



THE BANK SCENE

Newsletter of The Uganda Institute of Banking and Financial Services

Editorial

Dear our esteemed readers,

Here is the March 2021 issue of the Bank Scene.

Applications for all our Online Professional, Academic, Short skills Banking and Finance, Digital and Computer based Programs are ongoing. All eligible aspiring banking professionals, current bank employees, staff of other financial Institutions, University graduates, Diploma holders and UACE holders are encouraged to apply following our online application [link: sms.uibfs.or.ug](mailto:sms.uibfs.or.ug) or visit the Institute Website at www.uibfs.or.ug

Our new membership program with a wide range of categories has also been operationalized. We urge you to Log on to <http://www.join.uibfs.or.ug> and sign up for UIBFS membership and enjoy a number of membership benefits that include Continuous Professional Development (CPD) Program topics in all areas of banking and Finance.

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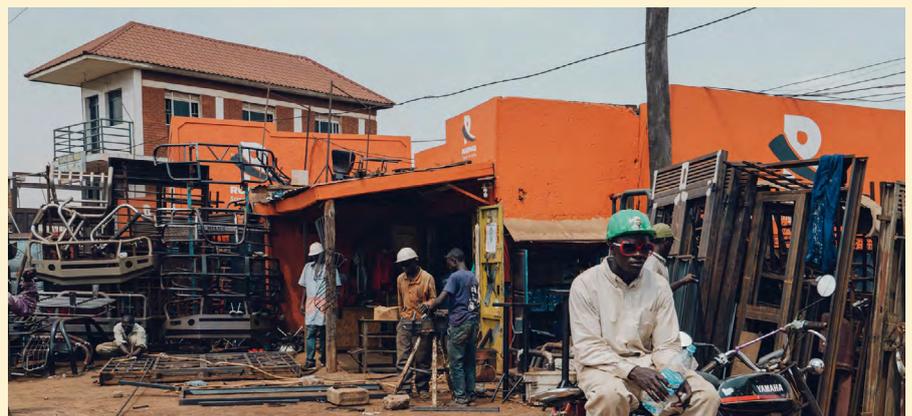
World Bank: Uganda's Economic Overview 2020/2021

Uganda's real gross domestic product (GDP) grew at 2.9% in FY20, less than half the 6.8% recorded in FY19, due to the effects of the COVID-19 (coronavirus) pandemic. GDP is expected to grow at a similar level in FY21. Economic activity stalled during the latter part of FY20 due to a domestic lockdown that lasted more than four months, border closures for all but essential cargo, and the spillover effects of disruptions to global demand and supply chains. This resulted in a sharp contraction in public investment and deceleration in private consumption, which hit the industrial and service sectors hard, particularly the informal service sector.

On a calendar year basis, real GDP growth is expected to contract by up to 1% in 2020, compared to 7.5% growth in 2019, and, as a result, real per capita GDP growth is expected to contract by about 4.5%. Even if GDP growth rebounds strongly by 2022, the level of per capita GDP is likely to remain well below its pre-COVID trajectory. The medium-term

outlook for Uganda has worsened considerably due to the impact of COVID-19, and risks are tilted heavily to the downside. If the impact of COVID-19 lasts longer globally, or the virus spreads more widely in Uganda, this could deter the recovery in Uganda's exports, adversely impact a rebound in foreign direct investment (FDI), tourism and remittances, and further depress productivity and hence the domestic economic recovery. Such developments could lead to more severe social and economic impacts and amplify external and fiscal imbalances.

Furthermore, while lower oil prices are beneficial to Uganda's trade balance and real growth outcomes, they also mean increasing risks to investment plans in the Ugandan oil sector, which was expected to start producing and exporting by 2024/25. Finally, heightened uncertainty in the post-2021 election period and weather shocks could further exacerbate the aforementioned risks.



Development Challenges

Prior to the COVID-19 outbreak, structural transformation was driving a decline in poverty, despite a slowdown in average economic growth over the last decade. The transformation was characterized by a reduction in the total workforce employed in agriculture and a take-off in industrial production, largely in agro-processing. Notwithstanding shifts to higher productivity jobs, per capita real GDP growth decelerated to 1.3% in the five years prior to the COVID-19 crisis, from 2.2% between 2010 and 2015, as population growth climbed further to 3.7% per year. Furthermore, poor people remain highly vulnerable to shocks, as seen in the temporary rise in poverty following the 2016/17 drought.

Following the shock of COVID-19, there have been widespread firm closures, permanent layoffs in industry and services, a rapid slowdown of activity particularly in the urban informal sector, and a movement of labor back to farming. Household incomes have also fallen, which is concerning given the high levels of vulnerability to poverty, limited social safety nets, and impact this might have on human capital development and Uganda's capacity to benefit from its demographic transition.

Heavy reliance on low productivity agriculture (about 25% of the economy, 50% of exports and 70% of employment) also contributes to income volatility and stagnation. To keep up with growth in the labor force, the economy needs to create at least 700,000 jobs per year, which far exceeds the 75,000 jobs that are currently created each year. Raising incomes further will also require improving productivity in agriculture and opportunities for absorbing excess labor into more productive employment in industry and services.

Human Capital in Uganda

Uganda's Human Capital Index (HCI) is low. For instance, 83% of 10-year-olds cannot read and understand a simple text by the end of primary school. This is higher than the average for its region (80%). Only 95 out of 100 children born in Uganda survive to age 5. Undernutrition is high and stunting affects 29% of children in Uganda aged 5 years and below. At 3%, Uganda's annual population growth rate is among the highest in the world, despite a reduction in fertility rates. Uganda's population of 42 million is expected to reach 100 million by 2050, while the annual urban growth rate of 5.2% is among the highest in the world and is expected to grow from 6.4 million (2014) to 22 million by 2040.

Beyond disrupting the economy, the COVID-19 pandemic risks rolling back the recent gains in health and human capital development if effective prevention and control measures do not continue to be implemented rapidly and at scale. Uganda's refugee population has almost tripled since July 2016 and is currently around 1.4 million, making it the largest refugee host in Africa, and third largest in the world. While its open-door refugee policy is one of the most progressive in the world, with refugees enjoying access to social services, land and jobs, the continued influx—coupled with limited resources—is placing tremendous pressure on existing amenities and straining the delivery of services in host communities.

Source: World Bank



End of March Financial Markets and Foreign Exchange Report

Fixed Income

We have had a fairly stable end of month in the financial markets. Rates have generally remained stable and traded volumes have also dipped. The lower volumes are typical of what we tend to see as the quarter draws to a close. Most investors tend to balance their exposures/holdings before end of the quarter which are traditionally reporting periods.

Rates on the long end of the curve (10, 15Y) are converging in the 15.50% – 16.0% range with no movement for the week. The yield curve is quite steep with 1Y at 11.50% on one end while the 20Y is at 16.50% on the other end; which steepness should present good opportunities for bond traders.

Forex Rates

There has been a mild recovery in demand from corporates, particularly telecoms and manufacturing. That has seen the currency trade marginally higher at 3660/70.

We tend to see banks and corporates with offshore shareholders start buying USD in March and April as they prepare to pay out dividends in April and May. This tends to cause the UGX to lose 1-2% against the USD but the trend this year has reversed. We are seeing exporter flows (coffee and cocoa), as well as NGO inflows, outweighing this demand.

We expect the USDUGX to continue trading within the 3,650 – 3690 range for April 2021.



The week ahead

This coming week watch out for;

- **Inflation numbers expected later today.** Expectation is for core inflation to remain within the 5.0-5.5% range while headline inflation should rise, driven by prices of scholastic materials.
- **Stanbic PMI is expected early next week, April 07, 2021.** Given the increase in economic activity in February, we expect the PMI to reflect improved business confidence into March and April.
- **Monetary Policy Committee meeting is on April 14, 2021.** We expect the Central bank to continue with the current loose monetary policy and hold the policy rate at 7%

Selected Economic Indicators

Feb-21		Mar-21
Central Bank Rate (CBR)	7.0	7.00
Headline inflation (%)	3.8	TBA
Core inflation (%)	5.6	TBA
Inter-bank Overnight rate (%)	7.00	7.02
Inter-bank 1-week (%)	7.00	7.23
USDUGX Forex rate	3670	3665
Stanbic Bank Uganda PMI	51.2	TBA

Source: Stanbic Bank Uganda – Global Markets Dept.

Nearly half of the Uganda's Bank loan portfolio restructured by January 2021, BOU Report

According to Dr Adam Mugume, the Bank of Uganda Director for Research, banks by January 2021 had restructured nearly half of their loans, which represented 46 per cent of the total loan portfolio in the banking sector. This was an increase from 40.5 per cent recorded in September, which was translating to Shs6.73 trillion of restructured loans. However, according to a banking sector market report by Stanbic Bank, by December 2020, restructured loans stood at Shs7.7 trillion, reflecting 44.6 per cent of sector gross loans. At least loans worth Shs764.5b of those that had been restructured were overdue by then. BOU had last year asked financial institutions to restructure loans for customers on a discretionary basis to cushion the economy from the effects of Covid-19. The credit relief period, which had been expected to end in April 2021, was extended by Bank of Uganda for another six months effective April 1.

Uganda's coffee exports increase despite Covid-19 market disruptions

Uganda's coffee exports have defied coronavirus market disruptions for a straight second month recording growth in value and volume. The Uganda Coffee Development Authority last week released data that shows that the country's coffee exports between March 2021 and February 2021 totalled 5.56 million bags worth \$511.21 million, from 4.74 million bags worth \$459.47 million the previous year, representing 17 per cent and 11 per cent increase in quantity and value respectively. In February, Uganda exported 563,763 60-kg bags of coffee worth \$50.55 million.

Regional Financial News Highlights

Central Bank of Kenya (CBK) gives borrowers 3 months to regularize bank loan repayments

Kenyan bank borrowers have three months (March 3 to June 3 2021) to regularise their loan repayments following the expiry of a one-year window through which the lenders had extended and restructured the loan repayments for customers adversely impacted by Covid-19 pandemic. Central Bank of Kenya, in consultation with the banks, agreed on a one-year period (March 3, 2020 to March 3, 2021) to extend emergency measures to cushion borrowers from the adverse economic effects of the coronavirus. These measures included restructuring loans that were performing as at March 2, 2020 and the provision of regulatory flexibility to banks by the banking regulator.

International Financial News Highlights

UK government responds with £210bn to boost recapitalization of businesses affected by the Covid- 19 Pandemic.

Many businesses around the globe took on higher levels of debt in 2020 than they would have planned for because of Covid-19. The pandemic has prompted an unprecedented government response worldwide to support health systems and provide lifelines to vulnerable households and firms. Total monetary measures to date are estimated at US\$14tn, with global public debt approaching 98% of GDP, according to the International Monetary Fund. In most countries around the world, businesses both big and small have struggled to survive. In the UK, nearly 1 in 20 firms are likely to be pushed into technical insolvency due to the levels of debt built up since March 2020 and the UK Treasury stepped in to support businesses through loans and the furlough scheme. The total cost of measures announced to combat Covid-19 amounted to £210bn in the six months to 7 August 2020.

Source: CISI



UIBFS News and Upcoming Events



**THE UGANDA INSTITUTE
OF BANKING AND
FINANCIAL SERVICES**

APPLICATION / ENROLMENT 2021 INTAKE FOR PROFESSIONAL AND ACADEMIC PROGRAMS

Enrollment/application for 2021 Intake is ongoing for **Online** Professional and Academic Banking and Finance Programs listed below. Eligible aspiring Banking Professionals, Current Bank Employees, Staff of other Financial Institutions, University graduates, Diploma holders and UACE holders are encouraged to apply Online following online application link: <sms.uibfs.or.ug> or visit the Institute Website at www.uibfs.or.ug

PROFESSIONAL PROGRAMMES			
Programme	Entry Requirements	Cost / Fees	Duration
CHARTERED BANKER (3-Level Certificated Professional Program) (Available On line: Instructor led & Self Study Online) Application: On-going	Applicants should possess atleast one the following requirements: i. Eligible for exemptions: <ul style="list-style-type: none"> A Bachelor's Degree in relevant disciplines Professional qualifications (CPA, ACCA, CIMA, CIM, CIPS, CPB) Possession of a Master's Degree in relevant disciplines ii. Not Eligible for exemptions: <ul style="list-style-type: none"> U.A.C.E with 2 Principal Passes Diploma Mature Age entrants 	i. Online instructor- led or Evening study: UGX 300,000 per subject covering Tuition & Exams OR the Total cost for 6 subjects: UGX 1,800,000 per semester ii. Self-Study online: UGX 185,000 per subject OR the Total cost for 6 subjects: UGX 1,110,000 per semester. iii. Functional Fees: 425,000 per year	1 Year (2 semesters) Per Level Minimum 1 subject to Maximum 6 subjects per Semester
CERTIFIED CREDIT MANAGEMENT (Available On line: Instructor led & Self Study Online) Application: On-going	Applicants should possess atleast one of the following requirements: <ul style="list-style-type: none"> A University degree with at least two years of Credit related work or experience in a financial Institution Certified Professional Banker (Diploma in Banking)/ Certificate in Credit Management 	i. Online instructor- led or Evening study: UGX 1,250,000 per semester ii. Self-Study online: UGX 720,000 per semester. iii. Functional Fees: UGX 960,000	9 months (2 Semesters)
DIPLOMA IN MICROFINANCE (Available On line: Instructor led & Self Study Online) Application: On-going	Applicants should possess atleast one of the following requirements: <ul style="list-style-type: none"> UACE with One principal pass and two subsidiary passes, or the equivalent Diploma Degree holders qualifications from recognised Institutions 	i. Online instructor- led: UGX 750,000 per semester ii. Self-Study online: UGX 600,000 per semester. iii. Functional fees: 425,000 per year	2 Years (4 Semesters)

POST GRADUATE PROGRAMS

<p>MASTER OF ARTS IN FINANCIAL SERVICES (Available On line- Instructor led & Blended Learning) Application Deadline: (March – May 2021)</p>	<p>Applicants should possess at least one of the following requirements:</p> <ul style="list-style-type: none"> • At least a lower second class bachelor’s degree in Finance, Accounting, Economics, Statistics or a degree with a strong quantitative bias. • A holder of any bachelor’s degree and a postgraduate Diploma in Accounting, Finance, Economics or Banking from a recognized Institution. • At least a lower second class bachelor’s degree in any field with at least three (3) years consecutive working experience in Financial Services or • A recognized professional qualification such as ACCA and CPA 	<p>i. Tuition: UGX 2.5Mn per Semester (UGX 5Mn p.a.) ii. Functional Fees: 795,000 per year</p>	<p>2 Years</p>
<p>PGD AGRICULTURE RISK MANAGEMENT & FINANCE (Available On line: Instructor led) Application Deadline: (March – June 2021)</p>	<p>Applicants should possess at least one of the following requirements:</p> <ul style="list-style-type: none"> • At least second class degree in Business related courses with 2 years of working experience. • Applicants from Financial or Agribusiness Institutions should accompany their applications with recommendation letters from their employers. 	<p>i. Tuition :UGX 2,990,000 ii. Functional Fees:1,175,000</p>	<p>1 Year</p>

ONLINE SHORT SKILLS BANKING AND FINANCE PROGRAMS AVAILABLE FOR APRIL 2021

Course title	Date April 2021	Duration (hours)	Cost (UGX) per Participant
Coaching and Mentoring Through Uncertainty	6-9	8 sessions	USD 350
Regulatory Frameworks, Reporting and Policy Compliance	6-9	15 hours	250,000
Agency Banking	12-15	15 hours	220,000
Agriculture Financing	12-16	15 hours	250,000
Bancassurance	19-23	15 hours	250,000
Trade Finance Principles and Practices	26-30	15 hours	250,000
Islamic Finance	26-30	15 hours	250,000
Fundamentals of Financial Services (CISI-UK)	April-May	Six weeks	850,000
International Introduction to Securities and Investment (CISI-UK).	15-19	15 hours	850,000
Regulations and Market Practices for Capital Markets (CISI-UK)	15-19	15 hours	850,000
Digital Retail Banking (LIBFS)	15-19	3 days	Pounds 200
Introduction to Fintechs (LIBFS)	15-19	3 days	Pounds 200
Alternative Finance (LIBFS)	15-19	3 days	Pounds 200
Emerging Technologies in Banking and Finance (LIBFS)	15-19	3 days	Pounds 200

DIGITAL AND COMPUTER BASED PROGRAMS AVAILABLE FOR APRIL 2021

Course	Packages	Cost (UGX) Individual	Cohort size (15 Participants and above)
1. Certificate in Computer Application	Microsoft Office Applications & Online Essentials	300,000/=	300,000/=
2. Certificate in Data Entry and Statistical Analysis	Epi Info, Epi data, Minitab, Stata, SPSS & Excel	400,000/=	400,000/=
3. Data Entry and Statistical Analysis (Advanced)	Epi Info, Epi data, Minitab, Stata, SPSS & Excel, E-views & R	850,000/=	400,000/=
4. Certificate in Computerized Accounting	Tally ERP 9.2 & Quickbooks 2020	400,000/=	400,000/=
5. Certificate in Data Mining & Business Intelligence	Tableau & Power BI	850,000/=	400,000/=
6. Applied Time series and Panel Data Econometrics	Stata & E-views	600,000/=	400,000/=
7. Advanced Databases	SQL, mysql on Windows, Linux & Ubuntu	850,000/=	400,000/=
8. Digital Marketing & Corporate Communications	Digital Content Development Tools	850,000/=	400,000/=
9. Advanced Excel	Excel 2019	400,000/=	400,000/=

MEMBERSHIP AND CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD) PROGRAM

Log on to <http://www.join.uibfs.or.ug> and sign up for UIBFS membership and enjoy a number of membership benefits that include the Institute's Continuous Professional Development (CPD) Program in all areas of banking and Finance .

Note :

- To Apply for the Courses, Follow this online application link: sms.uibfs.or.ug or Visit the [website : www.uibfs.or.ug](http://www.uibfs.or.ug).
- For further information contact, The Office of the Registrar on Tel. 041233628 / 0772467127 / 0756628047 Email: rsemakula@uib.or.ug / rmugwanya@uib.or.ug or uibinformation@uib.or.ug
- Or visit our Offices at Plot 10 Buganda Road, opposite GT Bank & Buganda Road Magistrates Court.

To Apply

Follow this online application link: sms.uibfs.or.ug
Visit the website : www.uibfs.or.ug

For inquiries about application and other details, please contact us as follows:

UIBFS mail: uibinformation@uib.or.ug (for general inquiries) or

Registrar: rsemakula@uib.or.ug /0414233628/0772467127 (for Professional & Post graduate courses).

Training & Partnership Executive: gmukasa@uib.or.ug /0775430099/0705254012 (for Short skills courses).

Membership & Business Development **Manager: ssemakula@uib.or.ug /0414255848 /0701583513** (for registration & renewal

Digital Programmes: dsmasinde@gmail.com /0414233628/0759981772 (for inquiries regarding Digital programmes).

E-learning Executive: dlubega@uib.or.ug /0701782931/0776768658 (in regard to E - learning issues).