

Centenary Rural Development Bank Ltd

Basel II – Pillar III – Market Disclosure

Period ended 30th September 2024

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DIS01 – Key Metrics

	30/Sept/2024	30/Jun/2024	31/Mar/2024	31/Dec/2023	30/Sep/2023
	A	B	C	D	E
	T	T-1	T-2	T-3	T-4
Available capital (amounts)	(Shs '000s)				
1 Core Capital (Tier 1)	1,236,450,808	1,210,286,900	1,161,454,171	1,102,147,188	1,089,848,127
2 Supplementary Capital (Tier 2)	38,408,495	37,331,519	36,678,727	36,330,136	34,931,613
3 Total Capital	1,274,859,303	1,247,618,419	1,198,132,898	1,138,477,324	1,124,779,740
Total Risk-weighted Assets (RWA)					
4 Total Risk-weighted Assets	4,430,522,523	4,373,401,656	4,466,170,205	3,944,397,572	3,766,729,132

Risk based capital ratios as a percentage of RWA					
5 Core capital ratio (%)	27.9%	27.7%	26.0%	27.9%	28.1%
6 Total capital ratio (%)	28.8%	28.5%	26.8%	28.9%	29.9%

Capital buffer requirements as a percentage of RWA					
7 Capital conservation buffer requirements (2.5%)	2.50%	2.50%	2.50%	2.50%	2.50%
8 Countercyclical buffer requirements (2.5%)	0.00%	0.00%	0.00%	0.00%	0.00%
9 Systemic buffer (for DSIBs) (%)	0.50%	0.50%	0.50%	0.50%	0.50%
10 Total of capital buffer requirements (%) (row 7+row 8+row 9)	3.00%	3.00%	3.00%	3.00%	3.00%
11 Core capital available after meeting the bank's minimum capital requirements (%)	14.91%	14.67%	13.01%	14.94%	15.93%

Basel 111 leverage ratio					
13 Total Basel 111 leverage ratio exposure measure	7,274,727,224	7,181,418,047	6,726,787,643	6,531,827,000	6,573,337,457
14 Basel 111 leverage ratio (%) (row 1/ row 13)	17.0%	16.9%	17.3%	16.9%	16.6%

Liquidity coverage ratio						
15	Total high-quality liquid assets (HQLA)	1,420,440,377	1,632,486,792	1,073,857,692	1,321,679,171	1,398,576,023
16	Total net cash outflow	657,273,348	706,235,808	546,486,533	891,289,908	759,329,021
17	LCR (%)	216.1%	231.2%	196.5%	148.3%	184.2%

Net stable funding ratio						
18	Total available stable funding					
19	Total required stable funding					
20	NSFR					

- Centenary Bank (U) Ltd remains adequately capitalized with **Capital adequacy** well above the buffered Tier 1 & Total Capital adequacy requirements. The increase in Tier 1 capital available after meeting the bank's minimum capital requirement was due to the increase in retained earnings year to date.
- **Capital buffer requirements** remained flat between the reporting periods; the bank continues to hold sufficient capital above the requirement.
- Increase in the **Basel III leverage ratio** is attributed to growth in capital between the periods.
- Drop in **Liquidity Coverage Ratio (LCR)** driven by a more than proportionate decrease in high quality liquid assets HQLA (placements & government securities), as compared to that on the total net cash outflow.

DIS03 – Overview of Risk Weighted Assets (RWA)

	a	b	c
	RWA - Shs'000		Minimum capital requirements
	T	T-1	T
	30-Sept-24	30-Jun-24	31-Mar-24
1 Credit risk (excluding counterparty credit risk)	3,837,056,428	3,730,683,506	460,446,771
2 Counterparty credit risk	-	-	-
3 Market risk	188,775,063	163,852,526	22,653,008
4 Operational risk	404,691,032	478,865,624	48,562,924
5 Total (1+2+3+4)	4,430,522,523	4,373,401,656	531,662,703

- Total Risk weighted assets increased between the two reporting periods:
 - **Credit Risk** up due to an increase in loans and advances
 - Increase in **Market Risk** due to increase in exposure to long-dated government securities (Treasury bonds)
- Centenary Bank continues to maintain a very healthy capital position, well above the minimum capital requirement.

DIS04 – Composition of Regulatory Capital

	30/Sept/2024	30/Jun/2024
Common Equity Tier 1 capital: instruments and reserves	Amounts - Shs'000	
Permanent Shareholders' Equity (issued and fully paid-up common shares)	173,068,760	173,068,760
Share premium	671,008,363	671,008,363
Retained earnings	343,184,577	343,184,577
Net after-tax profits current year-to-date less (50% only)	127,719,983	85,333,597
General reserves (permanent, unencumbered and able to absorb losses)	-	-
Tier 1 capital: before regulatory adjustments	1,314,981,683	1,272,595,297
Tier 1 capital: regulatory adjustments		
Goodwill and other intangible assets	34,379,394	18,227,142
Current year's losses	-	-
Investments in unconsolidated financial subsidiaries	-	-
Deficiencies in provisions for losses	-	-
Other deductions determined by Central Bank (Deferred Tax Asset)	44,151,480	44,081,255
Other deductions determined by Central Bank (Unrealised Gains)	-	-
Total regulatory adjustments to tier 1 Capital	78,530,875	62,308,397
Tier 1 capital:	1,236,450,808	1,210,286,900
Tier 2 capital: Supplementary Capital		
Revaluation reserves on fixed assets	-	-

Unencumbered general provisions for losses (not to exceed 1.25 % of the Capital Requirement Basis)	38,408,495	37,331,519
Hybrid Capital Instruments and others	-	-
Subordinated Term Debt (not to exceed 50% of core capital, subject to discount factor)	-	-
Tier 2 capital	38,408,495	37,331,519
Total Capital (= Tier 1 + Tier 2)	1,274,859,303	1,247,618,419

Total risk weighted assets	4,430,522,523	4,373,401,656
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Capital adequacy ratios and buffers		
Tier1 capital (as a percentage of risk weighted assets)	27.9%	27.7%
Total capital (as a percentage of risk weighted assets)	28.8%	28.5%

Total Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus systemic buffer, expressed as a percentage of risk-weighted assets)		
Of which: capital conservation buffer requirement	2.5%	2.5%
Of which: countercyclical buffer requirement	0.0%	0.0%
Of which: bank specific systemic buffer requirement	0.5%	0.5%

Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement)	14.91%	14.67%
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Minimum statutory ratio requirements		
Tier 1 capital adequacy ratio	10.0%	10.0%
Total capital adequacy ratio	12.0%	12.0%



- The increase in Tier 1 capital available after meeting the bank's minimum capital requirement was due to the increase in retained earnings year to date.

Declaration

The Board acknowledges its responsibility of ensuring the integrity of this report, which in the Board's opinion gives a true and fair view of Centenary Rural Development Bank Limited and addresses all the issues that are material to the Banks ability to remain a going concern. The Pillar III report has been prepared in accordance with the board-agreed internal control processes.

Signed on the behalf of Centenary Rural Development Bank Limited:



Board Chairperson



Managing Director