CAPITEC

Annual results

February 2025

2025 Igniting growth and opportunity

Please send any questions to **InvestorRelations@capitecbank.co.za**
Questions will be answered at the end of the presentation.

A story of innovation and resilience

Turning challenges into opportunities

Challenges

Covid-19 and lockdown

Global economy

Geopolitical conflict

Inflation, high interest rates



Our response

Client-obsessed

Prudent credit management

Diversified financial services

Innovation and scale

Growth opportunities

Youth

50% of the adult population aged 16-35

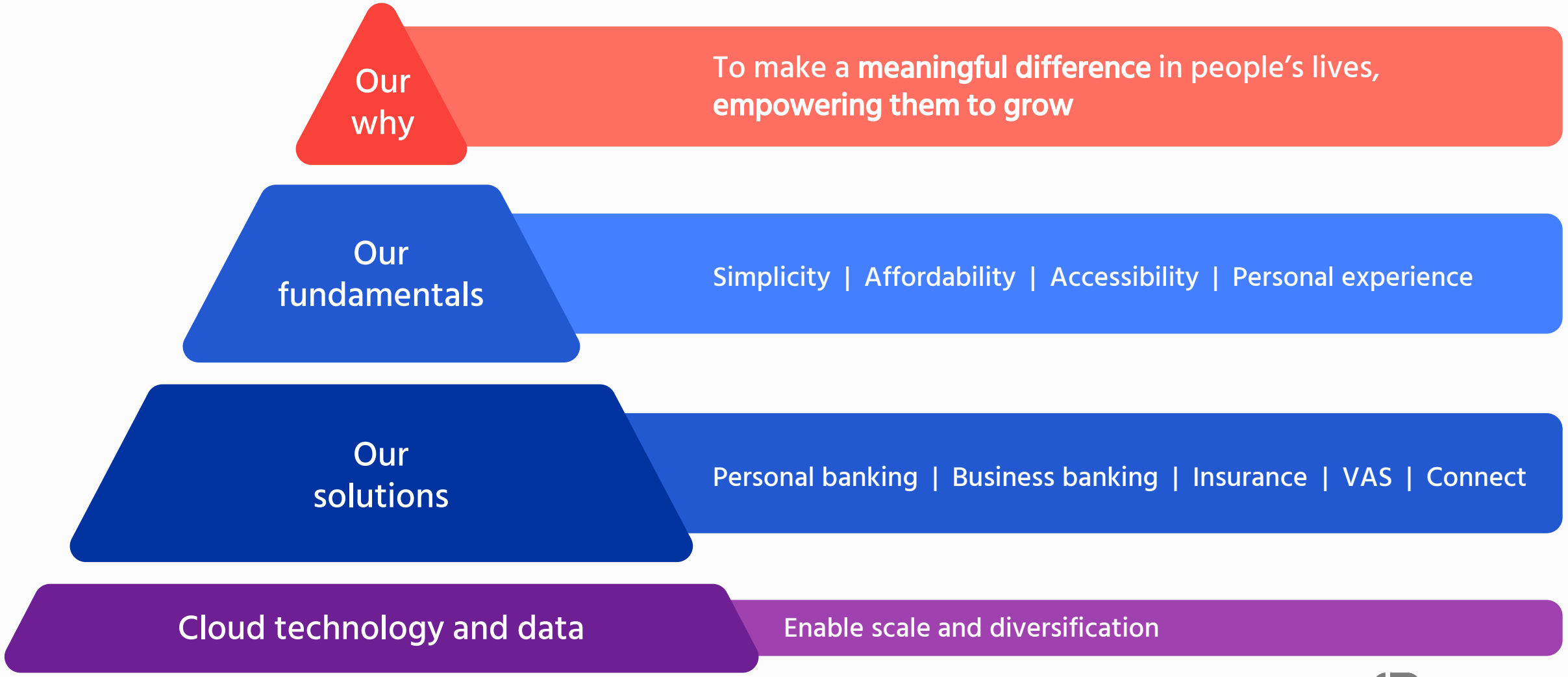
SMEs

3 million, of which 72% are informal

Public-Private

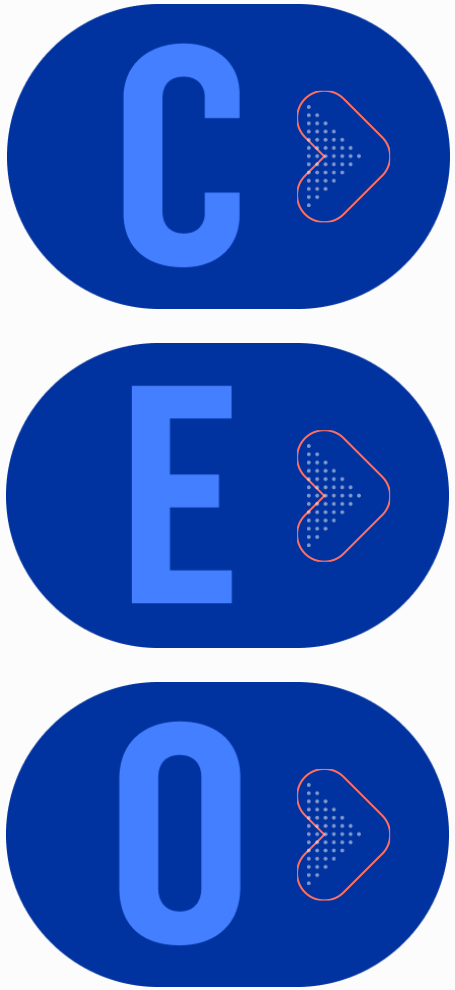
Partnerships to solve service delivery and infrastructure

Our purpose-led business model drives innovation



Our recipe for success

CEO culture, clear objectives and disciplined execution



Client-obsessed

- Trust of our clients is our top priority
- Client-led product development and experience design
- In-depth knowledge and measurement (MOS, Product health, CSAT)

Energise our people

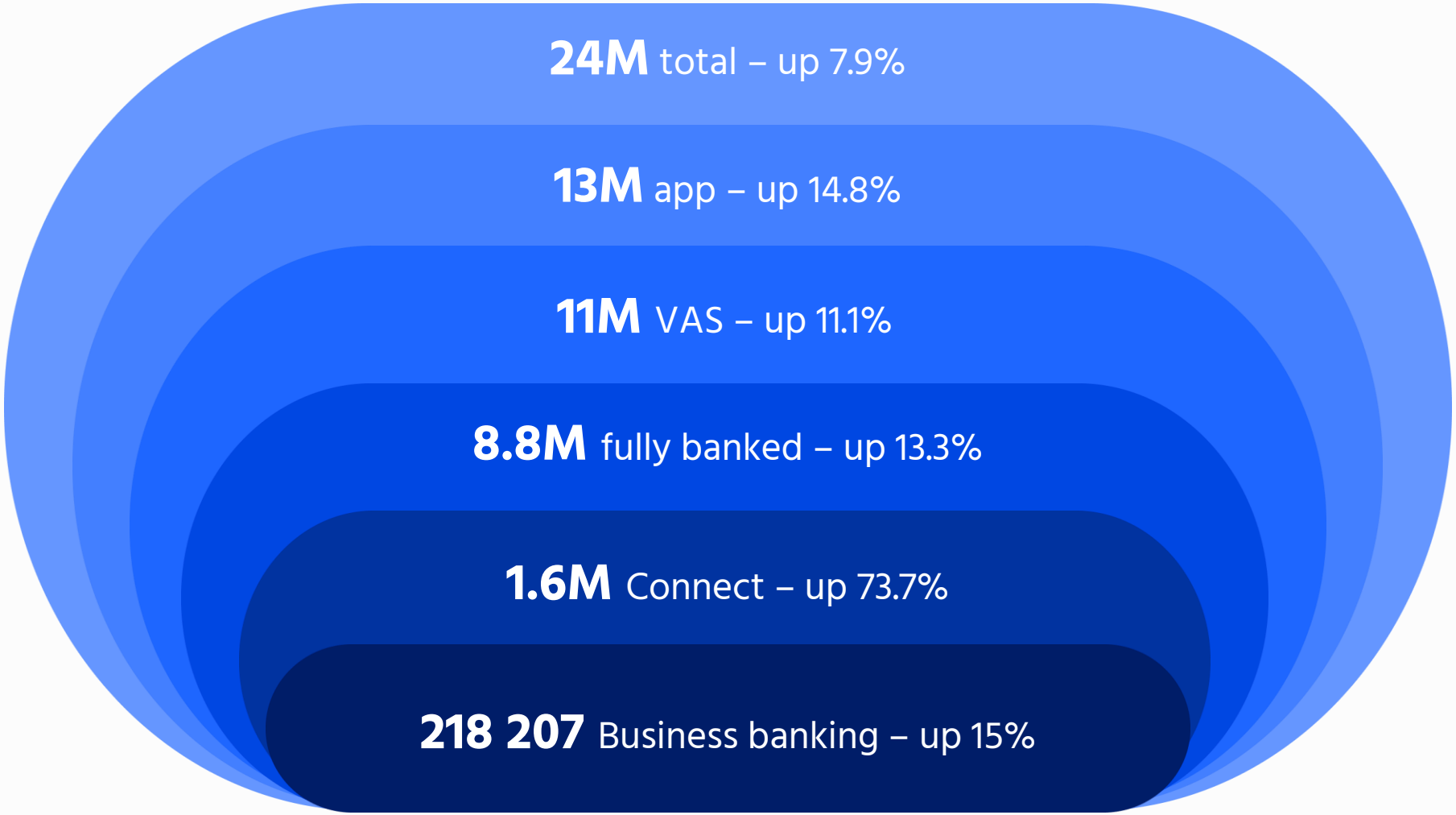
- Deliberate about our culture
- Built a strong, diverse and future-ready leadership team
- Alignment of goals and incentives to long-term strategy – no silos

Ownership of delivery

- Scalable technology and cloud platform powered by over 750 engineers
- Re-platformed our app for stability and performance
- Introduced Business banking, Insurance, Connect, VAS and AvaFin in the last 4 years
- Low-margin, high-volume business model

Strong client base for sustained growth

Year-on-year growth of fully banked clients exceeds total client growth



High potential segments

- Strong growth among high earners, (+R50 000pm up 26.5%)
- 11.1 million youth clients (age 16 – 35)
- 51% market share of SA youth population (age 16 – 35)

Capitec Group

Key performance indicators

Headline earnings +30% to 13.7 billion
(2024: 10.6 billion)

Net interest income after credit impairments
+54%
to 11.9 billion
(2024: 7.7 billion)

Non-interest income to income from operations after credit impairments
67%
(2024: 72%)

Return on ordinary shareholder's equity
29%
(2024: 26%)

Credit loss ratio
7.5%
(2024: 8.7%)

Net transaction and commission income (excl. VAS)
+17%
to R14.1 billion
(2024: 12.0 billion)

Value-added services and Capitec Connect
+61%
to R4.4 billion
(2024: R2.7 billion)

Funeral plan and life cover income
+44%
to 1.9 billion
(2024: 1.3 billion)

Operating expenses (excl. incentives & AvaFin)
+14%
to 14.9 billion
(2024: 13.1 billion)

Capitec Group

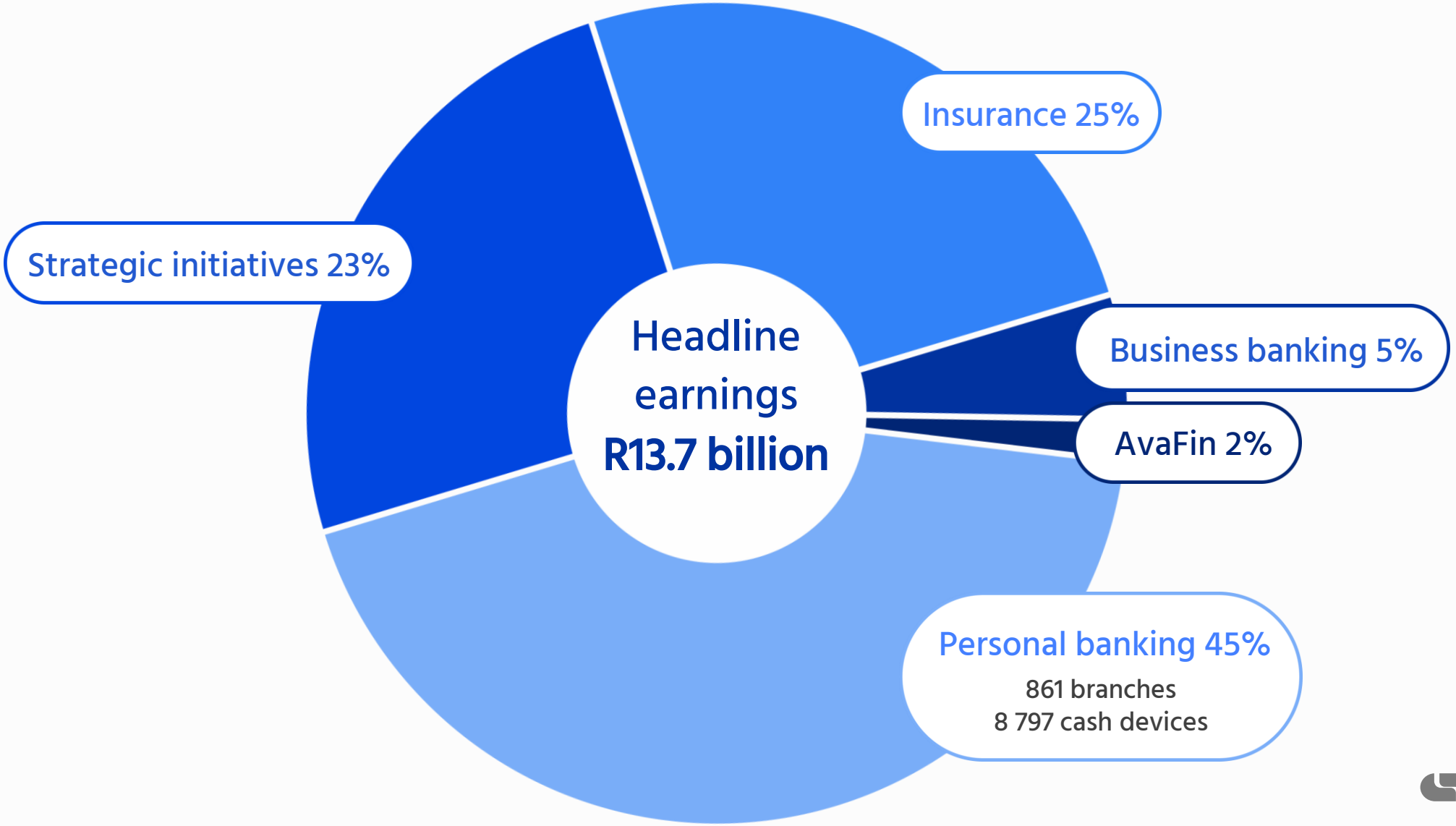
Consolidated income statement

Year ended R' million	Feb 24	Feb 25 (excl. AvaFin)	YoY Change (excl. AvaFin)	Feb 25 (incl. AvaFin)	YoY Change (incl. AvaFin)
Net interest income	16 464	18 171	10%	20 185	23%
Credit impairment charge	(8 725)	(7 428)	(15)%	(8 258)	(5)%
Net interest income after credit impairments	**7 739**	**10 743**	**39%**	**11 927**	**54%**
Total net transaction and commission income (incl. VAS)	14 787	18 535	25%	18 535	25%
Total net insurance income	3 178	3 777	19%	3 777	19%
Other income (incl. monthly fees, forex and sundry income)	1 614	1 613	-%	1 570	(3)%
Non-interest income	**19 579**	**23 925**	22%	**23 882**	**22%**
Income from operations after credit impairments	**27 318**	**34 668**	**27%**	**35 809**	**31%**
Operating expenses	(13 919)	(17 166)	23%	(18 061)	30%
Taxation	(2 886)	(3 939)	36%	(4 001)	39%
Other items and headline earnings adjustments [1]	65	20	(70)%	(8)	(106)%
Headline earnings attributable to group shareholders	**10 578**	**13 543**	**28%**	**13 739**	**30%**

[1] Includes our share of net profit of associates and JVs, preference dividends, the discount on repurchase of preference shares, non-controlling interest share of headline earnings, and other headline earnings adjustments

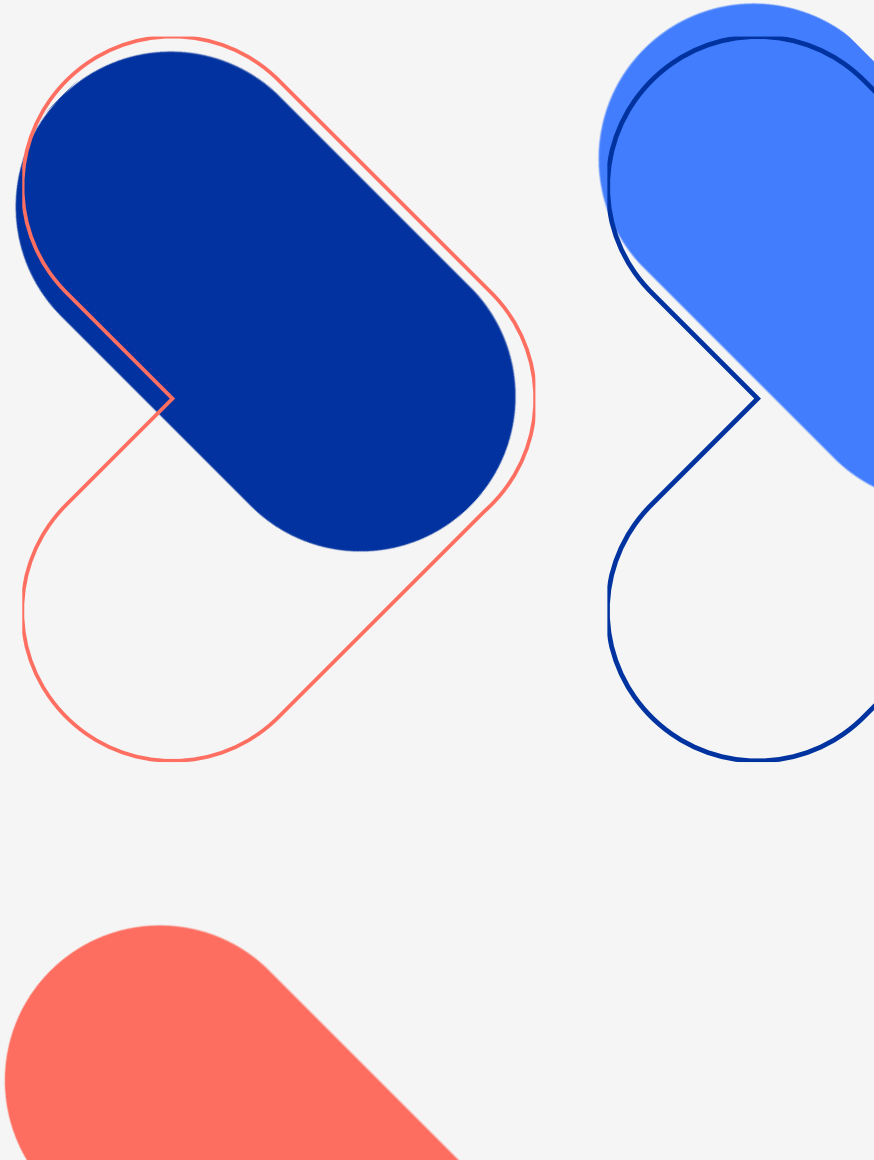
Capitec Group headline earning contribution

Personal banking channels and clients serve as the foundation for diversification



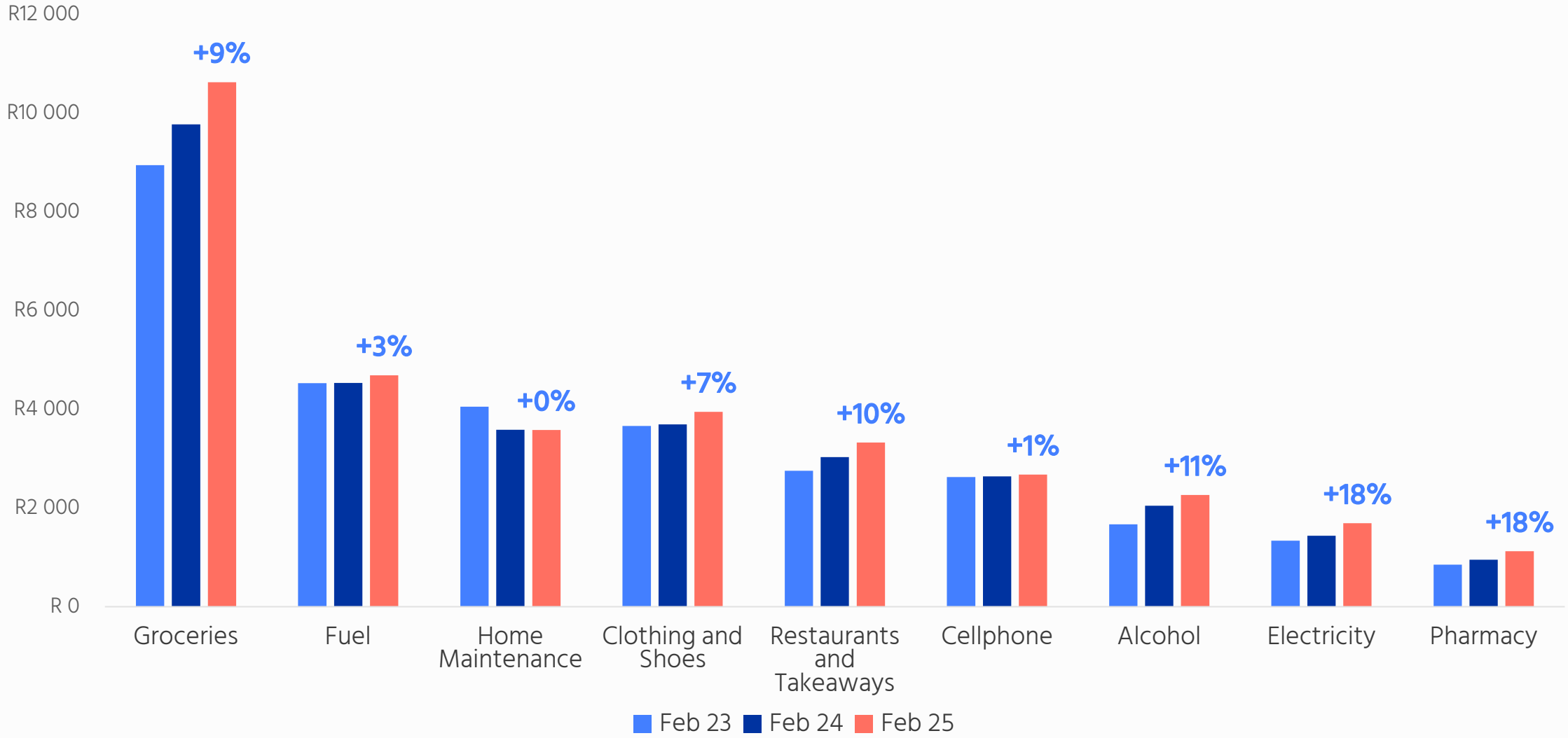
Personal banking

Unlocking value for our 24 million clients



The economy of 24 million clients

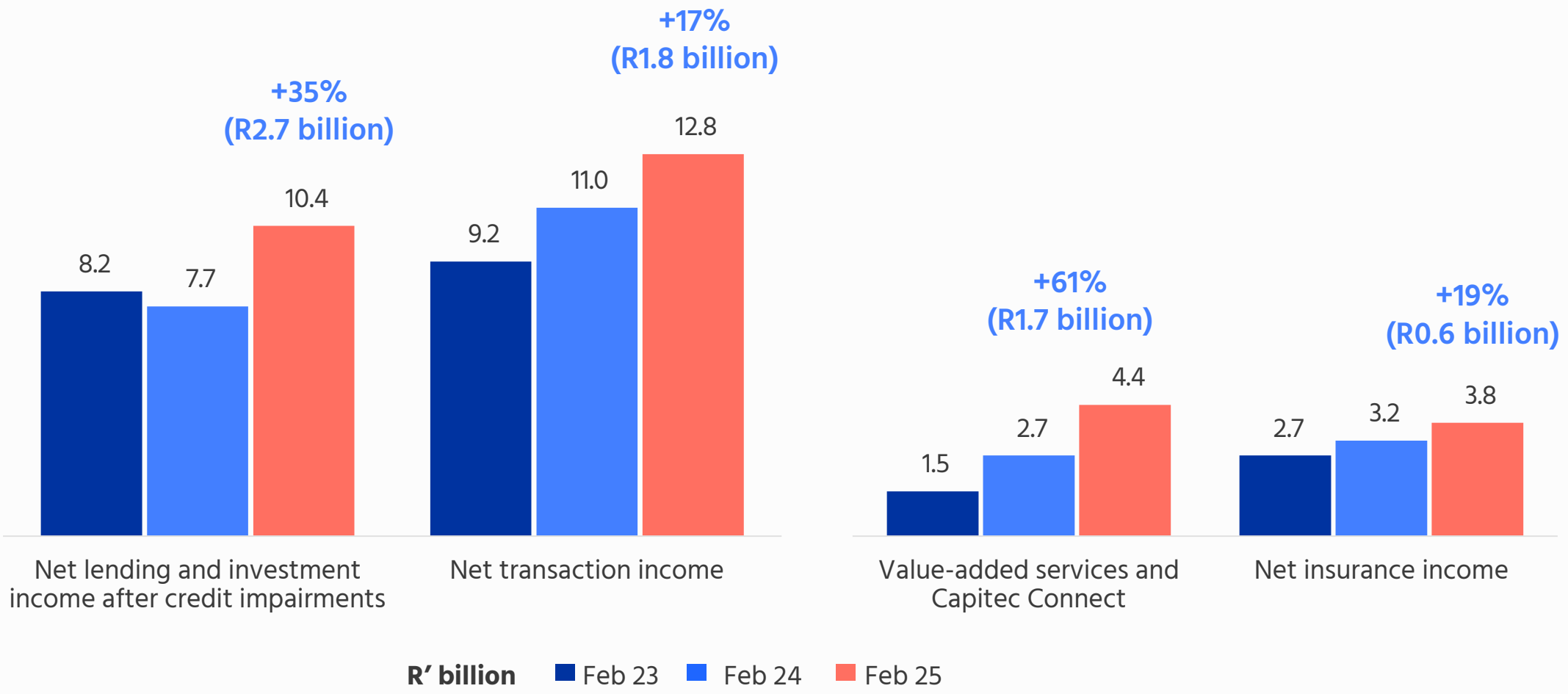
Trillions of data points provide a deep understanding of clients' behaviour



Average annual spend per category per client

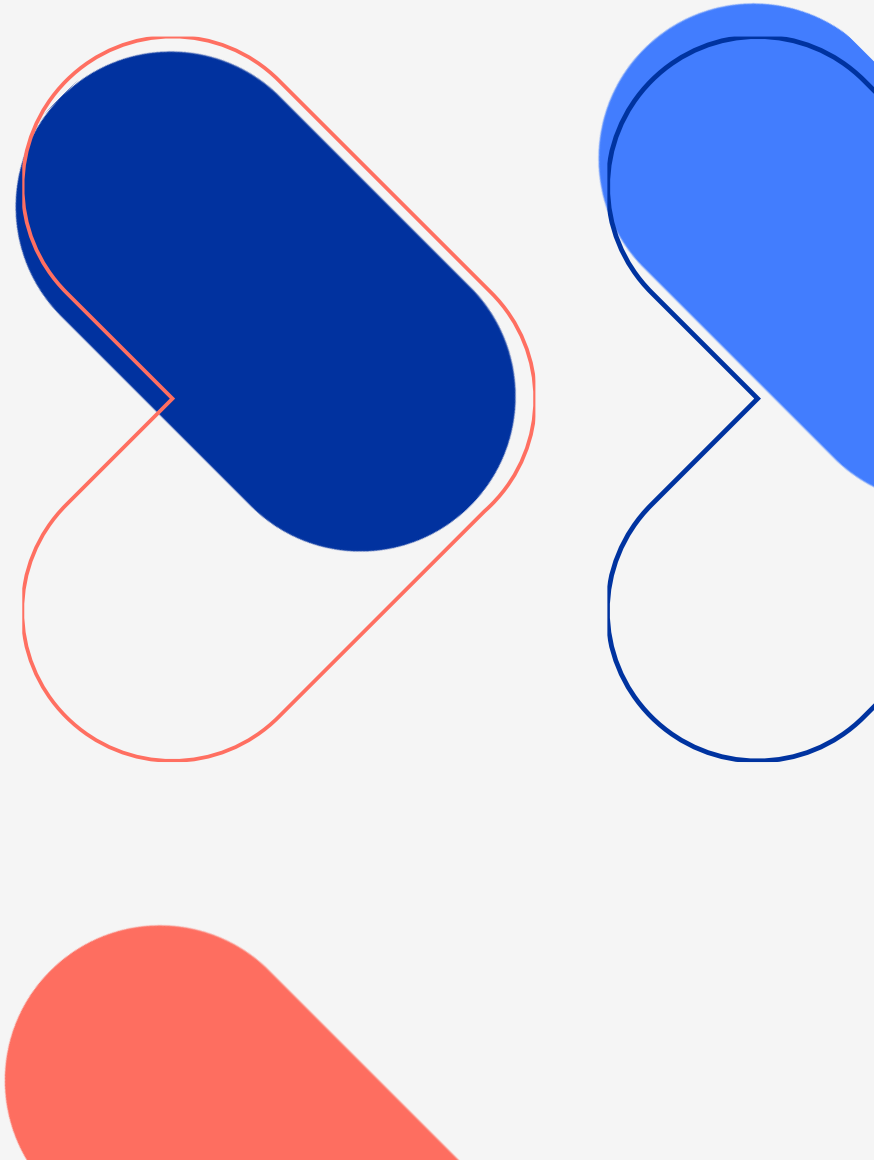
Personal banking income distribution

Highest growth in value-added services and Capitec Connect



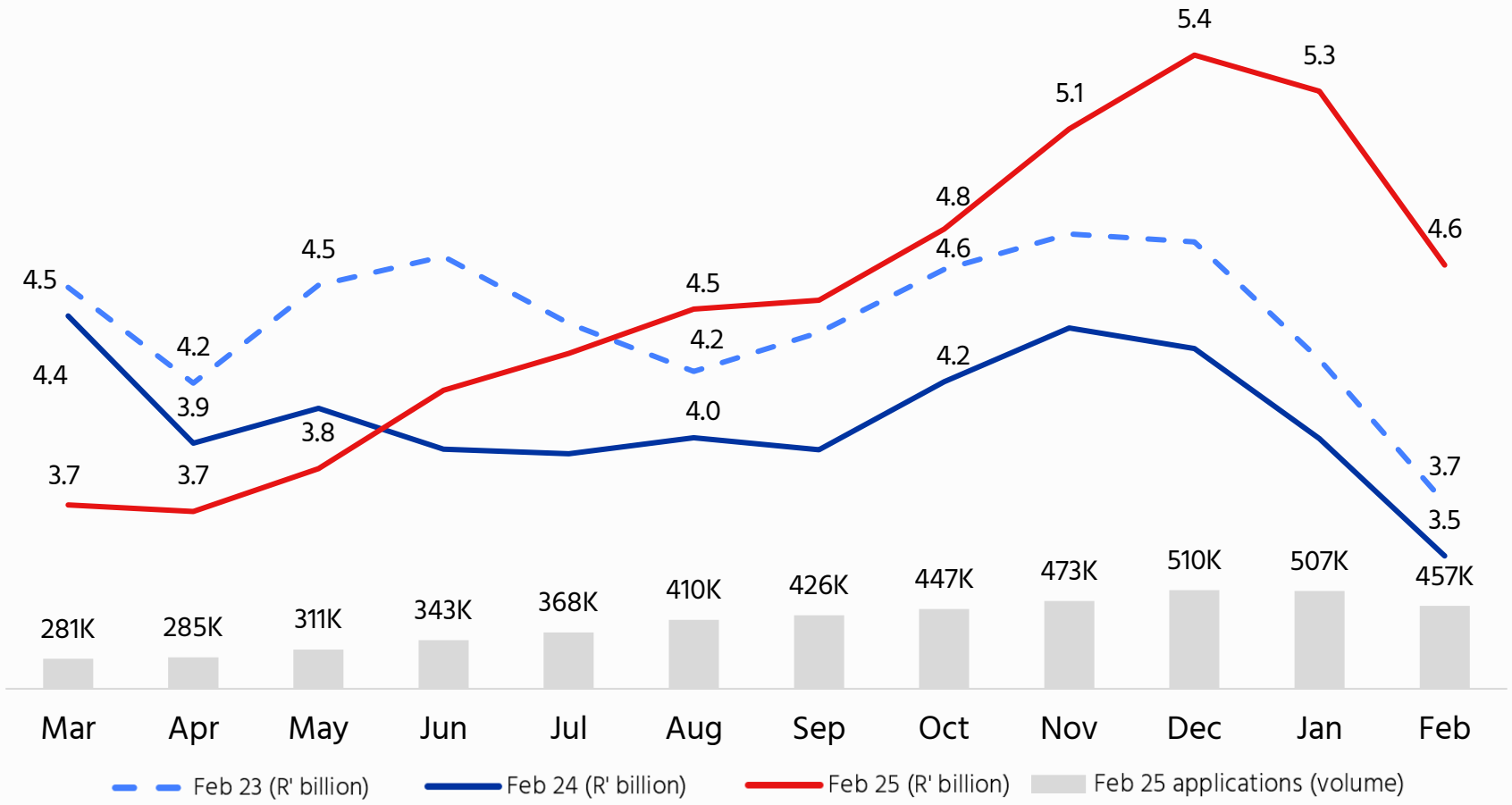
Credit

Optimising for growth



Data-driven credit sales growth

Loan sales and disbursements (including facility drawdowns)



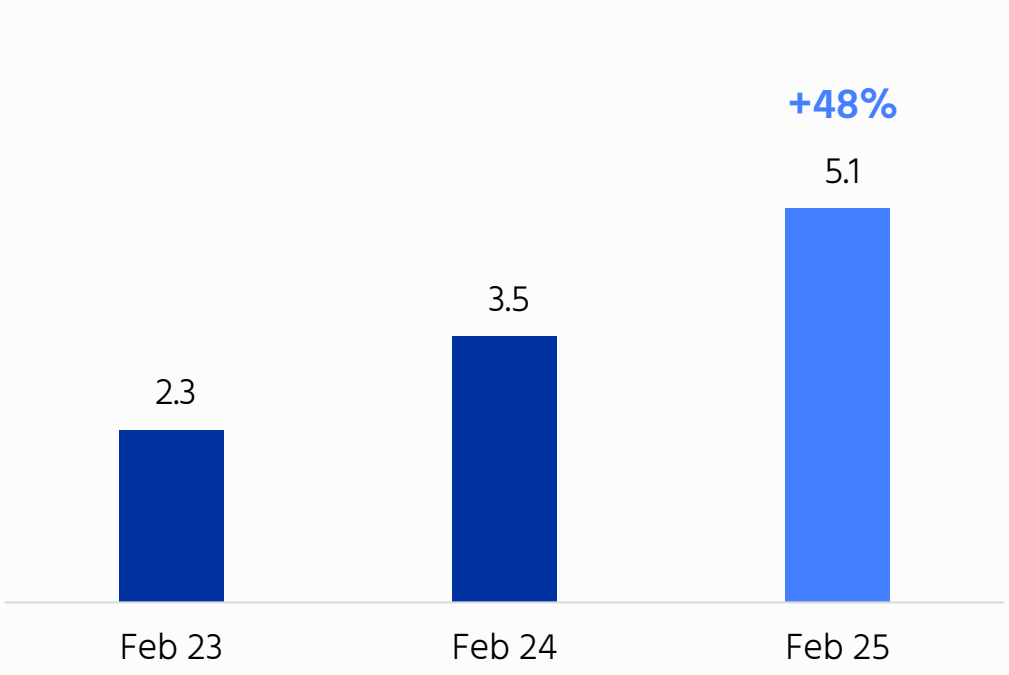
Second half sales up 23%

- Data (AWS) improves personalised credit offers, applications up 33%
- Annuity disbursements drive 54% of loan sales
- Continuous and agile risk management results in:
  - 57 behaviour risk granting changes
  - 1 642 employer-specific granting actions

Robust credit card growth

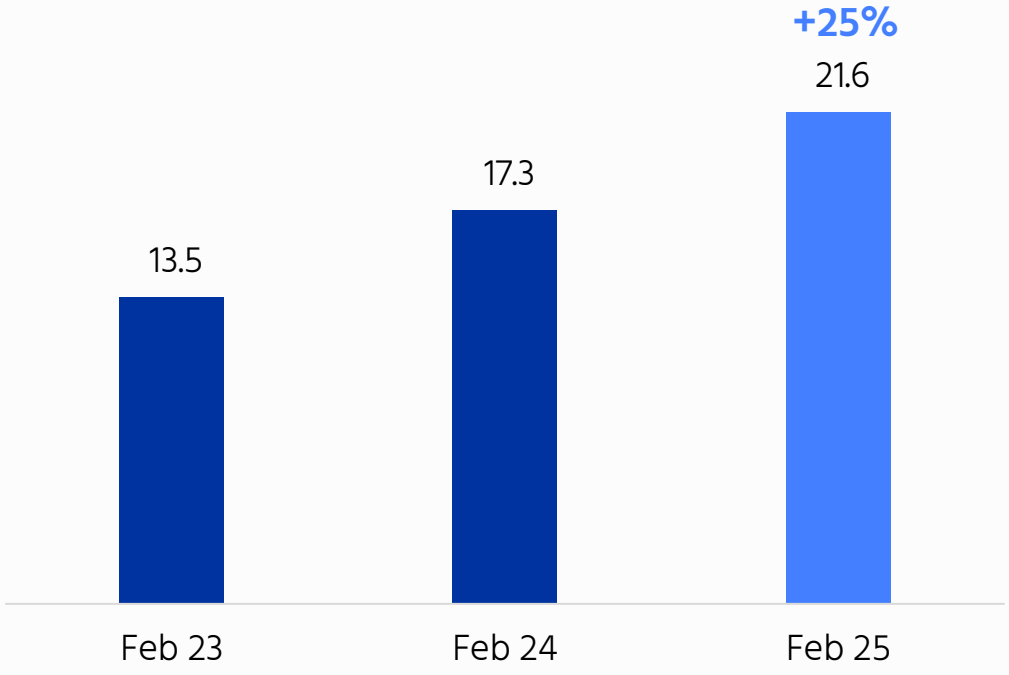
New limit sales up 48% year-on-year

Building future annuity income



Credit card limit sales (R' billion)

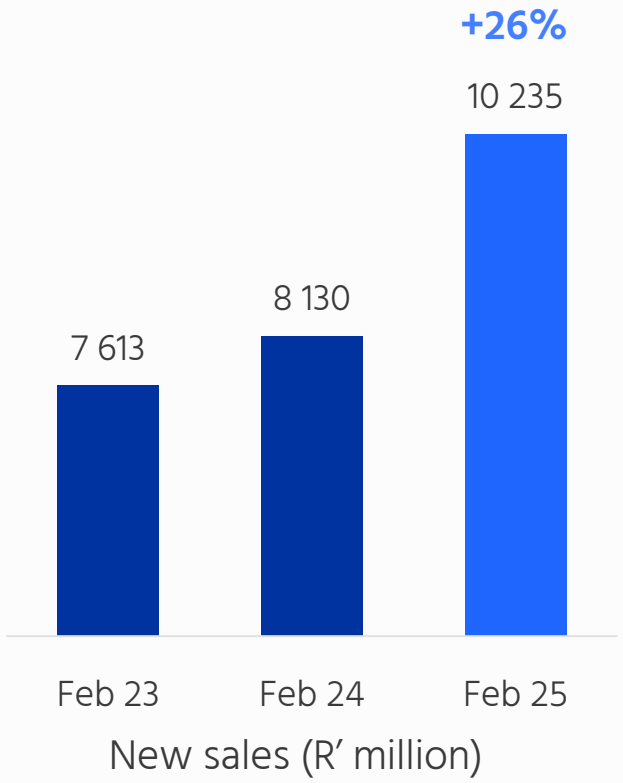
Credit card delivers annuity income



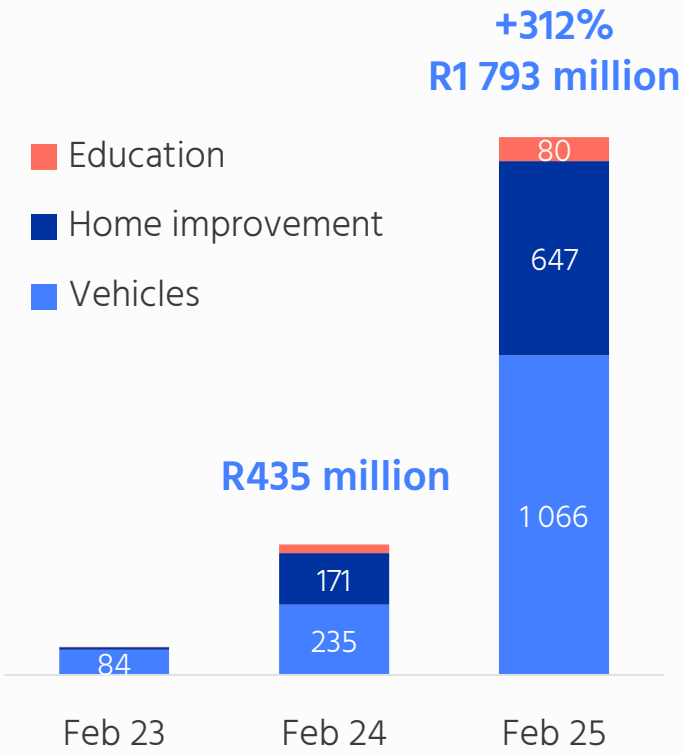
Credit card disbursements (R' billion)

Diversified credit income streams

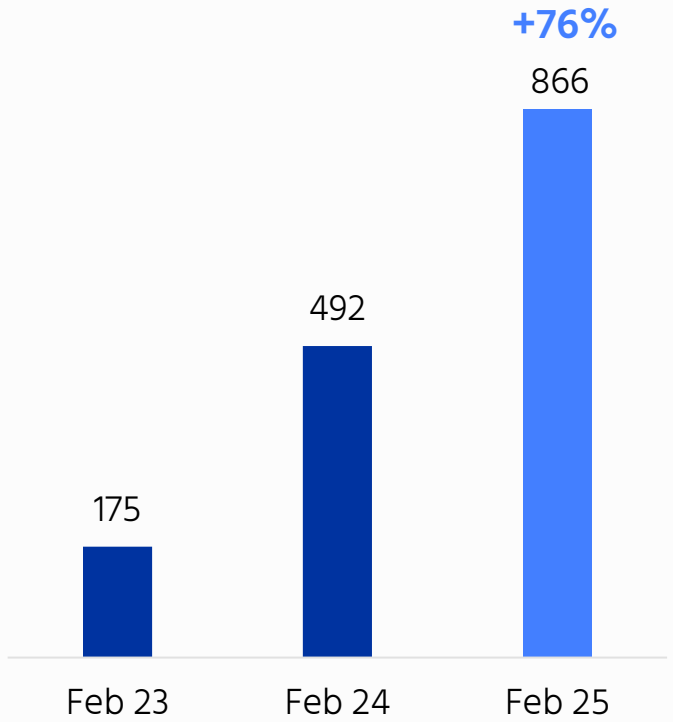
Growing a healthy book



New sales (R' million)



Sales and disbursements (R' million)



Sales and disbursements (R' million)

New sales to clients earning > R50 000

- Number of clients up 56%
- Diversified offering
- Digital channels

Purpose lending

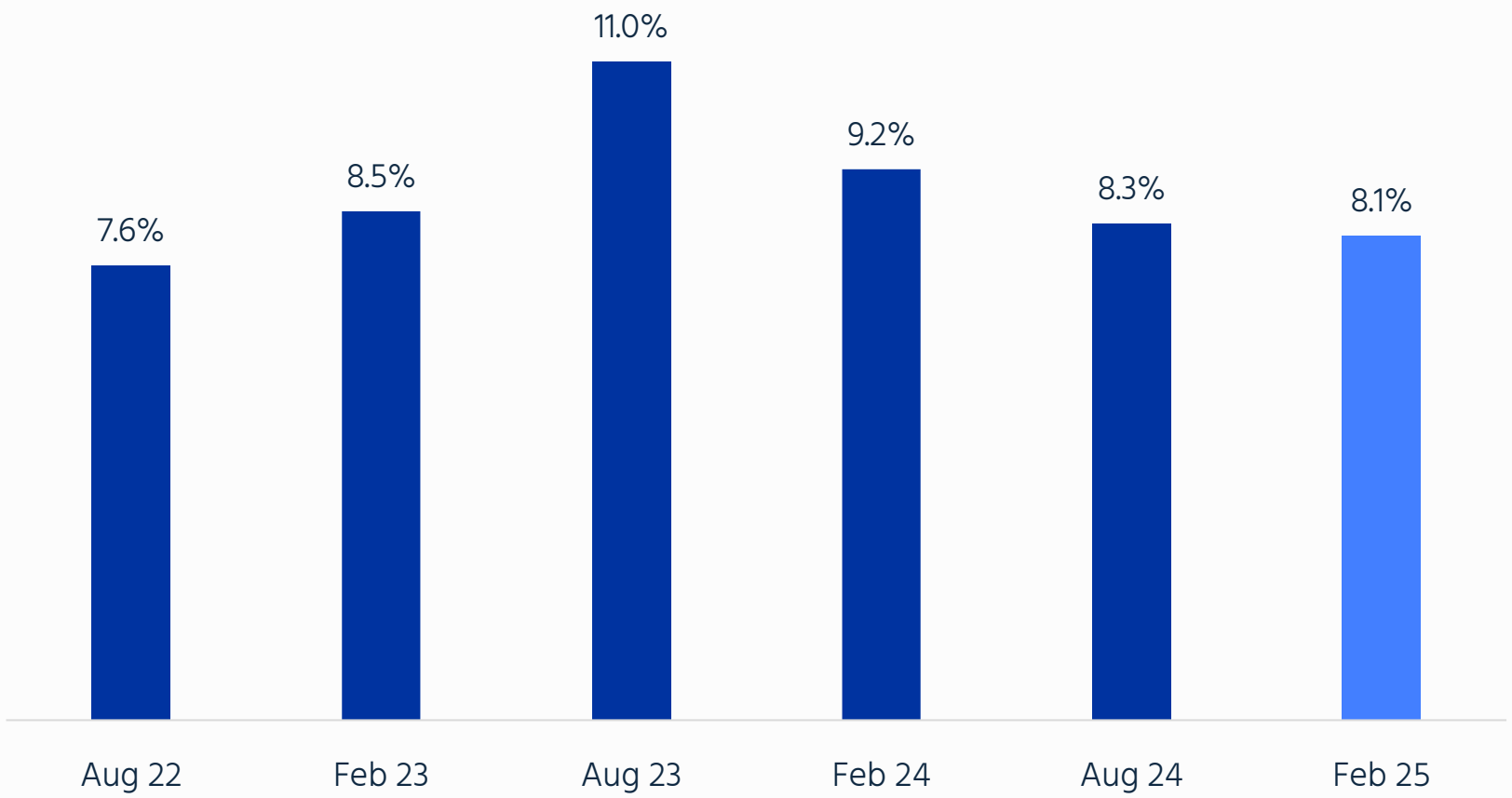
- 1 100+ vehicle dealers
- 800+ building supply locations
- 25 000+ education institutions

App sales and disbursements

- Personalised in-app offers powered by AWS data
- Increased client engagement

Improved credit loss ratio

Returns to the through-the-cycle target of 8.5%

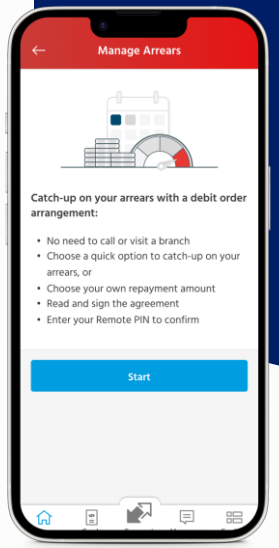


Agile book management

- 30% year-on-year decrease in existing book charges due to improved performance

Growing new book

- Upfront provisions increased by R800M year-on-year due to higher sales



New credit solutions drive growth

By listening to our clients, we are creating innovative products they need



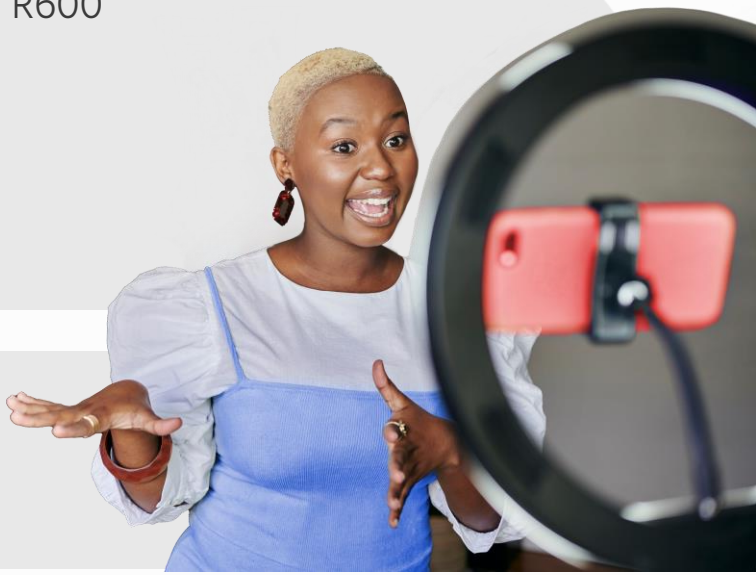
NEW Capitec-funded **secured home loans** launching mid-2025



NEW accessible credit card granting model with limits from R600 repayable within 3 months to build client credit profiles.

Since launch:

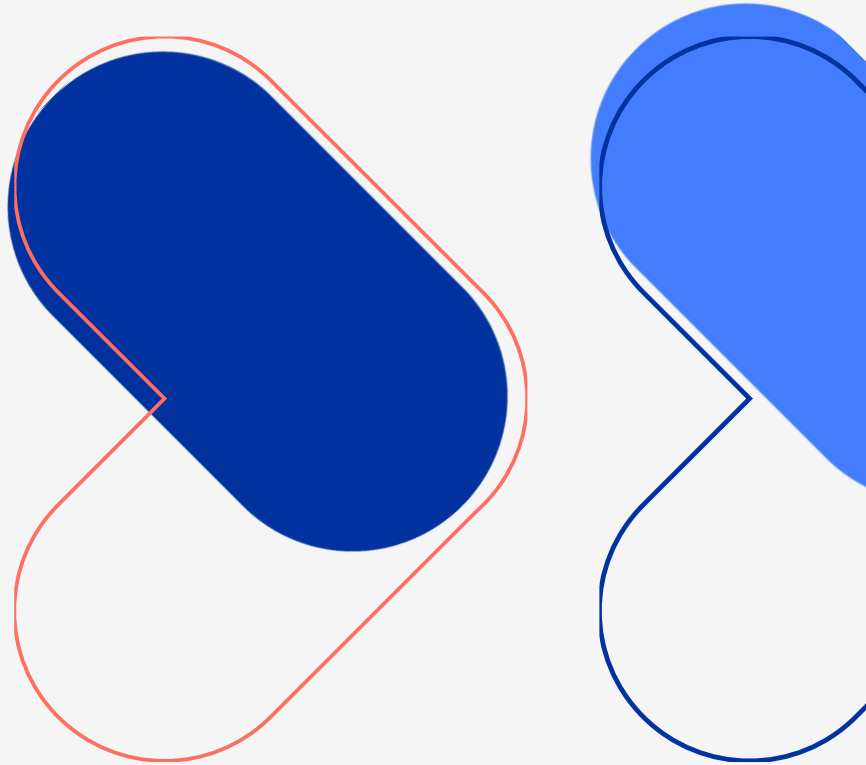
- More than 20 000 sold
- 26TB of free Connect data rewards



NEW repay-as-you-earn loan for multiple income earners and SMEs to enable growth from May 2025

Transaction income

Driving growth



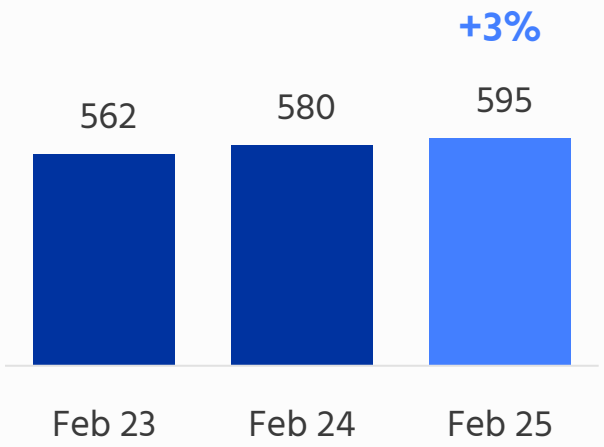


Net transaction income up 17%

Card and electronic payments drive growth

Cash volumes

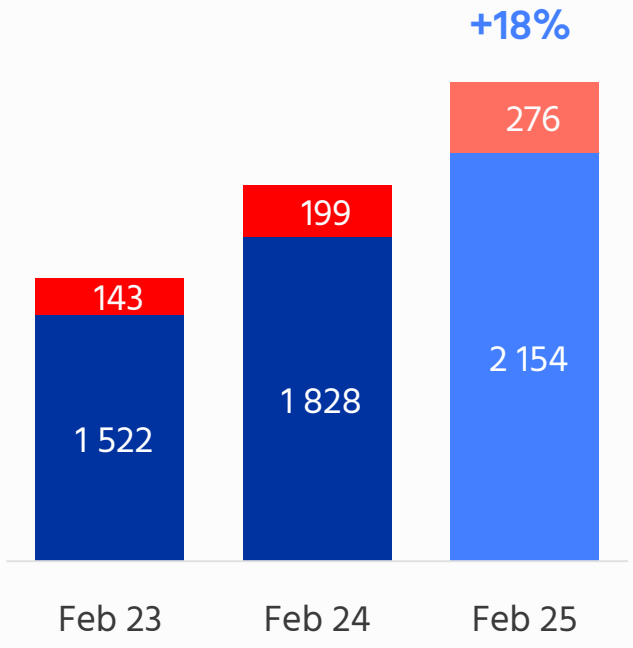
(million)



The number of cash devices increased by 5% to 8 797

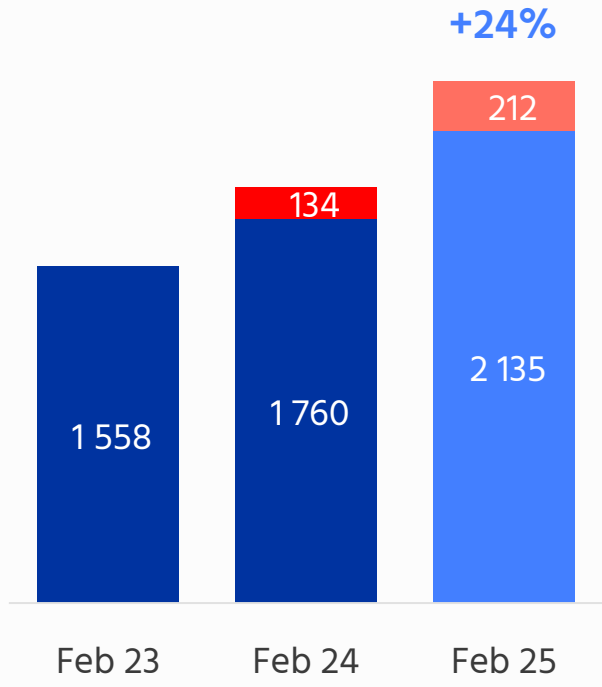
Card volumes

(million)



Payment volumes*

(million)



*Includes incoming and outgoing volumes and Capitec Pay

Card and electronic payments

Change in behaviour from cash to digital

Card payments

+18% to 2.2 billion transactions

Value spent:
R544.3 billion (2024: R483.0 billion)

E-commerce

+47% to 488 million transactions incl Capitec Pay

Value spent:
R97.3 billion (2024: R63.0 billion)

Pay wallets

+159% to 167 million transactions

Value spent:
R34.2 billion (2024: R13.1 billion)

PayShap and pay to cell

+162% to 265 million transactions

Value:
R187.3 billion (2024: R54.4 billion)

Transacting card clients

- Total up 23% to 16.9 million (2024: 13.8 million)
- Card not present clients up 56% to 5 million
- Pay wallet clients up 103% to 1 million
- International transactions up 65% to 66 million



Simple and transparent pricing

Building trust with our clients

Simplified transaction fees from more than 30 to 5 price points



R50
Monthly fee

R8
Monthly fee

R1
Capitec to Capitec payment

R2
Payment to other banks

R3
Debit order

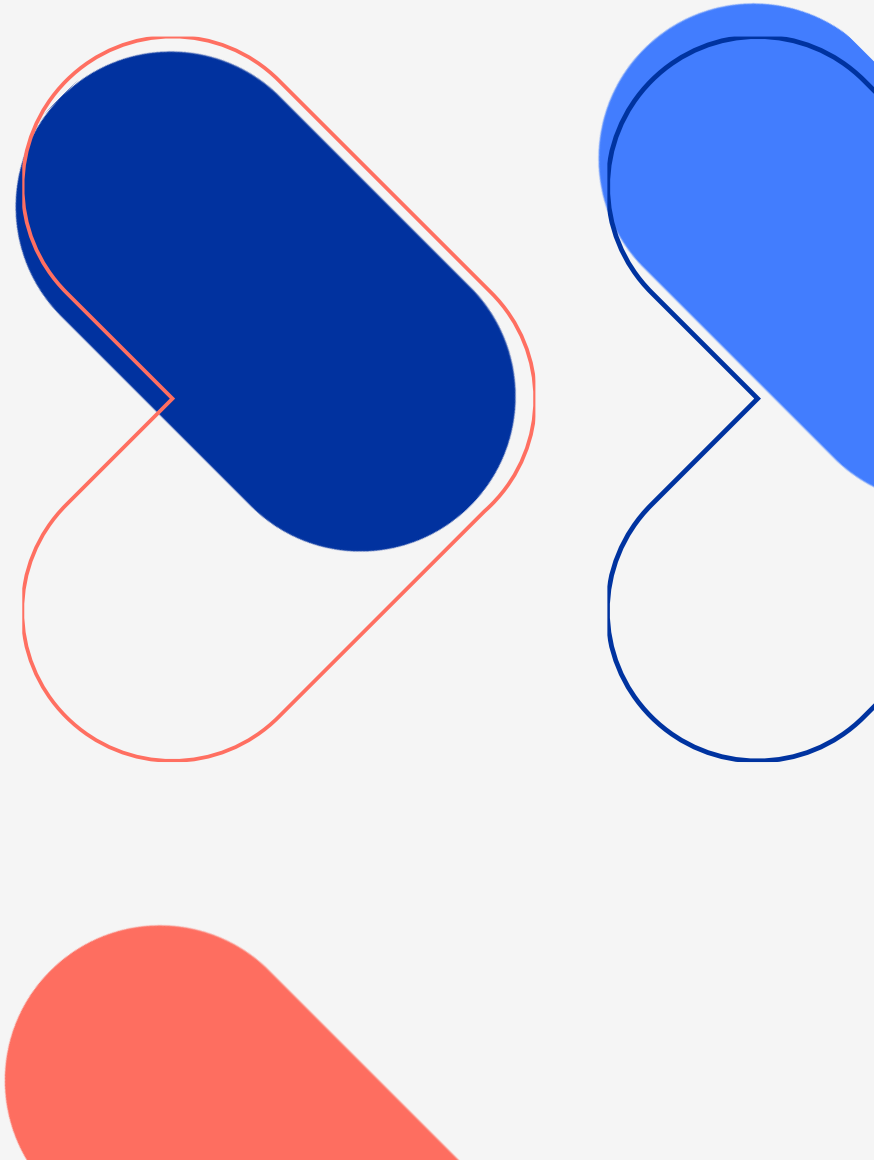
R6
Immediate payment to any bank

R10
Cash withdrawals (per R1 000) at any SA ATM

Free
Online banking and card payments

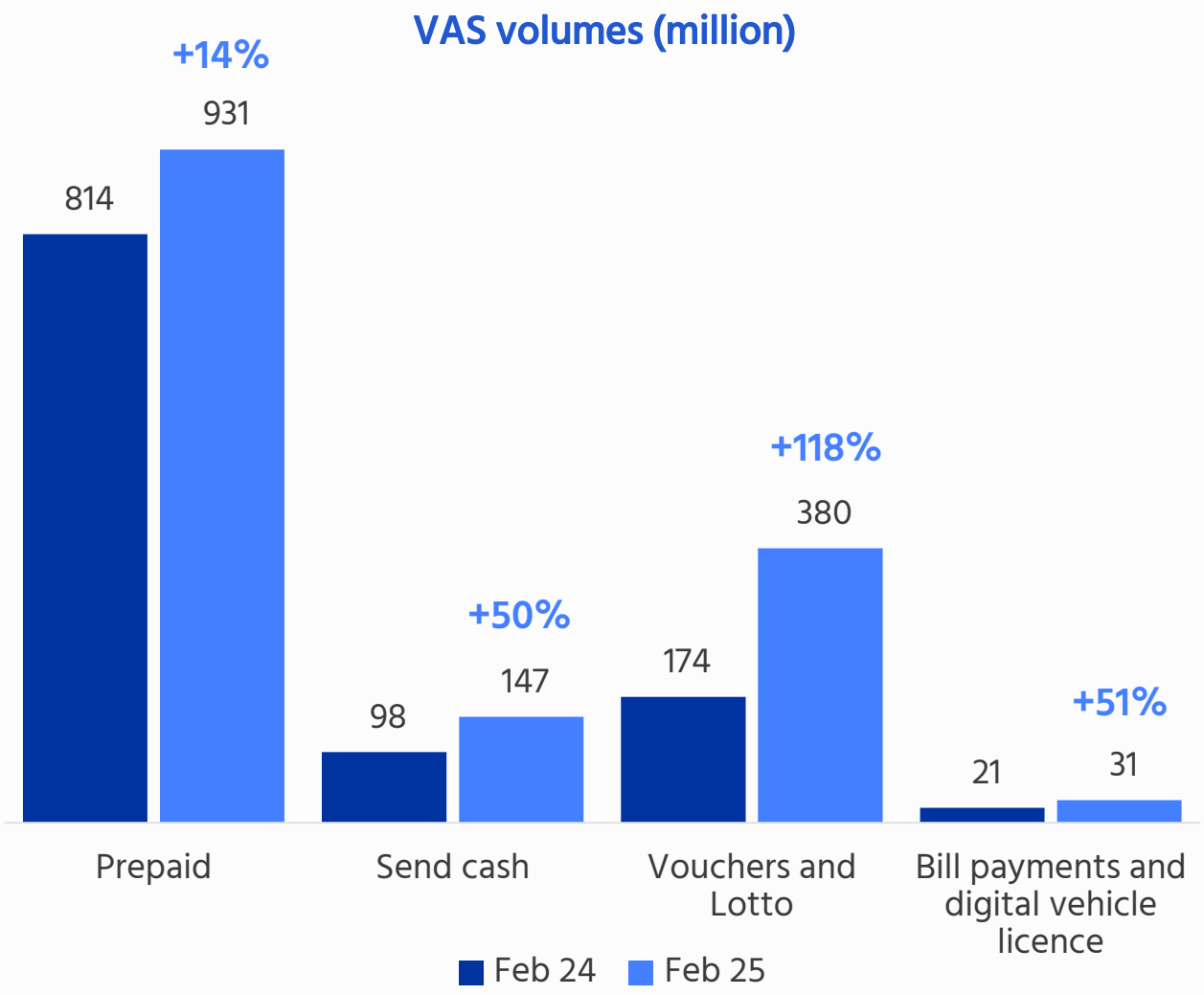
Strategic initiatives

Delivering value within our ecosystem



Digital products drive growth

Value-added services net income grew 56% to R4.2 billion



Market share

- Prepaid data & airtime: **41%**
- Prepaid electricity: **27%**
- Lotto: **17%**
- Digital vehicle licence disc renewal: **20%**
- Bill payments: **33%**

New product highlights

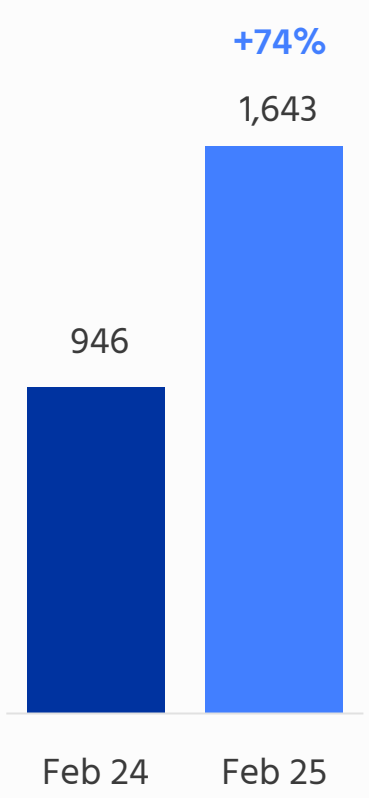
- Over 437 000 Showmax vouchers sold since 13 August 2024
- Over 376 000 licence disc renewals since 22 February 2024



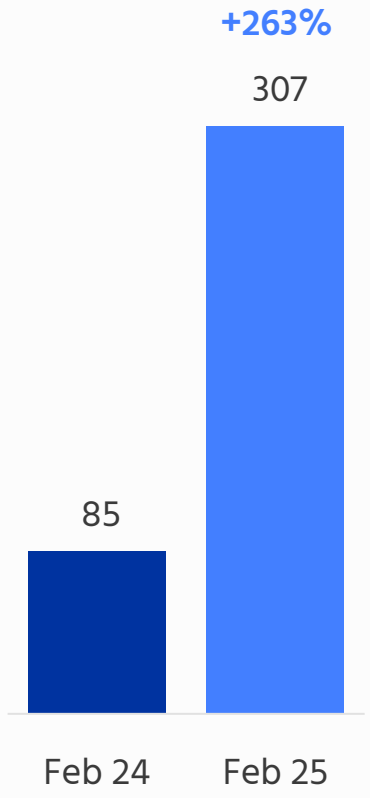
Capitec Connect

Net income contribution increased 451% to R193 million

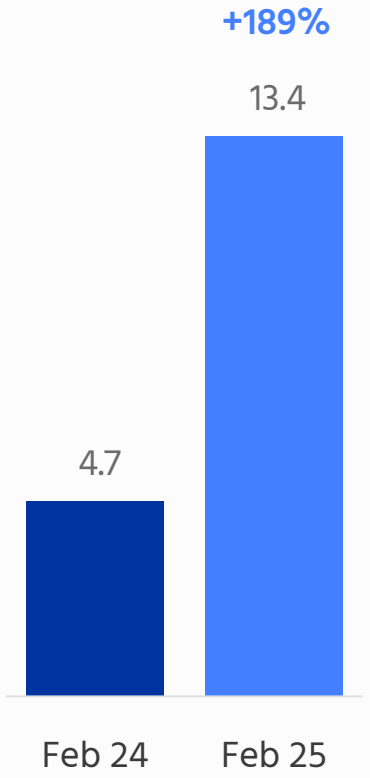
6-month Active
Base ('000)



Minutes used
(million)

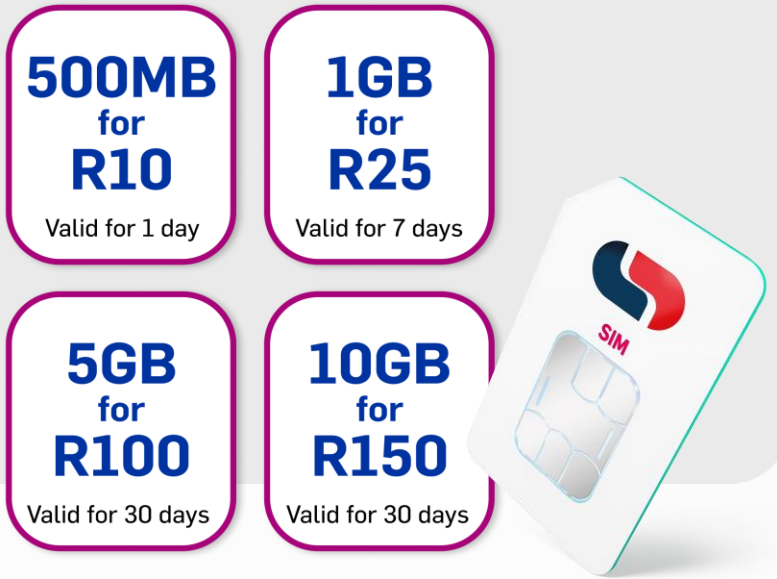


Data used
(petabytes)



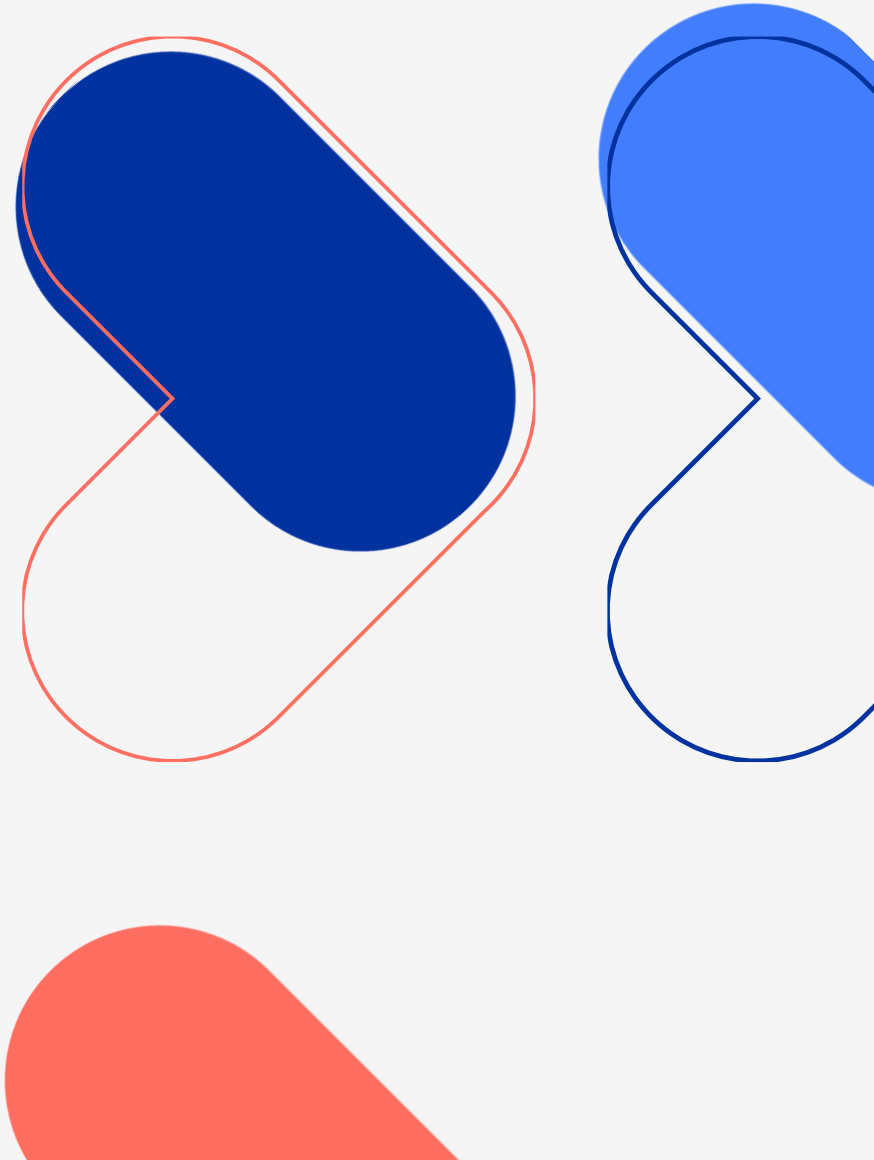
Multiple new products

- New data and voice bundles
- WhatsApp, streaming and large data bundles
- Cash vouchers
- Connect advances



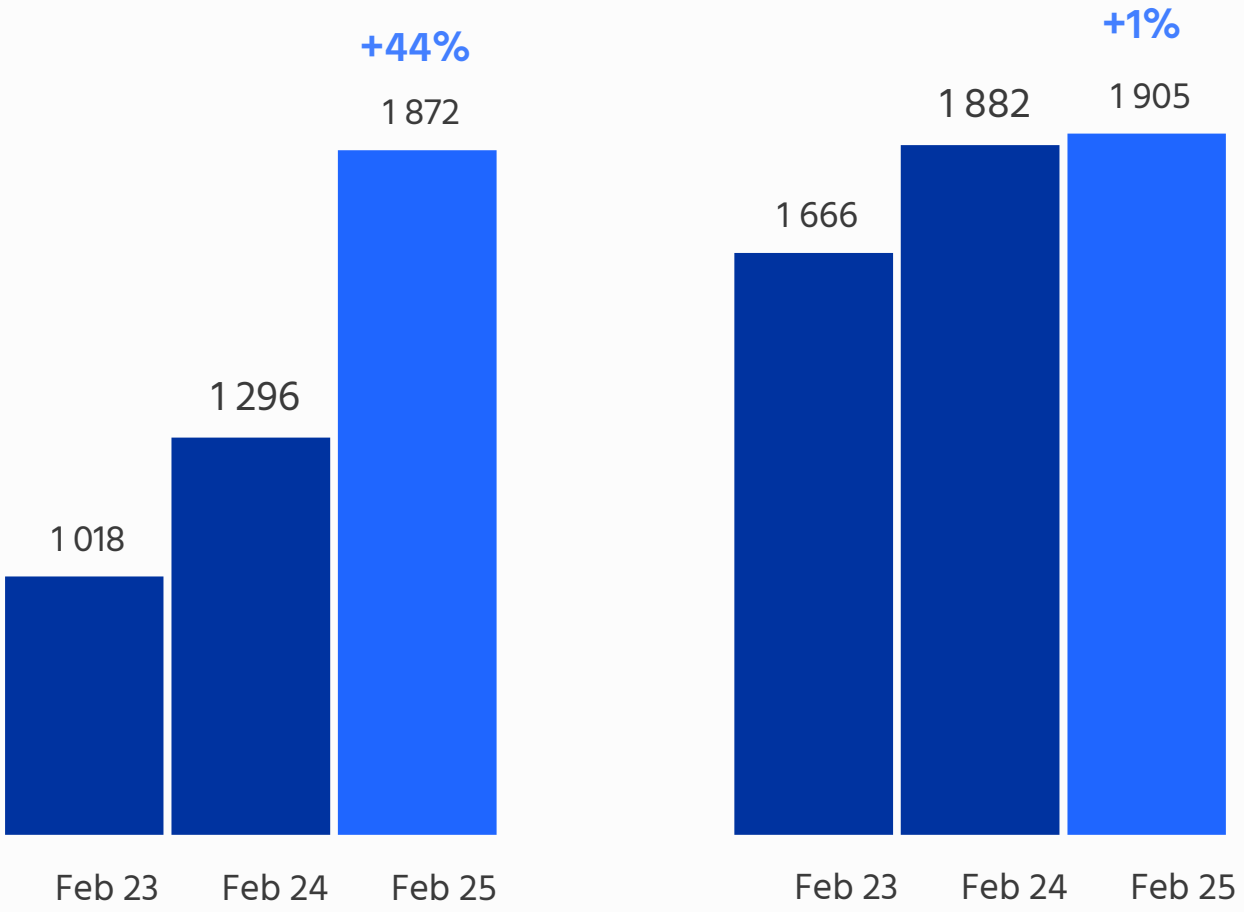
Insurance

Foundations built for future growth



Capitec Insurance

R3.5 billion headline earning contribution

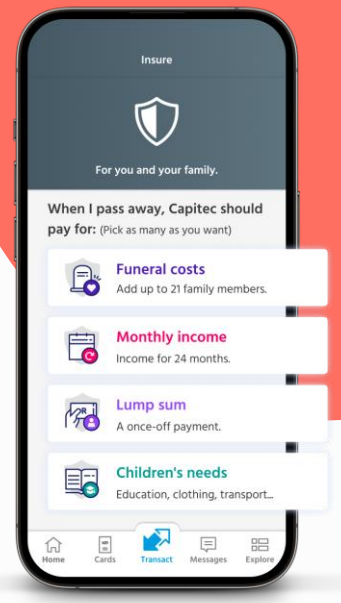


Funeral and life cover (R' million)

Credit life (R' million)

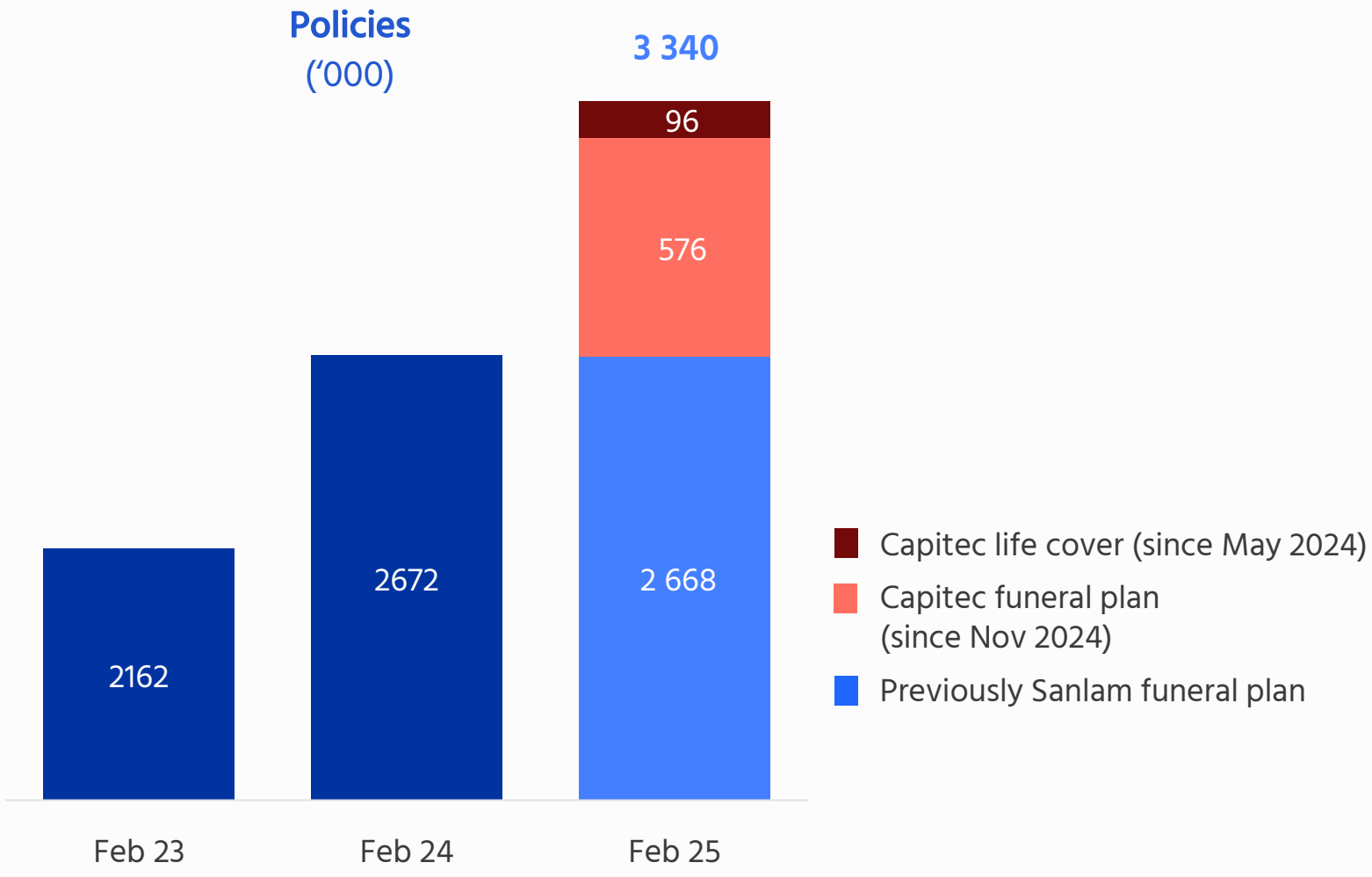
Strategic update

- Sanlam transfer – end of profit-sharing agreement
- Healthy credit book mutes credit life insurance growth



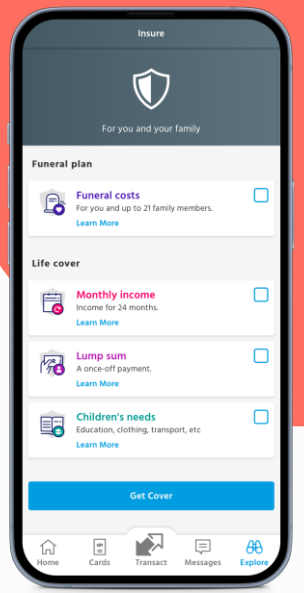
Funeral and life cover

25% increase in policies and 15 million lives assured



Strategic objectives

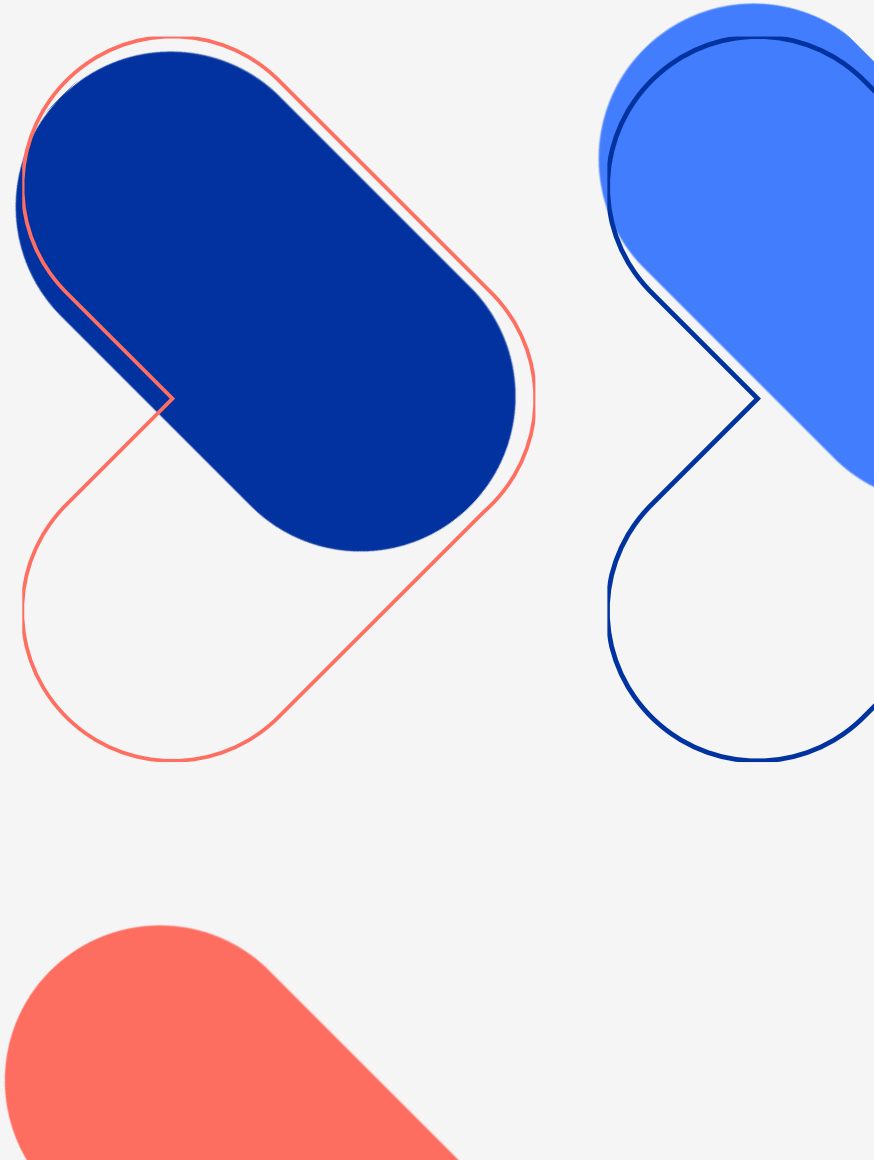
- Optimise claims experience
- Enhance systems to best serve client needs
- Review and reprice products, sharing savings with clients
- Novel client engagement, adding value to client lives



Business banking

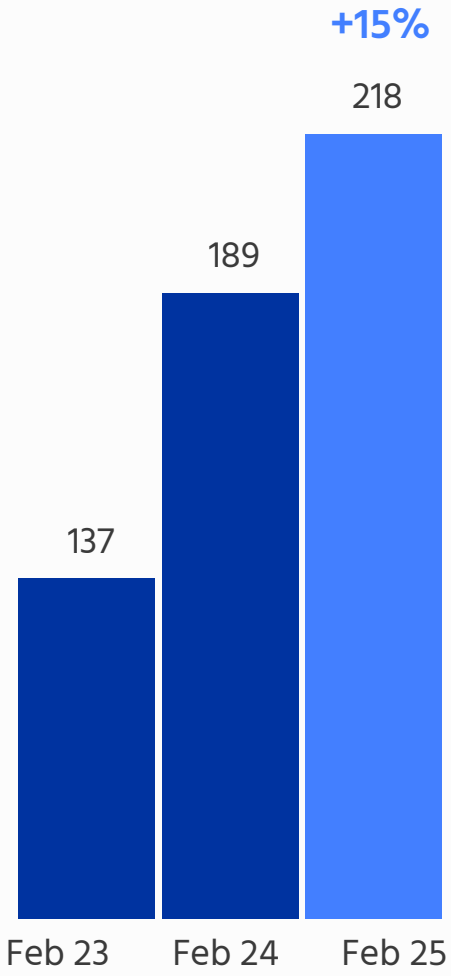
Empowering South African businesses to grow

Small | **M**edium | **E**merging

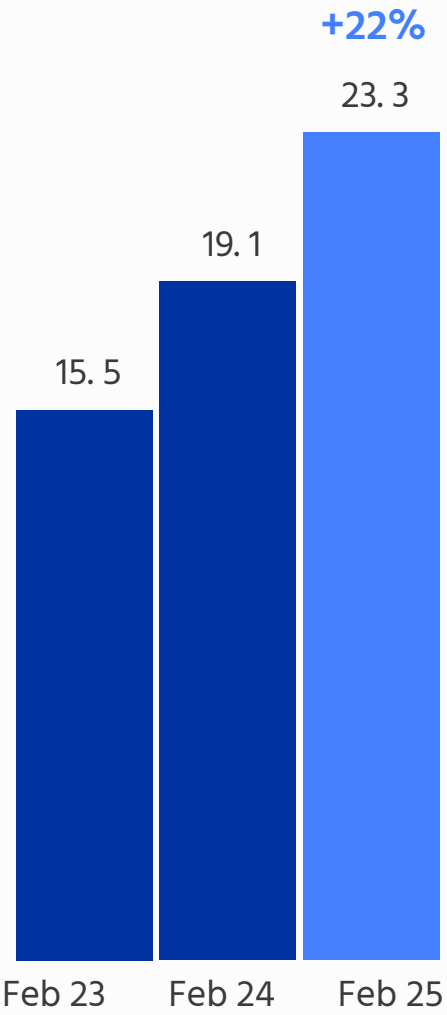


Our strategies for growth

Foundations built



Clients ('000)



Gross loans (R' billion)

Business banking foundations built on scalable channels with a service model of Relationship Suite, bankers and branches.

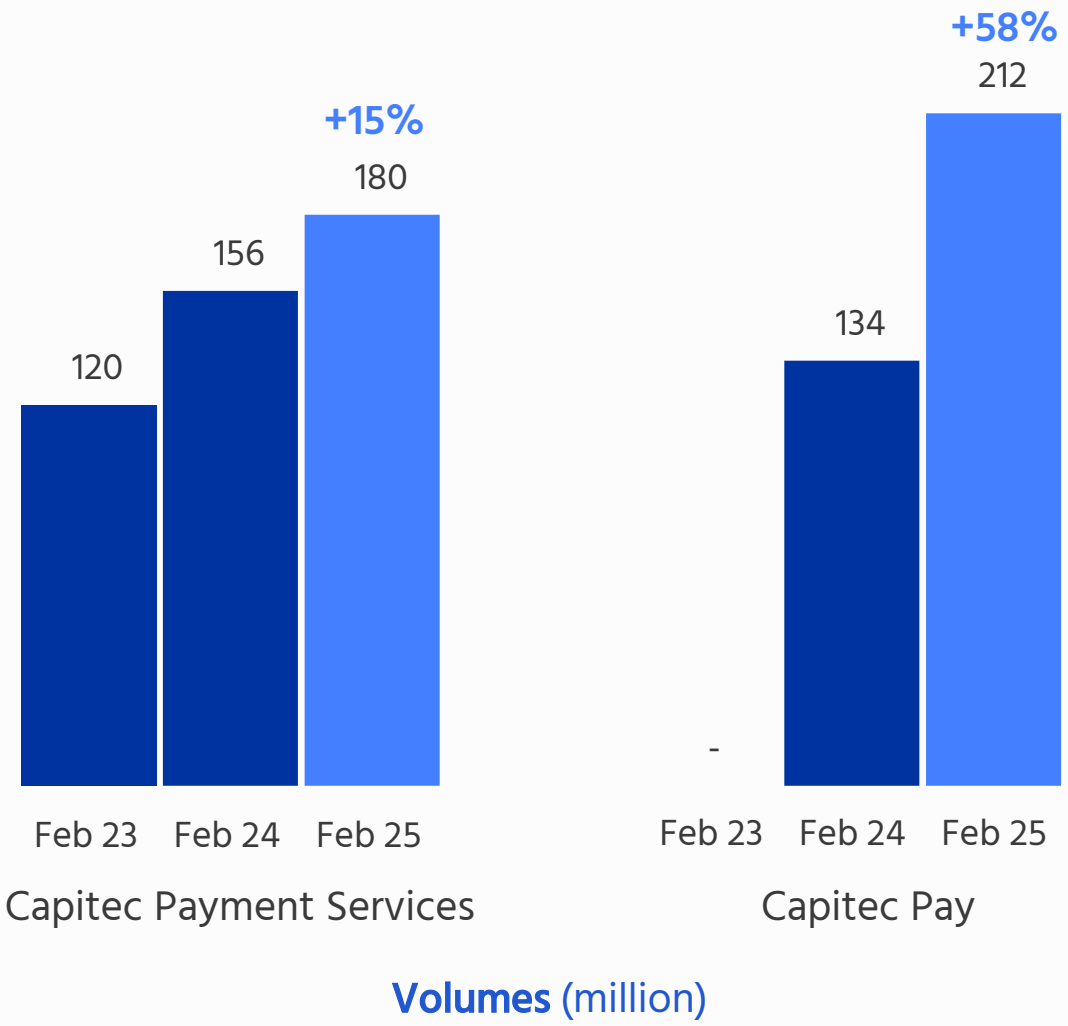
Transaction fee strategy reduced fees and aligned with Personal banking achieved 96% increase in volumes to 11 million.

Simplified forex resulted in over 482 000 forex transactions, up 92% (2024: over 251 000).

Scored loan balances up 111% to R1 260 million (2024: R596 million).

Enterprise payments services

Building a single solution to receive payments



Payments strategy

- Moved e-commerce (Capitec Pay), Payment Services and Merchant Services into one enterprise payments solution

Capitec Pay (launched in 2024)

- Over 7.5 million unique personal clients, up 63% (2024: 4.7 million)
- Over 17 000 merchants
- R47.5 billion transacted, up 78% (2024: R26.7 billion)

Capitec Payment Services

- Value transacted R91.3 billion, up 34% (2024: R68.3 billion)

New merchant solutions

Quality devices with low, transparent commission rates



New commission rates from May 2025 – lowest in SA (when settled into a Capitec Business account)

Turnover bracket	Debit card rate*	Credit card rate*
Under 50k	1.85%	1.85%
50k – 499k	0.85%	1.85%
500k – 999k	0.70%	1.70%
Over 1 million	0.60%	1.60%

Highlights

- Trading merchants up 124% to 63 000 (2024: 28 000)
- Average daily sales up 28% to R176 million (2024: R137 million)
- Total merchant turnover up 28% to R64 billion (2024: R50 billion)

Business banking income statement

Normalised headline earnings up 29%

R' million	Excl. Capitec Pay	Capitec Pay (after tax)	Incl. Capitec Pay
2024 Headline earnings	486	155	641
2025 Headline earnings before normalisation adjustments	432	295	727
Add back: Impact of reducing transaction fees	66	-	66
Add back: Impact of reducing commission rates	136	-	136
Add back: Impact of changing from device rental to sales*	87	-	87
Economic value given back to Business banking clients	289	-	289
Less: Taxation on add backs	(78)	-	(78)
2025 Normalised Headline earnings	643	295	938
Normalised Headline earnings growth	32%		29%



Business banking launch

The business bank for everyone

Unique positioning

The business bank for everyone merges technology with personal service, treating every business the same, from the smallest SME to large companies.

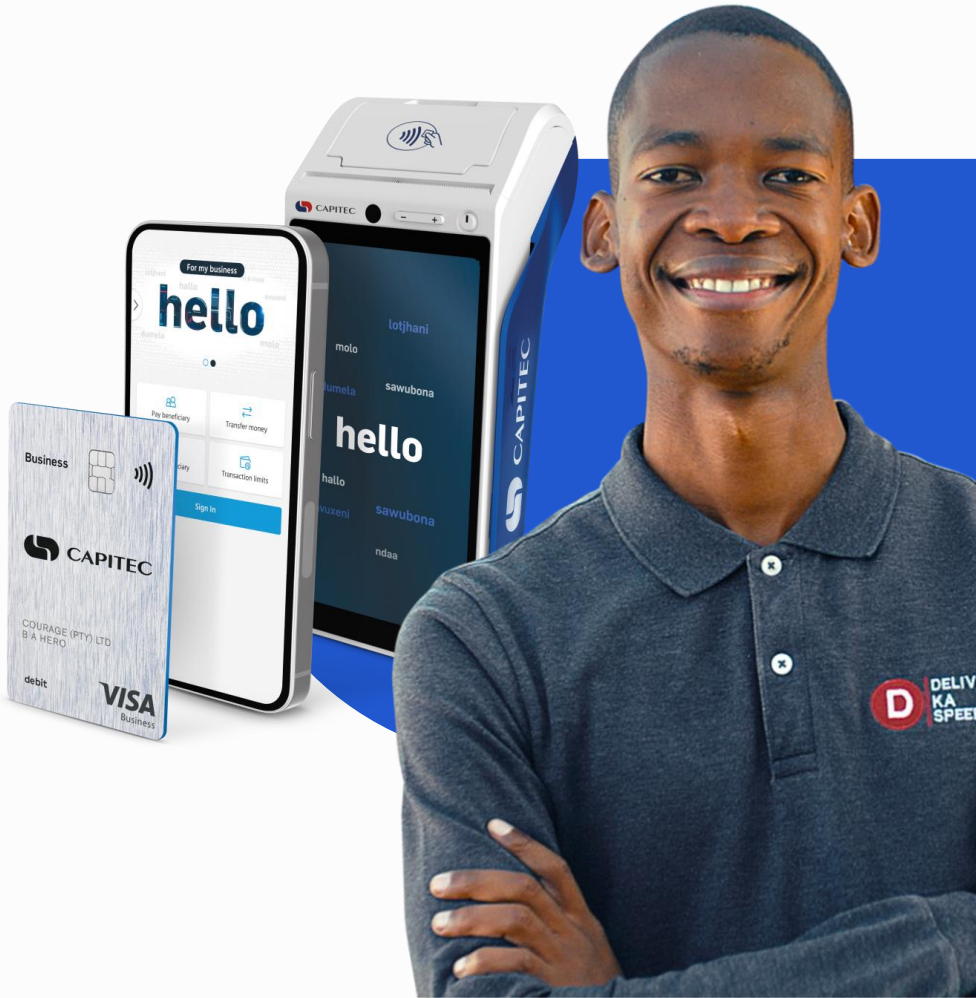
Unique product and pricing

Offering business banking, enterprise payment solutions, foreign exchange, and rental finance with the same low and transparent fees as personal banking.

Unique service model

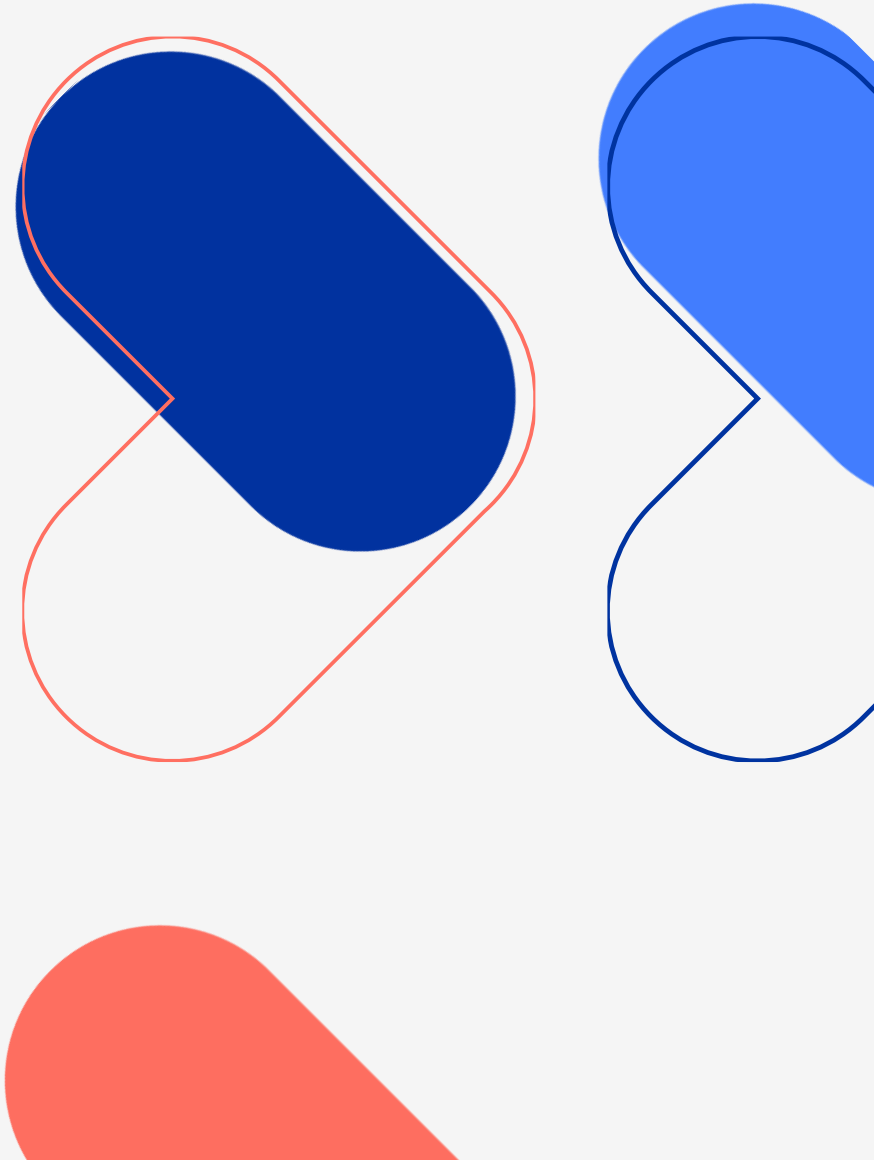
Fast, secure digital banking supported by a Relationship Suite of bankers via chat or call.

- Online account opened in minutes
- Scored overdraft available immediately
- Finance approved within days



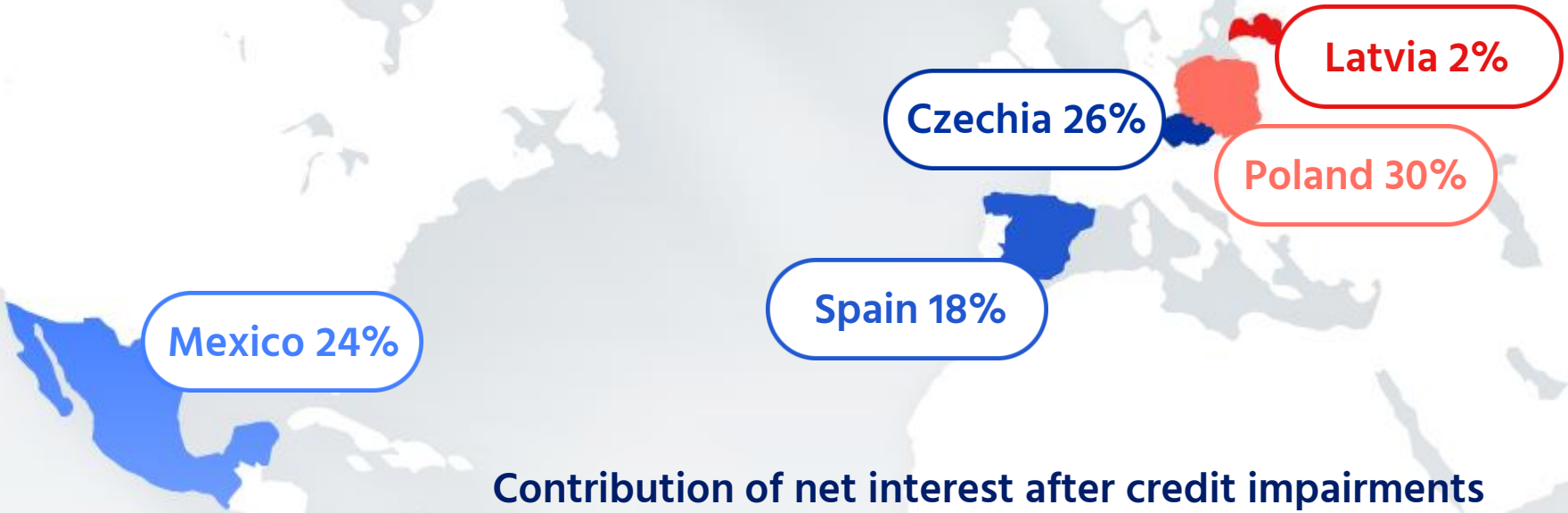
AvaFin

Establishing our global footprint



Operational overview

AvaFin contributed R196 million to group net profit for 2025



Contribution of net interest after credit impairments

Key KPIs

- Over 220 000 active clients
- €407 million loans disbursed since 1 May 2024

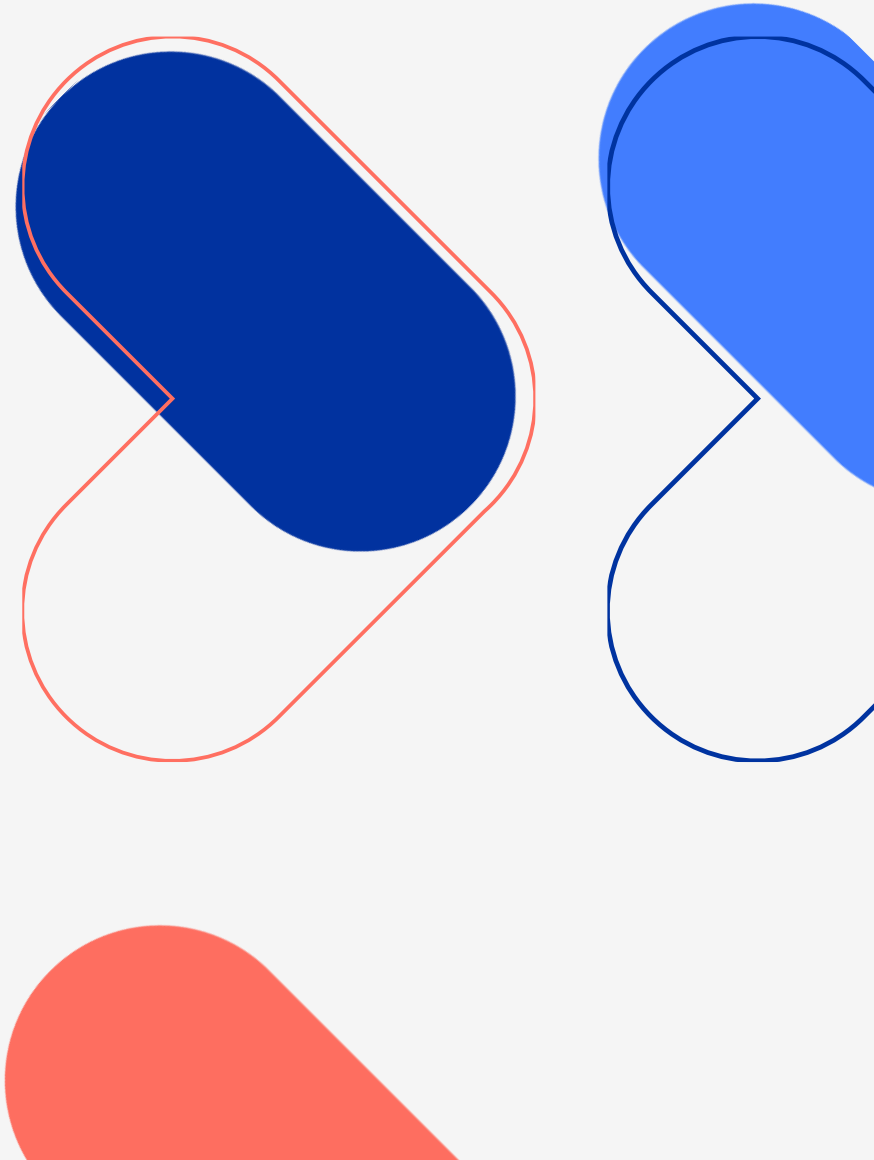
Strategic focus

- Capitec funding approved
- Competitive credit pricing
- Extending the term of the book

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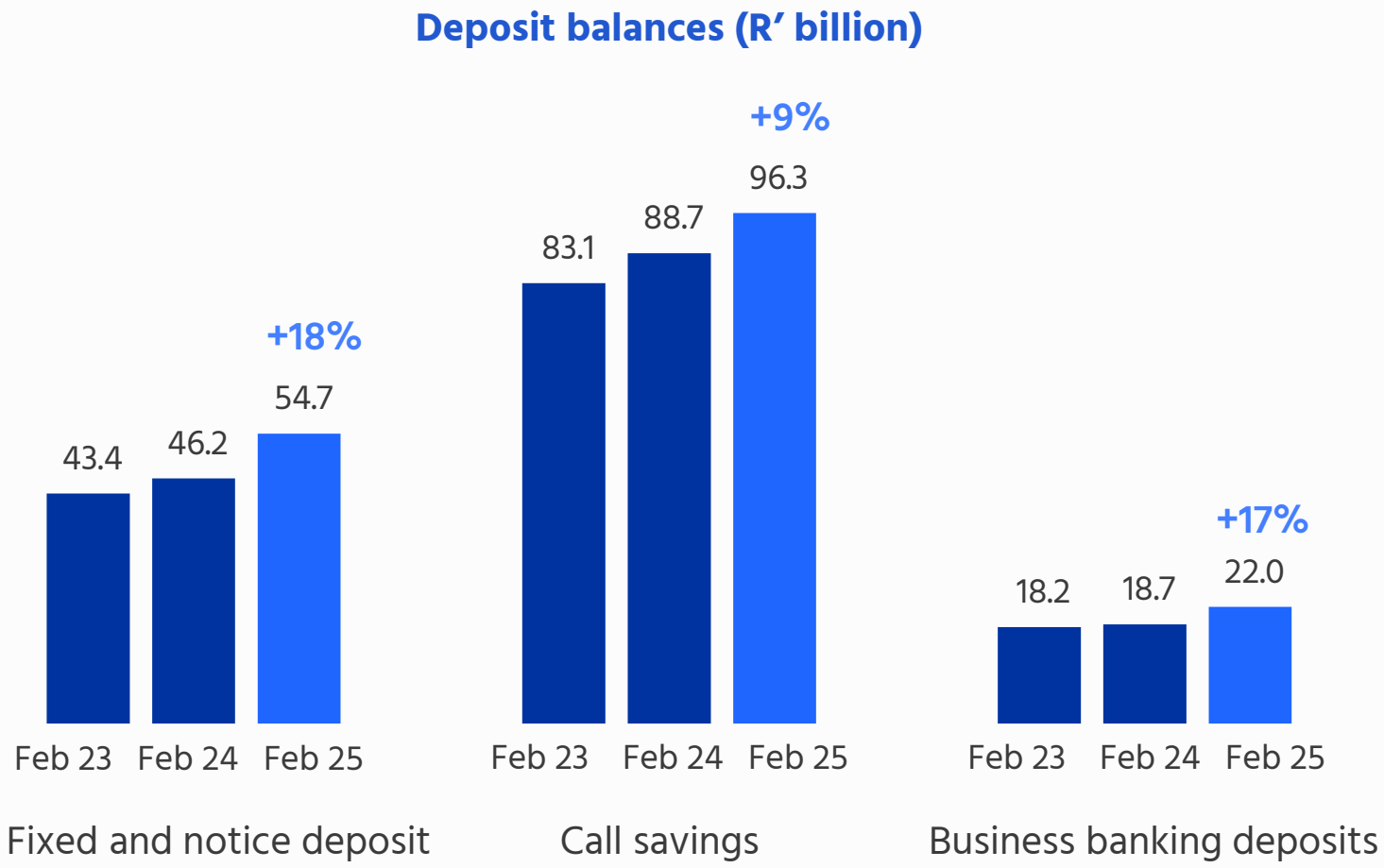
Group savings

New competitive savings options



Deposit balances

Group deposit balances grew 13% to R173 billion



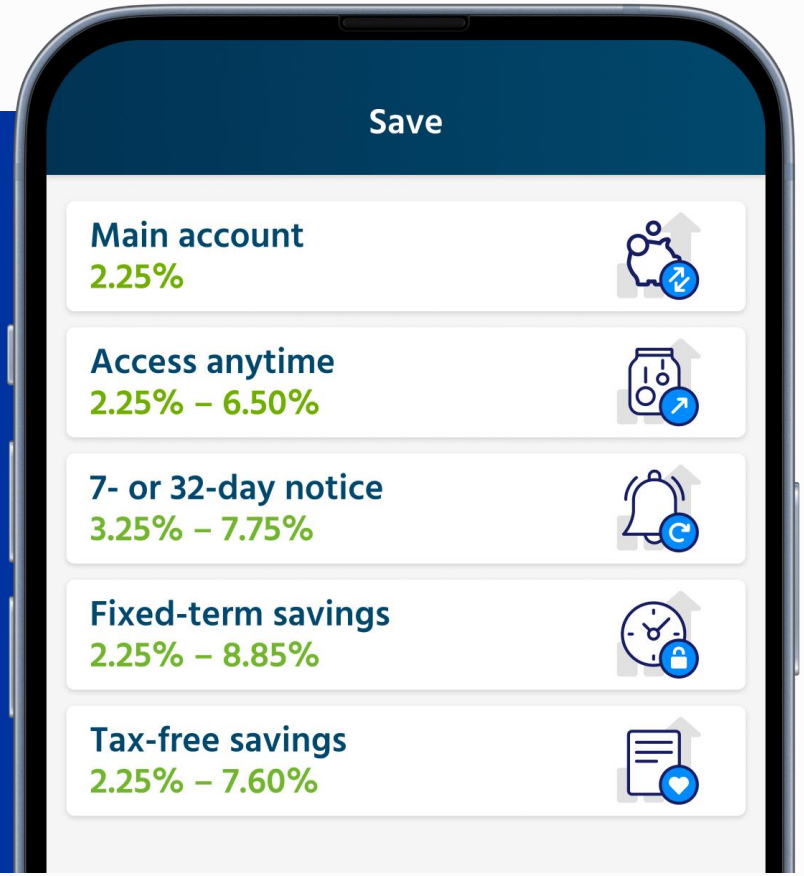
New notice deposits

- Launched 7- and 32-day notice deposit accounts in July 2024 – balance R7.3 billion (included in fixed deposits)
- Over 1.2 million notice deposit accounts opened

Our new savings structure

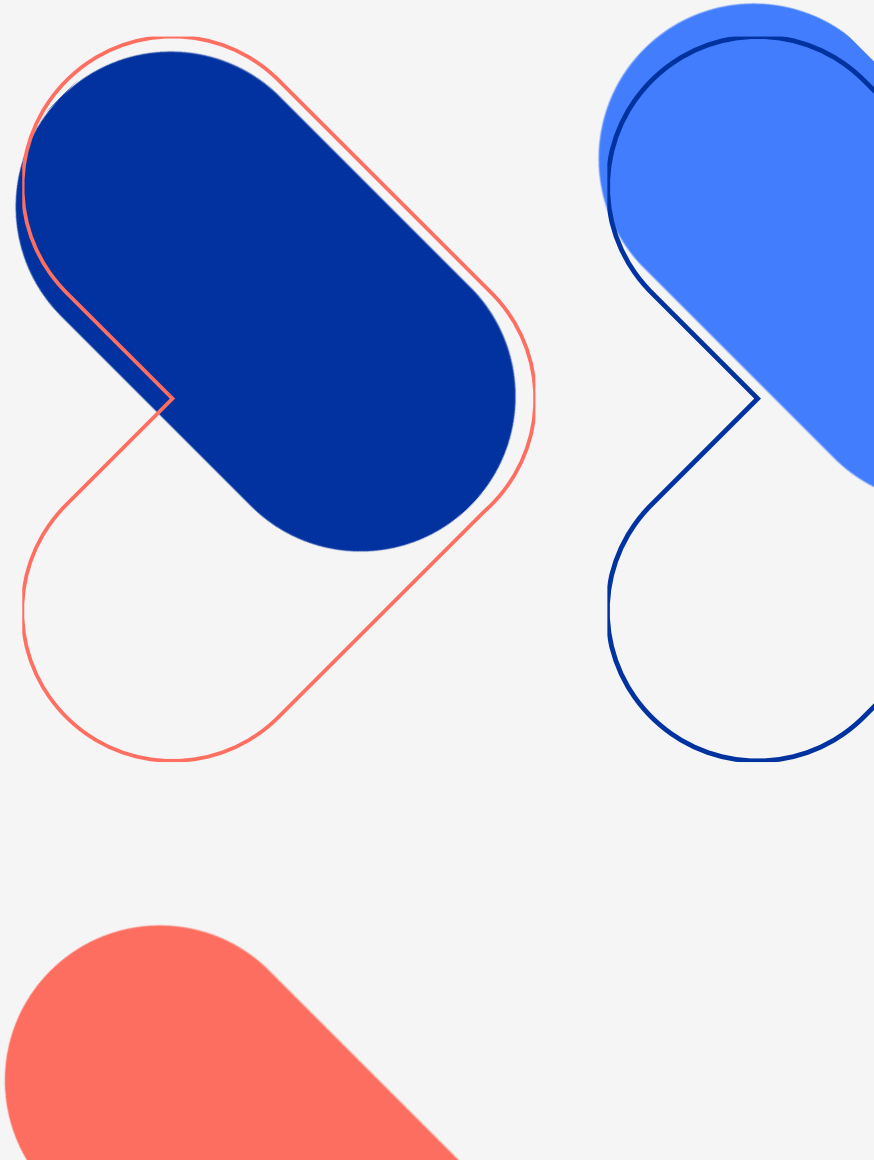
10 free savings plans enable purposeful savings behaviour

- Access anytime accounts offer the same rate as before
- Open up to 10 different savings accounts for free on the app
- Personalise and fix accounts to earn higher interest
- R9.2 billion interest paid out to clients



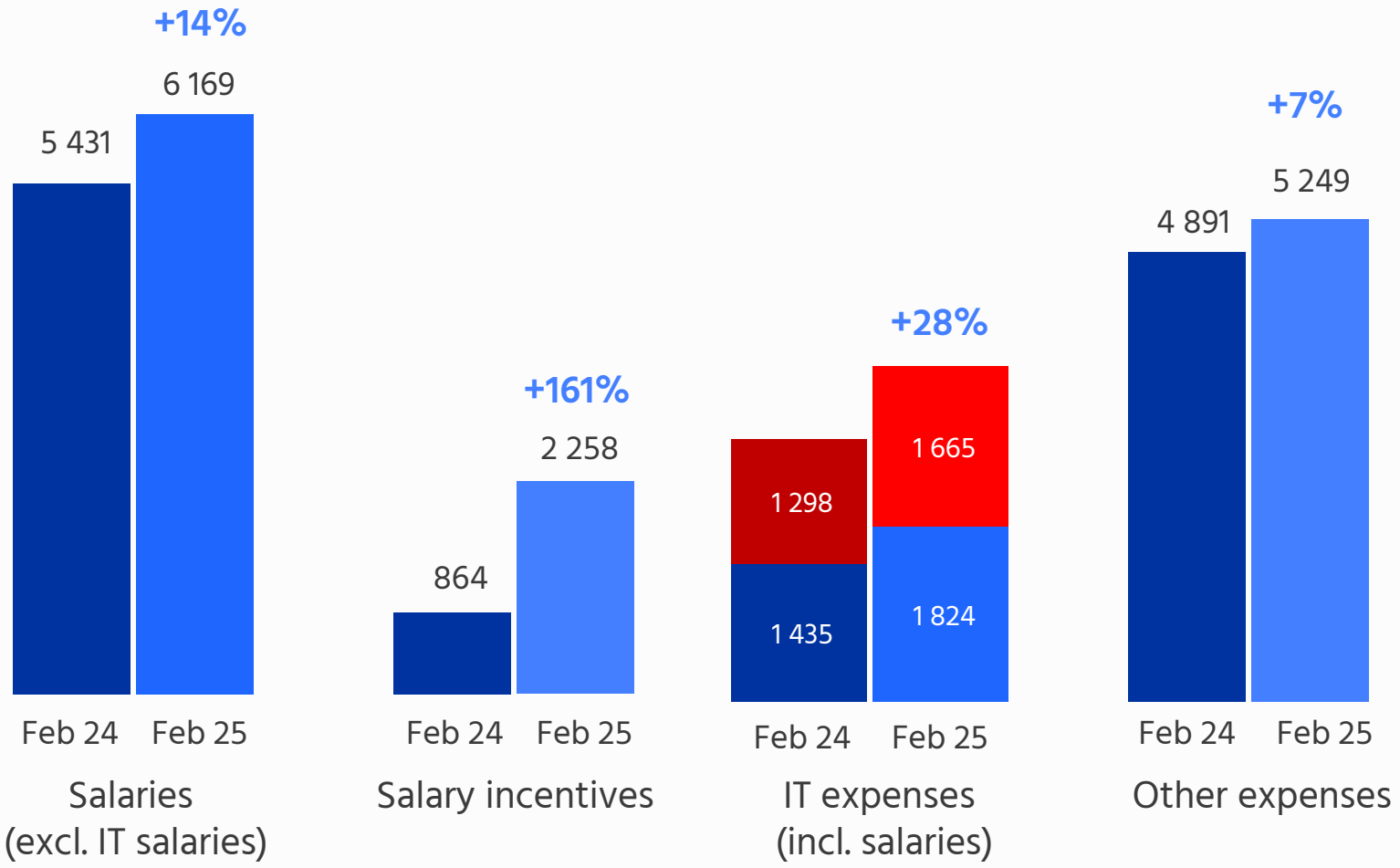
Group operating expenses

Digitally enabled human-led growth



Total expenses increased by 23% to R17.2 billion*

Short-term impact on profitability gears the group for long-term growth



Operating expenses excluding salary incentives increase by 14%

- Share appreciation rights expense driven by share price growth of 52%
- Performance bonuses of the Group driven by 30% growth in headline earnings

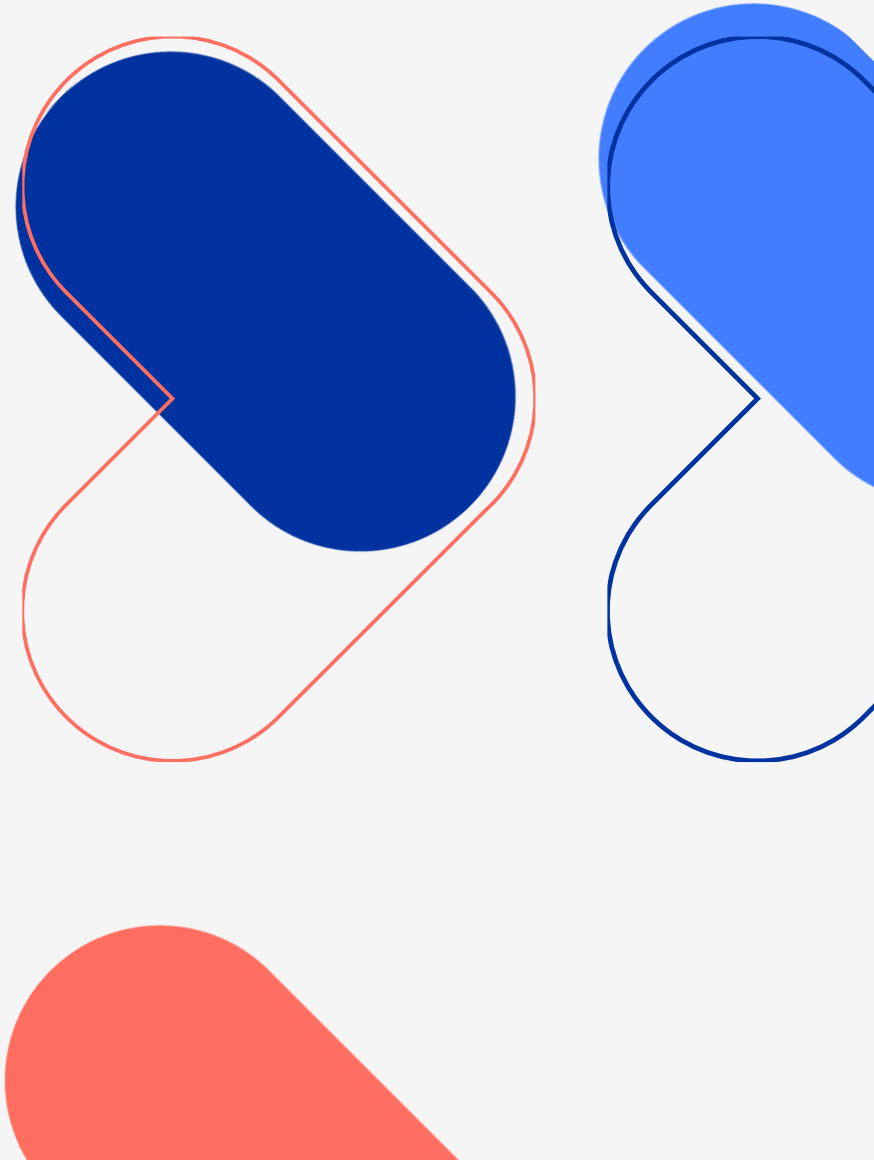
Headcount grew from 15 747 to 16 525**

* Excluding AvaFin percentage changes are calculated in rand million
** Excludes AvaFin headcount of 410

IT costs
IT salaries and outsourced resources

Our social impact

Making a meaningful difference





Uplifting our communities

+21 000

Capitec Foundation
Learners, school leaders and teachers benefited from improved pure maths education

+4 000

Corporate social investment
Volunteers partnered with non-profits to deliver 345 initiatives and reach more than 27 000 learners

1.6M

Financial education
Lessons through MoneyUp and elevated fraud education across digital and traditional channels

R329.5M

Enterprise development
Invested in SMEs and supplier development through Imvelo Ventures



Growing our people

48

Internal Mobility Initiative
Participants hired and trained in technology and data from branches and call centres

63%

Internal appointments
2 724 internal hires compared to 1 588 external hires

+1 100

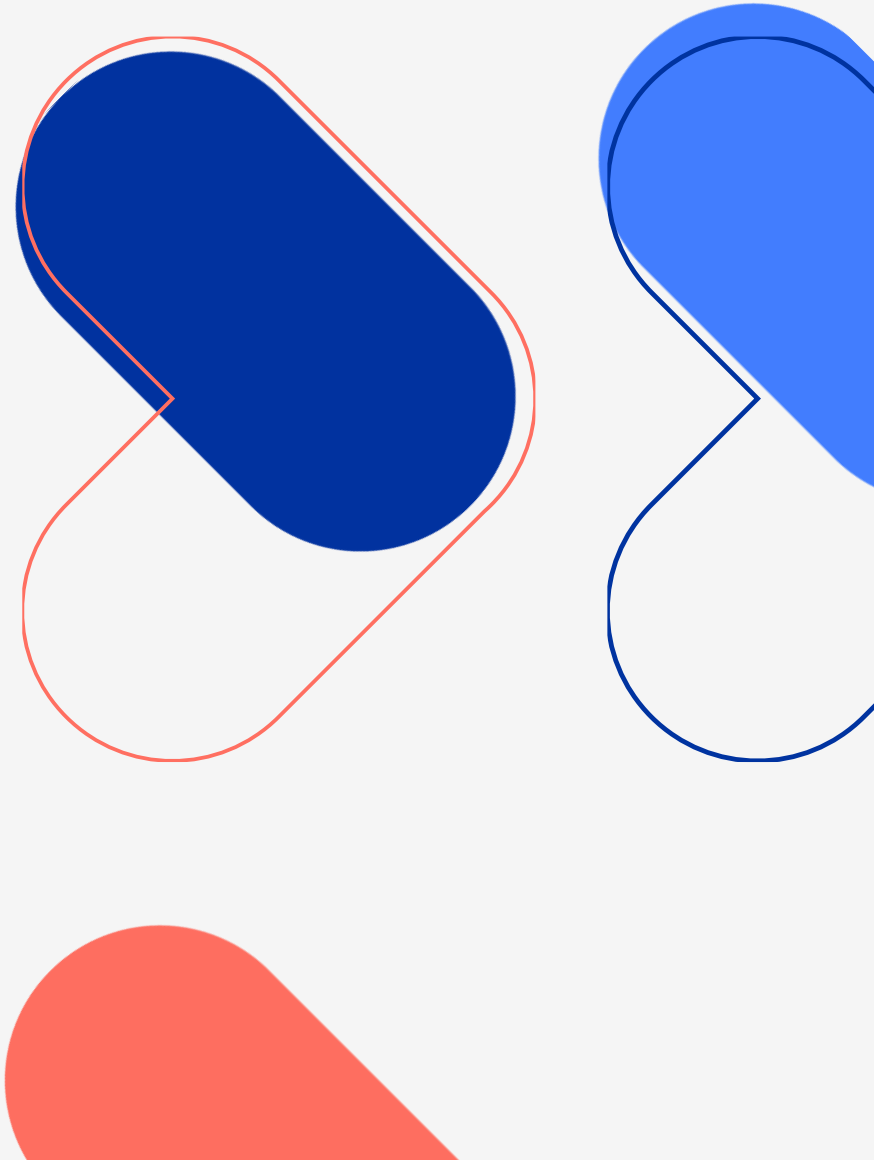
Youth employment
New youth participants and individuals with disabilities enrolled in learnerships for formal qualifications

+767 000

Learning and development
In-person and virtual learning engagements

Our future

Unlocking potential and helping South Africa to grow



Innovations

Using data and technology to build trust

Fraud and security

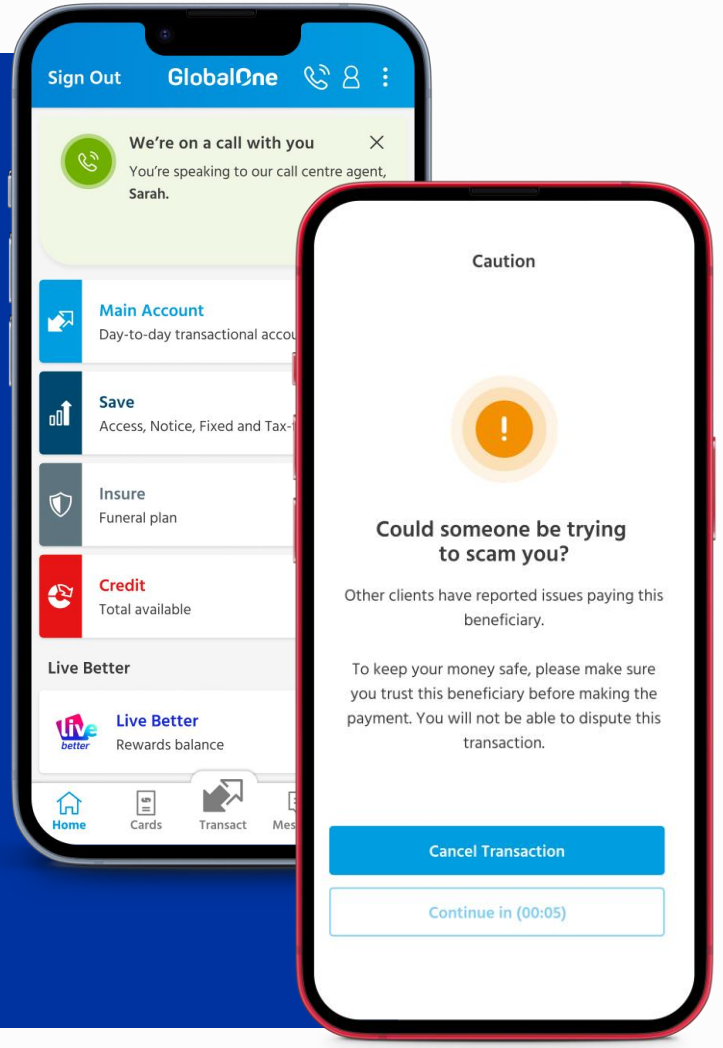
- Advanced ML models prevent fraud syndicates and money laundering
- Step-up authentication through facial biometrics protects high-risk transactions
- In-app call verification prevents phishing and scams

Service and engagement

- Branch systems enable better client identification and business banking support
- 120 million unique client insights and messages per month

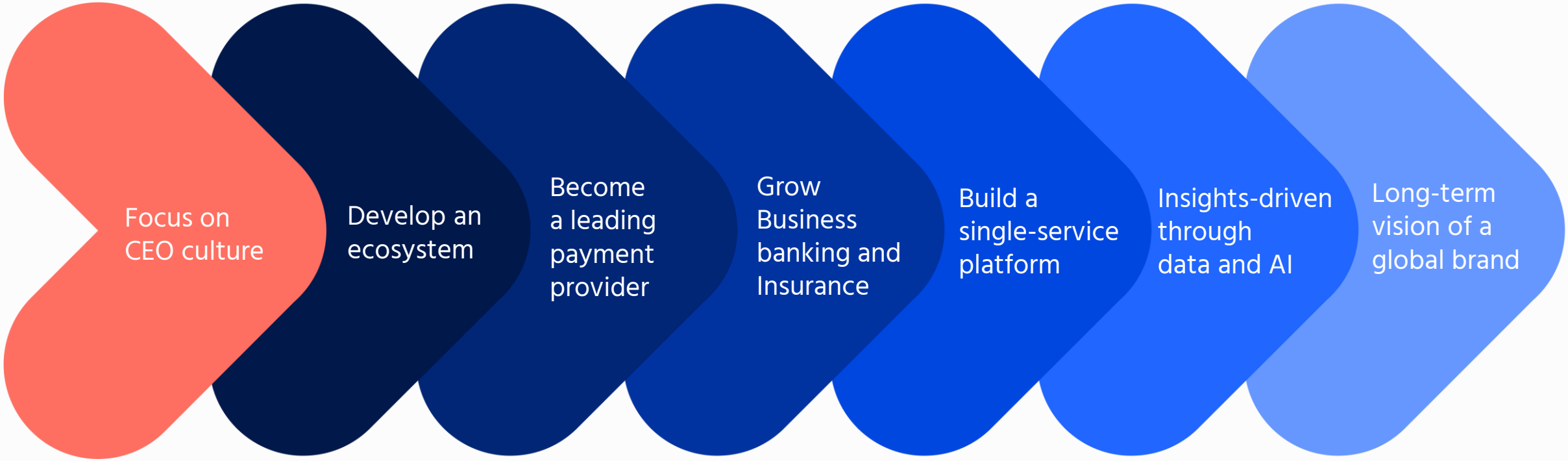
New solutions

- In-app calling and chat for secure personal service support and zero-rated
- AI for product knowledge, service and design



Our future

Strategic focus for the next 5 years



Thank you

Please send any questions to
InvestorRelations@capitecbank.co.za

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