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Regulator applauds gov't for overhaul of Motor Third-Party Insurance Limits

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Liberty Life Assurance saves Kalangala family from UGX.100 million loan burden

KAMPALA - Life insurance solutions provider, Liberty Life Assurance, has honored a UGX 100 million life claim of Late Robert Mugumya, saving the family from a huge loan burden.

Mugumya who died recently had acquired a UGX 100 million loan from Ssese Oil Palm Growers Association Sacco (SOPAG) to purchase land for farming.

While Kalangala based-SACCO mourned the unfortunate loss of their member, they notified Liberty Life Assurance of the same for the payout.

Mr Joseph Almeida, the Managing Director, Liberty Life Assurance on Thursday, April 18, 2024, said the company will pay off the outstanding loan balance, thereby saving the family from the burden of repaying the loan.

"Liberty Life Assurance profoundly reassures its

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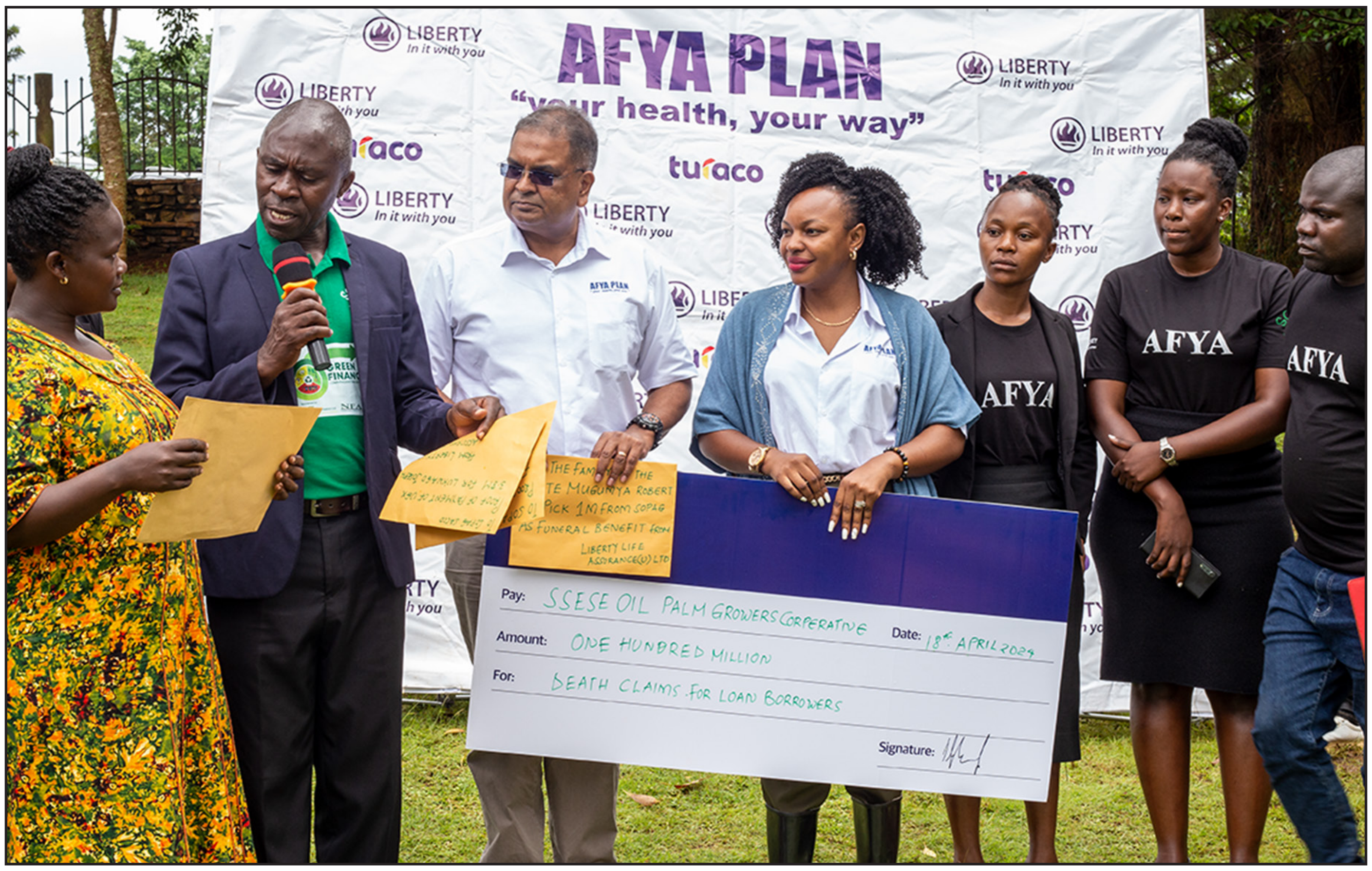

Liberty Life Assurance saves Kalangala family from UGX.100 million loan burden, Launches new partnership with oil palm growers

BANKING

NCBA Bank Uganda reports strong financial performance for 2023

Corporate banker, NCBA Bank Uganda has announced its financial results for the fiscal year 2023.

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INSURANCE

Sanlam Insurance records impressive performance, profits surge to Shs 13.9 billion

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NEWS

Govt exempts electric vehicle makers from Stamp Duty

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In Brief

SACCOs, MFIs Flout of Anti-Money Laundering Rules

Uganda's financial sector is facing a significant threat as Savings and Credit Co-operatives (SACCOs) and Microfinance Institutions (MFIs) continue to flout Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) regulations. The failure to comply with these regulations puts Uganda at risk of being grey-listed by the Financial Action Task Force (FATF), a global watchdog that sets standards for combating money laundering and terrorist financing.

According to the Financial Intelligence Authority (FIA), fewer than 20 SACCOs and MFIs have registered with the authority, which is the first step towards complying with AML/CFT regulations. This lack of compliance is a significant concern, as SACCOs and MFIs handle a substantial portion of Uganda's financial transactions.

Phionah Nabaggala, FIA's Manager for Training and Outreach, emphasized the need for SACCOs and MFIs to develop internal AML/CFT policies and train their employees to adhere to them. "Compliance with AML/CFT regulations is crucial for maintaining Uganda's financial integrity and preventing illicit financial activities," she said.

Sheila Birungi, head of the legal department at UMRA, highlighted the importance of addressing compliance gaps in SACCOs and MFIs, particularly in reaching underserved populations through Village Savings and Loan Associations (VSLAs). "We need to ensure that these institutions are operating with the highest level of integrity and transparency," she said.

Uganda's financial sector has made significant progress in recent years, and the country has been removed from the FATF's grey list. However, the current non-compliance by SACCOs and MFIs puts this progress at risk. The government and regulatory authorities must take urgent action to ensure that these institutions comply with AML/CFT regulations and maintain Uganda's financial integrity.

Govt exempts electric vehicle makers from Stamp Duty

The Chairperson of the Committee on Finance, Hon. Amos Kankunda, speaking during the plenary sitting

Companies manufacturing electric vehicles, electric batteries, or electric vehicle charging equipment or fabricator of a frame and body of an electric vehicle; and employ 80 percent of Ugandans will not pay Stamp Duty Tax in the 2024/2025 financial year.

The exemption is part of the amendments in the Stamp Duty (Amendment) Bill, 2024 that was passed during plenary sitting on Monday, 06 May 2024, chaired by Speaker Anita Among.

According to the Bill, to further quality for the exemption; the companies shall have the capacity to use at least 80 percent of the locally produced raw materials, subject to availability;

The Chairperson of the Committee on Finance, Planning and Economic Development, Hon. Amos Kankunda, added that the company is required to have a minimum investment capital of US$10 million in case of a foreigner, or US$300,000 in case of a citizen who invests up country. "This is intended to promote investment in an environmentally friendly transport system in Uganda," he said.

Hon. Nathan Nandala-Mafabi (FDC, Budadiri County West) said that Uganda is endowed with herbs and hence, promoting their use by manufacturers is a move in the right direction.

Pian County Member of Parliament, Hon. Remigio Achia, said that the exemption is timely since youths are increasingly investing in science and innovations.

"Young people are engaged in innovations and it is very good," said Achia.

Hon. Karim Masaba (Indep., Industrial Division, Mbale City) welcomed the exemption, saying that by employing 80 percent of Ugandans in such companies, government would be protecting the citizenry.

Kira Municipality MP, Hon. Ibrahim Ssemujju, however, dissented from the committee's report, arguing that according to the Auditor General, out of the 36 companies that obtained tax incentives and exemptions, 22 were performing below the 50 percent threshold, thereby failing to achieve the desired employment levels.

"The Auditor General is advising us to stop tax exemptions because they are not serving the purpose. You may not listen to the Opposition but at least listen to the Auditor General," he said.

He added that tax exemptions cost government Shs1.4 trillion annually.

Butambala County MP, Hon. Muhammad Muwanga Kivumbi, called for comprehensive study companies that are considered for tax exemptions, saying that some of them lobby so as to avoid taxes.

"We do not have revenue and we are exempting without specific studies to form our exemptions. We can exempt but let us be very elaborate with studies," he said.

The lawmakers also approved a proposal of Stamp Duty exemption on shares or other securities by an investor in a private equity or venture capital fund regulated under the Capital Markets Authority Act.

The Minister of State for Finance, Planning and Economic Development (General Duties), Hon. Henry Musasizi, said that this will stimulate the economy's growth.

He added that taxing private equity and venture capital has forced potential investors into neighboring countries such as Kenya and Tanzania.

"It is a new area and in order to attract capital, we need to exempt them from the stamp duty tax," said Musasizi.

Hon. Dicksons Kateshumbwa (NRM, Sheema Municipality) supported the minister, saying that based on the nature of equity and venture capital investments, it is prudent that tax is waived until profits are realised.

"When someone [Investor] is coming in, we should reduce our appetite to tax where there is no interest yet," Katesumbwa said.

Relatedly, legislators passed the Tax Procedures Code (Amendment) Bill, 2024 whose objective is to ensure that a tax payer who intends to claim a deduction of or credit for goods destroyed informs the Uganda Revenue Authority's Commissioner General before destruction of goods.

Liberty Life Assurance saves Kalangala family from UGX.100 million loan burden, Launches new partnership with oil palm growers

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commitment to honour claims of the SOPAG farming community whose legacy will endure through the support provided by their credit life insurance policy," said Mr. Almeida.

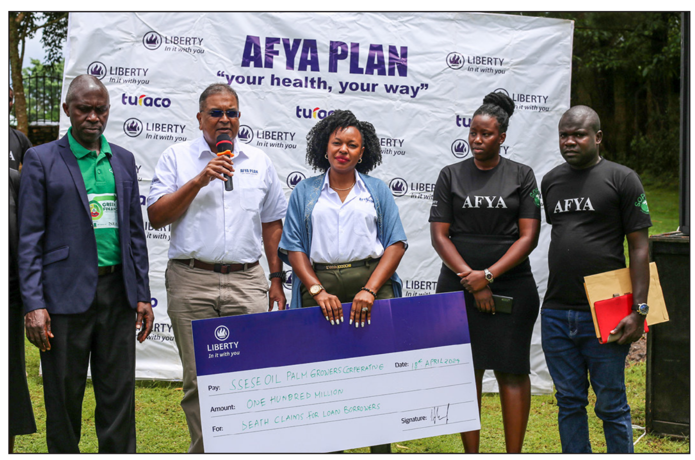
"Mugumya Robert was not just a farmer; they were the embodiment of hard work, dedication, and resilience. Their passion for agriculture and commitment to his family were evident in every aspect of his life. Today, as we mourn with the family of their loss, we also celebrate the security and peace of mind that their credit life insurance policy has provided for their loved ones," he added.

Liberty Life Assurance has also entered into a partnership with SOPAG, through the launch of a very affordable policy known as 'AFYA PLAN'.

Mr. Almeida said the financial product is a promise of support during the most challenging times such as diagnosis of critical illnesses, total permanent disability, and hospital cash.

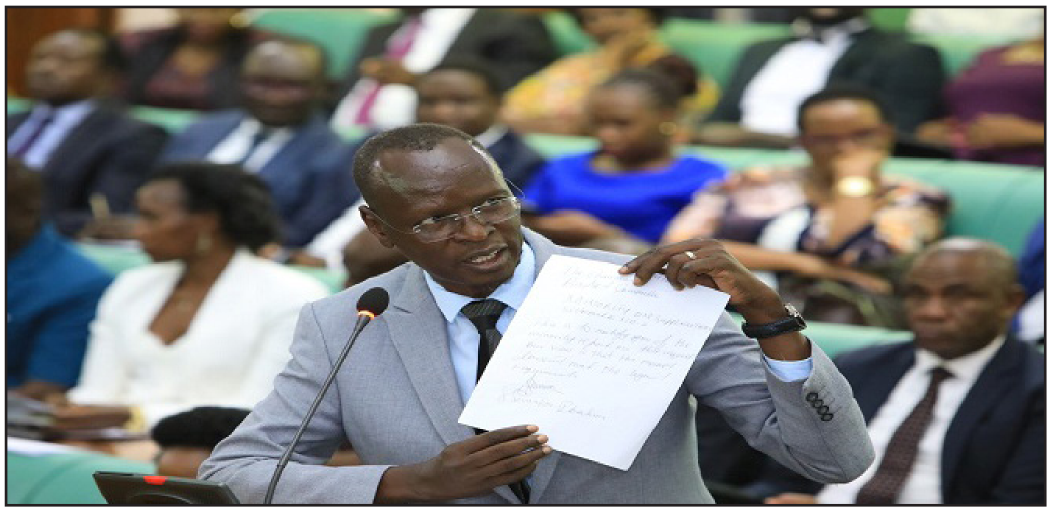
Ms. Juliet Murungi Okwi, the Head of Marketing at Liberty Life Assurance said family of the policyholder is saved from the burden of the loan payment and the loss of investment.

"Liberty Life Assurance is honored to stand by the family of the late Robert Mugumya ensuring that their dreams, aspirations, and financial security are preserved as they navigate through this difficult period," said Ms. Murungi.



She added: "Liberty Life Assurance Uganda Company continues to reaffirm its unwavering commitment to providing compassionate and comprehensive support. We stand ready to assist the family with any and all insurance-related matters."

Pharmaceutical company boosted as supplementary budget is approved



Deputy Chairperson of the Budget Committee, Hon. Remigio Achia presenting the report before the House

Parliament has approved a supplementary expenditure budget worth Shs1.106 trillion for settling the offtake arrangement between government and DEI Pharmaceuticals, wage and pension and gratuity shortfalls.

The Deputy Chairperson of the Budget Committee, Hon. Achia Remigio presented the committee's report approving the supplementary.

Achia said the government has initiated the process of acquiring equity in DEI BioPharma Ltd as a strategic intervention to increase the local production of pharmaceutical drugs.

DEI Pharma Limited is being allocated Shs578.4 billion to enable it complete business production and ensure it comfortably meets its debt obligations and operational requirements.

"It should be noted that the Minister of Science, Technology and Innovation provided a written commitment to the committee, stating that 'no funds would be disbursed to the company until the valuation process is completed and the government's stake in the Company is formally established'," the report reads in part.

Kira Municipality MP who is also the Shadow Minister of Finance, Hon. Ibrahim Ssemujju Nganda presented a minority report opposing the request stating that it did not comply with the law.

"We oppose donating Shs578 billion to Mr Mathias Magola (DEI Pharma Ltd). All the activities and items the government is seeking to finance through the second supplementary do not meet the requirements of the Public Finance Management Act," he said adding that, 'money for Magola is being diverted from debt service; the government has diverted Shs666 billion from our debt servicing vote'.

Hon. Simon Peter Okwalinga (NRM, Kachumbala County) said he supported the majority report but objected to funding Magola's DEI Pharma Limited.

"I would like the government to come clean on this issue and tell us where this money is heading," he said.

The Minister of State, Office of the Prime Minister (Northern Uganda), Dr Kenneth Omona supported the report of the committee indicating that the government is supporting local manufacturers as a measure to enhance import substitution.

"Uganda is already beginning to export pharmaceutical products which is good for our country," Omona said.

He however, said that the government must be very serious and ensure that there is value for money in the investment.

Kampala Central MP, Hon. Muhammad Nsereko criticised the prioritisation of funding of a private investor DEI Pharma Limited amidst challenges in the health. He also said in order to seek a supplementary, it should be unforeseeable and unavoidable.

Hon. Muwanga Kivumbi (NUP, Butambala County) added that the government has an investment vehicle in Uganda Development Corporation (UDC) that they should use instead of Parliament directly giving money to Magola.

The Minister of State for Finance (General Duties), Hon. Henry Musasizi told the House that when the valuation has been completed, they will now come to equity.

He said the company as it stands is "sick" and they do not want the company to "die".

The Speaker Anita Among said that much as there is a commitment on valuation, the government must do the valuation.

She instructed the Budget Committee to monitor and ensure that the valuation is done. She demanded a full valuation report of the assets and finances.

"No disbursement of this money before the valuation is done. Upon the valuation and this money is paid, the security must be kept with the treasury and not with the owner," she ordered.

In the other allocations, Shs166 billion goes to the Ministry of Lands, Housing, and Urban Development for Uganda Support to Municipal Infrastructure Development – additional Support (USMID) and external financing for competitiveness and Enterprise Development project- Additional Funding (CEDP-AF), and an additional Shs66 Billion for compensation among others.

The Ministry of Gender, Labour and Social Development was allocated Shs3 billion for the Anglican, Catholic and Muslim Martyrs shrines in Namugongo and Shs1 billion will go to Nebbi Diocese who will host this year's 03 June Martyrs Day celebrations.

Shs 13.6 billion will be given to cater for wage shortfalls of Kampala Capital City Authority cleaning casual workforce among others.

Bujagali tax exemption halted

A proposal by government to exempt the Bujagali Hydro Power project from income tax has been rejected by lawmakers who instead demanded for a report of the Auditor General on the project.

The decision was reached at during the plenary sitting on Monday, 06 June 2024 as the House considered the Income Tax (Amendment) Bill, 2024.

Speaker Anita Among who presided over the meeting read a letter from the Minister of Finance, Planning and Economic Development, Hon. Matia Kasaijja seeking an insertion of a clause in the Bill to give Bujagali Hydro Power a one-year income tax exemption up to 30 June 2025.

"The rationale of this proposal is to avoid escalation of the end user tariff since tax is part of the formula for computing the tariff as we await the report from the Auditor General," read the letter.

This proposal was however, rejected at committee stage, where there was a general consensus from Members of Parliament (MPs) who tasked the minister to give a timeframe within which the Auditor General's report would be presented.

Hon. Abdu Katuntu (Indep., Bugweri County) said that whereas Parliament commissioned the Auditor General to perform an audit of Bujagali, MPs do not know the status of the audit.

"We may pass this Bill without this request and they [ministers] come back with amendments and we discuss in detail other than passing something we are not sure of," said Katuntu.

He pointed out that government has foregone up to Shs380 billion in revenue since 2012 when the tax waivers started.

Pakwach District Woman MP, Hon. Jane Pacuto raised concern over the recurrent requests to exempt the power generator from income tax without a report from the Auditor General.

"The public is looking at us as playing games every year; there are extensions with the excuse that tariffs will go high," said Avur.

The Leader of the Opposition, Hon. Joel Ssenyonyi underscored the danger of granting Bujagali another exemption without the Auditor General's report, saying that such a decision would not be well informed.

"If an audit is available and it makes economic sense, we go ahead and give the exemption but right now we are operating in the dark," said Ssenyonyi.

Hon. Patrick Oshabe (NUP, Kasanda County North) wondered why government continues to grant the power project tax exemptions, despite making profits.

"Tax exemptions for Bujagali started in 2012 and they were supposed to end in 2017 but extensions still went on, with the saying that tariffs were going to reduce and yet they instead increased. Why is Bujagali always on the list of exemptions," Oshabe asked.

The Minister of State for Finance, Hon. Henry Musasizi committed that he will expeditiously handle the processing of the Auditor General's report, saying that it will be ready in six months.

"We must make a decision based on the audit but the audit has delayed. Immediately after this budget process, I will undertake to pursue the Auditor General's report," Musasizi said.

Speaker Among then guided that the minister re-introduces the proposal through an amendment.

MPs also rejected a proposal that sought to expand capital gains tax to include the sale of land in cities and municipalities, and rental property.

While presenting the report of the Committee of Finance, the Chairperson, Hon. Amos Kankunda said that the taxation of capital gains is already catered for under Section 21 of the Income Tax Act.

"The committee observed that the proposal for the expansion of the scope of capital gains tax to include land in cities and municipalities does not fall within the principles of vertical or horizontal equity in taxation and as such should not stand part of the Bill," read the report in part.

On the other hand, the MPs approved income tax exemption for specialised hospitals with the committee justifying that the aim is to attract investment in the provision of specialised medical services.

"The proposal has the potential to promote the development of specialised services in Uganda which will reduce medical tourism and support tourism in Uganda from patients coming from neighbouring countries," Konkunda said.

In his minority report, Hon. Ibrahim Ssemujju Nganda (FDC, Kira Municipality) however, questioned the motive behind exempting specialised hospitals saying that the list of the benefiting hospitals was not availed.

"Can government table a list of who qualifies for these incentives before consideration of this Bill," said Ssemujju Nganda.

Housing Finance Bank Records Shs65.1bn Net Profit as Assets Grow By 32.1% To Shs2.14 Trillion

Housing Finance Bank has announced a profit after tax of Ushs 65.1 billion for the financial year ended December 31, 2023. The Bank attributed the 11.3% year-on-year growth in net profits to digital transformation and revenue diversification efforts.

In the period under review, Housing Finance Bank also demonstrated significant growth in other key parameters, with total assets growing by 32.1% to Ushs 2.14 trillion, customer deposits increasing by 44% to Ushs 1.611 trillion, loans and advances rising by 28% to Ushs 996 billion and core capital over and above Bank of Uganda's minimum capital requirements at Ushs 273.8 billion. These figures underscore the Bank's commitment to expanding its customer base and enabling sustainable home ownership and financial independence.

David. G. Opiokello, Chairperson of the Board of Directors at Housing Finance Bank, implied that the commendable results were driven by the prudent implementation of the initial phase of the Bank's 2023 – 2027 strategic plan.

"Despite operating in a challenging economic environment driven by relatively high inflation, we achieved resilient growth across all key financial metrics which resulted in our largest net profit to date and a 19.4% return on equity that attests to our efficient utilization of shareholder capital to generate favorable returns," he said.

He added that this growth was complemented by significant investments in the Bank's risk management and cybersecurity framework to safeguard customer deposits and transactions and an expansion into microfinance and digital lending avenues to diversify the Bank's revenue streams that resulted in a 27.7% growth in total income to Ushs 329 billion.

Micheal Mugabi, Managing Director at Housing Finance Bank, articulated the Bank's continued focus on utilizing digital technology to enhance customer experience.

"We remain committed to leveraging digital technology, from upgrading our core banking system to transitioning from traditional to recycler ATMs, with the overall goal of ensuring seamless transactions, enhancing customer convenience and reducing the cost of transacting which paves the way for deepening financial inclusion," he said.

In addition to its stellar financial performance, Housing Finance Bank remains focused on integrating social, economic and environmental considerations into its business operations and practices upon receiving a certificate of acceptance to the Sustainability Standards and Certification Initiative (SSCI) during the 10th Global Sustainable Finance Conference held in Karlsruhe, Germany in August 2023.

Throughout 2023, Housing Finance Bank intensified its impact initiatives in education, innovation, and housing through strategic partnerships with organizations such as the National Social Security Fund, StartHub Africa, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), Habitat for Humanity, and the Buganda Kingdom that reflect the Bank's dedication to community development.

Micheal Mugabi, Managing Director at Housing Finance Bank, articulated the Bank's continued focus on utilizing digital technology to enhance customer experience and deepen financial inclusion

Micheal Mugabi emphasized the Bank's continued pursuit of a sustainability strategy with a focus on climate change and inclusive lending. "This strategy will translate into initiatives such as climate action and development of inclusive lending solutions.

By prioritizing these values, we believe we can ensure sustainable economic growth as well as create a lasting impact on housing access, SME financing, and the overall wellbeing of the communities in which we operate," he said.

The Bank also received several recognitions during the financial year under review such as the Gold Award under the United Nations Development Programme (UNDP) Gender Equality Seal (GES) Programme for Private Enterprises in recognition of its commitment to advancing gender equality and empowering women through internal measures.

Additionally, the Bank received the Mortgage Banker of the Year Award at the 2023 Real Estate Awards organized by the Association of Real Estate Agents Uganda for its work in advancing access to mortgage financing to Ugandans.

Looking ahead, Housing Finance Bank aims to continue fulfilling its mandate of providing accessible and affordable housing finance solutions for Ugandans, aligned with its strategic plan, through collaborations and partnerships across both public and private sectors within the housing value chain, as well as in other pivotal sectors such as manufacturing, agriculture, education, health, trade, and tourism, in line with its aspirations of contributing to Uganda's socioeconomic transformation.

Old Mutual rewards top performing sales agents

Old Mutual Investment Group's top-performing sales agents receive their awards at the 2023 Agency Awards and 2024 Incentive Launch.

Old Mutual Investment Group celebrated the exceptional achievements of its sales agents at the prestigious 2023 Agency Awards and 2024 Incentive Launch

Leading African investment managers, Old Mutual Investment Group have celebrated the exceptional achievements of their sales agents at the prestigious 2023 agency awards and 2024 incentive launch held at Hotel Africana.

The event showcased the hard work of Old Mutual Investment Group's sales agents in driving impressive sales performance throughout the previous year and set the stage for continued success in the current year.

Daniel Opiyo, Head of Marketing and Business Development at Old Mutual Investment Group highlighted the company's strategic plan and emphasized the pivotal role of sales agents in achieving organizational objectives.

"You are the backbone of our success. Your unwavering commitment has propelled us toward our strategic goals, and we are immensely proud of your achievements in the year 2023 and hope for even bigger strides this year."

Zac Kisesi, the Head of Alternative channels provided insights into sales metrics, including inflows, outflows, and net outflows, underscoring the company's robust performance in navigating dynamic market conditions.

He also named the winners across various categories, recognizing their outstanding contributions to the company's success.

Joshua Mwine with a net flow of shs 12.60 billion, Edgar Katsigwa (shs10.53bn) and Michella Mugyeni (shs10.05bn) emerged the top three agents and were awarded a 5-day trip to Dubai, recognizing their exceptional performance and dedication to excellence.

The Managing Director, Old Mutual Investment Group, Simon Mwebaze expressed heartfelt appreciation for the efforts of the sales agents, acknowledging their profound impact on the lives of individuals and families.

"Beyond driving sales, you agents serve as trusted advisors, guiding families toward financial security and prosperity. Your role extends far beyond numbers; it's about making a meaningful difference in people's lives."

OLD MUTUAL LIFE ASSURANCE UGANDA LIMITED

AUDITED FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022 (Restated)
	Ushs'000	Ushs'000
Insurance revenue	43,214,548	73,790,544
Insurance service expenses	(38,116,449)	(72,081,234)
Net income/(expenses) from reinsurance contracts	803,103	(4,592,238)
Insurance service result	**5,901,202**	**(2,882,928)**
Interest revenue calculated using the effective interest method	29,616,541	24,946,054
Net fair value gains/ (losses) on financial assets at fair value through profit or loss	226,964	(157,467)
Total investment income	**29,843,505**	**24,788,587**
Finance expenses from insurance contracts	(21,612,470)	(12,181,768)
Change in investment contract liabilities	(5,608,652)	(4,650,076)
Net insurance finance result	**2,622,383**	**7,956,743**
Net insurance and investment result	**8,523,585**	**5,073,815**
Other income	744,760	880,540
Total non-insurance revenue and income	**744,760**	**880,540**
ECL impairment for assets at amortised cost*	(167,000)	(56,190)
Finance costs	(338,216)	(116,410)
Other operating and administrative expenses	(2,266,495)	(1,210,994)
Total non-insurance expenses	**(2,771,711)**	**(1,383,594)**
Profit before income tax	**6,496,634**	**4,570,761**
Income tax expense	(3,080,702)	(2,792,933)
Profit for the year	**3,415,932**	**1,777,828**
Other comprehensive income		-
Total comprehensive profit for the year	**3,415,932**	**1,777,828**
Financial Ratios		
Solvency Ratio	**258%**	**235%**
Claims Ratio	**89%**	**82%**
Management Expense Ratio	**20%**	**18%**
Net Commissions Ratio	**18%**	**14%**

ECL Impairment for assets at amortised cost includes the impairment for cash and bank balances, deposits with financial institutions and investment in government securities. This has been reclassified from operating expenses in the current year in order to present the ECL separately as required by IFRS Accounting Standards as issued by the International Accounting Standards Board.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	2023	2022 (Re-stated)	At 1 Jan 2022 (Re-stated)
	Ushs'000	Ushs'000	Ushs'000
Non-current assets			
Property and equipment	698,816	390,933	466,601
Right-of-use asset	1,973,575	2,318,816	2,627,742
Government securities	163,252,276	142,557,774	101,912,784
Deposits with financial institutions	-	-	12,791,398
Financial assets at fair value through profit or loss	4,653,717	4,161,905	4,229,810
	170,578,384	**149,429,428**	**122,028,335**
Current assets			
Current income tax recoverable	-	34,572	34,572
Government securities	6,759,854	9,030,055	21,397,280
Due from group companies	6,042	92,167	7,331
Other receivables	4,178,204	2,915,854	2,505,697
Reinsurance contract assets	2,628,980	264,813	-
Deposits with financial institutions	59,754,537	52,235,684	30,688,349
Cash and bank balances	6,794,057	3,721,804	3,639,493
	80,121,674	**68,294,949**	**58,272,722**
Total assets	**250,700,058**	**217,724,377**	**180,301,057**
Equity			
Share capital	28,980,244	28,980,244	15,509,419
Share application fund	12,615,205	12,615,205	5,886,030
Capital reserve	-	-	175,934
Contingency reserve	-	-	3,083,500
Preference shares	6,991,809	6,991,809	6,991,809
Accumulated losses	(26,863,085)	(30,279,017)	(35,316,279)
Total equity	**21,724,173**	**18,308,241**	**(3,669,587)**
Non-current liabilities			
Investment contract liabilities**	46,516,410	37,236,136	27,293,528
Insurance contract liabilities	167,179,237	144,048,494	138,740,740
Lease liabilities	1,957,206	2,298,554	2,520,806
Share-based payment liability	136,633	136,633	102,135
	215,789,486	**183,719,817**	**168,657,209**
Current liabilities			
Due to group companies	453,912	1,613,171	1,449,351
Lease liabilities	191,796	191,796	272,526
Investment contract liabilities	7,122,993	6,428,897	7,491,694
Insurance contract liabilities	3,774,207	4,596,222	-
Reinsurance contract liabilities	-	689,482	-
Other payables	1,643,491	2,176,751	6,099,864
Total Current liabilities	**13,186,399**	**15,696,319**	**15,313,435**
Total liabilities	**228,975,885**	**199,416,136**	**183,970,644**
Total equity and liabilities	**250,700,058**	**217,724,377**	**180,301,057**

Investment contract liabilities were disclosed entirely as non- current liabilities in the previous year. In the current year these have been split to include the current and non-current portion as per IAS 1.

The financial statements were approved for issue by the Board of Directors on 20 March 2024 and signed on its behalf by:

Sophie Nkuutu
Board Chairperson

Director

The above summary financial statements are extracts from the Company's audited financial statements for the year ended 31 December 2023, which were audited by Ernst & Young Certified Public Accountants of Uganda and received an unqualified audit opinion on 02 April 2024.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS OF OLD MUTUAL LIFE ASSURANCE UGANDA LIMITED

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2023 and the summary statement of profit or loss and other comprehensive income for the year then ended, are derived from the audited financial statements of Old Mutual Life Assurance 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, in accordance with the requirements in the Insurance Act, 2017 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 Companies Act, 2012, Insurance Act, 2017 and Insurance Regulations, 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 the auditor's 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 02 April 2024. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of 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 the requirements in the Insurance Act, 2017 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.

Ernst & Young

Ernst & Young
Certified Public Accountants
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Kampala, Uganda
02 April 2024

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http://www. financeandtradeug.com - If everyone who reads our reporting, who likes it, helps to support it, our future would be much more secure.

Absa Bank revenue grows to UGX494 billion delivering UGX146 billion in profit after tax

Mumba Kalifungwa, Managing Director, Absa Bank Uganda.

KAMPALA – Absa Bank Uganda has reported a growth in revenue by UGX64 billion, amounting to a 15.6% growth from the previous year and resulting in a profit after tax of UGX146 billion, according to financial results for the year ended December 2023.

The growth in revenue was largely driven by a 42% growth in transactional banking and trading income.

"We continue to see increased customer confidence in Absa evidenced by 30% year on year increase in customer banking transactions and increased utilization of trade instruments, which grew by 36% year on year. With the resurgence of economic activity, we saw an increased customer uptake of our working capital and trade solutions to meet their business finance need," said Mumba Kalifungwa, Managing Director, Absa Bank Uganda.

The bank realized a 12.9% growth in customer loans closing 2023 at UGX1.76 trillion, reflecting a 10.6% three-year cumulative average growth rate.

"This performance is underpinned by the 5.2% growth in the economy in 2023 amid various macro-economic challenges including underlying inflationary pressures. We disbursed more loans mainly driven by an increased demand by customers for working capital requirements and our trade loans and overdraft utilization yielded 19% and 29% growth respectively. This is in line with our drive to support business growth by extending financing to key sectors including trade, manufacturing, agriculture, SME's, ultimately contributing to economic growth," said Michael Segwaya, Executive Director and CFO, Absa Bank Uganda.

He also mentioned that an enhanced customer value proposition resulted in strong growth in personal mortgages, credit card and asset finance uptake, which registered a record growth of 40%, 38% and 188%, respectively.

Customer deposits grew by 16.3% to UGX2.9 trillion notably driven by an increase in the active customer base as a result of New to Bank acquisitions and increased digital and alternate channel utilisation.

"Impairment closed at UGX 2.4Bn driven by improved credit monitoring and closer relationships with our customers. At Absa, we believe that our people and customer experience are critical enablers for business growth and as a result, our continued investment in staff welfare and development coupled with investments in digital enhancements led to a 23 percent rise in operating expenses," Mumba added.

Delivering, and protecting returns, developing people, and ensuring a sustainable risk and control environment is central to the bank's strategy.

"We are financially stable and growing. With a total equity growth of 14.6%, we are well capitalized to support economic expansion across key strategic sectors. Looking to 2024, we anticipate continued growth in the economy driven by increased investment in the oil and gas sector as well as an expansion in regional trade. As the economy grows, we are well poised to support this growth," Mumba said.

The bank remains strategically focused on driving business growth by improving customer and digital experience. Earlier this year the bank launched a new brand promise, "Your Story Matters", a bold commitment to delivering superior customer experiences driven by empathy and seamless experiences.

Navigating Uganda's Evolving Insurance Landscape for Sustainable Growth

In the past decade, the insurance sector in Uganda has undergone a rapid transformation, driven by the imperatives of digital innovation. Embracing technological advancements has transitioned from being merely an option to an indispensable necessity for insurers aiming to not just survive but thrive in today's competitive market.

The Insurance Regulatory Authority (IRA) has consistently emphasized the pivotal role of leveraging the internet and social media platforms to maintain relevance and competitiveness in the dynamic insurance landscape.

While many insurers may have already instituted policies and strategies to harness the opportunities presented by social media, it's imperative to acknowledge the fluid and evolving nature of this digital platform.

Social media not only offers avenues for robust customer engagement and heightened brand visibility but also poses potential threats such as reputational risks and privacy concerns. As insurers, staying attuned to these shifting dynamics and adapting our strategies accordingly is of paramount importance.

Moreover, the interconnectedness of the business environment necessitates a holistic approach. Economic factors cannot be viewed in isolation from political, cultural, or social influences. A comprehensive understanding of these interconnected variables empowers insurers to make well-informed decisions, devise effective strategies, and navigate through fluctuating market conditions with agility and foresight.

In the face of mounting market competition, insurers must rethink conventional approaches and embrace innovative solutions to carve out their distinct niche in the industry. Despite the appearance of a stagnant market, there exist ample opportunities for those willing to embrace technology, differentiate their offerings, and prioritize customer-centricity.

Furthermore, as discussions revolve around boosting the insurance industry's growth, it's crucial to acknowledge its pivotal role in broader development initiatives. Insurance not only provides financial security but also fosters economic stability and resilience. By tapping into the potential of the insurance industry, policymakers can not only generate additional government revenue but also ensure broader societal benefits.

The advent of the digital age has ushered in a plethora of challenges and opportunities for the insurance sector. By harnessing the power of internet and social media platforms, insurers can foster innovation, enhance customer experiences, and position themselves for sustainable growth in the long run.

Another significant trend demanding attention is the escalating dominance of e-commerce. With internet connectivity and mobile technology catalyzing online transactions globally, Ugandan insurers must recalibrate their traditional business models to align with this digital shift.

Embracing e-commerce offers avenues for augmented customer engagement, streamlined operations, and expanded market reach. However, to harness the full potential of digital channels, insurers must prioritize robust cybersecurity measures to safeguard sensitive data and cultivate consumer trust.

Additionally, demographic shifts highlight the imperative of tailoring insurance products and services to suit evolving consumer needs. With Uganda's population expanding and demographics undergoing transformation, insurers must address affordability concerns and offer flexible coverage options to cater to diverse segments of the population.

Moreover, against the backdrop of a growing awareness of environmental sustainability, there exists a unique opportunity to develop eco-friendly insurance solutions that resonate with environmentally conscious consumers.

Regulatory scrutiny poses both challenges and opportunities for the insurance sector. While stringent regulations may entail compliance burdens, they also signify a commitment to consumer protection and market stability. Insurers must strike a delicate balance between regulatory compliance and innovation, ensuring that regulatory requirements do not stifle growth or innovation.

Collaboration and partnerships serve as linchpins for driving industry-wide initiatives and expanding market penetration. By forging alliances with government entities, NGOs, and other stakeholders, insurers can surmount barriers to access and foster financial literacy.

Furthermore, integrating Environmental, Social, and Governance (ESG) considerations into insurance practices engenders trust and sustainability, enhancing the industry's reputation and relevance.

Ultimately, the growth trajectory of the insurance sector hinges on its capacity to effectively communicate its value proposition and cultivate trust among consumers.

Transparency, risk management, and market expansion serve as fundamental pillars for driving growth and relevance within the industry. By embracing emerging trends, fostering innovation, and prioritizing consumer needs, Uganda's insurance sector can realize its full potential as a catalyst for economic development and social stability.

Protazio Sande
The writer is the Director Planning, Research & Market Development at the Insurance Regulatory Authority of Uganda.

ICEALION's Bob Tayebwa scoops Insurance Agents' top award

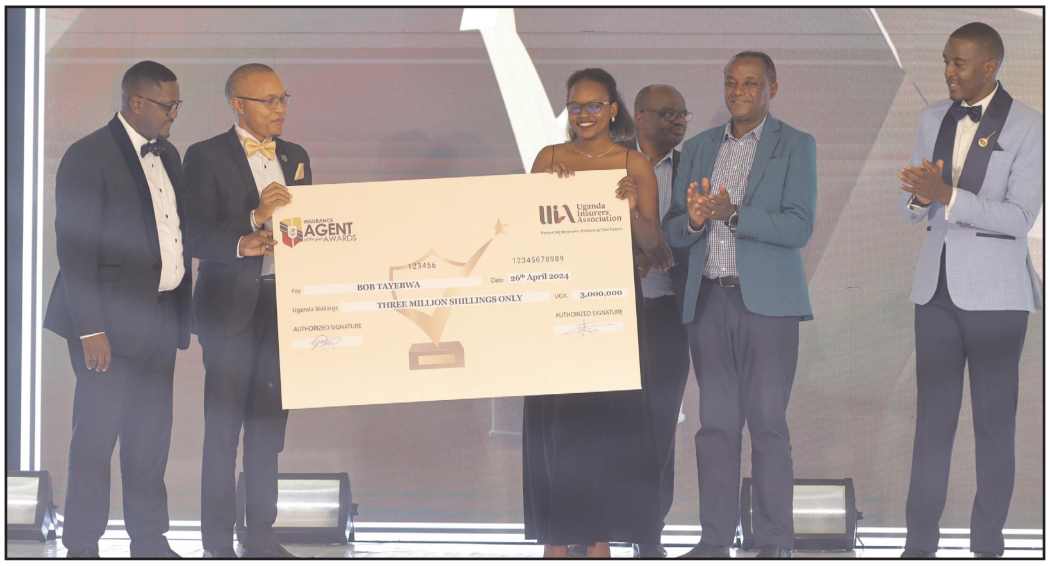
ICEALION's Bob Tayebwa has clinched the coveted title of the Uganda Insurers' Association annual insurance Agent's awards, emerging as the top performer in a very hotly contested race.

Tayebwa, representing ICEALION, stood out among six other contenders, on account of exceptional prowess in sales, business intelligence, and entrepreneurial skills.

The ceremony, held at the Speke Resort and Conference Center in Munyonyo, marked the 13th edition of the awards, aimed at recognizing and celebrating the pivotal role played by insurance agents across the country.

Themed "Celebrating Agents as a Catalyst for Change in the Industry," this year's awards ceremony underscored the significant impact agents have on shaping the insurance landscape.

The event, organized by the Uganda Insurers' Association (UIA), aimed to honor and celebrate the pivotal role played by insurance agents in driving industry growth and innovation.



Bob Tayebwa (second from left) of ICEA Lion Life Insurance Company receives a cheque from UIA for his outstanding performance as the overall Life Agent of the Year 2023

The event highlighted outstanding achievements in areas such as best new agent, best life agent (high premiums), and best MTP agent (Eastern and Central regions), among others.

In his acceptance speech, Tayebwa expressed gratitude to the association for recognizing the crucial role played by insurance agents and vowed to continue driving positive change within the industry.

He said his achievement symbolized ICEALION's dedication to raising the bar and setting new standards for quality and service excellence.

Latimer Mukasa, Chairman of the Executive Committee at UIA, highlighted the crucial role agents play in driving industry growth.

Mukasa emphasized the need for a conducive environment to foster the further development of both life and non-life insurance markets.

"Agents continue to enable the fundamental role in enhancing customer relationships and building sustainable businesses. Given their importance as a distribution channel, we continue to push for revision of their taxation regimes in consultation with IRA and URA," he said.

Mukasa emphasized the critical importance of trust and confidence in the insurance sector, highlighting the intangible yet paramount role these qualities play in consumer decision-making.

He emphasized the need for continuous consumer sensitization efforts, and called upon agents like Tayebwa to champion the cause of raising standards, knowledge, and ethical practices within the industry, ultimately striving for better outcomes for customers.

According to the 2022 market report by the Insurance Regulatory Authority (IRA), the general insurance sector witnessed a remarkable 22% growth, reaching a staggering value of Shs898 billion, while life insurance experienced a commendable 26% growth, amounting to Shs501 billion.

Jonan Kisakye, CEO of UIA, emphasized the importance of initiatives aimed at enhancing customer relationships, building sustainable businesses, and promoting ethical standards within the industry.

Kisakye underscored the association's commitment to consumer sensitization and urged agents to support efforts to raise standards and ensure better customer outcomes.

He said the association remains dedicated to fostering collaboration and creating platforms for life insurance providers to drive down costs and enhance service delivery.

"UIA remains steadfast in its commitment to creating an enabling environment for the continued growth of both the life and non-life insurance markets. One of the key strategies in achieving this goal involves establishing multisector engagement platforms for life insurance providers. By leveraging synergies and driving down costs, these initiatives aim to enhance the affordability and accessibility of insurance products for dedicated policyholders," he said.

With a focus on growth and development, Kisakye said UIA continues to advocate for favorable taxation regimes and regulatory support to propel the insurance sector forward.

Tayebwa's achievement underscores ICEALION's commitment to excellence and innovation in the insurance brokerage sector, setting a benchmark for industry standards and customer service.

UIA CEO – Jonan Kisakye addressing guests at the Awards

Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER

EFRIS FACT CHECKER

NO	QUESTION	EXPLAINER
1	**Is EFRIS a new tax?**	No, EFRIS is not a tax. It stands for Electronic Fiscal Receipting and Invoicing System, which is a platform designed to assist taxpayers in maintaining accurate business records. This system aids in monitoring the Value Added Tax (VAT) reported to the Uganda Revenue Authority (URA) by traders. By using EFRIS, you can eliminate the tedious process of managing records and enjoy the benefits of an efficient and streamlined system: • Track stock, detect theft, and monitor business anytime, anywhere • Access your tax refunds faster than before, thus boosting your cash flows • Confirm the correct amount of VAT that a trader is supposed to declare to URA
2	**Is EFRIS compulsory in Uganda?**	Only VAT-registered taxpayers who must issue e-invoices are required to use EFRIS for all transactions. (whether exempt or taxable).
3	**Does URA expect me to use EFRIS when am not VAT-registered?**	Yes, You can enroll in EFRIS voluntarily even if you are not VAT registered, allowing you to enjoy the benefits it offers to businesses
4	**Have taxpayers been supported to use EFRIS?**	Yes, The Uganda Revenue Authority (URA) has a taxpayer education and support program that is comprehensive in its scope. The program aims to promote awareness among taxpayers about various strategic initiatives that URA has implemented. This program focuses on the specific needs of various business sectors. When taxpayers register with URA, they are invited for an onboarding session where they are trained on how to use URA systems like EFRIS. Follow-up support activities are conducted, which aim to bridge the knowledge gaps of specific groups through business community association structures. These activities include: Workshops and seminars; Taxpayer advisory visits; Tax information points in business areas; Media and digital awareness sessions; Door-to-door awareness visits to arcades; Mobile tax offices in busy areas; Bizindaalo among others
5	**How is omuyiribi (commission agent) affected and assisted under EFRIS?**	If a commission agent (muyiribi) is registered for taxes, they are required to keep stock of the goods they sell and issue an electronic invoice (e-invoice). However, if a commission agent is not registered for VAT, they can sell the items as usual and provide a regular receipt. It is important to ensure that the receipt includes all necessary information, such as the business name, date, contact information, TIN, description of items, and the amount sold, among other details.
6	**What happens when the network/internet is down while using EFRIS?**	You can issue e-invoices using EFRIS App or Desktop Software even in offline mode. However, you must connect to the internet within a week to upload the generated information to the system.
7	**What platforms has URA put in place to enable traders to use EFRIS?**	URA has provided alternative channels and technology options that traders may choose from to use EFRIS. These include: **THE EFRIS APP (on Mobile Smartphones):** Suitable for small businesses that may not have sophisticated software systems or resources to acquire computer systems. It is a preferred option for businesses that may also have mobile delivery operations and can operate with the Internet and offline. **THE DESKTOP (CLIENT APPLICATION) SOFTWARE:** This software is designed to be installed on the taxpayer's preferred devices, such as desktop computers, laptops, or tablets. It is particularly suitable for small businesses and those who make sales on the move, such as van sales. To get started, the taxpayer needs to download the client application software from the URA web portal, which can be found under the e-invoicing downloads menu using the EFRIS link. The software can be used both online and offline. **THE URA WEB PORTAL:** This option is suitable for taxpayers who have or don't have a sales system. It is also a good choice for businesses with fewer transactions, as it requires manual intervention. Taxpayers can use the URA portal to issue e-receipts and e-invoices by clicking on the EFRIS link on the URA portal. To access the portal, they should log in with their TIN and Password. This web portal option is only available for clients who do not have a billing system, with less than 100 daily transactions, and annual sales below UGX 2 billion. **ELECTRONIC FISCAL DEVICE (EFD):** This is ideal for retail outlets, route sales, and shops mainly for cash sales. An EFD is a portable device used to efficiently manage and control sales. It comprises a Point of Sale system (POS) and a virtual Sales Data Controller (SDC) connected to produce e-receipts and e-invoices. **SYSTEM-TO-SYSTEM CONNECTION:** This is suitable for taxpayers with computerised accounting systems (e.g. ERP and POS), especially those with high-volume transactions. A taxpayer's sales system is integrated (combined) with EFRIS to generate e-receipts and invoices using a special software called API (Application Programming Interface) **ELECTRONIC DISPENSER CONTROLLER (EDC):** Electronic Dispensing Control (EDC) systems are designed specifically for use at petrol stations to monitor fuel pump sales. When a sale is made at the pump, the EDC automatically transfers the information to the connected Electronic Fiscal Device (EFD) to generate e-receipts in real-time. The tax amount is calculated based on the fuel sales, which is determined by monitoring the status of the fuel dispenser. The Uganda Revenue Authority (URA) is available to assist taxpayers until they are comfortable using the system.
8	**Are we still supposed to use EFRIS after the president halted penalties related to its usage?**	Yes, it is important to keep using EFRIS, as it is now mandatory for all VAT-registered taxpayers to do so. The URA is available to provide continued support to all taxpayers. The President has suspended EFRIS penalties for non-compliance until May 7, 2024. However, this directive only applies to individuals in general trade, particularly those in Kikuubo and similar business hubs.

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URA Management

For more details

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Growth 13%

30B
2023

Sanlam Insurance records impressive performance, profits surge to Shs 13.9 billion

Ruth Namuli, Chief Executive Officer, Sanlam General Insurance Uganda.

Despite facing challenges stemming from evolving regulatory standards, Sanlam Insurance has reported a stellar performance, recording Shs13.9 billion in profit after tax. Gross written premiums surged to Shs108 billion in 2023, marking an 8% increase from the previous year.

Similarly, insurance revenue rose to Shs104 billion, underscoring the company's robust market presence and revenue generation capabilities.

According to Ruth Namuli, the Chief Executive Officer, the performance speaks to the insurer's resilience and strategic acumen, breaking regulatory hurdles to emerged stronger.

She said the company's net insurance service result recorded a remarkable 13% growth, reaching Shs30 billion in 2023, despite a reduction in return on investment to Shs10.2 billion in 2023 compared to Shs11.033 billion in 2022.

Moreover, the company's after-tax profit increased by 6%, reaching Shs15.9 billion, highlighting its ability to deliver sustainable profitability amidst a dynamic operating environment.

It should be noted that 2023 marked a significant transformation for insurance companies worldwide, with the adoption of the new International Financial Reporting Standard (IFRS 17 insurance contracts) on January 1, 2023. This standard ushered in fundamental changes in financial reporting practices, necessitating insurers to adjust their retained earnings and adopt a retrospective approach for financial statements.

"Despite these regulatory adjustments, Sanlam Insurance not only adeptly navigated through the changes but also experienced remarkable growth across various facets of its operations," Namuli said.

She said the insurer's performance rode on its commitment to prompt claims settlement and effective risk management was evident in its operations.

Namuli said despite a surge in claims volumes, the company disbursed a total of Shs29.6 billion in claims in 2023, representing a 13% growth from the previous year.

Remarkably, the claims ratio reached an unprecedented low of 32% in 2023, reflecting the company's robust risk mitigation strategies.

Additionally, the company achieved a remarkable solvency ratio of 304% in 2023, compared to 262% in 2022, demonstrating its strengthened financial position and ability to meet its obligations.

"We have disbursed a total of Shs29.6 billion in claims in 2023, representing a 13% growth compared to Shs26.2 billion in claims paid out in 2022, with the intention of maintaining viability amidst a surge in claims volumes," Namuli remarked.

Sanlam Insurance's focus on human capital development and community engagement also yielded positive outcomes in 2023. Namuli said the introduction of various initiatives aimed at enhancing employee value proposition resulted in notable levels of staff engagement and retention, with a staff retention rate of 99.5%.

Furthermore, she revealed that the company actively participated in market-driven and community initiatives, including sponsorships of key industry events and partnerships with organizations like the Agricultural Insurance Consortium, highlighting its commitment to societal development and sustainability.

Looking ahead, she said Sanlam is poised to cultivate sustainable relationships, implement effective governance policies, and uphold Environmental, Social, and Governance (ESG) principles throughout the year.

She added that the company's remarkable financial performance in 2023 underscores its position as a key player in the insurance industry, setting a high standard for excellence and innovation.

Uganda's Insurance Training College gets new Board of Directors

State Minister of Finance (General Duties) Henry Musaasizi has inaugurated the new Board of Directors of Insurance Training College (ITC).

The mandate of the college is to train, examine and award insurance qualifications and other insurance accolades.

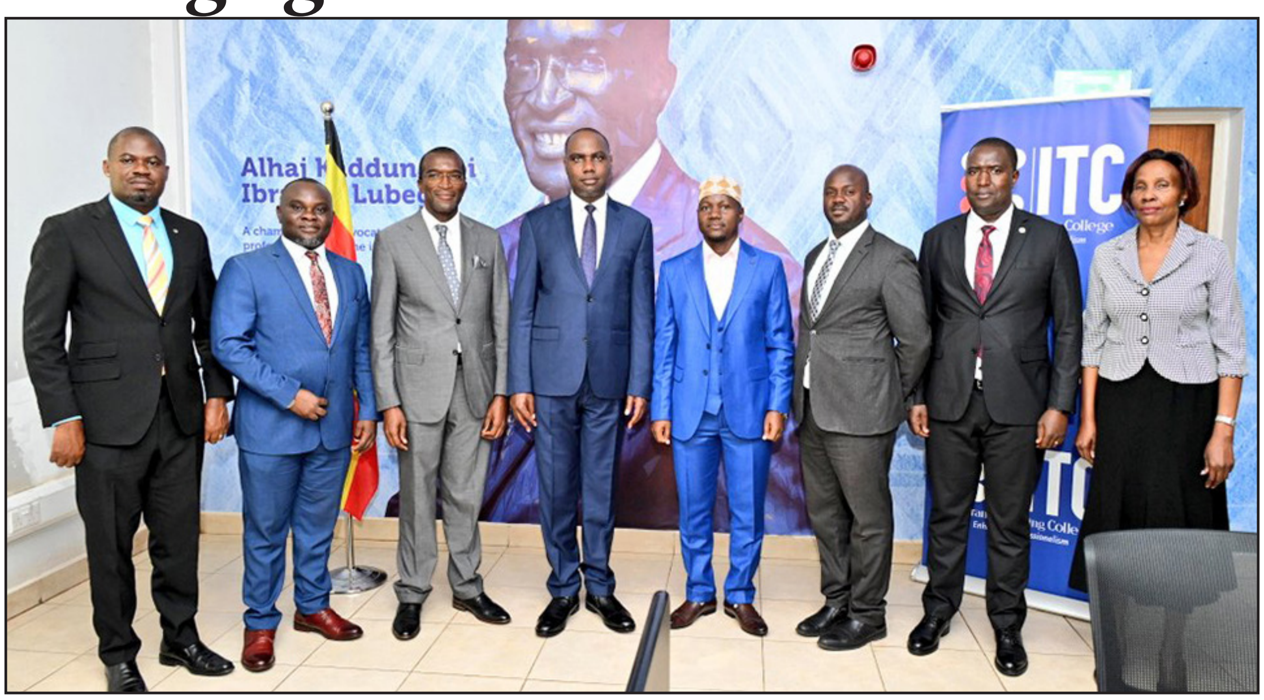
The Board is chaired by Dr.Abdul Hafiz Walusimbi.Other Board members are: Turyomurugyendo Moses (Vice-chair), Musa Lukwago (MoFPED), Sande Protazio (IRA), and Josephine Kiyingi (Justice Ministry).

Speaking at the inauguration on Thursday, Musasizi appealed to the board to ensure professionalism in their work.

" I have trust that with your vast knowledge,you will maintain the highest level of competency and professionalism required of a Board Member," said Musasizi.

The Insurance Training College (ITC) of Uganda was established in 1964 as the training arm of Uganda's Insurance sector.

The College is recognized under the Insurance (amendment) Act 2011, which came into force in 2011 as the Insurance Institute of Uganda (IIU) and by the Insurance Act 2017 which transformed the Institute into the Insurance Training College of Uganda, a public tertiary institution.



Minister Inaugurtes Insurance Training College Boarda

ITC is licensed by National Council for Higher Education (NHCE) and all its Programmes are accredited and recognized by National Council of Higher Education(NCHE).

E-mobility: SafeBoda Uganda Launches Electric Boda Boda service

SafeBoda Uganda has today announced the launch of the EV Tier in the SafeBoda App, a pioneering initiative aimed at promoting e-mobility and sustainability in the transportation sector.

The EV Tier empowers Electric Boda riders to connect with environmentally-conscious passengers, fostering awareness and adoption of eco-friendly transportation solutions. Company executives have urged all electric boda riders to embrace the initiative.

Rob Sanford, CEO of SafeBoda stated, "At SafeBoda, we are committed to driving positive change in Uganda's transport landscape. The EV Tier initiative represents our dedication to promoting e-mobility and combating climate change. By empowering EV Boda riders, we are not only offering sustainable transportation options but also creating opportunities for social and economic development."

SafeBoda is collaborating closely with leading EV manufacturers to provide riders with a diverse range of options and ensure access to necessary resources, including maintenance guidance and charging station locations. The company aims to support a streamlined transition to e-mobility for its rider community, offering not only environmental benefits but also financial stability.

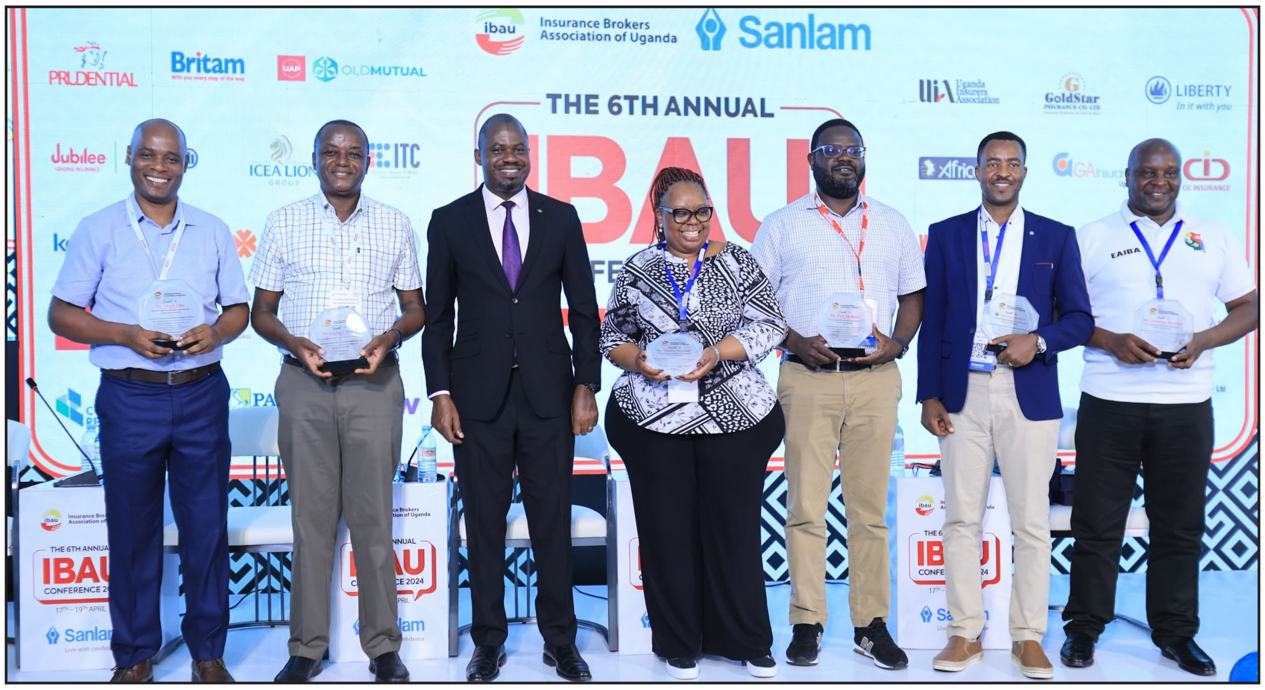
Monica Musenero Masanza, the minister for Science, Technology, and Innovation, commended SafeBoda for its innovative approach to promoting e-mobility and sustainability in Uganda's transportation sector.

She emphasized the critical role that initiatives like the EV Tier play in advancing the country's efforts towards a cleaner future, highlighting the importance of collaboration between the public and private sectors to achieve meaningful impact in environmental conservation and sustainable development.

Christian Mayeku Wamambe, the vice president of Payments & Driver Wellbeing at SafeBoda, emphasized the importance of the Electric Boda Tier for riders.

Wamambe said: "The launch of the tier is a strategy to protect and increase driver incomes. Fuel prices nearly doubled in 2022 and have not come down significantly since then. The EV tier allows drivers to switch to electric bodas and increase their incomes by having access to SafeBoda customers. Drivers can save more than 30% on fuel, and clients appreciate the lower price. We are thrilled to support our riders on their path to a more sustainable future."

Insurance brokers convene in Mbale; regulator applauds gov't for overhaul of Motor Third-Party Insurance Limits



Guest of honor, Alhajj Ibrahim Kaddunabbi Lubega is greeted by IBAU board members during the 6th Insurance Brokers Association of Uganda (IBAU) conference at Mbale Resort Hotel in Mbale City.

The Insurance regulatory Authority has applauded the government for overhauling the motor third-party insurance Act, which is expected to address longstanding concerns, such as the outdated compensation limits.

According to the CEO, Alhajj Ibrahim Kaddunabbi Lubega, the statutory compensation limits of Shs1million set in the 1989 law no longer make sense when juxtaposed to the current economic realities of 2024.

"In 1989, Shs1million held considerable value. However, in today's context, it pales in comparison to the costs incurred in the aftermath of an accident," Kaddunabbi explained.

He emphasized that expenses such as medical treatment, funeral arrangements, and police reports far exceed the maximum compensation of Shs1million.

Kaddunabbi said ongoing efforts to overhaul existing laws in collaboration with the Ministry of Finance, will provide for realistic and meaningful coverage, which the public can feel and can appreciate.

He revealed that discussions are at an advanced stage, with a proposal already submitted to the cabinet for consideration.

"I want to clarify, that the motor third party is a statutory requirement, that every vehicle on the road must purchase a classified or a specified policy, which is the motor third party insurance cover. When you buy that cover and you get an accident, you must be compensated. However, the critical point which we are addressing as the insurance regulatory Authority are the limits which are supposed to be paid. We are working tirelessly to ensure that the revised limits reflect the current economic landscape and adequately address the needs of policyholders. When that process is concluded people will start now feeling the importance of the Motor third party," Lubega assured.

He said the IRA's proactive approach to addressing the inadequacies of motor third-party insurance and ensuring consumer protection reflects its commitment to fostering a robust and equitable insurance industry in Uganda.

Turning to medical insurance, Lubega highlighted its significance as one of the most critical insurance policies. He urged policyholders facing challenges with access to treatment despite having paid their premiums to reach out to the regulator for assistance.

"We are committed to ensuring that policyholders receive the benefits they are entitled to. If anyone encounters difficulties in accessing medical treatment covered by their insurance, they can contact us through our toll-free numbers for prompt assistance," Lubega stated.

Kaddunabbi emphasized consumer protection and the necessity for realistic insurance policies that meet evolving needs.

He highlighted insurance brokers' crucial role in insurance distribution and as risk advisors, stressing their responsibility to inform clients about various insurance policies' importance, negotiate claim settlements, premiums, and policy terms and conditions.

Encouraging insurance uptake, Kaddunabbi cited policies such as agriculture insurance, comprehensive motor vehicle insurance, fire policies, workers' compensation, and marine insurance as relevant to all Ugandans, including the working class.

Paul Muhame, Chairman of IBAU, acknowledged that the current limit of Shs1 million, set in 1989, is inadequate in today's context.

He said ongoing discussions between the regulator and policymakers aim to revise the Motor Third Party Act to increase compensation limits, will ensure adequate coverage for motor vehicle owners and drivers.

He also stressed the need for insurance brokers to enhance their service to the insuring public, and for policyholders to fully grasp what is covered, what isn't, and the policy's terms and conditions.

Muhame further emphasized the critical role of spreading awareness about insurance within communities to ensure people comprehend the compensation benefits it provides for various losses, be it property or life

"As we know, one of the biggest challenges we have with insurance is sensitization and awareness. Insurance provides compensation whether it is due to loss of property, loss of life and all kinds of losses so that way you know for a small amount you do have that compensation that can help," he said.

The conference, attended by delegates from Uganda, Kenya, Tanzania, Rwanda, and Burundi, served as a forum for stakeholders to exchange ideas on enhancing the insurance industry's service delivery. It was held in Mbale.

Muhame highlighted IBAU's engagement in various initiatives to promote insurance broker interests and industry growth.

He said these initiatives include strategic planning, specialized broker training programs in partnership with the Insurance Training College (ITC), and collaboration with regulators on policy amendments and industry development.

Ritah Mutesi Kabayiza, the Conference Convener, emphasized the pivotal role of insurance brokers in simplifying the complex world of insurance for the layman. She emphasized the importance of demystifying insurance and highlighting its essence as a tool for protection and resilience in the face of unforeseen calamities.

"In today's dynamic landscape, the role of an insurance broker has never been more vital. Our responsibility as research advisors is to make insurance accessible and comprehensible to everyone. Insurance is not just a product; it's a lifeline that provides individuals and businesses with the means to weather life's storms," Kabayiza remarked. "

She noted that IBAU's efforts to foster professionalism and market presence among its members have yielded tangible results, evident in the successful organization of events such as this conference. By bringing together industry stakeholders, Kabayiza said IBAU aims to bolster collaboration, innovation, and growth within the insurance sector.

She added that as insurance brokers continue to play a crucial role in safeguarding the interests of their clients, IBAU remains committed to equipping its members with the knowledge, skills, and resources needed to thrive in an ever-evolving industry landscape.

SUMMARISED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

I&M Bank 50

I. REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF I&M BANK (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/notes (together "the summary finaical statements"), are derived from the audited financial statements of I&M Bank (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, in accordance with the Financial Institutions Act, 2004 (as amended 2016) Laws of Uganda and the Financial Institutions (External Auditors) Regulations, 2010.

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 (IFRS Accounting Standards), the Financial Institutions Act, 2004 (as amended 2016) 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 Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 22 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 the Financial Institutions Act, 2004 (as amended 2016) Laws of Uganda and the Financial Institutions (External Auditors) Regulations, 2010.

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
Certified Public Accountants
3rd Floor, Rwenzori Courts
Plot 2&4A, Nakasero Road
P.O. Box 3509, Kampala, Uganda

Date: 22 April 2024

II. SUMMARY STATEMENT OF FINANCIAL POSITION

	31 Dec. 2023 Ushs '000	31 Dec. 2022 Ushs '000
Assets		
Cash and balances with Central Bank	156,248,396	145,631,019
Deposits and balances due from banking institutions	169,083,093	140,669,926
Derivative financial assets	40,372	729,550
Government securities - investment securities	174,597,940	156,956,769
Government securities - marketable /Trading securities	40,665,772	29,960,385
Loans and advances to customers	300,986,525	234,077,403
Other assets	9,879,296	7,293,510
Property and equipment	22,510,482	8,556,930
Right of use assets	7,289,664	5,137,089
Intangible assets	3,875,160	2,642,714
Deferred tax asset	59,305,284	54,869,069
Total assets	**944,481,984**	**786,524,364**
Liabilities and Shareholders' Equity		
Customer deposits	687,764,744	624,634,516
Balances due to banking institutions	32,267,941	-
Other liabilities	18,775,920	20,394,822
Preference shares	-	9,500,000
Lease liability	7,160,561	4,989,361
Total liabilities	**745,969,166**	**659,518,699**
Shareholders' Equity		
Issued capital	210,000,000	150,000,000
Accumulated losses	(11,487,182)	(22,994,335)
Total shareholders' equity	**198,512,818**	**127,005,665**
Total liabilities and shareholders' Equity	**944,481,984**	**786,524,364**

III. SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	31 Dec. 2023 Ushs '000	31 Dec. 2022 Ushs '000
Income		
Interest on deposits and placements	9,006,890	5,426,731
Interest on loans and advances	39,578,345	33,724,174
Interest on investment securities	25,243,323	19,804,085
Interest on marketable /Trading securities	1,809,824	1,450,920
Net trading income	6,009,804	6,513,696
Fees and commissions income	11,818,266	10,410,942
Other income	1,896,245	7,481,466
Total Income	**95,362,697**	**84,812,014**
Expenditure		
Interest expense on borrowings	1,567,356	1,065,399
Interest expense on deposits	21,772,982	17,562,044
Finance cost	487,728	499,024
Provisions for bad and doubtful debts	3,997,599	(2,077,261)
Operating expenses	56,025,332	50,918,260
Total Expenditure	**83,850,997**	**67,967,466**
Profit before tax	**11,511,700**	**16,844,548**
Taxation	(4,547)	(11,226,810)
Net profit after tax	**11,507,153**	**5,617,738**
Total comprehensive Income for the year	**11,507,153**	**5,617,738**

IV. OTHER DISCLOSURES

	31 Dec. 2023 Ushs '000	31 Dec. 2022 Ushs '000
Contingent liabilitlies		
Letters of Credit	26,564,184	22,329,139
Guarantees and Performance bonds	45,232,235	33,666,700
Other contigent liabilties	40,372	729,550
Total	**71,836,991**	**58,725,389**
Commitments		
Undrawn credit lines	17,072,254	22,329,139
Total	**17,072,354**	**58,725,389**
Non-performing loans and other assets	41,477,145	30,496,323
Interest in suspense	2,409,602	2,166,767
Bad debts written off	2,194,662	7,727,298
Large loan exposures	57,202,778	125,419,990
Insider loan exposures/Commitments	3,409,912	3,487,200
Capital Position		
Core Capital	134,839,198	68,994,374
Supplementary Capital	2,949,880	2,338,087
Total Qualifying Capital	**137,789,078**	**71,332,461**
Total Risk Weighted Assets (RWA)	**470,111,764**	**369,557,084**
Core Capital to RWA	28.69%	18.67%
Total Qualifying Capital to RWA	29.31%	19.30%
Leverage ratio	13.00%	8.00%

V. MESSAGE FROM DIRECTORS

The above summary Statement of Financial Position and summary Statement of Comprehensive Income are derived from the financial statements of I&M Bank (Uganda) Limited for the year ended 31 December 2023 which were audited by KPMG Certified Public Accountants and received an unqualified opinion. The financial statements were approved by the Board of Directors on 14 March 2024, discussed with Bank of Uganda on 28 March 2024 and authorized for issue on 15 April 2024.

Robin Bairstow
Managing Director

Suleiman I. Kiggundu Jnr
Board Chairman

aBi reveals $66.8 billion investment to boost climate-smart agriculture in Uganda

In a bid to drive a green and inclusive economic transformation, the Agricultural Business Initiative (aBi) has launched two innovative programs aimed at supporting smallholder farmers and combating the climate crisis. The Green Agri-Food System Program (GRASP) and Accelerating the Adoption of Green and Inclusive Finance (AAGIF) were unveiled at Speke Resort Munyonyo on May 2, with an impressive investment of US$66.8 billion.

More than 200,000 farmers will directly benefit from aBi's smart farming and resilience programs as the effects of climate change continue to intensify.

The five-year program will focus on building capacity for farmers and agribusinesses to adapt to climate change and continue productive activities.

Moses Nyabila, CEO of aBi Development Ltd, emphasized the importance of GRASP in addressing the climate crisis and empowering farmers to adapt. "Support for GRASP is rooted in its direct relevance to 'The World We Share', which addresses the climate crisis by empowering farmers to adapt. "It consolidates aBi's role as a strong partner for the development of private sector agricultural businesses, bridging the gap between producers and markets."

(L-R) Jan Sadek, EU Ambassador to Uganda, Dr. Henry Nakalaet Opolot, the Commissioner Extension and Skills Management Services, Signe Winding Albjerg, Danish Ambassador to Uganda, Moses Nyabila, the Chief Executive Officer of aBi Development Ltd and Felix Okoboi, the Board Chairperson of aBi Development & Finance during the official signing and launch of the new programs the Green Agrifood System Programme (GRASP) & Accelerating Adoption of Green and Inclusive Finance (AAGIF)

Meanwhile, Mona Muguma-Ssebuliba, CEO of aBi Finance Ltd, noted that despite efforts to boost the agricultural value chain in Uganda, the financing gap remains significantly high, with only 10% of Ugandan companies access loans. AAGIF aims to add an investment of $11 billion to empower often overlooked segments of society, including youth, women and refugees, enabling them to build thriving agribusinesses and improve their livelihoods.

Felix Okoboi, Chairman of the Board of Directors of aBi Development & Finance, thanked the Government of Uganda, the European Union and the Royal Danish Embassy for their unwavering support and commitment to a private sector-driven Ugandan agriculture that is green and inclusive.

The launch was attended by the Hon. Frank Tumwebaze, Minister of Agriculture, Animal Industry and Fisheries (MAAIF), represented by Dr Henry Nakalaet Opolot, Commissioner of Extension Services and Skills Management. Dr. Opolot reiterated that aBi is directly supporting the government's priorities and policies, aligning with the country's strategic direction guided by Vision 2040 and the National Development Plan III.

"There is a strong and urgent need to support Ugandan agriculture to increase productivity and adapt and respond to climate change. Denmark is proud to continue supporting Ugandan agriculture for over ten years through aBi Finance and aBi Development. We are very happy to do this as a Team Europe initiative in collaboration with the EU delegation," said Signe Winding Albjerg, Ambassador of Denmark to Uganda.

"We are delighted to strengthen employment and incomes in agriculture through this Team Europe initiative. Many farmers and processors have already benefited from aBi Development's support, but the need is growing. Particularly happy to see Bi Development take the lead in promoting compliance with the EU Deforestation Regulation. This is necessary for both farmers and forests," added Jan Sadek, EU ambassador to Uganda.

The launch also marked the closing of the Uganda Program for the Sustainable and Inclusive Development of the Economy (UPSIDE), which began in 2019 and supported more than 200,000 farmers, 50% of whom are women, to achieve resilience to climate change through expanded and inclusive policies. Green agri-food systems.

Minister Tumwebaze launches a food safety campaign on aflatoxins

The minister of agriculture, animal industry and fisheries, Hon Frank Tumwebaze launched a food safety campaign dubbed the Joint Advocacy for aflatoxin Control in Uganda (JAAC). It was held recently at the National Crops Resources Research Institute (NaCRRI) in Namulonge.

The minister was represented by Mr. Paul Mwambu, the commissioner, department of crop inspection and certification at MAAIF.

The campaign was led by Food Rights Alliance in partnership with the Ministry of Agriculture, Animal Industry, and Fisheries (MAAIF), National Agricultural Research Organization (NARO), Grain Council of Uganda (TGCU), World Food Programme (WFP), Farmer's media, Global Consumers Centre, Sasakawa Africa Association (SAA) and CABI.

The campaign is under the theme, "Kicking out aflatoxins from food and animal feed." Tumwebaze said that the theme emphasizes the urgency of addressing aflatoxin contamination in our food value chains.

According to Tumwebaze, Aflatoxins cause significant risks to public health, agriculture, trade and the entire economy. Within the agricultural sector, aflatoxins impair animal productivity and contaminate products like milk affecting food security, nutrition, health and trade. Aflatoxin contaminated grains hinder international trade as evidenced by the recent interceptions and bans of Ugandan maize imports with her sister trading partners, Kenya and Southern Sudan.

A group photo at the launch of the aflatoxin campaign at NaCRRI, Mr. Paul Mwambu (in the middle)

"I reaffirm the government of Uganda's dedication in combating aflatoxin contamination. We understand the importance of multi-sectoral collaboration and efforts to comprehensively address the challenge. Through strategic policies, investment in research and technology and capacity building initiatives we aim to strengthen aflatoxin control across the agricultural value chain. Our intervention is to prioritise aflatoxin prevention and control including research by control agents like aflacef and investments in post-harvest handling practices and storage infrastructure." Frank observed.

He further revealed that the upcoming establishment of the food and agriculture authority underscores the government's commitment to enhancing food safety interventions including aflatoxin prevention and control. He said that the cabinet has cleared the new authority to regulate four areas, food safety, sections of animal health, plant health and agricultural chemicals as this will be a game changer for food safety in Uganda.

The keynote speaker Prof Alex Bambona, revealed that by the end of 2023, Uganda's maize production increased up to 4.2m metric tonnes. He said that in 2019 Kenya refused 6,000 metric tonnes of maize in Uganda and Sudan in 2021 rejected Uganda's maize.

Bambona observed that data from NARO and Makerere University through research carried out on aflatoxins shows that the central, northern and eastern part of Uganda on ground nuts, maize, sorghum, cassava and on animal feeds has revealed that Maize had the highest level of aflatoxins 56%, groundnuts 55%, sorghum 53 % and cassava 57%.

He also noted that 50% of the products in Uganda have aflatoxins. Animal feeds had the highest level of aflatoxins 45%, sow and winner, chick mash at 40%.

According to the Director (NaCRRI), Dr Godfrey Asea, aflatoxins are a big problem to the country, consumers, trade, environment, and human beings. He stressed that it is a post-harvest issue and also one of the biggest challenges is lack of information on aflatoxins.

"NARO is also committed to the cause of fighting aflatoxins in terms of the research we do. We have now a product with IITA which has been given provisional approval for commercialisation that is going to be finalised. By next year, the product will be commercialised and it will be ready to be used by farmers. Our results show that it can even control aflatoxins at a level of 95%." says Asea.

The Executive Director Food and Rights Alliance, Agnes Kirabo says, "Aflatoxins have been mainly known in food. But we are here to tell you that we have come to note the devastating effects of aflatoxins to our livestock industry are also very alarming. You know these animals are our food, those that are lucky and don't die of aflatoxins they carry them to our plate. This thinking that whatever has been condemned ends with the livestock, you're just prolonging the time, you'll eat the aflatoxin anyway."

Daudi Ssentongo, manager in charge of food resources, Uganda National farmers Federation (UNFFE) committed to share the available well packaged information to all the farmers within its network and beyond. It also committed to make sure that the voices of the farmers are heard throughout this food safety campaign.

Aflatoxins are a family of toxins produced by certain fungi that are found on agricultural crops such as maize, peanuts, cotton seed and tree nuts. They are also found in crude vegetable oil, milk and dried foods. Dietary exposure to aflatoxins can lead to liver cancer.

Farming in Action

Uganda's Coffee Exports Decline in March as Global Prices Remain High & Attractive

Uganda's coffee exports in March 2024, amounted to 329,686 60-kilo bags, worth US$ 64.74 million (Shs246.8bn), down from 434,582 60-kilo bags, worth US$ 82.56 million exported in February.

According to Uganda Coffee Development Authority (UCDA) Monthly Report for March 2024, this comprised of 244,975 bags of Robusta valued at US $ 46.01 million and 84,711 bags of Arabica valued at US$ 18.72 million.

This was a decrease of 32.40% and 9.45% in quantity and value respectively compared to the same month last year.

By comparing quantity of coffee exported by type in the same month of last Year (March 2023), Robusta decreased by 33.03% and 0.24% in quantity and value respectively, and Arabica exports decreased by 30.53% and 26.19% in quantity and value respectively.

The monthly coffee exports volume was lower than the previous year due a smaller harvest in Elgon region coupled with delays in the onset of the harvest season and shortage of shipping containers.

According to the report, coffee exports for the twelve months (April 2023-March 2024) totaled 5.90 million bags worth US$ 993.63 million compared to 5.76 million bags worth US$ 849.86 million in the previous year (April 2022-March 2023).

This represents an increase of 2.42% in 16.91% in quantity and value respectively.

Exports by Type and Grade

The report shows that the average export price was US$ 3.27 per kilo, US cents 10 higher than in February 2024 (US$ 3.17). It was 83 US cents higher than in March2023 (US $ 2.44/kilo).

Robusta exports accounted for 74% of total exports, higher than 68% in February 2024.

The average Robusta price was US$ 3.13 per kilo, 4 cents lower than US$ 3.17 per kilo the previous month. The highest price was for Washed Robusta sold at US$ 4.23 per kilo and it was followed by Screen 17 sold at US$ 3.42 per kilo.

The share of Sustainable/washed coffee to total Robusta exports was 0.46% compared to 2% in February 2024.

Arabica fetched an average price of US$ 3.67 per kilo US cents 8 lower the previous month. The highest price was Sustainable Arabica Fully washed Sipi Falls at US$ 4.70 per kilo. It was followed by Wugar sold at US$ 4.54 per kilo.

Drugar was sold at US$ 3.54 per kilo, 21 cents lower than 3.75 per kilo last month, and was US cents 48 lower than Bugisu AA.

Drugar exports were 42% of total Arabica exports higher than 39% the previous month. The share of sustainable Arabica exports to total Arabica exports was 15.21% compared to 14.03% in February 2024.

Individual Exporter Performance

Kyagalanyi Coffee Ltd had the highest market share of 10.21% compared to 9.06% in February 2024. It was followed by Olam Uganda Ltd 8.64%(11.53%); Kawacom (U) Ltd 7.86% (7.71%), Ibero (U) Ltd 7.33% (6.77%), Touton Uganda Ltd 7.18%(3.22%), Louis Dreyfus (U) Ltd 6.81% (8.34%), Export Trading Company (U) Ltd 6.45% (5.35%), Ideal Quality commodities Ltd 5.69% (7.72%), Ugacof (U) Ltd 5.57% (6.48%), and Besmark Coffee Company Limited 4.01% (2.17%).

Note: The figures in brackets represent percentage market share held in February 2024.

The top 10 exporters held a market share of 69.74% lower than 72% the previous month reflecting competition at exporter level.

Out of the 61 exporters who performed, 22 exported Robusta Coffee only while 15 exported Arabica coffee only.

Coffee Exports By Destination

According to the report, Italy maintained the highest market share with 38.08% compared to 37.74% last month.

It was followed by India 12.29% (11.11%), Germany 10.50% (9.08%), Belgium 2.92% (4.31%) and Sudan 4.99% (9.50%).

Note: The figures in brackets represent percentage market share held in February 2024.

The first 10 major destinations of Uganda coffee took a market share of 89.27% compared to 87.23% last month.

Coffee exports to Africa amounted to 33,328 bags, a market share of 10% compared to 60,948 bags (14%) the previous month. African countries that imported Uganda coffee included Sudan, Morocco, South Africa, Egypt, and Kenya.

Europe remained the main destination for Uganda's coffees with a 66% imports share, lower than 64% in February 2024.

Foreign buyers of Uganda Coffee

The top 10 buyers held a market share of 59.16% higher than 57% in the previous month. Olam International led with a market share of 9.16% compared to 11.48% in February 2024. It was followed by Volcafe 7.53% (4.91%); Touton SA 7.37%; (4.10%) Bernhard Rothfos 7.33% (6.77%); Louis Dreyfus 6.81% (8.34%); Sucafina 5.85% (6.25%); Ecom Agro Industrialist 5.64% (6.07%); Hamburg Coffee 3.97% (2.98%); Eurocafe SRL 2.96% (3.62%).

Note: The figures in brackets represent percentage performance in the previous month –Febuary 2024.

UCDA says changes in the relative positions of the first 10 major buyers reflects continued demand for Uganda coffee abroad.

Global Situation

World coffee production for 2023/24 is forecast to reach 171.4 million bags , 6.9 million bags higher than the previous Year of 164.5 million bags, with higher output in Brazil, Colombia and Ethiopia expected to more than offset reduced production in Indonesia.

Global exports are expected to increase by 8.4 million bags to 119.92 million bags, mainly due to strong shipments from Brazil.

Global consumption is forecast at 169.5 million bags, with the largest increase in the European Union, the United States of America and Brazil.

Ending inventories are expected to continue to tighten to a 12-year low of 26.5 million bags. (United States Department of Agriculture, Coffee: World Markets and Trade report December 2023).

Local Situation

UCDA says during the month of March 2024, farm gate prices ranged from Shs 4,800-5,400/= per kilo of Kiboko (Robusta dry cherries); Shs.10,000-11,500/= for FAQ (Fair Average Quality); Sh. 11,000-12,000/= for Arabica parchment; and Sh. 10,000-11,000/= per kilo for Drugar.

Compared to the previous month, Robusta Kiboko averaged UGX 5,100 per kilo, higher than UGX 4,250 per kilo, FAQ UGX 10,750 per kilo higher than UGX 10,500, Arabica parchment UGX 11,500 per kilo and Drugar UGX 10,500/= per kilo the same as the previous month.

Outlook for April 2024

UCDA says coffee exports are projected to be 400,000 60-kilobags.

Harvesting of the main crop south of the equator (Masaka and South Western regions) has started. Harvest of the fly crop North of the equator has also started.

NARO Showcases Transformative Agricultural Technologies

President Museveni inquires about NARO's coffee scrub and lotion during the Labour Day celebrations. The hair extensions from banana fiber can also be seen in the foreground

The National Agricultural Research Organisation (NARO) participated in the International Labour Day celebrations in Fort Portal Tourism City, where they showcased transformative agricultural technologies with the potential to uplift Ugandans from poverty.

Presiding over the well-attended event, President Yoweri Kaguta Museveni underscored the need to leverage the country's abundant arable land resources to engage in agricultural systems that generate high returns from small pieces of land.

In an emphatic reiteration of his longstanding call for Ugandans to adopt the four-acre model, which focuses on intensive farming, the President stated that there are seven specific agricultural items—coffee, fruits, dairy, poultry, piggery, fish farming, and cultivating food crops for home consumption—that can exponentially increase incomes at the household level if appropriately mixed on small acreages.

The President offered a clear distinction between intensive and extensive agriculture, noting that the former is suitable for crops that can offer high returns on small lands, while the latter involves crops that require large estates to provide economic value. He observed that Uganda has up to 40 million acres of arable land, which, if utilized well, can generate over 300 million jobs. He dismissed the perception that there are no jobs in Uganda, instead offering counsel that what some Ugandans lack is the attitude and vision to engage in agricultural models that can generate income.

He cited the example of Mr. Nyakana, a progressive farmer in Fort Portal, who implemented the four-acre model on his slightly above one acre to engage in dairy and poultry farming, now earning over Shs16,000,000 per month. Nyakana testified at the invitation of the President, revealing that he has since expanded into the production of animal feeds and employs 15 people, 10 of whom earn a monthly wage, while 5 are casual laborers.

The President called for the full involvement of agriculture in the money economy through both intensive and extensive agriculture.

During the celebrations, NARO underscored the President's key message by exhibiting agricultural technologies, innovations, and management practices with the potential to ignite industrialization and generate jobs on a large scale.

Among the products were value-added products from coffee, including facial cream, body cream, face and body scrub, lotion, and oil. These expand the product lines farmers can obtain from coffee beyond drinkable powder and beans.

From bananas, NARO displayed a prototype of hair extensions in different colors manufactured from banana fiber. The extensions are reusable, non-itchy, and fully biodegradable.

NCBA Bank Uganda reports strong financial performance for 2023

Corporate banker, NCBA Bank Uganda has announced its financial results for the fiscal year 2023, showcasing robust growth and profitability driven by strategic investments in a strong performance culture.

The bank reported a net profit of Shs27 billion, marking a significant 17% increase from the previous year's performance of Shs23 billion. The growth was supported by a surge in customer deposits, which rose to Shs567 billion from Shs491 billion in the preceding year.

Patrick Muyobo, the bank's Chief Executive Officer, attributed the performance to NCBA's strategic focus on fostering a high-performance culture and leveraging the performance of its digital lending arm, Mokash.

Mark Muyobo, CEO of NCBA Bank Uganda

Muyobo emphasized the bank's commitment to enhancing financial inclusion in Uganda by providing access to short-term credit and savings platforms to over 10 million clients through Mokash.

"Through our digital lending business of Mokash we have elevated financial inclusion in the Ugandan market through easing access to short-term credit to the unbanked and providing a savings platform for over 10 million of our clients," Muyobo said.

The bank witnessed notable growth, with total assets increasing by 9% to Shs854 billion from Shs741 billion in the previous fiscal year. Total equity recorded a remarkable 29% jump, reaching an impressive figure. Additionally, gross loans and advances grew by 8%, reaching Shs242 billion. On the income side, the bank demonstrated healthy growth, with total income increasing from Shs100 billion to Shs114 billion, representing a robust 14% increase. Additionally, the bank managed to reduce impairments by an impressive 56%, from Shs7 billion to Shs4 billion.

Operational costs were also effectively managed, with a 6% reduction from Shs48 billion in 2022 to Shs48 billion in 2023, contributing to the bank's overall profitability.

Muyobo highlighted NCBA's resilience and adaptability in navigating market challenges, as evidenced by the bank's year-on-year growth in total income of 16%, profit before tax increasing by 46%, and net profit after tax rising by 19%.

Looking ahead, Muyobo reaffirmed NCBA's commitment to delivering on strategic business priorities, leveraging its digital capabilities, and maintaining a customer-centric approach.

"With a solid financial foundation and a culture of innovation, NCBA Bank Uganda is poised to capitalize on emerging opportunities and drive sustainable growth in the market," he said.

It's worth highlighting that in the previous year, the NCBA Group infused Shs22.6 billion into its Ugandan subsidiary. This contribution was part of a larger investment totaling Shs155.83 billion, which the Kenyan institution allocated across its subsidiaries in Uganda, Rwanda, and Tanzania. The objective was to fortify its regional retail banking business.

It is also worth noting that economic activity and business prospects in Uganda have shown signs of improvement, buoyed by increased output in the agriculture, services, and industry sectors. In April 2023, annual headline inflation dropped to 8.0% from 3.3% in March 2024, driven by decreases in the prices of food, fuel, electricity, and other consumer goods.

As of April this year, the total outstanding private sector credit had expanded by 1.5% to Shs21.7 trillion, up from Shs20.395 trillion during the same period, the previous year. This growth was fueled by increased demand for credit, as borrowers became more optimistic about declining interest rates in anticipation of accommodative monetary policy and economic recovery.

According to Muyobo, the bank will also increase its drive for sustainability reporting, with several investments in the green space lined up for the current 2024 financial year.

AGENT BANKING COMPANY

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AGENT BANKING COMPANY OF UGANDA LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER, 31 2023

	2023 Ushs '000	2022 Ushs '000 Restated
INCOME		
Commissions	3,271,517	2,696,086
Other Income	473,495	726,166
Total Income	**3,745,012**	**3,422,252**
EXPENDITURE		
Employee costs	1,251,653	1,292,798
Administrative expenses	1,625,791	1,585,511
Depreciation and amortisation	492,592	444,202
Finance costs	56,740	63,409
Total Expenditure	**3,426,776**	**3,385,920**
Profit before tax	**318,236**	**36,332**
Income tax expense	-	-
Profit for the year	318,236	36,332
Other comprehensive income	-	-
Total comprehensive income for the year	**318,236**	**36,332**

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	2023 Ushs '000	2022 Ushs '000 Restated
ASSETS		
Non-current assets		
Property and equipment	1,594,426	1,844,491
Intangible asset	5,923,509	5,832,499
Right-of-use asset	399,372	511,707
	7,917,307	**8,188,697**
Current asset		
Trade and other receivables	451,947	420,199
Cash at bank and in hand	549,483	94,880
	1,001,430	**515,079**
Total assets	**8,918,737**	**8,703,776**
EQUITY AND LIABILITIES		
Equity		
Share capital	1,000,000	1,000,000
Shareholder funds pending allotment	8,954,092	8,954,092
Accumulated losses	(5,465,773)	(5,784,009)
	4,488,319	**4,170,083**
Non current liabilities		
Lease liability	309,419	425,094
Current liabilities		
Lease liability	115,508	120,334
Trade and other payables	1,775,636	1,893,436
Borrowings	91,667	73,320
Amount due to related parties	2,138,188	2,021,509
	4,120,999	**4,108,599**
Total equity and liabilities	8,918,737	8,703,776

Message from Directors

The above financial statements were audited by Grant Thornton certified Public Accountants. The financial statements were approved by the Board of Directors on 17th April 2024 and discussed with Bank of Uganda on 26th April 2024.

Mr. Fabian Kasi
Chairman Board of Directors

Wilbrod Humphreys Owor
Secretary Board of Directors

ABC (U) Ltd is licensed & regulated by the Central Bank of Uganda.

Provision of Retirement benefits is a key element of Labour justice

By Lydia Mirembe, Manager Corporate and Public Affairs, URBRA

On May 1st, Uganda joined the rest of the world to commemorate International Labour Day, under the theme: **Improving Access to Labour justice, a pre-requisite for increased productivity.**

Any discussion about labour justice is not complete without reference to retirement benefits and pensions. Around the world, the most recognized form of social justice and protection, is the provision of pensions for older persons. The International Labour Organisation (ILO) estimates that globally, 77.5% of people above retirement age receive some form of old-age pension. However, major disparities still exist across regions, between rural and urban areas, and between women and men.

In Africa, for example, some 600 million young economically active informal sector workers across the continent are excluded from formal pension and social protection arrangements and face the grim prospect of living in extreme poverty when they get too old to work. Specifically in Uganda, out of an estimated 20.5 million people in the working population, only 3,142,311 are covered under existing pension and retirement benefits arrangements. Even those who are covered still face the challenge of inadequate savings. The National Social Security Fund (NSSF) in their 2023 members annual meeting, reported that that 80% of its members, had accrued balances of UGX 10 million or less. The majority of those who are not covered, are in informal employment. The Uganda Bureau of Statistics (UBOS) defines informal workers as those who are employed, but without any social security cover in law or in practice. Such workers have no provision for pension, no contribution to National Social Security Fund and no entitlement to paid annual leave or paid sick leave.

Uganda's pension systems comprise contributory and non-contributory schemes, both aimed at providing old-age income security. The Public Service Pension Scheme is the main non-contributory, defined benefits scheme and is sponsored by the government. It covers an estimated 41,000 members. On the other hand, contributory schemes mainly include the NSSF, whose membership is estimated at about 2.2 million. Other occupational schemes and mandatory employer-sponsored schemes cover an estimated 390,000 members. Hence, out of Uganda's estimated population of 44.2 million, as at June 2023, only 15% are covered by retirement benefits and pension arrangements.

Any form of exclusion spells injustice. Exclusion from retirement benefits arrangements is attributed to many factors. For example, many employees do not have any contracts or appointment letters to support their employment status, leaving them at the mercy of their employers. The UBOS National Labour Force Survey 2021, found that 67% of employees in Uganda were employed on the basis of an oral agreement. Overall, only 33% of employed persons were engaged on the basis of written agreements. With such terms of engagement, it is no wonder that only 14.5% of employers were paying NSSF for their employees.

Many are excluded from pensions and retirement benefits on account of gender and location. The UBOS National Labour Force Survey of 2021 found that there were fewer women in formal employment compared to men. The report shows 39.8% of women in employment, compared to 57.8% of men. There were more women in subsistence agriculture at 45.9% compared to men at 34.4%. Suffice it to say that people's occupations and productivity have great implications for their retirement benefits.

In terms of geographical location and residence, UBOS statistics indicate that 63.5% of the urban population are in employment, compared to 42.5% of the rural population. Urban workers are better advantaged than rural folk because of differences in access to opportunities and services. This shows that the folks in the rural settings are less advantaged even when it comes to retirement planning, saving and investing.

Even when people retire, they may experience some forms of injustice. The commonest cases relate to those who retire and fail access their benefits. Again, some retirees have access to their benefits but they are too low and inadequate. This is mainly because their monthly wages were too low in the first place, which directly impacts retirement savings since wages are a factor of one's monthly remuneration.

The key question therefore, is how to extend justice to those who are excluded from the current retirement benefits and pension systems. In the Africa Pension Supervisors' Conference which was hosted by URBRA in November 2023, sector stakeholders agreed that to alleviate exclusion, there is need to build inclusive mechanisms and pension systems that provide citizens with secure, accessible, affordable and well-regulated pension and retirement benefits products. Some very specific proposals include:

- Ensure digital equity, to cater to the digital preferences of savers. Uganda has 12 million internet users and 28 million mobile phone users, but access and use are lowest among the elderly aged 75 and above.
- Take action to ensure that the youth voluntarily save for retirement. Uganda has the youngest population in Africa and one of the highest youth unemployment rates in the world. But old age does not discriminate – all youth eventually grow old.
- Address the barriers that exclude women from retirement benefits programmes. Currently in Uganda, there are more men than women in employment. Moreover, 48% of women in the labour force are self-employed, meaning they don't have a structured retirement savings plan.
- Establish micro-pension programs to enable low-income earners save for retirement. A micro-pension program with the necessary incentives would ensure broader sector coverage.
- Ensure nationwide coverage and access to retirement benefits services.
- Accelerate public education to ensure that everyone has the necessary information and knowledge to inspire them to start saving for retirement.

Therefore, as we reflect on the issue of labour justice, we should bear in mind that some of the greatest effects of labour injustice will only manifest in retirement, and it might be too late to change anything. While people are still young and productive, they should join a retirement benefits or pension scheme, to avoid old-age poverty. Some people have structured retirement plans sponsored by their employers, but in Uganda those are too few. For the majority in informal employment, voluntary retirement saving is the only option for now, until such a time when the government operationalises the proposed Long Term National Saving Scheme.

FINCA Uganda unveils new services to support SMEs, cooperatives

As the global FINCA network celebrates 40 years of tackling poverty through financial inclusion, FINCA Uganda has intensified its efforts to improve the lives of small entrepreneurs and cooperatives by offering a variety of support services that keep them on track towards self-reliance.

FINCA Uganda's microfinance services are complemented by financial education, technical assistance, employment diversification.

Uganda is a center of microfinance innovation, according to FINCA.

"Uganda provides FINCA with the opportunity to develop new products and services that can then be deployed around the world," said FINCA International president Andree Simon.

"We want Uganda to be the centerpiece of defining the future of microfinance and challenging the old way of operating."

FINCA Uganda is currently testing several new ideas throughout the country.

For example, FINCA Uganda is partnering with PHB and Opportunity Bank to comprehensively support refugee communities and Ugandan nationals.

The new project combines financial education, employment training, and the creation of Early Childhood Development centers, reaching two generations in a bid to bring communities out of poverty.

Simon highlighted the need to complement access to finance with other forms of support to enhance customers' resilience to poverty and unforeseen financial shocks through many angles.

"While microfinance is critical to creating opportunity for small entrepreneurs, its impact can be further magnified when combined with other types of support. That is why we are diversifying our offerings and partnering with other institutions that can provide additional services that provide holistic support to our customers."

FINCA Uganda said it is proud to expand its impact to some of the most marginalized communities in Uganda, recently extending its outreach beyond Ugandan nationals to refugees.

While microfinance continues to be at the heart of FINCA, the expanded strategy reinforces FINCA Uganda's commitment to serving people at the bottom of the economic pyramid.

By increasing access to credit to refugees, women, and people in agricultural areas and combining that activity with other support, FINCA is strengthening its ability to impact under resourced communities.

FINCA Uganda bases product development on customer feedback and input, optimizing its services to create an excellent customer experience. The bank has also invested heavily in technology that expands access and convenience for the bank's customers.

Since its founding in 1984, FINCA has focused on empowering women to achieve financial independence and create prosperous futures for themselves and their families. FINCA has long offered tailored financial products and financial literacy trainings.

In Uganda alone, the organisation has supported over 530,000 individuals and their families and has built a customer base of 150,000 customers of which 45.5% are women.

FINCA remains committed to promoting gender equality through targeted initiatives and programs designed to address the unique needs and challenges faced by women entrepreneurs.

By continuing to expand its reach and strengthen its offerings, FINCA says it aims to foster sustainable economic growth and empower women to build brighter futures for themselves and their communities.

SWICO
STATEWIDE INSURANCE COMPANY

STATEWIDE INSURANCE COMPANY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023

		Restated
	2023	**2022**
	UGX 000	**UGX 000**
Insurance Revenue	7,774,986	11,011,348
Net Expense from Reinsurance contracts	(2,784,980)	(3,064,675)
Movement in Provisions	4,221,138	59,363
Net Claims expense	(3,126,619)	(3,527,624)
Insurance service result	**6,084,525**	**4,478,412**
Investment income	1,507,951	1,147,784
Other incomes	342,783	192,099
Total income	**7,935,259**	**5,818,295**
Management expenses	6,248,448	6,791,888
Depreciation and other management expenses	575,372	540,941
Total expenses	**6,823,820**	**7,332,829**
Profit /(Loss) before tax	1,111,439	(1,514,534)
Tax expense	(166,687)	164,068
Profit /(Loss) for the year	**944,752**	**(1,350,466)**

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

		Restated
	2023	**2022**
	UGX 000	UGX 000
Non-current assets		
Property, plant and equipment	9,637,003	9,651,935
Intangible assets	68,011	449,113
Investment Property	2,110,000	2,094,155
Investment in shares	10,868,218	10,572,453
	22,683,232	**22,767,656**
Current assets		
Short term investments	11,785,728	11,590,415
Premiums outstanding	3,297,959	2,928,792
Reinsurance Receivables	548,931	785,215
Prepaid Acquisition Costs	1,243,554	-
Trade & other receivables	798,265	1,595,756
Bank and cash balances	804,314	667,372
Stock of stickers	40,828	107,835
Current Tax Receivable	667,353	321,824
Total Assets	**19,186,932**	**17,997,209**
TOTAL ASSETS	**41,870,164**	**40,764,865**
LIABILITIES		
Current Liabilities		
Reinsurance Premiums payable	616,490	436,374
Trade and other Payables	1,522,118	424,636
Dividends Payable	249,349	13,186
Total Current Liabilities	**2,387,957**	**874,196**
Non-Current Liabilities		
Underwriting Reserves		
Liability for remaining coverage	9,243,925	9,766,027
Claims Reserve	1,219,071	1,776,833
IBNR Provision	425,665	266,525
Total Non-Current Liabilities	**10,888,661**	**11,809,385**
TOTAL LIABILITIES	**13,276,618**	**12,683,581**
NET ASSETS	**28,593,546**	**28,081,284**
CAPITAL AND RESERVES		
Paid Up capital	6,700,000	6,700,000
Share Premium	300	300
Capital Reserves	179,045	179,045
Retained earnings	1,385,444	1,026,785
Contingency Reserves	4,084,513	4,084,513
Revaluation Reserves	9,337,784	9,321,939
Fair Value Reserve	6,906,460	6,768,702
TOTAL CAPITAL AND RESERVES	**28,593,546**	**28,081,284**

	2023	**2022**
Claims Ratio	**33%**	**13%**
Capital Adequacy Ratio	**266%**	**294%**

The Financial statements were approved by the Board of Directors on 26 March 2024 and signed on their behalf by:

....

BOARD CHAIRMAN

DIRECTOR

UBA
United Bank for Africa

United Bank For Africa (Uganda) Limited

Extract of Financial Statements for the year ended 31 December 2023

I. INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF UNITED BANK FOR AFRICA (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 notes, are derived from the audited financial statements of United Bank for Africa (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 in accordance with the Financial Institutions (External Auditors) Regulations, 2010.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the requirements of the Companies Act, 2012 of Uganda, the Financial Institutions Act, 2004 (as amended) and Financial Institutions Regulations 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 the auditor's 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 19 April 2024. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of 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 the Financial Institutions (External Auditors) Regulations, 2010.

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 Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Ernst & Young

Ernst & Young
Certified Public Accountants
EY House
Plot 18, Clement Hill Road
Shimoni Office Village
P.O. Box 7215, Kampala, Uganda
Date: 19 April 2024

II. SUMMARY STATEMENT OF FINANCIAL POSITION

	2023 Ushs'000	2022 Ushs'000
Assets		
Cash and balances with BOU	70,695,137	63,770,595
Balances with banking institutions	2,151,196	79,323,102
Due from parent/group companies	103,981,497	105,895,364
Loans and advances to customers (net)	136,232,362	87,356,768
Investment securities	283,514,096	212,294,003
Interest receivable and other assets	12,570,642	6,074,380
Property and equipment	13,948,411	16,849,556
TOTAL ASSETS	**623,093,341**	**571,563,768**
Liabilities And Shareholders' Equity		
Customer deposits	386,575,082	330,399,746
Balances due to banking insititutions	51,360,609	70,014,306
Due to parent/group companies	9,455,513	-
Interest payable and other liabilities	33,130,070	40,264,158
	480,521,274	**440,678,210**
Equity		
Share capital	206,718,557	149,615,108
Capital contribution	-	57,103,449
Accumulated losses	(63,178,940)	(75,984,040)
Reserves	(967,550)	151,041
	142,572,067	**130,885,558**
TOTAL LIABILITIES AND EQUITY	**623,093,341**	**571,563,768**

III. STATEMENT OF COMPREHENSIVE INCOME

	2023 Ushs'000	2022 Ushs'000
Income		
Interest on deposits and placements	8,680,513	5,993,139
Interest on loans and advances	12,805,691	9,975,420
Interest from investment securities	27,697,659	22,391,561
Foreign exchange income	7,297,147	2,147,089
Fees and commissions income	14,469,424	13,165,628
Other income	1,789,546	1,720,614
Total income	**72,739,980**	**55,393,451**
Expenditure		
Interest expense on deposits	(8,250,066)	(9,986,396)
Interest expense on borrowings	(6,628,342)	(5,340,226)
Other interest expense	(603,745)	(693,521)
Provision for bad and doubtful debts	(2,422,998)	(4,693,400)
Operating expenses	(36,476,527)	(38,679,186)
Total expenditure	**(54,381,678)**	**(59,392,729)**
Net profit / (loss) before tax	**18,358,302**	**(3,999,278)**
Income tax expense	(5,334,509)	(4,071,637)
Net profit / (loss) after tax	**13,023,793**	**(8,070,915)**
Other comprehensive income net of tax	**(1,337,284)**	**5,457,568**
Total comprehensive income / (loss) net of tax	**11,686,509**	**(2,613,347)**

IV. OTHER DISCLOSURES

	2023 Ushs'000	2022 Ushs'000
Contingent Liabilities		
Acceptances and letters of credit	-	-
Guarantees and Performance Bonds	158,671,070	103,462,320
Total	**158,671,070**	**103,462,320**
Commitments		
Undrawn stand-by facilities and other commitments to lend	48,452,913	27,057,938
Total	**207,123,983**	**130,520,258**
Non-performing loans and other assets	692,526	735,928
Interest in suspense	122,336	43,659
Bad debts written off	110,395	-
Large loan exposures	205,714,920	46,382,722
Insider loan exposures	609,247	371,223
Capital position:		
Core capital	141,545,313	130,010,859
Supplementary capital	1,398,418	883,937
Total qualifying capital	**142,943,731**	**130,894,796**
Total Risk Weighted Assets (RWA)	**385,128,892**	**340,861,907**
Core capital to RWA	**36.75%**	**38.14%**
Total qualifying capital to RWA	**37.12%**	**38.40%**

V. Notes to the summary financial statements of United Bank for Africa (Uganda) Limited

The summary financial statements are extracted from the audited financial statements in accordance with the Financial Institutions (External Auditors) Regulations, 2010.

VI. MESSAGE FROM DIRECTORS

The above summary statement of financial position and summary statement of comprehensive income were audited by Ernst & Young Certified Public Accountants and received an unqualified opinion. The financial statements were approved by the Board of Directors on 04 March 2024 and discussed with Bank of Uganda on 27 March 2024.

....
Mustapha Kigozi Ssebagala
Chairman

....
Chioma A. Mang
Managing Director/CEO

UDB Retains 'AAA' Fitch Rating with a Stable Outlook

Patricia Ojangole, Managing Director, Uganda Development Bank (UDB)

Uganda Development Bank (UDB) the country's national development finance Institution has retained a National Long-term Rating of 'AAA (uga)' with a Stable Outlook, the highest attainable on Uganda's national scale and reflects high support propensity by the government.

Fitch Ratings has also affirmed UDB's Long-Term Issuer Default Rating (IDR) at 'B+' with a Negative Outlook and UDB's Government Support Rating (GSR) at 'b+'.

KEY RATING DRIVERS

The Government Support Rating (GSR) is equalized with Uganda's sovereign rating, reflecting Fitch's view of the authorities' high propensity to provide support. The Negative Outlook on UDB's Long-Term IDR mirrors that on Uganda's sovereign rating," the Fitch Rating report reads in part.

"As is usual for policy banks, Fitch does not assign a Viability Rating to UDB. This is because its operations are largely determined by its policy role."

Fitch rating noted the following factors as key rating drivers:

1. **High Propensity to Support:** The Ugandan government has a high propensity to support UDB, in Fitch's view, given the bank's important policy role, 100% state ownership, as well as a significant share of state-guaranteed funding, and a strong record of capital injections.

2. **Important Policy Role:** UDB is Uganda's primary development bank. It lends on preferential terms to borrowers in strategically important sectors of the economy, in particular agriculture. UDB is predominantly funded by equity due to consistent government capital injections, in addition to fairly low-priced borrowings that are mostly government guaranteed.

3. **Government-Owned:** UDB is 100% government-owned through the Ministry of Finance, Planning and Economic Development.

4. **Government Capital Contributions:** UDB is well-capitalized, as indicated by a tangible leverage ratio of 81% as at end – 2022. UDB benefits from regular government capital contributions, which have totaled UGX829 billion (USD227 million) between 2019-2022 and does not pay dividends. Fitch expects government capital contributions to continue.

5. **State Funding Guarantees:** UDB's non-equity funding comprises borrowings from development finance institutions and was almost entirely government-guaranteed as at end-2022. Liquid assets comfortably cover upcoming debt repayments.

6. **High-Risk Appetite:** UDB lends to higher-risk customers that are under-served by domestic commercial banks. It has high concentrations, with customers in the agriculture and agro-processing sectors representing 44% of gross loans as of end-2022.

7. UDB's loan book has grown substantially in the past two years (2022: +54%; 2021: +53%) as the bank has sought to strengthen its development impact. Strong loan growth creates asset-quality seasoning risks.

8. **Robust Profitability:** UDB delivers robust profitability, with annual operating returns on assets averaging 4.5% in 2019-2022. Profitability is driven by a wide net interest margin that benefits from a low cost of funding, reflecting UDB's large equity base and funding guarantees.

According to the UDB Managing Director, Ms. Patricia Ojangole, the Fitch Rating reflects the Bank's strong funding and liquidity profile, healthy capitalization, and sound asset quality.

"This is an affirmation of the Bank's strategic importance towards the socio-economic development of Uganda and confers investor confidence in the Bank. UDB recognizes the efforts of the Government, the Ministry of Finance, among other stakeholders who have been instrumental towards the Bank's growth and the support that has been rendered over time," she said.

ESG CONSIDERATIONS

UDB has an ESG Relevance Score of '4[+]' for Human Rights, Community Relations, Access & Affordability due to its policy role, which promotes financing to under-banked and under-served sectors of the Ugandan economy. This has a positive impact on the government's propensity to provide support and is therefore relevant to UDB's ratings in conjunction with other factors.

"At UDB, we have exposure to services for underbanked and underserved communities: SME and community development programs; financial literacy programs among others which, in combination with other factors, positively impact our ESG rating.

According to Fitch Ratings, unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or how they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation of the relevance and materiality of ESG factors in the rating decision.

"UDB's scores are similar to the majority of the banks Fitch rates globally, with the one exception being a '4' for "Human rights, community relations, access & Affordability". The rating committee decided that this factor has a positive impact on the credit rating, namely the Long-Term Issuer Default Rating, which is in turn driven by the Government Support Rating. The committee's view was that UDB's policy role, which includes servicing underbanked population in Uganda, positively affects the government's propensity to provide support to the bank, which in turn has a positive influence on the Long-Term IDR. For comparison, a purely commercial bank would likely have this factor scored '2'," the report by Fitch Ratings further reads.

Post Bank registers profit after tax of Ugx. 27.5 B

Post Bank has posted a profit after tax of Ugx. 27.5 billion Reflecting a growth of 82% from the previous year.

Speaking at the performance release, Julius Kakeeto Managing Director and CEO at post bank, has noted that this reinforces the bank's capital position as it prepares itself for the new minimum capital requirements that will take effect on 30th June 2024 and demonstrates the bank's consistent improvement in its operations.

He said that income has grown by 30% due to an increase in customer loans and deposits and the drive to diversify the bank's business lines.

The Deposits grew by 15% while loans grew by 26%.

Julius Kakeeto, Managing Director, Post Bank Uganda

Kakeeto further noted that the bank has continued to focus on our strategy of improving service to its customers and availing credit access to Micro Small and Medium Enterprises (MSMEs) especially those along the agriculture value chain.

Kakeeto further commented on digitizing bank services to ensure they seamless extend bank services to the public by innovative ways.

He noted that Commercial banks target that 95% of the banking services being rendered to the various clients are digitized in the next three years.

He said in the last 4 years, 80% of the customers were coming physically to the counter to be served, but now the number has reduced to 20% of the clients who come to the counter to be served traditionally.

''Few years back, we were behind in terms of technology, we started a digital transformation journey to bring our technology quickly so that the service and experience you get when you come to post bank is very similar to the experience you get from any other commercial bank, banking is service and a service of immense skill, and because of this the results are now coming through, we closed the year at 27.5 billion which is a record performance for the post bank'' he said.

He noted that over the last four years, the bank has been growing faster than the industry average compared to other commercial banks.

'' Four years ago you would wait for six months to get an ATM card, you would line up in long queues but those are gone, however the number of transactions has really gone up because of technology and a lot of customers don't need to come up physically to interact with us,'' Kakeeto noted.

Britam insurance defies global economic turbulence, regulation to record 135% growth

Mr. Allan Mafabi. Chief Executive Officer, Britam Insurance Company (Uganda) Ltd

Britam Insurance has defied the odds, recording 135% growth amidst a backdrop of global economic turbulence and stringent regulatory changes.

The insurer reported a profit before tax of Shs11billion in 2023, marking a substantial increase from Shs4.7 billion in the previous year. This remarkable growth reflects the company's unwavering commitment to excellence and innovation in its operations.

According to the financial statement for the year ended December 31, 2023, total assets surged to Shs117.27billion from Shs109.861billion in 2022, signaling a robust trajectory of growth and expansion.

CEO Allan Mafabi attributed Britam's success to its steadfast dedication to customer-centric solutions and meticulous execution.

He said despite grappling with supply chain disruptions and volatile economic conditions worldwide, Britam remained unwavering in its commitment to delivering customer-centric solutions and ensuring meticulous execution throughout the year.

Mafabi emphasized the pivotal role of transparency and high-quality financial reporting in guiding the company through turbulent waters, reaffirming Britam's commitment to integrity and accountability.

"This year marked a significant milestone for us, as it was our first year reporting under the international financial reporting standard (IFRS) 17, reflecting our dedication to transparency and high quality financial reporting," he said.

He said while facing formidable challenges stemming from widespread supply side disruptions and economic instability on the global stage, Britam remained steadfast in its dedication to transparency and high-quality financial reporting.

"Our dedicated team worked tirelessly to navigate the uncertainties, which enabled us to achieve continuous growth in our key business parameters and register a record profit. However, we remain committed to prioritizing customer centricity, innovation and value creation for all our stakeholders," Mafabi said.

He said the insurer also embarked on a transformative journey with its new brand purpose, marking a deep-seated commitment to the well-being and future security of its clients.

This, he continued, was in addition to a dedicated team, working tirelessly to navigate the uncertainties, resulting in continuous growth across key business parameters.

On the liabilities front, Mafabi said Britam maintained a prudent approach, with net insurance contract liabilities increasing marginally to Shs62.323 billion. Total liabilities stood at Shs75.152 billion, showcasing a cautious yet sustainable approach to risk management.

In terms of equity and profitability, Britam delivered impressive results. Share capital remained robust at Shs14.36 billion, underscoring the company's solid financial foundation. Proposed dividends witnessed a substantial increase to Shs9.5 billion, signaling confidence in future prospects.

The company's net profit for the year soared to Shs8.524 billion, a significant leap from Shs3.91 billion in the previous year.

This remarkable performance was further buoyed by a surge in net investment income, which reached Shs6.11 billion, reflecting Britam Uganda's astute investment strategies.

UBA Increases Stake in Kenyan and Ugandan Subsidiaries

The bank invested $16 million to increase ownership and provided additional capital to boost its Kenyan and Ugandan subsidiaries.

United Bank for Africa (UBA) has strengthened its presence in Kenya and Uganda, with 94% and 80% ownership as of the end of the fiscal year 2023, respectively.

According to the lender's latest annual report (2023), "During the year, the bank made additional investments in four (four) subsidiaries (UBA Mali, UBA Chad, UBA Guinea, UBA Uganda, and UBA Kenya) totalling N38.297 billion. These additional investments have been reflected in the subsidiaries' capital as of December 31, 2023, after getting approvals from the host regulatory authorities."

UBA spent a total of NGN 18.49 billion ($16.04 million) to increase its ownership stake in its Kenyan and Ugandan subsidiaries. This included NGN 6.96 billion ($6.03 million) to acquire an additional 11% stake in the Ugandan subsidiary and NGN 11.52 billion ($9.99 million) for a 13% stake in the Kenyan subsidiary.

UBA is headquartered in Lagos, Nigeria. It operates in 20 African countries, including Benin, Burkina Faso, Cameroon, Congo Brazzaville, DR Congo, Côte d'Ivoire, Gabon, Ghana, Guinea, Kenya, Liberia, Mali, Mozambique, Senegal, Sierra Leone, Tanzania, Chad, Uganda, and Zambia.

UBA's reach extends beyond Africa, with a presence in the United Kingdom and France.

It's also the only sub-Saharan African bank licensed to take deposits in the USA, solidifying its global position. In 2022, UBA expanded its international footprint by opening for business in Dubai, United Arab Emirates.

Museveni defends tax system, urges traders to embrace local production, exportation

The traders during the meeting with the President at Kololo

President Yoweri Kaguta Museveni has disagreed with traders who claim that there are too many taxes in Uganda, stating that the country's tax system is deliberate and aimed at promoting local production and exportation.

Speaking at a meeting with traders from Kampala and upcountry districts at Kololo Ceremonial Grounds on Tuesday, May 7, 2024, the President said, "The first claim is that there are too many taxes in Uganda. This is not true, and that is why I'm here to talk with you."

The President explained that the government does not tax exports and has abolished taxes on internal trade produce, except for licenses.

The President emphasized that the taxes on imports of consumer goods, excluding essential categories like medicine, machinery, intermediate products, and pharmaceuticals, are deliberate. He attributed the confusion among traders to a lack of clear explanation from the Uganda Revenue Authority (URA).

"I'm here to clarify these distinctions because URA hasn't done a good job explaining it to you," President Museveni said. "Our taxes on non-essential imports are deliberate, and we must support local production and exportation."

Traders have been protesting against what they call unfair taxes imposed by the Uganda Revenue Authority (URA) and the implementation of the Electronic Fiscal Receipting and Invoicing Solution (EFRIS). However, the President stated that the government's policy on taxes is deliberate and aimed at promoting local production and exportation.

The President also emphasized that the government has been able to register success in the dairy sector and currently, Ugandans have been able to set up factories and added value to the milk and beef. The meeting was attended by traders from various associations, including the Kampala City Traders Association (KACITA), the Federation of Uganda's Traders Associations (FUTA), and the United Arcade Traders Entrepreneurs Association (UATEA). The traders raised concerns over high taxes, EFRIS, and foreign banks' high interest rates.

The President tasked the traders to work with the URA to fine-tune the EFRIS system and address their concerns. He also stopped penalties for non-performance and urged traders to be sensitized to the new process.

The Minister for Kampala Capital City and Metropolitan Affairs, Hajjat Minsa Kabanda, thanked the President for listening to the traders' concerns, while the Chairperson of KACITA, Dr. Thadeus Musoke Nagenda, requested the President to meet with traders annually for constructive interactions.

The Tuesday meeting aimed to address the traders' concerns and find solutions to promote local production and exportation, while also emphasizing the government's commitment to supporting local investors and promoting economic growth.

Liberty Insurance Strengthens Business Collaboration Between South Africa and Uganda

Liberty Insurance Uganda recently hosted the South African High Commissioner, Her Excellency Lulama Xingwana at their head offices on 17th/April/2024 which marked a significant milestone in Liberty Insurance Uganda's ongoing partnership with the South African high Commission.

During the visit, discussions revolved around strengthening business ties between South African and Ugandan companies. The focus was on financial and economic collaboration, with an emphasis on Liberty's role in driving positive change beyond business operations.

A highlight of the visit was the official launch of the Liberty Insurance Uganda annual report by Her Excellency Lulama Xingwana. There's anticipated significant growth and transformation within the insurance sector, driven by new entrants like e-commerce platforms such as Jumia and SafeBoda, showcasing innovative adaptations that are reshaping the industry landscape.

Mr Makhanu Peter, Managing Director of Liberty General Insurance Uganda, emphasized the importance of South African investments in Uganda and ongoing innovation efforts within Liberty.

He projected substantial growth targets for the company, aiming to enhance both top-line revenue and bottom-line efficiency.

L -R: Mr. Peter Makhanu, the Liberty General Insurance, Managing Director, South African High Commissioner to Uganda Lulama Xingwana and Mr. Mohammad Danish, the Liberty Life Assurance, Chief Executive Officer, pose for a photo in Kampala recently.

This courtesy visit from Her Excellency Lulama Xingwana to Liberty Offices

This courtesy visit from Her Excellency Lulama Xingwana underscored a mutual desire for continued success and collaboration between South African and Ugandan businesses, with Liberty Uganda poised to play a leading role in driving positive change and innovation within the insurance industry.

"The South African Commission cares about the investments in Uganda and wish us well which is a major thing, and we are grateful. Liberty has been on the map of innovation for the last two years and every year we come up with an innovation. I don't want to let the cat out of the box, but we are looking at doing other things so that at the next innovation awards you'll see us there shining." Mr Makhanu Peter said. Discussions about the South African companies that are operating in Uganda and how they can contribute to not only Ugandan but also South African spaces were made as well as discussions about how the country and its skilled talent is an asset for the economic growth of the country.

Speaking in an exclusive interview, Mr Mohammad Danish Eqbal, Chief Executive and Principal Officer at Liberty Life Assurance Uganda said "we had the privilege of hosting Her Excellency Lulama Xingwana at our head offices and the occasion was to integrate our annual report for Liberty Life Assurance Uganda.

We spoke on different issues on how to collaborate on matters of financial and economic significance."

Liberty Life Assurance Uganda, a joint venture between Standard Bank, Liberty Holdings, and the Madhvani Group, stands as one of Uganda's oldest insurers with a strong bond with South Africa. Liberty Uganda's commitment to Environmental, Social, and Governance (ESG) initiatives was highlighted showcasing products like AFYA PLAN, which recently won the Judges special award at the Insurance Innovation Awards 2023.

Liberty's strong performance in 2023, particularly in corporate insurance and profitability, demonstrates Liberty Uganda's leadership in the industry. The company's positive trajectory for insurance, believing that insurance is essential for everyone.

Her Excellency Lulama Xingwana also invited Liberty Uganda to participate in the South African Freedom Day celebrations that were hosted by the South African Commission and held on 30th/April/2024 in Uganda.

Liberty Uganda was honored to participate in the South Africa Freedom Day celebrations, Mr Peter Makhanu, MD Liberty General Insurance and Mr Mohammad Danish Eqbal, Chief Executive and Principal Officer at Liberty Life Assurance Uganda were in attendance.

Liberty Uganda anticipates deepening the relationship with the South African High Commission as they continue to work together towards shared goals of progress and commitment to community and collaboration.

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