

## NCBA Bank Uganda Limited Audited Financial Results for the year ended 31 December, 2023



**Mark Muyobo**  
Chief Executive Officer, NCBA Bank Uganda

### Reflection on 2023.

Uganda's economy rebounded strongly in 2023, with the sectors of agriculture, industry and services weathering recent successive shocks to push growth in gross domestic product (GDP) to 5.3% in 2023 compared to 4.7% in the year before despite geopolitical turmoil.

In 2023, the Bank continued to deliver on our strategic business priorities, our financial performance demonstrated the Bank's resilience during the ever-changing macro-economic factors and risk uncertainties faced by the Banking sector during the year.

We defined ourselves to be a financial institution that inspires greatness to its customers with our integrated business model centered on the corporate customer ecosystem through providing solutions along the value chain.

I also acknowledge the great work done by our staff as we embarked on a people development journey to attract strong, capable talent and retain them which has led to a more engaged and high-performance culture. Our people are our strength.

Through our Digital Lending Business of MOKASH, we have elevated Financial inclusion in the Ugandan market through easing access to short term credit to the unbanked and providing a savings platform to over 10 million of our clients. Our running strategic partnership with MTN gives us the flexibility to make banking services more accessible to the underbanked population and we remain committed to growing this offering.

In line with our Sustainability commitment to champion inclusive communities through regional sport development- Golf, in 2023 we held the NCBA Golf Series with two tournaments in Uganda; one at Uganda Golf Club, Kitante and the other at Entebbe Club. The final of the NCBA Golf Series was held at Sigona Golf Club in Kenya. NCBA bank also sponsored the Uganda Ladies Open as well as the US Kids Golf- Uganda chapter as part of the NCBA Junior Golf Series that aims to develop the game amongst juniors and expect to expand this in 2024. The bank also planted trees in 7 different schools and locations around

Kampala city. This was started at the Uganda Golf Club in Kitante.

We are launching our partnership with the National Forest Authority to plant over 20,000 Trees in 2024. We have embedded ESG pillars within our business model. We plan to focus on 15 "Change The Story" areas namely; Tree growing, Green financing, Investment in EVs, Reducing our direct emissions, Supporting our communities, Steering more of our general services procurement spend to women and youth, Eliminating single use plastic, Greening our supply chain, Reducing our financed emissions, embedding climate related risks in our activities, Igniting our staff to make a difference, Regional sport development, Diversity & Inclusion, and Empowering women and youth.

In 2024, our commitment to the laid out strategic initiatives remains steadfast despite the uncertain macro-economic environment. As a Bank, we have positioned ourselves as a strong regional financial institution distinguished for customer experience to provide solutions that inspire our customers growth.

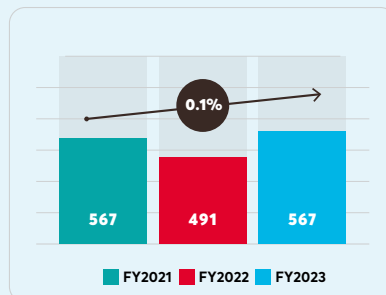
### Financial Performance.

Our financial performance shows that we are positioned for growth in the market with year-on-year growth in total income of 16%, Profit before tax increased by 46% and Net Profit after Tax by 19%. Customer deposits grew by 16% year on year, net loans and advances grew by 20% resulting in 16% growth in Total assets with core capital of Ushs 145 billion.

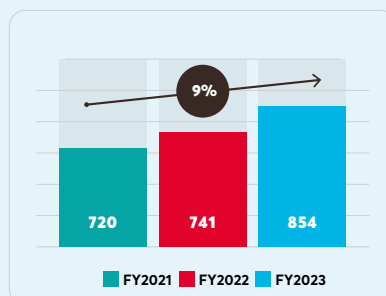
We would like to express our sincere gratitude to our esteemed customers for banking with us, staff of NCBA for their continued dedication, our respective communities and all stakeholders who continue to walk the journey with us.

### Balance Sheet Performance

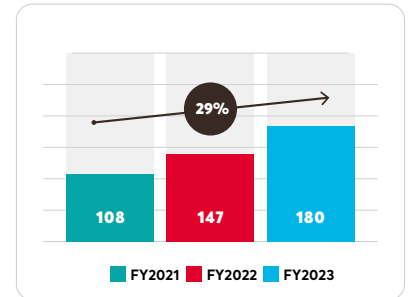
#### Customer Deposits YoY (Ugx Billions)



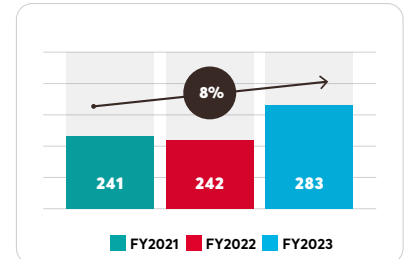
#### Total Assets YoY (Ugx Billions)



#### Total Equity YoY (Ugx Billions)

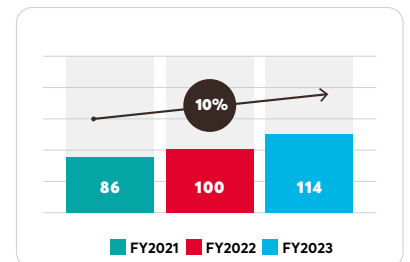


#### Gross Loans & Advances (Ugx Billions)

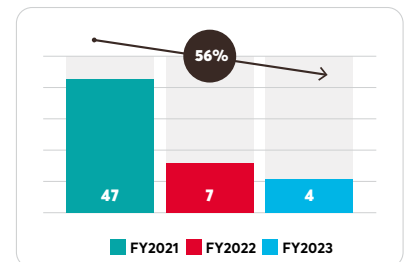


### Income Statement Performance

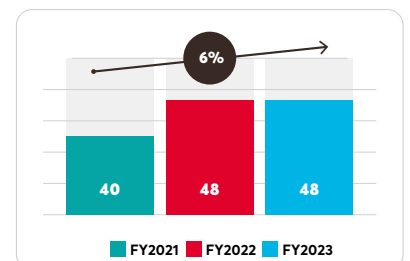
#### Total Income (NII +NFI) Ugx Billions



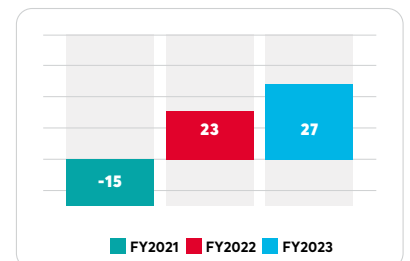
#### Impairment (Ugx Billions)



#### Total Costs (Ugx Billions)



#### Profit After Tax (Ugx Billions)



## Summary Financial Statements for the year ended 31 December, 2023

### I. REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF NCBA BANK UGANDA LIMITED

#### Opinion

The summary financial statements, which comprise the summary statement of financial position at 31 December 2023, the summary statement of comprehensive income for the year then ended and other disclosures, are derived from the audited financial statements of NCBA Bank Uganda Limited for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects with the audited financial statements, in accordance with the measurement and recognition requirements of International Financial Reporting Standards, the Financial Institutions Act 2004 (As Amended 2016) and the Ugandan Companies Act, 2012 as applicable to summary financial statements.

#### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Financial Institutions Act 2004 (As amended 2016) and the Uganda Companies Act, 2012 as applicable to the annual financial statements.

Reading the summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' report thereon.

The summary financial statements and audited financial statements do not reflect the effect of events that occurred subsequent to the date of our report on the audited financial statements.

#### The Audited Financial Statements and Our Report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 26 April 2024. The report also includes the communication of key audit matters as reported in the auditor's report of the audited financial statements. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the current period.

#### Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Financial Institutions (External Auditors) Regulations 2010 and the Financial Institutions Act, 2004 (amended in 2016) and for such internal control as the Directors determine necessary to enable the preparation of the summary financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material aspects, with the audited financial statements based on our procedures which were conducted in accordance with the International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



**Certified Public Accountant of Uganda**  
26 April 2024  
Kampala

### II. SUMMARY STATEMENT OF FINANCIAL POSITION

	31 December 2023 UShs '000	31 December 2022 UShs '000
<b>ASSETS</b>		
Cash and balances with the Central Bank	76,264,327	75,218,602
Items in the course of collection	2,039,447	6,388,227
Balances with Banking Institutions	73,088,405	74,605,507
Government securities at amortised cost	251,839,130	106,035,944
Government securities at fair value through OCI	119,507,216	183,510,836
Loans and Advances (net)	252,949,345	210,612,723
Current income tax recoverable	503,411	-
Due from Parent/Group Companies	12,830,640	1,158,570
Other Assets	21,929,651	39,417,955
Intangible Assets	2,930,589	3,006,241
Property and Equipment	2,270,865	1,896,910
Right of Use Asset	6,327,086	5,444,063
Deferred Tax Asset	31,491,840	33,930,757
<b>Total Assets</b>	<b>853,971,952</b>	<b>741,226,335</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Customer Deposits	567,096,272	491,269,570
Balances Due to Banking Institutions	11,392,193	29,779,688
Other Liabilities	27,624,061	42,012,931
Borrowed funds	34,035,167	18,600,000
Due to Parent/Group Companies	26,927,299	5,725,937
Current income tax payable	-	1,348,307
Lease Liability	6,464,499	5,739,462
<b>Total Liabilities</b>	<b>673,539,491</b>	<b>594,475,895</b>
Share Capital	150,883,302	150,883,302
Revaluation Losses	(1,316,260)	(8,012,204)
Retained earnings	30,865,419	3,879,342
<b>Total Shareholders' Equity</b>	<b>180,432,461</b>	<b>146,750,440</b>
<b>Total liabilities and shareholders' equity</b>	<b>853,971,952</b>	<b>741,226,335</b>

### III. SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	2023 UShs '000	2022 UShs '000
<b>INCOME</b>		
Interest on Loans and Advances	53,594,273	49,406,571
Interest on Government securities at amortised cost	21,136,267	15,116,354
Interest on Government securities at fair value through OCI	22,314,339	20,382,273
Interest on Deposits and Placements	1,107,447	1,475,847
Foreign Exchange Income	7,344,895	7,652,018
Fees and Commissions Income	6,152,385	4,316,764
Other Income	2,638,496	1,313,214
<b>Total Income</b>	<b>114,288,102</b>	<b>99,663,041</b>
<b>EXPENDITURE</b>		
Interest Expense on Deposits	(28,931,200)	(22,213,847)
Interest Expense on Borrowings	(142,274)	(6,966)
Interest Expense on Lease Liability	(239,649)	(291,889)
Credit impairment charge	(4,456,202)	(6,823,795)
Operating Expenses	(47,940,000)	(47,588,601)
<b>Total Expenditure</b>	<b>(81,709,325)</b>	<b>(76,925,068)</b>
<b>Profit before Tax</b>	<b>32,578,777</b>	<b>22,737,973</b>
Income tax (charge)/credit	(5,592,700)	61,144
<b>Net Profit after Tax</b>	<b>26,986,077</b>	<b>22,799,117</b>
<b>Other comprehensive income for the year after tax:</b>		
Net fair value gain/(loss) through OCI reserve	6,695,944	(7,011,976)
<b>Total Comprehensive income for the year</b>	<b>33,682,021</b>	<b>15,787,141</b>

### IV. OTHER DISCLOSURES

	31 December 2023 UShs '000	31 December 2022 UShs '000
<b>CONTINGENT LIABILITIES</b>		
Letters of Credit	49,310,622	22,372,806
Guarantees and Performance Bonds	12,291,811	62,904,119
<b>Total</b>	<b>61,602,433</b>	<b>85,276,925</b>
<b>COMMITMENTS</b>		
Undrawn Credit Lines	52,548,741	42,118,692
<b>Total</b>	<b>52,548,741</b>	<b>42,118,692</b>
<b>CREDIT EXPOSURE</b>		
Non-performing Loans	18,017,950	32,140,374
Interest in Suspense	1,502,697	3,863,330
Bad Debts Written Off	13,894,124	11,881,954
Large Loan Exposures	64,514,018	27,432,398
Insider Loan Exposures	1,386,435	1,020,326
<b>CAPITAL POSITION</b>		
Core Capital	145,957,343	109,813,442
Supplementary Capital	2,697,064	2,228,792
<b>Total Qualifying Capital</b>	<b>148,654,407</b>	<b>112,042,234</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>423,690,354</b>	<b>406,567,291</b>
Core Capital to RWA	34.4%	27.0%
Total Qualifying Capital to RWA	35.1%	27.6%

### V. MESSAGE FROM DIRECTORS

The above summary financial statement of financial position and summary statement of comprehensive income were audited by Deloitte Certified Public Accountant and received an unqualified audit opinion. The financial statements were approved by the Board of Directors on 15 March 2024 and discussed with the bank of Uganda on 03 April 2024.



**Grace Kavuma**  
Chairman



**Mark Muyobo**  
Chief Executive Officer



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Licence Number A1.026

NCBA's purpose is to inspire greatness. We know that environmental, social and governance, (ESG) issues generate outcomes that influence our business performance. "Change The Story", is our comprehensive approach to build on our long-standing commitment to sustainability. At the heart of Change the Story is our aspiration to contribute to a more sustainable and equitable future while ensuring long-term value creation for our stakeholders.



### NCBA's Approach and Commitment to Sustainability Our Commitments

Environmental	 <p><b>Minimize Our Direct Impact On the Climate and Amplify Our Tree Planting Program</b></p> <ul style="list-style-type: none"> <li>We will Grow 10,000,000 trees by 2030 through strategic partnerships with private actors and government.</li> <li>We will fully eliminate single use plastic and recycle 100% of our waste by 2030.</li> <li>We will green our supply chain and transform all our corporate gifting to be sustainable.</li> </ul>
	 <p><b>Ignite Our Customers' Transition to a Low Carbon Operating Model</b></p> <ul style="list-style-type: none"> <li>We will mobilize &amp; steer Green &amp; Sustainable Financing to accelerate the transition.</li> <li>We will invest in deploying EV charging stations across the region.</li> <li>We will develop a "Change the Story" knowledge platform to inspire and capacitate the public towards change.</li> </ul>
	 <p><b>Mitigate the Impact of Climate Related Risks to Our Long Term Performance</b></p> <ul style="list-style-type: none"> <li>We will complete a group-wide carbon audit in 2023 and set a &gt;50% reduction target in direct emissions (Scope I &amp; II) by 2030.</li> <li>We will align with the 2015 Paris Agreement and reduce our financed emissions by 2030.</li> <li>We will embed thorough assessments of climate-related risks in our lending, investment, and financing activities.</li> </ul>
Social	 <p><b>Enhance the Impact of Our Community Engagement Model</b></p> <ul style="list-style-type: none"> <li>We will train and ignite our staff to make a difference through the "I Change the Story" program.</li> <li>We will deploy funding annually to support the communities in which we operate.</li> <li>We will champion inclusive communities through Regional sport development.</li> </ul>
	 <p><b>Optimise our Corporate Governance</b></p> <ul style="list-style-type: none"> <li>We will steer at least 30% of our General Services procurement spend to women and youth.</li> <li>We will promote diversity, equity and inclusion at all levels of our operations: Enhanced board &amp; senior management diversity.</li> <li>We will provide targeted mentorship and skills building for women and youth.</li> </ul>
Governance	



Students under the Junior Achievement Program in partnership with NCBA Bank undergoing mentorship in Financial literacy.



Winners of the NCBA Golf Series at Uganda Golf Club, Kitante pose for a picture with Mr. Amos Nzeeyi, Board Chair of Crown Beverages Limited and Mr. Mark Muyobo, NCBA Uganda Limited CEO



NCBA CEO, Mr. Mark Muyobo presents the NCBA Golf series overall winner, Ms. Peace Kabasweka her prize at Entebbe Club in October 2023.



Junior Golfers practicing their shots during the NCBA Uganda Open.

#### Pillar 1: Minimize Our Direct Impact on the Climate and Amplify Our Tree Planting Program



NCBA Staff led by the CEO Mr. Mark Muyobo planting trees at Uganda Golf Club in June 2023.



NCBA Staff planting trees at Busoga College, Mwiri in Jinja during the Kenya Jamhuri Celebrations in December 2023.

#### Pillar 2: Ignite Our Customers' Transition to a Low Carbon Operating Model



In mobilizing Green Financing for SMEs, NCBA signed a Co-operation and Co-Funding Agreement with Uganda Green Enterprise Finance Accelerator (UGEFA) led by Mr. Rainer Agster, UGEFA Executive Board member

#### Pillar 3: Mitigate the Impact of Climate-related Risks to our Long-Term Performance

We will complete a group-wide carbon audit in 2024 & set a >50% reduction target in direct emissions (Scope I & II) by 2030

#### Pillar 4: Enhance the Impact of Our Community Engagement Model



NCBA Staff with some of the trees that were planted during the Customer Service Week in October 2023.

#### Pillar 5: Optimise our Corporate Governance

We will steer at least 30% of our General Services procurement spend to women and youth.

We will promote diversity, equity and inclusion at all levels of our operations.

We will provide targeted mentorship and skills building for women and youth.