Capitec Bank Holdings Limited

August 2018 (2nd quarter)

Key Metrics - KM1

Line#	Available capital (amounts in R'000)	31 Aug 2018	31 May 2018	28 Feb 2018	30 Nov 2017	31 Aug 2017
1	Common Equity Tier 1 (CET1)	**19 326 895**	18 054 289	17 381 888	16 963 481	16 442 494
1a	Fully loaded ECL accounting model	***18 840 866***	17 568 262	(1)	(1)	(1)
2	Tier 1	**19 430 482**	18 157 876	17 485 475	17 090 158	16 571 978
2a	Fully loaded ECL accounting model Tier 1	***18 944 453***	17 671 849	(1)	(1)	(1)
3	Total Capital	**20 077 296**	18 946 879	18 288 143	18 058 648	17 650 519
3a	Fully loaded ECL accounting model total capital	***19 597 859***	18 477 272	(1)	(1)	(1)
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	**56 319 244**	51 398 842	51 231 465	52 273 473	50 956 649
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	**34.3%**	35.1%	33.9%	32.5%	32.3%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	***32.5%***	32.6%	(1)	(1)	(1)
6	Tier 1 ratio (%)	**34.5%**	35.3%	34.1%	32.7%	32.5%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	***32.7%***	32.8%	(1)	(1)	(1)
7	Total capital ratio (%)	**35.6%**	36.8%	35.7%	34.5%	34.6%
7a	Fully loaded ECL accounting model total capital ratio (%)	***33.8%***	34.3%	(1)	(1)	(1)
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	**1.875%**	1.875%	1.875%	1.25%	1.25%
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)"	**1.875%**	1.875%	1.875%	1.25%	1.25%
12	CET1 available after meeting the bank's minimum capital requirements (%)	**13 061 379**	12 336 168	11 682 387	11 344 251	10 964 653
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	**94 010 321**	88 973 287	84 834 799	87 047 849	80 936 489
14	Basel III leverage ratio (%) (row 2 / row 13)	**20.7%**	20.4%	20.6%	19.6%	20.5%
14a	"Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13)"	***20.3%***	20.0%	(1)	(1)	(1)
	Liquidity Coverage Ratio					
15	Total HQLA	**18 696 766**	19 066 557	18 056 043	13 321 307	9 467 151
16	Total net cash outflow(2)	**972 041**	998 632	961 511	929 190	797 509
17	LCR ratio (%)	**1 923%**	1 909%	1 878%	1 434%	1 187%
	Net Stable Funding Ratio					
18	Total available stable funding	**85 334 346**	81 088 327	76 621 291	79 070 187	74 310 931
19	Total required stable funding	**41 709 625**	39 107 138	37 205 204	38 590 155	37 408 472
20	NSFR ratio	**204.6%**	207.3%	205.9%	204.9%	198.6%

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) *On terms of Banks Act regulations, banks may not disclose their D-SIB requirement.*