



TymeBank

You've got this

Tyme Bank Limited Annual Financial Statements

For the year ended 30 June 2024

Registration number 2015/231510/06

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Digital banking services
Directors	CJ Jonker (Resigned 30 September 2024) KH Westvig (Appointed 1 October 2024) Y Dockrat TSB Jali M Boakgomo S Barrett TNM Eboka R Ramcharan PA Wessels TA Boardman M Milutinovic NL Smalle
Registered office	30 Jellicoe Avenue Rosebank Johannesburg Gauteng 2196
Holding company	Tyme Bank Holdings Limited incorporated in South Africa
Ultimate holding company	Ubuntu-Botho Investments Proprietary Limited incorporated in South Africa
Bankers	Absa Bank FirstRand Bank Standard Bank Nedbank Investec Bank
Auditors	PricewaterhouseCoopers Inc.
Secretary	L Jwili
Company registration number	2015/231510/06
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Prepared by	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)
Issued	18 October 2024



Contents

Directors' Responsibilities and Approval	4
Company Secretary's Certification	5
Directors' Report	6 – 7
Customer Growth and Financial Position Highlights	8
Financial Performance Highlights	9
Report of the Audit and Compliance Committee	10 – 12
Independent Auditor's Report	13 – 14
Statement of Financial Position	15
Statement of Profit or Loss and Other Comprehensive Income	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Material Accounting Policy Information	19 – 29
Notes to the Annual Financial Statements	30 – 67



Directors' Responsibilities and Approval

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

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

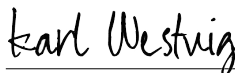
The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Bank and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors set standards for internal 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 cash flow forecast for the year to 30 June 2025 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 for additional information.

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 13 to 14.

The annual financial statements set out on pages 15 to 67, which have been prepared on the going concern basis, were approved by the board of Directors on 18 October 2024 and were signed on their behalf by:



KH Westvig



TSB Jali



Company Secretary's Certification

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

Luwabo Jwili

L Jwili
Company Secretary



Directors' report

The Directors are pleased to present the annual financial statements of the Bank for the year ended 30 June 2024.

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

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

Revenue experienced a substantial increase of 68%, climbing to R2.4 billion, and the Bank significantly narrowed its loss before tax by 65%, reducing it to R330 million compared to the previous year. These achievements underscore the Bank's robust performance and strategic growth initiatives.

3. Retail Capital integration

The acquisition of Retail Capital in the prior financial year has notably strengthened the Bank's advances book and improved net interest income. Through this integration, the Bank has broadened its small and medium sized enterprise

(SME) lending capabilities, further aligning with our mission to support business growth across South Africa.

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

4. Risk management and IFRS 9 transition

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

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

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

5. Chief Executive Officer transition

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

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

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



6. Directorate

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

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

7. Directors' interests in contracts

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

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

CJ Jonker was appointed as a director of both the Bank and Tyme Bank Holdings Limited. He is also a director of Tyme Limited and African Fig Tree Investments Limited. CJ Jonker has direct investments in Tyme Limited and African Fig Tree Investments Limited, which has duly been noted by the Board. African Fig Tree Investments Limited holds 11.87% in Tyme Group Pte Limited (2023: 13.3% in Tyme Bank Holdings Limited, the sole shareholder of the Bank).

8. Holding company

The Bank's holding company is Tyme Bank Holdings Limited which holds 100% (2023: 100%) of the Bank's equity. Tyme Bank Holdings Limited is incorporated in South Africa.

9. Ultimate holding company

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

10. Share capital

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

11. Dividends

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

12. Subsequent events

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

13. Going concern

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

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

14. Auditors and secretary

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

The company secretary is L Jwili.

15. Business address

The Bank's registered business address is:

30 Jellicoe Avenue
Rosebank
Johannesburg
Gauteng
2196

16. Acknowledgements

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

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

17. Date of authorisation for issue of financial statements

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



Customer Growth and Financial Position

Highlights

Total customers

+29%

to 9.75m

Customer deposits

+55%

to R6.29b

Customer advances

+25%

to R1.92b

New fixed deposit product

(sub-set of deposits above)

+R1.77b



Financial Performance

Highlights

Revenue

+68%
to R2.41b

Net interest income

+83%
to R1.03b

Transaction fees & commissions

+80%
to R1.27b

Loss before tax

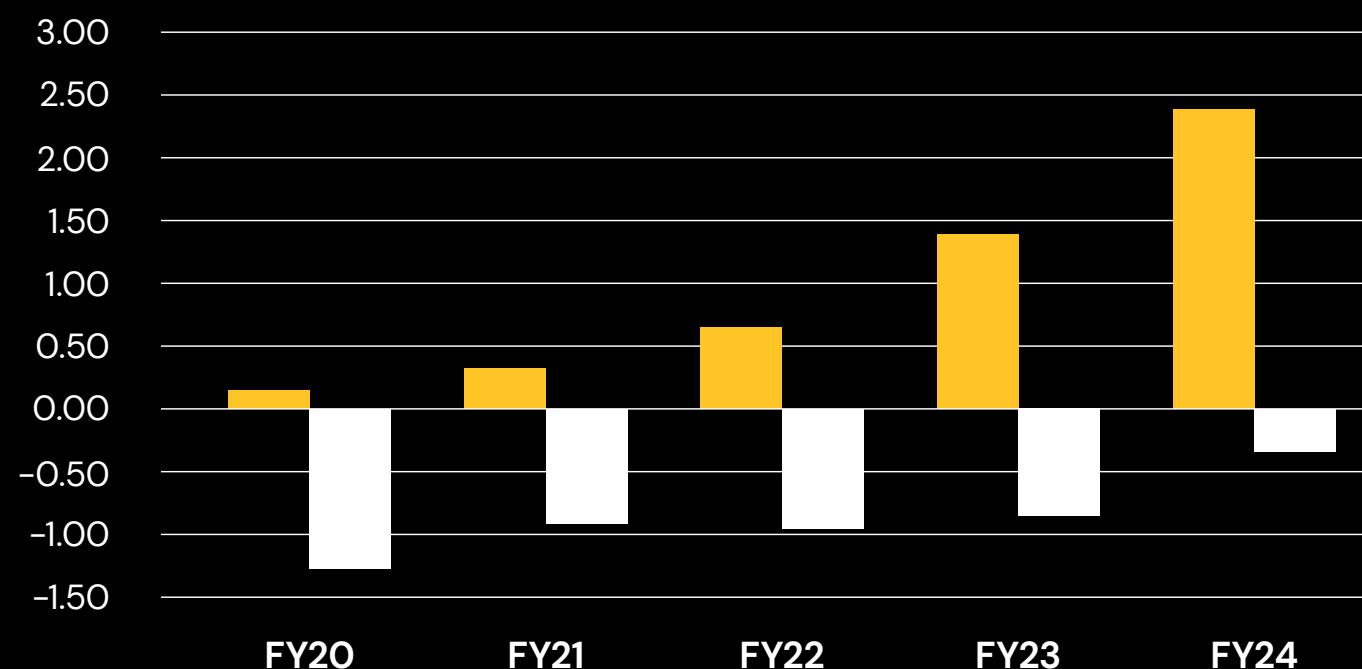
-65%
to -R0.33b

Cost-to-income ratio

Improved from 169%
to **99%**

Total revenue and loss before tax (billions)

■ Total revenue ■ Loss before tax



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



Report of the Audit and Compliance Committee

This report is provided by the Audit and Compliance Committee ('the committee'), in respect of the 2024 financial year of the 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 the Banks Act, and the King Code of Corporate Governance and is approved by the Board. Section 94(2) of the Companies Act determines that, at each annual general meeting, a public company must elect an Audit Committee comprising at least three members.

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

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

Execution of functions

The Audit and Compliance Committee has executed its duties and responsibilities during the financial year in accordance with its mandate as it relates to the nomination of the external auditor, verifying the independence of the auditor, approving the audit fees and assessing the nature and extent of non-audit services. In addition, the Committee has also considered the 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:

- considered and recommended the reappointment of PwC as external auditors for the financial year ended 30 June 2024, in accordance with section 90 of the Companies Act;
- approved the external auditors' terms of engagement, the audit plan and budgeted audit fees payable;
- reviewed the audit process and evaluated the effectiveness of the audit, taking into consideration the results of an assessment performed by the 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 2024.

In respect of the financial statements:

- considered the going concern basis for the preparation of the Annual Financial Statements;
- considered the ultimate shareholder's ability to provide financial support to the 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 cash flows 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:

Philip Wessels

P Wessels
18 October 2024



Independent Auditor's Report

To the Shareholder of Tyme Bank Limited

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 2024, 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 15 to 67 comprise:

- the statement of financial position as at 30 June 2024;
- 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 R7.059 billion as at 30 June 2024 and incurred a net loss of R330.1 million for the year then ended. The ability of the Company to continue as a going concern beyond October 2025 depends on its capacity to secure continued support from existing shareholders, obtain additional capital from potential investors, and successfully execute on its business plans. As stated in Note 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.

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 2024", which includes the Directors' Report, 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.

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

Report on other legal and regulatory requirements

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

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



Statement of Financial Position as at 30 June 2024

	Notes	2024 R '000	2023 Restated* R '000
Assets			
Cash and balances with the SARB*	4	1 466 575	1 572 404
Cash and balances with other banks*	4	19 228	36 443
Customer advances*	5	1 922 935	1 535 477
Receivables*	6	263 539	265 024
Financial assets	7	3 948 197	1 908 530
Current tax receivable	8	7 093	10 641
Inventories	9	31 163	40 111
Plant and equipment	10	101 730	113 665
Right-of-use assets	11	21 125	32 128
Goodwill and other intangible assets	12	1 034 930	1 060 921
Total Assets		8 816 515	6 575 344
Liabilities			
Deposits from customers*	13	6 288 842	4 047 989
Trade and other payables*	14	657 971	772 590
Lease liabilities	11	20 962	33 295
Provisions	15	60 007	74 739
Total Liabilities		7 027 782	4 928 613
Equity			
Share capital	17	1 189 927	1 144 989
Share premium	17	6 474 465	6 044 831
Share-based payment reserve	18	97 362	99 823
Common control equity reserve	35	1 086 409	1 086 409
Accumulated loss*		(7 059 430)	(6 729 321)
Total Equity		1 788 733	1 646 731
Total Equity and Liabilities		8 816 515	6 575 344

*Restated as shown in note 1.19.



Statement of Profit or Loss and Other Comprehensive Income

		2024	2023 Restated*
	Notes	R '000	R '000
Interest income*	20	1 283 369	704 565
Interest paid	21	(237 500)	(142 804)
Net interest income*		1 045 869	561 761
Fee and commission income		1 121 928	706 075
Fee and commission expense*		(565 712)	(429 029)
Net fee and commission income*	22	556 216	277 046
Credit impairment charge*	23	(352 927)	(379 903)
Other operating gains	24	33 524	42 742
Other operating expenses*	25	(1 612 791)	(1 492 616)
Loss before taxation*		(330 109)	(990 970)
Taxation	26	-	40 219
Total comprehensive loss for the year*		(330 109)	(950 751)

*Restated as shown in note 1.19.



Statement of Changes in Equity

	Share capital R '000	Share premium R '000	Total share capital R '000	Share for issue reserve R '000	Common control equity reserve R '000	Share-based payment reserve R '000	Total reserves R '000	Accumulated loss* R '000	Total equity R '000
Balance at 01 July 2022	805 096	4 450 460	5 255 556	1 140 951	-	73 304	1 214 255	(5 778 570)	691 241
Loss for the year	-	-	-	-	-	-	-	(950 751)	(950 751)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	-	-	-	-	(950 751)	(950 751)
Issue of shares	118 880	662 951	781 831	-	-	-	-	-	781 831
Share for issue	218 819	922 132	1 140 951	(1 140 951)	-	-	(1 140 951)	-	-
Capital raise costs	-	(1 143)	(1 143)	-	-	-	-	-	(1 143)
Share-based payment expense – ESOP	-	-	-	-	-	34 944	34 944	-	34 944
Share-based payment expense – AFT	-	-	-	-	-	4 200	4 200	-	4 200
Issue of shares – Vested LTIP	2 194	10 431	12 625	-	-	(12 625)	(12 625)	-	-
Reserve arising from a business acquisition	-	-	-	-	1 086 409	-	1 086 409	-	1 086 409
Total contributions by and distributions to owners of company recognised directly in equity	339 893	1 594 371	1 934 264	(1 140 951)	1 086 409	26 519	(28 023)	-	1 906 241
Balance at 01 July 2023	1 144 989	6 044 831	7 189 820	-	1 086 409	99 823	1 186 232	(6 729 321)	1 646 731
Loss for the year	-	-	-	-	-	-	-	(330 109)	(330 109)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive Loss for the year	-	-	-	-	-	-	-	(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)	-	-
Total contributions by and distributions to owners of company recognised directly in equity	44 938	429 634	474 572	-	-	(2 461)	(2 461)	-	472 111
Balance at 30 June 2024	1 189 927	6 474 465	7 664 392	-	1 086 409	97 362	1 183 771	(7 059 430)	1 788 733
Notes	17	17	17			18			

*Restated as shown in note 1.19.



Statement of Cash Flows

		2024	2023
	Notes	R '000	Restated* R '000
Cash flows from operating activities			
Cash generated (utilised) from operations	29	434 755	(342 777)
Interest received	20	1 628 093	656 342
Interest expense	21	(237 500)	(72 240)
Tax received	27	3 548	-
Net cash from operating activities		1 828 896	241 325
Cash flows from investing activities			
Purchase of plant and equipment	10	(15 403)	(37 307)
Proceeds from sale of plant and equipment	10	182	619
Purchase of intangible assets	12	(5 125)	(1 183)
Proceeds on disposal of money market investments		-	89 563
Net cash paid on business combinations		-	(1 103 601)
Purchase of financial assets	7	(4 135 599)	(401 962)
Proceeds on maturity of financial assets	7	1 738 350	1 916 361
Net cash from investing activities		(2 417 595)	462 490
Cash flows from financing activities			
Proceeds on issue of share capital	17	477 136	490 486
Capital raise costs	17	(2 564)	(1 143)
Payment on lease liabilities	11	(8 918)	(10 669)
Net cash from financing activities		465 654	478 674
Total cash movement for the year		(123 045)	1 182 489
Cash and cash equivalents at the beginning of the year		1 608 848	426 358
Cash and cash equivalents at the end of the year	4	1 485 803	1 608 847

*Restated as shown in note 1.19.



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 IFRS Interpretations Committee issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa.

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

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

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

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

1.4 Significant judgements and sources of estimation uncertainty

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

a. Intangible assets acquired during a business combination

Valuations by nature involve the use of assumptions about various inputs into calculations, such as expected future cash flows and the weighted average cost of capital of the acquiree. Management exercised judgement when determining these assumptions and preparing these calculations for intangible assets acquired as part of the Retail Capital acquisition on December 2022 as well as when determining the appropriate valuation methodology to be applied.



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

Refer to notes 12 and 35.

b. Goodwill

The Bank tests whether goodwill has suffered any impairment on an annual basis. For the 2024 financial year the recoverable amount of the Cash Generating Unit ("CGU") was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The CGU refers to the Retail Capital business acquired on December 2022. Refer to notes 12 and 35.

c. Determination of the incremental borrowing rate

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

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

d. Capital work-in-progress

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

e. Impairment of non-financial assets

The Bank follows the guidance of IAS 36 Impairment of Assets to determine whether non-financial assets are impaired and significant judgement has been applied by the Bank in this regard. In evaluating whether the carrying amount of the asset exceeds the recoverable amount, the Bank has made estimates and assumptions. The Bank has made use of amongst others, internal (e.g. business plans and management's expectation of future performance) and external information to identify whether an

impairment indicator exists. Changes to these estimates and assumptions could cause a material adjustment to the carrying amount of these assets.

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

f. Recognition of deferred tax assets

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

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

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

h. Asset useful life and residual values

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

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

i. Expected credit losses

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

1.5 Financial instruments

Financial instruments held by the 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 cash flows represent 'solely payments of principal and interest' ('SPPI').



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

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

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

- Trade and other payables.
- Deposits received from customers

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

1.5.1 Recognition and measurement of financial instruments

Financial instruments are recognised when the 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, except for financial instruments at fair value through profit or loss where transaction costs are expensed.

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

a. Financial assets at amortised cost

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

The amortised cost is the amount recognised on the instrument initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method ('EIR') of any difference between the initial amount and the maturity amount, adjusted for any expected credit loss 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 expected credit loss allowance). The interest income is suspended (interest in suspense) for the duration that the financial asset is credit impaired.

b. Significant financial assets include:

Government bonds

Government bonds are held for collection of contractual cash flows where those cash flows represent solely payments of interest and payments of principal and interest 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 Bank, a division of First Rand Bank Limited and relate to guarantees on leases held over properties.

Treasury bills

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

Customer advances

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

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

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

Cash and cash equivalents

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



1.5.2 Impairments

The Bank evaluates its debt instruments classified at amortised cost for ECL's 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 6 months of successful payments.

Stage 2 – Under Performing Loans and Performing Loans with SICR Indication

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

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 6 instalments behind, and no payments have been received in the last 6 months; or
- accounts which go beyond 12 months in arrears for paying accounts.

1.5.3 Measurement of impairments

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

The measurement of ECL considers both the possibility of a credit loss occurring and the possibility of no credit loss occurring, even if the likelihood of a loss is low. Credit losses are calculated as the present value of all cash shortfalls—i.e., the difference between the cash flows due to the Bank under the contract and the cash flows 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 judgment and estimates are used in incorporating forward looking information into the SICR assessment and ECL calculation, as internal historical data is currently unavailable for this purpose.

Retail lending specific considerations

Given the early stage nature of the Bank's retail lending portfolio, an industry based model has been developed to assess the Probability of Default (PD) associated with specific credit scores. This model uses a sample set reflective of the 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 Loss Given Default (LGD) has been benchmarked against a range of banks operating within the South African market. For prudence, the LGDs applied are in line with the highest observed levels among competitors, until sufficient data from the Bank's own lending portfolio allows for more accurate calibration.

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

Business lending specific considerations

The Bank's Merchant Cash Advance (MCA) product is a flexible offering designed to align repayment expectations with the cash flow cycles and trading patterns of its clients. As such, it does not require fixed payments or have a predetermined contractual term. The 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 Probability of Default (PD) is then determined using a Hazard Rate methodology, which tracks client transitions through different delinquency stages to calculate the PD.

The Loss Given Default (LGD) for the 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 Exposure at Default (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 recognised at amortised cost.

Trade and other payables

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

Deposits received from customers

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



1.6 Plant and equipment

Plant and equipment are tangible assets which the 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 is initially measured at cost and is subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the 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
Kiosks	Straight line	5 years
Tools and equipment	Straight line	6 years
Generators	Straight line	15 years

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

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

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

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

1.7 Goodwill and other intangible assets

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

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

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

Recognition criteria are met when the 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,
- the availability of resources to complete the assets.

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

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



1.8 Inventories

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

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

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

1.9 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

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

Tax expenses

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

1.10 Leases

The 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.

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.

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.

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 incremental borrowing rate. To determine the incremental borrowing rate, 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.



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 cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

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

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

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

1.12 Share capital and equity

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

Ordinary shares are recognised at RO.10 each and classified as share capital in equity. Any amounts received from the issue of shares in excess of RO.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 Long Term Incentive Plan ('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)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period) and including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

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

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

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

1.14 Employee benefits

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

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

1.15 Provisions

Provisions are recognised when:

- the 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 cash flows. The revised carrying amount is determined by calculating the present value of the updated cash flows using the financial asset's original effective interest rate. Any resulting adjustment to the carrying value is recognised as interest income.

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

b. Fee and commission income

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

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

Fee income is recognised in a manner that reflects the transfer of promised services to customers, at an amount that represents the consideration the 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.

1.17 Translation of foreign currencies

Foreign currency transactions

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

At the end of the reporting period:

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

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

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

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

1.18 Prepayments

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

1.19 Restatements

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

1.19.1 Expected Credit Losses

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

In the current year, the Bank has updated its methodology to an arrears based definition using expected payment



equivalency. This enhancement of the methodology has been applied retrospectively, and as a result, the prior year's ECLs have been corrected to reflect the appropriate level of credit risk. The correction has been applied retrospectively to ensure the financial statements for 2023 reflect this adjustment accurately.

1.19.2 Cash and cash equivalents

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

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

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

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

1.19.4 Deposits from customers

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

1.19.5 Summary of the restatements

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

	Notes	As previously reported R'000	Restatement note 1.19.1 R'000	2023 Restatement note 1.19.2 R'000	Restatement note 1.19.4 R'000	Restated R'000
Statement of Financial Position						
Assets						
Cash and balances with SARB	4	1 644 120	-	(71 716)	-	1 572 404
Cash and balances with other banks	4	35 899	-	544	-	36 443
Customer advances	5	1 668 352	(132 875)	-	-	1 535 477
Receivables	6	193 852	-	71 172	-	265 024
Liabilities						
Deposits from customers	13	4 005 020	-	-	42 969	4 047 989
Trade and other payables	14	815 564	-	-	(42 969)	772 595
Equity						
Accumulated loss		(6 636 671)	132 875	-	-	(6 769 546)
Totals						
Total assets		6 667 999	(132 875)	-	-	6 535 124
Total liabilities		4 928 618	-	-	-	4 928 618
Total equity and liabilities		6 667 999	(132 875)	-	-	6 535 124

The prior year restated amounts for total assets and total liabilities differ from those presented on the face of the statement of financial position due to the deferred tax adjustment (refer to notes 12 and 35 for further details).



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

	Notes	As previously reported R'000	Restatement note 1.19.1 R'000	Restatement note 1.19.3 R'000	Restated R'000
Interest income	20	672 604	-	31 961	704 565
Net interest income		529 800	-	31 961	561 761
Fee and commission expense		(369 936)	-	(59 093)	(429 029)
Net fee and commission income	22	336 139	-	(59 093)	277 046
Credit impairment charge	23	(247 029)	(132 875)	-	(379 904)
Other operating expenses	25	(1 519 749)	-	27 132	(1 492 617)
Loss before taxation		(858 097)	(132 875)	-	(990 972)

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

	As previously reported R'000	Restatement note 1.19.1 R'000	2023 Restatement note 1.19.2 R'000	Restatement note 1.19.3 R'000	Restatement note 1.19.4 R'000	Restated R'000
Cash generated from operations	(239 644)	-	(71 172)	(31 961)	-	(342 777)
Net cash from operating activities	312 497	-	(71 172)	-	-	241 325
Total cash movement for the year	1 253 661	-	(71 172)	-	-	1 182 489
Cash and cash equivalents at the end of the year	1 680 019	-	(71 172)	-	-	1 608 847



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:

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

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

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

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

The impact of the amendment is not material.

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

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

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

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

The impact of the amendment is not material.

Definition of accounting estimates: Amendments to IAS 8

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

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

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

The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The 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 2024 or later periods:

Lack of exchangeability – amendments to IAS 21

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

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

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.

Supplier finance arrangements – amendments to IAS 7 and IFRS 7

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

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



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

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

Non-current liabilities with covenants – amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

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

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

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

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

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

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

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

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

	Notes	Amortised cost R '000	Total R '000
3. Financial instruments and risk management			
3.1. Categories of financial instruments			
2024			
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
		7 558 729	7 558 729
2023			
Receivables*	6	195 212	195 212
Government bonds	7	1 159 380	1 159 380
Treasury bills	7	734 153	734 153
Bank balances pledged	7	14 997	14 997
Customer advances*	5	1 535 477	1 535 477
Cash and cash equivalents*	4	1 608 847	1 608 847
		5 248 066	5 248 066

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

*The 2023 balance was restated, see note 1.19.



	Notes	Amortised cost R '000	Leases R '000	Total R '000
3.2. Categories of financial liabilities				
2024				
Trade and other payables	14	657 971	-	657 971
Deposits received from customers	13	6 288 842	-	6 288 842
Lease liability	11	-	20 962	20 962
		6 946 813	20 962	6 967 775
2023				
Trade and other payables*	14	769 709	-	769 709
Deposits received from customers*	13	4 047 989	-	4 047 989
Lease liability	11	-	33 295	33 295
		4 817 698	33 295	4 850 993

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

*The 2023 balance was restated, see note 1.19.

3.3. Capital risk management

The 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 shareholder returns.

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

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

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

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

3.4. Financial risk management

3.4.1. Overview

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

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

3.4.2. Credit risk

Credit risk is the risk of financial loss arising when a counterparty fails to meet its contractual obligations, either in part or in full. The 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.

In line with IFRS 9 standards, the Bank follows a comprehensive provisioning process to account for expected credit losses (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 Risk Appetite Statement, and the management of credit portfolios is conducted within this mandate. The mandate includes predefined risk triggers and limits, with specific response requirements linked

to credit granting. Risk triggers and limits are set based on credit loss outcomes that could impact the portfolio's return on capital, ensuring a proactive approach to managing credit losses and maintaining product level profitability.

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

		2024 Gross carrying amount	2024 Expected credit losses	2024 Net carrying amount	2023 Gross carrying amount	2023 Expected credit losses	2023 Net carrying amount
	Notes	R'000	R'000	R'000	R'000	R'000	R'000
Receivables*	6	201 794	-	201 794	195 212	-	195 212
Financial assets	7	3 949 010	(813)	3 948 197	1 908 817	(287)	1 908 530
Government bonds		1 167 101	(240)	1 166 861	1 159 554	(174)	1 159 380
Bank balances pledged		15 000	(3)	14 997	15 000	(3)	14 997
Treasury bills		2 766 909	(570)	2 766 339	734 263	(110)	734 153
Customer advances*	5	2 321 845	(398 910)	1 922 935	1 863 942	(328 465)	1 535 477
Business lending	5	2 204 277	(384 370)	1 819 907	1 860 954	(326 681)	1 534 273
Retail lending	5	117 568	(14 540)	103 028	2 988	(1 784)	1 204
Cash and cash equivalents*	4	1 486 124	(321)	1 485 803	1 609 182	(335)	1 608 847
		7 958 773	(400 044)	7 558 729	5 577 153	(329 087)	5 248 066

*The 2023 balance was restated, see note 1.19.

a. Treasury bills and government bonds

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

b. Receivables

Receivables primarily consist of cash in transit and joint operations. 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 expected credit losses have 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 expected credit losses by evaluating the counterparty credit rating of the institution where the pledged funds are maintained.

d. Money market investments

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



e. Customer advances

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

Credit risk rating

The 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 fed into this rating model and an affordability assessment, which is a key component of the credit risk decision, is undertaken in line with regulatory guidelines. This approach enables expert judgement from the Credit Risk Officer to develop future internal credit rating for exposure to the customer advances. The payment behaviour of customers are monitored and documented in developing this internal credit rating behavioural credit score grading.

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

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

Measurement of ECLs

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

- Customer advances that are not credit-impaired on initial recognition are classified in Stage 1 and credit risk is continuously monitored by the Bank against its significant increase in credit risk ('SICR') criteria;

- If a significant increase in credit risk since initial recognition is identified, the customer advance is moved to Stage 2 but is not yet deemed to be credit-impaired; and
- If the customer advances become credit-impaired, these advances move to Stage 3.

Definition of default

The 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 cash flow 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 South African Reserve Bank.

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 Bank's Risk Appetite Statement (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.



The Bank's Asset and Liability Management Committee (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 and ensures that there are assets available to be used as collateral if needed

- performs regular stress tests
- maintains a contingency funding plan and recovery plan designed to provide a framework where liquidity stress could be effectively managed.

The table below analyses the 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 cash flows. Balances due within 12 months equal their carrying balances where the impact of discounting is not significant.

	Notes	Less than 1 month R'000	1-3 months R'000	3 months to 1 year R'000	1-5 years R'000	5+ years R'000	Non contractual R'000	Total R'000
2024								
Financial assets								
Cash and cash equivalents		1 470 803	15 000	-	-	-	-	1 485 803
Customer advances		404 133	536 242	937 117	45 443	-	-	1 922 935
Financial assets		366 432	231 937	2 288 259	501 072	560 497	-	3 948 197
Receivables		263 539	-	-	-	-	-	263 539
		2 504 907	783 179	3 225 376	546 515	560 497	-	7 620 474
Financial liabilities								
Deposits received from customers		4 564 519	353 084	1 371 239	-	-	-	6 288 842
Trade and other payables		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
Net liquidity Gap		(2 658 691)	427 829	1 783 868	539 197	560 497	-	652 699
Cumulative liquidity gap		(2 658 691)	(2 230 863)	(446 995)	92 202	652 699	-	-
2023								
Financial assets								
Cash and cash equivalents*		1 608 847	-	-	-	-	-	1 608 847
Customer advances*		289 057	367 004	879 416	-	-	-	1 535 477
Financial assets		107 100	268 175	258 799	234 781	1 024 962	14 713	1 908 530
Receivables*		265 024	-	-	-	-	-	265 024
		2 270 028	635 179	1 138 215	234 781	1 024 962	14 713	5 317 878
Financial liabilities								
Deposits received from customers*		3 696 898	82 458	268 633	-	-	-	4 047 989
Trade and other payables*	14	769 935	-	-	-	-	-	769 935
Lease liability	11	1 256	3 785	10 588	23 620	-	-	39 249
		4 468 089	86 243	279 221	23 620	-	-	4 857 173
Net liquidity Gap		(2 198 061)	548 936	858 994	211 161	1 024 962	14 713	460 705
Cumulative liquidity gap		(2 198 061)	(1 649 125)	(790 131)	(578 970)	445 992	460 705	-

*The 2023 balance was restated, see note 1.19.



3.4.4. Market risk

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

Market risk consists of the following categories:

- Foreign currency risk and
- Interest rate risk.

3.4.4.1. Foreign currency risk

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

3.4.4.2. Interest rate risk

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

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

The 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 on the customer's respective tier. Term deposit vary between 9% and 11% per annum.

Interest rate repricing

In managing interest rate repricing risk, the 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 2024, it is estimated that a general increase of 1% in interest rates would enhance the Bank's annual profit by R15 972 643 (2023: R13 970 000), while a general decrease of 1% would result in a corresponding decrease of R15 972 643 (2023: R13 970 000). Additionally, such fluctuations would similarly affect the Bank's equity, in alignment with the annual profit sensitivity analysis. The sensitivity analysis encompasses assets including treasury bills, bank balances, and customer advances, as well as liabilities such as term deposits and other payables.

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2024	2023 Restated*
	R '000	R '000
Balances with the South African Reserve Bank (SARB)*	1 466 861	1 572 724
Balances with other banks*	19 263	36 458
Gross cash and cash equivalents	1 486 124	1 609 182
Expected Credit Loss (Stage 1) – SARB	(286)	(320)
Expected Credit Loss (Stage 1) – Other banks	(35)	(15)
Net cash and cash equivalents	1 485 803	1 608 847
Net cash and balances with SARB*	1 466 575	1 572 404
Net cash and balances with other banks*	19 228	36 443
	1 485 803	1 608 847

*The 2023 balance was restated, see note 1.19.



Balances with the South African Reserve Bank include minimum reserve requirements of R171 014 223 (2023: R102 650 469). The ECL is raised on credit risk arising from counterparties with whom the cash and cash equivalents are held. All 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, First National Bank, Standard Bank, Investec Bank, Mercantile Bank and the South African Reserve Bank.

	2024	2023 Restated*
	R '000	R '000
Credit rating – Fitch		
ABSA Bank: BB-	67	-
First National Bank: BB-*	4 244	6 575
Investec: BB-	7	2
Nedbank: BB-	79	81
Standard Bank: BB-	14 866	29 800
South African Reserve Bank: BB-*	1 466 861	1 572 724
	1 486 124	1 609 182

All balances are realisable within 12 months.

*The 2023 balance was restated, see note 1.19.

5. Customer advances

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

Business lending*	2 204 277	1 860 954
Retail lending	117 568	2 988
Gross customer advances	2 321 845	1 863 942
Expected credit losses – Business lending*	(384 370)	(326 681)
Expected credit losses – Retail lending	(14 540)	(1 784)
Net customer advances	1 922 935	1 535 477

*The 2023 balance of the expected credit losses and gross carrying amount for business lending was restated, see note 1.19.



	Stage 1 12 Month ECL R'000	Stage 2 Lifetime ECL R'000	Stage 3 Lifetime ECL R'000	Total R'000
Analysis of Business lending by stages – 2024				
Gross customer advances	1 365 709	657 486	181 082	2 204 277
Expected credit losses	(83 703)	(167 799)	(132 868)	(384 370)
Net customer advances	1 282 007	489 687	48 213	1 819 907
ECL coverage %	6.1%	25.5%	73.4%	17.4%
Reconciliation of gross business lending				
Opening balance – 1 July 2023	1 543 810	274 866	10 887	1 829 563
Prior year adjustments	(454 015)	352 029	133 377	31 391
New advances	3 194 849	-	-	3 194 849
Income accrued for the year	866 666	31 863	20 191	918 720
Transfers	(486 808)	91 178	395 630	-
Stage 1 to Stage 2	(158 364)	158 364	-	-
Stage 1 to Stage 3	(329 285)	-	329 285	-
Stage 2 to Stage 3	-	(68 308)	68 308	-
Stage 2 to Stage 1	733	(733)	-	-
Stage 3 to Stage 1	108	-	(108)	-
Stage 3 to Stage 2	-	1 855	(1 855)	-
Repayments and settlements	(3 298 793)	(92 450)	(95 238)	(3 486 481)
Write-offs	-	-	(283 765)	(283 765)
Closing balance – 30 June 2024	1 365 709	657 486	181 082	2 204 277
Reconciliation of business lending expected credit losses				
Opening balance – 1 July 2023	(106 284)	(51 943)	(4 189)	(162 416)
Prior year adjustment	31 225	(87 893)	(98 708)	(155 376)
New advances	(119 542)	-	-	(119 542)
Transfers	22 148	(56 014)	(341 926)	(375 792)
Stage 1 to Stage 2	7 193	(70 541)	-	(63 348)
Stage 1 to Stage 3	14 955	-	(294 263)	(279 308)
Stage 2 to Stage 3	-	15 237	(48 985)	(33 748)
Stage 3 to Stage 2	-	(710)	1 322	612
Remeasurements	41 668	10 906	(21 118)	31 456
Repayments and settlements	47 082	17 145	58 076	122 303
Write-offs	-	-	274 997	274 997
Closing balance – 30 June 2024	(83 703)	(167 799)	(132 868)	(384 370)



	Stage 1 12 Month ECL R'000	Stage 2 Lifetime ECL R'000	Stage 3 Lifetime ECL R'000	Total R'000
Analysis of Retail lending by stages – 2024				
Gross customer advances	107 996	4 958	4 614	117 568
Expected credit losses	(9 667)	(802)	(4 071)	(14 540)
Net customer advances	98 329	4 156	543	103 028
ECL coverage %	9.0%	16.2%	88.2%	12.4%
Reconciliation of gross retail lending				
Opening balance – 1 July 2023	1 279	563	1 146	2 988
New advances	278 960	-	-	278 960
Income accrued for the year	17 069	1 334	846	19 249
Transfers	(15 143)	6 615	8 528	-
Stage 1 to Stage 2	(15 665)	15 665	-	-
Stage 1 to Stage 3	(70)	-	70	-
Stage 2 to Stage 3	-	(8 566)	8 566	-
Stage 2 to Stage 1	590	(590)	-	-
Stage 3 to Stage 1	2	-	(2)	-
Stage 3 to Stage 2	-	106	(106)	-
Repayments and settlements	(173 252)	(3 432)	(1 967)	(178 651)
Write-offs	(34)	(122)	(3 939)	(4 095)
MoreTyme Deferred income–Merch	(883)	-	-	(883)
Closing balance – 30 June 2024	107 996	4 958	4 614	117 568
Reconciliation of retail lending expected credit losses*				
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
Closing balance – 30 June 2024	(9 667)	(802)	(4 071)	(14 540)



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

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

All balances are realisable within 12 months.



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

6. Receivables

Financial instruments: held at amortised cost

Receivables***	73 689	27 309
Receivables – related parties	80	3 741
Deposits paid to suppliers	3 010	3 010
Cash in transit *	125 015	161 152
	201 794	195 212

Non-financial instruments:

Value Added Tax	2 199	4 973
Prepayments**	59 546	64 839
Total trade and other receivables	263 539	265 024

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

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

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

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



7. Financial assets

	2024	2023
	R '000	R '000
Government bonds	1 167 101	1 159 554
Bank balances pledged	15 000	15 000
Treasury bills	2 766 909	734 263
Gross financial assets	3 949 010	1 908 817
Expected Credit Loss (Stage 1) – Government bonds	(240)	(174)
Expected Credit Loss (Stage 1) – Bank balances pledged	(3)	(3)
Expected Credit Loss (Stage 1) – Treasury bills	(570)	(110)
Net financial assets	3 948 197	1 908 530
Net financial assets – Government bonds	1 166 861	1 159 380
Net financial assets – Bank balances pledged	14 997	14 997
Net financial assets – Treasury bills	2 766 339	734 153
Net financial assets	3 948 197	1 908 530
Split between non-current and current portions		
More than 12 months	1 166 861	1 159 380
Less than 12 months	2 781 336	749 150
	3 948 197	1 908 530

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

Government bonds

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

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

Bank balances pledged

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

Beneficiary

	Amount	Expires
Spareprops Proprietary Limited (Head office)	15 000	31 July 2026
	15 000	

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-.

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



8. Current tax receivable

	2024	2023
	R '000	R '000
Amount receivable from South African Revenue Services (SARS)	9 434	12 789
Amount payable to South African Revenue Services (SARS)	(2 341)	(2 148)
	7 093	10 641

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

9. Inventories

Customer card stock	31 163	40 111
---------------------	--------	--------

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

Write downs of customer card stock for the period amounted R1 930 984 (2023: R1 898 776). 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.

10. Plant and equipment

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



	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Reconciliation of plant and equipment – 2024						
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
	113 665	15 403	(182)	-	(27 156)	101 730

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

Plant and equipment encumbered as security

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

Changes in estimates

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



Impairment loss

The 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 2 to 5 years, with monthly payments that feature escalation clauses of 8% to 10% per annum. The incremental borrowing rates used in the lease calculations range from 10.91% to 12.91%. Furthermore, the 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 recognize right of use assets and lease liabilities; instead, lease payments are recorded as an expense over the lease term.

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

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

Reconciliation of right-of-use assets - 2024

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

Reconciliation of right-of-use assets - 2023

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



Lease liabilities

The maturity analysis of lease liabilities is as follows:

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

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

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

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

12. Goodwill and other intangible assets

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



	Opening balance R'000	Additions R'000	Amortisation R'000	Total R'000
Reconciliation of goodwill and other intangible assets – 2024				
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
	1 060 921	5 125	(31 116)	1 034 930

	Opening balance R'000	Additions R'000	Additions through business combinations R'000	Deferred tax on cost of acquisition R'000	Amortisation R'000	Total R'000
Reconciliation of goodwill and other intangible assets – 2023						
Trademarks	-	-	82 663	-	(6 027)	76 636
Internally generated software	-	1 183	18 048	-	(3 617)	15 614
Customer relationships	-	-	52 000	-	(7 583)	44 417
Goodwill	-	-	884 035	40 219	-	924 254
	-	1 183	1 036 746	40 219	(17 227)	1 060 921

Goodwill and intangible assets acquired in the Retail Capital business combination, which has been designated as a Cash Generating Unit (CGU), are tested for impairment annually in accordance with the 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.

The Bank applied the practical expedient allowed under IFRS 3 when Retail Capital was acquired. During the current financial year, the Bank finalised the allocation of predecessor values, specifically relating to deferred tax on intangible assets acquired. As a result, the carrying value of goodwill was adjusted by an additional R40 219 299 in the prior year. This adjustment reflects the finalisation of the asset valuation within the 12 month window permitted post acquisition. Refer to notes 16 and 35.

Impairment testing of goodwill

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

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

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

Loan growth

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



Expected credit losses

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

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Bank and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the 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 have also been included in the calculation of WACC. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

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

Market share assumptions

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



13. Deposits from customers

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

*The 2023 balance was restated, see note 1.19.

All balances are payable within 12 months.

14. Trade and other payables

Financial instruments:		
Trade payables	5 471	3 779
Trade payables – related parties	-	15 209
Settlements payable *	585 206	383 177
Unsettled trades **	-	308 954
Accrued expense	67 293	58 590
	657 970	769 709
Non-financial instruments:		
Income received in advance	-	2 441
Value Added Tax	-	440
	657 970	772 590

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

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

All balances are payable within 12 months.

Financial instrument and non-financial instrument components of trade and other payables		
At amortised cost	657 970	769 709
Non-financial instruments	-	2 881
	657 970	772 590



15. Provisions

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

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

	2024 R'000	2023 R'000
Deferred tax liability	-	(40 219)
Deferred tax asset	-	40 219
Total net deferred tax asset	-	-



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

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

For presentation purposes, the 2023 figures reflect the deferred tax liability and the corresponding deferred tax asset, as the PPA has now been finalised. This ensures that there is no net deferred tax impact from the finalisation of the acquisition. Refer to note 35.1 for further details.

	2024	2023
	R '000	R '000
Unrecognised deferred tax asset		
Deductible temporary differences not recognised as deferred tax assets	24 556	72 223
Unused tax losses not recognised as deferred tax assets	1 743 038	1 640 437
	1 767 594	1 712 660

17. Share capital

Authorised

100 000 000 000 Ordinary shares of R0.10 each

10 000 000 10 000 000

Reconciliation of number of shares issued:

Balance - 1 July

11 490 820 10 239 149

Issue of shares

449 385 1 251 671

Balance - 30 June

11 940 205 11 490 820

Reconciliation of share capital issued

Balance - 1 July

1 144 989 805 096

Issue of shares - ordinary shares

44 938 339 893

Balance - 30 June

1 189 927 1 144 989

Reconciliation of share premium

Balance - 1 July

6 044 831 4 450 460

Issue of shares

432 198 1 595 514

Less: Capital Raise Costs

(2 564) (1 143)

Balance - 30 June

6 474 465 6 044 831

Issued

Ordinary shares of R0.10 each

1 189 927 1 144 989

Share premium

6 474 465 6 044 831

7 664 392 7 189 820

All shares issued were fully paid at year end.



18. Equity settled share-based payment reserve

	2024	2023
	R '000	R '000
Employee share appreciation rights scheme	43 568	46 029
Purchase of shares by African Fig Tree Investments Limited	53 794	53 794
	97 362	99 823

19. Equity settled share based payments

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

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

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

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

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



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

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

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

b. Replacement Long Term Incentive Plan (equity settled)

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

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



Reconciliation of number of share units allocated

	Allocation 1 Performance units R'000	Allocation 2 Performance units R'000	Allocation 3 Performance units R'000	Allocation 4 Restricted units R'000	Allocation 5 Restricted units R'000	Allocation 6 Restricted units R'000	Allocation 7 Performance units R'000	Allocation 7A Performance units R'000	Total R'000
Opening balance – 30 June 2021	44 286	-	-	-	-	-	-	-	44 286
Additional SARs awarded	39 845	27 454	-	-	-	-	-	-	67 299
Vested during the year	(10 912)	-	-	-	-	-	-	-	(10 912)
Forfeited	(3 473)	(658)	-	-	-	-	-	-	(4 131)
Balance at 26 June 2022	69 746	26 796	-	-	-	-	-	-	96 542
ESOP units cancelled	(69 746)	(26 796)	-	-	-	-	-	-	(96 542)
Replacement units issued – as previously reported	74 367	26 796	-	-	-	-	-	-	101 163
Replacement units issued – correction	(3 263)	-	-	-	-	-	-	-	(3 263)
New SARs issued – as previously reported	15 866	6 524	8 790	-	-	-	-	-	31 180
Balance – 30 June 2022 corrected	86 970	33 320	8 790	-	-	-	-	-	129 080
New awards	-	-	-	14 830	-	-	-	-	14 830
Vested	(23 472)	-	-	-	-	-	-	-	(23 472)
Forfeited	-	(1 441)	-	-	-	-	-	-	(1 441)
Balance – 30 June 2023	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)
Balance – 30 June 2024	34 370	21 150	7 408	14 830	2 259	3 771	26 765	11 396	121 949



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

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

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

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

c. Measurement of fair values

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

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



d. Expense recognised in profit or loss

For details of the related employee benefit expenses, see note 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

	2024	2023
	R '000	Restated* R '000
Interest income		
Customer advances	954 515	470 790
Government bonds	105 582	105 294
Treasury bills	168 835	75 277
SARB interest	52 375	39 904
Bank and other cash*	2 062	11 289
Interest recognised on fair value instruments		
Money market investment	-	2 011
Total interest income	1 283 369	704 565

*The 2023 balance was restated, see note 1.19.

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

21. Interest expense

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

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



22. Net fee and commission income

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

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

* The 2023 balance was restated, see note 1.19.

23. Credit impairment charge

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

* The 2023 balance was restated, see note 1.19.

24. Other operating gains (losses)

Losses on disposal of plant and equipment	10	(517)	(37)
Fees earned - non-banking services		34 447	44 014
Net foreign exchange loss		(406)	(1 235)
		33 524	42 742

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



25. Operating profit (loss)

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

	2024	2023 Restated*
	R '000	R '000
External audit fees	12 533	9 838
Consulting and professional services	175 484	164 037
Employee costs		
Salaries, bonuses and other benefits	442 697	380 399
Share based compensation benefits – LTIP	23 721	34 944
Share based compensation benefits – AFT	2 100	4 200
Total employee costs	468 518	419 543
Depreciation and amortisation		
Depreciation of plant and equipment	27 156	19 774
Depreciation of right-of-use assets	10 584	10 007
Amortisation of intangible assets	31 116	17 801
Total depreciation and amortisation	68 856	47 582
Non-claimable VAT		
Value Added Tax	29 654	46 736

The non-claimable Value Added Tax (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.

Expenses by nature

The total operating expenses are analysed by nature as follows:

Acquisition costs in business combination	1 721	8 737
Bank charges	4 811	3 032
Card losses	1 729	1 743
Consulting and professional fees	175 484	164 037
Customer card costs	57 883	67 648
Depreciation, amortisation and impairment	68 856	47 582
Employee costs	468 518	419 543
External audit fees	12 533	9 838
Facilities expense	1 533	1 859
Fraud and operational risk losses	8 647	4 205
Insurance	5 314	2 800
Local and foreign travel costs	5 238	6 022
Marketing	92 164	119 441
Membership fees	34 957	5 751
Non-claimable VAT	29 654	46 736
Office consumables	1 547	4 107
Outsourced services*	312 442	312 818
Partnership fees***	3 000	28 499
Postage and stationery	2 348	6 501
Rental expense	2 769	2 243
Repairs and maintenance	8 744	12 823
Technology costs**	308 643	213 630
Telephone	4 222	2 406
Transfer tax	34	615
	1 612 791	1 492 616

*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.

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



26. Taxation

	2024 R '000	2023 Restated* R '000
Major components of the tax expense		
Deferred		
Deferred tax	-	(40 219)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting (loss)*	(330 109)	(990 970)
Tax at the applicable tax rate of 27%	(89 129)	(267 562)
Tax effect of adjustments on taxable income		
Non-deductible expenses	7 914	16 395
Tax losses benefit not recognised*	81 215	210 948
Deferred tax on cost of acquisition	-	-
	-	(40 219)

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

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

* The 2023 balance was restated, see note 1.19.

27. Tax refunded

Balance at beginning of the year	10 641	10 641
Balance at end of the year	(7 093)	(10 641)
	3 548	-

28. Joint operations

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

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

Purchase of kiosks	4 615	20 276
Card stock on hand	3 147	8 500
Kiosk management	60 508	58 537
Other operating costs	22 539	44 466



29. Cash generated from (used in) operations

	2024	2023 Restated*
	R '000	R '000
Loss before taxation*	(330 109)	(990 970)
Adjustments for non-cash items:		
Depreciation and amortisation	68 856	41 647
Gains on sale of assets and liabilities	(516)	-
Losses on exchange differences	406	1 235
Movements in provisions	(14 732)	(14 901)
Movement in impairment and expected credit losses*	71 258	386 371
Share based payment expense	25 821	39 143
Right-of-use assets derecognised	420	-
Adjust for items which are presented separately:		
Interest income	(1 283 369)	(704 565)
Interest expense	237 500	142 804
Changes in working capital:		
Decrease (increase) in inventories	8 948	(21 828)
Decrease (increase) in receivables*	1 485	(115 820)
(Decrease) increase in trade and other payables*	(114 618)	597 430
Decrease in customer advances*	(477 449)	(472 594)
Increase in deposits from customers*	2 240 854	769 271
	434 755	(342 777)

* The 2023 balance was restated, see note 1.19.



30. Related parties

Relationships

Members of key management (includes immediate family members)	The Directors and Executive committee are considered members of key management
Ultimate holding company	Ubuntu-Botho Investments Proprietary Limited
Holding company	Tyme 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
Entities within the Tyme Group with which the Bank transacts	Tyme Limited Tyme Group Pte Limited Tyme Tribe Fintech Pte Limited
Entities where key management personnel hold interests	Iconyc One Limited African Fig Tree Investments Limited Tyme Group Pte Limited Tyme SA Holdings Proprietary Limited Tyme Asia Holdings Pte. Ltd

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

These represent costs recovered from Tyme Group entities.



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

*These are primarily technology related costs.

Interest paid		
Key management personnel	130	20
Compensation of the key management personnel		
Salaries and other short-term benefits	63 483	61 591
Share-based payments	5 994	12 624

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, a contract was concluded between the Bank and Tyme Limited. The purpose of the contract is to provide right of use of intellectual property by Tyme Limited to the Bank.

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

CJ Jonker was appointed as a director of both the Bank and Tyme Bank Holdings Limited. He is also a director of Tyme Limited and African Fig Tree Investments Limited. CJ Jonker has direct investments in Tyme Limited and African Fig Tree Investments Limited, which has duly been noted by the Board. African Fig Tree Investments Limited holds 11.87% in Tyme Group Pte Limited (2023: 13.3% in Tyme Bank Holdings Limited, the sole shareholder of the Bank).



31. Directors' / Prescribed Officers emoluments

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

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



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

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



32. Going concern

We draw attention to the fact that at 30 June 2024, the Bank had accumulated losses of R7 059 429 760 (2023: R6 729 321 099) and incurred a loss of R330 108 666 (2023: R950 751 265) for the year then ended. These losses substantially represent Bank establishment and build costs. The ability of the Bank to continue as a going concern is dependent on ongoing procurement of capital and funding for the operations of the Bank.

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

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

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. The financial statements are prepared on a going concern basis, assuming ongoing access to capital and funding and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

33. Subsequent events

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

34. Contingencies

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

In the ordinary course of business, the 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.

35. Business combinations

35.1. Acquisition of Retail Capital

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

Plant and equipment which includes leasehold improvements, office equipment and computer equipment were recognised at their book values (cost less accumulated depreciation). No upward adjustment was made to these assets as their book value is considered to be representative of the fair value. Intangible assets have been recognised at their fair values. Refer to note 35.2.

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

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

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

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

As such, differences due to information obtained after the acquisition date were not expected to result in an adjustment to the provisional amounts recognised, with the exception of the deferred taxation implications of the transaction which the Bank had



anticipated having an impact of between R43 million and R46 million upon conclusion of the measurement period.

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

Deferred Tax liability recognised on acquisition of Retail Capital (see note 16)	40 219
Increase in Goodwill recognised (see note 12)	40 219

35.2. Predecessor value of assets acquired and liabilities assumed

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



35.3.Acquisition date fair value of consideration paid

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

35.4.Equity issued as part of consideration paid

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

35.5.Receivables acquired

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

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



