

UNITED BANK FOR AFRICA UGANDA LIMITED

SUMMARISED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

I. INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF UNITED BANK FOR AFRICA UGANDA LIMITED

Opinion

The summary financial statements of United Bank for Africa Uganda Limited, which comprise the summary statement of financial position as at 31 December 2018, and the summary statement of profit or loss and other comprehensive income for the year then ended, and related notes, are derived from the audited financial statements of United Bank for Africa Uganda Limited for the year ended 31 December 2018.

In our opinion, the accompanying summary financial statements are consistent, in all material aspects with the audited financial statements, in accordance with the measurement and recognition requirements of IFRS and the requirements of Section 12(1) of the Financial Institutions Act, 2004 (amended in 2016) as applicable to summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the Ugandan Companies Act, 2012, as well as the Financial Institutions Act, 2004 (amended in 2016) as applicable to the annual financial statements.

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 opinion on the audited financial statements in our report dated 6th April, 2019. That report includes the communication of key audit matters as reported in the auditor's report of the audited financial statements.

Directors' responsibilities for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the Financial Institutions (External Auditors) Regulations 2010 and the Financial Institutions Act, 2004 (amended in 2016) and for such internal control as the directors determine necessary to enable the preparation of the summary financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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



Certified Public Accountant of Uganda

6th April, 2019

Kampala

SUMMARY FINANCIAL STATEMENTS OF UNITED BANK FOR AFRICA UGANDA LIMITED

II. STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

| | 2018 Ushs'000 | 2017 Ushs'000 |
|---|--------------------|--------------------|
| ASSETS | | |
| Cash and balances with BOU | 28,692,221 | 29,207,467 |
| Balances with banking institutions | 168,473,000 | 82,670,792 |
| Government securities - held to maturity | - | 44,857,281 |
| Debt instruments at fair value through other Comprehensive income | 75,686,555 | - |
| Government securities – available-for-sale | - | 17,529,842 |
| Loans and advances (net) | 32,967,998 | 27,569,562 |
| Interest receivable and other assets | 6,228,524 | 10,807,696 |
| Property and equipment | 4,708,346 | 3,150,924 |
| Intangible assets | 350,667 | 365,684 |
| TOTAL ASSETS | 317,107,311 | 216,159,248 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Customer deposits | 244,674,520 | 127,769,065 |
| Borrowings | 7,667,427 | 15,524,324 |
| Interest payable and other liabilities | 18,002,680 | 28,432,173 |
| TOTAL LIABILITIES | 270,344,627 | 171,725,562 |
| Share capital | 96,428,378 | 96,428,378 |
| Accumulated losses | (48,658,609) | (52,128,111) |
| Available for sale fair value reserve | - | 133,419 |
| Fair value reserve | (1,007,085) | - |
| TOTAL SHAREHOLDER'S EQUITY | 46,762,684 | 44,433,686 |
| TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY | 317,107,311 | 216,159,248 |

III. STATEMENT OF COMPREHENSIVE INCOME

| | 2018 Ushs'000 | 2017 Ushs'000 |
|---|---------------------|---------------------|
| INCOME | | |
| Interest on deposits and placements | 5,120,236 | 4,468,985 |
| Interest on loans and advances | 4,331,844 | 2,975,681 |
| Interest on government securities | 17,486,138 | 12,172,320 |
| Foreign exchange income | 5,319,099 | 2,429,146 |
| Fees and commission income | 10,587,996 | 11,098,924 |
| Other income | 4,725,200 | 181,781 |
| Total Income | 47,570,513 | 33,326,837 |
| EXPENDITURE | | |
| Interest expense on deposits | (4,625,485) | (3,184,282) |
| Provisions for bad and doubtful debts | (1,133,696) | (777,169) |
| Operating expenses | (34,570,631) | (26,124,387) |
| Total expenditure | (40,329,812) | (30,085,838) |
| Profit before income tax | 7,240,701 | 3,240,999 |
| Income tax expense | (2,332,247) | (2,193,651) |
| Profit after tax | 4,908,454 | 1,047,348 |
| OTHER COMPREHENSIVE INCOME | | |
| Unrealized fair value changes on Debt securities at FVOCI | (1,140,504) | - |
| Unrealized fair value gains on available-for-sale assets | - | 237,959 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 3,767,950 | 1,285,307 |

IV. OTHER DISCLOSURES

| | 2018 Ushs'000 | 2017 Ushs'000 |
|---------------------------------------|-------------------|-------------------|
| CONTINGENT LIABILITIES | | |
| Guarantees and performance bonds | 21,338,705 | 52,125,030 |
| TOTAL | 21,338,705 | 52,125,030 |
| COMMITMENTS | | |
| Undrawn credit lines | 6,622,914 | 1,217,914 |
| TOTAL | 6,622,914 | 1,217,914 |
| CREDIT EXPOSURE | | |
| Non-performing loans and other assets | 60,556 | 2,886,547 |
| Interest in suspense | 111,290 | 120,614 |
| Bad debts written off | 1,277,508 | - |
| Large loan exposures | 27,986,875 | 18,492,248 |
| Insider loan exposures | 26,892 | 579,182 |
| CAPITAL POSITION | | |
| Core capital | 46,342,907 | 43,514,949 |
| Supplementary capital | 331,140 | 281,431 |
| Total qualifying capital | 46,674,047 | 43,796,380 |
| Total Risk Weighted Assets (RWA) | 191,070,549 | 153,335,149 |
| Core capital to RWA | 24.25% | 28.38% |
| Total qualifying capital to RWA | 24.43% | 28.56% |

V. MESSAGE FROM DIRECTORS

The above statements of financial position and statement of comprehensive income were audited by Deloitte & Touche, Certified Public Accountant of Uganda and received an unqualified audit opinion.

The financial statements were approved by the Board of Directors on 6th March 2019 and discussed with Bank of Uganda on 22nd March 2019



MRS. MARIA KIWANUKA

Chairperson



MR. JOHNSON AGOREYO

Managing Director