



SUMMARISED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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 31 December 2020.

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 and the Financial Institutions Act, 2004 as amended by the Financial Institutions (Amendment) Act, 2016.

Emphasis of Matter

We draw attention to the other disclosures (note IV) of the summary financial statements, which describes the non-compliance with requirements of Financial Institutions Act 2004 as amended by the Financial Institutions (Amendment) Act, 2016 with respect to capital adequacy ratios. Our opinion is not modified in respect of this matter.

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

In our report dated 29 April 2021, we expressed an unmodified audit opinion with an Emphasis of Matter paragraph drawing attention to non-compliance with requirements of Financial Institutions Act 2004 as amended by the Financial Institutions (Amendment) Act, 2016 with respect to capital adequacy ratios.

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 the Financial Institutions (External Auditors) Regulations, 2010 and the Financial Institutions Act, 2004 as amended by the Financial Institutions (Amendment) Act, 2016.

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
29 April 2021

II. STATEMENT OF FINANCIAL POSITION (SHS' 000)

	2020 Shs' 000 Consolidated	2019 Shs' 000 Consolidated	2020 Shs' 000 Bank	2019 Shs' 000 Bank
Assets				
Cash and balances with Central Bank	200,118,900	229,295,518	200,039,898	229,295,518
Deposits and balances due from banking institutions	90,797,648	121,100,312	90,797,648	121,100,312
Derivative financial assets	14,274,178	2,192	14,274,178	2,192
Government securities	98,410,872	69,160,647	98,101,038	68,800,726
Government securities at FVTPL	4,075,322	7,036,412	4,075,322	7,036,412
Investment in subsidiary	-	-	465,670	435,213
Loans and advances to customers	262,174,814	305,516,940	262,174,814	305,516,940
Other assets	4,415,631	20,588,953	4,249,825	20,422,177
Current income tax recoverable	20,010	20,158	-	-
Property and equipment	8,671,995	10,748,176	8,659,531	10,746,369
Right of use assets	5,392,362	9,728,843	5,392,362	9,728,843
Intangible assets	3,043,717	4,035,100	3,043,717	4,035,100
Deferred income tax asset	43,233,762	37,068,876	43,114,532	36,960,123
Total assets	734,629,211	814,302,127	734,388,535	814,079,925
Liabilities and Shareholders' Equity				
Customer deposits	606,402,899	673,459,975	606,528,081	673,614,574
Deposits due to other banks	1,844,762	1,853,337	1,844,762	1,853,337
Derivative financial instruments	13,835,000	1,747	13,835,000	1,747
Other liabilities	15,630,313	15,579,767	15,496,454	15,419,139
Lease liability	5,810,614	9,307,287	5,810,614	9,307,287
Total liabilities	643,523,588	700,202,113	643,514,911	700,196,084
Issued capital	96,750,000	96,750,000	96,750,000	96,750,000
Revaluation reserve	1,195,445	1,564,041	1,195,445	1,564,041
Credit risk reserve	17,374,585	13,835,877	17,374,585	13,835,877
Fair value reserve	-	-	269,969	248,648
Retained earnings	-24,328,809	1,842,384	-24,716,375	1,485,275
Equity attributable to owners of the Bank	90,991,221	113,992,302	90,873,624	113,883,841
Non-controlling interests	114,402	107,712	-	-
Total equity	91,105,623	114,100,014	90,873,625	113,883,841
Total equity and liabilities	734,629,211	814,302,127	734,388,535	814,079,925

III. INCOME STATEMENT (SHS' 000)

	2020 Shs' 000 Consolidated	2019 Shs' 000 Consolidated	2020 Shs' 000 Bank	2019 Shs' 000 Bank
Interest and similar income	50,096,126	61,560,569	50,053,012	61,552,182
Interest and similar expenses	(17,227,537)	(21,281,641)	(17,227,537)	(21,281,641)
Net interest income	32,868,589	40,278,928	32,825,475	40,270,541
Net fee and commission income	17,153,309	19,614,862	16,576,240	20,005,010
Net trading gains	5,670,526	4,079,242	5,670,526	4,079,242
Other Income	2,539,270	2,417,857	2,539,245	1,708,037
Revenue	58,231,694	66,390,889	57,611,486	66,062,830
Impairment charges	(17,154,083)	(17,935,987)	(17,154,083)	(17,935,987)
Employee benefits expenses	(16,969,671)	(18,642,896)	(16,827,648)	(18,537,498)
General and administrative expenses	(12,376,478)	(13,385,115)	(12,376,478)	(13,382,615)
Other operating expenses	(37,953,645)	(25,098,850)	(37,519,218)	(24,907,215)
Finance cost	(636,312)	(894,690)	(636,312)	(894,690)
Loss before income tax	(26,858,495)	(9,566,649)	(26,902,253)	(9,595,175)
Income tax expense	4,203,646	8,513,466	4,209,333	8,519,579
Loss for the year	(22,654,849)	(1,053,183)	(22,692,920)	(1,075,596)
Equity stock brokers at fair value	-	-	30,457	20,134
Deferred income tax on fair value	-	-	(9,137)	15,662
Other comprehensive income for the year, net of tax	-	-	21,320	35,796
Total comprehensive income for the year	(22,654,849)	(1,053,183)	(22,671,600)	(1,112,143)
	2020 Shs' 000 Consolidated	2019 Shs' 000 Consolidated		
Loss attributable to:				
Owners of the company	(22,662,463)	(1,057,666)		
Non-controlling interests	7,614	4,483		
	(22,654,849)	(1,053,183)		
Total comprehensive income for the year attributable to:				
Owners of the company	(22,662,463)	(1,057,666)		
Non-controlling interests	7,614	4,483		
	(22,654,849)	(1,053,183)		

IV. OTHER DISCLOSURES (SHS' 000)

	2020 Shs' 000 Consolidated	2019 Shs' 000 Consolidated	2020 Shs' 000 Bank	2019 Shs' 000 Bank
Contingent liabilities				
Letters of Credit	32,899,157	23,320,960	32,899,157	23,320,960
Guarantees and Performance bonds	31,124,936	48,769,411	31,124,936	48,769,411
Other contingent liabilities	439,178	2,192	439,178	2,192
Total	64,463,271	72,092,563	64,463,271	72,092,563
Commitments				
Undrawn credit lines	32,899,157	30,817,765	32,899,157	30,817,765
Total	32,899,157	30,817,765	32,899,157	30,817,765
Non-performing loans and other assets	50,715,345	60,027,659	50,715,345	60,027,659
Interest in suspense	5,047,100	1,949,800	5,047,100	1,949,800
Bad debts written off	6,078,631	11,255,445	6,078,631	11,255,445
Large loan exposures	253,890,020	225,007,138	253,890,020	225,007,138
Insider loan exposures	303,318	10,082,620	303,318	10,082,620
Capital Position				
Core Capital	25,761,921	57,160,052	25,761,921	57,160,052
Supplementary Capital	4,551,152	4,502,839	4,551,152	4,502,839
Total Qualifying Capital	30,313,073	61,662,891	30,313,073	61,662,891
Total Risk Weighted Assets (RWA)	335,318,691	447,032,270	335,318,691	447,032,270
Core Capital to RWA	7.69%	12.79%	7.68%	12.79%
Total Qualifying Capital to RWA	9.05%	14.06%	9.04%	14.06%

Subsequent events

On 28 December 2020, shareholders passed a resolution to increase the authorized share capital from Ushs 100,000,000,000 to Ushs 115,000,000,000 and agreed to provide funds up to Ushs 15,000,000,000 as addition to the Bank's existing authorized share capital. The notification to increase the nominal capital of the Bank was filed with Uganda Registration Services Bureau on 29 January 2021 and additional funds toward share capital amounting to Ushs 14,700,000,000 was transferred to the Bank on 2 February 2021. The additional funds remediated the breach of core capital and total capital ratio subsequent to the reporting date.

Basis of preparation

The summary financial statements for the year ended 31 December 2020 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 Touché Certified Public Accountants of Ugandans 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 above balance sheet and income statement were audited by Deloitte & Touché and received an unqualified opinion. The financial statements were approved by the Board of Directors on 27 April 2021 and discussed with Bank of Uganda on 14 April 2021.

Ketan Morjaria
Ketan Morjaria
Director

Joram Kahenano
Joram Kahenano
Director

Kumaran Pathar
Kumaran Pathar
Managing Director