



# UGANDA PILLAR 3 REPORT

period ended 31st December 2023

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## DIS01: Key Prudential Metrics

**Purpose:** Provide an overview of a SFI's prudential regulatory metrics.

**Content:** Key prudential metrics related to regulatory capital, leverage ratio and liquidity standards. SFIs are required to disclose each metric's value using the corresponding standard's specifications for the reporting period-end (designated by T in the template below) as well as the four previous quarter-end figures (T-1 to T-4).

All metrics are intended to reflect actual bank values for (T)

**Frequency:** Quarterly.

**Accompanying narrative:** SFIs are expected to supplement the template with a narrative commentary to explain any significant change in each metric's value compared with previous quarters, including the key drivers of such changes (eg whether the changes are due to changes in the regulatory framework, group structure or business model).

		a	b	c	d	e
		Dec-23	Sep-23	Jun-23	Mar-23	Dec-22
		T	T-1	T-2	T-3	T-4
<b>Available capital (amounts)</b>						
1	Core capital	134,735,059,654	132,923,565,959	129,596,170,304	123,844,582,680	109,813,442,486
2	Supplementary capital	2,697,063,379	2,381,213,077	2,446,469,960	2,296,490,493	2,228,792,000
3	Total capital	137,432,123,033	135,304,779,036	132,042,640,264	126,141,073,172	112,042,234,486
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	453,825,471,457	423,397,811,288	472,705,586,661	361,235,137,546	346,789,052,801
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Core capital ratio (%)	30%	31%	27%	34%	32%
6	Total capital ratio (%)	30%	32%	28%	35%	32%
<b>Capital buffer requirements as a percentage of RWA</b>						
7	Capital conservation buffer requirement (2.5%)	2.50%	2.50%	2.50%	2.50%	2.50%
8	Countercyclical buffer requirement (%)	-	-	-	-	-
9	Systemic buffer (for DSIBs) (%)	-	-	-	-	-
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 (%)	15.28%	16.96%	12.93%	19.92%	17.31%
<b>Basel III leverage ratio</b>						
13	Total Basel III leverage ratio exposure measure	984,399,053,428	905,040,077,836	966,140,915,539	825,962,732,884	881,515,680,832
14	Basel III leverage ratio (%) (row 1 / row 13)	14%	15%	13%	15%	12%

		a	b	c	d	e
		Dec-23	Sep-23	Jun-23	Mar-23	Dec-22
		T	T-1	T-2	T-3	T-4
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA)	119,894,206,912	115,571,056,779	93,381,612,635	100,757,585,136	126,510,332,934
16	Total net cash outflow	74,808,610,946	93,258,855,543	28,193,093,727	73,043,354,793	53,455,705,713
17	LCR (%)	160%	124%	331%	138%	237%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	672,964,362,141	596,934,184,324	672,439,531,653	575,794,957,522	580,532,385,013
19	Total required stable funding	499,261,346,677	434,952,053,736	489,174,358,429	395,823,603,729	328,771,043,186
20	NSFR	135%	137%	137%	145%	177%

#### Instructions

Row number	Explanation
13	Total Basel III leverage ratio exposure measure = This is the sum of Total assets and total off-balance sheet items used in the computation of the leverage ratio.
15	Total HQLA: As per Financial Institutions (Liquidity) Regulations 2022
16	Total net cash outflow: As per Financial Institutions (Liquidity) Regulations 2022

## DIS02: Risk management approach

Purpose: Description of the SFI's strategy and how senior management and the board of directors assess and manage risks, enabling users to gain a clear understanding of the SFI's risk tolerance/appetite in relation to its main activities and all significant risks.
Scope of application: The template is mandatory for all SFIs.
Content: Qualitative information.
Frequency: Annual.
SFIs must describe their risk management objectives and policies, in particular:
a.) The risk governance structure: responsibilities attributed throughout the SFI (eg oversight and delegation of authority; breakdown of responsibilities by type of risk, business unit etc); relationships between the structures involved in risk management processes (eg board of directors, executive management, separate risk committee, risk management structure, compliance function, internal audit function).
b.) Channels to communicate, decline and enforce the risk culture within the SFI (eg code of conduct; manuals containing operating limits or procedures to treat violations or breaches of risk thresholds; procedures to raise and share risk issues between business lines and risk functions).
c.) Description of the process of risk information reporting provided to the board and senior management, in particular the scope and main content of reporting on risk exposure.
d.) Qualitative information on stress testing (eg portfolios subject to stress testing, scenarios adopted and methodologies used, and use of stress testing in risk management).
e.) The strategies and processes to manage, hedge and mitigate risks that arise from the SFI's business model and the processes for monitoring the continuing effectiveness of hedges and mitigants.

Click here to learn more about

[Risk Management Approach – NCBA Uganda](#)

## DIS03: Overview of RWA

<b>Purpose:</b> Provide an overview of total RWA forming the denominator of the risk-based capital requirements.
<b>Scope of application:</b> The template is mandatory for all banks.
<b>Content:</b> Risk-weighted assets and capital requirements under Pillar 1. Pillar 2 requirements should not be included.
<b>Frequency:</b> Quarterly.
<b>Accompanying narrative:</b> Banks are expected to identify and explain the drivers behind differences in reporting periods T and T-1 where these differences are significant.
When minimum capital requirements in column (c) do not correspond to 12% of RWA in column (a), banks must explain the adjustments made.

		a	b	c	
		RWA		Minimum capital requirements	
		Dec-23	Sep-23	Dec-23	
		T	T-1	T	
1	Credit risk (excluding counterparty credit risk)	380,345,856,113	359,787,719,209	47,543,232,014	12.5%
2	Counterparty credit risk (CCR)	-	-	-	
3	Market risk	40,743,737,654	38,955,849,205	5,092,967,207	
4	Operational risk	32,735,877,690	24,654,242,874	4,091,984,711	
5	Total (1 + 2 + 3 + 4)	453,825,471,457	423,397,811,288	56,728,183,932	

### Definitions and instructions

**RWA:** risk-weighted assets according to Part A of the BS100B

**RWA (T-1):** risk-weighted assets as reported in the previous Pillar 3 report (ie at the end of the previous quarter).

**Minimum capital requirement T:** Pillar 1 capital requirements at the reporting date i.e.12% of RWA.

Row number	Explanation
1	Credit risk (excluding counterparty credit risk): RWA and capital requirements according to the credit risk framework reported in the BS100A;
2	Counterparty credit risk: RWA and capital charges according to the counterparty credit risk framework, as reported in the BS100A.
3	Market risk: the amounts reported correspond to the RWA and capital requirements in the BS100B(I).
4	Operational risk: the amounts corresponding to the Pillar 1 requirements in the BS100B(II)

Linkages across templates

Amount in [DIS01:cell E17] is equal to [DIS03:cell E18]

Amount in [DIS01:cell F17 ] is equal to DIS03: cell F18

## DIS04 – Composition of regulatory capital

<b>Purpose:</b> Provide a breakdown of the constituent elements of a SFI's capital.
<b>Scope of application:</b> The template is mandatory for all SFIs
<b>Frequency:</b> Semiannual.
<b>Accompanying narrative:</b> SFIs are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such change.

	Common Equity Tier 1 Capital: Instruments And Reserves	Amounts
1	Permanent Shareholders Equity (Issued and fully paid-up common shares)	150,883,302,177
2	Share Premium	-
3	Retained Earnings	3,879,343,000
4	Net After Tax Profits Current Year-To Date (50% Only)	15,318,812,789
5	General Reserves (Permanent, Unencumbered and able to absorb losses)	-
<b>6</b>	<b>Tier 1 Capital before regulatory adjustments</b>	<b>170,081,457,965</b>
	<b>Tier 1 Capital: Regulatory Adjustments</b>	
8	Goodwill and Other Intangible Assets	(2,457,481,204)
9	Current Year's Losses	-
10	Investments In Unconsolidated Financial Subsidiaries	-
12	Deficiencies In Provisions For Losses	-
14	Other Deductions Determined By The Central Bank	(31,572,654,790)
26	Other Deductions Determined By The Central Bank	(1,316,262,318)
<b>28</b>	<b>Total Regulatory Adjustments To Tier 1 Capital</b>	<b>(35,346,398,311)</b>
<b>29</b>	<b>Tier 1 Capital</b>	<b>134,735,059,654</b>
	<b>Tier 2 Capital: Supplementary Capital</b>	
46	Revaluation Reserves On Fixed Assets	-
47	Unencumbered General Provisions For Losses (Not To Exceed 1.25% Of Rwa)	2,697,063,379
48	Hybrid Capital Instruments	-
49	Subordinated Debt (Not To Exceed 50% Of Core Capital Subject To A Discount Factor)	-
<b>58</b>	<b>Tier 2 Capital</b>	<b>2,697,063,379</b>
<b>59</b>	<b>Total Regulatory Capital (= Tier 1 + Tier2)</b>	<b>137,432,123,033</b>
<b>60</b>	<b>Total Risk-Weighted Assets</b>	<b>453,825,471,457</b>
	<b>Capital Adequacy Ratios And Buffers</b>	
61	Tier 1 Capital (As A Percentage Of Risk-Weighted Assets)	29.69%
63	Total Capital (As A Percentage Of Risk-Weighted Assets)	30.28%
64	Total Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus systemic buffer, expressed as a percentage of risk-weighted assets)	2.72%
65	Of Which: Capital Conservation Buffer Requirement	2.50%
66	Of Which: Countercyclical Buffer Requirement	-
67	Of Which: Bank Specific Systemic Buffer Requirement	0.22%
68	Tier 1 Capital (As A Percentage Of Risk-Weighted Assets) Available After Meeting The Bank's Minimum Capital Requirements	26.97%
	<b>Minimum Statutory Ratio Requirements</b>	
70	Tier 1 Capital Adequacy Ratio	12.5%
71	Total Capital Adequacy Ratio	14.5%

### Instructions

- i) Shading: Each dark grey row introduces a new section detailing a certain component of regulatory capital. Light blue rows represent the sum cells in the relevant section. Light grey rows show the main components of regulatory capital and the capital adequacy ratios.

## DIS05: Asset Quality

**Purpose:** Provide a comprehensive picture of the credit quality of a SFI's (on- and off-balance sheet) assets.

**Scope of application:** The template is mandatory for all SFIs.

**Frequency:** Semi-annual.

		Gross carrying values of		Provisions as per FIA2004/ MDIA2003		Interest in suspense	Net values (FIA/ MDIA) (a+b-d-e)
		Defaulted exposures	Non-defaulted exposures	Specific	General		
1	Loans and advances	18,001,664,660	264,609,280,540	11,401,909,887	2,697,063,379	1,502,697,416	269,706,337,897
2	Debt Securities	-	-	-	-	-	-
3	Off-balance sheet exposures	1,324,242,822	60,278,190,174	-	-	-	61,602,432,996
4	Total	19,325,907,482	324,887,470,715	11,401,909,887	2,697,063,379	1,502,697,416	331,308,770,893

### Definitions

Gross carrying values: on- and off-balance sheet items that give rise to a credit risk exposure. On-balance sheet items include loans and debt securities. Off-balance sheet items must be measured according to the following criteria: (a) guarantees given – the maximum amount that the SFI would have to pay if the guarantee were called. The amount must be gross of any credit conversion factor (CCF) or credit risk mitigation (CRM) techniques. (b) Irrevocable loan commitments – total amount that the SFI has committed to lend. The amount must be gross of any CCF or CRM techniques. Revocable loan commitments must not be included. The gross value is the accounting value before any allowance/impairments but after considering write-offs. SFIs must not take into account any credit risk mitigation technique.

Write-offs for the purpose of this template are related to a direct reduction of the carrying amount when the entity has no reasonable expectations of recovery.

Defaulted exposures: SFIs should use the definition of default in accordance with the FIA2004/MDIA2003 requirements.

Non-defaulted exposures: any exposure which is not in default in accordance with FIA2004/MDIA2003 requirements

Accounting provisions for credit losses: total amount of provisions, specific and general as per FIA2004/MDIA2003 requirements

Net values: Total gross value less provisions and interest in suspense.

Debt securities: Debt securities exclude equity investments subject to the credit risk framework.

## DIS06: Changes in stock of defaulted loans and securities

<b>Purpose:</b> Identify the changes in a SFI's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.
<b>Scope of application:</b> The template is mandatory for all SFIs.
<b>Content:</b> Off-balance sheet exposures should be included.
<b>Frequency:</b> Semiannual.
<b>Accompanying narrative:</b> SFIs should explain the drivers of any significant changes in the amounts of defaulted exposures from the previous reporting period and any significant movement between defaulted and non-defaulted loans.

1	Defaulted loans & advances, debt securities and off balance sheet exposures at end of the previous reporting period June 2023	17,702,845,568
2	Loans and debt securities that have defaulted since the last reporting period	15,639,668,650
3	Returned to non-defaulted status	4,015,038,592
4	Amounts written off	8,762,751,074
5	Other changes	(2,563,059,892)
6	Defaulted loans & advances, debt securities and off balance sheet exposures at end of the reporting period December 2023	18,001,664,660
	(1+2-3-4+5)	

### Definitions

Defaulted exposure: such exposures must be reported net of write-offs and gross of (ie ignoring) provisions.

Loans& advances, debt securities and off balance sheet items that have defaulted since the last reporting period: refers to any loan, advance, debt security or off balance sheet item that became marked as defaulted during the reporting period.

Return to non-defaulted status: refers to loans or debt securities that returned to non-default status during the reporting period.

Amounts written off: both total and partial write-offs.

Other changes: any items not covered under 1-4 above

## DIS07: Qualitative disclosure on SFIs' use of external credit ratings under the standardised

### approach for credit risk

Purpose: Qualitative data on the use of external ratings under standardized approach for credit risk
Scope of application: The table is mandatory for all SFIs
In order to provide meaningful information to users, the SFI may choose not to disclose the information requested in the table if the exposures and RWA amounts are negligible. It is however required to explain why it considers the information not to be meaningful to users, including a description of the portfolios concerned and the aggregate total RWA these portfolios represent.
Content: Qualitative information.
Frequency: Annual.

A. SFIs must disclose the following information:

- (a) Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) used by the SFIs, and the reasons for any changes over the reporting period;
- (b) The asset classes for which each ECAI or ECA is used;

The bank is yet to use an external credit rating agency for credit risk assessment for its customers





## CONTACT US

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