

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

### Opinion

The summary financial statements, which comprise the summary statement of financial position at 31 December 2018, 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 2018.

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 amended 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 amended 2016) and the Companies Act of Uganda. 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.

II. Summary Statement of financial position	dfcu Bank	
	2018	2017
	Shs 'M	Shs 'M
<b>Assets</b>		
Cash and balances with Bank of Uganda	356,041	362,263
Balances due from other banks	191,086	229,448
Marketable (trading) securities	41,116	217,826
Loans and advances (Net)	1,398,162	1,334,611
Amounts due from group companies	17,313	17,321
Investment securities	515,412	453,766
Equity investments	11,411	13,746
Other assets	224,021	243,834
Deferred income tax asset	1,647	665
Property and equipment	89,876	107,220
Intangible asset	42,189	49,912
<b>Total assets</b>	<b>2,888,274</b>	<b>3,030,612</b>
<b>Liabilities and shareholders' equity</b>		
Customer deposits	1,979,093	1,987,118
Balances due to other banks	-	255
Amounts due to group companies	780	1,548
Other liabilities	41,951	50,186
Current income tax payable	1,516	2,985
Borrowed funds	329,019	407,011
Subordinated debt	37,120	72,740
<b>Total liabilities</b>	<b>2,389,479</b>	<b>2,521,843</b>
Share capital	30,000	30,000
Share premium	175,197	175,197
Retained earnings	261,013	241,405
Proposed dividends	24,694	51,054
FVOCI Reserve	(133)	-
Reserves	8,024	11,113
<b>Total shareholders' equity</b>	<b>498,795</b>	<b>508,769</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,888,274</b>	<b>3,030,612</b>

### The Audited Financial Statements and Our Report Thereon

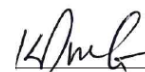
We expressed an unmodified audit opinion on the audited financial statements in our report dated 26 March 2019. That report also includes: The communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

### Directors' Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements in accordance with 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 Statements.



### KPMG

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

Date: 26 March 2019

III. Summary Statement of Comprehensive Income	dfcu Bank	
	2018	2017
	Shs 'M	Shs 'M
<b>Income</b>		
Interest on deposits and placements	2,057	9,014
Interest on loans and advances	260,247	242,544
Interest on government and other securities	65,530	98,837
Foreign exchange income	17,722	10,822
Fee and commission income	51,184	39,365
Net income from other financial instruments at FVTPL	13,842	-
Other income	-	119,301
<b>Total income</b>	<b>410,582</b>	<b>519,883</b>
<b>Expenditure</b>		
Interest expense on deposits	(78,800)	(87,617)
Interest expense on borrowings	(26,318)	(25,784)
Impairment of loans and advances	(18,836)	(48,702)
Operating expenses	(202,227)	(188,718)
<b>Total expenditure</b>	<b>(326,181)</b>	<b>(350,821)</b>
<b>Profit before income tax</b>	<b>84,401</b>	<b>169,062</b>
Income tax expense	(22,665)	(41,426)
<b>Profit after tax</b>	<b>61,736</b>	<b>127,636</b>
<b>Other comprehensive income</b>	<b>(133)</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>61,603</b>	<b>127,636</b>

IV. Other disclosures	dfcu Bank	
	2018	2017
	Shs 'M	Shs 'M
<b>Contingent liabilities</b>		
Acceptances and letters of credit	-	718
Guarantees and performance bonds	294,830	162,973
<b>Total</b>	<b>294,830</b>	<b>163,691</b>
<b>Commitments</b>		
Undrawn stand-by facilities and other commitments to lend	48,289	34,321
<b>Total</b>	<b>48,289</b>	<b>34,321</b>
Non performing loans and other assets	80,828	96,676
Interest in suspense	8,325	12,868
Bad debts written off	82,597	27,214
Large loans exposures	311,203	168,839
Insider loans exposures	3,733	1,764
<b>Capital Position</b>		
Core capital	403,920	362,065
Supplementary capital	51,411	71,723
<b>Total qualifying capital</b>	<b>455,331</b>	<b>433,788</b>
<b>Total Risk Weighted Assets (RWA)</b>	<b>2,276,976</b>	<b>1,950,550</b>
Core capital to RWA	17.74%	18.56%
Total Qualifying capital to RWA	20.00%	22.24%

### V. Message from the Directors

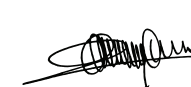
The financial statements were approved by the Board of Directors on 20 March 2019 and cleared for publication by Bank of Uganda on 25 March 2019.



**Mathias Katamba**  
Managing Director, dfcu Bank



**Carol Luwaga**  
Ag. Company Secretary, dfcu Bank



**Jimmy D. Mugerwa**  
Chairman, dfcu Bank



**William Ssekabembe**  
Director, dfcu Bank



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