

1. REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF TROPICAL BANK LIMITED
Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2023, the summary statement of comprehensive income for the year then ended, and related notes, are derived from the audited financial statements of Tropical Bank Limited for the year ended 31 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 Institutions (External Auditors) Regulations, 2010.

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, the requirements of the Companies Act, 2012, the Financial Institutions Act, 2004 (as amended) and Financial Institutions Regulations of Uganda. 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 summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 29 April 2024. 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 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 Institutions (External Auditors) Regulations, 2010.

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 Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Ernst & Young
Ernst & Young

Certified Public Accountants
 Plot 18 Clement Hill Road
 P.O. Box 7215, Kampala, Uganda
 Kampala, Uganda
 29 April 2024

2. SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	2023 Ushs '000	2022 Ushs '000
Assets		
Cash and balances with Bank of Uganda	30,730,546	46,205,615
Balances with banking institutions	60,895,107	20,789,066
Due from parent/ group companies	105,415,269	6,657,571
Investment Securities	49,328,533	60,038,444
Loans and advances (Net)	111,118,065	118,876,541
Interest receivable and Other assets	12,082,318	11,785,914
Property and equipment	14,227,399	16,395,191
Current tax recoverable	281,718	281,718
Total assets	384,078,955	281,030,060
Liabilities and shareholders' equity		
Liabilities		
Customers' deposits	198,369,519	182,023,966
Due to the parent/ group companies	85,162,500	-
Interest payables and other liabilities	16,764,065	19,751,169
Deferred tax liability	3,088,218	4,372,557
Total liabilities	303,384,302	206,147,692
Shareholders' equity		
Share capital	88,178,500	88,178,500
Accumulated losses	(33,433,652)	(42,289,092)
Reserves	25,949,805	28,992,960
Total shareholders' equity	80,694,653	74,882,368
Total liabilities and shareholders' equity	384,078,955	281,030,060

3. SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 Ushs '000	2022 Ushs '000
Income		
Interest on deposits and placements	4,324,501	2,519,203
Interest on loans and advances	24,535,027	20,317,631
Interest on investment securities	6,671,416	5,771,999
Foreign exchange income	165,914	228,580
Fee and commission income	4,966,998	5,345,731
Other income	702,340	1,312,601
Total income	41,366,196	35,495,745
Expenditure		
Interest expense on deposits	(6,893,171)	(5,364,098)
Other interest expense	(57,075)	(88,979)
Provision for bad and doubtful debts	(1,564,087)	4,679,714
Operating expenses	(26,989,634)	(26,139,013)
Total expenditure	(35,503,967)	(26,912,376)
Profit before income tax	5,862,229	8,583,369
Income tax charge	(49,944)	(1,154,400)
Profit for the year	5,812,285	7,428,969
Other comprehensive income net of tax	-	-
Total comprehensive income for the year	5,812,285	7,428,969

4. OTHER DISCLOSURES

	2023 Ushs '000	2022 Ushs '000
Contingent liabilities		
Letters of credit	2,271,000	2,333,020
Guarantees and performance bonds	7,998,576	2,786,352
Total	10,269,576	5,119,372
Commitments		
Undrawn credit lines	14,293,208	6,137,978
Total	14,293,208	6,137,978
Non-performing loans and other assets	13,967,423	26,613,636
Interest in suspense	903,667	3,613,907
Bad debts written off	7,553,131	5,981,426
Large exposures	40,596,699	56,286,479
Insider loan exposures	2,609,151	5,920,322
Capital Position		
Core capital	62,049,247	54,323,516
Supplementary capital	8,278,711	11,329,108
Total Qualifying Capital	70,327,958	65,652,624
Total Risk Weighted Assets (RWA)	259,937,397	153,686,271
Core Capital to RWA	23.87%	35.35%
Total Qualifying Capital to RWA	27.06%	42.72%

5. NOTES TO THE SUMMARY FINANCIAL STATEMENTS OF TROPICAL BANK LIMITED

The summary financial statements are extracted from the audited financial statements in accordance with the Financial Institutions (External Auditors) Regulations, 2010.

6. MESSAGE FROM DIRECTORS

The above summary statement of financial position and summary statement of comprehensive income were audited by Ernst & Young Certified Public Accountants and received an unqualified opinion. The financial statements were approved by the Board of Directors on 28 March 2024 and discussed with Bank of Uganda on 19 April 2024.


Joweria Mukalazi
 Ag. Executive Director


Ibrahim Senyonga Atwoki
 Chairman


Abdulaziz Mohamed A. Mansur
 Managing Director

TROPICAL BANK LIMITED

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BRANCH NETWORK

- Kampala Main Branch, 27 Kampala Road
- Mukono Branch C/O
- Ntinda Branch, 1 Kimera Road, Ntinda
- Jinja Branch, 17 Main Street, Jinja
- Kawempe Branch, 3144, Kawempe
- Masaka Branch, 2 Birch Avenue Masaka
- Oasis Branch, Yusuf Lule Road
- Kakira Branch, Kakira Works (1985) Ltd Estate

Tropical Bank Limited (Licence Number A1.015) is a supervised financial institution that is regulated by Bank of Uganda. Customer Deposits are protected by Protection Fund of upto US\$ 10 Million.