



Uganda
Bankers'
Association

Promoting Partnerships. Transforming Banking.



Annual
Report

2023

Table of contents

List of acronyms	.03		
<hr/>			
Section 1 - Organizational overview	.04	Section 4 - UBA's strategic journey to Create value	.55
Organisational overview	.05	UBA's strategic Journey to create value	.56
Our Membership as at 31st December 2023	.07	The First High-level National Alternative Dispute Resolution Summit 2023	.57
UBA Member CEOs 2023	.08	Annual Bankers Conference 2023	.59
Central Executive Committee 2023	.12	Launch of women economic empowerment initiative	.61
Our Dedicated Staff as of 31st December 2023	.13	National Exports Logistics Dialogue 2023	.62
Technical Committee Chairpersons 2023	.14	1st Annual Fraud Mitigation Forum	.63
Executive Director's Statement	.15	Government	.64
FY 2023 Activity Calendar	.16		
Key Research Highlights	.22		
<hr/>			
Section 2 - Annual General Meeting	.26	Section 5 - Strengthening our ESG commitment through CSR	.69
Notice of Annual General Meeting	.27	Environmental, Social and Governance (ESG) Framework for Uganda's Banking Industry	.70
Chairperson's Statement	.28	Member Bank CSR 2023	.73
Industry statistics 2023	.33		
<hr/>			
Section 3 - Our stakeholders evolving needs	.35	Section 6 - Banking industry in the media	.93
Our Operating Model	.36		
Members	.37	Section 7 - Audited financial statements	.98
Banking public	.40		
Employees	.44		
Regulators	.45		
Partners	.47		

List of acronyms

- UBA**- Uganda Bankers' Association
- CEOs**- Chief Executive Officers
- FY**- Financial Year
- NPL**- Non Performing Loan
- CVM**- Cardholder Verification Method
- RELAPU**- Responsible Land Policy in Uganda
- SACCOs**- Savings and Credit Cooperative Organisations
- VSLA**- Village Savings and Loan Association
- ABC**- Agent Banking Company
- ESG**- Environment Social and Governance
- PDM**- Parish Development Model
- PDMIS**- Parish Development Model Information System
- SFIs**- Supervised Financial Institutions
- PSST**- Permanent Secretary/Secretary to the Treasury
- CFO**- Chief Finance Officer
- CSR**- Corporate Social Responsibility
- FITSPA**- Financial Technology Service Providers Association
- FSDU**- Financial Sector Deepening Uganda
- ARC**- Assets Reconstruction Company
- WEEI**- Women Economic Empowerment Initiative
- ICT**- Information Communication Technology
- PI**- Principle Investigators
- CRB**- Credit Reference Bureau
- WHT**- Withholding Tax
- TIN**- Tax Identification Number
- MDI**- Microfinance Deposit-taking Institutions
- CI**- Credit Institutions
- URSB**- Uganda Registration Services Bureau
- NPSPA**- National Payment System Providers Association
- YoY**- Year on Year
- FIA**- Financial Institutions Act
- ISU**- Institute of Surveyors Uganda
- ADR**- Alternative Dispute Resolution
- MSMEs**- Micro, Small and Medium Enterprises
- PWDs**- Persons With Disabilities
- DFI**- Development Financial Institutions



Section 1

ORGANIZATIONAL OVERVIEW

Organizational Overview

About Uganda Bankers' Association



Uganda Bankers' Association is an umbrella organization for financial institutions licensed and supervised by Bank of Uganda. Established in 1981, UBA's objective is to;

- Promote and represent the interest of the Member Financial Institutions
- 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 and finance, in collaboration with other agencies (local, regional, 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 Bank of Uganda and other non-bank financial institutions and organizations in promoting financial sector growth, through training, development of products, technologies and initiatives.

As the Umbrella body, UBA works to advance the interests of its membership by promoting close cooperation, exchanging ideas, building knowledge through research, influencing the industry and national development processes to achieve policy changes through advocacy.

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

Our Vision

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

Our Mission

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

Our Values

Integrity, Transparency, Professionalism, Good Governance, Teamwork and Service Excellence.



The UBA ED Wilbrod Owor, with the leadership of the UBA Bancassurance Technical Committee and Leadership of the Insurance Appeals Tribunal after a meeting at UBA Offices.



The UBA Secretariat Team



Our Operational Structure



Uganda Bankers' Association is made up of 35 supervised financial institutions that constitute the membership and are represented by the Chief Executive Officers.

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

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

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

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



Our Membership as at 31st December 2023

Tier 1



Development Finance Institutions



Tier 2



Tier 3



Our Partners

Development Partners



Strategic Partners



UBA Member CEOs 2023



Ms. Anne Juuko
CEO, Stanbic Bank



Mr. Shashi Dhar
CEO, Bank of Baroda



Mr. Jesse Timbwa
CEO, ABC Capital Bank



Mr. Michael Mande
CEO, Salaam Bank



Ms. Patricia Ojangole
CEO, Uganda Development
Bank



Mr. Mumba Kalifungwa
CEO, Absa Bank



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



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



Mr. Arthur Isiko
CEO, Bank of Africa

UBA Member CEOs 2023



Mr. Edgar Byamah
CEO, KCB Bank



Mr. Fabian Kasi
CEO, Centenary Bank



Mr. James Onyutta
CEO, FINCA (U) Ltd



Mr. Sameer Ranjan Behera
Ag. Managing Director, Bank
of India (U) Ltd



Ms. Chioma Mang
CEO, United Bank for Africa
Uganda



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



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



Mr. Shafi Nambobi
CEO, UGAFODE



UBA Member CEOs 2023



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. Robin Bairstow
CEO, I&M Bank Uganda Ltd



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



Mr. Charles Mudiwa
CEO, dfcu Bank



Mr. Michael Mugabi
CEO, Housing Finance Bank



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

UBA Member CEOs 2023



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



Ms. Vivienne Yeda Apopo
CEO, East African Development Bank



Mr. Om Parkash Khatkar
CEO, Yako Bank Uganda



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



Central Executive Committee 2023



Ms. Sarah Arapta
CEO Citibank
Chairperson



Mr. Julius Kakeeto
CEO, Post Bank
Vice Chairperson



Mr. Shashi Dhar
CEO Bank of Baroda
Hon. Auditor



Mr. Edgar Byamah
CEO, KCB Bank
Hon. Treasurer



Mr. James Onyutta
CEO, FINCA Uganda
Committee Member



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



Mr. Wilbrod Owor
Executive Director
Uganda Bankers' Association

Our Dedicated Staff as of 31st December 2023



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



Mr. Micheal Enyangu
Executive Support
Officer



Ms. Racheal Akampurira
Ag. Executive Assistant



Technical Committee Chairpersons 2023

Treasurers Committee



Chair
Mr. Allan Muhinda
Stanbic Bank

Operations Committee



Chair
Ms. Belinda Komunjeru
Equity Bank

Clearing House Committee



Chair
Mr. John Paul Buyondo
Stanbic Bank

Human Resource Committee



Chair
Mr. Raymond K. Byamah
Diamond Trust Bank

Security Committee



Chair
Mr. Anthony Olobo
Absa Bank

Communications and Marketing Committee



Chair
Mr. Jude Kansiime
Dfcu Bank

Legal Committee



Chair
Mr. Brian Kalule
Citibank

Frauds and Forgeries Committee



Chair
Mr. Francis Yiga
Diamond Trust Bank

Credit Committee



Chair
Mr. Martin Mugisha
Post Bank Uganda Ltd

ICT/Cyber Security Committee



Chair
Mr. Paul Bukenya
Uganda Development Bank

Risk Committee



Chair
Mr. Ricson Kiiza
Bank of Africa

Digital Financial Services Committee



Chair
Mr. Samuel Kiyaga
Absa Bank Uganda Ltd

Compliance Committee



Chair
Ms. Nelly Erongot
Bank of Africa

Chief Finance Officers Committee



Chair
Ms. Kate Kiiza
dfcu Bank

Bancassurance Committee



Chair
Ms. Martha Aheebwa
Standard Chartered Bank

Credit Reference Bureau Committee



Chair
Ms. Aidah Kawuma Nantege
Standard Chartered Bank

Executive Director's Statement



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 our gratitude to all our members and stakeholders for the support provided to us in 2023.

We are delighted to share with you the annual report for FY 2023. The year was indeed a very busy one with numerous member and stakeholder activities as indicated in the report.

Special thanks go to our partners whose support (both technical and financial) was very critical in starting or delivering various initiatives that will strengthen the industry in the medium as well as in the long term and these include strengthening our cyber security capabilities and management of fraud incidences, embracing ESG and Green Finance, initiating leadership development programmes for our female staff in the industry, initiating policy change discussions on agribusiness lending and expansion of the range of delivery channels.

Additional thanks go to our technical committees who championed several initiatives in the course of the year and to staff at secretariat who were in the execution driving seat.

Our lenses as a secretariat are now on the year 2024 as well as the strategy period 2025-2027.

Our objective is to continue adding value to our members, for impact to the industry's customers and stakeholders and no doubt working with and in collaboration with our partners.

To this end, the following are key areas of focus for 2024 and will extend to the medium-term strategy period of 2025-2027.

- Enriching the value proposition for our members, particularly the Tier II and III as well as the Development Finance Institutions (DFIs).
- Bringing on board more strategic partners in addition to those we currently work with on various initiatives.
- Supporting the development and growth of Islamic Banking and finance.
- Continuing with the focus on Digital Financial Services particularly targeting last mile customers in collaboration and partnership with partners.
- Continue building cyber defense capabilities in the industry as well as bringing alive the industry framework for mitigation of fraud that includes the revised code of conduct for industry staff.
- Championing more collaboration with regulators,

investigative and law enforcement agencies to strengthen the legal and consequential environment against fraud.

- Rolling out and supporting the adoption of the Industry ESG framework developed in 2023 with partners.
- Bringing to life the UBA Women Economic Empowerment Initiative (WEEI) that among others aims to uplift, recognize and celebrate our female colleagues in the industry.
- Reinforce our engagement and relationship with the media fraternity to strengthen our advocacy mandate.
- Continue upscaling the level of engagement with government and its various agencies including the executive, legislature and judiciary.

The industry is alive to the dynamics in the operating environment affected by issues like the domestic macro-economic circumstances including implications of the high debt servicing burden the country is faced with, challenging fiscal policies and continued tax revenue shortfalls, elections in 2026, the potential spillover effects of geo-political tensions such as Israel-Gaza circumstances, US foreign policy changes, trade wars, climate change, and other global risks. Key to watch and be proactive about will be emerging technologies including AI and the changing face of new entrants in the financial sector space and range of services.

We certainly look forward to another year of activity since the space remains interesting and challenging at the same time. We count on the usual support of our staff at the secretariat supported by our 16 technical committees, our membership, regulators and partners in this journey.

Wilbrod Humphreys Owor
Executive Director

FY 2023 Activity Calendar

Quarter 1 (Jan-Mar),

- Launch of Beera Steady National Campaign
- UBA UIBFS and BOU Industry Savings Challenge
- UBA GIZ PRUDEV knowledge sharing and closing workshop on Shared Agent Banking project
- Industry Fraud Forum Championed by Stanbic Bank
- UBA Meeting with PSST MOFPED
- UBA aBi partnership to develop industry ESG Framework



Quarter 2 (Apr-Jun),

- UBA UIBFS and BOU Industry Savings Challenge
- UBA Meeting with RT. Hon. Speaker of Parliament
- ISU Pre AGM Conference
- UBA MOU with Next Media Services
- UBA BOU Media Engagement with ACME
- UBA VISA partnership agreement
- National ADR Summit
- UBA MOU with Asigma
- UBA MOU with Aceli
- UBA AGM
- Meeting with URA CG and CDT
- IT and IT Security Conference with Raxio
- Beera Steady Campaign

Quarter 3 (Jul-Sep),

- Annual Bankers Conference 2023
- UBA MOU with Uganda Forex Bureau and Money Remittance Association.
- UBA Mastercard Agreement
- UBA MOU with FSDU
- Contactless Workshop with VISA
- Meeting with Insurance Appeals Tribunal
- ULS Annual Law Conference
- Cybersecurity Workshop with UBA ICT Committee and Office of DPP
- Beera Steady
- Combatting Wildlife Crime Workshop with RUSI & USAID
- Validation of the revised industry code of conduct



Quarter 4 (Oct-Dec)

- Regional My Chat with CEO (Bankers Association) with KBA
- Research on the banking sector readiness to support Oil & Gas Sector
- Launch of UBA WEEI
- Bankers Sports Gala with UIBFS
- Meeting with the Parliamentary Committee on Public Service and Local Government on PDM
- World Savings Day
- FITSPA Annual Fintech Conference
- Beera Steady
- East African Judges and Magistrates Conference
- Launch of the National Financial Inclusion Strategy
- National Exports Logistics Dialogue

Statistics of committee meetings held in 2023

COMMITTEE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	NO. OF MEETINGS HELD	%
CHIEF FINANCE OFFICERS			✓			✓			✓				3	25%
CLEARING HOUSE	✓			✓		✓		✓		✓			5	42%
COMPLIANCE- FIA / AML	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%
CREDIT REFERENCE BUREAU	✓					✓	✓	✓	✓	✓	✓		6	50%
CREDIT		✓			✓			✓		✓			4	33%
DIGITAL FINANCIAL SERVICES			✓	✓	✓	✓		✓	✓	✓	✓	✓	9	75%
FRAUDS AND FORGERIES	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	92%
HUMAN RESOURCE														0%
INFORMATION AND COMMUNICATION TECHNOLOGY		✓			✓				✓				3	25%
LEGAL				✓	✓	✓	✓	✓	✓	✓	✓		8	67%
OPERATIONS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%
SECURITY	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		11	92%
TREASURER'S FORUM	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	100%
BANCASSURANCE			✓	✓	✓	✓				✓	✓		7	58%
RISK COMM	✓	✓	✓	✓	✓	✓		✓		✓			8	67%
COMMUNICATION AND MARKETING			✓		✓		✓			✓	✓		5	42%
TOTAL NUMBER OF MEETINGS HELD													116	60%

Committee	Performance in 2023		
FRAUDS AND FORGERIES	<p>The committee was instrumental in the formulation of the Banking Industry Guidelines On Mitigation of Fraud (BIGF)</p> <p>The committee supported the establishment of standardized procedures for reporting fraud incidents in the financial services sector, promoting information</p>	<p>sharing among financial institutions, regulatory bodies, and law enforcement agencies.</p> <p>A secure platform will facilitate seamless sharing of fraud-related information to enhance collaboration, expedite investigations, and enable a proactive approach to combatting fraud.</p>	<p>Additionally, the initiative aims to strengthen fraud prevention measures within financial institutions by offering guidance on risk assessment, fraud detection, internal controls, and the establishment of a fraudster blacklist.</p>
CREDIT REFERENCE BUREAU	<p>The committee supported the implementation of new regulatory requirements, including the introduction of new data submission documents and transitioning from the financial card system.</p> <p>This included the</p>	<p>engagement with stakeholders and exploration of best practices for ensuring compliance with the requirements.</p> <p>As a result, the committee supported the Principal Investigators (PIs) in meeting the requirements</p>	<p>while minimizing data loss to the industry.</p> <p>By the end of 2023, all PIs had successfully transitioned to DSM version 8, and were prepared for the cessation of the Financial Card System by Credit Info CRB by January 31, 2024.</p>

Committee Performance in 2023

RISK The committee fully supported the following processes and/or industry/UBA initiatives and made input.

1. ESG Framework
2. ILAAP
3. Banking Industry Guidelines on Mitigation of Fraud

TREASURERS FORUM

Stakeholder Engagement: The committee worked with Bank of Uganda, FrontClear, ENS and ICMA to finalize the Preference and Appraised Book Value Regulations which were published in May 2023. The regulations will strengthen investor protection for transactions under the GMRA, ISDA and GMSLA documentation.

In collaboration with market participants, Bank of Uganda revised the Uganda Foreign Exchange Code of Conduct which was shared and signed in July 2023 and was effected on the 1st August 2023.

The revision of the code was motivated by the need to adhere to the FX Global Code – a set of globally acceptable standards that foster ethical conduct and good market practice in the Industry. Transparency will be improved through greater compliance with the global code.

In a move to further discuss the inflationary

pressures and the central bank’s stance on the key decisions taken to arrive at the Central Bank rate, from June 2023, the Bank of Uganda agreed to host Post Monetary Policy Statement Engagements with financial market players who will include; fund managers and offshore players.

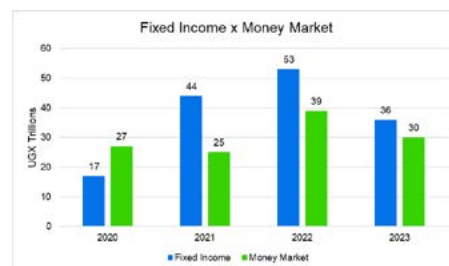
In September 2023, Bank of Uganda appointed eight (8) commercial banks as Primary Dealer Market Makers effective 1st of October 2023 for the next 3 years. The PDMMs include: Absa Bank, Centenary Bank, Citibank, DFCU Bank, Equity Bank, Housing Finance Bank, Stanbic Bank and Standard Chartered Bank. The appointed banks were hereon given exclusive access to the primary market for government securities

and are responsible for providing liquidity and pricing of government securities.

It is important to note that:

- i. The secondary market turnover has grown from 40% to 160% of the total debt stock.
- ii. The government securities market also earned a notable listing on the FTSE Russell Frontier Emerging Markets Government Bond Index hence elevating Uganda’s presence and recognition in the global financial markets.
- iii. The PDMM system and other market reforms have led to the improvement of Uganda’s ranking on the Absa Africa Financial Markets Index from 10th place in 2020 to 4th place in 2023 out of 26 countries.

Graph of fixed income x Money Market



The committee held an inaugural meeting with the Uganda Investment Authority on the formation of diaspora and domestic bonds.

The discussion centered on the structuring of favourable bonds such as infrastructure bonds, euro bonds, and green

bonds, the identification of a policy framework and considerations and the operational framework that includes awareness and advocacy. It is anticipated that this will encourage the diaspora to contribute meaningfully to the growth and prosperity of the economy.

Capacity Building: Eight (8) capacity building activities were held throughout the year that better skilled the market participants for the roles. These covered the areas of Interest Rate Risk Management, Balance Sheet Management, and Market Risk Management.

Committee	Performance in 2023		
<p>CHIEF FINANCE OFFICERS</p>	<p>Stakeholder Engagement.</p> <p>Tax Policy: The committee held several engagements with the Ministry of Finance and Economic Planning and Uganda Revenue Authority for FY2023/2024 tax proposals consideration during which tax amendments were considered for adoption. Key issues considered included 5% capital gains tax on all assets disposals, WHT on collective investment schemes and WHT on agent banking transactions among others.</p> <p>Collaboration with URA: The committee held several engagements with the Commissioner Domestic Taxes and discussed how to strengthen collaboration in order to improve tax compliance. The discussion focused</p>	<p>on concluding the previous engagements that were held with the Commissioner General regarding the putting in place an enabling legal framework for collection of taxes on nostro charges, accounting for accrued interest expenses for corporation tax purposes, WHT on transactions between residents on sale of business properties and extension of deadline for implementation of mandatory requirements for inclusion of TIN Numbers in a WHT return for savings account holders. The Commissioner Domestic Taxes appreciated the meeting and commitment for collaborative approach in handling of key tax matters affecting the banking industry.</p> <p>Execution of UBA CFO forum mandate: The committee held over eight (8) engagements in the</p>	<p>course of FY2023 to deliver on the mandate of the committee and to support the industry on key emerging tax issues. These included engagements with Private Sector Foundation, MOPFED and URA to present UBA position in these forums majority of which were incorporated in policy proposals presented to different forums of government.</p> <p>Capacity Building: Two (2) capacity building sessions were conducted for member Banks and MDIs on key pain points around tax compliance and reporting. Attended by over sixty (60) participants, these knowledge sessions covered VAT compliance, transfer pricing, common pitfalls in corporation tax and withholding tax as well as key audit focus areas for employment tax compliance obligations.</p>
<p>HUMAN RESOURCE COMMITTEE</p>	<p>Support towards the roll out and implementation of the Bankers Code of Conduct: The committee supported the dissemination of the code of conduct among their respective staff and</p>	<p>coordination of the sign off of the attestation to the Bankers Code of Conduct by staff.</p> <p>Capacity building: People Risk awareness sessions were conducted</p>	<p>and covered the following topics/areas; data protection –laws, regulation and governance and these sessions were facilitated by the Personal Data Protection Office PDPO.</p>
<p>SECURITY</p>	<p>Arising from the increasing cases of bank robbery in especially up-country locations housed in simple structures, and shared with other tenants, the committee discussed and agreed that such locations must be installed with Pet-Immune Sensors in the Ceilings, to make early warning of attempts</p>	<p>as part of the mitigation efforts</p> <p>The committee further advocated for and supported continuous sharing of information which resulted into improved coordination among members while conducting investigations, especially tracing and</p>	<p>recovery of lost funds.</p> <p>The security services providers were also approached as a united industry, and this resulted into better output, attention and performance from them.</p>

Committee	Performance in 2023		
COMPLIANCE FIA/AML	<p>Stakeholder Engagement: The Committee;</p> <ul style="list-style-type: none"> Participated in review meetings coordinated by the Financial Intelligence Authority, Bank of Uganda to take Uganda off the FATF grey list. Uganda was eventually taken off the FATF grey list which was a joint effort of many stakeholders but most 	<p>importantly the Heads of compliance from the respective institutions.</p> <ul style="list-style-type: none"> Successfully engaged the various regulators for instance Bank of Uganda, Uganda Revenue Authority, and the Uganda Registration Services Bureau on a number of industry issues for 	<p>instance trainings for respective bank staff on beneficial owners' information.</p> <ul style="list-style-type: none"> The Committee also actively participated in consultative discussions engagements regarding the proposed amendments of different laws and regulations.
LEGAL	<p>Stakeholder Engagement: The committee;</p> <ul style="list-style-type: none"> Actively participated in the consultations for the formulation of two key industry frameworks; the Banking Industry Guidelines on Mitigation of Fraud, and the revised industry code of conduct which were launched on 19th February 2024 at Sheraton Hotel in collaboration with Bank 	<p>of Uganda.</p> <ul style="list-style-type: none"> Attended industry events for instance the Financial Fraud Forum held in March and also represented the industry on a number of occasions in different meetings with stakeholders like URSB, URA. Successfully engaged Uganda Revenue Authority (URA) on a 	<p>number of issues affecting the banking industry in several meetings and as a result mutual agreement was reached for both parties to resolve the issues and work harmoniously.</p> <ul style="list-style-type: none"> Actively participated in consultative discussions engagements regarding the proposed amendments of different laws and regulations.
DIGITAL FINANCIAL SERVICES	<p>Stakeholder Engagement: Following the MOU signed between UBA and NPSA, the committee progressed discussions with members of the National Payment System Providers Association (NSPA) on charges (Bank to Wallet and Wallet to Bank). The committee further explored mutually beneficial non</p>	<p>combative areas for both parties such as cyber fraud, consumer education and financial inclusion</p> <p>Enhancing Electronic Payments Ecosystem: The committee participated in a workshop on contactless organized by UBA and VISA. Thereafter, the members held engagements</p>	<p>among member financial institutions and agreed on Cardholder Verification Method (CVM) limit which is critical in supporting the roll out contactless across the Ugandan market and ultimately enhancing the electronic payments ecosystem.</p>
INFORMATION AND COMMUNICATION TECHNOLOGY	<p>Knowledge sharing sessions: The Committee held three (3) cyber security knowledge sharing sessions in 2023. These sessions were facilitated by representatives from Raxio, DataGroup IT, Cyber Security Africa Limited, Uganda Police Force and Office of the Directorate of Public Prosecutions. The topics discussed included:</p> <ul style="list-style-type: none"> Implementing identity security to enhance the 	<p>banks' cyber-security posture</p> <ul style="list-style-type: none"> Technical evolution of the financial sector, lessons learned from 2 Years of Raxio in the Market A review of cyber-attacks on Kenya's Digital Infrastructure The role of Uganda Police Force in fighting cyber fraud Prosecution led approach to cyber fraud investigation 	<p>Cyber and Fraud incident portal: The committee further extended technical supported towards the development of a Cyber and fraud incident reporting portal that aimed to coordinate incident reporting and handling. Analysis of the reported incidents on the portal, generated actionable threat intelligence which was shared with UBA Member</p>

Committee	Performance in 2023		
	<p>banks and this provided several advantages, such as enhanced situational awareness and visibility of the threat landscape, improved detection and response capabilities, reduced costs and efforts in investigating cyber breaches and frauds, and strengthened collaboration and trust among participants. The committee will continue to enhance and improve utilization of the portal</p>	<p>among UBA member banks.</p> <p>Ultimately, all these advantages can be extended to licensed and regulated Payment Service Providers and operators, FinTechs, Microfinance institutions and SACCOs in Uganda.</p> <p>National Cyber Task Force: The committee also worked closely with the National Cyber Task force.</p>	<p>This is a multi-sectoral and interagency committee aimed at affirmative action against cyber scams and criminality. The Task force operations were commissioned on 18/Jan/2023. The Task force has supported multiple supervised financial institutions to proactively mitigate cyber incidents and also manage incident response, investigation and prosecution of cyber related incidents.</p>
BANCASSURANCE	<p>Bancassurance Forum: The Bancassurance Technical Committee (BTC), worked together with Uganda Insurers Association (UIA) and organised a Mini Bancassurance Forum that enabled engagement with the Heads of Retail Business from the member financial institutions on the following key areas;</p>	<ul style="list-style-type: none"> • Pointing bancassurance partnerships to where they will gain the most value • Growing the visibility of banks as insurance advisers and distributors, and positioning the banca industry at the businesses' strategic levels 	<p>Stakeholder Engagement: The Committee also participated in various engagements with the Insurance Appeals Tribunal, Insurance Regulatory Authority aimed at driving growth of Bancassurance business among member financial institutions.</p>
COMMUNICATION AND MARKETING	<p>Media Engagement Forum: The committee hosted the Inaugural Banking Sector Media Engagement Forum in partnership with the African Center for Media Excellence and Bank of Uganda. This aimed at establishing and maintaining mutually beneficial relations between the banking sector and the media, ultimately promote responsible reporting for the banking and financial services sector. Key recommendations from the initial engaged as highlighted below and informed the detailed engagement framework was developed and will come in effect in 2024.</p> <p>a) The banking sector</p>	<p>urged to partner with media support organizations, to train journalists in financial journalism.</p> <p>b) Develop a curriculum for training on financial journalism through collaboration between media and banking experts.</p> <p>c) There is a need for a resource centre with reference materials of interest to financial journalists including subscriptions to key publications such as Financial Times, The Economist, and other high-quality financial media and learning resources.</p> <p>d) Banks should engage with journalists regularly to establish relationships and build trust. This can be done through events, news</p>	<p>opportunities, and regular updates on banking sector activities and performance.</p> <p>Savings Challenge: The committee further worked closely with UBA and UIBFS to successfully execute the industry wide Savings Challenge Initiative, that contributed to raising awareness and promoting a savings culture at individual, family and institutional level. At the end of the challenge in October 2023, the resources that were mobilized were given to a business actively undertaking green initiatives and led by women and youth as part of the industry wide Corporate Social Responsibility (CSR) cause.</p>

Key Research Highlights

1. Banking Sector Report for the year 2022 and June 30, 2023

The Uganda Bankers' Association (UBA) Research Centre published an annual report reviewing the Ugandan Banking Sector. The report shows trends of different income statement and balance sheet items of the banking industry, as well as individual Supervised Financial Institutions, as highlighted in the different sections of the report. The sections include the macroeconomic environment, banking sector performance, asset quality, financial performance, financial inclusion, and a sector outlook.

The objective of the review was to enhance understanding of the Ugandan banking sector, empower stakeholders to strategically position the industry and offer policy recommendations for its continued growth. It is of great importance to understand the performance and health of the banking industry, including the past, current and the outlook, which the report presented.

2. Financial Inclusion (FI)

The purpose of the write-up was to provide literature to enable a better understanding of Financial Inclusion (FI), support stakeholder engagements in respect of the FI of women, identify gaps in FI and make recommendations on how to bridge and answer the question of what more SFIs can do to meaningfully enhance FI, and provide information that will enable the formulation of the industry FI score card.

The key takeaways from the assignment included the following.

- Financial inclusion is an effort to make financial services available to more of

the world's population at a reasonable cost and through convenient and well-priced channels.

- Advancements in fintech, such as digital transactions are making financial inclusion easier to achieve.
- Access to and usage of financial inclusion is critical to the development of the country, especially for the less served groups including women, youth, MSMEs and PWDs.

A financial inclusion scorecard was proposed, as below, and will be used for reporting on the industry progress in respect of financial inclusion annually.

Key Deliverables	Key Metrics and Indicators
a) Improving Access to Financial Services	i. Number of digital channels available ii. Number and spread of branches. iii. Number and spread of ATMs. iv. Number and spread of agent location. v. Number of accounts (active, inactive & dormant) vi. Number of customers vii. POS devices in both urban and rural areas
b) Increasing Utilization of Financial Services	i. Total Loans & advances disbursed. ii. Government bonds and bills issued. iii. Number, volume and type of card transactions. iv. Number, volume and type of digital transactions. v. Volume of assets vi. Volume of liabilities vii. Average savings accounts balances viii. Average transactional account balances
c) Financial Inclusion Reporting	i. All the metrics above

3. Study to assess the capacity of the banking sector to support the Oil and Gas (O&G) sector.

The study was undertaken by the UBA and a consultant, in partnership with the Petroleum Authority of Uganda (PAU). The overall objective of the study was to assess the current level of participation of the banking sector in the O&G sector, evaluate constraints and readiness,

identify gaps and challenges, and provide recommendations to bridge the gaps. Additionally, the study also undertook a review of the laws and regulations that may influence financing of the Oil and Gas sector by the banking sector. The study was completed at the end of 2023, and the

report including key findings and recommendations were presented to the UBA member CEOs. The key recommendations for the SFIs are shown in the table.

Key Recommendations for SFIs	Priority	Action Party
i) Upskilling and capacity building	High	SFIs and UBA
ii) Increase lending capacity - Consider syndication for large transactions.	High	SFIs and UBA, BOU
iii) Review the O&G Strategy and processes e.g. structuring facilities based on contract terms and delayed payments	High	SFIs
iv) Leverage parent companies for expertise, capital, and human resources	High	SFIs
v) SFIs should develop specific products, services, and channels for the unique needs of the O&G sector	High	SFIs
vi) Develop and embed ESG regulations to address climate change and associated risks	High	UBA and SFIs
vii) Client and stakeholder capacity building - offer training on key aspects in O&G	High	SFIs
viii) Engage MEMD and PAU to negotiate UBA members' access to the National Petroleum Information System	High	UBA
ix) Engage PAU, NEMA and BoU to enact a joint regulatory guidance circular on an ESG risk assessment framework	High	UBA, BOU
x) Structure a funding framework or SPV to which FIs can participate in fundraising for O&G sector projects.	High	SFIs, UBA
xi) Build collaboration with the Insurance Consortium for O&G to underwrite risks	High	SFIs, UIA
xii) Contract Enforcement – Consider and equip ICAMEK as a specialized O&G arbitration centre for O&G	High	SFIs, UBA
xiii) Make input to the proposed Local Content Fund - Implement a dedicated fund de-risking funding & risk guarantees to the O&G sector	High	SFIs, UBA, BOU
xiv) Establish partnerships with external providers of capital and multilateral FIs to access affordable funding	Medium	SFIs
xv) Adopt O&G sector segmentation and categorization of all facilities linked directly or indirectly to O&G	Medium	SFIs
xvi) Actively promote and adopt guarantees & receivables financing as an alternative form of collateral.	Medium	SFIs

Some of the recommendations to SFIs for mitigating and/or managing ESG Risks in the O&G Sector include integration of ESG Factors in Investment Analysis, engaging with Portfolio Companies and Regulators to encourage transparency and

improvement in ESG performance, screening and exclusion policies to avoid investing in O&G companies with significant ESG risks or controversies, conducting rigorous ESG due diligence as part of the risk management processes, stress testing and

scenario analysis to assess the resilience of O&G investments to ESG risks, capacity building on ESG for both SFIs and clients, advocating for reporting on ESG, among others.

4. Reviewing of the Banking Sector Code of Conduct and Ethics

Together with the Human Resources Committee and a consultant, the research team reviewed and revised the Banking Industry Code of Conduct and Ethics. The previous code of conduct for the banking industry, established in 2015/16, had been overtaken by events. There have been several developments in the banking sector including transformation occasioned by digital transformation, changes in customer segments, demographics characterized by

the youth who are tech savvy, their preferences, and other global dynamics.

Currently, the banking industry has over 18,000 staff and each Financial Institution has its own Code of Conduct. It was therefore critical to have a code of conduct and ethics that sets a minimum applicable across the entire banking sector, which can be a point of reference and set of expectations for financial institutions. Staff are key

players in the industry as they are the first point of contact for customers, they manage the industry, processes, systems, and relationships.

The importances of the code of conduct include the following.

- i. Provides a common foundation for ethical behaviour and actions.
- ii. Guides employees & stakeholders in ethical dilemmas and complex

- situations.
- iii. Enhances reputation, trustworthiness, and credibility of financial institutions.
- iv. Contributes to a healthy and trustworthy banking environment.
- v. Encourages the highest standards of behaviour and conduct across the industry.

The scope and coverage of the Code of Conduct is as below:

- Who's Covered: Applicable to all UBA members, directors, employees, and the UBA secretariat.
- Legal Framework: Complements Uganda's Financial Institutions laws

and regulations.

- Integration: Member institutions' employment policies form part of the legal framework.

The code of conduct was finalised and signed off in October 2023, and was officially launched in February 2024.

5. Digital Lending in Uganda: Unravelling the Impact of Digital Lending

UBA partnered with Asigma Capital Advisory Services Limited to develop a series of thought leadership articles on digital lending in Uganda. The objective of the series is to initiate debate and productive discussion based on thought-invoking insights shared in the articles. Thereafter, individual institutions will each re-assess their digital strategies and take actions that will benefit their long-term sustainability and success. The

thought leadership articles on digital lending will be prepared in a four-part series with the first series on Demand – Customer and Product delivered in 2023.

Key aspects of the series as discussed included the future of bank domination in the information age, untapped opportunities in digital lending eluding traditional banks, where to play in the digital lending space, positioned to win in the

arena, and understanding the untapped potential of digital loan products. Surveyed users revealed characteristics and preferences for digital loans and the “Hows” and “Whys”. Case studies from Kenya and Nigeria as well as the ideal lending product and strategies to win in the digital space, including the road map and next steps were also shared.

The figure below shows a potential road map for the SFIs.

What Next?

Based on the growth of digital lending in Uganda, there is an opportunity for Banks to increase their earnings through increased market share and a more diverse loan book. A potential roadmap that can be used by banks is shown below.



6. Total Impact Measurement Survey of the Banking Sector in 2022

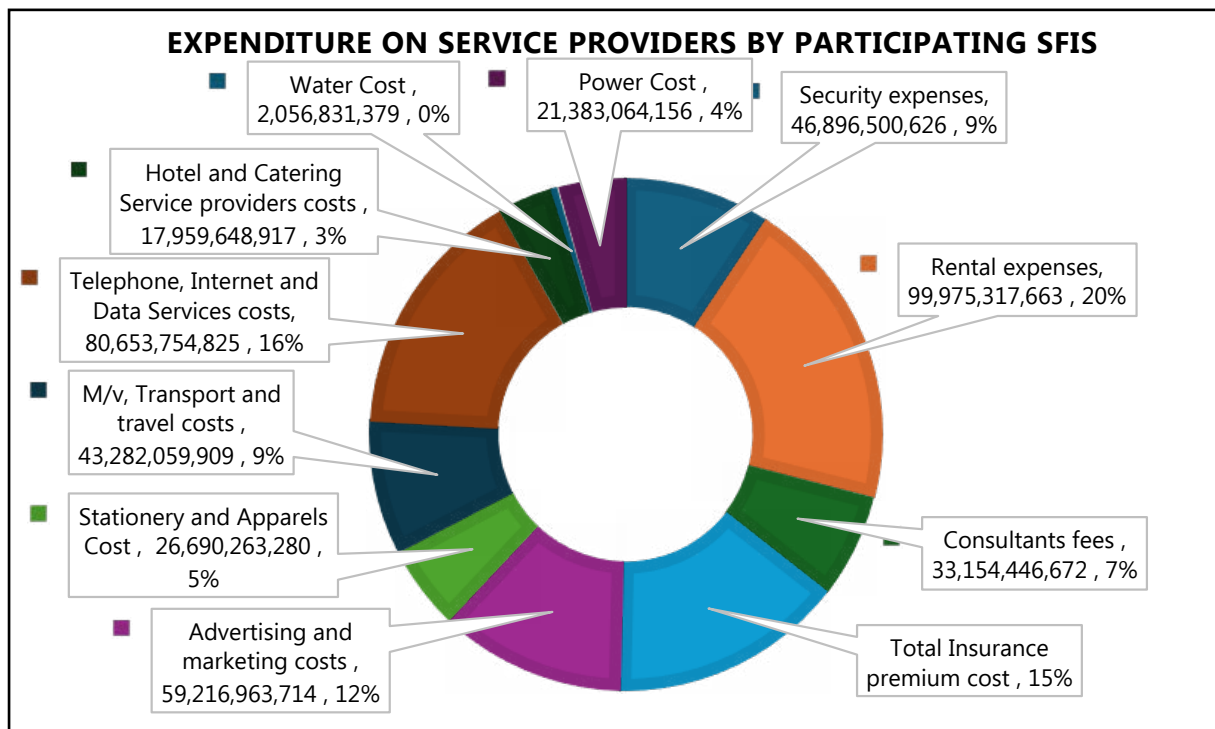
The purpose of the survey was to update the quantitative contribution made by the banking sector in Uganda to the total public finances in taxes and the wider economic impact of the banking sector’s operations in 2022. The survey shows that the tax contribution is broader than corporation tax, with other taxes such as employment taxes, irrecoverable VAT, property rates, customs duty, excise duty, stamp duty, tax deducted at source and other taxes adding to the total. The economic impact considers

both direct effects of banking operations and the indirect and induced effects from their activities, thus extending the impact of the banking sector’s activities beyond its aggregate profit and loss account.

Banks are crucial to Uganda’s economic development, primarily through their dual functions of mobilizing capital which involves gathering a pool of domestic and international savings and placing them under the bank’s control; and capital allocation

where the funds are channeled to their most efficient use. Like many developing countries in Africa, Uganda lacks the domestic savings required to meet its growth objectives. This shortage of savings is met through the importation of capital to fill the investment gap.

The figure below shows expenditure on some service providers by the SFIs that participated in the survey.



7. Feasibility Study for the Establishment of an Aggregated Agritech Database in Uganda

United Nations Capital Development Fund (UNCDF), Financial Technologies Service Providers Association (FITSPA) and UBA commissioned a feasibility study into the possibility of setting up an aggregated AgriTech database, pooling together all the data that is currently housed in siloed databases of AgriTechs and related FinTechs in the country. It is envisaged that the database will be a single point of

entry for Financial Service Providers, creating a gateway to all the data that is relevant to successful provision of relevant products to smallholder farmers. A range of institutional, technical and financial issues has been considered while undertaking the feasibility study, providing recommendations on a pragmatic way to pursue the ideas together with proposed institutional and financial strategies. The results of

the feasibility study were presented and will be used as a basis for seeking financing for the establishment of the same.

Section 2

ANNUAL GENERAL MEETING

Notice of Annual General Meeting

Notice to: All Chief Executive Officers of UBA Member Institutions

The Annual General Meeting of UBA is scheduled for 17th May, 2024 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 12th May 2023
3. Matters Arising
4. Chairperson's Report
5. Treasurers Report: Presentation of Accounts for the year 2023 and the expression of opinion by the External Auditors
6. Consideration and approval of new External Auditors
7. Membership Updates
8. Election of office bearers
9. A.O.B



Chairperson's Statement

Dear Members,

I take this opportunity to welcome you all to the 2024 Annual General Meeting of the Uganda Bankers' Association.

I am unable to be physically present with you because of an engagement at our Head Office in New York that constrained me, however, allow me leverage technology to do the needful.

Firstly, I wish to congratulate you all for completing the publication requirements by 30th April 2024. This time the publication cycle was very tight because of the new and additional reporting and disclosure requirements.

In the course of the year, several developments took shape and numerous activities were undertaken which I summarize here under 5 major categories with full details well illuminated in the annual report.

1. Industry Performance for 2023 and outlook for 2024.
2. Regulatory Developments.
3. Stakeholder Engagements.
4. Governance, Member Activities and Events.
5. Challenges

Industry Performance for 2023

Snapshot of aggregated banking sector financials FY 2023

Audited financials indicate that total assets for the industry grew by 7.5% from Ugx 45.8 trillion in FY 2022 to Ugx 49.5 trillion in FY 2023. The total assets growth was mainly due to increased investment in marketable trading securities by 32.9% (Ugx. 2.6 trillion) and loans as advances to customers.



Ms. Sarah Arapta, Chairperson

Customer deposits grew from Ugx 31.5 trillion in FY 2022 to Ugx 33.96 trillion in FY 2023 representing a 7.6% growth, while gross loans stood at Ugx 21.1trillion in FY 2023 up from Ugx 19.6 trillion recorded in FY 2022 representing a 7.4% increase vs prior year.

The NPL ratio for commercial banks reduced to 4.6% in Dec 2023 vs 5.3% reported same time in 2022.

Industry profitability was recorded at 1.4 trillion for FY 2023 vs Ugx 1.2 trillion recorded in FY 2022 representing a 17.1% (Ugx. 1 tn), and a significant YoY drop of 38.1% in provisions for impaired loans and advances of Ugx. 873 bn.

Banks, CIs, and MDIs' aggregate core capital adequacy ratios stood at 25.3%, 20.1% and 33.2%, well above the prudential minimum of 10%,10%, and15% respectively, however,4 Tier I banks and1 MDI remain under-capitalized as per FIA amendments.

“Waiver of early repayment charges on outstanding loans

In October 2023, supervised financial Institutions under our umbrella body, the Uganda Bankers' Association (UBA) agreed to drop the practice of early loan repayment fees charged on outstanding loans across the membership. The above decision took effect on 1st December 2023. The decision to halt early repayment fees was aimed at facilitating the loan market with flexible options and alternatives in constraining economic circumstances and by extension contributing to the growth of private sector credit.

We believe this was one of the best gifts the industry gave to customers.

Outlook 2024-2025

Macro-economic overview.

According to the International Monetary Fund (IMF), global growth is projected to rise from 3.2% in 2024 to 3.2% in 2025.

On the domestic scene, Bank of Uganda forecasts Gross Domestic Product (GDP) growth of 6.0% in FY 2023/24 with expectations of further growth of 6.5% in FY 2024/25. Inflation is expected to remain below 5% in the medium term. The expected growth is attributed to on-going activities in the domestic oil sector and the removal of Uganda by the

Financial Action Task Force from the grey list which may further unlock additional inflows of foreign direct investment.

There are however downside risks envisaged including the following,

- External financing constraints.
- Shortfalls in tax collection going by the conditions in the market and resistance to various new fiscal proposals.
- Increasing government financing from the domestic sector which could result in a

rise in lending rates.

- Escalation of global tensions considering the circumstances in Israel and wider gulf region and possible impact on commodity prices.
- Depreciation in exchange rates that could hurt imports.

The industry is optimistic that 2024 will register growth in spite of the economic & geopolitical challenges, however the fact that the election cycle is drawing nearer could adversely affect the economy.

Regulatory Developments

The year 2023 registered several regulatory developments key among them being;

Amendment of the Financial Institutions Act in June 2023 which set the stage for Islamic Banking by repealing section 115B (2) that establishes the Central Shari'ah Advisory Council.

The Financial Institutions (Agent Banking) (Amendment) Regulations, 2023 amended the prerequisites for conducting agent banking in Uganda and the duration for which an applicant must have operated an account in the licensed financial institution

was amended from six (6) months to twelve (12) months.

Consolidated Corporate Governance Guidelines.

Bank of Uganda issued the Consolidated Corporate Governance Guidelines to supervised financial institutions with the aim of ensuring good corporate governance in financial institutions.

Beneficial Ownership

Requirements: In a bid to combat money laundering and terrorism financing, Uganda promulgated various laws regarding beneficial ownership

information including the Companies (Beneficial Owners) Regulations that require corporate entities to disclose the personal data and information regarding the nature of ownership or control of their beneficial owners.

Lastly, the June 2024 deadline for meeting the new minimum core capital requirements for regulated financial institutions in their various categories is fast approaching, however we do believe all our members will have met them or adjusted their operations accordingly.

Stakeholder Engagements

We held numerous stakeholder engagements in the course of 2023, some of which are summarized here below.

During the year, we continued to strengthen relationships with partners including, FITSPA, NPSPA (National Payment Service Providers Association) FSDU, VISA, Mastercard as well as Cyber Security Agencies and held numerous capacity building workshops anchored by the ICT

Committee in collaboration with Raxio data center, Data Group IT, Milima Cyber Security.

We continued to strengthen existing relationships like aBi Finance, Financial Sector Deepening Uganda (FSDU), GIZ PRUDEV and GIZ RELAPU, and build new ones like with USAID Combatting Wildlife Crime (CWC), African Center for Media Excellence (ACME), ACELI Africa and United Nations Capital

Development Fund (UNCDF). Through these collaborations we mobilized financial support that will be utilized to deliver various initiatives in 2024. We also continued to work closely and co-host events with FITSPA, Uganda Law Society, valuers and surveyors, dialogue sessions with export association.

In March 2023, we held the 1st Fraud Symposium whose outcomes shaped the focal areas

as follows.

- Empowering customers and end users.
- Promoting integrity among banking and financial sector staff.
- Enhancing systems and processes among financial institutions (collaboration)
- Promoting collaboration among key domestic anti-fraud stakeholders.
- Subscribe to and collaborate with International anti-fraud agencies.

Arising from the above various awareness sessions were undertaken including the Beera Steady Awareness Campaign as well as development of key framework documents to improve on the conduct of industry staff and mitigation of fraud.

In July we co-hosted together with the Judiciary and Ministry of Justice the first national summit on Alternative Dispute Resolution (ADR), as part of the efforts to tackle the impact of case backlog.

In August, we held our flagship Annual Bankers Conference (ABC 2023) anchored on the theme **“Trends and innovations in the fintech space changing the face of banking and financial Services.”**

In September, we co-hosted together with USAID Combatting Wildlife Crime Activity, a stakeholder workshop involving our heads of compliance on combating wildlife crime and illicit financing of the same.

In October we successfully launched the UBA Women Economic Empowerment Initiative that is grounded on four key pillars of **i) Leadership & Empowerment ii) Rewards & Recognitions iii) Access and Inclusion iv) Partnership and Collaboration.**

“ We finalized the Banking Industry Guidelines on mitigation of Fraud (**BIGF**) as well as the revised Industry Code of Conduct and Ethics (**COC**) launched them in February 2024 and are now operational.

We completed development of the framework for mainstreaming ESG matters and Green Initiatives into the UBA and Industry Agenda. The final framework document was adopted on the 19th January 2024 and implementation is underway. The official launch is expected in June 2024.

We completed the oil and gas diagnostic study and strategy development for the banking industry on funding, in conjunction with the Petroleum Authority of Uganda (PAU) and other stakeholders. This was presented and adopted on the 19th of January 2024.

The next follow through steps on ESG and the Oil and Gas report will be the key measure of success.

Governance, Member Activities and Events.

Capacity Building at the Secretariat

During the year, we continued with capacity building initiatives at the secretariat.

On the Cyber Security Operations Centre (C-SOC), we completed phase 1 of setting up the cyber incident portal now operational.

The strategy team undertook benchmarking study visits at Bank of Uganda and Kenya Bankers Association (KBA) as part of the capacity building initiatives at the secretariat.

We established research partnerships with professional bodies that comprised law firms and audit firms, research institutions like EPRC, Asigma, educational institutions including MUBS, development partners like European Union, Financial Sector Deepening Uganda, GIZ Relapu, GIZ PRUDEV, Associations like Kenya Bankers’ Association, Private Sector Foundation Uganda, Regulators like BOU research department and Government Bodies like Petroleum Authority of Uganda and Ministry of Finance Planning and Economic Development.

We issued reports and publications including the banking sector report, digital lending series, financial inclusion scorecard, financial management during distress and decreasing the cost of banking report.

We facilitated numerous learning sessions for members of our various technical committees including legal, compliance, frauds, ICT, treasury, CFO and tax and Bancassurance.

UBA Related Entities

Regarding UBA related entities, we are in the final stages of raising an initial \$2M for the Agent Banking Company and another \$1M subsequently.

The International Center for Arbitration & Mediation in Kampala (ICAMEK) is now breaking even/self-sustaining particularly via their training programmes, while the Assets Reconstruction Company (ARC) is in advanced stages of raising \$20M.

Member activities

During the year, one of our members previously Top Finance Bank now Salaam Bank was issued that first Islamic Banking License. We congratulate them once again and undertake to support them in championing the growth of Islamic Banking in Uganda

During the year, three (3) of our members notified us of their intention to take on Tier II licenses as part of their growth and sustainability strategies. We note their strategy preferences and will continue to work with every member as has been the case.

In quarter 1 2024, Bank of Uganda closed EFC, one of our members and initiated the depositor payout process. The industry did not suffer any major shock and has continued to operate normally.

During the year 2023 and quarter 1 of 2024, several of our member CEOs completed their tours of duty in Uganda including,

- Mathias Katamba MD dfcu Bank.
- Samuel Kirubi MD, Equity Bank
- Raj Kumar Meena MD Bank of Baroda.
- Vikash Krishna MD Bank of India.
- Kumaran Pather MD I&M Bank.

- Varghese Thambi MD Diamond Trust Bank.
- Anne Juuko MD Stanbic Bank.

In the same breath, the following joined the UBA leadership family.

- Charles Mudiwa MD dfcu Bank.
- Shashi Dhar MD Bank of Baroda.
- Mr. Sameer Ranjan Behera, Ag. MD Bank of India.
- Robin Bairstow MD I&M Bank.
- Godfrey Sebaana MD Diamond Trust Bank.

Our members continued to undertake several corporate social responsibility initiatives details of which are captured in later pages of the annual report.

Other Market Developments

Ham Enterprises Vs DTB Case

In June, the supreme court pronounced itself on a number of concerns regarding funding arrangements in the market much to the relief of UBA member financial institutions.

One of such cases had pitched Ham Enterprises against one of our members Diamond Trust Bank.

The situation had put lenders including those arranged by foreign banks as well as non-bank lender at risk.

We do believe this ruling was a big milestone that will greatly restore confidence in Uganda as a finance market.

Strategy

“ On the 19th of January 2024, we held a **strategy retreat** with member bank CEOs at Latitude in Makindye.

For me, this was the best way of beginning the conclusion of my two-year term of office. We not only took stock of our achievements and challenges in the 2022-2024 strategy period, but also discussed key and emerging issues, trends, drivers for the strategy period 2025-2027 including real and potential challenges ahead. The outcomes of our 19th January session defined our way forward and I am confident that our governance organs will measure to the expectations ahead of us.

Challenges

The year was not short of challenges.

Tax Related Challenges

The industry faced numerous challenges on tax administration and dispute management, with several cases ending up at the disputes tribunal.

Engagements were held with the leadership of Uganda Revenue Authority, however challenges in interpretation and enforcement remained thorny.

We will continue to engage on this front including a proposed new relationship management framework that accords financial institutions under the UBA umbrella an accreditation status.

Fraud and Cyber Security Concerns

The industry continued to experience fraud across our membership. Several of these going through e-platforms and our partners we closely work with to deliver payment services.

We will continue to invest in this area in line with the output of the fraud conference held earlier in March 2023.

Conclusion

The year 2023 was full of activity and kept us extremely busy.

I therefore 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 my term that started in May 2022 and ends with this AGM.

I thank members of the executive with whom we worked very closely to deliver the association's mandate and activity plan for the period until now.

I singularly salute 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 wish to request that as part of the efforts to nurture our gender initiative of the UBA Women Economic Empowerment Programme, also focusing on our female staff, you maintain a champion on the Central Executive Committee, from among our wonderful chief executives. I would like to see this flame kept alive.

I thank our regulators Bank of Uganda with whom we have

maintained a very warm, cordial and excellent relationship, our various development partners, customers and all stakeholders for the tremendous support, openness and collaboration exhibited throughout my tenure.

As I conclude, I wish to say it was a wonderful experience performing the role of UBA Chairperson and I thank you most sincerely for entrusting me with this leadership position. I am truly grateful.

My best wishes to the new and incoming leadership and look forward to continue supporting the industry.

Sarah Arapta
Chairperson Uganda Bankers' Association



INDUSTRY STATISTICS 2023

Tier 1 Banks Financial Statements			
Amounts in Shs M	FY 2023	FY 2022	Percentage changes
A. INCOME STATEMENT			
Income			
Total Income	6,824,193	5,823,867	17%
Expenses			
Total Expenses	5,015,889	4,142,078	21%
Profit from operations before tax	1,808,304	1,681,790	8%
Income tax (expense)/ credit	(382,765)	(404,796)	
Net profit after tax	1,415,539	1,276,994	11%
Other comprehensive income	-	(67,664)	
Total comprehensive income	1,415,539	1,209,330	17%
Published			
B. BALANCE SHEET			
Assets			
Cash and balances with Bank of Uganda	6,328,224	5,755,328	
Balances with Banking Institutions	2,307,387	2,559,892	
Due from parent/group companies	1,834,256	1,834,424	
Marketable trading securities	10,474,444	7,883,281	
Loans and advances to customers (Net)	20,525,674	19,099,335	
Financial Investments	4,848,769	5,552,048	
Interest receivable and other assets	682,350	849,227	
Property, plant and Equipment	819,354	753,402	
Other Assets	971,517	789,140	
Prepaid operating leases	-	-	
Deferred Tax asset	501,988	396,804	
Income tax recoverable	33,051	605,355	
Total Assets	49,527,013	46,078,227	
Liabilities			
Customer deposits	33,963,084	31,573,450	
Balances due to other institutions	1,579,881	1,347,183	
Balances due to Group	1,382,375	917,363	
Other liabilities	2,772,465	2,620,010	
Subordinated debt	126,994	257,463	
Inter bank borrowings	251,892	235,991	
Tax payable	54,392	75,419	
Dividends payable	1,043	21,407	
Deferred income tax liability	8,364	554,974	
Total Liabilities	40,140,490	37,611,259	
Shareholder Equity			
Share Capital	3,271,173	2,707,508	
Share premium	2,015,749	1,507,489	
Retained earnings	3,178,788	3,482,194	
Subordinated debt	-	-	
Revaluation reserves	48,912	24,465	
Reserves	262,816	276,905	
Regulatory reserves	84,827	64,346	
Proposed dividend	524,288	404,062	
Total Equity	9,386,553	8,466,968	
Total Equity and Liabilities	49,527,043	46,078,227	
C. RATIOS			
Cost/ Income ratio (incl. ecl)	73.50%	71.1%	
Cost/ Income ratio (excl. ecl)	65.96%	56.8%	
Cost/ Assets ratio (incl. ecl)	6.63%	5.2%	
Non-interest Income (NII)/ Cost (incl. ecl)	28.31%	32.4%	
Non-interest Income (NII)/ Income	20.81%	23.1%	
Interest Income/ Income	79.19%	76.5%	
Net Interest margin	10.91%	10.2%	
Loan Deposit Ratio	60.44%	60.5%	
Effective Tax Rate	21.72%	24.1%	
Interest burden or Interest Coverage Ratio	559.79%	651.8%	
Return on Equity	19.26%	19.9%	
Interest expense/ Interest Income	22.56%	19.9%	
D. OTHER DISCLOSURES			
Contingent Liabilities			
Letters of Credit	718,930	1,460,010	
Guarantee and performance Bonds	4,511,477	4,122,178	
Other Contingent Liabilities	21,329	10,489	
Totals	5,251,736	5,592,677	
Commitments			
Undrawn standby facilities	2,150,628	132,992	
Undrawn credit lines	2,682,511	4,336,548	
Other Commitments to lend	1,155,648	449,502	
Totals	5,988,787	4,919,031	
Non Performing Loans and Other Assets			
Non Performing Loans	1,211,551	1,195,263	
Interest in Suspense	116,937	133,931	
Bad debts written off	529,486	512,538	
Large loan exposures	6,374,336	5,450,941	
Inside Loan exposures	176,111	137,103	
Capital Position			
Core Capital	7,655,037	7,001,369	
Supplementary Capital	392,367	390,693	
Total Qualifying Capital	8,047,404	7,392,062	
Total Risk Weighted Assets (RWA)	31,003,103	29,430,056	
Core Capital to RWA	24.69%	23.8%	
Total Qualifying Capital to RWA	25.96%	25.1%	

Tier 2 & 3 Financial Statements			
Amounts in Shs M	FY 2023	FY 2022	Percentage Changes
A. INCOME STATEMENT			
Income			
Total Income	341,332	316,403	8%
Expenses			
Total Expenses	320,206	297,790	8%
Profit from operations before tax	21,126	18,613	14%
Income tax (expense)/ credit	(6,992)	(8,322)	-16%
Net profit after tax	14,134	10,291	37%
Other comprehensive income	-	-	
Total comprehensive income	14,134	10,291	37%
Published			
B. BALANCE SHEET			
Assets			
Cash and balances with Bank of Uganda	72,443	67,111	
Balances with Banking Institutions	168,005	176,700	
Due from parent/group companies	4,948	4,361	
Marketable trading securities	3,660	170,020	
Loans and advances to customers (Net)	667,531	685,963	
Financial Investments	-	-	
Interest receivable and other assets	-	-	
Property, plant and Equipment	87,614	71,541	
Other Assets	212,470	58,156	
Prepaid operating leases	-	-	
Deferred Tax asset	7,471	8,894	
Income tax recoverable	5,065	4,674	
Total Assets	1,169,237	1,245,418	
Liabilities			
Customer deposits	496,223	631,337	
Balances due to other institutions	143,078	127,150	
Balances due to Group	5,109	3,160	
Other liabilities	111,683	127,497	
Subordinated debt	24,485	4,282	
Inter bank borrowings	35,431	26,810	
Tax payable	76	235	
Dividends payable	-	-	
Deferred income tax liability	4,356	4,245	
Total Liabilities	820,440	924,717	
Shareholder Equity			
Share Capital	183,620	148,218	
Share premium	13,372	21,150	
Retained earnings	133,713	131,923	
Subordinated debt	-	3,450	
Revaluation reserves	-	873	
Reserves	4,698	-	
Regulatory reserves	10,571	13,166	
Proposed dividend	2,823	1,923	
Total Equity	348,797	320,701	
Total Equity and Liabilities	1,169,237	1,245,418	
C. RATIOS			
Cost/ Income ratio (incl. ecl)	94%	94%	
Cost/ Income ratio (excl. ecl)	83%	89%	
Cost/ Assets ratio (incl. ecl)	18%	18%	
Non-interest Income (NII)/ Cost (incl. ecl)	15%	18%	
Non-interest Income (NII)/ Income	14%	17%	
Interest Income/ Income	86%	83%	
Net Interest margin	29%	19%	
Loan Deposit Ratio	135%	109%	
Effective Tax Rate	33%	45%	
Interest burden or Interest Coverage Ratio	4.9	493%	
Return on Equity	6%	6%	
Interest expense/ Interest Income	24%	24%	
D. OTHER DISCLOSURES			
Contingent Liabilities			
Letters of Credit	-	1,188	
Guarantee and performance Bonds	7,588	6,846	
Other Contingent Liabilities	5,453	-	
Totals	13,041	8,034	
Commitments			
Undrawn standby facilities	-	-	
Undrawn credit lines	-	-	
Other Commitments to lend	-	-	
Totals	-	-	
Non Performing Loans and Other Assets			
Non Performing Loans	28,157	34,376	
Interest in Suspense	4,136	5,305	
Bad debts written off	21,131	30,700	
Large loan exposures	9,483	52,758	
Inside Loan exposures	6,550	1,891	
Capital Position			
Core Capital	312,088	275,691	
Supplementary Capital	15,608	15,552	
Total Qualifying Capital	327,696	291,243	
Total Risk Weighted Assets (RWA)	862,200	876,776	
Core Capital to RWA	36.20%	31%	
Total Qualifying Capital to RWA	38.01%	33%	

	2023	2022
Total Direct Taxes paid by Members	Ugx 1.29trillion	1.08 trillion
Spend on ICT	Ugx 694 bn	392bn
Spend in CSR	Ugx 14.9bn	16.3bn
Contribution to NSSF	Ugx 157.3 bn	131bn

Industry Channels	Branches	ATMs	Agents
Total	856	984	33,437

Top 5 Sectors Credit portfolio by Member Financial Institutions- 89.1 % of total industry loan book

Sector	Loan Value
1. Agriculture	2.53 trillion
2. Manufacturing	2.89 trillion
3. Trade	3.72 trillion
4. Real Estate	4.31 trillion
5. Household and Personal Loans	4.85 trillion
Overall across 5 sectors	18.30 trillion

2023 Banking Industry Staff Numbers

SN	BANK NAME	Executive (CEO & DCEO)		EXCO		Senior Management		Junior Management & Supervisory		Other staff		Total Number of Staff		Total Staff
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
1	ABC Capital Bank	2	0	1	2	3	4	1	4	10	13	17	23	40
2	ABSA Uganda	1	0	9	5	94	73	25	40	341	553	470	671	1,141
3	Bank of Africa	1	0	6	2	20	9	17	14	113	178	157	203	360
4	Bank of Baroda	2	0	4	2	24	1	53	33	72	37	155	73	228
5	Bank of India	1		4	1	1	2	4		19	19			-
6	Brac Uganda	2	0	7	2	19	10	12	317	309	1247	349	1,576	1,925
7	Cairo Bank Uganda	1	1	4	4	3	5	14	18	52	35	74	63	137
8	Centenary Bank	2	0	9	5	16	10	596	428	1094	1145	1,717	1,588	3,305
9	Citi Bank	1	1	4	4	5	2	14	15	2	2	26	24	50
10	DFCU Bank	1	0	1	7	42	19	130	103	445	510	619	639	1,258
11	Diamond Trust Bank	1	0	11	2	19	12	35	47	224	308	290	369	659
12	Eco Bank		1	8	3	6	7	11	11	32	64	57	86	143
13	Equity Bank	2	1	5	6	26	7	203	167	522	562	758	743	1,501
14	Exim Bank	2	0	11	1	22	11	8	12	36	53	79	77	156
15	Finance Trust Bank	0	2	3	7	8	8	102	85	331	327	444	429	873
16	Finca	2	0	3	6	2	2	61	56	128	179	244	204	448
17	GT Bank	1	0	9	9	8	2	6	3	77	62	97	78	175
18	Housing Finance Bank	1	1	4	4	5	5	40	31	116	169	166	210	376
19	I&M Bank	2		8	2	20	10	-	-	105	162	135	174	309
20	Kenya Commercial Bank	1	1	6	4	26	29	95	43	50	73	178	150	328
21	Mercantile Credit Bank	2	0	1	3	4	4	4	1	5	6	16	14	30
22	NCBA Bank	2	0	7	4	9	8	21	32	40	46	79	90	169
23	Opportunity Bank	2	0	7	2	1	3	58	68	109	160	177	233	410
24	Post Bank Uganda	2	0	5	3	16	5	214	127	414	399	651	534	1,185
25	Pride Micro Finance Bank	1	1	9	3	0	0	79	115	488	347	577	466	1,043
26	Salaam Bank	3	0	5	1	4	1	2	3	6	12	16	17	33
27	Stanbic Bank		2	9	5	117	91	157	215	553	770	893	1,024	1,917
28	Standard Chartered Bank	3	0	7	5	24	21	1	6	37	55	122	168	290
29	Tropical Bank	1	1	2	2	4	2	13	5	119	80	128	99	227
30	Ugafode	1	1	3	8	2	1	8	14	151	157	165	181	346
31	Uganda Development Bank	0	1	7	1	5	3	16	11	37	29	65	45	110
32	United Bank for Africa	1	1	7	1	4	4	19	15	69	82	100	103	203
33	Yako Microfinance Limited	2	0	5	5			2	1	14	24	23	30	53
Total Staff		46	15	191	121	559	371	2021	2040	6120	7865	9,044	10,384	19,428
Percentage		75%	11%	61%	39%	60%	40%	50%	50%	44%	56%	47%	53%	

Section 3

OUR STAKEHOLDERS EVOLVING NEEDS

Our Operating Model

The Association aimed to create long term value for all stakeholders and offered a multi capital approach to value creation.

Our Key resources

Human and Intellectual Capital

The Association depended on competencies, capabilities, talents and experiences of the secretariat employees and 16 UBA technical committees to manage the secretariat's affairs efficiently as well as understand member and stakeholder needs and develop appropriate initiatives to effectively drive the association's ambitions forward.

Financial Capital

There is a pool of funds available to UBA to meet its obligations as a going concern. We generated our capital through member subscriptions and grants from development partners as well as sponsorship to key industry calendar events.

Social Capital

UBA relied on strong relationships with key stakeholders in order to operate responsibly.

Association activities

Our core business activities utilized available resources and partnerships guided by our strategic objectives

- Develop and deliver advocacy strategies to influence stakeholders and to achieve policy changes at industry and national level.
- Promote financial sector growth, through training, development of products, technologies and initiatives.
- Stakeholder engagement and sensitization of the public on banking and financial services
- Research and information sharing to enhance growth and improvement industry capacity development.
- Maintain a code of ethics and best banking practices among its membership.

The Association’s key stakeholders contributed to its value drivers are identified as;

1. MEMBERS

Our members are at the heart of everything that we do. We remain committed to their best interests and endeavoured to

serve them better by engaging with them regularly.

Key areas of interest

- A growing association that

represents their interests

- Platforms for collaboration to foster business growth

How we engaged them in 2023

1 (a) Contactless workshop

In collaboration with VISA, Uganda Bankers Association hosted a half day workshop on contactless that targeted a total of over 50 participants at the Golden Tulip Hotel. These comprised largely members of UBA Digital Financial Services Committee. The workshop covered topics ranging from contactless ecosystem, contactless risk considerations, tap to phone, digital issuance, policy and governance.

Key regulatory takeaways from the meeting to help prepare the Ugandan market for digital transformation by using contactless payments included;

- Support financial education and inclusion
- Adopt open-loop contactless payments as part of the national digital transformation and digital payments strategies, providing incentives to drive acceptance and usage
- Approve and harmonize no pin CVM Limits
- Collaborate with transit authorities to drive usage and open-loop payments

A decision was further reached to place the CWM limit for

contactless in Ugandan Market at shs.100,000/=

In 2024, UBA in collaboration with VISA and closely working with Bank of Uganda, will

commence execution of initiatives to drive contactless across the industry, through executing a public awareness and education campaigns working closely with member financial institutions.



UBA and VISA Representatives pose for a group photo at the Contactless Workshop



The Leadership of the UBA Digital Financial Service Committee led by the Chair, Mr. Samuel Kiyaga at the Contactless Workshop

1 (b) Combatting Wildlife Crime Workshop

On 20th and 21st September 2023, Uganda Bankers' Association partnered with RUSI to conduct an awareness raising workshop on **Combatting Wildlife Crime Through Financial Compliance**, funded by the USAID/Uganda Combatting Wildlife Crime (CWC) Activity 2020-2025 through the Wildlife Conservation Society Project.

The two-day workshop targeted Heads of Compliance from the member financial institutions with relatively high levels of regulation and could potentially have the most impact on wildlife crime related money laundering. The workshop was attended by

public sector representatives from Uganda Wildlife Authority, Ministry of Tourism, Wildlife and Antiquities, Ministry of Finance Planning and Economic Development and Bank of Uganda.

A total of 106 participants comprising 67 from UBA Member Financial Institutions, 22 Government/Public sector, (17) NGO and Civil Society.

This workshop achieved the following objectives;

a. Raised awareness of wildlife crime and its direct and indirect harms, promoting the

intrinsic and economic value of wildlife.

- b. Increased knowledge of existing resources and materials for building understanding of global wildlife-related illicit financial flows.
- c. Strengthened understanding of the specific risks and financial modalities around wildlife crime in Uganda.
- d. Gathered support from Heads of Compliance for prioritizing wildlife-related illicit finance and creating subject matter expertise within their analyst teams.



Members of UBA Compliance Committee with other stakeholders during the Workshop



Dr. Twinemanzi Tumubweinee, Executive Director Supervision Bank of Uganda, delivers his remarks at the workshop



UBA Chairperson, Ms. Sarah Arapta, speaks at the workshop



1 (c) Knowledge Sharing workshops on ICT and Cyber Security

During the course of the year, UBA convened three (3) cyber security knowledge sharing sessions. These sessions were facilitated by representatives from Raxio, DataGroup IT, Cyber Security Africa Limited, Uganda Police Force and Office of the Directorate of Public Prosecutions. The topics discussed included:

- Implementing identity security to enhance the banks' cyber-security posture
- Technical evolution of the financial sector, lessons learned from 2 Years of Raxio in the Market
- A review of cyber-attacks on Kenya's Digital Infrastructure
- The role of Uganda Police Force in fighting cyber fraud
- Prosecution led approach to cyber fraud investigation



Members of UBA ICT/Cyber Security and Compliance Committee with other stakeholders at the workshop



ICT/Cybersecurity Committee visit to the Raxio Offices



Mr. Paul Bukenya, Chair of the UBA ICT/Cyber Security Committee gives his remarks at the workshop



Mr. Ricson Kiiza, Chair, UBA Risk Committee and Mr. Francis Yiga, Chair, UBA Frauds and Forgeries Committee presented at the workshop

2. BANKING PUBLIC

The final end users of our member products and services to achieve their financial and economic goals

Key areas of interest

- Understanding of banking and financial services
- Available banking/ financial products and service
- Security and access

How we engaged them in 2023

2 (a) Beera Steady Campaign

UBA and its members joined other stakeholders in implementing this initiative that was launched in March 2023 as a behavioural change campaign towards the adoption of the digital economy and enhancing knowledge on electronic related fraud.

The campaign was executed through diverse communication channels that comprised digital channels, 22 radio stations that covered 10 languages of Acholi, Lango, Lusoga, Teso, Luganda,

English, Runyoro, Ruyankole, Rukiga, Lugisu, located across the country covering 7 languages, and 6 TV Stations.

The first phase execution of this initiative was successfully completed and well received by the public who perceived the campaign as very effective and urged financial institutions to create more bank fraud awareness campaigns.



Mr. Wilbrod Owor, UBA Executive Director speaks during the launch of the Beera Steady Campaign



Mr. Ricson Kiiza, Chair UBA Risk Committee during the media interview



Ms. Patricia Amito Lutwama, UBA Head Communications and Corporate Affairs, during the media interview



Mr. Joseph Fetaa, Member of the UBA Digital Financial Services Committee during the media interview

2 (b) My Chat with CEO

As part of the efforts to continuously educate and engage the public, UBA Executive Director participated in an online My Chat with a Bank CEO, a social media event presented by the Kenya Bankers Association (KBA).

Under the theme **Promoting Sustainable Financial Inclusion in the EAC region**, the Chat featured East African Community Region Associations CEOs who engaged the public on ways of deepening financial inclusion in the region.



2 (c) 2023 Annual Bankers Sports Gala and the Banking and Financial Services Awareness Month

2023 Bankers Sports Gala

Uganda Bankers' Association and the Uganda Institute of Banking and Financial Services together with partners across the banking and financial services sector hosted the 23rd Annual Bankers Gala that took place from September 2023 to October 2023 featuring outdoor games at Kyambogo University (Cricket Oval) and indoor games at the MTN Arena Lugogo.

The games were launched with a CEO walk and golf tournament and comprised over sixteen (16) indoor and outdoor games.

A total of twenty-seven (27) institutions participated in this year's gala where dfcu bank was crowned the overall winner of the 2023 bankers' sports gala with a percentage of 19.1%, Diamond Trust Bank came second with 16.6% followed by Finance Trust Bank in the third position with 16.05%. We congratulate all the teams that participated in these games.



Savings Challenge and Commemoration of International World Savings Day

During the course of 2023, Uganda Bankers' Association joined the Uganda Institute of Banking and Financial Services together with key players in the banking and financial services sector to run a 12 months Savings Challenge Initiative as part of the build-up activities towards the commemoration of International World Savings Day on 31st October 2023 under the theme **Personal Wellness: Take and Live the Pledge.**

During this challenge, the staff of different organizations collected money which was later extended towards boosting the most befitting women or youth led green smart initiatives.

Over 20 institutions participated in this industry initiative and a total of Ugx 51million was collected over the 12-month period.

As part of the sector's efforts to raise awareness about climate change and its effects, the proceeds from this savings challenge were rewarded to eighteen (18) Ugandan businesses, that underwent a rigorous assessment process and were announced winners of the **Green Finance Awards.** These businesses demonstrated good initiatives that aimed to address climate change challenges.

This initiative indeed provided a good opportunity to strengthen collaboration in the banking and financial sector.

Uganda Bankers' Association and its partners remain committed to supporting businesses and initiatives that aim to conserve

the environment to promote livelihoods of the people we serve as the banking and financial services industry.



Team NCBA hands over the Giant Savings Box to Team Opportunity Bank



UIBFS CEO Ms. Goretta Masadde and aBi Finance CEO, Ms. Mona Muguma Sebuliba hand with a winner of the Green Finance Awards



Mr. Allan Lwetabe, DPF rep receives the Giant Savings Box from UBA rep Ms. Patricia Amito. Ms. Goretta Masadde, the CEO UIBFS looks on.



2023 Banking and financial Services Awareness Month

The Annual Banking and Financial Services Awareness Month is a key event of the financial services industry launched in 2020. It is organized by Uganda Bankers' Association and the Uganda Institute of Banking and Financial Services in partnership with the Bank of Uganda and supported by all other industry regulatory bodies and institutions in insurance, microfinance, deposit protection, retirements benefits, accountancy and capital markets.

The annual campaign aims at improving awareness, knowledge and attitudes about financial services and products among the population to ultimately stimulate prudent financial behavior. In addition, it aims at connecting the providers and users of financial products & services.

Under the theme “**Personal Financial Wellness- Take and Live the Pledge**” and the 4th edition of this campaign, was officially launched by the Deputy Governor Bank of Uganda Dr. Micheal Atingi-Ego, during the commemoration of the International World Savings Day 2023.

This campaign highlighted the most common percentage-based budgeting mechanics, **the 50/30/20 rule**, which was promote to the public through digital and physical engagement over a period of 6 weeks.

- **50% must go to Needs** – things you cannot do without spending on e.g. food, housing, utilities, insurance, school fees, grooming.
- **30% must go to Wants**– these are feel good things you can do without but would improve your quality and experience in life. These could be entertainment, travel, vacation, subscriptions

like pay TV etc. This % can be reduced in in order to increase the % towards needs or savings based on your circumstances, but it should ideally never increase.

- **20% must go to Savings for elements like;** emergency fund, retirement, investment, access to credit, life goals like further education, land, construction.

A total of twelve (12) webinars were held with resources from a range of institutions from the banking and financial services sector.

We are grateful to the Bank of Uganda, all our partners and the general public who joined and participated in the awareness month.



is Deputy Governor Bank of Uganda, Dr. Michael Atingi-Ego officially launched the banking and financial services awareness month with the CEO UIBFS Ms. Gorette Masadde



Stakeholders from the Banking and financial services sector during a panel session at the commemoration of the World Savings Day 2023

3. EMPLOYEES

The Association staff are our valuable assets. They make a critical difference to our success and our investment in them protects and strengthens our culture.

Key areas of interest

- Career growth
- A good working environment
- Training opportunities and capacity development

How we engaged them in 2023

3 (a) Kenya Bankers' Association

UBA facilitated the team from the Research Unit for a visit to the Kenya Bankers Association aimed at learning about how the research unit operates and ultimately enhance the output and visibility of the work of UBA research unit.

This visit, improved understanding in diverse areas ranging from reporting, in house publications relevant to the sector, strategic collaborations to advance the work of the association.

3 (b) Sensitization on Employee Relations

UBA Staff received an inhouse sensitization session on employee relations that was facilitated by a team from the Federation of Ugandan Employers



UBA Secretariat Team with the Team from the Federation of Ugandan Employers after the training.

3 (c) Capacity building on Trade Based Money Laundering (TBML)

UBA facilitated two resource persons to attend the IFC's Countering Trade-Based Money Laundering (TBML) Trainers' Program, that was held in Nairobi, Kenya, between 23rd and 25th October 2023.

The three-day training targeted participants from select bankers' associations globally, who in turn were tasked with extending the same training to their respective member banks.

The training covered broad aspects of the importance of collaboration in fighting Money laundering /Trade Finance, introduction to Trade Based Money Laundering (TBML) and challenges to preventing TBML, common TBML typologies and the role of banks in fighting TBML

As part of the Training of Trainers, Heads of Compliance from UBA membership received the training on the core modules of the TBML course.



4. REGULATORS

Regulators are institutions that provide financial sector stability and foster an enabling environment for financial services through market development and regulation

Key areas of interest

- A growing, stable and sustainable banking and financial industry
- Compliance by Member Financial Institutions

How we engaged them in 2023

4 (a) Beneficial Ownership Requirements

In a bid to combat money laundering and terrorism financing, Uganda promulgated various laws regarding beneficial ownership information including the Companies (Beneficial Owners) Regulations that require corporate entities to disclose the personal data and information regarding the nature of ownership or control of their beneficial owners. A beneficial owner is considered to be a natural person who has final ownership or control of a company/partnership/trust or a natural person on whose behalf a transaction is conducted in a company/partnership/trust and includes a natural person who exercises ultimate control over a company/ partnership/trust.

4(b) Engagements with Bank of Uganda

During the year, in addition to the numerous meetings held with the Directorate for Supervision, member CEOs held seven (7) monthly meetings with the Deputy Governor and two informal dinners.

The matters discussed included the following;

- State of the economy and monetary policy reports
- Financial Stability Risk Assessment Reports
- E-Payment Initiatives
- Frauds in the sector
- Anti-Money Laundering

and Countering Financial Terrorism (AML/CFT) matters

- Agricultural Credit Facility and Small Business Recovery Funds
- Matters concerning Credit, recovery, operations and systems.
- Institutionalization of ESG Sustainability principles across banking sector processes, policies and operations

At these meeting the best monthly primary dealer banks were also recognized.



4(c) Amendment of the Financial Institutions Act in 2023 which set the stage for Islamic Banking.

In June 2023, the Parliament of Uganda passed the Financial Institutions (Amendment) Act, 2023 which amended the Financial Institutions Act, 2004 by repealing section 115B (2) that establishes the Central

Shari’ah Advisory Council. Under the Act, the Central Shari’ah Advisory Council was charged with, amongst others, the duty of approving any Islamic Banking product to be offered by a financial institution. Accordingly,

the effect of the Financial Institutions Amendment is to authorize the practice of Islamic Banking in Uganda. On 8th September 2023, Bank of Uganda granted its first Islamic Banking license to Salaam Bank Uganda.



Deputy Governor Bank of Uganda Dr. Michael Atingi Ego, hands over a license to Salaam Bank at the BOU offices in Kampala

4 (d) Bank of Uganda Issued Corporate Governance Guidelines for Supervised Financial Institutions

Bank of Uganda issued the Consolidated Corporate Governance Guidelines 2022 to supervised financial institutions with the aim of ensuring good corporate governance in financial institutions.

The Consolidated Corporate Guidelines 2022 also introduced obligations for financial institutions operating in Uganda under a group structure. The board of the parent company is required under these guidelines to have adequate oversight over

its subsidiaries while considering the specific requirements in Uganda and to ensure that significant risks that might have an impact on the entity as a whole or each subsidiary are given due consideration at the parent/ holding company level.

4(e) Bank of Uganda issued draft National Payments Systems Fair Competition Regulations for review and input.

Bank of Uganda developed draft National Payment Systems (Fair Competition) Regulations. The purpose of the regulations is to prevent anti-competitive practices and unfair conduct

in the payments eco-system to consolidate the gains made in promoting digital payments.

UBA Member Institutions submitted their views on the

draft regulations in preparation for an engagement that will be convened to discuss the same in detail.

5. PARTNERS

These partners enabled market access to a variety of sectors to support our ambition of promoting partnerships and transforming banking

Key areas of interest

- Value yielding collaborations
- Information exchange through multiple partnerships

How we engaged them in 2023

5 (a) Institute of Surveyors Uganda (ISU) Pre AGM Conference 2023

In March 2023, Uganda Bankers' Association participated in the Institute of Surveyors Uganda PRE AGM Conference and shared knowledge on **Ethical Issues- Professional Regulation and Ethical Responsibility**. The conference provided the Association a good opportunity to engage with valuers, surveyors, contractors among others.

Uganda Bankers Association has and will continue to facilitate conversations such as these to enable sharing and exchanges of views and ideas in order to strengthen and improve the quality of services offered to the banking sector and the economy as a whole.

From previous engagements, UBA noted that the Institute of Surveyors Uganda had undertaken the development of the Surveyors Registration Board, a system that has been put in place to ensure only sole proprietors or partnerships under the registered Surveyors of Uganda are licensed to offer services and this initiative and we will promote the use of the same among our member banks

as a point of reference when constituting the panel of valuers.

With the support of the UBA Credit Committee, we will engage the institute on the following issues;

- Utilizing a centralized approach or regionalized approach for upcountry, in relation to the issuance of instructions, in a bid to track and manage the quality of work being conducted at all the branches and provide a robust audit process for valuers conducting the various assignments
- The proposal to deduct fees for valuation work upfront from the clients account and deposit on the valuer's account upon finalization of the assignment and delivery of report. This aims to reduce the connivance between clients, bank officials and valuers as regards fees and property/security values.
- Finalization of the Valuers Code of conduct with a rigorous disciplinary mandate that includes red flagging fraudulent members to the Supervised Financial Institutions.



Hon. Sam Mayanja, State Minister for Lands at the Ministry of Lands, Housing and Urban Development speaks at the Pre AGM Conference

5 (b) Knowledge Sharing on Shared Agent Banking Project

Following four (4) years of an objective driven partnership, Uganda Bankers' Association and GIZ PRUDEV, undertook a study to assess the impact of the project interventions in the districts in Northern Uganda.

The outcomes of the study were disseminated and discussed in the knowledge-sharing and closing workshop that was held on 27th March, 2023 at Golden Tulip Canaan Kampala.

A total of 57 participants attended the workshop and these comprised bank agents, development partners (Financial Sector Deepening Uganda and aBi Finance), heads of agent banking from the member Supervised Financial Institutions integrated on the Agent Banking Company shared technological platform, representatives from the Agent Banking Company, and Uganda Bankers' Association, Bank of Uganda, Ministry of Local Government, GIZ RELAPU and the media



The study revealed the following findings across the four objectives

Objective 1: Impact of agent banking on improving access to financial services

- Agent banking has contributed to a reduction of average distance from user to agent from 6.8 km to 1.8km, enhanced the volume and value of transactions (2021-2022: volume increased by 18% in northern Uganda) and improved consumer experience through convenience and reduced transaction cost.
- Formalized transactions of non-bank financial services such as SACCOs and VSLAs thus improving financial record management and enabling the documentation of transaction digital trails that are essential for future access to credit.
- However, there persist a rural-urban gap; there are



significantly fewer agents in the rural areas and these agents offer fewer financial services than their urban counterparts.

Objective 2: Impact of agent banking on the development and deepening of the rural economy in northern Uganda

- Agent banking has contributed to creation of 923 new jobs in northern Uganda and to the growth of previously existing businesses as well as the emergence of new ones.
- The promotion of agent banking in Acholi and Lango sub regions in northern Uganda has led to an improvement in the level of financial literacy of the last mile users through sensitization activities such as radio shows.
- Agent Banking has contributed to decreasing the usage of cash while being complementary to mobile money, contributing to the goal NDP III of promoting a cashless economy in Uganda.
- However, the participation of women as agents in northern Uganda remains low.





L-R Wilbrod (UBA), Eva (UBA), Gina (GIZ Prudev), Ann Marie (aBi Finance) and Tobias (GIZ Relapu) at the knowledge sharing workshop

Objective 3: The role of the UBA/ABC and financial institutions in further promoting agent banking in northern Uganda

- UBA was instrumental in running successful mass sensitization on agent banking, stakeholder engagement and agent trainings
- The involvement of UBA was essential in building public confidence in the innovation as well as triggering interest from potential agents.
- UBA trainings on agent banking have been helpful in improving the performance of agents

Objective 4: Depth and reach of communication channels deployed by UBA/ABC to reach the target audience

- UBA and ABC used a number of approaches to reach out to the target audience. These included radio talk shows, Information Education

and Communication (IEC) materials and roadshows. Radio was the most successful channel in reaching the target audience and the use of local language was crucial

- While for female agents “friends and family” are the most important source of information. “bank staff” is the most important source of information for male agents.
- Moving together with representatives of known financial institutions helped gain the confidence of the local population.

Conclusions

- Agent banking has a great potential to further increase financial inclusion in northern Uganda in the future.
- Financial institutions should continue to invest in awareness creation as well as creating a stable business environment for all

stakeholders. Importantly, the rural urban gap in access and the variety of financial services also persists in agent banking and should be addressed by policy makers.

Recommendations

- Policy makers and financial institutions should address the persisting rural-urban gap in distribution of banking agents.
- To reduce the limiting effect of high cost of initial investment on agency bank establishment, financial institutions ought to be encouraged to develop products for new and existing agents. This may entail the adoption of differentiated criteria for initial agent banking establishments for different locations such as remote rural locations or adjusting the recovery period of the POS machines.

5 (c) The 6th Annual Law Conference

Uganda Bankers' Association participated at the Uganda Law Society's 6th Annual Law Conference on August 24th and 25th, 2023 at Commonwealth Resort, Munyonyo. The conference attracted both physical and online attendance of over 800 advocates under the theme of **"Redefining Legal Practice in the Age of Disruption."**

The speakers at the conference who included the Minister of Justice and Constitutional Affairs, Hon. Norbert Mao and the Attorney General, Hon. Kiryowa Kiwanuka called upon lawyers to break away from the conventional ways of doing business and embrace new advances.

The conference offered a dynamic schedule with a morning that was dedicated to engaging panel discussions and afternoons provided attendees with interactive breakout sessions. The panels were constituted by legal experts, each specializing in their respective fields, discussing a rich range of topics that included,

- Legal practice in the era of disruption
- Strategies for navigating regional trade barriers
- Cybersecurity
- Intricacies of the oil & gas industry
- Taxation challenges and;
- Copyrights laws relevance in the creative industries among others.

The Chairperson UBA Legal



Legal Team from Post Bank at the Conference

Committee Mr. Brian Kalule represented the industry at the panel session under the theme **"ACT LIKE A LAWYER, THINK LIKE A HACKER: THE LAWYER'S ROLE IN ADDRESSING CYBER SECURITY THREATS FOR BUSINESSES."**

Highlights from the panel session are summarized below;

- There are several laws that were put in place such as Electronics Signature Act, the Computer Misuse Act, the Data Protection and Privacy Act, regulations – SOPs, E-Governance Guidelines among others, all aimed at addressing and mitigating cyber security threats. Lawyers should look at the cyber risks and intellectual property laws and guide us accordingly.
- There is need for greater stakeholder collaboration on sharing information

to manage the risks involved and Investment in digital forensics. Seeking international collaboration will go a long way in strengthening Uganda's cyber security.

- The biggest challenges faced in line with cyber security threat are links, fraud and identity theft, employee risk, customer indifference and logging into a digital platform and forgetting to log out, lack of awareness, bring your own devices – personal devices that are not well-safeguarded, among many others.
- Managing risks; All firms are fertile grounds for hacking and the remedy is to train and create the system that protects the system. Changing of passwords should be a regular practice in institutions.



Mr. Brian Kalule with other panelists at the conference



The Attorney General, Hon. Kiryowa Kiwanuka speaks at the conference



Hon. Norbert Mao, Minister of Justice and Constitutional Affairs with other guests at the conference

5 (d) Strengthening the capacity of financial institutions to increase lending to agricultural SMES

In May 2023, Uganda Bankers' Association signed a partnership agreement with Aceli Africa to lead advocacy interventions to strengthen the utilization of Incentives to drive increased lending towards agri-SMEs by UBA Member Financial Institutions.

The key objectives under this collaboration included;

1. Increased utilization of the Aceli Program Incentives among UBA Member Financial Institutions through awareness and sensitization about Aceli Incentives
2. Increased lending by UBA Member financial institutions to the Agriculture sector resulting from increased risk appetite and reduction in transaction costs to serve agri-SMEs

To achieve the above goals, Uganda Bankers' Association convened a round table session with Heads of Agribusiness from member financial institutions to share the partnership plan and thereafter undertook the detailed analysis of three priority issues that had been identified by an

Aceli research study. These three (3) issues/areas of advocacy included prudential provisioning, harmonisation of sector and industry classification codes and treatment of credit guarantees.

The key output of this analysis will be the development of policy briefs for each of the three issues with key recommendations that will be used for engagement and influence policy changes in consultation with Bank of Uganda during the course of 2024.



UBA Secretariat, representatives from member financial institutions and Aceli Africa Team



Mr. John Robert Okware, Country Director Uganda, Aceli Africa speaks during the meeting.

5 (e) Banking Industry Media Forum with African Center for Media Excellence

Uganda Bankers' Association (UBA) and Bank of Uganda hosted an engagement between the banking industry and the media in partnership with African Centre for Media Excellence (ACME). The breakfast meeting, which was sponsored by Stanbic Bank, dfcu Bank and the UBA Secretariat, took place at Sheraton Kampala Hotel, brought together at least 30 representatives from the UBA member financial institutions comprising Heads of Communications and 35 media practitioners in senior editorial positions and business journalism.

The engagement aimed at establishing strategic mutual understanding between the two sectors and building consensus on ways of working together to preserve public trust in the two sectors. Emphasis was on developing the capacity of media houses and journalists to report

professionally and constructively about the financial sector in general and the banking industry in particular.

In his remarks, the UBA Executive Director, Mr. Wilbrod Owor, highlighted the purpose of the meeting as a way for the banking sector to strengthen its collaboration with the media and to develop a framework for working together. He emphasized the importance of clear and accurate reporting by the media, especially as the banking sector evolves due to technology and the challenges it presents.

He noted that financial institutions have public responsibilities that demand high levels of accountability and trust. *"Maintaining confidence in the financial system is crucial, and any erosion of confidence can have disastrous consequences."* Mr. Owor said. He further highlighted the challenges of

managing sensitive information, such as customer data and financial market data, which can have a significant impact on the economy.

Mr. Owor emphasized the importance of equipping journalists with the knowledge and tools to report accurately and responsibly on the banking sector and mentioned that UBA was interested in establishing a framework for recognition of good work by journalists and to ensure that financial institutions remained resilient while supporting the economy.

In delivering his keynote address, Mr. David Sseppuuya, a former editor-in-chief of New Vision and former executive editor of Daily Monitor, highlighted the importance of convergence between the financial sector and media, with the aim of providing facts to society to be better informed on important matters.



Mr. Wilbrod Owor, the UBA Executive Director speaks at the Banking Media Engagement Forum

He identified the knowledge challenges faced by the media in the financial sector, such as being unfamiliar with financial concepts and terminology and the banking sector's misgivings towards the media. Below are the key highlights from the keynote speech.

Key recommendation from the discussions included;

1. The banking sector should partner with media support



Mr. David Sseppuuya, delivers his keynote address during the banking media engagement forum.

2. Develop a curriculum for training on financial journalism through collaboration between media and banking experts.
3. There is a need for a resource centre with reference materials of interest to financial journalists including subscriptions to key publications such as Financial Times, The Economist, and other high-quality financial media and learning resources.
4. Banks should engage with journalists regularly to establish relationships and build trust. This can be done through events, news opportunities, and regular updates on banking sector activities and performance.

5. Journalists need to study the banking sector to understand how it works. Bankers need to study the media industry as well, which is ever changing, including familiarizing themselves with the journalists' code of ethics.
6. Banks should monitor media coverage of their activities and respond to any inaccuracies or misrepresentations. This can be done through proactive communication with journalists.

During the course of the year, another engagement was held with the online media representatives to discuss responsible reporting for the banking and financial service sector and capacity building plans by the industry to support the media.



Dr. Bazinzi Natamba BOU rep speaks during the Forum



Ms. Patricia Amto, UBA's Head Communications and Corporate Affairs speaks during the cocktail event with online media organized by Stanbic Bank

5(f) FITSPA Annual Fintech Conference

Uganda Bankers' Association partnered with the Financial Technology Service Providers Association (FITSPA) at its Annual Fintech Conference that took place on the 12th-13th October 2023.

The 5th edition of the conference was convened as a two-day conference under the theme **Leveraging Digital Infrastructure for Innovation and Inclusivity**.

The conference comprised a keynote address that was delivered by Brett King, who spoke about the future of AI, Banking Commerce, and Governance (Automation, Alignment, Agency and Autonomy)

The Keynote address was then followed by panel discussions that focused on the following areas.

- Building a MOMO Economy
- Shared Digital Infrastructure “Unpacking the power of

- shared digital infrastructure
- Navigating the future: Fintech Mergers and Acquisitions for Unprecedented Growth and Scale
- Leveraging Collaboration and Shared infrastructure to serve the last mile User

Uganda Bankers' Association will continue to work closely with fintechs to drive financial inclusion and support financial sector growth.



Chairperson UBA, Ms. Sarah Arapta speaks during the FITSPA Annual Fintech Conference.



Section 4

UBA's STRATEGIC JOURNEY TO CREATE VALUE



UBA's strategic Journey to create value

Uganda Bankers' Association strategic plan 2022-2024 is built on the theme *"building an inclusive and resilient banking and financial services sector through collaborations and partnerships."*

The key strategic pillars that define this strategy direction are;

- **Positioning the industry in supporting economic recovery post COVID 19 pandemic:** This pillar focuses on collaboration with DFI to increase access to affordable finance across sectors
- **Stepping up stakeholder engagement and involvement in key national development**

programs: This pillar aims to developing a strategy for the banking sector to support oil and gas sector, driving collaboration and partnership with players in the financial services space to address electronic related fraud.

- **Building resilience across the banking and financial services sector:** This focuses on building a framework to
 - a. Mitigate Fraud
 - b. Mainstream ESG and green initiatives across the industry, promoting gender inclusivity in financial services.
- **Play leading role in payments infrastructure**

to support the National Switch Initiative: This pillar aims at supporting the growth and development of robust 24/7 secure integrated multi-channel digital infrastructure required to transform the industry.

- **Consolidating and enhancing achievements of previous strategy.** This pillar focuses on driving and championing Alternative Dispute Resolution (ADR) through ICAMEK.

1. The First High-level National Alternative Dispute Resolution Summit 2023

The first High-Level National Summit on Alternative Dispute Resolution in Uganda was convened on Monday, 26th June 2023 at Mestil Hotel & Residences in partnership with Uganda Bankers' Association, Pepperdine University, International Centre for Arbitration and Mediation in Kampala and International Development Law Organization.

Under the theme; **“The Role of ADR in Transforming Uganda’s Dispute Resolution Landscape”**, the summit brought together stakeholders from the Judiciary, Ministry of Justice and Constitutional Affairs, Uganda

Law Society, Uganda Law Reform Commission, Deans of Law Schools, professional bodies, members of Uganda Bankers Association, public institutions, agencies and private sector.

In his remarks, the Chief Justice Alphonse Owinyi-Dollo explained that this theme aimed to address the stakeholders and sectors in Uganda that were now clearly defined in terms of industry or sector, such as business, banking and finance, construction, and extractive among others. He noted that these sectors had formed associations and had a keen interest in positioning Alternative Dispute Resolution (ADR) as the preferred dispute resolution forum. The theme also focused on how different stakeholders could contribute to making Uganda an attractive

destination for ADR.

In her remarks, the UBA Chairperson, Ms. Sarah Arapta, highlighted that the ADR is a less acrimonious alternative that supplements the judicial system and offered the assurance of an attractive investment destination if commercial disputes can be resolved in a timely manner and free up capital for further deployment in the economy. She further noted that frameworks such as the ADR helped in de-risking investments across various sectors.

Ms. Arapta further commended the judiciary on measures taken to address the case backlog, notably the case backlog committee, creation of the party-led small claims court, the promotion of various Alternative



L-R, Mr. Moses Adriko, SC; Partner at MMAKS Advocates, Hon. Justice Geoffrey Kiryabwire, Justice of the Court of Appeal, Ms. Rachel Odoi-Musoke, Senior Technical Advisor- Governance and Security Programme, Mr. Wilbrod Owor, Executive Director, Uganda Bankers' Association, Ms. Judy Rugasira Kyanda, Managing Director Knight Frank

Dispute Resolution mechanisms and the implementation of the electronic case management system whose purpose it is to expedite and ease court processes and cases.

She reported that the ingenuity by court to adopt Alternative Dispute Resolution mechanisms has paved the way for timely resolution of disputes and dispensation of justice.

The Summit comprised a keynote address that was proceeded thereafter by Panel discussions that focused on the following thematic areas;

- Transforming Uganda into an Attractive Alternative Dispute

- Resolution destination
- The changing landscape of financial disputes
- Emerging areas and trends of the 21st century in Arbitration

Key highlights and recommendations from the summit included;

The Alternative Justice System was launched and will position Alternative Dispute Resolution as the dispute resolution forum of choice so that Uganda is an attractive destination for Alternative Dispute Resolution that has clear guidelines on dispute resolutions. In a bid to create an efficient and accessible justice system, the summit recommended the following;

- Amend the Arbitration and Conciliation Act
- Align the Alternative Dispute Resolution system with international standards
- Investment in the capacity building of Alternative Dispute Resolution professionals
- Development of the National Alternative Dispute Resolution (ADR) policy to provide guidance regarding ADR
- Strengthen partnerships with other international arbitration institutions



UBA Chairperson, Ms. Sarah Arapta, speaks at the summit.



Speakers during a panel session at the Summit.



2. Annual Bankers Conference 2023



Deputy Governor Bank of Uganda Dr. Michael Atingi-Ego speaks during the Annual Bankers Conference



Mr. Shehryar Ali, Country Manager East Africa, Mastercard delivering the keynote address during the conference, Mastercard was also the Title Sponsor for this event for the 6th Year.

Uganda Bankers' Association hosted the 6th Annual Bankers Conference on 14th August 2023, under the theme **Trends & Innovations in the Fintech Space, Changing the face of Banking and Financial Services**

The conference provided opportunity for rich discussions and information exchange on day1 and a training on cybersecurity was delivered the next day for Heads of ICT/ Cybersecurity from UBA member financial institutions and other financial sector players.

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

- The trends and innovations in

the fintech space, changing the face of banking and financial services

- Digitization and regulatory challenges
- Digital services and other fintech offerings, trends, challenges and opportunities
- Cybersecurity: The role of ecosystem participants in managing fraud and cybersecurity risks

In her remarks, the UBA Chairperson Ms. Sarah Arapta noted that the banking sector had arguably been one of the most impacted by the proliferation of disruptive technology that had significantly changed the way the financial ecosystem operated and delivered products and services to clients, which had positively impacted economic growth through financial inclusion.

“We stand on the brink of a technological revolution that has fundamentally altered the way we live, work, and relate to one another” She Said

Ms. Arapta further noted that the monumental challenges faced today i.e. the covid 19

pandemic, the turbulent global macro environment, the impacts of the Russia/Ukraine war, Ebola outbreak in Uganda and the most recent consequences of the World Bank suspension of the funding following the enactment Accelerated Hub Architecture (AHA) remind us that throughout history, turbulent times are often accompanied by innovation.

The technology enabled innovations in banking and financial services known as Fintechs had accelerated rapidly in reshaping the future of financial services thus blurring the boundaries of financial firms and the financial sector

The Deputy Governor Bank of Uganda, applauded members of Uganda Bankers' Association for the virtuous collaboration with the telco's and fintech startups aiming to democratize access to digital financial services.

” Dr. Atingi-Ego said “the Fintech revolution is transforming the financial landscape and demands thoughtful consideration and proactive risk management.” He further added,” as financial professionals, we are responsible for embracing these changes, adapting our strategy, and ensuring that these innovations are harnessed to create a more inclusive, efficient, and secure financial future for all.”

He concluded by stating Bank of Uganda commitment to ensuring a smooth and orderly embrace of innovations to enhance financial inclusion, strengthening the banks operational and policy frameworks and foster a resilient financial sector that supports Uganda's economic transformation by increasing the economy's monetization.

The Permanent Secretary

from the Ministry of ICT and National Guidance noted that the conference was timely and dedicated to exploring the dynamic landscape of Financial Technology within the remarkable context of Uganda

Permanent Secretary called on participants to engage in insightful discussions on how government and private sector interventions, aligned with the Digital Transformation roadmap and the African Union’s aspirations, can overcome obstacles and magnify opportunities while safeguarding against unintended consequences.

She urged the stakeholders to work together to foster a FinTech landscape that not only thrives

on innovation but also operates with utmost integrity, benefiting both our entrepreneurs and the broader Ugandan population.

The conference was attended by delegates from the Bank of Uganda, government ministries, partners, and numerous stakeholders both virtually and physically. There were total of 184 (one hundred and eighty-four) physical participants, 374 online, 849 Twitter and 77 facebook.

Key recommendation/actions from the Conference

- Stakeholders in the banking and financial services sector called upon to provide digital and financial knowledge to the customers so as to benefit from consumer protection guidelines

- The need to strengthen the trust centres like NIRA to enable the image authentication identification an integral part in the financial system to curb fraud
- Banking and financial sector players were encouraged to adopt block chain technology e.g. Central Bank Digital Currencies to curb fraud and money laundering. In addition, inclusion of AI in the technical solutions developed and accepted by financial institutions to help reduce fraud.
- Supervised financial institutions were urged to conduct due diligence of staff at the point of recruitment to mitigate the risks associated with cybersecurity

Summary of the Annual Bankers conference in pictures



3. Launch of women economic empowerment initiative

In October 2023, Uganda Bankers Association in partnership with VISA convened the Inaugural Women Economic Empowerment Forum.

This forum brought together over 90 participants comprising members of the Uganda Bankers' Association, government representatives, representatives from NGOs, development partners and private sector, FinTechs to discuss solutions to the barriers affecting the economic empowerment of women in banking, finance and entrepreneurship.

The forum comprised a keynote address that was delivered by the UNDP Resident Representative Ms. Ellsie Attafuah, who called for strengthening the Women Economic Empowerment Initiative to a platform that can be used to co create development solutions for women's economic empowerment. She urged institutions to deliberately integrate women's empowerment into their business processes and programs, support trade facilitation and market access.

Speaking during the opening ceremony, the UBA Chairperson Ms. Sarah Arapta, mentioned that the Women Economic Empowerment Initiative was grounded on four pillars namely;

1. Leadership and empowerment.
2. Rewards and recognition.
3. Access to and inclusivity in finance.
4. Partnerships and collaboration.

She concluded her remarks by stating that the WEE Initiative would provide a framework to recognise the outstanding women who are making significant contributions in and to the financial sector.

The Honorable Minister of Gender, Labour and Social Development, Honorable Betty Amongin Akena, officially launched the Women Economic Empowerment Initiative(WEEI). This UBA initiative is one of the key pillars of the industry ESG strategy, and directly speaks to the "S" and

"G" because it advocates for the financial sector's relationships with its employees, customers, suppliers, and the communities in which it operates, as well as how it is managed and controlled, with specific reference to the place, position, and priority of women.

Furthermore, this is an important initiative, as it is a demonstration of the banking industry's commitment to contribute impactfully to the UN Sustainable Development Goal No. 5-To achieve gender equality and empower all women and girls.



UBA Chairperson, Ms. Sarah Arapta speaks at the launch of WEEI



Ms. Salma Ingabire, the Country Director, Business Development Leader, Sub-Saharan Africa, VISA gives her remarks at the launch of WEEI



Deputy Governor Bank of Uganda, Dr. Micheal Atingi Ego, delivers his remarks during the launch.



Ms. Ellsie Attafuah, the former Resident Representative, UNDP, deliver a keynote address during the launch event



The Minister of Gender Labour and Social Development, Ms. Betty Amongin Akena, speaks during the launch of WEEI



4. National Exports Logistics Dialogue 2023

UBA joined diverse stakeholders at the National Exports and Logistics Dialogue 2023. The policy dialogue intended greatly to attract and guide investment into logistics infrastructure development through both public private partnerships and development partner financing.

The dialogue was organized in partnership and collaboration between the private sector, government, trade associations and traders. The partners included the Private Sector Foundation Uganda, Uganda Cargo Consolidators Association, Uganda Groupage Importers and Exporters Association, Uganda Revenue Authority, Uganda Bankers' Association, Marine Time

Company Limited and Jubilee Allianz General Insurance.

A total of 100 participants from the Government, development partners, private sector, media, and the public attended this one-day event that took place on 2nd November at Sheraton Hotel (Rwenzori Ballroom). Some of the key organizations involved included Trademark Africa, UNDP, PSFU, GIZ, UN Economic Forum for Africa, African Development Bank, UBA, UEPB, PACEID, URC, Uganda Airlines, Ministry of Works, and Transport, ministry of trade, ministry of finance, Uganda railways corporation, regional banks, and commercial banks.

Under the theme **UNLOCKING**

EXPORT LOGISTICS FINANCING AND SUBSIDIZATION, the event comprised a two-panel dialogue with the first morning panel deliberating on the state of export logistics in the country through public and private logistics provider and also export producers under the subtheme growing export logistics through competitiveness and subsidization.

The second panel of the afternoon was graced by development partners and financing institutions deliberating on the existing financing opportunities and challenges for logistics of exports under the subtheme unlocking challenges in exports logistics financing.



5. 1st Annual Fraud Mitigation Forum

On 23rd March 2023, a fraud forum with various stakeholders was convened with the support of Stanbic Bank Uganda.

The key output of this meeting was the development of a fraud risk mitigation framework anchored on the following five pillars;

1. Empowering customers and end users through joining efforts on the beera steady

campaign and other financial and digital literacy activities.

2. Promoting integrity among banking and financial sector staff.
3. Enhancing standards, systems and processes among financial institutions through fostering more collaboration with other partners
4. Working closely with key domestic anti-fraud stakeholders and agencies
5. Subscribe to and collaborate

with International anti-fraud agencies.

During the year, UBA progressed with execution of initiatives under each of the five pillars, through participation in the beera steady campaign, development of banking guidelines on mitigation of fraud, the establishment of a fraud portal that is being utilized by Member Financial Institutions to share fraud incidences among others and support one another. This will continue in 2024.



Stakeholders at the Inaugural Fraud Mitigation Forum



EDS BOU, Dr. Twinemanzi Tumubweinee, speaks at the Forum



Chairperson UBA, Ms. Sarah Arapta gives her remarks at the Forum



Stanbic CEO, Anne Juuko, speaks at the Forum



6. GOVERNMENT

The Government sets the policy and legislative context within which we operate which has significant implications for our operations.

Key areas of interest

Industry contribution to National Development Plans and the economy

How we engaged them in 2023

6 (a) Meeting with Committee on Public Service and Local Government on Parish Development Model

In a bid to strengthen Government of Uganda efforts on poverty alleviation, commercial banks responded to a call for proposals dated February 08th 2022 and adopted strategies to strengthen and to transform subsistence households by easing access to appropriate financial services under Pillar 3 of Parish Development Model (Financial Inclusion) and their role was to deliver financial services to all the citizens.

Since commencement of its implementation and participation of supervised financial institutions in supporting the government on ensuring access to appropriate financing, UBA leadership held a meeting with the Parliamentary Committee to share updates in this regard and also highlight emerging issues from the initial implementation

phase.

Key highlights of the discussions are indicated below;

- All participating Supervised Financial Institutions (SFI) customized products highlighting their value proposition, developed joint work plans with the local governments and progressed to engage the respective parish level committees.
- Supervised Financial Institutions opened PDM SACCO accounts upon receipt of certified copy of the registration certificate, Letter

of introduction from the District Commercial Officer highlighting who the SACCO Office bearers and conducted full Know Your Customer (KYC) due diligence on each of the three signatories with a bank mandate for all bank transactions being signed and approved by all three.



L-R, Mr. Fabian Kasi, Vice Chair UBA Stakeholder Committee, Ms. Sarah Arapta, Chairperson UBA, Ms. Anne Juuko, Chair UBA Stakeholder Committee and Mr. Wilbrod Owor Executive Director UBA at the Parliament of Uganda after meeting with the Hon. Speaker.

Status update of PDM account Disbursement by Member Financial Institutions

S/N	SFI	Total Amount Received+ Interest on A/C	Amount Disbursed	Number of loans disbursed	Level of disbursement (%)
1	Centenary Bank	337,973,441,591	265,522,733,851	265,523	78.56%
2	DFCU Bank	193,383,590,243	149,042,185,891	140,639	77.20%
3	Opportunity Bank	110,723,211,007	73,007,691,423		66%
4	Finance Trust	39,830,921,086	27,700,663,723		69.50%
5	Postbank Uganda Ltd	248,400,000,000	199,196,914, 000	199,196	80.10%
6	Diamond Trust Bank	7,433,544,092	4,731,384,725	1,685	63.65%
7	Housing Finance Bank	29,362,580,096	19,291,110,129	25,143	65.60%
	Totals	967,107,288,115	1,880,675,436,742	632,186	

Key emerging issues

a. Remote and hard-to-reach areas

that do not have bank branches and Agents which necessitated the bank official physical presence to serve the communities. The Banks have since eased this through deployment of Agent Banking, mobile banking platforms such as Post Bank's Wendi and mobile vans.

b. Low network coverage in some areas

slowed down onboarding of beneficiaries on Banks using electronic means. Deployment of Offline modes meant account opening could only be completed once officials were out of the field and in some instances manual onboarding was conducted. Relatedly SACCO leaders have had to improvise and go to a nearby town centers to access the network so that they are able to process the beneficiary loans.

c. Delays in crediting accounts

due to wrong account details on schedules. Banks are faced with data mismatches in multiple locations as banks conduct verification of mobile numbers

and National IDs.

d. Complaints related to individuals/SACCO none receipt the funds,

mismatch on the amount expected and amount received. Banks have encouraged the SACCOs/ beneficiaries to obtain a remittance confirmation and bank statement to enable them support with reconciliation.

e. Frequent changes of guidelines PDM SACCO accounts management

has impacted ability to offer a seamless disbursement eg initial guidelines allowed for a minimum balance and minimal charges agreed between Ministry of Finance Planning and Economic Development and Member Banks to sustain the ecosystem which were replaced with new guidelines that created for a free service despite the operational costs of running the fund related to the cost of funds, staff and logistical deployment hence putting pressure on SFI's.

f. Significant breaches in PDMIS

have been highlighted including

instances where PDMIS is able to accept duplicate payments i.e same person being paid from 2 different SACCOs, there are instances where the processor of the payment inserts into beneficiary's accounts outside the PDMIS. An audit trail of these transactions has been shared and Banks as regulated Institutions have highlighted the gap with little effort to rectify.

Financial Institutions remain committed to extending the relevant support towards successful execution of the Parish development model and critical to this is will be Integrating PDMIS with the different Bank applications for Mobile payments.

Different Banks have solutions that can be integrated such as Centenary Bank's Cente Mobile and Cente Swift, Dfcu Bank's Quick Banking and Investment Club App, Post Bank's Wendi, Opportunity Bank's KUSSIMU and Finance Trust Bank's Trust Mobile among others.

6 (b) Banking Sector engagement with Uganda Revenue Authority

The Leadership of Uganda Bankers Association had opportunity to engage with the Commissioner General of Uganda Revenue Authority, Mr John Musinguzi and the Commissioner Domestic Taxes, Ms. Sarah Chelengat during which the key issues discussed included;

1. Mutual understanding & interpretation of constitutional court ruling on access to customer information to avoid ambiguity and indirect undermining of ruling.
2. Delays on effecting Tribunal decisions made in favour of banks.
3. WHT Returns where customer

TINs are required: Extend deadline.

4. Stamp duty dispute: Request for rescheduling of June 30th deadline, pending conclusion/resolution of dispute currently at the tax tribunal.
5. Finality of audits (Do not repeat years already audit)
6. Proposed amendment to section 118 (B)(2) of the ITA regarding tax on the sale of assets, where members are of the view that this may further constrain recovery.
7. List of banking sector tax proposals for consideration in FY 2023/24 budget.
8. Prior years outstanding tax issues.

- a. Tax practice note on the corporation tax treatment of accrued interest expense incurred by Banks/Regulated Financial Institutions
- b. Withholding tax treatment of the different management and transactional charges on Nostro accounts.

The meeting agreed to regular engagements between UBA and URA to enable both parties discuss strategic bottlenecks that require solutions and to clear out any emerging issues especially with the technical teams from each.



UBA Member Bank CEOs with Mr. Rujoki Musinguzi, the Commissioner General URA and The Commissioner Domestic Taxes, Ms. Sarah Chelengat at the UBA Monthly Meeting.



6 (c) UBA meets with the permanent secretary/secretary to the treasury Ministry of Finance Planning and Economic Development

In an effort to engage with key stakeholders on matters with a direct bearing to the banking and financial sector as well as to the wider economy, UBA held a meeting with the PSST, Mr. Ramathan Ggoobi that discussed among others;

- **Country credit ratings:** Implications and way forward. Public Debt Management/ Govt Arrears
- **Fiscal policy matters:** Outlook/Balance of Payments, tax practices constraining the sector.
- **Uganda on the Grey list:** Non-financial sector bottlenecks still on the list.
- **Governance Matters:** NSSF/ Retirement benefits sector
- **Petroleum Devt matters:** National Content Fund: Overview, role of and incentives to FIs for mobilizing funding if any.
- **Development Finance:** Mobilization Proposals. (Including REF and Others).

management particularly with investors in as far a debt management was concerned.

- Bank of Uganda and the Debt Management office at Ministry of Finance Planning and Economic Development urged to put in place a program and communication framework for debt management including bond switching.
- UBA will develop and share an industry financing strategy for the Petroleum and its related value chain, also detailing any ask/key success factors to Ministry of Finance Planning

and Economic Development

- A tripartite meeting (UBA/BOU/MOFPED) to be arranged for by Mofped on Development Finance Mobilization and Proposed Institutional Responsibilities.
- The PSST also expressed concern about the very poor performance in disbursement of the SBRF (Small Business Recovery Loans) and members undertook to look into the issue.
- PSST drew the attention of UBA to sentiments and perceptions from other sectors that the banking sector was being treated

more favourably than other sectors from a tax point of view. He called on UBA to be prepared to clarify on such assertions should the need arise.



Mr. Ramathan Ggoobi speaks at the meeting with UBA member CEOs.



UBA Vice Chairperson, Mr. Julius Kakeeto and Mr. Ramathan Ggoobi, Permanent Secretary/Secretary to the Treasury, Ministry of Finance Planning and Economic Development at the meeting with UBA Member CEOs



The meeting discussion highlights and actions are indicated below;

- UBA was called upon to assist in stakeholder



6 (d) East African judges and Magistrates Conference 2023

Uganda Bankers Association participated in the East Africa Judges and Magistrates Conference that was held between 4th and 8th December 2023 and shared a presentation on the topic, **“Challenges Facing the Banking Sector in the Administration of Justice Relating to handling of case backlog”**.

The Key actions that were adopted from this conference included:

1. Screen cases at filing stage to avoid nuisance or frivolous cases just meant to buy time.
2. Profile cases (a) Original cases, (b) appeals, (c) applications for extension of time as such easy to dispose.
3. Allocate judges and magistrates targets (No of cases that must be disposed annually). In Tanzania its 220 cases per judge and 240 cases per magistrate.
4. Draw up proper court calendar.
5. Where possible apply First in First out (FIFO).
6. Avoid legal technicalities & adjournments.
7. Promote Plea bargaining.
8. Promote/Utilize small claims procedure (No legalese).
9. Encourage/Foster and facilitate ADR (Alternative Dispute Resolution).
10. Regularly involve, dialogue with and hold seminars with stakeholders to identify bottlenecks, show stoppers
11. Establish backlog clearance teams.
12. Utilize/leverage ICT (Electronic case registration and management, hold e-hearings/virtual proceedings, record proceedings, quickly transcribe so it goes to judgement). This also comes in handy even if judges are transferred.



Mr. David Mpanga speaks during the conference



UBA Executive Director Mr. Wilbrod Owor at the conference

Section 5

STRENGTHENING OUR ESG COMMITMENT THROUGH CSR





Environmental, Social and Governance (ESG) Framework for Uganda's Banking Industry

With funding from aBi Finance Ltd, the ESG framework for Uganda's banking industry was undertaken by a consultancy firm, Ernst and Young (EY) whose primary assignment was to support the UBA technical and project committees in building a framework, including support policies, procedures, and reporting frameworks that would enable the institutionalization of the ESG framework and agenda in the banking industry.

The integrated report contains recommendations for a robust ESG Framework around four significant components/workstreams including the following.

- ESG Governance
- Sustainable Finance
- ESG Risk Management
- ESG Reporting and Disclosures

The aim of the document is to guide the member banks of Uganda Bankers' Association (UBA) in establishing a systematic approach towards managing risks and opportunities related to environmental, social, and governance criteria.

In addition to the best practices of benchmarked peer banks, the report and its recommendations are

also guided by some of the widely adopted and substantial regulatory guidelines such as Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), International Sustainability Standards Board (ISSB), guided by International Capital Market Association's (ICMA) Green Bond Principles (GBP) and Social Bond Principles (SBP).

The recommendations have also been contextualized to suit the East African landscape by aligning them to regional standards such as Guidance on Climate-Related Risk Management by the Central Bank of Kenya, Policy Guidance Note on the issuance of Green Bonds in Kenya, Sustainable Finance Principles and Guidelines by Kenya Bankers Association, Green and Social Bond Principles by

Africa Development Bank.

The ESG framework will also support the regulator and UBA where they can draw upon the given recommendations to inform the development and implementation of regulations, policies, or guidelines that promote sustainable business practices.



Ms. Mona Muguma Sebuliba, Chief Executive Officer aBi Finance Ltd

Member Developments/Activities

a) Post Bank launches Wendi

With Wendi;

- Anyone can open a wendi account without necessarily having a Post Bank Bank account
- Anyone can open a digital bank account via wendi for any willing and integrated bank
- Any partner bank can use the wendi platform for agency banking, facilitating bank account deposits and withdrawals



b) Chief Finance Officers Awards



c) Financial Markets: BOU Appoints Primary Dealer Market Makers

In September 2023, Bank of Uganda announced the appointment of eight (8) commercial banks as Primary Dealer Market Makers for a period of three years.

1.	Absa Bank	5.	Equity Bank
2.	Centenary Bank	6.	Housing Finance Bank
3.	Citibank	7.	Stanbic Bank
4.	Dfcu Bank	8.	Standard Chartered Bank

d) Bank of Baroda celebrating 70 Years, a Legacy of excellence



e) Centenary Bank celebrating 40 years of transforming lives



f) Uganda Development Bank Climate Finance Launch.



g) Housing Finance Bank and Post Bank launch the Sustainability Standards Certification Initiative



Member Bank CSR 2023

Absa Bank Uganda



Financial Inclusion

In a move to reach underserved communities with consumer financial education, we reached 46,669 beneficiaries with financial literacy in 2023, via partnerships with selected organisations, X-spaces and organisations where Absa has workplace banking. Among the beneficiaries were 530 business owners, trained under the Absa SME Academy in partnership with Enterprise Uganda, 300 sickle cell caregivers with Raising Hope International

friends, where sickle cell disease is one of the most expensive diseases and the caretakers need training on how to use the limited financial resources to be able to take care of the sickle cell patients. Additionally, 2,566 youth were prepared for work readiness under the Absa ReadytoWork program, in modules which include among others Work, People, Money and Entrepreneurial skills.



Skilling of beneficiaries with consumer financial literacy education

Keep a girl in school initiative

On average 4 in 5 girls don't attend high school with the rate of teenage pregnancies as high as 25% in Uganda. In 2023, Absa Uganda launched the Absa_KH3 7Hills run aimed at raising funds to keep a girl child in school where Ugx 200,000,000 was collected and handed over to different beneficiaries - World Vision, Wakisa Ministries, IEYAWWE, TERREWODE and Mukono High school to support the girl child stay in school.

1,159 women supported in partnership with World Vision Uganda. The donation targeted alleviating absenteeism and dropouts associated with Menstrual Hygiene Management among schoolgirls, a challenge that currently affects many young women's educational progress.

1,350 girls in Mukono were supported with reusable sanitary pads to enable them stay in school, this was in partnership with AfriPads Uganda.

5 teen mothers at Wakisa were paid for school fees and taken back to school.

13 teen mother and survivors of fistula at TERREWODE were skilled in culinary arts, baking, tailoring and design skills.

120 teen mothers at IEYAWWE were skilled in tailoring, knitting, and crocheting.



Absa KH3_7Hills run with proceeds to keep a girl in school

Climate Action

Under our Climate action pillar, Absa Uganda made a commitment to plant and grow 1 million indigenous, medicinal and fruit trees in 3 years. 340,590 Trees



were planted in 2023, through leveraging employee volunteering and different partnerships including, My Tree Initiative under the Schools greening initiative to provide shade and a sustainable source of food supply for the school children, Makerere University where we set up a botanical garden for research and recreation, Kabalye Police Training School, Integrated Efforts for Youth and Women Empowerment (IEYAWWE), Kyambogo University,

Mwiri Old Boys Association, Mountains of the Moon University, Fort Portal Golf Course, Soroti University, Absa KH3 Jinja Relay in an initiative to reforest Mabira Forest, Hostalite in the Hoima city greening initiative and Kampala Capital City Authority where we signed an MOU to improve Kampala's tree density, skill women and youth in financial literacy and support behavioral change communication.



Engaging pupils and students in planting of fruit trees for food sustainability and shade

Bank Of Africa - Uganda Ltd 2023



Ramadhan donation to orphanage – April 2023

The Bank believes in supporting local communities where it operates and this is done through several initiatives such as the Ramadhan donations.

During the Holy month of Ramadan, the Bank showed appreciation to the Muslim community and donated an

assortment of items to Save the Islamic Society Uganda (SISU) orphanage which takes care of over 100 orphans.



Abalema development focus donation – October 2023

The Bank led by its Managing Director, Arthur ISIKO extended material support to the Abalema Development Focus, a non-

governmental organization dedicated to assisting individual with disabilities. During the event, the chairman of the NGO,

expressed gratitude for the received items, including support wheel chairs, diapers, and food among other essentials.



Bank of Baroda



Over the past seven decades, The Bank of Baroda (Uganda) Limited commitment to Corporate Social Responsibility (CSR) has left an indelible mark on various aspects of society, shaping lives, fostering unity, and nurturing a brighter future for all.

The Bank of Baroda (Uganda) Limited conducted CSR activity in collaboration with Uganda Traffic Police and donated 1600 Reflector Jackets and 1600 whistles to the traffic policemen on the eve of the Banks 71st Foundation Day. Reflector Jackets and whistles are part of the traffic police attire

and police department were in need of these fresh accessories for effective discharging of their duties and in presenting good image of the country to the visiting dignitaries during NAM and G77 Summit which was scheduled to be held in January. These reflector Jackets and Whistles were handed over to traffic authorities Mr. Godwin Arinaitwe SSP Traffic Police & Mr. Justin Opus SP Traffic Police by Mr. Michael Atingi-Ego The Deputy Governor Bank of Uganda & Mr. Shashi Dhar Managing Director Bank of Baroda (Uganda) Limited.

The Bank of Baroda (Uganda) Limited organized blood donation drives at six location during the year and covered Kampala, Arua, Lira and Mable Districts, During the drives 456 units of blood was donated which helped in saving many lives .The Bank of Baroda (Uganda) Limited also contributed in improving the health, hygiene, and education of children’s who have Cerebral Palsy by contributing essentials and scholastic materials.



Centenary Bank



Education & Financial Literacy

Empowered communities are fundamental for the economy to thrive. A total of 64 activities were carried out aimed at improving the quality of education and imparting financial literacy skills. Among these were direct trainings for women, youth, SMEs, farmers, Saccos and Village savings associations.

Among these, a total of 14,007 participants attended VSLA's & SACCO training, 1,630 youth were trained, 700 farmers, 638 Women, 628 school proprietors, 224 investment clubs, and 148 Small and Medium Enterprises (SMEs). Total beneficiaries were 17,975.

Besides classroom training, a total of 98 schools and education institutions were supported in different co-curricular activities. In total, the bank committed Ugx. 300 million towards financial literacy activities and support to the education sector.



Environment

Environmental sustainability continues to remain key in the bank operations. A total of 30 initiatives were carried out towards environmental sustainability. The Bank took deliberate steps to partner with cities and municipalities to address current environmental challenges. Among the key initiatives was tree growing starting with Kasese, Masaka and Mbale. These cities were selected considering the adverse climate challenges experienced including floods and landslides that affected the communities severely. A total of 14,689 trees were planted by December 2023;

management initiatives like paper recycling where 1.7tons of obsolete records were recycled as

opposed to the earlier practice of incineration.

Besides Tree growing, the bank went ahead to support waste



Citibank 2023



(From L-R) Citi Sub-Sahara Africa CEO – Akin Dawodu & Citi Uganda CEO – Sarah Arapta handover a dummy cheque to Hashima Batumuliza (Husnah’s Mum and Manager) and Uganda Para swimmer - Husnah Kukundakwe at the bank premises.

On Tuesday November 28, 2023, Citi Sub-Sahara Africa CEO - Akin Dawodu, alongside Citi Uganda CEO – Sarah Arapta, officially launched Citi’s extremely impactful Paralympic sponsorship with Uganda Para swimming Star Husnah Kukundakwe, with funding worth UGX 45 million. Citi has been a global partner of Para sports since 2012 and is proud to partner with Husnah Kukundakwe to help change the perception of people with disabilities. Husnah joins more than 25 other para-athletes from around the world who make up “Team Citi”.



Citibank Uganda CEO - Sarah Arapta (third left) is joined by Citibank Uganda Executive Director – David Sekirembeka (second left) as they handover a dummy cheque worth UGX 50.25 Million, to the Director of HIV INFECTED CHILDREN AND YOUTH FOUNDATION – Mr. John Kintu, as part of Citi’s annual Global Community Day.

2. As part of Citi’s annual Global Community Day, Citibank Uganda committed over UGX 50,000,000 towards supporting HIV INFECTED CHILDREN AND YOUTH FOUNDATION, through various interventions including a sustainable income-generating project by providing 2 fishing boats complete with engines and life jackets, which will go a long way in easing the daily operational expenses the

foundation has to incur.

Various other donations were made including renovating the neighbouring school where the Children from the foundation study by providing classroom chairs, tables as well as school uniforms, renovating and equipping the kitchen. The bank also provided nutritious food items, beds complete with mattresses, beddings and

mosquito nets. We believe that all these will go a long way in making the lives of the Children better.

This reinforced our commitment to addressing the evolving challenges our communities are facing and show how volunteerism plays a meaningful part in helping our communities grow and progress.

Diamond Trust Bank



Activity 1

Sustainability - Under the DTB's Environment Social and Governance (ESG) Agenda, DTB sponsored the 5TH SDG Marathon that happened on 29th October 2023 at Kololo ceremonial grounds to drive awareness and action to achieve the UN Sustainable Development Goals. The marathon was dedicated to ensuring affordable, reliable and

sustainable energy for all (SDG7). Proceeds from the run were dedicated towards installation of solar power supply system at Bullisa Health Centre IV in Buliisa District. DTB is focusing on 5 pillars to achieve its ESG Strategy and they include Climate actions, Green Financing, Responsible Supply Chain, Partnerships and Corporate Citizenship.



DTB staff displaying the appreciation certificate after the 5 SDG Run at Kololo ceremonial grounds.

Activity 2 -

Wildlife Conservation - DTB joined Uganda Wildlife Education Centre - Entebbe Zoo in conserving nature as part of our Corporate Social responsibility initiatives, support to communities and protection of the ecosystem. The bank contributed Ushs.30

million shillings towards the Baby Giraffe's welfare and was given an opportunity to name the baby animal Diamond meaning PRECIOUS AND LOVED.



DTB Managing Director Mr. Varghese feeds baby Diamond after the naming ceremony at the Entebbe Zoo.

Activity 3.

Financial Literacy to School Children - In our quest to drive financial inclusion and acceptable financial behavior for a sustainable economy, DTB conducted financial literacy training among children. Over 6,000 children were reached to in face-to-face engagements at school assemblies, schools days, branch visits and parent meetings. Children were taken through principle and tools of basic saving. Other 9,000 children were reached out to through the children reading materials on savings - "I will never die poor - with a DTB Kid's winner account." These books were donated to various primary school libraries within the country.



Beneficiaries of DTB Financial Literacy in schools.

Malaria Free Uganda



As part of our commitment to supporting the government's efforts in the fight against malaria, Ecobank Uganda has donated UGX80M, with an additional UGX80M from our Zero Malaria Business Leadership (ZMBLI) matching fund, which was raised during the #RotaryFamilyCarnival. Together, we donated a total of 160M UGX to @MinofHealthUG to support their malaria control programs. We can't wait to match what the 2nd edition Carnival made.



Blind Football Uganda



Gulu team the winner of the tournament



We celebrated #EcobankDay10 with Blind Football Uganda on 21st October 2023 and were amazed by the incredible talent of visually impaired individuals and the potential of technology

to improve the football skills of our passionate youth. For over ten years, Ecobank Uganda, has been devoted to supporting meaningful causes, from youth education to healthcare, and much more. On

this special occasion, our MD, Muliisa B Grace, announced a contribution of UGX 8,000,000 to provide much-needed digital equipment for your training sessions.

Red Cross

We are delighted to update you on Ecobank Uganda's ongoing commitment to the Keep A Girl initiative, highlighted by the inauguration of their new reusable sanitary pad factory in Namakwa. This initiative underscores our dedication to empowering marginalized

communities and providing essential support to over five million girls in need. Within the framework of Ecobank Uganda's education pillar, we persistently work to improve access to basic infrastructure, ensuring the delivery of quality and affordable education to low-middle income

families. Collaborating with Uganda Red Cross, we actively contribute to fundraisers and training programs, addressing challenges hindering girls' education, including the provision of sanitary pads—a critical factor in reducing school dropouts.



Hellen Luyima, Head of Commercial and Corporate Banking, interacting with a factory worker during the launch event.



Housing Finance Bank



Housing Finance Bank partnered with NSSF in a run dubbed the Kampala Hills Run aimed at raising UGX 1 Billion to refurbish public primary schools, enhance sanitation facilities, and provide digital labs.

HFB contributed Ug.Shs 150million towards the run. The run held on July 2, 2023 at Kololo independence grounds raised 948 million shillings, 400 million in cash, and the balance in kind. Over 30 schools have been facilitated and about 1,500 pupils impacted.



Housing Finance Bank, in partnership with the Habitat for Humanity and Buganda Kingdom, has handed over a newly constructed eco-friendly house to Ms. Namusisi Tezirwayo, a resident of Buikwe district (Kyaggwe County), as part of the 'Decent Living Campaign' initiative.

Launched in 2018, the initiative focuses on elevating the living standards of Ugandans, enhancing shelter, livelihoods, clean water access, and hygiene and sanitation in the Buganda Kingdom counties of Busiro, Kyadondo, Ssinga, Mawokota and Kyaggwe.

The Bank contributed Ug.Shs 40million towards the initiative.



Uganda needs about 450,000 units of blood annually to save lives. Less than 300,000 units were realized as of September 2023.

To help fill the deficit, Housing finance Bank held a blood donation drive at the Banks Head office in Kololo.

Through the drive, 40 units of blood were collected.



As a demonstration of the Banks responsibility towards a green and sustainable Uganda, Housing Finance Bank donated ten high-quality waste bins to Gayaza High School.



Housing Finance Bank opened a new Branch in Hoima District in July 2023. As a way of giving back to the community, the Bank donated recycling bins to support the city's solid waste management efforts.



As part of the initiatives of bettering the communities in which we serve, HFB donated Ug.Shs 15 million towards the renovation of All Saints Cathedral Nakasero.



At I&M Bank Uganda Ltd, we pride in engaging with the communities where we operate, with the aim of bettering livelihoods and boosting community initiatives. We believe an organisation can only be as strong as the society in which it operates.

As one of the main sponsors of the 2023 Kabaka Run, we reaffirmed our commitment to supporting charitable causes and giving back to the community.

Held at the Buganda Kingdom's seat in Bulange Mengo, The Kabaka Run is an annual event organised by the kingdom to raise funds for charitable causes and precedes the birthday celebrations of His Majesty Kabaka Ronald Muwenda Mutebi II, the King of Buganda.

The 2023 Run was held under the theme, “Men Against HIV/AIDS to Save The Girl Child,” which is in line with UNAIDS’ mission of ending AIDS by 2030.

To emphasise our dedication to community well-being and progress, we supported the noble initiative of raising funds for completing a new Accident and Trauma Centre at Nkozi Hospital along Masaka Road in collaboration with Kampala Archdiocese, Buganda Kingdom, and Rotary Uganda. The hospital receives between 350 and 508 accident emergencies annually. Unfortunately, the facilities at the hospital are not adequate and sometimes lives are lost, which prompted us to be part of this cause.

Our staff lived true to I&M Bank's slogan- ‘We’re on your side,’ as they led by example, organising a two-day blood donation drive at their Kingdom Kampala branch, starting on August 30, 2023.

A section of I&M Bank staff also visited Masulita Children’s Rehabilitation Centre to share love and with plenty to give. The contingent carried along a catalogue of household items that included sugar, salt, soap, beans, rice, flour, and cooking oil among others. They left the home having filled the children with hope and given them something to smile about.



2,027 Youth Graduate from the KCB-GIZ Twekozese Programme

KCB Bank Uganda and the German Development Cooperation (GIZ) have successfully concluded the KCB-GIZ Twekozese Programme, graduating a total of 2,027 youth beneficiaries. The program, aimed at enhancing Uganda’s skilled human capital, equipped the beneficiaries with essential skills in masonry, carpentry, plumbing, welding, and electrical installation. As a result, numerous decent and sustainable job opportunities have been created, contributing positively to employment rates and fostering economic growth within the communities.

The impact of the program extends beyond individual beneficiaries, as it has played a pivotal role in the growth of youth micro-businesses in the informal sector. The overarching goal is to empower these businesses to employ at least five other young

individuals, with the ambitious target of creating 250,000 jobs over the next five years. Currently, the initiative has already realized tangible outcomes, with over 740 direct jobs established in both formal and self-employment, accompanied by an additional 1,092 indirect jobs created through business owners and skills freelancers. In total, 1,832 individuals are now gainfully employed or self-employed, marking a significant milestone in the program’s success.

Recognizing outstanding achievements, the best 639 beneficiaries from various regions across the country have received start-up toolkits from the KCB-GIZ E4D project. These beneficiaries are actively utilizing the toolkits to enhance their livelihoods, showcasing the tangible impact of the initiative on individual empowerment and entrepreneurship.

The KCB-GIZ program was launched in July 2021 when KCB Bank, through the KCB Foundation, and the German International Cooperation (GIZ) collaborated to enhance the employability and income generation of youth in the construction sector. Both partners committed a combined amount of Ugx. 6 billion (EUR 1,572,419) towards the Employment and Skills for Development in Africa (E4D) Programme. This program, commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and co-funded by the Norwegian Agency for Development Cooperation (Norad), is implemented by GIZ. Together, they have made the KCB-GIZ Twekozese program a reality, providing Ugandan youth with an opportunity to improve their lives.

KCB RAMADAN OUTREACH PROGRAM

KCB, through its Ramadan Outreach program, hosted Muslim customers in Kampala for a dinner at Hotel Africana. In other districts, customers were supported with assorted food items to facilitate them during the holy month of Ramadan. Mosques that benefited from this initiative included Masjid Habib, Masjid Jamia, Swafa Mosque, and Ikra Women’s Mosque. This initiative aims at contributing to the well-being of Muslims and fostering understanding and goodwill within the Muslim community.

Ramadan, the ninth month of the Islamic calendar, is observed by Muslims worldwide as a month of fasting (sawm) and is believed to be the month in which the Quran was revealed to Prophet Muhammad (S.A.W.).



PostBank

During the peak of the Ramadan season, PostBank Uganda demonstrated its commitment to corporate social responsibility by providing Ramadan Sadaqa to some public universities in Uganda.

The bank visited mosques within Makerere University, Kyambogo, and Makerere University Business School, delivering essential food

items such as rice, salt, sugar, wheat flour, millet flour, cooking oil, and dates to ensure that students have access to nutritious food during the holy month. These items were handed over to mosque leaders at the respective universities, with the presence of some students and members of the broader Muslim community.

Additionally, PostBank Uganda

extended its support to the Arashad Islamic Orphanage Centre in Kakiri Town Council, aligning with its commitment to humanitarian support. The orphanage received a generous contribution consisting of sugar, soap, rice, cooking oil, and assorted fruits and vegetables.



Through these initiatives, PostBank Uganda not only contributes to improving the well-being of these individuals and communities but also showcases a dedication to corporate social responsibility and community development during significant religious occasions like Ramadan.



As part of PostBank Uganda's commitment to fostering financial inclusion and promoting economic empowerment, the bank sponsored the inaugural Northern Uganda Women in Business and Investment Summit, organized by the Uganda Investment Authority (UIA).

The focus of the summit was to connect aspiring women entrepreneurs with economic prospects and resources in order to increase access to economic opportunities and facilitate sustainable development in Northern Uganda.

Through our support for this summit, PostBank Uganda reinforces its dedication to enhancing financial literacy and promoting sustainable business practices. We believe that empowering women entrepreneurs not only drives economic progress but also creates a more resilient and equitable society.



PostBank remains committed to supporting initiatives that promote financial inclusion, gender equality, and sustainable development in Uganda.

Pride Microfinance Ltd (MDI)



Part of Pride’s objectives is to register positive social change in people’s livelihood and in line with our Corporate Social Responsibility agenda under the theme “Health,

Environment and Sanitation, Pride always commits 1% of her profit after tax towards supporting communities in need. We had several CSR activities

in our different areas of operation and we have highlighted the 2 below.

1. Refurbishment of St Philips Health Centre II Gulu

In 2023, Pride provided support for the renovation of the Main Ward of St Philips Health Centre II. The refurbishments included

wall corrections, painting of walls, installation of a concrete ramp, floor tiling, wall tiling, installation of new sanitary fittings, rainwater

gutters, and replacement of door locks. The total investment for this CSR initiative amounted to Ugx 151,231,290.



From L - R Board Chairman Pride Microfinance Hon. Fred Jachan Omach Mandir, Diocesan Secretary, Diocese of Northern Uganda Rev. Oyet Kenneth and Managing Director Pride Ms. Veronica Gladys Namagembe officially opening the refurbished Main ward at St Philips Health Centre II

A group photo of some of the members of the Management team of St Philips Health Centre II and Pride Microfinance posing in front of the newly refurbished main ward at the health centre.

2. Donation of sanitary items to SOS Children’s Village, Entebbe

Pride Microfinance donated sanitary items worth UGX 5 million to SOS children village Uganda in Entebbe- Wakiso district. Pride took the initiative to support the SOS children since 2018 and is still committed to transforming the lives of the vulnerable children under SOS and the community at large.



The Head of Business Development and Marketing at Pride Microfinance, Mr. Deo Kateizi addressing the staff and children at SOS Children’s Village, Entebbe.



The team from Pride Microfinance Ltd (MDI) handing over sanitary items to the Management and children at SOS Children’s Village, Entebbe.



In 2023 a total of over 15,598 youth were impacted through our Future makers programmes, under Goal project, Youth to work programme, the Youth in Agribusiness programme and in the Youth Empowerment, Entrepreneurship and Decent Employment programme. We worked with 4 partners – Voluntary Service Overseas, Challenges Worldwide, Cordaid and BRAC Uganda with an investment of Ugx 3.3bn funding from the Standard Chartered Foundation.



Goal Project

The Goal project is a long-standing programme Standard Chartered has run in partnership with BRAC Uganda since 2014. In 2023 we empowered more than 12,963 girls through our GOAL Project. Currently, the project is implemented by goal coaches who were trained on the GOAL curriculum and these in turn train the adolescent girls aged between 13-22yrs in the different clubs. The project aims at empowering adolescent girls from low-income communities with the skills they need to make informed life choices through sports and a goal activity guide which has four core areas that have been deemed critical life skills for adolescent girls. To date, we have empowered more than 480,000 girls through our GOAL Project.

Youth Empowerment, Entrepreneurship and Decent Employment programme - In partnership with Voluntary Services Overseas we invested Ugx 1,422,517,000 (One billion, four hundred and twenty-two million, five hundred and seventeen thousand only) in Phase II of the YEEDE.

The programme aimed at improving the employability skills of 200 excluded young people and people with disabilities, enhance entrepreneurship skills for 300 young people, including people with disabilities, support 400 youth and young people to start and grow businesses in competitive sectors by the end of the year, support the financial inclusion for 500 youths to access both non-formal and

formal financing opportunities and contribute to the creation of an enabling and supportive institutional policy and advocacy environment for entrepreneurship and employment in productive sectors.

In Uganda, the project was implemented in areas around Kampala District - Nakawa, and Makindye Divisions and in Wakiso District; in Nabweru, Nansana Municipality.

Accelerating Net Zero - in partnership with Environmental Conservation Trust of Uganda and Buhimba Farmers Union, we planted 40,000 trees in Kikuube District – mid western Uganda in 2023. We leveraged on the household model with 412 household farmers and 8 institutions planting on their private land. This initiative is in line with our accelerating to Net Zero agenda where we committed to reduce our carbon emissions as fast as possible, without slowing development, and contributing to put the world on a sustainable path to net zero by 2050.



Tropical Bank Limited



Blood Donation Drives



To commemorate International Customer Service Week, Tropical Bank organized 3 blood donation drives at Nakivubo Mews, Kawempe and Jinja on 25th October, 2023. This initiative was aimed at promoting our society's wellbeing and attracted more than 300 participants. The noble cause helped to save lives and fostered a culture of voluntary blood donation amongst our employees and the community. Over 150 litres of blood were collected.

Volunteers at Nakivubo Mews donating blood to save lives during the customer service week 2023

Uganda Muslim Education Association (UMEA) Solidarity Games 2023



Ag. Executive Director, Ms. Joweria Mukalazi, awards medals and trophies at the Umea solidarity games

As part of our corporate social responsibility commitment in the areas of education and sports, for the sixth time in a row, Tropical Bank sponsored the Uganda Muslim Education Association

(UMEA) Solidarity Games 2023 on 7th–10th April, 2023. More than 50 Muslim-founded schools participated, featuring indoor and outdoor games at Kawanda Secondary School. The event

was honoured by Ag. Executive Director, Ms. Joweria Mukalazi of Tropical Bank, who awarded medals and trophies to the winning teams.

UGAFODE



UGAFODE donated food items worth UGX 3,000,000 to Muslim refugees in Nakivale Refugee Settlement in Isingiro district for Eid al- Fitr celebrations in April 2023. The food benefited about 250 people from 67 families

UGAFODE has been involved in financial inclusion for refugees since 2018 with the objective of building financial resilience

among refugees. It was the first regulated financial institution in Uganda to extend services to refugees in a settlement area

when it opened up a branch in Nakivale Refugee Settlement in March 2020.



Representatives of the Muslim Community in Nakivale Refugee Settlement receiving food donation from UGAFODE Microfinance Limited (MDI). In red tie is UGAFODE’s Marketing manager Boaz Tuhome.

UGAFODE participated in the Kabaka’s birthday run in April where we contributed UGX 1,000,000, facilitated 20 staff members and 30 customers to participate in the run



UGAFODE Staff and an official from Vision Group (who were sponsors of the Kabaka’s Birthday Run 2023) at the delivery of kits at UGAFODE’s Head Office on Silva Arcade Building on Bombo Road in Kampala.

Left to right: Shafi Nambobi (UGAFODE CEO), Yvonne Tumuhairwe (UGAFODE’s Head of Compliance), Official from Vision Group, Alice Matama Mutabazi (UGAFODE’s Savings Manager) and Rachel Basiima Alinaitwe (UGAFODE’s Research and Business Development Manager).

United Bank for Africa



National Essay Competition:

National Essay Competition (NEC) is an annual activity aimed at encouraging secondary school students from different schools across the whole country to express their creativity and ideas through writing. In 2023, the first level competition attracted more than 500 students from different schools and from this number we got the best 12 with the support of The English/Literature University lecturers who marked the essays independently.

The Best twelve (12) took on another essay topic within the premises of the Bank Head Office from which the final winners emerged. Based on their performance, all of them were awarded with different gifts which included Scholarship, Laptops, trophies, Certificates and Branded items.

Objectives:

- To improve the writing skills among the high school students.
- To give back to the communities across the country.

2023 Topics

1st Level Topic: The world is currently faced with challenges of global warming as a result of industrialization and gas emissions which negatively impact the climate and environment. How can Uganda contain these adverse impacts on the climate?

2nd Level Topic: Social Media has become the most dominant media platform today. While it offers many benefits, it has been

faulted for its negative effects on society. Write your Essay exploring the effects of social media to society with particular consideration on its effects to Students today.

The award ceremony was graced with the presence of dignitaries from the Education Industry, notably, the Permanent Secretary, Ministry of Education, the Manager Education Services KCCA, Teachers, Parents/ Guardians as well as the Board Directors of the Bank.



Visit to good samaritan home- mukono

On the 12th, December 2023 a team of UBA Uganda staff visited Good Samaritan home and Inclusive Primary School in Mukono to extend a hand in areas of their major needs as we shared the blessings of the festive season.

Good Samaritan Home and Inclusive Primary School and Home, takes care of 107 Children aged between 1 and 24 years living with different disabilities

like Spina Bafida, Hydrocephalus, cerebral Pulsy, Autism, Cycle cell, Spinal injury, visually Impaired, dump, deaf and orphans that were picked in garbage heaps, diches, taxi parks or left by the road side. It is privately owned since 2005 when it started as a home for disabled children from different regions in the country but later on the vision bearer decided to add an education facility to ensure these children access their right to Education.

During our visit we donated different items which included food (Rice, Maize Flour, Sugar, Bread and Soft Drinks), Books, Soap, Diapers, cloths, toys, Mattresses, and cash to cater for their other needs like medical. At the event, the Management of the Bank expressed appreciation to the administrators of the Home for the good work in providing shelter and taking care of these precious abandoned Children.



Section 6

BANKING INDUSTRY IN THE MEDIA



Banking industry in the media

To the Editor

LETTERS

Banks should embrace private dispute resolution

While speaking at the plenary session of the National Development Policy Forum organised by the National Planning Authority on May 26, the deputy Governor Bank of Uganda, Dr Michael Atungi-Sigo, expressed displeasure with Uganda's tycoons for refusing to pay back bank loans when they fall due and instead run to the Commercial Court to seek temporary protection against foreclosure of mortgaged properties.

He stated that collateral worth over Shs7 trillion is tied up in endless disputes in the Commercial Court.

The deputy governor also challenged the Judiciary to be alert about such conduct. Mr Wilfred Owoic, the executive director Uganda Bankers' Association (UBA), who asked the judiciary to crack the whip against such business people, echoed his views.

The question that came to my mind when I read the lamentations of these respected leaders is why Uganda Bankers Association has not embraced private dispute resolution mechanisms for defaulting borrowers and lending banks?

If one was given an opportunity to research the loan agreements signed between UBA's 25 members and their several borrowers, what percentage of those contracts contain effective alternative dispute resolution clauses? We should bear in mind that lenders in Uganda employ some of the most highly intelligent legal minds. What could be the problem? Is it that lenders have instructed their lawyers not to include mediation or arbitration clauses in loan contracts, or is it the lawyers' reluctance to do so because of our legal training in Uganda which is highly steeped towards litigation?

The Judiciary Annual Performance Report FY 2020/2021 states that the Commercial Court alone had 6,094 unresolved cases by the end of that financial year worth Shs5 trillion. Commercial Court has only five Judges. An adequate legal and regulatory framework exists in Uganda for mediation and arbitration. A sufficient number of lawyers and non-lawyers are trained mediators/arbitrators.

An award issued by an arbitrator is not inferior to a judgement issued by a Judge of the High Court. A losing party in an arbitration fails to honour the payment terms of the award, the winner will register the award in the High Court and it will be enforced in the same way as a decision issued by a judicial officer.

The Centre for Arbitration and Dispute Resolution (CADEP), established by the Arbitration and Conciliation Act, has as one of its mandates, the training and promotion of the use of alternative dispute resolution among stakeholders. CADEP should be co-opted to play its statutory role. UBA has sufficient clout to champion its form of arbitration laws of Uganda. If this is the reason its members are not embracing and promoting private dispute resolution, UBA can embrace mediation and arbitration and contribute to the release of the over Shs5 trillion stuck in the Commercial Court back into the economy.

Olive Zaale Otete,
Lawyer and member of Chartered Institute of Arbitrators

20 YEARS OF BOU UNDER MUTEBLE



CONTRIVERSIES

Muteble's nearly 20-year control of the state coffers has not been free of controversy.

Over the years, there were several calls including from MPs for the governor to resign. In 2019, a scandal rocked the central bank's management when a plane that had been chartered by the bank to bring banknotes was found to have on board extra pallets that had been irregularly loaded onto it. This contravened the terms of the charter and posed a high risk to central bank.

The closure of some financial institutions including Global Trust Bank and Capric Bank by the central bank and later sold to Afco Bank put Muteble and his team in the spotlight. A parliamentary inquiry into the sale of some of the banks found that there were no records or minutes detailing the negotiations between the regulator and the financial institution willing to buy the struggling bank.

He was accused of authorising the withdrawal of money from the country's foreign reserves to buy fighter jets contrary to the law and the payment of huge amounts of money to Haba Group of Companies.

Insurance sector outlook

Bancassurance accelerates financial inclusion



Evolution. There is need for a radical evaluation of Bancassurance. The insurance industry has a long history of providing a substantial customer base, ensuring good brand equity and making long-term commitments.

Network. Insurance companies are increasingly utilising digital channels. Banks and insurance companies are now a big financial innovation that will have to be adopted for full integration into the business, infrastructure and culture of the bank.

The Future. Moving into the future, Mr. Bengo says Bancassurance now a big financial innovation that will have to be adopted for full integration into the business, infrastructure and culture of the bank.

Anti-money laundering law: Who is shouldering the heaviest cross?

As accountable persons, financial sector players are required by law to put in place policies, controls and procedures for monitoring and addressing risks related to money laundering and terrorism financing or else be held liable for breaking the law.

ISMAIL MUSALADU

To fight money laundering and terrorism financing, players operating in financial sector spaces and not for profit organisations will have to bear with stringent requirements, many of which will increase the industry compliance cost, *Prosper Magazine* understands.

However, according to banking sector regulator Bank of Uganda, an effective anti-money laundering (AML) regime is a critical tool to fight financial crime and protect the integrity of the capital markets and global financial system.

On 30th August, 2022 Parliament passed a raft of what Financial Intelligence Authority (FIA) describes as "key legislations" to address existing gaps in the law on beneficial ownership information and proliferation financing, an important development in unmasking the names behind every transaction and assets.

The Six Bills Passed by Parliament addressing the Financial Action Task Force (FATF) Recommendations, requirements of the Customer Due Diligence for Financial guideline will, according to Bank of Uganda, be implemented by all Central Bank supervised financial institutions including commercial

banks, Credit Institutions (CIs), Micro-finance Deposit Taking Institutions (MDIs), Foreign Exchange Bureaus (FXB) and Money Remittance Companies (MRs).

The Bills passed include the Anti-Money Laundering (Amendment) Bill, 2022. This will empower the FIA and other supervisory authorities to levy administrative penalties for breach of the provisions of the Act and for related matters.

Then there is the Companies (Amendment) Bill, 2022, which essentially require all companies to make known their faceless/anonymous directors. It also explains of offences and sanctions. The rationale is to comply with recommendation 24 of the Financial Action Task Force (FATF) which requires countries to take measures aimed at preventing the misuse of legal persons for money laundering and terrorism financing.

The Partnerships (Amendment) Bill, 2022, will, among other things, empower the Minister to make regulations to prescribe additional reporting requirements to be com-

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 Ggobi (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.

By Misairi Thombo Kahungu and Mary 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 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 Profira - 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 measure 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

To remain relevant and meet changing needs and expectations, the future of banking & financial services will be shaped by a range of partnerships & collaborations with other players and stakeholders in the ecosystem including digital, fintech, and other players and stakeholders.



Mr Atingi-Ego said that the future of banking is hinged on collaborations and partnerships. He noted that the industry is undergoing a digital transformation and that this will require close collaboration between regulators, service providers, and other stakeholders. He also mentioned the importance of digital financial literacy in ensuring that all Ugandans can benefit from these services.

How have financial institutions been able to adapt to the economic changes to survive? Banking institutions and financial services have had to adapt to the economic changes to survive. This has involved embracing digital technologies, improving operational efficiency, and focusing on customer experience.

Financial institutions are embracing digital from equity, platform, and other services available on their websites, mobile apps, or other digital channels. This has helped them reach a wider audience and improve their service quality.

The key to success in this digital era is to embrace change and innovation. Financial institutions must continue to invest in technology and talent to stay competitive. Collaboration and partnerships will be crucial in navigating these challenges and seizing new opportunities.

MICROFINANCE INSTITUTIONS TO TAKE ON MORE ROLES

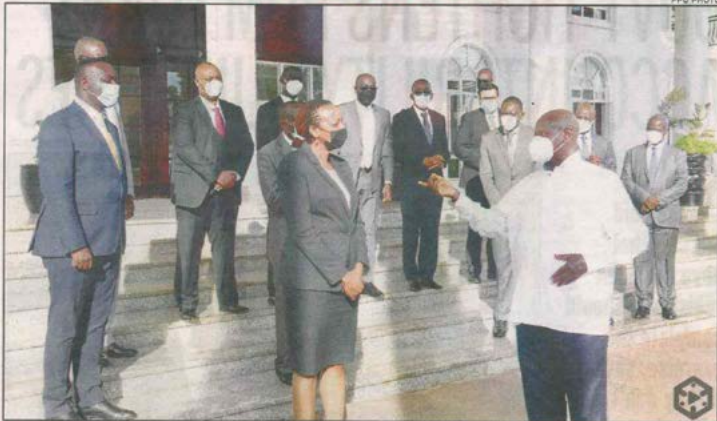
Bankers are happy about development in the microfinance industry. The Uganda Bankers' Association (UBA) has welcomed the fact that microfinance institutions (MFIs) are taking on more roles in the financial ecosystem. This includes providing financial services to underserved populations and supporting small businesses. UBA Deputy Governor Michael Atingi-Ego noted that this diversification of roles is a positive sign for the industry's growth and resilience.

Microfinance institutions are expected to play a key role in driving financial inclusion and economic growth. By providing access to credit and other financial services, MFIs can help improve the livelihoods of millions of Ugandans. The industry's expansion into new areas like digital banking and fintech integration is also seen as a step towards modernization and efficiency.

File by Laura Copic, Cecilia Ochi and Edward Kavira

MUSEVENI ADVISES BANKS ON LAND TITLES

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 bankers 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 Arapta, 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 36 financial institutions, mostly regulated by BOU.



Museveni interacting with Arapta at State House Entebbe as other members look on Wednesday. (Scan the photo using the Vision Digital Experience to watch the video)

Encumbrances on some of the properties have not only impacted transfer of ownership, but also restricted their usage as cases stall in courts. 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. Arapta 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. Arapta singled out support of the Parish 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 to 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 most of 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
ICELION Assurance donates sportswear worth \$588 million
 ICELION Assurance Company (ICIA) 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 sneakers for the netball team. This is an effort to equip both teams as they prepare for the upcoming National Inter-school sports meet. The school principal, Mr. David Mubiru, commended the teachers and school administrators for their role in ensuring 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 your wonderful support to reach our goal," he said.

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 Kabwera, the managing director of PostBank said the release

UGANDA BANKER'S ASSOCIATION FIGHT 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 Jaque, to talk about the report. Below are excerpts from the interview.

Q: Lending rates are high, can you give a brief context to that?
 A: When you look at the reports, you will find that our interest rates as a country are higher than in Kenya or Tanzania. The average cost to finance for the year 2021, 2022 and 2023 is 18.5%. Comparatively, the average cost to finance rate for commercial banks in Kenya over a period of seven years (2017-2019) was 12.3%.

There are different operating environments and macroeconomic factors which drive both costs and interest rates. Some of the macro-economic factors that underlie interest rates include inflation, the central bank reference rate, cash reserve charges, the minimum compliance requirements, operating costs, non-performing loan books and related collection challenges, among others. This is why

WHAT GRAIN PRICES SKYROCKET
 The skyrocketing price of wheat grain has led to the closure of several local wheat milling firms leading to loss of thousands of jobs.
PAGE 25

PERSONAL FINANCE
SYLVIA JUUKO
HOW TO MEASURE PERFORMANCE OF YOUR FINANCES
PAGE 24



Continued on page 20

Stamp Duty Act 2022 to lower cost of borrowing where movable property is pledged as collateral

According to the Map Vision newspaper Labour Party Supplement, the COVID-19 pandemic hit Uganda's economy hard causing levels of unemployment to rise significantly with 57% of firms decreasing employment, one in every four youths losing their jobs while other employees reduced salaries by 5% to 10% in both the agriculture and service sectors. Preliminary levels among workers also dipped by 20.9% in the industrial sector.



MERCY K. KAINOBWISHO
 properties pledged as collateral, has clear 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.

lender transfers to the consumer who is the borrower. At the end of the day, when the cost of borrowing imposed on the borrower is high, it translates into less or no household income. 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 reasonable property (asset-backed) loans. The particular reforms help the ordinary Ugandan to better 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 amendment, 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.

Section 7

AUDITED FINANCIAL STATEMENTS

1.0. Organisation 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	NCBA Bank Uganda Ltd. Rwenzori Towers, Nakasero Road P.O Box 28707 Kampala, Uganda
ABSA Bank Uganda Ltd. Plot 4 Hannington Road P.O Box 2971 Kampala, Uganda	United Bank of Africa. Jinja Road Branch Plot 2, P. O Box 7396 Kampala, Uganda.

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 34 members comprising 26 Commercial Banks, 2 development banks (Uganda

Development Bank, and Afreximbank), and 6 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 annual report and the audited financial statements for the year ended 31st December 2023, 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

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

2.7 UBA Mandate

- Develop and maintain a code of ethics and best banking practices among its members.

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

2.8 Strategic Priorities for 2023 (From Strategic Plan 2022-2024)

- Positioning the industry in supporting economic recovery post Covid-19 pandemic
- Build resilience across the banking and financial services sector, and specifically focusing

- on fraud and bringing alive the cyber security center.
- 3. Continuation with stakeholder engagements and alignments to support specific sectors identified as growth accelerators/ multipliers in the national development plan.
- 4. Play a leading role in payments infrastructure to support the national switch initiative and objectives therein. (Championing the growth, development, and adoption of robust, 24/7, integrated multi-channel digital infrastructure required to transform the industry and harness financial service opportunities in intermediation, credit, and payments space.
- 5. Consolidating and enhancing the achievements of the previous strategy period 2019-2021 specifically focusing on:
 - Championing initiatives to promote financial inclusion, penetration of banking services, participation by the banking industry in key national projects driving the economy and overall expansion and leadership in financial services sector.
 - Championing and collaborating on initiatives intended at driving down the average industry cost of delivering financial services in Uganda.

2.9 Summary of achievements and gaps in Strategic period 2023

Focus Areas for 2023	
1	<p>Bringing alive and to fruition the collaborations and partnerships with players in the payments space (MNOs and FinTech/PSPA/FITSPA, development partners and regulators (BOU and UCC) with particular focus on curbing e-fraud.</p> <ul style="list-style-type: none"> • Continued to strengthen existing relationships like, Financial Technologies Service Providers Association (FITSPA), NPSPA (<i>National Payment Service Providers Association</i>) Financial Sector Deepening Uganda, VISA, Mastercard as well as Cyber Security Agencies and held numerous capacity building workshops anchored by the ICT Committee in collaboration with Raxio data center, Data Group IT, Milima Cyber Security. • On the Cyber Security Operations Centre (C-SOC), we completed phase 1 of setting up the cyber incident portal now operational. • On UBA related entities, we are in the final stages of raising an initial \$2M for ABC and another \$1M subsequently. • Held the 1st Fraud Symposium in March 2023 whose outcomes shaped the focal areas as follows. <ul style="list-style-type: none"> ✚ Empowering customers & end users. ✚ Promoting integrity among banking & financial sector staff. ✚ Enhancing systems & processes among financial institutions(collaboration). ✚ Promoting collaboration among key domestic anti-fraud stakeholders. ✚ Subscribe to & collaborate with International anti-fraud agencies. <ul style="list-style-type: none"> • Arising from the above various awareness sessions were undertaken including the Beera Steady Awareness Campaign as well as the preparation of Banking Industry Guidelines to mitigate Fraud (BIGF) & the revised industry code of conduct which was launched in Feb 2024. • We facilitated numerous learning sessions for members of our various technical committees including legal, compliance, frauds, ICT, treasury, Chief Finance Officers & tax and Bancassurance.
2	<p>Promoting Collaborations & Partnerships:</p> <ul style="list-style-type: none"> • Continued to strengthen existing relationships like aBi Finance, Financial Sector Deepening Uganda (FSDU), GIZ Promoting Rural Development (PRUDEV) and GIZ Responsible Land Policy in

Focus Areas for 2023	
	<p>Uganda (RELAPU), and build new ones like with USAID, African Centre for Media Excellence (ACME), ACELI Africa & UN Capital Development Fund (UNCDF). Through these collaborations we mobilized support to the tune of Ugx 2.2bn to-date.</p> <ul style="list-style-type: none"> • Also continued to work closely & co-host events with FITSPA, the judiciary on alternative dispute resolution & case backlog, law society, valuers & surveyors, dialogue sessions with export association etc. • Co-hosted together with the judiciary & Ministry of Justice the first national summit on alternative dispute resolution, as part of the efforts to tackle the impact of case backlog. • Co-hosted together with the Wildlife Conservation Society USAID Activity Project, a stakeholder workshop involving our heads of compliance on combating wildlife crime and illicit financing of the same. • In 2023, we held our flagship Annual Bankers Conference 2023 (ABC 2023) anchored on the theme “Trends and Innovations in the Fintech Space Changing the Face of Banking and Financial Services.” This was on the back of the previous ABC 2022 held under the theme, “Bridging Financing Gaps in the Manufacturing and Tourism/Hospitality Sectors to Catalyse Economic Recovery and Growth Post 2021”. • We participated in the review and draft of the second National Financial Inclusion Strategy (NFIS II for 2023 – 2028) that was launched on 30th November 2023. • In 2023, successfully launched the UBA Women Economic Empowerment Initiative that is grounded on four key pillars namely, Leadership & Empowerment, Rewards & Recognitions, Access and Inclusion and Partnership & Collaboration.
	<p>Research & Strategy Activities.</p> <ul style="list-style-type: none"> • On delivering results from the research function, we established research partnerships with professional bodies including selected law firms and audit firms, research institutions including EPRC, Asigma, educational institutions including MUBS, development partners like EU, FSDU, GIZ PRUDEV, Associations like Kenya Bankers’ Association, Private Sector Foundation Uganda, Regulators like BOU research department and Government Bodies like Petroleum Authority Uganda and Ministry of Finance Planning and Economic Development (MoFPED). We issued reports and publications including the banking sector report, digital lending series, financial inclusion scorecard, financial management during distress and decreasing the cost of banking report. • The strategy and tax workstream also anchored engagements with Uganda Revenue Authority and undertook benchmarking study visits with Bank of Uganda U and Kenya Bankers Association (KBA). • Commenced development of the framework for mainstreaming ESG matters and Green Initiatives into the UBA and Industry Agenda. The final framework document was presented & adopted on the 19th January 2024 and implementation is underway. The official launch is expected in June 2024. • Completed the Oil and Gas diagnostic study and strategy development for the banking industry on funding, in conjunction with the Petroleum Authority and other stakeholders. This was presented & adopted on the 19th of January 2024. • We also commenced running the digital lending series in partnership with Asigma Consulting as a knowledge partnership to support access to digital credit.



Progress on the strategic plan 2022 – 2024:

1. Stakeholder engagements have continued being on the agenda. We have been able to secure audiences with H.E the President, Speaker, Deputy Speaker, Chief Justice, Deputy Principal Judge, and engaged various parliamentary committees and arms of the executive.
2. Launched the Regional Export Facility (REF) which however has setbacks due to changes in CBR and TBR (pricing). However, we have continued engaging DFIs, GOU and the World Bank via the INVITE project. We have received preliminary information that INVTE has now been approved and we will be signing agreements therein.
3. On collaborations and partnerships, we continue to strengthen existing relationships like aBi Finance, FSDU, GIZ PRUDEV, GIZ RELAPU, Visa, Mastercard, and built new ones like USAID, ACME, ACELI and UNCDF. Through these collaborations, we have mobilised support to the tune of Ugx. 2.2bn to date. We also continue to work closely and co-host events with FITSPA, law society, valuers and surveyors, cyber security firms, association of certified fraud examiners dialogue sessions with export associations, etc. We also co-hosted together with USAID a stakeholder workshop involving our heads of compliance on combating wildlife crime and illicit financing of the same.
4. On the Cyber Security Operations Centre (C-SOC), we completed phase 1 of setting up the cyber incident portal now operational. We also completed the Banking Industry Guidelines on the mitigation of Fraud (BGIF) as well as supporting revision of the industry Code of Conduct (CoC) both now being circulated for signature then formally launched in January 2024.
5. On UBA related entities, we are in the final stages of raising an initial \$2M for ABC and another \$1M subsequently. ICAMEK is now breaking even/self-sustaining via their training programmes, while the Assets Reconstruction Company (ARC) is in advanced stages of raising \$20M.
6. On delivering results from the research function, we established research partnerships with professional bodies including selected law firms and audit firms, research institutions including EPRC, Asigma, educational institutions including MUBS, development partners like EU, FSDU, GIZ PRUDEV, GIZ RELAPU, Associations like KBA, PSFU, Regulators like BOU research department and Government Bodies like PAU and MoFPED. And issued reports and publications including the banking sector report, digital lending series, financial inclusion scorecard, financial management during distress and decreasing the cost of banking report. The strategy and tax workstream also anchored engagements with URA and undertook benchmarking study visits with BOU and Kenya Bankers Association (KBA).
7. On ADR, we co-hosted together with the Judiciary and Ministry of Justice the first national summit on alternative dispute resolution, as part of the efforts to tackle the impact of case backlog.
8. In 2023, we held our flagship Annual Bankers Conference 2023 (ABC 2023) anchored on the theme “Trends and Innovations in the Fintech Space Changing the Face of Banking and Financial Services.” This was on the back of the previous ABC 2022 held under the theme, “Bridging Financing Gaps in the Manufacturing and Tourism/Hospitality Sectors to Catalyse Economic Recovery and Growth Post 2021”.
9. We participated in the review and draft of the National Financial Inclusion Strategy (NFISII for 2023 – 2028) that was launched on 30th November 2023.
10. We also commenced running the digital lending series in partnership with Asigma Consulting as a knowledge partnership to support access to digital credit.
11. We facilitated numerous learning sessions for members of our various technical committees including legal, compliance, frauds, ICT, treasury, CFO & tax and Bancassurance.
12. In 2023, we successfully launched the UBA Women Economic Empowerment initiative that is grounded on four pillars namely: i) Leadership and Empowerment, ii) Rewards and Recognition, iii) Access and Inclusion, iv) Partnership and Collaborations.
13. We have finalised the proposed ESG institutionalisation framework for the industry and it was presented and adopted by the member CEOs.
14. We finalised the industry study on the approaches and strategies for increasing the participation of SFIs and support towards the Oil & Gas Sector and players therein which was presented to CEOs at the strategy session in January 2024.

2.10 Stakeholders

Ministers	Prime Minister	Ug. Revenue Authority	Commissioner General
	Finance minister		Commissioner Domestic taxes
	Trade Minister	KCCA	Executive Director
	Energy Minister		Treasurer
	Works Minister		
	ICT Minister		
Parliament	Speaker	Security agencies	Inspector General of Police
	Deputy Speaker		Deputy/GP
	Chairs of Parliamentary Committees (Finance & Budget, Economy, COCASE etc		CID Boss
	Vocal Members of Parliament		ISO Boss
Judiciary	Chief Justice		CEOs New Vision, Member of Red pepper
	Principal Judge		CEOs KFM, Capital Radio, Radio One, Sanyu, CBS
	Head of Commercial Court	Media	CEO, 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
Uganda Law Society	President	UCC	Social Media Contracts + Online news anchors
	CEO	UMA	ED
Civil society	ULS Cluster members	KACITA	Chair & ED, Board members
	ED Civil Society Budget Action Group CSBAG	PSFU	Chair, CE, spokesman
	Ed Action for Development ACODE	Uganda Investment Authority	Chair & ED, Board members
	ED NGO Forum	IRA	Chair, ED, Board Members
FIA	ED & Deputy ED	Ug Insurance ASSOC	ED, key Officers
		URSB	ED
Pension Sector	CEO UBRA	NIRA	ED, Director Legal
	CEO NSSF	CMA	ED, Heads of Dept
Development partners	FSDU	Professional Bodies	ED
	IMF		Managing partners PWC, KPMG, E&Y, Deloitte
	World Bank		President & CEO, Institute of Certified Public Accountants
	European Union		President Values & surveyors (ISU)
	USAID		President Association of Professional Engineers
	UNCDF		Association of Contractors
	aBi Finance		
	GIZ PRUDEV, GIZ RELAPU		

2.11 Funding

Source of funding	Actual 2023 UShs "000"	Actual 2022 UShs "000"
Annual subscription	1,575,076	1,419,726
Other Income (Special Project Grants and Contributions)	739,592	1,090,913
Annual Banker's Conference	249,555	350,460
Interest	70,369	59,373
Agency Banking	43,951	-
Total funds	2,678,542	2,920,471

2.12 Executive Committee

The executive committee members who held office during the year and to the date of this report were:

No	Name	Role Organisation	Designation	Appointment date	Status
1.	Ms. Sarah Arapta	CEO, Citibank (U) Ltd	Chairperson	13 th May 2022	Still serving
2.	Mr. Julius Kakeeto	CEO, Post Bank Uganda Limited	Vice-chairperson	13 th May 2022	Still serving
3	Mr. Shashi Dhar	CEO, Bank of Baroda	Hon. Auditor	12 th May 2023	Still serving
4	Mr. Edgar Igumira Byamah	CEO, KCB Bank Uganda	Ag. Hon. Treasurer	16 th June 2023	Still serving
5.	Mr. Wilbrod Humphreys Owor	ED, Uganda Bankers Association	Secretary	13 th May 2022	Still serving
6.	Mr. James Onyutta Onencan	CEO, Finca Uganda Ltd	Committee Member	13 th May 2022	Still serving
7.	Ms. Chioma Agwu Mang	CEO, United Bank for Africa	Committee Member	13 th May 2022	Still serving
8.	Mr. Shem Kakembo	CEO, EFC (U) Limited	Hon. Treasurer	13 th May 2022	Resigned

Attendance of Executive Committee meetings

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

No	UBA Executive Committee	Designation	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	No of meetings attended
1	Ms. Sarah Arapta	Chairperson	√	√	NM	√	√	√	X	√	√	NM	√	NM	8
2	Mr. Julius Kakeeto	Vice-chairperson	X	√	NM	X	√	X	√	X	√	NM	√	NM	5
3	Mr. Shashi Dhar	Hon. Auditor			NM			√	√	√	√	NM	√	NM	5
4	Mr. Byamah Igumira Edgar	Committee Member			NM						√	NM	√	NM	2
5	Mr. Wilbrod Humphreys Owor	Secretary	√	√	NM	√	√	√	√	√	√	NM	√	NM	9
6	Mr. James Onyutta Onencan	Committee Member	√	√	NM	√	√	√	√	√	√	NM	√	NM	9
7	Ms. Chioma Mang Agwu	Committee Member	√	√	NM	X	X	√	X	√	√	NM	X	NM	5
8	Mr. Shem Kakembo	Hon. Treasurer	√	√	NM	√	√					NM			4

Key

X – Absent with apology
NM: No Meeting

√ - 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 34

members. All twenty-six (26) licensed Commercial Banks, the two development banks, and six 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 2023	Annual Subscription 2022
1	ABC Capital Bank Uganda Ltd	38,193,241	37,083,320
2	Absa Bank Uganda	80,645,057	76,133,256
3	Bank of Africa	48,202,439	36,400,000
4	Bank of Baroda	61,078,799	45,713,069
5	Bank of India Uganda Ltd	41,427,665	58,149,211
6	Cairo Bank Uganda	40,008,696	39,912,956
7	Centenary Bank Limited	89,074,416	9,120,521
8	Citibank Uganda Limited	52,688,624	38,594,042
9	DFCU Bank Ltd	71,722,457	77,766,148
10	Diamond Trust Bank	59,222,309	47,888,524
11	Ecobank Limited	45,290,012	70,865,618
12	Equity Bank Uganda Ltd	67,859,669	56,317,109
13	Exim Bank Uganda Ltd	41,822,832	39,348,852
14	Finance Trust Bank Ltd	41,761,910	44,185,378
15	Guaranty Trust Bank Ltd	40,305,162	8,417,672
16	Housing Finance Bank Ltd	51,559,303	55,270,704
17	I&M Bank Uganda Limited	46,989,390	40,356,733
18	KCB Bank Uganda Limited	47,534,313	39,398,162
19	NCBA Bank	45,269,147	8,853,032
20	Opportunity Bank Uganda Limited	40,203,234	39,019,594
21	Post Bank Uganda Limited	45,544,351	46,981,818
22	Stanbic Bank Limited	115,341,388	46,374,939
23	Standard Chartered Bank	74,795,613	8,460,326
24	Tropical Bank Ltd	40,456,422	42,636,634
25	United Bank for Africa Uganda Limited	43,506,155	38,348,448
26	Uganda Development Bank Limited	50,676,151	45,843,308
27	East African Development Bank	40,332,573	9,937,294
28	Afreximbank	37,522,919	9,346,037
29	Pride Microfinance Limited	10,280,640	113,524,409
30	FINCA Uganda Limited	9,738,335	72,971,330
31	Mercantile Credit Bank Ltd	9,306,359	8,288,447
32	Yako Bank Uganda	9,062,803	40,066,116
33	Top Finance Bank (Now Salaam Bank Uganda Ltd)	9,117,292	42,040,285
34	BRAC (U) LTD	10,032,573	8,403,708
35	EFC Uganda Ltd	9,259,439	41,610,037
36	UGAFODE Microfinance Ltd	9,244,079	8,238,912
	Total	1,575,075,767	1,456,865,949

2.14 Auditors

The auditors, Kisaka & Company CPA, were appointed to carry out the audit of the organization for the year ended 31 December 2023 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: 07/05/2024

3.0 Statement of Executive Committee's Responsibilities

Section 198 of the Uganda Companies Act, 2012 requires the Executive Committee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association at the end of the financial year and of its operating results for that year. It also requires the Executive Committee to ensure the Association keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Association. They are also responsible for safeguarding the assets of the Association.

The Executive Committee is ultimately responsible for internal control. The Executive Committee delegates responsibility for internal control to management at

the secretariat. Standards and systems of internal control are designed, approved, and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the Association's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates are applied on a consistent and using the going concern basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures, and adequate segregation of duties.

The Executive Committee accepts responsibility for the year's financial statements, which have been prepared using appropriate

accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the manner required by the Ugandan Companies Act 2012. The Executive Committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Association and its operating results. The Executive Committee further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the executive committee to indicate that the association will not remain a going concern from the date of this statement.

Chairman

07/05/2024

Date

Hon. Treasurer

07/May/2024

Date

Executive Director

07/05/2024

Date

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 2023, 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 2023, 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 Emphasis of Matter

Movement from surplus to deficit

We draw your attention to Section 6.0 which discloses the movement from surplus of US\$ 8.4 million in the period ended 31st December 2022 to a deficit of US\$ 81 million in the period ended 31st December 2023 mainly to the reduction in income collected. Our opinion is not modified in respect of this matter.

4.1.5 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.

4.1.6 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.

4.1.7 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.

4.1.8 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 scepticism throughout the audit. We are 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;

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. Victor Kamugisha-P0456.**

Kisaka & Co
Certified Public Accountants-AF0028
07/05 2024

Victor Kamugisha
CPA. Victor Kamugisha
Engagement Partner



5.0 Statement of Financial Position

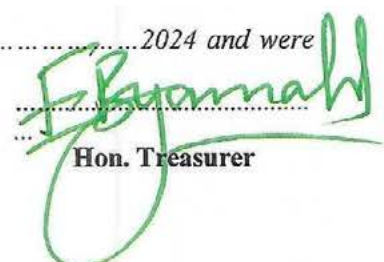
		Dec 2023	Dec 2022
	Notes	UShs '000'	UShs '000'
ASSETS			
Non-Current Assets			
Property & Equipment	9.3	116,133	121,211
Right of Use	9.4	104,041	-
Intangible Asset	9.5	8,146	775
		228,320	121,986
Investments			
Investment in ABC	9.6	4,769,274	4,769,274
Investment in ARC	9.7	660,535	660,535
Treasury Bill and bond	9.8	131,216	313,729
		5,561,025	5,743,538
Related Parties			
Related Parties	9.9	394,550	375,853
		394,550	375,853
Current Assets			
Cash & Cash Equivalents	9.10	799,134	516,408
Accounts Receivables	9.11	339,056	115,977
Prepayments	9.12	133,767	136,427
		1,271,957	768,813
Total Assets		7,455,852	7,010,190
Equity and Liabilities			
Equity and Reserves			
ABC Fund	9.6	4,769,274	4,769,274
ARC Fund	9.7	660,535	660,535
Reserves	9.13	51,161	132,198
		5,480,970	5,562,007
Non-Current Liabilities			
Deferred Revenue	9.14	1,207,740	588,387
Related Party ARC	9.15	287,409	287,409
Lease Liability	9.16	112,058	17,002
Gratuity payable	9.17	60,021	196,940
		1,667,229	1,089,739
Current Liabilities			
Payables	9.18	307,653	300,644
Bank Overdraft	9.19	-	57,786
		307,653	358,431
Total Liabilities and Equity		7,455,852	7,010,176

The notes and accounting policies set out on pages 23 to 34 form an integral part of these financial statements.

The financial statements were approved by the Executive Committee on 2024 and were signed on its behalf by:


Executive Director


Chairman


Hon. Treasurer

6.0 Statement of Income and Expenditure

	Notes	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Income			
Annual subscription	9.20	1,575,076	1,419,726
Special project contribution	9.20	739,592	1,090,913
Annual Banker's Conf	9.20	249,555	350,460
Interest	9.20	70,369	59,373
Agency Banking	9.20	43,951	-
		2,678,542	2,920,471
Expenditure			
Staff Expenses	9.21	1,010,239	1,028,627
Project Expenses	9.22	629,787	700,618
UBA Activities/Initiatives	9.23	608,451	647,592
Administration Expenses	9.24	458,080	457,160
Governance Costs	9.25	40,929	48,358
Finance Costs	9.26	12,094	29,692
		2,759,580	2,912,046
/(Deficit)/Surplus		(81,037)	8,425

The notes and accounting policies set out on pages 23 to 34 form an integral part of these financial statements.

7.0 Statement of Changes in Reserves

a) For the period ended December 2023

	Retained Earnings UShs '000'	ARC Fund UShs '000'	ABC Fund UShs '000'	Total UShs '000'
As at 01 Jan 2023	132,198	660,535	4,769,274	5,562,007
Deficit for the year	(81,037)	-	-	(81,037)
As at 31st December 2023	51,161	660,535	4,769,274	5,480,970

b) For the period ended December 2022

	Retained Earnings UShs "000"	ARC Fund UShs "000"	ABC Fund UShs "000"	Total UShs "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

The notes and accounting policies set out on pages 23 to 34 form an integral part of these financial statements.

8.0 Statement of Cash Flows

	Notes	Dec 2023 UShs	Dec 2022 UShs
Cash flow from operating activities			
Depreciation Expenses to ROU Asset	9.4	59,452	57,880
Depreciation Expense	9.3	18,750	23,448
Prior Year Adjustments		-	167,249
Amortization of Intangible Assets	9.5	-	193
Surplus/(Deficit) for the period	6.0	(81,037)	8,425
		(2,835)	257,196
Changes in Working Capital			
Movement in Lease Liability	9.16	170,501	-
(Decrease)/Increase in Accounts Payables	9.18	7,009	(659,721)
Decrease/(Increase) in Prepayments	9.12	2,659	(38,791)
Movement in Related Party	9.9	(59,139)	(66,992)
(Decrease)/Increase in gratuity payable	9.17	(136,919)	38,458
Decrease/(Increase) in Accounts Receivables	9.11	(182,637)	961,574
Net Cash flow used in/ generated from operating activities		(201,361)	491,724
Cash flow from Investing Activities			
Treasury bill	9.8	182,514	(313,729)
Purchase of Intangible Asset	9.5	(7,371)	-
Purchase of Property and Equipment	9.3	(13,672)	(9,276)
Purchase of right of use	9.4	(163,494)	-
Net cash flow used in investing activities		(2,023)	(323,006)
Cash flow from Financing Activities			
Deferred Revenue	9.14	619,343	(733,923)
Lease Payments	9.16	(75,446)	(28,735)
Net Cash flow used in/ generated from financing activities		543,897	(762,658)
Net (Decrease)/ Increase in cash equivalents		340,513	(593,939)
Cash & Cash Equivalents as at the beginning	9.10	516,407	1,052,561
Cash & Cash Equivalents as at the end		(57,786)	57,786
Cash and Cash equivalents as at 31st Dec	9.10	799,134	516,407

The notes and accounting policies set out on pages 23 to 34 form an integral part of these financial statements.

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 26 commercial banks, 3 development banks (Uganda Development Bank, Afreximbank and East African Development Bank), and 6 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.

- IFRS 17 "Insurance Contracts" (issued in May 2017), effective for annual periods beginning on or after 1 January 2023, establishes the principles for 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 company does not issue insurance contracts.
- Amendment to IAS 1 "Non-current Liabilities with Covenants", effective for annual periods beginning on or after 1 January 2024, clarifies how conditions with which an entity must comply with 12 months after the reporting period affect the classification of a liability.
- Amendment to IFRS 16 "Lease liability in a Sale and Leaseback", effective for annual periods beginning on or after 1 January 2024, clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
- 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.

(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

All Property and equipment are initially recorded at cost and thereafter stated at cost net of accumulated depreciation. Depreciation is calculated to write off the cost of each asset over its expected useful life. Depreciation is charged from the date of purchase for its useful life, or until the date of disposal.

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

(f) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation. Amortization 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 derecognition 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 cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-

recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Financial Activities.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the 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 2023.

(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 2023

	Computers & Accessories	Office Equipment	Furniture & fittings	Totals
Cost	Ushs '000'	Ushs '000'	Ushs '000'	Ushs '000'
As at 01 January 2023	83,536	56,264	136,071	275,871
Additions	2,714	-	10,958	13,672
As at 31st December 2023	86,250	56,264	147,029	289,543
Accumulated Depreciation				-
As at 01 January 2023	62,519	26,219	65,922	154,660
Charge for the period	7,332	2,621	8,797	18,750
As at 31st December 2023	69,851	28,840	74,719	173,410
Net Book Value				
As at 31st December 2023	16,399	27,424	72,311	116,133
As at 31st December 2022	21,015	30,044	70,150	121,209

Additions relate to computers and furniture purchased from extreme dimensions and Fix IT Uganda limited, respectively.

b) For the period ended 31st December 2022

	Computers & Accessories	Office Equipment	Furniture & fittings	Totals
Cost	Ushs '000'	Ushs '000'	Ushs '000'	Ushs '000'
As at 01 January 2022	78,397	54,757	133,439	266,593
Additions	5,137	1,507	2,632	9,276
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

9.4 Right of use

	Dec 2023	31 Dec 2022
	UShs '000	UShs'000
As at 01 January	249,915	249,915
Additions	163,494	
As at 31st December	413,408	249,915
Depreciation		
As at 01-January	249,915	192,035
Charge for the period	59,452	57,880
As at 31st December	309,367	249,915
NBV as at 31st December	104,041	-

9.5 Intangible Assets

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Cost		
As at 01-January	4,522	4,522
Additions	7,371	
As at 31st December	11,894	4,522
Accumulated Amortization		
As at 01-January	3,747	3,554
Charge for the period	-	193
As at 31st December	3,747	3,747
NBV as at 31st December	8,146	775

9.6 Investment in ABC

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
As at 01 January	4,769,274	4,769,274
Movement	-	-
As at 31st December	4,769,274	4,769,274

ABC is a long-term investment by UBA, however, there are no short-term expectations of dividends, profit, or loss from the investment.

9.7 Investment in ARC

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
As at 01 January	660,535	660,535
Movement	-	-
As at 31st December	660,535	660,535

ARC is a long-term investment by UBA, however, there are no short-term expectations of dividends, profit, or loss from the investment.

9.8 Treasury Bill and Bond

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Treasury Bill and bond	131,216	313,729
	131,216	313,729

9.9 Related Parties

a) For the period ended 31st December 2023

	Agent Banking Company UShs '000'	ICAMEK/ADR UShs '000'	Short-term Advance Restated UShs '000'	Total UShs '000'
As at 01 Jan- 2023	95,119	25,292	215,000	335,411
Additions	1,455	-	57,684	59,139
Payment	-	-	-	-
As at 31st December 2023	96,574	25,292	272,684	394,550

b) For the period ended 31st December 2022

	Agent Banking Company UShs "000"	ICAMEK/ADR UShs "000"	Short-term Advance UShs "000"	Total 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

9.10 Cash and Cash Equivalents

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Absa Bank: Current Account	253,291	24,535
Baroda Bank: Current account	210,314	-
NC Bank: Current account Ugx	156,537	410
NC Bank: GIZ Project Account	155,948	483,379
United Bank for Africa	23,043	7,932
Petty Cash – BAU	-	152
BARODA BANK: Fixed Deposit - BB	-	(1)
	799,134	516,406

9.11 Accounts Receivable

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Accounts Receivable	563,110	395,953
Agent Banking Income-Receivable	40,442	-
Employee Staff Advances	98	-
Accounts Receivables Provision	(264,594)	(279,976)
	339,056	115,977

9.12 Prepayments

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Prepayments	77,080	79,738
Prepaid Rent: Cost	69,829	69,829
Amortization of prepaid rent	(13,142)	(13,142)
	133,767	136,425

9.13 Reserves

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
At 1st January	132,198	(43,476)
Surplus for the period	(81,037)	8,425
Adjustments	-	167,249
As at 31st December	51,161	132,198

9.14 Deferred Revenue

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Deferred Revenue – Others	839,105	405,929
Deferred Revenue - IFC Project	346,252	606,498
Deferred Revenue - NIRA Ctbns	22,383	31,976
Deferred ARC expense - PWC	-	(255,325)
Deferred Revenue-Agent Banking	-	(200,691)
	1,207,740	588,387

The growth in deferred revenue was due to UBA-VISA partnership to support mass consumer education, Members' contribution towards ESG activities, sponsorship of the annual bankers' conference, UBA-VISA contractile & financial literacy campaigns, contributions towards ADR summit and contributions towards media campaigns.

9.15 Related Party ARC

	Dec 2023 Ushs	Dec 2022 Ushs
As at 1st January	287,409	287,409
As at 31st December	287,409	287,409

9.16 Lease Liability

	Dec 2023 Ushs	Dec 2022 Ushs "000"
As at 01-January	17,002	45,737
Interest on lease liability	7,008	7,008
Lease payments	(75,446)	(35,743)
Renewals/Additions	163,494	-
As at 31st December	112,058	17,002

9.17 Gratuity Payable

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Gratuity Payable	60,021	196,940
	60,021	196,940

9.18 Payables

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Accounts Payable	283,392	258,691
Other Payables-accrued expenses	26,013	28,430
Audit fees payable	13,580	13,580
Provision for gratuity	-	(10)
Net amount payable	(50)	(50)
WHT & PAYE Payable	(15,281)	3
	307,653	300,644

9.19 Bank Overdraft

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Baroda Bank: Current account	-	57,786
	-	57,786

Baroda bank overdraft for the period was cleared to nil

9.20 Income

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Annual subscription	1,575,076	1,419,726
Special project contributions	739,592	1,090,913
Annual Banker's Conf	249,555	350,460
Interest	70,369	59,373
Agency Banking	43,951	-
	2,678,542	2,920,471

9.21 Staff Costs

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Salaries and wages	799,166	811,545
NSSF 10%	79,917	80,841
Gratuity	79,917	77,704
Medical expenses	29,598	33,889
Staff welfare	18,704	4,848
Temp Wages & Salaries	2,339	19,200
Local service tax	600	600
	1,010,239	1,028,627

9.22 Project Expenses

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Special Projects Costs	547,371	444,040
NIRA Connectivity Expenses	62,252	71,025
Agency banking expenses	20,165	185,553
	629,787	700,618

Special project costs related to PREEP, UGEFA, C-SOC, Beera steady campaigns while Agency banking expenses related to expenses for training agents in the districts of Lira, Gulu, Otuke, Dokolo and Oyam

9.23 UBA Activities/Initiatives

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Seminars, Workshops & Events	426,166	488,530
Stakeholder Engagements and PR	154,636	146,732
Strategy & Research	27,649	-
Advertising	-	12,330
	608,451	647,592

9.24 Administration Expenses

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Professional Fees	142,765	112,769
Amortisation and depreciation	78,202	81,522
ICT expenses	64,093	77,778
Travel & subsistence	74,611	58,886
Other General Expenses	24,102	53,013
Office Expenses & Supplies	52,299	27,524
Printing & Stationery	21,476	24,488
Utilities	531	6,884
Office Security	-	2,568
Governance Expenses	-	360
VAT on Imported services	-	11,160
Workshops and Training	-	200
Rent & Rates	-	10
	458,080	457,160

Amortization and depreciation combine both Property plant and Equipment and Right of use assets depreciation charges for the period.

9.25 Governance Expenses

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Member meeting costs	21,858	26,256
Sub-committee expenses	19,072	19,458
Honorarium expenses	-	2,643
	40,929	48,358

9.26 Finance Expenses

	Dec 2023 UShs '000'	Dec 2022 UShs '000'
Interest Expense	7,008	7,008
Bank charges	5,086	2,245
Exchange loss/gain	-	20,439
	12,094	29,692





Uganda
Bankers'
Association

Promoting Partnerships. Transforming Banking.

Annual Report 2023



**WOMEN
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