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')

Summarised audited financial results
for the year ended 29 February 2016

Headline earnings per share up **26%** to **2 787 cents**
Headline earnings up **26%** to **R3.2 billion**
Total dividend per share up **26%** to **1 055 cents**
Return on equity: **27%**
Active clients: **7.3 million**

Key performance indicators		2016	2015	Change % 2016/2015	2014
Profitability					
Interest income	R'm	**12 475**	10 783	16	9 434
Net loan fee income	R'm	**855**	619	38	841
Net transaction fee income	R'm	**3 020**	2 608	16	1 927
Interest paid	R'm	**(2 884)**	(2 426)	19	(2 133)
Other income	R'm	**(1)**	22		(19)
Income from operations	R'm	**13 465**	11 606	16	10 050
Net loan impairment expense	R'm	**(4 401)**	(4 014)	10	(3 976)
Net income	R'm	**9 064**	7 592	19	6 074
Operating expenses	R'm	**(4 591)**	(4 031)	14	(3 242)
Non-banking operations	R'm	**–**	(1)		2
Income before tax	R'm	**4 473**	3 560	26	2 834
Tax	R'm	**(1 244)**	(995)	25	(797)
Preference dividend	R'm	**(16)**	(18)	(11)	(20)
Earnings attributable to ordinary shareholders					
Basic	R'm	**3 213**	2 547	26	2 017
Headline	R'm	**3 222**	2 547	26	2 017
Net transaction fee income to net income	%	**33**	34		32
Net transaction fee income to operating expenses	%	**66**	65		59
Cost-to-income ratio	%	**34**	35		32
Return on ordinary shareholders' equity	%	**27**	25		23
Earnings per share					
Attributable	cents	**2 779**	2 209	26	1 752
Headline	cents	**2 787**	2 209	26	1 752
Diluted attributable	cents	**2 773**	2 206	26	1 740
Diluted headline	cents	**2 781**	2 206	26	1 740
Dividends per share					
Interim	cents	**375**	246	52	203
Final	cents	**680**	590	15	460
Total	cents	**1 055**	836	26	663
Dividend cover	x	**2.6**	2.6		2.6

Key performance indicators (continued)

		2016	2015	Change % 2016/2015	2014
Assets					
Net loans and advances	R'm	**35 760**	32 484	10	30 053
Cash and short-term funds	R'm	**24 989**	19 755	26	14 423
Other	R'm	**2 196**	1 678	31	1 715
Total assets	R'm	**62 945**	53 917	17	46 191
Liabilities					
Deposits	R'm	**47 940**	41 181	16	35 449
Other	R'm	**1 346**	1 172	15	760
Total liabilities	R'm	**49 286**	42 353	16	36 209
Equity					
Shareholders' funds	R'm	**13 659**	11 564	18	9 982
Capital adequacy ratio	%	**35**	36		39
Net asset value per ordinary share	cents	**11 663**	9 822	19	8 433
Share price	cents	**47 400**	41 000	16	18 375
Market capitalisation	R'm	**54 807**	47 407	16	21 186
Number of shares in issue	'000	**115 627**	115 627		115 298
Share options					
Number outstanding	'000	**868**	710	22	1 503
Number outstanding to shares in issue	%	**0.8**	0.6		1.3
Average strike price	cents	**28 520**	19 403	47	9 465
Average time to maturity	months	**27**	28	(4)	16
Operations					
Branches		**720**	668	8	629
Employees		**11 440**	10 261	11	9 070
Active clients	'000	**7 269**	6 244	16	5 388
ATMs					
Own		**1 236**	941	31	744
Partnership		**2 469**	2 477		2 174
Total		**3 705**	3 418	8	2 918
Capital expenditure	R'm	**704**	414	70	549
Sales					
Loans					
Value of loans advanced	R'm	**24 228**	19 417	25	18 214
Number of loans advanced	'000	**3 684**	2 820	31	3 034
Average loan amount	R	**6 577**	6 887	(5)	6 003
Repayments	R'm	**28 689**	23 787	21	21 862
Gross loans and advances	R'm	**40 891**	36 341	13	33 690
Loans past due (arrears)	R'm	**2 297**	1 964	17	2 174
Arrears to gross loans and advances	%	**5.6**	5.4		6.5
Arrears and arrears rescheduled < 6 months	R'm	**3 839**	2 848	35	2 921
Arrears and arrears rescheduled < 6 months to gross loans and advances	%	**9.4**	7.8		8.7
Provision for doubtful debts	R'm	**5 131**	3 857	33	3 637
Provision for doubtful debts to gross loans and advances	%	**12.5**	10.6		10.8
Arrears coverage ratio	%	**223**	196		167
Arrears and arrears rescheduled < 6 months coverage ratio	%	**134**	135		125
Loan revenue	R'm	**12 145**	10 660	14	9 841
Loan revenue to average gross loans and advances	%	**31.5**	30.4		30.6
Gross loan impairment expense	R'm	**5 255**	4 616	14	4 410
Recoveries	R'm	**854**	602	42	434
Net loan impairment expense	R'm	**4 401**	4 014	10	3 976
Net loan impairment expense to loan revenue	%	**36.2**	37.7		40.4
Net loan impairment expense to average gross loans and advances	%	**11.4**	11.5		12.4
Deposits					
Wholesale deposits	R'm	**10 154**	11 152	(9)	11 848
Retail call savings	R'm	**24 152**	19 298	25	14 617
Retail fixed savings	R'm	**13 634**	10 731	27	8 984

Relentless focus on clients and service

This year has seen the largest growth in our client numbers since we started the bank. By year-end, active clients were up 1 025 000 to 7.3 million and primary bank clients (those clients who make regular deposits – mainly salaries) increased by 582 000 to 3.3 million.

Our brand is accepted by all income profiles and most people like our transparent, non-discriminatory approach to services and fees: all our clients hold gold cards. According to the comprehensive AMPS survey for the period to June 2015, 20.6% of South Africans regard Capitec Bank as their primary bank, up from 18.9% for the period to December 2014.

A recent study by Centre for Competition, Regulation and Economic Development, supported by the National Treasury, demonstrates that Capitec's entry into the banking industry contributed to a more competitive banking environment, resulting in significantly lower bank charges in South Africa. This is estimated to amount to annual client savings across the banking system of R19.9 billion in 2014. The savings were calculated from the impact both on those clients who switched to Capitec Bank and the effect on clients who stayed with their existing bank but benefitted from reduced charges as the banks responded to Capitec's lower charges.

Cellphones lead to easier banking

Cellphone banking has taken off and the Capitec app is a tool clients can use easily and securely to simplify banking. Over 1 million clients have activated the app and can do almost everything they need to with three or four taps on their phones.

Earnings up 26%

Earnings increased by 26% to R3.2 billion from R2.5 billion a year ago. Continued growth from loan and transaction fee income combined with conservative credit granting contributed to the strong year-on-year increase.

Net transaction fee income increased by 16%

Growing client numbers, particularly salaried clients, combined with increased activity per client resulted in a 16% year-on-year increase in net transaction fee income to R3.0 billion. The decrease in card processing fees earned since March 2015 has been absorbed in this figure.

Our net transaction fee income covered 66% (February 2015: 65%) of our operating expenses and contributed 33% (February 2015: 34%) of our net income.

We strive for simplicity and transparency, giving clients greater control over their banking. Our fees are transparent and easy to understand. There was no price increase for cellphone and internet banking in the year and our other price increases were below inflation.

The importance of our employees

Capitec Bank's success depends upon its ability to recruit and retain employees as our unique service experience depends on them. We had 11 440 permanent employees at year-end, an increase of 1 179 employees compared to a year ago. Each one of our new employees is trained at our training centre in Stellenbosch and we invested significantly in leadership training. We promoted 1 369 employees within the organisation during the year.

Operating costs increased by 14%

Operating costs increased by 14% from R4.0 billion in 2015 to R4.6 billion in 2016. The cost-to-income ratio decreased from 35% in 2015 to 34% in 2016. The two biggest reasons for the growth in expenses were the increases in the number of employees and branches. Employment costs grew by R302 million, in line with the 11% year-on-year growth in employees. The cost of premises grew by R68 million as we opened 52 new branches during the year. Security and IT costs also showed significant increases.

Capital expenditure for the year was R704 million (February 2015: R414 million). The 70% year-on-year increase was due to the growing ATM and branch network, as well as the purchase of land and property.

Gross loans and advances increased by 13%

We granted 864 935 more loans in 2016 than in the previous year. Gross loans and advances increased by R4.6 billion to R40.9 billion.

The average term of the outstanding book decreased from 43 months at February 2015 to 40 months at February 2016. Although the average term of loans advanced were shorter and the average loan amount decreased, the value of new loans grew by 25% from R19.4 billion to R24.2 billion in 2016.

We react swiftly to events and changing circumstances that impact on our clients. Continuous detailed measurement of the performance and trends in the various segments of the loan book and economy is performed. For example, management undertook visits to mines during the year to understand the impact of the commodities downturn on our clients.

During the last few months of the 2016 year, macro-economic conditions deteriorated and as a result we made changes to the credit granting model in December 2015.

Arrears as a percentage of gross loans and advances increased to 5.6%

Arrears increased from R2.0 billion in 2015 to R2.3 billion in 2016, an increase of 17%, while arrears to gross loans and advances increased from 5.4% to 5.6%. Arrears performance was on track for most of the year, but increased in the last quarter of 2016.

Rescheduled accounts

We give clients who experience cash flow stress the opportunity to reschedule their payments. This applies to clients who are in arrears and those who are up-to-date with their payments, based on predetermined criteria.

Loans rescheduled during the last six months of the year (which were in arrears at the time of rescheduling), grew by 75% to R1.5 billion (February 2015: R884 million). This is due to the expansion of our higher margin short term book, and is also an indication of the economic challenges faced by clients.

The increased cash flow stress to which clients are being subjected to, is also reflected in the increase in up-to-date rescheduling, which amounted to R1.8 billion (February 2015: R1.1 billion).

Conservative provisioning

We introduced two additional provisions during the latter half of the year. Firstly, for the probability of an up-to-date client rescheduling and secondly, for the effect of the macro-economic conditions on our clients. These provisions, as well as the provision model changes, contributed to a 33% increase in provision for doubtful debts to R5.1 billion at February 2016.

The total provisions compared to the gross loan book increased to 12.5% at the end of the 2016 financial year (February 2015: 10.6%). The level of provisions to arrears increased from 196% in 2015 to 223% in 2016.

We provide 8% on up-to-date loans, 47% on loans one instalment behind, 76% for two instalments and 89% for three instalments. We provide on average 49% on clients that rescheduled any of their loans whilst in arrears within the last six months although they are up-to-date in terms of the new agreement. For clients who rescheduled any of their loans whilst up-to-date we provide 16%. All these provisions are based on the probability of further default. All outstanding balances of clients who are 90 days in arrears on any loan are fully provided for or written off.

The gross loan impairment expense increased by 14% to R5.3 billion for the year ended February 2016 (February 2015: R4.6 billion). The table below analyses this increase:

		2016	2015	Change % 2016/2015	2014
Write-offs	R'm	**3 981**	4 395	(9)	3 496
Movement in bad debt provision	R'm	**1 274**	221	476	914
Gross loan impairment expense		**5 255**	4 616	14	4 410

Our net loan impairment expense to loan revenue improved from 37.7% in 2015 to 36.2% this year. The net loan impairment expense to average gross loans and advances decreased slightly from 11.5 % in 2015 to 11.4% this year.

The book is performing within our risk appetite. We expect continued pressure on employment and the economy. We are prudent when providing credit, we manage our book meticulously and we make conservative provisions.

Recoveries

Recoveries increased by 42% year-on-year from R602 million in 2015 to R854 million in 2016. The increase resulted from growth in the handed-over book, the implementation of a new strategy with our debt collectors and debt sales.

Robust capital

The return on equity for the year increased to 27% (February 2015: 25%). The total annual dividend increased by 26% from 836 cents per share to 1 055 cents per share, in line with the increase in earnings.

Capitec remains well capitalised and is generating sufficient profit to fund growth in the loan book. At February 2016, the capital adequacy ratio was 34.9%. We remain conservatively leveraged with total assets at 5 times equity.

Retail deposits grew by R7.8 billion

Capitec clients receive a minimum of 5.35% annual interest on balances in their transaction accounts. Retail fixed savings amounted to R13.6 billion at 29 February 2016 (an increase of R2.9 billion from a year ago) and retail call savings grew by R4.9 billion to R24.2 billion. Our retail deposits grew by more than our total advances.

We maintain a healthy reserve of longer dated wholesale deposits to match our assets. Wholesale funding remains an important part of our liquidity structure. On 2 November 2015, we received bids totalling R903 million and subsequently issued a bond of R500 million. Capitec is fully compliant with the Basel 3 liquidity ratios. Our conservative liquidity policies are unchanged.

Regulation

The Department of Trade and Industry ("DTI") published new regulations dealing with the assessment of affordability under the National Credit Act on 13 March 2015. The regulations, which guide credit providers away from providing high-risk credit and protect consumers applying for credit at registered providers, came into effect on 13 September 2015.

The DTI published final regulations for interest rate limits and fees for credit agreements which will become effective from 6 May 2016. They have also invited comment on the draft regulations regarding the capping of costs on credit life and retrenchment insurance. Capitec does not currently charge credit life or retrenchment insurance, but will start to do so from 6 May 2016. We performed a robust assessment of the impact of these regulations, including the charging for credit life and retrenchment insurance based on a client-by-client risk assessment, and determined that there will be a limited impact on Capitec.

We continue to support appropriate regulation enhancing the sustainability of the credit industry and to reduce the cost of credit for consumers if this is done in a manner that is sustainable and achieves a balance between affordability and access to credit. We will support the regulator on these matters.

Contingent liability

Since 2013, we have reported that the National Credit Regulator ("NCR") alleged that Capitec Bank Limited had contravened the National Credit Act. The National Credit Tribunal dismissed the NCR's application and the NCR lodged an appeal. The appeal was heard in the Gauteng High Court before a bench of three judges on 24 February 2016. On 23 March 2016 the court delivered its judgment and dismissed the NCR's appeal.

During February 2016 we became aware of another referral made by the NCR to the National Consumer Tribunal, which referral is being contested by Capitec Bank.

It is, and remains, impracticable to estimate the financial effect of any possible outcome of either of the referrals. Capitec is, and remains, of the view that the matters will be satisfactorily resolved through due process.

Changes in executive management

Christian van Schalkwyk, who was in charge of risk management and company secretary since we started in 2000, retired during November 2015. We would like to thank Christian for the work he did in helping grow the bank and ensuring it has a solid foundation. He is succeeded by Nkosana Mashiya as the risk management executive. Nkosana was previously deputy registrar of banks at the South African Reserve Bank, and brings a wealth of risk and regulatory knowledge. We welcome him on board. After serving as assistant company secretary for 15 years, Yolande Mouton replaced Christian as company secretary.

Prospects

The rapid growth in client numbers ensures that we will continue investing heavily in people, branches and ATMs.

We expect difficult economic conditions to persist. We see this as an opportunity to gain more clients as they look for value and better service from their bank.

Capitec Bank is well placed for the regulatory changes on credit agreements. We expect minimal impact on our earnings from these changes.

We will strive to improve both ease of access for clients and service standards. Quality of service is a never ending challenge in banking. With a strong brand, a simple and cost-effective product, a conservative approach to credit and a healthy capital adequacy position, the bank remains focussed on the financial needs of South Africans.

Dividend

The directors declared a final gross dividend of 680 cents per ordinary share on 29 March 2016, bringing the total dividends for the year to 1 055 cents per share. The interim dividend payment was increased to 36% of the total dividend from 29% last year. There are 115 626 991 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 578.00000 cents per share. The distribution is made from income reserves. Capitec's tax reference number is 9405376840.

Last day to trade cum dividend	Friday, 15 April 2016
Trading ex-dividend commences	Monday, 18 April 2016
Record date	Friday, 22 April 2016
Payment date	Monday, 25 April 2016

Share certificates may not be dematerialised or rematerialised from Monday, 18 April 2016 to Friday, 22 April 2016, 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
30 March 2016

Summarised consolidated statement of financial position

	Audited February **2016** R'm	Audited February 2015 R'm
Assets		
Cash, cash equivalents and money market funds	**14 165**	11 312
Investments designated at fair value	**–**	2 664
Held-to-maturity investments	**3 635**	–
Term deposit investments	**7 189**	5 778
Loans and advances to clients	**35 760**	32 484
Other receivables	**216**	204
Derivative assets	**225**	36
Current income tax asset	**53**	38
Property and equipment	**1 110**	850
Intangibles	**243**	239
Deferred income tax asset	**349**	312
Total assets	**62 945**	53 917
Liabilities		
Loans and deposits at amortised cost	**47 940**	41 181
Other liabilities	**1 238**	1 108
Provisions	**108**	64
Total liabilities	**49 286**	42 353
Equity		
Ordinary share capital and premium	**5 649**	5 649
Cash flow hedge reserve	**64**	7
Retained earnings	**7 772**	5 701
Share capital and reserves attributable to ordinary shareholders	**13 485**	11 357
Non-redeemable, non-cumulative, non-participating preference share capital and premium	**174**	207
Total equity	**13 659**	11 564
Total equity and liabilities	**62 945**	53 917

Summarised consolidated income statement

	Audited February 2016 R'm	Audited February 2015 R'm
Interest income	**12 475**	10 783
Interest expense	**(2 884)**	(2 426)
Net interest income	**9 591**	8 357
Loan fee income	**1 545**	1 246
Loan fee expense	**(690)**	(627)
Transaction fee income	**4 326**	3 673
Transaction fee expense	**(1 306)**	(1 065)
Net fee income	**3 875**	3 227
Net impairment charge on loans and advances to clients	**(4 401)**	(4 014)
Net movement in financial instruments held at fair value through profit or loss	**(1)**	21
Income from operations	**9 064**	7 591
Operating expenses	**(4 591)**	(4 031)
Loss on sale of associate	**–**	(1)
Operating profit before tax	**4 473**	3 559
Income tax expense	**(1 245)**	(995)
Profit for the period	**3 228**	2 564
Earnings per share (cents)		
Basic	**2 779**	2 209
Diluted	**2 773**	2 206

Summarised consolidated statement of comprehensive income

	Audited February 2016 R'm	Audited February 2015 R'm
Profit for the period	**3 228**	2 564
Cash flow hedge recognised during the year	**189**	(89)
Cash flow hedge reclassified to profit and loss for the year	**(111)**	(14)
Cash flow hedge before tax	**78**	(103)
Income tax relating to cash flow hedge	**(21)**	29
Other comprehensive income for the period net of tax	**57**	(74)
Total comprehensive income for the period	**3 285**	2 490

Reconciliation of attributable earnings to headline earnings

	Audited February 2016 R'm	Audited February 2015 R'm
Net profit attributable to equity holders	**3 228**	2 564
Preference dividend	**(16)**	(18)
Discount on repurchase of preference shares	**1**	1
Net profit after tax attributable to ordinary shareholders	**3 213**	2 547
Non-headline items:		
Profit on disposal of property and equipment	**(11)**	(3)
Income tax charge – property and equipment	**3**	1
Loss on scrapping of intangible assets	**23**	2
Income tax charge – intangible assets	**(6)**	(1)
Loss on sale of associate	**–**	1
Headline earnings	**3 222**	2 547

Summarised consolidated statement of cash flows

	Audited February 2016 R'm	Audited February 2015 R'm
Cash flow from operations	**8 446**	7 713
Income taxes paid	**(1 298)**	(1 037)
Cash flow from operating activities	**7 148**	6 676
Purchase of property and equipment	**(580)**	(288)
Proceeds from disposal of property and equipment	**23**	16
Purchase of intangible assets	**(124)**	(125)
Proceeds from sale of associate	**–**	1
Investment in term deposit investments	**(8 183)**	(7 270)
Redemption of term deposit investments	**6 773**	1 491
Acquisition of held-to-maturity investments	**(4 182)**	–
Redemption of held-to-maturity investments	**547**	–
Acquisition of investments at fair value through profit or loss and money market unit trusts	**(89)**	(2 669)
Disposal of investments at fair value through profit or loss and money market unit trusts	**2 747**	4 777
Cash flow from investing activities	**(3 068)**	(4 067)
Dividends paid	**(1 132)**	(832)
Preference shares redeemed	**(32)**	(51)
Ordinary shares issued	**–**	137
Realised loss on settlement of employee share options less participants' contributions	**(68)**	(222)
Cash flow from financing activities	**(1 232)**	(968)
Net increase in cash and cash equivalents	**2 848**	1 641
Cash and cash equivalents at the beginning of the period	**11 304**	9 663
Cash and cash equivalents at the end of the period	**14 152**	11 304

Summarised consolidated statement of changes in equity

	Audited February 2016 R'm	Audited February 2015 R'm
Equity at the beginning of the period	**11 564**	9 982
Total comprehensive income for the period	**3 285**	2 490
Ordinary dividend	**(1 116)**	(814)
Preference dividend	**(16)**	(18)
Employee share option scheme:		
Value of employee services	**23**	13
Shares issued and acquired for employee share options at cost	**(101)**	(278)
Proceeds on settlement of employee share options	**33**	56
Tax effect on share options	**19**	47
Shares issued	**–**	137
Non-redeemable, non-cumulative, non-participating preference shares repurchased	**(32)**	(51)
Equity at the end of the period	**13 659**	11 564

Commitments

	Audited February 2016 R'm	Audited February 2015 R'm
Capital commitments approved by the board		
Contracted for:		
Property and equipment	**347**	54
Intangible assets	**24**	9
Not contracted for:		
Property and equipment	**702**	497
Intangible assets	**467**	132
Property and other operating lease commitments		
Future aggregate minimum lease payments		
Within one year	**355**	309
From one to five years	**1 071**	836
After five years	**279**	214
Total future cash flows	**1 705**	1 359
Straight-lining accrued	**(89)**	(71)
Future expenses	**1 616**	1 288

Post balance sheet event

On 10 August 2014, African Bank Limited was placed into curatorship. Capitec Bank is a participant in a consortium that will underwrite the recapitalisation of African Bank. The other members of the consortium comprise the Public Investment Corporation and five other South African retail banks. The banks have a maximum exposure of R2.5 billion of the recapitalisation. The participation level of each of the banks is based on a formula agreed on between the banks. The recapitalisation occurred during March 2016.

Segment analysis

Capitec reports a single segment – retail banking, operating only within the South African economic environment. The business is widely distributed with no reliance on any major customers. The business sells a single retail banking product 'Global One' that enables clients to transact, save and borrow.

Fair values

In terms of IFRS 13 'Fair value measurement', the fair value of loans and advances was R38.2 billion (February 2015: R36.9 billion), deposits and bonds was R48.1 billion (February 2015: R41.4 billion) and derivative assets was R225.4 million (February 2015: R35.8 million asset; R22.1 million liability). The fair value of loans and advances was calculated on a level 3 basis and deposits and bonds and derivative assets were calculated on a level 2 basis. 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.

Notes

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

Independent auditor's opinion

These summarised consolidated financial statements for the year ended 29 February 2016 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 summarised consolidated financial statements were derived.

A copy of the auditor's report on the summarised 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 company's registered office. The directors take full responsibility for the preparation of the report and that the financial information has been correctly extracted from the underlying annual financial statements.

Annual General Meeting

Notice is hereby given that the annual general meeting of the shareholders of Capitec will be held on Friday, 27 May 2016. The detailed notice will be available from 26 April 2016 at www.capitecbank.co.za/investor-relations/shareholders-centre.

Company secretary and registered office
Yolande Mouton, M.SC
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 Verster (appointed 23 March 2015)

**Executive*

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