

Capital to Impact:

Financing Uganda's next phase of growth

An extract of the financial statements and development impact for the year ended 31 December 2025



MANAGING DIRECTOR'S STATEMENT

Advancing Uganda's Transformation Through Catalytic Development Finance

In 2025, the global economy remained broadly stable but subdued, with growth moderating to 2.7% amid tighter financial conditions, evolving trade dynamics, and persistent geopolitical risks. While advanced economies experienced slower expansion, Emerging Markets and Developing Economies including Sub-Saharan Africa, which grew by 4.0% continued to anchor global activity, supported by resilient domestic demand and investment.

Against this backdrop, Uganda's economy demonstrated strong resilience, expanding by 6.3% in 2025, up from 6.1% in the previous year, underpinned by solid performance across agriculture, industry, and services. Macroeconomic stability improved significantly, with headline inflation easing to 3.3% from 5.4% in 2024, while core inflation moderated to 3.6%,

reflecting stable prices and improved supply conditions. Business sentiment strengthened over the course of the year, with the Business Tendency Index rising to 58.1 from 56.9 in 2024, signalling sustained optimism and expanding economic activity.

In this context, Uganda Development Bank ("UDB" or "the Bank") commenced implementation of its Fourth Strategic Plan (2025–2029), reinforcing its role as a catalytic development finance institution focused on accelerating private sector-led transformation. Throughout the year, the Bank deepened its contribution to national development by deploying targeted financial and non-financial interventions that unlock investment, crowd in capital, and strengthen enterprise competitiveness across priority sectors.

Sustained Socio-Economic Impact *UDB Funded Enterprises

Impact on Society	Impact on the Economy
69,202 Jobs created/maintained	UGX 6.26 trillion gross output (up from UGX 6.05 trillion)
73% Jobs held by youth	UGX 1.16 trillion total profits (up from UGX 1.06 trillion)
39% Jobs held by women	UGX 387 billion in taxes (↑21.7% from 2024)

Stimulating Private Sector Growth

During the year, the Bank approved **UGX 518.4** billion in new funding to support 120 projects across the country. Additionally, UDB disbursed a total of **UGX 502.2** billion, representing a 29% increase from UGX 388.7 billion in 2024. The Bank also expanded its footprint to 689 active clients across **105** districts, up from 524 clients in 92 districts in the previous year, reaching up to **113,070** recipients.

A significant share of this financing (64%) was directed toward agriculture, agro-industrialization, and manufacturing, reinforcing the Bank's strategic focus on value

addition and productive sectors. The Bank also expanded its support to early-stage and innovative enterprises through its equity investments, including ventures in manufacturing, digital tourism, and electric mobility.

The projects approved in 2025 when fully implemented, are projected to create over **33,600** jobs, generate **UGX 5.2** trillion in additional output, and contribute approximately **UGX 918.7** billion in tax revenues, reinforcing a strong pipeline of future development impact.

Financial Performance and Sustained Institutional Growth

The Bank recorded strong financial performance in 2025, underpinned by disciplined execution and a strengthened funding base.

Profit before tax increased by 25.2% to **UGX 91.6** billion from UGX 73.2 billion, while profit after tax rose by 9.7% to **UGX 63.4** billion from UGX 57.8 billion.

In terms of size, the Bank's Total assets grew by 27% to **UGX 2.26** trillion from UGX 1.78 trillion, supported by significant capital injections and increased borrow-

ings from development partners. The Bank's gross loan portfolio expanded by 7.7% to **UGX 1.77** trillion from UGX 1.60 trillion, with net loans and advances rising by 6.6% to **UGX 1.63** trillion. Operational efficiency remained robust, with the cost-to-income ratio (without impairment) sustained at **33%**.

Total equity increased by 24.8% to **UGX 1.89** trillion, reinforcing the Bank's capital position and its capacity to scale development impact.

Strengthening Funding and Partnerships

The Bank significantly enhanced its funding base, with total new funding increasing to **UGX 437.9** billion, driven by Government capital contributions and new borrowings from development partners.

The onboarding of new partners including Islamic Corporation for the Development of the Private Sector (ICD) and the European Investment Bank (EIB) is a testament to stakeholder confidence in the Bank's institutional strength and development impact.

Government support remained instrumental to the Bank's growth. The Bank secured **UGX 311** billion in additional capital contributions from the Government, complemented by sovereign guarantees and the conversion of prior funding into share capital. The cumulative government equity in the Bank now stands at **UGX 1.89** trillion, significantly strengthening the Bank's funding base.

Profit	Total Assets	Gross Loans
UGX 63.4 billion	UGX 2.26 trillion	UGX 1.77 trillion
↑9.7%	↑27%	↑7.7%

Deepening Non-Financial Interventions and Catalytic Programs


- Under its Special Programs proposition, the Bank continued to deepen targeted support to youth, women, and SMEs, with a cumulative portfolio of UGX 68.4 billion. In 2025, UGX 18.6 billion was disbursed, while an additional UGX 21.1 billion was approved in new funding to support enterprises across all regions of the country.
 - The Bank scaled interventions to support Uganda's creative economy. Through a strategic partnership with Next Media Group, the Bank supported the establishment of state-of-the-art content hubs in Kampala and select regional locations, creating over 200 direct jobs and generating additional indirect opportunities across the media and digital content sectors.
 - In advancing its leadership in green finance, the Bank extended support towards both adaptation and mitigation initiatives. As part of this effort, UGX 26.1 billion was approved to support green projects, with 85% allocated to climate adaptation initiatives and 15% to mitigation efforts.
- Beyond financing, the Bank continued to provide other transformative interventions aimed at boosting economic resilience.
- To strengthen enterprise resilience and investment readiness, the Bank's Enterprise Development Program supported 238 SMEs through incubation and advisory services across multiple regions in the country.
- These interventions reflect the Bank's integrated development approach that combines capital, capability building, and ecosystem support.

Looking Ahead

As the Bank advances implementation of its 2025–2029 Strategic Plan, it will continue transitioning toward a more programmatic approach to development financing, proactively addressing sector bottlenecks, mobilizing blended capital, and scaling high-impact investments in priority growth sectors particularly Agro-industrialization, Tourism development, Mineral development (including

oil & gas), and Science & Technology innovation (ATMS).

The Bank will strengthen its role in project preparation, transaction advisory, and capital mobilization. In doing so, UDB is well positioned to translate Uganda's development priorities into bankable investments that deliver measurable socio-economic transformation.



The Bank approved **UGX 518.4 billion** for **120** projects, disbursed **UGX 502.2 billion** (↑ 29% from 2024), and expanded its coverage across **105 districts**.

Expanding Our Reach

During the period, the Bank expanded its regional footprint with the opening of regional offices in Bunyoro (Hoima) and Eastern region (Mbale), building on the existing offices in Gulu (Northern

Region) and Kampala. The Bank is set to further strengthen its national coverage by establishing additional representative offices in the Western (Mbarara) and West Nile (Arua) regions in 2026.

Recognition and Awards

The Bank's strong performance and growing impact were affirmed through several distinguished recognitions during the year. UDB secured the highest national credit rating of **'AA+ (Uga)'** with a Stable Outlook from Fitch Ratings, alongside a 'B' Long-Term Issuer Default Rating, signalling sustained institutional strength and credibility with investors.

At the global level, the Bank received the **Outstanding Business Sustainability Achievement Award** at the Karlsruhe Sustainable Finance Awards 2025 in Germany, reflecting its leadership in financing sustained economic transformation.

In addition, the Managing Director was named **Banker of the Year** at the Africa

Banker Awards, highlighting exemplary leadership and UDB's increasing role in driving Uganda's socio-economic transformation.

The Bank maintained an **'A+' rating** issued by the Association of African Development Finance Institutions (AADFI) Secretariat, placing it among Africa's top 5 performing Development Finance Institutions (DFIs), underscoring its strong adherence to sound practices in governance, operational efficiency, and overall performance. Based on the Bank's FY 2025 Operational and Financial results, management expects to maintain this rating at the forthcoming AADFI reassessment, in line with the Association's two-year review cycle.

Appreciation

On behalf of Management and staff, I extend our sincere appreciation to His Excellency the President of the Republic of Uganda, H.E. Yoweri Kaguta Museveni, for his steadfast support and visionary leadership.

We are equally grateful to our shareholders, the Ministry of Finance, Planning and Economic Development, for their ongoing commitment and support to the Bank's mandate.

I wish to thank the Chairman and Board of Directors for their strategic guidance and oversight, and our staff for their dedication and professionalism.

To our clients and partners, we deeply appreciate your continued trust and collaboration.

As we look ahead, we remain committed to scaling impact, deepening partnerships, and accelerating Uganda's inclusive and sustainable transformation, with the aim of **improving the quality of life of Ugandans**.



Dr. Patricia Ojangole
Managing Director



The Bank expanded its footprint with the opening of regional offices in Bunyoro (Hoima) and Eastern region (Mbale), building on the existing offices in Gulu (Northern Region) and Kampala. The Bank is set to establish additional representative offices in the Western (Mbarara) and West Nile (Arua) regions in 2026.

(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 2025, 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 2025.

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 28 April 2026. 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.



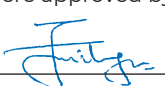
Edward Akol: AUDITOR GENERAL
Kampala
Date: 29 April 2026

(IV) NOTE TO THE SUMMARY FINANCIAL STATEMENTS

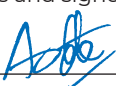
The summary financial statements are prepared in accordance with the Uganda Development Bank Limited accounting policies which entail presenting the statement of financial position and statement of comprehensive income as extracted from the Bank's audited financial statements.

(V) MESSAGE FROM THE DIRECTORS

The financial statements, which were approved by the Board of Directors on 14 April 2026, 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:



Geoffrey T. Kihuguru
Chairperson



Dr. Albert Richards Otete
Director



Busulwa Kayongo
Director

STATEMENT OF COMPREHENSIVE INCOME

	2025	2024
	Ushs '000	Ushs '000
Interest income calculated using the effective interest rate method	167,753,009	151,785,132
Interest and similar income	6,356,355	5,532,310
Interest expense calculated using the effective interest rate method	(9,663,817)	(10,298,526)
Net interest income	164,445,547	147,018,916
Net foreign exchange loss	(1,623,169)	(3,299,882)
Fair value loss on equity investments	(26,479)	(40,235)
Other income	1,680,378	672,882
Net impairment and modification losses on financial instruments	(18,485,865)	(24,004,414)
Operating income after impairment losses	145,990,412	120,347,267
Personnel expenses	(32,277,378)	(29,363,504)
Depreciation and amortization	(3,254,588)	(1,754,030)
Other operating expenses	(18,812,359)	(16,037,568)
Profit before tax	91,646,087	73,192,165
Income tax expense	(28,228,931)	(15,375,545)
Profit for the year	63,417,156	57,816,620
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	63,417,156	56,218,300
Basic and diluted earnings per share	52.54	65.82

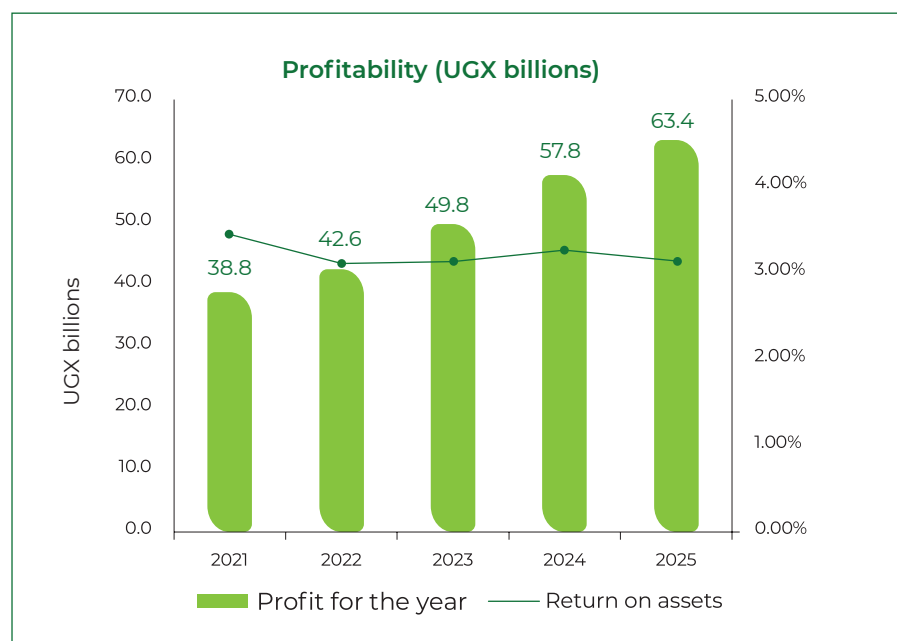
STATEMENT OF FINANCIAL POSITION

	2025	2024
	Ushs '000	Ushs '000
ASSETS		
Cash and cash equivalents	34,648,174	15,209,124
Deposits held in banks	429,679,312	89,302,730
Customer loans and advances	1,633,713,058	1,532,448,545
Staff loans and advances	14,217,673	10,884,779
Other assets	35,052,902	24,763,870
Equity investments at fair value through profit or loss	1,670,910	1,761,538
Current income tax recoverable	-	3,343,524
Other financial investments at amortised cost	11,982,803	3,533,797
Investment in associate	4,741,997	4,811,424
Property and equipment	70,265,908	69,748,567
Right of use assets	655,684	748,799
Intangible assets	812,366	530,661
Deferred tax asset	26,701,950	25,100,829
TOTAL ASSETS	2,264,142,737	1,782,188,187
LIABILITIES AND EQUITY		
Liabilities		
Amounts due to Bank of Uganda	5,186,039	9,569,258
STI-OP Fund	46,464,944	28,952,632
Other liabilities	56,962,064	56,976,985
Current income tax payable	1,214,881	-
Lease liabilities	503,991	546,835
Borrowings	257,990,248	161,795,029
European Union grant	779,487	4,287,146
UNCDF Fund	8,340,627	7,992,915
	377,442,281	270,120,800
Equity		
Issued share capital	1,207,072,738	878,359,004
GOU capital contributions	311,215,913	328,713,734
Kuwait Special Fund	37,672,650	36,715,059
Asset revaluation reserve	279,928	279,928
Retained earnings	330,459,227	267,999,662
	1,886,700,456	1,512,067,387
TOTAL LIABILITIES AND EQUITY	2,264,142,737	1,782,188,187

UGANDA DEVELOPMENT BANK LIMITED SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

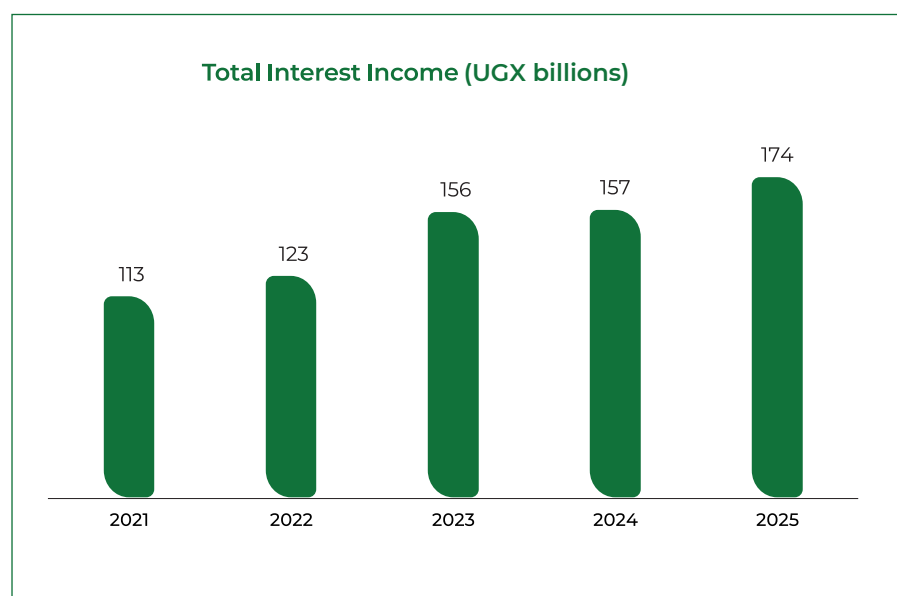
PROFITABILITY

The Bank delivered an exceptional financial performance in 2025, recording a profit before tax of UGX 91.6 billion that increased by 25.2% from the UGX 73.2 billion achieved in 2024. Profit for the year grew by 9.7% to UGX 63.4 billion (2024: UGX 57.8 billion), reflecting the sustained deployment of capital towards interest-earning assets and the Bank's sharpened focus on portfolio quality. The significant capital injection of UGX 311.2 billion from the Government of Uganda in 2025, alongside the conversion of prior contributions into issued share capital, strengthened the Bank's capacity to deliver its development finance mandate and catalyse socio-economic development.



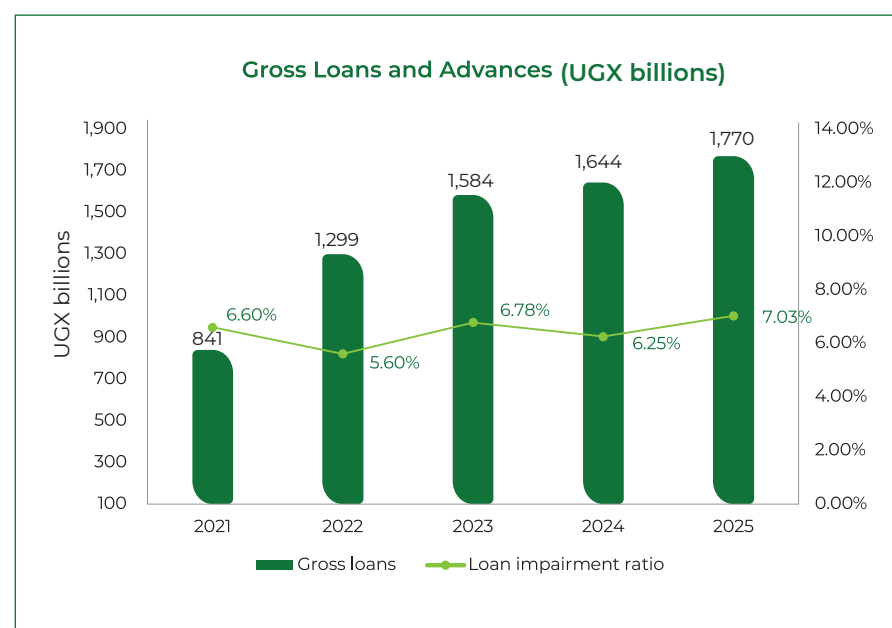
INTEREST INCOME

Total interest income consequently rose by 10.7% to UGX 174.1 billion (2024: UGX 157.3 billion).



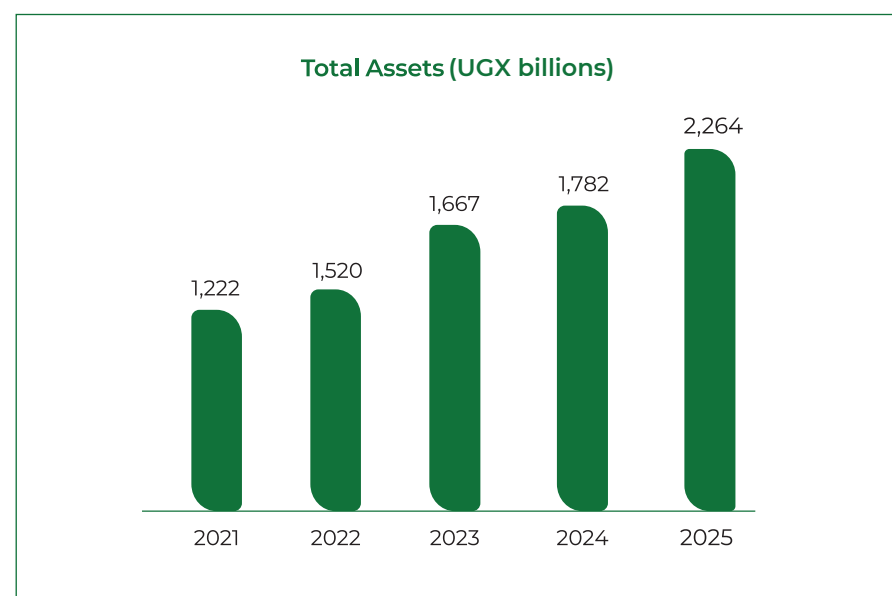
GROSS LOANS AND ADVANCES

Gross loans and advances rose 7.7% to UGX 1,770 billion in 2025 (2024: UGX 1,644 billion). Disbursements increased 29.2% to UGX 502.21 billion (2024: UGX 388.7 billion), driven by funding from development partners and Government. Net loans stood at UGX 1,633 billion (2024: UGX 1,532 billion) after ECL provisions of UGX 115.6 billion (2024: UGX 86.658 billion). Growth was supported by increased funding, strong reflows, and profitability.



TOTAL ASSETS

The Bank's total assets grew significantly by 27.0%, to UGX 2.26 trillion in 2025 from UGX 1.78 trillion in 2024. This strong balance sheet growth was driven by capital injection from the Government of Uganda, new draw-downs from international development finance partners, and the accumulation of retained earnings.



CAPITALISATION

The Government of Uganda supported the Bank in 2025, with fresh capital contributions of UGX 311.2 billion received during the year. In addition, the shareholders approved the conversion of UGX 328.7 billion of accumulated capital contributions into issued share capital, bringing the Bank's total issued share capital to UGX 1,210 billion by year-end (2024: UGX 878.4 billion). The substantial capitalisation underscores the Government's unwavering commitment to UDB's strategic mandate and reinforces the Bank's capacity to deepen development financing across priority sectors. The Kuwait Special Fund also increased to UGX 37.7 billion (2024: UGX 36.7 billion), further diversifying the Bank's capital base.

IMPACT ON SOCIETY

Enhancing quality of life	Promoting entrepreneurship and innovation	Enabling inclusive prosperity
76% of funded customers complying with Occupational Safety and Health measures.	122 SMEs funded.	9,964 jobs for youth created.
13,649 new jobs created.	UGX 17.36 billion invested in SMEs.	2,690 high paying jobs created for the youth.
5,596 new employees covered by Social Protection .	UGX 10.36 billion allocated to risk capital.	7 activities to promote inclusive prosperity conducted for women-business development programs, creating market opportunities for PWD-owned businesses, and boosting businesses from marginalized communities.
85 jobs created in the Creative Industries.	UGX 1.02 billion dedicated to promoting entrepreneurship and innovation through business advisory and development and innovation.	UGX 0.45 billion allocated to fund professional development to produce high-skilled workforce from middle and/or low-income communities.
47 jobs created in Technology-Based Industries.	UGX 10.38 billion invested in businesses with potential under equity.	UGX 26.22 billion allocated to fund Health Care Businesses/Projects .
18,684 workers earning 50% higher wages than local/national average.		13 women owned/led businesses funded



69,202 Jobs
created and maintained

IMPACT ON ECONOMY

Boosting the Real Economy	Creating a high-income, internationally competitive future proof economy	Building economic resilience
221 Large-Scale Business Enterprises funded.	3% of Loans allocated for technological and green transformation of the identified industry sectors/sub-sectors.	UGX 30.85 billion allocated for promoting economic diversification.
UGX 495.59 billion allocated for Large-Scale Business Enterprises.	4 large-scale businesses funded for technological and green transformation.	UGX 114.32 billion allocated for promoting import substitution of critical goods and services.
UGX 17.36 billion allocated for MSMEs.	UGX 15.89 billion allocated for technological and green transformation of large-scale businesses.	UGX 100.29 billion allocated for balance supply and demand of critical goods and services.
16% allocated for Start-up Enterprises.	UGX 5.89 billion allocated for technology and environmentally friendly start-ups.	UGX 2.20 billion allocated for export-oriented industry sectors/sub-sectors.
UGX 205.18 billion - Investments by the Business Owners in the Funded Enterprises (Crowding in private investment to boost real economy).	UGX 76.38 billion allocated for smart physical infrastructure projects.	UGX 163.51 billion allocated for export-oriented businesses.
UGX 718.14 billion dedicated to the Real Economy (Total Loans, Advances and Investments for the Businesses and Projects.	15% of Loan, Advances and Investment Portfolio allocated for smart physical infrastructure projects.	UGX 1,847 billion - value of goods and services exported by all funded businesses.
UGX 6,261 billion - Total Turnover of All Businesses Funded.	UGX 8.1 billion allocated for mobility/ transportation projects.	UGX 253.69 billion allocated for import substitution.
3% share in GDP of Total Turnover of All Businesses Funded.	UGX 5.44 billion allocated for water supply projects.	UGX 4,414 billion foreign exchange saved through import substitution businesses.
UGX 387 billion Tax Revenue Generated from Funded Businesses.		



UGX
6,261 billion
Total Turnover of All
Businesses Funded

IMPACT ON ENVIRONMENT

19,800 CO ₂ e (Carbon dioxide equivalent) Saved (In tCO ₂ e)
43 business ideas solicited to preserve biodiversity hotspots and natural ecosystems
33% businesses financed to preserve biodiversity hotspots and natural ecosystems
2 activities conducted to preserve and enrich biodiversity

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RECOGNITIONS AND AWARDS 2025



Credit Ratings: AA+(Uga) National Long-Term Rating with a Stable Outlook from Fitch Ratings and an A+ institutional rating from the Association of African Development Finance Institutions (AADFI).



Uganda Development Bank (UDB) won the **Outstanding Business Sustainability Achievement Award** in the Karlsruhe Sustainable Finance Award 2025 at this year's Global Sustainable Finance Conference in Germany.



The Managing Director of UDB, Dr. Patricia Ojangole, was named **Banker of the Year 2025** at the 19th African Banker Awards held in Abidjan, Côte d'Ivoire.



UDB was among the first organizations globally to be certified under the Sustainability Standards and Certification Initiative (SSCI).

CREATING MEANINGFUL PARTNERSHIPS

UDB Hosts Inaugural Development Finance Summit

The Bank hosted the first-ever Development Finance Summit in Uganda. The Inaugural Uganda Development Finance Summit brought together policymakers, financial institutions, development partners, private sector leaders, and innovators to explore strategies for mobilizing finance for sustainable economic growth. The summit, held on 1 and 2 September 2025 in Kampala, attracted over 500 participants from across the world, reinforcing its position as a premier platform for dialogue on financing development. The event was anchored on the theme: *Transforming Africa Through National Development Finance Architecture*.



H.E. The President of Uganda **Yoweri Kaguta Museveni** (center left) and First Lady and Minister of Education and Sports, **Janet Museveni** (center right), pose for a photo with some of the dignitaries that attended the Uganda Development Finance Summit on 1 September, 2025.



President Museveni commissions UDB - Funded Piston Medical Factory

In February 2025, President Yoweri Kaguta Museveni commissioned Piston Medical Factory, a UDB-funded project in Namanve Industrial Park. The plant will produce essential hospital solutions (LVPs and SVPs) for a regional market currently reliant on USD 78 million in imports. The President commended UDB and its Managing Director for advancing the Bank's mandate.



BADEA signs USD 150 Million with the Government of Uganda

The Government of Uganda and Arab Bank for Economic Development in Africa (BADEA) signed two major loan agreements worth USD 150 million, with USD 100 million channelled through UDB to support agro-processing, infrastructure, manufacturing, health, and education.



UDB enters USD 30 million partnership with IsDB

UDB signed a USD 30 million line of credit with the Islamic Corporation for the Development of the Private Sector, part of the Islamic Development Bank Group. The agreement, signed by the Managing Director UDB, Dr. Patricia Ojangole and the Officer-in-Charge, Chief Executive Officer of ICD Dr. Khalid Khalafalla, will finance projects in agriculture, industry, services, and infrastructure.



UDB - funded pharmaceutical flags off first consignment

In February 2025, Deseret Microhaem Pharmaceuticals flagged off its first consignment of malaria/HIV testing kits, boosting local pharmaceutical manufacturing and healthcare self reliance. UDB supported the project with over USD 7.5 million (approx. UGX 27 billion) to establish Sub-Saharan Africa's first local diagnostic kit plant.



Launch of RISE

In March 2025, UDB launched the Reshaping Industries for a Sustainable Economy (RISE) Program, an initiative that is expected to transform the way the Bank deploys its resources within the economy.



Empowering Communities,
Creating Opportunities, and
Transforming Livelihoods.

Improving the Quality of Life of Ugandans.

● Agriculture ● Industry ● Services ● Infrastructure



Head Office

UDB Tower, Plot 22 Hannington Road,
P. O. Box 7210, Kampala, Uganda.

Regional Offices

- Gulu City: Plot 67, Lower Churchill Drive
- Mbale City: Plot 1, Masaba Road
- Hoima City: Plot 5, Kyaruhanga Road