

I&M Bank deposits jump 42% to UGX 1.08 trillion, lifting 2025 profit to UGX 10.23 billion

Balance sheet expansion driven by deposits as profitability edges upward

I&M Bank Uganda closed 2025 with a measured but strategically significant performance, signaling a shift from a multi-year transformation phase into a more disciplined growth trajectory anchored on balance sheet strength, improved asset quality, and tighter operational execution.

The bank's total assets rose by 29 percent to UGX 1.4 trillion, up from UGX 1.08 trillion in 2024, reflecting one of the fastest expansion rates among mid-tier banks in Uganda.

This growth was largely funded by a sharp rise in customer deposits, which surged 42 percent to UGX 1.08 trillion from UGX 757 billion the previous year.

The scale of deposit growth is notable, not just for its size, but for what it signals: a strengthening of customer confidence and a more stable funding base in an increasingly competitive banking environment.

Loans and advances grew more moderately, rising 18 percent to UGX 480.8 billion from UGX 406.9 billion, suggesting a deliberate pacing of credit expansion.

This slower loan growth relative to deposits reflects a cautious approach to risk, especially in a market where rapid lending can often come at the cost of asset quality.

Profitability followed a similar pattern of steady, controlled growth. Net profit after tax increased by 11 percent to UGX 10.23 billion, up from UGX 9.24 billion in 2024.

Total revenue rose 15 percent to UGX 149.4 billion from UGX 130 billion, supported by stronger interest income and improved operating efficiency.

Interest income from loans climbed to UGX 61.8 billion from UGX 51.1 billion, while income from investment securities rose significantly to UGX 45.1 billion from UGX 29.9 billion, indicating a more active treasury



Managing Director / CEO: Robin Bairstow

strategy and better utilization of surplus liquidity.

At the same time, costs remained under control. Total expenditure increased to UGX 139 billion from UGX 120.9 billion, with operating expenses rising to UGX 87.9 billion from UGX 80.8 billion.

While cost growth is evident, it has been contained relative to income expansion, allowing profitability to improve without excessive margin compression.

Improved asset quality and capital strength position bank for next growth phase

If there is one defining feature of I&M Bank Uganda's 2025 performance, it is the improvement in asset quality. The bank reduced its non-performing loan ratio to 3.4 percent, down from 4.9 percent in 2024, reflecting stronger underwriting standards, enhanced credit monitoring, and more proactive recovery mechanisms.

This improvement is critical. Asset quality often determines whether growth is sustainable or fragile. By reducing impaired loans while still expanding its credit book, the bank has strengthened the resilience of its balance sheet and reduced future provisioning risk.

Capital levels remain solid, providing additional support for future expansion. Total qualifying capital rose to UGX 141.8 billion from UGX 123.1 billion, while total risk-weighted assets increased to UGX 724.3 billion from UGX 598.1 billion.

Core capital to risk-weighted assets stood at 18.91 percent, and total capital adequacy at 19.58 percent, both comfortably above regulatory requirements.

This positions the bank well to absorb shocks while maintaining room for growth.

Liquidity has also improved significantly. The sharp rise in deposits, combined with disciplined lending, has strengthened the bank's

funding profile.

This creates flexibility to scale lending in 2026 without immediately needing to raise additional capital or rely heavily on external borrowing.

Another notable shift is in the composition of income. While lending remains central, the bank is increasingly leveraging investment securities and non-funded income streams.

Fees and commission income stood at UGX 12.76 billion, slightly down from UGX 13.4 billion, suggesting some pressure in transactional income lines, but overall revenue diversification remains intact.

The broader macroeconomic context also played a role. Uganda's economy in 2025 remained relatively stable, with inflation contained and the currency showing resilience despite global uncertainties.

This stability provided a supportive environment for banking sector growth, allowing institutions like I&M

Bank to expand without significant macroeconomic disruptions.

Internally, the bank appears to have moved past its transformation phase, which focused on systems modernization, governance strengthening, and capital reinforcement.

Management now emphasizes operational efficiency, digital enablement, and faster decision-making through data analytics and automation.

These capabilities are beginning to translate into measurable outcomes, particularly in turnaround times, customer experience, and cost efficiency.

Looking ahead, the bank's strategy is clearly defined. It intends to deepen deposit mobilization, expand high-quality lending, strengthen non-funded income streams, and continue improving operational efficiency. The emphasis is not on aggressive expansion, but on disciplined, sustainable growth.

This approach reflects a broader shift in Uganda's banking sector, where success is increasingly defined not by how fast a bank grows, but by how well it manages risk while growing.

In that context, I&M Bank Uganda's 2025 performance suggests a bank that is becoming more deliberate, more resilient, and better positioned for long-term stability.

Over the past five years, the institution has transitioned from integration and restructuring into a phase of consolidation and measured expansion.

The results may not be explosive, but they are consistent. And in banking, consistency often matters more than speed.

What emerges from the 2025 numbers is a bank that is no longer trying to prove its presence in the market, but one that is steadily building credibility through execution. If the current trajectory holds, I&M Bank Uganda may not just grow larger in the coming years, but more