

# POSTBANK UGANDA LIMITED END OF YEAR AUDITED FINANCIAL RESULTS

For the year ended 31 December 2023



**Julius Kakeeto**

Managing Director / CEO

**I would like to take this opportunity to present PostBank Uganda Limited's performance for 2023.**

The country's economy improved from the previous year with inflation largely contained in the second half of the year. The financial services industry continued to support the business community that has been recovering from the after effects of the COVID pandemic.

At PostBank, we continued to focus on our strategy of improving service to our customers and availing credit access to Micro Small and Medium Enterprises (MSMEs) especially those along the agriculture value chain.

**The bank grew significantly in 2023 across several performance parameters.**

Income grew by 30% due to an increase in customer loans and deposits and the drive to diversify our business lines. Deposits grew by 15% while loans grew by 26%.

We closed the year with profit after tax of Ugx. 27.5 billion reflecting a growth of 82% from the previous year. This reinforces the bank's capital position as it prepares itself for the new minimum capital requirements that will take effect on 30<sup>th</sup> June 2024 and demonstrates the bank's consistent improvement in its operations.

The bank also launched Wendi as its primary platform to drive financial inclusion countrywide. Wendi allows use of technology and leveraging of partnerships to bring financial services closer to Ugandans.

**GREW CUSTOMER DEPOSITS BY**

**Ushs 101 billion**



**GREW INCOME BY 30% OR**

**Ushs 47 billion**

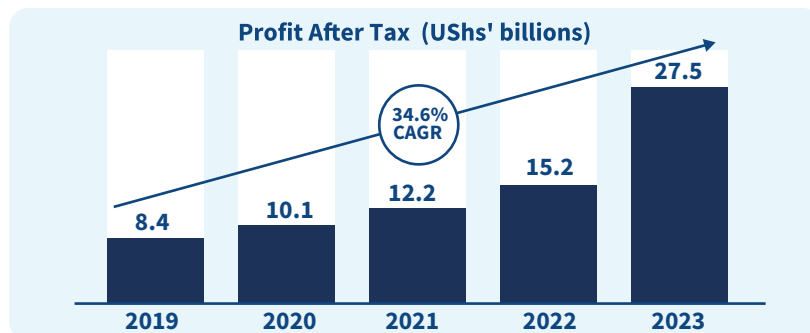
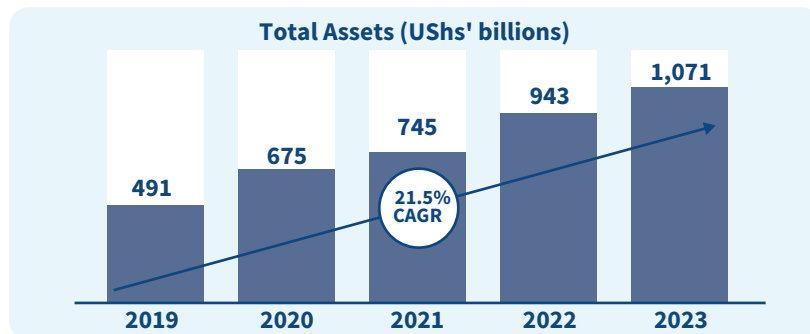
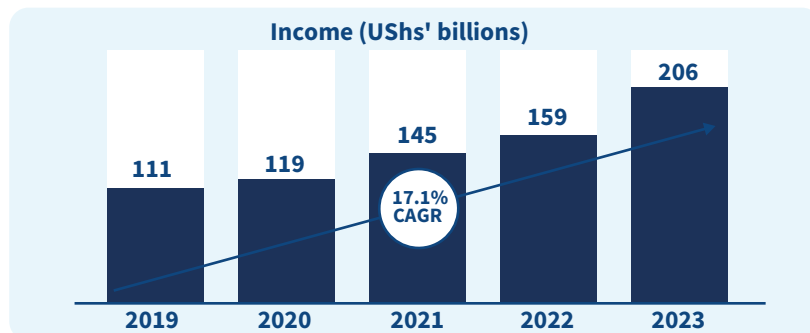
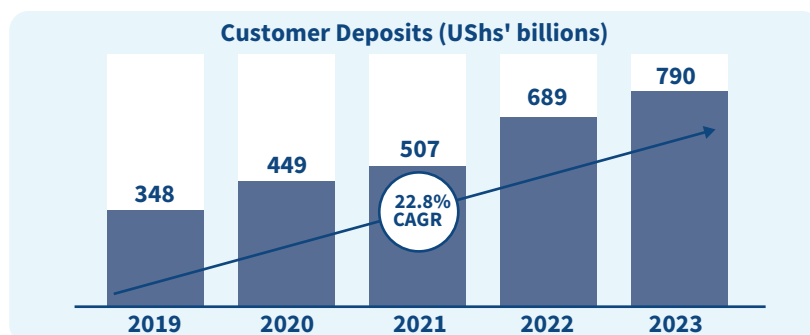
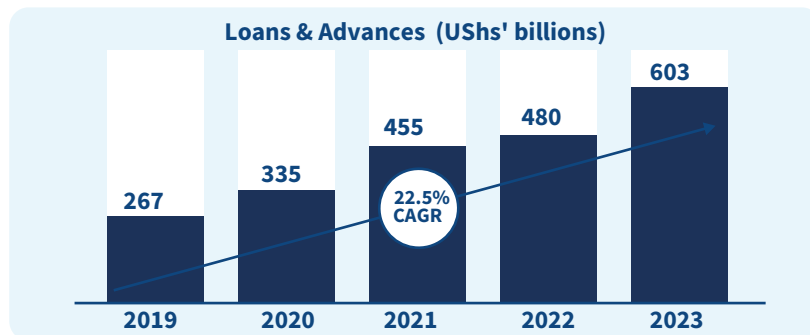


**GREW PROFIT AFTER TAX BY 82%**

**Ushs 27.5 billion**



## OUR 5 YEAR PERFORMANCE TREND



# SUMMARY OF THE AUDITED FINANCIAL RESULTS

For the year ended 31 December 2023

## (I) REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF POSTBANK UGANDA LIMITED

### Opinion

The summary financial statements of PostBank Uganda Limited, which comprise the summary statement of financial position as at 31<sup>st</sup> December 2023, the summary statement of comprehensive income for the year then ended and related disclosures (together "the summary financial statements"), are derived from the audited financial statements of PostBank Uganda Limited for the year ended 31<sup>st</sup> December 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements as at and for the year ended 31<sup>st</sup> December 2023, in accordance with the Financial Institutions Act, 2004 (as amended 2016) Laws of Uganda and the Financial Institutions (External Auditors) Regulations, 2010.

### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board, the Financial Institutions Act, 2004 (as amended 2016) Laws of Uganda and the Companies Act, 2012 Laws of Uganda. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 8<sup>th</sup> April 2024.

The report also includes:

- An emphasis of matter section that draws attention to Note 42 in the financial statements. Note 42 of the audited financial statements indicates that the comparative information presented as at and for the year ended 31<sup>st</sup> December 2022 has been restated.
- An other matter paragraph relating to comparative information section that indicates that the financial statements of PostBank Uganda Limited as at and for the year ended 31<sup>st</sup> December 2022, excluding the adjustments described in Note 42 to the financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on 3<sup>rd</sup> April 2023.
- An other matter paragraph relating to the National Audit Act that indicates that our report responds to the requirement by the Auditor General under Section 23(1) of the National Audit Act, 2008 to audit the financial statements of the Bank.
- The communication of other key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 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 Financial Institutions Act, 2004 (as amended 2016) Laws of Uganda and the Financial Institutions (External Auditors) Regulations, 2010.

### Auditor's Responsibility

Our 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 our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".



KPMG

Certified Public Accountants 3rd Floor, Rwenzori Courts

Plot 2& 4A, Nakasero Road P O Box 3509 Kampala, Uganda | Date: 8<sup>th</sup> April 2024

## (II) Statement of Financial Position as at 31 December 2023

	2023 Ushs'000	Restated 2022 Ushs'000
<b>Assets</b>		
Cash and balances with Bank of Uganda	130,328,392	99,282,113
Balances with banking institutions	23,294,041	102,282,411
Loans and advances (net)	602,596,870	479,522,825
Investment securities	183,266,957	156,868,788
Interest receivable and other assets	66,452,292	51,231,365
Property and equipment	63,696,603	54,259,598
Tax recoverable	1,099,696	-
<b>Total assets</b>	<b>1,070,734,851</b>	<b>943,447,100</b>
<b>Liabilities and Shareholders' Equity</b>		
Customers deposits	789,826,515	689,053,152
Balances due to banking institutions	6,665,438	11,863,607
Interest payable and other liabilities	64,554,548	50,665,526
Tax payable	-	791,020
Borrowings	41,463,193	53,162,542
Deferred tax liability	4,401,024	2,294,104
<b>Total liabilities</b>	<b>906,910,718</b>	<b>807,829,951</b>
<b>Shareholder's equity</b>		
Share capital	133,335,812	113,569,025
Retained earnings	27,679,894	19,095,183
Regulatory credit risk reserve	-	-
Revaluation reserve	2,808,427	2,952,941
<b>Total shareholder's equity</b>	<b>163,824,133</b>	<b>135,617,149</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,070,734,851</b>	<b>943,447,100</b>

## (III) Statement of comprehensive income for the year ended 31 December 2023

	2023 Ushs'000	2022 Ushs'000
Interest on deposits and placements	9,304,351	12,513,058
Interest on loans and advances	120,597,891	105,244,682
Interest on investment securities	43,496,658	8,164,830
Foreign exchange income	2,253,063	2,255,508
Fee and commissions income	30,342,575	29,460,641
Other income	394,944	1,626,799
<b>Total Income</b>	<b>206,389,482</b>	<b>159,265,518</b>
Interest expense on deposits	22,262,501	19,765,627
Interest expense on borrowings	6,030,078	4,113,109
Other interest expense	1,096,319	1,413,340
Provisions for bad and doubtful debts	9,101,712	10,723,471
Operating expenses	115,314,608	89,687,251
Other expenses	18,170,535	13,101,165
<b>Total expenditure</b>	<b>171,975,753</b>	<b>138,803,963</b>
<b>Net profits before tax</b>	<b>34,413,729</b>	<b>20,461,555</b>
Taxation	6,878,348	5,296,998
<b>Net profits after tax</b>	<b>27,535,381</b>	<b>15,164,557</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>27,535,381</b>	<b>15,164,557</b>

## (IV) Other disclosures

	2023 Ushs'000	2022 Ushs'000
<b>Contingent liabilities</b>		
Guarantees and performance bonds	3,941,483	4,034,398
Letters of credit	1,680,078	5,296,254
<b>Total</b>	<b>5,621,561</b>	<b>9,330,652</b>
<b>Commitments</b>		
Undrawn stand-by facilities	11,504,883	4,273,767
<b>Total commitments</b>	<b>11,504,883</b>	<b>4,273,767</b>
<b>Total contingent liabilities</b>	<b>17,126,444</b>	<b>13,604,419</b>
Non-performing loans and other assets	26,544,805	27,121,381
Interest in suspense	5,437,409	5,526,180
Bad debts written off	11,194,260	10,610,102
Large loans exposure	17,939,314	16,331,342
Insider loan exposures	5,968,287	7,199,998

## (V) Capital position as at 31 December 2023

	2023 Ushs'000	Restated 2022 Ushs'000
Core Capital	141,829,075	119,996,673
Supplementary Capital	8,921,858	7,812,599
Total Qualifying Capital	150,750,933	127,809,272
Total Risk Weighted Assets (RWA)	739,304,062	609,881,882
Core Capital to RWA	19.18%	19.68%
Total qualifying Capital to RWA	20.39%	20.96%

## (VI) Message from Directors

The above summary Statement of Financial Position and summary Statement of Comprehensive Income are derived from the financial statements of PostBank Uganda Limited for the year ended 31<sup>st</sup> December 2023, which were audited by KPMG Certified Public Accountants and received an unmodified opinion. The financial statements were approved on 5<sup>th</sup> March 2024, discussed with Bank of Uganda on 27<sup>th</sup> March 2024 and authorized for issue by the Board of Directors on 3<sup>rd</sup> April 2024.

### Dividend

The directors do not recommend the payment of a dividend.



**Julius Kakeeto**  
Managing Director/CEO



**Andrew Otengo Owiny**  
Board Chairman

## CLEVERS' ORIGIN SCHOOLS (Kitintale, Kasokoso and Matugga)

**“Freezing interest during the covid pandemic period”**

Amidst challenges like COVID pandemic, PostBank stood by us, offering crucial financial solutions like freezing interest during those tough times. PostBank's support extended beyond banking to sponsoring our award-winning choir, facilitating our school's expansion, empowering teachers with loans, and venturing into projects such as purchasing land for a secondary school.

## MARY QUEEN OF PEACE SCHOOL

**“Our dream of opening up a school came to pass”**

In 2013, I began constructing Mary Queen of Peace School but encountered financial constraints. PostBank's loan enabled us to finish construction, build more classrooms to accommodate our students, driving our school to success. During the pandemic, their flexibility and understanding ensured our continued operation. Their belief in our vision has inspired dreams of further expansion, like establishing a secondary school.

**“Ushs 291 million in Agriculture insurance claims paid to farmers in Kween district”**



**Mugwanya Christopher**  
Proprietor Of Clevers' Origin Schools  
(Kitintale, Kasokoso And Matugga)



**Clevers' Origin Schools**  
(Kitintale, Kasokoso And Matugga)



**Sister Mary Angellina Akello**  
Mary Queen Of Peace School

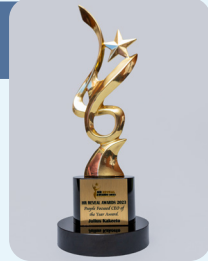


**Mary Queen Of Peace School**

Together with CiC Insurance, we provided compensation to 107 farmers from Kween district who suffered significant losses during the 2023 drought season, resulting in severe damage to their crops. The ceremony, held at our branch in Kapchorwa, saw a total disbursement of Ushs 291,564,674 to support these farmers.



## AWARDS & ACHIEVEMENTS 2023



**Best People focused CEO/MD**  
HR Reveal Awards 2023



**Bronze Award, for excellent Integrated Reporting**  
Fire Awards 2023



**CFO of the Year**  
(1<sup>st</sup> runners up)  
ACCA\_Uganda CFO Awards 2023



**Outstanding Achievement in Financial Reporting** (under the Commercial Banks Category)  
Fire Awards 2023



**Gold Award, Customer Experience Program Category**  
SilverBack Awards 2023



**Banking Innovation Excellence "Wendi"**  
Digital Impact Awards 2023



**Best Visionary Government Performing Bank of the Year**  
11<sup>th</sup> Visionaries of Uganda Awards 2023



**CFO Leadership Award**  
ACCA\_Uganda\_CFO Awards 2023



**CUSTOMER TESTIMONIAL**  
**MR. MUYINGO KENNETH**

“If I was looking for someone to partner with as far as taking care of my diaspora banking needs, I couldn't look further than PostBank because they could be relied on.” Meet Kenneth Muyingo, the Publicity Director for the Uganda Netherlands Business Convention and the Public Relations Officer for the Ugandan Community in the Netherlands. To learn more about his diaspora banking experience with PostBank, kindly scan the QR code provided below.

Open a Diaspora Account with us today!

#DiasporaBanking  
#PBUEmpoweringYou  
#SeamlessExperience #TrustedPartner



Scan code for full interview



**Sustainability Standards and Certification Initiative - SSCI**  
European Organization for Sustainable Development (EOSD)



**Best User Friendly Banking Application**  
World Business Outlook 2023

## Wendi launch in Kampala



On 1st November, we officially launched the "Wendi" mobile wallet, to promote financial inclusion with its "Wona Wooli" campaign. Dr. Micheal Atingi-Ego, Deputy Governor at Bank of Uganda, lauded the innovation, emphasizing financial inclusion goals. Wendi aims to reach the unbanked with convenience, accessible through the mobile App and USSD code.

Mr. Julius Kakeeto, our CEO, hailed Wendi as a financial lifeline, offering various services. Mr. Andrew Kabeera, our ED, highlighted Wendi's secure technology and partnerships for a seamless experience.

## Wendi launch in Kakumiro



Together with Airtel Money Commerce Uganda, in collaboration with Housing Finance Bank and Pride microfinance, we announced our partnership to support the seamless disbursement of PDM funds by government through Wendi. Wendi is a digital payment platform powered by PostBank that pivots on group savings and funds management, digital money savings, transfers, deposits and withdrawals, to drive financial inclusion within unbanked Ugandan communities.

## Wendi launch in Bukedea



PostBank successfully distributed 213 smartphones across Ngora, Bukedea, and Kumi districts as part of our ongoing initiative through our mobile wallet "Wendi" to support SACCO executives in the efficient disbursement of PDM funds. This initiative, led by the PostBank Bukedea Branch Manager, Annet Amongin, and the Regional Coordinator for PDM in the Eastern region, Herbert Baliyo, showcases our commitment to empowering economic growth and fostering financial inclusion within our communities and Uganda at large.

## Ramathan Giving



We handed over assorted food items to Kyambogo University Muslim community at the university mosque as part of our support to our clientele in during the 2023 Ramadan period.

## Over Ushs 1.3 billion in Agriculture insurance claims disbursed to farmers



**Some of the beneficiaries of the agriculture insurance claims.** In partnership with CiC Insurance, we provided compensation to 37 farmers from Kiryandongo district and neighboring areas, who suffered significant losses during the 2023 drought season, resulting in severe damage to their crops. This compensation, made possible through PostBank's agriculture insurance, serves as a beacon of hope amidst adversity. The ceremony, held at our branch in Bweyale, saw a total disbursement of Ushs 50,266,407 to support these farmers.

## PBU/AIRTEL Zero Rate



We announced a strategic partnership with Airtel Money aimed at fostering financial inclusion by eliminating charges on all transfers made from the PostApp and PostMobile - \*263# to Airtel Money wallets.

This initiative seeks to reduce the financial burden on our customers while enhancing their access to a wide range of financial services through the extensive network of Airtel Money agents across Uganda.

## ANNUAL CERTIFICATE OF RESPONSIBILITY FOR THE FINANCIAL YEAR 2023

Pursuant to Section 15 of the Public Enterprises Reform and Divestiture Act, 2000;

We as the undersigned of PostBank Uganda, acknowledge the responsibility for the proper and due regard for the safeguarding of the assets of the bank and hereby confirm we have complied with all the requirements of the applicable laws in executing these responsibilities."

Andrew Otengo Owiny  
Board Chairman

Julius Kakeeto  
Managing Director/CEO

Peter Ssenyange  
Chief Finance Officer

## Scan code to view our pillar 3 market disclosures



Visit: [www.postbank.co.ug](http://www.postbank.co.ug)