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PTA BANK

# NEWSletter



GTR AFRICA  
LEADERS  
IN TRADE

2015

BEST TRADE  
FINANCE BANK IN  
EAST AFRICA



# PTA Bank Revamps its Business Continuity Program

In today's world, Business Continuity Management ("BCM") is becoming increasingly important. It is a fact of life that 'stuff happens'. Dealing with it is much of what enterprise-wide risk management is all about. Many operational risks can be managed and mitigated down to acceptable levels. Some of the things, however, cannot be prevented. The best we can do is to have in place contingency plans which will mitigate the effects as best as we can. Bearing this in mind, PTA Bank (the "Bank") engaged a reputable BCM expert to review and enhance the Bank's Business Continuity Program. The engagement was undertaken over a 5 month period, from October 2014 to February 2015.

The Consultant assisted the Bank to put in place and maintain a comprehensive, robust and tested Business Continuity Plan (BCP) addressing how the Bank will respond to events that may significantly disrupt its business. Since the timing and impact of disasters and disruptions are unpredictable, the BCP was designed to allow the greatest amount of flexibility possible in responding to events, while simultaneously minimizing the impact of such occurrences on Bank stakeholders.

In brief, the Bank's BCP addresses: data back-up and recovery; all mission critical systems; financial and operational assessments; alternative communications with stakeholders (including but not limited to employees, customers, lenders and investors); and alternative physical locations for employees. The business impact analysis provided the basis from which business continuity strategies and plans were developed. It is the point in the process where recovery priorities are established, together with the minimum resources needed to maintain their availability. PTA Bank BCM concentrates its business recovery on impacts and decision making, rather than the nature of the disruption and its possible causes.

During the review exercise, the BCP was tested for effectiveness and resilience. As the military often say "no plan of operations extends with certainty beyond the first encounter with the enemy's main strength" (Militarische, Werke, 1892). An independent observer was available during the test to provide objective feedback on how the test worked, including the effectiveness of communication between staff, the crisis team and others, and to note where things went well. The idea was to validate the process and identify weaknesses or errors in the BCP. The exercise was largely successful. It was a learning experience.



Policy and governance form the cornerstone of the PTA Bank BCM. Without the right governance arrangement, the best plans in the world are useless. At PTA Bank, business continuity is not an IT issue. Like operational risk management, it concerns the whole business and threatens its existence. It is therefore owned by all parts of the Bank, with a central point of accountability on the Board. The Chief Risk Officer ("Project Sponsor") is responsible for ensuring adequate plans are in place and are regularly tested and reviewed. Developing, reviewing and invoking the BCP involve a steering committee which is chaired by the sponsor. This includes stakeholders from operations, risk, IT and other support functions. The BCM document is manageable and accessible to all those who will need it. The Bank is cognizant of the fact that not everybody needs the whole plan. The steering committee worked on a "need to know" basis and planned at all levels, from enterprise-wide to individual departments and units, so staff may have what they need at their level and understand their role in the event of an incident.

Effective business continuity measures are critical for any business. PTA Bank is committed to protecting its staff and ensuring continuity of critical businesses and functions in order to protect the reputation of the Bank, mitigate risk, safeguard revenues and sustain customer confidence. The Bank's plan is jargon free and easy to implement when needed. Fundamentally, it's all about resilience.





# PTA Bank joins the African Union in the fight against Ebola virus



Addis Ababa on 26 March 2015, between the Chairperson of the AU Commission Dr. Nkosazana Dlamini Zuma and the President of PTA Bank, Mr. Admassu Tadesse.

Appreciating the PTA Bank's contribution, Dr. Dlamini Zuma highlighted that the fight is not yet won. "The last mile seems to be the most difficult", she said, adding that the PTA Bank is coming in at the right time, as the ASEOWA mission needs to be on the ground for some time to come.

Mr Tadesse on the other hand, expressed the Bank's commitment, saying "The PTA has a duty to throw its support behind the leadership of the African Union."

AAEST was established as a charitable trust under the laws of Mauritius for the purpose of raising funds to be deployed to train, equip and deploy African health workers in the fight against Ebola, to build long term local health capacity and continental capacity for disease control. In partnership with the African Union, the AAEST's mission is to mobilize resources to support much needed health workers, drawn from within Africa to the Ebola-afflicted countries through the African Union Support to the Ebola Outbreak in West Africa (ASEOWA).

The PTA Bank is a multilateral development financial institution established by the Charter of the Eastern and Southern African Trade and Development Bank, whose objectives include, cooperating with other institutions and organizations, public or private, national or international, among others, which are interested in the economic and social development of the Member States of the PTA Bank.

**A**ddis Ababa, Ethiopia 26 March 2015- The Eastern and Southern African Trade and Development Bank (PTA Bank) has committed to support the fight against Ebola by providing a capacity building grant of USD 50 000 to the Africa against Ebola Solidarity Trust (AAEST). These funds will be utilized to support the establishment of the African Centers for Disease Control and Prevention (African CDC) to build Africa's capacity to deal with public health emergencies in the future.

To recognize the donation, a Memorandum of Understanding (MOU) was signed at the African Union headquarters in

## PTA Bank Board of Directors and Management visit PPC Barnet DRC Cement Plant







# The Republic of Mozambique joins the PTA Bank

In early 2016, the government of Mozambique signed the country's accession to the PTA Bank and became its 19th Member State. Membership and geographic expansion are crucial to the strategy of the Bank, as set out in its 2013-17 corporate plan which was approved by the Board of Governors on December 2012. Mozambique had been a key target for accession, as it offers strong potential for loan growth and regional development impact for the Bank.

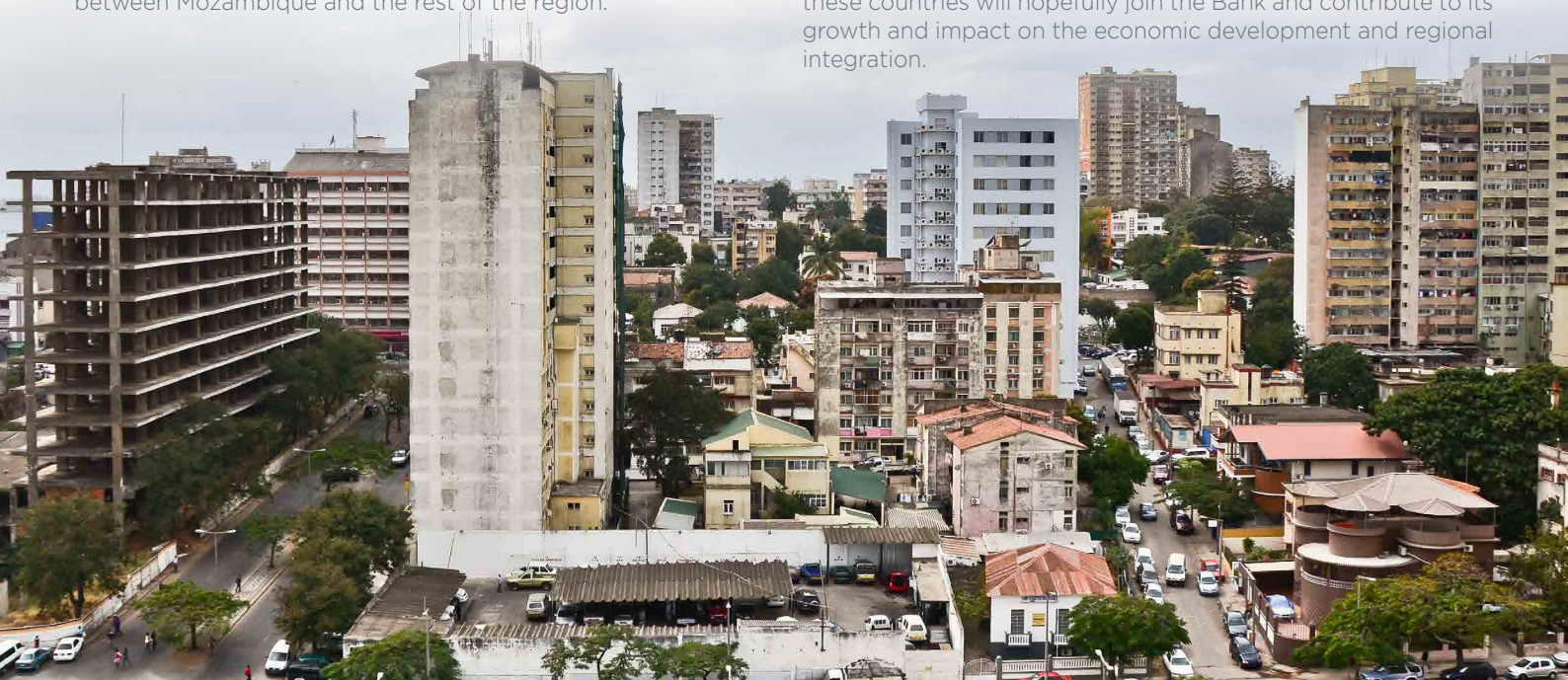
Mozambique has sustained an economic growth rate of more than 7% over recent years as its infrastructure developed at a quick pace (strong construction, transportation and communication sectors) and the political environment was peaceful and conducive to investment. Mozambique's nominal GDP was estimated at USD17bn for 2015, which adds 3% to the Bank's Member States GDP and offers significant growth potential for the Bank considering its vibrant economy and strong outlook.

With a population close to 24 million inhabitants (or an additional 4% to the total population of the Bank's Member States) and a unique position between southern and eastern Africa, Mozambique will surely become a market where the PTA Bank can make strong impact on economic and social development as well as regional integration. Mozambique has borders with 4 Member States of the Bank: Tanzania, Malawi, Zimbabwe and Zambia and the Bank, which aims to support trade between its Member States, will help develop more ties between Mozambique and the rest of the region.

The Bank's Trade Finance and Project and Infrastructure Finance divisions have already identified attractive potential projects that could benefit from the Bank's products. The loan portfolio of the Bank is expected to soon benefit from further diversification as Mozambican private and public enterprises can now become new clients.

The accession of Mozambique as a new Member State was preceded by the entry of Banco Nacional de Investimento do Mozambique (BNI, Mozambique's national development bank) into the capital of the Bank when it purchased USD5m of Class B shares in 2014. BNI paved the way for the country's accession to the Bank and will continue to be a key partner to PTA Bank in its mission of developing the country's economy and supporting the growth in trade with other Member States and the rest of the world.

The Bank continues its efforts to increase its membership base and encourage additional members of the Tripartite region to join the Bank. According to its new Charter, the PTA Bank covers the Tripartite region which includes the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), the Indian Ocean Community, the Southern African Development Community (SADC) and the Intergovernmental Authority on Development (IGAD) in Eastern Africa. Countries of the Tripartite region and countries bordering it are all targets of PTA Bank's geographic expansion. Discussions have started with Namibia, Swaziland and Madagascar among others and these countries will hopefully join the Bank and contribute to its growth and impact on the economic development and regional integration.



# PTA Bank receives USD 40 million support from BADEA



On the 6th of June, 2015, the Arab Bank for Economic Development in Africa (BADEA) signed a 1st Line of Credit agreement worth USD 40 million with the Eastern and Southern African Trade and Development Bank (PTA Bank).

This credit facility will enable PTA Bank to finance imports of goods and commodities from Arab countries to eligible PTA Member States to promote trade between the Arab region and Africa, and strengthen Afro-Arab Cooperation. This is part of the

BADEA Exports Financing Scheme which serves to complement the development finance program of BADEA that has contributed funding worth USD 4.703 billion to finance 608 development projects and 628 technical assistance operations in sub-Saharan Africa.

BADEA Director General H.E. Abdelaziz KHELEF and PTA Bank President, Mr. Admassu Tadesse were present and signed the agreement on behalf of their respective institutions.

## RWANDAIR and PTA Bank Soar High during BOD Meeting



Eastern and Southern Africa Bank (PTA Bank) was appointed as mandated lead arranger and sole funder on the innovative Aircraft acquisition financing of USD160 million loan to RwandAir.

Building on its existing relationship and previous experiences with RwandAir, PTA Bank facilitated an innovative financial solution that will enable the company to expand its existing fleet. Subsequently, on 25 June 2015; RwandAir signed an agreement with the Bank. The financing will assist RwandAir, Africa's fastest growing airline; to acquire two passenger aircrafts from Airbus, namely; A330-200 and A330-300. The airline will significantly increase its capacity to effectively meet growing demand and provide quality service for the ever growing Asia-China passenger markets.

"On behalf of the airline, we are honored to have PTA Bank as our long-term and dependable partner in supporting our growth strategy. The new acquisition shall enable us to enhance and spread our world-class product and services beyond our current footprint; says Mr. John Mirenge, Chief Executive Officer, RwandAir.

PTA Bank's President, Mr. Admassu Tadesse said, "We were delighted to have the opportunity to close this important financing for RwandAir and to contribute to Rwanda's economic development and the delivery against transport and

infrastructure components of the Rwanda's government's Vision 2020 Initiative. RwandAir is PTA Bank's existing client and it is a carrier owned by the Government of Rwanda. As part of its fleet expansion strategy, RwandAir is planning to purchase two Airbus A330 passenger aircraft at a total cost of about USD 160 million. Rwanda has achieved substantial economic gains since the launch of Vision 2020, and it continues to perform well.

Speaking at the ceremony, the Permanent Secretary/Secretary to Treasury, Ms. Kampeta Sayinzoga said: "Rwanda may be landlocked but has made a strategic decision not to be air-locked. Our development strategy is to be connected to the rest of the world through this strategic investment which will serve tourism, export of goods and transform Kigali into a Trade and Logistics Platform. PTA Bank has been, for many years now, a strategic financing partner of choice in the expansion journey of RwandAir".







## PTA Bank announces the financial close of its debut bond in the Tanzania market

On 18 June, 2015, PTA Bank announced the successful financial close of its first Tanzanian Shillings denominated bond.

The Thirty Two Billion Six Hundred Million (TZS 32.6 BN) bond with a five year tenor will support the Tanzanian Electric Supply Company (TANESCO) in its operations. TANESCO is a parastatal organization created in 1964 and owned by the Government of Tanzania. Its core business involves generation, transmission, distribution and sale of electricity to the Tanzania mainland, and bulk power supply to the island of Zanzibar.

It serves consumers across the residential, light commercial, business, government and industrial sectors. TANESCO owns and manages approximately two-thirds of the power generation and 100% of the transmission and distribution facilities in Tanzania.

The innovative Bond structure comprises a floating rate and a fixed rate portion, both of which have been oversubscribed.

In June 2013, PTA Bank committed a seven year financing facility of TZS 32.6BN to TANESCO for the purposes of power generation equipment.. Initially, PTA Bank raised a one year bridge loan facility in the aforementioned amount, while arranging the issuance of the Bond. This financing arrangement is in line with PTA Bank's development mandate.

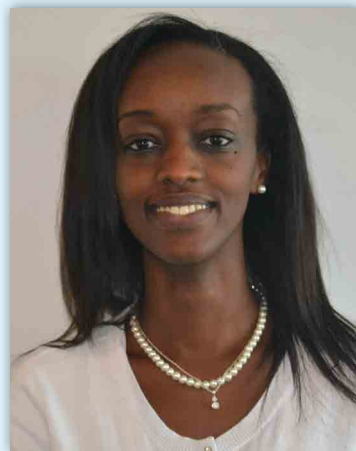
Mr. Admassu Tadesse, PTA Bank President, was present at the event and expressed his pleasure for the Bank to be stimulating Tanzania's capital markets, which provide an important source of local currency financing to infrastructure and other sectors.

"We are very pleased to have issued a local currency bond in Tanzania and to have the capacity to provide local currency

financing to a key infrastructure enterprise of state to partner with the private sector in the provision of power solutions".

The transactions were made possible with the support of the Government of Tanzania through the Ministry of Finance, the Central Bank of Tanzania and the Capital Markets Authority. The successful collaboration between Cfc Stanbic Bank and Stanbic Bank Tanzania in their roles of Joint Lead Arrangers, ATZ Law Chambers as Legal Counsel, and KPMG East Africa as Auditors was critical to the success of this landmark local currency issue.

The event took place at the office of the Tanzania Stock Exchange and was attended by various members of the financial services industry.



# PTA Bank Investment: A Rewarding Investment Experience

In December 2014, RSSB invested in PTA Bank Class B shares with an objective of acquiring strong and attractive returns on investment. In addition to acquiring good returns, investing in these shares provided a viable avenue for RSSB to diversify its portfolio in a continued effort to protect and grow members' funds and savings while also contributing to national economic growth and development. PTA Bank is a key financier to various Rwandan public and private institutions engaged in different forms of business.

Since the purchase of Class B shares, there has been strong capital appreciation of the investment. The net asset value has increased by more than 50% (to more than USD9,000 at year end 2015 based on draft audited accounts). In addition, the investment has acquired a dividend yield of 5.5% year on year. PTA Bank's impressive growth and high profitability, as witnessed by double digit return on equity has enabled investors benefit and also strong risk management.

PTA Bank has also benefited from strong support from the region's social security and pension funds as its class B shares are an appropriate investment for pension funds that want access to an asset denominated in USD which could generate good returns and also improve national economic and social transformation. Due to its flexibility, short turn around and dedicated staff, the Bank has been a reliable financier of various businesses and since beginning of 2014, it has increased its loan portfolio to Rwandan businesses with notably large credit support extended to different companies to improve business growth.

In terms of process, the investment of RSSB into the Bank was a top priority for its management who facilitated in availing the required information to enable prospective investors to perform the required due diligence. With highly efficient management, the Bank is set to increase its foothold and impact on the region's development as RSSB and other pension funds of the region meet its need for growth capital.

John Bosco SEBABI  
Deputy Director General (Fund Management)



## Class B Shares Update

PTA Bank's five year corporate plan which was approved by the Board of Governors on December 2012 identified increased investments from institutional investors as a key strategic priority to allow the Bank to raise sufficient capital to finance its growth.

Effective in 2013, the Board of Governors approved the creation of Class B shares which offer institutional investors such as Development Finance Institutions, pension funds or insurance companies the opportunity to benefit from cash dividends and capital appreciation.

Institutional investors from Mozambique, Rwanda, Mauritius, Seychelles, Nigeria, in addition to the AfDB and the People's Republic of China, represented by the People's Bank of China invested in this new share class.

Since the inception of Class B shares, PTA Bank raised close to USD100m, including USD15m raised in 2015. The more recent Class B investments were made by new shareholders from Uganda and Seychelles, two of PTA Bank's 19 Member States, thus further diversifying PTA Bank's Class B ownership.

The National Security Fund of Uganda (NSSF), a fully funded national saving scheme that provides social security services to private sector employees, committed to purchase USD14m of Class B shares of which more than USD10m were paid in 2015, while the balance will be paid in early 2016. The State Assurance Corporation of Seychelles (SACOS) has purchased USD1m of Class B shares in early 2016 and will become the 9th institutional investor in PTA Bank, and the 4th insurance or reinsurance company to invest in the Bank.

Over the year, most of the Bank's existing institutional investors have increased their positions, demonstrating their continued faith in PTA Bank's prospects for profitability and support for its development mandate.

The Seychelles Pension Fund, which originally invested in Class B shares in 2014, increased its position by an additional USD3m during 2015. The Africa Reinsurance Company (Africa Re), an AAA rated African multilateral institution based in Nigeria, also increased its position with an additional USD2M subscription during 2015.

The Bank rewarded its investors by declaring its first dividend payment of USD329.5 per share for financial year 2014 which implied an attractive yield of 5.5% for investors that had joined the Bank in 2014, in addition to capital appreciation of 38% for the earliest investors in the Bank. Several institutional investors, including the Rwanda Social Security Board, National Pension Fund of Mauritius, Banco Nacional de Investimento, and the People's Republic of China represented by the People's Bank of China have chosen to reinvest their dividends into additional Class B shares so that they could gain further exposure to an asset class that generated attractive returns as well as providing more support for the Bank's development mission. This is another strong demonstration of the confidence investors show in the PTA Bank.

The Bank continues its fund raising efforts and aims at building more partnership with regional institutional investors. Class B shares offer prospects for attractive returns and dividends for investors as well as development impact in the region.

# PTA BANK: Awarded Best ESG Private Enterprise Bank, Africa 2015

# cfi.co

## AWARDS 2015



The CFI judging panel finds PTA Bank to be well governed and notes with pleasure that the institution takes its various responsibilities very seriously with environmental and social governance issues as core concerns. PTA Bank adheres to a rigid code of corporate ethics that ensures its internal and external processes are consistently conducted in accordance with the highest standards of governance and transparency.

The CFI judging panel concludes that PTA Bank occupies a distinguished position in Africa as a premier financial services provider that underwrites the continent's development. The judges have no hesitation in confirming the CFI 2015 award Best ESG Private Enterprise Bank, Africa.

## Best Trade Finance Bank in East Africa



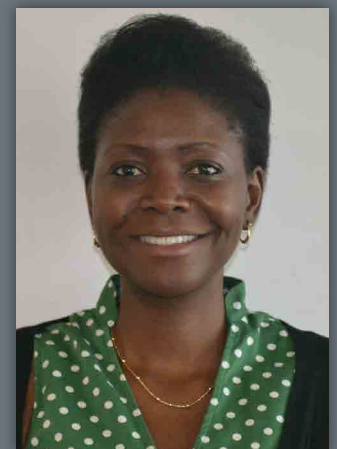
PTA was presented an award for the Best Trade Finance Bank in East Africa for 2015 by Global Trade Review (GTR), at their 10th Annual GTR Africa Trade & Export Finance Week Conference, held in Cape Town, South Africa on 2-4 March, 2016. The Trade Finance Department was rewarded for its outstanding achievement in Africa's Financial Sector.



Regarded as the market's leading pan-African trade finance gathering, GTR Africa Trade Finance Week provides the international trade finance community with an unrivalled forum for open discussion and debate on Africa's trade potential and its priorities for the future.

2016's conference built on this established reputation, welcoming on and off-stage participation from the continent's leading corporates, FIs, regulators, risk managers, lawyers, insurers and all additional sectors involved in the development of Africa economic landscape.

Audience participation formed a key part of proceedings, while presentations, panel discussions and case studies offered practical guidance for those looking to increase their working footprint in Africa.





# PTA Bank: First in Africa to adopt Polycom® RealPresence One™

Eastern and Southern African Trade and Development Bank (PTA Bank) is a world class African development finance institution with the vision of integrating and advancing the economies of eastern and southern African countries. PTA Bank's shareholder base includes 18 regional Member States (across COMESA, SADC, EAC, including most IGAD and IOC countries), the African Development Bank as a strategic institutional shareholder, the People's Bank of China, Paritetbank, regional and non-regional institutional shareholders and other institutional investors. Headquartered in Bujumbura, Burundi, the Bank has regional hubs in Nairobi, Kenya; Harare, Zimbabwe and Ebene, Mauritius.

With a mission to be at the forefront of extending development capital and services to advance regional growth and integration through customer focus, the Bank seeks innovative ways to facilitate internal communication and improve workflows between team members in different locations in order to increase productivity. Video conferencing was considered as a potential solution by the Information Services team at PTA Bank to improve team communication and collaboration in the organization.

"During the Proof of Concept, we were immediately impressed with Polycom, specifically regarding the requisite for bandwidth. The Polycom solution required significantly less bandwidth than the others in order to deliver excellent quality video even in scenarios with less than ideal levels of packet loss. Also the Web Suite solution and its capacity to meet in a Video Meeting Room (VMR) is an excellent tool that anyone can use from anywhere and on any device," explains Brook Yitaferu, Information Services officer at PTA Bank.

The Polycom solution is now fully deployed at PTA Bank. In all offices, conference rooms have been fitted with a RealPresence® Group 500 systems, and almost all employees either have Polycom® RealPresence® Desktop on their portable endpoint or the possibility to organize meetings via Polycom® RealPresence® Web Suite allowing them to participate in meetings whether they are in or outside PTA Bank offices.

To connect everything and everyone PTA Bank opted for a virtualized infrastructure solution with Polycom® RealPresence One. Brook expresses his pride in the fact that PTA Bank is the first customer in Africa to have made that choice. He confirms, "This was definitely the right decision. It obviously takes less physical space, less power requirement, reduces hardware based points of failure, less physical network requirements, and yet delivers all the features of the hardware based solution and more." What the solution has brought to the Bank is increased

"It is so simple to invite anyone to join by sending the calendar invitation that will create the URL. Anyone can do it!"

Judith Mongala, Marketing Coordinator, PTA Bank



flexibility, and greatly improved collaboration and communications. Brook claims, "Our people can join a meeting from anywhere in the world. This speeds up process, and makes our bank more effective. We've seen the difference since the deployment."

Judith Mongala, Marketing Coordinator, adds, "the solution will now be used regularly as it was last done for the Bank's last staff quarterly event during which the President was able to make announcements and updates to all employees including the ones based in other regional offices. Before the Polycom roll out, this message was only received by employees based in HQ, and now all sites are able to join into the VMR, and people on the road are also able to join. "Being able to deliver the same message to all employees at once, face to face, has made a real impact," she confirms. The HR department is leading interviews through video, with Polycom Web Suite. Mongala confirms, "It is so simple to invite anyone to join by sending the calendar invitation that will create the URL. Anyone can do it!"

The adoption is increasing regularly and the Bank is working from the top down. As the leaders are scheduling regular meetings by video, the participants having a great experience are then using it for their meetings. The marketing team is also working on an internal campaign to raise awareness.

"The return on investment (ROI) is quick," adds Brook Yitaferu. "Right now we are calculating in travel cost reduction only, and it is very positive. We are looking into other tools to measure the Bank's productivity since the rollout. As we know, the solution has a great influence."



## BENEFITS

- Quick adoption due to ease of use
- Delivers flexibility
- Improves collaboration and communications
- Reduces costs

## SOLUTION:

- Telepresence and video conference
- Polycom® RealPresence® Group 500
- Polycom® RealPresence® Desktop
- Polycom® RealPresence One™

# Djibouti Hosts PTA Bank's 31st Annual Board of Governors



The 31st Annual Meeting of the Board of Governors of PTA Bank took place in Djibouti on the 4th and 5th of November, 2015 at the Palais Du Peuple.

The event was attended by Hon. Matia Kasaija (Uganda), Hon. Phyllis Kandie (Kenya), Hon. Tabu Manirakiza (Burundi), Hon. Claver Gatete (Rwanda), Hon. Abdrhman Drar (Sudan), Hon. Ilyas Dawalleh (Djibouti), Mr. Nikolai Natynchick (PatitetBank - Belarus), Ms. Cao Li (Peoples Bank of China) and representatives from the Ministries of Finance from Seychelles, Malawi, Zimbabwe, Tanzania and DRC.

Representatives of PTA Bank's Institutional Shareholders in attendance were Ms. Lekha Nair of the Seychelles Pension Fund; Ms. Hope Murera of ZEP RE; Mr. George Mensah of African Reinsurance Company Africa RE; Mr. Gabriel Negatu of the African Development Bank; Mr. Abdul Jivane of Banco Nacional Investimento (BNI); and Mr. John Bosco Sebabi of the Rwanda Social Security Board-(RSSB).

The opening ceremony was officiated by the President of Djibouti, H.E. Ismail Omar Guelleh who conveyed Djibouti's continued confidence and commitment to its partnership with PTA Bank. H.E. Gulleh commended the Bank for its remarkable performance and its recent recognition by the Association of African Development Finance Institutions as the best performing development finance institution.

"We are particularly excited to see PTA Bank's greater involvement in our country. I have been informed that the Bank approved a facility of USD 4.5 million in February, 2014, to the Ministry of Finance. This money must be used for projects that promote economic growth and job creation." He added.

Speaking at the ceremony, PTA Bank President, Mr. Admassu Tadesse expressed his appreciation and gratitude to the people



and Government of Djibouti for hosting the 31st Annual Meeting of the Board of Governors of PTA Bank.

"We are most grateful to H.E. Guelleh, the President of the Republic of Djibouti for gracing us as our Chief Guest at this special Annual Meeting. Thank you for the honour, Your Excellency. Our gratitude goes to Mariam Hamadou, our board member from Djibouti and the officials of the Ministry for making our Annual Meetings here in Djibouti not only possible and efficient, but also most hospitable." He remarked.

Mr. Admassu Tadesse, President and CEO of PTA Bank and Mr. SUN Ping, Vice President of China Exim Bank signed a Memorandum of Understanding (MOU) at the Opening Session of the Annual Meeting. The MOU laid the foundation for future cooperation between the two institutions in project and infrastructure finance, trade finance, treasury and in areas related to funds, with the view of promoting social and economic development of COMESA countries.



# CSR Pouponiere Daryel

Adjacent to the Annual Meeting, the Bank hosted a signing ceremony to commemorate its donation of Twenty Five Thousand United States Dollars (USD 25,000) to Pouponnière Daryel, a nursery that provides comprehensive care for infants from birth to 3 (three) years of age.

The nursery was established in 1978 by the late Mrs. Aicha Bogoreh who was the President of the Child Protection Centre (CPE) and National Union of Djiboutian Women (UNFD) in response to increased incidences of abandoned infants in Djibouti. The nursery has operated under the high patronage of the current First Lady since 1999 and managed by Mrs, Mme Fardoussa Ibrahim Nour.

This donation represents part of PTA Bank's portfolio of Corporate Social Responsibility initiatives and investments within its Member States.



## Exploring Opportunities in the COMESA-Asia Trade Corridor: Report on GTR Asia Trade Finance Week

**G**rowth of trade flows between COMESA Member States and Asian trade partners is evident in PTA Bank with trade transactions of around USD480 million approved in the past 12 months. Of this total, USD130 million is finance towards soft commodity exports to countries such as India and China. Energy imports from the Gulf Cooperation Council (GCC) countries accounted for USD80 million while USD270 million are imports of machinery and equipment for the telecommunication, manufacturing as well as mining sectors in various Member States.

In developing this portfolio of COMESA-Asia trade flows, the Bank expanded its network of correspondents such as banks, credit insurers, export credit agencies (ECAs), and trading houses in Asia. The Bank now has a platform for rolling out interventions for the COMESA-Asia trade flows through products such as forfaiting, pre-shipment and post-shipment financing as well as export guarantees.

Accordingly, the Bank's participation at the GTR Asia Trade Finance Week held in Singapore on 8th and 9th September 2015 was aimed at consolidating its emergent relationships across the COMESA-Asia trade corridor. At the event, the Bank being one of the sponsors mounted a pavilion showcasing its products, services and partnerships across the region.

Judith Mongala, the Bank's Marketing Coordinator, Namasiku Birk and Gerald Nsomba (Senior Trade Finance Officers) held meetings with various participating corporates, financial institutions, insurers and trading houses during the networking breaks at the PTA Bank pavilion. The meetings generated a lot of interest for both primary as well as secondary market interventions with several world renowned suppliers expressing interest to engage PTA Bank in forfaiting transactions for sectors

such as energy, telecommunications and financial services. PTA Bank's growing recognition in the Asian region was also manifested by the selection of Namasiku Birk to represent African participants at the conference in a panel deliberating the trends of Asia-Africa trade flows. During the discussions, Namasiku advised the conference that the Asia-African partnership transcend trade relations as there are increasing investment flows from Asia, especially China, into Africa. These investments have catalyzed activity in economic sectors such as mining, construction, telecommunications and financial services which are known for their high multiplier effects in terms of generation of employment, enhancement of technology as well as widening of tax revenue base for governments.

Namasiku also shared PTA Bank's views on the recently established Tripartite Free Trade Area (TFTA) comprising around twenty six nations in Africa after some delegates from Asia expressed fears that the TFTA may foster import substitution policies which may lead to slowing demand of exports from Asia to Africa. In response to the sentiments, Namasiku highlighted that value addition across the TFTA regional value chain will give rise to new demand for capital goods and technologies from Asia which will translate in increased trade. She added that while the two trading blocs need to prepare themselves for reconstituted trade flows, opportunities for growth abound.

On Thursday, 10th September 2015, GTR coopted Namasiku and Gerald into a daylong Supply Chain Masterclass Training alongside fourteen other participants from institutions such as Mizuho Bank and IFC. Participants were drilled in techniques for supporting client relationships across their supply chain and development of appropriate financial products. The roles of third parties such as credit risk insurers and receivables financing banks were also underscored during the sessions.

# Trade Finance Diversification Efforts



Beginning the mid-1990s, Africa has experienced strong and sustained growth mainly as a result of both sound macroeconomic policies and favorable external conditions. Africa's economic growth has accelerated, bringing to the region a new commercial vibrancy which has attracted the attention of private investment. Real GDP growth averaged 5 percent on an annual basis over the last two decades, more than twice its pace in the 1980s and 1990s.

Africa has also seen sturdy levels of domestic demand, coupled with high levels of investments in public infrastructure. The services sector has remained buoyant even as oil-related activities have retrenched. Construction is booming and banking, retail and telecommunications are flourishing. Africa also has a huge population growth, providing the potential for labour in the future. The continent has also seen high levels of urbanization and growth in its manufacturing sector.

Trade, which increased from a level of USD 250 billion in the early 1990s to USD 1.4 trillion in 2014, has also been a powerful engine for economic growth.

However, despite having one of the fastest growth rates in the world, many African countries have experienced limited economic transformation. The majority of the economies on the continent continue to be heavily dependent on the export of raw commodities as well as heavy reliance on a few export markets. Growth has not translated into value-addition in exports or diversification of exports markets to increase the share of intra-African trade. Increased levels of FDI have not resulted in adequate technology transfer or job creation, and African countries have not taken advantage of opportunities to integrate in global value chains. As the saying goes, Africa produces what it does not consume and consumes what it does not produce.

In light of the investment that the continent requires to continue on its growth path and to ensure that that continent attains sustainable economic growth and development, it has become imperative that Africa begins to produce what it consumes and consume what it produces.



In this regard, it is important that Africa begins to diversify its economies from agriculture and natural resources to sectors that create more jobs, bring about more income and raise domestic demand. While intra-trade is not the answer for development, it can help the continent's industries become more competitive by creating economies of scale. It is therefore important, especially for landlocked economies to use intra-African trade as an engine of economic growth.

## THE ROLE OF PTA BANK

For PTA Bank, the role has been to integrate and advance the COMESA region's economies through; among other ways; promoting and financing trade flows into and out of the COMESA countries. In this regard, the Bank has put in place initiatives to deal with the growing financial needs of the regional economies in addressing the many challenges that they are currently facing.

- In order to support the region's efforts at economic integration and need for increased investment flows, PTA bank is positioning itself to take advantage of the Tripartite Agreement among COMESA, EAC and SADC economic groupings. The Bank has in this regard, increased its membership to include non-COMESA states like Mozambique and is in talks to get other countries on board. This will bring about more opportunities for private investment flows from the surplus countries and increased opportunities for intra-African trade among the member states.
- To assist in minimizing the effects of over-reliance on a few export markets, the Bank is working with its member states to promote the diversification of their exports from their traditional export markets. The Bank has in this regard, been facilitating imports and exports from non-traditional markets of African economies.
- The Bank is working to expand its forfaiting offering to support the rising demand for investment goods that the continent and member countries are experiencing. Further, through its ECA programme, the Bank has also been collaborating with ECAs from around the globe to support the import of investment and capital goods required by member states.
- PTA Bank also works to support and finance SMEs in supply chains, mainly in the agribusiness industry. The Bank has also been working to support value added exports out of its member countries with significant financing going to non-traditional sector.
- PTA Bank has also been engaging several of its member countries to support African FDI. Historically, African central banks have been investing their reserves in low yield assets from developed countries. PTA Bank is working with central banks from member states to explore African Direct Investment as a source of investment finance.



# Raising Human Capital Profiles of Senior Staff

## GEORGE MUDANGE



Mr. Mudange was appointed as Deputy CEO for the Tripartite Trade Finance Fund (TTIF) in February 2015, a

position he holds in tandem with the Senior Director and Chief Trade Finance Officer Position. He has over 17 years corporate banking and advisory experience at senior level with distinct emphasis on structured trade and commodity finance. Prior to joining the Bank, he worked with Merchant Banks in Zimbabwe and advisory firms in South Africa and Nigeria. He holds a Bachelor of Science (Honors) degree in Economics and an MBA, both from the University of Zimbabwe.

## JOY NTARE



Ms. Ntare was appointed in April 2014 as Chief Risk Officer. She holds over 26 years of experience in accounting and finance. Prior to joining the Bank, Ms. Ntare

was employed by the Central Bank of Rwanda for 20 years in several capacities including Director General for Financial Stability, Director Supervision of Non-Bank Financial Institutions and Tanzania Electric Supply Company. Ms. Ntare holds Advanced Diploma in Accountancy and Master of Business Administration from Cardiff Business School, University of Wales. She is a member of the Association of Chartered Certified Accountants (ACCA-UK) and Institute of Certified Public Accountants of Rwanda (ICPAR)

## DANIEL MEZGEBU



Mr. Mezgebu was appointed in November 2014 as the Head, Human Resources and Administration. Prior to joining the Bank, he was

employed by dVenuts Wind Technologies as Director of Human Resources and Administration for three years. He holds over 25 years of professional experience and has worked with several organizations including Sheraton Hotel, American Embassy and Ethiopian Airlines. Mr. Mezgebu holds Master of Public Administration from University of Greenwich and Bachelor of Arts in Management and Public Administration from Addis Ababa University.

## GIFT MOONGA



Mr. Gift Moonga, a Zambian national, holds MSc. International Banking and Finance from Salford University, Diploma in Banking from the Chartered Institute of Bankers (UK), Diploma in Risk Management and is a Certified Professional Risk Manager.

## DEVALINGUM GOPALLA



Mr. Devalingum Gopalla, a Mauritian national, holds LLB from University of Wolverhampton and LLM from Kings College London. He is a Barrister at Law admitted in England and Mauritius and is a Member of the New York State Bar Association.

## LLOYD MUPOSHI



Mr. Muposhi was appointed in April 2014 as Head, Trade Finance. He has over 15 years of diverse banking experience in corporate banking with First Rand Bank, Standard Chartered Bank and Citibank Zambia. He has prior experience with Quantum Capital and Loita Capital Partners. Mr. Muposhi holds Bachelor of Arts Degree from University of Zambia.

# Acquisition of Equipment/ Tools through the PTA Bank's Corporate Social Responsibility Scheme to Support COMESA LLPI

PTA Bank has committed to support the COMESA Leather and Leather Products Institute (“COMESA/LLPI”) as part of its CSR program and in line with best practice. COMESA/LLPI was approved by the Preferential Trade Area (PTA) for Eastern and Southern African States in 1988 to fulfill its industrial objective to “support and develop the leather industries of the COMESA region”. PTA Bank’s support through its Corporate Social Responsibility Scheme in partnership with COMESA/LLPI is opportune, result oriented and aims to improve the livelihood of the people in the COMESA regions. “PTA Bank will provide a capacity building grant of USD 75 000 to support COMESA LLPI advance Industrialization and SME development in COMESA member states”.

PTA Bank aims to support developmental and sustainable initiatives and recognizes that the leather sector has been highlighted as a priority agro-based commodity in the COMESA Region.

This initiative will strengthen the service/incubation centers and footwear SMEs cluster through the provision of equipment and tools.

The objective is to acquire equipment/tools to support the growth and performance of SMEs in leather footwear manufacturing in COMESA member countries. PTA Bank’s intervention will provide some assistance in dealing with the shortage of equipment and tools and will have a great impact in enhancing SMEs performance.

The SMEs will be able to access equipment and tools, which will be located in a central place, at a nominal fee. The funds which will be used for the maintenance and replacement of the equipment and tools.

Empirical evidence from the assessments that were done by COMESA/LLPI showed that SMEs performance in COMESA countries was being impaired because of inadequate skilled manpower, isolation, very old and obsolete working equipment’s and tools, among others.



Over the past two years COMESA/LLPI has improved the challenges relating to isolation by facilitating the creation of clusters; limited skills by training 450 footwear artisans.

Through the proposed initiative, more than 500 SMEs will be able to access equipment and tools to enable them enhance their productivity.

The COMESA/LLPI initiative is scheduled to be launched in March 2015 during the COMESA Summit of Heads of State.

Prof. Mwinzikione Mwinjihija, Executive Director COMESA/LLPI, said “This is a valuable opportunity for COMESA/LLPI associating with PTA Bank in its endeavor to support, under the Bank’s CSR scheme, strengthening of the SMEs in the region. We are, therefore, very proud and appreciative of the support amounting to 75,000 USD. This contribution is geared towards supporting three well organized Incubators, situated in Ethiopia (Ethio-International Footwear Cluster Cooperative Society), Sudan (Sudan Science and Technology University) and Uganda (the Ugandan Leather Association), for purposes of building capacity and facilitating production of high quality leather and leather goods. We look forward for such an association through partnering to address developmental issues related to the leather sector by enhancing our collaboration now and in the future”.

PTA Bank President Tadesse remarked that “PTA Bank is very pleased to support LLPI in its important regional work of strengthening the leather sector, one that has huge potential for industrial value addition, enterprise growth and job creation. The COMESA region has an abundant supply of livestock and more can and should be done to unlock the attendant opportunities as has been done in other regions and countries. We will continue to do our part to support resource-based best industrialization in the region, in a disciplined and well considered manner”.



# Bank supports the Mauritius Institute of Training and Development in partnership with the Ministry of Education



The Government of Mauritius, through the Ministry of Education and Human Resources, Tertiary Education and Scientific Research, has taken the initiative to invest in Technical and Vocational and Educational Training (TVET) and Tertiary education to meet the growing gap between labor supply and demand and to develop employment opportunities for youth while diversifying hiring sources beyond the core economic sectors related to textile and sugar industries.

This Corporate Social Responsibility Grant of USD 25, 000 will support the Mauritius Institute of Training and Development purchase state-of-the-art equipment to transform the Cote D'Or Training Centre into a model TVET with increased capacity to offer training in the building and allied trades. The transformed vocational training institute will be instrumental in meeting growing demand in skilled/specialist workers in the real estate sector which is benefiting from investments in mega projects such as the Smart Cities initiatives and in Integrated Resort Schemes.

PTA Bank is committed to developing capacity in the communities in which it operates. The Bank welcomes this partnership with the Ministry of Education and Human Resources Tertiary Education and Scientific Research and lauds the major strides that Mauritius has made in the areas of education and trade. Speaking at the CSR event Mr. Admassu Tadesse added: We as PTA Bank are very pleased to be in a position to make a modest contribution to the development of vocational skills in Mauritius, particularly among the youth where unemployment is most pronounced. The institute clearly has an important role to play, especially as the demand for skills rise in the face of increased regional and international companies establish themselves here. We believe strongly that investment in human capital, particularly in young people, is one of the best investments a country can make, and therefore applaud the Government of Mauritius for its continued commitment in this area, and specifically the push in the area of vocational training.

# Minister of Finance DRC welcome BOD in Kinsasha in April 2016



## Park Inn by Radisson, Kigali nears completion

The 4 star Park Inn by Radisson Hotel is close to completion and is expected to open its doors to the public in July 2016.

The Hotel, financed by PTA Bank and two local banks, is located in the upmarket area of Kiyovu, just 3 km from the City Centre and 7 km from the Airport.

For the perfect business and leisure trip, the hotel offers a range of rooms and amenities. Guests can choose from among 161 spacious modern rooms, which are available in Standard, Deluxe and Executive styles. State of the art amenities include two restaurants, in-house entertainment center and rooftop bar, hair saloon, and well-equipped gym with sauna and steam rooms, swimming pool, conference facilities and meeting rooms. The Hotel is ideally



situated for both business and leisure.

In addition to providing the much needed hotel facilities in this emerging

confencing hub, the hotel will create circa 250 jobs and will foster economic activity by supporting businesses in and around Kigali.



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