



Putting Women First

Pillar 3 Market Disclosures

September 2023





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Introduction

The Finance Trust Bank (FTB) Pillar 3 Market disclosures follow the requirements set forth by Bank of Uganda, with regard to 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 the 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 Bank of Uganda.

Scope of document

In accordance with the requirements, we present the information regarding risk management, the calculation of risk-weighted assets (RWA), and the calculation of the Reference Equity.





DIS01: Key Prudential Metrics

	a 2023-09	b 2023-06	c 2023-03	d 2022-12	e 2022-09
Available capital (amounts)					
1 Core capital	55,430,153	57,905,056	60,386,896	55,989,250	55,146,216
2 Supplementary capital	2,749,834	2,578,061	2,570,192	2,625,613	2,611,342
3 Total capital	58,179,987	60,483,117	62,957,088	58,614,862	57,757,557
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	321,090,299	309,627,344	304,835,968	294,598,333	320,728,035
Risk-based capital ratios as a percentage of RWA					
5 Core capital ratio (%)	17.26%	18.70%	19.81%	18.11%	18.00%
6 Total capital ratio (%)	18.12%	19.53%	20.65%	18.96%	18.00%
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%
8 Countercyclical buffer requirement (%)	0	0	0	0	0
9 Systemic buffer (for DSIBs) (%)	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%	2.50%
11 Core capital available after meeting the bank's minimum capital requirements (%)	4.61%	5.92%	7.03%	5.33%	5.22%
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	492,103,778	497,858,456	423,669,187	438,276,709	433,929,075
14 Basel III leverage ratio (%) (row 1 / row 13)	11.26%	11.63%	14.25%	12.77%	12.71%
Liquidity Coverage Ratio					
15 Total high-quality liquid assets (HQLA)	98,179,545	139,884,966	74,674,704	101,300,499	111,111,255
16 Total net cash outflow	71,523,325	57,397,932	43,042,192	43,452,546	82,041,574
17 LCR (%)	137%	244%	173%	233%	135%
Net Stable Funding Ratio					
18 Total available stable funding	466,310,536	477,122,159	408,771,121	420,333,291	417,645,682
19 Total required stable funding	165,609,549	166,970,373	146,819,632	151,023,753	148,938,870
20 NSFR	282.60%	285.70%	278.40%	278.30%	280.40%

There were no major changes in the capital structure of the Bank. The marginal reduction in the Core Capital ratios are attributed to normal organic business growth.



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
	2023-09	2023-06	2023-09
1 Credit risk (excluding counterparty credit risk)	307,734,458	296,526,353	36,928,135
2 Counterparty credit risk (CCR)	0	0	0
3 Market risk	2,914,483	2,489,667	349,878
4 Operational risk	10,441,359	10,611,325	1,253,464
5 Total (1 + 2 + 3 + 4)	321,090,299	309,627,345	38,531,477

- The increase in Risk Weighted Assets (RWA) under Credit risk was attributed to a growth in the loan portfolio.
- The increase in RWA market risk was attributed to an increase in foreign exchange assets in the period.

Board attestation

The Board attests that the Pillar 3 Market Discipline Disclosure Reports for Quarter 3, 2023 have been prepared in accordance with the regulatory requirements.

Board Chairperson

Managing Director

