

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

Opinion

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 amended 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 amended in 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.

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 Statements

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 Statements.



KPMG

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P.O. Box 3590, Kampala, Uganda

Date: 28 March 2018

II. Summary Statement of Financial Position	dfcu Bank	
	2017	2016
	Shs 'M	Shs 'M
Assets		
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
Loans and advances	1,334,611	834,827
Amounts due from group companies	17,321	14,902
Investment securities	453,766	386,969
Equity investments	13,746	-
Other assets	243,834	18,522
Deferred income tax asset	665	2,346
Property and equipment	107,220	33,867
Intangible assets	49,912	8,400
Total assets	3,030,612	1,718,083
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	841
Other liabilities	50,186	17,332
Current income tax payable	2,985	4,405
Borrowed funds	407,011	253,828
Subordinated debt	72,740	72,300
Total liabilities	2,521,843	1,494,942
Share capital	30,000	25,000
Share premium	175,197	3,697
Retained earnings	241,405	171,862
Proposed dividends	51,054	18,508
Reserves	11,113	4,074
Total shareholders' equity	508,769	223,141
Total liabilities and shareholders' equity	3,030,612	1,718,083

III. Summary Statement of Comprehensive Income	dfcu Bank	
	2017	2016
	Shs 'M	Shs 'M
Income		
Interest on deposits and placements	9,014	3,450
Interest on loans and advances	242,544	143,572
Interest on government and other securities	98,837	72,288
Foreign exchange income	10,822	7,455
Fee and commission income	39,365	28,849
Other income	119,301	1,709
Total income	519,883	257,323
Expenditure		
Interest expense on deposits	(87,617)	(58,552)
Interest expense on borrowings	(25,784)	(24,720)
Impairment of loans and advances	(48,702)	(17,431)
Operating expenses	(188,718)	(96,907)
Total expenditure	(350,821)	(197,610)
Profit before income tax	169,062	59,713
Income tax expense	(41,426)	(13,443)
Profit after tax	127,636	46,270
Other comprehensive income	-	-
Total comprehensive income	127,636	46,270

IV. Other Disclosures	dfcu Bank	
	2017	2016
	Shs 'M	Shs 'M
Contingent liabilities		
Acceptances and letters of credit	718	-
Guarantees and performance bonds	162,973	92,081
Total	163,691	92,081
Commitments		
Undrawn stand-by facilities and other commitments to lend	34,321	27,434
Total	34,321	27,434
Non performing loans and other assets	96,676	58,382
Interest in suspense	12,868	9,350
Bad debts written off	27,214	5,007
Large loans exposures	168,839	217,388
Insider loans exposures	1,764	1,850
Capital Position		
Core capital	362,065	188,104
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%
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



William Ssekabembe
Director, dfcu Bank



Agnes Tibayeita Isharaza
Company Secretary, dfcu Bank

dfcu Bank is regulated by the Central Bank of Uganda

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...with pleasure