



**BASEL
PILLAR III
DISCLOSURE AS
AT
31 MARCH 2020**

It's Tyme for a new way of banking.

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



Scope

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

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

This document complies with Regulation 43 of the Regulations relating to Banks (where not superseded by the revised Pillar 3 disclosure requirements), the BCBS Pillar 3 disclosure requirements and the directive. It presents information on the capital adequacy, risk-weighted assets (RWAs), and calculations for credit, market, and operational risks for the period under review January 2020 to March 2020.

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

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

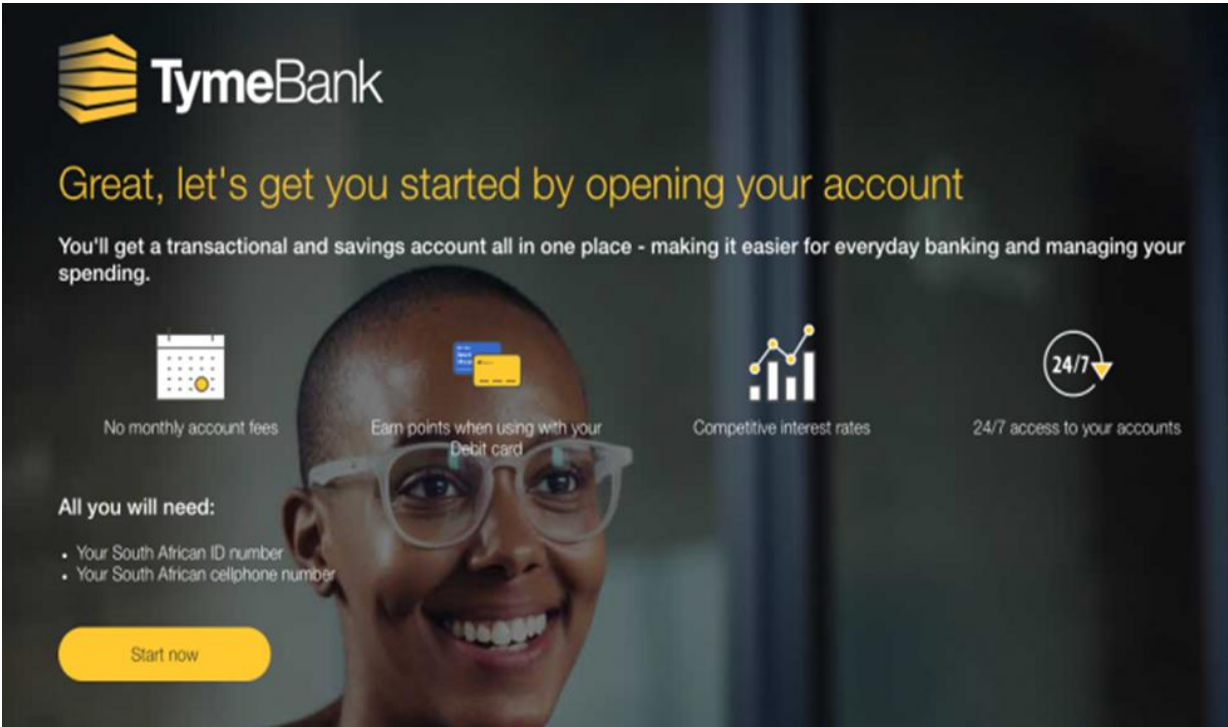
For the period under review, Tyme Bank has not undertaken any securitisation transactions and does not have counterparty credit risk exposures relating to derivatives. For this reason, disclosures relating to these activities are not applicable and have been excluded from this report.

For the period under review (January 2020 to March 2020), the group continues to maintain a robust capital, liquidity and funding position. Throughout the period, the CET1 ratio was always consistently well in excess of regulatory minimum capital adequacy requirements.

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

Assurance





This document is prepared in accordance with Tyme Bank's Public Disclosure Policy and has been reviewed by senior Management and by members of Exco. For the reporting period, the Board is satisfied that this document provides an accurate view of the bank's capital position and that the bank is well capitalised above the prescribed regulatory required capital limits as well as the Board approved Risk Appetite Statement (RAS) and trigger limits. The information in this report has undergone a review by internal audit and senior management.



TymeBank

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

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-  Earn points when using with your Debit card
-  Competitive interest rates
-  24/7 access to your accounts

All you will need:

- Your South African ID number
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1. Key metrics (at consolidated level)

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

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

At 31 March 2020 R'000	Group				
	a	b	c	d	e
	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	407 000	428 693	463 880	590 065	485 450
1a Fully loaded ECL accounting model	407 000	428 693	463 880	590 065	485 450
2 Tier 1	407 000	428 693	463 880	590 065	485 450
2a Fully loaded accounting model Tier 1	407 000	428 693	463 880	590 065	485 450
3 Total capital	407 000	428 693	463 880	590 065	485 450
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	538 395	555 922	456 469	479 324	576 318
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	75.60	77.11	101.62	123.10	84.23
5a Fully loaded ECL accounting model CET1 (%)	75.60	77.11	101.62	123.10	84.23
6 Tier 1 ratio (%)	75.60	77.11	101.62	123.10	84.23
7 Total capital ratio (%)	75.60	77.11	101.62	123.10	84.23
7a Fully loaded ECL accounting model total capital ratio (%)					
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	-	-	-	-	-
10 Bank D-SIB additional requirements (%)	-	-	-	-	-
Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50	2.50	2.50	2.50	2.50
CET1 available after meeting the bank's minimum capital requirements (%) ¹	73.10	74.61	91.12	112.60	73.73
Basel III Leverage Ratio					
13 Total Basel III leverage ratio measure	1 334 905	1 081 056	952 168	945 389	727 693
14 Basel III leverage ratio (%) (row 2/row 13)	30.49	39.66	48.72	62.42	66.71
Fully loaded ECL accounting model Basel III leverage ratio (%) (row 14a 2A/row 13)					
Liquidity Coverage Ratio					
15 Total HQLA	481 529	348 435	261 836	144 011	156 252
16 Total net cash outflow	13 091	9 155	7 177	998	687
17 LCR ratio (%) ²	3 678.25	3 805.90	3 648.19	14 436.11	22 759.02
Net Stable Funding Ratio					
18 Total available stable funding	4 927 581	4 383 335	3 846 058	3 499 670	3 183 902
19 Total required stable funding	4 092 809	3 762 256	3 288 461	2 991 711	2 895 392
20 NSFR ratio (%) ³	120.40	116.51	116.96	116.98	109.96

Notes:

- 1 The minimum capital requirements disclosed excludes any D-SIB or Pillar 2B requirements
- 2 Refer to page 35 for LIQ1 : Liquidity Coverage Ratio template and commentary.
- 3 Refer to page 37 for LIQ2 : Net Stable Funding Ratio template and commentary.

Key metrics are monitored daily and incorporated as part of the bank's additional early warning indicators (EWIs) to ensure the continuous monitoring and evaluation of the bank's liquidity and capital adequacy positions. This is also part of the bank's going-concern planning through the Contingency Funding Plan (CFP), the Business Continuity Plan (BCP) as well as the bank's Recovery Plan strategies and processes.

The Group consolidated requirements are reported in line with section 42 of the Banks Act and the minimum standards in respect of consolidated supervision prescribed by regulation 36 and in compliance with all directives, instructions and requirements relating to the Bank. Tyme Bank Limited (Bank Solo) is the only

banking entity in the group, and ratios pertaining to the group are therefore driven off the inflows and outflows from the bank.

2. Composition of Risk Weighted Assets (RWA)

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

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

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

At 31 March 2020		Group			
		a	b		c
		Risk-weighted assets			* MCR
R'000		31-Mar-20	31-Dec-19	30-Sep-19	31-Mar-20
1	Credit risk (excluding counterparty credit risk) 1	282 733	300 974	273 627	29 687
2	Of which: standardised approach (SA)	282 733	300 974	273 627	29 687
20	Market risk	141	123	24	15
21	Of which: standardised approach (SA)	141	123	24	15
22	Of which: internal model approaches (IMA)				
23	Capital charge for switch between trading book and banking book				
24	Operational risk 2	174 153	174 153	182 818	18 286
25	Amounts below thresholds for deduction (subject to 250% risk weight)				
26	Floor adjustment				
27	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26)	457 027	475 250	456 469	47 988

* Minimum capital requirements (MCR) based on Base requirement (8%); Pillar 2A add-on relaxed from 1% to 0%, D2_2020 & Conservation buffer (2.5%)

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

At 31 March 2020		Bank			
		a	b		c
		Risk-weighted assets			* MCR
R'000		31-Mar-20	31-Dec-19	30-Sep-19	31-Mar-20
1	Credit risk (excluding counterparty credit risk) 1	282 740	300 278	271 463	29 688
2	Of which: standardised approach (SA)	282 740	300 278	271 463	29 688
20	Market risk	141	123	24	15
21	Of which: standardised approach (SA)	141	123	24	15
22	Of which: internal model approaches (IMA)				
23	Capital charge for switch between trading book and banking book				
24	Operational risk 2	152 981	152 981	172 458	16 063
25	Amounts below thresholds for deduction (subject to 250% risk weight)				
26	Floor adjustment				
27	Total (1+6+10+11+12+13+14+15+16+20+23+24+25+26)	435 862	453 382	443 944	45 766

* Minimum capital requirements (MCR) based on Base requirement (8%); Pillar 2A add-on relaxed from 1% to 0%, D2_2020 & Conservation buffer (2.5%)

- Credit RWA decreased due to a reduction in cash placed with local banks. Cash utilised to acquire government securities, Treasury bills.
- Operational RWA remain unchanged quarter on quarter and will be recalculated at year-end June 2020.
- Uptick in market risk due to an increase in the bank's open foreign currency position held at month-end caused by foreign vendor invoices not settled by month-end.

3. Leverage ratio

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

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

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

At 31 March 2020 R'000	Group	Bank	Group	Bank
	31-Mar-20		31-Dec-19	
1 Total consolidated assets as per published financial statements	1 358 834	1 358 776	1 125 762	1 125 676
2 Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-	-	-
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-	-
4 Adjustments for derivative financial instruments	-	-	-	-
5 Adjustment for securities financing transactions (ie repos and similar secured lending)	-	-	-	-
6 Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	-	-	-	-
7 Other adjustments	23 929	23 929	44 706	44 706
8 Leverage ratio exposure measure	1 334 905	1 334 847	1 081 056	1 080 969

The table above provides a reconciliation of the total assets as reported to the PA, to the leverage ratio exposure measure, for quarter ended 31 March 2020.

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

At 31 March 2020

R'000	Group		Bank	
	a	b	a	b
	31-Mar-20	31-Dec-19	31-Mar-20	31-Dec-19
On-balance sheet exposures				
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1 358 834	1 125 762	1 358 776	1 125 676
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	23 929	44 706	23 929	44 706
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of row 1 and 2)	1 334 905	1 081 056	1 334 847	1 080 970
Derivative exposures				
4 Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-	-	-
5 Add-on amounts for PFE associated with <i>all</i> derivatives transactions	-	-	-	-
6 Gross-up for derivatives collateral provide where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-
7 (Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-	-
8 (Exempted CCP leg of client-cleared trade exposures)	-	-	-	-
9 Adjusted effective notional amount of written credit derivatives	-	-	-	-
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-
11 Total derivative exposures (sum of rows 4 to 10)	-	-	-	-
Securities financing transactions				
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-	-	-
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-
14 CCR exposure for SFT assets	-	-	-	-
15 Agent transaction exposures	-	-	-	-
16 Total securities financing transaction exposures (sum of rows 12 to 15)	-	-	-	-
Other off-balance sheet exposures				
17 Off-balance sheet exposure at gross notional amount	-	-	-	-
18 (Adjustments for conversion to credit equivalent amounts)	-	-	-	-
19 Off-balance sheet items (sum of rows 17 and 18)	-	-	-	-
Capital and total exposures				
20 Tier 1 capital	407 000	428 693	407 171	428 773
21 Total exposures (sum of rows 3, 11, 16 and 19)	1 334 905	1 081 056	1 334 847	1 080 970
Leverage ratio				
22 Basel III leverage ratio	30.49	39.66	30.50	39.67

4. Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) requires institutions to hold sufficient high-quality liquid assets (HQLA) to meet their 30-day net cash outflows projected under the Prudential Authority's prescribed stress scenario. Tyme Bank maintained an average daily LCR in excess of 2000% for the reporting period to 31 March 2020.

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

At 31 March 2020

	a		b	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
R'000				
High-quality liquid assets				
1 Total HQLA	481 529	481 529	481 529	481 529
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	523 650	52 365	523 650	52 365
3 Stable deposits				
4 Less stable deposits	523 650	52 365	523 650	52 365
5 Unsecured wholesale funding, of which:				
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks				
7 Non-operational deposits (all counterparties)				
8 Unsecured debt				
9 Secured wholesale funding	-	-	-	-
10 Additional requirements, of which:	-	-	-	-
11 Outflows related to derivative exposures and other collateral requirements				
12 Outflows related to loss of funding of debt products				
13 Credit and liquidity facilities				
14 Other contractual funding obligations	-	-	-	-
15 Other contingent funding obligations	200 000	-	200 000	-
16 TOTAL CASH OUTFLOWS	723 650	52 365	723 650	52 365
Cash inflows				
17 Secured lending (eg reverse repo)				
18 Inflows from fully performing exposures	442 674	442 674	442 674	442 674
19 Other cash inflows	1 237	619	1 237	619
20 TOTAL CASH INFLOWS	443 911	443 292	443 911	443 292
		Total adjusted value		Total adjusted value
21 Total HQLA		481 529		481 529
22 Total net cash outflows		13 091		13 091
23 Liquidity coverage ratio (%)		3 678		3 678

- The daily average used to calculate the above percentage consisted of 183 data points, representative of the number of calendar days during the 12-month period from 01 October 2019 to 31 March 2020.
- The weighted value represents the cashflow amount under a stressed scenario as a % of the unweighted value.
- Other cash inflows represent the average personal loans issued during the period under review.

5. Net Stable Funding Ratio

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

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

LIQ2 (Group): Net Stable Funding Ratio

At 31 March 2020 R'000	Group				
	No maturity*	Unweighted value by residual maturity			Weighted value
		<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item					
1 Capital:	4 203 877	-	-	-	4 203 877
2 <i>Regulatory capital</i>	4 203 877	-	-	-	4 203 877
3 <i>Other capital instruments</i>	-	-	-	-	-
4 Retail deposits and deposits from small business customers:	-	804 115	-	-	723 704
5 <i>Stable deposits</i>	-	-	-	-	-
6 <i>Less stable deposits</i>	-	804 115	-	-	723 704
7 Wholesale funding:	-	-	-	-	-
8 <i>Operational deposits</i>	-	-	-	-	-
9 <i>Other wholesale funding</i>	-	-	-	-	-
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	-	90 769	-	-	-
12 <i>NSFR derivative liabilities</i>	-	-	-	-	-
13 <i>All other liabilities and equity not included in the above</i>	-	90 769	-	-	-
14 Total ASF					4 927 581
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					27 071
16 Deposits held at other financial institutions for operational purposes	1 261	7 382	-	-	369
17 Performing loans and securities:	-	609 742	-	24 625	117 604
<i>Performing loans to financial institutions secured by Level 1</i>					
18 HQLA					
<i>Performing loans to financial institutions secured by non-Level 1</i>					
19 HQLA and unsecured performing loans to financial institutions		605 406		24 625	115 436
<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>					
<i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>		4 336			2 168
22 <i>Performing residential mortgages, of which:</i>					
<i>With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk</i>					
24 <i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>					-
25 Assets with matching interdependent liabilities					
26 Other liabilities:					3 947 765
27 <i>Physical traded commodities, including gold</i>					
<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>					
29 <i>NSFR derivative assets</i>					
<i>NSFR derivative liabilities before deduction of variation margin posted</i>					
31 <i>All other assets not included in the above categories</i>	3 796 876			150 888	3 947 765
32 Off-balance sheet items					
33 Total RSF					4 092 809
34 Net Stable Funding Ratio (%)					120.40

LIQ2 (Bank): Net Stable Funding Ratio

At 31 March 2020 R'000	Bank				
	Unweighted value by residual maturity				
	No maturity*	<6 months	6 months to <1 year	≥1 year	Weighted value
Available stable funding (ASF) item					
1 Capital:	4 005 780	-	-	-	4 005 780
2 <i>Regulatory capital</i>	4 005 780	-	-	-	4 005 780
3 <i>Other capital instruments</i>	-	-	-	-	-
4 Retail deposits and deposits from small business customers:	-	804 115	-	-	723 704
5 <i>Stable deposits</i>	-	804 115	-	-	723 704
6 <i>Less stable deposits</i>	-	-	-	-	-
7 Wholesale funding:	-	-	-	-	-
8 <i>Operational deposits</i>	-	-	-	-	-
9 <i>Other wholesale funding</i>	-	-	-	-	-
10 Liabilities with matching interdependent assets	-	-	-	-	-
11 Other liabilities:	-	90 541	-	-	-
12 <i>NSFR derivative liabilities</i>	-	-	-	-	-
13 <i>All other liabilities and equity not included in the above categories</i>	-	90 541	-	-	-
14 Total ASF					4 729 484
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)		481 509	59 916	0	27 071
16 Deposits held at other financial institutions for operational purposes	1 261	7 382			369
17 Performing loans and securities:	-	609 677	-	24 625	117 594
18 <i>Performing loans to financial institutions secured by Level 1 HQLA</i>					
19 <i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>		605 341		24 625	115 426
20 <i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and governments, and loans to sovereigns, central banks and governments, with a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk</i>		4 336			2 168
21 <i>Performing residential mortgages, of which:</i>					
22 <i>Performing residential mortgages, of which:</i>					
23 <i>Performing residential mortgages, of which:</i>					
24 <i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>					-
25 Assets with matching interdependent liabilities					
26 Other liabilities:					3 749 504
27 <i>Physical traded commodities, including gold</i>					
28 <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>					
29 <i>NSFR derivative assets</i>					
30 <i>NSFR derivative liabilities before deduction of variation margin posted</i>					
31 <i>All other assets not included in the above categories</i>	3 598 609			150 895	3 749 504
32 Off-balance sheet items					
33 Total RSF					3 894 539
34 Net Stable Funding Ratio (%)					121.44

- The NSFR remained relatively unchanged since 31 December 2019.
- Continued increase in customer deposits as expected
- Bank placements reduced as more capital funds are used to acquire Treasury Bills