

NEWS RELEASE
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BEGINNING

CAPITEC BANK – OPENING ITS 300TH BRANCH TO INCREASE ITS FOOTPRINT

Johannesburg

Capitec Bank, the retail bank with a unique approach to affordable, everyday banking, today celebrated another milestone with the opening of its 300th branch at the Alex Plaza Shopping Centre in Alexandra Township. Opening its doors with a mere 50 branches in 2001, the bank has significantly grown its distribution network to offer a solid national footprint.

Speaking at the opening, Capitec Bank's chairman, Michiel le Roux, said the bank is always in contact with its market. "We make it our business to understand our clients' needs. We understand the need for accessibility on a continuous basis. We are growing our number of clients by 35 000 each month. As a result, we are opening new branches, installing additional ATMs and appointing new employees at a staggering pace.

"Our growth can be attributed to our market's acceptance of the Capitec Bank offer which addresses the core needs of simplicity, accessibility, affordability and personal service. We are able to offer our clients secure, paperless banking at charges significantly lower than that of our competitors and an exceptional interest rate of 10% on daily savings balances below R10 000."

Nonhlanhla Njoli-Mncube, non-executive director of Capitec Bank, said that the confidence shown in the bank extends beyond that of its client base. In June this year, the bank outperformed over 200 leading companies to top the Best Investment Performance over 5 Years list in the Financial Mail Top Companies Awards for 2007. Rankings are based on the companies' internal rate of return (IRR). "This performance is evident of the confidence shown in the bank by the broader investment community."

She added that the bank's ability to change the way people experience banking as well as to effectively address the challenges faced by millions of South Africans makes it sustainable with potential for continued growth.

Le Roux also noted that 75% of the bank's entire branch network is situated close to train stations and taxi ranks, and in townships or rural areas. This makes banking accessible in terms of physical location as well as banking hours as Capitec Bank's branches are open from 08:00 to 17:00 on weekdays and from 08:00 to 13:00 on Saturdays. This means that Capitec Bank offers its clients an additional 48 hours of banking per month.

In terms of the Financial Sector Charter and its drive to provide banking services within 20 kilometres of 80% of the people in LSM categories 1 to 5, Capitec Bank's business model is a perfect fit.

"Another way in which we improve bank accessibility is through the relationship Capitec Bank has with Checkers, Shoprite and Pick 'n Pay. Clients can draw cash from these retailers at only 90 cents per transaction. Clients can also use their Capitec Bank debit cards to shop or pay without attracting any transaction fees."

To simplify banking and reduce costs, Capitec Bank has made extensive use of innovative technology. "It takes only ten minutes to open a bank account and the procedure is paperless. A photograph of each client is stored on the system, and is retrieved whenever that client does business with Capitec Bank," explains Le Roux.

He says the bank also invests heavily in recruitment and training to ensure competent staff members. "In terms of providing quality service we have found that recruiting people from the local communities ensures a high level of personal service."

"Capitec Bank's business model is gathering acceptance among people who require simplified, low-cost banking. Our unique model is creating a revolution in banking. We will continue to use innovation to drive costs as low as possible for our clients," concluded Le Roux.

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