



Capitec Bank Holdings Limited

Pillar 3 disclosure report

For the period ended 31 May 2023

Capitec Bank Holdings Limited

Pillar 3 disclosure for the period ended 31 May 2023

This report discloses the Capitec Bank Holdings Limited (Capitec, or the group) and Capitec Bank Limited (the bank) Pillar 3 disclosures for the period ended 31 May 2023, in accordance with the Basel Committee on Banking Supervision's (BCBS) Pillar 3 disclosure requirements, and Regulation 43 of the regulations relating to banks. In accordance with the Basel Pillar 3 framework and Regulation 43 of the amended regulations relating to banks, the group is required to publish standardised disclosure templates that provide users with key quantitative and qualitative information that is comparable and consistent.

Implementation of IFRS 17:

IFRS 17 (Insurance Contracts) replaces IFRS 4 (Insurance Contracts) for annual periods beginning on or after 1 January 2023. The group commenced with the application of the standard on 1 March 2023. The group applies IFRS 17 to insurance contracts issued, reinsurance contracts held, and in-substance reinsurance contracts issued through its cell captive arrangements.

IFRS 4 allowed insurers to adopt generally accepted accounting practice. For the cell captive arrangements, through which the group conducted its insurance business, this meant recognising profit and loss as premiums were received and claims and expenses were paid. The accounting policies adopted by the cell captives were chosen by the cell captive insurers and not by the cell owner. As a result, Capitec had to apply the accounting policy adopted by the underlying cell. These audited results were correctly reported in the past under IFRS 4. IFRS 17 requires a best estimate valuation of the lifetime cash flows expected from a group of insurance contracts and prescribes how revenue and expenses should be recognised over time.

Capitec typically charges level premiums which do not increase with the policyholder's age. The probability of a claim occurring does, however, increase with the policyholder's age, and IFRS 17 requires reporters to defer a portion of the premium (and therefore profit) to future periods as cover is provided (and not simply when the premium is received). The same total revenue is recognised over the lifetime of a group of policies under IFRS 4 and IFRS 17, although the timing of the recognition differs.

The impact of implementing IFRS 17 on 1 March 2023 on the group's statement of financial position decreased retained earnings and net insurance contract assets by R1.25 billion respectively, which also decreased total qualifying regulatory capital by the same amount.

For further information please refer to our IFRS 17 transition report which has been published on our website via the following link: <https://www.capitecbank.co.za/globalassets/pages/investor-relations/ifrs-17-transitional-report.pdf>

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Key prudential regulatory metrics

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KM1 - Key Metrics

The following tables provide an overview of the prudential regulatory metrics:

Line#	Available capital (amounts in R'000)	31 May 2023	28 Feb 2023	30 Nov 2022	31 Aug 2022	31 May 2022
1	Common Equity Tier 1 (CET1)	35 063 086	35 038 067	34 649 834	33 279 564	31 786 692
1a	Fully loaded ECL accounting model ⁽¹⁾	35 063 086	35 038 067	34 649 834	33 279 564	31 786 692
2	Tier 1	35 063 086	35 038 067	34 649 834	33 279 564	31 786 692
2a	Fully loaded ECL accounting model Tier 1 ⁽¹⁾	35 063 086	35 038 067	34 649 834	33 279 564	31 786 692
3	Total Capital	35 920 773	35 910 898	35 475 537	34 105 253	32 571 910
3a	Fully loaded ECL accounting model total capital ⁽¹⁾	35 920 773	35 910 898	35 475 537	34 105 253	32 571 910
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	102 849 841	104 379 041	101 379 207	97 417 503	91 523 693
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	34.1%	33.6%	34.2%	34.2%	34.7%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	34.1%	33.6%	34.2%	34.2%	34.7%
6	Tier 1 ratio (%)	34.1%	33.6%	34.2%	34.2%	34.7%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	34.1%	33.6%	34.2%	34.2%	34.7%
7	Total capital ratio (%)	34.9%	34.4%	35.0%	35.0%	35.6%
7a	Fully loaded ECL accounting model total capital ratio (%)	34.9%	34.4%	35.0%	35.0%	35.6%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.5%	0.5%	0.5%	0.5%	0.5%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0%	3.0%	3.0%	3.0%	3.0%
12	CET1 available after meeting the bank's minimum capital requirements (%)	26.1%	25.6%	26.2%	26.2%	26.7%
Basel 3 leverage ratio						
13	Total Basel 3 leverage ratio exposure measure	194 009 300	193 139 727	191 381 680	183 739 998	177 754 908
14	Basel 3 leverage ratio (%) (row 2 / row 13)	18.1%	18.1%	18.1%	18.1%	17.9%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13)	18.1%	18.1%	18.1%	18.1%	17.9%
Liquidity Coverage Ratio						
15	Total High Quality Liquid Assets (HQLA)	77 087 373	74 946 512	70 626 237	73 672 864	77 081 924
16	Total net cash outflow ⁽²⁾	3 685 102	3 420 878	3 046 824	2 830 266	2 988 551
17	LCR (%)	2 092%	2 191%	2 318%	2 603%	2 579%
Net Stable Funding Ratio						
18	Total available stable funding	174 637 633	172 128 298	171 734 308	165 049 369	160 160 219
19	Total required stable funding	80 557 884	80 016 733	77 828 343	74 856 646	72 328 979
20	NSFR (%)	216.8%	215.1%	220.7%	220.5%	221.4%

⁽¹⁾ Capitec formally transitioned to IFRS 9 on 1 March 2018 and by 1 March 2021 fully phased in IFRS 9.

⁽²⁾ Capitec has a net cash inflow after applying the run-off factors, therefore the outflows for the purpose of the ratio are deemed to be 25% of gross outflows.

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KM1 - Key Metrics

Line#	Available capital (amounts in R'000)	31 May 2023	28 Feb 2023	30 Nov 2022	31 Aug 2022	31 May 2022
1	Common Equity Tier 1 (CET1)	32 346 728	31 867 439	30 341 529	30 341 386	29 087 787
1a	Fully loaded ECL accounting model ⁽¹⁾	32 346 728	31 867 439	30 341 529	30 341 386	29 087 787
2	Tier 1	32 346 728	31 867 439	30 341 529	30 341 386	29 087 787
2a	Fully loaded ECL accounting model Tier 1 ⁽¹⁾	32 346 728	31 867 439	30 341 529	30 341 386	29 087 787
3	Total Capital	33 208 285	32 742 826	31 199 415	31 169 397	29 875 494
3a	Fully loaded ECL accounting model total capital ⁽¹⁾	33 208 285	32 742 826	31 199 415	31 169 397	29 875 494
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	99 112 001	99 861 225	98 523 634	95 406 826	89 846 315
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	32.6%	31.9%	30.8%	31.8%	32.4%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	32.6%	31.9%	30.8%	31.8%	32.4%
6	Tier 1 ratio (%)	32.6%	31.9%	30.8%	31.8%	32.4%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	32.6%	31.9%	30.8%	31.8%	32.4%
7	Total capital ratio (%)	33.5%	32.8%	31.7%	32.7%	33.3%
7a	Fully loaded ECL accounting model total capital ratio (%)	33.5%	32.8%	31.7%	32.7%	33.3%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.5%	0.5%	0.5%	0.5%	0.5%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0%	3.0%	3.0%	3.0%	3.0%
12	CET1 available after meeting the bank's minimum capital requirements (%)	24.6%	23.9%	22.8%	23.8%	24.4%
	Basel 3 leverage ratio					
13	Total Basel 3 leverage ratio exposure measure	191 256 135	189 438 474	188 759 817	181 984 921	176 104 396
14	Basel 3 leverage ratio (%) (row 2 / row 13)	16.9%	16.8%	16.1%	16.7%	16.5%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13)	16.9%	16.8%	16.1%	16.7%	16.5%
	Liquidity Coverage Ratio					
15	Total High Quality Liquid Assets (HQLA)	77 087 373	74 946 512	70 626 237	73 672 864	77 081 924
16	Total net cash outflow ⁽²⁾	3 578 716	3 420 878	2 991 055	2 830 266	2 988 551
17	LCR (%)	2 154%	2 191%	2 361%	2 603%	2 579%
	Net Stable Funding Ratio					
18	Total available stable funding	171 686 432	169 362 399	167 590 794	162 881 858	157 955 048
19	Total required stable funding	77 164 272	77 209 942	75 574 316	73 139 413	71 032 170
20	NSFR (%)	222.5%	219.4%	221.8%	222.7%	222.4%

⁽¹⁾ The bank formally transitioned to IFRS 9 on 1 March 2018 and by 1 March 2021 fully phased in IFRS 9.

⁽²⁾ The bank has a net cash inflow after applying the run-off factors, therefore the outflows for the purpose of the ratio are deemed to be 25% of gross outflows.

Capital management

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The consolidated capital position for the group and the bank for the period ended 31 May 2023 is set out below:

	Group 31 May 2023 R'000 / %	Group 28 Feb 2023 R'000 / %	Bank 31 May 2023 R'000 / %	Bank 28 Feb 2023 R'000 / %
Composition of qualifying regulatory capital				
Ordinary share capital ⁽¹⁾	5 352 247	5 406 109	6 105 981	6 105 981
Foreign currency translation reserve	106 116	77 610	-	-
Other reserves	494 826	491 982	2 439	(404)
Retained earnings ⁽⁶⁾	30 755 218	33 060 311	27 958 147	28 548 099
Share capital and reserves attributable to ordinary shareholders	36 708 407	39 036 012	34 066 567	34 653 676
Regulatory adjustments				
Intangible assets, deferred tax assets excluding temporary differences and goodwill in terms of IFRS ⁽²⁾	(1 505 836)	(1 390 218)	(1 433 524)	(1 378 739)
Other regulatory adjustments	-	-	(92 431)	(123 663)
Unappropriated profit	(139 485)	(2 607 727)	(193 884)	(1 283 835)
Common equity tier 1 capital (CET1)	35 063 086	35 038 067	32 346 728	31 867 439
CET1 %	34.1%	33.6%	32.6%	31.9%
Issued preference share capital ⁽¹⁾	45 828	48 924	45 828	48 924
Phase out - non loss absorbent ⁽³⁾⁽⁵⁾	(45 828)	(48 924)	(45 828)	(48 924)
Additional tier 1 capital (AT1) ⁽¹⁾	-	-	-	-
Tier 1 capital (T1)	35 063 086	35 038 067	32 346 728	31 867 439
T1 %	34.1%	33.6%	32.6%	31.9%
General allowance for credit impairment	857 687	872 831	861 557	875 387
Tier 2 capital (T2)	857 687	872 831	861 557	875 387
T2 %	0.8%	0.8%	0.9%	0.9%
Qualifying regulatory capital	35 920 773	35 910 898	33 208 285	32 742 826
Total %⁽⁴⁾	34.9%	34.4%	33.5%	32.8%
Required regulatory capital	12 341 981	12 525 485	11 893 440	11 983 347

⁽¹⁾ For further details of the main features of these instruments, please refer to the main features of capital instruments and the CCI - composition of regulatory capital template.

⁽²⁾ In terms of the regulations relating to banks, goodwill and intangible assets net of the related deferred tax liability, are treated as specified adjustments and are deducted from CET1 capital and reserve funds.

⁽³⁾ Starting in 2013, the non-loss absorbent AT1 and T2 capital was subject to a 10% per annum phase-out in terms of Basel 3, fully phased-out on 1 January 2022.

⁽⁴⁾ The total capital adequacy ratio percentage is determined by dividing the total qualifying regulatory capital by total risk-weighted assets.

⁽⁵⁾ The base value of preference shares which would phase-out in terms of Basel 3 is R258 969 000. At 28 February 2023, 81.11% (Feb 2022: 80.24%) of these shares had been repurchased as they would no longer contribute to qualifying regulatory capital. The remaining preference shares in issue, with a base value R48.9 million, are shown as phased-out.

⁽⁶⁾ The impact of implementing IFRS 17 on 1 March 2023 which amounted to R1.25 billion is included in retained earnings.

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OV1: Overview of risk-weighted assets (RWA)

The purpose of the OV1 template is to provide an overview of total risk weighted assets (RWA) forming the denominator of the risk-based capital requirements.

Line #	R'000	Total RWA	Total RWA	Minimum capital requirements ⁽¹⁾
		31 May 2023	28 Feb 2023	31 May 2023
1	Credit risk (excluding counterparty credit risk) (CCR)	68 571 563	69 760 404	8 228 588
2	Of which standardised approach (SA)	68 571 563	69 760 404	8 228 588
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	43 368	66 069	5 204
7	Of which standardised approach for counterparty credit risk (SA-CCR)	43 368	66 069	5 204
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	18 205	14 378	2 185
11	Equity positions in banking book under market-based approach	343 674	3 449 356	41 241
12	Equity investments in funds – look-through approach	4 783 288	4 647 510	573 995
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	47 400	33 696	5 688
21	Of which standardised approach (SA)	47 400	33 696	5 688
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	12 341 981	12 525 485	1 481 038
	Other risk	8 742 019	6 494 014	1 049 041
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	7 958 343	7 388 129	955 001
26	Floor adjustment	-	-	-
27	Total	102 849 841	104 379 041	12 341 981

⁽¹⁾ 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 individual capital requirement ("ICR") Pillar 2B requirement is excluded.

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OV1: Overview of risk-weighted assets (RWA)

The purpose of the OV1 template is to provide an overview of total risk weighted assets (RWA) forming the denominator of the risk-based capital requirements.

Line #	R'000	Total RWA	Total RWA	Minimum capital requirements ⁽¹⁾
		31 May 2023	28 Feb 2023	31 May 2023
1	Credit risk (excluding counterparty credit risk) (CCR)	68 881 206	69 964 870	8 265 746
2	Of which standardised approach (SA)	68 881 206	69 964 870	8 265 746
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	43 368	66 069	5 204
7	Of which standardised approach for counterparty credit risk (SA-CCR)	43 368	66 069	5 204
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	18 205	14 378	2 185
11	Equity positions in banking book under market-based approach	300 084	268 183	36 010
12	Equity investments in funds – look-through approach	4 783 288	4 647 510	573 995
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	47 400	33 696	5 688
21	Of which standardised approach (SA)	47 400	33 696	5 688
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	11 893 440	11 983 347	1 427 213
	Other risk	6 767 633	6 442 239	812 115
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	6 377 377	6 440 933	765 284
26	Floor adjustment	-	-	-
27	Total	99 112 001	99 861 225	11 893 440

⁽¹⁾ 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 individual capital requirement ("ICR") Pillar 2B requirement is excluded.

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LR1 - Summary comparison of accounting assets vs leverage ratio exposure measure

The purpose of the LR1 template is to reconcile the total assets in the financial statements with the leverage ratio exposure measure.

Line #	R'000	Group 31 May 2023	Group 28 Feb 2023	Bank 31 May 2023	Bank 28 Feb 2023
1	Total consolidated assets as per the financial statements	192 980 316	191 800 623	190 268 814	188 228 244
	Adjustments for:				
2	Investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	28 124	23 912	-	-
3	Fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-	-
4	Derivative financial instruments	(25 634)	(12 712)	(25 634)	(12 712)
5	Securities financing transactions (i.e. repos and similar secured lending)	89 201	271 739	89 201	271 739
6	Off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	2 443 130	2 446 383	2 449 709	2 453 607
7	Other adjustments	(1 505 837)	(1 390 218)	(1 525 955)	(1 502 404)
8	Leverage ratio exposure	194 009 300	193 139 727	191 256 135	189 438 474

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LR2: Leverage ratio common disclosure template

The purpose of the LR2 template is to provide a detailed breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements and buffers.

Line #	Group leverage ratio framework R'000	Group 31 May 2023	Group 28 Feb 2023	Bank 31 May 2023	Bank 28 Feb 2023
On-balance sheet exposures					
1	On-balance sheet items (excluding derivatives and security financing transactions 'SFT' but including collateral)	183 147 866	181 937 248	180 408 242	178 340 957
2	Asset amounts deducted in determining Tier 1 capital	(1 505 836)	(1 390 218)	(1 525 955)	(1 502 404)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	181 642 030	180 547 030	178 882 287	176 838 553
Derivative exposures					
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	25 340	19 484	25 340	19 484
5	Add-on amounts for potential future exposure 'PFE' associated with all derivatives transactions	3 264	1 359	3 264	1 359
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-	-
7	Deductions of receivables assets for cash variation margin provided in derivatives transactions	-	-	-	-
8	Exempted central counterparty 'CCP' leg of client-cleared trade exposures	-	-	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-	-	-
10	Adjusted effective notional offsets and add-on deductions for written credit derivatives	-	-	-	-
11	Total derivative exposures (sum of lines 4 to 10)	28 604	20 843	28 604	20 843
Securities financing transaction exposures					
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	9 806 334	9 853 732	9 806 334	9 853 732
13	Netted amounts of cash payables and cash receivables of gross SFT assets	-	-	-	-
14	Counterparty credit risk 'CCR' exposure for SFT assets	89 201	271 739	89 201	271 739
15	Agent transaction exposures	-	-	-	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	9 895 535	10 125 471	9 895 535	10 125 471
Other off-balance sheet exposures					
17	Off-balance sheet exposure at gross notional amount	19 014 571	18 941 717	18 825 365	18 826 282
18	Adjustments for conversion to credit equivalent amounts	(16 571 440)	(16 495 334)	(16 375 656)	(16 372 675)
19	Off-balance sheet items (sum of lines 17 and 18)	2 443 131	2 446 383	2 449 709	2 453 607
Capital and total exposures					
20	Tier 1 capital	35 063 086	35 038 067	32 346 728	31 867 439
21	Total exposures (sum of lines 3, 11, 16 and 19)	194 009 300	193 139 727	191 256 135	189 438 474
Leverage ratio					
22	Leverage ratio %	18.1%	18.1%	16.9%	16.8%

Liquidity risk

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LIQ1: Liquidity coverage ratio (LCR)

The LCR is a 30-day stress test, using 92 days (actual data points for the quarter) to calculate an average for the quarter, which requires banks to hold sufficient high-quality liquid assets to cover envisaged net outflows. These outflows are calibrated using prescribed Basel factors applied to assets and liabilities in a static run-off model. Basel definitions are used to identify high-quality liquid assets. The only difference between the group and the bank LCR relates to cash outflows for the ordinary shareholders' dividend declared, and how this is funded by the group's entities. Per Directive 1 of 2022, only deposit-taking entities should be included in the LCR calculation. Capitec Bank Limited is the only deposit-taking entity in the group.

Line #	R'000	Total Unweighted Value (Average) 31 May 2023	Total Weighted Value (Average) 31 May 2023	Total Weighted Value (Average) 28 Feb 2023
High-quality liquid assets				
1	Total high-quality liquid assets (HQLA)		77 087 373	74 946 512
Cash outflows				
2	Retail deposits and deposits from small business customers, of which:	133 074 667	10 087 993	10 132 861
3	Stable deposits	-	-	-
4	Less-stable deposits	133 074 667	10 087 993	10 132 861
5	Unsecured wholesale funding, of which:	13 989 953	3 180 375	3 061 873
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-
7	Non-operational deposits (all counterparties)	10 935 878	2 243 602	2 275 307
8	Unsecured debt	3 054 075	936 773	786 566
9	Secured wholesale funding	54 250	-	-
10	Additional requirements, of which:	18 537 398	1 472 039	488 778
11	Outflows related to derivative exposures and other collateral requirements	-	-	-
12	Outflows related to loss of funding on debt products	-	-	-
13	Credit and liquidity facilities	16 751 478	441 306	449 807
14	Other contractual funding obligations	990 986	990 986	-
15	Other contingent funding obligations	794 934	39 747	38 971
16	Total cash outflows		14 740 407	13 683 512
Cash inflows				
17	Secured lending (e.g. reverse repos)	3 317 134	-	-
18	Inflows from fully performing exposures	16 901 017	15 510 371	15 541 003
19	Other cash inflows	30 622	-	-
20	Total cash inflows	20 248 773	15 510 371	15 541 003
			Total adjusted value	Total adjusted value
21	Total HQLA		77 087 373	74 946 512
22	Total net cash outflows ⁽¹⁾		3 685 102	3 420 878
23	Liquidity Coverage Ratio (%)		2 092%	2 191%

⁽¹⁾ The group and the bank have a net cash inflow after applying the run-off weightings applicable to calculate the ratio, therefore outflows for the purpose of the ratio are deemed to be 25% of gross outflows.

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LIQ1: Liquidity coverage ratio (LCR)

The LCR is a 30-day stress test, using 92 days (actual data points for the quarter) to calculate an average for the quarter, which requires banks to hold sufficient high-quality liquid assets to cover envisaged net outflows. These outflows are calibrated using prescribed Basel factors applied to assets and liabilities in a static run-off model. Basel definitions are used to identify high-quality liquid assets. The only difference between the group and the bank LCR relates to cash outflows for the ordinary shareholders' dividend declared, and how this is funded by the group's entities. Per Directive 1 of 2022, only deposit-taking entities should be included in the LCR calculation. Capitec Bank Limited is the only deposit-taking entity in the group.

Line #	R'000	Total Unweighted Value (Average) 31 May 2023	Total Weighted Value (Average) 31 May 2023	Total Weighted Value (Average) 28 Feb 2023
High-quality liquid assets				
1	Total high-quality liquid assets (HQLA)		77 087 373	74 946 512
Cash outflows				
2	Retail deposits and deposits from small business customers, of which:	133 074 667	10 087 993	10 132 861
3	Stable deposits	-	-	-
4	Less-stable deposits	133 074 667	10 087 993	10 132 861
5	Unsecured wholesale funding, of which:	13 989 953	3 180 375	3 061 873
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-
7	Non-operational deposits (all counterparties)	10 935 878	2 243 602	2 275 307
8	Unsecured debt	3 054 075	936 773	786 566
9	Secured wholesale funding	54 250	-	-
10	Additional requirements, of which:	18 111 854	1 046 495	488 778
11	Outflows related to derivative exposures and other collateral requirements	-	-	-
12	Outflows related to loss of funding on debt products	-	-	-
13	Credit and liquidity facilities	16 751 478	441 306	449 807
14	Other contractual funding obligations	565 442	565 442	-
15	Other contingent funding obligations	794 934	39 747	38 971
16	Total cash outflows		14 314 863	13 683 512
Cash inflows				
17	Secured lending (e.g. reverse repos)	3 317 134	-	-
18	Inflows from fully performing exposures	16 890 123	15 499 477	15 541 003
19	Other cash inflows	30 622	-	-
20	Total cash inflows	20 237 879	15 499 477	15 541 003
			Total adjusted value	Total adjusted value
21	Total HQLA		77 087 373	74 946 512
22	Total net cash outflows ⁽¹⁾		3 578 716	3 420 878
23	Liquidity Coverage Ratio (%)		2 154%	2 191%

⁽¹⁾ The group and the bank have a net cash inflow after applying the run-off weightings applicable to calculate the ratio, therefore outflows for the purpose of the ratio are deemed to be 25% of gross outflows.

Capitec Bank Holdings Limited

May 2023

LIQ2: Net stable funding ratio (NSFR)

Line #	Available stable funding (ASF) item R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to 1 year	>= 1 year	
1	Capital: (sum of rows 2 and 3)	37 426 609	-	-	45 828	37 472 437
2	Regulatory capital	37 426 609	-	-	-	37 426 609
3	Other capital instruments	-	-	-	45 828	45 828
4	Retail deposits and deposits from small business customers (sum of rows 5 and 6)	-	110 163 846	11 101 428	19 957 079	129 095 826
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	110 163 846	11 101 428	19 957 079	129 095 826
7	Wholesale funding: (sum of rows 8 and 9)	-	5 174 819	535 606	2 175 374	4 870 229
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	5 174 819	535 606	2 175 374	4 870 229
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities: (sum of rows 12 and 13)	-	3 665 893	1 321 699	2 276 617	3 199 141
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and equity not included above	-	3 665 893	1 321 699	2 276 617	3 199 141
14	Total ASF					174 637 633
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					3 546 948
16	Deposits held at other financial institutions for operational purposes	-	126 776	-	-	63 388
17	Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)	-	36 838 201	10 672 441	48 657 027	57 754 892
18	Performing loans to financial institutions secured by level 1 HQLA	-	9 806 334	-	-	980 633
19	Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	9 298 322	-	857 999	2 252 747
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSE's, of which:	-	17 666 588	10 608 851	44 559 018	52 350 232
21	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages of which:	-	66 957	63 590	3 240 010	2 171 280
23	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	66 957	63 590	3 240 010	2 171 280
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets: (sum of rows 27-31)	-	-	-	18 207 882	18 251 388
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	NSFR derivative assets	-	-	-	16 526	16 526
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
31	All other assets not included in the above categories	-	-	-	18 191 356	18 234 862
32	Off-balance sheet items		18 825 364			941 268
33	Total RSF (sum of rows 15,16, 17, 25, 26 and 32)					80 557 884
34	Net stable funding ratio (%)					216.8%

Capitec Bank Holdings Limited

February 2023

LIQ2: Net stable funding ratio (NSFR)

Line #	Available stable funding (ASF) item R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to 1 year	>= 1 year	
1	Capital: (sum of rows 2 and 3)	37 301 115	-	-	48 924	37 350 039
2	Regulatory capital (Basel 3 2022)	37 301 115	-	-	-	37 301 115
3	Other capital instruments	-	-	-	48 924	48 924
4	Retail deposits and deposits from small business customers (sum of rows 5 and 6)	-	108 264 493	10 193 227	19 926 337	126 538 285
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	108 264 493	10 193 227	19 926 337	126 538 285
7	Wholesale funding: (sum of rows 8 and 9)	-	4 980 811	35 453	3 025 141	5 375 930
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	4 980 811	35 453	3 025 141	5 375 930
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities: (sum of rows 12 and 13)	-	5 443 702	1 039 894	2 391 877	2 864 044
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and equity not included above	-	5 443 702	1 039 894	2 391 877	2 864 044
14	Total ASF					172 128 298
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					3 216 734
16	Deposits held at other financial institutions for operational purposes	-	110 709	-	-	55 354
17	Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)	-	47 049 632	10 575 529	48 679 933	60 128 623
18	Performing loans to financial institutions secured by level 1 HQLA	-	9 853 732	-	-	985 373
19	Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	16 935 486	-	837 491	3 377 814
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSE's, of which:	-	20 190 580	10 511 417	44 659 820	53 629 759
21	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages of which:	-	69 834	64 112	3 182 622	2 135 677
23	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	69 834	64 112	3 182 622	2 135 677
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets: (sum of rows 27-31)	-	-	-	15 550 599	15 674 708
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	NSFR derivative assets	-	-	-	9 872	9 872
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
31	All other assets not included in the above categories	-	-	-	15 540 727	15 664 836
32	Off-balance sheet items	-	18 826 283	-	-	941 314
33	Total RSF (sum of rows 15,16, 17, 25, 26 and 32)					80 016 733
34	Net stable funding ratio (%)					215.1%

Capitec Bank Limited

May 2023

LIQ2: Net stable funding ratio (NSFR)

Line #	Available Stable Funding (ASF) item R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to 1 year	>= 1 year	
1	Capital: (sum of rows 2 and 3)	34 734 242	-	-	45 828	34 780 070
2	Regulatory capital (Basel 3 2022)	34 734 242	-	-	-	34 734 242
3	Other capital instruments	-	-	-	45 828	45 828
4	Retail deposits and deposits from small business customers (sum of rows 5 and 6)	-	110 164 371	11 101 428	19 957 079	129 096 298
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	110 164 371	11 101 428	19 957 079	129 096 298
7	Wholesale funding: (sum of rows 8 and 9)	-	5 179 556	535 606	2 175 374	4 872 597
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	5 179 556	535 606	2 175 374	4 872 597
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities: (sum of rows 12 and 13)	-	3 600 859	1 321 699	2 276 617	2 937 467
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and equity not included above	-	3 600 859	1 321 699	2 276 617	2 937 467
14	Total ASF					171 686 432
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					3 546 949
16	Deposits held at other financial institutions for operational purposes	-	126 776	-	-	63 388
17	Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)	-	36 394 399	10 672 441	48 657 027	56 713 122
18	Performing loans to financial institutions secured by level 1 HQLA	-	9 806 334	-	-	980 633
19	Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	10 676 958	-	857 999	2 459 543
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSE's, of which:	-	15 844 150	10 608 851	44 559 018	51 101 666
21	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages of which:	-	66 957	63 590	3 240 010	2 171 280
23	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	66 957	63 590	3 240 010	2 171 280
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets: (sum of rows 27-31)	-	-	-	15 899 545	15 899 545
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	NSFR derivative assets	-	-	-	16 526	16 526
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
31	All other assets not included in the above categories	-	-	-	15 883 019	15 883 019
32	Off-balance sheet items		18 825 364			941 268
33	Total RSF (sum of rows 15,16, 17, 25, 26 and 32)					77 164 272
34	Net stable funding ratio (%)					222.5%

Capitec Bank Limited

February 2023

LIQ2: Net Stable Funding Ratio (NSFR)

Line #	Available Stable Funding (ASF) item R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to 1 year	>= 1 year	
1	Capital: (sum of rows 2 and 3)	34 245 379	-	-	48 924	34 294 303
2	Regulatory capital (Basel 3 2022)	34 245 379	-	-	-	34 245 379
3	Other capital instruments	-	-	-	48 924	48 924
4	Retail deposits and deposits from small business customers (sum of rows 5 and 6)	-	108 266 196	10 193 227	19 926 337	126 539 818
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	108 266 196	10 193 227	19 926 337	126 539 818
7	Wholesale funding: (sum of rows 8 and 9)	-	5 461 858	35 453	3 025 141	5 616 454
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	5 461 858	35 453	3 025 141	5 616 454
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities: (sum of rows 12 and 13)	-	4 449 132	1 039 894	2 391 877	2 911 824
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and equity not included above	-	4 449 132	1 039 894	2 391 877	2 911 824
14	Total ASF					169 362 399
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					3 216 734
16	Deposits held at other financial institutions for operational purposes	-	110 709	-	-	55 354
17	Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)	-	43 695 881	10 575 529	48 679 933	57 659 745
18	Performing loans to financial institutions secured by level 1 HQLA	-	9 853 732	-	-	985 373
19	Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	18 290 024	-	837 491	3 580 995
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSE's, of which:	-	15 482 291	10 511 417	44 659 820	50 957 700
21	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages of which:	-	69 834	64 112	3 182 622	2 135 677
23	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	69 834	64 112	3 182 622	2 135 677
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets: (sum of rows 27-31)	-	-	-	15 336 795	15 336 795
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
29	NSFR derivative assets	-	-	-	9 872	9 872
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
31	All other assets not included in the above categories	-	-	-	15 326 923	15 326 923
32	Off-balance sheet items	-	18 826 283	-	-	941 314
33	Total RSF (sum of rows 15,16, 17, 25, 26 and 32)					77 209 942
34	Net Stable Funding Ratio (%)					219.4%