



BASEL
PILLAR III
DISCLOSURE
AT
31 DECEMBER 2021



Scope

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

This document complies with the requirements of the Directive and provides information on the market, capital adequacy, risk-weighted assets (RWAs), calculations for credit and operational risks for the period under review viz. July 2021 to December 2021.

All Tyme Bank entities are reported under the Basel III Standardised Approach and fully consolidated in line with regulatory and International Financial Reporting Standards (IFRS) requirements. There is no difference between the balance sheet and the balance sheet under the scope of regulatory consolidation, as the structure does not contain any insurance or other

entities which are to be excluded from the regulatory consolidation in terms of regulations 36(7)(a)(iii) and 36(10)(c)(ii) of the Regulations relating to Banks.

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

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

For the period under review, the Group continues to maintain a robust capital, liquidity and funding position. Throughout the period, the Common Equity Tier 1 capital (CET1) ratio was consistently well in excess of regulatory minimum capital adequacy requirements. As a newly established entity and in line with business forecasts, Tyme Bank is currently still dependent on shareholder funding to support its monthly cashflow requirements.

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

Assurance

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

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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, RWA, leverage ratio, liquidity coverage ratio (LCR), and net stable funding ratio (NSFR) of the Group's performance over time.

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

At 31 December 2021 R'000	Group				
	a 31-Dec-21	b 30-Sep-21	c 30-June-21	d 31-Mar-21	e 31-Dec-20
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	475,890	493,497	533,626	777,987	430,596
2 Tier 1	475,890	493,497	533,626	777,987	430,596
3 Total capital	476,144	493,947	534,008	779,462	431,315
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	582,707	425,101	558,486	460,359	430,907
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	81.67	116.09	95.55	169.00	99.93
6 Tier 1 ratio (%)	81.67	116.09	95.55	169.00	99.93
7 Total capital ratio (%)	81.71	116.20	95.62	169.32	100.09
7a Fully loaded ECL accounting model total capital ratio (%)	81.71	116	96	169	100
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	71.17	105.59	85.05	158.50	89.43
Basel III Leverage Ratio					
13 Total Basel III leverage ratio measure	3,384,653	3,562,183	2,890,627	2,980,410	2,169,252
14 Basel III leverage ratio (%) (row 2/row 13)	14.06	13.85	18.46	26.10	19.85
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)					
Liquidity Coverage Ratio					
15 Total HQLA	2,509,083	1,963,002	1,604,513	1,490,421	1,316,051
16 Total net cash outflow	62,988	53,759	44,429	38,173	34,418
17 LCR ratio (%) ²	3,983.41	3,651.46	3,611.37	3,904.34	3,823.73
Net Stable Funding Ratio					
18 Total available stable funding	8,304,124	7,892,020	7,495,221	7,221,169	6,416,275
19 Total required stable funding	5,697,864	5,480,663	5,361,516	5,171,518	4,865,447
20 NSFR ratio (%) ³	145.74	144.00	139.80	139.63	131.87

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

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

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

While not a significant risk at present, credit risk at a portfolio level includes the management of concentration risk arising from interdependencies between customers (large credit exposures) and concentrations of exposures to geographical regions, industry sectors, and products or portfolio types.

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

Credit risk arises from Tyme Bank's current activities, which are limited to interbank placements, minimum reserving requirements, investing in Treasury Bills and Government Bonds for liquid asset requirements and a small personal loan and Buy-Now-Pay-Later (MoreTyme) portfolios. The testing of personal loans commenced in Q4 2019 but was subsequently put on hold in April 2020 due to the expected impact of the Covid-19 pandemic on consumers and credit models. As part of the bank's prudent risk management approach, the organisation has subsequently embarked on testing an innovative Buy-Now-Pay-Later (BNPL) product, called MoreTyme, in the market and has built up a small portfolio in this regard. MoreTyme allows a customer to purchase a product by paying a 50% deposit 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.

In addition, credit risk furthermore arises due to the bank's exposure to asset managers and the introduction of the new TymeAdvance product. TymeAdvance gives a customer access to

the portion of the salary that they have earned before their monthly salary pay date. The primary customer benefit is that this creates a quick, safe, affordable way to access funds when they need it. This is especially true for customers with a bad credit record, TymeAdvance is not a credit product, and our counterparty risk lies with the employer so pricing can be kept consistent. The product therefore lowers the risk of an employee not receiving their salary if an employer has cash flow difficulties. Although TymeAdvance is not a credit product, it is treated as a receivable for which RWA is calculated and in turn impacts capital allocation.

For regulatory capital purposes, the standardised approach has been adopted to determine RWA on credit exposure. Tyme Bank had built a robust credit risk model which will need to be reviewed/recalibrated due to the impact Covid-19 will have on the consumers' repayment behaviour once personal loans is reinitiated. Reporting standards comply with the latest regulatory and financial reporting requirements, including IFRS 9: Financial Instruments (IFRS 9). A prudent approach has been taken to the raising of impairments on the bank's lending products and are done according to IFRS 9 requirements.

Whilst the majority of Tyme Bank's lending, in future, 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 into account and are contained in the CRP. These limits have been set to govern the authority of management with regards to the amount of credit provided to a single obligor, or group of related obligors in order to prevent concentration risk. This limits the risk of catastrophic loss through over-exposure due to the failure of a single borrower, or group of related borrowers and/or guarantors (obligors). Whilst credit risk is generally the biggest risk in banking, it currently contributes less than operational risk to the consolidated RWA, as the bank has currently extended limited credit to customers.

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 2021.

CR1 (Group): Credit Quality of assets

At 31 December 2021 R'000		Group				
		a	b		c	d
		Carrying values of		Allowances/ impairments	Net values (a+b-c)	
Defaulted exposures	Non-defaulted exposures					
1	Loans	408	325,304	583	325,129	
2	Debt securities	-	2,675,759	-	2,675,759	
3	Off-balance sheet exposures	-	-	-	-	
4	Total	408	3,001,063	583	3,000,888	

CR1 (Bank): Credit Quality of assets

At 31 December 2021 R'000		Bank			
		a	b	c	d
		Carrying values of		Allowances/ impairments	Net values (a+b-c)
Defaulted exposures	Non-defaulted exposures				
1	Loans	408	308,129	583	307,954
2	Debt securities	-	2,675,759	-	2,675,759
3	Off-balance sheet exposures	-	-	-	-
4	Total	408	2,983,888	583	2,983,713

CR2 Changes in stock of defaulted loans and debt securities

At 31 December 2021 R'000		Bank	Group
1	Defaulted loans and debt securities at the end of the previous reporting period	786	786
2	Loans and debt securities that have defaulted since the last reporting period	-293	-293
3	Returned to non-default status	0	0
4	Amounts written off	47	47
5	Other changes	-38	-38
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	408	408

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 CRP in place which defines how credit risk is effectively managed across the various credit offerings, which includes short to medium term bank placements. The CRP underpins the CRF and contains detailed parameters related to the management of credit risk.

The bank commenced testing personal loans in Q4 2019 and has run the book down since stopping lending entirely in April 2020 due to the expected impact of Covid-19 on consumers. As at December 2021 the exposure of this portfolio was R1.3m.

MoreTyme has been fully implemented and is no longer in the test phase. The portfolios are however being managed according to the regulations and Tyme Bank credit and provisioning policies. A prudent approach has been taken to the raising of impairments on the bank's lending products and are done according to IFRS 9 requirements.

2.2 Credit Risk Mitigation Techniques

CR3 (Group): Credit risk mitigation techniques – overview

At 31 December 2021 R'000		Group						
		a	b	c	d	e	f	g
		Exposures unsecured: carrying amount	Collateral	Collateral of which: secured amount	Exposures secured by:			
Financial guarantees	Financial guarantees, of which: secured amount				Credit derivatives	Credit derivatives, of which: secured amount		
1	Loans	325,129	0					
2	Debt securities	2,675,759	0					
3	Total	3,000,888	0					
4	Of which defaulted	408	0					

CR3 (Bank): Credit risk mitigation techniques – overview

At 31 December 2021 R'000	Bank						
	a	b	c	d	e	f	g
	Exposures unsecured: carrying amount	Exposures secured by:					Credit derivatives, of which: secured amount
Collateral		Collateral of which: secured amount	Financial guarantees	Financial guarantees, of which: secured amount	Credit derivatives		
1 Loans	307,954		0				
2 Debt securities	2,675,759		0				
3 Total	2,983,713		0				
4 Of which defaulted	408		0				

As noted, the bank has unsecured credit related exposure of less than R1.3m and has not provided any secured credit-related facilities and currently has no off-balance-sheet credit exposure. End-to-end credit risk systems and processes were built and enhanced during the testing phase but will be reviewed prior to extending further loans.

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

2.3 Credit Exposures by Asset Class

The following tables reflect the credit exposure per asset class, pre and post credit conversion factors (CCF) and credit risk mitigation (CRM), as of 31 December 2021.

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

At 31 December 2021 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	2,967,801		2,967,801		-	-
4 Banks	409,662		409,662		90,545	22.10
6 Corporates	-		-		-	-
7 Regulatory retail portfolios	844		843		499	59.13
11 Past-due loans	408		79		329	415.14
13 Other assets	204,794		204,794		204,794	100.00
14 Total	3,583,510		3,583,180		296,167	8.27

CR4 table certain amounts based on average figures

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

At 31 December 2021 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	2,967,801		2,967,801		-	0.00
4 Banks	392,488		392,488		90,545	23.07
6 Corporates	-		-		-	-
7 Regulatory retail portfolios	844		843		499	59.13
11 Past-due loans	408		79		329	415.14
13 Other assets	204,793		204,793		204,793	100.00
14 Total	3,566,334		3,566,005		296,166	8.31

CR4 table certain amounts based on average figures

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

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

2.4 Credit Exposures by Asset Class and Risk Weights

The following table reflects the risk weights per asset class and post credit conversion factors (CCF) and credit risk mitigation (CRM) as of 31 December 2021.

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

At 31 December 2021 R'000	Group									
	a	b	c	d	e	f	g	h	i	j
	Risk Weight									
Asset classes	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1 Sovereigns and their central banks	2,967,801									2,967,801
4 Banks			394,603				15,059			409,662
6 Corporates			-							0
7 Regulatory retail portfolios					-	473	370	-		843
11 Past-due loans					4	-	25	51		79
13 Other assets							204,794			204,794
14 Total	2,967,801		394,603		4	473	220,248	51		3,583,180

* 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 December 2021 R'000	Bank									
	a	b	c	d	e	f	g	h	i	j
	Risk Weight									
Asset classes	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1 Sovereigns and their central banks	2,967,801									2,967,801
4 Banks			377,429				15,059			392,488
6 Corporates			-							-
7 Regulatory retail portfolios					-	473	370	-		843
11 Past-due loans					4	-	25	51		79
13 Other assets							204,793			204,793
14 Total	2,967,801		377,429		4	473	220,247	51		3,566,005

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

3. Operational Risk

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

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

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

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

- Governance;
- Management, measurement, and systems;
- Analytics, review, reporting; and
- People and culture.

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 Chief Executive Officer (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).

The ERCC reports to and receives its mandate from the Risk and Capital Management Committee. The ERCC & 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 calculating its operational risk RWA. Operational risk is calculated on a semi-annual basis and these values have experienced an upward movement, since 31 December 2020 as the bank incorporated the three-year AFS gross operating income numbers and relinquished the use of forecast numbers when performing the final year calculation.

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

At 31 December 2021 R'000	Group		Bank	
	31-Dec-21	30-Sep-21	31-Dec-21	30-Sep-21
Relevant risk exposure	141,415	68,332	140,701	101,113
Capital requirements	21,212	10,250	21,105	15,167
Risk weighted exposure equivalent amount	265,154	128,123	263,815	189,587

4. Composition of Risk Weighted Assets

The following OV1 templates reflect the composition of the 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 December 2021		Group			
		a	b		c
R'000		Risk-weighted assets			* MCR
		31-Dec-21	30-Sep-21	30-Jun-21	31-Dec-21
1	Credit risk (excluding counterparty credit risk) 1	296 166	295 630	366 502	31 097
2	Of which: standardised approach (SA)	296 166	295 630	366 502	31 097
11	Equity positions under the simple risk weight approach	20 591	-	-	2 162
12	Equity investments in funds - look-through approach	20 591	0	0	2 162
20	Market risk	796	1 348	358	84
21	Of which: standardised approach (SA)	796	1 348	358	84
22	Of which: internal model approaches (IMA)				
23	Capital charge for switch between trading book and banking book				
24	Operational risk 2	265 154	191 627	191 627	27 841
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)	582 707	488 605	558 486	61 184

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

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

At 31 December 2021		Bank			
		a	b		c
R'000		Risk-weighted assets			* MCR
		31-Dec-21	30-Sep-21	30-Jun-21	31-Dec-21
1	Credit risk (excluding counterparty credit risk) 1	296,166	295,630	366,501	31,097
2	Of which: standardised approach (SA)	296,166	295,630	366,501	31,097
11	Equity positions under the simple risk weight approach	20,591	-	-	2,162
12	Equity investments in funds - look-through approach	20,591			2,162
20	Market risk	796	1,348	358	84
21	Of which: standardised approach (SA)	796	1,348	358	84
22	Of which: internal model approaches (IMA)				
23	Capital charge for switch between trading book and banking book				
24	Operational risk 2	263,815	189,587	189,587	27,701
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)	581,368	486,565	556,446	61,044

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

- Credit Risk RWA increase mainly driven by exposures to local South African banks.
- Lower open foreign currency position at month-end contributed to the decrease in market risk.
- Uptick in operational risk experienced during the time of review predominantly driven by move from forecasted numbers to actual experience.
- During the quarter under review, the bank invested in equity instruments, managed and facilitated through local asset managers and has given rise to equity risk in the banking book.

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:
 - a) Requirements of relevant regulators, including the PA; and
 - b) The governance and control standards of Tyme Bank and the risk principles expressed within the RAS.

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

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

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

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

At 31 December 2021 R'000	Group	Bank
	a	a
	Capital charge in SA 31-Dec-21	Capital charge in SA 31-Dec-21
1 General interest rate risk		
2 Equity risk		
3 Commodity risk		
4 Foreign exchange risk	796	796
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	796	796

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 and Government Bonds), are held under the banking book with the intent of holding all positions to maturity.

The bank is monitoring interest rate risk in the banking book based on 200bps shift in rates. The below table is produced from the bank's budgeted forecast numbers which was approved in February 2021.

Net Interest Income

At 31 December 2021 R'000	Bank	
	31-Dec-21	30-Sep-21
Percentage impact of a parallel rate shock on forecasted NII (%)	2.00	2.00
Twelve-month Forecasted NII (R'000)	380 794	269 285
Cumulative total for 12 months post 2% Parallel Rate shock (R'000)	7 616	5 386

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.

6. Composition of Capital

Regulatory capital currently consists of shareholders equity qualifying as 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.

The capital contribution is in line with the major shareholding as depicted in the structure under the section 'Structure and Consolidated Supervision' above.

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.tyimebank.co.za/about/>).

CC1 (Group & Bank): Composition of regulatory capital

At 31 December 2021
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	5,303,024	(a)	5,255,556	(a)
2 Retained earnings	(5,304,220)	(b)	(5,257,784)	(b)
3 Accumulated other comprehensive income (and other reserves)	477,086		461,085	
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	475,890		458,857	
Common Equity Tier 1 capital: regulatory adjustments				
7 Prudent valuation adjustments				
8 Goodwill (net of related tax liability)				
9 Other intangibles other than mortgage servicing rights (net of related tax liability)	-	(c)	-	(c)
Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)		(d)		(d)
10 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions				
28 Total regulatory adjustments to Common Equity Tier 1	0		-	
29 Common Equity Tier 1 capital (CET1)	475,890		458,857	
44 Additional Tier 1 capital (AT1)	0		0	
45 Tier 1 capital (T1= CET1 + AT1)	475,890		458,857	
58 Tier 2 capital (T2)	254		254	
59 Total regulatory capital (TC = T1 + T2)	476,144		459,111	
60 Total risk-weighted assets	582,707	(e)	581,368	(e)
Capital ratios and buffers				
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	81.67		78.93	
62 Tier 1 (as a percentage of risk-weighted assets)	81.67		78.93	
63 Total capital (as a percentage of risk-weighted assets)	81.71		78.97	
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.	71.17		68.43	
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	254		329	
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)				
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach				
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)				

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

Regulatory change and impact on capital:

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

Financial markets have since largely normalised and as a result the PA announced in the Directive 5/2021(Capital Framework for South Africa based on the Basel III framework), that the Pillar 2A capital requirement temporarily reduced to 0% of risk-weighted exposures for all banks at total capital level since April 2020, will be reinstated (back to 1%) as of January 2022.

The minimum capital of the group remains R250 million, which the bank has exceeded throughout the period under review.

7. Reconciliation

Tyme Bank does not own any entity which is considered outside the scope of regulatory consolidation, as defined under regulation 36. There are differences between the financial balance sheet and the regulatory balance sheet which relate to subsequent audit adjustment (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 December 2021 R'000	Group			Bank		
	a	b	c	a	b	c
	Balance sheet as per published financial statements	Under regulatory scope of consolidation	* Reference	Balance sheet as per published financial statements	Under regulatory scope of consolidation	* Reference
	30-Jun-21	31-Dec-21		30-Jun-21	31-Dec-21	
Assets						
Property, plant and equipment	33 614	100 741		33 614	100 741	
Right of use asset	30 552	-		30 552	-	
Intangible assets	-	-		-	-	
Trade and other receivables	82 760	85 588		82 760	85 593	
Other financial assets	2 222 969	2 675 759		2 222 969	2 675 759	
Inventory	18 458	18 458		18 459	18 459	
Term deposit investments	-	-		-	-	
Term loans	821	1 237		821	1 252	
Cash and cash equivalents	501 835	503 124		498 309	485 934	
Total assets	2 891 009	3 384 907		2 887 484	3 367 738	
Equity and Liabilities						
Share capital	5 458 222	5 303 024		4 878 753	5 255 556	
Reserves	55 338	477 086		432 141	461 085	
Accumulated loss	(4 992 795)	(5 304 220)		(4 793 323)	(5 257 784)	
Total equity	520 765	475 890		517 571	458 857	
Trade and other payables	108 776	76 563		108 444	76 428	
Lease liabilities	31 724	-		31 724	-	
Provisions	28 324	28 274		28 324	28 274	
Deposits received from customers	2 201 421	2 804 178		2 201 421	2 804 178	
Total liabilities	2 370 245	2 909 015		2 369 913	2 908 880	
Total equity and liabilities	2 891 010	3 384 905		2 887 484	3 367 737	

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 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 2021 R'000	Group	Bank	Group	Bank
	31-Dec-21		30-Sep-21	
1 Total consolidated assets as per published financial statements	3,384,907	3,367,738	3,562,633	3,559,113
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	254	329	450	399
8 Leverage ratio exposure measure	3,384,653	3,367,409	3,562,183	3,558,714

The table above provides a reconciliation of the total assets in the published financial statements to the leverage ratio exposure measure, for the year ended 31 December 2021.

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

At 31 December 2021	Group		Bank	
	a	b	a	b
	31 December 2021	30 September 2021	31 December 2021	30 September 2021
R'000				
On-balance sheet exposures				
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	3,384,907	3,562,633	3,367,738	3,559,113
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	254	450	329	399
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	3,384,653	3,562,183	3,367,409	3,558,714
Derivative exposures				
4 Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-	-	-
5 Add-on amounts for PFE associated with <i>all</i> derivatives transactions	-	-	-	-
6 Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-
7 (Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-	-
8 (Exempted CCP leg of client-cleared trade exposures)	-	-	-	-
9 Adjusted effective notional amount of written credit derivatives	-	-	-	-
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-
11 Total derivative exposures (sum of rows 4 to 10)	-	-	-	-
Securities financing transactions				
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-	-	-
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-
14 CCR exposure for SFT assets	-	-	-	-
15 Agent transaction exposures	-	-	-	-
16 Total securities financing transaction exposures (sum of rows 12 to 15)	-	-	-	-
Other off-balance sheet exposures				
17 Off-balance sheet exposure at gross notional amount	-	-	-	-
18 (Adjustments for conversion to credit equivalent amounts)	-	-	-	-
19 Off-balance sheet items (sum of rows 17 and 18)	-	-	-	-
Capital and total exposures				
20 Tier 1 capital	475,890	493,497	458,857	491,231
21 Total exposures (sum of rows 3, 11, 16 and 19)	3,384,653	3,562,183	3,367,409	3,558,714
Leverage ratio				
22 Basel III leverage ratio	14.06	13.85	13.63	13.80

9. Liquidity

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

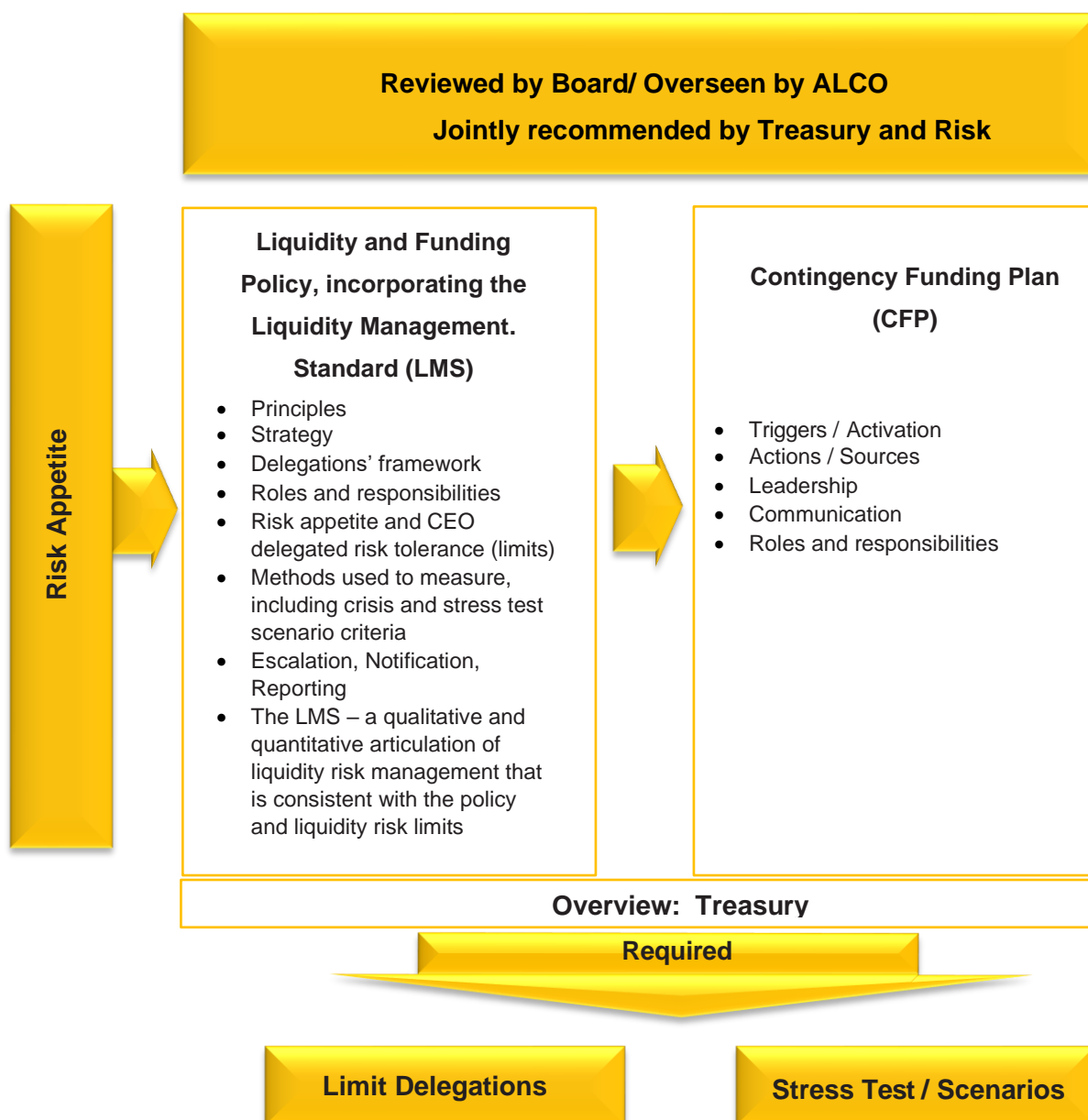


Figure 1: Liquidity Risk Framework

The LRF provides robust governance, risk management measures and techniques, and execution of liquidity risk and funding risk activities. It is consistent with Tyme Bank's risk management, governance, and control standards. 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 South African Reserve Bank (SARB)/PA.

Tyme Bank calculates its 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, consist of Treasury Bills, RSA Government Bonds and Central Bank deposits.

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

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

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

9.1 Liquidity Coverage Ratio

The LCR requires institutions to hold sufficient HQLA to meet their 30-day net cash outflows projected under the PA's prescribed stress scenario. Tyme Bank maintained an average daily LCR in excess of 3000% for the reporting period to 31 December 2021.

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

At 31 December 2021	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	2,509,083	2,509,083	2,509,083	2,509,083
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	2,519,534	251,953	2,519,534	251,953
3 Stable deposits				
4 Less stable deposits	2,519,534	251,953	2,519,534	251,953
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	64,673,913	-	64,673,913	-
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	67,393,447	251,953	67,393,447	251,953
Cash inflows				
17 Secured lending (eg reverse repo)				
18 Inflows from fully performing exposures	538,805	538,805	538,805	538,805
19 Other cash inflows	1,164	582	1,164	582
20 TOTAL CASH INFLOWS	539,969	539,387	539,969	539,387
		Total adjusted value		Total adjusted value
21 Total HQLA		2,509,083		2,509,083
22 Total net cash outflows		62,988		62,988
23 Liquidity coverage ratio (%)		3,983		3,983

- The daily average used to calculate the above percentage consisted of 184 data points, representative of the number of working days during the 6-month period from 01 July 2021 to 31 December 2021.
- The weighted value represents the cashflow amount under a stressed scenario as a percentage of the unweighted value.

Developments during the time of review:

In response to the expected negative impact of Covid-19 on liquidity in financial markets, the LCR requirement was reduced by the PA from 100% to 80% with effect from 01 April 2020 to mitigate the potential liquidity strain on the banking sector, to assist in sustaining the local economy and to maintain financial stability.

The PA in its Directive 8/2021 (Withdrawal of the temporary relief measure related to the liquidity coverage ratio) indicated that the financial markets have since largely normalised, and banks currently have healthy liquidity because of increased deposits, and as such the temporary LCR relief measure implemented with effect from 01 April 2020 is no longer necessary.

As per this Directive, banks have been directed to comply with the following revised minimum LCR requirement:

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

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

The HQLA portfolio consists of the bank's initial purchase of Treasury Bills, RSA Government Bonds as well as additional cash placed with the SARB in the bank's reserving account.

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

9.2 Net Stable Funding Ratio

The 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 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 nature of all current bank placements but offset by current regulatory capital adjustments.

The following table reflects a summary of the NSFRs per the Group and the bank respectively.

LIQ2 (Group): Net Stable Funding Ratio

At 31 December 2021 R'000	Group				
	Unweighted value by residual maturity				Weighted value
	No maturity*	<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item					
1 Capital:	5,780,364	-	-	-	5,780,364
2 <i>Regulatory capital</i>	5,780,364				5,780,364
3 <i>Other capital instruments</i>		-			-
4 Retail deposits and deposits from small business customers:	-	2,804,178	-	-	2,523,760
5 <i>Stable deposits</i>					
6 <i>Less stable deposits</i>		2,804,178			2,523,760
7 Wholesale funding:	-	-	-	-	-
8 <i>Operational deposits</i>					
9 <i>Other wholesale funding</i>		-			-
10 Liabilities with matching interdependent assets					
11 Other liabilities:	-	104,702	-	-	-
12 <i>NSFR derivative liabilities</i>					
13 <i>All other liabilities and equity not included in the above</i>	-	104,702	-	-	-
14 Total ASF					8,304,124
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)		1,017,072	559,536	1,100,129	133,837
16 Deposits held at other financial institutions for operational purposes	-	64,557	-	-	3,228
17 Performing loans and securities:	-	293,084	15,059	-	51,792
<i>Performing loans to financial institutions secured by Level 1</i>					
18 HQLA					
<i>Performing loans to financial institutions secured by non-Level 1</i>					
19 HQLA and unsecured performing loans to financial institutions		292,226	15,059	-	51,363
<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>					
<i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>		858			429
22 <i>Performing residential mortgages, of which:</i>					
<i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>					
23 <i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>					-
25 Assets with matching interdependent liabilities					
26 Other assets:	5,304,220			204,787	5,509,007
27 <i>Physical traded commodities, including gold</i>					
<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>					
28 <i>NSFR derivative assets</i>					
<i>NSFR derivative liabilities before deduction of variation margin posted</i>					
31 <i>All other assets not included in the above categories</i>	5,304,220			204,787	5,509,007
32 Off-balance sheet items					
33 Total RSF					5,697,864
34 Net Stable Funding Ratio (%)					145.74

LIQ2 (Bank): Net Stable Funding Ratio

At 31 December 2021

R'000

	Bank				
	Unweighted value by residual maturity				Weighted value
	No maturity*	<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item					
1 Capital:	5,716,896	-	-	-	5,716,896
2 <i>Regulatory capital</i>	5,716,896				5,716,896
3 <i>Other capital instruments</i>					
4 Retail deposits and deposits from small business customers:	-	2,804,177	-	-	2,523,759
5 <i>Stable deposits</i>					
6 <i>Less stable deposits</i>		2,804,177			2,523,759
7 Wholesale funding:	-	-	-	-	-
8 <i>Operational deposits</i>					
9 <i>Other wholesale funding</i>					
10 <i>Liabilities with matching interdependent assets</i>					
11 Other liabilities:	-	104,702	-	-	-
12 <i>NSFR derivative liabilities</i>					
13 <i>All other liabilities and equity not included in the above categories</i>		104,702			
14 Total ASF					8,240,655
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)		1,017,072	559,536	1,100,129	133,837
16 Deposits held at other financial institutions for operational purposes		64,557			3,228
17 Performing loans and securities:	-	293,084	15,059	-	51,792
18 <i>Performing loans to financial institutions secured by Level 1 HQLA</i>					
<i>Performing loans to financial institutions secured by non-Level 1</i>					
19 <i>HQLA and unsecured performing loans to financial institutions</i>		292,226	15,059	-	51,363
<i>Performing loans to non-financial corporate clients, loans to retail</i>					
<i>and small business customers, and loans to sovereigns, central banks</i>		858			429
<i>With a risk weight of less than or equal to 35% under the Basel II</i>					
21 <i>standardised approach for credit risk</i>					
22 <i>Performing residential mortgages, of which:</i>					
<i>With a risk weight of less than or equal to 35% under the Basel II</i>					
23 <i>standardised approach for credit risk</i>					
<i>Securities that are not in default and do not qualify as HQLA,</i>					
24 <i>including exchange-traded equities</i>					
25 <i>Assets with matching interdependent liabilities</i>					
26 Other assets:	5,257,784			204,794	5,462,578
27 <i>Physical traded commodities, including gold</i>					
<i>Assets posted as initial margin for derivative contracts and</i>					
28 <i>contributions to default funds of CCPs</i>					
29 <i>NSFR derivative assets</i>					
<i>NSFR derivative liabilities before deduction of variation margin</i>					
30 <i>posted</i>					
31 <i>All other assets not included in the above categories</i>	5,257,784			204,794	5,462,578
32 Off-balance sheet items					
33 Total RSF					5,651,435
34 Net Stable Funding Ratio (%)					145.82

During the period under review the bank's NSFR remained well above the minimum regulatory requirement of 100%. Quarter on quarter the NSFR remain relatively stable.

10. Appendices

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

Appendix A - Abbreviations

Key Abbreviations

Abbreviation	Description
AFS	Annual Financial Statements
ALCO	Asset and liability committee
ARC	African Rainbow Capital
ASF	Available stable funding
AT1	Additional tier 1 capital
BCP	Business continuity plan
BIA	Basic indicator approach
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 & Compliance Committee
ERMF	Enterprise Risk Management Framework
EWI	Early warning indicator
EXCO	Executive committee of Tyme Bank
FR	Fixed remuneration (<i>refer terms for explanation</i>)
FX	Foreign Exchange
HQLA	High quality liquid assets
IFRS	International Financial Reporting Standard
IRRBB	Interest Rate Risk in the Banking Book
KPIs	Key performance indicators (<i>refer terms for explanation</i>)
LCE	Large credit exposure
LCEP	Large Credit Exposure Policy
LCR	Liquidity coverage ratio
LRF	Liquidity Risk Framework
LTI	Long-term Incentive
NIER	Net interest exposures at risk
NII	Net interest income
NSFR	Net stable funding ratio
ORMF	Operational Risk Management Framework
PA	Prudential Authority
QCR	Qualifying capital requirement
RAS	Risk appetite statement
RSF	Required stable funding
RWA	Risk-weighted asset
SARB	South African Reserve Bank
SFT	Securities financing transactions
STI	Short-term Incentive (<i>refer terms for explanation</i>)
SME	Small to Medium Enterprises
T1	Tier 1 capital
T2	Tier 2 capital
TB	Treasury Bill

Appendix B - Terms

Key Terms

Term	Description
Board	The Board of Directors of the Company.
Executives	Key management personnel (excluding the CEO) who are members of the Tyme Bank executive committee.
Fixed Remuneration (FR)	Consists of cash and non-cash remuneration, including any salary sacrifice items, paid regularly with no performance conditions (base remuneration) plus employer contributions to superannuation.
Group	Tyme Bank Limited and all its majority-owned subsidiaries.
Key performance indicators (KPIs)	Quantitative and qualitative measures, agreed at the start of the performance year to communicate expected performance outcomes at the Company, business unit and / or team and individual level.
Long-term variable remuneration (LTVR)	A variable remuneration arrangement which grants instruments to participating Executives that may vest over a period of four years if, and to the extent that, performance hurdles are met.
Short-term incentive (STI)	Variable remuneration paid subject to the achievement of predetermined performance hurdles over one financial year.
Twin Peaks Model	The Twin Peaks model of financial sector regulation will see the creation of a prudential regulator – the Prudential Authority – housed in the South African Reserve Bank (SARB), while the FSB will be transformed into a dedicated market conduct regulator – the Financial Sector Conduct Authority.
Variable Remuneration (VR)	Remuneration that depends on minimum performance standards being achieved within a defined period.