

CLARIFICATION ON MALICIOUS RUMOURS REGARDING dfcu

dfcu Limited ('dfcu') has become aware of several inaccurate and defamatory reports circulating on various media platforms purporting that it is in chaos following the alleged exit of CDC Group Plc, one of its shareholders, and the resignation of Mr. Deepak Malik, a non-executive director representing Arise BV. These alarmist rumours have been perpetrated and coordinated by certain person(s) with the malicious intent of discrediting **dfcu** and its successful acquisition of some assets and assumption of some liabilities of Crane Bank (in receivership).

dfcu wishes to inform its shareholders and the general public that:

1. CDC Group Plc has been a shareholder of **dfcu** from 1964 when it was established, and has played a significant role in **dfcu**'s growth. Following the exit of the other founder shareholders, DEG (the German Development Bank), IFC (the International Finance Corporation) and UDC (Uganda Development Corporation), during the USE listing of **dfcu** in 2004, CDC increased its stake in the Company from 25% to 60%. In 2013, CDC Group plc confirmed that it had reached its investment horizon in the Company, and would begin to systematically divest its stake in **dfcu** over a period of time. It was, however, agreed that CDC's stake would be transferred only to investors whose objectives were aligned to the Company's interests, and who would support the Company's long-term growth. Since 2013, CDC has reduced its stake in **dfcu** from 60% to the current 9.97%. The bulk of this stake was transferred to Norfund and Rabo Development BV. (the Development Finance arm of Rabo Bank), and is currently held by Arise BV., a joint venture involving the two entities. CDC may, as planned, continue to divest its stake in the Company. CDC's divestiture has not negatively affected **dfcu**'s underlying strength, but has rather, brought on board partners that are aligned with **dfcu**'s long term growth strategy.

2. Mr. Deepak Malik has served on the Boards of **dfcu** Limited and its subsidiary, **dfcu** Bank, for over ten years. Twelve months ago, Mr. Malik informed the **dfcu** Board of his appointment as the Chief Executive Officer (CEO) of Arise BV, the majority Shareholder in the Company. Arise BV is a joint venture comprising Norfund (the Norwegian Investment fund for developing Countries), Rabo Development BV and FMO (the Dutch Development Bank) with assets in excess of USD 660 Million invested in over 10 countries across Africa. Mr. Malik's appointment as CEO is an engaging function that would not enable him apply sufficient time and attention to **dfcu** as a Board member. Mr. Malik therefore, plans to step down from the **dfcu** Board. Further, Mr. Malik also plans to step down from the **dfcu** Bank Board in order to enable the Bank meet the regulatory requirement of ensuring that at least 50% of its Board members are persons resident in Uganda.

3. In line with **dfcu**'s Board succession planning policy, Arise BV. is in the process of nominating another person to be considered for appointment in place of Mr. Malik on the Boards of both **dfcu** Limited and **dfcu** Bank.

4. Arise BV. continues to play a significant role in the **dfcu**'s activities, both at the Board and operational levels. It has confirmed that its involvement as an anchor shareholder of **dfcu** shall continue. Arise BV's commitment to **dfcu** is evidenced by the USD 50 Million bridging financing it provided in 2017 to enable **dfcu** Limited diversify its service offerings to its clients.

5. The public is advised to ignore the malicious rumours that have been circulating in the media. **dfcu** is considering the legal options at its disposal for holding accountable the persons responsible for the defamatory publications. In the meantime, **dfcu** would like to reassure the public that both **dfcu** Limited and **dfcu** Bank shall continue to offer services to the public at all their outlets in line with **dfcu**'s commitment to its customers and stakeholders.

All queries and requests for clarification should be forwarded to the General Manager of the Company on + 256 31 2 300 329

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