



EXTRACT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TROPICAL BANK LIMITED

The accompanying summary financial statements, which comprise the summary statement of financial position of Tropical Bank Limited at 31 December 2015, the summary of the statement of comprehensive Income and other disclosures for the year then ended, are derived from the audited financial statements of Tropical Bank Limited for the year ended 31 December 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 29 April 2016.

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, therefore, is not a substitute for reading the audited financial statements of the Bank.

Directors' responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary of the audited financial statements in accordance with the Financial Institutions (External Auditors) Regulations 2010 and the Financial Institutions Act.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Tropical Bank Limited for the year ended 31 December 2015 are consistent, in all material respects, with those financial statements in accordance with the Financial Institutions (External Auditors) Regulations, 2010 and the Financial Institutions Act.

PricewaterhouseCoopers

Certified Public Accountants Uganda
29 April 2016

SHAREHOLDERS' EQUITY

Share capital	30,000,000	30,000,000
Retained earnings	10,080,296	9,624,804
Capital reserve	6,683,451	6,205,929
General reserve	5,810,043	5,332,521
Revaluation reserve	2,235,438	2,252,516
Regulatory credit reserve	2,418,785	1,902,154
TOTAL SHAREHOLDER'S EQUITY	57,228,013	55,317,924

TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY

256,768,824 **241,659,918**

3 SUMMARY INCOME STATEMENT

	2015	2014
	Ushs '000	Ushs '000
Income		
Interest on deposits and placements	932,016	1,769,157
Interest on loans and advances	21,675,730	23,056,772
Interest on investment securities	5,573,172	2,112,632
Other interest income	1,665	2,798
Foreign exchange income	234,455	399,990
Fee and commission income	5,307,774	2,662,340
Other operating income	3,931,634	5,114,101
Grant income	116,361	48,393
Total income	37,772,807	35,166,183
Expenditure		
Interest expense on deposits	(3,421,490)	(3,130,796)
Interest expense on borrowings	(439,555)	(330,904)
Provision for bad and doubtful debts	(5,270,023)	(5,471,591)
Management fees	-	(1,215,844)
Fee and commission expense	(282,533)	(202,969)
Operating expenses	(13,388,058)	(8,799,365)
Employee benefits expenses	(14,696,742)	(12,067,087)
Total expenditure	(37,498,400)	(31,218,556)
Net profit before tax	274,407	3,947,627
Income tax expense	1,635,682	382,134
Net profit after tax	1,910,089	4,329,761
Other comprehensive income	-	-
Total comprehensive income	1,910,089	4,329,761

4 OTHER DISCLOSURES

	2015	2014
	Ushs '000	Ushs '000
Contingent liabilities		
Letters of credit	14,149,666	9,766,360
Guarantees and performance bonds	4,827,150	4,634,116
Total	18,976,816	14,400,476
Commitments		
Undrawn credit lines	4,843,677	9,682,339
Total	4,843,677	9,682,339
Non-performing loans and other assets		
Interest in suspense	14,908,987	8,300,607
Bad debts write off	1,930,180	1,311,198
Large exposures	3,803,669	3,508,609
Insider loan exposures	48,743,605	52,643,894
	907,584	3,203,024
Capital Position		
Core capital	49,152,245	48,678,577
Supplementary capital	25,785,309	27,731,208
Total Qualifying Capital	74,937,554	76,409,785
Total Risk Weighted Assets (RWA)	174,735,120	160,746,530
Core Capital to RWA	28.13%	30.28%
Total Qualifying Capital to RWA	42.89%	47.53%

5 DIRECTORS' STATEMENT

The above summary statement of financial position and summary income statement were audited by PricewaterhouseCoopers and received an unmodified opinion. The financial statements were approved by the Board of Directors on 30 March 2016, discussed and approved by Bank of Uganda on 27 April 2016.

[Signature]
Hon. Gerald Ssendaula
Chairman

[Signature]
Juma Kagolo Lubega
Acting Managing Director

2 SUMMARY STATEMENT OF FINANCIAL POSITION

	2015	2014
	Ushs '000	Ushs '000
ASSETS		
Cash and balances with Bank of Uganda	20,670,292	27,569,145
Deposits due from Banking Institutions	50,839,606	37,692,826
Deposits due from the group companies	5,563,330	14,415,579
Government securities	45,248,469	33,756,890
Loans and advances to customers	120,429,418	115,831,098
Other assets	3,170,561	3,515,654
Current tax recoverable	281,718	-
Property and equipment	7,089,003	6,194,008
Capital work-in-progress	20,009	327,002
Operating lease prepayments	268,057	272,238
Intangible assets	379,203	767,855
Deferred income tax asset	2,809,158	1,317,623
TOTAL ASSETS	256,768,824	241,659,918
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Customer deposits	149,607,739	141,904,578
Deposits due to banking institutions	-	2,326,414
Subordinated shareholders loan	37,510,936	30,685,328
Administered funds	1,540,757	2,097,045
Grants	146,667	48,394
Current income tax payable	-	977,063
Other liabilities	10,734,712	8,303,172
TOTAL LIABILITIES	199,540,811	186,341,994