UGAFODE
Microfinance Limited (MDI)

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PILLAR 3 MARKET DISCIPLINE DISCLOSURES REPORT FOR THE PERIOD ENDED 30TH JUNE 2026

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The Report

Disclosures in this report are made in accordance with the Bank of Uganda Pilar 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 of 2026 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-26**	**Mar-26**	**Dec-25**	**Sep-25**	**Jun-25**
	Available capital (amounts)					
1	Core capital	44,451,282	33,797,282	30,833,212	30,617,845	30,252,745
2	Supplementary capital	2,188,006	2,146,394	2,147,038	2,046,310	1,971,027
3	Total capital	46,639,288	35,943,676	32,980,250	32,664,155	32,223,772
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	156,507,271	153,093,289	149,043,658	139,606,700	132,779,111
	Risk-based capital ratios as a percentage of RWA					
5	Core capital ratio (%)	28%	22%	21%	22%	23%
6	Total capital ratio (%)	30%	23%	22%	23%	24%
	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 (%)	10.9%	4.6%	3.2%	4.4%	5.3%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	188,871,857	181,909,077	170,101,144	165,008,152	157,144,009
14	Basel III leverage ratio (%) (row 1 / row 13)	24%	19%	18%	19%	19%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA)	6,476,400	5,990,176	5,656,761	6,397,706	9,276,625
16	Total net cash outflow	1,110,730	2,575,643	1,938,374	1,480,131	778,528
17	LCR (%)	583%	233%	292%	432%	1192%
	Net Stable Funding Ratio					
18	Total available stable funding	132,068,607	124,536,365	107,737,823	106,763,926	99,383,604
19	Total required stable funding	53,566,201	44,032,933	52,261,748	48,086,244	44,531,869
20	NSFR	247%	283%	206%	222%	223%

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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-26	**Mar-26**	**Jun-26**
1	Credit risk (excluding counterparty credit risk)	138,974,509	135,675,848	27,794,902
2	Counterparty credit risk (CCR)	6,407,784	5,799,645	1,281,557
3	Market risk	0	0	
4	Operational risk	36,436,361	34,616,367	4,374,113
5	Total (1 + 2 + 3 + 4)	181,818,653	176,091,860	33,450,571

3.0 DIS04: COMPOSITION OF REGULATORY CAPITAL

Frequency: Semi-annual.			
		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)	12,983,194	10,000,000
2	Share premium	13,082,536	6,392,246
3	Retained earnings	16,503,758	12,126,409
4	Net after tax profits current year-to date (50% only)	1,881,794	2,314,556
5	General reserves (permanent, unencumbered and able to absorb losses)	-	-
6	**Tier 1 capital before regulatory adjustments**	4,451,282	30,833,212
	Tier 1 capital: regulatory adjustments	**44,451,282**	**30,833,212**
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

Frequency: Semi-annual.			
		Jun-26	Dec-25
		Amounts	Amounts
26	Other deductions determined by the Central bank	0	0
28	**Total regulatory adjustments to Tier 1 capital**	0	0
29	**Tier 1 capital**	44,451,282	30,833,212
	Tier 2 capital: Supplementary capital		
46	Revaluation reserves on fixed assets	0	0
47	*Unencumbered general provisions for losses (not to exceed 1.25% of RWA)*	1,315,266	1,274,299
48	Hybrid capital instruments	872,739	872,739
49	*Subordinated debt (not to exceed 50% of core capital subject to a discount factor)*	0	0
58	**Tier 2 capital**	2,188,006	2,147,038
59	**Total regulatory capital (= Tier 1 + Tier2)**	46,639,288	32,980,250
60	**Total risk-weighted assets**	156,507,271	149,043,658
	Capital adequacy ratios and buffers		
61	**Tier 1 capital (as a percentage of risk-weighted assets)**	28%	21%
63	**Total capital (as a percentage of risk-weighted assets)**	30%	22%
64	**Total Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus systemic buffer, expressed as a percentage of risk-weighted assets)**	2.5%	2.5%
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**	10.9%	3.2%
	Minimum statutory ratio requirements		
70	Tier 1 capital adequacy ratio	15%	15%
71	Total capital adequacy ratio	20%	20%

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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)**
		Defaulted exposures	**Non-defaulted exposures**	**Specific**	**General**		
1	Loans and advances	2,379,708	140,229,237	*3,024,839*	*1,315,266*	*609,598*	***138,268,841***
2	Debt Securities	0	0	*0*	*0*	*0*	***0***
3	Off-balance sheet exposures	0	0	*0*	*0*	*0*	***0***
4	***Total***	***2,379,708***	***140,229,237***	***3,024,839***	***1,315,266***	***609,598***	***138,268,841***

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

Frequency: Semi-annual.		
		Jun-26
1	**Defaulted loans & advances, debt securities and off balance sheet exposures at end of the previous reporting period**	**2,316,597**
2	Loans and debt securities that have defaulted since the last reporting period	3,616,363
3	Returned to non-defaulted status	1,850,424
4	Amounts written off	1,702,828
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)	**2,379,708**