

PILLAR III

Public disclosures

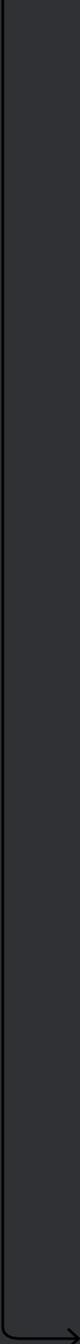
FOR THE QUARTER ENDED 30 SEPTEMBER 2025

Discovery Bank Limited and
Discovery Bank Holdings Limited Group



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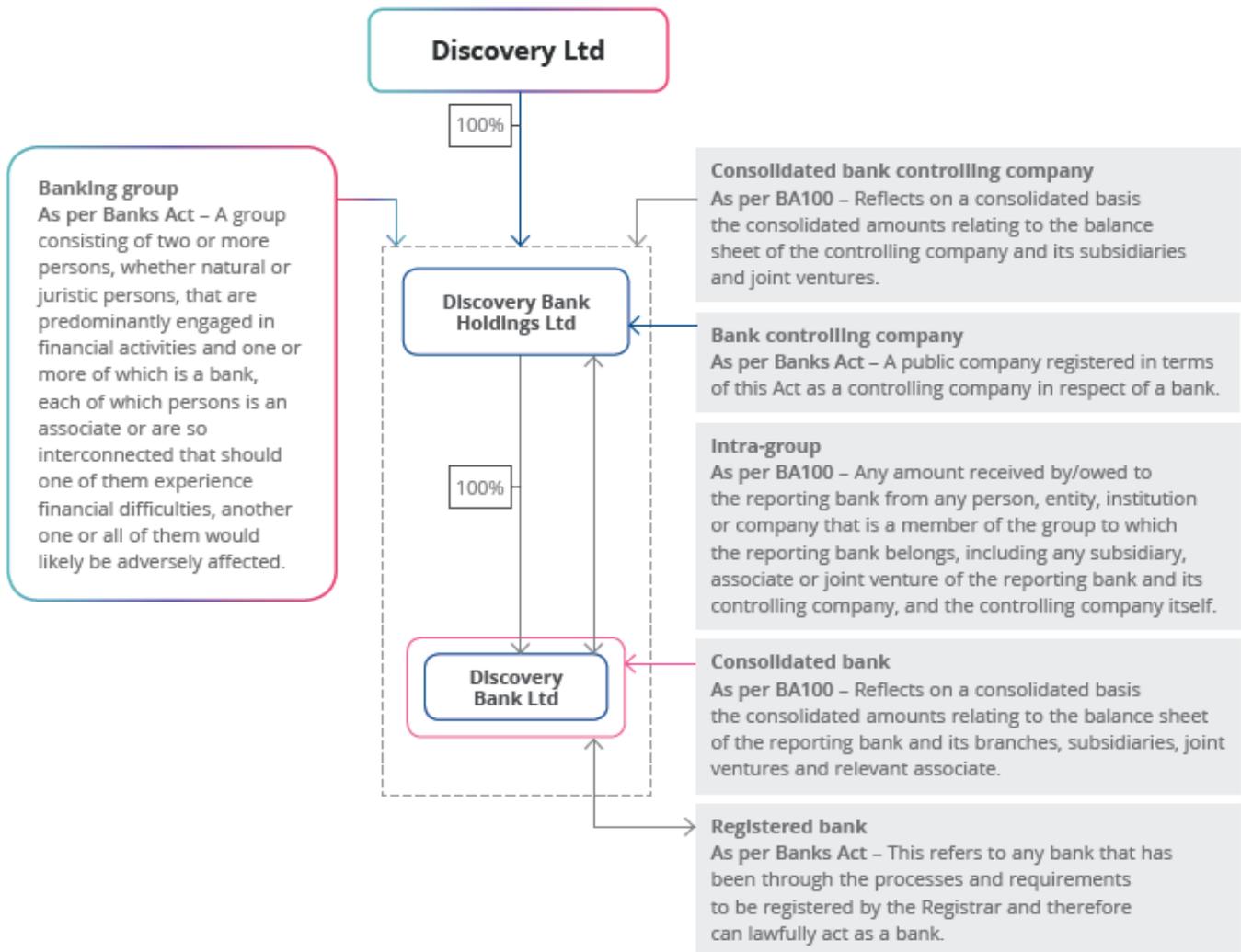
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Quantitative tables

Quantitative Tables and Templates

During the review period, Discovery Bank maintained a strong liquidity position, driven by continued growth in retail deposits. Within the lending portfolio, Home Loans stood out as the primary contributor, maintaining its impressive momentum just two years after its launch.

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 30 September 2025	As at 30 June 2025	As at 31 March 2024	As at 31 December 2024	As at 30 September 2024
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1,785,628	1,815,676	1,642,912	1,628,648	1,403,509
2	Tier 1	1,785,628	1,815,676	1,642,912	1,628,648	1,403,509
3	Total capital	1,873,596	1,894,100	1,716,516	1,697,323	1,467,548
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	11,618,961	11,115,004	9,841,479	9,753,736	8,476,437
4a	Total risk-weighted assets (pre-floor)	11,618,961	11,115,004	9,841,479	9,753,736	8,476,437
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	15.37%	16.34%	16.69%	16.70%	16.56%
5a	CET1 ratio (%) (pre-floor)	0.00%	0.00%	0.00%	0	0
6	Tier 1 ratio (%)	15.37%	16.34%	16.69%	16.70%	16.56%
6a	Tier 1 ratio (5)(pre-floor ratio)	0	0	0.00%	0	0

R'000		As at 30 September 2025	As at 30 June 2025	As at 31 March 2024	As at 31 December 2024	As at 30 September 2024
7	Total capital ratio (%)	16.12%	17.04%	17.44%	17.40%	17.31%
7a	Total capital ratio (%) (pre-floor ratio)	0.00%	0.00%	0.00%	0.00%	0.00%
Additional CET1 buffer requirements as a percentage of RWA						
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)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	3.87%	4.84%	5.19%	5.20%	5.06%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	28,387,271	27,083,406	25,336,203	24,483,576	22,743,496
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	6.29%	6.70%	6.480%	6.65%	6.17%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a; row 13)	0	0	0	0	0
14b	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	6.29%	6.70%	6.48%	6.65%	6.17%
14c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	6.29%	6.70%	6.48%	6.65%	6.17%
Liquidity Coverage Ratio						
15	Total HQLA	14,267,182	13,105,967	12,196,343	12,699,162	12,062,293
16	Total net cash outflow	734,217	774,139	834,980	798,098	560,630
17	LCR ratio (%)	1979%	1734%	1463%	1597%	2191%
Net Stable Funding Ratio						

R'000		As at 30 September 2025	As at 30 June 2025	As at 31 March 2024	As at 31 December 2024	As at 30 September 2024
18	Total available stable funding	33,461,163.90	32,324,798	30,484,159	29643234	28,080,332
19	Total required stable funding	17,709,449.05	17,137,576	16,669,453	16656139	14,978,751
20	NSFR ratio	188.95%	189.00%	183.00%	178.00%	187.00%

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

R'000		DISCOVERY BANK LIMITED			DISCOVERY BANK HOLDINGS LIMITED		
		RWA		Minimum capital requirement	RWA		Minimum capital requirement
		As at 30 September 2025	As at 30 June 2025	As at 30 September 2025	As at 30 September 2025	As at 30 June 2025	As at 30 September 2025
1	Credit risk (excluding counterparty credit risk) (CCR)	7,656,766	7,199,621	880,528	7,038,136	7,200,013	809,386
2	Of which standardised approach (SA)	7,656,766	7,199,621	880,528	7,038,136	7,200,013	809,386
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	Counterparty credit risk (CCR)	0	0	0	0	0	0
7	Of which standardised approach for counterparty credit risk (SA-CCR)	0	0	0	0	0	0
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	Credit valuation adjustment (CVA)	0	0	0	0	0	0
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 30 September 2025	As at 30 June 2025	As at 30 September 2025	As at 30 September 2025	As at 30 June 2025	As at 30 September 2025
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	Settlement risk	0	0	0	0	0	0
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	Market risk	137,601	84,030	15,824	137,601	84,030	15,824
21	Of which standardised approach (SA)	137,601	84,030	15,824	137,601	84,030	15,824
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	Operational risk	3,369,618	3,369,618	387,506	3,369,618	3,369,618	387,506
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	454,954	460,585	52,320	455,726	461,343	52,408
26	Aggregate capital floor applied	0	0		0	0	0
27	Floor adjustment (before application of transitional cap)	0	0		0	0	0
28	Floor adjustment (after application of transitional cap)	0	0		0	0	0

		DISCOVERY BANK LIMITED			DISCOVERY BANK HOLDINGS LIMITED		
		RWA	Minimum capital requirement		RWA	Minimum capital requirement	
		As at 30 September 2025	As at 30 June 2025	As at 30 September 2025	As at 30 September 2025	As at 30 June 2025 2025	As at 30 September 2025
R'000							
29	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+28)	11,618,939	11,113,854	1,336,178	11,001,081	11,115,004	1,265,124

Minimum capital required is calculated using the SARB mandated minimum for a South African local bank.

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 30 September 2025.

R'000		As at 30 September 2025
1	Total consolidated assets as per published financial statements	32,128,429
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	1
9	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	0
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	1,196,466
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(387,836.00)
12	Other adjustments	(4,549,789)
13	Leverage ratio exposure measure	28,387,271

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 30 September 2025	As at 30 June 2025
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs))	31,740,593	30,552,557
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	(4,549,789)	(4,570,797)
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Basel III Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Basel III Tier 1 capital)	-	-
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 to 6)	27,190,804	25,981,760
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
9	Add-on amounts for PFE associated with all derivatives transactions	1	-
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures (sum of rows 8 to 12)	1	-
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting) after adjusting for asle accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	11,964,660	10,981,770
20	(Adjustments for conversion to credit equivalent amounts)	(10,768,194)	(9,883,593)
21	"(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)"	-	-
22	Off-balance sheet items (sum of row 19 to 21)	1,196,466	1,098,177
Capital and total exposures			
23	Tier 1 capital	1,785,629	1,812,345
24	Total exposures (sum of rows 7,13,18 and 22)	28,387,271	27,079,937
Leverage ratio			
25	Basel III Leverage ratio	6.29%	6.69%
25a	Basel III Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	6.29%	6.69%

R'000		As at 30 September 2025	As at 30 June 2025
On-balance sheet exposures			
26	National minimum leverage ratio requirement	4.00%	4.00%
27	Applicable leverage buffers	2.29%	2.69%

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 30 September 2025 R'000		Current reporting period		Previous reporting period
		Total unweighted (average)	Total weighted (average)	Total weighted (average)
High-quality liquid assets				
1	Total HQLA		14,267,182	13,105,967
Cash outflows				
2	Retail deposits and deposits from small business customers, of which:	14,328,351	1,167,547	1,210,122
3	Stable deposits	5,305,764	265,288	129,313
4	Less stable deposits	9,022,587	902,259	1,080,808
5	Unsecured wholesale funding, of which:	3,583	3,583	-
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-
7	Non-operational deposits (all counterparties)	3,583	3,583	-
8	Unsecured debt	-	-	-
9	Secured wholesale funding	-	-	-
10	Additional requirements, of which:	-	-	-
11	Outflows related to derivative exposures and other collateral requirements	-	-	-
12	Outflows related to loss of funding on debt products	-	-	-

As at 30 September 2025 R'000		Current reporting period		Previous reporting period
		Total unweighted (average)	Total weighted (average)	Total weighted (average)
13	Credit and liquidity facilities	9,849,757	261,791	243,161
14	Other contractual funding obligations	-	-	-
15	Other contingent funding obligations	-	-	-
16	TOTAL CASH OUTFLOWS	24,181,691	1,432,921	1,453,283
Cash inflows				
17	Secured lending (eg reverse repos)	-	-	-
18	Inflows from fully performing exposures	1,175,150	971,231	934,115
19	Other cash inflows	-	-	-
20	TOTAL CASH INFLOWS	1,175,150	971,231	934,115
Total Adjusted value		Total Adjusted value		
21	Total HQLA		14,267,182	13,105,967
22	Total net cash outflows		734,217	774,139
23	Liquidity Coverage Ratio (%)		1979%	1734%

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 values in the table are calculated as the average of the 90-day calendar daily values over the period July to September 2025 for Discovery Bank Limited. Discovery Bank's weighted values are based on business days (excluding public holidays and weekends).

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

Flow statement explaining variations in RWA for CVA risk determined under the SA-CVA

R'000		Value
1	Total RWA for CVA at previous quarter-end	0
2	Total RWA for CVA at end of reporting period	1

The Bank currently holds a limited amount of CVA on its books.

Abbreviation

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