

## DIAMOND TRUST BANK UGANDA LIMITED

## Extract of the Financial Statements for the year ended 31 December 2017

## 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 2017, 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 and separate financial statements of Diamond Trust Bank Uganda Limited for the year ended 31 December 2017.

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 International Financial Reporting Standards 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 as amended by the Financial Institutions (Amendment) Act 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 as amended by the Financial Institutions (Amendment) Act 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 and separate financial statement and the auditor's 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 25 April 2018. 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 as amended by the Financial Institutions (Amendment) Act 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 consolidated and separate financial statements are consistent in all material aspects, with the audited consolidated and separate 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

Certified Public Accountant of Uganda  
25 April, 2018  
Kampala

## II CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

	CONSOLIDATED		SEPARATE	
	2017 Shs'000	2016 Shs'000	2017 Shs'000	2016 Shs'000
<b>Assets</b>				
Cash and balances with BOU	138,395,449	248,899,916	138,395,449	248,899,916
Balances with banking institutions	154,253,199	90,453,317	154,253,199	90,453,317
Loans and advances (net)	623,007,482	765,577,184	623,007,482	765,577,184
Investment securities	558,329,341	278,893,065	558,329,341	278,893,065
Other assets	16,425,338	11,497,467	16,402,661	11,481,330
Property and equipment	34,486,798	36,124,586	34,483,146	36,123,805
Tax recoverable	4,072,539	3,129,878	4,060,045	3,134,837
Deferred income tax asset	11,818,765	2,082,496	11,819,215	2,082,496
Investment in subsidiary	-	-	50,000	50,000
<b>Total Assets</b>	<b>1,540,788,911</b>	<b>1,436,657,909</b>	<b>1,540,800,538</b>	<b>1,436,695,950</b>
<b>Liabilities and shareholders' equity</b>				
Customer deposits	1,167,517,585	1,101,427,632	1,168,609,249	1,102,313,872
Balances due to banking institutions	4,535,546	32,434,016	4,535,546	32,434,016
Borrowed funds	43,764,886	31,297,169	43,764,886	31,297,169
Other liabilities	35,437,061	32,097,505	35,305,007	31,968,259
Tax payable	-	-	-	-
Subordinated debt	37,059,966	38,731,408	37,059,966	38,731,408
<b>Total liabilities</b>	<b>1,288,315,044</b>	<b>1,235,987,730</b>	<b>1,289,274,654</b>	<b>1,236,744,724</b>
Share capital	45,281,250	38,812,500	45,281,250	38,812,500
Share premium	88,659,780	58,256,655	88,659,780	58,256,655
Retained earnings	79,677,383	81,066,048	78,729,400	80,347,095
Regulatory reserve	37,561,330	21,107,674	37,561,330	21,107,674
Revaluation reserves on government securities	1,294,124	1,427,302	1,294,124	1,427,302
<b>Total shareholders' equity</b>	<b>252,473,867</b>	<b>200,670,179</b>	<b>251,525,884</b>	<b>199,951,226</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,540,788,911</b>	<b>1,436,657,909</b>	<b>1,540,800,538</b>	<b>1,436,695,950</b>

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

	CONSOLIDATED		SEPARATE	
	2017 Shs'000	2016 Shs'000	2017 Shs'000	2016 Shs'000
<b>Income</b>				
Interest on deposits and placements	2,724,993	2,497,384	2,724,993	2,497,384
Interest on loans and advances	90,584,808	114,319,061	90,584,808	114,319,061
Interest on investment securities	48,433,921	34,361,218	48,433,921	34,361,218
Foreign exchange income	7,456,111	8,041,974	7,456,111	8,041,974
Fees and commissions income	22,617,046	21,797,997	22,617,046	21,797,997
Other income	404,576	368,313	88,707	59,176
<b>Total income</b>	<b>172,221,455</b>	<b>181,385,947</b>	<b>171,905,586</b>	<b>181,076,810</b>
<b>Expenditure</b>				
Interest expense on deposits	48,960,650	61,551,303	49,081,081	61,656,592
Interest expense on borrowings	433,109	1,013,681	433,109	1,013,681
Other interest expense	4,183,633	3,608,171	4,183,633	3,608,171
Impairment losses on loans and advances	30,958,735	24,100,224	30,958,735	24,100,224
Operating expenses	72,559,805	64,766,454	72,451,612	64,681,052
<b>Total expenditure</b>	<b>157,095,932</b>	<b>155,039,833</b>	<b>157,108,170</b>	<b>155,059,720</b>
<b>Profit before income tax</b>	<b>15,125,523</b>	<b>26,346,114</b>	<b>14,797,416</b>	<b>26,017,090</b>
Income tax (expense) / credit	(60,532)	(4,759,677)	38,545	(4,660,970)
<b>Net profit after tax</b>	<b>15,064,991</b>	<b>21,586,437</b>	<b>14,835,961</b>	<b>21,356,120</b>
<b>Other comprehensive income</b>				
Net fair value (loss) / gain from changes in government securities available for sale	(133,178)	1,016,129	(133,178)	1,016,129
<b>Total comprehensive income</b>	<b>14,931,813</b>	<b>22,602,566</b>	<b>14,702,783</b>	<b>22,372,249</b>
<b>IV OTHER DISCLOSURES</b>				
<b>Contingent liabilities</b>				
Letters of credit	41,858,263	42,840,958	41,858,263	42,840,958
Guarantees and performance bonds	30,261,292	29,909,548	30,261,292	29,909,548
<b>Total</b>	<b>72,119,555</b>	<b>72,750,506</b>	<b>72,119,555</b>	<b>72,750,506</b>
<b>Commitments</b>				
Undrawn credit lines	46,306,536	44,613,729	46,306,536	44,613,729
<b>Total</b>	<b>46,306,536</b>	<b>44,613,729</b>	<b>46,306,536</b>	<b>44,613,729</b>
Non-performing loans and other assets	40,093,651	28,325,434	40,093,651	28,325,434
Interest in suspense	1,958,888	5,848,423	1,958,888	5,848,423
Bad debts written off	35,700,690	34,400,337	35,700,690	34,400,337
Large loan exposures	89,297,559	293,770,360	89,297,559	293,770,360
Insider loan exposures	17,488,975	14,798,141	17,488,975	14,798,141
<b>Capital Position:</b>				
Core Capital	198,024,236	167,985,625	198,024,236	167,985,625
Supplementary Capital	37,738,881	42,869,600	37,738,881	42,869,600
<b>Total Qualifying Capital</b>	<b>235,763,117</b>	<b>210,855,225</b>	<b>235,763,117</b>	<b>210,855,225</b>
Total Risk Weighted Assets (RWA)	775,073,406	912,795,091	775,073,406	912,795,091
Core Capital to RWA	25.5%	18.4%	25.5%	18.4%
<b>Total Qualifying Capital to RWA</b>	<b>30.4%</b>	<b>23.1%</b>	<b>30.4%</b>	<b>23.1%</b>

## V MESSAGE FROM DIRECTORS

The above consolidated and separate statement of financial position and consolidated and separate 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 01 March 2018 and discussed with Bank of Uganda on 17 April 2018.

Kenneth Kitariko  
Ag. Chairman

Jane Kabbale  
Director

Varghese Thambi  
Chief Executive Officer