

Unaudited financial results
for the 6 months ended 31 August 2024

2025
Igniting
growth and
opportunity



Capitec Bank Limited
(Capitec Bank or the company)

Condensed statement of financial position

As at 31 August 2024

R'000	August 2024	August 2023	% change August 2024/2023	Year ended February 2024
Assets				
Cash and cash equivalents	22 280 744	25 623 312	(13)	29 009 243
Financial assets at fair value through profit or loss (FVTPL)	260 084	279 890	(7)	268 055
Financial investments at amortised cost	76 778 825	74 605 526	3	68 110 551
Term deposit investments	12 005 095	1 308 398	>100	7 791 467
Net loans and advances	79 924 027	77 374 694	3	78 977 115
Other receivables	12 457 260	7 055 625	77	8 322 196
Derivative assets	59 105	27 601	>100	24 398
Financial assets – equity instruments at fair value through other comprehensive income (FVOCI)	82 137	74 413	10	82 415
Group loans receivable	1 538 639	1 495 075	3	1 512 821
Interest in equity accounted investments	241 202	226 202	7	226 202
Interest in subsidiaries	103 030	103 030	—	103 030
Property and equipment	3 996 140	3 333 730	20	3 472 991
Right-of-use assets	1 849 333	1 825 600	1	1 867 371
Intangible assets including goodwill	1 283 612	1 433 000	(10)	1 337 505
Deferred income tax asset	2 819 717	2 479 027	14	2 603 839
Total assets	215 678 950	197 245 123	9	203 709 199
Liabilities				
Derivative liabilities	74 069	20 253	>100	20 602
Current income tax liability	402 408	103 690	>100	251 166
Deposits	162 554 340	151 841 638	7	153 304 465
Wholesale funding	2 488 509	2 369 215	5	3 020 834
Other liabilities	7 581 366	4 611 996	64	5 921 042
Lease liabilities	2 395 412	2 344 674	2	2 402 963
Employee benefit liabilities	11 665	12 367	(6)	12 370
Group loans payable	—	—	—	2 586
Total liabilities	175 507 769	161 303 833	9	164 936 028
Equity				
Capital and reserves				
Ordinary share capital and premium	6 105 981	6 105 981	—	6 105 981
Cash flow hedge reserve	—	1 908	(100)	524
Other reserves	(23 771)	(25 391)	(6)	(18 069)
Share option reserve	23 831	23 831	—	23 831
Retained earnings	34 023 048	29 789 425	14	32 617 644
Share capital and reserves attributable to ordinary shareholders	40 129 089	35 895 754	12	38 729 911
Preference share capital and premium	42 092	45 536	(8)	43 260
Total equity	40 171 181	35 941 290	12	38 773 171
Total equity and liabilities	215 678 950	197 245 123	9	203 709 199

Condensed income statement

6 months ended 31 August 2024

R'000	August 2024	August 2023	% change August 2024/2023	Year ended February 2024
Interest and similar income				
Interest income	13 758 889	12 470 536	10	25 662 322
Interest income calculated using the effective interest rate	13 434 644	12 149 171	11	24 993 622
Interest income on financial assets at FVTPL	324 245	321 365	1	668 700
Interest expense	(4 998 570)	(4 519 474)	11	(9 343 352)
Net interest income	8 760 319	7 951 062	10	16 318 970
Credit impairments	(3 692 001)	(4 712 435)	(22)	(8 615 511)
Net interest income after credit impairments	5 068 318	3 238 627	56	7 703 459
Non-interest income				
Loan fee income	621 797	599 662	4	1 219 308
Loan fee expense	(4 396)	(5 874)	(25)	(11 140)
Net loan fee income	617 401	593 788	4	1 208 168
Transaction fee and commission income	11 941 971	9 706 892	23	20 852 707
Transaction fee and commission expense	(3 022 896)	(2 796 385)	8	(6 068 779)
Net transaction and commission income	8 919 075	6 910 507	29	14 783 928
Foreign currency income	282 728	257 325	10	514 554
Foreign currency expense	(227 140)	(174 983)	30	(354 041)
Net foreign currency income	55 588	82 342	(32)	160 513
Other income	65 700	63 166	4	239 732
Net non-interest income	9 657 764	7 649 803	26	16 392 341
Income from operations after credit impairments	14 726 082	10 888 430	35	24 095 800
Operating expenses	(8 310 386)	(6 451 297)	29	(13 776 103)
Operating profit before tax	6 415 696	4 437 133	45	10 319 697
Income and deferred tax expense	(1 724 451)	(1 192 588)	45	(2 818 266)
Total profit for the period	4 691 245	3 244 545	45	7 501 431

Condensed statement of comprehensive income

6 months ended 31 August 2024

R'000	August 2024	August 2023	% change August 2024/2023	Year ended February 2024
Profit for the period	4 691 245	3 244 545	45	7 501 431
Other comprehensive (loss)/income that may subsequently be reclassified to profit or loss	(524)	364	>100	(1 020)
Cash flow hedge reserve recognised	15	1 449	(99)	1 781
Cash flow hedge reclassified to profit or loss	(733)	(950)	(23)	(3 178)
Income tax relating to cash flow hedge	194	(135)	>100	377
Other comprehensive (loss)/income that will not subsequently be reclassified to profit or loss	(5 702)	387	>100	7 710
Remeasurement of defined benefit obligation	—	—		(824)
Profit on remeasurement to fair value of financial assets (FVOCI)	(7 811)	531	>100	8 535
Income tax thereon	2 109	(144)	>100	(1)
Total comprehensive income for the period	4 685 019	3 245 296	44	7 508 121

Condensed statement of changes in equity

6 months ended 31 August 2024

R'000	August 2024	August 2023	% change August 2024/2023	Year ended February 2024
Ordinary share capital and premium				
Balance at the beginning and end of the period	6 105 981	6 105 981	—	6 105 981
Cash flow hedge reserve				
Balance at the beginning of the period	524	1 544	(66)	1 544
Total comprehensive (loss)/income	(524)	364	>100	(1 020)
Balance at the end of the period	—	1 908	(100)	524
Other reserves				
Balance at the beginning of the period	(18 069)	(25 779)	(30)	(25 779)
Total comprehensive (loss)/income	(5 702)	388	>100	7 710
Balance at the end of the period	(23 771)	(25 391)	(6)	(18 069)
Share option reserve				
Balance at the beginning and end of the period	23 831	23 831	—	23 831
Retained earnings				
Balance at the beginning of the period	32 617 644	28 548 099	14	28 548 099
Total comprehensive income	4 691 245	3 244 545	45	7 501 431
Ordinary dividend	(3 283 539)	(2 000 796)	64	(3 427 123)
Preference dividend	(2 302)	(2 423)	(5)	(4 763)
Balance at the end of the period	34 023 048	29 789 425	14	32 617 644
Share capital and reserves attributable to ordinary shareholders				
Balance at the beginning and end of the period	40 129 089	35 895 754	12	38 729 911
Preference share capital and premium				
Balance at the beginning of the period	43 260	48 924	(12)	48 924
Preference shares repurchased	(1 168)	(3 388)	(66)	(5 664)
Balance at the end of the period	42 092	45 536	(8)	43 260
Total equity	40 171 181	35 941 290	12	38 773 171

Condensed statement of cash flows

6 months ended 31 August 2024

R'000	August 2024	August 2023	% change August 2024/2023	Year ended February 2024
Cash flow from operating activities				
Cash flow from operations	4 555 633	1 876 857	>100	(370 202)
Income tax paid	(1 786 784)	(1 069 780)	67	(2 672 139)
Interest received	12 288 781	11 963 084	3	24 672 156
Interest paid	(5 469 727)	(4 468 352)	22	(9 302 890)
	9 587 903	8 301 809	15	12 326 925
Cash flow from investing activities				
Acquisition of property and equipment	(931 098)	(444 339)	>100	(1 038 114)
Disposal of property and equipment	38 192	8 838	>100	29 815
Acquisition of intangible assets	(28 154)	(111 035)	(75)	(94 647)
Loans to group companies – granted	(5 763)	(177 996)	(97)	(35 135)
Loans to group companies – repaid	46 706	155 370	(70)	21 022
Investment in term deposit investments	(4 890 000)	(1 494 000)	>100	(7 864 000)
Redemption of term deposit investments	1 094 000	3 650 000	(70)	3 650 000
Acquisition of financial investments at amortised cost	(36 203 600)	(40 272 698)	(10)	(65 156 207)
Redemption of financial investments at amortised cost	28 382 170	27 217 560	4	58 959 433
Interest acquired in equity accounted investments	(15 000)	(31 900)	(53)	(31 900)
	(12 512 547)	(11 500 200)	9	(11 559 733)
Cash flow from financing activities				
Dividends paid	(3 538 370)	(2 003 027)	77	(3 179 319)
Preference shares repurchased	(1 168)	(3 388)	(66)	(5 664)
Issue of institutional bonds and other funding	—	—	—	750 000
Payment of lease liabilities	(213 066)	(199 311)	7	(404 102)
	(3 752 604)	(2 205 726)	70	(2 839 085)
Effect of exchange rate changes on cash and cash equivalents	(54 031)	23 619	>100	81 507
Net decrease in cash and cash equivalents	(6 731 279)	(5 380 498)	25	(1 990 386)
Cash and cash equivalents at the beginning of the period ⁽¹⁾	29 013 590	31 003 976	(6)	31 003 976
Cash and cash equivalents at the end of the period⁽¹⁾	22 282 311	25 623 478	(13)	29 013 590

⁽¹⁾ Balances at the beginning and end of the period are reported before the provision for expected credit losses (ECL).

Notes to the condensed interim financial statements

6 months ended 31 August 2024

1. Basis of preparation

The condensed interim financial statements are prepared in accordance with and containing the information required by IAS 34 *Interim Financial Reporting*, the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (collectively the JSE Listings Requirements) and the South African Companies Act.

The accounting policies applied in the preparation of these interim financial statements are in terms of IFRS[®] Accounting Standards and are consistent with those applied in the previous consolidated financial statements except for the following effective standards, interpretations and amendments to published standards applied for the first time during the current reporting period:

Title	Key requirements and effective date
Leases on sale and leaseback – amendments to IFRS 16	Effective for annual periods beginning on or after 1 January 2024, these amendments include the IFRS 16 requirements for accounting for a sale and leaseback transaction after the date of the transaction.
Non-current liabilities with covenants – amendments to IAS 1	Effective for annual periods commencing on or after 1 January 2024, the amendments deal with the classification of liabilities as current or non-current and clarify how the classification of a liability is affected by conditions that the entity must comply with within 12 months after the reporting period.
Supplier finance – amendments to IAS 7 and IFRS 7	The amendments, which are effective for annual periods commencing on or after 1 January 2024, require disclosures to enhance the transparency of supplier finance agreements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. The group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed interim financial statements.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed financial statements, did not change compared to the prior financial year.

In calculating the ECL for the 6 months ended 31 August 2024, key areas of significant management estimation and judgement included determining significant increase in credit risk (SICR) thresholds, write-off being when there is no reasonable expectation of further recovery (5% of balance before write-off), assumptions used in the forward-looking economic model, event overlays and how historical data is used to project ECL. This was considered by applying macroeconomic information available up to 31 August 2024.

The ECL provision models for term loans and credit cards were amended from point-in-time models to through-the-cycle models. This change was treated as a change in an accounting estimate in terms of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and was applied prospectively. The impact of the change was to release R691 million from the backward-looking provision for ECL and increase the forward-looking macroeconomic provision for ECL by a corresponding amount. It is impracticable to estimate the impact of the change on future periods.

The parameters used to calculate the write-off point of 5% were amended during the reporting period. This change was treated as a change in an accounting estimate in terms of IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors* and was applied prospectively. The handover score is no longer considered in estimating the write-off point and the impact was to reduce the provision for ECL by R112 million. It is impracticable to estimate the impact of the change on future periods.

The condensed interim financial statements were not reviewed or audited by the group's auditors.

The preparation of the unaudited condensed interim financial statements was supervised by the chief financial officer (CFO), Grant Hardy CA(SA).

Notes to the condensed interim financial statements continued

6 months ended 31 August 2024

2. Net loans and advances

Personal banking (Retail bank)

R'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL		Stage 3 Lifetime ECL			Total	
	Up-to-date	Up-to-date loans with SICR and applied for debt review >6 months	Up to 1 month in arrears	2 and 3 months in arrears	Resche- duled from up-to-date (not yet rehabi- litated)	Resche- duled from arrears (not yet rehabi- litated)		More than 3 months in arrears, legal statuses and applied for debt review <6 months
Balance as at 31 August 2024								
Gross loans and advances	46 907 236	12 506 611	1 168 714	2 263 368	2 033 577	2 357 373	18 195 213	85 432 092
Term loan	25 013 165	7 577 770	616 295	1 469 954	1 493 741	1 838 072	12 132 902	50 141 899
Access facility	14 217 857	3 842 505	308 412	629 833	539 836	519 301	4 719 067	24 776 811
Credit card	7 676 214	1 086 336	244 007	163 581	—	—	1 343 244	10 513 382
Provision for credit impairments (expected credit losses (ECL)) ⁽¹⁾	(3 689 281)	(2 934 031)	(549 970)	(1 437 277)	(540 704)	(677 762)	(13 888 013)	(23 717 038)
Term loan	(1 801 271)	(1 497 152)	(270 364)	(962 814)	(398 499)	(507 757)	(9 538 492)	(14 976 349)
Access facility	(1 396 319)	(1 165 977)	(182 203)	(395 593)	(142 205)	(170 005)	(3 474 400)	(6 926 702)
Credit card	(491 691)	(270 902)	(97 403)	(78 870)	—	—	(875 121)	(1 813 987)
Net loans and advances	43 217 955	9 572 580	618 744	826 091	1 492 873	1 679 611	4 307 200	61 715 054
Term loan	23 211 894	6 080 618	345 931	507 140	1 095 242	1 330 315	2 594 410	35 165 550
Access facility	12 821 538	2 676 528	126 209	234 240	397 631	349 296	1 244 667	17 850 109
Credit card	7 184 523	815 434	146 604	84 711	—	—	468 123	8 699 395
ECL coverage (%)	7.9	23.5	47.1	63.5	26.6	28.8	76.3	27.8
Term loan	7.2	19.8	43.9	65.5	26.7	27.6	78.6	29.9
Access facility	9.8	30.3	59.1	62.8	26.3	32.7	73.6	28.0
Credit card	6.4	24.9	39.9	48.2	—	—	65.1	17.3
% of gross loan book	55	15	1	3	2	3	21	100
Term loan	29	9	1	2	2	2	14	59
Access facility	17	5	—	1	—	1	5	29
Credit card	9	1	—	—	—	—	2	12

⁽¹⁾ For agreements that contain both a drawn and undrawn component where the group cannot separately identify the ECL on the undrawn component, the ECL on the undrawn component is recognised with the ECL on the loan component. To the extent that the ECLs exceed the gross carrying amount of the loans at a client level, the excess is recognised as a provision in other liabilities in the statement of financial position. The loss allowance on the undrawn loan commitments of clients that have no outstanding balances is also recognised as a provision in other liabilities.

Notes to the condensed interim financial statements continued

6 months ended 31 August 2024

2. Net loans and advances continued

Personal banking (Retail bank) continued

R'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL		Stage 3 Lifetime ECL			More than 3 months in arrears, legal statuses and applied for debt review <6 months	Total
	Up-to-date	Up-to-date loans with SICR and applied for debt review >6 months	Up to 1 month in arrears	2 and 3 months in arrears	Resche- duled from up-to-date (not yet rehabi- litated)	Resche- duled from arrears (not yet rehabi- litated)		
Balance as at 29 February 2024								
Gross loans and advances	48 582 550	11 370 111	1 574 490	2 424 776	2 248 526	2 300 025	15 345 173	83 845 651
Term loan	25 830 275	6 643 767	875 569	1 573 232	1 631 568	1 800 092	10 045 289	48 399 792
Access facility	15 506 557	3 987 878	451 456	686 279	616 958	499 933	4 066 966	25 816 027
Credit card	7 245 718	738 466	247 465	165 265	—	—	1 232 918	9 629 832
Provision for credit impairments (ECL) ⁽¹⁾	(3 605 188)	(2 704 823)	(804 510)	(1 623 701)	(658 817)	(665 211)	(11 296 177)	(21 358 427)
Term loan	(1 647 998)	(1 260 685)	(434 291)	(1 123 934)	(482 699)	(490 200)	(7 451 912)	(12 891 719)
Access facility	(1 544 977)	(1 247 056)	(272 427)	(419 261)	(176 118)	(175 011)	(3 022 215)	(6 857 065)
Credit card	(412 213)	(197 082)	(97 792)	(80 506)	—	—	(822 050)	(1 609 643)
Net loans and advances	44 977 362	8 665 288	769 980	801 075	1 589 709	1 634 814	4 048 996	62 487 224
Term loan	24 182 277	5 383 082	441 278	449 298	1 148 869	1 309 892	2 593 377	35 508 073
Access facility	13 961 580	2 740 822	179 029	267 018	440 840	324 922	1 044 751	18 958 962
Credit card	6 833 505	541 384	149 673	84 759	—	—	410 868	8 020 189
ECL coverage (%)	7.4	23.8	51.1	67.0	29.3	28.9	73.6	25.5
Term loan	6.4	19.0	49.6	71.4	29.6	27.2	74.2	26.6
Access facility	10.0	31.3	60.3	61.1	28.5	35.0	74.3	26.6
Credit card	5.7	26.7	39.5	48.7	—	—	66.7	16.7
% of gross loan book	58	13	2	3	3	3	18	100
Term loan	31	8	1	2	2	2	12	58
Access facility	18	4	1	1	1	1	5	31
Credit card	9	1	—	—	—	—	1	11

⁽¹⁾ For agreements that contain both a drawn and undrawn component where the group cannot separately identify the ECL on the undrawn component, the ECL on the undrawn component is recognised with the ECL on the loan component. To the extent that the ECLs exceed the gross carrying amount of the loans at a client level, the excess is recognised as a provision in other liabilities in the statement of financial position. The loss allowance on the undrawn loan commitments of clients that have no outstanding balances is also recognised as a provision in other liabilities.

Notes to the condensed interim financial statements continued

6 months ended 31 August 2024

2. Net loans and advances continued

Personal banking (Retail bank) continued

R'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL		Stage 3 Lifetime ECL				Total
	Up-to-date	Up-to-date loans with SICR and applied for debt review >6 months	Up to 1 month in arrears	2 and 3 months in arrears	Resche- duled from up-to-date (not yet rehabi- litated)	Resche- duled from arrears (not yet rehabi- litated)	More than 3 months in arrears, legal statuses and applied for debt review <6 months	
Balance as at 31 August 2023								
Gross loans and advances	48 485 531	12 596 087	1 359 231	2 503 217	2 421 514	2 002 484	14 407 406	83 775 470
Term loan	25 720 569	7 696 159	769 539	1 651 487	1 720 108	1 604 543	9 830 305	48 992 710
Access facility	16 306 507	4 198 646	421 923	701 696	701 406	397 941	3 475 804	26 203 923
Credit card	6 458 455	701 282	167 769	150 034	—	—	1 101 297	8 578 837
Provision for credit impairments (ECL) ⁽¹⁾	(3 643 685)	(2 972 526)	(678 014)	(1 739 687)	(765 578)	(553 913)	(10 528 591)	(20 881 994)
Term loan	(1 810 824)	(1 308 003)	(378 879)	(1 179 476)	(523 258)	(416 742)	(7 124 567)	(12 741 749)
Access facility	(1 411 796)	(1 461 597)	(223 815)	(477 551)	(242 320)	(137 171)	(2 501 948)	(6 456 198)
Credit card	(421 065)	(202 926)	(75 320)	(82 660)	—	—	(902 076)	(1 684 047)
Net loans and advances	44 841 846	9 623 561	681 217	763 530	1 655 936	1 448 571	3 878 815	62 893 476
Term loan	23 909 745	6 388 156	390 660	472 011	1 196 850	1 187 801	2 705 738	36 250 961
Access facility	14 894 711	2 737 049	198 108	224 145	459 086	260 770	973 856	19 747 725
Credit card	6 037 390	498 356	92 449	67 374	—	—	199 221	6 894 790
ECL coverage (%)	7.5	23.6	49.9	69.5	31.6	27.7	73.1	24.9
Term loan	7.0	17.0	49.2	71.4	30.4	26.0	72.5	26.0
Access facility	8.7	34.8	53.0	68.1	34.5	34.5	72.0	24.6
Credit card	6.5	28.9	44.9	55.1	—	—	81.9	19.6
% of gross loan book	58	15	2	3	3	2	17	100
Term loan	31	9	1	2	2	2	12	59
Access facility	19	5	1	1	1	—	4	31
Credit card	8	1	—	—	—	—	1	10

⁽¹⁾ For agreements that contain both a drawn and undrawn component where the group cannot separately identify the ECL on the undrawn component, the ECL on the undrawn component is recognised with the ECL on the loan component. To the extent that the ECLs exceed the gross carrying amount of the loans at a client level, the excess is recognised as a provision in other liabilities in the statement of financial position. The loss allowance on the undrawn loan commitments of clients that have no outstanding balances is also recognised as a provision in other liabilities.

Notes to the condensed interim financial statements continued

6 months ended 31 August 2024

2. Net loans and advances continued

Business banking

R'000	Stage 1 12-month ECL		Stage 2 Lifetime ECL				Stage 3 Lifetime ECL	Total
	Up-to-date	Up to 1 month in arrears	Up-to- date loans SICR	2 and 3 months in arrears	Resche- duled from up-to-date (not yet rehabili- tated)	Resche- duled from arrears (not yet rehabili- tated)	More than 3 months in arrears, legal statuses and applied for business rescue liqui- dations	
Balance as at 31 August 2024								
Gross loans and advances	15 940 934	149 737	965 356	151 319	267 939	76 976	1 733 880	19 286 141
Business loans	7 201 621	63 234	442 762	64 967	216 438	26 232	784 203	8 799 457
Mortgage loans	8 739 313	86 503	522 594	86 352	51 501	50 744	949 677	10 486 684
Provision for credit impairments (ECL) ⁽¹⁾⁽²⁾	(192 048)	(3 009)	(135 740)	(17 275)	(19 393)	(9 564)	(700 139)	(1 077 168)
Business loans	(140 370)	(2 201)	(93 807)	(9 035)	(17 666)	(5 758)	(453 846)	(722 683)
Mortgage loans	(51 678)	(808)	(41 933)	(8 240)	(1 727)	(3 806)	(246 293)	(354 485)
Net loans and advances	15 748 886	146 728	829 616	134 044	248 546	67 412	1 033 741	18 208 973
Business loans	7 061 251	61 033	348 955	55 932	198 772	20 474	330 357	8 076 774
Mortgage loans	8 687 635	85 695	480 661	78 112	49 774	46 938	703 384	10 132 199
ECL coverage (%) ⁽³⁾	1.2	2.0	14.1	11.4	7.2	12.4	40.4	5.6
Business loans	1.9	3.5	21.2	13.9	8.2	22.0	57.9	8.2
Mortgage loans	0.6	0.9	8.0	9.5	3.4	7.5	25.9	3.4
% of gross loan book	83	1	5	1	1	—	9	100
Business loans	38	—	2	1	1	—	4	46
Mortgage loans	45	1	3	—	—	—	5	54
Balance as at 29 February 2024								
Gross loans and advances	14 605 032	153 041	784 593	163 177	290 342	76 559	1 303 150	17 375 894
Business loans	6 513 077	48 802	345 095	55 998	236 653	8 521	553 830	7 761 976
Mortgage loans	8 091 955	104 239	439 498	107 179	53 689	68 038	749 320	9 613 918
Provision for credit impairments (ECL) ⁽¹⁾⁽²⁾	(200 597)	(3 449)	(128 120)	(15 026)	(16 909)	(6 709)	(515 193)	(886 003)
Business loans	(156 611)	(1 552)	(96 575)	(6 227)	(13 296)	(2 069)	(322 697)	(599 027)
Mortgage loans	(43 986)	(1 897)	(31 545)	(8 799)	(3 613)	(4 640)	(192 496)	(286 976)
Net loans and advances	14 404 435	149 592	656 473	148 151	273 433	69 850	787 957	16 489 891
Business loans	6 356 466	47 250	248 520	49 771	223 357	6 452	231 133	7 162 949
Mortgage loans	8 047 969	102 342	407 953	98 380	50 076	63 398	556 824	9 326 942
ECL coverage (%) ⁽³⁾	1.4	2.3	16.3	9.2	5.8	8.8	39.5	5.1
Business loans	2.4	3.2	28.0	11.1	5.6	24.3	58.3	7.7
Mortgage loans	0.5	1.8	7.2	8.2	6.7	6.8	25.7	3.0
% of gross loan book	84	1	5	1	2	—	7	100
Business loans	37	—	2	—	2	—	3	44
Mortgage loans	47	1	3	1	—	—	4	56

⁽¹⁾ For agreements at a client level that contain both a drawn and an undrawn component, the combined ECL is recognised with the loan component. To the extent that the combined ECL exceeds the gross carrying amount, the excess is recognised as a provision in other liabilities in the statement of financial position.

⁽²⁾ Business banking accepts collateral for secured funds advanced and this decreases the ECL.

⁽³⁾ The ECL coverage ratio is calculated before rounding, as derived from the unaudited condensed financial statements.

Notes to the condensed interim financial statements continued

6 months ended 31 August 2024

2. Net loans and advances continued

Business banking continued

R'000	Stage 1 12-month ECL		Stage 2 Lifetime ECL				Stage 3 Lifetime ECL	Total
	Up-to-date	Up to 1 month in arrears	Up-to- date loans SICR	2 and 3 months in arrears	Resche- duled from up-to-date (not yet rehabi- litated)	Resche- duled from arrears (not yet rehabi- litated)	More than 3 months in arrears, legal statuses and applied for business rescue liqui- dations	
Balance as at 31 August 2023								
Gross loans and advances	12 718 410	103 356	764 169	53 601	379 869	107 808	1 203 749	15 330 962
Business loans	5 402 360	37 410	357 890	27 203	322 042	21 361	491 297	6 659 563
Mortgage loans	7 316 050	65 946	406 279	26 398	57 827	86 447	712 452	8 671 399
Provision for credit impairments (ECL) ⁽¹⁾⁽²⁾	(218 368)	(2 961)	(121 824)	(5 767)	(22 378)	(9 357)	(469 089)	(849 744)
Business loans	(150 056)	(2 123)	(97 689)	(4 326)	(18 077)	(4 755)	(294 687)	(571 713)
Mortgage loans	(68 312)	(838)	(24 135)	(1 441)	(4 301)	(4 602)	(174 402)	(278 031)
Net loans and advances	12 500 042	100 395	642 345	47 834	357 491	98 451	734 660	14 481 218
Business loans	5 252 304	35 287	260 201	22 877	303 965	16 606	196 610	6 087 850
Mortgage loans	7 247 738	65 108	382 144	24 957	53 526	81 845	538 050	8 393 368
ECL coverage (%) ⁽³⁾	1.7	2.9	15.9	10.8	5.9	8.7	39.0	5.5
Business loans	2.8	5.7	27.3	15.9	5.6	22.3	60.0	8.6
Mortgage loans	0.9	1.3	5.9	5.5	7.4	5.3	24.5	3.2
% of gross loan book	83	1	5	—	2	1	8	100
Business loans	35	—	2	—	2	—	3	42
Mortgage loans	48	1	3	—	—	1	5	58

⁽¹⁾ For agreements at a client level that contain both a drawn and an undrawn component, the combined ECL is recognised with the loan component. To the extent that the combined ECL exceeds the gross carrying amount, the excess is recognised as a provision in other liabilities in the statement of financial position.

⁽²⁾ Business banking accepts collateral for secured funds advanced and this decreases the ECL.

⁽³⁾ The ECL coverage ratio is calculated before rounding, as derived from the unaudited condensed financial statements.

Notes to the condensed interim financial statements continued

6 months ended 31 August 2024

3. Commitments and contingent liabilities

R'000	August 2024	August 2023	% change August 2024/2023	Year ended February 2024
Capital commitments – approved by the board				
Contracted for:				
Property and equipment ⁽¹⁾	44 462	507 471	(91)	745 225
Intangible assets	6 171	15 097	(59)	10 938
Not contracted for:				
Property and equipment	651 248	411 476	58	728 652
Intangible assets	228 800	86 557	>100	200 335
Total capital commitments	930 681	1 020 601	(9)	1 685 150
Loan commitments – gross of loss allowances⁽²⁾				
Personal banking loan commitments				
– off-balance sheet				
	13 302 518	15 010 987	(11)	13 759 275
Access facility	10 166 408	12 541 915	(19)	11 074 493
Credit card	3 136 110	2 469 072	27	2 684 782
Business banking loan commitments				
– off-balance sheet				
	303 974	341 146	(11)	400 706
Bonds	217 728	254 037	(14)	315 153
Credit card	86 246	87 109	(1)	85 553
Guarantees – Business banking	705 346	728 224	(3)	558 626
Letters of credit – Business banking	45 720	7 029	>100	54 928
Total loan commitments, guarantees and letters of credit	14 357 558	16 087 386	(11)	14 773 535

⁽¹⁾ Contracted capital commitments for property and equipment include property amounting to Rnil for August 2024 (August 2023: R400 million; February 2024: R400 million).

⁽²⁾ For agreements that contain both a drawn and undrawn component where the group cannot separately identify the ECL on the undrawn component, the ECL on the undrawn component is recognised with the ECL on the loan component. To the extent that the ECLs exceed the gross carrying amount of the loans at a client level, the excess is recognised as a provision in other liabilities in the statement of financial position. The loss allowance on the undrawn loan commitments of clients that have no outstanding balances is also recognised as a provision in other liabilities.

4. Fair value hierarchy and classification of financial assets and liabilities

Determination of fair values and valuation process

Fair values are market-based, calculated first with reference to observable inputs available in the market, then less observable inputs and finally, unobservable inputs only where observable inputs or less observable inputs are unavailable.

Fair values are calculated consistently with the unit of account used for the measurement of the asset or liability in the statement of financial position and income statement and assume an orderly market on a going concern basis.

The group's finance department performs the valuations of financial assets and liabilities required for financial reporting purposes. Selecting the most appropriate valuation methods and techniques is an outcome of internal discussion and deliberation between members of the finance team who have modelling and valuation experience. The valuations are reported to the CFO and audit committee. Changes in fair values are analysed at each reporting date.

Hierarchy of fair value of financial instruments

The hierarchy is based on the extent to which the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the group's assessment of what inputs would likely be from the perspective of the market. The group first considers relevant and observable market inputs where these are available. Unobservable inputs are used in the absence of observable inputs. The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1, 2 and 3 during the period.

The fair value hierarchy is applied to both those assets and liabilities measured at FVTPL and those measured using amortised cost.

The table below summarises the classification of financial assets and financial liabilities and their fair values.

R'000	Carrying value August 2024	Fair value August 2024	Fair value August 2023	Fair value February 2024	Hierarchy of valuation technique
Financial assets					
Cash and cash equivalents	22 280 744	22 280 744	25 623 312	29 009 243	Level 2
Financial assets at FVTPL	260 084	260 084	279 890	268 055	Level 1/Level 2
Term deposit investments	12 005 095	12 005 095	1 308 398	7 791 467	Level 2
Financial investments at amortised cost	76 778 825	76 673 184	73 758 338	67 459 059	Level 1/Level 2
Financial assets – equity instruments at FVOCI	82 137	82 137	74 413	82 415	Level 3
Net loans and advances – Term loans	35 167 000	36 253 000	35 540 681	36 325 000	Level 3
Net loans and advances – Access facility	17 850 000	19 463 000	21 243 270	20 695 000	Level 3
Net loans and advances – Credit card	8 699 000	9 200 000	7 295 926	8 417 415	Level 3
Net loans and advances – Business	9 717 000	8 219 408	7 879 018	7 316 968	Level 3
Net loans and advances – Mortgage	10 132 000	10 184 685	8 462 518	9 372 825	Level 3
Other receivables ⁽¹⁾	11 954 929	11 954 929	6 513 622	7 985 552	Level 2
Derivative assets	59 105	59 105	27 601	24 398	Level 2
Group loan receivable	1 538 639	1 538 639	1 495 075	1 512 821	Level 2
Financial liabilities					
Deposits and bonds	162 554 340	164 703 032	154 612 378	156 324 776	Level 2
Derivative liabilities	74 069	74 069	20 253	20 602	Level 2
Group loan payable	—	—	—	2 586	Level 2
Trade and other payables ⁽¹⁾	4 909 172	4 909 172	3 286 660	3 986 112	Level 2

⁽¹⁾ Other receivables per the statement of financial position include non-financial receivables totalling R0.5 billion (August 2023: R0.5 billion; February 2024: R0.3 billion). Other payables per the statement of financial position include non-financial payables totalling R2.7 billion (August 2023: R1.3 billion; February 2024: R1.9 billion).

5. Segment information

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision-maker (CODM) in order to allocate resources to the segments and to assess their performance. The group executive management committee, headed by the chief executive officer (CEO), has been identified as the CODM, which is responsible for assessing the performance of and allocating resources to the segments.

The CODM identified 2 operating segments within the South African economic environment for 2024 – Personal banking and Business banking. The business is widely distributed with no reliance on any major clients. In addition, no client accounts for more than 10% of revenue.

The CODM regularly reviews the operating results of the Personal banking and Business banking segments for which discrete financial information is made available on a monthly basis and against which performance is measured and resources are allocated across the segments.

Within the segments are a number of products and services from which the group derives its revenue. These include:

Personal banking (Retail bank)

- Transactional banking services
- Loan products that are granted to Personal banking clients. There are 3 different loan products granted, namely term loans, credit cards and access facilities
- Flexible, notice, fixed and tax-free savings accounts
- Value-added services including enabling clients to purchase prepaid mobile network services, electricity, national lottery tickets and vouchers and the ability to pay bills on the banking application
- Capitec Connect, a mobile virtual network operator using the mobile network infrastructure of Cell C, offering its own products and services.

Business banking

- Loan products that are granted to Business banking clients. There are 2 categories of loans, namely mortgage loans and business loans. Business loans include term loans, overdrafts, instalment sales, leases and credit cards
- Call and notice deposits
- Treasury products that comprise foreign exchange spot trades and foreign exchange forward contracts.

Notes to the condensed interim financial statements continued

6 months ended 31 August 2024

5. Segment information continued

R'000	August 2024			August 2023		
	Personal banking	Business banking	Total	Personal banking	Business banking	Total
Interest and similar income						
Interest income⁽¹⁾	12 597 903	1 383 921	13 758 889	11 550 962	1 161 608	12 470 536
Interest income on lending calculated using the effective interest rate	8 183 484	1 106 652	9 290 136	7 993 361	865 669	8 859 030
Interest income on investments calculated using the effective interest rate ⁽¹⁾	4 090 174	277 269	4 144 508	3 236 236	295 939	3 290 141
Interest income on financial assets at FVTPL	324 245	—	324 245	321 365	—	321 365
Interest expense ⁽¹⁾⁽²⁾	(4 658 712)	(562 793)	(4 998 570)	(4 233 324)	(528 184)	(4 519 474)
Net interest income	7 939 191	821 128	8 760 319	7 317 638	633 424	7 951 062
Credit impairments	(3 538 523)	(153 478)	(3 692 001)	(4 598 170)	(114 265)	(4 712 435)
Net interest income after credit impairments	4 400 668	667 650	5 068 318	2 719 468	519 159	3 238 627
Non-interest income						
Loan fee income	621 734	63	621 797	599 301	361	599 662
Loan fee expense	(4 386)	(10)	(4 396)	(5 864)	(10)	(5 874)
Net loan fee income	617 348	53	617 401	593 437	351	593 788
Transaction fee and commission income⁽¹⁾⁽³⁾	11 189 557	794 180	11 941 971	8 995 400	746 195	9 706 892
Branch, cash and self-service transactions	3 864 733	13 388	3 878 121	3 643 604	7 440	3 651 044
Digital transactions	2 213 114	36 652	2 249 766	1 457 394	42 213	1 499 607
Monthly fees, debit orders and other transactions ⁽¹⁾	2 379 417	297 042	2 668 109	1 980 794	267 130	2 241 221
Point-of-sale (POS) transactions ⁽¹⁾	1 474 237	51 614	1 492 435	1 182 142	73 874	1 228 016
Commission income	1 258 056	395 484	1 653 540	731 466	355 538	1 087 004
Transaction fee and commission expense⁽¹⁾⁽³⁾	(2 669 882)	(386 430)	(3 022 896)	(2 496 098)	(328 287)	(2 796 385)
Branch, cash and self-service transactions	(1 480 315)	(3 684)	(1 483 999)	(1 388 966)	(254)	(1 389 220)
Digital transactions	(284 375)	(17 708)	(302 083)	(151 096)	(11 965)	(163 061)
Monthly fees, debit orders and other transactions	(388 961)	(150 807)	(539 768)	(520 358)	(137 495)	(657 853)
POS transactions ⁽¹⁾	(473 556)	(214 231)	(654 371)	(409 928)	(178 573)	(560 501)
Commission expense	(42 675)	—	(42 675)	(25 750)	—	(25 750)
Net transaction and commission income⁽¹⁾	8 519 675	407 750	8 919 075	6 499 302	417 908	6 910 507
Foreign currency income	—	282 728	282 728	—	257 325	257 325
Foreign currency expense	—	(227 140)	(227 140)	—	(174 983)	(174 983)
Net foreign currency income	—	55 588	55 588	—	82 342	82 342
Other income/(expense)	77 467	(11 767)	65 700	62 406	760	63 166
Net non-interest income⁽¹⁾	9 214 490	451 624	9 657 764	7 155 145	501 361	7 649 803
Income from operations after credit impairments⁽¹⁾	13 615 158	1 119 274	14 726 082	9 874 613	1 020 520	10 888 430
Operating expenses ⁽¹⁾	(1 673 845)	(85 120)	(1 750 615)	(1 499 912)	(114 046)	(1 607 255)
Information technology (IT) expenses	(1 051 746)	(83 476)	(1 135 222)	(799 409)	(62 906)	(862 315)
Employee costs	(4 049 570)	(689 757)	(4 739 327)	(2 883 568)	(459 525)	(3 343 093)
Depreciation	(583 918)	(19 257)	(603 175)	(533 398)	(34 012)	(567 410)
Amortisation	(52 216)	(22 739)	(74 955)	(55 047)	(9 105)	(64 152)
Amortisation of intangible assets – core deposits and client relationships ⁽¹⁾	—	—	(7 092)	—	—	(7 072)
Operating profit before tax⁽¹⁾	6 203 863	218 925	6 415 696	4 103 279	340 926	4 437 133
Income and deferred tax expense	(1 667 256)	(59 110)	(1 726 366)	(1 102 447)	(92 050)	(1 194 497)
Tax on the amortisation of intangible assets ⁽¹⁾	—	—	1 915	—	—	1 909
Profit for the period⁽¹⁾	4 536 607	159 815	4 691 245	3 000 832	248 876	3 244 545

⁽¹⁾ Consolidation entries not included in either segment.

⁽²⁾ The Personal and Business banking assets include an amount of R11.1 billion (August 2023: R7.2 billion) in investments that eliminates against liabilities at a group level. Interest on the investments amounted to R223 million (August 2023: R240 million) and is disclosed in Personal banking interest expense and Business banking interest on investments.

⁽³⁾ Transaction fee and commission income and transaction fee and commission expense has been reclassified for the period ended August 2023 to be consistent with the disaggregation for August 2024 and February 2024.

Notes to the condensed interim financial statements continued
6 months ended 31 August 2024

5. Segment information continued

R'000	August 2024			August 2023		
	Personal banking	Business banking	Total	Personal banking	Business banking	Total
Assets						
Net loans and advances	61 715 054	18 208 973	79 924 027	62 893 476	14 481 217	77 374 694
Other ⁽¹⁾⁽²⁾	131 733 057	14 275 521	134 874 991	115 716 566	10 048 082	118 976 409
Acquisition of Mercantile ⁽¹⁾	—	—	879 932	—	—	894 020
Goodwill ⁽¹⁾	—	—	849 487	—	—	849 487
Intangible asset – core deposit intangible ⁽¹⁾	—	—	24 968	—	—	36 521
Intangible asset – client relationships ⁽¹⁾	—	—	5 477	—	—	8 012
Total assets⁽¹⁾⁽²⁾	193 448 111	32 484 494	215 678 950	178 610 042	24 529 299	197 245 123

⁽¹⁾ Consolidation entries not included in either segment.

⁽²⁾ The Personal and Business banking assets include an amount of R11.1 billion (August 2023: R7.2 billion) in investments that eliminates against liabilities at a group level. Interest on the investments amounted to R223 million (August 2023: R240 million) and is disclosed in Personal banking interest expense and Business banking interest on investments.

Notes to the condensed interim financial statements continued

6 months ended 31 August 2024

5. Segment information continued

R'000	Year ended February 2024		
	Personal banking	Business banking	Total
Interest and similar income			
Interest income⁽¹⁾	23 693 371	2 440 515	25 662 322
Interest income on lending calculated using the effective interest rate	16 071 355	1 859 653	17 931 008
Interest income on investments calculated using the effective interest rate ⁽¹⁾	6 953 316	580 862	7 062 614
Interest income on financial assets at FVTPL	668 700	—	668 700
Interest expense ⁽¹⁾⁽²⁾	(8 752 822)	(1 062 094)	(9 343 352)
Net interest income	14 940 549	1 378 421	16 318 970
Credit impairments	(8 402 110)	(213 401)	(8 615 511)
Net interest income after impairments	6 538 439	1 165 020	7 703 459
Non-interest income			
Loan fee income	1 218 637	671	1 219 308
Loan fee expense	(11 120)	(20)	(11 140)
Net loan fee income	1 207 517	651	1 208 168
Transaction fee and commission income⁽¹⁾	19 356 792	1 570 279	20 852 707
Branch, cash and self-service transactions	7 490 333	16 197	7 506 530
Digital transactions	3 504 842	86 390	3 591 232
Monthly fees, debit orders and other transactions ⁽¹⁾	4 056 780	574 854	4 617 257
POS transactions ⁽¹⁾	2 541 986	148 324	2 630 323
Commission income	1 762 851	744 514	2 507 365
Transaction fee and commission expense⁽¹⁾	(5 410 615)	(718 151)	(6 068 779)
Branch, cash and self-service transactions	(3 261 822)	(671)	(3 262 493)
Digital transactions	(415 331)	(29 705)	(445 036)
Monthly fees, debit orders and other transactions	(1 059 457)	(301 694)	(1 361 151)
POS transactions ⁽¹⁾	(604 154)	(386 081)	(930 248)
Commission expense	(69 851)	—	(69 851)
Net transaction and commission income⁽¹⁾	13 946 177	852 128	14 783 928
Foreign currency income	—	514 554	514 554
Foreign currency expense	—	(354 041)	(354 041)
Net foreign currency income	—	160 513	160 513
Other income	237 585	2 147	239 732
Net non-interest income⁽¹⁾	15 391 279	1 015 439	16 392 341
Income from operations after credit impairments⁽¹⁾	21 929 718	2 180 459	24 095 800
Operating expenses ⁽¹⁾	(3 249 105)	(217 292)	(3 452 020)
IT expenses	(1 724 851)	(134 779)	(1 859 630)
Employee costs	(6 086 250)	(1 016 216)	(7 102 466)
Depreciation	(1 087 891)	(123 765)	(1 211 656)
Amortisation	(106 200)	(30 064)	(136 264)
Amortisation of intangible assets – core deposits and client relationships ⁽¹⁾	—	—	(14 067)
Operating profit before tax⁽¹⁾	9 675 421	658 343	10 319 697
Income and deferred tax expense	(2 644 312)	(177 752)	(2 822 064)
Tax on the amortisation of intangible assets ⁽¹⁾	—	—	3 798
Profit for the period⁽¹⁾	7 031 109	480 591	7 501 431

⁽¹⁾ Consolidation entries not included in either segment.

⁽²⁾ The Personal and Business banking assets include an amount of R10.5 billion in investments that eliminates against liabilities at a group level. Interest on the investment amounted to R469 million and is disclosed in Personal banking interest expense and Business banking interest on investments.

Notes to the condensed interim financial statements continued
6 months ended 31 August 2024

5. Segment information continued

R'000	Year ended February 2024		
	Personal banking	Business banking	Total
Assets			
Net loans and advances	62 487 224	16 489 891	78 977 115
Other ⁽¹⁾⁽²⁾	120 918 420	13 402 773	123 845 060
Acquisition of Mercantile ⁽¹⁾	—	—	887 024
Goodwill ⁽¹⁾	—	—	849 487
Intangible asset – core deposit intangible ⁽¹⁾	—	—	30 784
Intangible asset – client relationships ⁽¹⁾	—	—	6 753
Total assets⁽¹⁾⁽²⁾	183 405 644	29 892 664	203 709 199

⁽¹⁾ Consolidation entries not included in either segment.

⁽²⁾ The Personal and Business banking assets include an amount of R10.5 billion in investments that eliminates against liabilities at a group level. Interest on the investment amounted to R469 million and is disclosed in Personal banking interest expense and Business banking interest on investments.

Statutory and contact information

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Incorporated in the Republic of South Africa
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Stock code: CBL30
ISIN code: ZAG000180977
Stock code: CBL31
ISIN code: ZAG000191933
Stock code: CBL32
ISIN code: ZAG000200288

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GM Fourie (*CEO*)⁽¹⁾
NF Bhattay
SA du Plessis
N Ford-Hoon
GR Hardy (*CFO*)⁽¹⁾
MSdP le Roux
V Mahlangu
PJ Mouton
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