

GROUP INCOME STATEMENT

| | Unaudited Six months ended | | Audited Year ended |
|--|-------------------------------|-------------------------|---------------------------|
| | August 2006 R'000 | August 2005 R'000 | February 2006 R'000 |
| Interest on loans advanced | 484 068 | 318 861 | 767 624 |
| Interest on cash and cash equivalents | 17 032 | 8 073 | 16 278 |
| Interest expense | (32 219) | (16 445) | (40 079) |
| Net interest income | 468 881 | 310 489 | 743 823 |
| Net fee income | 14 991 | 6 919 | 14 942 |
| Fee income | 39 831 | 16 467 | 44 314 |
| Fee expense | (24 840) | (9 548) | (29 372) |
| Net impairment charge on loans and advances | (81 946) | (23 740) | (95 625) |
| Dividend income | 187 | 1 047 | 1 015 |
| Net movement in financial instruments held at fair value | 2 220 | 352 | 1 431 |
| Non-banking gross profit | 4 016 | 3 223 | 6 563 |
| Non-banking sales | 65 751 | 64 238 | 131 368 |
| Non-banking cost of sales | (61 735) | (61 015) | (124 805) |
| Other income | 11 | 258 | 4 |
| Income from operation | 408 360 | 298 548 | 672 153 |
| Banking operating expenses | (296 191) | (233 576) | (500 075) |
| Non-banking operating expenses | (3 228) | (2 958) | (5 965) |
| Operating profit before tax | 108 941 | 62 014 | 166 113 |
| Tax | (35 372) | (20 841) | (50 832) |
| Profit for the period | 73 569 | 41 173 | 115 281 |

RECONCILIATION OF ATTRIBUTABLE EARNINGS TO HEADLINE EARNINGS

| | Unaudited Six months ended | | Audited Year ended |
|--|-------------------------------|-------------------------|---------------------------|
| | August 2006 R'000 | August 2005 R'000 | February 2006 R'000 |
| Profit for the period | 73 569 | 41 173 | 115 281 |
| Items excluded from headline earnings after tax: | | | |
| - Loss (profit) on disposal of fixed assets | 927 | (182) | 1 111 |
| Headline earnings | 74 496 | 40 991 | 116 392 |

GROUP CASH FLOW STATEMENT

| | Unaudited Six months ended | | Audited Year ended |
|--|-------------------------------|-------------------------|---------------------------|
| | August 2006 R'000 | August 2005 R'000 | February 2006 R'000 |
| Cash flow from operating activities | 302 778 | 67 473 | 294 042 |
| Cash flow from operations | 149 197 | 95 225 | 291 614 |
| Increase in loans and advances | (26 038) | (129 593) | (308 745) |
| Increase in other liabilities, provisions and deposits | 215 813 | 125 717 | 335 051 |
| Tax paid | (3 826) | (2 558) | (2 560) |
| Dividend paid | (32 368) | (21 318) | (21 318) |
| Cash flow from investing activities | (34 503) | (48 152) | (61 523) |
| Net investment in equipment and software | (34 750) | (33 153) | (71 502) |
| Decrease (increase) in other investing activities | 247 | (14 999) | 9 979 |
| Cash flow from financing activities | 137 046 | (15 012) | (13 099) |
| Perpetual preference share issue net of issuing expenses | 154 606 | - | - |
| Shares acquired and options settled | (17 560) | (15 012) | (13 099) |
| Increase in cash and cash equivalents | 405 321 | 4 309 | 219 420 |
| Cash and cash equivalents at beginning of period | 582 293 | 362 873 | 362 873 |
| Cash and cash equivalents at end of period | 987 614 | 367 182 | 582 293 |

GROUP STATEMENT OF CHANGES IN EQUITY

| | Unaudited Six months ended | | Audited Year ended |
|--|-------------------------------|-------------------------|---------------------------|
| | August 2006 R'000 | August 2005 R'000 | February 2006 R'000 |
| Equity at beginning of period | 563 816 | 473 418 | 473 418 |
| Net profit for the period | 73 569 | 41 173 | 115 281 |
| Perpetual preference share issue net of issuing expenses | 154 606 | - | - |
| Loss on settlement of share options net of share based staff costs | (17 560) | (7 850) | (29 020) |
| Tax on settlement of share options | 5 095 | 1 780 | 7 931 |
| Shares (purchased) utilised for options | - | (7 181) | 17 524 |
| Dividend paid | (32 368) | (21 318) | (21 318) |
| Equity at end of period | 747 158 | 480 022 | 563 816 |

SEGMENTAL RESULTS

| | Banking | Wholesale Distribution | Total |
|-------------------------------------|-----------|---------------------------|-----------|
| | R'000 | R'000 | R'000 |
| Unaudited | | | |
| Six months ended August 2006 | | | |
| Revenues | 551 532 | 65 751 | 617 283 |
| Headline earnings | 74 291 | 205 | 74 496 |
| Assets | 1 670 995 | 12 351 | 1 683 346 |
| Unaudited | | | |
| Six months ended August 2005 | | | |
| Revenues | 345 058 | 64 238 | 409 296 |
| Headline earnings | 41 223 | (232) | 40 991 |
| Assets | 932 016 | 4 615 | 936 631 |
| Audited | | | |
| Year ended February 2006 | | | |
| Revenues | 829 235 | 131 368 | 960 603 |
| Headline earnings | 116 860 | (468) | 116 392 |
| Assets | 1 237 114 | 14 158 | 1 251 272 |

COMMITMENTS

| | Unaudited | | Audited |
|---|-------------------------|-------------------------|---------------------------|
| | August 2006 R'000 | August 2005 R'000 | February 2006 R'000 |
| Guarantees | | | |
| - Non-banking institutions | 8 139 | 2 740 | 10 206 |
| Unutilised loan facilities to clients | 80 136 | 45 239 | 79 700 |
| Capital commitments approved by the board | | | |
| - Contracted for | 4 493 | 2 999 | 3 927 |
| - Not contracted for | 80 253 | 48 497 | 79 985 |
| Operating lease commitments | | | |
| < 1 year | 46 851 | 41 544 | 47 378 |
| 1 to 5 years | 116 182 | 86 177 | 118 850 |
| > 5 years | 1 681 | 4 894 | 4 203 |

NOTE INTERIM FINANCIAL REPORT

The abridged interim consolidated financial statements are prepared in accordance with IAS 34 – Interim Financial Reporting and the accounting policies applied conform to IFRS. The accounting policies applied in the preparation of the interim consolidated financial statements are consistent with the policies applied in the previous year.

Company secretary and registered office
Christian George van Schalkwyk
BComm LLB, CA(SA)
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(PO Box 12451, Die Boord,
Stellenbosch 7613)

Sponsor
PSG Capital Limited
(Registration number: 2002/017362/06)

Transfer secretaries
Computershare Investor Services 2004 (Pty) Limited
Registration number: 2004/003647/07
Ground Floor, 70 Marshall Street, Johannesburg 2001
(PO Box 61051, Marshalltown 2107)

Directors
JF Mouton (Chairman), R Stassen (CEO)*,
AP du Plessis (CFO)*, MS du P le Roux, D Lockey#,
Prof MC Mehl, Ms NS Mjoli-Mncube, CA Otto,
JG Solms, Dr J van Zyl Smit
*Executive
#Resigned effective 1 September 2006



CAPITEC BANK HOLDINGS LIMITED
Registration Number: 1999/025903/06 Registered bank controlling company
JSE Ordinary Share Code: CPI ISIN: ZAE000035861 JSE Preference Share Code: CPIP ISIN: ZAE000083838

UNAUDITED FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2006
AND DIVIDEND DECLARATION



↑ 78% Headline earnings per share
↑ 79% Attributable earnings
26% Return on equity
R747 m Total equity
20c Interim dividend

| | | August 2006 | August 2005 | Change % | February 2006 |
|---|--------|-------------|-------------|----------|---------------|
| OPERATIONS | | | | | |
| Number of branches | | 267 | 250 | 7 | 253 |
| Number of employees | | 2 000 | 1 771 | 13 | 1 901 |
| Number of active clients | '000 | 852 | 565 | 51 | 706 |
| Number of ATMs | | 244 | 208 | 17 | 210 |
| SALES | | | | | |
| Loans | | | | | |
| Value of loans advanced | Rm | 1 586 | 1 319 | 20 | 2 863 |
| Number of loans advanced | '000 | 1 486 | 1 245 | 19 | 2 650 |
| Average loan amount | R | 1 067 | 1 060 | 1 | 1 080 |
| Net impairment % of repayments | % | 4,07 | 1,56 | 161 | 2,85 |
| Deposits | | | | | |
| Number of savings accounts | '000 | 468 | 244 | 92 | 375 |
| Value of savings deposits | Rm | 446 | 175 | 155 | 314 |
| PROFITABILITY | | | | | |
| Attributable earnings | Rm | 74 | 41 | 79 | 115 |
| Headline earnings | Rm | 74 | 41 | 82 | 116 |
| Cost to income ratio - banking activities | % | 60 | 73 | (18) | 66 |
| Return on equity (annualised) | % | 26 | 17 | 53 | 23 |
| ASSETS | | | | | |
| Total assets | Rm | 1 683 | 937 | 80 | 1 251 |
| Capital expenditure | Rm | 35 | 33 | 6 | 72 |
| EQUITY | | | | | |
| Capital adequacy ratio | % | 77 | 61 | 26 | 56 |
| Net asset value per share | Cents | 824 | 683 | 21 | 784 |
| Share price | Cents | 3 050 | 1 750 | 74 | 3 105 |
| Market capitalisation | Rm | 2 194 | 1 259 | 74 | 2 233 |
| Number of share options outstanding | '000 | 6 320 | 7 465 | (15) | 5 841 |
| Average share option strike price | Cents | 1 134 | 516 | 120 | 648 |
| Average share option time to maturity | Months | 30 | 27 | 11 | 28 |
| Deficit on share options settled | Rm | 19 | 8 | 138 | 31 |
| EARNINGS PER SHARE | | | | | |
| Basic attributable | Cents | 102,3 | 58,4 | 75 | 163,4 |
| Basic headline | Cents | 103,6 | 58,1 | 78 | 165,0 |
| Diluted attributable | Cents | 96,9 | 54,5 | 78 | 154,7 |
| Diluted headline | Cents | 98,2 | 54,3 | 81 | 156,2 |
| Number of shares | | | | | |
| Issued net of treasury shares | '000 | 71 928 | 70 231 | 2 | 71 928 |
| Weighted average | '000 | 71 928 | 70 501 | 2 | 70 555 |
| Diluted | '000 | 75 897 | 75 536 | - | 74 534 |
| Proposed dividend per share | Cents | 20 | - | - | 45 |

ACCESSIBLE BANKING

We have increased our network to 267 branches during the six months to August. Good retail space remains scarce and we have learnt the importance of locating our branches conveniently for our clients. This slightly delayed our roll-out plan, but we expect to have more than 290 branches by the end of February 2007.

We introduced 60 mobile banks recently, which enabled us to take banking to our clients' workplace. By combining a laptop, 3G communication, card reader, fingerprint scanner and web camera we can do all non-cash transactions such as opening accounts, issuing and replacing debit cards, dealing with account enquiries, printing bank statements and activating loans, at a place and time that suits our clients and their employers. This, combined with our inexpensive salary transfer facility, will drive client growth through employer sales.

CLIENT GROWTH

We currently have 852 000 active clients and are increasing our client base by approximately 25 000 clients per month.

NEW PRODUCTS

During October we shall introduce 18 and 24 month loan products. We believe in providing our clients with a one stop financial solution for saving, transacting and borrowing. This is important to ensure a successful long term relationship. In addition this will help utilise our capital more efficiently.

ARREARS AND PROVISIONING

Gross bad debts

| | August 2006 | August 2005 | February 2006 |
|-------------------------|-------------|-------------|---------------|
| One month loans | % 1,8 | 1,2 | 1,2 |
| Three month loans | % 3,1 | 3,1 | 2,6 |
| Six month loans | % 8,2 | - | 17,3 |
| Twelve month loans | % 14,5 | 16,8 | 24,0 |
| Weighted average | % 4,64 | 2,17 | 3,47 |
| Recoveries | % (0,58) | (0,61) | (0,62) |
| Net bad debts | % 4,07 | 1,56 | 2,85 |

During the 2006 financial year the short term products benefited from a combination of lower arrears rates and the release of the provisions from prior years. Although the recovery of the short term loans for the first half of 2007 deteriorated slightly, we are satisfied with the performance, which is still well within our risk appetite.

The term of our loan book continued to increase due to the introduction of 6 and 12 month loans during the latter half of the 2006 financial year. Our provisioning policy is conservative and although we have adequate expertise we do not have extensive historical statistics since rolling out these products. This contributed to the higher overall impairment expense.

PERPETUAL PREFERENCE SHARE ISSUE

We are pleased with the successful perpetual preference share issue at 75% of prime at the end of August, which raised R155 million (net of expenses). Our capital base of R747 million will be used for possible international expansion, expansion of infrastructure and branches locally, and to increase Capitec's capacity for book growth.

NATIONAL CREDIT ACT

We support the aims of the National Credit Act. It is important that credit is provided to the market in a simplified, unambiguous way. The regulations which the new Act provides for, however, do not necessarily support this and create a significant administrative burden. This has forced us to divert the attention of systems development staff to deal with these change requirements, at the cost of innovation on product and service delivery.

PRICING AND PROSPECTS

In line with our ongoing policy of driving prices down, we will adjust prices on our loan products during the second half of the financial year. A revised pricing format will be simultaneously applied, which is in accordance with the new Credit Act. Longer term products, which will be offered to clients based on scorecard and affordability tests, will further enable us to drive prices down.

Shareholders are advised that even though prospects for the remainder of the financial year are sound, a similar level of earnings growth will not necessarily be maintained for the full financial year.

INTERIM DIVIDEND

In view of the continued growth of the bank the directors approved an interim dividend of 20 cents per share payable on Monday, 4 December 2006. The following dates apply:

| | |
|--|--------------------------|
| Last date to trade <i>cum</i> dividend | Friday, 24 November 2006 |
| Trading <i>ex</i> dividend commences | Monday, 27 November 2006 |
| Record date | Friday, 1 December 2006 |
| Date of payment | Monday, 4 December 2006 |

Share certificates may not be dematerialised or rematerialised between Monday, 27 November 2006 and Friday, 1 December 2006, both days inclusive.

On behalf of the board

Jannie Mouton
Chairman

Riaan Stassen
Chief executive officer

Stellenbosch

27 September 2006

GROUP BALANCE SHEET

| | Unaudited August 2006 R'000 | Unaudited August 2005 R'000 | Audited February 2006 R'000 |
|--|-----------------------------|-----------------------------|-----------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 987 614 | 367 182 | 582 293 |
| Investments at fair value | 6 595 | 31 279 | 7 149 |
| Loans and advances | 465 003 | 322 076 | 443 504 |
| Inventory | 7 003 | 8 056 | 11 800 |
| Other receivables | 10 518 | 10 057 | 7 077 |
| Non-current assets | | | |
| Loans and advances | 10 463 | 10 549 | 11 157 |
| Property and equipment | 142 853 | 119 745 | 133 956 |
| Intangible assets - banking system | 40 181 | 59 646 | 47 688 |
| Deferred income tax assets | 13 116 | 8 041 | 6 648 |
| Total assets | 1 683 346 | 936 631 | 1 251 272 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Deposits at amortised cost | 483 252 | 207 486 | 337 067 |
| Deposits held at fair value | 2 239 | 2 221 | 2 149 |
| Trade and other payables | 78 901 | 45 588 | 63 696 |
| Current income tax liabilities | 55 412 | 48 | 22 493 |
| Provisions | 300 | 1 000 | 300 |
| Non-current liabilities | | | |
| Deposits at amortised cost | 256 772 | 140 052 | 200 827 |
| Deposits held at fair value | 52 224 | 55 184 | 54 953 |
| Trade and other payables | 7 088 | 5 030 | 5 971 |
| Total liabilities | 936 188 | 456 609 | 687 456 |
| EQUITY | | | |
| Ordinary share capital and premium | 347 865 | 323 160 | 347 865 |
| Reserves | 1 710 | 700 | 710 |
| Retained earnings | 242 977 | 156 162 | 215 241 |
| Ordinary shareholders' equity | 592 552 | 480 022 | 563 816 |
| Perpetual preference share capital and premium | 154 606 | - | - |
| Total equity | 747 158 | 480 022 | 563 816 |
| Total equity and liabilities | 1 683 346 | 936 631 | 1 251 272 |