



Independent External Auditor's Report

The accompanying summary financial statements, which comprise the summary statement of financial position as at 31 December 2012 and the summary statement of comprehensive income, for the year then ended are derived from the audited financial statements of Uganda Finance Trust Limited (MDI) for the year ended 31 December 2012.

We expressed an unqualified audit opinion on those financial statements in our report dated 24th April 2013. Those financial statements and the summary financial statements do not reflect the effects of the events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards and in the manner required by the Ugandan Companies Act. Reading the summary financial statements therefore is not a substitute for reading the audited financial statements of Uganda Finance Trust Limited (MDI).

Directors' responsibilities for the Summary Financial Statements

The Directors are responsible for the preparation and fair presentation of a summary of the audited financial statements in accordance with the Financial Institutions (External Auditors) Regulations, 2010.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Uganda Finance Trust Limited (MDI) for the year ended 31 December 2012 are consistent, in all material respects, with those financial statements in accordance with the Financial Institutions (External Auditors) Regulations, 2010.

KPMG

KPMG
Certified Public Accountants
P.O.Box 3509
Kampala, Uganda
Date: 24th April 2013

Statement of Financial Position	2012 Shs '000	2011 Shs '000
Assets		
Cash and balances with BOU	50,000	50,000
Balances with banking institutions	8,008,757	3,816,479
Loans and advances (Net)	48,202,973	41,011,963
Interest receivable and other assets	3,924,960	3,773,623
Property and equipment	5,349,661	5,148,756
Tax recoverable	212,379	212,380
Deferred tax asset	297,828	-
Total assets	66,046,558	54,013,201
Liabilities and shareholder's equity		
Customer deposits	32,941,692	26,319,814
Borrowed funds	14,909,185	9,624,764
Interest payable and other liabilities	4,609,611	5,937,425
Deferred tax liability	-	63,246
Subordinated debt	3,005,570	3,017,736
Total liabilities	55,466,058	44,962,985
Share capital	8,585,402	5,868,500
Retained earnings	1,414,646	2,716,902
Reserves	580,452	464,814
Total Equity	10,580,500	9,050,216
Total liabilities and shareholder's equity	66,046,558	54,013,201

Statement of Comprehensive Income	2012 Shs '000	2011 Shs '000
INCOME		
Interest on deposits and placements	98,717	290,966
Interest on loans and advances	16,695,381	14,173,824
Fees and commissions income	8,047,132	6,134,397
Other income	1,880,312	932,090
Total Income	26,721,542	21,531,277
EXPENDITURE		
Interest expense on deposits	1,119,194	757,651
Interest expense on borrowings	3,200,428	2,308,810
Provisions for bad and doubtful debts	969,071	806,808
Operating expenses	11,594,024	9,230,798
Other expenses	8,669,614	6,664,387
Total expenditure	25,552,331	19,768,454
Net profit before tax	1,169,211	1,762,823
Income tax expense/credit	(361,073)	233,522
Net profits after tax	1,530,284	1,529,301

Other Disclosures	2012 Shs '000	2011 Shs '000
Non-performing loans and other assets	2,427,300	1,649,486
Interest in suspense	192,489	135,161
Bad debts written off	688,312	693,931
Insider loan exposures	292,627	85,549
Capital Position:		
Core capital	9,350,544	7,820,751
Supplementary Capital	4,357,760	3,943,267
Total qualifying capital	13,708,304	11,764,018
Total Risk Weighted Assets (RWA)	58,424,741	48,190,440
Core Capital to RWA	16.0%	16.2%
Total Qualifying Capital to RWA	23.5%	24.4%

Message from the directors

The above statements of financial position and statement of comprehensive income were audited by KPMG and received unqualified opinion. The financial statements were approved for issue by the Board of Directors on 25th March 2013 and discussed with Bank of Uganda on 19th April 2013.

C. N. N. N.

Board Chair

A. N. N. N.

Director

Highlights for the year 2012

- Total assets grew by 22.3% from 54.0bn to shs 66.0bn
- Net loans and advances increased by 17.5% from shs 41.0bn to shs 48.2bn
- Deposits grew by 25.1% from shs 26.3bn to shs 32.9bn
- Shareholders' equity went up by 16.9% from shs 9.1bn to shs 10.6bn
- After tax profits closed at shs 1.530bn close to the 2011 profit of shs 1.529bn

