Capitec Bank Holdings Limited

November 2020 (3rd quarter)

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

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

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

Composition of qualifying regulatory capital	3rd Quarter 2021 (30 November 2020) R'000	3rd Quarter 2021 (30 November 2020) Capital Adequacy Ratio %	2nd Quarter 2021 (31 August 2020) R'000	2nd Quarter 2021 (31 August 2020) Capital Adequacy Ratio %
Ordinary share capital	5 649 020		5 649 020	
Foreign Currency Translation Reserve	52 367		81 952	
Other Reserves	(45 830)		(53 664)	
Accumulated profit	22 239 119		20 351 863	
	27 894 676		26 029 171	
Regulatory adjustments				
-Intangible assets, deferred tax assets excluding temporary differences and Goodwill in terms of IFRS	(1 471 079)		(1 549 323)	
-Specified advances & IFRS 9 phase-in	200 934		208 583	
-Unappropriated profit	(117 076)		(49 527)	
Common Equity Tier 1 capital (CET1)	26 507 455	30.7	24 638 904	29.5
Issued Preference share capital	62 347		65 279	
Phase out - non loss absorbant (1)	(10 553)		(13 485)	
Additional Tier 1 capital (AT1) (1)	51 794	0.0	51 794	0.1
Tier 1 capital (T1)	26 559 249	30.7	24 690 698	29.6
General allowance for credit impairment	774 832		721 072	
Tier 2 capital (T2)	774 832	0.9	721 072	0.8
Qualifying regulatory capital	27 334 081	31.6	25 411 770	30.4
Required regulatory capital (2)	9 513 242		9 187 290	

(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% 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
11 December 2020

CAPITEC BANK HOLDINGS LIMITED

Capitec Bank Holdings Limited

November 2020 (3rd quarter)

OV1: Overview of Risk-Weighted Assets (RWA)

Line #	R'000	Total RWA 3rd Quarter 2021 (30 November 2020)	Total RWA 2nd Quarter 2021 (31 August 2020)	Minumum capital requirements 3rd Quarter 2021 (30 November 2020)
1	Credit risk (excluding counterparty credit risk) (CCR)	60 963 905	59 473 893	6 706 030
2	Of which standardised approach (SA)	60 963 905	59 473 893	6 706 030
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	1 003 392	287 477	110 373
7	Of which standardised approach for counterparty credit risk (SA-CCR)	1 003 392	287 477	110 373
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	4 914	8 561	541
11	Equity positions in banking book under market-based approach	1 528 646	1 526 481	168 151
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	35 638	43 225	3 920
21	Of which standardised approach (SA)	35 638	43 225	3 920
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	10 955 984	10 709 121	1 205 158
	Other risk	6 631 295	6 209 334	729 442
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	5 360 242	5 262 723	589 627
26	Floor adjustment	-	-	-
27	**Total**	86 484 016	83 520 815	9 513 242