

# **BANK OF UGANDA**



Remarks by

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Governor, Bank of Uganda

*The Annual Award Event for the Best Performing  
Commercial Bank of the Year in Government Securities*

April 10, 2018

At BoU headquarters in Kampala

The Chief Executives and Senior Staff of Banks Present

Distinguished guests

Ladies and gentlemen

Good morning,

It is my pleasure to welcome you to this award ceremony for the best performing bank in the market for Uganda Government Securities for 2017. This is the 13<sup>th</sup> time we have held such an event.

Launched in 2005, the Primary Dealer (PD) system aims to promote participation in Uganda Government securities markets, to foster the development of financial markets, to improve the secondary market trading system as well as to ensure efficiency in the operations related to the Government securities market at the central bank.

As part of the Bank of Uganda's commitment to make investing in Government securities easier and more accessible to the public, the BoU launched Phase I Reforms to the PD System in October 2016 where all licensed commercial banks in Uganda have direct access to the primary market for Government securities. The banks are all eligible to open Central Securities Depository (CSD) accounts at the BOU for their clients through a web interface on any business day. They are all able to accept and process their clients' bids for Government securities. All banks settle their clients' successful bids and all banks can buy their clients' securities if the client wishes to sell in the secondary market.

These reforms have eased the client registration process on the CSD as evidenced by increased retail participant registrations, enabling faster and more efficient secondary market trading as all banks can complete

client sale and purchase orders online without using the old BoU physical instrument for transferring CSD forms.

Alongside the retail segment, the participating banks have also enhanced liquidity in the secondary market transactions. Total turnover in the secondary market increased by 29 percent to UGX 5.1 trillion in 2017, from UGX 3.6 trillion in 2016. In the same vein, the ratio of secondary market turnover to the total outstanding stock of Government Treasury securities increased significantly to 41.0 percent in 2017 from 28.9 percent in 2016.

I would like to applaud the contribution of all the commercial banks towards this marked improvement in the development of the Government securities market.

And particularly, I wish to acknowledge the role that this year's award winner has played especially for participating in the primary auctions, market making capabilities, consistent pricing as well as timely market intelligence.

Ladies and gentlemen, I am pleased to recognize **Stanbic Bank Uganda Ltd** as the best performing bank in Uganda government securities for the Year 2017. And this makes Stanbic bank the winner for the sixth consecutive year.

I now invite the Chief Executive Officer of Stanbic Bank to receive the award. Congratulations to you and your team.

I thank you for listening to me.