PostBank

PILLAR 3
MARKET DISCLOSURE REPORT

30th June 2024

Grow.Prosper

DIS01: Key Prudential Metrics

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

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

Content: Key pruden tial 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.

		A	B	C	D	E
	Amount Ushs' 000	**Jun-24**	**Mar-24**	**Dec-23**	**Sep-23**	**Jun-23**
	Available capital (amounts)					
1	Core capital	153,145,750	144,435,018	141,829,075	123,268,255	126,189,710
2	Supplementary capital	9,474,525	9,228,510	8,921,856	8,512,971	7,999,221
3	Total capital	162,620,275	153,663,528	150,750,931	131,781,226	134,188,931
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	781,189,502	713,507,356	739,304,062	664,176,958	641,175,198
	Risk-based capital ratios as a percentage of RWA					
5	Core capital ratio (%)	19.61%	20.24%	19.18%	18.56%	19.68%
6	Total capital ratio (%)	20.82%	21.54%	20.39%	19.84%	20.93%
	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 (%)					
9	Systemic buffer (for DSIBs) (%)					
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 (%)	7.11%	7.74%	6.68%	6.06%	7.18%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	1,492,834,249	1,097,307,310	1,087,861,293	1,224,393,113	1,302,984,116
14	Basel III leverage ratio (%) (row 1 / row 13)	10.26%	13.16%	13.04%	10.07%	9.68%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA)	120,333,255	157,685,360	144,580,712	153,540,737	132,770,811
16	Total net cash outflow	26,269,519	122,665,222	88,271,423	150,905,247	39,682,014
17	LCR (%)	458%	129%	164%	102%	335%

Accompanying narrative for significant changes in the quarter

Row Number	**Explanation**
3	***Growth in total capital was driven by growth in retained earnings from prior year & a capital injection from the shareholder.***
16	***The movement was majorly driven by the term deposits maturing in 30 days.***

DIS03: Overview of RWA

Purpose: Provide an overview of total RWA forming the denominator of the risk-based capital requirements.

Scope of application: The template is mandatory for all banks.

Content: Risk-weighted assets and capital requirements under Pillar 1. Pillar 2 requirements should not be included.

Frequency: Quarterly.

		A	B	C
Amount Ushs' 000		**RWA**		**Minimum capital requirements**
		Jun-24	**Mar-24**	**T**
1	Credit risk (excluding counterparty credit risk)	707,080,036	668,859,663	84,849,604
2	Counterparty credit risk (CCR)	30,336,065	5,257,925	3,640,328
3	Market risk	6,409,222	5,436,255	769,107
4	Operational risk	37,364,179	33,953,513	4,483,701
5	Total (1 + 2 + 3 + 4)	**781,189,502**	**713,507,356**	**93,742,740**

Should not be less than 12% of total RWA

Accompanying narrative for significant changes in the quarter

Row Number	Explanation
1	***Credit risk: Growth in capital charge is attributed to the growth in the bank's loan book in the period.***
3	***Market risk: Growth in capital charge is driven by the increase in the USD holding***

DIS04: Composition of regulatory capital.

Purpose: Provide a breakdown of the constituent elements of a SFI's capital.

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

Frequency: Semiannual..

		A
	COMMON EQUITY TIER 1 CAPITAL: INSTRUMENTS AND RESERVES	**Amount Ushs' 000**
1	Permanent shareholders equity (issued and fully paid-up common shares)	159,907,110
2	Share premium	
3	Retained earnings	2,886,682
4	Net after tax profits current year-to date (50% only)	6,945,315
5	**General reserves (permanent, unencumbered and able to absorb losses)**	
6	**Tier 1 capital before regulatory adjustments**	**169,739,107**
	Tier 1 capital: regulatory adjustments	
8	Goodwill and other intangible assets	16,591,774
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	
26	Other deductions determined by the Central bank	1,583
28	Total regulatory adjustments to Tier 1 capital	16,593,357
29	**Tier 1 capital**	**153,145,750**
	Tier 2 capital: Supplementary capital	
46	Revaluation reserves on fixed assets	2,808,426
47	Unencumbered general provisions for losses (not to exceed 1.25% of RWA)	6,666,099
48	**Hybrid capital instruments**	
49	Subordinated debt (not to exceed 50% of core capital subject to a discount factor)	
58	Tier 2 capital	9,474,525
59	**Total regulatory capital (= Tier 1 + Tier2)**	**162,620,275**
60	**Total risk-weighted assets**	781,189,502
	Capital adequacy ratios and buffers	
61	Tier 1 capital (as a percentage of risk-weighted assets)	20%
63	Total capital (as a percentage of risk-weighted assets)	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)	19,529,738
65	Of which: capital conservation buffer requirement	19,529,738
66	Of which: countercyclical buffer requirement	
67	Of which: bank specific systemic buffer requirement	
68	**Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements**	1%
	Minimum statutory ratio requirements	
70	Tier 1 capital adequacy ratio	19.61%
71	Total capital adequacy ratio	20.82%

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.

		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)
	Amount Ushs' 000	Defaulted exposures	Non-defaulted exposures	Specific	General		
1	Loans and advances	144,766,133	539,042,690	10,653,847	6,666,100	6,544,932	659,943,945
2	Debt						
	Securities						
3	Off-balance sheet expo-sures		9,650,513				9,650,513
4	**Total**	**144,766,133**	**548,693,203**	**10,653,847**	**6,666,100**	**6,544,932**	**669,594,458**

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 debt securities

Purpose: 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.

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

Content: Off-balance sheet exposures should be included.

Frequency: Semiannual.

	Amount Ushs' 000	A	Accompanying Narratives
1	**Defaulted loans & advances, debt securities and off balance sheet exposures at end of the previous reporting period**	**134,352,413**	
2	Loans and debt securities that have defaulted since the last reporting period	67,355,526	The movement is as a result of loan accounts moving from performing to Non performing.
3	Returned to non-defaulted status	51,944,857	
4	Amounts written off	4,996,949	
5	Other changes	-	
6	**Defaulted loans & advances, debt securities and off balance sheet exposures at end of the reporting period** (1+2-3-4+5)	**144,766,133**	

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.

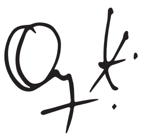
Amounts written off: Both total and partial write-offs.

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

Qualitative disclosure on PostBank Uganda use of external credit ratings under the standardized approach for credit risk

The Bank does not use an external credit rating agency for credit risk assessment for now.

In accordance with PostBank Uganda's Risk Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3), I hereby attest that to the best of my knowledge, the disclosures contained in this Pillar 3 Disclosures report for the financial period ended 30th June 2024 are consistent with the way the Bank assesses and manages its risk and are not misleading in any way.



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