

Capitec Bank Holdings Limited

November 2019 (3rd quarter)

LIQ 2: Net Stable Funding Ratio (NSFR)

| Line # | Available Stable Funding (ASF) item R'000 | Unweighted value by residual maturity | | | | Weighted value |
|---|--|---------------------------------------|------------|--------------------|------------|--------------------|
| | | No maturity | < 6 months | 6 months to 1 year | >= 1 year | |
| 1 | Capital: (sum of rows 2 and 3) | 24 351 106 | - | - | 73 352 | 24 424 458 |
| 2 | Regulatory capital (Basel 3 2022) | 24 351 106 | - | - | - | 24 351 106 |
| 3 | Other capital instruments | - | - | - | 73 352 | 73 352 |
| 4 | Retail deposits and deposits from small business customers (sum of rows 5 and 6) | - | 75 078 837 | 7 035 018 | 13 610 295 | 87 512 765 |
| 5 | Stable deposits | - | - | - | - | - |
| 6 | Less stable deposits | - | 75 078 837 | 7 035 018 | 13 610 295 | 87 512 765 |
| 7 | Wholesale funding: (sum of rows 8 and 9) | - | 5 395 027 | 633 742 | 2 924 702 | 5 647 477 |
| 8 | Operational deposits | - | 3 450 774 | 31 884 | 1 225 223 | 2 966 553 |
| 9 | Other wholesale funding | - | 1 944 253 | 601 858 | 1 699 479 | 2 680 924 |
| 10 | Liabilities with matching interdependent assets | - | - | - | - | - |
| 11 | Other liabilities: (sum of rows 12 and 13) | - | 3 870 546 | 274 683 | 2 611 274 | 2 913 915 |
| 12 | NSFR derivative liabilities | - | 9 078 | 7 519 | 6 296 | - |
| 13 | All other liabilities and equity not included above | - | 3 861 468 | 267 164 | 2 604 978 | 2 913 915 |
| 14 | Total ASF ⁽¹⁾ | | | | | 120 498 615 |
| Required stable funding (RSF) item | | | | | | |
| 15 | Total NSFR high-quality liquid assets (HQLA) | | | | | 1 005 866 |
| 16 | Deposits held at other financial institutions for operational purposes | - | 17 389 | - | - | 8 695 |
| 17 | *Performing loans and securities: (sum of rows 18, 19, 20, 22 and 24) | - | 51 635 824 | 8 491 590 | 37 298 749 | 46 064 605 |
| 18 | Performing loans to financial institutions secured by level 1 HQLA | - | 20 757 539 | - | - | 2 075 754 |
| 19 | Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions | - | 18 653 729 | - | - | 2 798 060 |
| 20 | Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSE's, of which: | - | 11 668 715 | 8 299 544 | 32 347 988 | 37 122 164 |
| 21 | With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk | - | - | - | - | - |
| 22 | Performing residential mortgages of which: | - | 550 077 | 42 046 | 4 421 798 | 3 541 126 |
| 23 | With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk | - | 114 | 491 | 2 567 314 | 1 669 056 |
| 24 | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | - | 5 764 | 150 000 | 528 963 | 527 500 |
| 25 | Assets with matching interdependent liabilities | - | - | - | - | - |
| 26 | Other assets: (sum of rows 27-31) | - | - | - | 17 396 203 | 17 375 502 |
| 27 | Physical traded commodities, including gold | - | - | - | - | - |
| 28 | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs | - | - | - | - | - |
| 29 | NSFR derivative assets | - | - | - | 14 277 | 14 277 |
| 30 | NSFR derivative liabilities before deduction of variation margin posted | - | - | - | 23 001 | 2 300 |
| 31 | All other assets not included in the above categories | - | - | - | 17 358 925 | 17 358 925 |
| 32 | Off-balance sheet items | | | | | 173 548 |
| 33 | Total RSF (sum of rows 15,16, 17, 25, 26 and 32) ⁽²⁾ | | | | | 64 628 215 |
| 34 | Net Stable Funding Ratio (%) | | | | | 186.4% |

Summary Net Stable Funding Ratio - bank level

| | |
|--------------------------------------|---------------|
| Total ASF (item 24) | 109 341 686 |
| Total RSF (Total of items 73 and 85) | 54 314 102 |
| Net Stable Funding Ratio (%) | 201.3% |

Items to be reported in the "no maturity" time bucket do not have a stated maturity. These may include items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities and physical traded commodities. Rows 21 and 23 are subcomponents of rows 20 and 22, respectively. Row 17 is the sum of rows 18, 19, 20, 22 and 24.

⁽¹⁾ Assets and liabilities of Mercantile have been aggregated in the disclosure above. As at 30 November 2019, R10.6 billion of the Total Available Stable Funding is attributable to Mercantile. 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 Regulatory capital. The goodwill originating on the acquisition of Mercantile Bank Holdings Limited's intangible assets at acquisition therefore also reduce the qualifying Regulatory capital of Capitec on consolidation. Mercantile'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 Regulatory capital.

⁽²⁾ As at 30 November 2019, R8.5 billion of the Total Required Stable Funding is attributable to Mercantile.