BASEL
PILLAR III
DISCLOSURE AS AT
31 DECEMBER 2020

Scope

In terms of regulation 43(1) of the Regulations, Tyme Bank must disclose in its disclosures to the public, reliable, relevant and timely qualitative and quantitative information to enable users to assess the group's capital position and financial condition. In this regard the Basel Committee on Banking Supervision (BCBS) issued a revised Pillar III framework in January 2015, a consolidated and enhanced framework in March 2017 as well as the updated framework on Pillar III disclosure requirements in December 2018. The Prudential Authority consolidated the Basel Pillar III disclosure requirements through Directive 1/2019 (the directive) to ensure that the internationally agreed framework is fully implemented in South Africa.

This document complies with the requirements of the directive and provides information on the market, capital adequacy, risk-weighted assets (RWAs), calculations for credit and operational risks for the period under review viz. June 2020 to December 2020.

All Tyme Bank entities are reported under the Basel III Standardised Approach and fully consolidated in line with regulatory and International Financial Reporting Standards (IFRS) requirements. There is no difference between the balance sheet and the balance sheet under the scope of regulatory consolidation, as the structure does not contain any insurance or other entities which are to be excluded from the regulatory consolidation in terms of regulations 36(7)(a)(iii) and 36(10)(c)(ii) of the Regulations relating to Banks.

The Group's consolidated requirements are also reported in line with section 42 of the Banks Act and the minimum standards in respect of consolidated supervision prescribed by regulation 36 and in compliance with all directives, instructions and requirements relating to the bank.

For the period under review, Tyme Bank has not undertaken any securitisation transactions and does not have counterparty credit risk exposures relating to derivatives. For this reason, disclosures relating to these activities are not applicable and have been excluded from this report.

For the period under review, the group continues to maintain a robust capital, liquidity and funding position. Throughout the period, the CET1 ratio was always consistently well in excess of regulatory minimum capital adequacy requirements. As a newly established entity and in line with business forecasts, Tyme Bank is currently still dependent on shareholder funding to support its monthly cashflow requirements.

The Pillar III disclosures are published on Tyme Bank's website in line with the required frequency of disclosures per the directive.

Assurance

This document is prepared in accordance with Tyme Bank's Public Disclosure Policy and has been reviewed by senior Management and members of Exco. For the reporting period, the Board is satisfied that this document provides an accurate view of the bank's capital position and that the bank is well capitalised above the prescribed regulatory required capital limits as well as the Board approved Risk Appetite Statement (RAS) and trigger limits. The information in this report has been reviewed by Internal Audit and senior management.

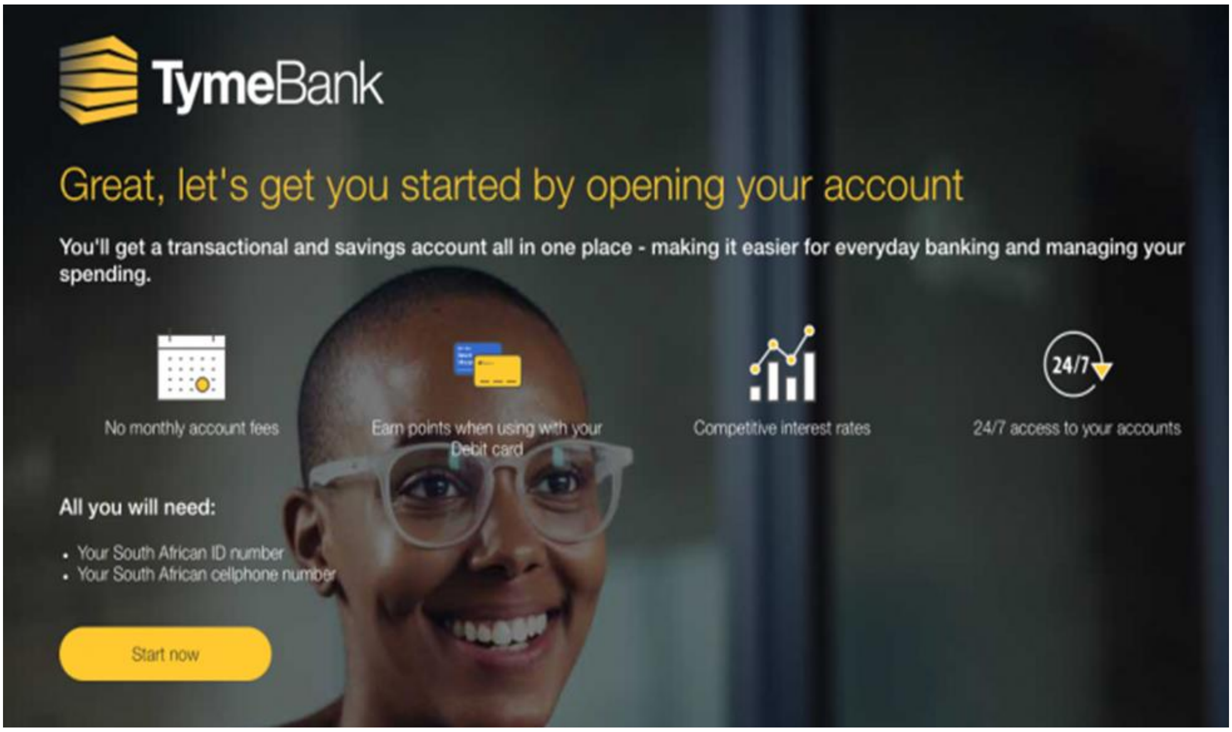

Table of Contents

1.Key metrics (at consolidated level)

The table below provides an overview of the key regulatory metrics covering the group's available capital and ratios, risk-weighted assets, leverage ratio, liquidity coverage ratio, and net stable funding ratio of the group's performance over time.

KM1 (Group): Key metrics (at consolidated group level)

At 31 Dec 2020 R'000		Group a 31-Dec-20	b 30-Sep-20	c 30-Jun-20	d 31-Mar-20	e 31-Dec-19
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	430 596	370 848	378 487	407 000	428 693
2	Tier 1	430 596	370 848	378 487	407 000	428 693
3	Total capital	**430 596**	**370 848**	**378 487**	**407 000**	**428 693**
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	430 907	351 561	393 432	538 395	555 922
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	99.93	105.49	96.20	75.60	77.11
6	Tier 1 ratio (%)	99.93	105.49	96.20	75.60	77.11
7	Total capital ratio (%)	**99.93**	**105.49**	**96.20**	**75.60**	**77.11**
7a	Fully loaded ECL accounting model total capital ratio (%)					
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 (%)	-	-	-	-	-
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50	2.50	2.50	2.50	2.50
12	CET1 available after meeting the bank's minimum capital requirements (%) [1]	89.43	94.99	85.70	73.10	74.61
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	2 169 252	1 979 138	1 758 321	1 334 905	1 081 056
14	Basel III leverage ratio (%) (row 2/row 13)	**19.85**	**18.74**	**21.53**	**30.49**	**39.66**
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)					
Liquidity Coverage Ratio						
15	Total HQLA	1 316 051	1 024 668	677 925	481 529	348 435
16	Total net cash outflow	34 418	29 254	20 598	13 091	9 155
17	LCR ratio (%) [2]	**3 823.73**	**3 502.68**	**3 291.27**	**3 678.25**	**3 805.90**
Net Stable Funding Ratio						
18	Total available stable funding	6 416 275	6 020 186	5 570 158	4 927 581	4 383 335
19	Total required stable funding	4 865 447	4 644 203	4 380 331	4 092 809	3 762 256
20	NSFR ratio (%) [3]	**131.87**	**129.63**	**127.16**	**120.40**	**116.51**

- The minimum capital requirements disclosed excludes any D-SIB or Pillar 2B requirements
- Refer to LIQ1: Liquidity Coverage Ratio template and commentary.
- Refer to LIQ2: Net Stable Funding Ratio template and commentary.

Key metrics are monitored daily and incorporated as part of the bank's additional early warning indicators (EWIs) to ensure the continuous monitoring and evaluation of the bank's liquidity and capital adequacy positions. This is also part of the bank's going-concern planning through the Contingency Funding Plan (CFP), the Business Continuity Plan (BCP) as well as the bank's Recovery Plan strategies and processes.

The Group consolidated requirements are reported in line with section 42 of the Banks Act and the minimum standards in respect of consolidated supervision prescribed by regulation 36 and in compliance with all directives, instructions and requirements relating to the Bank. Tyme Bank Limited (Bank Solo) is the only banking entity in the group, and ratios pertaining to the group are therefore driven off the inflows and outflows from the bank.

2. Credit Risk

At the outset it should be noted that Tyme Bank currently has an immaterial exposure to credit risk. Credit lending was still in its test phase when the COVID-19 pandemic emerged as a significant threat to the world and local economy. As a result, thereof and due to the expected impact lockdown restrictions would have on consumers, the bank decided to cease all further lending in April 2020. We believe this was the right decision when we consider the impact the pandemic has had on lending portfolios and the expected negative selection that is evident when establishing a new lending product in the market.

Tyme Bank has a comprehensive and effective Risk Management Framework, which incorporate the Credit Risk Framework (CRF). The purpose of the CRF document is to provide an overview of the key components of credit risk management activities and how it will support Tyme Bank in achieving its strategic goals when lending recommences. This will be achieved through comprehensive identification, assessment, mitigation, monitoring, management, and reporting of credit risk.

While it is an immaterial risk at present, credit risk at a portfolio level includes the management of concentration risk arising from interdependencies between customers (large credit exposures) and concentrations of exposures to geographical regions, industry sectors, and products or portfolio types.

Tyme Bank calculates its risk exposures arising from large exposures to a single obligor and groups of related obligors, expressed as a percentage of its qualifying capital requirement (QCR), as required by the Credit Concentration Framework and defined within the Credit Risk Policy (CRP). These exposures are internally monitored daily and reported to the Asset and Liability Committee (ALCO) on a monthly and quarterly basis, as well as to the PA in line with regulatory requirements and the CRF. The bank has not granted any large loans to a single obligor or group of related obligors. In addition, the bank did have exposure to local asset managers as reported in the bank balance sheet.

Credit risk arises from Tyme Bank's current activities, which are limited to interbank placements, minimum reserving requirements, investing in Treasury Bills and Government Bonds for liquid asset requirements, investing in money market funds and a small personal loans portfolio. The testing of Personal loans commenced in Q4 2019, and as stated was subsequently put on hold in April 2020 due to the expected impact of the COVID-19 pandemic on consumers and credit models. The bank is considering alternative lending solutions that are more appropriate given the existing market conditions.

For regulatory capital purposes, the standardised approach has been adopted to determine RWA on credit exposure. Tyme Bank had built a robust credit risk model which will now need to be reviewed/recalibrated due to the impact of Covid-19 on the consumers' repayment behaviour. Reporting standards comply with the latest regulatory and financial reporting requirements, including IFRS 9.

Whilst the majority of Tyme Bank's future lending is anticipated to be relatively small retail exposures to consumers and small business, large credit exposure limits have been set by taking sections 73(1) and 73(2) of the Banks Act, 1990 into account, and are contained in the Credit Risk Policy. These limits have been set in order to govern the authority of management with regards to the amount of credit provided to a single obligor, or group of related obligors in order to prevent concentration risk. This limits the risk of catastrophic loss through over-exposure due to the failure of a single borrower, or group of related borrowers and/or guarantors (obligors). Credit risk together with and Operational risk are the main attributors to the consolidated RWA exposure.

2.1 Credit Quality of Assets

The following tables reflect the credit quality of both on- and off-balance-sheet assets and the impact of impairments as at 31 December 2020.

CR1 (Group): Credit Quality of assets

At 31 Dec 2020 R'000		Group			
		a	b	c	d
		Carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	2 512	248 577	2 463	248 626
2	Debt securities	-	1 683 609	-	1 683 609
3	Off-balance sheet exposures	-	-	-	-
4	**Total**	**2 512**	**1 932 186**	**2 463**	**1 932 235**

CR1 (Bank): Credit Quality of assets

At 31 Dec 2020 R'000		Bank			
		a	b	c	d
		Carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	2 512	247 530	2 463	247 579
2	Debt securities	-	1 683 609	-	1 683 609
3	Off-balance sheet exposures	-	-	-	-
4	**Total**	**2 512**	**1 931 139**	**2 463**	**1 931 188**

CR2: Changes in stock of default loans and debt securities

At 31 Dec 2020 R'000		Bank	Group
1	Defaulted loans and debt securities at the end of the previous reporting period	0	0
2	Loans and debt securities that have defaulted since the last reporting period	2 512	2 512
3	Returned to non-default status	0	0
4	Amounts written off	0	0
5	Other changes	0	0
6	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	**2 512**	**2 512**

Credit risk is the potential loss arising from failure of a customer or counterparty to meet their contractual obligation to Tyme Bank. Tyme Bank has a Credit Risk Policy in place which defines how credit risk is effectively managed across the various credit offerings, which includes short to medium term bank placements. The Credit Risk Policy underpins the Credit Risk Framework and contains detailed parameters related to the management of credit risk.

The personal loans portfolio had a maximum exposure of less than R6m to consumers when lending was stopped entirely in April 2020 due to the expected impact of COVID-19 on consumers. At the end of December 2020, the portfolio exposure stood at ~R4,4m and this is being managed in line with Regulations and the Tyme Bank credit and provisioning policies.

2.2 Credit Risk Mitigation Techniques

CR3 (Group): Credit risk mitigation techniques – overview

At 31 Dec 2020 R'000		**Group**						
		a	**b**	**c**	**d**	**e**	**f**	**g**
			Exposures secured by:					
		Exposures unsecured: carrying amount	**Collateral**	**Collateral of which: secured amount**	**Financial guarantees**	**Financial guarantees, of which: secured amount**	**Credit derivatives**	**Credit derivatives, of which: secured amount**
1	Loans	248 577	0					
2	Debt securities	1 683 609	0					
3	**Total**	**1 932 186**	**0**					
4	Of which defaulted	2 512	**0**					

CR3 (Bank): Credit risk mitigation techniques – overview

At 31 Dec 2020 R'000		**Bank**						
		a	**b**	**c**	**d**	**e**	**f**	**g**
			Exposures secured by:					
		Exposures unsecured: carrying amount	**Collateral**	**Collateral of which: secured amount**	**Financial guarantees**	**Financial guarantees, of which: secured amount**	**Credit derivatives**	**Credit derivatives, of which: secured amount**
1	Loans	247 530	0					
2	Debt securities	1 683 609	0					
3	**Total**	**1 931 139**	**0**					
4	Of which defaulted	2 512	**0**					

As noted, the bank has unsecured credit related exposure of ~R4,4m and currently has no off-balance-sheet credit exposure.

There is no credit risk mitigation currently being considered in the calculation of the RWAs due to the current small exposure to customers, therefore pre- and post-mitigation exposures are identical.

2.3 Credit Exposures by Asset Class

The following tables reflect the credit exposure per asset class, pre and post credit conversion factors (CCF) and credit risk mitigation (CRM), as at 31 December 2020.

CR4 (Group): Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects

At 31 Dec 2020 R'000	Group					
	a	b	c	d	e	f
	Exposures pre CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Asset classes	On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density (%)
1 Sovereigns and their central banks	1 684 283		1 684 283		-	-
4 Banks	508 845		508 845		119 078	23.40
6 Corporates	90 811		90 811		18 162	20.00
7 Regulatory retail portfolios	1 669		1 668		396	23.74
11 Past-due loans	2 512		768		1 542	200.77
13 Other assets	153 956		153 956		153 956	100.00
14 Total	**2 442 076**		**2 440 331**		**293 134**	**12.01**

CR4 table certain amounts based on average figures

CR4 (Bank): Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects

At 31 Dec 2020 R'000	Bank					
	a	b	c	d	e	f
	Exposures pre CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Asset classes	On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density (%)
1 Sovereigns and their central banks	1 684 283		1 684 283		-	0.00
4 Banks	465 593		465 593		112 366	24.13
6 Corporates	90 811		90 811		18 162	20.00
7 Regulatory retail portfolios	1 669		1 668		396	23.74
11 Past-due loans	2 512		768		1 542	200.77
13 Other assets	153 955		153 955		153 955	100.00
14 Total	**2 398 823**		**2 397 078**		**286 421**	**11.95**

CR4 table certain amounts based on average figures

- RWA density provides a measure on riskiness of each portfolio and is derived by dividing RWA with the sum of exposures post-CCF and post-CRM.
- Credit exposure post-CCF and post-CRM is the amount to which risk weighted assets are applied.

All exposures attracting credit risk are South African Rand denominated and placed with South African counterparts within South Africa.

2.4 Credit Exposures by Asset Class and Risk Weights

The following table reflects the risk weights per asset class and post credit conversion factors (CCF) and credit risk mitigation (CRM) as at 31 December 2020.

CR5 (Group): Standardised approach - exposures by asset classes and risk weights

At 31 Dec 2020	Group									
	a	b	c	d	e	f	g	h	i	j
R'000	Risk Weight									
Asset classes	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1 Sovereigns and their central banks	1 684 283									1 684 283
4 Banks			484 786				24 059			508 845
6 Corporates			90 811							90 811
7 Regulatory retail portfolios						1 668	-			1 668
11 Past-due loans					288		358	124		769
13 Other assets							153 956			153 956
14 Total	**1 684 283**		**575 597**		**288**	**1 668**	**178 372**	**124**		**2 440 332**

* Banks subject to the simplified standardised approach should indicate risk weights determined by the supervisory authority in the columns.

CR5 (Bank]: Standardised approach - exposures by asset classes and risk weights

At 31 Dec 2020	Bank									
	a	b	c	d	e	f	g	h	i	j
R'000	Risk Weight									
Asset classes	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1 Sovereigns and their central banks	1 684 283									1 684 283
4 Banks			441 534				24 059			465 593
6 Corporates			90 811							90 811
7 Regulatory retail portfolios						1 668				1 668
11 Past-due loans					288		358	124		769
13 Other assets							153 955			153 955
14 Total	**1 684 283**		**532 345**		**288**	**1 668**	**178 372**	**124**		**2 397 079**

* Banks subject to the simplified standardised approach should indicate risk weights determined by the supervisory authority in the columns.

3. Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. This definition includes legal risk but excludes strategic and reputational risk. Operational risk can widely occur in banks due to various factors including human error.

Operational risk can be categorised in the following way for a better understanding:

- Human risk: Potential losses due to human error, whether intentional or not;
- IT/System risk: Potential losses due to system failures and programming errors; and
- Processes risk: Potential losses due to inadequate or failed processes.

Tyme Bank has a comprehensive and integrated Enterprise Risk Management Framework (ERMF) in place, which enables the bank to identify, assess, manage, and report operational risks on a consistent and reliable basis, addressing each of the following components:

- Governance;
- management, measurement, and systems;
- analytics, review, reporting; and
- people and culture.

Risks continue to be identified for new solutions, products and processes and as part of business as usual processes with subsequent controls being enhanced or implemented as required. Robust progress continues to be made relative to the embedment and enhancement of the control environment as well as the maturing of the ERMF within the business. All medium and higher risks, as well as ineffective controls, are raised and approved through the relevant governance processes. Tyme Bank's board and senior management will remain ultimately responsible for ensuring that the bank's system of internal control is adequate and operating effectively.

The CEO of Tyme Bank is responsible for implementing a system to identify and manage risks that are material to the business, including a system of internal controls, assurance, and audits. The CEO receives his mandate from the board. The Enterprise Risk & Compliance Committee (ERCC) is the primary committee that has oversight of operational risk management and is chaired by the Chief Risk Officer (CRO). The ERCC reports to and receives its mandate from the Tyme Bank Executive Committee.

The ERCC & Executive Committee (EXCO) are responsible for overseeing operational risk management and measurement for the Tyme Bank.
To ensure operational risk governance practices are effective, senior management ensures that the Operational Risk Governance Principles are embedded within each process and governance

forum. These principles ensure transparency and consistency of governance standards across Tyme Bank.

The entrenchment of a risk culture where risks are pro-actively identified and controls implemented as part of the development cycle by Line one resources, is key to effectively managing risk in the bank. The phased approach of first testing new functionality or products with staff/friends and thereafter a white list of appropriate customers before launching to the public helps mitigate operational risk. The monitoring and performance of systems and processes and our ability to pro-actively identify and quickly address any emerging risks or to resolve incidents remains critical and will continue to evolve and mature. Line 2 and 3 provide oversite and ensure that agreed processes, policies and procedures are effectively implemented.

As indicated in the table below, the bank applies the basic indicator approach in calculating its Operational Risk RWA which is calculated on a semi-annual basis. The recalculation done in December 2020 resulted in an uptick in operational risk exposure mainly as a result of growth.

Ops Risk (Group & Bank): Operational Risk - Basic Indicator Approach (BIA)

At 31 Dec 2020	Group		Bank	
R'000	31-Dec-20	30-Sep-20	31-Dec-20	30-Sep-20
Relevant risk exposure	72 848	57 460	72 475	56 921
Capital requirements	10 927	8 619	10 871	8 538
Risk weighted exposure equivalent amount	136 590	107 737	135 891	106 727

4. Composition of Risk Weighted Assets (RWA)

The following OV1 templates reflect the composition of the risk-weighted assets (RWA) and related minimum capital requirements.

Credit risk-weighted assets exclude counterparty credit risk but include a combination of credit and other risk-weighted exposure.

OV1 (Group): Overview of Risk Weighted Assets (RWA}

At 31 Dec 2020		Group			
		a	b		c
		Risk-weighted assets			* MCR
R'000		31-Dec-20	30-Sep-20	30-Jun-20	31-Dec-20
1	**Credit risk (excluding counterparty credit risk)** [1]	**293 134**	**238 752**	**279 486**	**30 779**
2	Of which: standardised approach (SA)	293 134	238 752	279 486	30 779
20	**Market risk**	**1 183**	**5 073**	**2 926**	**124**
21	Of which: standardised approach (SA)	1 183	5 073	2 926	124
22	Of which: internal model approaches (IMA)				
23	Capital charge for switch between trading book and banking book				
24	**Operational risk** [2]	**136 590**	**107 737**	**108 761**	**14 342**
25	Amounts below thresholds for deduction (subject to 250% risk weight)				
26	Floor adjustment				
27	**Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26)**	**430 907**	**351 561**	**391 173**	**45 245**

* Minimum capital requirements (MCR) based on Base requirement (8%); Pillar 2A add-on relaxed from 1% to 0%, D2_2020 & Conservation buffer (2.5%)

OV1 (Bank): Overview of Risk Weighted Assets (RWA}

At 31 Dec 2020		Bank			
		a	b		c
		Risk-weighted assets			* MCR
R'000		31-Dec-20	30-Sep-20	30-Jun-20	31-Dec-19
1	**Credit risk (excluding counterparty credit risk)** [1]	**286 422**	**238 752**	**279 486**	**30 074**
2	Of which: standardised approach (SA)	286 422	238 752	279 486	30 074
20	**Market risk**	**1 183**	**5 073**	**2 926**	**124**
21	Of which: standardised approach (SA)	1 183	5 073	2 926	124
22	Of which: internal model approaches (IMA)				
23	Capital charge for switch between trading book and banking book				
24	**Operational risk** [2]	**135 891**	**106 727**	**106 727**	**14 269**
25	Amounts below thresholds for deduction (subject to 250% risk weight)				
26	Floor adjustment				
27	**Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26)**	**423 496**	**350 552**	**389 139**	**44 467**

* Minimum capital requirements (MCR) based on Base requirement (8%); Pillar 2A add-on relaxed from 1% to 0%, D2_2020 & Conservation buffer (2.5%)

- Risk Weighted Assets have increased due to the change in the semi-annual recalculation of Operational Risk as prescribe in regulation 33(7)(a)(ii) of the Regulations relating to Banks.
- The open foreign currency risk position has reduced and resulted in a decrease in the Market risk position
- The change in the semi-annual recalculation of operational risk as prescribed in regulation 33(7)(a)(ii) of the Regulations relating to Banks, resulted in the increase in operational risk as at 31 December 2020.

5. Market Risk

Market risk is the potential of an adverse impact on earnings from changes in interest rates, foreign exchange rates, equity and commodity prices, credit spreads, and any market risk leases or loan exposures.

Market risk is generally divided into four types based on the potential cause of the risk:

- **Interest rate risk:** Potential losses due to fluctuations in interest rate;
- **Equity risk:** Potential losses due to fluctuations in stock price;
- **Foreign exchange risk:** Potential losses due to international currency exchange rates (closely associated with settlement risk); and
- **Commodity risk:** Potential losses due to fluctuations in prices of agricultural, industrial, and energy commodities.

Tyme Bank operates within the set parameters of the Market Risk Policy, which has the following set objectives:

- ensure the board-approved requirements in terms of market risk are met;
- establish boundaries for market-risk-taking activities;
- establish a sound operating environment for market risk activities that are consistent with:
  - requirements of relevant regulators, including the Prudential Authority; and
  - the governance and control standards of Tyme Bank and the risk principles expressed within the Risk Appetite Statement (RAS).

Tyme Bank has ensured that this policy complies with the Banks Act and the Regulations relating to Banks (particularly regulation 28). The Market Risk Framework outlines the overall market risk requirements for the bank and is supported by the Market Risk Standards, which outline how policy requirements are implemented for market risks across the bank. This policy is also the Market Risk Standard for Tyme Bank and details the interest rate risk in the banking book (IRRBB) and foreign exchange (FX) risk measurement methodologies and limit structures, including excess notification/escalation/approval levels, supporting controls, and definitions.

Tyme Bank is not currently involved in capital markets where market risk is most concentrated for banks. The bank is therefore currently not exposed to equity and commodity risks. The current balance sheet is also completely funded and denominated in South African Rand.

Foreign exchange risk is limited to Tyme Bank's exposure to suppliers who are paid in foreign currency. However, during the reporting period, the Bank's exposure to foreign suppliers has reduced significantly and consequently the board has risk accepted this FX exposure given its smaller impact overall. Although FX exposure has reduced from previous years, the Bank continues to make use of international technology, which can put additional pressure on the cost line, in the event of a significant deterioration in the Rand exchange rate.

MR1 (Group & Bank): Market risk under the standardised approach (SA)

		Group	Bank
		a	a
At 31 Dec 2020		**Capital charge in SA**	**Capital charge in SA**
R'000		**31-Dec-20**	**31-Dec-20**
1	General interest rate risk		
2	Equity risk		
3	Commodity risk		
4	Foreign exchange risk	1 183	1 183
5	Credit spread risk - non-securitisations		
6	Credit spread risk - securitisations (non-correlation trading portfolio)		
7	Credit spread risk - securitisation (correlation trading portfolio)		
8	Default risk - non-securitisations		
9	Default risk - securitisations (non-correlation trading portfolio)		
10	Default risk - securitisations (correlation trading portfolio)		
11	Residual risk add-on		
12	**Total**	**1 183**	**1 183**

6. Composition of Capital

Regulatory capital currently consists of shareholders equity qualifying as common equity tier 1 capital (CET1). No additional innovative or debt-related instruments have been issued as qualifying additional tier 1 (T1) or tier 2 (T2) capital instruments, which are fully loss absorbent.

Regulatory deductions are made in line with the Basel III definition of capital, the requirements specified in sections 70 and 70A of the Banks Act and the specific prescription outlined in regulation 38.

The make-up of the regulatory capital instruments is detailed in the Main Features template, as published on the Bank's website (https://www.tymedigital.co.za)

CC1 (Group & Bank): Composition of regulatory capital

At 31 Dec 2020 R'000		Group		Bank	
		a	b	a	b
		Amounts	* Ref	Amounts	* Ref
Common Equity Tier 1 capital: instruments and reserves					
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	4 403 877	(a)	4 205 780	(a)
2	Retained earnings	(4 524 561)	(b)	(4 325 971)	(b)
3	Accumulated other comprehensive income (and other reserves)	551 280		550 280	
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)				
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)				
6	**Common Equity Tier 1 capital before regulatory adjustments**	**430 596**		**430 089**	
Common Equity Tier 1 capital: regulatory adjustments					
7	Prudent valuation adjustments				
8	Goodwill (net of related tax liability)				
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	-	(c)	(0)	(c)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)		(d)		(d)
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions				
28	**Total regulatory adjustments to Common Equity Tier 1**	**0**		**- 0**	
29	**Common Equity Tier 1 capital (CET1)**	**430 596**		**430 089**	
44	**Additional Tier 1 capital (AT1)**	**0**		**0**	
45	**Tier 1 capital (T1= CET1 + AT1)**	**430 596**		**430 089**	
58	**Tier 2 capital (T2)**	**719**		**719**	
59	**Total regulatory capital (TC = T1 + T2)**	**431 315**		**430 809**	
60	**Total risk-weighted assets**	**430 907**	**(e)**	**423 496**	**(e)**
Capital ratios and buffers					
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	99.93		101.56	
62	Tier 1 (as a percentage of risk-weighted assets)	99.93		101.56	
63	Total capital (as a percentage of risk-weighted assets)	100.09		101.73	
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)	2.50		2.50	
65	Of which: capital conservation buffer requirement	2.50		2.50	
66	Of which: bank-specific countercyclical buffer requirement				
67	Of which: higher loss absorbency requirement				
68	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	89.59		91.06	
National minima (if different from Basel III)					
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)				
70	National Tier 1 minimum ratio (if different from Basel III minimum)				
71	National total capital minimum (if different from Basel III minimum)				
Amounts below the thresholds for deduction (before risk weighting)					
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities				
73	Significant investments in common stock of financial entities				
74	Mortgage servicing rights (net of related tax liability)				
75	Deferred tax assets 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 in respect of exposures subject to standardised approach (prior to application of cap)				
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1 740		1 740	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)				
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach				
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)					

* Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation

7. Reconciliation

Tyme Bank does not own any insurance entities nor any other entity which is considered outside the scope of regulatory consolidation, as defined under regulation 36. There are differences between the financial balance sheet and the regulatory balance sheet which relates to subsequent audit adjustments (or balance reported under the scope of regulatory consolidation).

The table below provides a detailed breakdown of the components of the leverage ratio denominator.

CC2 (Group & Bank): Reconciliation of regulatory capital to balance sheet

At 31 Dec 2020	Group			Bank		
R'000	a	b	c	a	b	c
	Balance sheet as per published financial statements	Under regulatory scope of consolidation	* Reference	Balance sheet as per published financial statements	Under regulatory scope of consolidation	* Reference
	30-Jun-20	31-Dec-20		30-Jun-20	31-Dec-20	
Assets						
Property, plant and equipment	57 802	39 079		57 802	39 079	
Intangible assets	8 416	-		8 416	-	
Trade and other receivables	52 861	169 885		52 861	169 885	
Other financial assets	1 003 806	1 710 269		1 003 806	1 710 269	
Inventory	26 059	-		26 059	-	
Term deposit investments	-	90 811		-	90 811	
Term loans	4 675	4 181		4 675	4 181	
Cash and cash equivalents	611 102	153 634		611 050	152 587	
Total assets	**1 764 721**	**2 167 859**		**1 764 669**	**2 166 812**	
Equity and Liabilities						
Share capital	4 173 876	4 403 877		3 975 780	4 205 780	
Reserves	**276 367**	**551 280**		276 367	**550 280**	
Accumulated loss	(4 066 354)	(4 524 561)		(3 867 958)	(4 325 971)	
Total equity	**383 889**	**430 596**		**384 189**	**430 089**	
Trade and other payables	130 860	100 202		130 508	99 661	
Provisions	14 843	13 598		14 843	13 598	
Deposits received from customers	1 235 128	1 623 464		1 235 128	1 623 464	
Total liabilities	**1 380 832**	**1 737 264**		**1 380 480**	**1 736 723**	
Total equity and liabilities	**1 764 721**	**2 167 860**		**1 764 669**	**2 166 812**	

8. Leverage ratio

The leverage ratio is defined as tier 1 capital expressed as a percentage of total exposures. The total exposures utilised in the calculation do not differ from the reported balance sheet exposures, as the balance sheet does not contain any securities financing transactions (SFTs), derivatives, or off-balance-sheet items which require the carrying value to be converted through a calculation or the application of specific factors.

The leverage ratio has remained well above the regulatory minimum requirement due to the current correlation of the qualifying regulatory capital (QCR) in relation to the on-balance sheet exposures.

LR1 (Group & Bank): Summary comparison of accounting assets vs leverage ratio exposure (January 2014 standard)

At 31 Dec 2020	Group	Bank	Group	Bank
R'000	31-Dec-20		30-Jun-20	
1 Total consolidated assets as per published financial statements	2 170 996	2 166 812	1 766 737	1 764 669
2 Adjustments 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 fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-	-
4 Adjustments for derivative financial instruments	-	-	-	-
5 Adjustment for securities financing transactions (ie repos and similar secured lending)	-	-	-	-
6 Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	-	-	-	-
7 Other adjustments	1 744	1 744	8 416	8 760
8 Leverage ratio exposure measure	**2 169 252**	**2 165 068**	**1 758 321**	**1 755 909**

LR2 (Group & Bank): Leverage ratio common disclosure template (January 2014 standard)

At 31 Dec 2020	Group		Bank	
	a	b	a	b
R'000	31 December 2020	30 September 2020	31 December 2020	30 September 2020
On-balance sheet exposures				
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	2 170 996	1 982 813	2 166 812	1 980 005
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	1 744	3 675	1 744	4 776
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	**2 169 252**	**1 979 138**	**2 165 068**	**1 975 229**
Derivative exposures				
4 Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-	-	-
5 Add-on amounts for PFE associated with *all* derivatives transactions	-	-	-	-
6 Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-
7 (Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-	-
8 (Exempted CCP leg of client-cleared trade exposures)	-	-	-	-
9 Adjusted effective notional amount of written credit derivatives	-	-	-	-
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-
11 Total derivative exposures (sum of rows 4 to 10)				
Securities financing transactions				
12 Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	-	-	-	-
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-
14 CCR exposure for SFT assets	-	-	-	-
15 Agent transaction exposures	-	-	-	-
16 Total securities financing transaction exposures (sum of rows 12 to 15)				
Other off-balance sheet exposures				
17 Off-balance sheet exposure at gross notional amount	-	-	-	-
18 (Adjustments for conversion to credit equivalent amounts)	-	-	-	-
19 Off-balance sheet items (sum of rows 17 and 18)				
Capital and total exposures				
20 Tier 1 capital	**430 596**	**370 848**	**430 089**	**371 256**
21 Total exposures (sum of rows 3, 11, 16 and 19)	**2 169 252**	**1 979 138**	**2 165 068**	**1 975 229**
Leverage ratio				
22 Basel III leverage ratio	**19.85**	**18.74**	**19.86**	**18.80**

9. Liquidity

Tyme Bank manages its liquidity risk through the Liquidity Risk Framework (LRF); which prescribes the requirements, processes, risk measures, and strategies to be used to manage liquidity and funding risk.

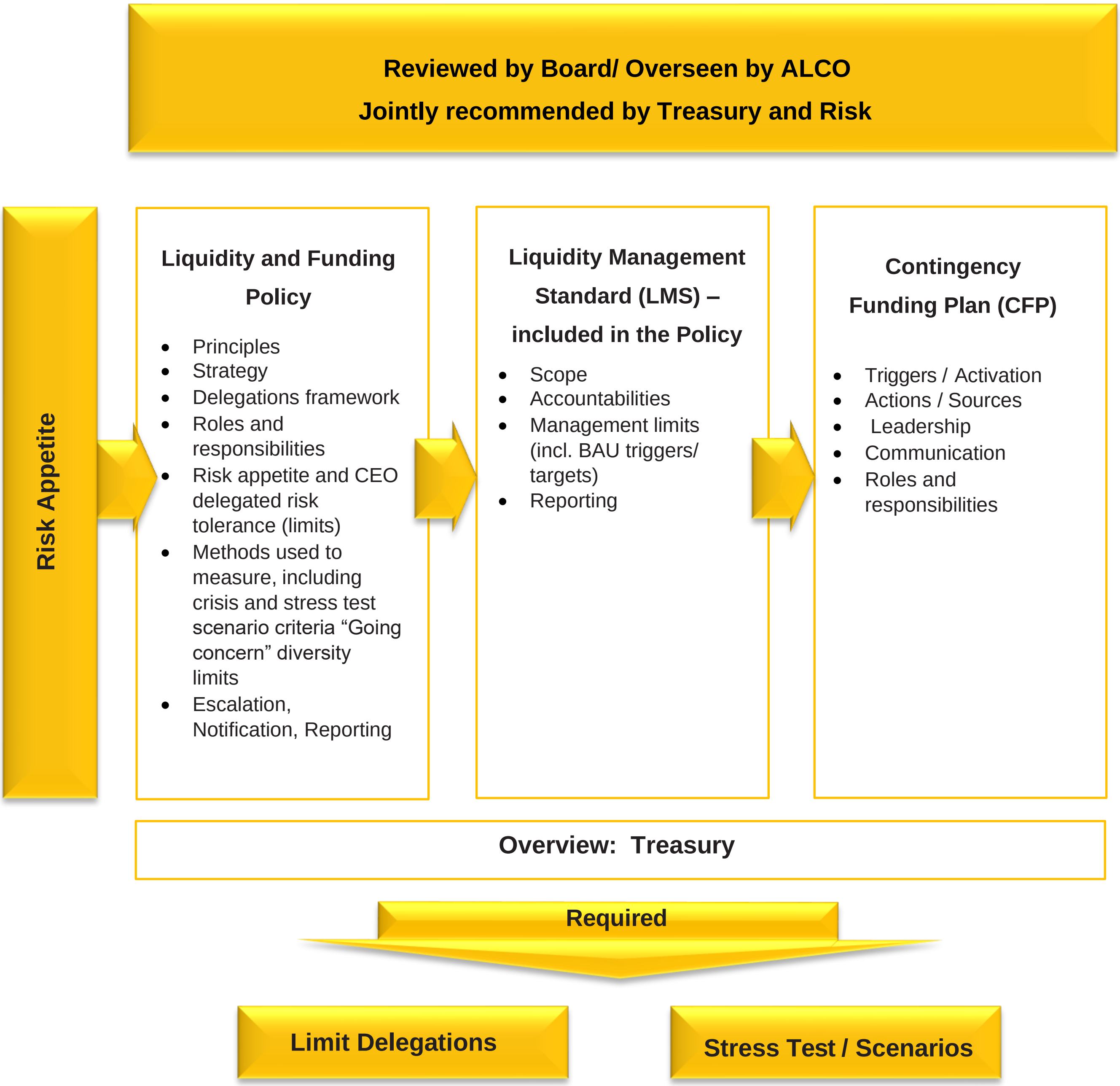

Figure 1: Liquidity Risk Framework

The LRF provides robust governance, risk management measures and techniques, and execution of liquidity risk and funding risk activities. It is consistent with Tyme Bank's risk management, governance, and control standards, except to any extent required by local regulatory conditions.

The LRF has clearly documented and communicated responsibilities and accountabilities; and is adequate, in the view of the Tyme Bank board, for managing liquidity risk at a prudent level under both normal conditions and in periods of stress. It furthermore also duly specifies, implements, and maintains appropriate limits in respect of Tyme Bank's funding sources, complies with the liquidity requirements of relevant regulators, and directly supports the qualitative requirements of the SARB/PA.

Tyme Bank calculates its liquidity coverage ratio (LCR) position daily, ensuring a buffer is maintained over the minimum regulatory requirement and the risk appetite limit. The high-quality liquid assets (HQLA), as defined by the Regulations relating to Banks, consist of Treasury Bills, RSA Government Bonds and Central Bank deposits.

Tyme Bank manages its funding profile taking into consideration its overall liquidity management strategy outlined and defined by the Liquidity & Funding and Market Risk Policies. These policies are further supported by the Contingent Funding Plan (CFP) and Business Continuity Plan (BCP).

The above plans contain possible solutions and a crisis team make-up with specific roles and responsibilities for monitoring, avoiding, and managing a bank-specific trigger event or macro/systemic event, to remain a going concern and protect depositors' funds and shareholders' value. Crisis scenarios are tested annually, or as frequently as required, to ensure the bank's processes and plans are sufficiently robust when placed under stress.

The Treasury function is responsible for the bank's funding and liquidity management. This function is critical in ensuring that the bank has sufficient funds to meet all its obligations as they fall due and to optimally and efficiently place or utilise surplus funds to ensure optimal return for the bank, its depositors and investors. This is all done within prescribed internal limits set out in the aforementioned policies, as well as in compliance with regulatory liquidity, market, and credit risk limits.

9.1 Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) requires institutions to hold sufficient high-quality liquid assets (HQLA) to meet their 30-day net cash outflows projected under the Prudential Authority's prescribed stress scenario. Tyme Bank maintained an average daily LCR in excess of 3000% for the reporting period to 31 December 2020.

LIQ1 (Group & Bank): Liquidity Coverage Ratio (LCR)

At 31 Dec 2020	Group		Bank	
	a	b	a	b
R'000	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets				
1 Total HQLA	**1 316 051**	**1 316 051**	**1 316 051**	**1 316 051**
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	**1 376 720**	**137 672**	**1 376 720**	**137 672**
3 Stable deposits				
4 Less stable deposits	1 376 720	137 672	1 376 720	137 672
5 Unsecured wholesale funding, of which:	**-**	**-**	**-**	**-**
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks				
7 Non-operational deposits (all counterparties)		-		-
8 Unsecured debt				
9 Secured wholesale funding	**-**	**-**	**-**	**-**
10 Additional requirements, of which:	**-**	**-**	**-**	**-**
11 Outflows related to derivative exposures and other collateral requirements				
12 Outflows related to loss of funding of debt products				
13 Credit and liquidity facilities				
14 Other contractual funding obligations	**-**	**-**	**-**	**-**
15 **Other contingent funding obligations**	**200 000**	**-**	**200 000**	**-**
16 TOTAL CASH OUTFLOWS	**1 576 720**	**137 672**	**1 576 720**	**137 672**
Cash inflows				
17 Secured lending (eg reverse repo)				
18 Inflows from fully performing exposures	464 462	464 462	464 462	464 462
19 Other cash inflows	5 137	2 569	5 137	2 569
20 TOTAL CASH INFLOWS	**469 599**	**467 030**	**469 599**	**467 030**
		Total adjusted value		**Total adjusted value**
21 **Total HQLA**		**1 316 051**		**1 316 051**
22 **Total net cash outflows**		**34 418**		**34 418**
23 **Liquidity coverage ratio (%)**		**3 824**		**3 824**

- The daily average used to calculate the above percentage consisted of 184 data points, representative of the number of workings days during the 6-month period from 01 July 2020 to 31 December 2020.
- The weighted value represents the cashflow amount under a stressed scenario as a percentage of the unweighted value.

<u>Recent developments:</u>

Directive 01/2020 issued in terms of section 6(6) of the Banks Act 94 of 1990 – Temporary measures to aid compliance with the liquidity coverage ratio during the Coronavirus (Covid-19) pandemic stress period. In accordance with the provisions of section 6(6) of the Banks Act 94 of 1990, banks are hereby directed to comply with revised minimum LCR requirement of 80 percent, with effect from 01 April 2020 until such time as the PA directs in writing that it's of the view that financial markets have normalised.

During the time of review LCR remained well above the adjusted 80 percent minimum Regulatory requirement. In May 2020 the bank opted to invest in Government Bonds to further strengthen its HQLA position which previously consisted of Treasury Bills. Aligned to the increase in customer deposits, HQLA continues to grow month-on-month as funding is employed to acquire additional HQLA. Total net outflows continued to increase due to an increase in customer deposits as expected during the period under review.

The high-quality liquid assets (HQLA) portfolio consists of the bank's initial purchase of Treasury Bills (TB), RSA Government Bonds as well as additional cash placed with the Prudential Authority (PA) in the bank's reserving account.

Net cash outflows are limited to customer accounts opened. All in- and outflows within the prescribed 30-day horizon have been considered in line with the requirements specified under regulation 28, and with the exclusion of operational expenses.

9.2 Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) requires banks to maintain a stable funding profile in relation to the composition of their assets, liabilities and off-balance sheet activities. It is intended to limit over-reliance on short-term funding and promote funding stability. Whilst the Liquidity Coverage Ratio (LCR) aims to promote the short-term resilience of a bank's liquidity risk profile under stressed conditions, the NSFR seeks to mitigate funding risk over a longer, more normalised time frame.

The current balance sheet product offerings, and the liquid assets to be held, place the bank in a position to be fully compliant with all prescribed limits. This is further influenced by the short-term nature of all current bank placements but offset by current regulatory capital adjustments.

The following table reflects a summary of the net stable funding ratios (NSFRs) per the Group and Bank respectively.

LIQ2 (Group): Net Stable Funding Ratio

At 31 Dec 2020	Group				
R'000	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:	4 955 157	-	-	-	4 955 157
2 *Regulatory capital*	4 955 157				4 955 157
3 *Other capital instruments*		-			-
4 Retail deposits and deposits from small business customers:	-	1 623 464	-	-	1 461 118
5 *Stable deposits*					
6 *Less stable deposits*		1 623 464			1 461 118
7 Wholesale funding:	-	-	-	-	-
8 *Operational deposits*					
9 *Other wholesale funding*					
10 Liabilities with matching interdependent assets					
11 Other liabilities:	-	113 992	-	-	-
12 *NSFR derivative liabilities*					
13 *All other liabilities and equity not included in the above*	-	113 992	-		-
14 Total ASF					**6 416 275**
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)		787 729	374 065	522 489	84 214
16 Deposits held at other financial institutions for operational purposes	-	26 660	-	-	1 333
17 Performing loans and securities:	-	223 951	24 059	-	46 374
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*		221 802	24 059	-	45 300
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:*		2 149			1 075
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*					
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:	**4 524 561**			**208 964**	**4 733 525**
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*	4 524 561			208 964	4 733 525
32 Off-balance sheet items					
33 Total RSF					**4 865 447**
34 Net Stable Funding Ratio (%)					**131.87**

LIQ2 (Bank): Net Stable Funding Ratio

At 31 Dec 2020	Bank				
R'000	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:	**4 756 060**	**-**	**-**	**-**	**4 756 060**
2 *Regulatory capital*	4 756 060				4 756 060
3 *Other capital instruments*		-			-
4 Retail deposits and deposits from small business customers:	**-**	**1 623 464**	**-**	**-**	**1 461 117**
5 *Stable deposits*					
6 *Less stable deposits*		1 623 464			1 461 117
7 Wholesale funding:	-	-	-	-	-
8 *Operational deposits*					
9 *Other wholesale funding*					
10 Liabilities with matching interdependent assets					
11 Other liabilities:	**-**	**113 259**	**-**	**-**	**-**
12 *NSFR derivative liabilities*					
13 *All other liabilities and equity not included in the above categories*	-	113 259	-		-
14 Total ASF					**6 217 177**
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)		787 729	374 065	522 489	84 214
16 Deposits held at other financial institutions for operational purposes	-	26 660			1 333
17 **Performing loans and securities:**	**-**	**223 951**	**24 059**	**-**	**46 374**
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*		221 802	24 059		45 300
20 *Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks*		2 149			1 075
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*					
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:	**4 325 971**			**208 964**	**4 534 935**
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*	4 325 971			208 964	4 534 935
32 Off-balance sheet items					
33 Total RSF					**4 666 856**
34 Net Stable Funding Ratio (%)					**133.22**

During the period under review the bank's NSFR remained well above the minimum Regulatory requirement of 100%. The change in NSFR is mainly driven by a change in available stable funding due to a continued uptick in customer deposits.

10. Appendices

To assist readers, key terms and abbreviations, as they apply to Tyme Bank and are used in this report, are set out below.

Appendix A - Abbreviations

Key Abbreviations

Abbreviation	Description
AFS	Annual Financial Statements
ALCO	Asset and liability committee
ARC	African Rainbow Capital
ASF	Available stable funding
AT1	Additional tier 1 capital
BCP	Business continuity plan
BIA	Basic indicator approach
CBA	Commonwealth Bank of Australia
CCF	Credit conversion factor
CCP	Central counterparty
CCR	Counterparty credit risk
CEO	Chief executive officer
CET1	Common Equity Tier 1 capital
CFP	Contingency funding plan
CHRO	Chief Human Resource Officer
CRF	Credit Risk Framework
CRM	Credit risk mitigation
CRO	Chief Risk Officer
ERB	Excess Return Bonus
ERCC	Enterprise Risk & Compliance Committee
ERMF	Enterprise Risk Management Framework
EWI	Early warning indicator
EXCO	Executive committee of Tyme Bank
FR	Fixed remuneration *(refer terms for explanation)*
FX	Foreign Exchange
HQLA	High quality liquid assets
IFRS	International Financial Reporting Standard
IRRBB	Interest Rate Risk in the Banking Book
KPIs	Key performance indicators *(refer terms for explanation)*
LCE	Large credit exposure
LCR	Liquidity coverage ratio
LRF	Liquidity Risk Framework
NIER	Net interest exposures at risk
NII	Net interest income
NSFR	Net stable funding ratio
PA	Prudential Authority
QCR	Qualifying capital requirement
RAS	Risk appetite statement
RSF	Required stable funding
RWA	Risk-weighted asset
SARB	South African Reserve Bank
SFT	Securities financing transactions
SME	Small to Medium Enterprises
T1	Tier 1 capital
T2	Tier 2 capital
TB	Treasury Bill

Appendix B - Terms

Key Terms

Term	Description
Board	The Board of Directors of the Company.
Executives	Key management personnel who are members of the Tyme Bank executive committee.
Group	Tyme Bank Limited and all its majority-owned subsidiaries.
Twin Peaks Model	The Twin Peaks model of financial sector regulation will see the creation of a prudential regulator – the Prudential Authority – housed in the South African Reserve Bank (SARB), while the FSB will be transformed into a dedicated market conduct regulator – the Financial Sector Conduct Authority.