

CAPITEC BANK HOLDINGS LIMITED
Registration number 1999/025903/06
Incorporated in the Republic of South Africa
Registered bank controlling company
Ordinary Share Code: CPI, ISIN Number: ZAE000035861
Preference Share Code: CPIP, ISIN Number: ZAE000083838
("Capitec" or "the group")

CAPITEC BANK LIMITED
Registration Number 1980/003695/06
Incorporated in the Republic of South Africa
Registered bank
Company code: BICAP
Stock Code: CBL29
ISIN Code: ZAG000158874
Stock Code: CBL30
ISIN Code: ZAG000180977
("Capitec Bank" or "the bank")

TRADING STATEMENT AND POTENTIAL B-BBEE TRANSACTION

In terms of the Listing Requirements of the JSE Limited, a listed company is required to publish a trading statement as soon as it has a reasonable degree of certainty that the financial results for the next financial period to be reported on will vary by 20% or more from those of the previous comparable period.

The board wishes to advise that a reasonable degree of certainty exists that for the financial year ending 28 February 2022:

for the group

- headline earnings per share will be more than 6 940 cents, representing an increase of at least 75% compared to the 3 966 cents per share reported in the previous period ended 28 February 2021; and
- earnings per share will be more than 6 930 cents, representing an increase of at least 80% compared to the 3 850 cents per share reported in the previous period ended 28 February 2021.

for the bank

- earnings will be more than R5.50 billion, representing an increase of at least 20.0% compared to the R4.59 billion reported in the previous period ended 28 February 2021.

The current period should be viewed from the following perspective:

for the group

- The comparable year ended 28 February 2021 was impacted by the COVID-19 pandemic and lockdown restrictions. Headline earnings per share and earnings per share reflected the lockdown's negative impact on the economy and declined by 27% and 29% respectively, compared to the year ended 29 February 2020.
- An increase of 75% in headline earnings per share for the current year represents compound annual growth of 14.9% from the year ended

28 February 2019. An increase of 80% in earnings per share for the current year represents compound annual growth of 14.9% from the year ended 28 February 2019.

for the bank

- Pursuant to note 6 in the 2021 financial year results announced on SENS on 13 April 2021, the shareholding in the insurance cell structures, previously held by Capitec Bank, was transferred to a wholly-owned subsidiary of Capitec, effective 31 March 2021. This does not impact on headline earnings and earnings per share at group level, but does impact on the bank's earnings.

Shareholders should bear in mind that this trading statement is premised on the results of the first 3 quarters of this financial year ending 28 February 2022. The country is experiencing a fourth wave of the COVID-19 pandemic and the economic environment is challenging.

More specific guidance will be provided when there is reasonable certainty of the range of the increase in headline earnings per share and earnings per share.

The financial information on which this trading statement is based has not been reviewed and reported on by Capitec's auditors.

Specific issue to employees

Capitec is considering a specific issue of ordinary Capitec shares ("Capitec Shares") to the value of R1 billion to employees with the aim of improving its broad-based black economic empowerment ("B-BBEE") ownership status ("Employee Empowerment Scheme"). The Employee Empowerment Scheme will enable all employees in the permanent employ of the Capitec group for at least 3 years to become direct shareholders of the group. It is envisaged that, in terms of the proposed Employee Empowerment Scheme, employees will be offered the opportunity to subscribe for Capitec Shares at a discount. Capitec will finance the difference between the issue price and the discount of the subscription for the Capitec Shares, secured by such shares. A 5-year trade restriction will be imposed to ensure that Capitec retains its B-BBEE ownership status for an appropriate period.

Employees must still be engaged on the terms of the Employee Empowerment Scheme. Full details of the Employee Empowerment Scheme, including pro forma financial effects, will be announced on SENS in the next two months and a circular will be distributed to shareholders, requesting their approval in accordance with the JSE Listings Requirements. The expected financial effect of the Employee Empowerment Scheme was considered in the information disclosed in the trading statement.

By order of the Board
Stellenbosch
15 December 2021

JSE Equity and Debt Sponsor
PSG Capital