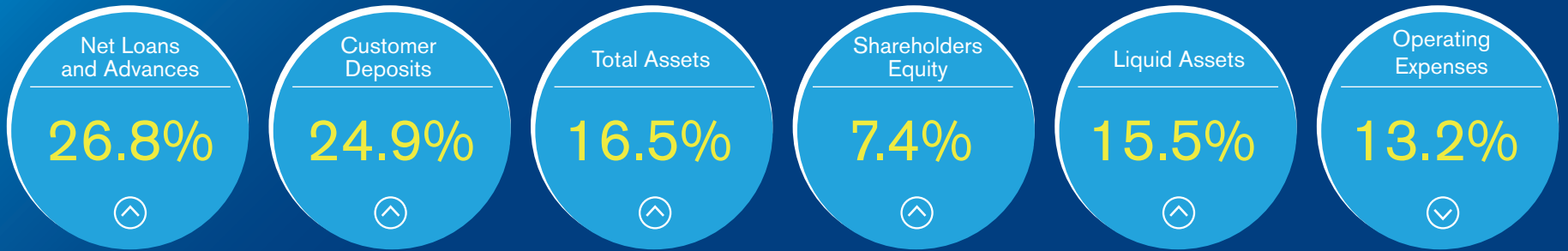


dfcu Limited 2020 Interim Financial Results

Highlights



1. Operating Environment

We have experienced unprecedented circumstances locally and globally as a result of the ongoing COVID-19 pandemic and the lockdown instituted to contain the spread of the coronavirus. Every sector of the economy has been affected and this has translated into impairment of loans and advances to customers now and in the future for Financial Institutions.

The Central Bank and Stakeholders in the Banking Sector proactively responded to these events with a reduction of 2% in the Central Bank Rate (CBR) from 9% to 7% and Banks have followed suit with reduction in prime lending rates. Furthermore, the Central Bank put in place a framework to enable Supervised Financial Institutions to support customers that have been affected by the pandemic and these measures are being implemented by the Banking Sector.

2. Half Year Results June 2020

From our half year results for the period ended June 2020, we continued to grow the business and support our customers with a variety of solutions and services across the board. Net Loans and Advances to Customers have grown 26.8% from 1.369 Trillion in June 2019 to 1.736 Trillion shillings in June 2020 while Customer Deposits also grew by 24.9% from 1.992 Trillion in June 2019 to 2.487 Trillion in June 2020; as a result, our total assets grew by 16.5% or 489 Billion shillings from 2.953 Trillion shillings in June 2019 to 3.442 Trillion shillings in June 2020.

The half year period had a significant increase in the credit impairment charge as a result of the adverse impact of COVID-19 on loans and advances as well as the financial asset related to the 2017 acquisition. This had a negative effect on our profitability recording a charge of 8.7 Billion and 10 Billion shillings respectively. However, we continued to drive operational efficiency with a 13.2% decrease in operating expenses worth 13 Billion shillings which substantially offset the impact on profitability and as a result, net profit after tax reduced by UGX 6.6 Billion from 35.7 Billion in June 2019 to 29.1 Billion in June 2020.

3. Supporting Customers and Stakeholders through COVID-19

Following the outbreak of the coronavirus, we put in place a number of measures to combat the impact of the COVID-19 pandemic on customers and stakeholders at large. Firstly, we have implemented the Standard Operating Procedures issued by Government through the Ministry of Health at all our locations and service points and have also gone ahead to implement our business continuity plan for pandemics in line with our internal risk management policies and procedures.

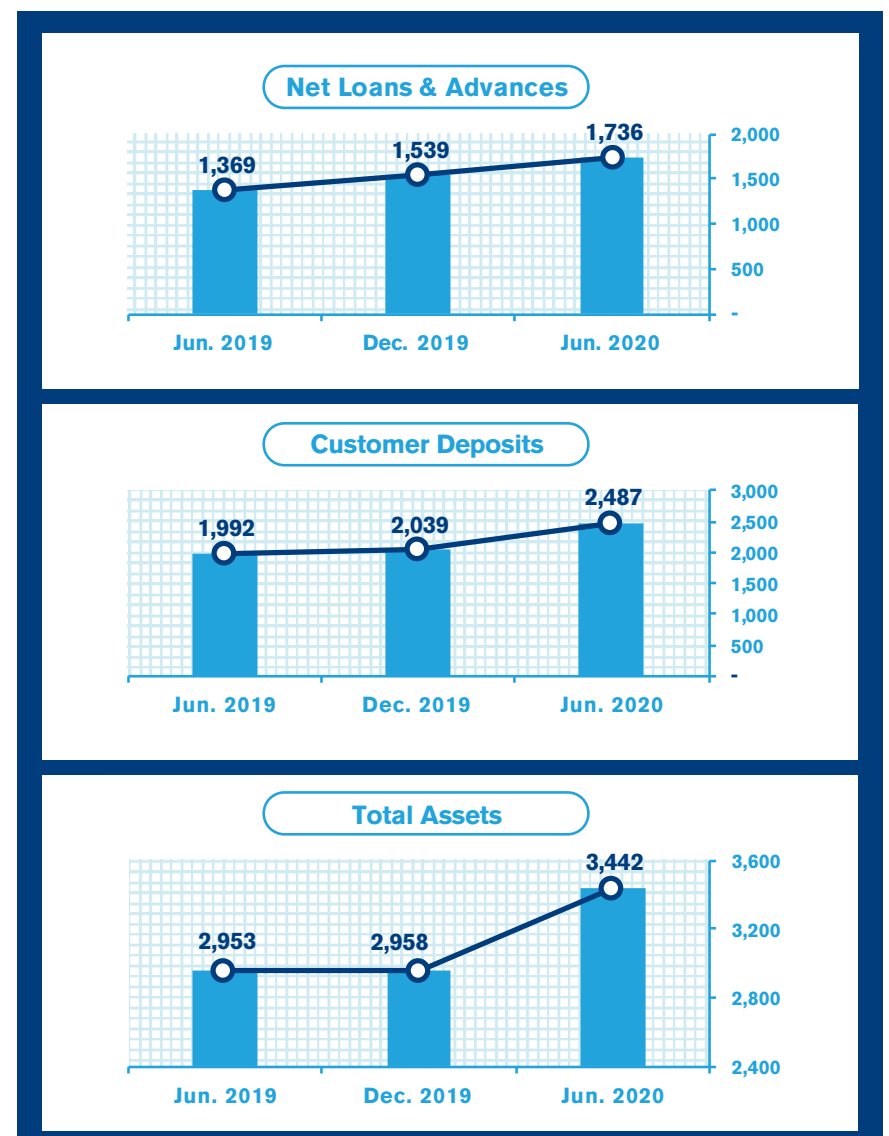
Given the broad economic impact of the pandemic, we supported customers on the lending side affected by the pandemic with credit restructures and repayment moratoriums in line with their changing cashflow cycles on a case by case basis and in addition; we supported depositors by encouraging use of digital channels with a waiver of fees on some categories of transactions during the lockdown period.

We also took part in a number of stakeholder engagement activities through various online and media platforms in the areas of Business continuity, Personal Financial Management, Mental Health, Women in Business and the broader Economy to address the impact of COVID-19.

4. Looking Ahead; Focus for the Year

Looking ahead to the rest of the year, we expect the impact of the pandemic to continue shaping economic policy and as such we shall continue to prioritize health and safety at all our locations and service points by observing the Standard operating procedures issue by Government and our internal business continuity and risk management plans.

Furthermore, we shall continue to invest in our digital capabilities and alternative channel presence to continue driving down the cost to serve the customer while delivering a seamless customer experience, in addition to building partnerships and strategic alliances for mutual benefit. We appreciate our customers and stakeholders for the continued support and together let us continue to stay safe and stay healthy.

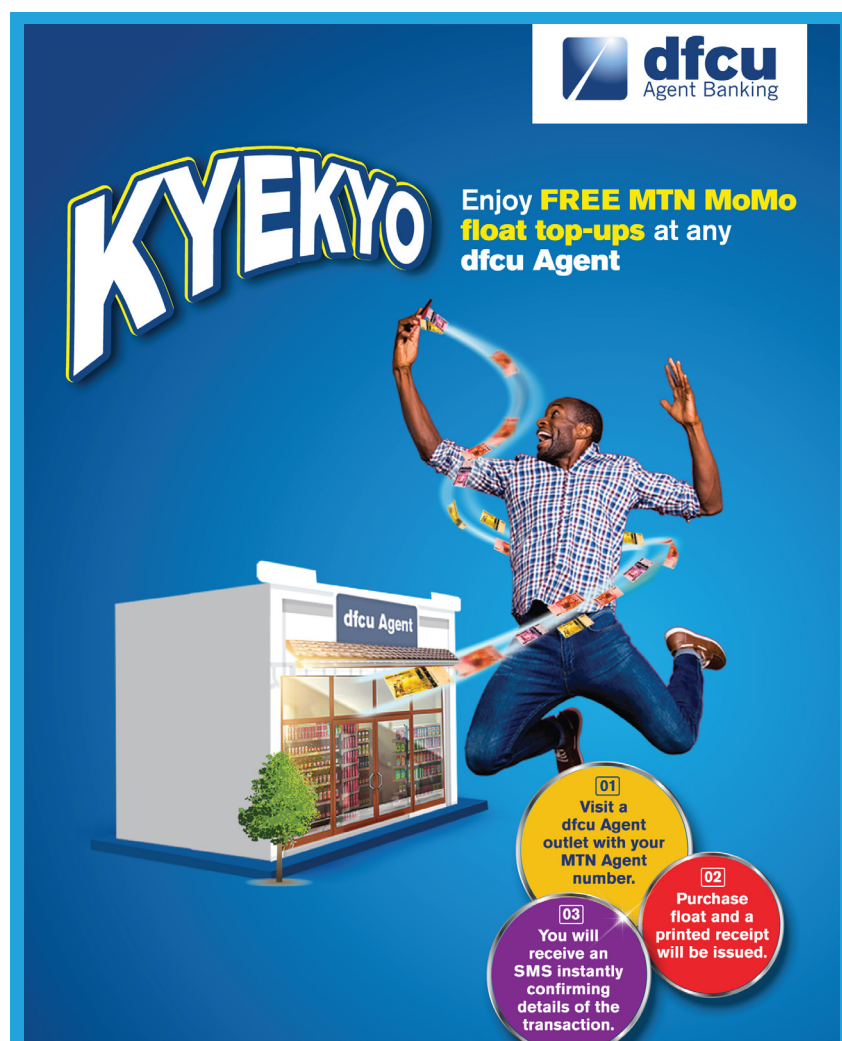


Interim Consolidated Financial Results For dfcu Limited For the Six Months Ended 30 June 2020 (Unaudited)

Condensed Consolidated Statement of Comprehensive Income	"Unaudited 6 months to 30-Jun-20"	"Unaudited 6 months to 30-Jun-19"	"Audited 12 months to 31-Dec-19"
	Shs Millions	Shs Millions	Shs Millions
Net income	144,042	148,513	318,999
Operating expenses	(86,056)	(99,115)	(193,154)
Other losses on financial assets	(10,000)	-	(10,105)
Expected credit losses on loans and advances	(8,669)	(3,345)	(14,774)
Profit before tax	39,317	46,053	100,966
Income tax expense	(10,200)	(10,370)	(27,564)
Profit for the period	29,117	35,683	73,402
Earnings per share			
Basic and diluted (Shs)	38.92	47.70	98.11
Annualised earnings per share:			
Basic and diluted (Shs)	77.84	95.39	98.11
Summary statement of comprehensive income:			
Profit for the period	29,117	35,683	73,402
Other comprehensive income	762	696	(465)
Total comprehensive income	29,879	36,379	72,937

Condensed Consolidated Statement of Cashflows	"Unaudited 6 months to 30-Jun-20"	"Unaudited 6 months to 30-Jun-19"
	Shs Millions	Shs Millions
Operating activities:		
Net income	144,042	148,513
Recoveries on loans previously written off	391	306
Cash payments to employees and suppliers	(81,427)	(117,751)
Current income tax paid	(8,677)	(9,978)
Net changes in operating assets	(167,217)	23,335
Net changes in operating liabilities	468,850	53,768
Net cash from operating activities	355,962	98,193
Investment activities:		
Purchase of property and equipment	(15,312)	(8,345)
Proceeds from sale of property and equipment	-	207
Net cash used in investing activities	(15,312)	(8,138)
Financing activities:		
Net change in borrowings	(18,181)	(52,574)
Net cash used in finance activities	(18,181)	(52,574)
Net increase in cash and cash equivalents	322,469	37,481
Cash and cash equivalents at 1 January	347,708	392,647
Cash and cash equivalents at 30 June	670,177	430,128

Condensed Consolidated Statement of Financial Position	"Unaudited as at 30-Jun-20"	"Unaudited as at 30-Jun-19"	"Audited as at 31-Dec-19"
	Shs Millions	Shs Millions	Shs Millions
Assets:			
Liquid assets	1,323,733	1,146,487	1,015,409
Loans and advances	1,735,832	1,368,633	1,539,323
Other assets	382,475	438,286	403,411
Total Assets	3,442,040	2,953,406	2,958,143
Liabilities:			
Customer deposits	2,487,306	1,992,143	2,039,037
Other payables and liabilities	80,047	79,912	64,766
Borrowings	275,029	323,436	284,561
Total liabilities	2,842,382	2,395,491	2,388,364
Equity:			
Shareholders' equity	599,658	557,915	569,779
Minority interest	-	-	-
Total equity	599,658	557,915	569,779
Total equity and liabilities	3,442,040	2,953,406	2,958,143
Core capital	20%	20%	21%
Total capital	22%	22%	22%



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- 02 Purchase float and a printed receipt will be issued.
- 03 You will receive an SMS instantly confirming details of the transaction.

Interim Consolidated Financial Results For dfcu Limited For the Six Months Ended 30 June 2020 (Unaudited)

Consolidated Statement of Changes in Equity	Share Capital	Share Premium	Distributable Reserves	Non-Distributable Reserves	Regulatory Reserves	Fair value Reserves	Proposed Dividends	Total
	Shs M	Shs M	Shs M	Shs M	Shs M	Shs M	Shs M	Shs M
Year ended 31 December 2019								
At 1 January 2019	14,963	185,683	276,192	12,113	8,024	(133)	24,694	521,536
Profit for the year	-	-	73,402	-	-	-	-	73,402
Other comprehensive income, net of tax	-	-	-	-	-	(465)	-	(465)
Dividends paid	-	-	-	-	-	-	(24,694)	(24,694)
Dividends proposed	-	-	(29,924)	-	-	-	29,924	-
Transfer to regulatory reserve	-	-	(6,031)	-	6,031	-	-	-
As at 31 December 2019	14,963	185,683	313,639	12,113	14,055	(598)	29,924	569,779
Six months ended 30 June 2020								
At 1 January 2020	14,963	185,683	313,639	12,113	14,055	(598)	29,924	569,779
Profit for the six months ended 30 June 2020	-	-	29,117	-	-	-	-	29,117
Other comprehensive income, net of tax	-	-	-	-	-	762	-	762
Transfer from regulatory reserve	-	-	4,036	-	(4,036)	-	-	-
At 30 June 2020	14,963	185,683	346,792	12,113	10,019	164	29,924	599,658
Six months ended 30 June 2019								
At 1 January 2019	14,963	185,683	276,192	12,113	8,024	(133)	24,694	521,536
Profit for the six months ended 30 June 2019	-	-	35,683	-	-	-	-	35,683
Other comprehensive income, net of tax	-	-	-	-	-	696	-	696
Transfer to regulatory reserve	-	-	(5,533)	-	5,533	-	-	-
At 30 June 2019	14,963	185,683	306,342	12,113	13,557	563	24,694	557,915

The Interim Consolidated Financial Statements were approved by the Board of Directors on 27 August 2020. A copy of the Condensed Interim Financial Statement can be obtained at the Company's Head Office.

The Board does not recommend the payment of an interim dividend.

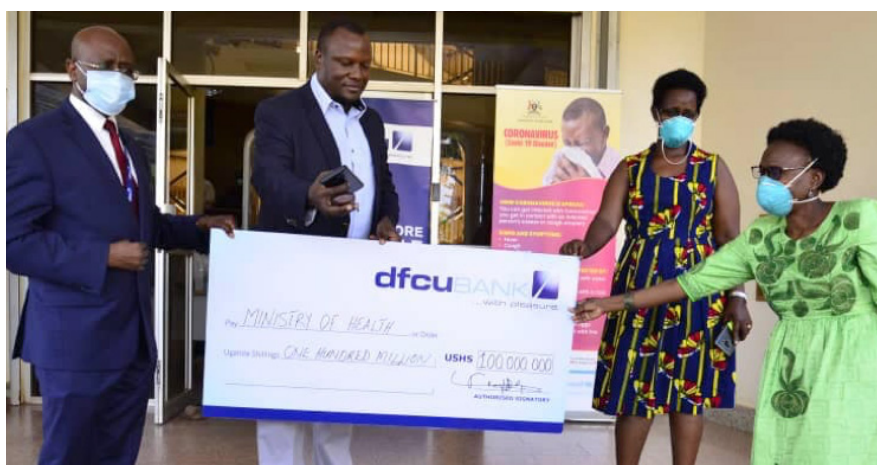


Chairman, dfcu Limited



Director, dfcu Limited

Supporting the Fight Against COVID-19



dfcu made a financial contribution of 100 Million Shillings which was handed over to the National Task Force represented by the Minister of Health and the Permanent Secretary towards combating the COVID-19 pandemic.

Supporting Savings Groups



dfcu donated over fifty one (51) refurbished desktop computers to the Ministry of Defence and Veterans Affairs to facilitate the operations of the Veteran Savings and Credit Cooperative Organizations (SACCOs).