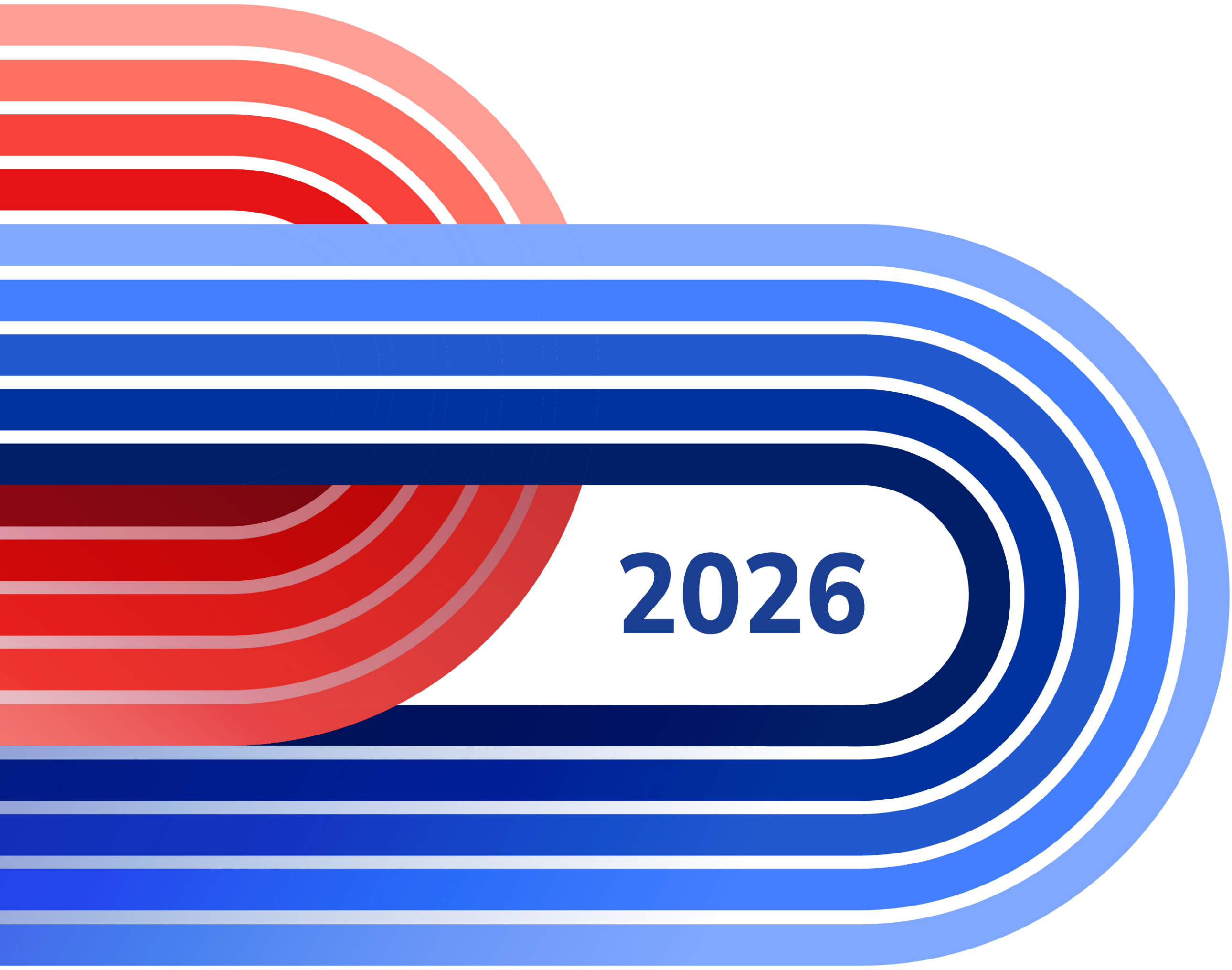
Unaudited condensed consolidated financial statements

for the 6 months ended 31 August 2025



Purposeful innovation builds trust

CAPITEC

Capitec Bank Holdings Limited
(Capitec or the group or the company)

Highlights

Headline earnings
+ 26% to
R8.0 billion
(August 2024: R6.4 billion)

Net interest income after credit impairments
+ 27% to
R7.1 billion
(August 2024: R5.6 billion)

Interim dividend per ordinary share
+ 26%
2 620 cents
(August 2024: 2 085 cents)

Net non-interest income
+ 19% to
R13.4 billion
(August 2024: R11.3 billion)

Return on ordinary shareholders' equity (ROE)
31%
(August 2024: 29%)

Value-added services (VAS) and Capitec Connect
+ 40% to
R2.9 billion
(August 2024: R2.0 billion)

Banking app clients
+ 13% to
14.0 million
(August 2024: 12.4 million)

Non-interest income to income from operations after credit impairments
65%
(August 2024: 67%)

Annualised credit loss ratio (CLR)
7.9%
(August 2024: 7.6%)

Personal banking: 8.1%
(August 2024: 8.3%)
Business banking: 2.1%
(August 2024: 1.8%)

Net insurance income
+ 45% to
R2.4 billion
(August 2024: R1.6 billion)

Key performance indicators

		6 months ended August 2025	2024[1]	% change August 2025/2024[2]	Year ended February 2025
Profitability					
Interest income	R'm	**16 518**	14 703	12	30 228
Interest income on lending	R'm	**11 906**	10 277	16	21 242
Interest income on investments and other financial instruments	R'm	**4 612**	4 426	4	8 986
Interest expense	R'm	**(4 663)**	(5 053)	(8)	(10 043)
Net interest income	R'm	**11 855**	9 650	23	20 185
Credit impairments	R'm	**(4 734)**	(4 032)	17	(8 258)
Net interest income after credit impairments	R'm	**7 121**	5 618	27	11 927
Net loan fee income	R'm	**686**	625	10	1 286
Total net transaction and commission income	R'm	**10 202**	8 921	14	18 535
Net transaction and commission income	R'm	**7 351**	6 881	7	14 117
VAS	R'm	**2 686**	1 971	36	4 225
Capitec Connect	R'm	**165**	69	>100	193
Net insurance result	R'm	**2 366**	1 633	45	3 777
Credit life	R'm	**1 002**	898	12	1 905
Funeral plan and life cover	R'm	**1 364**	735	86	1 872
Net foreign currency income	R'm	**64**	56	14	136
Other income	R'm	**40**	36	11	148
Net non-interest income	R'm	**13 358**	11 271	19	23 882
Income from operations after credit impairments	R'm	**20 479**	16 889	21	35 809
Operating expenses	R'm	**(9 982)**	(8 614)	16	(18 099)
Share of net profit of associates and joint ventures	R'm	**10**	7	43	3
Deemed disposal of investment in associate	R'm	**—**	27	(100)	27
Impairment of investment in joint venture	R'm	**(35)**	—		—
Operating profit before tax	R'm	**10 472**	8 309	26	17 740
Income and deferred tax expense	R'm	**(2 476)**	(1 884)	31	(3 991)
Profit for the period	R'm	**7 996**	6 425	24	13 749
Adjustments to basic earnings	R'm	**(6)**	(5)	20	(11)
Earnings attributable to ordinary shareholders of the group[3]					
Basic	R'm	**7 990**	6 420	24	13 738
Headline	R'm	**8 031**	6 394	26	13 739
Earnings per share					
Attributable	cents	**6 927**	5 567	24	11 911
Headline	cents	**6 962**	5 544	26	11 912
Weighted average number of shares	'000	**115 347**	115 338		115 339
Diluted attributable	cents	**6 910**	5 557	24	11 878
Diluted headline	cents	**6 945**	5 534	25	11 879
Diluted weighted average number of shares	'000	**115 635**	115 537		115 659
Dividends per ordinary share					
Full-year	cents	**2 620**	2 085	26	6 510
Interim	cents	**2 620**	2 085	26	2 085
Final	cents				4 425
Number of shares in issue per the shareholders' register	'000	**116 100**	116 100		116 100
Dividend cover	times	**2.6**	2.6		1.8
Non-interest income to income from operations after credit impairments	%	**65**	67		67
Cost-to-income ratio	%	**40**	41		41

(1) *The group acquired a controlling interest in Avafin Holding Limited (AvaFin) on 1 May 2024, and AvaFin's results were consolidated from that date. AvaFin contributed R120 million to headline earnings (August 2024: R66 million; February 2025: R196 million).*

(2) *The percentage changes quoted in the commentary are based on figures denominated in R'million.*

(3) *Refer to the reconciliation of attributable earnings to headline earnings in the condensed consolidated financial statements for details regarding the difference between basic and headline earnings.*

		6 months ended August 2025	2024[1]	% change August 2025/2024[2]	Year ended February 2025
Assets					
Total assets	R'm	**250 555**	222 732	12	238 464
Loans and advances	R'm	**95 142**	83 182	14	89 145
Cash and financial investments[3][4]	R'm	**134 629**	119 445	13	127 796
Other[3][5]	R'm	**20 784**	20 105	3	21 523
Liabilities					
Total liabilities	R'm	**196 757**	176 774	11	187 550
Deposits and wholesale funding	R'm	**184 611**	166 321	11	175 541
Other	R'm	**12 146**	10 453	16	12 009
Equity					
Share capital and reserves attributable to ordinary shareholders of the group	R'm	**53 720**	45 889	17	50 841
Total equity	R'm	**53 798**	45 958	17	50 914
ROE	%	**31**	29		29
Capital adequacy ratio (CAR)	%	**33**	37		38
Net asset value per ordinary share	cents	**46 460**	39 687	17	43 970
Number of shares for calculation of net asset value per ordinary share	'000	**115 627**	115 627		115 627
Share price	cents	**356 867**	292 594	22	307 437
Market capitalisation	R'm	**414 323**	339 702	22	356 934
Operations					
Branches		**882**	873	1	880
Employees		**17 188**	16 603	4	16 935
Active clients (including point-of-sale (POS) merchants)	'000	**24 989**	23 199	8	24 132
Cash devices[6]		**8 824**	8 749	1	8 798
Capital expenditure	R'm	**568**	983	(42)	1 373
Transact					
Transaction volumes (including VAS) by channel[7]	'm	**5 998**	5 405	11	11 071
Digital including VAS	'm	**1 509**	1 171	29	2 523
Card payments	'm	**1 801**	1 423	27	3 045
Cash	'm	**305**	295	3	596
Branches	'm	**27**	25	8	51
System-generated[7]	'm	**2 356**	2 491	(5)	4 856
Net transaction and commission, net foreign currency, funeral plan and life cover income to income from operations after credit impairments	%	**57**	58		57
Net transaction and commission, net foreign currency, funeral plan and life cover income to operating expenses	%	**117**	113		114
Credit					
Value of total loans advanced	R'm	**45 174**	32 240	40	73 192
Personal banking	R'm	**31 779**	24 108	32	53 909
Business banking[8]	R'm	**7 178**	5 043	42	11 447
AvaFin	R'm	**6 217**	3 089	>100	7 836

(1) *The group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date. AvaFin contributed R120 million to headline earnings (August 2024: R66 million; February 2025: R196 million).*

(2) *The percentage changes quoted in the commentary are based on figures denominated in R'million.*

(3) *The group reclassified the South African Reserve Bank (SARB) settlement balance, previously included in other receivables, to cash and cash equivalents in the current period. Comparatives have been restated for this classification error. Refer to note 2.*

(4) *Cash, cash equivalents, money market funds, government bonds, term deposits and other financial investments.*

(5) *Insurance contract assets, other receivables, derivative assets, interest in associates and joint ventures, property and equipment, right-of-use assets, intangible assets including goodwill and the deferred income tax asset.*

(6) *Automated teller machines and coin and note recyclers.*

(7) *Clients were encouraged to migrate from SMS notifications for a fee to free in-app notifications. Excluding the impact of the migration, transaction volumes grew by 22%.*

(8) *Overdrafts are measured as the value of overdraft limits granted.*

		6 months ended August 2025	6 months ended August 2024[1]	% change August 2025/2024[2]	Year ended February 2025
Loans and advances book					
Gross loans and advances	R'm	**122 311**	108 849	12	115 525
Personal banking	R'm	**92 922**	85 433	9	89 545
Business banking	R'm	**25 991**	21 123	23	23 339
AvaFin	R'm	**3 398**	2 293	48	2 641
Provision for expected credit losses (ECL)	R'm	**(27 169)**	(25 667)	6	(26 380)
Personal banking	R'm	**(24 530)**	(23 717)	3	(24 161)
Business banking	R'm	**(1 491)**	(1 274)	17	(1 368)
AvaFin	R'm	**(1 148)**	(676)	70	(851)
Net loans and advances	R'm	**95 142**	83 182	14	89 145
Personal banking	R'm	**68 392**	61 716	11	65 384
Business banking	R'm	**24 500**	19 849	23	21 971
AvaFin	R'm	**2 250**	1 617	39	1 790
Gross credit impairment charge on loans and advances	R'm	**5 003**	4 255	18	8 820
Personal banking	R'm	**4 034**	3 753	7	7 607
Business banking	R'm	**256**	195	31	376
AvaFin	R'm	**713**	307	>100	837
Bad debts recovered	R'm	**(280)**	(232)	21	(584)
Personal banking	R'm	**(327)**	(224)	46	(568)
Business banking	R'm	**(1)**	(6)	(83)	(8)
AvaFin	R'm	**48**	(2)		(8)
Net credit impairment charge on loans and advances[3]	R'm	**4 723**	4 023	17	8 236
Personal banking	R'm	**3 707**	3 529	5	7 039
Business banking	R'm	**255**	189	35	368
AvaFin	R'm	**761**	305	>100	829
Net credit impairment charge on loans and advances to average gross loans and advances (annualised CLR)	%	**7.9**	7.6		7.5
Personal banking	%	**8.1**	8.3		8.1
Business banking	%	**2.1**	1.8		1.7
AvaFin[4]	%	**50.4**	42.3		42.6
Total lending and credit life insurance income[5]	R'm	**13 594**	11 800	15	24 433
Personal banking	R'm	**10 445**	9 700	8	19 673
Business banking	R'm	**1 455**	1 239	17	2 590
AvaFin	R'm	**1 694**	861	97	2 170
Net credit impairment charge on loans and advances to total lending and credit life insurance income[5]	%	**34.7**	34.1		33.7
Personal banking	%	**35.5**	36.4		35.8
Business banking	%	**17.5**	15.3		14.2
AvaFin	%	**44.9**	35.4		38.2
Retail deposits and wholesale funding	R'm	**184 611**	166 321	11	175 541
Wholesale funding	R'm	**2 232**	3 789	(41)	2 906
Personal and Business banking call and notice deposits	R'm	**117 109**	110 822	6	116 520
Personal and Business banking fixed deposits	R'm	**63 926**	50 143	27	54 699
Foreign currency deposits	R'm	**1 344**	1 567	(14)	1 416

[1] *The group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date. AvaFin contributed R120 million to headline earnings (August 2024: R66 million; February 2025: R196 million).*

[2] *The percentage changes quoted in the commentary are based on figures denominated in R'million.*

[3] *This charge is for loans and advances only. The income statement for the reporting period includes a charge of R11.5 million (August 2024: R9.2 million; February 2025: R21.5 million) related to other financial assets.*

[4] *AvaFin operates online, short-term, high-yield consumer lending businesses outside of the banking environment, therefore the CLR is higher than that of our other businesses.*

[5] *Interest received on loans, initiation fees, monthly service fees and credit life insurance income.*

Commentary[1][2]

Purposeful innovation builds trust

The purpose of the many innovations launched during the 6 months ended 31 August 2025 was to build trust and make a meaningful impact in our clients' lives. We remained true to our fundamentals and executed our strategies, growing our active client base to 25 million.

The size of our client base has allowed us to use economies of scale to reduce our cost per transaction and increase revenue despite being a price leader in the market and investing in new initiatives and products.

From 1 March 2025, we reduced and simplified transaction prices for Personal and Business banking. There are now only 5 key fees: R1 for Capitec-to-Capitec payments, R2 for payments to other banks and cash withdrawals at till points, R3 for debit orders, R6 for immediate payments to other banks and R10 per R1 000 for cash withdrawals at any bank's cash devices. Online banking and card payments are free. The reduction in fees saved our Personal banking clients R106 million and our Business banking clients R2 million for the 6 months. We also reduced merchant commission rates and the price of card machines (POS devices) and saved our merchants a further R95 million.

Our accessible credit card now features limits from R600 to R500 000. The low-limit credit card allows our younger clients to build their credit profile from the time that they become a Capitec client. All Personal banking credit card clients get 1% cash back on credit card purchases and receive 1GB of free Capitec Connect data every month. They also qualify for zero forex commission on international card payments.

Our dynamic repay-as-you-earn loans allow multiple income earners and small and medium-sized enterprises to make smaller repayments as money flows into their accounts. We will be launching an improved secured home loan product funded by Capitec in collaboration with SA Home Loans in the second half of the 2026 financial year. The offer will remove maximum home loan limits and feature competitive interest rates, as well as up to 50% off bond attorney fees.

Our new cross-border money transfers, offered in collaboration with MamaMoney, enable clients to send money to friends and family in Zimbabwe, Malawi, Mozambique, Kenya, Tanzania, Uganda, Zambia and Lesotho from our app. There are no time delays and the money is available in minutes.

Our clients were already saving significantly with our Capitec Connect SIM and are now able to save even more with our affordable smartphones that are available to buy directly on our app. Advances to purchase smartphones have also been launched.

Our clients are able to bank better with Capitec as a result of our constantly evolving and diverse offering that makes a meaningful difference in their lives.

Growth through strategic focus

Headline earnings grew by 26% to R8.0 billion (2024: R6.4 billion). Our clients experienced a reduction of R203 million in transaction fees, merchant commission and the pricing of card machines. The group generated an ROE of 31% (2024: 29%).

Net interest income grew by 23% driven by 40% growth in loan disbursements and a 16% increase in interest income on lending. Business banking loan disbursements grew by 42% continuing the trend from the 2025 financial year. Leveraging the data available to us to score clients more accurately allowed us to make more targeted offers to lower-risk clients. This led to growth of 32% in Personal banking loan disbursements. AvaFin, which was only included for 4 months in 2024, generated interest income on lending of R1.7 billion (2024: R854 million).

Interest income on investments and other financial instruments increased by 4% to R4.6 billion. The average cash and investment portfolio grew by 15% but the yield earned was impacted by the decreases in the repo rate since September 2024 and declined by 0.6%. The mix of investments also impacted yield as investments in floating-rate instruments grew.

(1) *The percentage changes quoted in the commentary are based on figures denominated in R'million.*
(2) *Figures and comparisons relate to the 6 months ended 31 August 2025 and the 6 months ended 31 August 2024, unless stated otherwise.*

The restructuring of our savings account products and reductions in the repo rate led to a decline in interest expenses to R4.7 billion (2024: R5.1 billion) despite an 11% increase in deposits and wholesale funding. The interest rate on the main account is now fixed at 2% allowing us to offer market-leading interest rates on our other savings account options. Our deposit clients can open 'access anytime' savings accounts with interest rates that scale up to 6% for everyday savings. 7 or 32 days' notice accounts with interest rates up to 7.35% can be used for short- to medium-term savings, and fixed-term savings accounts yield as much as 8.4% on medium- to long-term savings. These rates are competitive in the market. Clients can have up to 10 savings accounts for free, which can be personalised to earn higher interest rates. The migration to the higher interest rate accounts has been slower than anticipated and has resulted in a decrease in the interest expense.

The gross credit impairment charge on loans and advances increased by 18% as the gross loan books grew by 12%. The CLR for the group, including AvaFin, increased to 7.9% (2024: 7.6%). AvaFin contributed R761 million to the charge compared to R305 million for the 4 months ended August 2024 as their loan books grew by 48%.

Net non-interest income was 65% of the income from operations after credit impairments (2024: 67%). Total net transaction fee and commission income, excluding VAS and income from Capitec Connect, grew by 7%. Growth was impacted by a reduction in transaction fees as part of the R1, R2, R3, R6 and R10 fee structure (R108 million), the migration to send cash (included in VAS income) (R245 million), lower merchant commission rates and a reduction in the price of card machines (R95 million). Clients were also encouraged to move from SMS notifications for a fee to free in-app notifications. This saved clients R52 million. Normalised growth adjusted for these items was 14%.

The move away from cash transacting continued, with digital and card payments comprising 91% of transaction volumes excluding system-generated transactions (2024: 89%). VAS income continued to grow rapidly and totalled R2.7 billion, an increase of 36%.

The net insurance result increased by 45% to R2.4 billion. The increase in Personal banking loan disbursements contributed to a 12% increase in credit life insurance income. Funeral and life cover income continued to produce double-digit growth and increased to R1.4 billion (2024: R735 million). Growth in funeral income was partly driven by the inclusion of 100% of profits on funeral policies issued from 1 November 2024, as our profit-sharing arrangement, paying 30% of profits to our partner, ended.

Operating expenses grew by 16%. In 2024, AvaFin's operating expenses were only included in total expenses from 1 May 2024. Excluding AvaFin, operating expenses grew by 14%. Due to lower headline earnings growth than in 2024 (26% compared to 35%) as well as lower share price growth (22% compared to 85%), salary incentives only grew by 7% year-on-year and if this impact is excluded, operating expenses growth was 15%. The growth in profits allowed the group to accelerate investment in innovation and strategic projects, increasing the growth in operating expenses.

The composition of headline earnings by business unit was as follows: Personal banking – 41% (2024: 49%), Fintech (VAS and Capitec Connect) – 26% (2024: 23%), Insurance – 26% (2024: 24%), Business banking – 5% (2024: 3%) and AvaFin – 2% (2024: 1%).

Personal banking

Personal banking creates a platform for growth. The number of active Personal banking clients grew to 24.4 million from 22.8 million in 2024 (February 2025: 23.6 million) as South Africans continued to see the added value in our product offering. Fully banked clients grew by 11% to 9.4 million and comprised 38% of our active clients, up from 37% in 2024.

The volume of payments on our digital channels continued to grow significantly, driven by an increase in banking app clients to 13.8 million (2024: 12.3 million). The number of Apple Pay, Garmin Pay, Google Pay and Samsung Pay users grew from 0.7 million in 2024 to 1.4 million. International transaction volumes increased from 82 million in 2024 to 122 million as client adoption of our flat fee and competitive exchange rates increased.

The reduction in transaction fees from 1 March 2025 resulted in client cost savings of R106 million.

More than 64 000 of our accessible credit cards with limits from R600, repayable within 3 months, have been issued since the launch of the offering in February 2025. The repay-as-you-earn loan was launched in mid-July 2025 and generated R8.3 million in loan disbursements.

The optimisation of client value through the initiatives already mentioned and our other lending and transacting products grew the Personal banking headline earnings from R3.0 billion to R3.3 billion (excluding Capitec Pay which was transferred to Business banking). The drivers of the growth are detailed as follows.

Net interest income

Net interest income grew by 16% from R7.9 billion to R9.2 billion.

Interest income on lending totalled R8.8 billion and grew by 7%. Loan disbursements grew by 31% which increased the average gross loan balance to R91.2 billion, 8.9% higher than in 2024. This positive impact was offset by a lower yield as the repo rate decreased.

Growth in interest income on investments and other financial instruments was 7%. The interest-bearing investment portfolio grew by 8% to R100.7 billion. The portfolio growth was not as marked as in 2024 because the growth in loan disbursements exceeded the growth in average deposits. The average yield on the portfolio decreased from 9.0% to 8.4% due to the 125 basis point decrease in the repo rate (including the rate adjustment in August 2024).

Interest expenses decreased by 8% despite average deposit balances increasing by 9.8% from R129.5 billion to R142.3 billion. This was due to the repo rate decreases and the new savings account structure, which fixed the interest rate on the main account at 2%. The migration to the higher interest rate purpose savings options has been slower than expected.

Credit impairment charge and ECL coverage ratios

The net credit impairment charge increased by 5% to R3.7 billion (2024: R3.5 billion). The annualised CLR decreased from 8.3% to 8.1%.

The credit impairment charge was impacted by the following drivers:

- Higher loan disbursements, a higher new business charge and growth in the loan book
- Improvement in the quality of the loan book that led to shifts in the loan book across the stages
- Changes in the macroeconomic environment that reduced the forward-looking macroeconomic (FLI) provision for ECL.

Loan disbursements

Total loan disbursements were up by 32% to R31.8 billion (2024: R 24.1 billion). The gross loan book grew by 9%.

Loan disbursements by product are detailed in the table below.

	6 months ended		
R'm	**August 2025**	**February 2025**	**August 2024**
Term loans	**13 914**	14 285	10 450
Access facilities	**3 757**	3 682	3 913
Credit cards	**14 108**	11 834	9 745
Total	**31 779**	29 801	24 108

Personal banking followed a targeted approach to credit granting. Credit was granted in line with our strategic priorities, specifically by providing better and more personalised offers to lower-risk clients. Disbursements to clients earning more than R50 000 increased by 51%. Additionally, the use of advanced data-driven triggers with personalised credit offers resulted in a 40% increase in credit applications.

Term loan disbursements increased by 33% and credit card disbursements by 45% as credit scoring became more accurate and more targeted offers were made to lower-risk through leveraging the data available to us.

Our accessible credit card generated R14.6 million in loan disbursements, giving access to credit to clients who would previously only have qualified for more expensive store credit, allowing them to build their credit scores and promoting more responsible credit behaviour.

Loans to multiple income earners grew by 81% to R984 million, while the repay-as-you-earn loan disbursements to multiple income earners amounted to R8.3 million since its launch in mid-July 2025. Purpose loans in the amount of R1.8 billion were disbursed (2024: R640 million). Direct loans granted by our call centre and on our app totalled R3.1 billion (2024: R1.9 billion).

Access facility disbursements decreased by 4% due to the repositioning of the product for lower-risk clients.

The total upfront provision for ECL on loan disbursements increased from R1.3 billion to R1.9 billion, contributing to the increase in the credit impairment charge.

Shifts in the gross loan book across the stages

The gross loan book balance shifted positively between the stages. The table below reflects the loan book balances and the proportion of the loan book by stage.

	August 2025		As at the end of February 2025		August 2024	
	R'm	%	R'm	%	R'm	%
Stage 1	**52 911**	**57**	50 393	56	46 908	55
Stage 2	**14 561**	**16**	14 080	16	13 676	16
Stage 3	**25 450**	**27**	25 072	28	24 849	29
Total	**92 922**	**100**	89 545	100	85 433	100

The proportion of the gross loan book that was in stage 1 increased from 55% to 57%. The proportion of the book in stage 2 was unchanged, while the proportion of the book in stage 3 decreased by 2%.

The stage 1 (up-to-date) gross loan book grew by 13% to R52.9 billion as loan disbursements grew.

Stage 2 up-to-date loans with significant increases in credit risk (SICR) and applied for debt review more than 6 months ago amounted to R13.2 billion compared to R12.5 billion in 2024 and grew at a lower rate than the stage 1 loan book. The total gross loans that were 1 month in arrears grew by R148 million to R1.3 billion (2024: R1.2 billion).

The total balances that rolled into arrears in stages 2 and 3 amounted to R3.3 billion (2024: R3.2 billion).

Stage 3 balances grew by 2%. Loans that were 2 and 3 months in arrears decreased from R2.3 billion to R2.2 billion. Rescheduled balances that had not yet rehabilitated decreased by R386 million as the quality of the loan book improved.

Stage 3 loan balances in default (balances 3 or more months in arrears, in debt review, with other legal statuses and where the client had applied for debt review less than 6 months ago) were R19.3 billion (2024: R18.2 billion) as loans continued to migrate through the stages of the loan book. The total balances that rolled into default, however, reduced by R302 million. Debt review balances in the default loan book decreased by R115 million to R6.0 billion. Other balances in default increased by R1.2 billion (2024: R3.7 billion) as the migration of balances into default slowed.

FLI provision for ECL

The FLI provision decreased from R1.2 billion to R831 million (February 2025: R877 million). The movement in the FLI provision for ECL reflects the year-on-year change in our macroeconomic outlook. The key economic factors that impact the group's clients are taken into consideration in calculating the provision. 4 scenarios, a negative, base, positive and very positive scenario, were weighted to determine the provision requirement.

The reduction in the provision was offset by R148 million, which was modelled to be the impact of macroeconomic conditions on future recoveries of balances in default. The impact of the United States of America tariff adjustments on the import of goods from South Africa was also provided for by the inclusion of R113 million in the FLI provision.

Changes in the provision for ECL coverage ratios

Gross loans and advances increased by 9% to R92.9 billion (2024: R85.4 billion), and the provision for ECL grew from R23.7 billion to R24.5 billion. The total ECL coverage ratio decreased to 26.4% (2024: 27.8%).

The coverage ratios by stage are detailed in the table below.

	As at the end of		
%	August 2025	February 2025	August 2024
Stage 1	**7.1**	7.3	7.9
Stage 2	**24.2**	24.5	25.5
Stage 3	**67.7**	68.0	66.6
Total	**26.4**	27.0	27.8

The total ECL coverage ratio decreased from 27.8% to 26.4% (February 2025: 27%). Improvement in the quality of the book accounted for 1% of the decrease as book distribution shifted towards better stages and the individual stage coverages decreased. The decrease in the FLI provision for ECL decreased the overall coverage ratio by 0.4%.

The term loan ECL coverage ratio decreased from 29.9% to 28.4% due to better book distribution, with 53% of the book in stage 1 (2024: 50%). The total access facility coverage ratio improved from 28.0% to 27.5% because of a reduction in the FLI provision. The credit card coverage ratio was 16.6% compared to 17.3% because of improved book distribution.

The decrease in the stage 1 coverage ratio from 7.9% to 7.1% resulted from a decrease in the coverage ratio on access facilities as older tranches of balances migrated through the loan book and newer tranches of business were granted to lower-risk clients.

Stage 2 balances showing a SICR since granting and the up to 1 month in arrears balances decreased for all products as a result of a reduction in the FLI provision and improvement in the quality of balances in stage 1.

The stage 3 coverage ratio increased by 1.1% to 67.7%. There were decreases in the coverage ratios of all loan categories in stage 3, excluding the default book, because the provision for ECL on default loans included the FLI ECL provision of R148 million for the impact of future economic conditions on expected recoveries on the default loan book. In 2024, there was no provision for this impact.

Refer to note 3 to the condensed consolidated financial statements for the loan book and coverage ratios by product.

Net transaction and commission income

Net transaction and commission income excluding VAS and Capitec Connect increased by 6% to R6.7 billion after excluding Capitec Pay from the 2024 income (2024: R6.3 billion excluding R202 million related to Capitec Pay that was transferred to Business banking).

Income was affected by the simplification and reduction of fees on 1 March 2025 to 5 key fees – R1, R2, R3, R6 and R10 – which saved our clients R106 million in costs, as well as by the migration from cash withdrawals to send cash (which is included in VAS income), which reduced income by R245 million. Clients were also encouraged to move from SMS notifications at a fee to free in-app notifications. This reduced income by R52 million. When the impacts of the aforementioned changes are added back, net transaction and commission income grew by 12%.

Transaction volumes increased by 7% due to an increase in active clients to 24.4 million, and the number of transactions per client per month continued to grow because fully banked clients grew by 11% to 9.4 million. Growth in transaction volumes was also impacted by the migration of cash withdrawals to send cash and clients' migration to in-app notifications. Taking these changes into account, transaction volumes grew by 20%.

Digital transactions grew by 17% to 1.4 billion as the number of clients transacting digitally grew to 14.8 million and the banking app was used by 13.8 million clients (2024: 12.3 million). The banking app represents 93% of all digital transactions (2024: 88%).

Card payment and other POS transaction volumes grew by 23% to 1.6 billion (2024: 1.3 billion). The growth in net income was not aligned with the growth in volumes because the value per transaction was lower as clients are using cards for transactions that were previously cash transactions. Net income from card payments and other POS transactions grew by 8% to R849 million (2024: R783 million). Net income from international payments increased by 45% to R318 million (2024: R220 million) and is included in card payment income.

We have 2.4 million PayShap main bank registrations, which is a 56% market share (2024: 55%). Receiving and sending payment volumes totalled 126.4 million and 68.2 million, respectively (2024: 20.4 million and 32.2 million). The market share of all incoming volumes increased to 54% (2024: 26%), and all outgoing volumes decreased to 26% (2024: 61%). The change in our market shares reflects the implementation of PayShap by other South African banks.

Apple Pay, Garmin Pay, Google Pay and Samsung Pay spend increased to R27.8 billion (2024: R13.7 billion), while volumes increased to 157 million transactions (2024: 68 million).

Fintech (VAS and Capitec Connect)

Client adoption of VAS and Capitec Connect continued to grow, leading to an increase in transaction volumes.

VAS airtime advances were launched in August 2025, allowing clients to purchase airtime on networks other than Capitec Connect when their available funds are insufficient for making calls, sending messages or using data.

Fintech contributed R2.1 billion to group headline earnings (2024: R1.5 billion). The drivers of the growth are detailed below.

Value-added services

Net income from VAS grew by 36% to R2.7 billion (2024: R2.0 billion). The growth was due to an increase in the number of clients using VAS to 11.8 million (2024: 10.7 million), which increased the volume of transactions to 845 million (2024: 704 million).

Net income from sending cash grew by 56% to R685 million as clients moved away from withdrawing cash to sending cash. Income per transaction grew as redemptions at Capitec cash devices increased. The number of clients using send cash increased to 5.4 million (2024: 1.2 million). The cross-border money transfer product, which was launched in August 2025, has been used by 3 888 clients.

Vehicle licence renewals totalled 46 220 and our market share grew to 17.6% (2024: 15%).

Capitec Connect

Capitec Connect actively addresses the everyday connectivity challenges faced by consumers. It provides clients with simple, transparent and affordable access to essential communication services through competitive pricing on prepaid data, voice and SMS bundles.

Net income from Capitec Connect grew to R165 million (2024: R69 million), and the number of clients that were active in the last 3 months reached 1.1 million (2024: 0.6 million). Data usage grew by more than 100% to 14.9 petabytes (2024: 5.1 petabytes) while voice usage grew from 95 million minutes to 311 million minutes.

We have rewarded clients with 449 terabytes in data rewards since 1 March 2025.

Insurance

The Insurance business's headline earnings increased by 38% to R2.1 billion (2024: R1.5 billion). The net insurance result before operating expenses increased by 45% to R2.4 billion (2024: R1.6 billion). The drivers of this increase are detailed below.

For the cell captive business, the net insurance result includes cell taxation and cell investment returns. Income tax on business underwritten on the Capitec Life Limited (Capitec Life) licence is reported as part of the income tax expense, rather than within the net insurance result. As the funeral and credit life cells run off, the cell taxation and investment returns disclosed as part of the net insurance result will decrease. This decrease in cell tax is therefore a driver of growth in the net insurance result.

Net credit life insurance income

The net credit life insurance result increased by 12% to R1.0 billion (2024: R0.9 billion).

R'm	6 months ended August 2025	August 2024	Variance 2025/2024
Insurance service result	**1 092**	1 033	59
Net finance (expense)/income	**(37)**	39	(76)
Insurance result	**1 055**	1 072	(18)
Net cell captive interest income	**42**	60	(18)
Cell captive tax	**(95)**	(234)	139
Net insurance result	**1 002**	898	104

The total credit life book reached 2.0 million active policies (2024: 1.9 million), with 1.3 million on our own licence.

The credit life insurance sum assured increased by 8% to R79.0 billion (2024: R72.5 billion). The claims ratio improved to 29.2% (2024: 31.3%), mainly driven by improved mortality experience. The growth in the insured book together with better claims experience drove a R60 million year-on-year increase in the insurance service result.

The impact of interest accretion and changes in the yield curve decreased the insurance result by R76 million, driven by positive changes in yield curve movements recognised in 2024 without corresponding positive changes for 2025.

Given the Guardrisk Life Limited (Guardrisk) cell is closed to new business, the cell is in run-off with the in-force sum assured decreasing by 34%. Lower cell captive investment returns reduced the net insurance result by R18 million. A decrease in cell captive taxation increased the net insurance result by R139 million.

Funeral

The net funeral insurance result increased by 86% to R1.3 billion (2024: R727 million).

R'm	6 months ended August 2025	August 2024	Variance 2025/2024
Insurance service result	**1 907**	1 505	402
Net finance (expense)/income	**(278)**	(293)	15
Insurance result – underlying	**1 629**	1 212	417
Reinsurance expense	**(150)**	(403)	253
Insurance result	**1 479**	809	670
Net cell captive interest income	**199**	187	12
Cell captive tax	**(354)**	(269)	(85)
Net insurance result	**1 324**	727	597

The total funeral book increased to 3.5 million active policies (2024: 3.0 million). The in-force sum assured increased by 19% to R481 billion (2024: R405 billion), adding R376 million to the net insurance result. Better collection experience, partially offset by a slight increase in the claims ratio, added R51 million.

After the termination of the funeral cooperation arrangement with Sanlam, effective 1 November 2024, Capitec Life began underwriting all new funeral policies on its own insurance licence. This added R253 million to the net insurance result, contributing 59% to the growth in the net insurance result.

Higher cell captive taxation decreased the insurance result by R85 million, driven by higher pre-tax profits in the cell. As the cell runs off, the cell investment returns, as well as the cell taxation reported as part of the net insurance result, will decrease.

Life cover income

The insurance result increased to R40 million (2024: R8 million), driven by growth in the book and an improvement in the premium collection rate by 9%. The active policies and sum assured were 152 665 and R72.2 billion, respectively (2024: 38 526 and R22.0 billion).

Business banking

Business banking's headline earnings, after including the transfer of Capitec Pay in the current and prior years, increased by 14% to R402 million (2024: R353 million). Excluding the give-backs to clients, the Business banking growth was in excess of 30%. The transaction pricing simplification and price reduction saved clients R2 million in costs. Decreases in merchant commission rates gave back R68 million to merchants, and the decreases in the price of POS devices gave back R27 million. Active client numbers,including trading merchants, grew by 43% to 0.3 million.

Net interest income

Net interest income grew from R882 million to R985 million. The 12% growth was due to the higher average interest-bearing assets. Interest income on lending increased by 25% to R1.5 billion (2024: R1.2 billion). The growth was attributable to the 23% growth in the gross loan book, offset by the lower average repo rate.

Interest income on investments increased by 18% from R259 million to R306 million, driven by an increase in the overall average investment portfolio.

The interest expense increased by 26% to R776 million (2024: R616 million) because the deposit book grew by 17% to R24.8 billion from R21.2 billion. One of the key drivers of the increase in the deposit book was forex trading accounts, whose average balances increased from R5.4 billion to R6.6 billion. Business banking makes use of group funding, and the interest expense for these funds totalled R199 million (2024: R53 million).

Credit impairment charge and ECL coverage ratios

The net credit impairment charge increased by 35% to R255 million (2024: R189 million). The annualised CLR was 2.1% compared to 1.8% in 2024. The growth in the credit impairment charge was primarily attributable to the 23% growth in the gross loan book and a change in the mix of loans. The scored loan book grew by more than 100% to R1.5 billion, and the intuitive book grew by 22%. Scored loans mainly consist of overdrafts, which are largely scored and carry a higher provision percentage than intuitive loans. Scored loans comprise 6% of the loan book (2024: 4%).

Loan disbursements

Total loan disbursements amounted to R7.2 billion (2024: R5.0 billion) and the disbursements by product are reflected in the table below.

	6 months ended		
R'm	August 2025	February 2025	August 2024
Mortgage loans	**1 809**	1 782	1 585
Business loans excluding overdrafts	**3 047**	2 540	2 182
Overdrafts	**2 322**	2 082	1 276
Total	**7 178**	6 404	5 043

Changes in the provision for ECL coverage ratios

The table below details the trend in the coverage ratios.

	As at the end of		
%	August 2025	February 2025	August 2024
Stage 1	**1.5**	1.5	1.5
Stage 2	**9.2**	11.8	13.1
Stage 3	**44.7**	42.3	43.8
Total	**5.7**	5.9	6.0

The overall coverage ratio decreased from 6.0% to 5.7% driven by a decrease in the stage 2 coverage ratio. The decrease in the stage 2 coverage ratio resulted from the roll of significant balances from up-to-date balances with SICR back to stage 1 up-to-date balances.

The coverage ratio on mortgage loans decreased from 3.4% in 2024 to 2.6% in 2025. The reduction is attributable to an improved stage distribution. Specifically, the default book as a proportion of the total book decreased to 7.9% from 9.1%. The stage 2 proportion of the book reduced as there were significant cures to stage 1. The proportion of the book in stage 1 also increased due to high new loan disbursements.

The coverage ratio on business loans decreased from 8.6% in 2024 to 8.5% in 2025. The coverage of up-to-date balances with SICR contributed to the decrease in the stage 2 coverage ratio. The roll of balances from up-to-date balances with SICR to stage 1 up-to-date balances and the roll through of balances to stage 3 impacted the coverage ratio on the up-to-date balances with SICR category.

Refer to note 3 to the condensed consolidated financial statements for the loan book and coverage ratios by product.

Net transaction and commission income

Business banking's net transaction and commission income increased to R702 million (2024: R409 million).

In 2024, Capitec Pay was included in Personal banking transaction and commission income. We are building an enterprise payment system that will allow businesses to accept card payments, online payments and receive and make bulk payments. For this reason, Capitec Pay became part of the Business banking unit in the second half of the 2025 financial year.

Excluding Capitec Pay, net transaction and commission income increased by 12% to R460 million despite giving back R68 million to clients through a reduction in merchant commission rates. Lower pricing of card machines from May 2025 resulted in give-backs to merchants to the value of R27 million. The reduction in transaction pricing from 1 March 2025 resulted in cost savings to clients of R2 million. Excluding the amounts given back to clients, the transaction fee and commission income would have grown by 36%.

Volumes and income increased across all transaction types due to the growth in active clients. Debit and credit card spending increased to R47.2 billion (2024: R30.0 billion). Cash deposit income grew by 98% driven by transaction volumes and values. Growth of more than 100% in digital transaction volumes increased income from digital transactions to R165 million.

Merchant commission income increased by 36% even though the average merchant commission rates decreased. The increase in income was possible due to a 57% increase in merchant turnover to R42.4 billion as well as the increase of more than 100% in the number of trading merchants to 85 281 (2024: 32 133). In May 2025, the price of card machines was reduced. A total of 37 489 devices were sold subsequent to the price adjustment.

Net income from Capitec Pay grew to R242 million (2024: R202 million included in Personal banking income). A total of 9.0 million unique clients used Capitec Pay during the period (2024: 6.2 million). Payments with a value of R30.9 billion were processed, an increase of 52% (2024: R20.4 billion). The average transaction value increased by 11% to R238 (2024: R214) and the successful conversion rate was 88% (2024: 84%).

AvaFin

AvaFin operates online consumer lending businesses in Poland, Latvia, Czechia, Spain and Mexico. Loans are unsecured and mostly short term.

AvaFin grew its loan books in all countries and continued its transition from short-term loans to longer-term near-prime business in Latvia. In Latvia, we improved our pricing in May 2025 and started to attract more and lower-risk clients. In Mexico, we are transitioning from our single payment loan product to a term loan product. Growth in the term loan disbursements allowed us to enable the product for first-time borrowers in July 2025. We have seen the number of AvaFin clients increase by 26% to 249 974.

AvaFin contributed R124 million to headline earnings for the 6 months compared to R66 million for the period from 1 May 2024 to 31 August 2024.

Capitec has started funding AvaFin and as at 31 August 2025, EUR36 million and MXN340 million have been advanced to AvaFin's European and Mexican operations. Capitec now contributes 73% of AvaFin's total borrowings.

Credit impairment charge and ECL coverage ratios

Credit impairment charge

AvaFin's credit impairment charge amounted to R761 million compared to R305 million for the 4 months to the end of August 2024.

The value of loans disbursed was the primary contributor to the increase in the charge, in particular, the portfolio growth in Mexico and Spain. Loan disbursements amounted to EUR303 million (2024 – 4 months from May: EUR156 million), the equivalent of R6.2 billion (2024 – 4 months from May: R3.1 billion).

Loans and advances and changes in the provision for ECL coverage ratios

Gross loans and advances grew to R3.4 billion (EUR109.9 million) from R2.3 billion (2024: R82.3 million), with the ECL coverage ratio increasing to 33.8% (2024: 29.5%). The provision for ECL increased to R1.1 billion (2024: R676 million).

The table below details the trend in the coverage ratios.

	As at the end of		
%	**August 2025**	**February 2025**	**August 2024**
Stage 1	**9.3**	9.5	8.5
Stage 2	**33.7**	33.2	30.4
Stage 3	**82.1**	81.6	81.9
Total	**33.8**	32.2	29.5

Group operating expenses

Group operating expenses, including AvaFin, grew by 16% to R10.0 billion. AvaFin's operating expenses were R595 million compared to R395 million for the 4 months ended August 2024.

Excluding AvaFin's operating expenses, group operating expenses grew by 14% from R8.2 billion to R9.4 billion.

7% of the growth was attributable to employment expenses. Headcount (excluding AvaFin) grew by 570 heads. Long-term incentive expenses were higher due to the 22% increase in the share price since 2024. Short-term incentives and long-term incentives increased due to the 26% growth in headline earnings.

Information technology (IT) expenses (excluding salaries) grew to R1.6 billion, exceeding the prior year expense by 33% (2024: R1.2 billion). The group's strong financial performance enabled us to accelerate investments in innovation and strategic projects.

Income and deferred tax expense

The income and deferred tax expense increased by 31% from R1.9 billion to R2.5 billion at an effective tax rate of 23.6% (2024: 22.7%). The reasons for the change in the effective tax rate are detailed below.

AvaFin's income added R55 million to tax at an effective tax rate of 30.7%. Tax on income earned in the insurance cell captives is included in the net insurance result, whereas the tax on income from our own insurance licence is recognised in the tax line. As the income from our own licence grew, R268 million, at an effective tax rate of 26.9%, was added to tax.

Excluding the impact of AvaFin, the income from our insurance licence and the impact of the cell captives, the effective tax rate was 26.6%.

Capital and liquidity

The group remains well capitalised with a CAR of 33% (2024: 37%). The implementation of the new standardised approach (NSA) and the removal of Capitec Ins Proprietary Limited (Capitec Ins) from the consolidation contributed to the decrease in the CAR.

South Africa implemented the Basel IV regulatory framework on 1 July 2025. As part of the new framework, banks adopted the NSA for operational risk. This transition had a significant impact on the operational risk-weighted assets which increased from R14.7 billion in May 2025 to R29.4 billion in August 2025.

On 6 June 2025, the Prudential Authority issued Directive 2 of 2025, requiring banking groups to deduct from their consolidated qualifying capital and reserves any equity or other regulatory amounts held in insurance entities. Previously, only licensed insurance entities were subject to this requirement. The new directive extends this requirement to all insurance businesses, regardless of licensing status. The group removed the equity related to Capitec Ins from its consolidated qualifying capital and reserves.

Refer to the group's Pillar 3 disclosure for details regarding these amendments.

We comfortably comply with the Basel IV liquidity coverage ratio (LCR) as well as the net stable funding ratio (NSFR). Our LCR is 3 147% (2024: 2 944%), and our NSFR is 236% (2024: 224%), within the regulatory requirement of 100% for both ratios.

Credit ratings

During July 2025, S&P Global affirmed the South African Sovereign rating, together with the ratings of Capitec and other South African banks, with a positive outlook. We have a global long-term rating of BB- and a short-term global rating of B. Our South African long-term national scale rating is zaAA and the short-term rating is zaA-1+.

The future

We will continue to build trust and make a meaningful difference in the lives of our clients. Our aim is to be the most trusted brand in the market. Our fundamentals of simplicity, affordability, accessibility and personalised experience will guide us in achieving our objectives. Our CEO behaviours of being client obsessed, energising and inspiring, and taking ownership will reinforce how we make a meaningful difference in our clients' lives.

Changes to the board

On 18 July 2025, Gerrie Fourie, chief executive officer (CEO), director and co-founder of the bank, retired. We extend our sincere gratitude to him for his exceptional leadership and the pivotal role he played in shaping the organisation. Graham Lee was appointed as Gerrie's successor with effect from 19 July 2025.

Interim dividend

The directors resolved that a gross interim dividend of 2 620 cents per ordinary share be declared for the 6 months ended 31 August 2025 (31 August 2024: 2 085 cents). The dividend will be paid on Monday, 27 October 2025. There are 116 099 843 ordinary shares in issue.

The 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 20%, is 2 096 cents per share. The distribution is made from income reserves. Capitec's tax reference number is 9405376840.

Last day to trade *cum* dividend	Tuesday, 21 October 2025
Trading *ex*-dividend commences	Wednesday, 22 October 2025
Record date	Friday, 24 October 2025
Payment date	Monday, 27 October 2025

Share certificates may not be dematerialised or rematerialised from Wednesday, 22 October 2025 to Friday, 24 October 2025, both days inclusive.

In terms of the company's memorandum of incorporation, dividends will only be transferred electronically to the bank accounts of certificated shareholders, as cheques are no longer issued. In instances where certificated shareholders do not provide the transfer secretary with their banking details, the dividend will not be forfeited but will be marked as 'unclaimed' in the dividend register until the shareholder provides the transfer secretary with the relevant banking details for payout.

This announcement was signed on behalf of the board by

Santie Botha
Chairman

Graham Lee
Chief executive officer

Stellenbosch
1 October 2025

We have removed all signatures from this document to protect the security and privacy of our signatories.

Condensed consolidated statement of financial position

As at 31 August 2025

R'm	August 2025	August 2024 restated	% change August 2025/2024	Year ended February 2025
Assets				
Cash and cash equivalents[1]	**49 166**	29 814	65	44 563
Financial assets at fair value through profit or loss (FVTPL)	**2 276**	786	>100	1 349
Financial investments at amortised cost	**79 833**	76 840	4	76 337
Term deposit investments	**3 354**	12 005	(72)	5 547
Loans and advances	**95 142**	83 182	14	89 145
Inventory	**110**	—		—
Other receivables[1]	**6 176**	5 543	11	6 025
Insurance contract assets	**3 165**	3 577	(12)	4 304
Reinsurance contract asset	**9**	1	>100	1
Derivative assets	**80**	65	23	38
Financial assets – equity instruments at fair value through other comprehensive income (FVOCI)	**75**	82	(9)	82
Current income tax asset	**17**	—		—
Interest in associates and joint ventures	**307**	290	6	285
Property and equipment	**4 093**	4 037	1	3 979
Right-of-use assets	**1 716**	1 845	(7)	1 827
Intangible assets including goodwill	**1 607**	1 708	(6)	1 629
Deferred income tax asset	**3 429**	2 957	16	3 353
Total assets	**250 555**	222 732	12	238 464
Liabilities				
Derivative liabilities	**94**	74	27	21
Current income tax liability	**68**	456	(85)	377
Deposits	**182 379**	162 532	12	172 635
Wholesale funding	**2 232**	3 789	(41)	2 906
Other liabilities	**9 510**	7 526	26	9 145
Lease liabilities	**2 262**	2 382	(5)	2 367
Employee benefit liabilities	**11**	12	(8)	11
Deferred income tax liability	**201**	3	>100	88
Total liabilities	**196 757**	176 774	11	187 550
Equity				
Equity attributable to ordinary shareholders of the group	**53 720**	45 889	17	50 841
Ordinary share capital and premium	**5 437**	5 447		5 475
Other reserves	**(31)**	(23)	35	(23)
Foreign currency translation reserve	**40**	(20)	>100	(18)
Share option reserve	**516**	516		516
Retained earnings	**47 758**	39 969	19	44 891
Equity attributable to other equity instrument holders of the group				
Preference share capital and premium	**42**	42		42
Equity attributable to non-controlling interest	**36**	27	33	31
Total equity	**53 798**	45 958	17	50 914
Total equity and liabilities	**250 555**	222 732	12	238 464

[1] The group reclassified the SARB settlement balance, previously included in other receivables, to cash and cash equivalents in the prior year. Comparatives for the prior year interim period have been restated for this classification error. Refer to note 2.

Condensed consolidated income statement

6 months ended 31 August 2025

R'm	August 2025	August 2024	% change August 2025/2024	Year ended February 2025
Interest and similar income and expenses				
Interest income	**16 518**	14 703	12	30 228
Interest income calculated using the effective interest rate	**15 915**	14 353	11	29 367
Interest income on financial assets at FVTPL	**603**	350	72	861
Interest expense	**(4 663)**	(5 053)	(8)	(10 043)
Net interest income	**11 855**	9 650	23	20 185
Credit impairments	**(4 734)**	(4 032)	17	(8 258)
Net interest income after credit impairments	**7 121**	5 618	27	11 927
Non-interest income				
Loan fee income	**688**	629	9	1 292
Loan fee expense	**(2)**	(4)	(50)	(6)
Net loan fee income	**686**	625	10	1 286
Transaction fee and commission income	**13 777**	11 944	15	24 852
Transaction fee and commission expense	**(3 575)**	(3 023)	18	(6 317)
Net transaction and commission income	**10 202**	8 921	14	18 535
Insurance revenue	**5 804**	2 581	>100	7 368
Insurance service expense	**(3 536)**	(1 026)	>100	(3 716)
Net income/(expense) from reinsurance contracts held	**1**	1		(1)
Insurance service result	**2 269**	1 556	46	3 651
Insurance finance income	**97**	77	26	127
Reinsurance finance expense	**—**	—		(1)
Net insurance result	**2 366**	1 633	45	3 777
Foreign currency income	**317**	283	12	568
Foreign currency expense	**(253)**	(227)	11	(432)
Net foreign currency income	**64**	56	14	136
Other income	**40**	36	11	148
Net non-interest income	**13 358**	11 271	19	23 882
Income from operations after credit impairments	**20 479**	16 889	21	35 809
Operating expenses	**(9 982)**	(8 614)	16	(18 099)
Share of net profit of associates and joint ventures	**10**	7	43	3
Deemed disposal of investment in associate	**—**	27	(100)	27
Impairment of investment in joint venture	**(35)**	—		—
Operating profit before tax	**10 472**	8 309	26	17 740
Income tax expense	**(2 476)**	(1 884)	31	(3 991)
Profit for the period	**7 996**	6 425	24	13 749
Ordinary shareholders	**7 992**	6 423	24	13 742
Non-controlling interest	**4**	2	100	7
Earnings per share (cents)				
Basic	**6 927**	5 567	24	11 911
Diluted	**6 910**	5 557	24	11 878

Condensed consolidated statement of other comprehensive income

6 months ended 31 August 2025

R'm	August 2025	August 2024	% change August 2025/2024	Year ended February 2025
Profit for the period	**7 996**	6 425	24	13 749
Other comprehensive income/(loss) that may subsequently be reclassified to profit or loss	**60**	(129)	>100	(127)
Cash flow hedge reserve recognised	**—**	(9)	(100)	(9)
Cash flow hedge reclassified to profit or loss	**—**	(1)	(100)	(1)
Income tax relating to cash flow hedge	**—**	3	(100)	3
Foreign currency translation reserve recognised	**60**	(122)	>100	(120)
Other comprehensive loss that will not subsequently be reclassified to profit or loss	**(8)**	(5)	60	(6)
Loss on remeasurement to fair value of financial assets (FVOCI)	**(7)**	(7)		(8)
Income tax thereon	**(1)**	2	>100	2
Total comprehensive income for the period	**8 048**	6 291	28	13 616
Ordinary shareholders	**8 043**	6 289	28	13 610
Non-controlling interest	**5**	2	>100	6

Reconciliation of attributable earnings to headline earnings

6 months ended 31 August 2025

R'm	August 2025	August 2024	% change August 2025/2024	Year ended February 2025
Profit for the period attributable to ordinary shareholders of the group	**7 992**	6 423	24	13 742
Preference dividend	**(2)**	(2)		(4)
Discount on repurchase of preference shares	**—**	(1)	(100)	—
Net profit after tax attributable to ordinary shareholders of the group	**7 990**	6 420	24	13 738
Non-headline items:				
Impairment of investment in joint venture	**35**	—		—
Deemed disposal of associate	**—**	(27)	(100)	(27)
Remeasurement loss on deemed disposal of associate	**—**	58	(100)	58
Reclassification of other comprehensive income to profit or loss relating to deemed disposal of associate	**—**	(85)	(100)	(85)
Loss on disposal of property and equipment	**6**	1	>100	14
Taxable loss	**8**	1	>100	18
Income tax	**(2)**	—		(5)
Non-tax deductible loss	**—**	—		1
Loss on disposal of intangible assets	**—**	—		14
Taxable loss	**—**	—		19
Income tax	**—**	—		(5)
Headline earnings	**8 031**	6 394	26	13 739
Basic headline earnings per share (cents)	**6 962**	5 544	26	11 912
Diluted headline earnings per share (cents)	**6 945**	5 534	25	11 879
Number of shares ('000)				
Weighted average number of ordinary shares in issue ('000)	**115 627**	115 627		115 627
Adjustment for treasury shares	**(280)**	(289)	(3)	(288)
Weighted average number of ordinary shares in issue ('000)	**115 347**	115 338		115 339
Adjustment for:				
Exercise of share options	**288**	199	45	320
Weighted average number of ordinary shares for diluted headline earnings per share	**115 635**	115 537		115 659
Number of shares in issue per the shareholders' register	**116 100**	116 100		116 100

Condensed consolidated statement of changes in equity

6 months ended 31 August 2025

R'm	August 2025	August 2024	% change August 2025/2024	Year ended February 2025
Ordinary share capital and premium				
Balance at the beginning of the period	**5 475**	5 457		5 457
Shares acquired for employee share options at cost	**(25)**	(49)	(49)	(21)
Treasury shares	**(13)**	39	>100	39
Balance at the end of the period	**5 437**	5 447		5 475
Other reserves				
Balance at the beginning of the period	**(23)**	(18)	28	(18)
Total comprehensive loss	**(8)**	(5)	60	(5)
Balance at the end of the period	**(31)**	(23)	35	(23)
Foreign currency translation reserve				
Balance at the beginning of the period	**(18)**	102	>100	102
Total comprehensive income/(loss)	**58**	(122)	>100	(120)
Balance at the end of the period	**40**	(20)	>100	(18)
Share option reserve				
Balance at the beginning of the period	**516**	516		516
Balance at the end of the period	**516**	516		516
Retained earnings				
Balance at the beginning of the period	**44 891**	37 424	20	37 424
Total comprehensive income for the period	**7 992**	6 423	24	13 742
Ordinary dividend	**(5 129)**	(3 883)	32	(6 298)
Preference dividend	**(2)**	(2)		(4)
Change in AvaFin shareholding – equity transactions	**—**	(4)	(100)	(4)
Employee share option scheme: value of employee services	**61**	24	>100	86
Shares acquired for employee share options at cost	**(95)**	(83)	14	(121)
Proceeds on settlement of employee share options	**75**	83	(10)	136
Tax effect on share options	**52**	76	(32)	86
Fair value of shares utilised for net settlement	**(87)**	(89)	(2)	(156)
Balance at the end of the period	**47 758**	39 969	19	44 891
Equity attributable to ordinary shareholders of the group	**53 720**	45 889	17	50 841
Equity attributable to other equity instrument holders of the group				
Balance at the beginning of the period	**42**	43	(2)	43
Preference shares repurchased	**—**	(1)	(100)	(1)
Balance at the end of the period	**42**	42		42
Equity attributable to non-controlling interest				
Balance at the beginning of the period	**31**	—		—
Acquisition of subsidiary	**—**	21	(100)	21
Total comprehensive income for the period	**5**	2	>100	6
Change in AvaFin shareholding – equity transactions	**—**	4	(100)	4
Balance at the end of the period	**36**	27	33	31
Total equity	**53 798**	45 958	17	50 914

Condensed consolidated statement of cash flows

6 months ended 31 August 2025

R'm	August 2025	August 2024 restated	% change August 2025/2024	Year ended February 2025
Cash flows from operating activities				
Cash flow from operations[1]	**3 061**	6 136	(50)	9 647
Income tax paid	**(2 716)**	(1 962)	38	(4 456)
Interest received	**16 119**	13 254	22	29 757
Interest paid	**(4 602)**	(5 525)	(17)	(10 044)
	11 862	11 903	—	24 904
Cash flows from investing activities				
Acquisition of property and equipment	**(524)**	(932)	(44)	(1 278)
Disposal of property and equipment	**15**	38	(61)	40
Acquisition of intangible assets	**(44)**	(52)	(15)	(95)
Investment in term deposit investments	**(3 000)**	(4 890)	(39)	(5 140)
Redemption of term deposit investments	**4 890**	1 094	>100	7 664
Acquisition of financial investments at amortised cost	**(29 273)**	(36 242)	(19)	(71 068)
Redemption of financial investments at amortised cost	**26 213**	28 421	(8)	63 005
Interest acquired in associates and joint ventures	**(25)**	(15)	67	(15)
Acquisition of subsidiary net of cash acquired	**—**	(99)	(100)	(99)
	(1 748)	(12 677)	(86)	(6 986)
Cash flows from financing activities				
Dividends paid	**(5 127)**	(3 886)	32	(6 304)
Preference shares repurchased	**—**	(1)	(100)	(2)
Redemption of institutional bonds and other funding	**—**	—	—	(1 250)
Payment of lease liabilities	**(241)**	(215)	12	(441)
Shares acquired for settlement of employee share options	**(120)**	(80)	50	(142)
Participants' contribution on settlement of options	**6**	2	>100	4
Treasury shares repurchased	**(45)**	(39)	15	(32)
	(5 527)	(4 219)	31	(8 167)
Effect of exchange rate changes on cash and cash equivalents	**16**	(54)	>100	(48)
Net increase/(decrease) in cash and cash equivalents	**4 603**	(5 047)	>100	9 703
Cash and cash equivalents at the beginning of the period[1][2]	**44 564**	34 861	28	34 861
Cash and cash equivalents at the end of the period[1][2]	**49 167**	29 814	65	44 564

[1] The group reclassified the SARB settlement balance, previously included in other receivables, to cash and cash equivalents in the prior year. Comparatives for the prior year interim period have been restated for this classification error. This restatement impacted the group's cash flow from operating activities and cash and cash equivalents reported for the beginning and end of the year. Refer to note 2.

[2] Balances at the beginning and end of the period are reported before the ECL provision.

Notes to the condensed consolidated interim financial statements

6 months ended 31 August 2025

1. Basis of preparation

The condensed consolidated interim financial statements for the 6 months ended 31 August 2025 are prepared in accordance with and contain the information required by IAS 34 *Interim Financial Reporting,* the Financial Pronouncements as issued by the Financial Reporting Standards Council and SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements and the South African Companies Act.

The accounting policies applied in the preparation of these interim financial statements are in terms of IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards) and are consistent with those applied in the previous consolidated financial statements except for the following effective standards, interpretations and amendments to published standards applied for the first time during the current reporting period:

Title	Effective date	Impact
Lack of exchangeability – amendments to IAS 21	Annual periods beginning on or after 1 January 2025 (early adoption is available) (published August 2023)	The amendments impact entities that have transactions or operations in a foreign currency that are not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The group is not operating or conducting business in jurisdictions that currently lack exchangeability. Accordingly, it has been assessed that these amendments do not have an impact on the group.

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted. The group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements.

The following the International Financial Reporting Interpretations Committee Agenda decisions were approved by the IASB in April 2025 and have been considered to determine their impact on these condensed consolidated interim financial statements:

Subject	Impact
Guarantees issued on obligations of other entities	There was no impact on the group.
Recognition of revenue from tuition fees	There was no impact on the group.
Recognition of intangible assets from climate-related expenditure	Commitments made in the February 2025 sustainability report did not create any intangible assets requiring capitalisation per IAS 38.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated financial statements, did not change compared to the prior financial year.

In calculating the provision for ECL for the 6 months ended 31 August 2025, key areas of significant management estimation and judgement included determining SICR thresholds, the definition of write-off being when there is no reasonable expectation of further recovery (5% of balance before write-off), assumptions used in the forward-looking economic model, event overlays and how historical data is used to project ECL. This was considered by applying macroeconomic information available up to 31 August 2025.

The condensed consolidated interim financial statements were not reviewed or audited by the group's auditors.

The preparation of the unaudited condensed consolidated interim financial statements was supervised by the chief financial officer (CFO), Grant Hardy CA(SA).

2. Restatement – prior period error

Reclassification to cash and cash equivalents

In the prior year interim period, the SARB settlement balance was presented and disclosed as part of other receivables in the consolidated statement of financial position, the consolidated statement of cash flows and related notes. The SARB settlement balance has been reclassified to cash and cash equivalents and has been included in the line item 'other cash balances held with the central bank' as it meets the definition of cash and cash equivalents under IAS 7 *Statement of Cash Flows.*

The group has restated the statement of financial position and the statement of cash flows for this classification error. This restatement has no impact on the group's financial position, financial performance or any key ratios. The restatement has no tax implications.

The impact on the statement of financial position and statement of cash flows is reflected in the table below. The restatement has no impact on the income statement.

Restatement of the statement of financial position

R'm	August 2024 as previously reported	August 2024 restatement	August 2024 restated
Assets			
Cash and cash equivalents	22 642	7 172	29 814
Other receivables	12 715	(7 172)	5 543

Restatement of the statement of cash flows

R'm	August 2024 as previously reported	August 2024 restatement	August 2024 restated
Cash flows from operating activities			
Cash flow from operations	4 799	1 337	6 136
Net decrease in cash and cash equivalents	(6 384)	1 337	(5 047)
Cash and cash equivalents at the beginning of the period	29 026	5 835	34 861
Cash and cash equivalents at the end of the period	22 642	7 172	29 814

3. Net loans and advances

Personal banking

	Stage 1 12-month ECL	Stage 2 Lifetime ECL		Stage 3 Lifetime ECL				
R'm	Up-to-date	Up-to-date loans with SICR and applied for debt review >6 months	Up to 1 month in arrears	2 and 3 months in arrears	Rescheduled from up-to-date (not yet rehabilitated)	Rescheduled from arrears (not yet rehabilitated)	More than 3 months in arrears, legal statuses and applied for debt review <6 months	Total
Balance as at 31 August 2025								
Gross loans and advances	**52 911**	**13 244**	**1 317**	**2 188**	**1 961**	**2 044**	**19 257**	**92 922**
Term loan	**29 945**	**8 167**	**742**	**1 503**	**1 556**	**1 653**	**12 625**	**56 191**
Access facility	**12 455**	**3 723**	**276**	**471**	**405**	**391**	**5 006**	**22 727**
Credit card	**10 511**	**1 354**	**299**	**214**	**—**	**—**	**1 626**	**14 004**
Provision for ECL[1]	**(3 769)**	**(2 926)**	**(602)**	**(1 377)**	**(497)**	**(562)**	**(14 797)**	**(24 530)**
Term loan	**(2 128)**	**(1 602)**	**(322)**	**(988)**	**(401)**	**(446)**	**(10 063)**	**(15 950)**
Access facility	**(932)**	**(991)**	**(159)**	**(286)**	**(96)**	**(116)**	**(3 670)**	**(6 250)**
Credit card	**(709)**	**(333)**	**(121)**	**(103)**	**—**	**—**	**(1 064)**	**(2 330)**
Net loans and advances	**49 142**	**10 318**	**715**	**811**	**1 464**	**1 482**	**4 460**	**68 392**
Term loan	**27 817**	**6 565**	**420**	**515**	**1 155**	**1 207**	**2 562**	**40 241**
Access facility	**11 523**	**2 732**	**117**	**185**	**309**	**275**	**1 336**	**16 477**
Credit card	**9 802**	**1 021**	**178**	**111**	**—**	**—**	**562**	**11 674**
ECL coverage (%)[2]	**7.1**	**22.1**	**45.7**	**62.9**	**25.3**	**27.5**	**76.8**	**26.4**
Term loan	**7.1**	**19.6**	**43.4**	**65.7**	**25.8**	**27.0**	**79.7**	**28.4**
Access facility	**7.5**	**26.6**	**57.6**	**60.7**	**23.7**	**29.7**	**73.3**	**27.5**
Credit card	**6.7**	**24.6**	**40.5**	**48.1**	**—**	**—**	**65.4**	**16.6**
% of gross loan book	**57**	**14**	**1**	**3**	**2**	**2**	**21**	**100**
Term loan	**32**	**8**	**1**	**2**	**2**	**2**	**14**	**61**
Access facility	**14**	**4**	**—**	**1**	**—**	**—**	**5**	**24**
Credit card	**11**	**2**	**—**	**—**	**—**	**—**	**2**	**15**
Balance as at 28 February 2025								
Gross loans and advances	50 393	12 483	1 597	2 233	1 810	2 137	18 892	89 545
Term loan	27 650	8 115	904	1 530	1 367	1 722	12 490	53 778
Access facility	13 711	3 213	400	502	443	415	4 928	23 612
Credit card	9 032	1 155	293	201	—	—	1 474	12 155
Provision for ECL[1]	(3 656)	(2 712)	(744)	(1 406)	(458)	(585)	(14 600)	(24 161)
Term loan	(1 946)	(1 540)	(398)	(998)	(351)	(461)	(9 978)	(15 672)
Access facility	(1 127)	(892)	(234)	(311)	(107)	(124)	(3 641)	(6 436)
Credit card	(583)	(280)	(112)	(97)	—	—	(981)	(2 053)
Net loans and advances	46 737	9 771	853	827	1 352	1 552	4 292	65 384
Term loan	25 704	6 575	506	532	1 016	1 261	2 512	38 106
Access facility	12 584	2 321	166	191	336	291	1 287	17 176
Credit card	8 449	875	181	104	—	—	493	10 102
ECL coverage (%)[2]	7.3	21.7	46.5	63.0	25.3	27.4	77.3	27.0
Term loan	7.0	19.0	44.0	65.3	25.7	26.8	79.9	29.1
Access facility	8.2	27.8	58.5	62.0	24.2	29.8	73.9	27.3
Credit card	6.4	24.3	38.1	48.1	—	—	66.5	16.9
% of gross loan book	56	14	2	2	2	3	21	100
Term loan	31	9	1	1	2	2	14	60
Access facility	15	4	1	1	—	1	5	27
Credit card	10	1	—	—	—	—	2	13

(1) *For agreements that contain both a drawn and undrawn component where the group cannot separately identify the ECL on the undrawn component, the ECL on the undrawn component is recognised with the ECL on the loan component. To the extent that the ECLs exceed the gross carrying amount of the loans at a client level, the excess is recognised as a provision in other liabilities in the statement of financial position. The loss allowance on the undrawn loan commitments of clients that have no outstanding balances is also recognised as a provision in other liabilities.*

(2) *The ECL coverage ratio is calculated in thousands before rounding to millions.*

3. Net loans and advances continued

Personal banking continued

R'm	Stage 1 12-month ECL Up-to-date	Stage 2 Lifetime ECL Up-to-date loans with SICR and applied for debt review >6 months	Stage 2 Lifetime ECL Up to 1 month in arrears	Stage 3 Lifetime ECL 2 and 3 months in arrears	Stage 3 Lifetime ECL Resche-duled from up-to-date (not yet rehabi-litated)	Stage 3 Lifetime ECL Resche-duled from arrears (not yet rehabi-litated)	Stage 3 Lifetime ECL More than 3 months in arrears, legal statuses and applied for debt review <6 months	Total
Balance as at 31 August 2024								
Gross loans and advances	46 908	12 507	1 169	2 263	2 034	2 357	18 195	85 433
Term loan	25 014	7 578	616	1 470	1 494	1 838	12 133	50 143
Access facility	14 218	3 843	309	629	540	519	4 719	24 777
Credit card	7 676	1 086	244	164	—	—	1 343	10 513
Provision for ECL[(1)]	(3 689)	(2 934)	(549)	(1 438)	(541)	(678)	(13 888)	(23 717)
Term loan	(1 801)	(1 497)	(270)	(963)	(399)	(508)	(9 538)	(14 976)
Access facility	(1 396)	(1 166)	(182)	(396)	(142)	(170)	(3 475)	(6 927)
Credit card	(492)	(271)	(97)	(79)	—	—	(875)	(1 814)
Net loans and advances	43 219	9 573	620	825	1 493	1 679	4 307	61 716
Term loan	23 213	6 081	346	507	1 095	1 330	2 595	35 167
Access facility	12 822	2 677	127	233	398	349	1 244	17 850
Credit card	7 184	815	147	85	—	—	468	8 699
ECL coverage (%)[(2)]	7.9	23.5	47.0	63.5	26.6	28.8	76.3	27.8
Term loan	7.2	19.8	43.8	65.5	26.7	27.6	78.6	29.9
Access facility	9.8	30.3	58.9	63.0	26.3	32.8	73.6	28.0
Credit card	6.4	25.0	39.8	48.2	—	—	65.2	17.3
% of gross loan book	55	15	1	3	2	3	21	100
Term loan	29	9	1	2	2	2	14	59
Access facility	17	5	—	1	—	1	5	29
Credit card	9	1	—	—	—	—	2	12

(1) *For agreements that contain both a drawn and undrawn component where the group cannot separately identify the ECL on the undrawn component, the ECL on the undrawn component is recognised with the ECL on the loan component. To the extent that the ECLs exceed the gross carrying amount of the loans at a client level, the excess is recognised as a provision in other liabilities in the statement of financial position. The loss allowance on the undrawn loan commitments of clients that have no outstanding balances is also recognised as a provision in other liabilities.*

(2) *The ECL coverage ratio is calculated in thousands before rounding to millions.*

3. Net loans and advances continued

Business banking

	Stage 1 12-month ECL		Stage 2 Lifetime ECL				Stage 3 Lifetime ECL	
R'm	Up-to-date	Up to 1 month in arrears	Up-to-date loans SICR	2 and 3 months in arrears	Rescheduled from up-to-date (not yet rehabilitated)	Rescheduled from arrears (not yet rehabilitated)	More than 3 months in arrears, legal statuses and applied for business rescue liquidations <6 months	Total
Balance as at 31 August 2025								
Gross loans and advances	**21 788**	**389**	**1 229**	**86**	**182**	**29**	**2 288**	**25 991**
Business loans	**11 352**	**223**	**715**	**56**	**170**	**18**	**1 333**	**13 867**
Mortgage loans	**10 436**	**166**	**514**	**30**	**12**	**11**	**955**	**12 124**
Provision for ECL[1][2]	**(320)**	**(8)**	**(117)**	**(11)**	**(9)**	**(3)**	**(1 023)**	**(1 491)**
Business loans	**(286)**	**(7)**	**(89)**	**(9)**	**(8)**	**(2)**	**(772)**	**(1 173)**
Mortgage loans	**(34)**	**(1)**	**(28)**	**(2)**	**(1)**	**(1)**	**(251)**	**(318)**
Net loans and advances	**21 468**	**381**	**1 112**	**75**	**173**	**26**	**1 265**	**24 500**
Business loans	**11 066**	**216**	**626**	**47**	**162**	**16**	**561**	**12 694**
Mortgage loans	**10 402**	**165**	**486**	**28**	**11**	**10**	**704**	**11 806**
ECL coverage (%)[3]	**1.5**	**2.0**	**9.5**	**13.1**	**5.0**	**11.4**	**44.7**	**5.7**
Business loans	**2.5**	**3.1**	**12.4**	**16.6**	**4.9**	**13.9**	**57.9**	**8.5**
Mortgage loans	**0.3**	**0.6**	**5.4**	**6.3**	**7.1**	**7.3**	**26.4**	**2.6**
% of gross loan book	**84**	**1**	**5**	**—**	**1**	**0**	**9**	**100**
Business loans	**44**	**1**	**3**	**—**	**1**	**—**	**5**	**53**
Mortgage loans	**40**	**1**	**2**	**—**	**—**	**—**	**4**	**47**
Balance as at 28 February 2025								
Gross loans and advances	19 342	307	1 182	158	199	34	2 117	23 339
Business loans	9 794	192	621	90	174	14	1 140	12 025
Mortgage loans	9 548	115	561	68	25	20	977	11 314
Provision for ECL[1][2]	(279)	(8)	(144)	(18)	(20)	(4)	(895)	(1 368)
Business loans	(250)	(7)	(110)	(15)	(19)	(2)	(653)	(1 056)
Mortgage loans	(29)	(1)	(34)	(3)	(1)	(2)	(242)	(312)
Net loans and advances	19 063	299	1 038	140	179	30	1 222	21 971
Business loans	9 544	185	511	75	155	12	487	10 969
Mortgage loans	9 519	114	527	65	24	18	735	11 002
ECL coverage (%)[3]	1.4	2.6	12.2	11.5	9.9	11.7	42.3	5.9
Business loans	2.5	3.7	17.9	16.3	10.9	15.9	57.3	8.8
Mortgage loans	0.3	0.8	6.0	5.0	3.0	8.9	24.8	2.8
% of gross loan book	83	1	5	1	1	—	9	100
Business loans	42	1	2	1	1	—	5	52
Mortgage loans	41	—	3	—	—	—	4	48

(1) *For agreements at a client level that contain both a drawn and an undrawn component, the combined ECL is recognised with the loan component. To the extent that the combined ECL exceeds the gross carrying amount, the excess is recognised as a provision in other liabilities in the statement of financial position.*

(2) *Business banking accepts collateral for secured funds advanced and this decreases the ECL.*

(3) *The ECL coverage ratio is calculated in thousands before rounding to millions.*

3. Net loans and advances continued

Business banking continued

R'm	Stage 1 12-month ECL: Up-to-date	Stage 1 12-month ECL: Up to 1 month in arrears	Stage 2 Lifetime ECL: Up-to-date loans SICR	Stage 2 Lifetime ECL: 2 and 3 months in arrears	Stage 2 Lifetime ECL: Resche-duled from up-to-date (not yet rehabi-litated)	Stage 2 Lifetime ECL: Resche-duled from arrears (not yet rehabi-litated)	Stage 3 Lifetime ECL: More than 3 months in arrears, legal statuses and applied for business rescue liqui-dations <6 months	Total
Balance as at 31 August 2024								
Gross loans and advances	17 563	174	1 021	160	268	77	1 860	21 123
Business loans	8 824	88	499	74	216	26	910	10 637
Mortgage loans	8 739	86	522	86	52	51	950	10 486
Provision for ECL[1][2]	(255)	(4)	(146)	(24)	(20)	(10)	(815)	(1 274)
Business loans	(203)	(3)	(105)	(16)	(18)	(6)	(569)	(920)
Mortgage loans	(52)	(1)	(41)	(8)	(2)	(4)	(246)	(354)
Net loans and advances	17 308	170	875	136	248	67	1 045	19 849
Business loans	8 621	85	394	58	198	20	341	9 717
Mortgage loans	8 687	85	481	78	50	47	704	10 132
ECL coverage (%)[3]	1.5	2.1	14.4	15.0	7.2	12.4	43.8	6.0
Business loans	2.3	3.3	21.1	21.5	8.2	22.0	62.5	8.6
Mortgage loans	0.6	0.9	8.0	9.5	3.4	7.5	25.9	3.4
% of gross loan book	83	1	5	1	1	—	9	100
Business loans	42	1	2	—	1	—	4	50
Mortgage loans	41	—	3	1	—	—	5	50

(1) *For agreements at a client level that contain both a drawn and an undrawn component, the combined ECL is recognised with the loan component. To the extent that the combined ECL exceeds the gross carrying amount, the excess is recognised as a provision in other liabilities in the statement of financial position.*

(2) *Business banking accepts collateral for secured funds advanced and this decreases the ECL.*

(3) *The ECL coverage ratio is calculated in thousands before rounding to millions.*

3. Net loans and advances continued

AvaFin

R'm	Stage 1 12-month ECL Up-to-date	Stage 2 Lifetime ECL[1] 1 to 30 days in arrears	Stage 2 Lifetime ECL[1] 31 to 60 days in arrears	Stage 3 Lifetime ECL More than 60 days in arrears	Total
Balance as at 31 August 2025					
Gross loans and advances	**1 907**	**340**	**187**	**964**	**3 398**
Provision for ECL	**(178)**	**(102)**	**(76)**	**(792)**	**(1 148)**
Net loans and advances	**1 729**	**238**	**111**	**172**	**2 250**
ECL coverage (%)[2]	**9.3**	**30.0**	**40.5**	**82.1**	**33.8**
% of gross loan book	**56**	**10**	**6**	**28**	**100**
Balance as at 28 February 2025					
Gross loans and advances	1 548	241	145	707	2 641
Provision for ECL	(147)	(69)	(58)	(577)	(851)
Net loans and advances	1 401	172	87	130	1 790
ECL coverage (%)[2]	9.5	28.6	40.4	81.6	32.2
% of gross loan book	59	9	5	27	100
Balance as at 31 August 2024					
Gross loans and advances	1 393	232	115	553	2 293
Provision for ECL	(118)	(62)	(43)	(453)	(676)
Net loans and advances	1 275	170	72	100	1 617
ECL coverage (%)[2]	8.5	26.7	37.4	81.9	29.5
% of gross loan book	61	10	5	24	100

[1] *Stage 2 has been disaggregated into 1 to 30 days in arrears and 31 to 60 days in arrears to provide enhanced disclosure.*
[2] *The ECL coverage ratio is calculated in thousands before rounding to millions.*

4. Commitments and contingent liabilities

R'm	August 2025	August 2024	% change August 2025/2024	Year ended February 2025
Capital commitments – approved by the board				
Contracted for:				
Property and equipment	**183**	44	>100	144
Intangible assets	**42**	34	24	61
Not contracted for:				
Property and equipment	**1 030**	642	60	196
Intangible assets	**184**	222	(17)	186
Total capital commitments	**1 439**	942	53	587
Loan commitments – gross of loss allowances[1]				
Personal banking loan commitments	**14 786**	13 302	11	13 893
Access facility	**10 037**	10 166	(1)	10 025
Credit card	**4 749**	3 136	51	3 868
Business banking loan commitments	**475**	304	56	374
Mortgage bonds	**387**	218	78	290
Credit card	**88**	86	2	84
Guarantees – Business banking	**728**	705	3	660
Letters of credit – Business banking	**7**	46	(85)	31
AvaFin foreign currency-denominated loan commitments	**372**	245	52	339
Total loan commitments, guarantees and letters of credit	**16 368**	14 602	12	15 297

[1] *For agreements that contain both a drawn and undrawn component where the group cannot separately identify the ECL on the undrawn component, the ECL on the undrawn component is recognised with the ECL on the loan component. To the extent that the ECLs exceed the gross carrying amount of the loans at a client level, the excess is recognised as a provision in other liabilities in the statement of financial position. The loss allowance on the undrawn loan commitments of clients that have no outstanding balances is also recognised as a provision in other liabilities.*

5. Fair value hierarchy and classification of financial assets and liabilities

Determination of fair values and valuation processes

Fair values are market-based, calculated with reference to observable inputs available in the market, then less observable inputs and finally, unobservable inputs only where observable inputs or less observable inputs are unavailable.

Fair values are calculated consistently with the unit of account used for the measurement of the asset or liability in the statement of financial position and income statement and assume an orderly market on a going concern basis.

The group finance department performs the valuations of financial assets and liabilities required for financial reporting purposes. Selecting the most appropriate valuation methods and techniques is an outcome of internal discussion and deliberation between members of the finance team who have modelling and valuation experience. The valuations are reported to the CFO and audit committee. Changes in fair values are analysed at each reporting date.

Hierarchy of fair value of financial instruments

The hierarchy is based on the extent to which the inputs to valuation techniques are observable or unobservable. The hierarchy categorises the inputs to valuation techniques used to measure fair value into 3 levels.

Level 1 inputs reflect observable market data obtained from independent sources and consist of unadjusted quoted prices in active markets for assets and liabilities.

Level 2 inputs are inputs other than quoted market prices in level 1 that are directly or indirectly observable for the asset or liability.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the group's assessment of what inputs would likely be from the perspective of the market.

The group considers relevant and observable market inputs where these are available. Unobservable inputs are used in the absence of observable inputs.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1, 2 and 3 during the year.

The fair value hierarchy is applied to both those assets and liabilities measured at FVTPL and those measured using amortised cost.

5. Fair value hierarchy and classification of financial assets and liabilities continued

Hierarchy of fair value of financial instruments continued

The table below summarises the classification of financial assets and financial liabilities and their fair values.

R'm	Carrying value August 2025	Fair value August 2025	Fair value August 2024	Fair value February 2025	Hierarchy of valuation technique
Financial assets					
Cash and cash equivalents[1][2]	49 166	49 166	29 814	44 563	Level 2
Financial assets at FVTPL	2 276	2 276	786	1 349	
Income funds[3]	1 492	1 492	324	794	Level 2
Term deposits[3]	69	69	203	200	Level 2
Treasury bills[3]	715	715	259	355	Level 2[6]
Term deposit investments	3 354	3 354	12 005	5 547	Level 2
Financial investments at amortised cost	79 833	80 582	76 733	76 372	
Treasury bills[3]	51 116	51 103	63 317	52 150	Level 2[6]
Fixed-rate government bonds[3]	13 609	14 249	13 356	13 037	Level 1[6]
Corporate bonds[3][4]	78	78	60	69	Level 2
Floating-rate government bonds[3]	15 030	15 152	—	11 116	Level 1
Financial assets – equity instruments at FVOCI	75	75	82	82	Level 3
Loans and advances	95 142	100 181	86 642	93 605	
Personal banking – Term loans[3]	40 241	43 519	36 253	40 861	Level 3
Personal banking – Access facility[3]	16 477	17 378	19 463	18 242	Level 3
Personal banking – Credit card[3]	11 674	12 204	9 200	10 453	Level 3
AvaFin[1][4]	2 250	2 250	1 617	1 790	Level 3
Business banking – Business loans	12 694	12 989	9 924	11 227	Level 3
Business banking – Mortgage loans	11 806	11 841	10 185	11 032	Level 3
Other receivables[1][2][5]	5 692	5 692	4 989	5 582	Level 2
Derivative assets	80	80	65	38	Level 2
Financial liabilities					
Deposits and bonds	184 611	172 048	165 957	168 330	
Listed bonds	1 507	1 509	2 269	1 511	Level 2
Unlisted fixed-term institutional deposits	725	725	1 527	1 398	Level 2
Deposits	182 379	169 814	162 161	165 421	Level 2
Derivative liabilities	94	94	74	21	Level 2
Trade and other payables[1][5]	5 877	5 877	4 953	5 783	Level 2

(1) The fair values of these assets and liabilities closely approximate their carrying amounts due to their short-term or on-demand repayment terms.

(2) The group reclassified the SARB settlement balance, previously included in other receivables, to cash and cash equivalents in the prior year. Comparatives have been restated for this classification error. Refer to note 2.

(3) The fair value presentation of financial assets at FVTPL, financial investments at amortised cost and loans and advances for Personal banking has been disaggregated by nature. Comparatives have been updated to reflect the disaggregated presentation.

(4) The group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date.

(5) Other receivables per the statement of financial position include non-financial receivables totalling R0.5 billion (August 2024: R0.6 billion; February 2025: R0.4 billion). Other liabilities per the statement of financial position include non-financial liabilities totalling R3.6 billion (August 2024: R2.6 billion; February 2025: R3.4 billion).

(6) In the prior period, treasury bills were incorrectly classified as level 1 within the fair value hierarchy. This classification has been reassessed to level 2 in the current period and prior financial year. In the prior period, government bonds were incorrectly classified as level 2 within the fair value hierarchy. This classification has been reassessed to level 1 in the current period and prior financial year as government bonds are priced to quoted prices in active markets. The comparative period has been restated to reflect this change.

5. Fair value hierarchy and classification of financial assets and liabilities continued

Hierarchy of fair value of financial instruments continued

Fair values of assets and liabilities reported in this note were market-based to reflect the perspective of a market participant.

Item and description	Valuation technique
Personal banking loans and advances	The expected present value technique was applied, discounting probability-weighted cash flows at a discount rate that ensures that no day-1 fair value gain or loss arises on new loans. This considers that loans are granted at market-related rates at the time of initiation. The level 3 fair value disclosed for loans and advances required the use of significant judgement by management in determining what a market-based valuation would be. An income approach was used, which calculated an expected present value in terms of a discount rate for a hypothetical market participant applied to the valuation cash flows. In summary, this approach calculates a discount rate which reflects the cost to the market participant plus that participant's required rate of return on investment.
Business banking loans and advances	The fair value of loans and advances that are carried at amortised cost approximates the fair value reported as they bear variable rates of interest. The fair value is adjusted for deterioration of the credit quality of the book.
AvaFin loans and advances	The expected present value technique was applied. Determination of expected future cash flows requires significant judgement. Foreign currency loans are translated to the reporting currency using market foreign exchange rates.
Financial assets at FVTPL – Income funds	Financial assets (income funds) with underlying debt securities are valued using discounted cash flows, external valuations and published price quotations on the JSE equity and debt interest rate market, or external valuations that are based on published market inputs with the main assumptions being market input, uplifted with inflation. These instruments are classified as level 2 as the markets that they are quoted on are not considered to be active.
Financial assets at FVTPL – Term deposits	Future cash flows are discounted using a market-related interest rate adjusted for credit inputs over the contractual period.
Financial assets at FVTPL – Treasury bills	These instruments are classified as level 2 as the markets that they are quoted on are not considered to be active.
Financial assets – Equity instruments at FVOCI – SWIFT	The equity investment in the Society for Worldwide Interbank Financial Telecommunication (SWIFT) is valued based on the net asset value in the annual financial statements at the latest reporting date. No active market exists for these shares.
Financial assets – Equity instruments at FVOCI – African Bank Holdings Limited	The equity investment in African Bank Holdings Limited is valued based on the net asset value in the annual financial statements at the latest reporting date adjusted by a marketability discount of 45% because the shares are not listed and sale is restricted in terms of the rules of the consortium.
Term deposit investments	Future cash flows are discounted using a market-related interest rate adjusted for credit inputs over the contractual period.
Financial investments at amortised cost – Treasury bills	These instruments are classified as level 2 as the markets that they are quoted in are not considered to be active.
Financial investments at amortised cost – Fixed-rate government bonds, floating-rate government bonds	The JSE debt market bond pricing model uses the JSE debt market mark-to-market bond yield.
Financial investments at amortised cost – Corporate bonds	The present value technique was applied. For fixed-rate instruments, future cash outflows were discounted using the rate adjusted by changes in market rates since origination. For floating-rate instruments, with rate recalculation periods not longer than 3 months, no adjustment of market rates was assumed. All instruments are reviewed for credit risk changes since origination.

5. Fair value hierarchy and classification of financial assets and liabilities continued

Hierarchy of fair value of financial instruments continued

Item and description	Valuation technique
Derivative assets and liabilities	Derivatives, both assets and liabilities, were valued using the income approach. Derivatives comprise interest rate swaps and forward foreign exchange contracts. Interest rate swaps were fair valued on a discounted basis using forward interest rates and foreign currency rates extracted from observable yield and foreign currency market curves. Foreign exchange contracts were valued using applicable forward rates. The fair value of publicly traded derivatives and securities is based on quoted market values at the reporting date.
Deposits and bonds with call features	Specified terms for future repayment as well as retail deposits with a call feature which allows them to be withdrawn on demand. The fair values of the retail call deposits closely approximate their carrying amounts due to their demand nature.
Listed senior bonds	A market approach was used. Calculations used the all-in closing bond prices provided by the JSE's Interest Rate and Currency debt market. The pricing method used by the JSE links the bond at issue to a liquid government bond (a companion bond). The companion is chosen so as to best fit the characteristics of the Capitec issue, with the time to maturity being the most important factor. Spread information is obtained from market participants and is used to adjust the price subsequent to issue. Very small and very large trades are excluded due to the inherent discounts associated with large trades as well as the premium often charged for odd-lot trades.
Unlisted fixed-term institutional deposits	These comprise unlisted bonds, unlisted fixed-term negotiable instruments and other unlisted fixed-term wholesale instruments. The income approach was used. Fair values were calculated by discounting the contractual cash flows using publicly quoted closing swap curve rates from a large bank market-maker with a risk premium adjustment to account for non-performance risk. The market rate on the curve was determined with reference to the remaining maturity of the liability.
Personal banking fixed-term deposits	An income approach was used. Fair values were calculated by discounting the contractual cash flows using publicly quoted, closing Capitec fixed-term deposit rates. The relevant rate used was that which matched the remaining maturity of the fixed deposit.
Secured funding	Is carried at amortised cost which approximates the fair value reported as they bear variable rates of interest.

6. Segment information

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision-maker (CODM) in order to allocate resources to the segments and to assess their performance. The group executive management committee, headed by the CEO, has been identified as the CODM, which is responsible for assessing the performance of and allocating resources to the segments.

The CODM identified 3 operating segments within the South African economic environment – Personal banking, Business banking and the Insurance business. AvaFin, a foreign subsidiary, was also identified as an operating segment. The business is widely distributed with no reliance on any major clients. In addition, no client accounts for more than 10% of revenue.

The CODM regularly reviews the operating results and gross loans and advances of Personal banking, Business banking, the Insurance business and AvaFin for which detailed financial information is made available on a monthly basis and against which performance is measured, and resources are allocated across the segments.

6. Segment information continued

Personal banking

Within the segments, there are a number of products and services from which the group derives its revenue. These include:

- Transactional banking services
- Loan products that are granted to Personal banking clients. There are 3 different loan products granted, namely term loans, credit cards and access facilities
- Flexible, notice, fixed and tax-free savings
- VAS including enabling clients to purchase prepaid mobile network services, electricity, national lottery tickets and vouchers and the ability to pay bills on the banking application
- Capitec Connect, a mobile virtual network operator using the mobile network infrastructure of Cell C, offering its own products and services.

Business banking

- Loan products that are granted to Business banking clients. There are 5 different loan products granted, namely term loans, mortgage loans, overdrafts, instalment sales and leases, and credit cards
- Call and notice deposits
- Treasury products that comprise foreign currency exchange spot trades and foreign currency exchange forward contracts.

Insurance

The following long-term insurance products are provided by the group:

- Credit life insurance which provides cover for the settlement of debt in the event of death, permanent disability, temporary disability and retrenchment
- Funeral plan and life cover (together life insurance). The funeral plan provides cover for funeral costs. Life cover provides cover in the event of death or disability by way of a lump sum, income over 24 months or other pre-selected needs (e.g. a child's education).

All products are sold on our own Capitec Life licence. Capitec Ins, by way of cell captive agreements with Guardrisk and Centriq, sold credit life and funeral plan policies, respectively. Since 7 May 2023, no new credit life policies have been sold in the Guardrisk cell and since 1 November 2024, no new funeral plan policies have been sold in the Centriq cell.

AvaFin

- Short-term loan products
- Credit line products – Revolving credit line with a perpetual contractual period and the option to reuse funds and repay the loan in multiple instalments
- Instalment loans – Loans that are repaid over time with a set number of scheduled payments.

The revenue from external parties and all other items of income, expenses, profits or losses reported in the segment report are measured in a manner consistent with that in the income statement.

6. Segment information continued

R'm	Personal banking	Business banking	Insurance	AvaFin	Total
	August 2025				
Interest and similar income and expenses					
Interest income(1)	13 482	1 761	80	1 697	16 518
Interest income on lending calculated using the effective interest method	8 758	1 455	—	1 693	11 906
Interest income on investments calculated using the effective interest method(1)(2)(3)	4 190	306	11	4	4 009
Interest income on financial assets at FVTPL	534	—	69	—	603
Interest expense and similar charges(1)(2)(3)	(4 293)	(776)	—	(96)	(4 663)
Net interest income	9 189	985	80	1 601	11 855
Credit impairments	(3 718)	(255)	—	(761)	(4 734)
Bad debts written off	(5 249)	(202)	—	(417)	(5 868)
Movement in provision for credit impairments	1 204	(54)	—	(296)	854
Bad debts recovered	327	1	—	(48)	280
Net interest income after credit impairments	5 471	730	80	840	7 121
Non-interest income					
Loan fee income	687	—	—	1	688
Loan fee expense	(2)	—	—	—	(2)
Net loan fee income	685	—	—	1	686
Transaction fee and commission income(1)	12 576	1 265	—	—	13 777
Branch, cash and self-service transactions	3 944	24	—	—	3 968
Digital transactions	3 027	165	—	—	3 192
Monthly fees, debit orders and other transactions(1)	2 423	344	—	—	2 760
POS transactions(1)	1 817	50	—	—	1 810
Commission income	1 365	682	—	—	2 047
Transaction fee and commission expense(1)	(3 069)	(563)	—	—	(3 575)
Branch, cash and self-service transactions	(1 619)	(4)	—	—	(1 623)
Digital transactions	(387)	(38)	—	—	(425)
Monthly fees, debit orders and other transactions	(386)	(180)	—	—	(566)
POS transactions(1)	(625)	(341)	—	—	(909)
Commission expense	(52)	—	—	—	(52)
Net transaction and commission income(1)	9 507	702	—	—	10 202

(1) *Consolidation entries are not included in the 4 segments.*
(2) *Personal banking provides revolving credit and an overdraft facility to Business banking. Interest on these facilities amounted to R217 million and is included in interest income on investments for Personal banking and interest expense for Business banking.*
(3) *Business banking assets include an amount of R11.9 billion in investments that are placed with Personal banking. Interest on the investments amounted to R284 million and is disclosed as interest income on investments calculated using the effective interest method in Business banking and as an interest expense in Personal banking.*

6. Segment information continued

R'm	Personal banking	Business banking	August 2025 Insurance	AvaFin	Total
Insurance revenue	—	—	5 804	—	5 804
Insurance service expense	—	—	(3 536)	—	(3 536)
Net expense from reinsurance contracts held	—	—	1	—	1
Insurance service result	—	—	2 269	—	2 269
Insurance finance income	—	—	97	—	97
Net insurance result	—	—	2 366	—	2 366
Foreign currency income	9	283	—	25	317
Foreign currency expense	(17)	(201)	—	(35)	(253)
Net foreign currency income	(8)	82	—	(10)	64
Other income/(expense)[(1)]	95	(9)	50	(57)	40
Net non-interest income[(1)]	10 279	775	2 416	(66)	13 358
Income from operations after credit impairments[(1)]	15 750	1 505	2 496	774	20 479
Operating expenses[(1)]	(8 333)	(959)	(141)	(595)	(9 982)
Other operating expenses[(1)]	(298)	(43)	(60)	(14)	(376)
Advertising and marketing expenses[(2)]	(170)	(27)	(9)	(312)	(518)
Bank charges and cash handling fees[(1)(2)]	(153)	(1)	(9)	—	(156)
Consumables[(2)]	(190)	(3)	—	(1)	(194)
Communication expenses[(2)]	(102)	(20)	—	(3)	(125)
Equipment cost[(2)]	(248)	(2)	—	(2)	(252)
Premises expense[(2)]	(146)	(6)	—	(5)	(157)
Professional fees[(2)]	(35)	(14)	(7)	(37)	(93)
Subscriptions[(2)]	(231)	(20)	(7)	(45)	(303)
Security and cash-in-transit fees[(2)]	(383)	(2)	—	—	(385)
IT expenses	(1 430)	(89)	(50)	(15)	(1 584)
Employee costs	(4 303)	(691)	(99)	(138)	(5 231)
Depreciation	(611)	(18)	—	(3)	(632)
Amortisation	(33)	(23)	(9)	(20)	(85)
Attributable insurance service expenses[(3)]	—	—	109	—	109
Share of net profit of associates and joint ventures	10	—	—	—	10
Impairment of investment in associates and joint ventures	(35)	—	—	—	(35)
Operating profit before tax[(1)]	7 392	546	2 355	179	10 472
Income and deferred tax expense	(2 008)	(145)	(268)	(55)	(2 476)
Profit for the period[(1)]	5 384	401	2 087	124	7 996
Profit attributable to:					
Ordinary shareholders[(1)]	5 384	401	2 087	120	7 992
Non-controlling interest	—	—	—	4	4
	5 384	401	2 087	124	7 996

[(1)] *Consolidation entries are not included in the 4 segments.*
[(2)] *Operating expenses have been further disaggregated to include all material operating expenses. The group has disclosed these operating expenses for each reportable segment as they are regularly reviewed by the CODM.*
[(3)] *Insurance operating expenses reallocated to insurance service expenses.*

6. Segment information continued

R'm	Personal banking	Business banking	Insurance	AvaFin	Total
			August 2025		
Intersegmental revenue					
Interest income on investments calculated using the effective interest method[(1)(2)(3)]	217	284	—	—	502
Interest expense and other similar charges[(1)(2)(3)]	(284)	(199)	—	(19)	(502)
Monthly fees, debit orders and other transactions[(4)]	—	7	—	—	7
Bank charges and cash handling fees[(4)]	(7)	—	—	—	(7)
Transaction fee and commission income – POS transactions[(5)]	56	1	—	—	57
Transaction fee and commission expense – POS transactions[(5)]	(1)	(56)	—	—	(57)
Other income[(6)]	39	—	—	—	39
Other operating expenses[(6)]	—	—	(39)	—	(39)

[(1)] *Personal banking provides revolving credit and an overdraft facility to Business banking. Interest on these facilities amounted to R199 million and is included in interest income on investments for Personal banking and interest expense for Business banking.*

[(2)] *Business banking assets include an amount of R11.9 billion in investments that are placed with Personal banking. Interest on the investments amounted to R284 million and is disclosed as interest income on investments calculated using the effective interest method in Business banking and as interest expense in Personal banking.*

[(3)] *Personal banking provides funding to AvaFin.*

[(4)] *Business banking provides payment solutions to Personal banking as part of its product offering. Business banking earns transaction fee income and Personal banking incurs bank charges as these services are provided.*

[(5)] *POS transactions comprise interchange transactions between Personal and Business banking.*

[(6)] *Personal banking provides outsourced services and devices to Insurance. The transaction is disclosed as other income for Personal banking and services received for Insurance.*

R'm	Personal banking	Business banking	Insurance	AvaFin	Total
			August 2025		
Assets					
Loans and advances	68 392	24 500	—	2 250	95 142
Other[(1)(2)]	145 092	14 695	5 426	1 054	154 314
Acquisition of AvaFin	—	—	—	—	250
Goodwill[(1)]	—	—	—	—	250
Acquisition of Mercantile[(1)]	—	—	—	—	849
Goodwill[(1)]	—	—	—	—	849
Total assets[(1)(2)]	213 484	39 195	5 426	3 304	250 555

[(1)] *Consolidation entries are not included in the 4 segments.*

[(2)] *Business banking assets include an amount of R11.9 billion in investments that are placed with Personal banking and are eliminated against liabilities on consolidation.*

6. Segment information continued

R'm	Personal banking	Business banking	Insurance	AvaFin	Total
			August 2024		
Interest and similar income and expenses					
Interest income[1]	12 599	1 498	25	857	14 703
Interest income on lending calculated using the effective interest method	8 184	1 239	—	854	10 277
Interest income on investments calculated using the effective interest method[1][2][3]	4 074	259	16	3	4 076
Interest income on financial assets at FVTPL	341	—	9	—	350
Interest expense[1][2][3]	(4 658)	(616)	—	(55)	(5 053)
Net interest income	7 941	882	25	802	9 650
Credit impairments[4]	(3 538)	(189)	—	(305)	(4 032)
Bad debts written off	(2 943)	(46)	—	(174)	(3 163)
Movement in provision for credit impairments	(819)	(149)	—	(134)	(1 102)
Bad debts recovered	224	6	—	3	233
Net interest income after credit impairments	4 403	693	25	497	5 618
Non-interest income					
Loan fee income	622	—	—	7	629
Loan fee expense	(4)	—	—	—	(4)
Net loan fee income	618	—	—	7	625
Transaction fee and commission income[1]	11 189	796	—	—	11 944
Branch, cash and self-service transactions	3 865	13	—	—	3 878
Digital transactions	2 213	37	—	—	2 250
Monthly fees, debit orders and other transactions[1]	2 379	298	—	—	2 670
POS transactions[1]	1 474	52	—	—	1 492
Commission income	1 258	396	—	—	1 654
Transaction fee and commission expense[1]	(2 670)	(387)	—	—	(3 023)
Branch, cash and self-service transactions	(1 480)	(4)	—	—	(1 484)
Digital transactions	(284)	(18)	—	—	(302)
Monthly fees, debit orders and other transactions	(389)	(151)	—	—	(540)
POS transactions[1]	(474)	(214)	—	—	(654)
Commission expense	(43)	—	—	—	(43)
Net transaction and commission income[1]	8 519	409	—	—	8 921

(1) *Consolidation entries are not included in the 4 segments.*
(2) *Personal banking provides revolving credit and an overdraft facility to Business banking. Interest on these facilities amounted to R53 million and is included in interest income on investments for Personal banking and interest expense for Business banking.*
(3) *Business banking assets include an amount of R11.1 billion in investments that are placed with Personal banking. Interest on the investments amounted to R223 million and is disclosed as interest income on investments calculated using the effective interest method in Business banking and as interest expense in Personal banking.*
(4) *Previously, the credit impairment charge was reported as a single line item. The charge has been disaggregated to enhance disclosures.*

6. Segment information continued

R'm	Personal banking	Business banking	Insurance	AvaFin	Total
			August 2024		
Insurance revenue	—	—	2 581	—	2 581
Insurance service expense	—	—	(1 026)	—	(1 026)
Net expense from reinsurance contracts held	—	—	1	—	1
Insurance service result	—	—	1 556	—	1 556
Insurance finance income	—	—	77	—	77
Net insurance and investment result	—	—	1 633	—	1 633
Foreign currency income	—	283	—	—	283
Foreign currency expense	—	(227)	—	—	(227)
Net foreign currency income	—	56	—	—	56
Other income/(expense)[(1)]	—	7	56	(19)	36
Net non-interest income[(1)]	9 137	472	1 689	(12)	11 271
Income from operations after credit impairments[(1)]	13 540	1 165	1 714	485	16 889
Operating expenses[(1)]	(7 203)	(884)	(121)	(395)	(8 614)
Other operating expenses[(1)]	(176)	(20)	(7)	(62)	(258)
Advertising and marketing expenses[(2)]	(124)	(6)	(1)	(140)	(271)
Bank charges and cash handling fees[(1)(2)]	(176)	(3)	—	(1)	(172)
Consumables[(2)]	(206)	(6)	—	—	(213)
Communication expenses[(2)]	(98)	(12)	—	(1)	(111)
Equipment cost[(2)]	(189)	(2)	—	—	(191)
Premises expense[(2)]	(113)	(6)	—	(3)	(122)
Professional fees[(2)]	(77)	(20)	(15)	(57)	(169)
Subscriptions[(2)]	(199)	(13)	—	(25)	(236)
Security and cash-in-transit fees[(2)]	(317)	(1)	—	—	(318)
IT expenses	(1 052)	(83)	(42)	(16)	(1 193)
Employee costs	(3 840)	(669)	(71)	(75)	(4 655)
Depreciation	(584)	(20)	—	(2)	(606)
Amortisation	(52)	(23)	(7)	(13)	(95)
Amortisation of intangible assets – core deposits and client relationships[(1)]	—	—	—	—	(26)
Attributable insurance service expenses[(3)]	—	—	22	—	22
Share of net profit of associates and joint ventures	7	—	—	—	7
Deemed disposal of investment in associate	27	—	—	—	27
Operating profit before tax[(1)]	6 371	281	1 593	90	8 309
Income and deferred tax expense	(1 713)	(67)	(84)	(22)	(1 886)
Tax on amortisation of intangible assets[(1)]	—	—	—	—	2
Profit for the period[(1)]	4 658	214	1 509	68	6 425
Profit attributable to:					
Ordinary shareholders[(1)]	4 658	214	1 509	66	6 423
Non-controlling interest	—	—	—	2	2
	4 658	214	1 509	68	6 425

[(1)] Consolidation entries are not included in the 4 segments.
[(2)] Operating expenses have been further disaggregated to include all material operating expenses. The group has disclosed these operating expenses for each reportable segment as they are regularly reviewed by the CODM. Comparatives have been amended.
[(3)] Insurance operating expenses reallocated to insurance service expenses.

6. Segment information continued

R'm	Personal banking	Business banking	August 2024 Insurance	AvaFin	Total
Intersegmental revenue					
Interest income on investments calculated using the effective interest method[1][2]	53	223	—	—	275
Interest expense and other similar charges[1][2]	(223)	(53)	—	—	(275)
Monthly fees, debit orders and other transactions[3]	—	(8)	—	—	(8)
Bank charges and cash handling fees[3]	8	—	—	—	8
Transaction fee and commission income – POS transactions[4]	32	1	—	—	33
Transaction fee and commission expense – POS transactions[4]	(1)	(32)	—	—	(33)
Other income[5]	8	—	—	—	8
Other operating expenses[5]	—	—	(8)	—	(8)

(1) *Personal banking provides revolving credit and an overdraft facility to Business banking. Interest on these facilities amounted to R53 million and is included in interest income on investments for Personal banking and interest expense for Business banking.*

(3) *Business banking assets include an amount of R11.1 billion in investments that are placed with Personal banking. Interest on the investments amounted to R223 million and is disclosed as interest income on investments calculated using the effective interest method in Business banking and as interest expense in Personal banking.*

(3) *Business banking provides payment solutions to Personal banking as part of its product offering. Business banking earns transaction fee income and Personal banking incurs bank charges as these services are provided.*

(4) *POS transactions comprise interchange transactions between Personal and Business banking.*

(5) *Personal banking provides outsourced services and devices to Insurance. The transaction is disclosed as other income for Personal banking and services received for Insurance.*

R'm	Personal banking	Business banking	August 2024 Insurance	AvaFin	Total
Assets					
Net loans and advances	61 716	19 849	—	1 617	83 182
Other[1][2]	130 243	14 198	4 259	863	138 449
Acquisition of AvaFin	—	—	—	—	241
Goodwill[1]	—	—	—	—	241
Acquisition of Mercantile[1]	—	—	—	—	860
Goodwill[1]	—	—	—	—	849
Intangible asset – core deposit intangible[1]	—	—	—	—	6
Intangible asset – client relationships[1]	—	—	—	—	5
Total assets[1][2]	191 959	34 047	4 259	2 480	222 732

(1) *Consolidation entries are not included in the 4 segments.*

(2) *Business banking assets include an amount of R11.1 billion in investments that are placed with Personal banking and are eliminated against liabilities on consolidation.*

6. Segment information continued

R'm	Personal banking	Business banking	Insurance	AvaFin	Total
	Year ended February 2025				
Interest and similar income and expenses					
Interest income[1]	25 459	3 098	65	2 159	30 228
Interest income on lending calculated using the effective interest method	16 501	2 590	—	2 151	21 242
Interest income on investments calculated using the effective interest method[1]	8 160	508	2	8	8 125
Interest income on financial assets at FVTPL	798	—	63	—	861
Interest expense[1][2]	(9 233)	(1 218)	—	(145)	(10 043)
Net interest income	16 226	1 880	65	2 014	20 185
Credit impairments	(7 061)	(368)	—	(829)	(8 258)
Bad debts written off	(7 830)	(185)	—	(529)	(8 544)
Movement in provision for credit impairments	201	(191)	—	(308)	(298)
Bad debts recovered	568	8	—	8	584
Net interest income after credit impairments	9 165	1 512	65	1 185	11 927
Non-interest income					
Loan fee income	1 273	—	—	19	1 292
Loan fee expense	(6)	—	—	—	(6)
Net loan fee income	1 267	—	—	19	1 286
Transaction fee and commission income[1]	22 761	2 190	—	—	24 852
Branch, cash and self-service transactions	7 849	30	—	—	7 879
Digital transactions	4 695	263	—	—	4 958
Monthly fees, debit orders and other transactions[1]	4 679	628	—	—	5 290
POS transactions[1]	3 162	99	—	—	3 179
Commission income	2 376	1 170	—	—	3 546
Transaction fee and commission expense[1]	(5 496)	(903)	—	—	(6 317)
Branch, cash and self-service transactions	(2 987)	(7)	—	—	(2 994)
Digital transactions	(568)	(63)	—	—	(631)
Monthly fees, debit orders and other transactions	(764)	(315)	—	—	(1 079)
POS transactions[1]	(1 083)	(518)	—	—	(1 519)
Commission expense	(94)	—	—	—	(94)
Net transaction and commission income[1]	17 265	1 287	—	—	18 535

(1) Consolidation entries are not included in the 4 segments.
(2) Personal banking provides revolving credit and an overdraft facility to Business banking. Interest on these facilities amounted to R104 million and is included in interest income on investments for Personal banking and interest expense for Business banking.

6. Segment information continued

R'm	Personal banking	Business banking	Insurance	AvaFin	Total
	Year ended February 2025				
Insurance revenue	—	—	7 368	—	7 368
Insurance service expense	—	—	(3 716)	—	(3 716)
Net expense from reinsurance contracts held	—	—	(1)	—	(1)
Insurance service result	—	—	3 651	—	3 651
Insurance finance income	—	—	127	—	127
Reinsurance finance expense	—	—	(1)	—	(1)
Net insurance result	—	—	3 777	—	3 777
Foreign currency income	—	568	—	—	568
Foreign currency expense	—	(432)	—	—	(432)
Net foreign currency income	—	136	—	—	136
Other income/(expense)[1]	122	(24)	115	(43)	148
Net non-interest income[1]	18 654	1 399	3 892	(24)	23 882
Income from operations after credit impairments[1]	27 819	2 911	3 957	1 161	35 809
Operating expenses[1]	(15 012)	(1 911)	(282)	(896)	(18 099)
Other operating expenses[1]	(522)	(83)	(37)	(53)	(673)
Advertising and marketing expenses[2]	(303)	(53)	(13)	(377)	(746)
Bank charges and cash handling fees[1][2]	(309)	(3)	(2)	(4)	(301)
Consumables[2]	(411)	(12)	—	(1)	(424)
Communication expenses[2]	(197)	(30)	—	(4)	(231)
Equipment cost[2]	(408)	(17)	—	(2)	(427)
Premises expense[2]	(241)	(12)	—	(9)	(262)
Professional fees[2]	(96)	(22)	(13)	(125)	(256)
Subscriptions[2]	(411)	(25)	(7)	(62)	(505)
Security and cash-in-transit fees[2]	(665)	(3)	—	—	(668)
IT expenses	(2 259)	(188)	(99)	(14)	(2 560)
Employee costs	(7 917)	(1 377)	(166)	(206)	(9 666)
Depreciation	(1 180)	(41)	—	(6)	(1 227)
Amortisation	(93)	(45)	(14)	(33)	(185)
Amortisation of intangible assets – core deposits and client relationships[1]	—	—	—	—	(37)
Attributable insurance service expenses[3]	—	—	69	—	69
Share of net profit of associates and joint ventures	3	—	—	—	3
Deemed disposal of investment in associate	27	—	—	—	27
Operating profit before tax[1]	12 837	1 000	3 675	265	17 740
Income and deferred tax expense	(3 450)	(273)	(215)	(62)	(4 001)
Tax on amortisation of intangible assets[1]	—	—	—	—	10
Profit for the period[1]	9 387	727	3 460	203	13 749
Profit attributable to:					
Ordinary shareholders[1]	9 387	727	3 460	196	13 742
Non-controlling interest	—	—	—	7	7
	9 387	727	3 460	203	13 749

[1] *Consolidation entries are not included in the 4 segments.*
[2] *Operating expenses have been disaggregated to include all material operating expenses. The group has disclosed these operating expenses for each reportable segment as they are regularly reviewed by the CODM. Comparatives have been updated.*
[3] *Insurance operating expenses reallocated to insurance service expenses.*

6. Segment information continued

R'm	Personal banking	Business banking	Insurance	AvaFin	Total
	Year ended February 2025				
Intersegmental revenue					
Interest income on investments calculated using the effective interest method[1][2]	105	448	—	—	553
Interest expense and other similar charges[1][2]	(448)	(105)	—	—	(553)
Monthly fees, debit orders and other transactions[3]	—	17	—	—	17
Bank charges and cash handling fees[3]	(17)	—	—	—	(17)
Transaction fee and commission income – POS transactions[4]	80	2	—	—	82
Transaction fee and commission expense – POS transactions[4]	(2)	(80)	—	—	(82)
Other income[5]	22	—	—	—	22
Other operating expenses[5]	—	—	(22)	—	(22)

[1] *Personal banking provides revolving credit and an overdraft facility to Business banking. Interest on these facilities amounted to R105 million and is included in interest income on investments for Personal banking and interest expense for Business banking.*

[2] *Business banking assets include an amount of R11.1 billion in investments that are placed with Personal banking. Interest on the investments amounted to R448 million and is disclosed as interest income on investments calculated using the effective interest method in Business banking and as interest expense in Personal banking.*

[3] *Business banking provides payment solutions to Personal banking as part of its product offering. Business banking earns transaction fee income and Personal banking incurs bank charges as these services are provided.*

[4] *POS transactions comprise interchange transactions between Personal and Business banking.*

[5] *Personal banking provides outsourced services and devices to Insurance. The transaction is disclosed as other income for Personal banking and services received for Insurance.*

R'm	Personal banking	Business banking	Insurance	AvaFin	Total
	Year ended February 2025				
Assets					
Net loans and advances	65 384	21 971	—	1 790	89 145
Other[1][2]	138 720	14 138	5 504	912	148 229
Acquisition of AvaFin	—	—	—	—	241
Goodwill[1]	—	—	—	—	241
Acquisition of Mercantile[1]	—	—	—	—	849
Goodwill[1]	—	—	—	—	849
Total assets[1][2]	204 104	36 109	5 504	2 702	238 464

[1] *Consolidation entries are not included in the 4 segments.*

[2] *Business banking assets include an amount of R11.1 billion in investments that are placed with Personal banking and are eliminated against liabilities on consolidation.*

7. Events after the reporting date

Until May 2023, Capitec offered credit life policies through Guardrisk. Capitec Ins owned the cell captive arrangement. Since May 2023, Capitec Life has underwritten Capitec's credit life policies, with the Guardrisk cell running off. The Prudential Authority, in terms of section 50 of the Insurance Act, Act 18 of 2017 (section 50), approved the transfer of the policies in the cell captive from Guardrisk to Capitec Life on 26 June 2025.

The transfer took place on 1 September 2025 and Capitec Life replaced Guardrisk as the underwriter of the cell captive insurance policies. Capitec's insurance risk is unchanged following the section 50 transfer because Capitec already ensured that Guardrisk was sufficiently capitalised to meet the cell captive's obligations.

Given that Capitec is in the same commercial and economic position before and after the transfer, the transfer will not significantly change the financial position or performance of Capitec.

The only exception to the above is that the in-substance reinsurance position is net of tax (as the cell owner is entitled to net of tax returns), whereas the direct insurer's insurance contract position is gross of tax. This means that the sum of the risk adjustment (RA) and contractual service margin (CSM) before the section 50 transfer should be approximately 73% of the RA and CSM after the transfer to allow for the impact of removing income tax from the margins held.

Statutory and contact information

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

Directors

SL Botha *(chairman)*
GM Fourie *(CEO)*[1] (retired effective 18 July 2025)
GR Lee (*CEO*)[1] (appointed effective 19 July 2025)
NF Bhettay
SA du Plessis
CH Fernandez
N Ford-Hoon
GR Hardy *(CFO)*[1]
MSdP le Roux
V Mahlangu
RR Malhotra (appointed effective 1 March 2025)
PJ Mouton
CA Otto

(1) *Executive*

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