

PILLAR III

# Public disclosures

FOR THE QUARTER ENDED 31 MARCH 2026

Discovery Bank Limited and  
Discovery Bank Holdings Limited Group



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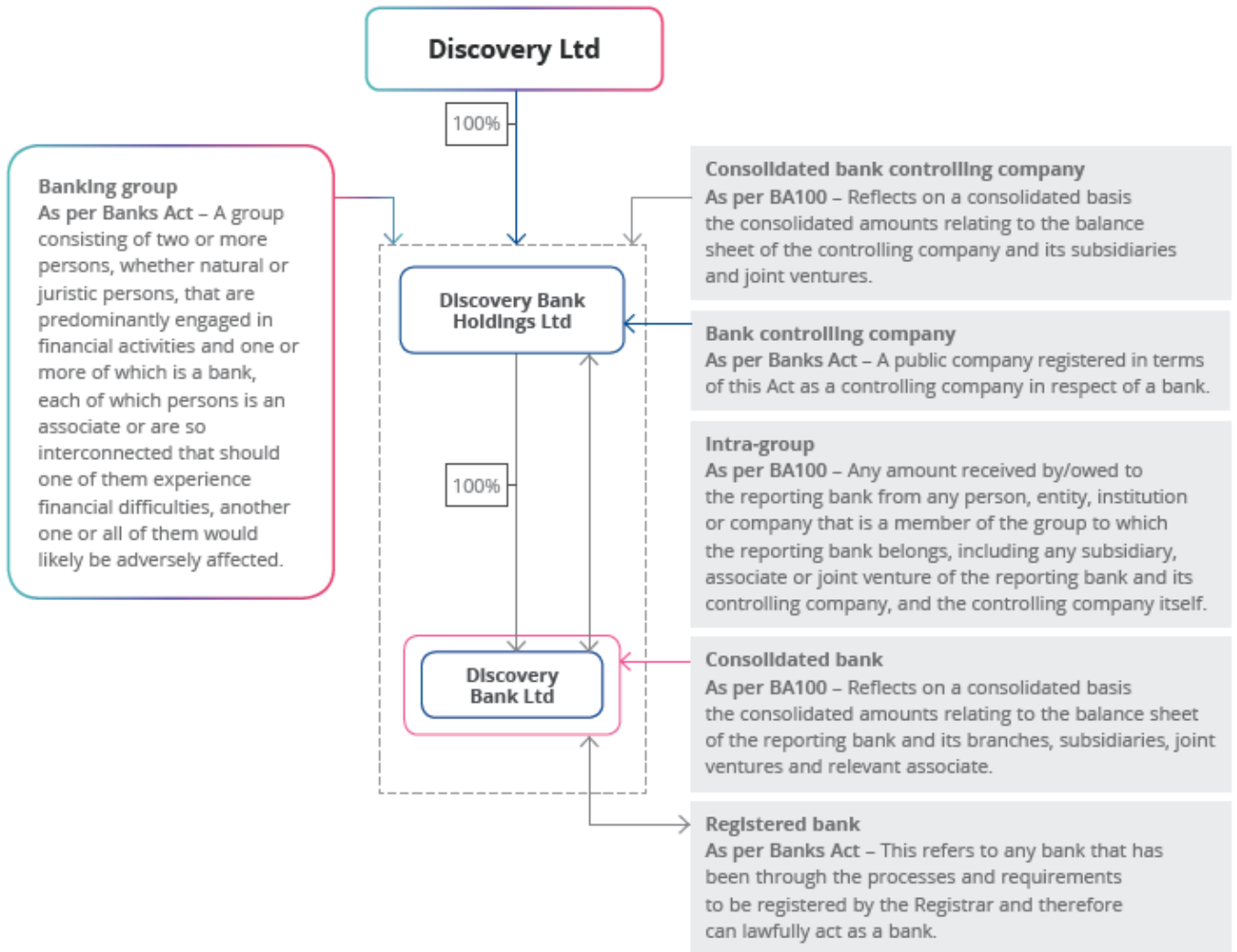
# 01

Quantitative tables

# Quantitative Tables and Templates

During the review period, Discovery Bank's liquidity position remained strong, supported by continued growth in retail deposits despite a volatile economic environment. The lending portfolio also performed well, with both Home Loans and Personal Loans tracking as per expectations.

## The legal entity structure of Discovery Bank



## Overview of Risk Management and Risk-Weighted Assets

### 1.1 KM1: Key metrics (at consolidated Group level)

This section provides information on Discovery's prudential regulatory metrics. Metrics include Discovery Bank's available capital and ratios, risk-weighted assets, leverage ratio, liquidity coverage ratios and net stable funding ratios. These metrics are presented at a Discovery Bank Holdings Limited Group level.

| R'000   |   | As at<br>31 March<br>2026 | As at<br>31 December<br>2025 | As at<br>30 September<br>2025 | As at<br>30 June<br>2025 | As at<br>31 March<br>2024 |
|---|---|---------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|
| <b>Available capital (amounts)</b>                      |   |                           |                              |                               |                          |                           |
| 1   | Common Equity Tier 1 (CET1)               | 2,108,854                 | 1,871,016                    | 1,789,025                     | 1,815,676                | 1,642,912                 |
| 2   | Tier 1                                    | 2,108,854                 | 1,871,016                    | 1,789,025                     | 1,815,676                | 1,642,912                 |
| 3   | Total capital                             | 2,208,499                 | 1,964,444                    | 1,876,993                     | 1,894,100                | 1,716,516                 |
| <b>Risk-weighted assets (amounts)</b>                   |   |                           |                              |                               |                          |                           |
| 4   | Total risk-weighted assets (RWA)          | 12,863,810                | 12,531,356                   | 11,620,139                    | 11,115,004               | 9,841,479                 |
| 4a  | Total risk-weighted assets (pre-floor)    | 12,863,810                | 12,531,356                   | 11,620,139                    | 11,115,004               | 9,841,479                 |
| <b>Risk-based capital ratios as a percentage of RWA</b> |   |                           |                              |                               |                          |                           |
| 5   | Common Equity Tier 1 ratio (%)            | 16.39%                    | 14.93%                       | 15.40%                        | 16.34%                   | 16.69%                    |
| 5a  | CET1 ratio (%) (pre-floor)                | 16.39%                    | 14.93%                       | 15.40%                        | 16.34%                   | 16.69%                    |
| 6   | Tier 1 ratio (%)                          | 16.39%                    | 14.93%                       | 15.40%                        | 16.34%                   | 16.69%                    |
| 6a  | Tier 1 ratio (5)(pre-floor ratio)         | 16.39%                    | 14.93%                       | 15.40%                        | 16.34%                   | 16.69%                    |
| 7   | Total capital ratio (%)                   | 17.17%                    | 15.68%                       | 16.15%                        | 17.04%                   | 17.44%                    |
| 7a  | Total capital ratio (%) (pre-floor ratio) | 17.17%                    | 15.68%                       | 16.15%                        | 17.04%                   | 17.44%                    |

| R'000   |   | As at<br>31 March<br>2026 | As at<br>31 December<br>2025 | As at<br>30 September<br>2025 | As at<br>30 June<br>2025 | As at<br>31 March<br>2024 |
|---|---|---------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|
| <b>Additional CET1 buffer requirements as a percentage of RWA</b> |   |                           |                              |                               |                          |                           |
| 8   | Capital conservation buffer requirement (2.5% from 2019) (%)  | 2.50%                     | 2.50%                        | 2.50%                         | 2.50%                    | 2.50%                     |
| 9   | Countercyclical buffer requirement (%)  | 0.00%                     | 0.00%                        | 0.00%                         | 0.00%                    | 0.00%                     |
| 10  | Bank G-SIB and/or D-SIB additional requirements (%)   | 0.00%                     | 0.00%                        | 0.00%                         | 0.00%                    | 0.00%                     |
| 11  | Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)  | 3.50%                     | 2.50%                        | 2.50%                         | 2.50%                    | 2.50%                     |
| 12  | CET1 available after meeting the bank's minimum capital requirements (%)  | 4.89%                     | 3.43%                        | 3.90%                         | 4.84%                    | 5.19%                     |
| <b>Basel III leverage ratio</b>                                   |   |                           |                              |                               |                          |                           |
| 13  | Total Basel III leverage ratio exposure measure   | 30,850,497                | 29,883,561                   | 28,390,806                    | 27,083,406               | 25,336,203                |
| 14  | Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)  | 6.84%                     | 6.26%                        | 6.30%                         | 6.70%                    | 6.48%                     |
| 14a   | Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a; row 13)   | 6.84%                     | 6.26%                        | 6.30%                         | 6.70%                    | 6.48%                     |
| 14b   | Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets | 6.84%                     | 6.26%                        | 6.30%                         | 6.70%                    | 6.48%                     |
| 14c   | Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets | 6.84%                     | 6.26%                        | 6.30%                         | 6.70%                    | 6.48%                     |
| <b>Liquidity Coverage Ratio</b>                                   |   |                           |                              |                               |                          |                           |
| 15  | Total HQLA  | 14,361,864                | 14,648,141                   | 14,267,182                    | 13,105,967               | 12,196,343                |
| 16  | Total net cash outflow  | 790,553                   | 816,869                      | 734,217                       | 774,139                  | 834,980                   |
| 17  | LCR ratio (%)   | 1820%                     | 1799%                        | 1979%                         | 1734%                    | 1463%                     |
| <b>Net Stable Funding Ratio</b>                                   |   |                           |                              |                               |                          |                           |

| <b>R'000</b> |                                | <b>As at<br/>31 March<br/>2026</b> | <b>As at<br/>31 December<br/>2025</b> | <b>As at<br/>30 September<br/>2025</b> | <b>As at<br/>30 June<br/>2025</b> | <b>As at<br/>31 March<br/>2024</b> |
|--------------|--------------------------------|------------------------------------|---------------------------------------|--|-----------------------------------|------------------------------------|
| 18           | Total available stable funding | 35,652,134                         | 34,727,937                            | 33,461,164                             | 32,324,797                        | 30,484,159                         |
| 19           | Total required stable funding  | 19,144,438                         | 18,721,284                            | 17,709,449                             | 17,137,576                        | 16,669,453                         |
| 20           | NSFR ratio                     | 186%                               | 186%                                  | 189%                                   | 189%                              | 183%                               |

Risk-weighted assets are calculated according to the Basel Framework. All regulatory ratios continue to exceed minimum requirements.

## 1.2 OV1: Overview of Risk-Weighted Assets (RWA)

This section provides an overview of the Risk-Weighted Assets of Discovery Bank Limited and Discovery Bank Holdings Limited Group

|       |  | DISCOVERY BANK LIMITED |                        |                             | DISCOVERY BANK HOLDINGS LIMITED |                        |                             |
|-------|--|------------------------|------------------------|-----------------------------|---------------------------------|------------------------|-----------------------------|
|       |  | RWA                    |                        | Minimum capital requirement | RWA                             |                        | Minimum capital requirement |
| R'000 |  | As at 31 March 2026    | As at 31 December 2025 | As at 31 March 2026         | As at 31 March 2026             | As at 31 December 2025 | As at 31 March 2026         |
| 1     | <b>Credit risk (excluding counterparty credit risk) (CCR)</b>        | <b>8,553,818</b>       | <b>8,321,600</b>       | <b>1,283,073</b>            | <b>8,554,266</b>                | <b>8,322,036</b>       | <b>1,283,140</b>            |
| 2     | Of which standardised approach (SA)                                  | 8,553,818              | 8,321,600              | 1,283,073                   | 8,554,266                       | 8,322,036              | 1,283,140                   |
| 3     | Of which: foundation internal ratings-based (F-IRB) approach         | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 4     | Of which: supervisory slotting approach                              | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 5     | Of which: advanced internal ratings-based (A-IRB) approach           | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 6     | <b>Counterparty credit risk (CCR)</b>                                | <b>1,273</b>           | <b>0</b>               | <b>191</b>                  | <b>1,273</b>                    | <b>0</b>               | <b>191</b>                  |
| 7     | Of which standardised approach for counterparty credit risk (SA-CCR) | 1,273                  | 0                      | 191                         | 1,273                           | 0                      | 191                         |
| 8     | Of which internal model method (IMM)                                 | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 9     | Of which: other CCR  | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 10    | <b>Credit valuation adjustment (CVA)</b>                             | <b>0</b>               | <b>0</b>               | <b>0</b>                    | <b>0</b>                        | <b>0</b>               | <b>0</b>                    |
| 11    | Equity positions under the simple risk weight approach               | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 12    | Equity investments in funds – look-through approach                  | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |

| R'000 |   | DISCOVERY BANK LIMITED |                        |                             | DISCOVERY BANK HOLDINGS LIMITED |                        |                             |
|-------|---|------------------------|------------------------|-----------------------------|---------------------------------|------------------------|-----------------------------|
|       |   | RWA                    |                        | Minimum capital requirement | RWA                             |                        | Minimum capital requirement |
|       |   | As at 31 March 2026    | As at 31 December 2025 | As at 31 March 2026         | As at 31 March 2026             | As at 31 December 2025 | As at 31 March 2026         |
| 13    | Equity investments in funds – mandate-based approach  | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 14    | Equity investments in funds – fall-back approach  | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 15    | <b>Settlement risk</b>  | <b>0</b>               | <b>0</b>               | <b>0</b>                    | <b>0</b>                        | <b>0</b>               | <b>0</b>                    |
| 16    | Securitisation exposures in banking book  | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 17    | Of which: securitisation internal ratings-based approach (SEC-IRBA)   | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 18    | Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA) | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 19    | Of which: securitisation standardised approach (SEC-SA)   | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 20    | <b>Market risk</b>  | <b>171,928</b>         | <b>129,504</b>         | <b>25,789</b>               | <b>171,928</b>                  | <b>129,504</b>         | <b>25,789</b>               |
| 21    | Of which standardised approach (SA)   | 171,928                | 129,504                | 25,789                      | 171,928                         | 129,504                | 25,789                      |
| 22    | Of which internal model approaches (IMA)  | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 23    | Capital charge for switch between trading book and banking book   | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 24    | <b>Operational risk</b>   | <b>3,601,983</b>       | <b>3,601,975</b>       | <b>540,297</b>              | <b>3,602,348</b>                | <b>3,602,340</b>       | <b>540,352</b>              |
| 25    | Amounts below the thresholds for deduction (subject to 250% risk weight)  | 533,225                | 476,720                | 79,984                      | 533,995                         | 477,476                | 80,099                      |
| 26    | Aggregate capital floor applied   | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 27    | Floor adjustment (before application of transitional cap)   | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 28    | Floor adjustment (after application of transitional cap)  | 0                      | 0                      | 0                           | 0                               | 0                      | 0                           |
| 29    | <b>Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)</b>  | <b>12,862,227</b>      | <b>12,529,799</b>      | <b>1,929,334</b>            | <b>12,863,810</b>               | <b>12,531,356</b>      | <b>1,929,572</b>            |

## Leverage Ratio

### LR1: Summary comparison of accounting assets versus leverage ratio exposure measure (simple consolidated without change)

This table reconciles the total assets as presented in the financial statements to the leverage ratio exposure measure as reported at 31 March 2026.

| R'000  | As at<br>31 March<br>2026 |
|--|---------------------------|
| 1 Total consolidated assets as per published financial statements  | 34,669,409                |
| 2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | 0                         |
| 3 Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference   | 0                         |
| 4 Adjustments for temporary exemption of central bank reserves (if applicable)   | 0                         |
| 5 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the Leverage ratio exposure measure               | 0                         |
| 6 Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting   | 0                         |
| 7 Adjustments for eligible cash pooling transactions   | 0                         |
| 8 Adjustments for derivative financial instruments   | 0                         |
| 9 Adjustment for securities financing transactions (i.e. repos and similar secured lending)  | 6,366                     |
| 10 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)  | 1,319,046                 |
| 11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital   | (505,355)                 |
| 12 Other adjustments   | (4,642,640)               |
| 13 <b>Leverage ratio exposure measure</b>  | <b>30,846,826</b>         |

### LR2: Leverage ratio disclosure template (simple consolidation without change)

The purpose of the leverage ratio disclosure is to provide a detailed breakdown of the components of the leverage ratio denominator.

| R'000   | As at<br>31 March<br>2026 | As at<br>31 December<br>2025 |
|---|---------------------------|------------------------------|
| <b>On-balance sheet exposures</b>   |                           |                              |
| 1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs)) | 34,669,409                | 33,674,298                   |

| R'000   |  | As at<br>31 March<br>2026 | As at<br>31 December<br>2025 |
|---|--|---------------------------|------------------------------|
| <b>On-balance sheet exposures</b>                 |  |                           |                              |
| 2   | Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework                 | 0                         | 0                            |
| 3   | (Deductions of receivable assets for cash variation margin provided in derivatives transactions)   | 0                         | 0                            |
| 4   | (Adjustment for securities received under securities financing transactions that are recognised as an asset)   | 0                         | 0                            |
| 5   | (Specific and general provisions associated with on-balance sheet exposures that are deducted from Basel III Tier 1 capital)                         | (505,355)                 | (441,445)                    |
| 6   | (Asset amounts deducted in determining Basel III Tier 1 capital)   | (4,642,640)               | (4,630,880)                  |
| 7   | <b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 to 6)</b>   | <b>29,521,414</b>         | <b>28,601,973</b>            |
| <b>Derivative exposures</b>                       |  |                           |                              |
| 8   | Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting) | 0                         | 0                            |
| 9   | Add-on amounts for PFE associated with all derivatives transactions  | 0                         | 0                            |
| 10  | (Exempted CCP leg of client-cleared trade exposures)   | 0                         | 0                            |
| 11  | Adjusted effective notional amount of written credit derivatives   | 0                         | 0                            |
| 12  | (Adjusted effective notional offsets and add-on deductions for written credit derivatives)   | 0                         | 0                            |
| 13  | <b>Total derivative exposures (sum of rows 8 to 12)</b>  | <b>0</b>                  | <b>0</b>                     |
| <b>Securities financing transaction exposures</b> |  |                           |                              |
| 14  | Gross SFT assets (with no recognition of netting) after adjusting for asle accounting transactions   | 0                         | 0                            |
| 15  | (Netted amounts of cash payables and cash receivables of gross SFT assets)   | 0                         | 0                            |
| 16  | CCR exposure for SFT assets  | 6,366                     | 0                            |
| 17  | Agent transaction exposures  | 0                         | 0                            |
| 18  | <b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>   | <b>6,366</b>              | <b>0</b>                     |
| <b>Other off-balance sheet exposures</b>          |  |                           |                              |
| 19  | Off-balance sheet exposure at gross notional amount  | 11,869,317                | 11,374,770                   |
| 20  | (Adjustments for conversion to credit equivalent amounts)  | (10,550,271)              | (10,096,788)                 |
| 21  | "(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)"                               | 0                         | 0                            |
| 22  | <b>Off-balance sheet items (sum of row 19 to 21)</b>   | <b>1,319,046</b>          | <b>1,277,982</b>             |
| <b>Capital and total exposures</b>                |  |                           |                              |
| 23  | Tier 1 capital   | 2,105,466                 | 1,867,693                    |
| 24  | <b>Total exposures (sum of rows 7,13,18 and 22)</b>  | <b>30,846,826</b>         | <b>29,879,955</b>            |
| <b>Leverage ratio</b>                             |  |                           |                              |
| 25  | Basel III Leverage ratio   | 6.83%                     | 6.25%                        |
| 25a   | Basel III Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)                                       | 6.83%                     | 6.25%                        |

| R'000                             |   | As at<br>31 March<br>2026 | As at<br>31 December<br>2025 |
|-----------------------------------|---|---------------------------|------------------------------|
| <b>On-balance sheet exposures</b> |   |                           |                              |
| 26                                | National minimum leverage ratio requirement   | 4.00%                     | 4.00%                        |
| 27                                | Applicable leverage buffers   | 2.83%                     | 2.25%                        |
| <b>Disclosure of mean values</b>  |   |                           |                              |
| 28                                | Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables  | 0                         | 0                            |
| 29                                | Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables   | 0                         | 0                            |
| 30                                | Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)          | 0                         | 0                            |
| 30a                               | Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)          | 0                         | 0                            |
| 31                                | Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 0                         | 0                            |
| 31a                               | Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 6.83%                     | 6.25%                        |
|                                   |   | 0                         | 0                            |

## Liquidity

### LIQ1: Liquidity Coverage Ratio (LCR)

Table LIQ1 shows the breakdown of Discovery Bank's expected cash outflows and cash inflows, as well as its available High-quality Liquid Assets (HQLA), as measured and defined according to the LCR standard.

| As at 31 March 2026<br>R'000      |   | Current reporting period   |                          | Previous reporting period |
|-----------------------------------|---|----------------------------|--------------------------|---------------------------|
|                                   |   | Total unweighted (average) | Total weighted (average) | Total weighted (average)  |
| <b>High-quality liquid assets</b> |   |                            |                          |                           |
| 1                                 | Total HQLA  |                            | 14,361,864               | 14,648,141                |
| <b>Cash outflows</b>              |   |                            |                          |                           |
| 2                                 | <b>Retail deposits and deposits from small business customers, of which:</b>            | 15,450,856                 | 1,258,252                | 1,230,819                 |
| 3                                 | Stable deposits   | 5,736,679                  | 286,834                  | 284,208                   |
| 4                                 | Less stable deposits  | 9,714,177                  | 971,418                  | 946,611                   |
| 5                                 | <b>Unsecured wholesale funding, of which:</b>   | 65,065                     | 65,065                   | 37,376                    |
| 6                                 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | 0                          | 0                        | 0                         |
| 7                                 | Non-operational deposits (all counterparties)   | 65,065                     | 65,065                   | 37,376                    |
| 8                                 | Unsecured debt  | 0                          | 0                        | 0                         |
| 9                                 | <b>Secured wholesale funding</b>  | 0                          | 0                        | 0                         |
| 10                                | <b>Additional requirements, of which:</b>   | 0                          | 0                        | 0                         |
| 11                                | Outflows related to derivative exposures and other collateral requirements              | 0                          | 0                        | 0                         |
| 12                                | Outflows related to loss of funding on debt products                                    | 0                          | 0                        | 0                         |
| 13                                | Credit and liquidity facilities   | 10,430,573                 | 276,530                  | 270,031                   |
| 14                                | <b>Other contractual funding obligations</b>  | 0                          | 0                        | 0                         |
| 15                                | <b>Other contingent funding obligations</b>   | 0                          | 0                        | 0                         |
| 16                                | <b>TOTAL CASH OUTFLOWS</b>  | <b>25,946,495</b>          | <b>1,599,847</b>         | <b>1,538,225</b>          |

| As at 31 March 2026<br>R'000 |   | Current reporting period    |                          | Previous reporting period |
|------------------------------|---|-----------------------------|--------------------------|---------------------------|
|                              |   | Total unweighted (average)  | Total weighted (average) | Total weighted (average)  |
| <b>Cash inflows</b>          |   |                             |                          |                           |
| 17                           | Secured lending (e.g. reverse repos)    | 0                           | 0                        | 0                         |
| 18                           | Inflows from fully performing exposures | 1,309,009                   | 1,087,561                | 996,451                   |
| 19                           | Other cash inflows                      | 0                           | 0                        | 0                         |
| 20                           | <b>TOTAL CASH INFLOWS</b>               | 1,309,009                   | 1,087,561                | 996,451                   |
| <b>Total Adjusted value</b>  |   | <b>Total Adjusted value</b> |                          |                           |
| 21                           | Total HQLA                              |                             | 14,361,864               | 14,648,141                |
| 22                           | Total net cash outflows                 |                             | 790,553                  | 816,869                   |
| 23                           | <b>Liquidity Coverage Ratio (%)</b>     |                             | <b>1820%</b>             | <b>1799%</b>              |

The Liquidity Coverage Ratio (LCR) measures whether a bank has sufficient High-quality Liquid Assets (HQLA) to survive a significant stress scenario lasting 30 calendar days.

The LIQ1 table complies with the Pillar 3 requirements as stipulated by BCBS D400 (March 2017) and Directive D8. The values in the table are calculated as the average of the 90-day calendar daily values over the period January to March 2026 for Discovery Bank Limited. Discovery Bank's weighted values are based on business days (excluding public holidays and weekends).

Deposits within the 30-day window are the key drivers of LCR. The weighted outflow is determined by the liabilities falling into the 30-day contractual bucket. The required HQLAs to be held are based on the characteristics of the liabilities within the 30-day bucket to set-off modelled stressed outflows.

#### **THE COMPOSITION OF THE HIGH-QUALITY LIQUID ASSETS (HQLA):**

The HQLA's held by Discovery Bank are Treasury Bills and SA Government Bonds with a maturity profile, spread up to 10 years as well as the surplus balance within the SAMOS account, based on the new Monetary Policy Implementation Framework (MPIF) model.

## Credit Valuation Adjustment Risk

### CVA4: RWA flow statements of CVA risk exposures under SA-CVA

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This section provides information explaining variations in RWA for CVA risk determined under the SA-CVA.

| <b>R'000</b> |  | <b>Value</b> |
|--------------|--|--------------|
| 1            | Total RWA for CVA at previous quarter-end    | 0            |
| 2            | Total RWA for CVA at end of reporting period | 0            |

Discovery Bank didn't have any CVA risk during the reporting period.

## Abbreviation

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| ABBREVIATION | DEFINITION   |
|--------------|--|
| ASF          | Available Stable Funding                           |
| AT1          | Additional Tier 1                                  |
| BA           | Banks Act  |
| BASA         | Banking Association of South Africa                |
| BCBS         | Basel Committee on Banking Supervision             |
| CCR          | Counterparty Credit Risk                           |
| CEM          | Credit Exposure Method                             |
| CET1         | Common Equity Tier 1                               |
| CRM          | Credit Risk Mitigation                             |
| CSR          | Corporate Social Responsibility                    |
| CVA          | Credit Valuation adjustment                        |
| D-SIB        | Domestic Systemically Important Banks              |
| ECL          | Expected Credit Loss                               |
| G-SIB        | Global Systemically Important Banks                |
| HQLA         | High-Quality Liquid Assets                         |
| LCR          | Liquidity Coverage Ratio                           |
| MPIF         | Monetary Policy Implementation Framework           |
| NSFR         | Net stable funding ratio                           |
| PA           | Prudential Authority of South Africa               |
| RWA          | Risk-Weighted Assets                               |
| SA           | Standardised Approach                              |
| SA-CCR       | Standardised Approach for Counterparty Credit Risk |
| TLAC         | Total Loss-absorbing Capacity                      |