

MALITA

STOP CAUSING
US TO STUMBLE

We have indeed all sinned and fallen short of the glory of God; I don't know how many times in the last one year I have caught myself wishing ill on some of our leaders, and quickly gathered myself into repentance, only to read something the following day and wonder why God is not calling His child home.

And when I realise how evil and callous my thoughts are the next morning, I go into another lengthy prayer of repentance, and the cycle continues.

I don't think I am the only Christian, or right-thinking Ugandan, with these evil thoughts lately...

But the Bible also advises us, not to cause people to stumble; in fact, if you read Romans 14, from verse 13 to 23, the Apostle Paul urges believers not to use their freedom in Christ to cause others to stumble, sin, or weaken in their faith.

So, this is a humble cry to our leaders in the legislature, judiciary, executive and elsewhere, kindly stop causing us to sin! Some of us are getting tired of repenting for the same evil thoughts.

As we are finishing with an 'Amen' from the latest repentance, we open the newspapers and bam! Another person has pulled an outrageous corruption move, abducted another Ugandan, killed another innocent soul, or 'eaten' an entire hospital - complete with staff, equipment and consumables.

Then you open X, and feel a familiar wave of depression setting in.

You turn on the TV, and more depressing news about our fellow citizens shedding blood of other Ugandans, and you feel the blood pressure ticking up.

And there flashes another terrible thought, curse or evil wish, along with the immediate remorse and accompanying repentance.

You people shall lead us to hell, yet up until this point, we had really tried to fight for heaven!

Interestingly, the Bible says that when we repent of our sins, God forgives us immediately, so, technically, all these people we consider corrupt, disgusting sinners, can repent at the eleventh hour and make it into heaven, as we, the so-called 'righteous' ones sin at the eleventh hour and end up in hell. The sheer irony.

So, our good leaders, be kind and lead us not into temptation. We also want to make heaven.

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Out To Lunch

Surging bank profitability offers
critical lessons for small businesses

It is that time of the year again when commercial banks publish their financial results in the newspapers as part of fulfilling the regulations that govern them.

Most of them have registered year-on-year increases in profitability, lending, deposits and total assets among other metrics. If you only read the commercial banks' results and made conclusions on the economy, Uganda's economy is in such great shape.

All the commercial banks combined made more than Shs 2.1 trillion in profits according to the figures they released. That translates to nearly \$6 billion. The shareholders must be smiling all the way to their banks. Those who haven't invested in commercial banks, must be wondering how to get in. The good news is that several of these banks are listed on the stock exchange.

A big chunk of the money banks reported to have made came from their loan books. It isn't entirely surprising since the interest rates they charge are some of the highest in the world. Anyone who charges upwards of 16 per cent in annual interest should be able to grow every quarter, half year and annually.

But I think the steady growth in commercial banks profitability comes at the expenses of other sectors of the economy. Assets of defaulters on these commercial bank loans were advertised on the opposite pages of many of the results of the banks. One hand gives, another takes, isn't that what we have always been told?

However, there is no need to begrudge banks. They aren't entirely responsible for the high interest rates in the country. The capital requirements to start a commercial bank are prohibitive and those who recently failed to meet them were downgraded to lower tiers. Also, the government borrows at such high rates giving banks carte blanche to charge similar and even higher rates.

Those who borrow and default are also many. Banks tell us, lending to Ugandans is high risk. Probably it is. I believe you know somebody who castigated you for depositing money on their mobile money account on which they had reneged to pay back.

Anyway, what can we learn from the financial performance of the commercial banks?

There many lessons especially for businesses. Commercial banks just like other big business that publish



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their results such as telecoms have one thing in common; repeat long term customers.

When you sign up for a loan such as a mortgage, you commit to pay back for such a long period. If you borrow for say 10 years, the bank is nearly assured of making money from you for 120 months.

Should you fail, they have a property you gave them as collateral to get their money back. Some of the costs they incurred to sign a customer were a one off.

And if you are a disciplined borrower, they almost incur no other costs to recover their money. Long term customers who pay periodically are a goldmine for any business.

Unless otherwise, many people don't change their bank accounts.

W Repeat long term customer at its best. Even when you die, sometimes the family keeps the line so that there is some continuity especially for those involved in doing business.

So, even those who don't borrow, there is some monthly or usage fees they pay. A bank is therefore assured of income.

Telecoms make money the same way. How many times have you changed your telephone line? Many people don't change their telephone lines. That means that a telecom is assured of making money off you until you die.

Repeat long term customer at its best. Even when you die, sometimes the family keeps the line so that there is some continuity especially for those involved in doing business.

As small businesses, it may not be easy to have an assured customer for 10 years or a lifetime so there is need for them to work hard to attract repeat customers. It means improving the product all the time and constantly marketing so that customers can return regularly.

Commercial banks and telecoms do that all the time because if they don't, customers can move to other banks and telecoms respectively.

There is a need to observe how they market, what they do to retain their customers and try to copy that even when small businesses don't have unlimited budgets.

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