

Capitec Bank Holdings Limited

November 2017 (3rd 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 3rd quarter of the 28 February 2018 financial year end is set out below:

Composition of qualifying regulatory capital	3rd Quarter 2018 (30 November 2017)		2nd Quarter 2018 (31 Aug 2017)	
	R'000	Capital Adequacy Ratio %	R'000	Capital Adequacy Ratio %
Common Equity Tier 1 capital (CET1)	16 963 481	32.5	16 442 494	32.3
Additional Tier 1 capital (AT1) ⁽¹⁾	126 677	0.2	129 484	0.2
Tier 1 capital (T1)	17 090 158	32.7	16 571 978	32.5
Subordinated debt ⁽¹⁾⁽²⁾	438 724		563 571	
Unidentified impairments	529 766		514 970	
Tier 2 capital (T2)	968 490	1.8	1 078 541	2.1
Total qualifying regulatory capital	18 058 648	34.5	17 650 519	34.6
Required regulatory capital ⁽³⁾	5 619 398		5 477 841	

⁽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 10.75% (2016: 9.75%) of risk-weighted assets, being the Basel global minimum requirement of 8%, the South African country-specific buffer of 1.5% (2016: 1.75%) and the Capital Conservation Buffer of 1.25% (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
12 December 2017

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	RWA	RWA	Minimum capital requirements
	3rd Quarter 2018 (30 November 2017)	2nd Quarter 2018 (31 Aug 2017)	3rd Quarter 2018 (30 November 2017)
OV1: Overview of RWA			
1 Credit risk (excluding counterparty credit risk) (CCR)	42 178 784	41 045 642	4 534 219
2 Of which standardised approach (SA)	42 178 784	41 045 642	4 534 219
3 Of which internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	104 889	64 829	11 276
5 Of which standardised approach for counterparty credit risk (SA-CCR)	104 889	64 829	11 276
6 Of which internal model method (IMM)	-	-	-
7 Equity positions in banking book under market-based approach	530 439	695 533	57 022
8 Equity investments in funds – look-through approach	-	-	-
9 Equity investments in funds – mandate-based approach	-	-	-
10 Equity investments in funds – fall-back approach	-	-	-
11 Settlement risk	-	-	-
12 Securitisation exposures in banking book	-	-	-
13 Of which IRB ratings-based approach (RBA)	-	-	-
14 Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15 Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	-	-	-
17 Of which standardised approach (SA)	-	-	-
18 Of which internal model approaches (IMM)	-	-	-
19 Operational risk	6 272 817	6 114 798	674 328
20 Of which Basic Indicator Approach	-	-	-
21 Of which Standardised Approach	6 272 817	6 114 798	674 328
22 Of which Advanced Measurement Approach	-	-	-
Other risk	2 077 732	2 025 948	223 356
23 Amounts below the thresholds for deduction (subject to 250% risk weight)	1 108 812	1 009 899	119 197
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	52 273 473	50 956 649	5 619 398