

Summarised Audited Financial Statements for the year ended 31 December 2018

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 2018, the summary Income statement 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 2018.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements in accordance with the Microfinance Deposit-Taking Institutions (MDI) Act, 2003 and the Financial Institutions (External Auditors) Regulation, 2010.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Microfinance Deposit-Taking Institutions (MDI) Act, 2003 and the Companies Act of Uganda.

Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our 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 29 April, 2019. The report also includes

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 the Microfinance Deposit-Taking Institutions (MDI) Act, 2003 and Financial Institutions (External Auditors) Regulation, 2010.

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 Road
P.O. Box 3509, Kampala, Uganda

Date: 29th April, 2019

SUMMARY STATEMENT OF FINANCIAL POSITION

	2018 Ushs' 000	2017 Ushs' 000
ASSETS		
Cash on hand	4,571,725	4,349,928
Deposits and balances due from other financial institutions	26,729,754	26,122,535
Loans and advances to customers	98,326,715	91,973,513
Tax recoverable	-	68,044
Other assets	2,852,406	2,935,764
Deposit with Bank of Uganda	111,368	101,427
Property and equipment	16,388,014	15,919,553
Intangible assets	2,380,081	2,570,502
Total Assets	151,360,063	144,041,266
LIABILITIES AND SHARE HOLDERS' EQUITY		
LIABILITIES		
Customer deposits	75,901,436	82,577,748
Other liabilities	3,692,345	5,057,965
Amounts due to related parties	247,798	205,129
Deferred grants	764,508	183,072
Notes payable	27,879,954	16,572,787
Income tax payable	63,221	-
Deferred tax liability	1,088,055	476,644
Total liabilities	109,637,317	105,073,345
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	2,242,061	398,109
Regulatory reserve	2,386,612	993,586
Retained earnings	12,955,224	13,437,377
Total shareholders equity	41,722,746	38,967,921
Total liabilities and shareholders equity	151,360,063	144,041,266

OTHER DISCLOSURES - CAPITAL ADEQUACY

	2018 Ushs' 000	2017 Ushs' 000
Capital position		
Core capital	35,188,152	34,391,727
Supplementary capital	3,341,935	1,888,572
Total qualifying capital	38,530,087	36,280,299
Total risk weighted assets (RWA)	125,293,167	118,623,839
Core capital to RWA	28.08%	28.99%
Total qualifying capital to RWA	30.75%	30.58%

OTHER DISCLOSURES - CREDIT EXPOSURES

	2018 Ushs' 000	2017 Ushs' 000
Credit exposures		
Non-performing loans and other assets	8,724,121	10,475,768
Interest in suspense	847,320	1,142,186
Bad debts written off	5,035,294	8,054,190
Insider loan exposures	60,114	3,312

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 2018. The above summarised statement of financial position, summarised income statement and other disclosures were audited by KPMG and received an unqualified opinion.

The financial statements were approved by the Board of Directors on 26th March, 2019 and discussed with Bank of Uganda on Thursday April 25, 2019.



Olive Lumonya Birungi
Board Chairperson



James Onyutta
Managing Director



Brenda Namirembe N. Magoba
Company Secretary

SUMMARY INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 Ushs' 000	2017 Ushs' 000
Interest income	39,622,245	41,949,197
Interest expense	(9,777,708)	(11,605,371)
Net interest income	29,844,537	30,343,826
Fees and commission income	7,549,521	6,201,079
Fees and commission expense	(101,202)	(344,766)
Net fee and commission income	7,448,319	5,856,313
Grant income	98,459	393,958
Other income	2,471,481	2,005,034
Net operating income	39,862,796	38,599,131
Employee benefit expense	(15,856,011)	(15,337,640)
Other operating expenses	(15,901,213)	(14,849,724)
Grant expenses	(215,212)	(221,627)
Impairment losses on financial instruments	(3,313,875)	(7,128,205)
Profit before tax	4,576,485	1,061,935
Tax charge	(1,488,518)	(531,123)
Profit for the year	3,087,967	530,812

