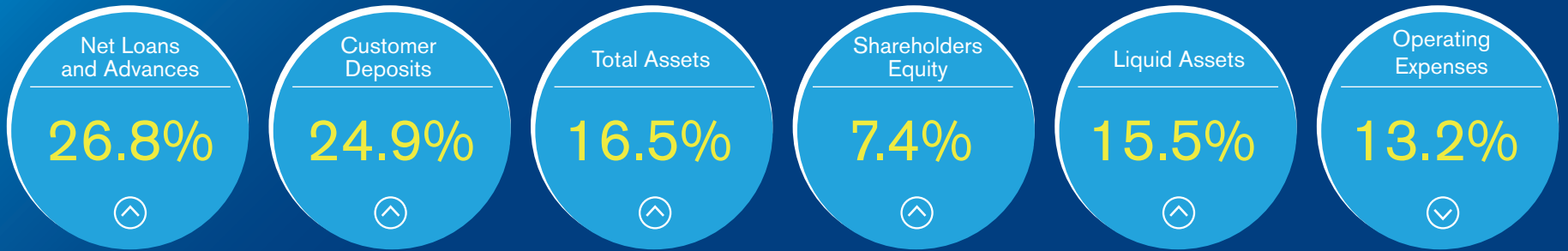


dfcu Limited 2020 Interim Financial Results

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.

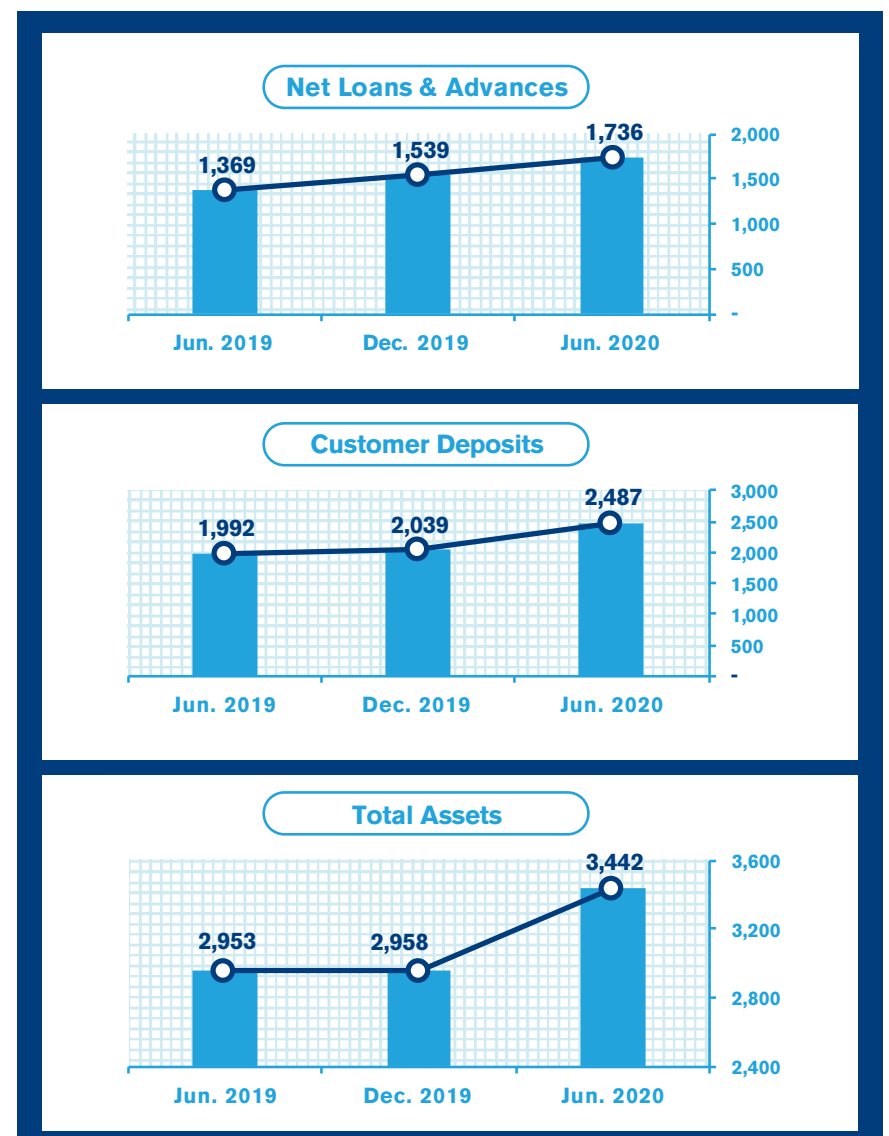
Given the broad economic impact of the pandemic, we supported customers on the lending side affected by the pandemic with credit restructures and repayment moratoriums in line with their changing cashflow cycles on a case by case basis and in addition; we supported depositors by encouraging use of digital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

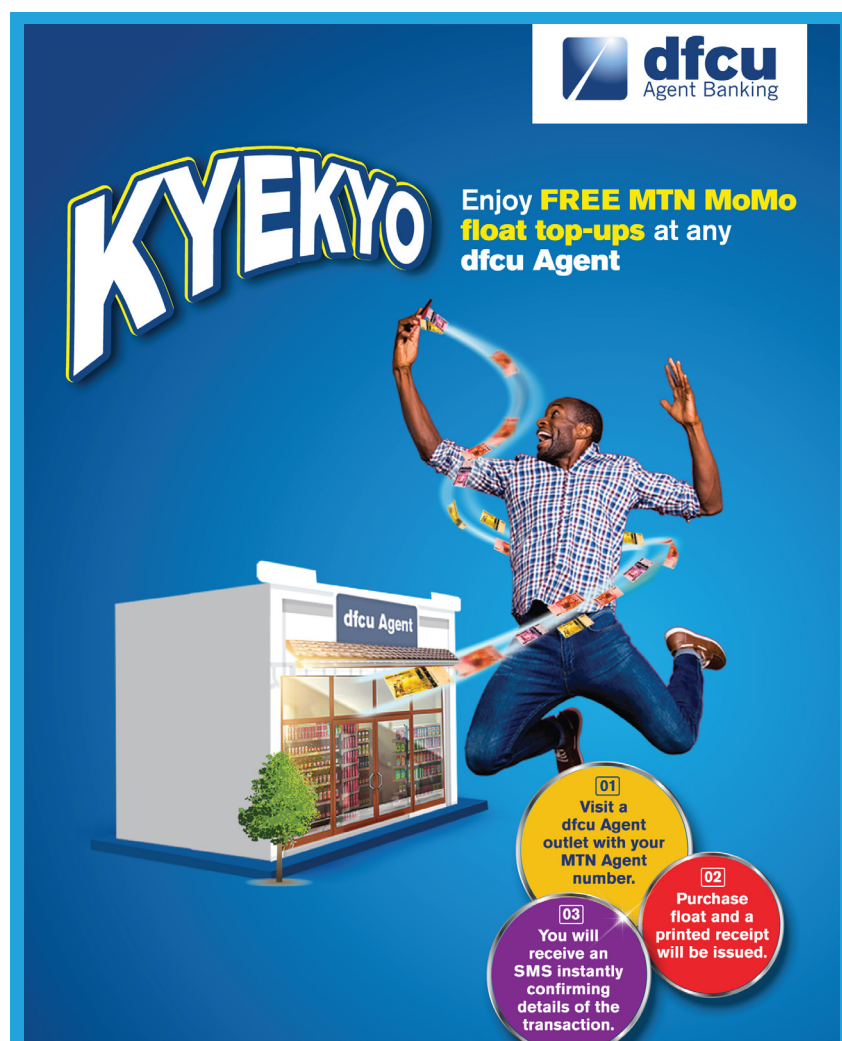


Interim Consolidated Financial Results For dfcu Limited For the Six Months Ended 30 June 2020 (Unaudited)

| 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% |



dfcu Agent Banking

KYEKYO

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- 01 Visit a dfcu Agent outlet with your MTN Agent number.
- 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.

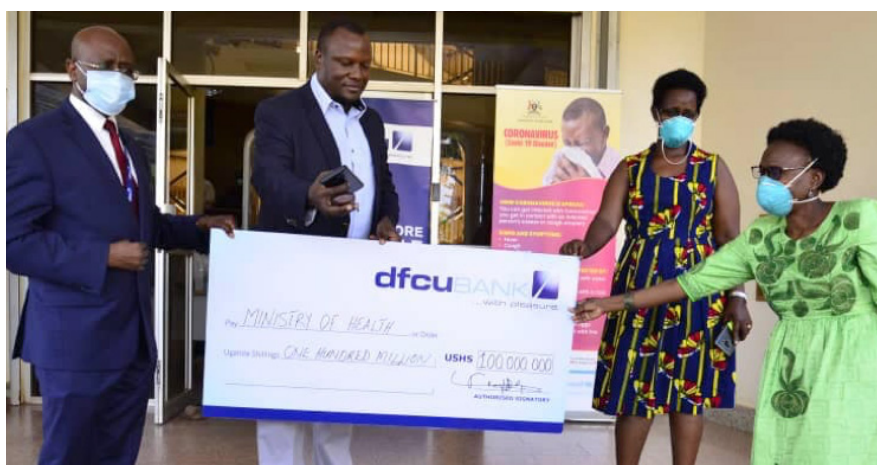


Chairman, dfcu Limited



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).