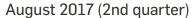
Capitec Bank Holdings Limited





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 2nd quarter of the 28 February 2018 financial year end is set out below:

		2nd Quarter 2018 (31 August 2017)		1st Quarter 2018 (31 May 2017) Capital Adequacy Ratio %
Composition of qualifying regulatory capital	R'000	Capital Adequacy Ratio %	R'000	
Additional Tier 1 capital (AT1) (1)	129 484	0.2	129 485	0.2
Tier 1 capital (T1)	16 571 978	32.5	15 642 445	31.3
Subordinated debt (1)(2)	563 571		852 717	
Unidentified impairments	514 970		505 873	
Tier 2 capital (T2)	1 078 541	2.1	1 358 590	2.8
Total qualifying regulatory capital	17 650 519	34.6	17 001 035	34.1
Required regulatory capital (3)	5 477 841		5 366 380	

⁽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.

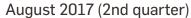
By order of the Board

Stellenbosch 27 September 2017

⁽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 10.75% (2016: 9.75%) of risk-weighted assets, being the Basel global minimum requirement of 8%, the South African country-specific buffer of 1.5% (2016: 1.75%) and the Capital Conservation Buffer of 1.25% (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.

Capitec Bank Holdings Limited August 2017 (2nd quarter)





				Minumum capital
		RWA	RWA	requirements
		2nd Quarter 2018	1st Quarter 2018	2nd Quarter 2018
	OV1: Overview of RWA	(31 August 2017)	(31 May 2017)	(31 August 2017)
1	Credit risk (excluding counterparty credit risk) (CCR)	41 045 642	40 283 370	4 412 407
2	Of which standardised approach (SA)	41 045 642	40 283 370	4 412 407
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	64 829	74 178	6 969
5	Of which standardised approach for counterparty credit risk (SA-CCR)	64 829	74 178	6 969
6	Of which internal model method (IMM)	-	-	-
7	Equity positions in banking book under market-based approach	695 533	631 806	74 770
8	Equity investments in funds – look-through approach	-	-	-
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – fall-back approach	-	-	-
11	Settlement risk	-	-	-
12	Securitisation exposures in banking book	-	-	-
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	-	-	-
17	Of which standardised approach (SA)	-	-	-
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	6 114 798	5 990 378	657 341
20	Of which Basic Indicator Approach	-	-	-
21	Of which Standardised Approach	6 114 798	5 990 378	657 341
22	Of which Advanced Measurement Approach	-	-	-
	Other risk	2 025 948	1 933 820	217 790
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	1 009 899	1 006 264	108 564
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	50 956 649	49 919 816	5 477 841