



TymeBank
You've got this

BASEL PILLAR III

DISCLOSURE AS AT 30 JUNE 2022

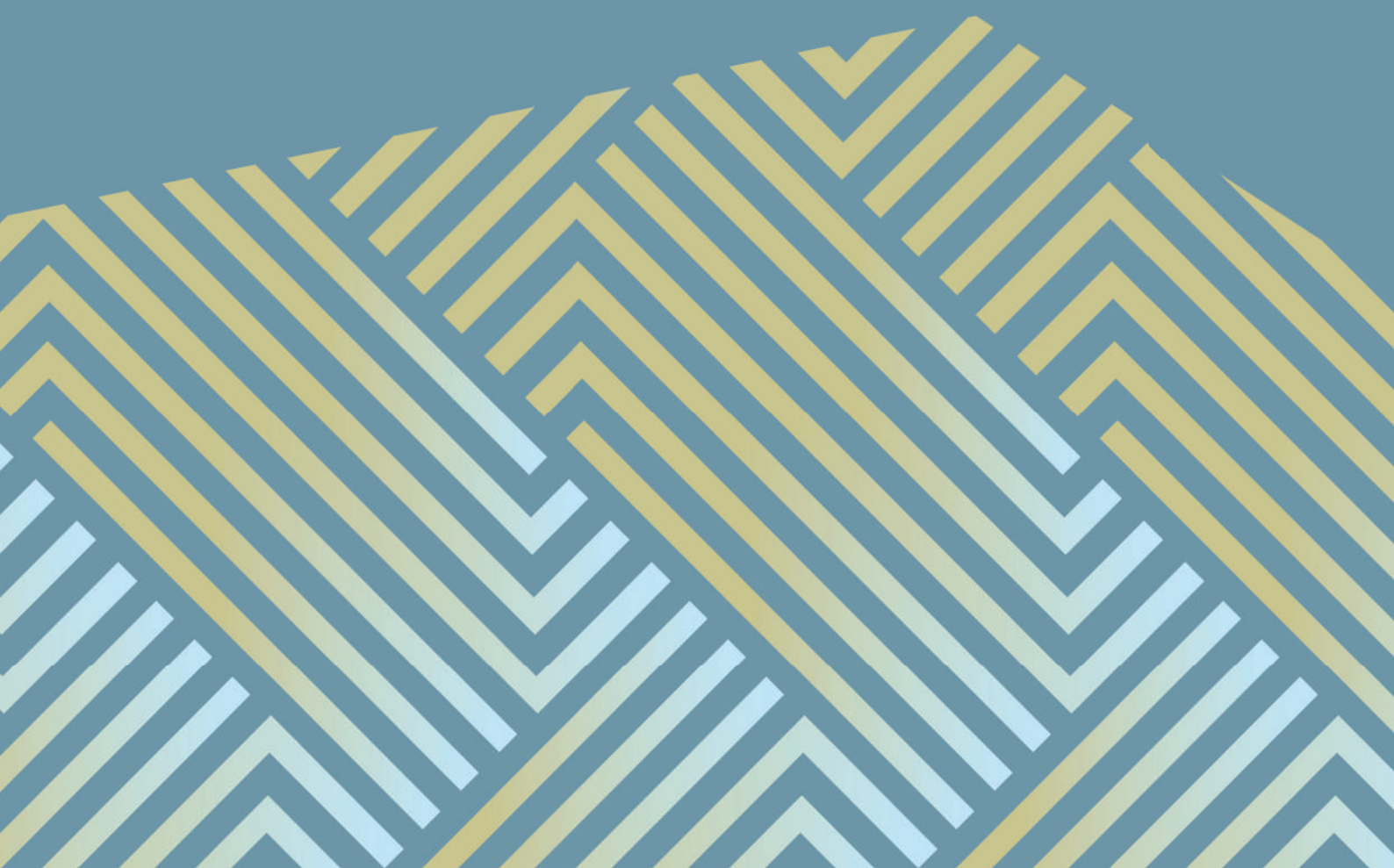


Table of Contents

About us	3
Scope	4
Assurance	5
1. Group Structure & Ownership	6
2. Key metrics (at consolidated level) LI1	7
3. Explanation of differences between financial statements & regulatory exposure amounts	8
4. Overview of Risk Management	11
5. Credit Risk	16
5.1 Credit Quality of Assets	17
5.2 Credit Risk Mitigation Techniques	18
5.3 Credit Exposures by Asset Class	19
5.4 Credit Exposures by Asset Class and Risk Weights	20
6. Operational Risk	21
7. Composition of Risk Weighted Assets (RWA)	23
8. Market Risk	25
9. Composition of Capital	26
10. Reconciliation	28
11. Leverage ratio	29
12. Liquidity	30
12.1 Liquidity Coverage Ratio	32
12.2 Net Stable Funding Ratio	33
13. Annual Remuneration Disclosures	36
13.1 Remuneration Governance Framework	36
13.2 Remuneration Policy	37
13.3 Remuneration Framework	38
13.4 Linking Remuneration to Performance	39
13.5 Quantitative disclosures	39
14. Appendices	40
Appendix A - Abbreviations	40
Appendix B - Terms	41

About us

Tyme Bank was officially registered as a bank by the South African Reserve Bank (SARB) in September 2017. Following a period of testing, the bank was officially launched to the public in February 2019.

African Rainbow Capital Financial Services Holdings (ARC), a 50.03% subsidiary within the Ubuntu-Botho Investments group (UBI), currently owns a 51.87% stake in Tyme Bank's registered controlling company, Tyme Bank Holdings Limited which was purchased from Commonwealth Bank of Australia (refer to the "Structure and Consolidated Supervision" section for full shareholding details). The acquisition by ARC, which comprises Tyme Bank's operations and all related intellectual property was concluded on 29 October 2018 and received confirmation of the Prudential Authority (PA) approval on 5 November 2018.

Tyme Bank has embraced technology and partnerships to deliver innovative digital banking products to the market utilising the Pick 'n Pay and Boxer stores as a distribution network. The Bank's vision is to create long-term value for its people, customers, and shareholders by leveraging the bank's core capabilities, with technology being at the forefront of this. Since public launch the Bank has since amassed over 5.7 million customers. Consistent with its strategy, Tyme Bank operates responsibly in taking well-researched and -managed risks to grow the bank and create sustained top-tier shareholder value.

Tyme Bank's purpose is to promote participation in the economy and to improve customer financial wellbeing by providing affordable access to financial services and products embedded with education and training. We are committed to treating customers fairly, in a transparent and consistent manner, while promoting a corporate culture of ensuring our behaviour and actions puts the customer at the centre of everything we do. Doing the "right thing" remains ingrained in the bank's ethos and hence a focus on conduct and the management of conduct risk within the business, is paramount.



Scope

In terms of regulation 43(1) of the Regulations relating to Banks, Tyme Bank (the bank) must disclose 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 (the PA) 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. July 2021 to June 2022.

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 Common Equity Tier 1 capital (CET1) ratio was consistently well in excess of regulatory minimum capital adequacy 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, Internal Audit and members of Executive Committee (EXCO). For the reporting period, management 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 of Directors (the Board) approved Risk Appetite Statement (RAS) and trigger limits.



1. Group Structure & Ownership

The Group structure consists of Tyme Bank Holdings Limited (Holdco) and one wholly owned subsidiary (Tyme Bank Limited). Holdco is the registered controlling company of Tyme Bank Limited, which is the registered bank.

As at 30 June 2022, the primary shareholders of Tyme Bank Holdings Limited were African Rainbow Capital Financial Services Holdings (ARC) (51.87%), Apis Growth II (APIS) (16.68%) and African Fig Tree (Pty) Limited (AFT) (8.44%). Following the Series B2 capital raise which concluded in January 2022, shares were issued to new shareholders, in January 2022, the Board approved a re-adjustment or transfer of shares to Ethos AI Fund and partners shareholders as part of valuation adjustment which had formed part of their subscription agreement. The other shareholding is as follows: Apis Growth II (Tiger Lily) Pte. Ltd holds 16.68%, Thriving Galaxy Holding Limited holds 2.50% and JG Digital Capital Pte. Ltd 2.09%. Ethos Artificial Intelligence GP SA Proprietary Limited (including principals) holds 4.57% of the company's equity.

Tyme Bank Limited is the banking entity within the Tyme Bank group and contributes 100% to the total consolidated balance sheet and risk-weighted assets (RWA).

Both entities are reported under the Basel III Standardised Approach and IFRS requirements.

The capital adequacy of Tyme Bank is not diluted by any minority shareholders or investments and all equity injected into the business qualifies 100% towards regulatory capital. Capital adequacy is measured against standards prescribed and approved risk measurement approaches, as reflected in the table below.

Risk type	Risk measurement approach
Credit risk	Standardised approach
Counterparty credit risk (CCR)	Not applicable
Securitisation risk	Not applicable
Market risk	Standardised approach
Equity risk	Look-through approach
Operational risk	Basic Indicator Approach

Tyme Bank ensures that its plans and controls are adequate to manage all major risks to the bank, i.e.:

- Commercial/ business risk
- credit risk
- market risk
- liquidity risk
- operational risk
- reputational / conduct risk
- compliance/ regulatory risk
- cyber risk, and
- systemic risk

2. Key metrics (at consolidated level) LI1

The table below provides an overview of the key regulatory metrics relating to the Group's capital adequacy ratios, risk-weighted assets, leverage ratio, liquidity coverage ratio, and net stable funding ratio
KM1 (Group): Key metrics (at consolidated group level)

At 30 June 2022 R'000	Group				
	a 30-Jun-22	b 31-Mar-22	c 31-Dec-21	d 30-Sep-21	e 30-June-21
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	709 854	927 087	475 890	493 497	533 626
1a Fully loaded ECL accounting model	709 854	927 087	475 890	493 497	533 626
2 Tier 1	709 854	927 087	475 890	493 497	533 626
2a Fully loaded accounting model Tier 1	709 854	927 087	475 890	493 497	533 626
3 Total capital	709 986	927 441	476 144	493 947	534 008
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	500 903	631 846	582 707	425 101	558 486
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	141.71	146.73	81.67	116.09	95.55
5a Fully loaded ECL accounting model CET1 (%)	141.71	146.73	81.67	116.09	95.55
6 Tier 1 ratio (%)	141.71	146.73	81.67	116.09	95.55
6a Fully loaded ECL accounting model Tier 1 ratio (%)	141.71	146.73	81.67	116.09	95.55
7 Total capital ratio (%)	141.74	146.78	81.71	116.20	95.62
7a Fully loaded ECL accounting model total capital ratio (%)	141.74	146.78	81.71	116.20	95.62
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	134.21	139.23	71.17	105.59	85.05
Basel III Leverage Ratio					
13 Total Basel III leverage ratio measure	4 197 350	4 204 572	3 384 653	3 562 183	2 890 627
14 Basel III leverage ratio (%) (row 2/row 13)	16.91	22.05	14.06	13.85	18.46
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)					
Liquidity Coverage Ratio					
15 Total HQLA	2 787 642	2 787 642	2 509 083	1 963 002	1 604 513
16 Total net cash outflow	71 054	67 331	62 988	53 759	44 429
17 LCR ratio (%) ²	3 923	4 140	3 983	3 651	3 611
Net Stable Funding Ratio					
18 Total available stable funding	9 465 532	9 233 982	8 304 124	7 892 020	7 495 221
19 Total required stable funding	6 262 759	6 060 586	5 697 864	5 480 663	5 361 516
20 NSFR ratio (%) ³	151	152	146	144	140

Note: Total Capital include Tier 2 capital and unimpaired reserve funds

- 1 The minimum capital requirements disclosed excludes any D-SIB or Pillar 2B requirements
- 2 Refer to page 35 for LIQ1 : Liquidity Coverage Ratio template and commentary.
- 3 Refer to page 37 for LIQ2 : Net Stable Funding Ratio template and commentary.

3. Explanation of differences between accounting and regulatory exposure amounts

The tables below provide a breakdown of how the amounts reported in the Annual Financial Statements correspond to the regulatory risk categories.
L11 (Group): Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

At 30 June 2022 "R'000	Bank						Not subject to capital requirements or subject to capital deduction	
	a	b	c	d	e	f		g
	Published financial statements	Regulatory scope of consolidation	Carrying values of items subject to:					
		Credit risk	Counterparty credit risk	Securitisation	Market risk			
Assets								
Property, plant and equipment		90 437	107 773	-				
Right of use asset		23 736	-	-				
Intangible assets		-	-	-				
Trade and other receivables		117 730	120 243	-				
Financial assets		3 512 491	3 401 017	3 401 017				
Inventory		18 283	18 283	-				
Term deposit investments		-	-	-				
Term loans		913	388	388				
Cash and cash equivalents		451 460	549 849	549 849				
Total assets		4 215 050	4 197 553	3 951 254	-	-	-	
Equity and Liabilities								
Share capital		6 622 832	6 467 634	-				
Reserves		73 304	46 921	-				
Accumulated loss		(5 980 126)	(5 804 701)	-				
Total equity		716 010	709 854	-	-	-	-	
Trade and other payables		137 547	153 103	-				
Current Tax liability		1	-	-				
Lease liabilities		26 895	-	-				
Provisions		55 879	55 879	-				
Deposits received from customers		3 278 718	3 278 717	-				
Total liabilities		3 499 040	3 487 699	-	-	-	-	
Total equity and liabilities		4 215 050	4 197 553	-	-	-	-	

L11 (Bank): Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

At 30 June 2022

"R'000

	Bank						g
	a	b	c	d	e	f	
	Published financial statements	Regulatory scope of consolidation	Carrying values of items subject to:				
		Credit risk	Counterparty credit risk	Securitisation	Market risk		
Assets							
Property, plant and equipment	90 437	107 773	-				
Right of use asset	23 736	-	-				
Intangible assets	-	-	-				-
Trade and other receivables	117 730	120 243	-				
Other financial assets	3 512 491	3 401 017	3 401 017				
Inventory	18 283	18 283	-				
Term deposit investments	-	-	-				
Term loans	913	388	388				
Cash and cash equivalents	426 357	524 747	524 747				
Total assets	4 189 948	4 172 451	3 926 152	-	-	-	-
Equity and Liabilities							
Share capital	5 255 556	6 396 508	-				
Reserves	1 214 255	46 921	-				
Accumulated loss	(5 778 574)	(5 758 348)	-				
Total equity	691 237	685 081	-	-	-	-	-
Trade and other payables	137 218	152 774	-				
Current Tax liability	-	-	-				
Lease liabilities	26 895	-	-				
Provisions	55 879	55 879	-				
Deposits received from customers	3 278 718	3 278 717	-				
Total liabilities	3 498 710	3 487 370	-	-	-	-	-
Total equity and liabilities	4 189 948	4 172 451	-	-	-	-	-

Note: Difference relate to audit adjustments subsequent to regulatory reporting

- Values in column (a) and (b) are as per values reported in the Annual Financial Statements and Regulatory returns respectively

The tables below provide information on the main sources of differences between the financial statements' carrying value amounts and the exposure amounts used for regulatory purposes.

LI2 (Group): Main sources of differences between regulatory exposure amounts and carrying values in financial statements

At 30 June 2022 R'000		Group				
		a	b	c	d	e
		Items subject to:				
		Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	4 197 553	3 951 254	-	-	-
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	3 487 699	-	-	-	-
3	Total net amount under regulatory scope of consolidation	709 854	3 951 254			
4	Off-balance sheet amounts	-	-	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
9	Exposure amounts considered for regulatory purposes	709 854	3 951 254			

LI2 (Bank): Main sources of differences between regulatory exposure amounts and carrying values in financial statements

At 30 June 2022 R'000		Bank				
		a	b	c	d	e
		Items subject to:				
		Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	4 172 451	3 926 152	-	-	-
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	3 487 370	-	-	-	-
3	Total net amount under regulatory scope of consolidation	685 081	3 926 152			
4	Off-balance sheet amounts	-	-	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
9	Exposure amounts considered for regulatory purposes	685 081	3 926 152			

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.

4. Overview of Risk Management

The Bank seeks to establish a culture of disciplined risk-taking that enables the bank to deliver long-term value for its people, customers, and shareholders.

A strong risk culture supports the effective application of the risk appetite. To ensure a strong risk culture we:

- acknowledge risk;
- maintain a risk-aware mindset;
- communicate in a timely manner with honesty and transparency;
- speak up when detecting potential issues and risks;
- are accountable for data quality; and
- promote and embed a strong risk culture.

The Bank's risk appetite is influenced by and should be read in the context of its:

- vision of enhancing economic participation and inspiring financial well-being;
- values of customer obsession, empowerment, ownership, innovation and compassion; and
- standards of professional practice set out in stated corporate commitments.

The Risk Appetite Statement (RAS) articulates the high-level boundaries for the type and degree of operational risk that the board is willing to accept for its shareholders. Risk appetite is a central and essential element of Tyme Bank's Enterprise Risk Management Framework (ERMF). Risk appetite is managed through limits and tolerances based on prescribed regulatory requirements for Tyme Bank and internally set limits, as identified in respective policies.

The board directs management on its risk-taking activities in the context of the bank's business strategy, by means of the RAS, which articulates:

- **Risk appetite:** the degree of risk we are prepared to accept, expressed in terms of key business outcomes, and taking into consideration the interests of all stakeholders.
- **Risk tolerances:** for each business outcome, the maximum level of risk that we are willing to operate within.
- **Risk limits and triggers:** for each material risk type, management limits designed to cascade our risk appetite and risk tolerances to a day-to-day management level, with corresponding trigger levels for early intervention.

Tyme Bank – Risk Governance Structure

- The key components of the corporate governance structure for risk management are illustrated in the diagram below
- Governance is considered as one of the four key Operational Elements of the Risk Management Framework

Tyme Bank – Risk Governance Structure

- The key components of the corporate governance structure for risk management are illustrated in the diagram below
- Governance is considered as one of the four key Operational Elements of the Risk Management Framework

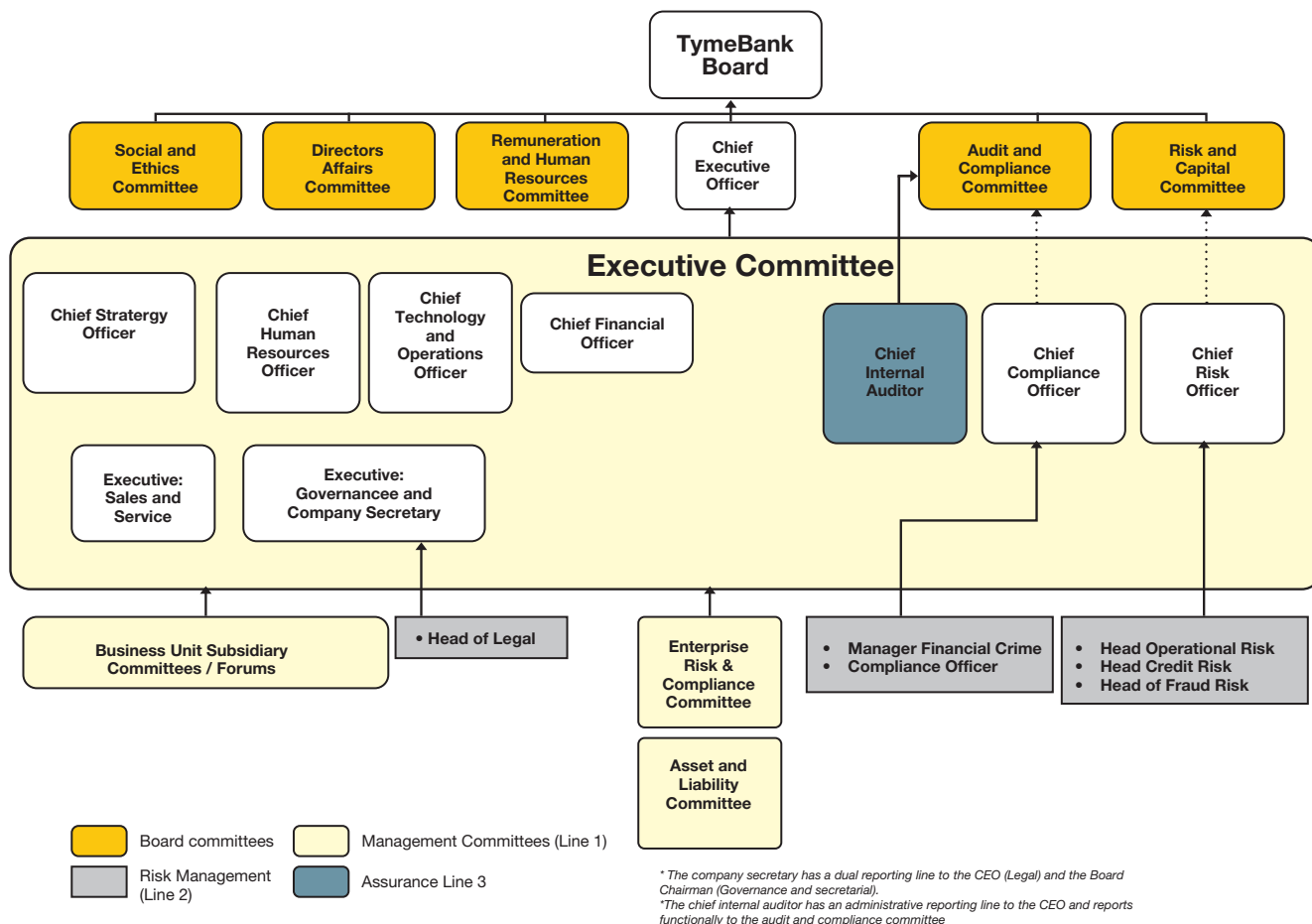


Figure 2: Risk Governance Structure

Risk governance originates at board level, and cascades through the Chief Executive Officer (CEO) to Tyme Bank via policies, delegated authorities, and regular review of outcomes. This is underpinned by a clear segregation of duties and enables board-level oversight. Independent review of the Enterprise Risk Management Framework and its implementation is carried out by Tyme Bank’s Internal Audit function, as appropriate.

The Chief Risk Officer (CRO) has ultimate responsibility for the oversight of all risk classes within Tyme Bank, with support from the Chief Compliance Officer, who ensures that regulatory requirements are complied with at all times. To ensure the required focus on compliance-related matters, the Chief Compliance Officer reports directly to the CEO and is accountable for managing all compliance and anti-money-laundering risks. Risk governance is undertaken by a structured hierarchy of committees and forums, each with specific accountabilities. With the introduction of a ‘Twin Peaks’ model into the South African Regulatory framework, the focus and management of conduct risk has increased. We are committed to treating customers fairly, in a transparent and consistent manner, while promoting a corporate culture of ensuring our behaviour and actions put the customer at the centre of everything we do. Doing the “right thing” is paramount for Tyme Bank.

The Risk and Capital Management Committee is a sub-committee of the Tyme Bank board responsible for overseeing and advising the board on risk appetite and the risk management framework. Furthermore, this committee monitors the risk profile of Tyme Bank; endorses board-level policies (including limits) in respect of key risk types as determined by the board, and monitors compliance with delegations. The Board Audit and Compliance Committee monitors the management of all risk types including regulatory and compliance risks. The Enterprise Risk and Compliance Committee (ERCC) is a management committee that ensures the implementation of Tyme Bank’s board-level policies (including limits) in respect of key risk types as determined by the board; it implements delegations to support the strategy and risk appetite and monitors compliance with delegations.

Effective 01 July 2021, the Board has approved an Information Technology (IT), Data Analytics Committee which is responsible for providing strategic guidance and risk oversight relating to Information Technology, data and analytics.

Tyme Bank operates using the ‘Three Lines of Defence’ model to ensure that risks are identified, managed, and monitored. The three lines of defence are:

- business management (Line 1),
- risk management (Line 2), and
- audit and assurance (Line 3).

The first line of defence is business management. As risk is best managed at the place it occurs, business managers are responsible and accountable for managing the risks for their business. The risk management team, as Line 2, provides risk-management expertise and oversight for business management’s risk-related activities.

Line 3 is the internal audit function, who provide independent assurance regarding the adequacy and effectiveness of Tyme Bank's system of internal controls, risk management, and governance procedures and processes. As part of the 3rd line of defence external resources which include External audit, is used by Internal Audit to provide assurance in certain areas where a high degree of specialist knowledge is required.

The level of risk accepted is managed through the Risk Management Framework (RMF), which is illustrated in the diagram below. The RMF ensures that the degree of risk the bank is willing to accept, as determined by the RAS, is in line with Tyme Bank's strategic plan and is executed through the Risk Management Approach. The Risk Management Approach is underpinned by the foundation components, together with key operational elements and the Tyme Bank approach for each risk type identified as material. The material risk types consist of the following:

- **commercial/ business risk:** the financial risk arising from offering the inappropriate customer solutions, not successfully executing on key initiatives and the inability to attract the right customer profile to improve and diversify revenue.
- **credit risk:** the risk arising from counterparties as a result of credit extension.
- **market risk:** 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.
- **Interest Rate risk:** is incorporated in market risk and is the sensitivity towards a change in fluctuating interest rates in the market may negatively impact the banks pricing structure and future earnings
- **liquidity risk:** the risk arising from potential mismatches in funding requirements in both the banking and trading book. Note that the trading book is not applicable to Tyme Bank at present.
- **operational risk:** the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events.
- **reputational/conduct risk:** the risk of loss through not delivering on commitments, or through operating and behaving in a manner that adversely impacts the bank's customers, shareholders, staff, or reputation.
- **Compliance/ regulatory risk:** the risk of potentially contravening any applicable laws or regulations.
- **cyber risk:** the potential damage or losses arising from unauthorised access to Tyme Bank systems.

Vision: To excel at securing and enhancing the financial wellbeing of people, business and communities

Customer obsession / Empowerment / Ownership / Innovation / Compassion

Our Strategy

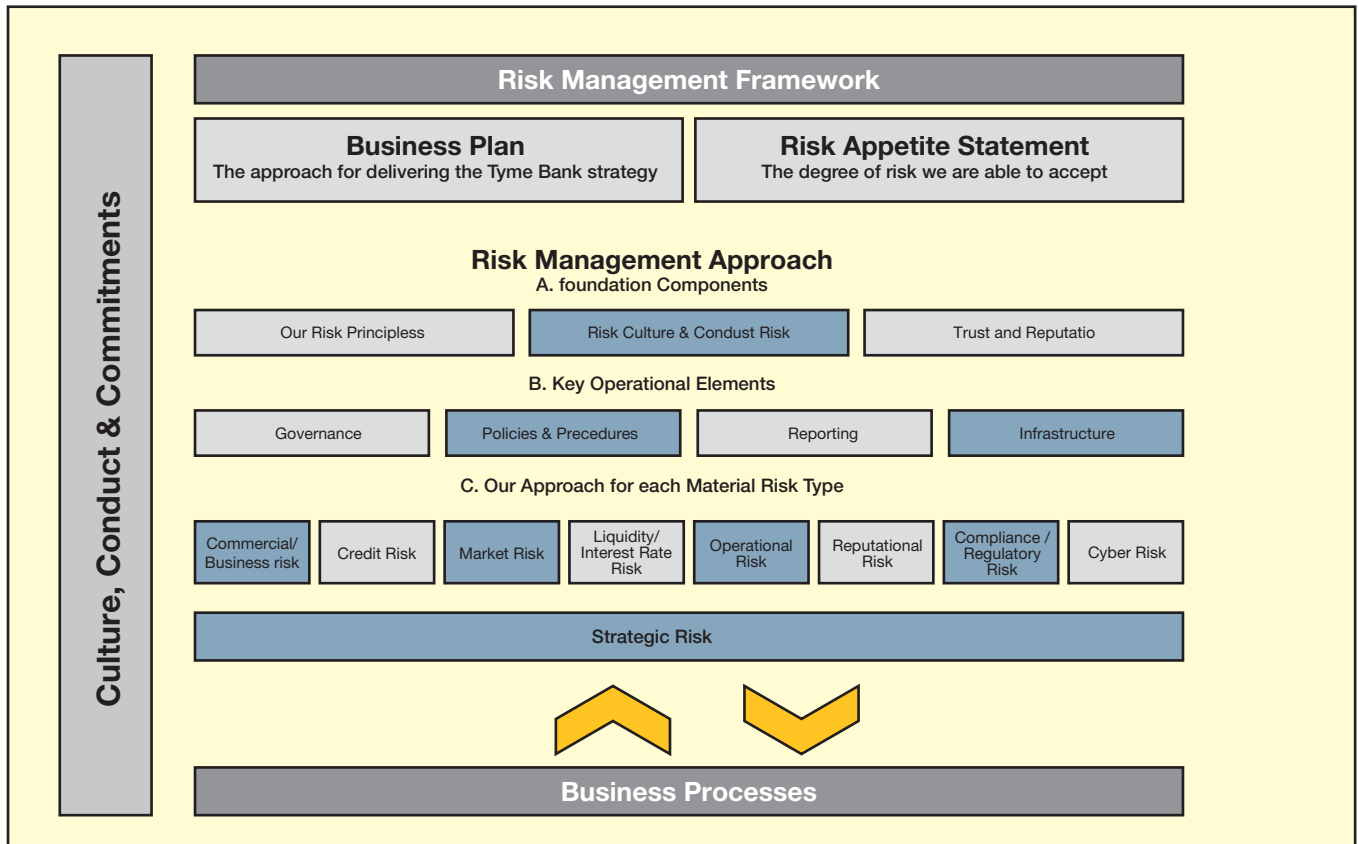


Figure 3: Risk Management Framework

- The RAS and Top 10 risks facing the bank are formally reviewed on an annual basis and approved by the board.
- Reporting is designed to provide the board and senior management with a comprehensive view of the current material risks that Tyme Bank faces, as well as any emerging risks that may require Tyme Bank to amend its strategy or approach.

5. Credit Risk

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

While not a significant 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.

The 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.

Credit risk arises from the Bank's current activities, which are limited to interbank placements, minimum reserving requirements, investing in Treasury Bills and Government Bonds for liquid asset requirements and a small personal loan and buy-now-pay-later (MoreTyme) portfolios. The testing of Personal loans commenced in Q4 2019 but was subsequently put on hold in April 2020 due to the expected impact of the COVID-19 pandemic on consumers and credit models. As part of the Bank's prudent risk management approach, the organisation has subsequently embarked on testing an innovative Buy-Now-Pay-Later (BNPL) product, called MoreTyme, in the market and has built up a small portfolio in this regard. MoreTyme allows a customer to purchase a product by paying a third of the purchase value upfront and settling the remaining balance in two equal instalments. This product is essentially free to the customer as no interest or fees are charged provided the customer does not default. The smaller exposure and short outcome period of the product does reduce the capital requirements and will enable the bank to validate models and identify lower risk customers quicker.

For regulatory capital purposes, the standardised approach has been adopted to determine RWA on credit exposure. A prudent approach has been adopted in raising of impairments on the Bank's lending products and is aligned with IFRS 9 requirements.

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). Whilst Credit Risk is generally the biggest risk in banking, it currently contributes less than operational risk to the consolidated RWA, as the Bank has currently extended limited credit to customers.

5.1 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 of 30 June 2022.

CR1 (Group): Credit Quality of assets

At 30 June 2022 R'000		Group			
		a	b	c	d
		Carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	223	241 913	335	241 801
2	Debt securities	-	3 401 017	-	3 401 017
3	Off-balance sheet exposures	-	-	-	-
4	Total	223	3 642 930	335	3 642 818

CR1 (Bank): Credit Quality of assets

At 30 June 2022 R'000		Bank			
		a	b	c	d
		Carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	223	216 811	335	216 699
2	Debt securities	-	3 401 017	-	3 401 017
3	Off-balance sheet exposures	-	-	-	-
4	Total	223	3 617 828	335	3 617 716

CR2 Changes in stock of defaulted loans and debt securities

At 30 June 2022 R'000		a
1	Defaulted loans and debt securities at the end of the previous reporting period	408
2	Loans and debt securities that have defaulted since the last reporting period	-184
3	Returned to non-default status	0
4	Amounts written off	25
5	Other changes	24
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	223

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.

5.2 Credit Risk Mitigation Techniques

CR3 (Group): Credit risk mitigation techniques – overview

At 30 June 2022 R'000		Group						
		a	b	c	d	e	f	g
Exposures unsecured: carrying amount		Exposures secured by:						
		Collateral	Collateral of which: secured amount	Financial guarantees	Financial guarantees, of which: secured amount	Credit derivatives	Credit derivatives, of which: secured amount	
1	Loans	241 801	0	-	-	-	-	-
2	Debt securities	3 401 017	0	-	-	-	-	-
3	Total	3 642 818	0					
4	Of which defaulted	223	0					

CR3 (Bank): Credit risk mitigation techniques – overview

At 30 June 2022 R'000		Group						
		a	b	c	d	e	f	g
Exposures unsecured: carrying amount		Exposures secured by:						
		Collateral	Collateral of which: secured amount	Financial guarantees	Financial guarantees, of which: secured amount	Credit derivatives	Credit derivatives, of which: secured amount	
1	Loans	216 699	-	-	-	-	-	-
2	Debt securities	3 401 017	-	-	-	-	-	-
3	Total	3 617 716	0					
4	Of which defaulted	223	0					

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

5.3 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 of 30 June 2022.

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

At 30 June 2022 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 Non-central government public sector	3 784 740	-	3 784 740	-	0	0	
2 entities	-	-	-	-	-	-	
3 Multilateral development banks	-	-	-	-	-	-	
4 Banks	170 295	-	170 295	-	40 944	24.04	
5 Securities firms	-	-	-	-	-	-	
6 Corporates	206	3 144	206	0	206	-	
7 Regulatory retail portfolios	388	-	166	-	86	51.63	
8 Secured by residential property	-	-	-	-	-	-	
9 Secured by commercial real estate	-	-	-	-	-	-	
10 Equity	-	-	-	-	-	-	
11 Past-due loans	223	-	223	-	127	57.12	
12 Higher-risk categories	-	-	-	-	-	-	
13 Other assets	242 950	-	242 950	-	242 950	100.00	
14 Total	4 198 802	3 144	4 198 580	-	284 313	6.77	

CR4 table certain amounts based on average figures

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

At 30 June 2022 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 Non-central government public sector	3 784 740	-	3 784 740	-	-	-	
2 entities	-	-	-	-	-	-	
3 Multilateral development banks	-	-	-	-	-	-	
4 Banks	144 487	-	144 487	-	40 944	28.34	
5 Securities firms	-	-	-	-	-	-	
6 Corporates	206	3 144	206	-	206	-	
7 Regulatory retail portfolios	388	-	166	-	86	51.63	
8 Secured by residential property	-	-	-	-	-	-	
9 Secured by commercial real estate	-	-	-	-	-	-	
10 Equity	-	-	-	-	-	-	
11 Past-due loans	223	-	223	-	127	57.12	
12 Higher-risk categories	-	-	-	-	-	-	
13 Other assets	242 949	-	242 949	-	242 949	100.00	
14 Total	4 172 993	3 144	4 172 770	-	284 312	6.81	

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.

5.4 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 of 30 June 2022.

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

At 30 June 2022 R'000	Group										Total credit exposures amount (post CCF and post-CRM)
	a	b	c	d	e	f	g	h	i	j	
	Risk Weight										
Asset classes	0%	10%	20%	35%	50%	75%	100%	150%	Others		
1 Sovereigns and their central banks	3 784 740	-	-	-	-	-	-	-	-	-	3 784 740
2 Non-central government public sector entities	-	-	-	-	-	-	-	-	-	-	-
3 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	0
4 Banks	-	-	155 237	-	-	-	15 059	-	-	-	170 295
5 Securities firms	-	-	-	-	-	-	-	-	-	-	-
6 Corporates	-	-	-	-	-	-	206	-	-	-	206
7 Regulatory retail portfolios	-	-	-	-	74	-	92	-	-	-	166
8 Secured by residential property	-	-	-	-	-	-	-	-	-	-	-
9 Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-	-
10 Equity	7 403	-	82 043	-	-	-	6 972	-	-	-	96 418
11 Past-due loans	-	-	-	-	141	-	14	67	-	-	223
12 Higher-risk categories	-	-	-	-	-	-	-	-	-	-	-
13 Other assets	-	-	-	-	-	-	242 950	-	-	-	242 950
14 Total	3 792 143		237 280		215	0	265 293	67			4 294 998

* 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 30 June 2022 R'000	Bank										Total credit exposures amount (post CCF and post-CRM)
	a	b	c	d	e	f	g	h	i	j	
	Risk Weight										
Asset classes	0%	10%	20%	35%	50%	75%	100%	150%	Others		
1 Sovereigns and their central banks	3 784 740	-	-	-	-	-	-	-	-	-	3 784 740
2 Non-central government public sector entities	-	-	-	-	-	-	-	-	-	-	-
3 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
4 Banks	-	-	129 428	-	-	-	15 059	-	-	-	144 487
5 Securities firms	-	-	-	-	-	-	-	-	-	-	-
6 Corporates	-	-	-	-	-	-	206	-	-	-	206
7 Regulatory retail portfolios	-	-	-	-	74	-	92	-	-	-	166
8 Secured by residential property	-	-	-	-	-	-	-	-	-	-	-
9 Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-	-
10 Equity	7 403	-	82 043	-	-	-	6 972	-	-	-	96 418
11 Past-due loans	-	-	-	-	141	-	14	67	-	-	223
12 Higher-risk categories	-	-	-	-	-	-	-	-	-	-	-
13 Other assets	-	-	-	-	-	-	242 949	-	-	-	242 949
14 Total	3 792 143		211 471		215	0	265 292	67			4 269 188

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

6. 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.

The 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.

As the Bank has moved from the “build” into the “run” phase, post the official launch, risks continue to be identified as part of business-as-usual processes with subsequent controls being enhanced or implemented as required. The Bank has established a fit-for-purpose combined assurance framework to integrate, coordinate, and align the risk management and assurance processes, between Risk, Compliance and Internal and External Audit to optimise and maximise the level of risk, governance and control oversight across the organisation’s risk landscape.

The ERMF will therefore continue to mature over the short to medium term. All medium and higher risks, as well as ineffective controls, are raised and approved through the relevant governance processes.

The Board and senior management remain ultimately responsible for ensuring that the Bank’s system of internal control is adequate and operating effectively.

The CEO of the 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 supported by the Chief Risk Officer (CRO). The ERCC reports to and receives its mandate from the Risk and Capital Management Committee.

The ERCC & Executive Committee (EXCO) are responsible for overseeing operational risk management and measurement for the Tyme Bank business.

To ensure operational risk governance practices are effective, senior management ensures that the Operational Risk Governance Principles are embedded within each governance forum. These principles ensure transparency and consistency of governance standards across the Bank.

As indicated in the table below, the Bank applies the basic indicator approach (BIA) in calculating its Operational Risk RWA. Operational risk is calculated on a semi-annual basis and has reduced quarter-on-quarter as the Bank incorporated the three-year audited gross operating income values and relinquished the use of forecast numbers as was prescribed by the Prudential Authority.

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

At 30 June 2022 R'000	Group		Bank	
	30-Jun-22	31-Mar-22	30-Jun-22	31-Mar-22
Relevant risk exposure	102 178	141 415	101 463	140 701
Capital requirements	15 327	21 212	15 219	21 105
Risk weighted exposure equivalent amount	191 583	265 154	190 243	263 815

7. 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 30 June 2022	Group			
	a	b		c
	Risk-weighted assets			* MCR
R'000	30-Jun-22	31-Mar-22	31-Dec-21	31-Mar-22
1 Credit risk (excluding counterparty credit risk) 1	284 313	345 303	296 166	32 696
2 Of which: standardised approach (SA)	284 313	345 303	296 166	32 696
3 Of which: foundation internal ratings-based (F-IRB) approach	-	-	-	-
4 Of which: supervisory slotting approach	-	-	-	-
5 Of which: advanced internal ratings-based (A-IRB) approach	-	-	-	-
6 Counterparty credit risk (CCR)	-	-	-	-
7 Of which: standardised approach for counterparty credit risk	-	-	-	-
8 Of which: Internal Model Method (IMM)	-	-	-	-
9 Of which: other CCR	-	-	-	-
10 Credit valuation adjustment (CVA)	-	-	-	-
11 Equity positions under the simple risk weight approach	23 381	21 389	20 591	2 689
12 Equity investments in funds - look-through approach	23 381	21 389	20591	2 689
13 Equity investments in funds - mandate-based approach	-	-	-	-
14 Equity investments in funds - fall-back approach	-	-	-	-
15 Settlement risk	-	-	-	-
16 Securitisation exposures in the banking book	-	-	-	-
17 Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-	-
18 Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	-	-	-	-
19 Of which: securitisation standardised approach (SEC-SA)	-	-	-	-
20 Market risk	1 626	-	796	187
21 Of which: standardised approach (SA)	1 626	-	796	187
22 Of which: internal model approaches (IMA)	-	-	-	-
23 Capital charge for switch between trading book and banking book	-	-	-	-
24 Operational risk 2	191 583	265 154	265 154	22 032
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)	500 903	631 846	582 707	57 604

* Minimum capital requirements (MCR) based on Base requirement (8%); (1%) Pillar 2A add-on reinstated 01 January'22, D2_2020 & Conservation buffer (2.5%)

1. Bank does not have derivative instruments on balance sheet
2. Operational risk is recalculated semi-annually (December & June)

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

At 30 June 2022

R'000		Bank			
		a	b	c	
		Risk-weighted assets			* MCR
		30-Jun-22	31-Mar-22	31-Dec-21	31-Mar-22
1	Credit risk (excluding counterparty credit risk) 1	284 313	345 303	296 166	32 696
2	Of which: standardised approach (SA)	284 313	345 303	296 166	32 696
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-	-
4	Of which: supervisory slotting approach	-	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-	-
6	Counterparty credit risk (CCR)	-	-	-	-
7	Of which: standardised approach for counterparty credit risk	-	-	-	-
8	Of which: Internal Model Method (IMM)	-	-	-	-
9	Of which: other CCR	-	-	-	-
10	Credit valuation adjustment (CVA)	-	-	-	-
11	Equity positions under the simple risk weight approach	23 381	21 389	20 591	2 689
12	Equity investments in funds - look-through approach	23 381	21 389	20 591	2 689
13	Equity investments in funds - mandate-based approach	-	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-	-
15	Settlement risk	-	-	-	-
16	Securitisation exposures in the banking book	-	-	-	-
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	-	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-	-
20	Market risk	1 626	-	796	187
21	Of which: standardised approach (SA)	1 626	0	796	187
22	Of which: internal model approaches (IMA)	-	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-	-
24	Operational risk 2	190 243	263 815	263 815	21 878
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)	499 563	630 507	581 368	57 450

* Minimum capital requirements (MCR) based on Base requirement (8%); (1%) Pillar 2A add-on reinstated 01 January'22, D2_2020 & Conservation buffer (2.5%)

1. Bank does not have derivative instruments on balance sheet
2. Operational risk is recalculated semi-annually (December & June)

- When calculating the operational risk amount the Bank incorporated the use of the audited AFS as prescribed in Regulations 33(7), Basic indicator approach (BIA).



8. 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.

The 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:
 - o requirements of relevant regulators, including the Prudential Authority; and
 - o the governance and control standards of Tyme Bank and the risk principles expressed within the Risk Appetite Statement (RAS).

The 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.

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 slightly increased given its uptick overall. Although FX exposure has increased from previous quarter, 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)

At 30 June 2022 R'000	Group	Bank
	a	a
	Capital charge in SA 30-Jun-22	Capital charge in SA 30-Jun-22
1 General interest rate risk	-	-
2 Equity risk	-	-
3 Commodity risk	-	-
4 Foreign exchange risk	1 626	1 626
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	1 626	1 626

The Bank is primarily exposed to interest rate risk in the banking book due to the nature of its exposures. All exposures, including securities held in Treasury Bills and RSA Government Bonds, are held under the banking book with the intent of holding all positions to maturity.

The Bank monitors interest rate risk in the banking book by assessing the impact of a 200bps shift in interest rates on its forecasted Net Interest Income (NII).

Net Interest Income

At 30 June 2022 R'000	Bank	
	30-Jun-22	31-Mar-22
Percentage impact of a parallel rate shock on forecasted NII (%)	2.00	2.00
Twelve-month Forecasted NII (R'000)	222 045	193 078
Cumulative total for 12 months post 2% Parallel Rate shock (R'000)	4 441	3 862

The Bank's strategy is to manage IRRBB through having an appropriate mix of assets and liabilities so as to achieve stable and sustainable net interest earnings in the long term.

9. Composition of Capital

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

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.tyembank.co.za/about/>).

CC1 (Group & Bank): Composition of regulatory capital

At 30 June 2022
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	6 467 634	(a)	6 396 508	(a)
2 Retained earnings	(5 804 701)	(b)	(5 758 348)	(b)
3 Accumulated other comprehensive income (and other reserves)	46 921		46 921	
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	709 854		685 081	
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)	-	(c)
Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)		(d)		(d)
10 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions				
27				
28 Total regulatory adjustments to Common Equity Tier 1	0		-	
29 Common Equity Tier 1 capital (CET1)	709 854		685 081	
44 Additional Tier 1 capital (AT1)	0		0	
45 Tier 1 capital (T1= CET1 + AT1)	709 854		685 081	
58 Tier 2 capital (T2)	132		132	
59 Total regulatory capital (TC = T1 + T2)	709 986		685 213	
60 Total risk-weighted assets	500 903	(e)	499 563	(e)
Capital ratios and buffers				
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	141.71		137.14	
62 Tier 1 (as a percentage of risk-weighted assets)	141.71		137.14	
63 Total capital (as a percentage of risk-weighted assets)	141.74		137.16	
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.	134.21		129.64	
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	203		203	
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

Regulatory change and impact on capital:

The spread of Covid-19 had an increasing impact on the global economic activity and has put enormous strain on the local economy. Considering this development, as part of the Prudential Authority's (PA) response to the expected negative impact of Covid-19 on capital, the Pillar 2A capital requirement was temporarily reduced to 0% of risk weighted exposures.

Financial markets have since largely normalised and as a result the PA announced in Directive D5/2021, the Pillar 2A capital requirement which was reduced to 0% since April 2020, will be reinstated as of January 2022. The minimum capital of the Group remains R250 million.

10. Reconciliation

The Bank does not own any entity which is considered outside the scope of regulatory consolidation, as defined under Regulation 36. Differences between the Annual Financial Statements balance sheet and the regulatory balance sheet relate to audit adjustments.

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 30 June 2022 R'000	Group			Bank		
	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-22	30-Jun-22		30-Jun-22	30-Jun-22	
Assets						
Property, plant and equipment	90 437	107 773		90 437	107 773	
Right of use asset	23 736	-		23 736	-	
Intangible assets	-	-		-	-	
Trade and other receivables	117 730	120 243		117 730	120 243	
Financial assets	3 512 491	3 401 017		3 512 491	3 401 017	
Inventory	18 283	18 283		18 283	18 283	
Term deposit investments	-	-		-	-	
Term loans	913	388		913	388	
Cash and cash equivalents	451 460	549 849		426 357	524 747	
Total assets	4 215 050	4 197 553		4 189 948	4 172 451	
Equity and Liabilities						
Share capital	6 622 832	6 467 634		5 255 556	6 396 508	
Reserves	73 304	46 921		1 214 255	46 921	
Accumulated loss	(5 980 126)	(5 804 701)		(5 778 574)	(5 758 348)	
Total equity	716 010	709 854		691 237	685 081	
Trade and other payables	137 547	153 103		137 218	152 774	
Current Tax liability	1	-		-	-	
Lease liabilities	26 895	-		26 895	-	
Provisions	55 879	55 879		55 879	55 879	
Deposits received from customers	3 278 718	3 278 717		3 278 718	3 278 717	
Total liabilities	3 499 040	3 487 699		3 498 710	3 487 370	
Total equity and liabilities	4 215 050	4 197 553		4 189 948	4 172 451	

Note: Difference relate to audit adjustments subsequent to regulatory reporting

11. Leverage ratio

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

The leverage ratio has remained 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 30 June 2022 R'000	Group		Bank	
	30-Jun-22		31-Mar-22	
1 Total consolidated assets as per published financial statements	4 197 553	4 172 451	4 204 926	4 184 345
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	203	203	354	354
8 Leverage ratio exposure measure	4 197 350	4 172 248	4 204 572	4 183 991

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

At 30 June 2022 R'000	Group		Bank	
	a 30 June 2022	b 31 March 2022	a 30 June 2022	b 31 March 2022
On-balance sheet exposures				
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	4 197 553	4 204 926	4 172 451	4 184 345
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	203	354	203	354
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	4 197 350	4 204 572	4 172 248	4 183 991
Derivative exposures				
4 Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-	-	-
5 Add-on amounts for PFE associated with <i>all</i> 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	709 854	927 087	685 081	906 736
21 Total exposures (sum of rows 3, 11, 16 and 19)	4 197 350	4 204 572	4 172 248	4 183 991
Leverage ratio				
22 Basel III leverage ratio	16.91	22.05	16.42	21.67

The table above provides a reconciliation of the total assets in the published financial statements to the leverage ratio exposure measure, for the year ended 30 June 2022.

12. Liquidity

The 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.

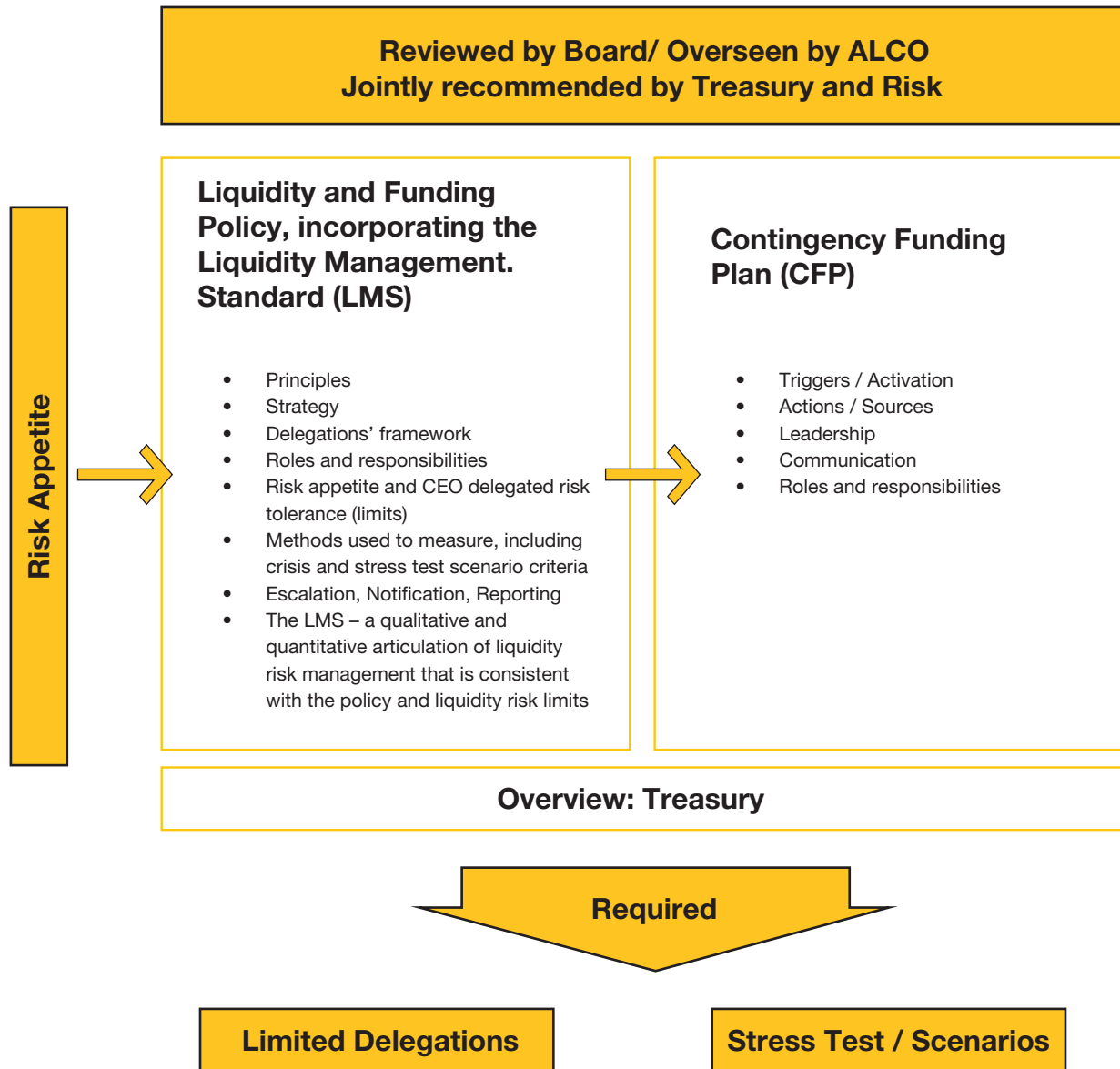


Figure 1: Liquidity Risk Framework

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. The LRF has clearly documented and communicated responsibilities and accountabilities; and is considered adequate by the 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 the Bank’s funding sources, complies with the liquidity requirements of relevant regulators, and directly supports the qualitative requirements of the SARB/ PA.

The 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 (excludes deposits held in the Bank's SAMOS settlement account).

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 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 done within prescribed internal limits set out in the aforementioned policies, as well as in compliance with regulatory liquidity, market, and credit risk limits.



12.1 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.

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

At 30 June 2022	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	2 787 642	2 787 642	2 787 642	2 787 642
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	2 842 179	284 218	2 842 179	284 218
3 Stable deposits				
4 Less stable deposits	2 842 179	284 218	2 842 179	284 218
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	61 878	-	61 878	-
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	3 104 058	284 218	3 104 058	284 218
Cash inflows				
17 Secured lending (eg reverse repo)				
18 Inflows from fully performing exposures	485 399	485 399	485 399	485 399
19 Other cash inflows	974	487	974	487
20 TOTAL CASH INFLOWS	486 373	485 886	486 373	485 886
		Total adjusted value		Total adjusted value
21 Total HQLA		2 787 642		2 787 642
22 Total net cash outflows		71 054		71 054
23 Liquidity coverage ratio (%)		3 923		3 923

- The daily average utilised to calculate the above percentage consisted of 181 data points, representative of the number of working days during the 6-month period from 01 January 2022 to 30 June 2022.
- The weighted value represents the cashflow amount under a stressed scenario as a percentage of the unweighted value.

Developments during the financial year:

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.

During the third quarter of 2021 the PA published Directive 8 of 2021 to withdraw the temporary relief measure related to the liquidity coverage ratio (LCR) implemented at the onset of the Coronavirus (Covid-19) pandemic stress period. As stated in the Directive and based on the above, banks were directed to comply with the following revised minimum LCR requirement:

With effect from:	Minimum LCR
1 January 2022	90%
1 April 2022	100%

12.2 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 overreliance on short-term funding and promote long-dated 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 and proposed phasing in of product offerings, and the proposed liquid assets to be held, place the Bank in a position to be fully compliant with the prescribed limits.

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



LIQ2 (Group): Net Stable Funding Ratio

At 30 June 2022 R'000	Group				
	Unweighted value by residual maturity				Weighted value
	No maturity*	<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item					
1 Capital:	6 514 687	-	-	-	6 514 687
2 <i>Regulatory capital</i>	6 514 687				6 514 687
3 <i>Other capital instruments</i>		-			-
4 Retail deposits and deposits from small business customers:	-	3 278 717	-	-	2 950 845
5 <i>Stable deposits</i>					
6 <i>Less stable deposits</i>		3 278 717			2 950 845
7 Wholesale funding:	-	-	-	-	-
8 <i>Operational deposits</i>					
9 <i>Other wholesale funding</i>		-			-
10 Liabilities with matching interdependent assets					
11 Other liabilities:	-	208 653	-	-	-
12 <i>NSFR derivative liabilities</i>					
13 <i>All other liabilities and equity not included in the above</i>	-	208 653	-	-	-
14 Total ASF					9 465 532
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)		1 489 727	866 197	1 047 001	170 146
16 Deposits held at other financial institutions for operational purposes	-	75 182	-	-	3 759
17 Performing loans and securities:	-	201 760	15 059	-	37 854
<i>Performing loans to financial institutions secured by Level 1</i>					
18 HQLA					
<i>Performing loans to financial institutions secured by non-Level 1</i>					
19 HQLA and unsecured performing loans to financial institutions		201 587	15 059	-	37 768
<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central</i>					
20 <i>banks and PSEs, of which:</i>		173			87
<i>With a risk weight of less than or equal to 35% under the Basel</i>					
21 <i>II standardised approach for credit risk</i>					
22 <i>Performing residential mortgages, of which:</i>					
<i>With a risk weight of less than or equal to 35% under the Basel</i>					
23 <i>II standardised approach for credit risk</i>					
<i>Securities that are not in default and do not qualify as HQLA,</i>					
24 <i>including exchange-traded equities</i>					-
25 Assets with matching interdependent liabilities					
26 Other assets:	5 804 701			246 299	6 051 000
27 <i>Physical traded commodities, including gold</i>					
<i>Assets posted as initial margin for derivative contracts and</i>					
28 <i>contributions to default funds of CCPs</i>					
29 <i>NSFR derivative assets</i>					
<i>NSFR derivative liabilities before deduction of variation margin</i>					
30 <i>posted</i>					
31 <i>All other assets not included in the above categories</i>	5 804 701			246 299	6 051 000
32 Off-balance sheet items					
33 Total RSF					6 262 759
34 Net Stable Funding Ratio (%)					151.14

LIQ2 (Bank): Net Stable Funding Ratio

At 30 June 2022

R'000	Bank				
	Unweighted value by residual maturity				Weighted value
	No maturity*	<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item					
1 Capital:	6 443 561	-	-	-	6 443 561
2 Regulatory capital	6 443 561	-	-	-	6 443 561
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers:	-	3 278 718	-	-	2 950 846
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	-	3 278 718	-	-	2 950 846
7 Wholesale funding:	-	-	-	-	-
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	-	-	-	-
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	-	208 653	-	-	-
12 NSFR derivative liabilities	-	-	-	-	-
13 All other liabilities and equity not included in the above categories	-	208 653	-	-	-
14 Total ASF					9 394 407
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)	-	1 489 727	866 197	1 047 001	170 146
16 Deposits held at other financial institutions for operational purposes	-	75 182	-	-	3 759
17 Performing loans and securities:	-	201 760	15 059	-	37 854
18 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing loans to financial institutions secured by non-Level 1	-	-	-	-	-
19 HQLA and unsecured performing loans to financial institutions	-	201 587	15 059	-	37 768
Performing loans to non-financial corporate clients, loans to retail	-	-	-	-	-
20 and small business customers, and loans to sovereigns, central banks	-	173	-	-	87
With a risk weight of less than or equal to 35% under the Basel II	-	-	-	-	-
21 standardised approach for credit risk	-	-	-	-	-
22 Performing residential mortgages, of which:	-	-	-	-	-
With a risk weight of less than or equal to 35% under the Basel II	-	-	-	-	-
23 standardised approach for credit risk	-	-	-	-	-
Securities that are not in default and do not qualify as HQLA,	-	-	-	-	-
24 including exchange-traded equities	-	-	-	-	-
25 Assets with matching interdependent liabilities	-	-	-	-	-
26 Other assets:	5 758 348	-	-	246 300	6 004 648
27 Physical traded commodities, including gold	-	-	-	-	-
Assets posted as initial margin for derivative contracts and	-	-	-	-	-
28 contributions to default funds of CCPs	-	-	-	-	-
29 NSFR derivative assets	-	-	-	-	-
NSFR derivative liabilities before deduction of variation margin	-	-	-	-	-
30 posted	-	-	-	-	-
31 All other assets not included in the above categories	5 758 348	-	-	246 300	6 004 648
32 Off-balance sheet items	-	-	-	-	-
33 Total RSF					6 216 407
34 Net Stable Funding Ratio (%)					151.12

During the period under review the Bank's NSFR remained above the minimum Regulatory requirement of 100%.

13. Annual Remuneration Disclosures

The bank is required to make certain qualitative and quantitative remuneration disclosures on an annual basis in terms of Basel Pillar 3 disclosure requirements.

The following remuneration disclosures have been prepared in accordance with the Tyme Bank board's approved policy.

The quantitative information relates to material risk-takers for the financial year to 30 June 2022.

30 June 2022	Material risk-takers	
	30-Jun-22	30-Jun-21
R'000		
Number of material risk-takers	1	1

13.1 Remuneration Governance Framework

The Remuneration Committee is the main governing body for remuneration across the company. This committee develops the remuneration philosophy, framework, and policies for board approval.

The main purpose of the Committee is to fulfil the statutory function and responsibilities of a remuneration and human resources committee as contemplated in section 64C of the Banks Act in respect of both the Company as well as Tyme Bank.

The Committee assists the Board with remuneration by performing the functions set out in Section 64C (2) of the Banks Act, namely:

- overseeing the compensation system's design and operation;
- exercising competent and independent judgement on compensation policies, processes, and practices and the incentives created for managing risk, capital, and liquidity;
- evaluating practices by which compensation is paid for potential future revenues in respect of which the timing and likelihood of realisation remain uncertain;
- ensuring that all relevant decisions are consistent with the assessment of the bank or controlling company's financial condition and future prospects;
- collaborating closely with the controlling company's risk and capital management committee to evaluate incentives created by the compensation system;
- ensuring that compensation policies, processes and procedures comply with regulatory requirements;
- conducting an annual compensation review. The review is independent of management and assesses the entities' compliance with regulations.
- ensuring that the remuneration of employees in the risk control and compliance functions is determined independently of all relevant business areas, and is adequate to attract qualified and experienced staff;

- verifying that performance measures are based principally on the achievement of board approved objectives; and

In addition to the statutory functions above, the Board has mandated the committee to review and oversee Human Resources policies and strategies aimed at creating and sustaining the technical and managerial excellence required to support the attainment of Tyme Bank's objectives.

13.2 Remuneration Policy

The Remuneration Policy applies to all controlled entities of Tyme Bank, including all executives and employees on individual contracts and all board members

The Remuneration Policy sets out:

- the remuneration principles that guide the design of Tyme Bank's remuneration framework;
- the remuneration framework that delivers remuneration principles; and
- the policies used to manage remuneration within the remuneration framework and the risk management framework.

The board has determined that Tyme Bank's remuneration policies should:

- meet high standards of governance and all applicable regulatory requirements and guidelines;
- align with the vision, values, and strategy;
- be mindful of the interests of stakeholders including shareholders, employees, customers, and the community;
- be communicated to relevant stakeholders clearly and easy to understand.
- support avoiding conflicts of interest; and
- encourage behaviour that supports the long-term financial soundness and risk management framework.



13.3 Remuneration Framework

The structure of remuneration arrangements for most employees consists of the following components:

- fixed remuneration (FR); and
- short-term incentive (STI) (at risk).

The following table outlines the key remuneration components. The variable remuneration components are based on performance against key financial and non-financial measures.

Element	Description	Applies to:
Fixed Remuneration (FR)	<ul style="list-style-type: none"> • Base remuneration • For the Chief Executive Officer (CEO) and Company executives: Reviewed annually. • For other employees: Reviewed annually taking into account any change in scope of role performed by the individual, changes required to meet the principles of the Company Remuneration Policy, internal equity and market competitiveness. FR is approved by the individual's direct manager and the next level manager in the reporting line, Chief Human Resource Officer (CHRO) and CEO. 	All employees
Variable Remuneration (at risk)	<ul style="list-style-type: none"> • The current variable remuneration instrument includes Cash (non-deferred). • Cash is the only instrument which can be payable upfront and not deferred. 	See STI below
Short-term incentive (STI)	<ul style="list-style-type: none"> • STI awards are discretionary and recognise annual performance over the financial year. Performance is measured using a key performance indicator (KPI). 	All eligible permanent employees (Employees are eligible to participate in variable remuneration arrangements applicable to their position)

13.4 Linking Remuneration to Performance

Variable remuneration is directly linked to both short-term and long-term performance goals of TymeBank. All employees are assessed against specific KPIs. Any discretionary STI award is linked to both Tyme Bank and individual performance outcomes.

The key performance areas for the CEO as of 30 June 2022 were:

Performance Category	Measures
Shareholder	<ul style="list-style-type: none">Contribute to the financial results of the Group and achieve the SA business plan.
Customer	<ul style="list-style-type: none">Deliver an exceptional customer experience.
Strategy	<ul style="list-style-type: none">Achieve role specific strategic initiatives that contribute to the success of the business.
People and Community	<ul style="list-style-type: none">Effective leadership.



13.5 Quantitative disclosures

There were no special or deferred payments made during the year for exits of any Material risk-takers or Senior Managers. The table below provides a breakdown of the value of fixed and variable remuneration for material risk-takers for the last 2 financial years

REM1 (Group): Remuneration awarded during the financial year

30 June 2022 R'000	Material risk-takers	
	30-Jun-22	30-Jun-21
Number of material risk-takers	1	1
Fixed remuneration	4 706	7 756
Cash base (non-deferred)	4 706	7 756
Other (non-deferred)	-	-
Variable Remuneration	2 457	2 041
Cash-based (non-deferred)	-	-
Cash-based (deferred)	-	-
Share-based payment reserve	2 457	2 041
Other	-	-

There were no special payments made during the year for any Material risk-takers or Senior Managers.



14. 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

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
LCEP	Large Credit Exposure Policy
LCR	Liquidity coverage ratio
LRF	Liquidity Risk Framework
LTI	Long-term Incentive
NIER	Net interest exposures at risk
NII	Net interest income
NSFR	Net stable funding ratio
ORMF	Operational Risk Management Framework
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
STI	Short-term Incentive (refer terms for explanation)
SME	Small to Medium Enterprises
T1	Tier 1 capital
T2	Tier 2 capital
TB	Treasury Bill
TTS	Tyme Technical Solutions Proprietary Limited

Appendix B - Terms

Key Terms

Term	Description
Board	The Board of Directors of the Company.
Executives	Key management personnel (excluding the CEO) who are members of the Tyme Bank executive committee.
Fixed Remuneration (FR)	Consists of cash and non-cash remuneration, including any salary sacrifice items, paid regularly with no performance conditions (base remuneration) plus employer contributions to superannuation.
Group	Tyme Bank Limited and all its majority-owned subsidiaries.
Key performance indicators (KPIs)	Quantitative and qualitative measures, agreed at the start of the performance year to communicate expected performance outcomes at the Company, business unit and / or team and individual level.
Long-term variable remuneration (LTVR)	A variable remuneration arrangement which grants instruments to participating Executives that may vest over a period of four years if, and to the extent that, performance hurdles are met.
Short-term incentive (STI)	Variable remuneration paid subject to the achievement of predetermined performance hurdles over one financial year.
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.
Variable Remuneration (VR)	Remuneration that depends on minimum performance standards being achieved within a defined period.