

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

	2nd Quarter 2022 31 August 2021		1st Quarter 2022 31 May 2021	
	R'000	Capital Adequacy Ratio %	R'000	Capital Adequacy Ratio %
COMMON EQUITY TIER 1 CAPITAL (CET1)	29 547 542	36.5	28 132 461	36.4
Additional Tier 1 capital (AT1) <sup>(1)</sup>	25 897	0.0	25 897	0.0
TIER 1 CAPITAL (T1)	29 573 439	36.5	28 158 358	36.4
General allowance for credit impairment	675 502		648 295	
TIER 2 CAPITAL (T2)	675 502	0.9	648 295	0.9
TOTAL QUALIFYING REGULATORY CAPITAL	30 248 941	37.4	28 806 653	37.3
REQUIRED REGULATORY CAPITAL <sup>(2)</sup>	8 901 223		8 500 078	

<sup>(1)</sup> Starting 2013, the non-loss absorbent AT1 and T2 capital is subject to a 10% per annum phase-out in terms of Basel 3.

<sup>(2)</sup> 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.

	2nd Quarter 2022 31 August 2021 R'000	1st Quarter 2022 31 May 2021 R'000
LIQUIDITY COVERAGE RATIO (LCR)		
High-Quality Liquid Assets	71 657 162	64 560 155
Net Cash Outflows <sup>(1)</sup>	2 464 399	2 596 583
Actual LCR	2 908%	2 486%
Required LCR <sup>(2)</sup>	80%	80%

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

<sup>(2)</sup> 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. It is currently anticipated that the minimum LCR requirement will be increased to 90% on 1 January 2022, and to 100% on 1 April 2022.

	2nd Quarter 2022 31 August 2021 R'000	1st Quarter 2022 31 May 2021 R'000
NET STABLE FUNDING RATIO ("NSFR")		
Total Available Stable Funding	151 029 190	138 830 197
Total Required Stable Funding	62 742 405	61 294 638
Actual NSFR	240.7%	226.5%
Required NSFR	100%	100%

	2nd Quarter 2022 31 August 2021 R'000	1st Quarter 2022 31 May 2021 R'000
LEVERAGE RATIO		
Tier 1 Capital	29 573 439	28 158 358
Total Exposures	167 100 306	159 606 340
Leverage Ratio	17.7%	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](http://www.capitecbank.co.za/investor-relations)

By order of the Board  
Stellenbosch  
30 September 2021  
Sponsor - PSG Capital Proprietary Limited