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 National

Makerere to start own bank



GIRL POWER: Graduates join to celebrate after the Friday function. PHOTOS BY I. KASAMANI.

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Kampala

Makerere University will this year start its own bank and insurance company to help improve the welfare of their staff.

According to the Vice Chancellor, Prof. Vanensius Baryamureeba, the university has decided that through Makerere University Retirement Benefit Scheme, a bank; Makerere University Bank Ltd and Makerere University Insurance Company Ltd be opened this year so that the money develops those who work at the 89-year-old institution.

“The scheme has about Shs25 billion. As a university, we want to begin our own bank because these banks make a lot of money from our students and staff. If our staff want a loan, it is given at 20 per cent and this is very high,” he said on Friday at the fifth day of the 61st graduation ceremony. Adding: “We shall support the scheme and give it all the businesses on condition that they will start a bank. We will also start an insurance company.”

Much money goes out

“The university pays over Shs1.5 billion as travel insurance and over Shs500 million in third party insurance for staff vehicles but annually claim not more than Shs30 million from insurance companies.”

Prof. Baryamureeba said depending on Bank of Uganda requirements; the bank will be operational in August since there are structures already. The staff will be able to buy shares and later shares extended to the public after it has been listed on the Uganda Stock Exchange.

Currently, the university has accounts in Stanbic, Standard Chartered (donor funded projects), Eco and Barclays banks. But starting with February 1, Prof. Baryamureeba added that they will transfer all accounts to Stanbic Bank which will later be transferred to their bank when it is opened.

Banks manage over Shs130billion university budget and over\$60 million (Shs132 billion) as donor funds for development projects. In addition, there are over 4,000 bank accounts for university staff and about 40,000 students. “Members of staff have over Shs10 billion in unsecured loans with the banks where their monthly salary is their guarantee. And from this, banks collect from our staff more than Shs2 billion earned as interest annually,” he said.

Meanwhile, Chancellor Mondo Kagonyera’s first four-year-term at the university expires on October 23. “Today, Mr Chancellor sir marks the last regular graduation ceremony for award of diplomas and conferment of degrees in your first term as chancellor,” said Prof. Baryamureeba.