BASEL PILLAR III DISCLOSURE

AT

31 DECEMBER 2024

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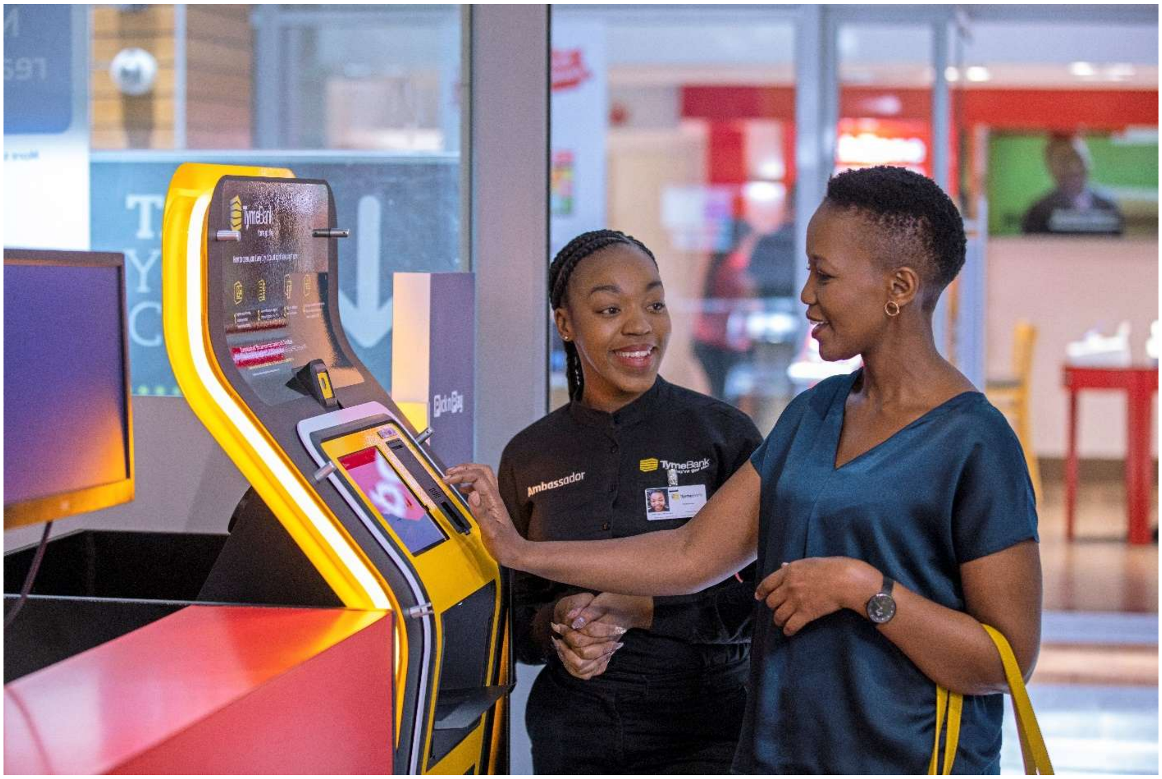

Scope

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

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

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

For the period under review, the Group 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 Group's prudential ratios were consistently above the regulatory minimum requirements.

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

Assurance

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

1. Key metrics (at consolidated level)

The table below provides an overview of the key regulatory metrics relating to the Group's capital adequacy ratios, risk-weighted assets, leverage ratio, liquidity coverage ratio (LCR), and net stable funding ratio (NSFR).

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

At 31 December 2024 R'000		Group				
		a	b	c	d	e
		31-Dec-24	30-Sept-24	30-Jun-24	31-Mar-24	31-Dec-23
		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	992,289	887,882	806,985	720,766	694,967
1a	Fully loaded ECL accounting model	992,289	887,882	806,985	720,766	694,967
2	Tier 1	992,289	887,882	806,985	720,766	694,967
2a	Fully loaded accounting model Tier 1	992,289	887,882	806,985	720,766	694,967
3	Total capital	1,014,809	909,377	826,498	740,747	714,417
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	4,575,397	3,908,173	3,666,239	3,274,301	3,188,551
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	21.69	22.72	22.01	22.01	21.80
5a	Fully loaded ECL accounting model CET1 (%)	21.69	22.72	22.01	22.01	21.80
6	Tier 1 ratio (%)	21.69	22.72	22.01	22.01	21.80
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	21.69	22.72	22.01	22.01	21.80
7	Total capital ratio (%)	22.18	23.27	22.54	22.62	22.41
7a	Fully loaded ECL accounting model total capital ratio (%)	22.18	23.27	22.54	22.62	22.41
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	2.50	2.50
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50	2.50	2.50	2.50	2.50
12	CET1 available after meeting the bank's minimum capital requirements (%) [1]	14.19	15.22	14.51	14.51	14.30
Basel III Leverage Ratio						
13	Total Basel III leverage ratio measure	8,826,612	8,906,254	7,943,207	7,949,427	6,638,527
14	Basel III leverage ratio (%) (row 2/row 13)	11.24	9.97	10.16	9.07	10.47
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	11.24	9.97	10.16	9.07	10.47
Liquidity Coverage Ratio						
15	Total HQLA	5,723,829	5,250,432	4,456,866	3,620,704	3,610,808
16	Total net cash outflow	477,469	334,577	275,044	205,672	210,935
17	LCR ratio (%) [2]	1,199	1,569	1,620	1,760	1,712
Net Stable Funding Ratio						
18	Total available stable funding	15,748,332	16,034,418	15,115,580	14,034,672	13,272,677
19	Total required stable funding	10,734,194	10,573,948	10,371,518	9,839,741	9,658,456
20	NSFR ratio (%) [3]	147	152	146	143	137

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 LIQ1 : Liquidity Coverage Ratio template and commentary.

3 Refer to LIQ2 : Net Stable Funding Ratio template and commentary.

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

2. Credit Risk

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

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

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

MoreTyme allows a customer to purchase a product by paying a third of the purchase value upfront and settling the remaining balance in two equal instalments. This product is essentially free to the customer as no interest or fees are charged provided the customer does not default. The smaller exposure and short outcome period of the product does reduce the capital requirements and will enable the Bank to validate models and identify lower risk customers quicker.

For regulatory capital purposes, the standardised approach has been adopted to determine risk weighted assets (RWA) on credit exposures. A prudent approach has been adopted in raising of impairments on the Bank's lending products and is aligned with IFRS 9 requirements. Limits have been set in order to govern the authority of management with regards to the amount of credit provided to a single obligor, or group of related obligors in order to prevent concentration risk. This limits the risk of catastrophic loss through over-exposure due to the failure of a single borrower, or group of related borrowers and/or guarantors (obligors).

2.1 Credit Quality of Assets

The following tables reflect the credit quality of both on- and off-balance-sheet assets and the impact of impairments as of 31 December 2024.

CR1 (Group): Credit Quality of assets

At 31 December 2024 R'000		Group			
		a	b	c	d
		Carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	236,001	2,600,958	518,365	2,318,594
2	Debt securities	-	5,387,214	1,109	5,386,105
3	Off-balance sheet exposures	-	1,145,470	-	1,145,470
4	**Total**	**236,001**	**9,133,642**	**519,474**	**8,850,169**

CR1 (Bank): Credit Quality of assets

At 31 December 2024 R'000		Bank			
		a	b	c	d
		Carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	236,001	2,599,238	518,365	2,316,874
2	Debt securities	-	5,387,214	1,109	5,386,105
3	Off-balance sheet exposures	-	1,145,470	-	1,145,470
4	**Total**	**236,001**	**9,131,922**	**519,474**	**8,848,449**

CR2 Changes in stock of defaulted loans and debt securities

At 31 December 2024 R'000	Bank	Group
1 Defaulted loans and debt securities at the end of the previous reporting period	153,395	153,395
2 Loans and debt securities that have defaulted since the last reporting period	121,089	121,089
3 Returned to non-default status	-	-
4 Amounts written off	38,483	38,483
5 Other changes	-	-
6 Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	**236,001**	**236,001**

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

The Bank's defaulted loans portfolio has increased materially year on year, this is as a result of adopting a new write off policy upon the IFRS 9 General Approach adoption on the MCA portfolio as at 30 June 2024. Excluding this change, defaulted loans would have been lower than the prior year, both in nominal terms and as a % of the gross loans and advances portfolio.

2.2 Credit Risk Mitigation Techniques

CR3 (Group): Credit risk mitigation techniques – overview

At 31 December 2024 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	2,318,594	-	-	-	-	-	-
2	Debt securities	5,386,105	-	-	-	-	-	-
3	**Total**	**7,704,699**	**-**	**-**	**-**	**-**	**-**	**-**
4	Of which defaulted	236,001	**-**	**-**	**-**	**-**	**-**	**-**

CR3 (Bank): Credit risk mitigation techniques – overview

At 31 December 2024 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	2,316,874	-	-	-	-	-	-
2	Debt securities	5,386,105	-	-	-	-	-	-
3	**Total**	**7,702,979**	**-**	**-**	**-**	**-**	**-**	**-**
4	Of which defaulted	236,001	**-**	**-**	**-**	**-**	**-**	**-**

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

2.3 Credit Exposures by Asset Class

The following tables reflect the credit exposure per asset class, pre and post credit conversion factors (CCF) and credit risk mitigation (CRM), as of 31 December 2024.

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

At 31 December 2024 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	5,927,290	-	5,927,290	-	-	-
2 Non-central government public sector entities	168,728	-	168,728	-	-	-
3 Multilateral development banks		-		-		-
4 Banks	57,232	-	57,232	-	24,092	42
5 Securities firms	-	-	-	-	-	-
6 Corporates	6,943	7,021	6,943	-	6,943	100
7 Regulatory retail portfolios	2,370,807	1,138,449	2,328,823	-	1,747,671	75
8 Secured by residential property	-	-	-	-	-	-
9 Secured by commercial real estate	-	-	-	-	-	-
10 Equity	-	-	-	-	-	-
11 Past-due loans	236,001	-	45,842	-	22,921	50
12 Higher-risk categories		-		-		-
13 Other assets	467,290	-	467,290	-	467,290	100
14 Total	**9,234,291**	**1,145,470**	**9,002,148**	**-**	**2,268,918**	**367**

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

At 31 December 2024 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	5,927,290	-	5,927,290	-	-	-
2 Non-central government public sector entities	168,728	-	168,728	-	-	-
3 Multilateral development banks	-	-	-	-	-	-
4 Banks	55,531	-	55,531	-	23,106	42
5 Securities firms	-	-	-	-	-	-
6 Corporates	6,943	7,021	6,943	-	6,943	100
7 Regulatory retail portfolios	2,370,807	1,138,449	2,328,823	-	1,747,671	75
8 Secured by residential property	-	-	-	-	-	-
9 Secured by commercial real estate	-	-	-	-	-	-
10 Equity	-	-	-	-	-	-
11 Past-due loans	236,001	-	45,842	-	22,921	50
12 Higher-risk categories	-	-	-	-	-	-
13 Other assets	450,049	-	450,049	-	450,049	100
14 Total	**9,215,349**	**1,145,470**	**8,983,206**	**-**	**2,250,690**	**367**

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

2.4 Credit Exposures by Asset Class and Risk Weights

The following table reflects the risk weights per asset class and post credit conversion factors (CCF) and credit risk mitigation (CRM) as of 31 December 2024.

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

At 31 December 2024	Group									
	a	b	c	d	e	f	g	h	i	j
R'000	Risk Weight									
Asset classes	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1 Sovereigns and their central banks	5,927,290	-	-	-	-	-	-	-	-	**5,927,290**
2 Non-central government public sector entities	168,728	-	-	-	-	-	-	-	-	**168,728**
3 Multilateral development banks		-		-	-	-		-	-	**-**
4 Banks	-	-	42,232	-	-	-	15,000	-	-	**57,232**
5 Securities firms	-	-		-	-	-		-	-	**-**
6 Corporates	-	-	-	-	-	-	6,943	-	-	**6,943**
7 Regulatory retail portfolios	-	-	-	-	-	2,324,614	4,209	-	-	**2,328,823**
8 Secured by residential property	-	-	-	-	-	-	-	-	-	**-**
9 Secured by commercial real estate	-	-	-	-	-	-	-	-	-	**-**
10 Equity	-	-	-	-	-	-	-	-	-	**-**
11 Past-due loans	-	-	-	-	45,842	-	-	-	-	**45,842**
12 Higher-risk categories	-	-	-	-	-	-	-	-	-	**-**
13 Other assets	-	-	-	-	-	-	467,290	-	-	**467,290**
14 Total	**6,096,018**	**-**	**42,232**	**-**	**45,842**	**2,324,614**	**493,442**	**-**	**-**	**9,002,148**

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

At 31 December 2024	Bank									
	a	b	c	d	e	f	g	h	i	j
R'000	Risk Weight									
Asset classes	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1 Sovereigns and their central banks	5,927,290	-	-	-	-	-	-	-	-	**5,927,290**
2 Non-central government public sector entities	168,728	-	-	-	-	-	-	-	-	**168,728**
3 Multilateral development banks	-	-	-	-	-	-	-	-	-	**-**
4 Banks	-	-	40,531	-	-	-	15,000	-	-	**55,531**
5 Securities firms	-	-		-	-	-		-	-	**-**
6 Corporates	-	-	-	-	-	-	6,943	-	-	**6,943**
7 Regulatory retail portfolios	-	-	-	-	-	2,324,614	4,209	-	-	**2,328,823**
8 Secured by residential property	-	-	-	-	-	-	-	-	-	**-**
9 Secured by commercial real estate	-	-	-	-	-	-	-	-	-	**-**
10 Equity	-	-	-	-	-	-	-	-	-	**-**
11 Past-due loans	-	-	-	-	45,842	-	-	-	-	**45,842**
12 Higher-risk categories	-	-	-	-	-	-	-	-	-	**-**
13 Other assets	-	-	-	-	-	-	450,049	-	-	**450,049**
14 Total	**6,096,018**	**-**	**40,531**	**-**	**45,842**	**2,324,614**	**476,201**	**-**	**-**	**8,983,206**

3. Composition of Risk Weighted Assets (RWA)

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

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

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

At 31 December 2024		Group		
		a	b	c
		Risk-weighted assets		* MCR
R'000		31-Dec-24	30-Sept-24	31-Dec-24
		T	T-1	T
1	**Credit risk (excluding counterparty credit risk) 1**	**2,268,918**	**2,157,200**	**260,926**
2	Of which: standardised approach (SA)	2,268,918	2,157,200	260,926
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
4	Of which: supervisory slotting approach	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-
6	**Counterparty credit risk (CCR)**	-	-	-
7	Of which: standardised approach for counterparty credit risk	-	-	-
8	Of which: Internal Model Method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	**Credit valuation adjustment (CVA)**	-	-	-
11	**Equity positions under the simple risk weight approach**	-	-	-
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	**Securitisation exposures in the banking book**	-	-	-
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	**Market risk**	**13,089**	-	**1,505**
21	Of which: standardised approach (SA)	13,089	-	1,505
22	Of which: internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	**Operational risk 2**	**2,293,390**	**1,750,973**	**263,740**
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)**	**4,575,397**	**3,908,173**	**526,171**

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

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

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

At 31 December 2024		Bank		
		a	b	c
		Risk-weighted assets		* MCR
R'000		31-Dec-24	30-Sept-24	31-Dec-24
		T	T-1	T
1	**Credit risk (excluding counterparty credit risk)** [1]	**2,250,690**	2,139,461	**258,829**
2	Of which: standardised approach (SA)	2,250,690	2,139,461	258,829
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
4	Of which: supervisory slotting approach	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-
6	**Counterparty credit risk (CCR)**	-	-	-
7	Of which: standardised approach for counterparty credit risk	-	-	-
8	Of which: Internal Model Method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	**Credit valuation adjustment (CVA)**	-	-	-
11	**Equity positions under the simple risk weight approach**	-	-	-
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	**Securitisation exposures in the banking book**	-	-	-
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	**Market risk**	**13,089**	-	**1,505**
21	Of which: standardised approach (SA)	13,089	-	2,814
22	Of which: internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	**Operational risk** [2]	**2,277,877**	**1,750,006**	**261,956**
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)**	**4,541,656**	**3,889,467**	**522,290**

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

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

- The increase in credit risk is largely attributable to the growth experienced in the Bank's Advances book.
- Market risk is mainly attributable to the Bank's net open foreign currency position related to foreign currency denominated assets and liabilities at period end.

4. Market Risk

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

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

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

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

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

The Bank has ensured that this policy complies with the Banks Act and the Regulations relating to Banks (particularly Regulation 28). The Market Risk Framework outlines the overall market risk requirements for the Bank and is supported by the Market Risk Standards, which outline how policy requirements are implemented for market risks across the Bank.

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

Foreign exchange risk is limited to the Bank's exposure to suppliers who are paid in foreign currency and a foreign denominated deposit receivable.

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

At 31 December 2024 R'000	Group a Capital charge in SA 31-Dec-24	Bank a Capital charge in SA 31-Dec-24
1 General interest rate risk	-	-
2 Equity risk	-	-
3 Commodity risk	-	-
4 Foreign exchange risk	1,865	1,865
5 Credit spread risk - non-securitisations	-	-
6 Credit spread risk - securitisations (non-correlation trading portfolio)	-	-
7 Credit spread risk - securitisation (correlation trading portfolio)	-	-
8 Default risk - non-securitisations	-	-
9 Default risk - securitisations (non-correlation trading portfolio)	-	-
10 Default risk - securitisations (correlation trading portfolio)	-	-
11 Residual risk add-on	-	-
12 Total	**1,865**	**1,865**

At 31 December 2024 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	13,089	13,089
4 Commodity risk	-	-
Options	-	-
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitisation	-	-
9 Total	**13,089**	**13,089**

Notes :

1 The values are relatively small and have been rounded to the nearest 1000.

2 RWA in this table is derived by multiplying the capital required by a factor of 12.5

5. Leverage ratio

The leverage ratio is defined as Tier 1 capital as a percentage of total exposures. The total exposures used in the calculation does not contain any securities financing transactions (SFTs) or adjustments for derivatives. The leverage ratio has remained above the regulatory minimum requirement due to the current correlation of the qualifying regulatory capital (QCR) in relation to the on-balance sheet exposures.

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

At 31 December 2024 R'000	Group	Bank
1 Total consolidated assets as per published financial statements	10,250,957	10,231,995
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)	114,547	114,547
7 Other adjustments	1,538,892	1,538,892
8 Leverage ratio exposure measure	**8,826,612**	**8,807,650**

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

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

At 31 December 2024	Group		Bank	
	a	b	a	b
R'000	31 December 2024	30 September 2024	31 December 2024	30 September 2024
On-balance sheet exposures				
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	10,250,957	10,276,449	10,231,996	10,257,375
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	1,538,892	1,473,503	1,538,892	1,473,502
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	**8,712,065**	**8,802,946**	**8,693,104**	**8,783,873**
Derivative exposures				
4 Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral	-	-	-	-
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	1,145,470	1,033,060	1,145,470	1,033,064
18 (Adjustments for conversion to credit equivalent amounts)	(1,030,923)	(929,754)	(1,030,923)	(929,758)
19 Off-balance sheet items (sum of rows 17 and 18)	**114,547**	**103,306**	114,547	**103,306**
Capital and total exposures				
20 Tier 1 capital	**992,289**	**887,882**	**974,764**	**869,679**
21 Total exposures (sum of rows 3, 11, 16 and 19)	**8,826,612**	**8,906,252**	**8,807,651**	**8,887,180**
Leverage ratio				
22 Basel III leverage ratio	**11.24**	**9.97**	**11.07**	**9.79**

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

6. Composition of Capital

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

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

CC1 (Group & Bank): Composition of regulatory capital

At 31 December 2024 R'000		Group		Bank	
		a Amounts	b * Ref	a Amounts	b * 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	9,137,071	(a)	7,747,050	(a)
2	Retained earnings	(7,519,470)	(b)	(7,081,497)	(b)
3	Accumulated other comprehensive income (and other reserves)	394,106		1,328,629	
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock				
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group				
6	**Common Equity Tier 1 capital before regulatory adjustments**	**2,011,707**		**1,994,182**	
Common Equity Tier 1 capital: regulatory adjustments					
7	Prudent valuation adjustments				
8	Goodwill (net of related tax liability)	924,254		924,254	
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	95,164	(c)	95,164	(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**	**1,019,418**		**1,019,418**	
29	**Common Equity Tier 1 capital (CET1)**	**992,289**		**974,764**	
44	**Additional Tier 1 capital (AT1)**	**0**		**0**	
45	**Tier 1 capital (T1= CET1 + AT1)**	**992,289**		**974,764**	
58	**Tier 2 capital (T2)**	**22,520**		**22,508**	
59	**Total regulatory capital (TC = T1 + T2)**	**1,014,809**		**997,272**	
60	**Total risk-weighted assets**	**4,575,397**	**(e)**	**4,541,656**	**(e)**
Capital ratios and buffers					
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	21.69		21.46	
62	Tier 1 (as a percentage of risk-weighted assets)	21.69		21.46	
63	Total capital (as a percentage of risk-weighted assets)	22.18		21.96	
64	Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted	2.50		2.50	
65	Of which: capital conservation buffer requirement	2.50		2.50	
66	Of which: bank-specific countercyclical buffer requirement	-		-	
67	Of which: higher loss absorbency requirement	-		-	
68	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	14.19		13.96	
National minima (if different from Basel III)					
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	-		-	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	-		-	
71	National total capital minimum (if different from Basel III minimum)	-		-	
Amounts below the thresholds for deduction (before risk weighting)					
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	-		-	
73	Significant investments in common stock of financial entities	-		-	
74	Mortgage servicing rights (net of related tax liability)	-		-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-		-	
Applicable caps on the inclusion of provisions in Tier 2					
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	-		-	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	-		-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-		-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-		-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)					

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

CC2: Reconciliation of regulatory capital to balance sheet

At 31 December 2024 R'000	Group			Bank		
	a	b	c	a	b	c
	Balance sheet as per published financial statements	Under regulatory scope of consolidation	* Reference	Balance sheet as per published financial statements	Under regulatory scope of consolidation	* Reference
	31-Dec-24	31-Dec-24		31-Dec-24	31-Dec-24	
Assets						
Property, plant and equipment	186,583	186,583		186,583	186,583	
Right of use asset	32,634	32,634		32,634	32,634	
Goodwill and other intangible assets	1,019,418	1,019,418		1,019,418	1,019,418	
Trade and other receivables	262,194	262,194		244,936	244,936	
Financial assets	5,401,102	5,401,102		5,401,102	5,401,102	
Inventories	29,438	29,438		29,438	29,438	
Current tax receivable	10,019	10,019		10,019	10,019	
Customer advances	2,214,129	2,214,129		2,214,129	2,214,129	
Cash and cash equivalents	575,604	575,604		573,900	573,900	
Total assets	**9,731,121**	**9,731,121**		**9,712,160**	**9,712,160**	
Equity and Liabilities						
Share capital	1,379,976	1,379,976		1,197,260	1,197,260	
Share premium	7,757,095	7,757,095		6,549,790	6,549,790	
Reserves	394,107	394,107		1,328,629	1,328,629	
Accumulated loss	(7,519,470)	(7,519,470)		(7,081,497)	(7,081,497)	
Total equity	**2,011,708**	**2,011,708**		**1,994,182**	**1,994,182**	
Trade and other payables	785,928	785,928		784,492	784,492	
Current Tax liability	-	-		-	-	
Lease liabilities	34,799	34,799		34,799	34,799	
Provisions	20,611	20,611		20,611	20,611	
Deposits received from customers	6,878,075	6,878,075		6,878,075	6,878,075	
Total liabilities	**7,719,414**	**7,719,414**		**7,717,978**	**7,717,978**	
Total equity and liabilities	**9,731,121**	**9,731,121**		**9,712,160**	**9,712,160**	

7. Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) requires institutions to hold sufficient high-quality liquid assets (HQLA) to meet their 30-day net cash outflows projected under the Prudential Authority's prescribed stress scenario.

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

At 31 December 2024	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	**5,723,829**	**5,723,829**	**5,723,829**	**5,723,829**
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	**6,728,542**	**550,694**	**6,728,542**	**550,694**
3 Stable deposits	1,815,228	59,362	1,815,228	59,362
4 Less stable deposits	4,913,314	491,331	4,913,314	491,331
5 Unsecured wholesale funding, of which:	**483,529**	**129,993**	**483,529**	**129,993**
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-
7 Non-operational deposits (all counterparties)	483,529	129,993	483,529	129,993
8 Unsecured debt	-	-	-	-
9 Secured wholesale funding	**144,565**	-	**144,565**	-
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	**1,100,620**	**27,754**	**1,100,620**	**27,754**
16 TOTAL CASH OUTFLOWS	**8,457,256**	**708,441**	**8,457,256**	**708,441**
Cash inflows				
17 Secured lending (eg reverse repo)	-	-	-	-
18 Inflows from fully performing exposures	357,650	178,825	357,650	178,825
19 Other cash inflows	52,147	52,147	49,379	49,379
20 TOTAL CASH INFLOWS	**409,797**	**230,972**	**407,029**	**228,204**
		Total adjusted value		**Total adjusted value**
21 Total HQLA		**5,723,829**		**5,723,829**
22 Total net cash outflows		**477,469**		**480,237**
23 Liquidity coverage ratio (%)		**1,199**		**1,192**

- The daily average utilised to calculate the above percentage consisted of 92 data points, representative of the number of working days during the 3-month period from 01 October 2024 to 31 December 2024.
- The weighted value represents the cashflow amount as a prescribed percentage of the unweighted value.
- Other contingent funding obligations relates to the inclusion of revocable undrawn credit facilities emanating from the Bank's lending products (More Tyme and Tyme Advance).

8. Net Stable Funding Ratio

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

The current balance sheet and proposed phasing in of product offerings, and the proposed liquid assets to be held, place the Bank in a position to be fully compliant with the prescribed limits.

The following table reflects a summary of the NSFRs for the Group and Bank, respectively.

LIQ2 (Group): Net Stable Funding Ratio

At 31 December 2024 R'000	Group				
	Unweighted value by residual maturity				
	No maturity*	<6 months	6 months to <1 year	≥1 year	Weighted value
Available stable funding (ASF) item					
1 Capital:	9,553,697	-	-	-	9,553,697
2 Regulatory capital	9,553,697	-	-	-	9,553,697
3 Other capital instruments	-	-	-	-	-
4 **Retail deposits and deposits from small business customers:**	-	**6,047,987**	**623,306**	-	**6,091,272**
5 Stable deposits	-	1,118,862	623,306	-	1,655,060
6 Less stable deposits		4,929,125			4,436,213
7 **Wholesale funding:**	-	**206,725**	-	-	**103,363**
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	206,725	-	-	103,363
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 **Other liabilities:**	-	**491,757**	-	-	-
12 NSFR derivative liabilities	-	-	-	-	-
13 All other liabilities and equity not included in the above categories	-	491,757	-	-	-
14 Total ASF					**15,748,332**
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)	-	3,089,454	2,837,836	-	279,450
16 Deposits held at other financial institutions for operational purposes	-	-	-	168,728	168,728
17 **Performing loans and securities:**	-	**1,700,980**	**675,812**	**55,422**	**1,222,565**
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	-	36,972	15,000	-	13,046
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1,664,008	660,812	55,422	1,209,519
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
22 Performing residential mortgages, of which:	-	-	-	-	-
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25 Assets with matching interdependent liabilities	-	-	-	-	-
26 **Other assets:**	-	-	-	**9,006,178**	**9,006,178**
27 Physical traded commodities, including gold	-	-	-	-	-
28 Assets posted as initial margin for derivative contracts and contributions to default funds of	-	-	-	-	-
29 NSFR derivative assets	-	-	-	-	-
30 NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
31 All other assets not included in the above categories	-	-	-	9,006,178	9,006,178
32 Off-balance sheet items	1,145,470	-	-	-	57,274
33 Total RSF					**10,734,194**
34 Net Stable Funding Ratio (%)					**147**

LIQ2 (Bank): Net Stable Funding Ratio

At 31 December 2024 R'000	Bank				
	Unweighted value by residual maturity				
	No maturity*	<6 months	6 months to <1 year	≥1 year	Weighted value
Available stable funding (ASF) item					
1 **Capital:**	**9,098,187**	-	-	-	**9,098,187**
2 Regulatory capital	9,098,187	-	-	-	9,098,187
3 Other capital instruments	-	-	-	-	-
4 **Retail deposits and deposits from small business customers:**	-	**6,047,987**	**623,306**	-	**6,091,272**
5 Stable deposits	-	1,118,862	623,306	-	1,655,060
6 Less stable deposits	-	4,929,125			4,436,213
7 **Wholesale funding:**	-	**206,725**	-	-	**103,363**
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	206,725	-	-	103,363
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 **Other liabilities:**	-	**490,321**	-	-	-
12 NSFR derivative liabilities	-	-	-	-	-
13 All other liabilities and equity not included in the above categories	-	490,321	-	-	-
14 **Total ASF**					**15,292,822**
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)	-	3,089,454	2,837,836	-	279,450
16 Deposits held at other financial institutions for operational purposes	-	-	-	168,728	168,728
17 **Performing loans and securities:**	-	**1,699,277**	**675,812**	**55,422**	**1,222,309**
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	-	35,269	15,000	-	12,790
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	1,664,008	660,812	55,422	1,209,519
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
22 Performing residential mortgages, of which:	-	-	-	-	-
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	-	-	-	-	-
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25 Assets with matching interdependent liabilities	-	-	-	-	-
26 **Other assets:**	-	-	-	**8,550,962**	**8,550,962**
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	-	-	-	8,550,962	8,550,962
32 Off-balance sheet items	1,145,470	-	-	-	57,274
33 **Total RSF**					**10,278,723**
34 **Net Stable Funding Ratio (%)**					**149**

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

9. Appendix A - Terms

Key Terms

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