BRAC Uganda Bank Ltd

Basel II-Pillar 3-Market Disclosures

Period ended 30th June 2026

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DIS01- Key Prudential Metrics

		Jun-26	Mar-26	Dec-25	Sep-25	Jun-25
	Available capital (amounts)					
1	Core capital	53,115,038	50,169,508	51,068,568	49,822,426	51,248,273
2	Supplementary capital	2,542,979	2,563,733	2,723,167	2,607,948	2,550,802
3	Total capital	55,658,017	52,733,241	53,791,735	52,430,374	53,799,075
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	254,732,241	254,387,005	269,130,891	257,247,662	244,022,870
	Risk-based capital ratios as a percentage of RWA					
5	Core capital ratio (%)	20.9%	19.7%	19.0%	19.4%	21.0%
6	Total capital ratio (%)	21.8%	20.7%	20.0%	20.4%	22.0%
	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	Bank of Uganda Pillar 2 Capital Add-on (0.19%)	0.19%				
11	Total of capital buffer requirements (%) (row 7 + row 8 + row 9+ row 10)	2.69%	2.5%	2.5%	2.5%	2.5%
12	Core capital available after meeting the bank's minimum	8.2%	7.2%	6.5%	6.9%	8.5%

		Jun-26	Mar-26	Dec-25	Sep-25	Jun-25
	capital requirements (%)					
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	363,170,855	354,916,909	325,239,109	337,353,583	302,193,729
14	Basel III leverage ratio (%) (row 1 / row 13)	14.6%	14.1%	15.7%	14.8%	17.0%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA)	20,419,522	19,380,884	11,519,163	12,084,219	10,976,291
16	Total net cash outflow	8,058,762	5,552,039	7,237,490	7,163,834	6,281,033
17	LCR (%)	253.4%	349.1%	159.2%	168.7%	174.8%
	Net Stable Funding Ratio					
18	Total available stable funding	232,254,196	229,745,654	215,383,015	214,011,722	203,614,446
19	Total required stable funding	132,071,942	127,528,474	120,359,155	110,207,044	87,282,912
20	NSFR	175.9%	180.2%	179.0%	194.2%	233.3%

***Note**:*

a) December 2025 figures have been updated to reflect audited figures for 2025.

b) The Risk-Weighted Assets, Core and Total Capital ratios include Credit Risk, Market Risk and Operational Risk as per Basel II guidelines.

i. BRAC Uganda Bank Ltd remains well-capitalized, maintaining both core and total capital levels above the buffered Tier 1 and Tier 2 capital adequacy requirements. As of June 2026, the Bank's surplus core capital increased to 8.2% from 7.2% in March 2026. This improvement was mainly driven by a higher 5.9% (UGX 2.9Bn) increase in core capital compared to a 0.14% (UGX 345.2Mn) increase in risk-weighted assets.

This excess capital provides a robust capital buffer sufficient to absorb potential shocks under severe stress conditions and to support sustainable business growth in line with our strategic objectives.

ii. An increase in the Basel III leverage ratio was attributed to a 5.9% (UGX 2.9Bn) growth in core capital compared to a 2.3% (UGX 8.2Bn) growth in total assets.

iii. The decline in the NSFR from 180.2% to 175.9% is attributed to the faster growth in required stable funding relative to available stable funding. Nevertheless, the ratio remains comfortably above the minimum regulatory threshold of 100%, indicating that the Bank continues to maintain adequate stable funding to support its asset base and business activities.

iv. The Liquidity Coverage Ratio (LCR) stands at 253.4%, surpassing the regulatory benchmark of 100%. This demonstrates the bank's strong ability to meet short-term funding requirements over a 30-day stress period, even in adverse conditions, underscoring its resilience and financial stability.

DIS03- Overview of Risk Weighted Assets (RWA)

		Figures in Ush '000s		Minimum capital requirements
		RWA		
		Jun-26	Mar-26	Jun-26
1	Credit risk (excluding counterparty credit risk)	234,094,220	234,769,715	28,091,306
2	Counterparty credit risk (CCR)	-	-	-
3	Market risk	2,030,566	1,401,790	243,668
4	Operational risk	18,607,455	18,215,501	2,232,895
5	**Total (1 + 2 + 3 + 4)**	**254,732,241**	**254,387,005**	**30,567,869**

Total Risk-Weighted Assets (RWA) increased marginally by UGX 345.2 million (0.14%), from UGX 254.387 billion at 31 March 2026 to UGX 254.732 billion at 30 June 2026. Credit RWA declined by UGX 675.5 million (0.29%), from UGX 234.770 billion to UGX 234.094 billion, primarily reflecting a UGX 1.4 billion contraction in the loan portfolio. Conversely, market-risk RWA increased by UGX 628.8 million (44.9%), from UGX 1.402 billion to UGX 2.031 billion, following a UGX 629 million (45%) increase in the Bank's net foreign-exchange position at the reporting date. Operational-risk RWA increased by UGX 392.0 million (2.15%), from UGX 18.216 billion to UGX 18.607 billion, mainly attributable to a UGX 8.3 billion (4%) increase in interest-earning assets.

There was no counterparty-credit-risk RWA in either reporting period. Overall, the decline in credit RWA partly offset the combined increase in market- and operational-risk RWA, resulting in the marginal net increase in total RWA.

DIS04- Composition of regulatory capital

		Jun-26	Dec-25
		Amounts	Amounts
	Common Equity Tier 1 capital: instruments and reserves		
1	Permanent shareholders' equity (issued and fully paid-up common shares)	54,421,880	54,421,880
2	Share premium		
3	Retained earnings (Prior years')	8,723,987	2,967,299
4	Net after-tax profits current year-to date (50% only)	142,817	3,262,648
5	General reserves (permanent, unencumbered and able to absorb losses)		
6	**Tier 1 capital before regulatory adjustments**	63,288,683	60,651,827
	Tier 1 capital: regulatory adjustments		
8	Goodwill and other intangible assets	5,262,466	6,181,461
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 (deferred income tax asset)	2,487,168	2,420,235
26	Other deductions determined by the Central Bank (unrealized foreign exchange gains)	2,313,233	750,327
28	**Total regulatory adjustments to Tier 1 capital**	10,173,645	9,583,259
29	**Tier 1 capital**	53,115,038	51,068,568
	Tier 2 capital: Supplementary capital		
46	Revaluation reserves on fixed assets		
47	*Unencumbered general provisions for losses (not to exceed 1.25% of RWA)*	1,910,834	2,110,377
48	Hybrid capital instruments		
49	*Subordinated debt (not to exceed 50% of core capital subject to a discount factor)*	632,145	612,790
58	**Tier 2 capital**	2,542,979	2,723,167
59	**Total regulatory capital (= Tier 1 + Tier2)**	55,658,017	53,791,735
60	**Total risk-weighted assets**	254,732,241	269,130,891
	Capital adequacy ratios and buffers		
61	**Tier 1 capital (as a percentage of risk-weighted assets)**	20.9%	19.0%
63	**Total capital (as a percentage of risk-weighted assets)**	21.8%	20.0%

		Jun-26	Dec-25
		Amounts	**Amounts**
64	**Total Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus systemic buffer, expressed as a percentage of risk-weighted assets)**		
65	Of which: capital conservation buffer requirement	2.5%	2.5%
66	Of which: countercyclical buffer requirement	-	-
67	Of which: bank-specific systemic buffer requirement	-	-
68	Of which: Bank of Uganda Pillar 2 Capital Add-on	0.19%	
69	**Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements**	8.2%	6.5%
	Minimum statutory ratio requirements		
70	Tier 1 capital adequacy ratio	12.5%	12.5%
71	Total capital adequacy ratio	14.5%	14.5%

The Tier 1 capital buffer improved from 6.5% in December 2025 to 8.2% in June 2026, supported by a 4% (UGX 2.04 Bn) increase in Tier 1 capital and a 5.4% (UGX 14.39 Bn) reduction in risk-weighted assets.

DIS05- Asset Quality

		a	b	*d*	*e*	*f*	g
		Gross carrying values of		**Provisions as per FIA2004/MDIA2003**		**Interest in suspense**	**Net values (FIA/MDIA)**
		Defaulted exposures	**Non-defaulted exposures**	**Specific**	**General**		**(a+b-d-e)**
1	Loans and advances	8,987,289	182,520,110	*4,217,588*	*1,910,834*	*2,553,010*	185,378,977
2	Debt Securities	-	-	-	-	-	-
3	Off-balance sheet exposures	-	-	-	-	-	-
4	***Total***	***8,987,289***	***182,520,110***	***4,217,588***	***1,910,834***	***2,553,010***	***185,378,977***

As of 30 June 2026, non-defaulted exposures stood at UGX 182.5 billion, representing 95.3% of gross exposures, compared with UGX 203.7 billion as of 31 December 2025. The movement reflects changes in portfolio composition and performance within the normal credit-risk cycle.

Management continues to strengthen asset quality through proactive credit monitoring, targeted recovery initiatives and prudent provisioning. Provisions have been recognised in accordance with the applicable FIA 2004/MDIA 2003 provisioning requirements, with coverage maintained in line with the Bank's assessed credit risk exposures.

DIS06- Changes in the stock of defaulted loans and debt securities

		a
1	**Defaulted loans & advances, debt securities and off-balance sheet exposures at end of the previous reporting period**	**6,612,807**
2	Loans and debt securities that have defaulted since the last reporting period	6,721,778
3	Returned to non-defaulted status	223
4	Amounts written off	2,206,814
5	Other changes	2,140,258
6	**Defaulted loans & advances, debt securities and off-balance sheet exposures at end of the reporting period** (1+2-3-4-5)	**8,987,289**

Defaulted exposures increased to UGX 8.98 billion in June 2026 from UGX 6.61 billion in December 2025. The movement was mainly driven by UGX 6.72 billion in new defaults, compared to recoveries amounting to UGX 2.14 billion.

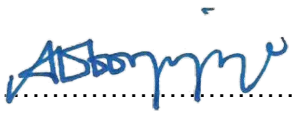
The Bank continues to manage defaulted exposures through enhanced monitoring, targeted recovery initiatives and strengthened credit-risk mitigation measures, with the objective of improving asset quality and supporting sustainable portfolio growth.

Declaration

The Board recognizes its responsibility for ensuring the integrity, accuracy and completeness of the information contained in this Pillar 3 Report. Based on the Board's assessment and oversight, the disclosures provide a fair and balanced representation of BRAC Uganda Bank Limited's capital position, risk profile and all disclosures required under the Basel II requirements.

The Pillar 3 Report has been prepared in accordance with the Bank's Board-approved policies and procedures. The Board maintains oversight of the Bank's risk management and capital adequacy frameworks and is satisfied that appropriate governance and internal control processes are in place to support the preparation, review and approval of the disclosures contained in this report.

Authorized on behalf of BRAC Uganda Bank Limited:



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Board Chairperson



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CEO/ Managing Director