

DIAMOND TRUST BANK UGANDA LIMITED

Extract of the Financial Statements for the year ended 31 December 2016

I REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS TO THE MEMBERS OF DIAMOND TRUST BANK UGANDA LIMITED

Opinion

The summary consolidated and separate financial statements of Diamond Trust Bank Uganda Limited, which comprise the summary consolidated and separate statement of financial position as at 31 December 2016, and the summary consolidated and separate statement of profit or loss and other comprehensive income for the year then ended, and related notes, are derived from the audited consolidated financial statements of Diamond Trust Bank Uganda Limited for the year ended 31 December 2016.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects with the audited consolidated and separate financial statements, in accordance with the measurement and recognition requirements of IFRS and the requirements of Section 12 (1) of the Financial Institutions (External Auditors) Regulations 2010 as well as Section 50 (1) of the Financial Institutions Act, 2004 (Amended in 2016) as applicable to summary consolidated and separate financial statements.

Summary Consolidated and Separate Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Uganda Companies Act, 2012 as well as the Financial Institutions Act, 2004 (Amended in 2016) as applicable to the annual financial statements.

Reading the summary consolidated and separate financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditors' report thereon.

The Audited Consolidated and Separate Financial Statements and our Report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 16 March 2017. That report includes the communication of key audit matters as reported in the auditor's report of the audited consolidated and separate financial statements.

Directors' responsibility of the Summary Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with the requirements of the Financial Institutions (External Auditors) Regulations 2010 and the Financial Institutions Act, 2004 (Amended in 2016) and for such internal control as the directors determine is necessary to enable the preparation of the summary consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent in all material aspects, 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.

Deloitte Touche
Certified Public Accountants
16th March 2017
Kampala

II SUMMARY CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

	CONSOLIDATED		SEPARATE	
	2016 Shs'000	2015 Shs'000	2016 Shs'000	2015 Shs'000
Assets				
Cash and balances with BOU	248,899,916	199,992,022	248,899,916	199,992,022
Balances with banking institutions	90,453,317	110,268,269	90,453,317	110,268,269
Loans and advances (net)	765,577,184	809,164,122	765,577,184	809,164,122
Investment securities	278,893,065	153,404,151	278,893,065	153,404,151
Other assets	11,497,467	8,629,545	11,481,330	8,613,104
Property and equipment	36,124,586	34,396,276	36,123,805	34,394,785
Tax recoverable	3,129,878	4,328,230	3,134,837	4,326,633
Deferred income tax asset	2,082,496	289,524	2,082,496	289,839
Investment in subsidiary	-	-	50,000	50,000
Total assets	1,436,657,909	1,320,472,139	1,436,695,950	1,320,502,925
Liabilities and shareholders' equity				
Customer deposits	1,101,427,632	1,047,805,687	1,102,313,872	1,048,446,632
Balances due to banking institutions	32,434,016	42,745,778	32,434,016	42,745,778
Borrowed funds	31,297,169	34,951,769	31,297,169	34,951,769
Other liabilities	32,097,505	25,524,812	31,968,259	25,403,289
Tax payable	-	-	-	-
Subordinated debt	38,731,408	37,951,480	38,731,408	37,951,480
Total liabilities	1,235,987,730	1,188,979,526	1,236,744,724	1,189,498,948
Share capital	38,812,500	31,050,000	38,812,500	31,050,000
Share premium	58,256,655	19,444,155	58,256,655	19,444,155
Retained earnings	81,066,048	39,236,029	80,347,095	38,747,393
Regulatory reserve	21,107,674	41,351,256	21,107,674	41,351,256
Revaluation reserves on government securities	1,427,302	411,173	1,427,302	411,173
Total shareholders' equity	200,670,179	131,492,613	199,951,226	131,003,977
Total liabilities and shareholders' equity	1,436,657,909	1,320,472,139	1,436,695,950	1,320,502,925

III SUMMARY CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	CONSOLIDATED		SEPARATE	
	2016 Shs'000	2015 Shs'000	2016 Shs'000	2015 Shs'000
Income				
Interest on deposits and placements	2,497,384	1,705,433	2,497,384	1,705,433
Interest on loans and advances	114,319,061	105,541,732	114,319,061	105,541,732
Interest on investment securities	34,361,218	21,292,354	34,361,218	21,292,354
Foreign exchange income	8,041,974	9,883,027	8,041,974	9,883,027
Fees and commissions income	21,797,997	21,588,170	21,797,997	21,588,170
Other income	368,313	355,453	59,176	65,889
Total income	181,385,947	160,366,169	181,076,810	160,076,605
Expenditure				
Interest expense on deposits	61,551,303	55,022,106	61,656,592	55,085,495
Interest expense on borrowings	1,013,681	2,569,095	1,013,681	2,569,095
Other interest expense	3,608,171	3,250,782	3,608,171	3,250,782
Impairment losses on loans and advances	24,100,224	18,492,018	24,100,224	18,492,018
Operating expenses	64,766,454	55,152,910	64,681,052	55,043,087
Total expenditure	155,039,833	134,486,911	155,059,720	134,440,477
Profit before income tax	26,346,114	25,879,258	26,017,090	25,636,128
Income tax expense	(4,759,677)	(6,091,778)	(4,660,970)	(6,019,542)
Net profit after tax	21,586,437	19,787,480	21,356,120	19,616,586
Other comprehensive income				
Net fair value gain from changes in government securities available for sale	1,016,129	329,710	1,016,129	329,710
Total comprehensive income	22,602,566	20,117,190	22,372,249	19,946,296

IV OTHER DISCLOSURES

Contingent liabilities

Letters of credit	42,840,958	52,944,952	42,840,958	52,944,952
Guarantees and performance bonds	29,909,548	38,569,404	29,909,548	38,569,404
Total	72,750,506	91,514,356	72,750,506	91,514,355

Commitments

Undrawn credit lines	44,613,729	39,134,742	44,613,729	39,134,742
Total	44,613,729	39,134,742	44,613,729	39,134,742

Non-performing loans and other assets

Interest in suspense	5,848,423	330,834	5,848,423	330,834
Bad debts written off	34,400,337	5,981,019	34,400,337	5,981,019
Large loan exposures	293,770,360	480,117,693	293,770,360	480,117,693
Insider loan exposures	14,798,141	14,499,659	14,798,141	14,499,659

Capital Position:

Core Capital	167,985,625	85,408,572	167,985,625	85,408,572
Supplementary Capital	42,869,600	43,088,186	42,869,600	43,088,186
Total Qualifying Capital	210,855,225	128,496,758	210,855,225	128,496,758

Total Risk Weighted Assets (RWA)

Total Risk Weighted Assets (RWA)	912,795,091	935,327,474	912,795,089	935,327,474
Core Capital to RWA	18.4%	9.1%	18.4%	9.1%
Total Qualifying Capital to RWA	23.1%	13.7%	23.1%	13.7%

V MESSAGE FROM DIRECTORS

The above statement of financial position and statement of profit or loss and other comprehensive income were audited by Deloitte & Touche and issued an unmodified opinion. The financial statements were approved by the Board of Directors on **27 February 2017** and discussed with Bank of Uganda on **02 March 2017**.

M.N Thobani

M.N Thobani
Deputy Chairman

Mahmood Hudda

Mahmood Hudda
Director

Varghese Thambi

Varghese Thambi
Chief Executive Officer