



Centenary  
Bank

## 2022 CENTENARY BANK FINANCIAL PERFORMANCE

We transformed our culture in 2022 emulating the Eagle and its lifestyle. With the acronym E.A.G.L.E P.O.I.S.E standing for Excellent, Accountable, Great in Execution, Leading by Example, Equal Opportunity player, Professional, One Team one goal & Integrity.

**FABIAN KASI**  
MANAGING DIRECTOR



I am pleased to present Centenary Bank's 2022 financial results. Despite a challenging operating environment, we were able to maintain stellar performance.

During 2022 our operating environment was affected by the Ebola outbreak and Russia-Ukraine war. The war sparked off inflation in almost all economies including Uganda causing increase in fuel prices and later food and other commodity prices, exchange rate (UGX) depreciation, weak domestic demand, and increased cost of doing business. This greatly affected our customers' business growth. Our stand to address the fore mentioned was offering customers innovative solutions alongside focusing on the real economy, sustainability, long-term resiliency, digital Banking enhancements, competitive pricing, transparency, risk management and the triple bottom line.

We transformed our culture in 2022 emulating the Eagle and its lifestyle. With the acronym E.A.G.L.E P.O.I.S.E standing for Excellent, Accountable, Great in Execution, Leading by Example, Equal Opportunity player, Professional, One Team one goal, Integrity, Superior customer service and Environmental stewardship, our team was at hand to perform excellently contributing fundamentally to our 2022 achievements making sustainable Banking a reality.

### SUSTAINABILITY AND ESG (ENVIRONMENTAL, SOCIAL AND GOVERNANCE)

Centenary Bank embraced the Environmental, Social and Governance (ESG) approach to sustainability combining our Corporate Social Responsibility, Social Performance Management and Environmental Social Performance.

We were able to contribute to 9 of the 17 United Nations Sustainability Development Goals of good health and wellbeing, gender equality, quality education, clean water and sanitation, affordable and clean energy, decent work, and economic growth, reduced inequalities, climate action and partnerships for the goals. We were involved in 548 activities with an investment of UGX 1.5Billion.

On Green Financing, we supported more than 2,800 people in the community with solar loans, micro scale irrigation product, power connection loans and supported farmers using biodiversity conservation farming techniques. We executed these alongside partners.

### FINANCIAL INCLUSION AND DIGITAL ADVANCEMENT

Financial Inclusion is at the heart of what we do at Centenary Bank. We improved accessibility and usability of our services through enhancing our digital offerings. Uptake of the digital channels improved, we saw agent banking contribute 42.76% of transactions, mobile banking contributed 19.96%, the ATMs contributed 22.00% and the banking hall was down to 13.80%. We continue to encourage customers use digital channels for convenience.

Our number of agents increased by 37.9% from 4,446 in 2021 to 6,132 in 2022, Cente-mobile users increased by 24.7% from 826,201 in 2021 to 1,030,628 in 2022, internet Banking users increased by 1.3% from 5,268 in 2021 to 5,338 in 2022, Cente-on the go and Cente-xpress number of customers increased by 131.1% from 106,379 accounts in 2021 to 245,856 accounts in 2022.

Our engagement with the unreached and our mission critical segments continued. These include Microfinance customers, Small Medium Enterprises (SMEs), and Agriculture for example women, youth, and refugees. We recorded 969,198 youth, 994,732 women, 2,126 refugees, overall, 98,729 were under the microfinance segment, and 43,930 under agriculture.

### 2022 SOLUTIONS AND SERVICE REFINEMENTS

#### New Solutions

##### 1. Smart Life Account

We added yet another account to encourage saving and investing for development and retirement. With this account, customers have access to great investment and saving deals as well as financial advisory.

##### 2. Revolving stock financing

We put up this facility with the aim of supporting suppliers, especially under fast-moving consumer goods to access short-term revolving credit facilities to achieve their intermittent supply needs and distribution targets.

### SHARED VALUE WITH STAKEHOLDERS

The Bank shared Value with other stakeholders through payments of taxes, offering employment and supporting the community. In 2022, Our bank paid UGX 71.6 Billion to Uganda Revenue Authority for taxes, employed 3,003 employees and supported communities directly with UGX 3.1 Billion.

### FINANCIAL PERFORMANCE

Our Bank recorded a substantial growth in 2022 especially in Profits, Deposits, Gross loans, and Total Assets amidst challenges in the Economy. This was due to our dedicated and productive staff who implemented the Bank strategy, customers' patronage, heavy investments in modern technology, innovations, new products and services, good governance practices by our Board members and senior management team, our partners, and all other stakeholders.

The highlights below point out the Bank's performance for the year 2022.

(i) The Bank recorded tremendous increase in profit after tax of UGX 249.6 Billion by December 2022 from UGX 211.5 Billion in 2021 registering an increase of 18.0%.

(ii) Total income grew from UGX 864 Billion in 2021 to UGX 962 Billion in 2022 registering a 11.4% growth majorly due to the increase in loans and advances to customers, as well as investment in money markets.

(iii) Our assets closed at UGX 5,721.5 Billion in 2022 from UGX 4,757.7 Billion in 2021 recording a 20.3% growth of UGX 963.8 Billion mainly due to the significant increase in customer deposits.

(iv) Gross loans closed at UGX 2,815.0 Billion in 2022 from UGX 2,245.6 Billion in 2021 recording a 25.4% growth of UGX 569.4 Billion. This is mainly due to the increase in demand for loans from customers to invest in business capital. Investments closed at UGX 1,774.7 Billion in 2022 from UGX 1,635.9 Billion in 2021 recording 8.5% growth of UGX 138.8 Billion.

(v) Deposits closed at UGX 3,904.0 Billion in 2022 from UGX 3,181.3 Billion in 2021 recording 22.7% growth of UGX 722.7 Billion YTD December 2022. The increase in deposits was largely due to increased investment in technology like the mobile banking and Agent banking platforms that conveniently serve customers.

(vi) The Asset quality of loans was also maintained at relatively good position, the ratio of Non-Performing Loans (NPL) moved to 3.40% in 2022, compared to 5.16% in 2021. This was due to the Government's decision to fully open the economy in quarter one of 2022 that jump started most of the economic activities which were previously affected by COVID-19 and improvement in closer loan monitoring methods by our credit field staff.

### KEY HIGHLIGHTS

Profit After Tax  
↑ +18.0% to  
UGX 249.6 Billion

Total Income  
↑ +11.4% to  
UGX 962 Billion

Total Assets  
↑ +20.3% to  
UGX 5,721.5 Billion

Gross Loans  
↑ +25.4% to  
UGX 2,815.0 Billion

Customer Deposits  
↑ +22.7% to  
UGX 3,904.0 Billion

Non-Performing Loans  
↓ -3.40%

### AWARDS

As a result of our work in 2022, we were recognized by various sectors.

1. **Best Retail Bank in Uganda 2022 - Global Banking & Finance Awards**
2. **Best Financial Institution supporting SMEs in Africa - Africa SME champions forum**
3. **Winner Banking Services by Financial Reporting Awards**
4. **Excellence in Integrated Reporting by the Financial Reporting Awards**
5. **Certificate of recognition for outstanding achievement in Sustainability Reporting by the Financial Reporting Awards**
6. **Certificate of recognition for outstanding achievement in Corporate Governance Reporting by the Financial Reporting Awards**
7. **Digital Brand of the year 2022 - Digital Impact Awards Africa**
8. **Banking Innovation Excellence (CenteMobile Loan Service) - Digital Impact Awards Africa**
9. **Community/MFI Banking innovation excellence - Digital Impact Awards Africa**
10. **Best use of CSR for the Cancer Run initiative - Uganda Marketing Excellence Awards awarded**
11. **Gold award - Annual Uganda Bankers Gala**
12. **2nd Runners up award - The Corporate League**
13. **Best Retail Bank supporting social and economic transformation in the West Nile - West Nile Awards**
14. **Best Bank with Customer tailored services - People's Choice Award**
15. **Recognition for supporting young and upcoming talent in performing Music & Arts - The Janzi Music awards**

### ACKNOWLEDGEMENT

I would like to thank all our customers, partners, board, staff, and other stakeholders for enabling the Bank to perform well and making sustainable Banking a reality. The memories of those early days of the pandemic have renewed our sense of genuine appreciation of our customers businesses. When other businesses were in crisis response mode, we were busy planning for the future. Our investments have continued in technology in addition to investing in our employees and infrastructure.

Over the next five years, we hope all our partners get a sense of the excitement we have for the future. This is truly the story of a Bank where God Leads the Way. We are working towards becoming a SMART bank by 2026, with a series of technology-led solutions, that drive efficiency, process automation, convenience, customer centricity, sustainability, learning and growth.

**MR. FABIAN KASI**

Managing Director, Centenary Bank



For more information call our toll free line  
0800 200555/0800 335344

Centenary Bank, a Member of the CenteGroup. Regulated by Bank of Uganda A1.033. Customer deposits are protected by the Deposit Protection Fund up to UGX 10 Million. Terms and Conditions apply.

# CENTENARY RURAL DEVELOPMENT BANK LIMITED

## EXTRACT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF CENTENARY RURAL DEVELOPMENT BANK LIMITED

#### Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2022, the summary statement comprehensive income for the year then ended, and other disclosures, are derived from the audited financial statements of Centenary Rural Development Bank Limited for the year ended 31 December 2022.

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 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 International Financial Reporting Standards, the Financial Institutions Act 2004 (As amended 2016) Laws of Uganda and the Companies Act, 2012 Laws 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 Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 24<sup>th</sup> April 2023. The 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

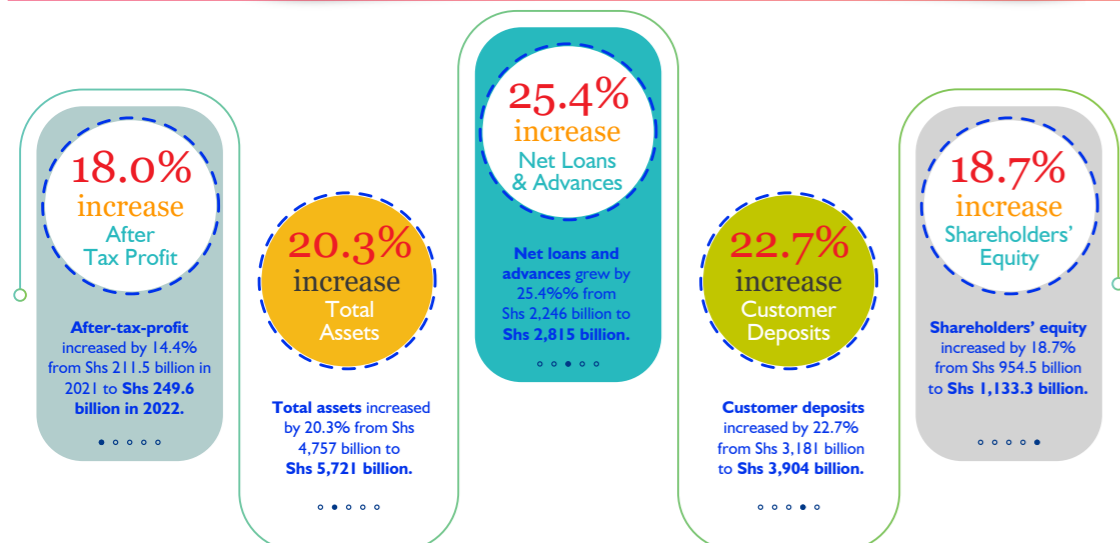
The directors are responsible for the preparation of the summary financial statements in accordance with the Financial Institutions Act 2004 (As amended 2016) Laws of Uganda and the Financial Institutions (External Auditors) Regulations, 2010.

#### Auditor's Responsibility

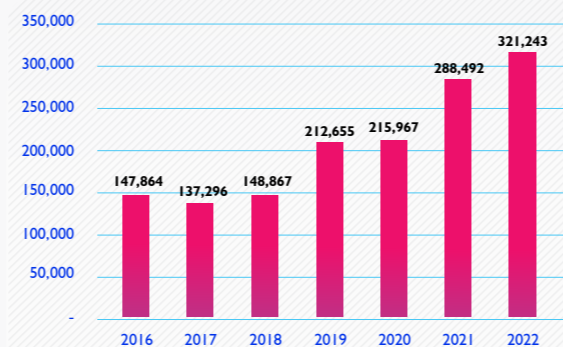
Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised). Engagements to Report on Summary Financial Statements.

Certified Public Accountants,  
3<sup>rd</sup> Floor Rwenzori Court,  
Plot 2&4A, Nakasero Road  
P.O. Box 3509,  
Kampala, Uganda  
24<sup>th</sup> April 2023

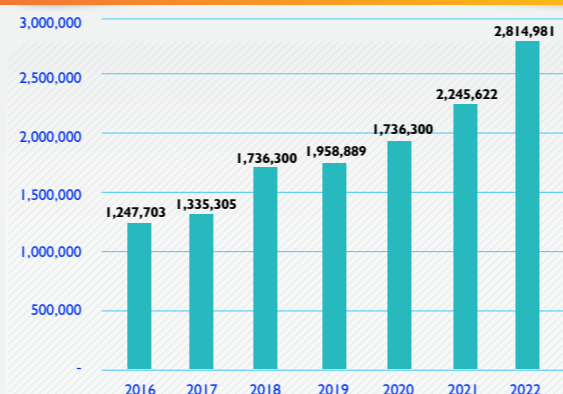
### HIGHLIGHTS FOR THE YEAR 2022



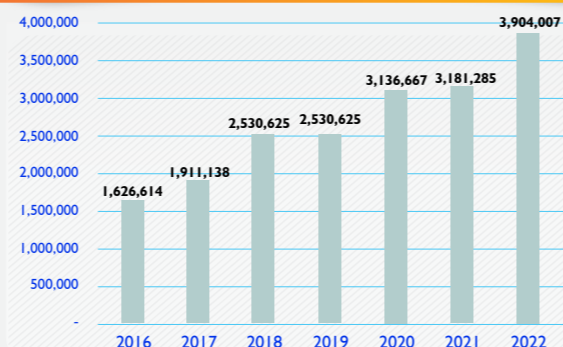
#### Profit Before Tax (Shs 'Millions)



#### Net Loans & Advances to Customers (Shs 'Millions)



#### Customer Deposits (Shs 'Millions)



#### Share Holders Equity (Shs 'Millions)



### STATEMENT OF FINANCIAL POSITION

	2022 Shs '000	2021 Shs '000
<b>ASSETS</b>		
Cash and balances with Bank of Uganda	792,852,287	679,153,738
Balances with banking institutions	299,930,607	221,943,326
Marketable (trading) securities	783,067,263	477,658,474
Loans and advances (NET)	2,814,981,420	2,245,622,684
Investment securities	719,142,733	868,729,881
Interest receivable and other assets	236,903,248	197,177,409
Property and equipment	44,310,657	52,892,911
Deferred tax asset	30,269,883	14,568,308
<b>Total assets</b>	<b>5,721,458,098</b>	<b>4,757,746,731</b>
<b>LIABILITIES</b>		
Customers' deposits	3,904,006,974	3,181,285,678
Balances due to banking institutions	141,565,435	186,156,216
Interest payable and other liabilities	505,939,028	415,382,405
Tax payable	36,652,278	20,415,580
<b>Total liabilities</b>	<b>4,588,163,715</b>	<b>3,803,239,879</b>
<b>SHAREHOLDERS EQUITY</b>		
Share capital	173,068,760	28,941,980
Share premium	671,008,363	671,008,363
Retained earnings	177,715,162	181,034,047
Reserves	111,502,098	73,522,462
<b>Total shareholders' equity</b>	<b>1,133,294,383</b>	<b>954,506,852</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,721,458,098</b>	<b>4,757,746,731</b>

### SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	2022 Shs '000	2021 Shs '000
<b>INCOME</b>		
Interest on deposits and placements	14,569,324	28,821,462
Interest on loans and advances	580,869,307	500,672,950
Interest on marketable securities	12,583,567	17,577,097
Interest on investment securities	84,234,984	92,037,910
Foreign exchange income	19,201,512	13,300,288
Fee and commission income	214,665,465	187,114,487
Other income	36,158,004	24,520,339
<b>Total income</b>	<b>962,282,163</b>	<b>864,044,533</b>
<b>EXPENDITURE</b>		
Interest expense on deposits	74,946,716	65,311,958
Interest expense on borrowings	16,346,191	12,410,610
Other interest expense	6,041,608	5,551,944
Provision for bad and doubtful debts	21,860,154	49,154,787
Operating expenses	283,390,928	206,335,732
Other expenses	238,453,602	236,787,752
<b>Total expenditure</b>	<b>641,039,199</b>	<b>575,552,783</b>
<b>Net profits before tax</b>	<b>321,242,964</b>	<b>288,491,750</b>
Taxation	(71,637,121)	(76,974,590)
<b>Net profit after tax</b>	<b>249,605,843</b>	<b>211,517,160</b>
Other Comprehensive Income	(1,950,690)	1,950,690
<b>Total Comprehensive Income</b>	<b>247,655,153</b>	<b>213,467,850</b>

### OTHER DISCLOSURES

	2022 Shs '000	2021 Shs '000
<b>CONTINGENT LIABILITIES</b>		
Letters of credit	11,422,833	8,577,996
Guarantees and performance bonds	154,327,080	130,920,221
<b>Total</b>	<b>165,749,913</b>	<b>139,498,217</b>
<b>COMMITMENTS</b>		
Undrawn stand by facilities	47,088,807	25,950,163
Undrawn credit lines	35,853,540	17,331,417
<b>Total</b>	<b>82,942,347</b>	<b>43,281,580</b>
Non-performing loans and other assets	100,063,712	121,632,449
Interest in suspense	9,132,663	11,577,267
Bad debts written off	36,292,127	23,438,882
Large loan exposure	-	-
Insider loan exposure	56,949,897	57,351,362
<b>CAPITAL POSITION</b>		
Core capital	976,847,570	837,800,125
Supplementary capital	31,163,158	24,888,061
<b>Total qualifying capital</b>	<b>1,008,010,728</b>	<b>862,688,186</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>3,619,070,013</b>	<b>2,888,691,131</b>
Core capital to RWA	27.0%	29.0%
<b>Total qualifying Capital to RWA</b>	<b>27.9%</b>	<b>29.9%</b>

### MESSAGE FROM DIRECTORS

The above balance sheet and income statement were audited by KPMG Certified Public Accountants and received an unqualified opinion. The financial statements were discussed with the Bank of Uganda on 6<sup>th</sup> April 2023 and authorized for issue by the Board of Directors on 20<sup>th</sup> April 2023.

**Mr. Gustavo Bwoch**  
CHAIRMAN, BOARD OF DIRECTORS

**Mr. Fabian Kasi**  
MANAGING DIRECTOR

**Mr. Tom Aliti Candia**  
CHAIRPERSON, AUDIT COMMITTEE

**Mr. Innocent Kyakuha**  
COMPANY SECRETARY



For more information call our toll free line  
**0800 200555 / 0800 335344**