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BEGIN

## Capitec Bank continues with growth strategy by listing three new bonds

Notwithstanding the current economic conditions in the market, retail bank Capitec Bank Limited, listed three new bonds totaling R1 billion on the Bond Market of the JSE on 2 November 2009.

The issuance was in tranches of three, five and seven year notes. A three year floating rate note in the amount of R700 million was issued at a spread of 370 basis points over the 3 month JIBAR rate, whilst a five year fixed rate note of R140 million was issued with a coupon of 13.00%. This rate was determined by adding a spread of 430 basis points over the R201 Government bond. A R160 million seven year fixed rate note was issued at a coupon of 14.10%.

Capitec Bank, which had 371 branches nationwide at 31 August 2009, has recently announced client numbers that exceed 2 million active clients on the back of increased interim profits over the comparable period in the previous year of 50%.

The group's risk-weighted capital adequacy ratio was 36% at 31 August 2009 and the bank was in a position to repay all retail call savings deposits immediately. The bank follows a particularly conservative approach to funding and continues to seek primarily long-term contractual relationships to secure funding for growth.

Commenting on the R1 billion bond issuance, André du Plessis, Financial Director of Capitec Bank, said, "The funding will be utilised to further extend Capitec Bank's growth strategy and product offering. The issuance of these bonds to many of the major players in the funding market, has further diversified the wholesale investor funding base and provides confidence that our business model continues to be well received in the market."

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Issued by Capitec Bank:

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**About Capitec Bank**

Capitec Bank is a retail bank which provides affordable, accessible and simplified banking with personal service. The bank's underlying philosophy is to use innovative technology to drive down costs, to increase accessibility and to simplify client processes. Capitec Bank's innovative Global One facility proves that there is a real alternative to the local traditional banks when it comes to financial products and services. This single banking facility offers a range of transacting, saving and lending options which are all accessed using a paperless, card-driven process in realtime. Capitec Bank was established on March 1, 2001 and Capitec Bank Holdings Limited was listed on the JSE Securities Exchange on February 18, 2002. For further information about Capitec Bank visit [www.capitecbank.co.za](http://www.capitecbank.co.za)