

# Statement from the Managing Director.



**CHIOMA A. MANG**  
Managing Director/CEO

It gives me great pleasure to present the financial performance of United Bank for Africa Uganda Limited (UBA Uganda) for the year ended December 31st, 2020. The past year was characterized by the COVID-19 pandemic which presented a profoundly challenging business environment throughout the world. Our thoughts and prayers remain with all the families and businesses that were affected by the crisis.

UBA Uganda is committed to serving our customers through good times, as well as the extraordinarily difficult times. In March 2020, UBA Uganda donated five hundred seventy million Uganda shillings (UGX 570 Million) to the Government of Uganda towards the fight against COVID-19. In addition, we lowered our prime lending rate from 20% to 19% and restructured 30% of our loan book.

Despite the economic challenges presented by the COVID-19 Pandemic in 2020, UBA Uganda registered firm growth on all key performance indicators. The profit after tax of the bank was UGX 13 Billion, a 62% year-on-year growth in the slowed economy. The growth in total assets of the bank was modest during the pandemic at 10% year-on-year from UGX 449 Billion to UGX 493 Billion. This was bolstered by growth on net loans of UGX 4.9 Billion and contribution to the economic liquidity of UGX 27 Billion. More customers trusted us with their funds in 2020 and our customer deposits grew by UGX 14 Billion. We continued to strongly manage risk with a final impairment loss ratio of 0.50%.

This improved performance is a testament of our customers' continued belief and patronage, even during the pandemic as well as the strong

commitment of our staff in serving our esteemed customers.

In 2021, UBA will elevate our customer banking experience by relaunching our improved Mobile Banking solutions, increasing our agents across the country, opening new branches and availing more credit to our customers.

In conclusion, let me extend my appreciation to the UBA Uganda Board of Directors, Management team and all staff for their vision, leadership and resilience in the difficult year 2020, delivery of superior customer service and experience and achieving this excellent financial performance.

## 2020 Highlights

### UBA Uganda Donates UGX 570M to the Government for COVID-19 fight.

United Bank for Africa – Uganda in March 2020, donated five hundred and seventy million shillings (UGX 570M) to the Government of Uganda as support towards the fight against the coronavirus (COVID-19) global pandemic.



### United Bank for Africa – Uganda extends footprint to Five additional branches.

To increase convenience and accessibility for our customers, UBA in 2020 opened five additional branches at Forest Mall, Kampala Boulevard Mall,

Ntinda Town, Mukono Town and Gulu Town. The bank also opened 6 new off-site ATMs at Kampala Road, Ben Kiwanuka Street, Bugolobi, Forest Mall, Quality Shopping Mall Naalya and Nansana Town. The additional locations increased UBA's footprint to 16 branches and 22 ATMs countrywide.



### UBA Supports businesses through COVID-19 Pandemic.

With the advent of the COVID-19 Pandemic, businesses have been hit and struggled to keep afloat. To lessen the economic impact on businesses,

UBA implemented measures including lowering of the prime lending rate from 20% to 19% in line with the Central Bank Rate and restructured 30% of its loan book.



In addition, the Bank has re-engineered its digital banking solutions to ensure customers can do the bulk of their banking virtually without visiting the physical branches. Lowering the risks of spreading the virus. As we continue to monitor the effects of the pandemic on businesses and the economy, the bank remains committed to supporting its customers to keep their businesses thriving and growing.

### Highlights of 2020 performance.

**62%**  
↑  
2019-2020  
Profit After Tax

**4%**  
↑  
2019-2020  
Customer Deposits

**12%**  
↑  
2019-2020  
Customer Loans

**34%**  
↑  
2019-2020  
Annual Gross Earnings

# United Bank for Africa Uganda Limited.

## Summary Financial Statements for the year ended 31 December 2020.

### I. INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF UNITED BANK FOR AFRICA UGANDA LIMITED

#### Opinion

The summary financial statements of United Bank for Africa Uganda Limited, which comprise the summary statement of financial position as at 31 December 2020, and the summary statement of profit or loss and other comprehensive income for the year then ended, and related notes, are derived from the audited financial statements of United Bank for Africa Uganda Limited for the year ended 31 December 2020.

In our opinion, the accompanying summary financial statements are consistent, in all material aspects with the audited financial statements, in accordance with the measurement and recognition requirements of IFRS and the requirements of Section 12(1) of the Financial Institutions Act, 2004 (amended in 2016) as applicable to summary financial statements.

#### Summary Financial Statements

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

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 do not reflect the effects 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 opinion on the audited financial statements of the Bank in our report dated 28th April 2021. That report 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 Bank's financial statements for the year then ended.

#### Directors' responsibilities 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).

#### 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**  
28th April 2021  
Kampala.

### II. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	2020 Ushs'000	2019 Ushs'000
<b>ASSETS</b>		
Cash and balances with Bank of Uganda	201,589,157	92,874,378
Balances with banking institutions	39,716,208	167,540,699
Debt instruments at fair value through other Comprehensive income	144,604,585	117,537,461
Loans and advances (net)	46,794,499	41,926,123
Interest receivable and other assets	35,601,480	8,829,727
Property, equipment and Right of Use Assets	23,999,967	20,312,256
Intangible assets	217,698	243,424
<b>TOTAL ASSETS</b>	<b>492,523,594</b>	<b>449,264,068</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Customer deposits	338,982,590	325,265,128
Borrowings	50,850,833	40,279,582
Interest payable and other liabilities	35,412,461	28,424,707
<b>TOTAL LIABILITIES</b>	<b>425,245,884</b>	<b>393,969,417</b>
Share capital	96,428,378	96,428,378
Accumulated losses	(27,588,951)	(40,616,488)
Regulatory credit reserve	58,844	12,080
Fair value reserve	(1,620,561)	(529,319)
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>67,277,710</b>	<b>55,294,651</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>492,523,594</b>	<b>449,264,068</b>

### III. STATEMENT OF COMPREHENSIVE INCOME

	2020 Ushs'000	2019 Ushs'000
<b>INCOME</b>		
Interest on deposits and placements	8,809,817	5,712,449
Interest on loans and advances	5,972,589	4,918,097
Interest on government securities	22,808,820	25,089,369
Foreign exchange income	18,896,467	2,821,999
Fees and commission income	11,328,230	11,086,585
Other income	215,800	1,104,895
<b>TOTAL INCOME</b>	<b>68,031,723</b>	<b>50,733,394</b>
<b>EXPENDITURE</b>		
Interest expense on deposits	(12,499,175)	(7,664,068)
Provisions for bad and doubtful debts	38,574	(139,839)
Operating expenses	(37,935,058)	(33,838,113)
<b>Total expenditure</b>	<b>(50,395,659)</b>	<b>(41,642,020)</b>
Profit before income tax	17,636,064	9,091,374
Income tax expense	(4,561,764)	(1,037,173)
<b>Profit after tax</b>	<b>13,074,300</b>	<b>8,054,201</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Unrealized fair value changes on Debt securities at FVOCI	(1,091,242)	477,766
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>11,983,058</b>	<b>8,531,967</b>

### IV. OTHER DISCLOSURES

	2020 Ushs'000	2019 Ushs'000
<b>CONTINGENT LIABILITIES</b>		
Letters of credit	-	2,748,750
Guarantees and performance bonds	46,606,675	42,770,740
<b>TOTAL</b>	<b>46,606,675</b>	<b>45,519,490</b>
<b>COMMITMENTS</b>		
Undrawn credit lines	-	9,657,897
<b>TOTAL</b>	<b>-</b>	<b>9,657,897</b>
<b>CREDIT EXPOSURE</b>		
Non-performing loans and other assets	236,528	24,763
Interest in suspense	7,745	7,265
Bad debts written off	-	1,750,028
Large loan exposures	16,555,367	19,811,464
Insider loan exposures	200,928	222,475
<b>CAPITAL POSITION</b>		
Core capital	66,857,055	54,841,736
Supplementary capital	472,101	422,382
<b>Total qualifying capital</b>	<b>67,329,156</b>	<b>55,264,119</b>
Total Risk Weighted Assets (RWA)	191,944,579	252,065,397
Core capital to RWA	34.83%	21.76%
Total qualifying capital to RWA	35.08%	21.92%

### V. BASIS OF PREPARATION

The summary financial statements for the year ended 31 December 2020 were prepared in accordance with the requirements of Section 12(1) of the Financial Institutions (External Auditors) Regulations, 2010. The regulations require that a financial institution shall, within four months after the end of its financial year, publish its audited annual financial statements and the external auditor's report, in a newspaper circulating in the whole of Uganda in the format prescribed in the schedule of the regulations. These summary financial statements have been reviewed by Deloitte & Touche Certified Public Accountants of Uganda who expressed an unmodified review conclusion. The directors take full responsibility for the preparation of this report.

### VI. MESSAGE FROM DIRECTORS

The above summary statements of financial position and statement of comprehensive income are extracted from the financial statements of United Bank for Africa Uganda Limited for the year ended 31 December 2020 which were audited by Deloitte & Touche Certified Public Accountants and received an unqualified audit opinion dated 28th April 2021.

The financial statements were approved by the Board of Directors on 30th March 2021 and discussed with Bank of Uganda on 15th April 2021.



**Mr. Mustapha Kigozi**  
Acting Chairman



**Mrs. Chioma A. Mang**  
Managing Director/CEO