

## Capitec Bank Holdings Limited

### May 2020 (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 1st quarter of the 28 Feb 2021 financial year end is set out below:

Composition of qualifying regulatory capital	R'000	1st Quarter 2021	R'000	4rd Quarter 2020
		(31 May 2020)		(29 Feb 2020)
		Capital Adequacy		Capital Adequacy
		Ratio %		Ratio %
Ordinary share capital	5 649 020		5 649 020	
Foreign Currency Translation Reserve	72 986		29 818	
Other Reserves	(56 930)		(26 307)	
Accumulated profit	19 357 766		19 855 211	
	<b>25 022 842</b>		<b>25 507 742</b>	
<b>Regulatory adjustments</b>				
-Intangible assets, deferred tax assets excluding temporary differences and Goodwill in terms of IFRS	(1 574 527)		(1 347 534)	
-Specified advances & IFRS 9 phase-in	212 474		343 852	
-Unappropriated profit	-		(46 818)	
Common Equity Tier 1 capital (CET1)	<b>23 660 789</b>	<b>28.4</b>	24 457 242	29.5
Issued Preference share capital	65 522		73 098	
Phase out - non loss absorbant <sup>(1)</sup>	(13 728)		(21 304)	
Additional Tier 1 capital (AT1) <sup>(1)</sup>	<b>51 794</b>	<b>0.1</b>	51 794	0.1
<b>Tier 1 capital (T1)</b>	<b>23 712 583</b>	<b>28.5</b>	24 509 036	29.6
General allowance for credit impairment	752 664		756 767	
<b>Tier 2 capital (T2)</b>	<b>752 664</b>	<b>0.9</b>	756 767	0.9
<b>Qualifying regulatory capital</b>	<b>24 465 247</b>	<b>29.4</b>	25 265 803	30.5
<b>Required regulatory capital <sup>(2)</sup></b>	<b>8 742 528</b>		9 525 692	

<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 10.500% (Feb 2020: 11.500%) of risk-weighted assets, being the Basel global minimum requirement of 8% and the Capital Conservation Buffer of 2.50%. The Prudential Authority implemented measures to reduce the specified minimum requirement of capital and reserve funds to be maintained by banks and issued Directive 2 on 6 April 2020. Per this directive, the Pillar 2A capital requirement of 1.00% has temporarily been relaxed. It is the Prudential Authority's intention to reinstate the minimum Pillar 2A capital requirement following the Covid-19 stress period. In terms of the regulations the Individual Capital Requirement (ICR) is excluded.

By order of the Board

Stellenbosch  
3 July 2020

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

Line #	R'000	Total RWA	Total RWA	Minumum capital requirements
		1st Quarter 2021 (31 May 2020)	4th Quarter 2020 (29 February 2020)	1st Quarter 2021 (31 May 2020)
1	Credit risk (excluding counterparty credit risk) (CCR)	59 359 500	60 351 413	6 232 748
2	Of which standardised approach (SA)	59 359 500	60 351 413	6 232 748
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	271 624	209 757	28 521
7	Of which standardised approach for counterparty credit risk (SA-CCR)	271 624	209 757	28 521
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	10 582	4 520	1 111
11	Equity positions in banking book under market-based approach	994 220	670 500	104 393
12	Equity investments in funds – look-through approach	-	-	-
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	17 763	14 500	1 865
21	Of which standardised approach (SA)	17 763	14 500	1 865
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	10 589 289	10 585 544	1 111 875
	Other risk	6 932 919	6 491 343	727 956
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	5 086 278	4 504 518	534 059
26	Floor adjustment	-	-	-
27	<b>Total</b>	<b>83 262 175</b>	<b>82 832 095</b>	<b>8 742 528</b>