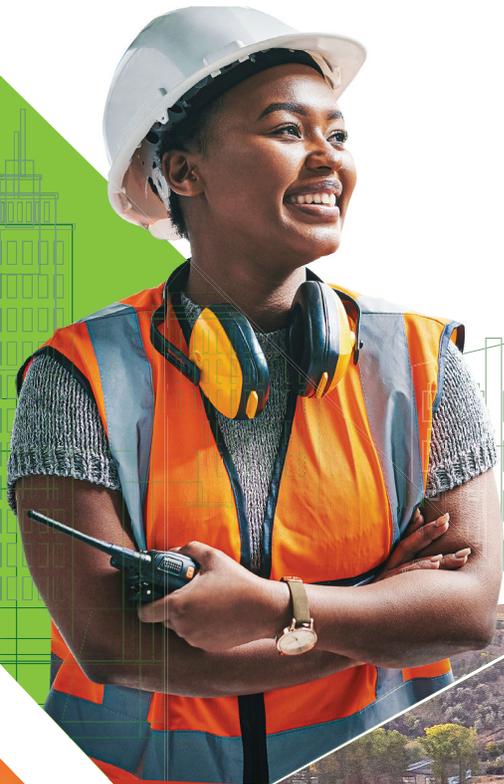




UDB
Inspiring Development



Empowering Uganda's Economy:

Creating a sustainable future for all

An extract of the financial statements
& development impact for the year
ended 31 December 2024



MANAGING DIRECTOR'S STATEMENT

Creating a sustainable future for all

In 2024, Uganda sustained its trajectory of economic growth, with real GDP rising to 6.4%, up from 6.0% in FY2023/24. This growth was underpinned by strong aggregate demand, expanding private sector activity, and steady performance across key sectors - manufacturing, construction, agriculture, and services, with Government-led initiatives such as the Parish Development Model (PDM), and Uganda Development Bank's (UDB) interventions continuing to play a catalytic role in driving inclusive economic transformation. Throughout the year, business sentiment remained positive, as reflected in the Business Tendency Index (BTI), which rose from 57.3 in the first quarter of the year, to 59.3 by year-end, signalling sustained optimism among private sector players, buoyed by robust consumer demand. Similarly, the Composite Index of Economic Activity (CIEA) improved from 163.4 in Q1 to 167.9 in Q4 2024, confirming increased momentum in economic activity and an enabling environment for business growth.

Through 2024, UDB remained a committed partner in advancing the Government's economic development agenda, providing targeted financial support to qualifying enterprises and enabling productive investments across priority growth sectors. The year also marked the conclusion of the Bank's 2020–2024 Strategic Plan, delivered with consistent dedication to UDB's core mandate: improving the quality of life for Ugandans.

Sustained socio-economic impact

Throughout the year, the Bank continued to channel its resources into projects with clear potential to generate meaningful socio-economic impact. The Bank's strategic financing in 2024 led to the realization of the following transformative development outcomes.

Social Impact

Employment - In 2024, the Bank's financing efforts created and/or maintained **55,553 jobs**, representing a **7.2%** increase from **51,841 jobs** in 2023.

- Youth accounted for 59.9% of all jobs created or maintained, totalling 33,276 positions, and held 51% ownership in businesses financed by the Bank, up from 33% in 2023.
- Women accounted for 31.3% of the jobs in enterprises financed by the Bank and held 41% ownership, an increase from 39% in the previous year. They also made up 39% of senior management teams and held 42% of Board positions within these enterprises.
- Persons living with Disabilities (PWD) took up 222 jobs, up from 130 jobs in 2023.

Economic Impact

The annual output of enterprises financed by the Bank increased by 3.2% year on year, rising from UGX 5,860 billion to **UGX 6,053**

billion in 2024. This performance highlights the Bank's catalytic role in accelerating industrialisation and driving broad-based economic growth.

In 2024, profitability among Bank-financed enterprises grew by 22%, rising from UGX 869 billion to **UGX 1,061 billion**. Similarly, export earnings from locally produced goods and services increased by 16.5%, from UGX 953 billion to **UGX 1,109 billion**, driven mainly by increased output in manufacturing and agro-processing.

These gains reflect the Bank's growing impact in strengthening enterprise competitiveness and in advancing Uganda's industrial and export potential.

Tax Contribution

Driven by improved output and profitability among Bank-financed enterprises, their contribution to government tax revenue rose by 34.7%, increasing from UGX 236.1 billion in 2023 to **UGX 318.1 billion** in 2024.

This performance highlights the Bank's critical role in nurturing fiscally productive businesses that buttress Uganda's domestic revenue mobilisation efforts.

Stimulating private sector growth

In 2024, the Bank approved UGX 454 billion in new loans to over 170 enterprises across 67 districts nationwide. Upon full implementation, these projects are expected to deliver a range of development outcomes, including the creation of 17,832 new jobs, UGX 9,3847 billion in additional output, UGX 1,808 billion in foreign exchange earnings, UGX 1,778 billion in profits, and UGX 455 billion in tax contributions to the Government.

Additionally, during the reporting year, the Bank disbursed UGX 388.7 billion in new funding to projects across the country. As of 2024, the Bank supports 770 active projects spanning 103 districts.

The industrial sector continued to dominate the Bank's portfolio, accounting for 50% of UDB's total investments. Of the **UGX 822 billion** allocated to industrial activities, 46.8% is directed toward agro-in-

dustrialization, 50% toward manufacturing, and 3.2% toward mineral-based industries, reflecting the Bank's strategic focus on value addition and industrial transformation.

The Bank also undertook a range of institutional initiatives aimed at deepening its impact across priority sectors and tackling structural barriers to sustainable economic growth, including the following interventions.

- The Bank remains resolute in promoting investment readiness as a pathway to sustainable enterprise development. In 2024, UDB delivered targeted interventions including training, incubation, business advisory, and technical support to empower small and medium enterprises (SMEs) to become sustainable, profitable, and bankable. Notably, the Bank operationalized an incubation service in collaboration with the Uganda Management Institute to support early-stage businesses in formalizing and strengthening their operations. An inaugural cohort of 71 businesses were incubated during the year.

- Through its Project Preparation offering, UDB addresses technical and financial bottlenecks that often hinder the progression of viable and impactful project ideas, particularly those requiring substantial early-stage investment and technical capacity. This initiative plays a catalytic role in transforming high-potential concepts into bankable projects by providing the necessary support for their maturation. In addition to de-risking early-stage ventures, Project Preparation also facilitates the development of targeted funding initiatives that enhance access to the Bank's financial products and services.

- The Bank committed **UGX 5.07 billion** toward the preparation of various projects and initiatives. Notable among these are efforts in the agriculture sector, including research to support the local development of high-yielding and high oil-content sunflower seed varieties, the Hybrid electricity connections program which has benefitted 42,000 households and small businesses and the Ugandan Contractors funding initiative aimed at providing the much-needed affordable capital for local contractors.



In 2024, the Bank approved
UGX 454bn
in new loans to over
170 enterprises across
67 districts nationwide.

Financial Performance

The Board and Management remain committed to ensuring the Bank's long-term sustainability by exercising careful stewardship in asset deployment and maintaining operational efficiency.

In 2024, the Bank recorded a post-tax (net) profit of **UGX 57.8 billion**, marking a 16% increase from UGX 49.8 billion in 2023, driven by the continued strategic investments in interest-earning assets and a steadfast focus on cost prudence and efficiency.

Bank Size

In 2024, the Bank's total assets grew by 7%, reaching **UGX 1,782 billion**, up from UGX 1,668 billion in 2023. This growth was largely supported by additional capital injections from the Government of Uganda and the accumulation of retained earnings.

The loan portfolio also expanded, with net loans and advances to customers increasing by 9% from UGX 1,470 billion to **UGX 1,532 billion**, reflecting the Bank's continued commitment to financing impactful development initiatives.

To support the growth in assets, the Bank strategically reinvested **UGX 437 billion** collected as loan repayments, alongside **UGX 80.7 billion** in additional capital contributions from the Government of Uganda. This capital injection significantly strengthened the Bank's capital base, raising cumulative capitalization from UGX 1,373 billion to **UGX 1,512 billion**, and thereby enhancing the Bank's capacity to deliver on its development mandate.

Lean and Efficient Operations

As the Bank continues to prioritise results-driven delivery through lean and efficient operations, its cost-to-income ratio (excluding impairment) remained stable at 31% in 2024, consistent with the previous year. Over the past five years, the return on assets has continued on a positive upward trajectory, rising to 3.26% in 2024 from 3.13% in 2023. Return on equity also marginally improved, increasing from 3.82% to 3.89%, underscoring the Bank's ongoing efforts to generate value for its stakeholders.

As the Bank positions itself for greater impact, it will focus on maximising resource efficiency across financial, human, technological, and institutional capacities. Additionally, the Bank will actively explore innovative and diversified funding avenues to scale its interventions and amplify development outcomes, whilst assuring long-term value creation for its stakeholders.

Recognition and Awards

In recognition of the Bank's significant progress in strengthening its operations, governance, and various other key areas, UDB garnered both local and international accolades during the year.

- The Bank was named the **2024 Regional Bank of the Year - East Africa** at the prestigious African Banker Awards, in acknowledgement of the sustained institutional performance and resilient leadership, delivering profitable, impact-driven lending while advancing green and sustainability priorities, even amid external shocks.
- For the fourth consecutive year, the Bank and its Managing Director (MD) emerged the **Sustainability Leader of the Year** at the Karlsruhe Sustainability Awards in Germany, in recognition of the MD's exceptional leadership in driving the business performance of UDB through creating social, economic and environmental values and globally advancing sustainable finance.
- **Credit Ratings:** UDB secured a 'AA+ (Uga)' National Long-term Rating with a Stable Outlook. This designation, assigned by Fitch Ratings, a globally renowned credit rating agency, was accompanied by a 'B' Long-Term Issuer Default Rating (IDR) with a stable outlook – the same pegged to Uganda's Sovereign rating, reflecting the Bank's ownership by the Government.
- UDB, alongside five other Development Finance Institutions (DFIs) in Africa out of more than 80 participants, earned an 'AA rating' from the Association of African Development Finance Institutions (AADFI). This recognition reinforces UDB's standing as one of the continent's best performing DFIs and underlines the Bank's commitment to excellence in meeting stringent prudential

In 2024, the Bank's total assets grew by 7%, reaching **UGX 1,782 bn** up from **UGX 1,668 bn** in 2023



standards, particularly in governance, operational efficiency, and overall institutional performance.

- The Bank received Level 5 certification under the Sustainability Standards and Certification Initiative (SSCI) Version 2, the highest level of sustainability excellence in the certification process - a testament to UDB's commitment to consciously advancing holistic sustainability in its operations.

Looking Ahead

As the Bank continues on its journey to embed sustainability in its investments and operations whilst balancing financial sustainability considerations, UDB has developed an overarching Strategic Plan 2025-2029. The Bank set out to achieve the following strategic objectives in 2025 and beyond:

- Leverage a supply-driven approach to scale up investments in public and private sector projects that foster long-term socio-economic transformation.
- Strengthen the Bank's position as a thought leader in socio-economic development issues in the country and beyond.
- Innovative resource mobilization for domestic investment.
- Leveraging technology and innovation, and optimizing human talent to enhance operational efficiency, strengthen organizational resilience and ensure the effective delivery of the Bank's strategy.
- Leveraging partnerships to deliver sustainable impact.

Appreciation

On behalf of the Management and staff, I extend our deep appreciation to all stakeholders whose continued support propels the Bank's mission forward. We remain steadfast in our commitment to delivering on the Bank's mandate.

We especially recognize and thank the President of the Republic of Uganda, H.E. Yoweri K. Museveni, for his unwavering support and visionary leadership that has enabled the Bank's continued growth and impact over the years.

We deeply appreciate the continued support of our shareholders, the Ministry of Finance, Planning and Economic Development, whose commitment has ensured that the Bank remains adequately empowered to fulfill its development mandate.

We extend our gratitude to the Chairman and Board of Directors for their invaluable oversight and stewardship, which have been central to the Bank's steady progress and relevance.

To my esteemed colleagues, the Management team and staff of the Bank, I extend my deepest appreciation for your dedication, professionalism, and shared commitment to our mission. Your unwavering passion and collective resolve in serving our customers and stakeholders is the driving force behind the Bank's sustained success and strengthens our institution's ability to deliver meaningful results.

To our valued clients, our funding and all partners, whose collaboration and trust have been instrumental to our shared journey, we deeply appreciate your continued partnership.

As we look ahead to 2025 and beyond, we are energized to build on this strong foundation, amplifying our impact in the communities we serve and advancing an inclusive, resilient, and sustainable future for all.

Patricia Ojangole (PhD)
Managing Director



Primary
Agriculture



Agro-
processing



Industry



Tourism &
Hospitality



Education



Health
Services



Infrastructure

Through 2024, UDB remained a committed partner in advancing the Government's economic development agenda, providing targeted financial support to qualifying enterprises and enabling productive investments across priority growth sectors

(I) REPORT OF THE AUDITOR GENERAL ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF UGANDA DEVELOPMENT BANK LIMITED

Opinion

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

In my opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements in accordance with the basis of preparation described in the note accompanying the summary financial statements

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 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 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 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 29th April 2025. That report also includes the communication of key audit matters. Key audit matters are those matters that, in my professional judgement, were of most significance in my 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 basis described in the note accompanying the summary financial statements.

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 Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



Edward Akol: **AUDITOR GENERAL**
Kampala
6 May 2025

(IV) NOTE TO THE SUMMARY FINANCIAL STATEMENTS

The summary financial statements are prepared in accordance with the Uganda Development Bank Limited accounting policies which entail presenting the statement of financial position and statement of comprehensive income as extracted from the Bank's audited financial statements.

(V) MESSAGE FROM THE DIRECTORS

The financial statements, which were approved by the Board of Directors on 15 April 2025, were audited by the Auditor General and received an unmodified opinion. The above summary financial statements were approved by the Board of Directors and signed on its behalf by:



Goeffrey T. Kihuguru
CHAIRMAN



Dr. Albert Richards Otete
DIRECTOR



Busulwa Kayongo
DIRECTOR

(II) STATEMENT OF COMPREHENSIVE INCOME

	2024	2023
	Ushs '000	Ushs '000
Interest income	151,785,132	151,236,397
Interest and similar income	5,532,310	4,988,560
Interest expense	(10,298,526)	(13,479,273)
Net interest income	147,018,916	142,745,684
Net foreign exchange (loss)/ gain	(3,299,882)	1,161,871
Fair value loss on equity investments	(40,235)	(20,793)
Other income	672,882	860,493
Net impairment losses on financial instruments	(24,004,414)	(28,502,538)
Operating income after impairment losses	120,347,267	116,244,717
Personnel expenses	(29,363,504)	(27,711,094)
Depreciation and amortization	(1,754,030)	(1,212,032)
Other operating expenses	(16,037,568)	(15,305,877)
Profit before tax	73,192,165	72,015,714
Income tax expense	(15,375,545)	(22,211,432)
Profit for the year	57,816,620	49,804,282
Other comprehensive income		
Items that will not be classified to profit or loss		
Loss on revaluation of property and equipment	(2,283,314)	-
Deferred tax on revaluation loss	684,994	-
	(1,598,320)	-
Total comprehensive income net of tax	56,218,300	49,804,282
Basic and diluted earnings per share	65.82	56.70

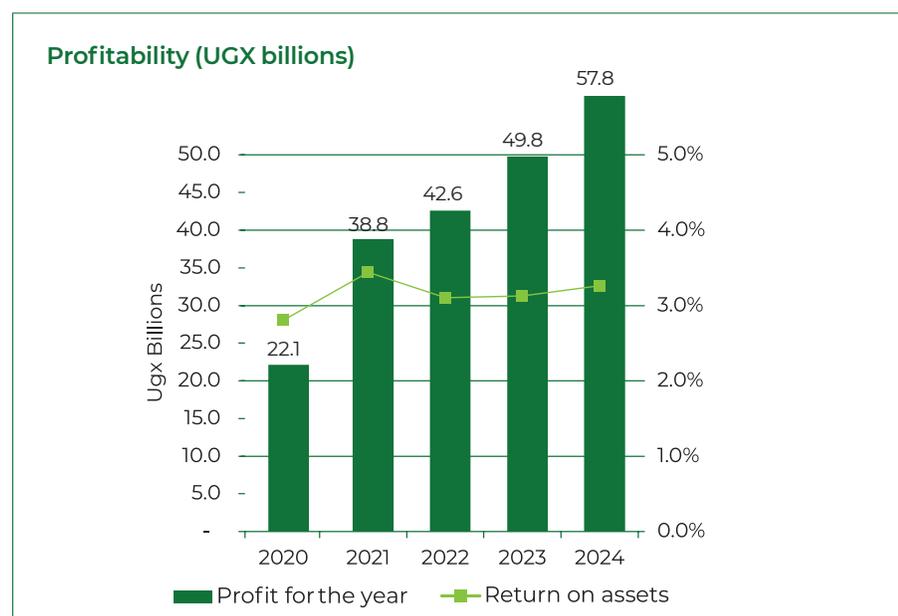
(III) STATEMENT OF FINANCIAL POSITION

	2024	2023
	Ushs '000	Ushs '000
ASSETS		
Cash and cash equivalents	15,209,124	19,709,058
Deposits held in Banks	89,302,730	66,747,872
Customer loans and advances	1,532,448,545	1,470,099,782
Staff loans and advances	10,884,779	9,137,893
Other assets	24,763,870	27,762,404
Current income tax recoverable	3,343,524	1,748,063
Equity investments	1,761,538	1,801,773
Other financial investments	3,533,797	-
Investment in associate	4,811,424	4,707,754
Property and equipment	69,748,567	49,374,013
Right of use assets	748,799	579,393
Intangible assets	530,661	122,715
Deferred tax asset	25,100,829	14,940,154
TOTAL ASSETS	1,782,188,187	1,666,730,874
LIABILITIES AND EQUITY		
Liabilities		
Amounts due to Bank of Uganda	9,569,258	8,708,347
STI-OP Fund	28,952,632	-
Other liabilities	56,976,985	46,572,699
Lease liabilities	546,835	404,115
Borrowings	161,795,029	219,022,182
European Union grant	4,287,146	8,568,264
UNCDF Fund	7,992,915	7,585,139
	270,120,800	290,860,746
Equity		
Issued share capital	878,359,004	878,359,004
GOU capital contributions	328,713,734	248,049,781
Kuwait Special Fund	36,715,059	35,349,112
Asset revaluation reserve	279,928	2,563,242
Retained earnings	267,999,662	211,548,989
	1,512,067,387	1,375,870,128
TOTAL LIABILITIES AND EQUITY	1,782,188,187	1,666,730,874

UGANDA DEVELOPMENT BANK LIMITED SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

PROFITABILITY

The Bank achieved a notable profit for the year of UGX 57.8 billion in 2024, marking a 16% growth from the UGX 49.8 billion realized in 2023. This growth was driven by the sustained deployment of capital towards interest-earning assets, particularly loan disbursements to development-oriented projects.



TOTAL ASSETS

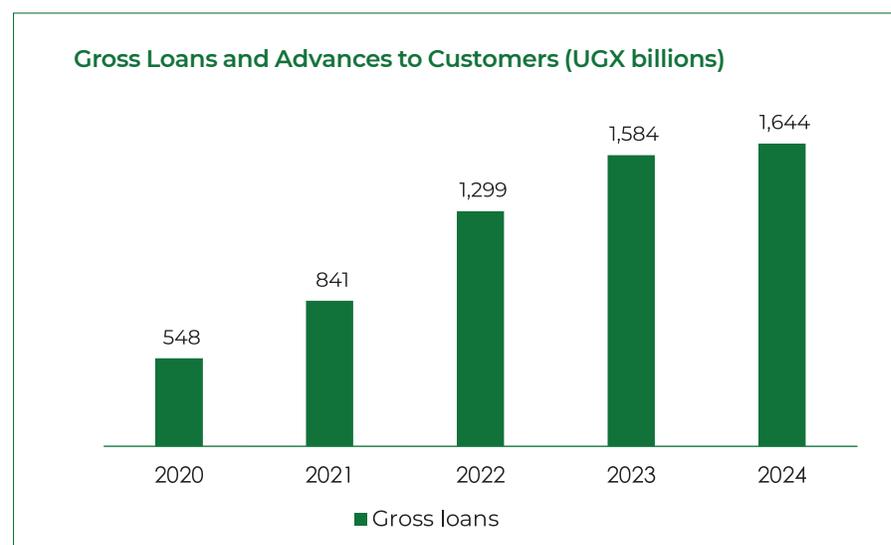
The Bank's total assets grew by 7%, reaching UGX 1,782 billion in 2024, up from UGX 1,668 billion in 2023. This growth was primarily driven by capital injections by the Government of Uganda and the accumulation of retained earnings. The sections below provide a detailed analysis of the Bank's key assets and liabilities and their impact on overall financial performance.

CAPITALISATION

The Government of Uganda continued to support the Bank's capital base with additional capital contributions totalling UGX 80.7 billion in 2024, bringing the cumulative capitalisation to UGX 1,512 billion, up from UGX 1,373 billion in 2023. This capital enhancement remains central to the Bank's ability to scale up development financing, especially

GROSS LOANS AND ADVANCES TO CUSTOMERS

Gross loan and advances to customers increased to UGX 1,644 billion during the year up from UGX 1,584 billion in 2023. UGX 388.73 billion was disbursed to projects in 2024 compared to UGX 610 billion in 2023. The growth in the funding base of the Bank, reflows and profitability continued to support the growth in the loans and advances.



INTEREST INCOME

In 2024, gross interest and fee income grew to UGX 157.3 billion, up from UGX 156.2 billion in 2023. This modest growth was largely driven by a 4% marginal growth in gross loans and advances, arising from liquidity challenges, stemming from delays and effectiveness issues related to lines of credit. Interest expense and similar charges declined by 24% year-on-year (YOY) from UGX 13.5 billion in 2023 to UGX 10.3 billion in 2024. This reduction was largely driven by the absence of new draw downs during the year, compared to UGX 86.4 billion drawn in 2023, as well as continued repayments of existing borrowings.

to priority sectors such as SMEs, industry, and infrastructure. The capital injection also included receipts from the Kuwait Fund, which increased marginally to UGX 36.7 billion in 2024 from UGX 35.3 billion in the prior year.

STRATEGIC COLLABORATIONS AND PARTNERSHIPS

Strategic Positioning of the Bank: In April 2024, UDB convened a high-level meeting with various stakeholders on the sidelines of the International Monetary Fund and World Bank Spring Meetings. The strategic engagement aimed at fostering partnerships for the empowerment of National Development Banks in Africa to address the economic, social, and environmental priorities of the continent as well as chart a course for UDB's transformative journey. UDB has increased its balance sheet ten-fold in the last decade while retaining its profitability and aims to mobilize further international funding to support its strategic objectives.



L-R: **Dr Diab Karrar**, Director of the Operations, Arab Bank of Economic Development in Africa, **Ousmane Fall**, Director of Non-Sovereign, Operations and Private Sector, African Development Bank, **Haytham El Maayergi**, Executive Vice President of Global Trade Bank, AfreximBank, **Admassu Tadesse**, Group President & Managing Director, Trade and Development Bank, **Sander Glas**, Program Officer, Bill & Melinda Gates Foundation and **Felix Okoboi**, Chairman, Uganda Development Bank - during a panel discussion at the event.

Leading the Climate Finance Agenda in Uganda: In November 2024, UDB convened a round-table meeting focused on "Financing Climate-Responsive Investments in Developing Countries." The meeting brought together stakeholders in green financing to explore strategies for mobilizing capital toward sustainable development. UDB engaged in discussions aimed at unlocking green finance flows, strengthening investor confidence, and highlighting Uganda's investment potential in climate-responsive sectors. The Bank reiterated its commitment to championing climate-smart investments and building strategic partnerships to support the country's transition to a green economy.



L-R: **Olympus Manthata**, Head of Climate Finance, Development Bank of South Africa, **Marco Serena**, Group Chief Sustainable Impact Officer, Private Infrastructure Development Group, **Juvenal Muhumuza**, Commissioner Development Assistance and Regional Cooperation, Ministry of Finance, **Patricia Ojangole**, Managing Director, UDB, **Joseph Nganga**, Vice President for Africa, Global Energy Alliance for People and Planet, **Lanre Shasore**, Senior Advisor Energy Transition Planning, Sustainable Energy for All - during the round-table stakeholder meeting.

IMPACT ON SOCIETY

Enhancing quality of life	Promoting entrepreneurship and innovation	Enabling inclusive prosperity
74% of funded clients complying with Occupational Safety and Health measures	173 SMEs funded	17,221 jobs created for women
83% of workers earning higher wages than the poverty line	UGX 82.96 billion invested in SMEs	UGX 31.82 billion approved for underserved regions
 <p>55,553 Jobs created & maintained</p>	101 businesses funded from risk capital	129 projects funded outside the Kampala metropolitan region
	UGX 67.05 billion risk capital provided	UGX 193.3 billion approved for projects outside the Kampala metropolitan region
	72 projects incubated	33,332 jobs created for the youth
	34 businesses benefited from UDB's business support	27,665 high-paying jobs for the youth (≥ 50% above the poverty line) created

IMPACT ON ECONOMY

Boosting the Real Economy	Creating a high-income, internationally competitive future proof economy	Building economic resilience	
UGX 69.6 billion approved for SMEs	   	 <p>1,109 Forex Earnings [UGX Bn]</p>	
16 start-up enterprises approved (debt + Equity)			
UGX 104.4 billion allocated to start-ups			UGX 46.4 billion allocated for technological and green transformation of SMEs
UGX 6,051 billion turnover generated by businesses funded			UGX 70.6 billion approved to support local contractors
3% share in GDP generated from the total turnover of all businesses funded			UGX 28.3 billion approved for mobility/transport projects
UGX 316 billion tax generated by funded businesses			UGX 67.05 billion risk capital provided

IMPACT ON CORPORATE PERFORMANCE

UGX 1,644 billion - value of loan, advances and investments Portfolio Allocated
UGX 147 billion - Net Interest Income
49% - Cost to Income Ratio (with impairment)
31% - Cost to Income Ratio (without impairment)
6.25% - Loan Impairment Ratio
UGX 57 billion - Profitability
3.26% - Return on Assets

IMPACT ON ENVIRONMENT

Climate Action Initiatives Undertaken	311.1 Approved for climate action [UGX Bn]
UGX 103.0 billion approved for low carbon manufacturing and agro-industrialisation	
UGX 63.9 billion approved for climate smart agriculture	
UGX 140.1 billion approved for climate resilient infrastructure	
UGX 3.66 billion approved for eco-tourism	

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RECOGNITIONS AND AWARDS 2024



2024 Regional Bank of the Year - East Africa at the prestigious African Banker Awards



Credit Ratings: UDB secured a 'AA+ (Uga)' National Long-term Rating with a Stable Outlook

