

I. REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF KCB BANK UGANDA LIMITED

Opinion

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

In our opinion, the accompanying financial statements are consistent, in all material respects, with the audited financial statements as at and for the year ended 31st 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. 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 25th April 2024. 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 audited 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 Auditor) 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
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25th April, 2024

II. SUMMARY STATEMENT OF COMPREHENSIVE INCOME	2023 Ushs'000	2022 Ushs'000
Interest on deposits and placements	1,954,775	1,197,792
Interest on loans and advances	99,704,595	70,953,355
Interest on marketable (trading) securities	25,756,333	12,773,705
Foreign exchange income	15,795,331	16,746,739
Fees and commission income	23,330,546	16,956,008
Total income	166,541,580	118,627,599
Interest expense on deposits	34,374,914	19,216,786
Interest expense on borrowings	683,712	1,386,958
Other interest expense	8,691,652	6,044,496
Credit impairment expense for loans and advances	18,410,093	5,884,052
Fees and commission expense	685,143	1,790,092
Management fees	54,014	1,131,933
Operating expenses	63,648,834	58,316,875
Total expenses	126,548,362	93,771,192
Profit before income tax	39,993,218	24,856,407
Income tax charge	(9,840,808)	8,028,347
Profit for the year	30,152,410	32,884,754
Other comprehensive income		
Net gain / (loss) on Government securities at fair value through other comprehensive income	2,067,976	(2,599,424)
Deferred tax on fair value movement	(620,926)	796,613
Total other comprehensive income	1,447,050	(1,802,811)
Total comprehensive income for the year	31,599,460	31,081,943

III. SUMMARY STATEMENT OF FINANCIAL POSITION	2023 Ushs'000	2022 Ushs'000
ASSETS		
Cash and balances with Bank of Uganda	173,921,595	166,395,947
Balances with banking institutions	9,029,814	76,352,888
Due from parent/group companies	33,282,194	57,479,311
Marketable (trading) securities	207,094,081	117,700,556
Loans and advances (net)	762,465,869	600,068,649
Other assets	75,211,196	18,312,439
Property, equipment and right of use assets	32,489,149	33,227,215
Intangible assets	6,810,830	3,167,049
Deferred income tax asset	17,320,532	22,590,452
TOTAL ASSETS	1,317,625,260	1,095,294,506
LIABILITIES AND SHAREHOLDERS' EQUITY		
Customer deposits	963,467,258	805,168,892
Balances due to banking institutions	49,183,369	55,092,583
Due to parent/group companies	32,397,578	13,628,196
Borrowings	3,110,818	9,335,366
Other liabilities	63,942,714	38,145,406
TOTAL LIABILITIES	1,112,101,737	921,370,443
SHARE HOLDERS' EQUITY		
Share capital	122,160,994	122,160,994
Regulatory credit risk reserve	-	995,921
Fair value through OCI reserve	313,157	(1,133,893)
Retained earnings	83,049,372	51,901,041
TOTAL SHARE HOLDERS' EQUITY	205,523,523	173,924,063
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,317,625,260	1,095,294,506

IV. OTHER DISCLOSURES	2023 Ushs'000	2022 Ushs'000
CONTINGENT LIABILITIES		
Guarantees, bid and performance bonds	129,236,779	6,046,869
Letters of credit	31,727,175	15,873,490
Total	160,963,954	54,369,649

COMMITMENTS	2023 Ushs'000	2022 Ushs'000
Undrawn loan commitments	30,073,346	21,648,604
Foreign currency commitments	415,767	3,324,758
Non-performing loans	40,960,174	21,720,116
Interest in suspense	4,564,847	2,727,641
Bad debts written off	3,468,771	2,888,540
Large loan exposures	453,980,549	236,774,684
Insider loan exposures	830,187	894,860

CAPITAL POSITION	2023 Ushs'000	2022 Ushs'000
Core capital	180,446,705	144,118,724
Supplementary capital	7,525,991	5,916,521
Total qualifying capital	187,826,742	150,035,245
Total risk weighted assets (RWA)	979,826,741	750,642,737
Core capital to RWA	18.42%	19.2%
Total qualifying capital to RWA	19.18%	20%

V. MESSAGE FROM THE DIRECTORS

The above summary Statement of Financial Position and summary Statement of Comprehensive Income are derived from the Financial statements of KCB Bank Uganda Limited for the year ended 31st December 2023, which were audited by KPMG Certified Public Accountants and received an unmodified opinion. The financial statements were approved on 23rd February 2024 for submission to Bank of Uganda, discussed with Bank of Uganda on 8th April 2024 and authorized for issue by the Board of Directors on 20th April 2024.



Constant Othieno Mayende
Chairperson, Board of Directors



Edgar Byamah
Managing Director