(Subsidiary of Habib Bank AG Zurich)

HBZ Bank Limited

Bi-Annual Public Disclosure

in terms of the Banks Act, Regulation 43

June 2026

for the period ended 30 June 2026

1. BASIS OF COMPILATION

The following information is compiled in terms of Regulation 43 relating to banks, issued under Section 90 of the Banks Act, No 94 of 1990 (as amended) ("the Regulations"), which incorporates the Basel Pillar III requirements on market discipline.

All disclosures presented below are consistent with those disclosed in accordance with IFRS Accounting Standards (IFRS Accounting Standards), unless otherwise stated. In the main, differences between IFRS and information disclosed in terms of the Regulations relate to the definition of capital and the calculation and measurement thereof.

These disclosures have been prepared in compliance with HBZ Bank Limited's (the "Bank") disclosure policy.

2. SCOPE OF REPORTING

This report covers the bi-annual results of HBZ Bank Limited for the year ended 30 June 2026.

The Bank is a registered bank that specialises in commercial banking and trade finance and is a wholly owned subsidiary of Habib Bank AG Zurich, which is incorporated in Switzerland. HBZ Bank Limited does not have any subsidiaries or a bank-controlling company in South Africa.

3. OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RISK WEIGHTED ASSETS (RWA)

3.1 Key Metrics

The Bank's key prudential metrics relating to regulatory capital, leverage ratio, liquidity ratios and risk weighted assets as at 30 June 2026 are disclosed below.

		30-JUN-26	31-MAR-26	31-DEC-25	30-SEP-25	30-JUN-25
	AVAILABLE CAPITAL (AMOUNTS) R'000					
1	Common Equity Tier 1 (CET1)	648 841	648 841	648 840	593 135	593 133
2	Tier 1	648 841	648 841	648 840	593 135	593 133
3	Total capital	670 856	675 188	672 249	604 765	609 058
	RISK-WEIGHTED ASSETS (AMOUNTS) R'000					
4	Total risk-weighted assets (RWA)	3 953 181	3 879 286	3 957 527	3 813 351	3 975 643
4a	Total risk-weighted assets (pre-floor)	3 953 181	3 879 286	3 957 527	3 813 351	3 975 643
	RISK-BASED CAPITAL RATIOS AS A PERCENTAGE OF RWA					
5	CET1 ratio (%)	16,41%	16,73%	16,40%	15,55%	14,92%
5a	CET1 ratio (%) (pre-floor ratio)	16,41%	16,73%	16,40%	15,55%	14,92%
6	Tier 1 ratio (%)	16,41%	16,73%	16,40%	15,55%	14,92%
6a	Tier 1 ratio (%) (pre-floor ratio)	16,41%	16,73%	16,40%	15,55%	14,92%
7	Total capital ratio (%)	16,97%	17,40%	16,99%	15,86%	15,32%
7a	Total capital ratio (%) (pre-floor ratio)	16,97%	17,40%	16,99%	15,86%	15,32%
	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 (%)	1,00%	1,00%	-	-	-
10	Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row8 + row 9+ row 10)	3,50%	3,50%	2,50%	2,50%	2,50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7,54%	7,85%	8,52%	7,68%	7,04%
	BASEL III LEVERAGE RATIO					

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3. OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RISK WEIGHTED ASSETS (RWA) CONTINUED

		30-JUN-26	31-MAR-26	31-DEC-25	30-SEP-25	30-JUN-25
13	Total Basel III leverage ratio exposure measure	10 947 497	10 965 771	10 894 064	9 913 784	9 837 058
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	6%	6%	6%	6%	6%
14a	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	6%	6%	6%	6%	6%
14b	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	6%	6%	6%	6%	6%
14c	Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	6%	6%	6%	6%	6%
	LIQUIDITY COVERAGE RATIO (LCR)					
15	Total high-quality liquid assets (HQLA)	6 517 288	6 573 092	6 362 735	6 103 928	5 979 390
16	Total net cash outflow	786 941	825 859	877 269	725 463	1 018 898
17	LCR ratio (%)	828%	796%	725%	841%	587%
	NET STABLE FUNDING RATIO (NSFR)					
18	Total available stable funding	6 601 406	6 360 642	6 400 176	6 196 174	6 108 873
19	Total required stable funding	2 473 476	2 420 921	2 532 991	2 348 005	2 386 446
20	NSFR ratio	267%	263%	253%	264%	256%

The Bank did not apply a transitional arrangement for expected credit losses and thus the fully loaded ECL accounting model will not differ from regulatory capital.

As of 1 January 2026, the South African Reserve Bank (SARB) Prudential Authority has implemented a positive cycle-neutral countercyclical capital buffer (PCN CCyB) of 1%.

3.2 Overview of Risk Management Approach and Risk Weighted Assets (RWA)

An effective and robust Risk and Control Framework is a prerequisite to the success and stability of a bank. The Bank recognises that effective risk management is fundamental to the ability of the business to generate sustainable profits, safeguard its reputation, create a competitive edge and achieve an optimal risk-reward profile.

The risk philosophy of the Bank is to keep risks to a minimum through a clear policy of broad diversification in terms of geography and product mix, and by spreading the Bank's credit and trade financing activities over a wide range of customers, with the emphasis on secured, short-term, self-liquidating lending.

Risk Assessment

The Board of Directors performs a risk assessment on a bi-annual basis and reviews the risk appetite statement on a quarterly basis. The risk assessment is based on exposure data and risk analysis, which are provided by the risk department of the Bank. This covers liquidity risk, market risk, credit risk, concentration risk, operational risk and other risk types as are relevant. For its risk assessment the Board takes into consideration mitigating factors such as the effectiveness of the system of internal controls.

Stress testing is conducted for any material risks facing the Bank (i.e. credit, liquidity, profitability, solvency risks). Stress tests of these material risks are tied to the assets in the portfolio, as well as to prevailing economic and market conditions and probe for portfolio-specific weaknesses. The frequency of stress testing is conducted at least quarterly. However, a sudden change in the economic outlook may prompt the Bank to revise the parameters of some stress tests, or if the Bank has become exposed to a particular risk area, it may be necessary to carry out more stress tests.

For a more detailed overview of Risk Management, please refer to the Risk Management section included in the annual financial statements available at www.hbzbank.co.za

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3. OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RISK WEIGHTED ASSETS (RWA) CONTINUED

The following table provides an overview of the risk weighted asset requirements at the respective reporting date.

Overview of RWA

		HBZ BANK LIMITED		
		RWA		MINIMUM CAPITAL REQUIREMENTS
Line #	R'000	JUN-26	MAR-26	JUN-26
1	Credit risk (excluding counterparty credit risk)	2 802 255	2 722 183	371 299
2	Of which: standardised approach (SA)	2 802 255	2 722 183	371 299
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
4	Of which: supervisory slotting approach	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-
6	Counterparty credit risk (CCR)	13 413	7 965	1 777
7	Of which: standardised approach for counterparty credit risk	13 413	7 965	1 777
8	Of which: IMM	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	13 202	9 194	1 749
11	Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period	-	-	-
12	Equity investments in funds – look-through approach	-	-	-
13	Equity investments in funds – mandate-based approach	-	-	-
14	Equity investments in funds – fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in banking book	-	-	-
17	Of which: securitisation IRB approach (SEC-IRBA)	-	-	-
18	Of which: securitisation external- ratings based approach (SEC-ERBA), including internal assessment approach (IAA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	4 795	45 951	635
21	Of which: standardised approach (SA)	4 795	45 951	635
22	Of which: internal model approach (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	979 286	960 638	129 755
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	140 230	133 356	18 580
26	Output floor applied	-	-	
27	Floor adjustment (before application of transitional cap)	-	-	
28	Floor adjustment (after application of transitional cap)	-	-	
29	**Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 28)**	**3 953 181**	**3 879 286**	**523 796**

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4. CREDIT RISK

This section outlines the regulatory view of the risk associated with advances which are reflected on the Statement of Financial Position of the Bank. The Bank primarily advances funds to customers in the form of corporate loans, mortgage loans, overdraft facilities and trade finance loans.

Credit risk is the risk of financial loss arising from the possibility that commitments by counter-parties are not honoured either in part or totally.

The Board acknowledges that credit risk management is critical to the Bank and have in place board approved committees that ensures both executive and non-executive oversight to approve, monitor and manage credit risk.

For an overview of credit risk management as well as related qualitative information, please refer to the Risk Management section as well as note 29 of the annual financial statements, available at www.hbzbank.co.za.

The Bank has adopted the standardised approach to determine the capital requirement for credit risk on all portfolios.

Qualitative disclosure requirements related to credit risk mitigation techniques

Credit risk mitigation (CRM) relates to the reduction of a bank's credit risk exposure by obtaining, for example, eligible collateral or guarantees or entering into a netting agreement with a client that maintains both debit and credit balances with the bank.

The Bank applies the allowed CRM techniques as a result of the eligible collateral and guarantees that are held as security over certain exposures.

4.1 Credit quality of assets

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For off-balance sheet exposures, the amounts in the table represent the amounts committed or guaranteed.

		a	b	c	d	e	f	g
		GROSS CARRYING VALUES OF			OF WHICH ECL ACCOUNTING PROVISIONS FOR CREDIT LOSSES ON SA EXPOSURES			
	R'000	DEFAULTED EXPOSURES	NON-DEFAULTED EXPOSURES	ALLOWANCES/ IMPAIRMENTS	ALLOCATED IN REGULATORY CATEGORY OF SPECIFIC	ALLOCATED IN REGULATORY CATEGORY OF GENERAL	OF WHICH ECL ACCOUNTING PROVISIONS FOR CREDIT LOSSES ON IRB EXPOSURES	NET VALUES (A + B - C)
1	Loans: of which:	211 545	2 621 379	(49 139)	(34 526)	(14 613)	-	2 783 786
(a)	Sovereign (including central government and central bank)	-	52 084	(48)	-	(48)	-	52 036
(b)	Banks	-	-	-	-	-	-	-
(c)	Corporate	-	1 773 815	(1 690)	-	(1 690)	-	1 772 125
(d)	SME Corporate	17 452	390 239	(13 020)	(3 435)	(9 585)	-	394 671
(e)	Specialised Lending Real Estate (SL)	120 275	-	(12 970)	(12 107)	(863)	-	107 305
e (1)	SL: Project Finance	-	-	-	-	-	-	-
e (2)	SL :object and commodity finance	-	-	-	-	-	-	-
(f)	Of which: Purchased receivables - coporate	-	-	-	-	-	-	-
(g)	Of which: Retail residential mortgage advances	18 448	77 577	(268)	-	(268)	-	95 757

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4. CREDIT RISK CONTINUED

(h)	Of which: Retail qualifying revolving (QRRE)	1	36	-	-	-	-	37
(i)	Of which: Retail SME	55 330	321 182	(21 143)	(18 984)	(2 159)	-	355 369
(j)	Retail Other	39	6 446	-	-	-	-	6 485
j(1)	Of which: unsecured lending	39	4 154	-	-	-	-	4 193
(k)	Of which: Purchased receivables - retail	-		-	-	-	-	-
2	Debt Securities	-	6 353 554	(7 402)	-	(7 402)	-	6 346 152
3	Off-balance sheet exposures	-	442 342	-	-	-	-	442 342
4	**Total**	**211 545**	**9 417 275**	(56 541)	(34 526)	(22 015)	**-**	**9 572 279**

Definition of default

A default is considered to have occurred with regard to a particular borrower when either or both of the two following events have taken place:

- The Bank considers that the borrower is unlikely to pay its credit obligations in full, without recourse by the Bank to actions such as realising collateral (if held).
- The borrower is past due more than 90 days on any material credit obligation to the Bank. Overdrafts will be considered as being past due once the client has breached an advised limit or been advised of a limit smaller than current outstandings.

In assessing whether a borrower is in default, the Bank considers indicators that are both qualitative and quantitative in nature.

4.2 Changes in stock of defaulted loans and debt securities

	R'000	a
1	**Defaulted loans and debt securities at end of the previous reporting period**	**131 655**
2	Loans and debt securities that have defaulted since the last reporting period	77 240
3	Returned to non-defaulted status	-
4	Amounts written off	202
5	Other changes	2 853
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)**	**211 545**

4.3 Credit risk mitigation techniques – overview

		a	b	c	d	e
	R'000	EXPOSURES UNSECURED: CARRYING AMOUNT	EXPOSURES TO BE SECURED	EXPOSURES SECURED BY COLLATERAL	EXPOSURES SECURED BY FINANCIAL GUARANTEES	EXPOSURES SECURED BY CREDIT DERIVATIVES
1	Loans	217 313	2 566 473	2 536 325	30 174	-
(a)	Sovereign (including central government and central bank)	-	-	-	-	-
(b)	Public sector entities	-	-	-	-	-
(c)	Banks	-	-	-	-	-
(d)	Corporate	217 313	305 861	276 814	29 047	-
(e)	SME Corporate	-	1 819 408	1 819 408	-	-
(f)	Specialised Lending:Real Estate (SL)	-	-	-	-	-
1	SL: Project finance	-	-	-	-	-

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	R'000	a EXPOSURES UNSECURED: CARRYING AMOUNT	b EXPOSURES TO BE SECURED	c EXPOSURES SECURED BY COLLATERAL	d EXPOSURES SECURED BY FINANCIAL GUARANTEES	e EXPOSURES SECURED BY CREDIT DERIVATIVES
2	SL: Object and commodity finance	-	-	-	-	-
(g)	Purchased receivables - coporate	-	-	-	-	-
(h)	Retail residential mortgage advances	-	-	-	-	-
(i)	Retail qualifying revolving (QRRE)	-	172	172	-	-
(j)	Retail SME	-	433 892	432 791	1 101	-
(k)	Retail Other	-	7 140	7 140	-	-
1	Of which:Unsecured lending	-	-	-	-	-
(l)	Purchased receivables - retail	-	-	-	-	-
2	Debt securities	6 346 152	-	-	-	-
3	Of which defaulted	-	-	211 545	-	-
4	**Total**	**6 563 465**	**2 566 473**	**2 536 325**	**30 147**	**-**

4.4 Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

		a	b	c	d	e	f
		EXPOSURES BEFORE CCF AND CRM		EXPOSURES POST CRM		RWA AND RWA DENSITY	
	Asset classes	ON-BALANCE SHEET AMOUNT	OFF-BALANCE SHEET AMOUNT	ON-BALANCE SHEET AMOUNT	OFF-BALANCE SHEET AMOUNT	RWA	RWA DENSITY
		R'000	R'000	R'000	R'000	R'000	R'000
1	Sovereign (including central government and central bank)	6 353 554	-	6 353 554	-	-	-
2	Multilateral development banks	-	-	-	-	-	-
(a)	Securities firms and other financial institutions	-	-	-	-	-	-
3	Banks of which:	891 416	655	891 416	-	511 690	57%
(a)	Securities firms and other financial institutions	839 332	655	839 332	-	450 513	54%
(b)	Public Sector Entities	52 084	-	52 084	-	61 178	117%
4	Covered bonds	-	-	-	-	-	-
5	Corporates (excluding corporate real estate as per line 8): of which:	2 301 781	324 216	2 417 382	-	1 922 931	80%
(a)	SME Corporate	2 301 781	324 216	2 417 382	-	1 922 931	80%
(b)	Securities firms and other financial institutions	-	-	-	-	-	-
(c)	specialised lending (excluding IPRRE, IPCRE and HVCRE)	-	-	-	-	-	-
6	Subordinated debt, equity and other capital	-	-	-	-	-	-
7	Retail : of which	479 059	117 471	529 225	-	367 634	69%
(a)	Retail residential mortgage advances	96 025	-	96 025	-	28 604	30%
(b)	Retail qualifying revolving (QRRE)	37	-	37	-	27	73%
(c)	SME retail	376 512	116 457	425 898	-	333 208	78%
(d)	Retail - other	6 485	1 014	7 265	-	5 796	80%

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4 CREDIT RISK CONTINUED

		a	b	c	d	e	f
		EXPOSURES BEFORE CCF AND CRM		EXPOSURES POST CRM		RWA AND RWA DENSITY	
	Asset classes	ON-BALANCE SHEET AMOUNT	OFF-BALANCE SHEET AMOUNT	ON-BALANCE SHEET AMOUNT	OFF-BALANCE SHEET AMOUNT	RWA	RWA DENSITY
		R'000	R'000	R'000	R'000	R'000	R'000
8	Real estate : Corporate: of which	-	-	-	-	-	-
(a)	Commercial real estate	-	-	-	-	-	-
(b)	Income producing real estate	-	-	-	-	-	-
(c)	HVCRE including land acquisition, development and construction	-	-	-	-	-	-
9	Defaulted exposures	211 545	-	211 545	-	211 545	100%
10	Other assets	-	-	-	-	-	-
11	Total	**10 025 810**	**442 342**	**10 403 122**	**-**	**2 802 256**	**-**

4. CREDIT RISK CONTINUED

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Policies and processes for collateral valuation and management

The Bank holds collateral and other credit enhancements against its credit exposures. The general creditworthiness of a customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional security and the Bank generally requests that borrowers provide it. The Bank may take collateral in the form of a first charge over real estate, charges over all corporate assets and other liens and guarantees. At 30 June 2026, the gross amount of advances to customers in default amounted to R131.6 million (2024: R107.8 million) and the market value of identifiable collateral (mainly fixed properties) held for these advances amounted to R354 million (2024: R338 million).

Further disclosure on the collateral valuation and management is included in Note 29 of the annual financial statements that are available on the Bank's website (www.hbzbank.co.za).

4.5 Standardised approach – exposures by asset classes and risk weights

	Asset classes by Risk weights	0%	10%	15%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	80%	85%	90%	100%	105%	110%	130%	150%	250%	400%	OTHER	TOTAL CREDIT EXPOSURES AMOUNT (POST CCF AND POST-CRM)
1	Sovereigns (including central government and central bank)	6 353 554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6 353 554
2	Public sector entities	11 299	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40 785	-	-	-	52 084
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Banks	-	-	-	520 667	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	520 667
	Of which: securities firms and other financial institutions	-	-	-	520 667	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	520 667
6	Corporates	-	-	-	-	-	-	-	-	-	-	822 949	-	-	-	-	-	-	2 114 437	-	-	-	-	-	-	-	2 937 386
	Of which: SME	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-		-	-	-	-	-	-	-	-
	Of which: securities firms and other financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-
	Of which: specialised lending	-	-	-	-	-	-	-	-	-	-	822 949	-	-	-	-	-	-	2 114 437	-	-	-		-	-	-	2 937 386
7	Subordinated debt, equity and other capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
	Retail qualifying revolving (QRRE)	-	-	-	-	-	-	-	-	-	-	-	-	-	36	-	-	-	-	-	-	-	-	-	-	-	36
	SME Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	8 283	-	-	-		-	-	-	-	-	-	-	8 283
	Retail - other	-	-	-	-	-	-	-	-	-	-	-	-	-	1 098	-	-	-		-	-	-	-	-	-	-	1 098

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4. CREDIT RISK CONTINUED

	Asset classes by Risk weights	0%	10%	15%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	80%	85%	90%	100%	105%	110%	130%	150%	250%	400%	OTHER	TOTAL CREDIT EXPOSURES AMOUNT (POST CCF AND POST-CRM)
9	Real estate of which :	-	-	-	-	18 008	24 814	-	6 477	-	6 600	-	-	5 483	-	-	-	-	-	-	-	-	-	-	-	-	61 382
	general RRE retail residential mortgage advances	-	-	-	-	18 008	24 814	-	6 477	-	6 600	-	-	5 483	-	-	-	-	-	-	-	-	-	-	-	-	61 382
	no loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IPRRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	general CRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	no loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which: loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which: IPCRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which: HVCRE including land acquisition, development and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Defaulted exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	211 545	-	-	-	211 545
11	Other assets	257 085	-	-																			-				257 085
12	**Total**	**6 621 938**	**-**	**-**	**520 668**	**18 008**	**24 814**	**-**	**6 477**	**-**	**6 600**	**822 949**	**-**	**5 483**	**9 418**	**-**	**-**	**-**	**2 114 437**	**-**	**-**	**-**	**252 330**	**-**	**-**	**-**	**10 403 122**

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4. CREDIT RISK CONTINUED

4.6 Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures

		a	b	c	d
	Asset classes by Risk weights	ON-BALANCE SHEET EXPOSURE	OFF-BALANCE SHEET EXPOSURE (PRE-CCF)	WEIGHTED AVERAGE CCF*	EXPOSURE (POST-CCF AND POST-CRM)
	R'000				
1	Less than 40%	7 185 428	224 045	-	7 185 428
2	40–70%	841 509	87 067	-	841 509
3	75%	9 417	-	-	9 418
4	85%	-	-	-	-
5	90–100%	1 948 671	131 230	-	2 114 437
6	105%–130%	-	-	-	-
7	150%	40 785	-	-	252 330
8	250%	-	-	-	-
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	**Total exposures**	**10 025 810**	**442 342**	**-**	**10 403 122**

for the period ended 30 June 2026

5. LIQUIDITY RISK

Liquidity risk results from being unable to meet commitments, repayments and withdrawals timeously and cost effectively.

The Bank controls liquidity at source, ensuring a wide deposit base, simplifying the product range and centralising the Treasury function. The Bank directly matches all major deposits with inter-bank placements and keeps a large proportion of the funds short-term to buffer against unexpected cash flow requirements. This is enhanced through an Asset and Liability Committee (ALCO) and an Assets and Liabilities Management (ALM) process which addresses liquidity risk pro-actively. The focused range of products offered by the Bank facilitates the management of this risk. There is an effective computerised system in place to monitor the Bank's liquidity on a daily basis.

The liquidity management process includes a Contingency Funding Plan and Recovery Plan which takes into account various stress test scenarios and funding sources.

Stress testing is conducted for any material risks facing the Bank (i.e. credit, liquidity, profitability, solvency risks). Stress tests of these material risks are tied to the assets in the portfolio, as well as to prevailing economic and market conditions and probe for portfolio-specific weaknesses. The frequency of stress testing is conducted at least quarterly. However, a sudden change in the economic outlook may prompt the Bank to revise the parameters of some stress tests, or if the Bank has become exposed to a particular risk area, it may be necessary to carry out more stress tests.

The Bank complies with Basel III principles relating to liquidity risk management, specifically the liquidity coverage ratio and the net stable funding ratio. As with interest rate risk the focused range of products offered by the Bank facilitates the management of liquidity risk.

In terms of Regulation 43(1)(e)(iii)(F) of the Regulations relating to Banks, minimum disclosure on the Liquidity Coverage Ratio of the Bank is required on a quarterly basis. This announcement meets the on-going reporting requirement for quarterly disclosure in terms of Pillar 3 of the Basel III capital accord.

5.1 Liquidity coverage ratio (LCR)

		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
	High-quality liquid assets	R'000	R'000
1	Total HQLA	6 517 288	6 517 288
	Cash outflows		
2	**Retail deposits and deposits from small business customers, of which:**	**941 946**	**94 195**
3	Stable deposits	-	-
4	Less stable deposits	941 946	94 195
5	**Unsecured wholesale funding, of which:**	**5 691 056**	**1 900 843**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	5 691 056	1 900 843
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	**Additional requirements, of which:**	**441 687**	**34 594**
11	Outflows related to derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	441 687	34 594
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	-	-
16	**TOTAL CASH OUTFLOWS**	**7 074 689**	**2 029 631**
	Cash inflows		
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	1 646 048	1 242 690
19	Other cash inflows	-	-
20	**TOTAL CASH INFLOWS**	**1 646 048**	**1 242 690**

for the period ended 30 June 2026

5. LIQUIDITY RISK CONTINUED

		TOTAL ADJUSTED VALUE
21	**Total HQLA**	**6 517 288**
22	**Total net cash outflows**	**786 941**
23	**Liquidity Coverage Ratio (%)**	**828%**

5.2 Net stable funding ratio (NSFR)

		a	b	c	d	e
		UNWEIGHTED VALUE BY RESIDUAL MATURITY				
	June 2025	NO MATURITY	< 6 MONTHS	6 MONTHS TO < 1 YEAR	≥ 1 YEAR	WEIGHTED VALUE
	Available stable funding (ASF) item (R'000)					
1	Capital:	648 841	-	-	-	648 841
2	Regulatory capital	648 841	-	-	-	648 841
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	2 329 388	-	-	2 096 449
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	2 329 388	-	-	2 096 449
7	Wholesale funding:	-	6 019 537	1 316 736	-	3 668 137
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	6 019 537	1 316 736	-	3 668 137
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	272 926	119 787	70 058	187 980
12	NSFR derivative liabilities		-	-	6 015	
13	All other liabilities and equity not included in the above categories	-	272 926	119 787	64 043	187 980
14	**Total ASF**	**648 841**	**8 621 851**	**1 436 523**	**70 058**	**6 601 406**
	Required stable funding (RSF) item (R'000)					
15	Total NSFR high-quality liquid assets (HQLA)	-	654 539	-	-	115
16	Deposits held at other financial institutions for operational purposes	-	839 502	40 615	-	146 292
17	Performing loans and securities:	-	4 898 756	1 250 109	2 962 288	2 195 776
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	3 745 487	1 060 488	1 542 391	317 418
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1 153 269	189 621	-	671 445
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages, of which:	-	-	-	1 419 897	1 206 912

for the period ended 30 June 2026

5. LIQUIDITY RISK CONTINUED

		a	b	c	d	e
		UNWEIGHTED VALUE BY RESIDUAL MATURITY				
	June 2025	NO MATURITY	< 6 MONTHS	6 MONTHS TO < 1 YEAR	≥ 1 YEAR	WEIGHTED VALUE
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	-	44 511	-	86 953	109 209
27	Physical traded commodities, including gold	-	44 511	-	-	22 256
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties	-	-	-	-	-
29	NSFR derivative assets	-	-	-	7 919	7 919
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
31	All other assets not included in the above categories	-	-	-	79 034	79 034
32	Off-balance sheet items	-	-	-	442 342	22 084
33	**Total RSF**					**2 473 476**
34	**Net Stable Funding Ratio (%)**					**267%**

		a	b	c	d	e
		UNWEIGHTED VALUE BY RESIDUAL MATURITY				
	March 2026	NO MATURITY	< 6 MONTHS	6 MONTHS TO < 1 YEAR	≥ 1 YEAR	WEIGHTED VALUE
	Available stable funding (ASF) item (R'000)					
1	Capital:	648 841	-	-	-	648 841
2	Regulatory capital	648 841	-	-	-	648 841
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	2 149 214	-	-	1 934 293
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	2 149 214	-	-	1 934 293
7	Wholesale funding:	-	5 616 710	1 766 422	-	3 691 566
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	5 616 710	1 766 422	-	3 691 566
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	382 700	171 885	15 142	85 943
12	NSFR derivative liabilities		-	-	15 142	
13	All other liabilities and equity not included in the above categories	-	382 700	171 885	-	85 943
14	**Total ASF**	**648 841**	**8 148 624**	**1 938 307**	**15 142**	**6 360 642**

for the period ended 30 June 2026

5. LIQUIDITY RISK CONTINUED

		a	b	c	d	e
		UNWEIGHTED VALUE BY RESIDUAL MATURITY				
	March 2026	NO MATURITY	< 6 MONTHS	6 MONTHS TO < 1 YEAR	≥ 1 YEAR	WEIGHTED VALUE
	Required stable funding (RSF) item (R'000)					
15	Total NSFR high-quality liquid assets (HQLA)	-	1 162 702	-	-	113
16	Deposits held at other financial institutions for operational purposes	-	848 642	-	-	127 296
17	Performing loans and securities:	-	1 666 584	3 965 654	2 969 718	2 153 046
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	577 412	3 772 623	1 537 272	294 365
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1 089 172	193 031	-	641 102
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages, of which:	-	-	-	1 432 446	1 217 579
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	-	39 677	-	97 937	117 776
27	Physical traded commodities, including gold	-	39 677	-	-	19 839
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties	-	-	-	-	-
29	NSFR derivative assets	-	-	-	17 204	17 204
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
31	All other assets not included in the above categories	-	-	-	80 733	80 733
32	Off-balance sheet items	-	-	-	454 627	22 690
33	**Total RSF**					**2 420 921**
34	**Net Stable Funding Ratio (%)**					**263%**

for the period ended 30 June 2026

6. CREDIT VALUE ADJUSTMENT (CVA) RISK

Risk Management objectives and policies

The Bank has policies in place to detail its processes relating to risk management. The goal is to maximise the Bank's risk-adjusted return by maintaining risk exposures within acceptable parameters.

Major objectives of credit risk management are to put in place sound credit approval processes for informed risk-taking and procedures for effective risk identification, monitoring and measurement.

Derivative financial instruments

Derivatives are classified as financial assets when their fair value is positive, or as financial liabilities when their fair value is negative.

Measurement

There are two bases of measurement, namely amortised cost and fair value.

- Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual terms of the instrument.

- Amortised cost and effective interest rate

The amortised cost of a financial instrument is the amount at which the financial instrument is measured on initial recognition.

Collateral

The Bank may require collateral in respect of the credit risk present in derivative transactions. The amount of credit risk is principally the positive fair value of the contract. Collateral may be in the form of cash or in the form of a lien over a client's assets, entitling the Bank to make a claim for current and future liabilities.

Commitments under derivative instruments

The Bank enters into forward exchange contracts in the normal course of business.

Management of interest rate risk

Derivative financial instruments are modelled and reported based on their contractual repricing or maturity characteristics.

Management of market risk

Market risk is governed by board-approved policies that cover management, identification, measurement and monitoring.

Market risk limits, including value at risk and stress trigger limits, are approved at board level and reviewed periodically, but at least annually.

Management/Governance Structures

The Bank has governance structures in place that support risk-based decision making and oversight.
The Board has delegated the oversight of risk management to its Board Committees (Capital Adequacy & Risk Committee(CARC) and Audit Committee(AC)).

Management governance structures are in place (Executive committee and Risk management committee(RMC)) reporting to the Board Committees on a quarterly basis. The lines of responsibilities are clearly defined and supported by the combined assurance model that defines the roles, responsibilities and accountability for the combined assurance process.

Standardised Approach to CVA

The Bank only executes the plain vanilla FX Forward transactions with the market counterparties for the purpose of covering the open exposure against client deals and to manage the excess liquidity. Considering the nature of transactions, the Bank has chosen the prescribed Standardised Approach to calculate the capital charge against CVA.

Calculation Criteria for SA-CVA

- Over the counter (OTC) Derivatives are executed under the International Swaps and Derivatives Association (ISDA) Agreement with the counterparties

for the period ended 30 June 2026

6. CREDIT VALUE ADJUSTMENT (CVA) DISCLOSURE CONTINUED

- There is no margin call below the agreed minimum transfer amount (MTA) as per Credit Approved Annexure (CSA) being part of ISDA Agreement with counterparties
- No Collateral to be held below the agreed MTA
- No netting agreement is in place with the counterparties
- No Contracts are executed more than 1 year of maturity
- The Bank does not hedge the risk due to low materiality of exposure and higher hedging cost

6.1 The standardised approach for CVA (SA-CVA)

		a	b
	R'000	SA-CVA RWA	NUMBER OF COUNTERPARTIES
1	Interest rate risk	–	
2	Foreign exchange risk	–	
3	Reference credit spread risk	–	
4	Equity risk	–	
5	Commodity risk	–	
6	Counterparty credit spread risk	13 202	
7	**Total (sum of rows 1 to 6)**	**13 202**	

6.2 RWA flow statements of CVA risk exposures under SA-CVA

	R'000	a
1	Total RWA for CVA at previous quarter-end	9 194
2	Total RWA for CVA at end of reporting period	13 202

for the period ended 30 June 2026

7. COUNTERPARTY CREDIT RISK (CCR)

Counterparty risk is the risk that a counterparty will not honour their commitment in a contract.

The Bank pro-actively manages this risk by:

- Ensuring Board approved limits are in place for interbank placements and investments
- Limiting purchase of Forward Exchange Contracts (FEC's) from Board approved banks
- Dealing with banks and sovereigns situated in countries that have a well-regulated banking industry

7.1 Analysis of CCR exposures by approach

		a	b	c	d	e	f
	R'000	REPLACEMENT COST	POTENTIAL FUTURE EXPOSURE	EFFECTIVE EPE	ALPHA USED FOR COMPUTING REGULATORY EAD	EAD POST-CRM	RWA
1	SA-CCR (for derivatives)	5 069	12 377	–	–	–	13 413
2	Internal Model Method (for derivatives and SFTs)	–	–	–	–	–	-
3	Simple Approach for credit risk mitigation (for SFTs)	–	–	–	–	–	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)	–	–	–	–	–	-
5	Value-at-risk (VaR) for SFTs	–	–	–	–	–	-
6	**Total**	**5 069**	**12 377**	–	–	–	**13 413**

7.2 Standardised approach – CCR exposures by regulatory portfolio and risk weights

	R'000	a	b	b	d	e	c	d	e	f
	Regulatory portfolios	0%	10%	20%	50%	75%	100%	150%	OTHERS	TOTAL CREDIT EXPOSURE
1	Sovereigns	-	-	-	-	-	-	-	-	-
2	Non-central government public sector entities	-	-	-	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-	-	-	-
4	Banks	-	-	13 765	-	-	10 660	-	-	24 425
5	Securities firms	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	-	-	-	-
7	Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
8	Other assets	-	-	-	-	-	-	-	-	-
9	**Total**	**-**	**-**	**13 765**	**-**	**-**	**10 660**	**-**	**-**	**24 425**

for the period ended 30 June 2026

8. COMPOSITION OF CAPITAL

In line with the requirements of the Bank Supervision Department of the South African Reserve Bank, and effective from 1 January 2026, the Bank has implemented a countercyclical buffer of 1% and a capital conservation buffer of 2,5% in effect from 1 March 2025..

The Bank has documented its Internal Capital Adequacy Assessment Process ("ICAAP"), which was reviewed by the Board of Directors. Evaluations were made of the various direct, indirect and associated risks faced by the Bank and the related mitigating controls that are in place.

The disclosures of the composition of capital and main capital features for the Bank, required per Directive 10 of 2025, issued in terms of section 6(6) of the Banks Act of 1990, are set out in CC1,CC2 and CCA, respectively.

8.1 Composition of regulatory capital

		a	b
		AMOUNTS	SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
Common Equity Tier 1 capital: instruments and reserves			
		R'000	
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	50 000	–
2	Retained earnings	196 685	–
3	Accumulated other comprehensive income (and other reserves)	598 841	–
4	Directly issued capital subject to phase out from CET1 capital (only applicable to non-joint stock companies)	-	–
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)	-	–
6	**Common Equity Tier 1 capital before regulatory adjustments**	**648 841**	**–**
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	–	–
8	Goodwill (net of related tax liability)	–	–
9	Other intangibles other than mortgage-servicing rights (MSR)(net of related tax liability)	–	–
10	Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	–	–
11	Cash flow hedge reserve	–	–
12	Shortfall of provisions to expected losses	–	–
13	Securitisation gain on sale	–	–
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–	–
15	Defined-benefit pension fund net assets	–	–
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	–	–
17	Reciprocal cross-holdings in common equity	–	–
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	–
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	–	–
20	MSR (amount above 10% threshold)	–	–
21	DTA arising from temporary differences (amount above 10% threshold, net of related tax liability)	–	–
22	Amount exceeding the 15% threshold	–	–

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8. CAPITAL MANAGEMENT CONTINUED

8.1 Composition of regulatory capital continued

23	Of which: significant investments in the common stock of financials	-	-

		a	b
		AMOUNTS	SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
24	Of which: MSR	-	-
25	Of which: DTA arising from temporary differences	-	-
26	National specific regulatory adjustments	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions	-	
28	**Total regulatory adjustments to common equity Tier 1**	**-**	
29	**Common Equity Tier 1 capital (CET1)**	**648 841**	
	Additional Tier 1 capital : instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
31	Of which: classified as equity under applicable accounting standards	-	
32	Of which: classified as liabilities under applicable accounting standards	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional Tier 1 capital)	-	
35	Of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 capital before regulatory adjustments**	**-**	
	Additional Tier 1 capital: regulatory adjustments		
37	Investment in own Additional Tier 1 instruments	-	-
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-
41	National specific regulatory adjustments	-	-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-
43	**Total regulatory adjustments to Additional Tier 1 capital**	**-**	**-**
44	**Additional Tier 1 (AT1)**	**-**	**-**
45	**Tier 1 (T1 = CET1 + AT1)**	**648 841**	**-**

for the period ended 30 June 2026

8. CAPITAL MANAGEMENT CONTINUED

8.1 Composition of regulatory capital continued

		a	b
		AMOUNTS	SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
Tier 2 capital and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	–	
47	Directly issued capital instruments subject to phase out from Tier 2	–	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	–	
49	Of which: instruments issued by subsidiaries subject to phase-out	–	
50	Provisions	22 015	
51	**Tier 2 capital before regulatory adjustments**	**22 015**	
Tier 2 capital : regulatory adjustments			
52	Investments in own Tier 2 instruments	–	–
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	–	–
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	–	–
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	–	–
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–	–
56	National specific regulatory adjustments	–	–
57	**Total regulatory adjustments to Tier 2 capital**	**–**	
58	**Tier 2 capital (T2)**	**22 015**	**–**
59	**Total capital (TC = T1 + T2)**	**670 856**	**–**
60	**Total risk weighted assets**	**3 953 181**	**–**
Capital ratios			
61	Common Equity Tier 1 capital (as a percentage of risk-weighted assets)	16,41%	–
62	Tier 1 capital (as a percentage of risk-weighted assets)	16,41%	–
63	Total capital (as a percentage of risk weighted assets)	16,97%	–
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	3,50%	–
65	Of which: capital conservation buffer requirement	2,50%	–
66	Of which: bank-specific countercyclical buffer requirement	1,00%	–
67	Of which: higher loss absorbency requirement	-	–
68	Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	7,54%	–

for the period ended 30 June 2026

8. CAPITAL MANAGEMENT CONTINUED

8.1 Composition of regulatory capital continued

		a	b
		AMOUNTS	SOURCE BASED ON REFERENCE NUMBERS/LETTERS OF THE BALANCE SHEET UNDER THE REGULATORY SCOPE OF CONSOLIDATION
National Minima (if different from Basel III)			
69	National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)	5,00%	-
70	National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)	6,75%	-
71	National minimum Total capital adequacy ratio (if different from Basel III minimum)	9,00%	-
Amounts below the threshold for deductions (before risk weighting)			
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	-	-
73	Significant investments in the common stock of financials	-	-
74	MSR (net of related tax liability)	-	-
75	DTA arising from temporary differences (net of related tax liability)	-	-
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)	22 015	-
77	Cap on inclusion of provisions in Tier 2 capital under standardised approach	-	-
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
79	Cap for inclusion of provisions in Tier 2 capital under internal ratings-based approach	-	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase-out arrangements	-	-
81	Amount excluded from CET1 capital due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase-out arrangements	-	-
83	Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)	-	-
84	Current cap on Tier 2 instruments subject to phase-out arrangements	-	-
85	Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)	-	-

for the period ended 30 June 2026

8. CAPITAL MANAGEMENT CONTINUED

8.2 Reconciliation of regulatory capital to balance sheet

	BALANCE SHEET AS IN PUBLISHED FINANCIAL STATEMENTS
	31 DEC 25
	R'000
Assets	
Cash and cash equivalents	1 972 832
Investment securities	5 873 181
Other assets	19 431
Derivative assets held for risk management	29 672
Loans and advances	2 754 845
Property and equipment	49 649
Investment property	8 158
Right-of-use assets	11 992
Deferred tax assets	13 953
Total assets	**10 733 713**
Liabilities	
Deposits and borrowings	9 775 717
Provisions	13 025
Other liabilities	19 993
Derivative liabilities held for risk management	26 972
Lease liabilities	14 556
Total liabilities	**9 850 263**
Shareholders' equity	
Ordinary share capital	10 000
Share premium	40 000
General reserve	598 841
Retained earnings	234 609
Total shareholders' equity	**883 450**

As the Bank publishes their financial reports annually, the 31 December 2025 values have been included in the 30 June 2026 Bi-annual disclosure. As the Bank's published financial statements mirror the regulatory reporting, only column a is shown..

8.3 Main features of regulatory capital instruments

	Disclosure template for main features of regulatory capital instruments	
1	Issuer	HBZ Bank Limited
2	Unique identifier (eg Committee on Uniform Security Identification Procedures (CUSIP), International Securities Identification Number (ISIN) or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	N/A
3a	Means by which enforceability requirement of Section 13 of the TLAC Term Sheet is achieved (for other TLAC-eligible instruments governed by foreign law)	N/A
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Post-transitional Basel III rules	N/A
6	Eligible at solo/group/group and solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Share Capital
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	R 50 million

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8. CAPITAL MANAGEMENT CONTINUED

9	Par value of instrument	R1 par value issued at R5 each
10	Accounting classification	Ordinary Share Capital and Share Premium
11	Original date of issuance	Thursday, 29 June 1995
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

for the period ended 30 June 2026

9. LEVERAGE RATIO

In terms of Regulation 43(1)(e)(iii)(G), the Bank is required to provide a summarised comparison of the accounting assets and the regulatory leverage ratio differences, as well as the Leverage Ratio positions of the Bank, as at 30 June 2026. The leverage ratios are reported to the Prudential Authority as part of the Bank's monthly submissions. These are set out below:

9.1 Summary comparison of accounting assets vs leverage ratio exposure measure

		a	b
	Item (R'000)	**30-JUN-26**	**31-MAR-26**
1	Total consolidated assets as per published financial statements	11 219 615	11 205 207
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustments for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	(7 919)	(17 204)
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	-	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	(242 050)	(195 699)
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-
12	Other adjustments	(22 149)	(26 533)
13	**Leverage ratio exposure measure**	**10 947 497**	**10 965 771**

9.2 Leverage ratio common disclosure template

	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	10 769 354	10 733 710
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
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 Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	(34 526)	(36 605)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**10 734 828**	**10 697 105**
	Derivative exposures		
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	5 069	1 476
9	Add-on amounts for potential future exposure associated with all derivatives transactions	7 308	8 596
10	(Exempted central counterparty (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)**	**12 377**	**10 072**

for the period ended 30 June 2026

9. LEVERAGE RATIO CONTINUED

	Item (R'000)	a 30-JUN-26	b 31-MAR-26
	Securities financing transaction exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk 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	442 342	454 293
20	(Adjustments for conversion to credit equivalent amounts)	(242 050)	(195 699)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet items (sum of rows 19 to 21)**	**200 292**	**258 594**
	Capital and total exposures		
23	**Tier 1 capital**	**648 841**	**648 841**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**10 947 497**	**10 965 771**
	Leverage ratio		
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**6%**	**6%**
25a	**Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)**	**6%**	**6%**
26	**National minimum leverage ratio requirement**	**4%**	**4%**
27	**Applicable leverage buffers**	**-**	**-**
	Disclosure of mean values		
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
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	-	-
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)	-	-
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)	-	-
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)	6%	6%
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%	6%

for the period ended 30 June 2026

10. MARKET RISK

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate resulting in losses due to movements in observable market variables such as profit rates, exchange rates and equity markets. In addition to these and other general market risk factors, the risk of price movements specific to individual issuers of securities is considered market risk. Bank's exposure to market risk is limited as the portfolios that are subject to market risk relate to forward exchange contracts. The Bank makes use of the standardised approach to compute market risk.

Further disclosure on market risk is included in Note 29 of the annual financial statements that are available on the Bank's website (www.hbzbank.co.za).

		a	c	d	d
			OPTIONS		
	Item (R'000)	OUTRIGHT PRODUCTS	SIMPLIFIED APPROACH	DELTA-PLUS METHOD	SCENARIO APPROACH
1	Interest rate risk	-	-	-	-
2	Equity risk	-	-	-	-
3	Commodity risk	-	-	-	-
4	Foreign exchange risk	-	635	-	-
5	Securitisation	-	-	-	-
6	**Total**		**635**		

11. ASSET ENCUMBRANCE

Encumbered assets are assets that the bank is restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other limitations. Unencumbered assets are those assets which do not meet the definition of encumbered. Central bank facilities are assets in any central bank facility, used for regulatory, liquidity or any other funding facilities. Assets relating to central bank facilities are disclosed separately.

As at 30 June 2026, no encumbered assets were held, with central bank facilities noted as follows:

		a	c	d	d
	Item (R'000)	ENCUMBERED ASSETS	CENTRAL BANK FACILITIES	UNENCUMBERED ASSETS	TOTAL
1	Loans and advances	-	-	2 762 787	2 762 787
2	Regulatory balances	-	652 935	-	652 935
3	Cash and cash equivalents	-	-	893 020	893 020
4	Property and equipment	-	-	59 601	59 601
5	Investment property	-	-	8 134	8 134
6	Investment securities	-	-	6 348 366	6 348 366
7	Other	-	-	52 430	52 430
8	**Total**	**-**	**652 935**	**10 124 338**	**10 777 273**