

## Capitec Bank Holdings Limited

November 2018 (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 2019 financial year end is set out below

Composition of qualifying regulatory capital	3rd Quarter 2019 (30 Nov 2018)		2nd Quarter 2019 (31 Aug 2018)	
	R'000	Capital Adequacy Ratio %	R'000	Capital Adequacy Ratio %
Common Equity Tier 1 capital (CET1)	20 266 512	33.4	19 326 895	34.3
Additional Tier 1 capital (AT1) <sup>(1)</sup>	95 104	0.1	103 587	0.2
<b>Tier 1 capital (T1)</b>	<b>20 361 616</b>	<b>33.5</b>	19 430 482	34.5
Subordinated debt <sup>(1)(2)</sup>	91 545		89 884	
Unidentified impairments	594 672		556 930	
<b>Tier 2 capital (T2)</b>	<b>686 217</b>	<b>1.2</b>	646 814	1.1
<b>Total qualifying regulatory capital</b>	<b>21 047 833</b>	<b>34.7</b>	20 077 296	35.6
<b>Required regulatory capital <sup>(3)</sup></b>	<b>6 754 061</b>		6 265 516	

<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.

<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.

By order of the Board

Stellenbosch  
13 December 2018

## Capitec Bank Holdings Limited

### November 2018 (3rd quarter)

	RWA	RWA	Minumum capital requirements
	3rd Quarter 2019 (30 November 2018)	2nd Quarter 2019 (31 August 2018)	3rd Quarter 2019 (30 November 2018)
<b>OV1: Overview of RWA</b>			
1 Credit risk (excluding counterparty credit risk) (CCR)	47 273 615	44 344 431	5 259 190
2 Of which standardised approach (SA)	47 273 615	44 344 431	5 259 190
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	18 296	37 020	2 035
7 Of which standardised approach for counterparty credit risk (SA-CCR)	18 296	37 020	2 035
8 Of which internal model method (IMM)	-	-	-
9 Of which other CCR	-	-	-
10 Credit valuation adjustment	6 824	14 785	759
11 Equity positions in banking book under market-based approach	394 982	706 429	43 942
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	7 285 279	6 758 309	810 487
Other risk	2 544 435	2 309 392	283 068
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	3 187 231	2 148 878	354 580
26 Floor adjustment	-	-	-
27 <b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>60 710 662</b>	<b>56 319 244</b>	<b>6 754 061</b>