

May 2016 (first quarter)

Capitec Bank Holdings Limited and its subsidiaries ("group"), have complied with Regulation 43 of the Regulations relating to banks, which incorporates the requirements of Basel.

In terms of Pillar 3 under Basel, the consolidated group is required to disclose quantitative information on its capital adequacy ratios on a quarterly basis.

The group's consolidated capital position at the end of the first quarter of the 28 February 2017 financial year end is set out below:

Composition of qualifying regulatory capital	1st Quarter 2017 (31 May 2016)		4th Quarter 2016 (29 Feb 2016)	
	R'000	Capital Adequacy Ratio %	R'000	Capital Adequacy Ratio %
Common Equity Tier 1 capital (CET1)	13 144 403	28.9	12 625 956	30.1
Additional Tier 1 capital (AT1) ⁽¹⁾	155 381	0.3	155 381	0.4
Tier 1 capital (T1)	13 299 784	29.2	12 781 337	30.5
Subordinated debt ⁽¹⁾⁽²⁾	1 456 443		1 401 155	
Unidentified impairments	470 241		459 703	
Tier 2 capital (T2)	1 926 684	4.2	1 860 858	4.4
Total qualifying regulatory capital	15 226 468	33.4	14 642 195	34.9
Required regulatory capital ⁽³⁾	4 438 756		4 089 085	

⁽¹⁾ Starting 2013, the non loss absorbent AT1 and T2 capital is subject to a 10% per annum phase-out in terms of Basel 3.

⁽²⁾ Starting 2013, a deemed surplus attributable to T2 capital of subsidiaries issued to outside third parties, is excluded from group qualifying capital in terms of the accelerated adoption of Basel 3. This deduction phases in at 20% per annum.

⁽³⁾ This value is 9.75% of risk-weighted assets, being the Basel global minimum requirement of 8% and a South African country-specific buffer of 1.75%. In terms of the regulations the Individual Capital Requirement (ICR) is excluded. Operational risk disclosure changed from 01 March 2016, per the SA Reserve Bank's instruction. The operational risk capital add-on, in accordance with the ASA method, has been converted to an equivalent Risk Weighted Asset (RWA). This reduced the Capital Adequacy Ratio by approximately 1.9% in March 2016, as qualifying capital remains the same but is divided by a higher RWA amount.

By order of the Board

Stellenbosch
 05 July 2016

	RWA	RWA	Minumum capital requirements
	1st Quarter 2017 (31 May 2016)	4th Quarter 2016 (29 Feb 2016)	1st Quarter 2017 (31 May 2016)
OV1: Overview of RWA			
1 Credit risk (excluding counterparty credit risk) (CCR)	37 463 305	36 615 176	3 652 672
2 Of which standardised approach (SA)	37 463 305	36 615 176	3 652 672
3 Of which internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	117 099	132 041	11 417
5 Of which standardised approach for counterparty credit risk (SA-CCR)	117 099	132 041	11 417
6 Of which internal model method (IMM)	-	-	-
7 Equity positions in banking book under market-based approach	100 000	-	9 750
8 Equity investments in funds – look-through approach	-	-	-
9 Equity investments in funds – mandate-based approach	-	-	-
10 Equity investments in funds – fall-back approach	-	-	-
11 Settlement risk	-	-	-
12 Securitisation exposures in banking book	-	-	-
13 Of which IRB ratings-based approach (RBA)	-	-	-
14 Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15 Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	-	-	-
17 Of which standardised approach (SA)	-	-	-
18 Of which internal model approaches (IMM)	-	-	-
19 Operational risk	5 463 084	2 992 792	532 651
20 Of which Basic Indicator Approach	-	-	-
21 Of which Standardised Approach	5 463 084	2 992 792	532 651
22 Of which Advanced Measurement Approach	-	-	-
Other risk	1 533 923	1 328 016	149 558
23 Amounts below the thresholds for deduction (subject to 250% risk weight)	848 289	871 302	82 708
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	45 525 700	41 939 327	4 438 756