



**TymeBank**

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# **Tyme Bank Holdings Limited Annual Financial Statements**

**For the year ended 30 June 2024**

Registration number 2015/228007/06

# General Information

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Holding company for banking and related services
<b>Directors</b>	CJ Jonker (Resigned 30 September 2024) KH Westvig (Appointed 1 October 2024) Y Dockrat TSB Jali M Boakgomo S Barrett TNM Eboka R Ramcharan PA Wessels TA Boardman M Milutinovic NL Smalle
<b>Registered office</b>	30 Jellicoe Avenue Rosebank Johannesburg Gauteng 2196
<b>Holding company</b>	Tyme SA Holdings Proprietary Limited incorporated in South Africa
<b>Ultimate holding company</b>	Ubuntu-Botho Investments Proprietary Limited incorporated in South Africa
<b>Bankers</b>	Absa Bank FirstRand Bank Standard Bank Nedbank Investec Bank
<b>Auditors</b>	PricewaterhouseCoopers Inc.
<b>Secretary</b>	L Jwili
<b>Company registration number</b>	2015/228007/06
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
<b>Prepared by</b>	The annual financial statements were prepared by the Head of Finance: T Posthumus CA(SA); and supervised by the Chief Financial Officer: Y Dockrat CA(SA)
<b>Issued</b>	18 October 2024



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# Directors' Responsibilities and Approval

The Directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of Tyme Bank Holdings Limited (the 'Company') and its subsidiaries (the 'Group') as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group's cash flow forecast for the year to 18 October 2025 and, in light of this review and the current financial position, they are satisfied that the Group has or had access to adequate resources to continue in operational existence for the foreseeable future. Refer to note 34 for additional information.

The external auditors are responsible for independently auditing and reporting on the Group's annual financial statements. The annual financial statements have been examined by the Group's external auditors and their report is presented on pages 13 to 14.

The annual financial statements set out on pages 15 to 70, which have been prepared on the going concern basis, were approved by the board of Directors on 18 October 2024 and were signed on their behalf by:

*Karl Westvig*

**KH Westvig**

*Thabani Jali*

**TSB Jali**



# Company Secretary's Certification

I hereby confirm, in my capacity as Company Secretary of the Group that for the year ended 30 June 2024, the Group has filed all required returns and notices in terms of the Companies Act of South Africa to the Commissioner of Companies and Intellectual Property Commission and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

*Luwabo Jwili*

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**L Jwili**  
Company Secretary  
18 October 2024



# Directors' report

The Directors are pleased to present the annual financial statements of Tyme Bank Holdings Limited and the Group for the year ended 30 June 2024.

This year has been transformative for the Group, characterised by substantial growth, continued product innovation, and strategic advancements. Our achievements reflect the strong foundation established by the Group, alongside the dedication of its leadership and staff in fulfilling our commitment to financial inclusion and customer satisfaction.

## 1. Nature of business

Tyme Bank Holdings Limited ("Company") is an investment entity incorporated in South Africa.

The Company does not trade, and all of its activities are undertaken through its principal subsidiary, Tyme Bank Limited ("Bank").

Incorporated on 8 July 2015 and granted approval to commence business on 14 September 2017, the Bank offers digital banking services centred on financial inclusion and affordable banking products. It has established one of the largest physical distribution networks among South African banks, featuring over 1,000 points where customers can open accounts in less than five minutes and more than 200,000 cash-out locations through partnerships with major retailers. This extensive network ensures unparalleled convenience for our customers.

The Bank also boasts one of the highest Net Promoter Scores (NPS) in the industry, a crucial measure of customer satisfaction and loyalty. This high NPS indicates strong customer advocacy, essential for driving growth and enhancing our brand reputation in a competitive landscape. It underscores our commitment to accessible and affordable banking, complemented by some of the lowest fees in the industry.

## 2. Financial performance

The financial year under review has been exceptional, showcasing growth and resilience. Customer numbers increased by 29% to reach 9.8 million, while total customer deposits surged by an impressive 55% to R6.3 billion. Advances to customers grew by 25% to R1.9 billion, and the newly launched fixed deposit product successfully attracted R1.8 billion in investments.

Revenue experienced a substantial increase of 68%, climbing to R2.4 billion, and the Group significantly narrowed its loss before tax by 44%, reducing it to R533 million compared to the previous year. These achievements underscore the Group's robust performance and strategic growth initiatives.

## 3. Retail Capital integration

The acquisition of Retail Capital in the prior financial year has notably strengthened the Group's advances book and improved net interest income. Through this integration, the Group has broadened its small and medium-sized enterprise (SME) lending capabilities, further aligning with our mission to support business growth across South Africa.

Retail Capital has brought extensive experience in embedded fintech solutions, allowing the Group to partner with leading companies in the market. This successful integration has accelerated our business banking growth and expanded our lending portfolio.

## 4. Risk management and IFRS 9 transition

During the financial year, the Group made substantial progress in enhancing its risk management processes, notably through the transition from the simplified IFRS 9 approach to a more comprehensive generalised framework. This change involved implementing an enhanced aging methodology for credit risk assessment, resulting in a restatement of prior year Expected Credit Loss ('ECL') estimates.

This enhances the accuracy of the Group's credit risk evaluation and underscores our commitment to transparent financial reporting practices. The Directors believe that this transition fortifies the Group's governance and credit risk management framework, ensuring robustness and alignment with international standards.

Additionally, the Group's capital adequacy ratio remains well above the regulatory minimum, reflecting its financial resilience and capacity for future growth. The Group's liquidity position also remains strong, bolstered by prudent treasury and asset-liability management practices.

## 5. Chief Executive Officer transition

The Group underwent a significant leadership transition during the year CJ Jonker, who served as CEO from 1 July 2022, resigned on 30 September 2024 to focus on his role as Executive Chairman of Tyme Group, where he will lead the Group's international growth initiatives.

Coenraad's tenure was marked by several key achievements, including growing the Group's customer base to 9.8 million, achieving the first month of profitability in December 2023, and successfully integrating Retail Capital. The Board extends its gratitude to Coen for his exceptional leadership.

KH Westvig has been appointed as the new CEO, effective 1 October 2024. Karl brings a wealth of leadership experience, having led the Group's Retail and Business Banking divisions. His track record includes founding and growing fintech companies such as RCS Group and Retail Capital. Karl's focus will be on expanding the Group's market share, with an emphasis on customer satisfaction and enhancing shareholder returns.



## 6. Directorate

The Directors in office at the date of this report are as follows:

Directors	Office	Designation
CJ Jonker	Chief Executive Officer	Executive (Resigned 30 September 2024)
KH Westvig	Chief Executive Officer	Executive (Appointed 1 October 2024)
Y Dockrat	Chief Financial Officer	Executive
TSB Jali		Independent Non-Executive – Chairman
M Boakgomo		Independent Non-Executive
S Barrett		Independent Non-Executive
TNM Eboka		Independent Non-Executive
R Ramcharan		Independent Non-Executive
PA Wessels		Independent Non-Executive
TA Boardman		Non-Executive
M Milutinovic		Non-Executive
NL Smalle		Non-Executive

## 7. Directors' interests in contracts

On 4 December 2018, a contract was concluded between the Group and Tyme Limited. The purpose of the contract is to provide right of use of intellectual property by Tyme Limited to the Group.

Additionally, the Group entered into an agreement with African Fig Tree Investments Limited during June 2020 to provide services in respect of capital raises for the Group.

CJ Jonker was appointed as a director of both the Bank and the Tyme Bank Holdings Limited. He is also a director of Tyme Limited, Tyme Pte Ltd, Tyme Investments Pte Ltd, Tyme Group Pte Ltd and African Fig Tree Investments Limited. CJ Jonker has direct investments in Tyme Limited and African Fig Tree Investments Limited, which has duly been noted by the Board. African Fig Tree Investments Limited holds 11.87% in Tyme Group Pte Limited (2023: this shareholding was 12.94% in Tyme Bank Holdings Limited, the sole shareholder of the Bank).

## 8. Holding company

The Group's holding company is Tyme SA Holdings Proprietary Limited which holds 55.37% (2023: 55.26%) of the Group's equity. Tyme SA Holdings Proprietary Limited is incorporated in South Africa.

	2024	2023
Tyme SA Holdings Proprietary Limited	55.37%	55.26%
Tyme Group Pte. Ltd (Singapore)	44.63%	44.74%
	<u>100.00%</u>	<u>100.00%</u>

## 9. Ultimate holding company

The Group's ultimate holding company is Ubuntu-Botho Investments Proprietary Limited which is incorporated in South Africa.

## 10. Share capital

Refer to note 18 of the consolidated annual financial statements for detail of the movement in authorised and issued share capital.

## 11. Dividends

No dividends were declared or paid to the shareholders during the current and prior year.

## 12. Subsequent events

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

## 13. Going concern

The Directors have carefully reviewed the Group's financial position, taking into account its strong customer growth, improved financial performance, and well-capitalised position. The Board remains confident in the Group's ability to continue operating as a going concern for the foreseeable future. As such, the Annual Financial Statements have been prepared on a going concern basis.

Looking forward, the Group is well-positioned to achieve sustained profitability as it continues to expand its customer base and grow its lending and deposit products. The Directors remain optimistic about the Group's future growth prospects, driven by its innovative product suite, extensive distribution network, and entrepreneurial leadership.

## 14. Auditors and secretary

PricewaterhouseCoopers Inc. ('PWC') will continue in office in accordance with section 90 of the Companies Act of South Africa.

The company secretary is L Jwili.

## 15. Business address

The Group's registered business address is:

30 Jellicoe Avenue  
Rosebank  
Johannesburg  
Gauteng  
2196

## 16. Acknowledgements

The Directors extend their sincere gratitude to the Group's employees, customers, shareholders, and partners for their unwavering support and dedication. The success achieved over the past year is a reflection of their hard work and commitment.

The Directors also wish to acknowledge the invaluable guidance and oversight provided by the South African Reserve Bank ('SARB') and other regulatory authorities, whose collaboration ensures the Group's adherence to industry standards and sound governance practices. Together, these efforts have been pivotal in driving the Group's continued growth and success.

## 17. Date of authorisation for issue of financial statements

The consolidated annual financial statements have been authorised for issue by the Directors on 18 October 2024. No authority was given to anyone to amend the annual financial statements after the date of issue.



# Customer Growth and Financial Position

## Highlights

### Total customers

**+29%**

to 9.75m

### Customer deposits

**+55%**

to R6.29b

### Customer advances

**+25%**

to R1.92b



# Financial Performance

## Highlights

Revenue

**+68%**  
to R2.43b

Net interest income

**+83%**  
to R1.03b

Transaction fees & commissions

**+80%**  
to R1.27b

Loss before tax

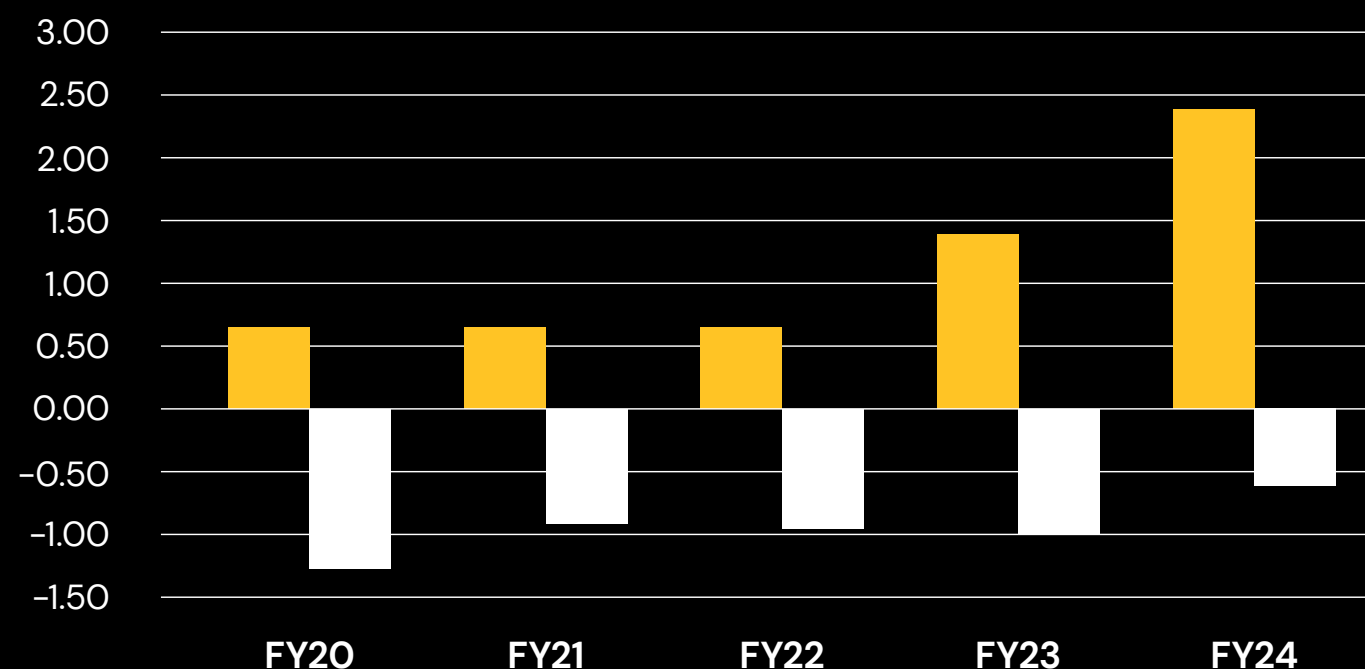
**-44%**  
to -R0.55b

Cost-to-income ratio

Improved from 169%  
to **113%**

## Total revenue and loss before tax (billions)

■ Total revenue ■ Loss before tax



The acquisition of Retail Capital was concluded in December 2022 and therefore the year on year comparisons for the income statement include 7 months of financial performance for FY23 and 12 months for FY24 in relation to the banks merchant cash advance portfolio.



# Report of the Audit and Compliance Committee

This report is provided by the Audit and Compliance Committee ('the committee'), in respect of the 2024 financial year of the Group in compliance with section 94 of the Companies Act, as amended from time to time. The Committee's operation is guided by a detailed mandate that is informed by the Companies Act the Banks Act, and the King Code of Corporate Governance and is approved by the Board. Section 94(2) of the Companies Act determines that, at each annual general meeting, a public company must elect an Audit Committee comprising at least three members.

The Audit and Compliance Committee comprises (Independent) Non-Executive members and is chaired by P Wessels, an independent Non-Executive Director. The members of the Audit and Compliance Committee also attend, by invitation the Risk and Capital Management Committee to ensure alignment on risk matters and to increase and enhance oversight. The members have the necessary experience and expertise to direct the committee in the execution of its duties.

The Committee meets quarterly and holds ad-hoc meetings to deal with other business-related matters. Additionally, meetings are held with the Prudential Authority of the South African Reserve Bank on a regular basis.

## Execution of functions

The Audit and Compliance Committee has executed its duties and responsibilities during the financial year in accordance with its mandate as it relates to the nomination of the external auditor, verifying the independence of the auditor, approving the audit fees and assessing the nature and extent of non-audit services. In addition, the Committee has also considered the Group's accounting, internal auditing, internal financial control, effectiveness of risk management, and financial reporting practices.

During the year under review, the Committee, among other matters, considered the following:

### In respect of the external auditors and the external audit:

- considered and recommended the reappointment of PricewaterhouseCoopers (PwC) as external auditors for the financial year ended 30 June 2024, in accordance with section 90 of the Companies Act;
- approved the external auditors' terms of engagement, the audit plan and budgeted audit fees payable;

- reviewed the audit process and evaluated the effectiveness of the audit, taking into consideration the results of an assessment performed by the Group's finance function;
- assessed and obtained assurance from the external auditors that their independence was not impaired and;
- confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act 26 of 2005 for the financial year ended 30 June 2024.

### In respect of the financial statements:

- considered the going concern basis for the preparation of the Annual Financial Statements;
- considered the ultimate shareholder's ability to provide financial support to the Group;
- examined and reviewed the Annual Financial Statements prior to submission and approval by the board;
- ensured that the Annual Financial Statements fairly present the financial position of the Group as at the end of the financial year and the results of operations and cash flows for the financial year;
- ensured that the Annual Financial Statements conform with IFRS, the Companies Act and all other applicable accounting guides and pronouncements;
- considered accounting treatments, significant unusual transactions and accounting judgements, particularly those pertaining to the valuations where significant judgement has been exercised by management;
- considered the appropriateness of the accounting policies adopted;
- noted that there were no material reports or complaints received concerning accounting practices, internal audit, internal financial controls, content of Annual Financial Statements, internal controls and related matters;
- reviewed any significant legal and tax matters that could have a material impact on the financial statements and;
- reviewed and discussed the independent auditor's report.



**In respect of financial accounting and reporting developments:**

- reviewed management's process and progress with respect to new financial accounting and reporting developments.

**In respect of internal control and internal audit:**

- reviewed and approved the annual internal audit plan and evaluated the independence, effectiveness and performance of the internal audit function and compliance with its charter;
- considered reports of the internal and external auditors on the Group's systems of internal control, including internal financial controls, and maintenance of effective internal control systems;
- reviewed significant issues raised by the internal audit function and the adequacy of corrective action taken in response to such findings;
- noted that there were no significant differences of opinion between the internal audit function and management;
- assessed the independence and effectiveness of the internal audit function and adequacy of the available internal audit resources and found them to be satisfactory;
- the Committee formed the opinion that, at the date of this report, there were no material breakdowns in internal control, including internal financial controls, resulting in any material loss to the Group.

**In respect of compliance requirements the committee:**

- assessed the compliance monitoring plan, and structure, as well as the compliance plan and compliance charter;
- assessed the regulatory compliance risk control framework and applicable compliance policies, which include the requirements for the Group to comply with applicable laws, rules, and codes;
- reviewed compliance practices and procedures for enabling the Directors to discharge their regulatory responsibilities;
- assessed the approach to risk assessment to ensure the integrity of the Group's internal controls.;
- assessed the overall status of compliance at the Group and any significant breakdowns that could cause material loss or penalty;

- assessed the adequacy of resources and budget available to the compliance function;
- satisfied itself that the functioning of compliance is in line with relevant regulatory requirements, including without limitation, section 60A and regulation 49 of the Banks Act; Financial Advisory and Intermediary Services Act No 37 of 2002 (FAIS), section 17 and regulation 4, regulation 5, Financial Intelligence Centre Act, No 38 of 2001 (FICA), section 42 and King IV, Principle 6;
- assessed the adequacy and effectiveness of the compliance function's performance, including receiving confirmation that there was no restriction on scope or access.

**In respect of legal and regulatory requirements:**

- reviewed and approved the annual compliance mandate and compliance plan;
- reviewed, with management, matters that could have a material impact on the Group;
- monitored compliance with the Companies Act, the Banks Act, the King Code of Corporate Governance and other applicable legislation and governance codes and reviewed reports from internal audit, external auditors and the compliance function detailing the extent of this and;
- noted that no complaints were received through the Group's ethics and fraud hotline concerning accounting matters, internal audit, internal financial controls, contents of financial statements and potential violations of the law.

**In respect of risk management and information technology:**

- considered and reviewed reports from management on risk management, including fraud and information technology risks as they pertain to financial reporting and the going concern assessment and;
- considered updates on key internal and external audit findings in relation to the IT control environment and significant IT programmes.



**In respect of the coordination of assurance activities, the committee:**

- reviewed the plans and work outputs of the external and internal auditors, as well as compliance and internal financial control, and concluded that these were adequately robust to place reliance on the combined assurance underlying the statements made in external reports;
- considered the expertise, resources and experience of the finance function and the senior members of management responsible for this function and concluded that these were appropriate and;
- considered the appropriateness of the experience and expertise of the Group's Chief Financial Officer and concluded that these were appropriate.

**Independence, skills and expertise of the external auditors**

The Audit and Compliance Committee is satisfied that PricewaterhouseCoopers are independent of the Group, and the firm and the partner who is responsible for signing the Group's audit opinion have the requisite skills and expertise. This conclusion was arrived at, inter alia, after considering the following factors:

- the representations made by PricewaterhouseCoopers to the Committee, including confirmation of the firm's and individual auditor's accreditation and the latest Independent Regulatory Board for Auditors inspection findings report;
- the auditors do not, except as external auditors or in rendering permitted and approved non-audit services, receive any remuneration or other benefits from the Group;

- the auditors' independence was not impaired by any consultancy, advisory or other work undertaken by them;
- the auditors' independence was not prejudiced as a result of any previous appointment as auditor and;
- the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies were met.

In conclusion, the Committee is satisfied that it has fulfilled its responsibilities and complied with its legal, regulatory and governance responsibilities as set out in its mandate.

The Committee has also satisfied the requirements for regulation 40(5) of the Group's Act, including the annual review of material malfunction and recommended this to the Board for approval.

On behalf of the Audit and Compliance Committee:

*Philip Wessels*

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**P Wessels**  
18 October 2024



# Independent Auditor's Report

To the Shareholders of Tyme Bank Holdings Limited

## Report on the audit of the consolidated and separate financial statements

### Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Tyme Bank Holdings Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

### What we have audited

Tyme Bank Holdings Limited's consolidated and separate financial statements set out on pages 15 to 70 comprise:

- the consolidated and separate statements of financial position as at 30 June 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities

in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

### Material uncertainty relating to going concern

We draw attention to Note 34 in the financial statements, which indicates that the Group had accumulated losses of R7.487 billion as at 30 June 2024 and incurred a net loss of R553.6 million for the year then ended. The ability of the Group to continue as a going concern beyond October 2025 depends on its capacity to secure continued support from existing shareholders, obtain additional capital from potential investors, and successfully execute on its business plans. As stated in Note 34, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "*Tyme Bank Holdings Limited Annual Financial Statements For the year ended 30 June 2024*", which includes the Directors' Report, the Report of the Audit and Compliance Committee and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Tyme Bank Holdings Limited for 9 years.

*PricewaterhouseCoopers Inc.*

## PricewaterhouseCoopers Inc.

Director: Rivaan Roopnarain  
Registered Auditor  
Johannesburg, South Africa  
18 October 2024



# Statement of Financial Position as at 30 June 2024

	Notes	Group 2024 R '000	Group 2023 Restated* R '000	Company 2024 R '000	Company 2023 R '000
<b>Assets</b>					
Cash and balances with the SARB*	4	1 466 575	1 572 404	-	-
Cash and balances with other banks*	4	20 864	37 812	1 636	1 369
Customer advances*	5	1 922 935	1 535 478	-	-
Receivables*	6	280 851	266 980	17 312	1 956
Financial assets	7	3 948 197	1 908 530	-	-
Current tax receivable	8	7 238	10 817	145	176
Inventories	9	31 163	40 111	-	-
Investments in subsidiaries	10	-	-	8 789 402	8 315 869
Plant and equipment	11	101 730	113 665	-	-
Right-of-use assets	12	21 125	32 128	-	-
Goodwill and other intangible assets	13	1 034 930	1 060 921	-	-
<b>Total Assets</b>		<b>8 835 608</b>	<b>6 578 846</b>	<b>8 808 495</b>	<b>8 319 370</b>
<b>Liabilities</b>					
Deposits from customers*	14	6 288 842	4 047 989	-	-
Trade and other payables*	15	658 745	774 795	776	2 205
Lease liability	12	20 962	33 295	-	-
Provisions	16	60 007	74 739	-	-
<b>Total Liabilities</b>		<b>7 028 556</b>	<b>4 930 818</b>	<b>776</b>	<b>2 205</b>
<b>Equity</b>					
Share capital	18	1 372 643	1 271 990	1 372 643	1 271 990
Share premium	18	7 681 770	6 749 575	7 671 703	6 738 086
Share for issue reserve	19	142 233	460 000	142 233	460 000
Share-based payment reserve	20	97 362	99 823	47 525	49 986
Accumulated loss*		(7 486 956)	(6 933 360)	(426 385)	(202 897)
		<b>1 807 052</b>	<b>1 648 028</b>	<b>8 807 719</b>	<b>8 317 165</b>
<b>Total Equity and Liabilities</b>		<b>8 835 608</b>	<b>6 578 846</b>	<b>8 808 495</b>	<b>8 319 370</b>

\*Restated as shown in note 1.19.



# Statement of Profit or Loss and Other Comprehensive Income

		Group 2024	Group 2023 Restated*	Company 2024	Company 2023
	Notes	R '000	R '000	R '000	R '000
Interest income*	22	1 283 626	705 869	257	1 304
Interest paid	23	(237 500)	(142 804)	-	-
<b>Net interest income*</b>		<b>1 046 126</b>	<b>563 065</b>	<b>257</b>	<b>1 304</b>
Fee and commission income		1 121 928	706 075	-	-
Fee and commission expense*		(565 712)	(429 029)	-	-
<b>Net fee and commission income</b>	<b>24</b>	<b>556 216</b>	<b>277 046</b>	<b>-</b>	<b>-</b>
Credit impairment charge*	25	(352 927)	(379 903)	-	-
Other operating gains	26	33 531	42 742	7	1 274 130
Other operating expenses*	27	(1 836 475)	(1 496 054)	(223 685)	(2 295)
<b>Loss before taxation*</b>		<b>(553 529)</b>	<b>(993 104)</b>	<b>(223 421)</b>	<b>1 273 139</b>
Taxation	28	(67)	39 869	(67)	(350)
<b>Total comprehensive loss for the year*</b>		<b>(553 596)</b>	<b>(953 235)</b>	<b>(223 488)</b>	<b>1 272 789</b>

\*Restated as shown in note 1.19.



# Statement of Changes in Equity

	Share capital R '000	Share premium R '000	Total share capital R '000	Share for issue reserve R '000	Share-based payment reserve R '000	Total reserves R '000	Accumulated loss* R '000	Total equity R '000
<b>Group</b>								
Balance at 01 July 2022	1 056 447	5 566 385	6 622 832	-	73 304	73 304	(5 980 125)	716 011
<b>Total comprehensive loss for the year</b>	-	-	-	-	-	-	(953 235)	(953 235)
Issue of shares	213 349	1 182 837	1 396 186	-	-	-	-	1 396 186
Share for issue	-	-	-	460 000	-	460 000	-	460 000
Capital raise costs	-	(10 077)	(10 077)	-	-	-	-	(10 077)
Share-based payment expense – ESOP	-	-	-	-	34 943	34 943	-	34 943
Share-based payment expense – AFT	-	-	-	-	4 200	4 200	-	4 200
Issue of shares – vested LTIP	2 194	10 430	12 624	-	(12 624)	(12 624)	-	-
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>215 543</b>	<b>1 183 190</b>	<b>1 398 733</b>	<b>460 000</b>	<b>26 519</b>	<b>486 519</b>	<b>-</b>	<b>1 885 252</b>
Balance at 01 July 2023	1 271 990	6 749 575	8 021 565	460 000	99 823	559 823	(6 933 360)	1 648 028
<b>Total comprehensive Loss for the year</b>	-	-	-	-	-	-	(553 596)	(553 596)
Issue of shares	100 653	963 037	1 063 690	-	-	-	-	1 063 690
Capital raise costs	-	(30 842)	(30 842)	-	-	-	-	(30 842)
Share for issue	-	-	-	(317 767)	-	(317 767)	-	(317 767)
Share-based payment expense – ESOP	-	-	-	-	25 821	25 821	-	25 821
Issue of shares – vested LTIP	-	-	-	-	(28 282)	(28 282)	-	(28 282)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>100 653</b>	<b>932 195</b>	<b>1 032 848</b>	<b>(317 767)</b>	<b>(2 461)</b>	<b>(320 228)</b>	<b>-</b>	<b>712 620</b>
Balance at 30 June 2024	1 372 643	7 681 770	9 054 413	142 233	97 362	239 595	(7 486 956)	1 807 052
Notes	18	18	18	19	20 & 21			
<b>Company</b>								
Balance at 01 July 2022	1 056 447	5 566 385	6 622 832	-	23 709	23 709	(1 475 686)	5 170 855
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	1 272 789	1 272 789
Issue of shares	213 349	1 161 271	1 374 620	-	-	-	-	1 374 620
Share for issue	-	-	-	460 000	-	460 000	-	460 000
Share-based payment expense – ESOP	-	-	-	-	38 901	38 901	-	38 901
Issue of shares – vested LTIP	2 194	10 430	12 624	-	(12 624)	(12 624)	-	-
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>215 543</b>	<b>1 171 701</b>	<b>1 387 244</b>	<b>460 000</b>	<b>26 277</b>	<b>486 277</b>	<b>-</b>	<b>1 873 521</b>
Balance at 01 July 2023	1 271 990	6 738 086	8 010 076	460 000	49 986	509 986	(202 897)	8 317 165
<b>Total comprehensive Loss for the year</b>	-	-	-	-	-	-	(223 488)	(223 488)
Issue of shares	100 653	963 037	1 063 690	-	-	-	-	1 063 690
Share for issue	-	-	-	(317 767)	-	(317 767)	-	(317 767)
Capital raise costs	-	(29 420)	(29 420)	-	-	-	-	(29 420)
Share-based payment expense – ESOP	-	-	-	-	25 821	25 821	-	25 821
Issue of shares – vested LTIP	-	-	-	-	(28 282)	(28 282)	-	(28 282)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>100 653</b>	<b>933 617</b>	<b>1 034 270</b>	<b>(317 767)</b>	<b>(2 461)</b>	<b>(320 228)</b>	<b>-</b>	<b>714 042</b>
Balance at 30 June 2024	1 372 643	7 671 703	9 044 346	142 233	47 525	189 758	(426 385)	8 807 719
Notes	18	18	18	19	20 & 21			

\*Restated as shown in note 1.19.



# Statement of Cash Flows

	Notes	Group 2024 R '000	Group 2023 Restated* R '000	Company 2024 R '000	Company 2023 R '000
<b>Cash flows from operating activities</b>					
Cash generated from (used in) operations*	31	194 292	(376 853)	(240 463)	(32 933)
Interest received*	22	1 628 350	657 646	257	1 304
Interest paid	23	(237 500)	(72 240)	-	-
Tax received (paid)	29	3 512	(527)	(36)	(527)
<b>Net cash from operating activities</b>		<b>1 588 654</b>	<b>208 026</b>	<b>(240 242)</b>	<b>(32 156)</b>
<b>Cash flows from investing activities</b>					
Purchase of plant and equipment	11	(15 403)	(37 307)	-	-
Proceeds from sale of plant and equipment	11	182	619	-	-
Purchases of intangible assets	13	(5 125)	(1 183)	-	-
Net cash acquired in business combinations	37	-	39 637	-	-
Share transfer tax paid		-	(706)	-	(706)
Purchases of financial assets	5	(4 135 599)	(401 962)	-	-
Proceeds on disposal of money market investments		-	89 563	-	-
Proceeds on maturity of financial assets	7	1 738 350	1 916 361	-	-
Additional cash investment in subsidiaries		-	-	(447 712)	(486 934)
<b>Net cash from investing activities</b>		<b>(2 417 595)</b>	<b>1 605 022</b>	<b>(447 712)</b>	<b>(487 640)</b>
<b>Cash flows from financing activities</b>					
Proceeds on issue of share capital	18	1 063 690	39 615	1 063 690	36 063
Capital raise costs	18	(30 841)	-	(29 420)	-
Shares for issue	19	(317 767)	460 000	(346 049)	460 000
Payment on lease liabilities	12	(8 918)	(10 669)	-	-
Settlement of noteholders liability		-	(1 143 238)	-	-
<b>Net cash from financing activities</b>		<b>706 164</b>	<b>(654 292)</b>	<b>688 221</b>	<b>496 063</b>
<b>Total cash movement for the year</b>		<b>(122 777)</b>	<b>1 158 756</b>	<b>267</b>	<b>(23 733)</b>
Cash and cash equivalents at the beginning of the year		1 610 216	451 460	1 369	25 102
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>1 487 439</b>	<b>1 610 216</b>	<b>1 636</b>	<b>1 369</b>

\*Restated as shown in note 1.19.



# Material accounting policy information

## 1. Significant accounting policies

### 1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and IFRS interpretations Committee issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in South African Rand, which is the Group's functional currency.

These accounting policies are consistent with the previous period.

### 1.2 Business combinations under common control

The Group accounts for common control business combinations, which are specifically excluded from the scope of IFRS 3 Business Combinations, using the pooling of interests method. Assets and liabilities of the transacting entities are reflected at their predecessor values i.e. the fair value recognised by Company. No adjustments are made to fair values or to recognise any new assets or liabilities at the date of the combination, except those relating to the alignment of accounting policies.

No 'new' goodwill is recognised as a result of the combination. The only goodwill that is recognised is that already recognised in respect of the combining parties. Any difference between the consideration transferred and the net assets acquired is recognised in the common control equity reserve. The statement of profit or loss reflects the results of the combining parties.

### Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

### 1.3 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

#### Joint operations

The company recognises the following in relation to its interests in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

### 1.4 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### a. Intangible assets acquired during a business combination

Valuations by nature involve the use of assumptions about various inputs into calculations, such as expected future cash flows and the weighted average cost of



capital of the acquiree. Management exercised judgement when determining these assumptions and preparing these calculations for intangible assets acquired as part of the Retail Capital acquisition on December 2022 as well as when determining the appropriate valuation methodology to be applied.

The estimated useful life of acquired intangible assets also requires judgement, taking into account the acquiree's ability to meet or exceed their targets as well as the likely period for which future economic benefits are expected to be realised.

Refer to notes 13 and 37.

#### **b. Goodwill**

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2024 financial year the recoverable amount of the Cash Generating Unit ("CGU") was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The CGU refers to the Retail Capital business acquired on December 2022. Refer to notes 13 and 37.

#### **c. Determination of the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the leases it enters into and therefore uses its incremental borrowing rate ('IBR') to measure its lease liabilities acquired during the business combination that took place in the 2023 year end.

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay' and therefore estimates the IBR using observable inputs such as yield curves, when available, and is required to make certain entity-specific adjustments.

#### **d. Capital work-in-progress**

The Group has recognised capital work-in-progress in property, plant and equipment. These assets relate to the development of kiosks prior to their installation in stores. In recognising these assets, the Group has exercised significant judgement by determining it is probable that future economic benefits associated with these work-in-progress assets will flow to the Group. The estimations of these future economic benefits are based on the Group's estimates and assumptions of the future economic benefits in terms of business plans and evidence available when the financial statements are prepared.

#### **e. Impairment of non-financial assets**

The Group follows the guidance of IAS 36 Impairment of Assets to determine whether non-financial assets are

impaired and significant judgement has been applied by the Group in this regard. In evaluating whether the carrying amount of the asset exceeds the recoverable amount, the Group has made estimates and assumptions. The Group has made use of amongst others, internal (e.g. business plans and management's expectation of future performance) and external information to identify whether an impairment indicator exists. Changes to these estimates and assumptions could cause a material adjustment to the carrying amount of these assets.

Equipment, plant and intangible assets including goodwill are assessed for impairment annually. If there is an indicator of impairment then factors taken into consideration include the economic viability of the asset itself. Future cash flows expected to be generated by the investment against which goodwill was raised are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current asset value and, if lower, the assets are impaired to the present value.

#### **f. Recognition of deferred tax assets**

The Group has not recognised a deferred tax asset as there is uncertainty around the timing and amount of future taxable profits against which deductible temporary differences can be utilised.

#### **g. Calculation of performance obligations for determining whether LTIP rights have vested**

The valuation methodology used is a free cash flow to equity model that takes into account marketability and minority ownership discounts, equity market premiums, small stock premiums and the risk-free interest rate for the term of the share appreciation right. Management therefore exercises judgement when determining the value of the shares used to value the share appreciation rights.

#### **h. Asset useful life and residual values**

Plant and equipment and intangible assets are depreciated/amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed at each financial year-end and may vary depending on a number of factors. In re-assessing asset useful lives, factors such as technological innovation and changing business requirements are taken into account.

Where appropriate, changes to the useful lives of plant and equipment are made. The updated estimates for depreciation are adjusted prospectively in the statement of profit and loss.

#### **i. Expected credit losses**

Expected credit losses (ECL) make use of variety of assumptions, the details thereof are included in note 5.



## 1.5 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments. The classification and subsequent measurement depend on the business model with which the debt instruments are managed and whether the contractual cash flows represent 'solely payments of principal and interest' ('SPPI').

The following financial instruments are classified as financial assets held at amortised cost:

- Government bonds
- Receivables
- Bank balance pledged
- Treasury bills
- Customer advances
- Cash and cash equivalents

The following financial instruments are classified as financial liabilities at amortised cost:

- Trade and other payables.
- Deposits from customers

The classification of financial assets at amortised cost applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows.

### 1.5.1 Recognition and measurement of financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. The instruments are measured, at initial recognition, at fair value plus transaction costs, if any, except for financial instruments at fair value through profit or loss where transaction costs are expensed.

All purchases or sales of financial assets are recognised and derecognised on a trade date basis.

#### a. Financial assets at amortised cost

Financial assets in this category are subsequently recognised at amortised cost.

The amortised cost is the amount recognised on the instrument initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method ('EIR') of any difference between the initial amount and the maturity amount, adjusted for any ECL allowance.

Net interest income comprises interest income net of interest expense and is calculated using the EIR. The EIR is calculated by considering transaction costs, initiation fees as well as costs that are an integral part of the EIR. The Group recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan.

Where financial assets have subsequently become credit impaired, interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the ECL allowance). The interest income is suspended (interest in suspense) for the duration that the financial asset is credit impaired.

#### b. Significant financial assets include:

##### *Government bonds*

Government bonds are held for collection of contractual cash flows where those cash flows represent solely payments of interest and payments of principal and interest ('SPPI') and are therefore subsequently measured as amortised cost.

##### *Receivables*

Receivables are classified as financial assets at amortised cost and comprise of sundry deposits and cash in transit, which are considered to be short term in nature. Receivables are measured at the undiscounted amount of the cash expected to be received unless the arrangement effectively constitutes a financing arrangement.

##### *Group balances pledged*

Group balances pledged are held by First National Bank, a division of First Rand Bank Limited and relate to guarantees on leases held over properties.

##### *Treasury bills*

Treasury bills are held with the SARB and are classified as financial assets at amortised cost.

##### *Customer advances*

Customer advances are initially recognised at fair value upon loan origination. Loan origination fees, which are integral to the loan, are capitalised and adjusted as part of the effective interest rate over the loan's term.

Subsequently, customer advances are measured at amortised cost, reflecting the Group's business model of holding these assets to collect contractual cash flows.

Customer advances are classified and disclosed into two categories: Retail Lending and Business Lending. Retail Lending primarily includes Personal Loans, while Business Lending primarily comprises Merchant Cash Advances ('MCA').

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash that is held with the SARB as well as funds held with other South African banks and financial institutions which are subject to an insignificant risk of changes in value. These balances are classified as financial assets at amortised cost.

### 1.5.2 Impairments

The Bank evaluates its debt instruments classified at amortised cost for ECL in accordance with IFRS 9 Financial Instruments. The ECL model necessitates the recognition of an allowance for either 12 month or lifetime ECLs, depending on the credit risk status of the asset since initial recognition. This classification determines whether exposures are classified as Stage 1 (12 month ECL), or Stage 2 and 3 (lifetime ECL).



With respect to loans and advances the Group considers the following specific definitions:

#### **Retail Lending Definitions:**

##### **Stage 1 – Performing Loans with No Significant Increase in Credit Risk (SICR)**

- Accounts with no arrears or arrears up to 29 days.
- Non-distressed restructures within normal product parameters.
- Paying restructures that have moved from Stage 3 after 6 months of successful payments.

##### **Stage 2 – Under-Performing Loans and Performing Loans with SICR Indication**

- Accounts between 30 to 89 days in arrears.
- For Stage 1 accounts, additional product specific SICR indicators are used, including:
- Reports of client retrenchment or unemployment.
- Rescheduled exposures.
- A decrease in the client's behaviour score below the internal SICR threshold set by the Group.

##### **Stage 3 – Non-Performing / Credit Impaired Loans**

- Accounts with arrears beyond 90 days.
- Deceased clients.
- Distressed clients.
- Clients under debt review.
- Clients with terminated debt reviews.

Curing: Continuous assessment is required to determine whether the conditions that led to a financial asset being considered to be credit impaired (i.e. stage 3) still exist. The only mechanism currently available for an exposure to be reclassified from stage 2 to stage 1 or from stage 3 to either stage 1 or stage 2, would be for clients to settle the contractually required arrears instalments. The Group does not currently perform any re-aging or restructuring of credit agreements for customers in arrears.

Write off definition: Accounts are written off when they are beyond 180 days in arrears, unless a payment has been received in the last 6 months. An ultimate backstop of 360 days in arrears is used. The Group's principle is to write off accounts where there is minimal chance of recovery, and partial write-offs are not performed.

#### **Business lending definitions**

The Merchant Cash Advance (MCA) product features variable repayments based on the client's monthly turnover. For credit risk monitoring, the client's turnover is forecasted using various statistical techniques, depending on data availability, at the time of presenting the offer terms. To account for normal seasonal and trading variations, as well as forecasting risk, aging is calculated based on a minimum payment requirement of 75% of the expected payments as outlined in the agreement. The ECL model assigns an aging status to each loan over time, based on whether payments are ahead or behind the expected schedule. The staging of the loan is determined by its aging at any given point in time..

##### **Stage 1 – Performing loans with no indication of SICR**

- Accounts with no arrears (current including up to 29 days of arrears based on expected payments)

##### **Stage 2 – Under-performing loans and performing loans with SICR indication**

- Accounts between 30 to 89 days in arrears based on expected payments.
- A SICR event for all loans and advances is defined as customers who have had 3 or more repayments reversed on the advance since its origination.

##### **Stage 3 – Non-performing / credit impaired loans**

- Accounts beyond 90 days in arrears based on expected payments.

Curing: Continuous assessment is required to determine whether the conditions that led to a financial asset being considered to be credit impaired (i.e. stage 3) still exist. The only mechanism currently available for an exposure to be reclassified from stage 2 to stage 1 or from stage 3 to either stage 1 or stage 2, would be for clients to settle the contractually required arrears instalments. The Group does not currently perform any re-aging or restructuring of credit agreements for customers in arrears.

#### **Write off definition:**

- All accounts where actual payments are more than 6 instalments behind, and no payments have been received in the last 6 months; or
- Accounts beyond 12 months in arrears for paying accounts.

#### **1.5.3 Measurement of impairments**

The Group assesses the ECL of its advances portfolio by estimating the likelihood of defaults. ECL is measured using three key components: Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). These components are multiplied together to determine the ECL, which is then discounted using the original effective interest rate of the customer advance.

The measurement of ECL considers both the possibility of a credit loss occurring and the possibility of no credit loss occurring, even if the likelihood of a loss is low. Credit losses are calculated as the present value of all cash shortfalls—i.e., the difference between the cash flows due to the Group under the contract and the cash flows the Group expects to receive, excluding any post-write-off recoveries. Adjustments are made for general economic conditions, customer-specific factors, and an assessment of both current and forecasted conditions at the reporting date. The time value of money is also considered in this calculation.

The assessment of SICR and the calculation of ECL incorporate forward-looking information. The Group conducts historical analyses to identify key economic variables affecting credit risk and ECL for the personal loans portfolio, using macroeconomic data from the Bureau for Economic Research (BER). This information is applied to the rest of the retail lending portfolio where contractual terms exceed one month. Due to the relative immaturity of the Group's lending portfolios, significant judgment and estimates are used in incorporating forward-looking information into the SICR assessment and ECL calculation, as internal historical data is currently unavailable for this purpose.



## Retail lending specific considerations

Given the early-stage nature of the Group's retail lending portfolio, an industry-based model has been developed to assess the Probability of Default (PD) associated with specific credit scores. This model uses a sample set reflective of the Group's target market. For the first six months, the PD remains constant unless the account progresses into delinquency. From month seven onward, an additional overlay, based on the client's bureau score, is applied to the initial PD. This overlay accounts for any deterioration in the bureau score that may have occurred since loan origination, even if the client has not yet fallen into arrears.

As a client progresses through delinquency stages, their PD is adjusted accordingly, with lifetime PD being recognised from Stage 2 onwards, in line with expected default rates.

Due to the limited availability of workout data, the Loss Given Default (LGD) has been benchmarked against a range of banks operating within the South African market. For prudence, the LGDs applied are in line with the highest observed levels among competitors, until sufficient data from the Group's own lending portfolio allows for more accurate calibration.

The Exposure at Default (EAD) represents an estimate of the exposure at the point of default. It considers expected changes in the exposure after the reporting date, including principal and interest repayments. EAD is determined by applying estimated cash flows to amortise the current loan exposure up to the point of default.

## Business lending specific considerations

The Group's Merchant Cash Advance (MCA) product is a flexible offering designed to align repayment expectations with the cash flow cycles and trading patterns of its clients. As such, it does not require fixed payments or have a predetermined contractual term. The Group has implemented an aging methodology based on the number of payments a client is ahead or behind their expected payment profile. This serves as a proxy for client arrears, although arrears are not contractually defined in the MCA product.

AAs part of the credit origination process, the client's turnover is forecasted using various statistical techniques, depending on the availability of data. To account for normal seasonal and trading variations, as well as forecasting uncertainties, the aging calculation is based on a minimum payment requirement of 75% of the expected payments outlined in the agreement. The Probability of Default (PD) is then determined using a Hazard Rate methodology, which tracks client transitions through different delinquency stages to calculate the PD.

The Loss Given Default (LGD) for the Group's MCA portfolio is calculated using the Workout approach. This method tracks collections on defaulted debt until final resolution, which may result in either a payment or a liquidation/write-off. To reflect the time value of money, collections are discounted to the default date using the Original Effective Interest Rate (EIR).

The Exposure at Default (EAD) for the Group's MCA portfolio is calculated as follows:

## Stage 1:

For Stage 1 loans, a 'fixed payment' approach is applied. This assumes fixed repayments of both capital and interest over the remaining term, resulting in a gradual decrease in EAD.

## Stage 2:

For Stage 2 loans, an 'interest only' approach is applied. In this case, it is assumed that payments will consist solely of interest, resulting in a stable EAD over the remaining term.

## Stage 3:

For Stage 3 loans, a 'bullet payment' approach is applied, assuming that the customer will make a single lump sum repayment at the end of the term, keeping the EAD unchanged until then.

## 1.5.4 Modifications

In the Group's Retail Lending portfolio, no agreements are restructured and therefore no loan modifications are required or accounted for.

In the Group's Business Lending portfolio, the terms associated with MCA are not formally modified, rather repayments are variable in nature and depend on the client's level of monthly turnover, the term taken to repay the outstanding amount can vary automatically. This is not considered a loan modification.

## 1.5.5 Credit risk

Details of credit risk related to financial assets are included in the specific notes and the financial instruments and risk management (note 3.4.4).

## Financial liabilities

Financial liabilities are initially recognised at fair value and subsequently recognised at amortised cost.

## Trade and other payables

Trade payables are classified as financial liabilities at amortised cost. These are measured at the undiscounted value of the cash expected to be paid, unless the arrangement effectively constitutes a financing transaction.

## Deposits from customers

Deposits from customers are recognised at fair value, and thereafter carried at amortised cost.

## 1.6 Plant and equipment

Plant and equipment are tangible assets which the Group holds for its own use and which are expected to be used for more than one year.

An item of plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.



Plant and equipment is initially measured at cost and is subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Where assets and components thereof are purchased prior to being readied for use these are recorded as Capital Work in Progress. Once the related asset is brought into use, this is transferred from Capital Work in Progress to the relevant asset category in fixed assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is charged using the straight-line method to write down the asset's carrying amount over its estimated useful life to its estimated residual value. Leasehold improvements are depreciated over the shorter of their expected useful lives and the lease term, including the lease term related to probable lease renewals. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the date that the asset is derecognised.

The useful lives of items of plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Office equipment	Straight line	3-5 years
Computer equipment	Straight line	3-7 years
Leasehold improvements	Straight line	5-7 years
Kiosks	Straight line	5 years
Tools and equipment	Straight line	6 years
Generators	Straight line	15 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on plant and equipment when there is an indicator that they may be impaired.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

## 1.7 Goodwill and other intangible assets

Internally generated intangible assets are initially recognised at the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequently, intangible assets are carried at cost less accumulated amortisation and impairment.

Development costs that relate to the design and testing of new improved products, systems or processes are recognised as an asset to the extent that it is expected that such assets are separable and will generate future economic benefits. Useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being recognised on a prospective basis.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the asset first meets the recognition criteria listed above. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Recognition criteria are met when the Group can demonstrate:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale,
- its intention to complete and its intention and ability to use or sell the asset,
- how the asset will generate future economic benefits,
- the availability of resources to complete the assets.

The internally generated intangible assets recognised relate to various computer software programs as part of the Retail Capital acquisition, which are designed to support the business in its operational activities.

Item	Depreciation method	Average useful life
Internally generated software	Straight line	3 years
Trademarks	Straight line	8 years
Customer relationships	Straight line	20 years
Goodwill	Straight line	Not amortised

## 1.8 Inventories

Inventories represents cards on hand not yet delivered to kiosks. Inventories are valued at the lower of cost and net realisable value, on a first in, first out basis (FIFO).

Where the net realisable value is lower than the cost, the difference will be recognised as an expense in the period.

The cost of cards delivered to kiosks are recognised in the statement of profit or loss in the period in which delivery occurs.



## 1.9 Tax

### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, in other comprehensive income or equity.

## 1.10 Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### a. Group as lessee

The Group recognises lease liabilities pertaining to lease payment commitments and right-of-use assets representing the right to use the underlying assets.

### b. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life and the lease term.

The right-of-use assets are presented within note 12 and are subject to impairment in line with the Group's impairment of non-financial assets policy.

### c. Lease liabilities

The Group recognises lease liabilities measured at the present value of the future lease payments. The lease payments include fixed payments less any lease incentives receivable.

The lease liability is initially measured at the present value of the future lease payments expected to be paid after the commencement date, discounted using the incremental borrowing rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease liability is subsequently measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination and/ or extension option. Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

### d. Leases of low-value assets

The Group considers leased items with a new purchase value of below R120,000 to be low-value. These types of leases typically relate to the rental of office equipment. Lease payments on leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

## 1.11 Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.



If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of an impairment is recognised immediately in profit or loss.

## 1.12 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at R0.10 each and classified as share capital in equity. Any amounts received from the issue of shares in excess of R0.10 is classified as share premium in equity.

Directly attributable costs associated with the issuing of new shares are capitalised against equity, resulting in the increase in equity being reflective of the net proceeds received.

There are currently no restrictions on distributions from reserves in equity.

### Share for issue reserve

The shares for issue reserve represents funding received from shareholders for which shares are still to be issued. Once the shares are issued, the amounts will be recognised as share capital and share premium in equity as per the share capital and equity accounting policy

## 1.13 Share based payments

### a. Employee share-based compensation benefits

Share-based compensation benefits are provided to employees (including senior executives) of the Group via the Company's Long Term Incentive Plan ('LTIP') which replaced the Group's Employee Share Ownership Programme ('ESOP') during the prior year. Selected employees working at the Group are granted share appreciation rights based on the change in the value of the Group's shares between grant date and exercise date through the programme. Information relating to this scheme is set out in note 20.

The change in the fair value of shares granted under the LTIP is recognised as an employee benefit expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions (e.g. the entity's share price in terms of recent share subscriptions)

- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period) and including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period. At the end of each period, the entity revises its estimates of the number of shares that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### b. Purchase of shares by African Fig Tree Investments Limited ('AFT')

Share-based payment compensation is received by certain employees of the Group in the form of a discount on the acquisition price of Company's shares, from an entity outside the Group is recognised as an equity settled share-based payment. The total expense is recognised immediately where there are no vesting conditions, with the remainder recognised over the vesting period.

## 1.14 Employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

## 1.15 Provisions

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.



Provisions are not recognised for future operating losses unless the contract is considered to be onerous. An onerous contract is identified when the costs to fulfil the contract are higher than the expected future economic benefits to be received and a provision is raised based on the total estimated costs required to fulfil the contract less future economic benefits expected to be received.

### 1.16 Revenue recognition

Revenue is recognised on an accrual basis in the period in which the interest is earned or services are rendered.

#### a. Interest income

Interest income is recognised in the statement of profit or loss and other comprehensive income for all instruments measured at amortised cost using the effective interest method over the life of the related instrument. In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. Loan origination fees that relate to the creation of a financial asset are amortised over the expected term of the loan on an effective interest rate basis and included in interest income.

Where estimates of future payments or receipts on financial assets are revised, the carrying amount of the financial asset is adjusted to reflect both the actual and revised estimated cash flows. The revised carrying amount is determined by calculating the present value of the updated cash flows using the financial asset's original effective interest rate. Any resulting adjustment to the carrying value is recognised as interest income.

For financial assets classified as Stage 3 (impaired), interest income is calculated based on the asset's amortised cost, using the original effective interest rate. Contractual interest income on the gross exposure is suspended and is only recognised as part of credit impairments once the financial asset is no longer classified as Stage 3.

#### b. Fee and commission income

Fee income includes charges levied on customer transactional accounts, such as cash deposit and withdrawal fees, card-based commissions, money transfer fees, and fees for value-added services provided as an agent for third-party businesses, such as the sale of electricity and airtime.

It also includes commission income earned from customers entering into insurance contracts, net of any costs related to the insurance clawback obligation.

Fee income is recognised in a manner that reflects the transfer of promised services to customers, at an amount that represents the consideration the Group expects to be entitled to for those services. Fees earned for services rendered are accrued over time, in line with the provision of the service.

### 1.17 Translation of foreign currencies

#### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

#### 1.18 Prepayments

Prepayments are included in receivables and relate to annual service contracts for IT support services, networks and licenses, as well as new kiosks ordered from the manufacturer that have not yet been delivered to the Group.

#### 1.19 Restatements

The restatements below had no material impact for the period starting 1 July 2022.

##### 1.19.1 Expected Credit Losses

As part of the Group's ongoing review of its ECL methodology and its transition from the simplified approach to the generalised approach, it was identified that the previous staging of accounts for the Merchant Cash Advance (MCA) product, which was based on a payment recency definition, was not fully appropriate. This led to an understatement of the ECLs in the prior period.



In the current year, the Group has updated its methodology to an arrears-based definition using expected payment equivalency. This enhancement of the methodology has been applied retrospectively, and as a result, the prior year's ECLs have been corrected to reflect the appropriate level of credit risk. The correction has been applied retrospectively to ensure the financial statements for 2023 reflect this adjustment accurately.

### 1.19.2 Cash and cash equivalents

During the prior year, the Group incorrectly recognised Cash in Transit as Cash and Cash Equivalents. In terms of IAS 7, the Cash in Transit did not yet meet the definition of cash and cash equivalents and in terms of IFRS 9, the Cash in Transit receivable did not yet meet the requirements to be derecognised as the contractual rights to the cash flows from the financial asset/receivable has not yet expired as at 30 June 2023. Consequently, the comparative numbers as at 30 June 2023 have been restated to reclassify the Cash in Transit to Receivables from Cash and Cash Equivalents. The cash in transit was also incorrectly recognised as a cash inflow and therefore "cash generated from operations" and "cash and cash equivalents" at the end of the year was restated in the cash flow statement.

### 1.19.5 Summary of the restatements

The Group's statement of financial position as previously reported are as follows:

	Notes	As previously reported R'000	Restatement note 1.19.1 R'000	2023 Restatement note 1.19.2 R'000	Restatement note 1.19.4 R'000	Restated R'000
<b>Statement of Financial Position</b>						
<b>Assets</b>						
Cash and balances with SARB	4	1 644 120	-	(71 716)	-	1 572 404
Cash and balances with other banks	4	37 268	-	544	-	37 812
Customer advances	5	1 668 352	(132 875)	-	-	1 535 477
Receivables	6	195 808	-	71 172	-	266 980
<b>Liabilities</b>						
Deposits from customers	14	4 005 020	-	-	42 969	4 047 989
Trade and other payables	15	817 764	-	-	(42 969)	774 795
<b>Equity</b>						
Accumulated loss		(6 840 706)	(132 875)	-	-	(6 973 581)
<b>Totals</b>						
Total assets		6 671 500	(132 875)	-	-	6 538 625
Total liabilities		4 930 818	-	-	-	4 930 818
Total equity and liabilities		6 671 500	(132 875)	-	-	6 538 625

The prior year restated amounts for total assets and total liabilities differ from those presented on the face of the statement of financial position due to the deferred tax adjustment (refer to notes 13 and 37 for further details).

### 1.19.3 Restatement of transactional fee related expenses in terms of IAS 1

During the current financial year, the Group reassessed the presentation of commission expenses and partner incentives related to the distribution of its Merchant Cash Advance (MCA) product. Upon this review, it was identified that these expenses, which are variable in nature and directly attributable to the generation of MCA revenue, were previously not classified appropriately. To correct this, these expenses have now been reclassified under "Fee and Commission Expenses" in the statement of profit or loss.

As a result, an amount of R31,961,156 was reclassified from "Interest Income" to "Fee and Commission Expenses," and an additional amount of R27,131,732 was reclassified from "Operating Expenses" to "Fee and Commission Expenses." This reclassification had no impact on the overall profit or loss for the period, but ensures more accurate reporting going forward.

### 1.19.4 Deposits from customers

The Group reclassified amounts previously recognised under trade payables to customer deposits. These amounts were received from corporate clients to facilitate payments to their customers as part of ordinary business operations. Following a reassessment, it was determined that these balances should be appropriately classified as customer deposits, resulting in a retrospective reclassification.



The Group's statement of profit or loss and other comprehensive income as previously reported are as follows:

	Notes	As previously reported R'000	Restatement note 1.19.1 R'000	Restatement note 1.19.3 R'000	Restated R'000
Interest income	22	673 908	-	31 961	705 869
Net interest income		531 104	-	31 961	563 065
Fee and commission expense	24	(369 936)	-	(59 093)	(429 029)
Net fee and commission income		336 139	-	(59 093)	277 046
Credit impairment charge	25	(247 029)	(132 874)	-	(379 903)
Other operating expenses	27	(1 523 187)	-	27 132	(1 496 055)
Loss before taxation		(860 231)	(132 874)	-	(993 105)

The Group's statement of cash flows as previously reported are as follows:

	Notes	As previously reported R'000	Restatement note 1.19.2 R'000	Restatement note 1.19.3 R'000	Restated R'000
Cash generated from operations	31	(273 720)	(71 172)	(31 961)	(376 853)
<b>Net cash from operating activities</b>		<b>279 198</b>	<b>(71 172)</b>	<b>-</b>	<b>208 026</b>
<b>Total cash movement for the year</b>		<b>1 229 928</b>	<b>(71 172)</b>	<b>-</b>	<b>1 158 756</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>1 681 388</b>	<b>(71 172)</b>	<b>-</b>	<b>1 610 216</b>



# Notes to the Annual Financial Statements

## 2. New Standards and Interpretations

### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

#### **Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12**

The amendment adds an additional requirement for transactions which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement stipulates that, at the time of the transaction, it must not result in equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The Group has adopted the amendment for the first time in the 2024 annual financial statements.

The impact of the amendment is not material.

#### **Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2**

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the annual financial statements. The amendment will not result in changes to measurement or recognition of financial statement items. The Group has reviewed the accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The Group has adopted the amendment for the first time in the 2024 annual financial statements.

The impact of the amendment is not material.

#### **Definition of accounting estimates: Amendments to IAS 8**

The definition of accounting estimates was amended so that accounting estimates are now defined as “monetary amounts in annual financial statements that are subject to measurement uncertainty.”

The effective date of the amendment is for years beginning on or after 01 January 2023.

The Group has adopted the amendment for the first time in the 2024 annual financial statements.

The impact of the amendment is not material.

### 2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group’s accounting periods beginning on or after 01 July 2024 or later periods:

#### **Lack of exchangeability – amendments to IAS 21**

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after 01 January 2025.

It is unlikely that the amendment will have a material impact on the Group’s annual financial statements.



## Supplier finance arrangements – amendments to IAS 7 and IFRS 7

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The Group expects to adopt the amendment for the first time in the 2025 annual financial statements.

It is unlikely that the amendment will have a material impact on the Group's annual financial statements.

## Non-current liabilities with covenants – amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date.

However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The Group expects to adopt the amendment for the first time in the 2025 annual financial statements.

It is unlikely that the amendment will have a material impact on the Group's annual financial statements.

## Lease liability in a sale and leaseback – Amendment to IFRS 16

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after 01 January 2024.

The Group expects to adopt the amendment for the first time in the 2025 annual financial statements.

It is unlikely that the amendment will have a material impact on the Group's annual financial statements.

## 3. Financial instruments and risk management

### 3.1. Categories of financial instruments

	Notes	Amortised cost R '000	Total R '000
<b>Group – 2024</b>			
Receivables	6	219 106	219 106
Government bonds	7	1 166 861	1 166 861
Bank balances pledged	7	14 997	14 997
Treasury bills	7	2 766 339	2 766 339
Customer advances	5	1 922 935	1 922 935
Cash and cash equivalents	4	1 487 439	1 487 439
		<b>7 577 677</b>	<b>7 577 677</b>
<b>Group – 2023</b>			
Receivables*	6	197 168	197 168
Government bonds	7	1 159 380	1 159 380
Bank balances pledged	7	14 997	14 997
Treasury bills	7	734 153	734 153
Customer advances*	5	1 535 478	1 535 478
Cash and cash equivalents*	4	1 610 216	1 610 216
		<b>5 251 392</b>	<b>5 251 392</b>



	Notes	Amortised cost R '000	Total R '000
<b>Company – 2024</b>			
Receivables	6	17 312	17 312
Cash and cash equivalents	4	1 636	1 636
		<b>18 948</b>	<b>18 948</b>
<b>Company – 2023</b>			
Receivables	6	1 956	1 956
Cash and cash equivalents	4	1 369	1 369
		<b>3 325</b>	<b>3 325</b>

The fair value of the financial liabilities approximates the carrying amount as they are all short term.

\*The 2023 balance was restated, see note 1.19.

### 3.2. Categories of financial liabilities

	Notes	Amortised cost R '000	Leases R '000	Total R '000
<b>Group – 2024</b>				
Trade and other payables	15	658 745	-	658 745
Deposits from customers	14	6 288 842	-	6 288 842
Lease liability	12	-	20 962	20 962
		<b>6 947 587</b>	<b>20 962</b>	<b>6 968 549</b>
<b>Group – 2023</b>				
Trade and other payables*	15	771 914	-	771 914
Deposits received from customers*	14	4 047 989	-	4 047 989
Lease liability	12	-	33 295	33 295
		<b>4 819 903</b>	<b>33 295</b>	<b>4 853 198</b>
<b>Company – 2024</b>				
Trade and other payables	15	776	-	776
<b>Company – 2023</b>				
Trade and other payables	15	2 205	-	2 205

The fair value of the financial liabilities approximates the carrying amount as they are all short term.

The 2023 balance was restated, see note 1.19.



### 3.3. Capital risk management

The Group's objective when managing capital is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise shareholder returns.

Capital requirements are set by the Prudential Authority ('PA') of the South African Reserve Bank ('SARB') and are monitored on a monthly basis by management to ensure compliance with the regulatory and Board approved minimum capital requirements. Management continually forecasts the capital adequacy of the Group to proactively address any capital requirements which may be needed in the coming months. Tier 1 Capital comprises share capital, share premium, share base payment reserve, retained earnings/accumulated losses and common control equity reserve. Tier 2 capital comprises loan loss provisions (Stage 1 and Stage 2).

Internal controls and governance processes which include the Risk Appetite Statement ('RAS') are used by the Asset and Liability Committee ('ALCO') to monitor, manage and ensure sound capital planning.

As part of the RAS process, capital is managed in a conservative manner to ensure the minimum prudential requirements are met at all times.

In maintaining these capital ratios, management seeks to efficiently manage both the admissible capital on the statement of financial position and the risk weighted value of the assets.

### 3.4. Financial risk management

#### 3.4.1. Overview

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk and interest rate risk).

### 3.4.2. Credit risk

Credit risk is the risk of financial loss arising when a counterparty fails to meet its contractual obligations, either in part or in full. The Group's credit risk primarily originates from retail and business lending, particularly from unsecured personal loans and merchant cash advances. Effective credit risk management is a key component of the Group's risk governance framework, ensuring the stability and resilience of its loan portfolio and overall balance sheet.

The Group employs a proactive approach to credit risk management, focusing on the identification, assessment, and mitigation of risks associated with lending. This process includes comprehensive credit assessments, setting appropriate credit limits based on borrowers' affordability, and ongoing monitoring of exposures to respond swiftly to any signs of increased credit risk. The Group uses both internal rating models and external credit ratings, where applicable, to assess the creditworthiness of counterparties.

In line with IFRS 9 standards, the Group follows a comprehensive provisioning process to account for ECL (refer to note 5 for further detail). The credit risk management policies are regularly reviewed and updated to align with changing market conditions, regulatory requirements, and the broader economic environment. This ensures the Group maintains a healthy risk appetite and capital adequacy, while effectively managing its credit portfolios.

Operationally, credit risk is managed by the Head of Credit, who reports directly to the Chief Risk Officer (CRO). The CRO, in turn, reports to the Risk Committee, a sub-committee of the Board. The Board approves the Group's overall Risk Appetite Statement, and the management of credit portfolios is conducted within this mandate. The mandate includes predefined risk triggers and limits, with specific response requirements linked to credit granting. Risk triggers and limits are set based on credit loss outcomes that could impact the portfolio's return on capital, ensuring a proactive approach to managing credit losses and maintaining product-level profitability.

The Head of Credit provides monthly reports on credit performance to the business, where key insights, observations, and any proposed changes to credit granting are discussed. The Group's credit approval process follows a tiered approval mandate, with larger exposures requiring higher levels of approval and adherence to stricter criteria.



	Notes	2024			2023		
		R'000					
		Gross carrying amount	ECL	Net carrying amount	Gross carrying amount	ECL	Net carrying amount
<b>Group</b>							
Receivables*	6	219 106	-	219 106	197 168	-	197 168
Financial assets	7	3 949 010	(813)	3 948 197	1 908 817	(287)	1 908 530
Government bonds		1 167 101	(240)	1 166 861	1 159 554	(174)	1 159 380
Bank balances pledged		15 000	(3)	14 997	15 000	(3)	14 997
Treasury bills		2 766 909	(570)	2 766 339	734 263	(110)	734 153
Customer advances*	5	2 321 845	(398 910)	1 922 935	1 863 943	(328 465)	1 535 478
Business lending	5	2 204 277	(384 370)	1 819 907	1 860 954	(326 681)	1 534 273
Retail lending	5	117 568	(14 540)	103 028	2 989	(1 784)	1 205
Cash and cash equivalents*	4	1 487 760	(321)	1 487 439	1 610 551	(335)	1 610 216
		<b>7 977 721</b>	<b>(400 044)</b>	<b>7 577 677</b>	<b>5 580 479</b>	<b>(329 087)</b>	<b>5 251 392</b>

\*The 2023 balance was restated, see note 1.19.

#### a. Treasury bills and government bonds

Treasury bills and government bonds have been evaluated for ECL based on a year-end sovereign credit risk rating of BB-. Given the absence of historical default evidence, the Group has determined that the probability of default is low.

#### b. Receivables

Receivables primarily consist of cash-in-transit and joint operations. The Group has assessed credit risk by examining historical balance movements for indications of potential credit losses. No significant credit risk has been identified, and consequently, no ECL have been recognised.

#### c. Bank balances pledged

Group balances pledged are held with First National Bank, a division of FirstRand Bank Limited, and relate to guarantees on leases for properties. These balances have been assessed for ECL by evaluating the counterparty credit rating of the institution where the pledged funds are maintained.

#### d. Cash and cash equivalents

Cash and cash equivalents have been evaluated for ECL based on the counterparty credit ratings of the institutions where these funds are held. These funds are maintained with reputable institutions that have demonstrated a strong credit history.



## e. Customer advances

Estimating credit exposure for risk management purposes is inherently complex and necessitates the application of models, as exposure fluctuates with changes in market conditions, expected cash flows, and the passage of time. Evaluating the credit risk of a portfolio involves making further estimations regarding the likelihood of defaults, associated loss ratios, and default correlations among counterparties. The Group assesses credit risk utilising Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). This methodology is employed to measure Expected Credit Loss (ECL) in accordance with IFRS 9.

### Credit risk rating

The Group has built credit risk rating models utilising sophisticated modelling techniques and credit bureau data. Customer specific information collected at the time of application is fed into this rating model and an affordability assessment, which is a key component of the credit risk decision, is undertaken in line with regulatory guidelines. This approach enables expert judgement from the Credit Risk Officer to develop future internal credit rating for exposure to the customer advances. The payment behaviour of customers are monitored and documented in developing this internal credit rating behavioural credit score grading.

The Group's internal credit scorecards leverage a range of data points during the application process, grading applications from lowest to highest acceptable risk. The tables below display the percentage of outstanding balances exposed to various risk grades, as at the current and prior financial year-ends, by product.

	FY24	FY23
<b>Personal loans</b>		
Risk Grade 1 – Lowest risk category	7%	3%
Risk Grade 2	7%	5%
Risk Grade 3	46%	39%
Risk Grade 4	13%	28%
Risk Grade 5	11%	15%
Risk Grade 6	9%	9%
Risk Grade 7	6%	1%
Risk Grade 8 – Highest risk category	1%	–
	<b>100%</b>	<b>100%</b>
<b>Merchant cash advance</b>		
Risk Grade 1 – Lowest risk category	17%	21%
Risk Grade 2	7%	10%
Risk Grade 3	71%	60%
Risk Grade 4	5%	8%
Risk Grade 5 – Highest risk category	–	1%
	<b>100%</b>	<b>100%</b>

## Measurement of ECLs

IFRS 9 outlines a 'three-stage' model for impairments based on changes in credit quality since initial recognition as summarised below:

- Customer advances that are not credit-impaired on initial recognition are classified in Stage 1 and credit risk is continuously monitored by the Bank against its significant increase in credit risk ('SICR') criteria;
- If a significant increase in credit risk since initial recognition is identified, the customer advance is moved to Stage 2 but is not yet deemed to be credit-impaired; and
- If the customer advances become credit-impaired, these advances move to Stage 3.

### Definition of default

The Group's default definition is aligned to the Basel definition of default and an advance is seen to be in default when the customer is more than 90 days past due on their contractual payments or is undergoing legal action (handed over).

### 3.4.3. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet both expected and unexpected current and future cash flow needs without impacting its daily operations. Liquidity risk is managed by ensuring that the Group holds sufficient liquid assets, both short and longer dated.

#### Liquidity Risk Management

The Group 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.

The LRF provides robust governance, risk management measures and techniques related to liquidity risk management and outlines the execution of liquidity risk and funding risk activities. This framework is consistent with the Group'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 Group's funding sources and complies with the liquidity requirements of the South African Reserve Bank.

The Group manages Liquidity Risk through separate liquidity buffers on the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), as documented in the Group's Risk Appetite Statement (RAS). This is further supported by the Group's Contingency Funding Plan (CFP), Business Continuity Plan ('BCP') and the Recovery Plan.

The treasury function is responsible for the Group's daily funding and liquidity management. This function is critical in ensuring that the Group 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 Group, 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 Group's Asset and Liability Management Committee (ALCO) is responsible for managing the Group's liquidity risk via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring. In order to effectively manage liquidity risk the Group:

- maintains a portfolio of highly liquid assets, with varying tenors
- ensures that there is diversity in its funding base
- monitors the behavioural characteristics of financial assets and liabilities
- monitors liquidity reports analysing the expected

maturity profile of assets and liabilities

- establishes early warning indicators of potential liquidity stress events and ensures that there are assets available to be used as collateral if needed
- performs regular stress tests
- maintains a contingency funding plan and recovery plan designed to provide a framework where liquidity stress could be effectively managed.

The table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances where the impact of discounting is not significant.

	Notes	Less than 1 month R'000	1-3 months R'000	3 months to 1 year R'000	1-5 years R'000	5+ years R'000	Non contractual R'000	Total R'000
<b>Group - 2024</b>								
<b>Financial assets</b>								
Cash and cash equivalents		1 472 439	15 000	-	-	-	-	1 487 439
Customer advances		404 133	536 242	937 117	45 443	-	-	1 922 935
Financial assets		366 432	231 937	2 288 259	501 072	560 497	-	3 948 197
Receivables		280 851	-	-	-	-	-	280 851
		<b>2 523 855</b>	<b>783 179</b>	<b>3 225 376</b>	<b>546 515</b>	<b>560 497</b>	<b>-</b>	<b>7 639 422</b>
<b>Financial liabilities</b>								
Deposits received from customers		4 564 519	353 084	1 371 239	-	-	-	6 288 842
Trade and other payables		598 736	-	60 007	-	-	-	658 743
Lease liability	12	1 116	2 266	10 262	7 318	-	-	20 962
		<b>5 164 371</b>	<b>355 350</b>	<b>1 441 508</b>	<b>7 318</b>	<b>-</b>	<b>-</b>	<b>6 968 547</b>
<b>Net liquidity Gap</b>		<b>(2 640 516)</b>	<b>427 829</b>	<b>1 783 868</b>	<b>539 197</b>	<b>560 497</b>	<b>-</b>	<b>670 875</b>
<b>Cumulative liquidity gap</b>		<b>(2 640 516)</b>	<b>(2 212 687)</b>	<b>(428 819)</b>	<b>110 378</b>	<b>670 875</b>	<b>-</b>	<b>-</b>
<b>Group - 2023</b>								
<b>Financial assets</b>								
Cash and cash equivalents*		1 610 216	-	-	-	-	-	1 610 216
Customer advances*		289 057	367 004	879 416	-	-	-	1 535 477
Financial assets		107 100	268 175	258 799	234 781	1 024 962	14 713	1 908 530
Receivables*		266 980	-	-	-	-	-	266 980
		<b>2 273 353</b>	<b>635 179</b>	<b>1 138 215</b>	<b>234 781</b>	<b>1 024 962</b>	<b>14 713</b>	<b>5 321 203</b>
<b>Financial liabilities</b>								
Deposits received from customers*		3 696 898	82 458	268 633	-	-	-	4 047 989
Trade and other payables*	15	774 795	-	-	-	-	-	774 795
Lease liability	12	1 256	3 785	10 588	23 620	-	-	39 249
		<b>4 472 949</b>	<b>86 243</b>	<b>279 221</b>	<b>23 620</b>	<b>-</b>	<b>-</b>	<b>4 862 033</b>
<b>Net liquidity Gap</b>		<b>(2 199 596)</b>	<b>548 936</b>	<b>858 994</b>	<b>211 161</b>	<b>1 024 962</b>	<b>14 713</b>	<b>459 170</b>
<b>Cumulative liquidity gap</b>		<b>(2 199 596)</b>	<b>(1 650 660)</b>	<b>(791 666)</b>	<b>(580 505)</b>	<b>444 457</b>	<b>459 170</b>	<b>-</b>

\*The 2023 balance was restated, see note 1.19.



### 3.4.4. Market risk

Market risk is the risk of a change in the market value, actual or effective earnings, or future cash flows of a portfolio of financial instruments. This is caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange and interest rates, credit spreads, recovery rates or correlations, and implied volatilities in all of these variables.

Market risk consists of the following categories:

- Foreign currency risk and
- Interest rate risk.

#### 3.4.4.1. Foreign currency risk

The Group's exposure to foreign currency risk is limited to supplier invoices denominated in foreign currencies. These liabilities arise from contracts with international service providers and suppliers. The Group manages this risk by closely monitoring foreign exchange rates and timing payments to minimize the impact of currency fluctuations. Any currency exchange differences are recorded in profit or loss. The Group does not engage in hedging activities as the magnitude of foreign currency denominated transactions does not warrant the use of such instruments.

#### 3.4.4.2. Interest rate risk

Interest rate risk involves the measurement and management of assets and liabilities on the balance sheet, guided by banking regulations. It is assessed through various methods, focusing on both the economic value of equity (EVE) and sensitivity in net interest income (NII). Key components of IRRBB include gap risk, which arises from timing differences in interest rate changes between fixed-rate assets and

discretionary-rate liabilities; basis risk, stemming from variations in interest rates on similar instruments priced with different indices; and option risk, associated with non-maturing deposits (NMDs) that allow customers to withdraw funds at any time.

The Group manages these risks by minimising gap risk through short-term asset durations and effectively mitigating basis risk via its ability to adjust discretionary liabilities. Additionally, the Group retains the flexibility to modify deposit rates as needed.

Interest bearing assets are mostly in the form of treasury bills, government bonds and fixed term deposits, for which the interest rate is fixed for a period of 3 to 96 months.

Interest bearing liabilities comprise primarily of customer deposits, which are held by means of transactional, savings and term deposit accounts. No interest is payable on customer deposits held in transactional accounts and the interest rate on savings accounts is discretionary based on the customer's respective tier. Term deposit vary between 9% and 11% per annum.

#### Interest rate repricing

In managing interest rate repricing risk, the Group seeks to mitigate the effects of short-term fluctuations on its earnings. However, over the long term, sustained changes in interest rates can significantly impact profitability. As of 30 June 2024, it is estimated that a general increase of 1% in interest rates would enhance the Group's annual profit by R15 972 643 (2023: R13 970 000), while a general decrease of 1% would result in a corresponding decrease of R15 972 643 (2023: R13 970 000). Additionally, such fluctuations would similarly affect the Group's equity, in alignment with the annual profit sensitivity analysis. The sensitivity analysis encompasses assets including treasury bills, bank balances, and customer advances, as well as liabilities such as term deposits and other payables.

## 4. Cash and cash equivalents

Cash and cash equivalents consist of:

	Group 2024	Group 2023 Restated*	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
Balances with other banks*	20 899	37 827	1 636	1 369
Balances with the South African Reserve Bank (SARB)*	1 466 861	1 572 724	-	-
<b>Gross cash and cash equivalents</b>	<b>1 487 760</b>	<b>1 610 551</b>	<b>1 636</b>	<b>1 369</b>
ECL (Stage 1) - Other banks	(35)	(15)	-	-
ECL (Stage 1) - SARB	(286)	(320)	-	-
<b>Total ECL</b>	<b>(321)</b>	<b>(335)</b>	<b>-</b>	<b>-</b>
Net cash and balances with other banks*	20 864	37 812	1 636	1 369
Net cash and balances with SARB*	1 466 575	1 572 404	-	-
<b>Net cash and cash equivalents</b>	<b>1 487 439</b>	<b>1 610 216</b>	<b>1 636</b>	<b>1 369</b>

\*The 2023 balance was restated, see note 1.19.



Balances with the South African Reserve Bank include minimum reserve requirements of R171 014 223 (2023: R102 650 469). The ECL is raised on credit risk arising from counterparties with whom the cash and cash equivalents are held. All deposits are classified as stage 1. There were no movements between stages for cash and cash equivalents during the reporting period.

### Credit quality of cash and cash equivalents

The Group holds cash and cash equivalents with Absa Bank, First National Bank, Standard Bank, Investec Bank, Mercantile Bank and the South African Reserve Bank.

	Group 2024	Group 2023 Restated*	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
<b>Credit rating – Fitch</b>				
ABSA Bank: BB-	67	-	-	-
First National Bank: BB-*	4 244	6 575	-	-
Investec: BB-	7	2	-	-
Mercantile Bank: BB-	-	-	-	-
Nedbank: BB-	79	81	-	-
Standard Bank: BB-	16 502	31 169	1 636	1 369
South African Reserve Bank: BB-*	1 466 861	1 572 724	-	-
	<b>1 487 760</b>	<b>1 610 551</b>	<b>1 636</b>	<b>1 369</b>

All balances are realisable within 12 months.

\*The 2023 balance was restated, see note 1.19.

### 5. Customer advances

Customer advances are presented at amortised cost, which is net of loss allowance, as follows:

Business lending	2 204 277	1 860 954	-	-
Retail lending	117 568	2 989	-	-
<b>Gross customer advances</b>	<b>2 321 845</b>	<b>1 863 943</b>	<b>-</b>	<b>-</b>
ECL – Business lending*	(384 370)	(326 681)	-	-
ECL – Retail lending	(14 540)	(1 784)	-	-
<b>Net customer advances</b>	<b>1 922 935</b>	<b>1 535 478</b>	<b>-</b>	<b>-</b>

\*The 2023 balance of the expected credit losses for business lending was restated, see note 1.19.



	Stage 1 12 Month ECL R'000	Stage 2 Lifetime ECL R'000	Stage 3 Lifetime ECL R'000	Total R'000
<b>Analysis of Business lending by stages – 2024</b>				
Gross customer advances	1 365 709	657 486	181 082	2 204 277
ECL	(83 703)	(167 799)	(132 868)	(384 370)
<b>Net customer advances</b>	<b>1 282 006</b>	<b>489 687</b>	<b>48 214</b>	<b>1 819 907</b>
ECL coverage %	6.1%	25.5%	73.4%	17.4%
<b>Reconciliation of gross business lending</b>				
Opening balance – 1 July 2023	1 543 810	274 866	10 887	1 829 563
Prior year adjustments	(454 015)	352 029	133 377	31 391
New advances	3 194 849	-	-	3 194 849
Income accrued for the year	866 666	31 863	20 191	918 720
Transfers	(486 808)	91 178	395 630	-
Stage 1 to Stage 2	(158 364)	158 364	-	-
Stage 1 to Stage 3	(329 285)	-	329 285	-
Stage 2 to Stage 3	-	(68 308)	68 308	-
Stage 2 to Stage 1	733	(733)	-	-
Stage 3 to Stage 1	108	-	(108)	-
Stage 3 to Stage 2	-	1 855	(1 855)	-
Repayments and settlements	(3 298 793)	(92 450)	(95 238)	(3 486 481)
Write-offs	-	-	(283 765)	(283 765)
<b>Closing balance – 30 June 2024</b>	<b>1 365 709</b>	<b>657 486</b>	<b>181 082</b>	<b>2 204 277</b>
<b>Reconciliation of business lending ECL</b>				
Opening balance – 1 July 2023	(106 284)	(51 943)	(4 189)	(162 416)
Prior year adjustments	31 225	(87 893)	(98 708)	(155 376)
New advances	(119 542)	-	-	(119 542)
Transfers	22 148	(56 014)	(341 926)	(375 792)
Stage 1 to Stage 2	7 193	(70 541)	-	(63 348)
Stage 1 to Stage 3	14 955	-	(294 263)	(279 308)
Stage 2 to Stage 3	-	15 237	(48 985)	(33 748)
Stage 3 to Stage 2	-	(710)	1 322	612
Remeasurements	41 668	10 906	(21 118)	31 456
Repayments and settlements	47 082	17 145	58 076	122 303
Write-offs	-	-	274 997	274 997
<b>Closing balance – 30 June 2024</b>	<b>(83 703)</b>	<b>(167 799)</b>	<b>(132 868)</b>	<b>(384 370)</b>



	Stage 1 12 Month ECL R'000	Stage 2 Lifetime ECL R'000	Stage 3 Lifetime ECL R'000	Total R'000
<b>Analysis of Retail lending by stages – 2024</b>				
Gross customer advances	107 996	4 958	4 614	117 568
ECL	(9 667)	(802)	(4 071)	(14 540)
<b>Net customer advances</b>	<b>98 329</b>	<b>4 156</b>	<b>543</b>	<b>103 028</b>
ECL coverage %	9.0%	16.2%	88.2%	12.4%
<b>Reconciliation of gross retail landing*</b>				
Opening balance – 1 July 2023*	1 279	563	1 146	2 988
New advances	278 960	-	-	278 960
Income accrued for the year	17 069	1 334	846	19 249
Transfers	(15 143)	6 615	8 528	-
Stage 1 to Stage 2	(15 665)	15 665	-	-
Stage 1 to Stage 3	(70)	-	70	-
Stage 2 to Stage 3	-	(8 566)	8 566	-
Stage 2 to Stage 1	590	(590)	-	-
Stage 3 to Stage 1	2	-	(2)	-
Stage 3 to Stage 2	-	106	(106)	-
Repayments and Settlements	(173 252)	(3 432)	(1 967)	(178 651)
Write-offs	(34)	(122)	(3 939)	(4 095)
MoreTyme Deferred income–Merch	(883)	-	-	(883)
<b>Closing balance – 30 June 2024</b>	<b>107 996</b>	<b>4 958</b>	<b>4 614</b>	<b>117 568</b>
<b>Reconciliation of retail lending ECL*</b>				
Opening balance – 1 July 2023*	(662)	(61)	(1 061)	(1 784)
New advances	(17 717)	-	-	(17 717)
Transfers*	1 334	(977)	(7 491)	(7 134)
Stage 1 to Stage 2	1 372	(2 159)	-	(787)
Stage 1 to Stage 3	6	-	(72)	(66)
Stage 2 to Stage 3	-	1 099	(7 509)	(6 410)
Stage 2 to Stage 1	(44)	91	-	47
Stage 3 to Stage 1	-	-	1	1
Stage 3 to Stage 2	-	(8)	89	81
Remeasurements	4 093	34	84	4 211
Repayments and settlements	3 285	202	791	4 278
Write-offs	-	-	3 606	3 606
<b>Closing balance – 30 June 2024</b>	<b>(9 667)</b>	<b>(802)</b>	<b>(4 071)</b>	<b>(14 540)</b>



	Stage 1 12 Month ECL R'000	Stage 2 Lifetime ECL R'000	Stage 3 Lifetime ECL R'000	Total R'000
<b>Analysis of customer advances by stage – 2023</b>				
Gross customer advances	1 545 089	275 429	12 033	1 832 551
ECL*	(106 946)	(52 004)	(5 250)	(164 200)
<b>Net customer advances</b>	<b>1 438 143</b>	<b>223 425</b>	<b>6 783</b>	<b>1 668 351</b>
ECL coverage %	6.9%	18.9%	43.6%	9.0%
<b>Reconciliation of gross customer advances</b>				
Opening balance – 1 July 2022	716	155	318	1 189
Acquired in a business combination	1 517 503	-	-	1 517 503
New advances	1 739 525	-	-	1 739 525
Income accrued for the year	463 813	16 725	295	480 833
Transfers	(407 395)	286 643	120 752	-
Stage 1 to Stage 2	(68 526)	68 526	-	-
Stage 1 to Stage 2 – Up to date	(258 691)	258 691	-	-
Stage 1 to Stage 3	(98 676)	-	98 676	-
Stage 2 to Stage 3	-	(29 330)	29 330	-
Stage 2 to Stage 1	11 905	(11 905)	-	-
Stage 3 to Stage 1	6 593	-	(6 593)	-
Stage 3 to Stage 2	-	661	(661)	-
Repayments and settlements	(1 769 073)	(28 094)	(347)	(1 797 514)
Write-offs	-	-	(108 985)	(108 985)
<b>Closing balance – 30 June 2023</b>	<b>1 545 089</b>	<b>275 429</b>	<b>12 033</b>	<b>1 832 551</b>
<b>Reconciliation of ECL</b>				
Opening balance – 1 July 2022	(54)	(19)	(203)	(276)
<b>Acquired in a business combination</b>				
New advances	(95 252)	-	-	(95 252)
Transfers *	41 918	(26 922)	(14 996)	-
Stage 1 to Stage 2	50 315	(50 315)	-	-
Stage 1 to Stage 3	5 443	-	(5 443)	-
Stage 2 to Stage 3	-	16 803	(16 803)	-
Stage 2 to Stage 1	(7 247)	7 247	-	-
Stage 3 to Stage 1	(6 593)	-	6 593	-
Stage 3 to Stage 2	-	(657)	657	-
Remeasurements	(134 267)	(41 461)	(90 759)	(266 487)
Repayments and settlements	80 709	16 398	627	97 734
Write-offs	-	-	100 081	100 081
<b>Closing balance – 30 June 2023*</b>	<b>(106 946)</b>	<b>(52 004)</b>	<b>(5 250)</b>	<b>(164 200)</b>

\* The increase/(decrease) on ECL for accounts transferred represents the change in the applicable expected loss % for the respective stages.

All balances are realisable within 12 months.



	Group 2024 R '000	Group 2023 Restated* R '000	Company 2024 R '000	Company 2023 R '000
Contractual amount outstanding on customer advances written off and still subject to enforcement activity	532 580	274 596	-	-

## 6. Receivables\*

### Financial instruments:

Receivables***	73 689	27 309	-	-
Receivables - related parties	17 322	5 496	17 242	1 755
Deposits paid to suppliers	3 010	3 010	-	-
Cash in transit*	125 085	161 353	70	201
	<b>219 106</b>	<b>197 168</b>	<b>17 312</b>	<b>1 956</b>

### Non-financial instruments:

Value Added Tax	2 199	4 973	-	-
Prepayments**	59 546	64 839	-	-
<b>Total trade and other receivables</b>	<b>280 851</b>	<b>266 980</b>	<b>17 312</b>	<b>1 956</b>

\* Cash in transit represents transactional settlements receivable from banking institutions and vendors, typically settled within 30 days of the transaction date. During the current financial year, an amount of R26 415 698 was reclassified from cash in transit to receivables, as noted above. This amount pertains to loans extended to Executives of Retail Capital, which was acquired in December 2022. These loans were issued to enable Executives to purchase shares in Retail Capital prior to the acquisition and are scheduled for repayment by 30 June 2027, accruing interest at the SARS official rate.

\*\* Prepayments relate to annual service contracts for IT support services, networks and licences.

\*\*\*The 2023 balance was restated, see note 1.19.

All balances, apart from deposits paid to suppliers are realisable within 12 months of the receivable being recorded.



## 7. Financial assets

	Group 2024	Group 2023 Restated*	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
Government bonds	1 167 101	1 159 554	-	-
Bank balances pledged	15 000	15 000	-	-
Treasury bills	2 766 909	734 263	-	-
<b>Gross financial assets</b>	<b>3 949 010</b>	<b>1 908 817</b>	-	-
ECL (Stage 1) – government bonds	(240)	(174)	-	-
ECL (Stage 1) – bank balances pledged	(3)	(3)	-	-
ECL (Stage 1) – treasury bills	(570)	(110)	-	-
<b>Total ECL</b>	<b>(813)</b>	<b>(287)</b>	-	-
Net financial assets – government bonds	1 166 861	1 159 380	-	-
Net financial assets – bank balances pledged	14 997	14 997	-	-
Net financial assets – treasury bills	2 766 339	734 153	-	-
<b>Net financial assets</b>	<b>3 948 197</b>	<b>1 908 530</b>	-	-
<b>Split between non-current and current portions</b>				
More than 12 months	1 166 861	1 159 380	-	-
Less than 12 months	2 781 336	749 150	-	-
	<b>3 948 197</b>	<b>1 908 530</b>	-	-

All the Group's financial assets are held at amortised cost.

### Government bonds

The Group holds interest-bearing investments in R186 and R2030 government bonds issued by the National Treasury, with maturities ranging from 5 to 10 years. These government bonds are included in the Group's High-Quality Liquid Assets (HQLA) portfolio.

ECL are recognised for credit risk associated with the National Treasury as the counterparty for these bonds. Credit ratings from external agencies, such as Moody's and Fitch, assess these risks, with the National Treasury rated at BB-. All government bonds are classified as Stage 1, reflecting an ECL for the next 12 months, as there has been no Significant Increase in Credit Risk (SICR) event per the Group's accounting policies outlined in note 1.5.

### Bank balances pledged

Group balances pledged are held by First National Bank, a division of First Rand Bank Limited, and relate to guarantees on leases held over properties.

Beneficiary	Amount	Expires
Spareprops Proprietary Limited (Head office)	15 000	31 July 2026
	<b>15 000</b>	

### Treasury bills

As part of the Group's liquidity risk management strategy, investments are made in shorter-dated Treasury Bills (ranging from 91 days to 364 days) issued by the National Treasury to satisfy liquid asset requirements. The National Treasury carries a Fitch credit rating of BB-.

ECL are recognised based on credit risk associated with the National Treasury as the counterparty for these investments. All other financial assets are classified as Stage 1, with no movements between stages observed during the reporting period.



## 8. Current tax receivable

	Group 2024	Group 2023 Restated*	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
Amount receivable from South African Revenue Services (SARS)	9 579	12 965	145	176
Amount payable to South African Revenue Services (SARS)	(2 341)	(2 148)	-	-
	<b>7 238</b>	<b>10 817</b>	<b>145</b>	<b>176</b>

The receivable amount is attributable to Retail Capital's corporate tax position, where provisional tax payments surpassed the final tax submission. The payable amount relates to the Pay As You Earn (PAYE) liabilities outstanding at year-end. Both balances are anticipated to be realised or settled within a 12-month period.

## 9. Inventories

Customer card stock	31 163	40 111	-	-
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The balance reflects the customer cards on hand. The cost associated with cards issued to distribution partners is recognised in the statement of profit or loss during the period in which delivery occurs. All balances are expected to be realisable within 12 months. The Group evaluates its customer card stock to ensure it is recorded at the lower of cost and net realisable value.

Included in the inventories is card stock valued at R9.6 million, held by third parties for the Zion Christian Church (ZCC). This card stock is recoverable from the Ubuntu-Botho Community Development Trust once all cards have been issued to ZCC customers. The ZCC inventory is maintained by the third parties.

Write-downs of customer card stock for the period amounted to R1 930 984 (2023: R1 898 776). These write downs relate to damaged or lost cards and have been recognised as an expense and included in other operating expenses in the statement of profit or loss.

## 10. Investments in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
			R '000	R '000
<b>Company</b>				
Tyme Bank Limited	100.00%	100.00%	8 789 402	8 315 869
Retail Capital Limited**	100.00%	100.00%	-	-
Crossfin Apis Financing Solutions Proprietary Limited**	100.00%	100.00%	-	-
Crossfin SPV2 Proprietary Limited**	100.00%	100.00%	-	-
Fundrr Proprietary Limited**	100.00%	100.00%	-	-
First Asset Finance Proprietary Limited**	100.00%	100.00%	-	-
			<b>8 789 402</b>	<b>8 315 869</b>

\*\* Dormant entities to be liquidated.



	Tyme Bank Limited	Tyme Technical Solutions Proprietary Limited	Total
	R '000	R '000	R '000
<b>Reconciliation of movement in investments in subsidiary:</b>			
<b>Cost</b>			
Opening balance - 1 July 2022	6 420 217	195 697	6 615 914
- business combination	1 366 266	-	1 366 266
- capital injections	529 386	-	529 386
Derecognition of investment**	-	(195 697)	(195 697)
<b>Balances - 30 June 2023</b>	<b>8 315 869</b>	<b>-</b>	<b>8 315 869</b>
- capital injections	473 533	-	473 533
<b>Balances - 30 June 2024</b>	<b>8 789 402</b>	<b>-</b>	<b>8 789 402</b>
<b>Impairment</b>			
Opening balance - 1 July 2022	(1 274 130)	(195 697)	(1 469 827)
Reversal of impairment*	1 274 130	-	1 274 130
Derecognition of investment**	-	195 697	195 697
<b>Balances - 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balances - 30 June 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount</b>	<b>8 789 402</b>	<b>-</b>	<b>8 789 402</b>

The carrying value of the investment in the Bank was compared to its valuation determined using the free cashflow equity method. The valuation of the Group has incorporated a projected growth rate of 6% (2023: 6%), a discount rate of 20% (2023: 20%) and a marketability discount of 15% (2023: 15%). No impairment was recognised in the current year (2023: R Nil).

\* In the prior year, the investment in the Bank was written up to its original cost, which reversed the prior period accumulated impairment, as the recoverable amount significantly exceeded the original cost.

The subsidiaries' fair value less cost to sell falls within level 3 of the fair value hierarchy of IFRS 13.

\*\* Tyme Technical Solutions Proprietary Limited was deregistered and the investment accordingly derecognised in the prior year.



## 11. Plant and equipment

	2024 Cost	2024 Accumulated depreciation	2024 Carrying value	2023 Cost	2023 Accumulated depreciation	2023 Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Furniture and fixtures	3 027	(2 911)	116	3 027	(2 699)	328
Office equipment	834	(654)	180	834	(524)	310
Computer equipment	71 254	(56 894)	14 360	64 340	(54 472)	9 868
Leasehold improvements	7 408	(4 577)	2 831	7 408	(2 891)	4 517
Tools and equipment	876	(574)	302	884	(435)	449
Generators	1 015	(515)	500	1 015	(443)	572
Kiosks	133 685	(62 283)	71 402	133 506	(54 763)	78 743
Capital - Work in progress	40 959	(28 920)	12 039	47 798	(28 920)	18 878
<b>Total</b>	<b>259 058</b>	<b>(157 328)</b>	<b>101 730</b>	<b>258 812</b>	<b>(145 147)</b>	<b>113 665</b>

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Reconciliation of plant and equipment Group - 2024</b>						
Furniture and fixtures	328	-	-	-	(212)	116
Office equipment	310	-	-	-	(130)	180
Computer equipment	9 868	7 948	(182)	-	(3 274)	14 360
Leasehold improvements	4 517	-	-	-	(1 686)	2 831
Tools and equipment	449	-	-	-	(147)	302
Generators	572	-	-	-	(72)	500
Kiosks	78 743	4 616	-	9 678	(21 635)	71 402
Capital - Work in progress	18 878	2 839	-	(9 678)	-	12 039
	<b>113 665</b>	<b>15 403</b>	<b>(182)</b>	<b>-</b>	<b>(27 156)</b>	<b>101 730</b>



	Opening balance	Additions	Additions through business combinations	Disposals	Transfers	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>Reconciliation of plant and equipment Group – 2023</b>							
Furniture and fixtures	572	51	-	-	-	(295)	328
Office equipment	124	-	294	-	-	(108)	310
Computer equipment	4 575	5 576	1 930	(619)	(72)	(1 522)	9 868
Leasehold improvements	1 432	161	4 089	-	72	(1 237)	4 517
Tools and equipment	600	-	-	-	-	(151)	449
Generators	644	-	-	-	-	(72)	572
Kiosks	14 711	15 318	-	-	65 103	(16 389)	78 743
Capital – Work in progress	67 779	16 202	-	-	(65 103)	-	18 878
	<b>90 437</b>	<b>37 308</b>	<b>6 313</b>	<b>(619)</b>	<b>-</b>	<b>(19 774)</b>	<b>113 665</b>

#### Plant and equipment encumbered as security

No property, plant and equipment has been encumbered as security for borrowings.

#### Changes in estimates

The Group reassesses the useful lives and residual values of items at each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

#### Impairment loss

The Group conducted an assessment of its property, plant, and equipment for impairment as of the reporting date. Based on this review, there was no indication of impairment, as the carrying amounts of these assets are supported by their recoverable amounts. Accordingly, no impairment loss has been recognised in the current financial year.



## 12. Right-of-use assets and lease liabilities

The Group enters into lease agreements for office space that include options to extend the leases, which can be exercised up to three months prior to the expiration of the non-cancellable contract period. The decision to extend lies with the Group, which is reasonably confident that these extensions will be exercised, and this expectation has been incorporated into the asset and liability calculations.

The lease terms range from 2 to 5 years, with monthly payments that feature escalation clauses of 8% to 10% per annum. The incremental borrowing rates used in the lease calculations range from 10.91% to 12.91%. Furthermore, the Group has the option to purchase the leased office space for a nominal amount at the end of the lease term. For office equipment valued below R120 000, the Group has chosen not to recognize right-of-use assets and lease liabilities; instead, lease payments are recorded as an expense over the lease term.

Details pertaining to leasing arrangements, where the Group is the lessee are presented below:

	2024 Cost	2024 Accumulated depreciation	2024 Carrying value	2023 Cost	2023 Accumulated depreciation	2023 Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Office space	44 463	(23 338)	21 125	48 339	(16 211)	32 128

### Reconciliation of right-of-use assets Group – 2024

	Opening balance	Lease termination	Depreciation	Total
	R'000	R'000	R'000	R'000
Office space	32 128	(419)	(10 584)	21 125

### Reconciliation of right-of-use assets Group – 2023

	Opening balance	Additions	Additions through business combinations	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000
Office space	23 736	5 361	13 038	(10 007)	32 128



## Lease liability

The maturity analysis of lease liabilities is as follows:

	Group 2024 R '000	Group 2023 Restated* R '000	Company 2024 R '000	Company 2023 R '000
Balance - 1 July	33 295	26 896	-	-
Additions	-	5 361	-	-
Additions through business combination	-	13 038	-	-
Interest expense	3 415	4 030	-	-
Lease payments	(15 117)	(16 030)	-	-
Lease cancellation : Design Quarter	(631)	-	-	-
	<b>20 962</b>	<b>33 295</b>	-	-
More than 12 months	4 888	21 488	-	-
Less than 12 months	16 074	11 807	-	-
	<b>20 962</b>	<b>33 295</b>	-	-

The following amounts are recognised in profit or loss relating to leases:

Depreciation expense on right-of-use assets	10 584	10 007	-	-
Interest expense on lease liabilities	3 415	4 030	-	-
Short term and low value lease payments	1 218	906	-	-
<b>Total amount recognised in profit or loss</b>	<b>15 217</b>	<b>14 943</b>	-	-

The maturity analysis of lease liabilities has been included in note 3.4.3.

## 13. Goodwill and other intangible assets

	2024 Cost R'000	2024 Accumulated amortisation R'000	2024 Carrying value R'000	2023 Cost R'000	2023 Accumulated amortisation R'000	2023 Carrying value R'000
<b>Group</b>						
Trademarks	82 663	(16 360)	66 303	82 663	(6 027)	76 636
Internally generated software	24 359	(11 403)	12 956	19 231	(3 617)	15 614
Customer relationships	52 000	(20 583)	31 417	52 000	(7 583)	44 417
Goodwill	924 254	-	924 254	924 254	-	924 254
<b>Total</b>	<b>1 083 276</b>	<b>(48 346)</b>	<b>1 034 930</b>	<b>1 078 148</b>	<b>(17 227)</b>	<b>1 060 921</b>



	Opening balance	Additions	Amortisation	Total
	R'000	R'000	R'000	R'000
<b>Reconciliation of goodwill and other intangible assets – Group – 2024</b>				
Trademarks	76 636	-	(10 333)	66 303
Internally generated software	15 614	5 125	(7 783)	12 956
Customer relationships	44 417	-	(13 000)	31 417
Goodwill	924 254	-	-	924 254
	<b>1 060 921</b>	<b>5 125</b>	<b>(31 116)</b>	<b>1 034 930</b>

	Opening balance	Additions	Additions through business combinations	Deferred tax on cost of acquisition	Amortisation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Reconciliation of goodwill and other intangible assets – Group – 2023</b>						
Trademarks	-	-	82 663	-	(6 027)	76 636
Internally generated software	-	1 183	18 048	-	(3 617)	15 614
Customer relationships	-	-	52 000	-	(7 583)	44 417
Goodwill	-	-	884 034	40 220	-	924 254
	-	<b>1 183</b>	<b>1 036 745</b>	<b>40 220</b>	<b>(17 227)</b>	<b>1 060 921</b>

Goodwill and intangible assets acquired in the Retail Capital business combination, which has been designated as a Cash Generating Unit (CGU), are tested for impairment annually in accordance with the Group's policy. For the current financial year, this assessment revealed no impairment, as the carrying amounts of these assets are fully supported by their recoverable amounts. Consequently, no impairment loss has been recognized during the reporting period.

The Group applied the practical expedient allowed under IFRS 3 when Retail Capital was acquired. During the current financial year, the Group finalized the allocation of predecessor values, specifically relating to deferred tax on intangible assets acquired. As a result, the carrying value of goodwill was adjusted by an additional R40 219 299 in the prior year. This adjustment reflects the finalization of the asset valuation within the 12-month window permitted post-acquisition. Refer to notes 17 and 37.

#### Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for the Retail Capital division is most sensitive to the following assumptions:

- Loan growth rates
- Provisions
- Discount rates
- Market share during the forecast period
- Growth rates used to extrapolate cash flows beyond the forecast period



### Loan growth

Loan growth rates are based on average values achieved in the three years preceding the beginning of the forecast period. Loan growth rates averaged 1.3% per month over the forecast period. Decreased demand can lead to a decline in the loan growth rate. A decrease in the gross margin by 1.0% would result in a decrease in recoverable amount that would not require an impairment of goodwill.

### Expected credit losses

ECL represent the current market assessment of the loan portfolio, taking into account historical provisions as a percentage of gross loans. An increase in the provisions rate of 1% would not require an impairment of goodwill.

### Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Small market capitalisation have also been included in the calculation of WACC. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in the pre-tax discount rate to 18.3% (i.e., +0.5%) in the Retail Capital division would not result in a further impairment.

### Market share assumptions

When using industry data for growth rates (as noted below), these assumptions are important because management assesses how the division's position, relative to its competitors, might change over the forecast period. Management expects the Group's share of the advances market to increase over the forecast period.

### Growth rate estimates

Rates are based on published industry research. For the reasons explained above, the long-term rate used to extrapolate the forecasts take into account existing growth rates. The effect of new entrants is not expected to have an adverse impact on the forecasts but could yield a reasonably possible alternative to the estimated long-term growth rate of 4.2%. A reduction by 1.0% in the long-term growth rate would not result in impairment.

## 14. Deposits from customers

	Group 2024	Group 2023 Restated*	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
Money transfer	-	2 363	-	-
Transactional account*	2 691 734	2 090 887	-	-
Term deposits	1 772 398	351 104	-	-
Savings	1 824 710	1 603 635	-	-
	6 288 842	4 047 989	-	-

\*The 2023 balance was restated, see note 1.19.

All balances are payable within 12 months.



## 15. Trade and other payables\*

	Group 2024	Group 2023 Restated*	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
<b>Financial instruments:</b>				
Trade payables	5 474	3 784	4	5
Trade payables – related parties	-	15 209	-	-
Settlements payable*	585 206	383 177	-	-
Unsettled trades**	-	308 954	-	-
Accrued expense	68 065	60 790	772	2 200
<b>Non-financial instruments:</b>				
Income received in advance	-	2 441	-	-
Value Added Tax	-	440	-	-
	<b>658 745</b>	<b>774 795</b>	<b>776</b>	<b>2 205</b>

\* Settlements payable represent transactional settlements payable to banking institutions and vendors, settled within 30 days of transaction date. The 2023 amount has been restated, see note 1.19 for details.

\*\* Unsettled trades represent Treasury Bills acquired where the trade date was before year end and the payment settlement date was after the June 2023 year end date.

All balances are payable within 12 months.

### Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	658 745	771 914	776	2 205
Non-financial instruments	-	2 881	-	-
	<b>658 745</b>	<b>774 795</b>	<b>776</b>	<b>2 205</b>



## 16. Provisions

	Opening balance	Additions	Utilised during the year	Total
	R'000	R'000	R'000	R'000
<b>Reconciliation of provisions – Group – 2024</b>				
Provision for loss on sale of kiosks	946	-	(946)	-
Leave pay provision	18 668	-	(2 695)	15 973
Short term incentive provision for employees	55 125	44 786	(55 877)	44 034
	<b>74 739</b>	<b>44 786</b>	<b>(59 518)</b>	<b>60 007</b>
<b>Reconciliation of provisions – Group – 2023</b>				
Provision for loss on sale of kiosks	946	-	-	946
Leave pay provision	12 503	6 165	-	18 668
Short term incentive provision for employees	42 431	57 048	(44 354)	55 125
	<b>55 880</b>	<b>63 213</b>	<b>(44 354)</b>	<b>74 739</b>

All balances are payable within 12 months.

### Provision for loss on sale of kiosks

During prior years, a contract was entered into to manufacture and distribute kiosks to the Ubuntu-Botho Community Development Trust. The provision represents the Group's best estimate of the unavoidable costs of meeting the obligations of the contract less the economic benefits expected to be received.

### Leave pay provision

A provision has been recognised for employees' leave entitlement as the Group has a present legal obligation to settle with the employee in cash or by leave to be taken. The amount of the provision represents the present value of the expenditure expected to settle the obligation in a 12 month rolling period.

### Short term incentive provision

A provision has been recognised for short term incentives as the Group has a constructive obligation to settle the expected cost of employee and bonus payments as a result of past performance. The amount of the provision represents the present value of the expenditure expected to settle the obligation in a 12 month period.

## 17. Deferred tax

	Group 2024	Group 2023	Company 2024	Company 2023
	R'000	R'000	R'000	R'000
Deferred tax liability	-	(40 219)	-	-
Deferred tax asset	-	40 219	-	-
<b>Total net deferred tax asset</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Unrecognised deferred tax asset

In relation to the acquisition of Retail Capital, the Group initially applied the IFRS 3 practical expedient, allowing for the recognition of provisional amounts, including deferred tax implications, until the Purchase Price Allocation (PPA) was finalised. As of the date of issue of the prior year's financial statements, the Group had not yet finalised the PPA and, therefore, did not raise the associated deferred tax liability.

In the current financial year, the PPA was completed, resulting in the recognition of a deferred tax liability arising from the fair value adjustments on the acquired intangible assets. Simultaneously, the Group recognised a deferred tax asset to the extent of this liability, based on the expectation of recovering these temporary differences through future taxable income.

For presentation purposes, the 2023 figures reflect the deferred tax liability and the corresponding deferred tax asset, as the PPA has now been finalised. This ensures that there is no net deferred tax impact from the finalisation of the acquisition. Refer to note 37 for further details.

	Group 2024	Group 2023	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
Deductible temporary differences not recognised as deferred tax assets	24 556	72 223	-	-
Unused tax losses not recognised as deferred tax assets	1 743 038	1 640 437	-	-
	<b>1 767 594</b>	<b>1 712 660</b>	-	-

## 18. Share capital

### Authorised

100 000 000 000 Ordinary shares of R0.10 each

10 000 000 10 000 000 10 000 000 10 000 000

### Reconciliation of number of shares issued:

Balance - 1 July

11 877 998 10 564 451 11 877 998 10 564 451

Issue of shares

1 006 535 1 313 547 1 006 535 1 313 547

**Balance - 30 June**

**12 884 533 11 877 998 12 884 533 11 877 998**

### Reconciliation of share capital issued

Balance - 1 July

1 271 990 1 056 447 1 271 990 1 056 447

Issue of shares - ordinary shares

100 653 215 543 100 653 215 543

**Balance - 30 June**

**1 372 643 1 271 990 1 372 643 1 271 990**

### Reconciliation of share premium

Balance - 1 July

6 749 575 5 566 385 6 738 086 5 566 385

Issue of shares

963 037 1 183 190 963 037 1 171 701

Less: Capital Raise Costs

(30 842) - (29 420) -

**Balance - 30 June**

**7 681 770 6 749 575 7 671 703 6 738 086**

### Issued

Ordinary shares of R0.10 each

1 372 643 1 271 990 1 372 643 1 271 990

Share premium

7 681 770 6 749 575 7 671 703 6 738 086

**9 054 413 8 021 565 9 044 346 8 010 076**



## 19. Shares for issue reserve

	Group 2024	Group 2023	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
Shares for issue reserve	142 233	460 000	142 233	460 000

This represents funding from shareholders for which shares are still to be issued.

The current year balance represents the second consideration for Retail Capital shareholders that has crystallised as at the end of the reporting period, which will be settled in shares by Tyme Group to the selling shareholders of Retail Capital on 01 December 2024. This transaction will result in the Company issuing shares to its Holding Company for the value of the amount paid.

## 20. Equity settled share-based payment reserve

Employee share appreciation rights scheme	43 568	46 029	47 525	49 986
Purchase of shares by African Fig Tree Investments Limited	53 794	53 794	-	-
	<b>97 362</b>	<b>99 823</b>	<b>47 525</b>	<b>49 986</b>

## 21. Equity settled share based payments

	Share based payment reserve			Profit or loss R '000
	ESOP/ LTIP R '000	AFT share based payment reserve R '000	Total share based payment reserve R '000	
<b>Reconciliation of share based payments</b>				
Opening balance - 1 July 2022	23 709	49 595	73 303	-
Share-based payment expense	34 944	4 200	39 144	39 144
Vesting of Shares	(12 624)	-	(12 624)	-
<b>Balance - 30 June 2023</b>	<b>46 029</b>	<b>53 795</b>	<b>99 823</b>	<b>39 144</b>
Share-based payment expense	23 722	2 100	25 822	25 822
Vesting of Shares	(28 282)	-	(28 282)	-
<b>Balance - 30 June 2024</b>	<b>41 469</b>	<b>55 895</b>	<b>97 363</b>	<b>25 822</b>

### a. Purchase of shares by African Fig Tree Investments Limited ("AFT")

African Rainbow Capital Financial Services Holdings Proprietary Limited ('ARC') sold a portion of its Tyme Bank Holdings Limited shares to AFT, a consortium including certain employees of the Bank, Tyme Pte Ltd and Tyme Limited. The shares were sold at a price that was deemed to be at a discount to their fair value and a share-based payment expense was recognised by the Bank. This is considered an equity-settled share-based payment as the Bank's employees benefit and the Bank is not required to refund ARC.

A portion of the shares (18 000) have no restrictive conditions and vested immediately, while the remaining 12 000 shares have a restrictive condition of service and vest after a period of 5 years.

The total fair value of the shares less the consideration paid amounts to R55.4 million over the total period and is recognised as an employee benefit expense with a corresponding increase in equity.



	Group 2024	Group 2023	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
<b>Reconciliation of number of shares issued</b>				
Opening balance – 1 July 2022	30 000	4 800	-	-
Shares vested during the year	-	(2 400)	-	-
<b>Balance – 30 June</b>	<b>30 000</b>	<b>2 400</b>	<b>-</b>	<b>-</b>
Exercisable	-	27 600	-	-
<b>Balance – 30 June</b>	<b>30 000</b>	<b>30 000</b>	<b>-</b>	<b>-</b>

**The model inputs utilised to calculate the fair value of the shares include:**

Weighted average share price	R 1 965
Exercise price:	R42
Marketability discount:	13%
Minority discount:	15%
Attrition rate	10%

**b. Replacement Long Term Incentive Plan (equity settled)**

Tyme Group implemented new Employee Share Ownership Plans on 27 June 2022 to replace all existing schemes, and all employees accepted the new terms and conditions associated with the replacement scheme prior to 30 June 2022.

As the new LTIP was implemented as part of a global change, and the intention is to reference the Group's share price when determining the value of the equity settled (by the Group holding company) awarded to employees, the new LTIP was valued with reference to the Group share price, and these amounts were recorded in equity. The liability was extinguished, and the difference between the LTIP equity value and the liability value resulted in a reduction in share based payment expense. This accounting treatment follows the modification approach allowed in IFRS 2.



## Reconciliation of number of share units allocated

	Allocation 1 Performance units  '000s	Allocation 2 Performance units  '000s	Allocation 3 Performance units  '000s	Allocation 4 Restricted units  '000s	Allocation 5 Restricted units  '000s	Allocation 6 Restricted units  '000s	Allocation 7 Performance units  '000s	Allocation 7A Performance units  '000s	Total  '000s
<b>Opening balance – 30 June 2021</b>	44 286	-	-	-	-	-	-	-	44 286
Additional SARs awarded	39 845	27 454	-	-	-	-	-	-	67 299
Vested during the year	(25 239)	-	-	-	-	-	-	-	(25 239)
Forfeited	-	(658)	-	-	-	-	-	-	(658)
<b>Balance at 26 June 2022</b>	<b>58 892</b>	<b>26 796</b>	-	-	-	-	-	-	<b>85 688</b>
ESOP units cancelled	(58 892)	(26 796)	-	-	-	-	-	-	(85 688)
Replacement units issued – as previously reported	74 367	26 796	-	-	-	-	-	-	101 163
Replacement units issued – correction	(3 263)	-	-	-	-	-	-	-	(3 263)
New SARs issued – as previously reported	15 866	6 524	8 790	-	-	-	-	-	31 180
<b>Balance – 30 June 2022 corrected</b>	<b>86 970</b>	<b>33 320</b>	<b>8 790</b>	-	-	-	-	-	<b>129 080</b>
New awards	-	-	-	14 830	-	-	-	-	14 830
Vested	(23 472)	-	-	-	-	-	-	-	(23 472)
Forfeited	-	(1 441)	-	-	-	-	-	-	(1 441)
<b>Balance – 30 June 2023</b>	<b>63 498</b>	<b>31 879</b>	<b>8 790</b>	<b>14 830</b>	-	-	-	-	<b>118 997</b>
New awards	-	-	-	-	2 259	3 771	26 765	12 053	44 848
Amendment to units	-	(426)	(574)	-	-	-	-	-	(1 000)
Vested *	(26 434)	-	-	-	-	-	-	-	(26 434)
Forfeited	(2 694)	(10 303)	(808)	-	-	-	-	(657)	(14 462)
<b>Balance – 30 June 2024</b>	<b>34 370</b>	<b>21 150</b>	<b>7 408</b>	<b>14 830</b>	<b>2 259</b>	<b>3 771</b>	<b>26 765</b>	<b>11 396</b>	<b>121 949</b>

No share appreciation rights were exercisable at 30 June 2024. All units have employment conditions.



The share appreciation rights outstanding at the end of the year have the following award and strike prices, and vesting periods:

	Allocation 1 Performance units	Allocation 2 Performance units	Allocation 3 Performance units	Allocation 4 Performance units	Allocation 5 Performance units	Allocation 6 Performance units	Allocation 7 performance units	Allocation 7A performance units
Grant date	27 June 2022	27 June 2022	27 June 2022	2 July 2022	2 July 2022	2 July 2022	1 July 2023	1 July 2023
Expiry date	1 January 2023	1 July 2026	1 July 2025	1 July 2027	1 July 2027	1 July 2027	1 July 2026	1 July 2026
<b>Vesting terms:</b>								
Year 1	43%	0%	0%	0%	0%	0%	0%	0%
Year 2	57%	30%	0%	10%	10%	10%	0%	0%
Year 3		30%	100%	20%	20%	20%	100%	100%
Year 4		40%		30%	30%	30%		
Year 5		0%		40%	40%	40%		
Replacement award price (R)	0.54	0.54	0.54	0.54	0.54	0.80	1.09	1.44
Strike price (R)	0.001	0.34	-	-				
Weighted average remaining contractual life of share appreciation awards at 30 June 2024 (in years)	-	1.1	1.0	2.0	2.0	2.0	2.0	2.0

### c. Measurement of fair values

The fair value of the employee Long Term Incentive Plan for each respective allocation has been measured using the most recent share subscription price prior to the respective allocation. This has been compared to an independent free cash flow to equity model that takes into account marketability and minority ownership discounts, equity market premiums, small stock premiums and the risk-free interest rate for the term of the units.

Service and non-market performance conditions attached to the arrangements were not taken into account when measuring fair value.



#### d. Expense recognised in profit or loss

For details of the related employee benefit expenses, see note 27.

#### e. Directors emoluments

For details of the share based payments to the Directors see note 33.

#### f. Related party transactions

Transactions with key management personnel are reflected in the related party note 32.

### 22. Interest income

	Group 2024	Group 2023 Restated*	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
<b>Interest income</b>				
Customer advances	954 515	470 790	-	-
Government bonds	105 582	105 294	-	-
Treasury bills	168 835	75 277	-	-
SARB interest	52 375	39 904	-	-
Bank and other cash*	2 319	12 593	257	1 304
<b>Interest recognised on fair value instruments</b>				
Money market investment	-	2 011	-	-
<b>Total interest income</b>	<b>1 283 626</b>	<b>705 869</b>	<b>257</b>	<b>1 304</b>

\*The 2023 balance was restated, see note 1.19.

Interest income from the SARB has been shown separately from bank and other cash to better enhance the users understanding of interest income.

### 23. Interest paid

Lease liabilities	3 415	4 030	-	-
South African Revenue Services (SARS)*	26	184	-	-
South African Reserve Bank	3 718	5 335	-	-
Interest paid to customers	230 341	133 255	-	-
	<b>237 500</b>	<b>142 804</b>	<b>-</b>	<b>-</b>

\* The interest paid to SARS relates to a VAT Voluntary Disclosure Process (VDP) settlement submitted by Retail Capital.



## 24. Net fee and commission income

	Group 2024	Group 2023 Restated*	Company 2024	Company 2023
Notes	R '000	R '000	R '000	R '000
<b>Fee and commission income</b>				
Transactional banking	1 119 162	702 348	-	-
Insurance commission earned	2 766	3 727	-	-
	<b>1 121 928</b>	<b>706 075</b>	<b>-</b>	<b>-</b>
<b>Fee and commission expense</b>				
Transactional banking*	(565 712)	(429 029)	-	-
	<b>556 216</b>	<b>277 046</b>	<b>-</b>	<b>-</b>

Net fee and commission income relates to income generated from customers' transactional accounts and commission earned from the sale of value-added services such as electricity, airtime, lotto tickets and insurance policies taken up by customers and other customer transaction related expenses paid to other banks and card associations.

\* The 2023 balance was restated, see note 1.19.

## 25. Credit impairment charge

Net movement in ECL's *	95 028	244 869	-	-
Gross advances written off	259 422	141 502	-	-
Net impairment charge	354 450	386 371	-	-
Post write off recoveries	(15 063)	(6 468)	-	-
Reversal of acquisition of estimated credit losses	13 540	-	-	-
<b>Total credit impairment charge</b>	<b>352 927</b>	<b>379 903</b>	<b>-</b>	<b>-</b>

\* The 2023 balance was restated, see note 1.19.

## 26. Other operating gains (losses)

Losses on disposal of plant and equipment	11 (517)	(37)	-	-
Fees earned - non-banking services	34 447	44 014	-	-
Net foreign exchange loss	(406)	(1 235)	-	-
South African Revenue Services (SARS) - Interest	7	-	7	-
	<b>33 531</b>	<b>42 742</b>	<b>7</b>	<b>-</b>

### Reversal of impairment losses

Investments in subsidiaries**	-	-	-	1 274 130
<b>Total other operating gains (losses)</b>	<b>33 531</b>	<b>42 742</b>	<b>7</b>	<b>1 274 130</b>

Fees earned on non-banking services relate to kiosk maintenance income and recoveries from Tyme Group.

\*\* In the prior year, the investment in subsidiary was revalued and the prior impairment recognised reversed due to the valuation.



## 27. Operating profit (loss)

Loss before taxation for the year is stated after charging the following:

	Group 2024	Group 2023 Restated*	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
External audit fees	13 145	11 709	612	1 871
Consulting and professional services	175 484	164 037	-	-
<b>Employee costs</b>				
Salaries, bonuses and other benefits	442 697	380 399	-	-
Share based compensation benefits – LTIP	23 721	34 944	-	-
Share based compensation benefits – AFT	2 100	4 200	-	-
<b>Total employee costs</b>	<b>468 518</b>	<b>419 543</b>	-	-
<b>Depreciation and amortisation</b>				
Depreciation of plant and equipment	27 156	19 774	-	-
Depreciation of right-of-use assets	10 584	10 007	-	-
Amortisation of intangible assets	31 116	17 801	-	-
<b>Total depreciation and amortisation</b>	<b>68 856</b>	<b>47 582</b>	-	-
<b>Non-claimable VAT</b>				
Value Added Tax	29 654	46 736	-	-

The non-claimable Value Added Tax (VAT) relates to irrecoverable input VAT, as the Group earns certain types of income that are exempt from VAT, which results in the application of an apportionment method against the VAT input incurred in the ordinary course of business.

### Expenses by nature

The total operating expenses are analysed by nature as follows:

Acquisition costs in business combination****	224 702	9 880	222 981	-
Bank charges	4 818	3 040	8	8
Card losses	1 729	1 743	-	-
Consulting and professional fees	175 484	164 037	-	-
Customer card costs	57 883	67 648	-	-
Depreciation, amortisation and impairment	68 856	47 582	-	-
Employee costs	468 518	419 543	-	-
External audit fees	13 145	11 709	612	1 871
Facilities expense	1 533	1 859	-	-
Fraud and operational risk losses	8 647	4 205	-	-
Insurance	5 314	2 800	-	-
Local and foreign travel costs	5 238	6 022	-	-
Marketing	92 164	119 441	-	-
Membership fees	34 957	5 751	-	-
Non-claimable VAT	29 654	46 736	-	-
Office consumables	1 547	4 107	-	-
Outsourced services*	312 442	312 818	-	-
Partnership fees**	3 000	28 500	-	-
Postage and stationery	2 348	6 501	-	-
Rental expense	2 769	2 243	-	-
Repairs and maintenance	8 744	12 823	-	-
Technology costs***	308 643	213 630	-	-
Telephone	4 222	2 406	-	-
Transfer tax	118	1 031	84	416
	<b>1 836 475</b>	<b>1 496 055</b>	<b>223 685</b>	<b>2 295</b>

\* Outsourced services relate to costs for Tyme Group information technology as well as kiosk management costs.

\*\* The 2023 balance was restated, see note 1.19.

\*\*\* These are primarily software as a service and communication costs.

\*\*\*\* Included in the acquisition cost is the first and second consideration that has crystallised for Retail Capital shareholders as at the end of the reporting period.



## 28. Taxation

	Group 2024 R '000	Group 2023 Restated* R '000	Company 2024 R '000	Company 2023 R '000
<b>Major components of the tax expense (income)</b>				
<b>Current</b>				
Local income tax - current period	67	350	67	350
<b>Deferred</b>				
Deferred tax	-	(40 219)	-	-
<b>Reconciliation of the tax expense</b>				
Reconciliation between accounting profit and tax expense.				
Accounting profit (loss)*	(553 529)	(993 104)	(223 421)	1 273 139
Tax at the applicable tax rate of 27%	(149 453)	(268 138)	(60 324)	343 748
<b>Tax effect of adjustments on taxable income</b>				
Non-taxable income	(2)	-	(2)	(344 015)
Non-deductible expenses	68 150	17 013	60 393	617
Tax losses benefit not recognised*	81 372	211 256	-	-
	<b>67</b>	<b>(39 869)</b>	<b>67</b>	<b>350</b>

No provision has been made for 2024 tax as the Group has no taxable income. The estimated tax loss is R6 455 697 600 (2023: R6 224 650 355). The assessed tax loss available for set off against future taxable income is R6 226 817 758 (2023: R5 442 994 776).

Non-deductible expenses comprise acquisition related costs of a capital not revenue nature and amortisation of intangible assets.

\* The 2023 balance was restated, see note 1.19.

## 29. Tax refunded (paid)

Balance at beginning of the year	10 817	(1)	176	(1)
Current tax recognised in profit or loss	(67)	(350)	(67)	(350)
Balance at end of the year	(7 238)	(176)	(145)	(176)
	<b>3 512</b>	<b>(527)</b>	<b>(36)</b>	<b>(527)</b>

## 30. Joint operations

The Group has entered into a revenue and cost-sharing arrangement with The Foschini Group ('TFG') in terms of which kiosks are placed in TFG stores. The Group's share of kiosks acquired have been included in plant and equipment.

The following amounts relate to the Group's share of the joint operation:

Purchase of kiosks	4 516	20 276	-	-
Card stock on hand	3 147	8 500	-	-
Kiosk management	60 508	58 537	-	-
Other operating costs	22 539	44 466	-	-



### 31. Cash generated from (used in) operations

	Group 2024	Group 2023 Restated*	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
Loss before taxation*	(553 529)	(993 104)	(223 421)	1 273 139
<b>Adjustments for non-cash items:</b>				
Depreciation and amortisation	68 856	41 647	-	-
Gains on sale of assets and liabilities	(516)	-	-	-
Losses on exchange differences	406	1 235	-	-
Movements in provisions	(14 732)	(14 901)	-	-
Movement in impairment and expected credit losses*	71 258	386 371	-	-
Share based payment expense	25 821	65 420	-	-
Reversal of impairment in investment in subsidiaries	-	-	-	(1 274 130)
Share-based payment: Vested LTIP shares	-	-	-	26 277
Movement in other reserves	-	(56 830)	-	(56 830)
Right-of-use assets derecognised	420	-	-	-
<b>Adjust for items which are presented separately:</b>				
Interest income	(1 283 626)	(705 869)	(257)	(1 304)
Interest expense	237 500	142 804	-	-
<b>Changes in working capital:</b>				
Decrease (increase) in inventories	8 948	(21 828)	-	-
Increase in receivables*	(13 871)	(117 776)	(15 356)	(1 956)
(Decrease) increase in trade and other payables*	(116 048)	599 301	(1 429)	1 871
Increase in deposits from customers*	2 240 854	769 271	-	-
Decrease in customer advances*	(477 449)	(472 594)	-	-
	<b>194 292</b>	<b>(376 853)</b>	<b>(240 463)</b>	<b>(32 933)</b>

\* The 2023 balance was restated, see note 1.19.



## 32. Related parties

### Relationships

Members of key management (includes immediate family members)	The directors and executive committee are considered members of key management
Ultimate holding company	Ubuntu-Botho Investments Proprietary Limited
Holding company	Tyme SA Holdings Proprietary Limited
Subsidiaries	Refer to note 10
Entities within African Rainbow Capital Financial Services Holdings Proprietary Limited Group ('ARC' Group'), with which the Group transacts	Ubuntu - Botho Community Development Trust Rain Proprietary Limited EOH Mthombo Proprietary Limited
Entities within the Tyme Group with which the Group transacts	Tyme Limited Tyme Group Pte Limited Tyme Tribe Fintech Pte Limited
Entities where key management personnel hold interests	Iconyc One Limited African Fig Tree Investments Limited Tyme Group Pte Limited Tyme SA Holdings Proprietary Limited Tyme Asia Holdings Pte. Ltd

	Group 2024	Group 2023	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
<b>Related party balances</b>				
<b>Loans to employees</b>				
Retail Capital division management loans	28 478	-	-	-
<b>Income received in advance</b>				
Ubuntu - Botho Community Development Trust	-	(1 579)	-	-
<b>Provision for loss on sale of kiosks</b>				
Ubuntu - Botho Community Development Trust	-	(946)	-	-
<b>Customer deposits</b>				
Key management personnel	(2 109)	(707)	-	-
<b>Related party transactions</b>				
<b>Fees earned - Non-banking services</b>				
Tyme Group Pte Limited	(28 336)	(33 667)	-	-



These represent costs recovered from Tyme Group entities.

	Group 2024	Group 2023	Company 2024	Company 2023
	R '000	R '000	R '000	R '000
<b>Interest received</b>				
Retail Capital division management loans	2 062	1 093	-	-
<b>Outsourced services*</b>				
Tyme Pte Limited	138 944	147 360	-	-
<b>Services rendered*</b>				
Tyme Tribe Fintech Pte Limited	805	1 797	-	-

\*These are primarily technology related costs.

<b>Interest paid</b>				
Key management personnel	130	20	-	-
<b>Compensation of the key management personnel</b>				
Salaries and other short-term benefits	63 483	61 886	-	-
Share-based payments	5 994	12 624	-	-
	<b>69 477</b>	<b>74 510</b>	-	-

All related party transactions are carried out on normal trade terms, at agreed upon and market related rates.

#### Directors interests in contracts

Additionally, the Group entered into an agreement with African Fig Tree Investments Limited during June 2020 to provide services in respect of capital raises for the Group.

CJ Jonker was appointed as a director of both the Bank and the Tyme Bank Holdings Limited. He is also a director of Tyme Limited, Tyme Pte Ltd, Tyme Investments Pte Ltd, Tyme Group Pte Ltd and African Fig Tree Investments Limited. CJ Jonker has direct investments in Tyme Limited and African Fig Tree Investments Limited, which has duly been noted by the Board. African Fig Tree Investments Limited holds 11.87% in Tyme Group Pte Limited (2023: this shareholding was 12.94% in Tyme Bank Holdings Limited, the sole shareholder of the Bank).



### 33. Directors' / Prescribed Officers emoluments

	Emoluments R'000	Bonuses and incentives R'000	Share-based payments R'000	Fees R'000	Total R'000
<b>2024</b>					
KH Westvig (Prescribed Officer)	3 902	-	-	-	3 902
CJ Jonker (Executive Director)	7 099	3 182	-	-	10 281
CJ Jonker – For positions held in Tyme Group **	12 137	1 133	-	-	13 270
Y Dockrat (Executive Director)	3 851	1 925	-	-	5 776
	<b>26 989</b>	<b>6 240</b>	<b>-</b>	<b>-</b>	<b>33 229</b>
<b>Non-Executive Directors</b>					
S Barrett	-	-	-	1 000	1 000
M Boakgomo	-	-	-	1 000	1 000
TA Boardman*	4 138	-	-	1 800	5 938
TNM Eboka	-	-	-	1 000	1 000
TSB Jali	-	-	-	2 000	2 000
M Milutinovic*	3 907	7 832	1 806	-	13 545
R Ramcharan	-	-	-	1 200	1 200
PA Wessels	-	-	-	1 400	1 400
	<b>8 045</b>	<b>7 832</b>	<b>1 806</b>	<b>9 400</b>	<b>27 083</b>
	<b>35 034</b>	<b>14 072</b>	<b>1 806</b>	<b>9 400</b>	<b>60 312</b>
<b>2023</b>					
CJ Jonker (Executive Director)	7 000	-	-	-	7 000
CJ Jonker – For positions held in Tyme Group **	10 512	-	-	-	10 512
Y Dockrat (Executive Director)	3 552	-	-	-	3 552
	<b>21 064</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21 064</b>
<b>Non-Executive Directors</b>					
S Barrett (Appointed 01 June 2023)	-	-	-	83	83
M Boakgomo	-	-	-	1 000	1 000
TA Boardman*	3 333	-	-	1 800	5 133
TNM Eboka	-	-	-	1 000	1 000
TSB Jali	-	-	-	2 000	2 000
K Morule (Resigned 31 March 2023)	-	-	-	920	920
M Milutinovic*	3 617	6 061	1 394	-	11 072
NL Smalle	-	-	-	-	-
R Ramcharan (Appointed 01 June 2023)	-	-	-	100	100
PA Wessels	-	-	-	1 400	1 400
	<b>6 950</b>	<b>6 061</b>	<b>1 394</b>	<b>8 303</b>	<b>22 708</b>
	<b>28 014</b>	<b>6 061</b>	<b>1 394</b>	<b>8 303</b>	<b>43 772</b>



Executive Directors / Prescribed Officers	Type of instrument	Number of units	Grant date	FV at grant date	Units vesting year 2025 still to vest R'000	Units vesting year 2026 still to vest R'000	Units vesting year 2027 still to vest R'000	Units vesting year 2028 still to vest R'000	Total R'000	Amount expensed in the financial year 2024 R'000	Amount expensed in the financial year 2023 R'000
KH Westvig (Prescribed Officer)	None	-	-	-	-	-	-	-	-	-	-
CJ Jonker	None	-	-	-	-	-	-	-	-	-	-
Y Dockrat	Restricted units	4 489 353	2022/07/01	2 583 331	448 935	897 871	1 346 806	1 795 741	4 489 353	701 805	701 805
	Performance units - bank	966 229	2024/01/15	1 051 532	-	-	-	966 229	966 229	158 206	-
	Performance units - group	730 466	2024/01/15	1 051 532	-	-	-	730 466	730 466	158 206	-

CJ Jonker was granted options of 188 552 842 Tyme Group shares on 1 July 2022. The strike price of these options equalled the share price at the date of granting. These options are exercisable as follows: 30% from 1 July 2025, 30% from 1 July 2026 and 40% from 1 July 2027. Options are exercisable until 1 July 2030. This incentive scheme is issued by Tyme Pte Ltd and not Tyme Bank Limited or Tyme Bank Holdings Limited.

\* Directors' emoluments (excluding fees) are paid by entities within the African Rainbow Capital group and are not recharged to the Group.

\*\* These amounts were paid by Tyme Global entities and are not recharged to the Group. Conditions of share options granted by Tyme Global entities were not met as at 30 June 2024.



#### **34. Going concern**

We draw attention to the fact that at 30 June 2024, the Group had accumulated losses of R7 486 956 000 (2023: R6 933 360 000) and incurred a loss of R553 596 164 (2023: R953 235 259) for the year then ended. These losses substantially represent Group establishment and build costs. The ability of the Group to continue as a going concern is dependent on ongoing procurement of capital and funding for the operations of the Group.

During the current financial year, the Ubuntu–Botho Investments Proprietary Limited Group, as majority shareholder, along with other shareholders, continued to provide adequate capital and funding to the Group. In addition, the Ubuntu–Botho Investments Proprietary Limited Group continues to provide assurance that the Group will have access to continued capital and funding to be able to settle its debts as they fall due and be able to continue business as a going concern for the period ending 31 October 2025.

The Group's ability to continue as a going concern beyond the period ending 31 October 2025 depends on its capacity to secure continued support from existing shareholders, obtain additional capital from potential investors, and successfully execute on its business plans. These conditions introduce a material uncertainty for the period ending beyond 31 October 2025, which may cast significant doubt on the Group's ability to continue as a going concern and settle its debts as they become due.

The Directors have reviewed the Group's cashflow forecast and are satisfied that the Group will have access to sufficient capital and funding to continue as a going concern provided that the above-mentioned factors materialise. The financial statements are prepared on a going concern basis, assuming ongoing access to capital and funding and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

#### **35. Subsequent events**

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

#### **36. Contingencies**

The Foschini Group has a right to claw back its amortised contribution towards the cost of the kiosks on termination of the joint operations agreement. No liability has been recognised as this termination is not expected to occur.

In the ordinary course of business, the Group is subject to ongoing oversight by various regulatory bodies. As part of this regulatory environment, the Group may from time to time be subject to reviews, inspections, or inquiries, which could result in fines, penalties, or other actions in the event of non-compliance with regulatory requirements. The Group continuously strives to ensure full compliance with applicable laws and regulations and to address any issues that arise in a timely and effective manner.

#### **37. Business combinations**

##### **37.1. Acquisition of Retail Capital**

On 15 December 2022 the Company acquired 100% of the voting equity interest of Retail Capital group of companies. The Group then acquired the business of Retail Capital from the Company as a common control transaction, using predecessor values from the Group's consolidated carrying amounts to account for the transaction.

Plant and equipment which includes leasehold improvements, office equipment and computer equipment were recognised at their book values (cost less accumulated depreciation). No upward adjustment was made to these assets as their book value is considered to be representative of the fair value. Intangible assets have been recognised at their fair values. Refer to note 37.2.

The remainder of the tangible assets and liabilities represent items that will be settled or received in cash (or the release of prepaid costs to the statement of profit or loss) post the acquisition date. These are also assumed to be at fair value.

IFRS 3 allows for the reporting of provisional amounts if the initial accounting for a business combination is incomplete by the end of the reporting in which the combination occurs. This measurement period ends as soon as all information about facts and circumstances that existed as of the acquisition date are known, but cannot exceed one year from the acquisition date.

In the case of the Group's acquisition of Retail Capital, the measurement period ended on 1 December 2023, being 12 months from the effective date of accounting for the acquisition.

Given the proximity between when the prior year financial statements were issued and the end of the measurement period, the Group had accounted for all pertinent factors relating to the acquisition using information it believed reflected the fair values of assets acquired and liabilities assumed.



As such, differences due to information obtained after the acquisition date were not expected to result in an adjustment to the provisional amounts recognised, with the exception of the deferred taxation implications of the transaction which the Group had anticipated having an impact of between R43 million and R46 million upon conclusion of the measurement period.

Subsequent to the issue of the prior year financial statements, the PPA has been finalised by the Company, with no changes to the predecessor values previously utilised by the Group except for the recognition of the deferred taxation implications and its impact on the Goodwill recognised as noted below:

	Group		Company	
	2024 R '000	2023 R '000	2024 R '000	2023 R '000
Deferred Tax liability recognised on acquisition of Retail Capital (see note 17)	40 219	-	-	-
Increase in Goodwill recognised (see note 13)	40 219	-	-	-

### 37.2. Predecessor value of assets acquired and liabilities assumed

	2023 R '000
<b>Assets acquired</b>	
Cash and cash equivalents	39 637
Customer advances	1 517 503
Intangible assets	152 711
Plant and equipment	6 314
Receivables	39 111
Right-of-use asset	13 038
Goodwill	884 034
<b>Total assets</b>	<b>2 652 348</b>
<b>Liabilities assumed</b>	
Provisions	(33 760)
Short-term funding	(49 615)
Right-of-use liability	(13 038)
Trade and other payables	(34 942)
<b>Total liabilities</b>	<b>(131 355)</b>
<b>Net assets acquired</b>	<b>2 520 993</b>
Fair value of purchase consideration paid by the Company	1 434 584
Less net assets acquired	2 520 993
<b>Common control equity reserve</b>	<b>1 086 409</b>

Retail Capital's funding expertise has been combined with the Group's deposit base and operations to serve a broader customer base. This goodwill balance reflects, inter alia, the latent growth expectations of Retail Capital's loan portfolio which enables the efficient channelling of the Group's funding to profitable loan portfolio.



### 37.3. Acquisition date fair value of consideration paid

	2023 R '000
Share Capital	43 302
Share premium	248 044
Cash paid	1143 238
	<b>1 434 584</b>
Cash paid	1143 238
less cash acquired	(39 637)
<b>Net cash paid in business combination</b>	<b>1 103 601</b>

### 37.4. Equity issued as part of consideration paid

The fair value of 433 017 174 ordinary shares issued as part of the consideration for the business combination was determined using a share issue price of R 0.67 per share.

### 37.5. Receivables acquired

At acquisition date receivables acquired per major class are as follows:

	2023 Fair value R'000	2023 Gross contractual amounts R'000	2023 Contractual amounts not expected to be recovered R'000
Customer advances	1 517 503	1 877 895	103 390
Receivables	37 962	37 962	-
Lease deposits	1 149	1 149	-
<b>Total</b>	<b>1 556 614</b>	<b>1 917 006</b>	<b>103 390</b>



