

May 2017 (1st 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 2018 financial year end is set out below:

| Composition of qualifying regulatory capital | 1st Quarter 2018 (31 May 2017) | | 4th Quarter 2017 (28 February 2017) | |
|---|-----------------------------------|-----------------------------|--|-----------------------------|
| | R'000 | Capital Adequacy Ratio % | R'000 | Capital Adequacy Ratio % |
| Common Equity Tier 1 capital (CET1) | 15 512 960 | 31.1 | 14 886 882 | 30.8 |
| Additional Tier 1 capital (AT1) ⁽¹⁾ | 129 485 | 0.2 | 129 485 | 0.3 |
| Tier 1 capital (T1) | 15 642 445 | 31.3 | 15 016 367 | 31.1 |
| Subordinated debt ⁽¹⁾⁽²⁾ | 852 717 | | 856 834 | |
| Unidentified impairments | 505 873 | | 491 168 | |
| Tier 2 capital (T2) | 1 358 590 | 2.8 | 1 348 002 | 2.8 |
| Total qualifying regulatory capital | 17 001 035 | 34.1 | 16 364 369 | 33.9 |
| Required regulatory capital ⁽³⁾ | 5 366 380 | | 5 190 335 | |

⁽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 10.75% (2016: 9.75%) of risk-weighted assets, being the Basel global minimum requirement of 8%, the South African country-specific buffer of 1.5% (2016: 1.75%) and the Capital Conservation Buffer of 1.25% (disclosable in terms of SARB November 2016 directive in order to standardise reporting across banks). In terms of the regulations the Individual Capital Requirement (ICR) is excluded.

By order of the Board

Stellenbosch
 4 July 2017

| | RWA | RWA | Minumum capital requirements |
|---|-----------------------------------|-----------------------------------|------------------------------------|
| | 1st Quarter 2018 (31 May 2017) | 4th Quarter 2017 (28 Feb 2017) | 1st Quarter 2018 (31 May 2017) |
| OV1: Overview of RWA | | | |
| 1 Credit risk (excluding counterparty credit risk) (CCR) | 40 283 370 | 39 167 054 | 4 330 462 |
| 2 Of which standardised approach (SA) | 40 283 370 | 39 167 054 | 4 330 462 |
| 3 Of which internal rating-based (IRB) approach | - | - | - |
| 4 Counterparty credit risk | 74 178 | 31 260 | 7 974 |
| 5 Of which standardised approach for counterparty credit risk (SA-CCR) | 74 178 | 31 260 | 7 974 |
| 6 Of which internal model method (IMM) | - | - | - |
| 7 Equity positions in banking book under market-based approach | 631 806 | 382 933 | 67 919 |
| 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 | 5 990 378 | 5 793 863 | 643 966 |
| 20 Of which Basic Indicator Approach | - | - | - |
| 21 Of which Standardised Approach | 5 990 378 | 5 793 863 | 643 966 |
| 22 Of which Advanced Measurement Approach | - | - | - |
| Other risk | 1 933 820 | 1 757 258 | 207 886 |
| 23 Amounts below the thresholds for deduction (subject to 250% risk weight) | 1 006 264 | 1 149 822 | 108 173 |
| 24 Floor adjustment | - | - | - |
| 25 Total (1+4+7+8+9+10+11+12+16+19+23+24) | 49 919 816 | 48 282 190 | 5 366 380 |