



**TymeBank**

# **Tyme Bank Limited**

## **Annual Financial Statements**

**For the year ended 30 June 2025**

Registration number 2015/231510/06

# General Information

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Digital banking services
<b>Directors</b>	KH Westvig Y Dockrat TSB Jali M Boakgomo S Barrett TNM Eboka R Ramcharan PA Wessels R Munyaradzi TA Boardman NL Smalle TJ van Der Walt
<b>Registered office</b>	30 Jellicoe Avenue Rosebank Johannesburg Gauteng 2196
<b>Holding company</b>	Tyme Bank Holdings 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>Bank registration number</b>	2015/231510/06
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act, 71 of 2008, 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>	24 October 2025

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# Directors' Responsibilities and Approval

The Directors are required in terms of the Companies Act, 71 of 2008, 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 Limited ('the Bank') as at the end of the financial year and the results of its operations and cashflows for the period then ended, in conformity with IFRS<sup>®</sup> 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.

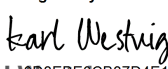
The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Bank and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors set standards for internal 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 Bank, and all employees are required to maintain the highest ethical standards in ensuring the Bank's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Bank is on identifying, assessing, managing and monitoring all known forms of risk across the Bank. While operating risk cannot be fully eliminated, the Bank 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 Bank's cashflow forecast for the year to 30 June 2026 and, in light of this review and the current financial position, they are satisfied that the Bank has or had access to adequate resources to continue in operational existence for the foreseeable future. Refer to Note 32.

The external auditors are responsible for independently auditing and reporting on the Bank's annual financial statements. The annual financial statements have been examined by the Bank's external auditors and their report is presented on pages 12 to 17.

The annual financial statements set out on pages 18 to 71, which have been prepared on the going concern basis, were approved by the Board of Directors on 24 October 2025 and were signed on their behalf by:

Signed by:  
  
 KH WESTRIG  
 WDSER10CB87D4E1...

Signed by:  
  
 TSE JALI  
 TD824239257447...

# Company Secretary's Certification

I hereby confirm, in my capacity as Company Secretary of the Bank that for the year ended 30 June 2025, the Company has filed all required returns and notices in terms of the Companies Act, 71 of 2008, 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.

Signed by:



L Jwili 9606FB75451443A...

Company Secretary

# Directors' report

The Board of Directors ('the Board') is pleased to present the annual financial statements of the Bank for the year ended 30 June 2025.

Building on a foundation of digital innovation and customer-centric growth, the Bank expanded its customer base to 11.6 million customers during the year, exemplifying the strength of its digital-first model and expansive kiosk and agent network.

## 1. Nature of business

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 Bank delivered another year of strong, high-quality growth while achieving clear strides towards profitability. For the year ended 30 June 2025:

- **Customer base** expanded 21% to 11.6 million customers, reflecting the ongoing appeal of the Bank's digital-first model and expanded kiosk and agent footprint.
- **Deposits** increased 22% to R7.7 billion, underlining deepening customer trust in our low-cost savings solutions.
- **Net advances** rose 17% to R2.25 billion, driven by robust uptake of our core lending products and effective credit assessment processes.
- **Revenue** climbed 29% to R3.1 billion, supported by growing net interest income and diversified fee streams.
- **Loss before tax** narrowed by 32% to R226 million, demonstrating the impact of operating leverage and disciplined cost management.

These achievements have also earned significant market recognition: in June 2025, Tyme (includes South Africa and the South East Asian entities) was named one of TIME's 100 Most Influential Companies, an accolade underpinned by the Bank's rapid scale and extensive distribution network. Moreover, in December 2024, Brazilian-based Nubank, the world's largest digital bank by customer base, led a USD250 million Series D investment in Tyme Group Pte Ltd ('Tyme Group'), valuing the business at USD1.5 billion and cementing its status as an African fintech "unicorn", a clear endorsement of the Bank's strong customer growth and robust financial performance.

## 3. Risk management and financial resilience

Throughout the year, the Bank strengthened its risk management framework by refining its credit assessment methodologies and enhancing monitoring controls. These improvements have sharpened the ability to identify, measure and mitigate potential credit risk, reinforcing the integrity of lending processes.

The capital adequacy ratio remained comfortably above regulatory requirements, underscoring the Bank's solid financial foundation and capacity to support future growth. Likewise, prudent treasury and asset-liability management ensured a robust liquidity position, enabling the Bank to meet its obligations and respond swiftly to market developments.

## 4. Joint arrangement with Sanlam Personal Loans ('SPL')

During the year, the Bank entered into a joint arrangement with SPL to originate and administer unsecured personal loans with embedded credit-life cover. Under the terms of the transaction, the Bank will pay R31.5 million for its 50% equity stake in the newly formed JVCo and will acquire 50% of SPL's ~R6 billion loan book at an agreed pricing mechanism.

In July 2025, the South African Competition Commission granted unconditional approval, followed by Prudential Authority (PA) approval in September 2025, thereby clearing all key regulatory milestones. Implementation activities are underway, with completion of the transaction expected during quarter one of 2026. Once finalised, the joint arrangement will broaden the Bank's unsecured-credit offering, deepen engagement across its 11.6 million customers and enhance long-term shareholder value.

## 5. Directorate

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

Directors	Office	Designation	Changes
KH Westvig	Chief Executive Officer	Executive	Appointed 01 October 2024
CJ Jonker	Chief Executive Officer	Executive	Resigned 30 September 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	
R Munyaradzi		Independent non-executive	Appointed 01 April 2025
TA Boardman		Non-executive	
M Milutinovic		Non-executive	Resigned 31 January 2025
NL Smalle		Non-executive	
TJ van Der Walt		Non-executive	Appointed 30 May 2025

## 6. Directors' interests in contracts

On 4 December 2018, the Bank concluded two related agreements with Tyme Limited, an intellectual-property licence granting right-of-use of Tyme's digital banking platform, and a Master Services Agreement under which Tyme Limited delivers ongoing technology and operational support. These arrangements remain in force.

CJ Jonker has indirect investments in Tyme Limited which has duly been noted by the Board.

## 7. Holding company

The Bank's holding company is Tyme Bank Holdings Limited which holds 100% (2024: 100%) of the Bank's equity. Tyme Bank Holdings Limited is incorporated in South Africa.

## 8. Ultimate holding company

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

## 9. Share capital

Refer to note 17 of the annual financial statements for detail of the movement in authorised and issued share capital.

## 10. Dividends

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

## 11. Going concern

The Board has undertaken a comprehensive review of the Bank's financial position and outlook, considering robust customer growth, improved revenue performance and a capital adequacy ratio comfortably above regulatory requirements. Prudent treasury and liquidity management ensure the Bank can meet its obligations as they fall due. On this basis, the Board is satisfied that sufficient resources and resilience exist to support continued operations, and the annual financial statements have been prepared on a going-concern basis.

During the year, Tyme Group, together with other shareholders, provided adequate capital and funding and Tyme Group has confirmed that such support will remain in place until 31 October 2026. Beyond this period, the Bank's ability to continue as a going concern will depend on securing ongoing shareholder support, raising additional capital and delivering on its business plans. These factors give rise to a material uncertainty beyond 31 October 2026. On this basis, the Board is satisfied that sufficient resources and resilience exist to support continued operations, and the annual financial statements have been prepared on a going-concern basis.

Looking ahead, the Bank is well-positioned to achieve sustained profitability. It will scale digital deposit and lending franchises across an 11.6 million-strong customer base, optimise kiosk and agent networks for deeper market penetration and enhance its product suite to drive greater engagement and retention. The planned completion of the joint arrangement with SPL, subject to customary suspensive conditions, will broaden unsecured-credit offerings and further diversify earnings streams. Supported by entrepreneurial leadership and disciplined execution, the Board remains confident in the Bank's long-term growth trajectory and value-creation potential.

## 12. 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.

## 13. Business address

The Bank's registered business address is:

30 Jellicoe Avenue  
Rosebank  
Johannesburg  
Gauteng  
2196

## 14. Acknowledgements

The Board extends its sincere appreciation to the Bank's employees, customers, shareholders and partners for their unwavering support and commitment. The progress achieved during the year is a direct reflection of their dedication and hard work.

The Board further acknowledges the guidance and oversight of the South African Reserve Bank ('SARB') and other regulatory authorities, whose collaboration underpins the Bank's adherence to sound governance and industry standards. These collective efforts have been instrumental in supporting the Bank's growth and ongoing success.

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

The annual financial statements have been authorised for issue by the Board on 24 October 2025. No authority was given to anyone to amend the annual financial statements after the date of issue.

# Report of the Audit and Compliance Committee

This report is provided by the Audit and Compliance Committee ('the Committee'), in respect of the 2025 financial year of the Bank 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, 71 2008, of South Africa, the Bank 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 of 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 SARB 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 Bank'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:

The Audit Committee performs the duties laid upon it by Section 94(7) of the Companies Act, 71 of 2008, of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

- considered and recommended the reappointment of PwC as external auditors for the financial year ended 30 June 2025, 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 Bank'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 2025.

### In respect of the financial statements:

The Committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act, 71 of 2008, of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act, 71 of 2008, of South Africa that internal governance processes within the firm support and demonstrate the claim to independence.

The Audit Committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

- considered the going concern basis for the preparation of the annual financial statements;
- considered the shareholder's ability to provide financial support to the Bank;
- 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 Bank as at the end of the financial year and the results of operations and cashflows for the financial year;
- ensured that the annual financial statements conform with IFRS Accounting Standards, 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 Bank'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; and
- 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 Bank.

### **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 Bank 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 Bank's internal controls;
- assessed the overall status of compliance at the Bank 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; and
- 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 Bank;
- 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 Bank'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 Bank's Chief Financial Officer and concluded that these were appropriate.

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

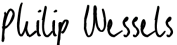
The Audit and Compliance Committee is satisfied that PwC are independent of the Bank, and the firm and the partner who is responsible for signing the Bank's audit opinion have the requisite skills and expertise. This conclusion was arrived at, *inter alia*, after considering the following factors:

- the representations made by PwC 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 Bank;
- 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 Bank'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:

Signed by:  
  
Philip Wessels  
P Wessels 60F09488...

# Customer Growth and Financial Position

## Highlights

### Total customers



### Customer deposits

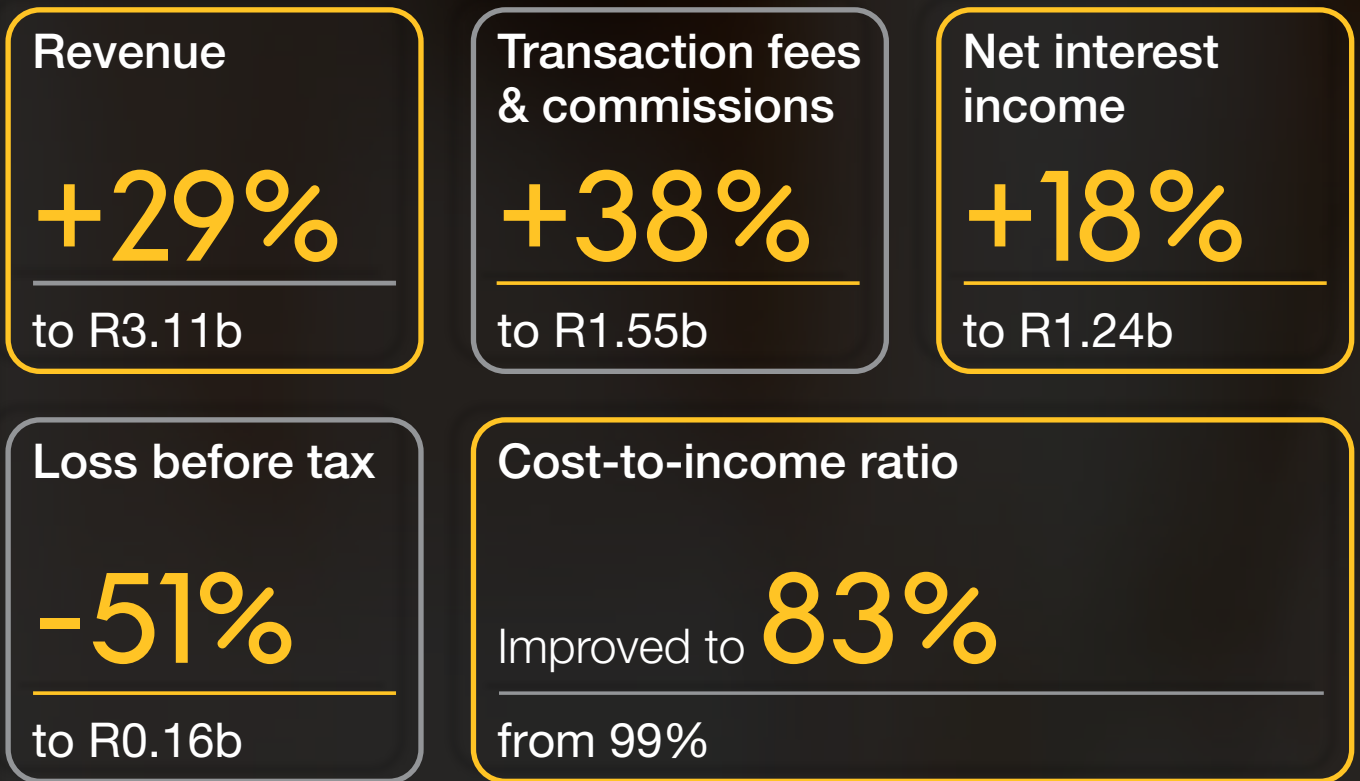


### Gross customer advances

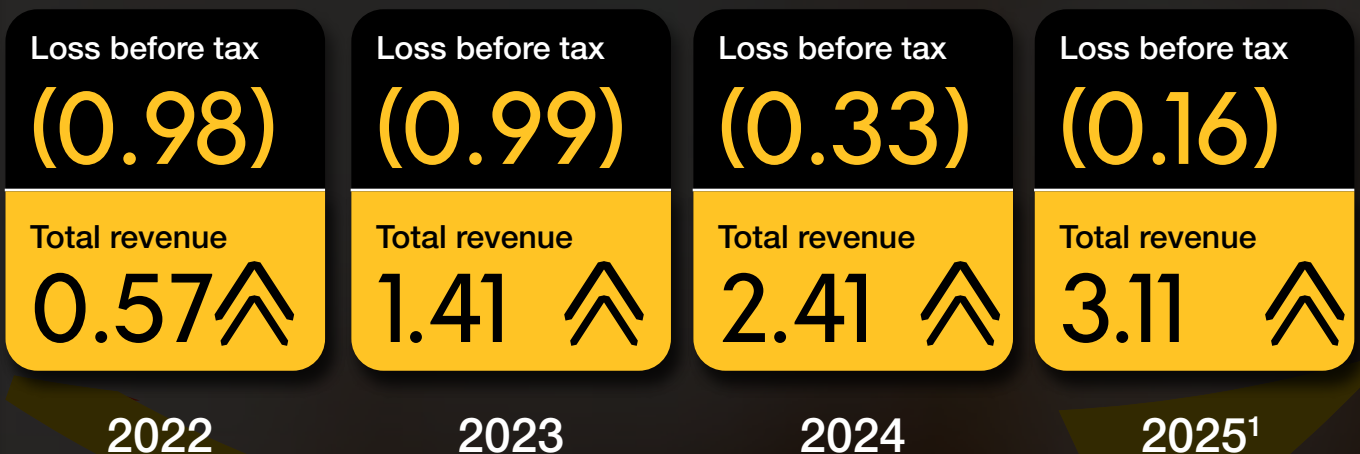


# Financial Performance

## Highlights



### Total revenue and loss before tax (billions)



<sup>1</sup> FY25 loss before tax excludes the once-off impact related to derecognition of the Retail Capital brand asset.

# Independent Auditor's Report

To the shareholder of Tyme Bank Limited

## Report on the audit of the financial statements

### Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tyme Bank Limited (the Company) as at 30 June 2025, and its financial performance and 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 Limited's financial statements set out on pages 18 to 71 comprise:

- the statement of financial position as at 30 June 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement 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 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 Company 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 32 in the financial statements, which indicates that the Company had accumulated losses of R7.3 billion as at 30 June 2025 and incurred a net loss of R218.8 million for the year then ended. The ability of the Company to continue as a going concern beyond October 2026 is dependent on securing continued shareholder support, raising additional capital from prospective investors and successfully executing its business plans. As stated in Note 32, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



www.pwc.co.za

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Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.

Reg. no. 1998/012055/21, VAT reg.no. 4950174682

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we have evaluated management’s assessment of the Company’s ability to continue as a going concern as follows:

- We obtained management’s documented going concern assessment, inspected that it was approved by those charged with governance, and obtained an understanding of management’s going concern assessment and conclusions.
- We agreed the liquidity and solvency position of the Company as at 30 June 2025 as included in management’s going concern assessment to the financial statements, and agreed prudential information included in management’s assessment, such as the capital adequacy ratio of the Company, to its regulatory returns submitted to the regulator, noting no material differences.
- With the assistance of our economics and valuation experts, we evaluated the appropriateness of the underlying data and assumptions used in management’s cashflow forecast which supports its going concern assessment by comparing them to historical information and industry benchmarks. We found the data and assumptions used in the forecast to be supportable based on the Company’s historical performance, and its maturity within the industry in which it operates.
- We tested the integrity of management’s cashflow model by re-performing its mathematical accuracy and verifying that forecasts were consistent with approved budgets and were reasonable relative to assumptions applied in other areas of the audit, such as credit impairment assessments, noting these to be comparable. We also evaluated the appropriateness of management’s incorporation of planned corporate activity and the impact thereof on the estimated cashflows of the Company, noting that this was consistent with our understanding of the Company’s future plans.
- We challenged key assumptions included in the cash flow forecast by applying independent sensitivities to certain assumptions. These sensitivities were developed using our knowledge from the audit and our assessment of previous forecasting accuracy.
- We obtained the letter of support issued to the Company by Tyme Group Pte Ltd and evaluated the sufficiency and appropriateness thereof to meet the company’s obligations as forecasted.
- We issued instructions to the auditor of Tyme Group Pte Ltd to perform specific procedures that enabled us to conclude whether there is a reasonable likelihood that Tyme Group Pte Ltd will be able to honour its letter of support.
- We inquired of management as to their knowledge of events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern beyond the period of management’s assessment and obtained management representation to this effect. We noted no further matters for consideration with respect to the going concern assessment.
- We assessed the adequacy of the going concern disclosures in the financial statements to determine whether they were consistent with management’s documented going concern assessment, the requirements of IAS 1 – Presentation of Financial Statements and our expectations given the procedures we performed.

## Our audit approach

### Overview



#### Final materiality

R40.1 million, which represents 1.92% of total equity

#### Audit scope

2 components were identified based on the operating activities of the Company. A full scope audit was performed at 1 component and an audit of specific account balances, classes of transactions and disclosures was performed at the other component.

#### Key audit matters

Expected credit losses on customer advances

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

In terms of the EAR Rule, we report final materiality and audit scope below.

## Final materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the final materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Company financial statements	
<b>Final materiality</b>	R40.1 million
<b>How we determined it</b>	1.92% of total equity
<b>Rationale for the materiality benchmark applied</b>	<p>We chose total equity as the benchmark because, in our view, it recognises the Company's relatively early-stage maturity in the industry in which it operates, which renders profitability a less relevant benchmark. For an entity at this stage of maturity, we determined that the key benchmark which would impact the users' materiality decisions relate to solvency of the Company, which is also correlated with the prudential regulatory capital requirements the Company is required to comply with.</p> <p>We calculated materiality at a level which is reflective of the quantitative threshold at which we believe users would consider misstatements to be material relative to the financial position and performance of the Company as a whole.</p>

## Audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

We considered the Company's organisational and legal structure, operating activities and its financial reporting processes when identifying components for purposes of planning and performing audit procedures.

In establishing the overall audit approach to the Company audit, we determined the type of work that needed to be undertaken on the financial information of the components based on risk assessment procedures across the Company to identify risks of material misstatement. We then identified how the nature and size of the account balances at the components contributed to those risks and determined which account balances required an audit response.

Based on our scoping procedures described above, we identified 2 components. A full scope audit was performed at 1 component and an audit of specific account balances, classes of transactions and disclosures was performed at the other component. All work was performed by ourselves without reliance on another component auditor.

The work carried out at the component levels together with the additional audit procedures performed at the Company level, including substantive audit procedures over the process of aggregation of the financial information of the components, provided us with sufficient audit evidence to express an opinion on the financial statements as a whole.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty relating to going concern section*, we have determined the matter described below to be the key audit matter to be communicated in our report.

In terms of ISA 701 *Communicating key audit matters in the independent auditor's report* and the EAR Rule (as applicable), we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	How our audit addressed the key audit matter
<p><b>Expected credit losses on customer advances</b></p> <p>Refer to the following notes in the financial statements as it relates to this key audit matter:</p> <ul style="list-style-type: none"> <li>• Material accounting policy information: 1.4.a. Significant judgements and sources of estimation uncertainty – Expected credit losses</li> <li>• Material accounting policy information: 1.5 Financial instruments</li> <li>• Note 3: Financial instruments and risk management – 3.4.2 Credit risk</li> <li>• Note 5: Customer advances</li> </ul> <p>As at 30 June 2025, the Company recognised gross advances to customers of R 2.9 billion, against which an expected credit loss (ECL) provision of R636.6 million was recognised. The ECL provision is calculated in terms of IFRS 9 – <i>Financial Instruments</i>.</p> <p>The key areas of significant management judgement and estimation and audit attention in relation to the determination of the ECL provision include:</p> <ul style="list-style-type: none"> <li>• Assessment of the input assumptions applied to estimate the probability of default (PD), exposure at default (EAD) and loss given default (LGD) within the ECL measurement;</li> <li>• The criteria for assessing Significant Increase in Credit Risk (SICR) and incorporation and assessment of macro-economic inputs and forward-looking information (FLI) into the SICR assessment and ECL measurement; and</li> <li>• Disclosures related to ECL of customer advances.</li> </ul> <p>We considered the expected credit losses on customer advances to be a matter of most significance to the current year audit due to:</p> <ul style="list-style-type: none"> <li>• the magnitude of the advances and related ECL provision in relation to the financial statements; and</li> <li>• the degree of subjective judgements and estimation applied by management in determining the ECL provision.</li> </ul>	<p>We have assessed the application of the relevant accounting definitions and policy choices for alignment with the requirements of IFRS 9 and have assessed the impact of these policies, where applicable, on the audit responses described below.</p> <p>We also assessed the associated impairment methodologies and practices applied by management against the requirements of IFRS 9, as detailed below.</p> <p>Using our actuarial expertise where appropriate, we performed the following procedures on the areas of significant judgment:</p> <p><b>Assessment of the input assumptions applied to estimate the PD, EAD and LGD within the ECL measurement</b></p> <p>In respect of retail and business lending portfolios:</p> <ul style="list-style-type: none"> <li>• We tested the appropriateness of the ECL calibration through independent reperformance of management's models, the application of challenger models and sensitivity analyses to produce an ECL range that we deemed reasonable.</li> <li>• We assessed trends in default and loss risk based on internal data and compared that to our understanding of the general market trends and risks observed for similar credit portfolios in order to assess the judgment associated with allowance for forward looking information;</li> <li>• We reviewed the design and implementation of model methodology documentation for the development and approval of the ECL models.</li> <li>• We tested the reasonability of assumptions relating to historical default and recovery experience and recent exposure behaviour in estimating the PD: <ul style="list-style-type: none"> <li>- In respect of business lending, we back tested the PD model against actual observed defaults rates at various durations; and</li> <li>- In respect of personal lending, we compared management's PDs against the actual observed default rates;</li> </ul> </li> <li>• We tested the reasonability of assumptions relating to historical default and recovery experience and recent exposure behaviour in estimating the EAD, and LGD model parameters;</li> <li>• The general economic outlook and scenarios combined with the trends in default and loss experience were used to assess the allowance for forward looking information in the ECL;</li> <li>• We tested the accuracy of data used in the models on a sample basis, noting no material exceptions.</li> </ul> <p>Based on the procedures performed with respect to our assessment of the input assumptions applied, we did not identify any material matters affecting the ECL measurement.</p>

Key audit matter	How our audit addressed the key audit matter
	<p>The criteria for assessing SICR and incorporation and assessment of macro-economic inputs and FLI into the SICR assessment and ECL measurement</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the SICR methodology against the requirements of IFRS 9 and customer risk profiles and tested the resultant transfer rate of SICR accounts into stage 2.</li> <li>• We obtained management's SICR trigger methodology and the application of this methodology to the portfolio. Using our actuarial expertise, we tested management's key assumptions and calculations applied in the staging process, including: <ul style="list-style-type: none"> <li>- The reasonableness of the modelled thresholds applied for transferring exposures to Stage 2.</li> <li>- Arrears statuses of exposures, including the application of the days past due backstop.</li> </ul> </li> <li>• We independently recalculated the staging of customer advances, including the modelled ECL impacts, and compared this to management's results to confirm the accuracy of the staging outcome. This included benchmarking the transfer rate against the volume of up-to-date accounts that went into arrears based on historical trends as well as increases in risk determined by management's forward-looking macroeconomic model.</li> </ul> <p>Based on the procedures performed with respect to the SICR judgements above, we did not identify any material matters requiring further consideration.</p> <p><b>Disclosures related to ECL of customer advances</b></p> <p>We assessed the appropriateness of the ECL related disclosures for customer advances in the financial statements in accordance with IFRS.</p> <p>We evaluated whether the credit risk disclosures are consistent with the ECL information tested which included the ECL data, models and estimates, noting no material exceptions.</p>

## Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Tyme Bank Limited Annual Financial Statements for the year ended 30 June 2025", which includes the Directors' Report and the Report of the Audit and Compliance Committee and the Company Secretary's Certification as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 financial statements

The directors are responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Company, as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

### Audit tenure

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 Limited for 10 years.

*PricewaterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc.**

Director: Rivaan Roopnarain

Registered Auditor

Johannesburg, South Africa

24 October 2025

# Statement of Financial Position

as at 30 June 2025

	Notes	2025 R'000	2024 R'000
<b>Assets</b>			
Cash and balances with the SARB	4	2 103 646	1 466 575
Cash and balances with other banks	4	33 105	19 228
Customer advances	5	2 246 812	1 922 935
Receivables	6	360 154	263 539
Financial assets	7	5 129 329	3 948 197
Current tax receivable	8	34	7 093
Inventories	9	33 159	31 163
Plant and equipment	10	211 902	101 730
Right-of-use assets	11	24 447	21 125
Goodwill and other intangible assets	12	950 722	1 034 930
<b>Total Assets</b>		<b>11 093 310</b>	<b>8 816 515</b>
<b>Liabilities</b>			
Deposits from customers	13	7 658 517	6 288 842
Trade and other payables	14	1 249 995	657 971
Lease liabilities	11	30 706	20 962
Provisions	15	63 132	60 007
<b>Total Liabilities</b>		<b>9 002 350</b>	<b>7 027 782</b>
<b>Equity</b>			
Share capital	17	1 239 729	1 189 927
Share premium	17	6 940 574	6 474 465
Share-based payment reserve	18	102 462	97 362
Common control equity reserve		1 086 409	1 086 409
Accumulated loss		(7 278 214)	(7 059 430)
<b>Total equity</b>		<b>2 090 960</b>	<b>1 788 733</b>
<b>Total Equity and Liabilities</b>		<b>11 093 310</b>	<b>8 816 515</b>

# Statement of Profit or Loss and Other Comprehensive Income

	Notes	2025 R'000	2024 R'000
Interest income	20	1 560 431	1 283 369
Interest expense	21	(321 232)	(237 500)
<b>Net interest income</b>		<b>1 239 199</b>	1 045 869
Fee and commission income	22	1 548 055	1 121 928
Fee and commission expense	22	(662 259)	(565 712)
<b>Net fee and commission income</b>		<b>885 796</b>	556 216
Credit impairment charge	23	(533 723)	(352 927)
Other operating gains	24	45 388	33 524
Other operating expenses	25	(1 799 475)	(1 612 791)
Derecognition of intangible assets	12	(55 969)	–
<b>Total comprehensive loss for the year</b>		<b>(218 784)</b>	(330 109)

# Statement of Changes in Equity

	Share capital R'000	Share premium R'000	Total share capital R'000	Common control equity reserve R'000	Share- based payment reserve R'000	Total reserves R'000	Accumulated loss R'000	Total equity R'000
<b>Balance at 01 July 2023</b>	1 144 989	6 044 831	7 189 820	1 086 409	99 823	1 186 232	(6 729 321)	1 646 731
<b>Loss for the year</b>	-	-	-	-	-	-	(330 109)	(330 109)
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive Loss for the year</b>	-	-	-	-	-	-	(330 109)	(330 109)
Issue of shares	42 295	406 559	448 854	-	-	-	-	448 854
Capital raise costs	-	(2 564)	(2 564)	-	-	-	-	(2 564)
Share-based payment expense - ESOP	-	-	-	-	25 821	25 821	-	25 821
Issue of shares - Vested LTIP	2 643	25 639	28 282	-	(28 282)	(28 282)	-	-
<b>Total contributions by and distributions to owners of Company recognised directly in equity</b>	44 938	429 634	474 572	-	(2 461)	(2 461)	-	472 111
<b>Balance at 01 July 2024</b>	<b>1 189 927</b>	<b>6 474 465</b>	<b>7 664 392</b>	<b>1 086 409</b>	<b>97 362</b>	<b>1 183 771</b>	<b>(7 059 430)</b>	<b>1 788 733</b>
<b>Loss for the year</b>	-	-	-	-	-	-	(218 784)	(218 784)
Other comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive Loss for the year</b>	-	-	-	-	-	-	(218 784)	(218 784)
Issue of shares	49 802	456 605	506 407	-	-	-	-	506 407
Capital raise costs	-	(1 166)	(1 166)	-	-	-	-	(1 166)
Share-based payment expense - ESOP	-	-	-	-	15 770	15 770	-	15 770
Issue of shares - Vested LTIP	-	10 670	10 670	-	(10 670)	(10 670)	-	-
<b>Total contributions by and distributions to owners of Company recognised directly in equity</b>	<b>49 802</b>	<b>466 109</b>	<b>515 911</b>	<b>-</b>	<b>5 100</b>	<b>5 100</b>	<b>-</b>	<b>521 011</b>
<b>Balance at 30 June 2025</b>	<b>1 239 729</b>	<b>6 940 574</b>	<b>8 180 303</b>	<b>1 086 409</b>	<b>102 462</b>	<b>1 188 871</b>	<b>(7 278 214)</b>	<b>2 090 960</b>
Notes	17	17	17		18			

# Statement of Cashflows

	Notes	2025 R'000	2024 R'000
<b>Cashflows from operating activities</b>			
Cash generated from operations	29	233 777	434 755
Interest received		1 219 185	1 628 093
Interest paid	21	(321 232)	(237 500)
Tax received	27	7 059	3 548
<b>Net cash from operating activities</b>		<b>1 138 789</b>	1 828 896
<b>Cashflows from investing activities</b>			
Purchase of plant and equipment	10	(141 938)	(15 403)
Proceeds from sale of property, plant and equipment	10	25	182
Purchases of intangible assets	12	(3 507)	(5 125)
Purchase of financial assets - Treasury bills		(6 703 254)	(4 135 599)
Proceeds on maturity of financial assets - Treasury bills		4 718 090	1 738 350
Proceeds on sale of financial assets - Government bonds		1 145 601	-
<b>Net cash from investing activities</b>		<b>(984 983)</b>	(2 417 595)
<b>Cashflows from financing activities</b>			
Proceeds on issue of share capital	17	506 407	477 136
Capital raise costs	17	(1 166)	(2 564)
Payment on lease liabilities	11	(8 099)	(8 918)
<b>Net cash from financing activities</b>		<b>497 142</b>	465 654
<b>Total cash movement for the year</b>		<b>650 948</b>	(123 045)
Cash and cash equivalents at the beginning of the year		1 485 803	1 608 848
<b>Cash and cash equivalents at the end of the year</b>	4	<b>2 136 751</b>	1 485 803

# Material Accounting Policy Information

## 1. Significant accounting policies

### 1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and International Financial Reporting Standards Interpretations Committee ('IFRS IC') interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act, 71 of 2008, of South Africa as amended.

The 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 individual accounting policies where the fair value basis has been applied. They are presented in South African Rands, which is the Bank's functional currency and rounded to the nearest thousand Rand, unless otherwise indicated.

These accounting policies are consistent with the previous period.

### 1.2 Business combinations under common control

The Bank 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 Tyme Bank Holdings Limited. 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.

### 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 Bank 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.

## 1. Significant accounting policies (continued)

### 1.4 Significant judgements and sources of estimation uncertainty (continued)

#### a. Expected credit losses

The Bank measures expected credit losses ('ECLs') in accordance with IFRS 9 Financial Instruments, using a forward-looking approach that incorporates both quantitative models and expert judgement.

The ECL methodology reflects current and forecast macroeconomic conditions by adjusting historical loss data with forward-looking information. Given the limitations of historical information alone, the Bank integrates a range of internal and external indicators when evaluating the need to modify assumptions underlying ECL measurement. These indicators include:

- macroeconomic variables such as GDP growth, inflation and interest rates;
- portfolio specific variables, including product type, risk grade, and delinquency patterns; and
- customer specific data such as payment history and sector exposure.

The Bank's ECL models are based on the three key parameters:

- **Probability of Default ('PD')** – the likelihood that a borrower will default on their obligation over a given time horizon;
- **Exposure at Default ('EAD')** – the estimated outstanding balance at the time of default; and
- **Loss Given Default ('LGD')** – the proportion of exposure that is expected to be lost, net of recoveries.

These parameters are calibrated using historical data and are regularly updated to reflect changes in credit risk and borrower behaviour.

Where model limitations exist, management overlays are applied using expert judgement to ensure that the ECL estimate reflects the Bank's best estimate of expected future credit losses under current and forecast economic conditions.

The ECL provision is reassessed at each reporting date and adjusted accordingly to ensure alignment with changes in risk exposure and macroeconomic outlook.

#### b. Goodwill

Goodwill arising on a business combination is recognised at the acquisition date as the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, measured at fair value.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment testing is performed at the level of the Cash-Generating Unit ('CGU') to which the goodwill is allocated.

The recoverable amount of the CGU is determined using the value-in-use approach. This involves estimating future cashflow projections based on approved financial budgets and applying a discount rate that reflects current market assessments of the time value of money and risks specific to the CGU.

The discount rate incorporates:

- a market risk premium;
- country and size-specific risk adjustments; and
- a risk-free rate benchmarked to the prevailing 10-year Government bond yield.

Assumptions used in the impairment assessment include projections of revenue growth, asset yields, and other macroeconomic and industry-specific factors influencing the CGU's performance.

## 1. Significant accounting policies (continued)

### 1.4 Significant judgements and sources of estimation uncertainty (continued)

#### c. Impairment of non-financial assets

The Bank assesses non-financial assets for impairment in accordance with the principles of IAS 36 Impairment of Assets. This assessment applies to property, plant and equipment, intangible assets (including customer relationships, trademarks, and internally generated software), and goodwill.

Impairment assessments are performed at least annually for goodwill, and whenever events or changes in circumstances indicate that the carrying amount of a non-financial asset may not be recoverable. Indicators of impairment are identified through the evaluation of both internal and external information, including:

- internal indicators such as updated business plans, actual performance relative to budget, and changes in the expected manner of asset use; and
- external indicators such as macroeconomic trends, political and regulatory developments, fiscal policy shifts, and market dynamics affecting the Bank's operations.

Where such indicators exist, the Bank determines the recoverable amount of the asset or CGU to which the asset belongs. The recoverable amount is defined as the higher of:

- fair value less costs of disposal; and
- value in use, which represents the present value of future cashflows expected to be derived from the asset or CGU.

Value in use is determined using a discounted cashflow ('DCF') model. The model estimates future cashflows based on financial forecasts approved by management, adjusted for asset-specific risks, and discounted using a rate that reflects current market conditions and the time value of money. The discount rate includes a risk premium appropriate to the specific asset or CGU.

An impairment loss is recognised in profit or loss when the carrying amount of an asset exceeds its recoverable amount.

#### d. Capital work-in-progress ('WIP')

Capital work in progress is recognised within plant and equipment for the development of self-service kiosks prior to their deployment and installation at retail locations. These kiosks form part of the Bank's digital onboarding and customer service infrastructure.

WIP is measured at cost, which comprises the invoiced amounts for hardware components and any directly attributable costs necessary to bring the asset to its intended working condition. Until the kiosk installation is complete and the asset is ready for use, WIP is not depreciated.

The carrying value of WIP reflects only the actual costs incurred to date. No revaluation or uplift is applied until the asset is transferred to its appropriate category (e.g., leasehold improvements or equipment) upon completion and commissioning.

While these assets are not yet operational, the Bank periodically assesses the recoverability of WIP. This assessment includes consideration of the ability to recover costs through future use, or in the unlikely event of non-deployment, the potential to realise value through the sale or repurposing of components. Such assessments are based on the Bank's best estimates and experience in the digital distribution of banking infrastructure.

#### e. Long Term Incentive Plan

The Bank operates a Long Term Incentive Plan ('LTIP') in which share appreciation rights ('SARs') are granted to qualifying employees and executives, subject to service and performance-based vesting conditions.

In assessing whether performance obligations under the LTIP have been met and whether the associated rights have vested, the Bank applies a valuation methodology based on a Free Cash Flow to Equity ('FCFE') model. This model estimates the present value of expected future cashflows attributable to equity holders, adjusted for relevant valuation considerations.

The Bank reassesses these valuations periodically and at each reporting date to ensure fair presentation and compliance with IFRS 2.

## 1. Significant accounting policies (continued)

### 1.4 Significant judgements and sources of estimation uncertainty (continued)

#### f. 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 applicable. An assessment is performed annually of the useful lives of these assets to determine whether these remain appropriate. Factors considered in this assessment are the technological advancements, changes in use of the asset or business requirements, the expected period over which value is expected to be derived from the asset. 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 reassessing asset useful lives, factors such as technological innovation, use of the asset 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.

### 1.5 Financial instruments

Financial instruments held by the Bank 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 cashflows 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 cashflows 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 cashflows. Interest income from these financial assets is included in interest income calculated using the effective interest method in the income statement.

#### 1.5.1 Recognition and measurement of financial instruments

Financial instruments are recognised when the Bank 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.

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 Bank 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.

## 1. Significant accounting policies (continued)

### 1.5 Financial instruments (continued)

#### 1.5.1 Recognition and measurement of financial instruments (continued)

b. Significant financial assets include:

##### Government bonds

Government bonds are held for collection of contractual cashflows where those cashflows represent 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.

##### Bank balances pledged

Bank balances pledged are held by First National Group, a division of First Rand Group 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 Bank's business model of holding these assets to collect contractual cashflows.

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 Bank 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 six 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; and
  - a decrease in the client's behaviour score below the internal SICR threshold set by the Bank.

##### 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

## 1. Significant accounting policies (continued)

### 1.5 Financial instruments (continued)

#### 1.5.2 Impairments (continued)

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 Bank 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 six months. An ultimate backstop of 360 days in arrears is used. The Bank'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 Bank 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 six instalments behind, and no payments have been received in the last six months; or
- accounts which go beyond 12 months in arrears for paying accounts.

#### 1.5.3 Measurement of impairments

The Bank assesses the ECL of its advances portfolio by estimating the likelihood of defaults. ECL is measured using three key components: PD, EAD, and 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 cashflows due to the Bank under the contract and the cashflows the Bank 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 Bank 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 Bank's lending portfolios, significant judgement 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.

## 1. Significant accounting policies (continued)

### 1.5 Financial instruments (continued)

#### 1.5.3 Measurement of impairments (continued)

##### Retail lending specific considerations

Given the early-stage nature of the Bank's retail lending portfolio, an industry-based model has been developed to assess the PD associated with specific credit scores. This model uses a sample set reflective of the Bank'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 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 Bank's own lending portfolio allows for more accurate calibration.

The 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 cashflows to amortise the current loan exposure up to the point of default.

##### Business lending specific considerations

The Bank's MCA product is a flexible offering designed to align repayment expectations with the cashflow cycles and trading patterns of its clients. As such, it does not require fixed payments or have a predetermined contractual term. The Bank 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.

As 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 PD is then determined using a Hazard Rate methodology, which tracks client transitions through different delinquency stages to calculate the PD.

The LGD for the Bank'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 EAD for the Bank'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 Bank's Retail Lending portfolio, no agreements are restructured and therefore no loan modifications are required or accounted for.

In the Bank'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 3.4.2).

##### Financial liabilities

Financial liabilities are initially recognised at fair value and subsequently measured 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. Significant accounting policies (continued)

### 1.6 Plant and equipment

Plant and equipment are tangible assets which the Bank 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 Bank, 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 are 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 and depreciated in accordance with the estimated useful life of the respective asset category. When assets are recorded Capital Work in Progress, they are not depreciated.

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 Bank 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
Tools and equipment	Straight line	6 years
Generators	Straight line	15 years
Kiosks	Straight line	5 years
Capital - Work in progress	Not depreciated	

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 and purchased 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 and purchased 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 and purchased 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 and purchased intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

## 1. Significant accounting policies (continued)

### 1.7 Goodwill and other intangible assets (continued)

Recognition criteria are met when the Bank 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; and
- 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	Not amortised	
Purchased intangible software	Straight line	3 years

### 1.8 Inventories

Inventories represent 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.

Promotional merchandise represent branded merchandise items such as staff clothing held on hand. These items are not intended for sale and are used for internal purposes including staff engagement and promotional activities. The cost associated with these items is recognised in the statement of profit or loss during the period in which they are distributed or used. The Bank evaluates its merchandise stock to ensure it is recorded at the lower of cost and net realisable value.

### 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 Bank 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.

## 1. Significant accounting policies (continued)

### 1.10 Leases (continued)

#### a. Bank as lessee

The Bank 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 Bank 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.

Item	Depreciation method	Lease term
Office space - Johannesburg	Straight line	3-5 years
Office space - Cape Town	Straight line	7 years

The right-of-use assets are presented within note 11 and are subject to impairment in line with the Bank's impairment of non-financial assets policy.

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

#### c. Lease liabilities

The Bank 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 IBR. To determine the IBR, the Bank 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 Bank 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 Bank 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.

#### e. Lease term

The Bank determines the lease term as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if the Bank is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the Bank is reasonably certain not to exercise that option.

In assessing whether it is reasonably certain to exercise or not exercise an option, the Bank considers all relevant facts and circumstances that create an economic incentive. These include contractual terms, significant leasehold improvements, termination penalties, costs associated with replacing the leased asset, and the importance of the asset to the Bank's operations. Lease terms are on average 3 to 7 years for leased premises.

## 1. Significant accounting policies (continued)

### 1.11 Impairment of non-financial assets

The Bank 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 Bank 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 CGU to which the asset belongs is determined. The recoverable amount of an asset or a CGU 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.

### 1.13 Share-based payments

#### a. Employee share-based compensation benefits

Share-based compensation benefits are provided to employees (including senior executives) of the Bank via the Tyme Bank Holdings Limited LTIP which replaced the Bank's Employee Share Ownership Programme ('ESOP') during the prior year. Selected employees working at the Bank are granted share appreciation rights based on the change in the value of the Bank's shares between grant date and exercise date through the programme. Information relating to this scheme is set out in note 18.

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); and
- 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 Proprietary Limited ('AFT')

Share-based payment compensation is received by certain employees of the Bank in the form of a discount on the acquisition price of Tyme Bank Holdings Limited's shares, from AFT and 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. Significant accounting policies (continued)

### 1.15 Provisions

Provisions are recognised when:

- the Bank 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 cashflows. The revised carrying amount is determined by calculating the present value of the updated cashflows 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

##### Transactional banking

Fee income from transactional banking 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.

Fee income is recognised in a manner that reflects the transfer of promised services to customers, at an amount that represents the consideration the Bank 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. Fee income that is earned over time, is recognised as the services are rendered to the customer.

##### Fees earned – non-banking services

Non-banking services fees earned includes staff cost recoveries from Tyme Limited and income earned on partnerships. These fees are recognised over time.

## 1. Significant accounting policies (continued)

### 1.17 Fee and commission expenses

Fee and commission expenses primarily comprise costs incurred in respect of transactional banking services, including interchange, network and association fees, as well as expenses related to third-party distribution and value-added services. These expenses are recognised in profit or loss in the period in which the related services are received.

In certain arrangements, the Bank is entitled to receive incentives, rebates or marketing support from vendors or partners linked to specific expense categories. Such amounts are recognised as an asset when it is probable that they will be received and the amount can be measured reliably. These amounts are deducted from the related expense line in the statement of profit or loss to ensure that the reported expense reflects the net cost incurred by the Bank.

### 1.18 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.

Cashflows 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 cashflow.

### 1.19 Prepayments

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

# 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 Bank has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

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

The amendment clarifies the subsequent measurement of lease liabilities arising from sale and leaseback transactions, ensuring that the seller-lessee does not recognise gains relating to the retained right-of-use asset.

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

The Bank has adopted the amendment for the first time in the 2025 annual financial statements.

The impact of the amendment is not material, as the Bank has no sale and leaseback arrangements.

No other standards, amendments or IFRIC agenda decisions that became effective in the current year had a material impact on the Bank's annual financial statements.

### 2.2 Standards and interpretations not yet effective

The Bank has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Bank's accounting periods beginning on or after 01 July 2025 or later periods:

#### IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits eligible subsidiaries to apply full-IFRS recognition and measurement with reduced disclosures.

The effective date of the amendment is for years beginning on or after 01 January 2027.

The Bank is not eligible to apply IFRS 19; therefore, no impact is expected.

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

#### IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1, introducing mandatory subtotals (operating, investing and financing) in the statement of profit or loss, a category-aligned structure for the statement of cashflows and enhanced disaggregation and management-defined performance-measure disclosures.

The effective date of the amendment is for years beginning on or after 01 January 2027.

The Bank plans no early adoption. Significant presentation and disclosure changes are expected, but no effect on recognition or measurement.

#### Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.

These amendments clarify derecognition when settlement is electronic, refine guidance on contractually linked instruments and introduce disclosures for financial assets with environmental, social and corporate governance ('ESG') linked features.

The effective date of the amendment is for years beginning on or after 01 January 2026.

The Bank will assess the impact during the 2026 planning cycle; no early adoption is planned and no material effect is anticipated.

## 2. New Standards and Interpretations (continued)

### 2.2 Standards and interpretations not yet effective (continued)

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

The amendments apply when a currency is not exchangeable into another currency. They require an entity to estimate the spot exchange rate at the measurement date and to provide additional disclosures that enable users to understand the effects of non-exchangeability on financial performance, position and cashflows.

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

The Bank expects to adopt the amendment for the first time in the 2026 annual financial statements.

It is unlikely that the amendment will have a material impact on the Bank'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>2025</b>			
Receivables	6	276 464	276 464
Treasury bills	7	5 113 432	5 113 432
Bank balances pledged	7	15 897	15 897
Customer advances	5	2 246 812	2 246 812
Cash and cash equivalents	4	2 136 751	2 136 751
		<b>9 789 356</b>	<b>9 789 356</b>

	Notes	Amortised cost R'000	Total R'000
<b>2024</b>			
Receivables	6	201 794	201 794
Government bonds	7	1 166 861	1 166 861
Treasury bills	7	2 766 339	2 766 339
Bank balances pledged	7	14 997	14 997
Customer advances	5	1 922 935	1 922 935
Cash and cash equivalents	4	1 485 803	1 485 803
		<b>7 558 729</b>	<b>7 558 729</b>

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

### 3. Financial instruments and risk management (continued)

#### 3.2 Categories of financial liabilities

	Notes	Amortised cost R'000	Leases R'000	Total R'000
<b>2025</b>				
Trade and other payables	14	1 246 307	–	1 246 307
Deposits from customers	13	7 658 517	–	7 658 517
Lease liability	11	–	30 706	30 706
		<b>8 904 824</b>	<b>30 706</b>	<b>8 935 530</b>

	Notes	Amortised cost R'000	Leases R'000	Total R'000
<b>2024</b>				
Trade and other payables	14	657 971	–	657 971
Deposits from customers	13	6 288 842	–	6 288 842
Lease liability	11	–	20 962	20 962
		<b>6 946 813</b>	<b>20 962</b>	<b>6 967 775</b>

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

#### 3.3 Capital risk management

The Bank'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 Bank's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

Capital requirements are set by the Prudential Authority of the 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 Bank to proactively address any capital requirements which may be needed in the coming months. Tier 1 Capital comprises share capital, share premium, share-based payment reserve, retained earnings/accumulated losses and common control equity reserve. Tier 2 capital comprises loan loss provisions for performing loans (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 qualifying 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 Bank is exposed to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (currency risk, interest rate risk and price risk).

##### 3.4.2 Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, either in part or in full. The Bank'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 Bank's risk governance framework, ensuring the stability and resilience of its loan portfolio and overall balance sheet.

The Bank 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 Bank uses both internal rating models and external credit ratings, where applicable, to assess the creditworthiness of counterparties.

### 3. Financial instruments and risk management (continued)

#### 3.4 Financial risk management (continued)

##### 3.4.2 Credit risk (continued)

In line with IFRS 9, the Bank 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 Bank 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 Bank's overall RAS, 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 Bank's credit approval process follows a tiered approval mandate, with larger exposures requiring higher levels of approval and adherence to stricter criteria.

	Notes	2025			2024		
		Gross carrying amount R'000	ECL R'000	Net carrying amount R'000	Gross carrying amount R'000	ECL R'000	Net carrying amount R'000
Receivables	6	276 464	–	276 464	201 794	–	201 794
Financial assets	7	5 130 228	(899)	5 129 329	3 949 010	(813)	3 948 197
Government bonds		–	–	–	1 167 101	(240)	1 166 861
Bank balances pledged		15 900	(3)	15 897	15 000	(3)	14 997
Treasury bills		5 114 328	(896)	5 113 432	2 766 909	(570)	2 766 339
Customer advances	5	2 883 431	(636 619)	2 246 812	2 321 845	(398 910)	1 922 935
Business lending	5	2 435 582	(548 718)	1 886 864	2 204 277	(384 370)	1 819 907
Retail lending	5	447 849	(87 901)	359 948	117 568	(14 540)	103 028
Cash and cash equivalents	4	2 137 271	(520)	2 136 751	1 486 124	(321)	1 485 803
		<b>10 427 394</b>	<b>(638 038)</b>	<b>9 789 356</b>	<b>7 958 773</b>	<b>(400 044)</b>	<b>7 558 729</b>

##### 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 Bank has determined that the PD is low. All Government bonds were disposed during the financial year.

##### b. Receivables

Receivables primarily consist of amounts from vendors, related parties, deposits paid to suppliers and cash in transit. The Bank 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 has been recognised.

##### c. Bank balances pledged

Bank 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 cashflows, 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 Bank assesses credit risk utilising PD, EAD, and LGD. This methodology is employed to measure ECL in accordance with IFRS 9. Refer to note 5 for the ECL staging.

### 3. Financial instruments and risk management (continued)

#### 3.4 Financial risk management (continued)

##### 3.4.2 Credit risk (continued)

###### e. Customer advances (continued)

Initial assessments revealed that there was no relationship between macroeconomic variables and the internal default and loss experience of the personal loan's portfolio. This was in line with management's expectations given the startup nature of our personal loans portfolio where in the period spanning the financial year, we scaled the book by 4X. This was done by starting conservatively and relaxing credit lending parameters at each scaling gate. Credit outcomes are therefore not expected to correlate directly with the macroeconomic environment to enable macroeconomic regression equations that fit to the portfolio loss experience. High level estimates, based on the *Bureau for Economic Research* scenarios assessed at the time, reflected a best case to worst case range that resulted in an immaterial adjustment which drove management's decision that no FLI would be posted. A reassessment of this position will be done on an ongoing basis as new scenarios are released.

###### Credit risk rating

The Bank has built credit risk rating models utilising sophisticated modelling techniques and credit bureau data. Customer specific information collected at the time of application is input 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 team 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 Bank's internal credit scorecards leverage a range of data points during the application process, grading applications from lowest to highest acceptable risk at origination. This may change throughout the year. The tables below display the percentage of the advances exposed to various risk grades by material product.

<b>Personal loans</b>		<b>FY25</b>	<b>FY24</b>
Risk Grade 1	Lowest risk category	<b>7%</b>	7%
Risk Grade 2		<b>8%</b>	7%
Risk Grade 3		<b>50%</b>	46%
Risk Grade 4		<b>11%</b>	13%
Risk Grade 5		<b>9%</b>	11%
Risk Grade 6		<b>8%</b>	9%
Risk Grade 7		<b>6%</b>	6%
Risk Grade 8	Highest risk category	<b>1%</b>	1%
		<b>100%</b>	100%
<b>Merchant cash advance</b>		<b>FY25</b>	<b>FY24</b>
Risk Grade 1	Lowest risk category	<b>15%</b>	17%
Risk Grade 2		<b>6%</b>	7%
Risk Grade 3		<b>77%</b>	71%
Risk Grade 4	Highest risk category	<b>2%</b>	5%
		<b>100%</b>	100%

The table below sets out the Bank's financial assets that are subject to the IFRS 9 expected credit loss impairment requirements, analysed by credit risk rating grades as at 30 June 2025. The credit risk distribution is aligned to the Bank's internal credit rating system, which assesses credit risk on an arrears bucketing basis. The below is the distribution percentage of the outstanding gross customer advance balance as at 30 June 2025 per bucket, presented by product.

### 3. Financial instruments and risk management (continued)

#### 3.4 Financial risk management (continued)

##### 3.4.2 Credit risk (continued)

e. Customer advances (continued)

Credit risk rating (continued)

2025	Credit risk grade - arrears bucket (days)	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000
<b>Retail lending</b>				
Personal Loans	Current 0-4	265 101	4 126	12 966
	Arrears 5-29	6 535	344	1 530
	Arrears 30-59	-	51 576	994
	Arrears 60-89	-	33 989	875
	Arrears 90+	-	-	25 848
MoreTyme	Current 0-4	28 185	-	-
	Arrears 5-29	2 039	-	-
	Arrears 30-59	-	855	-
	Arrears 60-89	-	168	712
	Arrears 90+	-	-	1 763
Other		10 242	-	-
		<b>312 102</b>	<b>91 058</b>	<b>44 688</b>

2025	Credit risk grade - arrears bucket (days)	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000
<b>Business lending</b>				
Merchant cash Advance	Current 0-4	1 250 282	342 357	-
	Arrears 5-29	-	153 063	-
	Arrears 30-59	-	90 680	-
	Arrears 60-89	-	57 700	-
	Arrears 90+	-	-	356 905
Other		183 646	133	815
		<b>1 433 928</b>	<b>643 933</b>	<b>357 720</b>

2024	Credit risk grade - arrears bucket (days)	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000
<b>Retail lending</b>				
Personal Loans	Current 0-4	89 542	-	-
	Arrears 5-29	1 946	-	-
	Arrears 30-59	-	2 855	-
	Arrears 60-89	-	1 434	-
	Arrears 90+	-	-	2 641
MoreTyme	Current 0-4	13 291	-	-
	Arrears 5-29	790	-	-
	Arrears 30-59	-	533	-
	Arrears 60-89	-	137	248
	Arrears 90+	-	-	1 725
Other		2 428	-	-
		<b>107 997</b>	<b>4 959</b>	<b>4 614</b>

### 3. Financial instruments and risk management (continued)

#### 3.4 Financial risk management (continued)

##### 3.4.2 Credit risk (continued)

###### e. Customer advances (continued)

###### Credit risk rating (continued)

2024	Credit risk grade - arrear bucket (days)	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000
<b>Business lending</b>				
Merchant cash Advance	Current 0-4	1 147 674	361 751	–
	Arrears 5-29	–	161 733	–
	Arrears 30-59	9 971	72 310	63
	Arrears 60-89	615	54 442	4 730
	Arrears 90+	1 489	7 178	173 069
Other		205 960	72	3 220
		1 365 709	657 486	181 082

###### 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 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.
- If the customer advances become credit-impaired, these advances move to Stage 3.

###### Definition of default

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

###### Liquidity Risk Management

The Bank manages its liquidity risk through the liquidity risk framework (‘LRF’), which prescribes the requirements, processes, risk measures, and strategies to be used to manage liquidity and funding risk.

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 Bank’s risk management, governance, and control standards. The LRF has clearly documented and communicated responsibilities and accountabilities and is considered adequate by the Board for managing liquidity risk at a prudent level under both normal conditions and in periods of stress. It furthermore also duly specifies, implements, and maintains appropriate limits in respect of the Bank’s funding sources and complies with the liquidity requirements of the SARB.

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

The treasury function is responsible for the Bank’s daily funding and liquidity management. This function is critical in ensuring that the Bank has sufficient funds to meet all its obligations as they fall due and to optimally and efficiently place or utilise surplus funds to ensure optimal return for the Bank, its depositors and investors. This is 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.

### 3. Financial instruments and risk management (continued)

#### 3.4 Financial risk management (continued)

##### 3.4.3 Liquidity risk (continued)

###### Liquidity Risk Management (continued)

The Bank's ALCO is responsible for managing the Bank'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 Bank:

- 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;
- performs regular stress tests; and
- 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 Bank'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 cashflows. Balances due within 12 months equal their carrying balances where the impact of discounting is insignificant.

		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>2025</b>								
<b>Financial assets</b>								
Cash and cash equivalents	4	2 137 271	-	-	-	-	-	2 137 271
Customer advances	5	411 205	717 918	1 796 782	174 003	-	162 395	3 262 303
Financial assets	7	391 250	889 820	3 688 690	337 870	-	-	5 307 630
Receivables	6	276 463	-	-	-	-	-	276 463
		<b>3 216 189</b>	<b>1 607 738</b>	<b>5 485 472</b>	<b>511 873</b>	<b>-</b>	<b>162 395</b>	<b>10 983 667</b>
<b>Financial liabilities</b>								
Deposits from customers	13	6 089 457	471 736	1 225 373	-	-	-	7 786 566
Trade and other payables	14	1 246 306	-	-	-	-	-	1 246 306
Lease liability	11	1 183	2 366	7 978	28 854	-	-	40 381
		<b>7 336 946</b>	<b>474 102</b>	<b>1 233 351</b>	<b>28 854</b>	<b>-</b>	<b>-</b>	<b>9 073 253</b>
<b>Net liquidity gap</b>		<b>(4 120 757)</b>	<b>1 133 636</b>	<b>4 252 121</b>	<b>483 019</b>	<b>-</b>	<b>162 395</b>	<b>1 910 414</b>

As part of the Bank's short-term liquidity management processes R350 000 000 of Treasury bills, included within financial assets in the table above, were placed as security for cash borrowed from the SARB as at 30 June 2025. This amount was repaid during the following month releasing the security over the Treasury bills.

### 3. Financial instruments and risk management (continued)

#### 3.4 Financial risk management (continued)

##### 3.4.3 Liquidity risk (continued)

Liquidity Risk Management (continued)

		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>2024</b>								
<b>Financial assets</b>								
Cash and cash equivalents	4	1 470 803	15 000	–	–	–	–	1 485 803
Customer advances	5	404 133	536 242	937 117	45 443	–	–	1 922 935
Financial assets	7	366 432	231 937	2 288 259	501 072	560 497	–	3 948 197
Receivables	6	263 539	–	–	–	–	–	263 539
		2 504 907	783 179	3 225 376	546 515	560 497	–	7 620 474
<b>Financial liabilities</b>								
Deposits from customers	13	4 564 519	353 084	1 371 239	–	–	–	6 288 842
Trade and other payables	14	597 964	–	60 007	–	–	–	657 971
Lease liability	11	1 116	2 266	10 262	7 318	–	–	20 962
		5 163 599	355 350	1 441 508	7 318	–	–	6 967 775
<b>Net liquidity gap</b>		(2 658 692)	427 829	1 783 868	539 197	560 497	–	652 699

##### 3.4.4 Market risk

Market risk is the risk of a change in the market value, actual or effective earnings, or future cashflows 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.
- Interest rate risk.

##### 3.4.4.1 Foreign currency risk

The Bank is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. These liabilities arise from contracts with international service providers and suppliers. The Bank manages this risk by closely monitoring foreign exchange rates and timing payments to minimise the impact of currency fluctuations. Any currency exchange differences are recorded in profit or loss. The Bank does not engage in hedging activities as the exposures to foreign currencies are immaterial. As at 30 June 2025 the value is US\$373 561 (2024: US\$ nil).

##### 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 Bank 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 Bank 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. Term deposit vary between 7% and 9% per annum.

### 3. Financial instruments and risk management (continued)

#### 3.4 Financial risk management (continued)

##### 3.4.4 Market risk (continued)

##### 3.4.4.2 Interest rate risk (continued)

###### Interest rate sensitivity to changes in variable market rates

In managing interest rate repricing risk, the Bank 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 2025, it is estimated that a general increase/(decrease) of 1% in market interest rates would result in an increase/(decrease) in profit of R21 450 340 (2024: R15 972 643). Additionally, such fluctuations would similarly affect the Bank's equity, in alignment with the annual profit sensitivity analysis. The sensitivity analysis encompasses assets including bank balances with the SARB, bank balances with other banks and staff loans.

### 4. Cash and cash equivalents

	2025 R'000	2024 R'000
Cash and cash equivalents consist of:		
Balances with the SARB	2 104 160	1 466 861
Balances with other banks	33 111	19 263
<b>Gross cash and cash equivalents</b>	<b>2 137 271</b>	1 486 124
ECL (Stage 1) - SARB	(514)	(286)
ECL (Stage 1) - Other banks	(6)	(35)
<b>Total ECL</b>	<b>(520)</b>	(321)
Net cash and balances with SARB	2 103 646	1 466 575
Net cash and balances with other banks	33 105	19 228
<b>Net cash and cash equivalents</b>	<b>2 136 751</b>	1 485 803

Balances with the SARB include minimum reserve requirements of R198 321 422 (2024: R171 014 223).

The ECL is raised on credit risk arising from counterparties with whom the cash and cash equivalents are held. All amounts 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 Bank holds cash and cash equivalents with Absa, Bank Limited FirstRand Bank Limited, Standard Bank of South Africa Limited, Investec Bank Limited, Nedbank Limited and the SARB.

	2025 R'000	2024 R'000
<b>Credit rating - Fitch</b>		
ABSA Bank: BB-	8	67
First National Bank: BB-	9 473	4 244
Investec: BB-	5	7
Nedbank: BB-	79	79
Standard Bank: BB-	23 387	14 866
SARB	2 104 319	1 466 861
	<b>2 137 271</b>	1 486 124

All balances are realisable within 12 months.

## 5. Customer advances

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

	2025 R'000	2024 R'000
Business lending	2 435 582	2 204 277
Retail lending	447 849	117 568
<b>Gross customer advances</b>	<b>2 883 431</b>	<b>2 321 845</b>
ECL - Business lending	(548 718)	(384 370)
ECL - Retail lending	(87 901)	(14 540)
<b>Net customer advances</b>	<b>2 246 812</b>	<b>1 922 935</b>

### Analysis of Business lending by stages - 2025

	Stage 1 12 Month ECL R'000	Stage 2 Lifetime ECL R'000	Stage 3 Lifetime ECL R'000	Total R'000
Gross customer advances	1 433 926	643 935	357 721	2 435 582
ECL	(41 377)	(218 892)	(288 449)	(548 718)
<b>Net customer advances</b>	<b>1 392 549</b>	<b>425 043</b>	<b>69 272</b>	<b>1 886 864</b>
ECL coverage %*	2.9%	34.0%	80.6%	22.5%

Reconciliation of gross business lending	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
Opening balance - 1 July 2024	1 365 709	657 486	181 082	2 204 277
New advances	3 167 622	-	-	3 167 622
Income accrued for the year	839 849	42 375	132 449	1 014 673
Transfers	(532 459)	113 063	419 396	-
Stage 1 to Stage 2	(567 375)	584 279	-	16 904
Stage 1 to Stage 3	(1 311)	-	1 375	64
Stage 2 to Stage 3	-	(437 651)	432 283	(5 368)
Stage 2 to Stage 1	35 672	(44 741)	-	(9 069)
Stage 3 to Stage 1	555	-	(1 091)	(536)
Stage 3 to Stage 2	-	11 176	(13 171)	(1 995)
Repayments and settlements	(3 406 795)	(168 989)	(110 147)	(3 685 931)
Write-offs	-	-	(265 059)	(265 059)
<b>Closing balance - 30 June 2025</b>	<b>1 433 926</b>	<b>643 935</b>	<b>357 721</b>	<b>2 435 582</b>

## 5. Customer advances (continued)

### Analysis of Business lending by stages - 2025 (continued)

Reconciliation of business lending ECL	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
Opening balance - 1 July 2024	(83 703)	(167 799)	(132 868)	(384 370)
New advances	(289 441)	-	-	(289 441)
Transfers	273 145	(13 837)	(259 308)	-
Stage 1 to Stage 2	281 363	(302 855)	-	(21 492)
Stage 1 to Stage 3	1 226	-	(1 187)	39
Stage 2 to Stage 3	-	274 524	(270 098)	4 426
Stage 2 to Stage 1	(9 306)	21 248	-	11 942
Stage 3 to Stage 1	(138)	-	884	746
Stage 3 to Stage 2	-	(6 754)	11 093	4 339
Remeasurements	(112 470)	(55 078)	(184 737)	(352 285)
Repayments and settlements	171 092	17 822	23 410	212 324
Write-offs	-	-	265 054	265 054
<b>Closing balance - 30 June 2025</b>	<b>(41 377)</b>	<b>(218 892)</b>	<b>(288 449)</b>	<b>(548 718)</b>

\* The improvement of the ECL coverage in Stage 1 is the result of the refinement of the aging methodology applied to a section of the MCA population that showed an increase in credit risk and were subsequently migrated to the higher stages. These accounts did hold higher ECL balances but have now been shifted from Stage 1 to Stage 2 and 3. A more granular assessment was done for specific accounts to transfer to Stage 2, rather than a collective assessment which resulted in comparable Stage 2 transfers. This same change resulted in higher ECL coverage ratio of the Stage 2 portion of the portfolio.

### Analysis of Retail lending by stages - 2025

	Stage 1 12 Month ECL R'000	Stage 2 Lifetime ECL R'000	Stage 3 Lifetime ECL R'000	Total R'000
Gross customer advances	312 102	91 058	44 689	447 849
ECL	(29 921)	(21 977)	(36 003)	(87 901)
<b>Net customer advances</b>	<b>282 181</b>	<b>69 081</b>	<b>8 686</b>	<b>359 948</b>
ECL coverage %*	9.6%	24.1%	80.6%	19.6%

Reconciliation of gross retail lending	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
Opening balance - 1 July 2024	107 996	4 958	4 614	117 568
New advances	838 451	654	863	839 968
Income accrued for the year	112 272	4 868	3 560	120 700
Transfers	(159 673)	90 566	69 107	-
Stage 1 to Stage 2	(149 583)	149 583	-	-
Stage 1 to Stage 3	(18 474)	-	18 474	-
Stage 2 to Stage 3	-	(53 798)	53 798	-
Stage 2 to Stage 1	6 177	(6 177)	-	-
Stage 3 to Stage 1	2 207	-	(2 207)	-
Stage 3 to Stage 2	-	958	(958)	-
Repayments and Settlements	(586 833)	(9 817)	(4 653)	(601 303)
Write-offs	(111)	(171)	(28 802)	(29 084)
<b>Closing balance - 30 June 2025</b>	<b>312 102</b>	<b>91 058</b>	<b>44 689</b>	<b>447 849</b>

## 5. Customer advances (continued)

### Analysis of Retail lending by stages - 2025 (continued)

Reconciliation of retail lending ECL	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
Opening balance - 1 July 2024	(9 667)	(802)	(4 071)	(14 540)
New advances	(74 285)	-	-	(74 285)
Transfers	28 052	(16 066)	(56 814)	(44 828)
Stage 1 to Stage 2	24 758	(34 020)	-	(9 262)
Stage 1 to Stage 3	4 156	-	(15 046)	(10 890)
Stage 2 to Stage 3	-	16 748	(44 307)	(27 559)
Stage 2 to Stage 1	(648)	1 475	-	827
Stage 3 to Stage 1	(214)	-	1 766	1 552
Stage 3 to Stage 2	-	(269)	773	504
Remeasurements	11 936	(5 921)	1 711	7 726
Repayments and settlements	14 032	775	1 706	16 513
Write-offs	11	37	21 465	21 513
<b>Closing balance - 30 June 2025</b>	<b>(29 921)</b>	<b>(21 977)</b>	<b>(36 003)</b>	<b>(87 901)</b>

\* The reduction in stage 3 coverage ratio is the result of a more granular assessment of the Stage 3 portfolio segmentation, introducing bespoke ECL requirements on the debt review Stage 3 accounts in this financial year. ECL requirements on debt review matters are typically lower than other Stage 3 accounts, given that for clients to remain on debt review they need to be adhering to agreed payment plans.

### Analysis of Business lending by stages - 2024

	Stage 1 12 Month ECL R'000	Stage 2 Lifetime ECL R'000	Stage 3 Lifetime ECL R'000	Total R'000
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>1 282 007</b>	<b>489 687</b>	<b>48 213</b>	<b>1 819 907</b>
ECL coverage %	6.1%	25.5%	73.4%	17.4%
Reconciliation of gross business lending	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
Opening balance - 1 July 2023	1 089 795	626 895	144 264	1 860 954
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>

## 5. Customer advances (continued)

### Analysis of Business lending by stages - 2024 (continued)

Reconciliation of business lending ECL	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
Opening balance - 1 July 2023	(75 059)	(139 836)	(102 897)	(317 792)
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>

### Analysis of Retail lending by stages - 2024

	Stage 1 12 Month ECL R'000	Stage 2 Lifetime ECL R'000	Stage 3 Lifetime ECL R'000	Total R'000
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%

Reconciliation of retail lending	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
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	(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>

## 5. Customer advances (continued)

### Analysis of Retail lending by stages – 2024 (continued)

Reconciliation of retail lending ECL*	Stage 1 R'000	Stage 2 R'000	Stage 3 R'000	Total R'000
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>

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

	2025 R'000	2024 R'000
Contractual amount outstanding on customer advances written off and still subject to enforcement activity**	<b>583 291</b>	532 580

\*\* Included in the above, is R124 664 920 that was written off in the FY25.

## 6. Receivables

	2025 R'000	2024 R'000
<b>Financial instruments: held at amortised cost</b>		
Amounts receivable from vendors	<b>134 039</b>	73 689
Receivables - related parties*	<b>36 674</b>	80
Deposits paid to suppliers	<b>18 979</b>	3 010
Cash in transit**	<b>86 772</b>	125 015
Receivables at amortised cost	<b>276 464</b>	201 794
<b>Non-financial instruments:</b>		
Value Added Tax	<b>5 454</b>	2 199
Prepayments***	<b>78 236</b>	59 546
<b>Total receivables</b>	<b>360 154</b>	263 539

\* Receivables from related parties are made up of amounts from Tyme Group for shared services and staff loans.

\*\* Cash in transit represents transactional settlements receivable from banking institutions and vendors, typically settled within 30 days of the transaction date.

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

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

	2025 R'000	2024 R'000
<b>Financial instrument and non-financial instrument components of receivables</b>		
Financial instruments held at amortised cost	<b>276 464</b>	201 794
Non-financial instruments	<b>83 690</b>	61 745
	<b>360 154</b>	263 539

## 7. Financial assets

	2025 R'000	2024 R'000
Government bonds	–	1 167 101
Bank balances pledged	15 900	15 000
Treasury bills	5 114 328	2 766 909
<b>Gross financial assets</b>	<b>5 130 228</b>	3 949 010
ECL (Stage 1) - Government bonds	–	(240)
ECL (Stage 1) - Bank balances pledged	(3)	(3)
ECL (Stage 1) - Treasury bills	(896)	(570)
<b>Total ECL</b>	<b>(899)</b>	(813)
Net financial assets - Government bonds	–	1 166 861
Net financial assets - Bank balances pledged	15 897	14 997
Net financial assets - Treasury bills	5 113 432	2 766 339
<b>Net financial assets</b>	<b>5 129 329</b>	3 948 197
<b>Split between non-current and current portions</b>		
More than 12 months	329 212	1 166 861
Less than 12 months	4 800 117	2 781 336
	<b>5 129 329</b>	3 948 197

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

### Government bonds

The Bank invests in debt instruments which are externally rated. The grading of each of these investments is monitored at the end of each reporting date to determine whether the credit risk has increased significantly since initial recognition.

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 SICR event per the Bank's accounting policies outlined in note 1.5.

During the year, the ALCO, acting within the Bank's risk-management framework, fully disposed of the South African Government bond portfolio to mitigate interest-rate risk arising from asset-liability maturity mismatches. This disposal applied solely to the Government bond portfolio and did not alter the Bank's overall business model for financial assets. No other instruments were reclassified, remeasured or otherwise affected.

### Bank balances pledged

Bank balances pledged are held by First Rand Bank Limited, and relate to guarantees on leases held over properties.

Beneficiary	Amount	Expires
Spareprops Proprietary Limited (Head office)	15 900	31 October 2029

### Treasury bills

As part of the Bank'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-.

ECLs 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 (payable)

	2025 R'000	2024 R'000
Amount receivable from SARS	34	9 434
Amount payable to SARS	–	(2 341)
	<b>34</b>	<b>7 093</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 liabilities outstanding at year end. Both balances are anticipated to be realised or settled within a 12 month period.

## 9. Inventories

	2025 R'000	2024 R'000
Customer card stock	31 106	31 163
Promotional merchandise	2 053	–
	<b>33 159</b>	<b>31 163</b>

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 Bank 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 R1.1 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 third parties.

Write-downs of customer card stock for the period amounted R1 489 104 (2024: R1 930 984). These write-downs pertain to damaged or lost cards and have been recognised as an expense, included in other operating expenses in the statement of profit or loss.

The promotional merchandise balance reflects branded merchandise items such as staff clothing held on hand. These items are not intended for sale and are used for internal purposes including staff engagement and promotional activities. The cost associated with these items is recognised in the statement of profit or loss during the period in which they are distributed or used. The Bank evaluates its merchandise stock to ensure it is recorded at the lower of cost and net realisable value.

## 10. Plant and equipment

	2025			2024		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Furniture and fixtures	4 428	(339)	4 089	3 027	(2 911)	116
Office equipment	1 544	(1 403)	141	834	(654)	180
Computer equipment	78 378	(58 593)	19 785	71 254	(56 894)	14 360
Leasehold improvements	18 632	(8 725)	9 907	7 408	(4 577)	2 831
Tools and equipment	1 111	(754)	357	876	(574)	302
Generators	1 015	(588)	427	1 015	(515)	500
Kiosks	124 376	(75 325)	49 051	133 685	(62 283)	71 402
Capital - WIP	157 065	(28 920)	128 145	40 959	(28 920)	12 039
<b>Total</b>	<b>386 549</b>	<b>(174 647)</b>	<b>211 902</b>	<b>259 058</b>	<b>(157 328)</b>	<b>101 730</b>

## 10. Plant and equipment (continued)

### Reconciliation of plant and equipment - 2025

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Furniture and fixtures	116	4 179	–	(206)	4 089
Office equipment	180	60	–	(99)	141
Computer equipment	14 360	10 172	(191)	(4 556)	19 785
Leasehold improvements	2 831	9 174	(10)	(2 088)	9 907
Tools and equipment	302	235	–	(180)	357
Generators	500	–	–	(73)	427
Kiosks	71 402	2 011	–	(24 362)	49 051
Capital - Work in progress	12 039	116 106	–	–	128 145
	<b>101 730</b>	<b>141 937</b>	<b>(201)</b>	<b>(31 564)</b>	<b>211 902</b>

### Reconciliation of plant and equipment - 2024

	Opening balance R'000	Additions R'000	Disposals R'000	Transfers R'000	Depreciation R'000	Total R'000
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>

### Plant and equipment encumbered as security

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

### Changes in estimates

The Bank reassesses the useful lives and residual values of plant and equipment at the end of 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 Bank 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.

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

The Bank 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 Bank, 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 3 to 7 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 Bank 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 Bank has chosen not to recognise right-of-use assets and lease liabilities; instead, lease payments are recorded as an expense over the lease term.

No right-of-use assets have been encumbered as security for borrowings.

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

	2025			2024		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Office and factory space	51 283	(26 836)	24 447	44 463	(23 338)	21 125

### Reconciliation of right-of-use assets - 2025

	Opening balance R'000	Additions R'000	Depreciation R'000	Total R'000
Office and factory space	21 125	17 843	(14 521)	24 447

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

	Opening balance R'000	Additions R'000	Depreciation R'000	Total R'000
Office and factory space	32 128	(419)	(10 584)	21 125

### Lease liabilities

The maturity analysis of lease liabilities is as follows:

	2025 R'000	2024 R'000
Balance - 1 July	20 962	33 295
Additions	17 843	-
Interest expense	5 459	3 415
Lease payments	(13 558)	(15 117)
Lease cancellation: Design Quarter	-	(631)
	<b>30 706</b>	20 962
More than 12 months	23 060	4 888
Less than 12 months	7 646	16 074
	<b>30 706</b>	20 962

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

	2025 R'000	2024 R'000
Depreciation expense on right-of-use assets	14 521	10 584
Interest expense on lease liabilities	5 459	3 415
Short term and low value lease payments	1 247	1 218
<b>Total amount recognised in profit or loss</b>	<b>21 227</b>	15 217

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

## 12. Goodwill and other intangible assets

	2025			2024		
	Cost R'000	Accumulated amortisation and impairment losses R'000	Carrying value R'000	Cost R'000	Accumulated amortisation and impairment losses R'000	Carrying value R'000
Trademarks	–	–	–	82 663	(16 360)	66 303
Internally generated software	27 862	(21 841)	6 021	24 359	(11 403)	12 956
Purchased intangible software	2 030	–	2 030	–	–	–
Customer relationships	52 000	(33 583)	18 417	52 000	(20 583)	31 417
Goodwill	924 254	–	924 254	924 254	–	924 254
<b>Total</b>	<b>1 006 146</b>	<b>(55 424)</b>	<b>950 722</b>	<b>1 083 276</b>	<b>(48 346)</b>	<b>1 034 930</b>

### Reconciliation of goodwill and other intangible assets - 2025

	Opening balance R'000	Additions R'000	Amortisation R'000	Assets derecognised R'000	Total R'000
Trademarks	66 303	–	(10 334)	(55 969)	–
Internally generated software	12 956	1 477	(8 412)	–	6 021
Purchased intangible software	–	2 030	–	–	2 030
Customer relationships	31 417	–	(13 000)	–	18 417
Goodwill	924 254	–	–	–	924 254
	<b>1 034 930</b>	<b>3 507</b>	<b>(31 746)</b>	<b>(55 969)</b>	<b>950 722</b>

### Reconciliation of goodwill and other intangible assets - 2024

	Opening balance R'000	Additions* R'000	Amortisation R'000	Total R'000
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>

Goodwill and intangible assets acquired in the Retail Capital business combination, which has been designated as a CGU, are tested for impairment annually in accordance with the Bank'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 recognised during the reporting period.

\* Additions to software are amounts paid to third-party suppliers.

## 12. Goodwill and other intangible assets (continued)

### Derecognition of trademark intangible asset

During the financial year, the Bank derecognised R56 million on the trademark intangible asset acquired as part of the Retail Capital business combination.

The derecognition of the Retail Capital brand intangible was triggered by management's strategic decision to discontinue the use of the Retail Capital brand in favour of unified branding under the Bank's identity. This unified brand is expected to be rolled out in FY26 and there is no intention by management to realise any further benefits from the Retail Capital trademark, nor to dispose of it to any third party. As a result, the economic benefits originally expected to flow from continued use of the trademark will no longer materialise.

The Bank will continue to monitor all intangible assets for indicators of impairment in future reporting periods.

### 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 cashflows 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.

#### ECLs

ECLs 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 cashflow estimates. The discount rate calculation is based on the specific circumstances of the Bank and its operating segments and is derived from its WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Bank's investors. The cost of debt is based on the interest-bearing borrowings the Bank 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 has 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 by 0.5% to 18.3% in the Retail Capital division would not result in an 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 Bank'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 an impairment.

### 13. Deposits from customers

	2025 R'000	2024 R'000
Transactional accounts	3 625 992	2 691 734
Term deposits	1 805 466	1 772 398
Savings deposits	2 227 059	1 824 710
	<b>7 658 517</b>	<b>6 288 842</b>

All balances are payable within 12 months.

### 14. Trade and other payables

	2025 R'000	2024 R'000
<b>Financial instruments:</b>		
Trade payables	49 453	5 472
Settlements payable*	736 493	585 206
Treasury bills pending settlement**	313 315	–
Accrued expense	147 046	67 293
<b>Non-financial instruments:</b>		
Value Added Tax	3 688	–
	<b>1 249 995</b>	<b>657 971</b>

\* Settlements payable represent transactional settlements payable to banking institutions and vendors, settled within 30 days of transaction date.

\*\* Treasury bills pending settlement relates to Treasury bills that were purchased before year end with settlement occurring after the reporting date in accordance with standard market terms.

All balances are payable within 12 months.

<b>Financial instrument and non-financial instrument components of trade and other payables</b>	<b>2025 R'000</b>	<b>2024 R'000</b>
At amortised cost	1 246 307	657 971
Non-financial instruments	3 688	–
	<b>1 249 995</b>	<b>657 971</b>

## 15. Provisions

### Reconciliation of provisions - 2025

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
Leave pay provision	15 973	4 199	(2 993)	17 179
Short term incentive provision for employees	44 034	49 582	(47 663)	45 953
	<b>60 007</b>	<b>53 781</b>	<b>(50 656)</b>	<b>63 132</b>

### Reconciliation of provisions - 2024

	Opening balance R'000	Additions R'000	Utilised during the year R'000	Total R'000
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>

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 Bank'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 Bank 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 Bank 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.

## 16. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

### Recognition of deferred tax asset

Deferred tax asset/(liability)	Opening balance R'000	Income statement charge R'000	Closing balance R'000
<b>2025</b>			
Expected credit loss allowance and provisions	57 785	(95)	57 690
Property, plant and equipment	(7 358)	(179)	(7 537)
Pre-payments	(8 268)	(1 667)	(9 935)
Intangible assets	(40 218)	–	(40 218)
Other	(1 941)	1 941	–
<b>Total</b>	–	–	–

Deferred tax asset/(liability)	Opening balance R'000	Income statement charge R'000	Closing balance R'000
<b>2024</b>			
Expected credit loss allowance and provisions	50 233	7 552	57 785
Property, plant and equipment	–	(7 358)	(7 358)
Pre-payments	(9 142)	874	(8 268)
Intangible assets	(40 218)	–	(40 218)
Other	(873)	(1 068)	(1 941)
<b>Total</b>	–	–	–

Unrecognised deferred tax asset	2025 R'000	2024 R'000
Deductible temporary differences not recognised as deferred tax assets	45 835	24 556
Unused tax losses not recognised as deferred tax assets*	1 799 916	1 743 038
	<b>1 845 751</b>	1 767 594

\* Unused tax losses were recognised to the extent that there are sufficient taxable temporary differences relating to the same taxation authority which are expected to reverse. The recognised deferred tax asset was offset against the recognised deferred tax liability, resulting in no deferred tax asset or liability being presented in the Statement of Financial Position. Total unused tax losses amounted to R6 666 356 959 (2024: R6 455 697 600).

## 17. Share capital

	2025 R'000	2024 R'000
<b>Authorised</b>		
100 000 000 000 Ordinary shares of R0.10 each	10 000 000	10 000 000
<b>Reconciliation of number of shares issued:</b>		
Reported as at 01 July	11 940 205	11 490 820
Issue of shares	498 018	449 385
Decrease in shares issued due to price changes	(210 645)	–
<b>Balance - 30 June</b>	<b>12 227 578</b>	<b>11 940 205</b>
<b>Reconciliation of share capital issued</b>		
Balance - 1 July	1 189 927	1 144 989
Issue of shares - ordinary shares	49 802	44 938
<b>Balance - 30 June</b>	<b>1 239 729</b>	<b>1 189 927</b>
<b>Reconciliation of share premium</b>		
Balance - 1 July	6 474 465	6 044 831
Issue of shares	467 275	432 198
Less: Capital Raise Costs	(1 166)	(2 564)
<b>Balance - 30 June</b>	<b>6 940 574</b>	<b>6 474 465</b>
<b>Issued</b>		
Ordinary shares of R0.10 each	1 239 729	1 189 927
Share premium	6 940 574	6 474 465
	<b>8 180 303</b>	<b>7 664 392</b>

All shares issued were fully paid at year end.

## 18. Equity settled share-based payment reserve

	2025 R'000	2024 R'000
Employee share appreciation rights scheme	46 567	41 467
Purchase of shares by African Fig Tree Investments (Proprietary) Limited	55 895	55 895
	<b>102 462</b>	<b>97 362</b>

## 19. Equity-settled share-based payments

Reconciliation of share-based payments	Share-based payment reserve			
	ESOP/LTIP R'000	AFT share- based payment reserve R'000	Total share- based payment reserve R'000	Profit or loss R'000
Opening balance - 1 July 2023	46 028	53 795	99 823	–
Share-based payment expense	23 721	2 100	25 821	25 821
Vesting of Shares	(28 282)	–	(28 282)	–
<b>Balance - 30 June 2024</b>	<b>41 467</b>	<b>55 895</b>	<b>97 362</b>	<b>25 821</b>
Share-based payment expense	15 770	–	15 770	15 770
Vesting of Shares	(10 670)	–	(10 670)	–
<b>Balance - 30 June 2025</b>	<b>46 567</b>	<b>55 895</b>	<b>102 462</b>	<b>15 770</b>

### a. Purchase of shares by African Fig Tree Investments Proprietary 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 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 vest after a period of five 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.

Reconciliation of number of shares issued	2025 R'000	2024 R'000
Opening balance - 1 July	30 000	30 000

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

Weighted average share price	R1 965
Exercise price:	R42
Marketability discount:	13%
Minority discount:	15%
Attrition rate	10%

### b. Replacement LTIP (equity settled)

Tyme Group implemented new ESOP 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 Group change, and the intention is to reference the Tyme Group Pte Ltd'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.

## 19. Equity settled share-based payments (continued)

### b. Replacement LTIP (equity settled) (continued)

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	Allocation 8A Performance units and Restricted units '000s	Allocation 8A Performance units and Restricted units '000s	Total '000s
<b>Balance - 30 June 2023</b>	63 498	31 879	8 790	14 830	–	–	–	–	–	–	118 997
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>–</b>	<b>–</b>	<b>121 949</b>
New awards	–	–	–	–	–	–	–	–	33 149	22 015	55 164
Vested*	(5 635)	(4 414)	–	(651)	(226)	–	–	–	–	–	(10 926)
Forfeited	–	–	(808)	–	–	–	(1 063)	(657)	–	–	(2 528)
<b>Balance - 30 June 2025</b>	<b>28 735</b>	<b>16 736</b>	<b>6 600</b>	<b>14 179</b>	<b>2 033</b>	<b>3 771</b>	<b>25 702</b>	<b>10 739</b>	<b>33 149</b>	<b>22 015</b>	<b>163 659</b>

\* Note that some awards have been deferred beyond the original vesting dates.

No share appreciation rights were exercisable at 30 June 2025. 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 Restricted units	Allocation 5 Restricted units	Allocation 6 Restricted units	Allocation 7 Performance units	Allocation 7A Performance units	Allocation 8A Performance units and Restricted units	Allocation 8A Performance units and Restricted 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	30 May 2025	30 May 2025
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	1 March 2028	1 March 2028
<b>Vesting terms:</b>										
Year 1	43%	–	–	–	–	–	–	–	–	–
Year 2	57%	30%	–	10%	10%	10%	–	–	–	–
Year 3		30%	100%	20%	20%	20%	100%	100%	100%	100%
Year 4		40%		30%	30%	30%				
Year 5		–		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 2025 (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 LTIP 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 cashflow 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 25.

### e. Directors' emoluments

For details of the share-based payments to the directors see note 31.

### f. Related party transactions

Transactions with key management personnel are reflected in the related party note 30.

## 20. Interest income

	2025 R'000	2024 R'000
<b>Interest income</b>		
Customer advances	1 101 635	954 515
Government bonds	17 020	105 582
Treasury bills	363 155	168 835
SARB interest	73 657	52 375
Bank and other cash	4 964	2 062
<b>Total interest income</b>	<b>1 560 431</b>	1 283 369

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

## 21. Interest expense

	2025 R'000	2024 R'000
Lease liabilities	5 459	3 415
SARS*	925	26
SARB	7 268	3 718
Interest paid to customers	307 580	230 341
	<b>321 232</b>	237 500

\* The interest paid to SARS relates to a VAT Voluntary Disclosure Programme.

## 22. Net fee and commission income

	2025 R'000	2024 R'000
<b>Fee and commission income</b>		
Transactional banking	1 548 055	1 119 162
Insurance commission earned	-	2 766
	<b>1 548 055</b>	1 121 928
<b>Fee and commission expense</b>		
Transactional banking	(662 118)	(565 712)
Insurance commission refunded*	(141)	-
	<b>(662 259)</b>	(565 712)
	<b>885 796</b>	556 216

\* Insurance commission refunded relates to the reversal of overstated commission accruals following the termination of the Hollard distribution arrangement, in line with IFRS 15.

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.

## 23. Credit impairment charge

	2025 R'000	2024 R'000
Net impairment charge	553 307	354 450
Post write off recoveries	(19 584)	(15 063)
Reversal of acquisition of estimated credit losses	–	13 540
<b>Total credit impairment charge</b>	<b>533 723</b>	<b>352 927</b>

## 24. Other operating gains (losses)

	2025 R'000	2024 R'000
Losses on disposal of plant and equipment	(176)	(517)
Profit on sale of financial instruments	524	–
Tax refund - Retail Capital*	6 978	–
Fees earned - non-banking services	37 654	34 447
Net foreign exchange loss	408	(406)
	<b>45 388</b>	<b>33 524</b>

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

\* Tax refunded relates to income tax on the Retail Capital entities before being acquired by Tyme. This was refunded after a SARS verification concluded in May 2025.

## 25. Operating profit (loss)

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

	2025 R'000	2024 R'000
External audit fees	11 105	12 533
Consulting and professional services	225 177	175 484
<b>Employee costs</b>		
Salaries, bonuses and other benefits	471 991	442 697
Share-based compensation benefits - AFT	–	2 100
Share-based compensation benefits - LTIP	15 770	23 721
<b>Total employee costs</b>	<b>487 761</b>	<b>468 518</b>
<b>Depreciation, amortisation and impairment</b>		
Depreciation of plant and equipment	31 564	27 156
Depreciation of right-of-use assets	14 521	10 584
Amortisation of intangible assets	31 746	31 116
<b>Total depreciation, amortisation and impairment</b>	<b>77 831</b>	<b>68 856</b>
<b>Non-claimable VAT</b>		
Value Added Tax	38 935	29 654

The non-claimable VAT relates to irrecoverable input VAT, as the Bank 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.

## 25. Operating profit (loss) (continued)

### Expenses by nature

The total operating expenses are analysed by nature as follows:

	2025 R'000	2024 R'000
Acquisition costs in business combination	275	1 721
Bank charges	4 910	4 811
Card losses	1 489	1 931
Donations	5	–
Consulting and professional fees	225 177	175 484
Customer card costs	54 854	57 883
Depreciation, amortisation and impairment	77 831	68 856
Employee costs	487 761	468 518
External audit fees	11 105	12 533
Facilities expense	5 201	1 533
Fines and penalties	7 000	–
Fraud and operational risk losses	31 933	8 445
Insurance	3 141	2 912
Deposit insurance***	11 392	2 402
Local and foreign travel costs	8 584	5 238
Marketing	86 005	92 164
Membership fees	27 906	34 957
Non-claimable VAT	38 935	29 654
Office consumables	1 099	1 547
Outsourced services*	323 837	312 442
Partnership fees	–	3 000
Postage and stationery	1 604	2 348
Rental expense	3 009	2 769
Repairs and maintenance	9 781	8 744
Technology costs**	374 157	308 643
Telephone	2 484	4 222
Transfer tax	–	34
	<b>1 799 475</b>	<b>1 612 791</b>

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

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

\*\*\* During the current period deposit insurance has been shown separately from insurance to better enhance the user's understanding of the insurance expense as a result the comparatives have been provided.

## 26. Taxation

	2025 R'000	2024 R'000
<b>Major components of the tax income</b>		
<b>Current</b>		
Local income tax - current period	-	-
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(218 784)	(330 109)
Tax at the applicable tax rate of 27%	(59 072)	(89 129)
<b>Tax effect of adjustments on taxable income</b>		
Non-deductible expenses	23 868	7 914
Tax losses benefit not recognised	35 204	81 215
	-	-

Non-deductible expenses includes acquisition related costs of a capital nature, amortisation of intangible assets, share based payment adjustments and lease improvements.

## 27. Tax (paid) refunded

	2025 R'000	2024 R'000
Balance at beginning of the year	7 093	10 641
Balance at end of the year	(34)	(7 093)
	7 059	3 548

## 28. Joint operations

The Bank has a revenue and cost-sharing arrangement with The Foschini Group ('TFG') in terms of which self-service kiosks are placed in selected TFG stores across South Africa. The arrangement is governed by a contractual agreement that sets out the decision-making process, cost-sharing ratios, and each party's rights and obligations.

The Bank has a joint operation with The Foschini Group ('TFG') for the placement of kiosks in TFG stores to facilitate customer onboarding, card issuance, and selected banking transactions. In accordance with IFRS 11, the arrangement is classified as a joint operation as both parties have rights to the assets and obligations for the liabilities.

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

	2025 R'000	2024 R'000
Purchase of kiosks	2 011	4 615
Card stock on hand	2 780	3 147
Kiosk management	63 146	60 508
Other operating costs	17 823	22 539

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

	2025 R'000	2024 R'000
Loss before taxation	(218 784)	(330 109)
<b>Adjustments for non-cash items:</b>		
Depreciation and amortisation	77 831	68 856
Losses (gains) on sale of assets	176	(516)
(Gains) losses on exchange differences	(408)	406
Movement in provisions	3 125	(14 732)
Movement in impairment and ECLs	237 795	71 258
Share-based payment expense	15 770	25 821
Right-of-use assets derecognised	–	420
Derecognition of intangible asset - trademark	55 969	–
<b>Adjust for items which are presented separately:</b>		
Interest income	(1 560 431)	(1 283 369)
Interest expense	321 232	237 500
<b>Changes in working capital:</b>		
(Increase) decrease in inventories	(1 996)	8 948
(Increase) decrease in receivables	(96 615)	1 485
Increase (decrease) in trade and other payables	592 024	(114 618)
Increase in customer advances	(561 586)	(477 449)
Increase in deposits received from customers	1 369 675	2 240 854
	<b>233 777</b>	434 755

## 30. Related parties

### Relationships

Members of key management (includes immediate family members)	The Directors and Executive Committee are considered members of key management
Ultimate controlling party	Ubuntu-Botho Investments Proprietary Limited
Holding company	Tyme Bank Holdings Limited
Entities within African Rainbow Capital Financial Services Holdings Proprietary Limited Group ('ARC Group'), with which the Bank transacts	Ubuntu-Botho Community Development Trust Rain Proprietary Limited EOH Mthombo Proprietary Limited Ikhokha
Entities with which the Bank transacts	Tyme Group Pte Limited (formerly TINT Investors Pte. Limited)
Entities where key management personnel hold interests	African Fig Tree Investments Proprietary Limited Tyme Group Pte Limited (formerly TINT Investors Pte Limited) Tyme SA Holdings Proprietary Limited Iconyc One Limited Tyme Asia Holdings Pte. Ltd

### 30. Related parties (continued)

	2025 R'000	2024 R'000
<b>Related party balances</b>		
<b>Related party balances included in Trade receivables</b>		
<b>Loans to employees</b>		
Management loans*	27 513	28 478
Staff loans - PAYE**	2 683	–
<p>* These represent the loans originally receivable from ex Retail Capital shareholders, still employed by the Bank. This receivable was taken over by Tyme Bank in the Retail Capital acquisition and are now secured by shares within the group. These loans bear interest at the SARS official rate of interest, accrued monthly and has ECL of R277 908 held against these loans and are repayable in FY28.</p> <p>** Amounts owing for PAYE liabilities on share vesting.</p>		
<b>Receivables from group companies</b>		
Tyme Group Pte. Ltd***	6 398	–
Crossfin SPV 2****	80	80
<b>Customer deposits</b>		
Key management personnel	(3 876)	(2 109)
<p>Deposits held by key management personnel in TymeBank bank accounts and the interest earned over the financial year.</p> <p>*** These represent recharges for Tyme Group Pte. Ltd staff costs and incidentals incurred by the Bank. The receivable is repayable thirty days from invoice date.</p> <p>**** Amounts due to the Bank relating to the Retail Capital acquisition.</p>		
<b>Related party transactions</b>		
<b>Fees earned - Non-banking services</b>		
Tyme Group Pte. Ltd	(34 071)	(28 336)
<p>These represent cost recoveries for salaries.</p>		
<b>Interest received</b>		
Retail Capital division management loans	1 878	2 062
<p>This represents interest accrued on Retail Capital management loans over the financial year. Interest is calculated based on the SARS official rate of interest.</p>		
<b>Outsourced services*</b>		
Tyme Limited	129 197	138 944
<b>Interest paid</b>		
Key management personnel	178	130
<b>Compensation of the key management personnel</b>		
Salaries and other short-term benefits	62 864	63 483
Share-based payments	5 722	5 994

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

#### Directors' interests in contracts

On 4 December 2018, the Bank concluded two related agreements with Tyme Limited, an intellectual-property license granting right-of-use of Tyme's digital banking platform, and a Master Services Agreement under which Tyme Limited delivers ongoing technology and operational support. These arrangements remain in force.

CJ Jonker has indirect investments in Tyme Limited which has duly been noted by the Board.

### 31. Directors'/Prescribed Officers' emoluments

	Emoluments R'000	Bonuses and incentives R'000	Share- based payments R'000	Fees R'000	Total R'000
<b>2025</b>					
KH Westvig (Executive director)	5 528	-	-	-	5 528
CJ Jonker (Executive director)	1 878	3 925	-	-	5 803
CJ Jonker - For positions held in Tyme Group companies**	2 959	-	-	-	2 959
Y Dockrat (Executive director)	4 412	1 588	505	-	6 505
	<b>14 777</b>	<b>5 513</b>	<b>505</b>	<b>-</b>	<b>20 795</b>
<b>Non-executive directors</b>					
S Barrett	-	-	-	1 060	1 060
M Boakgomo	-	-	-	1 060	1 060
TA Boardman*	3 869	-	-	1 908	5 777
TNM Eboka	-	-	-	1 060	1 060
TSB Jali	-	-	-	2 120	2 120
M Milutinovic*	2 536	12 492	-	-	15 028
R Ramcharan	-	-	-	1 272	1 272
PA Wessels	-	-	-	1 484	1 484
R Munyaradzi***	-	398	-	212	610
NL Smalle	-	-	-	-	-
TJ van Der Walt	-	-	-	-	-
	<b>6 405</b>	<b>12 890</b>	<b>-</b>	<b>10 176</b>	<b>29 471</b>
	<b>21 182</b>	<b>18 403</b>	<b>505</b>	<b>10 176</b>	<b>50 266</b>

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

\*\* These amounts were paid by Tyme Global entities and are not recharged to the Bank. Conditions of share options granted by Tyme Global entities were not met as at 30 June 2025.

\*\*\* R Munyaradz received a R397 500 participatory fee as an invitee to the Board, prior her to appointment as a non-executive director.

**31. Directors'/Prescribed Officers' emoluments (continued)**

	<b>Emoluments R'000</b>	<b>Bonuses and incentives R'000</b>	<b>Share- based payments R'000</b>	<b>Fees R'000</b>	<b>Total R'000</b>
<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
	26 989	6 240	–	–	33 229
<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
NL Smalle	–	–	–	–	–
R Ramcharan	–	–	–	1 200	1 200
PA Wessels	–	–	–	1 400	1 400
	8 045	7 832	1 806	9 400	27 083
	35 034	14 072	1 806	9 400	60 312

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

\*\* These amounts were paid by the international Tyme entities and are not recharged to the Bank. Conditions of share options granted by the international Tyme entities were not met as at 30 June 2025.

### 31. Directors'/Prescribed Officers' emoluments (continued)

The table below is not rounded to the nearest thousand.

Executive directors	Type of instrument	Number of units	Grant date	FV at grant date	Units vesting year				Total	Amount expensed in the financial year	
					2025 Vested	2026 Still to vest	2027 Still to vest	2028 Still to vest		2025	2024
KH Westvig	Performance units - Bank Allocation 8	1 404 777	2025/05/30	1 463 376	-	-	-	1 404 777	1 404 777	45 229	-
	Performance units - Tyme Group Allocation 8	932 960	2025/05/30	1 463 376	-	-	-	932 960	932 960	45 229	-
										<b>90 458</b>	-
Y Dockrat	Restricted units Allocation 4	4 489 353	2022/07/01	2 583 331	<b>448 935</b>	897 871	1 346 806	1 795 741	4 489 353	<b>572 638</b>	701 805
	Performance units - Bank Allocation 7	966 229	2024/01/15	1 051 532	-	-	966 229	-	966 229	<b>344 833</b>	158 206
	Performance units - Tyme Group Allocation 7	730 466	2024/01/15	1 051 552	-	-	966 229	-	966 229	<b>344 833</b>	158 206
	Performance units - Bank Allocation 8	1 612 050	2025/05/30	1 679 296	-	-	-	1 612 050	1 612 050	<b>51 902</b>	-
	Performance units - Tyme Group Allocation 8	1 070 618	2025/05/30	1 679 296	-	-	-	1 070 618	1 070 618	<b>51 902</b>	-
										<b>1 366 108</b>	1 018 217

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.

### 32. Going concern

At 30 June 2025, the Bank had accumulated losses of R7 278 214 028 (2024: R7 059 429 760) and incurred a loss of R218 784 268 (2024: R330 108 666) for the year then ended. These losses substantially represent establishment and build costs. The Bank's ability to continue as a going concern is dependent on ongoing procurement of capital and funding for its operations.

The Bank's ability to continue as a going concern beyond 31 October 2026 is dependent on securing continued shareholder support, raising additional capital from prospective investors, and successfully executing its business plans. These conditions give rise to a material uncertainty for the period beyond 31 October 2026, which may cast significant doubt on the Bank's ability to continue as a going concern and settle its obligations as they fall due.

During the current financial year, Tyme Group, together with other shareholders, continued to provide adequate capital and funding to the Bank. In addition, Tyme Group has confirmed that the Bank will continue to have access to capital and funding to enable it to settle its obligations as they fall due and to continue as a going concern for the period ending 31 October 2026.

The directors have reviewed the Bank's cashflow forecast and are satisfied that the Bank will have access to sufficient capital and funding to continue as a going concern provided that the above-mentioned factors materialise. Accordingly, the financial statements have been prepared on a going concern basis, on the assumption that ongoing capital and funding will be available and that assets will be realised and liabilities settled, in the ordinary course of business.

### 33. Subsequent events

During the year, the Bank entered a joint arrangement with SPL to originate and administer unsecured personal loans with embedded credit-life cover. Under the terms of the transaction, the Bank will pay R31.5 million for its 50% equity stake in the newly formed JVCo and will acquire 50% of SPL's ~R6 billion loan book at an agreed price.

In July 2025, the South African Competition Commission granted unconditional approval, followed by PA approval in September 2025, thereby clearing all key regulatory milestones. Implementation activities are underway, with completion of the transaction expected during quarter one of 2026. Once finalised, the joint arrangement will broaden the Bank's unsecured-credit offering, deepen engagement across its 11.6 million customers and enhance long-term shareholder value.

### 34. Contingencies

The Foschini Group has a right to clawback 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 Bank is subject to ongoing oversight by various regulatory bodies. As part of this regulatory environment, the Bank 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 Bank continuously strives to ensure full compliance with applicable laws and regulations and to address any issues that arise in a timely and effective manner.

