

Capitec Bank Holdings Limited
 Registration number: 1999/025903/06
 Registered bank controlling company
 Incorporated in the Republic of South Africa
 JSE ordinary share code: CPI ISIN code: ZAE000035861
 JSE preference share code: CPIP ISIN code: ZAE000083838
 ("Capitec")

QUARTERLY DISCLOSURE IN TERMS OF REGULATION 43 OF THE REGULATIONS RELATING TO BANKS

Capitec and its subsidiaries ("the group") have complied with Regulation 43 of the Regulations relating to banks, which incorporates the requirements of Basel.

In terms of Pillar 3 of the Basel rules, the consolidated group is required to disclose quantitative information on its capital adequacy, leverage and liquidity ratios on a quarterly basis.

The group's consolidated capital and liquidity positions at the end of the fourth quarter of the 28 February 2021 financial year end are set out below:

	4th Quarter 2021 28 February 2021		3rd Quarter 2021 30 November 2020	
	R'000	Capital Adequacy Ratio % ⁽²⁾	R'000	Capital Adequacy Ratio %
COMMON EQUITY TIER 1 CAPITAL (CET1)	27 872 626	35.8	26 507 455	30.7
Additional Tier 1 capital (AT1) ⁽¹⁾	25 897	0.1	51 794	0.0
TIER 1 CAPITAL (T1)	27 898 523	35.9	26 559 249	30.7
General allowance for credit impairment	647 835		774 832	
TIER 2 CAPITAL (T2)	647 835	0.8	774 832	0.9
TOTAL QUALIFYING REGULATORY CAPITAL	28 546 358	36.7	27 334 081	31.6
REQUIRED REGULATORY CAPITAL ⁽³⁾	8 558 137		9 513 242	

⁽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⁾ The new regulations relating to the capital requirements for banks' equity investments in funds became effective on 1 January 2021. In terms of the new regulations, banks are allowed to adopt a look-through approach to calculate the risk weighted asset exposures for equity investments in funds. Capitec invests in money market unit trust ("MMUT") investment funds, which are included in the scope of the new regulations. The underlying assets of MMUT investment funds are typically invested in a composition of Government Bonds,

Treasury Bills and interest bearing deposits with banks. Up until 31 December 2020, the investments in these MMUT's were classified as corporate investments and included under credit risk, which were risk weighted at a 100% risk weight. From 1 January 2021, these investments were classified as equity investments in funds and are now included under investment risk. Capitec adopted the look-through approach as outlined per the new regulations to calculate the risk weighted exposures of these investments, and the effective risk weighting of these funds amounted to 55% for the month of February 2021. This change, along with our continued strategy to invest in low risk weighted assets, contributed to a reduction in risk weighted assets during the fourth quarter of the 28 February 2021 financial year, and resulted in a higher Capital Adequacy Ratio.

⁽³⁾ This value is currently 11% of risk-weighted assets, being the Basel global minimum requirement of 8%, the Capital Conservation Buffer of 2.5% and the Domestic Systemically Important Bank ("D-SIB") capital add-on of 0.5%, disclosable in terms of Directive 4 issued by the Prudential Authority on 27 August 2020.

The Prudential Authority issued Directive 2 on 6 April 2020 and temporarily relaxed the Pillar 2A South African country-specific buffer of 1% to provide temporary capital relief to banks during this time of financial stress following the outbreak of the Covid-19 pandemic, in a manner that ensures South Africa's continued compliance with the relevant internationally agreed capital framework. It is currently anticipated that the 1% Pillar 2A requirement will be reinstated on 1 January 2022.

	4th Quarter 2021 28 February 2021 R'000	3rd Quarter 2021 30 November 2020 R'000
LIQUIDITY COVERAGE RATIO (LCR)		
High-Quality Liquid Assets	57 601 979	49 670 375
Net Cash Outflows ⁽¹⁾	2 342 837	2 254 621
Actual LCR Ratio	2 459%	2 203%
Required LCR Ratio ⁽²⁾	80%	80%

⁽¹⁾ Capitec has a net cash inflow after applying the run-off weightings, therefore outflows for the purpose of the ratio are deemed to be 25% of gross outflows.

⁽²⁾ The Prudential Authority issued Directive 1 of 2020 on 31 March 2020 and temporarily relaxed the minimum LCR requirement on 1 April 2020 from 100% to 80%. The reason for the decrease is attributable to the current financial market turmoil due to Covid-19 where market liquidity has decreased, and banks expected to be under increased pressure to comply with the currently prescribed LCR requirements.

	4th Quarter 2021 28 February 2021 R'000	3rd Quarter 2021 30 November 2020 R'000
NET STABLE FUNDING RATIO ("NSFR")		
Total Available Stable Funding	136 500 427	136 206 928
Total Required Stable Funding	61 746 242	59 944 901
Actual NSFR Ratio	221.1%	227.2%
Required NSFR Ratio	100%	100%

	4th Quarter 2021 28 February 2021 R'000	3rd Quarter 2021 30 November 2020 R'000
LEVERAGE RATIO		
Tier 1 Capital	27 898 523	26 559 249
Total Exposures ⁽¹⁾	158 134 375	153 456 051
Leverage Ratio	17.6%	17.3%

For the detailed LCR, NSFR and leverage ratio calculations refer to the "Banks Act Public Disclosure" section on our website at www.capitecbank.co.za/investor-relations

By order of the Board
Stellenbosch
13 April 2021
Sponsor - PSG Capital Proprietary Limited