

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 first quarter of the 28 February 2022 financial year end are set out below:

	1st Quarter 2022 31 May 2021		4th Quarter 2021 28 February 2021	
	R'000	Capital Adequacy Ratio %	R'000	Capital Adequacy Ratio %
COMMON EQUITY TIER 1 CAPITAL (CET1)	28 132 461	36.4	27 872 626	35.8
Additional Tier 1 capital (AT1) ⁽¹⁾	25 897	0.0	25 897	0.1
TIER 1 CAPITAL (T1)	28 158 358	36.4	27 898 523	35.9
General allowance for credit impairment	648 295		647 835	
TIER 2 CAPITAL (T2)	648 295	0.9	647 835	0.8
TOTAL QUALIFYING REGULATORY CAPITAL	28 806 653	37.3	28 546 358	36.7
REQUIRED REGULATORY CAPITAL ⁽²⁾	8 500 078		8 558 137	

⁽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⁾ 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.

	1st Quarter 2022 31 May 2021 R'000	4th Quarter 2021 28 February 2021 R'000
LIQUIDITY COVERAGE RATIO (LCR)		
High-Quality Liquid Assets	64 560 155	57 601 979
Net Cash Outflows ⁽¹⁾	2 596 583	2 342 837
Actual LCR Ratio	2 486%	2 459%
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.

	1st Quarter 2022 31 May 2021 R'000	4th Quarter 2021 28 February 2021 R'000
NET STABLE FUNDING RATIO ("NSFR")		
Total Available Stable Funding	138 830 197	136 500 427
Total Required Stable Funding	61 294 638	61 746 242
Actual NSFR Ratio	226.5%	221.1%
Required NSFR Ratio	100%	100%

	1st Quarter 2022 31 May 2021 R'000	4th Quarter 2021 28 February 2021 R'000
LEVERAGE RATIO		
Tier 1 Capital	28 158 358	27 898 523
Total Exposures ⁽¹⁾	159 606 340	158 134 375
Leverage Ratio	17.6%	17.6%

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
28 June 2021
Sponsor - PSG Capital Proprietary Limited