



SUMMARISED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 31st December 2019 and the summary statement of comprehensive income for the year then ended, and related notes, are derived from the audited consolidated and bank financial statements of Orient Bank Limited for the year ended 31st December 2019.

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 (IFRS) and the requirements of Section 12 (1) of the Financial Institutions (External Auditors) Regulations 2010 as well as Section 50 (1) of the Financial Institutions Act, 2004 as amended by the Financial Institutions (Amendment Act) 2016 as applicable to summary financial statements.

Summary Consolidated and Separate 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 29th April 2020. That report includes the communication on key audit matters as reported in the auditors' report of the audited financial statements.

Directors' responsibility of the Summary Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the summary financial statements in accordance with accordance with the measurement and recognition requirements of International Financial Reporting Standards (IFRSs) and the requirements of Section 12 (1) of the Financial Institutions (External Auditors) Regulations 2010 as well as Section 50(1) of the Financial Institutions Act, 2004 as amended by the Financial Institutions (Amendment) Act 2016, and for such internal control as the Directors determine is 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 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.

Deloitte & Touche

Certified Public Accountant of Uganda
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P. O. Box 10314, Kampala, Uganda
29th April 2020

II. STATEMENT OF FINANCIAL POSITION (SHS '000)

	2019 Shs' 000 Consolidated	2018 Shs' 000 Consolidated	2019 Shs' 000 Separate	2018 Shs' 000 Separate
Assets				
Cash and balances with Central Bank	229,295,518	163,256,415	229,295,518	163,256,415
Deposits and balances due from banking institutions	121,100,312	100,824,140	121,100,312	100,814,159
Derivative financial assets	2,192	558,500	2,192	558,500
Government securities - investment securities	69,160,649	87,625,919	68,800,726	87,249,445
Government securities - marketable/trading securities	7,036,412	5,942,026	7,036,412	5,942,026
Investment in subsidiary	-	-	435,213	487,422
Loans and advances to customers	305,516,940	334,103,271	305,516,940	334,103,271
Other assets	20,588,951	12,873,816	20,422,177	12,722,029
Current income tax recoverable	20,158	-	-	-
Property and equipment	10,748,176	13,423,459	10,746,369	13,421,651
Right of use assets	9,728,843	-	9,728,843	-
Intangible assets	4,035,100	5,379,898	4,035,100	5,379,898
Deferred income tax asset	37,068,876	25,869,200	36,960,123	25,746,973
Total assets	814,302,127	749,856,644	814,079,925	749,681,789
Liabilities and Shareholders' Equity				
Customer deposits	673,459,975	618,019,250	673,614,574	618,079,011
Balances due to banking institutions	1,853,337	1,434,289	1,853,337	1,434,289
Derivative financial instruments	1,747	1,250	1,747	1,250
Refinance loans	-	63,116	-	63,116
Current income tax payable	-	1,245,759	-	1,250,799
Other liabilities	15,579,767	14,277,859	15,419,139	14,195,957
Lease liability	9,307,287	-	9,307,287	-
Deferred income tax liability	-	542	-	-
Total liabilities	700,202,113	635,042,065	700,196,084	635,024,422
Issued capital	96,750,000	96,750,000	96,750,000	96,750,000
Revaluation reserve	1,564,041	1,831,836	1,564,041	1,831,836
Credit risk reserve	13,835,877	-	13,835,877	-
Fair value reserve	-	-	248,648	285,196
Retained earnings	1,842,384	16,129,514	1,485,275	15,790,335
Non controlling interest	107,712	103,229	-	-
Total shareholders' equity	114,100,014	114,814,579	113,883,841	114,657,367
Total equity and liabilities	814,302,127	749,856,644	814,079,925	749,681,789

III. INCOME STATEMENT (SHS' 000)

	2019 Shs' 000 Consolidated	2018 Shs' 000 Consolidated	2019 Shs' 000 Separate	2018 Shs' 000 Separate
Income				
Interest on deposits and placements	4,661,598	7,902,192	4,661,598	7,902,192
Interest on loans and advances	45,056,429	48,338,449	45,056,429	48,338,449
Interest on investment securities	11,674,802	8,445,684	11,666,415	8,445,684
Interest on marketable/trading securities	167,740	123,379	167,740	123,379
Foreign exchange income	4,079,242	3,195,908	4,079,242	3,195,908
Fees and commissions income	19,614,862	17,960,027	19,296,060	17,731,228
Other income	2,417,857	3,511,490	2,416,987	3,475,337
Total Income	87,672,530	89,477,129	87,344,471	89,212,177
Expenditure				
Interest expense on borrowings	238,106	238,611	238,106	238,611
Interest expense on deposits	21,043,535	20,055,887	21,043,535	20,055,887
Provisions for bad and doubtful debts	17,935,987	6,579,569	17,935,987	6,579,569
Operating expenses	32,922,701	33,365,793	32,814,803	33,227,221
Other expenses	25,098,850	21,337,474	24,907,215	21,259,824
Total Expenditure	97,239,179	81,577,334	96,939,646	81,361,112
Net (loss)/profit before tax	(9,566,649)	7,899,795	(9,595,175)	7,851,065
Taxation	8,513,466	(2,344,546)	8,519,579	(2,335,003)
Net (loss)/profit after tax	(1,053,183)	5,555,249	(1,075,596)	5,516,062
Other comprehensive income				
Equity stock brokers at fair value	-	-	355,213	407,422
Deferred income tax on fair value	-	-	(106,564)	(122,226)
	-	-	248,649	285,196
Total comprehensive (loss)/ income for the year	(1,053,183)	5,555,249	(826,947)	5,801,258

IV. OTHER DISCLOSURES (SHS' 000)

	2019 Shs' 000 Consolidated	2018 Shs' 000 Consolidated	2019 Shs' 000 Separate	2018 Shs' 000 Separate
Contingent liabilities				
Letters of Credit	23,320,960	27,456,821	23,320,960	27,456,821
Guarantees and Performance bonds	48,769,411	41,091,217	48,769,411	41,091,217
Other contingent liabilities	2,192	558,500	2,192	558,500
Total	72,092,563	69,106,538	72,092,563	69,106,538
Commitments				
Undrawn credit lines	30,817,765	33,593,375	30,817,765	33,593,375
Total	30,817,765	33,593,375	30,817,765	33,593,375
Non-performing loans and other assets	60,027,659	14,807,595	60,027,659	14,807,595
Interest in suspense	1,949,800	98,718	1,949,800	98,718
Bad debts written off	11,255,445	7,829,847	11,255,445	7,829,847
Large loan exposures	225,007,138	182,662,073	225,007,138	182,662,073
Insider loan exposures	10,082,620	7,325,449	10,082,620	7,325,449
Capital Position				
Core Capital	57,160,052	80,776,215	57,160,052	80,776,215
Supplementary Capital	4,502,839	5,265,757	4,502,839	5,265,757
Total Qualifying Capital	61,662,891	86,041,972	61,662,891	86,041,972
Total Risk Weighted Assets (RWA)	447,032,270	501,258,234	447,032,270	501,258,234
Core Capital to RWA	12.79%	16.11%	12.79%	16.11%
Total Qualifying Capital to RWA	13.79%	17.17%	13.79%	17.17%

Basis of preparation

The summary financial statements for the year ended 31 December 2019 were prepared in accordance with the requirements of Section 12(1) of the Financial Institutions (External Auditors) Regulations, 2010. The rules require that a financial institution shall, within four months after the end of its financial year, publish its audited annual financial statements and the external auditors report, in a newspaper circulating in the whole of Uganda in the format prescribed in the schedule of the regulations. These summary financial statements have been reviewed by Deloitte and Touche, Certified Public Accountants of Uganda who expressed an unmodified review conclusion. The Directors take full responsibility for the preparation of this report.

V. MESSAGE FROM DIRECTORS (for audited annual accounts)

The summary statements of financial position and statement of profit or loss and other comprehensive income are extracted from the full financial statements which were audited by Deloitte and Touche, Certified Public Accountant of Uganda and received an unqualified opinion on 29th April 2020. The financial statements were approved by the Board of Directors on 23rd March 2020 and discussed with Bank of Uganda on 16th April 2020

Ketan Morjaria
Ketan Morjaria
Director

Joram Kahenano
Joram Kahenano
Director

Kumaran Pather
Kumaran Pather
Managing Director