

Summarised Audited financial statements for the year ended 31 December 2017.

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF FINCA UGANDA LIMITED (MDI)

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2017, the summary statement of comprehensive income for the year then ended and other disclosures are derived from the audited financial statements of FINCA Uganda Limited (MDI) for the year ended 31 December, 2017.

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 Microfinance Deposit-Taking Institution (MDI) Act, 2003 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 Microfinance Deposit-Taking Institution (MDI) Act, 2003 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 auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 April, 2018. The report also includes the

communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

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 Microfinance Deposit-Taking Institution (MDI) Act, 2003.

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."

KPMG, Certified Public Accountants

3rd Floor, Rwenzori courts, Plot 2 & 4A, Nakasero Rd
P.O. Box 3509, K'la - Uganda



Friday, 27 April 2018

STATEMENT OF FINANCIAL POSITION

	2017 Ushs' 000	2016 Ushs' 000
ASSETS		
Cash on hand	4,349,928	4,352,572
Deposits and balances due from other financial institutions	26,122,535	28,104,245
Loans and advances to customers	91,973,513	94,593,403
Tax recoverable	68,044	363,822
Other assets	2,935,764	3,490,539
Deposit with Bank of Uganda	101,427	89,891
Property and equipment	15,919,553	15,151,137
Intangible assets	2,570,502	154,552
Total assets	144,041,266	146,300,161
LIABILITIES		
Customer deposits	84,537,321	80,711,846
Other liabilities	3,098,392	5,954,083
Amounts due to related parties	205,129	51,272
Deferred grants	183,072	157,079
Notes payable	16,572,787	16,497,958
Deferred tax liability	476,644	199,967
Total liabilities	105,073,345	103,572,205
EQUITY		
Share Capital	13,893,324	13,893,324
Share Premium	6,795,620	6,795,620
Capital Fund	3,449,905	3,449,905
Proposed dividend	398,109	4,290,847
Regulatory reserve	993,586	1,730,702
Retained earnings	13,437,377	12,567,558
Total shareholders equity	38,967,921	42,727,956
Total liabilities and shareholders equity	144,041,266	146,300,161

OTHER DISCLOSURES - CAPITAL ADEQUACY

	2017 Ushs' 000	2016 Ushs' 000
Capital Position		
Core Capital	34,259,024	34,686,786
Supplementary Capital	1,888,572	2,627,485
Total Qualifying Capital	36,147,596	37,314,271
Total Risk Weighted Assets	118,691,883	119,374,302
Core Capital to RWA	28.86%	29.06%
Total Qualifying Capital to RWA	30.45%	31.26%

MESSAGE FROM DIRECTORS

The directors have the pleasure to share with you the summarized audited financial statements for FINCA Uganda Limited (MDI) for the year ended 31 December, 2017. The above summarised statement of financial position, summarised statement of comprehensive income and other disclosures were audited by KPMG and received an unqualified opinion.

The financial statements were approved by the Board of Directors on 12 April, 2018.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2017 Ushs' 000	2016 Ushs' 000
Interest income	41,949,197	46,279,857
Interest expense	(11,605,371)	(11,300,669)
Net Interest income	30,343,826	34,979,188
Fees and commission income	6,201,079	6,271,930
Fees and Commission expense	(344,766)	(496,834)
Net fee and commission income	5,856,313	5,775,096
Grant income	393,958	1,318,533
Other income	2,005,034	1,674,818
Net operating income	38,599,131	43,747,635
Employee benefit expense	(15,337,640)	(16,093,976)
Other operating expenses	(14,849,724)	(13,010,892)
Grant expenses	(221,627)	(116,555)
Impairment losses on loans and advances	(7,128,205)	(6,333,324)
Profit before tax	1,061,935	8,192,888
Tax	(531,123)	(2,471,762)
Profit for the year	530,812	5,721,126
Other comprehensive income	-	-
Total comprehensive income	530,812	5,721,126

OTHER DISCLOSURES - CREDIT EXPOSURES

	2017 Ushs' 000	2016 Ushs' 000
Credit Exposures		
Non-performing loans and other assets	10,475,768	12,504,741
Interest in suspense	1,142,186	1,575,533
Bad debts written off	8,054,190	3,162,206
Insider loan exposures	3,312	-



James Semakadde
Board Chairman



James Onyutta
Managing Director



Brenda N. Magoba
Company secretary