PROVEN
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PROVEN Bank (Cayman) Limited

PILLAR 3 DISCLOSURE QUARTERLY REPORT

AS AT 30 JUNE 2026

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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), 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, namely "*Revised Pillar 3 Disclosure Requirements*", in March 2017 the "*Pillar 3 Disclosure Requirements – Consolidated and Enhanced Framework*", and in December 2018 the "*Pillar 3 Disclosure Requirements – updated framework*", which was adopted by the Cayman Islands Monetary Authority (CIMA).

Unless otherwise stated, all figures are as of June 30, 2026, 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.

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 the Cayman Islands 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.

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2. CAPITAL MANAGEMENT

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

Table OV1 provides an overview of Risk Weighted Assets ("RWA") and the related minimum capital requirements per risk type. Total RWA increased by USD 6.9 million, or 2%, from USD 346.7 million at 31 March 2026 to USD 353.5 million at 30 June 2026.

The increase was driven primarily by operational risk RWA, which rose by USD 9.7 million, or 18.8%, to USD 61.0 million at 30 June 2026 from USD 51.3 million at 31 March 2026. The movement reflects higher gross income used in the operational risk capital charge calculated under the Basic Indicator Approach.

Credit risk RWA, which represents the largest component of total RWA, decreased by USD 2.8 million, or 1.0%, from USD 294.8 million to USD 292.0 million during the quarter. The reduction was mainly attributable to normal fluctuations in the Bank's credit exposures and asset mix, partially offsetting the increase in operational risk RWA.

Table 1: OV1 – Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
		30-Jun-26	31-Mar-26	30-Jun-26
1	**Credit risk (excluding counterparty credit risk) (CCR)**	**$292,039,835**	**$294,843,493**	**$43,805,975**
2	**Securitisation exposures**	**-**	**-**	**-**
3	**Counterparty credit risk**	**-**	**-**	**-**
4	Of which: Current Exposure Method	-	-	-
5	Of which: Standardized Method	-	-	-
6	**Market risk**	**$510,400**	**$489,938**	**$76,560**
7	Of which: Equity risk	-	-	-
8	**Operational risk**	**$60,999,488**	**$51,333,000**	**$9,149,923**
9	Of which: Basic Indicator Approach	$60,999,488	$51,333,000	-
10	Of which: Standardized Method	-	-	-
11	Of which: Alternative Standardised	-	-	-
12	**Total (1+2+3+6+8)**	**$353,549,723**	**$346,666,431**	**$53,032,458**

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3. LEVERAGE

3.1 Leverage Ratios – LR1 & LR2

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

Table 2: LR1 – Summary comparison of accounting assets vs leverage ratio exposure measure

		30-Jun-26
1	Total consolidated assets	$709,720,499
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)	$1,896,776
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**	**$711,617,275**

3.2 Leverage ratio common disclosure

As shown in Table 3 below, on-balance sheet exposures decreased by USD 24.3 million between 31 March 2026 and 30 June 2026, primarily due to lower investment balances resulting from a decline in customer deposits during the period.

As at 30 June 2026, off-balance sheet exposures totaled USD 1.2 million, down from USD 7.6 million at 31 March 2026. Of the June balance, USD 706 thousand relates to commitments that were outstanding at 31 March 2026 and remained undisbursed at the reporting date, while the remaining USD 481 thousand represents new commitments made during the quarter that had not yet been disbursed.

Tier 1 capital increased by USD 9.6 million to USD 61.8 million, primarily due to the inclusion of net profit for the financial year ended 31 March 2026 following the finalization of the audited financial statements in June 2026. Prior to the completion of the audit, these earnings were not eligible for inclusion in Tier 1 capital and were therefore included in Tier 2 capital.

As a result, the Bank's leverage ratio increased from 7.09% at 31 March 2026 to 8.69% at 30 June 2026 and remained above the regulatory minimum requirement of 3.00%.

Table 3: LR2 – Leverage Ratio common disclosure

		a	b
		30-Jun-26	**31-Mar-26**
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions, but including collateral)	$709,720,499	$733,976,472
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)	**$709,720,499**	**$733,976,472**

		a	b
		30-Jun-26	**31-Mar-26**
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	$9,483,882	$16,731,387
20	(Adjustments for conversion to credit equivalent amounts)	($7,587,106)	($13,385,110)
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)	**$1,896,776**	**$3,346,277**
Capital and total exposures			
23	**Total Tier 1 Capital**	**$61,848,383**	**$52,247,707**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**$711,617,275**	**$737,322,749**
Leverage ratio			
25	**Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**8.69%**	**7.09%**
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**	**5.69%**	4.09%

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.

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 or Group Chief Treasury Officer (or designate) 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 aims 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 30 June 2026.

Table 4: LIQ1 – Liquidity Coverage Ratio as at 30 June 2026

The Bank's LCR stood at 177% as at 30 June 2026. Of the Bank's stock of HQLA's totaling USD 228 million, 67% are designated as Level 1 assets. 15% of the Bank's funding is attributable to retail deposits, 6% to small business customers, 70% to non-financial corporates. 2% to other legal entities and 7% to other financial institutions.

		30-Jun-26 **Total unweighted value** (average)	30-Jun-26 **Total weighted value** (average)
High-quality liquid assets			
1	**Total HQLA**		**$228,456**
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	$80,685	$8,068
3	Stable deposits		
4	Less stable deposits	$80,685	$8,068
5	Unsecured wholesale funding, of which:	$461,605	$203,065
6	Operational deposits (all counterparties) and deposits in network of cooperative banks		
7	Non-operational deposits (all counterparties)	$461,605	$203,065
8	Unsecured debt		
9	Secured wholesale funding		
10	Additional requirements, of which:	$13,619	$875
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	$9,735	$487
14	Other contractual funding obligations	$3,884	$388
15	Other contingent funding obligations		
16	**TOTAL CASH OUTFLOWS**		**$212,008**
Cash inflows			
17	Secured lending (e.g. reverse repos)		
18	Inflows from fully performing exposures	$108,035	$82,770
19	Other cash flows		
20	**TOTAL CASH INFLOWS**	**$108,035**	**$82,770**
			Total adjusted value
21	**Total HQLA**		**$228,456**
22	**Total net cash outflows**		**$129,238**
23	**Liquidity Coverage Ratio (%)**		**177%**