CAPITEC BANK

Simplicity is the ultimate sophistication

## November 2015 (third 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 second quarter of the 29 February 2016 financial year end is set out below:

| Composition of qualifying regulatory capital | 3rd Quarter 2016 (30 Nov 2015) R'000 | 3rd Quarter 2016 (30 Nov 2015) Capital Adequacy Ratio % | 2nd Quarter 2016 (31 Aug 2015) R'000 | 2nd Quarter 2016 (31 Aug 2015) Capital Adequacy Ratio % |
|---|---|---|---|---|
| Common Equity Tier 1 capital (CET1) | **12 391 507** | **30.1** | 11 736 293 | 29.5 |
| Additional Tier 1 capital (AT1) [1] | **181 278** | **0.4** | 181 278 | 0.5 |
| **Tier 1 capital (T1)** | **12 572 785** | **30.5** | 11 917 571 | 30.0 |
| Subordinated debt [1][2] | **1 675 083** | | 1 723 270 | |
| Unidentified impairments | **452 232** | | 437 506 | |
| **Tier 2 capital (T2)** | **2 127 315** | **5.2** | 2 160 776 | 5.4 |
| **Total qualifying regulatory capital** | **14 700 100** | **35.7** | 14 078 347 | 35.4 |
| **Required regulatory capital** [3] | **4 118 516** | | 3 976 054 | |

(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) *Starting 2013, a deemed surplus attributable to T2 capital of subsidiaries issued to outside third parties, is excluded from group qualifying capital in terms of the accelerated adoption of Basel 3. This deduction phases in at 20% per annum.*

(3) *This value is 10% (2013: 9.5%) of risk-weighted assets, being the Basel global minimum requirement of 8% and a South African country-specific buffer of 2% (2013: 1.5%). In terms of the regulations the Individual Capital Requirement (ICR) is excluded.*

**By order of the Board**

Stellenbosch
14 December 2015