

INFORMATIENOTA (AANBIEDING AAN HET PUBLIEK)

INFORMATIENOTA OVER DE AANBIEDING VAN OBUL OBLIGATIES DOOR OPPORTUNITY BANK UGANDA LIMITED

LET OP: IN VERBAND MET COVID-19 GELDEN ER TIJDELIJK ANDERE VOORWAARDEN VOOR DEZE PARTNER. MEER INFORMATIE VINDT U [HIER](#).

Dit document is opgesteld door Hands-on BV (Lendahand).

DIT DOCUMENT IS GEEN PROSPECTUS EN WERD NIET GECONTROLEERD NOCH GOEDGEKEURD DOOR DE AUTORITEIT VOOR FINANCIËLE DIENSTEN EN MARKTEN

20 april 2020

WAARSCHUWING: DE BELEGGER LOOPT HET RISICO ZIJN BELEGGING VOLLEDIG OF GEDEELTELIJK TE VERLIEZEN EN/OF HET VERWACHTE RENDEMENT NIET TE BEHALEN

DE BELEGGINGSINSTRUMENTEN ZIJN NIET GENOTEERD: DE BELEGGER LOOPT HET RISICO GROTE PROBLEMEN TE ONDERVINDEN OM ZIJN POSITIE AAN EEN DERDE TE VERKOPEN INDIEN HIJ DAT ZOU WENSEN.

Deel I - Belangrijkste risico's die inherent zijn aan de uitgevende instelling en de aangeboden beleggingsinstrumenten, en die specifiek zijn voor de betrokken aanbieder

Over het algemeen geldt hoe hoger het aangeboden of verwachte rendement, hoe hoger het risico. Het aangeboden of verwachte rendement op de obligaties is afhankelijk van de winst die de uitgevende instantie maakt. De kans bestaat dat de winst lager is dan verwacht of dat er zelfs sprake is van verlies, waardoor u mogelijk minder rendement krijgt uitgekeerd of zelfs uw inleg of een deel daarvan verliest. De belangrijkste redenen waardoor de uitgevende instelling mogelijk niet in staat is het aangeboden of verwachte rendement of zelfs uw inleg uit te keren, zijn:

Macro-economische, sociale en politieke landenrisico's: er is sprake van het risico dat macro-economische, sociale en politieke factoren leiden tot een lastig zakelijk klimaat voor de uitgevende instelling. Deze risico's zijn aan elkaar gerelateerd en lastig te beheersen. Economische, financiële en sociale instabiliteit, een complex en snel veranderende juridisch systeem, natuurrampen, etc. hebben een grote impact op het zakelijk klimaat via o.a. devaluaties van lokale valuta, hoge inflatie en beperkte capaciteit tot terugbetaling door klanten.

Portefeuille risico: er is sprake van het risico op te veel slechte leningen in de portefeuille van de uitgevende instelling, bijvoorbeeld omdat de kredietbeoordeling en/of klantafhandeling niet op orde is, of door politieke instabiliteit of een natuurramp. Dit betekent dat leningen afgeboekt moeten worden wat een weerslag kan hebben op de kapitalisatie en winstgevendheid van de uitgevende instelling.

Wisselkoersrisico: er is sprake van het risico op verliezen door wisselkoersschommelingen omdat de uitgevende instelling inkomsten genereert die anders zijn dan de valuta waarin de obligaties zijn uitgegeven. Dit betekent dat de liquiditeit en solvabiliteit van de uitgevende instelling in gevaar kan komen bij heftige wisselkoersschommelingen.

De obligaties zijn niet verhandelbaar op een beurs of platform en daardoor beperkt verhandelbaar. Dat betekent dat er mogelijk geen koper is voor uw obligaties als u tussentijds van uw belegging af wilt. U loopt dan dus het risico dat u niet op het door u gewenste moment uw geld terug kan krijgen en uw belegging langer aan moet houden of uw obligaties voor een lagere prijs moet verkopen.

Fraude en corruptierisico's: er is sprake van het risico op fraude en/of corruptie omdat er over het algemeen een grote afstand is tussen de uitgevende instelling en de investeerders in de obligaties. Tevens is het fraude- en corruptieniveau in het land van de uitgevende instelling over het algemeen hoger dan in het land van verblijf van de

investeerdere in de obligaties. Dit betekent dat de (financiële) situatie bij de uitgevende instelling er beter voor kan lijken te staan dan dat het daadwerkelijk is.

Financieringsrisico: er is sprake van een financieringsrisico omdat de uitgevende instelling continue financiering nodig heeft voor haar activiteiten. Dit betekent dat het kan gebeuren dat de uitgevende instelling haar leenportefeuille moet verkleinen als ze niet meer voldoende financiering kan aantrekken wat een neerwaartse druk geeft op de winstgevendheid.

Vervroegde aflossing: er is sprake van het risico op vervroegde aflossing omdat de uitgevende instelling de obligaties op lagere kosten kan herfinancieren. Dit betekent voor u als belegger dat u eerder de beschikking heeft over uw geld dan verwacht, hetgeen gederfde (rente)inkomsten als gevolg kan hebben.

Rangorde uitbetaling: uitkering van het rendement gebeurt nadat operationele uitstaande kosten voldaan zijn zoals lonen en facturen van leveranciers. Het risico bestaat dat de uitgevende instelling onvoldoende liquide middelen overhoudt om het rendement uit te keren. Dit betekent voor u als belegger dat het rendement lager kan zijn dan verwacht en eventueel dat u niet uw volledige inleg terugkrijgt.

In geval van faillissement hebben de volgende uitkeringen voorrang op de uitbetaling van het rendement op de obligaties: operationele uitstaande kosten, belastingen, deposito's, vreemd vermogen met onderpand. Let op dat deze lijst niet per se uitputtend is. Dit betekent voor u dat het rendement lager kan zijn dan verwacht en eventueel dat u niet uw volledige inleg terugkrijgt.

Beperkt eigen vermogen: het eigen vermogen van de uitgevende instelling is beperkt ten opzichte van het vreemd vermogen. Dit betekent dat de buffer aan eigen vermogen klein is waardoor bij tegenvallende resultaten de uitgevende instelling relatief snel niet meer aan haar verplichtingen op de obligaties zal kunnen voldoen. Het risicoprofiel van de obligaties lijkt daardoor op het risicoprofiel van aandelen.

Operationeel risico: er is sprake van het risico op operationele tekortkomingen omdat de kosten langdurig te hoog kunnen zijn versus de opbrengsten. Dit betekent dat de uitgevende instelling niet meer aan haar financiële verplichtingen kan voldoen.

Platform risico: er is sprake van het risico op discontinuatie van het platform omdat de aanbieder de exploitatie niet rendabel kan maken. Dit betekent dat het lastiger zal zijn om terugbetalingen te faciliteren voor investeerders in de obligaties.

Deel II - Informatie over de uitgevende instelling en de aanbieder van de beleggingsinstrumenten

A. Identiteit van de uitgevende instelling

1. De uitgevende instelling is een gereguleerde financiële instelling, opgericht in 1995 en gevestigd in Oeganda. Het adres van de uitgevende instelling is Plot 1259, Old Kiira Road, P.O. Box. 33513, Kampala, Oeganda. De website van de uitgevende instelling is www.opportunitybank.co.org
2. Dit zijn de belangrijkste activiteiten van de uitgevende instelling: het als gereguleerde instelling onder een vergunning van de centrale bank van Oeganda verlenen van financiële diensten.
3. Voor zover die informatie bekend is bij de uitgevende instelling of de aanbieder, identiteit van de personen die meer dan 5% van het kapitaal van de uitgevende instelling in bezit hebben, en omvang (uitgedrukt als percentage van het kapitaal) van de deelnemingen in hun bezit: De aandeelhouders van de uitgevende instelling zijn: MyBucks South Africa (49%), Opportunity Transformation Investment (37%), Faulu Uganda Trust Limited (7%), Opportunity International Canada Foundation (6%).
4. Het bedrag aan uitstaande leningen is EUR 8.054.130. Dit betreft 9 leningen die de uitgevende instelling op 30-01-2029 afgelost moet hebben.

5. De uitgevende instelling wordt bestuurd door de volgende natuurlijke personen: Tineyi Emmanuel Mawocha en Geriga Christopher.
6. Bezoldiging bestuurders: onbekend bij aanbieder
7. voor de sub 4° bedoelde personen, vermelding van elke veroordeling als bedoeld in artikel 20 van de wet van 25 april 2014 op het statuut van en het toezicht op kredietinstellingen en beursvennootschappen, of een passende negatieve verklaring: niet van toepassing
8. beschrijving van de belangenconflicten tussen de uitgevende instelling en de sub 3° tot 5° bedoelde personen, of met andere verbonden partijen, of een passende negatieve verklaring: niet van toepassing
9. in voorkomend geval, identiteit van de commissaris: niet van toepassing

B. Financiële informatie over de uitgevende instelling

Verklaring door de uitgevende instelling dat het werkkapitaal naar haar oordeel toereikend is om aan haar behoeften voor de volgende twaalf manden te voldoen: ja

Het bedrag aan uitstaande leningen is EUR 8.054.130

Beschrijving van elke wijziging van betekenis in de financiële of handelspositie die zich heeft voorgedaan na het einde van het laatste boekjaar waarop de sub 1° hierboven bedoelde jaarrekening betrekking heeft, of een passende negatieve verklaring: niet van toepassing

C. Uitsluitend wanneer de aanbieder en de uitgevende instelling verschillende personen zijn: identiteit van de aanbieder

De aanbieder is niet de uitgevende instelling van de obligaties. Na uitvoerig onderzoek biedt de aanbieder de uitgevende instelling toegang tot haar website waarmee de uitgevende instelling financiering kan aantrekken ten behoeve van verschillende projecten. Hiervoor krijgt de aanbieder een vergoeding van de uitgevende instelling. Er is dus een financiële relatie tussen de aanbieder en de uitgevende instelling. Meer informatie over de uitgevende instelling is te vinden op de website van de aanbieder.

De aanbieder is opgericht op 17 juli 2012 en gevestigd in Rotterdam onder het KvK-nummer 55711766. Het adres van de aanbieder is Eendrachtsplein 3, Unit 2A, 3015 LA Rotterdam, Nederland. De website van de aanbieder is www.lendahand.com

De aanbieder wordt bestuurd door Engelcke B.V., Le Theta B.V. en Wiggerd B.V.

Contactpersoon: Koen The, koen.the@lendahand.com, +31 10 7171815.

D. Uitsluitend wanneer de aangeboden beleggingsinstrumenten een onderliggend actief hebben: beschrijving van het onderliggende actief

Niet van toepassing.

Deel III - Informatie over de aanbidding van beleggingsinstrumenten

A. Beschrijving van de aanbidding

De totale opbrengst van de aanbidding bedraagt EUR 2.500.000, verdeeld over diverse projecten gedurende de looptijd van de aanbidding.

Dit bedrag kan ook lager zijn als niet op alle obligaties wordt ingeschreven. De minimale opbrengst is EUR 2.500

De aanbiddingsperiode begint op 22-04-2020 en eindigt op 21-04-2021, of zoveel eerder als op de gehele aanbidding is ingeschreven.

Gedurende de aanbiddingsperiode biedt de uitgevende instelling projecten aan op de Lendahand website op basis waarvan obligaties worden uitgegeven.

De uitgiftedatum van de obligaties is doorlopend gedurende de aanbiddingsperiode.

De startdatum van een obligatie is de eerste dag van de maand volgend op de dag dat het onderliggende project volledig gefinancierd is.

Over uw inleg betaalt u geen emissiekosten. Bij verkoop van uw obligaties betaalt u geen kosten.

Van elke euro van uw inleg wordt EUR 0,- gebruikt om kosten af te dekken. EUR 1,- wordt geïnvesteerd in obligaties van de uitgevende instelling. Er is dus geen sprake van kosten voor de belegger.

B. Reden voor de aanbidding

De opbrengst wordt gebruikt voor het financieren van kleine en middelgrote bedrijven in Oeganda. Van de opbrengst wordt 0% gebruikt voor kosten, tenzij er sprake is van een eenmalige vooruitbetaalde platform vergoeding welke over het algemeen niet hoger is dan 4% per jaar.

Deel IV - Informatie over de aangeboden beleggingsinstrumenten

A. Kenmerken van de aangeboden beleggingsinstrumenten

U belegt in een obligatie.

De nominale waarde van de obligaties is EUR 50,00.

De intrinsieke waarde van de obligaties is EUR 50,00.

De prijs van de obligaties is EUR 50,00.

Deelname is mogelijk vanaf EUR 50,00.

De uitgiftedatum van een obligatie is de eerste dag van de maand volgend op de dag dat het onderliggende project volledig gefinancierd is.

De looptijd van de verschillende obligaties varieert tussen de 6 en 48 maanden. De betreffende looptijd wordt per project aangegeven. Terugbetalingen vinden elke 6 maanden plaats, inclusief rente, op de 15^e van de maand.

De rente op de obligaties varieert tussen de 3-5% per jaar. Het betreffende percentage wordt per project aangegeven. De obligaties kennen geen bonusrente.

Rang van de beleggingsinstrumenten in de kapitaalstructuur van de uitgevende instelling bij insolventie: obligaties zijn niet preferent noch achtergesteld.

B. Uitsluitend in het geval waarin door een derde een garantie wordt toegekend in verband met de beleggingsinstrumenten: beschrijving van de garant en van de garantie

Niet van toepassing.

C. In voorkomend geval, bijkomende informatie voorgelegd door de markt waar de beleggingsinstrumenten toegelaten zijn.

Niet van toepassing.

Deel V - Alle andere belangrijke informatie die mondeling of schriftelijk aan één of meer beleggers wordt gericht

Onder verwijzing naar de Wet van 18 december 2016 tot regeling van de erkenning en de afbakening van crowdfunding en houdende diverse bepalingen inzake financiën, wordt de volgende informatie gedeeld:

De volledige identiteit en contactgegevens van de gereglementeerde onderneming die de alternatieve-financieringsdiensten verstrekt:

Hands-on B.V. (*een besloten vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht op 17 juli 2012 en gevestigd te Rotterdam*)

Eendrachtsplein 3, Unit 2A

3015 LA Rotterdam, Nederland

www.lendahand.com

Geregistreerd bij de Nederlandse Kamer van Koophandel onder nummer 55711766

De aanbieder wordt bestuurd door Engelcke B.V., Le Theta B.V. en Wiggerd B.V.

Contactpersoon: Koen The, koen.the@lendahand.com, +31 10 7171815.

De naam en het adres van de bevoegde autoriteit die de vergunning heeft verleend aan de gereglementeerde onderneming:

Autoriteit Financiële Markten (AFM)

Vijzelgracht 50

1017 HS Amsterdam, Nederland

De kosten van de alternatieve-financieringsdiensten voor de cliënten: geen.

De in het kader van het verstrekken van de alternatieve-financieringsdiensten in ontvangst genomen vergoedingen: een fee van de uitgevende instellingen.

De gereglementeerde onderneming beschikt over een belangenconflictenbeleid, ten einde zich op loyale, billijke en professionele wijze in te kunnen zetten voor de belangen van haar cliënten.

De gereglementeerde onderneming verwijst naar bovengenoemde Wet van 18 december 2016 voor de geldende (gedrags)regels voor het verstrekken van alternatieve-financieringsdiensten.

De te financieren projecten worden op de volgende wijze geselecteerd:

Lendahand voert een boekenonderzoek uit waarbij onder andere gekeken wordt naar de track record, de sociale missie, het business model en enkele financiële datapunten (zoals de unit economics en marges, winstgevendheid, groeicijfers, de balansgrootte, samenstelling van de bezittingen en schulden). Dit boekenonderzoek wordt ter goedkeuring voorgelegd aan een externe credit committee bestaande uit impact investing professionals.

Het is de geregementeerde onderneming verboden:

- om gelden die haar cliënten toebehoren in ontvangst te nemen en aan te houden
- om beleggingsdiensten te verlenen, met uitzondering van het in ontvangst nemen en doorgeven van orders
- om een mandaat of volmacht te hebben op de rekeningen van haar cliënten

Voornaamste kenmerken van de beleggingsinstrumenten die de geregementeerde onderneming commercialiseert:
vast rentende obligatieleningen met tussentijdse aflossingen.

Bijlage

Voor zover de uitgevende instelling op dat moment al actief was, haar jaarrekening van de laatste twee boekjaren, alsook, in voorkomend geval, overeenkomstig artikel 13, go 1 of 2, 1°, van de wet van 11 juli 2018, het verslag van de commissarissen.

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and
Financial Statements For
the year ended 31
December 2018

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2018

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OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2018

Corporate information

REGISTERED OFFICE

Plot 1259, Old Kira Road P.
O. Box 33513
Kampala.

COMPANY SECRETARY

Mr. Sulaiman Kikabi
Opportunity Bank Uganda Limited
Plot 1259, Old Kira Road
P. O. Box 33513
Kampala.

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants
10th Floor, Communications House
1 Colville Street
P. O. Box 882 Kampala.

LAWYERS

M/s Ligomarc Advocates
5th Floor, Western Wing
Social Security House, 4 Jinja Road P.
O. Box 8230
Kampala.

M/s Birungyi Barata & Company Advocates
Crusader House, 3rd Floor Annex
P. O. Box 21086
Kampala.

Nambogo & Company Advocates
4th Floor Suite B-4
Plot 26 Buganda Road, Park Royal Building
P.O. Box 9071 Kampala.

MAIN CORRESPONDENT BANKS

Citibank Uganda Limited
Ternan Avenue
P. O. Box 7505
Kampala.

Stanbic Bank Uganda Limited 45
Kampala Road
P. O. Box 7131
Kampala.

dfcu Bank Limited
Plot 26 Kyadondo Road, Nakasero
P. O. Box 70 Kampala.

Diamond Trust Bank Uganda Limited
DTB Centre
Plot 17/19, Kampala Road
Kampala.

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2018

DIRECTORS'REPORT

The directors submit their report and the audited financial statements for the year ended 31 December 2018, which disclose the state of affairs of Opportunity Bank Uganda Limited ('the Company').

PRINCIPAL ACTIVITIES

The Company's principal activity is disbursing loans to individuals, micro and small-scale entrepreneurs in the informal sector of the Ugandan economy. The Company is licensed by Bank of Uganda as a tier II financial institution.

The license allows the Company to transact financial institutions business as a credit institution under the Financial Institutions Act (FIA). In addition to the existing products and services the license allows the Company, to accept and receive call and time deposits repayable after a fixed period or after notice.

RESULTS AND DIVIDENDS

The profit for the year ended 31 December 2018 is Shs 4.4 billion (2017: Shs 2.2 billion). The directors do not propose the payment of dividends for the year (2017: Nil).

DIRECTORS

The directors who held office during the year and to the date of this report are as shown below;

BOARD OF DIRECTORS

Mr. Phillip Karugaba	Chairman
Mr. Tineyi Mawocha	Chief Executive Officer
Mr. Christopher Geriga	Executive Director
Mr. Mark Horwood	Non-Executive Director
Mr. Stanely Tsikirayi	Non-Executive Director
Mr. Mark Vivier	Non-Executive Director
Mr. Leendert Steffen	Non-Executive Director
Mr. Ken Wathome	Non-Executive Director
Mrs. Sarah Nassozi Kiwanuka	Non-Executive Director
Mrs. Winnie Lawoko-Olwe	Non-Executive Director
Mrs. Jacqueline Kobusingye Opondo	Non-Executive Director

AUDITOR

The Company's auditor, PricewaterhouseCoopers Certified Public Accountants continues in office in accordance with the provisions of Section 167(2) of the Ugandan Companies Act and Section 62 (3) of the Financial Institutions Act.

By order of the Board

Secretary

26 March 2019

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2018

Statement of Director's Responsibilities

The Ugandan Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and in the manner required by the Ugandan Companies Act and the Financial Institutions Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit in accordance with International Financial Reporting Standards and in the manner required by the Ugandan Companies Act and the Financial Institutions Act.

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors have also assessed the Company's ability to continue as a going concern and hereby do report that nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

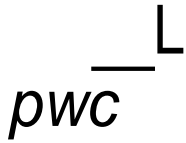


Director
26 March 2019

Director



Director



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF OPPORTUNITY BANK UGANDA LIMITED

Report on the audit of the financial statements

Ouropinfor

In our opinion, the financial statements of Opportunity Bank Uganda Limited (the "Company") give a true and fair view of the state of the financial affairs of the Company as at 31 December 2018, and of its profit and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been prepared in the manner required by the Ugandan Companies Act and the Financial Institutions Act.

What we have audited

Opportunity Bank Uganda Limited's financial statements set out on pages 9 to 59 comprise:

- the statement of financial position as at 31 December 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matter

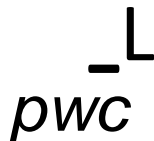
The key audit matter described below is that which, in our professional judgment, is of most significance in our audit of the financial statements of the Company for the year ended 31 December 2018. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and as such we do not provide a separate opinion on the matter.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF OPPORTUNITY BANK UGANDA LIMITED (CONTINUED)

Report on the audit of the financial statements (continued)

Key audit matter, (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of loans and advances</p> <p>As disclosed in Notes 15 and 32 of the financial statements, the Directors have estimated provisions for impairment of loans and advances of Shs 3,020 million at 31 December 2018 (1 January 2018: Shs 1,322 million).</p> <p>The Directors exercised significant judgment in estimating expected credit losses over the remaining lifetime of loans and advances whose credit risk increased significantly since origination and loans in default; and, for the next 12 months for all other loans and advances.</p> <p>Significant management judgement has been exercised in defining default and significant increase in credit risk as well as the estimation processes for the components of expected credit losses including: probabilities of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"),</p> <p>This was an area of focus for our audit in lieu of significant management judgement involved as set out above. In particular we focused on:</p> <ul style="list-style-type: none"> • The appropriateness of the methodology used to estimate the components of expected credit losses, being PD, LGD and EAD for consistency with IFRS 9; • the relevance and application of historical and forward looking data used to estimate probabilities of default; • the reasonableness of the timing and amount of the present value of expected future cash flows on loans and advances, which is the key driver for LGD; and 	<p><i>Our audit procedures are summarised as follows:</i></p> <p>We evaluated the appropriateness of the methodology applied by management in the calculation of expected credit losses for consistency with IFRS 9i</p> <p>We validated management controls over the staging of loans and advances between default (Stage 3), significant increase in credit risk (Stage 2) and others (Stage 1);</p> <p>We evaluated the appropriateness of segmentation of the loan portfolio for purposes of estimating PDs;</p> <p>We tested, on a sample basis, the reasonableness of PDs used by management as well as the accuracy of the underlying historical data applied by management in deriving PDs;</p> <p>We reviewed the suitability of forward looking data used in estimating PDs together with the accuracy of its application in the PD estimation process;</p> <p>We tested, on a sample basis, the reasonableness of the present values of expected future cash flows of loans and advances used by management in the calculation of LGD; and</p> <p>We recomputed, on a sample basis, expected credit losses for loans and advances and assessed the overall reasonableness of provisions for loans and advances made by management as at 1</p>
<ul style="list-style-type: none"> • the estimates made by management in deriving EAD for on and off statement of financial position exposures. 	<p>January and 31 December 2018.</p>



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF OPPORTUNITY BANK UGANDA LIMITED (CONTINUED)

Report on the audit of the financial statements (continued)

Other information

The Directors are responsible for the other information, The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Ugandan Companies Act and the Financial Institutions Act, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF OPPORTUNITY BANK UGANDA LIMITED (CONTINUED)

Report on the audit of the financial statements (continued)

Auditor's responsibility for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF OPPORTUNITY BANK UGANDA LIMITED (CONTINUED)

Report on legal and other regulatory requirements

The Ugandan Companies Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii) the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CPA Uthman Mayanja- Po181.

Certified Public accountants
Kampala

2May2019

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CPA Uthman Mayanja

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December
2018

Statement of comprehensive income

	Note	2018 Shs'ooo	2017 Shs'ooo
Interest income	4	30,560,971	21,632,778
Interest expense	5	(1,811,823)	(2,910,745)
Net interest income		24,717,078	18,722,033
Fees and commission income	6	3,328,179	2,715,756
Net foreign exchange loss	7	(20,396)	(45,083)
Other income	8	2,102,575	1,543,787
Total income before credit impairment charge		<u>30,127,436</u>	<u>22,936,493</u>
Impairment charge on other financial assets	13 & 14	(142,674)	
Impairment charge on loans and advances	15	(1,383,173)	(1,310,027)
Total income after credit impairment charge		<u>28,601,589</u>	21,626,466
Employee benefits expenses	9	(10,589,966)	(9,404,178)
Administrative expenses	10	(10,738,580)	(7,805,085)
Depreciation and amortisation	17&19	(1,638,241)	(1,327,674)
Profit before income tax		5,634,802	3,089,529
Income tax expense	11	(1,126,918)	(858,779)
Profit for the year		<u>4,437,884</u>	<u>2,230,750</u>
Other comprehensive income			
Revaluation of land and buildings		1,400,475	
Deferred Tax on revaluation		(420,142)	
Total Other comprehensive income		<u>980,333</u>	
Total comprehensive income for the year		<u>5,418,217</u>	
Earnings per share basic and diluted (Shs)	29	<u>90.14</u>	<u>45.31</u>


OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2018

Statement of financial position

	Not e	2018 Shs'ooo	2017 Restate d Shs'oo o	2016 Restated Shs'ooo
Assets				
Cash and bank balances	12	9,475,198	7,237,097	4,296,622
Balances held with other financial institutions	13	10,272,289	17,504,998	19,270,096
Investment Securities	14	3,852,449		
Loans and advances to customers	15	90,466,033	57,005,269	42,003,004
Other assets	16	3,859,086	3,963,855	3,100,959
Property and equipment	17	11,637,569	7,300,644	5,774,013
Intangible assets	19	2,653,107	173,072	395,358
Deferred income tax asset	18	112,820		
Total assets		<u>132,333,551</u>	<u>93,184,935</u>	74,840,052
Equity and liabilities				
Liabilities				
Bank overdraft	12	2,344,702		3,434,545
Collateral loan security fund	20	5,533,613	4,115,227	4,315,346
Customer deposits	21	59,986,960	39,730,405	21,695,920
Other liabilities	22	8,139,372	5,636,910	6,524,968
Borrowings	24	19,824,946	10,123,918	4,737,017
Deferred grant income	25	2,316,037	4,669,804	7,875,849
Current income tax payable	11	1,720,805	20,502	
Deferred income tax liability	18	-	852,285	451,973
Total liabilities		<u>99,866,315</u>	<u>65,142,751</u>	19,035,618
Equity				
Share capital	26	9,846,294	9,846,294	9,846,294
Share premium	26	11,992,536	11,992,536	11,992,536
Regulatory credit risk reserve	28	1,003,040	777,900	326,543
Revaluation reserve	27	2,590,312	1,609,979	1,609,979
Retained earnings		z,o;H,231	3,808,425	2,022,082
Total equity		<u>32,467,116</u>	<u>28,035,181</u>	25,801,031
Total equity and liabilities		<u>132,333,551</u>	<u>93,184,935</u>	74,840,052

The financial statements on pages 9 to 59 were approved by the Board of Directors on 26 March 2019 and signed on its behalf by:



 Director



OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2018

Statement of changes in equity

	Notes	Share capital Shs'ooo	Share premium Shs'ooo	Regulatory reserve Shs'ooo	Revaluation reserve Shs'ooo	Retained earnings Shs'ooo	Total Shs'ooo
Year ended 31 December 2017							
At 1 January 2017 - as previously stated		9,846,294	11,992,536	326,543	1,609,979	2,743,727	26,519,079
Effect of prior year adjustment	30					(714,645)	(714,645)
At 1 January 2017 - as restated		9,846,294	11,992,536	326,543	1,609,979	2,029,082	25,804,434
Comprehensive income:							
Profit for the year						2,230,750	2,230,750
Other comprehensive income							
Total comprehensive income						2,230,750	2,230,750
Transfer to regulatory reserve	28)	
At end 31 December 2017		9,846,294	11,992,536	326,543	1,609,979	2,230,750	26,031,102
Year ended 31 December 2018							
At start of year, as previously stated		9,846,294	11,992,536	777,900	1,609,979	4,523,120	28,749,829
Effect of prior year adjustment						(714,645)	(714,645)
IFRS9 first time adoption adjustment						(286,285)	(286,285)
At start of year, as restated		9,846,294	11,992,536	777,900	1,609,979	2,822,190	27,048,899
Profit for the year						4,437,884	4,437,884
Other comprehensive income					980,333		980,333
Total comprehensive income					980,333	4,437,884	5,418,217
Transactions with owners:							
Transfer to regulatory reserve	28			22,110		(22,110)	
At end of year		9,846,294	11,992,536	800,010	2,590,312	7,249,974	32,479,126

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial
Statements For the year ended 31
December 2017

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2017

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OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2017

Corporate information

REGISTERED OFFICE

Plot 1259, Old Kira Road
P. O. Box 33513
Kampala.

COMPANY SECRETARY

Mr. Sulaiman Kikabi
Opportunity Bank Uganda Limited
Plot 1259, Old Kira Road
P. O. Box 33513
Kampala.

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants
10th Floor, Communications House 1
Colville Street
P. O. Box 882
Kampala.

LAWYERS

M/s Ligomarc Advocates 5th
Floor, Western Wing
Social Security House, 4 Jinja Road
P. O. Box 8230
Kampala.

M/s Birungyi Barata & Company Advocates Crusader
House, 3rd Floor Annex
P. O. Box 21086
Kampala.

Nambogo & Company Advocates
4th Floor Suite B-4
Plot 26 Buganda Road, Park Royal Building
P.O. Box 9071 Kampala.

MAIN CORRESPONDENT BANKS

Citibank Uganda Limited
Ternan Avenue
P. O. Box 7505
Kampala.

Stanbic Bank Uganda Limited 45
Kampala Road
P. O. Box-7131
Kampala.

dfcu Bank Limited
Plot 26 Kyadondo Road, Nakasero
P. O. Box 70 Kampala.

Diamond Trust Bank Uganda Limited DTB
Centre
Plot 17/19, Kampala Road
Kampala.

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2017

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 31 December 2017, which disclose the state of affairs of Opportunity Bank Uganda Limited ('the Company').

PRINCIPAL ACTIVITIES

The Company's principal activity is disbursing loans to individuals, micro and small-scale entrepreneurs in the informal sector of the Ugandan economy. The Company is licensed by Bank of Uganda as a tier II financial institution.

The license allows the Company to transact financial institutions business as a credit institution under the Financial Institutions Act (FIA). In addition to the existing products and services the license allows the Company, to accept and receive call and time deposits repayable after a fixed period or after notice.

RESULTS AND DIVIDENDS

The profit for the year ended 31 December 2017 is Shs 2.2 billion (2016: Shs 1.4 billion). The directors do not propose the payment of dividends for the year (2016: Nil).

DIRECTORS

The directors who held office during the year and to the date of this report are as shown below;


BOARD OF DIRECTORS

Mr. Phillip Karugaba	Chairman
Mr. Tineyi Mawocha	Chief Executive Officer
Mr. Christopher Geriga	Executive Director
Mr. Mark Horwood	Non-Executive Director
Mr. Stanely Tsikirayi	Non-Executive Director
Mr. Mark Vivier	Non-Executive Director (appointed 24 April 2017)
Mr. Leendert Steffen	Non-Executive Director (appointed 24 November 2017)
Mr. Ken Wathome	Non-Executive Director
Mrs. Sarah Nassozi Kiwanuka	Non-Executive Director
Mrs. Winnie Lawoko-Olwe	Non-Executive Director
Mrs. Jacqueline Kobusingye Opondo	Non-Executive Director

AUDITOR

The Company's auditor, PricewaterhouseCoopers Certified Public Accountants was appointed during the year and continues in office in accordance with the provisions of Section 167(2) of the Ugandan Companies Act and Section 62 (3) of the Financial Institutions Act.

By order of the Board



Secretary

26 April 2018

Statement of Director's Responsibilities

The Ugandan Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with International Financial Reporting Standards and in the manner required by the Ugandan Companies Act and the Financial Institutions Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit in accordance with International Financial Reporting Standards and in the manner required by the Ugandan Companies Act and the Financial Institutions Act. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors have also assessed the Company's ability to continue as a going concern and hereby do report that nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Director

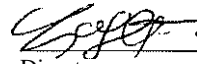


26 April 2018

Director



Director





REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF OPPORTUNITY BANK UGANDA LIMITED

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements of Opportunity Bank Uganda Limited (the "Company") give a true and fair view of the state of the financial affairs of the Company as at 31 December 2017, and of its profit and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been prepared in the manner required by the Ugandan Companies Act and the Financial Institutions Act.

What we have audited

Opportunity Bank Uganda Limited's financial statements set out on pages 9 to 49 comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") that are relevant to our audit of the financial statements in Uganda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matter

The key audit matter described below is that which, in our professional judgment, is of most significance in our audit of the financial statements of the Company for the year ended 31 December 2017. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and as such we do not provide a separate opinion on the matter.



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
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**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
OPPORTUNITY BANK UGANDA LIMITED (continued)**

Report on the audit of the financial statements (continued)

Key Audit Matter (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Impairment of loans and advances</i></p> <p>We refer to note 13 of the financial statements which sets out total provisions for impairment of loans and advances of Shs 1,322 million comprised of provisions on non-performing loans of Shs 704 million and provisions on performing loans of Shs 618 million.</p> <p>We focused on this area because the process of estimating impairment provisions involves the exercise of significant judgment by the directors to estimate the amount and timing of expected future cash flows on non-performing loans.</p> <p>In respect of performing loans, the directors also exercise significant judgment in estimating losses that have been incurred, as of year-end) on loans and advances for which there are no indicators of impairment. This estimate is derived from the actual historical loan loss experience of the Company.</p> <p>Our audit procedures focused on the completeness of loans identified for impairment assessment; the reasonableness of the timing and amount of expected future cash flows from individually assessed loans and the extent to which the model used to estimate provisions for loans assessed collectively is based on actual historical experience of the Company.</p>	<p><i>Our audit procedures are summarised as follows:</i></p> <ul style="list-style-type: none"> • We evaluated the design effectiveness of controls implemented by management over the identification of non-performing loans for impairment testing purposes. This included monitoring controls over non-performing loans and automated controls over the core banking system such as automation of loan arrears reports. • We obtained evidence that relevant computer controls were designed and operated effectively during the year. We also tested the accuracy of the automated loan arrears report of the Company. • For non performing loans that management assessed individually for impairment, we selected a sample and tested the accuracy of the inputs into the calculation to supporting documents. • For non-performing loans that management assessed for impairment collectively based on recovery ratios, we assessed the ratios being applied for reasonableness and accuracy. • We also evaluated the reasonableness of estimates and assumptions especially the timing and amount of expected future cash flows, We also tested whether the computation was accurate with respect to discounted cash flow workings. • For the collective assessment of impairment, we assessed the methodology management applied in their calculation and its

consistency with our knowledge and experience. We also recomputed the impairment provision to determine accuracy thereof.



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF OPPORTUNITY BANK UGANDA LIMITED (continued)

Report on the audit of the financial statements (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

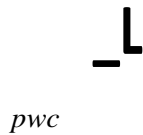
The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Ugandan Companies Act and the Financial Institutions Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF OPPORTUNITY BANK UGANDA LIMITED (continued)

Report on the audit of the financial statements (continued)

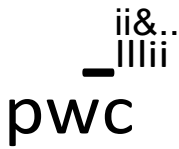
Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



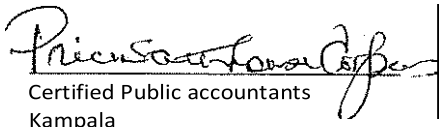
REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF OPPORTUNITY BANKUGANDA LIMITED (continued)

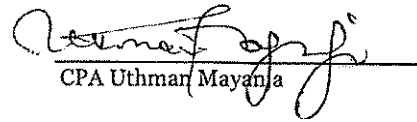
Report on legal and other regulatory requirements

The Ugandan Companies Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii) the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CPA Uthman Mayanja- Po181.


Certified Public accountants
Kampala


CPA Uthman Mayanja

26 April 2018

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2017

Statement of comprehensive income

	Note	2017 Shs'ooo	2016 Shs'ooo
Interest income	3	19,044,247	18,090,612
Interest expense	4	(2,910,745)	(2,510,688)
Net interest income		16,133,502	15,579,924
Fees and commission income	5	5,304,287	4,386,632
Net foreign exchange loss	6	(45,083)	(80,982)
Other income	7	1,543,287	1,393,251
Total income before credit impairment charge		<u>22,925,993</u>	<u>21,279,557</u>
Impairment charge on loans and advances	13(b)	(1,300,027)	1,161,816
Total income after credit impairment charge		21,626,466	20,507,812
Employee benefits expenses	8	(9,404,178)	(8,245,416)
Administrative expenses	9	(7,805,085)	(9,317,341)
Depreciation and amortisation	15&17	<u>9,327,674</u>	<u>(1,476,633)</u>
Profit before income tax		3,089,529	1,468,452
Income tax expense	10(a)	<u>(78,099)</u>	<u>(78,099)</u>
Profit for the year		<u>2,911,430</u>	<u>1,390,353</u>
Other comprehensive income			
Total comprehensive income for the year		2,911,430	1,390,353
Earnings per share basic and diluted (Shs)	28	<u>45.31</u>	<u>28.24</u>

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2017

Statement of financial position

	Note	2017 Shs '000	2016 Shs'000
Assets			
Cash and bank balances	II (a)	7,237,097	4,296,622
Balances held with other financial institutions	12	17,504,998	19,270,096
Loans and advances to customers	13(a)	57,005,269	42,003,004
Other assets	14	3,963,855	3,100,959
Property and equipment	15	5,022,506	3,461,952
Intangible assets	17	173,072	395,358
Leasehold land	18	2,278,138	<u>2,312,061</u>
Total assets		<u>93,184,935</u>	<u>78,005,052</u>
Equity and liabilities			
Liabilities			
Bank overdraft	II (b)		3,434,545
Collateral loan security fund	19	4,115,227	4,315,346
Customer deposits	20	39,730,405	21,695,920
Other liabilities	21	4,922,265	5,810,323
Borrowings	23	10,123,918	4,737,017
Deferred grant income	24	4,669,804	7,875,849
Current income tax payable	10(b)	20,502	
Deferred income tax liability	16	852,985	<u>451,973</u>
Total liabilities		64,435,106	<u>48,320,973</u>
Equity			
Share capital	25	9,846,294	9,846,294
Share premium	25	11,992,536	11,992,536
Regulatory credit risk reserve	27	777,900	326,543
Revaluation reserve	26	1,609,979	1,609,979
Retained earnings		<u>4,523,120</u>	2,743,727
Total equity		28,749,829	26,519,079
Total equity and liabilities		<u>93,184,935</u>	<u>74,840,052</u>

The financial statements on pages 9 to 49 were approved by the Board of Directors on 26 April 2018 and signed on its behalf by:

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Directo

OPPORTUNITY BANK UGANDA LIMITED
Annual Report and Financial Statements