atingi-Ego speaks to guest during the UBA informal Dinner with BOU that was held at Golden Tulip Hotel.

On Friday September 2, 2022, Uganda Bankers' Association hosted the Deputy Governor Bank of Uganda to an informal dinner at the Golden Tulip Hotel in Kampala. In attendance were UBA Member Bank CEOs and

the Bank of Uganda Team.

In his remarks, the Deputy Governor shared and categorized the contemporary issues shaping the industry in the short to the medium term as;

- 1. Heightened credit risk exposures in the short term:** In response to the Covid-19 pandemic, financial institutions restructured a significant portion of their credit portfolio(s) guided by the regulatory forbearance permitted by Bank of Uganda. With the expiry of the very last of the credit relief measures in September 2022, the full effects of the pandemic were expected to pass through the balance sheets of supervised financial institutions, likely escalating credit risk. The current uncertainties in the business environment would only further heighten these risks.

2. Disruptive competition:

The existential risks Financial Technology Companies (FinTechs) pose to the business models of deposit taking institutions were beginning to materialise in earnest. These risks, together with the high operating costs and rising costs of capital for traditional deposit taking institutions, were reshaping the competitive landscape of financial service provision, and will likely force a recalibration of strategy to respond to the new operational realities.

3. Cyber security:

Cyber security risk may not initially be a major concern in the industry, but it could and should be said that these risks were an increasing function of financial service digitization.

This positive correlation had been exacerbated by the immediacy of customer service needs and the dynamic nature of the technology that enables this digitisation. From a risk management perspective, COOPETITION (cooperation between competing companies) within the broader financial service ecosystem may



UBA Chairperson, Ms. Sarah Arapta speaking during the UBA BOU informal Dinner

be required; as it can serve to minimise the actualisation of these risks and extinguish their impact across the sector.

4. Evolving customer expectations:

Today's consumers were smarter, eager for higher efficiency, less sticky to service providers, and at the same time more informed than ever before. They not only expect but demand 'anywhere and anytime' access and convenience out of their banking experience. This had further been compounded by the nature of their demographic characteristics that are often at odds with the kind of clientele traditional financial services were originally designed for.

5. Climate change:

Uganda being an agro-based economy,

the industry cannot ignore the trickle-down effect of climate change to performance of its assets in the near to medium term. This was especially true given that increased Government focus on agro-industrialisation in the NDP III will likely increase demand for financing along the agro-value chain going forward. Additionally, output from the agriculture sector has major linkages with economic performance, right from food crop production which affects prices, to provision of raw materials for manufacturers, to being a major source of foreign exchange through exports.

In light of the above, the deputy governor, shared that three major adjustments would be needed to help the

banking industry deal with the developments. These include;

- **Re-calibration of business models:**

Increasing competition calls for a rethink and redesign of business models, in a manner that puts agility and flexibility in response to customer expectations and emerging risks from technology and climate change. Accordingly, SFIs will need to focus on creating sustainable improvements within their operations, to not only ensure profitability and the associated organic capital growth, but also future viability.

- **Greater understanding of customer expectations:**

Today's customers expect personalised,

meaningful, relevant and yet memorable experiences in their interactions with you, the service providers. This may be through the simplicity, intuitiveness, and accessibility of a platform. This immediate gratification and weak stickiness to brands or providers, points to customer loyalty that is neither easy to acquire nor retain for extended periods of time.

Looking ahead, the future generation of banking customers may be more biased towards and more preferring of omnichannel banking for example. How a financial service provider achieves this omnichannel centric service model, has a direct and positive bearing on its relationship and the experience

it guarantees this future generation of customers.

- **Use of technology to enhance compliance and information security:**

With the right technology, banks can collect and mine data, perform in-depth analysis, and generate insightful reporting which is valuable for identifying and minimising compliance risk. Banks must also invest in the latest technology-driven security measures to keep sensitive customer information safe while considering some of the new trends such as open banking, which allows third parties carry out analytics using individual customer data.

The Deputy Governor concluded by stating that, Bank of Uganda BoU will focus on the adoption of new technologies in all core services, as part of its key priorities over the next 5 years. The central bank will work with UBA to ensure that minimum environmental, social and governance standards are observed, by extending business models beyond the narrow creation of shareholder value to include sustainability concerns and their impact on society.



Guests at the UBA BOU Informal Dinner that was held at Onomo Hotel in Kampala

5. Member Bank CSR Activities

Absa Role in Society - Citizenship

Absa Bank Uganda Limited, has a purpose-led strategy with an enabling capability of playing a shaping role in society. The bank recognizes that its own sustainability is directly linked

to that of the communities in which it operates, thus aiming to play a meaningful role in their society through an integrated approach to create impact focused on delivering shared value.



Over 500 Teen Mothers & Women receive Vocational Skills & Financial Literacy Training from Absa Bank Uganda Staff

When the country witnessed a crisis in Eastern Uganda caused by extreme floods that resulted in loss of lives, destruction of property

and infrastructure, Absa Bank Uganda responded with a donation of home shelter kits through Uganda Red Cross Society to provide temporary

shelter and basic household essentials to 100 displaced families in the Mountain Elgon area.



Absa MD hands over donation to Uganda Red Cross MD



Absa Staff hand over Home shelter kits to flood victims

Over 500 Teen Mothers & Women receive Vocational Skills & Financial Literacy Training from Absa Bank Uganda Staff

In light of an increase in teenage pregnancies that was aggravated by COVID-19 containment measures such as school closures leading to a 17% spike in teenage pregnancies, Absa partnered with implementing partners The Association for the Rehabilitation and Re-orientation of Women for

Development (TERREWODE) and Integrated Efforts for Youth and Women Empowerment Uganda (IEYAWWE) based in the Central, Metropolitan, Albertine and Nile regions that were already doing work with teenage mothers in offering sustainable food supplies, vocational skills, school fees and financial literacy among others.



Laptops donation to support teen mothers in ICT



Skill training of teen mothers in bakery

Bank of Baroda

Bank of Baroda extended its commitment to be part of the development of the society through its corporate social investment activities. In 2022, the Bank made several donations throughout the year towards uplifting the needy, marginalized and vulnerable people. The Bank also contributed in

improving their hygiene, health and education. Various activities in which the Bank participated included, Heart surgery for 100 children in Partnership with the Indian Association of Uganda, free eye camp in partnership with North Indian Cultural Association, supported children who have Cerebral Palsy, provided essentials and scholastic



materials to Orphans and Windows of HIV AIDS, refurbished the toilet premises of an orphanage school (ABC), fundraised for the Uganda Girl Guides Association among others



Bank of Baroda Uganda Limited, led by the Managing Director Mr. Raj Kumar Meena donating Scholastic Material, food among other basic needs to an orphanage school (ABC Nursery and Primary School, Naeete) on 20.07.2022, after refurbishing the school toilets and painting the school.



Mr. Raj Kumar Meena, Managing Director handing over food and scholastic materials to children suffering from Cerebral Palsy during the World Cerebral Palsy awareness day held at Capital Center Medical Clinic on 06.10.2022.



**KCB Bank Uganda
Commissioned UGX 30
million Water Harvesting
Project at Gobero
Primary School in Yumbe
District.**

2 5th Nov 2022: As part of the Bank's Corporate Social Responsibility (CSR) agenda, KCB Bank Uganda commissioned

a UGX 30 million water harvesting project at Gobero Primary School in Yumbe District with the aim of improving access to clean water for 1,500 school going children and the surrounding refugee community.

The Bank was pleased to extend support to Gobero Primary School and the

surrounding communities to enable them access clean water. The support is in line with KCB Uganda's CSR agenda under the education pillar aimed at improving the welfare of children towards sustained education."

In 2021, the Bank supported the district with COVID-19 personal protective equipment worth Ugx 31,750,000 million under its Health pillar which is part of the five pillars where the bank identifies and supports communities. Other pillars include Education, Environment, Humanitarian, and Twekozeze.



“As part of the Bank's Corporate Social Responsibility (CSR) agenda, KCB Bank Uganda commissioned a UGX 30 million water harvesting project at Gobero Primary School in Yumbe District with the aim of improving access to clean water for 1,500 school going children and the surrounding refugee community.

KCB, Uganda offered 3-Day Skilling Program Aimed at Bridging Unemployment Gap in the Country

In the month of March 2022, KCB Bank Uganda partnered with Burgess Foundation and supported a group

of 100 unemployed youth, single mothers, and young girls with hands-on skills on how to make liquid soap, books, and reusable pads. The activity was a 3-day training session, with the first phase in Kasanvu Community Hall in Namuwongo and the second phase in

Katogo Dream Centre in Kinawataka. The project equipped the community with the knowledge it needs to curb unemployment and contribute to the socio-economic growth of the country.

According to a COVID-19 impact assessment report by the Labour Ministry, the Uganda Investment Authority, and the Uganda Bureau of Statistics on 870 businesses and their workforces, which indicated that 16.5% of the enterprises had staff layoffs countrywide. The percentage of individuals who are unemployed as per the industry report needed and still needs to be bridged through equipping the communities with appropriate skills to aid individuals start up Small and Medium Enterprises and earn a decent living. Consequently, the donation by KCB Bank Uganda came in handy in fostering and improving the well-being of the people in the selected communities.

The Burgess Foundation is an indigenous non-governmental organization (NGO) legally registered and licensed by the National Bureau for NGOs to carry out educational activations in Uganda. The Foundation supports youth, women, and girls with hands-on skills aimed at improving their livelihoods.





Rt. Rev. Bishop Sheldon Mwesigwa receives a dummy cheque from Julius Kakeeto, Managing Director, CEO, PostBank

Post Bank Uganda seeks to strategically consolidate the company's CSI initiatives to focus on discrete social problems, all aimed at enabling lives, living and livelihoods. The Bank is

committed to utilizing several opportunities to increase and deepen social impact and generate value for all.

In 2022, Post Bank Uganda committed over UGX. 160

million to improving access to quality education, community upskilling and business incubators for agribusinesses, and partnerships to strengthen social development in the country.

Upskilling farmers in financial literacy and agribusiness management

For the second year running, PostBank conducted its agriculture forums with the aim of equipping farmers with knowledge and skills to jumpstart their agribusinesses

– in a period when many businesses were recovering from the effects of COVID-19. Other challenges included access to affordable financing and unpredictable weather patterns.

The beneficiaries of the agriculture forums,

were skilled in financial management (loans, savings, and investment), agriculture financing and agriculture insurance. The bank also partnered with various Agri-mechanization companies and educated farmers on how to optimize their potential using improved farm equipment.



Some of the beneficiaries of the Agric Forums_ Training Pose for a Photo in Bulambuli District

These trainings had a far-reaching impact of information sharing, which in turn contributes to economic growth.

The forums covered a wide range of districts in Eastern and Western Uganda including Soroti, Kapchorwa, Bulambuli, Manafwa, Kagadi, Fort Portal, Kamwenge and Kasese, with over 700 participants impacted.

Gattako Omutindo: Agri-SME Development Program



In 2022, the Bank rolled out our flagship CSR activity that would be headlined under the Bank's Financial Literacy and Skills Enhancement pillar. It was conducted in partnership with the Federation of Small and Medium-Sized Enterprises (FSME) under the theme Gattako Omutindo – a Luganda term to mean value addition.

SMEs, especially those in the agriculture value chain are fast-becoming the life line of Uganda's economy. It is against this background, that PostBank introduced an

Agri-SME Development Program to empower SMEs with value addition and financial literacy skills.

The bank invested more than UGX 120million for the trainings that

benefited a total of 649 SMEs. Of these, 448 were represented by women. The Kampala trainings had 128 SMEs, all of whom were given an opportunity to open accounts with PostBank at no charge.



Representatives from SMEs that deal in honey processing in Arua district pose for a photo with PostBank staff and FSME officials

Contributing to social development

In 2022, Post Bank contributed UGX. 15 million to the Ankole Diocese (Anglican Church) for the annual Martyrs' Day celebrations as part of the bank's commitment to support causes that are aligned to transforming lives and livelihoods. Additionally, the Bank organized a fundraising dinner that helped the Church collect over UGX. 200 million from well-wishers.

Improving quality of education

As schools were recovering from shocks of the COVID-19 pandemic, the Bank contributed of UGX. 3 million to Mooni Primary School, Mbale district, for the purchase of classroom desks.



Staff of PostBank Mbale Branch pose for a photo with teachers and children of Mooni Primary School outside a classroom block

Diamond Trust Bank



DTB Uganda is committed to Uganda's sustainable economic growth. This is achieved through the integrated business approach that considers the society we operate in a major player for the achievement of our business goals.

We build partnership with communities to provide solutions that enable sustainability as we take care of creating value for our stakeholders.

DTB Joined UWEC to celebrate 70 years & names baby giraffe "Diamond"

Diamond Trust Bank (U) Ltd made a donation of UGX 30M to Uganda Wildlife Conservation Education Centre in a bid to conserve the environment

The bank was given an opportunity to give a name Diamond to the newly born baby giraffe at the UWEC



DTB Partnership with URCS



DTB Uganda entered a three year partnership with the Uganda Red cross society aimed at saving lives.

Under the MOU,DTBU will participate in saving more

lives in Uganda through countrywide blood donor recruitment and mobilization ,Financial Literacy trainings and community volunteerism reach out activities working hand in hand with

the URCS

The first phase, the bank mobilized over 1,700 units of blood and gave Financial Literacy training to over 8000 people .

I&M Bank Ltd



Acting Managing Director I&M Bank, Mr. Sam Ntulumbe donating blood during the 2022 Customer Service Week Blood drive at I&M Bank, Head Office



donation drive, at the bank's headquarters, in October 2022.

This initiative was key in advancing the institution's goal to stand at the forefront of promoting our society's wellbeing.

The noble cause not only helped to save lives, but deeply fostered a culture of voluntary blood donation amongst its employees and the society.

I&M Bank's CSR activities are aimed at making sustainable difference under four key social pillars : Environmental Conservation, Education & Skills development, Economic Empowerment

and Enabling giving.

As part of the Bank's activities to commemorate the International Customer Service Week, I&M bank organized a blood



The Katikiro of Buganda Peter Mayiga with the I&M Bank Team during the Kabaka run 2022

In a bid to re-affirm our commitment to support and give back to the community, I&M Bank Uganda joined other corporate participants and fielded over 50

members of staff in the Kabaka Birthday Run 2022.

The run held under the theme 'Men Against HIV/ AIDs to Save the Girl Child,' was flagged off

at Bulange in Mengo, and attracted more than 80,000 participants.

The run was geared towards raising awareness about HIV/AIDS.

Bank of Africa - Uganda Ltd. Sustainability Highlights 2022



BANK OF AFRICA
BMCE GROUP

Sustainability is a key priority for the Bank, and Bank of Africa is committed to delivering on our environmental, social, and governance (ESG) objectives. The bank's sustainability strategy is articulated around six commitments that guide its practices and growth model:

- Business ethics and responsible customer relationships:** Our Compliance team took the necessary steps to comply with several regulatory changes and audit issues with respect to anti-money laundering and counter-terrorism financing, as well as combatting corruption. This was supported by various training sessions that were held for both the staff and the Board of the Bank with respect to AML-CFT, information security, and fraud risk management. Satisfaction surveys were held to obtain client feedback. The Bank also undertook a bank wide AML-CFT risk assessment to ensure adequate mitigation of all current and

emerging risks. In addition, a significant amount of time was spent on transaction and customer screening during the year using our Siron TCR solution. The Bank was a platinum winner for the year 2021/22 East Africa Brand Quality Awards under the category – best end to end customer service/solutions in East Africa. The Bank was also the gold winner for the 2020/21 Consumer Choice awards in the Commercial and Development Bank category.

- Sustainable finance:** All credit facilities granted by the Bank were screened for ESG risk.

The Bank also increased its financial and non-financial support to the micro, small and medium enterprise segment. This was done through introduction of a broad spectrum of value propositions that were adopted to specific needs of the various economic segments.

This also included support to micro, small and medium enterprises

(MSMEs) in the form of free training and development on business management and managing borrowing. 21 forums were held with over 1,600 small business owners especially in the education sector.

The Bank was awarded the best commercial finance and banking institution in East Africa under the East Africa Brand Quality Awards for the year 2022/23. In December 2022, the Bank received a special recognition award from the National Water and Sewerage Corporation for being the pioneer banking partner in e-water transaction processing and commitment to Uganda's water service delivery management since 2010.

“The Bank was awarded the best commercial finance and banking institution in East Africa under the East Africa Brand Quality Awards for the year 2022/23.”



- **Responsible employer:** Human capital remains a strategic pillar of the Bank's development and is therefore a key component of our business model. The Bank maintained an average headcount of 370 during 2022 with an average tenure in the Bank of 7 years. In accordance with its commitment to gender parity, 54% of the Bank's employees were female, 16% of whom were at management and senior management level. In 2022, 82% of the staff benefited from at least one training course, with an average of 30 hours of training per capita. The Bank also offers its employees a remuneration package that rewards their performance and their contribution to results. Fairness

and transparency in performance management are managed through use of the balanced scorecard performance management tool. The Bank is also committed to employing recent graduates and in 2022, it welcomed 30 graduate trainees, 20 of whom were eventually hired. The Bank also arranged and participated in a number of staff engagement activities to promote a positive work environment, improve employee morale and well-being, and ultimately drive business success.

- **Governance and risk management:** A robust governance system is a prerequisite to preservation and protection of stakeholders' interests. There is

a clear distinction between the Board and management. The Board governs through committees with 80% of the board members being non-executive, half of whom were independent prior to the recent revisions in governance regulations. Management exercises oversight through three lines of defence – the operational management and control activities, the risk management and compliance functions, and the internal audit function. Together, these three lines of defence provide a comprehensive framework for managing risks and ensuring effective governance.

- **Protecting the environment:** As part of its commitment

to managing its environmental impact, the Bank undertook several initiatives that included: the automation of several processes which reduced waste from usage of paper; the increased use of virtual meetings which in turn reduced the carbon footprint resulting from

business travel; and the replacement of office light fittings with energy efficient alternatives. In line with its goal of promoting sustainable construction, 97% of the Bank's locations had access provisions for people with reduced mobility. The Bank also installed low-flow faucets

to optimize water consumption. In commemoration of the 2022 World Environment Day theme of **"Only One Earth"**, the Bank partnered with Tree Adoption Uganda to plant more than 2,000 trees of various species in three locations across the country.



• **Community interest and stakeholder dialogue:**

The Bank directly supported numerous community events as a socially engaged institution which is committed to each of its stakeholders. In a bid to improve the learning environment in the education sector, the Bank

rehabilitated a classroom, a sick bay, and donated 1 borehole, 7 water tanks, 22 refuse bins, and 17 sets of furniture in 46 schools across the country. The Bank also provided 4 secondary school tuition scholarships to selected high performing students

from low-income families. In addition, the Bank donated food and basic need items to the Save the Islamic Society Uganda orphanage which takes care of 150 orphans, as well as iftar meals to vulnerable people in five different regions across the country.



Ensuring healthy lives and promoting the well-being for all at all ages is essential to sustainable development



Centenary Bank supports initiatives that improve the health and wellbeing of communities.

For the 11th year running, the Bank continued to execute the **'Bridging the Cancer Gap'** Initiative with its partners Rotary District 9211 and St. Raphael hospital, Nsambya. This program promotes awareness of cancer, its prevention, and treatment. This year a total of 32 towns participated physically and virtually across the country as well as communities in the diaspora.

The virtual engagement reached close to four (4)

million fans through the bank's online platforms and a total of 2600, staff participated from the different branches across the country representing 87%. The previous two runs had been virtual and limited the number of staff participation

At the climax of the awareness drive, a live link was shared for the online audience.

A total of Ugx. 1bn was raised that will go towards the construction of the Bunker at Nsambya Hospital. Centenary Bank is grateful to its partners who have spearheaded this cause over the years, the Rotary clubs,

the community leaders and people who have relentlessly supported the project in one way or another.

The Bank also greatly supported government efforts in fighting the food crisis caused by extreme weather conditions and unrest in the Karamoja region. Through our staff mobilization campaign, the bank was able to support 130 families in Karamoja and Kotido with 10kgs of posho and beans. A total of Ugx. 30 million was collected from staff pockets as part of impacting communities through Staff initiatives.





Citi Foundation and TechnoServe Partner to Tackle Youth Unemployment in Uganda with a Grant worth UGX 350 Million

The seventh (7th) phase of the Girls' Apprenticeship Program (GAP VII), supported by a \$100,000 (over UGX 350,000,000) grant from the Citi Foundation was launched to help provide economic opportunities for 60 young marginalized girls at-risk

in and around Kampala, to find employment or start small businesses. The program which includes support from Citi employees who volunteer their time and knowledge, connects these young women to successful business women, who mentor them

in trades such as tailoring, hairdressing, shoemaking and welding. The participants also receive training designed to build confidence and soft skills.

Over the past 6 years of the GAP program in Uganda, a total of 395 marginalized girls have been positively impacted, with 156 girls starting their own businesses and 112 joining employment. Over 80% of the beneficiaries are now placed in businesses and earning themselves an income. Citi Foundation's contribution to this program is over USD 700,000 (over UGX 2 billion).

This is part of a \$100 million Pathways to Progress global investment by the Citi Foundation to empower 500,000 young people to develop employability skills and entrepreneurial mind-sets.



Citibank donated much needed essential items to Home of Hope in Jinja, a home catering to children with severe disabilities.

This was the third consecutive year that Citi supported Home of Hope. This is one of the many ways Citi shows its commitment to the communities where it has a presence.

Citibank Donates Essential Items to Home of Hope in Jinja

dfcu Bank is supporting lasting interventions



dfcu Bank is committed to partnerships that promote the transformation and

wellbeing of communities where it operates. The Bank continued to support the entrepreneurial spirit of Ugandans,

enhanced the stability of families, and provided a sustainable approach to promoting the savings.

Contributing to agricultural transformation through the Agribusiness Development Centre

dfcu in partnership with Rabo Foundation established Agribusiness Development Centre (ADC) to promote self-sufficiency of agribusinesses.

Since 2018, the ADC has successfully offered capacity building and business accelerator services to at least 400 enterprises and reached at least 22,000 unique learners, favoring 46% women inclusion in its

interventions. It has also facilitated financial linkages worth UGX 50 billion for multiple Small Holder Farmers, at least 40 Agribusinesses to social and commercial credit facilities.

Key outcomes so far

Total number of Trainings	4,692
Total number of Farmers Trained	20,424
Percentage of women	47.8%
Total number of accounts opened	2,546
Value of loans (linked)	UGX 43.5 billion

An Impact Assessment of the program for the period 2018-2022 indicated that:

- Overall, 43% of ADC supported enterprises can access and repay financing from financial institutions across the country. The findings demonstrate that the capacity

building interventions by the Agribusiness Development Centre have resulted in financial and market linkages which are relevant and provide added value to the beneficiaries.

- Significant improvements in the economic value of the enterprises are

evident, mirrored by an increase in the level of individual savings, utilization of formal financial institutions for savings and access to financial credit for investment.

In 2022, the dfcu through the ADC rolled out the Business Accelerator Program to support business improvements and facilitate the necessary linkages for growth and sustainability. The accelerator targets to enable 350 businesses to become self-sufficient.

Building business capacity through SME TOP 100

The SME Top 100 recognizes Uganda's fastest growing medium sized companies and showcases the country's most successful entrepreneurship stories. dfcu's involvement in the program creates a platform to provide opportunities to create value and build sustainable businesses. Through this initiative, hundreds of businesses learn from each other; engage policymakers on their contribution to the economy, benchmark against other business

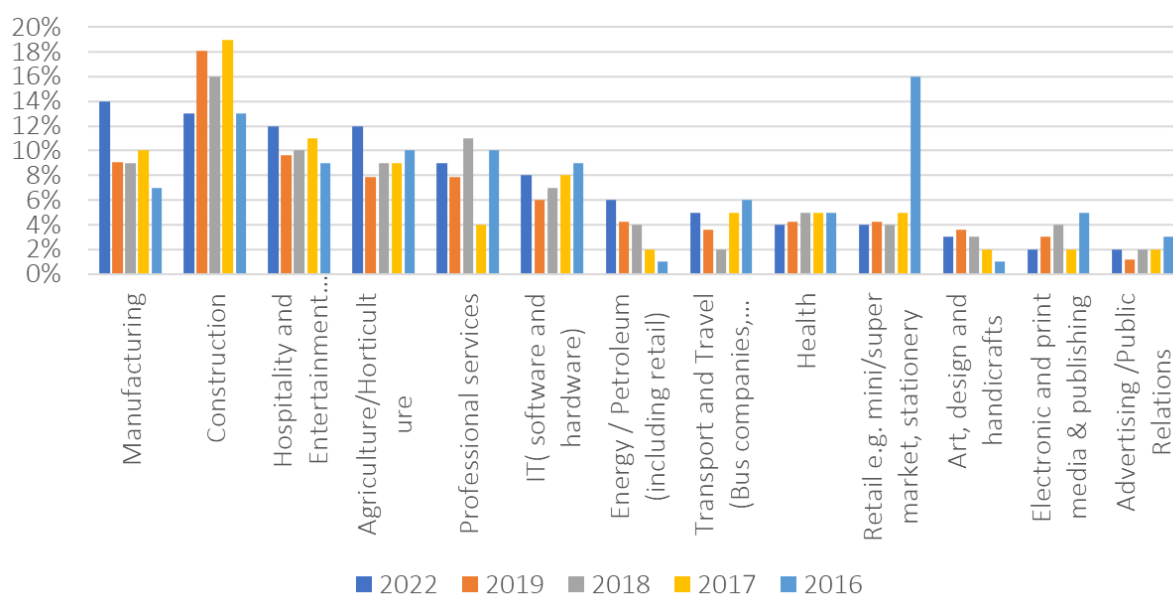
operations and much more.

Participating in this annual competition is critical to business process improvement that ultimately helps entities gain access to new sources of financing, enhance their business management skills and acquire new partners they need to move to the next level.

The 2022 activities were anchored on the following:

- An SME survey was conducted assess the state of SMEs post covid – 19 and interventions at different levels.
- Six sector specific forums held that covered Agriculture, Hospitality & Tourism, and health.
- Two TV dialogues held which shaped the online conversations on SME related matters.
- Awards Gala which recognized the TOP 100 companies from the SME survey

Participation by sector



Promoting financial deepening and education

The dfcu financial inclusion strategy goes beyond providing access to banking services. We want people to have the skills to manage their finances, so they can make the right choices about what products and services

meet their needs. The dfcu Investment Club and SACCO program provides a conducive platform to foster group savings and financial inclusion. In 2022, the program recorded a total banking activity turnover of over UGX 800 billion.

**1000+
Financial
literacy
engagements**

In addition, dfcu partnered with the Government of Uganda and supported the roll out of the Parish Development

Model (PDM) model, onboarding over 2,000 PDM SACCOS into the banking system. As part of this partnership,

we extended financial literacy to over 1,000 PDM SACCOS with over 300,000 members.

Empowering Women in Business

Our commitment to women-led business ventures started with the introduction of the dfcu Women in Business Program that has to date, directly benefited over 80,000 women across the country. In 2022, our flagship “Rising Woman” campaign was held under the theme **‘Taking Your Business Ahead’**, with an aim of

providing female entrepreneurs with the knowledge, skills, and abilities to improve how they operate their businesses; enabling them to create profitable operations. Over 1,200 women entrepreneurs directly benefited from initiative during the year, of which 10 winners were sponsored for a fully paid business tour to Nairobi.

“Our commitment to women-led business ventures started with the introduction of the dfcu Women in Business Program that has to date, directly benefited over 80,000 women across the country.



One of the Winners from the dfcu Rising Woman Program



Some of the award winners from the SME Top 100 program



Pdm sacco financial literacy training



Participants in the Business Accelerator program on a learning tour at the Uganda Industrial Research Institute

BOU PUSHES FOR CLIMATE-SMART FINANCING

By Ricks Kayizzi

Oil and gas prospecting firms which lack policies on environmental conservation are not worth lending to since they do not mind about the future of the next generation, Michael Atingi-Ego, the Bank of Uganda deputy governor, has said.

He said if a bank is lending to the oil and gas sector, they should be conscious about the carbon emissions aspect of the business.

"You should ask yourself, if I am lending a trillion shillings to the oil and gas sector [because right now everyone is rushing to lend to the oil and gas sector], you know these firms are going to emit carbon into the atmosphere, can you show me from your books what you have done to extend lending to activities that are going to absorb carbon from the environment," he said during an interview with *New Vision* over the weekend.

Atingi-Ego said they want all players to have a net-zero carbon emission policy. "We need to begin to see a reduction in carbon emissions if our future on this planet is to be guaranteed," he said.

Confessing that he has invested heavily in agro-forestry and fish farming, Atingi-Ego said the future is going to be based on what Uganda and the rest of the world have gone through in the last two years of the COVID-19 pandemic.



The finance ministry permanent secretary, Ramathan Ggoobi (right) and other officials at one of the oil well pads in the Albertine. Bank of Uganda leadership wants commercial banks to consider borrowers' environment plans before lending out money

Commercial banks will be required to show proof of a policy on environment preservation and adoption of green initiatives.

"COVID-19 has ravaged the lives of millions of people, wiping away jobs, income and lives of millions around the world. And the onset of the Russia-Ukraine conflict has stocked inflationary pressures on the global economy and food value chain, reason why we need to be conscious about

how we grow food and how we conserve this environment in which food is grown.

"There are a lot inflationary pressures being instigated by a rise in fuel and food prices. The extended dry period has made food prices well-rehearsed. I'm concerned because most Ugandans – the low income

citizens, have seen their consumption basket, whose biggest expense is on food, diminish significantly. When the price of food goes up, they get badly hit. Most of this has been blamed on climate change," Atingi-Ego said.

He said commercial banks will now be required to show proof of a policy on environment preservation and adoption of green initiatives for them to be deemed as compliant with the current global trends by the Bank of Uganda.

"We want to see the Government playing its part in conserving the environment. But as for commercial banks, we are going to ask some

tough questions: How much of your lending is going towards environment conservation? Are you planting trees? Is your social corporate responsibility geared towards growing trees and conserving forests and other natural endowments? Are you doing climate-smart financing?"

According to the World Bank, Uganda was the first country in Africa to develop and endorse its Nationally Determined Contribution Partnership Plan in June 2018. It made key commitments in this regard, including reducing national greenhouse gas emissions by 22% by 2030, reducing climate vulnerability of climate sensitive sectors since the economy is natural resource based, and building climate resilience of key sectors and managing disaster risks.

Compared to other countries, Uganda ranks high in its number of commitments regarding climate change mitigation and environmental protection.

"The country has launched its National Climate Change Policy 2015, submitted Nationally Determined Contributions to the United Nations Framework Convention on Climate Change in 2018, has a Green Growth Strategy in place and has signed up to meet the Bonn Challenge," reads a World Bank report of May 2019.

NATIONAL NEWS **N7**
Wednesday, August 31, 2022

By Misairi Thombo
Kahungu and
Wary Karugaba

Parliament has passed seven critical finance amendment Bills that once assented to, will save the country from the blacklist on carrying out international financial transfers.

The Bills, which MPs passed yesterday, are now awaiting President Yoweri Museveni's approval to become law.

Parliament passed the Bills in a move aimed at saving the country from being blacklisted by the Financial Actions Task Force (FATF).

FATF blacklists countries from international financial transfers when they fail to meet the requirements of putting in place mechanisms to block money laundering and terrorism financing. Blacklisting Uganda means the country will not be able to transact in foreign currency.

As a result of the country being on the grey list since February, Government introduced the seven Bills to amend the relevant laws in order to beat the deadline of September 2.

The Bills passed are the Anti-Terrorism Amendment Bill, 2022; the Co-operative Societies Amendment Bill, 2022; the Anti-Money Laundering Amendment Bill, 2022; the Trustees Incorporation Amendment Bill, 2022; the Partnerships Amendment Bill, 2022; the

PARLIAMENT SAVES UGANDA FROM FOREIGN CURRENCY BLACKLIST



Speaker Anita Among

Companies Amendment Bill, 2022 and, the Insolvency Amendment Bill, 2022.

In these Bills, Parliament has tied the loose ends on Uganda's fight against terrorism and money laundering so that the country is rated on the same standards with the rest of the world.

FATF is the global money laundering and terrorist financing watchdog and it sets international standards that aim at preventing illegal activities and the harm they

THE PROBLEM

On January 20, the Financial Intelligence Authority (FIA) executive director, Sydney Asubo, told Parliament's finance committee that the country was placed in the grey list in 2020 after it delayed to comply with the FATF standards.

According to the FATF evaluation, Uganda was deemed largely compliant for five of the 40 recommendations issued by FATF at the time of the review in 2020.

While FIA has largely played its role in fulfilling the requirements, Asubo said other ministries, departments and agencies were falling behind.

Before the legislators passed the Bills yesterday, the Speaker informed them that the country would be affected negatively if the Bills were not passed as a matter of urgency.

Attorney General Kiryowa

Kiwanuka noted that the process of amending the laws to meet all the 40 recommendations by FATF was delayed by the COVID-19 pandemic, which let the country end up on the grey list, which is the last resort before a country is blacklisted.

"Our Euro transactions are done in various cities in Europe, including Frankfurt in Germany, our British Pound transactions are done in London and then dollar transactions are done in New York," he said while raising fears of the country being blocked out.

Other countries on the grey list with Uganda are Albania, Barbados, Burkina Faso, Cambodia, Cayman Islands, Haiti, Jamaica, Jordan, Mali, Malta, Morocco, Myanmar, Nicaragua, Pakistan, Panama, Philippines, Senegal, South Sudan and Turkey.

cause to society.

With 200 countries and jurisdictions to monitor, FATF has developed recommendations or standards, which ensure a co-ordinated global response to prevent organised crime, corruption and terrorism.

Among the key amendments, Parliament has included the Anti-Terrorism Act to provide for proliferation financing. This, according to FATF, entails provision of funds or financial services used for the manufacture, acquisition, possession, development,

export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery.

The punishment for whoever will be found guilty of the act of proliferation financing is imprisonment not exceeding

20 years or a fine not exceeding 500,000 currency points (sh10b) or both. Each currency point is equivalent to sh20,000.

But the Bugiri Municipality MP, Asuman Basalirwa, urged government to stop persecuting opposition politicians by charging them with terrorism whenever arrested for political reasons.

"Attorney General, your government is now using terrorism as a form of political persecution. Whoever is arrested even for a simple political reason is then charged with terrorism. We know that terrorism is a cancer we are going to live with, but you do not need to use it to fight political reasons," Basalirwa said.

Speaker Anita Among agreed with Basalirwa, saying it was not good to persecute political opponents because "you are persecuting others today, tomorrow you will be persecuted".

Attorney General Kiryowa Kiwanuka told Parliament that government was not using terrorism against any political prisoners.

In amending other Acts, Parliament has included the definition of beneficial owners as natural persons who ultimately own, or control co-operative societies and companies, or the natural persons on whose behalf a transaction is conducted in the co-operative society or company.

Only 19% borrow from formal financial institutions - Ggoobi

Whereas the number of Ugandans who borrow from financial institutions is still low, Ministry of Finance permanent secretary Ramathan Ggoobi, says it doubles the average for sub-Saharan African countries, which stands at 10 percent.

BY MARTIN LUTHER OKETCH

Only 19 percent of Ugandans borrow from formal financial institutions, according to Ministry of Finance permanent secretary Ramathan Ggoobi. Speaking during the Financial Inclusion and Financial Literacy Forum in Kampala last week, Mr Ggoobi said that whereas the number of Ugandans who borrow from formal financial institutions was still low, it almost doubles that of sub-Saharan Africa, which stands at 10 percent, and far above some countries such as Tanzania - 4 percent.

10%

Whereas the percentage of Ugandans who borrow from formal financial institutions is still low, it is above sub-Saharan average of 10 percent.

Therefore, he said, there is need to improve financial inclusion, which will result in an increase in uptake of formal financial services, noting that while the poor have made progress, they still lag behind the rich while, according to the Uganda National Household Survey, the level of education remains a key determinant in financial literacy and inclusion.

For instance, the survey indicates 65 percent of Ugandans without a primary level education have no access to financial accounts, compared to just 23 percent of those with a secondary level education.

Mr Ggoobi also noted that, according to the World Bank's Findex database, the share of Ugandans with access to a financial account - either with a formal institution or a mobile money provider - has risen from 59 percent in 2017 to 66 percent in 2021, although it remains below Kenya's 79 percent.

"Our target is to increase this number to 80 percent by 2027. We must redouble our efforts to ensure all Ugandans have access to essential financial services and the skills they need to use them," he said.

Digital innovations and technology have become central to financial inclusion, allowing at least 61 percent of Ugandans, according to Bank

of Uganda, to use digital payments, up from 51 percent in 2017. Out of these, at least 47 percent use mobile phones or internet to access a financial account, which is more than double the average sub-Saharan Africa of 21 percent.

The progress has been achieved through different interventions such as Proflira - the Project for Financial Inclusion in Rural Areas - which, as of June 30, according to Mr Ggoobi, had supported establishment of 15,000 community savings and credit groups and strengthened 3,000 existing groups, 76 percent of which are composed of women.

Speaking at the same event, Finance Minister Matia Kasajja said to drive financial inclusion, financial services must be established at the lowest level of society with at least every parish forming a Sacco.

"Every parish must form a village Sacco. We shall be having small banks in every parish in this country in the next five years," he said.

The Financial Inclusion and Financial Literacy Forum, themed *Enhancing Financial Inclusion through Digital Financial Literacy*, is jointly undertaken by Bank of Uganda, Ministry of Finance and other stakeholders.

mketch@ug.nationmedia.com

CBR might be increased further, says central bank

BY MARTIN LUTHER OKETCH

KAMPALA. Bank of Uganda has said it might be forced in the near term to further tighten the monetary stance if inflationary pressures continue.

This Bank of Uganda Deputy Governor Michael Atingi-Ego, said is the only way through which they will revert inflation to the 5 percent target.

"Going forward, [we] consider that the monetary policy will have to be tightened even further if inflationary pressures persist to ensure that inflation reverts to its medium term target of 5 percent," Mr Atingi-Ego said in a statement at the weekend.

Bank of Uganda at the weekend also noted that it had increased the Central Bank Rate to 9 percent from 8 percent.

This is the third month Bank of Uganda is increasing the Central Bank Rate as the economy continues to face strong cost-push inflation pressures from the external environment, dry weather conditions and exchange rate depreciations amid weak domestic demand.

Inflation has been rising with headline inflation, which measures changes in the cost of living, increasing to 7.9 per-

ICT ministry committed on reducing cost of internet - Ssebugwawo

The future of banking is hinged on collaborations & partnerships

Financial inclusion and digital banking are the future of banking. Financial institutions and other players in the industry must collaborate and partner to achieve this vision.



Michael Atingi-Ego, Deputy Governor of Bank of Uganda, speaking at the Financial Inclusion and Financial Literacy Forum in Kampala last week.

How does the future of banking look like?

Financial inclusion and digital banking are the future of banking. Financial institutions and other players in the industry must collaborate and partner to achieve this vision.

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Financial inclusion and digital banking are the future of banking.

Financial inclusion and digital banking are the future of banking.

MICROFINANCE INSTITUTIONS TO TAKE ON MORE ROLES

Microfinance institutions are expected to take on more roles in the financial sector, according to the Bank of Uganda.



Michael Atingi-Ego, Deputy Governor of Bank of Uganda, speaking at the Financial Inclusion and Financial Literacy Forum in Kampala last week.

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Microfinance institutions are expected to take on more roles in the financial sector.

MUSEVENI ADVISES BANKS ON LAND TITLES

By Ali Twaha

President Yoweri Museveni has advised banks not to accept land titles with encumbrances for loans.

While meeting members of the Uganda Bankers Association (UBA) at State House Entebbe on Wednesday, Museveni noted that banks should be careful, especially where the land titles being presented to them as collateral are occupied by tenants.

Museveni was responding to a submission by Sarah Arapa, the UBA chairperson, regarding land evictions where borrowers use encumbered land as collateral.

The meeting was attended by the finance minister, Matia Kasajja, Bank of Uganda (BOU) deputy governor Michael Atingi-Ego, and UBA executive director Willard Owor, among other senior banking and financial sector officials.

UBA is an umbrella body made up of 56 financial institutions, mostly regulated by BOU.

Sources within the banking circles say there is a general abuse of the court system, where some borrowers use it as a tool to stall recoveries, block foreclosures and avoid legal obligations to financial institutions.

Encumbrances on some of the properties have not only impacted transfer of ownership,



Museveni interacting with Arapa at State House Entebbe as other members look on Wednesday. (Scan the photo using the Vision Digital Experience to watch the video)

but also restricted their usage as assets in court cases.

According to bankers, the delay in resolution of such disputes, many of which are related to property ownership, has affected the sector adversely.

Over sh1 trillion in capital is reported to be locked up in court cases and is inaccessible

for reinvestment in the wider economy.

At the meeting, Museveni commended the banking and financial services sector for their effort to align to the National Development Plan.

"In the past, commercial banks have been aligned to neo-colonialism, supporting import of consumer goods. I am

glad we are beginning to see a change if you have started to support agriculture and export promotion," he said, according to a release from State House.

In October, UBA set up a sh1 trillion export credit facility to promote manufacturing and export promotion in Uganda. The facility, which became operational on Tuesday, carries

a 12% interest rate per annum for shilling-denominated loans.

LOWERING DOMESTIC BORROWING

Museveni, in his remarks, expressed disappointment in the elites, who have failed to put to an end to Africa's haemorrhage, saying they have continuously supported foreign

industries, thereby betraying Africa's purchasing power.

"It is really betrayal. African elites have betrayed Africa, and this has led to the purchasing power not growing," he added.

Museveni noted that Uganda is devising means on how to reduce/stop borrowing, especially internally.

The Secretary to the Treasury and permanent secretary of the finance ministry, Ramathan Ggoobi, said the ministry has already employed several measures to stop internal borrowing, citing fiscal consolidation, restoration of fiscal discipline, clearing domestic debt and disciplining accounting officers among other measures.

Arapa thanked the President for supporting the financial sector, specifically his good stewardship of the country, which has led to macroeconomic stability, security, as well as numerous financial sector reforms.

She noted that the financial services sector is focusing on 10 areas on how to support government development plans.

Arapa singled out support of the Fifth Development Model (PDM), digital transformation to drive in financial inclusion, promoting domestic manufacturing to support growth and development of agricultural agriculture, among other areas.

Fintechs or banks: Who gets us closer to a cashless future?

As fintechs reshape banking, banks are now in talks with fintechs to consider how they can expand into new channels to retain relevance to their customers and investors. But a large portion of Ugandan traders and consumers are still cash-driven with a few undertaking e-payments.

BY PAUL MURUNGI

Kampala has morphed into an East African hub for over 150 financial technology or fintech businesses set up in the last decade.

As a result, it is tilting the financial sector for traditional banking and finance executives who dominated the sector for so long.

Today, the country's big banks are rubbing shoulders, or perhaps competing for business with fintech companies founded less than a year ago.

But, in many cases, it is the fintech entrepreneurs doing the talking while banking and finance executives do the listening.

For now, the majority of bankers, insurers, and investment managers are responding in a positive

way. Most are taking up partnerships with fintech companies.

But it remains to be seen how such partnerships will play out in the future, and whether fintech growth could pose a competitive threat in the finance industry.

Financial technologies are disrupting the traditional way in which financial firms perform business.

A new study on the state of

The Ugandan ecosystem still revolves around mobile technology such as USSD codes and text messages. PHOTO/ RACHEL MABALA



BRIEFLY

ICEA LION Assurance donates sportswear worth Shs3 million

ICEA LION Assurance Company (IL) Ltd has donated sportswear to pupils of Masaka School for the Deaf. The school provides primary school education and vocational skills training to deaf children.

The sportswear included soccer balls and socks for the football team and soccer balls for the netball team. This is an effort to equip both teams as they prepare for the upcoming National tournaments where both the football and netball teams will be representing Masaka City.

Speaking during the handover on August 26th, Isaac Mutebi, the chief executive officer, ICEA LION Assurance commended the teachers and school administration for the role they are playing in the lives of the pupils of Masaka School for the Deaf through nurturing and supporting their talents in sports.

Our journey with the Masaka School for the Deaf started in 2018 and I'm glad that we are still here with you, rendering support to them.

PostBank launches 60 smart ATMs

The customers will be able to deposit cash at the ATM with real-time credit to accounts, make card-less withdrawals and withdraw up to Shs3 million.

Postbank has launched 60 smart ATMs to drive financial inclusion. Postbank has launched its new smart ATMs to get more Ugandans financially included through digitization.

With the smart ATMs in place, Postbank's customers will be able to deposit cash at the ATM with real-time credit to accounts, make card-less withdrawals and withdraw up to Shs3 million in a single transaction. In addition, a customer will instantly be issued a debit card upon opening an account.

Speaking at the launch of the smart ATMs, Mr. Julius Kibuka, the managing director for Postbank said the introduction



UGANDA BANKERS' ASSOCIATION FIGHTS TO LOWER INTEREST RATES

The Uganda Bankers' Association (UBA) recently released its report, titled "Decreasing the cost of doing business in the banking sector in Uganda". Business Vision's Paul Busharizi sat down with UBA's director of strategy and innovation, Eva Ssewagude Jagwe, to talk about the report. Below are excerpts from the interview.

Q When interest rates are high, can you give a typical context to that? **A** If you look at the interest rates, you will find that the interest rates in a country are highest in Kenya or Tanzania. The average cost to finance is around 15 percent. In Uganda, the average cost to finance is around 12 percent. This is because the average cost to finance rate for commercial banks in Kenya over a period of seven years (2013-2019) was 12.76 percent.

There are different operating environments and macroeconomic factors that drive both costs and interest rates. Some of the macroeconomic factors that underlie interest rates include inflation, the central bank reference rate, cash reserve requirements, compliance requirements, operating costs, non-performing loan books and related collection challenges, among others. This is why as the Ugandan banking sector, we are trying to

find ways to sustainably reduce the operating costs. If everything is held constant, for the average operating costs are reduced, it means the sector is able to reduce the average lending rate downwards.

So how much do provisions for means and advance impact operating costs? **A** Non-performing loan provisions are a cost to that they are charged on system income. The higher the non-performing loans, the higher the charge. When the income is improved, either through provisions and write-off of bad loans, the cost of a bank is improved negatively.

Excess of capital is very important for a financial institution in terms of adequacy for absorbing shocks and maintaining stability. Therefore, financial institutions are required to maintain a certain level of capital and it is that money they need to borrow.

Continued on page 20

WHEAT GRAIN PRICES SKYROCKET

The skyrocketing price of wheat grain has led to the closure of several bakeries in the last few weeks of the year.

PERSONAL FINANCE

SYLVIA JUJUKO

HOW TO MEASURE PERFORMANCE OF YOUR FINANCES

PAGE 24



Stamp Duty Act 2022 to lower cost of borrowing where movable property is pledged as collateral

According to the New Vision newspaper, the COVID-19 pandemic has led to a significant increase in unemployment, with 57% of firms reporting reduced sales by 57% in both the agriculture and service sectors.

Productivity levels among workers were leading to a very sharp fall in household incomes.

The Government has deployed various interventions to accelerate recovery in the private sector, with a focus on the agriculture and service sectors.

Enhancing easier borrowing

One of the ways of reducing the cost of borrowing is by reducing the risk and costs of lending.

of 2022 has done this by reducing the stamp duty on loans relating to movable property, such as equipment, household furniture, and other movable property. This is to reduce the cost of borrowing for businesses and individuals.

The Government has deployed various interventions to accelerate recovery in the private sector, with a focus on the agriculture and service sectors.

Enhancing easier borrowing

One of the ways of reducing the cost of borrowing is by reducing the risk and costs of lending.



MERCY K. KAINOBWISHO

properties pledged as collateral, has close enforcement mechanisms that ensure that both the lender and the borrower's rights and obligations are protected at all times in the relationship.

For example, given the nature of the collateral involved, one does not need

The Government has deployed various interventions to accelerate economic recovery to pre-pandemic levels as demonstrated in the 2022/23 budget.

with movable collateral like loans produce or accounts receivables or deposit accounts or documents of title. This also goes for all loans below the monetary value of Uganda Shs100 million.

Supporting affordable lending

With the introduction of items six and six of Schedule 2 to the Stamp Duty Act of 2014, stamp duty on loans has to be paid for these types of loans.

lender transfers to the consumer who is the borrower.

At the end of the day, when the cost of borrowing is reduced, the borrower's cost of borrowing is reduced. This is why all these reforms are geared towards facilitating access to affordable credit for people who do not own land or buildings to pledge as collateral.

These strategic reforms that are creating an enabling environment for all Ugandans, especially the MSMEs, youth and women who ordinarily may not have access to immovable property (land/buildings).

The particular reforms help the ordinary Ugandan to thrive through making full use of the value inherent in their movable assets to access affordable credit and eventually increase household income for every Ugandan in accordance with the goal of the National Development Plan III.

With the enactment, movable asset-based lending is now making a lot of business sense that all financial market actors can take advantage of the resultant opportunities.

The writer is the Registrar General of the Uganda Registration Services Bureau

Business

Number of agent banking providers grows to 26,800

BY MARTIN LUTHER OKETCH

KAMPALA. There are more than 26,800 agent banking service providers spread between 22 banks, according to Bank of Uganda.

In a presentation during the annual financial inclusion and financial literacy forum held in Kampala, Mr. Alex Ochan, the Bank of Uganda acting head of Financial Inclusion Division, said agent banking has rapidly grown since 2017, paving the way for improved access to formal financial services across Uganda.

For instance, he said, in 2017 the number of agent banking stood at just 139, but experienced exponential growth in 2019 to 11,000, before expanding further to 23,000 in 2021 and to more than 26,858 agents by June this year.

"As of June, there were 22 financial institutions on the agent banking shared platform... the total number of agents for institutions licensed to provide agent banking services was 26,858," he said, noting that the growth provides fertile ground for financial inclusion in addition to other key performance indicators, which, Mr. Ochan said, has seen the number of bank branches grow from 671 in 2017 to 702 in June, while automated teller machines (ATMs) have increased from 910 to 951 in the same period.

Annual Report and Audited Financial Statements

For the Year Ended 31st December 2022

1.0 Organization Information

1.1 Principal place of business and registered office

Uganda Bankers' Association
Plot 2702 Block 244
Nyangweso Road
Tank hill Muyenga
P.O. Box 8002
Kampala

1.2 Bankers

Bank of Baroda (Uganda) Ltd.
Plot No.18, Kampala
Uganda
P.O Box 7197
Kampala, Uganda

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

NCBA Bank Uganda Ltd.
Rwenzori Towers,
Nakasero Road
P.O Box 28707
Kampala, Uganda

United Bank for Africa.
Jinja Road Branch Plot 2,

1.3 Solicitors

H&G Advocates
2nd Floor H& G
Chambers
P.O. Box 7026
Kampala

1.4 Auditors

Kisaka & Company
Certified Public
Accountants
Plot 77, Buganda
Road
P. O. Box 27917,
Kampala, Uganda
Tel: 0414-255453
Fax: 0414-257592
Email:
kisaka@kisaka.co.ug
kisaka@utlonline.co.ug
Website:
www.kisakacpa.ug

2.0 Executive Committee Report

2.1 Background

Uganda Bankers Association (UBA) was founded in 1981, Uganda Bankers' Association (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 36 members comprising 25 Commercial Banks, 3 development banks (Uganda Development Bank, East African Development Bank and Afreximbank), and 8 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.

2.2 Introduction

The Executive Committee submits its report and the audited financial statements for the year ended 31st December 2022, which discloses the state of affairs of the Uganda Bankers' Association ("the Association").

2.3 Principal activity

"To protect, represent and develop the professional business interest of its members."

2.4 Vision of UBA

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

2.5 Mission of UBA

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

2.6 Values of UBA

- a. Integrity
- b. Transparency
- c. Professionalism
- d. Good Governance
- e. Teamwork
- f. Service Excellence

2.7 UBA Mandate

- a. Develop and maintain a code of ethics and best banking practices among its members.
- b. To encourage & undertake high-quality policy development initiatives and research on the banking sector, including trends, key

issues & drivers impacting on or influencing the industry and national development processes therein through partnerships in banking & finance, in collaboration with other agencies (local, regional, international including academia) and research networks to generate new and original policy insights.

- 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 BOU and other non-bank financial institutions & organizations in promoting financial sector growth, through training, development of products, technologies & initiatives to promote financial sector growth.
- e. To promote and represent the professional interests of its members.

2.8 Strategic Priorities for 2022 (From Strategic Plan 2022-2024)

1. Stepping up stakeholder engagement & involvement in key national development programmes. (Several)
2. Bringing alive and implementing identified key strategic projects including the Cyber Security Operations Centre (C-SOC) NIRA Project, and the Regulatory Reforms Report Implementation.
3. Banking sector and economic recovery sustainability and support post COVID-19 pandemic. (Small Business Recovery Fund (SBRF) participation, Launch of the Regional Export Facility (REF).
4. Expanding the role and contribution of Banking in Uganda through building a resilient banking sector (Basel II & ICAAPS)

2.9 Summary of achievements and gaps in Strategic period 2022

	Focus Areas for 2022
1	<p>Step up stakeholder management & dialogue engagements with Government (<i>executive & legislature</i>) & wider public, supported by the regulator & robust communications framework to change perception & build goodwill.</p> <p>Achievements in 2022 include:</p> <ul style="list-style-type: none"> ● Annual Bankers Conference 2022 focused on bridging financing gaps in the manufacturing and tourism/hospitality sectors to catalyse economic recovery and growth post-2021. ● A meeting was held with His Excellency the President of Uganda by the UBA to discuss matters relating to the role and contribution of the financing and banking sector. ● Launch the Regional Export Facility on 18th October 2022. ● Review and re-launch of the Small Business Recovery Fund to increase traction and use. ● Oil and Gas breakfast arranged with key stakeholders in the oil and gas ecosystem. ● Engagements with KCCA Health Director on Ebola responsiveness and preparedness of the sector to handle the outbreak.
2	<p>Drive & strengthen collaborations & partnerships with banking/financial sector partnerships especially players in the payments space (MNOs & Fintechs), development partners, and regulators (BOU & UCC)</p> <ul style="list-style-type: none"> ● Sign off of collaboration MOU with the Payments Service Providers Association (PSPA) ● Engagements with Bank of Uganda on key industry changes

	Focus Areas for 2022
	<p>including cloud computing and cyber security increases in minimum capital, MDI and MFI proposed amendments, in addition to the regular monthly meetings with the Governor.</p> <ul style="list-style-type: none"> • UBA works with and is represented in key forums, organs, boards, meetings, seminars, and workshops. Held joint fraud workshop with FITSPA.
3	<p>Follow through with the implementation of the regulatory reforms' recommendations including MDI & CRB-related amendments.</p> <p>In December 2022, UBA met with the Committee on Finance, Planning & Economic Development which is currently scrutinizing the MDI amendment bill 2022 to provide the banking sector views and input into the MDI amendment bill 2022. The banking sector supported the bill as presented.</p>
4	<p>Separate management & oversight of UBA investments via holding company from the traditional nonprofit mandate of UBA.</p> <ul style="list-style-type: none"> • This is Work in Progress (WIP)
5	<p>Focus on bringing alive the cyber security operations center (C-SOC) and continue to raise awareness on fraud & security frameworks required in collaboration with investigative & security enforcement agencies etc.</p> <ul style="list-style-type: none"> • In line with our priority focus areas of mitigating cyber fraud risks, we did engage consultants who finalized the design of the proposed cyber security operations centre and thereafter brought on board a project manager to oversee its phased rollout. The first phase of the C-SOC is expected to be up and running in Q2 of 2023.

	Focus Areas for 2022
	<p>The following are the immediate focus areas under phase 1:</p> <ul style="list-style-type: none"> ✓ Incident Registration and Handling (Incident Reporting, Analysis, Mitigation and Recovery, Coordination and Crisis Management Support) ✓ Knowledge Transfer (Awareness Building, Training & Education and Technical & Policy Advisory) ✓ Forensic Services (Collaboration with UCC to utilize their established Digital Forensic Laboratory Services) ✓ Basic Situational Awareness (Data Acquisition, Analysis & Synthesis and Communication) <ul style="list-style-type: none"> ● A benchmarking visit to Citibank's Fusion Centre in New York where their cyber security function is headquartered was undertaken. This visit illuminated several aspects of cyber defense including the set up and management of cyber security centres, types of cyber risks, methodologies and trends, other 3rd party cyber risks as well as typical legal risks. Other key learnings included the need to cultivate, foster and reinforce collaboration in cyber security risk management. ● UBA is a member of the National Cyber Security Taskforce.
6	<p>Continue to drive initiatives to address barriers to financial inclusion including financial literacy, banking penetration, and credit expansion strategies.</p> <ul style="list-style-type: none"> ● UBA is a member of a team that is reviewing the National Financial Inclusion Strategy. ● Research and studies done in collaboration with development and other partners include:

	Focus Areas for 2022
	<p>Agent banking research in partnership with UCU and FSDU. 16 papers were written and published in the Annual Bankers Conference with 13 contributed by writers from government bodies and ministries, universities, legal firms, sector associations, and private enterprise writers.</p> <ul style="list-style-type: none"> ● The process leading to the restructuring of the training institute commenced in 2022. ● Review & refreshing of the code of banking practices to be undertaken in 2023. ● Exercise to consider standardization of job grades across the industry to commence in 2023. ● A memorandum of understanding was signed with the Kenya Bankers Association to further research and learning opportunities.
	Carry forward from 2021 & prior years
	<p>Deliver structured training for the judiciary.</p> <p>Judiciary training targeting High court judges in partnership with the Judicial Training Institute was done.</p>
	<p>Continue championing the growth & development of robust, 24/7, secure, integrated multi-channel digital infrastructure required to transform the industry & harness financial service opportunities in the intermediation, credit & payments space.</p> <ul style="list-style-type: none"> ● Working on addition capital injection into ABC (U) Ltd the industry vehicle on Agent Banking

2.10 Stakeholders

Cabinet	Prime Minister	Ug Revenue Authority	Commissioner General
	Finance Minister		Commissioner Domestic Taxes
	Trade Minister		
	Energy Minister		Executive Director
	Works Minister		Treasurer
	ICT Minister		
Parliament	Speaker	Security Agencies	Inspector General of Police
	Deputy Speaker		Deputy IGP
	Chairs of Parliamentary Committees(Finance & Budget, Economy, COCASE etc		CID Boss
	Vocal Members of Parliament		ISO Boss
Judiciary	Chief Justice	Media	CEOs New Vision, Monitor, Red Pepper
	Principal Judge		CEOs KFM, Capital Radio, Radio One, Sanyu, CBS
	Head of Commercial Court		CEOs NTV, NBS, 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 Contacts + Online news anchors
Uganda Law Society	President	UCC	ED
	CEO.	UMA	Chair & ED, Board Members
	ULS Cluster members	KACITA	Chair, CEO, Spokesman
		PFSU	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
Pension Sector	CEO UBRA	NIRA	ED, Heads of Dept
	CEO NSSF	CMA	ED
Development Partners		Professional Bodies	Managing Partners PWC, KPMG, E&Y, Deloitte
	FSDU		President & CEO, Institute of Certified Public Accountants
	IMF		President Valuers & Surveyors (ISU)
	World Bank		President Association of Professional Engineers
	European Union		Association of Contractors
	USAID		
	UNCDF		

2.11 Funding

Source of funding	Actual 2022	Actual 2021
	US\$ "000"	US\$ "000"
Annual subscription	1,419,726	1,454,815
Special Project Grants and Contributions	1,090,913	988,002
Annual Banker's Conference	350,460	262,900
Interest	59,373	45,419
Total funds	2,920,471	2,751,136

2.12 Executive Committee

The executive committee members who held office during the year and to the date of this report were:

Name	Role Organisation	Designation	Appointment date	Status
Ms. Sarah Arapta	CEO, Citibank (U) Ltd	Chairperson	22 nd May 2020	Still serving
Mr. Julius Kakeeto	CEO, Post Bank Uganda Limited	Vice-chairperson	13 th May 2022	Still serving
Mr. Shem Kakembo	CEO, EFC Uganda Limited	Hon. Treasurer	13 th May 2022	Still serving
Mr. Raj Kumar Meena	CEO, Bank of Baroda Uganda Limited	Hon. Auditor	13 th May 2022	Still serving
Mr. James Onyutta	CEO FINCA UGANDA	Hon Committee Member	13 th May 2022	Still Serving
Ms. Chioma Mang	CEO, United Bank for Africa Uganda	Hon Committee Member	9 th September 2022	Still serving
Mr. Lekan Sanusi	CEO, Guarantee Trust Bank Uganda	Hon Committee Member	13 th May 2022	Completed a tour of duty in Uganda and was replaced by Chioma Mang.
Mr. Wilbrod Owor	ED Uganda Bankers Association	Secretary	22 nd May 2020	Still serving
Mr. Mathias Katamba	CEO, Dfcu Bank	Chairman	22 nd May 2020	Completed tenure of office
Mr. Varghese Thambi	CEO, Diamond Trust Bank Ltd	Hon. Treasurer	22 nd May 2020	Completed tenure of office
Mr. Sam Ntulume	ED I&M Bank Limited	Hon. Auditor	22 nd May 2020	Completed tenure of office
Mr. Albert Saltson	CEO, Standard Chartered Bank (U) Ltd	Committee Member	22 nd May 2020	Completed tenure of office
Ms. Veronicah Gladys Namagembe	CEO, Pride Microfinance Ltd	Committee Member	22 nd May 2020	Completed tenure of office

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.

UBA Executive Committee	Designation	J a n	Feb	M ar	A pr	M ay	Ju n	J u l	Aug	Se p	Oct	N ov	Dec	No of meetings attended
Ms. Sarah Arapta	Chairperson	✓	NM	X	✓	X	✓	✓	NM	✓	NM	✓	NM	6
Mr. Julius Kakeeto	Vice-chairperson	X	NM	X	X	X	X	✓	NM	✓	NM	✓	NM	3
Mr. Shem Kakembo	Hon. Treasurer	X	NM	X	X	X	✓	✓	NM	X	NM	✓	NM	3
Mr. Raj Kumar Meena	Hon. Auditor	X	NM	X	X	X	✓	✓	NM	✓	NM	X	NM	3
Mr. Wilbrod Owor	Secretary	✓	NM	✓	✓	✓	✓	✓	NM	✓	NM	✓	NM	8
Ms. Chioma Mang	Committee Member	X	NM	X	X	X	X	X	NM	X	NM	✓	NM	1
Mr. James Onyutta	Committee Member	X	NM	X	X	X	✓	✓	NM	✓	NM	X	NM	3
Mr. Lekan Sansui	Committee Member	X	NM	X	X	X	✓	✓	NM	N/A	N/A	N/A	NM	2

Key X – Absent with apology ✓- Attended

2.13 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 36 members (All twenty-five licensed Commercial Banks, the three development banks, and eight 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.

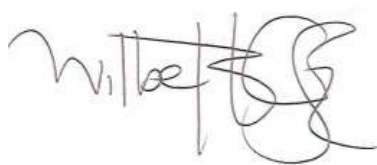
No	Name	Annual Subscription 2022	Annual Subscription 2021
1	ABC Capital Bank Ltd	37,083,320	37,083,320
2	ABSA Bank Uganda LTD	76,133,256	76,133,256
3	Afriland First Bank Uganda Limited **	36,400,000	36,400,000
4	Afreximbank		
5	Bank of Africa Uganda Limited	45,713,069	45,713,069
6	Bank of Baroda (Uganda) Limited	58,149,211	58,149,211
7	Bank of India (Uganda) Ltd	39,912,956	39,912,956
8	BRAC Uganda Bank Limited	9,120,521	9,120,521
9	Cairo Bank Uganda	38,594,042	38,594,042
10	Centenary Rural Development Bank	77,766,148	77,766,148
11	Citibank Uganda Limited	47,888,524	47,888,524
12	DFCU Bank Limited	70,865,618	70,865,618
13	Diamond Trust Bank Uganda Limited	56,317,109	56,317,109
14	East African Development Bank	39,348,852	39,348,852
15	Ecobank (Uganda) Limited	44,185,378	44,185,378
16	EFC Uganda Limited	8,417,672	8,417,672
17	Equity Bank Uganda Ltd	55,270,704	55,270,704
18	Exim Bank Uganda Limited	40,356,733	40,356,733
19	Finance Trust Bank Uganda Limited	39,398,162	39,398,162
20	FINCA Bank (Uganda) LTD	8,853,032	8,853,032
21	Guaranty Trust Bank	39,019,594	39,019,594
22	Housing Finance Bank Ltd	46,981,818	46,981,818
23	KCB Bank (Uganda) Ltd	46,374,939	46,374,939
24	Mercantile Credit Bank Ltd	8,460,326	8,460,326
25	NCBA Bank Uganda Limited	42,636,634	42,636,634
26	Opportunity Bank Uganda	38,348,448	38,348,448
27	I&M Bank Uganda Limited	45,843,308	45,843,308
28	Post Bank Uganda Limited	9,937,294	9,937,294
29	Pride Microfinance Limited	9,346,037	9,346,037
30	Stanbic Bank Uganda	113,524,409	113,524,409
31	Standard Chartered Bank (Uganda) Limited	72,971,330	72,971,330
32	Top Finance Bank Uganda Limited	8,288,447	8,288,447
33	Tropical Bank Ltd	40,066,116	40,066,116
34	UGAFODE Microfinance Ltd	42,040,285	42,040,285
35	Uganda Development Bank	8,403,708	8,403,708
36	United Bank for Africa Uganda Limited	41,610,037	41,610,037
37	Yako Uganda Limited	8,238,912	8,238,912
	Total	1,451,865,949	1,451,865,949
Note: ** Afriland First Bank exited the Ugandan market in May 2022			

During the CE's meeting held on 14th November 2021, members resolved to maintain (No change) annual Subscriptions for FY 2022 at the same level as FY 2021

2.14 Auditors

The auditors, Kisaka & Company CPA, were appointed to carry out the audit of the organization for the year ended 31 December 2022 and have expressed their willingness to continue in office in accordance with Section 167 (2) of the 2012 Companies Act, Cap 110, and Laws of Uganda.

By Order of Executive Committee



Signed

Date: 25th April 2023

3.0 Statement of Executive Committee's Responsibilities

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 from the date of this statement.


Chairperson**Date:** 25th April 2023

Hon. Treasurer**Date:** 25th April 2023

Executive Director**Date:** 25th April 2023

4.0 Independent Auditors' Report to Members of Uganda Bankers' Association Executive Committee

4.1. Report on the Audit of Financial Statements

4.1.1. Opinion

We have audited the financial statements of Uganda Bankers' Association, set out on pages 19 to 34 which comprise the statement of financial position as at 31st December 2022, the

statement of income and expenditure, the statement of changes in reserves, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Uganda Bankers' Association as at 31st December 2022, and its Income and Expenditure and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

4.1.2 Basis for Opinion

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

other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

4.1.3 Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this regard.

4.1.4 Other Information

The committee is responsible for the other information set out on pages 5 to 13. The other information comprises the information included in the organisation information, the Executive Committee's report, and the statement of Executive Committee's responsibilities (but does not include the financial statements and our auditor's report thereon) which we obtained

before the date of the auditors' report and the annual report, which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

4.1.5 Management's Appropriate Use of the Going Concern Basis of Accounting

Based on the audit evidence obtained, we are not aware of the existence of any material uncertainty related to events or conditions that may cast significant doubt on the

Association's ability to continue as a going concern.

4.1.6 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. Those charged with governance- Executive Committee are responsible for overseeing the

Association's financial reporting process.

4.1.7 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 based on these financial statements.

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

- a. 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.

- b. Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of A's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- e. 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 those charged with governance regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected

to outweigh the public interest benefits of such communication.

4.2 Report on Legal and other Regulatory Requirements

As required by the Ugandan Companies Act 2012, we report to you, based on our audit, that:

a) We have obtained all the information and explanations which to the best of our knowledge

and belief were necessary for the audit.

b) In our opinion proper books of account have been kept by the Association, so far as appears from our examination of those books; and ;

c) The Association's statement of financial position and statement of Income and

Expenditure are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report was CPA J.K Mulumba (Ph.D.)- P0045



CPA. J.K. Mulumba (PhD)
 Engagement Partner

Date: 10th May 2023

5.0 Statement of Financial Position

ASSETS		Dec 2022	Dec 2021
	Notes	UShs "000"	UShs "000"
Non-Current Assets			
Property & Equipment	9.3	121,209	135,381
Intangible Assets	9.4	775	968
Right of Use	9.5	-	57,880
		121,983	194,229
Investments			
Investment in ABC	9.6	4,769,274	4,769,274
Investment in ARC	9.6	660,535	660,535
Treasury Bill and bond	9.7	313,729	
		5,743,538	5,429,809
Related Parties			
Related Parties	9.8	375,853	308,861
		375,853	308,861
Current Assets			
Cash & Cash Equivalents	9.9	516,407	1,052,560
Prepayments	9.10	136,427	97,636
Accounts Receivables	9.11	115,977	1,077,551
		768,812	2,227,747
Total Assets		7,010,186	8,160,646
Equity and Liabilities			
Equity and Reserves			
ABC Fund	9.6	4,769,274	4,769,274
ARC Fund	9.6	660,535	660,535
Reserves	9.12	132,198	(43,476)
		5,562,007	5,386,333
Non-Current Liabilities			
Deferred Revenue	9.13	588,387	1,322,310
Related Party ARC	9.14	287,409	287,409
Gratuity payable	9.15	196,940	158,482
Lease Liability	9.16	17,002	45,737
		1,089,738	1,813,938
Current Liabilities			
Payables	9.17	300,654	960,375
Bank Overdraft	9.18	57,786	-
		358,441	960,375
Total Liabilities and Equity		7,010,186	8,160,646

6.0 Statement of Income and Expenditure

	Notes	Dec 2022 US\$ "000"	Dec 2021 US\$ "000"
Income			
Annual subscription	9.19	1,419,726	1,454,815
Special project contribution	9.19	1,090,913	988,002
Annual Banker's Conference	9.19	350,460	262,900
Interest	9.19	59,373	45,419
Total		2,920,471	2,751,136
Expenditure			
Staff Expenses	9.20	1,028,627	1,013,069
Project Expenses	9.21	700,618	989,069
UBA Activities/Initiatives	9.22	647,592	221,171
Administration Expenses	9.23	457,160	400,591
Governance Expenses	9.24	48,358	7,641
Finance Expenses	9.25	29,692	18,291
		2,912,046	2,649,832
Surplus/(Deficit)		8,425	101,304

7.0 Statement of Changes in Reserves

a) For the period ended December 2022

	Retained Earnings US\$ "000"	ARC Fund US\$ "000"	ABC Fund US\$ "000"	Total US\$ "000"
As at 01 Jan 2022	(43,476)	660,535	4,769,274	5,386,333
Prior period adjustments	167,249			167,249
Deficit/Surplus for the year	8,425	-	-	8,425
As at 31st December 2022	132,198	660,535	4,769,274	5,562,007

b) For the period ended December 2021

	Retained Earnings US\$ "000"	ARC Fund US\$ "000"	ABC Fund US\$ "000"	Total US\$ "000"
As at 01 Jan 2021	(163,480)	660,535	4,769,274	5,266,329
Prior period adjustment	18,700	-	-	18,700
Surplus for the period	101,304	-	-	101,304
As at 31st December 2021	(43,476)	660,535	4,769,274	5,386,333

8.0 Statement of Cash Flows

	Notes	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Cash flow from operating activities			
Surplus/(Deficit) for the period	6.0	8,425	101,304
Adjustments		167,249	-
Depreciation Expense	9.3	23,448	23,168
Interest Expense		-	7,249
Amortization of Intangible Assets	9.4	193	564
Depreciation Expenses to ROU Asset	9.5	57,880	58,038
Loss on disposal		-	7,269
Prior year adjustment of Bad Debts		-	18,700
		257,196	216,292
Changes in Working Capital			
Movement in Related Party	9.14	(66,992)	4,055
Decrease/(Increase) in Accounts Receivables	9.11	961,574	(231,625)
Decrease/(Increase) in Prepayments	9.10	(38,791)	(49,812)
(Decrease)/Increase in Accounts Payables	9.17	(659,721)	(108,552)
(Decrease)/Increase in gratuity payable	9.16	38,458	
Net Cash flow used in/ generated from operating activities		491,724	(169,642)
Cash flow from Investing Activities			
Purchase of Property and Equipment	9.3	(9,276)	(28,932)
Purchase of right of use	9.5	-	(4,954)
Treasury bill	9.7	(313,729)	
Net cash flow used in investing activities		(323,006)	(33,886)
Cash flow from Financing Activities			
Deferred Revenue	9.13	(733,923)	841,415
Bank Overdraft	9.18	57,786	
Lease Payments	9.16	(28,735)	(71,666)
Net Cash flow used in/ generated from financing activities		(704,871)	769,749
Net (Decrease)/ Increase in cash equivalents		(536,153)	566,221
Cash & Cash Equivalents as at the beginning		1,052,561	486,340
Cash and Cash equivalents as at 30th Sept		516,407	1,052,561
Represented by:			
Cash and cash equivalents		516,407	1,052,561
Cash at hand		-	
		516,407	1,052,561

9.0 Notes to the financial statements

9.1 Reporting Entity

Uganda Bankers' Association (UBA) was started in 1981 as a Non-Governmental Organization and later established as a company limited by guarantee. UBA was first incorporated in the Republic of Uganda under the Companies Act (CAP.110) as a company limited by guarantee on 25th March 2008 and amended its memorandum and articles of association on 30th June 2021.

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 36 members comprising 25 commercial banks, 3 development banks (Uganda Development Bank and East African Development Bank), and 8 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 its members. This also includes fostering orderly conditions within the banking industry subject to the laws prevailing at any time in Uganda.

9.2 Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

a. Basis of Preparation

The financial statements of the Association have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the requirements of the Ugandan Companies Act 2012 (Cap 110).

The financial statements have been prepared on a historical cost basis unless otherwise stated. The financial statement values are presented in Uganda Shillings (UShs).

b. New standards, Amendments, and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements,

the following standards and interpretations which have not yet been applied in these financial statements were in issue but not yet effective for the year presented.

Amendment to IAS 1 "Classification of liabilities as Current or Non-current (issued in January 2020), effective for annual periods beginning on or after 1 January 2023 clarify a criterion for classifying a liability as non-current the requirement for an entity to have the right to defer settlement for at least 12 months after the reporting date.

IFRS 17 "Insurance Contracts" (issued in May 2017), effective for annual periods beginning on or after 1 January 2023, establishes the principles for the recognition, measurement, presentation, and disclosures of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents

these contracts. The Association does not issue insurance contracts.

c. Accounting Judgments, Estimates, and Assumptions

The preparation of the Association's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

d. Estimates and Assumptions

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

Estimates of residual values are made by

management in addition to the estimates of expected useful lives of property and equipment.

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

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

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

e. Property and equipment

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

Details	Depreciation rate
Computer equipment and accessories	33.3% per annum
Furniture and equipment	12.5% per annum
Office equipment	12.5% per annum

An item of property and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the de-recognition of the asset (calculated as the difference

between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Activities when the asset is de-recognised.

f. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortisation is where the assets are recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Intangible asset relates to the accounting software ~ Quick books that are amortised on a

straight-line basis at 33.3% per annum.

g. Leases

IFRS 16 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

h. Investments

Agent Banking Company is a Joint Venture over which the Uganda Bankers' Association has contractual arrangements to jointly share the control over the economic activity of the entity with one or more parties. The Association's interest in joint the venture is accounted for in the consolidated financial statements using proportionate consolidation.

Proportionate consolidation involves combining the Association's share of the Joint Ventures' income and expenses, assets and liabilities, and cash flows of the jointly controlled entity on a line-by-line basis

with similar items in the Association's financial statements.

Investments in the joint venture are carried at cost less accumulated impairment losses in the Association's balance sheet. On disposal of investments in the joint venture, the difference between disposal proceeds and the carrying amounts of the investments are recognized in profit or loss.

i. Financial Instruments

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

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

➤ Financial assets

Initial recognition and measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or

convention in the marketplace are recognized on the trade date, i.e., the date that the Association commits to purchase or sell the asset.

The Association's financial assets include cash and cash equivalents, short-term deposits, treasury bills & bonds, and accounts receivable.

Subsequent measurement

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

After initial measurement, these financial assets are subsequently measured at amortized cost, using the effective interest rate method, with less allowance for impairment. Amortization is calculated by taking into account any

discount or premium on acquisition fees and costs that are an integral part of the effective interest rate. The amortization is included in the Statement of Financial Activities. The losses arising from impairment are included in the Statement of Financial Activities.

De-recognition

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

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

Impairment of Financial Assets

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

that correlate with defaults.

➤ Financial Liabilities

Subsequent measurement

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

De-recognition

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

respective carrying amounts is recognized in the Statement of Financial Activities.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

j. Reserves

Reserves relate to the accumulated retained earnings of the prior year and the surplus for 2022.

k. Income Recognition

Income represents subscriptions from member banks and interest income earned on cash deposits held in banks. The income is recorded in the financial statements in the year of receipt or, in the year of commitment to the extent that it is probable that the economic benefits will flow to the Association and the income can be reliably measured. Income also has receipts from non-

member funds including development partners.

l. Expenditure

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

m. Foreign Currency Translation

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

n. National Social Security Fund contributions

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

9.3 Property and Equipment**a. For the period ended 31st December 2022**

Cost	Computers and Accessories Ugshs "000"	Office Equipment Ugshs "000"	Furniture & fittings Ugshs "000"	Totals Ugshs "000"
As at 01 January 2022	78,397	54,757	133,439	266,593
Additions	5,137	1,507	2,632	9,276
Disposals**				-
As at 31st December 2022	83,534	56,264	136,071	275,869
Accumulated Depreciation				-
As at 01 January 2022	52,345	22,983	55,884	131,212
Charge for the period	10,174	3,236	10,038	23,448
As at 30th December 2022	62,519	26,219	65,922	154,660
Net Book Value				
As at 31st December 2022	21,015	30,044	70,150	121,209
As at 31-December 2021	26,052	31,774	77,555	135,381

b. For the period ended 31st December 2021

Cost	Computers and Accessories UShs "000"	Office Equipment UShs "000"	Furniture & fittings UShs "000"	Totals UShs "000"
As at 01 January 2021	67,449	49,358	136,416	253,223
Additions	13,214	9,218	6,500	28,932
Disposals	(2,266)	(3,819)	(9,477)	(15,562)
As at 31 December 2021	78,397	54,757	133,439	266,593
Accumulated Depreciation				
As at 01 January 2021	44,851	21,573	50,122	116,546
Disposals	(1,478)	(2,271)	(4,753)	(8,502)
Charge for the period	8,972	3,681	10,515	23,168
As at 31 December 2021	52,345	22,983	55,884	131,212
Net Book Value				
As at 31-December 2021	26,052	31,774	77,555	135,381
As at 31st December 2020	22,598	27,785	86,294	136,677

9.4 Intangible assets

	Dec 2022 US\$ "000"	Dec 2021 US\$ "000"
Cost		
As at 01-January	4,522	6,712
Disposals**	-	(2,190)
As at 31st December	4,522	4,522
Accumulated Amortization		
As at 01-January	3,554	4,972
Amortization charge on Disposal	-	(1,982)
Charge for the period	193	564
As at 31st December	3,747	3,554
NBV as at 31st December¹	775	968

9.5 Right of Use

	Dec 2022 US\$ "000"	Dec 2021 US\$ "000"
As at 01 January	249,915	244,961
Additions	-	4,954
As at 31st December	249,915	249,915
Depreciation		
As at 01-January	192,035	133,997
Charge for the period	57,880	58,038
As at 31st December	249,915	192,035
NBV as at 31st December	-	57,880

9.6 Investment in ABC and ARC

	Dec 2022 US\$ "000"	Dec 2021 US\$ "000"
Investment in ABC	4,769,274	4,769,274
Investment in ARC: Original cost	660,535	660,535
	5,429,809	5,429,809

9.7 Treasury Bill and Bond

	Effective interest rate	Dec 2022 US\$ "000"
Bank of Baroda T-bill		174,707
United Bank for Africa T-bond	14.875%	139,022
		313,729

¹ Intangible assets were fully amortised as at 31st December 2022

9.8 Related Parties

a) For the period ended 31st December 2022

	Agent Banking Company Dec 2022 UShs "000"	ICAMEK/ADR Dec 2022 UShs "000"	Short- term Advance Dec 2022 UShs "000"	Total Dec 2022 UShs "000"
As at 01 Jan- 2022	68,569	25,292	215,000	308,861
Additions	26,550	-	40,442	66,992
As at 31st December 2022	95,119	25,292	255,442	375,853

b) For the period ended 31st December 2021

	Agent Banking Company UShs "000"	ICAMEK/ADR UShs "000"	Short- term Advance UShs "000"	Total UShs "000"
As at 01 Jan- 2021	287,624	25,292	-	312,916
Additions	-	-	215,000	215,000
Payments	(219,055)	-	-	(219,055)
As at 31 December 2021	68,569	25,292	215,000	308,861

9.9 Cash and Cash Equivalents

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
NC Bank: GiZ Project Account	483,379	388,431
ABSA Bank	24,535	21,240
United Bank for Africa	7,932	149
NC Bank: Current account Ugx	410	579
Petty Cash - BAU	152	-
Bank of Baroda	-	642,160
	516,407	1,052,559

9.10 Prepayments

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Prepayments	79,738	79,198
Prepaid Rent: Cost	69,829	69,829
Prepaid Rent: Amortization	(13,142)	(51,391)
	136,425	97,636

9.11 Accounts Receivables

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Accounts Receivable ²	395,953	1,849,604
Other receivables	-	3,982
Accounts Receivables Provision	(279,976)	(776,035)
	115,977	1,077,551

9.12 Reserves

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
At 1st January	(43,476)	(163,480)
Adjustments	167,249	18,700
Surplus for the period	8,425	101,304
As at 31st December	132,198	(43,476)

9.13 Deferred Revenue

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
IFC Project	606,498	816,071
Others	405,929	339,102
NIRA Contributions	31,976	113,555
ARC expense - PWC	(255,325)	-
Agent Banking	(200,691)	53,582
	588,387	1,322,310

9.14 Related Party ARC

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
As at 01 Jan- 2021	287,409	287,409
Additions	-	-
Payments	-	-
As at 31 Dec 2021	287,409	287,409

9.15 Gratuity Payable

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Gratuity Payable	196,940	158,482
	196,940	158,482

² Accounts receivable have greatly reduced in the period from 1.8 billion to 395.9 million because noncollectable receivables were written off and most members cleared their dues.

9.16 Lease Payable

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
As at 01-January	45,737	110,154
Interest in the lease liability	7,008	7,249
	52,745	117,403
Lease payments	(35,743)	(71,666)
As at 31st December	17,002	45,737

9.17 Payables

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Accounts Payable	264,578	925,439
Other Payables-accrued expenses	28,430	21,356
Audit fees payable	13,580	13,580
Net Amount Payable	(50)	-
	306,538	960,375

9.18 Bank Overdraft

	Dec 2022 UShs "000"
Bank of Baroda ³	57,789
	57,789

9.19 Income

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Annual subscription	1,419,726	1,454,815
Special project contributions	1,090,913	988,002
Annual Banker's Conference	350,460	262,900
Interest	59,373	45,419
	2,920,471	2,751,136

³ UBA obtained an overdraft in December to meet cashflows for that month

9.20 Staff Costs

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Salaries and wages	811,545	803,603
NSSF 10%	80,841	79,356
Gratuity	77,704	79,356
Medical expenses	33,889	32,019
Temp Wages & Salaries	19,200	18,235
Staff welfare	4,848	
Local service tax	600	500
	1,028,627	1,013,069

9.21 Project Expenses

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Special Projects Costs ⁴	444,040	78,831
Agency banking expenses ⁵	185,553	312,311
NIRA Connectivity Expenses	71,025	597,927
	700,618	989,069

9.22 UBA Activities/Initiatives

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Seminars, Workshops & Events	488,530	173,155
Stakeholder Engagements and PR ⁶	146,732	34,218
Advertising	12,330	13,798
	647,592	221,171

⁴ Special project costs include expenses for implementing phase II of the PREEP project, trainings carried out and radio talk shows in different parts of the country under the PREEP project.

⁵ Agency banking expenses included radio spots, airing talk shows, and producing posters, stickers, and fliers

⁶ Engagements with Bank of Uganda on key industry changes including cloud computing and cyber security increases in minimum capital, MDI and MFI proposed amendments, in addition to the regular monthly meetings with the Governor

9.23 Administration Expenses

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Professional Fees	112,769	92,512
Amortisation and depreciation	81,522	77,380
ICT expenses	77,778	70,162
Travel & subsistence	58,886	28,279
Other General Expenses	53,013	13,134
Office Expenses & Supplies	27,524	28,287
Printing & Stationery	24,488	37,854
VAT on Imported Services	11,160	-
Utilities	6,884	13,889
Office Security	2,568	-
Governance Expenses	360	-
Workshops and Training	200	-
Rent & Rates	10	13,125
Loss on Disposal	-	7,269
Bad debts	-	18,700
	457,160	400,591

9.24 Governance Expenses

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Member meeting costs	26,256	2,627
Subcommittee expenses	19,458	5,014
Honorarium expenses	2,643	-
	48,358	7,641

9.25 Finance Expenses

	Dec 2022 UShs "000"	Dec 2021 UShs "000"
Exchange loss	20,439	10,435
Interest Expense	7,008	6,684
Bank charges	2,245	1,172
	29,692	18,291



Uganda
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Annual Report 2022



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