

Capitec Bank Holdings Limited

February 2020 (4th 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 4th quarter of the 29 Feb 2020 financial year end is set out below:

Composition of qualifying regulatory capital	4th Quarter 2020 (29 Feb 2020) Capital Adequacy		3rd Quarter 2020 (30 Nov 2019) Capital Adequacy	
	R'000	Ratio %	R'000	Ratio %
Ordinary share capital	5 649 020		5 649 020	
Foreign Currency Translation Reserve	29 818		8 952	
Other Reserves	(26 307)		(14 935)	
Accumulated profit	19 855 211		17 966 726	
	25 507 742		23 609 763	
Regulatory adjustments				
-Intangible assets and Goodwill in terms of IFRS	(1 347 534)		(1 365 522)	
-Specified advances & IFRS 9 phase-in	343 852		338 757	
-Unappropriated profit	(46 818)		(11 260)	
Common Equity Tier 1 capital (CET1)	24 457 242	29.5	22 571 738	27.4
Issued Preference share capital	73 098		73 351	
Phase out - non loss absorbant ⁽¹⁾	(21 304)		-	
Additional Tier 1 capital (AT1) ⁽¹⁾	51 794	0.1	73 351	0.1
Tier 1 capital (T1)	24 509 036	29.6	22 645 089	27.5
Issued Subordinated debt	-		1 822 000	
Phase out - non loss absorbant ⁽¹⁾	-		(1 822 000)	
Third party capital issued by bank subsidiary ⁽²⁾	-		-	
Total subordinated debt ⁽¹⁾⁽²⁾	-		-	
General allowance for credit impairment	756 767		751 469	
Tier 2 capital (T2)	756 767	0.9	751 469	0.9
Qualifying regulatory capital	25 265 803	30.5	23 396 558	28.4
Required regulatory capital ⁽²⁾	9 525 692		9 476 453	

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

⁽²⁾ Starting 2013, a deemed surplus attributable to T2 capital of subsidiaries issued to outside third parties, is excluded from group qualifying capital in terms of the accelerated adoption of Basel 3. This deduction phases in at 20% per annum.

⁽³⁾ This value is 11.500% of risk-weighted assets, being the Basel global minimum requirement of 8.000%, the South African country-specific buffer of 1.000% and the Capital Conservation Buffer of 2.500%, disclosable in terms of SARB November 2016 directive in order to standardise reporting across banks. In terms of the regulations the Individual Capital Requirement (ICR) is excluded.

By order of the Board

Stellenbosch
14 April 2020

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OV1: Overview of Risk-Weighted Assets (RWA)

Line #	R'000	Total RWA	Total RWA	Minumum capital requirements
		4th Quarter 2020 (29 February 2020)	3rd Quarter 2020 (30 November 2019)	4th Quarter 2020 (29 February 2020)
1	Credit risk (excluding counterparty credit risk) (CCR)	60 351 413	59 199 888	6 940 412
2	Of which standardised approach (SA)	60 351 413	59 199 888	6 940 412
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	209 757	200 079	24 122
7	Of which standardised approach for counterparty credit risk (SA-CCR)	209 757	200 079	24 122
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	4 520	3 086	520
11	Equity positions in banking book under market-based approach	670 500	554 387	77 108
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	14 500	14 100	1 668
21	Of which standardised approach (SA)	14 500	14 100	1 668
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	10 585 544	11 502 941	1 217 338
	Other risk	6 491 343	6 841 724	746 504
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	4 504 518	4 087 738	518 020
26	Floor adjustment	-	-	-
27	Total	82 832 095	82 403 943	9 525 692