

BANK OF UGANDA



QUARTERLY FINANCIAL STABILITY REVIEW

March 2026

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Overview

Uganda's banking system remains sound, supported by strong domestic economic conditions. However, external risks to financial stability are rising, mainly driven by elevated global geopolitical tensions and asset price volatility, while on the domestic front a few banks face heightened operational and credit risks from rising loan-to-value ratios for residential mortgages and land purchase loans. Nonetheless, Uganda's financial system remains well-positioned against these risks, with strong capital and liquidity buffers as well as improved asset quality and profitability, underpinned by Bank of Uganda (BoU) macroprudential policy measures.

1. Risks in the Macro-Financial Environment

Table 1: Macro financial indicators of systemic risk

Risk Category	Risk level: Dec-2025	Risk direction: Mar-2026
Overall risk:		
Macro risk:		
Liquidity & Funding risk:		
Credit risk:		
Profitability & solvency:		
Structural risk:		
Operational risk:		

Source: BoU

Risk key:

Severity	High	Moderate	Low
Direction	↑ Increasing	⇒ Unchanged	↓ Decreasing

Table 1 presents a risk dashboard summarising BoU's assessment of key risk drivers. In addition, the dashboard highlights projected trends of the main risks to the stability of Uganda's banking sector in the quarter to March 2026.

Global growth outlook remains uncertain partly reflecting heightened geopolitical tensions in the Middle East. According to the International Monetary Fund (IMF) World Economic Outlook (WEO) Update of January 2026, global growth is projected at 3.3 percent in 2026 and 3.2 percent in 2027. The global outlook reflects a balance between headwinds and supportive factors such as continued technology-related investment, particularly in artificial intelligence (AI) and moderating inflation. Nevertheless, risks to the global outlook remain largely tilted to the downside. Key vulnerabilities include a possible further intensification of geopolitical tensions, further trade fragmentation, higher oil prices and the risk of repricing in financial markets given still-elevated asset valuations. In particular, disruptions to major energy supply routes or critical oil infrastructure could lead to renewed volatility in commodity prices, with spillovers to inflation dynamics, fiscal balances, and external positions, particularly in commodity-importing economies.

These vulnerabilities could amplify market corrections and tighten global financing conditions, with implications for capital flows, exchange rate stability and financial stability in emerging market economies.

Domestically, economic growth is projected to remain within the 6.5 – 7.0 percent range in FY2025/26, strengthening further to around 8.0 percent over the medium term. The growth

outlook is supported by expected investment in the extractive industries, the anticipated commencement of oil production in FY2026/27, continued Foreign Direct Investment (FDI) inflows, and sustained Government expenditure on infrastructure, health, and agriculture.

Inflation increased slightly in January 2026, with annual headline and core inflation rising to 3.2 percent and 3.3 percent, respectively, from 3.1 percent recorded in December 2025. The increase was largely driven by higher services inflation, particularly transport-related costs, including air transport. Nonetheless, the inflation outlook remains broadly anchored around the medium-term target of 5 percent, with core inflation projected to average between 3.8 and 4.3 percent over the next 12 months, contingent upon the evolution of the Middle East conflict that escalated at the end of February 2026.

Overall, the domestic growth and financial stability outlook will largely depend on the duration and depth of the conflict. The emerging global risks could heighten vulnerabilities through both the trade and financial channels, including pressures on the exchange rate, imported inflation, and financing conditions, which may pose risks to the inflation outlook and broader macro-financial stability.

2. Assessment of Risks in Supervised Financial Institutions

2.1 Sovereign Risk and Offshore Investor Exposure

Global public debt remains elevated and is projected to approach or exceed global GDP by 2030 according to the International Monetary Fund, World Economic Outlook (January 2026). Uganda’s sovereign exposure remains broadly in line with the Sub-Saharan Africa average and below levels observed in highly exposed peer economies. Government debt-to-

GDP remained stable at 52.4 percent. Aggregate exposure of Supervised Financial Institutions (SFIs) to government securities as a share of total assets remained broadly stable as of December 2025 at 30.1 percent, although some banks have higher exposure.

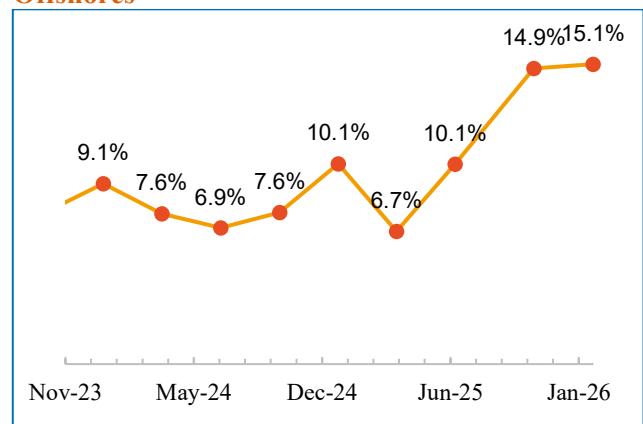
Box 1: Measures to assess Sovereign Debt

In Q2 2025, BoU conducted stress tests to monitor banks’ exposure to sovereign debt, including adherence to exposure limits and capital requirements.

As a small open economy, Uganda remains exposed to shifts in global investor sentiment, as witnessed in the aftermath of the Middle East conflict after February 2026. Such periods often trigger portfolio rebalancing toward safe-haven assets. Accordingly, BoU continues to monitor offshore investor participation in the domestic government securities market and assesses the resilience of the financial system to potential capital outflows.

As at end-January 2026, total exposure to offshore investors stood at UGX 12.5 trillion, with offshore investors accounting for 15.1 percent of outstanding Government of Uganda securities (at face value).

Figure 1: Share of GOU Securities Held by Offshores



Source: BoU

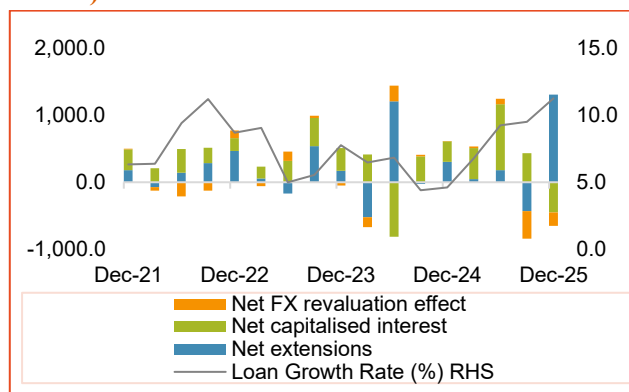
Stress tests simulating a sudden withdrawal of offshore deposits indicate that all banks remain above the 20 percent minimum liquidity ratio, suggesting that the banking sector remains resilient to potential liquidity shocks arising from capital outflows. Moreover, net foreign currency purchases by offshore institutions during the quarter to March 2026 were episodic rather than sustained, suggesting precautionary portfolio adjustments rather than broad-based capital flight.

2.2 Credit Risk and Asset Quality

Credit growth remained moderate as observed in the previous review, supported by continued economic activity and government-led credit schemes. However, growth remained below its long-term trend and the indicative credit growth target, suggesting that there is no justification for an adjustment to the Countercyclical Capital Buffer (CCyB) at this stage. Total loans by SFIs increased by 11.2 percent to UGX 25 trillion in the year ended December 2025, compared to growth of 4.6 percent recorded in December 2024. Aggregate Private Sector Credit (PSC), including Government of Uganda (GoU) credit schemes, improved to 13.5 percent in December 2025 from 10.9 percent in December 2024, reflecting the continued role of public sector interventions in supporting credit expansion.

Despite this growth, credit demand softened, with the value of loan applications declining to UGX 8.2 trillion in December 2025 from UGX 8.7 trillion in September 2025. However, the credit approval rate improved to 70.4 percent from 65.9 percent, suggesting easing risk perceptions and improved borrower quality toward the end of the year.

Figure 2: Annual changes in SFIs loans (UGX. billion)



Source: BoU

Over the year ending December 2025, net credit extensions increased to UGX 1.2 trillion, from UGX 964 billion in the previous year, signaling a rebound in effective lending activity. By sector, loan growth was observed across most sectors, except trade and commerce, which recorded a 1.8 percent contraction. Lending to the tradable sectors, manufacturing, trade and commerce, mining, real estate, and agriculture, accounted for 67.1 percent of total SFI credit in December 2025, up from 58.8 percent in the previous year, highlighting continued prioritization of productive sectors. The personal and household sector remained the single largest recipient of credit, accounting for 26 percent (UGX 6.2 trillion) of the total loan book.

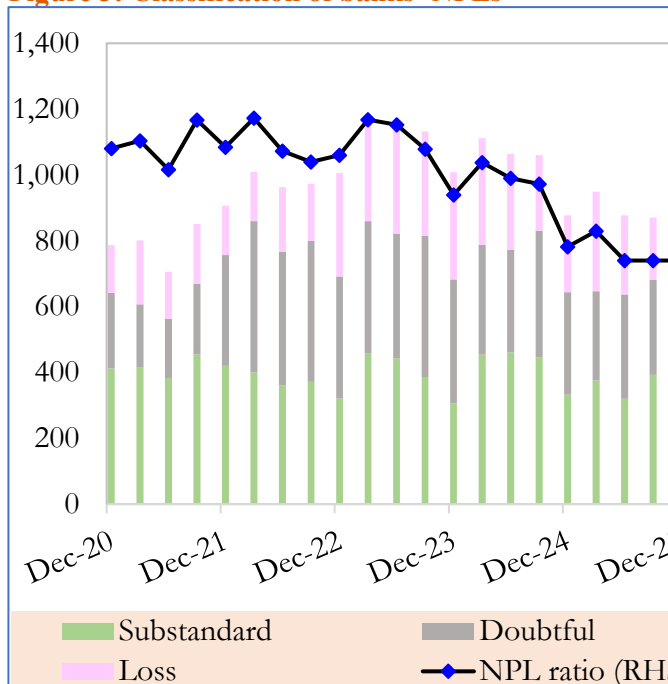
Credit to the real estate sector increased by 5.6 percent during the quarter and by 5.5 percent over the year to December 2025. LTV-regulated segments of the sector, mortgages and land purchase loans, recorded growth of 8.3 percent and 47.6 percent respectively alongside an improvement in asset quality. At the same time, annual residential property inflation, as measured by the Residential Property Price Index (RPPI), rose to 9.2 percent, from 3.2 percent recorded in December 2024, signaling elevated exposure of banks to property-related risks.

Aggregate Loan-to-Value (LTV) ratios improved further, with the aggregate residential mortgage LTV improving to 45.1 percent from 48.7 percent, while aggregate land purchase LTV improved to 74.2 percent from 105.8 percent. These developments indicate improved compliance with the prudential 85 percent LTV ceiling, although a few SFIs remained non-compliant. BoU continues to apply supervisory actions, including show-cause measures, to address persistent breaches.

On a positive note, asset quality continued to improve in the year to December 2025, with the industry NPL ratio declining further to 3.2 percent, the lowest level since December 2011. Only five SFIs recorded NPL ratios above the 5 percent EWIS threshold.

Improvements in asset quality were supported by loan migrations of UGX 1.4 trillion from IFRS Stage 2 back to Stage 1, reflecting strengthening borrower risk profiles. Loan write-offs declined by 15 percent to UGX 139 billion, reinforcing the observed improvement in realized asset quality.

Figure 3: Classification of banks' NPLs



Source: BoU

Looking ahead, Expected Credit Losses (ECLs), an indicator of future NPL developments discounted to the present, declined to UGX. 818.1 billion from UGX. 895.3 billion in September 2024, pointing to stable NPLs in the short term. However, the trend of asset quality will be dependent on the materialization of global macro risks and the transmission channel to the banking sector.

Box 2: Update on measures to boost credit growth and mitigate credit risk

- BoU approved a request from one SFI to commence operations under the Islamic Banking Regulations, increasing the number of institutions offering Islamic finance products to two.
- Use of credit reference services by credit providers outside of BoU’s regulatory scope has picked up, bolstered by the provisions of the Financial Institutions (Credit Reference Bureau) Regulations, 2022.
- The number of Accredited Credit Providers (ACPs) onboarded to the credit information sharing system by Credit Reference Bureaus (CRBs) rose from 40 in June 2025 to 50 in December 2025.

2.3 Liquidity Risk and Funding Conditions

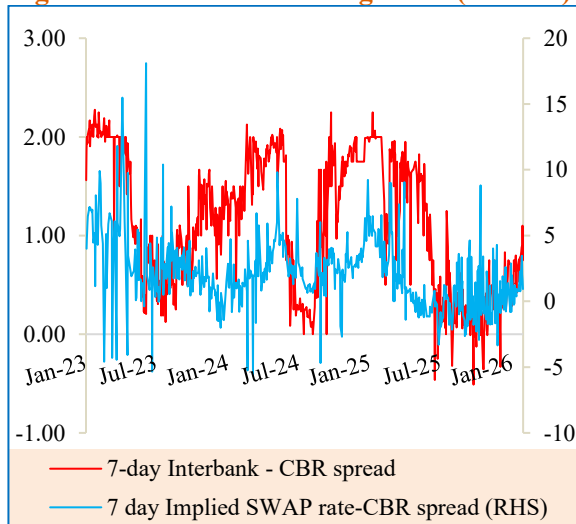
SFIs’ funding and liquidity conditions continued to improve, as observed in the previous quarter, largely on account of improved deposit mobilization and adequate buffers to withstand liquidity shocks.

In the year to December 2025, customer deposits grew by 19.6 percent to UGX 43.6 trillion, accounting for 84.1 percent of total liabilities.

Wholesale funding costs rose modestly over the quarter to January 2026, with the average spread between the 7-day Interbank Rate and the Central

Bank Rate (CBR) widening from 0.1 percent to 0.5 percent, and the spread between the 7-day swap-implied rate and the CBR increasing from 0.3 percent to 0.7 percent. Despite these marginal adjustments, money markets continued to operate efficiently in facilitating liquidity transmission.

Figure 4: Wholesale Funding Costs (Percent)



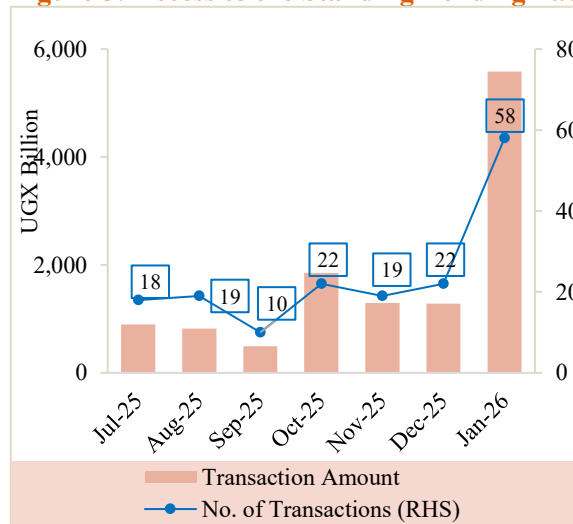
Source: BoU

All SFIs maintained sufficient liquidity buffers to meet both short-term and long-term obligations over the review period. The aggregate stock of liquid assets increased by 10.6 percent to UGX 24.9 trillion, driving the industry liquid assets to deposits ratio to 56.9 percent from 54.5 percent in September 2025. All SFIs complied with the regulatory minimums of 20 percent for Banks and CIs, and 15 percent for Micro-Deposit Taking Institutions (MDIs).

Relatedly, all SFIs complied with the 100 percent minimum requirement for both the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR), with the industry aggregates standing at 527.7 percent and 183 percent respectively, in the quarter to January 2026. In the same period, SFIs' High Quality Liquid Assets (HQLA) increased by 8.4 percent to UGX 23.9 trillion, attributed to growth in 30-day investment securities, BoU securities and available for sale securities.

SFIs' usage of the Standing Lending Facility (SLF) to meet overnight liquidity demand, increased to UGX 5.6 trillion across 58 transactions in January 2026, relative to UGX 1.3 trillion across 22 transactions in December 2025. SLF usage remained concentrated and episodic, suggesting no broad-based liquidity concerns.

Figure 5: Access to the Standing Lending Facility



Source: BoU

BoU's liquidity assessment further revealed that at end December 2025, the top ten non-bank depositors accounted for 23.5 percent of aggregate total deposits, lower than 26.9 percent in September 2025. At the institutional level, two SFIs had more than 50 percent of their deposits held by their top ten customers. BoU continues to implement supervisory actions to ensure that SFIs maintain prudent liquidity risk management processes, diversify funding sources and strengthen their liquidity contingency plans to reduce deposit concentration and safeguard against liquidity risk.

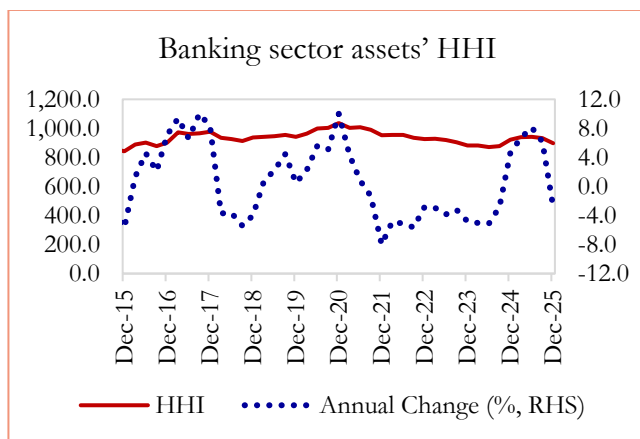
2.4 Structural Risk

Banking sector concentration remained relatively low, indicative of a competitive market setting and a diversified distribution of intermediation activities across the financial sector. The Herfindahl-Hirschman Index (HHI) for banking sector assets, an indicator of market

competitiveness, decreased to 897 in December 2025 from 933.1 in September 2025, remaining below the 1500 mark, above which the market would be considered moderately concentrated. Similarly, the DSIBs’ share of bank assets declined from 50.3 percent to 49.5 percent over the review period, consistent with the low structural risk assessment highlighted above.

Furthermore, all DSIBs remained adequately capitalized to absorb potential losses in the event of sudden shocks. BoU continues to closely monitor DSIBs’ performance and provide enhanced supervisory oversight, to minimize both their probability of failure and potential loss given default. This approach reflects each institution's systemic importance and is in line with BoU's Risk Based Supervision Framework

Figure 6: Banking sector assets’ HHI



Source: BoU

Box 3: Measures to address structural risk

- BoU is in the process of updating the DSIBs Framework to refine the systemic risk assessment methodology and align the framework with recent market/regulatory developments.
- To ensure enhanced collaboration and alignment with Partner States Central Banks’ systemic risk assessment, BoU collaborates with the EAC and COMESA through regional Technical Working

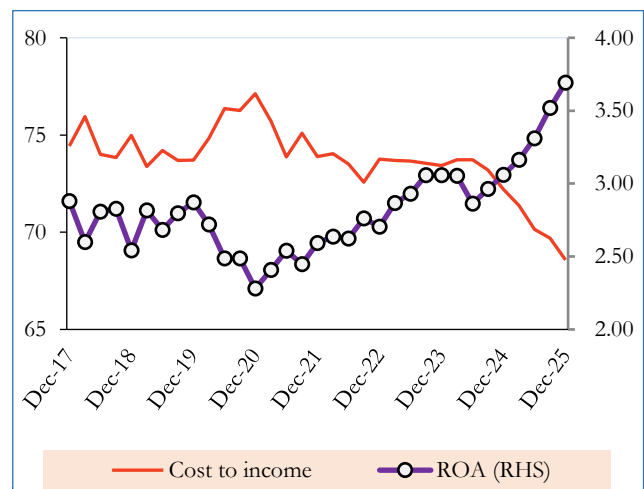
Groups on Macroprudential Analysis, Stress Testing and Statistics.

- BoU also continues to monitor and ensure that DSIBs comply with the credit concentration limits as per the regulatory framework.

2.5 Profitability and Capital Adequacy

SFIs continued to hold strong capital buffers and posted improved profitability, consistent with the trend observed in the previous review period. SFIs’ aggregate net profit after tax (NPAT) increased by 35.1 percent to UGX 2.2 trillion for the year ended December 2025, which led to an improvement in the industry’s Return on Assets (ROA) to 3.7 percent from 3.1 percent a year before. The growth in SFIs’ earnings was mainly driven by a 19.7 percent increase in interest income from government securities, a 7.1 percent increase in yields on loans and advances, as well as a 24.2 percent reduction in provisions for bad debts. In addition, SFIs’ operational efficiency continued to improve, leading to a reduction in their aggregate cost-to-income ratio from 72.2 percent to 68.6 percent over the review period.

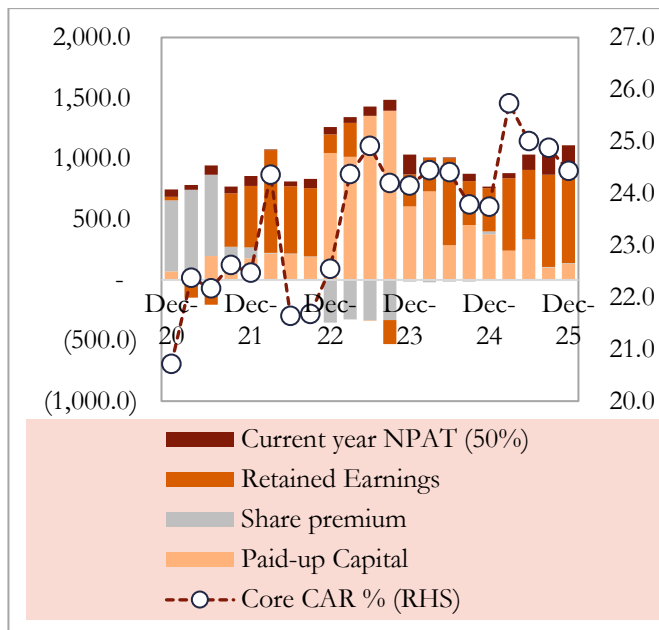
Figure 7: Evolution of SFIs’ ROA and Cost to Income (Percent)



Source: BoU

SFIs continued to maintain strong capital levels to absorb shocks, supported by improved profitability and BoU policy measures. The industry’s regulatory core capital-to-risk weighted assets ratio (Core CAR) increased from 23.8 percent to 24.4 percent, while the aggregate Core CARs stood at 24.1 percent for banks, 35.8 percent for CIs, and 23.9 percent for MDIs, well above the regulatory minimum of 12.5 percent for banks and CIs, and 15 percent for MDIs. Similarly, all Domestic Systemically Important Banks (DSIBs) complied with the systemic risk buffer while all banks and CIs met the 6 percent minimum requirement for the leverage ratio.

Figure 8: SFIs’ Core Capital



Source: BoU

Regarding the revised minimum paid-up capital requirements of UGX 150 billion for Tier I banks, UGX 25 billion for Tier II banks, and UGX 5 billion for Tier III institutions, one SFI remained non-compliant as at end-December 2025 but has made strong progress, while one bank has been approved to transition to Tier II status. BoU will continue engaging SFIs with shortfalls to ensure compliance with the minimum capital requirements.

3 Risks in Payments System

There was substantial growth in the payment and financial services sector over the year to December 2025. This was largely driven by digital adoption and targeted regulatory interventions.

Transactions on UNISS, Uganda’s Real Time Gross Settlement (RTGS) system, increased by 16.0 percent in volume from 2.3 million to 2.7 million and by 15.1 percent in value from UGX 891.3 trillion to UGX 1,025.7 trillion over the year to December 2025. Similarly, the Automated Clearing House (ACH) registered an 11.1 percent increase in Electronic Funds Transfer (EFT) values over the same period. In contrast, cheque usage declined by 4.3 percent from UGX 4.7 trillion in December 2024 to UGX 4.5 trillion in December 2025. This decrease reflects the continued shift toward more convenient electronic payment methods, alongside the impact of interbank cheque value limits introduced on 15 January 2022.

As of December 2025, there were twenty-two (22) electronic money providers. Over the year, electronic money transaction volumes and values rose by 17.3 percent and 28.0 percent, respectively, underscoring further deepening of financial inclusion. Notably, low-value transactions (under UGX 50,000) constituted 90.8 percent of total mobile money activity.

Digital lending witnessed a remarkable surge, with loan disbursements increasing by 352.8 percent in volume and 96.1 percent in value. Over the twelve months to December 2025, disbursements rose to 306.3 million in volume and UGX 4.8 trillion in value. Similarly, agent banking also expanded, with the number of agents on the platform growing by 38.1 percent, from 16,778 in December 2024 to 23,173 in December 2025.

Despite the expansion of digital credit extension, operational risks, particularly cyber threats and system vulnerabilities, continue to be an area of concern, underscoring the need for enhanced security measures and a more robust financial infrastructure. There have been occasional service disruptions in systemically important payment systems, notably a significant incident on 27 October 2025, when UNISS experienced an outage and a few additional incidents reported by Payment Service Providers (PSPs). On a positive note, liquidity and credit risks within the payment systems remained low, supported by the pre-funded RTGS systems and fully backed electronic money.

Box 4: Measures to mitigate risks within payment systems

- BoU is progressing with amendments to the National Payments System (NPS) Act Regulations, pending board approval, to enhance oversight.
- BoU continues to enforce the Consumer Protection Regulations under the NPS Act aiming to enhance transparency and accountability in digital transactions.
- National Payments Systems Department (NPSD) has proposed alternative Business Continuity arrangements and continues to guide PSPs through targeted assessments, financial and digital literacy awareness programs.

4 Update on SFIs under Liquidation

In line with the Financial Institutions Act (FIA) 2004 (as amended), under Section 99, this segment provides an update on the status of the liquidation process for the four closed financial institutions that remain under liquidation.

Table 2: Update on closed SFIs

SFI	Update
EFC Uganda Ltd	<ul style="list-style-type: none"> ▪ Following liquidation in January 2024 all insured and uninsured depositors were reimbursed. The government guarantee has since been reduced by 48 percent. ▪ A draft framework to dispose of the residual loan portfolio has been developed. ▪ In addition, audit of the portfolio is ongoing, and BoU aims to conclude the audit process by March 2026.
Mercantile Credit Bank Ltd	<ul style="list-style-type: none"> ▪ To date, 60 percent of the unprotected deposits have been reimbursed through three distributions funded from liquidation proceeds. This is over and above the refunds of protected deposits of up to UGX10 million per depositor from the Deposit Protection Fund. ▪ MCBL’s outstanding loan portfolio currently stands at approximately UGX 57.9 billion and remains the sole source of liquidation inflows following the disposal of all movable assets. ▪ All performing and secured UGX loans were sold to another SFI, and the proceeds supported the most recent depositor distribution. ▪ BoU aims to complete the ongoing audits by March 2026.
Greenland Bank Ltd	<ul style="list-style-type: none"> ▪ Liquidation is at an advanced stage, with the final liquidation audit completed by KPMG. ▪ The final closure of the process remains pending due to an ongoing court case; there has been a second attempt for mediation by the Plaintiff.
National Bank of Commerce	<ul style="list-style-type: none"> ▪ The liquidation is nearing completion, with the audit of the liquidation process currently in its final stages.

	<ul style="list-style-type: none"> ▪ Formal closure of the liquidation will proceed upon receipt and approval of the final audit report from PwC.
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Source: BoU

5 Policy Stance

In line with the direction of systemic risk as at end-December 2025, BoU maintained macroprudential policy measures unchanged. (*Appendix 1*).

6 Financial Sector Policy Coordination

The Financial Sector Stability Forum (FSSF) coordinates policies for strengthening the resilience of Uganda’s financial system against current and emerging shocks. The forum is comprised of Heads of Regulatory Agencies i.e. Governor/Chief Executive Officers (CEOs) of the following agencies: Bank of Uganda (BoU), Capital Markets Authority (CMA), Deposit Protection Fund (DPF), Insurance Regulatory Authority (IRA), Financial Intelligence Authority (FIA), Ministry of Finance, Planning and Economic Development (MoFPED), and Uganda Retirement Benefits Regulatory Authority (URBRA).

Box 5: The Financial Sector Stability Forum (FSSF)

The FSSF convened its 10th meeting on 04 December 2025, chaired by the Governor Bank of Uganda. The FSSF reviewed and discussed key financial sector developments and assessed the risks to financial stability arising from macro-financial trends, market dynamics, and regulatory adjustments. Notable focus was placed on the regulation of large SACCOs by BoU following the introduction of a mandatory regulatory and licensing framework for large SACCOs.

The forum agreed on the following actions:

- a) Enhance assessment of risks from global geopolitical tensions and take steps to enhance resilience as risks evolve.
- b) Expand effective implementation of oversight of large SACCOs. BoU in collaboration with relevant stakeholders, to enhance coordinated licensing and regulation of all large SACCOs in line with the law.
- c) Enhancement of crisis preparedness and management. To implement the recommendations from the National Crisis Simulation Exercise of January 2025 to strengthen crisis management and resolution frameworks. Conduct targeted institution-specific crisis simulation exercises in 2026 to ensure timely, coordinated, and effective responses in the event of a crisis.
- d) Joint Inspections and collaboration –To enhance inter-agency cooperation through joint inspections of supervised financial institutions that have cross cutting oversight by different agencies starting May 2026, and to continue collaboration on coordinated, sector-wide public outreach initiatives covering both AML/CFT and other prudential matters.
- e) Regulatory Framework for Virtual Assets and Virtual Asset Service Providers (VA/VASPs): To support the finalization of a comprehensive policy and regulatory framework for Virtual Assets and Virtual Asset Service Providers (VA/VASPs).

7 Conclusion

Overall, systemic risks to the soundness of the financial system remained moderate and SFIs hold adequate liquidity and capital buffers to absorb stringent but plausible shocks. However, several vulnerabilities remain, and these include heightened geopolitical tensions, fiscal vulnerabilities and a few SFIs that continue to face capital adequacy challenges. Nonetheless, BoU will continue to exercise vigilance over emerging risks, and remains ready to implement necessary policy measures as risks evolve in order to maintain financial system stability.

8 Appendices

Appendix 1: Summary Status of BOU Macroprudential Policy Measures for Financial Stability

Type of risk	Intermediate objective	Tools/Instruments	Effective Date	Status/comment
Time varying risk	Resilience against Credit and other risks	<ul style="list-style-type: none"> Capital Conservation Buffer (2.5 percent of RWA) Applicable to Commercial Banks and Credit Institutions. 	December 2021	Ongoing
		<ul style="list-style-type: none"> Countercyclical Capital Buffer (0.0 percent of RWA) Applicable to Commercial Banks and Credit Institutions 	December 2021	
		<ul style="list-style-type: none"> Leverage Ratio:6 percent (Core capital/Total Assets+off balance-sheet items) Applicable to Commercial Banks and Credit Institutions. 	December 2021	
		<ul style="list-style-type: none"> Revised paid-up capital requirements to UGX 150 billion for Tier I banks and UGX 25 billion for Tier II banks. 	June 2024	
		<ul style="list-style-type: none"> Loan-to-value (LTV) ratio Limit: 85 percent (on residential mortgages and land purchase loans.) Applicable to Commercial Banks, Credit Institutions and MDIs 	May 2020	
	Funding/ Liquidity risk	<ul style="list-style-type: none"> Liquidity Coverage Ratio (LCR): 100 percent Applicable to Commercial Banks and Credit Institutions 	January 2014	Ongoing
		<ul style="list-style-type: none"> Standing Lending Facility (SLF), for commercial banks 	July 2020	
		<ul style="list-style-type: none"> Net Stable Funding Ration (NSFR): 100 percent Applicable to Commercial Banks and Credit Institutions 	December 2024	
		<ul style="list-style-type: none"> Emergency Liquidity Assistance (ELA). 	June 2022	
	Cross sectional risk	Resilience of market structure	<ul style="list-style-type: none"> Framework for Regulation of Domestic Systemically Important Banks (DSIBs) Systemic risk capital Buffer (0.0–3.5 percent of RWA) Enhanced disclosure requirements for DSIBs Recovery Plans for DSIBs 	December 2021
Enhance capacity to manage a financial crisis		<ul style="list-style-type: none"> The Financial Sector Crisis Management Plan (FSCMP) 	December 2022	Ongoing

Appendix 2: Selected Financial Soundness Indicators (FSIs) for Commercial Banks

CORE FSIs	June 2024	Sept 2024	Dec 2024	Mar 2025	June 2025	Sept 2025	Dec 2025
Capital Adequacy (percent)							
Regulatory capital to risk-weighted assets	25.24	24.60	24.64	26.70	25.75	25.68	25.40
Regulatory tier 1 capital to risk-weighted assets	24.05	23.39	23.45	25.50	24.59	24.51	24.09
NPLs less specific provisions to capital	6.92	7.09	5.71	5.52	4.94	5.52	4.96
Insider loans to total capital	2.42	2.49	2.50	2.13	2.69	2.64	2.42
Total capital to total assets	18.60	18.39	18.94	19.19	18.31	18.88	18.69
Leverage ratio	13.03	12.29	12.73	13.67	12.75	12.59	12.11
Asset quality (percent)							
NPLs to total gross loans	4.95	4.85	3.98	4.13	3.68	3.61	3.21
NPLs to total deposits	2.88	2.78	2.40	2.45	2.06	2.06	1.80
Specific provisions to NPLs	44.69	44.32	45.39	45.77	47.15	41.58	42.03
Earning assets to total assets	70.69	70.95	71.60	72.85	70.67	72.41	73.00
Large exposures to gross loans	36.41	37.20	32.74	33.15	35.07	36.44	35.77
Large exposures to total capital	77.82	80.20	69.67	69.48	73.58	75.95	74.04
Earnings & profitability (percent) (YoY)							
Return on assets	2.97	3.07	3.12	3.20	3.36	3.60	3.78
Return on equity	16.00	16.56	16.50	16.76	18.20	19.30	20.10
Net interest margin	10.99	10.89	10.87	10.89	10.88	11.01	10.85
Yield on advances	16.46	16.43	16.30	16.35	16.34	16.57	16.19
Cost of deposits	2.96	3.07	3.21	3.25	3.09	3.16	3.21
Cost to income	72.29	71.81	71.06	70.23	68.92	68.36	67.19
Overhead to income	47.49	46.69	46.28	45.78	45.34	45.00	44.48
Liquidity (percent)							
Short term gap	(16.46)	(18.54)	(18.98)	(20.96)	(18.04)	(20.72)	(20.36)
Liquid assets to total deposits	46.89	42.87	50.50	51.02	55.71	54.28	56.57
Liquid assets to total assets	32.00	29.68	33.73	34.61	38.30	37.45	38.97
Interbank borrowings to total deposits	3.63	2.71	2.18	3.01	2.58	2.64	2.39
Bank-funded advances to total deposits	56.17	55.24	57.88	56.42	53.69	55.00	53.97
Market Sensitivity (percent)							
Forex exposure to regulatory tier 1 capital	(4.32)	(4.61)	(6.70)	(2.85)	(6.70)	(5.11)	(4.25)
Forex loans to forex deposits	54.03	53.32	54.15	52.53	49.17	51.08	53.32
Forex assets to forex liabilities	95.59	91.88	93.98	88.10	87.22	86.01	96.15

Source: BoU

Appendix 3: Selected Financial Soundness Indicators (FSIs) for Credit Institutions (CIs)

CORE FSIs	June 2024	Sept 2024	Dec 2024	Mar 2025	June 2025	Sept 2025	Dec 2025
Capital Adequacy (percent)							
Regulatory capital to risk-weighted assets	34.56	32.52	27.51	27.69	39.61	38.31	36.85
Regulatory tier 1 capital to risk-weighted assets	33.64	31.32	26.51	26.71	38.60	37.29	35.84
NPLs less specific provisions to capital	6.28	7.76	6.17	6.34	5.14	4.86	4.08
Insider loans to total capital	0.75	0.94	0.85	0.77	0.49	13.72	51.13
Total capital to total assets	30.34	24.83	22.91	21.69	25.86	27.15	26.01
Leverage ratio	25.80	19.57	18.46	18.50	23.19	23.93	23.01
Asset quality (percent)							
NPLs to total gross loans	4.35	5.91	4.70	5.14	5.18	4.96	3.84
NPLs to total deposits	8.43	5.44	5.06	5.39	4.26	4.97	3.74
Specific provisions to NPLs	34.87	40.37	42.33	43.47	42.25	46.37	44.98
Earning assets to total assets	59.23	56.71	54.54	51.69	52.82	54.39	55.45
Large exposures to gross loans	3.96	8.28	9.82	11.03	8.08	8.15	7.19
Large exposures to total capital	7.69	15.26	18.92	21.60	12.97	13.72	12.69
Earnings & profitability (percent) (YoY)							
Return on assets	(4.43)	(2.16)	0.36	1.21	1.06	0.84	0.96
Return on equity	(18.53)	(9.37)	1.62	5.69	3.97	3.18	3.85
Net interest margin	36.12	25.98	28.42	33.05	29.42	27.46	29.27
Yield on advances	43.26	33.15	33.76	36.73	34.10	30.92	32.84
Cost of deposits	10.93	5.81	5.93	6.05	5.45	5.33	6.24
Cost to income	107.32	104.59	94.93	91.94	92.19	93.41	93.18
Overhead to income	78.05	77.53	69.18	70.45	70.50	70.70	70.70
Liquidity (percent)							
Short term gap	12.42	(3.40)	2.84	0.70	(8.90)	(8.66)	(2.29)
Liquid assets to total deposits	95.81	59.80	90.76	95.33	90.86	71.50	82.70
Liquid assets to total assets	29.13	29.77	37.13	38.61	45.86	32.63	38.99
Interbank borrowings to total deposits	34.71	13.42	19.38	18.83	8.64	9.12	8.23
Bank-funded advances to total deposits	191.79	86.88	101.34	98.67	78.18	95.06	92.30
Market Sensitivity (percent)							
Forex exposure to regulatory tier 1 capital	3.51	1.37	1.80	9.71	(2.31)	2.56	(0.36)
Forex loans to forex deposits	-	21.29	39.83	43.08	23.02	25.55	28.02
Forex assets to forex liabilities	149.84	105.66	105.90	101.28	97.94	108.53	101.79

Source: BoU

Appendix 4: Selected Financial Soundness Indicators (FSIs) for MDIs

CORE FSIs	June 2024	Sept 2024	Dec 2024	Mar 2025	June 2025	Sept 2025	Dec 2025
Capital Adequacy (percent)							
Regulatory capital to risk-weighted assets	43.55	40.12	37.78	45.12	28.11	26.25	26.57
Regulatory tier 1 capital to risk-weighted assets	41.11	37.85	35.67	43.40	25.46	23.69	23.94
NPLs less specific provisions to capital	2.82	2.30	2.24	2.59	4.09	4.55	3.94
Insider loans to total capital	0.10	0.16	0.15	0.00	0.00	0.00	0.00
Total capital to total assets	27.37	28.13	30.56	29.88	20.86	19.53	20.62
Leverage ratio	26.32	26.74	28.76	28.91	19.37	18.05	18.78
Asset quality (percent)							
NPLs to total gross loans	5.08	4.30	3.77	4.12	4.33	4.32	3.71
NPLs to total deposits	5.94	4.75	5.01	4.81	5.66	5.61	5.44
Specific provisions to NPLs	71.46	72.95	71.43	67.93	71.61	70.51	71.96
Earning assets to total assets	51.76	53.69	61.39	57.99	64.54	64.59	69.20
Large exposures to gross loans	-	0.14	0.13	-	-	-	-
Large exposures to total capital	-	0.26	0.25	-	-	-	-
Earnings & profitability (percent) (YoY)							
Return on assets	0.55	1.12	2.20	2.53	2.84	2.01	1.73
Return on equity	2.03	4.08	7.77	8.50	11.19	7.90	6.34
Net interest margin	32.46	33.97	33.15	35.24	40.95	32.58	24.08
Yield on advances	33.51	33.44	31.92	34.56	41.19	34.59	27.29
Cost of deposits	8.41	7.28	7.62	7.81	9.45	7.64	7.38
Cost to income	95.65	93.33	89.76	88.70	89.15	90.91	91.08
Overhead to income	63.37	63.44	64.11	64.33	64.23	64.09	61.81
Liquidity (percent)							
Short term gap	-	-	-	-	-	-	-
Liquid assets to total deposits	92.31	75.30	65.18	69.67	54.04	52.57	41.32
Liquid assets to total assets	40.36	36.03	29.37	33.82	26.62	26.09	20.04
Interbank borrowings to total deposits	10.40	8.58	10.27	8.78	17.56	19.66	22.43
Bank-funded advances to total deposits	116.81	110.24	132.58	116.40	130.86	129.96	146.66

Source: BoU