



***Bank of Baroda (Uganda) Limited***

**Pillar III Market Disclosure**

Period ended 31<sup>st</sup> December, 2025 (Unaudited)



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**DIS01: Key Prudential Metrics**

	Available Capital	Amounts UGX. 000				
		31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2024
		T	T-1	T-2	T-3	T-4
<b>Available capital (amounts)</b>						
1	<b>Core capital</b>	814,658,872	798,480,990	781,193,146	746,060,413	725,855,415
2	<b>Supplementary capital</b>	29,601,428	28,052,140	27,719,989	27,556,536	27,842,214
3	<b>Total capital</b>	844,260,300	826,533,130	808,913,135	773,616,949	753,697,629
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	2,703,226,238	2,608,901,995	2,592,235,746	2,391,830,922	2,401,637,200
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Core capital ratio (%)	30.14%	30.61%	30.14%	31.19%	30.22%
6	Total capital ratio (%)	31.23%	31.68%	31.21%	32.34%	31.38%
7	Capital conservation buffer requirement (2.5%)	2.50%	2.50%	2.50%	2.50%	2.50%
8	Countercyclical buffer requirement (%)	0%	0%	0%	0%	0%
9	Systemic buffer (for DSIBs) (%)	0%	0%	0%	0%	0%
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	17.64%	18.11%	17.64%	18.69%	17.72%

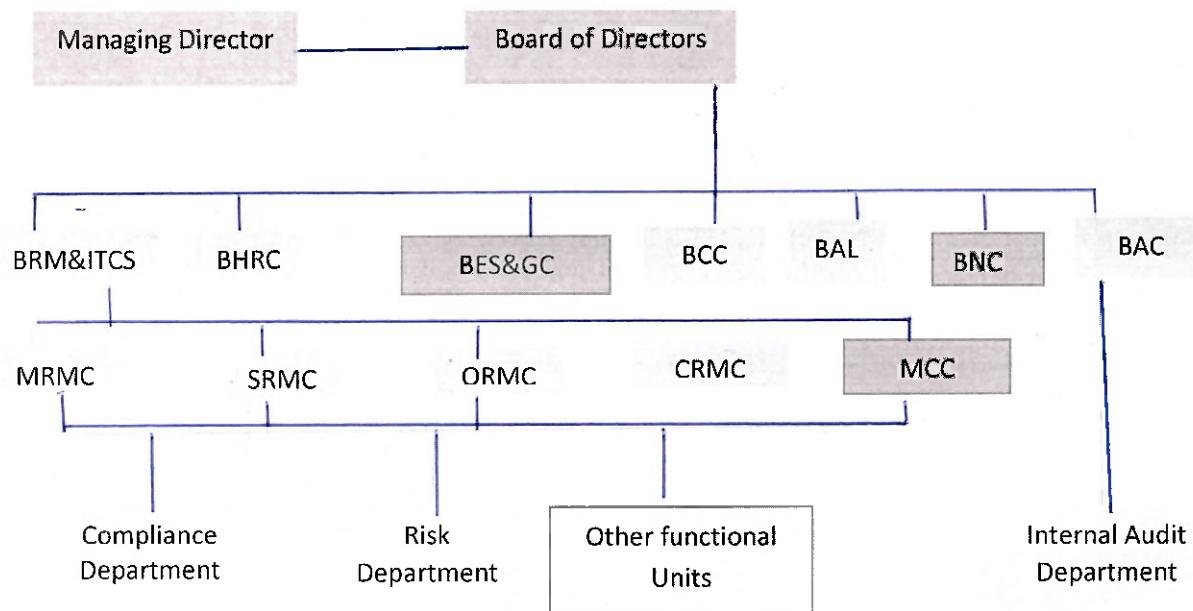


**Bank of Baroda (Uganda) Ltd.**

	capital requirements (%)					
13	Total Basel III leverage ratio exposure measure	4,752,905,614	3,910,928,529	3,931,453,134	3,653,636,810	3,668,185,956
14	Basel III leverage ratio (%) (row 1 / row 13)	17.14%	20.42%	19.87%	20.42%	19.79%
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA)	1,340,155,702	1,093,901,442	1,147,846,654	1,031,069,715	964,748,900
16	Total net cash outflow	74,203,423	50,834,615	48,362,451	41,010,600	48,900,706
17	LCR (%)	1,806.06	2,151.88	2,373.43	2,514.15	1,972.87
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	1,751,269,227	1,679,213,751	1,809,732,909	1,680,849,494	1,731,938,228
19	Total required stable funding	1,406,540,176	1,363,000,030	1,428,167,459	1,352,986,214	1,448,885,336
20	NSFR	124.51	123.20	126.72	124.23	119.54

**DIS 02: Bank Of Baroda Uganda Limited Risk Management Approach:**

**Risk Management structure of the Bank**



- BRM&IT/CSC - Board Risk Management and IT/Cyber Security Committee
- BCC - Board Credit Committee
- BHRCC - Board Human Resource and Compensation Committee
- BALCO - Board Asset and Liability Committee
- BAC - Board Audit Committee
- BNC-Board Nomination Committee
- BES&GC- Board Environment, Social & Governance Committee
- MRMC - Market Risk Management Committee
- SRMC - Strategic Risk Management Committee
- ORMC - Operational Risk Management Committee
- CRMC - Credit Risk Management Committee
- MCC- Compliance Management Committee



### **Risk Management Structure and responsibilities**

The Board delegates risk management oversight responsibilities to specialized board – subcommittees which focus on different aspects of risk management. Board Risk Management and Information Technology/Cyber security Committee (BRM&ITCSC) is the main board committee with designated responsibilities for the oversight of Risk Management within Bank. BRM&ITCSC coordinates with other board committees among which Board Asset and Liability Committee, Board credit Committee, Board Audit committee and Board Human resource & Compensation Committee to ensure implementation of the duly approved risk management framework, limits and procedures relating to all key risks inherent in Bank business activities among other functions.

The Bank has in place Risk management committees composed of specific Heads Of business units and chaired by the Managing Director. The committees review the identified Bank-wide risks, measure and monitor these risk exposures and determine whether risk decisions are in line with the board - approved risk strategies, policies as well as risk tolerance/ appetite levels among other functions. The different committees include;

Credit Risk Management Committee which manages and assess credit related risks including reviewing credit exposures, monitoring credit risk metrics, and credit concentration risk and ensuring compliance with regulatory guidelines in the area of credit related matters.

Operational Risk Management Committee which manages and assess operational risks associated with internal processes, systems, people and external events including monitoring of key operational indicators and ensures effectiveness of controls and mitigation measures.

Strategic Risk Management Committee which is responsible for managing risks that have an impact on the Bank's long term strategic goals including assessing the Bank's performance against the approved budget, reviewing the outcomes of strategic stress test and assess their implications on the bank capital adequacy among other functions.

Market Risk Management Committee which manages and assess market related risks including interest rate risk, liquidity risk, and currency risk among other functions.

### **Risk Management Department**

Some of the Risk department responsibilities include the following;

- Developing and implementing the Risk management framework of Bank.
- Facilitates and coordinates the identification, measurement, monitoring and reporting of risks exposed to the Bank.
- Establishing Risk management communication at all levels. This involves gathering data and preparation of reports to Management and Board.
- Developing, reviewing and coordination of the preparation of the Bank procedures/ manuals and policies.
- Monitoring risk exposure metrics on a portfolio basis, reviewing risk appetite and tolerance limits and reviewing risk treatment strategies.
- Conduct Risk Management sensitization / training program across bank for development and maintenance of operational risk management culture.



### **Three lines of Defense**

For effective functioning of ERM, the three lines of defense model has been adopted and integrated in business processes thereby ensuring appropriate arrangements are in place to ensure accountability, independence and assurance. The Bank has adopted the three lines of defense framework as described below.

- **First Line of Defense** is provided by the business verticals and operating units. In the course of conducting business activities, staff in the business verticals and operating units hold frontline positions and undertakes the primary responsibility for the proper identification, assessment, management and reporting of risk exposures on an ongoing basis, having regard to the Bank's risk appetite and the limits/caps thereunder, policies, procedures and controls. In other words, the first line of defense, has ownership and accountability of risk, whereby it acknowledges and manages the day-to-day risks that it incurs in conducting its activities.
- **Second Line of Defense** is provided by Risk Management Department and compliance functions which operate and function independently of each other. The Risk Management Department is primarily responsible for overseeing the Bank's risk-taking activities, undertaking risk assessments and reporting independently of the business verticals and operating units. The Compliance Department monitors and oversees compliance with applicable laws, regulations, corporate governance rules and internal policies.
- **Third Line of Defense** is provided by the internal audit function, which is responsible for providing assurance on the effectiveness of the Bank's Risk Management Framework. The internal audit ensures that all the aspects of the Risk Management and noncompliance/exceptions are duly reported and have been implemented effectively across the Bank. The Bank's external auditors provide assurance on the financial reporting of the Bank.

### **Risk Management Process:**

Bank has in place a risk management process aimed at identifying, assessing prioritising and Mitigating risks. Bank Risk Management is integrated into the strategic management and internal control process through the following five (05) stages, namely:

1. Risk identification. The process seeks to identify risks or events that may prevent the Bank from achieving objectives. Risks and opportunities are identified through stakeholder engagements, self-assessments, audits findings, industry bench marking, review of historic events, and expert judgment among others.
2. Risk Assessment and analysis. This seeks to understand the impact and likelihood of identified risks to determine their significance on Bank operations.
3. Risk Evaluation and prioritization. At this point the magnitude of each risk is compared against pre-established risk appetite or tolerance limits and ranked according to



prominence and consequence. This helps in determining the appropriate level of attention and response required for the risk.

4. Risk Response and Treatment. Risk treatment involves implementing controls including policies, procedures and other strategies to avoid minimize or mitigate identified risks. Depending on the risk, different strategies are adopted to deal with the risk;

Avoid the risk: This strategy involves eliminating activities or exposure that pose a high level of risk. For instance Bank may avoid lending to high risk borrowers or engaging in overly speculative investments.

Accept /tolerate the risk: In some incidences Bank may choose to retain the risk at its present level. This strategy is appropriate when the potential benefits of the risk outweigh the potential negative effects or if the cost of mitigating the risk is higher than the potential loss. Under such conditions Bank chooses to reprice products and services to compensate for the risk taken.

Transfer the risk: This involves shifting the financial consequences of the risk to another part, for instance the case of purchasing insurance policies to cover potential losses from specific events.

Reduce the risk: Implement measures to decrease the likelihood or impact of the risk for example putting in place policies to guide on Bank operations. Bank often chooses to diversify customers, employee /supplier and asset holdings to reduce or manage the risk among other considerations.

The effectiveness of these strategies depends on the nature and characteristics of specific risks faced by the Bank. Bank of Baroda (Uganda) limited takes a comprehensive and flexible risk management approach which often involves a combination of the above strategies.

5. Risk Monitoring and reviewing.

Monitoring risks means continuously observing and monitoring risk exposures and evaluating the effectiveness of the risk mitigation strategies. This involves regularly reviewing and updating risk reports, monitoring external factors that could affect the risk profiles and conducting on going assessments on the risk environment. Reviewing involves revisiting the limits and reviewing their effectiveness on the risk management framework and making necessary adjustments if any. Reporting Involves communicating risk information to relevant stakeholders, including senior management and board members.

#### **Risk Monitoring and Reporting:**

Risk reporting and monitoring is done regularly to ensure timely management depending on the type of risks and severity impact to the business. Reporting involves communicating risk related information to relevant stakeholders, including senior management and board members which consequently facilitates their decision-making. Risk management committees play a crucial role in risk monitoring and reporting and these include Credit Risk Management committee for credit related risks, Market Risk Management committee for market related risks, Strategic Risk Management Committee for strategic related risks and Operational Risk management Committee for operational related risks. Other Bank Management Committees include; Executive



Management Committee, Asset & liability Management Committee, Management Compromise / write-off committee, Management IT project and Technical Review Committee, Environmental Social and Governance Committee, Management Compliance Committee, Estate Management Committee, Management Audit Committee, Credit Management Committee, Management IT & Cyber security Committee, Management Disciplinary Proceeding Committee, Disaster Recovery & management Committee. Through these committees various findings on Bank's risk profile, key risk indicators and any significant issues in a particular area are deliberated upon.

Board reporting is mainly done on a quarterly basis to the respective board committees with Board Risk and Information technology/Cyber security committee focussing on the overall risk management oversight on behalf of the Bank main board.

**Bank Policies and Procedures:**

To effectively manage the different risks exposed to the Bank emanating from its business activities, policies/ manuals and procedures covering different areas have been put in place and these are regularly updated to align to regulatory requirements and Bank's risk appetite.

The bank established risk management strategy in terms of policy procedures guide in identification, assessment, monitoring and reporting the material risk. The risk strategy consists of mechanism to contain the risk, establishing risk appetite and risk structure of the bank.

**Stress Testing Framework:**

Stress testing is conducted to ascertain sufficiency of the Bank's capital to continue operations with no or minimal interruptions under various macro-economic and bank specific stress scenarios.

Bank's Stress Testing Framework focuses on the ability to absorb losses which subsequently could have an impact on Bank capital. The Bank's stress tests cover liquidity risk, credit risk, foreign exchange risk, interest rate risk, operational risk and strategic risk.

Stress testing forms an integral part of the overall governance and risk management culture of Bank. The Board and Senior management is involved to ensure the appropriate use of stress testing framework in Bank's risk governance and capital planning as follows:

- a) Senior management through the appropriate committees recommend the stress testing objectives, defines scenarios, while,
- b) The Board through Board Risk Management and Information Technology/Cyber Security Committee approves the entire stress tests process, discusses the results of stress tests, and approves potential actions. The board has ultimate responsibility for the overall stress testing program, and senior management is accountable for the implementation of the stress test program.
- c) The internal auditor function reviews and provides assurance for the adequacy of the Bank's stress testing results and process.



Given the size of the Bank, and the relatively low sophistication of Bank's lending and business operations Bank conducts credit stress tests targeting the following credit related areas among other scenarios under material risks to the Bank.

- a) Impact of changes in the gross level of Nonperforming assets (NPAs),
- b) Impact of the top three (3) accounts becoming NPAs
- c) Impact of the top large(10) Potential Non-Performing Assets (PNPA) accounts becoming NPAs,
- d) Impact of a recession in those industries where BOBUL has substantial exposure,
- e) The increase in the gross NPA level in personal loans and
- f) The impact of a decline in the value of properties in Housing Loans

The internal audit function reviews and provides assurance for the adequacy of the Bank's stress testing results and the process.



**DIS03: Overview of RWA**

		31.12.2025	30.09.2025	31.12.2025
		Figures in UGX '000		
		RWA		Minimum capital requirements
		T	T-1	T
1	Credit risk (excluding counterparty credit risk)	2,043,693,700	1,797,163,555	245,243,244
2	Counterparty credit risk (CCR)	154,625,757	329,963,870	18,555,091
3	Market risk	212,973,467	193,900,261	25,556,816
4	Operational risk	291,933,314	287,874,310	31,920,469
5	<b>Total (1 + 2 + 3 + 4)</b>	<b>2,703,226,238</b>	<b>2,608,901,996</b>	<b>288,669,226</b>

**DIS04 – Composition of regulatory capital**

		31.12.2025 Amounts UGX '000
	<b>Common Equity Tier 1 capital: instruments and reserves</b>	
1	Permanent shareholders' equity (issued and fully paid-up common shares)	150,000,000
2	Share premium	-
3	Retained earnings	593,256,852
4	Net after tax profits current year-to date (50% only)	80,124,464
5	General reserves (permanent, unencumbered and able to absorb losses)	0
6	<b>Tier 1 capital before regulatory adjustments</b>	
	<b>Tier 1 capital: regulatory adjustments</b>	<b>739,564,154</b>
8	Goodwill and other intangible assets	-2,401
9	Current year's losses	0



10	Investments in unconsolidated financial subsidiaries	
12	Deficiencies in provisions for losses	
14	Other deductions determined by the Central bank	-8,596,043
26	Other deductions determined by the Central bank	-124,000
28	<b>Total regulatory adjustments to Tier 1 capital</b>	
29	<b>Tier 1 capital</b>	814,658,872
	<b>Tier 2 capital: Supplementary capital</b>	
46	Revaluation reserves on fixed assets	13,089,250
47	Unencumbered general provisions for losses (not to exceed 1.25% of RWA)	16,512,178
48	Hybrid capital instruments	0
49	Subordinated debt (not to exceed 50% of core capital subject to a discount factor)	0
58	<b>Tier 2 capital</b>	29,601,428
59	<b>Total regulatory capital (= Tier 1 + Tier2)</b>	844,260,300
60	<b>Total risk-weighted assets</b>	2,703,226,238
	<b>Capital adequacy ratios and buffers</b>	
61	<b>Tier 1 capital (as a percentage of risk-weighted assets)</b>	30.14%
63	<b>Total capital (as a percentage of risk-weighted assets)</b>	31.23%
64	<b>Total Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus systemic buffer, expressed as a percentage of risk-weighted assets)</b>	2.50%
65	Of which: capital conservation buffer requirement	2.50%
66	Of which: countercyclical buffer requirement	0
67	Of which: bank specific systemic buffer requirement	0
68	<b>Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements</b>	17.64%
	<b>Minimum statutory ratio requirements</b>	
70	Tier 1 capital adequacy ratio	12.5%
71	Total capital adequacy ratio	14.5%



**Bank of Baroda (Uganda) Ltd.**

**DIS05: Asset Quality**

Frequency semiannual 31.12.2025

	a	b	d	e	f	g
	Gross carrying values of		Provisions as per FIA2004/MDIA2003		Interest in suspense	Net
	Defaulted exposures	Non-defaulted exposures	Specific	General		values (FIA/MDIA) (a+b-d-e)
1	Loans and advances	342,211	1,651,043,786	132,485	16,512,178	35,743 1,634,741,334
2	Debt Securities					0
3	Off- balance sheet exposures	0	410,062,666	0	0	410,062,666
4	<b>Total</b>	342,211.00	2,061,106,452.00	132,485.00	16,512,178.00	35,743.00 2,044,804,000.00



**DIS06: Changes in stock of defaulted loans and debt securities 31.12.2025**

		Amount UGX '000
1	<b>Defaulted loans &amp; advances, debt securities and off balance sheet exposures at end of the previous reporting period</b>	427,200
2	Loans and debt securities that have defaulted since the last reporting period	274,339
3	Returned to non defaulted status	353,300
4	Amounts written off	12,174
5	Other changes	6,146
6	<b>Defaulted loans &amp; advances, debt securities and off balance sheet exposures at end of the reporting period</b> (1+2 3 4+5)	342,211



*Bank of Baroda (Uganda) Ltd.*

**DIS07: Qualitative disclosure on SFIs' use of external credit ratings under the standardized approach for credit risk**

The Bank is not using any external credit rating agency for credit rating at the moment



**Bank of Baroda (Uganda) Ltd.**

**Head Office, Plot 18, Kampala Road, Kampala, Uganda**

**Attestation**

On 19<sup>th</sup> January, 2026, the Board of Directors, under Agenda Item No. A - 01, considered and subsequently approved the Bank's Pillar 3 Market Disclosure Data as of 31<sup>st</sup> December, 2025.

SN.	Director's Name	Designation	Signature
1.	Dr. Rebecca Isabella Kiconco	Independent Executive Director/ Chairperson	
2.	Mr. Robert Kamoga Tebasuulwa	Independent Non-Executive Director	
3.	Mr. Shashi Dhar	Managing Director	
4.	Mr. Deepak Mishra Kumar	Executive Director	