

Capitec Bank Holdings Limited

February 2019 (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 2019 financial year end is set out below

Composition of qualifying regulatory capital	4th Quarter 2019 (28 Feb 2019)		3rd Quarter 2019 (30 Nov 2018)	
	R'000	Capital Adequacy Ratio %	R'000	Capital Adequacy Ratio %
Common Equity Tier 1 capital (CET1)	20 911 742	32.8	20 266 512	33.4
Additional Tier 1 capital (AT1) ⁽¹⁾	77 691	0.1	95 104	0.1
Tier 1 capital (T1)	20 989 433	32.9	20 361 616	33.5
Subordinated debt ⁽¹⁾⁽²⁾	-		91 545	
Unidentified impairments	624 762		594 672	
Tier 2 capital (T2)	624 762	1.0	686 217	1.2
Total qualifying regulatory capital	21 614 195	33.9	21 047 833	34.7
Required regulatory capital ⁽³⁾	7 327 549		6 754 061	

⁽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 11.500% (2018: 11.125%) of risk-weighted assets, being the Basel global minimum requirement of 8.000%, the South African country-specific buffer of 1.000% (2018: 1.250%) and the Capital Conservation Buffer of 2.500% (2018: 1.875%) (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
28 March 2019

Capitec Bank Holdings Limited

February 2019 (4th quarter)

	RWA	RWA	Minumum capital requirements
	4th Quarter 2019 (28 February 2019)	3rd Quarter 2019 (30 November 2018)	4th Quarter 2019 (28 February 2019)
OV1: Overview of RWA			
1 Credit risk (excluding counterparty credit risk) (CCR)	49 627 669	47 273 615	5 707 181
2 Of which standardised approach (SA)	49 627 669	47 273 615	5 707 181
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	29 781	18 296	3 425
7 Of which standardised approach for counterparty credit risk (SA-CCR)	29 781	18 296	3 425
8 Of which internal model method (IMM)	-	-	-
9 Of which other CCR	-	-	-
10 Credit valuation adjustment	3 475	6 824	400
11 Equity positions in banking book under market-based approach	446 009	394 982	51 291
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	7 646 139	7 285 279	879 306
Other risk	2 690 423	2 544 435	309 397
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	3 274 328	3 187 231	376 549
26 Floor adjustment	-	-	-
27 Total (1+4+7+8+9+10+11+12+16+19+23+24)	63 717 824	60 710 662	7 327 549