CAPITEC BANK HOLDINGS LIMITED

table of historical information

The group's consolidated historical capital position is set out below:

	3rd Quarter 2020 30 November 2019 R'000	2nd Quarter 2020 31 August 2019 R'000	1st Quarter 2020 31 May 2019 R'000	4th Quarter 2019 28 February 2019 R'000	3rd Quarter 2019 30 November 2018 R'000	2nd Quarter 2019 31 August 2018 R'000	1st Quarter 2019 31 May 2018 R'000	4th Quarter 2018 28 February 2018 R'000
Common Equity Tier 1 (CET1) [4]	**22 571 738**	22 563 756	21 585 401	20 911 742	20 266 512	19 326 895	18 054 289	17 381 888
CET1 %	**27.4**	32.6	31.5	32.8	33.4	34.3	35.1	33.9
Additional Tier 1 capital (AT1) [1]	**73 351**	74 370	77 691	77 691	95 104	103 587	103 587	103 587
AT1 %	**0.1**	0.1	0.2	0.1	0.1	0.2	0.2	0.2
Total Tier 1 capital (T1)	**22 645 089**	**22 638 126**	**21 663 092**	**20 989 433**	**20 361 616**	**19 430 482**	**18 157 876**	**17 485 475**
Tier 1 %	**27.5**	32.7	31.7	32.9	33.5	34.5	35.3	34.1
Subordinated debt [1][2]	**-**	-	-	-	91 545	89 884	273 589	283 438
General allowance for credit impairment [5]	**751 682**	647 418	642 200	624 762	594 672	556 930	515 414	519 230
Tier 2 capital (T2)	**751 682**	**647 418**	**642 200**	**624 762**	**686 217**	**646 814**	**789 003**	**802 668**
Tier 2 %	**0.9**	0.9	0.9	1.0	1.2	1.1	1.5	1.6
Total qualifying regulatory capital	**23 396 771**	**23 285 544**	**22 305 292**	**21 614 195**	**21 047 833**	**20 077 296**	**18 946 879**	**18 288 143**
Total capital adequacy ratio % [6]	**28.4**	33.6	32.6	33.9	34.7	35.6	36.8	35.7
Required regulatory capital [3]	**9 476 453**	**7 970 042**	**7 870 871**	**7 327 549**	**6 754 061**	**6 265 516**	**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 11.500% of risk-weighted assets, being the Basel global minimum requirement of 8.000%, the South African country-specific buffer of 1.000% and the Capital Conservation Buffer of 2.500% (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.*

(4) *Mercantile Bank Limited ("Mercantile") is consolidated in the disclosures as at 30 November 2019.*
In terms of the Regulations relating to banks, goodwill and intangible assets, net of related deferred tax liability, are treated as specified adjustments and are deducted from Common Equity Tier 1 ("CET1") capital and reserve funds. The goodwill originating on the acquisition of Mercantile and Mercantile's intangible assets at acquisition therefore also reduce the qualifying CET1 capital of Capitec on consolidation.
Mercantile Bank Holdings Limited's net asset value acquired amounted to R2.761 billion and the final purchase price amounted to R3.558 billion, which resulted in goodwill of R794.5 million. Intangible assets attributable to Mercantile of R155.5 million (which includes core deposit and client relationship intangibles) have been consolidated into Capitec, further reducing the group's CET1 capital.

(5) *Of the total Tier 2 capital as at 30 November 2019, R124.8 million relating to the general allowance for credit impairment is attributable to Mercantile.*

(6) *The impact of the inclusion of Mercantile's risk weighted assets resulted in a decrease of 5.5% in the group capital adequacy ratio.*
The deduction of goodwill and intangible assets relating to the acquisition of Mercantile from CET1 capital decreased the group capital adequacy ratio by a further 1.2%.