Capitec Bank Holdings Limited

May 2021 (1st quarter)

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

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

The group's consolidated capital position at the end of the first quarter of the 28 February 2022 financial year end is set out below:

Composition of qualifying regulatory capital	R'000	1st Quarter 2022 (31 May 2021) Capital Adequacy Ratio %	R'000	4th Quarter 2021 (28 February 2021) Capital Adequacy Ratio %
Ordinary share capital	**5 649 020**		5 649 020	
Foreign Currency Translation Reserve	**23 284**		50 291	
Other Reserves	**(62 599)**		(64 893)	
Accumulated profit	**24 299 849**		24 225 346	
	29 909 554		29 859 764	
Regulatory adjustments				
-Intangible assets, deferred tax assets excluding temporary differences and goodwill in terms of IFRS	**(1 425 522)**		(1 458 975)	
-Specified advances & IFRS 9 phase-in	**25 367**		187 890	
-Unappropriated profit	**(376 938)**		(716 053)	
Common Equity Tier 1 capital (CET1)	**28 132 461**	**36.4**	27 872 626	35.8
Issued Preference share capital	**53 835**		55 641	
Phase out - non loss absorbent [(1)]	**(27 938)**		(29 744)	
Additional Tier 1 capital (AT1) [(1)]	**25 897**	**0.0**	25 897	0.1
Tier 1 capital (T1)		**36.4**	27 898 523	35.9
General allowance for credit impairment	**648 295**		647 835	
Tier 2 capital (T2)	**648 295**	**0.9**	647 835	0.8
Qualifying regulatory capital	**28 806 653**	**37.3**	28 546 358	36.7
Required regulatory capital [(2)]	**8 500 078**		8 558 137	

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

(2) *This value is currently 11% of risk-weighted assets, being the Basel global minimum requirement of 8%, the Capital Conservation Buffer of 2.5% and the Domestic Systemically Important Bank("D-SIB") capital add-on of 0.5%, disclosable in terms of Directive 4 issued by the Prudential Authority on 27 August 2020. Directive 4 has replaced Directive 6 of 2016 and requires banks to publicly disclose their D-SIB capital add-on as part of their composition of regulatory capital disclosure. In terms of the regulations relating to banks the Individual Capital Requirement ("ICR") is excluded.*

The Prudential Authority issued Directive 2 on 6 April 2020 and temporarily relaxed the Pillar 2A South African country-specific buffer of 1% to provide temporary capital relief to banks during this time of financial stress following the outbreak of the Covid-19 pandemic, in a manner that ensures South Africa's continued compliance with the relevant internationally agreed capital framework. It is currently anticipated that the 1% Pillar 2A requirement will be reinstated on 1 January 2022.

By order of the Board

Stellenbosch
25 June 2021

Capitec Bank Holdings Limited

May 2021 (1st quarter)

OV1: Overview of Risk-Weighted Assets (RWA)

Line #	R'000	Total RWA 1st Quarter 2022 (31 May 2021)	Total RWA 4th Quarter 2021 (28 February 2021)	Minimum capital requirements 1st Quarter 2022 (31 May 2021)
1	Credit risk (excluding counterparty credit risk) (CCR)	51 833 550	50 717 927	5 701 691
2	Of which standardised approach (SA)	51 833 550	50 717 927	5 701 691
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	151 752	1 036 807	16 693
7	Of which standardised approach for counterparty credit risk (SA-CCR)	151 752	1 036 807	16 693
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	8 835	11 424	972
11	Equity positions in banking book under market-based approach	1 860 570	1 653 865	204 663
12	Equity investments in funds – look-through approach	1 713 850	3 595 806	188 524
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	22 075	45 513	2 428
21	Of which standardised approach (SA)	22 075	45 513	2 428
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	9 272 811	9 336 148	1 020 009
	Other risk	6 141 279	5 980 536	675 541
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	6 268 704	5 423 206	689 557
26	Floor adjustment	-	-	-
27	**Total**	77 273 426	77 801 232	8 500 078