

May 2011 (first quarter)

Capitec Bank Holdings Limited and its subsidiaries ("group"), have complied with the Bank's Act 1990 (as amended), effective 1 January 2008, which incorporates the requirements of Basel II.

In terms of Pillar 3 under Basel II, 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 for the 28 February 2012 financial year end is set out below :

	1st Quarter (31 May 2011)		4th Quarter (28 February 2011)	
	R'000	Capital Adequacy Ratio %	R'000	Capital Adequacy Ratio %
Ordinary share capital and reserves	3 223 601		3 090 661	
Preference share capital	258 969		258 969	
Primary (Tier 1) capital ⁽¹⁾	3 482 570	31.9	3 349 630	35.4
Subordinated debt	450 000		450 000	
Unidentified loan impairments	123 239		108 441	
Secondary (Tier 2) capital ⁽¹⁾	573 239	5.3	558 441	5.9
Total qualifying regulatory capital ⁽¹⁾	4 055 809	37.2	3 908 071	41.3
Required regulatory capital ⁽²⁾	1 035 626		898 909	

⁽¹⁾ The capital adequacy ratio percentages incorporate a calculation change in line with standard Basel practice. The risk-weighted asset/equivalent for operational risk, included in the divisor, is now as per the Alternative Standardised Approach calculation for retail business banking. This calculation is made once annually using audited numbers, unless dispensation is granted by the SARB to revise the calculation more frequently. The previous method calculated the risk-weighted asset/equivalent for operational risk as the inverse of the operational risk floor. There has been no change by the regulator to the capital requirement. Prior period values were restated.

⁽²⁾ This value is reported in terms of Banks' Act circular 5/2011, which prevents disclosure of the required regulatory capital amount relating to the bank-specific buffer (Basel pillar 2b add-on). The value disclosed is 9.5% of risk-weighted assets, being the Basel global minimum requirement of 8% and a South African country specific buffer of 1.5%. Prior period values were restated.

By order of the Board

Stellenbosch
21 June 2011