FINANCE trust BANK

Putting Women First

Pillar 3 Market Disclosures

June 2025

Index

Introduction

The Finance Trust Bank (FTB) Pillar 3 Market disclosures follow the requirements set forth by Bank of Uganda, about the rules on risk and capital management in financial institutions and which represented a significant advance in the governance of financial institutions.

The objectives of supervising the Basel II requirements are: (i) promote security and soundness of the Financial System, (ii) maintain capital at appropriate levels, (iii) improve the competitiveness conditions of the financial market, and (iv) establish a more comprehensive approach to risks. The Basel II requirements are based on a three-pillar structure: (1) Minimum capital required, (2) Supervisory Review and (3), Market discipline, allowing public access to key information related to the capital adequacy of financial institutions in a structured and standardized manner.

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

Scope of document

In accordance with the requirements, we present the information regarding key metrics on Capital and Liquidity, the calculation of the amount of risk-weighted assets (RWA), Composition of regulatory capital, Asset quality and changes in stock of defaulted loans and debt securities.

DIS01: Key Prudential Metrics

		a	b	c	d	e	f
		2025-06	2025-03	2024-12	2024-09	2024-06	2024-03
		"000"	"000"	"000"	"000"	"000"	"000"
Available capital (amounts)							
1	Core capital	73,512,124	71,143,964	63,734,380	60,870,964	59,126,804	58,835,333
2	Supplementary capital	3,617,781	3,557,801	3,555,744	3,299,591	3,167,726	2,966,158
3	Total capital	77,129,905	74,701,766	67,290,124	64,170,555	62,294,530	61,801,491
	Risk-weighted assets (amounts)	"000"	"000"	"000"	"000"	"000"	"000"
4	Total risk-weighted assets (RWA)	422,105,118	389,699,519	359,978,116	380,531,434	375,179,018	350,363,056
Risk-based capital ratios as a percentage of RWA							
5	Core capital ratio (%)	17.42%	18.26%	17.71%	16.00%	15.76%	16.79%
6	Total capital ratio (%)	18.27%	19.17%	18.69%	16.86%	16.60%	17.64%
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 (%)	4.77%	5.61%	5.61%	5.06%	3.35%	3.11%
Basel III leverage ratio							
13	Total Basel III leverage ratio exposure measure	598,441,204	540,222,896	557,344,302	568,252,139	526,800,219	466,483,306
14	Basel III leverage ratio (%) (row 1 / row 13)	12.28%	13.17%	11.44%	10.71%	11.22%	12.61%
Liquidity Coverage Ratio							
15	Total high-quality liquid assets (HQLA)	84,876,287,817	81,163,929,735	82,534,918,114	133,015,121,109	114,825,790,409	64,257,721,026
16	Total net cash outflow	19,329,346,291	8,190,743,832	12,137,387,577	59,170,868,064	30,931,454,263	40,128,808,265
17	LCR (%)	439%	991%	680.0%	225%	371%	160.0%
Net Stable Funding Ratio							
18	Total available stable funding	424,370,272,049	321,237,556,375	318,960,806,401	534,488,580,813	495,500,023,001	438,885,082,098
19	Total required stable funding	273,570,621,490	269,349,937,041	266,536,880,400	186,854,860,003	170,912,081,460	146,762,251,373
20	NSFR	155%	119%	120.0%	286%	290.0%	299%

- The change in LCR measure was largely attributed to significant total net cash outflows on the escrow accounts in the quarter under review.

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.

		a	b	c
		RWA		Minimum capital requirements
		2025-03	2024-12	2025-03
1	Credit risk (excluding counterparty credit risk)	379,946,290	379,996,896	45,593,555
2	Counterparty credit risk (CCR)	0.00	0.00	0
3	Market risk	30,586,656	417,897	3,670,399
4	Operational risk	11,572,171	11,481,533	1,388,661
5	Total (1 + 2 + 3 + 4)	422,105,118	391,896,326	50,652,614

Note: Pillar 1 capital requirements at the reporting date = 12% of RWA.

The change in Total RWA was largely attributed to the growth in the bank's off-balance sheet book.

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	13,909,512
4	Net after tax profits current year-to date (50% only)	4,379,651
5	General reserves (permanent, unencumbered and able to absorb losses)	
6	Tier 1 capital before regulatory adjustments	77,947,147
Tier 1 capital: regulatory adjustments		
8	Goodwill and other intangible assets	4,435,023
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	73,512,124
29	Tier 1 capital	73,512,124
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)	3,617,781
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	3,617,781
59	Total regulatory capital (= Tier 1 + Tier2)	77,129,905
60	Total risk-weighted assets	422,105,118
Capital adequacy ratios and buffers		
61	Tier 1 capital (as a percentage of risk-weighted assets)	17.42%
63	Total capital (as a percentage of risk-weighted assets)	18.27%
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	4.77%
Minimum statutory ratio requirements		
70	Tier 1 capital adequacy ratio	12.65%
71	Total capital adequacy ratio	14.65%

DIS05: Quality of assets

In this section, the main figures for exposure to credit risk related to loans, debt securities and similar transactions that are not recorded in the Bank's financial statement are presented.

		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	12,669,787	344,225,612	3,080,327	9,567,523	1,343,118	344,247,548
2	Debt Securities	0	0	0	0	0	-
3	Off-balance sheet exposures	0	34,151,801	0	0	0	34,151,801
4	**Total**	**12,669,787**	**378,377,413**	**3,080,327**	**9,567,523**	**1,343,118**	**377,056,232**

DIS06: Changes in stock of defaulted loans and debt securities

This section presents the changes in the stock of defaulted assets, as defined in the table.

		a
1	**Defaulted loans & advances, debt securities and off-balance sheet exposures at end of the previous reporting period**	11,715,690
2	Loans and debt securities that have defaulted since the last reporting period	8,022,906
3	Returned to non-defaulted status	-14102358
4	Amounts written off	-2995608
5	Other changes	10,029,156
6	**Defaulted loans & advances, debt securities and off-balance sheet exposures at end of the reporting period(1+2-3-4+5)**	12,669,787

Board attestation.

The Board attests that the Pillar 3 Market Discipline Disclosure Reports for Quarter 2 2025 have been prepared in accordance with the regulatory requirements.

Board Chairperson

Managing Director