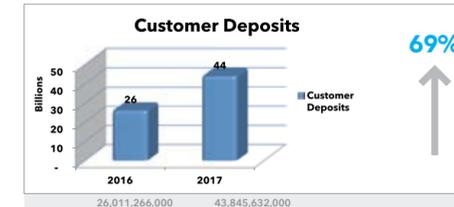
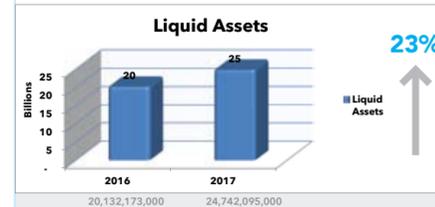
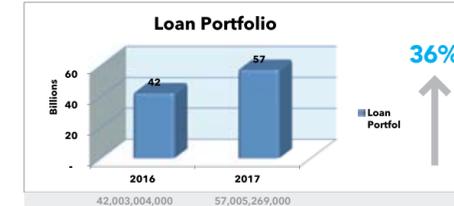
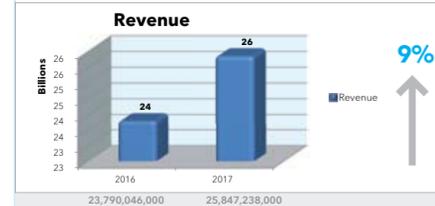
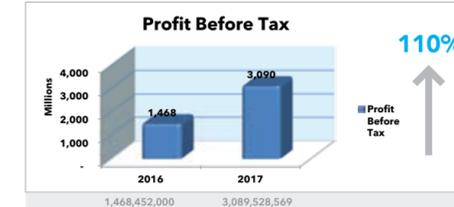


OPPORTUNITY BANK

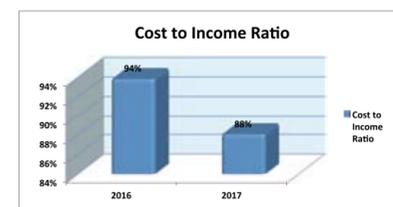
OPPORTUNITY BANK

SUMMARY OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2016-2017 Comparatives



Key Ratios



CEO's Statement

It has been an exciting year for the Bank, achieving positive results in major parameters of profitability, loans and deposits growth. We have steered through turbulent market conditions of the year 2017 and come out stronger than we closed 2016.

Special thanks go to our valued customers who have trusted us to be their banking partners of choice, and for whom we continue to improve our services, to enhance their convenience and experience. We shall continue to be fair and transparent in the way we conduct our business. All our deposit customers earn monthly interest on their savings and we engage fairly and transparently with our borrowers. The growth of our customer base, both in deposits and loans, is a testament of our relationship with our customers.

Profit before tax increased by over 100% and profit after tax by 60%. This was driven by growth of 36% in our net loan book and 69% growth in customer deposits during the year 2017.

We are motivated by our performance over the last couple of years and have big plans for the future, focused on improving our customers' experience through technology and committed service. We will continuously improve financial management and enhance shareholder value, and the welfare of our staff that make these results possible through their tireless efforts to give our customers unrivalled service quality.

During the year, we commenced our rebranding to revitalise our image in the market while maintaining our vision and core values. We continue to deepen financial inclusion in Uganda by bringing financial services closer to the underserved while also serving individual and SME customers in the urban and peri-urban areas.

In 2017, we opened two new branches in Lira and Kamdini, and relocated our City and Kira branches to more ambient and convenient locations. We take a lot of pride in being one of the first financial institutions to open doors in Kamdini as well as Kamwokya serving the enterprising women, men and youth in these growing areas.

We extend our thanks to management and staff, the Board of Directors, the Central Bank to whom we report, and to all other stakeholders who have made our success possible by supporting us in this journey. We hail the future!

Tineyi Emmanuel Mawocha
Chief Executive Officer

Independent External Auditor's Report

Our opinion

In our opinion, the accompanying summary financial statements of Opportunity Bank Uganda Limited ("the Company") are consistent, in all material respects, with the audited financial statements, in accordance with Financial Institutions (External Auditors) Regulations, 2010 and the Financial Institutions Act.

The summary financial statements

The Company's summary financial statements derived from the audited financial statements for the year ended 31 December 2017 comprise:

- the summary statement of financial position as at 31 December 2017
- the summary statement of comprehensive income for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Financial Institutions Act and the Ugandan Companies Act. 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 25 April 2018. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

Management responsibility for the summary financial statements

Management is responsible for the preparation of the summary financial statements in accordance with the Financial Institutions (External Auditor) Regulations, 2010 and the Financial Institutions Act.

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 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

Certified Public Accountants
25 April 2018

SUMMARY STATEMENT OF FINANCIAL POSITION

	2017 Ushs '000	2016 Ushs '000
Assets		
Cash and balances with Bank of Uganda	3,878,600	2,674,231
Balances with banking institutions	3,456,858	1,717,632
Due from parent/group companies	12,085	179,438
Loans and advances (Net)	57,005,269	42,003,004
Investment in fixed deposits	17,406,637	19,174,855
Other assets	3,951,770	2,921,521
Property and equipment	7,473,716	6,169,371
Total assets	93,184,935	74,840,052
Liabilities		
Bank overdraft	-	3,434,545
Customer deposits	43,845,632	26,011,266
Balances due to banking institutions	10,123,918	4,737,017
Due to parent/group companies	374,418	744,201
Other liabilities	9,217,651	12,920,545
Tax payable	20,502	21,426
Deferred tax liability	852,985	451,973
Total liabilities	64,435,106	48,320,973
Shareholders' equity		
Share capital	9,846,294	9,846,294
Share premium	11,992,536	11,992,536
Retained earnings	4,523,120	2,743,727
Other reserves	2,387,879	1,936,522
Total shareholders' equity	28,749,829	26,519,079
Total liabilities and shareholders' equity	93,184,935	74,840,052

STATEMENT OF COMPREHENSIVE INCOME

	2017 Ushs '000	2016 Ushs '000
Income		
Interest on deposits and placements	2,459,980	2,818,962
Interest on loans and advances	16,584,267	15,271,650
Foreign exchange (loss) / income	(45,083)	(80,982)
Fees and commission income	5,304,287	4,386,632
Other income	1,543,787	1,393,784
Total income	25,847,238	23,790,046
Expenditure		
Interest expense on deposits	1,768,774	1,443,021
Interest expense on borrowings	1,141,971	1,067,667
Provision for bad and doubtful debts	1,310,027	771,516
Management fees	-	1,016,615
Operating expenses	18,536,937	18,022,775
Total expenditure	22,757,709	22,321,594
Net profit before tax	3,089,529	1,468,452
Income tax charge	(858,779)	(78,099)
Net profit after tax	2,230,750	1,390,353
Other comprehensive income	-	-
Total comprehensive income for the year	2,230,750	1,390,353

OTHER DISCLOSURES

	2017 Ushs '000	2016 Ushs '000
Commitments		
Undrawn standby facilities	-	-
Undrawn credit lines	-	-
Total	-	-
Non-performing loans and other assets		
Non-performing loans and other assets	2,049,153	1,964,001
Interest in suspense	414,127	288,409
Bad debts written off	1,543,643	1,253,844
Insider loan exposures	1,199,934	704,476
Capital position		
Core capital	26,179,394	24,065,243
Supplementary capital	2,227,259	2,015,619
Total qualifying capital	28,406,653	26,080,862
Total Risk Weighted Assets (RWA)	72,725,233	55,115,091
Core Capital to RWA	36.00%	43.66%
Total Qualifying Capital to RWA	39.06%	47.32%

Opportunity Bank unveils new brand look

With the rise of digital innovation and changing consumer expectations, the financial services landscape is rapidly changing in Uganda. With this in mind, Opportunity Bank, a leading microfinance bank in Uganda with over 20 years' experience today announced the bank's new brand and officially introduced a New and improved Head Office.

These changes will elevate Opportunity Bank's focus on the ability to provide a strong customer experience and technology-led financial services offering to better serve existing customers and potential target market in the small and mid-sized businesses (SMEs).

Opportunity Bank Uganda Limited is a Tier 2 financial institution licensed by the Bank of Uganda to offer savings, and loan products to its customers as well as training across the country. Established in 1995 as Faulu Uganda and acquired by Opportunity International in 2006, the Bank has evolved from a Tier 3 Micro Finance Institution to a Tier 2 Micro Finance and Deposit Taking Institution over the years.

Mr. Tineyi Emmanuel Mawocha, Chief Executive Officer of Opportunity Bank said that "There are still many people who are unbanked and have fettered access to loans for developing their businesses. Being able to provide a strong customer experience while exhibiting our unique brand values and financial solutions can be a key differentiator to enable the local market access to turnkey banking products and services. With our rebranding efforts, Opportunity Bank has been empowered to offer banking solutions and experienced customer support services that SMEs need to grow."

While speaking at the launch, the acting Board Chairperson, Mrs Winnie Lawoko-Olwe, added that "Opportunity Bank's unique banking platform is able to meet consumer needs in an easy-to-use way for any SME and individual. Opportunity Bank continues to develop its multi-functional platform, helping our local markets grow one business at a time. The innovative banking solutions that a small business owner will need to grow their business is extensive. We knew that a unique approach was needed, and we have moved to tailor our products and services specifically to meet our client's needs," she remarked.

Executive Director-Supervision at Bank of Uganda Dr. Tumubweine Twinemanzi who officiated at the launch said that increased confidence in banking benefits will see the move of the 'unbanked funds' from under the mattress to commercial banks. Opportunity Bank's new branding further enables the bank to stand out, not only within the expansive financial sector industry, but also within the ever-growing mobile money banking sector technology ecosystem. Small business owners will enjoy the ease-of-use of Opportunity Bank's sophisticated technology, along with the human touch that is delivered through superior customer service. "It is, therefore, a real pleasure for me to officiate at the launch of yet another milestone for Opportunity Bank Uganda Limited," Dr. Tumubweine added.

The New Opportunity Bank logo brings a sharp new visual identity, characterising the brand as bold, smart, effective, and original. Opportunity Bank's emphasis on providing a full suite of products and services to the local market is reflected in the bank's new tagline, - "Empower yourself, empower your business, empower your future". This language speaks to the core belief that in a vast, ever-changing, and evolving financial sector, Opportunity Bank can fully cater to each and every business to establish and secure a thriving banking solution.



The Marketing Manager, Shafic Ssemakula celebrating with winners in the 'Save and Win a Smartphone' campaign recently.



The Executive Director Supervision, Bank of Uganda, Dr. Twinemanzi Tumubweine (centre), Mrs. Winnie Lawoko - Olwe (left) and the CEO Mr. Tineyi Emmanuel Mawocha at the grand opening of the new head office and the launch of the new brand look.



Opportunity Bank staff and BOD of directors donate Shs 20 million and other items to support victims of the Nodding Disease Syndrome in Northern Uganda.

Message from Directors

The above summary statement of financial position and summary statement of comprehensive income are derived from the audited financial statements that were audited by PricewaterhouseCoopers Certified Public Accountants and received an unqualified opinion. The financial statements were approved by the Board of Directors and Bank of Uganda on 15 March 2018 and 20 April 2018 respectively.

Mr. Phillip Karugaba
Board Chairman

Mr. Tineyi Emmanuel Mawocha
Chief Executive Officer

Opportunity Bank is regulated by Bank of Uganda.

About Opportunity Bank
Opportunity Bank Uganda Limited (OBUL) is a leading Micro Finance Institution in Uganda and is mainly owned by Mybucks SA a fintech company listed on the Frankfurt Stock Exchange and Opportunity Transformation Inc (OTI) group which focuses on transformation of communities. Other shareholders include Food for the Hungry and Faulu Uganda. OBUL started in 1995 as Faulu Uganda owned by Food for the Hungry International (FHI), in 2006 OTI acquired 63% of the shares which increased to 92% by 2015 and in 2016, Mybucks SA acquired 49% of the shareholding. OBUL has 20 branches and 2 service centres spread all over the four regions of Uganda with 68% of the branches in the upcountry towns. We have a foot print in Central Region (Kampala (5), Mukono (2), Wakiso (2)), Eastern Region (Jinja, Iganga, Mayuge, Mbale, Soroti) Northern Region (Lira, Kamdini) and Western Region (Masaka, Mbarara, Kyenjojo, Mubende, Mityana and Hoima).

Please visit www.OpportunityBank.com to explore the new website and learn more about the suite of digital marketing products and services offered.