

UNITED BANK FOR AFRICA UGANDA LIMITED

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

I. REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2016 and the summary statement of 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 2016.

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 (External Auditors) Regulations, 2010.

Summary financial statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the Companies Act of Uganda, 2012 and the Financial Institutions Act, 2004 as amended by the Financial Institutions (Amendment) Act, 2016. 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 our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 April 2017.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation and fair presentation of the summary financial statements in accordance with the Financial Institutions (External Auditors) Regulations, 2010.

Auditors' 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.



Ernst & Young
Certified Public Accountants of Uganda
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27 April 2017

II. STATEMENT OF FINANCIAL POSITION

| | 2016 | 2015 | 2014 |
|---|--------------------|----------------------|----------------------|
| | Ushs'000 | Restated Ushs'000 | Restated Ushs'000 |
| Assets | | | |
| Cash and balances with Bank of Uganda | 13,946,335 | 13,845,744 | 21,660,024 |
| Deposits and balances due from banking institutions | 60,374,848 | 66,037,538 | 65,627,262 |
| Government securities - held to maturity | - | 5,108,290 | 3,096,031 |
| Government securities - available-for-sale | 71,753,193 | 39,686,193 | 61,903,775 |
| Loans and advances to customers (net) | 17,761,347 | 32,285,835 | 26,791,749 |
| Other assets | 7,058,902 | 4,171,377 | 2,713,675 |
| Property and equipment | 1,454,968 | 1,369,282 | 1,136,813 |
| Intangible assets | 591,628 | 550,680 | 132,327 |
| Total Assets | 172,941,221 | 163,054,939 | 183,061,656 |
| Liabilities and Shareholders' Equity | | | |
| Customer deposits | 86,479,452 | 120,684,109 | 145,700,533 |
| Borrowings | 13,862,613 | - | 17,625 |
| Other liabilities | 29,450,777 | 18,617,811 | 14,773,908 |
| Total Liabilities | 129,792,842 | 139,301,920 | 160,492,066 |
| Shareholders' Equity | | | |
| Issued capital | 90,277,378 | 71,526,078 | 71,526,078 |
| Shareholders' funds pending allotment | 6,151,000 | 8,276,800 | 2,773,000 |
| Accumulated losses | (53,175,459) | (55,812,819) | (51,561,590) |
| Available for sale fair value reserve | (104,540) | (237,040) | (167,898) |
| Total Shareholders' Equity | 43,148,379 | 23,753,019 | 22,569,590 |
| Total Liabilities And Shareholders' Equity | 172,941,221 | 163,054,939 | 183,061,656 |

III. STATEMENT OF COMPREHENSIVE INCOME

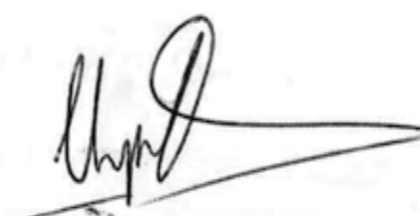
| | 2016 | 2015 |
|--|-------------------|----------------------|
| | Ushs'000 | Restated Ushs'000 |
| Income | | |
| Interest income on deposits and placements | 5,178,044 | 2,516,115 |
| Interest on loans and advances | 3,473,331 | 3,331,313 |
| Interest on government securities | 8,836,060 | 8,364,904 |
| Foreign exchange income | 1,792,312 | 1,666,409 |
| Fee and commission income | 10,184,654 | 7,720,656 |
| Other income | 244,002 | 417,115 |
| Total income | 29,708,403 | 24,016,512 |
| Expenditure | | |
| Interest expense on deposits | 1,818,707 | 3,813,182 |
| Provision for bad and doubtful debts | 1,228,301 | 1,269,398 |
| Operating expenses | 22,210,646 | 21,481,698 |
| Total expenses | 25,257,654 | 26,564,278 |
| Profit/(loss) before income tax | 4,450,749 | (2,547,766) |
| Income tax | (1,813,389) | (1,703,463) |
| Net profit/ (loss) after tax | 2,637,360 | (4,251,229) |
| Other comprehensive income | | |
| Unrealised fair value gains / (losses) on available-for-sale assets | 132,500 | (69,142) |
| Deferred income tax relating to unrealised fair value gains on available for sale assets | - | - |
| Total comprehensive income for the year | 2,769,860 | (4,320,371) |

IV. OTHER DISCLOSURES

| | 2016 | 2015 |
|---------------------------------------|-------------------|-------------------|
| | Ushs'000 | Ushs'000 |
| Contingent liabilities | | |
| Letters of credit | 1,620,933 | - |
| Guarantees and performance bonds | 30,223,495 | 42,603,531 |
| Other commitments | - | 4,222,500 |
| Total | 31,844,428 | 46,826,031 |
| Commitments | | |
| Undrawn credit lines | 36,395,000 | 13,144,400 |
| Total | 36,395,000 | 13,144,400 |
| Credit Exposure | | |
| Non-performing loans and other assets | 2,109,378 | 3,111,619 |
| Interest in suspense | 76,599 | 347,864 |
| Bad debts written off | 2,230,542 | 198,396 |
| Large loan exposures | 14,459,881 | 29,235,624 |
| Insider loan exposures | 589,805 | 181,882 |
| Capital Position | | |
| Core capital | 42,557,251 | 23,202,339 |
| Supplementary capital | 173,118 | 327,165 |
| Total qualifying capital | 42,730,369 | 23,529,504 |
| Total Risk Weighted Assets (RWA) | 119,128,195 | 152,504,325 |
| Core capital to RWA | 35.72% | 15.21% |
| Total qualifying capital to RWA | 35.86% | 15.42% |

MESSAGE FROM THE DIRECTORS

The above statement of financial position and statement of comprehensive income were audited by Ernst & Young and received an unqualified opinion. The financial statements were approved by the Board of Directors on 30th March 2017 and discussed with Bank of Uganda on 12th April 2017.



DR. BEN MBONYE
Chairman



JOHNSON AGOREYO
Managing Director/CEO