

Capitec Bank Holdings Limited

February 2018 (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 4th quarter of the 28 February 2018 financial year end is set out below

Composition of qualifying regulatory capital	4th Quarter 2018 (28 February 2018)		3rd Quarter 2018 (30 November 2017)	
	R'000	Capital Adequacy Ratio %	R'000	Capital Adequacy Ratio %
Common Equity Tier 1 capital (CET1)	17 381 888	33.9	16 963 481	32.5
Additional Tier 1 capital (AT1) ⁽¹⁾	103 587	0.2	126 677	0.2
Tier 1 capital (T1)	17 485 475	34.1	17 090 158	32.7
Subordinated debt ⁽¹⁾⁽²⁾	283 438		438 724	
Unidentified impairments	519 230		529 766	
Tier 2 capital (T2)	802 668	1.6	968 490	1.8
Total qualifying regulatory capital	18 288 143	35.7	18 058 648	34.5
Required regulatory capital ⁽³⁾	5 699 501		5 619 398	

⁽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 11.125% (2017: 10.750%) of risk-weighted assets, being the Basel global minimum requirement of 8.000%, the South African country-specific buffer of 1.250% (2017: 1.500%) and the Capital Conservation Buffer of 1.875% (2017: 1.250%) (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
27 March 2018

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	RWA	RWA	Minimum capital requirements
	4th Quarter 2018 (28 February 2018)	3rd Quarter 2018 (30 November 2017)	4th Quarter 2018 (28 February 2018)
OV1: Overview of RWA			
1 Credit risk (excluding counterparty credit risk) (CCR)	41 345 320	42 178 784	4 599 667
2 Of which standardised approach (SA)	41 345 320	42 178 784	4 599 667
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	24 337	104 889	2 707
7 Of which standardised approach for counterparty credit risk (SA-CCR)	24 337	104 889	2 707
8 Of which internal model method (IMM)	-	-	-
9 Of which other CCR	-	-	-
10 Credit valuation adjustment	5 309	-	591
11 Equity positions in banking book under market-based approach	510 730	530 439	56 819
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	-	-	-
21 Of which standardised approach (SA)	-	-	-
22 Of which internal model approaches (IMA)	-	-	-
23 Capital charge for switch between trading book and banking book	-	-	-
24 Operational risk	6 147 776	6 272 817	683 940
Other risk	2 205 927	2 077 732	245 410
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	992 066	1 108 812	110 367
26 Floor adjustment	-	-	-
27 Total (1+4+7+8+9+10+11+12+16+19+23+24)	51 231 465	52 273 473	5 699 501