

dfcu Bank Limited extract of Financial Statements for the year ended 31 December 2016

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 as at 31 December 2016, 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 2016.

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 auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' r

The Audited Financial Statements and Our Report Thereon.

We expressed an unmodified audit opinion on the audited financial statements in our report dated 20 March 2017.

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.

20 March, 2017

KPMG
Certified Public Accountants
3rd Floor, Rwenzori Courts,
Plot 2 & 4A, Nakasero Road

II. Summary Statement of Financial Position

	2016 Shs 'M	2015 Shs 'M
Assets		
Cash and balances with Bank of Uganda	176,565	194,977
Balances due from other banks	139,471	128,538
Marketable (trading) securities	102,214	72,441
Loans and advances (Net)	842,360	806,392
Amounts due from group companies	14,902	13,694
Investment securities	386,969	335,254
Other assets	20,247	23,623
Deferred income tax asset	2,346	1,111
Property and equipment	33,867	38,725
Intangible asset	8,400	7,328
Total assets	1,727,341	1,622,083
Liabilities and shareholders' equity		
Customer deposits	1,134,731	914,951
Balances due to other banks	11,505	98,096
Amounts due to group companies	841	839
Other liabilities	24,865	24,021
Current income tax payable	4,405	4,422
Borrowed funds	255,553	320,919
Subordinated debt	72,300	67,160
Total liabilities	1,504,200	1,430,408
Share capital	25,000	25,000
Share premium	3,697	3,697
Retained earnings	171,862	123,970
Proposed dividends	18,508	14,804
Reserves	4,074	24,204
Total shareholders' equity	223,141	191,675
Total liabilities and shareholders' equity	1,727,341	1,622,083

III. Summary Statement of Comprehensive Income

	2016 Shs 'M	2015 Shs 'M
Income		
Interest on deposits and placements	3,450	2,085
Interest on loans and advances	143,572	139,016
Interest on government and other securities	72,288	43,628
Foreign exchange income	7,455	13,363
Fee and commission income	28,849	24,756
Other income	1,709	1,263
Total income	257,323	224,111
Expenditure		
Interest expense on deposits	(58,552)	(46,686)
Interest expense on borrowings	(24,720)	(26,943)
Impairment of loans and advances	(17,431)	(11,690)
Operating expenses	(96,907)	(89,529)
Total expenditure	(197,610)	(174,848)
Profit before income tax	59,713	49,263
Income tax expense	(13,443)	(12,253)
Profit after tax	46,270	37,010
Other comprehensive income	-	-
Total comprehensive income	46,270	37,010

IV. Other disclosures

	2016 Shs 'M	2015 Shs 'M
Contingent liabilities		
Acceptances and letters of credit	-	-
Guarantees and performance bonds	92,081	67,573
Total	92,081	67,573
Commitments		
Undrawn stand-by facilities and other commitments to lend	27,434	20,572
Total	27,434	20,572
Non performing loans	58,382	71,289
Interest in suspense	9,350	5,390
Bad debts written off	5,007	12,269
Large loans exposures	217,388	182,322
Insider loans exposures	1,850	2,065
Capital Position		
Core capital	188,104	142,340
Supplementary capital	73,638	68,429
Total qualifying capital	261,742	210,769
Total Risk Weighted Assets (RWA)	1,059,182	1,010,866
Core capital to RWA	17.76%	14.08%
Total Qualifying capital to RWA	24.71%	20.85%

V. Message from the Directors

The financial statements were approved by the Board of Directors on 8 March 2017 and approved by Bank of Uganda on 17 March 2017.

Jimmy D. Mugerwa
Chairman, dfcu Bank

William Ssekabembe
Director, dfcu Bank

Juma Kisaame
Managing 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