

dfcu Bank Extract Of Financial Statements For The Year Ended 31 December 2015

I. Report of the Independent Auditor on the Summary Financial Statements to the Members Of dfcu Bank Limited

The accompanying summary financial statements, which comprise the summary statement of financial position at 31 December 2015 and 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 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 23 March 2016.

Regulations 2010 and the Financial Institutions Act 2004.

Auditors' Responsibility
Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion
In our opinion, the summary financial statements derived from the audited financial statements of dfcu Bank Limited for the year ended 31 December 2015 are consistent, in all material respects, with those audited financial statements in accordance with the requirements of the Financial Institutions (External Auditors) Regulations 2010 and the Financial Institutions Act 2004.

Rice Satebasaalepo

Certified Public Accountants,
Kampala, Uganda

Directors' responsibility for the summary of financial statements

The directors are responsible for the preparation of the summary of the audited financial statements in accordance with the requirements of the Financial Institutions (External Auditors)

II. Summary Statement of Financial Position		dfcu Bank	
	2015 Shs 'M	2014 Shs 'M	
Assets			
Cash and balances with Bank of Uganda	194,977	178,386	
Balances due from other banks	128,538	131,970	
Marketable (trading) securities	72,441	57,994	
Loans and advances (Net)	807,579	680,159	
Amounts due from group companies	12,507	7,160	
Investment securities	335,254	273,113	
Other assets	23,623	22,663	
Deferred income tax asset	1,111	256	
Property and equipment	42,282	40,385	
Intangible asset	3,771	4,163	
Total assets	1,622,083	1,396,249	
Liabilities and shareholders' equity			
Customer deposits	914,951	822,877	
Balances due to other banks	98,096	54,021	
Amounts due to group companies	839	4,291	
Other liabilities	24,021	22,322	
Current income tax payable	4,422	4,116	
Borrowed funds	320,919	266,029	
Subordinated debt	67,160	55,300	
Total liabilities	1,430,408	1,228,956	
Share capital	25,000	25,000	
Share premium	3,697	3,697	
Retained earnings	123,970	114,533	
Proposed dividends	14,804	12,628	
Reserves	24,204	11,435	
Total shareholders' equity	191,675	167,293	
Total liabilities and shareholders' equity	1,622,083	1,396,249	

V. Message from the Directors

The financial statements were approved by the Board of Directors on 2 March 2016 and approved by Bank of Uganda on 10 March 2016.

Jimmy D. Mugerwa

Jimmy D. Mugerwa
Chairman, dfcu Bank

Juma Kisaame

Juma Kisaame,
Managing Director, dfcu Bank

Paul vhan Apeldoorn

Paul vhan Apeldoorn
Director, dfcu Bank

Agnes T. Isharaza

Agnes T. Isharaza,
Corporation Secretary, dfcu Bank

Elly Karuhanga

Elly Karuhanga
Chairman, dfcu Limited

James Mugabi

James Mugabi
Company Secretary, dfcu Limited

Kironde Lule

Kironde Lule,
Director, dfcu Limited

Winnie Kiryabwire

Winnie Kiryabwire
Director, dfcu Limited

dfcu Group Extract Of Consolidated Financial Statements For The Year Ended 31 December 2015

I. Report of the Independent Auditor on the Summary Consolidated Financial Statements to the Members Of dfcu Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position at 31 December 2015, and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes are derived from the audited consolidated financial statements of dfcu Limited and its subsidiary dfcu Bank (together "dfcu Group") for the year ended 31 December 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 23 March 2016.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Uganda Securities Exchange (USE) Listing Rules 2003 and USE Listing Rules Amendments 2005 (USE Listing Rules), and the Ugandan Companies Act. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the group.

II. Summary Consolidated Statement Of Financial Position		dfcu Group	
	2015 Shs 'M	2014 Shs 'M	
Assets			
Cash and balances with Bank of Uganda	194,977	178,386	
Balances with banking institutions	128,733	132,165	
Marketable (trading) securities	72,441	57,994	
Loans and advances (Net)	808,047	680,679	
Investment securities	335,254	273,113	
Other assets	20,856	17,603	
Deferred income tax asset	2,142	175	
Property and equipment	72,858	68,686	
Investment property	12,086	11,315	
Intangible asset	4,235	4,626	
Total assets	1,651,629	1,424,742	
Liabilities and shareholders' equity			
Customer deposits	914,951	822,877	
Balances due to banking institutions	98,096	54,021	
Other liabilities	25,293	22,275	
Current income tax payable	4,340	4,026	
Borrowed funds	326,658	274,702	
Subordinated debt	67,160	55,300	
Total liabilities	1,436,498	1,233,201	
Share capital	9,464	9,464	
Share premium	2,878	2,878	
Retained earnings	167,782	156,064	
Proposed dividends	10,804	11,700	
Reserves	24,203	11,435	
Total shareholders' equity	215,131	191,541	
Total liabilities and shareholders' equity	1,651,629	1,424,742	

V. Summary Consolidated Statement of Changes In Equity							
	Share Capital	Share premium	Distributable Reserves	Non - distributable reserves	Regulatory reserve	Proposed dividend	Total
	Shs ' M	Shs ' M	Shs ' M	Shs ' M	Shs ' M	Shs ' M	Shs ' M
At 1 January 2015, as previously reported	9,464	2,878	143,951	12,113	11,435	11,700	191,541
Profit for the year	-	-	35,290	-	-	-	35,290
Total comprehensive income, net of taxes	-	-	35,290	-	-	-	35,290
Increase in regulatory reserve	-	-	(12,768)	-	12,768	-	-
Dividend Paid	-	-	-	-	-	(11,700)	(11,700)
Dividend proposed	-	-	(10,804)	-	-	10,804	-
At 31 December 2015	9,464	2,878	155,669	12,113	24,203	10,804	215,131

VI. Message from the Directors

The financial statements were approved by the Board of Directors on 17 March 2016. The Board is recommending a cash dividend of Shs 21.73 per share less withholding tax where applicable (2014: Shs 23.53 per share). The shareholder's register will be closed on 30 May 2016 with respect to entitlement to this dividend which will be paid by 31 July 2016. The Annual General Meeting will be held on 22 June 2016. The related details shall be availed in a later communication.

Directors' responsibility for the summary of financial statements

The directors are responsible for the preparation of the summary of the audited consolidated financial statements in accordance with the requirements of the Uganda Securities Exchange Listing Rules.

Auditors' Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary financial statements derived from the audited consolidated financial statements of dfcu Limited for the year ended 31 December 2015 are consistent, in all material respects, with those audited financial statements in accordance with the USE Listing Rules.

Rice Satebasaalepo

Certified Public Accountants, Kampala, Uganda

III. Summary Consolidated Statement Of Comprehensive Income		dfcu Group	
	2015 Shs 'M	2014 Shs 'M	
Income			
Interest on deposits and placements	288	7,415	
Interest on loans and advances	139,058	119,957	
Interest on government and other securities	43,628	35,906	
Foreign exchange income	13,281	10,700	
Fee and commission income	25,002	20,852	
Other income	1,628	11,242	
Total income	222,885	206,072	
Expenditure			
Interest expense on deposits	(44,638)	(36,878)	
Interest expense on borrowings	(30,104)	(23,111)	
Provision for bad and doubtful debts	(11,690)	(10,490)	
Operating expenses	(89,531)	(79,032)	
Total expenditure	(175,963)	(149,511)	
Profit before income tax	46,922	56,561	
Income tax expense	(11,632)	(14,452)	
Profit after tax	35,290	42,109	
Other comprehensive income	-	(2,380)	
Total comprehensive income	35,290	39,729	
Earnings per share	70.98	84.69	

IV. Summary Consolidated Statement Of Cash Flows		dfcu Group	
	2015 Shs 'M	2014 Shs 'M	
Cashflow from operation activities			
Interest receipts	182,974	163,278	
Interest payments	(74,742)	(59,989)	
Net fee and commission receipts	19,656	22,766	
Net trading and other income received	15,170	10,944	
Cash payments to employees and suppliers	(78,339)	(60,061)	
Income tax paid	(13,285)	(10,494)	
Cashflow from operating activities before changes in operating assets and liabilities	51,434	66,444	
Changes in operating assets and liabilities	(24,276)	(4,733)	
Net cashflow from operating activities	27,158	61,711	
Net cash used in investing activities	(14,256)	(32,476)	
Net cash generated from financing activities	52,116	36,215	
Net increase in cash and cash equivalents	65,018	65,450	
Cash and cash equivalents at 1 January	329,651	264,201	
Cash and cash equivalents at 31 December	394,669	329,651	