



BASEL
PILLAR III
DISCLOSURE
AT
30 SEPTEMBER 2023

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Scope

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

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

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

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

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



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- Your South African ID number
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Assurance

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

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, and net stable funding ratio.

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

At 30 September 2023 R'000	Group				
	a	b	c	d	e
	30-Sep-23	30-Jun-23	31-Mar-23	31-Dec-22	30-Sep-22
	T	T-1	T-2	T-3	T-4
Available capital (amounts)					
1	657 345	720 570	461 167	569 061	433 939
1a	657 345	720 570	461 167	569 061	433 939
2	657 345	720 570	461 167	569 061	433 939
2a	657 345	720 570	461 167	569 061	433 939
3	676 004	738 460	478 667	584 834	434 260
Risk-weighted assets (amounts)					
4	2 774 379	2 757 309	2 285 532	2 178 207	648 191
Risk-based capital ratios as a percentage of RWA					
5	23.69	26.13	20.18	28.70	66.95
5a	23.69	26.13	20.18	28.70	66.95
6	23.69	26.13	20.18	28.70	66.95
6a	23.69	26.13	20.18	28.70	66.95
7	24.37	26.78	20.94	29.50	67.00
7a	24.37	26.78	20.94	29.50	67.00
Additional CET1 buffer requirements as a percentage of RWA					
8	2.50	2.50	2.50	2.50	2.50
9	-	-	-	-	-
10	-	-	-	-	-
11	2.50	2.50	2.50	2.50	2.50
12	16.19	15.63	9.68	18.20	59.45
Basel III Leverage Ratio					
13	5 796 542	5 119 265	4 449 698	4 597 345	4 301 816
14	11.34	14.08	10.36	12.38	10.09
14a	11.34	14.08	10.36	12.38	10.09
Liquidity Coverage Ratio					
15	3 534 062	2 956 730	2 320 214	3 028 547	3 409 559
16	193 297	208 264	167 971	85 841	78 131
17	1 828	1 420	1 381	3 528	4 364
Net Stable Funding Ratio					
18	13 023 820	12 318 545	11 392 828	11 282 721	9 772 663
19	9 559 864	8 192 330	7 931 729	7 779 604	6 538 533
20	136	150	144	145	149

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. 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 30 September 2023		Group		
		a	b	c
R'000		Risk-weighted assets		* MCR
		30-Sep-23	30-Jun-23	30-Sep-23
		T	T-1	T
1	Credit risk (excluding counterparty credit risk) 1	1 782 210	1 765 526	204 954
2	Of which: standardised approach (SA)	1 782 210	1 765 526	204 954
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
4	Of which: supervisory slotting approach	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-
6	Counterparty credit risk (CCR)	-	-	-
7	Of which: standardised approach for counterparty credit risk	-	-	-
8	Of which: Internal Model Method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	-	-	-
11	Equity positions under the simple risk weight approach	-	-	-
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	386	-	44
21	Of which: standardised approach (SA)	386	-	44
22	Of which: internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk 2	991 783	991 783	114 055
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)	2 774 379	2 757 309	319 054

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

1. Bank does not have derivative instruments on balance sheet

2. Operational risk is recalculated semi-annually (December & June)

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

At 30 September 2023

R'000

	a	b	c
	Risk-weighted assets		* MCR
	30-Sep-23	30-Jun-23	30-Sep-23
	T	T-1	T
1 Credit risk (excluding counterparty credit risk) 1	1 779 895	1 756 933	204 688
2 Of which: standardised approach (SA)	1 779 895	1 756 933	204 688
3 Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
4 Of which: supervisory slotting approach	-	-	-
5 Of which: advanced internal ratings-based (A-IRB) approach	-	-	-
6 Counterparty credit risk (CCR)	-	-	-
7 Of which: standardised approach for counterparty credit risk	-	-	-
8 Of which: Internal Model Method (IMM)	-	-	-
9 Of which: other CCR	-	-	-
10 Credit valuation adjustment (CVA)	-	-	-
11 Equity positions under the simple risk weight approach	-	-	-
12 Equity investments in funds - look-through approach	-	-	-
13 Equity investments in funds - mandate-based approach	-	-	-
14 Equity investments in funds - fall-back approach	-	-	-
15 Settlement risk	-	-	-
16 Securitisation exposures in the banking book	-	-	-
17 Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-
Of which: securitisation external ratings-based approach (SEC-ERBA), including internal			
18 assessment approach	-	-	-
19 Of which: securitisation standardised approach (SEC-SA)	-	-	-
20 Market risk	386	-	44
21 Of which: standardised approach (SA)	386	-	44
22 Of which: internal model approaches (IMA)	-	-	-
23 Capital charge for switch between trading book and banking book	-	-	-
24 Operational risk 2	990 871	990 871	113 950
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)	2 771 152	2 747 804	318 682

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

3. Leverage ratio

The leverage ratio is defined as tier 1 capital expressed as a percentage of total exposures. The total exposures used in the calculation 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 30 September 2023 R'000	Group	Bank
	30-Sep-23	
1 Total consolidated assets as per published financial statements	7 216 677	6 046 614
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)	80 760	80 760
7 Other adjustments	1 500 894	334 195
8 Leverage ratio exposure measure	5 796 543	5 793 179

Other adjustments at a Group level includes the Goodwill arising from the acquisition of Retail Capital.

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

At 30 September 2023	Group		Bank	
	a	b	a	b
	30 September 2023	30 June 2023	30 September 2023	30 June 2023
R'000				
On-balance sheet exposures				
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	6 888 009	6 456 088	5 717 945	5 282 084
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	1 172 226	1 336 823	5 526	164 391
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)	5 715 783	5 119 265	5 712 419	5 117 693
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	807 600	-	807 600	-
18 (Adjustments for conversion to credit equivalent amounts)	(888 360)	-	(888 360)	-
19 Off-balance sheet items (sum of rows 17 and 18)	80 760	-	80 760	-
Capital and total exposures				
20 Tier 1 capital	657 345	720 570	672 594	735 302
21 Total exposures (sum of rows 3, 11, 16 and 19)	5 796 543	5 119 265	5 793 179	5 117 693
Leverage ratio				
22 Basel III leverage ratio	11.34	14.08	11.61	14.37

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

4. Liquidity Coverage Ratio

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

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

At 30 September 2023	Group		Bank	
	a	b	a	b
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
R'000				
High-quality liquid assets				
1 Total HQLA	3 534 062	3 534 062	3 534 062	3 534 062
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	4 253 482	391 353	4 253 482	391 353
3 Stable deposits	496 636	15 668	496 636	15 668
4 Less stable deposits	3 756 846	375 685	3 756 846	375 685
5 Unsecured wholesale funding, of which:	53 440	-	53 440	-
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks				
7 Non-operational deposits (all counterparties)				
8 Unsecured debt	53 440	-	53 440	-
9 Secured wholesale funding				
10 Additional requirements, of which:				
11 Outflows related to derivative exposures and other collateral requirements				
12 Outflows related to loss of funding of debt products				
13 Credit and liquidity facilities				
14 Other contractual funding obligations	-	-	-	-
15 Other contingent funding obligations	774 569	19 364	774 569	19 364
16 TOTAL CASH OUTFLOWS	5 081 492	410 717	5 081 492	410 717
Cash inflows				
17 Secured lending (eg reverse repo)				
18 Inflows from fully performing exposures	399 016	217 420	399 016	217 420
19 Other cash inflows				
20 TOTAL CASH INFLOWS	399 016	217 420	399 016	217 420
		Total adjusted value		Total adjusted value
21 Total HQLA		3 534 062		3 534 062
22 Total net cash outflows		193 297		193 297
23 Liquidity coverage ratio (%)		1 828		1 828

- 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).

5. Net Stable Funding Ratio

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

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

LIQ2 (Group): Net Stable Funding Ratio

At 30 September 2023 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:	8 793 664	-	-	-	8 793 664
2 Regulatory capital	8 793 664	-	-	-	8 793 664
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers:		4 229 933	360 049	6 246	4 176 272
5 Stable deposits	-	420 787	360 049	6 246	748 040
6 Less stable deposits	-	3 809 146	-	-	3 428 231
7 Wholesale funding:				53 884	53 884
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	-	-	53 884	53 884
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:		718 383			
12 NSFR derivative liabilities	-	-	-	-	-
13 All other liabilities and equity not included in the above categories	-	718 383	-	-	-
14 Total ASF					13 023 820
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)	-	666 668	967 700	1 042 022	133 820
16 Deposits held at other financial institutions for operational purposes	-	114 409	-	-	5 720
17 Performing loans and securities:		1 450 910	471 053	24 021	973 113
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	-	23 675	15 059	-	11 081
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:	-	1 427 235	455 994	24 021	962 032
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:	8 117 660			289 171	8 406 831
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	8 117 660	-	-	289 171	8 406 831
32 Off-balance sheet items	807 596	-	-	-	40 380
33 Total RSF					9 559 864
34 Net Stable Funding Ratio (%)					136

LIQ2 (Bank): Net Stable Funding Ratio

At 30 September 2023

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:	7 376 972	-	-	-	7 376 972
2 Regulatory capital	7 376 972	-	-	-	7 376 972
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers:	-	4 229 933	-	6 246	4 176 272
5 Stable deposits	-	420 787	360 049	6 246	748 040
6 Less stable deposits	-	3 809 146	-	-	3 428 231
7 Wholesale funding:	-	-	-	53 884	53 884
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	-	-	53 884	53 884
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	-	718 383	-	-	-
12 NSFR derivative liabilities	-	-	-	-	-
13 All other liabilities and equity not included in the above categories	-	718 383	-	-	-
14 Total ASF					11 607 128
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)	-	666 668	967 700	1 042 022	133 820
16 Deposits held at other financial institutions for operational purposes	-	114 409	-	-	5 720
17 Performing loans and securities:	-	1 450 910	471 053	24 021	973 113
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	-	23 675	15 059	-	11 081
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:	-	1 427 235	455 994	24 021	962 032
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:	6 674 668	-	-	292 702	6 967 370
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	6 674 668	-	-	292 702	6 967 370
32 Off-balance sheet items	807 596	-	-	-	40 380
33 Total RSF					8 120 403
34 Net Stable Funding Ratio (%)					143

The acquisition of Retail Capital (RC) resulted in an increase in both the available stable funding (ASF) via the at acquisition increase in share capital, as well as the required stable funding (RSF), primarily as a result of the advances book acquired.

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

6. 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