



ABC CAPITAL BANK LTD

EXTRACT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

I REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF ABC CAPITAL BANK LIMITED

Opinion

The summary financial statements, which comprise the summary statement of financial position at December 31, 2017, the summary statement of profit or loss and related disclosures, are derived from the audited financial statements of ABC Capital Bank Limited for the year ended December 31, 2017.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards, the Financial Institutions Act, 2004, (Amended in 2016) and the Companies Act, 2012.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Financial Institutions Act, 2004 (Amended in 2016) and the Companies Act, 2012.

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 April 23, 2018. The report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements for the current year.

Directors' Responsibilities for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Standards, the Companies Act, 2012 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 Standards on Auditing (ISA) 810 (Revised) "Engagements to Report on Summary Financial Statements"

Grant Thornton

Grant Thornton
Certified Public Accountants
Wing B/C, 2nd Floor, Lugogo House,
Plot 42, Lugogo Bypass, P.O. Box 7158 Kampala, Uganda
April 26, 2018

II STATEMENT OF FINANCIAL POSITION

ASSETS

	2017 USh'000	2016 USh'000
Cash and balances with Bank of Uganda	6,795,360	3,940,222
Balances with banking institutions	10,954,049	7,002,151
Due from parent/group companies	4,431,988	6,213,336
Marketable (trading) securities	2,021,423	2,950,683
Loans and advances (net)	18,412,340	14,581,555
Investment securities	8,716,148	10,024,380
Interest receivable and other assets	889,173	3,505,218
Property and equipment	4,692,286	1,004,762
Tax recoverable	411,675	411,675
Deferred tax asset	724,081	307,327
TOTAL ASSETS	58,048,523	49,941,309

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

Customers' deposits	26,478,639	19,595,440
Balances due to banking institutions	1,096,586	268,194
Interest payable and other liabilities	1,427,063	651,735
TOTAL LIABILITIES	29,002,288	20,515,369

SHAREHOLDERS' EQUITY

Share capital	25,537,000	25,537,000
Retained earnings	3,329,641	3,840,857
Available for sale revaluation reserves	153,477	-
Regulatory credit reserve	26,117	48,083
TOTAL SHAREHOLDERS' EQUITY	29,046,235	29,425,940

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	58,048,523	49,941,309
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III STATEMENT OF COMPREHENSIVE INCOME

	2017 USh'000	2016 USh'000
INCOME	1,352,802	1,676,088
Interest on deposits and placements	3,492,876	3,200,651
Interest on loans and advances	1,307,461	1,803,672
Interest on investment securities	176,949	154,462
Foreign exchange income	560,249	350,280
Fees and commissions income	489,843	589,787
Other operating income		
TOTAL INCOME	7,380,181	7,774,940

EXPENDITURE

Interest expense on deposits	1,271,306	985,687
Interest expense on borrowings	60,042	55,725
Provision for bad and doubtful debts	297,885	197,668
Operating expenses	3,674,909	3,152,704
Other expenses	2,849,385	2,297,733
TOTAL EXPENDITURE	8,153,527	6,689,517

NET PROFITS BEFORE TAX

Income tax expense	(773,347)	1,085,423
NET PROFIT AFTER TAX	(533,182)	814,922

OTHER COMPREHENSIVE INCOME

Available for sale financial assets adjustments (net of tax)	153,477	-
TOTAL COMPREHENSIVE INCOME/LOSS FOR THE YEAR	(379,705)	814,922

IV OTHER DISCLOSURES

CONTINGENT LIABILITIES

	USh'000	USh'000
Guarantees and performance bonds	10,256,666	3,583,849
Total	10,256,666	3,583,849

COMMITMENTS

Undrawn credit lines	904,176	643,408
Total	904,176	643,408

Non-performing loans and other assets

Interest in suspense	241,910	582,090
Bad debts written off	14,179	30,109
Insider loan exposures	244,303	178,400
	42,202	15,529

CAPITAL POSITION

Core capital	25,244,071	29,044,566
Supplementary capital	185,718	146,453
Total qualifying capital	25,429,789	29,191,019
Total Risk Weighted Assets (RWA)	38,672,547	28,472,198

Core capital to RWA	65.28%	102.01%
Total qualifying capital to RWA	65.76%	102.52%

V MESSAGE FROM DIRECTORS

The above statement of financial position and statement of comprehensive income were audited by Grant Thornton and received an unqualified opinion. The financial statements were approved by Board of Directors on **February 28, 2018**. The same were discussed with Bank of Uganda on March 29, 2018.

Dr. James Muwanga
Dr. James Muwanga
CHAIRMAN

Mr Pooran Chand Kukreja
Mr Pooran Chand Kukreja
CHIEF EXECUTIVE OFFICER

Head Office and Colline House Branch: Colline House, plot 4 Pilkington Road

Luwum Street Branch: Pioneer Mansion, Plot 11 Luwum Street

Arua Park Branch: Arua Park Mall, Plot 11 Luwum Street

Kikuubo Branch: Fami Plaza, Plot 21 Nakivubo Road (Nakivubo Lane)