



UGAFODE MICROFINANCE LIMITED (MDI)

**PILLAR 3 MARKET DISCIPLINE DISCLOSURES REPORT FOR THE PERIOD ENDED
30TH JUNE 2024**

The Report

Disclosures in this report are made in accordance with the Bank of Uganda Pillar 3 Market Discipline guidelines on disclosures.

All amounts are in thousand Ugandan shillings unless otherwise stated.

Board Attestation

The Board attests that the Pillar 3 Market Discipline Disclosure Reports for Quarter 2 2024 have been prepared in accordance with the Board-agreed internal control processes.



Ruth Doreen Mutebe
Board Chairperson



Shafi Nambobi
Chief Executive Officer

1.0 DIS01: KEY PRUDENTIAL METRICS

The following key prudential regulatory metrics are shown in the table below.

Frequency: Quarterly.						
	Ushs ("000")	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
Available capital (amounts)						
1	Core capital	24,513,277	23,667,841	20,624,151	20,170,852	19,577,900
2	Supplementary capital	1,825,783	1,799,288	1,763,586	1,679,002	1,609,783
3	Total capital	26,339,059	25,467,129	22,387,737	21,849,853	21,187,683
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	143,946,953	139,014,545	133,378,867	114,921,950	107,435,284
Risk-based capital ratios as a percentage of RWA						
5	Core capital ratio (%)	17%	17%	15%	18%	18%
6	Total capital ratio (%)	18%	18%	17%	19%	20%
Capital buffer requirements as a percentage of RWA						
7	Capital conservation buffer requirement (2.5%)	2.5%	2.5%	2.5%	2.5%	2.5%
8	Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
9	Systemic buffer (for DSIBs) (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Total of capital buffer requirements (%) (row 7 + row 8 + row 9)	2.5%	2.5%	2.5%	2.5%	2.5%
11	Core capital available after meeting the bank's minimum capital requirements (%)	0%	0%	-2%	0%	1%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	136,212,625	132,817,642	127,684,729	122,911,281	117,259,745
14	Basel III leverage ratio (%) (row 1 / row 13)	18%	18%	16%	16%	17%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA)	8,293,372	6,327,519	5,780,208	2,842,555	2,695,188
16	Total net cash outflow	5,469,257	11,482,682	9,088,911	1,329,625	2,703,678
17	LCR (%)	152%	55%	64%	214%	100%
Net Stable Funding Ratio						
18	Total available stable funding	93,613,147	93,021,874	87,908,795	86,896,526	88,112,215
19	Total required stable funding	107,847,728	104,903,544	87,350,868	87,350,868	82,975,280
20	NSFR	87%	89%	101%	99%	106%

2.0 DIS03: OVERVIEW OF RWA

The table below is an overview of RWA and Minimum Capital Requirements

Frequency: Quarterly.					
		a	b	c	
		RWA		Minimum capital requirements	
		Jun-24	Mar-24	Jun-24	
1	Credit risk (excluding counterparty credit risk)	118,786,687	114,921,923	25,859,514	
2	Counterparty credit risk (CCR)	0	0		
3	Market risk	0	0		
4	Operational risk	25,160,266	24,092,623	3,020,440	
5	Total (1 + 2 + 3 + 4)	143,946,953	139,014,545	28,879,954	

3.0 DIS04: COMPOSITION OF REGULATORY CAPITAL

Frequency: Semiannual.				
		Jun-24	Dec-23	
		Amounts	Amounts	
Common Equity Tier 1 capital: instruments and reserves				
1	Permanent shareholders equity (issued and fully paid-up common shares)	10,000,000	10,000,000	
2	Share premium	6,392,246	6,392,246	
3	Retained earnings	6,734,832	1,693,476	
4	Net after tax profits current year-to date (50% only)	1,386,198	2,538,429	
5	General reserves (permanent, unencumbered and able to absorb losses)	-	-	
6	Tier 1 capital before regulatory adjustments	24,513,277	20,624,151	
Tier 1 capital: regulatory adjustments		24,513,277	20,624,151	
8	Goodwill and other intangible assets	0	0	

9	Current year's losses	0	0
10	investments in unconsolidated financial subsidiaries	0	0
12	deficiencies in provisions for losses	0	0
14	Other deductions determined by the Central bank	0	0
26	Other deductions determined by the Central bank	0	0
28	Total regulatory adjustments to Tier 1 capital	0	0
29	Tier 1 capital	24,513,277	20,624,151
	Tier 2 capital: Supplementary capital		
46	Revaluation reserves on fixed assets	0	0
47	<i>Unencumbered general provisions for losses (not to exceed 1.25% of RWA)</i>	953,043	890,846
48	Hybrid capital instruments	872,739	872,739
49	<i>Subordinated debt (not to exceed 50% of core capital subject to a discount factor)</i>	0	0
58	Tier 2 capital	1,825,783	1,763,586
59	Total regulatory capital (= Tier 1 + Tier2)	26,339,059	22,387,737
60	Total risk-weighted assets	143,946,953	106,981,904
	Capital adequacy ratios and buffers		
61	Tier 1 capital (as a percentage of risk-weighted assets)	17%	19%
63	Total capital (as a percentage of risk-weighted assets)	18%	21%
64	Total Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus systemic buffer, expressed as a percentage of risk-weighted assets)	3%	3%
65	Of which: capital conservation buffer requirement	2.5%	2.5%
66	Of which: countercyclical buffer requirement	0	0
67	Of which: bank specific systemic buffer requirement	0.0%	0.0%
68	Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	3.0%	1.3%
	Minimum statutory ratio requirements		

70	Tier 1 capital adequacy ratio	15%	15%
71	Total capital adequacy ratio	20%	20%

4.0 DIS05: Asset Quality

Frequency: Semi-annual.							
		a	b	d	e	f	g
		Gross carrying values of		Provisions as per FIA2004/MDIA2003		Interest in suspense	Net values (FIA/MDIA) (a+b-d-e)
				Specific	General		
		Defaulted exposures	Non-defaulted exposures				
1	Loans and advances	2,039,862	101,560,035	2,678,671	975,499	324,253	99,945,727
2	Debt	0	0	0	0	0	0
	Securities						
3	Off-balance sheet exposures	0	0	0	0	0	0
4	Total	2,039,862	101,560,035	2,678,671	975,499	324,253	99,945,727

5.0 DIS06: Changes in stock of defaulted loans and debt securities

Frequency: Semiannual.		
		Jun-24
1	Defaulted loans & advances, debt securities and off balance sheet exposures at end of the previous reporting period	1,748,423
2	Loans and debt securities that have defaulted since the last reporting period	1,741,053
3	Returned to non-defaulted status	248,482
4	Amounts written off	1,201,132
5	Other changes	0
6	Defaulted loans & advances, debt securities and off balance sheet exposures at end of the reporting period (1+2-3-4+5)	2,039,862