





Annual Report 2011

Metropole House
Plot 8-10, Entebbe Rd
PO Box 7566 Kampala-Uganda
Tel: +256-414 346 930/346 279/258 150
Fax: +256-414 346 147
Email: pml@pridemicrofinance.co.ug, Website: www.pridemicrofinance.co.ug
 [facebook.com/prideug](https://www.facebook.com/prideug)  twitter.com/prideug

'Your Growth is Our Pride'

Contents

ii	Map showing Pride Branch Network
1	Corporate Profile
7	Chairman's Statement
10	Board of Directors
11	Senior Management
12	Employees of the Year
13	What Our Customers say
14	Pride's Risk Management Statement
16	Pride Events
17	Report of the Directors
20	Statement of Directors Responsibilities
22	Financial Highlights
25	Report of the Independent Auditors
28	Financial Statements
32	General Information
34	Pride Branch Network addresses

Abbreviations / Acronyms

aBi	AgriBusiness Initiative Trust
RALCO	Risk Asset and Liability Committee
CSR	Corporate Social Responsibility
ICT	Information Communication Technology
GOU	Government Of Uganda
MDI	Microfinance Deposit-taking Institution
URA	Uganda Revenue Authority
PPDA	Public Procurement And Disposal of Public Assets Authority
ILO	International Labour Organization
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German International Development Cooperation)
SPM	Social Performance Management

Pride Branch Network





General Information

Principal Place Of Business:

Metropole House
Plot 8 -10 Entebbe Road
Kampala.

Registered Office:

Metropole House
Plot 8-10 Entebbe Road
P.O. Box 7566,
Kampala.

Solicitors And Company Secretary:

Sebalu & Lule
Advocates and Legal Consultants
EADB Building
Plot 4 Nile Avenue
P.O. Box 2255,
Kampala.

Auditors:

PKF
P.O. Box 24544,
Plot 37, Yusuf Lule Rd.
Kampala, Uganda



Corporate Profile

About Pride

Pride Microfinance Ltd (MDI) is a microfinance deposit- taking institution regulated and supervised by Bank of Uganda. Since its inception, Pride has grown to become the leading MDI in Uganda, providing innovative financial products and services to the economically vulnerable people. Pride serves its customers through 30 networked branches spread across the country.

Our Vision

'To lead in the provision of financial and microfinance services for the social and economic growth of entrepreneurs in Uganda'

Our Mission

'To provide financial services to micro, small, medium and upscale entrepreneurs in rural and urban areas through sustainable operations that promote social and economic growth of our customers'

Our Core Values

To enable it achieve its vision, mission and strategic objectives, Pride observes a set of core values essential for its operations. Our core values can be summarized with the acronym

BE -THERE as follows;

Best Customer service
Excellency and Transparency
Teamwork
Honesty, Integrity & Accountability
Efficiency & Effectiveness
Responsive & Responsible Governance
Equal Opportunity Employer

To attach meaning to the acronym, Pride pledges to **BE THERE** for its customers, staff, stakeholders and the country at large.

Ownership

Pride is wholly owned by the Government of Uganda.

Products and Services

Pride delivers innovative and customer friendly products and services in a simple way. Our list of products & services can be categorized under three classes;

- Voluntary savings products
- Loan products
- Other services

Corporate Profile

Voluntary Savings Products:



Pride Akiba Savings Account

Achieve your long term projects with savings

This is a semi-liquid account for target savers who need to build long term savings for a planned project or any emergencies



Pride Smart Savings Account

Unlimited access to your savings

It is a fully liquid account where transactions can either be daily or weekly



Fixed Deposit Account

Invest for the future

This is an account where a customer's deposits are fixed at competitive interest rates for an agreed period of time and interest



Corporate Profile



Pride Minor's Account

Save for Their future

It's an account for children under 18 years of age at very attractive interest rates. The account is opened and operated by parents/guardians in trust of the children.



Save As You Earn (SAYE)

Save with a Vision

This account is designed to suit the needs of clients who are target savers for a specific period of time.



Loan Products



Individual Lending Scheme (ILS)

Give your business a boost

This loan offers a fast and secured means of boosting an individual's income. It is ideal for all entrepreneurs engaged in income generating activities and would like to grow their businesses



Group Guaranteed Loan Scheme (GGLS)

Grow together

This loan product is designed for those clients who come together, are trained, guarantee each other so as to be able to access credit facilities as individuals.



Salary Guaranteed Loan (SGL)

Your Golden Path to Success

This product is designed for salary earners who intend to access funding for self development using their monthly salaries to pay back the loan.

Corporate Profile



Mortgage & Asset Financing Loan (MAFL)

Access your Assets without paying at once

This loan enables the customers to acquire their desired assets without paying for them all at once. Pride finances assets that generate income and the assets financed are part of the securities.



School Fees Loan (SFL)

Build a career with Pride

This loan enables a parent, guardian or student to access funds to pay school fees at once and repay later in manageable installments.



Agricultural Loan Scheme (ALS)

Access Finance for Agricultural Activities

The loan targets those involved in the agricultural sector to enable them boost farm production

Corporate Profile

Proposed products and services.

1. **Women's Loan Product:** This product will specifically target women engaged in economically productive activities to enable them realize their business potential.
2. **Mobile Phone Banking Product.** This will enable customers to bank or withdraw money from their accounts using mobile phones.
3. **Youth product.** This will mainly target the youth who wish to engage in economically productive activities but lack collateral.
4. **Village banking.** Pride will work closely with village groups to extend financial services

Other Services.

1. **Western Union Money Transfer.** Pride is a Full Agent of Western Union. This means that you can now enjoy value added fast and reliable worldwide money transfer services at 19 of our branches country wide.
2. **Mobile Money transfer services:** Pride is a super agent of the following mobile money products: M-sente, MTN Mobile Money, Warid Pesa and Airtel Money.
3. **Loan Insurance:** All loans accessed by clients in Pride are insured against death, accident, permanent and partial incapacity and catastrophes.

Our Brand promise.

Pride is committed to working tirelessly to meet and exceed customer expectations each time they engage with us at all levels. To achieve this, Pride has developed a culture that encourages all staff to live and feel the institution's core values. Our value proposition to the market revolves around three key unique selling points. These are;

- i) Fast turnaround time
- ii) Ease of use
- iii) Excellent customer service



Enoch Rukidi
Board Chairman

Chairman's Statement

Dear Stakeholders,

I'm honored, on behalf of the Board, to present this report on Pride Microfinance Limited's financial performance and other achievements registered during the year 2011. 2011 was generally a good year for Pride as we registered significant growth in profits, clients and other developments as will be enumerated later.

The year was also characterized by an unstable economic and political environment. Inflation rate was at 27% by end of December 2011, having registered even higher rates in the preceding months. We also witnessed strikes by traders as well as demonstrations and riots by political groups. All these developments not only affected Pride's operations but also operations and lifestyles of our clients. Nevertheless, Pride emerged stronger and registered an impressive performance as presented below.

Financial performance

In 2011, profit after tax increased by 133 % from UGX 2.84bn to UGX 6.63bn. Net loans and advances increased by 21% from UGX 58.6bn to UGX 71bn. Total Assets increased by 21% from UGX 79.61bn to UGX 96.3bn. Customer deposits (voluntary savings) increased by 16.3% from UGX 24.79bn in 2010 to UGX 28.8bn in 2011. Total equity increased by 37% from UGX 17.9bn to UGX 24.5bn. Our depositors stood at 278,412 from 235,582 registering an increase of 18%. Active borrowers increased by 7.8% from 65,298 in 2010 to 70,412 in 2011.

The above impressive performance and phenomenal growth especially in profit after tax did not happen by accident. It can be partly attributed to strong leadership by the Board and Management, good risk management practices as well as a committed and focused workforce

Risk Management.

Our credit risk has remained moderate and this is commendable. The portfolio at risk (PAR) 30 days late fluctuated between 1.3 to 1.2% throughout the year. As already stated above, our Risk Management Framework has improved and staff have been oriented to risk management in their day to day work.

Major Achievements

During the year under review, Pride registered significant achievements. These include among others;

- Development and successful pilot testing of the Agricultural Loan product.
- The roll out of the School Fees Loan product.
- Installation of six Automated Teller Machines (ATMs) in the following Kampala branches: Entebbe Road, Nakawa, Wandegaya, Katwe, Kabalagala and City Centre.
- A feasibility study was carried out to assess the viability of setting up a 30th branch in Gulu. It was found viable and the branch became operational in January 2012
- Development of a new salary structure, Job Grading and Organisational structure.
- Securing the Western Union Full Agency status.
- Becoming Super Agents of Mobile Money services for UTL, MTN, Airtel and Warid.

Chairman's Statement

- Establishment of key strategic partnerships to enhance the growth of the Mortgage and Asset Financing Loan (MAFL) product.
- Production of the Pride Brand promotional song.
- Carried out successful User Acceptance Tests for the proposed Mobile Phone Banking product.

Corporate Social Responsibility.

Pride has embraced Social Performance Management (SPM) in its operations and also developed SPM parameters to enable it measure its performance in this aspect. We have also continued to support our clients through training in financial management and maintaining transparency in our operations. All this is geared at keeping our resolve as a responsible corporate citizen. Relatedly, Pride has continued to extend financial assistance to social causes. In 2011, we supported the following causes:

- i) A Kidney transplant surgery in India for Caroline Mbabazi Kwikiriize
- ii) Heart Surgery in the United Kingdom for Sheenah Bukarah, a daughter of our staff member
- iii) Support to Bless a Child Foundation that caters for the needs of children with cancer
- iv) Big Birding Day organized by Nature Uganda
- v) Mass wedding organized by Seguku Worship Center Church.

Pride promises to continue rendering financial assistance to worthy social causes that improve the welfare of the society in which it operates.

2012 Outlook.

The economic challenges witnessed in 2011 may not completely wane in 2012. The business environment is envisaged to remain volatile. However, Pride promises to remain resilient through aggressive mobilization of voluntary savings to reduce the cost of borrowing, investing more in staff, improvement of internal business processes and systems to minimize operational leakages as well as rendering excellent customer service to our clients. I therefore expect Pride to perform even better in 2012 and return more shareholder value to keep its position as the leading MDI in Uganda.

Conclusion.

Let me take this opportunity to congratulate fellow Board members, Management and staff for having worked tirelessly to post such good performance in 2011. This is commendable and I urge you to continue with the same spirit of achievement in 2012. Special thanks also go to our development partners like aBi, GiZ, Oikocredit, Stromme and ILO who have supported Pride over the years. Most importantly, our achievements in 2011 may not have been possible without the support of our cherished customers. We promise that we shall always BE THERE for you and as our motto says



Enoch Rukidi
Board Chairman

'Your Growth is Our Pride'

Board of Directors

Enoch Rukidi
Board Chairman



Peter Gachuba
Chairman Strategy Committee



Steven Ddungu Kabugu
Chairperson Board Audit
Committee



Constance Makosya
Chairperson Risk & ALCO
Committee



Veronicah Gladys Namagembe
Managing Director



Maris Wanyera
Chairperson Human Resource &
Administration Committee



Senior Management



Veronicah Gladys Namagembe
Managing Director



Deo Katezi
Head of Corporate Affairs



Apollo Taremwa
Head of Operations



Irene Mwoyogwona
Head of Finance



Vincent Kiyingi
Head of ICT



Dan Ivan Nambwira
Head of Internal Audit



Rehema N. S. Mutazindwa
Head of Human Capital
Management



Employees of the year

Every year, Pride recognizes its staff that stand out as Employees of the Year. This is therefore to show case our seven employees who stood out in the year 2011. These include;



Anna Baguma
Executive Secretary-
Head Office



Ngobi Alex
Customer Care Officer
City Centre



Babiye Hadijah
Cashier, Nakulabye



Hasibu Mwanika
Office Assistant, Mbale



Nagawa Solome
Office Assistant, Kabalagala



Kakooza Ronald
CO-ILS, Masaka



Kaserere Peter. P
Cashier, Fortportal

What our Customers Say

Pride regularly interacts with its customers to find out their views, progress or challenges they face as they go about their businesses and try to forge appropriate solutions with them. In this report, we show case two of our customers from Hoima and Entebbe Road branches.

Mr. India Joseph

"I'm a resident of Kabaale Buseruka, Hoima District and a customer of Pride. I joined Pride in 2006 after a friend recommended it to me when I needed a fast credit facility to boost my working capital and farming activities. I started with a loan of UGX 1,000,000. I don't regret joining Pride because it has helped increase my business fortunes.



Currently, I'm servicing an Agricultural Loan of UGX 8 million. I found the Agricultural Loan offer by Pride affordable and convenient and it has helped me expand my farm of maize from 7 acres to 27 acres. Everything is moving on well and I expect a great harvest.

Pride has helped me boost my financial capacity and expand my business. I have been in small scale agriculture for 20 years now but it is in 2011 that I expanded my farm with the help of Pride. I was also operating a retail shop for a long time but I have now advanced to a wholesale shop. I have been able to educate my children and one is currently at University. I have built a 22 roomed commercial house in the trading centre and I own a car. I'm really grateful to Pride for the success and business growth I'm enjoying today".



Ms. Ndegeya Clotrida

"I'm Ndegeya Clotrida, a resident of Nsambya, Kampala and a saver with Pride Microfinance. I operate a diary business in the same area.

I opened my diary business with little capital and started by buying milk and selling it to the people in the area. In 2010, the business started to grow due to availability of market in the area and prominence of the business. I then opened up a Savings Account with Pride where I could securely save my money. Basing on the returns of the business, I committed myself to save 20,000/= everyday. When my savings accumulated, I put the money on a Fixed Deposit account still with

Pride which earns me a higher interest. I now save even more since my business has grown over time.

I'm proud of Pride for keeping my money safely and also giving me interest on my savings. Now I plan to buy a plot of land in the near future and to expand my business.

I advise other people to save and always have a target when saving. Save little and often, then your money will accumulate."

As Pride, we applaud Mr. India Joseph and Ms Ndegeya Clotrida for their entrepreneurial spirit and being good clients. We pledge to always provide them and all other customers financial support as and when they need it. Congratulations!

Pride's Risk Management Statement

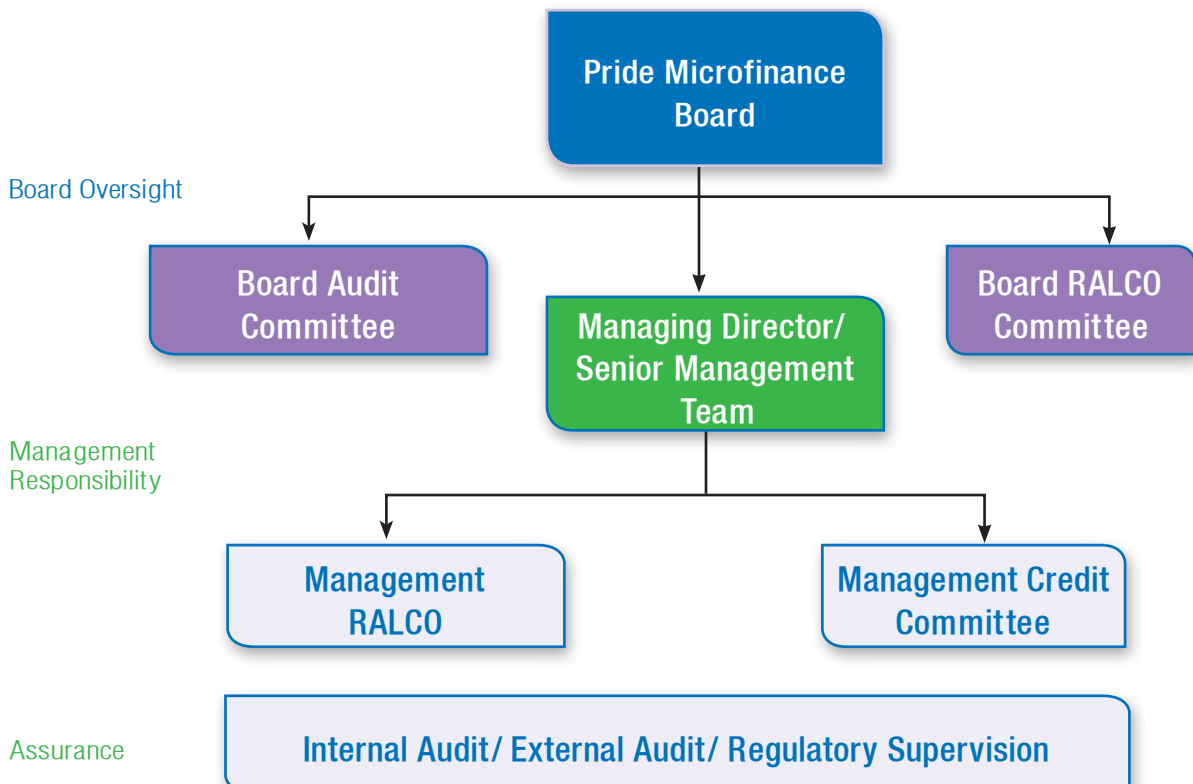
1. Introduction.

Given the day to day business activities, Pride is exposed to a wide range of risks. The core activities include; lending, deposit mobilization and money transfer services through a number of delivery channels including over the counter transactions using the biometric finger print, point of sale services and ATMs. These core activities and delivery channels expose Pride to a number of risk categories including; Strategic Risk, Credit Risk, Reputational Risk, Operational Risk, Liquidity Risk, Compliance Risk, Market Risk (Interest rate risk and foreign exchange risks) and systemic risks.

With the enhanced risk management control environment, Pride continued to grow business volumes with a better portfolio quality of 1.20%. Deposits and the number of depositors grew by 16.3% and 18% respectively while the active loan clients grew by 7.8%.

2. Risk Governance.

The Board bears the ultimate responsibility for Risk Management at Pride through defining and approving all business strategies. Implementation however is delegated to the Senior Management Team in a way that minimizes loss related exposures and maximizes the opportunities. The Risk Management processes are co-ordinated by the Risk and Compliance section. Internal Audit plays a critical role in evaluating effectiveness of the risk management strategies. Below is a detailed structure of the Institutional risk governance structure.



Pride's Risk Management Statement

3. Risk Management and Monitoring.

The Board has approved a combination of internal policies and procedures which are being implemented to manage identified risks. Pride uses internal and external auditors to check risk management's effectiveness.

3.1 Internal Policies and Procedures.

To standardize risk management practices, the Board has defined a set of internal policies and procedures ranging from credit policy manual, operational manual, HR Manual, IT Security manual, Fraud policy, Audit Manual, Corporate Governance manual etc. All these include mechanisms to ensure compliance, identification and regular reporting to the Management and Board from the different business functions of significant business risks and the management of those risks.

3.2 Internal Audit.

Pride's risk management processes are subjected to Internal Audit reviews that subsequently form an objective assessment of the adequacy of policies and procedures for information of the Board.

3.3 External Reviews.

To complement the audit reviews, other reviews are done by external stakeholders like Bank of Uganda, statutory bodies like NSSF, PPDA, URA, IGG and others.

Pride Events



Ekibbobbo Savings Promotion

Activation of the Ekibbobbo Savings Promotion in Nakawa Market - November 2011



MTN Marathon

Team Pride of the MTN Annual Marathon, November 2011. Pride ran for a charitable cause

Report of the Directors

REPORT OF THE DIRECTORS.

The directors submit their report and the audited financial statements for the year ended 31 December 2011, which shows the state of the company's affairs.

1. PRINCIPAL ACTIVITIES.

The Company takes deposits from the public and various Institutions and provides advances to customers.

2. MARKET RISK.

Market risk exists wherever the Company has taken trading, banking and investment positions. Trading and investment limits are set by the Board to contain the risk of losses within a prescribed amount in the event of adverse price movements.

3. CAPITAL ADEQUACY.

The company monitors the adequacy of its capital using ratios advised by Bank of Uganda. These ratios measure capital adequacy by comparing the company's eligible capital with its Statement of Financial Position assets, off-Statement of Financial Position commitments and market and other risk positions at a weighted amount to reflect their relative risk.

Capital Requirement Basis.

Core capital required is 15% of the total risk weighted assets including the risk weighted contingent claims.

Total capital required is 20% of the total risk weighted assets including the risk weighted contingent claims.

Based on the above ratios and definitions of capital, the Company's capital adequacy position is as follows:

Report of the Directors

	Statement of Financial Position	Risk Weighted	Statement of Financial Position	Risk Weighted
	Nominal Amount	Amount	Nominal Amount	Amount
	2011	2011	2010	2010
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Assets (net of provisions):				
Notes and coins	1,826,179	-	1,477,730	-
Deposits with Banks	14,797,856	2,959,571	14,654,928	2,930,986
Investment in treasury bills		-		-
Loans and advances to customers	1,917,802	71,080,598	-	58,615,019
Other assets	71,080,598	3,286,296	58,615,019	1,336,671
Current tax asset		128,349		297,970
Deferred tax asset	3,286,296	28,245	1,336,671	
Property and equipment	128,349	2,980,526	297,970	2,854,414
Intangible asset	28,245	343,827		376,939
Total Risk Weighted Assets	96,389,677	80,807,412	79,613,671	66,411,999
Capital ratios	Capital	Ratio	Capital	Ratio
	2011	2011	2010	2010
Tier 1 capital	20,412,998	25.26%	17,206,892	26%
Tier 1+ Tier 2 capital	25,396,577	31.43%	22,062,223	33.22%

The above computation indicates that the company complies with the capital adequacy requirements under Sections 15 and 16 of the Micro Finance Deposit Taking Institutions Act, 2003. The minimum core capital required is 15% of total risk weighted assets and total capital required is 20% of total risk weighted assets.

Directors 2011

Directors.

The Directors who served during the year and to the date of this report were: -

Mr. Enoch Rukidi	Chairman
Mrs. Constance Makosya	Member
Mr. Peter Gachuba	Member
Ms. Maris Wanyera	Member
Mr. Steven Kabugu	Member
Ms. Veronicah G. Namagembe	Managing Director

8. AUDITORS.

PKF were appointed as auditors for the financial year 2011.

9. APPROVAL OF THE FINANCIAL STATEMENTS.

The financial statements were approved by the Directors at a meeting held on 20th March 2012

By order of the Board

Signed: 

Date: 20th March 2012

SECRETARY TO THE BOARD

Statement Of Directors' Responsibilities

The company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Statement of Financial Position as at 31 December 2011, the Statement of Comprehensive income, the Statement of Changes in Equity and Statement of Cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, the MDI Act, 2003 and the Ugandan Companies Act.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. They are also responsible for safeguarding the assets of the company.

Under the Ugandan Companies Act, the Directors are required to prepare financial statements for each 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 the operating results of the company for that year. It also requires the Directors to ensure the company keeps proper accounting records that disclose with reasonable accuracy the financial position of the company.

The directors accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, the reporting requirements of the MDI Act, 2003 and Ugandan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs and the profit for the year ended 31 December 2011. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern for the next twelve months from the date of this statement.

Approval of the Financial Statements.

The financial statements, were approved by the Board of Directors on 20th March 2012 and were signed on its behalf by:



Mr. Enoch Rukidi
Director (Chairman)



Ms. Veronicah G. Namagembe
Managing Director



Ms. Maris Wanyera
Director



Pride Smart Savings Account

Unlimited access to your savings

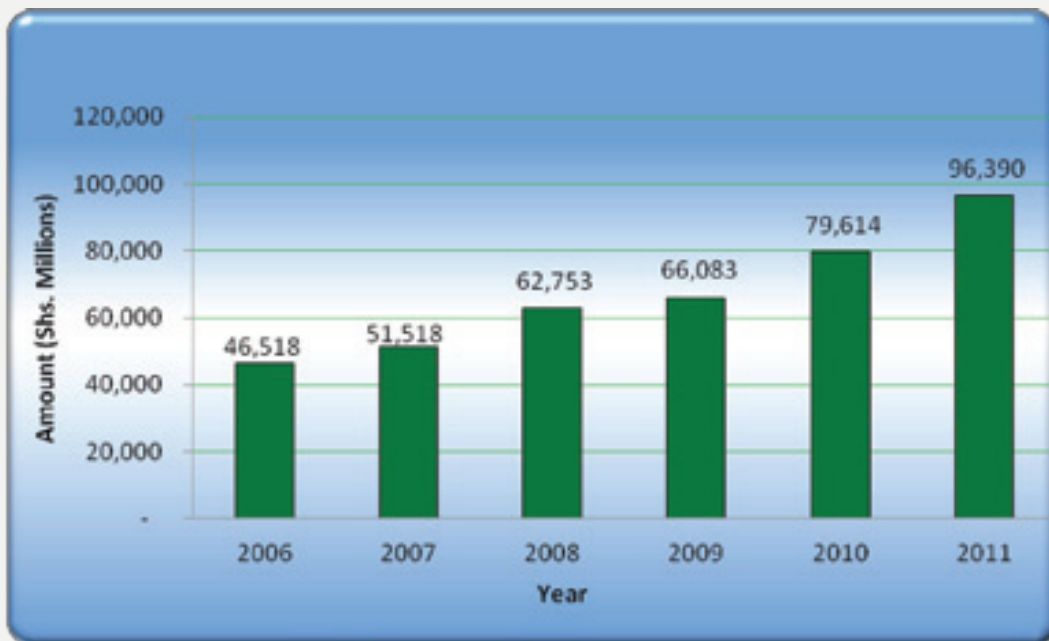
With Pride, my **Stock** is
always in **Time**

“Your Growth is Our Pride”

Financial Highlights

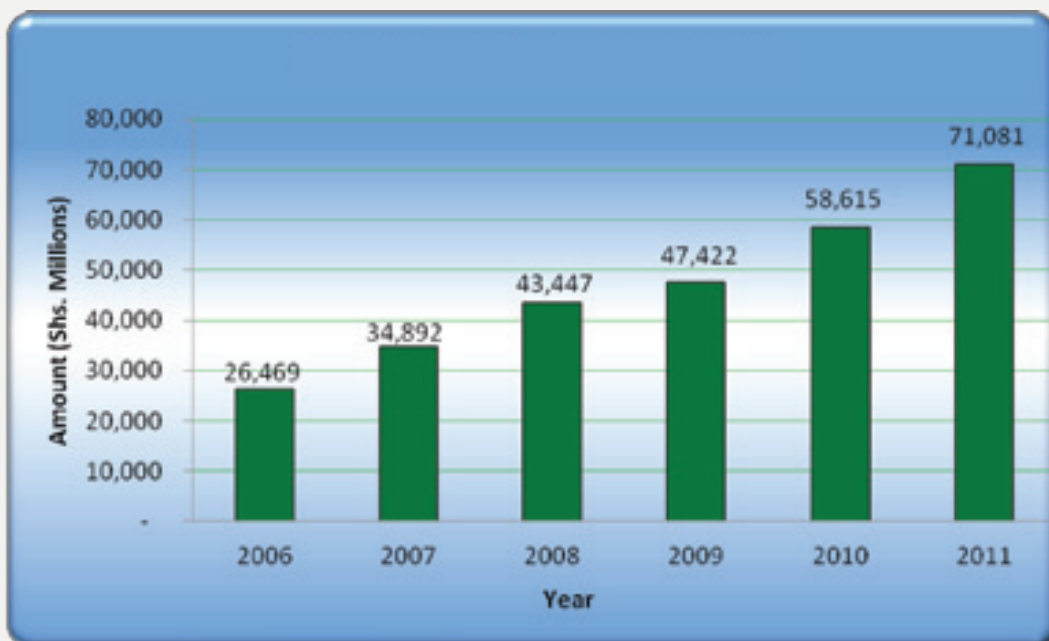
Graphs

1. Total Assets



Total Assets increased by 21% from UGX 79.6bn to 96.3bn.

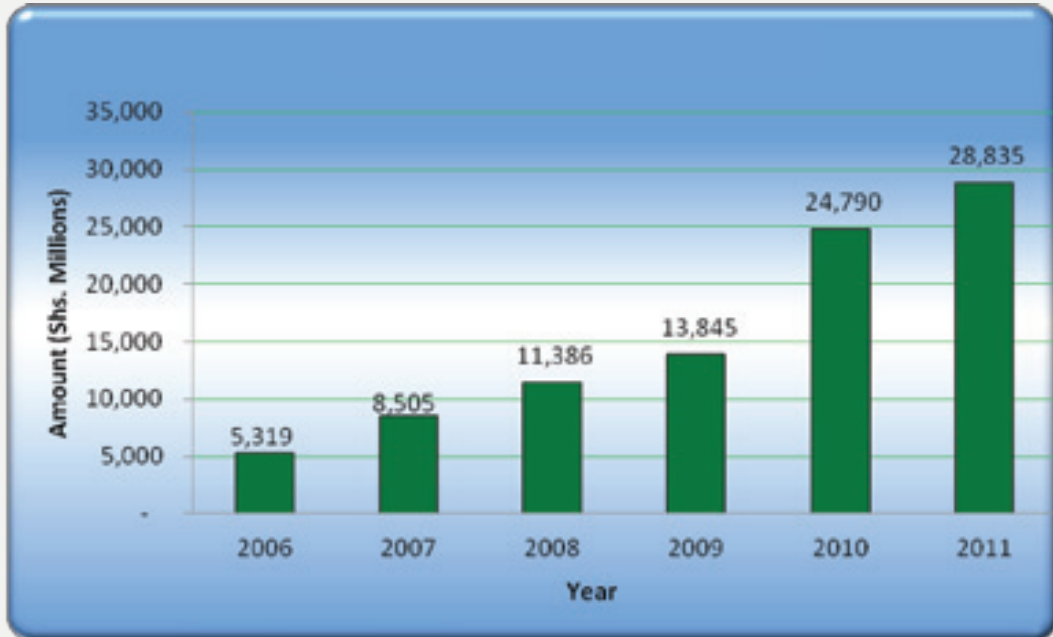
2. Loans and Advances



Loans and advances increased by 21% from UGX 58.6bn to 71bn.

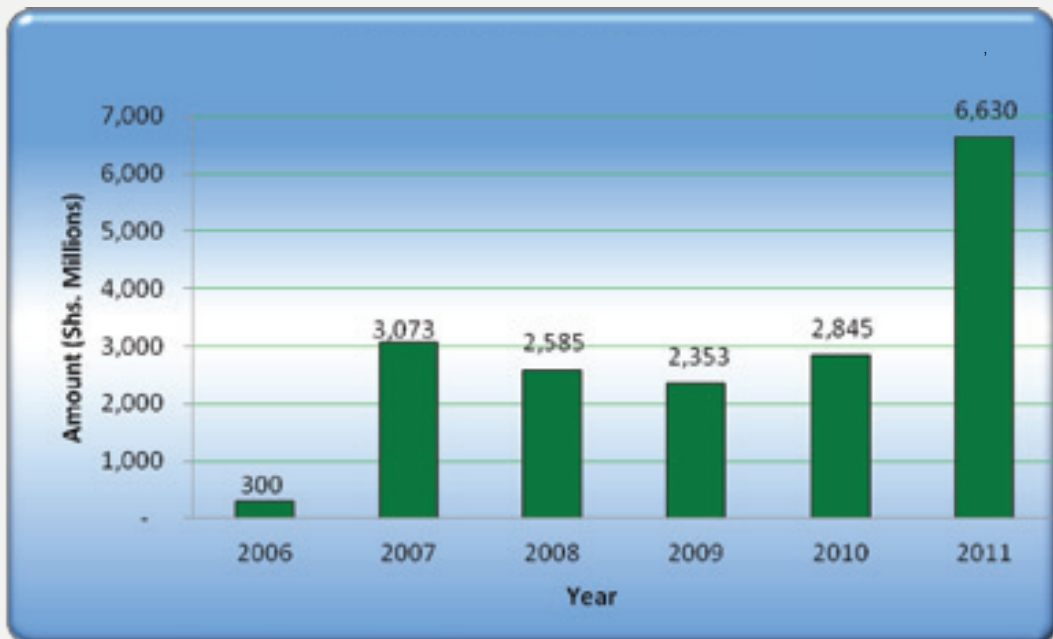
Financial Highlights

3. Deposits



Saving deposits increased by 16.3% from 24.7bn to 28.8bn

4. Profit after tax



In 2011, net profit increased by 133% from UGX 2.8bn to UGX 6.63bn

Financial Highlights

5. Number of Savers and loan clients.



In 2011, the savers increased by 18% while loan clients increased by 78%.

Report Of The Independent Auditors

REPORT OF THE INDEPENDENT AUDITORS

Report on the Financial Statements.

We have audited the financial statements for Pride Microfinance Limited (MDI) which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the Financial Statements.

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in a manner required by the Ugandan Companies Act (Cap 110), and for such internal controls as the directors determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility.

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 Institution's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Report Of The Independent Auditors

Opinion.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Pride Microfinance Limited (MDI) as at 31 December 2011, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, MDI Act, 2003 and the requirements of the Ugandan Companies Act (Cap 110)

Report on Other Legal and Regulatory Requirements.

As required by the Ugandan Companies Act (Cap 110), we report to you, based on our audit 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 the audit;
- ii. In our opinion, proper books of account have been kept by the Institution, so far as appears from our examination of those books; and
- iii. The Institution's statement of financial position and statement of comprehensive income are in agreement with the books of account.

PKF

Certified Public Accountants

KAMPALA

REF: CO/P051/.../12

..... 2012



Pride Agricultural loan

Access Finance for Agricultural Activities



‘Your Growth is Our Pride’

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	UShs'000	UShs'000
Interest income	31,029,457	25,352,801
Interest expense	(3,483,247)	(3,040,386)
Net interest income	27,546,210	22,312,415
Fee and commission income	3,099,183	2,194,053
Fee and commission expense	(49,069)	(34,342)
Net fee and commission	3,050,114	2,159,711
Other operating income	2,964,509	1,084,453
Net operating income	33,560,833	25,556,579
Impairment losses on loans and advances	29,156	(481,777)
Personnel costs	(14,570,749)	(12,203,974)
Depreciation and amortisation	(1,067,121)	(1,138,675)
Other operating expenses	(10,258,546)	(8,529,941)
Total expenses	(25,867,260)	(22,354,367)
Profit before income tax	7,693,573	3,202,212
Income tax expense	(1,063,227)	(357,372)
Profit for the year	6,630,346	2,844,840
Other comprehensive income	-	-
Total comprehensive income	6,630,346	2,844,840

Financial Statement

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	2011	2010
	UShs'000	UShs'000
ASSETS		
Cash	16,624,035	16,132,658
Financial investments- held to maturity	1,917,802	-
Loans and advances to customers	71,080,598	58,615,019
Other assets	3,286,296	1,336,671
Deferred tax asset	28,245	-
Current tax asset	128,349	297,970
Property and equipment	2,980,526	2,854,414
Intangible assets	343,826	376,939
Total assets	96,389,677	79,613,671
LIABILITIES AND EQUITY		
Customer deposits	28,834,654	24,789,796
Excess Savings over Loan Insurance Fund	3,687,404	3,648,526
Loan insurance fund	10,864,086	8,746,240
Other liabilities	6,655,189	5,050,758
Amount due to related company	371,640	371,640
Debenture	4,281,663	4,281,663
Borrowed funds	16,964,931	14,493,640
Deferred grants	151,881	238,533
Deferred tax liability	-	44,992
Total liabilities	71,811,448	61,665,788
Shareholder's equity		
Share capital	6,001,750	6,001,750
Retained earnings	16,576,148	10,725,088
Regulatory reserves	2,000,331	1,221,045
Total equity	24,578,229	17,947,883
Total liabilities and equity	96,389,677	79,613,671

The financial statements were approved by the Board of Directors on 20th March 2012 and signed on its behalf by:-

Director (Chairman):

Managing Director:

Director:

Secretary:



Financial Statement

STATEMENT OF CASHFLOWS

	2011	2010
	Ushs '000	Ushs '000
Cash flow from operating activities	(925,747)	12,817,576
Cash flow from investing activities		
Available for sale reserve	-	207,535
Proceeds from disposal of assets	31,661	6,334
Purchase of property and equipment	(1,106,535)	(1,203,517)
Acquisition of intangible assets	(126,200)	(504,903)
Net cash flow from investing activities	(1,201,074)	(1,702,086)
Cash flow from financing activities		
Capital grant received	146,908	166,757
Loans repaid	(5,863,635)	(6,907,063)
Long term loans	8,334,925	5,270,000
Net cash flow from financing activities	2,618,198	(1,470,306)
Net (decrease)/increase in cash and cash equivalents	491,377	9,645,184
Cash and cash equivalents at beginning of the year	16,132,658	6,487,474
Cash and cash equivalents at end of the year	16,624,035	16,132,658

Financial Statement

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

	Share capital	Retained earnings	Statutory reserves	Total equity
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
At 1 January 2010	6,001,750	8,253,498	847,795	15,103,043
Profit for the year	-	2,844,840	-	2,844,840
Transfer to regulatory reserve	-	(373,250)	373,250	-
At 31st December 2010	6,001,750	10,725,088	1,221,045	17,947,883
At 1 January 2011	6,001,750	10,725,088	1,221,045	17,947,883
Profit for the year	-	6,630,346	-	6,618,431
Transfer to regulatory reserve	-	(779,286)	779,286	-
At 31 December 2011	6,001,750	16,576,148	2,000,331	24,578,229

General Information

FOR THE YEAR ENDED 31 DECEMBER 2011

Principal Place Of Business:

Metropole House
Plot 8-10 Entebbe Road
P.O. Box 7566
Kampala

Registered Office:

Metropole House
Plot 8-10 Entebbe Road
P.O. Box 7566
Kampala

Solicitors And Company Secretary:

Sebalu & Lule
Advocates and Legal Consultants
EADB Building
Plot 4 Nile Avenue
P.O. Box 2255
Kampala

Auditors:

PKF
Plot 37, Yusuf Lule Road,
P.O. Box 24544,
Kampala.

General Information

BANKERS:

Stanbic Bank Uganda Limited

17 Hannington Road
Crested Towers
P.O. Box 7131
Kampala

Barclays Bank Uganda Limited

Kampala Road
P.O.Box 7101
Kampala, Uganda

Centenary Rural Development Bank Ltd

P.O. Box 137
Bugiri

Citibank Uganda Limited

Centre Court, Ternan Avenue
Nakasero Plot No 4
P.O. Box 7505
Kampala, Uganda

Crane Bank Limited

P.O. Box 2572
Kampala, Uganda

Bank of Africa

Plot 45, Jinja Road,
P.O. Box 2750,
Kampala, Uganda



Pride Branch Network addresses

	Branch	Address
1	Arua	Plot 1 Avenue Road P.O. Box 905 Arua Telephone: +256476420490
2	Bugiri	Plot 1 Mivule Road P.O. Box 170 Bugiri Tel: +256 43 250 130
3	Bushenyi	Plot 3 High Street P.O. Box 341, Bushenyi Tel: +256 485 433 929
4	Buwenge	Corner House Kamuli Road P.O. Box 1839 Jinja Tel: + 256 392 718 417
5	City Centre	Plot 40-46 Mukwano Arcade P.O. Box 7566 Kampala Tel: +256 414 507 051
6	Fort Portal Branch	Plot 23 Rukidi P.O. Box 968 Fortportal Tel: +256 483 422 989
7	Entebbe Road	Plot 8-10 Metropole House Entebbe Road P.O. Box 7566 Kampala Tel: +256 041 446297, +256 0414 346930, +256 0414 258 150, +256 0312 226265/6
8	Hoima Branch	Plot 30 Old Tooro Road Muganywa Centre Building P.O. Box 168 Hoima Tel: +256 465 40 469
9	Iganga Branch	Plot 37/38 Main Street P.O. Box 170 Iganga Town Tel: +256 43 242 430
10	Ishaka	Plot 22 Rukungiri Road P.O. Box 341 Ishaka Tel: +256 485 443 477
11	Jinja Branch	Plot 32/34 Main Street P.O. Box 1839 Jinja Tel: +256 434 121 316
12	Kabalagala	Plot 261 Muyenga Road P.O. Box 7566 Kampala Tel: +256 510 447
13	Katwe	Plot 413 Katwe Road P.O. Box 7566 Kampala Tel: +256 414 345 709
14	Kawempe	Plot 3726 Bombo Road (Lukadde Stage before Total Petrol Station) P.O. Box 7566 Kampala Tel: +256 414 567 155
15	Nakulabye	Nakulabye S J Basiriak Building Hoima Road P.O. Box 7566 Kampala Tel: +256 414 345 709

Pride Branch Network addresses

	Branch	Address
16	Mukono	Jinja Road next to URA Offices P.O. Box 541 Mukono Tel: +256 414 290 130
17	Nakawa	UMA Show Ground Behind UMA Offices P.O. Box 7566 Kampala Tel: +256 414 220 751
18	Nateete	Masaka Road, Opposite Nateete Police Station P.O. Box 7566 Kampala Tel: +256 414 272 600
19	Wandegeya	Plot 951/2 Bombo-Gayaza Road Round About P.O. Box 7566 Kampala Tel: +256 414 540 078
20	Lugazi	Plot 6 Ntenga Road P.O. Box 541 Mukono Tel: +256 414 448 106
21	Masaka	Plot 25 Masaka-Kampala Road P.O. Box 351 Masaka Tel: +256 481 420 647
22	Mbarara	Plot 59 High Street P.O. Box 1619 Mbarara Tel: 0485420826
23	Kasese	Saad Building P.O. Box 487 Kasese Tel: +256 483 444 151
24	Kabale	Plot 143 Kabale P.O. Box 368 Kabale Tel: +256 486 424 207
25	Mbale	Plot 15 Republic Street P.O. Box 2516 Mbale Tel: 0454434235/0757334235
26	Soroti	Plot 33/35 Solut Avenue P.O. Box 720 Soroti Tel: +256 454 461 632
27	Lira	Plot 48 Obote Avenue Lira Town Tel: +256 473 420 283
28	Kabwohe	Mbarara Road Opp. Caltex Filling Station P.O. Box 341 Bushenyi Telephone: +256 485 422 939
29	Rukungiri	Plot 22 Rukungiri Road P.O. Box 289 Rukungiri Telephone: +256 486 442 483
30	Gulu	Plot 17 , Cemetery Road P.O. Box 149, Gulu Tel. 0392-718417