

Capitec Bank Limited
 Registration number: 1980/003695/06



Unaudited financial results for the 6 months ended 31 August 2019

Summary statement of financial position

| | Unaudited 6 months August 2019 R'000 | Unaudited 6 months August 2018 R'000 | 6 months August 2019/2018 % | Audited Year ended February 2019 R'000 |
|--|--|--|--------------------------------------|--|
| Assets | | | | |
| Cash, cash equivalents and money market funds | 37 136 543 | 28 981 420 | 28 | 29 130 717 |
| Financial investments | 14 463 531 | 12 176 494 | 19 | 10 732 394 |
| Term deposit investments | 5 510 875 | 4 994 595 | 10 | 9 331 297 |
| Net loans and advances | 47 397 170 | 41 874 288 | 13 | 44 509 305 |
| Other receivables | 1 358 650 | 1 257 348 | 8 | 1 639 428 |
| Net insurance receivable | 185 130 | 256 766 | (28) | 236 391 |
| Derivative assets | 4 543 | 10 652 | (57) | 479 |
| Financial assets - equity instruments at FVOCI | 100 000 | 100 000 | - | 100 000 |
| Current income tax asset | - | - | - | 286 046 |
| Group loans receivable | 586 162 | 196 270 | | 331 465 |
| Equipment | 1 966 973 | 1 755 861 | 12 | 1 863 897 |
| Right-of-use asset | 2 469 606 | - | | - |
| Intangible assets | 438 986 | 268 173 | 64 | 316 283 |
| Deferred income tax asset | 1 595 256 | 1 425 019 | 12 | 1 583 582 |
| Total assets | 113 213 425 | 93 296 886 | 21 | 100 061 284 |
| Liabilities | | | | |
| Derivative liabilities | 34 241 | 11 404 | | 14 704 |
| Current income tax liability | 26 822 | 72 650 | | - |
| Retail deposits | 81 375 399 | 66 214 702 | 23 | 71 365 285 |
| Other Liabilities | 2 438 388 | 2 152 664 | 13 | 2 543 228 |
| Wholesale funding | 3 949 095 | 5 768 784 | (32) | 5 078 328 |
| Lease liability | 2 710 736 | - | | - |
| Provisions | 77 506 | 40 709 | 90 | 91 005 |
| Total liabilities | 90 612 187 | 74 260 913 | 22 | 79 092 550 |
| Equity | | | | |
| Capital and reserves | | | | |
| Ordinary share capital and premium | 6 105 981 | 6 105 981 | - | 6 105 981 |
| Cash flow hedge reserve | (23 560) | 673 | | (9 588) |
| Retained earnings | 16 444 447 | 12 822 759 | 28 | 14 790 738 |
| Share capital and reserves attributable to ordinary shareholders | 22 526 868 | 18 929 413 | 19 | 20 887 131 |
| Non-redeemable, non-cumulative, non-participating preference share capital and premium | 74 370 | 106 560 | (30) | 81 603 |
| Total equity | 22 601 238 | 19 035 973 | 19 | 20 968 734 |
| Total equity and liabilities | 113 213 425 | 93 296 886 | 21 | 100 061 284 |

Summary income statement

| | Unaudited 6 months August | Unaudited 6 months August | 6 months August | Audited Year ended February |
|--|---------------------------------|---------------------------------|--------------------|-----------------------------------|
| | 2019 R'000 | 2018 R'000 | 2019/2018 % | 2019 R'000 |
| Lending, insurance and investment income | 9 041 739 | 8 427 256 | 7 | 17 226 111 |
| Interest income | 8 123 289 | 7 604 932 | 7 | 15 499 664 |
| Loan fee income | 474 170 | 454 793 | 4 | 931 470 |
| Net insurance income | 444 280 | 367 531 | 21 | 794 977 |
| Lending and investment expenses | (2 736 942) | (2 316 748) | 18 | (4 729 317) |
| Interest expense | (2 677 371) | (2 186 944) | 22 | (4 509 549) |
| Loan fee expense | (59 571) | (129 804) | (54) | (219 768) |
| Net lending, insurance and investment income | 6 304 797 | 6 110 508 | 3 | 12 496 794 |
| Transaction fee income | 4 818 827 | 4 083 424 | 18 | 8 473 959 |
| Transaction fee expense | (1 289 902) | (936 610) | 38 | (2 009 669) |
| Net transaction income | 3 528 925 | 3 146 814 | 12 | 6 464 290 |
| Dividend income | - | - | - | 287 |
| Credit impairments | (2 114 857) | (2 542 254) | (17) | (4 450 245) |
| Funeral income | 107 356 | 6 346 | | 53 456 |
| Other income | 10 626 | 1 | | 133 |
| Net income | 7 836 847 | 6 721 415 | 17 | 14 564 715 |
| Operating expenses | (4 006 100) | (3 577 169) | 12 | (7 713 887) |
| Operating profit before tax | 3 830 747 | 3 144 246 | 22 | 6 850 828 |
| Income tax expense | (878 483) | (767 149) | 15 | (1 718 767) |
| Profit for the period | 2 952 264 | 2 377 097 | 24 | 5 132 061 |

Summary statement of comprehensive income

| | Unaudited 6 months August | Unaudited 6 months August | 6 months August | Audited Year ended February |
|--|---------------------------------|---------------------------------|--------------------|-----------------------------------|
| | 2019 R'000 | 2018 R'000 | 2019/2018 % | 2019 R'000 |
| Profit for the period | 2 952 264 | 2 377 097 | 24 | 5 132 061 |
| Other comprehensive income that will be reclassified to profit or loss for the period net of tax | (13 972) | 27 410 | | 17 149 |
| Cash flow hedge recognised during the period | (25 614) | 49 209 | | 5 009 |
| Cash flow hedge reclassified to profit and loss for the period | 6 209 | (11 139) | | 18 809 |
| Income tax relating to cash flow hedge | 5 433 | (10 660) | | (6 669) |
| Total comprehensive income for the period | 2 938 292 | 2 404 507 | 22 | 5 149 210 |

Summary statement of changes in equity

| R'000 | Ordinary share capital and premium | Preference share capital and premium | Cash flow hedge reserve | Retained earnings/ accumulated loss | Total |
|---|--|--|----------------------------|--|--------------------|
| Balance at 28 February 2018 | 6 105 981 | 112 803 | (26 737) | 12 331 052 | 18 523 099 |
| Changes on initial application of IFRS 9 | - | - | - | (648 039) | (648 039) |
| Restated balance at 1 March 2018 | 6 105 981 | 112 803 | (26 737) | 11 683 013 | 17 875 060 |
| Total comprehensive income for the year | - | - | 17 149 | 5 132 061 | 5 149 210 |
| Transactions with shareholders and directly recorded in equity | - | (31 200) | - | (2 024 336) | (2 055 536) |
| Ordinary dividend | - | - | - | (2 015 551) | (2 015 551) |
| Preference dividend | - | - | - | (8 785) | (8 785) |
| Preference shares repurchased | - | (31 200) | - | - | (31 200) |
| Balance at 28 February 2019 | 6 105 981 | 81 603 | (9 588) | 14 790 738 | 20 968 734 |
| Total comprehensive income for the year | - | - | (13 972) | 2 952 264 | 2 938 292 |
| Transactions with shareholders and directly recorded in equity | - | (7 233) | - | (1 298 555) | (1 305 788) |
| Ordinary dividend | - | - | - | (1 295 022) | (1 295 022) |
| Preference dividend | - | - | - | (3 533) | (3 533) |
| Preference shares repurchased | - | (7 233) | - | - | (7 233) |
| Balance at 31 August 2019 | 6 105 981 | 74 370 | (23 560) | 16 444 447 | 22 601 238 |

Summary statement of cash flows

| | Unaudited 6 months August | Unaudited 6 months August | 6 months August | Audited Year ended February |
|---|---------------------------------|---------------------------------|--------------------|-----------------------------------|
| | 2019 R'000 | 2018 R'000 | 2019/2018 % | 2019 R'000 |
| Cash flow from operating activities | 11 090 937 | 8 400 317 | 32 | 13 376 628 |
| Cash flow from investing activities | (681 895) | (3 266 388) | (79) | (6 661 147) |
| Cash flow from financing activities | (2 410 986) | (1 243 884) | 94 | (2 676 043) |
| Net increase in cash and cash equivalents | 7 998 056 | 3 890 045 | | 4 039 438 |
| Cash and cash equivalents at the beginning of the period | 29 099 536 | 25 060 098 | 16 | 25 060 098 |
| Cash and cash equivalents at the end of the period | 37 097 592 | 28 950 143 | 28 | 29 099 536 |

Commitments

| | Unaudited 6 months August | Unaudited 6 months August | 6 months August | Audited Year ended February |
|---|---------------------------------|---------------------------------|--------------------|-----------------------------------|
| | 2019 R'000 | 2018 R'000 | 2019/2018 % | 2019 R'000 |
| Capital commitments approved by the board | | | | |
| Contracted for: | | | | |
| • Property and equipment | 134 554 | 146 177 | (8) | 170 353 |
| • Intangible assets | 113 848 | 166 246 | (32) | 116 017 |
| Not contracted for: | | | | |
| • Property and equipment | 568 542 | 526 736 | 8 | 874 951 |
| • Intangible assets | 59 103 | 185 716 | (68) | 439 616 |
| | 876 047 | 1 024 875 | (15) | 1 600 937 |