BASEL PILLAR III DISCLOSURE AS AT 31 DECEMBER 2019

It's Tyme for a new way of banking.

TymeBank is South Africa's first digital bank. We are driven by the conviction that broadening economic participation will unlock human potential in our country.

Tyme

Scope

In terms of regulation 43(1) of the Regulations, Tyme Bank must disclose in its disclosures to the public, reliable, relevant and timely qualitative and quantitative information. This will enable users of that information, among other things, to make an accurate assessment of the group's (TTS & Tyme Bank Holdings) financial condition. In this regard the Basel Committee on Banking Supervision (BCBS) issued a revised Pillar III framework in January 2015 and the consolidated and enhanced framework in March 2017 as well as the updated framework on Pillar III disclosure requirements in December 2018.

The PA is proposing the removal of Pillar III disclosure requirements from the Regulations through Directive 1/2019 (the directive) in order to create a single point of reference for the disclosure requirements to ensure that the internationally agreed Pillar III framework is fully implemented.

This document complies with Regulation 43 of the Regulations relating to Banks (where not superseded by the revised Pillar 3 disclosure requirements), the BCBS Pillar 3 disclosure requirements and the directive. It presents information on the capital adequacy, risk-weighted assets (RWAs), and calculations for credit, market, and operational risks for the period 01July 2019 to 31 December 2019.

All 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. A pilot project for unsecured personal loans commenced in H2 2019 but exposures remain immaterial at this point.

For the period under review (01 July 2019 to 31 December 2019), the group continues to maintain a robust capital, liquidity and funding position. Throughout the period, the CET1 ratio was always consistently well in excess of regulatory minimum capital adequacy requirements.
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 Management and by members of the Board through the Risk, Compliance and Capital Management committee. For the reporting period, the Board is satisfied that this document provides an accurate view of the bank's capital position and that the bank is well capitalised above the prescribed regulatory required capital limits as well as the Board approved Risk Appetite Statement (RAS) and trigger limits. The information in this report has undergone a review by internal audit and senior management.

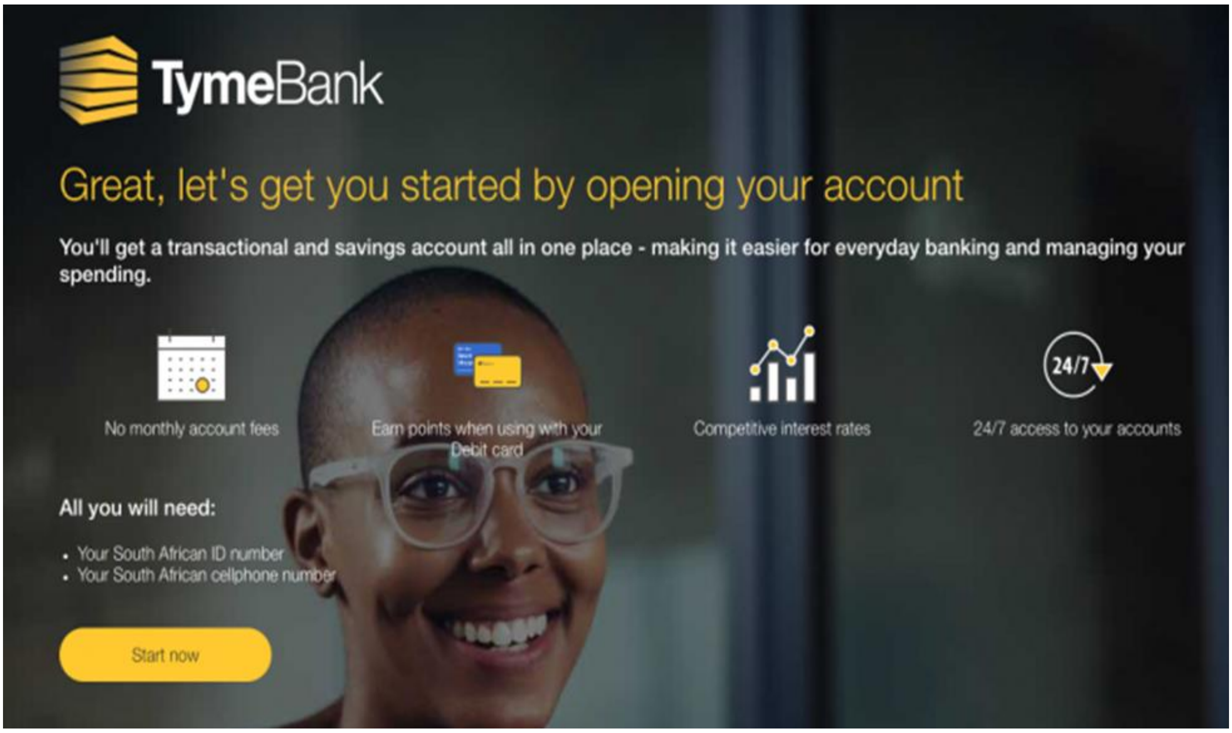
TymeBank
Great, let's get you started by opening your account
You'll get a transactional and savings account all in one place - making it easier for everyday banking and managing your spending.
No monthly account fees
Earn points when using with your Debit card
Competitive interest rates
24/7
24/7 access to your accounts
All you will need:
• Your South African ID number
• Your South African cellphone number
Start now

Table of Contents

1. Key metrics (at consolidated level)

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

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

		Group				
At 31 Dec 2019		a	b	c	d	e
R'000		31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19	31-Dec-18
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	428 693	463 880	590 065	485 450	546 442
1a	Fully loaded ECL accounting model	428 693	463 880	590 065	485 450	546 442
2	Tier 1	428 693	463 880	590 065	485 450	546 442
2a	Fully loaded accounting model Tier 1	428 693	463 880	590 065	485 450	546 442
3	Total capital	**428 693**	**463 880**	**590 065**	**485 450**	**546 442**
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	555 922	456 469	479 324	576 318	580 019
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	77.11	101.62	123.10	84.23	94.21
6	Tier 1 ratio (%)	77.11	101.62	123.10	84.23	94.21
7	Total capital ratio (%)	**77.11**	**101.62**	**123.10**	**84.23**	**94.21**
7a	Fully loaded ECL accounting model total capital ratio (%)					
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	2.50	1.88
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	1.88
12	CET1 available after meeting the bank's minimum capital requirements (%) [1]	74.61	91.12	112.60	73.73	84.34
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	1 081 056	952 168	945 389	727 693	711 267
14	Basel III leverage ratio (%) (row 2/row 13)	**39.66**	**48.72**	**62.42**	**66.71**	**76.83**
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)					
Liquidity Coverage Ratio						
15	Total HQLA	348 435	261 836	144 011	156 252	126 334
16	Total net cash outflow	9 155	7 177	998	687	26
17	LCR ratio (%) [2]	**3 805.90**	**3 648.19**	**14 436.11**	**22 759.02**	**490 556.42**
Net Stable Funding Ratio						
18	Total available stable funding	4 383 335	3 846 058	3 499 670	3 183 902	2 909 967
19	Total required stable funding	3 762 256	3 288 461	2 991 711	2 895 392	2 614 373
20	NSFR ratio (%) [3]	**116.51**	**116.96**	**116.98**	**109.96**	**111.31**

Notes:

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.

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

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

2. Credit Risk

Tyme Bank has a comprehensive and effective Risk Management Framework, which include 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 Tyme 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 an immaterial percentage of unsecured personal loans booked as part of the pilot project, concentration risk arising from interdependencies between customers (large credit exposures) and concentrations of exposures to geographical regions, industry sectors, and products or portfolio types.

On a daily basis, Tyme Bank calculates its risk exposures arising from large exposures to a single obligor and groups of related obligors, expressed as a percentage of its qualifying capital requirement (QCR), as required by the Credit Concentration Framework and defined within the Credit Risk Policy (CRP). These exposures are internally monitored daily and reported to the Asset and Liability Committee (ALCO) on a monthly and quarterly basis, as well as to the PA in line with regulatory requirements and the CRF.

The credit risk arising from Tyme Bank's current activities, are limited to unsecured personal loans, interbank placements, minimum reserving requirements, and investing in Treasury Bills for liquid asset requirements. Whilst the majority of Tyme Bank's future lending is anticipated to be relatively small retail exposures large credit exposure limits have been set by taking sections 73(1) and 73(2) of the Banks Act, 1990 into account, and are contained in the CRP. These limits have been set in order to govern the authority of management with regards to the amount of credit provided to a single obligor, or group of related obligors in order to prevent concentration risk. This limits the risk of catastrophic loss through over-exposure 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 and the "other risk" category to the consolidated RWAs, as the bank is still in pilot phase related to credit extension.

For regulatory capital purposes, the standardised approach has been adopted to determine RWA on credit exposure. Tyme Bank has built a robust credit risk model and has also ensured the impairments models are aligned to IFRS 9 requirements.

2.1 Credit Quality of Assets

The following tables reflect the credit quality of both on- and off-balance-sheet assets and the impact of impairments as at 31 December 2019.

CR1 (Group): Credit Quality of assets

At 31 Dec 2019 R'000		Group			
		a	b	c	d
		Carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	12	405 918	60	405 871
2	Debt securities		490 771	-	490 771
3	Off-balance sheet exposures		-	-	-
4	**Total**		**896 689**	**60**	**896 749**

CR1 (Bank): Credit Quality of assets

At 31 Dec 2019 R'000		Bank			
		a	b	c	d
		Carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	12	405 825	60	405 777
2	Debt securities		490 771	-	490 771
3	Off-balance sheet exposures		-	-	-
4	**Total**		**896 596**	**60**	**896 655**

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

Tyme Bank has a Credit Risk Policy in place which defines how credit risk is effectively managed across the various credit offerings, which includes short to medium term bank placements. The Credit Risk Policy underpins the Credit Risk Framework and contains detailed parameters related to the management of credit risk.

The bank now has default information to disclose for the period under review. The bank has introduced personal loans on a pilot testing basis to a few carefully selected staff members and customers in order to launch the pilot project. The default amounts reported relates to testing as part of the pilot project, which aimed to test all facets of a personal loan including default. The bank continues to place funds with reputable and established South African banks.

2.2 Credit Risk Mitigation Techniques

CR3 (Group): Credit risk mitigation techniques – overview

At 31 Dec 2019 R'000		Group						
		a	b	c	d	e	f	g
			Exposures secured by:					
		Exposures unsecured: carrying amount	Collateral	Collateral of which: secured amount	Financial guarantees	Financial guarantees, of which: secured amount	Credit derivatives	Credit derivatives, of which: secured amount
1	Loans	405 918						
2	Debt securities	490 771						
3	**Total**	**896 689**						
4	Of which defaulted	12						

CR3 (Bank): Credit risk mitigation techniques – overview

At 31 Dec 2019 R'000		Bank						
		a	b	c	d	e	f	g
			Exposures secured by:					
		Exposures unsecured: carrying amount	Collateral	Collateral of which: secured amount	Financial guarantees	Financial guarantees, of which: secured amount	Credit derivatives	Credit derivatives, of which: secured amount
1	Loans	405 825						
2	Debt securities	490 771						
3	**Total**	**896 596**						
4	Of which defaulted	12						

Notes:

1 All exposures not secured by either by eith guarantees or collateral is regarded as unsecured.

The bank adopted a prudent approach with the pilot project, with the intent to test end-to-end credit risk systems and processes to ensure they were operating effectively before lending is scaled. Once the learnings from the pilot project are implemented, the bank plans to offer unsecured loans to its clients and the market.

2.3 Credit Exposures by Asset Class

The following tables reflect the credit exposure per asset class, pre and post credit conversion factors (CCF) and credit risk mitigation (CRM), as at 31 December 2019.

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

At 31 Dec 2019 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	512 826		512 826		-	-
4 Banks	486 591		486 591		120 206	24.70
7 Regulatory retail portfolios	688		688		516	75.00
11 Past-due loans	12		3		2	50.00
13 Other assets	180 251		180 251		180 251	100.00
14 Total	**1 180 368**		**1 180 359**		**300 974**	**25.50**

CR4 table based on average figures

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

At 31 Dec 2019 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	512 826		512 826		-	0.00
4 Banks	448 352		448 352		119 502	26.65
7 Regulatory retail portfolios	688		688		516	75.00
11 Past-due loans	12		3		2	50.00
13 Other assets	180 258		180 258		180 258	100.00
14 Total	**1 142 136**		**1 142 128**		**300 278**	**26.29**

CR4 table based on average figures

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

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

2.4 Credit Exposures by Asset Class and Risk Weights

The following table reflects the risk weights per asset class and post credit conversion factors (CCF) and credit risk mitigation (CRM) as at 31 December 2019.

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

At 31 Dec 2019 R'000	Group									
	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	512 826									512 826
4 Banks			449 301				37 290			486 591
7 Regulatory retail portfolios					3	688				691
13 Other assets							180 251			180 251
14 Total	**512 826**		**449 301**		**3**	**688**	**217 541**			**1 180 359**

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

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

At 31 Dec 2019 R'000	Bank									
	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	512 826									512 826
4 Banks			411 062				37 290			448 352
7 Regulatory retail portfolios					3	688				691
13 Other assets							180 258			180 258
14 Total	**512 826**		**411 062**		**3**	**688**	**217 548**			**1 142 128**

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

Notes:

1 Exposure values reported in table CR5 reconcile to the aggregate exposure of columns (c) and (d) in table CR4, allocated across specified risk weight bands.

3. Operational Risk

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

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

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

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

- Governance;
- management, measurement, and systems;

- analytics, review, reporting; and
- people and culture.

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

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

As indicated in the table below, the bank applies the Basic Indicator Approach (BIA) in order to calculate the required amount of capital and reserve funds in respect of operational risk to be held. These values have experienced a downward movement, since 30 June 2018, resulting in a decrease in the total risk weighted exposure.

Operational risk is calculated on a semi-annual basis with the most recent recalculation done in December 2019. The new calculation amounted to a lower operational risk number at bank level, due to previously forecasted numbers for 2019 being replaced with actual losses as signed-off in our annual financial statements.

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

At 31 Dec 2019	Group		Bank	
R'000	31-Dec-19	30-Jun-19	31-Dec-19	30-Jun-19
Relevant risk exposure	92 882	97 150	81 590	96 031
Capital requirements	13 932	14 572	12 239	14 405
Risk weighted exposure equivalent amount	174 153	182 155	152 981	180 057

4. Composition of Risk Weighted Assets (RWA)

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

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

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

At 31 Dec 2019		Group			
		a	b		c
		Risk-weighted assets			* MCR
R'000		31-Dec-19	30-Sep-19	30-Jun-19	31-Dec-19
1	**Credit risk (excluding counterparty credit risk)** 1	**300 974**	**273 627**	**297 169**	**31 602**
2	Of which: standardised approach (SA)	300 974	273 627	297 169	31 602
20	**Market risk**	**123**	**24**	**-**	**13**
21	Of which: standardised approach (SA)	123	24	-	13
22	Of which: internal model approaches (IMA)				
23	Capital charge for switch between trading book and banking book				
24	**Operational risk** 2	**174 153**	**182 818**	**182 155**	**18 286**
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)**	**475 250**	**456 469**	**479 324**	**49 901**

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

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

At 31 Dec 2019		Bank			
		a	b		c
		Risk-weighted assets			* MCR
R'000		31-Dec-19	30-Sep-19	30-Jun-19	31-Dec-19
1	**Credit risk (excluding counterparty credit risk)** 1	**300 278**	**271 463**	**292 835**	**31 529**
2	Of which: standardised approach (SA)	300 278	271 463	292 835	31 529
20	**Market risk**	**123**	**24**	**0**	**13**
21	Of which: standardised approach (SA)	123	24	0	13
22	Of which: internal model approaches (IMA)				
23	Capital charge for switch between trading book and banking book				
24	**Operational risk** 2	**152 981**	**172 458**	**180 057**	**16 063**
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)**	**453 382**	**443 944**	**472 892**	**47 605**

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

- Credit RWA increased slightly from the previous quarter due to cash placements with banks.
- Operational RWA (recalculated on a 6-monthly basis) decreased from the previous quarter as forecast numbers are replaced with signed-off annual financial statements data.
- Uptick in market risk due to an open foreign currency position held at month-end caused by foreign vendor invoices not settled by month-end.

The bank is yet to extend credit to the public but intends launching credit products during the first half of 2020. The planned pilot project currently underway includes a small number of selected staff members and customers, as mentioned in the above. The main driver in the bank's increased risk weighted assets (RWA) is increased cash placements with other South African banks and a marginal increase as a result of the increased exposure in the personal loans pilot. The cash placements are short to medium term in nature and the RWA movement is directly related to the aforementioned bank placements.

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

Foreign exchange risk is limited to Tyme Bank's exposure to suppliers and third parties who are paid in foreign currency.

5. Market Risk

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

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

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

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

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

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

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

Foreign Exchange Risk

The Board of Tyme Bank is ultimately responsible for the effective management of foreign currency holdings and foreign exchange risk. Consequently, a Foreign Exchange Risk Management policy was drafted and approved by Board in December 2019. The framework prescribes the authorities, governance and monitoring structures, duties and responsibilities, processes, methodologies and standards which have to be implemented and adhered to in order for the Board to discharge their obligations in this regard, acting through the Tyme Bank ALCO and Risk committees.

Tyme Bank is currently not an Authorised Dealer in foreign exchange and will therefore not have exposures, positions and holdings in foreign exchange that require monitoring and management. However, it does have foreign exchange exposures to foreign liabilities (supplier invoices denominated in foreign currency) and must therefore report these exposures to the Prudential Authority on a regular basis. Regulation 29(3) of the amended Banks Act measures and limits the aggregate effective net open position in foreign exchange (“NOP”). The limits are currently set at 10 per cent of the net qualifying capital and reserve funds of the reporting bank (Tyme Bank Limited).

In addition to the regulatory prudential limit on foreign exchange risk, the Tyme Bank Board have set a Board NOP limit on the Bank’s total foreign exposure at 8% of QCR and a Treasury NOP limit of 7% of QCR as per its Foreign Exchange Management Policy, within the regulatory limit but allowing opportunity for expansion and growth. The Treasury and Board limits and utilisation thereof are continuously monitored and reviewed when necessary. All limits apply per currency as well as in total.

As at 31 December 2019, the foreign exchange risk on the Banking Book related to unsettled foreign vendor invoices amounting to the Rand equivalent of R123 000 (0.03%), well within the approved Treasury (7%) and Board (8%) NOP limits.

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

At 31 Dec 2019 R'000	Group a Capital charge in SA 31-Dec-19	Bank a Capital charge in SA 31-Dec-19
1 General interest rate risk		
2 Equity risk		
3 Commodity risk		
4 Foreign exchange risk	123	123
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	**123**	**123**

At 31 Dec 2019 R'000	Group a Risk Weighted Assets	Bank a
Outright products		
1 Interest rate risk (general and specific)		
2 Equity risk (general and specific)		
3 Foreign exchange risk	10	10
4 Commodity risk		
Options		
5 Simplified approach		
6 Delta-plus method		
7 Scenario approach		
8 Securitisation		
9 Total	**10**	**10**

Tyme Bank is mostly exposed to interest rate risk in the banking book due to the nature of its exposures. All exposures, including securities held (Treasury Bills), are held under the banking book with the intent of holding all positions to maturity.

The bank is monitoring net interest exposures at risk (NIER) as a percentage of its twelve-month forecasted net interest income (NII).

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

In addition to the NIER limits, ALCO will establish interest rate repricing gap limits documented in the interest rate policy framework, supported by the Tyme Bank Treasury Delegations Manual outlining the relevant delegated limits.

6. Composition of Capital

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

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

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

The ability of the Company to continue as going concern beyond the period October 2020 is dependent on a number of factors, the most significant ones being the ongoing support from existing shareholders, the sourcing of capital and funding from potential new shareholders, along with the execution of plans for the scaling of existing services and delivery of new products and features into the market. These conditions give rise to a material uncertainty for the period beyond 31 October 2020, which may cast significant doubt on the bank's ability to continue as a going concern, and therefore that it may be unable to settle its debts as they become due in the normal course of business.

CC1 (Group & Bank): Composition of regulatory capital

At 31 Dec 2019 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	**3 903 877**	(a)	3 705 780	(a)
2 Retained earnings	-3 430 477	(b)	-3 232 300	(b)
3 Accumulated other comprehensive income (and other reserves)				
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	**473 400**		**473 479**	
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)	44 706	(c)	44 706	(c)
10 Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)		(d)		(d)
27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions				
28 Total regulatory adjustments to Common Equity Tier 1	**44 706**		**44 706**	
29 Common Equity Tier 1 capital (CET1)	**428 694**		**428 773**	
44 Additional Tier 1 capital (AT1)	**0**		**0**	
45 Tier 1 capital (T1= CET1 + AT1)	**428 694**		**428 773**	
58 Tier 2 capital (T2)	**0**		**0**	
59 Total regulatory capital (TC = T1 + T2)	**428 694**		**428 773**	
60 Total risk-weighted assets	**555 922**	**(e)**	**453 382**	**(e)**
Capital ratios and buffers				
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	77.11		94.57	
62 Tier 1 (as a percentage of risk-weighted assets)	77.11		94.57	
63 Total capital (as a percentage of risk-weighted assets)	77.11		94.57	
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.	74.61		84.07	
National minima (if different from Basel III)				
69 National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)				
70 National Tier 1 minimum ratio (if different from Basel III minimum)				
71 National total capital minimum (if different from Basel III minimum)				
Amounts below the thresholds for deduction (before risk weighting)				
72 Non-significant investments in the capital and other TLAC liabilities of other financial entities				
73 Significant investments in common stock of financial entities				
74 Mortgage servicing rights (net of related tax liability)				
75 Deferred tax assets arising from temporary differences (net of related tax liability)				
Applicable caps on the inclusion of provisions in Tier 2				
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)				
77 Cap on inclusion of provisions in Tier 2 under standardised approach	1 509		1 509	
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)				
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach				
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)				

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

7. Reconciliation

Tyme Bank does not own any insurance entities nor any other entity which is considered outside the scope of regulatory consolidation, as defined under Regulation 36. There is no difference between the financial balance sheet and the regulatory balance sheet (or balance reported under the scope of regulatory consolidation).

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

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

At 31 Dec 2019	Group			Bank		
R'000	a	b	c	a	b	c
	Balance sheet as per published financial statements	Under regulatory scope of consolidation	* Reference	Balance sheet as per published financial statements	Under regulatory scope of consolidation	* Reference
	31-Dec-19			31-Dec-19		
Assets						
Property, plant and equipment	71 789	71 789	(e)	71 789	71 789	(e)
Intangible assets	44 706	44 706	(c)	44 706	44 706	(c)
Trade and other receivables	108 462	108 462		108 469	108 469	(e)
Other financial assets	490 771	490 771		490 771	490 771	(e)
Inventory	-	-		-	-	
Term deposit investments	12 597	12 597		12 597	12 597	
Cash and cash equivalents	397 378	397 378		397 284	397 284	
Total assets	**1 125 702**	**1 125 702**		**1 125 616**	**1 125 616**	
Equity and Liabilities						
Share capital	3 903 877	3 903 877	(a)	3 705 780	3 705 780	(a)
Reserves	-	-	(b)	-	-	
Accumulated loss	(3 430 477)	(3 430 477)	(b)	(3 232 300)	(3 232 300)	(b)
Total equity	**473 399**	**473 399**		**473 479**	**473 479**	
Trade and other payables	92 526	92 526	(e)	92 357	92 357	
Provisions	27 046	27 046		27 046	27 046	
Deposits received from customers	532 731	532 731		532 731	532 731	
Total liabilities	**652 303**	**652 303**		**652 134**	**652 134**	
Total equity and liabilities	**1 125 702**	**1 125 702**		**1 125 614**	**1 125 614**	

8. Leverage ratio

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

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

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

At 31 Dec 2019	Group	Bank	Group	Bank
R'000	31-Dec-19		30-Sep-19	
1 Total consolidated assets as per published financial statements	1 125 762	1 125 676	1 046 230	995 634
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	44 706	44 706	143 417	143 417
8 Leverage ratio exposure measure	**1 081 056**	**1 080 969**	**902 813**	**852 217**

The table above provides a reconciliation of the total assets as reported to the PA, to the leverage ratio exposure measure, for quarter ended 31 December 2019.

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

At 31 Dec 2019	Group		Bank	
	a	b	a	b
R'000	31-Dec-19	30-Sep-19	31-Dec-19	30-Sep-19
On-balance sheet exposures				
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1 125 762	1 046 230	1 125 676	1 087 523
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	44 706	94 062	44 706	143 417
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	**1 081 056**	**952 168**	**1 080 970**	**944 106**
Derivative exposures				
4 Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-	-	-
5 Add-on amounts for PFE associated with *all* derivatives transactions	-	-	-	-
6 Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-
7 (Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-	-
8 (Exempted CCP leg of client-cleared trade exposures)	-	-	-	-
9 Adjusted effective notional amount of written credit derivatives	-	-	-	-
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-
11 Total derivative exposures (sum of rows 4 to 10)				
Securities financing transactions				
12 Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	-	-	-	-
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-
14 CCR exposure for SFT assets	-	-	-	-
15 Agent transaction exposures	-	-	-	-
16 Total securities financing transaction exposures (sum of rows 12 to 15)				
Other off-balance sheet exposures				
17 Off-balance sheet exposure at gross notional amount	-	-	-	-
18 (Adjustments for conversion to credit equivalent amounts)	-	-	-	-
19 Off-balance sheet items (sum of rows 17 and 18)				
Capital and total exposures				
20 Tier 1 capital	**428 693**	**463 880**	**428 773**	**590 535**
21 Total exposures (sum of rows 3, 11, 16 and 19)	**1 081 056**	**952 168**	**1 080 970**	**944 106**
Leverage ratio				
22 Basel III leverage ratio	**39.66**	**48.72**	**39.67**	**62.55**

9. Liquidity

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

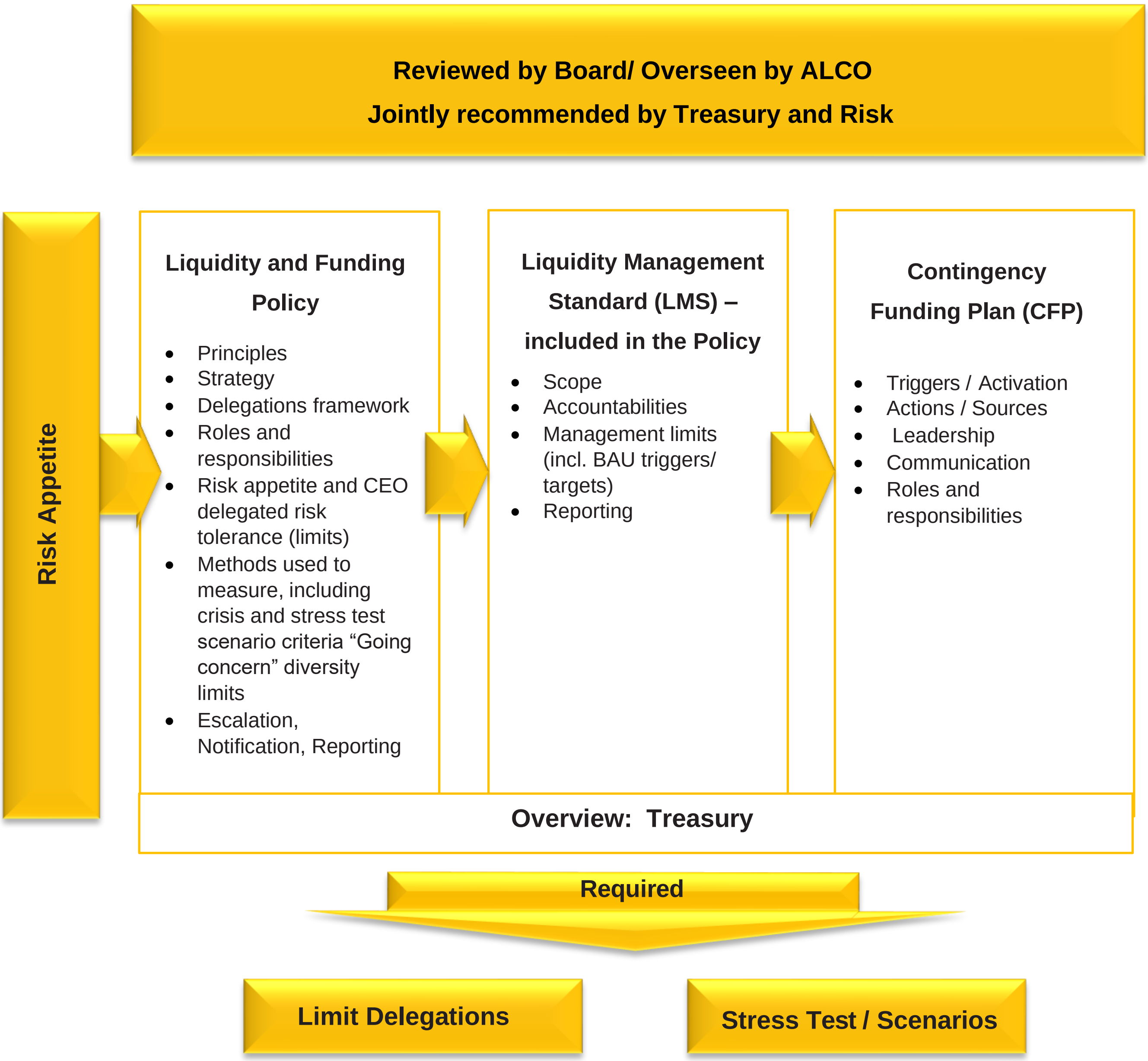

Figure 1: Liquidity Risk Framework

The LRF provides robust governance, risk management measures and techniques, and execution of liquidity risk and funding risk activities. It is consistent with Tyme

Bank’s risk management, governance, and control standards, except to any extent required by local regulatory conditions. The LRF has clearly documented and communicated responsibilities and accountabilities; and is adequate, in the view of the Tyme Bank Board, for managing liquidity risk at a prudent level under both normal conditions and in periods of stress. It furthermore also duly specifies, implements, and maintains appropriate limits in respect of Tyme Bank’s funding sources, complies with the liquidity requirements of relevant regulators, and directly supports the qualitative requirements of the SARB/ PA.

In addition to this framework, the Board is also required to approve and review the following documents in the framework, at least annually:

- Liquidity Management Standard
- Contingency Funding Plan

Tyme Bank calculates and reports to the PA 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 and central bank deposits.

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

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

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

The bank will also consider more appropriate risk mitigation techniques in line with balance sheet growth and maturity.

9.1 Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) requires institutions to hold sufficient high-quality liquid assets (HQLA) to meet their 30-day net cash outflows projected under the Prudential Authority's prescribed stress scenario. Tyme Bank maintained an average daily LCR in excess of 2000% for the reporting period to 31 December 2019.

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

At 31 Dec 2019	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	-	348 435	-	348 435
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	366 205	36 621	366 205	36 621
3 Stable deposits				
4 Less stable deposits	366 205	36 621	366 205	36 621
5 Unsecured wholesale funding, of which:				
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks				
7 Non-operational deposits (all counterparties)				
8 Unsecured debt				
9 Secured wholesale funding	-	-	-	-
10 Additional requirements, of which:	-	-	-	-
11 Outflows related to derivative exposures and other collateral requirements				
12 Outflows related to loss of funding of debt products				
13 Credit and liquidity facilities				
14 Other contractual funding obligations	-	-	-	-
15 Other contingent funding obligations	200 000	-	200 000	-
16 TOTAL CASH OUTFLOWS	566 205	36 621	566 205	36 621
Cash inflows				
17 Secured lending (eg reverse repo)				
18 Inflows from fully performing exposures	464 348	464 348	464 348	464 348
19 Other cash inflows				
20 TOTAL CASH INFLOWS	464 348	464 348	464 348	464 348
		Total adjusted value		Total adjusted value
21 Total HQLA	-	348 435	-	348 435
22 Total net cash outflows	-	9 155	-	9 155
23 Liquidity coverage ratio (%)	-	3 806	-	3 806

- The daily average used to calculate the above percentage consisted of 184 data points, representative of the number of workings days during the 12-month period from 1 July 2019 to31 December 2019.
- The weighted value represents the cashflow amount under a stressed scenario as a % of the unweighted value.

The main contributing factors for the movement in the LCR were:

- The bank has acquired additional Treasury Bills during the period under review resulting in an increase in the average high-quality liquid asset (HQLA) holdings. The bank continues to build its liquid assets portfolio to ensure compliance with both the growing regulatory requirements, as well as creating sufficient liquidity.
- The total net outflows continued to increase due to an increase in customer deposits as expected during this period.

Tyme Bank regularly benchmarks and aligns its policy framework against existing prudential and regulatory standards. Potential developments in South African and international standards and global best practice are also considered.

The high-quality liquid assets (HQLA) consist of the bank's initial purchase of a Treasury Bill (TB), as well as additional cash placed with the Prudential Authority (PA) in the bank's reserving account.
All in- and outflows within the prescribed 30-day horizon have been considered in line with the requirements specified under regulation 28, and with the exclusion of operational expenses.

9.2 Net Stable Funding Ratio

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

The current balance sheet 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 all prescribed limits. This is further influenced by the short-term to medium term nature of all current bank placements but offset by current regulatory capital adjustments.

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

LIQ2 (Group): Net Stable Funding Ratio

At 31 Dec 2019	Group				
R'000	Unweighted value by residual maturity				
	No maturity*	<6 months	6 months to <1 year	≥1 year	Weighted value
Available stable funding (ASF) item					
1 Capital:	3 903 877	-	-	-	3 903 877
2 *Regulatory capital*	3 903 877				3 903 877
3 *Other capital instruments*					-
4 Retail deposits and deposits from small business customers:	-	532 731	-	-	479 458
5 *Stable deposits*					
6 *Less stable deposits*		532 731			479 458
7 Wholesale funding:	-	-	-	-	-
8 *Operational deposits*					
9 *Other wholesale funding*					
10 Liabilities with matching interdependent assets					
11 Other liabilities:	-	92 526	-	-	-
12 *NSFR derivative liabilities*					
13 *All other liabilities and equity not included in the above*	-	92 526	-		-
14 Total ASF					**4 383 335**
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					24 539
16 Deposits held at other financial institutions for operational purposes	660	4 349	-	-	217
17 Performing loans and securities:	-	381 305	-	24 625	82 066
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*		380 605		24 625	81 716
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:*		700			350
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 liabilities:					3 655 434
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*	3 475 184			180 251	3 655 434
32 Off-balance sheet items					
33 Total RSF					**3 762 256**
34 Net Stable Funding Ratio (%)					**116.51**

LIQ2 (Bank): Net Stable Funding Ratio

At 31 Dec 2019	Bank				
R'000	Unweighted value by residual maturity				
	No maturity*	**<6 months**	**6 months to <1 year**	**≥1 year**	**Weighted value**
Available stable funding (ASF) item					
1 Capital:	3 705 780	-	-	-	3 705 780
2 *Regulatory capital*	3 705 780				3 705 780
3 *Other capital instruments*					-
4 Retail deposits and deposits from small business customers:	-	532 731	-	-	479 458
5 *Stable deposits*					
6 *Less stable deposits*		532 731			479 458
7 Wholesale funding:	-	-	-	-	-
8 *Operational deposits*					
9 *Other wholesale funding*					
10 Liabilities with matching interdependent assets					
11 Other liabilities:	-	92 357	-	-	-
12 *NSFR derivative liabilities*					
13 *All other liabilities and equity not included in the above categories*	-	92 357	-		
14 Total ASF					**4 185 238**
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)		403 788	86 983	0	24 539
16 Deposits held at other financial institutions for operational purposes	660	4 349			217
17 Performing loans and securities:	-	381 212	-	24 625	82 052
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*		380 512		24 625	81 702
20 *Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central*		700			350
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 liabilities:					3 457 265
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*	3 277 007			180 258	3 457 265
32 Off-balance sheet items					
33 Total RSF					**3 564 073**
34 Net Stable Funding Ratio (%)					**117.43**

- The NSFR remained relatively unchanged since 30 June 2019.
- Continued increase in customer deposits as expected
- Bank placements reduced as more capital funds are used to acquire Treasury Bills

10. Appendices

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

Appendix A - Abbreviations

Key Abbreviations

Abbreviation	Description
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
CCF	Credit conversion factor
CCR	Counterparty credit risk
CEO	Chief executive officer
CET1	Common Equity Tier 1 capital
CFP	Contingency funding plan
CRF	Credit Risk Framework
CRM	Credit risk mitigation
CRO	Chief Risk Officer
ERCC	Enterprise Risk and Compliance Committee
EWI	Early warning indicator
EXCO	Executive committee
FX	Foreign Exchange
HQLA	High quality liquid assets
IFRS	International Financial Reporting Standard
IRRBB	Interest Rate Risk in the Banking Book
LCE	Large credit exposure
LCEP	Large Credit Exposure Policy
LCR	Liquidity coverage ratio
LRF	Liquidity Risk Framework
NIER	Net interest exposures at risk
NII	Net interest income
NSFR	Net stable funding ratio
ORMF	Operational Risk Management Framework
QCR	Qualifying capital requirement
RAS	Risk appetite statement
RSF	Required stable funding
RMF	Risk Management Framework
RWA	Risk-weighted asset
SARB	South African Reserve Bank
SFT	Securities financing transactions
SME	Small to Medium Enterprises
T1	Tier 1 capital
T2	Tier 2 capital
TB	Treasury Bill
TTS	Tyme Technical Solutions Proprietary Limited