CAPITEC BANK HOLDINGS LIMITED
Registration number: 1999/025903/06
Registered bank controlling company
Incorporated in the Republic of South Africa
JSE ordinary share code: CPI **ISIN code:** ZAE000035861
JSE preference share code: CPIP **ISIN code:** ZAE000083838
("Capitec" or "the Company" or "the Group")

CAPITEC BANK HOLDINGS LIMITED

Audited summary consolidated financial statements
for the year ended 28 February 2014

Headline earnings per share up 15% to 1 752 cents
Headline earnings up 27% to R2.0 billion
Final dividend per share: 460 cents
Return on equity: 23%
Active clients: 5.4 million
New jobs created: 762

Key performance indicators		2014	2013	Change % 2014/2013	2012
Profitability					
Interest income	R'm	**9 434**	7 085	33	4 347
Net loan fee income	R'm	**841**	1 153	(27)	1 471
Net transaction fee income	R'm	**1 927**	1 349	43	836
Interest paid	R'm	**(2 133)**	(1 663)	28	(1 022)
Other banking income	R'm	**(19)**	–		14
Income from banking operations	R'm	**10 050**	7 924	27	5 646
Net loan impairment expense	R'm	**(3 976)**	(2 659)	50	(1 604)
Net banking income	R'm	**6 074**	5 265	15	4 042
Banking operating expenses	R'm	**(3 242)**	(2 994)	8	(2 486)
Non-banking operations	R'm	**–**	7		3
Tax	R'm	**(795)**	(673)	18	(464)
Preference dividend	R'm	**(20)**	(21)	(5)	(19)
Earnings attributable to ordinary shareholders					
Basic	R'm	**2 017**	1 584	27	1 075
Headline	R'm	**2 017**	1 584	27	1 078
Net transaction fee income to banking operating expense	%	**59**	45		34
Net transaction fee income to net banking income	%	**32**	26		21
Cost-to-income ratio – banking activities	%	**32**	38		44
Return on ordinary shareholders' equity	%	**23**	27		29
Earnings per share					
Attributable	cents	**1 752**	1 519	15	1 122
Headline	cents	**1 752**	1 519	15	1 125
Diluted attributable	cents	**1 740**	1 498	16	1 096
Diluted headline	cents	**1 740**	1 498	16	1 099
Dividends per share					
Interim	cents	**203**	169	20	125
Final	cents	**460**	405	14	300
Total	cents	**663**	574	16	425
Dividend cover	x	**2.6**	2.6		2.6

Key performance indicators (continued)

		2014	2013	Change % 2014/2013	2012
Assets					
Net loans and advances	R'm	**30 053**	27 935	8	16 863
Cash and cash equivalents and other liquid assets	R'm	**14 423**	9 166	57	5 750
Other	R'm	**1 715**	1 246	37	1 009
Total assets	R'm	**46 191**	38 347	20	23 622
Liabilities					
Deposits	R'm	**35 449**	29 000	22	17 692
Other	R'm	**760**	834	(9)	744
Total liabilities	R'm	**36 209**	29 834	21	18 436
Equity					
Shareholders' funds	R'm	**9 982**	8 513	17	5 185
Capital adequacy ratio	%	**39**	41		39
Net asset value per ordinary share	cents	**8 433**	7 212	17	4 962
Share price	cents	**18 375**	18 800	(2)	18 500
Market capitalisation	R'm	**21 186**	21 515	(2)	18 367
Number of shares in issue	'000	**115 298**	114 442	1	99 282
Share options					
Number outstanding	'000	**1 503**	2 177	(31)	3 087
Number outstanding to total shares in issue	%	**1.3**	1.9		3.1
Average strike price	cents	**9 465**	6 294	50	4 358
Average time to maturity	months	**16**	15	7	16
Operations					
Branches		**629**	560	12	507
Employees		**9 070**	8 308	9	7 194
Active clients	'000	**5 388**	4 677	15	3 706
ATMs					
Own		**744**	640	16	550
Partnership		**2 174**	1 914	14	1 526
Total		**2 918**	2 554	14	2 076
POS devices		**24 329**	19 955	22	16 398
Capital expenditure	R'm	**549**	473	16	381
Sales					
Loans					
Value of loans advanced	R'm	**18 214**	25 401	(28)	19 393
Number of loans advanced	'000	**3 034**	3 760	(19)	4 648
Average loan amount	R	**6 003**	6 756	(11)	4 172
Repayments	R'm	**21 862**	19 159	14	16 173
Gross loans and advances	R'm	**33 690**	30 658	10	18 408
Loans past due (arrears)	R'm	**2 174**	1 777	22	932
Arrears to gross loans and advances	%	**6.5**	5.8		5.1
Arrears and rescheduled arrears <6 months	R'm	**2 921**	2 402	22	
Arrears and rescheduled arrears <6 months to gross loans and advances	%	**8.7**	7.8		
Provision for doubtful debts	R'm	**3 637**	2 723	34	1 545
Provision for doubtful debts to gross loans and advances	%	**10.8**	8.9		8.4
Arrears coverage ratio	%	**167**	153		166
Loan revenue	R'm	**9 841**	7 983	23	5 660
Loan revenue to average gross loans and advances	%	**30.6**	32.5		38.6
Gross loan impairment expense	R'm	**4 410**	2 932	50	1 780
Recoveries	R'm	**434**	273	59	176
Net loan impairment expense	R'm	**3 976**	2 659	50	1 604
Net loan impairment expense to loan revenue	%	**40.4**	33.3		28.3
Net loan impairment expense to average gross loans and advances	%	**12.4**	10.8		10.9
Deposits					
Wholesale	R'm	**11 663**	11 679	–	7 162
Retail call savings	R'm	**14 617**	10 335	41	6 348
Retail fixed savings	R'm	**8 984**	6 844	31	4 015

Unaccustomed modesty

After ten years of growing our headline earnings at an exceptional average rate of 49% per year, the growth rate moderated to 27% this year. Earnings grew to R2 017 million. As a result of new share issues, the headline earnings per share growth is lower at 42% for the period 2003 to 2013, and 15% for the year to February 2014.

The results were buoyed by positive transaction banking and good control over costs. Net transaction fee income now covers 59% of operating costs, up from 45% in the previous year. The cost-to-income ratio was down from 38% last year to 32%.

The lending business was tough with new loan sales decreasing and net loan impairment expense increasing.

Tough year for our lending business

Our unsecured credit business is based on the future ability of salary-earners to repay loans. Credit cycles correlate to the up- and down-turns in the economy and are exacerbated by the fact that many South Africans only gained access to credit in 2007, with the implementation of the National Credit Act.

This year has seen deterioration in the quality of our loan book as reflected in the performance ratios. Our loan impairment expense (bad debts plus provisions less recoveries) increased from R2.7 billion last year to R4 billion this year. The net loan impairment expense to loan revenue increased from 33% in 2013 to 40% this year. The net loan impairment expense to average gross loans and advances increased from 10.8% in 2013 to 12.4% this year.

An increase in arrears and loan impairment expense was foreseen at the launch of our fixed term credit product in May 2012 and the pricing of the product took this into consideration. Loans written in 2012 are however performing worse than expected but on average are still within our original risk appetite. From the early evidence available we can see that the newer loans are performing in line with expectations and our lower risk appetite. This is a result of the actions taken to mitigate the deterioration in book quality.

We significantly tightened our credit criteria. Major rule changes were implemented in November 2012 and June 2013. As a result of these actions, the value of new loans advanced ('loan sales') has declined to R18 billion this year from R25 billion last year.

Tightening our rules means we approve fewer loans, decrease loan sizes and shorten the repayment terms. During the 2014 financial year we approved 44% of all clients for credit. Of these clients 66% decided to take up our offer and received a loan.

The number of loans sold decreased 19% to 3 034 154 and the average loan size is now smaller at R6 003 (2013: R6 756). The average term for loans sold was 37 months against 48 months previously.

All our loans are priced at a fixed interest rate so that a client's monthly repayment amount will remain the same over the life of the loan. During the year we increased our pricing formula by 2% per year for new loans, to provide for the current greater repayment uncertainty. Our average pricing remains below that of our competitors.

The lack of maturity in the credit market means that we as lenders cannot place excessive reliance on historical data although this is the basis of credit granting and provisioning. Many borrowers have never managed significant credit over an extended period and this adds to repayment uncertainty. For these reasons we have consistently supplemented our provisioning models with additional provisions based on management's insight into our clients' behaviour, even when such behaviour had not yet manifested itself statistically. These supplements now turn out to have been necessary and prudent.

Our provisioning model remains conservative. When we make a new loan, we provide 7% on average against the value of the loan. When a single loan payment is missed, we classify all the client's loan balances as in arrears and provide 46% against the total balance. At the end of the second and third months the provision is increased to 74% and 88% respectively. After the third payment has been missed, we consider the loan bad and write it off. Our provisions are larger than our loans in arrears at 167% of arrears ('arrears coverage ratio').

When a delinquent client undertakes to resume payment in accordance with a new repayment plan, such a client is reclassified from arrears to current. During the year we created an extra disclosure for such higher-risk clients for the first six months after rehabilitation. Although we have always maintained higher provisions for these higher-risk clients, we increased the extra provisions during this year. At year-end this additional provision amounted to R103 million.

We do not sell retail credit insurance to our clients. We purchase insurance that protects us from credit losses arising in the unfortunate event that a client dies, or where a client is retrenched. We will therefore not be affected by a proposal from the National Credit Regulator to cap insurance premiums.

Our fundamental philosophy is to attract those clients who have choices because they can afford credit and wish to repay it. Access to credit is more than a privilege; its importance is comparable to electricity or garbage removal without which modern life is inconceivable. It is Capitec Bank's mission to provide all responsible South Africans with easy access to affordable credit.

Net transaction fee income up by 43%

Our transactional banking continues its rapid growth. We have 711 000 more active clients than a year ago. Our net transaction fee income grew by 43% and is now approaching R2 billion. We have more clients using more of our services. In the latest independent AMPS survey 12.7% of banking clients indicated that they consider us their primary bank. It is our ambition to continue increasing this market share.

Our client philosophy is to strive for simplicity and transparency, giving clients greater control over their banking. Our fees are transparent and easy to understand. We don't have different packages which confuse clients or which give some clients a better deal than others.

Enhancing service delivery

We developed and implemented a new front-end banking system during the year. This was a massive and expensive effort, entailing the training of 6 823 employees. As part of this development we introduced 'side-by-side' consulting, a Capitec Bank first, where the client and consultant both face the computer screen. The client is treated as a participant in the process.

Uniquely in banking, all our products are delivered in real-time. New clients who apply and qualify for a loan, receive the funds before they leave the Capitec Bank branch.

Our commitment to client service is not just talk. In the just released 2013 South African customer satisfaction index we obtained the highest overall customer satisfaction rating of all South African banks with a score of 81.5%. In another recent survey by Intellidex, published by the *Business Times*, Capitec was awarded overall bank of the year. This includes best online/mobile banking, best notice/fixed deposits, best savings and transaction accounts.

We opened a record 69 branches this year and now have 629 branches. Our ATM network, including partnership ATMs, increased 14% to 2 918. During the year the bank handled 60 million ATM transactions, processing an average of two transactions per second.

We created 762 new jobs during the year. Total permanent employees at year-end was 9 070 (2013: 8 308). We appointed 1 895 school leavers and 437 people with post matric qualifications during the year. We promoted 925 employees within the organisation.

Growth of deposits

Our clients receive a minimum of 4.40% interest on small balances in their transaction accounts from where it steps up for value and term invested. Retail deposit funding was R23.6 billion at 28 February 2014, an increase of R6.4 billion on the prior year. No volatility in balances was experienced during the year.

With the strong growth of retail deposits and a moderate demand for funding, we decided not to retain all wholesale deposits as they matured but only competitively priced money. We maintain a healthy reserve of longer dated wholesale deposits to match our assets and liabilities.

Liquid assets increased 57% year on year due to the strong retail deposit growth and slower loan growth, together with the proceeds from the 2012 rights issue.

Capitec maintained a healthy liquidity position, in line with our conservative policy, throughout the year. We exceed the Basel 3 liquidity standards. At the end of the year our net stable funding ratio was 132% (2013: 116%) and our liquidity coverage ratio was 1 689% (2013: 1 534%). Both measures require a 100% minimum.

Capital

Capitec remains well capitalised, with a capital adequacy ratio of 39.0%. Retained earnings are funding the capital needs for current levels of loan growth. There is a small decline in the percentage since last year, due to applying Basel 3 phase-out rules, mainly to subordinated debt. The return on equity remained at the 23% reported at August 2013. It is lower than the 27% reported for 2013, due to the rights issue dilution and weaker credit performance. The total annual dividend increased by 16% from 574 cents per share to 663 cents per share.

Regulation

The Reserve Bank co-ordinated a banking industry review of ATM and card charges. Changes to ATM charges will be implemented on 1 April 2014 and do not have a material impact on Capitec. Changes to the card fees, including debit card fees, will be made public shortly. The changes will reduce future interchange fees, but continued volume growth will offset this.

The regulation on the removal of adverse credit information and information relating to paid-up judgements was published towards the end of February 2014. Credit bureaux have until 1 April 2014 to remove details relating to adverse credit information and paid-up judgements. (This action was widely misunderstood as being the removal of all of a consumer's negative credit information, which is not the case). Even though Capitec has made preparations, there are some outstanding issues which were raised throughout the credit industry. We are co-operating with all stakeholders to resolve them.

We support the National Credit Regulator's efforts to develop industry affordability guidelines. The guidelines should be clear, well defined and simple to implement and police. Hand-in-hand with implementation there should be increased activity to curtail the activities of unregistered or reckless credit providers.

Contingent liability

In last year's integrated report the board reported that a notice had been received from the National Credit Regulator alleging contraventions of the National Credit Act. The board reported that it had taken legal advice and believed the matter would be resolved satisfactorily through due process. The matter was heard by the National Consumer Tribunal on 13 March 2014 and judgement was reserved. As reported previously, due to uncertainties that currently exist, we are unable to estimate the financial effect of any possible outcome.

A new chief executive officer

Riaan Stassen, the major driver of Capitec Bank's success, retired at the end of 2013 after he turned 60. He had led the company since its inception and remains a non-executive director.

Gerrie Fourie who succeeded Riaan as CEO on 1 January 2014, was the head of operations since inception. He leads a strong and experienced management team.

Prospects

Our bank is young and we are building a bank to last. Business cycles come and go. We are committed to providing simple, accessible and affordable banking, delivered with personal service. We have not seen a positive turn in the economy yet. In the year ahead the retail credit market will remain tough. We will continue to create value while limiting risk. We see opportunities in transaction banking. Our management team is enthusiastic and will deliver growth in this part of the business.

Dividends

The directors declared a gross final dividend of 460 cents per ordinary share on 24 March 2014 for the year ended 28 February 2014, bringing the total dividends for the year to 663 cents per share. There are 115 297 995 ordinary shares in issue.

The final dividend meets the definition of a dividend in terms of the Income Tax Act (Act 58 of 1962). The dividend amount net of South African dividend tax of 15% is 391 cents per share. The distribution is made from income reserves and no secondary tax on companies (STC) credits were applied against the dividend. Capitec's tax reference number is 9405/376/84/0.

Last day to trade cum dividend	Thursday, 10 April 2014
Trading ex- dividend commences	Friday, 11 April 2014
Record date	Thursday, 17 April 2014
Payment date	Tuesday, 22 April 2014

Share certificates may not be dematerialised or rematerialised between Friday, 11 April 2014, and Thursday, 17 April 2014, both days inclusive.

The chief financial officer's review is available at www.capitecbank.co.za.

On behalf of the board

Michiel le Roux
Chairman

Gerrie Fourie
Chief executive officer

Stellenbosch
26 March 2014

Summary consolidated balance sheet

	Audited February 2014 R'000	Audited February 2013 R'000
Assets		
Cash, cash equivalents and money market funds	**9 665 611**	7 143 092
Investments designated at fair value	**4 757 036**	2 022 906
Loans and advances to clients	**30 052 850**	27 934 854
Other receivables	**219 596**	127 297
Derivative assets	**202 816**	13 521
Current income tax assets	**22 529**	–
Interest in associate	**1 850**	167
Property and equipment	**855 251**	697 512
Intangible assets	**201 319**	136 380
Deferred income tax assets	**212 108**	270 995
Total assets	**46 190 966**	38 346 724
Liabilities		
Deposits and bonds at amortised cost	**35 448 678**	29 000 191
Other liabilities	**748 726**	759 083
Current income tax liabilities	**–**	46 007
Provisions	**11 451**	28 449
Total liabilities	**36 208 855**	29 833 730
Equity		
Ordinary share capital and premium	**5 512 570**	5 330 710
Cash flow hedge reserve	**80 865**	(15 925)
Retained earnings	**4 129 707**	2 939 240
Share capital and reserves attributable to ordinary shareholders	**9 723 142**	8 254 025
Non-redeemable, non-cumulative, non-participating preference share capital and premium	**258 969**	258 969
Total equity	**9 982 111**	8 512 994
Total equity and liabilities	**46 190 966**	38 346 724

Summary consolidated income statement

	Audited Year ended February **2014** R'000	Audited Year ended February **2013** R'000
Interest income	**9 432 796**	7 084 752
Interest expense	**(2 132 718)**	(1 662 513)
Net interest income	**7 300 078**	5 422 239
Loan fee income	**1 306 619**	1 496 009
Loan fee expense	**(465 916)**	(343 209)
Transaction fee income	**2 786 393**	2 100 594
Transaction fee expense	**(859 523)**	(751 768)
Net fee income	**2 767 573**	2 501 626
Dividend income	**7**	9
Net impairment charge on loans and advances to clients	**(3 976 170)**	(2 658 923)
Net movement in financial instruments held at fair value through profit or loss	**(19 083)**	(298)
Other income	**279**	204
Sales	**–**	248 358
Cost of sales	**–**	(219 480)
Non-banking income	**–**	28 878
Income from operations	**6 072 684**	5 293 735
Banking operating expenses	**(3 241 570)**	(2 994 008)
Non-banking operating expenses	**–**	(22 451)
Operating profit before tax	**2 831 114**	2 277 276
Share of profit of associate	**1 683**	167
Income tax expense	**(795 243)**	(672 862)
Profit for the year	**2 037 554**	1 604 581
Earnings per share (cents)		
Basic	**1 752**	1 519
Diluted	**1 740**	1 498

Summary consolidated statement of comprehensive income

Profit for the year	**2 037 554**	1 604 581
Cash flow hedge recognised during the year	**187 644**	(33 430)
Cash flow hedge reclassified to profit and loss for the year	**(53 219)**	14 080
Cash flow hedge before tax	**134 425**	(19 350)
Income tax relating to cash flow hedge	**(37 635)**	5 345
Other comprehensive income for the year net of tax	**96 790**	(14 005)
Total comprehensive income for the year	**2 134 344**	1 590 576

Reconciliation of attributable earnings to headline earnings

	Audited Year ended February 2014 R'000	Audited Year ended February 2013 R'000
Net profit attributable to equity holders	2 037 554	1 604 581
Less preference dividend	(20 420)	(20 783)
Net profit after tax attributable to ordinary shareholders	2 017 134	1 583 798
Non-headline items:		
Loss/(profit) on disposal of property and equipment	80	(358)
Income tax charge – property and equipment	(23)	100
Loss on scrapping of intangible assets	–	19
Income tax charge – intangible assets	–	(5)
Loss on sale of subsidiary	–	58
Income tax charge – sale of subsidiary	–	(16)
Headline earnings	2 017 191	1 583 596

Summary consolidated statement of cash flows

Cash flow from operations	7 339 048	2 752 408
Income taxes paid	(829 951)	(578 246)
Cash flow from operating activities	6 509 097	2 174 162
Purchase of property and equipment	(407 457)	(354 706)
Proceeds from disposal of property and equipment	844	4 565
Purchase of intangible assets	(141 103)	(118 207)
Acquisition of investments at fair value through profit or loss and money market unit trusts	(5 427 767)	(2 726 262)
Disposal of investments at fair value through profit or loss and money market unit trusts	3 374 769	1 199 399
Cash flow from investing activities	(2 600 714)	(1 995 211)
Dividends paid	(718 327)	(487 257)
Ordinary shares issued	181 860	2 404 275
Realised loss on settlement of employee share options less participants' contributions	(149 183)	(206 572)
Cash flow from financing activities	(685 650)	1 710 446
Net increase in cash and cash equivalents	3 222 733	1 889 397
Cash and cash equivalents at the beginning of the year	6 440 600	4 551 203
Cash and cash equivalents at the end of the year	9 663 333	6 440 600

Summary consolidated statement of changes in equity

Equity at the beginning of the year	8 512 994	5 185 350
Total comprehensive income for the year	2 134 344	1 590 576
Ordinary dividend	(698 458)	(467 460)
Preference dividend	(20 420)	(20 783)
Employee share option scheme: Value of employee services	8 398	9 037
Shares issued and acquired for employee share options at cost	(181 970)	(244 422)
Proceeds on settlement of employee share options	32 787	37 850
Tax effect on share options	12 576	18 571
Shares issued	181 970	2 491 915
Share issue expenses	(110)	(87 640)
Equity at the end of the year	9 982 111	8 512 994

COMMITMENTS

	Audited February 2014 R'000	Audited February 2013 R'000
Capital commitments approved by the board		
Contracted for		
Property and equipment	**26 622**	42 645
Intangible assets	**8 456**	13 119
Not contracted for		
Property and equipment	**397 505**	524 971
Intangible assets	**138 914**	169 438
Property and other operating lease commitments		
Future aggregate minimum lease payments		
Within one year	**257 035**	208 888
From one to five years	**740 229**	595 037
After five years	**215 552**	170 639
Total future cash flows	**1 212 816**	974 564
Straight-lining accrued	**(57 201)**	(46 432)
Future expenses	**1 155 615**	928 132

Contingent liability

Details relating to the contingent liability are set out in the commentary to the annual results.

Segment analysis

Retail banking comprises the group's only operating segment as of 2013. The comparative period included the wholesale distribution activities of the subsidiary of which a 47% interest was disposed on 31 January 2013. Transactions between segments were on normal commercial terms and conditions. The remaining 28% interest is accounted for as an associate in the consolidated group annual financial statements.

Retail banking services offered include savings, transacting and consumer loans to individuals.

There are no clients that account for more than 10% of revenue.

The segment information provided to the executive management committee in 2013 for the reportable segments was as follows in the previous year:

	Banking R'000	Wholesale distribution R'000	Intra-segment R'000	Total R'000
Year ended February 2013				
Segment revenue	**10 681 750**	**248 358**	**(182)**	**10 929 926**
Segment earnings after tax	**1 601 253**	**3 328**	**–**	**1 604 581**
The following items are included in segment earnings after tax:				
Interest income	**7 084 923**	**11**	**(182)**	**7 084 752**
Interest expense	**(1 661 743)**	**(952)**	**182**	**(1 662 513)**
Net fee income	**2 501 626**	**–**	**–**	**2 501 626**
Net impairment charge on loans and advances to clients	**(2 658 445)**	**(478)**	**–**	**(2 658 923)**
Depreciation	**(195 634)**	**(474)**	**–**	**(196 108)**
Amortisation	**(51 070)**	**–**	**–**	**(51 070)**
Other operating expenses	**(2 747 304)**	**(21 977)**	**–**	**(2 769 281)**

Notes

The summary consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 'Interim Financial Reporting'. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements except for IFRS 13 'Fair value measurement'. The measurement and disclosure requirements of IFRS 13 were applied prospectively from 1 March 2013 as required by the standard. The fair value of deposits and bonds and of loans and advances is R35.6 billion and R32.7 billion respectively as at 28 February 2014. Investments designated at fair value are valued using the market approach on a level 2 basis. The fair value of all other financial instruments equates their carrying amount. All other standards, interpretations and amendments to published standards applied for the first time during the current financial period did not have any significant impact on the financial statements.

The preparation of the summary audited consolidated financial statements was supervised by the chief financial officer, André du Plessis CA(SA).

Independent auditor's opinion

These summary consolidated financial statements for the year ended 28 February 2014 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's reports.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Annual general meeting

Notice is hereby given that the annual general meeting of the shareholders of Capitec Bank Holdings Limited will be held on Friday, 30 May 2014. The detailed notice will be announced on SENS and be made available from 29 April 2014 at: www.capitecbank.co.za/investor-relations/shareholder-centre.

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

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

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

Directors
MS du P le Roux (Chairman), GM Fourie (CEO)*, AP du Plessis (CFO)*, Ms RJ Huntley, JD McKenzie, Ms NS Mjoli-Mncube, PJ Mouton, CA Otto, G Pretorius, R Stassen, JP van der Merwe

**Executive*

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