

OPPORTUNITY BANK

SUMMARY OF AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

CEO MESSAGE

On behalf of the staff, management and Board of Directors, I am delighted to present our financial performance for the year 2023 and also express our appreciation to our customers who have trusted us to serve them and for whom we exist.

We have navigated the challenging economic times of the past few years to return a decent performance and growth in our net equity solidifying our sustainability and strength as an institution. We attained a profit after tax of Ugx 2.8bn for the year 2023 and continue to grow our return on assets.

Our founding mandate remains the uplifting of Ugandans out of poverty by extending financial services to the underserved and unserved persons and their communities. We have done this by paying special attention to the sectors critical to economic growth that include Agriculture and climate finance (27% of our business), Education for the less privileged (25% of our business), and trade and business enterprises (25%), biodiversity, water and sanitation, affordable housing and clean energy. We have developed tailored banking and insurance products for women, youth, refugees, Persons with Disabilities, students and graduates of vocational institutions on our journey of improving lives.

The journey to transform lives has been successful with the support and engagement of partners. We accord special appreciation to the Government of Uganda for the Parish Development Model (PDM) that has provided capital for individuals to start and operate enterprises that will bring more people into the money economy and we are proud to be part of this life changing initiative. Other transformative and successful Government of Uganda programs that we participate in include the Agriculture Credit Facility (ACF) that is promoting agriculture by giving Ugandans subsidised loans and the Small Business Recovery Fund (SBRF) that is supporting businesses affected by COVID-19 to access low cost capital and Emyooga among others. Customers that have a deposit banking history have enjoyed rates as low as 12% p.a on credit facilities because of our combined economic empowerment programs.

We thank our strategic partners for sharing in our mission and vision to give everyone a life of dignity some of whom include; Opportunity International, aBi Finance, FSU, Water.Org, ILO, Mercy Corps, KFW, EADB, Aceli Africa among many others and Bank of Uganda for creating an enabling environment.

As we move forward, simplifying the customer journey and creating convenience remains our focus. Our aim is to provide 24-hour account access to our depositors to reduce their transaction costs, enable them take advantage of opportunities, and attend to emergencies in an instant.

I. REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF OPPORTUNITY BANK UGANDA LIMITED

Opinion

The summary financial statements of Opportunity Bank Uganda Limited which comprise the summary statement of financial position as at 31 December 2023, the summary statement of comprehensive income for the year then ended and related disclosures (together "the summary financial statements"), are derived from the audited financial statements of Opportunity Bank Uganda Limited for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements as at and for the year ended 31 December 2023, 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 Accounting Standards as issued by the International Accounting Standards Board, 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 our 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 25 April 2024. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period.

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

KPMG
Certified Public Accountants
3rd Floor, Rwenzori Courts
Plot 2& 4A, Nakasero Road
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Kampala, Uganda

Date: 25 April 2024

II. SUMMARY STATEMENT OF FINANCIAL POSITION

	2023	2022
	Ushs '000	Ushs '000
Assets		
Cash and balances with Bank of Uganda	7,834,110	9,742,188
Balances with banking institutions	56,424,588	92,518,482
Due from parent/group companies	605,226	498,333
Loans and advances (Net)	140,998,477	129,212,143
Investment Securities	9,816,880	7,102,833
Other assets	12,744,144	12,314,365
Property and equipment	8,609,195	9,604,132
Deferred income tax	-	962,984
Total assets	237,032,620	261,955,460
Liabilities		
Customer deposits	155,364,591	185,041,667
Balances due to banking institutions	26,286,369	28,997,917
Other liabilities	16,728,569	12,130,357
Current Income Tax Payable	38,786	18,643
Deferred tax liability	55,348	-
Total liabilities	198,473,663	226,188,584
Shareholders' equity		
Share capital	32,001,824	32,001,824
Retained earnings	928,677	(710,911)
Other reserves	5,628,456	4,475,963
Total shareholders' equity	38,558,957	35,766,876
Total liabilities and shareholders' equity	237,032,620	261,955,460

IV. OTHER DISCLOSURES

	2023	2022
	Ushs '000	Ushs '000
Non-performing loans and other assets		
Non-performing loans and other assets	7,201,275	13,142,260
Interest in suspense	1,347,745	2,728,895
Bad debts written off	9,925,645	5,073,216
Insider loan exposures	3,459,743	3,541,454
Capital position		
Core capital	31,492,338	28,005,914
Supplementary capital	3,644,848	3,562,148
Total qualifying capital	35,137,186	31,568,062
Total Risk Weighted Assets (RWA)	169,160,038	161,768,509
Core Capital to RWA	18.62%	17.31%
Total Qualifying Capital to RWA	20.77%	19.51%

V. MESSAGE FROM DIRECTORS

The above summary statement of financial position, a summary statement of comprehensive income are derived from the audited financial statements that were audited by KPMG Certified Public Accountants and received an unqualified opinion. The financial statements were approved by the Board of Directors and discussed with Bank of Uganda on 21 March 2024 and 5 April 2024 respectively.

Phillip Karugaba
Phillip Karugaba
Board Chairman

Owen Amanyi
Owen Amanyi
Chief Executive Officer

III. STATEMENT OF COMPREHENSIVE INCOME

	2023	2022
	Ushs '000	Ushs '000
Income		
Interest on deposits and placements	10,039,814	6,125,934
Interest on investment securities	1,301,140	846,931
Interest on loans and advances	40,088,389	41,215,706
Foreign exchange income / (loss)	173,235	(265,263)
Fees and commission income	5,498,013	5,063,673
Other income	1,108,043	1,087,562
Total income	58,208,634	54,074,543
Expenditure		
Interest expense on deposits	8,162,947	12,206,279
Interest expense on borrowings	4,013,451	2,529,106
Impairment charge on financial instruments	3,798,197	3,039,633
Operating expenses	38,079,475	36,015,557
Total expenditure	54,054,070	53,790,575
Net profit before tax	4,154,564	283,968
Income tax charge	(1,362,483)	(71,411)
Net profit after tax	2,792,081	212,557
Other comprehensive income	-	-
Total comprehensive income for the year	2,792,081	212,557

VI. KEY PERFORMANCE PARAMETERS

Profits



2023: Ushs **2.8bn**
2022: Ushs 213mn

Total Income



2023: Ushs **58bn**
2022: Ushs 54bn

Loans



2023: Ushs **141bn**
2022: Ushs 129bn

Core capital ratio



2023: **18.6%**
2022: 17.3%

Total capital ratio



2023: **20.8%**
2022: 19.5%



67% Customers in rural areas



52% Female customers



36% Youth customers



3% Refugee customers



Over **600,000** customers trained in financial literacy

Opportunity Bank is regulated by Bank of Uganda. Customer deposits are protected by the Deposit Protection Fund of Uganda up to UGX 10M. T&Cs Apply