

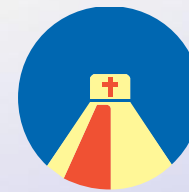
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Bank

...our bank

AGENT BANKING AS A DIGITAL OFFER BY CENTENARY BANK TO MEET CUSTOMER NEEDS IN UGANDA.

A Presentation to the WSBI conference –Tunis,
April 2018

'Banking in your Neighborhood'



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Our Mission

“To provide appropriate financial services especially microfinance particularly in rural areas, in a sustainable manner and in accordance with the law”

- Current Perspective – East Africa
- Developments – Uganda Banking Sector
- Financial Exclusion - Uganda
- Cente FI Strategy
- Cente Agent Offering
- Lessons Learnt So Far
- Cente Future in Perspective

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Why Cente Agent Banking?

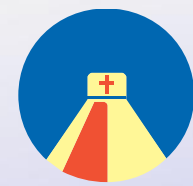


	Kenya	Uganda	Tanzania	Rwanda	Burundi	South Sudan
Population (Estimate)	49.45M	38.59M	58.18M	12.39M	12.22M	13.79M
MNOs	3	5	7	3	5	3
MVNOs	3	-	-	-	-	-
MM Agents/ 100,000 Pple	594	540	1,262	41		
No. Bank Branches/ 100,000 Pple	5.43	2.77	2.5	6.16	3.18	1.45
No. ATMs/ 100,000 Pple	9.27	4.37	6	5.64	1.4	0.76

- ❖ Youth and women form the majority of all these countries/ economies.
- ❖ Agriculture is the backbone of all these economies with the exception of South Sudan.
- ❖ They all have a nascent cottage industry.

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Uganda Banking Industry- Developments

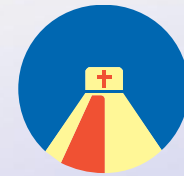


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- ❖ The Uganda National **Financial Inclusion Strategy** (2017-2022) was launched.
- ❖ **Agent Banking Regulation** was passed and became operational in Q3 2017
- ❖ Four banks have obtained a no objection from Bank of Uganda to carryout Agent Banking.
- ❖ A **shared Agent Banking platform** run by a Special Purpose Vehicle between Uganda Bankers Association and Ecclecticsset to go live in Q2 2018.
- ❖ Substantial increase in **Fintech collaborations** with banks.
- ❖ Government of Uganda through Uganda Communications Commission **tightens Sim card registration**

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Financial Exclusion-Uganda



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Over 62% are financially included mainly due to the uptake of Mobile Money which has eased P2P local transfers.

We currently have 1.5m accounts, 70 branches, 169 ATMs, 64 POS, mobile and Internet Banking and we have rolled out Agent Banking.

The most vulnerable groups are women, youth, rural farming communities and the informal sector.

Among the cited barriers are:

- ❖ Banks are inaccessible due to long distances
- ❖ Lack of information about financial services.
 - ❖ No gainful employment
- ❖ Inadequate education about financial services
- ❖ Restrictive account opening requirements

Centenary Bank FI Strategy

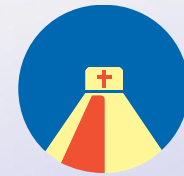


Our strategy is to sustainably expand our outreach and stay relevant to our customers by leveraging on innovations and building collaborations with MNOs and Fintechs.

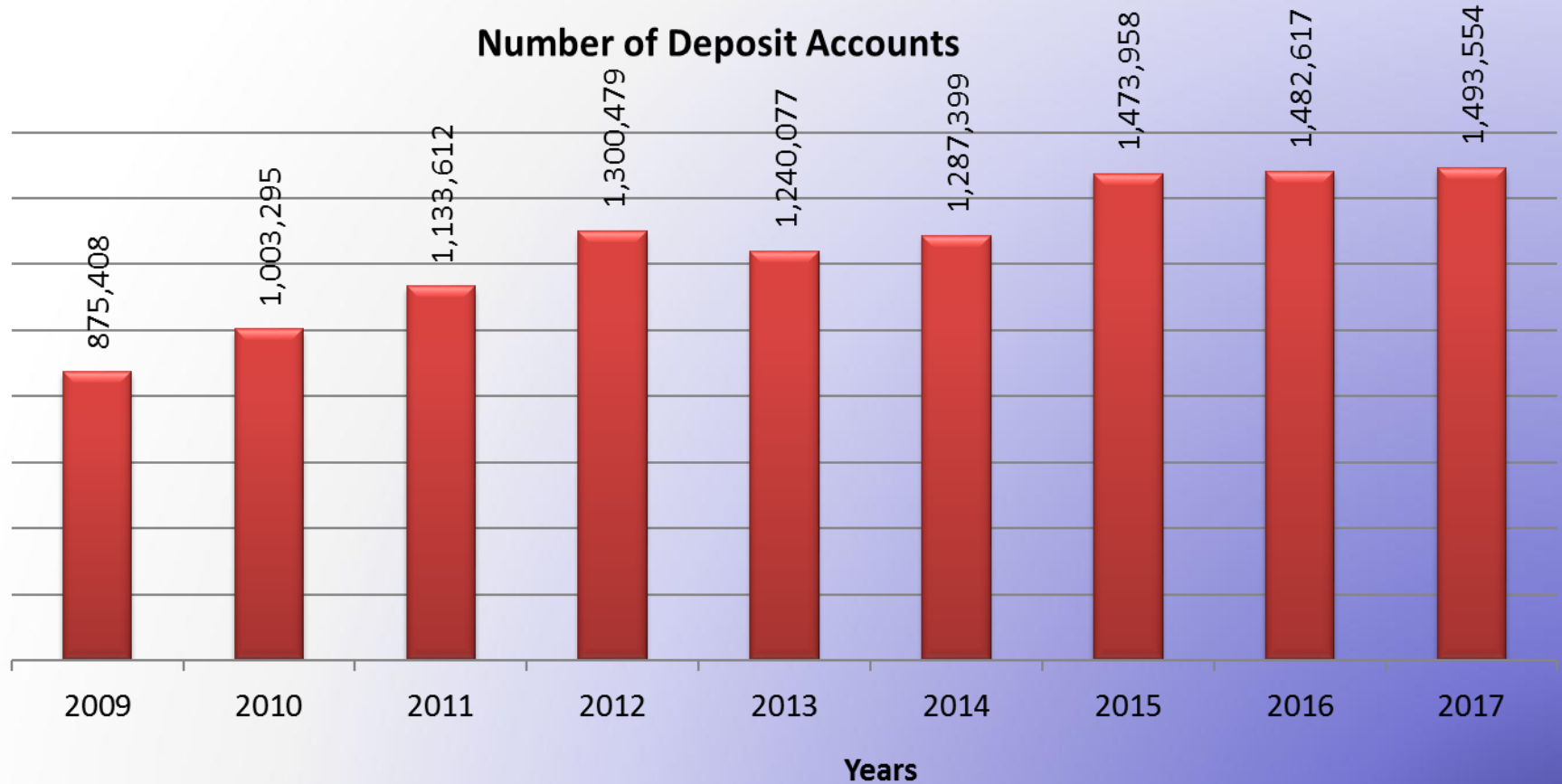
Our key initiative is Agent Banking which we rolled out in January 2018. It's projected to:

- ❖ Improve our customer service (banking in your neighborhood).
- ❖ Improve our efficiency (outsourcing provision of specific services).
- ❖ Increase outreach and access to our services.
- ❖ Mobilize deposits.
- ❖ Enhance service relevance to all Ugandans.

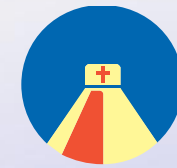
Centenary Bank Performance



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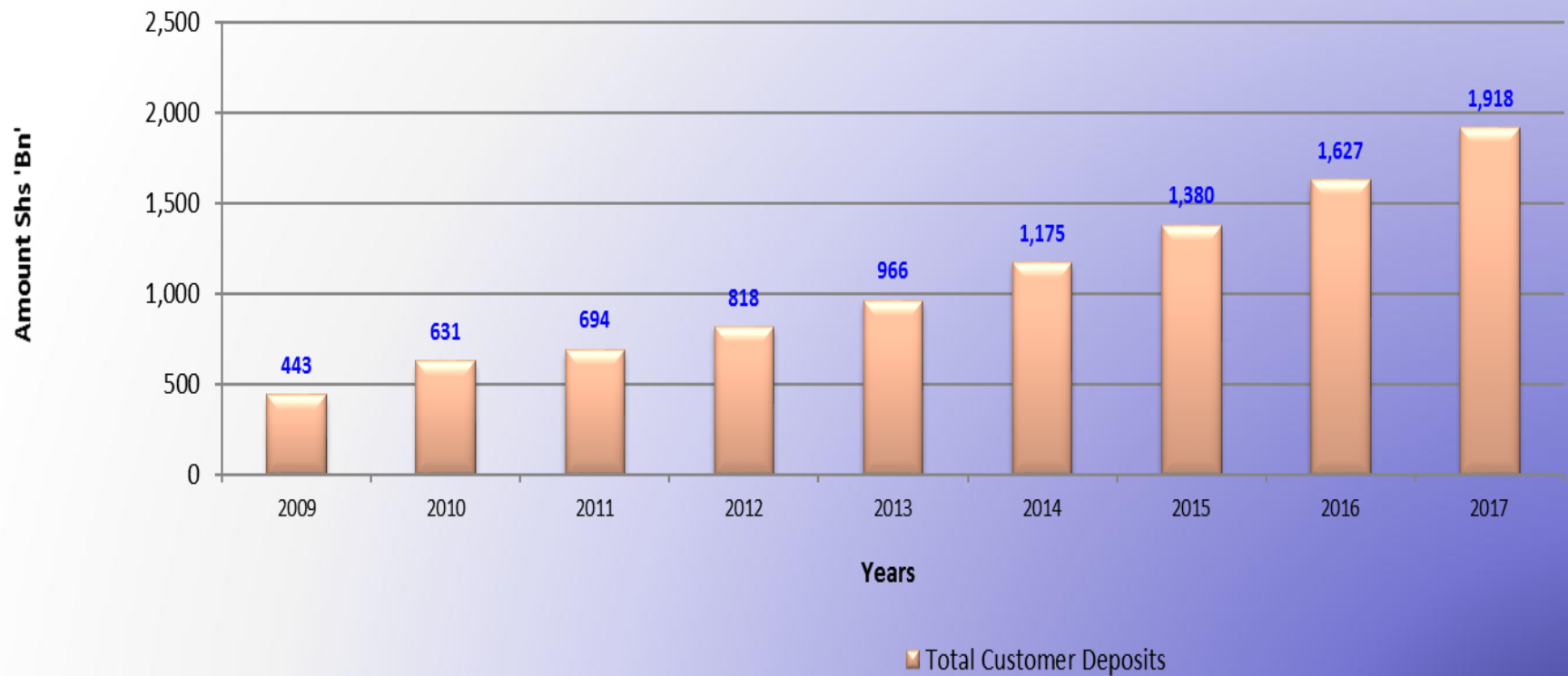


Centenary Bank Performance

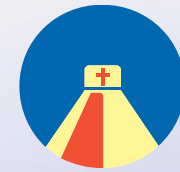


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Total Customer Deposits [Billion UGX]

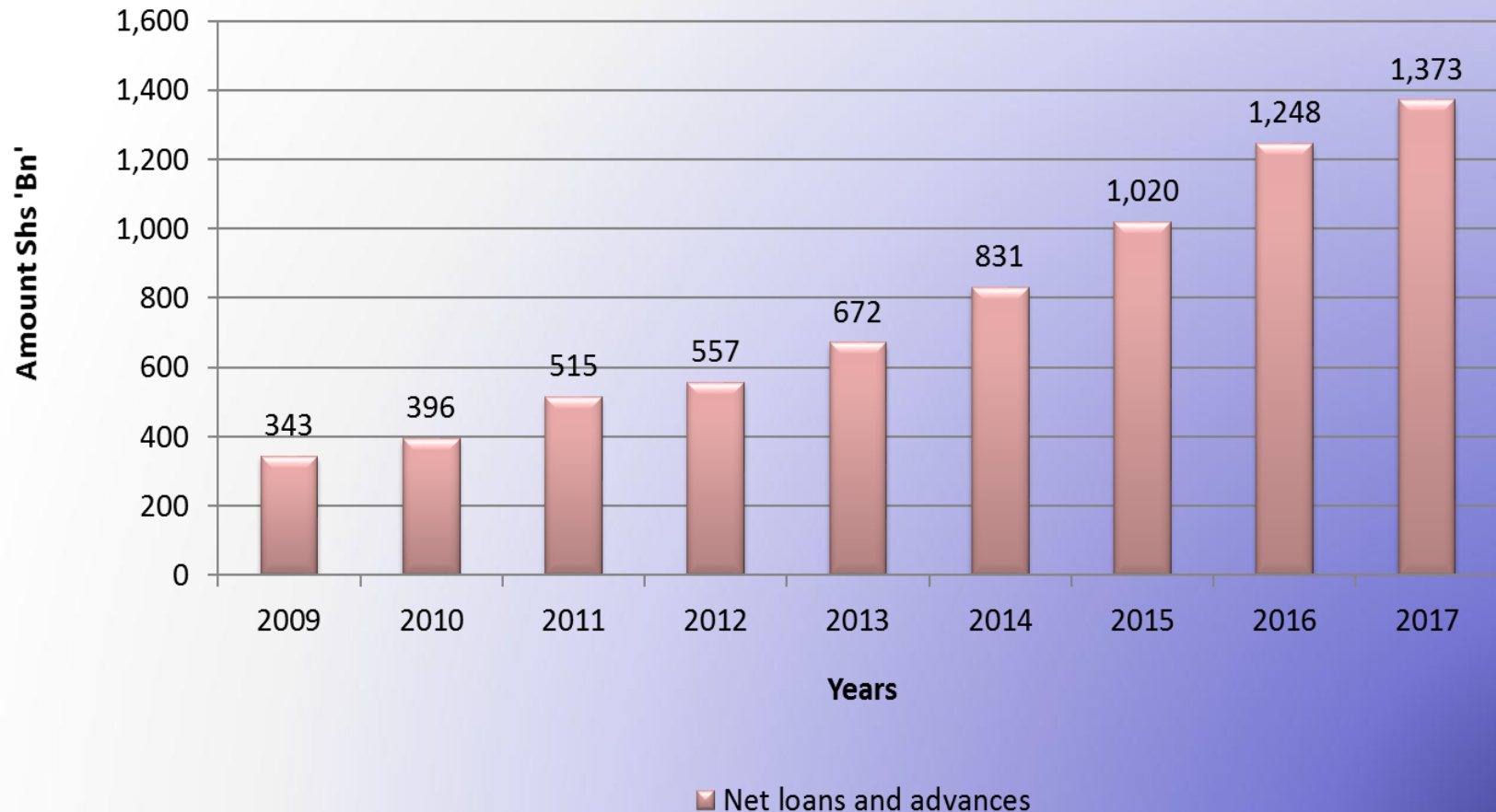


Centenary Bank Performance



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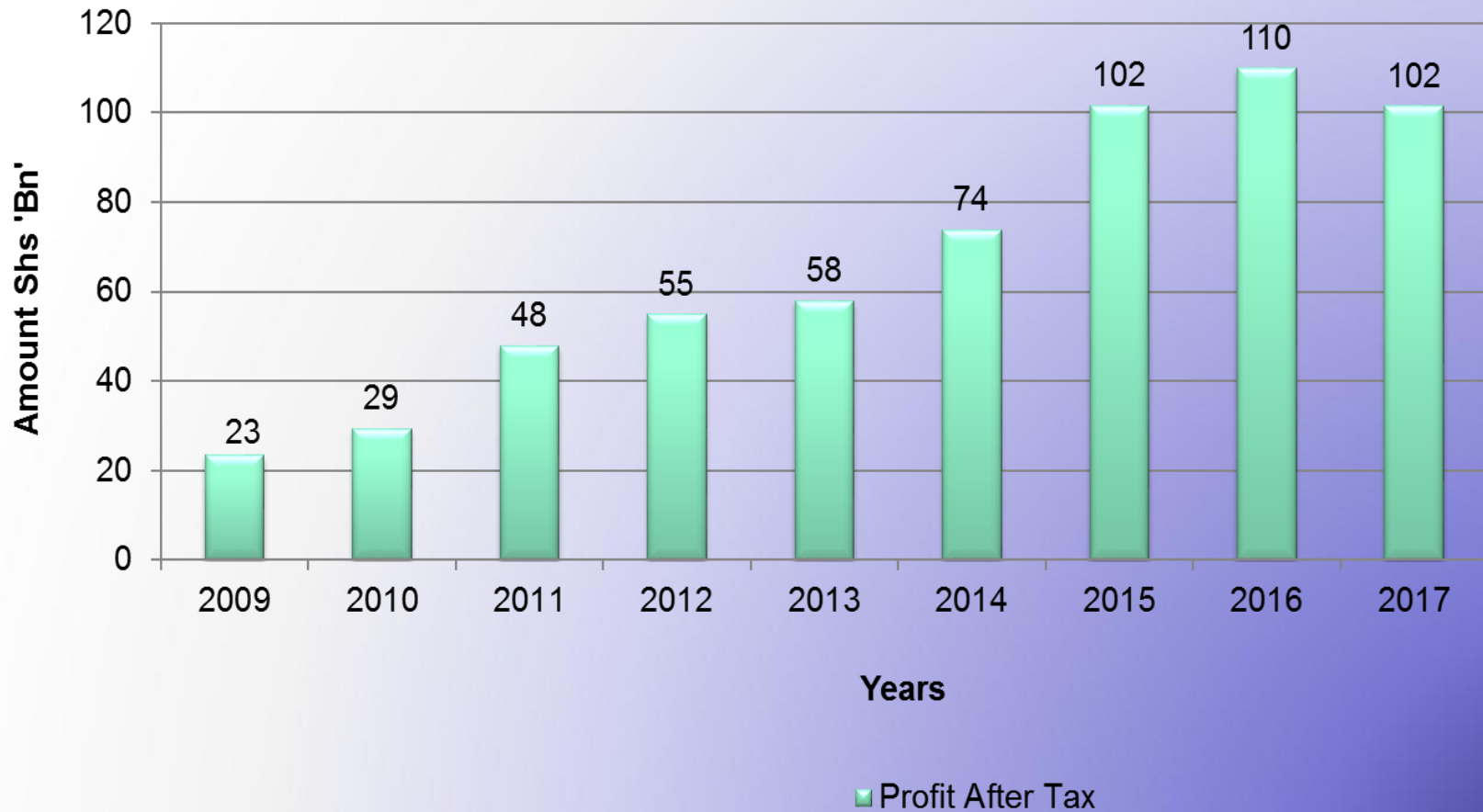
Total loan outstanding (Net) [Billion UGX]



Centenary Bank Performance



Profit After TAX [Billion UGX]



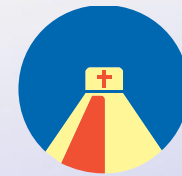
Centenary Bank FI Strategy



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Cente Agent Products & Services



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Account opening initiation

Cash Withdrawals/ Deposits

Mini Statements

Balance Inquiry

Bill payments

Documents Handling

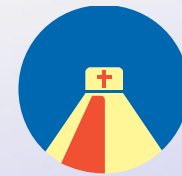
Cente Voucher

Money Transfers

- ❖ *All the above services will generate some lucrative commissions for the agents if successfully carried out according to Bank of Uganda (BOU) and Centenary bank's agency banking guidelines.*
- ❖ *The agents' commission structure outlines a tiered commission system on how agents will be able to earn their commissions upon fulfilling of particular service needs to their customers.*

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Cente Agent Prohibited Services



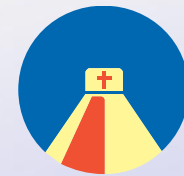
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A Cente Agent shall not:

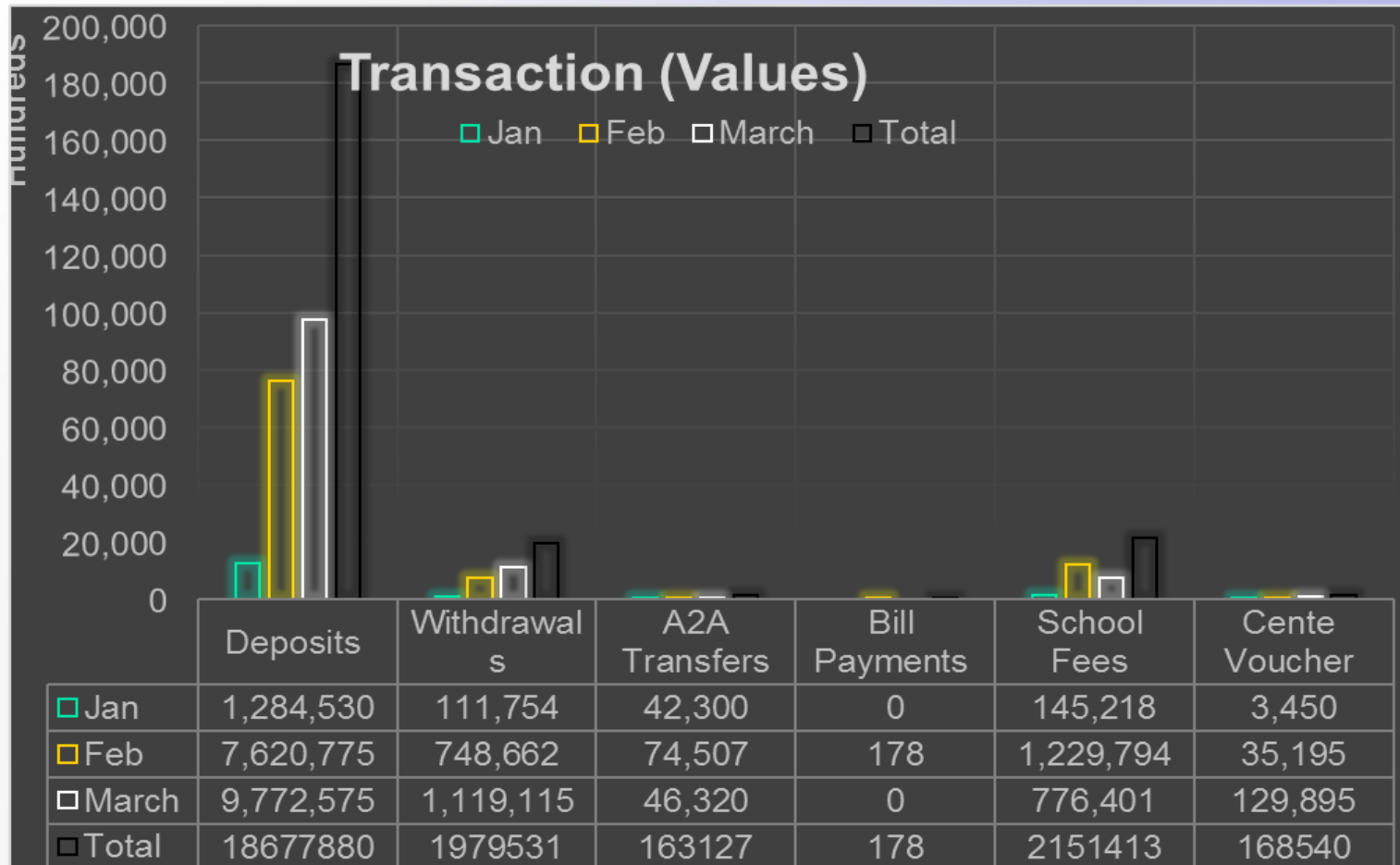
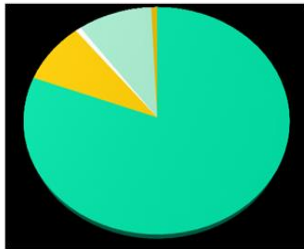
- ❖ Offer financial institution business on its own accord**
- ❖ Continue with the agency banking where it has a proven criminal record.
- ❖ Offer services not permitted in the agency agreement.
- ❖ Carry out a transaction when there is a system failure or in the customer's absence.
- ❖ Carry out a transaction when a system generated receipt cannot be generated.
- ❖ Charge fees directly to customers
- ❖ Undertake cheque transactions
- ❖ Distribute cards or PIN mailers
- ❖ Foreign exchange transactions
- ❖ Subcontract other persons to provide agent banking services
- ❖ Provide agent banking services other than their physical address
- ❖ Appraise loans, accounts...
- ❖ Be a guarantor to Centenary bank clients

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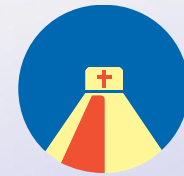
CenteAgent Banking



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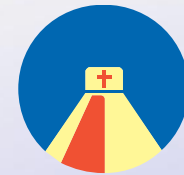


Key Learning points



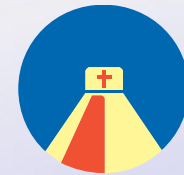
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- ❖ The disruption caused affects all levels of the bank requiring realignments across board.
- ❖ Enabling balance inquiries at agent points enhances customers trusting the service.
- ❖ Improved saving patterns in rural areas with increased small ticket deposits happening more frequently in a day.
- ❖ Majority of withdraws are happening in urban centers.
- ❖ Increased demand for account opening.
- ❖ More inquiries happen at agent locations about bank services in rural areas.
- ❖ Still dependent on the telecoms



Our Future

- ❖ Presence in all parishes in Uganda
- ❖ Over 10,000 agents in 5 years
- ❖ Double our customer base in 3 years
- ❖ Growth of 50% in our deposits
- ❖ Improve our cost income ratio



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THANK YOU

Q & A



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