

February 2016 (fourth 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 second quarter of the 29 February 2016 financial year end is set out below:

Composition of qualifying regulatory capital	4th Quarter 2016 (29 Feb 2016)		3rd Quarter 2016 (30 Nov 2015)	
	R'000	Capital Adequacy Ratio %	R'000	Capital Adequacy Ratio %
Common Equity Tier 1 capital (CET1)	12 625 956	30.1	12 391 507	30.1
Additional Tier 1 capital (AT1) ⁽¹⁾	155 381	0.4	181 278	0.4
Tier 1 capital (T1)	12 781 337	30.5	12 572 785	30.5
Subordinated debt ⁽¹⁾⁽²⁾	1 401 155		1 675 083	
Unidentified impairments	459 703		452 232	
Tier 2 capital (T2)	1 860 858	4.4	2 127 315	5.2
Total qualifying regulatory capital	14 642 195	34.9	14 700 100	35.7
Required regulatory capital ⁽³⁾	4 089 085		4 118 516	

⁽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% (2015: 10%) of risk-weighted assets, being the Basel global minimum requirement of 8% and a South African country-specific buffer of 1.75% (2015: 2%). In terms of the regulations the Individual Capital Requirement (ICR) is excluded.

By order of the Board

Stellenbosch
 30 March 2016

	RWA	RWA	Minumum capital requirements
	4th Quarter 2016 (29 Feb 2016)	3rd Quarter 2016 (30 Nov 2015)	4th Quarter 2016 (29 Feb 2016)
OV1: Overview of RWA			
1 Credit risk (excluding counterparty credit risk) (CCR)	36 615 176	36 086 222	3 569 980
2 Of which standardised approach (SA)	36 615 176	36 086 222	3 569 980
3 Of which internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	132 041	93 634	12 874
5 Of which standardised approach for counterparty credit risk (SA-CCR)	132 041	93 634	12 874
6 Of which internal model method (IMM)	-	-	-
7 Equity positions in banking book under market-based approach	-	-	-
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	2 992 792	2 904 457	291 797
20 Of which Basic Indicator Approach	-	-	-
21 Of which Standardised Approach	2 992 792	2 904 457	291 797
22 Of which Advanced Measurement Approach	-	-	-
Other risk	1 328 016	1 217 199	129 482
23 Amounts below the thresholds for deduction (subject to 250% risk weight)	871 302	883 636	84 952
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	41 939 327	41 185 148	4 089 085