

Capitec Bank Holdings Limited

May 2018 (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 1st quarter of the 28 February 2019 financial year end is set out below

Composition of qualifying regulatory capital	1st Quarter 2019 (31 May 2018)		4th Quarter 2018 (28 February 2018)	
	R'000	Capital Adequacy Ratio %	R'000	Capital Adequacy Ratio %
Common Equity Tier 1 capital (CET1)	18 054 289	35.1	17 381 888	33.9
Additional Tier 1 capital (AT1) ⁽¹⁾	103 587	0.2	103 587	0.2
Tier 1 capital (T1)	18 157 876	35.3	17 485 475	34.1
Subordinated debt ⁽¹⁾⁽²⁾	273 589		283 438	
Unidentified impairments	515 414		519 230	
Tier 2 capital (T2)	789 003	1.5	802 668	1.6
Total qualifying regulatory capital	18 946 879	36.8	18 288 143	35.7
Required regulatory capital ⁽³⁾	5 718 121		5 699 501	

⁽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 11.125% (2017: 10.750%) of risk-weighted assets, being the Basel global minimum requirement of 8.000%, the South African country-specific buffer of 1.250% (2017: 1.500%) and the Capital Conservation Buffer of 1.875% (2017: 1.250%) (disclosable in terms of SARB November 2016 directive in order to standardise reporting across banks). In terms of the regulations the Individual Capital Requirement (ICR) is excluded.

By order of the Board

Stellenbosch
26 June 2018

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	RWA	RWA	Minimum capital requirements
	1st Quarter 2019 (31 May 2018)	4th Quarter 2018 (28 February 2018)	1st Quarter 2019 (31 May 2018)
OV1: Overview of RWA			
1 Credit risk (excluding counterparty credit risk) (CCR)	41 002 207	41 345 320	4 561 496
2 Of which standardised approach (SA)	41 002 207	41 345 320	4 561 496
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	49 113	24 337	5 464
7 Of which standardised approach for counterparty credit risk (SA-CCR)	49 113	24 337	5 464
8 Of which internal model method (IMM)	-	-	-
9 Of which other CCR	-	-	-
10 Credit valuation adjustment	7 831	5 309	871
11 Equity positions in banking book under market-based approach	511 183	510 730	56 869
12 Equity investments in funds – look-through approach	-	-	-
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	-	-	-
21 Of which standardised approach (SA)	-	-	-
22 Of which internal model approaches (IMA)	-	-	-
23 Capital charge for switch between trading book and banking book	-	-	-
24 Operational risk	6 167 861	6 147 776	686 175
Other risk	2 289 404	2 205 927	254 695
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	1 371 243	992 066	152 551
26 Floor adjustment	-	-	-
27 Total (1+4+7+8+9+10+11+12+16+19+23+24)	51 398 842	51 231 465	5 718 121