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Uganda considers increasing Shs10m limit under Deposit Protection Fund

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Insurance regulator applauds Minet Reinsurance launch

The Insurance Regulatory Authority (IRA) has lauded the launch of Minet Reinsurance in Uganda, describing it as a pivotal moment for the country's insurance industry.

The regulator said this is expected to significantly bolster the capacity of both insurers and reinsurers, driving greater competition, fostering innovation, and stimulating economic growth.

Bernard Obel, Director of Supervision at the IRA, emphasized the importance of reinsurance in the stability and growth of Uganda's insurance market. He noted that the presence of multiple reinsurance players is crucial for effectively distributing risk, enabling individual insurers to manage large and complex claims more efficiently.

"This marks a major

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Alex Onen, Chief Executive Officer, Minet Uganda Reinsurance, Caroline Athiyo, Chief Commercial Officer, Minet Uganda, Benerd Obel, Director Supervision, Insurance Regulatory Authority (IRA) and Andrew Muyomba, Chief Financial Officer, Minet Uganda during the launch of Minet Uganda Reinsurance Brokers SMC -Limited at Sheraton Hotel Kampala recently.

ECONOMY

Uganda's banking sector growth hits 9.94% as assets surge to UGX 50.48 trillion

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BUSINESS

Stanbic's half year results show sustained profitability despite inflationary pressures

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The ESG strategy, a new metric for Uganda's Insurance performance

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CIC half-year profit flat at Sh709 million on higher expenses

CIC Insurance Group has posted a 0.64 percent increase in net profit to Sh709.99 million for the half year ended June 2024, with the pace of profit growth slowed by higher operating and tax expenses.

The increase in net profit from Sh705.45 million in the corresponding period last year was driven by a 21.4 percent rise in insurance services income net revenue from underwriting business to Sh1.05 billion.

Net investment income, which is money received from investments such as government securities, fixed deposits and property, fell from Sh690.2 million to Sh681.1 million, mainly due to a 79.8 per cent increase in net finance expenses from insurance contracts to Sh1.29 billion.

Investment income grew by 35.6 percent to Sh1.79 billion while income from asset management services increased by six percent to Sh604.1 million.

Profit before tax rose by 7.2 percent to Sh1.28 billion, but higher tax expenses of Sh569.34 million or 44.5 percent of gross profits slowed net profit growth. CIC had paid Sh488.3 million or 40.9 percent of gross income as tax in the corresponding period last year.

The Nairobi Securities Exchange-listed group, which has operation in Kenya, Uganda, South Sudan and Malawi, last month paid a dividend of Sh0.13 per share after posting record net profit of Sh1.44 billion for the year ended December 2023.

The record profit was the first full year under new accounting rules called International Financial Reporting Standards (IFRS) 17, which replaced IFRS 4 in January last year. IFRS 4 had been in use for 18 years.

The net profit of Sh1.44 billion surpassed the previous record of Sh1.1.14 billion that CIC posted in 2015, a performance attributed to the repositioning of its general business, group life business and investment portfolio in that year.

Sanlam Kenya was another insurer with improved performance last week. It posted a net profit of Sh282.2 million for the half year ended June 2024, compared to a net loss of Sh171.95 million in a similar period last year.

Sanlam will be looking for its first full-year profit in four years after its loss widened by 52.6 percent to Sh126.6 million in the year ended December 2023.

Uganda's banking sector growth hits 9.94% as assets surge to UGX 50.48 trillion

Uganda's banking sector has demonstrated remarkable resilience, with total assets expanding by 9.94% to Shs50.48 trillion in the year to March 2024. This growth is a testament to the sector's ability to adapt and thrive in a challenging environment.

Ramathan Ggoobi, Permanent secretary and Secretary to the Treasury, Finance Ministry

According to Ramathan Ggoobi, Finance ministry permanent secretary and Secretary to the Treasury, "The banking sector's performance is a positive indicator of its capacity to navigate complex economic conditions." However, he also emphasized the need to address the issue of high interest rates, which can hinder economic growth and limit access to credit for businesses and individuals.

The report reveals a 6.84% growth in the deposit base to Shs34.20 trillion, while total advances increased by 6.79% to Shs20.57 trillion. Notably, the level of intermediation slowed down, with a lower growth in total advances compared to the previous year.

The banking sector's profitability also improved, with a net profit after tax of Shs1.5 trillion for the year ended December 31, 2023, up from Shs1.2 trillion in the previous year.

The net profit after tax for the first three months to March 31, 2024, amounted to Shs413.16 billion, representing a 3.68% growth compared to the same period last year.

Furthermore, the report highlights a decrease in non-performing loans by Shs68.22 billion (5.99%) to Shs1.07 trillion, resulting in an improvement in the ratio of non-performing loans to total loans and advances from 5.72% to 5.05%.

In terms of exchange rate developments, the Uganda shilling exhibited stability against the US dollar in the Financial Year 2023/24, depreciating by only 0.8% to an average mid-rate of Shs3,781.4 per US dollar. This stability is a positive sign for the economy, as a stable currency can attract foreign investment and promote trade.

Private sector credit growth declined in FY2023/2024 compared to the previous year, falling to 7.8% in the nine months to March 2024. Shilling-denominated loans were the primary driver of growth in private sector credit, growing at an average of 9.6%, albeit lower than the previous financial year's average growth of 12.0%.

Ggoobi emphasized the need to address challenges such as high interest rates and non-performing loans to ensure sustainable growth in the banking sector.

"The sector's resilience is a positive indicator, but we must continue to work towards creating a more conducive environment for economic growth," he noted.

Insurers awaiting a cabinet review on new policy to rejuvenate motor third party

Insurance is losing popularity among the general public, particularly policies that cover bodily injury, death, or loss resulting from an accident that are under the motor-third party insurance, new data shows, something that is now a detrimental to insurers who are relentlessly trying to expand their coverage in the various parts of the economy.

Clients are abandoning these policies because they feel underserved for the obvious reasons like they believe insurers are playing them the patient game before they settle their claims and there is discomfort on who is supposed to benefit from this type of micro insurance.

Currently, this policy is mandatory to possess for automobile owners like those on the two wheelers and the vehicles as well; failing to do so risks culprits to jail.

Its specifics detail that it only pays for death and physical harm of the affected on the roadside, not for damage to the motorcycle or any other involved vehicle or motorcycle. It does not even cover the rider or the driver, as they are not considered third parties in the current insurance law.

In addition to these intricacies, the insured themselves are occasionally taken aback by the fact that many claims are sometimes not paid by the insurers in a timely manner, leading to schemes that are not governed by the insurance regulatory body.

Al-Hajji Ibrahim Lubega Kaddunabbi, Chief Executive Officer, IRA at a media engagement workshop in Kampala.

Official data from the Insurance Regulatory Authority (IRA) shows that the number of claims paid out is increasing, indicating that the problem is either with the turnaround time or with the few cases that take a long time for the insurers to evaluate due to their complexity in handling that are the subject of these complaints.

Local insurers distributed Shs820.47 billion in 2023 (compared to Shs618.71 billion in 2022), or 51.17 percent of the total gross written premiums. In contrast, Shs564.82 billion was disbursed in 2021.

When an accident occurs, the insurer typically sends assessors to evaluate the incident and determine the extent of the damage. The insured party may also bring in their own assessor to challenge the findings and reach a consensus on the damage and the compensation due.

IRA acknowledges that some of these claims are genuine, particularly in motor third-party insurance. And while the regulator has made efforts to address this issue, no significant results have been achieved so far.

Al-Hajji Ibrahim Lubega Kaddunabbi, the Chief Executive Officer of IRA, stated that the authority has drafted a law to address loopholes in the motor third-party insurance provision, which currently stipulates that when someone loses a loved one in an accident, they are entitled to only Sh1 million in claims, a figure that is deemed low by both the insurers and the insurers.

In addition, when a car is involved in an accident, currently it's required to first establish who was at fault before the crash occurred.

"The drivers and the conductors are not involved. We want to address all these issues in a new law so that the money increases from Shs1 million to at least Shs10 million in case someone loses someone or any damage in an accident caused by another," he said, adding that a police report alone would cost the victims around Shs100, 000 because it's also paramount in claiming for compensation.

Other documentation required involves letters of administration in case one loses a relative in a crash and is the one seeking the claim, something that can also be costly to get.

"We are trying to address all that in the new law, but we have not yet succeeded. We want to change the limits of the money involved and also make sure that if people have been involved in an accident, you do not need to prove who was in the wrong because that's what the existing law requires in order for you to be paid," Mr Kaddunabbi said, while at a media engagement workshop in Kampala.

"So, the law we drafted also protects the driver, protects the conductor and many other things but we are still hoping to see that we can have that law through to parliament," he added.

Around 2015, with support from the World Bank, the IRA developed a new bill to overhaul the existing legislation. The bill was sent to the Ministry of Finance for discussion and advancement, but to this day, no progress has been made, as this step is a prerequisite before enforcement can take place in the industry.

Insurers spotlight career prospects for students at Sebaana Kizito memorial lecture

Minister Balaam Barugahara poses with other speakers at the John Ssebana Kizito Memorial lecture

In a bid to guide university students towards promising career paths, Uganda's insurance industry is actively showcasing the opportunities within the sector. This initiative, insurers said, aims to deepen students' understanding of insurance as a viable and impactful career choice.

The key note speaker Jonan Kisakye, Chief Executive Officer of the Uganda Insurers' Association (UIA), emphasized the growing importance of considering the insurance sector amidst Uganda's evolving economic landscape.

Speaking at the seventh John Ssebaana Kizito Memorial Lecture held at Muteesa 1 Royal University, Kisakye highlighted the industry's crucial role in economic stability and risk management, despite its modest contribution to GDP.

"The insurance industry is far from a minor sector. It serves as the backbone for critical industries such as banking and manufacturing. As you chart your career paths, recognize that the insurance sector not only offers stability but is also integral to economic growth," Kisakye remarked.

It should be noted that the Ugandan insurance sector has persistently recorded growth and resilience, in spite of various economic challenges the country faces, including the recent pandemic and unstable weather patterns.

According to the insurance regulatory Authority (IRA), Gross Written Premiums (GWP) increased by 11.3% to reach Shs 1.6 trillion year-on-year in 2023. The non-life insurance segment recorded GWP of UGX932 billion, up from UGX 898 billion in 2022, reflecting a 3.79% growth, while Life insurance saw a more substantial rise, with premiums climbing from UGX 501.6 billion in 2022 to UGX611.4 billion in 2023.

Highlighting global demographic trends, Kisakye noted the world's nearing eight billion population and stressed the need for strategic career choices. He pointed out that Uganda's population of 46 million, with half being dependents, presents both challenges and opportunities for the emerging workforce.

Despite contributing only 0.8% to Uganda's GDP, Kisakye emphasized the sector's substantial impact on tax revenue and economic stability.

Balaam Barugahara, State Minister for Gender and Youth Affairs, reflected on the legacy of the late John Ssebaana Kizito. Barugahara praised Kizito's commitment to peaceful and intellectual leadership, including his role in the insurance sector.

"You can hardly talk about insurance today, without talking about Ssebaana. His contribution is there for all of us to see and follow. And because of this, today, we know that insurance is more than a profession, but a service to society," said Barugahara.

He encouraged students to view insurance as a stable and rewarding career option, regardless of their background.

Saul Sseremba, CEO of the Insurance Training College (ITC), highlighted ongoing efforts to integrate insurance education into university programs and establish Insurance Clubs across campuses.

"Our mission is to transform insurance into a career path with genuine potential," Sseremba explained. He outlined initiatives such as training university lecturers and organizing insurance contests in secondary schools to ignite interest in the field.

Sseremba stressed the importance of these initiatives in cultivating a new generation of professionals who see insurance as a dynamic and opportunity-rich field.

Professor Vincent Kakembo, Vice Chancellor of Muteesa 1 Royal University, provided a historical perspective on the evolution of Uganda's insurance industry. He shared insights on the sector's resilience through economic fluctuations and its recent expansion.

Kakembo noted the growing recognition of insurance's practical benefits, such as medical and educational coverage, and urged students to explore the diverse opportunities within the sector.

"As Uganda's economy continues to grow, so too will the insurance industry. The opportunities are vast and promising. I encourage you to seize these opportunities and contribute to the industry's future," Kakembo advised.

Evelyn Muwemba Nkalubo, CEO of State Wide Insurance Company (SWICO), reinforced the call for excellence, urging students to pursue careers in insurance with commitment. She shared the inspiring story of the late Ssebaana, founder of Statewide Insurance Limited, and highlighted his role in strengthening Uganda's insurance sector. Mumba encouraged students to follow Ssebaana's example and build on his legacy.

Uganda considers increasing Shs10m limit under Deposit Protection Fund

Finance Minister, Matia Kasaija says depositors holding accounts with the different financial institutions should rest be assured that their money is insured against risks to the tune of 90%. The deposits are under the Deposit Protection Fund (DPF).

Minister Kasaija was speaking at the Conference and Annual General Meeting of the Africa Regional Committee of the International Association of Deposit Insurers (IADI), which brings together 14 member countries and associate members.

He reported that the Deposit Protection Fund's assets have grown to beyond 1.4 trillion shillings up from 200 million shillings in 2018.

There are 25 regulated financial institutions including all commercial banks and Tier II Institutions which are, by law, mandated to contribute to the Fund and, in case of a failure, the DPF takes the responsibility of paying depositors up to 10 million of their deposits.

He said the main objective of the Deposit Protection Fund (DPF).is not just to pay the depositors of the affected bank but to give depositors, investors, and the general population the confidence and comfort that whatever happens, their deposits are safe.

Kasaija emphasized the importance of financial stability and robust deposit insurance systems, adding, "Ensuring reliability of the sources of funds and the frugal use of such funds are key tenets necessary for ensuring financial stability."

The majority of savers in Uganda and other African countries are those with less than 10 million shillings who the Deposit Protection Fund (DPF) targets to protect.

The larger depositors are also protected in various ways, courtesy of the Bank of Uganda.

Apart from paying from the recoverable loans and advances and other assets of the institutions, Michael Atingi-Ego, the Deputy Governor of the Central Bank says there are other approaches that they use.

"We recognize that the protection of depositors extends beyond the insurance threshold," he says, adding, "For larger deposits, we have mechanisms in place – from purchase and assumption transactions to assisted mergers – to safeguard funds and maintain the integrity of our financial system."

Atingi-Ego told the delegates that deposit protection funds are increasingly becoming more vital as the financial and economic environment keeps changing.

"As we look to the future, we face new challenges: the rapid evolution of financial technology, the increasing interconnectedness of global markets, and the ever-present threat of economic shocks require us to be ever-vigilant and adaptive."

The delegates included heads of the deposit protection funds from the member countries as well as Central Bank governors.

The Africa Regional Committee (ARD) is one of the eight that were created to reflect interests and common issues through sharing and exchange of information and ideas on deposit insurance in the different regions.

Julia Clare Olima Oyet, the Chief Executive Officer, of DPF Uganda is the current Chairperson, of ARC. The committee provides and platform for deposit insurers financial safety net participants and international financial institutions to work together to promote best practices in the areas of deposit protection, bank resolution, and financial stability.

In hailing the decision of the Committee and IADI as a whole to bring the conference and AGM to Uganda, Dr. Oyet said the will use the chance to not only showcase its ability to maintain a strong financial system but also exchange ideas with the agencies from the other countries, at a time that DPF and BOU are paying depositors of the closed Mercantile Credit Bank Ltd.

She said that this year's theme ''Ensuring Financial Stability and Protecting Depositors in a Dynamic Financial Ecosystem'' is tailored to speak to the developments in the sector.

"The upheavals in the global financial system confirm and emphasize the importance of deposit insurance in protecting the small, vulnerable depositors who we refer to in Uganda as 'Omuntu wa wansi'," she said.

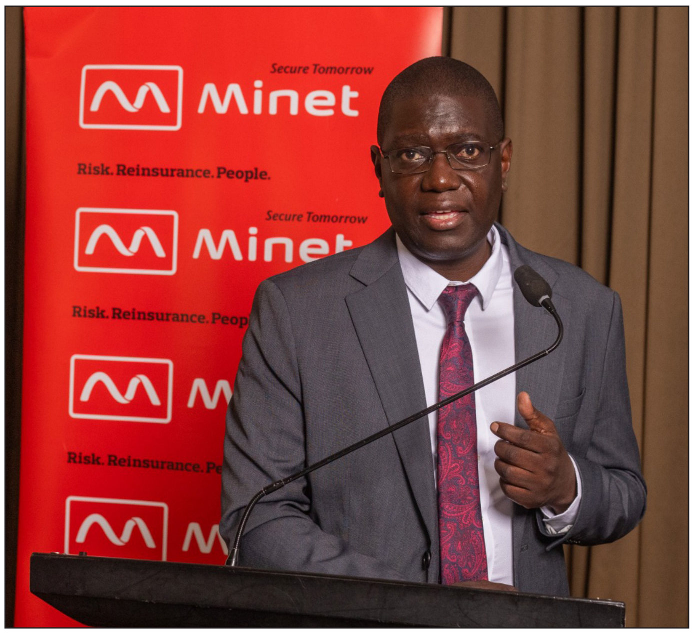
As the economy grows and the Fund expands, Oyet said they are reviewing to a threshold of 10 million shillings to decide whether to increase or maintain it, as per the laws that provide for its review every five years, but that they have to be cautious.

"With that 10 million, we are covering 98 percent of depositors fully. But we're doing research towards reviewing that ceiling because we cannot just increase it. What if we increase it and then we fail to pay? It means to financial system will lose all the confidence"

Another milestone over the last five years has been the reduction in the time taken to pay depositors affected by a bank's failure, from years to months and now to four days.

Minet Uganda expands to reinsurance

Recently, Minet Uganda Reinsurance Brokers SMC Limited announced its entry into the reinsurance sector, marking a significant expansion of its services, and strengthening its role in Uganda's insurance industry. This strategic move will enable Minet to offer enhanced risk management solutions and support the growth of the local insurance market. Finance & Trade spoke to Alex Onen, CEO Minet Reinsurance, and below are the excerpts.



Alex Onen, Chief Executive Officer, Minet Reinsurance, delivering his remarks during the launch

Edward Nambafu, Chief Executive Officer, Winnie Kiwuwa, Chief Operations Officer, Minet Uganda, Benerd Obel, Director Supervision, Insurance Regulatory Authority (IRA), Maurice Amogola, Non-Executive Director,Minet Uganda and Tobias Gitonga, General Manager at Minet Reinsurance Kenya during the launch of Minet Uganda Reinsurance Brokers SMC -Limited at Sheraton Hotel Kampala recently.

What was the motivation behind setting up Minet Reinsurance Brokers as a subsidiary of Minet Uganda Insurance Brokers?

Our primary motivation was to leverage our deep expertise in direct insurance broking and to capitalize on emerging opportunities within the broader insurance sector. The reinsurance market, particularly in many African countries, remains underdeveloped. Recognizing this, our group first ventured into the reinsurance space in Kenya in 2015. Following our success there, we expanded into Botswana and subsequently into other countries such as Lesotho. This expansion was driven by our need to diversify revenue streams and address the evident gap in reinsurance services across the continent.

The insurance penetration in many of these markets is quite low. How does this impact your approach?

While low insurance penetration presents challenges, we view it as a tremendous opportunity. Our strategy focuses on supporting insurance companies in expanding their portfolios by offering solutions that address niche and complex risks. By enhancing the overall insurance landscape, we aim to drive market growth and gradually increase penetration. The market response has been positive, and we've identified numerous areas where we can add value. We leverage our global partnerships to offer competitive solutions, particularly in niche markets like oil and gas, and remain agile in exploring new opportunities.

Can you elaborate on your strategy for addressing the needs of the oil and gas sector?

The oil and gas sector is characterized by its high-risk environment and the need for specialized insurance and reinsurance solutions. Our strategy focuses on a deep understanding of the sector's unique challenges, from exploration and production to transportation and refining. We leverage our extensive experience and industry-specific knowledge to craft tailored solutions that address these risks comprehensively.

Furthermore, our strong partnerships with leading global reinsurers allow us to offer robust coverage that not only protects against traditional risks but also addresses emerging threats, such as environmental liabilities and cyber risks. By staying at the forefront of industry developments and maintaining close relationships with our clients, we ensure that our solutions evolve in tandem with the sector's needs, providing the oil and gas industry with the resilience it requires to thrive in a volatile environment.

What are the key challenges you face, and how do you address them?

One of our key challenges lies in maintaining a delicate balance between global best practices and local market dynamics. The reinsurance industry is inherently complex, with diverse regulatory environments, varying market conditions, and the need for highly customized solutions. To navigate this, we prioritize staying ahead of regulatory changes and ensuring compliance across all markets. Additionally, our commitment to continuous learning and development allows us to offer innovative and tailored solutions that meet the unique demands of each client.

Another significant challenge is building and maintaining trust with our clients in a highly competitive environment. To address this, we focus on fostering strong relationships, backed by our unwavering commitment to transparency and reliability. By consistently delivering on our promises and providing exceptional service, we reinforce our position as a trusted partner in the reinsurance industry.

Fraud is a significant concern in the insurance industry. How does Minet Reinsurance Brokers plan to manage this risk?

Fraud management is indeed a critical concern. We implement rigorous due diligence processes and collaborate closely with reputable markets to ensure that we offer the most reliable solutions. Our risk management strategies include recommending thorough audits and cybersecurity measures to mitigate risks. We also provide clients with advice on effectively managing and minimizing fraud risks.

With several reinsurance players in the market, how do you plan to stay competitive?

Competition is a natural and healthy aspect of the industry, and we welcome it as it drives continuous improvement. Our competitive edge lies in our global partnerships, which allow us to offer quicker and more specialized solutions. By focusing on delivering high-quality services and building strong client relationships, we ensure our place in the market. Additionally, our affiliation with our Group provides us with invaluable insights and access to resources.

What role does your parent company play in supporting Minet Reinsurance Brokers, and how do you maintain independence?

While we operate as a distinct entity, we benefit from the expertise and support of our parent company when needed. They offer valuable insights and share knowledge that enhances our operations. However, we maintain clear boundaries in terms of compliance, accounting, and operational systems to ensure that our activities and market information remain separate and confidential.

Maurice Amogola, Non-Executive Director,Minet Uganda

Looking ahead, what are your projections and strategies for the next two to three years? Are there any new products or initiatives on the horizon?

In the next two to three years, our primary focus will be on enhancing our role as a leading provider of specialized reinsurance solutions, particularly in high-growth sectors such as oil and gas, energy, and infrastructure. We are committed to expanding our product portfolio to address the increasingly complex and diverse risks faced by our clients.

We will be introducing a range of innovative products tailored to meet the unique needs of these sectors, ensuring that we stay ahead of market trends and continue to deliver exceptional value. Additionally, we aim to leverage our strategic partnership with Aon to access global expertise and capacity, which will enable us to offer even more robust solutions to our clients. Our goal is to remain agile and responsive, adapting our strategies to the evolving risk landscape and supporting the sustainable growth of our clients across Africa.

GA Insurance

PUBLICATION OF SUMMARY FINANCIAL STATEMENTS OF GA INSURANCE UGANDA LIMITED FOR THE YEAR ENDED 31 DECEMBER 2023

I. REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF GA INSURANCE UGANDA LIMITED.

Opinion
The summary financial statements, which comprise the summary statement of financial position as at 31 December 2023, the summary statement of comprehensive income for the year then ended and related disclosures (together the summary financial statements"), are derived from the audited financial statements of GA Insurance Uganda Limited for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements as at and for the year ended 31 December 2023, in accordance with the Insurance Act, 2017 Laws of Uganda.

Summary Financial Statements
The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board, the Insurance Act, 2017 Laws of Uganda and the Companies Act, 2012 Laws of Uganda. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon
We expressed an unmodified audit opinion on the audited financial statements in our report dated 2 April 2024. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period.

Directors' Responsibility for the Summary Financial Statements
The directors are responsible for the preparation of the summary financial statements in accordance with section 105(2) of the Insurance Act, 2017 Laws of Uganda.

Auditor's Responsibility
Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), ***"Engagements to Report on Summary Financial Statements"***.

KPMG

KPMG
Certified Public Accountants
3rd Floor, Rwenzori Courts
Plot 2& 4A, Nakasero Road
PO Box 3509
Kampala, Uganda
Date: 30 April 2024

The comparative information is restated on account of changes in material accounting policies i.e. IFRS 17; *Insurance contracts*.

The above summary statement of comprehensive income, summary statement of financial position and summary statement of changes in equity were audited by KPMG and received an unqualified opinion. The financial statements were approved by the Board of Directors and authorised for issue on **18th March 2024.**

Sachit S. Shah
Director

Suleiman Kiggundu Jr
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS AT ENDED 31 DECEMBER 2023

	2023 Ushs'000	2022 Ushs'000
		*Restated
Insurance revenue	21,826,814	17,672,738
Insurance service expenses	(17,890,875)	(18,468,211)
Net expenses from reinsurance contracts	(4,038,393)	432,437
Insurance Service results	**(102,454)**	**(363,036)**
Investment income	2,374,648	1,569,702
Dividend income	5,092	14,546
Reduction in impairment provision	58,782	-
Investment return	**2,438,522**	**1,584,248**
Other operating expenses	(1,299,589)	(1,428,024)
Other income	991,684	94,506
Finance cost	(37,433)	(48,389)
Net financial result	**(345,338)**	**(1,381,907)**
Profit/(loss) before tax	**1,990,730**	**(160,695)**
Income tax charge	(583,316)	(562,605)
Profit/(loss) after tax	**1,407,414**	**(723,300)**
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss;	16,975	51,374
Change in fair value for Equity instruments held at fair value through other comprehensive income		
Deferred tax relating to components of other comprehensive income	(5,093)	(15,430)
Items that are or may be reclassified subsequently to profit or loss		
Net finance income from discounting LIC	27,295	56,072
Other comprehensive income for the year, net of tax	**39,177**	**92,016**
Total comprehensive income for the year	**1,446,591**	**(631,284)**

RATIOS	2023	2022
Capital Adequency Ratio	226%	197%
Return on Assets	3%	(2)%
Return on Equity	9%	(5)%
Current ratio	152%	129%

GA INSURANCE UGANDA LIMITED STATEMENT OF FINANCIAL POSITION AS AT ENDED 31 DECEMBER 2023

	31-Dec-23 Ushs'000	31-Dec-22 Ushs'000	1-Jan-22 Ushs'000
Assets		Restated*	Restated*
Cash and cash equivalents	513,105	412,968	459,329
Government Securities	1,438,631	2,828,706	3,333,379
Investment in unquoted equities	935,709	717,827	465,426
Statutory deposit	2,150,000	1,566,700	600,000
Fixed deposits	17,720,897	15,550,029	10,559,749
Insurance contract assets	3,131,848	3,042,910	2,636,427
Reinsurance contract assets	14,069,323	11,886,235	9,884,640
Other assets	257,970	113,132	247,728
Amounts due from related parties	91,849	9,359	43,364
Tax recoverable	-	307,248	1,812,054
Deferred income tax asset	1,406,951	1,162,733	-
Right of use assets	250,497	364,799	479,582
Property and equipment	237,877	282,093	322,431
Intangible assets	-	693	1,386
Total assets	**42,204,657**	**38,245,432**	**30,845,495**
Liabilities			
Other Payables	2,450,577	2,669,663	1,137,779
Amounts due to related parties	170,563	101,011	95,857
Tax payable	315,071	-	-
Insurance contract liabilities	18,587,530	18,165,768	14,393,110
Reinsurance contract liabilities	4,987,257	3,592,918	4,766,005
Lease liability	272,513	391,517	496,905
Total liabilities	**26,783,511**	**24,920,877**	**20,889,656**
Equity			
Share capital	16,317,000	15,667,000	11,667,000
Share premium	994,011	994,011	994,011
Accumulated Losses	(2,321,251)	(3,728,665)	(3,005,365)
Other reserves	431,386	392,209	300,193
Total equity	**15,421,146**	**13,324,555**	**9,955,839**
Total liabilities and equity	**42,204,657**	**38,254,432**	**30,845,495**

- **Insurance Revenue increased by 24% from Ushs 17.6bn to Ushs21.8bn in 2023.**
- **Insurance Service expenses decreased by 3% from Ushs18.4bns in 2022 to Ushs17.9bn in 2023.**
- **Investment Return increase by 51% from Ushs1.5bn to Uhs 2.3bn in 2023.**
- **Operating costs decreased by 9% from Ushs1.4bn in 2022 to Ushs 1.2bn in 2023.**
- **Profit before tax in 2023 stood as Ushs1.9bn , an increase of 1339% from loss of 0.161bn in 2022.**
- **The asset base increased by 10% from Ushs38.2bn in 2022 to Ushs42.2bn in 2023.**
- **The shareholders funds increased by 15% from Ushs 13.3bn in 2022 to Ushs15.4bn in 2023.**

Insurance regulator applauds Minet Reinsurance launch

advancement in our financial sector. In today's rapidly evolving global environment, it is essential that our local industry remains agile, innovative, and capable of meeting emerging challenges," Obel stated.

Obel also highlighted the urgent need for cyber risk insurance in Uganda—a demand repeatedly voiced by the Bank of Uganda (BoU). "The central bank has consistently urged insurers to introduce cyber risk insurance, and while the response has been slow, the introduction of this product by Minet Reinsurance is a critical step forward. We urge Minet to live up to its commitment and deliver on this promise."

Mohammad Danish, CEO of Liberty Life Assurance, echoed Obel's sentiments, hailing the launch of Minet Reinsurance as a significant opportunity for local insurers.

"Minet Reinsurance offers a robust platform for accessing global reinsurance solutions, which will undoubtedly strengthen our market's ability to manage risks across various sectors," Danish remarked.

He pointed out the wide array of reinsurance options

Mohammad Danish,CEO and Joseph Almeida, Managing Director, Liberty Life Assurance

Tobias Gitonga, General Manager at Minet Reinsurance Kenya

now available, including cyber risk, aviation, construction, life, and health insurance. These offerings will be instrumental in navigating the industry's growth, particularly with the recent implementation of IFRS 17.

Maurice Amogola, a Non-Executive Director of Minet Uganda, stressed the need to develop local capacities and retain a substantial portion of insurance premiums within Uganda.

"We are at a pivotal moment where challenges may seem overwhelming, but it is precisely in these times that we must come together and support our own," Amogola urged.

He underscored the importance of efficiency in insurance operations and the critical role reinsurance plays in ensuring readiness for unforeseen challenges.

Amogola also referenced a recent global cyberattack on Microsoft, which resulted in nearly a billion dollars in losses, to highlight the essential role of reinsurance in mitigating such risks.

"Insurance isn't just a business; it's a noble task that underpins economic development and safeguards society's foundations," he said.

Tobias Gitonga, General Manager at Minet Reinsurance Kenya, shared insights into the company's journey, which began nine years ago.

"The first three years were challenging, but once we found our footing, we grew steadily, achieving an impressive 40% annual

Maurice Amogola, Non-Executive Director,Minet Uganda

growth over the past five years," Gitonga recounted.

He attributed this success to strategic planning, persistent effort, and a commitment to delivering value to clients.

Gitonga also highlighted Minet's extensive operations across nine African countries and its strong partnerships, particularly with Aon, a global leader in analytics and risk management.

"This partnership is invaluable, providing us with the resources needed to deliver comprehensive solutions to our clients," he said.

Looking ahead, Gitonga revealed plans to roll out new operational tools in Lesotho, following successful implementations in Nairobi and Botswana. "With the experience and successes, we've already achieved, I am confident that our progress in Uganda will be even faster and more impactful than it was in Kenya," Gitonga concluded.

The launch of Minet Reinsurance in Uganda is set to reshape the country's insurance sector, offering new opportunities for growth, innovation, and resilience in the face of emerging risks. As the industry rallies behind this new entrant, stakeholders remain optimistic about the future of insurance in Uganda.

Insurance Brokers extend support to Kiteezi tragedy victims

The Insurance Brokers Association of Uganda (IBAU) has joined forces with the Kampala Capital City Authority (KCCA) to aid the victims of the recent Kiteezi landfill tragedy. IBAU comprises 57 licensed members regulated by the Insurance Regulatory Authority.

The Kiteezi community was struck by a garbage landfill tragedy that left many families in dire need of assistance. In response, the IBAU has mobilized significant support, contributing items worth over UGX 20 million to aid those affected.

Sheila Birungi Gandhi Director of gender, Community Services and Production at KCCA, received the contributions on behalf of the city prefect, and highlighted the current situation in the temporary shelters erected to host the victims of the garbage tragedy.

"We are housing 360 individuals, 20% of whom are children. These families are currently in temporary shelters at a school facility as we await government assistance for their relocation," Gandhi said.

She expressed gratitude for the support from the insurance sector and other contributors, noting that the items provided are vital for the survivors' immediate needs.

She said the collaboration between IBAU and KCCA represents a significant step towards strengthening community resilience.

She said IBAU's support not only addresses the immediate needs of the affected individuals but also marks the beginning of a deeper partnership with KCCA, adding that both organizations are dedicated to working towards improving community support and preparedness for future challenges.

According to Ritah Mutesi Kabayiza, Vice Chairperson, Insurance Brokers Association of Uganda (IBAU), the donation includes vital supplies such as sanitary products, foodstuffs including sugar and salt, diapers for children, and soya—all aimed at addressing the immediate needs of the impacted

Sheila Birungi Gandi, Director of Gender, Community Services, and Production, Ritah Mutesi Kabayiza, Vice Chairperson, Christopher Ssengendo, Head of Publicity, Insurance Brokers Association of Uganda (IBAU)

families.

"Our role as insurance brokers extends beyond advocating for favorable policies. It is also about upholding ethical standards and contributing to societal well-being," Muteesi remarked.

Muteesi said the IBAU's outreach to Kiteezi aligns with its ongoing efforts to promote insurance as a crucial tool for risk management and financial protection.

She said by increasing public awareness of the benefits of insurance, the association aims to help Ugandans prepare for unforeseen events, helping them to enhance their resilience and security.

Christopher Ssengendo, Head of Publicity at IBAU, emphasized the association's role in supporting the community during such crises.

"Ordinarily, insurance is about preparing for the unfortunate. While we may not have been able to prevent the events in Kiteezi, we are committed to standing with the people during this challenging time," Ssengendo stated. He also reiterated the IBAU's pledge to collaborate with KCCA and the government in future emergencies

We caught up with Joseph Nsubuga, recently appointed CEO and Principal Officer at the First Insurance Company Limited ("FICO") at their new offices in Bandali Rise, Bugolobi, Kampala, to find out more about the major developments in the company.

Joseph Nsubuga at his desk in the plush new FICO office in Bandali Rise, Bugolobi

Interviewer: Joseph, congratulations! I see that you were recently promoted to the position of CEO/Principal Officer.

Joseph Nsubuga: Thank you, yes, I interviewed for the position against a strong field of external candidates, and my appointment was confirmed by the Regulator on 22nd May.

Interviewer: So, for insurance companies, the CEO appointment has to be approved by the Insurance Regulatory Authority ("IRA")?

Joseph Nsubuga: Absolutely, insurance is a regulated industry, and the IRA needs to have assurance that it is run properly for the safeguard of the clients. When you buy a general insurance contract/policy, the insurance company has to be financially strong and well run, to ensure that the insurer will be able to provide that cover for the duration of the contract.

Interviewer: Last time we met, you were in rented offices, and now I find you in your own refurbished offices. What happened?

Joseph Nsubuga: (laughing) FICO started operations over thirty years ago, and a lot has happened in that time, especially over the last few months. The regulations concerning capital requirements for Insurance Companies in Uganda was upgraded, and we brought in new capital to meet those requirements. This investment significantly increased our capability and as a consequence this gave us flexibility to invest in different assets such as our own new offices; with plenty of space to accommodate our officers and expand, along with ample customer and staff parking. We are delighted to be operating from these new offices, it really helps us to deliver our services easily to our clients.

Interviewer: Apart from meeting the statutory regulations, has the increase in capital had any other impact on the business?

Joseph Nsubuga: Indeed, it has had a couple of other beneficial impacts for ourselves and clients. Our increase in capital has made it possible to increase the level of risk we are able to hold, and; strengthen our reinsurance options such that we can now seriously discuss with our clients holding very large risks.

Interviewer: FICO is very well known throughout the industry and market for Motor Third Party (MTP), and fleet and individual Motor Comprehensive Policies. Do you offer other types of insurance contracts.

Joseph Nsubuga: We certainly do, whilst it is true that we have a great reputation in the field of motor insurance, we also offer a full range of general insurance cover (that is everything except life and medical), including statutory requirements such as MTP around the country through our large agent network, Workers Compensation and Group Personal Accident, plus the full range of other covers such as

FICO Agents during a sensitisation training session.

Fire,Contractors All Risks, Plant & Machinery, Public Liability, Burglary, Business All Risks, Marine Goods in Transit, Domestic Package, Professional Indemnity etc. We are also members of the Oil & Gas Consortium, providinginsurance to the Oil & Gas industry, and subscribe to the Agricultural Consortium, where we provide special cover to farmers to protect them against crop and livestock damage, caused by weather, pests and disease etc.

Interviewer: That is impressive, but there are lots of stories circulating about fraud and difficulties in customers being paid for claims in the insurance sector. How do FICO manage that?

Joseph Nsubuga: These are two very important questions. First, let me tackle the issue of fraud.

The insurance industry in Uganda is very well regulated, and there are very few cases (if any - none come to my mind) where a licensed insurance company has defrauded a client. If that were to happen, the client can directly approach the regulator who will act firmly and swiftly. The IRA has the ultimate sanction and can remove the licence of an insurance company which does not conform to the regulations.

However, in the first instance I would strongly advise that the customer approach the insurance company involved, and I anticipate that the company will settle the matter amicably, quickly and fairly.

The main issue of fraud however *comes from dealing with unlicensed middle men and paying in cash. Always deal with a licensed insurance company (such as FICO) or licensed intermediary, and always make your payment into the bank account of the insurance company. This way you will cut out the opportunity for fraud.*

Regarding payment of claims, that is the most important part of our work. A customer buys an insurance policy to help mitigate the costs in the event of an unfortunate incident. At FICO, we pride ourselves on prompt settling claims within a few days of signing off of the discharge voucher.

Interviewer: That is very interesting, although I feel that the grass roots general public are not fully aware of the checks and balances in the regulatory insurance system, and are still very hesitant to take up insurance protection, what are you doing at FICO to address this?

Joseph Nsubuga: At FICO we are making great strides to help sensitise the public and make them aware of the options available, and also the protections provided by a regulated industry. Recently, for example we rolled out a series of seminars for our nationwide network of agents to encourage them to sensitise the general public about insurance. And this is an ongoing program.

Interviewer: Joseph, thank you very much for your time, that has been very informative.

Joseph Nsubuga: Not at all, my pleasure I am always pleased to talk about insurance and FICO!

FICO Management & Officers at their new offices in Bandali Rise, Bugolobi

Umeme Profit Unchanged at USh13 Bn in H1 2024

Uganda's Umeme Limited profit after tax remained unchanged during the first-half of 2024 at USh13 billion, as the company prepares to re-transfer assets back to Government at the end of the 20-year concession due to terminate naturally on 30th March 2025.

According to the company, the profit remained at the same level due to accelerated amortization of intangible assets.

Finance costs reduced by 36.2 per cent to USh16 billion following repayment of all term loans in December 2023, and management of working capital during the period.

Income tax charge for the period increased to USh11 billion compared to USh3.5 billion in 2023. The increase is due to performance on profit before tax for the period.

"As the concession is coming to the end of its natural term in 2025, the International Financial Reporting Standards (IFRS) require alignment of asset amortization to the remaining period of the contract term," said Selestino Babungi Managing Director, Umeme Limited.

Consequently, the amortization charge for the period increased to USh238 billion compared to USh210 billion for 2023.

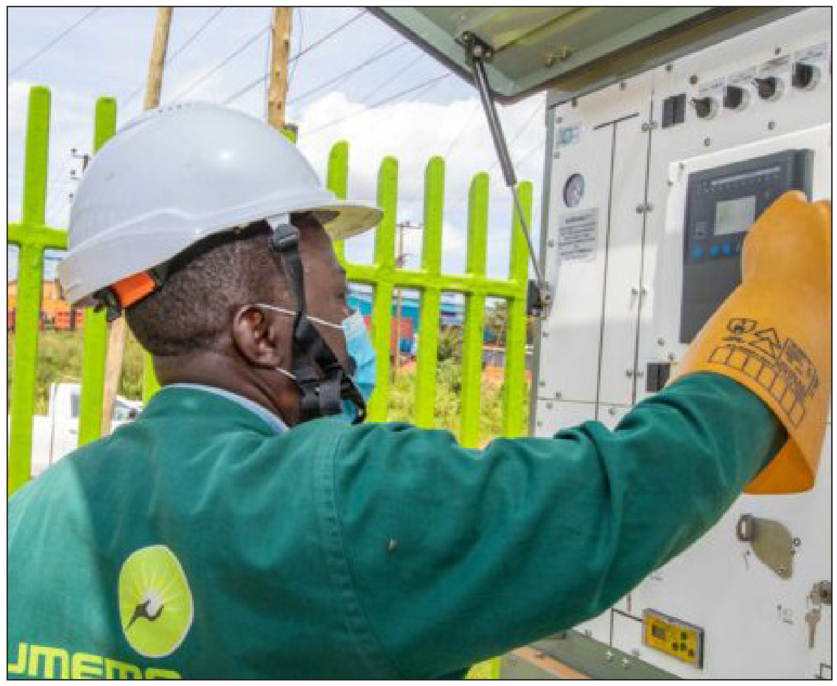
Total assets as of 30 June 2024 were USh2,243 billion compared to USh2,347 billion at 31 December 2023. The decrease in total assets is mainly due to increased amortisation of intangible assets and reduction in capital investments during the period.

Shareholder Equity reduced by 14.4 per cent, to USh803 billion as at 30 June 2024, due to low profit after tax for the period and dividends paid or declared in the period.

The company's net operating cashflow reduced to USh112 billion compared to USh221 billion in 2023 due to reduction in payables and lag in receipt of amounts due from Government.

"We are currently in the last 3 quarters of the Concession. Umeme and the Government are engaged for a smooth re-transfer of distribution assets at the end of the Concession in 2025.

The Company remains committed to a seamless assets retransfer process, as detailed in the Concession Agreements, while protecting the interests of customers, staff and shareholders," noted Patrick Bitature, Chairman of Umeme Limited.



Dubai-based company to invest $225M in Uganda's UTel

In a deal estimated at $225 million, Dubai-based RCC LLC is poised for an investment in Uganda Telecommunication Corporation, hence driving transformation in the East African nation's telecommunication sector. The deal will result in RCC acquiring a controlling 60% stake in UTel, the state-run telecom provider based in the country.

Investment Details

According to Aminah Zawedde, Uganda's ICT minister, the investment that RCC will make will be significant, although details on whether the $225 million will include the purchase price for the majority stake have remained unclear. The investment is bound to bring in some much-needed capital into UTel to improve its operations and general outlook.

Background of UTel

Uganda Telecommunications Corporation Limited, commonly called UTel, was incorporated on 8 April 2021 as the national telecom operator. Following critical financial turmoil, UTTL was put into receivership in November 2022, leading to the acquisition of all assets and business from Uganda Telecom Limited. The formation of UTel was a major restructuring toward the stabilization and revival of the telecom sector.

Timeline for Negotiation and Agreements

Preliminary discussions between RCC and Ugandan officials began in early 2024. However, a critical meeting between RCC representatives and President Yoweri Museveni took place in October 2023.

All these talks have led to the potential investment that is about to transform the UTel operations and market placement.

Regulatory and Listing Requirements

The regulations in Uganda stipulate that all telecommunication companies must be listed on the Uganda Securities Exchange. This is a requirement that big operators, such as MTN Uganda and Airtel Uganda, have already complied with. UTel has up to January 2024 to list at least 20% of its shares, though this deadline could be changed depending on how the company is far from achieving the listing criteria. The timing could be flexible in relation to the readiness of UTel's, according to Fred Otunnu from the Uganda Communications Commission.

Implications for Uganda's Telecom Sector

In return, with RCC eyeing a 60% stake in UTel, this is most likely to bring a lot of changes to Uganda's telecom sector. An enormous investment in infrastructure and service delivery is bound to increase competition and options for consumers. The involvement of RCC is going to increase operational areas under the company to compete more effectively in the market as it increases the financial stability of UTel.

The partnership between RCC and UTel is a gigantic step toward developing Uganda's telecommunications landscape. With RCC close to confirming its investment and acquiring a majority stake, there may be quite notable changes in the sector. If associated with regulatory compliance and emphasis on better telecom services, this investment can help facilitate a more robust and vibrant telecom environment in Uganda.

Bank of Uganda Grants Flutterwave Payment Service Provider License

Flutterwave has received a Payment Systems Operator (PSO) license from the Bank of Uganda. This marks a key milestone in Flutterwave's expansion across Africa, adding Uganda to its growing list of countries where it operates.

Uganda's digital payment landscape is transforming, driven by a youthful and vibrant population – over 78% of its citizens are under 35.

This demographic presents an unprecedented opportunity to advance economic growth through enhanced financial inclusion and digital innovation

Founded in 2016, Flutterwave has emerged as a cornerstone of Africa's digital economy, aiming to simplify payments for endless possibilities.

Flutterwave offers a comprehensive suite of payment solutions tailored to the country's unique needs, leveraging its advanced technology and deep understanding of African markets.

From mobile money integration – crucial for Uganda's predominantly mobile-first population – to seamless cross-border payment capabilities, Flutterwave is uniquely positioned to bridge the gap between Uganda and the global economy.

With the PSO license, Flutterwave will offer payout services for disbursing funds like salaries and commissions, invoicing solutions for easy tracking and payment collection, and mobile money integration to provide convenient and accessible payment options for Ugandans.

The license will also streamline fund transfers and payment collections across diverse customer segments and locations in Uganda, enabling businesses to benefit from efficient, reliable, and tailor-made payment solutions through Flutterwave for Business or SendApp.

Speaking on the license approval, Olugbenga 'GB' Agboola, Founder & CEO of Flutterwave, said, "Securing this license in Uganda is a significant step towards realising our vision of a financially connected Africa. At Flutterwave, we believe that the future of Africa lies in its ability to seamlessly connect its people, businesses, and economies through technology. We are excited to contribute to this journey, empowering Ugandan businesses and individuals to harness the full potential of digital payments and drive inclusive growth."

Oluwabankole Falade, Chief Regulatory Officer at Flutterwave, added: "The acquisition of this license further solidifies our standing as a leading payment technology service provider in Africa. We are deeply committed to adhering to all regulatory requirements and maintaining a strong relationship with the Bank of Uganda to ensure our services remain safe, secure, and beneficial to the Ugandan people."

Flutterwave's entry into Uganda follows its recent acquisitions of payment licenses in Ghana and Mozambique, further expanding its footprint and enhancing its ability to offer seamless and secure payments across the continent.

Jubilee recognises top bancassurance agents for exceeding 2024 targets

Mr. Kumar Sumit Gaurav, Chief Executive Officer, Jubilee Life Insurance

Diamond Trust Bank Uganda - DTB and Jubilee Life Insurance Company Limited have launched Jubilee Venture Plan, a new product designed to diversify investment options in Uganda.

The plan offers a shorter investment duration, allowing customers to save for specific future financial goals such as purchasing land, constructing a home, pursuing real estate ventures among others.

The Jubilee Venture Plan also offers savers the added benefit of building a substantial fund that provides financial support to their loved ones in case of their passing.

The product announcement was made recently, as Jubilee Life Insurance rewarded its DTB Bancassurance agents for surpassing targets in the first quarter of 2024.

The seven winners, who booked a total of UGX1.2Billion, were awarded an all-expenses-paid trip to Cape Town, South Africa.

Bancassurance has increasingly become a key revenue stream for the insurance industry, as recent trends indicate.

In 2023, the industry recorded UGX179.5 billion in gross written premiums, marking a 9.9% increase from UGX142.7BN in 2022.

Specifically, Jubilee bancassurance individual life contributed UGX45Billion gross written premium to this total in 2023.

"We must regularly review and improve our value chain to make sure it works well and find ways to increase efficiency. Bancassurance has proven to be a valuable channel for reaching a broader audience, leveraging the extensive network of banks to increase insurance accessibility," said Kumar Sumit Gaurav, CEO Jubilee Life Insurance.

With the banks boasting of approximately 25M accounts, Godfrey Sebaana, CEO DTB, asserts that banks are not just channels for selling insurance but key stakeholders in expanding financial services access to Ugandans.

"Banks are uniquely positioned to enhance access to financial services due to their extensive data resources, which can guide product and service innovation and boost uptake. There are more opportunities to explore given the expansion and deepening of the bank agency services and exploitation of mobile digital channels," Sebaana said.

As of 2021, insurance penetration in East Africa stands at 1.2% across the region, with Kenya at 2.2%, Tanzania at 0.6%, and Uganda at 0.8%.

Despite this, Uganda's insurance sector experienced steady growth of 11.29% in 2023, with total premiums increasing from UGX 1.4 trillion in 2022 to UGX 1.6 trillion in 2023. "We view this as a glass half full. While insurance penetration presents challenges, there is notable growth in written premiums. For example, life insurance premiums grew nearly 30% from UGX 501.6 billion in 2022 to UGX 611.4 billion in 2023. This growth is one of the reasons we are celebrating and rewarding our bancassurance agents for their outstanding performance. The low insurance penetration underscores the significant growth potential, as the market is still unsaturated. By leveraging synergies within the finance sector, there is considerable opportunity for further expansion," noted Kumar. With a minimum premium of UGX100,000, the Jubilee Venture Plan provides an opportunity for investment growth with competitive guaranteed returns and additional built-in inbuilt benefits.

MUA

MUA INSURANCE (UGANDA) LIMITED

SUMMARY FINANCIAL STATEMENTS OF MUA INSURANCE (UGANDA) LIMITED FOR THE YEAR ENDED 31 DECEMBER

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MUA INSURANCE (UGANDA) LIMITED.

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the state of the financial affairs of MUA Insurance (Uganda) Limited ("the Company") as at 31 December 2023, and its profit and its cash flows for the year then ended in accordance with IFRS Accounting Standards ("IFRS") and have been prepared in the manner required by the Ugandan Companies Act and the Ugandan Insurance Act.

What we have audited

The financial statements of MUA Insurance (Uganda) Limited as set out on pages 10 to 62 comprise:

- the statement of comprehensive income for the year then ended.
- the statement of financial position as at 31 December 2023;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements section* of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("the IESBA Code") together with the ethical requirements that are relevant to our audit of financial statements in Uganda, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the financial statements of the current period. The matters were addressed in the context of our audit of the Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

The engagement partner on the audit resulting in this independent auditor's report is CPA Uthman Mayanja – P0181.

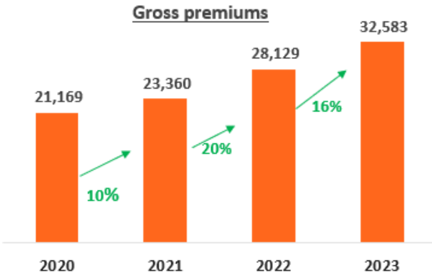
PricewaterhouseCoopers
Certified Public Accountants of Uganda
Kampala, Uganda

Uthman Mayanja

25 July 2024

SUMMARY STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 Ushs'000	Restated 2022 Ushs'000
Insurance revenue	30,992,585	26,670,457
Insurance service expenses	(16,665,340)	(13,888,390)
Insurance service result before reinsurance contracts held	**14,327,245**	**12,782,067**
Net expense from reinsurance contracts held	(10,016,747)	(9,538,773)
Insurance service result	**4,310,498**	**3,243,294**
Investment income	2,142,874	1,841,918
Other operating income	121,460	46,020
Net Investment and other income	**2,264,334**	**1,887,938**
Finance expenses for insurance contracts issued	(708,389)	(481,051)
Finance income for reinsurance contracts held	322,644	192,251
Net insurance financial result	**(385,745)**	**(288,800)**
Non attributable expenses	(4,459,040)	(4,056,004)
Foreign exchange (losses)/gains	(90,779)	245,699
Finance costs	(43,121)	(49,820)
Profit before income tax	**1,596,147**	**982,307**
Income tax expense	(433,676)	(192,459)
Profit for the year	**1,162,471**	**789,848**
Other comprehensive income		
Change in fair value of financial assets at fair value through other comprehensive income ("FVOCI")	152,039	160,523
Income tax relating to components of other comprehensive income	(22,604)	(48,157)
Other comprehensive income for the year, net of tax	**129,435**	**112,366**
Total comprehensive income for the year	**1,291,906**	**902,214**
Insurance revenue	(44,401)	(12,518)
Insurance service expenses	**116,122**	**19,205**
Insurance service result before reinsurance contracts held	**1,284,024**	**1,514,619**
Ratios		
Solvency Ratio	216%	224%



SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	2023 Ushs'000	Restated 2022 Ushs'000	Restated 2021 Ushs'000
Assets			
Cash at bank and in hand	2,149,147	1,767,791	1,648,139
Debt instruments at amortised cost	13,998,701	12,442,898	11,187,239
Financial assets at fair value through other comprehensive income	1,493,108	1,331,658	1,140,735
Deposits with financial institutions	2,526,184	2,740,252	2,657,616
Reinsurance contract assets	6,295,120	7,503,923	6,812,076
Other receivables	2,481,940	2,146,764	1,695,602
Tax recoverable	338,580	402,048	537,619
Amounts due from related parties	81,089	2,123	-
Deferred income tax asset	1,615,821	1,714,101	1,648,600
Right of use Asset	421,564	508,084	665,480
Property and equipment	1,010,354	473,033	566,394
Intangible assets	127,079	32,823	62,707
Total assets	**32,538,687**	**31,065,498**	**28,622,207**
Equity and liabilities			
Liabilities			
Insurance contract liabilities	9,507,581	10,522,194	9,337,660
Finance lease liabilities	446,344	518,230	695,061
Amounts due to related parties	712,750	636,207	292,743
Other payables	1,569,908	378,669	192,515
Total liabilities	**12,236,583**	**12,055,300**	**10,517,979**
Equity			
Share capital	4,000,000	4,000,000	4,000,000
Share premium	95,640	95,640	95,640
Other reserves	7,247,833	6,408,608	5,671,515
Retained earnings	8,958,631	8,505,950	8,337,073
Total equity	**20,302,104**	**19,010,198**	**18,104,228**
Total equity and liabilities	**32,538,687**	**31,065,498**	**28,622,207**

The financial statements, as indicated above, were approved, and authorised for issue by the Board of Directors.

Director

Director


Housing
Finance
Bank
Tambuza
Business
WITH HFB TRADE FINANCE
Get unsecured bid bonds of up to UGX 1Bn within 24 hrs
Import and Export Financing, Contract Financing, Letters of Credit, Performance Guarantees, Advance Payment Guarantees, Retention Guarantees and more.
0800 211 082 (Toll Free)
0771 888 755
Housing Finance Bank is regulated by Bank of Uganda. Customer deposits are protected by the Deposits Protection Fund up to UGX 10 million. T&Cs apply.

In recent years, private health sector players have emphasized that developing affordable and innovative health insurance products is key to boosting insurance uptake and addressing the healthcare funding gap

They have noted that collaboration between government and health stakeholders will enhance access to quality healthcare and alleviate the financial burden on individuals and families due to high medical costs. Additionally, it has been established that only a handful of Uganda's children have access to private health insurance, prompting Jubilee Health Insurance to create a children-only product, the J-Junior Medical Cover. Finance and Trade spoke to Dan Musiime, CEO of Jubilee Health Insurance, about this new initiative.

What inspired the development of the J-Junior Medical Cover by Jubilee Health Insurance? Could you provide an overview of the key benefits of the J-Junior health insurance policy?

As key healthcare stakeholders, we closely monitor research that informs the state of our sector. We are encouraged by the progress towards universal access to medical care. As part of our company's effort to significantly reduce out-of-pocket expenses, we continue to innovate affordable products that meet the diverse health needs of individuals.

The Uganda Bureau of Statistics and the Ministry of Health reveal significant gaps in healthcare access and outcomes for children in Uganda. Research shows that the under-five mortality rate stands at 46 deaths per 1,000 live births, with many children suffering from preventable illnesses due to a lack of timely medical care.

Nearly 95% of all medical insurance business written in Uganda is corporate in nature, i.e., health insurance plans purchased for staff by their employers. Many of these policies only cover the staff and exclude their dependents, which could arise from company policies or budgetary constraints. This product will allow those staff to purchase an independent medical policy for their children below the age of 18 years. We are committed to pioneering products that cater to the evolving needs of our customers. The creation of J-Junior Medical Insurance is a result of extensive research and a deep understanding of the healthcare challenges faced by families in Uganda. We recognized a significant gap in the market for comprehensive healthcare coverage tailored for children, and we set out to fill that void.

Its key benefits include comprehensive coverage, which comprises outpatient and inpatient care, dental and optical services, and coverage for chronic and congenital conditions. It also has accessible through online platforms, partner banks, and licensed agents, making it easy for parents to enroll. In addition to this, it covers referral treatment, including specialized treatment outside Uganda when necessary, and obviously, it has competitively priced premiums.

Dan Musiime, Jubilee Health Insurance Chief Executive Officer

Why is it important to address healthcare access and outcomes specifically for children in Uganda?

Addressing healthcare access and outcomes for children in Uganda is crucial because children are particularly vulnerable to diseases and malnutrition, which can have long-term impacts on their development. Remember, many childhood illnesses are preventable with timely and adequate medical care. Also, early healthcare interventions can improve health outcomes throughout a child's life, contributing to a healthier adult population. That said, it is also important to note that healthy children are more likely to attend school and succeed academically, leading to better economic opportunities in the future.

How does the J-Junior policy aim to reduce the under-five mortality rate and improve children's health outcomes?

The J-Junior policy aims to reduce the under-five mortality rate and improve children's health outcomes by ensuring access to a wide range of medical services, including preventive care, vaccinations, and treatment for chronic and acute conditions. We will also keep encouraging health check-ups to detect and treat health issues early. We shall also be covering referral treatment for specialized care that may not be available locally.

What makes the J-Junior policy unique compared to other health insurance products available in Uganda? How does it ensure equity and social justice in healthcare for children of different socio-economic backgrounds?

The J-Junior policy is unique because it is specifically designed for children, providing comprehensive and tailored coverage that addresses their unique healthcare needs. It ensures equity and social justice by pricing the policy competitively to make it accessible to families from different socio-economic backgrounds. The classic/baseline tier is Shs1, 010,039.We are also covering a wide range of medical services, including chronic and congenital conditions, which are often excluded from other policies. In addition to this, we have over 300 hospitals across the country on our panel to ensure timely accessibility to patients.

How do you plan to monitor and evaluate the impact of the J-Junior policy on children's healthcare outcomes?

We plan to monitor and evaluate the impact of the J-Junior policy through gathering data on enrollment numbers, claim rates, and health outcomes of insured children. We have a dedicated team in our customer experience department that collects feedback from policyholders on their experiences and the quality of care received. Also, we are collaborating with healthcare providers to track and report on health outcomes of children covered under the policy.

How does your investment in the healthcare sector, specifically in reducing infant mortality, tie into the government's agenda?

We are eagerly anticipating the enactment of the National Health Insurance Bill, which would ensure all citizens have access to healthcare. In the meantime, as a private sector entity, we are doing our part by supporting the government's efforts. The public health system is overstretched, so we are supplementing these efforts by providing additional resources and services.

By offering medical insurance, we help relieve some of the government's burden, ensuring that more children can access necessary healthcare. This effort is about monetizing the economy while ensuring we maintain a healthy generation of future leaders. As we extend medical insurance to more people, we complement the government's efforts and contribute to a healthier population.

Do you plan to extend your products to the informal sector? If yes, how do you plan to do it, considering it houses a large segment of the population?

We recognize the need to cater to the informal sector, which often includes low-income individuals. Our research and development team is working on creating micro-insurance products that are affordable and meet the needs of this market segment. These products will have lower price points, making them accessible to a broader audience and ensuring that more children receive the healthcare they need.

In developing our products, we segment the market to meet the needs of different groups, including the informal sector. This sector often represents the lower end of the economic pyramid, so we are developing affordable micro-insurance products that can cater to their needs.

How crucial is the development of affordable and innovative health insurance products in addressing the healthcare funding gap?

Developing affordable and innovative health insurance products is essential in addressing the healthcare funding gap. These products provide financial protection against high medical costs, reducing reliance on out-of-pocket expenses. By spreading the risk and cost of healthcare across a larger population, health insurance can make quality medical services accessible to more people. Innovations in health insurance can also cater to specific needs, such as those of children, which are often underserved by traditional policies.

WEERINDE INSURANCE BROKERAGE SERVICES LTD

OBWAKABAKA BWA BUGANDA (KINGDOM OF BUGANDA)

LIBERTY In it with you

AAR Medical Insurance

KSG I.T

Liberty Life Assurance Uganda, AAR Health Services Ltd, Weerinde Insurance Brokerage Services Ltd and KSG IT Uganda Ltd launched Munno Mukabi Platinum in Buddu; Masaka

MUNNO MUKABI PLATINUM

1. THE PRODUCT BENEFITS

- It's a bundled insurance product with 4 life assurance benefits and 2 medical insurance benefits. Death at Ugx 2M, Critical illness at 1st diagnosis at Ugx 2M, Permanent Total Disability at Ugx 2M, Hospital cash after admission for 3 consecutive nights in hospital at Ugx 300,000, outpatient at Ugx 300,000 and inpatient at Ugx 1,500,000. All these benefits are annual.

2. THE PREMIUM

- Ugx 440,000 annual premium per life; which can be paid as a lumpsum or half annually, or quarterly or monthly.
- The mandatory 1st month onboarding payment must be Ugx 110,000 and the subsequent monthly payments are Ugx 30,000 per month for the next 11 months before renewal.

3. THE AGE GROUP

- New borns to 65years of age with no pre-medical checkups.

4. TARGET MARKET

- All Adult Ugandan citizens with a national Identification or birth certificate for the children. The public can buy the product/service as individuals, families, Small Medium Enterprises, Education Institutions, Saccos as well as Corporate Organizations.

5. HOW TO PAY FOR MUNNO MUKABI PLATINUM

1. From your mobile phone; through Airtel or MTN lines; dial *210*888# which will lead you to the Weerinde account and you follow the instructions until you make your desirable payments like; annual, or half yearly or quarterly or monthly.
2. You can also deposit your premiums to the Munno Mukabi Partnership premium collection account in Centenary Bank: Acc No. 3100110613.

6. HOW TO ACCESS THE SERVICES FOR MUNNO MUKABI PLATINUM

1. Visit any Health facilities in partnership with AAR Health Services Ltd across the Country for outpatient and inpatient medical services.
2. Call our Customer Service Help line on 0708-802411 in case of an insured's accidental body injuries, death, critical illness at 1st diagnosis or admission in hospital at the 3rd night of consecutive hospitalization.
3. Note that; inpatient has 3months of waiting period unless the admission is resulting from an accident.

7. THE TECHNICAL PARTNERS; DELIVERING THIS SERVICE TO THE PUBLIC ON BEHALF OF THE KINGDOM OF BUGANDA

1. Liberty Life Assurance Uganda Limited
2. AAR Health Services Limited
3. Weerinde Insurance Brokerage Services Limited
4. Powered by KSG IT (U) Limited

Compiled and presented on behalf of the Munno Mukabi Partnership:

Jennifer Mirembe Ssensuwa
Chief Executive Officer
Weerinde Insurance Brokerage Services Limited

The Guest of Honour addressing the people of Buddu and encouraging

From the right is Buganda Kingdom's 1st Deputy Katikkiro; Oweek. Prof. Twaha K. Kaawaase, the 2nd Deputy Katikkiro Oweek. Robert Waggwa Nsibirwa and the Chairman Liberty Life Assurance Mr. Gerald Sendawula as they opened the partnership Buddu Branch

Buganda Kingdom's 2nd Deputy Katikkiro, Oweek. Prof. Twaha K.

Buganda Kingdom's 2nd Deputy Katikkiro encouraging the people of Buddu and Uganda at large to take up the uniquely designed life and

L- R; Mr. Joseph Almeida, MD Liberty Life Assurance Uganda, Ms. Jennifer Mirembe Ssensuwa, CEO, Weerinde Insurance Brokerage Services Ltd, Ms. Nassuna Christine, MD, AAR Health Services Ltd and Mr. Kenneth Semafumu, MD, KSG IT Uganda Ltd. The partnership was giving their

The Managing Director of Liberty Life Assurance Uganda; Mr. Joseph Almeida apending his

Here is the team from AAR, Liberty, KSG and Weerinde that will drive the product and service in the market.

Housing Finance Bank Revolutionizes Uganda's Mortgage Industry

John B Kaweesi, Head of Mortgages and Consumer Banking at Housing Finance Bank

Uganda's real estate market is undergoing a significant transformation, driven largely by innovative mortgage solutions provided by the Housing Finance Bank, making housing more accessible and affordable.

Mortgages, which are agreements between borrowers and lenders where the lender holds a lien on the borrower's property as collateral, are essential in residential and commercial real estate markets.

Despite their importance, Uganda's mortgage market remains small, accounting for only 1.2% of the country's GDP, which has remained unchanged in recent years. However, this is a notable increase from just 0.3% in 2002, highlighting gradual growth.

John B Kaweesi, Head of Mortgages and Consumer Banking at Housing Finance Bank, says there are many interesting trends in the mortgage market today.

"We've seen new entrants and players offering diverse concepts targeted at different market segments giving customers more options," he says.

He further observes: "A significant investment is being made in condominium apartments. More Ugandans are adopting the idea of living in condominiums, whereas traditionally, most people prefer standalone homes. As Uganda's economy grows, we see many new entrants providing units in condominium arrangements. The numbers are growing, and several companies are partnering with us to offer these options to our customers, giving them a wide scope to choose their preferred homes."

Projections from Statista Market Insights suggest that Uganda's real estate market could grow by 7.07% from 2024 to 2029, potentially reaching a market volume of USD 514.40 billion by 2029.

Furthermore, Housing Finance Bank has partnered with international lenders and local sources to secure more affordable financing options. One notable initiative is the 'Zimba Mpola Mpola' program, which provides loans as small as UGX 200,000 (approximately $54) for various purposes, including water harvesting and processing lease titles. This program specifically targets low and middle-income earners, offering them lower interest rates and flexible terms, according to Kaweesi.

Kaweesi also highlights that the mortgage products offered by Housing Finance Bank are designed with long-term tenures, some extending up to 25 years—the longest in Uganda.

"These extended repayment periods make mortgages more affordable and increase the likelihood of customers qualifying for the necessary funds for their housing needs.

The bank's products feature competitive pricing, property security, and specific financing purposes, making them attractive for those looking to invest in homeownership," says Kaweesi.

With a 57-year history in the mortgage sector, Housing Finance Bank has established itself as a leading mortgage lender financing over 10,000 homes in the last 5 years thus being a trusted partner.

Currently, Housing Finance Bank dominates Uganda's mortgage market, holding 55% of the total mortgage portfolio. Other major players include Stanbic Bank, Standard Chartered Bank, DFCU Bank, KCB Bank, and Centenary Bank.

This dominant position underscores the significant impact Housing Finance Banks have on the mortgage industry in Uganda, driving growth and promoting long-term investments in real estate.

By continuing to innovate and secure affordable funding, Housing Finance Bank is set to play a pivotal role in shaping the future of Uganda's mortgage industry, making homeownership a more attainable goal for many Ugandans.

MTN Uganda's Net Profit Up 29.7% To Shs 295.7 bn

MTN Uganda has announced a significant 29.7% increase in net profit to Shs 295.7 billion for the half-year ended June 2024, driven by robust growth in voice, data, and fintech services.

The telecom company's voice revenues rose by 15.1% to Shs 626.7 billion, while data and fintech services saw impressive increases of 28.6% and 23.5%, reaching Shs 373.3 billion and Shs 442.3 billion respectively during the same period.

Overall, MTN Uganda's service revenue surged by 20.4% to Shs 1.5 trillion, supported by a 14.6% growth in mobile subscriber numbers, which now stands at 20.7 million.

Earnings before interest, tax, depreciation, and amortization (EBITDA) grew by 22.4% to Shs 784.7 billion. In light of this performance, the company has proposed an interim dividend payout of Shs 6.6 per share, equivalent to Shs 147.8 billion, to be paid on September 20.

MTN Uganda Chief Finance Officer, Andrew Bugembe, Chief Executive Officer, Sylvia Mulinge and MTN MoMo MD Richard Yego during H1 financial results announcement.

"MTN Uganda's performance in the first half of the year continued on a positive trend, supported by the overall momentum in economic growth," said MTN Uganda CEO Sylvia Mulinge.

"The Ugandan economy grew by 6.0% for the 2023/24 financial year with macro-economic indicators trending favorably in the six-month period."

Mulinge highlighted the company's investment of Shs 219.1 billion to enhance the quality, capacity, and resilience of the MTN network, with a focus on 4G and 5G technologies. The 4G LTE population coverage increased to 87.8%, up 4.4 percentage points, while the 5G rollout extended to 538 strategic sites, achieving full coverage of the capital, Kampala. "Our 2G and 3G population coverage also rose to 98.9% (+0.5pp) and 93.2% (+0.8pp) respectively as we extended connectivity across the country to ensure that all Ugandans enjoy the benefits of a modern connected life," she said.

In the fintech space, Mulinge noted that MTN's investment in the past six months was geared towards advancing the ecosystem with a focus on enhancing appreciation of its advanced services and expanding core services.

"During Q1, we addressed our customers' credit requirements by establishing a comprehensive loan suite, Wesotinge, in partnership with five financial institutions to meet both short and long-term liquidity needs," she said.

The company also introduced a short-term credit facility, Merchant Xtra Stock, and increased the number of cashpoints for agent top-ups to reduce float gaps, resulting in a 25.2% year-on-year increase in transaction volumes to 2.0 billion.

Looking ahead, Chief Finance Officer, Andrew Bugembe reaffirmed the company's medium-term guidance framework of delivering mid-teen service revenue growth, maintaining stable EBITDA margins above 50%, and keeping capital expenditure (excluding leases) intensity at mid-teen levels.

"Leveraging on our network investment, we commit to deliver reliable and affordable voice and data services to empower our loyal customer base," he said.

"To sustain our commercial momentum in the second half, we will continue to partner, innovate, and provide solutions to meet an ever-evolving market as technology advances."

Bugembe said investments, particularly in 5G and 4G LTE, should enhance customer experience and sustain the momentum achieved.

Richard Yego, Managing Director of MTN Mobile Money Uganda Ltd, MTN Uganda's fintech arm, said the company would continue to focus on enhancing liquidity requirements for its merchants and agents as well as solutioning for the customers to encourage cashless transactions

He said the Bank of Uganda's directive for mandatory verification of customers conducting mobile money transactions above Shs 1 million has not negatively impacted the fintech services.

Insurers Sanlam and Allianz to launch joint Africa venture

Insurance firms Allianz SE and SE and Sanlam Limited are now ready to unveil their multi -billion-shilling joint venture after months of negotiations that included agreeing on the final shareholding structure.

The planned launch comes after they announced in September last year that they had received regulatory approvals, for the joint venture that will create a Pan-African non-banking financial services company with a presence in 27 countries in Africa including Kenya.

Paul Hanratty, chief executive of South Africa – headquartered Sanlam Group announced recently during the Sanlam Financial Journalism awards ceremony in Johannesburg, rebranding has started in several markets, with the official launch lined up within "a couple of days."

"The formation of the Sanlam -Allianz joint venture is really a highlight. It does create a platform for future growth for savings and investment business across our continent, which is such a vital element of the development of all economies," said Mr Hanratty in his address.

"Following a year of undertaking the core tasks of making this collaboration a reality, I am pleased to say that in the next couple of days, you will see the official launch of the combined and rebranded entity in our key -shared markets."

Sanlam and Allianz will contribute their respective African operations into the joint venture. Allianz will contribute ownership in its African subsidiaries including majority stakes in Jubilee general insurance business in Kenya, Uganda, and Burundi which it acquired in 2022.

Sanlam will contribute its interests in Sanlam Kenya (57.1 percent) and other operations. The multinational's operations in South Africa, India, the Middle East, and Malaysia will be excluded from the deal.

Namibia will be included in the deal later. Once Namibia is included in the deal, Allianz will have the option to increase its shareholding to a maximum of 49 percent, leaving Sanlam with a controlling stake.

Allianz and Sanlam had said last year the joint venture will have a combined group equity value of approximately R35 billion (Sh251.5 billion), giving customers a broader offering of insurance products tailored to their needs. The joint venture will operate as SanlamaAllianz.

Sanlam and Allianz had in May 2022 agreed on an initial shareholding split of 60:40, respectively, but announced in September last year that they were working on certain post – closing adjustments to get the final shareholding split. This is yet to be made public.

The 60:40 ownership was based on the relative appraised valued of the assets the two were contributing as June 30,2021. The adjustment will likely factor in the changes that have happened over the two years.

The two firms are aiming at becoming among the top three players, in both market share and profitability, in the markets where the venture will operate.

Equity Group's profit jumps 12pc on subsidiaries growth

Equity Group Managing Director / CEO Dr. James Mwangi

Regional lender-Equity Group Holdings has posted a Sh29.6 billion net profit for the half-year ended June 2024, buoyed by among others, strong interest income mainly from loans and government securities.

This, even as its loan book shrunk to Sh791.1 billion compared to Sh817.2 billion same period last year in the wake of high interest rates which cut the borrowing appetite in the market.

Non-performing loans during the period under review increased to Sh97.9 billion, compared to Sh79.1 billion same period last year, fueled by the tough microeconomic environment witnessed not only in Kenya, but the region where the lender operates in.

Most NPLs were in corporate, MSMEs and the retail space.

The Central Bank of Kenya's Monetary Policy Committee to cut its base interest rate by 25 basis points to 12.75 per cent, from 13 per cent, is however expected to stimulate borrowing in the second half of the year, Equity Group managing director and CEO James Mwangi noted.

"Customers should expect a reduction on interest rates," Mwangi further noted during the lender's investor briefing held in Nairobi.

During the half year, the group's interest income grew to Sh84.8 billion compared to Sh69.8 billion same period last year, as income from loans and advances went up to Sh53.5 billion, compared to Sh44.8 billion last year.

Income from government securities increased to Sh28.3 billion compared to Sh22.7 billion in half one 2023.

Total operating income went up to Sh97.1 billion compared to Sh82.8 billion last year.

The group's assets have equally grown to Sh1.75 trillion up from Sh1.64 trillion same period last year, as the lender continued to cement its position as a leading bank in the region, amid business diversification which includes inroads into the insurance and health sectors.

Customer deposits went up to Sh1.29 trillion from Sh1.17 trillion in June 2023.

The Nairobi Securities Exchange listed lender continued to enjoy the fruits of digital investment as 93 per cent of transactions were outside the brick and mortar, where digital transactions accounted for 84 per cent of total transactions while agency banking accounted for 9.2 per cent.

CPA Joseph Osako:

An Insurance Sales Agent turned Finance Manager

CPA Joseph Osako is a Certified Public Accountant. He is the Finance Manager at GA Insurance Company, where he provides leadership and oversight to the finance department, ensuring the efficient management of financial operations. Before assuming this role, he held the position of Management Accountant at GA Insurance Company Ltd. Joseph's previous experiences include his role as a Team Leader for IFRS 17 Insurance Contracts Project Implementation at Pax Insurance Company, and Financial Advisor and Team Leader at ICEA Lion Group, ICEA Life Assurance Company Limited.

Joining the Insurance sector

Our job market is interesting as in many cases what you study is not what you find in the market but what you find in the market is what you take as a fresh graduate. Although I had a Bachelor of Commerce (BCom Accounting option) degree with the goal of pursuing a career in accountancy, I started as a sales agent with ICEA LION Insurance Company.

Studying CPA

In August 2018 when I returned from my fieldwork, I started thinking deeply about my accountancy career aspirations and after hearing people in the finance department saying insurance accounting is difficult, I became even more determined to demystify the myth. Right away, I enroled for the CPA course and completed it in 2022. I am now a full member of the Institute of Certified Public Accountants of Uganda (ICPAU).

Applying the knowledge and skills from CPA

CPA is a practical course. It sharpened my analytical skills. After studying CPA, it became clear that information required for decision-making must be accurate, reliable, and timely. The knowledge and skills quickly propelled me into higher roles in my career as I rose from sales executive to Finance Manager. Today, I find myself not only to be a number cruncher but also a business advisor to my employer and in the profession at large.

The role of accountants in insurance

The insurance industry is a prime market for Certified Public Accountants. The scope of an insurance accountant's duties is directly related to the segment of the insurance firm to which the accountant is assigned. At a larger company, the accountant will focus on verifying claims and insurance premiums before paying and receipting respectively, or assessing favourable investment return.

Generally, an entry-level insurance accountant will be responsible for the compilation and analysis of spreadsheets, while a mid-manager accountant will handle more complex analysis while managing a team of several entry-level accountants. The senior managing accountant for a particular department is responsible for delegating tasks, making decisions on problems that arise, and performing audits and reviews of the accountants working in the department.

Experience required for senior accounting roles in insurance

A senior accountant must have experience in financial investigation, including the review of a breadth of data and documentation, understanding all internal financial policies in detail, and applying any laws that apply to the insurance company.

Excelling in Insurance Accounting

CPAs in the industry should commit to Continuing Professional Development (CPD), as the sector is dynamic and accounting standards keep evolving. If you have not started your CPA, please enrol now, to become a creator, enabler, preserver and reporter of value.

Uganda Re Join Charity for Kiteezi Landfill Victims

The team from Uganda Re – Led by Mr. Ronald Musoke, Chief Executive Officer handover the items they donated to Mr. John Cliff Wamala, the assistant spokesperson of the Uganda Red Cross Society (Center) at Kiteezi Church of Uganda Primary

The Uganda Reinsurance Company (UgandaRe) has stepped forward to assist victims of the Kiteezi landfill tragedy with an assortment of relief items to help with their daily lives.

The items were handed over to the Uganda Red Cross Society, in the presence of the City watchdog, KCCA at Kiteezi, to help those affected by the tragedy.

Ronald Musoke, Chief Executive Officer of Uganda Re, expressed the company's deep concern over the tragedy and their willingness to support communities in crises.

"When we first heard about the tragic incident in Kiteezi, we felt it was our responsibility, both as individuals and as a business entity, to extend a helping hand. With the resources we have gathered, we hope to provide some relief to those who are suffering. We have collected essential items such as clothing, sanitary pads, food, basins, soap, and other basic necessities. While our contribution may be small, we believe it will offer some comfort to the people affected by this tragedy, "he said.

Musoke also highlighted the critical role of insurance in mitigating the impact of unforeseen disasters, advising that both private and public entities should seriously consider insuring their enterprises, against unforeseen outcomes such as the Kiteezi landfill tragedy.

"For individuals and organizations involved in high-risk activities, insurance should be a priority to protect both property and lives. We hope this serves as a wake-up call for better preparedness. This is precisely what insurance is for – to cover the unexpected," he explained.

This outreach by the Uganda Reinsurance Company demonstrates a commitment to supporting communities in need and highlights the importance of collaboration in times of crisis.

The collapse has prompted discussions around environmental insurance. Although not widely used in Uganda, Musoke suggested that such incidents might spur the development of policies covering sudden environmental damage and the liabilities associated with it.

"This disaster reminds us of the need for environmental insurance, particularly in activities that can impact third parties. While standalone policies for environmental risks are still uncommon, there may be opportunities to extend coverage within existing policies," he opined.

Musoke called on the government to prioritize insurance of its assets and liabilities, pointing out that adequate sums insured are key to avoid underinsurance which can have devastating consequences during crises.

"As practitioners in the insurance industry, we have long advocated for the government to insure its assets and liabilities. Though progress has been made, there is still much to be done. We hope this tragedy serves as a catalyst for decision-makers to adopt insurance mechanisms that protect both property and people," Musoke said.

Sheila Birungi, Director of Gender, Community Services, and Production, commended Uganda Re's timely response. "We appreciate Uganda Re's swift action in this crisis, particularly their thoughtfulness in providing dolls and play kits for children. This gesture will help children cope with the trauma during this difficult time," she said.

She said hundreds of displaced residents are currently housed in temporary shelters, with large tents offering safety for men, women, and lactating mothers.

Sheila Birungi Gandi, Director of Gender, Community Services, and Production, Ronald Musoke, Chief Executive Officer of Uganda Re

An on-site clinic has been established to provide medical care to those in need.

The Kiteezi landfill, which processed approximately 2,500 tonnes of garbage daily, collapsed on August 10th, burying homes and causing widespread destruction. The disaster has amplified concerns about Kampala's waste management system, and authorities are now being pressured to find sustainable alternatives to prevent further tragedies.

Vuga Ku Sure with Motor Third Party Insurance

The Uganda Insurers' Association (UIA) was founded in 1965 by insurance companies with the aim of promoting the development and expansion of insurance and reinsurance activities in Uganda. Early this month, the association launched a new campaign, christened "Vuga ku sure," to promote motor third-party insurance uptake across the country. **Finance and Trade** *caught up with CEO Jonan Kisakye to shed more light on the campaign*

Tell us about your association. What does it stand for, and what is the extent of its mandate?

The Uganda Insurers' Association (UIA) is a member body founded in 1965, consisting of licensed insurance companies. Our highest decision-making body is the Annual General Meeting (AGM), which includes all our members. With over 36 members, not all can sit on the board, so 10 are selected to serve on the executive committee. This committee delegates powers to me to implement the association's mandate, and I report back to them monthly.

That said, it is important to differentiate between the regulator and the association. The regulator represents government and public interests, ensuring the implementation of the insurance act and the protection of policyholders. In contrast, the association represents the interests of licensed insurance companies, ensuring they can conduct business effectively.

In light of this, what then are your key objectives and activities, as an association of insurers?

Our primary objectives include driving collaboration among our members, conducting research to empower the public and improve our members' services, and representing our members to the government, regulators, and other stakeholders. We also ensure that our members adhere to a certain code of conduct. The association consists of 20 general insurance companies, 8 life insurance companies, 4 microinsurance companies, and 4 reinsurers. In 2023, our members paid out over 800billion shillings in claims and contributed over 300 billion shillings in taxes. We support the financing of our regulation and training through a levy of 1.5% for the Insurance Regulatory Authority and 0.5% for the training college.

From your standpoint, what is the difference between motor comprehensive insurance and third-party insurance?

As a vehicle owner you possess an asset, but you expose others to risks while using that asset. Third-party insurance covers bodily injuries or death caused to others, while motor comprehensive insurance covers physical damage to your vehicle, whether it's due to an accident, fire, and theft. It's crucial for customers to understand what they are buying and the benefits they are entitled to. They should engage with their insurer immediately after purchasing the policy to understand their responsibilities.

When you buy a third-party insurance sticker through the mobile money menu (e.g., *185# for MTN or *165# for Airtel), you input your vehicle details, and the system shows how much you need to pay. After payment, you receive a reference number, which you take to an insurance agent or office to get your sticker. You should not pay any additional money to the agent. If someone asks for extra payment, it's a sign of fraud, please proceed to another agent.

What are the consequences of intentionally or ignorantly refusing to pay for third-party insurance?

Not paying for third-party insurance is against the law. Using a vehicle on the road without valid third-party insurance is an offense punishable by a fine exceeding 100,000 Shillings which in most cases is higher than the cost of third party or imprisonment for up to two years, or both. The law ensures that vehicle owners are responsible and accountable.

Ok, you recently launched a campaign dubbed "Vuga ku sure." What is the key message and spirit behind this campaign?

The key message behind our campaign is to educate the public about the importance and benefits of motor third-party insurance. Despite the law mandating it, many people do not understand its significance. Motor third-party insurance is a social protection policy for the good of the public by covering the vehicle owner for liabilities against Third parties in case of accidents, ensuring that victims receive appropriate compensation. Our campaign aims to increase awareness and appreciation of motor third-party insurance, emphasizing that it is not just a legal requirement but a crucial aspect of social protection to both the policyholder and other road users.

Could the lack of appreciation be due to a lack of understanding?

Many people do not understand

Jonan Kisakye,Chief Excutive Officer, Uganda Insurance Association (UIA)

how insurance works or the benefits it provides. They see it as an unnecessary cost rather than a vital safety net. This lack of understanding often leads to practices like bribing, which is more expensive than purchasing insurance. Our campaign aims to address these misconceptions and educate the public about the true value of insurance. We've engaged with the government to discuss ways of reducing the tax burden to make insurance more affordable, hoping to encourage more people to take it up.

How is the insurance industry addressing the public's lack of awareness about insurance?

Public awareness about insurance is still low despite the commendable efforts of the industry. We are working with partners like Africa Re Foundation to develop an insurance literacy and inclusion strategy. This strategy will guide our communication with the public, simplifying complex aspects of insurance for better understanding. We aim to demystify insurance, showing its importance not just for individuals but for the economy. For example, banks and factories cannot operate without insurance, demonstrating the critical role insurance plays in safeguarding economic activities. We all need to contribute to a culture where insurance is seen as essential, not optional.

But many policyholders argue that the cost of chasing after that money is so high. Why is this so?

The law requires vehicle owners to notify their insurer in case of an accident. You must ensure the injured party is taken to the hospital, notify the police, and provide the required documents to your insurer. The process is open and transparent, not intended to confuse anyone. However, I agree that the process can be lengthy and the compensation amounts are too small. We are working with the regulator on amending the law to streamline the process and make the compensation more reasonable.

In case of an accident, what steps should be taken by the policyholder to process a claim?

Like I earlier mentioned, in case of an accident please report to the police and ensure that the injured party receives medical attention. Then, notify your insurer and provide the required documents. Many policyholders are unaware of their responsibilities, which include working with the insurer to ensure all necessary documents are submitted. The insurer will guide you through the claims process. While it is still manual, we are working on streamlining this through using digital platforms, making it easier to handle claims, including payments via mobile money and other platforms.

From where you sit, what is Uganda's claims culture for motor third-party insurance like?

Motor third party insurance is often bought to fulfill the requirements of the law. People are not very positive about the claims process because of the limitations and low compensation limits. We're working on increasing the liability limits and introducing property damage as part of the benefits. We're also advocating for government vehicles to be insured, which currently isn't the case. The government is a major fleet owner, and their participation in insurance is crucial. The Regulator is crafting a national insurance policy to support these initiatives.

Any final remarks?

It's crucial for everyone to understand that insurance is about responsibility and protection. We all need to contribute to a culture where insurance is seen as essential, not optional. The collaborative effort within the industry to educate and engage with the public will help achieve this goal.

Stanbic's half year results show sustained profitability despite inflationary pressures

Francis Karuhanga, Chief Executive, Stanbic Uganda Holdings Limited (SUHL)

Stanbic Uganda Holdings Limited (SUHL) has announced its 2024 half year results, with its anchor subsidiary, Stanbic Bank Uganda Limited, contributing the bulk of its UGX236 billion (about $63 million) net profits compared to UGX200 billion recorded the previous half year.

Customer deposits during the six months to June 2024, were up by 4.9 pc to UGX 6.6 trillion while total loans amounted to UGX4.4 trillion a rise of 9.5 pc compared to the same period in 2023. SUHL is a part of the Standard Bank Group and trades in Uganda as Stanbic.

SUHL Chief Executive, Francis Karuhanga said, "The Bank subsidiary continues to be the anchor to our performance, as our beyond-bank subsidiaries gain momentum on their growth trajectory and augment our efforts to deliver on our purpose."

The other SUHL subsidiaries are SBG Securities, Stanbic Properties Limited; Flyhub, a fintech company and the Stanbic Business Incubator Limited, which provides capacity building training for small business owners.

Karuhanga said despite an uptick in inflation during the first half of the year, which caused the Bank of Uganda to raise the base rate to 10.25 pc from 9.5 pc in December 2023, Stanbic Bank posted strong results on both the income statement and balance sheet. However private sector credit growth at 6.6% remained below the pre-Covid levels of above 10%. Earlier this month, BoU lowered the Central Bank Rate (CBR) to 10 pc.

Karuhanga said, "Our customer loan book grew by 9.5% representing over 21 pc of market share while the off-balance sheet book grew by 17.5 pc to UGX2.2 trillion, representing a market share of over 40 pc. More importantly, we have been deliberately focused on supporting the growth of the SME segment of the economy, given that they generate 70 pc of manufacturing output and create 90 pc of new jobs." Between January and June this year, the bank disbursed UGX127 billion at below market interest rates at between 10 pc and 12.2 pc to Savings and Credit Cooperative Organizations (SACCOs). It also lent UGX100 billion also at a reduced interest rate of 15.5 pc to women-owned enterprises under the Stanbic4Her product range.

"Our total assets of UGX9.7 trillion (about $2.5 billion) are up 3.8 pc from the previous year of UGX9.4 trillion and as such, we are in a much stronger position to support major development projects and further facilitate economic growth," Karuhanga said.

Referring to the bank's efforts in driving financial inclusion through the FlexiPay mobile payments app, Karuhanga said, "FlexiPay now has over 900,000 clients and continues to scale in terms of number of transaction and volumes. In the fullness of time, FlexiPay will enable us to achieve our objective of driving financial inclusion in Uganda."

During the period under review, there were over seven million FlexiPy transactions totaling UGX 14 trillion involving FlexiPay and Stanbic banking agents. Karuhanga said, "We are optimistic that the economy will continue to grow as individual and commercial borrowers take advantage of lowering interest rates, should the cuts in the CBR continue."

Insurance Brokerage; a key pillar in the insurance ecosystem

Uganda's insurance market is marked by diversity, offering a wide array of products ranging from life, health, property and casualty insurance coverage. Accessing insurance products and services can be daunting due to complexities, technical jargons used, and lack of awareness among others. Amidst this complexity, finding the right coverage to assist in securing adequate insurance protection and support to have compensation attained and claims settlement, insurance brokers are always available to offer invaluable insights and expert advice to clients seeking to navigate the intricacies of insurance policies.

An insurance broker is an advisor who helps potential clients or customers find the right insurance policies to protect themselves, representing the interests of their loved ones and their businesses and help find the best insurance products that meet their needs. Unlike other insurance agents, insurance brokers offer a variety of products from different insurance companies, giving their clients a wide range of options to choose from. They invest significant time and effort to understand their client's unique situations and risk profiles and use such information to recommend suitable products, considering coverage, cost, and the financial stability of the insurance company. They act independently and advocate solely for their clients. This independence allows them to impartially assess various insurance products available in the market and recommend tailored solutions that best match their clients' requirements.

Intermediation role

In the dynamic landscape of the insurance world therefore, insurance brokers play an indispensable intermediation role in connecting individuals, businesses, and organizations with appropriate insurance coverage tailored to their specific needs and circumstances. When it comes to the distribution, marketing of insurance policies, assessing and managing risks, insurance brokers support their clients in identifying potential exposures and vulnerabilities they are likely to face and subsequently propose comprehensive risk management strategies and insurance packages designed to mitigate those risks.

Sande Protazio

Insurance brokerage services aim at bridging the gap between the client and the insurance company by simplifying the process and acting as advocates providing clarity on policy terms, assisting in claims processing, and offer ongoing support to ensure that clients receive maximum benefit from their insurance coverage.

Regulatory compliance

The insurance brokers' advisory role facilitates and enhances regulatory compliance. The brokers possess in-depth knowledge of insurance laws and regulations and work diligently to ensure that their clients' insurance portfolios adhere to legal requirements. In this regard, their presence in the market has contributed significantly to the growth and stability of Uganda's insurance sector. In 2023, the insurance brokerage business contributed Ugx541.11 billion to the industry's Ugx1.6 trillion Gross written Premiums (GWP) up from Shs453.51 billion of the Shs1.4 trillion GWP in 2022. This has fostered competition among insurers and promoted transparency in insurance transactions, enhancing market efficiency and consumer trust.

Challenges and Opportunities

Despite their critical role, brokers face challenges posed by the changing regulatory landscapes, advancements in technology and the necessity for ongoing professional development. These challenges, however, also present opportunities for brokers to innovate, adopt digital solutions, and enhance their service delivery to meet the evolving needs of clients.

As our economy continues to grow and diversify, insurance brokers will become increasingly crucial, serving as invaluable intermediaries between individuals, businesses, and insurance companies, ensuring you have the appropriate coverage to safeguard your valuable assets and properties.

The writer is a Director Strategy and Market Development, Insurance Regulatory Authority of Uganda

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The grace of God is like insurance. It will help you in your time of need without any limit.

SRI SATHYA SAI BABA

Kenya Re half-year profit dips 10pc on forex losses

Kenya Re's net profit for the six months to June fell 10 percent to Sh1.06 billion as foreign exchange losses ate into higher income from reinsurance and domestic investments

The Nairobi Securities Exchange (NSE) -listed reinsurance reported a net foreign exchange loss of Sh800.25 million in the period, reversing a profit of Sh561.9 million a year earlier.

Kenya Re operates in several countries and is therefore exposed to foreign exchange risk as it receives premiums in several currencies. Including the US dollar.

In the first half of the year, the shillings strengthened against other currencies globally, including a 20.8 percent gain against the dollar. This has depressed the value of foreign currency holdings in the hands of companies, as well as earning in foreign currency.

Kenya Re's investment income before foreign currency adjustment grew by 24.5 percent to Sh2.66 billion, helped by higher interest income from cash deposits and government bonds.

On a net basis, however, investment income fell by 31 percent to Shs1.86 billion due to net foreign exchange losses.

Meanwhile, the company's underwriting income rebounded to Sh606.6 million from a deficit of Sh210.6 million in the first half of last year.

Premium income increased by 20 percent to Sh10.3 billion, while claims and other underwriting expenses increased by 7.7 percent to Sh9.5 billion. Operating expenses increased by 8.2 percent sh1 billion during the period.

The reinsurer's assets declined marginally to Sh65.6 billion. Holdings of government securities increased by Sh3.7 billion to government securities increased by Sh3.7 billion to Sh24.8 billion, while deposits with financial institutions decreased by Sh4.7 billion to Sh12 billion.

The company is not paying an interim dividend for the half year, as in previous years.

On August 9, the company's shareholders were paid a dividend of Sh0.30 per share in respect of the full year to December 31, amounting to a total payout of Sh839.9 million.

Shareholders are also entitled to a bonus payment of one share for each share held, as approved at the company's Annual General Meeting held on June 25.

Airtel Africa Reports 12% Mobile Data Revenue Growth in East Africa

Airtel Africa announces a 12% growth in mobile data revenue for its East African region, for the first quarter (Q1) ending June 30th, 2024. The revenue increased to USD$170 million (approx. UGX632.4 billion) during the quarter, up from USD$151 million (approx. UGX561.7 billion) during the same period the previous year.

The telco attributed the growth to its significant expansion into the East African mobile data market. The region comprises six countries including Kenya, Malawi, Rwanda, Tanzania, Uganda, and Zambia.

At the Airtel Africa group level, data usage per customer surged by 25.1% to 6.2 GB, generating USD$409 million (approx. UGX1.5 trillion). East Africa contributed significantly to this performance, with a 14.6% increase in data customers and a 7.1% rise in data Average Revenue Per User (ARPU), resulting in USD$170 million (approx. UGX632.4 billion) in regional revenue.

Strategic investments in network expansion and enhancement fueled these achievements.

Overall, East Africa mobile services revenue grew by 6.5% to $423 million, driven by a 12.4% increase in voice revenue and a 25.7% increase in data revenue & growth in other revenue streams. Additionally, the mobile money business thrived, with revenue soaring 31.7% to US$167 million (approx. UGX621.2 billion) compared to US$155 million (approx. UGX576.6 billion) in the same period last year. The Airtel Money network processed over USD$120 billion (approx. UGX446.4 trillion) in annualized transaction value and mobile money revenue contributed 19.2% of total Group revenue, up from 14.6% in the previous quarter.

Commenting on the performance, Airtel Africa's CEO, Sunil Taldar said "A strong capital structure is critical to enabling our ambitions and future-proofing our ambitious growth targets. The growth opportunity across our markets remains compelling and we continue to focus on margin improvement as indicated in our FY'24 results."

Sunil added "Having visited most of our OpCos since I joined Airtel Africa, I am encouraged by the scale of the opportunity available across our markets in both the GSM and mobile money business." "A key priority for us is to look for new opportunities to further grow our business, especially in the enterprise, fibre, and data centre businesses across our footprint in Africa."

EXPERT TALK

The ESG strategy, a new metric for Uganda's Insurance performance

The ESG strategy has evolved from a strategic option to a business necessity. These principles now essential for sustainable growth and we must prioritize this strategy more than ever. While progress is evident, Uganda's insurance industry's future hinges on rapid adaptation to this dynamic landscape. I strongly believe that integrating ESG into performance metrics is key to capturing new opportunities, mitigating risks, and enhancing our reputation. This isn't just about compliance; it's about driving our industry forward.

Integrating ESG metrics into performance evaluation can significantly enhance our ability to attract investors and clients who prioritize responsible business practices. A PwC study reveals that 80% of global investors consider a company's ESG management crucial to investment decisions. Similarly, clients increasingly seek insurance providers aligned with their ESG values. By excelling in ESG performance, we can expand our customer base, access new capital sources, and potentially lower our cost of capital. This makes ESG a compelling new metric for performance evaluation in the insurance industry.

Moreover, integrating ESG into our performance metrics offers a direct path to financial gains. By optimizing resource allocation and reducing energy consumption, we could significantly cut costs. As Ray August emphasized, digital transformation is key to boosting efficiency and growth in insurance. Embracing such eco-friendly technology and digital platforms in underwriting and claims management not only reduces operational expenses but also strengthens our commitment to environmental sustainability.

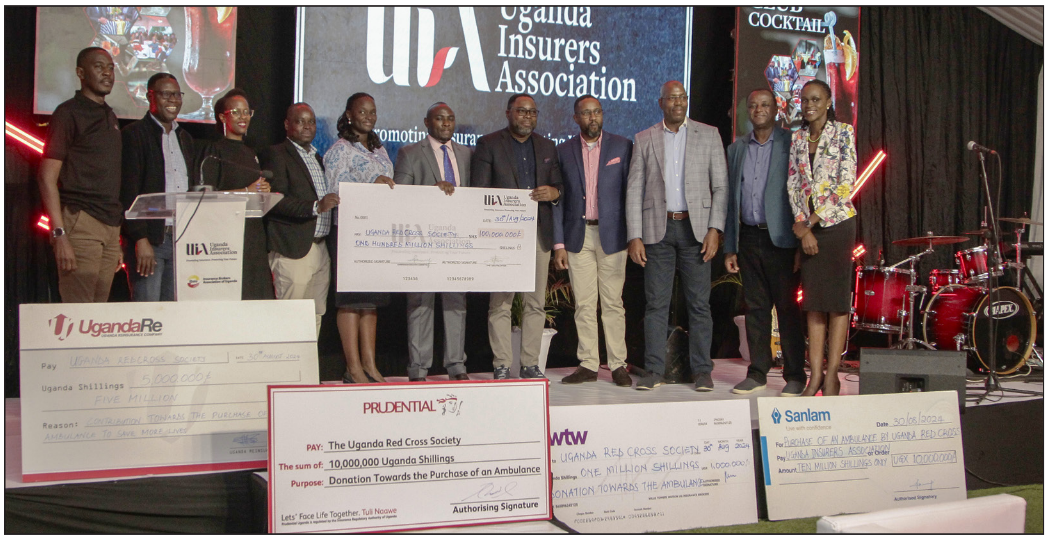
Integrating these principles into performance metrics can be a powerful tool for attracting and retaining top talent. This is because today's workforce is increasingly drawn to organizations committed to the ESG strategy. For example, a leading insurance company that prioritized diversity and inclusion as a core ESG indicator experienced increased employee satisfaction, productivity, and a more diverse talent pool. A clear testament of the tangible benefits of aligning ESG with HR practices to cultivate a more engaged and motivated workforce.

ESG performance indicators are very significant thriving in the changing new regulatory landscape and safeguarding our reputation. By tracking ESG metrics, we can proactively anticipate and comply with evolving regulations. As Deloitte highlighted, leading insurers are moving beyond mere compliance to embed ESG principles into their core strategy. Therefore, this holistic approach will not only mitigate legal risks but also strengthens our brand and builds trust with stakeholders across Uganda's insurance industry.

Overall, as industry players the moment we incorporate ESG metrics into our performance evaluation, we can foster sustainable growth and build a resilient industry. These principles are no longer fleeting trends but foundational elements for the future of our sector.

Clara Splendor Kaganzi, Compliance Assurance Officer, UAP Old Mutual Insurance Uganda

Insurers to Prioritize Digitization and Innovation to Drive Industry Growth



Uganda Insurers Association (UIA), presents a cheque of 100 million to support the purchase of two ambulances for the Uganda Red Cross Society.

Mr. Jonan Kisakye, Chief Executive Officer, UIA at the CEOs Club Cocktail

The Uganda Insurers Association (UIA) is taking bold steps to embrace technology and foster innovation, a move that is aimed at propelling sector growth.

According to the UIA Chairperson Ruth Namuli, digitization can play a critical role in transforming the sector, seeing that technological advancement is essential to meet the ever-changing needs of customers. She added that these efforts would not only streamline operations but also enhance product offerings, ensuring the insurance industry remains competitive and responsive to market demands.

"Our agenda moving forward is clear- continuous innovation through technology and digitalization. By streamlining services and enhancing product offerings, we can drive growth and better serve our clients," said Namuli, during the CEO cocktail party, at their offices in Kololo.

Namuli highlighted the importance of collaboration within the industry and with regulators, noting that insurers must unite in their efforts to demonstrate the value of insurance to the public.

She called for a united front among insurers, stressing that teamwork is crucial for demonstrating the value of insurance to clients. "Before we seek external solutions or regulatory changes, we, as insurers, must come together as a united fraternity," she urged.

To address the challenge of increasing instances of fraud within the industry, Namuli proposed the creation of an e-claims database or reference bureau to help insurers accurately identify and assess fraudulent claims. This system, similar to the credit reference bureaus used by banks, would be instrumental in reducing the estimated 10-25% of fraudulent claims, thereby improving the industry's overall risk management.

Additionally, she called on insurers to emphasize the Environmental, Social, and Governance (ESG) criteria, which is becoming prevalent across industries. She said this will help the sector to remain competitive and ensure long-term sustainability.

Jonan Kisaakye, the Chief Executive Officer of UIA, highlighted the association's ongoing initiatives, particularly in collaboration with the Uganda Red Cross.

He said UIA is contributing UGX 200 million towards the purchase of ambulances to assist in emergency response, particularly for road accidents.

"The Uganda Red Cross plays a vital role in emergencies, and we are committed to supporting their efforts by providing ambulances. This is part of our broader mission to support the community and offer protection in times of need," Kisaakye explained.

He detailed the association's efforts to promote motor third-party insurance and support emergency response services through the donation of ambulances to the Red Cross.

He emphasized the critical role motor third-party insurance plays in covering medical costs and other expenses for accident victims.

Out-going UIA Executive Committee Chairman Mr. Latimer Mukasa officially handing over to new Chairperson Ms. Ruth Namuli at the CEOs Club Cocktail

Chairperson Ms. Ruth Namuli, UIA Executive Committee and other New Board Members at the CEOs Club Cocktail

Kisaakye also spoke about the industry's push towards digital platforms, noting that motor third-party insurance can now be purchased digitally via mobile money platforms. This move is part of the broader effort to digitize the insurance industry, making it more accessible and convenient for the public.

The event also marked a significant leadership transition within the UIA, with Namuli taking over as Chairperson from Latima Mukasa, who served as the association's leader for six years. In his farewell speech, Mukasa expressed his gratitude to the association members and praised the progress made during her tenure, particularly the ongoing project to construct a modern commercial building for the association.

Namuli, with 18 years of experience in the industry, pledged to continue fostering growth and addressing the evolving needs of clients.

The insurance industry in Uganda has shown remarkable growth, with premiums reaching UGX 1.6 trillion in 2023.

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