

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

VOLUNTARY TRADING STATEMENT

In accordance with Capitec's custom of keeping shareholders informed, the board advises that a reasonable degree of certainty exists that for the 6 months ended 31 August 2023:

- group headline earnings per share will be between 4 035 cents and 4 110 cents per share, representing an increase of between 8% and 10% compared to the restated 3 736 cents per share for the comparative 6 months ended 31 August 2022*; and
- group earnings per share will be between 4 037 cents and 4 112 cents per share, representing an increase of between 8% and 10% compared to the restated 3 738 cents per share for the comparative 6 months ended 31 August 2022*.

The economic climate in South Africa was characterised by an inflation rate in excess of the government's target and increases in interest rates until June 2023. This led to consumers being under financial pressure which impacted the retail bank loans and advances and resulted in a higher credit impairment charge and credit loss ratio. During the 6 months ended 31 August 2023, the credit granting criteria were tightened further to appropriately address the risk in the loan book created by the adverse economic conditions. As at 31 August 2023, provisions for expected credit losses are conservative. Furthermore, recent inflation and GDP data show signs of improvement.

Net transaction fee income and funeral plan income contributed positively to the earnings and headline earnings growth. Net transaction fee income performed strongly driven by growth in transaction volumes and the addition of new products. Growth in the active funeral plan book, due to high sales and client retention, as well as good collection rates ensured that funeral insurance performed well.

* Shareholders were informed in a SENS announcement published on 4 July 2023 that the group had implemented the IFRS 17 *Insurance contracts* standard on 1 March 2023. IFRS 17 replaced IFRS 4 *Insurance Contracts* for annual periods beginning on or after 1 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held, and in-substance reinsurance contracts issued through its cell captive arrangements.

The implementation of IFRS 17 necessitated the restatement of the group earnings and headline earnings per share for the 6 months ended 31 August 2022. Any adjustments to the carrying amounts of assets or liabilities prior to the 2023 financial year were recognised as an adjustment to retained earnings on 1 March 2022. The 2023 financial year comparatives were restated.

The group's IFRS 17 transitional report contains detail regarding the restatements and can be accessed on Capitec's website at <https://www.capitecbank.co.za/globalassets/pages/investor-relations/ifrs-17-transitional-report.pdf>

The financial information on which this voluntary trading statement is based has not been reviewed or reported on by Capitec's auditors. The financial results for the half year ended 31 August 2023 are expected to be published on SENS on or about 28 September 2023.

Capitec's presentation of the financial results for the 6 months ended 31 August 2023 will be livestreamed on or about 28 September 2023 at 8am SAST.

The link to the livestreaming event will be published on Capitec's website at <https://www.capitecbank.co.za/financial-results/>

Stellenbosch
8 September 2023

Sponsor
PSG Capital