# dfcu Bank Limited Extract of Financial Statements for the year Ended 31 December 2017

### Report of the Independent Auditor on the Summary Financial Statements To the Members of dfcu Bank Limited

II. Summary Statement

nterest on deposits and placements

nterest on loans and advances

Interest on government and other

Foreign exchange income

Other income

Total income

Fee and commission income

nterest expense on deposits

Impairment of loans and advances

Total expenditure

ncome tax expense

Profit after tax

Profit before income tax

Other comprehensive income

of Comprehensive Income

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2017, the summary statement of comprehensive income for the year then ended and related notes, are derived from the audited financial statements of dfcu Bank Limited for the year ended 31 December 2017.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards, the Financial Institutions Act 2004 (as ammended in 2016) and the Companies Act of Uganda.

#### **Summary Financial Statements**

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Financial Institutions Act 2004 (as ammended in 2016) and the Companies

II. Summary Statement of dfcu Bank **Financial Position** 2017 2016 Shs 'M Shs 'M Cash and balances with Bank of Uganda 362,263 176.565 Balances due from other banks 229,448 139.471 Marketable (trading) securities 217.826 102.214 1.334.611 834.827 Loans and advances Amounts due from group companies 17,321 14.902 453,766 386,969 Investment securities 13.746 Equity investments 243,834 18.522 665 2,346 Deferred income tax asset Property and equipment 107.220 33.867 49,912 8.400 3,030,612 1,718,083 **Total assets** Liabilities and shareholders' equity Customer deposits 1.987.118 1.134.731 Balances due to other banks 255 11 505 Amounts due to group companies 1,548 Other liabilities 50.186 17.332 Current income tax payable 2.985 4 405 407,011 253.828 Borrowed funds Subordinated debt 72,740 72.300 **Total liabilities** 2,521,843 1,494,942 Share capital 30,000 25 000 175,197 3,697 Retained earnings 241,405 171.862 Proposed dividends 51.054 18 508 11,113 4,074 508.769 Total shareholders' equity 223.141

Total liabilities and shareholders' equity 3,030,612 1,718,083

Reading the summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' 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 28 March 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 financial statements of the current period

# Directors' Responsibility for the Summary Financial

The directors are responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Standards, the Companies Act of Uganda and the Financial Institutions (External Auditors) Regulations 2010.

### Auditors' 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

dfcu Ba

2017

Shs 'M

9.014

242.544

98.837

10.822

39.365

119.301

519.883

(87,617)

(25,784)

(48,702)

(188,718)

(350.821)

169.062

(41.426)

127,636

## Plot 2 & 4A, Nakasero Road Certified Public Accountants P.O. Box 3590, Kampala, Uganda

Date: 28 March 2018

	<b>Date:</b> 28 March 2018			
cu Bank	IV. Other Disclosures	dfcu Bank		
2016		2017	2016	
Shs 'M		Shs 'M	Shs 'M	
	Contingent liabilities			
3,450	Acceptances and letters of credit	718	-	
143,572	Guarantees and performance bonds	92,081		
72,288	Total	163,691	92,081	
7,455				
28,849	Commitments			
1,709	Undrawn stand-by facilities and other commitments to lend	34,321	27,434	
257,323	Total	34,321	27,434	
	Non performing loans and other assets	96,676	58,382	
(58,552)	Interest in suspense	12,868	9,350	
(24,720)	Bad debts written off	27,214	5,007	
(17,431)	Large loans exposures	168,839	217,388	
(96,907)	Insider loans exposures	1,764	1,850	
(197,610)				
59,713	Capital Position			
(13,443)	Core capital	362,065	188,104	
46,270	Supplementary capital	71,723	73,638	
	Total qualifying capital	433,788	261,742	
-	Total Risk Weighted Assets (RWA)	1,950,550	1,045,850	
	Core capital to RWA	18.56%	17.99%	
46,270	Total Qualifying capital to RWA	22.24%	25.03%	

### V. Message from the Directors

The financial statements were approved by the Board of Directors on 16 March 2018 and approved by Bank of Uganda on 27 March 2018.



Jimmy D. Mugerwa Chairman, dfcu Bank

**Juma Kisaame** 

Managing Director, dfcu Bank

Director, dfcu Bank

**Agnes Tibayeita Isharaza** Company Secretary, dfcu Bank

dfcu Bank is regulated by the Central Bank of Uganda Head Office: Plot 26 Kyadondo Road Call Centre: 0414 351000 Toll Free: 0800 222 000 Email: customercare@dfcugroup.com



# dfcu Group Extract of Consolidated Financial Statements for the year Ended 31 December 2017

## Report of the Independent Auditor on the Summary Consolidated Financial Statements To the Members of dfcu Limited

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2017, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the vear then ended and related notes, are derived from the audited consolidated financial statements of **dfcu** Limited and its subsidiary **dfcu** Bank Limited (together "dfcu Group) for the vear ended 31 December 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent in all material respects, with the audited consolidated financial statements, in accordance with International Financial Reporting Standards, the Financial Institutions Act 2004 (as ammended in 2016) and the Companies Act of Uganda.

## **Summary Consolidated Financial Statements** The summary consolidated

audit opinion on the audited Financial Reporting Standards consolidated financial statements the Financial Institutions Act. in our report dated 28 March 2004 (as amended in 2016) 2018. That report also includes and the Companies Act of the communication of key audit Uganda, Reading the summary matters. Key audit matters consolidated financial statements are those matters that, in our and the auditors' report thereon. professional judgement, were therefore, is not a substitute for of most significance in our audit of the consolidated financial reading the audited consolidated financial statements and the statements of the current period auditors' report thereon.

#### **Directors' Responsibility for The Audited Consolidated** the Summary Consolidated **Financial Statements and Our Financial Statements** The directors are responsible for

consolidated financial statements based on our procedures, which in accordance with International Financial Reporting Standards. the Financial Institutions Act 2004 (as amended in 2016), the Companies Act of Uganda and Uganda Securities Exchange Listing Rules 2003 (as amended in 2005).

#### **Auditors' Responsibility** Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material

respects, with the audited

were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised) Engagements to Report on Summary Financial Statements

Certified Public Accountants 3rd Floor, Rwezori Courts Plot 2 & 4A, Nakasero Road P.O. Box 3590, Kampala, Uganda

Date: 28 March 2018

year ended 31 December 2017. Conta	an an anc also	iosurcs	vve expressed an unmodilied —— the p	oreparation of t	ine summary	consolidated financial statements Date	20 March 20	310
II. Summary Consolidated Statement of Financial Position	dfcu Group		III. Summary Consolidated Statement of Comprehensive	dfcu Group		IV. Summary Consolidated Statement of Cash Flows	dfcu Group	
	2017	2016	Income				2017	2016
Assets	Shs 'M	Shs 'M		2017	2016	Cashflow from operation activities	Shs ' M	Shs ' M
Cash and balances with Bank of Uganda	362,263	176,565	Income	Shs 'M	Shs 'M	Interest receipts	347,001	217,155
Balances with banking instituitions	229,447	139,471	Interest on deposits and placements	9,406	3,450	Interest payments	(131,550)	(83,914)
Marketable (trading) securities	217,826	102,214	Interest on loans and advances	238,758	141,417	Net fee and commission receipts	158,956	24,163
Loans and advances	1,334,611	834,827	Interest on accomment and other		72,288	Net trading and other income received	11,581	7,540
Investment securities	453,766	386,969	Interest on government and other securities	98,837		Recoveries on loans previously written off	7,073	909
Equity investments	13,746	-			7,540		1,010	
Other assets	239,545	14,812		euppliere		Cash payments to employees and suppliers	(179,220)	(92,095)
Deferred income tax asset	2,111	3,290	Fee and commission income	39,655 29,305		(41 165)	(15,730)	
Property and equipment	142,642	67,069	Other income	120,421	3,007	Income tax paid	(41,165)	(15,730)
Investment property	11,144	11,560	Total income	517,538	257,007			
Intangible assets	50,375	8,863	Expenditure			Cashflow from operating activities before changes in operating assets and liabilities	172,676	58,028
Total assets	3,057,476	1,745,640	Interest expense on deposits	(87,617)	(56,051)	Changes in operating assets and		
Liebilities and shougheld and another			Interest expense on borrowings	(43,933) (27,863) liabilities			(147,689)	(1,748)
Liabilities and shareholders' equity	1 007 110	1 10 1 70 1	Impairment of loans and advances	(48,652)	(17,830)			
Customer deposits  Balances due to other banks	1,987,118	1,134,731	Operating expenses	(189,520)	(96,900)	Net cashflow from operating	24,987	
Other liabilities	52,853	11,505				activities		56,280
Current income tax payable	1,466	2,796	Total expenditure	(369,722)	(198,644)			
Borrowed funds	410,706	256,227	Profit before income tax	147,816	58,363	Net cash used in investing activities	(143,106)	(9,070)
Subordinated debt	72,740	72,300	Income tax expense	(40,924)	(13,038)	Net cash (used in) / from financing		
Total liabilities	2,525,138	1,495,988	Profit after tax 106,892 45,325 activities			330,713	(71,544)	
Share capital	14,963	9,464				Net (decrease) / increase in cash	212,594	(24,334)
Share premium	185,683	2,878	Other comprehensive income	-	-	and cash equivalents	212,554	(24,334)
Retained earnings	269,525	220,727						
Proposed dividends	51,054	12,510				Cash and cash equivalents at 1 January	227,946	252,280
Reserves	11,113	4,073	Total comprehensive income	106,892	45,325			_
Total shareholders' equity	532,338	249,652				Cash and cash equivalents at 31	440,540	227,946
Total liabilities and shareholders' equity	3,057,476	1,745,640	Earnings per share	189.33	91.16	December	440,040	221,540

V. Summary Consolidated Statement of Changes in Equity										
	Share Capital	Share premium	Distributable Reserves	Non - distributable reserves	Regulatory reserve	Proposed dividend	Total			
	Shs ' M	Shs ' M	Shs ' M	Shs ' M	Shs ' M	Shs ' M	Shs ' M			
At 1 January 2017, as previously reported	9,464	2,878	208,614	12,113	4,073	12,510	249,652			
Profit for the year	-	-	106,892	-	-	-	106,892			
Total comprehensive income, net of taxes	-	-	106,892	-	-	-	106,892			
Addition to share capital	5,499	182,805	-	-	-	-	188,304			
Increase in regulatory reserve	-	-	(7,040)	-	7,040	-	-			
Dividend Paid	-	-	-	-	-	(12,510)	(12,510)			
Dividend proposed	-	-	(51,054)	-	-	51,054	-			
At 31 December 2017	14,963	185,683	257,412	12,113	11,113	51,054	532,338			

V. Message from the Directors The consolidated financial statements were approved

by the Board of Directors on

28 March 2018. The Board is recommending a cash dividend of Shs 68.24 per share less withholding tax where applicable (2016: Shs 25.19 per share).

The shareholder's register will be closed on 28 June 2018 with respect to entitlement to this dividend which will be paid by 31

The Annual General Meeting will be held on 7 June 2018. The related details shall be availed in a later communication



**Elly Karuhanga** Chairman, dfcu Limited



Winnie Kirvabwire Director, dfcu Limited

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Head Office: Plot 26 Kyadondo Road Call Centre: 0414 351 000 Email: queries@dfcugroup.com