



Resilience,  
**growth**  
and future focus

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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 August 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 practices. For the cell captive arrangements, through which the group conducted its insurance business, this meant recognising profit or 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 estimated net impact on the annual financial statements of the group for the year ended 28 February 2023 was disclosed as a decrease of R1 250 million in retained income and a decrease of R711 million in profit for the year. Subsequent to this disclosure, a further adjustment was made to account for the impact of earning a net of tax return from the cell captives. The amended impact on retained earnings amounted to R1 165 million, and the impact on the profit for the year was amended to R556 million.

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>

# Key prudential regulatory metrics

August 2023

## Capitec Bank Holdings Limited

### KM1 – Key metrics

The following table provides an overview of the prudential regulatory metrics:

Line#	Available capital R'000	Aug 2023 Q2	May 2023 Q1	Feb 2023 Q4	Nov 2022 Q3	Aug 2022 Q2
1	Common equity tier 1 (CET1)	36 625 838	35 063 086	35 038 067	34 649 834	33 279 564
1a	Fully loaded ECL accounting model <sup>(1)</sup>	36 625 838	35 063 086	35 038 067	34 649 834	33 279 564
2	Tier 1	36 625 838	35 063 086	35 038 067	34 649 834	33 279 564
2a	Fully loaded ECL accounting model tier 1 <sup>(1)</sup>	36 625 838	35 063 086	35 038 067	34 649 834	33 279 564
3	Total capital	37 484 453	35 920 773	35 910 898	35 475 537	34 105 253
3a	Fully loaded ECL accounting model total capital <sup>(1)</sup>	37 484 453	35 920 773	35 910 898	35 475 537	34 105 253
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	101 884 657	102 849 841	104 379 041	101 379 207	97 417 503
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common equity tier 1 ratio (%)	35.9	34.1	33.6	34.2	34.2
5a	Fully loaded ECL accounting model Common equity tier 1 <sup>(1)</sup> (%)	35.9	34.1	33.6	34.2	34.2
6	Tier 1 ratio (%)	35.9	34.1	33.6	34.2	34.2
6a	Fully loaded ECL accounting model tier 1 ratio <sup>(1)</sup> (%)	35.9	34.1	33.6	34.2	34.2
7	Total capital ratio (%)	36.8	34.9	34.4	35.0	35.0
7a	Fully loaded ECL accounting model total capital ratio <sup>(1)</sup> (%)	36.8	34.9	34.4	35.0	35.0
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement (%)	–	–	–	–	–
10	Bank G-SIB and/or D-SIB additional requirements (%) <sup>(2)</sup>	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 (%)	27.9	26.1	25.6	26.2	26.2
<b>Basel III leverage ratio</b>						
13	Total Basel III leverage ratio exposure measure	201 577 746	194 009 300	193 139 727	191 381 680	183 739 998
14	Basel III leverage ratio (row 2/row 13) (%)	18.2	18.1	18.1	18.1	18.1
14a	Fully loaded ECL accounting model Basel III leverage ratio (row 2a/row 13) (%)	18.2	18.1	18.1	18.1	18.1
<b>Liquidity coverage ratio</b>						
15	Total HQLA	80 248 623	77 087 373	74 946 512	70 626 237	73 672 864
16	Total net cash outflow <sup>(2)</sup>	3 292 349	3 685 102	3 420 878	3 046 824	2 830 266
17	LCR ratio (%)	2 437	2 092	2 191	2 318	2 603
<b>Net stable funding ratio</b>						
18	Total available stable funding	180 549 116	174 637 633	172 128 298	171 734 308	165 049 369
19	Total required stable funding	81 662 686	80 557 884	80 016 733	77 828 343	74 856 646
20	NSFR ratio (%)	221.1	216.8	215.1	220.7	220.5

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

<sup>(2)</sup> 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.

## Key prudential regulatory metrics continued

August 2023

### Capitec Bank Limited

#### KM1 – Key metrics continued

The following table provides an overview of the prudential regulatory metrics:

Line#	Available capital R'000	Aug 2023 Q2	May 2023 Q1	Feb 2023 Q4	Nov 2022 Q3	Aug 2022 Q2
1	Common equity tier 1 (CET1)	33 135 272	32 346 728	31 867 439	30 341 529	30 341 386
1a	Fully loaded ECL accounting model <sup>(1)</sup>	33 135 272	32 346 728	31 867 439	30 341 529	30 341 386
2	Tier 1	33 135 272	32 346 728	31 867 439	30 341 529	30 341 386
2a	Fully loaded ECL accounting model tier 1 <sup>(1)</sup>	33 135 272	32 346 728	31 867 439	30 341 529	30 341 386
3	Total capital	33 996 637	33 208 285	32 742 826	31 199 415	31 169 397
3a	Fully loaded ECL accounting model total capital <sup>(1)</sup>	33 996 637	33 208 285	32 742 826	31 199 415	31 169 397
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	97 592 410	99 112 001	99 861 225	98 523 634	95 406 826
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common equity tier 1 ratio (%)	34.0	32.6	31.9	30.8	31.8
5a	Fully loaded ECL accounting model Common equity tier 1 <sup>(1)</sup> (%)	34.0	32.6	31.9	30.8	31.8
6	Tier 1 ratio (%)	34.0	32.6	31.9	30.8	31.8
6a	Fully loaded ECL accounting model tier 1 ratio <sup>(1)</sup> (%)	34.0	32.6	31.9	30.8	31.8
7	Total capital ratio (%)	34.8	33.5	32.8	31.7	32.7
7a	Fully loaded ECL accounting model total capital ratio <sup>(1)</sup> (%)	34.8	33.5	32.8	31.7	32.7
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement (%)	–	–	–	–	–
10	Bank G-SIB and/or D-SIB additional requirements (%) <sup>(2)</sup>	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 (%)	26.0	24.6	23.9	22.8	23.8
<b>Basel III leverage ratio</b>						
13	Total Basel III leverage ratio exposure measure	198 209 940	191 256 135	189 438 474	188 759 817	181 984 921
14	Basel III leverage ratio (row 2/row 13) (%)	16.7	16.9	16.8	16.1	16.7
14a	Fully loaded ECL accounting model Basel III leverage ratio (row 2a/row 13) (%)	16.7	16.9	16.8	16.1	16.7
<b>Liquidity coverage ratio</b>						
15	Total HQLA	80 248 623	77 087 373	74 946 512	70 626 237	73 672 864
16	Total net cash outflow <sup>(2)</sup>	3 292 349	3 578 716	3 420 878	2 991 055	2 830 266
17	LCR ratio (%)	2 437	2 154	2 191	2 361	2 603
<b>Net stable funding ratio</b>						
18	Total available stable funding	177 165 498	171 686 432	169 362 399	167 590 794	162 881 858
19	Total required stable funding	77 790 273	77 164 272	77 209 942	75 574 316	73 139 413
20	NSFR ratio (%)	227.7	222.5	219.4	221.8	222.7

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

<sup>(2)</sup> 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

August 2023

## Capitec Bank Holdings Limited

### Regulatory capital adequacy

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

R'000	GROUP		BANK	
	Aug 2023	Feb 2023	Aug 2023	Feb 2023
<b>Composition of qualifying regulatory capital</b>				
Ordinary share capital <sup>(1)</sup>	5 419 469	5 406 109	6 105 981	6 105 981
Foreign currency translation reserve	93 938	77 610	–	–
Other reserves	492 735	491 982	348	(404)
Retained earnings	33 330 817	33 060 311	29 789 425	28 548 099
<b>Total ordinary shareholder equity</b>	<b>39 336 959</b>	<b>39 036 012</b>	<b>35 895 754</b>	<b>34 653 676</b>
<b>Regulatory adjustments</b>				
Intangible assets, deferred tax assets excluding temporary differences and goodwill in terms of IFRS <sup>(6)</sup>	(1 421 982)	(1 390 218)	(1 420 530)	(1 378 739)
Other regulatory adjustments	–	–	(114 791)	(123 663)
Unappropriated profit	(1 289 139)	(2 607 727)	(1 225 161)	(1 283 835)
<b>Common equity tier 1 capital (CET1)</b>	<b>36 625 838</b>	<b>35 038 067</b>	<b>33 135 272</b>	<b>31 867 439</b>
CET1 (%)	35.9	33.6	34.0	31.9
Issued preference share capital <sup>(1)</sup>	45 536	48 924	45 536	48 924
Phase-out – non-loss absorbent <sup>(2)(7)</sup>	(45 536)	(48 924)	(45 536)	(48 924)
<b>Additional tier 1 capital (AT1)<sup>(1)</sup></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
AT1 (%)	–	–	–	–
<b>Tier 1 capital (T1)</b>	<b>36 625 838</b>	<b>35 038 067</b>	<b>33 135 272</b>	<b>31 867 439</b>
T1 (%)	35.9	33.6	34.0	31.9
General allowance for credit impairment	858 615	872 831	861 365	875 387
<b>Tier 2 capital (T2)</b>	<b>858 615</b>	<b>872 831</b>	<b>861 365</b>	<b>875 387</b>
T2 (%)	0.9	0.8	0.8	0.9
<b>Total qualifying regulatory capital</b>	<b>37 484 453</b>	<b>35 910 898</b>	<b>33 996 637</b>	<b>32 742 826</b>
<b>Total (%)<sup>(3)</sup></b>	<b>36.8</b>	<b>34.4</b>	<b>34.8</b>	<b>32.8</b>

## Capital management continued

August 2023

### Capitec Bank Holdings Limited

#### Regulatory capital adequacy continued

R'000	GROUP		BANK	
	Aug 2023	Feb 2023	Aug 2023	Feb 2023
<b>Composition of required regulatory capital</b>				
Credit risk – on-balance sheet	8 180 270	8 317 193	8 206 674	8 341 729
Credit risk – off-balance sheet	63 881	63 709	63 881	63 709
Total credit risk	8 244 151	8 380 902	8 270 555	8 405 438
Operational risk	1 467 139	1 503 058	1 414 589	1 438 002
Market risk	4 116	4 044	4 116	4 044
Equity risk	453 796	971 624	448 654	589 883
Other assets	2 056 956	1 665 857	1 573 175	1 545 980
<b>Total regulatory capital requirement<sup>(4)</sup></b>	<b>12 226 158</b>	<b>12 525 485</b>	<b>11 711 089</b>	<b>11 983 347</b>
<b>Composition of risk-weighted assets<sup>(5)</sup></b>				
Credit risk – on-balance sheet	68 168 916	69 309 945	68 388 952	69 514 411
Credit risk – off-balance sheet	532 342	530 906	532 342	530 906
Total credit risk	68 701 258	69 840 851	68 921 294	70 045 317
Operational risk	12 226 159	12 525 485	11 788 240	11 983 347
Market risk	34 300	33 696	34 300	33 696
Equity risk	3 781 636	8 096 866	3 738 781	4 915 693
Other assets	17 141 304	13 882 143	13 109 795	12 883 172
<b>Total risk-weighted assets</b>	<b>101 884 657</b>	<b>104 379 041</b>	<b>97 592 410</b>	<b>99 861 225</b>
Total assets based on IFRS	200 503 576	191 800 623	197 245 123	188 228 244
Total risk-weighted assets – adjustments <sup>(6)</sup>	(98 618 919)	(87 421 582)	(99 652 713)	(88 367 019)
<b>Total risk-weighted assets – regulatory</b>	<b>101 884 657</b>	<b>104 379 041</b>	<b>97 592 410</b>	<b>99 861 225</b>

<sup>(1)</sup> For further details of the main features of these instruments, please refer to the main features of capital instruments and the CC1 – composition of regulatory capital template.

<sup>(2)</sup> Starting in 2013, the non-loss absorbent AT1 and T2 capital was subject to a 10% per annum phase-out in terms of Basel III, and was fully phased-out on 1 January 2022.

<sup>(3)</sup> The total capital adequacy ratio percentage is determined by dividing the total qualifying regulatory capital by total risk-weighted assets.

<sup>(4)</sup> 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.

<sup>(5)</sup> Risk-weighted assets is calculated by using regulatory percentages applied to the balance sheet, in order to establish the base for calculating the required regulatory capital.

<sup>(6)</sup> The adjustments mainly reflect the impact of the regulatory risk weightings applied and the addition of a risk-weighted equivalent for operational risk.

<sup>(7)</sup> The base value of preference shares which would phase-out in terms of Basel III is R258 969 000. At 31 August 2023, 82.42% (Feb 2023: 81.11%) 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 of R45.5 million, are shown as phased-out.

<sup>(8)</sup> 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.

## Capital management continued

August 2023

### Capitec Bank Holdings Limited

#### 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	RWA Aug 2023	RWA Feb 2023	Minimum capital requirements <sup>(1)</sup> Aug 2023
1	<b>Credit risk (excluding counterparty credit risk) (CCR)</b>	<b>68 651 941</b>	69 760 404	<b>8 238 233</b>
2	Of which standardised approach (SA)	68 651 941	69 760 404	8 238 233
3	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–
4	Of which supervisory slotting approach	–	–	–
5	Of which advanced internal ratings-based (A-IRB) approach	–	–	–
6	<b>Counterparty credit risk (CCR)</b>	<b>37 236</b>	66 069	<b>4 468</b>
7	Of which standardised approach for counterparty credit risk (SA-CCR)	37 236	66 069	4 468
8	Of which internal model method (IMM)	–	–	–
9	Of which other CCR	–	–	–
10	<b>Credit valuation adjustment (CVA)</b>	<b>12 081</b>	14 378	<b>1 450</b>
11	Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period	343 472	3 449 356	41 216
12	Equity investments in funds – look-through approach	3 438 164	4 647 510	412 580
13	Equity investments in funds – mandate-based approach	–	–	–
14	Equity investments in funds – fall-back approach	–	–	–
15	Settlement risk	–	–	–
16	<b>Securitisation exposures in banking book</b>	–	–	–
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	<b>Market risk</b>	<b>34 300</b>	33 696	<b>4 116</b>
21	Of which standardised approach (SA)	34 300	33 696	4 116
22	Of which internal model approaches (IMA)	–	–	–
23	Capital charge for switch between trading book and banking book	–	–	–
24	Operational risk	12 226 159	12 525 485	1 467 139
	Other risk	9 094 588	6 494 014	1 091 350
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	8 046 716	7 388 129	965 606
26	Output floor applied	–	–	–
27	Floor adjustment (before application of transitional cap)	–	–	–
28	Floor adjustment (after application of transitional cap)	–	–	–
29	<b>Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 28)</b>	<b>101 884 657</b>	104 379 041	<b>12 226 158</b>

<sup>(1)</sup> 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.

## Capital management continued

August 2023

### Capitec Bank Limited

#### OV1 – Overview of risk-weighted assets (RWA) continued

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	RWA Aug 2023	RWA Feb 2023	Minimum capital requirements <sup>(1)</sup> Aug 2023
1	<b>Credit risk (excluding counterparty credit risk) (CCR)</b>	<b>68 871 977</b>	69 964 870	<b>8 264 637</b>
2	Of which standardised approach (SA)	<b>68 871 977</b>	69 964 870	<b>8 264 637</b>
3	Of which: foundation internal ratings-based (F-IRB) approach	–	–	–
4	Of which supervisory slotting approach	–	–	–
5	Of which advanced internal ratings-based (A-IRB) approach	–	–	–
6	<b>Counterparty credit risk (CCR)</b>	<b>37 236</b>	66 069	<b>4 468</b>
7	Of which standardised approach for counterparty credit risk (SA-CCR)	<b>37 236</b>	66 069	<b>4 468</b>
8	Of which internal model method (IMM)	–	–	–
9	Of which other CCR	–	–	–
10	<b>Credit valuation adjustment (CVA)</b>	<b>12 081</b>	14 378	<b>1 450</b>
11	Equity positions under the simple risk weight approach and the internal model method during the five-year linear phase-in period	<b>300 617</b>	268 183	<b>36 074</b>
12	Equity investments in funds – look-through approach	<b>3 438 164</b>	4 647 510	<b>412 580</b>
13	Equity investments in funds – mandate-based approach	–	–	–
14	Equity investments in funds – fall-back approach	–	–	–
15	Settlement risk	–	–	–
16	<b>Securitisation exposures in banking book</b>	–	–	–
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	<b>Market risk</b>	<b>34 300</b>	33 696	<b>4 116</b>
21	Of which standardised approach (SA)	<b>34 300</b>	33 696	<b>4 116</b>
22	Of which internal model approaches (IMA)	–	–	–
23	Capital charge for switch between trading book and banking book	–	–	–
24	Operational risk	<b>11 788 240</b>	11 983 347	<b>1 414 589</b>
	Other risk	<b>6 623 482</b>	6 442 239	<b>794 817</b>
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	<b>6 486 313</b>	6 440 933	<b>778 358</b>
26	Output floor applied	–	–	–
27	Floor adjustment (before application of transitional cap)	–	–	–
28	Floor adjustment (after application of transitional cap)	–	–	–
29	<b>Total (1 + 6 + 10 + 11 + 12 + 13 + 14 + 15 + 16 + 20 + 23 + 24 + 25 + 28)</b>	<b>97 592 410</b>	99 861 225	<b>11 711 089</b>

<sup>(1)</sup> 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.



## Capital management continued

August 2023

### Capitec Bank Holdings Limited

#### 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		BANK	
		Aug 2023	Feb 2023	Aug 2023	Feb 2023
1	Total consolidated assets as per published financial statements	200 503 576	191 800 623	197 245 123	188 228 244
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	14 312	23 912	–	–
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	–	–	–	–
4	Adjustments for derivative financial instruments	(7 860)	(12 712)	(7 860)	(12 712)
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	92 161	271 739	92 161	271 739
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	2 397 540	2 446 383	2 415 839	2 453 607
7	Other adjustments	(1 421 983)	(1 390 218)	(1 535 323)	(1 502 404)
8	<b>Leverage ratio exposure</b>	<b>201 577 746</b>	<b>193 139 727</b>	<b>198 209 940</b>	<b>189 438 474</b>

## Capital management continued

August 2023

### Capitec Bank Holdings Limited

#### 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#	R'000	GROUP		BANK	
		Aug 2023	Feb 2023	Aug 2023	Feb 2023
	<b>On-balance sheet exposures</b>				
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	188 072 716	181 937 248	184 799 952	178 340 957
2	(Asset amounts deducted in determining Basel III tier 1 capital)	(1 421 982)	(1 390 218)	(1 535 323)	(1 502 404)
3	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)</b>	<b>186 650 734</b>	180 547 030	<b>183 264 629</b>	176 838 553
	<b>Derivative exposures</b>				
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	17 875	19 484	17 875	19 484
5	Add-on amounts for PFE associated with all derivatives transactions	1 866	1 359	1 866	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 provide in derivatives transactions)	–	–	–	–
8	(Exempted 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	<b>Total derivative exposures (sum of lines 4 to 10)</b>	<b>19 741</b>	20 843	<b>19 741</b>	20 843
	<b>Securities financing transaction exposures</b>				
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	12 417 570	9 853 732	12 417 570	9 853 732
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–	–	–	–
14	CCR exposure for SFT assets	92 161	271 739	92 161	271 739
15	Agent transaction exposures	–	–	–	–
16	<b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	<b>12 509 731</b>	10 125 471	<b>12 509 731</b>	10 125 471
	<b>Other off-balance sheet exposures</b>				
17	Off-balance sheet exposure at gross notional amount	18 245 259	18 941 717	18 181 240	18 826 282
18	(Adjustments for conversion to credit equivalent amounts)	(15 847 719)	(16 495 334)	(15 765 401)	(16 372 675)
19	<b>Off-balance sheet items (sum of lines 17 and 18)</b>	<b>2 397 540</b>	2 446 383	<b>2 415 839</b>	2 453 607
	<b>Capital and total exposures</b>				
20	<b>Tier 1 capital</b>	<b>36 625 838</b>	35 038 067	<b>33 135 272</b>	31 867 439
21	<b>Total exposures (sum of lines 3, 11, 16 and 19)</b>	<b>201 577 746</b>	193 139 727	<b>198 209 940</b>	189 438 474
	<b>Leverage ratio</b>				
22	<b>Basel III leverage ratio (%)</b>	<b>18.2</b>	18.1	<b>16.7</b>	16.8

# Credit risk

August 2023

## Capitec Bank Holdings Limited

### Summary of on-balance sheet and off-balance sheet credit exposure

The table below summarises the daily average credit exposures for the six-month period ended 31 August 2023 and 28 February 2023, respectively, for Capitec Bank Holdings Limited.

R'000	Average gross-credit exposure Aug 2023	Average gross-credit exposure Feb 2023
<b>Asset class</b>		
<b>Liquid assets</b>	<b>23 149 105</b>	27 101 379
Cash and cash equivalents – Banks	14 468 252	16 983 915
Cash and cash equivalents – Sovereign	3 349 581	3 103 357
Resale agreements with banks	3 184 991	5 824 185
Resale agreements with corporates	–	375 003
Other balances with central banks	2 146 281	814 919
<b>Gross loans and advances</b>	<b>100 966 089</b>	96 002 564
Retail personal term loans	53 808 075	55 324 486
Retail revolving credit	34 837 978	30 251 445
Mortgage loans	8 668 958	7 750 910
Instalment sales and leases	3 643 869	2 669 281
Other advances	7 209	6 442
<b>Gross other assets</b>	<b>70 017 946</b>	64 264 604
Term deposit investments – Banks	1 670 107	3 833 010
Financial investments – Sovereign	68 310 205	60 395 231
Derivative financial assets	37 634	36 363
<b>On-balance sheet exposure</b>	<b>194 133 140</b>	187 368 547
Guarantees	750 524	785 638
Letters of credit	7 334	18 356
Committed undrawn facilities	333 189	291 845
Conditionally revocable commitments	17 595 508	17 306 412
<b>Off-balance sheet exposure</b>	<b>18 686 555</b>	18 402 251
<b>Total credit exposure</b>	<b>212 819 695</b>	205 770 798

## Credit risk continued

August 2023

### Capitec Bank Holdings Limited

#### CR1 – Credit quality of assets

The purpose of the CR1 template is to provide a comprehensive view of the credit quality of on- and off-balance sheet assets. The table below summarises the group's asset classes by IFRS 9 stage and splits the exposures between default and non-default and whether the exposure is calculated on a month-end basis or on a daily average balance basis.

31 Aug 2023 R'000	Month average/ month-end exposure	Credit exposure value			Net
		Defaulted exposures	Non- defaulted exposures	Total impairments	
<b>Stage 1 loans</b>		–	145 902 118	(4 064 186)	141 837 932
Retail term loans	Month-end	–	26 016 158	(1 820 405)	24 195 753
Retail revolving credit	Monthly ave	–	22 946 359	(1 833 011)	21 113 348
Sovereigns and their central banks	Monthly ave	–	74 706 281	(100 755)	74 605 526
Banks	Monthly ave	–	7 097 904	(377)	7 097 527
Corporate exposures	Both	–	5 289 138	(161 660)	5 127 478
Residential mortgage advances	Month-end	–	3 586 108	(19 138)	3 566 970
SME secured lending	Month-end	–	4 644 882	(75 862)	4 569 020
Other exposures (SME unsecured lending and public sector entities)	Both	–	1 615 288	(52 978)	1 562 310
<b>Stage 2 loans</b>		–	14 887 119	(3 788 894)	11 098 225
Retail term loans	Month-end	–	8 476 048	(1 689 852)	6 786 196
Retail revolving credit	Monthly ave	–	5 523 083	(1 963 661)	3 559 422
Sovereigns and their central banks	Monthly ave	–	–	–	–
Banks	Monthly ave	–	–	–	–
Corporate exposures	Both	–	488 494	(77 272)	411 222
Residential mortgage advances	Month-end	–	126 382	(8 400)	117 982
SME secured lending	Month-end	–	161 276	(22 073)	139 203
Other exposures (SME unsecured lending and public sector entities)	Both	–	111 836	(27 636)	84 200
<b>Stage 3 loans</b>		15 733 624	6 976 617	(14 169 877)	8 540 364
Retail term loans	Month-end	9 893 771	4 947 308	(9 272 633)	5 568 446
Retail revolving credit	Monthly ave	4 553 663	2 029 309	(4 346 361)	2 236 611
Sovereigns and their central banks	Monthly ave	–	–	–	–
Banks	Monthly ave	–	–	–	–
Corporate exposures	Both	134 288	–	(74 696)	59 592
Residential mortgage advances	Month-end	518 069	–	(123 973)	394 096
SME secured lending	Month-end	424 719	–	(200 459)	224 260
Other exposures (SME unsecured lending and public sector entities)	Both	209 114	–	(151 755)	57 359
Debt securities		–	–	–	–
Off-balance sheet items		3 630	17 778 420	(153 347)	17 628 703
<b>Total</b>		<b>15 737 254</b>	<b>185 544 274</b>	<b>(22 176 304)</b>	<b>179 105 224</b>

## Capitec Bank Holdings Limited

### CR1 – Credit quality of assets continued

#### Stage 1

##### **Retail bank**

These are loans and advances which are up-to-date with no indication of significant increase in credit risk (SICR) as well as loans that have been rescheduled from up-to-date or arrears and have been rehabilitated. Clients who applied for debt review more than 12 months ago and remained up-to-date are classified as stage 1 subject to the SICR assessment.

##### **Business bank**

These are loans and advances which are up-to-date or up to 1 month in arrears with no indication of SICR. This includes distressed restructured loans that have rehabilitated.

#### Stage 2

##### **Retail bank**

- Up-to-date loans with SICR
- Loans where the forward-looking information indicates SICR
- Loans up to 1 month in arrears
- Loans that applied for debt review between 6 and 12 months ago which are currently performing.

##### **Business bank**

- Loans that have experienced a SICR since initial recognition
- Loans where the forward-looking information indicates SICR
- Loans that are between 2 and 3 months in arrears
- Up-to-date loans that restructured from up-to-date (not yet rehabilitated)
- Up-to-date loans that restructured from arrears (not yet rehabilitated).

#### Stage 3

##### **Retail bank**

- The client is placed under debt review
- The client is handed over for collection or has another legal status
- The client is in default. Default is defined as the point at which a client is more than 3 months past due on contractual payments
- The client is past due on 2 contractual payments
- The client applied for debt review less than 6 months ago and the loans are currently performing
- The loan was rescheduled from up-to-date and is up-to-date (not yet rehabilitated)
- The loan is currently up to 1 month in arrears and was previously rescheduled but has not rehabilitated
- The loan was rescheduled from arrears and is up-to-date (not yet rehabilitated).

##### **Business bank**

- The borrower is more than 3 months past due on contractual payments
- The borrower is in long-term forbearance
- The borrower is deceased or insolvent
- The borrower is in breach of financial covenant(s)
- An active market for the financial assets has disappeared because of financial difficulty/inability to meet contractual obligations and the borrower is in arrears
- It is becoming probable that the borrower may enter bankruptcy.

## Credit risk continued

August 2023

### Capitec Bank Holdings Limited

#### CR1 – Credit quality of assets continued

The purpose of the CR1 template is to provide a comprehensive view of the credit quality of on- and off-balance sheet assets. The table below summarises the group's asset classes by IFRS 9 stage and splits the exposures between default and non-default and whether the exposure is calculated on a month-end basis or on a daily average balance basis.

28 Feb 2023 R'000	Month average/ month-end exposure	Credit exposure value			Net
		Defaulted exposures	Non- defaulted exposures	Total impairments	
<b>Stage 1 loans</b>		–	138 230 623	(4 003 880)	134 226 743
Retail term loans	Month-end	–	28 143 574	(1 863 981)	26 279 593
Retail revolving credit	Monthly ave	–	22 817 094	(1 779 008)	21 038 086
Sovereigns and their central banks	Monthly ave	–	61 164 088	(103 783)	61 060 305
Banks	Monthly ave	–	12 605 186	(1 681)	12 603 505
Corporate exposures	Both	–	4 535 505	(133 418)	4 402 087
Residential mortgage advances	Month-end	–	3 497 222	(10 473)	3 486 749
SME secured lending	Month-end	–	3 986 581	(57 674)	3 928 907
Other exposures (SME unsecured lending and public sector entities)	Both	–	1 481 373	(53 862)	1 427 511
<b>Stage 2 loans</b>		–	14 531 738	(3 681 152)	10 850 586
Retail term loans	Month-end	–	8 312 921	(1 732 734)	6 580 187
Retail revolving credit	Monthly ave	–	5 266 258	(1 808 187)	3 458 071
Sovereigns and their central banks	Monthly ave	–	–	–	–
Banks	Monthly ave	–	–	–	–
Corporate exposures	Both	–	589 094	(82 188)	506 906
Residential mortgage advances	Month-end	–	132 705	(8 914)	123 791
SME secured lending	Month-end	–	139 470	(27 425)	112 045
Other exposures (SME unsecured lending and public sector entities)	Both	–	91 290	(21 704)	69 586
<b>Stage 3 loans</b>		13 549 608	6 098 781	(12 067 112)	7 581 277
Retail term loans	Month-end	9 271 274	4 725 964	(8 665 683)	5 331 555
Retail revolving credit	Monthly ave	3 186 012	1 372 817	(2 989 331)	1 569 498
Sovereigns and their central banks	Monthly ave	–	–	–	–
Banks	Monthly ave	–	–	–	–
Corporate exposures	Both	159 673	–	(64 390)	95 283
Residential mortgage advances	Month-end	459 244	–	(103 706)	355 538
SME secured lending	Month-end	333 712	–	(139 110)	194 602
Other exposures (SME unsecured lending and public sector entities)	Both	139 693	–	(104 892)	34 801
Debt securities		–	–	–	–
Off-balance sheet items		2 449	18 348 427	(120 878)	18 229 998
<b>Total</b>		13 552 057	177 209 569	(19 873 022)	170 888 604

## Capitec Bank Holdings Limited

### CR2 – Changes in stock of defaulted loans and debt securities

The purpose of the CR2 template is to identify the changes in defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the value of defaulted exposures due to write-offs.

R'000	Aug 2023	Feb 2023
<b>Defaulted loans and debt securities at end of previous reporting period</b>	<b>13 552 057</b>	12 057 183
Loans and debt securities that have defaulted since the last reporting period	4 883 442	4 548 870
Returned to non-defaulted status	(133 839)	(159 975)
Amounts written off	(2 588 216)	(2 768 538)
Other changes	23 810	(125 483)
<b>Defaulted loans and debt securities at end of reporting period</b>	<b>15 737 254</b>	13 552 057

#### **Retail bank**

Default on retail loans include the following:

- Default is defined as the point at which a client is more than 3 months past due on contractual payments.

#### **Business bank**

A financial instrument is defined as being in default, which is aligned to the definition of credit-impaired, when it meets 1 or more of the following criteria:

- The borrower is more than 3 months past due on contractual payment
- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for the financial assets has disappeared because of financial difficulty/inability to meet contractual obligations and the borrower is in arrears
- It is becoming probable that the borrower may enter bankruptcy.

## Credit risk continued

August 2023

### Capitec Bank Holdings Limited

#### CR3 – Credit risk mitigation techniques

The purpose of the CR3 template is to disclose the extent of use of credit risk mitigation techniques. The following table summarises the total exposures which are unsecured and the total exposures which are secured.

Line#	R'000	Exposures	
		unsecured: carrying amount Aug 2023	Exposures secured by collateral Aug 2023
1	<b>Total net loans and advances</b>	<b>186 720 479</b>	<b>14 561 049</b>
	Retail term loans	49 267 417	71 320
	Retail revolving credit	50 049 983	–
	Sovereigns and their central banks	74 706 281	–
	Banks	5 407 654	1 690 251
	Corporate exposures	2 406 596	4 725 323
	Residential mortgage advances	249 816	4 158 990
	SME secured lending	1 844 023	3 915 165
	Other exposures (SME unsecured lending)	2 788 709	–
2	<b>Debt securities</b>	–	–
3	<b>Total</b>	<b>186 720 479</b>	<b>14 561 049</b>
4	<i>Of which defaulted (net of credit impairment)</i>	<b>4 622 925</b>	–

Line#	R'000	Exposures	
		unsecured: carrying amount Feb 2023	Exposures secured by collateral Feb 2023
1	<b>Total net loans and advances</b>	<b>174 254 456</b>	<b>16 507 169</b>
	Retail term loans	50 370 556	73 265
	Retail revolving credit	48 262 264	–
	Sovereigns and their central banks	61 164 088	–
	Banks	7 795 950	4 811 237
	Corporate exposures	2 112 578	4 457 014
	Residential mortgage advances	334 865	3 915 240
	SME secured lending	1 746 141	3 250 413
	Other exposures (SME unsecured lending)	2 468 014	–
2	<b>Debt securities</b>	–	–
3	<b>Total</b>	<b>174 254 456</b>	<b>16 507 169</b>
4	<i>Of which defaulted (net of credit impairment)</i>	<b>4 086 281</b>	–



## Capitec Bank Holdings Limited

### CR4 – Standardised approach – credit risk exposure and credit risk mitigation effects

The purpose of the CR4 template is to illustrate the effect of credit risk mitigation on capital requirement calculations under the standardised approach for credit risk. The risk-weighted asset (RWA) density provides a synthetic metric on the riskiness of each portfolio. Past-due loans include retail loans which are past due by at least 1 contractual payment and business loans which are past due by more than 3 months.

Line#	Aug 2023 R'000	Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA <sup>(2)</sup>	RWA density %
<b>Asset classes</b>							
1	Sovereigns and their central banks <sup>(3)</sup>	74 706 281	–	74 706 281	–	–	–
2	Banks <sup>(1)</sup>	7 097 904	–	5 499 813	–	1 488 140	27
3	Corporates <sup>(1)</sup>	3 475 715	959 287	3 427 729	109 701	3 246 582	92
4	Regulatory retail portfolios	69 387 159	16 275 150	69 376 033	133 780	53 328 553	77
5	Secured by residential property	3 712 490	178 247	3 706 877	146 081	1 441 156	37
6	Secured by commercial real estate	4 246 457	365 736	4 246 457	270 884	4 517 341	100
7	Past-due loans	6 703 595	3 630	6 703 595	532	4 667 405	70
8	<b>Total</b>	<b>169 329 601</b>	<b>17 782 050</b>	<b>167 666 785</b>	<b>660 978</b>	<b>68 689 177</b>	<b>41</b>

Line#	Feb 2023 R'000	Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA <sup>(2)</sup>	RWA density %
<b>Asset classes</b>							
1	Sovereigns and their central banks <sup>(3)</sup>	61 164 088	–	61 164 088	–	–	–
2	Banks <sup>(1)</sup>	12 605 186	2 000	8 067 686	–	3 646 916	45
3	Corporates <sup>(1)</sup>	3 039 542	1 095 045	2 877 837	169 353	2 837 666	93
4	Regulatory retail portfolios	69 550 046	16 781 426	69 543 703	116 889	53 212 415	76
5	Secured by residential property	3 629 927	160 934	3 628 351	132 845	1 417 281	38
6	Secured by commercial real estate	3 818 160	309 023	3 745 464	227 159	3 972 623	100
7	Past-due loans	6 536 686	2 449	6 536 686	409	4 739 571	73
8	<b>Total</b>	<b>160 343 635</b>	<b>18 350 877</b>	<b>155 563 815</b>	<b>646 655</b>	<b>69 826 472</b>	<b>45</b>

As required by the regulations relating to banks:

<sup>1</sup> Corporate and bank exposures were calculated based on an average, using daily balances for month 6 of the respective reporting periods. All other items are the balances at the respective month-ends.

<sup>2</sup> The risk weightings are calculated according to the regulations relating to banks, with the risk weight percentages applicable to each asset class provided in the CR5 template.

<sup>3</sup> Sovereigns comprise investments in South African treasury bills and government bonds. These exposures are zero risk-weighted.

## Credit risk continued

August 2023

### Capitec Bank Holdings Limited

#### CR5 – Standardised approach – exposures by asset classes and risk weights

The purpose of the CR5 template is to present the breakdown of credit risk exposures under the standardised approach by asset class and risk weight, which corresponds to the riskiness attributed to the exposure according to the standardised approach. The tables below summarise the credit risk exposures by risk weighting percentage:

Aug 2023 R'000	0%	20%	35%	50%	75%	100%	150%	Total credit exposure post CRM and CCF
<b>Risk weight/ asset classes</b>								
Sovereigns and their central banks	74 706 281	–	–	–	–	–	–	74 706 281
Banks	–	4 242 007	–	1 252 875	–	4 931	–	5 499 813
Corporates	–	–	–	581 697	–	2 955 733	–	3 537 430
Regulatory retail portfolios	–	–	–	48 857	66 309 889	2 540 415	610 652	69 509 813
Secured by residential property	–	–	3 626 414	–	218 531	8 013	–	3 852 958
Secured by commercial real estate	–	–	–	–	–	4 517 341	–	4 517 341
Past-due loans	–	–	–	3 359 130	1 363 154	1 783 947	197 896	6 704 127
<b>Total</b>	<b>74 706 281</b>	<b>4 242 007</b>	<b>3 626 414</b>	<b>5 242 559</b>	<b>67 891 574</b>	<b>11 810 380</b>	<b>808 548</b>	<b>168 327 763</b>

Feb 2023 R'000	0%	20%	35%	50%	75%	100%	150%	Total credit exposure post CRM and CCF
<b>Risk weight/ asset classes</b>								
Sovereigns and their central banks	61 164 088	–	–	–	–	–	–	61 164 088
Banks	–	4 412 814	–	1 781 038	–	1 873 834	–	8 067 686
Corporates	–	–	–	419 049	–	2 628 141	–	3 047 190
Regulatory retail portfolios	–	–	–	37 227	66 842 764	2 218 347	562 254	69 660 592
Secured by residential property	–	–	3 523 950	–	213 391	23 855	–	3 761 196
Secured by commercial real estate	–	–	–	–	–	3 972 623	–	3 972 623
Past-due loans	–	–	–	2 903 365	1 773 239	1 665 554	194 937	6 537 095
<b>Total</b>	<b>61 164 088</b>	<b>4 412 814</b>	<b>3 523 950</b>	<b>5 140 679</b>	<b>68 829 394</b>	<b>12 382 354</b>	<b>757 191</b>	<b>156 210 470</b>

#### Write-offs and recoveries reflected in the income statement

The table below summarises the net credit impairment charge as recognised in the income statement for the 6-month period ended 31 August 2023 and the 6-month period ended 28 February 2023:

R'000	6 months ended Aug 2023	6 months ended Feb 2023
<b>Net impairment charge on loans and advances</b>		
Bad debts written off	4 044 250	3 971 203
Movement in provision for credit impairments	1 048 769	(242 086)
Bad debts recovered	(331 726)	(339 062)
<b>Net credit impairment charge</b>	<b>4 761 293</b>	<b>3 390 055</b>

## Credit risk continued

August 2023

### Capitec Bank Holdings Limited

#### CCR1 – Analysis of counterparty credit risk by approach (CCR)

The purpose of the CCR1 template is to provide a comprehensive view of the method used to calculate counterparty credit risk regulatory requirements and the main parameters used. Counterparty credit risk (CCR) is calculated on the standardised approach (SA-CCR) which was implemented on 1 January 2021, based on the asset values as well as any potential future add-ons as prescribed by the regulations.

Line#	Aug 2023 R'000	Replacement cost	Potential future exposure	EAD Post – CRM	RWA
1	SA-CCR for derivatives	17 875	1 866	27 637	18 804
2	Internal model method (for derivatives and SFTs)	–	–	–	–
3	Simple approach for credit risk mitigation (for SFTs)	1 690 251	1 598 090	92 161	18 432
4	Comprehensive approach for credit risk mitigation (for SFTs) <sup>(1)</sup>	–	–	–	–
5	VaR for SFTs	–	–	–	–
6	<b>Total</b>	<b>1 708 126</b>	<b>1 599 956</b>	<b>119 798</b>	<b>37 236</b>

Line#	Feb 2023 R'000	Replacement cost	Potential future exposure	EAD Post – CRM	RWA
1	SA-CCR for derivatives	19 484	1 359	29 180	11 721
2	Internal model method (for derivatives and SFTs)	–	–	–	–
3	Simple approach for credit risk mitigation (for SFTs)	4 561 010	4 289 271	271 739	54 348
4	Comprehensive approach for credit risk mitigation (for SFTs) <sup>(1)</sup>	–	–	–	–
5	VaR for SFTs	–	–	–	–
6	<b>Total</b>	<b>4 580 494</b>	<b>4 290 630</b>	<b>300 919</b>	<b>66 069</b>

<sup>(1)</sup> Secured finance transactions (SFTs) include investments in resale agreements.

# Liquidity risk

August 2023

## Capitec Bank Holdings Limited

Liquidity risk is managed by the assets and liabilities committee that oversees the activities of the treasury department which operates in terms of an approved assets and liabilities management policy and approved limits, managing cash on a centralised basis.

Further information regarding liquidity management is available in the integrated annual report.

This section presents various measurements of the group liquidity position.

### 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. There is no difference between the group and the bank LCR as at 31 August 2023, therefore the bank LCR is not included below. 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#	LCR common disclosure – Group R'000	Total unweighted value (average) Aug 2023	Total weighted value (average) Aug 2023	Total weighted value (average) Feb 2023
	<b>High-quality liquid assets</b>			
1	Total high-quality liquid assets (HQLA)		80 248 623	74 946 512
	<b>Cash outflows</b>			
2	Retail deposits and deposits from small business customers, of which:	131 515 095	10 152 790	10 132 861
3	Stable deposits	–	–	–
4	Less stable deposits	131 515 095	10 152 790	10 132 861
5	Unsecured wholesale funding, of which:	13 069 924	2 527 029	3 061 873
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–	–
7	Non-operational deposits (all counterparties)	10 616 536	2 198 191	2 275 307
8	Unsecured debt	2 453 388	328 838	786 566
9	Secured wholesale funding	19 767	–	–
10	Additional requirements, of which:	17 980 348	489 576	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	17 278 129	454 465	449 807
14	Other contractual funding obligations	–	–	–
15	Other contingent funding obligations	702 219	35 111	38 971
16	<b>Total cash outflows</b>		13 169 395	13 683 512
	<b>Cash inflows</b>			
17	Secured lending (e.g. reverse repos)	2 849 782	–	–
18	Inflows from fully performing exposures	16 803 797	15 266 701	15 541 003
19	Other cash inflows	58 790	–	–
20	<b>Total cash inflows</b>	19 712 369	15 266 701	15 541 003

## Liquidity risk continued

### Capitec Bank Holdings Limited

#### LIQ1 – Liquidity coverage ratio (LCR) continued

R'000	Total adjusted value Aug 2023	Total adjusted value Feb 2023
21 Total HQLA	80 248 623	74 946 512
22 Total net cash outflows <sup>(1)</sup>	3 292 349	3 420 878
23 <b>Liquidity coverage ratio (%)</b>	<b>2 437</b>	2 191

<sup>(1)</sup> 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.

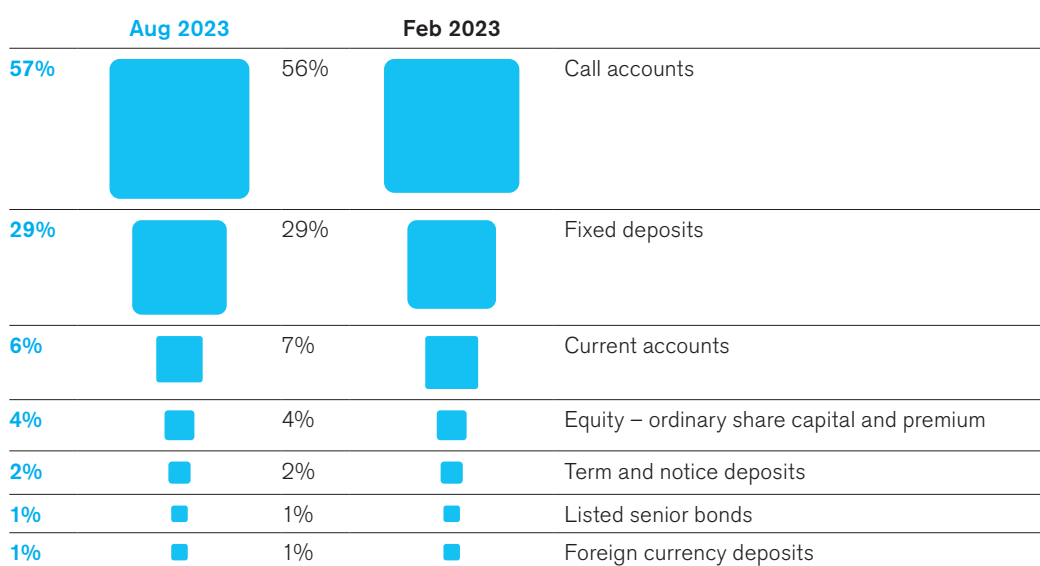
#### Composition of high-quality liquid assets

R'000	Aug 2023	Feb 2023
Cash	3 066 379	3 624 351
Qualifying central bank reserves	3 469 864	2 810 354
Specified debt securities issued in Rand by the central government of the South Africa or the Reserve Bank	68 656 285	59 427 835
Specified marketable securities from sovereigns, central banks, public sector entities, multilateral development banks and development banks	2 849 782	7 389 277
Settlement account with the South African Reserve Bank <sup>(1)</sup>	2 206 313	1 694 695
<b>Total level one qualifying high-quality liquid assets</b>	<b>80 248 623</b>	<b>74 946 512</b>

<sup>(1)</sup> Per Directive 11 of 2022 which was published on 14 December 2022, all excess cash reserve balances held in a bank's settlement account should also be included as part of the bank's level 1 HQLA.

#### Diversification of fund sources

The graph below illustrates the composition of our funding sources:



## Capitec Bank Holdings Limited

### LIQ2 – Net stable funding ratio (NSFR)

Line#	Aug 2023 Available stable funding (AFS) R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	>= 1 year	
1	<b>Capital: (sum of rows 2 and 3)</b>	38 906 436	–	–	45 536	38 951 972
2	Regulatory capital	38 906 436	–	–	–	38 906 436
3	Other capital instruments	–	–	–	45 536	45 536
4	<b>Retail deposits and deposits from small business customers (sum of rows 5 and 6)</b>	–	117 608 482	9 431 075	19 543 471	133 879 072
5	Stable deposits	–	–	–	–	–
6	Less stable deposits	–	117 608 482	9 431 075	19 543 471	133 879 072
7	<b>Wholesale funding: (sum of rows 8 and 9)</b>	–	4 850 682	536 695	2 154 683	4 795 234
8	Operational deposits	–	–	–	–	–
9	Other wholesale funding	–	4 850 682	536 695	2 154 683	4 795 234
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	<b>Other liabilities: (sum of rows 12 and 13)</b>	–	4 776 164	1 219 611	2 299 990	2 922 838
12	NSFR derivative liabilities	–	–	–	–	–
13	All other liabilities and equity not included in the above categories	–	4 776 164	1 219 611	2 299 990	2 922 838
14	<b>Total ASF</b>					180 549 116

Liquidity risk continued

Capitec Bank Holdings Limited

LIQ2 – Net stable funding ratio (NSFR) continued

Line#	Aug 2023 Available stable funding (AFS) R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	>= 1 year	
<b>Required stable funding (RSF) item</b>						
15	Total NSFR high-quality liquid assets (HQLA)					3 908 933
16	Deposits held at other financial institutions for operational purposes	–	165 667	–	–	82 834
17	<b>Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)</b>	–	35 329 389	11 664 447	48 503 129	57 770 865
18	Performing loans to financial institutions secured by level 1 HQLA	–	12 417 570	–	–	1 241 757
19	Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	–	5 035 923	1 105 857	982 482	2 290 799
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:	–	17 821 485	10 501 406	44 128 600	51 977 681
21	<i>With a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk</i>	–	–	–	–	–
22	Performing residential mortgages of which:	–	54 411	57 184	3 392 047	2 260 628
23	<i>With a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk</i>	–	54 411	57 184	3 392 047	2 260 628
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	–	–	–	–
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	<b>Other assets: (sum of rows 27 to 31)</b>	–	–	–	18 990 992	18 990 992
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		–	–	7 349	7 349
30	NSFR derivative liabilities before deduction of variation margin posted		–	–	–	–
31	All other assets not included in the above categories	–	–	–	18 983 643	18 983 643
32	Off-balance sheet items		18 181 240			909 062
33	<b>Total RSF (sum of rows 15, 16, 17, 25, 26 and 32)</b>					81 662 686
34	<b>Net stable funding ratio (%)</b>					221.1

Liquidity risk continued

Capitec Bank Holdings Limited

LIQ2 – Net stable funding ratio (NSFR) continued

Line#	Feb 2023 Available stable funding (AFS) R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	>= 1 year	
1	<b>Capital: (sum of rows 2 and 3)</b>	37 301 115	–	–	48 924	37 350 039
2	Regulatory capital	37 301 115	–	–	–	37 301 115
3	Other capital instruments	–	–	–	48 924	48 924
4	<b>Retail deposits and deposits from small business customers (sum of rows 5 and 6)</b>	–	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	<b>Wholesale funding: (sum of rows 8 and 9)</b>	–	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	<b>Other liabilities: (sum of rows 12 and 13)</b>	–	5 443 702	1 039 894	2 391 877	2 864 044
12	NSFR derivative liabilities	–	–	–	–	–
13	All other liabilities and equity not included in the above categories	–	5 443 702	1 039 894	2 391 877	2 864 044
14	<b>Total ASF</b>					172 128 298



Liquidity risk continued

Capitec Bank Holdings Limited

LIQ2 – Net stable funding ratio (NSFR) continued

Line#	Feb 2023 Available stable funding (AFS) R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	>= 1 year	
<b>Required stable funding (RSF) item</b>						
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	<b>Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)</b>	–	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	<i>With a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk</i>	–	–	–	–	–
22	Performing residential mortgages of which:	–	69 834	64 112	3 182 622	2 135 677
23	<i>With a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk</i>	–	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	<b>Other assets: (sum of rows 27 to 31)</b>	–	–	–	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	<b>Total RSF (sum of rows 15, 16, 17, 25, 26 and 32)</b>					80 016 733
34	<b>Net stable funding ratio (%)</b>					215.1

## Capitec Bank Limited

## LIQ2 – Net stable funding ratio (NSFR) continued

31 Aug 2023 Available stable funding (AFS) Line# R'000		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	>= 1 year	
1	<b>Capital: (sum of rows 2 and 3)</b>	35 531 959	–	–	45 536	35 577 495
2	Regulatory capital	35 531 959	–	–	–	35 531 959
3	Other capital instruments	–	–	–	45 536	45 536
4	<b>Retail deposits and deposits from small business customers (sum of rows 5 and 6)</b>	–	117 609 090	9 431 075	19 543 471	133 879 619
5	Stable deposits	–	–	–	–	–
6	Less stable deposits	–	117 609 090	9 431 075	19 543 471	133 879 619
7	<b>Wholesale funding: (sum of rows 8 and 9)</b>	–	4 857 392	536 695	2 154 683	4 798 589
8	Operational deposits	–	–	–	–	–
9	Other wholesale funding	–	4 857 392	536 695	2 154 683	4 798 589
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	<b>Other liabilities: (sum of rows 12 and 13)</b>	–	4 859 523	1 219 611	2 299 990	2 909 795
12	NSFR derivative liabilities	–	–	–	–	–
13	All other liabilities and equity not included in the above categories	–	4 859 523	1 219 611	2 299 990	2 909 795
14	<b>Total ASF</b>					177 165 498

Liquidity risk continued

Capitec Bank Limited

LIQ2 – Net stable funding ratio (NSFR) continued

Line#	Aug 2023 Available stable funding (AFS) R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	>= 1 year	
<b>Required stable funding (RSF) item</b>						
15	Total NSFR high-quality liquid assets (HQLA)					3 908 933
16	Deposits held at other financial institutions for operational purposes	–	165 667	–	–	82 834
17	<b>Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)</b>	–	34 920 463	11 664 447	48 503 129	56 773 325
18	Performing loans to financial institutions secured by level 1 HQLA	–	12 417 570	–	–	1 241 757
19	Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	–	6 424 926	1 105 857	982 482	2 499 149
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:	–	16 023 556	10 501 406	44 128 600	50 771 791
21	<i>With a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk</i>	–	–	–	–	–
22	Performing residential mortgages of which:	–	54 411	57 184	3 392 047	2 260 628
23	<i>With a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk</i>	–	54 411	57 184	3 392 047	2 260 628
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	–	–	–	–
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	<b>Other assets: (sum of rows 27 to 31)</b>	–	–	–	16 116 119	16 116 119
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				7 349	7 349
30	NSFR derivative liabilities before deduction of variation margin posted				–	–
31	All other assets not included in the above categories	–	–	–	16 108 770	16 108 770
32	Off-balance sheet items				18 181 240	909 062
33	<b>Total RSF (sum of rows 15, 16, 17, 25, 26 and 32)</b>					77 790 273
34	<b>Net stable funding ratio (%)</b>					227.7

## Capitec Bank Limited

## LIQ2 – Net stable funding ratio (NSFR) continued

Line#	Feb 2023 Available stable funding (AFS) R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	>= 1 year	
1	<b>Capital: (sum of rows 2 and 3)</b>	34 245 379	–	–	48 924	34 294 303
2	Regulatory capital	34 245 379	–	–	–	34 245 379
3	Other capital instruments	–	–	–	48 924	48 924
4	<b>Retail deposits and deposits from small business customers (sum of rows 5 and 6)</b>	–	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	<b>Wholesale funding: (sum of rows 8 and 9)</b>	–	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	<b>Other liabilities: (sum of rows 12 and 13)</b>	–	4 449 132	1 039 894	2 391 877	2 911 824
12	NSFR derivative liabilities	–	–	–	–	–
13	All other liabilities and equity not included in the above categories	–	4 449 132	1 039 894	2 391 877	2 911 824
14	<b>Total ASF</b>					169 362 399

Liquidity risk continued

Capitec Bank Limited

LIQ2 – Net stable funding ratio (NSFR) continued

Line#	Feb 2023 Available stable funding (AFS) R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	>= 1 year	
<b>Required stable funding (RSF) item</b>						
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	<b>Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)</b>	–	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	<i>With a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk</i>	–	–	–	–	–
22	Performing residential mortgages of which:	–	69 834	64 112	3 182 622	2 135 677
23	<i>With a risk weight of less than or equal to 35% under the Basel III standardised approach for credit risk</i>	–	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	<b>Other assets: (sum of rows 27-31)</b>	–	–	–	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	<b>Total RSF (sum of rows 15, 16, 17, 25, 26 and 32)</b>					77 209 942
34	<b>Net stable funding ratio (%)</b>					219.4

# Market risk

August 2023

## Capitec Bank Holdings Limited

The portfolios which are subject to market risk include foreign exchange contracts and foreign currency options for which the bank currently holds R4.1 million in market risk capital in terms of the standardised approach for the calculation of capital.

R'000	RWA Aug 2023	RWA Feb 2023
<b>Required capital and reserve funds</b>		
Foreign exchange risk	34 300	33 696

# Interest rate risk

August 2023

## Capitec Bank Holdings Limited

The equity sensitivity analysis below illustrates how the value of equity would be impacted by a 400 basis points increase or decrease in interest rates. The new requirements relating to interest rate risk in the banking book were implemented on 1 January 2023 and require South African banks to apply a 400 basis points parallel interest rate shock. The analysis is performed on a discounted run-off basis in line with the regulations.

R'000	400 basis points shock Aug 2023	400 basis points shock Feb 2023
<b>Sensitivity of equity</b>		
Increase	(3 852 849)	(3 599 714)
Decrease	4 728 825	4 368 499

# Qualitative disclosures and accounting policies

The regulations require that certain qualitative disclosures and statements on accounting policy be made.

These were made in the integrated annual report for the financial period ended 28 February 2023, in the remuneration report, corporate governance and risk management review and statements on group accounting policy. The disclosures in this report should be read together with the integrated annual report.

# Annexures

August 2023

## Capitec Bank Holdings Limited

### CC1 – Composition of regulatory capital

The purpose of the CC1 template is to provide a breakdown of the constituent elements of total regulatory capital.

Line#	R'000	Aug 2023	Feb 2023
<b>The capital disclosures detailed below address the prescribed Basel III template requirements:</b>			
<b>Common equity tier 1 capital: instruments and reserves</b>			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	5 419 469	5 406 108
2	Retained earnings <sup>(1)</sup>	32 041 678	30 452 584
3	Accumulated other comprehensive income (and other reserves)	586 673	569 593
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	–	–
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	–	–
6	<b>Common equity tier 1 capital before regulatory adjustments</b>	<b>38 047 820</b>	<b>36 428 285</b>
<b>CET1 capital: regulatory adjustments</b>			
7	Prudential valuation adjustments	–	–
8	Goodwill (net of related tax liability)	849 487	849 487
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	572 495	540 731
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	–	–
11	Cash flow hedge reserve	–	–
12	Shortfall of provisions to expected losses	–	–
13	Securitisation gain on sale	–	–
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–	–
15	Defined benefit pension fund net assets	–	–
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	–	–
17	Reciprocal cross-holdings in common equity	–	–
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	–
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	–	–
20	Mortgage servicing rights (amount above 10% threshold)	–	–
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–	–
22	Amount exceeding the 15% threshold	–	–
23	of which: significant investments in the common stock of financials	–	–
24	of which: mortgage servicing rights	–	–
25	of which: deferred tax assets arising from temporary differences	–	–
26	National specific regulatory adjustments	–	–
27	Regulatory adjustments applied to common equity tier 1 due to insufficient additional tier 1 and tier 2 to cover deductions	–	–
28	<b>Total regulatory adjustments to common equity tier 1 capital</b>	<b>1 421 982</b>	<b>1 390 218</b>
29	<b>Common equity tier 1 capital (CET1)</b>	<b>36 625 838</b>	<b>35 038 067</b>

## Annexures continued

August 2023

## Capitec Bank Holdings Limited

## CC1 – Composition of regulatory capital continued

Line#	R'000	Aug 2023	Feb 2023
<b>Additional tier 1 capital: regulatory adjustments</b>			
30	Directly issued qualifying additional tier 1 instruments plus related stock surplus	-	-
31	of which: classified as equity under applicable accounting standards	-	-
32	of which: classified as liabilities under applicable accounting standards	-	-
33	Directly issued capital instruments subject to phase-out from additional tier 1 capital	-	-
34	Additional tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional tier 1 capital)	-	-
35	of which: instruments issued by subsidiaries subject to phase-out	-	-
36	<b>Additional tier 1 capital before regulatory adjustments</b>	-	-
<b>Additional tier 1 capital: regulatory adjustments</b>			
37	Investments in own additional tier 1 instruments	-	-
38	Reciprocal cross-holdings in additional tier 1 instruments	-	-
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
41	National specific regulatory adjustments	-	-
42	Regulatory adjustments applied to additional tier 1 due to insufficient tier 2 to cover deductions	-	-
43	<b>Total regulatory adjustments to additional tier 1 capital</b>	-	-
44	<b>Additional tier 1 capital (AT1)</b>	-	-
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>36 625 838</b>	35 038 067
<b>Tier 2 capital and provisions</b>			
46	Directly issued qualifying tier 2 instruments plus related stock surplus	-	-
47	Directly issued capital instruments subject to phase-out from tier 2	-	-
48	Tier 2 instruments (and CET1 and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group tier 2)	-	-
49	of which: instruments issued by subsidiaries subject to phase-out	-	-
50	Provisions	858 615	872 831
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>858 615</b>	872 831
<b>Tier 2 capital: regulatory adjustments</b>			
52	Investments in own tier 2 instruments	-	-
53	Reciprocal cross-holdings in tier 2 instruments and other TLAC liabilities	-	-
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	-
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	-	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
56	National specific regulatory adjustments	-	-
57	<b>Total regulatory adjustments to tier 2 capital</b>	-	-
58	<b>Tier 2 capital</b>	<b>858 615</b>	872 831
59	<b>Total regulatory capital (= tier 1 + tier 2)</b>	<b>37 484 453</b>	35 910 898
60	<b>Total risk-weighted assets</b>	<b>101 884 657</b>	104 379 041



## Capitec Bank Holdings Limited

## CC1 – Composition of regulatory capital continued

Line#	R'000	Aug 2023	Feb 2023
<b>Capital ratios</b>			
61	Common equity tier 1 (as a percentage of risk-weighted assets)	35.9	33.6
62	Tier 1 (as a percentage of risk-weighted assets)	35.9	33.6
63	Total capital (as a percentage of risk-weighted assets)	36.8	34.4
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk-weighted assets) <sup>(2)</sup>	3.0	3.0
65	of which: capital conservation buffer requirement <sup>(2)</sup>	2.5	2.5
66	of which: bank specific countercyclical buffer requirement <sup>(3)</sup>	–	–
67	of which: G-SIB buffer requirement <sup>(4)</sup>	–	–
68	Common equity tier 1 available to meet buffers (as a percentage of risk-weighted assets)	27.9	25.6
<b>National minima (if different from Basel III)</b>			
69	National common equity tier 1 minimum ratio (if different from Basel III minimum)	8.00	8.00
70	National tier 1 minimum ratio	9.75	9.75
71	National total capital minimum ratio	12.00	12.00
<b>Amounts below the threshold for deductions (before risk weighting)</b>			
72	Non-significant investments in the capital of other financials	74 413	3 209 183
73	Significant investments in the common stock of financials	766 495	516 101
74	Mortgage servicing rights (net of related tax liability)	–	–
75	Deferred tax assets arising from temporary differences (net of related tax liability)	2 452 191	2 439 151
<b>Applicable caps on the inclusion of provisions in tier 2</b>			
76	Provisions eligible for inclusion in tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	7 752 326	7 520 970
77	Cap on inclusion of provisions in tier 2 under standardised approach	858 615	872 831
78	Provisions eligible for inclusion in tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–	–
79	Cap for inclusion of provisions in tier 2 under internal ratings-based approach	–	–

<sup>(1)</sup> Retained earnings are stated net of unappropriated profits of R1.289 billion.

<sup>(2)</sup> Bank-specific buffers include the Pillar 2B idiosyncratic capital requirement (ICR) for specific bank risk, which in terms of South African Banks Act regulations, banks may not disclose. Also included in the buffer requirement is the capital conservation buffer and the domestic systemically important bank (D-SIB) buffer. The regulations state that the Pillar 2A South African country risk buffer and the D-SIB on a combined basis cannot be more than 3.5%.

<sup>(3)</sup> The countercyclical buffer can range between 0% and 2.5% at the discretion of the monetary authorities. It is not expected that this buffer will be applied on a permanent basis and would only be applied when credit growth exceeds real economic growth.

<sup>(4)</sup> Capitec is classified as a D-SIB.

**Capitec Bank Limited****CC1 – Composition of regulatory capital** continued

The purpose of the CC1 template is to provide a breakdown of the constituent elements of total regulatory capital.

Line#	R'000	Aug 2023	Feb 2023
<b>The capital disclosures detailed below address the prescribed Basel III template requirements:</b>			
<b>Common equity tier 1 capital: instruments and reserves</b>			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	6 105 981	6 105 981
2	Retained earnings <sup>(1)</sup>	28 564 264	27 264 264
3	Accumulated other comprehensive income (and other reserves)	348	(404)
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	–	–
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	–	–
6	<b>Common equity tier 1 capital before regulatory adjustments</b>	<b>34 670 593</b>	33 369 841
<b>CET1 capital: regulatory adjustments</b>			
7	Prudential valuation adjustments	–	–
8	Goodwill (net of related tax liability)	849 487	849 487
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	571 043	529 252
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	–	–
11	Cash flow hedge reserve	–	–
12	Shortfall of provisions to expected losses	–	–
13	Securitisation gain on sale	–	–
14	Gains and losses due to changes in own credit risk on fair valued liabilities	–	–
15	Defined benefit pension fund net assets	–	–
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	–	–
17	Reciprocal cross-holdings in common equity	100 277	123 256
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	–	–
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	–	–
20	Mortgage servicing rights (amount above 10% threshold)	–	–
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	–	–
22	Amount exceeding the 15% threshold	–	–
23	of which: significant investments in the common stock of financials	–	–
24	of which: mortgage servicing rights	–	–
25	of which: deferred tax assets arising from temporary differences	–	–
26	National specific regulatory adjustments	14 514	407
27	Regulatory adjustments applied to common equity tier 1 due to insufficient additional tier 1 and tier 2 to cover deductions	–	–
28	<b>Total regulatory adjustments to common equity tier 1 capital</b>	<b>1 535 321</b>	1 502 402
29	<b>Common equity tier 1 capital (CET1)</b>	<b>33 135 272</b>	31 867 439

Annexures continued

August 2023

Capitec Bank Limited

CC1 – Composition of regulatory capital continued

Line#	R'000	Aug 2023	Feb 2023
<b>Additional tier 1 capital: regulatory adjustments</b>			
30	Directly issued qualifying additional tier 1 instruments plus related stock surplus	-	-
31	of which: classified as equity under applicable accounting standards	-	-
32	of which: classified as liabilities under applicable accounting standards	-	-
33	Directly issued capital instruments subject to phase-out from additional tier 1 capital	-	-
34	Additional tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional tier 1 capital)	-	-
35	of which: instruments issued by subsidiaries subject to phase-out	-	-
36	<b>Additional tier 1 capital before regulatory adjustments</b>	-	-
<b>Additional tier 1 capital: regulatory adjustments</b>			
37	Investments in own additional tier 1 instruments	-	-
38	Reciprocal cross-holdings in additional tier 1 instruments	-	-
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
41	National specific regulatory adjustments	-	-
42	Regulatory adjustments applied to additional tier 1 due to insufficient tier 2 to cover deductions	-	-
43	<b>Total regulatory adjustments to additional tier 1 capital</b>	-	-
44	<b>Additional tier 1 capital (AT1)</b>	-	-
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>33 135 272</b>	31 867 439
<b>Tier 2 capital and provisions</b>			
46	Directly issued qualifying tier 2 instruments plus related stock surplus	-	-
47	Directly issued capital instruments subject to phase-out from tier 2	-	-
48	Tier 2 instruments (and CET1 and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group tier 2)	-	-
49	of which: instruments issued by subsidiaries subject to phase-out	-	-
50	Provisions	<b>861 365</b>	875 387
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>861 365</b>	875 387
<b>Tier 2 capital: regulatory adjustments</b>			
52	Investments in own tier 2 instruments	-	-
53	Reciprocal cross-holdings in tier 2 instruments and other TLAC liabilities	-	-
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	-
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity; amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	-	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
56	National specific regulatory adjustments	-	-
57	<b>Total regulatory adjustments to tier 2 capital</b>	-	-
58	<b>Tier 2 capital</b>	<b>861 365</b>	875 387
59	<b>Total regulatory capital (= tier 1 + tier 2)</b>	<b>33 996 637</b>	32 742 826
60	<b>Total risk-weighted assets</b>	<b>97 592 410</b>	99 861 225

## Annexures continued

August 2023

### Capitec Bank Limited

#### CC1 – Composition of regulatory capital continued

Line#	R'000	Aug 2023	Feb 2023
<b>Capital ratios</b>			
61	Common equity tier 1 (as a percentage of risk-weighted assets)	34.0	31.9
62	Tier 1 (as a percentage of risk-weighted assets)	34.0	31.9
63	Total capital (as a percentage of risk-weighted assets)	34.8	32.8
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk-weighted assets) <sup>(2)</sup>	3.0	3.0
65	of which: capital conservation buffer requirement <sup>(2)</sup>	2.5	2.5
66	of which: bank specific countercyclical buffer requirement <sup>(3)</sup>	–	–
67	of which: G-SIB buffer requirement <sup>(4)</sup>	–	–
68	Common equity tier 1 available to meet buffers (as a percentage of risk-weighted assets)	26.0	23.9
<b>National minima (if different from Basel III)</b>			
69	National common equity tier 1 minimum ratio (if different from Basel III minimum)	8.00	8.00
70	National tier 1 minimum ratio	9.75	9.75
71	National total capital minimum ratio	12.00	12.00
<b>Amounts below the threshold for deductions (before risk weighting)</b>			
72	Non-significant investments in the capital of other financials	74 413	73 880
73	Significant investments in the common stock of financials	103 029	103 029
74	Mortgage servicing rights (net of related tax liability)	–	–
75	Deferred tax assets arising from temporary differences (net of related tax liability)	2 491 496	2 473 344
<b>Applicable caps on the inclusion of provisions in tier 2</b>			
76	Provisions eligible for inclusion in tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	7 752 326	7 520 970
77	Cap on inclusion of provisions in tier 2 under standardised approach	861 365	875 387
78	Provisions eligible for inclusion in tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	–	–
79	Cap for inclusion of provisions in tier 2 under internal ratings-based approach	–	–

<sup>(1)</sup> Retained earnings are stated net of unappropriated profits of R1.225 billion.

<sup>(2)</sup> Bank-specific buffers include the Pillar 2B idiosyncratic capital requirement (ICR) for specific bank risk, which in terms of South African Banks Act regulations, banks may not disclose. Also included in the buffer requirement is the capital conservation buffer and the domestic systemically important bank (D-SIB) buffer. The regulations state that the Pillar 2A South African country risk buffer and the D-SIB on a combined basis cannot be more than 3.5%.

<sup>(3)</sup> The countercyclical buffer can range between 0% and 2.5% at the discretion of the monetary authorities. It is not expected that this buffer will be applied on a permanent basis and would only be applied when credit growth exceeds real economic growth.

<sup>(4)</sup> Capitec is classified as a D-SIB.

**Capitec Bank Holdings Limited****CC2 – Reconciliation of regulatory capital to the balance sheet**

The purpose of the CC2 template is to disclose the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between the group's balance sheet as per the published financial statements and the values that are used in the composition of capital disclosure template set out in Template CC1. Per the regulations relating to banks, banking groups are required to completely remove from their balance sheets all amounts that relate to investments in licensed insurance businesses and subsidiaries. Capitec Insurance Holdings Proprietary Limited is therefore excluded from the group's regulatory balance sheet. There is no difference between the scope of accounting consolidation and the scope of regulatory consolidation on a bank solo or bank consolidated basis.

R'000	Balance sheet as reported in published financial statements Aug 2023	Under regulatory scope of regulatory consolidation Aug 2023
<b>Assets</b>		
Cash and cash equivalents	25 662 870	25 633 777
Financial assets at fair value through profit or loss (FVTPL)	427 731	179 613
Insurance contract assets	2 492 302	2 491 204
Financial investments at amortised cost	74 605 526	74 605 526
Term deposit investments	1 308 398	1 308 398
Net loans and advances	78 964 971	78 964 971
Other receivables	7 138 356	7 111 551
Derivative assets	27 601	27 601
Financial assets – equity instruments at fair value through other comprehensive income (FVOCI)	74 413	74 413
Interest in associates and joint ventures	677 108	677 108
Interest in deconsolidated Insurance subsidiaries	–	384 000
Property and equipment	3 373 408	3 371 957
Right-of-use assets	1 813 595	1 813 595
Intangible assets including goodwill	1 486 495	1 434 451
Deferred income tax asset	2 450 802	2 439 722
<b>Total assets</b>	<b>200 503 576</b>	<b>200 517 887</b>
<b>Liabilities</b>		
Derivative liabilities	20 253	20 253
Current income tax liability	102 010	102 010
Deposits	151 832 335	151 834 323
Wholesale funding	2 369 215	2 369 215
Other liabilities	4 491 136	4 473 420
Lease liabilities	2 323 804	2 323 804
Employee benefit liabilities	12 367	12 367
<b>Total liabilities</b>	<b>161 151 120</b>	<b>161 135 392</b>
<b>Equity</b>		
<b>Capital and reserves</b>		
Ordinary share capital and premium	5 419 469	5 419 469
Cash flow hedge reserve	1 908	1 908
Other reserves	(24 982)	(24 982)
Foreign currency translation reserve	93 938	93 938
Share option reserve	515 809	515 809
Retained earnings	33 300 778	33 330 817
<b>Share capital and reserves attributable to ordinary shareholders</b>	<b>39 306 920</b>	<b>39 336 959</b>
Preference share capital and premium	45 536	45 536
<b>Total equity</b>	<b>39 352 456</b>	<b>39 382 495</b>
<b>Total equity and liabilities</b>	<b>200 503 576</b>	<b>200 517 887</b>

## Capitec Bank Holdings Limited

## CC2 – Reconciliation of regulatory capital to the balance sheet continued

R'000	Balance sheet	Under
	as reported in published financial statements	regulatory scope of regulatory consolidation
	Feb 2023	Feb 2023
<b>Assets</b>		
Cash and cash equivalents	31 013 939	31 013 939
Financial assets at fair value through profit or loss (FVTPL)	289 051	178 401
Financial investments at amortised cost	61 034 237	61 034 237
Term deposit investments	3 628 162	3 628 162
Net loans and advances	78 167 803	78 167 803
Other receivables	6 429 195	6 429 195
Net insurance receivable	1 509 371	1 509 371
Derivative assets	33 555	33 555
Financial assets – equity instruments at fair value through other comprehensive income (FVOCI)	73 880	73 880
Current income tax asset	40 701	40 701
Interest in associates and joint ventures	600 068	600 068
Interest in deconsolidated Insurance subsidiaries	–	184 000
Property and equipment	3 291 918	3 291 918
Right-of-use assets	1 821 415	1 821 415
Intangible assets including goodwill	1 435 629	1 393 189
Deferred income tax asset	2 431 699	2 424 701
<b>Total assets</b>	<b>191 800 623</b>	<b>191 824 535</b>
<b>Liabilities</b>		
Derivative liabilities	23 683	23 683
Deposits	144 059 409	144 076 266
Wholesale funding	2 438 794	2 438 794
Other liabilities	3 874 119	3 856 110
Lease liabilities	2 305 062	2 305 062
Employee benefit liabilities	14 622	14 622
<b>Total liabilities</b>	<b>152 715 689</b>	<b>152 714 537</b>
<b>Equity</b>		
<b>Capital and reserves</b>		
Ordinary share capital and premium	5 406 108	5 406 108
Cash flow hedge reserve	1 544	1 544
Other reserves	(25 371)	(25 371)
Foreign currency translation reserve	77 610	77 610
Share option reserve	515 809	515 809
Retained earnings	33 060 310	33 085 374
<b>Share capital and reserves attributable to ordinary shareholders</b>	<b>39 036 010</b>	<b>39 061 074</b>
Preference share capital and premium	48 924	48 924
<b>Total equity</b>	<b>39 084 934</b>	<b>39 109 998</b>
<b>Total equity and liabilities</b>	<b>191 800 623</b>	<b>191 824 535</b>

## Capitec Bank Holdings Limited

### LI1 – Linkages between financial statements and regulatory exposures

The purpose of the LI1 template is to enable users to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation and to provide a breakdown of how the amounts reported in the group's financial statements correspond to the regulatory risk categories. This section outlines the treatment and the carrying values as published in the financial statements and linkage to the various regulatory risk categories, along with the carrying values of the items for the calculation of regulatory capital.

Aug 2023 R'000	Regulatory exposure carrying values of items						Total
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Not subject to capital requirements or subject to deduction from capital	Subject to equity/ other risk	
<b>Assets</b>							
Cash and cash equivalents	25 662 870	25 633 777	5 721 046	92 161	–	18 766 215	24 579 422
Financial assets at fair value through profit or loss (FVTPL)	427 731	179 613	179 613	–	–	–	179 613
Insurance contract assets	2 492 302	2 491 204	–	–	–	2 491 204	2 491 204
Financial investments at amortised cost	74 605 526	74 605 526	74 706 281	–	–	–	74 706 281
Term deposit investments	1 308 398	1 308 398	1 252 875	–	–	–	1 252 875
Net loans and advances	78 964 971	78 964 971	79 773 090	–	–	–	79 773 090
Other receivables	7 138 356	7 111 551	–	–	–	7 111 551	7 111 551
Derivative assets	27 601	27 601	–	31 822	–	–	31 822
Financial assets – equity instruments at fair value through other comprehensive income (FVOCI)	74 413	74 413	–	–	–	74 413	74 413
Interest in associates and joint ventures	677 108	677 108	–	–	–	677 108	677 108
Interest in deconsolidated Insurance subsidiaries	–	384 000	–	–	–	384 000	384 000
Property and equipment	3 373 408	3 371 957	–	–	–	3 373 408	3 373 408
Right-of-use assets	1 813 595	1 813 595	–	–	–	1 813 595	1 813 595
Intangible assets including goodwill	1 486 495	1 434 451	–	–	1 434 451	–	1 434 451
Deferred income tax asset	2 450 802	2 439 722	–	–	–	2 439 722	2 439 722
<b>Total assets</b>	<b>200 503 576</b>	<b>200 517 887</b>	<b>161 632 905</b>	<b>123 983</b>	<b>1 434 451</b>	<b>37 131 216</b>	<b>200 322 555</b>
<b>Liabilities</b>							
Derivative liabilities	20 253	20 253	–	–	–	–	–
Current income tax liability	102 010	102 010	–	–	–	–	–
Deposits	151 832 335	151 834 323	–	–	–	–	–
Wholesale funding	2 369 215	2 369 215	–	–	–	–	–
Other liabilities	4 491 136	4 473 420	–	–	–	–	–
Lease liabilities	2 323 804	2 323 804	–	–	–	–	–
Employee benefit liabilities	12 367	12 367	–	–	–	–	–
<b>Total liabilities</b>	<b>161 151 120</b>	<b>161 135 392</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Equity</b>							
Capital and reserves							
Ordinary share capital and premium	5 419 469	5 419 469	–	–	–	–	–
Cash flow hedge reserve	1 908	1 908	–	–	–	–	–
Other reserves	(24 982)	(24 982)	–	–	–	–	–
Foreign currency translation reserve	93 938	93 938	–	–	–	–	–
Share option reserve	515 809	515 809	–	–	–	–	–
Retained earnings	33 300 778	33 330 817	–	–	–	–	–
<b>Share capital and reserves attributable to ordinary shareholders</b>	<b>39 306 920</b>	<b>39 336 959</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Preference share capital and premium	45 536	45 536	–	–	–	–	–
<b>Total equity</b>	<b>39 352 456</b>	<b>39 382 495</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Capitec Bank Holdings Limited

## LI1 – Linkages between financial statements and regulatory exposures continued

Feb 2023 R'000	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Regulatory exposure carrying values of items				Total
			Subject to credit risk framework	Subject to counterparty credit risk framework	Not subject to capital requirements or subject to deduction from capital	Subject to equity/ other risk	
<b>Assets</b>							
Cash and cash equivalents	31 013 939	31 013 939	8 733 046	271 739	–	17 744 624	26 749 409
Financial assets at fair value through profit or loss (FVTPL)	289 051	178 401	178 401	–	–	–	178 401
Financial investments at amortised cost	61 034 237	61 034 237	61 164 088	–	–	–	61 164 088
Term deposit investments	3 628 162	3 628 162	3 620 585	–	–	–	3 620 585
Net loans and advances	78 167 803	78 167 803	79 059 064	–	–	–	79 059 064
Other receivables	6 429 195	6 429 195	–	–	–	6 429 195	6 429 195
Net insurance receivable	1 509 371	1 509 371	–	–	–	1 509 371	1 509 371
Derivative assets	33 555	33 555	–	35 221	–	–	35 221
Financial assets – equity instruments at fair value through other comprehensive income (FVOCI)	73 880	73 880	–	–	–	73 880	73 880
Current income tax asset	40 701	40 701	–	–	–	40 701	40 701
Interest in associates and joint ventures	600 068	600 068	–	–	–	600 068	600 068
Interest in deconsolidated Insurance subsidiaries	–	184 000	–	–	–	184 000	184 000
Property and equipment	3 291 918	3 291 918	–	–	–	3 291 918	3 291 918
Right-of-use assets	1 821 415	1 821 415	–	–	–	1 821 415	1 821 415
Intangible assets including goodwill	1 435 629	1 393 189	–	–	1 393 189	–	1 393 189
Deferred income tax asset	2 431 699	2 424 701	–	–	–	2 424 701	2 424 701
<b>Total assets</b>	<b>191 800 623</b>	<b>191 824 535</b>	<b>152 755 184</b>	<b>306 960</b>	<b>1 393 189</b>	<b>34 119 873</b>	<b>188 575 206</b>
<b>Liabilities</b>							
Derivative liabilities	23 683	23 683	–	–	–	–	–
Deposits	144 059 409	144 076 266	–	–	–	–	–
Wholesale funding	2 438 794	2 438 794	–	–	–	–	–
Other liabilities	3 874 119	3 856 110	–	–	–	–	–
Lease liabilities	2 305 062	2 305 062	–	–	–	–	–
Employee benefit liabilities	14 622	14 622	–	–	–	–	–
<b>Total liabilities</b>	<b>152 715 689</b>	<b>152 714 537</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Equity</b>							
Capital and reserves							
Ordinary share capital and premium	5 406 108	5 406 108	–	–	–	–	–
Cash flow hedge reserve	1 544	1 544	–	–	–	–	–
Other reserves	(25 371)	(25 371)	–	–	–	–	–
Foreign currency translation reserve	77 610	77 610	–	–	–	–	–
Share option reserve	515 809	515 809	–	–	–	–	–
Retained earnings	33 060 310	33 085 374	–	–	–	–	–
<b>Share capital and reserves attributable to ordinary shareholders</b>	<b>39 036 010</b>	<b>39 061 074</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Preference share capital and premium	48 924	48 924	–	–	–	–	–
<b>Total equity</b>	<b>39 084 934</b>	<b>39 109 998</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>



## Capitec Bank Holdings Limited

### LI2 – Main sources of differences between regulatory amounts and carrying values in financial statements

The purpose of the LI2 template is to provide information on the main sources of differences, other than due to different scopes of consolidation which are shown in Template LI1, between the financial statements' carrying value amounts and the exposure amounts used for regulatory purposes.

Line#	Aug 2023 R'000	Items subject to:			
		Total	Credit risk framework	Counterparty credit risk framework	Other risk framework
1	Asset carrying value amount under scope of regulatory consolidation	200 503 576	161 632 905	123 983	37 131 216
2	Liabilities carrying value amount under scope of regulatory consolidation	161 151 120	–	–	–
3	Total net amount under regulatory scope of consolidation	39 352 456	161 632 905	123 983	37 131 216
4	Off-balance sheet amounts	17 107 987	17 782 050	–	–
5	Exposure amounts considered for regulatory purposes		179 414 955	123 983	37 131 216

Line#	Feb 2023 R'000	Items subject to:			
		Total	Credit risk framework	Counterparty credit risk framework	Other risk framework
1	Asset carrying value amount under scope of regulatory consolidation	191 800 623	152 755 184	306 960	34 119 873
2	Liabilities carrying value amount under scope of regulatory consolidation	152 715 689	–	–	–
3	Total net amount under regulatory scope of consolidation	39 084 934	152 755 184	306 960	34 119 873
4	Off-balance sheet amounts	13 451 302	18 350 876	–	–
5	Exposure amounts considered for regulatory purposes		171 106 060	306 960	34 119 873

## Capitec Bank Holdings Limited

### CCA – Main features of capital instruments

Line#	Disclosure template for main features of regulatory capital instruments	Listed ordinary shares	Listed preference shares
1	Issuer	Capitec Bank Holdings Limited	Capitec Bank Holdings Limited
2	Unique identifier	CPI	CPIP
3	Governing law(s) of the instrument	Laws of South Africa <sup>(1)</sup>	Laws of South Africa <sup>(1)</sup>
<b>Regulatory treatment</b>			
4	Transitional Basel III rules	Common equity tier 1	Additional tier 1
5	Post-transitional Basel III rules	Common equity tier 1	Ineligible
6	Eligible at solo/group/group and solo	Solo and Group	Solo and Group
7	Instrument type	Ordinary shares	Preference shares
8	Amount recognised in regulatory capital (R'm)	R5 419.5	R0.0
9	Par value of instrument	R0.01 per share	R0.01 per share
10	Accounting classification	Shareholders' equity	Shareholders' equity
11	Original date of issuance	18 February 2002	31 August 2006
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	N/A	N/A
14	Issuer call subject to prior supervisory approval	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A
<b>Coupons/dividends</b>			
17	Fixed or floating dividend/coupon	Discretionary dividend	Floating
18	Coupon rate and any related index	Distributable profits declared as dividends	83.33% of the prime overdraft rate on a face value of R100 per share
19	Existence of a dividend stopper	No	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down feature	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Preference shares <sup>(2)</sup>	Subordinated debt
36	Non-compliant transitioned features	No	Yes
37	If yes, specify non-compliant features	N/A	<sup>(3)</sup>

<sup>(1)</sup> The main Acts are the Banks Act of 1990, Securities Act of 2004, Companies Act of 2008 and the Insolvency Act of 1936.

<sup>(2)</sup> The ordinary shares shall on the return of capital in a winding-up, entitle the holders thereof rights of participation in any surplus profits or assets of the company after all prior obligations have been satisfied.

<sup>(3)</sup> Has no loss absorbency at the point of non-viability.

# Statutory and contact information

## Capitec Bank Holdings Limited

Registration number: 1999/025903/06  
Registered bank controlling company  
Incorporated in the Republic of South Africa  
JSE ordinary share code: CPI  
ISIN code: ZAE000035861  
JSE preference share code: CPIP  
ISIN code: ZAE000083838

## Capitec Bank Limited

Registration number: 1980/003695/06  
Incorporated in the Republic of South Africa  
Company code: BICAP  
Stock code: CBL29  
ISIN code: ZAG000158874  
Stock code: CBL30  
ISIN code: ZAG000180977  
Stock code: CBL31  
ISIN code: ZAG000191933

## Directors

SL Botha (*chairman*)  
GM Fourie (*CEO*)<sup>(1)</sup>  
NF Bhattay (appointed on 7 September 2023)  
Z Bulbulia (appointed on 28 March 2023 and resigned effective 24 April 2023)  
SA du Plessis  
N Ford-Hoon (appointed on 7 September 2023)  
GR Hardy (*CFO*)<sup>(1)</sup>  
MS du Pré le Roux  
V Mahlangu  
TE Mashilwane (resigning effective 30 September 2023)  
NS Mashiya (*executive: risk management*)<sup>(1)</sup>  
(resigned effective 31 March 2023)  
DP Meintjes (resigned effective 26 May 2023)  
PJ Mouton  
CA Otto  
JP Verster

<sup>(1)</sup> Executive

## Company secretary and registered office

YM Mouton  
5 Neutron Road, Techno Park, Stellenbosch, 7600

## Postal address

PO Box 12451, Die Boord, Stellenbosch, 7613

## Sponsor

PSG Capital Proprietary Limited  
Registration number: 2006/015817/07

## Website

[www.capitecbank.co.za](http://www.capitecbank.co.za)

## Enquiries

[enquiries@capitecbank.co.za](mailto:enquiries@capitecbank.co.za)