

Capitec reaches 25 million clients with continued growth in youth and higher-income earners

Stellenbosch, South Africa – 1 October 2025 Capitec, South Africa's largest digital bank, today announced another 6 months of strong growth with headline earnings rising 26% to R8 billion in the period from March 2025 to August 2025.

Graham Lee, Group CEO of Capitec, says the Group's performance is achieved through its focus on its clients and delivering innovative solutions that remain relevant in their lives.

"Our goal has been to build trust and make a meaningful impact for our clients. The scale of our 25 million client base puts us in a strong position to lower the cost per transaction, increase revenue and continue to invest in new initiatives and products that meet our clients' daily needs."

Interim results highlights

- Headline earnings increased by 26% to R8 billion (August 2024: R6.4 billion)
- Net interest income after credit impairments increased by 27% to R7.1 billion – driven by new credit initiatives and prudent management
- Non-interest income, including Value-Added Services (VAS), Capitec Connect and Insurance, grew by 19% to R13.4 billion (August 2024: R11.3 billion)
- The Fintech business including VAS and Capitec Connect grew by 40% to R2.9 billion (August 2024: R2.0 billion)
- Return on shareholders' equity improved to 31% (August 2024: 29%)

Winning clients across segments

Capitec Group's total client base grew by 8%, with the Personal Bank now serving over half of South Africa's adult population. Fully banked clients increased by 11% to 9.4 million. Clients aged between 16 and 35 grew to 12 million, giving Capitec a commanding 58% market share among the youth segment, and clients with salaries above R50 000 per month have increased by 24%, reflecting Capitec's growing relevance among higher-income earners.

Diversified ecosystem powering growth

The Group continues to deliver impressive returns by diversifying beyond Personal Banking.

Capitec's Insurance business contributed 26% to the Group's earnings and includes Credit Life Insurance, Life Cover, and Funeral Plans, which now cover 15.8 million lives - up 16% year-on-year.

The Fintech segment, comprising VAS and Capitec Connect, contributed 26% to Group earnings and experienced rapid growth across all product lines, with 1.1 million active Capitec Connect SIMs and 12 million clients purchasing VAS via the Capitec app last month.

AvaFin, the Group's international lending arm operating in Poland, Latvia, Czechia, Spain, and Mexico, contributed R124 million to group headline earnings for the period from 1 May 2024 to 31 August 2024, with a 27% increase in active clients.

Capitec Business contributed 5% to group earnings, up from 2% last year, and now services 182 000 businesses, expanding its client base by 57%. The number of trading merchants using Capitec card machines increased by 165%, reaching 85 000. This demonstrates a strong vote of confidence from South African SMEs, who are increasingly attracted to Capitec's straightforward and value-driven approach.

New solutions solve real client needs

In the last 6 months, Capitec continued to innovate around client needs, introducing new solutions that are simpler, easier to access and significantly more affordable – unlocking more value for its 25 million clients.

Cross-border money transfers, in partnership with Mama Money, now enable easy payments to 8 African countries through the Capitec app, with transferred money reflecting in minutes.

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The youth-focused Credit Card enables younger clients with no credit history to build their credit profile over time in a responsible way, with limits from R600 repayable in 3 monthly instalments. The dynamic repay-as-you-earn loan was introduced to enable multiple income earners and SMEs to qualify for credit based on non-salary income and repay their loans with smaller, flexible repayments. Capitec will also launch an improved secured home loan product with SA Home Loans, offering zero limits, competitive interest rates, and up to 50% off bond attorney fees.

Capitec Connect also introduced new devices, allowing clients to order any of 22 smartphones from their app to be delivered within 3 days and receive 30GB free data over the first 6 months. This is a key part of Capitec's strategy to entrench itself as an enabler that is relevant in people's daily lives.

Disrupting existing revenue to lead the market with better client value

Capitec continues to lead on affordability, giving back R203 million to clients through fee simplification. From 1 March 2025, it reduced and simplified transaction prices for Personal and Business Banking with its R1, R2, R3, R6 and R10 fee structure.

Personal Banking clients saved R106 million from lower fees, while Business Banking clients saved R97 million. Clients were also encouraged to move from SMS notifications, which have a fee, to free in-app notifications, saving them R52 million. Reduced merchant commission rates and discounted card machines saved clients R95 million. Over the same period, the group rewarded 449 terabytes of Capitec Connect data to clients, equivalent to streaming 153 000 HD movies.

Capitec continues to accelerate investments in its digital ecosystem, delivering tangible benefits to clients. App users grew by 13% to 14 million, driving a 35% surge in e-commerce transactions. The adoption of digital payments also increased, with a remarkable 131% year-over-year rise in Digital Wallet transactions.

Capitec's investments have made it a leader in digital services. Recent innovations include:

- **Enhanced security:** Innovative AI-enabled fraud prevention tools, which protect clients from paying to high-risk account numbers, stopped over 23 000 scam payments, saving clients over R200 million
- **In-app calling:** Free in-app calling improved our client experience and saved them a combined R5 million in airtime costs
- **Easier connections:** Personal Banking Credit Card clients get 1% cash back on purchases, 1GB free Capitec Connect data monthly, and zero forex commission on international payments which saved clients R25 million in the past 6 months
- **Time saving:** 3.9 million transactions, such as statement requests or account confirmation letters, were processed through in-branch self-service terminals, freeing consultants from 3.2 million workload minutes of in-branch activities

Looking ahead

As Capitec approaches its 25th anniversary, it remains focused on purposeful innovation, staying true to its fundamentals while anticipating its clients' needs.

Lee says, "Looking ahead, we will focus on delivering better client experiences through inclusive credit, smarter digital tools, and partnerships that remove barriers. Banking should be simple, accessible, and human, and we're committed to expanding our digital ecosystem, deepening client relationships, and creating opportunities for every South African."

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About Capitec

Capitec Bank Holdings Limited (JSE: CPI) is South Africa's largest retail bank by active client numbers, serving 25 million clients. It is recognised as the country's leading digital bank with 14 million active app clients. Capitec offers simple, affordable and transparent banking solutions through innovative technology and personalised service via its app, online banking, and a network of 863 branches, 19 business centres, 8,824 ATMs and cash-accepting devices. The Group uses data and technology to understand client needs and provide tailored solutions across Personal Banking (transactional accounts, savings, credit and insurance), Business Banking (serving SMEs with transactional, lending and merchant solutions), value-added services, and international consumer lending through its subsidiary AvaFin. Capitec aims to make a meaningful difference and unlock growth opportunities for all.