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### **NSSF declares 11% interest rate (Ugx 978 billion) to members**

**KAMPALA September 27, 2019:** The National Social Security Fund (NSSF) has today declared an interest rate of 11% for the Financial Year 2018/2019 to its members, over and above the 10 year average rate of inflation now at 6.71%.

This was announced by the Minister of Finance, Planning and Economic Development, Matia Kasaija, during the Fund's 7<sup>th</sup> Annual Members Meeting at Serena Hotel.

The interest declared is lower than last year's 15% interest due to a decline in regional equity prices and strengthening of the Uganda shilling, which affected the valuation of the Fund's holdings in all foreign currency balances and equity valuations, thus impacting the Fund's over all income.

"The stock exchanges in East Africa, and generally in the whole of Africa suffered significant reduction in value of the listed entities, affecting entities like the Fund that invests regionally," the Minister said.

The new rate translates into UGX 978 billion and will be calculated and credited on the balance outstanding on the members' accounts as at 1st July 2018, in accordance with provisions of the NSSF Act.

"Although lower than what I declared last year, the rate I have declared today is higher than 6.7% - the 10 year average rate of inflation, the Fund's benchmark. It is also higher than annual inflation of 3.4% recorded last Financial Year," he said.

"Most important, the Fund has paid its members a real return, thus eliminating the risk of erosion of the value of their saving as a result of inflation. The savers' money is being in real terms which is the fundamental matter for long term savers," he added.

NSSF Managing Director Richard Byarugaba said that inspite of the difficult investment environment, the Fund performed over and above most performance targets.

"Overall, we created value for our members. In fiscal year 2012/2013, we committed to pay members a real return – at least 2% above the 10 year inflation. We have consistently delivered on this promise and have done so again this year," he said.

NSSF Board Chairman, Patrick Byabakama reassured members that the Fund was on a growth trajectory, having grown its assets under management by 13.6% from UGX9.9Trillion in the previous financial year to UGX11.3 trillion in 2018/2019.

He also said that the Fund's focus going forward will be to conclude the Real Estate projects as well as innovations to be responsive to needs of the members that will be occasioned by the proposed NSSF Amendment Bill.

### **THE FUND'S PERFORMANCE HIGHLIGHTS 2018/2019**

- Assets under Management increased by 13.1% from Ugx 9.98 trillion to Ugx 11.3 trillion as at 30<sup>th</sup> June 2019.
- Annual contributions collections increased from Ugx 1.049 trillion to Ugx 1.208 trillion – a 15% growth
- Realized income grew from Ugx 1.05 trillion in 2017/2018 to Ugx 1.26 trillion in 2018/2019 due to increased gross Interest income from Treasury and Infrastructure bonds – a 20.4% growth
- The amount of money paid in benefits increased by 25% from Ugx 360 billion in 2017/2018 to Ugx 450 billion in 2018/19
- The Average Benefits Turn-Around-Time in 2018/19 remained flat at 8 days
- Cost of Administration improved slightly from 1.31% in 2017/2018 to 1.28% in 2018/2019
- The cost income ratio remained flat at 11.6%
- The compliance level based on 1 month is now at 61%
- Customer satisfaction slightly dipped by 1% from 85% in 2017/2018 to 84% in 2018/2019
- Staff engagement increased from 84% in 2017/2018 to 88% in 2018/2019

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### **ABOUT NSSF**

*The National Social Security Fund Uganda is a multi-trillion Fund mandated by Government through the NSSF Act, Cap 222 (Laws of Uganda) to provide social security services to employees in the private sector.*

*NSSF is the most profitable, trustworthy, efficient, secure, innovative and dynamic social security provider that guarantees safety, security and a competitive return on members' savings, delivering an annual return of investment of over 2% above the 10-year inflation average.*

*The Fund manages assets worth over UGX 11.3 trillion invested in Fixed Income, Equities and Real Estate assets within the East Africa region. As the largest Fund in East Africa by value, we have the ambitious goal of growing our Assets Under Management to 20 trillion by 2025.*

*Since 2012, the Fund is regulated by the Uganda Retirement Benefits Regulatory Authority while Minister of Finance, Planning and Economic Development is responsible for policy oversight.*

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