



Bank of Baroda (Uganda) Limited

STATEMENT FROM THE MANAGING DIRECTOR



SHASHI DHAR, MANAGING DIRECTOR

It is my pleasure to share the Bank's financial statements for the year ended December 31, 2022. The Bank's performance for year 2022 is an exemplification of great suppleness, customer centrisim, prudent leadership and sustained focus on leveraging technology for customized banking experience and enhanced reach.

Overall 2022, was a good year for the Bank in terms of performance & growth as the Bank witnessed growth in almost all major financial parameters. The Bank constantly worked on its strength and objectivity resulting with to **35.41% growth in its profitability**. The Profit After Tax (PAT) of the Bank grew from Ushs 90.23 billion in 2021 to Ushs 122.19 billion in 2022. The credit portfolio of the Bank also crossed the desired **US\$ 1 Trillion during the year with terminal figures of US\$ 1.089 Trillion**. The total interest earned by the Bank during the year 2022 grew by 23.04% as compared to 2021. The Bank was also instrumental in **reducing its operational expenses from US\$ 41.99 billion in 2021 to US\$ 37.01 billion in 2022**. These figures are testimony of robust system and standardized processes being implemented by the bank.

During the year 2022, while complying with the directives of Bank of Uganda, the Bank also initiated the process of capital restoration to US\$ 150 billion as compared to the existing US\$ 25 billion. The Bank is in desired path and is expected to complete the task before the stipulated timelines.

In order to ensure convenient, efficient and fast service to our esteemed customers, the Bank has further leveraged technology by improving its digital banking channels and enhancing the customer experience. These include Baroda- Connect Internet Banking,

Baroda M Connect Plus Mobile Banking, Agent Banking, Cash Recyclers, Visa enabled ATMs among others. The Bank further upgraded its risk, compliance and asset management systems through technological innovations and enhancing its Core Banking System provisions.

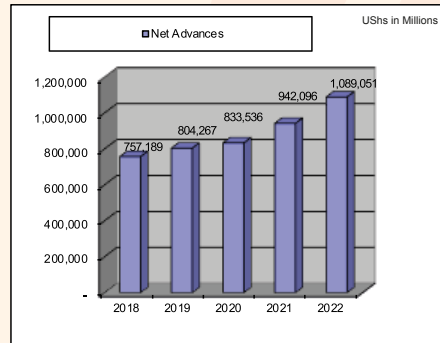
During the year 2022 the Bank was bestowed with various accolades by different independent agencies. The Bank was conferred with the **First Prize Winner as Most Compliant Bank** category by Uganda Revenue Authority (URA) for the financial year 2021-2022. The Bank was also adjudged **Best Consistent and Competent Bank under People's Choice Quality Award** for the third consecutive time (Year 2022/2023). These awards are the testimony of the trust and belief people of Uganda have on the Brand Bank of Baroda.

During the year 2023 the Bank foresees substantial growth in credit exposure and enhanced interest income. The Bank is also planning to further digitalize its processes for reducing the turn around time and enhancing the customer experience.

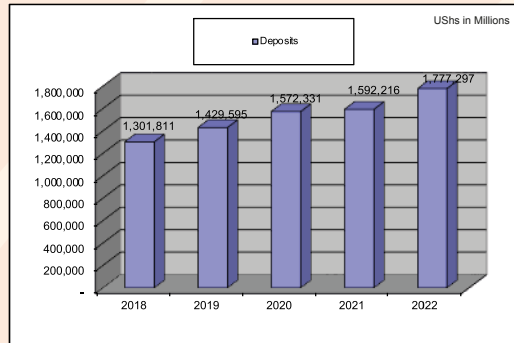
I take this opportunity to place my sincere thanks and gratitude to the Government of the Republic of Uganda and Bank of Uganda (the Central Bank), Capital Market Authority and Uganda Securities Exchange for their valuable guidance and continued support in strengthening the operations of the Bank. I express my deepest gratitude to all our employees, esteemed customers and shareholders for their continuous support and patronage.

PERFORMANCE AT A GLANCE

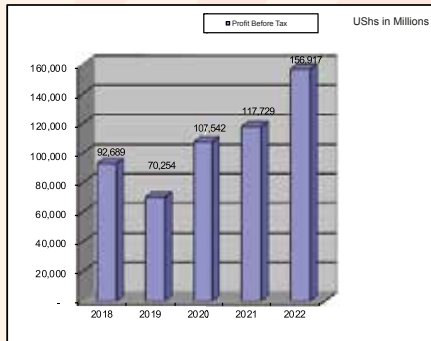
Net Advances



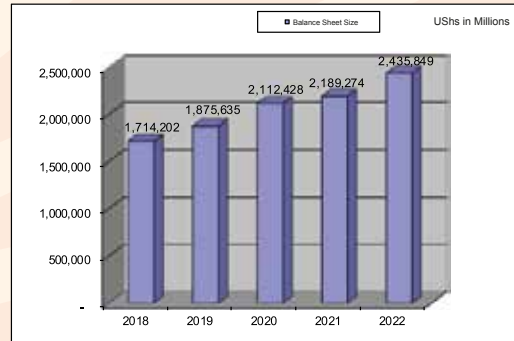
Deposits



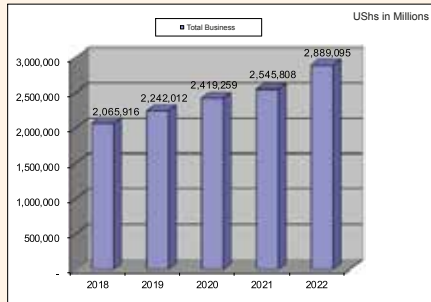
Profit Before Tax



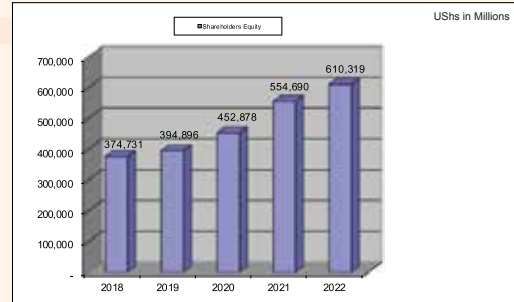
Balance Sheet size



Total Business



Shareholders Equity



COPORATE SOCIAL RESPONSIBILITY



Bank of Baroda (Uganda) Limited, led by the former Managing Director Mr. Raj Kumar Meena donating Scholastic Material, food among other basic needs to an orphanage school (ABC Nursery and Primary School, Naeete) on 20.07.2022, after refurbishing the school toilets and painting the school buildings.



Mr. Raj Kumar Meena, the former Managing Director handing over food and scholastic materials to children suffering from Cerebral Palsy during the World Cerebral Palsy awareness day held at Capital Center Medical Clinic on 06.10.2022.



The former Managing Director Mr. Raj Kumar Meena (left) and Executive Director Mr. Prithvi Singh Bhatl present a cheque to Ms Annet Nakanya – Chairperson Uganda Badminton Association to support preparations for the All Africa Para Badminton International Tournament which was hosted by Uganda at Lugogo Indoor stadium from 11.09.2022 to 25.09.2022



The former Managing Director R. K Meena appreciating a customer for donating blood, during Parent Bank's Foundation day celebrations on 20.07.2022.



Bank of Baroda (Uganda) Limited, led by the former Managing Director Mr. Raj Kumar Meena donating food and house hold necessities to Orphans and widows of HIV, Nsambya during Bank's Foundation day celebrations on 17.12.2022.

SERVING THE PEOPLE OF UGANDA SINCE 1953

Bank's Branches: Kampala Main/Railway Station/Jinja/Mbale/Mbarara/Iganga/Kansanga/Kawempe/Lira/Mukono/Ovino Market/Kabale/Entebbe/Industrial Area/Kololo/Lugazi/Arua

Off-Site ATM Namanve-Mukono | Njeru Industrial Area, Jinja



Head Office: Plot 18, Kampala Road, P.O.Box 7197, Kampala, Uganda. Tel: 0414-233680

Bank of Baroda (Uganda) Limited is regulated by Bank of Uganda. Customer Deposits are protected by Deposit Protection Fund of Uganda up to UGX 10 Million, Terms and Conditions Apply



SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

I. INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS TO THE MEMBERS OF BANK OF BARODA (UGANDA) LIMITED.

Opinion
The summary consolidated and separate financial statements of Bank of Baroda (Uganda) Limited ("the Bank") and its subsidiary (together "the Group"), which comprise the summary consolidated and separate statement of financial position as at December 31, 2022 and the summary consolidated and separate income statement for the year then ended, and other disclosures, are derived from the audited consolidated and separate financial statements of the Group for the year ended December 31, 2022.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements of the Group for the year ended December 31, 2022 in accordance with the Financial Institutions (External Auditors) Regulations, 2010 and the Financial Institutions Act, 2004, and as amended.

Summary consolidated and separate financial statements

The summary consolidated and separate financial statements do not contain all the disclosures as required by International Financial Reporting Standards ("IFRSs"), the Companies Act, 2012 and the Financial Institutions Act, 2004, and as amended. Reading the summary consolidated and separate financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon.

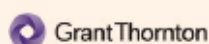
The audited consolidated and separate financial statements and our report thereon We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated April 20, 2023. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period.

Directors' responsibility of the summary consolidated and separate financial statements

The Directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with the requirements of the Financial Institutions (External Auditors) Regulations, 2010 and the Financial Institutions Act, 2004, and as amended.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent in all material aspects, with the audited consolidated and separate 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*.



Certified Public Accountants

3rd Floor, Lugogo One
Plot 23, Lugogo Bypass
PO Box 7158
Kampala, Uganda
April 20, 2023

II SUMMARY CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

	Group		Bank	
	2022 US\$ '000	2021 US\$ '000	2022 US\$ '000	2021 US\$ '000
Assets				
Cash and balances with Bank of Uganda	228,514,586	210,572,779	228,514,586	210,572,779
Balances with banking institutions	282,869,624	276,713,146	282,869,624	276,713,146
Due from parent / group companies	6,292,990	8,205,601	6,292,990	8,205,601
Marketable (trading) securities	602,780,921	572,962,484	602,780,921	572,962,484
Loans and advances (net)	1,089,050,974	942,096,250	1,089,050,974	942,096,250
Investment securities	185,211,786	141,223,493	185,211,786	141,223,493
Interest receivable and other assets	5,235,400	4,691,050	5,235,400	4,691,050
Property, equipment and right-of-use assets	27,053,210	29,052,614	27,053,210	29,052,614
Intangible assets	76,955	134,035	76,955	134,035
Tax recoverable	364,885	2,946,614	364,885	2,946,614
Deferred tax asset	7,681,070	-	7,681,070	-
Asset of disposal groups	716,765	676,427	40,000	40,000
Total assets	2,435,849,166	2,189,274,493	2,435,172,401	2,188,638,066

	Group		Bank	
	2022 US\$ '000	2021 US\$ '000	2022 US\$ '000	2021 US\$ '000
Liabilities and shareholders' equity				
Liabilities				
Customers' deposits	1,777,297,079	1,592,215,724	1,777,297,080	1,592,215,726
Interest payable and other liabilities	47,036,811	39,379,612	47,036,811	39,379,612
Dividends payable	919,628	669,490	919,628	669,490
Deferred tax liability	-	2,072,389	-	2,072,389
Liabilities of disposal groups	276,674	247,289	-	-
Total liabilities	1,825,530,192	1,634,584,504	1,825,253,519	1,634,337,217
Shareholders' equity				
Share capital	25,000,000	25,000,000	25,000,000	25,000,000
Retained earnings	565,302,349	467,713,346	564,902,257	467,324,206
Proposed dividends	25,000,000	50,000,000	25,000,000	50,000,000
FVTOCI reserves	(12,451,075)	4,115,906	(12,451,075)	4,115,906
Revaluation reserves	7,467,700	7,860,737	7,467,700	7,860,737
Total shareholders' equity	610,318,974	554,689,989	609,918,882	554,300,849
Total liabilities and shareholders' equity	2,435,849,166	2,189,274,493	2,435,172,401	2,188,638,066

III SUMMARY CONSOLIDATED AND SEPARATE INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

	Group		Bank	
	2022 US\$ '000	2021 US\$ '000	2022 US\$ '000	2021 US\$ '000
Income				
Interest on deposits and placements	9,068,218	7,257,620	9,068,218	7,257,620
Interest on loans and advances	114,415,065	96,334,619	114,415,065	96,334,619
Interest on marketable/trading securities	81,166,588	64,981,262	81,166,588	64,981,262
Interest on investment securities	23,016,610	16,466,758	23,016,610	16,466,758
Foreign exchange income	4,719,059	5,144,771	4,719,059	5,144,771
Fee and commissions income	18,259,970	16,602,634	18,259,970	16,602,634
Other income	11,092,648	(437,347)	11,092,648	(437,347)
Total income	261,738,158	206,350,317	261,738,158	206,350,317
Expenditure				
Interest expense on deposits	55,904,043	53,224,041	55,904,043	53,224,041
Interest expense on borrowings	400,656	230,742	400,656	230,742
Other interest expense	442,020	413,458	442,020	413,458
Provision for bad and doubtful debts	11,065,014	(7,242,075)	11,065,014	(7,242,075)
Management fees	2,299,021	1,229,012	2,299,021	1,229,012
Operating expenses	34,710,667	40,765,683	34,710,667	40,765,683
Total expenditure	104,821,421	88,620,861	104,821,421	88,620,861
Profit before tax	156,916,737	117,729,456	156,916,737	117,729,456
Taxation	34,731,723	27,497,740	34,731,723	27,497,740
Profit from continuing operations	122,185,014	90,231,716	122,185,014	90,231,716
Profits/(Loss) from discontinued operations (net of tax)	10,952	(182,932)	-	-
Profit for the year	122,195,966	90,048,784	122,185,014	90,231,716
Other comprehensive (loss)/income	(16,566,982)	11,781,932	(16,566,982)	11,781,932
Total comprehensive income for the year	105,628,984	101,830,716	101,618,032	102,013,648

IV OTHER DISCLOSURES

	Group		Bank	
	2022 US\$ '000	2021 US\$ '000	2022 US\$ '000	2021 US\$ '000
Contingent liabilities				
Letters of credit	74,834,197	91,521,275	74,834,197	91,521,275
Guarantees and performance bonds	97,366,443	65,016,952	97,366,443	65,016,952
Total	172,200,640	156,538,227	172,200,640	156,538,227
Commitments				
Undrawn credit lines	322,331,730	294,802,291	322,331,730	294,802,291
Total	322,331,730	294,802,291	322,331,730	294,802,291
Non-performing loans and other assets	14,954,653	638,363	14,954,653	638,363
Interest in suspense	770,987	28,833	770,987	28,833
Bad debts written off	7,984	1,867,316	7,984	1,867,316
Large loan exposures	390,203,806	338,649,000	390,203,806	338,649,000
Insider loan exposures	95,965	73,346	95,965	73,346

	Bank	
	2022 US\$ '000	2021 US\$ '000
Capital position		
Core capital	569,653,157	495,775,346
Supplementary capital	18,540,680	17,392,868
Total qualifying capital	588,193,837	513,168,214
Total Risk Weighted Assets (RWA)	1,731,643,044	1,294,628,649
Core capital to RWA	32.90%	38.29%
Total qualifying capital to RWA	33.97%	39.64%

VI. BASIS OF PREPARATION

The summary consolidated and separate financial statements for the year ended December 31, 2022 were prepared in accordance with the requirements of section 12(1) of the Financial Institutions (External Auditors) Regulations, 2010 and section 50(1) of the Financial Institutions Act, 2004 and as amended. 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 to the regulations.

VII. DIVIDENDS

Board of the Bank has resolved to recommend dividend of US\$ 25 billion for the year ended December 31, 2022 i.e. US\$ 10 per share. The proposal for paying dividend at US\$ 10 per share (100%) will be subject to approval from Bank of Uganda and by the shareholders at the ensuing Annual General Meeting. The book closure date will be announced subsequent to receipt of the said Bank of Uganda approval.

VIII. MESSAGE FROM DIRECTORS

The above summary consolidated and separate statements of financial statements were audited by Grant Thornton Certified Public Accountant of Uganda and received an unmodified audit opinion. The consolidated and separate financial statements were approved by the Board of Directors on March 21, 2023 and discussed with Bank of Uganda on April 11, 2023. A copy of the audited consolidated and separate financial statements of the Bank can be obtained from the Bank's website at www.bankofbaroda.ug as well as from the Bank's Head Office.

Prithvi Singh Bhati
Executive Director

Shashi Dhar
Managing Director

Vastina Rukimirana Nsanze
Chairperson

SERVING THE PEOPLE OF UGANDA SINCE 1953

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