

# Strong Foundations For A Stronger Future

## Financial Performance Statement 2024

Arthur Isiko, Managing Director, Bank of Africa-Uganda Ltd

### A year defined by strategic focus and resilient execution

2024 marked an inflection point—not only for Bank of Africa - Uganda but for the broader financial sector and national economy. In a year shaped by heightened volatility, rapid digitization, and evolving client needs, we remained firmly anchored to our strategic priorities. Through disciplined execution and sound risk management, we delivered resilient results while positioning the Bank for long-term value creation. We entered the year with a clear agenda: sharpen our execution, deepen client engagement, and accelerate digital and operational transformation. Our performance reflects that clarity of purpose.

### Macroeconomic and industry backdrop

Uganda’s macroeconomic fundamentals remained broadly stable in 2024, supported by improved monetary discipline, easing inflationary pressures, and a rebound in private sector activity. Headline inflation moderated to 3.3% by year-end, reflecting tighter monetary policy and relative food price stability. The Uganda Shilling remained generally stable, while interest rates normalized in response to improved liquidity conditions. Fiscal consolidation efforts continued, although public debt levels remain elevated, warranting close monitoring.

Looking ahead, GDP growth is projected between 6.0% and 6.5% in 2025, driven by ongoing infrastructure investment, expansion in the services and industrial sectors, and growing regional trade. The financial services industry continues to undergo rapid transformation, shaped by regulatory reforms, accelerated digitization, and rising demand for inclusive financial products. In this evolving landscape, The Bank remains committed to enabling inclusive growth, expanding financial access, and supporting Uganda’s broader economic development agenda.

### Financial performance snapshot

In 2024, the Bank delivered a resilient financial performance, marked by stable profitability and strong balance sheet growth. Profit after tax stood at UGX 25.7 billion, broadly in line with the previous year. Customer deposits increased by 25.5% to UGX 863 billion, reflecting continued customer confidence and deepening franchise strength. The loan portfolio expanded by 12.7% to UGX 481 billion, with notable traction in the SME and retail segments. Total assets grew by 13.1% to UGX 1.2 trillion, supported by prudent asset allocation and liquidity management. Credit impairment charges declined significantly—by 80%—driven by enhanced underwriting standards and improved portfolio quality. The Bank closed the year with a robust capital adequacy ratio of 22%, well above regulatory requirements, underscoring its sound capital position and risk discipline. These results underscore continued growth in core franchises, improved risk-adjusted returns, and a well-capitalized balance sheet.

### Strategic execution and progress

Our strategy in 2024 was anchored on four core pillars: growth, risk discipline, productivity, and profitability. We grew market share in key client segments, notably SMEs and retail. We relocated to a modern, energy-efficient head office designed to elevate both customer and employee experience. Integration with the broader Bank of Africa Group unlocked operational synergies, while our investments in infrastructure and digital platforms laid the foundation for scalable growth.

### Operational and digital transformation

The Bank made significant strides in operational efficiency and digital transformation, aligning technology investments with evolving customer needs. Key digital platforms, including BOA Mobile Wallet

and Internet Banking, were comprehensively upgraded to enhance user experience and strengthen security protocols. The Bank also scaled up BOA Pay, its merchant payment solution, broadening its reach across the country to support business transactions. Internally, automation of core processes improved turnaround times and control effectiveness, while staff capability was bolstered through an average of 38 hours of training per employee. These advancements reflect the Bank’s commitment to service excellence, innovation, and a scalable operating model fit for the future.

### Sustainability and ESG impact

Sustainability remained central to the Bank’s strategic agenda in 2024, with deliberate actions taken to embed Environmental, Social, and Governance (ESG) considerations across the business. All credit applications were subject to environmental and social screening using the Bank’s proprietary ESG scoring tool, ensuring responsible lending practices. The Bank deepened support for MSMEs through customized financing solutions and nationwide financial literacy programs. Gender equity remained a key focus, with women comprising 56% of the workforce and 41% of leadership roles. The new head office was developed with eco-friendly design features, reinforcing our commitment to green building standards. Across operations, the Bank adopted measures to reduce paper usage, implement sustainable waste management, and expand partnerships that promote environmental stewardship. These initiatives reflect a broader alignment with Uganda’s development priorities and the United Nations Sustainable Development Goals (SDGs).

### Risk management and governance

In 2024, the Bank sustained a proactive and disciplined approach to risk management, underpinned by a refreshed Enterprise Risk Management (ERM) framework designed to address a dynamic and evolving risk landscape. The Bank continued to invest in cybersecurity infrastructure, staff awareness programs, and system controls to mitigate digital threats and safeguard customer data. Our governance model remained strong, with clearly defined roles and independent oversight functions ensuring accountability at all levels of the organization. Risk-taking activities are closely monitored and managed through a structured internal control framework, with dedicated teams responsible for risk ownership, monitoring, and assurance. In addition, we maintained close alignment with regulatory expectations through continuous engagement with the Central Bank of Uganda. These measures ensured the integrity of our operations, protected stakeholder interests, and reinforced the Bank’s financial resilience.

### Outlook: Positioned for sustainable growth

Looking ahead to 2025, Bank of Africa - Uganda remains cautiously optimistic, supported by a resilient macroeconomic outlook and a sound strategic foundation. The Bank will continue to prioritize digital innovation to enhance customer experiences and operational efficiency, while expanding its sustainable finance agenda through increased green lending and impact-driven products. Strengthening cybersecurity and reinforcing operational resilience will remain key focus areas, alongside deeper engagement with SMEs, educational institutions, and underserved communities. As the regulatory and competitive landscape evolves, the Bank will maintain rigorous risk controls and capital discipline to support sustainable growth. Backed by a robust balance sheet, a clear strategic roadmap, and a committed team, the Bank is well-positioned to deliver consistent value to all stakeholders.

### Appreciation

I extend my deepest gratitude to our employees for their dedication and integrity, to our customers for their continued trust, and to our directors, shareholders, regulators, and partners for their unwavering support. Together, we continue to chart a path of purposeful growth and shared success.



1 Launch of Bank of Africa new Head Office on Plot 23 Lugogo Bypass and celebration of 40 years in Africa, February 2024



2 Support to children with cerebral palsy, Children in Need School, Mukono, March 2024



3 Agent engagement activities, April 2024



4 Customer business forum engagement activities, July 2024



5 Participation in the Ray of Hope Hospice Jinja Breast Cancer Awareness Run, October 2024



6 Celebrating loyalty – honouring customers who have been part of our journey for more than 2 decades, October 2024



**I REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BANK OF AFRICA - UGANDA LTD**

**Opinion**

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2024, the summary statement of comprehensive income, for the year then ended, and related notes, are derived from the audited financial statements of Bank of Africa - Uganda Ltd. for the year ended 31 December 2024.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the Financial Institutions (External Auditors) Regulations, 2010 of Uganda.

**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, and the requirements of the Companies Act Cap 106, Financial Institutions Act 2004 (as amended) and Financial Institutions Regulations of Uganda. 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 the audited 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**

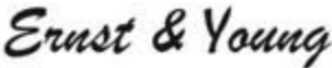
We expressed an unmodified audit opinion on the audited financial statements in our report dated 29 April 2025. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements 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 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 Standards on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



Ernst & Young  
Certified Public Accountants  
EY House,  
Plot 18, Clement Hill Road  
Shimoni Office Village  
P.O. Box 7215, Kampala, Uganda  
Date: 29th April, 2025

II SUMMARY STATEMENT OF FINANCIAL POSITION	2024 Shs M	2023 Shs M
<b>Assets</b>		
Cash and balances with BOU	140,038	127,382
Balances with banking Institutions	93,729	51,222
Due from Parent/Group Companies	74,330	18,961
Investment securities	318,393	353,755
Loans and advances (Net)	480,959	426,782
Receivables and Other assets	14,122	16,318
Property and equipment	68,394	53,773
Intangible assets	3,447	3,637
Deferred tax asset	10,245	12,031
<b>Total Assets</b>	<b>1,203,657</b>	<b>1,063,861</b>
<b>Liabilities and shareholders’ equity</b>		
Customers’ deposits	863,412	688,088
Balances due to banking institutions	3,899	41,539
Due to Parent/Group companies	86,150	107,143
Tax payable	467	1,484
Payables and Other liabilities	45,215	33,978
<b>Total Liabilities</b>	<b>999,143</b>	<b>872,232</b>
Share capital	150,000	150,000
Proposed dividends	16,050	12,775
Statutory credit risk reserve	-	-
Retained earnings	38,464	28,854
<b>Total Shareholders’ Equity</b>	<b>204,514</b>	<b>191,629</b>
<b>Total Liabilities and Shareholders’ Equity</b>	<b>1,203,657</b>	<b>1,063,861</b>

III SUMMARY STATEMENT OF COMPREHENSIVE INCOME	2024 Shs M	2023 Shs M
<b>Income</b>		
Interest on loans and advances	67,916	66,210
Interest on government securities	43,718	46,863
Interest on deposits and placements	3,819	3,902
Net trading income	13,048	12,759
Fees and commissions income	28,694	28,638
Other income	509	273
<b>Total Income</b>	<b>157,704</b>	<b>158,645</b>
<b>Expenditure</b>		
Interest on customer deposits	22,589	15,940
Interest expense on borrowings	11,550	14,342
Other interest expense	1,641	648
Provision for bad and doubtful debts	1,450	14,668
Management fees	1,384	1,187
Operating expenses	73,185	70,004
Other expenses	9,715	8,864
<b>Total Expenditure</b>	<b>121,514</b>	<b>125,653</b>
<b>Profits Before Tax</b>	<b>36,190</b>	<b>32,992</b>
Taxation	(10,530)	(7,413)
<b>Profits After Tax</b>	<b>25,660</b>	<b>25,579</b>

IV OTHER DISCLOSURES	2024 Shs M	2023 Shs M
<b>Contingent Liabilities</b>		
Letters of credit	21,763	26,920
Guarantees and performance bonds	227,251	250,844
<b>Total</b>	<b>249,014</b>	<b>277,764</b>
<b>Commitments</b>		
Undrawn stand-by facilities	6,676	5,393
Non-performing loans and other assets	11,223	12,676
Interest in suspense	761	872
Bad debts written off	9,231	23,763
Large loan exposures	288,679	288,341
Insider loan exposures	1,160	1,142
<b>Capital Position</b>		
Core capital	174,772	163,171
Supplementary capital	4,953	4,431
<b>Total Qualifying Capital</b>	<b>179,725</b>	<b>167,602</b>
Total risk weighted assets (RWA)	815,401	615,844
<b>Core Capital to RWA</b>	<b>21.4%</b>	<b>26.5%</b>
<b>Total Qualifying Capital to RWA</b>	<b>22.0%</b>	<b>27.2%</b>

**Note to the summary financial statements of Bank of Africa - Uganda Ltd.**

The summary financial statements are extracted from the audited financial statements in accordance with the Financial Institutions (External Auditors) Regulations, 2010.

**V MESSAGE FROM DIRECTORS**

The statement of financial position and statement of comprehensive income were audited by Ernst & Young certified public accountants and received an unmodified opinion. The financial statements were approved by the Board of Directors on 04 February 2025 and discussed with Bank of Uganda on 22 April 2025.

  
**George W. Egaddu**  
Chairman

  
**Arthur Isiko**  
Managing Director

  
**Samir Yassine**  
Executive Director

  
**Rehman Nabunya**  
Company Secretary

**VI TRENDS**

