



The Bank Scene

Newsletter of the Uganda Institute of Banking and Financial Services

June 2019

Editorial

Dear our esteemed readers,

Here is the June issue of the Bank Scene.

We appreciate all the members that attended the Institute's Annual general Meeting (AGM) on Friday, 21st June 2019 at the Bank of Uganda, Western Gardens.

Kindly note that we are still receiving applications for all our Professional Programmes for the August - November 2019 intake. We encourage you to take up these programmes to enrich your skills, academic and professional credentials

Have a fruitful and blessed June!

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BANK OF UGANDA MONETARY POLICY STATEMENT FOR JUNE 2019

Bank of Uganda (BoU) has in the June 2019 Monetary Policy Committee (MPC) meeting decided to maintain the Central Bank Rate (CBR) at 10 percent. The inflation outlook over 12-months horizon was largely unchanged compared to the April 2019 forecast round, although risks remain elevated. Preliminary estimates by Uganda Bureau of Statistics (UBOS) indicate that the economy expanded by 6.1 percent in Financial Year (FY) 2018/19, partly as a result of strong growth in household consumption. Growth was largely supported by the accommodative monetary policy stance and the resultant growth in private sector credit, fiscal impetus and multiplier effects of public infrastructure investments, ensuing strong domestic demand conditions and improved agricultural performance.

The high frequency indicators of real economic activity and business and consumer confidence indicate favourable economic growth prospects in the near-term. Indeed, economic growth is projected at 6.3 percent in FY 2019/20. Over a 2-5 year horizon, real economic growth is forecast to be in the range of 6.5-7.0 percent, supported by strengthening private sector activity, foreign direct investment, public infrastructure investment and a pick-up in the extractive sector activities.

Downside risks to economic growth remain as previously stated. On the external scene, the escalating global trade tensions could weaken Uganda's external position and lead to volatility in the domestic foreign exchange market. On the domestic scene, weather-related constraints to agricultural production, delays in the implementation of public investment programmes, and supply side constraints to growth in the private sector could dampen economic activity.

The May 2019 Consumer Price Index (CPI) data released by UBOS indicates that inflation remains relatively subdued. Both annual headline and core inflation declined to 3.3 percent and 4.6 percent from 3.5 percent and 4.8 percent, respectively in April 2019. Low headline inflation is in part supported by relatively low food crops

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prices. Nonetheless, food crops inflation rose to minus 5.4 percent in May 2019 from minus 6.2 percent in April 2019. Energy Fuel and Utilities (EFU) inflation declined from 5.4 percent to 4.6 percent over the same period.

Inflation has evolved in line with the Bank of Uganda projections. The June 2019 inflation forecast round indicates that core inflation will remain close to the 5 percent target in the coming months. Over the medium-term (2-3 years) inflation is forecast to edge up slightly, peaking at 6.4 percent in the third quarter of 2021. Nonetheless, there are risks to the inflation outlook which include the future direction of food crops prices in the wake of uncertain weather conditions; the momentum in domestic demand; and the path of the exchange rate, which is contingent on both domestic and external economic factors.

Overall, the MPC assesses that the risks to the projected inflation path are roughly balanced. Based on this assessment, the MPC has decided to maintain the CBR at 10 percent. The band on the CBR will remain at +/-3 percentage points and the margin on the rediscount rate at 4 percentage points on the CBR. Consequently, the rediscount rate and the bank rate have been set at 14 percent and 15 percent, respectively.

Source: Bank of Uganda

2019/ 2020 Budgetary allocation per sector of Uganda's shs 40.5 trillion National Budget

Finance Minister Mr. Matia Kasaija on 13th June 2019 presented to the country the approved annual budget for the financial year 2019/20, which is 30% above the approved 2018/19 budget. As usual, the works ministry takes the biggest chunk with its total allocation increased from sh4.7 trillion last financial year 2018/19 to sh6.4 trillion in 2019/20. Most of the funding will be directed towards the construction of roads in the oil region as the country prepares for oil production. The security sector has been allocated sh3.6 trillion, up from sh2 trillion in the financial year 2018/19, education sector sh3.4 trillion, up from sh2.7 trillion and energy and mineral development sh3 trillion, up from sh2.4 trillion. Other sectors whose budgets were increased include health; from sh2.3 trillion to sh2.6 trillion and accountability sector from sh1.1 trillion to sh1.9 trillion. Accountability sectors include the finance ministry, Uganda Revenue Authority (URA), Office of the Auditor General, Bank of Uganda and all other ministries and agencies that deal with government finances.

The Justice, Law and Order Sector saw an increase from sh1.2 trillion to sh1.6 trillion. It covers the Judiciary, Justice and Constitution Affairs, Internal Affairs, Police and Prisons. The Judiciary received sh22bn for the enhancement of salaries for judicial officers, state attorneys and prosecutors. Public sector management, which includes, among others, public service and Office of the Prime Minister, will get sh789bn, up from sh612bn.

The Agriculture ministry, for the first time, is listed among the sectors to receive over a trillion shillings. Its budget has increased to shs 1.054 trillion, up from sh892.9bn. The money is mainly for Operation Wealth Creation, irrigation schemes and the purchase of agriculture equipment, such as tractors. The same also goes for local governments, whose total allocation has been increased from shs 964.9bn to sh1.2 trillion. Parliament's budget was increased from sh497bn to over sh600bn. The money is mainly to cater for the increase in the allowances for the MPs. The tourism sector had the highest percentage increase of over 381%. The sector's budget was increased from sh32.6bn to sh193.7bn. The Government also allocated sh400b to clear domestic arrears although verified total domestic arrears amount to sh1.2 trillion. However Water and Environment budgetary allocation dropped from shs 1.2trillion to shs 1 trillion, Science and Technology from shs 184bn to 159 bn and ICT from shs 149bn to 123bn.

Resource Envelope for FY2019/2020

The resource envelope of FY2019/20 totals sh40,487.9bn of which tax and non-tax revenue amounts to sh20,895.6bn. Domestic financing amounts to sh2,829.8bn, while financing consists of project support of sh9,433.6bn and general budget support sh675.2bn. Domestic re-financing amounts to sh6, 452.6bn and Appropriation in Aid is sh201.1bn.

Budget Deficit and its financing

The next financial year, the budget deficit as a ratio of GDP is projected at 8.7%, compared to 5.8% this year. This is a result of increase in spending on infrastructure projects, such as oil and tourism roads, the National Airline and power transmission lines. This deficit, as usual, will be financed largely through external borrowing and, to a lesser extent, through domestic borrowing.

Debt Sustainability

As of December last year, debt was at 41.8% of CDP in nominal terms and 31.7% of GDP in present value terms, well below the threshold of 50% debt to GDP ratio contained in the Charter for Fiscal Responsibility and the East African Community (EAC) Monetary Union Protocol. Uganda compares very favorably with its peers, because most of its debt has been contracted on concessional terms.

Source: Newvision

The Uganda Institute of Banking and Financial Services (UIBFS) holds its 2019 Annual General Meeting

The Central Bank Governor, Prof. Emmanuel Tumusiime Mutebile has assured bankers that the sector is sound. In spite of the unfolding events surrounding Bank of Uganda (BoU), the governor has sent out “a vote of confidence” to its licensees’ about the smooth operations within the banking industry. “The sector in which you operate and which we oversee is safe and sound,” he said in a speech delivered by Mr. Solomon Oketcho, the Executive Director Administration Bank of Uganda during the Uganda Institute of Banking and Financial Services Annual General Meeting held recently. In the speech, the Governor highlighted the June monetary policy which maintained the Central Bank rate at 10 percent, foreign exchange reserve buffer, which is standing at about four months of import cover. “Capital growth has picked up and non-performing loans have reduced supported by relatively low level of CBR and pickup in economic growth,” he explained.

He urged the Institute to respond to the forces of technology and economic disruption that are changing the financial sector through digitization. He also challenged the institute to strike a balance between traditional banking and finance courses plus those that are necessary to prepare the banking sector for innovations such as Artificial Intelligence. He further advised banks to retool to harness data analytics such as block chain, cashless money, automation and all the potential benefits of fin-tech as the financial sector evolves.

Mr. Julius Kakeeto, the Institute’s Council President and Chief Executive Officer Orient Bank, urged bankers to acquire skills while appreciating new ways of doing business.

The meeting reappointed on the board, Mr. Katamba (CEO, Dfcu Bank) as the representative of the banks, Mr. Joram Kahenano, representative of fellows and honorary fellows, Ms. Veronica Namagembe as the Micro Deposit taking Institutions (MDIs) representative and Mr. Elliot Mwebya representing the Central Bank among others.



The Chief Guest Mr. Solomon Oketcho (ED Administration BOU) delivering his speech during the AGM



*L-R(Front) UIBFS Deputy Board Chair Mr. Joram Kahenano, Council President Mr. Julius Kakeeto, Chief Guest, UIBFS Board Chair Mr. Mathias Katamba and The Institute CEO, Mr. Anthony Mulindwa
L-R(Back) Board Members, Mr. Clement Dodoo, Mr. Wilbrod Owor and BOU Governor Emeritus Mr. Leo Kibirango*



UIBFS Members and Invited guests

FINANCIAL SECTOR NEWS HIGHLIGHTS

Makerere secures shs 432 Billion for Agribusiness, data centres

The Makerere University has secured over \$120 Million (about shs 432 Bn) to construct Centers for Agribusiness and data. The Agribusiness Centre will be set up at the Agriculture Research Institute in Kabanyoro, while the data centre will be built at the main campus of the University. The German company will be constructing a University teaching Hospital at \$ 200Mn, build an Agribusiness high tech centre at \$60Mn.

Russia – Uganda trade increases to \$ 740 Million

Trade between Uganda and the Russian Federation has grown nearly 25 times over the last 10 years from \$ 30 Million (shs 112 Bn) in 2009 to over \$740 Million(shs 2.7 Trillion) by the end of 2018 as a result of increased bilateral ties.

Savers becoming poorer – National Social Security Fund (NSSF)

National Social Security Fund (NSSF) says 53 per cent of the members who take their savings become poor a year after receiving the pay because of bad spending habits and poor planning. Addressing their suppliers recently, Mr. Richard Byarugaba, the NSSF Managing Director, said research they have carried out on the spending patterns for the benefits paid to the members show misplaced priorities, which do not guarantee the members a comfortable life in retirement.

Post Bank Uganda leads in Agricultural lending

Post Bank Uganda has been named the best financial Institution in advancing agricultural financing in the country under the Bank of Uganda Agricultural Credit Facility (ACF) Programme. This was recently revealed during the awards ceremony for the best performing Institutions under the ACF Scheme held at Kampala Sheraton Hotel.



Hon. Matia Kasajja, Minister MoFPED and Dr Louis Kasekende, Deputy Governor Bank of Uganda (C) with the winners and runners up of overall Best performing Financial Institutions in the Commercial Bank & UDBL Category as well as Credit Institutions & MDIs Category.

Uganda Gold Exports grow to shs 1.3 Trillion

Uganda exported Gold worth \$ 363 Mn (shs 1.3 Trillion) in March alone, according to the Bank of Uganda. This is the first time the country has exported gold worth that much ever in a single month. This brings the total export for the three months to March 2019 or the first quarter of 2019 to \$ 493 Mn (shs 1.8 Trillion).

Mr. Ogwang Scoops Top Job at East African Development Bank



Mr. Francis Ogwang is the new Country Manager at the East African Development Bank (EADB). He has experience of over 17 years, 8 of them at middle management and senior leadership levels in Corporate and Investment Banking, Credit and Business Development. He is a visionary thinker with global perspective and entrepreneur drive. Prior to joining EADB, he was the Chief Business Manager at Centenary Bank and later joined Ecobank Uganda as the Country Manager, Corporate Banking

East Africa stays at the top with foreign inflows at \$4 Billion – Report

East Africa remains a top destination for foreign direct investment, with new data for 2018 showing that the region attracted inflows of \$4 Billion. The latest World Investment Report 2019 by the United Nations Conference on Trade and Development shows despite flat growth in FDI in the larger E. Africa, Uganda inflows reached a historic high to \$1.3 Billion, Kenya \$1.6 Billion and Tanzania \$1.1 Billion.

Banks set 1st July 2019 deadline to phase out old Cheques

Banks under Uganda Banker Association (UBA) have given customers up to 1st July 2019 as the deadline on which they should have obtained new cheque books that are compatible with new regulations. In 2018 Bank of Uganda started implementing the automated clearing house system, which eliminated moving of physical cheques between banks and across branches which reduced cheque clearing time from four to two working days.

Centenary Bank, European Investment Bank (EIB) to provide financial inclusion for refugees

Centenary Bank has partnered with the European Investment Bank to provide financial literacy and inclusion for refugees in Uganda and the host communities. The Scheme will improve business and financial skills in communities in the north, west and south of Uganda that host the largest number of refugees.

Africa must focus on Integration - African Development Bank (AfDB)

The African Development Bank (AfDB) has emphasized integration as a precursor that will push Africa to new heights. Speaking during the Bank's annual meetings in Equatorial Guinea recently, Dr. Akinwumi Adesina, the AfDB President, said Africa should leverage on its numbers to create a collective market for its products.

Business Incubation key to Business survival

While Uganda is among the most entrepreneurial countries globally, most of the startups tend to die before their second birthday. This is particularly because young entrepreneurs struggle on their own due to lack of enough incubation centres to support their businesses. Speaking during the breaking of the group ceremony for the construction of a sh.10bn agribusiness incubation park in Namanve, Mukono recently, the Uganda Industrial Research Institute (UIRI) Director of Marketing, Dennis Dokoria, said there is need for incubation services to improve the survival rate of startups.

MTN Uganda slashes money sending fees

Telecom Company, MTN Uganda slashed mobile money sending fees by more than half in a promotion aimed at giving back to their clients. The eight week promotion kicked off in mid June 2019 and is in line with MTN's commitment to driving financial inclusion in Uganda.

DR Congo applies to join the East African Community (EAC)

The Democratic Republic of Congo has applied to join the East African Community in a move that could potentially expand the boundaries of the trading bloc to the Atlantic coast of Africa. The application following talks between DR Congo President Felix Tshisekedi and Rwanda President Paul Kagame, who chairs the East African Community.

Traders seek Export Insurance guarantee Scheme

Uganda Manufacturers Association (UMA) has asked government to expedite the process of putting in place an export guarantee Scheme to protect and support exporters especially to manufacturers who export their goods into volatile countries such as South Sudan and DR Congo.

HIGHLIGHTS FROM THE REGISTRAR'S OFFICE AND TRAINING DEPARTMENT

APPLICATION/ENROLMENT FOR THE AUGUST – NOVEMBER 2019 SEMESTER

The Institute Registrar announces to the general public that enrollment/ application for the Academic Year 2019/ 2020 is ongoing for the Academic, Professional Banking, Microfinance and PGD in Agricultural Risk Management & Finance Programmes listed below, Eligible persons in the Financial Service Sector, and those intending to join the sector are encouraged to pick application/enrolment forms at the Institute's Head Office on Plot 10 Buganda Road, or at any of Institute's satellite stations across the country.

Course	Minimum requirements	Study mode	Duration
The Chartered Banker programme <ul style="list-style-type: none"> • Level 1 Professional Banker • Level 2: Executive Banker • Level 3: Chartered Banker 	First Route Either (i) Bachelor's Degree in relevant disciplines (Eligible for exemptions) (ii) Professional qualifications (CPA, ACCA, CIMA, CIPS, CPB) - (Eligible for exemptions) (iii) Master's degree (Eligible for exemptions) and : Second Route Either (i) Diploma - (No exemptions) (ii) U.A.C.E with 2 Principal Passes (No exemptions)	Evening	Level 1: 1 year Level 2: 1 year Level 3: 1 year
Diploma in Microfinance	Either (i) UACE with 2 Principal passes and 1 subsidiary pass obtained at the same sitting or equivalent (ii) Banking Certificate (iii) Any other recognized professional qualification like CPA, ACCA or Equivalent.	Blended Evening Private Elearning	2 years
Certified Credit Management	Either i. A university degree with at least two years of Credit related work experience in a financial Institution ii. Recognized Professional qualification like CPA, ACCA or equivalent iii. Certified Professional Banker (Diploma in Banking)	Evening	9 months
Post Graduate Diploma in Agricultural Risk Management and Finance	Either (i) At least second class degree from a recognized University (ii) A holder a recognized professional qualification in Accounting, Diploma in Banking/Certified Professional Banker	Weekend	9 months

Note :

- Chartered Banker, Certified Credit Management and Diploma in Microfinance programmes Start on 30th July 2019.
- Post Graduate Diploma in Agricultural Risk Management Programme (Weekend study) starts on 24th August 2019.
- Detailed information about the programmes, content and regulations can be obtained from:

The Office of the Registrar on Tel. 0414-233628 /0414236849 /0772-467127 / 0705877708

Email:uibinformation@uib.or.ug/rsemakula@uib.or.ug / hilkatono@uib.or.ug

- Or visit our offices on Plot 10 Buganda Road Opposite Buganda Road Court or our Satellite stations across the country.
- OR visit the Institute website on www.uibfs.or.ug

Upcoming Short Skills Courses for July 2019

Course Codes	Course Title	Duration	Venue	Dates	Course Fees	
					Ugandans (UGX)	International (\$)
BFT-LRB-25	Law Relating to Banking Practice and Management	5 Evenings	Kampala	01 st - 05 th July	600,000	300
BFT-C-02	Cash Management	5 Evenings	Kampala	08 th - 12 th July	600,000	300
	International Introduction to Securities and Investment	3 Full Days	Kampala	17 th - 19 th July	850,000 PLUS 118 Pound Sterling for CISI Certification, Examinations and Study Materials	
	Managing Cyber Security and Payments	3 Full Days	Kampala	22 nd - 26 th July	850,000	450
	ACI Dealing Certificate	4 Months	Kampala	16 th July - November	1,700,000 <i>Includes UIBFS Cert. but not ACI Exam Fee</i>	

Microfinance Competence Centre (MCC) Upcoming Short Skills Courses for July 2019

Course code	COURSE TITLE	Duration	Venue	Dates	Cost (UGX)	International (\$)
MCC-FAM-09	Financial management and Analysis	4 days	Kampala	08 th - 12 th Jul 2019	250,000	140
MCC-DML-06	Delinquency management and loan monitoring	3 days	Hoima	10 th - 12 th Jul 2019	250,000	140
MCC-CRA-30	Credit Analysis and Risk Assessment	3 days	Masaka	17 th - 19 th Jul 2019	250,000	140

COMPUTER BASED COURSES

Course	Applications	Fee
1) Computerized accounting	Tally ERP & QuickBooks 2018	450,000/=
2) Data Entry and Analysis	Epi Data, Epi Info, Stata, SPSS, Minitab, Excel	450,000/=
3) Data Entry and Management	Epi Data, Epi Info, CS Pro	450,000/=
4) Qualitative Data Analysis	Nvivo, Atlas.ti	500,000/=
5) Computer Applications	MS Office Applications Internet / email	400,000/=
6) Business Intelligence & Data Mining	SQL Server 2016, Tableau, Power BI,	850,000/=
7) Customer Relations Management (CRM)	CRM Software, Social Media	700,000/=
8) Digital Marketing	Web Analytics, search engine optimization, social media, email, Pay Per Click (PPC)	850,000/=
9) Bio Statistics	Stata, Epi Info, SPSS	450,000/=
10) Advanced Excel	MS Excel 2016	450,000/=
11) Advanced Databases in Access /Microsoft SQL	MS Access 2016, SQL	850,000/=
12) Graphics Design / Video Editing	Photoshop, Illustrator, Indesign	500,000/=
13) Econometrics	E-views and Stata	500,000/=

NOTES:

- Duration for each course is between 2 - 4 weeks
- Three study sessions (Morning 9:00 AM - 1:00 PM, Afternoon - 2:00 PM - 5:00 pm, Evening - 5:00 PM - 9:00 PM)
- Enrolments are on ongoing basis. You can enroll anytime of the week and begin at the earliest convenience after agreeing on the timetable with the trainer.
- Study 5 days a week: Monday - Friday
- The cost of the training does not include the cost of the software
- Application fee is 10,000/= for each course
- Certificates will be awarded upon successful completion of the course

For additional information, contact the trainer on +256759 981772 or +256 782 186085 Visit <http://www.uibfs.or.ug>

THE INSTITUTE LIBRARY

The Uganda Institute of Banking and Financial Services Library is the ONLY one stop centre for Information on Financial Services (Banking and Microfinance) and Business. Its primary role is to support your learning and research needs by providing you with information sources and data.



Library Services Include:

- Physical and Online books /journals/magazines
- Bank/Microfinance Annual Reports,
- Ugandan Newspapers (Monitor, New Vision, Business Week, Finance & Trade)
- Internet services (online research)
- photocopying,
- Printing,
- scanning,
- laminating,
- Binding
- Research and Documentation centre: This gives you access to repackaged information, Newspaper cuttings on relevant subjects, workshop and seminar reports/presentations, research papers, among others)

ONLINE CATALOGUE

- The Library Catalogue can be accessed via library.uibfselearning.or.ug
- Members and the public are able to view all the Library holdings (books and other resources) anywhere, anytime.

LIBRARY OPENING HOURS:

Monday to Friday	8:30 a.m. to 9.00p.m.
Saturday	9.00 a.m. to 4.00p.m.
Sunday and Public Holidays	Closed

LOCATION:

Behind Hotel Equatorial on plot 76/78 William Street, Bank of Uganda Building

CONTACTS

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Website: www.uibfs.or.ug

BECOME A MEMBER OF THE INSTITUTE TODAY

All Financial Services Industry employees are eligible to become ordinary members of the Institute.

How to become a member:

An individual fills in a membership application form (available at www.uibfs.or.ug) and then returns it to the undersigned together with the subscription fee and two coloured passport size photographs.

Benefits that accrue to members:

- Access to the UIBFS Library (Physical and online resources)
- Free copy of the Financial Services Magazine and Newsletters
- Subsidized fee on some skills (short) courses
- Free attendance to UIBFS organised Public lectures
- Recommendation to take up responsible positions within the industry and the country at large
- Professional status, among others

For details please Contact:

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