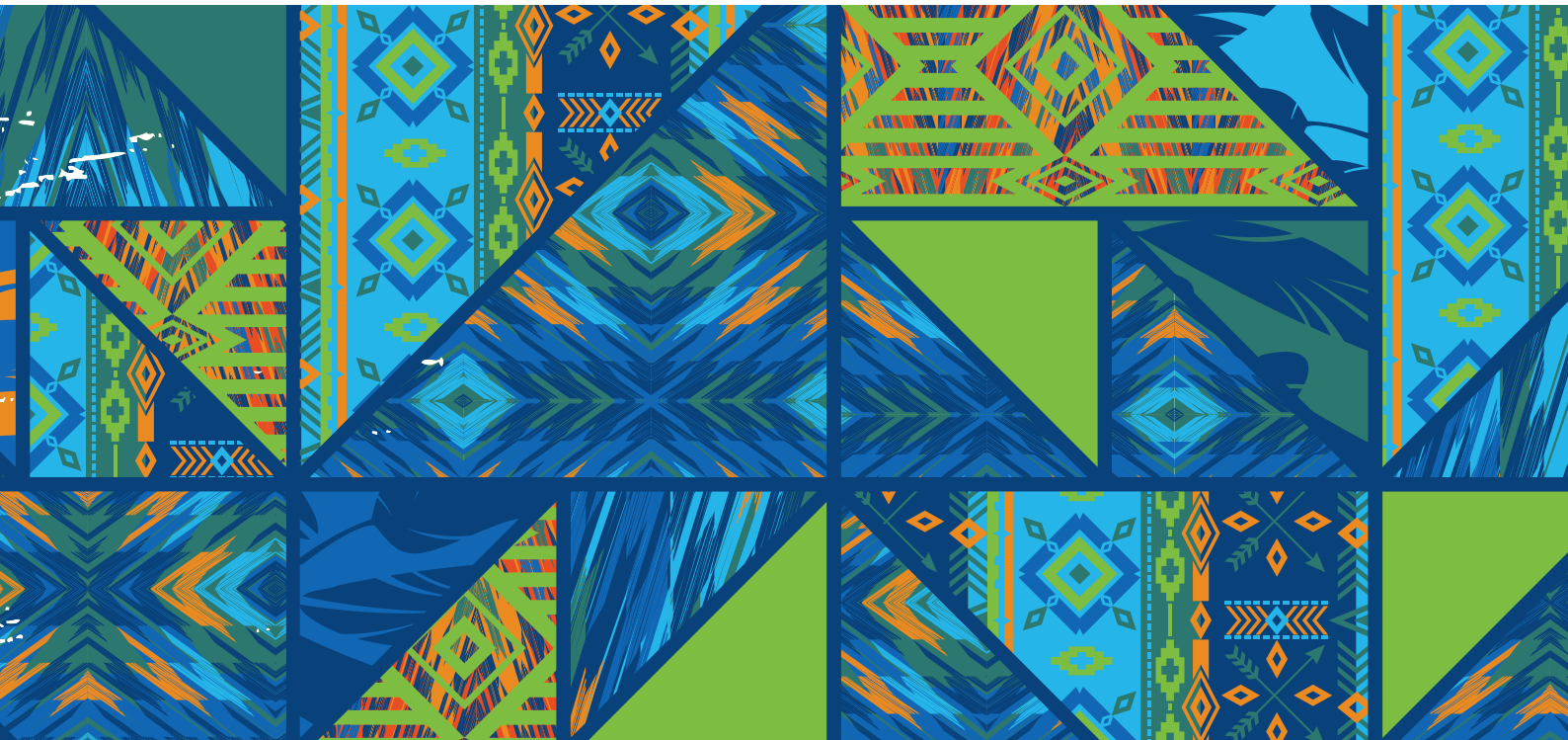




Putting Women First

Pillar 3 Market Disclosures

June 2024





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Introduction

Basel II is the second of the Basel Accords and is based on three main pillars: Minimum capital requirements, Supervisory Review and Market discipline.

Market discipline (third pillar) ensures public access to key information related to the capital adequacy of financial institutions in a structured and standardized manner.

The Finance Trust Bank Pillar 3 market disclosure follow the requirements set forth by Bank of Uganda, regarding the rules on risk and capital management in financial institutions.

Finance Trust Bank affirms its commitment to transparency in all its activities, in compliance with the requirements of Bank of Uganda.

DIS01: Key metrics

	a	b	c	d	e	f	
	2024-06	2024-03	2023-12	2023-09	2023-06	2023-03	
Available capital (amounts)							
1	Core capital	59,126,804	58,835,333	56,157,501	55,430,153	57,905,056	60,386,896
2	Supplementary capital	3,167,726	2,966,158	2,900,938	2,749,834	2,578,061	2,570,192
3	Total capital	62,294,530	61,801,491	59,058,438	58,179,987	60,483,117	62,957,088
Risk-weighted assets (amounts)							
4	Total risk-weighted assets (RWA)	375,179,018	350,363,056	331,699,862	321,090,299	309,627,344	304,835,968
Risk-based capital ratios as a percentage of RWA							
5	Core capital ratio (%)	15.76%	16.79%	16.93%	17.26%	18.70%	19.81%
6	Total capital ratio (%)	16.60%	17.64%	17.80%	18.12%	19.53%	20.65%
Capital buffer requirements as a percentage of RWA							
7	Capital conservation buffer requirement (2.5%)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
8	Countercyclical buffer requirement (%)	0	0	0	0	0	0
9	Systemic buffer (for DSIBs) (%)	0	0	0	0	0	0
10	Total of capital buffer requirements (%) (row 7 + row 8 + row 9)	2.50%	2.50%	2.50%	2.50%	2.5%	2.50%
11	Core capital available after meeting the bank's minimum capital requirements (%)	3.11%	4.14%	4.28%	4.61%	6.05%	7.16%
Basel III leverage ratio							
13	Total Basel III leverage ratio exposure measure	526,800,219	458,893,283	472,375,741	492,103,778	497,858,456	423,669,187
14	Basel III leverage ratio (%) (row 1 / row 13)	11.22%	12.82%	11.89%	11.26%	11.63%	14.25%
Liquidity Coverage Ratio							
15	Total high-quality liquid assets (HQLA)	114,825,790,409	64,257,721,026	74,085,124,672	98,179,545	139,884,966	74,674,704
16	Total net cash outflow	30,931,454,263	40,128,808,265	46,394,598,645	71,523,325	57,397,932	43,042,192
17	LCR (%)	371%	160%	160%	137%	244%	173%
Net Stable Funding Ratio							
18	Total available stable funding	495,500,023	438,885,082	443,134,228	466,310,536	477,122,159	408,771,121
19	Total required stable funding	170,912,081	146,762,251	145,941,374	165,609,549	166,970,373	146,819,632
20	NSFR	290%	299%	304%	282%	286%	278%

The Bank registered a notable increase in the Basel III leverage ratio largely attributed to significant growth in short-term Investments in government paper as a result of growth in deposits.



DIS03: Overview of Risk-Weighted Assets (RWA)

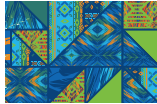
Table below shows a breakdown of the RWAs and Minimum Capital requirements for the Bank. It is noteworthy that the Bank uses the standardized approach for the market risk and operational risk portion.

		b	b	c
		RWA		Minimum capital requirements
		2024-06	2023-12	2024-06
1	Credit risk (excluding counterparty credit risk)	361,427,651	337,589,648	43,371,318
2	Counterparty credit risk (CCR)			0
3	Market risk	1,630,627	2,313,633	195,675
4	Operational risk	11,966,093	10,459,775	1,435,931
5	Total (1 + 2 + 3 + 4)	375,024,371	350,363,056	45,002,924

The growth in the Risk Weighted Assets was driven by the net growth in the bank's loan book by 6.48% over the quarter under review.

DIS04: Composition of regulatory capital

		a
		Amounts
Common Equity Tier 1 capital: instruments and reserves		
1	Permanent shareholders equity (issued and fully paid-up common shares)	59,657,984
2	Share premium	-
3	Retained earnings	3,824,417
4	Net after tax profits current year-to date (50% only)	1,275,601
5	General reserves (permanent, unencumbered and able to absorb losses)	
6	Tier 1 capital before regulatory adjustments	64,758,002
Tier 1 capital: regulatory adjustments		
8	Goodwill and other intangible assets	5,631,198
9	Current year's losses	0
10	investments in unconsolidated financial subsidiaries	0
12	deficiencies in provisions for losses	0
14	Other deductions determined by the Central bank	0
26	Other deductions determined by the Central bank	0
28	Total regulatory adjustments to Tier 1 capital	59,126,804
29	Tier 1 capital	59,126,804
Tier 2 capital: Supplementary capital		
46	Revaluation reserves on fixed assets	0
47	Unencumbered general provisions for losses (not to exceed 1.25% of RWA)	3,167,726
48	Hybrid capital instruments	0
49	Subordinated debt (not to exceed 50% of core capital subject to a discount factor)	0
58	Tier 2 capital	3,167,726
59	Total regulatory capital (= Tier 1 + Tier2)	62,294,530
60	Total risk-weighted assets	375,179,018
Capital adequacy ratios and buffers		
61	Tier 1 capital (as a percentage of risk-weighted assets)	15.76%
63	Total capital (as a percentage of risk-weighted assets)	16.60%
64	Total Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus systemic buffer, expressed as a percentage of risk-weighted assets)	2.5%
65	Of which: capital conservation buffer requirement	2.5%
66	Of which: countercyclical buffer requirement	0
67	Of which: bank specific systemic buffer requirement	0
68	Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	3.11%
Minimum statutory ratio requirements		
70	Tier 1 capital adequacy ratio	12.65%
71	Total capital adequacy ratio	14.65%



DIS05: Asset Quality

		a	b	d	e	f	g
		Gross carrying values of		Provisions as per FIA2004/ MDIA2003		Interest in suspense	Net values (FIA/ MDIA)
		Defaulted exposures	Non-defaulted exposures	Specific	General		(a+b-d-e)
1	Loans and advances	9,389,858	302,301,263	2,842,528	13,230,045	1,106,753	295,618,548
2	Debt Securities	0	0	0	0	0	-
3	Off-balance sheet exposures	0	8,023,861	0	0	0	8,023,861
4	Total	9,389,858	310,325,124	2,842,528	13,230,045	1,106,753	302,535,655

DIS06: Changes in stock of defaulted loans and debt securities

		a
1	Defaulted loans & advances, debt securities and off-balance sheet exposures at end of the previous reporting period	10,885,743
2	Loans and debt securities that have defaulted since the last reporting period	10,565,316
3	Returned to non-defaulted status	-3,656,414
4	Amounts written off	-3,328,941
5	Other changes	-5,075,846
6	Defaulted loans & advances, debt securities and off-balance sheet exposures at end of the reporting period	9,389,858
(1+2-3-4+5)		

Board attestation.

The Board attests that the Pillar 3 Market Discipline Disclosure Reports for Quarter 2 2024 have been prepared in accordance with the regulatory requirements.

Board Chairperson

Managing Director

