

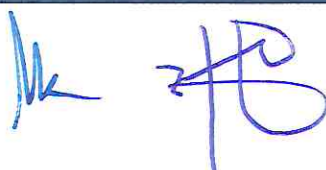
**Media Release  
8<sup>th</sup> October 2020**

Uganda Bankers Association has learnt of the judgement delivered yesterday 7<sup>th</sup> October 2020 in the High Court of Uganda (Commercial Division) arising from an interlocutory application in H.C.C.S No 43 of 2020 involving one of our members, Diamond Trust Bank (U) Ltd and related parties.

Although the Association is yet to receive a copy of the detailed judgement, the ramifications of the judgement has sent shockwaves across the entire industry and related stakeholders premised on the following five preliminary areas of assessment;

- a) As a result of the judgement & its implications, the syndicated portfolio currently seated with commercial banks that is now at risk is over **U.Shs 5.7** trillion (1.53 billion USD) of running facilities across various sectors including real estate, road construction, energy covering hydro electric power, oil & gas and manufacturing among others. The above figure does not include pipeline transactions that were still being processed or undrawn yet that have all been halted since judgement came out yesterday.
- b) The above figures exclude syndicated lending to Government of Uganda who is the largest beneficiary of syndicated lending for various development programmes in the country.
- c) The wide sweeping nature & sheer weight of shockwaves the judgement has sent to our international partner agencies and lenders and the implications for the country as an investment destination.
- d) The message this judgement is sending to other borrowers with foul intention who can now anchor their default on this judgement that declared syndication illegal.
- e) The overall impact of this judgement to the economy.

The Chief Executives of all the 35 member institutions of Uganda Bankers Association that includes all the Tier I Commercial Banks, the Development Banks and Tier II & III (Micro Finance & Deposit taking Institutions) supervised by Bank of Uganda have this morning resolved as follows.



1. To join Diamond Trust Bank (Uganda) Limited as an interested party in its appeal at the higher court to determine the case on its merits.
2. To join Diamond Trust Bank (Uganda Limited) to file for a stay of execution of the orders of the Hon Justice as ruled yesterday.
3. To call upon the Central Bank of Uganda to pronounce itself on this matter.
4. To call upon the Executive Arm of Uganda Government through the Minister for Finance, Planning & Economic Development and the Attorney General to pronounce themselves on this matter, more so because they are the accountable officers for syndicated facilities contracted by Government including where foreign counter parties are involved and re-assure the financial sector, the international lending partners and entire country of the commitment to continue honoring all debt obligations in line with agreed protocols.
5. To call upon our esteemed good borrowers & all customers to remain calm as appropriate action is undertaken to address the challenges arising from this specific judgement.
6. To call upon all our friends and stakeholders including Uganda Insurers Association, PSFU, UMA, KACITA, Telecom Sector Players, ULS, Members of Parliament, Civil Society, Uganda Investment Authority, Capital Markets Authority, Financial Intelligence Authority, Uganda Revenue Authority, Professional Bodies among others as well as the Judiciary itself to join us in addressing the implications of this judgement and assist in avoiding the adverse effects this judgement could lead the country & economy into.



**Mathias Katamba  
Chairman**



**Wilbrod Humphreys Owor  
Executive Director**