



ABC CAPITAL BANK LIMITED

SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

REPORT OF THE INDEPENDENT AUDITOR Opinion

The summary financial statements of ABC Capital Bank Limited ("the Bank"), which comprise the summary statement of financial position at 31 December 2022, and the summary statement of profit and loss and other comprehensive income for the year then ended, and related notes, are derived from the audited financial statements of the Bank for the year ended 31 December 2022.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of the Bank for the year ended 31 December 2022, 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 Financial Institutions Act, 2004 (Amended in 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 auditors 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 opinion on the audited financial statements in our report dated 24 April 2023. That report also includes the communication of key audit matters. Key audit matters are those matters, in our professional judgment, were of most significance in our audit of financial statements for the year ended 31 December 2022.

An emphasis of matter section that draws attention to Note 19 of the audited financial statements is included in our report. Note 19 of the audited financial statements indicates that as at 31 December 2022, the Bank had paid up capital of UGX 28.8 billion. This is below the minimum capital requirement of UGX 120 billion. The Bank has submitted its capital restoration plan to the Bank of Uganda to address this matter.

Directors' responsibility for the summary financial statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the Financial Institutions (External Auditors) Regulations, 2010 and Financial Institutions Act, 2004 and as 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 respects, with the audited financial statements based on our procedures, which were conducted in accordance with the International Standards of Auditing (ISA) 810 (Revised) "Engagements to Report on Summary Financial Statements".

RSM Eastern Africa
RSM Eastern Africa
Certified Public Accountants
Kampala, Uganda

Date: 24-Apr-23

II. SUMMARY STATEMENT OF FINANCIAL POSITION

ASSETS

	2022 UShs 000	2021 UShs 000
Cash and balances with Bank of Uganda	5,683,735	7,112,254
Investment in government securities	9,184,035	17,430,589
Deposits and balances due from financial institutions	22,054,046	12,954,223
Loans and advances to customers (net)	21,530,486	19,526,435
Other assets	432,504	1,039,486
Current tax receivable	383,518	383,518
Right of use assets	445,836	1,072,931
Property and equipment	801,157	761,265
Intangible assets	1,625,962	2,000,621
TOTAL ASSETS	62,141,279	62,281,322

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES

Customer deposits	27,365,737	27,605,321
Deposit and balances due to other financial institutions	1,109,327	1,007,290
Lease liability	576,457	1,155,083
Other liabilities	851,873	1,035,190
TOTAL LIABILITIES	29,903,394	30,802,884

SHAREHOLDERS' EQUITY

Share capital	28,837,000	28,837,000
Retained earnings	2,991,694	2,551,280
Revaluation reserves	22,790	66,973
Regulatory credit reserve	386,401	23,185
TOTAL SHAREHOLDERS' EQUITY	32,237,885	31,478,438

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

62,141,279 **62,281,322**

iii SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

INCOME

	2022 UShs 000	2021 UShs 000
Interest on deposits and placements	914,518	674,905
Interest on loans and advances	4,091,525	4,545,670
Interest on investment securities	1,356,330	1,182,899
Foreign exchange income	381,564	228,273
Fees and commissions income	877,618	536,131
Other operating income	423,180	314,970
TOTAL INCOME	8,044,735	7,482,848

EXPENDITURE

Interest expense on deposits	(494,146)	(528,178)
Interest expense on borrowings and lease liabilities	(150,403)	(220,067)
Provision for bad and doubtful debts	(511,219)	(750,936)

Operating expenses	(3,367,899)	(3,150,079)
Employee costs	(2,441,035)	(2,522,200)
TOTAL EXPENDITURE	(6,964,702)	(7,171,460)

NET PROFIT BEFORE TAX

Income tax expense	(276,403)	(274,545)
PROFIT FOR THE YEAR	803,630	36,843

iv OTHER COMPREHENSIVE INCOME

	22,790	66,973
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	826,420	103,816

	2022 USh'000	2021 USh'000
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OTHER DISCLOSURES

CONTINGENT LIABILITIES

Guarantees and performance bonds	1,459,898	2,589,439
TOTAL	1,459,898	2,589,439

COMMITMENTS

Undrawn credit lines	870,073	1,428,745
TOTAL	870,073	1,006,948

Non-performing loans and other assets

Interest in suspense	1,889,081	219,523
Bad debts written off	323,098	31,774
Insider loan exposures	205,129	1,056,730
	11,753	2,093

CAPITAL POSITION

Core capital	30,202,732	29,454,731
Supplementary capital	210,313	196,682
TOTAL QUALIFYING CAPITAL	30,413,045	29,651,413
TOTAL RISK WEIGHTED ASSETS (RWA)	39,817,388	36,481,152

Core capital to RWA

	75.85%	80.56%
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Total qualifying capital to RWA

	76.40%	81.09%
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V. BASIS OF PREPARATION

The summary financial statements of the Bank for the year ended December 31, 2022 were prepared in accordance with the Financial Institutions Act, 2004 and as amended in 2016 and the Financial Institutions (External Auditors) Regulations, 2010 under the criteria established by the Board in which the Bank discloses the summary statements of financial position and profit or loss and other comprehensive income.

VI. MESSAGE FROM THE DIRECTORS

The above summary statements of financial position and profit or loss and other comprehensive income were audited by RSM Eastern Africa, Certified Public Accountants and received an unqualified audit opinion. The financial statements were approved by the Board of Directors on 08th March 2023 and discussed with the Bank of Uganda on 13th April 2023.

Jesse Timbwa
Mr. Jesse Timbwa
Chief Executive Officer

James Muwanga
Dr. James Muwanga
Board Chairman