



BASEL
PILLAR III
DISCLOSURE
AT
31 DECEMBER 2023

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Scope

In terms of Regulation 43(1) of the Regulations relating to Banks, the Bank is required to 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 has been prepared in accordance with the BCBS Pillar III framework and the Pillar III disclosure related directives as issued by the PA.

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 Group does not contain any subsidiaries 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, the 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 above the regulatory minimum capital adequacy requirements. December 2023 marked the Bank's first month of profitable operations since inception. Whilst profitability levels were aided by the seasonal impact of higher customer transaction volumes, this achievement highlights the sustainability of the Bank's business model.

The Pillar III disclosures are published on Tyme Bank's website in line with the required frequency of disclosures per the Directive issued by the Prudential Authority of the South African Reserve Bank. These disclosures are also supplemented by further disclosures on the financial results included in the Annual Financial Statements that are available at www.tyembank.co.za.



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Assurance

This document is prepared in accordance with Tyme Bank's Public Disclosure Policy and has been reviewed by Senior Management, Risk, Internal Audit and members of the 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 capitalised above the prescribed regulatory required capital limits as well as the Board of Directors (the Board) approved Risk Appetite Statement (RAS) limit.

1. Key metrics (at consolidated level)

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 (LCR), and net stable funding ratio (NSFR).

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

At 31 December 2023 R'000	Group				
	a	b	c	d	e
	31-Dec-23 T	30-Sep-23 T-1	30-Jun-23 T-2	31-Mar-23 T-3	31-Dec-22 T-4
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	694 967	657 345	720 570	461 167	569 061
1a Fully loaded ECL accounting model	694 967	657 345	720 570	461 167	569 061
2 Tier 1	694 967	657 345	720 570	461 167	569 061
2a Fully loaded accounting model Tier 1	694 967	657 345	720 570	461 167	569 061
3 Total capital	714 417	676 004	738 460	478 667	584 834
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	3 188 551	2 774 379	2 757 309	2 285 532	2 178 207
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	21.80	23.69	26.13	20.18	28.70
5a Fully loaded ECL accounting model CET1 (%)	21.80	23.69	26.13	20.18	28.70
6 Tier 1 ratio (%)	21.80	23.69	26.13	20.18	28.70
6a Fully loaded ECL accounting model Tier 1 ratio (%)	21.80	23.69	26.13	20.18	28.70
7 Total capital ratio (%)	22.41	24.37	26.78	20.94	29.50
7a Fully loaded ECL accounting model total capital ratio (%)	22.41	24.37	26.78	20.94	29.50
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	14.30	16.19	15.63	9.68	18.20
Basel III Leverage Ratio					
13 Total Basel III leverage ratio measure	6 638 527	5 796 542	5 119 265	4 449 698	4 597 345
14 Basel III leverage ratio (%) (row 2/row 13)	10.47	11.34	14.08	10.36	12.38
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	10.47	11.34	14.08	10.36	12.38
Liquidity Coverage Ratio					
15 Total HQLA	3 610 808	3 534 062	2 956 730	2 320 214	3 028 547
16 Total net cash outflow	210 935	193 297	208 264	167 971	85 841
17 LCR ratio (%) ²	1 712	1 828	1 420	1 381	3 528
Net Stable Funding Ratio					
18 Total available stable funding	13 272 677	13 023 820	12 318 545	11 392 828	11 282 721
19 Total required stable funding	9 658 456	9 559 864	8 192 330	7 931 729	7 779 604
20 NSFR ratio (%) ³	137	136	150	144	145

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 supports 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.

2. Credit Risk

The Bank has a comprehensive and effective Risk Management Framework, which includes 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 they support the Bank in achieving its strategic goals, through comprehensive identification, assessment, mitigation, monitoring, management, and reporting of credit risk.

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. Concentration risk is managed from a number of perspectives and whilst the credit portfolio is heavily weighted towards SME lending, concentrations within the different product portfolios are managed through the setting of either Board risk appetite limits for material risks or at the Enterprise Risk and Compliance Committee (ERCC) level for less material risks. Limits have been set for exposures to D-SIB banks, non-D-SIB banks and Asset Managers individually, per category and also on a combined basis. Larger customer exposures, above R5m are assessed at the Credit Approval and Large Exposures Committee (CALEC) and those above R10m are tabled for Board approval.

Credit risk arises from the Bank's current activities, consisting of interbank placements, minimum reserving requirements, investing in Treasury Bills and Government Bonds for liquid asset requirements and lending to SME's and consumers. The lending products include Merchant Cash Advances which offers working capital finance to small and medium business owners and a small portfolio of consumer lending, made up of personal loans, buy-now-pay-later (MoreTyme), early grant access (GrantAdvance) and early salary access (TymeAdvance) portfolios. During the period, the Merchant Cash Advance remained as the most significant exposure. The Bank is now scaling lending on a measured basis as acceptable risk outcomes are realised.

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 risk weighted assets (RWA) on credit exposures. 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).

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 of 31 December 2023.

CR1 (Group): Credit Quality of assets

At 31 December 2023 R'000		Group				
		a	b		c	d
		Defaulted exposures	Carrying values of Non-defaulted exposures		Allowances/ impairments	Net values (a+b-c)
1	Loans	4 478	2 068 309	186 098	1 886 689	
2	Debt securities	-	3 293 345	539	3 292 806	
3	Off-balance sheet exposures	-	885 007	-	885 007	
4	Total	4 478	6 246 661	186 637	6 064 502	

CR1 (Bank): Credit Quality of assets

At 31 December 2023 R'000		Bank				
		a	b		c	d
		Defaulted exposures	Carrying values of Non-defaulted exposures		Allowances/ impairments	Net values (a+b-c)
1	Loans	4 478	2 066 676	186 097	1 885 057	
2	Debt securities	-	3 293 345	539	3 292 806	
3	Off-balance sheet exposures	-	885 007	-	885 007	
4	Total	4 478	6 245 028	186 636	6 062 870	

CR2 Changes in stock of defaulted loans and debt securities

At 31 December 2023 R'000	Bank	Group	
1	Defaulted loans and debt securities at the end of the previous reporting period	4 601	4 601
2	Loans and debt securities that have defaulted since the last reporting period	109 448	109 448
3	Returned to non-default status	0	0
4	Amounts written off	109 571	109 571
5	Other changes	0	0
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	4 478	4 478

Credit risk is the potential loss arising from failure of a customer or counterparty to meet their contractual obligation to the Bank. The 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.

2.2 Credit Risk Mitigation Techniques

CR3 (Group): Credit risk mitigation techniques – overview

At 31 December 2023 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	1 886 689	0	0	0	0	0	0
2	Debt securities	3 292 806	0	0	0	0	0	0
3	Total	5 179 495	0	0	0	0	0	0
4	Of which defaulted	4 478	0	0	0	0	0	0

CR3 (Bank): Credit risk mitigation techniques – overview

At 31 December 2023 R'000		Bank						
		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	1 885 057	0	0	0	0	0	0
2	Debt securities	3 292 806	0	0	0	0	0	0
3	Total	5 177 863	0	0	0	0	0	0
4	Of which defaulted	4 478	0	0	0	0	0	0

The Bank currently has no credit risk mitigation i.e. collateral, netting arrangements, etc. in the calculation of the RWAs, as it is primarily engaged in unsecured lending. Robust governance processes, policies and the use of statistical models are employed to manage this risk.

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 of 31 December 2023.

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

At 31 December 2023
R'000

Asset classes	Group							
	a	b	c		d	e		f
	Exposures pre CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density			
	On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density (%)		
1 Sovereigns and their central banks	4 347 280	-	4 347 280	-	-	-		
4 Banks	38 142	-	38 142	-	19 628	51.46		
5 Securities firms	-	-	-	-	-	-		
6 Corporates	12 782	1 982	12 782	-	12 782	100.00		
7 Regulatory retail portfolios	2 022 321	883 026	2 022 325	-	1 523 893	75.35		
11 Past-due loans	4 478	-	169	-	169	100.00		
13 Other assets	316 595	-	316 595	-	316 595	100.00		
14 Total	6 741 598	885 007	6 737 293	-	1 873 067	426.81		

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

At 31 December 2023
R'000

Asset classes	Bank							
	a	b	c		d	e		f
	Exposures pre CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density			
	On-balance sheet	Off-balance sheet	On-balance sheet	Off-balance sheet	RWA	RWA density (%)		
1 Sovereigns and their central banks	4 347 280	-	4 347 280	-	-	-		
4 Banks	36 503	-	36 503	-	19 301	52.88		
6 Corporates	12 782	1 982	12 782	-	12 782	100.00		
7 Regulatory retail portfolios	2 022 321	883 026	2 022 325	-	1 523 724	75.35		
11 Past-due loans	4 478	-	169	-	169	100.00		
13 Other assets	314 841	-	314 841	-	314 841	100.00		
14 Total	6 738 205	885 007	6 733 900	-	1 870 817	428.22		

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

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 of 31 December 2023.

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

At 31 December 2023		Group									
R'000		a	b	c	d	e	f	g	h	i	j
		Risk Weight									Total credit exposures amount (post CCF and post-CRM)
Asset classes		0%	10%	20%	35%	50%	75%	100%	150%	Others	
1	Sovereigns and their central banks	4 347 280	-	-	-	-	-	-	-	-	4 347 280
4	Banks	-	-	23 142	-	-	-	15 000	-	-	38 142
6	Corporates	-	-	-	-	-	-	12 782	-	-	12 782
7	Regulatory retail portfolios	-	-	-	-	153	1 994 099	28 073	-	-	2 022 325
11	Past-due loans	-	-	-	-	-	-	169	-	-	169
13	Other assets	-	-	-	-	0	0	316 595	-	-	316 595
14	Total	4 347 280	0	23 142	0	153	1 994 099	372 619	0	0	6 737 293

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

At 31 December 2023		Bank									
R'000		a	b	c	d	e	f	g	h	i	j
		Risk Weight									Total credit exposures amount (post CCF and post-CRM)
Asset classes		0%	10%	20%	35%	50%	75%	100%	150%	Others	
1	Sovereigns and their central banks	4 347 280	-	-	-	-	-	-	-	-	4 347 280
4	Banks	-	-	21 503	-	-	-	15 000	-	-	36 503
6	Corporates	-	-	-	-	-	-	12 782	-	-	12 782
7	Regulatory retail portfolios	-	-	-	-	153	1 994 099	28 073	-	-	2 022 325
11	Past-due loans	-	-	-	-	-	-	169	-	-	169
13	Other assets	-	-	-	-	-	-	314 841	-	-	314 841
14	Total	4 347 280	0	21 503	0	153	1 994 099	370 865	0	0	6 733 900

3. Composition of Risk Weighted Assets (RWA)

The following OV1 templates reflect the composition of the RWA and related minimum capital requirements.

Credit RWA exclude counterparty credit risk but include a combination of credit and other risk-weighted exposures.

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

At 31 December 2023		Group		
		a	b	c
R'000		Risk-weighted assets		* MCR
		31-Dec-23	30-Sep-23	31-Dec-23
		T	T-1	T
1	Credit risk (excluding counterparty credit risk) 1	1 872 899	1 782 210	215 383
2	Of which: standardised approach (SA)	1 872 899	1 782 210	215 383
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	-	-	-
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in 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	-	386	-
21	Of which: standardised approach (SA)	-	386	-
22	Of which: internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk 2	1 315 652	991 783	151 300
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)	3 188 551	2 774 379	366 683

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

At 31 December 2023

R'000

		Bank		
		a	b	c
		Risk-weighted assets		* MCR
		31-Dec-23	30-Sep-23	31-Dec-23
		T	T-1	T
1	Credit risk (excluding counterparty credit risk) 1	1 870 814	1 779 895	215 144
2	Of which: standardised approach (SA)	1 870 814	1 779 895	215 144
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	-	-	-
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-
	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal	-	-	-
18	assessment approach	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	-	386	-
21	Of which: standardised approach (SA)	-	386	-
22	Of which: internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk 2	1 314 792	990 871	151 201
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)	3 185 606	2 771 152	366 345

* 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)

- The year-on-year increase in credit risk is largely attributable to the growth experienced in the Bank's Advances book following the acquisition of Retail Capital in December 2022.
- Market risk is mainly attributable to the Bank's net open foreign currency position related to foreign supplier invoices.

4. 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:
 - requirements of relevant regulators, including the Prudential Authority; and
 - the governance and control standards of the 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.

The Board has also approved an Interest Rate Risk in the Banking Book (IRRBB) policy which includes risk measurement methodologies and limit structures, including excess notification/escalation/approval levels, supporting controls, and definitions.

Foreign exchange risk is limited to the Bank's exposure to suppliers who are paid in foreign currency. However, during the reporting period, the Bank had no forex exposure.

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

At 31 December 2023 R'000	Group	Bank
	a	a
	Capital charge in SA 31-Dec-23	Capital charge in SA 31-Dec-23
1 General interest rate risk		
2 Equity risk		
3 Commodity risk		
4 Foreign exchange risk	0	0
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	-	-

5. Leverage ratio

The leverage ratio is defined as total exposures expressed as percentage of Tier 1 capital. The total exposures used in the calculation does not contain any securities financing transactions (SFTs) or adjustments for derivatives. 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 31 December 2023 R'000	Group	Bank
	31-Dec-23	
1 Total consolidated assets as per published financial statements	7 744 398	7 741 011
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)	88 501	88 501
7 Other adjustments	1 194 372	1 194 372
8 Leverage ratio exposure measure	6 638 527	6 635 140

Other adjustments includes the Goodwill arising from the acquisition of Retail Capital.

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

At 31 December 2023 R'000	Group		Bank	
	a 31 December 2023	b 30 September 2023	a 31 December 2023	b 30 September 2023
On-balance sheet exposures				
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	7 744 398	6 888 008	7 741 011	5 717 946
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	1 194 372	1 172 226	1 194 372	5 526
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	6 550 026	5 715 782	6 546 639	5 712 420
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)	-	-	-	-
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	885 010	807 600	885 007	807 600
18 (Adjustments for conversion to credit equivalent amounts)	(796 509)	(726 840)	(796 507)	(726 840)
19 Off-balance sheet items (sum of rows 17 and 18)	88 501	80 760	88 501	80 760
Capital and total exposures				
20 Tier 1 capital	694 967	657 345	694 581	672 594
21 Total exposures (sum of rows 3, 11, 16 and 19)	6 638 527	5 796 542	6 635 140	5 793 180
Leverage ratio				
22 Basel III leverage ratio	10.47	11.34	10.47	11.61

The table above provides a reconciliation of the total assets as reported in the Regulatory Returns to calculate the leverage ratio exposure measure, for the period under review.

6. 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.

CC1 (Group & Bank): Composition of regulatory capital

At 31 December 2023
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	8 021 565	(a)	7 274 463	(a)
2 Retained earnings	(7 110 275)	(b)	(6 825 720)	(b)
3 Accumulated other comprehensive income (and other reserves)	791 412		1 253 573	
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	1 702 702		1 702 316	
Common Equity Tier 1 capital: regulatory adjustments				
7 Prudent valuation adjustments				
8 Goodwill (net of related tax liability)	884 034		884 034	
9 Other intangibles other than mortgage servicing rights (net of related tax liability)	123 701	(c)	123 701	(c)
Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)		(d)		(d)
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	1 007 735		1 007 735	
29 Common Equity Tier 1 capital (CET1)	694 967		694 581	
44 Additional Tier 1 capital (AT1)	0		0	
45 Tier 1 capital (T1= CET1 + AT1)	694 967		694 581	
58 Tier 2 capital (T2)	19 450		19 450	
59 Total regulatory capital (TC = T1 + T2)	714 417		714 031	
60 Total risk-weighted assets	3 188 551	(e)	3 185 606	(e)
Capital ratios and buffers				
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	21.80		21.80	
62 Tier 1 (as a percentage of risk-weighted assets)	21.80		21.80	
63 Total capital (as a percentage of risk-weighted assets)	22.41		22.41	
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.	14.30		14.30	
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	-		-	
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

CC2: Reconciliation of regulatory capital to balance sheet

At 31 December 2023
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
	31-Dec-23	31-Dec-23		31-Dec-23	31-Dec-23	
Assets						
Property, plant and equipment	113 051	113 051		113 051	113 051	
Right of use asset	26 691	26 691		26 691	26 691	
Goodwill and other intangible assets	1 007 736	1 007 736		1 007 736	1 007 736	
Trade and other receivables	150 633	150 633		148 878	148 878	
Financial assets	3 307 803	3 307 803		3 307 803	3 307 803	
Inventories	52 382	52 382		52 382	52 382	
Current tax receivable	10 530	10 530		10 530	10 530	
Customer advances	1 816 938	1 816 938		1 816 938	1 816 938	
Cash and cash equivalents	1 071 998	1 071 998		1 070 366	1 070 366	
Total assets	7 557 761	7 557 761		7 554 374	7 554 374	
Equity and Liabilities						
Share capital	1 271 990	1 271 990		1 157 875	1 157 875	
Share premium	6 749 575	6 749 575		6 115 445	6 115 445	
Reserves	791 413	791 413		1 253 573	1 253 573	
Accumulated loss	(7 110 275)	(7 110 275)		(6 824 577)	(6 824 577)	
Total equity	1 702 703	1 702 703		1 702 316	1 702 316	
Trade and other payables	975 566	975 566		972 566	972 566	
Current Tax liability	-	-		-	-	
Lease liabilities	27 592	27 592		27 592	27 592	
Provisions	39 166	39 166		39 166	39 166	
Deposits received from customers	4 812 734	4 812 734		4 812 734	4 812 734	
Total liabilities	5 855 058	5 855 058		5 852 058	5 852 058	
Total equity and liabilities	7 557 761	7 557 761		7 554 374	7 554 374	

7. 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 31 December 2023	Group		Bank	
	a Total unweighted value (average)	b Total weighted value (average)	a Total unweighted value (average)	b Total weighted value (average)
R'000				
High-quality liquid assets				
1 Total HQLA	3 610 808	3 610 808	3 610 808	3 610 808
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	4 522 294	391 407	4 522 294	391 407
3 Stable deposits	915 979	30 775	915 979	30 775
4 Less stable deposits	3 606 315	360 632	3 606 315	360 632
5 Unsecured wholesale funding, of which:	46 548	-	46 548	-
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-
7 Non-operational deposits (all counterparties)	-	-	-	-
8 Unsecured debt	46 548	-	46 548	-
9 Secured wholesale funding	91 304	-	91 304	-
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	861 418	21 535	861 418	21 535
16 TOTAL CASH OUTFLOWS	5 521 565	412 942	5 521 565	412 942
Cash inflows				
17 Secured lending (eg reverse repo)	-	-	-	-
18 Inflows from fully performing exposures	365 573	202 007	362 879	199 313
19 Other cash inflows	-	-	-	-
20 TOTAL CASH INFLOWS	365 573	202 007	362 879	199 313
		Total adjusted value		Total adjusted value
21 Total HQLA		3 610 808		3 610 808
22 Total net cash outflows		210 935		213 629
23 Liquidity coverage ratio (%)		1712		1690

- The daily average utilised to calculate the above percentage consisted of 92 data points, representative of the number of working days during the 3-month period from 01 October 2023 to 31 December 2023.
- The weighted value represents the cashflow amount as a prescribed percentage of the unweighted value.
- Other contingent funding obligations relates to the inclusion of revocable undrawn credit facilities emanating from the Bank's lending products (More Tyme and Tyme Advance).

8. 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 NSFRs for the Group and Bank, respectively.

LIQ2 (Group): Net Stable Funding Ratio

At 31 December 2023 R'000	Group				
	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:	8 832 428	-	-	-	8 832 428
2 Regulatory capital	8 832 428	-	-	-	8 832 428
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers:	-	4 311 653	492 352	8 728	4 384 929
5 Stable deposits	-	559 573	492 352	8 728	1 008 057
6 Less stable deposits	-	3 752 080	-	-	3 376 872
7 Wholesale funding:	-	-	-	55 320	55 320
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	-	-	55 320	55 320
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	-	984 004	-	-	-
12 NSFR derivative liabilities	-	-	-	-	-
13 All other liabilities and equity not included in the above categories	-	984 004	-	-	-
14 Total ASF					13 272 677
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)	-	2 313 590	900 424	1 265 575	171 282
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities:	-	1 499 567	544 163	3 944	1 018 848
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	-	18 204	15 000	-	10 231
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1 481 363	529 163	3 944	1 008 617
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:	8 118 010	-	-	306 066	8 424 076
27 Physical traded commodities, including gold	-	-	-	-	-
28 Assets posted as initial margin for derivative contracts and contributions to default funds of	-	-	-	-	-
29 NSFR derivative assets	-	-	-	-	-
30 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
31 All other assets not included in the above categories	8 118 010	-	-	306 066	8 424 076
32 Off-balance sheet items	885 007	-	-	-	44 250
33 Total RSF					9 658 456
34 Net Stable Funding Ratio (%)					137

LIQ2 (Bank): Net Stable Funding Ratio

At 31 December 2023 R'000	Bank				
	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:	8 547 485	-	-	-	8 547 485
2 Regulatory capital	8 547 485	-	-	-	8 547 485
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers:	-	4 311 654	492 352	8 728	4 384 930
5 Stable deposits	-	559 573	492 352	8 728	1 008 057
6 Less stable deposits	-	3 752 081	-	-	3 376 873
7 Wholesale funding:	-	-	-	55 320	55 320
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	-	-	55 320	55 320
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	-	984 004	-	-	-
12 NSFR derivative liabilities	-	-	-	-	-
13 All other liabilities and equity not included in the above categories	-	984 004	-	-	-
14 Total ASF					12 987 735
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)	-	2 313 590	900 424	1 265 575	171 282
16 Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17 Performing loans and securities:	-	1 497 935	544 163	3 944	1 018 603
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	-	16 572	15 000	-	9 986
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1 481 363	529 163	3 944	1 008 617
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:	7 586 053	-	-	428 012	8 014 065
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	7 586 053	-	-	428 012	8 014 065
32 Off-balance sheet items	885 007	-	-	-	44 250
33 Total RSF					9 248 200
34 Net Stable Funding Ratio (%)					140

During the period under review, the Bank's NSFR remained relatively stable and above the minimum regulatory requirement of 100%.

9. Appendix A - Terms

Key Terms

Term	Description
Bank	Tyme Bank Limited
Board	The Board of Directors of the Bank
Executives	Key management personnel (excluding the CEO) who are members of the Bank Executive committee
Group	Tyme Bank Holdings Limited and all its majority-owned subsidiaries