



PROVEN Bank (Cayman) Limited
PILLAR 3 SEMI-ANNUAL DISCLOSURE REPORT
AS AT 30 SEPTEMBER 2025

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1. BACKGROUND

1.1 Incorporation and Ownership Information

PROVEN Bank (Cayman) Limited (the “Bank”) is incorporated under the Companies Act, as revised, of the Cayman Islands and is licensed under the Bank and Trust Companies Act, as revised, as a Category A Bank to carry on banking business in the Cayman Islands, subject to certain restrictions contained in the terms of the license. The Bank is a wholly owned subsidiary of PROVEN Bank Holdings Limited (“PBHL” or the “Parent”), which is incorporated in the Cayman Islands, the holding company of the banking entities within the PROVEN Group Limited. In November 2022, PROVEN Bank St. Lucia Limited (PBSL) which was fully owned by PROVEN Group Limited became a fully owned subsidiary of the Bank via the completion of a share transfer transaction. Prior to the acquisition, the Bank only operated in the Cayman Islands.

PROVEN Group Limited (the Ultimate Parent), formerly PROVEN Investments Limited, incorporated and domiciled in Saint Lucia under the International Business Companies Act, with registered office at 20 Micoud Street, Castries, Saint Lucia is the ultimate holder of 100.00% of the issued ordinary shares of the Group.

The registered office of the Bank is at Willow House, Cricket Square, 171 Elgin Avenue, George Town, Grand Cayman KY1-1103, Cayman Islands. The Bank’s financial year end is March 31, which aligns with the Ultimate Parent’s financial reporting period.

This disclosure document has been prepared by the Bank on a standardized basis and in accordance with the rules set out in the Basel Committee on Banking Supervision (BCBS) requirements issued in January 2015 titled ‘Revised Pillar 3 Disclosure Requirements’, in March 2017 titled “Pillar 3 Disclosure Requirements – consolidated and enhanced framework”, and in December 2018 titled, “Pillar 3 disclosure requirements – updated framework”, which were and as adopted by the Cayman Islands Monetary Authority (CIMA). Unless otherwise stated, all figures are as of September 30, 2025, and are expressed in United States (US) dollars.

1.2 License and Activity Focus

The Bank is licensed and regulated by the Cayman Islands Monetary Authority (“CIMA”) as a Category “A” Banking entity. It has also been designated a Domestic Systemically Important Deposit-Taking Institution by CIMA in February 2025.

The Bank and its subsidiaries, collectively referred to as the Group, offer a full range of retail, private and corporate banking services, including electronic banking, acceptance of deposits, granting of loans, credit cards, merchant and foreign exchange services through each of its two (2) operating banks in Grand Cayman and St. Lucia.

1.3 Disclosure Report Application and entity relevance

These disclosures have been prepared on a consolidated basis.

1.4 Disclosure Report review and approval by the Board of Directors

This Pillar 3 Disclosure Report has been reviewed and approved by the Board of Directors.

2. CAPITAL MANAGEMENT

2.1 Overview of Risk Weighted Assets Explaining Differences Between Last Two Reporting Periods

Table OV1 provides an overview of Risk Weighted Assets (“RWA”) and Minimum Capital Requirements per risk type. The table shows a 2% increase between RWA reported as at June 30, 2025, and RWA reported as at September 30, 2025. This increase was primarily driven by the reallocation of USD \$12 million in investments from exposures to sovereigns, which carry a 0% risk weight, to exposures to corporates, which are risk-weighted at 100%. Market risk declined during the quarter, primarily due to a normalization of net long positions in foreign currencies.

Table 1: OV1 – Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
		30-Sep-25	30-Jun-25	30-Sep-25
1	Credit risk (excluding counterparty credit risk) (CCR)	\$284,985,161	\$277,109,288	\$42,747,774
2	Securitisation exposures	-	-	-
3	Counterparty credit risk	-	-	-
4	Of which: Current Exposure Method	-	-	-
5	Of which: Standardized Method	-	-	-
6	Market risk	\$1,478,725	\$1,765,413	\$221,809
7	Of which: Equity risk	-	-	-
8	Operational risk	\$51,333,000	\$51,333,000	\$7,699,950
9	Of which: Basic Indicator Approach	\$51,333,000	\$51,333,000	-
10	Of which: Standardized Method	-	-	-
11	Of which: Alternative Standardised	-	-	-
12	Total (1+2+3+6+8)	\$337,796,886	\$330,207,701	\$50,669,533

2.2 Capital Overview – Bank Policy in relation to Capital

Table 2: Capital

The tables below provide qualitative and quantitative disclosures around the Bank's capital.

Qualitative Disclosures	(a)	The name of the top corporate entity in the group to which these rules and guidelines apply.	PROVEN Bank (Cayman) Limited
	(b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are pro-rate consolidated; (c) that are given a deduction treatment; and (d) from which surplus capital is recognized; plus (e) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	The differences between the basis of consolidation for accounting and regulatory purposes are mainly due to the treatment of accrued interest on the Bank's cash and cash equivalents and Investments portfolio, in addition to deferred loan commitment fees. The Bank's consolidation process includes two fully owned property holding entities which were incorporated in the Cayman Islands.
	(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	There are no restrictions on the transfer of funds or regulatory capital within the group.
Quantitative Disclosures	(d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	\$0
	(e)	The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation i.e. that are deducted and the name(s) of such subsidiaries.	\$0
	(f)	The aggregated amounts (e.g. current book value) of the firm's total interests in insurance entities, which are risk-weighted rather than deducted from capital or subjected to an alternate group-wide method, as well as their name, their country of incorporation or residence, the proportion of ownership interest and, if different, the proportion of voting power in these entities. In addition, indicate the quantitative impact on regulatory capital of using this method versus using the deduction or alternate group-wide method.	\$0

Table 3: Capital Structure and CAP – Scope of Capital

Qualitative Disclosures	(a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of innovative, complex or hybrid capital instruments	The majority of the Bank's capital as noted in b) below is share premium and retained earnings, which forms part of Tier 1 Capital. The Bank does not hold any complex or hybrid capital instruments.
Quantitative Disclosures	(b)	The amount of Tier 1 capital, with separate disclosure of: <ul style="list-style-type: none"> - paid-up share capital/common stock; - reserves; -minority interests in the equity of subsidiaries; - qualifying innovative instruments; - other capital instruments; - surplus capital from insurance companies; - regulatory calculation differences deducted from Tier 1 capital; - other amounts deducted from Tier 1 capital, including goodwill; and - investments 	Paid up Capital - \$4,200,000 Disclosed Reserves of which; Share premium \$33,689,624 and Retained Earnings \$41,971,575 General Provisions - \$1,453,261 Asset revaluation reserves - \$2,938,417 Current net income - \$5,071,455
	(c)	The total amount of Tier 2 and Tier 3 capital.	Tier 2 Capital - \$9,463,133
	(d)	Other deductions from capital.	-
	(e)	Total eligible capital.	Total Eligible Capital - \$84,447,034

Table 4: CAP – Capital Adequacy

Qualitative Disclosures	(a)	A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	<p>The Bank manages its capital position to ensure that its capital is adequate to support its business activities and aligns with risk, risk appetite and strategic planning. Additionally, the Bank seeks to maintain safety and soundness at all times, even under adverse scenarios, take advantage of organic growth opportunities, meet obligations to creditors and counterparties, maintain ready access to financial markets, and satisfy current and future regulatory capital requirements. Capital management is integrated into our risk and governance processes, as capital is a key consideration in the development of our strategic plan, risk appetite and risk limits.</p> <p>The Bank conducts an Internal Capital Adequacy Assessment Process (“ICAAP”) on an annual basis. The ICAAP is a forward-looking assessment of our projected capital needs and resources, incorporating earnings, balance sheet and risk forecasts under baseline and adverse economic and market conditions. Qualitative risk assessments are performed to identify and assess material risks not fully captured in the forecasts or stress tests. Senior management and the Board of Directors approve the ICAAP and attest to the adequacy of our capital guidelines and capital position.</p>
		<p>Capital requirements for credit risk:</p> <ul style="list-style-type: none"> - portfolios subject to standardised or simplified standardised approach, disclosed separately for each portfolio; and - securitisation exposures. 	\$42,747,774 by way of the Collateral Simplified Approach
Quantitative Disclosures	(b)	Capital requirements for market risk:	\$221,809 for market risk requirements
	(c)	Capital requirements for operational risk:	Basic Indicator Approach - \$7,699,950
	(d)	<ul style="list-style-type: none"> - basic indicator approach; - standardised approach; and - alternative standardised approach. 	
	(e)	<p>Total and Tier capital ratio:</p> <ul style="list-style-type: none"> - for the top consolidated group; and - for significant bank subsidiaries (stand alone or sub-consolidated). 	<p>Tier 1 Ratio - 22.20%</p> <p>Total Capital Ratio – 25.00%</p>

2.3 Summary comparison of accounting assets vs leverage ratio exposure

The Leverage Ratio regulatory measure is a non-risk-based measure to restrict the build-up of leverage in the banking sector. The Leverage Ratio is derived as Tier 1 Capital against a defined measure of exposure.

Table 5 provides a reconciliation between the regulatory exposure measure and the financial statements of the Bank.

Table 5: LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure

		30-Sep-25
1	Total consolidated assets	\$734,009,592
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 exposure 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 recognized 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	-
9	Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	-
10	Adjustment for off balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	\$3,192,585
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	-
13	Leverage ratio exposure measure	\$737,202,177

The adjustment of USD \$3.19M noted above relates to off balance sheet items post the credit conversion factor and credit risk mitigation. These are not reflected on the balance sheet and are therefore treated as an adjustment item.

2.4 Leverage ratio common disclosure

As presented in Table 6, the Bank's leverage ratio decreased marginally from 10.27% as of June 30, 2025, to 10.17% as of September 30, 2025. The primary driver of this change was an increase in on-balance sheet exposures, which rose from USD \$727.4 million to USD \$734.0 million over the same period. This increase reflects higher investment activity funded by growth in deposits and net income during the quarter.

Table 6: LR2 – Leverage Ratio common disclosure

	a	b	
	30 Sep-25	30-Jun-25	
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions, but including collateral)	\$734,009,592	\$727,399,910
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 Basel III Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	-	-
7	Total on balance sheet exposures (excluding derivatives and SFTS) (sum of rows 1 to 6)	\$734,009,592	\$727,399,910
Derivative exposures			
13	Total derivative exposures (sum of rows 8 to 12)	-	-
Securities financing 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	\$15,962,923	\$21,720,923
20	(Adjustments for conversion to credit equivalent amounts)	(\$12,770,338)	(\$17,376,738)
21	(Specific and general provisions associated with on balance sheet exposures that are deducted from Tier 1 capital)	-	-
22	Off-balance sheet items (sum of rows 19 to 21)	\$3,192,585	\$4,344,185

	a	b
	30 Sep-25	30-Jun-25
Capital and total exposures		
23 Total Tier 1 Capital	\$74,983,901	\$75,170,614
24 Total exposures (sum of rows 7, 13, 18 and 22)	\$737,202,177	\$731,744,095
Leverage ratio		
25 Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.17%	10.27%
25a Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		
26 National minimum leverage ratio requirement	3.00%	3.00%
27 Applicable leverage buffers	7.17%	7.27%

3. CREDIT RISK

3.1 Credit Risk Management and Reporting Channels

The Group's Directors, Credit Committee and its Assets and Liabilities Committee ("ALCO") are responsible for approving and monitoring the Group's credit exposure, which is done through review and approval of the Group's lending policies, and limits on credit exposure to individual borrowers and sectors.

There are four (4) overarching responsibilities of the Credit Committee, which are:

1. Credit Risk Management
 - a. establish or modify credit portfolio limitations, including the Company and the Bank inhouse lending limit
 - b. establish or modify lending authority levels
 - c. oversee and monitor any risk metrics under the Company's Risk Appetite Statement, as deemed appropriate by the Board of Directors
2. Credit Strategies and Performance
 - a. review the strategies to develop and achieve the credit and lending goals
 - b. review credit performance
3. Lending Authority
 - a. determine the lending authority levels as outlined in the Credit Policy for the President & Chief Executive Officer or Designate, the Head of Credit, the Credit Manager, etc.
4. Credit Review
 - a. the appointment, performance evaluation, compensation determination, and termination of the Head of Credit Review, and shall approve the annual Credit Review Plan, including the financial budget and staffing of Credit Review.

3.2 Credit Quality of Assets

Table 7: CR1 – Credit Quality of Assets

30-Sep-25	a	b	c	d
	Gross carrying values of:		Allowances/ Impairments	Net values (a+b-c)
	Defaulted exposures	Non-defaulted exposures		
1 Loans	\$6,690,141	\$200,065,112	\$3,549,779	\$203,205,474
2 Debt securities	-	\$417,531,792	\$120,855	\$417,410,937
3 Off-balance sheet exposures	-	\$15,962,923	-	\$15,962,923
4 Total	\$6,690,141	\$633,559,827	\$3,670,634	\$636,579,334

Table 8: CR2 – Changes in Stock of Defaulted Loans and Debt Securities

	30-Sep-25
1 Defaulted loans and debt securities at end of the previous reporting period	\$7,080,790
2 Loans and debt securities that have defaulted since the last reporting period	\$1,174,616
3 Returned to non-defaulted status	(\$53,058)
4 Amounts written off	(\$77,085)
5 Other changes	(\$1,435,122)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4+/-5)	\$6,690,141

The decrease in defaulted loans during the period primarily reflects the net effect of new defaults and loans that returned to performing status following restructurings or the regularization of payments. The Bank has conducted an assessment of its provisioning requirements and determined that they remain adequate, taking into account the strength of the underlying collateral held. Additionally, other changes totaling USD \$1.4 million represent a partial settlement received on one facility within the six-month period.

3.3 Credit risk mitigation and techniques

Table 9: Credit Risk Mitigation (“CRM”) Techniques

Table 9 provides an overview of the Bank’s CRM techniques as at September 30, 2025. The Loan portfolio increased by approximately 1% from March 31, 2025, to September 30, 2025.

	a Exposures unsecured: carrying amount	b Exposures secured by collateral: carrying amount	c Exposures secured by collateral, of which: secured amount
1	Loans	\$13,424,370	\$193,330,883
2	Debt securities	\$417,531,793	-
3	Total	\$430,956,163	\$193,330,883
			\$171,216,691

3.4 Credit Risk – Regulatory Weighted Assets

Table 10 provides an overview of the regulatory risk weighted assets including the effects of CCF and CRM techniques.

Table 10: CR4 – Credit Risk Exposure and CRM Effects

	Assets classes	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA Density
1	Sovereigns and their central banks	\$143,053,940	-	\$143,053,940	-	\$4,184,791	2.93%
2	Non-central government public sector entities	-	-	-	-	-	0.00%
3	Multilateral development banks	\$80,569,193	-	\$80,569,193	-	\$4,021,174	4.99%
4	Bank	\$195,629,758		\$195,629,758		\$68,409,963	34.97%
5	Securities Firms	-	-	-	-	-	0.00%
6	Corporates	\$120,150,701	-	\$120,141,646	-	\$89,103,527	74.17%
7	Regulatory retail portfolios	\$50,431,204	\$10,183,674	\$50,344,349	\$2,036,735	\$52,302,485	99.85%
8	Secured by residential property	\$112,240,459	\$5,779,249	\$112,240,459	\$1,155,850	\$41,308,853	36.43%
9	Secured by commercial real estate	\$11,060,981	-	\$11,060,981	-	\$11,060,981	100.00%
10	Past-due exposures	\$8,239,342	-	\$6,113,596	-	\$6,560,653	107.31%
11	Higher-risk categories	-	-	-	-	-	0.00%
12	Other assets	\$13,067,493	-	\$13,067,493	-	\$8,019,917	61.37%
13	Total	\$734,443,071	\$15,962,923	\$732,221,415	\$3,192,585	\$284,972,344	38.75%

Table 11 provides a breakdown of the Bank's credit risk exposures by asset class and risk weight.

Table 11: CR5 – Exposures by Asset Class and Risk Weights

	a	c	d	e	f	g	h	i
Assets classes	0%	20%	35%	50%	75%	100%	150%	Total credit exposure amount (post CCF and post-CRM)
1 Sovereigns and their central banks	\$125,309,911	\$16,231,940	-	\$1,147,373	-	\$364,716	-	\$143,053,940
3 Multilateral development banks	\$60,463,323	\$20,105,870	-	-	-	-	-	\$80,569,193
4 Bank	-	\$98,016,387	-	\$97,613,371	-	-	-	\$195,629,758
6 Corporates	-	\$15,185,659	-	\$37,779,184	-	\$67,176,803	-	\$120,141,646
7 Regulatory retail portfolios	\$78,599	-	-	-	-	\$50,265,750	-	\$50,344,349
8 Secured by residential property	-	-	\$109,345,948	-	\$2,894,511	-	-	\$112,240,459
9 Secured by commercial real estate	-	-	-	-	-	\$11,060,981	-	\$11,060,981
10 Past-due exposures	-	-	-	-	-	\$5,219,482	\$894,114	\$6,113,596
11 Higher-risk categories	-	-	-	-	-	-	-	-
12 Other assets	\$5,047,576	-	-	-	-	\$8,019,917	-	\$13,067,493
13 Total	\$190,899,409	\$149,539,856	\$109,345,948	\$136,539,928	\$2,894,511	\$142,107,649	\$894,114	\$732,221,415

3.5 Counterparty Credit Risk

The Bank does not currently transact in derivatives, and therefore, is not exposed to counterparty credit risk.

4. LIQUIDITY RISK

4.1 Liquidity Risk and Liquidity Management Approach

Liquidity risk is the risk that the Bank cannot meet its financial obligations as they fall due or can do so only at an excessive cost. The Bank's liquidity risk management policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations in funding, to retain full public confidence in the solvency of the Bank and to enable it to meet all financial obligations. This is achieved by maintaining a prudent level of liquid assets through management control of the rate of growth of the business and maintaining high levels of capital. The Bank holds a diversified portfolio of investment securities to support payment obligations. The Bank's assets held for managing liquidity risk comprise cash, certificate of deposits, other investments and loans and advances to customers. The Bank would be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources.

The Bank manages daily liquidity risks in accordance with its established Liquidity Risk Management Framework.

Regulatory coverage requirements apply to such ratios and other measurements that are required to be reported to regulators on a regular basis. All submissions to local regulators must be made within the prescribed timelines.

The current minimum liquidity-related thresholds are:

- Liquidity Coverage Ratio (LCR): >100%
- Net Stable Funding Ratio (NSFR): >100%
- Capital Adequacy Ratio (CAR): >14%

These prescribed minimum ratios must be maintained at all times.

Finance is responsible for regulatory reporting output in alignment with regulations. They also manage the preparation and delivery of regulatory liquidity reports to Management.

Departure from Internal Limits

When limits are exceeded, either the President & CEO, Group Chief Treasury Officer or Deputy Chief Executive Officer shall ensure that all breaches of approved limits are reported on the date of discovery to ALCO.

Contingency Funding Plan

The Bank maintains a Liquidity Plan which must be reviewed at least annually by ALCO for appropriateness and alignment to stated risk appetite levels and prescribed regulations. A designate, as determined by ALCO, will review and test the Liquidity Plan. Similarly, a Liquidity Contingency Plan is to be maintained and tested annually by a designate determined by ALCO.

The Bank periodically reviews its efforts to establish and maintain relationships with liability holders, to maintain the diversification of liabilities, and aim to ensure its capacity to sell assets. The internal audit function also periodically reviews the liquidity management process to identify any weaknesses or challenges. In turn, these are addressed by management in a timely and effective manner.

4.2 Policy Details and Governance in place in relation to Liquidity

The ALCO is responsible for monitoring the Bank's liquidity risk profile to ensure it is managed consistently with the Bank's strategic direction, stated risk appetite and regulatory requirements. This includes the daily monitoring of liquidity risk exposures as well as annual review of stressed scenarios, deposit behavior analysis, liquidity contingency plans and assumptions, and funding plans. The ALCO also takes into consideration future funding requirements and deposit pricing strategies, consistent with the Bank and the Banking Group.

4.3 Liquidity Measures and Ratios

Liquidity Coverage Ratio (“LCR”) – LIQ1

The LCR is designed to ensure that a bank has sufficient unencumbered high-quality liquid assets (“HQLA”) that can be converted into cash to meet its liquidity needs for a 30-calendar day liquidity stress scenario. The table below provides a breakdown of the Bank's LCR as at September 30, 2025.

Net Stable Funding Ratio - LIQ2

The NSFR promotes resilience over a longer-term horizon by requiring funding of its activities with stable sources of funding on an ongoing basis. The table below provides a breakdown of the Bank's NSFR as at September 30, 2025.

Table 12: LIQ1 – Liquidity Coverage Ratio as at September 30, 2025

The Bank's LCR stood at 177% as at September 30, 2025. The Bank's stock of HQLA's totaled \$269M, of which 71% are designated as Level 1 assets. On an unweighted basis, 13% of the Bank's funding is attributable to retail deposits, 6% to small business customers, 71% to non-financial corporates. 2% to other legal entities and 8% to other financial institutions.

		30-Sep-25	30-Sep-25
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		\$268,618
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	\$74,990	\$7,499
3	Stable deposits		
4	Less stable deposits	\$74,990	\$7,499
5	Unsecured wholesale funding, of which:	\$480,088	\$212,879
6	Operational deposits (all counterparties) and deposits in network of cooperative banks		
7	Non-operational deposits (all counterparties)	\$480,088	\$212,879
8	Unsecured debt		
9	Secured wholesale funding		
10	Additional requirements, of which:	\$19,073	\$996
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	\$18,233	\$912
14	Other contractual funding obligations	\$840	\$84
15	Other contingent funding obligations		
16	TOTAL CASH OUTFLOWS		\$221,374
Cash inflows			
17	Secured lending (e.g. reverse repos)		
18	Inflows from fully performing exposures	\$95,435	\$69,448
19	Other cash flows		
20	TOTAL CASH INFLOWS	\$95,435	\$69,448
			Total adjusted value
21	Total HQLA		\$268,618
22	Total net cash outflows		\$151,926
23	Liquidity Coverage Ratio (%)		177%

Table 13: LIQ2 – Net Stable Funding Ratio as at September 30, 2025

	a	b	c	d	e
					Unweighted value by residual maturity
					No maturity < 6 months 6 months to < 1 year >= 1 year Weighted Value
Available stable funding (ASF) item					
1 Capital:					\$ 84,911 \$ 84,911
2 Regulatory capital					\$ 84,911
3 Other capital instruments					
4 Retail deposits and deposits from small business customers:		\$ 115,562	\$ 19,667	\$ 7,885	\$ 129,591
5 Stable deposits					
6 Less stable deposits		\$ 115,562	\$ 19,667	\$ 7,885	\$ 129,591
7 Wholesale funding:		\$ 471,368	\$ 13,341	\$ 2,092	\$ 209,932
8 Operational deposits					
9 Other wholesale funding		\$ 471,368	\$ 13,341	\$ 2,092	\$ 209,932
10 Liabilities with matching interdependent assets					
11 Other liabilities:		\$ 16,719	\$ 74	\$ 352	\$ 389
12 NSFR derivative liabilities					
13 All other liabilities and equity not included in the above categories		\$ 16,719	\$ 74	\$ 352	\$ 389
14 Total ASF		\$ 603,649	\$ 33,082	\$ 95,240	\$ 424,823
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					\$ 50,520
16 Deposits held at other financial institutions for operational purposes		\$ 25,169			\$ 12,585
17 Performing loans and securities:					
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					
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:					
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:					
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk		\$ 1,912	\$ 1,982	\$ 104,286	\$ 69,733
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:					
27 Physical traded commodities, including gold					
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
29 NSFR derivative assets					
30 NSFR derivative liabilities before deduction of variation margin posted					
31 All other assets not included in the above categories		\$ 88,765	\$ 9,607	\$ 198,520	\$ 244,812
32 Off-balance sheet items		\$ 15,963			\$ 798
33 Total RSF					\$ 378,448
34 Net Stable Funding Ratio (%)					112%

As of September 30, 2025, the Bank's Net Stable Funding Ratio ("NSFR") stood at 112%, remaining broadly stable compared to March 31, 2025. Key movements during the period included a USD \$20 million increase in non-financial corporate deposits within Available Stable Funding ("ASF"), and an 11% increase in other assets, which was largely offset by a reduction in non-operational cash, impacting Required Stable Funding ("RSF").

4.4 LCR and NSFR Measurement and Policy

The LCR and NSFR are calculated and submitted to CIMA on a monthly basis. Management also reviews any significant customer transactions to ensure compliance with liquidity requirements, confirming that accepting such business will not adversely impact on the liquidity ratios.

5. MARKET RISK

5.1 Market Risk Management Exposures for the Bank

Market risk is risk related to the uncertain market value of a portfolio driven by factors or events in the market itself, and other elements of risk as discussed in the policy. Market risk may also be considered in terms of the volatility that one can expect in an investment portfolio.

5.2 Currency Exposure and Bank Policy

Currency risk is the risk that the fair values and/or amounts realized on sales of financial instruments, or the settlement of financial liabilities may fluctuate due to changes in foreign exchange rates. The Bank is directly exposed to currency risk through its financial instruments and financial activities denominated in currencies other than the KY\$. The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

This will give rise to an effective hedge. This balance is managed on a consistent basis so that adjustments can be made should any discrepancies arise.

The following policy will apply with respect to foreign exchange and money markets:

- I. Foreign currency limit exposure in USD:
 - a. no tolerance for a short position
 - b. no long position limit

II. Net open foreign currency exposures in for CAD, GBP EUR and JPY are limited to \$200,000 respectively.

Mismatches may exist and will be corrected as soon as is practicable.

Foreign exchange positions are predominantly a by-product of servicing and managing customer activity, as well as our net asset positions related to USD pegged currencies. As such no material open foreign exchange trading positions exist, and these are managed within established delegated exposure limits which are monitored daily on both an intra-day and end-of-day basis. Exceptions are only permitted with explicit prior approval from the President & CEO or Deputy Chief Executive Officer.

5.3 Governance of Market Risk within the Bank

The Bank manages its foreign currency risk by ensuring that its liabilities in each currency are matched with corresponding assets in the same currency and these positions are monitored daily and reported monthly via the Bank's risk report. The U.S. dollar (USD) represents the predominant foreign currency in which the Bank transacts. This risk is mitigated by the fixed KYD:USD exchange rate of 1.00:1.20, which has remained in place since April 1, 1974, and is considered stable.

5.4 Market Risk-Weighted Assets

Table 14 provides a breakdown of the regulatory capital requirement for Market Risk as calculated based on CIMA's Standardised Approach for Market Risk. As is evident in Table 14, the Bank's regulatory capital requirements for Market Risk are due to Foreign Exchange Risk.

Table 14: MR1: Market Risk – Standardised Approach

		30-Sep-25
		RWA
Outright products		
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	\$1,478,725
4	Commodity risk	-
Options		
5	Simplified Approach	-
6	Delta-plus method	-
7	Scenario Approach	-
8	Securitisation	-
9	Total	\$1,478,725

6. SECURITISATION

6.1 Bank's Approach to Securitisation

The Bank currently does not engage in securitization transactions.

7. ASSET ENCUMBRANCE

7.1 Asset Encumbrance

The Bank currently does not have an asset encumbrance.