Yako Bank



Pillar 3 Market Disclosure Report

As at 30th September, 2026

Yako Bank is Regulated by BOU | Customer Deposits are Protected by The Deposit Protection Fund of Uganda, Up to 10M Ugx. Terms & Conditions Apply

Pillar 3 Risk Management Report.

Quarter 3, 2026.

Yako Bank Uganda's legal status, regulatory oversight, and commitment to risk management are highlighted. It emphasizes the bank's compliance with the Financial Institutions Act and its dedication to managing risks effectively.

Yako Bank Uganda Limited, company registration number 80010003385901, is regulated by the Bank of Uganda. Customer deposits are protected by the Deposit Protection Funds up to UGX 10 million, terms and conditions apply.

Contents

1.1. Introduction……3

1.2. The Pillar 3 Risk Management Report……3

1.3. Board Attestation……3

1.4. Risk Management Approach……3

1.5. Risk Governance Structure of Yako Bank Uganda Limited……4

1.6. Key Prudential Metrics……4

1.7. Overview of Risk-Weighted Assets (RWA)……6

1.8. Asset Quality……7

1.9. Composition of Regulatory Capital……8

Composition of Regulatory Capital as at 30th Sept 2026……8

1.1. Introduction

Yako Bank Uganda Limited, licensed under the Financial Institutions Act (FIA), 2004 (as amended in 2016), engages in commercial banking and related services. Risk management is integral to its business operations, facilitated by robust controls and a dedicated risk management framework.

Yako Bank Uganda Limited's legal status, regulatory oversight, and commitment to risk management are highlighted. It emphasizes the bank's compliance with the FIA and its dedication to managing risks effectively.

This report presents the disclosures of Yako Bank Uganda Limited in accordance with the Bank of Uganda Pillar 3 Market Discipline Guidelines on Disclosure Requirements.

The Pillar 3 Disclosure Requirements aim to promote market discipline by providing market participants with essential information regarding the firm's risk exposure and risk management processes. These disclosures complement the minimum capital requirements under Pillar 1 and the supervisory processes of Pillar 2.

1.2. The Pillar 3 Risk Management Report

This report offers insight into Yako Bank Uganda Limited's Regulatory Capital and risk exposures in compliance with Bank of Uganda guidelines and Basel II requirements. The Board has reviewed the report, confirming effective risk and capital management processes.

It is a quarterly assessment of the bank's regulatory capital and risk exposures. It adheres to guidelines set forth by the Bank of Uganda and Basel II requirements, ensuring transparency and accountability in risk management practices.

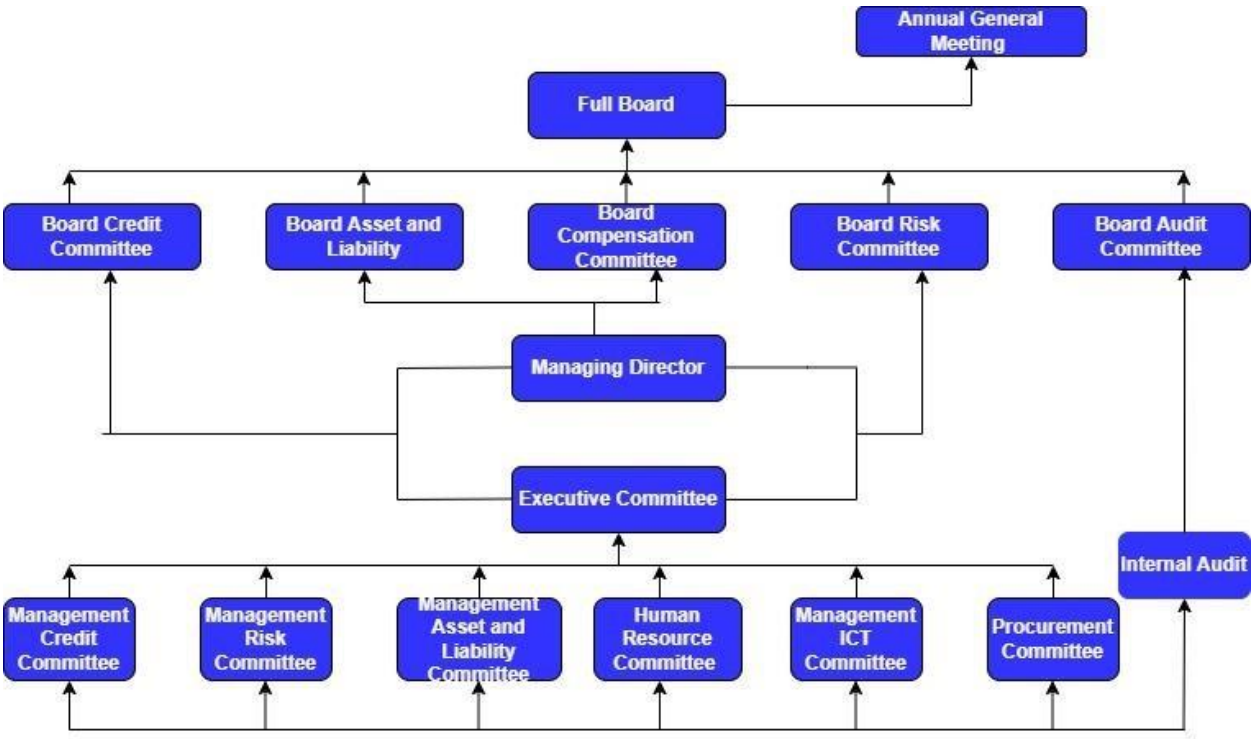
1.3. Board Attestation

The Board confirms that the Pillar 3 Market Discipline Disclosure Report for Quarter 3, 2026 has been prepared in accordance with internal control processes. This attestation underscores the Board's oversight role in ensuring the accuracy and reliability of the disclosed information.

1.4. Risk Management Approach

Yako Bank Uganda employs an active approach to risk management through its Enterprise Risk Management Framework. The framework governs risk culture, identification, and response, ensuring that risk management is integrated into all aspects of the bank's operations. The Board oversees risk governance, setting strategic objectives and policies to guide risk management efforts.

1.5. Risk Governance Structure of Yako Bank Uganda Limited



1.6. Key Prudential Metrics

This section presents key prudential regulatory metrics, including capital ratios, leverage ratios, and liquidity standards. These metrics provide insight into the bank's financial health and regulatory compliance, helping stakeholders assess the bank's ability to absorb losses and meet capital requirements.

The Table Below Provides an Overview of Yako Bank's Key Prudential Regulatory Metrics:

All amounts are in shillings are in thousands ('000) unless otherwise stated.

Amounts in Ugx' 000	Sept-26	Jun-26	Mar - 26	Dec -25	Sept-25	Jun-25
1. Core Capital	34,874,685.07	34,541,079.18	34,463,675.94	32,394,591.32	31,729,231.22	31,490,623.50
2. Supplementary Capital	459,593.70	448,411.04	425,913.90	464,283.71	416,286.21	402,860.41
3. Total Capital	35,334,278.76	34,989,490.22	34,889,589.84	32,858,875	32,145,517	31,893,484
4. Total Risk Weighted Assets (RWA)	54,682,498.40	61,820,848.21	49,332,911.75	51,421,505.95	47,719,898.45	45,791,234.09
5. Core Capital Ratio (%)	63.78%	55.87%	69.86%	63.00%	66.49%	68.77%
6. Total Capital Ratio (%)	64.62%	56.60%	70.72%	63.90%	67.36%	69.65%
7. Capital Conservation Buffer Requirement (2.5%)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
8. Counter Cyclical Buffer Requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9. Systematic Buffer (for DSIBs) (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10. Total of Capital Buffer Requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
11. Core Capital after	9,874,685	9,541,079	9,463,676	7,394,591	6,729,231	6,490,623

meeting the Bank's Mini- Capital Requirement						
12. Basel III Leverage Exposure Measure	97,717,267	104,182,568	84,328,015	80,648,287	85,383,057	75,735,393
13. Basel III Leverage ratio	35.69%	33.15%	40.87%	40.17%	37.16%	41.58%
14. Total High-Quality Liquid Assets	28,056,503	33,284,017	26,648,403	17,914,870	27,544,314	11,398,656
15. Total Net Cash Outflow	1,294,876.95	2,037,014.67	524,854.04	1,094,276.02	743,263.96	1,443,733.97
16. LCR (%)	2167%	1634%	5077%	1637%	3706%	790%

1.7. Overview of Risk-Weighted Assets (RWA)

Understanding risk-weighted assets is crucial for determining and assessing capital adequacy. Yako Bank Uganda tracks various types of risks, such as credit, counterparty, market, and operational risks, to calculate its capital requirements accurately. This section provides an overview of the bank's risk- weighted assets and capital requirements.

Details Ugx '000	RWA Capital	RWA Capital	RWA		Minimum Capital Requirement
	Sept-26	Jun-26	Mar - 26	Dec - 25	Sept-25
Credit Risk (Excluding Counter Party Credit Risk)	46,800,497	51,428,335	42,571,404	46,926,925	41,288,660
Counter Party Credit Risk	3,344,705	5,650,704	3,544,335	2,008,443	4,035,430
Market Risk	4,537,296	4,741,809	3,217,173	2,486,138	2,395,809
Total	**54,682,498**	**61,820,848**	**49,332,912**	**51,421,506**	**47,719,898**

1.8. Asset Quality

Asset quality is a critical aspect of risk management, particularly in the banking sector. This section assesses the credit quality of the bank's assets, distinguishing between defaulted and non-defaulted exposures as well as provisions and interest in suspense. It also addresses provisions for potential losses, reflecting the bank's commitment to maintaining a healthy loan portfolio.

Details	Gross carrying values of		Provisions as per FIA2004		Interest in suspense	Net values
Ugx'000	Defaulted exposures	Non defaulted exposures	Specific	General		
Loans and Advances	1,110,116	45,562,239	461,927	459,594	81,665	46,128,763
Off B/S exposures	-	10,742,839				10,742,839
Total	1,110,116	56,305,077	461,927	459,594	81,665	56,871,601

Stock of Defaulted Loans and Debt Securities

Monitoring changes in defaulted exposures and managing write-offs are essential for preserving asset quality and regulatory compliance. The table below presents the movement in the balance of defaulted exposures for the reporting period. It includes loans and advances that have defaulted since the last reporting period, those that have returned to default status and amounts that have been written off.

Defaulted loans and advances at the end of previous reporting period 'Ugx 000	**1,257,297,766**
Loans and advances that have defaulted since the last reporting period	521,151,658
Returned to non-Default status	(668,333,635)
Defaulted loans and advances at the end of reporting period	**1,110,115,789**

1.9. Composition of Regulatory Capital

Regulatory capital components, including Common Equity Tier 1 and Tier 2 capital, play a vital role in meeting minimum statutory requirements and ensuring financial stability.

Regulatory capital is the foundation of a bank's financial strength and stability. This section breaks down the constituent elements of Yako Bank Uganda's capital, including Common Equity Tier 1 and Tier 2 capital. It also outlines regulatory adjustments and capital adequacy ratios, demonstrating the bank's compliance with minimum statutory requirements.

Composition of Regulatory Capital as at 30th Sept, 2026

	Amounts (Ugx '000)
Total Core Capital (Tier 1)	34,874,685.07
Total Capital (Core + Supplementary)	35,334,278.76
Total Risk-Weighted Assets	54,682,498.40
Core Capital Ratio (RWA min. 12.5%)	63.78%
Total Capital Ratio (RWA min. 14.5%)	64.62%
Leverage Ratio	35.69%

Use of External Credit Ratings

While Yako Bank Uganda primarily serves local corporates, external credit ratings, where available, inform of internal risk assessment processes. This section highlights the bank's reliance on external credit assessment institutions to evaluate the creditworthiness of its counterparties and borrower

Acronyms

This section provides explanations for key acronyms used throughout the report, enhancing clarity and comprehension for readers unfamiliar with industry-specific terminology.

CCR: Counterparty Credit Risk LCR:

Liquidity Coverage Ratio RWA: Risk

Weighted Assets

Overall, the Pillar 3 Risk Management Report provides stakeholders with a comprehensive overview of Yako Bank Uganda's risk management practices, regulatory compliance, and financial performance. It underscores the bank's commitment to transparency, accountability, and prudent risk management in safeguarding the interests of its stakeholders.