



Salaam
Bank | A member of the
Salaam Group



Q2: 2025

PILLAR 3 MARKET DISCLOSURES

Salaam Bank is regulated by the Central Bank of Uganda & Customer deposits are protected by the Deposit Protection Fund up to 10 million.

1.0 Introduction.

Salaam Bank Uganda Limited (hereinafter referred to as the 'Bank') is a fully fledged Islamic Financial Institution and a subsidiary of the Salaam African Bank based in Djibouti.

It provides retail banking, small & mid corporate banking services and a wide range of sharia compliant financial services in Uganda.

The Basel II framework consists of three mutual reinforcing pillars: -

- Pillar 1: Minimum capital requirements.
- Pillar 2: Supervisory review process of capital adequacy
- Pillar 3: Market discipline.

Market discipline (Pillar 3) comprises a set of disclosures on the capital adequacy and risk management framework of the Bank. These disclosures have been set out in the different sections as will be discussed ahead.

The purpose of Pillar 3 is to complement the minimum capital requirements and the supervisory review process of Basel II. The minimum set of disclosure requirements is intended to allow market participants to assess key pieces of information on the scope of application, capital, risk exposures, risk assessment processes, and hence the capital adequacy of the institution.

The minimum requirements for quantitative information to be disclosed to the public on a quarterly basis are:

- Primary capital, including the primary capital adequacy ratio.
- Total capital, including the total capital adequacy ratio.
- The components of capital.
- The total required amount of capital and reserve funds; and
- Any risk exposure or other item that is subject to rapid or material change.

Capital Structure

As per the regulations, the bank's regulatory capital is classified into Tier – I and Tier – II capital.

Tier - I capital includes paid up equity share capital, statutory reserves, other disclosed free reserves eligible for inclusion in Tier - I capital that comply with requirement specified by Bank of Uganda.

Tier - II capital includes general provisions, investment fluctuation reserve and subordinate debt instruments eligible for inclusion in Tier – II capital.

Main features of capital instruments are detailed in the next section of key metrics of capital funds.

DIS01: Key Metrics of capital

		Jun-25	Mar-25	Dec-24	Sep-24	Jun-24
1	Core capital	46,400,470	26,846,906	28,663,553	27,138,510	28,626,011
2	Supplementary capital	131,690	-	73,767	-	-
3	Total capital	46,532,161	26,846,906	28,737,320	27,138,510	28,626,011
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	177,423,656	186,284,532	133,197,005	48,883,327	39,877,537
	Risk-based capital ratios as a percentage of RWA					
5	Core capital ratio (%)	26.15%	14.41%	21.52%	55.52%	71.78%
6	Total capital ratio (%)	26.23%	14.41%	21.58%	55.52%	71.78%
	Capital buffer requirements as a percentage of RWA					
7	Capital conservation buffer requirement (2.5%)	4,435,591.4	4,657,113.3	3,329,925.1	1,222,083.2	996,938
8	Countercyclical buffer requirement (%)	-	-	-	-	-
9	Systemic buffer (for DSIBs) (%)	-	-	-	-	-
10	Total of capital buffer requirements (%) (row 7 + row 8 + row 9)	4,435,591	4,657,113	3,329,925	1,222,083	996,938
11	Core capital available after meeting the bank's minimum capital requirements (%)	26,613,548	27,942,679	19,979,550	7,332,499	5,981,631
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	179,046,676	165,891,252	157,410,385	48,883,327	39,877,537
14	Basel III leverage ratio (%) (row 1 / row 13)	25.92%	16.18%	18.21%	55.52%	71.78%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA)	50,973,058	22,521,710	24,536,864	30,125,570	23,341,394
16	Total net cash outflow	58,749,848	14,045,111	1,818,501	3,444,538	1,753,96
17	LCR (%)	87%	160%	1349%	875%	1331%
	Net Stable Funding Ratio					
18	Total available stable funding	91,086,263	85,458,280	42,571,986	77,890,053	69,674,039
19	Total required stable funding	24,207,025	64,563,642	62,341,780	72,506	291,610
20	NSFR	376%	132%	68%	107426%	23893%

DIS03: Overview of Risk Weighted Assets

The table below provides an overview of the bank's Risk Weighted Assets

c		a	b	c
		RWA		Minimum capital requirements
		Jun-25	Mar-25	Jun-25
1	Credit risk (excluding counterparty credit risk)	177,423,656	169,354,341.00	14,779,390.5
2	Counterparty credit risk (CCR)	-	-	-
3	Market risk	6,663,818	16,638,257	799,658
4	Operational risk	200,564.0	291,934.0	371,414.8
5	Total (1 + 2 + 3 + 4)	184,288,038.0	186,284,532.0	15,950,464

DIS04: Composition of regulatory capital

The table below provides a breakdown of the capital elements of the bank

		Jun-25
		Amounts
	Common Equity Tier 1 capital: instruments and reserves	
1	Permanent shareholders equity (issued and fully paid-up common shares)	94,725,838
2	Share premium	-
3	Retained earnings	(43,784,642)
4	Net after tax profits current year-to date (50% only)	-
5	General reserves (permanent, unencumbered and able to absorb losses)	-
6	Tier 1 capital before regulatory adjustments	50,941,196
	Tier 1 capital: regulatory adjustments	4,540,724.00
8	Goodwill and other intangible assets	1,623,020.0
9	Current year's losses	2,917,704.00
10	investments in unconsolidated financial subsidiaries	-
12	deficiencies in provisions for losses	-
14	Other deductions determined by the Central bank	-
26	Other deductions determined by the Central bank	-
28	Total regulatory adjustments to Tier 1 capital	4,540,724.0
29	Tier 1 capital	46,400,472.00
	Tier 2 capital: Supplementary capital	131,690.00
46	Revaluation reserves on fixed assets	
47	Unencumbered general provisions for losses (not to exceed 1.25% of RWA)	131,690.00
48	Hybrid capital instruments	

49	Subordinated debt (not to exceed 50% of core capital subject to a discount factor)	-
58	Tier 2 capital	131,690.0
59	Total regulatory capital (= Tier 1 + Tier2)	46,532,162
60	Total risk-weighted assets	177,423,656
	Capital adequacy ratios and buffers	
61	Tier 1 capital (as a percentage of risk-weighted assets)	26.15%
63	Total capital (as a percentage of risk-weighted assets)	26.23%
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	2.50%
66	Of which: countercyclical buffer requirement	-
67	Of which: bank specific systemic buffer requirement	-
68	Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	26.15%
	Minimum statutory ratio requirements	
70	Tier 1 capital adequacy ratio	12.5%
71	Total capital adequacy ratio	14.5%

Comment:

As of June 30, 2025, Salaam Bank was adequately capitalized.

DIS05: Quality of assets

In this section, the main figures for exposure to credit risk related to advances, debt securities and similar transactions that are not recorded in the Bank's financial statements are presented.

		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	-	12,132,976	-	131,690.0	-	12,001,286
2	Debt Securities						
3	Off-balance sheet exposures						
4	Total	-	12,132,976	-	131,690.0	-	12,001,286

Comment

As of June 30, 2025, Salaam bank had no defaulted financing assets

DIS06: Changes in stock of defaulted assets and debt securities

The table below represents the Changes in stock of defaulted financing assets and debt securities for Salaam Bank Ltd as of 31 December 2024.

		Jun-25
1	Defaulted loans & advances, debt securities and off-balance sheet exposures at end of the previous reporting period	-
2	Loans and debt securities that have defaulted since the last reporting period	0
3	Returned to non-defaulted status	0
4	Amounts written off	-
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)	

Comment

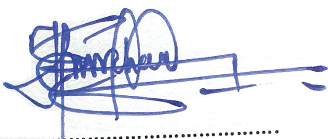
As of June 30, 2025, Salaam bank had no defaulted financing assets hence no movements for the period

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

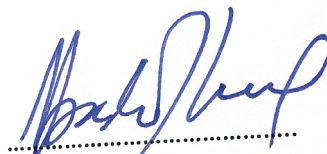
As of June 30, 2025, the bank was yet to use external credit ratings for credit risk.

Board attestation.

The Board attests that the Pillar 3 Market Discipline Disclosure Reports for Quarter 2, 2025 have been prepared in accordance with the regulatory requirements.



Managing Director



Board Chairman