

PILLAR 3

MARKET DISCLOSURE REPORT

June 2026

DIS01: Key Prudential Metrics

Purpose: Provide an overview of a SFI's prudential regulatory metrics.

Scope of application: The template is mandatory for all SFIs.

Content: Key prudential metrics related to regulatory capital, leverage ratio and liquidity standards. SFIs are required to disclose each metric's value using the corresponding standard's specifications for the reporting period-end (designated by T in the template below) as well as the four previous quarter-end figures (T-1 to T-4). All metrics are intended to reflect actual bank values for (T).

Frequency: Quarterly.

Accompanying narrative: SFIs are expected to supplement the template with a narrative commentary to explain any significant change in each metric's value compared with previous quarters, including the key drivers of such changes (eg whether the changes are due to changes in the regulatory framework, group structure or business model).

		A	B	C	D	E
	Amount Ushs' 000'	Jun-26	Mar-26	Dec-25	Sep-25	Jun-25
	Available capital (amounts)					
1	Core capital	245,089,697	233,941,640	206,014,595	201,144,927	197,664,554
2	Supplementary capital	14,138,536	12,637,994	11,855,313	11,757,161	11,445,324
3	Total capital	259,228,233	246,579,634	217,869,908	212,902,088	209,109,878
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	1,151,965,769	1,006,652,553	909,325,535	856,862,874	827,886,542
	Risk-based capital ratios as a percentage of RWA					
5	Core capital ratio (%)	21%	23%	23%	23%	24%
6	Total capital ratio (%)	23%	24%	24%	25%	25%
	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 (%)					
9	Systemic buffer (for DSIBs) (%)					
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 (%)	8.8%	10.7%	10.2%	11.0%	11.4%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	2,520,049,019	2,097,482,137	1,931,606,760	1,775,005,121	1,961,864,361
14	Basel III leverage ratio (%) (row 1 / row 13)	9.73%	11.15%	10.67%	11.33%	10.08%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA)	573,783,058.90	321,356,882	278,689,468	265,681,222	425,767,324
16	Total net cash outflow	85,099,075.90	139,289,875	98,432,355	174,209,126	36,069,802
17	LCR (%)	674.25%	231%	283%	153%	1180%
	Net Stable Funding Ratio					
18	Total available stable funding	1,778,738,780	1,217,356,963	1,336,123,510	1,093,171,624	1,346,482,654
19	Total required stable funding	1,286,370,468	1,131,471,677	1,102,725,220	1,073,289,725	1,102,406,515
20	NSFR	138%	108%	121%	102%	122%

Instructions

Row Number	Explanation
1	Total Basel III leverage ratio exposure measure = This is the sum of Total assets and total off-balance sheet items used in the computation of the leverage ratio.
2	Total HQLA: As per Financial Institutions (Liquidity) Regulations 2022
3	Total net cash outflow: As per Financial Institutions (Liquidity) Regulations 2022.

DIS03: Overview of RWA

Purpose: Provide an overview of total RWA forming the denominator of the risk-based capital requirements.

Scope of application: The template is mandatory for all banks.

Content: Risk-weighted assets and capital requirements under Pillar 1. Pillar 2 requirements should not be included.

Frequency: Quarterly.

Accompanying narrative: Banks are expected to identify and explain the drivers behind differences in reporting periods T and T-1 where these differences are significant.

When minimum capital requirements in column (c) do not correspond to 12% of RWA in column (a), banks must explain the adjustments made.

Amount Ushs' 000'		A	B	C
		RWA		Minimum capital requirements
		Jun-26	Mar-26	T
1	Credit risk (excluding counterparty credit risk)	1,075,985,500	939,513,269	129,118,260
2	Counterparty credit risk (CCR)	24,130,168	16,252,832	2,895,620
3	Market risk	2,246,961	5,753,801	269,635
4	Operational risk	49,603,141	45,132,651	5,952,377
5	Total (1 + 2 + 3 + 4)	1,151,965,770	1,006,652,553	138,235,892

Should not be less than 12% of total RWA

Definitions and instructions

RWA: risk-weighted assets according to Part A of the BS100B

RWA (T-1): risk-weighted assets as reported in the previous Pillar 3 report (ie at the end of the previous quarter).

Minimum capital requirement T: Pillar 1 capital requirements at the reporting date i.e. 12% of RWA.

Row Number	Explanation
1	Credit risk (excluding counterparty credit risk): RWA and capital requirements according to the credit risk framework reported in the BS100A;
2	Counterparty credit risk: RWA and capital charges according to the counterparty credit risk framework, as reported in the BS100A.
3	Market risk: the amounts reported correspond to the RWA and capital requirements in the BS100B(I).
4	Operational risk: the amounts corresponding to the Pillar 1 requirements in the BS100B(II)

DIS04: Composition of regulatory capital.

Purpose: Provide a breakdown of the constituent elements of a SFI's capital.

Scope of application: The template is mandatory for all SFIs .

Frequency: Semiannual.

Accompanying narrative: SFIs are expected to supplement the template with a narrative commentary to explain any significant changes over the reporting period and the key drivers of such change.

		Amount Ushs'000
	Common Equity Tier 1 capital: instruments and reserves	
1	Permanent shareholders equity (issued and fully paid-up common shares)	204,541,692
2	Share premium	
3	Retained earnings	45,293,614
4	Net after tax profits current year-to date (50% only)	14,636,129
5	General reserves (permanent, unencumbered and able to absorb losses)	
6	Tier 1 capital before regulatory adjustments	264,471,435
	Tier 1 capital: regulatory adjustments	
8	Goodwill and other intangible assets	16,674,844
9	Current year's losses	
10	Investments in unconsolidated financial subsidiaries	
12	deficiencies in provisions for losses	
14	Other deductions determined by the Central bank	2706894
26	Other deductions determined by the Central bank	-
28	Total regulatory adjustments to Tier 1 capital	19,381,738
29	Tier 1 capital	245,089,697
	Tier 2 capital: Supplementary capital	
46	Revaluation reserves on fixed assets	4,331,906
47	Unencumbered general provisions for losses (not to exceed 1.25% of RWA)	9,806,630
48	Hybrid capital instruments	
49	Subordinated debt (not to exceed 50% of core capital subject to a discount factor)	
58	Tier 2 capital	14,138,536
59	Total regulatory capital (= Tier 1 + Tier2)	259,228,233
60	Total risk-weighted assets	1,151,965,769
	Capital adequacy ratios and buffers	
61	Tier 1 capital (as a percentage of risk-weighted assets)	21%
63	Total capital (as a percentage of risk-weighted assets)	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)	12.5%
65	Of which: capital conservation buffer requirement	2.5%
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	10.2%
	Minimum statutory ratio requirements	
70	Tier 1 capital adequacy ratio	23%
71	Total capital adequacy ratio	24%

Instructions

i) Shading:

Each dark grey row introduces a new section detailing a certain component of regulatory capital.

Light blue rows represent the sum cells in the relevant section.

Light grey rows show the main components of regulatory capital and the capital adequacy ratios.

DIS05: Asset Quality

Purpose: Provide a comprehensive picture of the credit quality of a SFI's (on- and off-balance sheet) assets.

Scope of application: The template is mandatory for all SFIs.

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)
	Amount Ushs' 000	Defaulted exposures	Non-defaulted exposures	Specific	General		
1	Loans and advances	164,818,786,376	838,439,700,204	14,427,065,950	9,806,629,720	7,959,970,724	971,064,820,186.33
2	Debt Securities		691,332,370.00				691,332,370.00
3	Off-balance sheet exposures		38,070,767,358				38,070,767,358.00
4	Total	164,818,786,376	877,201,799,932	14,427,065,950	9,806,629,720	7,959,970,724	1,009,826,919,914.33

Definitions

Gross carrying values: on- and off-balance sheet items that give rise to a credit risk exposure. On-balance sheet items include loans and debt securities. Off-balance sheet items must be measured according to the following criteria: (a) guarantees given – the maximum amount that the SFI would have to pay if the guarantee were called. The amount must be gross of any credit conversion factor (CCF) or credit risk mitigation (CRM) techniques. (b) Irrevocable loan commitments – total amount that the SFI has committed to lend. The amount must be gross of any CCF or CRM techniques. Revocable loan commitments must not be included. The gross value is the accounting value before any allowance/impairments but after considering write-offs. SFIs must not take into account any credit risk mitigation technique.

Write-offs for the purpose of this template are related to a direct reduction of the carrying amount when the entity has no reasonable expectations of recovery.

Defaulted exposures: SFIs should use the definition of default in accordance with the FIA2004/MDIA2003 requirements.

Non-defaulted exposures: Any exposure which is not in default in accordance with FIA2004/MDIA2003 requirements

Accounting provisions for credit losses: Total amount of provisions, specific and general as per FIA2004/MDIA2003 requirements

Net values: Total gross value less provisions and interest in suspense.

Debt securities: Debt securities exclude equity investments subject to the credit risk framework.

DIS06: Changes in stock of defaulted loans and debt securities

Purpose: Identify the changes in a SFI's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

Scope of application: The template is mandatory for all SFIs.

Content: Off-balance sheet exposures should be included.

Frequency: Semiannual.

Accompanying narrative: SFIs should explain the drivers of any significant changes in the amounts of defaulted exposures from the previous reporting period and any significant movement between defaulted and non-defaulted loans.

	Amount Ushs' 000	A	B	Accompanying Narratives
1	Defaulted loans & advances, debt securities and off balance sheet exposures at end of the previous reporting period	176,732,965,435	170,213,575,800	
2	Loans and debt securities that have defaulted since the last reporting period	96,559,320,068	104,788,091,429	5,879 loans moved from non-default to defaulted status with largest contribution from Work place banking (54.1%), Business Loans (23%) and Agriculture Loans (21.6%)
3	Returned to non-defaulted status	100,774,704,336	90,514,926,354	Loans moved from default to non defaulted status during the period
4	Amounts written off	7,698,794,791	7,753,775,440	Write Offs in line with FIA regulatory requirements
5	Other changes	0	0	
6	Defaulted loans & advances, debt securities and off balance sheet exposures at end of the reporting period (1+2-3-4+5)	164,818,786,376	176,732,965,435	

Definitions

Defaulted exposure: such exposures must be reported net of write-offs and gross of (ie ignoring) provisions.

Loans & advances, debt securities and off balance sheet items that have defaulted since the last reporting period: Refers to any loan, advance, debt security or off balance sheet item that became marked as defaulted during the reporting period.

Return to non-defaulted status: Refers to loans or debt securities that returned to non-default status during the reporting period.

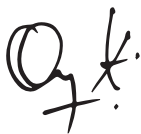
Amounts written off: Both total and partial write-offs.

Other changes: Any items not covered under 1-4 above

Qualitative disclosure on Pearl Bank Uganda use of external credit ratings under the standardized approach for credit risk

The Bank does not use an external credit rating agency for credit risk assessment for now.

In accordance with Pearl Bank Uganda's Risk Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3), I hereby attest that to the best of my knowledge, the disclosures contained in this Pillar 3 Disclosures report for the financial period ended **30th June 2026** are consistent with the way the Bank assesses and manages its risk and are not misleading in any way.



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Pearl Bank is regulated by the Central Bank of Uganda. Customer Deposits are protected by the Deposit Protection Fund of Uganda.