

Pillar 3 Market Discipline Disclosures as at June 30, 2024

These disclosures include:

DIS01: KEY PRUDENTIAL METRICS – AS AT JUNE 30, 2024	2
DIS03: OVERVIEW OF THE RISK WEIGHTED ASSETS (RWA) – AS AT JUNE 30, 2024	2
DIS04: COMPOSITION OF REGULATORY CAPITAL – AS AT JUNE 30, 2024	3
DIS05: CREDIT QUALITY OF ASSETS – AS AT JUNE 30, 2024	3
DIS06: CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES – JUNE 30, 2024	4



**Housing
Finance
Bank**

DIS01: KEY PRUDENTIAL METRICS – AS AT JUNE 30, 2024

(Figures in Ushs '000)		June 2024	March 2024	Dec 2023	Sept 2023	June 2023
	Available capital (amounts)					
1	Core capital	281,391,238	286,123,480	272,845,670	268,422,945	264,892,504
2	Supplementary capital	22,472,767	23,155,733	22,258,212	20,022,212	19,446,423
3	Total capital	303,864,005	309,279,214	295,103,882	288,445,157	284,338,927
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	1,145,694,667	1,138,371,559	1,376,812,799	1,269,057,179	1,253,220,897
	Risk-based capital ratios as a percentage of RWA					
5	Core capital ratio (%) – minimum 10.19%	24.6%	25.1%	19.8%	21.2%	21.1%
6	Total capital ratio (%) – minimum 12.19%	26.5%	27.2%	21.4%	22.7%	22.7%
	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 (%)	2.5%	2.5%	2.5%	2.5%	2.5%
11	Core capital available after meeting the bank's minimum capital requirements (%)	12.1%	12.6%	7.3%	8.5%	8.6%
	Basel III leverage ratio:					
13	Total Basel III leverage ratio exposure measure	2,351,922,752	2,301,503,008	2,225,220,666	2,051,929,993	1,942,975,427
14	Basel III leverage ratio (%) (row 1 / row 13) – min 6%	12.0%	12.4%	12.3%	13.08%	13.63%
	Liquidity Coverage Ratio:					
15	Total high-quality liquid assets (HQLA)	399,645,304	417,241,137	376,573,576	327,214,991	327,143,483
16	Total net cash outflow	206,299,406	155,999,149	142,827,426	195,107,091	139,943,023
17	LCR (%)– minimum 100%	194%	267%	264%	168%	234%
	Net Stable Funding Ratio:					
18	Total available stable funding	1,799,264,416	1,745,076,756	1,558,843,097	1,501,290,497	1,596,149,262
19	Total required stable funding	1,419,794,204	1,124,777,109	1,075,108,265	959,448,689	1,243,312,701
20	NSFR – minimum 100%	127%	155%	145%	156%	128%

The NSFR refers to the **net stable funding ratio** and is defined as the amount of available stable funding relative to the amount of required stable funding. Available stable funding in this case refers to the proportion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of required stable funding of the Bank considers the maturity profiles of both on-and off-balance sheet exposures. The ratio should always be greater or equal to 100%.

DIS03: OVERVIEW OF THE RISK WEIGHTED ASSETS (RWA) – AS AT JUNE 30, 2024

(Figures in Ushs '000)	a	b	c	
	RWA		Minimum capital requirements	
	June 2024	March 2024	June 2024	
1	Credit risk (excluding counterparty credit risk)	1,041,795,954	1,010,334,569	125,522,696
2	Counterparty credit risk (CCR)	286,804	162,899	34,416
3	Market risk	27,671,326	59,649,566	3,320,559
4	Operational risk	75,940,584	68,224,524	9,112,870
5	Total (1 + 2 + 3 + 4)	1,145,694,667	1,138,371,559	137,990,542

Whereas the minimum capital requirement was Ushs 137.9 billion as at June 30, 2024, the Bank held Ushs 281.4 billion in core capital as at the same reporting date. The excess capital is held to absorb any shocks that may arise in severe stressful conditions and to support business growth in line with Bank's growth strategy.

DIS04: COMPOSITION OF REGULATORY CAPITAL – AS AT JUNE 30, 2024

	June 2024 Ushs '000	December 2023 Ushs '000	
Common Equity Tier 1 capital: instruments and reserves			
1	Permanent shareholders equity (issued and fully paid-up common shares)	158,600,000	122,000,000
2	Share premium		
3	Retained earnings	144,114,611	155,109,126
4	Net after tax profits current year-to date (50% only)	11,333,124	29,887,681
5	General reserves (permanent, unencumbered to absorb losses)		
6	Tier 1 capital before regulatory adjustments	314,047,735	309,293,658
Tier 1 capital: regulatory adjustments			
8	Goodwill and other intangible assets	27,421,954	23,432,422
9	Current year's losses		
10	Investments in unconsolidated financial subsidiaries		
12	Deficiencies in provisions for losses		
13	Other deductions determined by the Central bank	5,234,543	6,264,573
14	Other deductions determined by the Central bank		4,454,141
15	Total regulatory adjustments to Tier 1 capital	32,656,497	34,151,137
16	Tier 1 capital	281,391,238	272,845,670
Tier 2 capital: Supplementary capital			
17	Revaluation reserves on fixed assets	12,103,386	12,125,667
18	Unencumbered general provisions for losses (not to exceed 1.25% of RWA)	10,369,381	10,132,545
19	Hybrid capital instruments		
20	Subordinated debt (not to exceed 50% of core capital subject to a discount factor)		
21	Tier 2 capital	22,472,767	22,258,212
22	Total regulatory capital (= Tier 1 + Tier 2)	303,864,005	297,400,733
23	Total risk-weighted assets	1,145,694,667	1,376,812,799
Capital adequacy ratios and buffers			
24	Tier 1 capital (as a percentage of risk-weighted assets)	24.56%	19.82%
25	Total capital (as a percentage of risk-weighted assets)	26.52%	21.43%
26	Total Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus systemic buffer = percentage of risk-weighted assets)	12.50%	12.50%
27	Of which: capital conservation buffer requirement	2.50%	2.50%
28	Of which: countercyclical capital buffer requirement		
29	Of which: bank specific systemic risk buffer requirement		
30	Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	12.06%	7.32%
Minimum statutory ratio requirements			
31	Tier 1 capital adequacy ratio	10.00%	10.00%
32	Total capital adequacy ratio	12.00%	12.00%

DIS05: CREDIT QUALITY OF ASSETS – AS AT JUNE 30, 2024

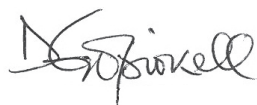
	a	b	d	e	f	g	
	Gross carrying values of:		Provisions as per FIA 2004		Interest in	Net values (FIA 2004)	
	Defaulted exposures	Non-defaulted exposures	Specific	General	suspense	(a+b-d-e)	
1	Loans and advances	84,646,836	981,537,944	30,422,538	10,369,381	9,090,867	1,016,301,994
2	Debt securities	-	-	-	-	-	-
3	Off-balance sheet exposures	-	75,221,710	-	-	-	75,221,710
4	Total	84,646,836	1,056,759,654	30,422,538	10,369,381	9,090,867	1,091,523,704

As at June 30, 2024 the non-defaulted exposures amounted to Shs 1,056 billion equivalent to 92.6% of the gross exposures, reflecting a relatively good and stable asset quality in the post COVID-19 business environment.

DIS06: CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES – JUNE 30, 2024

		June 2024	December 2023
		Ushs '000	Ushs '000
1	Defaulted loans & advances, debt securities and off-balance sheet exposures at end of the previous reporting period	57,388,142	53,568,858
2	Loans and debt securities that have defaulted since the last reporting period	45,798,838	26,104,555
3	Returned to non-defaulted status	10,974,770	13,473,235
4	Amounts written off	7,565,374	8,812,036
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)	84,646,836	57,388,142


We hereby attest that to the best of our knowledge, the information contained in this Pillar 3 Market Discipline Disclosures report for the quarter ended June 30, 2024 have been prepared in accordance with the board-agreed internal control processes and are a fair presentation of the Bank's position.



Mr. David G. Opiokello
Board Chairperson



Mr. Michael K. Mugabi
Managing Director



Housing Finance Bank is regulated by Bank of Uganda. Customer deposits are protected by the Deposits Protection Fund up to UGX 10 million .Terms and Conditions apply.