



TymeBank
You've got this

Basel Pillar III

Disclosure As At 30 June 2024

Table of Contents

About us	3
Scope	4
1. Group Structure & Ownership	5
2. Key metrics – Capital	5
3. Explanation of differences between financial statements & regulatory exposure amounts	7
4. Overview of Risk Management	10
5. Credit Risk	13
5.1 Credit Quality of Assets	14
5.2 Credit Risk Mitigation Techniques	15
5.3 Credit Exposures by Asset Class	16
5.4 Credit Exposures by Asset Class and Risk Weights	17
6. Operational Risk	18
7. Composition of Risk Weighted Assets (RWA)	19
8. Market Risk	21
8.1 Interest Rate Risk in the Banking Book (IRRBB)	22
9. Composition of Capital	23
10. Reconciliation of regulatory capital	25
11. Leverage ratio	26
12. Liquidity	28
12.1 Liquidity Coverage Ratio	29
12.2 Net Stable Funding Ratio	30
13. Annual Remuneration Disclosures	33
13.1 Remuneration Governance Framework	33
13.2 Remuneration Policy	33
13.3 Remuneration Framework	34
13.4 Linking Remuneration to Performance	35
13.5 Quantitative disclosures	35
14. Appendices	36
Appendix A – Abbreviations	36
Appendix B – Terms	37



About us

Tyme Bank was officially registered as a bank by the Prudential Authority of the South African Reserve Bank (SARB) in September 2017. Following a period of testing, the Bank was officially launched to the public in February 2019.

Tyme Bank has embraced technology and partnerships to deliver innovative digital banking products to the market. The Bank's vision is to create long-term value for its people, customers, and shareholders by leveraging the Bank's core capabilities, with technology being at the forefront of this. Between 30 June 2023 and 30 June 2024, the Bank achieved significant growth, increasing its total customer base from 7.5 million to 9.6 million and its active customer base from 2.5 million to 3.5 million, respectively. Consistent with its strategy, the Bank operates responsibly in taking well-researched and managed risks to grow and create sustained top-tier shareholder value.

The Bank's purpose is to promote participation in the economy and to improve customer financial wellbeing by providing affordable access to financial services and products embedded with education and training. We are committed to treating customers fairly, in a transparent and consistent manner, while promoting a corporate culture of ensuring our behaviour and actions places the customer at the centre of everything we do. Doing the "right thing" remains ingrained in the Bank's ethos and hence a focus on conduct and the management of conduct risk within the business, is paramount.

Officially Launched

Feb 2019



Scope

In terms of Regulation 43(1) of the Regulations relating to Banks (the "Regulations"), 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 complies with the requirements of the above framework and Regulations. All of the Bank's 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 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. Any differences noted relate to timing of final audit adjustments and the submission of the year end Regulatory Returns. The effect of these adjustments on the Prudential Ratios included in this report are immaterial.

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.

For the period under review, the Group continues to maintain a robust capital, liquidity, and funding position. Throughout the period, the Capital Adequacy Ratio (CAR) ratio was consistently more than the regulatory minimum capital adequacy requirements.

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

Assurance

This document is prepared in accordance with the Bank's Public Disclosure Policy and has been reviewed by Senior Management, Internal Audit, and members of Executive Committee (EXCO). For the reporting period, management is satisfied that this document provides an accurate view of the Bank's capital position and that the Bank is 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. Group Structure & Ownership

The Bank is a wholly owned subsidiary of Tyme Bank Holdings Limited. The primary shareholders of Tyme Bank Holdings Limited were Tyme SA Holdings (55.74%), which consists of the South African based shareholders and Tyme Group Holdings PTE. Limited, (44.26%) consisting of the foreign domiciled shareholders.

Tyme Bank Limited is the banking entity within the Group and contributes 100% to the total consolidated balance sheet and risk-weighted assets (RWA)

The capital adequacy of Tyme Bank is not diluted by any minority shareholders and all equity injected into the business qualifies 100% towards regulatory capital.

2. Key metrics – Capital

The Bank's first month of profitable operations in December 2023 reflects substantial progress in improving profitability and conserving capital. The current and future capital levels are considered sufficient to meet the Bank's strategic objectives, accommodate changes in risk profiles, and satisfy regulatory requirements.

Capital ratios remained robust, above minimum regulatory requirements while supporting balance sheet growth.

Capital adequacy is measured against standards prescribed and approved risk measurement approaches, as reflected in the table below.

Risk type	Risk measurement approach
Credit risk	Standardised approach
Counterparty credit risk (CCR)	Not applicable
Securitisation risk	Not applicable
Market risk	Standardised approach
Equity risk	Look-through approach
Operational risk	Basic Indicator Approach

The Bank ensures that its plans and controls are adequate to manage all major risks, i.e.:

- Commercial/business risk
- Credit risk
- Market risk
- Liquidity risk
- Operational risk
- Reputational/conduct risk
- Compliance/regulatory risk
- Cyber risk
- Systemic risk



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)

	a	b	c	d	e
	30-Jun-24 T	31-Mar-24 T-1	31-Dec-23 T-2	30-Sep-23 T-3	30-Jun-23 T-4
At 30 June 2024					
R'000					
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	806 985	720 766	694 967	657 345	720 570
1a Fully loaded ECL accounting model	806 985	720 766	694 967	657 345	720 570
2 Tier 1	806 985	720 766	694 967	657 345	720 570
2a Fully loaded accounting model Tier 1	806 985	720 766	694 967	657 345	720 570
3 Total capital	826 498	740 747	714 417	676 004	738 460
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	3 666 239	3 274 301	3 188 551	2 774 379	2 757 309
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	22,01	22,01	21,80	23,69	26,13
5a Fully loaded ECL accounting model CET1 (%)	22,01	22,01	21,80	23,69	26,13
6 Tier 1 ratio (%)	22,01	22,01	21,80	23,69	26,13
6a Fully loaded ECL accounting model Tier 1 ratio (%)	22,01	22,01	21,80	23,69	26,13
7 Total capital ratio (%)	22,54	22,62	22,41	24,37	26,78
7a Fully loaded ECL accounting model total capital ratio (%)	22,54	22,62	22,41	24,37	26,78
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2,50	2,50	2,50	2,50	2,50
9 Countercyclical buffer requirement (%)	-	-	-	-	-
10 Bank D-SIB additional requirements (%)	-	-	-	-	-
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2,50	2,50	2,50	2,50	2,50
12 CET1 available after meeting the Bank's minimum capital requirements (%) ¹	14,51	14,51	14,30	16,19	15,63
Basel III Leverage Ratio					
13 Total Basel III leverage ratio measure	7 943 207	7 949 427	6 638 527	5 796 542	5 119 265
14 Basel III leverage ratio (%) (row 2/row 13)	10,16	9,07	10,47	11,34	14,08
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2A/row 13)	10,16	9,07	10,47	11,34	14,08
Liquidity Coverage Ratio					
15 Total HQLA	4 456 866	3 620 704	3 610 808	3 534 062	2 956 730
16 Total net cash outflow	275 044	205 672	210 935	193 297	208 264
17 LCR ratio (%) ²	1 620	1 760	1 712	1 828	1 420
Net Stable Funding Ratio					
18 Total available stable funding	15 115 580	14 034 672	13 272 677	13 023 820	12 318 545
19 Total required stable funding	10 371 518	9 839 741	9 658 456	9 559 864	8 192 330
20 NSFR ratio (%) ³	146	143	137	136	150

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.



3. Explanation of differences between financial statements & 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.

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

At 30 June 2024 R'000	a	b	Carrying values of items subject to:				g	h
	Published financial statements	Regulatory scope of consolidation	Credit risk	Counterparty credit risk	Securitisation	Market risk	Other Assets	Not subject to capital requirements or subject to capital deduction
Assets								
Property plant and equipment	101 730	101 730	-	-	-	-	101 730	-
Right of use asset	21 125	21 125	-	-	-	-	21 125	-
Goodwill and other intangible assets	1 034 930	1 034 930	-	-	-	-	-	1 034 930
Trade and other receivables	280 851	280 851	-	-	-	-	280 851	-
Financial assets	3 948 197	3 948 197	3 948 197	-	-	-	-	-
Inventories	31 163	31 163	-	-	-	-	31 163	-
Current tax receivable	7 238	7 238	-	-	-	-	7 238	-
Customer advances	1 922 935	1 922 935	1 922 935	-	-	-	-	-
Cash and cash equivalents	1 487 439	1 487 439	-	-	-	-	1 487 439	-
Total assets	8 835 608	8 835 608	5 871 132	-	-	-	1 929 546	1 034 930
Equity and Liabilities								
Share capital	1 372 643	1 372 643	-	-	-	-	-	1 372 643
Share premium	7 681 770	7 681 770	-	-	-	-	-	7 681 770
Reserves	239 595	239 595	-	-	-	-	-	239 595
Accumulated loss	(7 486 956)	(7 486 956)	-	-	-	-	-	(7 486 956)
Total equity	1 807 052	1 807 052	-	-	-	-	-	1 807 052
Trade and other payables	658 745	658 745	-	-	-	-	-	658 745
Current Tax liability	-	-	-	-	-	-	-	-
Lease liabilities	20 962	20 962	-	-	-	-	-	20 962
Provisions	60 007	60 007	-	-	-	-	-	60 007
Deposits received from customers	6 288 842	6 288 842	-	-	-	-	-	6 288 842
Total liabilities	7 028 556	7 028 556	-	-	-	-	-	7 028 556
Total equity and liabilities	8 835 608	8 835 608	-	-	-	-	-	8 835 608

Note: Difference relate to timing between audit adjustments subsequent to regulatory reporting.

Values in column (a) and (b) are as per values reported in the financial statements.

Values in column (c) - (g) are based on the value in column (b).

Intangible assets and goodwill are subject to deduction from capital i.e. excluded from regulatory capital.



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

At 30 June 2024 R'000	a	b	Carrying values of items subject to:					h
	Published financial statements	Regulatory scope of consolidation	Credit risk	Counterparty credit risk	Securitisation	Market risk	Other Assets	Not subject to capital requirements or subject to capital deduction
Assets								
Property, plant and equipment	101 730	101 730	-	-	-	-	101 730	-
Right of use asset	21 125	21 125	-	-	-	-	21 125	-
Goodwill and other intangible assets	1 034 930	1 034 930	-	-	-	-	-	1 034 930
Trade and other receivables	263 539	263 539	-	-	-	-	263 539	-
Financial assets	3 948 197	3 948 197	3 948 197	-	-	-	-	-
Inventories	31 163	31 163	-	-	-	-	31 163	-
Current tax receivable	7 093	7 093	-	-	-	-	7 093	-
Customer advances	1 922 935	1 922 935	1 922 935	-	-	-	-	-
Cash and cash equivalents	1 485 803	1 485 803	-	-	-	-	1 485 803	-
Total assets	8 816 515	8 816 515	5 871 132	-	-	-	1 910 453	1 034 930
Equity and Liabilities								
Share capital	1 189 927	1 189 927	-	-	-	-	-	1 189 927
Share premium	6 474 465	6 474 465	-	-	-	-	-	6 474 465
Reserves	1 183 771	1 183 771	-	-	-	-	-	1 183 771
Accumulated loss	(7 059 430)	(7 059 430)	-	-	-	-	-	(7 059 430)
Total equity	1 788 733	1 788 733	-	-	-	-	-	1 788 733
Trade and other payables	657 971	657 971	-	-	-	-	-	657 971
Lease liabilities	20 962	20 962	-	-	-	-	-	20 962
Provisions	60 007	60 007	-	-	-	-	-	60 007
Deposits received from customers	6 288 842	6 288 842	-	-	-	-	-	6 288 842
Total liabilities	7 027 782	7 027 782	-	-	-	-	-	7 027 782
Total equity and liabilities	8 816 515	8 816 515	-	-	-	-	-	8 816 515

Note: Difference relate to audit adjustments subsequent to regulatory reporting.

Values in column (a) and (b) are as per values reported in the financial statements.

Values in column (c) - (g) are based on the value in column (b).

Intangible assets and goodwill are subject to deduction from capital i.e. 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.

LI2 (Group): Main sources of differences between regulatory exposure amounts and carrying values in financial statements.

	a	b	c	d	e
	Total	Items subject to:			
		Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
At 30 June 2024 R'000					
1 Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	8 835 608	7 800 678	-	-	-
2 Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	7 028 556	-	-	-	-
3 Total net amount under regulatory scope of consolidation	1 807 052	7 800 678	-	-	-
4 Off-balance sheet amounts	-	-			
5 Differences in valuations	-	-			
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	-	-			
9 Exposure amounts considered for regulatory purposes	1 807 052	7 800 678	-	-	-

LI2 (Bank): Main sources of differences between regulatory exposure amounts and carrying values in financial statements.

	a	b	c	d	e
	Total	Items subject to:			
		Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
At 30 June 2024 R'000					
1 Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	8 816 515	7 781 585	-	-	-
2 Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	7 027 782	-	-	-	-
3 Total net amount under regulatory scope of consolidation	1 788 733	7 781 585	-	-	-
4 Off-balance sheet amounts	-	-			
5 Differences in valuations	-	-			
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	-	-			
9 Exposure amounts considered for regulatory purposes	1 788 733	7 781 585	-	-	-



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

The 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.

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

- vision of enhancing economic participation and inspiring financial well-being;
- values of customer obsession, empowerment, ownership, innovation, and compassion; and
- standards of professional practice set out in stated corporate commitments.

The Risk Appetite Statement (RAS) articulates the high-level boundaries for the type and degree of risk that the board is willing to accept for its shareholders. Risk appetite is a central and essential element of the Bank's Enterprise Risk Management Framework (ERMF). Risk appetite is managed through limits and tolerances

based on prescribed regulatory requirements for the 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:

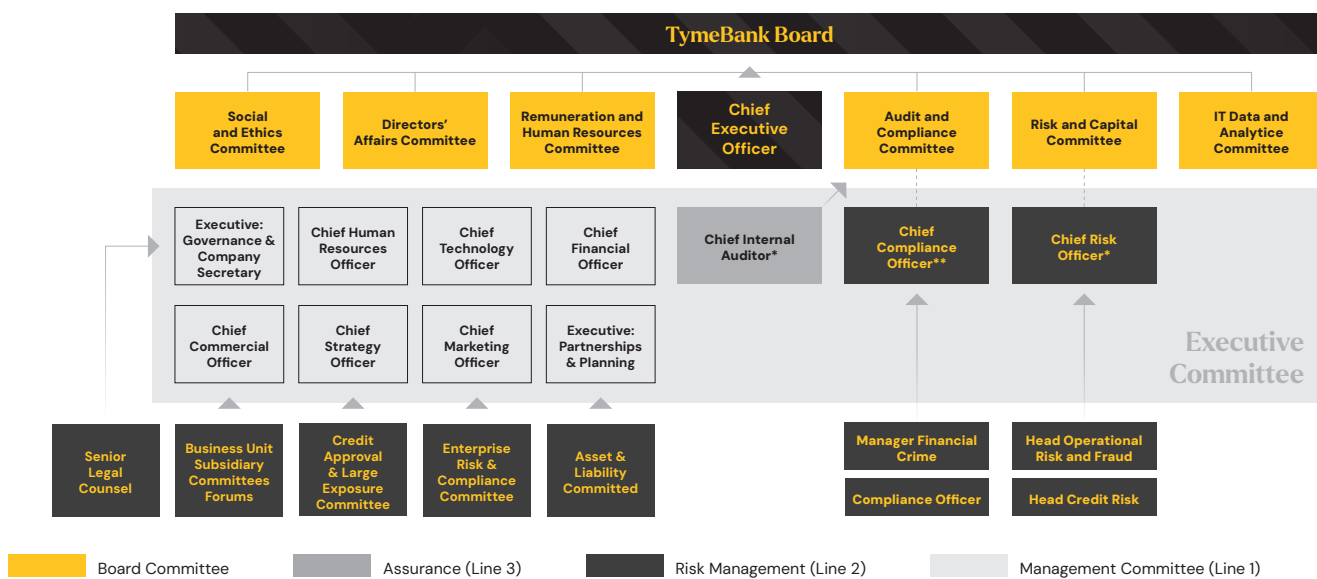
- **Risk appetite:** the degree of risk we are prepared to accept, expressed in terms of key business outcomes, and taking into consideration the interests of all stakeholders.
- **Risk tolerances:** for each business outcome, the maximum level of risk that we are willing to operate within.
- **Risk 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.

The Bank – Risk Governance Structure

- The key components of the corporate governance structure for risk management are illustrated in the diagram below.
- Governance is considered as one of the four key Operational Elements of the Risk Management Framework.



Figure 2: Risk Governance Structure



*The company secretary has a dual reporting line to the CEO (legal) and the Board Chairman (governance and secretarial).

**The Chief Internal Auditor, Chief Risk Officer and Chief Compliance Officer's have an administrative reporting line to the CEO and reports functionally to the respective board risk committee.

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

The Chief Risk Officer (CRO) has ultimate responsibility for the oversight of all risk classes within the Bank, with support from the Chief Compliance Officer, who ensures that regulatory requirements are always complied with. To ensure the required focus on compliance-related matters, the Chief Compliance Officer 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. We are committed to treating customers fairly, in a transparent and consistent manner, while promoting a corporate culture of ensuring our behaviour and actions put the customer at the centre of everything we do.

The Risk and Capital Management Committee is a sub-committee of the Board, responsible for overseeing and advising the board on risk appetite and the risk management framework. Furthermore, this committee monitors the risk profile of the Bank; endorses board-level policies (including limits) in respect of key risk types as determined by the Board, and monitors compliance with delegations. The Audit Compliance Committee (ACC) monitors the management of all risk types including regulatory and compliance risks. The Enterprise Risk and Compliance Committee (ERCC) is a management committee that ensures the

implementation of the Bank's board-level policies (including limits) in respect of key risk types as determined by the board; it implements delegations to support the strategy and risk appetite and monitors compliance with delegations.

The Information Technology, Data and Analytics Committee (ITDAC) is responsible for providing strategic guidance and risk oversight relating to information technology, data, and analytics.

The Bank operates using 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 the Bank's system of internal controls, risk management, and governance procedures and processes. As part of the 3rd line of defence external resources which include external audit, is used 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 Enterprise Risk Management Framework (ERMF), which is illustrated in the diagram below. The ERMF ensures that the degree of risk the Bank is willing to accept, as determined by the RAS, is in line with the 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 the Bank approach for each risk type identified as material. The material risk types consist of the following:

- **commercial/ business risk:** the financial risk arising from offering inappropriate customer solutions, not successfully executing on key initiatives and the inability to attract the right customer profile to improve and diversify revenue.
- **credit risk:** the risk arising from counterparties because 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.
- **interest rate risk in the banking book (IRRBB)** defined as the current or perspective risk to the Bank's capital and earnings arising from adverse movements in the interest rates that affect the institutions banking book positions.

- **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 the 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/ regulatory risk:** the risk of potentially contravening any applicable laws or regulations.
- **cyber risk:** the potential damage or losses arising from unauthorised access to the Bank systems.
- The RAS and Top 10 risks facing the Bank are 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 the Bank faces, as well as any emerging risks that may require the Bank to amend its strategy or approach.

Figure 3: Enterprise Risk Management Framework



5. Credit Risk

The 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 the Bank in achieving its strategic goals, through comprehensive identification, assessment, mitigation, monitoring, management, and reporting of credit risk.

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

The 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). Exposures to banks and Asset Managers are internally monitored daily and reported to the Asset and Liability Committee (ALCO) on a monthly basis, as well as to the PA in line with regulatory requirements and the CRF. Large Exposures to clients

defined as lending >R10m is reported to the ERCC monthly and also reviewed at the Large Exposures Credit Approval Committee (CALEC) and reported at Board level.

Credit risk arises from the Bank's current activities, consisting of interbank placements, minimum reserving requirements, investing in Treasury Bills and Government Bonds for liquid asset requirements and lending to SME's and consumers. The lending products include Merchant Cash Advances which offer working capital finance to small and medium business owners and a portfolio of consumer lending, made up of personal loans, buy-now-pay-later (MoreTyme), early grant access (GrantAdvance) and early salary access (TymeAdvance) portfolios. The Merchant Cash Advance (MCA) is by far the largest exposure and emanated with the acquisition of Retail Capital in December 2022.

For regulatory capital purposes, the standardised approach has been adopted to determine RWA on credit exposure. A prudent approach has been adopted in raising of impairments on the Bank's lending products and is aligned with IFRS 9 requirements. As at June 2024, the Bank adopted a new aging methodology on its MCA portfolio as part of its adoption of the IFRS9 General Approach, from the IFRS9 Simplified Approach previously. This new method improves risk management capabilities and better reflects risk emergence in the portfolio.

Limits have been set in order to govern the authority of management with regards to the amount of credit provided to a single obligor, or group of related obligors in order to prevent concentration risk. This limits the risk of catastrophic loss through over-exposure due to the failure of a single borrower, or group of related borrowers and/or guarantors (obligors).



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 of 30 June 2024.

CR1 (Group): Credit Quality of assets

At 30 June 2024 R'000	Carrying values of:		Allowances/ impairments	Net values (a+b-c)
	a	b		
	Defaulted exposures	Non-defaulted exposures		
1 Loans	153 395	2 212 809	317 478	2 048 726
2 Debt securities	-	3 934 010	810	3 933 200
3 Off-balance sheet exposures	-	1 019 441	-	1 019 441
4 Total	153 395	7 166 260	318 288	7 001 367

CR1 (Bank): Credit Quality of assets

At 30 June 2024 R'000	Carrying values of:		Allowances/ impairments	Net values (a+b-c)
	a	b		
	Defaulted exposures	Non-defaulted exposures		
1 Loans	153 395	2 211 104	317 478	2 047 021
2 Debt securities	-	3 934 010	810	3 933 200
3 Off-balance sheet exposures	-	1 019 441	-	1 019 441
4 Total	153 395	7 164 555	318 288	6 999 662

CR2 Changes in stock of defaulted loans and debt securities

At 30 June 2024 R'000	Bank	Group
1 Defaulted loans and debt securities at the end of the previous reporting period	4 478	4 478
2 Loans and debt securities that have defaulted since the last reporting period	301 142	301 142
3 Returned to non-default status	-	-
4 Amounts written off	152 225	152 225
5 Other changes	-	-
6 Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	153 395	153 395

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



5.2 Credit Risk Mitigation Techniques

CR3 (Group): Credit risk mitigation techniques – overview

At 30 June 2024 R'000	a	b	c	d	e	f	g
	Exposures unsecured: carrying amount	Exposures secured by:					
		Collateral	Collateral of which: secured amount	Financial guarantees	Financial guarantees, of which: secured amount	Credit derivatives	Credit derivatives, of which: secured amount
1 Loans	2 048 726	-	-	-	-	-	-
2 Debt securities	3 933 200	-	-	-	-	-	-
3 Total	5 981 926	-	-	-	-	-	-
4 Of which defaulted	153 395	-	-	-	-	-	-

CR3 (Bank): Credit risk mitigation techniques – overview

At 30 June 2024 R'000	a	b	c	d	e	f	g
	Exposures unsecured: carrying amount	Exposures secured by:					
		Collateral	Collateral of which: secured amount	Financial guarantees	Financial guarantees, of which: secured amount	Credit derivatives	Credit derivatives, of which: secured amount
1 Loans	2 047 021	-	-	-	-	-	-
2 Debt securities	3 933 200	-	-	-	-	-	-
3 Total	5 980 221	-	-	-	-	-	-
4 Of which defaulted	153 395	-	-	-	-	-	-

There is no credit risk mitigation currently being considered in the calculation of the RWAs, as lending is of an unsecured nature, pre and post-mitigation exposures are consistent.



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 of 30 June 2024.

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

At 30 June 2024 R'000	a		b		c		d		e		f	
	Exposures pre CCF and CRM				Exposures post CCF and CRM				RWA and RWA density			
	On-balance sheet		Off-balance sheet		On-balance sheet		Off-balance sheet		RWA		RWA density (%)	
Asset Classes												
1 Sovereigns and their central banks	5 442 035	-	5 442 035	-	-	-	-	-	-	-	-	-
2 Non-central government public sector entities	146 833	-	146 833	-	-	-	-	-	-	-	-	-
4 Banks	56 891	-	56 891	-	23 378	41,09						
6 Corporates	39 284	1 996	39 284	-	39 284	100,00						
7 Regulatory retail portfolios	1 988 619	1 017 445	1 988 958	-	1 501 073	75,47						
11 Past-due loans	153 395	-	437	-	219	50,00						
13 Other assets	351 313	-	351 313	-	351 313	100,00						
14 Total	8 178 370	1 019 441	8 025 751	-	1 915 266	366,56						

CR4 table discloses certain amounts based on average figures.

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

At 30 June 2024 R'000	a		b		c		d		e		f	
	Exposures pre CCF and CRM				Exposures post CCF and CRM				RWA and RWA density			
	On-balance sheet		Off-balance sheet		On-balance sheet		Off-balance sheet		RWA		RWA density (%)	
Asset Classes												
1 Sovereigns and their central banks	5 442 035	-	5 442 035	-	-	-	-	-	-	-	-	-
2 Non-central government public sector entities	146 833	-	146 833	-	-	-	-	-	-	-	-	-
4 Banks	42 248	-	42 248	-	20 450	48,40						
6 Corporates	39 284	1 996	39 284	-	39 284	100,00						
7 Regulatory retail portfolios	1 988 619	1 017 445	1 988 958	-	1 501 073	75,47						
11 Past-due loans	153 395	-	437	-	219	50,00						
13 Other assets	334 071	-	334 071	-	334 071	100,00						
14 Total	8 146 485	1 019 441	7 993 866	-	1 895 096	373,87						

CR4 table discloses certain amounts based on average figures.

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

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



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 of 30 June 2024.

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

At 30 June 2024 R'000	Group										Total credit exposures amount (post CCF and post-CRM)
	a	b	c	d	e	f	g	h	i	j	
	Risk Weight										
Asset Classes	0%	10%	20%	35%	50%	75%	100%	150%	Others		
1 Sovereigns and their central banks	5 442 035	-	-	-	-	-	-	-	-	-	5 442 035
2 Non-central government public sector	146 833	-	-	-	-	-	-	-	-	-	146 833
4 Banks	-	-	41 891	-	-	-	15 000	-	-	-	56 891
6 Corporates	-	-	-	-	-	-	39 284	-	-	-	39 284
7 Regulatory retail portfolios	-	-	-	-	-	1 951 542	37 416	-	-	-	1 988 958
11 Past-due loans	-	-	-	-	437	-	-	-	-	-	437
13 Other assets	-	-	-	-	-	-	351 313	-	-	-	351 313
14 Total	5 588 868	-	41 891	-	437	1 951 542	443 013	-	-	-	8 025 751

CR5 (Bank): Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

At 30 June 2024 R'000	Bank										Total credit exposures amount (post CCF and post-CRM)
	a	b	c	d	e	f	g	h	i	j	
	Risk Weight										
Asset Classes	0%	10%	20%	35%	50%	75%	100%	150%	Others		
1 Sovereigns and their central banks	5 442 035	-	-	-	-	-	-	-	-	-	5 442 035
2 Non-central government public sector entities	146 833	-	146 833	-	-	-	-	-	-	-	146 833
4 Banks	-	-	27 248	-	-	-	15 000	-	-	-	42 248
6 Corporates	-	-	-	-	-	-	39 284	-	-	-	39 284
7 Regulatory retail portfolios	-	-	-	-	-	1 951 542	37 416	-	-	-	1 988 958
11 Past-due loans	-	-	-	-	437	-	-	-	-	-	437
13 Other assets	-	-	-	-	-	-	334 071	-	-	-	334 071
14 Total	5 588 868	-	27 248	0	437	1 951 542	425 771	0	0	0	7 993 866



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.
- **Fraud risk:** Potential losses due to fraudulent activities from both internal or external sources.

The 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.

Risks are identified as new products or processes are developed, or as part of business-as-usual processes with subsequent controls being enhanced or implemented as required. The Bank has established a fit-for-purpose combined assurance framework to integrate, coordinate, and align the risk management and assurance processes, between Risk, Compliance

and Internal and External Audit to optimise and maximise the level of risk, governance and control oversight across the organisation's risk landscape.

The ERMF will therefore continue to mature. All medium and higher risks, as well as ineffective controls, are raised and approved through the relevant governance processes.

The Board and senior management remain ultimately responsible for ensuring that the Bank's system of internal control is adequate and operating effectively.

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

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

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

As indicated in the table below, the Bank applies the Basic Indicator Approach (BIA) in calculating its Operational Risk RWA which is calculated on a semi-annual basis.

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

At 30 June 2024 R'000	Group		Bank	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
Relevant risk exposure	933 852	701 681	933 337	701 222
Capital requirements	140 078	105 252	140 001	105 183
Risk weighted exposure equivalent amount	1 750 973	1 315 652	1 750 006	1 314 792



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.

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

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

At 30 June 2024 R'000	a	b	c
	Risk-weighted assets		* MCR
	30-Jun-24 T	31-Mar-24 T-1	30-Jun-24 T
1 Credit risk (excluding counterparty credit risk) ¹	1 915 266	1 958 649	220 256
2 Of which: standardised approach (SA)	1 915 266	1 958 649	220 256
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	-	-	-
21 Of which: standardised approach (SA)	-	-	-
22 Of which: internal model approaches (IMA)	-	-	-
23 Capital charge for switch between trading book and banking book	-	-	-
24 Operational risk ²	1 750 973	1 315 652	201 362
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)	3 666 239	3 274 301	421 617

*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 June 2024 R'000	a	b	c
	Risk-weighted assets		* MCR
	30-Jun-24 T	31-Mar-24 T-1	30-Jun-2024 T
1 Credit risk (excluding counterparty credit risk) ¹	1 895 095	1 955 777	217 936
2 Of which: standardised approach (SA)	1 895 095	1 955 777	217 936
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	-	-	-
21 Of which: standardised approach (SA)	-	-	-
22 Of which: internal model approaches (IMA)	-	-	-
23 Capital charge for switch between trading book and banking book	-	-	-
24 Operational risk ²	1 750 006	1 314 792	201 251
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)	3 645 101	3 270 569	419 187

* 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)



8. Market Risk

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

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

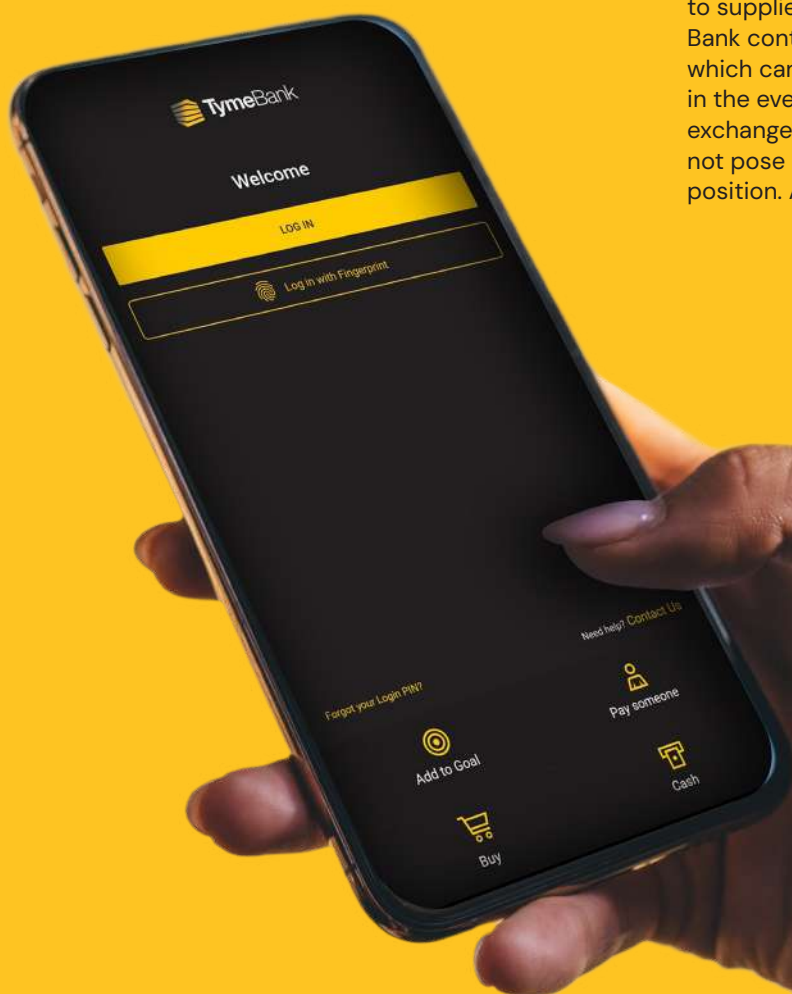
- **Interest rate risk:** Potential losses due to fluctuations in interest rate;
- **Equity risk:** Potential losses due to fluctuations in stock price;
- **Foreign exchange risk:** Potential losses due to international currency exchange rates (closely associated with settlement risk); and
- **Commodity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

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

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

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

Foreign exchange risk is limited to the Bank's exposure to suppliers who are paid in foreign currency. Whilst the Bank continues to make use of international technology, which can put additional pressure on the cost line, in the event of a significant deterioration in the Rand exchange rate, such exposure remains minimal and does not pose a material risk to the Bank's overall financial position. At 30 June 2024 there was no FX exposure.



8.1 Interest Rate Risk in the Banking Book (IRRBB)

Interest rate risk is defined as the risk of loss in interest earnings or in the economic value of banking book items because of fluctuation in interest rates. The asset and liability structure of the Bank creates a certain exposure to IRRBB. Interest rate risk management is carried out by the Treasury and ALM team in line with the policies and limits set by ALCO. IRRBB is monitored and controlled both from a value perspective (such as using the economic value of equity, EVE) and from an income perspective (sensitivity in net interest income, NII) calculated on a monthly basis.

Gap risk is the risk that arises from a difference in the timing of rate changes in interest rate sensitive instruments. Gap risk covers both repricing risk and yield curve risk. Majority of the Bank's assets are fixed rate, whilst majority of the liabilities are discretionary rate, repricing overnight. In this context there is potential exposure to interest rate mismatch due to the difference in timing of interest rate changes. This impact is minimised by the short term nature of the assets (up to 12 months).

Basis risk arises from the impact of relative changes in interest rates on instruments that have similar tenors but are priced using different interest rate indices. Basis risk is largely mitigated by the Bank discretionary liabilities where the Bank has the ability to amend these rates as and when it deems necessary.

Option risk is the result of options, where the institution or its customer can alter the level and timing of cash flows arising from interest rate sensitive products. For the Bank, option risk is present in non-maturing deposits (NMDs). In the case of NMDs, clients have the option to withdraw deposits without penalty at any

point in time while the Bank has the option to change the deposit rate at any point in time.

Interest sensitivity is measured by applying standard parallel yield curve shifts, historical simulation, and user defined yield curve scenarios. All analyses are based on the interest rate repricing maturities. Behavioural analyses are used for the products that do not have contractual maturities.

The EVE measures are based on regulatory guidelines and comprises a sustained, instantaneous parallel downward and upward shock of 400 bps to interest rates and non-parallel shocks such as Steepener, Flattener, Short-rates up and Short-rates down. No credit risk spread is applied to the cash flows or the discount rate for determining EVE.

IRRBB is measured and monitored at each meeting of ALCO by using duration, repricing gap and sensitivity analyses against regulatory guidelines and approved internal limits. Sensitivity analyses are based on both economic value and earnings perspectives.

IRRBB1 – Quantitative information on IRRBB

At 30 June 2024 R'000	ΔEVE (Behavioural)	ΔNII (Behavioural)
Parallel up	43 663	71 632
Parallel down	(73 914)	(86 657)
Steepener	14 569	
Flattener	(19 230)	
Short rate up	3 941	
Short rate down	(22 988)	
Maximum	(73 914)	
Tier 1 capital	788 648	



9. Composition of Capital

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

Regulatory deductions are made in line with the Basel III capital framework, the requirements specified in

Sections 70 and 70A of the Banks Act and the specific requirements 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.tyembank.co.za/about/>).

CCI (Group & Bank): Composition of regulatory capital

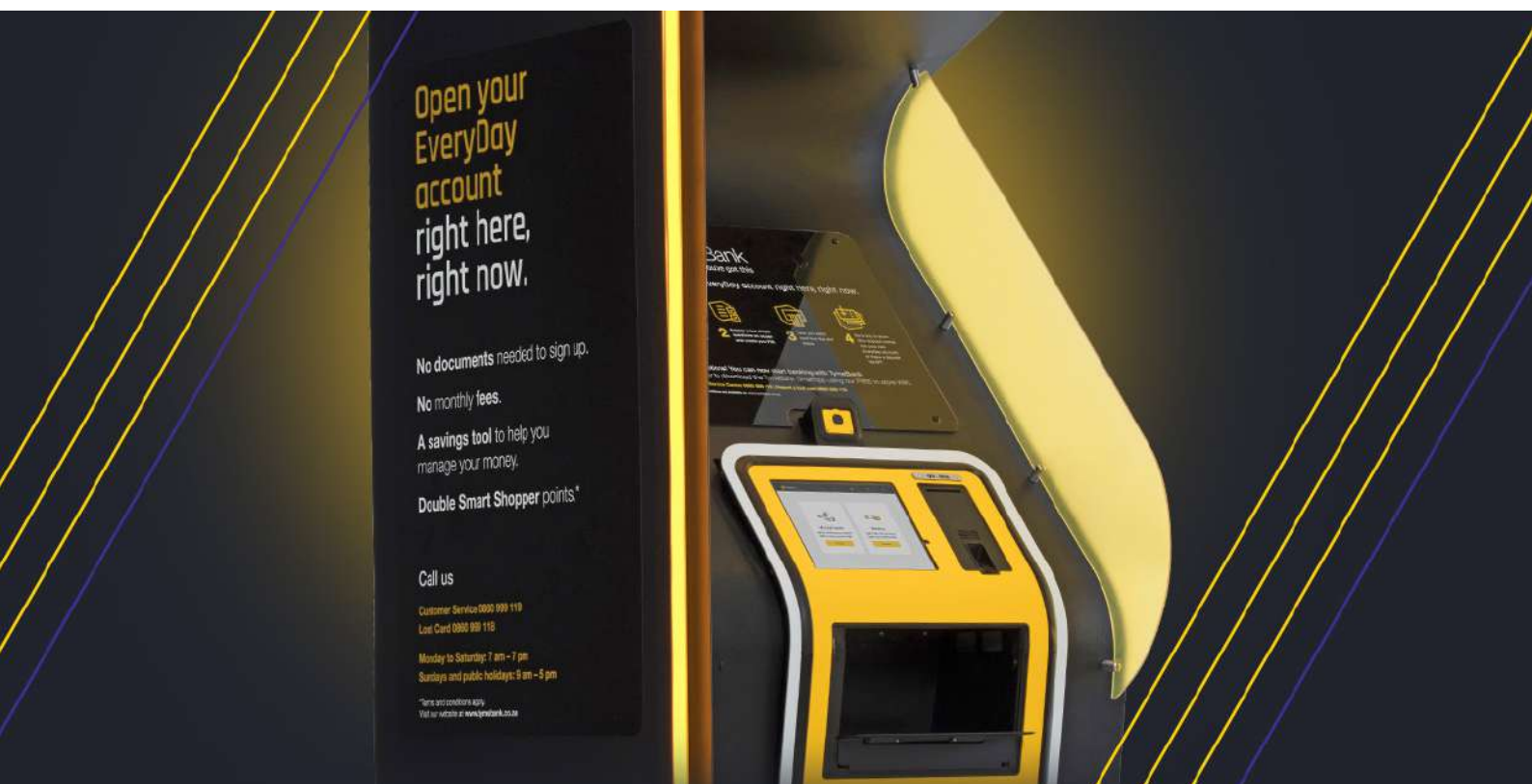
At 30 June 2024 R'000	Group		Bank		
	a	b	a	b	
	Amounts	* Ref	Amounts	* Ref	
Common Equity Tier 1 capital: instruments and reserves					
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	9 053 271	(a)	7 663 250	(a)
2	Retained earnings	(7 450 953)	(b)	(7 023 445)	(b)
3	Accumulated other comprehensive income (and other reserves)	239 595		1 183 771	
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)				
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)				
6	Common Equity Tier 1 capital before regulatory adjustments	1 841 913		1 823 576	
Common Equity Tier 1 capital: regulatory adjustments					
7	Prudent valuation adjustments				
8	Goodwill (net of related tax liability)	924 254		924 254	
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	110 674	(c)	110 674	(c)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)		(d)		(d)
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions				
28	Total regulatory adjustments to Common Equity Tier 1	1 034 928		1 034 928	
29	Common Equity Tier 1 capital (CET1)	806 985		788 648	
44	Additional Tier 1 capital (AT1)	-		-	
45	Tier 1 capital (T1= CET1 + AT1)	806 985		788 648	
58	Tier 2 capital (T2)	19 513		19 513	
59	Total regulatory capital (TC = T1 + T2)	826 498		808 161	
60	Total risk-weighted assets	3 666 239	(e)	3 645 101	(e)
Capital ratios and buffers					
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	22,01		21,64	
62	Tier 1 (as a percentage of risk-weighted assets)	22,01		21,64	
63	Total capital (as a percentage of risk-weighted assets)	22,54		22,17	
64	Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2,50		2,50	
65	Of which: capital conservation buffer requirement	2,50		2,50	
66	Of which: bank-specific countercyclical buffer requirement	-		-	



CC1 (Group & Bank): Composition of regulatory capital (continued)

At 30 June 2024 R'000	a	b	a	b
	Amounts	* Ref	Amounts	* Ref
67 Of which: higher loss absorbency requirement	-		-	
68 Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	14,51		14,14	
National minima (if different from Basel III)				
69 National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)				
70 National Tier 1 minimum ratio (if different from Basel III minimum)				
71 National total capital minimum (if different from Basel III minimum)				
Amounts below the thresholds for deduction (before risk weighting)				
72 Non-significant investments in the capital and other TLAC liabilities of other financial entities				
73 Significant investments in common stock of financial entities				
74 Mortgage servicing rights (net of related tax liability)				
75 Deferred tax assets arising from temporary differences (net of related tax liability)				
Applicable caps on the inclusion of provisions in Tier 2				
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)				
77 Cap on inclusion of provisions in Tier 2 under standardised approach	-		-	
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)				
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach				
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)				

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



10. Reconciliation of regulatory capital

The Bank does not own any entity which is considered outside the scope of regulatory consolidation, as defined under Regulation 36. Differences between the Annual Financial Statements balance sheet and the regulatory balance sheet relate to audit adjustments. The impact of these differences on the reported prudential ratios are immaterial.

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

	Group		Bank	
	a	b	a	b
	Balance sheet as per published financial statements	Under regulatory scope of consolidation	Balance sheet as per published financial statements	Under regulatory scope of consolidation
At 30 June 2024 R'000	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24
Assets				
Property, plant and equipment	101 730	101 730	101 730	101 730
Right of use asset	21 125	21 125	21 125	21 125
Goodwill and other intangible assets	1 034 930	1 034 930	1 034 930	1 034 930
Trade and other receivables	280 851	280 851	263 539	263 539
Financial assets	3 948 197	3 948 197	3 948 197	3 948 197
Inventories	31 163	31 163	31 163	31 163
Current tax receivable	7 238	7 238	7 093	7 093
Customer advances	1 922 935	1 922 935	1 922 935	1 922 935
Cash and cash equivalents	1 487 439	1 487 439	1 485 803	1 485 803
Total assets	8 835 608	8 835 608	8 816 515	8 816 515
Equity and Liabilities				
Share capital	1 372 643	1 372 643	1 189 927	1 189 927
Share premium	7 681 770	7 681 770	6 474 465	6 474 465
Reserves	239 595	239 595	1 183 771	1 183 771
Accumulated loss	(7 486 956)	(7 486 956)	(7 059 430)	(7 059 430)
Total equity	1 807 052	1 807 052	1 788 733	1 788 733
Trade and other payables	658 745	658 745	657 971	657 971
Current Tax liability	-	-	-	-
Lease liabilities	20 962	20 962	20 962	20 962
Provisions	60 007	60 007	60 007	60 007
Deposits received from customers	6 288 842	6 288 842	6 288 842	6 288 842
Total liabilities	7 028 556	7 028 556	7 027 782	7 027 782
Total equity and liabilities	8 835 608	8 835 608	8 816 515	8 816 515

Note: Difference relate to audit adjustments subsequent to regulatory reporting



11. 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 do not differ from the reported balance sheet exposures, as the balance sheet does not contain any securities financing transactions (SFTs) or derivatives which require the carrying value to be converted through a calculation or the application of specific factors.

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. Other adjustments noted below relate primarily to Goodwill and intangible assets.

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

At 30 June 2024 R'000	Group	Bank
	30-Jun-24	
1 Total consolidated assets as per published financial statements	9 194 479	9 175 532
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)	101 944	101 944
7 Other adjustments	1 353 216	1 353 216
8 Leverage ratio exposure measure	7 943 207	7 924 260



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

At 30 June 2024 R'000	Group		Bank		
	a	b	a	b	
	30-Jun-24	31-Mar-2024	30-Jun-24	31-Mar-2024	
On-balance sheet exposures					
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	9 194 480	9 049 483	9 175 533	9 045 931
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	1 353 216	1 199 606	1 353 216	1 199 605
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	7 841 264	7 849 877	7 822 317	7 846 326
Derivative exposures					
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-	-	-
5	Add-on amounts for PFE associated with all derivatives transactions	-	-	-	-
6	Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-
7	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-	-
8	(Exempted CCP leg of client-cleared trade exposures)	-	-	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-
11	Total derivative exposures (sum of rows 4 to 10)	-	-	-	-
Securities financing transactions					
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-	-	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-
14	CCR exposure for SFT assets	-	-	-	-
15	Agent transaction exposures	-	-	-	-
16	Total securities financing transaction exposures (sum of rows 12 to 15)	-	-	-	-
Other off-balance sheet exposures					
17	Off-balance sheet exposure at gross notional amount	1 019 440	995 500	1 019 440	995 500
18	(Adjustments for conversion to credit equivalent amounts)	(917 496)	(895 950)	(917 496)	(895 950)
19	Off-balance sheet items (sum of rows 17 and 18)	101 944	99 550	101 944	99 550
Capital and total exposures					
20	Tier 1 capital	806 985	720 766	788 648	720 914
21	Total exposures (sum of rows 3, 11, 16 and 19)	7 943 208	7 949 427	7 924 261	7 945 876
Leverage ratio					
22	Basel III leverage ratio	10,16	9,07	9,95	9,07

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 2024.



12. Liquidity

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

Figure 1: Liquidity Risk Framework



The LRF provides robust governance, risk management measures and techniques, and execution of liquidity risk and funding risk activities. It is consistent with the Bank’s risk management, governance, and control standards. The LRF has clearly documented and communicated responsibilities and accountabilities; and is considered adequate by the 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 the Bank’s funding sources, complies with the liquidity requirements of relevant regulators, and directly supports the qualitative requirements of the SARB/ PA.

The 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, RSA Government Bonds and Central Bank deposits.

The 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 Treasury function is responsible for the Bank’s funding and liquidity management. This function is critical in ensuring that the Bank has sufficient funds to meet all its obligations as they fall due and to optimally and efficiently place or utilise surplus funds to ensure optimal return for the Bank, its depositors and investors. This is 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 liquidity position of the Bank remains healthy and liquidity metrics are within risk appetite.



12.1 Liquidity Coverage Ratio

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

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

At 30 June 2024 R'000	Group		Bank	
	a	b	a	b
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets				
1 Total HQLA	4 456 866	4 456 866	4 456 866	4 456 866
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	5 688 237	446 944	5 688 237	446 944
3 Stable deposits	1 746 765	52 797	1 746 765	52 797
4 Less stable deposits	3 941 473	394 147	3 941 473	394 147
5 Unsecured wholesale funding, of which:	-	-	-	-
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-
7 Non-operational deposits (all counterparties)	-	-	-	-
8 Unsecured debt	-	-	-	-
9 Secured wholesale funding	-	-	-	-
10 Additional requirements, of which:	-	-	-	-
11 Outflows related to derivative exposures and other collateral requirements	-	-	-	-
12 Outflows related to loss of funding of debt products	-	-	-	-
13 Credit and liquidity facilities	-	-	-	-
14 Other contractual funding obligations	-	-	-	-
15 Other contingent funding obligations	1 012 837	25 321	1 012 837	25 321
16 TOTAL CASH OUTFLOWS	6 701 075	472 265	6 701 075	472 265
Cash inflows				
17 Secured lending (eg reverse repo)	-	-	-	-
18 Inflows from fully performing exposures	304 105	152 052	304 105	152 052
19 Other cash inflows	45 168	45 168	39 265	39 265
20 TOTAL CASH INFLOWS	349 273	197 221	343 369	191 317
		Total adjusted value		Total adjusted value
21 Total HQLA		4 456 866		4 456 866
22 Total net cash outflows		275 044		280 948
23 Liquidity coverage ratio (%)		1 620		1 586

- The daily average utilised to calculate the above percentage consisted of 91 data points, representative of the number of working days during the 6-month period from 01 April 2024 to 30 June 2024.
- The weighted value represents the cashflow amount under a stressed scenario as a percentage of the unweighted value.



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, 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 planned roll out 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 June 2024 R'000	Group				
	Unweighted value by residual maturity				Weighted value
	No maturity*	<6 months	6 mnths to <1 yr	≥1 year	
Available stable funding (ASF) item					
1 Capital:	9 312 379	-	-	-	9 312 379
2 Regulatory capital	9 312 379	-	-	-	9 312 379
3 Other capital instruments	-	-	-	-	-
4 Retail deposits and deposits from small business customers:	-	5 592 403	750 633	3 041	5 803 201
5 Stable deposits	-	1 077 927	750 633	3 041	1 740 173
6 Less stable deposits	-	4 514 476	-	-	4 063 028
7 Wholesale funding:	-	-	-	-	-
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	-	-	-	-	-
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	-	688 202	-	-	-
12 NSFR derivative liabilities	-	-	-	-	-
13 All other liabilities and equity not included in the above categories	-	688 202	-	-	-
14 Total ASF					15 115 580
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)	-	2 651 219	1 729 247	1 061 569	205 251
16 Deposits held at other financial institutions for operational purposes	-	-	-	146 833	146 833
17 Performing loans and securities:	-	1 649 450	536 812	54 340	1 131 269
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	-	23 004	15 000	-	10 951
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:	-	1 626 446	521 812	54 340	1 120 318
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:	-	-	-	-	-



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

At 30 June 2024 R'000		Group				
		Unweighted value by residual maturity				
		No maturity*	<6 months	6 mnths to <1 yr	≥1 year	Weighted value
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:	-	-	-	8 837 193	8 837 193
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCP	-	-	-	-	-
29	NSFR derivative assets	-	-	-	-	-
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
31	All other assets not included in the above categories	-	-	-	8 837 193	8 837 193
32	Off-balance sheet items	1 019 441	-	-	-	50 972
33	Total RSF					10 371 518
34	Net Stable Funding Ratio (%)					146

*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 2024 R'000		Bank				
		Unweighted value by residual maturity				
		No maturity*	<6 months	6 mnths to <1 yr	≥1 year	Weighted value
Available stable funding (ASF) item						
1	Capital:	8 866 533	-	-	-	8 866 533
2	Regulatory capital	8 866 533	-	-	-	8 866 533
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	5 592 404	750 633	3 041	5 803 202
5	Stable deposits	-	1 077 927	750 633	3 041	1 740 173
6	Less stable deposits	-	4 514 477	-	-	4 063 029
7	Wholesale funding:	-	171	-	-	85
8	Operational deposits	-	171	-	-	85
9	Other wholesale funding	-	-	-	-	-
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	687 592	-	-	-
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and equity not included in the above categories	-	687 592	-	-	-
14	Total ASF					14 669 820



LIQ2 (Bank): Net Stable Funding Ratio (continued)

At 30 June 2024 R'000		Bank				Weighted value
		Unweighted value by residual maturity				
		No maturity*	<6 months	6 mnths to <1 yr	≥1 year	
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)	-	2 651 219	1 729 247	1 061 569	205 251
16	Deposits held at other financial institutions for operational purposes	-	-	-	146 833	146 833
17	Performing loans and securities:	-	1 647 814	536 812	54 340	1 131 023
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	-	21 368	15 000	-	10 705
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:	-	1 626 446	521 812	54 340	1 120 318
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:	-	-	-	8 392 444	8 392 444
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	-	-	-	8 392 444	8 392 444
32	Off-balance sheet items	1 019 441	-	-	-	50 972
33	Total RSF					9 926 523
34	Net Stable Funding Ratio (%)					148

*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.

During the period under review the Bank's NSFR remained above the minimum Regulatory requirement of 100%.



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 Board approved policy.

13.1 Remuneration Governance Framework

The Board 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 the 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;
- collaborating 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 is independent of management and assesses the entities' compliance with regulations.
- 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

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 the Bank's objectives.

13.2 Remuneration Policy

The Remuneration Policy applies to all controlled entities of the Bank, including all executives and employees on individual contracts and all board members

The Remuneration Policy sets out:

- the remuneration principles that guide the design of the 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 the Bank's remuneration policies should:

- 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 clearly and easy to understand.
- support avoiding conflicts of interest; and
- encourage behaviour that supports the long-term financial soundness and risk management framework.



13.3 Remuneration Framework

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

- fixed remuneration (FR);
- variable remuneration (at risk); 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:
Fixed Remuneration (FR)	<ul style="list-style-type: none"> • Base remuneration • For the Chief Executive Officer (CEO) and Company executives: Reviewed annually. • For other employees: 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. 	All employees
Variable Remuneration (at risk)	<ul style="list-style-type: none"> • The current variable remuneration instrument includes cash (non-deferred). • Cash is the only instrument which can be payable upfront and not deferred. 	See STI below
Short-term incentive (STI)	<ul style="list-style-type: none"> • STI awards are discretionary and recognise annual performance over the financial year. Performance is measured using a key performance indicator (KPI). 	Eligible permanent employees (Employees are eligible to participate in variable remuneration arrangements applicable to their position)



13.4 Linking Remuneration to Performance

Variable remuneration is directly linked to both short-term and long-term performance goals of the Bank. All employees are assessed against specific KPIs. Any discretionary STI award is linked to both the Bank and individual performance outcomes.

The key performance areas for the CEO as of 30 June 2024 were:

Performance Category	Measures
Shareholder	Contribute to the financial results of the Group and achieve the SA business plan.
Customer	Deliver an exceptional customer experience.
Strategy	Achieve role specific strategic initiatives that contribute to the success of the business.
People and Community	Effective leadership.

13.5 Quantitative disclosures

The Bank's compensation policies and practice incorporates international best practices and comply with the requirements of the Banks Act, 1990 (Act No. 94 of 1990) and the FSB Principles for Sound Compensation Practices. In accordance with the requirements of Regulation 43 of the Regulations and the Pillar 3 standards, disclosures of the key management personnel has been included in the Annual Financial Statements for the year ended 30 June 2024 published on the bank's website. Key Risk Takers and Senior Management of the Bank are defined as the prescribed officers and members of the Executive Committee respectively. Remuneration disclosure has been included in the Annual Financial Statements (refer to www.tyembank.co.za).



14. Appendices

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

Appendix A – Abbreviations

Key Abbreviations

Abbreviation	Description
AFS	Annual Financial Statements
ALCO	Asset and liability committee
ARC	African Rainbow Capital
ASF	Available stable funding
AT1	Additional tier 1 capital
BCP	Business continuity plan
BIA	Basic indicator approach
CCF	Credit conversion factor
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
ERCC	Enterprise Risk & Compliance Committee
ERMF	Enterprise Risk Management Framework
EWI	Early warning indicator
EXCO	Executive committee of the Bank
FR	Fixed remuneration (refer terms for explanation)
FX	Foreign Exchange

Abbreviation	Description
HQLA	High quality liquid assets
IFRS	International Financial Reporting Standard
IRRBB	Interest Rate Risk in the Banking Book
KPIs	Key performance indicators (refer terms for explanation)
LCE	Large credit exposure
LCEP	Large Credit Exposure Policy
LCR	Liquidity coverage ratio
LRF	Liquidity Risk Framework
LTI	Long-term Incentive
NIER	Net interest exposures at risk
NII	Net interest income
NSFR	Net stable funding ratio
ORMF	Operational Risk Management Framework
PA	Prudential Authority
QCR	Qualifying capital requirement
RAS	Risk appetite statement
RWA	Risk-weighted asset
SARB	South African Reserve Bank
SFT	Securities financing transactions
STI	Short-term Incentive (refer terms for explanation)
SME	Small to Medium Enterprises
T1	Tier 1 capital
T2	Tier 2 capital
TB	Treasury Bill



Appendix B – Terms

Key Terms

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





TymeBank
You've got this

TymeBank is an Authorised Financial Services (FSP 49140) and Registered Credit Provider (NCRCP 10774).
TymeBank Limited Reg no: 2015/231510/06 © 2024 TymeBank. All rights reserved.

