

Capitec Bank Holdings Limited

August 2022 (2nd 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 28 February 2023 financial year end is set out below:

Composition of qualifying regulatory capital	R'000	2nd Quarter 2023	R'000	1st Quarter 2023
		(31 August 2022)		(31 May 2022)
		Capital Adequacy		Capital Adequacy
		Ratio %		Ratio %
Ordinary share capital	5 649 020		5 649 020	
Foreign Currency Translation Reserve	38 844		33 699	
Other Reserves	487 436		480 592	
Retained Earnings	29 538 165		27 026 625	
	35 713 465		33 189 936	
Regulatory adjustments				
-Intangible assets, deferred tax assets excluding temporary differences and goodwill in terms of IFRS	(1 347 692)		(1 339 418)	
-Cash flow hedge reserve and other regulatory adjustments	(2 665)		(3 208)	
-Unappropriated profit	(1 083 544)		(60 618)	
Common Equity Tier 1 capital (CET1)	33 279 564	34.2	31 786 692	34.7
Issued Preference share capital	50 576		51 119	
Phase out - non loss absorbent ⁽¹⁾	(50 576)		(51 119)	
Additional Tier 1 capital (AT1) ⁽¹⁾	-		-	
Tier 1 capital (T1)	33 279 564	34.2	31 786 692	34.7
General allowance for credit impairment	825 689		785 218	
Tier 2 capital (T2)	825 689	0.8	785 218	0.9
Qualifying regulatory capital	34 105 253	35.0	32 571 910	35.6
Required regulatory capital ⁽²⁾	11 690 101		10 982 843	

⁽¹⁾ Starting in 2013, the non-loss absorbent AT1 and T2 capital was subject to a 10% per annum phase-out in terms of Basel 3, and became fully phased-out on 1 January 2022.

⁽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.

By order of the Board

Stellenbosch
29 September 2022

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OV1: Overview of Risk-Weighted Assets (RWA)

Line #	R'000	Total RWA	Total RWA	Minimum capital requirements
		2nd Quarter 2023 (31 Aug 2022)	1st Quarter 2023 (31 May 2022)	2nd Quarter 2023 (31 Aug 2022)
1	Credit risk (excluding counterparty credit risk) (CCR)	66 020 679	62 728 719	7 922 481
2	Of which standardised approach (SA)	66 020 679	62 728 719	7 922 481
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	34 455	75 373	4 135
7	Of which standardised approach for counterparty credit risk (SA-CCR)	34 455	75 373	4 135
8	Of which internal model method (IMM)	-	-	-
9	Of which other CCR	-	-	-
10	Credit valuation adjustment	8 674	19 129	1 041
11	Equity positions in banking book under market-based approach	1 817 400	1 517 667	218 088
12	Equity investments in funds – look-through approach	3 893 191	2 643 600	467 183
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	10 273	9 497	1 233
21	Of which standardised approach (SA)	10 273	9 497	1 233
22	Of which internal model approaches (IMA)	-	-	-
23	Capital charge for switch between trading book and banking book	-	-	-
24	Operational risk	11 690 100	10 982 843	1 402 812
	Other risk	6 616 484	6 418 197	793 978
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	7 326 247	7 128 668	879 150
26	Floor adjustment	-	-	-
27	Total	97 417 503	91 523 693	11 690 101