

## AUDITED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2017

### A) STATEMENT OF COMPREHENSIVE INCOME

	31-Dec-17	31-Dec-16
	KShs. '000'	KShs. '000'
<b>1.0 Income</b>		
1.1 Interest on Loan Portfolio	25,436	40,231
1.2 Fees and Commission on Loan Portfolio	20,152	15,667
1.3 Government Securities	-	-
1.4 Deposit and Balances with Banks and Financial Inst.	-	-
1.5 Other Investments	-	-
1.6 Other Operating Income	214	496
1.7 Non-Operating Income	-	-
<b>1.8 Total Income</b>	<b>45,802</b>	<b>56,394</b>
<b>2.0 Expenses</b>		
2.1 Interest and Fee Expense on Deposits	1,285	493
2.2 Other Fees and Commissions expense	-	-
2.3 Provision for Loan Impairment	3,402	7,529
2.4 Staff Costs	23,500	16,969
2.5 Director's Emoluments	752	905
2.6 Rental Charges	6,720	5,046
2.7 Depreciation Charges	3,785	3,514
2.8 Amortization Charges	1,483	1,917
2.9 Other Administrative Expense	16,876	16,580
2.1 Non-Operating Expense	-	-
<b>2.11 Total Expenses</b>	<b>57,803</b>	<b>52,953</b>
<b>3.0 Operating Profit</b>	<b>(12,001)</b>	<b>3,441</b>
<b>4.0 Interest and Fee Expense on Borrowings (Finance Costs)</b>		
5.0 Profit/(Loss) before tax	(12,001)	3,441
6.0 Current Tax	-	-
6.1 Deferred Tax	2,614	666
<b>7.0 Net Profit (After Taxes and Before Donations)</b>	<b>(9,387)</b>	<b>4,107</b>
<b>8.0 Donations for Operating Expense</b>		
9.0 Net Profit After Taxes	(9,387)	4,107
Surplus on revaluation of building	-	-
Deferred tax on revaluation surplus	-	-
<b>Total comprehensive income</b>	<b>(9,387)</b>	<b>4,107</b>

### B) STATEMENT OF FINANCIAL POSITION

<b>1.0 ASSETS</b>		
1.1 Cash and bank balances	45,673	13,350
1.2 Short term deposits with banks	-	-
1.3 Government securities	-	-
1.4 Advances to customers	125,542	165,707
1.5 Due from related organisations	-	-
1.6 Other receivables	5,700	11,842
1.7 Tax recoverable	213	297
1.8 Deferred tax Asset	5,364	2,666
1.9 Other investment	-	-
1.10 Investment in associate companies	-	-
1.11 Intangible assets	8,363	4,631
1.12 Property and equipment	20,659	15,601
<b>1.13 Total Assets</b>	<b>211,514</b>	<b>214,094</b>
<b>2.0 LIABILITIES</b>		
2.1 Cash collaterals held	-	-
2.2 Customer deposits	29,185	28,735
2.3 Borrowings	-	-
2.4 Deposit & balances due to banking institutions	-	-
2.5 Deferred tax liability	-	-

2.6 Due to related organisations	-	-
2.7 Other liabilities	13,215	6,857
<b>2.8 Total Liabilities</b>	<b>42,400</b>	<b>35,592</b>
<b>3.0 SHARE CAPITAL &amp; RESERVES</b>		
3.1 Share capital	197,037	197,037
3.2 Share premium	-	-
3.3 Retained earnings	(27,923)	(18,535)
3.4 Revaluation reserve	-	-
3.5 Statutory reserve	-	-
<b>3.6 Total Shareholders' funds</b>	<b>169,114</b>	<b>178,502</b>
<b>4.0 TOTAL LIABILITIES AND EQUITY</b>	<b>211,514</b>	<b>214,094</b>

### C) OTHER DISCLOSURES

<b>1 NON-PERFORMING LOANS AND ADVANCES</b>		
(a) Gross Non-Performing Loans and Advances	90,963	73,667
Less:		
(b) Interest in Suspense	-	15,505
(c) Total Non-Performing Loans and Advances (a-b)	<b>90,963</b>	<b>58,162</b>
(d) Impairment Loss Allowance	10,652	8,168
(e) Net Non-Performing Loans (c-d)	80,311	49,994
(f) Realizable Value of Securities	-	-
(g) Net NPLs Exposure (e-f)	<b>80,311</b>	<b>49,994</b>
<b>2 INSIDER LOANS AND ADVANCES</b>		
(a) Directors, Shareholders and Associates	4,138	-
(b) Employees	55	1,548
(c) Total Insider Loans, Advances and Other Facilities	<b>4,193</b>	<b>1,548</b>
<b>3 OFF-BALANCE SHEET ITEMS</b>		
(a) Guarantees and Commitments	-	-
(b) Other Contingent Liabilities	-	-
(c) Total Contingent Liabilities	-	-
<b>4 CAPITAL STRENGTH</b>		
(a) Core Capital	163,538	178,501
(b) Minimum Statutory Capital	60,000	60,000
(c) Excess/(Deficiency) (a-b)	<b>103,538</b>	<b>118,501</b>
(d) Supplementary Capital	-	-
(e) Total Capital (a+d)	<b>163,538</b>	<b>178,501</b>
(f) Total Risk Weighted Assets	179,484	199,111
(g) Core Capital/ Total Deposit Liabilities	<b>560%</b>	<b>460%</b>
(h) Minimum Statutory Ratio	8%	8%
(i) Excess/(Deficiency) (g-h)	552%	452%
(j) Core Capital/ Total Risk Weighted Assets	<b>91.10%</b>	<b>84.00%</b>
(k) Minimum Statutory Ratio	10%	10%
(l) Excess/(Deficiency) (j-k)	81%	74%
(m) Total Capital/ Total Risk Weighted Assets	<b>91.10%</b>	<b>84.00%</b>
(n) Minimum Statutory Ratio	12%	12%
(o) Excess/(Deficiency) (m-n)	79.10%	72.00%
<b>5 LIQUIDITY</b>		
(a) Liquidity Ratio	<b>108%</b>	<b>49%</b>
(b) Minimum Statutory Ratio	20%	20%
(c) Excess/(Deficiency) (a-b)	88%	29%

These financial statements are extracts from the books of the institution as audited by Crowe Horwath and approved by board of directors on 8<sup>th</sup> March, 2018. The complete set is also available on the company's website at [www.uwezombank.com](http://www.uwezombank.com)

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Chairman

Angelica W. Kamuyu  
Vice Chairperson