

Summary of the Audited Financial Results for the year ended 31 December 2020.



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REPORT OF THE AUDITOR GENERAL ON THE SUMMARY FINANCIAL STATEMENTS OF POSTBANK UGANDA LIMITED

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31st December 2020, the summary statement of comprehensive income for the year then ended and other disclosures, are derived from the audited financial statements of PostBank Uganda Limited for the year ended 31st December 2020.

In my opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, which are prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2012 and the Financial Institutions Act, 2004, as amended by the Financial Institutions (Amendment) Act, 2016.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 2012, and the Financial Institutions Act, 2004, as amended by the Financial Institutions (Amendment) Act, 2016. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of my report on the bank's audited financial statements.

The Audited Financial Statements and My Report Thereon

I expressed an unmodified audit opinion on the audited financial statements in my report dated 28th April, 2021. That report also includes the communication of key audit matters. Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements for the current year.

Directors' Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements in accordance with The Financial Institutions (External Auditors) Regulations 2010 and the Financial Institutions Act, 2004, as amended by the Financial Institutions (Amendment) Act, 2016.

Auditor's Responsibility

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

John F.S Muwanga
AUDITOR GENERAL
KAMPALA

Date: 28th April, 2021

STATEMENT OF FINANCIAL POSITION

	2020 Ushs	2019 Ushs
Assets		
Cash and balances with Bank of Uganda	31,487,834,333	27,498,208,483
Balances with Banking Institutions	180,421,630,349	113,897,097,211
Loans and advances (Net)	334,690,357,332	267,083,351,961
Investment Securities	48,113,664,750	15,453,110,103
Interest receivable and Other assets	22,775,802,524	17,808,203,623
Property and equipment	29,666,069,630	34,313,918,444
Intangible assets	5,495,352,688	3,415,250,612
Right of use assets	21,904,068,238	11,108,411,534
Total assets	674,554,779,844	490,577,551,971
Liabilities and Shareholders' Equity		
Customers deposits	448,976,619,444	347,565,493,671
Balances due to banking Institutions	1,172,913,237	2,119,002,495
Interest payable and other liabilities	56,337,576,820	35,658,455,138
Tax payable	2,520,391,242	56,366,230
Borrowings	63,239,764,318	16,991,908,827
Deferred tax liability	923,370,652	1,418,426,170
Total liabilities	573,170,635,713	403,809,652,531
Shareholder's Equity		
Share capital	76,045,528,440	71,499,335,290
Retained earnings	21,340,160,037	11,837,387,894
Regulatory credit risk reserve	703,250,896	-
Revaluation reserve	3,295,204,758	3,431,176,256
Total shareholder's equity	101,384,144,131	86,767,899,440
Total liabilities and shareholders' Equity	674,554,779,844	490,577,551,971

STATEMENT OF COMPREHENSIVE INCOME

	2020 Ushs	2019 Ushs
Interest on deposits and placements	10,379,274,541	5,808,485,700
Interest on loans and advances	77,386,585,185	72,184,638,278
Interest on investment securities	3,397,661,513	1,742,628,539
Foreign exchange income	1,050,137,808	826,943,980
Fee and commissions income	25,290,418,110	26,157,415,961
Other income	1,993,309,048	2,830,231,499
Total income	119,497,386,205	109,550,343,957

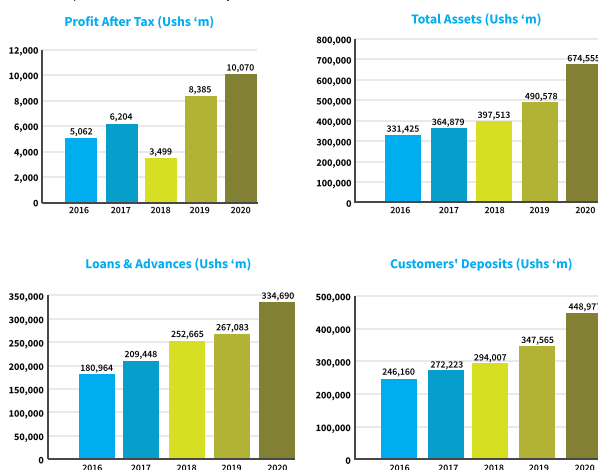
Interest expense on deposits	10,729,650,662	8,957,042,306
Interest expense on borrowings	2,198,439,022	1,800,161,245
Other Interest expense	5,339,587,497	1,286,953,415
Fee and commission expense	-	18,615,830
Provisions for bad and doubtful debts	6,266,869,357	1,773,758,148
Personnel related costs	41,765,726,816	42,485,831,348
Operating expenses	31,531,322,242	31,632,094,391
Other Expenses	6,480,089,992	8,996,008,297
Total expenditure	104,311,685,588	96,950,464,980
Net profits before tax	15,185,700,617	12,599,878,977
Taxation	5,115,649,076	4,214,882,860
Net profits after tax	10,070,051,541	8,384,996,117
Other comprehensive income	-	-
Total comprehensive income for the year	10,070,051,541	8,384,996,117

OTHER DISCLOSURES

	2020 Ushs	2019 Ushs
Contingent Liabilities		
Guarantees and performance bonds	879,758,000	1,886,390,829
Total Contingent Liabilities	879,758,000	1,886,390,829
Commitments		
Undrawn stand-by facilities	1,190,146,792	8,603,841,120
Total Commitments	1,190,146,792	8,603,841,120
Total Commitments and Guarantees	2,069,904,792	10,490,231,949
Non-performing loans and other assets		
Interest in suspense	12,066,150,296	10,300,295,419
Bad debts written off	1,144,136,380	1,259,992,605
Large loans exposure	4,596,978,131	4,162,932,944
Insider loan exposures	-	22,354,265,054
	16,392,903,396	14,351,223,062
Capital Position		
Core Capital	91,889,230,541	79,918,951,972
Supplementary Capital	6,630,955,638	6,114,627,339
Total Qualifying Capital	98,520,186,179	86,033,579,311
Total Risk Weighted Assets (RWA)	447,087,575,535	359,148,155,459
Core Capital to RWA	21%	22%
Total Qualifying Capital to RWA	22%	24%

HIGHLIGHTS FOR THE YEAR 2020

- The Bank's total assets grew by 38% to Ushs 675 billion
- Customer deposits grew by 29% to Ushs 449 billion
- Loans and advances to customers grew by 25% to Ushs 335 billion
- Total comprehensive income for the year amounted to Ushs 10.07 billion



Message from Directors

The above summary statement of financial position and summary statement of comprehensive income were audited by the Auditor General and received an unqualified opinion. The summary financial statements were approved by the Board of Directors on 26 March 2021 and discussed with Bank of Uganda on 23 April 2021.

Julius Kakeeto
Managing Director

Andrew Otengo Owiny
Board Chairman

Customer Deposits are protected by the Deposit Protection Fund of Uganda
PostBank Uganda Limited is regulated by the Bank of Uganda.