

SUMMARISED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023.

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF FINCA UGANDA LIMITED (MDI)

OPINION

The summary financial statements, which comprise the summary statement of financial position as at 31st December 2023, the summary statement of profit or loss and other comprehensive income for the year then ended and other disclosures are derived from the audited financial statements of FINCA Uganda Limited (MDI) for the year ended 31st December 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the Financial Institution (External Auditors) Regulations, 2010 and the Microfinance Deposit-Taking Institution (MDI) Act, 2003 (as amended 2023).

SUMMARY FINANCIAL STATEMENTS

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), the Microfinance

Deposit-Taking Institution (MDI) Act, 2003 (as amended 2023) and the Companies Act, 2012 of Uganda.

Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our 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 27th March, 2024**. The report also includes 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 financial statements of the current period.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary financial statements in accordance with the Financial Institution (External Auditors) Regulations, 2010 and the Microfinance Deposit-Taking Institution (MDI) Act, 2003 (as amended 2023).

AUDITORS' 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 Standards on Auditing (ISA) 810 (Revised). "Engagements to Report on Summary Financial Statements."

KPMG
Certified Public Accountants of Uganda
3rd Floor, Rwenzori Courts,
Plot 2 & 4A, Nakasero Road,
P. O. Box 3509,
Kampala, Uganda.

Date: 27th March 2024

SUMMARY STATEMENT OF FINANCIAL POSITION AS OF 31ST DECEMBER 2023

	2023 Ushs' 000	2022 Ushs' 000
ASSETS		
Cash and bank balances	21,863,524	17,198,921
Deposits with other financial institutions	40,593,115	23,373,851
Loans and advances to customers	138,985,743	131,650,123
Government securities	1,496,625	4,517,304
Deposit with Bank of Uganda	202,629	179,328
Other assets	3,484,042	6,301,894
Property and equipment	20,611,625	18,754,575
Intangible assets	5,653,535	6,393,891
Total assets	232,890,838	208,369,887
LIABILITIES		
Customer deposits	122,790,117	109,744,648
Other liabilities	12,111,273	10,684,007
Amounts due to related parties	141,208	-
Deferred grants	987,441	856,182
Tax payable	76,204	-
Notes payable	43,477,605	36,724,575
Provisions	133,000	182,000
Income tax payable	-	234,975
Deferred tax liability	1,260,206	878,023
Total liabilities	180,977,054	159,304,410
Reserves		
Share Capital	13,893,324	13,893,324
Share Premium	6,795,620	6,795,620
Capital Fund	3,449,905	3,449,905
Proposed dividend	2,823,317	1,922,660
Regulatory reserve	4,195,065	4,005,855
Retained earnings	20,756,553	18,998,113
Total shareholders equity	51,913,784	49,065,477
Total liabilities and shareholders equity	232,890,838	208,369,887

OTHER DISCLOSURES - CAPITAL ADEQUACY

	2023 Ushs' 000	2022 Ushs' 000
Capital Position		
Core Capital	41,445,497	39,687,057
Supplementary Capital	4,716,760	4,676,602
Total Qualifying Capital	46,162,257	44,363,659
Total Risk Weighted Assets	176,853,568	167,775,252
Core Capital to RWA	23.43%	23.65%
Total Qualifying Capital to RWA	26.10%	26.44%

OTHER DISCLOSURES - CREDIT EXPOSURES

	2023 Ushs' 000	2022 Ushs' 000
Credit Exposures		
Non-performing loans and other assets	8,071,990	10,619,532
Interest in suspense	1,003,277	700,808
Bad debts written off	5,519,527	8,052,282
Insider loan exposures	-	42,390

Summary of Our Performance during the year 2023 compared to 2022

1. Net portfolio and Advances to customers increased by 5.6% (From Ugx. 131.7 Billion in 2022 to Ugx.138.9 Billion).
2. The Balance sheet size grew by 11.8% from Ugx. 208.4 Billion in 2022 to Ugx. 232.9 Billion in 2023 because of the growth in Gross Loans and Advances.
3. Shareholders' funds increased by 5.8% from Ugx. 49 Billion in 2022 to Ugx. 51.9 Billion in 2023 because of the growth in profitability during the year.

MESSAGE FROM DIRECTORS

The directors have the pleasure to share with you the summary audited financial statements for FINCA Uganda Limited (MDI) for the year ended 31st December 2023.

The above summary statement of financial position, summary statement of profit or loss and other comprehensive income and other disclosures were audited by KPMG and received an unqualified opinion.

The financial statements were approved by the Board of Directors on 26th February, 2024 and discussed with Bank of Uganda on 21st March 2024.

Olive Lumonya Birungi
 Board Chairperson

Claire Akampulira Ochienghs
 Head Legal & Company Secretary

James Onyutta
 Managing Director FINCA Uganda

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2023

	2023 Ushs' 000	2022 Ushs' 000
Interest income	62,221,027	54,959,703
Interest expense	(15,485,798)	(12,843,789)
Net Interest income	46,735,229	42,115,914
Fees and commission income	2,189,493	2,093,295
Fees and Commission expense	(257,936)	(198,051)
Net fee and commission income	1,931,557	1,895,244
Other income	3,155,828	3,570,196
Grant income	1,006,545	618,834
Net operating income	52,829,159	48,200,188
Employee benefit expense	(21,557,248)	(19,199,914)
Other operating expenses	(17,916,149)	(16,676,708)
Grant expenses	(98,958)	(304,840)
Impairment losses on loans and advances	(5,982,788)	(6,682,641)
Finance costs	(475,723)	(417,814)
Profit before tax	6,798,293	4,918,271
Tax Charge	(2,027,326)	(1,735,891)
Profit for the year	4,770,967	3,182,380
Other comprehensive income	-	-
Total comprehensive income	4,770,967	3,182,380

