Capitec Bank Holdings Limited

August 2020 (2nd quarter)

Capitec Bank Holdings Limited and its subsidiaries ("group"), have complied with Regulation 43 of the Regulations relating to banks, which incorporates the requirements of Basel.

In terms of Pillar 3 under Basel, the consolidated group is required to disclose quantitative information on its capital adequacy ratios on a quarterly basis.

The group's consolidated capital position at the end of the 2nd quarter of the 28 Feb 2021 financial year end is set out below:

	2nd Quarter 2021 (31 August 2020)		1st Quarter 2021 (31 May 2020)	
Composition of qualifying regulatory capital	R'000	Capital Adequacy Ratio %	R'000	Capital Adequacy Ratio %
Ordinary share capital	5 649 020		5 649 020	
Foreign Currency Translation Reserve	81 952		72 986	
Other Reserves	(53 664)		(56 930)	
Accumulated profit	20 351 863		19 357 766	
	26 029 171		25 022 842	
Regulatory adjustments				
-Intangible assets, deferred tax assets excluding temporary differences and Goodwill in terms of IFRS	(1 549 323)		(1 574 527)	
-Specified advances & IFRS 9 phase-in	208 583		212 474	
-Unappropriated profit	(49 527)		-	
Common Equity Tier 1 capital (CET1)	24 638 904	29.5	23 660 789	28.4
Issued Preference share capital	65 279		65 522	
Phase out - non loss absorbant [(1)]	(13 485)		(13 728)	
Additional Tier 1 capital (AT1) [(1)]	51 794	0.1	51 794	0.1
Tier 1 capital (T1)	24 690 698	29.6	23 712 583	28.5
General allowance for credit impairment	721 072		752 664	
Tier 2 capital (T2)	721 072	0.8	752 664	0.9
Qualifying regulatory capital	25 411 770	30.4	24 465 247	29.4
Required regulatory capital [(2)]	9 187 290		8 742 528	

(1) *Starting 2013, the non loss absorbent AT1 and T2 capital is subject to a 10% per annum phase-out in terms of Basel 3.*

(2) *This value is currently 11.000% (May 2020: 10.500%) of risk-weighted assets, being the Basel global minimum requirement of 8.000%, the Capital Conservation Buffer of 2.500% and the Domestic Systemically Important Bank("D-SIB") capital add-on of 0.500%, disclosable in terms of Directive 4 issued by the Prudential Authority on 27 August 2020. Directive 4 has replaced Directive 6 of 2016 and requires banks to publicly disclose their D-SIB capital add-on as part of their composition of regulatory capital disclosure. In terms of the regulations relating to banks the Individual Capital Requirement ("ICR") is excluded.The Prudential Authority issued Directive 2 on 6 April 2020 and temporarily relaxed the Pillar 2A South African country-specific buffer of 1.00% to provide temporary capital relief to banks during this time of financial stress following the outbreak of the Covid-19 pandemic, in a manner that ensures South Africa's continued compliance with the relevant internationally agreed capital framework.*

By order of the Board

Stellenbosch
30 September 2020

CAPITEC BANK HOLDINGS LIMITED

Capitec Bank Holdings Limited

August 2020 (2nd quarter)

OV1: Overview of Risk-Weighted Assets (RWA)

Line #	R'000	Total RWA 2nd Quarter 2021 (31 August 2020)	Total RWA 1st Quarter 2021 (31 May 2020)	Minumum capital requirements 2nd Quarter 2021 (31 August 2020)
1	Credit risk (excluding counterparty credit risk) (CCR)	59 473 893	59 359 500	6 542 128
2	Of which standardised approach (SA)	59 473 893	59 359 500	6 542 128
3	Of which internal rating-based (IRB) approach	-	-	-
4	Of which supervisory slotting approach	-	-	-
5	Of which advanced internal ratings-based (A-IRB) approach	-	-	-
6	Counterparty credit risk	287 477	271 624	31 622
7	Of which standardised approach for counterparty credit risk (SA-CCR)	287 477	271 624	31 622
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	8 561	10 582	942
11	Equity positions in banking book under market-based approach	1 526 481	994 220	167 913
12	Equity investments in funds – look-through approach	-	-	-
13	Equity investments in funds – mandate-based approach	-	-	-
14	Equity investments in funds – fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in banking book	-	-	-
17	Of which securitisation internal ratings-based approach (Sec-IRBA)	-	-	-
18	Of which securitisation external ratings-based approach (Sec-ERBA), including internal assessment approach (IAA)	-	-	-
19	Of which securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	43 225	17 763	4 755
21	Of which standardised approach (SA)	43 225	17 763	4 755
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	10 709 121	10 589 289	1 178 003
	Other risk	6 209 334	6 932 919	683 027
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	5 262 723	5 086 278	578 900
26	Floor adjustment	-	-	-
27	**Total**	83 520 815	83 262 175	9 187 290