Capitec Bank Holdings Limited

May 2022 (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 2023 financial year end is set out below:

Composition of qualifying regulatory capital	R'000	1st Quarter 2023 (31 May 2022) Capital Adequacy Ratio %	R'000	4th Quarter 2022 (28 Feb 2022) Capital Adequacy Ratio %
Ordinary share capital	5 649 020		5 649 020	
Foreign Currency Translation Reserve	33 699		31 438	
Other Reserves	480 592		474 779	
Retained Earnings	27 026 625		29 559 311	
	33 189 936		35 714 548	
Regulatory adjustments				
-Intangible assets, deferred tax assets excluding temporary differences and goodwill in terms of IFRS	(1 339 418)		(1 329 617)	
-Cash flow hedge reserve and other regulatory adjustments	(3 208)		(3 403)	
-Unappropriated profit	(60 618)		(3 191 782)	
Common Equity Tier 1 capital (CET1)	31 786 692	34.7	31 189 746	35.4
Issued Preference share capital	51 119		51 167	
Phase out - non loss absorbent (1)	(51 119)		(51 167)	
Additional Tier 1 capital (AT1) (1)	-		-	-
Tier 1 capital (T1)	31 786 692	34.7	31 189 746	35.4
General allowance for credit impairment	785 218		749 377	
Tier 2 capital (T2)	785 218	0.9	749 377	0.9
Qualifying regulatory capital	32 571 910	35.6	31 939 123	36.3
Required regulatory capital (2)	10 982 843		10 566 490	

(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 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 Idiosyncratic Capital Requirement ("ICR") Pillar 2B requirement 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. Per Directive 5 of 2021 issued on 20 May 2021, the 1% Pillar 2A requirement was reinstated on 1 January 2022.

By order of the Board

Stellenbosch
30 June 2022

Capitec Bank Holdings Limited

May 2022 (1st quarter)

OV1: Overview of Risk-Weighted Assets (RWA)

Line #	R'000	Total RWA 1st Quarter 2023 (31 May 2022)	Total RWA 4th Quarter 2022 (28 Feb 2022)	Minimum capital requirements 1st Quarter 2023 (31 May 2022)
1	Credit risk (excluding counterparty credit risk) (CCR)	**62 728 719**	59 518 553	**7 527 446**
2	Of which standardised approach (SA)	**62 728 719**	59 518 553	**7 527 446**
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	**75 373**	62 534	**9 045**
7	Of which standardised approach for counterparty credit risk (SA-CCR)	**75 373**	62 534	**9 045**
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	**19 129**	8 120	**2 295**
11	Equity positions in banking book under market-based approach	**1 517 667**	1 439 274	**182 120**
12	Equity investments in funds – look-through approach	**2 643 600**	2 538 902	**317 232**
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	**9 497**	9 965	**1 140**
21	Of which standardised approach (SA)	**9 497**	9 965	**1 140**
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	**10 982 843**	10 566 491	**1 317 941**
	Other risk	**6 418 197**	6 383 953	**770 184**
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	**7 128 668**	7 526 300	**855 440**
26	Floor adjustment	-	-	-
27	**Total**	**91 523 693**	88 054 092	**10 982 843**