

## Capitec Bank Holdings Limited

### February 2022 (4th 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 fourth quarter of the 28 February 2022 financial year end is set out below:

Composition of qualifying regulatory capital	4th Quarter 2022 (28 Feb 2022) Capital Adequacy		3rd Quarter 2022 (30 Nov 2021) Capital Adequacy	
	R'000	Ratio %	R'000	Ratio %
Ordinary share capital	5 649 020		5 649 020	
Foreign Currency Translation Reserve	31 438		49 927	
Other Reserves	474 779		(44 656)	
Retained Earnings	29 559 311		27 130 022	
	<b>35 714 548</b>		<b>32 784 313</b>	
<b>Regulatory adjustments</b>				
-Intangible assets, deferred tax assets excluding temporary differences and goodwill in terms of IFRS	(1 329 617)		(1 424 757)	
-Cash flow hedge reserve and other regulatory adjustments	(3 403)		12 345	
-Unappropriated profit	(3 191 782)		(814 838)	
Common Equity Tier 1 capital (CET1)	<b>31 189 746</b>	<b>35.4</b>	30 557 063	36.5
Issued Preference share capital	51 167		51 356	
Phase out - non loss absorbent <sup>(1)</sup>	(51 167)		(25 459)	
Additional Tier 1 capital (AT1) <sup>(1)</sup>	-	-	25 897	0.0
<b>Tier 1 capital (T1)</b>	<b>31 189 746</b>	<b>35.4</b>	30 582 960	36.5
General allowance for credit impairment	749 377		715 172	
<b>Tier 2 capital (T2)</b>	<b>749 377</b>	<b>0.9</b>	715 172	0.9
<b>Qualifying regulatory capital</b>	<b>31 939 123</b>	<b>36.3</b>	31 298 132	37.4
<b>Required regulatory capital <sup>(2)</sup></b>	<b>10 566 490</b>		9 214 280	

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

<sup>(2)</sup> This value is currently 12% of risk-weighted assets, being the Basel global minimum requirement of 8%, the South African country-specific Pillar 2A buffer of 1%, the Capital Conservation Buffer of 2.5% and the Domestic Systemically Important Bank ("D-SIB") capital add-on of 0.5%. In terms of the regulations relating to banks the Idiosyncratic Capital Requirement ("ICR") Pillar 2B requirement is excluded.

The Prudential Authority issued Directive 2 on 6 April 2020 and temporarily relaxed the Pillar 2A South African country-specific buffer of 1% to provide temporary capital relief to banks during this time of financial stress following the outbreak of the Covid-19 pandemic, in a manner that ensures South Africa's continued compliance with the relevant internationally agreed capital framework. Per Directive 5 of 2021 issued on 20 May 2021, the 1% Pillar 2A requirement was reinstated on 1 January 2022.

By order of the Board

Stellenbosch  
12 April 2022

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#### OV1: Overview of Risk-Weighted Assets (RWA)

Line #	R'000	Total RWA	Total RWA	Minimum capital requirements
		4th Quarter 2022 (28 Feb 2022)	3rd Quarter 2022 (30 Nov 2021)	4th Quarter 2022 (28 Feb 2022)
1	Credit risk (excluding counterparty credit risk) (CCR)	59 518 553	56 698 589	7 142 226
2	Of which standardised approach (SA)	59 518 553	56 698 589	7 142 226
3	Of which internal rating-based (IRB) approach	-	-	-
4	Of which supervisory slotting approach	-	-	-
5	Of which advanced internal ratings-based (A-IRB) approach	-	-	-
6	Counterparty credit risk	62 534	82 775	7 504
7	Of which standardised approach for counterparty credit risk (SA-CCR)	62 534	82 775	7 504
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	8 120	13 204	974
11	Equity positions in banking book under market-based approach	1 439 274	1 894 221	172 713
12	Equity investments in funds – look-through approach	2 538 902	1 958 332	304 668
13	Equity investments in funds – mandate-based approach	-	-	-
14	Equity investments in funds – fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in banking book	-	-	-
17	Of which securitisation internal ratings-based approach (Sec-IRBA)	-	-	-
18	Of which securitisation external ratings-based approach (Sec-ERBA), including internal assessment approach (IAA)	-	-	-
19	Of which securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	9 965	31 968	1 196
21	Of which standardised approach (SA)	9 965	31 968	1 196
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	10 566 491	10 051 943	1 267 979
	Other risk	6 383 953	5 708 602	766 074
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	7 526 300	7 326 557	903 156
26	Floor adjustment	-	-	-
27	<b>Total</b>	<b>88 054 092</b>	<b>83 766 191</b>	<b>10 566 490</b>