

Capitec Bank Holdings Limited
Registration number 1999/025903/06
Registered bank controlling company
Incorporated in the Republic of South Africa
JSE ordinary share code: CPI ISIN code: ZAE000035861
JSE preference share code: CPIP ISIN code: ZAE000083838
("Capitec" or "the company")

Capitec Bank Limited
Incorporated in the Republic of South Africa
Registration No. 1980/003695/06
Company code: BICAP
Stock Code: CBL13
ISIN Code: ZAG000092560
Stock Code: CBL14
ISIN Code: ZAG000092552
Stock Code: CBL17
ISIN Code: ZAG000099359
Stock Code: CBL18
ISIN Code: ZAG000099367
Stock Code: CBL20
ISIN Code: ZAG000102245
Stock Code: CBL22
ISIN Code: ZAG000105305
Stock Code: CBL24
ISIN Code: ZAG000130881
Stock Code: CBL25
ISIN Code: ZAG000136110
Stock Code: CBL26
ISIN Code: ZAG000136128
Stock Code: CBL27
ISIN Code: ZAG000143884
Stock Code: CBL28
ISIN Code: ZAG000151333
("Capitec Bank" or "the bank")

ACQUISITION OF MERCANTILE BANK HOLDINGS LIMITED AND ITS SUBSIDIARIES ("MERCANTILE")

Shareholders are referred to the SENS announcement dated 18 June 2018 that Capitec Bank, the wholly-owned subsidiary of Capitec, made a non-binding offer to purchase Mercantile. A further notification, included in Capitec's interim results published on SENS on 26 September 2018, stated that Capitec Bank submitted a formal bid on 31 August 2018 to acquire Mercantile. The offer was made subsequent to the conclusion of a detailed due diligence on the operations of Mercantile.

The Board is pleased to advise shareholders that Capitec Bank's offer of R3.2 billion, to be adjusted by any change in the net asset value of Mercantile from 30 April 2018 to the completion date of the transaction, when all conditions

precedent have been met, has been accepted. The purchase consideration will be paid from capital and cash reserves.

The Board of Capitec Bank believes there are many opportunities in the market to serve small-to-medium enterprises and owner-managed businesses better, and the bank has commenced with a strategy to develop infrastructure to facilitate same. The acquisition of Mercantile will obviate the need to reinvent and create new systems and processes from scratch and thus fast track the bank's objective to expand its focus to a broader bank strategy.

Mercantile's core business offer is business banking for small- to medium-sized enterprises and entrepreneurs and it is therefore well positioned to align with Capitec Bank's business banking strategy. It was offered for sale by its shareholder, Caixa Geral de Depósitos S.A., a Portuguese bank, because it is divesting from non-core operations outside of Portugal as part of its recapitalisation plan.

The transaction is subject to regulatory authority. Shareholders will be informed once all regulatory approvals have been received and the transaction is final.

22 November 2018
Stellenbosch
Sponsor PSG Capital