Capitec Bank Holdings Limited

31 May 2019 (1st quarter)

Key Metrics - KM1

Line#	Available capital (amounts in R'000)	31 May 2019	28 Feb 2019	30 Nov 2018	31 Aug 2018	31 May 2018
1	Common Equity Tier 1 (CET1)	**21 585 401**	20 911 742	20 266 512	19 326 895	18 054 289
1a	Fully loaded ECL accounting model[(1)]	***21 261 382***	20 425 713	19 780 483	18 840 866	17 568 262
2	Tier 1	**21 663 092**	20 989 433	20 361 616	19 430 482	18 157 876
2a	Fully loaded ECL accounting model Tier 1[(1)]	***21 339 073***	20 503 404	19 875 587	18 944 453	17 671 849
3	Total Capital	**22 305 292**	21 614 195	21 047 833	20 077 296	18 946 879
3a	Fully loaded ECL accounting model total capital[(1)]	***21 982 194***	21 129 547	20 568 192	19 597 859	18 477 272
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	**68 442 362**	63 717 824	60 710 662	56 319 244	51 398 842
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	**31.5%**	32.8%	33.4%	34.3%	35.1%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	***30.6%***	31.3%	31.7%	32.5%	32.6%
6	Tier 1 ratio (%)	**31.7%**	32.9%	33.5%	34.5%	35.3%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	***30.7%***	31.4%	31.9%	32.7%	32.8%
7	Total capital ratio (%)	**32.6%**	33.9%	34.7%	35.6%	36.8%
7a	Fully loaded ECL accounting model total capital ratio (%)	***31.6%***	32.4%	33.1%	33.8%	34.3%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	**2.500%**	2.500%	1.875%	1.875%	1.875%
9	Countercyclical buffer requirement (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%
10	Bank G-SIB and/or D-SIB additional requirements (%) [(3)]	**-**	-	-	-	-
11	"Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)"	**2.500%**	2.500%	1.875%	1.875%	1.875%
12	CET1 available after meeting the bank's minimum capital requirements (%)	**13 714 530**	13 584 193	13 512 451	13 061 379	12 336 168
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	**108 523 925**	100 801 802	99 206 342	94 010 321	88 973 287
14	Basel III leverage ratio (%) (row 2 / row 13)	**20.0%**	20.8%	20.5%	20.7%	20.4%
14a	"Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13)"	***19.7%***	20.4%	20.1%	20.3%	20.0%
	Liquidity Coverage Ratio					
15	Total HQLA	**19 259 374**	16 352 197	17 221 301	18 696 766	19 066 557
16	Total net cash outflow[(2)]	**1 183 119**	1 127 690	1 075 499	972 041	998 632
17	LCR ratio (%)	**1628%**	1 450%	1 601%	1 923%	1 909%
	Net Stable Funding Ratio					
18	Total available stable funding	**98 640 822**	91 043 608	89 937 489	85 334 346	81 088 327
19	Total required stable funding	**47 794 908**	46 548 253	44 775 231	41 709 625	39 107 138
20	NSFR ratio	**206.4%**	195.6%	200.9%	204.6%	207.3%

Capitec Bank Holdings Limited formally transitioned to IFRS 9 on 1 March 2018. The IFRS 9 Transitional Report was presented based on the group's 28 February 2018 financial information to illustrate the impact of implementing IFRS 9 on 1 March 2018. The transitional report is available on Capitec's website at: https://resources.capitecbank.co.za/Capitec_-_IFRS9_transitional_report.pdf

(1) As set out in the Basel Committee on Banking Supervision's publication on the regulatory treatment of accounting provisions, the standard requires banks to publicly disclose whether they are applying a transitional arrangement for the impact of expected credit loss accounting on regulatory capital. Template KM1 provides users with information on the impact on the bank's regulatory capital and leverage ratio compared to the bank's "fully loaded" capital and leverage ratio had the transitional arrangement not been applied. Capitec Bank Holdings Limited applies the transitional arrangement for the impact of expected credit loss accounting on regulatory capital as referred to in Directive 5 of 2017 and in the BCBS's publication on the regulatory treatment of accounting provisions. Per Directive 5 of 2017, the Office of the Registrar of Banks deemed it appropriate to introduce a transitional arrangement in order to avoid an immediate capital shock and to allow banks to rebuild capital resources following the initial negative impact arising from the introduction of IFRS 9. The IFRS 9 transitional amount (adjustment amount) and the increase in deferred tax asset as a result of the implementation of IFRS 9 is implemented on 1 March 2018, and the impact of fully loaded ECL accounting model disclosures above have been reported from the first quarterly reporting date after implementation of IFRS 9, which is May 2018 Q1.

(2) As Capitec has a net cash inflow after applying the run-off factors, outflows for the purpose of the ratio are deemed to be 25% of gross outflows.

(3) In terms of Banks Act regulations, banks may not disclose their D-SIB requirement.