



**BASEL  
PILLAR III  
DISCLOSURE AS  
AT  
30 JUNE 2019**

**It's Tyme for a new way of banking.**

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



## About us

---

Tyme Bank was officially registered as a bank by the South African Reserve Bank (SARB) in September 2017. African Rainbow Capital Financial Services Holdings (ARC) currently owns a 70.80% stake in Tyme Bank's registered controlling company, Tyme Bank Holdings Limited. The acquisition by ARC, which comprises Tyme Bank's operations and all related intellectual property was concluded on 31 October 2018 and received confirmation of the Prudential Authority (PA) approval on 5 November 2018.

Tyme Bank has embraced technology and partnerships to deliver innovative digital banking products to the market when it made its consumer offering available in Pick 'n Pay and Boxer stores towards the end of 2018. Since its registration as a bank, Tyme Bank has been preparing and testing its operations in order to deliver on its vision of creating long-term value for its people, customers, and shareholders. This vision is supported by the bank's four capabilities: technology, people, strength, and productivity. Consistent with its strategy, Tyme Bank operates responsibly in taking well-researched and -managed risks to create sustained top-tier shareholder value.

Tyme Bank's purpose is to promote participation in the economy by providing affordable access to financial services and products embedded with education and training to improve the customer's financial wellbeing. Tyme Bank will primarily target underserved consumers and small businesses. With the introduction of a 'twin peaks' model into the South African regulatory framework, a focus on conduct and the management of conduct risk within the business is paramount for Tyme Bank. We are committed to treating customers fairly, in a transparent and consistent manner, while promoting a corporate culture of ensuring our behaviour and actions puts the customer at the centre of everything we do.

## Scope

---

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

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

This document complies with Regulation 43 of the Regulations relating to Banks (where not superseded by the revised Pillar 3 disclosure requirements), the BCBS Pillar 3 disclosure requirements and the directive. It presents information on the capital adequacy, risk-weighted assets (RWAs), and calculations for credit, market, and operational risks for the period 1 July 2018 to 30 June 2019.

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

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

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

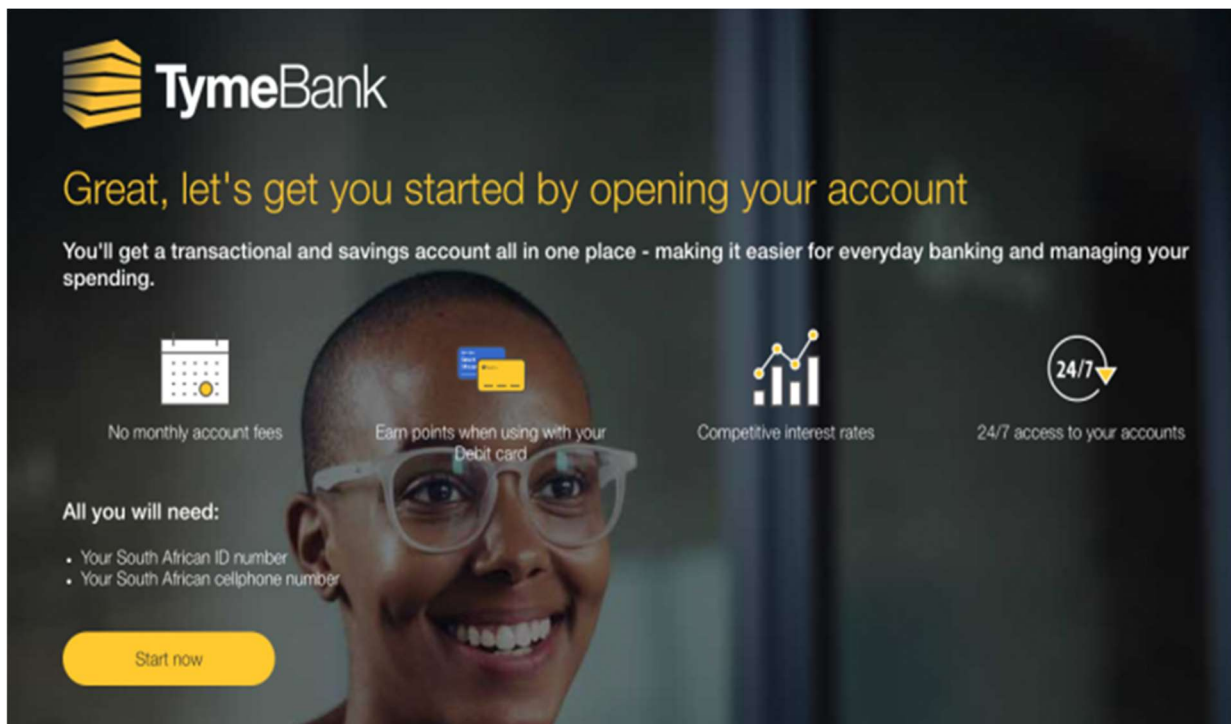
For the year under review (1 July 2018 – 30 June 2019), the group continues to maintain a robust capital, liquidity and funding position. Throughout the period, the CET1 ratio was consistently well in excess of regulatory minimum capital adequacy requirements at all times.

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

# Assurance

---





This document is prepared in accordance with Tyme Bank's Public Disclosure Policy and has been reviewed by Management and by members of the board through the Risk, Compliance and Capital Management committee. For the reporting period, the board is satisfied that this document provides an accurate view of the bank's capital position and that the bank is well capitalised above the prescribed regulatory required capital limits as well as the board approved Risk Appetite Statement (RAS) and trigger limits. It is worth noting that despite the information in this report being unaudited that it has undergone a robust internal review and challenge process.



**TymeBank**

## Great, let's get you started by opening your account

You'll get a transactional and savings account all in one place - making it easier for everyday banking and managing your spending.

-  No monthly account fees
-  Earn points when using with your Debit card
-  Competitive interest rates
-  24/7 access to your accounts

**All you will need:**

- Your South African ID number
- Your South African cellphone number

[Start now](#)

# Table of Contents

About us .....	2
Scope .....	3
Assurance.....	4
1. Structure & Consolidated Supervision .....	6
2. LIA: Explanation of differences between accounting and regulatory exposure amounts .....	9
3. Key metrics (at consolidated level) .....	12
4. Overview of Risk Management .....	13
5. Credit Risk.....	20
5.1 Credit Quality of Assets.....	21
5.2 Credit Risk Mitigation Techniques .....	22
5.3 Credit Exposures by Asset Class .....	23
5.4 Credit Exposures by Asset Class and Risk Weights.....	24
6. Operational Risk.....	24
7. Composition of Risk Weighted Assets (RWA).....	26
8. Market Risk .....	27
9. Composition of Capital .....	29
10. Reconciliation .....	31
11. Leverage ratio .....	31
12. Liquidity.....	33
12.1 Liquidity Coverage Ratio .....	35
12.2 Net Stable Funding Ratio.....	36
13. Annual Remuneration Disclosures .....	39
13.1 Remuneration Governance Framework.....	39
13.2 Remuneration Policy .....	40
13.3 Remuneration Framework .....	41
13.4 Linking Remuneration to Performance.....	42
13.5 Quantitative disclosures.....	42
14. Appendices .....	44
Appendix A - Abbreviations .....	44
Appendix B - Terms.....	45

# 1. Structure & Consolidated Supervision

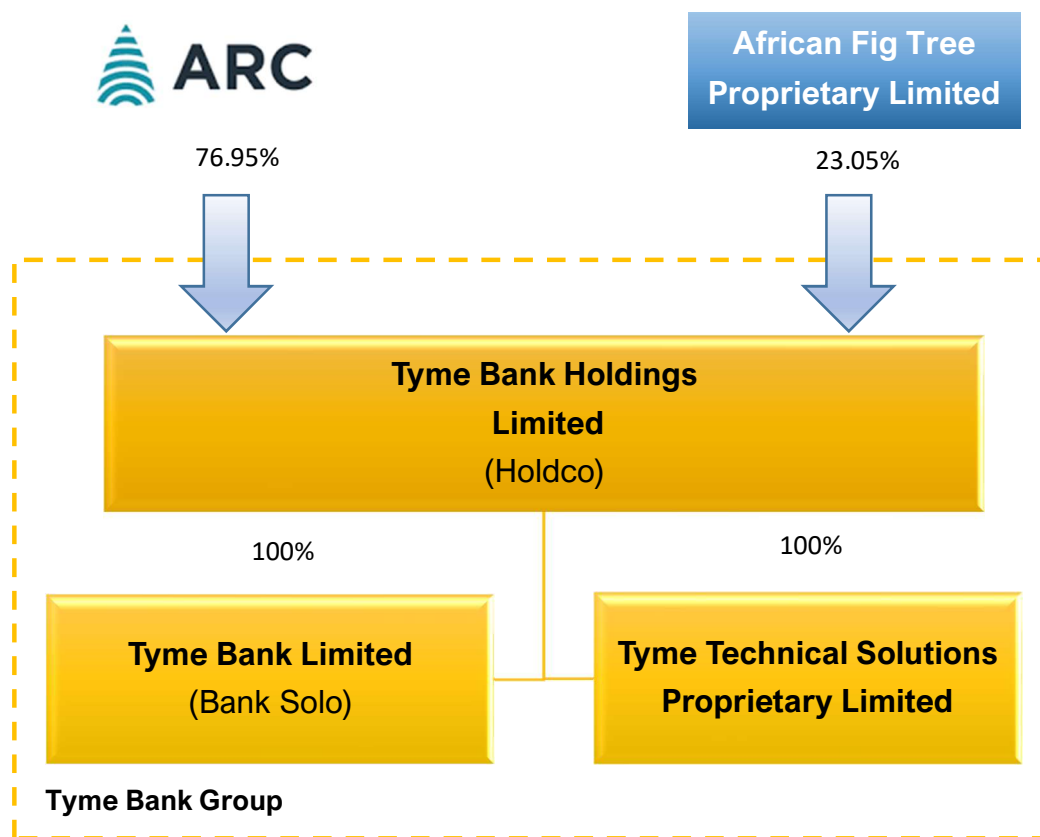


Figure 1: Tyme Bank Group Structure<sup>1</sup>

The structure consists of Tyme Bank Holdings Limited (Holdco) and two wholly owned subsidiaries. Holdco is the registered controlling company of Tyme Bank Limited, the registered bank.

As at 30 June 2019, the shareholders of Tyme Bank Holdings Limited were African Rainbow Capital Financial Services Holdings (ARC) (76.95%) and African Fig Tree (Pty) Limited (AFT) (23.05%).

Tyme Bank Limited is the banking entity within the Tyme Bank group and contributes approximately 99.9% to the total consolidated balance sheet and risk-weighted assets (RWA). Tyme Technical Solutions Proprietary Limited (TTS) currently makes up approximately 0.1% of the consolidated balance sheet due to bank placements held in its name. There is currently no activity in this company.

Following the share issue that took place on 21 August 2019, the company's equity was changed. Effectively, ARC holds 70.80%, AFT holds 21.20% and Ethos Artificial Intelligence GP SA Proprietary Limited holds 8.00% of the equity of Tyme Bank Holdings Limited.

<sup>1</sup> As at 30 June 2019

All entities are reported under the Basel III Standardised Approach and fully consolidated in line with regulatory and 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 capital adequacy of Tyme Bank is not diluted by any minority shareholders or investments and all equity injected into the business qualifies 100% towards regulatory capital. Capital adequacy is measured against standardised prescribed and approved risk measurement approaches, as reflected in the table below.

<b>Risk type</b>	<b>Risk measurement approach</b>
Credit risk	Standardised approach
Counterparty credit risk (CCR)	Not applicable
Securitisation risk	Not applicable
Market risk	Standardised approach
Equity risk	Not applicable
Operational risk	Basic Indicator Approach

Tyme Bank ensures that its plans and controls are adequate to manage all major risks to the bank, ie.:

- credit risk,
- market risk,
- liquidity risk,
- operational risk,
- reputational/  
conduct risk,
- compliance risk,
- cyber risk, and
- systemic risk.

This ensures it will remain a going concern, considering measurable and non-measurable risk types reported on a daily and monthly basis. Tyme Bank also considers non-financial risks and the 'customer voice' when making risk-based decisions and in designing products.

During the current financial year, the Ubuntu – Botho Investments Proprietary Limited Group, as majority shareholder, continued to provide adequate capital and funding to the bank. In addition, they continue to give assurance that the bank will have access to continued capital and funding to be able to settle its debts as they fall due and is able to continue business as a going concern for the period ending 31 October 2020.

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

concern, and therefore that it may be unable to settle its debts as they become due in the normal course of business.

The directors have reviewed the bank's cashflow forecast and are satisfied that the bank will have access to capital and funding to continue as a going concern provided that the abovementioned factors materialise. The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that that the company will continue to have ongoing access to capital and funding and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

## 2. LIA: Explanation of differences between accounting and regulatory exposure amounts

The tables below provide a breakdown of how the amounts reported in the annual financial statements correspond to the regulatory risk categories.

**L11 (Group): Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories**

At 30 June 2019

R'000

	Group						Not subject to capital requirements or subject to capital deductions
	a	b	c	d	e	f	
	Published financial statements	Regulatory scope of consolidation	Credit risk	Counterparty credit risk	Securitisation	Market risk	
	Carrying values of items subject to:						
<b>Assets</b>							
Property, plant and equipment	68 487	68 487	68 487				
Intangible assets	143 417	143 417					143 417
Trade and other receivables	83 898	83 898	83 898				
Other financial assets	222 951	222 951	222 951				
Inventory	7 784	7 784	7 784				
Term deposit investments	33 000	33 000	33 000				
Cash and cash equivalents	529 268	529 268	529 268				
<b>Total Assets</b>	<b>1 088 805</b>	<b>1 088 805</b>	<b>945 388</b>	-	-	-	<b>143 417</b>
<b>Equity and liabilities</b>							
Share capital	3 303 476	3 303 476	3 303 476				
Reserves	60 638	60 638	60 638				
Accumulated loss	(2 629 815)	(2 629 815)	(2 629 815)				
<b>Total equity</b>	<b>734 300</b>	<b>734 300</b>	<b>734 300</b>	-	-	-	-
Trade and other payables	86 392	86 392					86 392
Provisions	50 120	50 120					50 120
Customer accounts	217 994	217 994					217 994
<b>Total liabilities</b>	<b>354 505</b>	<b>354 505</b>	-	-	-	-	<b>354 505</b>
<b>Total equity and liabilities</b>	<b>1 088 805</b>	<b>1 088 805</b>	<b>734 300</b>	-	-	-	<b>354 505</b>

**LI1 (Bank): Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories**

At 30 June 2019

R'000

	Bank						Not subject to capital requirements or subject to capital deductions	
	a	b	c	d	e	f		g
	Published financial statements	Regulatory scope of consolidation	Credit risk	Counterparty credit risk	Securitisation	Market risk		
	Carrying values of items subject to:							
<b>Assets</b>								
Property, plant and equipment	68 487	68 487	68 487					
Intangible assets	143 417	143 417					143 417	
Trade and other receivables	83 781	83 781	83 781					
Other financial assets	222 951	222 951	222 951					
Inventory	7 784	7 784	7 784					
Term deposit investments	33 000	33 000	33 000					
Cash and cash equivalents	528 102	528 102	528 102					
<b>Total Assets</b>	<b>1 087 523</b>	<b>1 087 523</b>	<b>944 105</b>	-	-	-	<b>143 417</b>	
<b>Equity and liabilities</b>								
Share capital	3 105 380	3 105 380	3 105 380					
Reserves	200 000	200 000	200 000					
Accumulated loss	(2 571 427)	(2 571 427)	(2 571 427)					
<b>Total equity</b>	<b>733 953</b>	<b>733 953</b>	<b>733 953</b>	-	-	-	-	
Trade and other payables	85 567	85 567					85 567	
Provisions	50 009	50 009					50 009	
Customer accounts	217 994	217 994					217 994	
<b>Total liabilities</b>	<b>353 570</b>	<b>353 570</b>	-	-	-	-	<b>353 570</b>	
<b>Total equity and liabilities</b>	<b>1 087 523</b>	<b>1 087 523</b>	<b>733 953</b>	-	-	-	<b>353 570</b>	

- All regulatory carrying value disclosures align to Tyme Bank group's annual financial statements as all consolidations are in line with IFRS requirements and no market valuations are currently performed for any of the exposures.
- Values in column (a) and (b) are as per values reported in the financial statements.
- Values in column (c) - (g) in the tables above are based on the value in column (b).
- Intangible assets and goodwill are subject to deduction from capital ie. excluded from regulatory capital.

The tables below provide information on the main sources of differences between the financial statements' carrying value amounts and the exposure amounts used for regulatory purposes.

**L12 (Group): Main sources of differences between regulatory exposure amounts and carrying values in financial statements**

At 30 June 2019

R'000

		Group				
		a	b	c	d	e
		Items subject to:				
		Total	Credit Risk Framework	Securitisation Framework	Counterparty Credit Risk Framework	Market Risk Framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template L11)	1 088 805	945 388			
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template L11)	354 505				
<b>3</b>	<b>Total net amount under regulatory scope of consolidation</b>	<b>734 300</b>	<b>945 388</b>	-	-	-
4	Off-balance-sheet amounts					
5	Differences in valuations		(307 190)			
6	Differences due to different netting rules, other than those already included in row 2					
7	Differences due to consideration of provisions					
8	Differences due to prudential filters					
<b>9</b>	<b>Exposure amounts considered for regulatory purposes</b>	<b>734 300</b>	<b>638 198</b>	-	-	-

**L12 (Bank): Main sources of differences between regulatory exposure amounts and carrying values in financial statements**

At 30 June 2019

R'000

		Bank				
		a	b	c	d	e
		Items subject to:				
		Total	Credit Risk Framework	Securitisation Framework	Counterparty Credit Risk Framework	Market Risk Framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template L11)	1 087 523	944 105			
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template L11)	353 570				
<b>3</b>	<b>Total net amount under regulatory scope of consolidation</b>	<b>733 953</b>	<b>944 105</b>	-	-	-
4	Off-balance-sheet amounts					
5	Differences in valuations *		(302 368)			
6	Differences due to different netting rules, other than those already included in row 2					
7	Differences due to consideration of provisions					
8	Differences due to prudential filters					
<b>9</b>	<b>Exposure amounts considered for regulatory purposes</b>	<b>733 953</b>	<b>641 737</b>	-	-	-

\* Differences in valuations for credit risk exposures relate to certain exposures being calculated on a daily average balance basis compared to a closing day balance in the financial statements.

### 3. Key metrics (at consolidated level)

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

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

At 30 June 2019

	Group				
	a	b	c	d	e
R'000	30-Jun-19	31-Mar-19	31-Dec-18	30-Sep-18	30-Jun-18
<b>Available capital (amounts)</b>					
1 Common Equity Tier 1 (CET1)	590 065	485 450	546 442	660 343	978 766
2 Tier 1	590 065	485 450	546 442	660 343	978 766
3 Total capital	<b>590 065</b>	<b>485 450</b>	<b>546 442</b>	<b>660 343</b>	<b>978 766</b>
<b>Risk-weighted assets (amounts)</b>					
4 Total risk-weighted assets (RWA)	<b>480 672</b>	<b>576 318</b>	<b>580 019</b>	<b>554 843</b>	<b>667 466</b>
<b>Risk-based capital ratios as a % of RWA</b>					
5 Common Equity Tier 1 ratio (%)	123	84	94	119	147
6 Tier 1 ratio (%)	123	84	94	119	147
7 Total capital ratio (%)	<b>123</b>	<b>84</b>	<b>94</b>	<b>119</b>	<b>147</b>
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	1.88	1.88	1.88
9 Countercyclical buffer requirement (%)	-	-	-	-	-
10 Bank D-SIB additional requirements (%)	-	-	-	-	-
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50	2.50	1.88	1.88	1.88
12 CET1 available after meeting the bank's minimum capital requirements (%)	112	74	84	109	145
<b>Basel III Leverage Ratio</b>					
13 Total Basel III leverage ratio measure	945 389	727 693	711 267	829 296	1 168 192
14 Basel III leverage ratio (%) (row 2/row 13)	<b>62.42</b>	<b>66.71</b>	<b>76.83</b>	<b>79.63</b>	<b>83.78</b>
<b>Liquidity Coverage Ratio</b>					
15 Total HQLA	144 011	156 252	126 334	121 125	94 044
16 Total net cash outflow	997.576	686.550	25.753	0.040	0.138
17 LCR ratio (%)	<b>14 436</b>	<b>22 759</b>	<b>490 556</b>	<b>3 034 468</b>	<b>68 152 505</b>
<b>Net Stable Funding Ratio</b>					
18 Total available stable funding	3 499 670	3 183 902	2 909 967	2 703 520	2 703 484
19 Total required stable funding	2 991 711	2 895 392	2 614 373	2 257 771	1 996 149
20 NSFR ratio (%)	<b>117.00</b>	<b>109.96</b>	<b>111.31</b>	<b>119.74</b>	<b>135.44</b>

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

## 4. Overview of Risk Management

---

Tyme Bank seeks to establish a culture of disciplined risk-taking that enables the bank to deliver long-term value for its people, customers, and shareholders.

A strong risk culture supports the effective application of the risk appetite. To ensure a strong risk culture we:

- acknowledge risk;
- maintain a risk-aware mindset;
- communicate in a timely manner with honesty and transparency;
- speak up when detecting potential issues and risks;
- are accountable for data quality; and
- promote and embed a strong risk culture.

Tyme Bank's risk appetite is influenced by and should be read in the context of the bank's:

- vision of enhancing economic participation and inspiring financial well-being;
- values of integrity, accountability, collaboration, excellence and service; and
- standards of professional practice set out in stated corporate commitments.

The Board considers that long-term value is built on strength in key business outcomes; and will use these as criteria in assessing the Bank's strategy and risk profile.



#### PRESERVING CAPITAL ADEQUACY:

*We require strong levels of capital which are representative of our risk profile and compare favourably with our peers.*

The Board expects CBSA to only take such risks that are consistent with maintaining a conservative capital buffer above minimum requirements, as assessed internally or advised by the Group's external stakeholders.

The Board requires Tyme Bank to maintain capital minima and targets based on the SARB's implementation of the Basel capital regime in South Africa. These minimum and target levels, including the excess over minimum levels, may vary over the economic cycle, recognising that capital requirements can be pro-cyclical. We accept that in the initial 3 years (from receiving our banking license), capital will not be optimised and will be managed in a conservative manner to ensure minimum requirements are met at all times. They should be set to ensure that, other than in a severe stress event, Tyme Bank's capital does not fall into the Capital Conservation Buffer.

In maintaining these capital ratios, management should seek to efficiently manage both the admissible capital on the balance sheet and the risk weighted value of balance sheet assets.



#### ACHIEVING TARGETED PERFORMANCE:

*We require performance built on our capabilities which delivers both long-term shareholder value and consistent, predictable outcomes.*

The Board expects that growth will primarily be via organic growth by leveraging the core capabilities and opportunities offered by the majority shareholder. The Board supports activities that deliver consistent, predictable performance and maintain stakeholder confidence but accepts that this could be a challenge in the formative years of the new business.

The Board accepts the increased risk associated with having all earnings from South African financial services profit pools. In particular, earnings that are generated through the distribution of retail financial services in a digital manner and a business model that relies heavily on partnerships and third-party outsourcing and integration.

The Board accepts that Tyme Bank is a newly established institution that is implementing innovative, systems, processes and products in a new market which requires a test and learn approach on various strategies to understand the associated risks.

Risks will be managed to ensure that bank will remain a going concern on a sustainable basis.



#### MAINTAINING LIQUIDITY:

*We require an adequate level of liquidity and funding at all times.*

The Board expects a level of liquidity that at all times exceeds regulatory requirements and international standards. Liquidity tolerances should be set so that liquidity shocks over a prolonged period, whether affecting most financial institutions or Tyme Bank uniquely, are well covered.

The Board requires a balance sheet that can be adequately funded at all times through stable deposits. The Board accepts a funding profile that is initially reliant on funding from shareholders and wholesale funding.



#### PROTECTING OUR FRANCHISE VALUE:

*We require protection and enhancement of our franchise value through activities which build and maintain confidence with external stakeholders.*

The Board supports activities that protect and enhance Tyme Bank's franchise value. The Board expects management to establish robust risk frameworks that protect and enhance the Bank's reputation and earn and maintain the trust of all stakeholders.

The Board promotes a culture that supports robust and well-understood management of risk and requires the Bank to maintain the confidence of its regulators by maintaining full compliance with local and international regulation. The Board does however accept that initial high loss rates and volatility may be evident due to the absence of an existing stable portfolio and customer behavioural data. The Board supports activities that protect and support the debt-rating of the Tyme Bank. In maintaining these external ratings, management should seek to manage company-specific factors as defined by major debt-rating agencies. The Board recognises that domestic government activities could have a negative bearing on the Bank's external rating.

The Board expects all employees to conduct themselves in accordance with the Bank's values and the standards set out in our Manifesto.

The Board requires that business practices are fair to our customers, protect the fair and efficient operation of markets and engender confidence in Tyme Bank's products and services. The Board acknowledges that stakeholders' expectations of how the Bank conducts business will continue to evolve. The Board requires business practices to be refined on a continuous basis in order to meet these expectations.

The Board acknowledges that the Bank will utilise the services of numerous fit for purpose third party suppliers and that it will process and store highly sensitive data in an offshore cloud environment. In executing this strategy, the Board expects data be stored in regions with stable and reputable regulatory frameworks and assumes data protection and security will be enhanced.

When failures to comply or material incidents arise the Board requires these to be escalated and management to remediate them effectively, efficiently and in a timely way.

The Risk Appetite Statement (RAS) articulates the high-level boundaries for the type and degree of operational risk that the board is willing to accept for its shareholders. Risk appetite is a central and essential element of Tyme Bank's Enterprise Risk Management Framework (ERMF). Risk appetite is managed through limits and tolerances based on prescribed regulatory requirements for Tyme Bank and internally set limits, as identified in respective policies.

The board directs management on its risk-taking activities in the context of the bank's business strategy, by means of the RAS, which articulates:

- **Risk appetite:** *the degree of risk we are prepared to accept, expressed in terms of key business outcomes, and taking into consideration the interests of all stakeholders.*
- **Risk tolerances:** *for each business outcome, the maximum level of risk that we are willing to operate within.*
- **Risk limits and triggers:** *for each material risk type, management limits designed to cascade our risk appetite and risk tolerances to a day-to-day management level, with corresponding trigger levels for early intervention.*

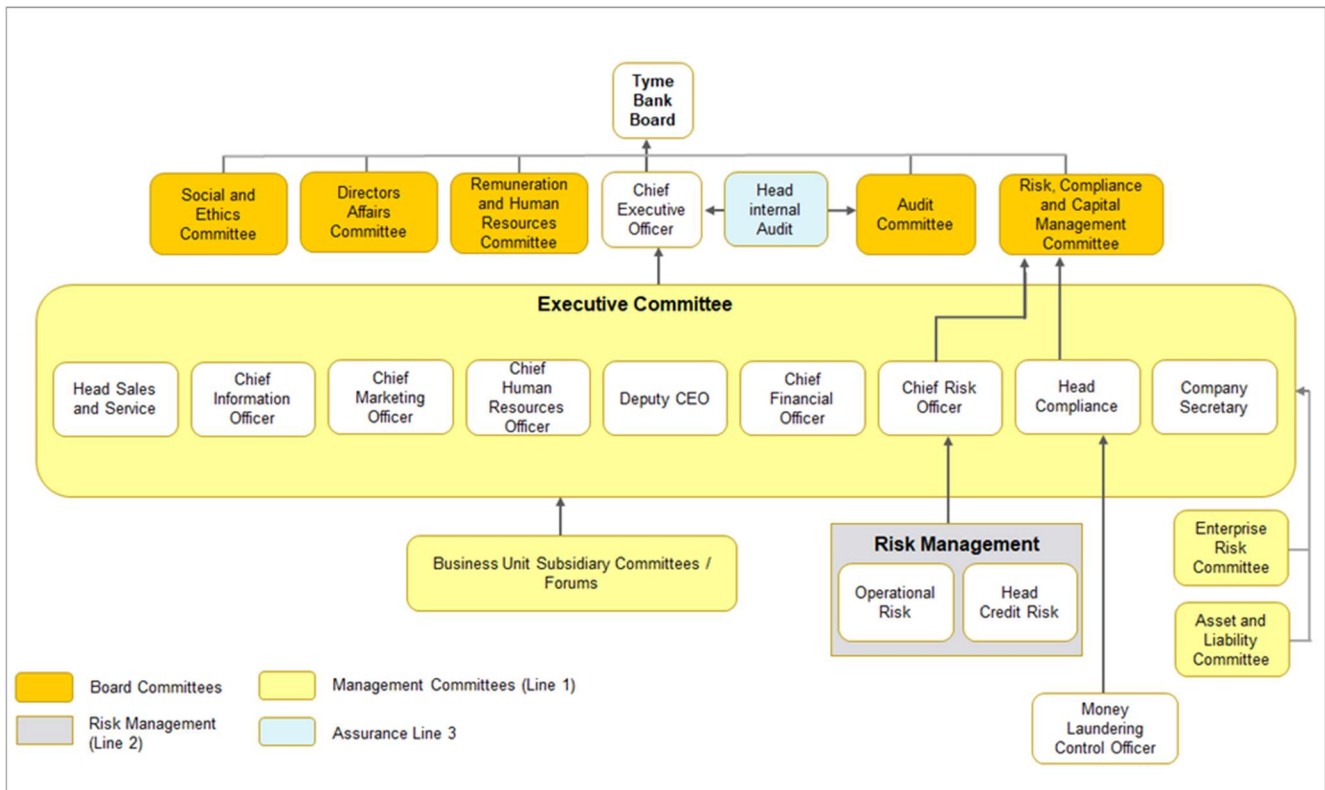


Figure 2: Risk Governance Structure

Risk governance therefore originates at board level, and cascades through the Chief Executive Officer (CEO) to Tyme Bank via policies, delegated authorities, and regular review of outcomes. This is underpinned by a clear segregation of duties and ensures board-level oversight. Independent review of the Enterprise Risk Management Framework and its implementation is carried out by Tyme Bank’s Internal Audit function, as appropriate.

The Chief Risk Officer (CRO) has ultimate responsibility for the risk oversight of all risk classes within Tyme Bank, with support from the Head of Compliance, who ensures that regulatory requirements are complied with at all times. To ensure the required focus on compliance-related matters, the Head of Compliance reports directly to the CEO and is accountable for managing all compliance and anti-money-laundering risks. Risk governance is undertaken by a structured hierarchy of committees and forums, each with specific accountabilities. With the introduction of a ‘Twin Peaks’ model into the South African Regulatory framework, a focus on conduct and the management of conduct risk within the business is paramount for Tyme Bank. We are committed to treating customers fairly, in a transparent and consistent manner, while promoting a corporate culture of ensuring our behaviour and actions puts the customer at the centre of everything we do.

The Risk, Compliance and Capital Management Committee is a sub-committee of the Tyme Bank Holdings board responsible for overseeing and advising the board on risk appetite and the risk

management framework. Furthermore, this committee monitors the risk profile of Tyme Bank; endorses board-level policies (including limits) in respect of key risk types as determined by the board, and monitors compliance with delegations. The Enterprise Risk Committee (ERC) is a management committee that ensures the implementation of Tyme Bank's board-level policies (including limits) in respect of key risk types as determined by the board; it implements delegations supporting strategy and risk appetite as well as monitors compliance with delegations.

Tyme Bank operates utilising the 'Three Lines of Defence' model to ensure that risks are identified, managed, and monitored. The three lines of defence are:

- business management (Line 1),
- risk management (Line 2), and
- audit and assurance (Line 3).

The first line of defence is business management. As risk is best managed at the place it occurs, business managers are responsible and accountable for managing the risks for their business. The risk management team, as Line 2, provides risk-management expertise and oversight for business management's risk-related activities. Line 3 is the internal audit function, who provide independent assurance regarding the adequacy and effectiveness of Tyme Bank's system of internal controls, risk management, and governance procedures and processes.

External resources are utilised by Internal Audit to provide assurance in certain areas where a high degree of specialist knowledge is required.

The level of risk accepted is managed through the Risk Management Framework (RMF), which is illustrated in the diagram below. The RMF ensures that the degree of risk the bank is willing to accept, as determined by the RAS, is in line with Tyme Bank's strategic plan and is executed through the Risk Management Approach. The Risk Management Approach is underpinned by the foundation components, together with key operational elements and the Tyme Bank approach for each risk type identified as material. The material risk types consist of the following:

- **credit risk:** the risk arising from counterparties as a result of credit extension.
- **market risk:** 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.
- **liquidity risk:** the risk arising from potential mismatches in funding requirements in both the banking and trading book. Note that the trading book is not applicable to Tyme Bank at present.

- **operational risk:** the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events.
- **reputational/conduct risk:** the risk of loss through not delivering on commitments, or through operating and behaving in a manner that adversely impacts the bank’s customers, shareholders, staff, or reputation.
- **compliance risk:** the risk of potentially contravening any applicable laws or regulations.
- **cyber risk:** the potential damage or losses arising from unauthorised access to Tyme Bank systems.

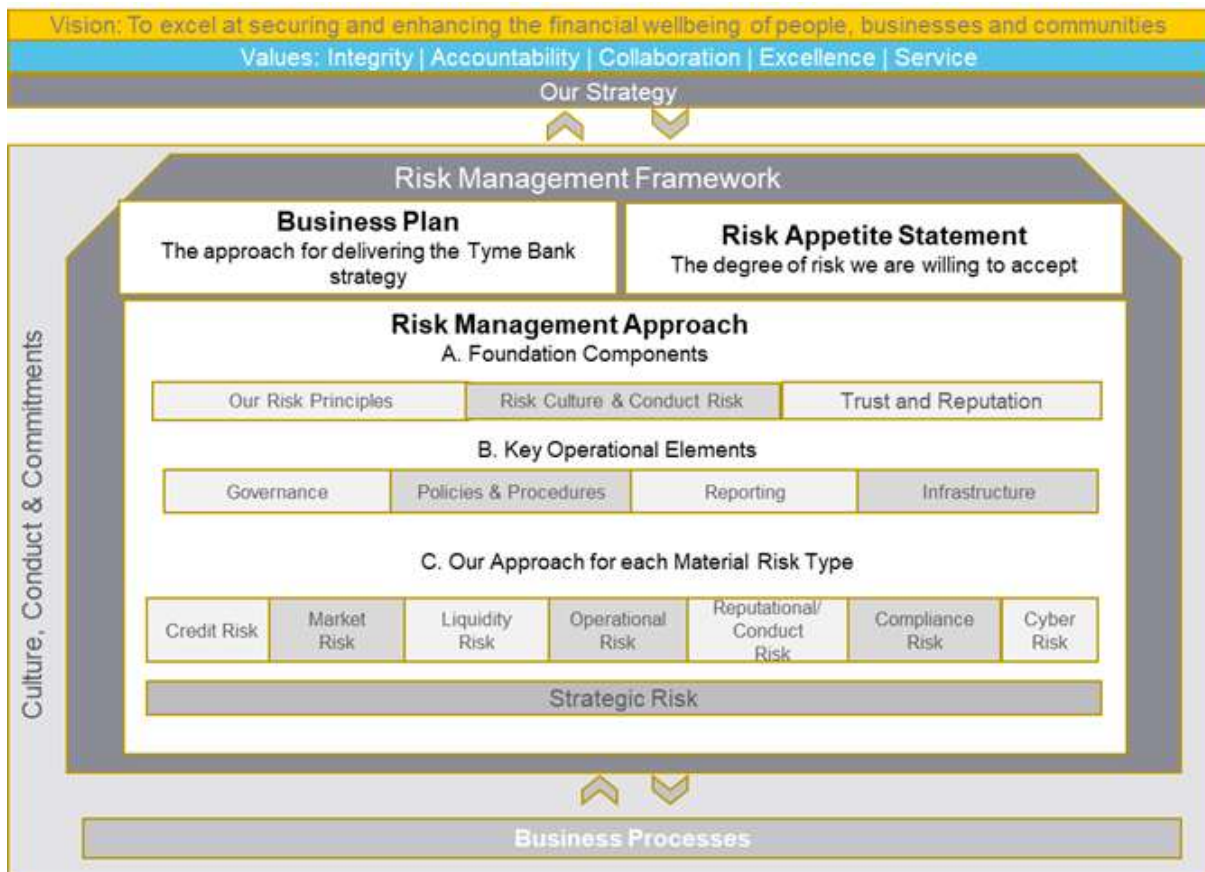


Figure 3: Risk Management Framework

- The RAS is formally reviewed on an annual basis and approved by the board.
- Reporting is designed to provide the board and senior management with a comprehensive view of the current material risks that Tyme Bank faces, as well as any emerging risks that may require Tyme Bank to amend its strategy or approach.

## 5. 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.

On a daily basis, Tyme Bank calculates its risk exposures arising from large exposures to a single obligor and groups of related obligors, expressed as a percentage of its qualifying capital requirement (QCR), as required by the Credit Concentration Framework and defined within the Credit Risk Policy (CRP). These exposures are internally monitored on a daily basis 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.

Credit risk arises from Tyme Bank's current activities, which are limited to interbank placements, minimum reserving requirements, and investing in Treasury Bills for liquid asset 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, 1990 into account, and are contained in the Credit Risk Policy. These limits have been set in order to govern the authority of management with regards to the amount of credit provided to a single obligor, or group of related obligors in order to prevent concentration risk. This limits the risk of catastrophic loss through over-exposure to the failure of a single borrower, or group of related borrowers and/or guarantors (obligors). Whilst Credit Risk is generally the biggest risk in banking, it currently contributes less than operational risk to the consolidated RWA, as the bank has not yet extended credit to customers. Credit extension will be launched during the latter half of 2019.

For regulatory capital purposes, the standardised approach has been adopted to determine RWA on credit exposure. Tyme Bank is in the process of building a robust credit risk model and constantly revising reporting standards in order to comply with the latest regulatory and financial reporting requirements, including IFRS 9.

## 5.1 Credit Quality of Assets

The following tables reflect the credit quality of both on- and off-balance-sheet assets and the impact of impairments as at 30 June 2019.

**CR1 (Group): Credit Quality of assets**  
At 30 June 2019  
R'000

		Group			
		a	b	c	d
		Carrying values of:		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans		581 892		581 892
2	Debt securities		198 327		198 327
3	Off-balance sheet exposures				
<b>4</b>	<b>Total</b>		<b>780 219</b>		<b>780 219</b>

**CR1 (Bank): Credit Quality of assets**  
At 30 June 2019  
R'000

		Bank			
		a	b	c	d
		Carrying values of:		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans		580 726		580 726
2	Debt securities		198 327		198 327
3	Off-balance-sheet exposures				
<b>4</b>	<b>Total</b>		<b>779 053</b>		<b>779 053</b>

- Net values reported in column (d) above are reported as the carrying values per the annual financial statements whereas the values in table CR3 represent the exposure at default (EAD) measured for regulatory purposes.

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

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

There is no default information to disclose for the period under review, as the bank has to date only placed funds with reputable and established South African banks and has not yet extended credit to the public.

## 5.2 Credit Risk Mitigation Techniques

### CR3 (Group): Credit risk mitigation techniques – overview

At 30 June 2019

R'000

	Group					
	Exposures unsecured: carrying amount	Exposures secured by:				
		Collateral	Collateral of which: secured amount	Financial guarantees	Financial guarantees, of which: secured amount	Credit derivatives
1 Loans	581 892					
2 Debt securities	198 327					
<b>3 Total</b>	<b>780 219</b>					
4 Of which defaulted	-					

### CR3 (Bank): Credit risk mitigation techniques – overview

At 30 June 2019

R'000

	Bank					
	Exposures unsecured: carrying amount	Exposures secured by:				
		Collateral	Collateral of which: secured amount	Financial guarantees	Financial guarantees, of which: secured amount	Credit derivatives
1 Loans	580 726					
2 Debt securities	198 327					
<b>3 Total</b>	<b>779 053</b>					
4 Of which defaulted	-					

As noted previously, the bank has not provided any secured or unsecured credit-related facilities and currently has no off-balance-sheet credit exposure. End-to-end credit risk systems and processes will be built and tested before implementation, with a lending pilot commencing in July 2019.

There is no credit risk mitigation currently being considered in the calculation of the RWAs as the bank has not yet extended credit to customers, therefore pre- and post-mitigation exposures are identical.

## 5.3 Credit Exposures by Asset Class

The following tables reflect the credit exposure per asset class, pre and post credit conversion factors (CCF) and credit risk mitigation (CRM), as at 30 June 2019.

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

At 30 June 2019 R'000		Group					
		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	On-balance-sheet	RWA	RWA Density (%)
1	Sovereigns and their central banks	198 651		198 651		0	0.00
4	Banks	447 304		447 304		137 000	30.63
13	Other assets	160 169		160 169		160 169	100.00
<b>14</b>	<b>Total</b>	<b>806 124</b>		<b>806 124</b>		<b>297 169</b>	<b>36.86</b>

CR4 table based on average figures

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

At 30 June 2019 R'000		Bank					
		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	198 651		198 651		0	0.00
4	Banks	443 086		443 086		132 782	29.97
13	Other assets	160 053		160 053		160 053	100.00
<b>14</b>	<b>Total</b>	<b>801 790</b>		<b>801 790</b>		<b>292 835</b>	<b>36.52</b>

CR4 table based on average figures

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

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

## 5.4 Credit Exposures by Asset Class and Risk Weights

The following table reflects the risk weights per asset class and post credit conversion factors (CCF) and credit risk mitigation (CRM) as at 30 June 2019.

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

At 30 June 2019 R'000	Group									Total credit exposures amount (post CCF and post-CRM)
	Risk Weight									
Asset classes	0%	10%	20%	35%	50%	75%	100%	150%	Others	
1 Sovereigns and their central banks	198 651									198 651
4 Banks			392 097				55 206			447 304
13 Other assets							160 169			160 169
<b>14 Total</b>	<b>198 651</b>		<b>392 097</b>				<b>215 375</b>			<b>806 124</b>

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 30 June 2019 R'000	Bank									Total credit exposures amount (post CCF and post-CRM)
	Risk Weight									
Asset classes	0%	10%	20%	35%	50%	75%	100%	150%	Others	
1 Sovereigns and their central banks	198 651									198 651
4 Banks			387 880				55 206			443 086
13 Other assets							160 052			160 052
<b>14 Total</b>	<b>198 651</b>		<b>387 880</b>				<b>215 258</b>			<b>801 790</b>

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

## 6. Operational Risk

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

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

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

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

- Governance;
- management, measurement, and systems;
- analytics, review, reporting; and
- people and culture.

As the bank has moved from the “build” into the “run” phase, post the official launch, risks continue to be identified as part of business as usual processes with subsequent controls being enhanced or implemented as required. The ERMF will therefore continue to mature over the short to medium term. All medium and higher risks, as well as ineffective controls, are raised and approved through the relevant governance processes.

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

The CEO of Tyme Bank is responsible for implementing a system to identify and manage risks that are material to the business, including a system of internal controls, assurance, and audits. The CEO receives his mandate from the board.

The Enterprise Risk Committee (ERC) is the primary committee that has oversight of operational risk management and is supported by the Chief Risk Officer (CRO). The ERC reports to and receives its mandate from the Risk, Compliance and Capital Management Committee.

The ERC & Executive Committee (EXCO) are responsible for overseeing operational risk management and measurement for the Tyme Bank business.

To ensure operational risk governance practices are effective, senior management ensures that the Operational Risk Governance Principles are embedded within each governance forum. These principles ensure transparency and consistency of governance standards across Tyme Bank.

There are currently no mitigation techniques applied within the ERMF. This function and risk mitigation techniques will grow in line with the business requirements and demands. These will be subjected to Line 1 and Line 2 controls and processes.

As indicated in the table below, the bank applies the basic indicator approach in calculating its Operational Risk RWA. These values have experienced a downward movement, since 31 December 2018, resulting in a decrease in the total risk weighted exposure.

Operational risk is calculated on a semi-annual basis. The recalculation done in June 2019 amounted to a lower operational risk based on the audited financial statement numbers.

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

At 30 June 2019 R'000	Group		Bank	
	30-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
Relevant risk exposure	97 868	169 751	96 749	165 861
Capital requirements	14 680	25 463	14 512	24 879
Risk weighted exposure equivalent amount	183 503	318 284	181 405	310 989

## 7. Composition of Risk Weighted Assets (RWA)

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

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

At 30 June 2019

R'000	Group			
	a	b		c
	RWA			* MCR
	30-Jun-19	31-Mar-19	30-Jun-18	30-Jun-19
1 Credit risk (excluding counterparty credit risk)	297 169	258 034	330 879	34 174
2 Of which: standardised approach (SA)	297 169	258 034	330 879	34 174
6 Counterparty credit risk (CCR)				
11 Equity positions under the simple risk weight approach				
16 Securitisation exposures in the banking book				
20 Market risk	-	-	19 593	-
24 Operational risk	183 503	318 284	316 993	21 103
25 Amounts below thresholds for deduction (subject to 250% risk weight)				
26 Floor adjustment				
<b>27 Total</b> (1+6+10+11+12+13+14+15+16+20+23+24+25+26)	<b>480 672</b>	<b>576 318</b>	<b>667 465</b>	<b>55 277</b>

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

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

At 30 June 2019

R'000	Bank			
	a	b		c
	RWA			* MCR
	30-Jun-19	31-Mar-19	30-Jun-18	30-Jun-19
1 Credit risk (excluding counterparty credit risk)	292 835	256 291	309 437	33 676
2 Of which: standardised approach (SA)	292 835	256 291	309 437	33 676
6 Counterparty credit risk (CCR)				
11 Equity positions under the simple risk weight approach				
16 Securitisation exposures in the banking book				
20 Market risk	-	-	19 593	-
24 Operational risk	181 405	310 989	309 698	20 862
25 Amounts below thresholds for deduction (subject to 250% risk weight)				
26 Floor adjustment				
<b>27 Total</b> (1+6+10+11+12+13+14+15+16+20+23+24+25+26)	<b>474 240</b>	<b>567 280</b>	<b>638 728</b>	<b>54 538</b>

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

- Credit RWA increased from the previous quarter due to capital funding and an increase in customer deposits.
- Operational RWA (recalculated on a 6-monthly basis) decreased from the previous quarter, resulting in a downward move in total risk weighted exposure.

The bank is yet to extend credit to the public but intends launching credit products during 2019, with a pilot planned for July 2019. The main driver in the bank's risk weighted assets (RWA) to date is therefore the cash placements with other South African banking counterparties. These placements are short to medium term in nature and the RWA movement is directly related to the aforementioned placements and correlates accordingly.

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

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

## 8. Market Risk

---

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

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

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

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

Foreign exchange risk is limited to Tyme Bank's exposure to suppliers and third parties who are paid in foreign currency. However, during the reporting period, the Bank's exposure to foreign suppliers has reduced significantly and consequently the board has risk accepted this FX exposure given its smaller impact overall.

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

At 30 June 2019

R'000

	Group	Bank
	Capital charge in SA	Capital charge in SA
	30-Jun-19	30-Jun-19
1 General interest rate risk		
2 Equity risk		
3 Commodity risk		
4 Foreign exchange risk	-	-
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		
<b>12 Total</b>	-	-

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

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

### Net Interest Income

At 30 June 2019  
R'000

	Bank	
	30-Jun-19	31-Dec-18
Percentage impact of a parallel rate shock on forecasted NII (%)	8.97	7.86
Twelve-month forecasted NII (R'000)	100 614	88 594
Cumulative total for 12 months post 2% parallel rate shock (R'000)	9 023	6 964

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

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

## 9. Composition of Capital

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

The capital contribution is in line with the major shareholding as depicted in the structure under the section 'Structure and Consolidated Supervision' on page 6.

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

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

**CC1 (Group & Bank): Composition of regulatory capital**
**At 30 June 2019**
**R'000**

	Group		Bank	
	Amounts	* Ref	Amounts	* Ref
<b>Common equity tier 1 capital: instruments and reserves</b>				
1 Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	3 303 476	(a)	3 105 380	(a)
2 Retained earnings	-2 629 813	(b)	-2 571 427	(b)
3 Accumulated other comprehensive income (and other reserves)	60 636		200 000	
4 Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)				
5 Common share capital issued by third parties (amount allowed in group CET1)				
<b>6 Common equity tier 1 capital before regulatory deductions</b>	<b>734 300</b>		<b>733 953</b>	
<b>Common equity tier 1 capital regulatory adjustments</b>				
7 Prudent valuation adjustments				
8 Goodwill (net of related tax liability)				
9 Other intangibles other than mortgage servicing rights (net of related tax liability)	143 417	(c)	143 417	(c)
10 Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-		-	
27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions				
<b>28 Total regulatory adjustments to Common Equity Tier 1</b>	<b>143 417</b>		<b>143 417</b>	
<b>29 Common equity tier 1 capital (CET1)</b>	<b>590 065</b>		<b>590 535</b>	
44 Additional tier 1 capital (AT1)				
<b>45 Tier 1 capital (T1= CET1 + AT1)</b>	<b>590 065</b>		<b>590 535</b>	
<b>58 Tier 2 capital (T2)</b>	<b>-</b>		<b>-</b>	
<b>59 Total regulatory capital (TC = T1 + T2)</b>	<b>590 065</b>		<b>590 535</b>	
<b>60 Total risk-weighted assets</b>	<b>480 672</b>		<b>474 240</b>	
<b>Capital ratios and buffers</b>				
61 Common equity tier 1 (as a percentage of risk-weighted assets)	123		125	
62 Tier 1 (as a percentage of risk-weighted assets)	123		125	
<b>63 Total capital (as a percentage of risk-weighted assets)</b>	<b>123</b>		<b>125</b>	
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)	<b>2.50</b>		<b>2.50</b>	
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.	<b>112</b>		<b>114</b>	
<b>National minima (if different from Basel III)</b>				
69 National common equity tier 1 minimum ratio (if different from Basel III minimum)	7.500		7.500	
70 National tier 1 minimum ratio (if different from Basel III minimum)	9.250		9.250	
71 National total capital minimum (if different from Basel III minimum)	11.500		11.500	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>				
<b>Applicable caps on the inclusion of provisions in tier 2</b>				
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	1712		1 712	
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				
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>				

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

## 10. Reconciliation

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

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

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

At 30 June 2019  
R'000

	Group			Bank		
	Balance sheet as per published financial statements	Under regulatory scope of consolidation	* Ref	Balance sheet as per published financial statements	Under regulatory scope of consolidation	* Ref
	30-Jun-19			30-Jun-19		
<b>Assets</b>						
Property, plant and equipment	68 487	68 487		68 487	68 487	
Intangible assets	143 417	143 417	(c)	143 417	143 417	(c)
Trade and other receivables	83 898	83 898		83 781	83 781	
Other financial assets	222 951	222 951		222 951	222 951	
Inventory	7 784	7 784		7 784	7 784	
Term deposit investments	33 000	33 000		33 000	33 000	
Cash and cash equivalents	529 268	529 268		528 102	528 102	
<b>Total assets</b>	<b>1 088 805</b>	<b>1 088 805</b>		<b>1 087 523</b>	<b>1 087 523</b>	
<b>Equity and liabilities</b>						
Share capital	3 303 476	3 303 476	(a)	3 105 380	3 105 380	(a)
Reserves	60 638	60 638	(b)	200 000	200 000	(b)
Accumulated loss	(2 629 815)	(2 629 815)	(b)	(2 571 427)	(2 571 427)	(b)
<b>Total equity</b>	<b>734 300</b>	<b>734 300</b>		<b>733 953</b>	<b>733 953</b>	
Trade and other payables	86 392	86 392		85 567	85 567	
Provisions	50 120	50 120		50 009	50 009	
Deposits received from customers	217 994	217 994		217 994	217 994	
<b>Total liabilities</b>	<b>354 505</b>	<b>354 505</b>		<b>353 570</b>	<b>353 570</b>	
<b>Total equity and liabilities</b>	<b>1 088 805</b>	<b>1 088 805</b>		<b>1 087 523</b>	<b>1 087 523</b>	

## 11. Leverage ratio

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

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

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

At 30 June 2019 R'000	Group		Bank	
	30-Jun-19	31-Mar-19	30-Jun-19	31-Mar-19
<b>1 Total consolidated assets as per published financial statements</b>	1 088 805	1 451 141	1 087 523	1 442 442
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	143 417	723 448	143 417	723 448
<b>8 Leverage ratio exposure measure</b>	<b>945 388</b>	<b>727 693</b>	<b>944 105</b>	<b>718 995</b>

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 30 June 2019.

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

At 30 June 2019 R'000	Group		Bank	
	30-Jun-19	31-Mar-19	30-Jun-19	31-Mar-19
<b>On-balance-sheet exposures</b>				
1 On-balance-sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1 088 805	1 451 141	1 087 523	1 442 443
2 (Asset amounts deducted in determining Basel III tier 1 capital)	143 417	723 448	143 417	723 448
3 Total on-balance-sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	<b>945 388</b>	<b>727 693</b>	<b>944 105</b>	<b>718 995</b>
<b>Derivative exposures</b>				
11 Total derivative exposures (sum of rows 4 to 10)				
<b>Securities financing transactions</b>				
16 Total securities financing transaction exposures (sum of rows 12 to 15)				
<b>Other off-balance-sheet exposures</b>				
19 Off-balance-sheet items (sum of rows 17 and 18)				
<b>Capital and total exposures</b>				
20 Tier 1 capital	590 065	485 450	590 535	477 275
21 Total exposures (sum of rows 3, 11, 16 and 19)	<b>945 388</b>	<b>727 693</b>	<b>944 105</b>	<b>718 995</b>
<b>Leverage ratio</b>				
22 Basel III leverage ratio	<b>62.42</b>	<b>66.71</b>	<b>62.55</b>	<b>66.38</b>

## 12. 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.

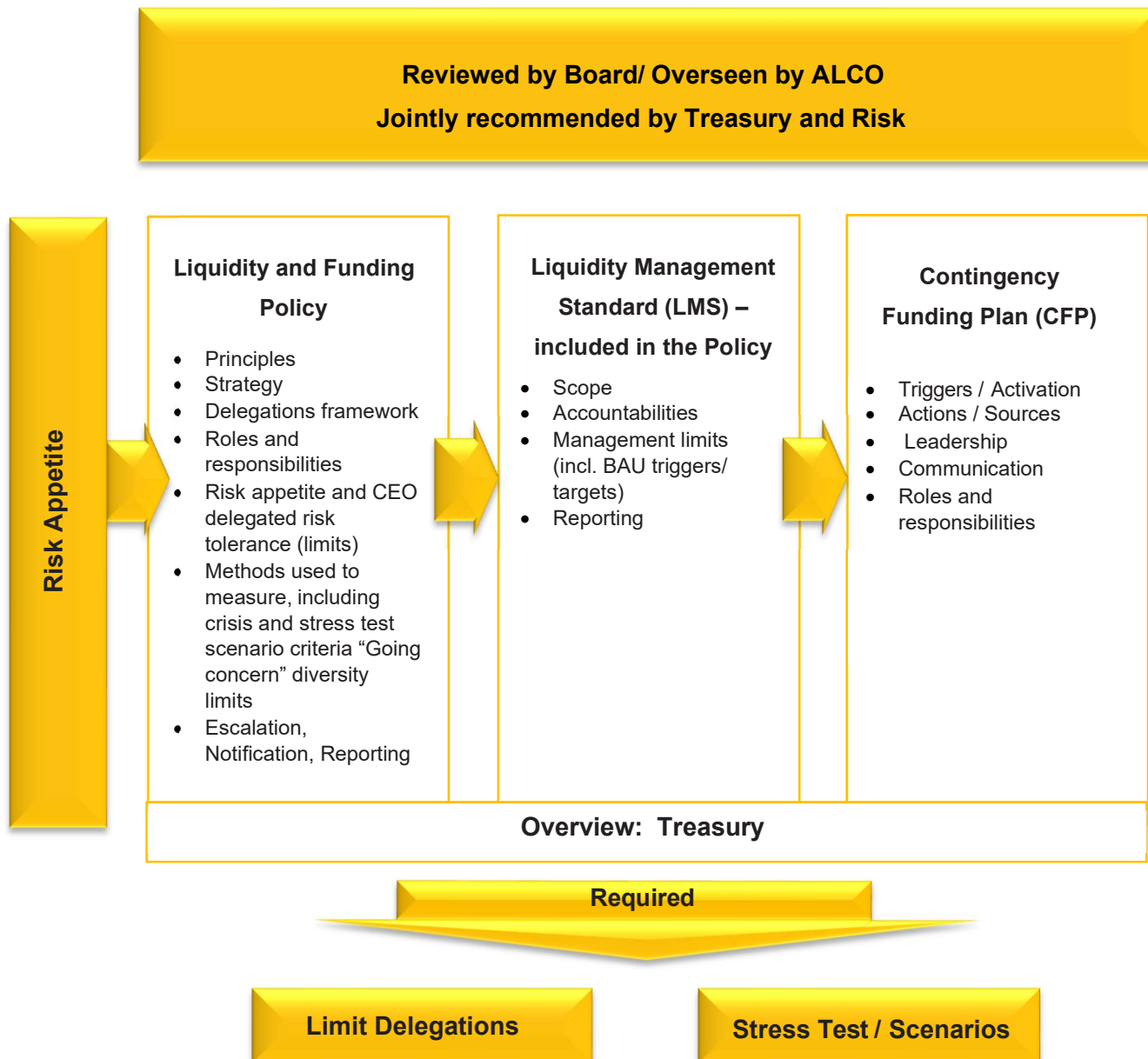


Figure 3: Liquidity Risk Framework

The LRF provides robust governance, risk management measures and techniques, and execution of liquidity risk and funding risk activities. It is consistent with Tyme Bank's risk management, governance, and control standards, except to any extent required by local regulatory conditions. The LRF has clearly documented and communicated responsibilities and accountabilities; and is adequate, in the view of the Tyme Bank board, for managing liquidity risk at a prudent level under

both normal conditions and in periods of stress. It furthermore also duly specifies, implements, and maintains appropriate limits in respect of Tyme Bank's funding sources, complies with the liquidity requirements of relevant regulators, and directly supports the qualitative requirements of the SARB/ PA.

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

- Liquidity Management Standard
- Contingency Funding Plan

Tyme Bank calculates its liquidity coverage ratio (LCR) position daily, ensuring a buffer is maintained over the minimum regulatory requirement and the risk appetite limit. The high-quality liquid assets (HQLA), as defined by the Regulations relating to Banks, consist of Treasury Bills and central bank deposits.

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

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

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

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

## 12.1 Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) requires institutions to hold sufficient liquid assets to meet their 30-day net cash outflows projected under the Prudential Authority's prescribed stress scenario. Tyme Bank maintained an average daily LCR of >1000% for the reporting period to 30 June 2019.

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

At 30 June 2019  
R'000

	Group		Bank	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
<b>High-quality liquid assets</b>				
1 Total HQLA		144 011		144 011
<b>Cash outflows</b>				
2 Retail deposits and deposits from small business customers, of which:	39 903	3 990	39 903	3 990
3 Stable deposits				
4 Less stable deposits	39 903	3 990	39 903	3 990
5 Unsecured wholesale funding, of which:				
9 Secured wholesale funding		0.000		0.000
10 Additional requirements, of which:				
14 Other contractual funding obligations				
15 Other contingent funding obligations	200 000	0.000	200 000	0.000
<b>16 TOTAL CASH OUTFLOWS</b>	<b>239 903</b>	<b>3 990</b>	<b>239 903</b>	<b>3 990</b>
<b>Cash inflows</b>				
17 Secured lending (eg reverse repo)				
18 Inflows from fully performing exposures	391 429	391 429	372 262	372 262
19 Other cash inflows				
<b>20 TOTAL CASH INFLOWS</b>	<b>391 429</b>	<b>391 429</b>	<b>372 262</b>	<b>372 262</b>
		<b>Total adjusted value</b>		<b>Total adjusted value</b>
21 Total HQLA		144 011		144 011
22 Total net cash outflows		998		998
<b>23 Liquidity coverage ratio (%)</b>		<b>14 436</b>		<b>14 436</b>

- The daily average used to calculate the above percentage consisted of 248 data points, representative of the number of working days during the 12-month period from 1 July 2018 to 30 June 2019.
- The weighted value represents the cashflow amount under a stressed scenario as a % of the unweighted value.

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

1. An increase in the bank's average high-quality liquid asset (HQLA) holdings. The bank continues to build its liquid assets portfolio to ensure compliance with both the growing regulatory requirements, as well as creating sufficient liquidity.
2. The total net outflows continued to increase due to an increase in customer deposits as expected during this period.

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

The high-quality liquid assets (HQLA) consist of the bank's initial purchase of a Treasury Bill (TB), as well as additional cash placed with the Prudential Authority (PA) in the bank's reserving account.

Net cash outflows are limited to customer accounts opened since the bank launched, towards the end of February 2019. 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.

## 12.2 Net Stable Funding Ratio

---

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

The current balance sheet and proposed phasing in of product offerings, and the proposed liquid assets to be held, place the bank in a position to be fully compliant with all prescribed limits. This is further influenced by the short-term to medium term nature of all current bank placements but offset by current regulatory capital adjustments.

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

**LIQ2 (Group): Net Stable Funding Ratio**

At 30 June 2019

R'000

	Group				
	Unweighted value by residual maturity				Weighted value
	No maturity*	<6 months	6 months to <1 year	≥1 year	
<b>Available stable funding (ASF) item</b>					
1 Capital:	3 303 476	-	-	-	3 303 476
2 Regulatory capital	3 303 476				3 303 476
3 Other capital instruments					-
4 Retail deposits and deposits from small business customers:		217 994			196 194
5 Stable deposits					
6 Less stable deposits		217 994			196 194
7 Wholesale funding:					
8 Operational deposits					
9 Other wholesale funding					
10 Liabilities with matching interdependent assets					
11 Other liabilities:		86 392			
12 NSFR derivative liabilities					
13 All other liabilities and equity not included in the above categories		86 392			
<b>14 Total ASF</b>					<b>3 499 670</b>
<b>Required stable funding (RSF) item</b>					
15 Total NSFR high-quality liquid assets (HQLA)					9 916
16 Deposits held at other financial institutions for operational purposes					
17 Performing loans and securities:		557 267		24 625	108 215
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		557 267		24 625	108 215
25 Assets with matching interdependent liabilities					
26 Other liabilities:					2 873 580
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	2 713 411			160 169	2 873 580
32 Off-balance-sheet items					
<b>33 Total RSF</b>					<b>2 991 711</b>
<b>34 Net stable funding ratio (%)</b>					<b>117</b>

\* Items to be reported in the "no maturity" time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities and physical traded commodities.

LIQ2 (Bank): Net Stable Funding Ratio

At 30 June 2019

R'000

	Bank				Weighted value
	Unweighted value by residual maturity				
	No maturity*	<6 months	6 months to <1 year	≥1 year	
<b>Available stable funding (ASF) item</b>					
1 Capital:	3 305 380	-	-	-	3 305 380
2 Regulatory capital	3 305 380				3 305 380
3 Other capital instruments					-
4 Retail deposits and deposits from small business customers:		217 994			196 194
5 Stable deposits					
6 Less stable deposits		217 994			196 194
7 Wholesale funding:					
8 Operational deposits					-
9 Other wholesale funding					
10 Liabilities with matching interdependent assets					
11 Other liabilities:		85 567			-
12 NSFR derivative liabilities					
13 All other liabilities and equity not included in the above categories		85 567			
<b>14 Total ASF</b>					<b>3 501 574</b>
<b>Required stable funding (RSF) item</b>					
15 Total NSFR high-quality liquid assets (HQLA)					9 916
16 Deposits held at other financial institutions for operational purposes					
17 Performing loans and securities:		556 101		24 625	108 040
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		556 101		24 625	108 040
26 Other liabilities:					2 874 897
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	2 714 844			160 052	2 874 897
32 Off-balance sheet items					
<b>33 Total RSF</b>					<b>2 992 853</b>
<b>34 Net Stable Funding Ratio (%)</b>					<b>117</b>

\* Items to be reported in the "no maturity" time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities and physical traded commodities.

The NSFR increased since the previous quarter and is mainly driven by an increase in available stable funding due to capital funding and a continued uptick in customer deposits, following the launch of the bank.

## 13. Annual Remuneration Disclosures

---

The bank is required to make certain qualitative and quantitative remuneration disclosures on an annual basis in terms of Basel Pillar 3 disclosure requirements.

The following remuneration disclosures have been prepared in accordance with the Tyme Bank board's approved policy.

The quantitative information relates to senior managers and material risk-takers for the financial year to 30 June 2019.

Role	Count as at 30-Jun-19	Description
Senior managers	22	This includes the Senior Management Level
Material risk-takers	10	This level includes all Exco members

---

### 13.1 Remuneration Governance Framework

---

The remuneration committee is the main governing body for remuneration across the company. This committee develops the remuneration philosophy, framework, and policies for board approval.

The main purpose of the Committee is to fulfil the statutory function and responsibilities of a remuneration and human resources committee as contemplated in section 64C of the Banks Act in respect of both the Company as well as Tyme Bank.

The committee assists the board with remuneration by performing the functions set out in section 64C (2) of the Banks Act, namely:

- overseeing the compensation system's design and operation;
- exercising competent and independent judgement on compensation policies, processes, and practices and the incentives created for managing risk, capital, and liquidity;
- evaluating practices by which compensation is paid for potential future revenues in respect of which the timing and likelihood of realisation remain uncertain;
- ensuring that all relevant decisions are consistent with the assessment of the bank or controlling company's financial condition and future prospects;
- working closely with the controlling company's risk and capital management committee to evaluate incentives created by the compensation system;
- ensuring that compensation policies, processes and procedures comply with regulatory requirements;

- conducting an annual compensation review. The review, to be independent of management, shall include assessing the entities' compliance with regulations, and additional requirements that may be specified in writing by the registrar;
- ensuring that the remuneration of employees in the risk control and compliance functions is determined independently of all relevant business areas, and is adequate to attract qualified and experienced staff;
- verifying that performance measures are based principally on the achievement of board approved objectives; and
- consulting shareholders.

In addition to the statutory functions above, the board has mandated the committee to review and oversee Human Resources policies and strategies aimed at creating and sustaining the technical and managerial excellence required to support the attainment of Tyme Bank's objectives;

During the financial year ended 30 June 2019, the committee convened for 2 sessions.

## 13.2 Remuneration Policy

---

The Remuneration Policy sets out:

- the remuneration principles that guide the design of Tyme Bank's remuneration framework;
- the remuneration framework that delivers remuneration principles; and
- the policies used to manage remuneration within the remuneration framework and the risk management framework.

The board has determined that Tyme Bank's remuneration policies will:

- meet high standards of governance and all applicable regulatory requirements and guidelines;
- align with the vision, values, and strategy;
- be mindful of the interests of stakeholders including shareholders, employees, customers, and the community;
- be communicated to relevant stakeholders in a way that is clear and easy to understand;
- support avoiding conflicts of interest; and
- encourage behaviour that supports the long-term financial soundness and risk management framework.

The Remuneration Policy applies to all controlled entities of Tyme Bank, including:

- all executives and employees on individual contracts; and
- all executive and non-executive directors on the Tyme Bank board and the board of any majority owned Tyme Bank subsidiaries.

## 13.3 Remuneration Framework

The structure of remuneration arrangements for most employees consists of the following components:

- fixed remuneration (FR); and
- short-term incentive (STI) (at risk).

The following table outlines the key remuneration components. The variable remuneration components are based on performance against key financial and non-financial measures.

Element	Description	Applies to:
<b>Fixed Remuneration (FR)</b>	<ul style="list-style-type: none"> <li>• Base remuneration</li> <li>• <i>For the Chief Executive Officer (CEO) and Company executives:</i> Reviewed annually.</li> <li>• <i>For other employees:</i> Reviewed annually taking into account any change in scope of role performed by the individual, changes required to meet the principles of the Company Remuneration Policy, internal equity and market competitiveness. FR is approved by the individual's direct manager and the next level manager in the reporting line, Chief Human Resource Officer (CHRO) and CEO.</li> </ul>	All employees
<b>Variable Remuneration (at risk)</b>	<ul style="list-style-type: none"> <li>• The current variable remuneration instrument includes: Cash (non-deferred);</li> <li>• Cash is the only instrument which can be payable upfront and not deferred.</li> </ul>	See STI below
<b>Short-term incentive (STI)</b>	<ul style="list-style-type: none"> <li>• STI awards are discretionary and recognise annual performance over the financial year. Performance is measured using a key performance indicator (KPI).</li> </ul>	All eligible permanent employees (Employees are eligible to participate in variable remuneration arrangements applicable to their position)
<b>Long-term incentive (LTI)</b>	<ul style="list-style-type: none"> <li>• A new scheme is being designed as the company has exited the Commonwealth Bank Excess Bonus Return scheme.</li> </ul>	Selected key staff will participate

## 13.4 Linking Remuneration to Performance

Variable remuneration is directly linked to both short-term and long-term performance goals. All employees are assessed against specific KPIs. Individual KPIs may include all or some of the performance metrics listed below. Any discretionary STI award is linked to both Tyme Bank and individual performance outcomes.

The key performance areas for the CEO as at 30 June 2019 were:

Performance Category	Measures
Shareholder	<ul style="list-style-type: none"> <li>Contribute to the financial results of the Group and achieve the SA business plan.</li> </ul>
Customer	<ul style="list-style-type: none"> <li>Deliver an exceptional customer experience.</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>Achieve role specific strategic initiatives that contribute to the success of the business.</li> </ul>
People and Community	<ul style="list-style-type: none"> <li>Effective leadership.</li> </ul>

## 13.5 Quantitative disclosures

Variable remuneration is directly linked to both short-term and long-term performance goals. The table below provides a breakdown of the value of fixed and variable remuneration for senior managers and material risk-takers for the years ended 30 June 2019 and 30 June 2018. The fixed remuneration numbers for 2019 assume an average increase of 6%. For variable remuneration, the numbers are based on the STI targets and may differ insubstantially from the actual amounts awarded.

### REM1 (Group): Remuneration awarded during the financial year

30 June 2019 R'000	Senior managers		Material risk-takers	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
Number of employees	22	10	10	9
<b>Fixed remuneration</b>	<b>34 721</b>	<b>25 435</b>	<b>29 838</b>	<b>30 183</b>
Cash-based (non-deferred)	34 721	25 435	29 838	30 183
Other (non-deferred)				
<b>Variable Remuneration</b>	<b>12 894</b>	<b>7 312</b>	<b>20 491</b>	<b>16 213</b>
Cash-based (non-deferred)	12 894	7 312	20 491	12 303
Cash-based (deferred)			-	3 910
Shares and share-linked instruments (deferred)				
Other				

There were no special payments made during the year for exits of any Material risk-takers or Senior Managers.

**REM3 (Group): Deferred remuneration**

Deferred and retained remuneration	Outstanding at beginning of year	Of which: exposed to ex post explicit and/or implicit adjustment	Amendment due to ex post explicit adjustments	Amendment due to ex post implicit adjustments	Outstanding at end of year
<b>Senior management</b>	-				-
Cash					
Shares					
Cash-linked instruments					
Other					
<b>Material risk-takers</b>	-				-
Cash					
Shares					
Cash-linked instruments					
Other					
<b>Total</b>	-				-

## 14. Appendices

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

### Appendix A - Abbreviations

#### Key Abbreviations

Abbreviation	Description
ALCO	Asset and liability committee
ARC	African Rainbow Capital
ASF	Available stable funding
AT1	Additional tier 1 capital
BCP	Business continuity plan
BIA	Basic indicator approach
CCF	Credit conversion factor
CCP	Central counterparty
CCR	Counterparty credit risk
CEO	Chief executive officer
CET1	Common Equity Tier 1 capital
CFP	Contingency funding plan
CHRO	Chief Human Resource Officer
CRF	Credit Risk Framework
CRM	Credit risk mitigation
CRO	Chief Risk Officer
ERB	Excess Return Bonus
ERC	Enterprise Risk Committee
EWI	Early warning indicator
EXCO	Executive committee
FR	Fixed remuneration ( <i>refer terms for explanation</i> )
FX	Foreign Exchange
HQLA	High quality liquid assets
IFRS	International Financial Reporting Standard
IFS	International Financial Services ( <i>refer terms for explanation</i> )
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
LTVR	Long-term variable remuneration ( <i>refer terms for explanation</i> )
MSR	Mortgage Servicing Rights
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
RMF	Risk Management Framework
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

Abbreviation	Description
TTS	Tyme Technical Solutions Proprietary Limited
VR	Variable remuneration ( <i>refer terms for explanation</i> )

## Appendix B - Terms

### Key Terms

Term	Description
<b>Board</b>	The Board of Directors of the Company.
<b>Executives</b>	Key management personnel (excluding the CEO) who are members of the executive committee.
<b>Fixed Remuneration (FR)</b>	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.
<b>Group</b>	Tyme Bank Limited and all its majority-owned subsidiaries.
<b>Key performance indicators (KPIs)</b>	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.
<b>Long-term variable remuneration (LTVR)</b>	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.
<b>Short-term incentive (STI)</b>	Variable remuneration paid subject to the achievement of predetermined performance hurdles over one financial year.
<b>Twin Peaks Model</b>	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.
<b>Variable Remuneration (VR)</b>	Remuneration that depends on minimum performance standards being achieved within a defined period.