CAPITEC BANK HOLDINGS LIMITED

February 2017 (fourth 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 fourth quarter of the 28 February 2017 financial year end is set out below:

Composition of qualifying regulatory capital	R'000	4th Quarter 2017 (28 February 2017) Capital Adequacy Ratio %	R'000	3rd Quarter 2017 (30 November 2016) Capital Adequacy Ratio %
Common Equity Tier 1 capital (CET1)	14 886 882	30.8	14 400 817	30.0
Additional Tier 1 capital (AT1) [(1)]	129 485	0.3	155 381	0.3
Tier 1 capital (T1)	15 016 367	31.1	14 556 198	30.3
Subordinated debt [(1)(2)]	856 834		1 254 076	
Unidentified impairments	491 168		491 249	
Tier 2 capital (T2)	1 348 002	2.8	1 745 325	3.7
Total qualifying regulatory capital	16 364 369	33.9	16 301 523	34.0
Required regulatory capital [(3)]	5 190 335		4 680 286	

(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 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. Operational risk disclosure changed from 01 March 2016, per the SA Reserve Bank's instruction. The operational risk capital add-on, in accordance with the ASA method, has been converted to an equivalent Risk Weighted Asset (RWA). This reduced the Capital Adequacy Ratio by approximately 1.9% in March 2016, as qualifying capital remains the same but is divided by a higher RWA amount.*

By order of the Board

Stellenbosch
27 March 2017

OV1: Overview of RWA		RWA 4th Quarter 2017 (28 Feb 2017)	RWA 3rd Quarter 2016 (30 Nov 2016)	Minumum capital requirements 4th Quarter 2017 (28 Feb 2017)
1	Credit risk (excluding counterparty credit risk) (CCR)	39 167 054	39 151 023	4 210 459
2	Of which standardised approach (SA)	39 167 054	39 151 023	4 210 459
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	31 260	68 363	3 360
5	Of which standardised approach for counterparty credit risk (SA-CCR)	31 260	68 363	3 360
6	Of which internal model method (IMM)	-	-	-
7	Equity positions in banking book under market-based approach	382 933	255 893	41 165
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	5 793 863	5 760 352	622 840
20	Of which Basic Indicator Approach	-	-	-
21	Of which Standardised Approach	5 793 863	5 760 352	622 840
22	Of which Advanced Measurement Approach	-	-	-
	Other risk	1 757 258	1 739 435	188 905
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	1 149 822	1 027 871	123 606
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	48 282 190	48 002 937	5 190 335