

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS OF FINANCE TRUST BANK LIMITED

Our opinion

In our opinion, the accompanying summary financial statements of Finance Trust Bank Limited ("the Bank") are consistent, in all material respects, with the audited financial statements of the Bank, in accordance with the Financial Institutions (External Auditors) Regulations, 2010 and the Financial Institutions Act.

The summary financial statements

The Bank's summary financial statements derived from its audited financial statements for the year ended 31 December 2017 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.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Financial Institutions Act and the Ugandan Companies Act. 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 26 April 2018. That 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 audited financial statements of the current period.

Management responsibility for the summary financial statements

Management is responsible for the preparation of the summary financial statements in accordance with the Financial Institutions (External Auditor) Regulations, 2010 and the Financial Institutions Act.

Auditor's 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 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

PricewaterhouseCoopers

Certified Public Accountants
Kampala

26 April 2018

Statement of Financial Position	2017 Shs '000	2016 Shs '000
Assets		
Cash and balances with Bank of Uganda	22,283,658	18,516,850
Balances with banking institutions	9,726,755	12,983,430
Loans and advances (Net)	110,419,750	106,190,959
Government securities	16,043,949	7,455,065
Other assets	7,933,283	7,477,276
Property and equipment	12,253,818	13,160,095
Current income tax recoverable	121,114	253,999
Deferred income tax asset	-	173,988
Total assets	178,782,327	166,211,662
Liabilities and shareholder's equity		
Customer deposits	102,956,503	95,001,566
Balances due to banking institutions	4,365,100	8,245,199
Borrowed funds	23,316,087	19,845,915
Finance leases	67,311	110,283
Interest payable and other liabilities	9,714,617	7,653,968
Deferred Tax Liability	643,275	-
Total liabilities	141,062,893	130,856,931
Share capital	27,785,402	27,785,402
Retained earnings	8,124,360	6,328,138
Dividends Payable	256	256
Proposed Dividends	709,411	-
Other reserves	1,100,005	1,240,935
Total Equity	37,719,434	35,354,731
Total liabilities and shareholder's equity	178,782,327	166,211,662

Statement of Comprehensive Income	2017 Shs '000	2016 Shs '000
INCOME		
Interest on deposits and placements	817,977	1,455,090
Interest on loans and advances	33,287,903	31,064,446
Interest on marketable/trading securities	1,288,633	609,415
Foreign Exchange Income	125,120	143,427
Fees and commissions income	17,931,425	16,938,864
Other income	1,863,377	1,368,654
Total Income	55,314,435	51,579,896
EXPENDITURE		
Interest expense on deposits	5,564,619	5,748,519
Interest expense on borrowings	3,062,321	3,404,716
Provisions for bad and doubtful debts	3,909,047	2,769,781
Operating expenses	39,096,170	38,243,992
Total expenditure	51,632,157	50,167,008
Net profit before tax	3,682,278	1,412,888
Income tax expense	(1,307,810)	(385,999)
Net profits after tax	2,374,468	1,026,889
Other Comprehensive Income	(9,765)	11,982
Total Comprehensive Income	2,364,703	1,038,871

Highlights for the year 2017

Total assets grew by 8% from 166.21bn to shs 178.78bn	Net loans and advances increased by 4% from shs 106.2bn to shs 110.42bn	Deposits grew by 8% from shs 95.00bn to shs 102.96bn	Shareholders' equity went up by 7% from shs 35.35bn to shs 37.72bn	After tax profits more than doubled from shs 1.03bn to Shs 2.37bn
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Message from the Directors

The above summary statement of financial position and summary statement of comprehensive income were audited by PricewaterhouseCoopers Certified Public Accountants and received an unqualified opinion. The financial statements were approved by the Board of Directors on 21 March 2018 and approved by Bank of Uganda on 20 April 2018.

[Signature]

CHAIRPERSON, BOARD OF DIRECTORS

[Signature]

DIRECTOR

[Signature]

MANAGING DIRECTOR

[Signature]

COMPANY SECRETARY

Other Disclosures	2017 Shs '000	2016 Shs '000
Contingent Liabilities		
Acceptances and letters of credit	-	-
Guarantee and performance bonds	938,715	375,763
Total	938,715	375,763
Commitments		
Commitments to lend	812,368	892,690
Total	812,368	892,690
Non-performing loans and other assets	4,749,176	5,077,978
Interest in suspense	677,813	753,120
Bad debts written off	3,766,321	2,214,223
Insider loan exposures	1,507,178	1,724,813
Large loan exposures	-	-
Capital Position:		
Core capital	32,797,396	30,143,946
Supplementary Capital	1,099,345	1,056,743
Total qualifying capital	33,896,741	31,200,689
Total Risk Weighted Assets (RWA)	130,423,653	126,188,841
Core Capital to RWA	25.1%	23.9%
Total Qualifying Capital to RWA	26.0%	24.7%

