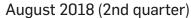
## **Capitec Bank Holdings Limited**





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 hasis

The group's consolidated capital position at the end of the 2nd quarter of the 28 February 2019 financial year end is set out below

	2nd Quarter 2019			1st Quarter 2019
Composition of qualifying regulatory capital		(31 Aug 2018) Capital Adequacy Ratio %	R'000	(31 May 2018) Capital Adequacy Ratio %
	R'000			
Additional Tier 1 capital (AT1) (1)	103 587	0.2	103 587	0.2
Tier 1 capital (T1)	19 430 482	34.5	18 157 876	35.3
Subordinated debt (1)(2)	89 884		273 589	
Unidentified impairments	556 930		515 414	
Tier 2 capital (T2)	646 814	1.1	789 003	1.5
Total qualifying regulatory capital	20 077 296	35.6	18 946 879	36.8
Required regulatory capital (3)	6 265 516		5 718 121	

<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.

By order of the Board

Stellenbosch 26 September 2018

<sup>&</sup>lt;sup>(2)</sup> 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.

<sup>(3)</sup> 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.

## Capitec Bank Holdings Limited August 2018 (2nd quarter)



		RWA	RWA	Minumum capital requirements
		2nd Quarter 2019	1st Quarter 2018	2nd Quarter 2019
	OV1: Overview of RWA	(31 August 2018)	(31 May 2018)	(31 August 2018)
1	Credit risk (excluding counterparty credit risk) (CCR)	44 344 431	41 002 207	4 933 318
2	Of which standardised approach (SA)	44 344 431	41 002 207	4 933 318
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	37 020	49 113	4 118
7	Of which standardised approach for counterparty credit risk (SA-CCR)	37 020	49 113	4 118
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	14 785	7 831	1 645
11	Equity positions in banking book under market-based approach	706 429	511 183	78 590
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	6 758 309	6 167 861	751 862
	Other risk	2 309 392	2 289 404	256 919
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	2 148 878	1 371 243	239 064
26	Floor adjustment	-	-	-
27	Total (1+4+7+8+9+10+11+12+16+19+23+24)	56 319 244	51 398 842	6 265 516