

**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')



# unaudited financial results

for the six months ended 31 August 2015

Headline earnings up **25%** to **R1.469 billion**  
 Headline earnings per share up **25%** to **1 271 cents**  
 Interim dividend per share up **52%** to **375 cents**  
 Return on equity: **26%**  
 Active clients: **6.7 million**  
 New jobs created: **1 543**

Key performance indicators		Six months ended August		Change % 2015/ 2014	Year ended February 2015
		2015	2014		
<b>Profitability</b>					
Interest income	R'm	6 042	5 202	16	10 783
Net loan fee income	R'm	399	304	31	619
Net transaction fee income	R'm	1 414	1 202	18	2 608
Interest paid	R'm	(1 372)	(1 179)	16	(2 426)
Other income	R'm	(3)	17	(118)	22
Income from operations	R'm	6 480	5 546	17	11 606
Net loan impairment expense	R'm	(2 113)	(1 996)	6	(4 014)
Net income	R'm	4 367	3 550	23	7 592
Operating expenses	R'm	(2 315)	(1 912)	21	(4 031)
Non-banking operations	R'm	–	–		(1)
Tax	R'm	(575)	(455)	26	(995)
Preference dividend	R'm	(9)	(9)		(18)
<b>Earnings attributable to ordinary shareholders</b>					
Basic	R'm	1 468	1 174	25	2 547
Headline	R'm	1 469	1 173	25	2 547
Net transaction fee income to net income	%	32	34		34
Net transaction fee income to operating expenses	%	61	63		65
Cost-to-income ratio	%	36	34		35
Return on ordinary shareholders' equity	%	26	25		25
<b>Earnings per share</b>					
Attributable	cents	1 270	1 018	25	2 209
Headline	cents	1 271	1 018	25	2 209
Diluted attributable	cents	1 265	1 015	25	2 206
Diluted headline	cents	1 266	1 015	25	2 206
<b>Dividends per share</b>					
Interim	cents	375	246	52	246
Final	cents				590
Total	cents				836
Dividend cover	x				2.6

Key performance indicators (continued)		Six months ended August		Change % 2015/ 2014	Year ended February 2015
		2015	2014		
<b>Assets</b>					
Net loans and advances	R'm	<b>33 649</b>	31 323	7	32 484
Cash and short-term funds	R'm	<b>22 839</b>	16 611	37	19 755
Other	R'm	<b>2 066</b>	1 640	26	1 677
Total assets	R'm	<b>58 554</b>	49 574	18	53 916
<b>Liabilities</b>					
Deposits	R'm	<b>45 042</b>	38 334	17	41 181
Other	R'm	<b>1 135</b>	808	40	1 172
Total liabilities	R'm	<b>46 177</b>	39 142	18	42 353
<b>Equity</b>					
Shareholders' funds	R'm	<b>12 377</b>	10 432	19	11 564
Capital adequacy ratio	%	<b>35</b>	38		36
Net asset value per ordinary share	cents	<b>10 539</b>	8 868	19	9 822
Share price	cents	<b>48 285</b>	21 205	128	41 000
Market capitalisation	R'm	<b>55 830</b>	24 449	128	47 407
Number of shares in issue	'000	<b>115 627</b>	115 298		115 627
<b>Share options</b>					
Number outstanding	'000	<b>1 036</b>	967	7	710
Number outstanding to shares in issue	%	<b>0.9</b>	0.8		0.6
Average strike price	cents	<b>25 188</b>	14 197	77	19 403
Average time to maturity	months	<b>27</b>	22	23	28
<b>Operations</b>					
Branches		<b>691</b>	647	7	668
Employees		<b>11 034</b>	9 491	16	10 261
Active clients	'000	<b>6 708</b>	5 806	16	6 244
<b>ATMs</b>					
Own		<b>1 071</b>	841	27	941
Partnership		<b>2 575</b>	2 367	9	2 477
Total		<b>3 646</b>	3 208	14	3 418
Capital expenditure	R'm	<b>307</b>	145	112	414
<b>Sales</b>					
<b>Loans</b>					
Value of loans advanced	R'm	<b>11 070</b>	9 346	18	19 417
Number of loans advanced	'000	<b>1 798</b>	1 324	36	2 820
Average loan amount	R	<b>6 157</b>	7 059	(13)	6 887
Repayments	R'm	<b>13 646</b>	11 329	20	23 787
Gross loans and advances	R'm	<b>37 898</b>	35 086	8	36 341
Loans past due (arrears)	R'm	<b>1 781</b>	1 935	(8)	1 964
Arrears to gross loans and advances	%	<b>4.7</b>	5.5		5.4
Arrears and arrears rescheduled <6 months	R'm	<b>2 948</b>	2 680	10	2 848
Arrears and arrears rescheduled <6 months to gross loans and advances	%	<b>7.8</b>	7.6		7.8
Provision for doubtful debts	R'm	<b>4 249</b>	3 763	13	3 857
Provision for doubtful debts to gross loans and advances	%	<b>11.2</b>	10.7		10.6
Arrears coverage ratio	%	<b>239</b>	194		196
Arrears and arrears rescheduled <6 months coverage ratio	%	<b>144</b>	140		135
Loan revenue	R'm	<b>5 906</b>	5 169	14	10 660
Loan revenue to average gross loans and advances	%	<b>15.9</b>	15.0		30.4
Gross loan impairment expense	R'm	<b>2 510</b>	2 255	11	4 616
Recoveries	R'm	<b>397</b>	259	53	602
Net loan impairment expense	R'm	<b>2 113</b>	1 996	6	4 014
Net loan impairment expense to loan revenue	%	<b>35.8</b>	38.6		37.7
Net loan impairment expense to average gross loans and advances	%	<b>5.7</b>	5.8		11.5
<b>Deposits</b>					
Wholesale deposits	R'm	<b>10 429</b>	11 089	(6)	10 913
Retail call savings	R'm	<b>21 851</b>	16 183	35	19 298
Retail fixed savings	R'm	<b>12 762</b>	10 388	23	10 731

## **Sustainable growth**

Capitec continues to grow. We have 902 000 more active clients than a year ago, of which 576 000 are additional primary banking clients. Over the last twelve months, we opened 44 branches and created 1 543 new jobs. Our retail deposits increased year-on-year by R8 billion. Our loan book has grown modestly and we are comfortable with the current arrears of 4.7%.

We remain focused on building relationships and supporting clients to manage their financial lives better. This has helped us attract young people in both high and low-income categories.

## **Earnings up 25%**

Earnings increased by 25% to R1.5 billion from R1.2 billion a year ago. Growth came from higher loan and transaction fee income and improved loan book performance as a result of better granting criteria and lower arrears.

## **Winning market share**

Capitec's banking philosophy continued to attract clients. Active client numbers grew during the past six months to 6.7 million at the end of August 2015. We define an active client as a client who performs a minimum level of transacting during a twelve-month period. According to the comprehensive AMPS survey for the period ended December 2014, 18.9% of South Africans regard Capitec Bank as their primary bank, up from 16.8% for the period ended June 2014. Similar growth in market share is expected when the next survey is announced.

Clients who make regular deposits (mostly their salaries) into their Capitec bank accounts are considered primary banking clients. These clients are important because they use their bank accounts more often, and as a result, we receive higher fee income from them. Primary banking clients totalled 3.0 million at August 2015 (August 2014: 2.4 million; February 2015: 2.8 million).

## **Net transaction fee income increased 18%**

Net transaction fee income grew by 18% to R1.4 billion for the six months ended 31 August 2015, despite the impact of the decrease in card processing fees. Net transaction fee income covered 61% of operating expenses (six months to August 2014: 63%) and provided 32% of our net banking income (six months to August 2014: 34%).

## **Operating costs increased 21%**

Operating costs increased by 21% to R2.3 billion for the six-month period. This represents a year-on-year increase of R403 million. The growth resulted from employee numbers increasing by 16% due to the expanding branch network and employing more people in support departments, mainly information technology. Employment costs contributed R277 million to the overall increase in operating expense. Premises and security are the other major contributors towards the increase.

We opened 23 new branches and installed 228 new ATMs during the last six months. There are 869 000 more clients making use of cellphone banking since August 2014, with 3.8 million clients using this method to transact.

A total of 773 new jobs were created in the last six months and Capitec now employs 11 034 people. We place emphasis on the training and development of individuals. All new employees undergo intense training to embed the bank's values and the bank's belief in client service. Leadership programmes that run in conjunction with the Gordon Institute of Business Science were introduced.

Capital expenditure increased 112% to R307 million for the six-month period ended August 2015 (August 2014: R145 million) due to an aggressive rollout of ATMs, acquisition of a building which houses our IT operations and the opening of new branches.

## **Gross loans and advances increased 8%**

Gross loans and advances grew by 8% year-on-year from R35.1 billion to R37.9 billion. Net loan impairment expense to average gross loans and advances decreased to 5.7% at August 2015 from 5.8% a year ago.

We granted more low-value, short-term loans, which also decreased the average loan size granted to R6 157. The value of new loans granted grew 18% compared to the period ended August 2014 and 10% compared to the six months ended February 2015.

The overall term of the outstanding book shortened to 41 months at August 2015 (August 2014: 44 months; February 2015: 43 months).

### Arrears as a percentage of gross loans and advances down to 4.7%

Book quality is measured most objectively by loans past due (those in arrears) as a percentage of the total loan book, as well as the rand amount of total arrears. Arrears were down 8% year-on-year to R1.8 billion (August 2014: R1.9 billion). Arrears as a percentage of gross loans and advances improved to 4.7% compared to 5.5% in August 2014 and 5.4% in February 2015. The improvement reflects better credit granting criteria and better arrears collections.

We identified the opportunity to optimise collections by rescheduling the loans of selected clients rather than handing them over for legal process. This rehabilitation directly benefits the client. As a result, arrears rescheduled less than six months ago increased 57% year-on-year to R1.1 billion (August 2014: R745 million). The ratio of arrears and arrears rescheduled less than six months ago to gross loans and advances increased to 7.8% compared to 7.6% at August 2014 and remained the same compared to February 2015. Although the arrears rescheduled less than six months ago balances are up to date in terms of the new agreement, we provide on average 40% on these clients.

The arrears performance and book quality remain well within our risk appetite.

### Prudent provisioning

The gross loan impairment expense rose by 11% for the six months ended August 2015 compared to the six months ended August 2014. The table below analyses this increase:

		Six months ended August		Change %	Year ended February
		2015	2014	2015/2014	2015
Write-offs	R'm	2 118	2 129	(1)	4 395
Movement in bad debt provision	R'm	392	126	211	221
<b>Gross loan impairment expense</b>	<b>R'm</b>	<b>2 510</b>	<b>2 255</b>	<b>11</b>	<b>4 616</b>

Write-offs remained stable and totalled R2.1 billion. The stability in write-offs was offset by a higher provisions charge of R392 million at August 2015 (August 2014: R126 million).

We remain prudent in the application of our write-off policies. We provide 7% for loans that are up to date, 46% for clients who are behind by one instalment, 74% for two instalments and 87% for three instalments. A loan that is more than 90 days in arrears is considered bad and is written off, notwithstanding that the loan repayments are still actively pursued via legal process.

Increased overall provisions are partly the result of higher provisions against clients dependent on South Africa's mining industry, coupled with ongoing uncertainty in both local and global markets. As a result, provisions for doubtful debts increased by 13% to R4.2 billion, which equates to 11.2% of the gross loan book (August 2014: 10.7%; February 2015: 10.6%). Provisions are more than double the loans in arrears, as illustrated by the arrears coverage ratio of 239% (August 2014: 194%; February 2015: 196%). Expressed over arrears and arrears rescheduled less than six months ago, the coverage ratio equates to 144% (August 2014: 140%; February 2015: 135%).

### Strong capital levels

The annualised return on equity for the six months was 26% (August 2014: 25%). Capitec remains well capitalised and is generating sufficient profit to fund growth in the loan book. At August 2015, the capital adequacy ratio was 35.4%. The forecast capital adequacy ratio remains strong.

### Interim dividend increased by 52%

The interim dividend increased by 52% from 246 cents per share at August 2014 to 375 cents per share at August 2015. Last year the interim dividend reflected 29% of the total dividend. We believe the interim dividend should make up a higher percentage of the total dividend, therefore the big increase. This is a one-off adjustment between the interim and final dividend and does not indicate a revised dividend policy.

### Healthy liquidity and growth of deposits

Retail deposit funding was R34.6 billion at 31 August 2015, an increase of R8.0 billion on the prior year. Balances have grown consistently during the year and reliance on wholesale deposits has decreased. However a reserve of longer dated wholesale deposits is maintained to match assets and liabilities. Wholesale funding remains an important part of our liquidity structure.

During May 2015, a bond of R500 million was successfully issued. The auction was 2.5 times oversubscribed.

Capitec maintained a healthy liquidity position, in line with our conservative capital management policy, throughout the year. We comfortably exceed the Basel 3 liquidity standards, which measure our ability to survive severe stress due to a loss of support from institutional funders and how well the bank matches cash inflows from assets with its cash outflows to funders and depositors.

## 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 guide credit providers away from providing high-risk credit and protect consumers applying for credit at registered providers. We continue to support appropriate regulation enhancing the sustainability of the credit industry and work closely with the Regulator on these matters.

In June this year, the DTI released a draft of proposed new interest rate limits and fees for credit agreements for public comment. We performed a robust assessment of the impact of these proposals and have determined that there will be a limited impact on Capitec as we have consistently and responsibly offered unsecured credit below the statutory ceiling limits. In principle, Capitec is supportive of action by the DTI 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. However, we believe the current proposal will have a severe impact on the industry and economy as it will limit credit supply to the market, due to lower margins.

## 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 has been set down to be heard in the Gauteng High Court in February 2016. It remains impracticable to estimate the financial effect of any possible outcome. Capitec remains of the view that the matter will be satisfactorily resolved through due process.

## Prospects

We remain committed to providing simple, accessible and affordable banking supported by personal service. This commitment has resulted in the growth in our active client numbers, a trend we expect to continue.

Despite an unsupportive economic environment, we are bullish on retail banking and see opportunities to grow our client base and product offering. We are cautious on credit but remain optimistic that we can grow our loan book in a prudent manner.

We remain focused on our strategy to be the best retail bank for all South Africans.

## Interim dividend

The directors declared a gross interim dividend for the six months ended 31 August 2015 of 375 cents per ordinary share on Monday, 28 September 2015. The dividend will be paid on Monday, 26 October 2015. There are 115 626 991 ordinary shares in issue.

The dividend meets the definition of a dividend in terms of the Income Tax Act. The dividend amount net of South African dividend tax of 15% is 318.75000 cents per share. The distribution is made from income reserves. Capitec's tax reference number is 9405/376/84/0.

Last day to trade cum dividend	Friday, 16 October 2015
Trading ex-dividend commences	Monday, 19 October 2015
Record date	Friday, 23 October 2015
Payment date	Monday, 26 October 2015

Share certificates may not be dematerialised or rematerialised between Monday, 19 October 2015 and Friday, 23 October 2015, both days inclusive.

## Condensed consolidated statement of financial position

	Unaudited Six months ended August <b>2015</b> R'm	Unaudited Six months ended August <b>2014</b> R'm	Six months August <b>2015/ 2014</b> %	Audited Year ended February <b>2015</b> R'm
<b>Assets</b>				
Cash, cash equivalents and money market funds	10 563	9 518	11	11 312
Investments designated at fair value	1 449	2 887	(50)	2 664
Investments designated at amortised cost	2 639	–		–
Term deposit investments	8 188	4 206	95	5 778
Loans and advances to clients	33 649	31 323	7	32 484
Other receivables	389	204	91	204
Derivative assets	104	136	(24)	36
Current income tax asset	102	70	46	38
Interest in associate	–	2		–
Property and equipment	964	811	19	849
Intangibles	230	208	11	239
Deferred income tax asset	277	209	33	312
<b>Total assets</b>	<b>58 554</b>	49 574	18	53 916
<b>Liabilities</b>				
Loans and deposits at amortised cost	45 042	38 334	17	41 181
Other liabilities	1 068	766	39	1 108
Provisions	67	42	60	64
<b>Total liabilities</b>	<b>46 177</b>	39 142	18	42 353
<b>Equity</b>				
Ordinary share capital and premium	5 649	5 513	2	5 649
Cash flow hedge reserve	36	34	6	6
Retained earnings	6 501	4 678	39	5 701
Share capital and reserves attributable to ordinary shareholders	12 186	10 225	19	11 356
Non-redeemable, non-cumulative, non-participating preference share capital and premium	191	207	(8)	207
<b>Total equity</b>	<b>12 377</b>	10 432	19	11 563
<b>Total equity and liabilities</b>	<b>58 554</b>	49 574	18	53 916

	Unaudited Six months ended August <b>2015</b> R'm	Unaudited Six months ended August <b>2014</b> R'm	Six months August <b>2015/ 2014</b> %	Audited Year ended February <b>2015</b> R'm
<b>Condensed consolidated income statement</b>				
Interest income	6 040	5 201	16	10 783
Interest expense	(1 372)	(1 179)	16	(2 426)
<b>Net interest income</b>	<b>4 668</b>	4 022	16	8 357
Loan fee income	732	601	22	1 246
Loan fee expense	(332)	(298)	11	(627)
Transaction fee income	2 013	1 697	19	3 673
Transaction fee expense	(599)	(494)	21	(1 065)
<b>Net fee income</b>	<b>1 814</b>	1 506	20	3 227
Net impairment charge on loans and advances to clients	(2 113)	(1 996)	6	(4 014)
Net movement in financial instruments held at fair value through profit or loss	(3)	16	(119)	21
<b>Income from operations</b>	<b>4 366</b>	3 548	23	7 591
Operating expenses	(2 315)	(1 912)	21	(4 031)
Loss on sale of associate	–	–		(1)
<b>Operating profit before tax</b>	<b>2 051</b>	1 636	25	3 559
Income tax expense	(575)	(455)	26	(995)
<b>Profit for the period</b>	<b>1 476</b>	1 181	25	2 564
<b>Earnings per share (cents)</b>				
Basic	1 270	1 018	25	2 209
Diluted	1 265	1 015	25	2 206

### Condensed consolidated statement of comprehensive income

Profit for the period	1 476	1 181	25	2 564
Cash flow hedge recognised during the period	52	(48)	208	(89)
Cash flow hedge reclassified to profit and loss for the period	(13)	(16)	(19)	(14)
Cash flow hedge before tax	39	(64)	161	(103)
Income tax relating to cash flow hedge	(11)	18	(161)	29
<b>Other comprehensive income for the period net of tax</b>	<b>28</b>	(46)	161	(74)
<b>Total comprehensive income for the period</b>	<b>1 504</b>	1 135	33	2 490

	Unaudited Six months ended August <b>2015</b> R'm	Unaudited Six months ended August <b>2014</b> R'm	Six months August <b>2015/ 2014</b> %	Audited Year ended February <b>2015</b> R'm
<b>Net profit attributable to equity holders</b>	<b>1 476</b>	1 181	25	2 564
Preference dividend	(9)	(9)		(18)
Discount on repurchase of preference shares	1	1		1
<b>Net profit after tax attributable to ordinary shareholders</b>	<b>1 468</b>	1 173	25	2 547
Non-headline items:				
(Profit)/Loss on disposal of property and equipment	2	(1)		(3)
Income tax charge – property and equipment	(1)	1		1
Loss on scrapping of intangible assets	–	–		2
Income tax charge – intangible assets	–	–		(1)
Loss on sale of associate	–	–		1
<b>Headline earnings</b>	<b>1 469</b>	1 173	25	2 547

### Condensed consolidated statement of cash flows

Cash flow from operations	<b>4 712</b>	3 491	35	7 713
Income taxes paid	(598)	(471)	27	(1 037)
Cash flow from operating activities	<b>4 114</b>	3 020	36	6 676
Purchase of property and equipment	(268)	(96)	179	(288)
Proceeds from disposal of property and equipment	–	1		16
Purchase of intangible assets	(39)	(49)	(20)	(125)
Proceeds from sale of associate	–	–		1
Investment in term deposit investments	(6 056)	(4 206)	44	(7 270)
Redemption of term deposit investments	<b>3 646</b>	–		1 491
Acquisition of investments designated at amortised cost	(2 639)	–		–
Acquisition of investments at fair value through profit or loss and money market unit trusts	(1)	(245)	(100)	(2 669)
Disposal of investments at fair value through profit or loss and money market unit trusts	<b>1 212</b>	2 131	(43)	4 777
Cash flow from investing activities	<b>(4 145)</b>	(2 464)	68	(4 067)
Dividends paid	(691)	(540)	28	(832)
Preference shares redeemed	(15)	(51)	(71)	(51)
Ordinary shares issued	–	–		137
Realised loss on settlement of employee share options less participants' contributions	(13)	(113)	(88)	(222)
Cash flow from financing activities	<b>(719)</b>	(704)	2	(968)
Net (decrease)/increase in cash and cash equivalents	<b>(750)</b>	(148)	407	1 641
Cash and cash equivalents at the beginning of the period	<b>11 304</b>	9 663	17	9 663
<b>Cash and cash equivalents at the end of the period</b>	<b>10 554</b>	9 515	11	11 304

### Condensed consolidated statement of changes in equity

<b>Equity at the beginning of the period</b>	<b>11 564</b>	9 982	16	9 982
Total comprehensive income for the period	<b>1 504</b>	1 135	33	2 490
Ordinary dividend	(682)	(530)	29	(814)
Preference dividend	(9)	(9)		(18)
Employee share option scheme:				
Value of employee services	11	6	83	13
Shares issued and acquired for employee share options at cost	(14)	(141)	(90)	(278)
Proceeds on settlement of employee share options	1	28	(96)	56
Tax effect on share options	17	12	42	47
Shares issued	–	–		137
Non-redeemable, non-cumulative, non-participating preference shares repurchased	(15)	(51)	(71)	(51)
<b>Equity at the end of the period</b>	<b>12 377</b>	10 432	19	11 564



	Unaudited Six months ended August <b>2015</b> R'm	Unaudited Six months ended August <b>2014</b> R'm	Six months August <b>2015/ 2014</b> %	Audited Year ended February <b>2015</b> R'm
<b>Commitments</b>				
Capital commitments approved by the board				
Contracted for				
Property and equipment	<b>70</b>	79	(11)	54
Intangible assets	<b>8</b>	9	(11)	9
Not contracted for				
Property and equipment	<b>297</b>	225	32	497
Intangible assets	<b>117</b>	77	52	132
Property and other operating lease commitments				
Future aggregate minimum lease payments				
Within one year	<b>324</b>	289	12	309
From one to five years	<b>909</b>	792	15	836
After five years	<b>264</b>	205	29	214
Total future cash flows	<b>1 497</b>	1 286	16	1 359
Straight-lining accrued	<b>(76)</b>	(64)	19	(71)
Future expenses	<b>1 421</b>	1 222	16	1 288

### Contingent liabilities

Details relating to the contingent liability in respect of the NCR, are set out in the commentary above. Details relating to Capitec Bank's participation in the consortium that is underwriting the recapitalisation of African Bank are presented below.

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 for R10 billion. 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 25% of the recapitalisation if the market does not participate. The participation level of each of the banks is based on a formula agreed on between the banks. The recapitalisation will occur early during the 2016 calendar year.

### 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 R39.4 billion (August 2014: R35.0 billion) and for deposits was R45.2 billion (August 2014: R38.8 billion). The fair value of all other financial instruments equates their carrying amount.

### Unaudited interim financial statements

The condensed consolidated interim financial statements were prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting', the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, as amended. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous consolidated annual financial statements except for standards, interpretations and amendments to published standards, applied for the first time during the current financial period, which did not have any impact on the financial statements. The Group complies in all material respects with the requirements of King III. Basel disclosures in terms of Regulation 43 of the Banks' Act are available on the Capitec Bank website.

No event, that is material to the financial affairs of the Group, has occurred between the reporting date and the date of approval of the condensed consolidated interim financial statements.

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

On behalf of the board



**Michiel le Roux**

*Chairman*

Stellenbosch  
29 September 2015



**Gerrie Fourie**

*Chief executive officer*

**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 (resigned 20 March 2015),  
JP Verster (appointed 23 March 2015)

*\* Executive*

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