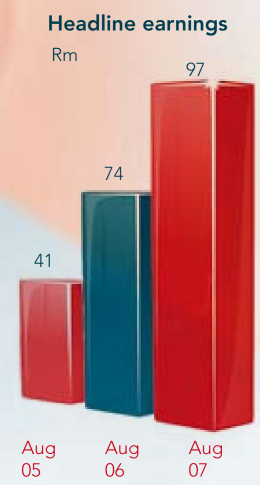
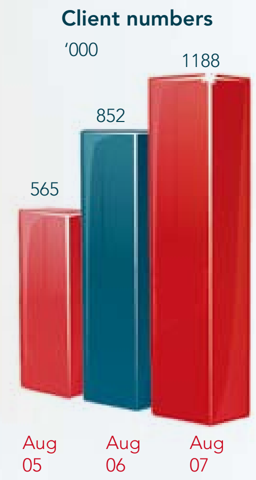
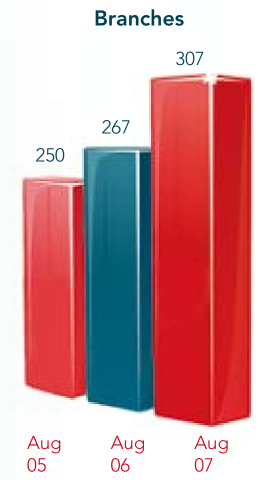
CAPITEC BANK HOLDINGS LIMITED
Registration Number: 1999/025903/06
Registered bank controlling company
JSE Ordinary Share Code: CPI ISIN: ZAE000035861
JSE preference Share Code: CPIP ISIN: ZAE000083838

CAPITEC Bank
The way to bank







15%	Headline earnings per share
31%	Headline earnings
21%	Return on equity
25 cents	Interim dividend
51%	Net asset value

Unaudited financial results
for the six months ended 31 August 2007

		August 2007	August 2006	Growth %	February 2007 12 Months
OPERATIONS					
Branches		**307**	267	15	280
Employees		**2 505**	2 000	25	2 129
Active clients	'000	**1 188**	852	39	1 010
Own ATMs		**295**	244	21	264
Partnership ATMs		**273**	-	-	143
Capital expenditure	Rm	**68**	35	94	86
SALES					
Loans					
Value of loans advanced	Rm	**2 146**	1 586	35	3 449
Number of loans advanced	'000	**1 570**	1 486	6	2 924
Average loan amount	R	**1 366**	1 067	28	1 180
Interest and fees on loans	Rm	**558**	484	15	1 001
Net loan impairment expense	Rm	**87**	82	6	161
Net impairment to repayments	%	**4.23**	4.07	4	4.12
Deposits					
Value of savings deposits	Rm	**701**	446	57	554
Number of savings clients	'000	**669**	468	43	583
Net transaction fee income	Rm	**36**	15	139	35
PROFITABILITY					
Earnings attributable to ordinary shareholders					
Basic	Rm	**97**	74	32	159
Headline	Rm	**97**	74	31	160
Operating expenses	Rm	**358**	299	20	614
Cost to income ratio – banking activities	%	**60**	60	0	60
Return on ordinary shareholders equity	%	**21**	26	(21)	26
EARNINGS PER SHARE					
Attributable	Cents	**119**	102	16	221
Headline	Cents	**119**	104	15	222
Diluted attributable	Cents	**114**	97	18	209
Diluted headline	Cents	**114**	98	16	211
Dividends per share					
Interim	Cents	**25**	20	25	20
Final	Cents				60
Dividend cover	x	**4.8**	5.2	(8)	2.8
ASSETS					
Total assets	Rm	**2 339**	1 683	39	2 191
Net loans and advances	Rm	**1 225**	476	158	803
Cash and cash equivalents	Rm	**571**	988	(42)	1 044
Investments	Rm	**267**	7		112
Other	Rm	**275**	213	29	232
LIABILITIES					
Total liabilities	Rm	**1 207**	936	29	1 074
Deposits	Rm	**1 055**	795	33	897
Other	Rm	**152**	142	7	177
EQUITY					
Shareholders' funds	Rm	**1 132**	747	51	1 117
Capital adequacy ratio – Group	%	**49**	77	(36)	84
– Bank	%	**47**	72	(35)	79
Net asset value per ordinary share	Cents	**1 193**	824	45	1 175
Share price	Cents	**3 700**	3 050	21	3 700
Market capitalisation	Rm	**3 031**	2 194	38	3 031
Number of share options outstanding	'000	**5 679**	6 320	(10)	6 191
Average share option strike price	Cents	**1 650**	1 134	46	1 151
Average share option time to maturity	Months	**27**	30	(11)	24
Charge on settlement of share options	Rm	**35**	19	84	22
Number of ordinary shares					
At year end	'000	**81 928**	71 928	14	81 928
Weighted average	'000	**81 928**	71 928	14	72 120
Diluted weighted average	'000	**85 119**	75 897	12	76 043

MARKET CONDITIONS AND NATIONAL CREDIT ACT

Our business model is succeeding and we are confident of our ability to grow our client numbers in future. The National Credit Act has provided us with greater regulatory certainty and there remains a large market in need of finance for home improvement, furniture and appliances. We have continuously reduced prices on shorter term loans over the past five years. The requirements of the new credit act have, however, resulted in the accelerated reduction of prices between October 2006 and June 2007, which led to lower growth in profit.

The implementation of revised systems and procedures, resulting from the requirements of the credit act, have gone well. We were forced, however, to change some of our charges from interest to fees, which led to an increase in VAT charged of R20 million for the six months to August 2007.

CLIENT GROWTH AND SALES

The growth in client numbers increased substantially over the past six months. We now average over 40 000 new savings and loan clients per month. The total number of active clients exceeds 1,18 million. Net transaction fee income increased by 239% over the same period last year. The value of loans advanced (sales) increased by 35% mainly as a result of the introduction of 18 and 24 month loans in October 2006. The loans and advances (loan book) in the balance sheet increased by 158%. This significant growth is due to the change in composition of the book to a longer tenure.

INVESTMENT IN GROWTH

The growth in the number of clients is the result of a significant increase in investment in marketing and infrastructure since February 2007. These investments have a negative short term profit effect, but will have a positive influence on client growth and income in the longer term. Branch numbers have increased from 280, in February 2007, to 307, with a target of 345 by year end. Above-the-line advertising of R14 million has been spent to date, with a total of R20 million planned for the financial year. Mobile banking units have grown to 71 and employee numbers have grown by 376 (297 front line employees) in the current year. We spent R8,6 million on training, up 37% on last year.

MARGINS AND PROFITABILITY

Capitec Bank's approach to pricing remains aggressive and we strive to retain our position as price leaders. We have largely held our prices on transacting facilities at the same level as last year and reduced our prices on loan products in October 2006 and May 2007 to levels below what was required by the credit act. This reduced our margins, in line with what we planned in our budget.

ARREARS AND PROVISIONING

	August 2007 %	August 2006 %	February 2007 %
Gross bad debt expense as percentage of instalments due			
One month loans	**1,0**	1,8	1,6
Three month loans	**3,4**	3,1	3,2
Six month loans	**4,4**	8,2	6,9
Twelve month loans	**6,8**	14,5	13,1
Eighteen month loans	**18,0**	-	24,3
Twenty four month loans	**19,7**	-	21,7
Weighted average	**4,95**	4,64	4,67
Recoveries	**(0,72)**	(0,57)	(0,55)
Net bad debts	**4,23**	4,07	4,12

Our provisioning models are becoming more accurate as we obtain more history on the longer term loan products. The six and twelve month products are now mature, which means that our lower loss estimates had a cumulative impact on the expense for this period. The loss rates on these products have stabilised around 7% and 11% of instalments due, respectively.

We do not have arrears history for the full term of the eighteen and twenty four month loan products and the provisions against these products therefore contain a larger element of uncertainty. The arrears performance on these products is however better than expected. We have noticed that the arrears performances improve when we reduce our prices on a product, which is very positive taking into account our recent price reductions. We have also seen an important contribution from our credit scoring model in improving arrears rates.

CAPITAL AND RETURN ON EQUITY

The issue of 10 million shares for R300 million to a BEE consortium in February reduced our return on equity for the period, as expected. The opportunity to issue shares to a BEE partner at market value was seen to be of strategic importance. The excess funds were partially invested in listed preference shares.

The movement in financial instruments at fair value in the income statement includes a gain of R11 million on MasterCard shares received in terms of the conversion of MasterCard from a member owned association. R2.9 million was received in cash as part of the redemption of class B shares and the remainder of the shares is reflected under investments at fair value.

MOODY'S NATIONAL CREDIT RATING

In May 2007, Moody's Investor Services raised the long-term national scale credit rating of Capitec Bank Limited, Capitec's banking subsidiary, by two notches from Baa1.za to A2.za. The short-term rating at Prime-2.za remained unchanged.

BASEL II

The Basel II requirements will change the way in which the capital adequacy of banks will be calculated. Basel II will be implemented in South Africa on 1 January 2008. For this purpose, our risk management processes are being refined and improved on a continuous basis.

The implementation plan is monitored continuously with regular involvement by the board of directors. We are in line for implementation by the end of 2007.

PROSPECTS

We are positive about our prospects for the future and continue to implement our investment and expansion plans for the 2007/8 financial year. Capitec Bank will continue to use innovation to deliver low cost solutions to the market.

INTERIM DIVIDEND

The directors approved an interim ordinary share dividend of 25 cents per share payable on Monday, 3 December 2007.

The following dates apply:

Last date to trade cum dividend	Friday, 23 November 2007
Trading ex dividend commences	Monday, 26 November 2007
Record date	Friday, 30 November 2007
Date of payment	Monday, 3 December 2007

Share certificates may not be dematerialised or rematerialised between Monday, 26 November and Friday, 30 November 2007, both days inclusive.

The preference share dividend of 482.26 cents per share for the six months to August was declared on 31 August and was paid on 25 September 2007.

GROUP BALANCE SHEET

	Unaudited August 2007 R'000	Unaudited August 2006 R'000	Growth %	Audited February 2007 R'000
ASSETS				
Current assets				
Cash and cash equivalents	**571 349**	987 614	(42)	1 043 746
Investments at fair value	**267 306**	6 595		111 933
Loans and advances	**1 041 723**	465 003	124	695 151
Inventory	**11 756**	7 003	68	10 928
Other receivables	**18 496**	10 518	76	9 685
Non-current assets				
Loans and advances	**183 599**	10 463		108 109
Property and equipment	**188 819**	142 853	32	155 640
Intangible assets – banking system	**40 149**	40 181	0	42 604
Deferred income tax assets	**15 593**	13 116	19	13 846
Total assets	**2 338 790**	1 683 346	39	2 191 642
LIABILITIES				
Current liabilities				
Deposits at amortised cost	**745 555**	483 252	54	586 795
Deposits held at fair value	**13 314**	2 239	495	2 149
Trade and other payables	**104 865**	78 901	33	85 815
Current income tax liabilities	**32 250**	55 412	(42)	79 133
Provisions	**3 850**	300		3 850
Non-current liabilities				
Trade and other payables	**11 118**	7 088	57	8 833
Deposits at amortised cost	**256 425**	256 772	0	255 377
Deposits held at fair value	**39 773**	52 224	(24)	52 233
Total liabilities	**1 207 150**	936 188	29	1 074 185
EQUITY				
Ordinary share capital and premium	**647 363**	347 865	86	647 363
Non distributable reserves	**2 439**	1 710	43	2 439
Retained earnings	**327 232**	242 977	35	313 049
Ordinary shareholders' funds	**977 034**	592 552	65	962 851
Non-redeemable, non-cumulative, non-participating preference shares	**154 606**	154 606	-	154 606
Total equity	**1 131 640**	747 158	51	1 117 457
Total equity and liabilities	**2 338 790**	1 683 346	39	2 191 642

GROUP INCOME STATEMENT

	Unaudited Six Months ended August 2007 R'000	Unaudited Six Months ended August 2006 R'000	Growth %	Audited Year ended February 2007 R'000
Interest on loans advanced	**345 786**	484 068	(29)	924 370
Interest on cash and cash equivalents	**19 882**	17 032	17	43 158
Interest expense	**(42 137)**	(32 219)	31	(69 836)
Net interest income	**323 531**	468 881	(31)	897 692
Net fee income	**247 933**	14 991		111 557
Loan fee income	**212 074**	-	-	76 943
Transaction fee income	**72 481**	39 831	82	93 671
Transaction fee expense	**(36 622)**	(24 840)	47	(59 057)
Dividend income	**10 969**	187		1 469
Net impairment charge on loans and advances	**(87 084)**	(81 946)	6	(161 271)
Net movement in financial instruments held at fair value	**7 569**	2 220	241	(857)
Other income	**-**	11		75
Non-banking gross profit	**4 997**	4 016	24	8 025
Non-banking sales	**68 686**	65 751	4	134 888
Non-banking cost of sales	**(63 689)**	(61 735)	3	(126 863)
Income from operations	**507 915**	408 360	24	856 690
Banking operating expenses	**(354 471)**	(296 191)	20	(606 705)
Non-banking operating expenses	**(3 863)**	(3 228)	20	(6 808)
Operating profit before tax	**149 581**	108 941	37	243 177
Income tax expense	**(44 280)**	(35 372)	25	(76 253)
Net profit attributable to equity holders	**105 301**	73 569	43	166 924

RECONCILIATION OF ATTRIBUTABLE EARNINGS TO HEADLINE EARNINGS

	Unaudited Six Months ended August 2007 R'000	Unaudited Six Months ended August 2006 R'000	Growth %	Audited Year ended February 2007 R'000
Net profit attributable to equity holders	**105 301**	73 569	43	166 924
Less preference dividend	**(8 122)**	-		(7 617)
Net profit attributable to ordinary shareholders	**97 179**	73 569	32	159 307
Items excluded from headline earnings after tax:				
– Loss on disposal of fixed assets	**101**	927	(89)	1 085
Headline earnings attributable to ordinary shareholders	**97 280**	74 496	31	160 392

GROUP CASH FLOW STATEMENT

	Unaudited Six months ended August 2007 R'000	Unaudited Six months ended August 2006 R'000	Audited Year ended February 2007 R'000
Cash flow from operating activities	**(203 248)**	302 778	223 768
Cash flow from operations	**184 522**	149 197	333 780
Increase in loans and advances	**(432 534)**	(26 038)	(366 867)
Increase in other liabilities, provisions and deposits	**173 075**	215 813	325 128
Tax paid	**(79 154)**	(3 826)	(21 520)
Dividend paid	**(49 157)**	(32 368)	(46 753)
Cash flow from investing activities	**(219 053)**	(34 503)	(194 170)
Net investment in equipment and software	**(68 004)**	(34 750)	(85 809)
(Increase) decrease in other investing activities	**(151 049)**	247	(108 361)
Cash flow from financing activities	**(50 096)**	137 046	431 855
Shares issued	**-**	154 606	454 104
Shares acquired and options settled	**(50 096)**	(17 560)	(22 249)
(Decrease) increase in cash and cash equivalents	**(472 397)**	405 321	461 453
Cash and cash equivalents at beginning of period	**1 043 746**	582 293	582 293
Cash and cash equivalents at end of period	**571 349**	987 614	1 043 746

GROUP STATEMENT OF CHANGES IN EQUITY

	Unaudited Six months ended August 2007 R'000	Unaudited Six months ended August 2006 R'000	Audited Year ended February 2007 R'000
Equity at beginning of period	**1 117 457**	563 816	563 816
Net profit attributable to equity holders	**105 301**	73 569	166 924
Ordinary shares issued net of expenses	**-**	-	299 434
Perpetual preference shares issued net of expenses	**-**	154 606	154 606
Loss on settlement of share options net of share based employee costs	**(47 595)**	(17 560)	(18 244)
Tax on settlement of share options	**13 756**	5 095	5 291
Dividend declared	**(57 279)**	(32 368)	(54 370)
Equity at end of period	**1 131 640**	747 158	1 117 457

SEGMENTAL RESULTS

	Banking R'000	Wholesale Distribution R'000	Total R'000
Unaudited			
Six months ended August 2007			
Revenues	**661 192**	**68 686**	**729 878**
Headline earnings	**96 515**	**765**	**97 280**
Assets	**2 318 788**	**20 002**	**2 338 790**
Unaudited			
Six months ended August 2006			
Revenues	541 129	65 751	606 880
Headline earnings	74 291	205	74 496
Assets	1 670 995	12 351	1 683 346
Audited			
Year ended February 2007			
Revenues	1 139 686	134 888	1 274 574
Headline earnings	160 133	259	160 392
Assets	2 174 708	16 934	2 191 642

COMMITMENTS

	Unaudited August 2007 R'000	Unaudited August 2006 R'000	Audited February 2007 R'000
Guarantees			
– Non-banking institutions	**7 500**	8 139	7 500
Unutilised loan facilities to clients	**196 159**	80 136	135 701
Capital commitments approved by the board			
– Contracted for	**11 878**	4 493	23 855
– Not contracted for	**95 684**	80 253	141 481
Operating lease commitments			
< 1 year	**55 364**	46 851	60 331
1 to 5 years	**144 219**	116 182	145 371
> 5 years	**5 671**	1 681	4 340

INTERIM FINANCIAL REPORTS

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.

On behalf of the board

Michiel le Roux
Chairman
Stellenbosch

Riaan Stassen
Chief executive officer
27 September 2007

Capitec Bank Limited is an authorised financial services and credit provider.

NCR registration number NCRCP 13

Company secretary and registered office
Christian George van Schalkwyk
BComm LLB, CA(SA)
10 Quantum Road
Techno Park
Stellenbosch 7600
(PO Box 12451, Die Boord, Stellenbosch 7613)

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
MS du P le Roux (Chairman), R Stassen (CEO)*, AP du Plessis (CFO)*, TD Mahloele , Prof MC Mehl, Ms NS Mjoli-Mncube, JF Mouton, CA Otto, JG Solms, JP van der Merwe
*Executive

Sponsor
PSG Capital (Pty) Limited
(Registration number: 2006/015817/07)

www.capitecbank.co.za