



# SUMMARISED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## I. REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF I&M BANK (UGANDA) LIMITED.

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2022, the summary statement of comprehensive income for the year then ended and other disclosures, are derived from the audited financial statements of I&M Bank (Uganda) Limited 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, in accordance with the Financial Institutions Act, 2004 (as amended 2016), Laws of Uganda and the Financial Institutions (External Auditors) Regulations, 2010.

### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards), the Financial Institutions Act, 2004 (as amended 2016), Laws of Uganda and the Companies Act, 2012 Laws of Uganda. 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 Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 April 2023. That report also includes:

- An emphasis of matter section draws attention to Note 4(d) in the audited financial statements. Note 4(d) of the audited financial statements indicates that the Bank was below the minimum core capital requirement of Ushs 120 billion as at 31 December 2022. The Bank has a capital restoration plan as required by the law to be fully compliant by 30 June 2023.
- The communication of other key audit matters. Key audit matters are those that, in our professional judgment, were of the most significance in our audit of the current period's financial statements.

### 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 Act, 2004 (as amended 2016) Laws of Uganda 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 Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

**KPMG**  
Certified Public Accountants  
3rd Floor, Rwenzori Courts  
Plot 2&4A, Nakasero Road  
P.O. Box 3509, Kampala, Uganda

Date: 27 April 2023

II. SUMMARY STATEMENT OF FINANCIAL POSITION	31 Dec. 2022 Ushs '000	31 Dec. 2021 Ushs '000
<b>Assets</b>		
Cash and balances with Central Bank	145,631,019	207,498,145
Deposits and balances due from banking institutions	140,669,926	57,284,074
Derivative financial assets	729,550	489,000
Government securities - investment securities	156,956,769	164,996,555
Government securities - marketable /Trading securities	29,960,385	7,547,389
Loans and advances to customers	234,077,403	196,808,135
Other assets	7,293,510	4,146,857
Property and equipment	8,556,930	5,353,621
Right of use assets	5,137,089	4,267,031
Intangible assets	2,642,714	1,773,227
Deferred tax asset	54,869,069	60,227,770
<b>Total assets</b>	<b>786,524,364</b>	<b>710,391,804</b>
<b>Liabilities and Shareholders' Equity</b>		
Customer deposits	624,634,516	573,714,218
Balances due to banking institutions	-	16,827,470
Other liabilities	20,394,822	12,046,886
Preference shares	9,500,000	-
Lease liability	4,989,361	4,415,303
<b>Total liabilities</b>	<b>659,518,699</b>	<b>607,003,877</b>
<b>Shareholders' Equity</b>		
Issued capital	150,000,000	132,000,000
Accumulated losses	(22,994,335)	(28,612,073)
<b>Total shareholders' equity</b>	<b>127,005,665</b>	<b>103,387,927</b>
<b>Total liabilities and shareholders' Equity</b>	<b>786,524,364</b>	<b>710,391,804</b>

## III. SUMMARY STATEMENT OF COMPREHENSIVE INCOME

### Income

	31 Dec. 2022 Ushs '000	31 Dec. 2021 Ushs '000
Interest on deposits and placements	5,426,731	2,220,348
Interest on loans and advances	33,724,174	28,936,140
Interest on investment securities	19,804,085	17,819,993
Interest on marketable /Trading securities	1,450,920	2,036,451
Foreign exchange income	6,513,696	5,826,387
Fees and commissions income	10,410,942	11,615,009
Other income	7,481,466	8,547,148
<b>Total Income</b>	<b>84,812,014</b>	<b>77,001,476</b>

### Expenditure

Interest expense on borrowings	1,065,399	697,611
Interest expense on deposits	17,562,044	16,964,767
Finance cost	499,024	208,216
Provisions for bad and doubtful debts	(2,077,261)	45,254,709
Operating expenses	50,918,260	50,325,468
<b>Total Expenditure</b>	<b>67,967,466</b>	<b>113,450,771</b>

### Profit/(loss) before tax

Taxation	(11,226,810)	13,611,438
<b>Net profit/(loss) after tax</b>	<b>5,617,738</b>	<b>(22,837,857)</b>

### Other comprehensive income

Equity stock brokers at fair value	-	(33,555)
Deferred income tax on fair value	-	10,067
	-	(23,488)

### Total comprehensive Income for the year

	<b>5,617,738</b>	<b>(22,861,345)</b>
--	------------------	---------------------

## IV. OTHER DISCLOSURES

### Contingent liabilities

	31 Dec. 2022 Ushs '000	31 Dec. 2021 Ushs '000
Letters of Credit	22,329,139	18,690,732
Guarantees and Performance bonds	35,666,700	16,174,960
Other contingent liabilities	729,550	489,000
<b>Total</b>	<b>58,725,389</b>	<b>35,354,692</b>

### Commitments

Undrawn credit lines	22,304,794	18,781,724
<b>Total</b>	<b>22,304,794</b>	<b>18,781,724</b>

### Credit Exposures

Non-performing loans and other assets	30,496,323	3,522,567
Interest in suspense	2,166,767	309,290
Bad debts written off	7,727,298	26,606,576
Large loan exposures	125,419,990	114,771,515
Insider loan exposures/Commitments	3,487,200	556,307

### Capital Position

Core Capital	68,994,374	40,760,049
Supplementary Capital	2,338,087	2,144,247
<b>Total Qualifying Capital</b>	<b>71,332,461</b>	<b>42,904,296</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>369,557,084</b>	<b>292,133,042</b>
Core Capital to RWA	18.67%	13.95%
Total Qualifying Capital to RWA	19.30%	14.69%
Leverage ratio	8.0%	5.2%

## V. MESSAGE FROM DIRECTORS

The above summary Statement of Financial Position and summary Statement of Comprehensive Income are derived from the financial statements of I&M Bank (Uganda) Limited for the year ended 31 December 2022 which were audited by KPMG Certified Public Accountants and received an unqualified opinion. The financial statements were approved on 1 March 2023, discussed with the Bank of Uganda on 20 March 2023 and authorised for issue by the Board of Directors on 26 April 2023.

### Compliance with The Financial Institutions (Revision of Minimum Capital Requirements) Instrument, 2022

On 16 November 2022, the Minister of Finance Planning and Economic Development in consultation with the Bank of Uganda endorsed a new statutory instrument requiring commercial banks to have a minimum paid-up cash capital (share capital) of Ushs 120 billion by 31 December 2022, and Ushs 150 billion by 30 June 2024. The instrument also stipulated minimum capital funds unimpaired by losses (core capital) of Ushs 120 billion by 31 December 2022, and Ushs 150 billion by 30 June 2024.

As at 31 December 2022, the Bank's minimum paid-up cash capital was Ushs 150 billion and therefore complied with the revised capital adequacy requirements as of 31 December 2022 and 30 June 2024. However, the Bank's core capital was Ushs 69 billion, resulting in a shortfall of Ushs 51 billion.

The shareholders are committed to providing the necessary capital to strengthen the bank's capability to carry out its operations within the regulatory timelines.

Sam Ntulume  
Ag. Managing Director & CEO

Suleiman I. Kiggundu Jnr  
Board Chairman