



Capitec Bank Holdings Limited

Pillar 3 disclosure report

For the period ended 28 February 2023

Capitec Bank Holdings Limited

Pillar 3 disclosure for the period ended 28 February 2023

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 28 February 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.

Contents

Page

Key prudential regulatory metrics	3
KM1: Key metrics	3
Capital management	5
Consolidated capital positions	5
OV1: Overview of risk-weighted assets (RWA)	7
LR1: Summary comparison of accounting assets vs leverage ratio exposure measure	9
LR2: Leverage ratio common disclosure template	10
Credit risk	11
Summary of on-balance sheet and off-balance sheet credit exposure	11
CR1: Credit quality of assets	12
CR2: Changes in stock of defaulted loans and debt securities	14
Write-offs and recoveries reflected in the income statement	14
CR3: Credit risk mitigation techniques	15
CR4: Standardised approach - credit risk exposure and credit risk mitigation effects	16
CR5: Standardised approach - exposures by asset classes and risk weights	17
CCR1: Analysis of counterparty credit risk by approach (CCR)	18
Liquidity risk	19
Contractual and behavioural liquidity mismatches	19
LIQ1: Liquidity coverage ratio (LCR)	22
Composition of high-quality liquid assets and diversification of funding sources	23
LIQ2: Net stable funding ratio (NSFR)	24
Market risk	28
Interest rate risk	28
Annexures	29
CC1: Composition of regulatory capital	29
CC2: Reconciliation of regulatory capital to the balance sheet	35
LI1: Linkages between financial statements and regulatory exposures	37
LI2: Main sources of differences between regulatory amounts and carrying values in financial statements	38
CCA: Main features of capital instruments	39

Key prudential regulatory metrics

February 2023

Capitec Bank Holdings Limited

KM1 - Key Metrics

The following tables provide an overview of the prudential regulatory metrics:

Line#	Available capital (amounts in R'000)	28 Feb 2023	30 Nov 2022	31 Aug 2022	31 May 2022	28 Feb 2022
1	Common Equity Tier 1 (CET1)	35 038 067	34 649 834	33 279 564	31 786 692	31 189 746
1a	Fully loaded ECL accounting model ⁽¹⁾	35 038 067	34 649 834	33 279 564	31 786 692	31 189 746
2	Tier 1	35 038 067	34 649 834	33 279 564	31 786 692	31 189 746
2a	Fully loaded ECL accounting model Tier 1 ⁽¹⁾	35 038 067	34 649 834	33 279 564	31 786 692	31 189 746
3	Total Capital	35 910 898	35 475 537	34 105 253	32 571 910	31 939 123
3a	Fully loaded ECL accounting model total capital ⁽¹⁾	35 910 898	35 475 537	34 105 253	32 571 910	31 939 123
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	104 379 041	101 379 207	97 417 503	91 523 693	88 054 092
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	33.6%	34.2%	34.2%	34.7%	35.4%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	33.6%	34.2%	34.2%	34.7%	35.4%
6	Tier 1 ratio (%)	33.6%	34.2%	34.2%	34.7%	35.4%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	33.6%	34.2%	34.2%	34.7%	35.4%
7	Total capital ratio (%)	34.4%	35.0%	35.0%	35.6%	36.3%
7a	Fully loaded ECL accounting model total capital ratio (%)	34.4%	35.0%	35.0%	35.6%	36.3%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Bank G-SIB and/or D-SIB additional requirements (%)	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 (%)	25.6%	26.2%	26.2%	26.7%	27.4%
Basel 3 leverage ratio						
13	Total Basel 3 leverage ratio exposure measure	193 115 815	191 381 680	183 739 998	177 754 908	178 617 863
14	Basel 3 leverage ratio (%) (row 2 / row 13)	18.1%	18.1%	18.1%	17.9%	17.5%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13)	18.1%	18.1%	18.1%	17.9%	17.5%
Liquidity Coverage Ratio						
15	Total High Quality Liquid Assets (HQLA)	74 946 512	70 626 237	73 672 864	77 081 924	81 574 866
16	Total net cash outflow ⁽²⁾	3 420 878	3 046 824	2 830 266	2 988 551	2 831 646
17	LCR (%)	2 191%	2 318%	2 603%	2 579%	2 881%
Net Stable Funding Ratio						
18	Total available stable funding	172 128 298	171 734 308	165 049 369	160 160 219	157 548 215
19	Total required stable funding	80 016 733	77 828 343	74 856 646	72 328 979	70 017 939
20	NSFR (%)	215.1%	220.7%	220.5%	221.4%	225.0%

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

⁽²⁾ 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.

February 2023

Capitec Bank Limited

KM1 - Key Metrics

Line#	Available capital (amounts in R'000)	28 Feb 2023	30 Nov 2022	31 Aug 2022	31 May 2022	28 Feb 2022
1	Common Equity Tier 1 (CET1)	31 867 439	30 341 529	30 341 386	29 087 787	28 646 138
1a	Fully loaded ECL accounting model ⁽¹⁾	31 867 439	30 341 529	30 341 386	29 087 787	28 646 138
2	Tier 1	31 867 439	30 341 529	30 341 386	29 087 787	28 646 138
2a	Fully loaded ECL accounting model Tier 1 ⁽¹⁾	31 867 439	30 341 529	30 341 386	29 087 787	28 646 138
3	Total Capital	32 742 826	31 199 415	31 169 397	29 875 494	29 396 137
3a	Fully loaded ECL accounting model total capital ⁽¹⁾	32 742 826	31 199 415	31 169 397	29 875 494	29 396 137
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	99 861 225	98 523 634	95 406 826	89 846 315	86 751 398
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	31.9%	30.8%	31.8%	32.4%	33.0%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	31.9%	30.8%	31.8%	32.4%	33.0%
6	Tier 1 ratio (%)	31.9%	30.8%	31.8%	32.4%	33.0%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	31.9%	30.8%	31.8%	32.4%	33.0%
7	Total capital ratio (%)	32.8%	31.7%	32.7%	33.3%	33.9%
7a	Fully loaded ECL accounting model total capital ratio (%)	32.8%	31.7%	32.7%	33.3%	33.9%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Bank G-SIB and/or D-SIB additional requirements (%)	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 (%)	23.9%	22.8%	23.8%	24.4%	25.0%
	Basel 3 leverage ratio					
13	Total Basel 3 leverage ratio exposure measure	189 438 474	188 759 817	181 984 921	176 104 396	177 138 489
14	Basel 3 leverage ratio (%) (row 2 / row 13)	16.8%	16.1%	16.7%	16.5%	16.2%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13)	16.8%	16.1%	16.7%	16.5%	16.2%
	Liquidity Coverage Ratio					
15	Total High Quality Liquid Assets (HQLA)	74 946 512	70 626 237	73 672 864	77 081 924	81 574 866
16	Total net cash outflow ⁽²⁾	3 420 878	2 991 055	2 830 266	2 988 551	2 847 335
17	LCR (%)	2 191%	2 361%	2 603%	2 579%	2 865%
	Net Stable Funding Ratio					
18	Total available stable funding	169 362 399	167 590 794	162 881 858	157 955 048	155 816 002
19	Total required stable funding	77 209 942	75 574 316	73 139 413	71 032 170	68 830 975
20	NSFR (%)	219.4%	221.8%	222.7%	222.4%	226.4%

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

⁽²⁾ 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

February 2023

Capitec Bank Holdings Limited

The consolidated capital position for the group and the bank for the period ended 28 February 2023 is set out below:

	Group 28 Feb 2023 R'000 / %	Group 31 Aug 2022 R'000 / %	Bank 28 Feb 2023 R'000 / %	Bank 31 Aug 2022 R'000 / %
Composition of qualifying regulatory capital				
Ordinary share capital ⁽¹⁾	5 406 109	5 649 020	6 105 981	6 105 981
Foreign currency translation reserve	77 610	38 844	-	-
Other reserves	491 982	487 436	(404)	(4 951)
Retained earnings	33 060 311	29 538 165	28 548 099	26 140 384
	39 036 012	35 713 465	34 653 676	32 241 414
Regulatory adjustments				
Intangible assets, deferred tax assets excluding temporary differences and goodwill in terms of IFRS ⁽⁸⁾	(1 390 218)	(1 347 692)	(1 378 739)	(1 319 150)
Other regulatory adjustments	-	(2 665)	(123 663)	(4 758)
Unappropriated profit	(2 607 727)	(1 083 544)	(1 283 835)	(576 120)
Common equity tier 1 capital (CET1)	35 038 067	33 279 564	31 867 439	30 341 386
CET1 %	33.6%	34.2%	31.9%	31.8%
Issued preference share capital ⁽¹⁾	48 924	50 576	48 924	50 576
Phase out - non loss absorbent ⁽²⁾⁽⁷⁾	(48 924)	(50 576)	(48 924)	(50 576)
Additional tier 1 capital (AT1) ⁽¹⁾	-	-	-	-
Tier 1 capital (T1)	35 038 067	33 279 564	31 867 439	30 341 386
T1 %	33.6%	34.2%	31.9%	31.8%
General allowance for credit impairment	872 831	825 689	875 387	828 011
Tier 2 capital (T2)	872 831	825 689	875 387	828 011
T2 %	0.8%	0.8%	0.9%	0.9%
Qualifying regulatory capital	35 910 898	34 105 253	32 742 826	31 169 397
Total %⁽⁹⁾	34.4%	35.0%	32.8%	32.7%
Required regulatory capital	12 525 485	11 690 101	11 983 347	11 448 820
Composition of required regulatory capital				
Credit risk – on-balance sheet	8 317 193	7 870 492	8 341 729	7 892 783
Credit risk – off-balance sheet	63 709	57 165	63 709	57 165
Total credit risk	8 380 902	7 927 657	8 405 438	7 949 948
Operational risk	1 503 058	1 402 812	1 438 002	1 373 858
Market risk	4 044	1 233	4 044	1 233
Equity risk	971 624	685 271	589 883	504 078
Other assets	1 665 857	1 673 128	1 545 980	1 619 703
Total regulatory capital requirement⁽⁴⁾	12 525 485	11 690 101	11 983 347	11 448 820

Capitec Bank Holdings Limited

The consolidated capital position for the group and the bank for the period ended 28 February 2023 (continued):

	Group 28 Feb 2023 R'000 / %	Group 31 Aug 2022 R'000 / %	Bank 28 Feb 2023 R'000 / %	Bank 31 Aug 2022 R'000 / %
Composition of risk-weighted assets⁽¹⁾				
On balance sheet	69 309 945	65 587 436	69 514 411	65 773 188
Off balance sheet	530 906	476 372	530 906	476 372
Credit risk	69 840 851	66 063 808	70 045 317	66 249 560
Operational risk	12 525 485	11 690 100	11 983 347	11 448 819
Market risk	33 696	10 273	33 696	10 273
Equity risk	8 096 866	5 710 591	4 915 693	4 200 647
Other assets	13 882 143	13 942 731	12 883 172	13 497 527
Total risk-weighted assets	104 379 041	97 417 503	99 861 225	95 406 826
Total assets based on IFRS	191 800 623	182 709 553	188 228 244	180 906 214
Total risk-weighted assets – adjustments ⁽²⁾	(87 421 582)	(85 292 050)	(88 367 019)	(85 499 388)
Total risk-weighted assets – regulatory	104 379 041	97 417 503	99 861 225	95 406 826

⁽¹⁾ For further details of the main features of these instruments, please refer to the main features of capital instruments and the CCI - composition of regulatory capital template.

⁽²⁾ Starting in 2013, the non-loss absorbent AT1 and T2 capital was subject to a 10% per annum phase-out in terms of Basel 3, fully phased-out on 1 January 2022.

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

⁽⁴⁾ 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.

⁽⁵⁾ 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.

⁽⁶⁾ The adjustments reflect mainly the impact of the regulatory percentages and the addition of a risk-weighted equivalent for operational risk.

⁽⁷⁾ The base value of preference shares which would phase-out in terms of Basel 3 is R258 969 000. At 28 February 2023, 81.11% (Feb 2022: 80.24%) 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 R48.9 million, are shown as phased-out.

⁽⁸⁾ 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.

Capitec Bank Holdings Limited

February 2023

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	Total RWA	Total RWA	Minimum capital requirements ⁽¹⁾
		28 Feb 2023	31 Aug 2022	28 Feb 2023
1	Credit risk (excluding counterparty credit risk) (CCR)	69 760 404	66 020 679	8 371 249
2	Of which standardised approach (SA)	69 760 404	66 020 679	8 371 249
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	66 069	34 455	7 928
7	Of which standardised approach for counterparty credit risk (SA-CCR)	66 069	34 455	7 928
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	14 378	8 674	1 725
11	Equity positions in banking book under market-based approach	3 449 356	1 817 400	413 923
12	Equity investments in funds – look-through approach	4 647 510	3 893 191	557 701
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	33 696	10 273	4 044
21	Of which standardised approach (SA)	33 696	10 273	4 044
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	12 525 485	11 690 100	1 503 058
	Other risk	6 494 014	6 616 484	779 282
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	7 388 129	7 326 247	886 575
26	Floor adjustment	-	-	-
27	Total	104 379 041	97 417 503	12 525 485

⁽¹⁾ 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.

Capitec Bank Limited

February 2023

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	Total RWA	Total RWA	Minimum capital requirements ⁽¹⁾
		28 Feb 2023	31 Aug 2022	28 Feb 2023
1	Credit risk (excluding counterparty credit risk) (CCR)	69 964 870	66 206 431	8 395 785
2	Of which standardised approach (SA)	69 964 870	66 206 431	8 395 785
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	66 069	34 455	7 928
7	Of which standardised approach for counterparty credit risk (SA-CCR)	66 069	34 455	7 928
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	14 378	8 674	1 725
11	Equity positions in banking book under market-based approach	268 183	307 456	32 182
12	Equity investments in funds – look-through approach	4 647 510	3 893 191	557 701
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	33 696	10 273	4 044
21	Of which standardised approach (SA)	33 696	10 273	4 044
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	11 983 347	11 448 819	1 438 002
	Other risk	6 442 239	6 547 673	773 068
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	6 440 933	6 949 854	772 912
26	Floor adjustment	-	-	-
27	Total	99 861 225	95 406 826	11 983 347

⁽¹⁾ 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.

Capitec Bank Holdings Limited

February 2023

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 28 Feb 2023	Group 31 Aug 2022	Bank 28 Feb 2023	Bank 31 Aug 2022
1	Total consolidated assets as per the financial statements	191 800 623	182 709 553	188 228 244	180 906 214
	Adjustments for:				
2	Investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-	-	-
3	Fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-	-
4	Derivative financial instruments	(12 712)	(13 417)	(12 712)	(13 417)
5	Securities financing transactions (i.e. repos and similar secured lending)	271 739	145 324	271 739	145 324
6	Off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	2 446 383	2 248 895	2 453 607	2 270 708
7	Other adjustments	(1 390 218)	(1 350 357)	(1 502 404)	(1 323 908)
8	Leverage ratio exposure	193 115 815	183 739 998	189 438 474	181 984 921

Capitec Bank Holdings Limited

February 2023

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 #	Group leverage ratio framework R'000	Group 28 Feb 2023	Group 31 Aug 2022	Bank 28 Feb 2023	Bank 31 Aug 2022
On-balance sheet exposures					
1	On-balance sheet items (excluding derivatives and security financing transactions 'SFT' but including collateral)	181 913 336	175 102 345	178 340 957	173 299 005
2	Asset amounts deducted in determining Tier 1 capital	(1 390 218)	(1 350 358)	(1 502 404)	(1 323 908)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	180 523 118	173 751 987	176 838 553	171 975 097
Derivative exposures					
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	19 484	11 532	19 484	11 532
5	Add-on amounts for potential future exposure 'PFE' associated with all derivatives transactions	1 359	1 331	1 359	1 331
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 provided in derivatives transactions	-	-	-	-
8	Exempted central counterparty '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	Total derivative exposures (sum of lines 4 to 10)	20 843	12 863	20 843	12 863
Securities financing transaction exposures					
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	9 853 732	7 580 929	9 853 732	7 580 929
13	Netted amounts of cash payables and cash receivables of gross SFT assets	-	-	-	-
14	Counterparty credit risk 'CCR' exposure for SFT assets	271 739	145 324	271 739	145 324
15	Agent transaction exposures	-	-	-	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	10 125 471	7 726 253	10 125 471	7 726 253
Other off-balance sheet exposures					
17	Off-balance sheet exposure at gross notional amount	18 941 717	17 476 802	18 826 282	17 535 166
18	Adjustments for conversion to credit equivalent amounts	(16 495 334)	(15 227 907)	(16 372 675)	(15 264 458)
19	Off-balance sheet items (sum of lines 17 and 18)	2 446 383	2 248 895	2 453 607	2 270 708
Capital and total exposures					
20	Tier 1 capital	35 038 067	33 279 564	31 867 439	30 341 386
21	Total exposures (sum of lines 3, 11, 16 and 19)	193 115 815	183 739 998	189 438 474	181 984 921
Leverage ratio					
22	Leverage ratio %	18.1%	18.1%	16.8%	16.7%

Credit risk

February 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 28 February 2023 and 31 August 2022 respectively for Capitec Bank Holdings Limited.

Asset Class	Average gross credit exposure	Average gross credit exposure
	28 Feb 2023	31 Aug 2022
R'000		
Liquid assets	27 101 379	22 792 052
Cash and cash equivalents - banks	16 983 915	13 891 481
Cash and cash equivalents - sovereign	3 103 357	3 034 724
Resale agreements with banks	5 824 185	4 756 835
Resale agreements with corporates	375 003	-
Other balances with central banks	814 919	1 109 012
Gross loans and advances	96 002 564	88 756 657
Retail personal term loans	55 324 486	55 301 692
Retail revolving credit	30 251 445	24 053 697
Mortgage loans	7 750 910	7 092 518
Instalment sales and leases	2 669 281	2 298 391
Other advances	6 442	10 359
Gross other assets	64 264 604	66 996 474
Term deposit investments - banks	3 833 010	2 519 922
Financial investments - sovereign	60 395 231	64 433 902
Derivative financial assets	36 363	42 650
On-balance sheet exposure	187 368 547	178 545 183
Guarantees	785 638	703 426
Letters of credit	18 356	10 539
Committed undrawn facilities	291 845	194 452
Conditionally revocable commitments	17 306 412	14 850 401
Off-balance sheet exposure	18 402 251	15 758 818
Total credit exposure	205 770 798	194 304 001

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.

28 Feb 2023 R'000	Month average / Month-end exposure	Credit exposure value			
		Defaulted exposures	Non-defaulted exposures	Impairments	Net
Stage 1		-	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
Stage 2		-	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
Stage 3		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
Total		13 552 057	177 209 569	(19 873 022)	170 888 604

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

The following loans and advances are included in 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 where clients applied for debt review between 6 and 12 months ago and which are up-to-date

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

The following loans and advances are included in 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
- 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.



31 Aug 2022 R'000	Month Average / Month-end exposure	Credit Exposure Value			
		Defaulted exposures	Non-defaulted exposures	Impairments	Net
Stage 1		-	137 886 425	(5 237 252)	132 649 173
Retail term loans	Month-end	-	29 737 541	(2 643 070)	27 094 471
Retail revolving credit	Monthly Ave	-	19 810 751	(2 248 862)	17 561 889
Sovereigns and their central banks	Monthly Ave	-	64 253 006	(111 464)	64 141 542
Banks	Monthly Ave	-	11 980 111	(3 954)	11 976 157
Corporate exposures	Both	-	3 922 453	(105 083)	3 817 370
Residential mortgage advances	Month-end	-	3 139 090	(9 237)	3 129 853
SME Secured lending	Month-end	-	3 719 460	(47 651)	3 671 809
Other exposures (SME unsecured lending and public sector entities)	Both	-	1 324 013	(67 931)	1 256 082
Stage 2		-	13 500 908	(3 278 948)	10 221 960
Retail term loans	Month-end	-	8 268 698	(1 706 487)	6 562 211
Retail revolving credit	Monthly Ave	-	4 088 252	(1 366 766)	2 721 486
Sovereigns and their central banks	Monthly Ave	-	-	-	-
Banks	Monthly Ave	-	-	-	-
Corporate exposures	Both	-	786 776	(147 451)	639 325
Residential mortgage advances	Month-end	-	178 017	(16 826)	161 191
SME Secured lending	Month-end	-	106 248	(19 600)	86 648
Other exposures (SME unsecured lending and public sector entities)	Both	-	72 917	(21 818)	51 099
Stage 3		12 056 961	4 955 148	(10 654 546)	6 357 563
Retail term loans	Month-end	8 884 372	4 367 566	(8 315 692)	4 936 246
Retail revolving credit	Monthly Ave	2 241 242	587 582	(2 042 593)	786 231
Sovereigns and their central banks	Monthly Ave	-	-	-	-
Banks	Monthly Ave	-	-	-	-
Corporate exposures	Both	126 477	-	(44 488)	81 989
Residential mortgage advances	Month-end	400 364	-	(52 923)	347 441
SME Secured lending	Month-end	288 132	-	(117 317)	170 815
Other exposures (SME unsecured lending and public sector entities)	Both	116 374	-	(81 533)	34 841
Debt securities		-	-	-	-
Off balance sheet items		222	17 425 034	-	17 425 256
Total		12 057 183	173 767 515	(19 170 746)	166 653 952

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.

Line #	R'000	28 Feb 2023	31 Aug 2022
1	Defaulted loans and debt securities at end of previous reporting period ⁽¹⁾	12 057 183	10 212 149
2	Loans and debt securities that have defaulted since the last reporting period	4 548 870	3 928 369
3	Returned to non-defaulted status	(159 975)	(121 523)
4	Amounts written off	(2 768 538)	(1 939 668)
5	Other changes	(125 483)	(22 144)
6	Defaulted loans and debt securities at end of reporting period⁽¹⁾	13 552 057	12 057 183

Retail bank

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

⁽¹⁾ Default on retail loans include the following:

- loans on which clients are past due on more than 3 contractual payments;
- loans which clients have applied for debt review less than 6 months ago which are currently performing;
- up-to-date loans that rescheduled from up-to-date (not yet rehabilitated);
- loans that are currently up to 1 month in arrears that were previously rescheduled but have not rehabilitated or
- up-to-date loans that rescheduled from arrears (not yet rehabilitated).

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; and
- it is becoming probable that the borrower may enter bankruptcy.

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 28 February 2023 and the 6 month period ended 31 August 2022:

R'000	28 Feb 2023	31 Aug 2022
Net impairment charge on loans and advances:		
Bad debts (write-offs)	3 971 203	2 656 288
Net movement in impairment allowance	(242 086)	651 434
Bad debts recovered	(339 062)	(368 392)
Net impairment charge	3 390 055	2 939 330

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 #	28 Feb 2023 R'000	Exposures unsecured: carrying amount	Exposures secured by collateral
1	Total Net Loans and Advances	174 254 456	16 507 169
	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	Debt Securities	-	-
3	Total	174 254 456	16 507 169
4	Of which defaulted (Net of credit impairment)	3 394 452	-

Line #	31 Aug 2022 R'000	Exposures unsecured: carrying amount	Exposures secured by collateral
1	Total Net Loans and Advances	171 612 502	14 212 196
	Retail term loans	51 211 100	86 000
	Retail revolving credit	41 649 390	-
	Sovereigns and their central banks	64 253 006	-
	Banks	8 182 146	3 800 365
	Corporate exposures	1 906 967	3 804 458
	Residential mortgage advances	337 376	3 508 129
	SME secured lending	1 699 143	3 013 244
	Other exposures (SME unsecured lending)	2 373 374	-
2	Debt Securities	-	-
3	Total	171 612 502	14 212 196
4	Of which defaulted (Net of credit impairment)	2 913 393	-

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 #	28 Feb 2023	Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
	Asset Classes R'000	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA ⁽²⁾	RWA density
1	Sovereigns and their central banks ⁽³⁾	61 164 088	-	61 164 088	-	-	0%
2	Banks ⁽¹⁾	12 605 186	2 000	8 067 686	-	3 646 916	45%
3	Corporates ⁽¹⁾	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	Total	160 343 635	18 350 877	155 563 815	646 655	69 826 472	45%

As required by the regulations relating to banks:

- (1) 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.
- (2) The risk weightings is calculated according to the Regulations relating to banks, with the risk weight percentages applicable to each asset class provided in the CR5 template.
- (3) Sovereign comprises of investments in South African treasury bills, government bonds and SARB debentures. These exposures are zero risk weighted.

Line #	31 Aug 2022	Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
	Asset Classes R'000	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA ⁽²⁾	RWA density
1	Sovereigns and their central banks ⁽³⁾	64 253 006	-	64 253 006	-	-	0%
2	Banks ⁽¹⁾	11 980 111	2 401	8 326 405	80	3 573 255	43%
3	Corporates ⁽¹⁾	2 863 622	839 114	2 761 971	118 071	2 653 087	92%
4	Regulatory retail portfolios	66 121 306	16 216 483	66 110 693	190 739	50 603 986	76%
5	Secured by residential property	3 317 107	128 033	3 309 689	101 963	1 280 650	38%
6	Secured by commercial real estate	3 602 494	239 002	3 602 494	179 489	3 776 826	100%
7	Past-due loans	5 607 251	222	5 607 250	37	4 167 329	74%
8	Total	157 744 897	17 425 255	153 971 508	590 379	66 055 133	43%

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 is corresponding to the riskiness attributed to the exposure according to standardised approach. The tables below summarises the credit risk exposures by risk weighting percentage:

Line #	Risk weight/ Asset Classes	28 Feb 2023								Total credit exposure amount post CRM and CCF
		0%	20%	35%	50%	75%	100%	150%		
R'000										
1	Sovereigns and their central banks	61 164 088	-	-	-	-	-	-	-	61 164 088
2	Banks	-	4 412 814	-	1 781 038	-	1 873 834	-	8 067 686	
3	Corporates	-	-	-	419 049	-	2 628 141	-	3 047 190	
4	Regulatory retail portfolios	-	-	-	37 227	66 842 764	2 218 347	562 254	69 660 592	
5	Secured by residential property	-	-	3 523 950	-	213 391	23 855	-	3 761 196	
6	Secured by commercial real estate	-	-	-	-	-	3 972 623	-	3 972 623	
7	Past-due loans	-	-	-	2 903 365	1 773 239	1 665 554	194 937	6 537 095	
8	Total	61 164 088	4 412 814	3 523 950	5 140 679	68 829 394	12 382 354	757 191	156 210 470	

Line #	Risk weight/ Asset Classes	31 Aug 2022								Total credit exposure amount post CRM and CCF
		0%	20%	35%	50%	75%	100%	150%		
R'000										
1	Sovereigns and their central banks	64 253 006	-	-	-	-	-	-	-	64 253 006
2	Banks	-	4 993 978	-	1 531 025	-	1 801 482	-	8 326 485	
3	Corporates	-	-	-	453 911	-	2 426 131	-	2 880 042	
4	Regulatory retail portfolios	-	-	-	25 609	64 045 719	1 576 525	653 579	66 301 432	
5	Secured by residential property	-	-	3 208 268	-	182 511	20 873	-	3 411 652	
6	Secured by commercial real estate	-	-	-	-	20 629	3 761 354	-	3 781 983	
7	Past-due loans	-	-	-	2 371 636	1 505 401	1 485 831	244 419	5 607 287	
8	Total	64 253 006	4 993 978	3 208 268	4 382 181	65 754 260	11 072 196	897 998	154 561 887	

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.

28 Feb 2023					
Line #	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	Simple approach for credit risk mitigation (for SFTs) ⁽¹⁾	4 561 010	4 289 271	271 739	54 348
3	Total	4 580 494	4 290 630	300 919	66 069

31 Aug 2022					
Line #	R'000	Replacement cost	Potential future exposure	EAD Post - CRM	RWA
1	SA-CCR for derivatives	11 532	1 331	18 008	5 390
2	Simple approach for credit risk mitigation (for SFTs) ⁽¹⁾	3 619 694	3 474 370	145 324	29 065
3	Total	3 631 226	3 475 701	163 332	34 455

⁽¹⁾ Secured finance transactions (SFTs) include investments in resale agreements.

Liquidity risk

Capitec Bank Holdings Limited

Liquidity risk is managed by the assets and liabilities committee (ALCO) that oversees the activities of the treasury department which operates in terms of an approved assets and liabilities management (ALM) 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.

Contractual and behavioural liquidity mismatches

Both the contractual and behavioural mismatches benefit positively from the high component of equity funding. This creates a greater surplus of asset cash flows over liability cash flows compared to banks with lower capital ratios.

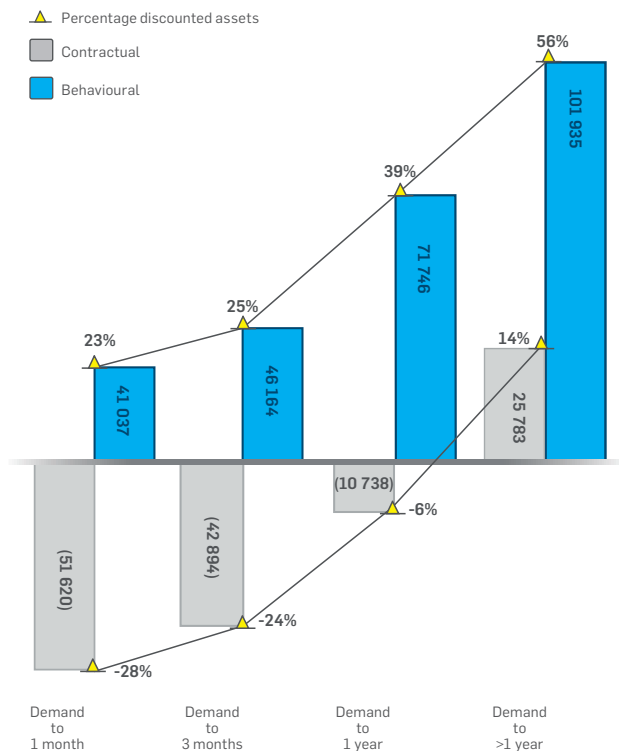
The main difference between the behavioural and contractual mismatches relates to the treatment of retail call deposits. 91.22% (Feb 2022: 90.10%) of retail demand deposits are reflected as stable, based on a one standard deviation measure of volatility, which is considered reasonable for business-as-usual conditions. In the behavioural analysis, retail fixed deposit and retail term loan contractual flows are adjusted for early settlement behaviour. Loan flows are also adjusted for expected credit losses.

Industry comparison

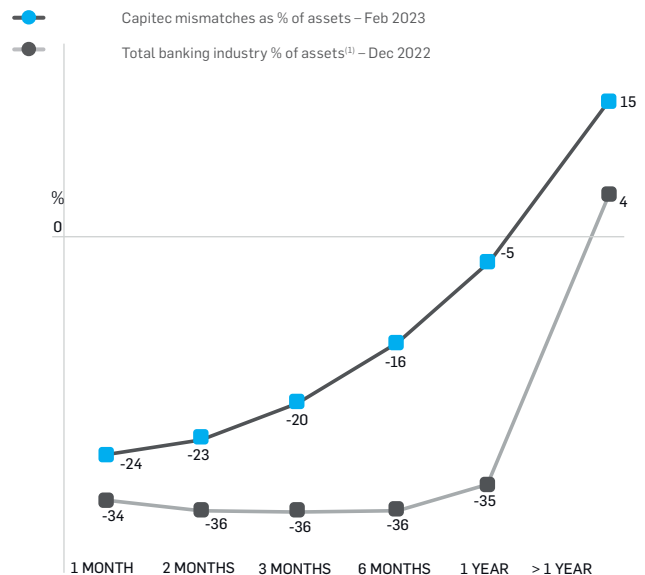
The industry comparison shows that Capitec's contractual mismatch as a percentage of assets is prudent relative to the total industry mismatch. The source data is as reported on the SARB BA 300 returns, which exclude the impact of loan impairments.

CONTRACTUAL AND BEHAVIOURAL LIQUIDITY MISMATCHES R'm

The contractual and behavioural mismatches are reported on a discounted basis



INDUSTRY COMPARISON – BANK CUMULATIVE CONTRACTUAL LIQUIDITY MISMATCHES



⁽¹⁾ Total banking industry as disclosed in total banks BA300 data for December 2022, available on the South African Reserve Bank's website

Capitec Bank Holdings Limited

Contractual liquidity maturity analysis (mismatch)

The following table analyses assets and liabilities of the group into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The table is prepared on the following basis:

- Asset and liability cash flows are presented on an undiscounted basis with an adjustment to reflect the total discounted result
- The cash flows of floating rate financial instruments are calculated using published forward market rates at balance sheet date
- The cash flows of derivative financial instruments are included on a gross basis
- Contractual cash flows with respect to off-balance sheet items which have not yet been recorded on the balance sheet are excluded
- Adjustments to loans and advances to clients relate to deferred loan fee income
- Non-cash liabilities, representing leave pay and the straight-lining of operating leases, are disclosed as adjustments to trade and other payables

Maturities of financial assets and liabilities (tables reflect discounted cash flows) R'000	Demand to one month	One to three months	Three months to one year	More than one year	Non - contractual	Adjustment	Total
FEB 2023							
Undiscounted assets							
Cash and cash equivalents – sovereigns	3 196 654	-	-	-	-	-	3 196 654
Cash and cash equivalents – banks	27 085 545	752 450	-	-	-	(748)	27 837 247
Financial assets at FVTPL	289 051	-	-	-	-	-	289 051
Financial investments at amortised cost	11 556 889	6 527 350	32 933 409	21 827 199	-	(103 783)	72 741 064
Term deposit investments	-	3 669 199	-	-	-	(946)	3 668 253
Financial assets at FVOCI	-	-	-	73 880	-	-	73 880
Loans and advances – Retail	4 645 852	7 034 922	27 054 470	70 911 015	12 222 975	(275 986)	121 593 248
Loans and advances – Business loans	2 590 441	313 281	1 327 721	3 895 738	496 330	-	8 623 511
Loans and advances – Mortgage loans	136 048	239 742	1 011 629	11 908 609	631 829	-	13 927 857
Other receivables	4 227 874	-	238 520	23 204	68 300	-	4 557 898
Funeral plan income receivable	-	-	1 625 931	-	-	-	1 625 931
Net insurance receivable	-	-	1 509 371	-	-	-	1 509 371
Derivative assets	10 270	6 413	15 105	1 913	-	-	33 701
Current income tax asset	-	-	40 701	-	-	-	40 701
Undiscounted assets	53 738 624	18 543 357	65 756 857	108 641 558	13 419 434	(381 463)	259 718 367
Adjustments for undiscounted assets	(1 963 510)	(2 755 867)	(12 810 466)	(40 567 327)	-	-	(58 097 170)
Discounted assets							
Loan impairment provision	(784 488)	(582 500)	(2 323 298)	(6 589 866)	(9 366 516)	-	(19 646 668)
Total discounted assets	50 990 626	15 204 990	50 623 093	61 484 365	4 052 918	(381 463)	181 974 529
Undiscounted liabilities							
Deposits	99 962 070	6 088 866	19 011 089	24 827 386	-	-	149 889 411
Wholesale funding	7 117	79 463	207 451	2 538 381	-	-	2 832 412
Lease liability	26 721	97 922	434 217	2 702 748	-	-	3 261 608
Trade and other payables	2 651 684	458 021	344 261	224 640	195 513	-	3 874 119
Derivative liabilities	8 086	5 859	9 720	18	-	-	23 683
Employee benefit liabilities	-	-	-	15 836	-	-	15 836
Undiscounted Liabilities	102 655 678	6 730 131	20 006 738	30 309 009	195 513	-	159 897 069
Adjustments for undiscounted liabilities	(45 349)	(250 597)	(1 539 663)	(5 345 771)	-	-	(7 181 380)
Total discounted liabilities	102 610 329	6 479 534	18 467 075	24 963 238	195 513	-	152 715 689
Undiscounted Net liquidity excess /(shortfall)	(49 701 542)	11 230 726	43 426 821	71 742 683	3 857 405	(381 463)	80 174 630
Undiscounted Cumulative liquidity excess/(shortfall)	(49 701 542)	(38 470 816)	4 956 005	76 698 688	80 556 093	80 174 630	80 174 630

Capitec Bank Holdings Limited

Maturities of financial assets and liabilities (tables reflect discounted cash flows) R'000	Demand to one month	One to three months	Three months to one year	More than one year	Non - contractual	Adjustment	Total
AUG 2022							
Undiscounted assets							
Cash and cash equivalents – sovereigns	3 074 017	-	-	-	-	-	3 074 017
Cash and cash equivalents – banks	21 035 162	2 512 253	-	-	-	(837)	23 546 578
Financial investments at amortised cost	6 264 960	14 574 870	33 305 162	21 907 411	-	(111 465)	75 940 938
Term deposit investments	-	-	3 465 364	-	-	(3 114)	3 462 250
Financial assets – equity instruments at FVOCI	-	-	-	73 317	-	-	73 317
Loans and advances – Retail	4 584 954	6 513 212	25 337 829	67 827 730	10 916 150	(287 341)	114 892 534
Loans and advances – Business loans	2 152 692	255 571	1 084 242	3 542 568	415 890	-	7 450 963
Loans and advances – Mortgage loans	129 075	253 312	887 439	9 915 690	563 391	-	11 748 907
Other receivables	3 692 593	-	109 071	585 235	-	-	4 386 899
Funeral plan income receivable	-	-	866 187	-	-	-	866 187
Net insurance receivable	-	-	550 726	-	-	-	550 726
Derivative assets	17 836	3 740	4 704	-	-	-	26 280
Current income tax asset	-	-	48 271	-	-	-	48 271
Undiscounted assets	40 951 289	24 112 958	65 658 995	103 851 951	11 895 431	(402 757)	246 067 867
Adjustments for undiscounted assets	(1 972 414)	(2 521 767)	(11 665 490)	(37 991 051)	-	-	(54 150 722)
Discounted assets							
Loan impairment provision	(1 067 875)	(598 778)	(2 358 755)	(6 627 250)	(8 395 417)	-	(19 048 075)
Total discounted assets	37 911 000	20 992 413	51 634 750	59 233 650	3 500 014	(402 757)	172 869 070
Undiscounted liabilities							
Deposits	95 824 178	5 897 569	19 463 149	22 879 600	-	-	144 064 496
Wholesale funding	47 459	40 665	226 457	1 777 711	-	-	2 092 292
Lease liability	23 082	94 387	420 228	2 658 321	-	-	3 196 018
Trade and other payables	2 578 452	92 926	666 602	264 362	83 369	-	3 685 711
Derivative liabilities	18 648	4 534	3 731	(2 153)	-	-	24 760
Employee benefit liabilities	-	-	-	152 388	-	-	152 388
Undiscounted Liabilities	98 491 819	6 130 081	20 780 167	27 730 229	83 369	-	153 215 665
Adjustments for undiscounted liabilities	(312 850)	(218 190)	(1 218 711)	(4 520 402)	-	-	(6 270 153)
Total discounted liabilities	98 178 969	5 911 891	19 561 456	23 209 827	83 369	-	146 945 512
Undiscounted Net liquidity excess /(shortfall)	(58 608 405)	17 384 099	42 520 073	69 494 472	3 416 645	(402 757)	73 804 127
Undiscounted Cumulative liquidity excess/(shortfall)	(58 608 405)	(41 224 306)	1 295 767	70 790 239	74 206 884	73 804 127	73 804 127

Capitec Bank Holdings Limited

February 2023

LIQ1: Liquidity coverage ratio (LCR)

The LCR is a 30-day stress test, using 90 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 28 February 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 #	R'000	Total Unweighted Value (Average) 28 Feb 2023	Total Weighted Value (Average) 28 Feb 2023	Total Weighted Value (Average) 31 Aug 2022
High-quality liquid assets				
1	Total high-quality liquid assets (HQLA)		74 946 512	73 672 864
Cash outflows				
2	Retail deposits and deposits from small business customers, of which:	131 957 089	10 132 861	8 388 594
3	Stable deposits	-	-	-
4	Less-stable deposits	131 957 089	10 132 861	8 388 594
5	Unsecured wholesale funding, of which:	13 402 868	3 061 873	2 491 227
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-
7	Non-operational deposits (all counterparties)	10 471 903	2 275 307	2 440 810
8	Unsecured debt	2 930 965	786 566	50 417
9	Secured wholesale funding	4 437	-	-
10	Additional requirements, of which:	17 683 047	488 778	441 243
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	16 903 641	449 807	405 005
14	Other contractual funding obligations	-	-	-
15	Other contingent funding obligations	779 406	38 971	36 238
16	Total cash outflows		13 683 512	11 321 064
Cash inflows				
17	Secured lending (e.g. reverse repos)	7 243 943	-	-
18	Inflows from fully performing exposures	16 952 617	15 541 003	15 486 354
19	Other cash inflows	94 881	-	-
20	Total cash inflows	24 291 441	15 541 003	15 486 354
			Total adjusted value	Total adjusted value
21	Total HQLA		74 946 512	73 672 864
22	Total net cash outflows ⁽¹⁾		3 420 878	2 830 266
23	Liquidity Coverage Ratio (%)		2 191%	2 603%

⁽¹⁾ 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.

Capitec Bank Holdings Limited

February 2023

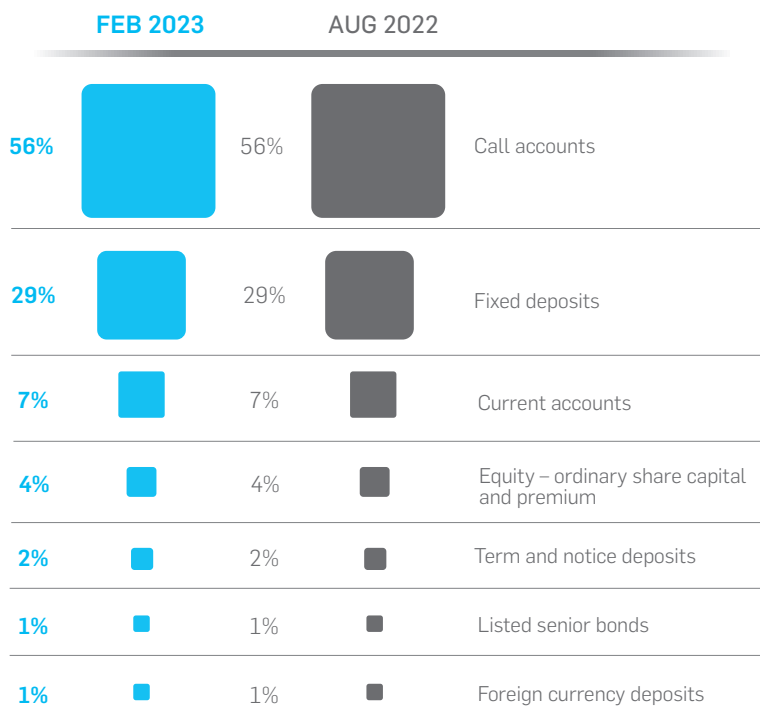
Composition of high-quality liquid assets

R'000	28 Feb 2023	31 Aug 2022
Cash	3 624 351	3 117 319
Qualifying central bank reserves	2 810 354	3 062 838
Specified debt securities issued in Rand by the central government of the RSA or the Reserve Bank	59 427 835	63 252 558
Specified marketable securities from sovereigns, central banks, public sector entities, multilateral development banks and development banks	7 389 277	4 240 149
Settlement account with the South African Reserve Bank ⁽¹⁾	1 694 695	-
Total level one qualifying high-quality liquid assets	74 946 512	73 672 864

⁽¹⁾ 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 funding sources

The graph below illustrates the composition of our funding sources:



Capitec Bank Holdings Limited

February 2023

LIQ2: Net stable funding ratio (NSFR)

Line #	Available stable funding (ASF) item R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to 1 year	>= 1 year	
1	Capital: (sum of rows 2 and 3)	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	Retail deposits and deposits from small business customers (sum of rows 5 and 6)	-	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	Wholesale funding: (sum of rows 8 and 9)	-	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	Other liabilities: (sum of rows 12 and 13)	-	5 443 702	1 039 894	2 391 877	2 864 044
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and equity not included above	-	5 443 702	1 039 894	2 391 877	2 864 044
14	Total ASF					172 128 298
Required stable funding (RSF) item						
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	Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)	-	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	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages of which:	-	69 834	64 112	3 182 622	2 135 677
23	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	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	Other assets: (sum of rows 27-31)	-	-	-	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	Total RSF (sum of rows 15,16, 17, 25, 26 and 32)					80 016 733
34	Net stable funding ratio (%)					215.1%

Capitec Bank Holdings Limited

August 2022

LIQ2: Net stable funding ratio (NSFR)

Line #	Available stable funding (ASF) item R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to 1 year	>= 1 year	
1	Capital: (sum of rows 2 and 3)	35 455 610	-	-	50 576	35 506 186
2	Regulatory capital (Basel 3 2022)	35 455 610	-	-	-	35 455 610
3	Other capital instruments	-	-	-	50 576	50 576
4	Retail deposits and deposits from small business customers (sum of rows 5 and 6)	-	106 629 089	8 372 492	18 627 590	122 129 013
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	106 629 089	8 372 492	18 627 590	122 129 013
7	Wholesale funding: (sum of rows 8 and 9)	-	4 625 945	93 018	2 320 457	4 583 273
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	4 625 945	93 018	2 320 457	4 583 273
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities: (sum of rows 12 and 13)	-	3 975 185	924 436	2 441 604	2 830 897
12	NSFR derivative liabilities	-	-	-	1 042	-
13	All other liabilities and equity not included above	-	3 975 185	924 436	2 440 562	2 830 897
14	Total ASF					165 049 369
	Required stable funding (RSF) item					
15	Total NSFR high-quality liquid assets (HQLA)					3 364 880
16	Deposits held at other financial institutions for operational purposes	-	63 016	-	-	31 508
17	Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)	-	39 251 871	12 887 047	42 910 281	55 394 065
18	Performing loans to financial institutions secured by level 1 HQLA	-	7 580 929	-	-	758 093
19	Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	11 388 991	3 320 260	805 990	4 174 469
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:	-	17 969 088	9 566 749	40 986 931	48 556 138
21	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages of which:	-	2 312 863	38	1 004 206	1 809 184
23	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	2 312 863	38	1 004 206	1 809 184
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	113 154	96 181
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets: (sum of rows 27-31)	-	-	-	15 188 835	15 189 331
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	-	-	-	2 374	2 374
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	104	-
31	All other assets not included in the above categories	-	-	-	15 186 357	15 186 957
32	Off-balance sheet items	-	17 535 270	-	-	876 862
33	Total RSF (sum of rows 15,16, 17, 25, 26 and 32)					74 856 646
34	Net stable funding ratio (%)					220.5%

Capitec Bank Limited

February 2023

LIQ2: Net stable funding ratio (NSFR)

Line #	Available Stable Funding (ASF) item R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to 1 year	>= 1 year	
1	Capital: (sum of rows 2 and 3)	34 245 379	-	-	48 924	34 294 303
2	Regulatory capital (Basel 3 2022)	34 245 379	-	-	-	34 245 379
3	Other capital instruments	-	-	-	48 924	48 924
4	Retail deposits and deposits from small business customers (sum of rows 5 and 6)	-	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	Wholesale funding: (sum of rows 8 and 9)	-	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	Other liabilities: (sum of rows 12 and 13)	-	4 449 132	1 039 894	2 391 877	2 911 824
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and equity not included above	-	4 449 132	1 039 894	2 391 877	2 911 824
14	Total ASF					169 362 399
Required stable funding (RSF) item						
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	Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)	-	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	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages of which:	-	69 834	64 112	3 182 622	2 135 677
23	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	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	Other assets: (sum of rows 27-31)	-	-	-	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	Total RSF (sum of rows 15,16, 17, 25, 26 and 32)					77 209 942
34	Net stable funding ratio (%)					219.4%

Capitec Bank Limited

August 2022

LIQ2: Net Stable Funding Ratio (NSFR)

Line #	Available Stable Funding (ASF) item R'000	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to 1 year	>= 1 year	
1	Capital: (sum of rows 2 and 3)	32 493 305	-	-	50 576	32 543 881
2	Regulatory capital (Basel 3 2022)	32 493 305	-	-	-	32 493 305
3	Other capital instruments	-	-	-	50 576	50 576
4	Retail deposits and deposits from small business customers (sum of rows 5 and 6)	-	106 629 574	8 372 492	18 627 590	122 129 450
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	106 629 574	8 372 492	18 627 590	122 129 450
7	Wholesale funding: (sum of rows 8 and 9)	-	6 070 893	93 018	2 320 457	5 305 747
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	6 070 893	93 018	2 320 457	5 305 747
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities: (sum of rows 12 and 13)	-	3 691 013	924 436	2 441 604	2 902 780
12	NSFR derivative liabilities	-	-	-	1 042	-
13	All other liabilities and equity not included above	-	3 691 013	924 436	2 440 562	2 902 780
14	Total ASF					162 881 858
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					3 364 880
16	Deposits held at other financial institutions for operational purposes	-	63 016	-	-	31 508
17	Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24)	-	38 857 265	12 660 103	42 007 229	53 953 874
18	Performing loans to financial institutions secured by level 1 HQLA	-	7 580 929	-	-	758 093
19	Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	12 567 545	3 320 260	805 990	4 351 252
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:	-	16 395 928	9 339 805	40 083 879	46 939 164
21	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	-	-	-	-
22	Performing residential mortgages of which:	-	2 312 863	38	1 004 206	1 809 184
23	With a risk weight of less than or equal to 35% under the Basel 3 standardised approach for credit risk	-	2 312 863	38	1 004 206	1 809 184
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	113 154	96 181
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets: (sum of rows 27-31)	-	-	-	14 912 393	14 912 289
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	-	-	-	2 374	2 374
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	104	-
31	All other assets not included in the above categories	-	-	-	14 909 915	14 909 915
32	Off-balance sheet items	-	17 535 270	-	-	876 862
33	Total RSF (sum of rows 15,16, 17, 25, 26 and 32)					73 139 413
34	Net Stable Funding Ratio (%)					222.7%

Capitec Bank Holdings Limited

February 2023

Market risk

The portfolios which are subject to market risk include foreign exchange contracts and foreign currency options for which the Bank currently holds R4.0 million in market risk capital in terms of the standardised approach for the calculation of capital.

R'000	28 Feb 2023	31 Aug 2022
	RWA	RWA
RWA		
Foreign exchange risk	33 696	10 273
Total	33 696	10 273

Interest rate risk

The equity sensitivity analysis below illustrates how the value of equity would be impacted by a 400 basis point (2022: 200 basis point) increase or decrease in interest rates. The new requirements relating to interest rate risk in the banking book (IRRBB) were implemented on 1 January 2023 and requires South African banks to apply a 400 basis point parallel interest rate shock. The analysis is performed on a discounted run-off basis in line with the regulations.

Sensitivity of equity

R'000	28 Feb 2023	31 Aug 2022
	400 basis points shift	200 basis points shift
Increase	(3 599 714)	(2 188 733)
Decrease	4 368 499	2 382 177

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

Capitec Bank Holdings Limited

February 2023

CC1 - Composition of regulatory capital

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

Row # R'000		28 Feb 2023	31 Aug 2022
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	5 406 108	5 649 020
2	Retained earnings ¹	30 452 584	28 454 621
3	Accumulated other comprehensive income (and other reserves)	569 593	526 280
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	Common Equity Tier 1 capital before regulatory adjustments	36 428 285	34 629 921
CET1 capital: regulatory adjustments			
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)	540 731	498 205
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	-	2 665
	Regulatory adjustments applied to CET1 in respect of amounts subject to pre-Basel 3 treatment	-	-
27	Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 (AT1) and Tier 2 (T2) to cover deductions	-	-
28	Total regulatory adjustments to CET1	1 390 218	1 350 357
29	CET1	35 038 067	33 279 564

Capitec Bank Holdings Limited

February 2023

Row #		28 Feb 2023	31 Aug 2022
R'000			
AT1 capital : instruments			
30	Directly issued qualifying AT1 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 AT1	-	-
34	AT1 instruments (and CET1 instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	-
35	of which: instruments issued by subsidiaries subject to phase out	-	-
36	AT1 capital before regulatory adjustments	-	-
AT1 capital: regulatory adjustments			
37	Investments in own AT1 instruments	-	-
38	Reciprocal cross-holdings in AT1 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 Regulatory adjustments applied to CET1 in respect of amounts subject to pre-Basel 3 treatment	-	-
42	Regulatory adjustments applied to AT1 due to insufficient T2 to cover deductions	-	-
43	Total regulatory adjustments to AT1 capital	-	-
44	AT1 capital	-	-
45	Tier 1 capital (T1 = CET1 + AT1)	35 038 067	33 279 564
T2 capital and provisions			
46	Directly issued qualifying T2 instruments plus related stock surplus	-	-
47	Directly issued capital instruments subject to phase out from T2	-	-
48	T2 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 T2)	-	-
49	of which: instruments issued by subsidiaries subject to phase out	-	-
50	Provisions	872 831	825 689
51	T2 capital before regulatory adjustments	872 831	825 689
T2 capital : regulatory adjustments			
52	Investments in own T2 instruments	-	-
53	Reciprocal cross-holdings in T2 instruments	-	-
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 own more than 10% of the issued common share capital of the entity: amount previously designated for a 5% threshold but 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 Regulatory adjustments applied to Common Equity Tier 2 in respect of amounts subject to pre-Basel 3 treatment	-	-
57	Total regulatory adjustments to T2 capital	-	-
58	T2 capital	872 831	825 689
59	Total capital (TC = T1 + T2)	35 910 898	34 105 253
60	Total RWAs	104 379 041	97 417 503

Capitec Bank Holdings Limited

February 2023

Row # R'000	28 Feb 2023	31 Aug 2022
Capital ratios		
61 CET1 (as a percentage of RWAs)	33.6	34.2
62 T1 (as a percentage of RWAs)	33.6	34.2
63 TC (as a percentage of RWAs)	34.4	35.0
64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements expressed as a percentage of RWAs) ⁽²⁾	-	-
65 of which: capital conservation buffer requirement ⁽³⁾	2.5	2.5
66 of which: bank specific countercyclical buffer requirement ⁽⁴⁾	-	-
67 of which: higher loss absorbency requirements ⁽⁴⁾	-	-
68 CET1 available to meet buffers (as a percentage of risk weighted assets) ⁽³⁾	25.6	26.2
National Minima (if different from Basel 3)		
69 National CET1 minimum ratio (if different from Basel 3 minimum)	8.00	8.00
70 National T1 minimum ratio	9.75	9.75
71 National total capital minimum ratio	12.00	12.00
Amounts below the threshold for deductions (before risk weighting)		
72 Non-significant investments in the capital of other financials	3 209 183	1 519 111
73 Significant investments in the common stock of financials	516 101	254 394
74 Mortgage servicing rights (net of related tax liability)	-	-
75 Deferred tax assets arising from temporary differences (net of related tax liability)	2 439 151	2 676 105
Applicable caps on the inclusion of provisions in T2		
76 Provisions eligible for inclusion in T2 in respect of exposures subject to standardised approach (prior to application of cap)	7 520 970	8 352 453
77 Cap on inclusion of provisions in T2 under standardised approach	872 831	825 689
78 Provisions eligible for inclusion in T2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
79 Cap for inclusion of provisions in T2 under internal ratings-based approach	-	-
Capital instruments subject to phase-out arrangements		
80 Current cap on CET1 instruments subject to phase out arrangements	-	-
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82 Current cap on AT1 instruments subject to phase out arrangements	-	-
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84 Current cap on T2 instruments subject to phase out arrangements	-	-
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

⁽¹⁾ Retained earnings are stated net of unappropriated profits of R2.608 billion.

⁽²⁾ Bank-specific buffers include the Pillar 2B idiosyncratic capital requirement (ICR) for specific bank risk and the domestic-systemically important bank (D-SIB) buffers. 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%. In terms of South African Banks Act regulations, banks may not disclose their ICR.

⁽³⁾ 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.

⁽⁴⁾ Capitec is classified as a D-SIB.

Capitec Bank Limited

February 2023

CC1 - Composition of Regulatory Capital

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

Row #		28 Feb 2023	31 Aug 2022
R'000			
Common Equity Tier 1 (CET1) capital: instruments and reserves			
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 ¹	27 264 264	25 564 264
3	Accumulated other comprehensive income (and other reserves)	(404)	(4 951)
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	Common Equity Tier 1 capital before regulatory adjustments	33 369 841	31 665 294
CET1 capital: regulatory adjustments			
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)	529 252	469 663
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	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	407	4 758
	Regulatory adjustments applied to CET1 in respect of amounts subject to pre-Basel 3 treatment		
27	Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 (AT1) and Tier 2 (T2) to cover deductions	-	-
28	Total regulatory adjustments to CET1	1 502 402	1 323 908
29	CET1	31 867 439	30 341 386

Capitec Bank Limited

February 2023

Row #		28 Feb 2023	31 Aug 2022
R'000			
AT1 capital : instruments			
30	Directly issued qualifying AT1 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 AT1	-	-
34	AT1 instruments (and CET1 instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	-
35	of which: instruments issued by subsidiaries subject to phase out	-	-
36	AT1 capital before regulatory adjustments	-	-
AT1 capital: regulatory adjustments			
37	Investments in own AT1 instruments	-	-
38	Reciprocal cross-holdings in AT1 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	-	-
	Regulatory adjustments applied to CET1 in respect of amounts subject to pre-Basel 3 treatment	-	-
42	Regulatory adjustments applied to AT1 due to insufficient T2 to cover deductions	-	-
43	Total regulatory adjustments to AT1 capital	-	-
44	AT1 capital	-	-
45	Tier 1 capital (T1 = CET1 + AT1)	31 867 439	30 341 386
T2 capital and provisions			
46	Directly issued qualifying T2 instruments plus related stock surplus	-	-
47	Directly issued capital instruments subject to phase out from T2	-	-
48	T2 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 T2)	-	-
49	of which: instruments issued by subsidiaries subject to phase out	-	-
50	Provisions	875 387	828 011
51	T2 capital before regulatory adjustments	875 387	828 011
T2 capital : regulatory adjustments			
52	Investments in own T2 instruments	-	-
53	Reciprocal cross-holdings in T2 instruments	-	-
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 own more than 10% of the issued common share capital of the entity: amount previously designated for a 5% threshold but 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	-	-
	Regulatory adjustments applied to Common Equity Tier 2 in respect of amounts subject to pre-Basel 3 treatment	-	-
57	Total regulatory adjustments to T2 capital	-	-
58	T2 capital	875 387	828 011
59	Total capital (TC = T1 + T2)	32 742 826	31 169 397
60	Total RWAs	99 861 225	95 406 826

Capitec Bank Limited

February 2023

Row # R'000	28 Feb 2023	31 Aug 2022
Capital ratios		
61 CET1 (as a percentage of RWAs)	31.9	31.8
62 T1 (as a percentage of RWAs)	31.9	31.8
63 TC (as a percentage of RWAs)	32.8	32.7
64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements expressed as a percentage of RWAs) ⁽²⁾	-	-
65 of which: capital conservation buffer requirement ⁽³⁾	2.5	2.5
66 of which: bank specific countercyclical buffer requirement ⁽⁴⁾	-	-
67 of which: higher loss absorbency requirements ⁽⁴⁾	-	-
68 CET1 available to meet buffers (as a percentage of risk weighted assets) ⁽³⁾	23.9	23.8
National Minima (if different from Basel 3)		
69 National CET1 minimum ratio (if different from Basel 3 minimum)	8.00	8.00
70 National T1 minimum ratio	9.75	9.75
71 National total capital minimum ratio	12.00	12.00
Amounts below the threshold for deductions (before risk weighting)		
72 Non-significant investments in the capital of other financials	73 880	113 154
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)	2 473 344	2 676 912
Applicable caps on the inclusion of provisions in T2		
76 Provisions eligible for inclusion in T2 in respect of exposures subject to standardised approach (prior to application of cap)	7 520 970	8 352 453
77 Cap on inclusion of provisions in T2 under standardised approach	875 387	828 011
78 Provisions eligible for inclusion in T2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
79 Cap for inclusion of provisions in T2 under internal ratings-based approach	-	-
Capital instruments subject to phase-out arrangements		
80 Current cap on CET1 instruments subject to phase out arrangements	-	-
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82 Current cap on AT1 instruments subject to phase out arrangements	-	-
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-
84 Current cap on T2 instruments subject to phase out arrangements	-	-
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

⁽¹⁾ Retained earnings are stated net of unappropriated profits of R1.284 billion.

⁽²⁾ Bank-specific buffers include the Pillar 2B idiosyncratic capital requirement (ICR) for specific bank risk and the domestic-systemically important bank (D-SIB) buffers. 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%. In terms of South African Banks Act regulations, banks may not disclose their ICR.

⁽³⁾ 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.

⁽⁴⁾ Capitec is classified as a D-SIB.

Capitec Bank Holdings Limited

February 2023

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 licenced insurance businesses and subsidiaries. Capitec Insurance Holdings (Pty) Ltd 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.

	Balance sheet as in published financial statements	Under scope of regulatory consolidation
R'000	28 Feb 2023	28 Feb 2023
Assets		
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
Total assets	191 800 623	191 824 535
Liabilities		
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
Total liabilities	152 715 689	152 714 537
Equity		
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
Share capital and reserves attributable to ordinary shareholders	39 036 010	39 061 074
Preference share capital and premium	48 924	48 924
Total equity	39 084 934	39 109 998
Total equity and liabilities	191 800 623	191 824 535

Capitec Bank Holdings Limited

August 2022

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.

R'000	Balance sheet as in published financial statements	Under scope of regulatory consolidation
	31 Aug 2022	31 Aug 2022
Assets		
Cash, cash equivalents and money market funds	26 600 950	26 600 950
Financial investments at amortised cost	64 112 114	64 112 114
Term deposit investments	3 317 147	3 317 147
Net loans and advances	72 887 179	72 887 179
Other receivables	5 521 376	5 521 376
Net insurance receivable	550 726	550 726
Derivative assets	26 280	26 280
Financial assets – equity instruments at fair value through other comprehensive income (FVOCI)	73 317	73 317
Current income tax asset	48 271	48 271
Interest in associates and joint ventures	495 537	495 537
Property and equipment	3 203 041	3 203 041
Right-of-use assets	1 849 817	1 849 817
Intangible assets including goodwill	1 364 095	1 364 095
Deferred income tax asset	2 659 703	2 659 703
Total assets	182 709 553	182 709 553
Liabilities		
Derivative liabilities	24 947	24 947
Deposits	138 906 008	138 906 008
Wholesale funding	1 816 742	1 816 742
Other liabilities	3 685 711	3 685 711
Lease liabilities	2 378 537	2 378 537
Employee benefit liabilities	133 567	133 567
Total liabilities	146 945 512	146 945 512
Equity		
Capital and reserves		
Ordinary share capital and premium	5 649 020	5 649 020
Cash flow hedge reserve	(207)	(207)
Other reserves	(28 166)	(28 166)
Foreign currency translation reserve	38 844	38 844
Share Option Reserve	515 809	515 809
Retained earnings	29 538 165	29 538 165
Share capital and reserves attributable to ordinary shareholders	35 713 465	35 713 465
Non-redeemable, non-cumulative, non-participating preference share capital and premium	50 576	50 576
Total equity	35 764 041	35 764 041
Total equity and liabilities	182 709 553	182 709 553

Capitec Bank Holdings Limited

February 2023

L11: Linkages between financial statements and regulatory exposures

The purpose of the L11 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. Certain differences arise as a result of differing treatment under regulatory and IFRS rules. The carrying values of the items subject to the regulatory framework are based on average daily balances (where applicable) as required in terms of the regulations relating to banks (Reg 23 & Reg 24). The off-balance sheet amounts are post application of credit conversion factors (CCF) and credit risk mitigation (CRM) to derivative exposures under counterparty credit risk.

28 Feb 2023	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	
R'000							
Assets							
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
Total assets	191 800 623	191 824 535	152 755 184	306 960	1 393 189	34 119 873	188 575 206

Capitec Bank Holdings Limited

February 2023

LI1: Linkages between financial statements and regulatory exposures

28 Feb 2023	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	
R'000							
Liabilities							
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	-	-	-	-	-
Total liabilities	152 715 689	152 714 537	-	-	-	-	-
Equity							
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	-	-	-	-	-
Share capital and reserves attributable to ordinary shareholders	39 036 010	39 061 074	-	-	-	-	-
Preference share capital and premium	48 924	48 924	-	-	-	-	-
Total equity	39 084 934	39 109 998	-	-	-	-	-

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.

28 Feb 2023	Total	Regulatory exposure carrying values of items:		
		Credit risk framework	Counterparty credit risk framework	Other risk framework
R'000				
Asset carrying value amount under scope of regulatory consolidation	191 800 623	152 755 184	306 960	34 119 873
Liabilities carrying value amount under scope of regulatory consolidation	152 715 689	-	-	-
Total net amount under regulatory scope of consolidation	39 084 934	152 755 184	306 960	34 119 873
Off-balance sheet amounts	13 451 302	18 350 876	-	-
Exposure amounts considered for regulatory purposes		171 106 060	306 960	34 119 873

Capitec Bank Holdings Limited

February 2023

CCA: Main features of capital instruments

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 ⁽¹⁾	Laws of South Africa ⁽¹⁾
Regulatory treatment		
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 & solo	Solo and Group	Solo and Group
7 Instrument type	Ordinary shares	Preference shares
8 Amount recognised in regulatory capital (R'm)	ZAR5 406.1	ZAR0.0
9 Par value of instrument	ZAR0.01 per share	ZAR0.01 per share
10 Accounting classification	Shareholders' equity	Shareholders' equity
11 Original date of issuance	18-Feb-02	31-Aug-06
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
Coupons / dividends		
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 Noncumulative 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 ⁽²⁾	Subordinated Debt
36 Non-compliant transitioned features	No	Yes
37 If yes, specify non-compliant features	N/A	⁽³⁾

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

⁽²⁾ 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.

⁽³⁾ Has no loss absorbency at the point of non-viability.