

Integrated annual report
for the year ended 28 February 2026



Capitec Bank Holdings Limited
(Capitec or the Group or the Company)

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Our reporting suite

Available on our website



- Summary of the consolidated financial statements
- Remuneration review
- Risk management report
- Report to society (available in June 2026)
- Climate report (available in June 2026)
- Pillar 3 disclosure report



Meaningful innovation builds trust

Our approach is grounded in simplicity, affordability, accessibility and personal experience. By consistently delivering solutions that matter, we strengthen the trust our clients place in us and create opportunities that support their financial progress.

About this report

Capitec is listed on the Johannesburg Stock Exchange Limited (JSE). The Company's subsidiaries conduct Personal and Business Banking, online consumer lending, rental financing, have an insurance licence for life products and hold an insurance cell captive.

Scope

This report provides information about Capitec's operational and financial performance for the financial year 1 March 2025 to 28 February 2026. Any material events after this date and up to the Board approval date have also been included.

We demonstrate how we will continue to create value over time for our stakeholders through the application of the 6 capitals, our business model, strategies, innovations and responsible approach to governance.

Materiality

The integrated annual report focuses on matters that have the potential to materially impact our ability to create and sustain value over the short, medium and long term.

Management is not aware of any material information that was unavailable or any legal prohibitions to the publication of any information in this report.

Guidance applied

This report was compiled in accordance with:

- the Companies Act of South Africa, Act 71 of 2008, as amended (Companies Act)
- IFRS® Accounting Standards as issued by the International Accounting Standards Board, including IFRIC® interpretations issued by the IFRS Interpretations Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee
- the International Integrated Reporting Framework of the International Integrated Reporting Council
- the JSE Listings Requirements
- the King IV Report on Corporate Governance for South Africa, 2016™ (King IV™). Based on an independent gap analysis conducted against King V Report on Corporate Governance for South Africa, 2025™ (King V™), the Group has applied and aligned its governance practices with the principles and recommended practices of the Code

- the United Nations Sustainable Development Goals (UN SDGs).

Forward-looking statements

Certain statements in this report may be regarded as forward-looking statements or forecasts about the Group's strategy, performance and operations but do not represent an earnings forecast or guarantee. Actual results and outcomes may differ materially from those expressed in or implied by these statements as they relate to future events and circumstances. All forward-looking statements are based solely on the views and considerations of the Directors. These forward-looking statements have not been reviewed and reported on by the external auditors.

Assurance

Our joint external auditors, KPMG Inc. (KPMG) and Deloitte & Touche (Deloitte), provided independent assurance on the fair presentation of the financial statements for the year ended 28 February 2026. The external auditors also read the integrated annual report and considered whether any information provided in it is materially inconsistent with the financial statements or their knowledge obtained during the course of their audit or otherwise appears to be materially misstated. No such misstatement was reported.

Board approval

The Capitec Board is responsible for overseeing the integrity and completeness of this report. The Board, the Audit Committee, the Human Resources and Remuneration Committee (REMCO) and the Social, Ethics and Sustainability Committee (SESCO) considered the accuracy and completeness of the report and are satisfied with the reliability of all data and information. In the Board's opinion, this report addresses all matters that are material to the Group's ability to create value. The Board is satisfied that the report fairly presents the integrated performance of the Group for the reporting period. It was approved and signed on behalf of the Board on 21 April 2026 by:

Santie Botha
Chairman

Graham Lee
Chief Executive Officer (CEO)



We appreciate your feedback

If you would like to know more about us, please visit our website at www.capitecbank.co.za.

We welcome any feedback stakeholders may have on this report. Kindly email us at enquiries@capitecbank.co.za.

Financial years

In this report, 2026 refers to the financial year ended 28 February 2026, and 2025 refers to the financial year ended 28 February 2025.

Navigation tools

Capitals



Financial



Social and relationship



Human



Intellectual



Natural



Manufactured

Strategic objectives



Capitec culture



SME growth



Single service experience



Build an ecosystem



Payment provider



Insights-driven



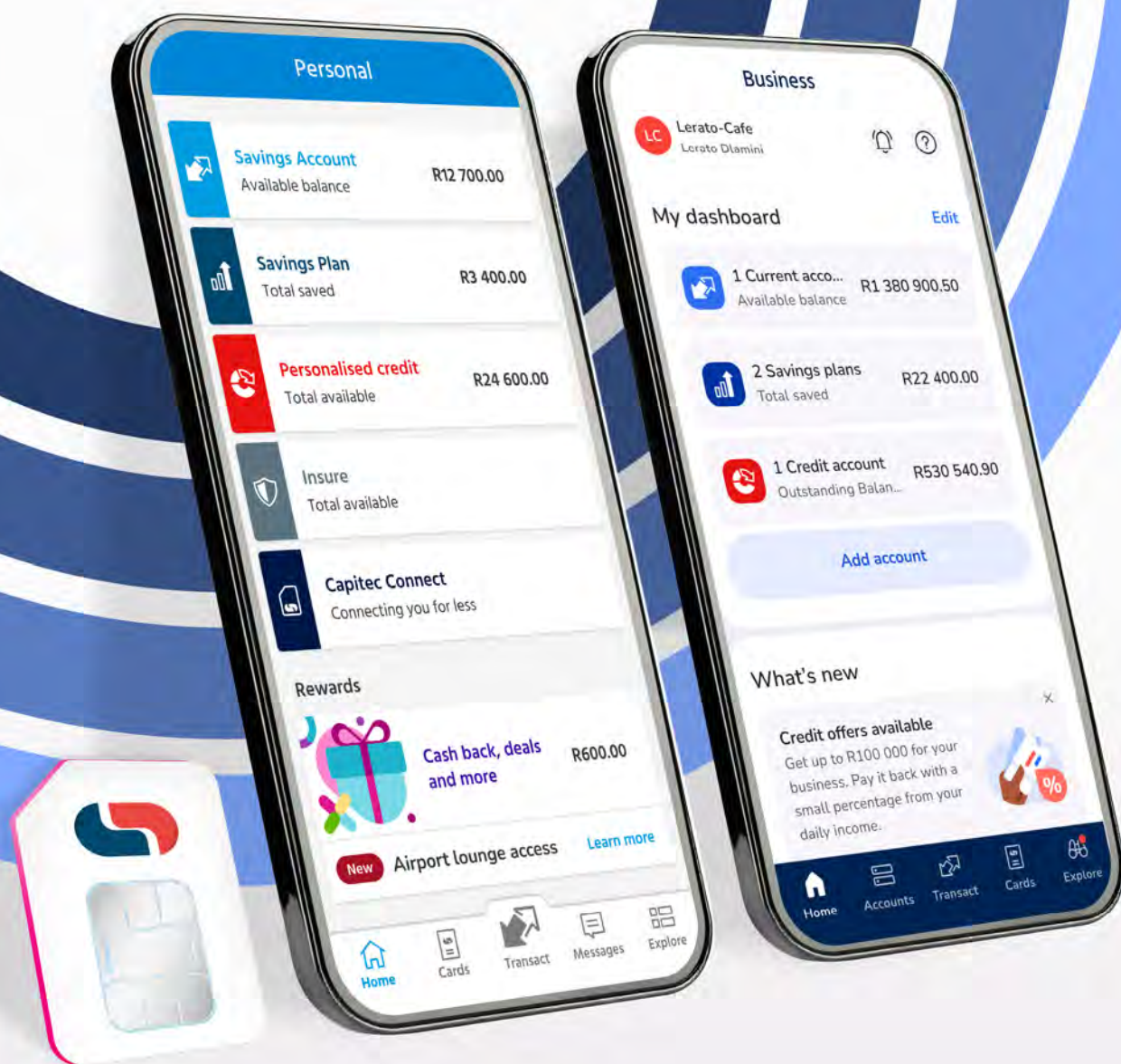
International strategy

Alignment with the UN SDGs

We are creating long-term value by contributing to positive outcomes towards the UN SDGs. We identified the 9 goals below as those where we believe we can have the most meaningful impact.



1 Performance and outlook



Five years at a glance
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**Chief Financial Officer's letter
to Shareholders**
[page 18](#)

**Chairman's and Chief Executive
Officer's report**
[page 11](#)



Headline earnings

+23%

to R16.8 billion

(2025: R13.7 billion)

Net interest income after
credit impairments

+18%

to R14.1 billion

(2025: R11.9 billion)

Full-year dividend per
ordinary share

+23%

to 7 980 cents

(2025: 6 510 cents)

Net non-interest income

+19%

to R28.3 billion

(2025: R23.9 billion)

Return on ordinary
shareholders' equity (ROE)

31%

(2025: 29%)

Value-Added Services (VAS)
and Capitec Connect
(non-interest income)

+38%

to R6.1 billion

(2025: R4.4 billion)

Banking app clients

+ 19%

to 15.3 million

(2025: 12.9 million)

Non-interest income to
income from operations
after credit impairments

67%

(2025: 67%)

Annualised credit loss ratio (CLR)

8.1%

(2025: 7.5%)

Net insurance income

+38%

to R5.2 billion

(2025: R3.8 billion)

Personal Banking: **8.2%** (2025: 8.1%)

Business Banking: **2.4%** (2025: 1.7%)

Five years at a glance

		2026	2025 ⁽¹⁾	% change 2026/2025 ⁽²⁾	2024	2023	2022
Profitability							
Interest income	R'm	33 309	30 228	10	25 806	21 199	17 454
Interest income on lending	R'm	24 140	21 242	14	18 189	15 799	13 247
Interest income on investments and other financial instruments	R'm	9 169	8 986	2	7 617	5 400	4 207
Interest expense	R'm	(9 230)	(10 043)	(8)	(9 342)	(6 993)	(4 838)
Net interest income	R'm	24 079	20 185	19	16 464	14 206	12 616
Credit impairments	R'm	(9 976)	(8 258)	21	(8 725)	(6 329)	(3 508)
Net interest income after credit impairments	R'm	14 103	11 927	18	7 739	7 877	9 108
Net loan fee income	R'm	1 437	1 286	12	1 208	1 079	951
Total net transaction and commission income	R'm	21 525	18 535	16	14 787	11 461	10 515
Net transaction and commission income	R'm	15 433	14 117	9	12 038	9 909	10 515
VAS	R'm	5 650	4 225	34	2 714	1 552	—
Capitec Connect	R'm	442	193	>100	35	—	—
Net insurance result	R'm	5 224	3 777	38	3 178	2 685	2 446
Credit Life	R'm	2 430	1 905	28	1 882	1 667	1 540
Funeral and Life Cover	R'm	2 794	1 872	49	1 296	1 018	906
Net foreign currency income	R'm	120	136	(12)	161	162	144
Dividend income	R'm	12	—	—	—	—	—
Other income	R'm	23	148	(84)	245	158	290
Net non-interest income	R'm	28 341	23 882	19	19 579	15 545	14 346
Income from operations after credit impairments	R'm	42 444	35 809	19	27 318	23 422	23 454
Operating expenses	R'm	(20 238)	(18 099)	12	(13 941)	(11 877)	(12 555)
Share of net (loss)/profit of associates and joint ventures	R'm	(13)	3	>100	71	98	36
Deemed disposal of investment in associate	R'm	—	27	—	—	—	—
Impairment of investments	R'm	(14)	—	—	—	—	—
Operating profit before tax	R'm	22 179	17 740	25	13 448	11 643	10 935
Income and deferred tax expense ⁽³⁾	R'm	(5 342)	(3 991)	34	(2 881)	(2 492)	(2 408)
Profit for the year	R'm	16 837	13 749	22	10 567	9 151	8 527
Adjustments to basic earnings	R'm	(8)	(11)	(27)	(6)	(4)	(4)
Earnings attributable to ordinary shareholders⁽⁴⁾							
Basic	R'm	16 829	13 738	22	10 561	9 147	8 523
Headline	R'm	16 848	13 739	23	10 578	9 153	8 440
Earnings per share							
Attributable	cents	14 590	11 911	22	9 156	7 933	7 371
Headline	cents	14 606	11 912	23	9 171	7 938	7 300
Weighted average number of shares	'000	115 351	115 339	—	115 346	115 309	115 627
Diluted attributable	cents	14 543	11 878	22	9 137	7 911	7 360
Diluted headline	cents	14 560	11 879	23	9 152	7 917	7 289
Diluted weighted average number of shares	'000	115 718	115 659	—	115 589	115 617	115 800
Dividends per ordinary share							
Full-year	cents	7 980	6 510	23	4 875	4 200	3 640
Interim	cents	2 620	2 085	26	1 530	1 400	1 200
Final	cents	5 360	4 425	21	3 345	2 800	2 440
Number of shares in issue per the shareholders' register	'000	116 100	116 100	—	116 100	116 100	116 100
Dividend cover	times	1.8	1.8	—	1.9	1.9	2.0
Special dividend	cents	—	—	—	—	—	1 500
Non-interest income to income from operations after credit impairments	%	67	67	—	72	66	61
Cost-to-income ratio	%	39	41	—	39	40	47

⁽¹⁾ The Group acquired a controlling interest in Avafin Holding Limited (AvaFin) on 1 May 2024, and AvaFin's results were consolidated from that date.

⁽²⁾ The percentage changes quoted above are based on figures denominated in R'million.

⁽³⁾ The increase in the income and deferred tax expense from the 2025 to the 2026 financial year was due to the impact of selling Credit Life Insurance and Funeral Cover on our own licence instead of through the cell captive. Tax on income from our own licence is reflected in the tax line while tax on income from the cell captives is netted against the cell captive income. The after-tax income of the cell captive is included in the insurance result.

⁽⁴⁾ Refer to **note 30** to the financial statements for details regarding the difference between basic and headline earnings.



		2026	2025 ⁽¹⁾	% change 2026/2025 ⁽²⁾	2024	2023	2022
Assets							
Total assets	R'm	263 284	238 464	10	207 579	190 636	177 943
Loans and advances	R'm	103 760	89 145	16	80 552	78 168	66 549
Cash and financial investments ⁽³⁾	R'm	138 596	127 796	8	111 312	98 969	99 460
Other ⁽⁴⁾	R'm	20 928	21 523	(3)	15 715	13 499	11 934
Liabilities							
Total liabilities	R'm	203 771	187 550	9	164 048	152 716	142 178
Deposits and wholesale funding	R'm	190 575	175 541	9	156 015	146 498	134 458
Other	R'm	13 196	12 009	10	8 033	6 218	7 720
Equity							
Share capital and reserves attributable to ordinary shareholders	R'm	59 437	50 841	17	43 488	37 871	35 715
Total equity	R'm	59 513	50 914	17	43 531	37 920	35 765
ROE	%	31	29		26	25	26
Capital adequacy ratio (CAR)	%	33	38		36	34	36
Net asset value per ordinary share	cents	51 404	43 970	17	37 611	32 753	30 888
Number of shares for calculation of net asset value per ordinary share	'000	115 627	115 627		115 627	115 627	115 627
Share price	cents	474 354	307 437	54	201 777	175 451	207 435
Market capitalisation	R'm	550 725	356 934	54	234 263	203 699	240 832
Operations							
Branches		885	880	1	866	860	853
Employees		17 672	16 935	4	15 747	15 451	14 758
Active clients (including card machine merchants)	'000	25 802	24 132	7	22 173	20 105	18 104
Cash devices ⁽⁵⁾		8 771	8 798		8 382	7 898	7 178
Capital expenditure	R'm	1 136	1 373	(17)	1 157	1 163	863
Transact							
Transaction volumes (including VAS) by channel	'm	12 312	11 071	11	9 891	8 199	5 508
Digital including VAS	'm	3 180	2 523	26	1 994	1 641	1 095
Card payments	'm	3 743	3 045	23	2 537	1 949	1 092
Cash	'm	619	596	4	580	562	472
Branches	'm	53	51	4	33	47	48
System-generated	'm	4 717	4 856	(3)	4 747	4 000	2 801
Net transaction and commission, net foreign currency and Funeral and Life Cover income to income from operations after credit impairments	%	58	57		59	54	49
Net transaction and commission, net foreign currency and Funeral and Life Cover income to operating expenses	%	121	114		117	106	92
Credit							
Value of total loans advanced	R'm	98 284	73 192	34	57 358	60 042	49 744
Personal Banking	R'm	68 730	53 909	27	48 459	52 928	43 932
Business Banking ⁽⁶⁾	R'm	16 895	11 447	48	8 899	7 114	5 812
AvaFin	R'm	12 659	7 836	62	—	—	—

⁽¹⁾ The Group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date.

⁽²⁾ The percentage changes quoted above are based on figures denominated in R'million.

⁽³⁾ Cash, cash equivalents, money market funds, government bonds, term deposits and other financial investments.

⁽⁴⁾ Insurance contract assets, other receivables, derivative assets, interest in associates and joint ventures, property, plant and equipment, right-of-use assets, intangible assets including goodwill and deferred income tax asset.

⁽⁵⁾ Automated teller machines (ATMs), dual note recyclers and coin and note recyclers.

⁽⁶⁾ Overdrafts advanced are based on the value of Overdraft limits granted.

Five years at a glance continued

		2026	2025 ⁽¹⁾	% change 2026/2025 ⁽²⁾	2024	2023	2022
Loans and advances book							
Gross loans and advances	R'm	131 774	115 525	14	102 991	97 815	84 108
Personal Banking	R'm	98 012	89 545	9	83 847	82 297	71 214
Business Banking	R'm	30 389	23 339	30	19 144	15 518	12 894
AvaFin	R'm	3 373	2 641	28	—	—	—
Provision for credit impairments (expected credit losses (ECL))	R'm	(28 014)	(26 380)	6	(22 439)	(19 647)	(17 559)
Personal Banking	R'm	(24 974)	(24 161)	3	(21 359)	(18 806)	(16 776)
Business Banking	R'm	(1 786)	(1 368)	31	(1 080)	(841)	(783)
AvaFin	R'm	(1 254)	(851)	47	—	—	—
Net loans and advances	R'm	103 760	89 145	16	80 552	78 168	66 549
Personal Banking	R'm	73 038	65 384	12	62 488	63 491	54 438
Business Banking	R'm	28 603	21 971	30	18 064	14 677	12 111
AvaFin	R'm	2 119	1 790	18	—	—	—
Gross credit impairment charge on loans and advances	R'm	10 585	8 820	20	9 341	7 041	4 286
Personal Banking	R'm	8 338	7 607	10	9 015	6 828	4 107
Business Banking	R'm	634	376	69	326	213	179
AvaFin	R'm	1 613	837	93	—	—	—
Bad debts recovered	R'm	(624)	(584)	7	(601)	(707)	(818)
Personal Banking	R'm	(610)	(568)	7	(597)	(702)	(815)
Business Banking	R'm	(1)	(8)	(88)	(4)	(5)	(3)
AvaFin	R'm	(13)	(8)	63	—	—	—
Net credit impairment charge on loans and advances⁽³⁾	R'm	9 961	8 236	21	8 740	6 334	3 468
Personal Banking	R'm	7 728	7 039	10	8 418	6 126	3 292
Business Banking	R'm	633	368	72	322	208	176
AvaFin	R'm	1 600	829	93	—	—	—
Net credit impairment charge on loans and advances to average gross loans and advances (annualised CLR)	%	8.1	7.5		8.7	7.0	4.4
Personal Banking	%	8.2	8.1		10.1	8.0	4.9
Business Banking	%	2.4	1.7		1.9	1.5	1.5
AvaFin ⁽⁴⁾	%	53.2	42.6		—	—	—
Total lending and Credit Life Insurance income⁽⁵⁾	R'm	28 009	24 433	15	21 279	18 545	15 756
Personal Banking	R'm	21 568	19 673	10	19 160	17 123	14 819
Business Banking	R'm	3 068	2 590	18	2 119	1 422	937
AvaFin	R'm	3 373	2 170	55	—	—	—
Net credit impairment charge on loans and advances to total lending and Credit Life Insurance income⁽⁵⁾	%	35.6	33.7		41.1	34.2	22.0
Personal Banking	%	35.8	35.8		43.9	35.8	22.2
Business Banking	%	20.6	14.2		15.2	14.6	18.8
AvaFin	%	47.4	38.2		—	—	—
Retail deposits and wholesale funding							
Wholesale funding	R'm	1 402	2 906	(52)	3 021	2 439	2 060
Personal and Business Banking call and notice deposits	R'm	138 948	123 788	12	102 269	96 252	89 167
Personal and Business Banking fixed deposits	R'm	48 948	47 431	3	49 530	46 533	41 928
Foreign currency deposits	R'm	1 277	1 416	(10)	1 195	1 274	1 303

⁽¹⁾ The Group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date.

⁽²⁾ The percentage changes quoted above are based on figures denominated in R'million.

⁽³⁾ This charge is for loans and advances only. The income statement charge for the reporting period includes an expense of R15.2 million (2025: expense of R21.5 million; 2024: release of R14.7 million; 2023: release of R4.3 million; 2022: expense of R39.6 million) related to other financial assets.

⁽⁴⁾ AvaFin operates online, short-term, high-yield consumer lending businesses therefore the CLR is higher than that of our other businesses.

⁽⁵⁾ Interest received on loans, initiation fees, monthly service fees and net Credit Life Insurance income.



Chairman's and Chief Executive Officer's letter to the Shareholders

Dear Shareholders⁽¹⁾⁽²⁾

Building trust through meaningful innovation

We've had a pleasing year. Another one, on the back of 25 years of hard work.

We continued to earn and deepen the trust of more than 26 million active clients by delivering simple, transparent and affordable financial solutions at scale. Digital transaction platforms, personal and business banking services and insurance offers matured further, broadening our ecosystem and increasing the value that we deliver to clients. Innovative credit solutions expanded responsible access to credit while remaining within our risk appetite. Significant investment in fraud prevention, data and artificial intelligence (AI) strengthened client protection and reinforced trust. These foundations give us confidence in what we are building – for our clients, for our shareholders and for South Africa.

Our client-first approach is grounded in simplicity, accessibility, affordability and personalised experiences, and extends beyond traditional banking into the moments that make a meaningful difference in our clients' daily lives. Most recently, self-service terminals were introduced in more than 86 branches to enable clients to obtain Smart IDs, improving access to this service while supporting national capacity through our collaboration with the Department of Home Affairs. Since inception in March 2026, 71 000 Smart ID applications have been successfully processed.

Disciplined execution and technology-enabled platforms continue to translate scale into shared value. During the year, economies of scale across the Group enabled us to return R1 billion directly to clients through lower fees, reduced pricing, cash back programmes, and rewards, reinforcing the link between growth and long-term client value.

Personal and Business Banking launched innovative credit offerings during the year that were designed to align repayments with clients' income patterns and business cycles. These solutions expanded access to formal credit for individuals and entrepreneurs who were previously underserved, supporting financial inclusion while enabling clients to improve their livelihoods and build sustainable businesses.

Our VAS suite continued to build daily client engagement by addressing routine payment and client needs in a simple and affordable manner. Cross-Border Transfers are now available and Airtime and Electricity Advances were launched in August 2025 and February 2026, respectively. These advances support clients' needs by providing access to essential services.

Since entering the insurance market with Credit Life Insurance in 2016 and Funeral Cover in 2017 through third-party cell captive arrangements, we have used scale to deliver more affordable premiums. In October 2022, Capitec Life was granted a Life Insurance licence and began the process of consolidating the insurance business into Capitec Life. This is the first full financial year in which all Capitec insurance products have been sold only on the Capitec Life licence. This continues to allow us to save costs and pass those benefits onto our clients. The strategic focus for Insurance in 2026 was improved client experience and stabilisation of information technology (IT) systems and operations. This included improving operational resilience and client outcomes through initiatives such as straight-through processing for low-risk funeral claims and targeted client retention activities.

Clients often struggle to build sustainable saving habits. To support longer-term financial resilience and encourage saving habits, we introduced purpose-driven savings features, including notice deposits and simplified movement from transactional accounts into savings with transparency on returns. Clients gain confidence through visible progress toward savings goals, and savings behaviour reinforces Capitec's role as a financial partner. This resulted in an increase of R9.3 billion in term and notice deposits.

⁽¹⁾ The percentage changes quoted in the commentary are based on figures denominated in R'million.

⁽²⁾ Figures and comparisons relate to the year ended 28 February 2026 and the year ended 28 February 2025, unless otherwise stated.

Trust is further protected through continued investment in security and fraud prevention. Integrated digital security capabilities, client education initiatives and AI-driven interventions enhanced protection as digital adoption increased. Notably, Feature Lock on the banking app offers proactive protection against unauthorised transactions, and we were first with real-time contextual warnings and active call identification. During the year, more than 131 000 fraudulent beneficiaries were blocked, over 394 000 scam payments were prevented and approximately R673 million in potential client losses were avoided.

Insurance fraud prevention capabilities were bolstered by the implementation of advanced fraud models and the establishment of a dedicated insurance fraud investigation function. These capabilities are supported by specialised internal resources, targeted investigations into insurance syndicates and the selective use of external experts. AI and machine-learning models leverage behavioural and transactional data to enhance prevention, detection and investigation outcomes. Together, these initiatives materially improved fraud prevention and detection across the Insurance business.

We apply our fundamental principles and values with discipline and consistency to maintain our clients' trust as the business expands beyond banking. Trust remains a long-term strategic asset and a core driver of sustainable growth. It is earned through integrity, simplicity and dependable execution and remains a competitive advantage.

Macroeconomic outlook

We entered the 2026 calendar year with a more stable macroeconomic environment compared to the prior calendar year, with economic growth remaining modest. Inflation had eased providing relief on our clients' expenditures and is expected to remain close to the South African Reserve Bank's (SARB) revised 3% target. The repo rate had decreased by 75 basis points to 6.75%, lowering interest costs.

Globally, South Africa continues to restore credibility with public debt stabilising, which supports a lower Sovereign risk outlook, enhancing foreign investment into the economy. However, the conflict involving Iran in the Middle East began at the end of February 2026 and the global economic outlook has become more uncertain. With global oil supply constrained, we are already beginning to see the market shocks to the South African economy. The impact of continuing global geopolitical tensions could be a sustained period of elevated oil prices coupled with a depreciation of the exchange rate, resulting in higher inflation levels.

The global supply shock undoes many of the economic gains South Africa made during the 2025 calendar year. With potential delays to normalised inflation targeting and monetary policy, South African consumers and businesses will remain under pressure.

As we enter the 2027 financial year, these global developments reinforce the importance of resilience. The resilience of our business, our employees and our clients. We have built for this.

We build that resilience deliberately, and we build it every year. We provision prudently so we are never caught short when our clients come under pressure. A simple, focused business model keeps us away from the complexity that exposes others. Cost discipline gives us the capacity to invest from strength, not under duress. And our sustained investment in technology – in our platforms, in data, in AI – is what makes us agile: able to move quickly, reprice with confidence and identify risk before it crystallises. Resilience and agility are not outcomes we hope for. They are choices we have built into the way we run this business.

Growth through strategic focus

Headline earnings grew by 23% to R16.8 billion (2025: R13.7 billion).

That is several years of compounding momentum – a trajectory very few can match. We are not a growth story that has peaked. We are still building.

Net interest income rose by 19% to R24.1 billion (2025: R20.2 billion). Interest income on lending grew by 14%, driven by 27% and 48% increases in Personal Banking and Business Banking loan disbursements, respectively. Targeted offers informed by data analytics fuelled Personal Banking lending, while scored lending drove growth in Business Banking. Interest income on investments grew by 2% to R9.2 billion as the average cash and investment portfolio grew by 7%. Declines in the repo rate from 7.5% to 6.75% since March 2025 impacted investment yields, as did shifts toward floating-rate instruments. Interest expenses declined by 8% to R9.2 billion despite a 5% increase in deposits and wholesale funding. The decrease was driven by the changes in the repo rate and the restructuring of our savings account products.

Total loan disbursements grew by 34% to R98.3 billion. We are approving more because we know our clients better – not because we have lowered the bar.



The Group's net credit impairment charge on loans and advances increased by 21%, reflecting the 14% loan book growth and a CLR increase from 7.5% to 8.1%. Increases were noted across all businesses. Business Banking's CLR rose to 2.4% from 1.7%, 0.2% of the increase was the result of the upfront charge on higher loan disbursements, 0.3% was due to the growing proportion of scored, unsecured loans in the loan book and 0.2% was due to changes in the quality of the loan book. Growth in the Personal Banking Credit Card book contributed to the increase in the business's CLR by 0.1% to 8.2%. The AvaFin CLR increased from 42.6% to 53.2%. Longer-term products with maturities of up to 4 months were introduced in Mexico and Spain during the year to assess the markets in these countries. In the second half of 2026, we noted higher rolls into arrears for Mexico, Spain and Czechia. The higher arrears rolling through the book increased the CLR. As a consequence, granting criteria were tightened.

The net insurance result increased by 38% to R5.2 billion. The increase in Personal Banking loan disbursements grew the in-force Credit Life Insurance book and contributed to a 28% increase in Credit Life Insurance income. Funeral and Life Cover income increased by 49% to R2.8 billion (2025: R1.9 billion). The growth in Funeral Cover income was partly driven by the termination of our reinsurance cooperation agreement with Sanlam, which added R535 million to the result. A government bond yield curve is used to discount the insurance contract assets and liabilities. Decreases in the yield curve during the year led to a decrease of R422 million in the net insurance result across all insurance products. The impact on the Credit Life Insurance result was an increase of R342 million. The impact on Funeral Cover and Life Cover was negative due to the longer tenure of these products which decreased the net insurance result by R764 million.

Net transaction and commission income including VAS and Capitec Connect grew by 16% to R21.5 billion (2025: R18.5 billion). The continued advancement of our digital transaction and VAS platforms and the growth in client and transaction numbers continued to provide economies of scale that were passed on to our clients. Total transaction volumes grew by 11% while digital and VAS volumes increased by 26%. Net transaction and commission income, excluding VAS and Capitec Connect growth, aligned with expectations at 9% due to the fee reduction in March 2025.

Operating expenses grew by 12%. For 2025, AvaFin's operating expenses were only included from 1 May 2024. Excluding AvaFin, operating expenses grew by 10%. Salary incentives fell by 8% due to lower headline earnings growth compared to 2025, and if this impact is excluded, operating expenses growth was 13%. Accelerated investment in meaningful innovation and strategic projects contributed to expense growth.

The Group achieved an ROE of 31% (2025: 29%), earnings growth of 23%, and returned R1 billion directly to clients whilst investing in our future.

Personal Banking

Personal Banking has continued to optimise client value. During 2026, we built on the growing amount of quality data that is available to make even more meaningful differences in our clients' lives. Migrating to the cloud has allowed us to leverage this data both in our credit offering and transactional product offering.

Our new innovative credit products meet our clients' needs. Since launching in February 2025, we have issued over 14 000 Accessible Credit Cards with credit limits of R600 and repayable over 3 months. We understand our clients, and loan disbursements to multiple-income earners totalled R2.6 billion. Our dynamic Repay-As-You-Earn Loan disbursements totalled R65 million since the launch in July 2025. These loan products allow multiple-income earners to make smaller repayments as money flows into their accounts.

The enhanced secured Home Loan offering, Simply Home Loans, funded by Capitec and delivered in collaboration with SA Home Loans, was introduced in November 2025. SA Home Loans serves as the originator of the loans and Capitec has provided R480 million in funding to date for Simply Home Loans that have been originated for Capitec clients.

Our aim remains to be the most trusted financial partner to our clients. This aim resonates with our clients and potential clients, as total active Personal Banking clients grew 7% from 23.6 million to 25.2 million. Fully banked clients grew 12% to 9.9 million and now represent 39% of our active client base, up from 37%.

We continue to add value for our clients in making payments. Banking app clients grew 18% to 15.2 million (2025: 12.8 million) driving an increase in the volume of payments on our digital channels. The number of Apple Pay, Garmin Pay, Google Pay and Samsung Pay users grew to 1.8 million, up from 1.0 million. International transaction volumes increased from 66.4 million to 85.2 million as client adoption of our value offering of a zero fee and no margin on the exchange rate, increased.

The Personal Banking strategy for the 2027 financial year is to deliver secure and reliable always-on banking by maturing our products and driving operational excellence.

Fintech (VAS and Capitec Connect)

We are committed to delivering a comprehensive suite of VAS in South Africa and have introduced several new products over the past year. Fintech's portfolio now encompasses Cross-Border Money Transfers, Airtime and Electricity Advances, as well as mobile device sales.

Cross-Border Money Transfers are now available to 26 countries in Africa, Asia and Europe via our banking app, delivered in partnership with Mama Money. Clients may send funds to a mobile wallet or arrange cash pickup at Mama Money's partner locations. Additionally, bank-to-bank transfers are supported for 13 countries.

Capitec Connect extended value beyond banking further by improving access to affordable connectivity and devices. Clients benefit from reduced pricing on mobile devices delivered nationwide, with flexible payment options including cash, Credit Card, Access Facility or Purpose Loans. Clients purchasing devices receive 5GB of complimentary data each month for 12 months when linking their Capitec Connect number to their main account, delivering meaningful savings on essential connectivity.

We remain dedicated to pursuing impactful and innovative solutions to further enhance our Fintech product offerings.

Insurance

We continued to build our Insurance business by optimising our processes and unlocking value in our current products. Through scale, data and a digitally enabled distribution model, the Group aims to disrupt traditional insurance models while creating sustainable long-term value for clients and shareholders.

Since May 2023, credit insurance has been offered directly through Capitec Life, and during the 2026 financial year, the existing Credit Life Insurance book was transferred from Guardrisk to Capitec Life through a section 50 transfer process. From 1 September 2025, we no longer had any Credit Life Insurance policies outside of Capitec Life's licence. The book was transferred at its IFRS 17 carrying value with a negligible gain of R3 million on profit before tax.

In June 2024, Capitec launched Life Cover. This disrupted the Life Insurance market by creating a simple sales process, and offering 4 claim payout options aligned to different client needs; specifically, a lump sum payout, an education option that ensures children of any age will be able to complete matric, a monthly income paid out for 24 months or a combination of these 3 options. The product does not require medical examinations, premiums do not increase annually and clients have control over how their claims get paid out, improving accessibility and affordability, while providing a personal experience for clients traditionally excluded from life insurance.

On 1 November 2024, the Funeral Cover arrangement with Sanlam ceased. All new funeral policies have since been issued through Capitec Life, while the cell captive entered run-off. Capitec Life assumed full administration of the Funeral Cover in-force policies following a large-scale system and data migration that was completed in 2025.

The strategic focus for insurance in 2026 was improved client experience and the stabilisation of IT systems and operations. This included improving operational resilience and client outcomes through initiatives such as straight-through processing for low-risk funeral claims and targeted client retention activities.

Significant improvements were made to client experience and outcomes, including implementing the straight-through processing of low-risk funeral claims, improved client retention through targeted retention activities and significantly improved fraud detection using sophisticated fraud models.

Insurance fraud management capabilities have been established including the creation of a dedicated Insurance Fraud Investigation department. Investigation efforts have been supplemented utilising external providers. Additionally, dedicated resources are focused on insurance syndicate investigations. Models incorporating AI and machine learning techniques have been created that leverage insights obtained from data to improve fraud prevention and detection processes.

These efforts have resulted in enhanced fraud prevention and detection for Capitec's Insurance business.

Our insurance strategy for the 2027 financial year is focused on optimisation and growth. We will continue disrupting the market with our existing product offering and position ourselves for future growth. The Group will reposition Life Cover through client education, clearly differentiating Life Cover and Funeral Cover to better serve the underserved market. Focus will also be placed on further enhancing the claims experience through increased automation, simplified processes and data-driven insights.

Product features will be updated to further improve the client experience, we will reduce fraud by harnessing Capitec's data to prevent sales to high-risk clients and we will create an even simpler funeral product for our clients. We will use AI during claims assessment to improve document handling and also in the client communication journeys to help our clients better understand our products. The insurance strategy for financial year 2027 will position us to transform the insurance market.

Capitec's Insurance business grew strongly in the 2026 financial year. The active credit insurance sum assured increased to R82.3 billion by February 2026 (2025: R75.5 billion). The active funeral policies increased to 3.7 million (2025: 3.2 million), with 1.6 million on our own licence. Life Cover policies increased to 220 699 by February 2026.



Business Banking

Our strategy for Business Banking remains to drive digital Business Banking using the best technology and leveraging our data. This allows us to continue to disrupt Business Banking in South Africa and provide affordable and accessible Business Banking solutions to business clients.

Pay-As-You-Trade Loans supported more than 2 100 businesses by linking repayments to expected future sales, reducing cash flow strain and enabling access to working capital.

During 2025, we aligned transaction pricing for our Business Banking clients with the Personal Banking transaction pricing, reduced merchant commission on card machines and ran a card machine promotion that added over 39 000 new merchants.

In 2026, we continued this trend, aligning with the Personal Banking fee simplification and again ensuring our merchant commission rates are among the lowest in South Africa. We continue to sell our devices at a discount, giving real value to the businesses we serve.

Our enterprise payments business continues to grow through bulk debit order collections and Capitec Pay. Capitec Pay has introduced the Payouts, Refunds and Data Application Programming Interface, which is a secure digital interface allowing systems to send, receive or query data automatically. Broadening the merchant offering on Capitec Pay will lead to further client retention.

Scored lending shows the impact of data-driven Business Banking. Our clients can apply for credit and within minutes be notified of the application outcome and receive their funding. We continue to move more applications through our automated systems, giving back time to our clients to focus on their core business and ensuring that only higher-value credit passes through Business Bankers.

The Entrepreneur Account, launched in December 2025, represents a strategic extension of the Business Banking proposition into the sole proprietor and informal enterprise segment, an underserved but economically significant part of the South African economy. This zero monthly fee, low-cost account enables clearer separation between personal and business finances, improves financial visibility and supports multiple income streams through up to 4 dedicated accounts. Access to credit is assessed against observable business cash flow behaviour rather than traditional documentation alone, improving financial inclusion.

In the 2027 financial year, we will continue building the business bank of choice for small and medium-sized enterprises (SMEs).

AvaFin

AvaFin's strategy is to evolve into a longer-term lender in the highly competitive European subprime market. Longer-term products with maturities of up to 4 months were introduced in Mexico and Spain during the year to assess the markets in these countries as part of our strategy.

During the evolutionary period, AvaFin will test new products at competitive rates.

We started funding AvaFin internally, reducing the cost of funding and allowing AvaFin the room to experiment with longer-term products.

AvaFin's strategy is to preserve and expand market leadership.

Ordinary dividends declared

The Directors resolved that a final gross dividend of 5 360 cents per ordinary share (2025: 4 425 cents) be declared on 22 April 2026, bringing the total dividend for the 2026 financial year to 7 980 cents per share (2025: 6 510 cents). There are 116 099 843 ordinary shares in issue and the full-year dividend coverage was maintained at 1.8 times (2025: 1.8 times).

The future

Our fundamentals and CEO behaviours will support us in making a meaningful difference in our clients' lives and growing South Africa through our innovative solutions.

In the short term, our focus will be on driving growth by expanding our payments ecosystem and embedded financial solutions.

The cornerstones of our strategies for the future are applying the fundamentals that have made Capitec a success to our developing businesses, embodying the Capitec culture in everything we do and maintaining the trust that our clients have in us. We will do this with integrity, capability, consistency and compassion.

Capitec's overarching strategic intent for the short, medium and long term is based on the foundations that have been in place in the 25 years since launch. There will always be an emphasis on protecting the existing business through product stability.

Growth initiatives will be scaled and integrated in the medium term by developing a single, seamless service model that supports our suite of solutions. Initiatives will be designed to support longer-term opportunities, including international expansion and acquisitions, ensuring that Capitec remains resilient and adaptable as the business evolves over time.

Across all of this, AI is not a future aspiration – it is already at work. We invested significantly in AI this year. Capitec Pulse AI gives our people real-time, contextualised client insight. AI-driven fraud models protected our clients from R673 million in potential losses. Generative AI is live in our compliance operations. An AI-Agent is embedded in Business Banking credit processing, with a deliberate strategy to scale it across the division. And our people are using these tools – not occasionally, but daily. Close to 5 000 employees hold active AI licences, with usage per employee averaging four times a day. Most employees across the organisation interact with a Gen AI tool on a daily basis. The capability is real. The adoption is real. And we are just getting started.

Read more on our strategies in the 'Our strategy' section of this report.

Our people

An inclusive, energised, ownership-driven culture translates into performance and is the source of our competitive advantage.

Our CEO behaviours – client obsession first, energy and inspiration, and taking ownership – kept our people focused on delivering simple, accessible and affordable financial solutions to millions of South Africans.

The strategy of capacity, capability, culture and employee experience enhanced our succession depth and reaffirmed our dedication to responsible people practices and inclusive growth.

With the growth of AI, we are empowering our people to be future-fit and utilise AI in reducing repetitive tasks so that human hours are available for creativity and innovation.

Read more on our strategies in the 'People and culture' section of this report.

Governance

We welcome Deepesh Desai who was appointed as Executive: Insurance effective 9 April 2026. We thank Roeloff Botha for his interim stewardship in this role.

Andy Baker was appointed as Executive: Technology and Data on 1 March 2026. On the same date, Wim de Bruyn assumed his new role as Executive: Transact.

On 18 July 2025, Gerrie Fourie, CEO, Director and co-founder of the Bank, retired. We extend our sincere gratitude to him for his exceptional leadership and the pivotal role he played in shaping the organisation. Graham Lee was appointed as Gerrie's successor with effect from 19 July 2025.

Thank you to the Board for their commitment, dedication and hard work during the past financial year.

Appreciation

Thank you to all our people. Their energy, ownership and client obsession are the reasons why this business performs. Twenty-five years in, our culture remains our strongest competitive advantage. Our results were achieved without deviating from the fundamental principles upon which Capitec was founded over 25 years ago.

Santie Botha
Chairman

Graham Lee
Chief Executive Officer

Stellenbosch
21 April 2026



Chief Financial Officer's report

Growth that gives back⁽¹⁾⁽²⁾

Our 2026 financial year results are strong, 23% earnings growth, a 31% return on equity and R16.8 billion in headline earnings. Strong results are not the destination, they are the foundation that allows us to keep doing what we have always done: giving back to our clients and reinvesting in the future of our business.

During the year, we returned R1 billion directly to clients through lower fees, reduced pricing, cash back and rewards, and we grew our investment in technology, AI, new products and platforms. The amounts we reinvest are growing year on year, and that is deliberate. We think long-term. We build for the future. As our business grows, we are able to give more back to our clients and invest more in the future. Growth and reinvestment reinforce each other. That is how Capitec has grown for 25 years and it is how we intend to keep growing.

The composition of our earnings continues to evolve and tells its own story. Five years ago, Capitec was primarily a personal lending and transactional bank.

Personal Banking remains the key driver of earnings, contributing R6.9 billion in headline earnings and 41% of the total. Fintech and Insurance together contribute 53% of headline earnings, up from 48% last year and from a much lower base 5 years ago. Business Banking is gaining real momentum, in this financial year we have seen strong growth in client numbers, transaction volumes and the loan book, reflecting the investment we have made in building a simple and affordable offer for South African businesses. Headline earnings grew 20%, while Business Banking contributes 5% of Group earnings today, we believe it has the potential to become a meaningfully larger part of our business. AvaFin is in a deliberate transition, evolving toward longer-term lending and building the foundations for sustainable growth. Its contribution to Group earnings is modest at 1% today, but it represents an important long-term opportunity and we are managing it with patience and discipline.

Financial performance

Personal Banking

The drivers of the growth in headline earnings from R6.2 billion to R6.9 billion are detailed below.

Net interest income

Net interest income grew by 15% from R16.2 billion to R18.6 billion, primarily driven by 7% growth in interest income on lending coupled with a 7% decline in interest expenses.

R'm	2026	2025	Variance % 2026/2025
Interest income on lending	17 727	16 501	7
Interest income on investments and other financial instruments	9 423	8 958	5
Interest expense	(8 568)	(9 233)	(7)
Total net interest income	18 582	16 226	15

The average gross loan book balance grew by 8% from R86.7 billion to R93.8 billion, contributing to a 7% increase in interest income on lending to R17.7 billion from R16.5 billion. While the larger average book had a positive effect, this was offset by repo rate reductions that diminished yields.

Interest income on investments was similarly affected by repo rate declines. The average investment portfolio grew by 6.5% from R97.0 billion to R103.2 billion despite portions of the portfolio being utilised for loan disbursements. Interest on investments grew by 5% because our portfolio mix mitigated against falling interest rates; notably, 10% of our investment portfolio consists of fixed-rate government bonds.

Interest expenses decreased by 7%, even as the average deposit balances increased by 4% from R142.3 billion to R147.9 billion. This reduction resulted from repo rate movements and the restructuring of our savings accounts. The interest rate on the main account is now fixed at 2%, allowing us to offer market-leading interest rates on our Access Any time, notice deposit savings and fixed-term savings options.

Credit impairment charge and ECL coverage ratios

The net credit impairment charge increased by 10% from R7.0 billion to R7.7 billion, and the CLR increased marginally from 8.1% to 8.2%. The gross loan book grew by 9% to R98 billion (2025: R89.5 billion), and the provision for ECL grew by 3% from R24.2 billion to R25 billion. There was a reduction in the ECL coverage ratio from 27.0% to 25.5%.

As macroeconomic conditions improved towards the end of the 2025 financial year, credit-granting criteria were relaxed, leading to higher loan disbursements and growth in the loan book.



The table below details loan disbursements by product during the year.

	As at the end of		
	February 2026	February 2025	
	R'm	R'm	%
Term Loan	29 709	24 735	20
Access Facility	7 786	7 595	3
Credit Card	31 235	21 579	45
Total	68 730	53 909	27

Total loan disbursements grew by 27% to R68.7 billion from R53.9 billion. Term Loan disbursements increased by 20% to R29.7 billion, while Credit Card disbursements grew by 45% to R31.2 billion, due to targeted, more personalised credit offerings to lower-risk clients. Credit Card limit sales to new clients increased from R5.1 billion to R7.4 billion. Disbursements to clients earning more than R50 000 increased by 50%. Growth in Access Facility disbursements was modest at 3%, consistent with the product's strategic direction.

The introduction of innovative loan offerings contributed to the growth in loan disbursements. Purpose Loans continue to enable clients to obtain credit structured to meet their specific needs, with total disbursements amounting to R3.1 billion (2025: R1.7 billion). The ease of securing direct and app-based loans contributed R2.0 billion in loan disbursements (2025: R866 million). Repay-As-You-Earn Loan disbursements reached R65 million since their launch in mid-July 2025, and our Accessible Credit Card accounted for R50 million in disbursements.

The overall growth in loan disbursements resulted in an increase in the upfront provision for ECL charges on new business from R3.1 billion to R3.9 billion.

The improvement in the quality of the loan book and the higher proportion of lower-risk Credit Card loans in the book resulted in an increase of 17% in repayments from R64.6 billion to R75.8 billion. For this reason, the growth in the gross loan book was not as high as the growth in loan disbursements. The improvement in book quality led to a positive shift in the distribution of the loan book across the loan book stages and category classifications.

The table below reflects the positive shift in the loan book distribution.

	As at the end of			
	February 2026		February 2025	
	R'm	%	R'm	%
Stage 1	55 585	57	50 393	56
Stage 2	16 335	17	14 080	16
Stage 3	26 092	26	25 072	28
Total	98 012	100	89 545	100

The shift in the distribution of the gross loan book was positive, with the proportion of the book in stage 3 decreasing by 2%.

Default balances grew from R18.9 billion to R19.5 billion. Debt review balances in default decreased by R0.1 billion to R5.5 billion, while rolls into debt review grew marginally from R3.3 billion to R3.4 billion, and settlements on debt review balances increased by R0.2 billion. Other transitions into default dropped from R8.2 billion to R8.0 billion, reflecting improved quality in the loan book. This contributed to the decrease in the stage 3 balances as a proportion of the total loan book.

The higher loan disbursements and improvement in book quality drove an increase of 1% in the proportion of the loan book in stage 1. In stage 2, the up-to-date loans with significant increase in credit risk (SICR) grew as a result of the growth in the Term Loan and Credit Card balances in stage 1 of the loan book. During the year, R7.2 billion in balances transitioned into arrears in stages 2 and 3 (2025: R6.8 billion) but arrears balances grew by 6%, lower than the growth rate of the total book, indicating an improvement in the quality of arrears.

The growth in the provision for ECL was driven by the forward-looking macroeconomic (FLI) provision for ECL and the movement in provision percentages as reflected in the coverage ratios. The FLI provision for ECL accounts for the effects of future macroeconomic conditions on the provision for ECL using key economic indicators that affect the Group's credit clients. The FLI provision for ECL decreased from R877 million to R290 million.

Chief Financial Officer's report continued

The decrease was due to an improvement in the macroeconomic environment during the course of the 2025 calendar year. We entered the 2026 calendar year with a more stable macroeconomic environment with economic growth remaining modest. Inflation had eased, providing relief on our clients' expenditures, and the repo rate had decreased by 75 basis points to 6.75%, lowering interest costs. The rand had strengthened, and our baseline economic scenario anticipated gross domestic product (GDP) growth of 1.4% for the 2026 calendar year.

We were able to release the supplement of R117 million that was held at the end of the 2025 financial year to address the potential risk associated with the discontinuation of the United States of America (USA) aid to South Africa and the possibility of South Africa's exclusion from the African Growth and Opportunity Act (AGOA) as the impact of the tariffs became evident, and AGOA was renewed for another year.

The conflict involving Iran in the Middle East began at the end of February 2026. To address the impact of possible global geopolitical tensions, we included a severe economic scenario in our assessment of the FLI provision for ECL. The scenario anticipated a sustained period of elevated oil prices coupled with a significant depreciation of the exchange rate, resulting in higher inflation levels. Based on this scenario, R101 million was included in the provision.

The total ECL coverage ratio decreased to 25.5% (2025: 27.0%) and is analysed by stage in the table below.

%	As at the end of	
	2026	2025
Stage 1	6.5	7.3
Stage 2	23.2	24.5
Stage 3	67.4	68.0
Total	25.5	27.0

The overall coverage ratio declined from 27% to 25.5%, reflecting improvement in the quality of the loan book and the release of R587 million from the FLI provision for ECL.

For the Term Loan book, the coverage ratio decreased from 29.1% to 27.5%. While improved loan quality contributed to a 1.3% reduction, there was a minor deterioration in the stage 1 up-to-date category, resulting from an increase in the coverage ratio on new loan disbursements to 8.7% from 8.3%. The proportion of clients classified under stage 1 rose from 31% to 32%. This increase partially resulted from the migration of balances previously in stage 2 with SICR last year to stage 1 following the release of the USA aid overlay included in the FLI provision for ECL. The FLI provision for ECL release accounted for a 0.3% decrease in the overall coverage ratio.

The Access Facility book's overall coverage ratio decreased from 27.3% to 26.5%. Book deterioration led to a 0.3% rise in the coverage ratio. Continued tightening of credit-granting criteria during the comparative period had a positive effect on book quality, however, distribution shifted toward stage 3, as older facility tranches continue to cycle through. This deterioration was offset by a 1.1% reduction in coverage resulting from the FLI provision for ECL release.

The Credit Card book coverage declined from 16.9% to 16.4%. Book growth of 40% increased the coverage ratio by 0.7%, driven by new low-limit Credit Cards, increased loan disbursements and limit enhancements for existing clients. The impact of portfolio expansion was mitigated by the release of the FLI provision for ECL.



The table below reflects the split of the loan book by product and loan category.

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL					
		Up-to-date loans with SICR and applied for debt review >6 months	Up to 1 month in arrears	2 and 3 months in arrears	Resche- duled from up-to-date (not yet rehabi- litated)	Resche- duled from arrears (not yet rehabi- litated)	More than 3 months in arrears, legal statuses and applied for debt review <6 months	
R'm	Up-to-date							Total
Balance as at 28 February 2026								
Gross loans and advances	55 585	14 650	1 685	2 374	1 973	2 243	19 502	98 012
Term Loan	31 328	9 596	984	1 670	1 660	1 887	12 703	59 828
Access Facility	12 272	3 555	297	424	313	356	4 928	22 145
Credit Card	11 985	1 499	404	280	—	—	1 871	16 039
Provision for credit impairments (ECL) ⁽¹⁾	(3 599)	(3 035)	(753)	(1 467)	(496)	(604)	(15 020)	(24 974)
Term Loan	(2 122)	(1 798)	(422)	(1 084)	(427)	(508)	(10 111)	(16 472)
Access Facility	(796)	(866)	(164)	(243)	(69)	(96)	(3 637)	(5 871)
Credit Card	(681)	(371)	(167)	(140)	—	—	(1 272)	(2 631)
Net loans and advances	51 986	11 615	932	907	1 477	1 639	4 482	73 038
Term Loan	29 206	7 798	562	586	1 233	1 379	2 592	43 356
Access Facility	11 476	2 689	133	181	244	260	1 291	16 274
Credit Card	11 304	1 128	237	140	—	—	599	13 408
ECL coverage (%) ⁽²⁾	6.5	20.7	44.7	61.8	25.1	26.9	77.0	25.5
Term Loan	6.8	18.7	42.9	64.9	25.7	26.9	79.6	27.5
Access Facility	6.5	24.4	55.1	57.4	22.0	27.1	73.8	26.5
Credit Card	5.7	24.7	41.4	49.8	—	—	68.0	16.4
% of gross loan book	57	16	1	2	2	2	20	100
Term Loan	32	10	1	2	2	2	13	62
Access Facility	13	4	—	—	—	—	5	22
Credit Card	12	2	—	—	—	—	2	16
Balance as at 28 February 2025								
Gross loans and advances	50 393	12 483	1 597	2 233	1 810	2 137	18 892	89 545
Term Loan	27 650	8 115	904	1 530	1 367	1 722	12 490	53 778
Access Facility	13 711	3 213	400	502	443	415	4 928	23 612
Credit Card	9 032	1 155	293	201	—	—	1 474	12 155
Provision for credit impairments (ECL) ⁽¹⁾	(3 656)	(2 712)	(744)	(1 406)	(458)	(585)	(14 600)	(24 161)
Term Loan	(1 946)	(1 540)	(398)	(998)	(351)	(461)	(9 978)	(15 672)
Access Facility	(1 127)	(892)	(234)	(311)	(107)	(124)	(3 641)	(6 436)
Credit Card	(583)	(280)	(112)	(97)	—	—	(981)	(2 053)
Net loans and advances	46 737	9 771	853	827	1 352	1 552	4 292	65 384
Term Loan	25 704	6 575	506	532	1 016	1 261	2 512	38 106
Access Facility	12 584	2 321	166	191	336	291	1 287	17 176
Credit Card	8 449	875	181	104	—	—	493	10 102
ECL coverage (%) ⁽²⁾	7.3	21.7	46.5	63.0	25.3	27.4	77.3	27.0
Term Loan	7.0	19.0	44.0	65.3	25.7	26.8	79.9	29.1
Access Facility	8.2	27.8	58.5	62.0	24.2	29.8	73.9	27.3
Credit Card	6.4	24.3	38.1	48.1	—	—	66.5	16.9
% of gross loan book	56	14	2	2	2	3	21	100
Term Loan	31	9	1	1	2	2	14	60
Access Facility	15	4	1	1	—	1	5	27
Credit Card	10	1	—	—	—	—	2	13

⁽¹⁾ For agreements that contain both a drawn and undrawn component where the Group cannot separately identify the ECL on the undrawn component, the ECL on the undrawn component is recognised with the ECL on the loan component. To the extent that the ECLs exceed the gross carrying amount of the loans at a client level, the excess is recognised as a provision for ECL in other liabilities in the statement of financial position. The loss allowance on the undrawn loan commitments of clients who have no outstanding balances is also recognised as a provision for ECL in other liabilities.

⁽²⁾ The ECL coverage ratio is calculated in thousands before rounding to millions.

Chief Financial Officer's report continued

Net transaction and commission income

Net transaction and commission income, including VAS and Capitec Connect, increased by 16% from R17.3 billion to R20 billion, while transaction volumes excluding system-generated transactions grew by 20%. There is a growing interaction between net transaction and commission income and VAS, specifically as clients migrate from cash payments to send cash and from electronic payments to Pay Bills.

Growth in transaction volumes as well as income is attributable to the growth in the number of active clients as well as the continued increase in the number of clients who are adopting our digital transactions. The number of active clients grew by 7% to 25.2 million while fully banked clients grew by 12% to 9.9 million, facilitating higher transaction volumes per client and representing 39% of our active clients, up from 37%.

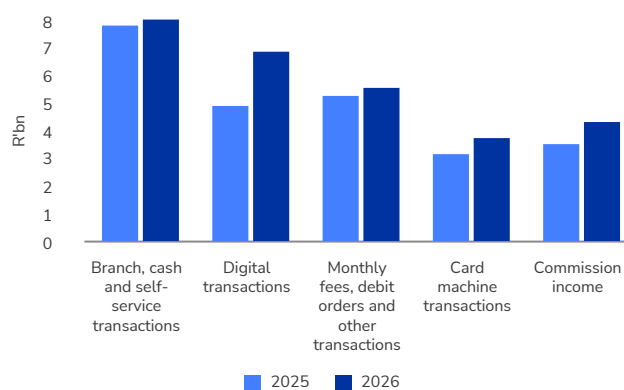
Digital transaction volumes, excluding VAS, grew by 35%, supported by 13% growth in digital transacting clients to 15.9 million and an 18% increase in banking app users to 15.2 million (2025: 12.8 million). The number of Apple Pay, Garmin Pay, Google Pay and Samsung Pay users grew to 1.8 million, up from 1.0 million, and client spending doubled to R68.2 billion (2025: R34.2 billion), with transaction volumes doubling to 334.5 million (2025: 167.2 million). Notably, our international transaction volumes increased from 66.4 million to 85.2 million as client adoption of our value offer of a zero fee and no margin on the exchange rate, increased.

Cash transactions as a percentage of non-system-generated transactions declined to 12% (2025: 14%), while card transactions maintained a stable contribution at 66% (2025: 66%) as digital transacting continued to gain momentum.

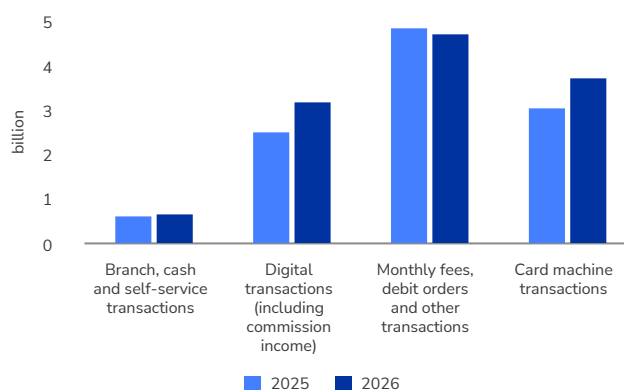
Card payment and other card machine transaction volumes increased by 17% to 3.6 billion (2025: 3.0 billion). Transaction volume growth outpaced the 8% growth in income due to lower transaction values, with clients performing more frequent, smaller payments.

Growth in volumes outpaced income growth, which was impacted by the simplification and reduction of fees, which resulted in client savings of R224 million. Additionally, clients' transition from cash withdrawals to send cash (included in VAS income) reduced income by R500 million. Send cash offers a secure alternative to traditional cash withdrawals, eliminating the need for debit cards at ATMs or retail partners. Clients were also encouraged to transition from fee-based SMS notifications to complimentary in-app notifications, generating further client savings of R71 million. Adjusted for these factors, net transaction and commission income growth was 13%.

Transaction income per category



Transaction volumes per category



Fintech (VAS and Capitec Connect)

The drivers of the 38% growth in headline earnings increase to R4.4 billion (2025: R3.2 billion) are detailed as follows.

Value-Added-Services

Net income from VAS increased by 34% to R5.7 billion (2025: R4.2 billion). The number of clients using VAS products rose from 10.9 million to 12.5 million, resulting in higher transaction volumes of 1.8 billion (2025: 1.5 billion).

Net income from send cash grew by 51.4% to R1.5 billion (2025: R1.0 billion), reflecting a shift in client preference away from traditional debit card cash withdrawals.

The newly launched products demonstrated the following performance: Airtime Advances recorded 12.4 million transactions since August 2025, Electricity Advances achieved 0.5 million transactions since February 2026 and Cross-Border Money Transfers registered 0.1 million transactions since July 2025.



Capitec Connect

Net income from Capitec Connect grew significantly to R442 million (2025: R193 million), and the number of clients who were active in the last 3 months reached 1.5 million (2025: 0.9 million).

Data usage, excluding reward data, grew by more than 100% to 40.5 petabytes (2025: 13.4 petabytes) while voice usage grew 1.5 times to 768 million minutes from 307 million minutes.

Airtime Advances totalling R97.3 million were sold during the year (2025: R24.4 million) and since 1 March 2025, clients have received 3.2 petabytes in data rewards.

Insurance

The Insurance business's headline earnings increased by 30% to R4.5 billion (2025: R3.5 billion). The drivers of the results are detailed below.

Net Credit Life Insurance income

The net Credit Life Insurance result increased by 28% to R2.4 billion (2025: R1.9 billion). The total book reached 2.1 million active policies (2025: 2 million).

R'm	2026	2025	Variance % 2026/2025
Net insurance result per IFRS 17	2 430	1 905	28
Section 50 day-1 transfer adjustment	(3)	—	—
Changes in yield curves	(342)	(18)	>100
Cell captive interest income	(53)	(115)	54
Cell captive tax	122	412	(70)
Underlying insurance result	2 154	2 184	(1)

The Credit Life Insurance section 50 of the Insurance Act, Act 18 of 2017 (section 50) transfer was successful, and from 1 September 2025, we no longer had any Credit Life policies outside of Capitec Life's licence. A total of 723 757 policies were transferred at IFRS 17 carrying values with a negligible gain of R3 million on day 1.

The impact of changes in the yield curves used to discount the insurance contract assets and liabilities increased the insurance result by R324 million year on year; this was driven by a decrease in the yield curves, which is profitable for Credit Life.

Cell captive interest income and cell captive tax declined by R62 million and R290 million, respectively, compared to the previous year. These decreases are driven by the closure of the cell and will be offset by increases in investment returns and normal income tax within Capitec Life.

The underlying insurance result remained stable at R2.2 billion (2025: R2.2 billion). The in-force sum assured increased by 9% to R82.3 billion (2025: R75.5 billion), adding R86 million to the net insurance result year on year. This was offset by updated expectations of future experience, which decreased the net insurance result by R89 million year on year.

Funeral Cover income

The net Funeral Cover Insurance result increased by 58% to R2.9 billion (2025: R1.8 billion). The total Funeral Cover book increased to 3.7 million active policies (2025: 3.2 million).

R'm	2026	2025	Variance % 2026/2025
Net insurance result per IFRS 17	2 907	1 843	58
Reinsurance expense	365	900	(59)
Changes in yield curves	598	93	>100
Cell captive interest income	(397)	(385)	3
Cell captive tax	647	657	(2)
Underlying insurance result	4 120	3 108	33

On 1 November 2024, the reinsurance cooperation agreement with Sanlam was terminated in exchange for a recapture amount of R1.9 billion, and the 30% profit share with Sanlam ceased on all new funeral business. The reinsurance expense in 2026 represents the amortisation of the recapture amount. The reinsurance expense decreased year on year, driven by the removal of the profit share on new funeral business. On an adjusted basis, the reinsurance expense is removed from both years, adding R535 million to the net insurance result in 2026.

The yield curves used to discount the insurance contract assets and liabilities dropped significantly, which resulted in an expense for the funeral business. The net impact of changes in yield curves decreased the insurance result by R505 million year on year.

As the cell captive runs off, the cell captive investment returns, as well as the cell captive tax reported as part of the net insurance result, will decrease and be replaced by investment returns and normal income tax within Capitec Life. A slight increase in cell captive interest income added R12 million, while lower cell captive tax added R10 million to the result year on year.

The underlying insurance result increased by 33% to R4.1 billion (2025: R3.1 billion). The in-force sum assured increased by 15% to R508 billion (2025: R443 billion), adding R727 million to the net insurance result compared to the previous year.

Chief Financial Officer's report continued

The claims ratio improved to 43.1% (2025: 44.5%), and the premium collection rate improved to 89.5% (2025: 88.0%), which added R144 million and R56 million, respectively, to the result. Updated expectations of future experience increased the insurance result by R85 million year on year.

Life Cover

R'm	2026	2025	Variance % 2026/2025
Net insurance result per IFRS 17	(113)	29	(142)
Changes in yield curves	166	1	165
Underlying insurance result	53	30	23

The underlying insurance result, which reflects operational performance, increased to R53 million (2025: R30 million), driven by growth in the book and an improvement in the premium collection rate to 82.9% (2025: 77.8%). The active policies were 220 699 with a sum assured of R102.2 billion (2025: 96 307 and R47.2 billion) at 28 February 2026.

A decrease in yield curves used to discount the insurance contract assets and liabilities had a negative impact on Life Cover income. The net impact of yield curve changes decreased the insurance result by R165 million, year on year, which resulted in an overall net IFRS 17 loss of R113 million for 2026.

Business Banking

Business Banking's headline earnings grew by 20% to R871 million (2025: R727 million). Excluding the client give-backs, growth exceeded 40%. The drivers of headline earnings are detailed below.

Net interest income

Net interest income grew by 13% to R2.1 billion (2025: R1.9 billion). Interest income on lending increased from R2.6 billion to R3.1 billion (18%). The growth was attributable to the 30% growth in the gross loan book, offset by lower repo rates.

Interest on investments increased by 12% from R508 million to R567 million. While repo rate decreases during the year lowered the yield, the investment portfolio grew driven by deposit book growth of 22%.

The interest expense increased by 24% to R1.5 billion (2025: R1.2 billion) as the deposit book grew by R4.7 billion to R26.7 billion (2025: R22.0 billion). Business Banking makes use of Group funding, and the interest expense for these funds totalled R525 million (2025: R448 million).

Credit impairment charge and ECL coverage ratios

The credit impairment charge increased by 72% to R633 million, driven by the 30% growth in the gross loan book and a change in the mix of the loan book.

Growth in the loan book was driven by an increase of 48% in loan disbursements. Loan disbursements excluding Overdrafts grew by 36% to R11 billion, and new Overdraft limits loaded amounted to R5.9 billion, reflecting growth of 75%. Mortgage Loan disbursements increased by 16%, and Business Loan disbursements excluding Overdrafts grew by 50%. The provision for ECL held on new loan disbursements amounted to R286 million at year-end (2025: R213 million).

The growth in disbursements was driven by the scored lending products. Scored lending currently comprises Overdrafts and Term Loans, with large Commercial Loans and Mortgages still assessed by a Business Banker (intuitive lending). Scored lending allows clients access to funds to grow their businesses more quickly while granting credit within our risk appetite.

Scored lending disbursements were R3.2 billion, up by 134% (2025: R1.4 billion), of which R1.3 billion were Merchant Loans. Merchant Loans are granted to Business Banking merchants on the basis of the turnover earned through their card machines. Capitec retains a percentage of the daily turnover to settle the loan. The availability of this loan offer encourages more clients to utilise Capitec card machines, converting them from cash to card payments.

The scored lending book grew by 118% to R3.1 billion, and the intuitive loan book grew by 24% to R27.3 billion. The increase in the CLR was partly due to the growth in the scored lending book on which the provision percentage is higher than for intuitive loans.

The table below details the trend in the coverage ratios.

%	As at the end of February 2026	February 2025
Stage 1	1.5	1.5
Stage 2	9.8	11.8
Stage 3	50.7	42.3
Total	5.9	5.9

The overall coverage ratio remained stable. The decrease in the stage 2 coverage ratio and the increase in the stage 3 coverage ratio were the result of the following factors:

- The change in the proportion and mix of loans in stage 2. Stage 2 loans comprise 5% of the book compared to 7% in the comparative year. Mortgage Loans that are covered at a lower percentage than Business Loans comprised 1% of the stage 2 book compared to 3% in the comparative year
- The mix of loans in stage 3. Mortgage Loans comprise 1% less of the stage 3 loan book than in the comparative year. This resulted in the average provision percentages at which the stage 3 loans are provided increasing
- The growth of the stage 3 loan book from R2.1 billion to R2.4 billion although stage 3 loans comprise 8% of the total loan book (2025: 9%). As balances remain in stage 3 for longer periods of time, the provision percentage applied to them increases.



The split of the Business Banking loan book by stage and category is reflected below.

	Stage 1 12-month ECL		Stage 2 Lifetime ECL				Stage 3 Lifetime ECL	
							More than 3 months in arrears, legal statuses and applied for business rescue liqui- dations <6 months	
R'm	Up-to-date	Up to 1 month in arrears	Up-to-date loans with SICR	2 and 3 months in arrears	Resche- duled from up-to-date (not yet reha- bilitated)	Resche- duled from arrears (not yet reha- bilitated)		Total
Balance as at 28 February 2026								
Gross loans and advances	25 845	460	1 239	134	252	28	2 431	30 389
Business Loans	14 329	252	842	96	230	11	1 531	17 291
Mortgage Loans	11 516	208	397	38	22	17	900	13 098
Provision for credit impairments (ECL) ⁽¹⁾⁽²⁾	(382)	(9)	(128)	(19)	(13)	(2)	(1 233)	(1 786)
Business Loans	(350)	(8)	(110)	(16)	(12)	(1)	(1 036)	(1 533)
Mortgage Loans	(32)	(1)	(18)	(3)	(1)	(1)	(197)	(253)
Net loans and advances	25 463	451	1 111	115	239	26	1 198	28 603
Business Loans	13 979	244	732	80	218	10	495	15 758
Mortgage Loans	11 484	207	379	35	21	16	703	12 845
ECL coverage (%) ⁽³⁾	1.5	2.0	10.4	13.8	5.3	8.1	50.7	5.9
Business Loans	2.4	3.4	13.0	16.6	5.4	13.0	67.7	8.9
Mortgage Loans	0.3	0.4	4.7	6.8	4.4	5.1	21.9	1.9
% of gross loan book	85	2	4	—	1	—	8	100
Business Loans	47	1	3	—	1	—	5	57
Mortgage Loans	38	1	1	—	—	—	3	43
Balance as at 28 February 2025								
Gross loans and advances	19 342	307	1 182	158	199	34	2 117	23 339
Business Loans	9 794	192	621	90	174	14	1 140	12 025
Mortgage Loans	9 548	115	561	68	25	20	977	11 314
Provision for credit impairments (ECL) ⁽¹⁾⁽²⁾	(279)	(8)	(144)	(18)	(20)	(4)	(895)	(1 368)
Business Loans	(250)	(7)	(110)	(15)	(19)	(2)	(653)	(1 056)
Mortgage Loans	(29)	(1)	(34)	(3)	(1)	(2)	(242)	(312)
Net loans and advances	19 063	299	1 038	140	179	30	1 222	21 971
Business Loans	9 544	185	511	75	155	12	487	10 969
Mortgage Loans	9 519	114	527	65	24	18	735	11 002
ECL coverage (%) ⁽³⁾	1.4	2.6	12.2	11.5	9.9	11.7	42.3	5.9
Business Loans	2.5	3.7	17.9	16.3	10.9	15.9	57.3	8.8
Mortgage Loans	0.3	0.8	6.0	5.0	3.0	8.9	24.8	2.8
% of gross loan book	83	1	5	1	1	—	9	100
Business Loans	42	1	2	1	1	—	5	52
Mortgage Loans	41	—	3	—	—	—	4	48

⁽¹⁾ For agreements at a client level that contain both a drawn and an undrawn component, the combined ECL is recognised with the loan component. To the extent that the combined ECL exceeds the gross carrying amount, the excess is recognised as a provision for ECL within other liabilities.

⁽²⁾ Business Banking accepts collateral for secured funds advanced and this decreases the ECL.

⁽³⁾ The ECL coverage ratio is calculated in thousands before rounding to millions.

Chief Financial Officer's report continued

Net transaction and commission income

Business Banking's net transaction and commission income increased by 18% to R1.5 billion. Transaction pricing simplification and price reduction resulted in client savings of R4 million. Additionally, decreases in merchant commission rates returned R137 million to merchants, and decreases in card machine prices gave back R76 million.

Overall transaction volume growth was 53%. Volumes on card machines increased by 75%, and the value of transactions grew by 54% to R98.6 billion, reflecting the impact of offering the lowest commission rates in South Africa.

Capitec Payment Services' bulk debit order collection volumes grew by 24% from 154 million to 191 million. During the year, EFT debits were migrated to Real-time Mandates. This aligns with industry trends toward faster, more secure and cost-effective payment mechanisms with lower processing costs. As transaction volumes progressively shifted to Real-time Mandates, the overall contribution of these transactions to net income increased.

Net income from Capitec Pay increased by 23% to R531 million. We now have 10.4 million unique clients (2025: 7.6 million). A total of 278 million payments, with a value of R67.7 billion, were processed (2025: 212 million; R47.5 billion), and the average transaction value was R244, with a successful conversion rate of 88% (2025: R224; 86%). The growth in Capitec Pay was primarily driven by the expansion of the existing incoming payments from clients to merchants using Capitec's payments platform business and the entry into international merchant markets, including high-volume platforms.

Capitec Pay has also introduced the Payouts, Refunds and Data Application Programming Interface, which is a secure digital interface allowing merchants' systems to send, receive or query data automatically. Broadening the payments offered on Capitec Pay will lead to further client retention.

AvaFin

AvaFin contributed R128 million (EUR6.5 million) to headline earnings for the year (2025 for 10 months: R196 million (EUR10.5 million)). Investment in AvaFin's future, including shifting to lower interest, longer tenor loans and experimentation in distribution, resulted in a lower headline earnings contribution despite improved operational metrics. This gives us a stronger platform for sustainable growth in the years ahead. Total clients grew by 12% from 220 162 to 246 763, and loan disbursements increased 55% from EUR406.8 million (for 10 months) to EUR629.0 million (for 12 months).

AvaFin's operations contributed to net interest and investment income after credit impairments as follows: Poland – 33% (2025: 30%); Czechia – 23% (2025: 26%); Mexico – 21% (2025: 24%); Spain – 20% (2025: 18%); and Latvia – 3% (2025: 2%).

Credit impairment charge and loans and advances

AvaFin's credit impairment charge amounted to EUR80.2 million (R1.6 billion) for the year (2025 for 10 months: EUR42.7 million; R830 million). The CLR was 53.2% (2025 annualised: 42.6%).

The charge was impacted by high loan disbursements, the consequent growth in the loan book and an increase in the Czechia stage 3 loan book.

Loan disbursements amounted to EUR629.0 million (R12.7 billion) (2025 for 10 months: EUR406.8 million; R7.8 billion) with a monthly average of EUR52.4 million (R1.1 billion) (2025: EUR40.7 million; R784 million). 75% to 80% of the loans issued were 1-month loans (2025: more than 90%).

Gross loans and advances were EUR179 million (R3.4 billion) (2025: EUR137 million; R2.6 billion), with a provision for ECL coverage ratio of 37.2% (2025: 32.2%). The coverage ratio on up-to-date loans was 9.2%, down from 9.5% in 2025, while the stage 2 coverage ratio grew from 33.0% in 2025 to 40.3%. Balances outstanding for more than 60 days were provided at 89.1%, up from 81.6% in 2025.

Group operating expenses

Group operating expenses grew by 12% from R18.1 billion to R20.2 billion, and by 11% excluding AvaFin (as AvaFin was only consolidated for 10 months in the comparative year). The commentary below excludes AvaFin's expenses to ensure comparability of expenses.

We exercise disciplined cost control while focusing on investment for the future. Appropriate use of GenAI has already resulted in the ability to improve client experience and scale further without increasing headcount and costs. Operating expenses grew by 13% excluding employee incentives, below the prior year's 14%.

Short-term incentive (STI) growth was aligned to the change in headline earnings growth and long-term incentive (LTI) growth was driven by the 54% growth in the share price from R3 074.37 to R4 743.54.

Salaries grew by 12%, in line with annual increases and the headcount growth from 16 525 to 17 236. We continued to create job opportunities, and hire for potential and train for skills.

Investment in systems and platforms continued to drive the increase in our IT expenses (excluding salaries), which grew by 12%. Cloud-based computing fees increased by 25% as the utilisation of cloud data capabilities grew and allowed us to scale our operations further.

We are building a responsible AI framework based on a commitment to unlock value for our clients. AI is used in real-time fraud prevention, risk modelling and upskilling employees. We have developed Capitec Pulse AI that



provides real-time, contextualised client information to client support agents, and we plan to use AI in the personalisation of client experiences at scale and to further enhance financial inclusion. Our investment in AI for the year was significant.

Capital and liquidity

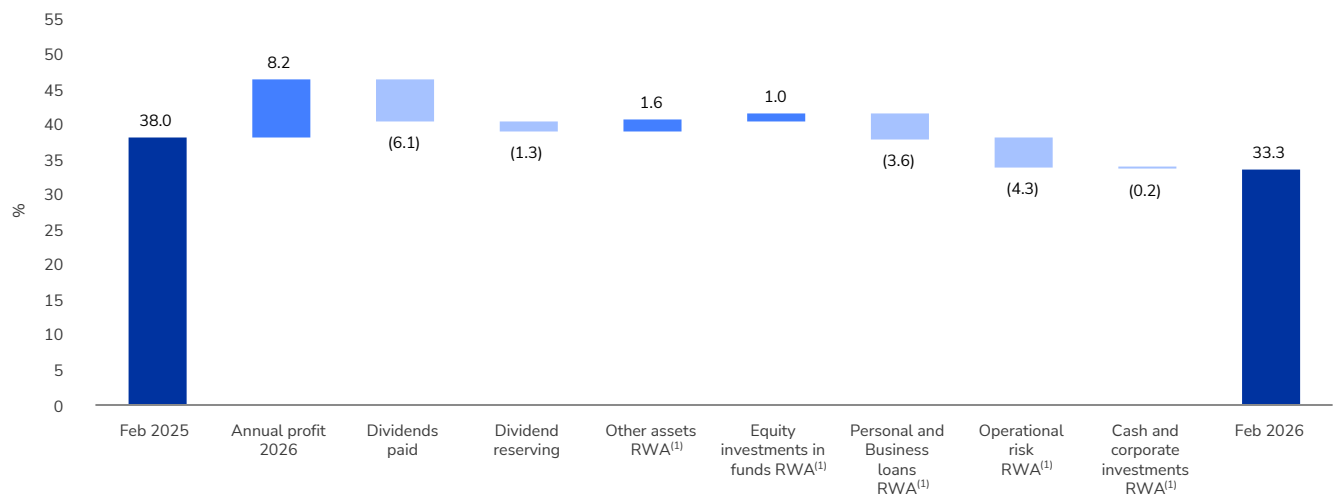
The Group's CAR of 33% (2025: 38%) remained well above our regulatory minimum. The implementation of the new standardised approach (NSA) contributed to the decrease in the CAR.

South Africa implemented the Basel IV regulatory framework on 1 July 2025. As part of the new framework, banks adopted the NSA for operational risk. This transition had a significant impact on the operational risk-weighted assets (RWAs), which increased from R14.7 billion in February 2025 to R30.9 billion at February 2026.

Our Basel III liquidity coverage ratio and net stable funding ratio were 2 846% and 228%, respectively. The regulatory requirement is 100% for both ratios.

In order to comply with the Financial Sector Regulation Act, Act 9 of 2017, Capitec plans to start issuing first loss-absorbent capital during the 2027 financial year.

Year-to-date change in CAR



⁽¹⁾ We use the standardised approach in calculating our RWAs i.e. we apply standardised risk weightings per the regulations to the various asset classes. RWAs are used to calculate the minimum amount of capital a bank must maintain in relation to the riskiness of its lending activities and other assets.

Internal financial control responsibility

The Group has an established internal control framework in place, which includes adequate and effective internal financial controls, to ensure that the Group's financial statements are fairly presented, in all material respects, and that no facts have been omitted, or any untrue statements made, that would result in the financial statements being false or misleading.

For our full Chief Executive Officer and Chief Financial Officer internal control responsibility statement, please refer to **page 151** to the financial statements.

Appreciation

I would like to thank all our stakeholders for their continued support and feedback during the 2026 financial year.

Our focus will remain on creating value for our stakeholders into the future.

Grant Hardy

Chief Financial Officer (CFO)

Stellenbosch
21 April 2026

2 Creating value

**Our purpose and
business model**
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Six capitals
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Our strategy
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Our purpose and business model

Capitec's purpose is to make a meaningful difference in people's lives by empowering them to grow. Our business model creates opportunities for us to achieve this purpose. Trust is the foundation of everything we do – from the way we design products and manage risk to how we support our employees and engage with stakeholders.

Our business model is designed to create sustainable value over time by putting our clients first when we make decisions. We focus on delivering simple, accessible and affordable financial solutions, supported by a technology-enabled platform, disciplined risk management and a highly engaged workforce.

We continuously refine our product suite, processes and systems to improve efficiency and enhance the client's

experience, while maintaining strong governance. This allows us to build enduring relationships with our clients and stakeholders, supporting responsible growth and resilience over the long term.

By leveraging our 6 capitals in an integrated manner, we create value for our clients, employees, shareholders and the communities in which we operate, while strengthening trust in our brand and financial solutions.

Our purpose

To make a meaningful difference in people's lives, empowering them to grow

Our core values



Our 4 fundamentals

Simplicity
is power

Affordability
matters

Accessibility
is non-negotiable

Personal experience
is essential

What we do



Personal Banking

Digital, app and card transactions
Save | Credit | Rewards



Insurance

Funeral Cover
Life Cover
Credit Life insure



Business Banking

Digital, app and card transactions
Save | Credit | Insure
Payment services
Merchant services
Forex | Rental Finance
Emerging Markets



Fintech

Value-Added Services
Capitec Connect



International (AvaFin)

Short-term loan products
Instalment loans
Revolving credit



Why we exist and our fundamentals

We deliver financial solutions that embody our founding fundamentals of simplicity, affordability, accessibility and a personal experience, creating sustainable value for all our stakeholders while making a meaningful contribution to the prosperity of South Africa. Our fundamentals reflect our commitment to serving clients responsibly and to building trusted, long-term relationships.

Simplicity means removing unnecessary complexity from financial solutions through intuitive products, clear communication and easy-to-use digital and physical channels. Affordability ensures that our pricing remains transparent and competitive, enabling more people to participate in the formal financial system. Accessibility focuses on expanding access through technology, inclusive design and a broad distribution network. A personalised experience ensures that every client is treated with care, respect and attention to individual needs.

Our fundamentals guide how we design products, structure transparent pricing, leverage technology and engage with our clients. By continuously improving our solutions and processes, we aim to deliver consistent value and reinforce trust in our brand.

The addition of more than 100 000 new clients every month reflects the ongoing relevance of our value proposition and the trust clients place in Capitec. Sustained client growth, strong engagement and long-term relationships demonstrate our ability to deliver meaningful impact while supporting responsible business growth.

Our CEO values drive our behaviour

At Capitec, our CEO values shape how we behave and how we make decisions every day. We are committed to ethical conduct, responsible decision-making and consistently acting in ways that build and sustain trust.

The values that guide us are:

- **Client first** – We place the client at the centre of every decision. By seeking to understand our clients' needs, we deliver simple, accessible and affordable solutions that improve their financial lives. This requires acting with empathy, fairness and transparency, while continuously enhancing the client experience across all touchpoints

- **Energy** – We approach our work with enthusiasm, curiosity and a willingness to innovate. Energy reflects our commitment to continuous improvement, adaptability and collaboration, enabling us to respond effectively to a changing environment while maintaining high standards of service and performance
- **Ownership** – We take responsibility for our actions, decisions and outcomes. Ownership means being accountable, disciplined and solution-focused, and acting in the best interests of our clients, colleagues and stakeholders. This mindset supports strong execution, prudent risk management and sustainable performance.

We believe in putting clients first, working with energy and taking ownership – not only in what we do, but in how consistently we do it. We act in ways that build trust and long-term relationships, both externally with clients and internally with colleagues. These relationships are grounded in accountability, integrity and ethical conduct.

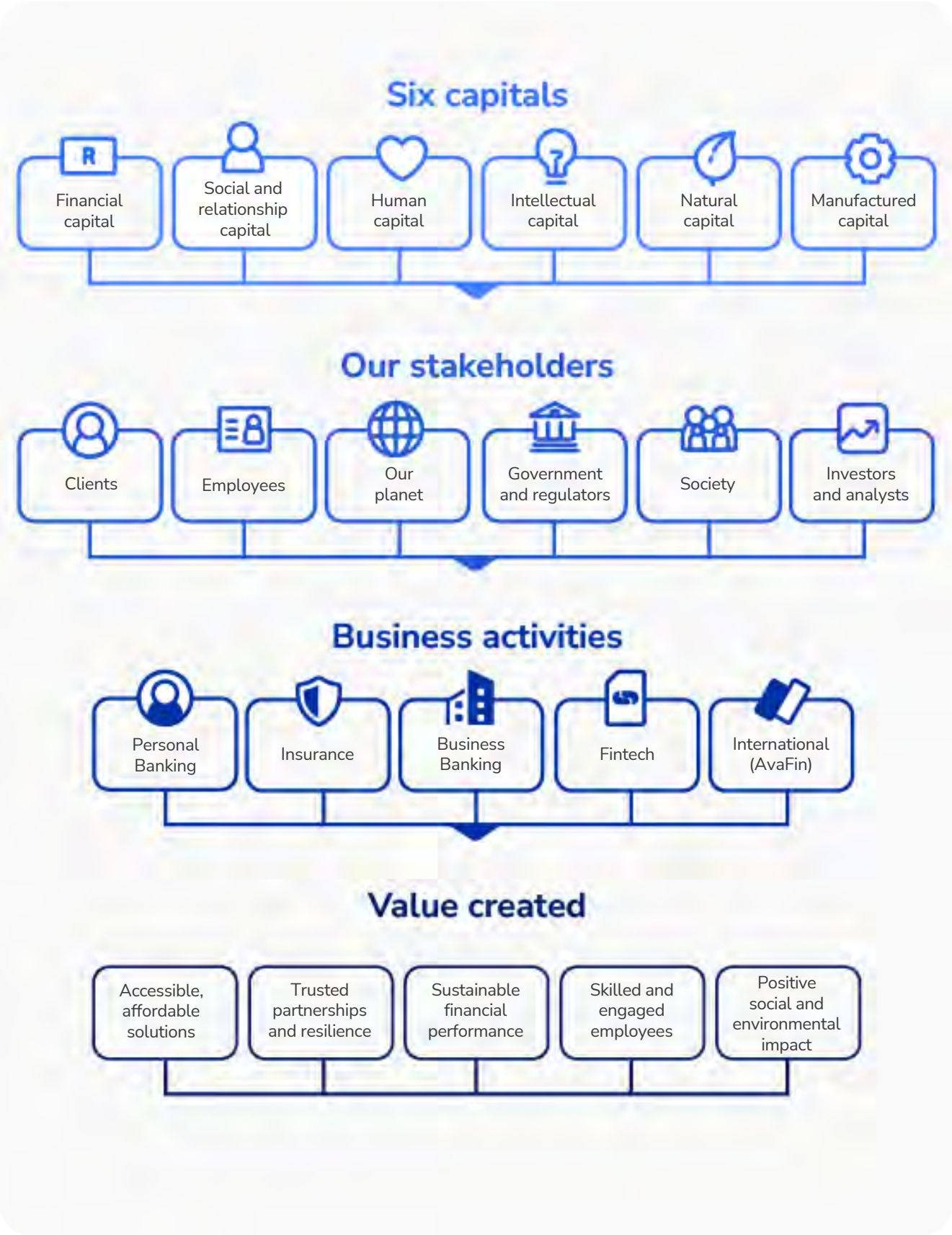
Our products

Our continued investment in technology and innovation enables us to develop a comprehensive range of products that remain true to our founding fundamentals while responding to a rapidly evolving environment.

We design our products around the needs of our clients, focusing on solutions that are easy to understand, transparent and relevant to different life stages. This approach helps us build enduring relationships and reinforces the trust our clients place in us.

Our vision is to build a platform that represents an integrated ecosystem of financial services capable of addressing the full spectrum of our clients' financial needs. By continuously improving and expanding our offering, we aim to support clients throughout their financial journeys while strengthening long-term relationships and delivering sustainable value.

We approach product development with the same discipline and care we would apply for our very first client, recognising that trust is earned through consistent delivery over time.



Six capitals



Capitec's value creation model is enabled through the integrated use and stewardship of the 6 capitals, which represent the critical resources and relationships required to execute our strategy and deliver on our purpose. These capitals are not managed in isolation; they interact dynamically to support operational performance, innovation, stakeholder trust and long-term sustainability.

We manage each capital with discipline and consistency, recognising that trust is built through responsible decisions over time and across every client and stakeholder interaction.

Through disciplined deployment of the 6 capitals, we generate measurable outcomes for stakeholders. These outcomes include sustainable earnings growth for

shareholders, accessible and affordable financial solutions for clients, meaningful employment and skills development for employees, responsible partnerships across our value chain, and contributions to economic inclusion and resilience in the communities we serve, reinforcing confidence in our business and the financial system.



Financial capital provides the funding required to support lending, innovation and business expansion. Prudent capital allocation and strong liquidity management enable sustainable earnings growth, attractive shareholder returns and continued investment in technology and client solutions. These outcomes strengthen financial resilience and support long-term competitiveness.



Social and relationship capital reflects our strong relationships with clients, regulators, employees, suppliers and communities, and enables trust, loyalty and our social licence to operate. Consistent delivery on our commitments strengthens confidence and deepens long-term relationships.



Human capital represents a skilled, engaged and value-driven workforce that enables consistent service delivery, operational excellence and innovation. Our culture encourages employees to take ownership and act in ways that build trust with clients and colleagues.



Intellectual capital includes technology platforms, data capabilities, analytics and processes that enable digital innovation, improved risk management and differentiated client experiences. These capabilities support revenue diversification, cost efficiency and competitive advantage, while enhancing scalability and resilience.



Natural capital refers to the responsible use of environmental resources and consideration of the environmental risks that contribute to operational efficiency, regulatory alignment and reputational strength. Although our direct footprint is limited, environmental stewardship supports long-term sustainability and responsible business practices.



Manufactured capital comprises the physical and digital infrastructure and enables accessible, reliable and scalable service delivery across channels. Investment in branches, devices and technology platforms supports transaction growth, operational resilience and inclusive access for clients, strengthening both efficiency and reach.

Our stakeholders

Constructive stakeholder relationships built on trust, transparency and mutual benefit help us understand stakeholder expectations, and emerging risks and opportunities. Proactive stakeholder engagement ensures that our strategic decisions remain aligned with long-term value creation.

The Board and the Group Executive Committee (EXCO), supported by the Board's SESCO, oversee our stakeholder relationships. The Board considers stakeholders' legitimate needs and interests in the execution of its duties, ensuring that stakeholder perspectives are integrated into decision-making, risk management and strategy.

Clients

Relationship Clients are at the heart of everything we do – we are client-obsessed. Our purpose is to make banking simple, accessible and affordable, and our aim is to be the most trusted bank. We build long-term relationships with clients based on transparency, reliability and integrity, and measure our success through tools like client satisfaction scores (CSAT), retention rates and engagement metrics.	How we engage and the outcome We engage clients across digital platforms, branches, surveys, call centres and analytics, ensuring that we understand their evolving needs and expectations. By delivering personalised, reliable and innovative solutions, we strengthen trust, loyalty and client advocacy, creating sustainable value for both clients and the Group. By engaging clients across multiple touchpoints and acting on their feedback, we support strong client relationships and long-term value creation, as reflected in our CSAT score of 85%.	Value created for them Interest paid to clients R8.6 billion (2025: R9.2 billion) Loan disbursements R98.3 billion (2025: R73.2 billion) Total claims paid R5.7 billion (2025: R5.0 billion)
Capitals 	UN SDGs 	



Employees

Relationship

Employees are central to executing our strategy, delivering excellent client experiences and driving innovation. We recognise that our people are our most important asset, and we are committed to developing their skills, capabilities and careers to enable growth for both the individual and the organisation. A values-driven culture encourages ownership, accountability and behaviours that build trust with clients and colleagues.

How we engage and the outcome

We invest in learning and development programmes, performance management, leadership development, well-being initiatives and recognition schemes. These initiatives ensure that employees have the support, tools and opportunities to succeed.

Through meaningful engagement, ongoing training and clear development pathways, we strengthen productivity, service quality, retention and organisational agility. An engaged and skilled workforce underpins our long-term performance and supports our ambition to be a trusted, client-obsessed bank.

Value created for them

Employee remuneration and benefits (excluding Unemployment Insurance Fund contributions and skills development levies)

R10.3 billion

(2025: R9.5 billion)

Capitals



UN SDGs



Our planet

Relationship

The natural environment provides the resources and stable systems that support economic activity and business operations. While our direct environmental footprint is relatively limited, we recognise our responsibility to manage environmental impacts, use resources effectively and consider climate-related risks in our operations and decision-making.

How we engage and the outcome

We manage environmental impacts through responsible resource use, energy efficiency initiatives, environmental risk management and alignment with evolving environmental expectations and regulations.

By integrating environmental considerations into our business practices, we support operational resilience, cost efficiency, regulatory alignment and long-term sustainability, contributing to broader environmental stewardship.

Value created

Refer to the stand-alone sustainability report, which will be available during June 2026 and can be accessed by following the link to the Capitec website: www.capitecbank.co.za/esg/

Capitals



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Our stakeholders continued

Government and regulators

Relationship Government and regulators provide the frameworks, rules and oversight that enable the financial services sector to operate safely, transparently and responsibly. Capitec supports these frameworks and fully complies with applicable laws and regulations, recognising that responsible conduct and regulatory alignment are fundamental to maintaining financial system stability and stakeholder trust.	How we engage and the outcome We engage proactively with regulators and policymakers through reporting, consultations, industry forums and ongoing dialogue. This ensures alignment with regulatory expectations, contributes to constructive policy development and helps us anticipate emerging risks. Strong, transparent relationships with regulators enhance confidence in our governance, support financial system stability and reinforce our reputation as a responsible and trusted financial institution.	Value created for them Income and other taxes R8.2 billion (2025: R6.4 billion) Deposit Insurance Scheme (DIS) loan to the Corporation for Deposit Insurance (CODI) R2.9 billion (2025: R2.7 billion)
Capitals 	UN SDGs 	

Society (suppliers, communities and civil society)

Relationship Society, including suppliers, communities and civil society, is central to our purpose of promoting financial inclusion and sustainable economic participation. We are committed to responsible business practices, supporting enterprise development, broad-based black economic empowerment (B-BBEE) transformation, enterprise and supplier development, local economic growth and community well-being.	How we engage and the outcome We engage through supplier partnerships, enterprise development programmes, community initiatives, stakeholder collaboration and social investment. These engagements enable job creation, economic empowerment and inclusive participation in the economy while strengthening ethical and resilient value chains. By contributing to social and economic development, we promote shared value and reinforce trust with the communities in which we operate.	Value created for them Consumer Financial Education and Corporate Social Investment (CSI) R149.1 million (2025: R131.2 million) Supply of goods and services R13.4 billion (2025: R12.0 billion)
Capitals 	UN SDGs 	



Investors and analysts

Relationship Investors and analysts provide the capital and confidence that enable Capitec to grow sustainably and execute its strategy. We are committed to transparent, timely and accurate communication, recognising that consistent performance and disciplined risk management promote long-term investor trust.	How we engage and the outcome We engage through investor presentations, results announcements, annual reports, one-on-one meetings and ongoing dialogue, providing insights into our strategy, financial performance, risk management and long-term objectives. Strong relationships with investors and analysts support market confidence, informed investment decisions and continued access to capital, reinforcing trust in Capitec as a responsible, well-managed financial institution.	Value created for them Dividends paid R8.2 billion (2025: R6.3 billion) Interest paid to wholesale funders R662 million (2025: R816 million) Value retained for growth R9.5 billion (2025: R8.0 billion)
Capitals     	UN SDGs   	



Our strategy

Capitec's purpose is achieved through strategies that drive meaningful innovation and build trust with stakeholders.

We build solutions that ignite growth, make a meaningful difference in people's lives and contribute to South Africa's economic progress. We provide simple, accessible financial solutions, foster financial literacy and produce meaningful innovation to help South Africans achieve their goals. Through innovative services and partnerships, we help businesses grow, create jobs and contribute to South Africa's future.

Capitec's overarching strategic intent for the short, medium and long term is based on the foundations that have been put in place in the 25 years since its founding. There will always be an emphasis on protecting the existing business through product stability, trusted and consistent client experiences and robust risk and financial crime management.

In the short term, our focus will be on driving growth by expanding our payments ecosystem and embedded financial solutions. We will leverage our distribution strengths and deepen our presence where clients make their financial decisions. Growth initiatives will be scaled and integrated in the medium term by developing a single, seamless service model that supports our suite of solutions. Initiatives will be designed to support longer-term opportunities, including international expansion and acquisitions, ensuring that Capitec remains resilient and adaptable as the business evolves over time.



Personal Banking

To be the most trusted personal bank in South Africa

Product health and stability

- Deliver secure and reliable always-on banking by maturing our products and driving operational excellence
- Maintain a relentless focus on risk management, compliance and fraud prevention
- Ensure that our channels and products are consistently available when our clients need them

Product delivery

- Responsibly expand access to market-leading credit offers that deliver clear client value, supporting inclusive growth and trust in formal banking
- Reduce reliance on cash
- Extend reach through embedded and partner-enabled services
- Deliver meaningful daily value to families and communities through our products and services

Future fit

- Enable a seamless, integrated single service experience that is intuitive, reliable and trusted across channels
- Strengthen our modern, scalable platforms that support resilience, security and long-term confidence
- Embed intelligence to support service excellence and informed decision-making
- Simplify and accelerate key client journeys to deliver efficient, dependable experiences

Client experience

- Improve protection for clients through proactive financial crime and fraud prevention
- Enable sustainable growth in Personal and Business Banking through a single service model
- Nurture long-term relationships by engaging with clients across key life stages, building relevance, loyalty and trust over time

Capitals



UN SDGs





Insurance

We aim to make a meaningful difference in people's lives by providing accessible, simple and trustworthy insurance that promotes financial inclusion and supports South Africa's growth

Reposition Insurance in the market

- Strengthen our position in Funeral Cover
- Expand access to Life Cover for previously excluded or underserved clients
- Establish a seamless omni-channel engagement
- Drive growth through a clear sales strategy and strong market positioning
- Enhance client engagement across all channels
- Support sustainable growth and retention through affordability assessments and risk management

Our people

- Build a high-performance, engaged workforce that supports sustainable value creation
- Establish clear ways of working through defined operating models, roles and responsibilities
- Nurture talent and leadership capability to sustain long-term performance
- Enable growth through visible career paths, development opportunities and strong team cohesion
- Foster an inclusive culture aligned to transformation objectives

Claims

- Deliver a trusted, efficient and client-centric claims experience across all products
- Strengthen claims operating models to improve service delivery and consistency
- Leverage automation and data to improve efficiency, turnaround times and accuracy
- Protect clients and premiums through enhanced fraud prevention and risk management

Investments

- Achieve sustainable investment returns that support long-term policyholder value
- Support affordability and business resilience through consistent, strong investment performance

Technology and data

- Strengthen reliable and scalable systems that support stable insurance operations
- Improve data accessibility, quality and insights to enable better decision-making
- Leverage responsible use of AI and advanced analytics to enhance efficiency and risk management
- Modernise finance platforms and processes to improve operational effectiveness

Capitals



UN SDGs





Business Banking

We aim to make a meaningful difference in people's lives by helping grow SMEs – the heartbeat of our economy – and creating employment

Business Banking - Expand the client base and grow quality clients - Maintain high levels of client satisfaction - Drive sales growth - Develop skilled bankers through the Business Banking Training Academy	Credit - Improve credit quality through enhanced risk assessment - Expand digital lending capabilities - Maintain efficient granting turnaround times as volumes grow - Leverage advanced analytics to support deal assessment and quality assurance
Technology and systems - Enhance payments functionality - Drive high levels of system availability - Expand the app capabilities	Capitec payments - Grow the merchant base and transaction volumes - Expand payments product offering - Grow international Capitec Pay transactions
Client experience - Leverage AI to improve business operations - Increase automation of high-volume routine processes - Expand digital onboarding capabilities - Maintain high levels of client satisfaction and service performance	Foreign exchange services - Expand digital foreign exchange pricing and self-service capabilities - Grow foreign exchange volumes
Capitec Rental Finance - Build supplier partnerships to support growth - Enhance credit assessment efficiency - Optimise collections and asset recovery	Risk management - Strengthen financial crime controls to ensure compliance, safeguard clients and improve the client experience - Elevate risk maturity across all business lines
Capitals 	UN SDGs





Strategic Initiatives

We aim to serve 100 million clients in their everyday financial moments, in-store, online and through trusted partners

Capitec ventures

Accelerate embedded finance and international growth through targeted capability, partnerships and acquisitions:

- Build a pipeline of strategic local and global acquisitions and partnerships
- Strengthen product capability and expand distribution reach

International expansion

Establish Capitec as a trusted international brand:

- Define and execute expansion for AvaFin and future markets

Embedded financial services

Embed our lending and banking products into retail and digital ecosystems:

- Lead embedded lending in South Africa
- Strengthen and scale Home Loan offers
- Deliver Group vehicle asset finance through strategic partnerships

Capitec Connect

Use connectivity to strengthen daily client engagement:

- Enhance the mobile offering with innovative client-centric products
- Expand access to affordable data, airtime and device financing
- Enable home connectivity through partnerships

Capitals



UN SDGs



AvaFin

We strive to preserve and expand market leadership

Focus

- Drive operational efficiency and credit risk management
- Expand the instalment lending portfolio
- Increase disbursement of longer-term products

Growth

- Expand distribution capabilities and access to clients
- Enhance client service and engagement
- Strengthen organisational sustainability
- Continue to invest in infrastructure and enabling capabilities

Capitals



UN SDGs





Shared services

Technology and data • Create a seamless experience across all channels • Implement single sign-in and profile switching • Introduce an in-app chat with advanced AI • Ensure consistent service across Personal and Business Banking and Insurance	Data and AI platforms • Modernise data and AI platforms to enable secure, scalable insight and innovation • Embed appropriate model risk controls • Improve real-time visibility and oversight • Integrate unstructured data • Implement unified taxonomy and governance to ensure trust and compliance
AI and transformation • Enhance staff capability and client service through AI-enabled support tools • Anchor transformation in responsible and ethical AI adoption, supported by strong communication and risk frameworks	People • Strengthen organisational capability through AI training and future-fit skills development • Strengthen the leadership pipeline • Sustain the Capitec Way through high-performance, inclusive team journeys and engagement • Redesign key people processes to improve service levels, platform stability and automation
Risk management • Establish a scalable operating model aligned to enterprise risk management principles • Enhance scenario analysis, regulatory engagement and financial crime prevention • Embed AI and model governance and strengthen management of emerging risks • Deliver decision-grade data and automated reporting to support risk identification • Build specialist risk capability to sustain a future-fit workforce	Finance • Expand cloud-based financial systems to enable real-time insight scalability and collaboration • Strengthen advance analytics to provide granular, actionable insights • Prepare for evolving regulatory requirements • Position Finance as a strategic advisory function supported by real-time insight and integrated systems • Transform Group Treasury into a digitally enabled function supporting growth through scenario analysis and modelling
Marketing and Client Experience • Recruit, develop and lead the best talent with a high-performance culture through academies and AI enablement • Strengthen brand salience and differentiation • Deliver data-led, personalised experiences and embed consistent client experience across all channels • Embed and scale financial education and community upliftment • Create value for clients	
Capitals	UN SDGs



Transact

Value-Added Services

- Grow the VAS client base and deepen adoption
- Increase usage by embedding VAS into daily banking
- Extend VAS into Business Banking to support everyday needs
- Improve product health, reliability and fraud resilience
- Keep services simple, affordable and easy to use

Payments

- Improve payment product health through better client control and transparency
- Make it easier for clients to pay across all payment methods
- Embed intelligent fraud prevention into card payment journeys
- Enable compliant, modern and efficient payment rails
- Modernise payments platforms to support scale and growth

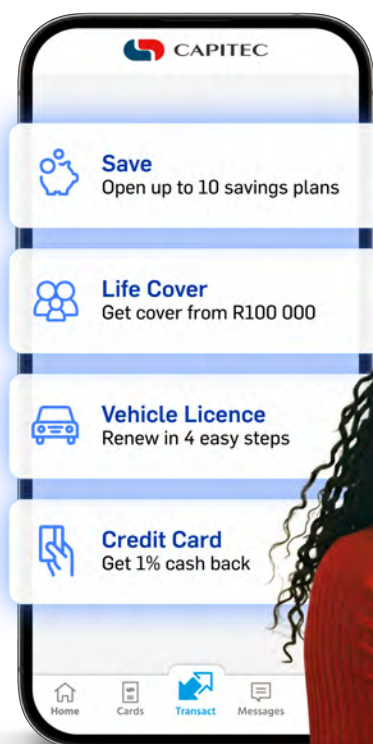
Foreign exchange

- Grow foreign exchange transaction volumes sustainably
- Reduce friction in international payment journeys
- Lower transaction costs for clients
- Expand digital foreign exchange capabilities for Business Banking clients
- Strengthen controls and market risk management
- Optimise international payment routing for cost and resilience

Capitals



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3 Environmental, social and governance



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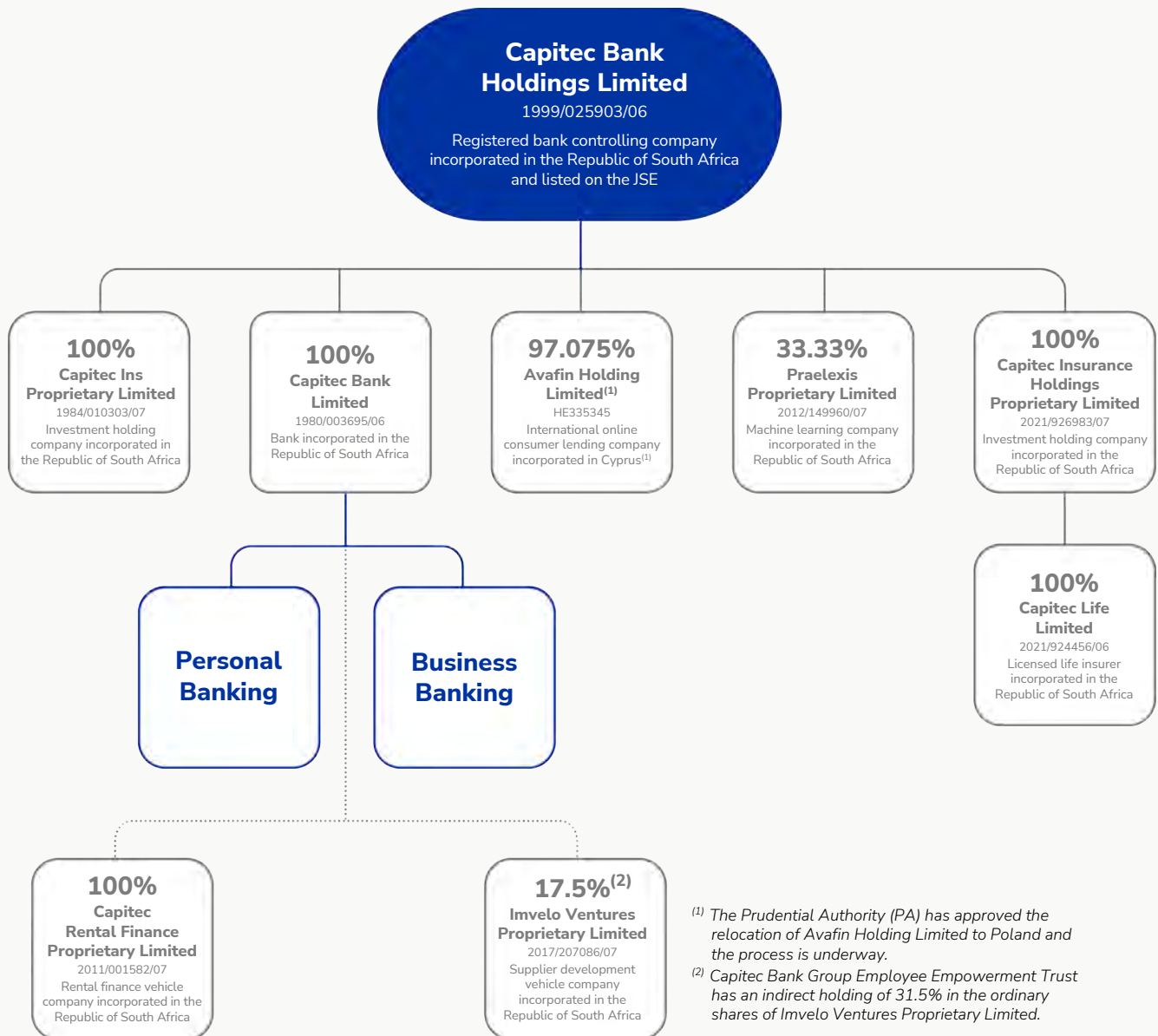
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Group structure

Group structure



People and culture⁽¹⁾

An inclusive, energised, ownership-driven culture translates into performance and is the source of our competitive advantage.

Headcount

17 236

External hires

1 265

Internal hire rate

66%

Attrition

8.9%

Future Leaders Graduates

30

Bursaries

220

Learnerships

1 067

Leadership development

R25 million

Interns

16

During the 2026 financial year, our people and culture remained crucial to our competitive edge. Our deeply ingrained and consistently lived culture shaped how we delivered for our clients, supported each other and executed strategy in a dynamic environment.

Our CEO behaviours – client obsession first, energy and inspiration, and taking ownership – kept our people focused on delivering simple, accessible and affordable financial solutions to millions of South Africans.

The strategy of capacity, capability, culture and employee experience enhanced our succession depth and reaffirmed our dedication to responsible people practices and inclusive growth.

This year, we made strategic investments in capabilities that will shape our growth over the coming decade by⁽²⁾:

- building **capacity** and strengthening performance through strategic goal setting, driving internal mobility, developing diverse talent pipelines, and building robust succession depth
- advancing **capability** development by facilitating opportunities for professional growth via functional skills academies, strengthening our leadership bench and broadening digital and cloud learning pathways
- deepening our **culture** and protecting our DNA through initiatives that emphasise an inclusive culture, psychological safety and well-being at scale
- creating **exceptional employee experiences** by revamping remuneration and benefits and optimising people support functions that do the groundwork on designing people journeys that mirror our client journeys.

These initiatives have allowed us to preserve the strengths of our founder-led culture while evolving to meet the future needs of our people. Our people continued to be the driving force of our progress, supported by a people strategy designed to empower them as they serve clients and anticipate client needs. As a result, we enter the 2027 financial year as a more agile, connected and future-fit organisation.

⁽¹⁾ In this report, references to a particular year relate to the financial year ending on the last day of February (28 or 29 February) of the relevant year, unless otherwise stated.

⁽²⁾ AvaFin is excluded from this section.



Capacity and performance

Winning the talent game better, faster and smarter

We remain committed to hiring a workforce that is equipped to support Capitec's growth objectives, enhance specialised technical capabilities and foster opportunities through inclusive talent strategies. Our progress is rooted in recruiting top talent, advancing internal mobility, promoting high performance and strengthening our leadership pipeline. This approach is further reinforced by broadening the diversity of our talent pools.

Hiring the best

This year, our strategy entailed targeted attraction campaigns. We received 412 268 external applications across all sourcing channels. These applications came through job boards, social platforms and professional networks. Our aim was to drive targeted applications over volume, specifically in the Personal Banking client-facing portfolio.

Our philosophy is to hire from the communities that we serve. To this end, we reduced vacancy advertisements for branch roles and leveraged our branch network to provide referrals from their communities. The impact was a 5% improvement in the quality of applications and a 19% improvement in time to hire from 37 days in 2025 to 30 days in 2026.

Across all roles, we achieved an average time to hire of 32 days (2025: 37 days), despite a challenging external talent landscape. Proactive talent pooling ensures that we have ready-to-hire candidates for key roles. As a result, 1 265 (2025: 1 588) new or vacant roles were filled by external applicants; with 89% of appointments being black candidates and 57% female – reinforcing our commitment to building an inclusive and representative workforce.

As our business expands and innovation accelerates, we continue to demonstrate the ability to attract and hire the skills that matter most to Capitec's future. During the year, we focused on growth-critical capabilities – including data, engineering, cybersecurity and analytics – while reinforcing transformation in leadership and strengthening client protection through targeted hiring in the Risk, Fraud and Cyber teams. Our focus translated into 296 technology appointments (79% black and 33% female).

On a global scale, women comprise 26.7% of the technology and data workforce. In South Africa, female participation in these fields is even lower, with women accounting for less than 25% of the technology and data workforce (Source: Women Tech Network: 2026). Our focus on improving female representation in technology and data reflects our commitment to inclusive growth and our ability to compete successfully for scarce skills in a highly contested market.

To differentiate Capitec in a competitive market, we positioned hiring managers as visible brand ambassadors – showcasing their expertise, teams and impact to prospective talent. We redesigned job adverts to highlight purpose, growth and real-world impact rather than tasks alone. We amplified the stories of new hires to reinforce our employer value proposition. Our talent brand has been strengthened, enabling us to secure high-quality candidates faster and to compete based on what truly sets us apart: meaningful work, growth opportunities and a culture that allows people to make a tangible difference.

The table below provides a breakdown of all external appointments.

Occupational level ⁽¹⁾	Female		Male		Total
	Black ⁽²⁾	White	Black ⁽²⁾	White	
Top management	—	—	—	—	—
Senior management	2	—	2	3	7
Middle management	88	18	141	44	291
Junior management	140	28	162	34	364
Semi-skilled	429	6	164	4	603
Total	659	52	469	85	1 265

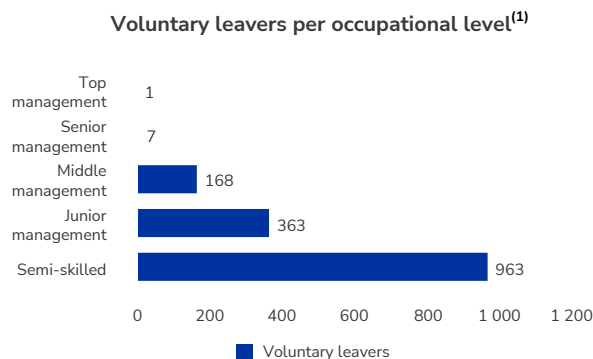
⁽¹⁾ Following the rebaselining of our job architecture in line with international standards.

⁽²⁾ Black = African, Indian and Coloured as per South Africa's Employment Equity Act, Act 55 of 1998.

During the 2026 financial year, our headcount increased to 17 236 (2025: 16 525) and our voluntary attrition rate continued its downward trajectory to 8.9% (2025: 11.6%), which is far below the industry benchmark of 11.2% (Source: REMChannel® 2025).

People and culture continued

The attrition dashboard below provides an overview of voluntary leavers per occupational level.



⁽¹⁾ Following the rebaselining of our job architecture in line with international standards.

Our strengthened talent pipeline, diverse hiring outcomes and declining attrition position us strongly for the future, ensuring we have the right people in the right roles.

Mobilising internal talent for growth

Our strong focus on internal mobility remains central to how we grow talent and create sustainable opportunities for our people. With a strategic target of ensuring that 60% to 70% of all appointments are sourced internally, we invest in the careers of our branch and Business Support Centre (BSC) employees so that they not only progress in Personal and Business Banking but also transition into scarce and critical head office roles. This year, internal mobility remained robust, with 66% (2025: 65%) of all opportunities filled by internal candidates, demonstrating the depth and potential of our existing talent base.

The Internal Mobility Initiative continues to deliver a meaningful impact by identifying and reskilling frontline employees into growth-critical capabilities such as data and business analytics, software development (Java and C#), Salesforce and SAP SuccessFactors. The programme offers holistic support throughout the transition, including salary coverage during training, relocation assistance where needed and ongoing psychosocial support. Over the past 2 years, 93 employees have entered the Internal Mobility Initiative pathway and 68 have transitioned into technology and data roles. The remaining 25 are scheduled for placement in March 2026. During the year, we appointed 50 new learners.

Transformation outcomes remain a hallmark of the programme, with black representation consistently above 90% and female participation increasing year on year from 33% in 2024 to 46% in the 2025 calendar year, supported by targeted actions. Focused intervention in our software engineering (Java) cohort delivered a significant uplift in women's participation, with a projected 50% appointment rate compared to 17% in the previous year.

Recognising the need to broaden mobility pathways, we expanded our offering with the launch of the Acquisition Banker Accelerator Programme, which enables branch employees to transition into Business Banking roles. Since August 2025, 87 employees have been certified for Business Banking careers, and we are proud to announce that 100% of our acquisition banker vacancies have been filled from this internal pool.

Below is an overview of internal appointments made during the financial year.

Occupational level ⁽¹⁾	Female		Male		Total
	Black ⁽²⁾	White	Black ⁽²⁾	White	
Top management	—	—	—	—	—
Senior management	2	1	3	3	9
Middle management	52	20	69	43	184
Junior management	592	23	334	33	982
Semi-skilled	863	3	377	6	1 249
Total	1 509	47	783	85	2 424

⁽¹⁾ Following the rebaselining of our job architecture in line with international standards.

⁽²⁾ Black = African, Indian and Coloured as per South Africa's Employment Equity Act, Act 55 of 1998.

Performance excellence

The Capitec performance philosophy is rooted in delivering on our strategic objectives. We do this by creating absolute clarity in goal setting.

In 2022, we implemented a revised approach to performance in our shared services and technology portfolios, which included:

- introducing job fundamentals – defined as the standards, processes and behaviours that all Capitec employees are expected to uphold
- implementing a 5-goal limit for each employee to ensure sufficient time to focus on what is most important to deliver
- continuous performance conversations increasing our cadence from 2 to 3 per year
- incorporating our leadership principles as a standard 40% of the goal-setting process to drive the balance on 'what' we deliver and 'how' we deliver
- strengthening our calibration process to clearly differentiate our exceptional performers, replacing a forced distribution model.

We have continued to enhance this approach through strong adoption, ensuring consistency, fairness and trust in the process. In 2026, a senior leader goal framework was introduced with the aim of aligning the expectations of our senior leaders and promoting cross-functional collaboration. Our approach to performance is one of the drivers that has enabled the Group's growth.



Succession

Our succession strategy is proving its resilience and delivering tangible value, most visibly through our recent Executive transitions. The internal appointments of Graham Lee as CEO and Basani Maluleke as Executive: Personal Banking validate the maturity of our 'build-from-within' philosophy.

Seamless transitions demonstrate that Capitec's Executive bench is not only stable but is capable of driving the business forward without disruption. Our confidence is underpinned by a data-driven approach to risk mitigation. By combining structured talent reviews with Executive validation, our 2026 process assessed 148 critical roles across the organisation, securing a coverage ratio of over 2:1 with 324 confirmed succession nominations. This depth ensures that we are robustly covered across the pivotal strategic and technical portfolios, safeguarding the Group against key-person dependency and maintaining operational continuity.

Crucially, the succession pipeline acts as a catalyst for transformation at our most senior levels. Our succession pools for F band (top management) and E band (senior management) now reflect significant diversity, with over 170 black and 140 female nominations combined across these tiers.

Looking ahead, we are proactively addressing the complexities of the senior management talent market. While our pipeline is strong, we remain focused on closing readiness gaps to ensure the ability to deploy immediately. We have launched targeted initiatives to support this, including proactive market mapping for best-in-class external talent and a dedicated acceleration programme for our 'top 50' high-potential employees at middle management. This dual approach ensures that we are not just identifying successors but actively preparing them to lead.

Building diverse talent pipelines

Capitec's early careers strategy plays a critical role in sustaining our long-term talent pipeline while contributing meaningfully to youth employment in South Africa. Designed to build future-critical and scarce skills, the strategy enables young people to transition successfully from campus to career, ensuring that we develop talent that is aligned to the evolving needs of our business.

In 2026, we launched our first fully integrated, youth-focused attraction campaign – a digital-first, insight-led approach that strengthened Capitec's positioning as an employer of choice among emerging talent. This campaign marked a strategic shift in how we engage young people entering the job market by deepening our reach across channels and reinforcing our commitment to inclusive growth and sustainable talent development. The campaign delivered strong traction amassing over 20 million views across social media platforms, namely TikTok and LinkedIn.

This increased visibility increased access to opportunities for young job seekers while amplifying Capitec's purpose-driven value proposition, contributing to national youth employability and economic participation priorities.

We continued to strengthen structured, diverse and future-fit talent pipelines. Our early careers programmes, including work-integrated learning and our new internships, support the transition from education into employment and build depth in the high-demand technical areas that underpin our future growth.

We introduced our first Internship Programme, placing 16 interns (75% black; 67% female) into priority business areas such as Data, VAS, Risk Management, Client Experience delivery and Marketing and Communication. To support successful workplace integration, we launched a 6-month power skills programme, equipping interns with essential professional skills to accelerate their readiness for permanent roles.

Together, these initiatives demonstrate our commitment to developing the next generation of leaders and specialists and building a future-ready workforce capable of sustaining our growth, strengthening our competitive advantage and contributing meaningfully to South Africa's youth employment agenda.

Capability

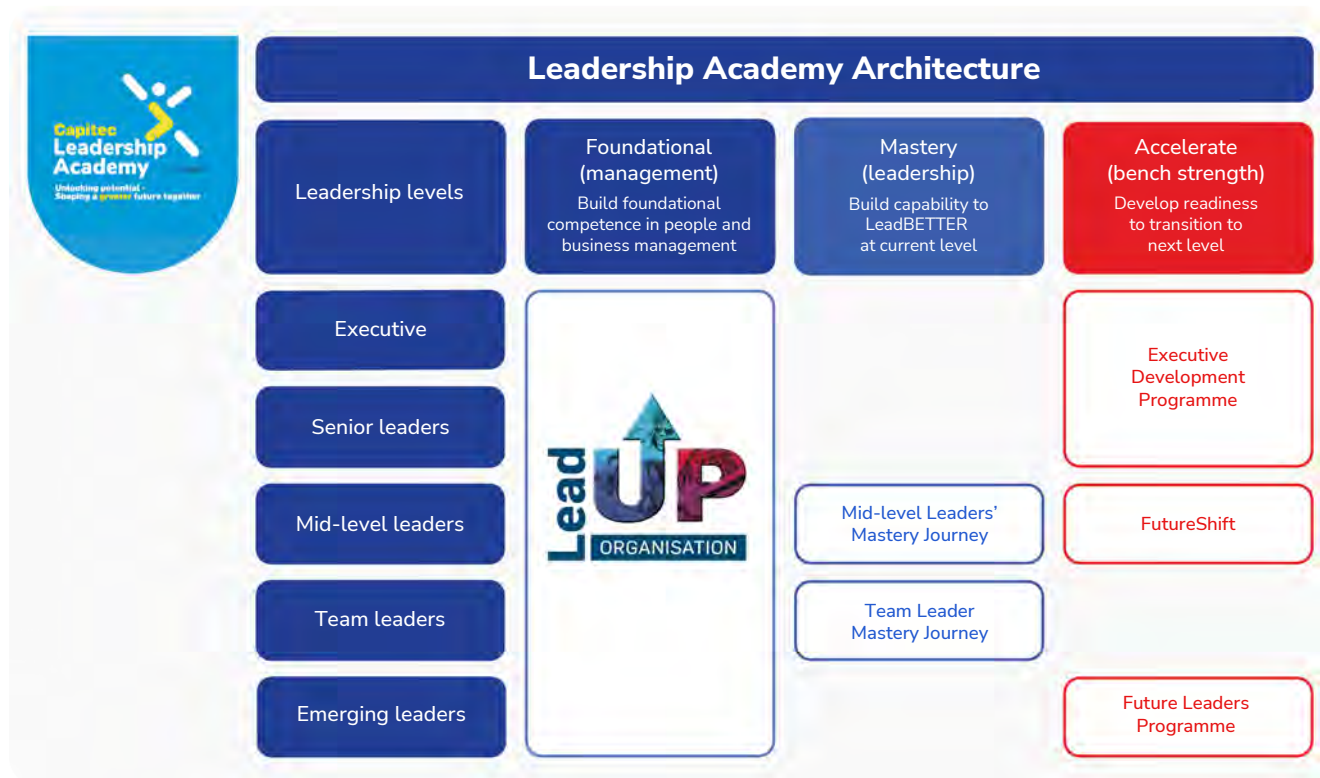
Igniting opportunities for personal growth – Capitec Leadership Academy

As we continue to scale our operations in an increasingly digital and regulated environment, the importance of leadership is amplified. Our organisation relies heavily on leaders who can consistently execute business strategies, guide and motivate their teams effectively, and make sound decisions amid complexity. These attributes are essential for maintaining operational excellence and ensuring Capitec remains agile and resilient in the face of ongoing change.

The Leadership Academy plays a pivotal role in cultivating leadership capabilities across all levels of the organisation. The Leadership Academy's approach centres on 3 key pillars: foundational management, leadership mastery and leadership acceleration. This structured development ensures that leaders – from those just entering management roles to those progressing toward senior leadership – receive tailored support and guidance as they advance.

At the heart of the Leadership Academy's development architecture is LeadBETTER, Capitec's enterprise-wide leadership framework. LeadBETTER defines the attributes and behaviours that characterise effective leadership at Capitec, fostering consistency in leadership standards across all levels, functions and geographies.

Below is an overview of our Capitec Leadership Academy and what has been delivered in 2026.



Foundational programmes

LeadUP is Capitec's Foundational Leadership Development Programme, designed to support new leaders as they transition into people leadership roles.

The programme establishes a common understanding of leadership expectations at Capitec, with a focus on leading self with accountability, leading others with care and clarity, and leading work through disciplined execution. It provides a consistent leadership foundation across the organisation, supporting leadership readiness.

LeadUP is delivered through area-specific pathways (LeadUP Org, LeadUP BSC and LeadUP Ops) to ensure relevance across different operating environments, while maintaining consistent leadership standards and behaviours. During 2026, LeadUP had 844 participants (2025: 1 688).

Leadership Mastery

Leadership Mastery Programmes strengthen the effectiveness of current leaders by reinforcing consistent people leadership, performance management and the application of LeadBETTER behaviours in day-to-day leadership. The Mastery programmes are designed to stretch leaders within their current level.

The Team Leader Mastery Programme continued to play a pivotal role in strengthening Capitec's client-facing leadership capabilities. This structured, 5-month learning journey is specifically designed to enhance the effectiveness of our team leaders who are crucial in delivering quality client experiences and driving operational excellence.





In 2025, 85 team leaders successfully completed the programme. Building on that momentum, this year saw a significant increase in participation, with 150 team leaders – 77% of whom are black and 55% female – completing the mastery journey.

This year, we introduced the Middle Management Mastery Programme (MMMP), specifically designed for middle managers. The purpose of this initiative is to positively influence the daily experiences of our people at Capitec. The MMMP is structured around 3 integrated pillars: personal mastery, people leadership and mastery and operational excellence. By focusing on these areas, the programme aims to develop leadership that is practical, people-first and commercially oriented.

The MMMP was piloted with a group of 116 mid-level leaders, of whom 60% were black and 50% were female. The programme is already showing measurable impact, as participants are demonstrating improved performance and greater confidence in their ability to lead others.

Leadership acceleration

Our growth ambitions require a leadership pipeline that is deep, diverse, and capable of operating confidently in a rapidly changing environment. To enable this, we have built a suite of leadership acceleration programmes that prepare leaders for roles of increasing scale and complexity.

The purpose of these programmes is to ensure that Capitec has:

- strong and ready successors for all critical roles
- faster time-to-competence for new and transitioning leaders
- a diversified and future-fit leadership bench capable of driving delivery of our strategy
- leaders with a global, enterprising mindset who can make bold decisions amid complexity.

Our graduate development initiative, the Future Leaders' Programme, delivered particularly good outcomes in 2026, accelerating 30 graduates (100% black; 73% female) into key roles across the organisation. The 2024 cohort successfully completed their 2-year journey and 15 graduates (100% black; 80% female) were placed into critical areas including Risk Management, Marketing and Communication, Automation, Insurance and Payments, thereby strengthening leadership capacity in areas central to Capitec's strategy for the future.

Launched in 2025, the FutureShift Programme was created to accelerate the readiness of high-potential mid-level leaders for senior leadership roles. In its inaugural year, 24 delegates were enrolled in the programme. This year, a second cohort was introduced, comprising 26 leaders (70% black; 50% female). Over the past 2 years, this initiative has prepared a total of 50 mid-level leaders for succession into senior leadership positions.

The programme's impact is demonstrated by the advancement of 5 participants who have since been promoted to senior roles. This achievement reinforces FutureShift's role in supporting ongoing succession planning.

The Executive Development Programme was developed in 2023 and has had 2 cohorts. To date, 27 senior leaders (59% black; 26% female) have completed the programme. Notably, 7 Executive Development Programme delegates were promoted to Executive-level positions, reflecting the tangible impact of the initiative. A third intake is planned in line with our succession and bench strength targets.

Building organisational capability through our skills academies

The increasing complexity of the banking environment – driven by digitalisation, AI, heightened client expectations and evolving regulatory demands – requires that our people possess deep functional expertise and cross-functional agility. As these external pressures intensify, it is essential that employees are equipped to master their specific roles, but also to adapt swiftly to new challenges and opportunities.

To address these needs, our skills academies serve as the central engine for capability building within the organisation. Through structured, role-based development, these academies support improved performance while also creating clear pathways for individual growth and mobility across the business.

The Operations, BSC, Business Banking Academies and iAcademy play a critical role in enabling Capitec's future growth. Each academy is dedicated to building the role-specific capabilities required for operational excellence and enhanced client experience. The learning pathways they offer are informed by both current and anticipated skills requirements, ensuring that our workforce remains relevant and that our organisational capabilities are sustainable into the future.

People and culture continued

Operations Academy

The Operations Academy focuses on strengthening frontline capability through structured development in product knowledge, service excellence, selling skills, fraud and AI awareness. Added to this, team learning sessions are also conducted across all our branches to give our people dedicated time to learn together about important business topics – products, emerging trends, processes, scenarios and performance challenges. These learning sessions are facilitated by leaders, experienced employees and subject matters experts, creating collective ownership of learning, faster time-to-competence for new and transitioning employees and improved consistency of execution.

- To date, 888 Bank Better Champions and 1 054 new Service Consultants have been enrolled in the Operations Academy
- Additionally, 36 team learning sessions aimed at all Operations employees have been completed
- Safety, security and first aid training was rolled out to 9 416 employees across Operations. This training reinforces preparedness, sound judgement and accountability, embedding safety and security as a shared responsibility within all Operations teams.

BSC Academy

The BSC Academy strengthens functional expertise across support centre teams by building product, sales, systems and operational capability, with particular focus on areas such as Salesforce, engineering and fraud. A key area of emphasis during the year was the redesign of divisional onboarding to accelerate competence and improve service outcomes.

The academy has enabled faster stabilisation of the performance of new agents, improved consistency of client interactions and increased workforce flexibility through multiskilling.

- To date, 266 new agents have been trained with a 100% pass rate and an average assessment result at 98%
- Additionally, 210 chat agents received product, process and system refresher training, while 561 client care employees completed helpdesk upskilling to broaden their skill set.

Business Banking Academy

The Business Banking Academy is a strategic capability-building initiative designed to develop trusted, confident and future-fit Business Bankers. The academy develops the specialised technical, credit and commercial capabilities required to support Business Banking.

The academy represents a deliberate shift from *ad hoc* training towards structured, role-based learning journeys aligned to role expectations, business priorities and performance outcomes. Learning is intentionally designed to support competence in role, consistency of execution and

learning in the flow of work, ensuring that capability development translates into improved client outcomes.

The academy plays a central role in strengthening role mastery, supporting onboarding and progression, and building a sustainable pipeline of capable Business Banking professionals aligned to Capitec's values and long-term growth ambitions.

A total of 169 learners enrolled in the academy, with a 67% overall completion rate of learning modules. This year, we launched the acquisition banker journey aimed at creating a career path from Service Consultant to acquisition banker. To date, 50 (56% black; 30% female) employees have participated in the programme, demonstrating not only our commitment to hiring from within but also our commitment to equipping our people with the skills to thrive.

iAcademy

The iAcademy, established in 2023, serves as Capitec's central technology and data capability hub, playing a pivotal role in addressing critical skills gaps and enabling sustained workforce readiness. Through a blended learning model anchored in formal, social and experiential learning, the iAcademy equips employees with the skills required to thrive in a rapidly evolving digital and financial services environment.

Tailored learning pathways have been developed across leading global platforms, including Udey Business, Pluralsight, AWS Skill Builder and Salesforce, ensuring structured yet flexible development aligned to Capitec's priority capabilities. These pathways support continuous upskilling across multiple personas – technology specialists, technology leaders and non-technical employees transitioning into digital roles – thereby strengthening Capitec's build-from-within talent strategy.

Digital learning – impact and engagement

During 2026, Capitec expanded its digital learning ecosystem with the launch of AWS Skill Builder, Amazon Web Services' official cloud learning platform. This initiative enabled 568 employees to actively engage in cloud-focused learning and certification preparation, strengthening foundational and advanced cloud capability across the organisation.

Engagement across existing platforms showed strong year-on-year growth:

- Udey Business recorded 42 967 hours of learning completed (2025: 29 887 hours), with 3 417 courses completed (2025: 2 362 courses), reflecting increased participation and sustained learning momentum
- Pluralsight, Capitec's cloud-focused learning platform, recorded 2 071 hours of learning consumption (2025: 3 357 hours), supporting deeper technical specialisation and cloud proficiency.



These outcomes demonstrate increased adoption of learning platforms and the growing relevance of curated, role-aligned learning pathways.

Social and experiential learning through Centres of Mastery

Complementing formal digital learning, Capitec's Centres of Mastery embed learning directly into the flow of work, enabling peer-led capability development, shared standards and thought leadership across priority domains such as engineering, data, payments, delivery enablement and client experience.

Foundational technical masterclasses, open to all Capitec employees, provide practical skills development in areas including SQL, Java, Business Banking and Retail BaNCS systems, and Foundational JavaScript, supporting cross-functional capability uplift and internal mobility.

To strengthen connection, collaboration and shared learning, 20 'Stoep Coffees' were hosted during the year. Held every Wednesday for the engineering and client experience Centres of Mastery, these sessions created accessible forums for dialogue around in-flight programmes, emerging technologies and innovation – reinforcing psychological safety, community cohesion and peer learning across teams.

Innovation-led learning: Dragons' Den (Seasons 2 and 3)

As part of Capitec's commitment to experiential and innovation-driven learning, 2 Dragons' Den initiatives (Season 2 and Season 3) were delivered during the year in collaboration with the Centres of Mastery.

Dragons' Den is a structured innovation and learning platform that brings together cross-functional teams to ideate, prototype and pitch solutions to real business challenges. The initiative combines problem-solving, collaboration and Executive exposure, reinforcing Capitec's client-centric and ownership-driven culture.

Across Seasons 2 and 3:

- 93 ideas were submitted across multiple design challenges
- 16 teams progressed to the finals week following shortlisting rounds
- 67 employees participated in intensive prototyping and solution development during the finals week
- R120 000 in prize money was awarded across the 2 seasons
- selected ideas were presented to EXCO and, where feasible, transitioned into delivery pipelines
- participation included employees from both technology and the broader organisation, including representation from the branch network.

Beyond innovation outcomes, Dragons' Den functioned as a powerful social learning accelerator, developing critical skills such as design thinking, collaboration, storytelling and Executive communication, while reinforcing the role of Centres of Mastery as enablers of applied learning and thought leadership.



Creating long-term value

Through the iAcademy and the Centres of Mastery, Capitec continues to build human, intellectual and social capital by:

- accelerating skills readiness aligned to strategic growth priorities
- strengthening internal talent pipelines and leadership depth
- embedding a culture of continuous learning, ownership and collaboration
- extending impact beyond the organisation through targeted community initiatives.

Together, these initiatives ensure that Capitec is not only building technical capability but also creating long-term value for employees, clients and society.

Other learning and development

At Capitec, learning is a catalyst for both individual growth and organisational capability. Digital learning and continuous development are at the heart of our approach, ensuring that our people remain future-fit in an increasingly complex, technology-driven world. By offering a blend of in-person and virtual learning experiences, we enable our employees to grow, adapt and build the skills they need to thrive today while preparing for the Capitec of tomorrow. Our focus is simple: equip every person with the capability to deliver exceptional client experiences, innovate boldly and contribute meaningfully to our long-term success. These learning interventions are available to all Capitec employees (including contractors, temporary and part-time employees).

Below is an overview of the number of learning interventions that our employees attended both in person and virtually.

Learning focus	Female		Male		Total
	Black ⁽¹⁾	White	Black ⁽¹⁾	White	
Compliance ⁽²⁾	242 015	11 307	125 434	17 991	396 747
Functional and technical	115 074	3 416	53 590	4 149	176 229
Management and leadership	15 324	938	6 743	1 054	24 059
Onboarding	59 269	842	26 065	1 011	87 187
Competency-based	4 672	207	1 704	87	6 670
Other ⁽³⁾	2 620	33	1 190	32	3 875
Total	438 974	16 743	214 726	24 324	694 767

⁽¹⁾ Black = African, Indian and Coloured as per South Africa's Employment Equity Act, Act 55 of 1998.

⁽²⁾ Includes ethics training, whistle-blowing, gifts and invitations, anti-money laundering (AML) and the Financial Intelligence Centre Act, Act 38 of 2001.

⁽³⁾ Includes role-based learning and self-initiated learning for development purposes.

Learnerships and bursaries

Learnerships, occupational qualifications and bursaries are a critical pillar of Capitec's talent strategy and pipeline development. These initiatives are intentionally designed to combine formal, recognised qualifications with practical, role-based experience – ensuring our people build credible, industry-aligned skills while contributing meaningfully to the business.

Learnerships

Our learnership strategy not only focuses on reducing youth unemployment but also enhances Capitec's pool of talent for critical operational, technical and client-facing roles. Capitec's learnership programmes are designed to provide young people with a strong foundation for professional development. Participants gain accredited qualifications and work-based learning that allows individuals to apply theoretical knowledge in real-world settings. Through these initiatives, learners develop essential skills that support their long-term career success.

Our learnership strategy enables us to:

- build early-career and operational pipelines at scale
- accelerate time-to-competence in priority roles
- support transformation and inclusive growth
- strengthen succession depth in frontline and specialist environments.

In 2025, we established a strong talent pipeline for 600 permanent Service Consultant roles, comprising 99.8% black and 72% female Bank Better Champion learners. This initiative achieved an 87% permanent placement rate in 2026, representing a meaningful milestone in advancing inclusion and transformation. To further strengthen capability across our branch network, an additional 404 Bank Better Champion learners were onboarded between September 2025 and February 2026.

The Bank Better Champion learnership responds directly to South Africa's youth unemployment challenge by creating access to education and meaningful work for unemployed matriculants across the country. Delivered nationally across all provinces within our branch footprint, the programme provides learners with a market-related stipend and benefits, including Group life cover, funeral benefits and access to Health4Me medical insurance. This initiative ensures financial stability and dignity, enabling learners to focus on skills development, workplace readiness and personal growth while building sustainable career pathways within the formal economy.

During 2026, the Banking Acumen Leadership Programmes for talent pipeline development – mainly within Operations, branches and BSC – recorded the following completion rates:

- 80% for Generic Management NQF5
- 87% for Agile Banker NQF5
- 94% for Banking and Financial Services NQF4.



These initiatives provide participants with both initial and additional post-matric qualifications, while also supporting future Financial Advisory and Intermediary Services Act, Act 37 of 2002, regulatory compliance regarding fit and proper credentials.

We launched Capitec's first unemployed client care agent talent pipeline learnership, offering opportunities to 40 unemployed youth from previously disadvantaged backgrounds and establishing a 100% black talent pipeline for future client care agent roles. The programme includes a contact centre bootcamp focused on job readiness, alongside an NQF level 4 qualification in Banking and Financial Services to build essential business skills. This unemployed learnership is distinguished by market-leading stipends, health benefits and performance awards that significantly exceed industry norms, reinforcing our commitment to offering high-quality, dignified learning experiences that materially improve employability outcomes.

The table below reflects the number of new enrolments for learnerships in 2026.

Learnership programme	Female		Male		Total
	Black ⁽¹⁾	White	Black ⁽¹⁾	White	
Agile Banking Professional Programme (NQF level 4)	128	2	47	2	179
Business Analyst – iAcademy (NQF level 6)	21	1	22	5	49
Core Banking and Financial Services (NQF level 4)	158	4	61	1	224
Generic Management in Banking Programme (NQF level 5)	67	3	30	5	105
Insurance Claims Assessor (NQF level 4)	40	—	16	—	56
System Engineer – iAcademy (NQF level 6)	1	—	4	2	7
System Support – iAcademy (NQF level 5)	1	—	2	—	3
Unemployed: Bank Better Champion Core Banking and Financial Services (NQF level 4)	205	1	198	—	404
Unemployed: Contact Centre and Financial Services (NQF level 4)	31	—	9	—	40
Total	652	11	389	15	1 067

⁽¹⁾ Black = African, Indian and Coloured as per South Africa's Employment Equity Act, Act 55 of 1998.

Bursaries

Our internal bursary programmes support the development of scarce and future-focused skills while enabling meaningful career mobility for our people. Bursaries are prioritised for qualifications that:

- strengthen succession pipelines
- enable progression into higher-skilled and leadership roles
- build capability in technical, governance and professional disciplines critical to Capitec's future.

Key highlights include:

- Since 2017, 540 internal employee bursaries have been awarded to support professional talent development. In 2026 alone, 220 bursaries will be allocated, with 90% going to black applicants and 56% to females. 56% of these are for degrees, certifications and postgraduate studies
- 56% of these bursaries were awarded to employees to obtain first-time degrees
- Our bursary investment rate increased by 42% from 2025 to 2026 showcasing our commitment to supporting lifelong learning
- 105 employees participated in the United Nations Global Goals bursaries through local and international institutions (Florida Memorial University, California Institute of Financial Sciences and Graduate Institute of Financial Sciences). Participation in UN Global Goals gives our people access to diplomas, certifications and degrees in critical areas.







Our external bursaries continued to strengthen future skills pipelines, with 13 bursaries awarded in the field of study in Economics, Statistics, Software Engineering, Actuarial Science, Industrial Engineering, LLB and Data Science (100% black; 54% female). A significant step change is visible in graduate conversion: 9 bursary recipients (94% black; 62% female) will join Capitec in key roles including Credit Intelligence Analyst (Credit), Software Engineer (app) and Compliance Specialist (Risk) – up from just 2 in 2025. Four bursaries have been extended to include Honours qualifications in Model Validation Risk, Decision Science and Credit Management.

Partnership with institutions such as North-West University, the University of the Western Cape and the Cape Peninsula University of Technology enabled the onboarding of 11 technical graduates, bolstering talent in areas including Data Science and Engineering.

Culture

Protecting our DNA

At Capitec, we recognise that culture is our competitive advantage. It is the operating system that ensures that our organisation remains intact as we grow. With this in mind, we acted decisively to protect and elevate our DNA, ensuring that culture remained a stabilising force that reduces execution risk, strengthens internal cohesion and equips leaders to steer Capitec into its next phase of growth.

Firm Foundations: Onboarding reset

A critical enabler of this cultural continuity has been the redesign of our onboarding experience, ensuring that every new employee, regardless of level and origin, enters Capitec with clarity, confidence and a deep understanding of our values and expectations. This year, we revamped our onboarding experience to a streamlined, integrated journey that starts at contract signing, providing clarity and confidence before day 1. The new 90-day onboarding journey features 4 milestones: Pre-onboarding (contract to day 0), perfect day 1, Firm Foundations (week 2) and divisional onboarding.

Each step ensures employees are informed, aligned and prepared with measurable outcomes in engagement, readiness and performance.

- Pre-onboarding delivers early communications and access to our portal, reducing friction and accelerating payroll and technology setup
- Perfect day 1 standardises the welcome experience, embedding Capitec's values and expectations

- Firm Foundations offers immersive, AI-enabled learning for cultural and behavioural alignment
- Divisional onboarding provides a clear roadmap for role mastery, compliance and leader check-ins, ensuring speed to productivity.

Outcomes include improved culture alignment, operational readiness, early productivity and retention. The leaders of new joiners report greater consistency and less time spent on remedial onboarding. Since the launch in August 2025, 884 employees have been enrolled in Firm Foundations with a 96% employee satisfaction score.

Building an inclusive and equitable Capitec

Our employment equity approach continues to mature, supported by robust data, strengthened governance and deliberate leadership accountability. While representation outcomes vary by level, targeted actions have delivered clear momentum at middle management, with continued progress underway at senior management. This disciplined, evidence-led approach ensures sustainable and credible transformation aligned to both business strategy and regulatory expectations.

This year, we focused on driving transformation through the following inclusive culture interventions:

- In line with our ambition to become a disability confident organisation, we focused on developing a disability policy and related guidelines. Concurrently, representation of people with disabilities grew by 26 people from 93 to 119 at the end of 2026. The unemployed youth living with disabilities learnership provided learnership opportunities to 30 learners in 2026 with 25 (83%) (100% black; 72% female) being absorbed into our contact centre environment. This initiative is central to our diversity inclusion strategy
- We have made year-on-year improvements in racial equity and gender balance, as racial and gender representation at top management grew by 11% in black and female representation, middle management achieved a 3% increase in black representation and a 1% increase was achieved in black and female representation at junior management
- Our aggregate workplace profile as at 31 August 2025, in line with our Capitec Bank Employment Equity Report submission, can be seen on the following page.

People and culture continued

Occupational level	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	—	—	1	5	1	—	1	—	1	—	9
Senior management	7	7	7	54	10	1	6	20	2	2	116
Middle management	281	238	139	564	228	131	82	229	25	9	1 926
Junior management	907	537	123	297	1 610	643	105	265	11	9	4 507
Semi-skilled and discretionary decision-making	2 299	488	67	68	5 862	942	112	91	3	4	9 936
Unskilled and defined decision-making	—	—	—	—	—	—	—	—	—	—	—
Total permanent	3 494	1 270	337	988	7 711	1 717	306	605	42	24	16 494
Temporary employees	—	—	—	—	—	—	—	—	—	—	—
Total	3 494	1 270	337	988	7 711	1 717	306	605	42	24	16 494

- Employee resource groups (ERGs) are employee-led communities that foster inclusion, belonging and shared accountability by creating structured spaces for connection, learning and advocacy. At Capitec, ERGs play an important role in strengthening leadership capability, amplifying diverse voices and enabling inclusive behaviours that translate into stronger teams and better decision-making. During the year, the impact of our ERGs, including Women@Capitec and ReThink DisAbility, was strengthened through active participation in targeted webinars, masterclasses, networking initiatives and mentorship opportunities. These engagements focused on building personal resilience, leadership confidence and allyship across the organisation. Key topics included navigating the corporate landscape, balancing career demands while supporting a child with specific needs, building psychological safety, advancing disability awareness and igniting allyship.

Driving inclusion and societal impact: Women in STEM (science, technology, engineering and mathematics)

Capitec's commitment to inclusive growth and long-term societal impact is exemplified through its Women in STEM initiative, which was recognised with the Salesforce 2025 Community Impact Award. The award acknowledges Capitec's proactive leadership in addressing South Africa's critical shortage of STEM skills and its contribution to building a more inclusive future workforce.

In partnership with Salesforce and Amazon Web Services, Capitec launched the Women in STEM initiative to empower and inspire grade 11 girl learners, with a target to reach 400 learners during Women's Month. The programme provided:

- exposure to STEM careers and role models
- opportunities for networking with industry professionals
- a strong emphasis on the principle of 'lift as you rise', reinforcing collective advancement and mentorship.

This initiative directly responds to structural challenges facing South Africa, including unemployment of 62.2% among individuals aged 15 to 24 and the persistent mismatch between education outcomes and labour market needs. By investing beyond immediate commercial returns, Capitec contributes to the long-term social and economic resilience of the communities it serves.

Capitec's commitment to making Women in STEM an annual programme, alongside strengthening cross-industry partnerships, reflects sustained leadership in advancing inclusion, broadening access to opportunity and shaping positive future trajectories for young women in South Africa.

Employee relations: Enabling fairness, voice and positive workplace outcomes

Employee relations at Capitec plays a critical role in enabling a fair, respectful and trusted workplace. Through clear governance, accessible processes and a strong emphasis on employee voice, we create an environment where concerns are raised early, addressed consistently and resolved constructively.

During the reporting period, we strengthened our employee relations governance by enhancing formal mechanisms through which employees can raise and resolve concerns. The structured grievance process provides a clear, consistent and trusted framework for addressing workplace issues. This reinforces fairness and transparency, supports psychologically safe environments and enables the early identification and resolution of concerns before they escalate. Increased utilisation of these formal channels reflects a maturing organisational culture, where employees feel confident to speak up and leaders are supported to respond responsibly and objectively.

We amended our harassment policy and reporting avenues to strengthen a safe and respectful workforce. These enhancements were underpinned by a continued commitment to safety, dignity and trust, supported by targeted internal awareness initiatives. Expectations were clarified, reporting pathways simplified and accessibility improved, increasing confidence in formal mechanisms.



Improved visibility and understanding of these processes resulted in more timely reporting and resolution of harassment-related concerns, reflecting greater awareness and trust in our systems.

Collectively, these measures reinforce Capitec's commitment to fair labour practices, responsible leadership and a workplace culture grounded in respect, accountability and employee well-being.

Capitec respects employees' freedom of association and maintains a constructive, open relationship with the Finance Union SASBO. During the year, senior leadership of Capitec met with SASBO leadership, reinforcing a shared commitment to transparent dialogue, mutual respect and positive labour relations. This engagement established a foundation for ongoing collaboration and trust-based engagement at both leadership and operational levels.

Union representation within the bargaining unit remained reflective of employee choice, with 56% membership (2025: 49%). This level of representation aligns with normal workforce dynamics and awareness of employee rights, and does not signal changes to recognition or bargaining arrangements.

To enable effective representation, Capitec continues to provide support to shop stewards, including unlimited time off for shop steward duties, up to 8 days' leave for meetings, 5 days' leave for training and 6 days' leave for negotiations. These provisions contribute to orderly collective engagement and a stable workplace environment.

Championing wellness: Cultivating a culture where everyone thrives

The well-being of our people – particularly our frontline employees – has become a strategic pillar for our organisation. This year, we launched our Branch Wellness Screening Programme which provided clear, data-driven insights into the intensity and demands of client-facing roles. After piloting the programme across 77 Western Cape branches and achieving 80% participation, we scaled nationally to 800 branches with 7 629 employees screened. The data underscored the importance of holistic care and in response, we provided dietitian coaching, counselling access, trauma and anxiety toolkits, and financial coaching. Targeted communication further resulted in a 30% uptake of Momentum Health4Me among previously uninsured employees, ensuring over 95% of our branch teams now have medical insurance coverage.

Building on the strong response to our initial wellness interventions, we are now scaling targeted, location-based wellness initiatives in Century City, Western Cape and Johannesburg, Gauteng. This focused approach is intentionally designed to support close to 2 000 frontline service delivery employees operating in high-intensity, client-facing environments where resilience, reliability and sustained performance are critical to the client experience.

Delivered in partnership with BioFit, Discovery Health Company, Momentum and Dis-Chem, these initiatives go beyond general well-being programmes. They are targeted solutions aimed at reducing absenteeism, strengthening service reliability and proactively mitigating people-related operational risk, while materially enhancing our employee value proposition. Through this approach, we continue to advance our goal of reaching more than 70% of employees with targeted wellness solutions that directly support performance, retention and consistent client service.

Ensuring the safety and well-being of our people extends beyond the workplace and reflects our broader responsibility as a trusted employer and corporate citizen. In this context, the launch of the Gender Rights in Tech (GRIT) gender-based violence support platform, a critical intervention for employees who may be vulnerable to harm both at work and at home.

Since its launch in December 2025, the platform has attracted 322 subscribers, predominantly women between the ages of 25 and 44, signalling both relevance and trust in the support being offered. This level of engagement confirms that accessible, confidential well-being solutions meet a real and pressing need within our workforce.

Through GRIT, Capitec has strengthened its ability to act swiftly, compassionately and responsibly in moments of crisis. This initiative reinforces our commitment to protecting our people, supporting resilience in high-pressure environments and contributing positively to the broader societal response to gender-based violence.

Collectively, these interventions reinforce Capitec's culture as a source of stability, differentiation and performance, ensuring that as we scale, we do so without compromising the values and behaviours that have underpinned our success to date.

Elevate employee experience Employee benefits

We have evolved our total rewards approach toward a fully integrated employee benefits ecosystem. This ecosystem positions employee benefits not as stand-alone offerings, but as an interconnected network designed to support the physical, financial, career and overall well-being of employees at every life and career stage.

The ecosystem is anchored in the principle that benefits should adapt to employees' needs – whether they relate to health, family responsibilities, financial resilience, learning or long-term life planning. This approach strengthens inclusion, enhances value for employees across all levels and ensures that Capitec maintains a competitive and future-fit benefits framework.

People and culture continued

During 2026, we revised our risk benefit structure to include critical illness cover and permanent health insurance (both benefits commencing at the start of 2027). The revised structure strengthens the overall framework by balancing death, disability and illness benefits to ensure sustained and long-term support.

Elevating the people experience through technology, data and automation

Building on the progress of prior years, we have continued to make strategic investments in our people technology and data capabilities to modernise our people operating model and further elevate the employee experience across our organisation.

An integrated and trusted people experience

A key component to our employee experience strategy has been the strengthening of our core Human Resources (HR) platforms and applications. Through this investment, we have enabled end-to-end people life cycle transactions within a single, connected ecosystem built on SAP SuccessFactors. This platform now serves as the foundation of our people operations, enabling greater standardisation and reliability across the organisation, with the ability to scale in the future.

We are one of the largest users of the SAP ERP system in South Africa and among a small number of local employers to have successfully implemented both SAP Payroll and Onboarding. This positions us strongly in terms of operational resilience, data integrity and our ability to deliver consistent employee experiences from hiring through to offboarding.

Simplified and responsive people support

Alongside our technology, our focus has been on simplifying and automating key people's processes across the full employee life cycle with the implementation of AI. Critical opportunities for automation were identified and implemented to elevate the employee experience while promoting more efficient ways of working within HR. These initiatives have improved process consistency and turnaround times and enabled our HR teams to focus on strategic, value-adding activities that support business performance and organisational growth. By replacing manual activities with automated workflows, we have enabled the business to initiate changes more efficiently, demonstrating the tangible impact of our efforts to streamline and modernise our people processes.

During the year, we also prioritised improving how we support the people of Capitec in resolving their HR-related queries. By analysing the drivers of the high-volume and repeatable queries and implementing targeted interventions, like education campaigns on matters like overtime and leave, we reduced monthly queries from 9 000 to 2 000 with a 24-hour turnaround time.

This represents a significant improvement in responsiveness and operational efficiency, reflecting the increasing maturity of our people's service delivery model while reinforcing a more people-centric employee experience.

Data-driven insight and decision enablement

A significant milestone in our transformation journey has been the migration of all people data into a single, secure cloud platform. This has created a trusted source of truth for employee information, providing real-time visibility into workforce trends, team health and operational performance as well as equipping leaders with timely, reliable insights to support informed decision-making.

In parallel, we have strengthened data quality, transparency and trust through a deliberate focus on people data governance and protection. Clear ownership, defined accountability and targeted learning interventions have reinforced responsible data stewardship and ensured ongoing compliance with the Protection of Personal Information Act, Act 4 of 2013 (POPIA), safeguarding employee information while enabling confident, data-driven decision-making at scale.

Building on this foundation, we have implemented intuitive dashboards and automated reporting, significantly reducing manual data extraction, reconciliation and duplication. This has improved transparency, reliability and operational efficiency, allowing leaders to access insights more quickly and make faster, better-informed decisions.

To ensure long-term sustainability and scalability, we have established robust data structures and controls that enhance governance and quality today, while laying the groundwork for future-ready, AI-enabled insights that support strategic workforce planning and organisational decision-making.

Recognising that technology alone is not sufficient, we have also invested in strengthening data capabilities within our People division by establishing a dedicated HR Technology and Data team. This ensures we have the expertise to translate data into actionable insights and convert those insights into measurable improvements in the employee experience.



Conclusion

Capacity

During 2026, Capitec continued to strengthen its organisational capacity in support of sustained growth and disciplined execution. A more targeted and data-led hiring approach improved talent quality, reduced time-to-hire and reinforced inclusive outcomes across priority roles. Strong internal mobility and declining voluntary attrition reflect a stable, engaged workforce and effective succession planning. These outcomes position the Group with the right depth and resilience to execute its strategy and support future growth.

Capability

Focused investment in leadership development, skills academies, early-career pipelines and bursaries strengthened Capitec's long-term capability base. Leadership programmes deepened bench strength and readiness across critical roles, while structured skills development accelerated time-to-competence in operational, technology and specialist roles. Learnerships and bursaries continued to support transformation and build scarce skills aligned to the Group's strategic priorities. Collectively, these initiatives enhance operational effectiveness, succession sustainability and the Group's ability to compete in a rapidly evolving banking environment.

Culture

Capitec's culture remained a core differentiator and a key enabler of consistent performance. Intentional efforts to protect and evolve the Group's founder-led DNA strengthened alignment, accountability and psychological safety as the organisation scaled. Progress in employment equity, disability inclusion and employee engagement reflects a disciplined, governance-led approach to transformation. These actions mitigate execution risk, reinforce leadership effectiveness and ensure culture continues to support long-term value creation.

Elevating employee experience

2026 marked continued progress in delivering a simpler, more connected employee experience. We revised our risk benefit structure to include critical illness cover and permanent health insurance strengthening support to our people in times of crisis. Investments in people technology, automation and analytics improved operational efficiency, responsiveness and decision-making across the employee life cycle. A targeted well-being strategy enhanced resilience and engagement, particularly within frontline environments critical to client experience and service reliability. Together, these initiatives strengthen Capitec's employee value proposition, support retention of key talent and underpin sustainable performance.

Looking at the year ahead

Building on the progress achieved across capacity, capability, culture and the elevation of the employee experience in 2026, Capitec now enters the next phase of its people journey with a clear, future-focused agenda. Our 3-year people strategy is anchored in the GROW framework:

- **Grow** 10x leadership bench strength
- **Reskill** for a future-ready workforce
- **Own** our culture
- **Wow** people experiences.

This ensures that the foundations strengthened this year are translated into sustained leadership depth, workforce resilience, cultural continuity and scalable people experiences that support long-term value creation.



Protecting our planet

Capitec shows its dedication to environmental protection by taking steps to reduce the harmful effects of its activities. The Group emphasises the prevention of climate change and biodiversity loss, highlighting its responsible and sustainable approach to protecting the planet.

As part of this commitment, we are embedding robust climate and nature-related risk management practices and developing advanced risk modelling capabilities across the business, aligning these efforts with our overall business strategy.

The Board is ultimately accountable for ensuring that Capitec operates responsibly and sustainably. This responsibility is exercised through the SESCO, a Board subcommittee, which approves the sustainability strategy and enables its implementation. The committee achieves this by delegating appropriate authority to senior management, providing guidance and expertise where required and ensuring that adequate resources and skills are in place to advance Capitec's sustainability objectives.

During the 2026 financial year, the following environmental milestones were achieved:

- Sustainability training, with a focus on climate risk, was facilitated for our Board and senior management
- An extensive external review of our greenhouse gas (GHG) emissions calculation methodology and source data was conducted in preparation for an independent third-party pre-assessment and ultimately a limited assurance assessment. This review included a materiality assessment of all Scope 3 supply chain emissions
- An employee commuting survey was completed, enabling the calculation and disclosure on a new Scope 3 emissions category (Category 7: employee commuting)
- Capitec became a signatory to the Partnership for Carbon Accounting Financials (PCAF), enabling us to calculate and disclose financed emissions
- Institutional knowledge and skills were expanded to include nature-related considerations, which will become a focus area with phased adoption of associated disclosure recommendations
- Environmental, social and governance (ESG) scores improved across all 5 of our primary rating agencies.

For the 2026 financial year, Capitec will publish a stand-alone climate report, which will outline initial steps toward integrating nature-related risk considerations into our environmental strategy. Additionally, we will release our first report to society focusing on the social dimension of sustainability, including human capital development, societal contribution and financial inclusion. These reports will be available by the end of June 2026, alongside earlier climate-related financial disclosures and environmental and sustainability reports and can be accessed via the Capitec website: www.capitecbank.co.za/esg/.

Looking ahead

In the coming year, our strategic priorities will include:

- exploring the collection of additional data points to enable the calculation and disclosure of financed emissions across our investment and credit portfolios
- continuing to enhance institutional knowledge and expertise in climate and nature-related risk management practices among senior management and key internal risk stakeholders
- considering the development of in-house climate risk modelling capabilities
- beginning work toward a climate risk framework and risk appetite statement, integrated into the existing enterprise risk management framework
- seeking opportunities to further align with the IFRS S2 standard on climate-related disclosures
- initiating a phased approach toward the adoption of nature-related risk and opportunity disclosures.



Waste management

Recycling (kg)	2026	2025	2024
Beverage cans	3 892	1 955	3 447
Electronic equipment	25 633	21 344	17 741
Glass ⁽¹⁾	2 448	—	—
Paper	39 390	18 043	26 726
Plastic ⁽¹⁾	8 165	—	—
Tetrapak ⁽¹⁾	3 046	—	—
Mixed recycling (unsorted) ⁽¹⁾	2 931	—	—
Organic waste ⁽¹⁾	7 697	—	—

⁽¹⁾ During 2026, the scope of disclosure was expanded to include further waste categories. These categories were not reported on during 2024 and 2025.

GHG inventory⁽¹⁾

Carbon footprint (tCO₂e)

GHG Protocol scope	2026	2025	2024
Scope 1: Direct emissions from:	1 411	1 039	2 571
Fuel used in owned or controlled equipment	126	109	1 546
Fuel used in owned or controlled vehicles	5	18	29
Air-conditioning and refrigeration gas refills	1 280	912	996
Scope 2: Indirect emissions from purchased electricity:	34 461	36 968	28 065
Purchased electricity – Eskom	34 461	36 968	28 065
Total Scope 1 and 2	35 872	38 007	30 636
Scope 3: Indirect emissions from:	20 999	5 328	4 975
Paper usage	720	658	406
Business travel	2 323	2 453	2 068
Rental vehicles	36	34	28
Commercial airlines and accommodation	1 723	1 877	1 123
Employee-owned vehicles	564	542	917
Employee commuting ⁽²⁾	15 289	—	—
Product distribution	2 667	2 217	2 501
Total Scope 1, 2 and 3	56 871	43 335	35 611
Electricity consumed (MWh)	31 908	35 546	28 065

⁽¹⁾ Refer to the climate report for more details on the assumptions made in the calculation of Capitec's GHG inventory.

⁽²⁾ During 2026, the scope of disclosure was expanded to include employee commuting. This category was not reported on during 2024 and 2025.

Carbon intensity footprint (tCO₂e)

GHG Protocol scope	2026		2025		2024	
	Per full-time employee	Per m ² floor space	Per full-time employee	Per m ² floor space	Per full-time employee	Per m ² floor space
Scope 1 emissions	0.08	0.00	0.06	0.00	0.16	0.01
Scope 2 emissions	2.00	0.10	2.23	0.10	1.78	0.08
Total	2.08	0.10	2.29	0.10	1.94	0.09

GHG emissions accounting methodology

Capitec's carbon footprint reporting period aligns with its financial year, beginning on 1 March and ending on 28 February of the following year.

Our methodology is based on the following standards and sources:

- GHG Protocol – Corporate Accounting and Reporting Standard (revised edition): We apply the operational control approach, meaning our carbon footprint calculations cover Capitec and its wholly-owned and controlled subsidiaries (excluding AvaFin)
- Emission factors:
 - For Scope 1 and Scope 3 emissions, factors published by the United Kingdom (UK) Department for Environment, Food and Rural Affairs (2025, version 1.0)
 - For Scope 2 emissions, the factor pertaining to total energy sold, published in Eskom's latest integrated report, currently for the year ended 31 March 2025
- Base year: The 2020 financial year serves as the baseline for all calculations.

We make the following general assumptions:

- Third-party data used in compiling the GHG emissions inventory is assumed to be accurate, complete and valid. To support this assumption, monthly recalculations are performed to confirm accuracy of the data and to verify that the most appropriate emissions factor has been applied. No inconsistencies were identified during the current reporting year, reinforcing confidence in the reliability of the underlying data

- Where the type of fuel (diesel or petrol) is not clearly specified or distinguishable in source data, the higher emissions factor between diesel and petrol is applied.

Details of additional assumptions per scope of emission are available in our climate report and can be accessed via the Capitec website: www.capitecbank.co.za/esg/.

Decarbonisation strategy and carbon reduction target setting

Capitec is committed to advancing its climate journey in a structured and responsible manner. In a deliberate step to ensure the accuracy and credibility of our approach, we have not yet set carbon reduction targets. Our current priority is to establish a comprehensive and reliable GHG emissions inventory, which will serve as the foundation for a robust decarbonisation strategy and operational targets in the future.

A key component of this process is the calculation and disclosure of our financed emissions. We have embarked on a phased 3-year roadmap, in line with our commitment to the PCAF, to mature this capability. This approach ensures that when we set targets, they will be informed, transparent and aligned with global best practices.

Capitec remains an advocate for actionable, realistic targets and views this preparatory phase as essential to achieving meaningful and measurable climate action.



Contributing to society



We are committed to improving the lives of South Africans and advancing the UN SDGs by means of our social impact initiatives. Through strategic partnerships, our volunteer programme and the use of innovative digital solutions, we strive to support and uplift the communities in which we operate.

Corporate Social Investment

Our CSI strategy focuses on supporting communities by prioritising education. This is achieved through the Capitec Foundation, collaborative educational partnerships and a national volunteer programme.

Education

Capitec's total investment in education was R75.9 million this year (97% of total CSI spend). This included an investment in the Capitec Foundation to support access to quality mathematics education in 33 public high schools.

Category	Organisation	2026 spend	SDG
 Early childhood development	Afrika Tikkun Foundation NPC	R12.2 million	
	Indaba Institute	R1 million	
 High school	Ashton in Action	R0.5 million	
	Calling Education	R1.8 million	
	Capitec Foundation	R53.9 million	
	FoodForward	R1 million	
	Leva Foundation	R0.6 million	
	Other <R500 000 per organisation	R0.4 million	
 Combined school	Christel House	R1 million	
 After-school programme	<R500 000 per organisation	R1 million	
 School community well-being	Community Keepers	R2.1 million	
	<R500 000 per organisation	R0.2 million	
 Other	<R500 000 per organisation	R0.2 million	

Total
education spend:
R75.9 million

Education feature

Afrika Tikkun Bambanani (ATB)

ATB's mission is that no child should be left behind. The organisation aims to provide our nation's children with access to quality education through the standardisation of the Early Childhood Development (ECD) curriculum across South Africa. Their vision is to uplift the lives of children and to improve the quality of ECD teaching.

This year, our partnership with ATB expanded nationally, linking 118 ECD centres to our branches across South Africa to support principals and educators, and improve essential infrastructure and resources for learning. These centres oversee the development of 9 206 children under the age of 6. Centres were equipped with devices to facilitate self-directed remote learning, while Capitec managers offered mentorship and technical assistance to educators participating in the remote learning programme. More than 657 unique volunteers from our branch network took part in multiple visits to beneficiary centres over the course of the year, strengthening our support and providing employees with meaningful opportunities to further their engagement and connection with the initiative.

The overall performance of educators indicated a clear shift towards stronger teacher competency from baseline to endline assessment results. The data shows that more than a third of teachers still require support, and that nearly half of teachers are still clustered in the average band. Future efforts will focus on intensive assistance for those requiring major support, structured coaching to move average teachers to good and enrichment opportunities to expand the small but growing pool of excellent teachers. Online assessment tools were introduced at all centres, enabling ATB to measure whether learners are meeting age-appropriate milestones across key developmental and academic domains. This establishes the groundwork for the implementation of a standardised curriculum and blended learning across all centres in the 2026 academic year to further support and enhance learner development.

Other categories

Besides contributing to quality education, we supported other UN SDGs.

Category	Organisation	2026 spend	SDG
 Child and youth care	UNICEF	R0.6 million	   
 Community development	Khaya Lam	R0.5 million	 
	<R500 000 per organisation	R0.2 million	
 Youth development	<R500 000 per organisation	R0.4 million	 
 Food security	<R500 000 per organisation	R0.1 million	 
 Disaster relief	Gift of the Givers	R0.5 million	 

Total spend:
R2.3 million



Capitec employee volunteer programme

Our employee volunteer programme enables employee community involvement. Each employee is granted 3 volunteer leave days per year. In the past year, 3 404 employees participated in 1 034 volunteer activities. The equivalent cost to the Company of volunteer leave submitted by employees was R5.2 million.

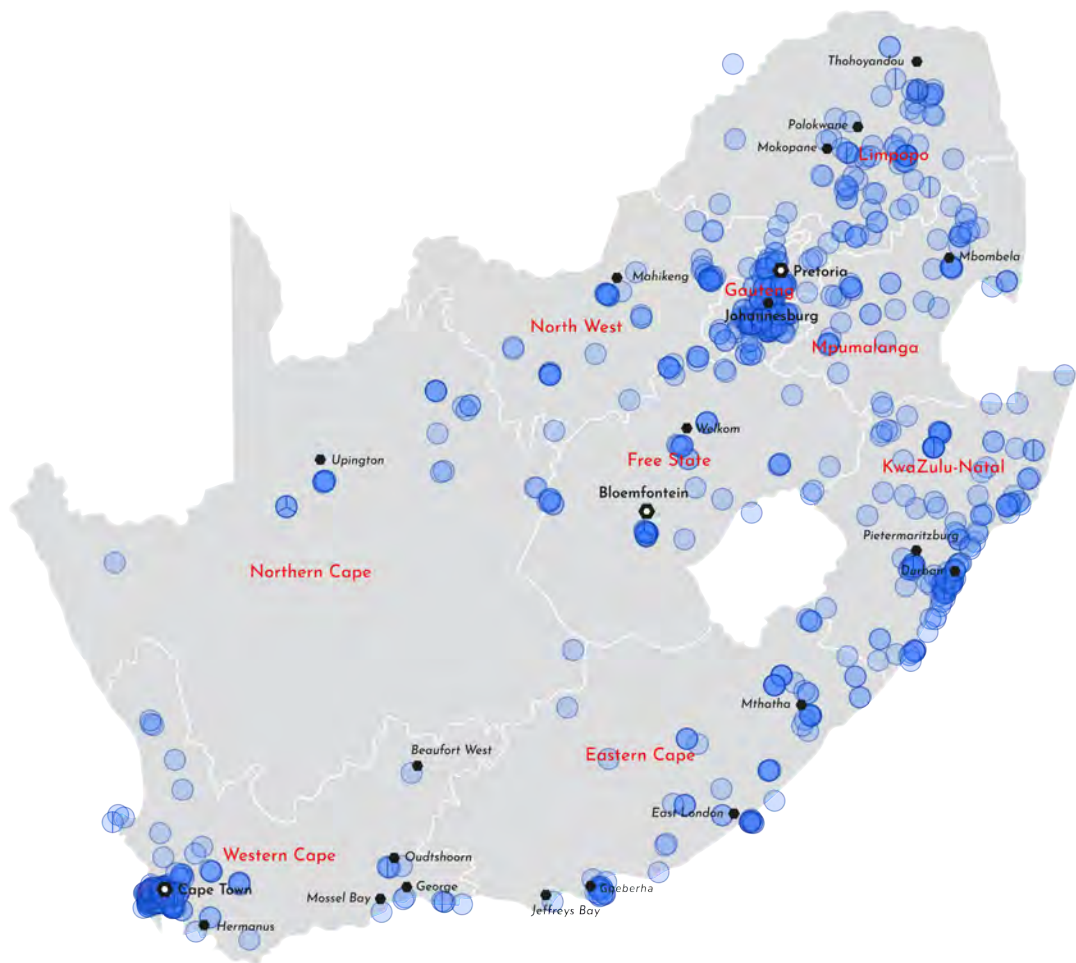
Volunteerism provides a range of engagement opportunities and allows us to reach communities across South Africa leveraging our extensive operations and branch network.

This year, Capitec branches supported several skills-based volunteering initiatives, including the ECD Programme in partnership with ATB, Budget Champs – our financial literacy initiative for grade 7 learners, financial wellness workshops led by Personal Banking Regional Managers, and a life skills initiative for grade 11 learners.

After launching the life skills initiative in 2024, we expanded its reach this year, engaging 42 938 learners at 231 public high schools through 1 403 Branch Managers and other volunteers across all 9 provinces. These sessions equip learners with essential skills such as adopting a growth mindset, setting goals and practising self-reflection to support their personal development and future career choices. Branch Managers, many of whom originate from the same communities as the learners, share personal experiences of growth and overcoming challenges. Lesson plans and facilitator guides were developed by Capitec’s Learning and Development team, utilising content from the MyNext magazine – an initiative by Ruda Landman and Study Trust in partnership with Van Schaik Publishers, sponsored by Capitec. The programme has been well received by participating schools, with both learners and teachers acknowledging its value.

Capitec divisions also partner with various non-profit organisations to co-create sustainable projects and enhance their impact. Partnerships focus on areas such as after-school care, youth development, coding, education and food security.

The following map shows the distribution of our volunteer activities across South Africa during the past financial year, with darker dots representing higher activity.





Divisional project features

VUSA

Two Capitec divisions – Marketing and Communications, and Cash, Logistics and Properties Management – joined forces this year at the VUSA rugby and learning academy in Langa, combining funding, employee volunteerism and specialist expertise to deliver measurable social impact. VUSA's holistic development model includes academic support, rugby-based leadership development, nutrition, digital literacy, entrepreneurship exposure and psychosocial enrichment.

Capitec's Marketing and Communications employee volunteers prepared grade 7 learners for the annual market day through 6 entrepreneurship workshops. Learners learnt how to identify needs in their community, budget, design, create and sell their products. VUSA's programme employees also learnt new skills through a social media workshop led by Capitec's Social Media team.

Finally, the Cash, Logistics and Properties Management team used their property management expertise and supplier connections to maximise Capitec's financial investment in critical infrastructure improvements at VUSA's learning facilities. A total of 74 volunteers contributed in diverse ways, demonstrating how unique skills can enhance collective impact. This partnership not only enhances literacy, numeracy, digital competence and confidence among primary school learners but also strengthens VUSA's long-term sustainability. As shared by VUSA after Mandela Day 2025, the joy, energy and commitment shown by Capitec employees reflect a partnership rooted in purpose, shared values and a collective belief in helping children 'grow, learn and thrive'.

Consumer Financial Education

Our Financial Education mission is to promote a culture of financial well-being for our employees, clients and communities. This mission drives us to create a widely used source of continuous learning and inspiration. We create learning experiences that are ongoing, multichannel and cover topics that are relevant, top of mind and that speak to the individual needs of consumers.

Name	What	Target audience	Reach
	Fully automated chat-based Financial Education on WhatsApp. Engages users with bite-sized, conversational content. Users interact with a chatbot named Moola through a menu-driven interface	Consumers aged 18 to 35	834 440 total registered users (2025: 543 193) 291 257 new users registered (2025: 398 862) 1 825 801 micro-learning experiences completed (2025: 1 423 183) 305 132 unique users completed 1 or more learning modules (2025: 275 765) 6 average learning experiences per user (2025: 5)
	Free online Financial Education learning platform offering interactive courses with personal financial information and strategies	Consumers aged 18 to 45	955 877 total registered users (2025: 751 122) 204 758 new users registered (2025: 166 071) 212 106 courses completed (2025: 186 690) 83 186 unique users completed 1 or more courses (2025: 73 040)
	Interactive card game to engage learners in schools within our communities. It teaches budgeting and saving concepts interactively to groups of up to 5 learners with game play sessions facilitated by Capitec volunteers	Grade 7 school learners	481 schools (2025: 280) 9 provinces (2025: 7) 55 920 learners (2025: 30 923)
	Interactive financial wellness workshops presented by trained Personal Banking Regional Managers	South African workforce	113 presentations 9 provinces 5 437 beneficiaries

Contributing to society continued

MoneyUp Chat on WhatsApp

The fully automated chatbot delivers micro-learning experiences, referred to as mini-challenges, in an approachable and engaging format. Users are regularly re-engaged by the scheduled introduction of new mini-challenges, which are announced via Highly Structured Messages sent directly through WhatsApp. Each mini-challenge requires approximately 5 to 10 minutes to complete.

During the financial year, 26 new learning experiences were introduced, and the platform now features 49 mini-challenges, including 24 dedicated to money safety. Notably, 15 of these challenges incorporate voice episodes in 4 languages. These episodes were developed as part of the Sis Thandi Slam the Scam campaign, providing an innovative engagement option for MoneyUp Chat users. Throughout the reporting period, 430 617 Sis Thandi challenges were completed.

Aligned with the MoneyUp Academy, the MoneyUp Chat solution now features 5 new mini-challenges tailored specifically for small business owners. These challenges have received positive user feedback, with 208 769 total completions and a weighted average completion rate of 76%. Additionally, users who complete multiple challenges demonstrate an average completion rate of 91%, suggesting strong relevance and engagement.

Since MoneyUp Chat launched in August 2022, it has gained 834 440 users. A total of 3 714 822 mini-challenges have been completed by 578 448 users so far. Users are now able to rate mini-challenges after finishing them, resulting in 577 656 responses, with 89% expressing positive sentiment.

MoneyUp Academy

This accessible and free online Financial Education platform offers courses that cover fundamental money concepts and topics in the categories of budgeting, saving, investing and debt. Capitec carries the cost of the platform data.

This year, we expanded our course offerings. The solution now includes 5 courses designed to equip small business owners with essential knowledge and skills in foundational financial management, business registration and growth strategies. These courses achieved a total of 49 161 completions by the end of the financial year, with an average completion rate of 73%.

In addition, we launched our first course to educate users about the risks of gambling in January. The course has had 14 475 completions since its launch and a completion rate of 80%. Finally, our first course in a series of courses aimed at students was approved for publishing on 27 February.

Collectively, 96% of users this financial year rated course content as excellent or good and 97% said they felt empowered and found practical value in the content.

Additionally, we have had 108 426 open text survey responses from users who completed courses – 95% of responses were positive and 5% included constructive comments, including feature suggestions.

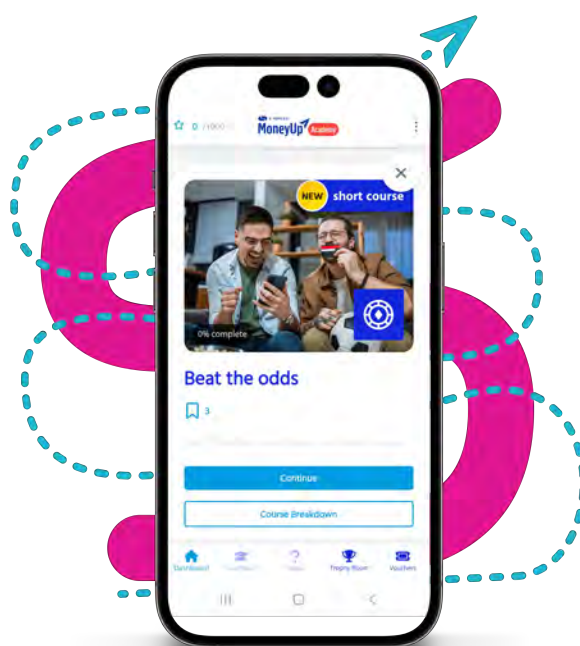
The MoneyUp Academy has acquired 955 877 users since its inception in April 2020, and 260 143 users have completed a total of 618 545 courses to date.

Budget Champs

The Budget Champs Programme uses an interactive card game that employee volunteers facilitate at schools in the communities we serve. Budget Champs was designed to teach essential budgeting and saving concepts interactively in small groups of up to 5 learners. The game aligns with the grade 7 Economic and Management Sciences (EMS) curriculum. Teachers and learners of beneficiary schools receive games and companion guides after sessions to continue the learning experience in the classroom and home environment.

We reached 481 schools and 55 920 learners in 9 provinces. This is a testimony to the active commitment of our Personal Banking Operations teams in their communities.

Key insights aggregated from post-implementation survey responses include teacher feedback from 208 respondents who rated facilitator professionalism and session quality at a near perfect average score of 4.9 out of 5.





Fraud awareness and money safety

We maintained a strong emphasis on fraud awareness and money safety through targeted communication and awareness initiatives across client engagement and paid media channels. The Sis Thandi fraud awareness campaign launched at the end of July 2025, and continued until the close of the financial year in February 2026. This campaign featured fortnightly recorded episodes with Sis Thandi – a fictional talk show host - on Metro FM and 3 national African language radio stations, Ukhozi FM (Zulu), Umhlobo Wenene FM (Xhosa) and Lesedi FM (Sotho). Each episode involved Sis Thandi interacting with fictional fraud victims, systematically reviewing the tactics used by fraudsters, and providing actionable guidance for consumers to protect themselves.

As an awareness initiative, the campaign's success was measured by its reach, averaging 11 million listeners per month in the target audience throughout its run. Recorded episodes were disseminated via our owned channels, including social media and MoneyUp Chat. Additionally, the Sis Thandi campaign was reinforced by fortnightly live interviews on RSG, where Capitec subject matter experts provided further fraud awareness education – these segments achieved an average monthly reach of 463 000 listeners from July 2025 to February 2026. Toward the end of January 2026, we expanded our efforts with live fraud awareness interviews on 702 and Cape Talk to engage a broader audience. Fraud awareness and money safety communication will continue to be a primary focus in the upcoming financial year.

MoneyUp for communities

This new Financial Education initiative, which features financial wellness presentations conducted by trained Personal Banking Regional Managers across South Africa, was officially launched in May 2025. By the close of the financial year, 113 workshops had been executed in 9 provinces, benefitting 5 437 unique participants. They included debt management, money safety and scams, and budgeting.

Nearly 700 delegates completed post-presentation surveys. Participants rated all aspects of the sessions highly, with average scores exceeding 4.6 out of 5 in areas such as confidence, relevance, clarity, facilitator effectiveness and engagement. Furthermore, the likelihood to recommend these sessions was substantial, with an average rating above 9.5 out of 10 and 10 being the most frequent response. These results indicate a strong level of satisfaction, suggesting that attendees found the content both valuable and well delivered, and are likely to recommend the sessions to others. Workshop resources featured 2 new MoneyUp guides – 1 on Financial Wellness and the other on Financial Control – developed to complement the workshops and promote self-guided learning.

Other initiatives

GRAD, GRADnext and MyNext magazines

Through a partnership with Study Trust, Ruda Landman and Van Schaik Publishers, Capitec sponsored the printing and annual distribution of 178 000 essential life skills magazines, GRAD and GRADnext, to universities and other institutions. We also disseminated 42 938 MyNext magazines, the third publication in the series, to grade 11 learners at public high schools through our interactive life skills sessions led by Branch Managers.

EMS video lessons

We sponsored the translation of the grade 7 to 9 EMS CAPS curriculum into engaging video lessons, comprehensive lesson plans and assessments designed to provide high-quality support to both teachers and learners. The development of these resources was undertaken by Thuma Mina Teaching (Thuma Mina), a non-profit organisation, and completed in phases, concluding in 2024. All video lessons are accessible free of charge on YouTube. From January to December 2025, these EMS video lessons garnered 2 million views (with 1.6 million views recorded in 2024) and achieved an average watch time of 4.2 minutes.



Contributing to society continued

To enhance educator capacity, we supported a pilot programme in 2024 that provided training for EMS teachers on integrating these resources into classroom practice in the Overberg district. After a successful initial roll-out, Thuma Mina was invited by the Western Cape Department of Education to extend the training across the province. Capitec continued its sponsorship, enabling training that reached 427 teachers across 4 districts in the past financial year.

To ensure effective project implementation and measurable impact, Thuma Mina employs a monitoring and evaluation process based on the Kirkpatrick model for training evaluation. This framework includes immediate post-training feedback, follow-up surveys 3 months after training and subsequent interviews. Immediate feedback demonstrated considerable value for educators: 62% of respondents rated the quality and usefulness of the workshops as excellent, while 34% rated them as above average. Three-month post-training results indicated that 96% of respondents had utilised the resources, with 61% reporting weekly usage.

In addition, Capitec facilitated the training of 80 district officials in Mpumalanga in July 2025, where 86% of participants rated the quality and usefulness as excellent and 14% as above average. Districts in Mpumalanga have adopted a cascading strategy for the roll-out and adoption of these resources in schools, with further educator training scheduled for the next financial year in the province.

Personal Banking Regional Managers now present financial wellness sessions as part of the training programme. Educators participating in Thuma Mina's initiatives have regularly praised the usefulness of this financial wellness content.

The Capitec Foundation

Established in 2014, the Capitec Foundation is affiliated with and funded by Capitec, but functions as an independent public benefit organisation.

Our purpose

The foundation is dedicated to investing in quality education with the aim of improving learners' earning potential and employability upon completing their schooling. To date, the primary focus of these investments has been on advancing high-quality mathematics education.

Navigating South Africa's mathematics education backlog

Mathematics education in South Africa encounters considerable challenges, despite its critical role in fostering economic development and individual progress. According to the 2023 Trends in International Mathematics and Science Study, South Africa ranked lowest and fifth lowest for grade 5 and grade 9 learners, respectively.

National assessments continue to indicate low proficiency in mathematics, with a limited number of matriculants excelling or opting for pure mathematics as opposed to mathematics literacy. Key contributing factors include weak foundational numeracy, language barriers, insufficient pedagogical content knowledge of educators, inequitable resourcing and inadequate learning environments, and negative learner attitudes and low confidence.

A holistic intervention

The Capitec Foundation developed a Whole School Approach (WSA), a comprehensive and structured intervention, designed to strengthen all aspects of the school environment. The WSA was implemented during the 2025 academic year in 33 partner schools across Gauteng, KwaZulu-Natal and the Western Cape. Its primary objectives include enhancing mathematics achievement and increasing the number of learners selecting pure mathematics instead of mathematics literacy from grade 10 onwards.

The foundation's initiatives are grounded in an extensive network of strategic partnerships and targeted focus areas designed to advance comprehensive school development. Central to this approach has been the school ecosystem, with interconnected elements such as leadership and teacher development for current educators and those in training, well-being, technology hubs for blended learning and parental engagement. Universities, industry partners, educational suppliers and the Department of Basic Education play a vital role in ensuring the foundation's activities align with national education policies and workforce requirements. This ecosystem underscores the foundation's proactive, partnership-based strategy for enhancing educational outcomes while simultaneously supporting broader objectives such as employment generation.



Our delivery model

The foundation has set itself apart as an implementer of programmes rather than merely a funder. Programme design, implementation and monitoring are primarily handled by the foundation's employees. Only certain components are managed by carefully selected service providers, with whom we work closely.

This delivery model has helped the foundation form strong connections with partner schools, educators and learners. By working directly with school communities, we can customise our support to fit their unique needs and quickly adjust our efforts based on what is happening in classrooms. Direct involvement boosts accountability and enables immediate use of feedback to improve our programme.

A key feature of the delivery model is the use of qualified mathematics teachers to implement the education programmes. This ensures that all instructional content is delivered by individuals with formal mathematics training, classroom experience and a deep understanding of the curriculum and pedagogical standards.

Over the past 3 years, the foundation has developed and implemented a model that integrates technology into mathematics teaching and learning to enhance student outcomes.

Key deliverables that drive integration at schools

- **Dedicated technology hubs and facilitators:** A hub facilitator (qualified mathematics teacher) is stationed at each school to oversee and integrate all Capitec Foundation activities throughout the year in the technology hubs
- **Teacher upskilling:** Teachers of partner schools receive training on using digital platforms and leveraging their benefits in the classroom
- **Learner motivation:** Incentive schemes encourage learners to meet prescribed online targets and learners receive guidance on the role of mathematics for specific career goals
- **Collaboration with education authorities:** The foundation works closely with the Department of Basic Education and school leadership to ensure alignment and support
- **School staff appreciation:** Recognition initiatives serve as motivation for school staff to support the successful implementation of whole school programmes.



Our impact in the 2025 academic year

WSA footprint

During the 2025 academic year, the WSA was implemented in 33 schools across 3 provinces:

- 14 in Gauteng
- 10 in the Western Cape
- 9 in KwaZulu-Natal.

WSA Programme focus

Learning spaces	Number of programmes 2026	Target audience 2026	Impact 2026
Leadership development	2	• 57 principals • 189 senior management team members	• 171 000 school community members
In-service teacher professional development	3	• 445 teachers	• 133 500 learners
Learner development (blended learning and face-to-face)	3	• 23 468 learners	• 23 468 learners
Pre-service teacher development	4	• 108 pre-service teachers	• 1 080 learners
Community (only tutorial schools)	1	• 1 080 parents	• 1 080 learners
Well-being	6	• 1 485 teachers • 22 029 learners • Whole school community	• 23 514 stakeholders
Total	19		

Capacity building for school leaders, teachers and future teachers

In 2025, the Capitec Foundation focused on capacity building for school leaders, mathematics and life orientation teachers, the development of pre-service mathematics teachers and positive discipline training for educators.

Principals report that the WSA helped them achieve goals by encouraging innovative teaching, boosting class participation, improving academic performance and strengthening leadership and consultation.

The pre-service teaching training programme was felt to be particularly useful in preparing students who are training to be mathematics teachers for their future careers. It assisted in alleviating some anxieties about teaching such as handling unexpected classroom situations and managing diverse classroom environments. Pre-service teachers also found the practical tutoring component beneficial, allowing them to develop classroom management techniques and refine their instructional strategies. In the 2025 academic year, 108 students facilitated Saturday programmes impacting 1 080 learners who collectively attended 64 800 hours of free tutoring.

Technology hubs and hub facilitators

Hub facilitators, who are all qualified mathematics teachers, managed the technology hubs in Capitec Foundation schools, incorporating mastery and practice for all grade 8 to 11 mathematics learners and supporting learners and teachers in using educational technology effectively. Integration of hub sessions into the school timetable allowed the hub work to reinforce classroom teaching.

The hub facilitators collaborated with mathematics departments to align tech-based learning with the curriculum.

Technology hub investment in schools

- More than 23 000 learners attended technology hubs
- 483 828 cumulative hub hours
- 20.8 million mathematics questions completed on the online mathematics platform
- 1 790 Chromebooks at 33 schools
- 33 hub facilitators
- Technology hubs operate daily from 07:00 am to 16:00 pm



Mathematics teacher development

During the 2025 academic year, the Capitec Foundation supported 151 mathematics teachers from 3 provinces by sponsoring their participation in a 16-day structured professional development programme. This initiative fostered collaboration among teachers and emphasised helping learners move from grade 9 to grade 10 and beyond. The programme used variation theory, resulting in an average test score improvement of 8.5% between the selection and final assessments across 3 regions. Teachers reported that their instructional skills improved due to the training, and especially appreciated guidance on effective teaching methods and strategies for presenting mathematics content.

The foundation provided training and resources to 145 life orientation teachers from 3 provinces, helping them better prepare learners with essential skills required to navigate school life and prepare for post school life. The training focused on study skills, time management, career guidance and fostering a growth mindset. Teachers found that the programme closely matched the needs of the life orientation curriculum and offered practical strategies for the classroom. Many teachers welcomed the chance to develop professionally and felt motivated and better prepared to teach.

Impact on learner performance

The foundation measures the early impact of the learner development programme by comparing endline and baseline assessment results with an average increase of 14% and 12% in endline results for grades 8 and 9, respectively.

Baseline and endline

%	Baseline	Endline	Increase
Grade 8	37	51	14
Grade 9	45	57	12

Pass rate and performance from baseline to endline⁽¹⁾

% of learners in level 3 to 7 (40% to 100%).

%	Term 1	Term 4	Increase
Grade 8	45	73	28
Grade 9	53	80	27

⁽¹⁾ Pass mark: 40%.

In addition to improvements in learner outcomes, schools also reported advancements such as updated technology use policies, revised timetables and enhanced collaborative leadership structures. Furthermore, certain partner schools successfully attracted supplementary support – be it technological, academic, sporting or financial – from additional donors, attributable to the assistance received from the foundation.

B-BBEE transformation: Strategic alignment

Transformation as guided by the Broad-based Black Economic Empowerment Act, Act 53 of 2003, is a critical lever for sustainable growth, competitiveness and long-term value creation. Our aim is to ensure that transformation is embedded into core business strategies, shifting from a compliance-driven approach to value-driven transformation.

Key strategic goals

- Unlocking access to new and underserved markets
- Strengthening supply chain resilience
- Embedding diversity and inclusion
- Ensuring future-fit skills and leadership pipelines
- Enhanced regulatory alignment and stakeholder trust.

Our most recent verification completed confirmed the Bank's B-BBEE status as a Level 1 contributor.

Embedding diversity and inclusion

We continue to make progress with our diversity and inclusion initiatives and have facilitated inclusive leadership workshops with management.

Socio-economic development

We invested R149.1 million towards socio-economic development (CSI) and Consumer Financial Education combined.

Empowerment financing

We fulfil our empowerment financing objectives by providing funding for affordable housing and small and medium black enterprises, consistently outperforming the sectoral allocated target.

Enterprise and supplier development

We invested in excess of R365.2 million in enterprise and supplier development through Imvelo Ventures, our joint venture with Empowerment Capital. This 62.5% black-owned venture capital company is focused on investing in early-stage, high-growth technology businesses.

During 2026, the portfolio supported 168 direct jobs, with a strong 41% female representation, reflecting our commitment to inclusive economic participation. Furthermore, the average B-BBEE shareholding across the investee companies stands at 54.7%, reinforcing our strategic focus on supporting and scaling black-owned small and medium enterprises.

Access to financial services

We provide access to affordable financial products and services that are easily accessible through our branch network, call centre and digital channels. Through these channels, previously disadvantaged areas continue to be the beneficiaries of our efforts to make financial services accessible to all racial groups, people living with disabilities and to low-income households. We continue to see an increase in clients using remote banking services.

Summary of Capitec Bank's B-BBEE scorecard

Element	Financial year 2025 ⁽¹⁾
Equity ownership	23.28
Management control	11.10
Skills development	16.33
Procurement enterprise and supplier development	25.31
Socio-economic development and consumer education	6.00
Empowerment financing	15.00
Access to financial services	11.85
Total points	108.87

⁽¹⁾ The 2025 figures were updated with the final scorecard figures.

The B-BBEE scores for the 2026 financial year are currently in the process of verification.

Social, Ethics and Sustainability Committee report

The SESCO is a statutory committee of the Board and has operated in accordance with its mandate as set out in section 72(4) of the Companies Act. The committee functions within the scope of an annually reviewed Board-approved charter and meets 3 times a year. A record of meeting attendance can be found on **page 87**.

2026 focus areas and achievements

Sustainability risk management

The SESCO exercised oversight of the continued strengthening of the Group's sustainability risk management framework during the year. Progress was made in embedding sustainability and climate-related risks within governance structures, enterprise risk management processes and strategic decision-making. The SESCO monitored management's efforts to align the framework with evolving regulatory guidance and emerging best practice, including enhanced articulation of risk appetite, improved risk identification and deeper integration into the Group's broader risk oversight structures. While the SESCO recognises that further maturity will require ongoing investment in systems, data and specialist skills, it is satisfied with the progress achieved during 2026.

Sustainability reporting and disclosure

The SESCO reviewed and guided the continued refinement of the Group's sustainability-related reporting, with a focus on improving the quality, consistency and governance of disclosures. Particular emphasis was placed on alignment with relevant international reporting frameworks and on strengthening processes supporting the accuracy, completeness and credibility of reported information. Consideration was also given to the scope, structure and presentation of sustainability disclosures to enhance transparency and comparability. The SESCO is satisfied that the Group's sustainability reporting continues to mature and improve in substance.

Market conduct oversight

Market conduct and the achievement of fair client outcomes remained a key area of focus throughout the year. The SESCO monitored conduct-related risks, complaints trends, regulatory engagements and management's remediation actions. Continued progress was noted in the refinement of the market conduct framework, key risk indicators and monitoring practices. While market conduct risks remained within the approved risk appetite, areas requiring ongoing attention were identified. The SESCO is satisfied that appropriate governance arrangements and oversight processes remain in place and continue to be refined.

Social impact and contribution to society

The SESCO oversaw the Group's contribution to society through its socio-economic development initiatives. During the year, increased emphasis was placed on assessing effectiveness and impact, with a greater focus on outcomes and long-term value creation. The SESCO is satisfied that the Group's social investments remain aligned with Capitec's purpose and that management continues to enhance frameworks for measuring and reporting on social impact.

The SESCO confirms that, in its opinion, the Group has complied, in all material respects, with applicable legislation and regulations relevant to the SESCO's mandate. The SESCO is satisfied that it has fulfilled its responsibilities in accordance with its charter for the year under review and confirms that no instances of material non-compliance were identified.

Focus areas for the 2027 financial year

Looking ahead, and in response to regulatory developments, stakeholder expectations and the Group's long-term value creation objectives, the SESCO has approved the following key focus areas for 2027:

- Maturing the climate risk management framework
- Assessing, monitoring and further maturing market conduct outcomes actions
- Assessing and monitoring the impact of Capitec's investments in financial education and socio-economic development
- Assessing and monitoring the impact of the Group's investment in its people.

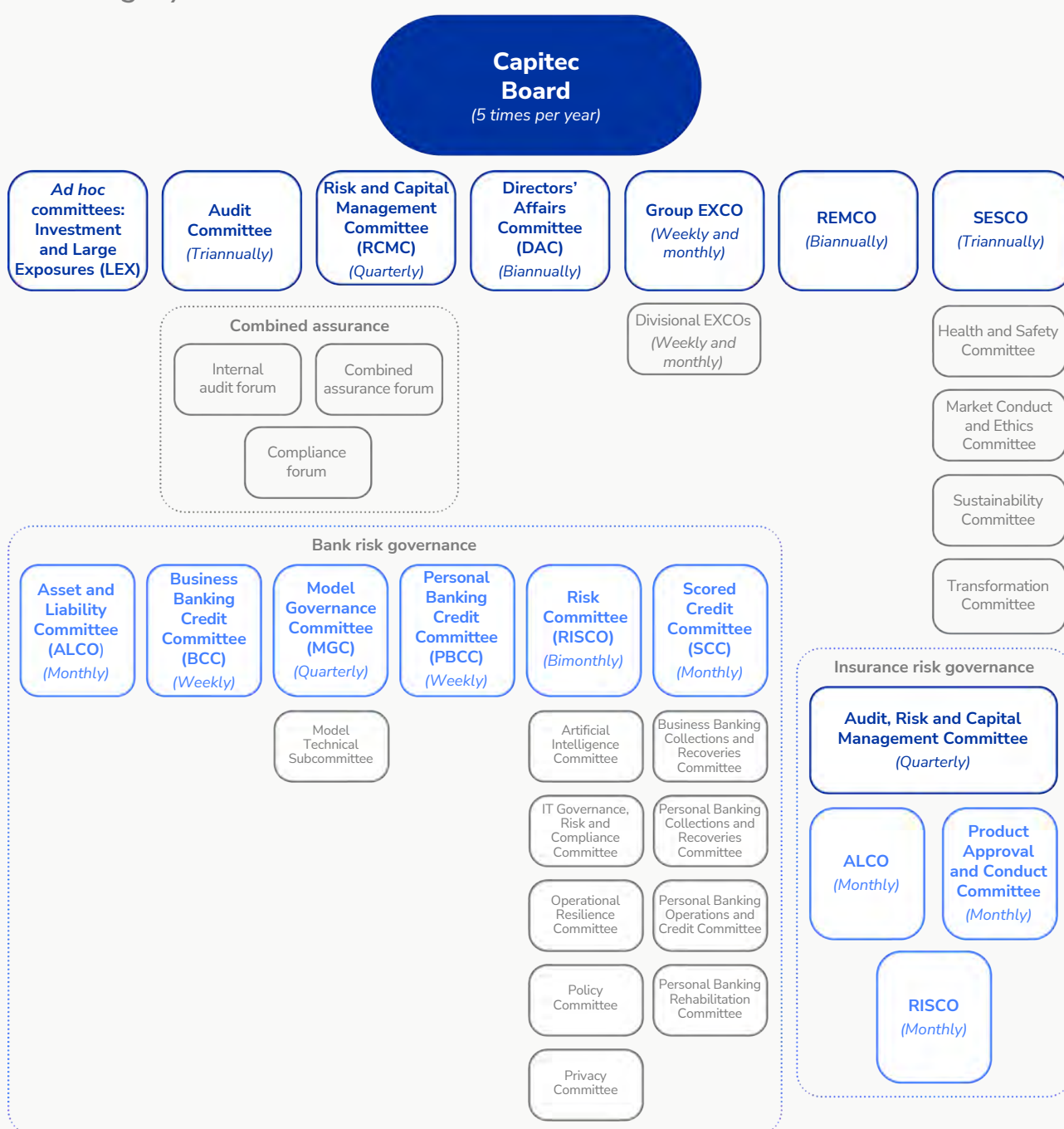
Cora Fernandez

Chairman of the SESCO

21 April 2026

Corporate governance

The Board exercises diligent oversight to ensure that the Group's purpose is achieved and that its strategic direction is maintained, including the effective execution of approved strategies. Our business practices and stakeholder interactions are governed by consistently high standards of governance, ethics and integrity.



The Directors of Capitec confirm that Capitec has complied with its memorandum of incorporation and the Companies Act.

We applied the King IV™ principles throughout the 2026 financial year, explained our arrangements on our website and have made the related disclosures in this report. Based on an independent gap analysis conducted against King V™, the Group has applied and aligned its governance practices with the principles and recommended practices of the Code. The online register at www.capitecbank.co.za/investor-relations/ contains a summary and references.

Our risk management approach and arrangements are set out in the risk management report from **page 97** of this report and also in our detailed risk management report available at www.capitecbank.co.za/investor-relations/financial-results/.

Maintaining an ethical culture

We do business responsibly and ethically and treat our clients fairly. Ethical banking involves being conscious of how our banking practices affect society and the environment.

Our working environment demands high ethical standards and our rules apply equally to all, regardless of position. Ethical practices pervade our business dealings and our interactions with stakeholders. Our leadership team is committed to the continuous enhancement and maintenance of an ethical culture.

Our ethics management framework, supported by a range of policies including our ethics statement, anti-bribery and corruption, whistle-blowing, conflicts of interest and gifts and invitations policies and code of conduct, that guide employees on ethical conduct, sets ethical standards to promote consistency in behaviour across all levels of the organisation. These policies are available from the Company's ethics hub to which all employees have access.

Employees are encouraged to live the Capitec CEO behaviours: to put the client first, act with energy and take ownership. Ethical conduct is driven by behaviour and manifests in our individual and collective actions and decisions. This is done by challenging upwards and downwards to ensure robust decision-making and by reporting suspicious behaviour to management. Employees can also use the ethics hotline – the contact details are on the Company's intranet.

The SESCO monitors compliance with ethical practices and the implementation of the ethics and anti-bribery and corruption programmes. No material ethical and no bribery and corruption breaches were reported this year. The committee's report can be found from **page 79**.

Performance and value creation

The Capitec CEO behaviours foster a strong sense of ownership and accountability across the organisation and serve as a key measure of performance.

Management maintains a disciplined approach to oversight, identifying and addressing emerging issues in a timely manner through twice-weekly Group EXCO meetings. The Board provides strategic direction by approving the annual business plan and rigorously monitoring performance against defined key indicators at each meeting.

Our performance management framework integrates strategy, risk, opportunity and sustainability considerations to support informed decision-making and the achievement of long-term value creation. This ensures that performance is assessed not only in financial terms, but also in relation to broader stakeholder value creation and the resilience of the business model.

This structured governance and performance framework is reflected in our consistent track record. Since our establishment in 2001, we have delivered sustainable value creation for our stakeholders, underpinned by effective leadership, sound decision-making and a commitment to long-term growth.

Read more about our stakeholders and the value we create on **pages 34 to 37**.

Ensuring conformance and prudent control

Responsible governance practice and management requirements direct us to implement appropriate control measures and report accordingly. The Board is ultimately responsible for conformance and prudent control through its committee structure and approved policy framework, supported by the management operating system (MOS) and the collaborative risk, compliance and internal audit functions.

Our MOS offers an integrated review system to manage objectives, business plans, budgets and risk. The MOS measures operational and resource efficiency at all levels of the business. This supports effective decision-making based on accurate and real-time data.

Our ability to identify the correct data through the implementation of risk data aggregation and risk reporting (RDARR), and report accordingly to the respective Board committees, provides the Board with the comfort that they have oversight of data that they can trust.



Maintaining legitimacy

To strengthen our purpose of improving people's lives and the financial services delivered to them, we foster strong relationships with all stakeholders through pre-arranged meetings. We interact with regulators to find industry solutions and meet with investors to help them understand our financial performance, our remuneration policy as well as our sustainability performance. The Annual General Meeting (AGM) is held in hybrid form and shareholders can attend the meeting in person or virtually. Voting on resolutions is conducted electronically and the results of shareholders' meetings are published on the Stock Exchange News Service (SENS).

Capitec strives to lay the foundation for everything that it builds based on integrity (trusted to do the right thing), capability (trusted to do things right), consistency (trusted to do the right thing over time) and compassion (trusted to do the right thing because we care).

The DAC is tasked with monitoring corporate governance. The key focus for the past financial year was performance of the Executive Directors, Executive succession planning, Board continuity and succession, including further improvement in diversity, Board effectiveness and ongoing refinement of the Group corporate governance framework and processes. The DAC has confirmed it is satisfied that the governance structure continues to support adequate and effective processes that are consistent with the nature, complexity and risk inherent in Capitec's business. There were no material breaches during the year.

Responsibility for overall stakeholder engagement resides with the Group EXCO which relies on different functions to engage with specific stakeholders. Our stakeholder group remains constant, and the topics of engagement in any year are aligned with our operating environment and client offering.

Tax policy

We are fully committed to complying with South African tax laws and regulations. The CFO, an Executive Director, is accountable for tax accuracy, completeness and transparency. Our tax policy is based on:

- being a responsible corporate citizen by complying with tax legislation, and acting with integrity when engaging with tax authorities
- being transparent about taxes paid
- not transferring value created to low-tax jurisdictions or secrecy jurisdictions for tax avoidance, or using tax structures without commercial substance
- undertaking transfer pricing where applicable, using the arm's-length principle
- managing tax risks within risk appetite and in the context of our enterprise risk management framework
- ensuring the integrity of all reported tax data.

Our Board

The Board of Directors is ultimately responsible for the Group in its entirety. It instructs and oversees a management and control structure that directs and executes all functions within the Group.

Our Directors have a fiduciary duty to act with care and skill, and to exercise their powers and perform their functions as Directors in the best interests of the Company.

Each Director has declared that they undertake to:

- act in good faith towards the Company
- avoid conflict between their personal interests and the interests of the Company
- in the case of the Bank, place the interest of Capitec Bank and its depositors above all other interests.

In terms of our policy on disclosure of interests and management of conflicts of interest applicable to Directors and Prescribed Officers, Directors are required to disclose matters that may potentially result in a conflict of interest. A comprehensive declaration of interest is circulated for sign-off by each Director at all Board meetings. No Director may offer a service, product or cooperation agreement to the Group on behalf of any organisation outside the Group in which they have a direct or indirect interest at a meeting of the Board or its committees. Such service, product or agreement may be offered to the management of the Company, by the management of the related organisation. If a decision to acquire the service or product or conclude the agreement is ultimately referred to the Board, conflicted Directors are required to recuse themselves.

The fitness and propriety of Directors and key persons is reviewed annually through a process of formal and independent background screening and declarations by Directors in this regard.

Directors, the Group EXCO and all employees with access to key management reports have to obtain clearance to trade in Capitec shares. The Chairman of the Board, the CEO, CFO and the Group Company Secretary are mandated to authorise clearance to deal in Capitec shares.

No trading is allowed during closed periods or when information exists that may affect the share price that has not been disclosed to the public. Director trading as well as trading by the Group Company Secretary and Prescribed Officers of Capitec and any of their associates are published on SENS in accordance with regulatory requirements.

Our Board takes responsibility as the governing body of Capitec and is satisfied that it fulfilled its responsibilities in accordance with its charter, King IV™ and King V™, the JSE Listings Requirements, the Companies Act and applicable statutory and regulatory requirements for the financial year.

We strive to adhere to the principles set out in the King Code and the application of the recommended practices as set out in King V™, and the Board is of the opinion that same creates value for Capitec within its economic, social and environmental context in accordance with the stated governance outcomes, being ethical culture, performance and value creation, conformance and prudent control and legitimacy.

How the Board functions

Through appropriate corporate governance, an acceptable risk profile is established within which efficiency and profitability can be maximised.

The Board remains ultimately responsible for ensuring that its approved strategy is implemented and that the Group's purpose is fulfilled. The Board also accepts its responsibility to ensure that risks are adequately identified, measured, managed and monitored and that good governance is maintained. The Board discharges its duty through policies and frameworks supported by 7 Board committees.

Comprehensive management reports are distributed to the Board for each meeting and relevant reports are distributed to the committees to facilitate in-depth perspectives. These reports include industry matters and external factors that may affect Capitec. The annual Board conference addresses pertinent matters and future strategy. Directors further ensure that they acquire sufficient working knowledge of the organisation through engagements with first and second line management and presentations by management on particular topics.

The Group EXCO, together with a number of subcommittees, manages the business through a system of internal controls that function throughout the Group. This promotes the awareness of risk and good governance in every area of the business and instils a culture of ethical behaviour and compliance.

Our Board-approved delegation of authority framework consists of charters and policies. Detailed roles and responsibilities, as well as authority limits, have been assigned to individuals and committees. The Board has confirmed, based on the recommendation of its committees and reports provided by management, the internal and external auditors and policies and procedures implemented at Capitec, that it is satisfied that internal controls are appropriate and that the duties of employees are sufficiently segregated to support the strength of internal controls. High ethical standards are entrenched with a top-down approach, ensuring that business practices are conducted in a manner that is above reproach. The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter.

Board composition and diversity

We follow a 1-tier system and our Board consists of independent Non-Executive, Non-Executive and Executive Directors.

We support the principle of diversity to enhance the Board's perspective. The composition of the Board is reviewed continuously by the DAC to facilitate an appropriately diverse and effective Board, including a relevant range of expertise, experience, industry knowledge, age, gender, race, cultural background and institutional knowledge. The target for independence on the Board is at least 50% of the Board. The majority of the Board comprises Independent Non-Executive Directors (58%). An independent majority enhances independent and objective decision-making, facilitates enhanced accountability and broadens the insight of the Board. It minimises the potential for conflicts of interest to arise and ensures that the best interests of the Company and thus stakeholders are considered. The DAC sets the following targets for gender and race diversity in accordance with the Board policy on the promotion of broader diversity. The enhancement of broader diversity at Board level will continue.

%	Actual 2026	Actual 2025	Target 2026
Race diversity	33	36	40
Gender diversity	33	36	35

⁽¹⁾ Mr RR Malhotra was appointed to the Board with effect from 1 March 2025. As he is not a South African citizen, the Board's diversity ratios declined in the current financial year. His appointment nonetheless enhances the Board's experience and expertise, particularly in support of our payments and international strategies.

Our Board is comfortable that the collective expertise and diversity in culture and experience of the Board are appropriate to oversee the implementation of the approved strategy and to facilitate long-term value for stakeholders.

Directors are appointed according to a policy that prescribes a transparent process. The DAC, under leadership of the Chairman of the Board, presides over Board appointments. When specific skills are required, candidates are identified and must pass formal fit and proper assessments. If the PA does not object, the appointment is then recommended to the full Board for approval. In terms of the approved current Board appointment policy, the candidate must have appropriate time available to prepare for meetings. If the individual is in full-time employment, then he/she may sit on a maximum of 2 listed company boards, in addition to Capitec's, on condition that he/she will be able to spend the required time to prepare for Capitec Board meetings. Shareholders have the opportunity at the AGM, following the appointment of a new Director, to endorse or veto the appointment. The Board appointment policy is available on the Company's website at www.capitecbank.co.za/esg/governance/.



Newly appointed Board members are formally inducted through a programme comprising reading, discussions with the various Divisional Heads and exposure to bank operations, such as visits to call centres and branches. Additional training is presented to Directors in-house on an *ad hoc* but ongoing basis. Training covers topics associated with risk and AML and in the past financial year, the topics focused on the application of technology in Capitec, climate change, market conduct, financial crime (with a focus on AML) and legal, technical and financial aspects of our VAS. In addition, management delivers presentations at Board meetings, aimed at enhancing Directors' insights into strategic developments at the Bank, and legislation and regulations that affect the Group. In the past year, presentations were arranged to broaden the Board's insight into the extensive developments in our digitisation strategy, the Emerging Market, capital management, our Business Banking growth strategy, our marketing strategy and AI.

The Board is satisfied that its composition reflects an appropriate mix of independence, knowledge, skills, experience, diversity, culture and institutional knowledge, and that the Board and its respective committees function effectively.

The Board nevertheless continuously reflects on its composition to ensure it has the required qualities to facilitate appropriate supervision.

Read more about the diversity in skills and experience of our Board members in the profiles from **page 92**.

Board performance and independence evaluations

The effectiveness of the Board is managed throughout the year and any areas of concern are addressed as they arise. The Board and its various committees are assessed annually in accordance with a formal Board evaluation policy. Individual Director performance is evaluated by the Chairman of the Board on an ongoing basis throughout the year to ensure that requisite action is taken timeously when necessary.

In the past year, the performance of the individual Directors, the Board as a whole, its committees and respective Chairmen was assessed by an independent external party on a quantitative and qualitative basis which included individual interviews. The results of the Board evaluation confirmed that the Board and its committees are competent and effective. The Board is satisfied that its composition is appropriate, and that well-functioning Board committees are in place to undertake the Board's mandate with clear roles and appropriate delegated authorities. There is an effective governance structure for committees to bring recommendations on critical issues to the full Board for consideration and Board meetings arrive at clear decisions, supporting the Board in the governance of the organisation. The Board culture is appropriate and the Board fulfils its role and responsibilities. The structure, proceedings of and debates at the meetings facilitate effectiveness. The tone at top Executive Management level is appropriate and aligned

with the Board's expectations. There is a healthy and transparent relationship between the Board and the CEO with a formal delegation framework that effectively separates duties and responsibilities.

The evaluation confirmed that the Chairman of the Board fulfils her role as Chairman of the Board appropriately and that her leadership of the Board is effective.

The Board is satisfied that the annual performance assessment contributes to continuous improvement of the Board's performance and effectiveness.

The independence of Non-Executive Directors and factors that may impair their independence are evaluated annually against a list of specified characteristics defining independence. The Board is satisfied that the independence of Santie Botha, Nadya Bhettag, Stan du Plessis, Cora Fernandez, Naidene Ford-Hoon, Vusi Mahlangu and Raghu Malhotra is unfettered and there is no relationship, association or interest that affects their independence or that may unduly influence or cause bias in their decision-making.

The average tenure of the Independent Non-Executive Directors is 4.3 years, and for the Non-Executive Directors it is 23.3 years.

No Director is appointed for life and at every AGM, at least a third of the Independent and Non-Executive Directors of the Board retire by rotation, but they are eligible for re-election taking into account past performance and contribution. Each Director election is conducted by a separate vote.

The retirement age for Non-Executive Directors is 70 years, subject to the discretion of the DAC, based on the continued contribution of such Directors.

Capitec's criteria for independence of Non-Executive Directors are aligned with the criteria as set out in Directive 1 published by the PA in 2026. A Non-Executive Director will not be considered independent under the following circumstances:

- A direct or indirect shareholding in excess of 5% in Capitec or an Executive Officer of such a shareholder
- A principal of a material professional advisor or a material consultant to Capitec or Capitec Bank within the past 3 years
- A significant or ongoing professional advisor to, or an internal auditor of the Company within the past 3 years
- A significant provider of equity or other sources of capital, or a material provider of funding to a company in the Group
- Remuneration, other than standard Directors' fees, linked to, or contingent on the performance of the Company, such as a share-based incentive scheme
- A member of the immediate family of an individual who falls within any of the aforementioned categories of persons

- An Executive Director, the CEO or an Executive Officer of the Company at any time during the preceding 3 years
- Service as an Independent Non-Executive Director of the Company for a period more than 9 years, unless, in exceptional circumstances, the PA, in its sole discretion, grants specific written approval, in which case independence may be extended for a maximum of 24 months
- Having been the designated external auditor, or a key member of the audit team, directly or indirectly responsible for performing the statutory audit for the Company at any time during the preceding 3 financial years.

When considering the independence of a Director, the Board considers whether there is an interest, association or relationship which is likely, when judged from the perspective of a reasonable and informed third party, to influence unduly or cause bias in decision-making in the best interests of the Company.

The Chairman

We have an Independent Non-Executive Chairman and a Lead Independent Director. The Lead Independent Director's role is determined by the Board charter. According to the charter, the Lead Independent Director, among others, will provide leadership in situations where the Chairman may be deemed to have conflicting interests and he leads the performance appraisal of the Chairman when the evaluation is conducted internally. A Board-approved policy specifies how we ensure a balance of power and authority at Board level. No one individual has unfettered decision-making powers. Each Director has 1 vote and a majority of votes must be cast in favour of a resolution to approve same. The Chairman may not cast a deciding vote in addition to any deliberative vote.

The Chief Executive Officer

Our CEO is appointed by the Board. He is responsible for leading the Group EXCO in formulating and developing the Group objectives and implementing the strategies approved by the Board. The roles and duties of the Chairman and the CEO are separated.

The CEO chairs the Group EXCO, thereby leading the implementation and execution of approved strategy, policy and operational planning. The CEO is accountable for and reports to the Board on the progress made on the approved business plan at every Board meeting.

The REMCO formally evaluates the performance of the CEO against agreed performance measures and targets at least annually and reports on the outcome of the performance assessment to the DAC. The DAC oversees the succession planning for the CEO.

The Group Company Secretary

Yolande Mouton is the Group Company Secretary. The Group Company Secretary acts as a conduit between the Board and the organisation and is responsible for Board administration, liaising with the Companies and Intellectual Property Commission, the JSE and providing corporate governance advisory services to the Board.

Board members have access to legal and other independent professional expertise when required. This is at the cost of the Group through the Group Company Secretary. The DAC has expressed its satisfaction with this arrangement.

The DAC reviewed the qualifications, experience and competence of the Group Company Secretary through discussion and assessment and noted that she had performed all formalities and substantive duties timeously and in an appropriate manner. The committee confirmed its satisfaction in all instances.

The Group Company Secretary is not a Director of any company in the Group and has, to date, maintained a professional relationship with Board members. She has given direction on good governance as and when required. The committee is satisfied that she maintains an arm's-length relationship with the Board.

Board committees

Apart from the DAC, which is required in terms of the Banks Act, Act 94 of 1990 (Banks Act), to comprise only Non-Executive Directors, the composition of all committees is reviewed annually by the DAC and approved by the Board.

All committees comprise at least 3 members, are chaired by Independent Non-Executive Directors and include a minimum of 2 Independent Non-Executive Directors so as to enable the appointment of a Lead Independent Director under circumstances where the Chairman of a committee becomes conflicted on a specific matter or non-independent for a period of time. All Board members are welcome to attend committee meetings, although they do not have voting rights in committees of which they are not members.



Attendance of Board and committee meetings

The Board meets 5 times a year. The average attendance of Board meetings for the year was 98% (against a target of 100%). *Ad hoc* meetings may be held during the year as required. A quorum comprises a majority of Directors of which at least 50% must be Non-Executive.

The Board is satisfied with the level of attendance of meetings, which enabled it to fulfil its responsibilities in accordance with its charter.

	Board	Audit Committee	DAC	RCMC	REMCO	SESCO	<i>Ad hoc</i> Investment Committee
Number of meetings	5	3	2	4	1	3	2
NF Bhettay	5	3	2	4	—	3	2
SL Botha	5	3 ⁽¹⁾	2	4 ⁽¹⁾	1	3 ⁽¹⁾	2
SA du Plessis	5	3	2	4	—	3	—
CH Fernandez	5	3	2	—	—	3	2
N Ford-Hoon	5	3	2	4	—	—	—
GM Fourie ⁽²⁾	2	1 ⁽¹⁾	—	—	—	—	—
GR Hardy	5	3 ⁽¹⁾	—	4	—	—	2 ⁽¹⁾
GR Lee ⁽³⁾	5	3 ⁽¹⁾	—	4 ⁽¹⁾	1 ⁽¹⁾	—	2 ⁽¹⁾
MSdP le Roux	4	3 ⁽⁵⁾	2	—	1 ⁽¹⁾	—	2
V Mahlangu	5	3 ⁽⁵⁾	2	4	1	—	2
RR Malhotra ⁽⁴⁾	5	3 ⁽⁵⁾	2	—	1 ⁽¹⁾	—	2
PJ Mouton	5	3 ⁽⁵⁾	2	4	1	—	2
CA Otto	5	3 ⁽⁵⁾	2	4	1 ⁽¹⁾	—	2

⁽¹⁾ Attendance by invitation.

⁽²⁾ Mr GM Fourie retired from the Board on 18 July 2025.

⁽³⁾ Mr GR Lee was appointed to the Board effective 19 July 2025.

⁽⁴⁾ Mr RR Malhotra was appointed to the Board and the DAC effective 1 March 2025 and was appointed as a member of the REMCO and the *ad hoc* Investment Committee on 30 September 2025.

⁽⁵⁾ Attendance of the Audit Committee for the financial results report.

Group Executive Committee

Composition	Purpose	2026/2027 focus
As per pages 95 and 96 and the 2 annually elected development members.	- Conducts operational decision-making - Implements Board-approved strategic decisions - Conducts ongoing approvals of an administrative nature	- Protect and grow our existing business - Accelerate recently established businesses - Launch enterprise businesses - Create and incubate future businesses
Quorum At least 3 of the following: CEO, CFO, Executive: Risk Management, Executive: Personal Banking and Executive: Business Banking (quorum members) or replacement members as appointed by the Group EXCO, subject to at least 2 being quorum members.	Meeting frequency Meets twice a week with an extended monthly meeting.	

Audit Committee

Composition	Purpose	2026/2027 focus
Independent Non-Executive Directors - N Ford-Hoon (<i>Chairman</i>) - NF Bhettay - SA du Plessis - CH Fernandez Management attendees - GR Hardy - GM Fourie⁽¹⁾ - GR Lee⁽²⁾ - I Moola - J de Beer (<i>acting Head: Compliance</i>)⁽³⁾ - B Mogajane (<i>Head: Compliance</i>)⁽⁴⁾ - D Flannery (<i>Head: Internal Audit</i>) By invitation - All Directors - External auditors Quorum At least 50%, but not fewer than 2 members.	- Considers the combined assurance arrangements with a focus on internal audit, compliance and external audit - Evaluates the adequacy and efficiency of the internal control systems and accounting practices, information systems and auditing processes applied within the Group companies in the day-to-day management of the business - Evaluates the going concern status of the Group - Considers the continuous independence of the external auditors - Appointment of external auditors - Determination of the fees to be paid to the external auditors - Considers for approval any non-audit services to be provided by the external auditors - Considers the integrity of the financial statements and the sustainability matters forming part of the integrated annual report - Considers reports dealing with the requisite disclosures in the financial statements - Reviews the financial statements for correctness and recommends these to the Board for approval - Considers the CEO's and CFO's responsibility statement	- Monitor IFRS 17 post implementation, focusing on enhanced disclosures - Oversee integration of any significant acquisitions - Governance oversight around the policies and frameworks surrounding the use of AI - Regular engagement with all assurance functions to maintain comfort regarding appropriate financial controls across the Group The Audit Committee is satisfied that it has fulfilled its responsibilities in accordance with its charter for the 2026 financial year.

⁽¹⁾ Mr GM Fourie retired effective 18 July 2025.

⁽²⁾ Mr GR Lee was appointed effective 19 July 2025.

⁽³⁾ Ms J de Beer was acting Head: Compliance from 5 June 2024 to 14 August 2025.

⁽⁴⁾ Mr B Mogajane was Head: Compliance from 15 August 2025.

Refer to the Audit Committee's report for the year from **page 152**.

Directors' Affairs Committee

Composition	Purpose	2026/2027 focus
- SL Botha (<i>Chairman</i>) - All Non-Executive and Independent Non-Executive Directors Quorum At least 50%.	- Monitors the effectiveness of corporate governance - Deals with matters relating to the nomination of new Directors according to a Board-approved policy - Evaluates the performance of the Board and its committees	- Executive succession planning - Performance of the Executive Directors - Board continuity, including further improvement in diversity - Board effectiveness - Ongoing refinement of the Capitec Group's corporate governance framework and processes given the increasing complexity of the Group's business - Succession of the Board Chairman The DAC is satisfied that it has fulfilled its responsibilities in accordance with its charter for the 2026 financial year.



Human Resources and Remuneration Committee

Composition	Purpose	2026/2027 focus
Independent Non-Executive Directors - V Mahlangu (<i>Chairman</i>) - SL Botha - RR Malhotra⁽¹⁾ Non-Executive Director - PJ Mouton Management attendees - GM Fourie⁽²⁾ - GR Lee⁽³⁾ - R Butler By invitation - MSdP le Roux - CA Otto Quorum At least 50%, but not fewer than 2 members.	- Ensures that remuneration policies and practices are established in accordance with the provisions of the Banks Act, Insurance Act, Act 18 of 2017, and regulations - Ensures that practices are observed to attract and retain individuals to create sustainable value for all stakeholders	Refer to the remuneration review from page 113 for the focus areas. The REMCO is satisfied that it has fulfilled its responsibilities in accordance with its charter for the 2026 financial year.

⁽¹⁾ Mr RR Malhotra was appointed effective 30 September 2025.

⁽²⁾ Mr GM Fourie retired effective 18 July 2025.

⁽³⁾ Mr GR Lee was appointed effective 19 July 2025.

Refer to the remuneration review from **page 113** for more information on the REMCO's activities.



Risk and Capital Management Committee

Composition	Purpose	2026/2027 focus
Independent Non-Executive Directors - SA du Plessis (<i>Chairman</i>) - N Ford-Hoon - V Mahlangu - N Bhetay Non-Executive Directors - PJ Mouton - CA Otto Executive Director - GR Hardy Management attendees - M Boshoff (<i>Head: Risk Management – Insurance</i>) - D Flannery - GM Fourie⁽¹⁾ - GR Lee⁽²⁾ - I Moola - J de Beer (<i>acting Head: Compliance</i>)⁽³⁾ - B Mogajane (<i>Head: Compliance</i>)⁽⁴⁾ Quorum At least 50%, but not fewer than 2 members.	- Assists the Board in evaluating the adequacy and efficiency of risk and capital management - Monitors risk management systems and processes as well as key risks	- Successful Internal Capital Adequacy Assessment Process (ICAAP) submission - Sustainable exit from AML remediation - Maintain credit discipline under low-growth conditions - Strengthen insurance fraud and model governance - Continued effective oversight to foreign operations The RCMC is satisfied that it has fulfilled its responsibilities in accordance with its charter for the 2026 financial year.

⁽¹⁾ Mr GM Fourie retired effective 18 July 2025.

⁽²⁾ Mr GR Lee was appointed effective 19 July 2025.

⁽³⁾ Ms J de Beer was acting Head: Compliance from 5 June 2024 to 14 August 2025.

⁽⁴⁾ Mr B Mogajane was Head: Compliance from 15 August 2025.

Refer to the risk management report from **page 97** as well as the detailed risk management report available at www.capitecbank.co.za/investor-relations/financial-results/ for more information on Capitec's risk management.



Social, Ethics and Sustainability Committee

Composition	Purpose	2026/2027 focus
Independent Non-Executive Directors - CH Fernandez (<i>Chairman</i>) - NF Bhattay - SA du Plessis Management member - I Moola Management attendees - KE Barker⁽¹⁾ - R Butler - J Rossouw (<i>CSI and Financial Education</i>) - L Moodley (<i>Capitec Foundation</i>)⁽²⁾ - M Naicker (<i>Capitec Foundation</i>)⁽³⁾ - YM Mouton - J de Beer⁽⁴⁾ - B Mogajane (<i>Head: Compliance</i>)⁽⁵⁾ - W Redcliffe (<i>Compliance: Insurance</i>) - R Wentzel (<i>Operational Risk and Sustainability</i>) Quorum At least 50%, but not fewer than 2 members.	- Monitors activities relating to social and economic development, good corporate citizenship and the environment to promote the collective well-being of society, thereby facilitating the sustainable growth of the Group - Tracks the impact of the Group's activities and services, with specific focus on client and employee relations and monitors ethics in the Group - Sets strategic objectives for sustainability and monitors ESG management in the context of ESG principles - Monitors efficiency and performance of occupational health and safety programmes	- Mature the climate risk management framework by: - further maturing sustainability reporting and disclosure - embedding the climate risk management framework - Assess and monitor market conduct outcomes through: - the protection and delivery of fair client outcomes for vulnerable clients - the management of sales practices - promoting conduct risk culture and ethical behaviour - Assess and monitor the impact of Capitec's investments in Financial Education and socio-economic development through: - a Capitec Foundation strategic review - a thematic approach to Capitec CSI - embedding of Financial Education to drive financial behaviour improvements - Assess and monitor the impact of investment in our people by: - strengthening the development of the talent pipeline and succession planning to ensure sustainability - advancing leadership development initiatives to ensure leadership bench strength - promoting an inclusive workplace culture by enhancing representation and fostering diversity within all levels of the business The SESCO is satisfied that it has fulfilled its responsibilities in accordance with its charter for the 2026 financial year.

⁽¹⁾ Ms KE Barker resigned effective 11 August 2025.

⁽²⁾ Ms L Moodley resigned effective 16 July 2025.

⁽³⁾ Ms M Naicker was appointed on 1 October 2025.

⁽⁴⁾ Ms J de Beer was acting Head: Compliance from 5 June 2024 to 14 August 2025.

⁽⁵⁾ Mr B Mogajane was Head: Compliance from 15 August 2025.

Refer to the SESCO report from **page 79** for the SESCO's contribution.

Ad hoc committees

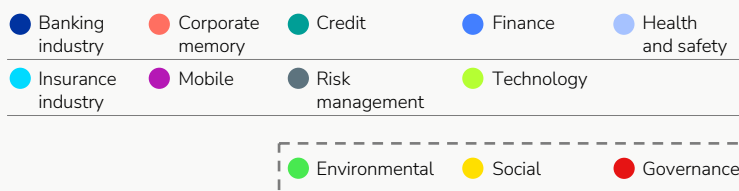
Large Exposures Committee

The committee approves counterparty exposures in excess of 10% of bank capital on an *ad hoc* basis, as may be required.

Investment Committee

The committee considers management proposals for equity investments and the acquisition of going concern operations by the Group in excess of R50 million and divestment of same.

Our leadership



Our leadership is dedicated to generating sustainable value for stakeholders and consistently aligning strategic decisions and organisational guidance with our purpose.

Independent Non-Executive Directors

Nadya Fatima Bhattay (52)

BBusSc (Finance), PGDip (Accounting), CA(SA)

Board tenure: 2 years and 7 months

Nadya has extensive experience in mergers and acquisitions, strategic implementation and business operations management in the telecommunications and technology industries. She has served as the Financial Director for Vodafone Ireland, the Chief Strategy and Business Development Officer for the Vodacom Group and the Chief Operations Officer for Vodacom Business Ventures and Strategic Partnerships. She currently serves on the Boards of Endeavour South Africa, E2 Investments, Metrofibre Networkx and the Investment Committee of the 27four Nebula Fund.

Nadya was appointed to the Boards of Capitec and Capitec Bank on 7 September 2023.

Skills:

Susan Louise Botha (61) (Santie)

BEcon (Hons)

Chairman of the Boards and the DAC

Board tenure: 6 years and 10 months

Santie has vast business experience having started her career at Unilever, working in both South Africa and the UK, and then served as an Executive Director at both Absa Bank and MTN Group. She was Chancellor of Nelson Mandela University from 2011 until 2017. She has served as an Independent Non-Executive Chairman and member of the Boards of a number of listed companies in the insurance, telecommunications, fast-moving consumer goods and education industries. Santie has received a number of awards, including Business Woman of the Year (2010).

Santie was appointed to the Boards of Capitec and Capitec Bank as well as the Chairman of the Boards on 1 June 2019. She was appointed as the Chairman of Capitec Life on 26 October 2022.

Skills:

Stanislaus Alexander du Plessis (53) (Stan)

BCom (Mathematics), BCom Hons (Economics), MPhil (Economics), PhD (Economics), AMP

Chairman of the RCMC

Board tenure: 5 years and 6 months

Stan is the CEO and a Director of Stadio Higher Education. He was previously the Chief Operating Officer of, and a Professor of Economics at, Stellenbosch University. He is a specialist in macroeconomics and monetary policy and has been an advisor to the SARB and National Treasury on macroeconomic policy. Previous positions include economist at Priscient Securities and Old Mutual Asset Managers (UK). He is the Chairman of the Bureau for Economic Research Governance Committee and a past President of the Economic Society of South Africa.

Stan was appointed to the Boards of Capitec and Capitec Bank on 25 September 2020.

Skills:

Cora Hedwick Fernandez (52)

BCom, BCompt (Hons), CA

Chairman of the SESCO

Board tenure: 5 years and 6 months

Cora has extensive experience in investment management and private equity. She serves on the Boards of Curro Holdings, Redefine Properties, Sphere Private Equity, Spur Corporation and Stormers Rugby. She also serves on the Investment Committee of the 27four Black Business Growth Fund. She previously served as the Chief Executive: Institutional Business at Sanlam Investment Holdings, the Managing Director of Sanlam Investment Management and the CEO of Sanlam Private Equity.

Cora was appointed to the Board of Capitec on 25 September 2020 and to the Board of Capitec Life on 26 October 2022.

Skills:

Note: The tenure is calculated as at 21 April 2026 (date of publication of the integrated annual report).



Naidene Ford-Hoon (58)

BCom, BCompt (Hons), CA(SA)

Chairman of the Audit Committee

Board tenure: 2 years and 7 months

Naidene has over 30 years' experience, mainly in finance divisions as Head of Finance functions, ensuring sound governance and accountability. She has extensive experience in the financial services sector. She has served as the Group CFO of the SARB and Alexander Forbes Group Holdings, the Financial Director of AFGRI Financial Services and has served on the Board of Telkom SOC. She currently serves on the Boards of SA Corporate Real Estate, the Independent Regulatory Board for Auditors and Aveng.

Naidene was appointed to the Boards of Capitec and Capitec Bank on 7 September 2023 and the Board of Capitec Life on 3 June 2024.

Skills: ● ● ● ● ● ● ●

Vusumuzi Mahlangu (55) (Vusi)

BSc (Chemical Engineering), MBA

Lead Independent Director and Chairman of the REMCO

Board tenure: 5 years and 6 months

Vusi is the co-founder and Director of Tamela. He has extensive experience in finance and investment banking. He serves on the Boards of Emira Property Fund, Cure Day Hospitals and Aon South Africa. Previous positions include CEO (and co-founder) of Makalani Holdings, Investment Banker at Investec Bank and Production Manager at Afrox.

Vusi was appointed to the Boards of Capitec and Capitec Bank on 25 September 2020.

Skills: ● ● ● ● ● ● ●

Raghuvir Rai Malhotra (56) (Raghu)

BCom (Hons), MBA

Board tenure: 1 year and 2 months

Raghu is an international Business, Technology and Finance Executive with a proven track record of over 3 decades in driving organisational impact and elevating growth and profitability. He joined Mastercard in 2000 and was integral to Mastercard's growth and innovation journey, holding senior leadership roles across multiple geographies and functions. Raghu helped lead the transformation of Mastercard from a product-led credit card company into a multi-rail solution-oriented technology organisation. Raghu was a member of Mastercard's executive leadership team, which sets and oversees the company's strategy, and Mastercard's Management Committee, which ensures the implementation and delivery of the company's strategic priorities on a global scale. He recently retired as President of Global Enterprise Growth at Mastercard.

He was appointed to the Boards of Capitec and Capitec Bank on 1 March 2025.

Skills: ● ● ● ● ● ● ●

Non-Executive Directors

Michiel Scholtz du Pré le Roux (76)

BCom LLB, DCom (hc)

Board tenure: 25 years and 5 months

Michiel was Chairman of Capitec and Capitec Bank from 2007 until 31 May 2016 when he stepped down. He continues to serve on the Boards as a Non-Executive Director. He was the Bank's CEO until 2004.

Michiel was appointed to Capitec's Board on 1 March 2001 and to Capitec Bank's Board on 6 April 2000.

Skills: ● ● ● ● ● ● ●

Petrus Johannes Mouton (49) (Piet)

BCom (Mathematics)

Board tenure: 18 years and 6 months

Piet serves as a Non-Executive Director on the Boards of various companies, including Curro Holdings, PSG Group, PSG Financial Services, Stadio Holdings and Zeder Investments. Piet was previously the CEO of PSG Group.

Piet was appointed to the Boards of Capitec and Capitec Bank on 5 October 2007.

Skills: ● ● ● ● ● ● ●



Our leadership continued

Chris Adriaan Otto (76)

BCom LLB, BCom LLB LLD (hc)

Board tenure: 26 years and 11 months

Chris was a founding Director of the PSG Group, Capitec and Zeder Investments. He continues to serve on the Boards of the latter 2 companies.

Chris was appointed to the Boards of Capitec and Capitec Bank on 6 April 2000.

Skills:

Executive Directors

Graham Roy Lee (51)

BBusSci (Hons), CGMA, MBA

CEO (from 19 July 2025)

Board tenure: 9 months

Graham joined Capitec Bank in January 2003. He has performed a number of leadership roles at Capitec in various divisions including Finance, IT, Credit, Digital and Data.

He has over 25 years of working experience in financial and technology businesses in 5 different countries: Zimbabwe, the UK, Australia and Nigeria in addition to South Africa. He started his career in investment banking in Zimbabwe in 1997 before continuing in London with Morgan Stanley International. His career outside of Capitec includes financial software development and data analytics in Australia and leading a micro-finance bank in Nigeria. He also lectured part-time for the MBA Programme of the University of Stellenbosch Business School. Graham serves on the Board of the Banking Association of South Africa.

Graham was appointed as Group CEO and Executive Director of Capitec and Capitec Bank effective from 19 July 2025.

Gerhardus Metselaar Fourie (62) (Gerrie)

BCom (Hons), MBA

CEO (until 18 July 2025)

Gerrie retired as Group CEO and stepped down from the Boards of Capitec and Capitec Bank on 18 July 2025.

Grant Robert Hardy (44)

BCom (Hons), CA(SA)

CFO

Board tenure: 3 years and 9 months

Grant joined Capitec Bank in 2015. He is a chartered accountant who completed his articles with Deloitte in their financial services team following which he spent 8 years working in the banking sector in the UK. He has fulfilled various roles in the Financial Management division at Capitec Bank and was serving as Group Services Financial Head when he was appointed as CFO with effect from 1 July 2022.

Grant was appointed to the Boards of Capitec and Capitec Bank on 1 July 2022.

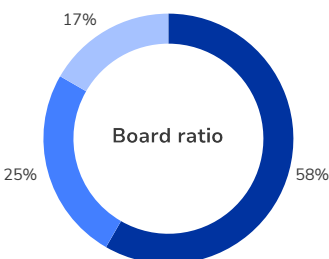
Skills:

Group Company Secretary

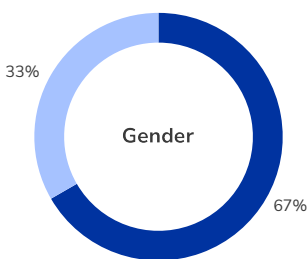
Yolande Mariana Mouton (59)

BSc (Hons), MSc

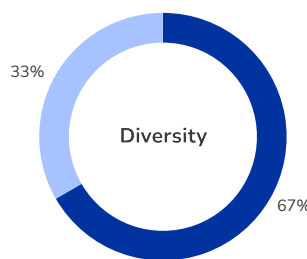
Yolande joined the Capitec Group in 2000 and served as the Assistant Company Secretary from 2001 until November 2015, when she was appointed as the Company Secretary of the Capitec Group.



■ Independent Non-Executive 7
■ Non-Executive 3
■ Executive 2



■ Male 8
■ Female 4



■ White 8
■ Black 4



Group Executive Committee

In addition to the CEO and CFO, the Group EXCO comprises the following members:

Andrew Baker (54) (Andy)

BEng (Hons)

Executive: Technology and Data

Andy joined Capitec Bank in April 2022 as the Divisional Executive: Technology. He previously served as Director of Engineering at AWS until March 2022 where he contributed to enhancements in cloud services. He was the Chief Information Officer and thereafter Chief Technology Officer at Absa until 2021, where he was instrumental in driving digital transformation initiatives.

Andy was appointed as Executive: Technology and Data effective from 1 March 2026.

Katherine Elizabeth Barker (40)

BCom (Actuarial Science), PGDip (ActSci), Fellow of the Institute and Faculty of Actuaries

Executive: Insurance

Katherine resigned on 11 August 2025.

Roeloff Botha (41)

BAcc (Hons) CA(SA)

Acting Executive: Insurance

Roeloff joined Capitec Bank on 1 June 2022. He was appointed as CFO of Capitec Life until 11 August 2025, from which date he was acting CEO until 8 April 2026. Prior to joining Capitec, Roeloff was a partner at PricewaterhouseCoopers South Africa where he covered Life Insurance, Investment Management and Banking.

Rizwana Butler (51)

BSocSc (Hons)

Executive: Human Resources

Rizwana joined Capitec Bank on 1 March 2021. Before joining Capitec Bank, she was the Head of HR: Nordics and Head of HR: Eastern Europe across 20 countries at Unilever. Her tenure at Unilever stretched over more than 20 years and she served in a number of local South African roles, regional roles across Africa, the Middle East and Turkey leading talent, culture and organisational transformation. Rizwana started her career in 1997 as an HR management trainee at Tavistock Collieries, a coal mine subsidiary of JCI Limited.

Willem de Bruyn (55) (Wim)

BSc (Hons) (Computer Science)

Executive: Transact

Wim joined Capitec Bank on 1 November 2014. He was the Chief Information Officer at Standard Bank until 2014, responsible for personal and business banking in South Africa and across 18 African countries. He has been extensively involved in personal banking strategy, has international experience in IT management and has implemented large-scale projects during his career. He started his career with Standard Bank as a software developer in 1992.

Wim was Executive: Technology and Data since he joined the Bank. After a restructure of the EXCO, from 1 March 2026, he was appointed as the Executive: Transact which encompasses Payments, VAS and forex.

Deepesh Desai (38)

BCom (Actuarial Science), Fellow of the Institute and Faculty of Actuaries, MBA from IE Business School in Madrid

Executive: Insurance

Deepesh joined Capitec on 9 April 2026. Over the course of his career, he has worked across retail banking, life and short-term insurance and product development. He has also played an important role in launching and scaling several insurance start-ups within the FirstRand Group, helping to develop capabilities in areas such as pricing, reinsurance, capital optimisation, predictive analytics and digital distribution.

Karl Rainer Kumbier (54)

BCompt, PGDA, CA(SA), CFA

Executive: Business Banking

Karl joined Capitec Bank in 2020 as the Executive of Business Banking, following the acquisition of Mercantile where he was the CEO. Before joining Mercantile in 2010, he worked for the Standard Bank Group for 9 years in various positions, including Provincial Director: Western Cape and Chief Operating Officer of Stanbic Bank Ghana Limited.

Our leadership continued

Hendrik Albertus Jacobus Lourens (60) (Henk)

BCom (Hons), CA(SA)

Executive: Strategic Initiatives

Henk joined Capitec Bank's predecessor in 1999 as Head of the Branch Acquisitions department. He was appointed as Capitec's Operations Manager responsible for the Northern Cape, Western Cape, Eastern Cape, Free State and KwaZulu-Natal in 2001. He held this position until 2007 when he became the national Sales Manager. He was appointed as Executive: Retail in 2014, which position he held until a restructure of the EXCO, following which he assumed the role of Executive: Strategic Initiatives, in charge of business solutions and internationalisation. Henk started his career with Ernst & Young.

Basani Maluleke (48)

BCom (Accounting), LLB, MBA

Executive: Personal Banking

Basani joined Capitec Bank on 1 October 2021 and became the Divisional Executive: Operations in July 2022. Prior to joining Capitec Bank, she served as a Non-Executive Director and subsequently became the CEO of African Bank. She has more than 20 years' experience in banking, law and finance. She is a member of the African Leadership Initiative and the Aspen Global Leadership Network.

Basani is a Director of Capitec Life and was appointed as Executive: Personal Banking effective from 1 April 2025.

Ismail Moola (48)

BSocSc, LLB

Executive: Risk Management

Ismail joined Capitec on 1 October 2023. He has more than 15 years' experience in banking and risk management at FNB, where he served as the Chief Risk Officer of various segments. Ismail's experience extends to developing risk management programmes for large digital transformation initiatives, technology enablement and embedment of enterprise risk capabilities within various lines of business. He started his career with a strong focus on social justice initiatives, later serving the University of KwaZulu-Natal's School of Law with an interest in commercial and intellectual property law. He thereafter occupied the role of legal advisor to the University of the Witwatersrand to further his interest in contract and intellectual property law.

Francois Viviers (43)

BCom (Hons)

Executive: Marketing and Communications

Francois joined Capitec Bank as the national Brand Manager in 2011. He served on the Group EXCO as a development member during 2015. During 2015 and 2016, he fulfilled various positions at Capitec Bank, namely Head: Client Relationship Marketing and Head: Marketing and Corporate Affairs. He was appointed as the Executive: Marketing and Communications on 1 June 2016. He started his career at the Shoprite Group where he fulfilled various roles including Marketing Manager for Shoprite Africa and Indian Ocean Islands.

Development members

There are 2 development seats on the Group EXCO to provide senior employees with the opportunity to gain experience at an Executive level. The incumbents rotate annually. The seats were filled by Rachael Murove, Head: Personal Banking Marketing and Ravi Govender, Head: Product Line during the 2026 financial year. The development members for the 2027 financial year are Thato Mmaditla, Head: Strategic People Partner and Brenchley Mogajane, Head: Compliance.

Risk management report



At Capitec, risk management is embedded in how we operate, enabling informed risk-reward decisions through data-led insights, protecting our clients, value and reputation, and providing independent oversight and challenge to uphold trust and regulatory integrity.

The 2026 financial year reflected early but tangible signs of macroeconomic stabilisation in South Africa. Modest and improving growth dynamics, easing inflationary pressures and incremental progress in energy availability and logistics performance contributed to a more predictable operating environment. From a risk perspective, these conditions supported resilience in client income profiles, moderated credit risk outcomes and sustained stable funding conditions. However, material structural constraints remain, alongside elevated global geopolitical uncertainty and domestic execution risk. These factors continue to introduce volatility and second-order risks, reinforcing the need for conservative balance sheet management, disciplined lending standards and careful capital allocation.

The regulatory environment remains active and evolving. South Africa's removal from the Financial Action Task Force grey list in October 2025 marked a significant milestone and reflects substantive progress in strengthening the national AML/countering the financing of terrorism (CFT) framework. Nonetheless, residual systematic weaknesses persist. Accordingly, regulatory scrutiny, supervisory expectations and enforcement intensity are expected to remain elevated, requiring sustained management attention and investment.

Against this backdrop, Capitec's risk management approach is deliberately proactive and integrated. Risk ownership

resides clearly within the business, supported by embedded divisional risk capability and robust, independent second-line oversight. This model ensures that risk considerations are consistently embedded in strategic, commercial and operational decision-making, enabling sustainable growth while maintaining effective control over both financial and non-financial risks.

Throughout the year, management attention remained firmly focused on maintaining balance sheet resilience, strengthening operational and governance disciplines, enhancing financial crime prevention and detection capabilities, and improving technology and cybersecurity resilience in response to an increasingly complex threat landscape. As a result, the Group continued to operate within a stable and well-controlled risk profile, with strong alignment to approved risk appetite and a consistent focus on delivering fair and appropriate client outcomes.

An embedded and accountable risk culture remains a critical enabler of this approach. By reinforcing ethical conduct, individual accountability and client-centric decision-making, the Group continues to strengthen its ability to anticipate and manage risk, preserve financial and reputational resilience, and sustain shareholder confidence in support of its strategy to be the most trusted brand.

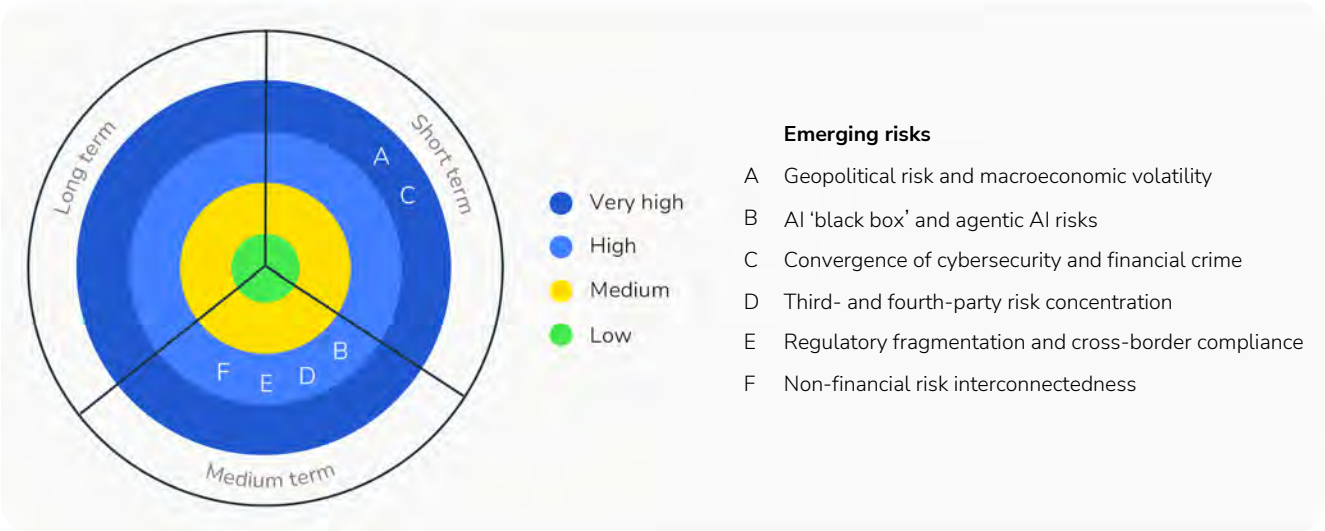
Our risk universe

Our risk universe reflects current risks (known risks) and emerging risks. Risks are reviewed on a continuous basis in pace with the ever-changing macro and micro-economic environment in which we operate. Model risk management has been elevated to a tier 1 risk considering our data-driven environment and how models support the operational structure. In conjunction with this, AI governance was a focal point for the year, effectively reinforcing the principles and controls guiding the responsible design, development and use of AI across the Group.

Strategic risks	Financial risks	Non-financial risks
• Business risk • Reputational risk	• Credit • Capital management • Funding and liquidity • Market • Insurance	• Operational • Technology and cybersecurity • Data governance and data privacy • Regulatory and compliance • Financial crime • Model risk

Addressing emerging risks and opportunities

The risk landscape is increasingly shaped by heightened global geopolitical uncertainty, which is amplifying macroeconomic, financial market and operational risks for South Africa and the financial sector. Ongoing geopolitical tensions and regional conflicts are impacting global energy, food and commodity markets, contributing to cost volatility, inflationary pressures and renewed financial market uncertainty. For South Africa, these dynamics increase vulnerability to exchange rate volatility, imported inflation and shifts in global capital flows, which can, in turn, affect household affordability, client credit risk and funding conditions across the financial system. While the domestic macroeconomic environment has shown signs of stabilisation, these global risks introduce greater uncertainty around the pace and durability of economic recovery. Capitec remains attentive to the potential second-order effects of geopolitical shocks on employment, disposable incomes and client resilience. We continue to embed scenario analysis, stress testing and forward-looking risk indicators into our decision-making processes to ensure that emerging risks are identified early and that the Group remains resilient, well-capitalised and appropriately positioned to support our clients through periods of heightened volatility.



Our approach to risk management

The Group's integrated risk management approach is designed to ensure that the diverse range of risks and opportunities are proactively identified, assessed and managed within defined risk appetite parameters. This is supported by clear business ownership of risks, underpinned by governance structures, policies, frameworks and Board oversight.

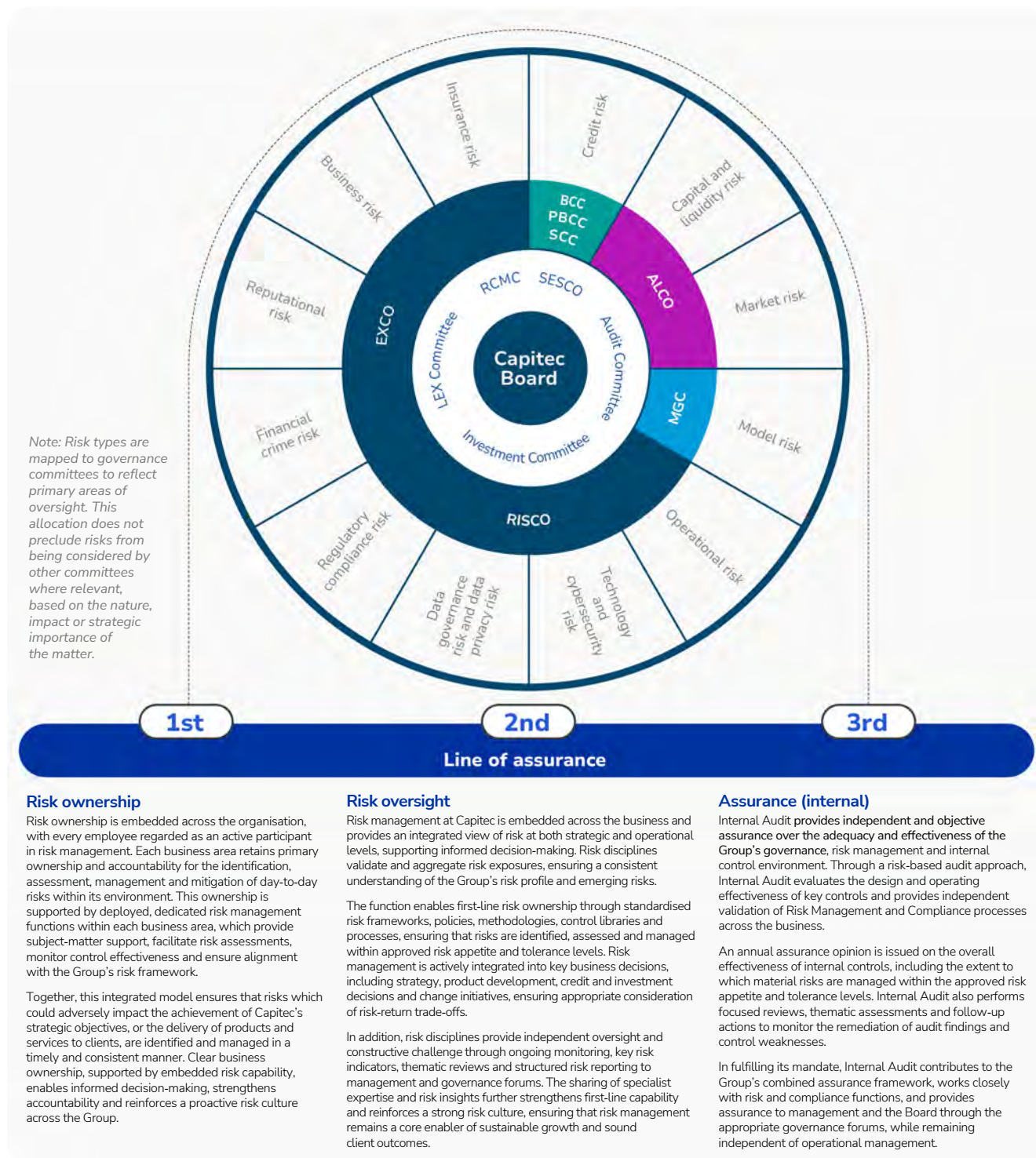
The Board retains ultimate accountability for risk management, including setting the Group's risk appetite and approving the policies and tolerance levels applied across the organisation. These responsibilities are supported by key governance forums, including the RCMC, Group EXCO, ALCO and Divisional Credit Committees.



Risk culture

The Group's risk management foundation is built on strong first-line risk ownership, supported by embedded risk capabilities and effective oversight. This is underpinned by a mature and embedded risk culture, which remains a critical enabler of effective risk management.

The continued focus on strengthening risk culture reinforces accountability, supports sound decision-making and ensures alignment with the Group's values. This is actively monitored and embedded across the organisation, ensuring that risk management remains integral in how the Group operates.



Key risk themes

Financial risks

Financial risk relates to risks arising from the Group's financial activities and balance sheet exposures, including credit risk, market risk, liquidity risk and capital risk. These risks are managed within defined risk appetite limits through prudent underwriting standards, active balance sheet management, robust capital and liquidity planning, and forward-looking stress testing. Effective financial risk management supports the preservation of financial strength, protects depositor and shareholder interests, and enables sustainable growth across economic cycles.

Credit risk

The risk of financial loss arising from clients being unable to meet contractual obligations, with implications for earnings, regulatory capital and balance sheet resilience. It is composed of default risk, concentration risk and counterparty credit risk

Risk context

Credit risk remains an important risk within the Group's risk profile, reflecting the Group's exposure to the Personal Banking, Business Banking and AvaFin lending portfolios. Portfolio performance is influenced by macroeconomic conditions, client affordability and credit behaviour, as well as portfolio composition and growth. Credit risk directly affects earnings through impairments and capital through risk-weighted assets, requiring a disciplined approach to underwriting, monitoring and collections. Supervisory expectations continue to emphasise responsible lending, appropriate provisioning and forward-looking credit risk assessment.

Key drivers and impact

- **Portfolio composition and sector concentration:** Affect risk levels and sensitivity to economic shocks, particularly within Business Banking and specialised segments
- **Growth in lending portfolios:** Increases exposure to credit risk and capital requirements, requiring alignment between growth and risk appetite

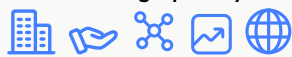
Strategic positioning

Capitec maintains a data-driven and controlled approach to credit risk management, supported by disciplined underwriting, ongoing portfolio monitoring and effective collections strategies. Credit decisions are informed by transactional data and advanced analytics, with strong model governance ensuring reliability and consistency of outcomes. In terms of governance structures, the PBCC and the BCC for scored lending were combined to form a single structure, enabling greater alignment, consistency and synergies in credit governance and decision-making, strengthening oversight of credit decisioning across the Group, including AvaFin. Credit risk management is aligned to the Group's risk appetite, supporting sustainable growth while maintaining portfolio quality and balance sheet resilience.

Strategic opportunities

- Enhancing credit decision-making through advanced analytics and data capabilities
- Optimising portfolio management across origination, monitoring and collections
- Strengthening risk-based pricing to improve risk-adjusted returns
- Leveraging portfolio insights to support targeted growth within risk appetite
- Application of AI across the credit risk life cycle to enhance risk assessment, proactive monitoring and governance

Link to strategic priority



Capitals



Board oversight:

RCMC | PBCC | BCC | SCC
LEX Committee

Current exposure:⁽¹⁾

Future exposure:⁽¹⁾ Reflecting stable portfolio performance and continued sensitivity to macroeconomic conditions

⁽¹⁾ Current exposure is Capitec's exposure to the risk in the current financial year. Future exposure is Capitec's perceived exposure in the short to medium term. This may vary depending on the risk type and Capitec's strategic objectives.

Capital management risk

The risk that Capitec does not maintain sufficient, high-quality capital to absorb losses, meet regulatory requirements and support sustainable growth, with implications for financial stability, earnings and balance sheet resilience

Risk context

Capital adequacy is influenced by the Group's risk profile, earnings capacity and the external environment. Macroeconomic conditions, credit performance, operational risk exposures and insurance-related risks affect capital through their impact on losses, income and volatility. Supervisory expectations continue to advance, including revised Basel frameworks that increase the linkage between operational risk, business scale and capital requirements, alongside a continued focus on forward-looking assessments under stress. Capital management is therefore closely linked to balance sheet strategy, requiring a disciplined approach to capital generation, allocation and preservation across the banking and insurance businesses.

Key drivers and impact

- **Macroeconomic and credit risk conditions:** Affect capital through changes in credit losses, impairments and earnings, with implications for capital adequacy
- **Growth in lending and business expansion:** Increase RWAs and capital requirements, requiring alignment between growth and capital capacity
- **Operational risk exposures and loss experience:** Influence capital requirements under revised regulatory frameworks, linking internal loss experience and business scale to capital outcomes
- **Insurance-related claims and risk exposures:** Impact capital through increased claims volatility and solvency requirements within the Insurance business
- **Regulatory capital requirements and evolving prudential standards:** Influence capital levels, buffers and eligible capital instruments, with implications for balance sheet structure and flexibility
- **Balance between capital efficiency and resilience:** Requires careful management of capital deployment to support returns while maintaining sufficient buffers under stress

Strategic positioning

Capitec maintains a structured and conservative approach to capital management, focused on sustaining strong capital levels and efficient capital utilisation resilience across the cycle. Capital is actively managed through alignment of growth, risk appetite and earnings, supported by robust ICAAP processes and forward-looking stress testing. The approach ensures that sufficient capital buffers are maintained to absorb losses, meet regulatory requirements and support strategic objectives, while optimising returns on capital.

Strategic opportunities

- Supporting sustainable growth through a strong and well-managed capital position
- Optimising capital allocation to enhance returns and improve capital efficiency
- Strengthening earnings generation to support internal capital formation
- Enhancing balance sheet flexibility to respond to changing market conditions
- Leveraging capital strength to support competitive positioning and funding access
- Deploying capital into new products and opportunities ensuring risk-adjusted returns

Link to strategic priority



Capitals



Board oversight:

RCMC | ALCO

Current exposure:⁽¹⁾ 

Future exposure:⁽¹⁾  Reflecting stable capital levels and disciplined capital management, with continued sensitivity to evolving regulatory requirements

⁽¹⁾ Current exposure is Capitec's exposure to the risk in the current financial year. Future exposure is Capitec's perceived exposure in the short to medium term. This may vary depending on the risk type and Capitec's strategic objectives.

Liquidity and funding risk

The risk that Capitec is unable to meet its financial obligations as they fall due, or to fund asset growth, without incurring unacceptable losses, with implications for liquidity resilience, earnings and balance sheet stability

Risk context

Liquidity and funding risk is influenced by macroeconomic conditions, market confidence and the structure of the Group's balance sheet. Periods of stress can lead to reduced access to funding, increased withdrawal of deposits and heightened volatility in cash flows. Supervisory expectations continue to emphasise liquidity resilience under stress, including the maintenance of adequate liquidity buffers, diversified funding sources and robust stress testing aligned to Basel requirements. Across the Group, liquidity risk also incorporates insurance-related cash flow dynamics, which introduce additional variability in short- and long-term funding requirements.

Key drivers and impact

- **Macroeconomic and market stress conditions:** Affect funding availability, deposit stability and access to liquidity, with implications for funding costs and liquidity buffers
- **Funding structure and maturity profile alignment:** Misalignment between asset tenors and funding sources, or reliance on short-term funding, may increase refinancing and liquidity risk under stressed conditions
- **Deterioration in asset quality:** Reduces cash inflows and increases funding requirements, placing pressure on liquidity reserves
- **Insurance-related cash flow volatility:** Increases liquidity risk through higher or unexpected claims, affecting short-term cash flow requirements

Strategic positioning

Capitec maintains a prudent approach to liquidity and funding risk, supported by a strong liquidity buffer, a diversified funding base and disciplined balance sheet management. Funding strategies are aligned to the maturity profile of assets, with a deliberate focus on term funding and limited reliance on short-term or concentrated funding sources. Liquidity risk is actively managed through ALCO (Bank and Insurance) oversight, with regular stress testing and monitoring to ensure resilience under a range of adverse scenarios. The approach is aligned to regulatory expectations and supports sustainable growth while maintaining financial stability across banking and insurance operations.

Strategic opportunities

- Strengthening market confidence through a robust liquidity and funding profile
- Optimising the funding mix to manage the cost and maturity profile
- Enhancing balance sheet flexibility to support growth under varying market conditions
- Leveraging strong liquidity positioning to maintain favourable funding access and pricing

Link to strategic priority



Capitals



Board oversight:

RCMC | ALCO | Insurance RISCO
Insurance ALCO

Current exposure:⁽¹⁾ ●

Future exposure:⁽¹⁾ ● Reflecting stable funding structures and continued focus on liquidity resilience

⁽¹⁾ Current exposure is Capitec's exposure to the risk in the current financial year. Future exposure is Capitec's perceived exposure in the short to medium term. This may vary depending on the risk type and Capitec's strategic objectives.

Market risk

The risk of loss or adverse financial impact arising from fluctuations in market variables, primarily interest rates and foreign exchange rates, with implications for earnings, economic value and regulatory capital

Risk context

Market risk arises from the structure of the Group's balance sheet and its exposure to changes in interest rates and foreign exchange rates. Interest rate risk in the banking book is driven by mismatches between asset and liability repricing profiles, while foreign exchange risk arises from client-driven flows and open currency positions. Macroeconomic conditions and monetary policy actions influence both the level and volatility of these exposures. Supervisory expectations continue to emphasise effective measurement and management of interest rate risk and foreign exchange exposures, including their impact on earnings and capital.

Key drivers and impact

- **Interest rate movements and monetary policy actions:** Affect net interest income and the economic value of the balance sheet through repricing mismatches between assets and liabilities
- **Balance sheet structure and repricing profile:** Drive exposure to interest rate risk, with mismatches affecting earnings volatility and capital sensitivity
- **Foreign exchange exposures from client activity:** Introduce risk through open currency positions, with implications for earnings and capital under adverse movements
- **Macroeconomic volatility:** Increases uncertainty in market variables, affecting both interest rate and foreign exchange risk exposures

Strategic positioning

Capitec maintains a controlled approach to market risk, with exposures managed within defined risk appetite limits and aligned to the Group's balance sheet strategy. Interest rate and foreign exchange risks are actively monitored and managed through ALCO oversight, supported by appropriate hedging strategies and stress testing. The approach ensures that exposures remain within acceptable levels while supporting stable earnings and capital outcomes.

Opportunities

- Optimising the balance sheet structure to manage interest rate sensitivity and earnings stability
- Enhancing pricing and product design to reflect interest rate dynamics
- Strengthening foreign exchange capabilities to support client demand while managing risk
- Improving measurement and monitoring capabilities to support informed decision-making
- AI applied to improve the measurement and monitoring of exposures, enhance scenario analysis and stress testing and support timely, forward-looking responses

Link to strategic priority



Capitals



Board oversight:

RCMC | ALCO | Business Banking EXCO

Current exposure:⁽¹⁾ ●

Future exposure:⁽¹⁾ ● Based on current exposures, market risk is not viewed as material to the Group's risk profile, with continued monitoring of sensitivities to interest rate and foreign exchange movements

⁽¹⁾ Current exposure is Capitec's exposure to the risk in the current financial year. Future exposure is Capitec's perceived exposure in the short to medium term. This may vary depending on the risk type and Capitec's strategic objectives.

Non-financial risks

Non-financial risk refers to risks arising from people, processes, systems, external events and regulatory or legal factors that may impact the Group’s ability to operate effectively, maintain regulatory compliance and protect its reputation. These risks include, among others, operational risk, technology and cyber risk, data and model risk, conduct risk, compliance risk and financial crime risk. The Group manages non-financial risks through a structured governance framework, preventative and detective controls, continuous monitoring and a strong risk culture to support operational resilience and sustainable performance.

Financial crime risk

The risk of financial loss, regulatory sanction or reputational damage arising from fraud, money laundering, bribery, corruption and other forms of financial crime, with implications for earnings, client trust and the Group’s ability to operate

Risk context

The financial crime environment continues to intensify, driven by increasingly sophisticated fraud schemes, greater digital adoption and the scale and speed of payment systems. Organised criminal networks are becoming more adaptive, leveraging technology and social engineering techniques to target both clients and institutions. Concomitant, regulatory expectations on AML and counter-terrorist financing controls remain high, with increased focus on effectiveness, detection and timely reporting. Adjacent risks linked to client behaviour and the use of payment channels require ongoing monitoring to ensure appropriate risk management and client protection outcomes.

Key drivers and impact

- **Increasing sophistication and scale of fraud schemes:** Drive higher fraud losses and client impact, particularly across digital channels and payment platforms
- **Growth in social engineering and client-targeted scams:** Increase the risk of client losses and conduct-related exposure, with implications for trust and reputation
- **Organised criminal activity, including mule networks and laundering structures:** Elevates exposure to money laundering risk and regulatory non-compliance

Strategic positioning

Capitec maintains a focused and integrated approach to managing financial crime risk, combining prevention, detection and response capabilities with strong AML/CFT controls. The approach emphasises the use of data, technology and intelligence-led capabilities to identify and respond to emerging threats, while maintaining alignment with regulatory expectations. Collaboration with industry bodies and regulators supports a coordinated response to financial crime risks across the broader ecosystem.

Strategic opportunities

- Strengthening fraud detection and prevention through advanced analytics and data capabilities
- Enhancing client awareness and protection against emerging fraud schemes
- Expanding intelligence-led approaches to identify organised criminal activity
- Strengthening industry collaboration to address systemic financial crime risks
- Leveraging technology to improve the effectiveness and efficiency of financial crime controls

Link to strategic priority 	Capitals 	Board oversight: RCMC RISCO

Current exposure:⁽¹⁾ ●

Future exposure:⁽¹⁾ ● Reflecting strengthened controls, improved detection capabilities and continued industry coordination

⁽¹⁾ Current exposure is Capitec’s exposure to the risk in the current financial year. Future exposure is Capitec’s perceived exposure in the short to medium term. This may vary depending on the risk type and Capitec’s strategic objectives.

Regulatory compliance risk

The risk of legal or regulatory sanction, financial loss or reputational damage arising from failure to comply with applicable laws, regulations, codes of conduct and supervisory expectations, with implications for the Group's earnings, capital position and licence to operate

Risk context

The regulatory environment continues to advance across prudential, conduct and financial crime domains. Supervisory expectations increasingly focus on capital adequacy, liquidity resilience and the effectiveness of risk management practices, alongside strengthened requirements for client outcomes, market conduct and financial crime controls. Regulatory scrutiny is intensifying, with greater emphasis on implementation, accountability and demonstrable outcomes. Emerging areas such as AI introduce additional requirements as supervisory standards continue to take shape.

Key drivers and impact

- **Advancing prudential standards, including Basel-related reforms:** Introduce additional requirements for capital, liquidity and risk management, with direct implications for balance sheet management and regulatory compliance
- **Strengthening conduct and market regulation, including Conduct of Financial Institutions (COFI):** Increase expectations around client outcomes, fair treatment and product governance, with implications for revenue sustainability and conduct risk exposure
- **Heightened supervisory focus on financial crime:** Strengthens expectations for monitoring, reporting and control effectiveness, with potential financial, operational and reputational impact
- **Evolving payments regulatory frameworks:** Introduce additional oversight and requirements, affecting business models, operational processes and participation in the payments ecosystem
- **Developing supervisory standards in areas such as AI:** Require alignment of governance, accountability and model risk practices as expectations continue to take shape
- **Heightened regulatory expectations for AML/CFT effectiveness:** Increase supervisory scrutiny and raise the impact of any deficiencies in the control environment, potentially resulting in regulatory enforcement actions, financial penalties and remediation requirements

Strategic positioning

Capitec maintains a disciplined and integrated approach to regulatory compliance, aligned to both supervisory expectations and the Group's risk appetite. Compliance is embedded within business processes and decision-making, ensuring that regulatory requirements are implemented in a manner that supports sustainable earnings, balance sheet resilience and responsible growth. Engagement with regulators remains proactive and transparent, supporting alignment on expectations while maintaining a clear focus on execution and accountability. Compliance standards are applied consistently across the Group, including international operations.

Strategic opportunities

- Strengthening regulatory alignment to support capital, liquidity and risk management outcomes
- Enhancing compliance insight through the use of data and analytics
- Increasing automation of monitoring and control effectiveness
- Supporting consistent implementation of conduct and financial crime standards across the Group
- Strengthening participation in industry forums to support alignment on evolving regulatory standards
- Applying structured governance to emerging areas, including AI

Link to strategic priority



Capitals



Board oversight:

RCMC | RISCO | SESCO

Current exposure:⁽¹⁾ ●

Future exposure:⁽¹⁾ ● Reflecting improved regulatory alignment and increased maturity in compliance capabilities

⁽¹⁾ Current exposure is Capitec's exposure to the risk in the current financial year. Future exposure is Capitec's perceived exposure in the short to medium term. This may vary depending on the risk type and Capitec's strategic objectives.

Model risk

The risk of financial loss, capital misstatement or inappropriate business decisions arising from the use of models that are incorrectly specified, implemented or used, with implications for earnings, regulatory capital, liquidity, financial reporting and risk management effectiveness

Risk context

Models are central to balance sheet management and decision-making across credit risk, liquidity management, interest rate risk in the banking book, market risk, pricing, capital adequacy and financial reporting. Increasing reliance on advanced analytics, including AI and machine learning techniques, is expanding both the scale and complexity of model use. Supervisory expectations for model governance, transparency and validation continue to strengthen, particularly where models directly inform capital adequacy, liquidity resilience and recovery planning as well as regulatory reporting.

Key drivers and impact

- **Increasing reliance on models across balance sheet and risk management activities:** Heightens the impact of model errors on credit decisions, liquidity management, interest rate risk, pricing and capital adequacy
- **Advancing use of AI and machine learning techniques:** Introduce challenges related to model transparency, interpretability and governance, with implications for decision integrity and regulatory compliance
- **Model complexity and data dependency:** Increase the risk of incorrect specification, implementation or misuse, affecting the reliability of outputs and financial outcomes
- **Heightened supervisory expectations for model governance and validation:** Strengthen requirements for model oversight, documentation and independent validation, with implications for compliance, capital outcomes and financial reporting
- **Macroeconomic uncertainty and model performance:** Affect model stability and predictive accuracy, particularly in stressed or rapidly changing environments, with implications for provisioning, liquidity and capital adequacy

Strategic positioning

Capitec maintains a structured and disciplined approach to model risk management, ensuring that models are developed, validated and used within defined governance frameworks. Model risk practices are aligned to supervisory expectations and embedded in decision-making across the Group, supporting reliable outputs for credit risk, balance sheet management and financial reporting. The approach emphasises transparency, accountability and appropriate challenge, ensuring that model outputs remain robust, explainable and fit for purpose.

Strategic opportunities

- Strengthening model governance to support confidence in decision-making and regulatory reporting, and the introduction of the MGC reporting directly to the RCMC
- Enhancing model validation and monitoring through increased use of automation and analytics
- Expanding expertise in advanced analytics, including AI and machine learning
- Improving model transparency and interpretability to support effective oversight
- Leveraging models to enhance pricing, risk management and capital optimisation

Link to strategic priority 	Capitals 	Board oversight: RCMC RISCO MGC

Current exposure:⁽¹⁾ 

Future exposure:⁽¹⁾  Reflecting increased reliance on models and advancing analytical techniques

⁽¹⁾ Current exposure is Capitec's exposure to the risk in the current financial year. Future exposure is Capitec's perceived exposure in the short to medium term. This may vary depending on the risk type and Capitec's strategic objectives.

Technology and cybersecurity risk

The risk that failures, disruptions or security breaches in technology systems compromise the delivery of products and services, resulting in financial loss and eroding client trust

Risk context

Technology underpins all aspects of Capitec's operations, client engagement and product delivery. Increasing digital adoption, greater system complexity and the growing sophistication of cyber threats heighten the need for resilient, secure and well-governed technology environments. In parallel, reliance on third-party providers and cloud-based solutions introduces additional dependencies that require ongoing oversight.

Key drivers and impact

- **Increasing sophistication and frequency of cyber threats:** Increase the risk of unauthorised access, fraud, data compromise and disruption to client services
- **Reliance on technology to deliver core banking services:** Heightens the impact of system outages or performance degradation on client experience, operations and revenue
- **Technology change and system complexity:** Introduce execution risk, including system instability, integration challenges and unintended disruptions
- **Dependence on third-party and cloud service providers:** Creates additional exposure to service disruption, security vulnerabilities and concentration risk

Strategic positioning

Capitec maintains a disciplined approach to technology and cybersecurity. These risks remain elevated due to an increasingly sophisticated and rapidly evolving threat landscape. Capitec continues to manage this risk through focus on technology, resilience, strengthened cybersecurity capability and controlled change. Looking ahead, the Group will continue to invest in preventative, detective and response capabilities, while enhancing third-party oversight and architecture resilience to remain within risk appetite as threats continue to evolve.

Opportunities

- Strengthening resilience to support consistent and reliable client service
- Enhancing cybersecurity capabilities to respond to an evolving threat landscape
- Leveraging modern technology architectures to improve scalability and efficiency
- Strengthening partnerships with technology providers to support strategic execution
- Applying resilience-by-design principles to improve the stability of legacy systems

Link to strategic priority



Capitals



Board oversight:

RCMC | RISCO | IT Governance, Risk and Compliance Committee (ITGRC)

Current exposure:⁽¹⁾ 

Future exposure:⁽¹⁾  With increasing cyber threat sophistication and technology dependency

⁽¹⁾ Current exposure is Capitec's exposure to the risk in the current financial year. Future exposure is Capitec's perceived exposure in the short to medium term. This may vary depending on the risk type and Capitec's strategic objectives.

Operational risk

The risk of financial loss, disruption or reputational damage arising from inadequate or failed internal processes, people, systems or external events, with implications for earnings, operational resilience and regulatory capital

Risk context

Operational risk is inherent in all business activities and increases with scale, complexity and reliance on technology and third-party providers. The evolving operating environment, including greater digitalisation and integration across platforms, introduces new sources of risk and interdependencies. Supervisory expectations continue to advance, with increased focus on operational resilience, effective risk management and the incorporation of operational risk into capital requirements under revised Basel frameworks. Operational risk management therefore plays a critical role in protecting earnings, supporting resilience of critical operations and informing capital adequacy.

Key drivers and impact

- **Increasing business and operational complexity:** Introduces greater risk of process failure, control breakdown and operational loss events
- **Reliance on third-party providers and integrated ecosystems:** Increased exposure to service disruption, dependency risk and concentration risk
- **Technology and system-related risks:** Increase in the likelihood of disruption, data issues and operational failures affecting client service and operations
- **Operational risk loss experience and event severity:** Drive financial losses and directly influence capital requirements under revised regulatory frameworks

Strategic positioning

Capitec maintains an integrated approach to operational risk management, aligned to the Group’s risk appetite and focused on protecting critical operations and client outcomes. The approach incorporates scenario analysis, risk identification and resilience planning, ensuring that key processes and services remain robust under a range of adverse conditions. Operational risk management is closely linked to capital management through the use of loss data and forward-looking assessments, supporting appropriate capital allocation and resilience.

Strategic opportunities

- Strengthening operational resilience through continued focus on critical operations and dependencies
- Enhancing recovery planning and scenario analysis to improve response to severe events
- Improving oversight of third-party risk within an increasingly integrated operating environment
- Leveraging data, analytics and AI to enhance operational risk insight and management
- Supporting efficient capital management through improved understanding of operational risk drivers

Link to strategic priority 	Capitals 	Board oversight: RCMC RISCO

Current exposure:⁽¹⁾ 

Future exposure:⁽¹⁾  Reflecting improved resilience and continued focus on managing complexity and third-party dependencies

⁽¹⁾ Current exposure is Capitec’s exposure to the risk in the current financial year. Future exposure is Capitec’s perceived exposure in the short to medium term. This may vary depending on the risk type and Capitec’s strategic objectives.

Data governance and data privacy risk

The risk that data is inaccurate, misused or inadequately governed, or that personal information is processed, shared or protected in a manner that breaches regulatory requirements or client expectations, resulting in financial loss, regulatory sanction and erosion of client trust

Risk context

The increasing reliance on data, digital platforms and AI is reshaping how financial services are delivered and decisions are made. At the same time, regulatory expectations around the protection and lawful use of personal information are intensifying, alongside heightened client sensitivity to how their data is used. This places greater emphasis on both the integrity of data and the responsible handling of personal information.

Key drivers and impact

- **Rapid adoption of AI and automation:** Increases reliance on data and models, amplifying risks related to data misuse, bias and inappropriate processing of personal information
- **Data quality and integrity:** Inaccurate, incomplete or untimely data affects decision-making, risk measurement and regulatory reporting
- **Increasing regulatory expectations and enforcement of data privacy requirements:** Heighten exposure to regulatory sanction, financial penalties and reputational damage in the event of non-compliance with POPIA, the General Data Protection Regulation and related frameworks
- **Evolving expectations from clients:** Increase the risk of loss of trust where data is not handled transparently, securely and in line with client expectations

Strategic positioning

Capitec maintains a disciplined approach to data governance and privacy, with a focus on data integrity, accountability and the responsible use of personal information. Data and AI capabilities are developed within clear governance frameworks that support lawful, secure and transparent processing, ensuring that data is used in a manner that protects clients while supporting effective decision-making and operational efficiency.

Strategic opportunities

- Strengthening client trust through consistent, transparent and responsible data practices
- Enabling the responsible adoption of AI and advanced analytics
- Improving decision-making through reliable and well-governed data
- Supporting innovation and efficiency while maintaining strong privacy and regulatory standards
- Leveraging established privacy frameworks to respond proactively to evolving regulatory expectations

Link to strategic priority



Capitals



Board oversight:

RCMC | RISCO | ITGRC Privacy Committee

Current exposure:⁽¹⁾ ●

Future exposure:⁽¹⁾ ● With increasing regulatory scrutiny and data dependency

⁽¹⁾ Current exposure is Capitec's exposure to the risk in the current financial year. Future exposure is Capitec's perceived exposure in the short to medium term. This may vary depending on the risk type and Capitec's strategic objectives.

Business risk

The risk that Capitec does not achieve its strategic objectives due to shifts in the operating environment, competitive dynamics or execution, impacting earnings resilience and long-term sustainability

Risk context
The operating environment is becoming increasingly complex, shaped by macroeconomic pressure, rapid digitalisation and evolving regulatory expectations, while competition intensifies as new entrants and ecosystem-based models reshape the financial services landscape. These dynamics require ongoing adaptation to sustain growth, relevance and profitability.

- Key drivers and impact**
- **Macroeconomic pressure and geopolitical uncertainty:** Impact client affordability, credit performance and demand, placing pressure on earnings and balance sheet resilience
 - **Intensifying competition and evolving ecosystem dynamics:** Affect market share, pricing dynamics and client retention as ecosystem-based models reshape financial services delivery
 - **Increasing regulatory expectations, including misalignment between regulated and non-regulated entities:** Increase compliance costs and operational complexity, while creating an uneven competitive landscape
 - **Changing client behaviour, including disintermediation in payments and digital channels:** Reduces traditional revenue streams and requires ongoing adaptation of products and channels

Strategic positioning
Capitec remains well positioned through a strong, client-focused value proposition built on simplicity, accessibility and disciplined growth. The business continues to strengthen its ecosystem across Personal and Business Banking, supported by technology that enables scalable, efficient and secure operations. Product offerings remain closely aligned to evolving client needs, with a clear focus on relevance, affordability and sustainability.

- Strategic opportunities**
- Deepening client value through a broader range of products, services and benefits
 - Strengthening participation in digital and payments ecosystems
 - Improving efficiency through scale, simplification and reduced cost to serve
 - Diversifying revenue streams, including through platforms such as AvaFin
 - Applying technology and AI to improve client experience and decision-making

Link to strategic priority 	Capitals 	Board oversight: RCMC RISCO

Current exposure:⁽¹⁾ 

Future exposure:⁽¹⁾  Manageable through strategic priorities

⁽¹⁾ Current exposure is Capitec's exposure to the risk in the current financial year. Future exposure is Capitec's perceived exposure in the short to medium term. This may vary depending on the risk type and Capitec's strategic objectives.



Looking ahead

The Group's risk management framework remains appropriately designed, embedded and effective in the context of its strategic objectives and operating environment. Risk ownership is clearly established within the business, supported by strong governance structures, independent oversight and a mature risk culture that enables informed, risk-aware decision-making.

Despite a backdrop of ongoing macroeconomic uncertainty, accelerated digitalisation, heightened financial crime activity and evolving regulatory expectations, the Group continued to operate within approved risk appetite across all material risk types during the year. Balance sheet resilience remains strong, underpinned by disciplined lending practices, conservative capital and liquidity management, and forward-looking assessments.

Non-financial risks continue to require heightened management attention. Technology, cybersecurity and financial crime risks remain inherently elevated given an increasingly sophisticated and interconnected threat landscape, while rapid advancements in AI introduce additional complexity. The expanding use of advanced analytics, machine learning and emerging AI capabilities increases exposure to model risk, data dependency, explainability challenges and evolving regulatory expectations. These risks are being actively managed through strengthened model governance, responsible AI frameworks, enhanced oversight and continued investment in preventative, detective and response controls.

Looking ahead, risk considerations will remain integral to strategy execution and responsible growth. Continued emphasis will be placed on strengthening forward-looking risk capabilities, anticipating emerging risks – including those arising from evolving AI technologies – and maintaining close alignment between risk, strategy and execution as the business scales. Taken together, the Group's current risk profile is assessed as sound and resilient, providing a strong foundation to support sustainable, client-focused growth and the ambition of being the most trusted brand.

Our latest detailed risk management report can be accessed on the Capitec website at www.capitecbank.co.za/investor-relations/financial-results/.





Remuneration review⁽¹⁾

To enhance transparency and align with evolving best practice, the REMCO has adopted a 2-section structure for its remuneration disclosures, providing shareholders and stakeholders with a comprehensive view of how remuneration is governed, designed and applied at Capitec.

Section 1: Remuneration governance

for information only – not subject to vote

This section explains how we think about remuneration at Capitec. It provides context and transparency but is not subject to a shareholder vote.

Remuneration governance

Purpose

The purpose of this section is to provide shareholders with a concise, integrated overview of Capitec's remuneration approach and how it is governed to contextualise Section 2, which is presented for the shareholder vote.

Specifically, this section:

- explains the overall purpose and design of our remuneration framework, including the split between fixed and variable pay
- sets out how we apply the King Code, the JSE Listings Requirements and the remuneration-related provisions of the Companies Act in shaping our remuneration governance
- highlights the key elements of our remuneration philosophy and principles, and how these support Capitec's strategy and long-term value creation
- summarises the main remuneration decisions and outcomes for 2026 and how these link to performance
- introduces our approach to benchmarking, peer group selection and the calibration of variable pay targets and scenarios
- provides the context needed to interpret the detailed disclosures in **Section 1: Remuneration governance** and the voting items in **Section 2: Remuneration report**.

⁽¹⁾ In this report, references to a particular year relate to the financial year ending on the last day of February (28 or 29 February) of the relevant year, unless otherwise stated.

Remuneration review continued

Regulation and governance framework

Our approach to remuneration is shaped by 3 core frameworks: King V™, the JSE Listings Requirements and the Companies Act. Each has a distinct role, and together they inform how our remuneration is governed, disclosed and approved.

Framework	Key remuneration requirements	How we apply this framework
King V™ (principle 11)	Remuneration must be fair, responsible and transparent, and support sustainable value creation. Companies must 'apply and explain' how they meet this principle.	We explain how remuneration links to performance and long-term value, how we ensure fair and responsible pay across the workforce, and we provide clear disclosure of our remuneration philosophy, design and outcomes. In addition, we provide a Non-Executive Director fee policy overview in Section 1 subsection 2, which aligns with the requirements of King V™ to provide supporting context to the Non-Executive Director fees presented to shareholders for approval.
JSE Listings Requirements	Listed companies must apply the King Code (including King V™) and clearly disclose their remuneration policy and how it is implemented.	The Section 2: Statutory remuneration report and the remuneration-related AGM resolutions are structured to reflect King V™ and JSE expectations on disclosure and alignment with strategy and long-term value creation.
Companies Act section 30A (Remuneration policy)	Shareholders must approve the remuneration policy by ordinary resolution at least every 3 years and before any material changes take effect.	The remuneration policy is currently presented for a non-binding advisory vote annually in line with the King Code. Once section 30A is proclaimed, it will be subject to a binding triennial vote.
Companies Act section 30B (Remuneration report)	Shareholders must vote annually on the remuneration report (background statement, remuneration policy and implementation report). If it is not approved in consecutive years, certain Non-Executive Directors may no longer serve on the REMCO. The remuneration report must also contain certain pay gap disclosure ratios.	The remuneration report is currently presented for a non-binding advisory vote annually in line with the King Code. Once section 30B is proclaimed, it will be subject to a binding vote with consequences for non-approval.



Remuneration philosophy and principles

Our remuneration philosophy supports Capitec's purpose and long-term, sustainable value creation for all stakeholders. We reward performance that delivers on our strategy, improves clients' financial lives and strengthens the resilience of the Group.

At the core of our approach are 2 defining principles: ownership and pay for performance. We believe that sustainable value is created when employees think and act like owners, and when reward outcomes are directly aligned to both short-term delivery and long-term value creation.

Ownership is embedded through our LTI framework, which represents the majority of variable remuneration. This ensures that Executives and key employees share in the risks and rewards of long-term value creation alongside shareholders.

Pay for performance is delivered through a balanced combination of STIs and LTIs, where reward outcomes are closely linked to the achievement of financial, strategic and risk-based objectives. This alignment ensures that performance is rewarded only when it translates into real, sustainable outcomes for the Group.

We aim to keep our approach simple and focused – we pay for performance within a disciplined cost framework.

To achieve this, we structure remuneration in a way that:

- reinforces our culture of ownership, accountability and entrepreneurial thinking
- recognises both short-term delivery and long-term, sustainable outcomes
- balances market competitiveness with financial prudence and responsible cost management.

Our strategic focus on delivering value to our clients remains the main driver behind our success.

Our key guiding remuneration principles are to:

- attract, motivate and retain high-calibre, values-aligned talent
- reward performance that supports Capitec's strategy, risk appetite and client outcomes
- encourage innovation and ownership by linking a meaningful portion of pay to value creation, primarily through LTI participation
- promote fairness, equity and inclusion across all levels of the organisation
- share in value creation through broad-based LTIs and employee share schemes
- provide clarity and transparency on career progression and reward outcomes
- apply strong governance so that all remuneration decisions are ethical, compliant and risk aware

- remain affordable and responsible, ensuring that remuneration is sustainable and aligned with shareholders' interests.

Variable remuneration framework

Our variable remuneration framework is deliberately structured to emphasise long-term value creation while still recognising annual performance delivery.

Short-term incentives

Our STI framework is deliberately moderate in quantum, typically comprising 20% or less of total variable pay for Executives. While the overall weighting is lower than the LTI, the STI remains an important mechanism to reward the delivery of annual financial, strategic and risk objectives. Consistent with our pay-for-performance philosophy, we do not impose a hard cap on STI outcomes, allowing for meaningful reward where exceptional performance is achieved, while still operating within an overall disciplined and affordable remuneration framework.

Long-term incentives

Our LTI approach is the primary driver of variable remuneration, typically representing 80% or more of total variable pay for Executives. The design is intentionally geared, meaning that outcomes are highly sensitive to sustained performance and shareholder value creation over time. This ensures strong alignment between Executives and shareholders, reinforces an ownership mindset and supports disciplined decision-making with a long-term horizon.

Use of share options and share appreciation rights (SARs) for the LTI

The REMCO has made a deliberate choice to use 'at the money' share options and SARs, using a 30-day volume-weighted average price (VWAP) at the date of allocation, as our primary LTI instruments. Executives are therefore exposed to the same downside risk as shareholders – if the share price does not grow, the instruments have no value.

Unlike nil cost options or conditional share awards, where Executives retain significant value even in periods of flat or declining share price performance, provided internally set key performance indicators (KPIs) are met, our instruments only deliver value when management delivers beyond the expectations already priced in by the market at the time of allocation. This means the market, not the REMCO, is the ultimate decider of whether our strategy is delivering value.

We believe this represents the purest form of alignment as Executive wealth participation is impossible without shareholder wealth creation.

Benchmarking and peer group rationale

Recognising the importance of attracting and retaining an experienced and highly effective leadership team capable of delivering our differentiated growth strategy over the long term, the REMCO undertakes regular benchmarking of Group Executives' and Executive Heads' total remuneration. Formal external benchmarking is conducted at least every 2 years, using independent market data for a defined comparator group, and is reviewed and challenged by the REMCO before any adjustments are made. The objective is to ensure that total remuneration (comprising total guaranteed pay (TGP), STI and LTI) remains appropriately competitive and aligned with the Group's performance-based, shareholder value creation philosophy.

Market context and peer group selection

Our benchmarking begins with a universe of large, listed South African companies operating in banking, insurance, financial technology and adjacent ecosystem-based client and product segments. From this universe, the REMCO identifies a comparator group that is considered appropriate based on:

- similarity in industry and business model (banking, insurance, financial technology and ecosystem-based entities)
- client segmentation (primarily retail and SME)
- product offering (banking, insurance and VAS)
- scale and growth profile, using indicators such as market capitalisation and price-earnings ratio.

Within this broader universe, the REMCO focuses on organisations with a comparable level of business complexity, including the breadth of client base, regulatory environment and the scope and scale of Executive responsibilities. Companies whose business models or geographical profiles are considered too different are excluded after careful consideration to ensure that the benchmarking is meaningful and relevant.

Benchmarking methodology and remuneration construct

Individual elements (TGP, STI and LTI) are then analysed to obtain a contextual view of Capitec's pay mix relative to the comparator group and to assess whether the current structure remains consistent with Capitec's remuneration philosophy. Market data is used as an informed reference point rather than a formula. In setting individual pay levels, the REMCO also considers Capitec's performance, individual contributions and potential, succession and scarce skills risk, internal equity and overall affordability.

Capitec's remuneration approach places greater emphasis on long-term performance rather than short-term delivery and therefore applies a risk-gearred approach to remuneration. In practice, this means that:

- the cash package (TGP + STI) is positioned to be competitive for roles of similar scale and complexity, without unduly weighting short-term earning delivery
- a material portion of Executive reward is delivered through equity-settled LTI, where the value ultimately realised is directly linked to sustained growth in earnings and market valuation.

Capitec's LTI design for Group Executives and Executive Heads makes use of share options and SARs, which are inherently geared instruments. Value is only delivered where the share price appreciates above the at-the-money strike price, such that:

- there is greater upside in scenarios where Capitec delivers sustained headline earnings per share (HEPS) growth and maintains or enhances its valuation
- there is a higher likelihood of reduced or no payout in the event of underperformance or a lower market rating.

By contrast, many comparator companies make more extensive use of full-value, nil-cost share awards that deliver value on achievement of KPIs regardless of market rating, resulting in a lower degree of risk and gearing for participants. To achieve a comparable expected value outcome when using share options or SARs, Capitec typically has to allocate a higher number of instruments per unit of expected value than would be required under a full-value share approach, further reinforcing the performance-linked, risk-gearred nature of the construct. Overall, Group Executive and Executive Head total remuneration is positioned around the mid-market range, with a higher proportion of remuneration at risk than the market norm due to the greater emphasis on equity-settled, performance-linked LTI.

Executive benchmarking outcomes are also assessed in the context of broader workforce pay structures to ensure that Executive remuneration remains fair and responsible relative to internal pay levels and progression, consistent with Capitec's fair and responsible pay philosophy.



Positioning of Group Executives and Executive Heads

The REMCO does not target a fixed percentile positioning for Group Executives and Executive Heads relative to the comparator group. Instead, it focuses on the overall pay mix (the balance between fixed and variable remuneration and the split between cash and equity-settled reward) taking into account Capitec's scale, complexity and differentiated growth profile. Our philosophy is that Executives' targeted total remuneration consists of approximately one-third fixed pay and approximately two-thirds variable pay with the variable pay being heavily weighted towards LTI.

Key outcomes in 2026

The success of our client-centric approach was reflected in our 2026 performance results, particularly in our ability to continue delivering growth opportunities. This success is best demonstrated by the achievement of the following key strategic drivers and initiatives:

- Executing our diversification strategy, with 67% non-interest income to income from operations after credit impairments and strong growth in Fintech, Insurance and VAS
- Deepening client relationships, reaching 25.6 million clients in South Africa with double-digit growth in fully banked and higher-income client segments
- Strengthening ecosystem businesses such as Capitec Connect and Business Banking, each contributing meaningfully to Group earnings and strategic resilience
- Balancing client value and profitability by reducing fees and returning R1.0 billion to clients while still delivering exceptional earnings and ROE performance.

Our strategic execution in 2026 translated into strong, differentiated returns for our shareholders.

Our remuneration policy has been carefully designed to ensure that our total Executive remuneration is aligned with long-term shareholder value creation. Our variable pay focused on 3 core metrics being HEPS, ROE and client-centric (CSAT) objectives, and is furthermore underpinned by the requirement that share price growth must be delivered before any value vests in the hands of the Executives.

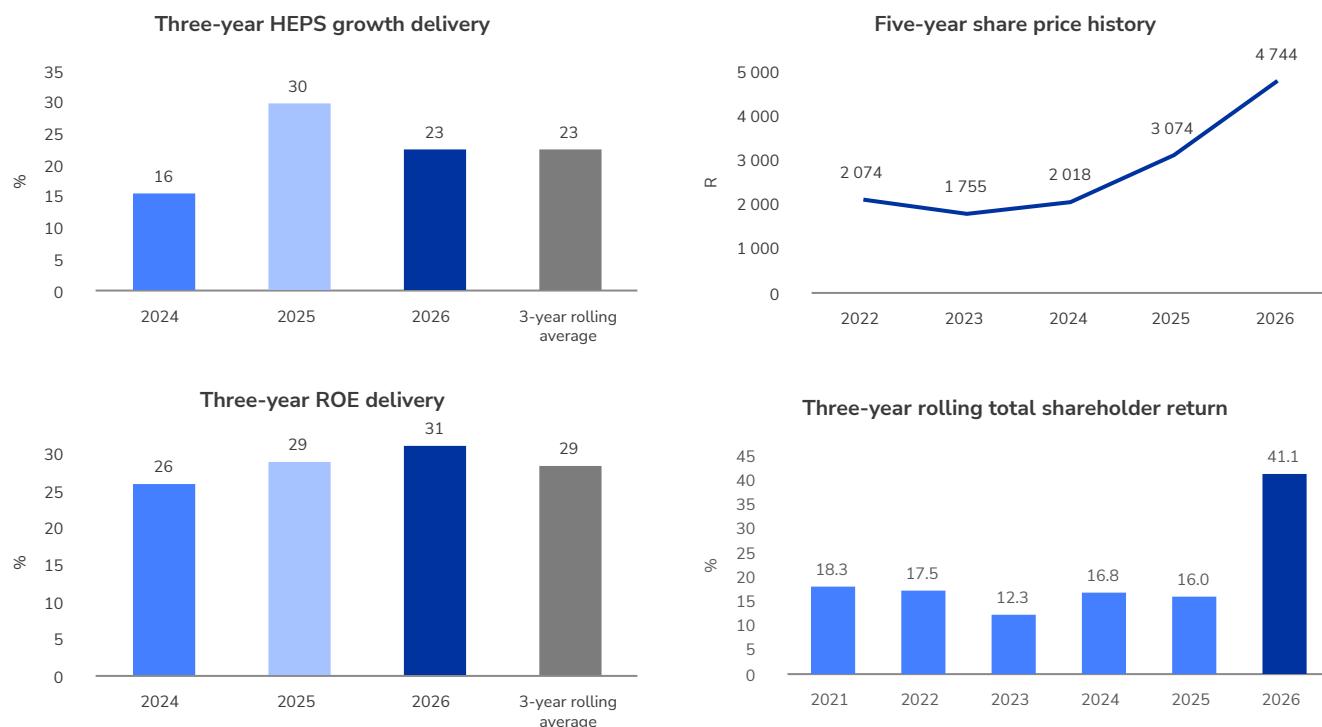
Our remuneration and performance dashboard that follows illustrates the geared nature of our variable pay approach. It shows how Executive total remuneration outcomes are closely aligned with shareholder value delivery, and how share price growth correlates with the key metrics used in our incentive design.

It is important to note that the CEO total single-figure 3-year trend line showcases his remuneration as the Executive: Personal Banking in 2024 and 2025 with his transition to CEO only reflecting in 2026. The CFO total single-figure 3-year trend line showcases the build-up of his LTI exposure over the past 3 years reflecting our 6-year tranche vesting structure for LTI awards.

The dashboard also highlights the weighting of our pay mix towards share-based delivery, reinforcing our focus on long-term value creation – i.e. ROE >25% and sustained HEPS growth >18%, collectively culminating in strong share price growth delivery which is the most meaningful contributor in sustaining our total shareholder return.



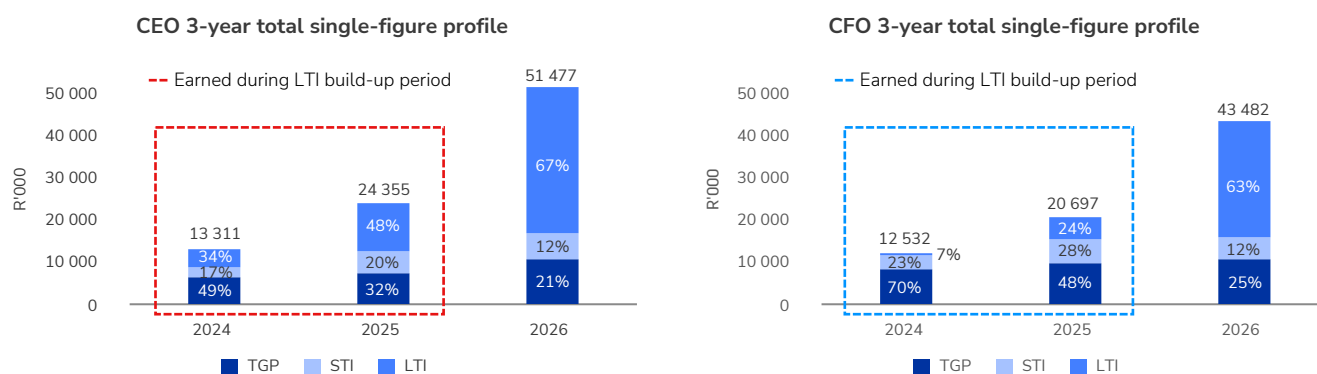
Remuneration and performance dashboard



Executive remuneration outcomes reflect our pay-for-performance philosophy

The exceptional business achievements in our 2025 financial year continued in 2026 and have translated into strong Executive remuneration outcomes, demonstrating the effectiveness of our pay-for-performance philosophy. The dashboard above shows how our Executive total remuneration outcomes remain closely aligned with shareholder value delivery, and how our share price continues to correlate with the key metrics used in our incentive design.

The substantial increase in the 2026 total single figure of remuneration is primarily attributable to the vesting of multiple share option and SARs tranches allocated historically during the LTI build-up period. As our LTI awards vest in 25% tranches over years 3, 4, 5 and 6 after grant, the overlapping of annual allocations now reaching maturity produces a compounding effect on the single figure. This outcome is fully aligned with our remuneration principle of rewarding sustained long-term performance and reinforcing an ownership culture through comprehensive share-based incentives.





Short-term incentive outcomes

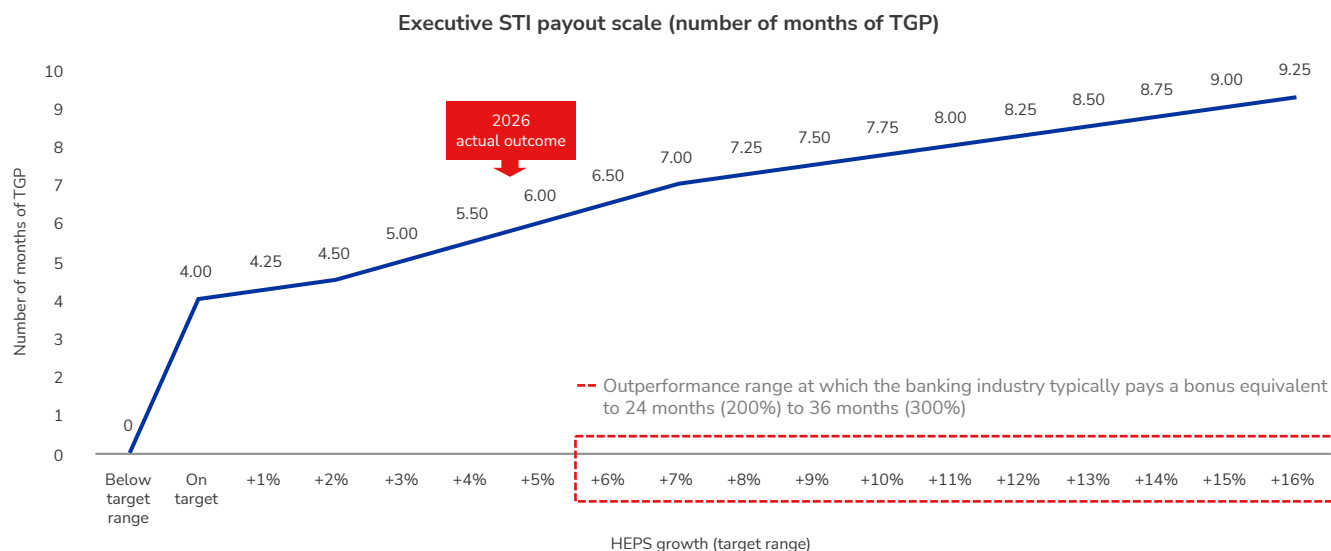
Our robust share price growth of 54% during the period, underpinned by outstanding headline earnings and the successful execution of prioritised Strategic Initiatives, resulted in above-target STI payments to our Executives for 2026. The STI scheme is designed to reward the achievement of stretching earnings targets, with a downward modifier applied where the Group strategic and sustainability scorecard falls below 90% or where an individual's personal performance rating is unsatisfactory.

The STI does not impose a formal performance cap. This is a deliberate design choice, consistent with our earnings growth focus – meaning that there is a direct correlation between Company success and individual reward.

The REMCO monitors actual STI outcomes annually relative to the caps imposed by comparator companies, in particular in the banking sector. In 2026, the CEO's and CFO's STI of 5.8 months of TGP represented approximately 48.33% of TGP, which is significantly below the typical market caps observed in the banking industry. When viewed within the overall pay mix, STI comprised just 12% of both the CEO's and CFO's total single figure, reinforcing the deliberate moderation of short-term cash reward in favour of more geared LTI participation. This pay mix approach, which reduces exposure to STI in favour of a more geared LTI, remains fit for purpose as it keeps our Executives focused on long-term sustainable value delivery rather than a short-term cash bonus. As mentioned previously, this aligns with our philosophy that Executive variable pay is heavily weighted towards LTI.

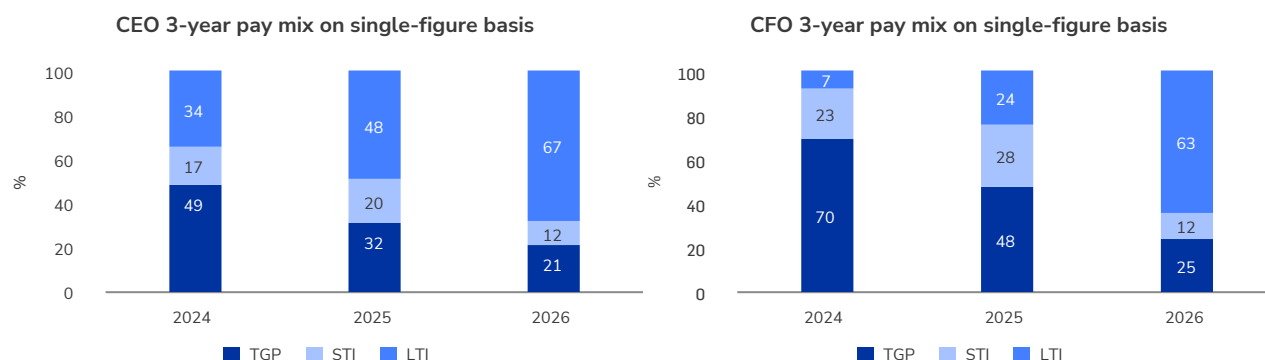
The graph below sets out the Executive STI payout scale. The following is shown in the graph:

- At on-target HEPS performance, Executives receive 4 months of TGP
- The scale increases at a rate of approximately 0.50 months of TGP for each 1% of HEPS growth above target up to approximately +7%, after which the incremental rate reduces to 0.25 months per 1% of additional growth. This results in the payout curve flattening at higher levels of outperformance
- At +16% above target (an exceptional outcome), the STI reaches 9.25 months of TGP, equivalent to approximately 77% of annual TGP. This compares to formal STI caps of 200% to 300% of TGP (i.e. 24 to 36 months) typically applied in the banking sector.



We are comfortable that our pay mix approach, which reduces exposure to STI in favour of a more geared LTI, remains fit for purpose as it motivates our Executives and reinforces their focus on long-term sustainable value delivery rather than short-term cash bonus outcomes.

Remuneration review continued



Succession in action – approach to pay

Graham Lee was appointed as CEO on 19 July 2025, following the structured succession process described in Section VI of our 2025 remuneration report. During this process, the REMCO progressively increased his LTI allocations from Executive Head level to Group Executive and CEO-successor level over 2023 to 2025, serving the dual purpose of retaining a critical successor candidate and building an appropriate LTI portfolio ahead of his transition. This approach is consistent with Capitec's Executive lock-in strategy, which is carried out through a gradual build-up process, avoiding the need for drastic resetting of pay or large sign-on awards at the effective date of succession. As CEO, his LTI allocation will continue to be determined annually by the REMCO referencing market benchmarks and a targeted lock-in value.

Each annual share option and SAR allocation vests in equal tranches of 25% over years 3 to 6, meaning it takes approximately 6 years from first allocation for the vesting pipeline to reach full capacity. Graham's pipeline is currently in its build-up phase, with the larger allocations from 2024 and 2025 commencing vesting from 2027 and 2028, respectively. The committee expects the total single figure to continue to increase over the next 2 to 3 years as the pipeline matures, before stabilising at a level consistent with CEO-level participation. The value ultimately realised will continue to be directly linked to share price performance and therefore shareholder value creation.

Strategic pay mix design

Our remuneration framework carefully balances TGP, STI and LTI according to 3 key factors:

- Strategic influence of the role
- Time horizon of decision-making impact
- Level of organisational responsibility.

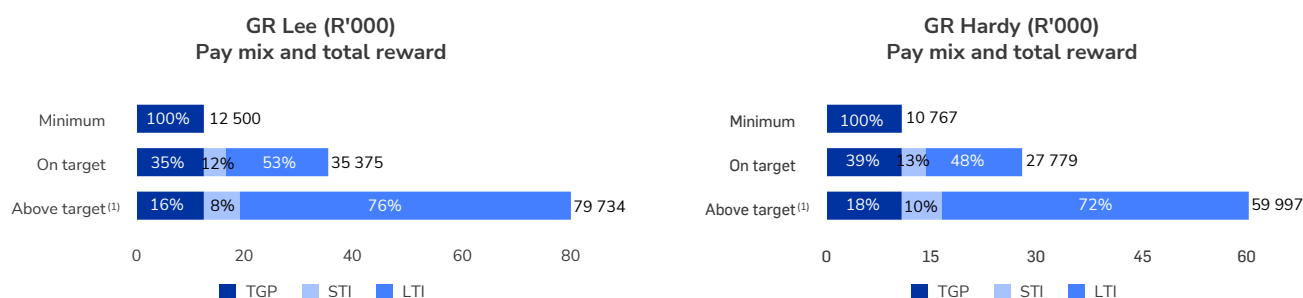
The principles which determine the balance between the 3 elements of remuneration are:

- TGP is market-competitive, ensuring that inappropriate risk-taking behaviour is not encouraged through an overreliance on variable pay outcomes
- The STI is low relative to the market at target level, with the opportunity to align with the market when HEPS growth is in excess of 35%. No artificial caps are placed on the performance potential, in keeping with our earnings growth focus – meaning there is a direct correlation between Company success and individual reward. This means that outperformance is required to receive a market-competitive STI
- LTIs do not provide for stretch vesting modifiers, and due to their nature as option-type instruments, significant value is only seen by Executives where there has been significant share price growth created.



The graphs setting out the pay mix for the Executive Directors depicting minimum, on-target and above-target performance are included purely for illustrative purposes. These graphs rely on certain assumptions, outlined below.

Element	Calculation minimum	On target	Above target
TGP	TGP as at 1 March 2026. Benefits in line with those paid in the 2026 financial year and assumed that no TGP is converted into shares.		
STI	Nil	33% of annual TGP	54% of annual TGP (i.e. target + 6%)
LTI	Nil	The maximum number of instruments granted in the 2027 financial year that might vest multiplied by the fair value on grant	The maximum number of instruments granted in the 2027 financial year that might vest multiplied by a simulated share price growth between date of grant to vesting



⁽¹⁾ The LTI 'above target' is calculated as the number of share options that Capitec anticipates granting multiplied by a simulated share price which grows at a rate which resembles the targeted headline earnings.

Variable pay targets for 2026

STI

The annual HEPS target is set by the REMCO with reference to Board-approved budgets and prevailing economic conditions. Given commercial sensitivity, the target is not disclosed prospectively but is disclosed retrospectively in the implementation report together with the actual performance achieved.

Non-financial scorecard

A Group non-financial scorecard can reduce the HEPS-based STI by up to 30% if strategic, risk and control, or ESG measures are not sufficiently met. Each category carries a weighting of 8% to 12%. All Group Executives share collective accountability for the outcomes. The assessment result is disclosed in the implementation report.

LTI – Share options and SARs

Performance measure	Weighting	Threshold (50%)	Intermediate (75%)	Target (100%)
Normalised HEPS over a 3-year average	40%	> Consumer Price Index (CPI) + GDP growth + 2%	≥ CPI + GDP growth + 4%	≥ CPI + GDP growth + 6%
Normalised ROE over a 3-year average	40%	≥ Cost of equity (COE) + 4%	≥ COE + 6%	≥ COE + 8%
Client satisfaction over a 3-year average	20%	75% – 77%	78% – 80%	>80%
Share price growth dependency	SAR and share option instruments only entitle participants to growth in the share price above a 30-day VWAP strike price determined at date of grant – for the 2026 financial year, the strike price was R3 047.35. Accordingly, in instances where the above performance conditions are delivered, and the share price at point of exercise did not appreciate above the 30-day VWAP price on date of grant, no value is delivered to Group Executives and Executive Heads for the respective vested tranche.			

Unpacking the CSAT:

- The client satisfaction metric is tested with reference to an annual CSAT
- CSAT is a key metric that shows how satisfied our clients are with a specific feature, service or interaction. It provides a clear picture of how well we are meeting our client expectations
- This is done through effectively measuring our active voice of client and passive voice of client which collectively helps us map our overall client experience
- The score is measured across both Personal Banking and Business Banking touchpoints with each survey touchpoint receiving its own weighting according to the percentage of survey responses per touchpoint
- Clients can rate their Capitec experience as good, neutral or bad through WhatsApp. Good is weighted 1, neutral is rated 0.5 and bad is rated as 0
- The sum of the ratings at each touchpoint is then measured over the total number of ratings which is then reflected as a percentage
- The threshold, intermediate and target ratings for the client satisfaction measure have been set with reference to the American customer satisfaction index where a good score ranges between 75% and 85%
- This method of measurement is preferred over a typical net promoter score which focuses purely on the measurement of client loyalty and advocacy.

Further notes:

- Linear vesting will occur between vesting levels of each measure
- The HEPS and ROE calculations take into consideration adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes or IFRS Accounting Standards changes.

It is important to note that the 6% spread applicable to HEPS and the 8% spread applicable to ROE are set at the award date, taking into account business plans, macroeconomic conditions and relative assumptions appropriate at the point of award.

Non-Executive Director fees

Aligning to King V™

In alignment with the principles of King V™, Capitec maintains a formal Non-Executive Director fee policy which outlines the criteria and structure for their remuneration. This framework, detailed in the sections that follow, enables shareholders to make an informed decision when voting on the proposed 2027 Non-Executive Director fees at the AGM to be held on 31 July 2026.

Non-Executive Director fee structure

Non-Executive Director remuneration is based on a fixed-fee structure not related to meeting attendance. The Chairman of the Board is paid a retainer and receives no further payment for committee membership. Board members receive a retainer for Board membership and for each Board committee on which they serve. No fee is paid to members of the DAC.

Capitec's approach is to benchmark Board and committee fees using inflation indicators and regular market benchmarks as the primary guides, in line with principles of fairness, competitiveness and sustainable remuneration practices. The positioning varies by role:

- The Chairman of the Audit Committee and the Chairman of the RCMC are benchmarked at the 75th percentile of the comparator group, reflecting the critical nature and impact of these roles within the banking and insurance sectors
- All other positions are benchmarked at the 50th percentile of the comparator group.

Committee member remuneration is set at no less than 40% of the committee Chairman's remuneration, ensuring fair recognition of the responsibilities and contributions of all committee members.

Non-Executive Director entitlements to variable incentives

Non-Executive Directors do not qualify for any STI.

No new LTI allocations are made to Non-Executive Directors, however, previous tenure as a member of the Group Executive may result in legitimate vesting of a previously awarded LTI. Non-Executive Directors are reimbursed for their direct and/or indirect expenses reasonably and properly incurred in the performance of their duties. Non-Executive Directors who, in terms of tax requirements, supply a tax invoice with value-added tax (VAT), receive their approved Non-Executive Director fees accordingly.



International Non-Executive Directors

International Non-Executive Director fees are determined using the same benchmarking methodology applied to South African Non-Executive Director fees to ensure parity and competitiveness across geographies. For international Non-Executive Director subcommittee memberships, the ratio between local South African Board member fees and subcommittee fees is applied to maintain consistency and proportional compensation.

Fee adjustments

Non-Executive Director fee adjustments are determined using the same or similar principles applied to management remuneration adjustments. To maintain shareholder confidence and uphold fiscal prudence, increases may not exceed 30% per position per annum, with substantial increases reserved only for instances where Capitec's Non-Executive Director fees substantially lag market benchmarks.

Proposed 2027 financial year Non-Executive Director fees

The following proposed 2027 financial year Non-Executive Director fees will be tabled for approval by shareholders (in terms of the Companies Act) at the AGM to be held on 31 July 2026. Refer to special resolution number 1 in the notice of the AGM.

Directors' fees (South African Non-Executive Directors)	2027 R	Change %	2026 R
Chairman of the Board ⁽¹⁾	6 966 750	5.0	6 635 000
Lead Independent Director ⁽²⁾	395 485	5.0	376 650
Directors ⁽³⁾	649 692	9.4	594 000
Chairman of the Audit Committee ⁽⁴⁾	1 072 315	5.0	1 021 250
Audit Committee member	428 715	5.0	408 300
Chairman of the DAC	—	—	—
DAC member	—	—	—
Chairman of the RCMC ⁽⁴⁾	1 037 100	6.5	973 800
RCMC member	404 250	5.0	385 000
Chairman of the REMCO	493 255	6.5	463 150
REMCO member ⁽³⁾	235 053	7.6	218 400
Chairman of the SESCO ⁽³⁾	463 404	10.9	417 800
SESCO member ⁽³⁾	188 800	13.3	166 700
Subcommittee of the Board	97 875	6.5	91 900

⁽¹⁾ This is an all-inclusive figure and includes the fee for Capitec Life.

⁽²⁾ The total Lead Independent Director's fees amount to R1.93 million.

⁽³⁾ Where a Non-Executive Director fee increase exceeds 6.5%, it is done with the aim of ensuring that the Non-Executive Director fees remained aligned to the 50th percentile of the comparator group.

⁽⁴⁾ The Chairman of the Audit Committee and Chairman of the RCMC's fees are being aligned with the 75th percentile of the comparator group due to the complexity in the banking environment.

Directors' fees (international Non-Executive Directors)	2027 USD	Change %	2026 USD
Director ⁽¹⁾	105 000	5.0	100 000
REMCO member	38 000	3.3	36 770

⁽¹⁾ Mr RR Malhotra was appointed to the Boards of Capitec and Capitec Bank on 1 March 2025.

Fair and responsible remuneration

Fair pay approach

We strongly believe in investing in exceptional employee experiences in the way we attract, hire, onboard, develop, recognise and reward people. Our remuneration philosophy supports this approach through a foundation of fair and equitable remuneration practices, enhanced by a strong focus on performance-based awards.

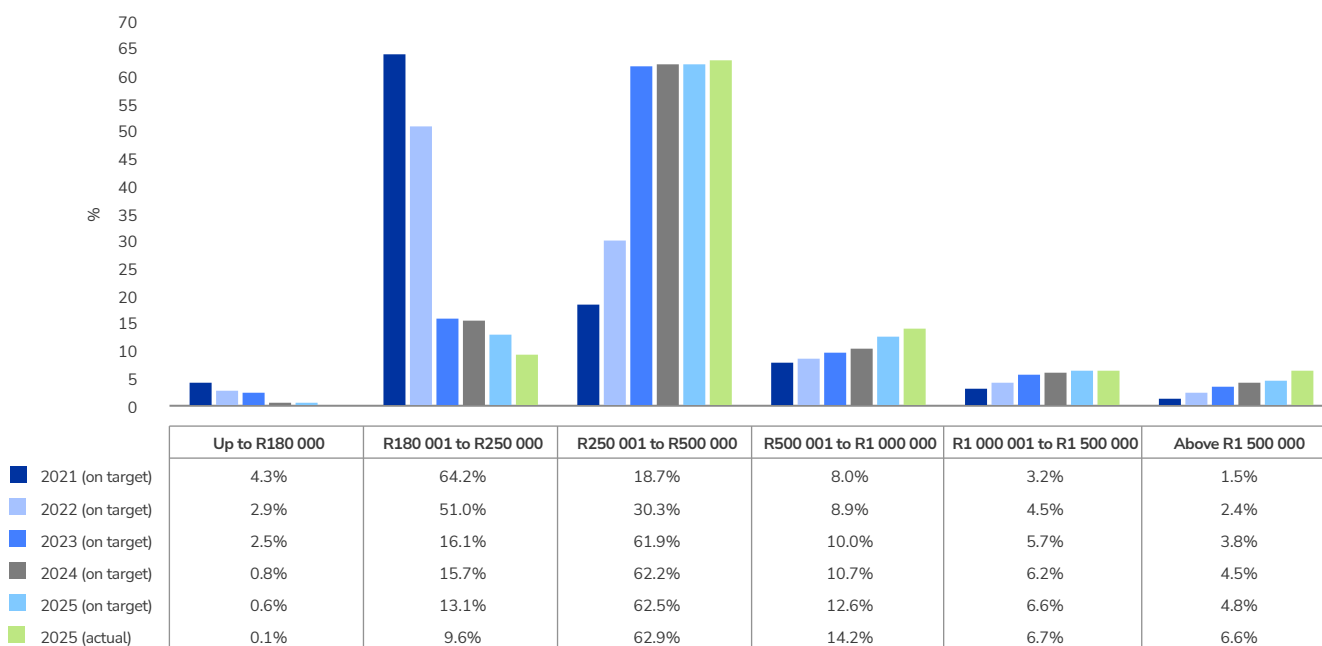
Our commitment to pay equity is based on remuneration analytics which, *inter alia*, involves:

- continuously tracking pay ratios across gender and racial demographics
- dedicated focus on elevating remuneration for junior and semi-skilled employees.

We are committed to developing talent and have several programmes designed to support this, including our Internal Career Mobility Programme, proactive succession planning and talent initiatives, and our Graduate Development Programme.

We are proud of the meaningful progress made in pay equity over the past 5 years. Our deliberate focus on progressing pay for lower-level employees has resulted in a significant shift in our income distribution profile.

Earnings breakdown of Capitec's workforce per remuneration interval (total remuneration pre-tax)⁽¹⁾



⁽¹⁾ The dates above refer to 31 May of the relevant year, which is the month following bonus payments and increases.

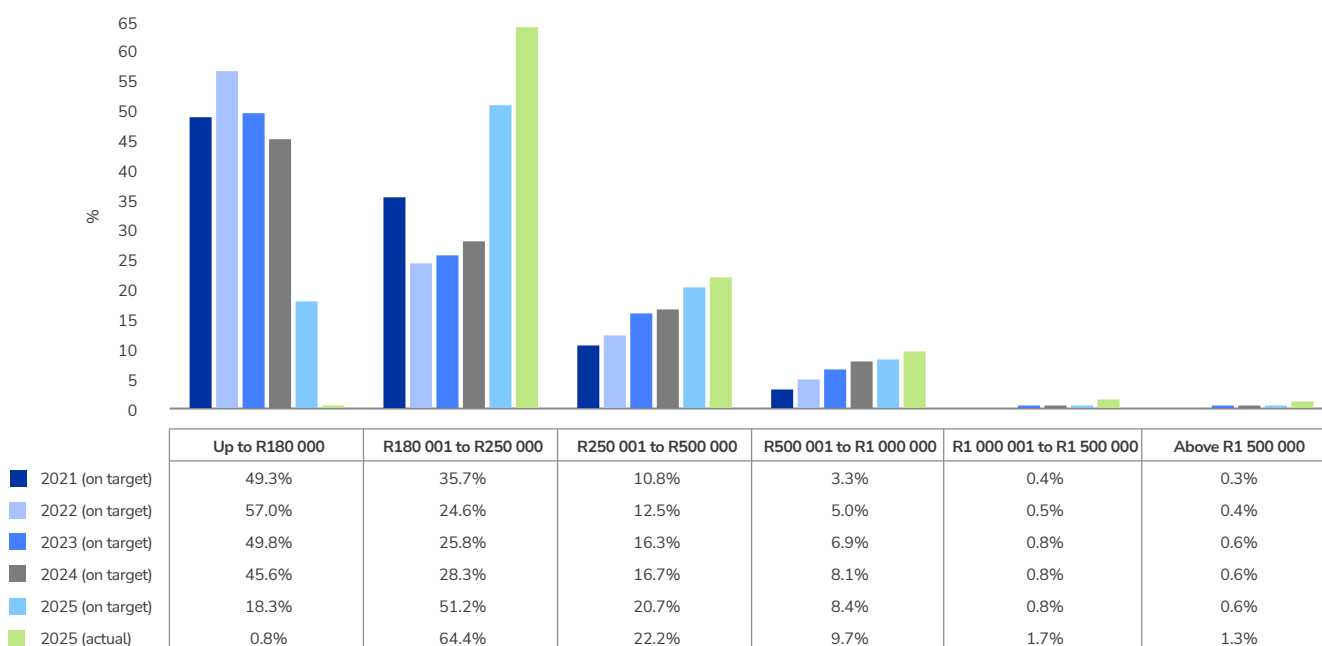
In 2021, 68.5% of employees earned below R250 000 per annum. By 2025, this reduced to just 9.7%. The proportion of employees earning between R250 000 and R500 000 has increased from 18.7% in 2021 to 62.9% in 2025, demonstrating that a substantial portion of our workforce has moved into higher earning brackets. Due to our exceptional performance in 2025, we have also been able to deliver an actual pay progression outcome that exceeds our on-target expectations.



Measuring what matters: The impact on take-home pay

While gross earnings are a standard metric, the REMCO believes analysing remuneration on a post-tax basis provides a more honest and meaningful measure of financial well-being. This 'take-home pay' perspective is critical to understanding the real-world impact of our reward structures.

Earnings breakdown of Capitec's workforce per remuneration interval (total remuneration post-tax)⁽¹⁾



⁽¹⁾ The dates above refer to 31 May of the relevant year, which is the month following bonus payments and increases.

The power of our approach is illustrated by our 2025 outperformance. The upward gearing of the STI significantly boosted disposable income for our people, reducing the proportion of employees earning below R180 000 post-tax from an expected (i.e. on target) 18% to less than 1%. This demonstrates how our variable pay framework delivers tangible, life-impacting value directly to our employees, especially at junior levels, when Capitec performs well.

Excluding learnership roles, Capitec maintains pay above a dignified level of approximately R180 000 per annum.

Fairness is also reflected in the way that we structure pay for Executives and higher earners. At this level, we manage fairness by a higher weighting of pay towards variable pay.

The following remuneration principles support our remuneration philosophy.

Creating meaningful employment opportunities

We believe in transforming South African society not just through our banking services, but through meaningful employment opportunities that enable long-term personal growth and salary progression. Our approach to fair and responsible remuneration extends beyond competitive pay to encompass comprehensive development and holistic employee well-being.

This is anchored in our concept of 'exceptional employee experience' – echoing our commitment to an exceptional client experience.

Driving income progression

We are proud of our progress in elevating our employees' earning potential. Our focused initiatives have helped transition a substantial portion of our workforce from earning below R250 000 to the R250 000 to R500 000 annual income bracket. This deliberate income progression strategy ensures that Capitec's success translates into tangible financial benefits for our employees at all levels.

Professional development and career growth

Our commitment to employee development is demonstrated through structured learning programmes that create clear career progression paths:

- Our ATM assistant and Bank Better Champion roles (encompassing 1 742 positions within our 17 236-strong workforce) offer comprehensive skills development
- Our Service Consultants undergo a structured 18-month progression programme enabling them to advance to an experienced Service Consultant level or be absorbed into Branch Manager positions
- Clear career and salary progression milestones provide transparency and motivation.

Remuneration review continued

Comprehensive employee benefits

We have developed a tailored benefits programme that supports employees' overall well-being and financial security. Our approach ensures that every employee, regardless of their position, receives both financial and non-financial benefits that contribute to meaningful employment.

Advancing fair pay practices

Our commitment to fair remuneration includes:

- regular job evaluations and market benchmarking to ensure competitive remuneration
- a commitment to 'equal pay for work of equal value', eliminating disparities based on gender, race or other discriminatory factors
- enhanced focus on benefit awareness and utilisation, particularly at lower employment levels
- specialised financial wellness support, including credit health education and rehabilitation services.

Wider workforce remuneration

This section outlines how Capitec's pay and reward framework is applied beyond Group Executives and Executive Heads, and how we ensure that it remains transparent, fair and aligned with our strategic objectives.

The table below shows how the framework cascades across different organisational levels, together with a summary of the information considered by the REMCO as part of its annual review process.

Within our disciplined cost framework, remuneration is structured to attract, motivate and retain high-calibre, values-aligned people who take ownership, are accountable and think entrepreneurially. Outcomes are calibrated to recognise performance that delivers on Capitec's strategy, improves clients' financial lives and strengthens the resilience of the Group, while remaining fair, responsible and competitive.

We regularly review employment terms and conditions to ensure alignment with evolving market practice, client and regulatory expectations, and Capitec's strategic priorities. Our philosophy is deliberately simple and focused: we pay for performance within clear risk, cost and governance parameters, balancing short-term delivery with long-term, sustainable outcomes for clients, employees and shareholders.

We also track developments in talent management, skills and capability building, and the broader employee value proposition to ensure that our framework remains relevant, supports inclusion and equity, and reinforces a culture of ownership through broad-based LTI and employee share schemes.

Element of remuneration	Senior and strategic leadership reporting to Group Executives and Executive Heads (E1 - E4)	Middle management (D5 leaders and selected D3/D4 specialists)	Other employees
Salary and benefits	The same TGP structure and principles apply as to Group Executives and Executive Heads. Pay is managed within Capitec's benchmark pay scales and the Paterson grading framework. Annual increases reflect individual, team and Company performance, competence, benchmarking outcomes and economic factors.		
	The same benefits framework and structure apply in line with grade and internal rules.		
STIs	Eligible for an annual bonus based on Company and personal performance. Where there is outperformance, a reduced cash portion is paid and a greater portion is delivered in conditional share rights (CSRs), with CSR vesting subject to HEPS and CSAT performance.	Participate in the cash-settled middle management incentive scheme. Awards vest subject to both personal and Company performance. Once vested, one-third is paid in cash within 3 months after financial year-end; the remaining two-thirds are settled in equal tranches in year 1 and year 2 after vesting. Participants may elect to defer all or part of this deferred portion into restricted shares under the restricted share plan (RSP), in which case Capitec provides a 10% match on the rand value deferred.	Participation in STIs is limited and depends on role and scheme rules. Where applicable, awards are aligned to grade-appropriate schemes and linked to personal and Company performance. Many employees do not participate in STIs and are rewarded primarily through TGP and benefits.
LTIs	Receive annual awards under the CSR plan. CSRs vest in equal tranches in years 3 and 4 after grant and settle in Capitec shares.	Access to LTIs is limited to participation in the RSP by virtue of mandatory deferral of two-thirds of STI as outlined above.	No broad-based LTI participation. LTI participation for other employees is limited to specific arrangements (e.g. targeted retention) where required.



Section 2: Remuneration report

subject to vote

This section sets out the components of Executive Director remuneration and how they were applied during the year, and is presented to shareholders for their vote, in line with the King Code, JSE Listings Requirements and the Companies Act (as applicable). It comprises the background statement, Directors' remuneration policy and the implementation report.

The background statement (subject to vote)

Letter from the REMCO Chairman

This report has been structured in anticipation of the new legislative framework to be introduced by the Companies Amendment Act, Act 16 of 2024, while remaining governed by the current advisory vote regime under the King Code and the JSE Listings Requirements.

Under the current framework, shareholders will cast non-binding advisory votes on the remuneration policy and implementation report. If either vote receives less than 75% support, we will engage with dissenting shareholders in line with the King Code. Once the Companies Amendment Act provisions are enacted, the framework will transition to binding votes with triennial (i.e. 3-yearly) policy approval and specific consequences for non-approval. Should the 'binding vote' framework become applicable between the publication of this report and our AGM, which is deemed to be applicable to us, we will adjust our requested shareholder resolutions accordingly, and make supplementary disclosures, where necessary, for compliance purposes.

Exceptional performance validates our remuneration approach

Our long-term strategy to diversify income streams and grow the number of quality clients delivered exceptional results in a financial year that showcased the strength of our diversified business model. We achieved 23% growth in headline earnings to R16.8 billion, with 67% of income from operations after credit impairments now generated from non-credit activities. Net interest income after credit impairments grew strongly by 18% on the back of a larger, healthier credit book, while non-interest income increased by 19%. Our strategic Fintech businesses, including VAS and Capitec Connect, delivered growth of 38%, and net insurance income increased by 38% (normalised to 19% growth on a like-for-like basis).

This performance directly reflects the effectiveness of our remuneration framework in driving the right behaviours. The incentives for the year appropriately recognise and reward the efforts that led to this growth with an available STI bonus pool of R966 million.

A year of stability: A proven framework delivers consistent outcomes

I am pleased to report that this has been a year of stability in our remuneration approach. Following the comprehensive enhancements implemented in 2025, the REMCO deliberately focused on maintaining policy consistency, allowing our refined framework to demonstrate its effectiveness without further modification. This stability enabled management and employees to operate with clarity and certainty, contributing to our outstanding performance.

The enhancements introduced in 2025 – including additional LTI measures, more stretching targets and the introduction of client satisfaction metrics – have continued to prove their worth throughout the year. Rather than pursuing further changes, we have focused on rigorous monitoring and consistent application of our existing framework, which has translated into measurable business results and strong alignment between pay and performance.

The client satisfaction measure, introduced as a third LTI metric, has supported our achievement of reaching 25.6 million clients in South Africa, with particularly strong growth of 12% in our most valuable fully banked client segment, which now represents approximately 39% of our client base and contributes roughly three-quarters of Group income, and exceptional 21% growth in higher-income clients earning above R50 000.

Remuneration review continued

Leadership transition: Continuity through change

During the year, we navigated a significant leadership transition with the retirement of Gerrie Fourie as CEO and the appointment of Graham Lee as his successor. The REMCO is pleased to report that this transition was executed seamlessly, reflecting the strength of our succession planning and the depth of leadership talent within Capitec.

Gerrie's tenure as CEO was marked by exceptional value creation and the transformation of Capitec into a diversified financial services provider. His remuneration on departure was handled in accordance with our scheme rules, with variable pay treated on the basis of those established principles. Further details are provided in the implementation report on **pages 141 to 147**.

Graham brings deep institutional knowledge and a proven track record of delivery to his new role. The REMCO worked closely with the Board to ensure his remuneration package reflects the responsibilities of the position while maintaining alignment with our established pay philosophy and shareholder expectations. We are confident that this seamless transition positions Capitec strongly for continued growth and strategic execution.

Balancing performance with stakeholder interests

These results validate our approach to balancing different stakeholder interests while maintaining rigorous performance standards. The REMCO closely monitors progress against set targets to ensure that our remuneration policy achieves its desired objectives while remaining fair to all stakeholders. This approach sometimes requires difficult decisions, but our 2026 results demonstrate that disciplined remuneration governance can drive exceptional outcomes for all parties.

Notably, we delivered this outstanding financial growth while reducing fees and giving R1.0 billion back to clients across our businesses. This achievement demonstrates that our remuneration framework successfully incentivises sustainable value creation rather than short-term profit maximisation. The quality of our strategy execution is further evidenced by our sustained CLR of 6.9% (excluding AvaFin), showing that growth has been achieved responsibly.

Alignment between employee rewards and shareholder returns

The exceptional business performance delivered in the 2026 financial year translated into strong Executive remuneration outcomes, reinforcing the effectiveness of our pay-for-performance philosophy and the robustness of our remuneration framework.

The significant growth in our share price over the period, underpinned by strong headline earnings growth driven by successful execution of our strategy, resulted in above-target STI outcomes for Executives. Our STI is anchored on demanding earnings targets, with a downward modifier applied where the Group's strategic and sustainability scorecard is below 90% or where an individual's performance rating is unsatisfactory. This ensures that short-term rewards remain firmly linked to the delivery of sustainable performance.

Our STI operates within a clearly defined variable pay framework for our Group Executives. Sustainable outperformance is required before higher STI outcomes are realised, and the REMCO actively oversees outcomes to ensure they remain appropriate and aligned with shareholder value creation. STI outcomes are benchmarked against banking sector peers, and the REMCO is satisfied that the levels paid for the outperformance achieved in 2026 remain prudent and continue to compare favourably with market practice, which typically allows for caps of 200% to 300% of annual TGP.

Our pay mix philosophy, which purposefully limits reliance on STI in favour of a more geared LTI, continues to be effective. This structure keeps Executives focused on long-term, sustainable value creation rather than short-term cash outcomes, reinforcing the behaviours that underpin our performance.

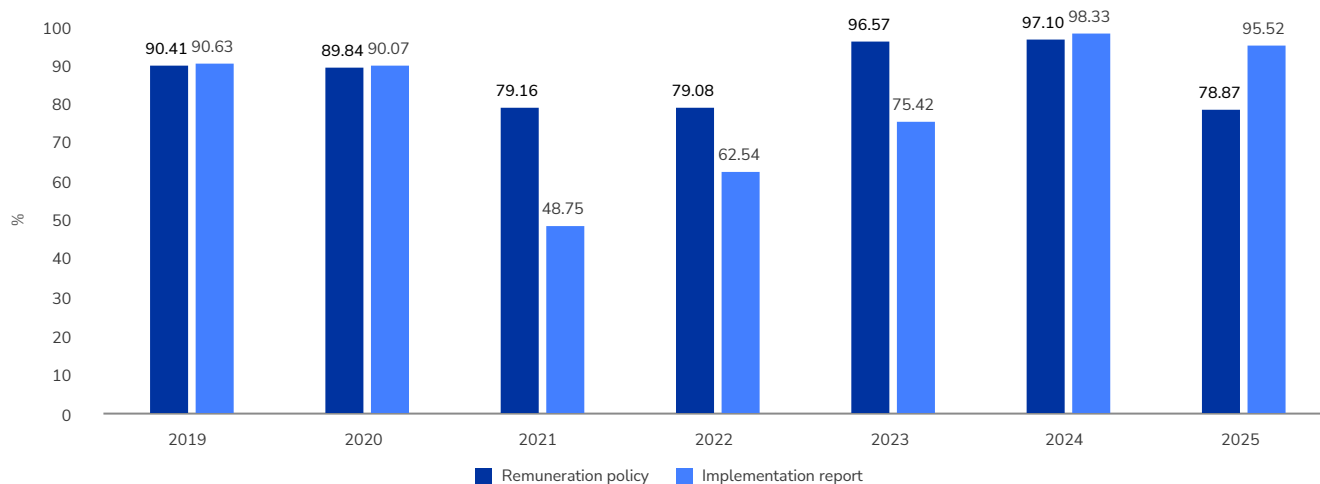
Shareholder engagement and voting outcomes

Our approach to remuneration design is fundamentally informed by ongoing stakeholder engagement. Capitec remains focused on developing remuneration strategies that best serve stakeholder interests through sustainable growth, with the REMCO regularly engaging shareholders to ensure open communication through which we gain input, address concerns and ultimately align interests.

We note a slight decrease in shareholder support for our remuneration report at last year's AGM, from 98.33% in 2024 to 95.52% in 2025. More significantly, we saw a notable decrease in shareholder support for our remuneration policy, from 97.1% in 2024 to 78.87% in 2025. These outcomes remain an important signal of shareholder sentiment under the current advisory voting framework. The REMCO has carefully analysed this feedback and understands that the decrease in support for our remuneration policy stems primarily from concerns regarding our ROE performance targets. We take this feedback seriously and address our response in detail on the following page.



Remuneration report voting history



Summary of the 2025 shareholder comments and our responses thereto

The REMCO met with several shareholders in February 2026. The purpose of the meetings was to engage on Capitec's Executive remuneration approach as well as our sustainability journey, in order to align with shareholder interests and expectations.

Shareholder comments	Our response
Share ownership by new Executive Management	Our remuneration philosophy is anchored in Executive share ownership and we are comfortable that current in-flight LTI exposure provides sufficient opportunity to further enhance Executive share ownership
Appropriateness of our LTI ROE target in the context of our current stretch level of performance	- As the LTI plan utilises at-the-money share options and SARs, the REMCO is comfortable with the stretch element in the underlying ROE targets, as the value ultimately realised at vesting is contingent on sustained share price growth and the creation of shareholder value - Capitec is built on the philosophy of simplicity, affordability, accessibility and personal experience. This means on a regular interval, Capitec will reduce its pricing to make banking affordable. While we acknowledge shareholders' views regarding the appropriateness of our LTI ROE target, our preference is not to change our philosophy and culture with the aim of maximising ROE, but rather to align our Executives with shareholders through share price growth and to furthermore deliver sustainable value to our clients which was evidenced through our fee reduction initiative which saved clients R1.0 billion in 2026
Status of succession planning for Board members	We conduct annual evaluations of Director performance, and the REMCO is satisfied with the Directors' overall contributions, with the DAC expected to consider new Board appointments in the second quarter of 2026
Clarity CSAT index measurement	We will enhance disclosure on the CSAT measurement and evaluation relative to the measurement of the index in the implementation report

Looking forward: Maintaining stability while preparing for future evolution

The success of our 2026 performance, achieved through consistent application of our established framework, provides a strong foundation for the future. During 2026, the REMCO focused on monitoring the reward structure changes implemented in 2025, confirming that they continue to represent a market-leading approach that addresses the key challenges we face in remunerating key employees. This year of stability has allowed us to gather meaningful data on the effectiveness of our enhanced framework without the noise of concurrent policy changes.

As our business continues to mature and expand internationally, we recognise that our remuneration framework must evolve accordingly when circumstances warrant. The REMCO believes it is vital to consider whether current instruments and performance hurdles remain fit for purpose in driving appropriate behaviour and incentivising sustainable growth as we pursue our broader strategic ambitions. However, we also recognise the value of policy stability in providing clarity to employees and consistency for shareholders. Any material amendments to our remuneration policy will be presented to shareholders for approval by ordinary resolution before implementation.

Remuneration review continued

Our strategic focus remains clear: reinforcing our client-first culture, continuing the virtuous cycle of ecosystem development, becoming the leading payment provider in South Africa and growing Business Banking to contribute to South Africa's economic growth. We are also considering how our remuneration framework should evolve to support our strategy of taking Capitec global, building on the success of AvaFin and leveraging our proven capabilities to create long-term sustainable value.

Current framework effectiveness

The REMCO is satisfied that the current instrument mix at Executive level continues to drive behaviour aligned with our culture and strategy execution, delivering outcomes that support our overarching commitment to 'pay for performance'. The CSRs introduced for strategic and senior leadership have successfully created increased line of sight over the Capitec share price and exposure to long-term performance.

Our ongoing monitoring has identified key successes that validate our approach:

- Market-aligned bonus outcomes ensuring competitive but fair pay
- Successful driving of an ownership mindset across our core employee levels
- An appropriate incentive mix for Executives, senior and strategic leadership supporting sustainable share growth
- Effective equity exposure motivating critical effort towards strategy execution
- Successful retention of critical talent through appropriate equity exposure
- Enhanced agility to deliver market-aligned offers for newly appointed employees within appropriate governance parameters.

Performance outcomes across our business

The effectiveness of our remuneration approach is best demonstrated through the performance delivered across our key business areas. Capitec delivered strong growth in the year under review, with exceptional results that validate the REMCO's strategy.

Our leadership team successfully executed strategic priorities and is to be commended, along with our 17 672 employees, for their resilience and ongoing efforts in realising our vision of being the preferred personal and business bank in South Africa.

The outstanding performance demonstrates clear alignment between our incentive structures and business outcomes:

- Personal Banking's total loan disbursements grew by 27% to R68.7 billion from R53.9 billion. Credit Card disbursements grew by 45% to R31.2 billion. Net transaction and commission volumes increased by 20% to 6.9 billion (2025: 5.8 billion)
- Business Banking delivered outstanding growth with GlobalBiz clients up 60% and gross loans growing by 30% to R30.4 billion, supporting our strategic objectives
- The Insurance business's headline earnings increased by 30% to R4.5 billion (2025: R3.5 billion). The Credit Life Insurance section 50 transfer was successful, and from 1 September 2025, we no longer had any Credit Life policies outside of Capitec Life's licence
- AvaFin contributed R121 million (EUR6.5 million) to headline earnings for the year (2025 for 10 months: R196 million (EUR10.5 million)). Total clients grew by 12% from 220 162 to 246 763 and loan disbursements increased 55% from EUR406.8 million to EUR629.0 million.

These outcomes are directly linked to the metrics in our STI and LTI scorecards, particularly earnings growth, ROE, credit quality, client growth and client satisfaction.



Implementation and governance oversight

The REMCO is pleased with the implementation of the remuneration policy during the year, as detailed in our implementation report on **pages 141 to 147**. This implementation has driven exceptional performance across all key metrics while maintaining our commitment to sustainable growth and client value creation.

During the year under review, in addition to standing agenda items, the REMCO oversaw focused actions that supported our strategic objectives:

Remuneration aspect	Actions taken during the 2026 financial year
Performance framework monitoring	Monitored the effectiveness of the enhanced performance framework introduced in 2024, including new client satisfaction metrics and the 3-tiered vesting scale for LTI awards.
LTI framework monitoring	Reviewed the effectiveness of the LTI framework which caters for: • annual allocations of share option/SAR awards and <i>ad hoc</i> allocations of CSRs to Capitec's Group Executives and Executive Heads • annual allocation of CSRs to Capitec's strategic and senior leadership who directly report to the Group Executives and Executive Heads.

Future focus areas

Looking ahead to the 2027 financial year, the REMCO and management will focus on the following:

Remuneration aspect	Forward-looking approach for the 2027 financial year
International expansion remuneration	Monitor the effectiveness of our international expansion remuneration approach as we scale AvaFin and develop our broader global strategy, ensuring that our framework appropriately incentivises and rewards performance across different jurisdictions.
Fair and responsible remuneration	Continue to monitor fair pay disclosures and ensure our remuneration practices support responsible and equitable outcomes across all employee levels.
Executive ownership and lock-in value	Capitec has transitioned from a founder-led business to a management-led business over the past few years. To ensure that we maintain our founder mindset, the REMCO will continue to place significant focus on Executive ownership through lock-in in Capitec shares.

Concluding remarks

The exceptional results achieved in 2026 demonstrate the effectiveness of maintaining a stable, well-designed remuneration framework and provide a strong foundation for continued sustainable growth and superior shareholder returns. This year of policy consistency has allowed our 2025 enhancements to prove their value and has reinforced employee clarity around performance expectations and reward outcomes.

We have heard shareholder feedback regarding our ROE performance targets and will continue to review this on an ongoing basis. As we look ahead, we remain confident that our framework, with its proven effectiveness and the option for targeted refinements when warranted, will continue to drive the performance and behaviours necessary to deliver on our strategic ambitions while serving all stakeholder interests effectively.

We look forward to shareholder support for our remuneration policy and remuneration report at the upcoming AGM.

Vusi Mahlanou

Chairman of the REMCO

Directors' remuneration policy

The remuneration policy set out in this section applies to Group Executives, Executive Heads and Non-Executive Directors and will be presented for a vote at the AGM to be held on 31 July 2026. The policy has been structured in anticipation of the triennial binding approval requirement under section 30A once proclaimed. This policy will apply from the 2027 financial year.

Elements of remuneration: Driving long-term value creation

Our remuneration philosophy is built on a fundamental principle: encouraging and rewarding sustainable, long-term performance. We have carefully structured our pay mix to achieve this, implementing a framework that provides modest STIs at target performance levels, but offers superior rewards when stretch goals are achieved and outperformance is delivered.

Safeguarding sustainable performance

To promote responsible decision-making and prevent excessive risk-taking, we have implemented robust safeguards across our variable incentive schemes:

- STI controls:
 - Individual STI targets can be reduced to zero if an Executive's personal KPIs are not met
 - A comprehensive 'Group non-financial scorecard' incorporates risk, strategic and sustainability measures and can modify the HEPS-based STI outcome downwards by up to 30% if not fully met
 - All leadership team members share collective accountability for Group non-financial scorecard outcomes
- LTI structure:
 - Share options and SARs feature staggered vesting over years 3, 4, 5 and 6 (25% tranches). This extended vesting period smooths out share price benefits, reducing short-term optionality
 - Vested share options and SARs are subject to a short exercise period of 9 months
 - The structure reinforces focus on sustainable value creation, rather than outcomes based on short-term share price movements.

Our remuneration offering is set out in the table below.

Element of remuneration	Key features	Purpose and link to strategy	Performance measures
Salary and benefits	• Benchmarked to market and considered against internal equity • Benefits are structured to be market-competitive/leading and cost-effective • Group Executive and Executive Head benefits include (but are not limited to): – risk benefit cover – health subsidy – preferential home loan rate and discounted banking fees. The REMCO may determine that Executives may receive additional benefits (informed by market practice or other strategic factors) where deemed necessary.	Market-competitive salary and benefits support the attraction, development, reward and retention of exceptional employees. Appropriate quanta ensure that overreliance is not placed on variable pay outcomes, mitigating against risky behaviour.	n/a



Element of remuneration	Key features	Purpose and link to strategy	Performance measures
STIs	Group Executives and Executive Heads receive an annual cash bonus, which is primarily linked to achievement of a HEPS target. Bonuses are paid in April/May after the financial year-end. These bonuses are cash payments with no deferral in shares. Downward modifiers apply on 2 levels. Firstly, on a Group Executive and Executive Heads' non-financial scorecard where all Executive bonuses can be downward modified by up to 30%. Secondly, on a personal basis, where an individual STI may be modified down to zero where personal performance is unsatisfactory. Malus and clawback provisions apply. The REMCO has discretion to modify the outcome of the formula downward where the outcome is not deemed to fairly reflect overall business performance in the wider relevant context.	To drive superior earnings growth during the year through a requirement for outperformance of the HEPS target before market-competitive bonuses are payable. To ensure a strong focus on annually prioritised strategic and sustainability measures through the application of a downward modifier if these non-financial measures are not met (despite the HEPS target being met). To ensure consistent personal performance relative to an individual's balanced scorecard is maintained.	The primary measure of HEPS, as a lagging financial reporting measure, ensures that the output of achieving our strategic and sustainability measures, being increased earnings for our shareholders, is rewarded. Ensuring a clear focus on our leading/input measures (through the non-financial scorecard and the downward modifier) ensures that the behaviour of the Executives is aligned with our clear and concise strategic objectives, setting us up to deliver above-target HEPS in future years. Further details on our strategic objectives can be found on pages 38 to 43. The strategic and sustainability measures link to our strategic objectives and include a blend of measures relevant across our diversified Group services. Each Executive is assigned the relevant objectives, but all Executives are held accountable for the joint outcome, ensuring a cohesive effort and approach.
LTIs	Group Executives and Executive Heads receive annual awards of both: • cash-settled SARs • equity-settled options. The vesting of these awards is subject to prospective performance conditions over a 3-year performance period. They vest in years 3, 4, 5 and 6 after issue. Equity-settled CSRs are also used on an <i>ad hoc</i> basis as sign-on awards for newly recruited or promoted Group Executives and Executive Heads. These are used to match forfeited awards from existing LTI arrangements or as a lock-in mechanism for newly promoted Group Executives and Executive Heads. Malus and clawback provisions apply to all LTIs.	To align the interests of Executives with those of shareholders through the linking of pay outcomes to the share price. To drive an ownership mindset in the Group Executive and Executive Head teams.	The key financial metrics measured over the 3-year performance period are HEPS and ROE growth, representing our key lagging financial indicators, at 40% each. The remaining 20% is allocated towards exceptional client experience as one of our key strategic objectives and a key leading indicator.

Remuneration review continued

Group Executives' and Executive Heads' remuneration

A summary of Group Executives' and Executive Heads' remuneration is set out below.

Total guaranteed pay

Element	Description
Overview and positioning	TGP for Group Executives and Executive Heads is informed by: • the Capitec approach to the Group Executives' and Executive Heads' pay mix described previously • how TGP forms part of total remuneration at the market median (or the upper quartile in instances where this is warranted). Executive Directors are remunerated for services as employees of Capitec Bank. No fees are paid for their services as Directors of any other companies in the Group.
Components of TGP	TGP consists of guaranteed pay as well as benefits. In line with our employer value proposition, employees are guided on package structuring, but have options which can be adapted to suit their unique circumstances. Key employee benefits include: • risk benefits • funeral cover • medical aid and health insurance • gap cover • retirement planning • discounts on loan interest and banking fees • favourable home loan interest rates.
Annual review and increases	As a general principle, increases are determined by taking the following factors into account: • Performance of the individual, team and Company • Competence • The outcomes of benchmarking exercises • Economic factors, including the CPI. The REMCO annually reviews and approves the salary increases of each individual member of the Group EXCO. Increases are typically effective from May.



Cash-settled STIs

Element	Description												
Overview	The Group Executives' and Executive Heads' STI is focused primarily on the achievement of HEPS, and the calculation of STI is primarily based on the outperformance of the HEPS target. This <i>pro forma</i> calculation can be modified downwards by up to 30% where selected Group-wide non-financial measures are not met. On an individual basis, it may be further modified (down to zero) where personal KPIs are not met. The HEPS target is set by the REMCO annually and represents a true stretch outcome. At the achievement of this target performance, STI outcomes are structured to be low relative to the market with significant outperformance required to unlock market-competitive STI levels. While the STI is not artificially performance-capped, incremental rewards for exceeding the HEPS target are modest. The steps below outline the process followed: Step 1: Calculation of target STI levels based on HEPS performance This is evaluated on HEPS performance as set out in the 'target STI' section below. Step 2: Assessment of Group EXCO non-financial scorecard (strategic/sustainability measures) To ensure that there is sufficient focus on all strategic objectives, there is a 'Group non-financial scorecard' consisting of risk, strategic and sustainability measures, within which individual items are weighted and assigned to each Group EXCO member, but all members are held equally accountable for the outcome of the scorecard. The quantum of the bonus for all participants can be reduced by up to 30% if the strategic/sustainability measures are not successfully met. This is a downward modifier only, with no upwards modification possible. The strategic and sustainability measures utilised have been tabulated below.												
	<table><tr><th>Strategic/ sustainability measure</th><th>Weighting</th><th>Details of the measures holistically assessed</th></tr><tr><td>Strategic</td><td>8% – 12%</td><td>A holistic assessment of the overall strategic performance of the Group delivered during the financial year, which assesses performance relative to strategic priorities identified, is performed to ensure appropriate and good-quality clients enter and remain in the Capitec ecosystem.</td></tr><tr><td>Risk and control</td><td>8% – 12%</td><td>The risk and control performance of the Group is assessed based on measures such as maintaining optimum business and market conduct standards, proactively managing net operational risk losses to within risk appetite and minimising the risk of credit losses/impairments.</td></tr><tr><td>ESG</td><td>8% – 12%</td><td>The ESG performance of the Group is assessed based on measures such as accelerated B-BBEE transformation, accelerating diversity, equity and inclusion and year-on-year improvement in the S&P Global Corporate Sustainability Assessment overall ESG score.</td></tr></table>	Strategic/ sustainability measure	Weighting	Details of the measures holistically assessed	Strategic	8% – 12%	A holistic assessment of the overall strategic performance of the Group delivered during the financial year, which assesses performance relative to strategic priorities identified, is performed to ensure appropriate and good-quality clients enter and remain in the Capitec ecosystem.	Risk and control	8% – 12%	The risk and control performance of the Group is assessed based on measures such as maintaining optimum business and market conduct standards, proactively managing net operational risk losses to within risk appetite and minimising the risk of credit losses/impairments.	ESG	8% – 12%	The ESG performance of the Group is assessed based on measures such as accelerated B-BBEE transformation, accelerating diversity, equity and inclusion and year-on-year improvement in the S&P Global Corporate Sustainability Assessment overall ESG score.
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ESG	8% – 12%	The ESG performance of the Group is assessed based on measures such as accelerated B-BBEE transformation, accelerating diversity, equity and inclusion and year-on-year improvement in the S&P Global Corporate Sustainability Assessment overall ESG score.											
Step 3: Personal performance The final modification applied is a potential downwards modifier for individual performance which is below the level of 'consistent performer', as indicated below.													
<table><tr><th>Personal KPI score</th><th>Needs support</th><th>Consistent performer</th><th>Exceptional performer</th></tr><tr><td>% of STI paid</td><td>0% – 70%</td><td>100%</td><td>100%</td></tr></table>	Personal KPI score	Needs support	Consistent performer	Exceptional performer	% of STI paid	0% – 70%	100%	100%					
Personal KPI score	Needs support	Consistent performer	Exceptional performer										
% of STI paid	0% – 70%	100%	100%										

Remuneration review continued

Element	Description
Target STI	- No STI is payable when HEPS falls below target - On-target HEPS performance results in a baseline award of 4 months of TGP (deliberately positioned below market to require outperformance before market-competitive STI levels are reached) - Awards scale progressively as HEPS growth exceeds target, with the incremental rate reducing at higher levels of outperformance, reinforcing alignment with shareholder outcomes while moderating STI growth at exceptional performance levels - The formulaic outcome remains subject to REMCO discretion based on qualitative factors and individual contribution.

Executive STI payout scale (number of months of TGP)

HEPS growth (target range)	Number of months of TGP
Below target range	0
On target	4.00
+1%	4.25
+2%	4.50
+3%	5.00
+4%	5.50
+5%	6.00
+6%	6.50
+7%	7.00
+8%	7.25
+9%	7.50
+10%	7.75
+11%	8.00
+12%	8.25
+13%	8.50
+14%	8.75
+15%	9.00
+16%	9.25

Long-term incentive SARs and share options

Element	Description
Instrument mix	Awards are subject to performance conditions and are typically weighted 50% share options and 50% SARs.
Instrument	Share options With a share option, employees are entitled, but not obliged, to purchase a number of Capitec ordinary shares at an agreed date in the future for a predetermined price. The share option price is set equal to the market value of the share, being the 30-day volume-weighted average share price on the JSE immediately preceding the day on which the share options are granted. The number of shares the employee can purchase is determined by Company performance measures and with reference to the growth in share price above the share option price over the vesting period. Share appreciation rights SARs operate similarly to the share options detailed above in terms of the price, performance measures, vesting and exercise periods. SARs are settled in cash as opposed to equity. The amount settled is equal to the growth in share price above the SAR price. The SARs are simple, effective instruments and do not dilute issued share capital. SARs are granted at the same time and on the same terms (other than settlement) as the share options.
Allocations	LTIs for Group Executives and Executive Heads are awarded annually as a percentage of TGP and consist of share options and SARs that are granted equally (i.e. each 50%).
Performance period	Performance measured over a 3-year period.



Element	Description
Performance measures, weightings, targets, vesting outcomes	Beyond the minimum personal performance measures for participation (KPIs contracted with the REMCO), vesting is subject to the following Company performance measures for all LTI awards. The REMCO believes LTI awards should vest only when sustained long-term value creation is demonstrated, balancing earnings growth, capital efficiency and stakeholder satisfaction. In practice: • vesting requires achievement of minimum personal performance standards • Company performance is assessed across complementary measures (earnings growth, ROE and client satisfaction), each measured over a 3-year period • threshold, intermediate and full vesting levels reflect increasing degrees of outperformance against economically meaningful benchmarks • share price growth above the grant date strike price is a prerequisite, ensuring Executives only benefit when shareholders do. Awards scale progressively between performance levels, reinforcing alignment with sustainable value creation.
Vesting	The share options and SARs vest in 25% tranches in years 3, 4, 5 and 6 after grant, depending on the achievement of the performance measures over the relevant performance period. Participants have a 9-month period after the date on which the share options vest to exercise their right to purchase the shares.
Dilution	The past dilutive effect of issues of ordinary shares, for purposes of the Capitec Bank Holdings Share Trust since the inception of Capitec, remains at 5.04% of the issued ordinary share capital of Capitec as at 28 February 2026. The potential future dilutive effect is limited to 4.93% of the issued ordinary share capital of Capitec as at 28 February 2026.

Conditional share rights

Element	Description								
Operation	<i>Ad hoc</i> allocations for newly appointed or promoted Group Executives and Executive Heads subject to delivery of targeted HEPS and personal performance.								
Instrument	Full shares								
Allocations	The full LTI allocation for this level of employee is made in CSRs.								
Performance measures	<table> <tr> <th colspan="2">CSR</th></tr> <tr> <th>Measure</th><th>Performance hurdles</th></tr> <tr> <td>Average normalised 3-year rolling HEPS</td><td>≥ CPI + GDP + 6%</td></tr> <tr> <td>Personal performance over a 3-year rolling basis</td><td>Consistent performer</td></tr> </table> Further notes: • The HEPS calculation takes into consideration normalised adjustments (if required) resulting from, for example, material dividend policy changes, regulatory changes or IFRS Accounting Standards changes and will serve as a disqualifier in the event that the condition is not met • Personal performance will serve as a downward modifier if not met (ranging between 0% to 50% of award).	CSR		Measure	Performance hurdles	Average normalised 3-year rolling HEPS	≥ CPI + GDP + 6%	Personal performance over a 3-year rolling basis	Consistent performer
CSR									
Measure	Performance hurdles								
Average normalised 3-year rolling HEPS	≥ CPI + GDP + 6%								
Personal performance over a 3-year rolling basis	Consistent performer								
Vesting	The CSRs will vest in equal tranches in years 3 and 4 from date of grant.								

Remuneration review continued

Co-investment plan (by invitation only)

Element	Description
Eligibility	Participation on a selection basis and can include Group Executives and Executive Heads. This plan does not form part of Capitec's annual total reward. The co-investment plan is structured in such a way as to incentivise participants to remain invested in the business over an 8-year period.
Operation	Eligible participants are invited to participate in the co-investment plan. In order to accept the invitation, participants are required to meet the investment condition by investing their own funds in Capitec through the purchase of shares (investment shares) in respect of which the participants then subsequently receive awards of leveraged net-settled share options. The purchase of these investment shares can be done through the Capitec Employee Share Purchase Scheme by using all or a portion of an employee's STI after tax (in the case of Group Executives and Executive Heads). Participants are required to retain their investment shares over a set investment period of 3 years, failing which their award of net-settled share options will be forfeited proportionally.
Instrument	Leveraged net-settled share options with a strike price which reduces by 5% on an annual basis over the 8-year exercise period.
Gatekeeper for entry to plan and quantum of awards	Upon the acquisition of these investment shares, participants then receive an award of leveraged net-settled share options at a multiple of up to 3 times that of their pre-tax investment quantum. There are no sale or forfeiture restrictions applied to the investment shares, however, where a participant has disposed of the investment shares prior to the vesting of the leveraged net-settled share options, the award of leveraged net-settled share options will be reduced proportionately.
Reducing strike price	The strike price of unvested leveraged net-settled share options will be adjusted downwards annually by 5% over a period of 8 years. This ensures that participants are incentivised to both grow the Company's share price and remain invested in the co-investment plan over a longer period of time.
Vesting and exercise	The vesting of leveraged net-settled share options will be subject to continued employment and the leveraged net-settled share options will vest and become exercisable in 3 equal tranches on the fourth, sixth and eighth anniversaries from the award date. Following vesting, participants have until the eighth anniversary of the award date to exercise their leveraged net-settled share options. The strike price reduction applicable at exercise is determined with reference to the number of complete years which have passed from the award date.
Lifespan of the plan	The co-investment plan is not intended for long-term use or for making annual awards. It is proposed to make 3 awards in terms of this plan, whereafter the plan can be used on an as-needed basis.
Dilution	Exercised leveraged net-settled share options will be settled in Capitec shares which will be purchased in the market. The co-investment structure is therefore not dilutive to shareholders.



Termination of employment

Element	Description								
STI	No payment on termination of employment other than formal retirement, death, permanent disability or retrenchment. For formal retirement, 100% payment is made at the normal retirement age of 65, as well as on early retirement (from 60 to 64 years).								
LTI	SARs and share options Fault termination: In the case of just-cause dismissal or resignation, all unvested LTIs are forfeited. No fault termination: In the case of death or ill health, the REMCO has discretion to allow automatic vesting of all unvested LTIs. The following table sets out the vesting of an LTI on retirement, subject to the REMCO's discretion: <table> <tr> <th>Retirement age</th><th>Share options and SARs</th></tr> <tr> <td>Before retirement (60 years)</td><td>Forfeit all non-vested share options and SARs</td></tr> <tr> <td>Early retirement (60 years to 64 years)</td><td>75% of share options and SARs awards will vest at the original future vesting dates</td></tr> <tr> <td>At retirement (65 years)</td><td>100% vesting of all share options and SARs awards at the original future vesting dates</td></tr> </table> Conditional share rights Fault termination: In the event of an employee's resignation, abscondment or dismissal, all unvested awards will be forfeited in their entirety and lapse on termination of employment. No fault termination: In the case of death, retrenchment, ill health or disability, a <i>pro rata</i> portion of the unvested awards will vest subject to the early testing of performance conditions. The <i>pro rata</i> factor will be quantified as the total number of months lapsed from the date of award until the date of termination of employment over the total number of months earmarked in the original vesting period of the award. Co-investment plan If the participant's employment terminates before the vesting date of an award, all unvested net-settled options will be forfeited upon such termination. Where employment is terminated after the vesting date of an award, participants may exercise all vested SARs before the end of the relevant notice period. To the extent that a net-settled option is not exercised during this period, it will lapse.	Retirement age	Share options and SARs	Before retirement (60 years)	Forfeit all non-vested share options and SARs	Early retirement (60 years to 64 years)	75% of share options and SARs awards will vest at the original future vesting dates	At retirement (65 years)	100% vesting of all share options and SARs awards at the original future vesting dates
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At retirement (65 years)	100% vesting of all share options and SARs awards at the original future vesting dates								

Minimum shareholding requirement

Element	Description								
Requirement	Minimum shareholding requirements (MSRs) expose Group Executives to the same risks and rewards faced by Capitec's shareholders. Capitec's Group Executives voluntarily hold an outright share ownership (through direct and indirect shareholdings and not unvested LTIs) that is not less than the value of the following proportion of their respective TGP as at 28 February 2026: <table> <tr> <th>Position</th><th>Minimum holding in proportion to TGP</th></tr> <tr> <td>CEO</td><td>300%</td></tr> <tr> <td>CFO</td><td>300%</td></tr> <tr> <td>Group Executives</td><td>100%</td></tr> </table> The percentage shareholding should be achieved within 5 years from 1 March 2016 or within 5 years of a Group Executive's appointment. The minimum holding, once achieved, should be retained until termination of employment. The Group Executive Directors' holdings relative to the required percentages are disclosed in the implementation report.	Position	Minimum holding in proportion to TGP	CEO	300%	CFO	300%	Group Executives	100%
Position	Minimum holding in proportion to TGP								
CEO	300%								
CFO	300%								
Group Executives	100%								

Group Executives' and Executive Heads' contract terms

Element	Description
Terms	Executive Directors and other Group Executives do not have fixed-term or bespoke Group Executive agreements, but are employed in terms of the Group's standard employment agreement. For all Group Executives and Executive Heads, the notice period for termination of service is 6 months. Normal retirement age ranges from 60 to 65 years, unless the Board requests to extend this term. Payments on loss of office No additional payments are made to Group Executives and Executive Heads upon termination of employment (apart from those required in terms of labour legislation). Upon termination of employment, all STIs are forfeited. Unvested LTIs will be treated in accordance with the LTI policy which is dealt with previously.

Alignment of remuneration with risk

The REMCO forms part of the formal risk governance framework and its charter mandates it to assess the appropriateness of the risk/reward relationship in remuneration structures. The REMCO is guided by the following:

- Inherent risks in the business model
- The risk-taking and delegation structure
- The status of the risk barometer as an indicator of the existence and management of risk.

The REMCO reviews variable remuneration and incentive plans to ensure that they are based on a measurable outcome.

Malus and clawback

The REMCO has adopted a malus and clawback policy with a view to further aligning the interests of Executive Directors with the long-term interests of Capitec and all its stakeholders and to ensure that excessive risk-taking is mitigated. The malus and clawback policy applies to all Group Executives, Executive Heads and senior and strategic leadership participants and is applicable to all prospective STI and LTI awards.

Following recommendations from the REMCO, the Board may act to adjust (malus) or recover (clawback) any STI or LTI paid/settled on the occurrence of a trigger event.

Trigger events include (but are not limited to):

- material misstatement of financial statements
- dishonesty, fraud or gross misconduct.

Risk and Compliance employees' remuneration

Remuneration levels and structures for Risk and Compliance employees are determined as part of the annual budget process and are subject to oversight by the REMCO. This happens independently of the relevant risk departments.

A bonus cap ensures that the remuneration of employees in Internal Audit roles is in line with best practice. Bonuses for Internal Audit employees are capped at 5 times an employee's monthly salary (41.67% of their annual salary).



Implementation report – Executive Directors and Non-Executive Directors

This section of the report provides insight into the implementation of our remuneration policy during the year ended 28 February 2026.

This section details the remuneration paid to Executive and Non-Executive Directors, in particular:

- the TGP increases approved in line with the Capitec total remuneration policy approach
- the STI performance versus the targets set
- the LTI awards granted in the reporting year to eligible employees ensuring continued retention and alignment with shareholders' interests and the pay-for-performance philosophy
- the LTI awards vesting in the reporting year
- the fair value of unvested LTI awards remaining, which demonstrated alignment between Executive Directors and shareholders' interests
- an overview of the incremental total remuneration growth over the past 5 years compared to key financial metrics (being the value added to shareholders in terms of metrics such as headline earnings, ROE and share price growth)
- a single remuneration figure for the value of actual TGP paid, STI paid and any LTIs vesting in the 12 months following year-end
- the Executive Directors' shareholding compared to MSRs
- the Non-Executive Director fees paid to individuals for their services as Board and committee members as approved by shareholders.

Total guaranteed pay

For the 2026 financial year, the average increase for employees was 6.67%, while the outgoing CEO and the CFO increases were set at 7%. TGP positioning of our incoming CEO was positioned taking market benchmarks into context.

The outcome of the above resulted in the following annualised levels of TGP for the 2026 financial year:

- Executive Directors:
 - Gerrie Fourie (outgoing) – R20 218 378 (Gerrie's retirement was effective 18 July 2025)
 - Graham Lee (incoming) – R12 500 000 (Graham's appointment was effective 19 July 2025)
 - Grant Hardy – R10 766 875

Short-term incentive

As set out in our remuneration policy, in order for a member of the Group Executive to receive an STI, the Group HEPS target must have been achieved. Rather than applying a single stretch target with a fixed payout, the STI is determined on a progressive sliding scale that rewards incremental outperformance of the HEPS target. This ensures Executives are continuously incentivised beyond target, with each additional percentage of earnings outperformance generating a proportional increase in the STI pool.

To determine the STI payable to the Executive Directors, performance measurement for determining the STI outcome is done in a stepped approach.

Step 1: The Group financial performance is measured in terms of HEPS against the targets set at the beginning of the year. This provides a potential earning pool.

Step 2: The result from step 1 can then be adjusted downward by up to 30% for all Group Executives, based on non-financial sustainability measures.

Step 3: The result from step 2 is then subject to personal performance measures on an individual basis which may result in as much as the entire STI not being paid out to that individual.

Remuneration review continued

Step 1: Group financial performance measurement

The table below sets out an overview of the sliding scale used to determine the STIs payable in respect of the HEPS target achieved.

	Performance targets			Actual performance %
	Below target %	Target %	Above target	
HEPS (% of target achieved)	<100	100	Tier 1: 100% – 127.9% of target Tier 2: 128% of target Tier 3: >128% of target	126
% of annual gross remuneration package	—	33.3	Tier 1: 33.3% plus 1.67% for every 1.2% of HEPS achieved above target Tier 2: 50% Tier 3: 50% plus 0.6% for every 1.2% of HEPS achieved above 128% of target	48.33 (5.8 months)

Linear interpolation applies between performance levels.

Step 2: Non-financial sustainability measures

All measures were sufficiently met resulting in no downward adjustment of earnings based on non-financial sustainability measures.

The following table sets out the performance assessment against the KPIs set at the start of the year:

Performance category	Overall weighting %	Strategic objectives	Key performance indicators (summary)	Overall assessment
Strategic	10	Deliver key strategic growth initiatives to enhance client value and support long-term scalability	Execution of priority growth initiatives aligned to the Group strategy, including: - ecosystem development and expansion of VAS - continued enhancement of Business Banking capabilities and client experience - progression of digital transformation initiatives, including core platform and app modernisation - improved integration across payments and product platforms	Overall achieved
Risk and control	10	Maintain strong governance, operational resilience and adherence to risk appetite	- Sustained availability and stability of critical client-facing systems - Maintenance of market conduct and client service standards within defined thresholds - Capital and liquidity metrics maintained above regulatory requirements - Credit risk outcomes managed within approved risk appetite	Overall achieved
ESG	10	Advance transformation, inclusion and environmental sustainability in line with the Group's ESG framework	- Maintained Level 1 B-BBEE contributor status, reflecting delivery against agreed transformation targets and governance requirements - Continued progress on diversity, equity and inclusion, including strengthening representation and succession pipelines at leadership levels - Advanced initiatives to measure, manage and reduce the Group's operational environmental footprint through improved resource efficiency and enhanced monitoring - Strengthened ESG governance and reporting, contributing to a year-on-year improvement in external ESG assessment metrics and enhanced transparency to stakeholders	Overall achieved



Step 3: Personal performance

The REMCO reviewed the personal performance of Group Executives with regard to the non-financial Strategic Initiatives, which included measures in respect of efficiency, business delivery, diversification of income streams, people, quality clients, innovative digital and data and service experience, and is satisfied with each member of the Group Executive's performance.

As such, no downward adjustment was made to the STI based on individual performance.

STI outcomes

	Guaranteed pay R'000	% payable as an STI	STI payable R'000
Executive Director			
GM Fourie ⁽¹⁾	20 218	—	—
GR Lee ⁽²⁾	12 500	48.33	6 042
GR Hardy	10 768	48.33	5 205

⁽¹⁾ Mr GM Fourie retired as CEO effective 18 July 2025 and was accordingly not eligible for an STI in 2026.

⁽²⁾ Mr GR Lee was appointed as CEO effective 19 July 2025.

Long-term incentive

The following section sets out details of the instruments granted during the year, instruments vesting during the year (included in the single-figure table) and instruments that remain unvested at the end of the financial year. For instruments exercised during the year, we set out the cash value received on exercise.

LTI awards granted in the reporting year

In line with our remuneration policy from **pages 132 to 140**, grants of share options and SARs were made to Executive Directors during the year. Share options and SARs are subject to performance measures. Details of the number of shares and the share options price are set out in the unvested awards table on **pages 145 and 146**.

LTI awards vesting in the reporting year

For the financial year ended 28 February 2026, Capitec only has share options and SARs with performance measures vesting. Performance measures were introduced for all LTIs granted from 2016 onwards. All awards vest in equal tranches in years 3, 4, 5 and 6.

Capitec has reviewed the methodology set out in the King IV™ guidance notes issued by the South African Reward Association (SARA) and the Institute of Directors South Africa (IoDSA). For share options and SARs that have performance measures, the guidance notes suggest that the value of share options and SARs is included in the single-figure table at year-end aligned with when the performance period ends. As Capitec uses tranche vesting, there is a significant timing misalignment between the end of the performance period (3 years) and the achievement of the employment condition and resultant vesting (years 3, 4, 5 and 6). For this reason, the REMCO has taken the decision to report the value in the single-figure table, in respect of the share options and SARs that are due to vest within 12 months (refer to **page 144**) of the financial year-end as this accurately reflects the economic value to participants at the time of vesting.

Achievement of performance measures

Group Executives and Executive Heads achieved their personal performance targets (KPIs contracted with the REMCO) for the reporting year.

Beyond the minimum personal performance measures for participation, vesting was subject to Company performance for all awards of share options and SARs.

The table below sets out the vesting performance measures for the March 2023 share options and March 2023 SARs.

Performance measure	Weighting %	Performance target	Actual performance %	Actual vesting %
HEPS	50	3-year average growth exceeding the 3-year average of CPI + GDP growth + 6% Target: 10.9%	23	50
ROE	50	3-year average ROE equal to or Capitec's COE + 6% Target: 21.3%	28	50
Total				100

Remuneration review continued

Group Executives' LTIs are aimed at driving Company performance and share price growth over the long term, with the LTI outcomes being directly linked to the growth in Capitec Bank Holdings Limited's share price, and employees only receiving the growth in share price above the strike price. In addition to meeting both the ROE and HEPS performance targets in full, Capitec also delivered outstanding share price growth of 159% over the performance period above the strike price of R1 828.19, which is reflected in the LTI outcomes set out in the following table.

The following table sets out the resultant number of shares available for vesting based on the achievement of performance measures.

	Type of instrument	Shares awarded	Performance condition achievement %	Strike price R	Number of shares vesting
Executive Director					
GM Fourie ⁽¹⁾	Share options	23 681	100	1 828.19	23 681
	SARs	23 681	100	1 828.19	23 681
	Total				47 362
GR Lee ⁽²⁾	Share options	7 783	100	1 828.19	7 783
	SARs	7 783	100	1 828.19	7 783
	Total				15 566
GR Hardy	Share options	11 053	100	1 828.19	11 053
	SARs	11 053	100	1 828.19	11 053
	Total				22 106

⁽¹⁾ Mr GM Fourie retired as CEO effective 18 July 2025.

⁽²⁾ Mr GR Lee was appointed as CEO effective 19 July 2025.

The table below sets out details of the value of awards included in the single-figure table on **page 146**. We used a year-end share price of R4 743.54.

	Type of instrument	2021 awards R'000	2022 awards R'000	2023 awards R'000	2024 awards R'000	Value of shares included in single-figure table R'000
Executive Director						
GM Fourie ⁽¹⁾	Share options	25 168	18 164	12 386	17 262	72 980
	SARs	25 168	18 164	12 386	17 262	72 980
	Total					145 960
GR Lee ⁽²⁾	Share options	5 863	3 298	2 387	5 670	17 218
	SARs	5 863	3 298	2 387	5 670	17 218
	Total					34 436
GR Hardy	Share options	1 575	—	4 122	8 058	13 755
	SARs	1 575	—	4 122	8 058	13 755
	Total					27 510

⁽¹⁾ Mr GM Fourie retired as CEO effective 18 July 2025.

⁽²⁾ Mr GR Lee was appointed as CEO effective 19 July 2025.



LTI unvested awards

The following table sets out the unvested instruments remaining for each Executive Director. It includes a calculation of the indicative value of unvested instruments at the end of the 2026 financial year and a calculation of the cash value of instruments exercised in the 2026 financial year. The methodology used in determining these values is in line with the guidance notes issued by SARA and the IoDSA.

Before studying the table, it is important to consider the following:

- The indicative value of unvested instruments is an estimated value and is not an actual reflection of the value of the award that will vest in future. This estimated value takes into account the expected level of vesting and the 2026 financial year-end share price
- The cash value of instruments exercised in the year represents the gain made on the exercise of instruments during the year
- The indicative value of unvested instruments and the cash value of instruments exercised in the year should not be added together.

Date of award	Number of instruments awarded	Strike price R	Number of instruments vested and exercised	Number of instruments lapsed	Closing number of unvested instruments	Indicative value of unvested and/or unexercised instruments R'000	Number exercised in the year	Share price at which instruments were exercised R	Cash value of instruments exercised in the year R'000
	A	B	C	D	E = A-C-D	F	G	H	I = G x (H-B)
Executive Director									
GR Lee									
Options									
2021	6 220	973.05	4 665	—	1 555	5 863	1 555	3 428.00	3 817
2022	3 936	1 392.19	1 968	—	1 968	6 595	984	3 428.00	2 003
2023	3 019	2 067.19	755	—	2 264	6 059	755	3 428.00	1 027
2023	557	2 106.13	140	—	417	1 100	140	3 479.44	192
2024	7 783	1 828.19	—	—	7 783	22 690	—	—	—
2025	12 740	2 056.24	—	—	12 740	34 236	—	—	—
2026	6 898	3 047.35	—	—	6 898	11 700	—	—	—
2026	2 003	3 054.85	—	—	2 003	3 382	—	—	—
SARs									
2021	6 220	973.05	4 665	—	1 555	5 863	1 555	3 428.00	3 817
2022	3 936	1 392.19	1 968	—	1 968	6 595	984	3 428.00	2 003
2023	3 019	2 067.19	755	—	2 264	6 059	755	3 428.00	1 027
2023	557	2 106.13	140	—	417	1 100	140	3 479.44	192
2024	7 783	1 828.19	—	—	7 783	22 690	—	—	—
2025	12 740	2 056.24	—	—	12 740	34 236	—	—	—
2026	6 899	3 047.35	—	—	6 899	11 700	—	—	—
2026	2 004	3 054.85	—	—	2 004	3 382	—	—	—
GR Hardy									
Options									
2021	1 646	911.63	824	—	822	3 150	412	3 446.96	1 045
2023	4 535	2 067.19	1 134	—	3 401	9 102	1 134	4 046.09	2 244
2023	1 649	2 106.13	413	—	1 236	3 260	413	4 046.09	801
2024	11 053	1 828.19	—	—	11 053	32 223	—	—	—
2025	16 156	2 056.24	—	—	16 156	43 416	—	—	—
2026	7 291	3 047.35	—	—	7 291	12 367	—	—	—
SARs									
2021	1 646	911.63	824	—	822	3 150	—	—	—
2023	4 535	2 067.19	1 134	—	3 401	9 102	1 134	4 046.09	2 244
2023	1 649	2 106.13	413	—	1 236	3 260	413	4 046.09	801
2024	11 053	1 828.19	—	—	11 053	32 223	—	—	—
2025	16 156	2 056.24	—	—	16 156	43 416	—	—	—
2026	7 290	3 047.35	—	—	7 290	12 367	—	—	—

Remuneration review continued

Executive Director single figure

The following table illustrates a single remuneration figure for the value of guaranteed pay (cash salary and provident fund), benefits, STIs and LTIs. The corresponding value for the preceding year is included, where relevant.

R'000	Cash salary and provident fund	Benefits	TGP	STI	LTI ⁽¹⁾	Total remuneration for the year
Executive Director						
2026						
GM Fourie ⁽²⁾	7 497	1 042	8 539	—	145 960	154 499
GR Lee ⁽³⁾	10 877	123	11 000	6 041	34 436	51 477
GR Hardy	10 649	119	10 768	5 204	27 510	43 482
Total	29 023	1 284	30 307	11 245	207 906	249 458
2025						
GM Fourie ⁽²⁾	18 662	118	18 780	11 022	75 016	104 818
GR Lee ⁽³⁾	—	—	—	—	—	—
GR Hardy	9 844	121	9 965	5 870	4 862	20 697
Total	28 506	239	28 745	16 892	79 878	125 515

⁽¹⁾ The LTI included in the single figure takes into consideration both the delivery on the underlying ROE and HEPS performance measures, and the significant growth in Capitec's share price from the date of award up to the end of the 2026 financial year.

⁽²⁾ Mr GM Fourie retired as CEO effective 18 July 2025.

⁽³⁾ Mr GR Lee was appointed as CEO effective 19 July 2025.

Executive Director shareholding

In the 2017 financial year, the REMCO introduced MSRs for Group Executives (refer to Section 2 from **page 127**).

The CEO continues to meet his MSRs and exhibits a strong buy-in to the principle of alignment with shareholder interests. The CFO is still in the build-up phase of his LTI journey. The REMCO will monitor the enforcement of his MSR obligations during his tenure as CFO.

The percentage shareholding as at financial year-end is:

	% of TGP
Executive Director	
GR Lee ⁽¹⁾	325
GR Hardy ⁽¹⁾	172

⁽¹⁾ Still within the 5-year window period after appointment to the position.



Non-Executive Director actual fees (as approved at the previous AGM)

Non-Executive Directors received no other remuneration or benefits beside Directors' fees. Non-Executive Directors are reimbursed for their direct and/or indirect expenses reasonably and properly incurred in the performance of their duties. Non-Executive Directors who, in terms of tax requirements supply a tax invoice with VAT, receive their approved Non-Executive Director fees accordingly.

For the financial year, Non-Executive Director fees were as follows (excluding any reimbursement and VAT):

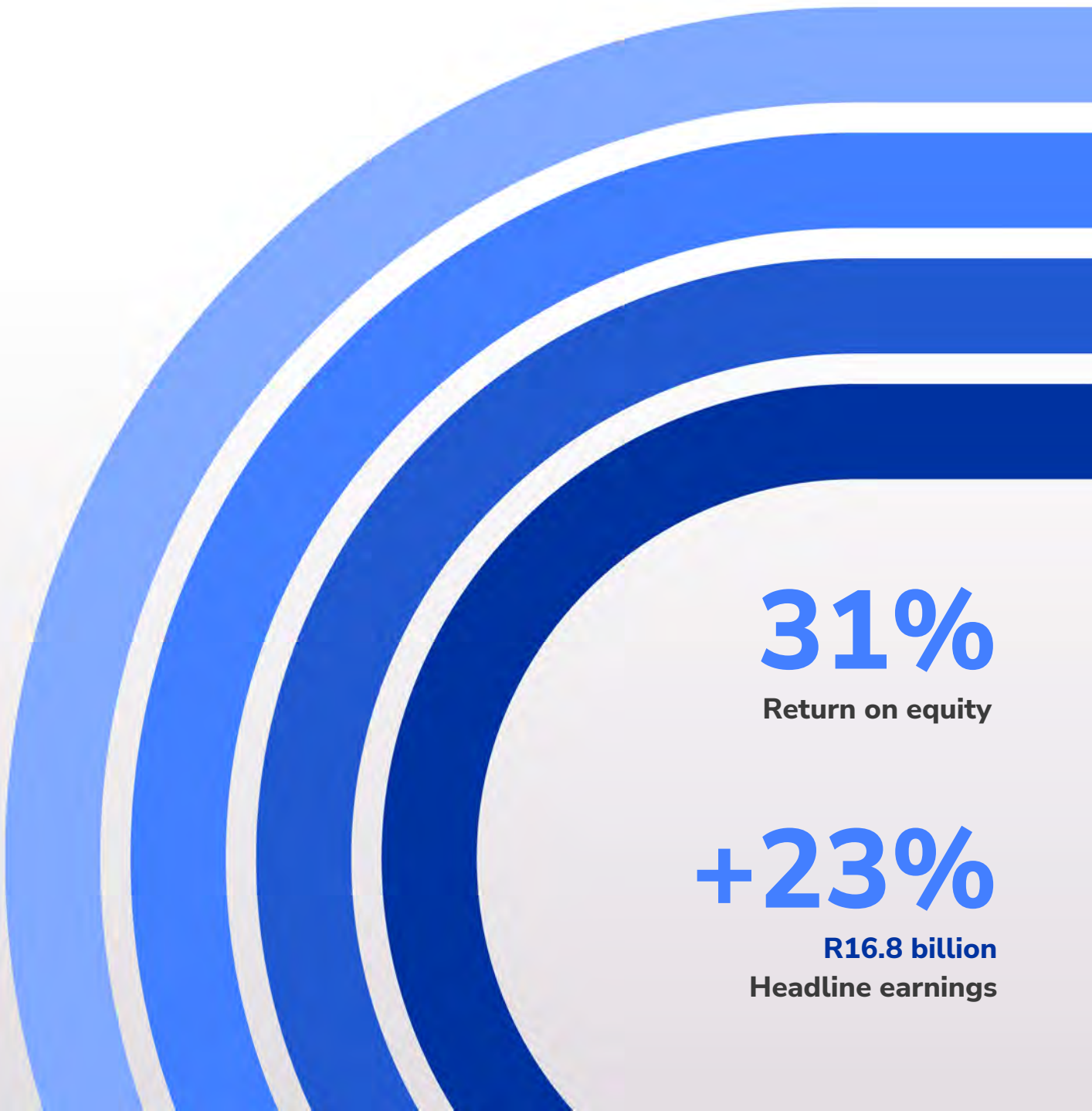
Non-Executive Director R'000	2026	2025	Change %
NF Bhattay	1 554	1 259	23
SL Botha (Chairman)	6 635	5 590	19
SA du Plessis	2 143	2 031	6
CH Fernandez	1 834	1 738	6
N Ford-Hoon	2 485	2 091	19
MSdP le Roux	686	650	6
V Mahlangu	1 819	1 724	6
RR Malhotra ⁽¹⁾	1 793	—	
PJ Mouton	1 289	1 222	5
CA Otto	1 071	1 049	2
JP Verster ⁽²⁾	—	1 589	—
Total	21 309	18 943	12

⁽¹⁾ Mr RR Malhotra was appointed on 1 March 2025.

⁽²⁾ Mr JP Verster retired on 31 May 2024.

4 Annual financial statements

The preparation of the Capitec Bank Holdings Limited audited consolidated and separate annual financial statements was supervised by the Chief Financial Officer (CFO), Grant Hardy CA(SA).



31%

Return on equity

+23%

R16.8 billion
Headline earnings



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Directors' responsibility statement

Capitec Bank Holdings Limited and its subsidiaries (Capitec or the Group)

The Directors are responsible for the preparation, integrity and fair presentation of Capitec's consolidated and separate annual financial statements, comprising the statements of financial position as at 28 February 2026, the income statements, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and the notes to the financial statements which include material accounting policy information and other explanatory notes.

The financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the Johannesburg Stock Exchange Limited (JSE) Listings Requirements, the Banks Act, Act 94 of 1990 (Banks Act), and the requirements of the Companies Act of South Africa, Act 71 of 2008, as amended (Companies Act).

The Directors consider that the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements and that all IFRS Accounting Standards that are considered applicable have been applied. The Directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the Group and Company at year-end.

The Directors' responsibilities include maintaining adequate accounting records. The accounting records should disclose, with reasonable accuracy, the financial position of the Group and Company to enable the Directors to ensure that the financial statements comply with relevant legislation.

Capitec operates in a well-established control environment, which is documented and regularly reviewed. The control environment incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and that the risks facing the business are mitigated.

The consolidated financial statements were prepared on a going concern basis. Based on their assessment, the Directors have no reason to believe that the Group or any company in the Group will not continue as a going concern in the foreseeable future. The Directors reviewed the Group budget and cash flow forecasts and considered current and anticipated economic conditions. The impact of the macroeconomic environment on the Group's capital, and funding and liquidity requirements, which remained within internal targets and above regulatory requirements, was considered.

The Directors also prepared the Directors' report and the other information included in the integrated annual report and are responsible for both their accuracy and consistency with the financial statements.

The Group adhered to the Code of Corporate Practices and Conduct as per the King IV Report on Corporate Governance for South Africa, 2016[™] (King IV[™]). Based on an independent gap analysis conducted against the King V Report on Corporate Governance for South Africa, 2025[™] (King V[™]), the Group has applied and aligned its governance practices with the principles and recommended practices of the Code.

The Group's external auditors, Deloitte & Touche (Deloitte) and KPMG Inc. (KPMG), audited the financial statements and their report is presented on **pages 155 to 161**.

The financial statements set out on **pages 162 to 375** were approved by the Board of Directors and signed on its behalf on 21 April 2026 by:

Santie Botha
Chairman

Graham Lee
Chief Executive Officer (CEO)



Chief Executive Officer's and Chief Financial Officer's responsibility statement

Each of the Directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on **pages 162 to 375**, fairly present, in all material respects, the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards
- to the best of our knowledge and belief, no facts have been omitted, or untrue statements made, that would make the annual financial statements false or misleading
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries has been provided to effectively prepare the financial statements of the issuer
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls

- where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies
- we are not aware of any fraud involving Directors.

Graham Lee
Chief Executive Officer

Grant Hardy
Chief Financial Officer

21 April 2026

Certificate by the Group Company Secretary

I hereby confirm, in my capacity as Group Company Secretary of Capitec, that for the year ended 28 February 2026, the Company has filed all required returns and notices in terms of the Companies Act, and that all such returns and notices are to the best of my knowledge and belief true, correct and up-to-date.

Yolande Mouton
Group Company Secretary

21 April 2026

Audit Committee's report

Capitec Bank Holdings Limited and its subsidiaries (Capitec or the Group)

Capitec's Audit Committee (the committee) is an independent statutory committee appointed by the Board of Directors in terms of section 64 of the Banks Act and section 94 of the Companies Act, to the extent applicable.

The committee comprises 4 Independent Non-Executive Directors. The members have the necessary experience and expertise to direct the committee in the execution of its duties. The committee met 3 times during the year and attendance was 100%.

The committee's responsibilities include statutory duties in terms of the Companies Act, as well as responsibilities assigned to it by the Group's Board of Directors. The committee's terms of reference are set out in a Board-approved charter and are detailed in the corporate governance review.

The committee conducted its affairs in compliance with and discharged its responsibilities in terms of its charter for the year ended 28 February 2026.

The committee performed the following statutory duties during the year under review:

- Satisfied itself that the external audit firms and designated audit partners are independent of the Group or any company in the Group, as set out in section 94(8) of the Companies Act, and are suitable for reappointment by considering, *inter alia*, the latest Independent Regulatory Board for Auditors inspection findings report and information stated in paragraph 5.7(h)(iii) of the JSE Listings Requirements
- Satisfied itself that the appointment of the auditors complied with the Companies Act and any other legislation relating to the appointment of auditors
- In consultation with Executive Management, agreed to the auditors' engagement letter, terms, audit plan and budgeted fees for the 2026 financial year
- Approved the nature and extent of non-audit services that the external auditors may provide and confirmed that the non-audit services did not compromise the external auditors' independence
- Nominated, for election at the Annual General Meeting (AGM), Deloitte & Touche and KPMG Inc. as the external audit firms
- Satisfied itself, based on the information and explanations supplied by management and obtained through discussions with the independent external auditors and internal auditors, that the system of internal financial controls of all the companies included in the consolidated financial statements is effective and forms a basis for the preparation of reliable financial statements
- Reviewed the accounting policies and the consolidated and separate financial statements for the year ended 28 February 2026 and, based on the information provided to the committee, considers that the Group complies, in all material respects, with the requirements

of the Companies Act, the Code of Corporate Practices and Conduct and IFRS Accounting Standards

- Undertook the prescribed functions in terms of section 94(7) of the Companies Act on behalf of the subsidiary companies of the Group. With regard to AvaFin, the Committee, with the assistance of Group Internal Audit, will monitor the design and implementation of the control environment going forward
- Discussed and agreed the key audit matters with the auditors
- Satisfied itself as to the performance of the external auditors and the quality of the external audit after due consideration and with reference to the International Auditing and Assurance Standards Board audit quality indicators.

The committee performed the following duties assigned by the Board during the year under review:

- Considered the information disclosed in the integrated annual report and satisfied itself that the information is reliable and consistent with the financial results. The committee, at its meeting held on 20 April 2026, recommended the integrated annual report for approval by the Board of Directors
- Satisfied itself that the Group's internal audit function is independent and has the necessary resources and authority to enable it to discharge its duties
- Approved the Internal Audit charter and the annual Internal Audit plan
- Considered the Internal Audit reports submitted to the committee and noted the annual conclusion on the adequacy and effectiveness of the system of internal controls, risk management and governance
- Reviewed the reports from the external auditors and reported on the findings at Board meetings
- Satisfied itself, as contemplated in paragraph 5.7(h)(ii) of the JSE Listings Requirements, that appropriate financial reporting procedures exist and are working, including consideration of all the entities included in the consolidated financial statements
- Met with the external auditors and with the Heads of the Internal Audit function and Compliance function without management being present
- Satisfied itself, in terms of JSE Listings Requirement 5.7(h)(i), that the Group Financial Director has appropriate expertise and experience.

Naidene Ford-Hoon

Chairman of the Audit Committee

21 April 2026

Directors' report

To the shareholders of Capitec Bank Holdings Limited (Capitec or the Group)

The Directors present their report for the year ended 28 February 2026 to shareholders.

Nature of the business

Capitec was incorporated in South Africa on 23 November 1999 and registered as a bank controlling company, as envisaged by the Banks Act on 29 June 2001. Capitec was listed on the JSE on 18 February 2002.

Capitec is a diversified financial services group that provides personal and business banking as well as insurance, Value-Added Services (VAS) and online consumer lending products.

The Company holds 100% of its principal subsidiaries, Capitec Bank Limited (Capitec Bank), Capitec Ins Proprietary Limited (Capitec Ins) and Capitec Insurance Holdings Limited. Capitec Bank is a leading provider of personal and business banking products to individuals and small and medium-sized businesses in South Africa. Capitec Bank Insurance Holdings Limited holds 100% of Capitec Life Limited (Capitec Life), a company that holds a long-term insurance licence.

The Credit Life cell captive, held by Capitec Ins, was wound up in December 2025. The policies issued via the cell captive were transferred to Capitec Life effective 1 September 2025. The funeral cell captive, also held by Capitec Ins, is in run-off and from 1 November 2024, all new funeral policies were issued by Capitec Life.

Capitec holds an interest of 97.075% in AvaFin Holding Limited's (AvaFin) equity. AvaFin is an online consumer lender in Poland, Latvia, Czechia, Spain and Mexico.

Review of operations

The operating results and the state of affairs of the Company and the Group are fully disclosed in the financial statements, and commentary is provided in the reports from the Chairman, the Chief Executive Officer and the Chief Financial Officer, which are included in the integrated annual report.

Ordinary and preference shares issued

No ordinary shares were issued during the year (2025: Nil). The number of shares in issue per the shareholders' register amounted to 116 099 843 (2025: 116 099 843). No ordinary shares were repurchased for cancellation during the current or prior year. At the reporting date, the Group held 259 402 treasury shares (2025: 277 289) in Capitec Bank Holdings Limited.

No preference shares were issued during the year. A total of 1 616 (2025: 15 643) preference shares were repurchased.

Dividends to shareholders

The following dividends were declared for the current and previous financial years:

	Dividends per share (cents) 2026	Dividends per share (cents) 2025
Ordinary dividend		
Interim	2 620	2 085
Final	5 360	4 425
Preference dividend		
Interim	454.95	493.59
Final	428.18	469.00

The final preference dividend was declared on 27 February 2026. The Directors resolved that the final ordinary dividend for 2026 be declared on 22 April 2026.

The Directors performed the solvency and liquidity tests required by the Companies Act and after the declaration of the dividend, the Group remains liquid and solvent.

Subsidiaries, associates and joint ventures

Information relating to the Company's financial interest in its subsidiaries, associates and joint ventures is presented in the notes to the annual financial statements.

Notice in terms of section 45(5) of the Companies Act

Capitec is required, as an essential part of conducting the business of the Group, to provide financial assistance to foreign Group companies as part of its day-to-day operations in the form of loan funding, guarantees or general financial assistance as contemplated in section 45 of the Companies Act.

Shareholders will be given notice that the Board approved that the Company may provide such direct or indirect financial assistance to foreign related and interrelated companies in accordance with and subject to the provisions of section 45 of the Companies Act, and in terms of the special resolution passed, as required by section 45(5) of the Companies Act. Such notification will be included in the notice of the Annual General Meeting dated 19 June 2026.

Directors' report continued

Auditors' remuneration

The audit fee per audit firm is reflected below.

R'000	GROUP			COMPANY	
	Deloitte	KPMG	BDO ⁽¹⁾	Deloitte	KPMG
2026					
Financial statements audit					
– current year	33 247	29 802	9 226	365	404
– prior year	3 238	5 170	—	—	32
Other services	3 443	593	550	—	—
	39 928	35 565	9 776	365	436
2025					
Financial statements audit					
– current year	30 533	26 616	5 374	270	363
– prior year	1 632	—	115	—	—
Other services	2 001	562	778	—	—
	34 166	27 178	6 267	270	363

⁽¹⁾ BDO audits the Avafin Holding Limited group.

Segment information

Refer to **note 32** in the notes to the financial statements for the segment information.

Events after the reporting period

The United States of America and Israel's military offensive was launched against Iran on 28 February 2026 and has already been considered in the forward-looking ECL model. Specifically, the severe scenario assumes that the economic conditions will deteriorate further. Refer to the Critical accounting estimates and judgements in applying accounting policies section in **note 7**.

In terms of IAS 10 *Events after the Reporting Period*, non-adjusting post-balance sheet events are events that are indicative of a condition that arose after the reporting period. We have concluded that the uncertainty surrounding the global geopolitical environment due to the prolonged Iran conflict after our reporting date on 28 February 2026 is a non-adjusting event. This may have further negative impacts on the South African economy and our business for the year ending 28 February 2027. However, it is not possible to accurately estimate the financial effect as the situation remains fluid.

Directors and Group Company Secretary

Information relating to the Directors and Group Company Secretary is included on **pages 92 to 94** of the integrated annual report.

The Directors' interest in share capital and agreements and Directors' remuneration are disclosed in **note 35** to the financial statements.

Board changes

Gerrie Fourie retired from the Board on 18 July 2025. The Board thanks Gerrie for his invaluable contribution to the Group. Graham Lee was appointed as CEO and to the Boards of Capitec and Capitec Bank, effective 19 July 2025.

Raghuvir Malhotra was appointed to the Boards of Capitec and Capitec Bank as an Independent Non-Executive Director, effective 1 March 2025.

Independent auditors' report

To the shareholders of Capitec Bank Holdings Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Capitec Bank Holdings Limited (the Group and Company) set out on **pages 162 to 375** which comprise the statements of financial position as at 28 February 2026; and the income statements; the statements of other comprehensive income; the statements of changes in equity; and the statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Capitec Bank Holdings Limited as at 28 February 2026, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the Group and Company, in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the consolidated and separate financial statements as a whole.

Based on our professional judgement, we determined materiality for the consolidated and separate financial statements as a whole as follows:

	Group	Company
Final materiality	R1.1 billion	R70 million
How we determined it	5% (rounded) of operating profit before tax	1% (rounded) of total assets
Rationale for the materiality benchmark and percentage applied	We identified operating profit before tax as the most appropriate benchmark to determine materiality given that it is a key performance metric of users and the benchmark on which returns are generated for the benefit of shareholders.	We identified total assets as the most appropriate benchmark to determine materiality given that the Company is an investment holding company that holds investments for generating returns.
The percentages applied to the benchmarks were based on our professional judgement after consideration of qualitative factors that impact both the Group and Company.		

Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the consolidated financial statements and which further audit procedures to perform at those components to address the risks. Our judgements included assessing the size of the components, nature of assets, liabilities and transactions within the components, as well as specific risks.

Independent auditors' report continued

In total, we identified 15 components. Of those, we identified 3 components at which further audit procedures were performed on the entire financial information of the component, either because audit evidence needed to be obtained on all or a significant proportion of the component's financial information, or that the component included pervasive risks of material misstatement to the consolidated financial statements.

We also identified 3 components, at which further audit procedures were performed on one or more classes of transactions, account balances or disclosures based on the assessed risks of material misstatements to the consolidated financial statements. Further specific audit procedures were required to be performed on 1 of these components to address specific risks of material misstatements.

Accordingly, we performed audit procedures on 6 components, of which we involved component auditors in performing the audit work on 3 components.

For the remaining financial information where audit procedures were not performed, we performed an analysis at an aggregated Group level to re-examine our risk assessment that there is less than a reasonable possibility of a material misstatement in the remaining financial information.

In respect of the reporting components where audit procedures were performed, 98.7% of the Group's operating profit before tax and 94.1% of total assets were covered by the audit of the 6 components scoped in.

We considered the scope of the audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

Expected credit losses (ECL) on loans and advances

Key audit matter

Refer to **note 7** (loans and advances) and **note 26** (credit impairments) to the consolidated financial statements for the related disclosures.

We considered the ECL for loans and advances pertaining to the Personal Banking and Business Banking segments to be a matter of most significance to our audit of the consolidated financial statements due to:

- the degree of subjective judgement and estimation applied by management in determining the ECL; and
- the magnitude of the ECL recognised in relation to gross loans and advances.

The ECL for loans and advances was determined in terms of IFRS 9, *Financial Instruments* (IFRS 9).

Personal Banking segment

As at 28 February 2026, gross loans and advances for the Personal Banking segment amounted to R98 billion (rounded), against which an ECL of R25 billion (rounded) was recognised.

Group auditor oversight

As part of establishing the overall Group audit strategy and plan, we conducted risk assessment and planning discussion meetings with component auditors to discuss the Group audit risks relevant to the respective components.

During these engagements, the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further audit procedures required by us were then performed by the component auditors.

We also inspected the work performed by component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

How our audit addressed the key audit matter

Personal Banking segment

Together with our credit specialists and economics expert, our audit procedures addressed the key areas of significant judgement and estimation in determining the ECL on loans and advances, as follows:

- We assessed the associated impairment methodologies and practices applied by management against the requirements of IFRS 9.

Evaluation of SICR

- We recalculated the application of management's SICR thresholds and triggers including the corresponding impact on the ECL by applying the assumptions and data included in management's model.
- We assessed the appropriateness of the SICR methodology and tested the resultant transfer rate of SICR accounts into stage 2. This included benchmarking the transfer rate against the volume of up-to-date accounts that went into arrears based on historical trends, as well as increases in risk determined by management's forward-looking macroeconomic model.



Expected credit losses (ECL) on loans and advances continued

Key audit matter	How our audit addressed the key audit matter
The key areas of significant management judgement and estimation included: Evaluation of significant increase in credit risk (SICR) - Determining whether evidence exists that there has been a SICR since initial recognition of financial assets by considering if clients have reached certain behaviour risk thresholds or where specific events have occurred that indicate a SICR. Determination of the write-off point - Considering the point at which there is no reasonable expectation of further recovery to be made when the expected present value of projected future recoveries approximates 5% of the gross balance before write-off. This point is determined based on recovery estimates that are driven by account status and consecutive missed payments. Inclusion of the impact of forward-looking information and macroeconomic variables in the ECL calculation - Utilising macroeconomic outlooks for four scenarios (severe, negative, baseline and positive) and associated probability weightings to project future changes in the selected macroeconomic variables. These scenarios are approved by the Asset and Liability Committee (ALCO). The scenarios are then linked to the Probability of Default (PD) to derive a forward-looking ECL. Calibrating of ECL statistical model components (PD, EAD, LGD) - Calibrating of the ECL statistical model components PD, Exposure At Default (EAD) and Loss Given Default (LGD) used to estimate the timing and amount of the forecast cash flows based on historical default data and recoveries. The Group stratifies aspects such as client risk groups, time on book, product term, payment frequency, default statuses, employment, industry, rescheduling status and the behaviour score of the client. Management judgement is required to consider how historical data is used to project ECL.	- We performed a sensitivity analysis of SICR to assess the impact of change in SICR thresholds on the ECL recognised. - We evaluated management's validation of the performance of behavioural scores, scores at initial recognition and the correlation of these to default rates. - We obtained an understanding of management's process for identifying employer groups under stress and observed that these identified employer groups have been considered in management's calculation of the behavioural scores. We performed procedures over employer data to confirm the accuracy thereof. Determination of the write-off point - We considered and reperformed the present value of the historical post write-off recoveries to evaluate the reasonableness of management's assessment of the write-off point which indicates that the current write-off point is still the point at which there was no reasonable expectation of further recovery and is in accordance with the Group's defined write-off rules. - Through recalculation, we evaluated whether post write-off recoveries have been excluded from the LGD calculation and therefore do not impact the ECL. Inclusion of the impact of forward-looking information and macroeconomic variables in the ECL calculation - We evaluated the appropriateness of the ALCO governance approval for the use of the Personal Banking segment's macroeconomic variables and probability weightings. - We considered the appropriateness of the assumptions used in the forward-looking macroeconomic model, specifically around the forward-looking scenarios used, the macroeconomic variables and outlook considered for each scenario, as well as the probability weighting of each scenario for reasonableness by comparing these against our own benchmarked economic forecasts and independent market data. Calibrating of ECL statistical model components (PD, EAD, LGD) - Through inquiry with management and inspection of IFRS 9 methodology documentation, we obtained an understanding of the methodologies and assumptions used by management in the various ECL model components. - Through our independent reperformance and reasonability assessment of the ECL model, we assessed the accuracy of model components and how these were calibrated to use historical information to estimate future cash flows. - On a sample basis, we compared input data into the impairment models to source systems for critical input data fields.
Business Banking segment As at 28 February 2026, gross loans and advances for the Business Banking segment amounted to R30.4 billion (rounded), against which an ECL of R1.8 billion (rounded) was recognised. The key areas of significant management judgement and estimation included: Evaluation of SICR Determining whether evidence exists that there has been a SICR since initial recognition of the financial asset, by considering adverse changes in the performance or business of borrowers.	Business Banking segment Together with our actuarial and economics specialists, our audit procedures addressed the key areas of significant judgement and estimation in determining the ECL on loans and advances, as follows: Evaluation of SICR We recalculated the impact of SICR, applying the assumptions and data included in management's model by considering adverse changes in the performance or business of borrowers.

Expected credit losses (ECL) on loans and advances continued

Key audit matter	How our audit addressed the key audit matter
Inclusion of the impact of forward-looking information and macroeconomic variables in the ECL - Utilising macroeconomic outlooks for four scenarios (severe, negative, baseline and positive) and associated probability weightings to project future changes in the selected macroeconomic variables. These scenarios are approved by the ALCO. The scenarios are then linked to the PD to derive a forward-looking ECL. - Selection of macroeconomic variables and correlation of changes and lags in these variables, along with their associated weighting, to forecast default rates to derive a forward-looking ECL. Determination of management overlays in the ECL - Management adjusts the results produced by the modelled output for events that influence the ECL, which are not yet captured by the model after significant expert consultation which is subject to a governance process. Calibrating of ECL statistical model components (PD, EAD, LGD) - Calibrating of the ECL statistical model components PD, EAD and LGD used to estimate the timing and amount of the forecast cash flows based on historical default data, roll rates and recoveries. The Group stratifies aspects such as client risk segments, product type, behaviour score of the client, collateral type and time to recovery. Management judgement is required to consider how historical data is used to project ECL. Disclosures for Personal and Business Banking segments - Financial reporting requirements per IFRS 7, <i>Financial Instruments: Disclosures</i> (IFRS 7) require inclusion of disclosures that provide an adequate level of transparency regarding judgements made and assumptions applied.	- We tested the SICR triggers applied and the resultant transfer into stage 2 for SICR. This included benchmarking of the volume of up-to-date accounts transferred to stage 2 based on history. - Through discussion with management, we obtained an understanding of management's process for identifying adverse changes in the performance or business of borrowers and how these drive additional ECL overlays and/or stage migrations. Inclusion of the impact of forward-looking information and macroeconomic variables in the ECL calculation - We considered the assumptions used in the forward-looking macroeconomic model, specifically around the forward-looking scenarios used, the macroeconomic variables and outlook considered for each scenario, as well as the probability weighting of each scenario for reasonableness. We discussed these with management and compared these to our own and benchmarked economic forecasts and independent market data. - We tested the appropriateness and sensitivity of the forward-looking macroeconomic model in order to evaluate whether the chosen macroeconomic factors and model structure provides a reasonable representation of the impact of macroeconomic changes on the ECL and baseline information built into the forward-looking macroeconomic model. Determination of management overlays in the ECL - We assessed the reasonableness of the management overlays through inspection of documentation, historical data and independent reperformance to assess appropriateness and evaluated whether the modelled ECL did not already cater for the risk being addressed by the overlays. We further evaluated whether the overlays were subject to an appropriate governance process. Calibrating of ECL statistical model components (PD, EAD, LGD) - Through inquiry with management and inspection of IFRS 9 methodology documentation, we obtained an understanding of the methodologies and assumptions used by management in the various ECL model components and how these were calibrated to use historical information to estimate future cash flows. - We assessed the reasonableness of collateral recovery rates through backtesting and performed stresses on the collateral to estimate projected collateral values to support the realisable value of the collateral. - Through our independent reperformance and reasonability assessment of the ECL model, we assessed the accuracy of model components and how these were calibrated using historical information to estimate expected credit losses. - On a sample basis, we compared input data into the impairment models to source systems for critical input data fields. Disclosures for Personal and Business Banking segments We evaluated the adequacy of the disclosures made in terms of the requirements of IFRS 7. Based on the procedures performed over the ECL for loans and advances in respect of the Personal and Business Banking segments, we did not identify material misstatements in the consolidated financial statements.



The valuation of insurance contract assets/liabilities

Key audit matter

Refer to **note 9** (insurance contract assets/liabilities) to the consolidated financial statements for the related disclosures.

The insurance contract assets/liabilities are measured for insurance policies sold in respect of credit life insurance and life insurance which includes funeral plan and life cover.

We determined the valuation of the insurance contract assets/liabilities to be a matter of significance to our audit of the consolidated financial statements and a key audit matter due to the judgement and estimation applied by management in measuring the Group's insurance contract assets/liabilities, as well as the impact of applying incorrect data inputs used in the valuation of the insurance contract asset/liability.

As at 28 February 2026, the Group recognised insurance contract assets with a carrying value of R2.0 billion (rounded) and liabilities with a carrying value of R0.6 billion (rounded). The valuation of the Group's insurance contract assets/liabilities is measured in terms of IFRS 17, *Insurance Contracts* (IFRS 17).

The key areas of significant management judgement and estimation included in the valuation of insurance contract assets/liabilities include:

- The estimation of fulfilment cash flows, specifically the present value of future cash flows and risk adjustment (RA) for non-financial risk, as well as the contractual service margin (CSM);
- Establishing the key assumptions relating to future events within complex models requires expert judgement. Changes in the key assumptions can have material impacts on the present value of future cash flows and consequently the CSM. The key assumptions include:
 - mortality and morbidity rates;
 - expenses;
 - lapse rates;
 - retrenchment rates; and
 - discount rates.
- The past claims experience investigations that management performs annually to understand the actual claims experience compared to the basis used in the valuations.
- In addition to the above, as disclosed in **note 9** to the consolidated financial statements, the Group entered into an agreement to transfer insurance contracts from the Guardrisk cell captive (Guardrisk) to the Group, effective 1 September 2025. We identified the accounting for this transaction as significant to our audit due to the following:
 - The transaction involves judgement in determining the valuation of the present value of future cash flows, the RA, and the CSM at the date of transfer.

Disclosures for insurance contracts

- The material impact on the recognition and measurement of insurance contract assets/liabilities and related disclosures.

How our audit addressed the key audit matter

Together with our actuarial specialists, we performed the following procedures to assess the reasonableness of the valuation of the insurance contract assets/liabilities:

- Obtained an understanding of the Group's actuarial internal control environment including its governance processes and tested the design and implementation of key controls identified.
- We assessed the appropriateness of the significant model and assumption changes, as well as the logic of the models against the requirements of IFRS 17.
- We challenged the key assumptions applied in the determination of the present value of the future cash flows and the CSM by comparing management's assumptions with externally observable data and our assessment of the Group's analysis of experience to date together with allowance for future uncertainty.
- For a sample of management's past claims experience investigations, we performed a look-back analysis using actual policy administration data to assess that the experience assumptions align to actual past performance.
- By assessing the appropriateness of the method applied and the release of the RA, we evaluated the accuracy of the adjustments made to the fulfilment cash flows.
- The reasonableness of the unwinding of the CSM was assessed by:
 - Testing the methodology and logic of models used through independent recalculations on a sample of models; and
 - Testing the appropriateness of management's data and assumptions, used in the release of the CSM.
- We assessed the reasonability of the CSM build-up from opening balance to closing balance, focusing on new business, interest accretion and changes in assumptions that impact future service, amongst others.
- We assessed the profitability group allocations by interrogating the new business groupings based on sample cash flows to ensure the grouping is applied in line with the requirements of IFRS 17.
- We assessed the completeness and accuracy of policyholder data transferred from policy administration systems to the actuarial models for use in the determination of the insurance contract assets/liabilities.
- Regarding the transfer of insurance contracts from Guardrisk, our procedures included:
 - Assessing management's process for identifying and measuring the transferred insurance contracts, including the methodologies and assumptions applied.
 - Involving our actuarial specialists to evaluate the appropriateness of key assumptions used in the valuation of future cash flows, RA and CSM.
 - For a sample of policyholder data transferred on 1 September 2025, we assessed the completeness and accuracy of the data by tracing to policy contracts and other supporting evidence.

Disclosures for insurance contracts

- We evaluated the appropriateness of the disclosures made in **note 9** to the consolidated financial statements in terms of the requirements of IFRS 17.

Based on the procedures performed, we did not identify any significant matter requiring further consideration in concluding on the valuation of the insurance contract assets/ liabilities.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Integrated annual report for the year ended 28 February 2026 Capitec Bank Holdings Limited", which includes the Directors' report, the Audit Committee's report and the Certificate by the Group Company Secretary, as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated and separate financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Plan and perform the Group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that KPMG Inc. and Deloitte & Touche have been the joint auditor of Capitec Bank Holdings Limited for 2 years and 6 years respectively.

KPMG Inc.

Registered Auditor

*Per Gawie Kolbé
Chartered Accountant (SA)
Registered Auditor
Director*

The Halyard
4 Christiaan Barnard Street
Cape Town
8000
South Africa

21 April 2026

Deloitte & Touche

Registered Auditor

*Per Lito Nunes
Chartered Accountant (SA)
Registered Auditor
Director*

5 Magwa Crescent
Waterfall City
Midrand
2090
South Africa

Statements of financial position

As at 28 February 2026

R'000	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Assets					
Cash and cash equivalents	3	49 665 009	44 563 334	17 573	18 512
Financial assets at fair value through profit or loss (FVTPL)	4	4 715 019	1 349 010	—	—
Derivative assets ⁽¹⁾	42	243 086	37 614	—	—
Financial investments at amortised cost	5	78 459 450	76 336 706	—	—
Term deposit investments	6	5 757 264	5 546 480	—	—
Current income tax asset ⁽¹⁾	36.3	5 556	—	232	—
Loans and advances	7	103 760 177	89 145 478	—	—
Other receivables	8	6 637 793	6 025 185	1 978	2 740
Inventory		152 229	—	—	—
Insurance contract assets	9	1 996 418	4 304 064	—	—
Reinsurance contract assets	9	33 951	1 380	—	—
Financial assets – equity instruments at fair value through other comprehensive income (FVOCI)	10	352 278	81 886	—	—
Interest in associates and joint ventures	11	345 944	285 341	7 061	25 000
Interest in subsidiaries	11	—	—	7 028 741	7 028 891
Property and equipment	12	4 116 325	3 978 491	—	—
Right-of-use assets	13	1 702 097	1 827 237	—	—
Intangible assets including goodwill	14	1 494 728	1 628 713	—	—
Deferred income tax asset	15	3 846 518	3 352 753	—	—
Total assets		263 283 842	238 463 672	7 055 585	7 075 143
Liabilities					
Derivative liabilities	42	190 038	21 140	—	—
Current income tax liability	36.3	328 939	377 124	—	—
Deposits	16	189 173 403	172 635 487	—	—
Wholesale funding	16	1 401 717	2 905 615	—	—
Other liabilities	17	9 599 676	9 144 613	23 128	14 061
Insurance contract liabilities	9	551 800	—	—	—
Lease liabilities	18	2 237 470	2 367 195	—	—
Employee benefit liabilities	19	10 461	10 770	—	—
Group loans payable		—	—	43 935	39 238
Deferred income tax liability	15	277 458	88 433	—	—
Total liabilities		203 770 962	187 550 377	67 063	53 299
Equity					
Equity attributable to ordinary shareholders		59 437 186	50 840 517	6 946 820	6 979 996
Ordinary share capital and premium	20	5 485 403	5 475 346	5 649 020	5 649 020
Izindaba Ezinhle Employee Share Scheme	39.2	—	—	491 978	491 978
Other reserves	21	(32 313)	(23 292)	—	—
Foreign currency translation reserve	21	(62 262)	(18 310)	—	—
Share option reserve	21	515 809	515 809	23 831	23 831
Retained earnings		53 530 549	44 890 964	781 991	815 167
Equity attributable to other equity instrument holders					
Preference share capital and premium	20	41 702	41 848	41 702	41 848
Equity attributable to non-controlling interest		33 992	30 930	—	—
Total equity		59 512 880	50 913 295	6 988 522	7 021 844
Total equity and liabilities		263 283 842	238 463 672	7 055 585	7 075 143

⁽¹⁾ Assets and liabilities are presented in order of liquidity in accordance with IAS 1.63. The order was updated in the current period to better reflect the relative liquidity of the financial statement line items.

Income statements

Year ended 28 February 2026

R'000	Note	GROUP		COMPANY	
		2026	2025 ⁽¹⁾	2026	2025
Interest and similar income and expenses					
Interest income		33 309 674	30 228 358	723	676
Interest income calculated using the effective interest method	22.1	32 064 409	29 367 763	723	676
Interest income on financial assets at FVTPL	22.2	1 245 265	860 595	—	—
Interest expense and other similar charges	22.3	(9 229 796)	(10 042 710)	—	—
Net interest income		24 079 878	20 185 648	723	676
Credit impairments	26	(9 976 457)	(8 258 386)	—	—
Net interest income after credit impairments		14 103 421	11 927 262	723	676
Non-interest income					
Loan fee income		1 450 520	1 292 328	—	—
Loan fee expense		(12 663)	(6 393)	—	—
Net loan fee income		1 437 857	1 285 935	—	—
Transaction fee and commission income		28 664 044	24 851 856	—	—
Transaction fee and commission expense		(7 139 483)	(6 317 004)	—	—
Net transaction and commission income	23	21 524 561	18 534 852	—	—
Insurance revenue		12 615 242	7 368 483	—	—
Insurance service expense		(7 044 939)	(3 716 043)	—	—
Net income/(expense) from reinsurance contracts held		9 736	(1 454)	—	—
Insurance service result		5 580 039	3 650 986	—	—
Insurance finance (expense)/income		(359 496)	126 834	—	—
Reinsurance finance income/(expense)		3 029	(463)	—	—
Net insurance result	24	5 223 572	3 777 357	—	—
Foreign currency income		676 941	567 550	—	—
Foreign currency expense		(556 910)	(431 956)	—	—
Net foreign currency income		120 031	135 594	—	—
Dividend income	25	11 530	—	8 183 321	6 308 697
Other income		23 486	147 991	7 997	6 236
Net non-interest income		28 341 037	23 881 729	8 191 318	6 314 933
Income from operations after credit impairments		42 444 458	35 808 991	8 192 041	6 315 609
Operating expenses	27	(20 238 172)	(18 099 565)	(8 690)	(6 912)
Share of net (loss)/profit of associates and joint ventures	11	(13 137)	2 994	—	—
Deemed disposal of investment in associate		—	27 245	—	—
Reversal of impairment of Group loan receivable		—	—	2 963	—
Impairment of investment in associate	11	(13 660)	—	(17 939)	—
Operating profit before tax		22 179 489	17 739 665	8 168 375	6 308 697
Income and deferred tax expense	28	(5 342 269)	(3 990 549)	(13 381)	(13 742)
Profit for the year		16 837 220	13 749 116	8 154 994	6 294 955
Profit attributable to					
Ordinary shareholders		16 833 389	13 742 245	8 154 994	6 294 955
Non-controlling interest		3 831	6 871	—	—
		16 837 220	13 749 116	8 154 994	6 294 955
Earnings per share (cents)					
Basic	29	14 590	11 911		
Diluted	29	14 543	11 878		

⁽¹⁾ The Group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date.

Statements of other comprehensive income

Year ended 28 February 2026

R'000	Note	GROUP 2026	2025 ⁽¹⁾	COMPANY 2026	2025
Profit for the year		16 837 220	13 749 116	8 154 994	6 294 955
Other comprehensive loss that may subsequently be reclassified to profit or loss		(44 721)	(127 957)	—	(9 001)
Cash flow hedge reserve recognised	21	—	(9 190)	—	(12 330)
Cash flow hedge reclassified to profit or loss	21	—	(733)	—	—
Income tax relating to cash flow hedge	21	—	2 679	—	3 329
Foreign currency translation reserve reclassified to profit or loss on deemed disposal of associate	21	—	(85 535)	—	—
Foreign currency translation reserve recognised – attributable to ordinary shareholders	21	(43 952)	(34 349)	—	—
Foreign currency translation reserve recognised – attributable to non-controlling interest		(769)	(829)	—	—
Other comprehensive (loss)/income that will not subsequently be reclassified to profit or loss		(9 021)	(5 631)	—	2 281
Remeasurement of defined benefit obligation	19	(377)	347	—	—
Cash flow hedge released to hedged item	21	—	—	—	2 281
Loss on remeasurement to FVOCI	21	(8 282)	(8 061)	—	—
Income tax thereon	21	(362)	2 083	—	—
Total comprehensive income for the year		16 783 478	13 615 528	8 154 994	6 288 235
Total comprehensive income attributable to					
Ordinary shareholders		16 780 416	13 609 486	8 154 994	6 288 235
Non-controlling interest		3 062	6 042	—	—
		16 783 478	13 615 528	8 154 994	6 288 235

⁽¹⁾ The Group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date.



Statements of changes in equity

Year ended 28 February 2026

GROUP

R'000	Note	Ordinary share capital and premium	Other reserves	Foreign currency translation reserve	Share option reserve	Retained earnings	Equity attributable to ordinary share- holders	Preference share capital and premium	Non- controlling interest	Total
Balance as at 28 February 2025		5 475 346	(23 292)	(18 310)	515 809	44 890 964	50 840 517	41 848	30 930	50 913 295
Total comprehensive (loss)/income for the year⁽¹⁾		—	(9 021)	(43 952)	—	16 833 389	16 780 416	—	3 062	16 783 478
Profit for the year ⁽¹⁾		—	—	—	—	16 833 389	16 833 389	—	3 831	16 837 220
Other comprehensive loss for the year ⁽¹⁾		—	(9 021)	(43 952)	—	—	(52 973)	—	(769)	(53 742)
Transactions with shareholders and directly recorded in equity		10 057	—	—	—	(8 193 804)	(8 183 747)	(146)	—	(8 183 893)
Ordinary dividend	36.5	—	—	—	—	(8 165 136)	(8 165 136)	—	—	(8 165 136)
Preference dividend	36.5	—	—	—	—	(4 082)	(4 082)	—	—	(4 082)
Employee share option scheme: value of employee services	27	—	—	—	—	162 529	162 529	—	—	162 529
Shares acquired for employee share options at cost		6 468	—	—	—	(205 120)	(198 652)	—	—	(198 652)
Proceeds on settlement of employee share options		—	—	—	—	147 646	147 646	—	—	147 646
Tax effect on share options		—	—	—	—	52 844	52 844	—	—	52 844
Fair value of shares utilised for net settlement		—	—	—	—	(182 453)	(182 453)	—	—	(182 453)
Preference shares repurchased		—	—	—	—	(32)	(32)	(146)	—	(178)
Treasury shares		3 589	—	—	—	—	3 589	—	—	3 589
Balance as at 28 February 2026		5 485 403	(32 313)	(62 262)	515 809	53 530 549	59 437 186	41 702	33 992	59 512 880
Note		20	21	21	21			20		

⁽¹⁾ The statement of changes in equity was enhanced to split the total comprehensive (loss)/income for the year between profit for the year and other comprehensive loss for the year.

Statements of changes in equity continued

Year ended 28 February 2026

GROUP ⁽¹⁾										
Note	Ordinary share capital and premium	Cash flow hedge reserve	Other reserves	Foreign currency translation reserve	Share option reserve	Retained earnings	Equity attributable to ordinary shareholders	Preference share capital and premium	Non-controlling interest	Total
Balance as at 29 February 2024	5 456 540	7 244	(17 661)	101 574	515 809	37 423 827	43 487 333	43 260	—	43 530 593
Acquisition of subsidiary	—	—	—	—	—	—	—	—	20 434	20 434
Total comprehensive (loss)/income for the year⁽²⁾	—	(7 244)	(5 631)	(119 884)	—	13 742 245	13 609 486	—	6 042	13 615 528
Profit for the year ⁽²⁾	—	—	—	—	—	13 742 245	13 742 245	—	6 871	13 749 116
Other comprehensive loss for the year ⁽²⁾	—	(7 244)	(5 631)	(119 884)	—	—	(132 759)	—	(829)	(133 588)
Transactions with shareholders and directly recorded in equity	18 806	—	—	—	—	(6 275 108)	(6 256 302)	(1 412)	4 454	(6 253 260)
Ordinary dividend 36.5	—	—	—	—	—	(6 297 739)	(6 297 739)	—	—	(6 297 739)
Preference dividend 36.5	—	—	—	—	—	(4 476)	(4 476)	—	—	(4 476)
Change in AvaFin shareholding – equity transactions ⁽³⁾	—	—	—	—	—	(4 436)	(4 436)	—	4 454	18
Employee share option scheme: value of employee services 27	—	—	—	—	—	86 258	86 258	—	—	86 258
Shares acquired for employee share options at cost	(20 638)	—	—	—	—	(120 824)	(141 462)	—	—	(141 462)
Proceeds on settlement of employee share options	—	—	—	—	—	136 110	136 110	—	—	136 110
Tax effect on share options	—	—	—	—	—	85 660	85 660	—	—	85 660
Fair value of shares utilised for net settlement	—	—	—	—	—	(155 480)	(155 480)	—	—	(155 480)
Preference shares repurchased	—	—	—	—	—	(181)	(181)	(1 412)	—	(1 593)
Treasury shares	39 444	—	—	—	—	—	39 444	—	—	39 444
Balance as at 28 February 2025	5 475 346	—	(23 292)	(18 310)	515 809	44 890 964	50 840 517	41 848	30 930	50 913 295
Notes	20	21	21	21	21			20		

⁽¹⁾ The Group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date.

⁽²⁾ The statement of changes in equity was enhanced to split the total comprehensive (loss)/income for the year between profit for the year and other comprehensive loss for the year.

⁽³⁾ In the prior year, shares were issued to AvaFin management for options exercised. The change in shareholding is an equity transaction that did not result in a loss of control.



COMPANY

R'000	Note	Ordinary share capital and premium	Cash flow hedge reserve	Izindaba Ezinhle Employee Share Scheme	Share option reserve	Retained earnings	Preference share capital and premium	Total
Balance as at 29 February 2024		5 649 020	6 720	491 978	23 831	829 090	43 260	7 043 899
Total comprehensive (loss)/income for the year⁽¹⁾		—	(6 720)	—	—	6 294 955	—	6 288 235
Profit for the year ⁽¹⁾		—	—	—	—	6 294 955	—	6 294 955
Other comprehensive loss for the year ⁽¹⁾		—	(6 720)	—	—	—	—	(6 720)
Transactions with shareholders and directly recorded in equity		—	—	—	—	(6 308 878)	(1 412)	(6 310 290)
Ordinary dividend	36.5	—	—	—	—	(6 304 221)	—	(6 304 221)
Preference dividend	36.5	—	—	—	—	(4 476)	—	(4 476)
Preference shares repurchased		—	—	—	—	(181)	(1 412)	(1 593)
Balance as at 28 February 2025		5 649 020	—	491 978	23 831	815 167	41 848	7 021 844
Total comprehensive income for the year⁽¹⁾		—	—	—	—	8 154 994	—	8 154 994
Profit for the year ⁽¹⁾		—	—	—	—	8 154 994	—	8 154 994
Transactions with shareholders and directly recorded in equity		—	—	—	—	(8 188 170)	(146)	(8 188 316)
Ordinary dividend	36.5	—	—	—	—	(8 184 056)	—	(8 184 056)
Preference dividend	36.5	—	—	—	—	(4 082)	—	(4 082)
Preference shares repurchased		—	—	—	—	(32)	(146)	(178)
Balance as at 28 February 2026		5 649 020	—	491 978	23 831	781 991	41 702	6 988 522
Note		20	21	39.2	21		20	

⁽¹⁾ The statement of changes in equity was enhanced to split the total comprehensive (loss)/income for the year between profit for the year and other comprehensive loss for the year.

Statements of cash flows

Year ended 28 February 2026

R'000	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Cash flows from operating activities					
Cash flow from operations	36.1	408 329	9 647 337	4 498	251 926
Income tax paid	36.3	(5 660 725)	(4 455 654)	(13 613)	(13 742)
Interest received	36.9	33 390 776	29 757 053	723	676
Interest paid	36.10	(9 216 755)	(10 043 815)	—	—
Dividend received		11 530	—	8 183 321	6 308 697
		18 933 155	24 904 921	8 174 929	6 547 557
Cash flows from investing activities					
Acquisition of property and equipment	12	(1 052 957)	(1 278 434)	—	—
Disposal of property and equipment	36.4	28 411	39 449	—	—
Acquisition of intangible assets	14	(83 099)	(94 568)	—	—
Disposal of preference shares in subsidiary	11	—	—	149	1 409
Investment in term deposits	6	(12 250 000)	(5 140 000)	—	—
Redemption of term deposits	6	11 890 000	7 664 000	—	—
Acquisition of financial investments at amortised cost	5	(52 417 220)	(71 068 030)	—	—
Redemption of financial investments at amortised cost	5	50 135 069	63 005 472	—	—
Interest acquired in associates and joint ventures	11	(87 400)	(15 000)	—	—
Acquisition of financial investments at FVOCI	10	(278 673)	—	—	—
Acquisition of subsidiary net of cash acquired		—	(99 495)	—	(534 708)
		(4 115 869)	(6 986 606)	149	(533 299)
Cash flows from financing activities					
Dividends paid	36.5	(8 165 900)	(6 303 954)	(8 180 536)	(6 305 796)
Loans from Group companies – granted	36.6	—	—	14 116	10 029
Loans from Group companies – repaid	36.6	—	—	(9 419)	(8 582)
Preference shares repurchased		(178)	(1 593)	(178)	(1 593)
Redemption of institutional bonds and other funding	16	(750 000)	(1 250 000)	—	—
Payment of lease liabilities	36.7	(489 079)	(441 214)	—	—
Shares acquired for settlement of employee share options	36.8	(198 868)	(141 669)	—	—
Participants' contribution on settlement of share options	36.8	8 620	4 155	—	—
Treasury shares repurchased	20	(45 279)	(32 411)	—	—
		(9 640 684)	(8 166 686)	(8 176 017)	(6 305 942)
Effect of exchange rate changes on cash and cash equivalents		(74 919)	(48 771)	—	—
Net increase/(decrease) in cash and cash equivalents		5 101 683	9 702 858	(939)	(291 684)
Cash and cash equivalents at the beginning of the year ⁽¹⁾	3	44 563 591	34 860 733	18 512	310 196
Cash and cash equivalents at the end of the year ⁽¹⁾	3	49 665 274	44 563 591	17 573	18 512

⁽¹⁾ Cash and cash equivalents before deduction of the provision for ECL.



Notes to the financial statements

Year ended 28 February 2026

1. General information

1.1 Nature of the business

The Company's main business is that of a bank controlling company as envisaged in the Banks Act. The Company's subsidiaries conduct personal and business banking, online consumer lending, rental financing, hold an insurance cell captive and have an insurance licence for life products.

1.2 Review of operations

The operating results and the state of affairs of the Company and the Group are fully set out in the statements of financial position, income statements, statements of other comprehensive income, statements of changes in equity, statements of cash flows and the notes thereto.

The Group's profit attributable to ordinary and preference shareholders of the Group amounted to R16 833 million (2025: R13 742 million).

1.3 Overall application of the going concern principle

The Directors reviewed the Group and Company budgets including related cash flows. They considered the Group and Company's ability to continue as a going concern in light of current and anticipated economic conditions. The budget took the impact of the current global macroeconomic environment into consideration, including projections of the impact on the Group and Company's capital, funding and liquidity requirements, all of which have remained within internal targets and above regulatory requirements.

Forecast earnings growth and risk-weighted assets are based on the Group and Company's macroeconomic outlook and are evaluated against available financial resources, considering the requirements of capital providers, regulators and rating agencies.

The expected outcomes and constraints are then stress tested and the Group and Company set targets through different business cycles and scenarios. Based on this review, and in light of the current financial position and profitable trading history, the Directors are satisfied that the Group and Company have adequate resources to continue in business for the foreseeable future. The going concern basis therefore continues to apply and has been adopted in the preparation of the financial statements.

1.4 Directors and Group Company Secretary

Information relating to the Directors and Group Company Secretary is presented in the Directors' report and statutory information.

1.5 Group details

The Group's place of domicile and country of incorporation is the Republic of South Africa, and it is listed on the JSE.

Registered office: 5 Neutron Road, Techno Park, Stellenbosch, 7600.

2. Accounting policies

The financial statements include the material accounting policies that relate to each note to the financial statements in the applicable note with the exception of the policies that are included in **notes 2.1 to 2.5**. These policies were applied consistently to all the years presented, unless otherwise stated.

2.1 Basis of preparation

2.1.1 Compliance with IFRS Accounting Standards

The Group's consolidated and the Company's separate annual financial statements for the year ended 28 February 2026 have been prepared in accordance with IFRS Accounting Standards as issued by the IASB (IFRS Accounting Standards), the Financial Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, the Banks Act and the requirements of the Companies Act.

Notes to the financial statements continued

Year ended 28 February 2026

2. Accounting policies continued

2.1 Basis of preparation continued

2.1.1 Compliance with IFRS Accounting Standards continued

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the notes to the financial statements.

The accounting policies applied are consistent with the prior year financial statements.

Refer to **note 2.6** for standards, interpretations and amendments to published standards applied for the first time during the current year and to **note 2.7** for details on the Group's implementation of standards, interpretations and amendments to published standards not yet effective.

In the notes to the financial statements, amounts denoted as current are expected to be recovered/settled no more than 12 months after the reporting period. Amounts denoted as non-current are expected to be recovered/settled more than 12 months after the reporting period.

2.1.2 Historical cost convention

The consolidated and separate financial statements have been prepared on a historical cost basis, except for the revaluation of financial instruments held at FVTPL and instruments carried at FVOCI.

2.1.3 Global minimum top-up tax

The Organisation for Economic Co-operation and Development released the GloBE – Pillar Two model rules in December 2021. The objective of the rules is to ensure that large multinational enterprises (MNEs), that are within scope, have a minimum GloBE effective tax rate of 15% in each jurisdiction in which the MNE operates.

The Group adopted International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) issued on 23 May 2023. The Global Minimum Tax Act (GMTA), encompassing an Income Inclusion Rule and a domestic minimum top-up tax, was enacted in South Africa on 24 December 2024 with an effective date of 1 January 2024.

The Group is within scope of the Pillar Two global minimum tax rules as it is an MNE as defined, with consolidated Group revenue exceeding the required EUR750 million threshold in at least 2 of the 4 immediately preceding financial years.

The Group determined that the global minimum top-up tax, which it is required to pay under the Pillar Two legislation, is an income tax in the scope of IAS 12 *Income Taxes* and applies the exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, its subsidiaries, associates, joint ventures and trusts.

2.2.1 Subsidiaries

Subsidiaries are entities (including structured entities) that are controlled by the Company. Control is achieved when the Company:

- has power over the entity
- is exposed, or has rights, to variable returns from its involvement with the entity
- has the ability to use its power to affect returns.

Consolidation begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Intercompany transactions, balances and unrealised gains/losses on transactions between Group companies are eliminated in the consolidated financial statements.



The Company accounts for investments in subsidiaries at cost less an allowance for impairment. The carrying amounts of these investments are reviewed annually and written down for impairment where considered necessary. If this is the case, the difference between the recoverable amount of the investment and its carrying value is recognised in profit or loss. The recoverable amount is determined based on the higher of the fair value less costs to sell or the value in use.

The Group measures non-controlling interests at their proportionate share of the subsidiary's identifiable net assets and the non-controlling interest at acquisition is not subsequently remeasured.

Investments in subsidiaries are denominated in South African rand.

2.2.2 Associates and joint arrangements

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control over those policies. Significant influence is generally accompanied by a shareholding that entitles the Group to between 20% and 50% of the voting rights of the associate. Where the Group's shareholding is less than 20%, other indicators, such as the right to representation on decision-making boards or committees, are considered.

The Group's investment in associates includes the difference in initial cost versus its share of net assets acquired and any accumulated impairment loss.

A joint arrangement is an arrangement in terms of which the Group and the other contracting parties have joint control as defined in IFRS 11 *Joint Arrangements*. Joint ventures are those joint arrangements where the Group has rights to the net assets of the arrangement.

An investment in an associate or joint venture is recognised at cost by the Company and is incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment is initially recognised at cost and the carrying amount is subsequently adjusted to recognise the Group's share of post-acquisition profits or losses and other comprehensive income. Distributions received from the associate or joint venture reduce the carrying amount of the investment.

In applying the equity method, the Group uses the financial statements of the associate as of the same date as the financial statements of the Group unless it is impracticable to do so. If this is impracticable, the most recent available financial statements of the associate are used. Adjustments are made for significant transactions and events that occur between these periods. The difference between the reporting date of the associate and the Group is no longer than 3 months.

When the Group's share of losses of an associate or joint venture equals or exceeds its interest, including any other unsecured long-term receivables in the associate or joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group incurs legal or constructive obligations or makes payments on behalf of the associate or joint venture.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment.

The Group determines at each reporting date whether there is objective evidence that any investment in the associates or joint ventures is impaired. If this is the case, the difference between the recoverable amount of the associate or joint venture and its carrying value is recognised in profit or loss. The recoverable amount is determined based on the higher of the fair value less costs to sell or the value in use. Impairments that have been recognised are reversed if, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised. The increased carrying amount of the associate or joint venture shall not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years.

When significant influence ceases or the investments are held with the intention that they will be disposed of within 12 months, the investments are accounted for and classified as non-current assets held for sale in terms of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* if the relevant requirements are met.

Investments in associates and joint arrangements are denominated in South African rand.

2. Accounting policies continued

2.3 Business combinations

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of activities and assets acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Consolidation of controlled businesses entails recognising the following:

- 100% of the identifiable assets acquired and liabilities assumed at their acquisition date fair values
- Any non-controlling interest measured at the proportionate share of the fair value of the at acquisition identifiable net assets
- 100% of the goodwill, not just the portion attributable to the controlling interest acquired
- The Group's share of post-acquisition profits.

In an acquisition where a controlling interest is obtained but not all the ownership interests are purchased, the remaining non-controlling interest is recorded in equity at a proportionate share of the fair value of the at acquisition identifiable net assets. The non-controlling interest at acquisition date is not subsequently remeasured.

The consideration transferred in a business combination comprises the fair values of the assets transferred, the liabilities assumed, the equity interests issued by the Group and the fair value of any contingent consideration arrangements.

Acquisition costs, other than those associated with the issue of debt or equity securities, are recognised in profit or loss as incurred.

The identifiable assets acquired and the liabilities and contingent liabilities assumed that meet the conditions for recognition in accordance with IFRS 3 *Business Combinations* are recognised at their fair value at the date of acquisition, except for:

- deferred tax assets or liabilities, which are recognised and measured in accordance with IAS 12 *Income Taxes* and liabilities or assets related to employee benefit arrangements, which are recognised and measured in accordance with IAS 19 *Employee Benefits*
- liabilities or equity instruments that relate to the replacement, by the Group, of an acquired entity's share-based payment awards, which are measured in accordance with IFRS 2 *Share-based Payment*
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are measured in accordance with that standard.

2.3.1 Goodwill

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred exceeds the fair value of the identifiable net assets of the entity acquired. Any cash, non-controlling interest and the fair value of previously held equity interests are regarded as consideration for the purpose of determining goodwill.

If the consideration transferred is lower than the fair value of the identifiable net assets of the acquired entity (a bargain purchase), the difference is recognised in profit or loss. The gain or loss arising on the disposal of an entity is calculated after consideration of attributable goodwill.

Goodwill arising on the acquisition of subsidiaries is reported in the statement of financial position as part of intangible assets including goodwill. Goodwill arising on the acquisition of associates and joint ventures is reported in the statement of financial position as part of 'interest in associates and joint ventures'.

When control is obtained over a foreign entity, goodwill is remeasured at the end of each reporting period using the foreign exchange spot rate and a foreign currency translation reserve is created in equity.



2.4 Financial instruments

2.4.1 Financial assets

The Group recognises financial assets in the statement of financial position when it becomes a party to the contractual terms of the financial instrument.

Major categories of financial assets include cash and cash equivalents, financial assets at FVTPL, financial investments at amortised cost, term deposit investments, loans and advances, other receivables, derivative assets and financial assets at FVOCI.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial assets not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs on financial assets carried at FVTPL are recognised immediately in profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or where the Group has transferred substantially all risks and rewards of ownership of the asset to another entity.

The Group classifies its financial assets on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group assesses its business model by portfolio of financial assets that are managed together and evaluates the following factors:

- How the performance of the portfolio is evaluated and reported to Group management
- How the portfolio managers (if applicable) are compensated, including whether management is compensated based on the fair value of the assets or the contractual cash flow collected
- The risks that affect the performance of the business model and how those risks are managed
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and the expectation of future sales activities.

The contractual cash flow characteristics are evaluated based on whether the contractual cash flows consist of solely payments of principal and interest (SPPI). This assessment includes assessing whether the financial asset has a contractual term that would change the timing or amount of contractual cash flows. The Group considers whether the contractual cash flows are subject to any contingent events that would change the amount and timing of cash flows, leverage features, prepayment and extension terms and features that would modify the consideration of the time value of money.

The Group classifies its financial assets into the following categories:

- Measured at amortised cost
- Fair value through other comprehensive income
- Fair value through profit or loss.

Subsequent to initial measurement, financial assets are classified into categories and measured at either amortised cost or fair value.

Financial assets are measured at amortised cost if they are held to collect contractual cash flows which represent SPPI. Interest income on these financial assets is included in interest income calculated using the effective interest method in profit or loss. Impairment losses form part of the net credit impairment charge in profit or loss. Financial assets measured at amortised cost include cash and cash equivalents, financial investments at amortised cost, term deposit investments, loans and advances and other receivables.

Financial assets measured at FVOCI comprise equity investments. Refer to **note 10**.

Financial instruments not measured at amortised cost or FVOCI are measured at FVTPL. These assets include financial assets at FVTPL and derivative assets. Refer to **notes 4** and **42**.

Notes to the financial statements continued

Year ended 28 February 2026

2. Accounting policies continued

2.4 Financial instruments continued

2.4.2 Financial liabilities

The Group recognises a financial liability once it becomes a party to the contractual terms of the financial instrument.

Major categories of financial liabilities include derivative liabilities, deposits, wholesale funding and other liabilities.

Financial liabilities, other than those held at FVTPL, are initially recognised at fair value, generally being their issue proceeds net of transaction costs incurred and are subsequently stated at amortised cost using the effective interest method.

A financial liability, or part of a financial liability, is derecognised once the obligation specified in the agreement relating to the financial liability is discharged, cancelled or has expired.

2.5 Foreign currency translation

2.5.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African rand, which is the Group's presentation currency. The financial statements of the subsidiaries, with the exception of foreign subsidiaries, are also presented in South African rand, which is their functional and presentation currency.

The monetary assets and liabilities of foreign subsidiaries are translated to South African rand at the exchange rate prevailing at the reporting date. Non-monetary items are translated at the exchange rate prevailing on the date of the transaction. Items measured at fair value are translated at the exchange rate prevailing on the date that the fair value was determined.

The earnings of foreign subsidiaries are translated to South African rand at the average exchange rate for the period. Gains or losses on translation are recognised in other comprehensive income and presented within equity in the foreign currency translation reserve.

2.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the date of the transaction. Foreign currency balances are translated into rand at the exchange rate prevailing at the reporting date. Exchange gains and losses on such balances are recognised in profit or loss.

2.6 Effective standards, interpretations and amendments to published standards applied for the first time during the current financial year

Title	Effective date	Impact
Lack of exchangeability – amendments to IAS 21	Annual periods beginning on or after 1 January 2025 (early adoption is available) (published August 2023)	The amendments impact entities that have transactions or operations in a foreign currency that are not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The Group is not conducting transactions in currencies that lack exchangeability. Accordingly, it has been assessed that these amendments do not have an impact on the Group.



The following IFRS Interpretations Committee agenda decisions were approved by the IASB during the financial year ended February 2026 and were assessed for their relevance to the Group. Their impact on the Group's current year financial statements is as follows:

Subject	Impact
Guarantees issued on obligations of other entities (IFRS 9)	The agenda decision provides clarity on the recognition and measurement of financial guarantees issued for third-party obligations. In accordance with IFRS 9, the guidance is recognised at the higher of the loss allowance determined under the ECL model, and the initial amount of the guarantee is less cumulative amortisation. The impact of applying this guidance is not material to the Group's financial statements.
Recognition of revenue from tuition fees (IFRS 15)	The agenda decision provides clarity on the timing of revenue recognition based on performance obligations in education services. It has been assessed that the agenda decision does not have an impact on the Group.
Recognition of intangible assets from climate-related expenditure (IAS 38)	The agenda decision provides clarity on when climate-related commitments give rise to identifiable intangible assets. The Group has assessed that commitments made in the February 2025 sustainability report did not create any intangible assets requiring capitalisation per IAS 38.
Determining and accounting for transaction costs (IFRS 9)	The agenda decision provides clarity on the definition and requirements within IFRS 9 relating to transaction costs. It has been assessed that the agenda decision does not currently have an impact on the Group.

2.7 Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 March 2026, or later periods, but which the Group has not early adopted.

Title	Effective date	Impact
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> – sale or contribution of assets between an investor and its associates or joint ventures	The effective date for these amendments was deferred indefinitely	The IASB has made limited scope amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> . The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 <i>Business Combinations</i>). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. The impact on the Group will be minimal.
Classification and measurement of financial instruments – amendments to IFRS 7 and IFRS 9	Annual periods beginning on or after 1 January 2026 (early adoption is available) (published May 2024)	These amendments clarify the timing of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic cash transfer system. Further clarity and guidance for assessing whether a financial asset meets the SPPI criterion are provided. New disclosure is added for certain instruments with contractual terms that can change cash flows. Existing disclosures for equity instruments designated at FVOCI have been updated. The impact on the Group is still being assessed.

Notes to the financial statements continued

Year ended 28 February 2026

2. Accounting policies continued

2.7 Standards, interpretations and amendments to published standards that are not yet effective continued

Title	Effective date	Impact
Presentation and disclosure in financial statements – IFRS 18	Annual periods beginning on or after 1 January 2027 (published April 2024)	IFRS 18 replaces IAS 1 and focuses on updates to the statements of profit or loss and other comprehensive income with particular focus on the structure of the statements; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes. Many existing principles in IAS 1 are retained. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it could change what an entity reports as its 'operating profit or loss'. Retrospective application is required. The Group is in the process of assessing the impact of IFRS 18. The assessment will be complete by the end of the 2027 financial year.
Subsidiaries without public accountability – IFRS 19	Annual periods beginning on or after 1 January 2027 (early adoption is available) (published May 2024)	An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. A subsidiary is eligible if it does not have public accountability and it has an ultimate or intermediate parent that produces consolidated financial statements for public use that comply with IFRS Accounting Standards. The Group is not planning to utilise IFRS 19 for any of its subsidiaries.
Contracts Referencing Nature-dependent Electricity – IFRS 7 and IFRS 9	Annual periods beginning on or after 1 January 2026 (early adoption is available) (published December 2024)	These amendments to IFRS 7 and IFRS 9 address the classification and disclosure of contracts tied to nature-dependent electricity sources. The impact on the Group will be minimal.
Annual Improvements to IFRS Accounting Standards Amendments – Volume 11	Annual periods beginning on or after 1 January 2026 (early adoption is available) (published July 2024)	Amendments to: • First-time Adoption of International Financial Reporting Standards – IFRS 1 • Financial Instruments: Disclosures and the accompanying guidance on implementing IFRS 7 – IFRS 7 • Financial Instruments – IFRS 9 • Consolidated Financial Statements – IFRS 10 • Statement of Cash Flows – IAS 7 The Group is still assessing the impact of the amendments.



3. Cash and cash equivalents

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Coins and banknotes	3 884 113	4 483 669	—	—
Rand-denominated bank balances	4 463 648	1 582 874	17 573	18 512
Foreign currency-denominated bank balances	1 694 246	1 801 726	—	—
Resale agreements: Banks	28 578 269	23 400 922	—	—
Restricted cash balances ⁽¹⁾	131 061	106 512	—	—
Other balances with the central bank	6 908 718	9 437 838	—	—
Mandatory reserve deposits with the central bank	4 005 219	3 750 050	—	—
Cash and cash equivalents	49 665 274	44 563 591	17 573	18 512
Non-cash adjustment: Provision for ECL	(265)	(257)	—	—
Cash and cash equivalents	49 665 009	44 563 334	17 573	18 512
Maximum exposure to credit risk	45 781 161	40 079 922	17 573	18 512
Current portion	49 665 009	44 563 334	17 573	18 512

⁽¹⁾ The restricted cash balances relate to Capitec Life, a wholly-owned subsidiary of the Group. These cash balances can only be utilised to fulfil Capitec Life's obligations in terms of a binder agreement.

Accounting policies

Cash consists of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents comprise balances with less than 3 months' maturity from the date of acquisition and are stated at amortised cost which approximates fair value due to the short-term nature of these instruments.

Financial instruments purchased from external banks for cash under short-term agreements to resell, at either a fixed price or the purchase price plus a lender's rate of return, with an original maturity date of less than 3 months, including government bonds, are included under cash and cash equivalents. Resale agreements are actively used to manage the liquidity and operating commitments of the Group. These agreements are readily convertible to known amounts of cash given their short-dated maturities and are not subject to significant changes in value as they are held with other reputable financial institutions. The difference between the purchase and sales price is treated as interest and amortised over the life of the resale agreement using the effective interest method.

Impairment recognition and measurement

Cash and cash equivalents comprise stage 1 balances with no movement between the stages during the current and prior financial years. The balances are subject to the impairment requirements of IFRS 9, therefore the Group recognised a loss allowance. It was measured as a 12-month ECL because the credit risk has not increased significantly since initial recognition and no balances are credit-impaired at the statement of financial position date.

The South African Reserve Bank (SARB) settlement balance, included in 'Other balances with the central bank', comprises stage 1 balances with no movements between the stages during the current and the prior financial years. The impairment loss calculated on the SARB settlement balance was not material given the short-dated maturity of the balances. The impairment loss was measured as a 12-month ECL because the credit risk has not increased significantly since initial recognition and no balances were credit-impaired at the statement of financial position date.

The ECL statistical model components (EAD, LGD and PD) were determined using an appropriate model. The PD was determined with reference to the favourable credit ratings of the banking institutions and the LGD was determined based on whether the financial instruments are secured by recognised collateral. The resale agreements with banks are secured by recognised collateral. The securities received as collateral are government bonds and treasury bills with a fair value of R29.0 billion (2025: R23.7 billion). The Group does not sell or repledge any of the collateral held and has an obligation to return it.

Notes to the financial statements continued

Year ended 28 February 2026

3. Cash and cash equivalents continued

Mandatory reserve deposits with the central bank (the SARB)

Banks are required to deposit a minimum average balance, calculated monthly, with the central bank, which is available for use by the Group subject to certain restrictions and limitations imposed by the central bank. This deposit bears no interest and may be used to manage significant intraday and inter-day cash outflows but is not considered as available for normal cash planning purposes. A total of 70% of the balance is available without prior regulatory approval. The restrictions and limitations imposed by the central bank do not preclude the Group from requesting access to the remaining 30% of the mandatory reserve deposit. Although the availability of the remaining 30% is subject to regulatory approval, should the Group request it, the funds would be available on demand.

Credit risk

The Group only invests centrally managed cash surpluses and liquidity buffers in cash and liquid assets with the SARB, National Treasury and South African registered banking entities of high credit standing. AvaFin cash balances are held with European banks and payment institutions with good credit ratings. Potential exposure to concentration credit risk exists principally in cash and cash equivalents and interest-bearing instruments. Concentrations are controlled using the ALCO recommended limits which are monitored and enforced by the Personal Banking Credit Committee and the Business Banking Credit Committee (BCC), and monitored and approved by the Risk and Capital Management Committee (RCMC). This ensures that the financial assets that the Group may place with any one counterparty are limited by reference to the long-term and short-term credit ratings assigned to that counterparty by Moody's Ratings (Moody's).

Credit quality of cash and cash equivalents

At the statement of financial position date, the international long-term credit ratings of cash and cash equivalents, using Moody's ratings, were as follows:

R'000	GROUP					ECL	Total carrying amount
	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	Not rated ⁽¹⁾		
2026							
Bank balances – local and foreign	817 117	4 580 108	695 149	42	65 478	(16)	6 157 878
Resale agreements	—	—	28 578 269	—	—	(249)	28 578 020
Restricted cash balances	—	—	—	131 061	—	—	131 061
Other balances with the central bank	—	—	—	6 908 718	—	—	6 908 718
Mandatory reserve deposits with the central bank	—	—	—	4 005 219	—	—	4 005 219
	817 117	4 580 108	29 273 418	11 045 040	65 478	(265)	45 780 896
2025							
Bank balances – local and foreign	1 306 487	1 937 929	93 300	39	46 845	(13)	3 384 587
Resale agreements	—	—	23 400 922	—	—	(244)	23 400 678
Restricted cash balances	—	—	—	106 512	—	—	106 512
Other balances with the central bank	—	—	—	9 437 838	—	—	9 437 838
Mandatory reserve deposits with the central bank	—	—	—	3 750 050	—	—	3 750 050
	1 306 487	1 937 929	23 494 222	13 294 439	46 845	(257)	40 079 665

⁽¹⁾ The unrated bank balances comprise various AvaFin bank accounts, primarily used by clients for loan repayments. Credit risk arising from these balances is mitigated through diversification across a number of banks and countries, as well as by maintaining relatively low balances with individual institutions. Management therefore considers the overall credit risk associated with these bank balances to be low.



Bank balances and resale agreements are with 41 institutions (2025: 43) of high credit standing. The maximum exposure to a single institution is R11.0 billion (2025: R8.0 billion). Balances are rand and foreign currency-denominated.

The credit ratings determine the ECL.

R'000	COMPANY		Total carrying amount
	Baa1 to Baa3	Ba1 to Ba3	
2026			
Bank balances – local and foreign ⁽¹⁾	10 593	6 980	17 573
2025			
Bank balances – local and foreign ⁽¹⁾	12 914	5 598	18 512

⁽¹⁾ A national credit rating was used to rate the PSG call accounts included in bank balances.

Bank balances are with 2 institutions (2025: 2) of high credit standing. The maximum exposure to a single institution is R8.2 million (2025: R10.7 million). Balances are rand-denominated.

The credit ratings determine the ECL.

4. Financial assets at fair value through profit or loss

R'000	GROUP ⁽¹⁾					Total
	Fixed-rate government bonds ⁽²⁾	Floating-rate government bonds ⁽²⁾	Money market funds	Treasury bills	Term deposits	
2026						
Balance at the beginning of the year	—	—	793 670	354 873	200 467	1 349 010
Additions – capital	848 444	204 465	186 875 905	773 010	—	188 701 824
Accrued interest	7 361	951	1 178 703	52 088	6 162	1 245 265
Maturities – interest received	(1 679)	—	(1 167 551)	(25 019)	(16 629)	(1 210 878)
Disposal – capital	—	—	(184 832 220)	(347 982)	(190 000)	(185 370 202)
Balance at the end of the year	854 126	205 416	2 848 507	806 970	—	4 715 019
Maximum exposure to credit risk	854 126	205 416	2 848 507	806 970	—	4 715 019
Current portion	12 832	3 134	2 848 507	806 970	—	3 671 443
Non-current portion	841 294	202 282	—	—	—	1 043 576
2025						
Balance at the beginning of the year	—	—	275 510	206 760	71 710	553 980
Additions – capital	—	—	249 838 852	371 887	190 000	250 400 739
Accrued interest	—	—	824 214	21 226	15 155	860 595
Maturities – interest received	—	—	(803 256)	(18 535)	(6 398)	(828 189)
Disposal – capital	—	—	(249 341 650)	(226 465)	(70 000)	(249 638 115)
Balance at the end of the year	—	—	793 670	354 873	200 467	1 349 010
Maximum exposure to credit risk	—	—	793 670	354 873	200 467	1 349 010
Current portion	—	—	793 670	354 873	200 467	1 349 010

⁽¹⁾ In the current year, amounts have been disaggregated by instrument type in order to enhance the quality and usefulness of disclosure. Comparative information has been amended.

⁽²⁾ Fixed-rate and floating-rate government bonds represent investments held by Capitec Life Limited and are classified at FVTPL based on Capitec Life's business model.

Notes to the financial statements continued

Year ended 28 February 2026

4. Financial assets at fair value through profit or loss continued

Accounting policies

Financial assets at FVTPL consist of interest-bearing investments in money market funds, treasury bills, term deposits, floating-rate and fixed-rate government bonds. Financial assets are designated at FVTPL, with the exception of money market funds, which are mandatorily classified and measured at FVTPL. The investments are initially recognised at fair value excluding transaction costs that are directly attributable to the acquisition of the investment and are subsequently remeasured at fair value.

The interest income received on the investments is accounted for in the income statement line item 'Interest income on financial assets at FVTPL'.

Cash flows generated from the investments are classified as operating cash flows as these cash flows are used to fund the entity's short-term operating commitments.

Measurement

The fair value of financial assets that are not listed or quoted in an active market is determined using valuation techniques. Refer to **note 33.7** for the fair value calculation methods, inputs and techniques.

Credit quality of financial assets at FVTPL

At the statement of financial position date, the international long-term credit ratings, using Moody's ratings, were as follows:

R'000	GROUP			Total carrying amount
	A1 to A3	Ba1 to Ba3	Not rated	
2026				
Fixed-rate government bonds	—	854 126	—	854 126
Floating-rate government bonds	—	205 416	—	205 416
Money market funds ⁽¹⁾	—	—	2 848 507	2 848 507
Treasury bills	—	806 970	—	806 970
Term deposits	—	—	—	—
	—	1 866 512	2 848 507	4 715 019
2025				
Fixed-rate government bonds	—	—	—	—
Floating-rate government bonds	—	—	—	—
Money market funds ⁽¹⁾	—	—	793 671	793 671
Treasury bills	—	354 873	—	354 873
Term deposits	64 053	136 413	—	200 466
	64 053	491 286	793 671	1 349 010

⁽¹⁾ For non-rated money market funds, Capitec performed a look-through to the underlying instrument, the majority of the instruments were credit rated Ba3 or higher.



5. Financial investments at amortised cost

R'000	GROUP					Total
	Corporate bonds ⁽¹⁾	Treasury bills	Fixed-rate government bonds	Floating-rate government bonds ⁽²⁾	Floating-rate notes ⁽³⁾	
2026						
Balance at the beginning of the year	71 718	52 207 117	13 033 050	11 024 821	—	76 336 706
Additions	—	47 980 916	—	3 956 304	480 000	52 417 220
Interest accrued	8 573	3 808 456	1 237 277	1 200 745	7 757	6 262 808
Movement in provision for ECL	—	2 860	(3 446)	(12 054)	—	(12 640)
Maturities – capital	—	(50 135 069)	—	—	—	(50 135 069)
Maturities – interest received	(7 751)	(4 194 031)	(1 034 030)	(1 164 169)	(7 199)	(6 407 180)
Foreign currency translation loss	(2 395)	—	—	—	—	(2 395)
Balance at the end of the year	70 145	49 670 249	13 232 851	15 005 647	480 558	78 459 450
Cost	70 145	49 720 683	13 265 063	15 041 662	480 558	78 578 111
Provision for ECL	—	(50 434)	(32 212)	(36 015)	—	(118 661)
Balance at the end of the year	70 145	49 670 249	13 232 851	15 005 647	480 558	78 459 450
Maximum exposure to credit risk	70 145	49 720 683	13 265 063	15 041 662	480 558	78 578 111
Current portion	—	49 670 249	—	—	—	49 670 249
Non-current portion	70 145	—	13 232 851	15 005 647	480 558	28 789 201
2025						
Balance at the beginning of the year	—	55 262 386	12 848 165	—	—	68 110 551
Acquisition of subsidiary	61 365	—	—	—	—	61 365
Additions	38 306	60 134 821	—	10 894 903	—	71 068 030
Interest accrued	9 034	5 006 575	1 219 322	208 744	—	6 443 675
Movement in provision for ECL	—	(95)	(408)	(23 961)	—	(24 464)
Maturities – capital	(39 248)	(62 966 224)	—	—	—	(63 005 472)
Maturities – interest received	(8 033)	(5 230 346)	(1 034 029)	(54 865)	—	(6 327 273)
Foreign currency translation gain	10 294	—	—	—	—	10 294
Balance at the end of the year	71 718	52 207 117	13 033 050	11 024 821	—	76 336 706
Cost	71 718	52 260 412	13 061 816	11 048 782	—	76 442 728
Provision for ECL	—	(53 295)	(28 766)	(23 961)	—	(106 022)
Balance at the end of the year	71 718	52 207 117	13 033 050	11 024 821	—	76 336 706
Maximum exposure to credit risk	71 718	52 260 412	13 061 816	11 048 782	—	76 442 728
Current portion	—	52 207 117	—	—	—	52 207 117
Non-current portion	71 718	—	13 033 050	11 024 821	—	24 129 589

⁽¹⁾ Corporate bonds comprise bonds held by AvaFin in Multitude SE and Innovatio Risk Solutions Limited (Innovatio). Multitude bonds are not exposed to credit risk as the bonds are unsecured and have been purchased and pledged as collateral for securities issued by AvaFin to Multitude Bank PLC that are included in wholesale funding. Refer to **note 16**. The bonds can be used to settle the balance owing to Multitude Bank PLC. The Innovatio bonds are not exposed to credit risk as Innovatio is the counterparty to AvaFin's credit default swap agreements.

⁽²⁾ Floating-rate government bonds comprise government bond instruments that are exposed to the Johannesburg Interbank Average Rate (JIBAR).

⁽³⁾ Floating-rate notes comprise callable notes issued by the Simply Home Loans (RF) Limited (Simply Home Loans) special purpose vehicle (SPV) that are exposed to JIBAR. JIBAR will be replaced by the South African Rand Overnight Index Average (ZARONIA), as announced by the SARB on 3 December 2025, when JIBAR is permanently discontinued after its final publication on 31 December 2026. The bonds and notes are exposed to interest rate risk. Refer to **note 33.2.1**. The ECL on floating-rate notes is assessed as immaterial; accordingly, no ECL allowance has been recognised

5. Financial investments at amortised cost continued

Accounting policies

These financial investments consist of corporate bonds, treasury bills, government bonds and notes issued by the Simply Home Loans SPV, with a maturity greater than 3 months from the date of acquisition and carry a lower credit risk.

They are held for the collection of their contractual cash flows which represent SPPI. Interest income from these financial assets is included in 'Interest income calculated using the effective interest method' in the income statement.

For cash flow purposes, these investments are classified as investing activities as they are held to maturity and minimal amounts are held to meet the liquid asset requirement.

Investment in Simply Home Loans (RF) Limited special purpose vehicle

Capitec Bank invested in callable, floating-rate notes issued by Simply Home Loans, which is an SPV, on 17 December 2025. The notes, specifically class A notes (R435 million), class B notes (R25 million) and class C notes (R20 million) are linked to 3-month JIBAR, with note margins of 1.22%, 1.58% and 2.1%, respectively.

The purpose of the transaction was to provide funding for Home Loans to Capitec clients to be originated by SA Home Loans Proprietary Limited (SAHL) in an SPV in accordance with the origination agreement between SAHL and Capitec Bank. Capitec Bank will not hold any equity interest in or have control or significant influence over the Simply Home Loans SPV.

The agreement between Capitec Bank and SAHL clearly defines the activities of the SPV, which are restricted to the origination, administration and general management services in respect of the Home Loans in terms of SAHL's approved credit policy and lending limits and the issuing of notes to raise funding as required.

The investments in floating-rate callable notes are classified as financial assets at amortised cost, as these investments are held for collection of their contractual cash flows which represent SPPI.

The investment in the SPV gives rise to credit risk, with maximum exposure being the amount invested, as well as interest rate risk, resulting from exposure to changes in the JIBAR.

Capitec Bank's exposure to credit risk is mitigated by credit enhancement measures related to the asset-backed note programme, such as collateral held for underlying Mortgage Loans issued, subordinated loans from SAHL and the issue of subordinated class D callable notes to institutional investors. As a result, the risk of credit loss is assessed as limited.

Impairment recognition and measurement

Financial investments at amortised cost comprise stage 1 balances with no movement between the stages during the current and prior financial years. The balances are subject to the impairment requirements of IFRS 9, therefore the Group recognised a loss allowance of R118.7 million (2025: R106.0 million) measured as a 12-month ECL because a SICR has not taken place since initial recognition and no balances are credit-impaired at the statement of financial position date.

In assessing whether the credit risk of investments in government interest-bearing debt instruments has increased significantly since initial recognition, the Group considers the following factors:

- The market's assessment of creditworthiness as reflected in the bond yields
- The rating agencies' assessment of creditworthiness
- The country's ability to access the capital markets for a new debt issuance
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to the country as well as the intention, communicated in public statements, of governments and agencies to access those mechanisms, including an assessment of the depth of mechanisms and the capacity to fulfil the required criteria.



The ECL statistical model components (EAD, LGD and PD) were determined using an appropriate model. The PD was determined with reference to the favourable credit rating of the issuer and the LGD was determined based on the fact that the financial instruments are not secured by recognised collateral. The Group did not apply the low credit risk exception in determining whether credit risk has increased significantly since initial recognition.

Credit quality of financial investments at amortised cost

At the statement of financial position date, the international long-term credit ratings, using Moody's ratings, were as follows:

R'000	GROUP			Total carrying amount
	Ba1 to Ba3	Not rated	ECL	
2026				
Floating-rate government bonds	15 041 662	—	(36 015)	15 005 647
Fixed-rate government bonds	13 265 063	—	(32 212)	13 232 851
Treasury bills	49 720 683	—	(50 434)	49 670 249
Corporate bonds ⁽¹⁾	—	70 145	—	70 145
Floating-rate notes ⁽¹⁾	—	480 558	—	480 558
	78 027 408	550 703	(118 661)	78 459 450
2025				
Floating-rate government bonds	11 048 782	—	(23 961)	11 024 821
Fixed-rate government bonds	13 061 816	—	(28 766)	13 033 050
Treasury bills	52 260 412	—	(53 295)	52 207 117
Corporate bonds ⁽¹⁾	—	71 718	—	71 718
	76 371 010	71 718	(106 022)	76 336 706

⁽¹⁾ Financial investments at amortised cost that are not rated comprise corporate bonds held by AvaFin, a subsidiary of the Group and floating-rate notes held by Capitec Bank Limited.

6. Term deposit investments

R'000	GROUP	
	2026	2025
Balance at the beginning of the year	5 546 480	7 791 467
Additions	12 250 000	5 140 000
Interest accrued	394 628	943 866
Movement in provision for ECL	(1 071)	4 455
Maturities – capital	(11 890 000)	(7 664 000)
Maturities – interest received	(542 773)	(669 308)
Balance at the end of the year	5 757 264	5 546 480
Cost	5 758 660	5 546 805
Provision for ECL	(1 396)	(325)
Balance at the end of the year	5 757 264	5 546 480
Maximum exposure to credit risk	5 758 660	5 546 805
Current portion	5 757 264	5 546 480

Notes to the financial statements continued

Year ended 28 February 2026

6. Term deposit investments continued

Accounting policies

Term deposit investments comprise notice deposits and fixed-term non-derivative financial assets with fixed or determinable payments. They arise when the Group invests cash with other banking institutions. At the reporting date, the Group held term deposits with 6 banking institutions. They are fixed deposits with original maturity dates of more than 3 months but less than 1 year, deposit investments and deposits that have effective contractual notice periods greater than 3 months.

Cash flows derived from term deposits are classified as investing activities in the statement of cash flows.

Impairment recognition and measurement

Term deposit investments comprise stage 1 balances with no movement between the stages during the current and prior financial years. The balances are subject to the impairment requirements of IFRS 9, therefore the Group recognised a loss allowance of R1.4 million (2025: R0.3 million) measured as a 12-month ECL because the credit risk has not increased significantly since initial recognition and no balances are credit-impaired at the statement of financial position date.

The ECL statistical model components (EAD, LGD and PD) were determined using an appropriate model. The PD was determined with reference to the favourable credit rating of the issuers and the LGD was determined based on the fact that the financial instruments are not secured by recognised collateral. The Group did not apply the low credit risk exception in determining whether credit risk has increased significantly since initial recognition. The SICR thresholds applied are the same as those applied within the Business Banking portfolio to ensure consistency in the way that a SICR is identified for a particular counterparty and for similar exposures.

Credit quality of term deposit investments

At the statement of financial position date, the international long-term credit ratings, using Moody's ratings, were as follows:

R'000	GROUP			Total carrying amount
	A1 to A3	Baa1 to Baa3	ECL	
2026				
Term deposit investments	2 597 257	3 161 403	(1 396)	5 757 264
2025				
Term deposit investments	2 020 877	3 525 928	(325)	5 546 480



7. Loans and advances

R'000	GROUP	
	2026	2025
Loans and advances to clients		
Gross loans and advances	131 774 184	115 525 892
Rand-denominated gross loans and advances	128 401 119	112 884 660
Personal Banking	98 011 673	89 545 182
Term Loan	59 827 188	53 778 436
Access Facility	22 145 493	23 612 152
Credit Card	16 038 992	12 154 594
Business Banking	30 389 446	23 339 478
Business Loans	17 291 133	12 025 456
Mortgage Loans	13 098 313	11 314 022
Foreign currency-denominated gross loans and advances		
– AvaFin (online consumer loans)	3 373 065	2 641 232
Provision for ECL	(28 014 007)	(26 380 414)
Personal Banking	(24 973 700)	(24 160 660)
Term Loan	(16 472 487)	(15 672 167)
Access Facility	(5 870 765)	(6 436 233)
Credit Card	(2 630 448)	(2 052 260)
Business Banking	(1 786 781)	(1 368 142)
Business Loans	(1 533 850)	(1 056 354)
Mortgage Loans	(252 931)	(311 788)
Foreign currency-denominated gross loans and advances		
– AvaFin (online consumer loans)	(1 253 526)	(851 612)
Net loans and advances	103 760 177	89 145 478
Maturity analysis		
Current portion	37 990 369	29 571 329
Gross loans and advances	43 427 426	36 479 338
Demand to 1 month	13 230 935	10 247 821
1 to 3 months	6 522 724	5 672 132
3 months to 1 year	23 673 767	20 559 385
Provision for ECL	(5 437 057)	(6 908 009)
Non-current portion	66 146 066	59 574 149
Gross loans and advances	88 723 016	79 372 173
1 to 2 years	23 304 724	20 548 626
2 to 5 years	35 381 467	31 106 505
More than 5 years	8 248 718	6 846 854
Non-contractual ⁽¹⁾	21 788 107	20 870 188
Provision for ECL	(22 576 950)	(19 798 024)
Total gross loans and advances	132 150 442	115 851 511
Loan origination fees – deferred	(376 258)	(325 619)
Gross loans and advances	131 774 184	115 525 892

⁽¹⁾ Non-contractual gross loans and advances consist of stage 3 loans more than 3 months in arrears, stage 3 loans with legal statuses or balances with regard to which the client applied for debt review in the last 6 months. These loans are not expected to be recovered in the next 12 months.

7. Loans and advances continued

Accounting policies

Recognition and measurement of loans and advances to clients

Loans and advances to clients are debt instruments that are recognised when the Group becomes a party to the contractual terms of the debt instrument/credit agreement and funds are advanced to borrowers.

Personal Banking grants unsecured Term Loans and revolving Access and Credit Card facilities to individuals. Business Banking grants Business and Mortgage Loans to small and medium-sized enterprises (SMEs). Business Loans comprise Term Loans, Rental Finance, Structured Loans, Overdrafts and Credit Card advances. Mortgage Loans consist of loans where Capitec is the credit provider. These do not include loans provided in association with SAHL as Capitec is the originator and not the credit provider and does not service these loans. AvaFin grants unsecured online consumer loans.

Loans and advances are initially recognised at fair value plus directly attributable transaction costs. Loans and advances to clients are held for the collection of their contractual cash flows which represent SPPI and are measured at amortised cost after initial recognition. Interest income from these financial assets is recognised in 'Interest income calculated using the effective interest method' in profit or loss. Impairment charges are presented as part of the impairment charge in profit or loss.

Derecognition

Loans and advances are derecognised when:

- the contractual rights or obligations expire or are extinguished, discharged or cancelled, for example, an outright sale or settlement
- the Group has transferred substantially all risk and rewards of ownership of the loan or advance to another entity and the derecognition criteria of IFRS 9 are met
- they are transferred and the contractual terms of the loan or advance are substantially modified and the derecognition criteria of IFRS 9 are met.

If the contractual cash flows of a loan or advance measured at amortised cost are modified (renegotiated or rescheduled), the Group considers whether this is a substantial modification to the original terms, or if the modification is merely an attempt to recover the original contractual amounts outstanding as part of a distressed modification.

If the changes are considered to be a substantial modification, the Group derecognises the original loan or advance, recognises a 'new' loan or advance at fair value and recalculates the effective interest rate for the asset. Differences in the carrying amount are recognised in profit or loss as a gain or loss on derecognition.

Loan consolidations are treated as substantial modifications to the original loan or advance as the contractual cash flows from the asset expire.

Modifications

If the contractual cash flows of a loan or advance measured at amortised cost are modified (renegotiated or rescheduled) to recover the original contractual amounts outstanding as part of a distressed modification, the Group does not derecognise the original loan or advance.

The Group recalculates the gross carrying amount of the loan or advance as the present value of the modified contractual cash flows discounted at the original effective interest rate. The difference between the recalculated gross carrying amount and the gross carrying amount before the modification is recognised as a modification gain or loss.

In instances where the Group reschedules a credit agreement, the cash flows are renegotiated with the client. If the internal rate of return is affected by the modification of the agreement, a modification gain or loss is recognised. If the internal rate of return remains the same, there are no gains or losses. Rescheduled loans and advances are classified as stage 3 and monitored separately until the client has made 6 consecutive payments in terms of the modified agreement.



When a client goes into debt review, cash flows are renegotiated. If the internal rate of return is affected by the modification of the agreement, a modification gain or loss is recognised. Loans and advances are classified as stage 3 for the full period that the client is in debt review and are monitored separately.

R'000	2026			2025		
	Amortised cost before modification ⁽¹⁾	Modification losses/(gains)	Gross carrying amount at year-end of loans that cured to stage 1 ⁽²⁾	Amortised cost before modification ⁽³⁾	Modification losses/(gains)	Gross carrying amount at year-end of loans that cured to stage 1
Modifications on loans and advances						
Term Loan						
Debt review	526 264	492 823	20	516 378	452 314	45
Reschedules – interest rate change	1 016	14	197	955	149	2 044
Reschedules – other ⁽⁴⁾	3 317 224	—	406 869	3 138 150	—	562 014
Total modified loans	3 844 504	492 837	407 086	3 655 483	452 463	564 103
Access Facility						
Debt review	250 429	178 161	—	342 619	247 231	—
Reschedules – other ⁽⁴⁾	653 934	—	242 803	886 113	—	261 717
Total modified loans	904 363	178 161	242 803	1 228 732	247 231	261 717
Credit Card						
Debt review	195 457	66 628	102	157 413	80 870	446
Total modified loans	195 457	66 628	102	157 413	80 870	446

⁽¹⁾ Includes only loans and advances that were modified in the current year.

⁽²⁾ The gross carrying amount at year-end of loans and advances which were modified in prior periods while having a lifetime loss allowance and which cured to a 12-month loss allowance in the current period.

⁽³⁾ The prior year amortised cost before modification was restated to reflect the amortised cost at the date of modification. The restatement resulted in a decrease of previously presented amortised cost before modification of R983 million for Term Loans, R524 million for Access Facility and R210 million for Credit Card, respectively.

⁽⁴⁾ Modifications that resulted in no gain or loss are included in the current year disclosure. Comparative amounts have been disclosed to enhance the quality of disclosure.

Loan write-offs

Write-off is a derecognition event. Loans and advances are written off when it has been determined that no reasonable expectation of recovery exists.

Personal Banking considers the point at which there is no reasonable expectation of further recovery to be when the loan has a present value of projected future recoveries that approximates 5% of the gross balance before write-off. This is currently estimated based on recovery estimates that are driven by account status and consecutive missed payments.

This point is currently estimated as:

- loans terminated from debt review:
 - Four consecutive missed payments (after allowing 3 months for administration)
- loans that have been handed over/have another legal status:
 - Four consecutive missed payments (after allowing 3 months for administration).

Cash inflows after write-off are disclosed as bad debts recovered.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Accounting policies continued

Loan write-offs continued

Business Banking writes off loans and advances when the Group has no reasonable expectation of recovering the loan or advance in its entirety or a portion thereof. This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A judgemental approach to write-off is followed, based on a case-by-case assessment by a Credit Committee. Each credit portfolio has a write-off policy that aligns with the principles of IFRS 9 while taking the business context of that portfolio into account. The portfolio policies are applied to each loan or advance in the portfolio on an individual basis.

AvaFin writes off loans and advances when there is no reasonable expectation of recovery. Classification for derecognition is made according to criteria specific to each location in which AvaFin operates.

The criteria for write-off by country are provided below.

Poland

AvaFin does not expect any further recoveries from the portfolio when the remaining debt for a single loan is ≤ 10 Polish zloty.

Czechia

The loan is 3 years past due or 3 years have elapsed since the last payment. The loan is waived on agreement with the client and this occurs in one of the following instances:

- When AvaFin has lost an arbitration case (approximately 50% waiver)
- When AvaFin signed a restructuring agreement with the client (approximately 50% waiver).

Latvia

Write-off occurs when there is formal confirmation that no recovery is possible, for instance, upon death of the debtor or when the debtor declares bankruptcy.

Spain

When the loan is 2 years past due or the loan is waived after AvaFin has lost the arbitration case.

Mexico

When the loan is 1 year past due.

Enforcement activities

The Group may apply enforcement activities to written-off financial assets. Recoveries resulting from the Group's enforcement activities are disclosed as bad debts recovered. Refer to **note 26**.

Balances written off during the current year that are still subject to enforcement activities are:

- Term Loan: R7.6 billion (2025: R4.9 billion)
- Access Facility: R2.4 billion (2025: R2.1 billion)
- Credit Card: R0.8 billion (2025: R1.1 billion)
- Business Loans: R281.4 million (2025: R146.1 million)
- Mortgage Loans: R80.4 million (2025: R36.1 million)
- AvaFin: R9.4 million (2025: R5.9 million).



Recognition and measurement of ECL

IFRS 9's ECL model requires the classification and measurement of ECL using the general model for loans and advances measured at amortised cost. The general model is a 3-stage model. Loans and advances in stage 1 are measured based on a 12-month ECL and a lifetime ECL is determined for loans and advances in stage 2 and stage 3. The Group applied the ECL model to loans and advances to clients as well as to undrawn commitments.

The provision for ECL is calculated as an unbiased, probability-weighted amount which is determined by evaluating the range of reasonably possible outcomes, and considering the time value of money and all reasonable and supportable information including forward-looking information. The period over which the provision for ECL is calculated is based on the behavioural life of the product.

The provision for ECL calculation is estimated as the present value of the expected loss associated with defaults, discounted using the effective interest rate on the loan or advance as calculated at initial recognition (initiation fee plus interest).

The key inputs used for measuring ECL are:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD).

PD is an estimate of the likelihood of default over a given time horizon. The estimation is based on historical performance, adjusted to take into account estimates of future conditions that will impact the PD.

The calculation is based on regression modelling techniques applied to historical trends that predict the future repayment performance of clients based on their model segment and forecast economic conditions. The allocation of a client to a particular segment is determined by a client's behavioural score and arrears status.

LGD is an estimate of the loss arising on default. LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims. The calculation is on a discounted cash flow (DCF) basis. LGD models for secured business banking products are based on the difference between the contractual cash flows due and those that the Group expects to receive, taking into account cash flows from any collateral.

EAD is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest and expected drawdowns on committed facilities.

The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in the utilisation of undrawn commitments and changes or modifications to original contractual agreements taken before default.

The Group uses EAD models that reflect the characteristics of the portfolios.

The development of the Group's processes for measuring ECL, including the monitoring of SICR, the incorporation of economic forward-looking information and the methods used to calculate ECL, and ensuring that policies and procedures are in place to appropriately maintain and validate models used to measure ECL, is overseen by the Group's Credit Committees. The internal audit function performs regular audits to ensure that established controls and procedures are both adequately designed and implemented.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Credit risk exposure

Credit risk is the possibility of a loss happening due to a borrower's failure to repay a loan or satisfy contractual obligations.

R'000	GROUP	
	2026	2025
Maximum exposure to credit risk		
Loans and advances	132 150 442	115 851 511
Personal Banking – on-balance sheet	98 387 931	89 870 801
Term Loan ⁽¹⁾	60 176 642	54 083 885
Access Facility ⁽¹⁾	22 172 297	23 632 322
Credit Card	16 038 992	12 154 594
Business Banking – on-balance sheet	30 389 446	23 339 478
Business Loans	17 291 133	12 025 456
Mortgage Loans	13 098 313	11 314 022
AvaFin	3 373 065	2 641 232
Personal Banking loan commitments – off-balance sheet	15 923 151	13 893 431
Access Facility	10 332 677	10 024 759
Credit Card	5 590 474	3 868 672
Business Banking loan commitments – off-balance sheet	595 216	374 293
Mortgage Loans	500 102	289 943
Credit Card	95 114	84 350
Guarantees – Business Banking	861 355	659 843
Letters of credit – Business Banking	8 075	30 529
Foreign currency-denominated loan commitments – AvaFin	398 741	338 607
Maximum exposure to credit risk	149 936 980	131 148 214

⁽¹⁾ This figure is stated gross of the deferral of R349.5 million (2025: R305.4 million) in loan origination fees that were received upfront for Term Loan and R26.8 million (2025: R20.2 million) for the Access Facility.

The gross carrying amount of on-balance sheet loans and advances represents the Group's maximum exposure to credit risk on these assets.

Loan commitments are irrevocable commitments and guarantees that may be drawn down without any credit intervention. These commitments are not immediately revocable but may be revoked within a period of less than a month by following due process.



Personal Banking

Credit risk exposure

Personal Banking grants unsecured loans and the clients' loan balances as per the statement of financial position are exposed to credit risk. Exposure to systemic credit risk is regarded as being potentially higher due to the credit characteristics of the client base. Exposure to single-name concentration credit risk is, however, low due to the nature (smaller average loan sizes) and distribution (numerous individuals across the spectrum of economic sectors and provinces) of the loan book.

Gross loans and advances exposures by economic sector are as follows:

R'000	GROUP 2026	2025 ⁽¹⁾
Personal Banking		
Agriculture, hunting, forestry and fishing	1 759 456	1 562 413
Community, social and personal services	9 403 445	9 048 941
Construction	1 527 817	1 305 656
Electricity, gas and water supply	1 126 932	1 055 020
Financial intermediation, insurance, real estate and business services	12 836 074	10 330 100
Government	41 938 667	39 462 887
Manufacturing	6 051 807	5 428 112
Mining and quarrying	9 039 584	8 578 653
Private households, extraterritorial organisations and representatives of foreign governments and other activities	729 631	509 450
Transport, storage and communication	4 570 216	4 301 225
Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods, hotels and restaurants	9 028 044	7 962 725
Gross loans and advances	98 011 673	89 545 182

⁽¹⁾ Prior year sector allocations have been restated due to a change in the methodology used to identify government counterparties, following the replacement of a regulatory-based government indicator with an enterprise data-driven indicator. The revised classification resulted in an increase of R24.8 million in the government sector and a R24.8 million decrease in the community, social and personal service sector. The classification was amended to enhance comparability with results presented in the current year.

Credit risk management

Credit risk is managed through every stage of the credit life cycle using a combination of governance, decision support and business support. Governance includes regulators, industry associations, the Group's financial governance and committees which support and influence credit strategy. Decision Support is a Specialist Credit Risk Statistical Analysis team that develops credit models and scorecards that are aligned with business strategies and credit risk appetite for unsecured personal lending. Credit risk management is provided by other areas of the business to ensure optimisation of the granting, collection and recovery models and systems.

Measures taken by the Group to limit credit risk for unsecured personal lending to acceptable levels include, *inter alia*, the application of standard credit acceptance procedures to assess potential clients, daily monitoring of collectible balances at both branch and head office level and monitoring by the RCMC. The key consideration regarding credit risk management is to maintain the Personal Banking lending book within the Group's credit risk appetite through customised acquisition, retention and rehabilitation strategies.

Clients approach credit providers for credit because they have specific requirements. These requirements include the need for home improvements, education, second-hand vehicles and medical expenses.

We encourage clients to match the term of the loan to the requirement for funds. Thus, short-term loans and facilities (similar to overdrafts) are used for cash flow reasons, while medium-term loans are matched against appliances, home improvements and education. The predominant use of long-term loans is for housing. By continuously refining our credit offering, we provide clients with unsecured credit solutions that best suit their personal needs at competitive interest rates compared to the secured credit market.

7. Loans and advances continued

Personal Banking continued

Credit risk management continued

To execute this solution, we incorporate a comprehensive assessment of the client's behaviour, affordability and source of income. For the assessment, we use information from credit bureaus, bank statements and pay slips. We apply 3 parallel disposable income calculations i.e. the National Credit Act, Act 34 of 2005 (NCA), affordability calculation, a Capitec client disposable income calculation that maintains buffers for conservatism and the client's own calculation. We then apply the most stringent of the 3. Branch employees have no credit-granting discretion and all exceptions are managed and monitored by a centralised Credit Specialist Team.

During the loan application process, we present the maximum loan amount, maximum term and maximum instalment to the client. Within these constraints, the client may select any combination that best suits them. We encourage clients to take up credit for shorter periods of time and for smaller amounts. This is done through a pricing model that discounts the interest rate in instances where clients select a term that is shorter than the maximum for which they qualify. This is due to the way the pricing for risk model reacts to the lower default rates for such clients.

When existing clients apply for further credit, we conduct a full credit assessment. If a client qualifies for further credit, it can be extended as a further agreement in addition to the current credit, or the client can have the existing credit consolidated into a new credit agreement. This is only available for clients if instalments are up-to-date on all Capitec loans and to clients who have a satisfactory credit risk.

Our scoring models react to instances where a client repeatedly takes up credit, and when their debt-to-income ratio becomes too high. In such instances, we limit the term and amount of credit offered to clients or we decline the application for credit.

Acquisition and retention strategies are built on the principles of the client's credit behaviour (willingness to pay), affordability and source of income. Rehabilitation strategies are need-driven to assist clients based on their unique circumstances.

Unforeseen circumstances may lead to reduced income or increased expenditure for the client. These circumstances may include:

- employers who reduce overtime and bonuses or place employees on short pay due to difficult economic conditions
- strikes
- clients who may be forced to change employment at reduced salaries due to poor performance or health problems
- financial problems faced by employers.

These instances may result in a client missing an instalment on a loan and being in arrears.

If the client is in arrears due to an inability to repay the debt, we either negotiate with the client to immediately bring the arrears instalments up-to-date, or we attempt to manage the situation through agreeing a course of action with the client by amending the loan agreement (loan reschedule).

The first solution is preferable as it:

- reduces arrears if the client pays on the same date
- improves our cash flow
- helps restore the client to a creditworthy position
- limits the overall cost of credit for clients.

Practically, there is a risk that placing too much pressure on clients (such as expecting clients in financial distress to repay 2 instalments in a single month when they cannot afford to do so) can be counterproductive. In such a case, clients could refuse to cooperate, stop communicating with us and stop paying instalments.



We have extensive history that measures the yields we can receive by handing clients over to external debt collectors. We monitor the cash flow yields that we receive from this process against internal collection processes, including rescheduling. We optimise the strategy for different client groups and use handover samples for each strategy to monitor the relative performance and validate the strategy for each client group.

Factors that we consider in delivering the optimal strategy for a client include:

- the risk profile and payment history of the client
- the arrears status of the client
- whether the client's loans were previously rescheduled
- the credit exposure amount
- free cash flow estimates derived from clients' bank accounts or credit bureau records (salary less debit orders)
- any information we have about the client's employer.

Depending on a combination of factors, the optimal strategy is to encourage clients with some free cash flow or limited credit exposure to bring arrears instalments up-to-date or assist clients who have cash flow difficulty but have good behaviour history to reduce their instalments and extend the term of the credit agreement (i.e. reschedule). When there is a clear temporary interruption of income such as a strike or a client is on maternity leave, we may allow a reduced instalment for a short period (typically 3 months), with subsequent increased instalments, to assist the client through this period (i.e. variable reschedule).

We use system-based rules to limit instances where we allow rescheduling. Rescheduling is aligned with the Group's policy. The rules engine determines whether clients are eligible for rescheduling as well as the maximum term for which the loan can be extended. We do not reschedule all loans that meet our criteria, as this depends on the individual circumstances of each client applying to reschedule. We treat, monitor and separately disclose the performance of clients who were in arrears when applying for rescheduling.

We monitor the performance and cure rate of rescheduled loans using a segmented approach to ensure that these remain within the Bank's risk appetite.

This process allows us to optimise collections and reduce clients' debt levels. Our aim is always to partner with our clients and act in their best interests.

Credit risk mitigation

Interest rate limits and fees for credit agreements were changed on 6 May 2016 by the National Credit Regulator. Prior to this date, we charged our Personal Banking clients an all-inclusive rate and Capitec insured the loan book against death and retrenchment. From May 2016, all loans granted with terms greater than 6 months require our Personal Banking clients to take out Credit Life Insurance. This protects them against the unfortunate event of retrenchment, temporary or permanent disability and loss of income, and in the case of death, there is no claim against their deceased estate for any amount outstanding.

Clients have the option to take out Credit Life Insurance through Capitec or a third-party insurer. Prior to May 2023, we provided our clients with the option to take out the appropriate Credit Life Insurance through a third-party cell captive. From May 2023, our clients have had the option to take out the appropriate Credit Life Insurance through Capitec Life. Effective 1 September 2025, the remaining policies in the cell captive were transferred to Capitec Life which now manages all Credit Life Insurance policies taken out through Capitec. Refer to **note 9** for the details regarding the transfer of policies to Capitec Life.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Personal Banking continued

Terminology used to discuss the credit quality of loans and advances

Application for debt review	Clients who apply for debt review are identified as credit-impaired, and the related loans are classified as stage 3 for the first 6 months following application. Clients who applied for debt review more than 6 months ago who are up-to-date are identified as clients with SICR and the related loan is classified as stage 2 between 7 and 12 months following application. If clients applied for debt review more than 12 months ago and remained up-to-date, the related loan is classified as stage 1 subject to the SICR assessment. Clients who apply for debt review who are not up-to-date follow the normal course of clients who are not up-to-date and can roll through the stage 3 categories to write-off.
Arrears	Arrears comprise the outstanding balances, where 1 or more instalments (or part of an instalment) on any of the client's loans and advances remain unpaid past the contractual payment date. The arrears balance therefore includes rescheduled loans when the amended instalment was not paid in full.
Default	The point at which a client is more than 3 months past due on contractual payments.
Forward-looking macroeconomic assumptions	IFRS 9 requires that forward-looking macroeconomic assumptions be applied to both 12-month and lifetime ECL calculations.
Loan consolidations	Loan consolidations occur when a client with an existing Personal Banking unsecured loan applies for further credit. A consolidation loan is always the result of a full credit assessment process that all clients (both new and existing) go through when applying for new credit. The outcome of the full credit assessment process is either a consolidation loan, a new separate loan or no new loan granted. These loans are not seen as modifications.
Rehabilitated	Clients with rescheduled loans are deemed to be rehabilitated once they have made contractual payments for 6 consecutive months post rescheduling and are up-to-date with their amended contractual obligations. This is supported by statistical analysis.
Rescheduling	Rescheduling refers to an amendment of the original terms of a loan agreement, as formally agreed between the Group and the client. Rescheduling is used as a rehabilitation mechanism for clients in arrears who are contacted successfully by centralised collections. It is also used as a proactive mechanism to assist up-to-date clients who contact the Bank when wanting to reschedule their loans due to changes in their circumstances. No initiation fee is charged on a rescheduled loan as no new credit is granted. Rescheduled loans do not form part of loan sales.
Rescheduled from up-to-date not rehabilitated	These are loans and advances relating to clients who were fully up-to-date with their original contractual obligations, have contacted the Group to reschedule the original terms of their loan due to a change in their circumstances and have made payments under the rescheduled terms. These clients are up-to-date with their amended contractual obligations post rescheduling but have not yet made payments for 6 consecutive months under the amended agreement. Loans rescheduled from up-to-date are considered to be stage 1 once they have rehabilitated, unless their behaviour score indicates a SICR, in which case the loan will be in stage 2. The loans are seen as stage 3 until they have rehabilitated.
Rescheduled from arrears not rehabilitated	These are loans and advances relating to clients who were in arrears and were subsequently rescheduled and have made payments under the rescheduled terms. These clients are up-to-date with their amended contractual obligations but have not yet made payments for 6 consecutive months under the amended agreement. Loans rescheduled from arrears are considered to be stage 1 once these loans have rehabilitated, unless their behaviour scores indicate a SICR, where the loan will be in stage 2. The loans are seen as stage 3 until they have rehabilitated.
Up-to-date loans and advances, rehabilitated rescheduled loans	Clients who are fully up-to-date with their original contractual obligations, or clients with amended contractual obligations and who have rehabilitated post rescheduling, are classified as up-to-date. SICR is identified for loans and advances that are up-to-date but have reached certain behaviour risk thresholds, or specific events have occurred that indicate a SICR.
Up to 1 month in arrears	Clients who are 1 contractual payment in arrears.
2 and 3 months in arrears	Clients who are 2 or 3 contractual payments in arrears.



Analysis of net loans and advances by stage

The following tables contain an analysis of the credit risk exposure arising from loans and advances for which an ECL allowance is recognised.

Term Loan

R'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL		Stage 3 Lifetime ECL				Total
	Up-to-date	Up-to-date loans with SICR and applied for debt review >6 months	Up to 1 month in arrears	2 and 3 months in arrears	Rescheduled from up-to- date (not yet rehabilitated)	Rescheduled from arrears (not yet rehabilitated)	More than 3 months in arrears, legal statuses and applied for debt review <6 months	
2026								
Gross loans and advances	31 327 943	9 595 837	984 174	1 669 619	1 659 486	1 887 156	12 702 973	59 827 188
Provision for ECL	(2 122 024)	(1 798 261)	(422 425)	(1 084 008)	(426 669)	(507 661)	(10 111 439)	(16 472 487)
Net loans and advances	29 205 919	7 797 576	561 749	585 611	1 232 817	1 379 495	2 591 534	43 354 701
ECL coverage by category (%)	6.8	18.7	42.9	64.9	25.7	26.9	79.6	27.5
2025								
Gross loans and advances	27 650 447	8 115 428	903 430	1 529 780	1 366 951	1 722 329	12 490 071	53 778 436
Provision for ECL	(1 946 156)	(1 540 056)	(397 334)	(998 396)	(350 944)	(461 018)	(9 978 263)	(15 672 167)
Net loans and advances	25 704 291	6 575 372	506 096	531 384	1 016 007	1 261 311	2 511 808	38 106 269
ECL coverage by category (%)	7.0	19.0	44.0	65.3	25.7	26.8	79.9	29.1
ECL coverage by stage (%)							2026	2025
Stage 1							6.8	7.0
Stage 2							21.0	21.5
Stage 3							67.7	68.9

Analysis of up-to-date loans and advances in stage 1

R'000	2026	2025
Up-to-date not previously rescheduled	29 590 240	24 860 515
Rescheduled from up-to-date and rehabilitated	1 022 089	1 888 961
Rescheduled from arrears and rehabilitated	715 614	900 971
Gross loans and advances – stage 1	31 327 943	27 650 447

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Personal Banking continued

Analysis of net loans and advances by stage continued

Access Facility

R'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL		Stage 3 Lifetime ECL				Total
	Up-to-date	Up-to-date loans with SICR and applied for debt review >6 months	Up to 1 month in arrears	2 and 3 months in arrears	Rescheduled from up-to- date (not yet rehabilitated)	Rescheduled from arrears (not yet rehabilitated)	More than 3 months in arrears, legal statuses and applied for debt review <6 months	
2026								
Gross loans and advances	12 271 749	3 554 273	297 373	424 175	313 280	356 269	4 928 374	22 145 493
Provision for ECL	(795 611)	(865 621)	(163 930)	(243 477)	(68 788)	(96 441)	(3 636 897)	(5 870 765)
Net loans and advances	11 476 138	2 688 652	133 443	180 698	244 492	259 828	1 291 477	16 274 728
ECL coverage by category (%)	6.5	24.4	55.1	57.4	22.0	27.1	73.8	26.5
2025								
Gross loans and advances	13 711 341	3 212 704	400 769	501 870	442 678	414 718	4 928 072	23 612 152
Provision for ECL	(1 126 833)	(892 184)	(234 375)	(311 246)	(107 303)	(123 551)	(3 640 741)	(6 436 232)
Net loans and advances	12 584 508	2 320 520	166 394	190 624	335 375	291 167	1 287 331	17 175 920
ECL coverage by category (%)	8.2	27.8	58.5	62.0	24.2	29.8	73.9	27.3

ECL coverage by stage (%)	2026	2025
Stage 1	6.5	8.2
Stage 2	26.7	31.2
Stage 3	67.2	66.5

Analysis of up-to-date loans and advances in stage 1

R'000	2026	2025
Up-to-date not previously rescheduled	11 208 540	11 738 916
Rescheduled from up-to-date and rehabilitated	655 988	1 494 641
Rescheduled from arrears and rehabilitated	407 221	477 784
Gross loans and advances – stage 1	12 271 749	13 711 341



Credit Card

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL			
		Up-to-date loans with SICR and applied for debt review >6 months	Up to 1 month in arrears	2 and 3 months in arrears	More than 3 months in arrears, legal statuses and applied for debt review <6 months	Total
R'000	Up-to-date					
2026						
Gross loans and advances	11 985 419	1 499 359	403 527	279 876	1 870 811	16 038 992
Provision for ECL	(681 435)	(370 615)	(167 034)	(139 447)	(1 271 917)	(2 630 448)
Net loans and advances	11 303 984	1 128 744	236 493	140 429	598 894	13 408 544
ECL coverage by category (%)	5.7	24.7	41.4	49.8	68.0	16.4
2025						
Gross loans and advances	9 031 941	1 154 645	293 019	201 109	1 473 880	12 154 594
Provision for ECL	(582 518)	(280 506)	(111 585)	(96 825)	(980 826)	(2 052 260)
Net loans and advances	8 449 423	874 139	181 434	104 284	493 054	10 102 334
ECL coverage by category (%)	6.4	24.3	38.1	48.1	66.5	16.9
ECL coverage by stage (%)					2026	2025
Stage 1					5.7	6.4
Stage 2					28.3	27.1
Stage 3					65.6	64.3

Analysis of up-to-date loans and advances in stage 1

R'000	2026	2025
Up-to-date not previously rescheduled	11 985 419	9 031 941
Gross loans and advances – stage 1	11 985 419	9 031 941

Definition of stages

Stage 1

These are loans and advances which are up-to-date with no indication of SICR as well as loans that have been rescheduled from either up-to-date or arrears and have rehabilitated. Clients who applied for debt review more than 12 months ago and remained up-to-date are classified as stage 1 subject to the SICR assessment.

An ECL representing the lifetime cash shortfall arising from possible default events up to 12 months into the future from the reporting date is recognised at the time of initial recognition of the loan or advance.

An ECL continues to be determined on this basis until there is a SICR or the loan or advance becomes credit-impaired.

A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the loan or advance and the cash flows that the Group expects to receive over the contractual life of the loan or advance.

7. Loans and advances continued

Personal Banking continued

Analysis of net loans and advances by stage continued

Definition of stages continued

Stage 2

The Group monitors loans and advances subject to the impairment requirements at each reporting date to determine whether evidence exists that there has been a SICR since initial recognition of the loan or advance. The 12-month ECL is extended to a lifetime ECL for these clients.

The following loans and advances are included in stage 2:

- Up-to-date loans with SICR
- Loans where the forward-looking information indicates SICR
- Loans up to 1 month in arrears (1 contractual payment in arrears)
- Loans where clients applied for debt review between 7 and 12 months ago and which are up-to-date.

The Group identifies SICR for clients who are up-to-date on their loans, but who have reached certain behaviour risk thresholds or where specific events have occurred that indicate a SICR.

Personal Banking considers the following to be a SICR for all loans and advances extended to the client:

- Where a client has been reported as being retrenched or unemployed
- Where a client has a product that is in arrears or has been rescheduled, all products held by the client are identified as subject to a SICR
- Where a client has a behaviour score that has decreased below the internal SICR threshold set by the Bank
- Where a client's employer has been deemed as high risk.

Stage 3 (credit-impaired assets)

The Group defines loans and advances as being credit-impaired when 1 or more events that have a detrimental impact on the estimated future cash flows of the loan or advance have occurred. Interest on loans and advances categorised as stage 3 is recognised in the income statement net of provisions for ECL. A lifetime ECL is applied to stage 3 (credit-impaired) loans and advances.

Loans and advances are considered to be credit-impaired upon the occurrence of any of the following events:

- The client is 2 or 3 months past due on contractual payments (2 or 3 contractual payments in arrears)
- The client is placed under debt review
- The client is handed over for collection or has another legal status
- The client is in default. Default is defined as the point at which a client is more than 3 months past due on contractual payments or has a legal status but has not been written off
- The client applied for debt review less than 7 months ago and the loans are currently performing
- The loan was rescheduled from up-to-date and is up-to-date but not yet rehabilitated
- The loan is currently up to 1 month in arrears and was previously rescheduled but has not rehabilitated
- The loan was rescheduled from arrears and is up-to-date but not yet rehabilitated.

Implementation of ECL measurement

Loans and advances comprise many small, homogenous assets.

To determine the ECLs on all portfolios, the Group models the PD, the average EAD when an account enters default and the LGD based on historical trends. Clients are grouped together according to similar risk characteristics, and historical default performance is projected into the future on the current non-default portfolio. The expected future incremental loss is discounted to a present value and is used as the impairment on the portfolio.

For loan commitments that contain both a drawn and undrawn component where the Group cannot separately identify the ECL on the undrawn component, the ECL on the undrawn component is recognised with the ECL on the loan component. To the extent that the ECLs exceed the gross carrying amount for Credit Card and Access Facility at a client level, the excess is recognised as a provision in the statement of financial position. The loss allowance on the undrawn loan commitments of clients who have no outstanding balances is also recognised as a provision in other liabilities. Refer to **note 17**.



Credit quality

The Group adapted its internal credit rating policy to the Basel PD master scale as required by Basel III. The Basel PD master scale is a list of prescribed risk grades which classify a borrower based on their PD. The mapping process is comprehensive and allows the Group to rate all borrowers on a uniform scale regardless of the product. Since all borrowers are represented on a uniform scale, it enables the Group to compare various portfolios consistently and accurately.

The Capitec PD master scale ranges from Capitec Bank (CB) bands 1 – 25 depending on the product and reporting segment. Borrower PDs (which are based on a combination of factors) are determined at each reporting date and mapped to the Capitec PD master scale.

The lower CB bands indicate lower PDs and therefore a higher likelihood that a borrower will meet their financial obligations. Conversely, higher CB bands reflect higher PDs and an increased likelihood of default.

For simplicity and alignment across business areas, the CB bands are further grouped into 3 categories:

- Low risk: CB1 – CB19
- Medium risk: CB20 – CB21
- High risk: CB22 – CB25.

The allocation of CB bands per product and the associated risk-based scorecards used in the Capitec PD master scale are determined by reporting segment and presented based on the reporting date CB bands.

Material product group	Capitec PD master rating scale	Scorecard
Term Loan	CB1 – 25	Term Loan behaviour score
Access Facility	CB1 – 25	Access Facility behaviour score
Credit Card	CB1 – 25	Credit Card behaviour score

Term Loan

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Low	12 704 584	1 504 051	177 506	14 386 141
Medium	9 568 866	2 661 760	452 201	12 682 827
High	9 054 493	6 414 200	4 687 003	20 155 696
Default	—	—	12 602 524	12 602 524
On-balance sheet	31 327 943	10 580 011	17 919 234	59 827 188
2025⁽¹⁾				
Low	11 398 814	1 515 568	163 480	13 077 862
Medium	8 245 921	2 266 154	402 349	10 914 424
High	8 005 712	5 237 136	4 141 099	17 383 947
Default	—	—	12 402 203	12 402 203
On-balance sheet	27 650 447	9 018 858	17 109 131	53 778 436

⁽¹⁾ In the prior year, credit quality was disclosed based on reporting date CB bands. The CB bands have been aggregated into low, medium and high categories, to enhance comparability with current year presentation.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Personal Banking continued

Credit quality continued

Access Facility

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Low	6 042 792	729 495	135 490	6 907 777
Medium	3 802 245	1 153 063	196 635	5 151 943
High	2 426 712	1 969 088	789 002	5 184 802
Default	—	—	4 900 971	4 900 971
On-balance sheet	12 271 749	3 851 646	6 022 098	22 145 493
Low	8 822 994	235 477	10 050	9 068 521
Medium	1 101 242	32 185	8 131	1 141 558
High	105 146	8 517	8 935	122 598
Off-balance sheet	10 029 382	276 179	27 116	10 332 677
2025⁽¹⁾				
Low	7 170 264	905 979	213 931	8 290 174
Medium	4 003 397	1 030 806	280 200	5 314 403
High	2 537 680	1 676 688	902 225	5 116 593
Default	—	—	4 890 982	4 890 982
On-balance sheet	13 711 341	3 613 473	6 287 338	23 612 152
Low	8 960 958	301 630	17 157	9 279 745
Medium	589 222	24 745	10 627	624 594
High	104 291	6 929	9 200	120 420
Off-balance sheet	9 654 471	333 304	36 984	10 024 759

⁽¹⁾ In the prior year, credit quality was disclosed based on reporting date CB bands. The CB bands have been aggregated into low, medium and high categories, to enhance comparability with current year presentation.


Credit Card
R'000

	Stage 1	Stage 2	Stage 3	Total
2026				
Low	7 068 518	467 577	5 373	7 541 468
Medium	3 818 722	613 263	6 129	4 438 114
High	1 098 179	822 046	285 437	2 205 662
Default	—	—	1 853 748	1 853 748
On-balance sheet	11 985 419	1 902 886	2 150 687	16 038 992
Low	4 503 882	162 836	162	4 666 880
Medium	728 028	56 804	197	785 029
High	92 468	45 933	164	138 565
Off-balance sheet	5 324 378	265 573	523	5 590 474
2025⁽¹⁾				
Low	5 732 282	447 973	4 731	6 184 986
Medium	2 671 127	520 051	4 975	3 196 153
High	628 532	479 640	205 428	1 313 600
Default	—	—	1 459 855	1 459 855
On-balance sheet	9 031 941	1 447 664	1 674 989	12 154 594
Low	3 164 951	143 343	172	3 308 466
Medium	462 264	48 560	161	510 985
High	30 410	18 712	99	49 221
Default	—	—	—	—
Off-balance sheet	3 657 625	210 615	432	3 868 672

⁽¹⁾ In the prior year, credit quality was disclosed based on reporting date CB bands. The CB bands have been aggregated into low, medium and high categories, to enhance comparability with current year presentation.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Personal Banking continued

Analysis of gross loans and advances

Term Loan

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	27 650 447	9 018 858	17 109 131	53 778 436
Net loan sales	31 878 467	(1 836 590)	(332 730)	29 709 147
New loan sales ⁽¹⁾	40 216 028	—	—	40 216 028
Loans derecognised (other than write-offs)	(8 337 561)	(1 836 590)	(332 730)	(10 506 881)
Income accrued for the year ⁽²⁾	10 471 764	2 426 513	4 295 009	17 193 286
Transfers				
Stage 1 to stage 2	(10 750 624)	10 750 624	—	—
Stage 1 to stage 3	(7 708 360)	—	7 708 360	—
Stage 2 to stage 3	—	(2 168 646)	2 168 646	—
Stage 3 to stage 2	—	510 149	(510 149)	—
Stage 3 to stage 1	785 344	—	(785 344)	—
Stage 2 to stage 1	2 912 329	(2 912 329)	—	—
Repayments	(23 911 424)	(5 208 568)	(4 146 663)	(33 266 655)
Modifications	—	—	(14 891)	(14 891)
Write-offs	—	—	(7 572 135)	(7 572 135)
Balance as at 28 February 2026	31 327 943	10 580 011	17 919 234	59 827 188
2025				
Balance as at 1 March 2024	25 831 034	7 519 336	15 050 181	48 400 551
Net loan sales	26 400 974	(1 377 265)	(289 144)	24 734 565
New loan sales ⁽¹⁾	32 599 466	—	—	32 599 466
Loans derecognised (other than write-offs)	(6 198 492)	(1 377 265)	(289 144)	(7 864 901)
Income accrued for the year ⁽²⁾	9 187 520	2 066 423	3 865 652	15 119 595
Transfers				
Stage 1 to stage 2	(9 897 852)	9 897 852	—	—
Stage 1 to stage 3	(6 525 677)	—	6 525 677	—
Stage 2 to stage 3	—	(2 058 997)	2 058 997	—
Stage 3 to stage 2	—	582 975	(582 975)	—
Stage 3 to stage 1	915 819	—	(915 819)	—
Stage 2 to stage 1	3 295 347	(3 295 347)	—	—
Repayments	(21 556 718)	(4 316 119)	(4 079 040)	(29 951 877)
Modifications	—	—	73 061	73 061
Write-offs	—	—	(4 597 459)	(4 597 459)
Balance as at 28 February 2025	27 650 447	9 018 858	17 109 131	53 778 436

⁽¹⁾ New loan sales are originated in stage 1 with a subsequent change in staging to year-end reflected under transfers. New loan sales include new loans issued on consolidating pre-existing loans. The loans settled on consolidation are disclosed separately as loans derecognised (other than write-offs).

⁽²⁾ Income accrued for the year comprises interest received on loans, initiation fees, monthly service fees.

**Access Facility**

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	13 711 341	3 613 473	6 287 338	23 612 152
Net loan sales	6 804 406	929 563	51 500	7 785 469
New loan sales and further drawdowns ⁽¹⁾	7 700 472	1 075 933	83 636	8 860 041
Loans derecognised (other than write-offs)	(896 066)	(146 370)	(32 136)	(1 074 572)
Income accrued for the year ⁽²⁾	3 456 268	917 939	1 226 628	5 600 835
Transfers				
Stage 1 to stage 2	(2 498 324)	2 498 324	—	—
Stage 1 to stage 3	(1 734 145)	—	1 734 145	—
Stage 2 to stage 3	—	(802 111)	802 111	—
Stage 3 to stage 2	—	145 992	(145 992)	—
Stage 3 to stage 1	375 914	—	(375 914)	—
Stage 2 to stage 1	1 175 642	(1 175 642)	—	—
Repayments	(9 019 353)	(2 275 892)	(1 258 603)	(12 553 848)
Modifications	—	—	97 852	97 852
Write-offs	—	—	(2 396 967)	(2 396 967)
Balance as at 28 February 2026	12 271 749	3 851 646	6 022 098	22 145 493
2025				
Balance as at 1 March 2024	15 506 557	4 439 334	5 870 136	25 816 027
Net loan sales	6 573 660	984 165	37 405	7 595 230
New loan sales and further drawdowns ⁽¹⁾	7 792 302	1 176 350	77 667	9 046 319
Loans derecognised (other than write-offs)	(1 218 642)	(192 185)	(40 262)	(1 451 089)
Income accrued for the year ⁽²⁾	4 121 176	969 795	1 297 305	6 388 276
Transfers				
Stage 1 to stage 2	(2 113 755)	2 113 755	—	—
Stage 1 to stage 3	(2 229 447)	—	2 229 447	—
Stage 2 to stage 3	—	(1 132 665)	1 132 665	—
Stage 3 to stage 2	—	149 469	(149 469)	—
Stage 3 to stage 1	498 202	—	(498 202)	—
Stage 2 to stage 1	1 785 993	(1 785 993)	—	—
Repayments	(10 431 045)	(2 124 387)	(1 443 106)	(13 998 538)
Modifications	—	—	(65 886)	(65 886)
Write-offs	—	—	(2 122 957)	(2 122 957)
Balance as at 28 February 2025	13 711 341	3 613 473	6 287 338	23 612 152

⁽¹⁾ Access Facility disbursements are included in new loan sales. Amounts are transferred immediately to the staging of the existing balances for drawdowns.

⁽²⁾ Income accrued for the year comprises interest received on loans, initiation fees, monthly service fees.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Personal Banking continued

Analysis of gross loans and advances continued

Credit Card

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	9 031 941	1 447 664	1 674 989	12 154 594
Net loan sales	29 112 388	1 720 125	402 785	31 235 298
New loan sales and further drawdowns ⁽¹⁾	29 112 388	1 720 125	402 785	31 235 298
Loans derecognised (other than write-offs)	—	—	—	—
Income accrued for the year ⁽²⁾	2 778 395	320 513	332 188	3 431 096
Transfers				
Stage 1 to stage 2	(1 473 713)	1 473 713	—	—
Stage 1 to stage 3	(1 118 249)	—	1 118 249	—
Stage 2 to stage 3	—	(325 140)	325 140	—
Stage 3 to stage 2	—	27 928	(27 928)	—
Stage 3 to stage 1	32 068	—	(32 068)	—
Stage 2 to stage 1	661 835	(661 835)	—	—
Repayments	(27 039 246)	(2 100 082)	(841 821)	(29 981 149)
Modifications	—	—	1 459	1 459
Write-offs	—	—	(802 306)	(802 306)
Balance as at 28 February 2026	11 985 419	1 902 886	2 150 687	16 038 992
2025				
Balance as at 1 March 2024	7 245 718	985 931	1 398 183	9 629 832
Net loan sales	19 959 468	1 294 984	324 713	21 579 165
New loan sales and further drawdowns ⁽¹⁾	19 959 468	1 294 984	324 713	21 579 165
Loans derecognised (other than write-offs)	—	—	—	—
Income accrued for the year ⁽²⁾	2 187 641	247 732	264 364	2 699 737
Transfers				
Stage 1 to stage 2	(1 154 442)	1 154 442	—	—
Stage 1 to stage 3	(830 249)	—	830 249	—
Stage 2 to stage 3	—	(276 757)	276 757	—
Stage 3 to stage 2	—	19 101	(19 101)	—
Stage 3 to stage 1	26 384	—	(26 384)	—
Stage 2 to stage 1	536 196	(536 196)	—	—
Repayments	(18 938 775)	(1 441 573)	(257 116)	(20 637 464)
Modifications	—	—	(23 862)	(23 862)
Write-offs	—	—	(1 092 814)	(1 092 814)
Balance as at 28 February 2025	9 031 941	1 447 664	1 674 989	12 154 594

⁽¹⁾ Credit Card disbursements are included in new loan sales. Amounts are transferred immediately to the staging of the existing balances for drawdowns.

⁽²⁾ Income accrued for the year comprises interest received on loans, initiation fees, monthly service fees.



Analysis of provision for ECL

Term Loan

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	1 946 156	1 937 390	11 788 621	15 672 167
Movement in the income statement⁽¹⁾				
New loan sales	1 512 939	1 290 739	2 306 317	5 109 995
Stage 1 to stage 2	(150 490)	354 483	—	203 993
Stage 1 to stage 3	(320 125)	—	2 317 234	1 997 109
Stage 2 to stage 3	—	(525 795)	1 467 805	942 010
Stage 2 to stage 1	82 801	(412 147)	—	(329 346)
Stage 3 to stage 1	33 550	—	(184 855)	(151 305)
Stage 3 to stage 2	—	86 865	(163 558)	(76 693)
Remain in same stage	(393 784)	(215 420)	954 478	345 274
Loans and advances settled in the current year	(503 431)	(372 093)	(2 776 875)	(3 652 399)
Modifications	—	—	(14 891)	(14 891)
Write-offs	(2 303)	(47 411)	(3 565 789)	(3 615 503)
Change in forward-looking information ⁽²⁾	(83 289)	124 075	1 290	42 076
Balance as at 28 February 2026	2 122 024	2 220 686	12 129 777	16 472 487
2025				
Balance as at 1 March 2024	1 647 998	1 694 976	9 548 745	12 891 719
Movement in the income statement⁽¹⁾				
New loan sales	1 227 273	1 042 095	1 722 156	3 991 524
Stage 1 to stage 2	(206 700)	415 274	—	208 574
Stage 1 to stage 3	(305 530)	—	2 133 386	1 827 856
Stage 2 to stage 3	—	(529 693)	1 323 373	793 680
Stage 2 to stage 1	102 489	(546 040)	—	(443 551)
Stage 3 to stage 1	43 124	—	(259 515)	(216 391)
Stage 3 to stage 2	—	109 951	(201 888)	(91 937)
Remain in same stage	(382 181)	35 817	1 229 533	883 169
Loans and advances settled in the current year	(433 454)	(307 788)	(2 222 716)	(2 963 958)
Modifications	—	—	73 061	73 061
Write-offs	(2 546)	(61 722)	(1 599 523)	(1 663 791)
Change in forward-looking information ⁽²⁾	255 683	84 520	42 009	382 212
Balance as at 28 February 2025	1 946 156	1 937 390	11 788 621	15 672 167

⁽¹⁾ Movement in the income statement is based on the loan stage at the beginning of the year. Where loans were settled or written off during the year, the individual lines in the table have not been grossed up to reflect the movement in the ECL provision during the year up to that point.

⁽²⁾ Changes in forward-looking SICR are detailed in the 'Critical accounting estimates and judgements in applying accounting policies' section of this note.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Personal Banking continued

Analysis of provision for ECL continued

Access Facility

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	1 126 833	1 126 559	4 182 841	6 436 233
Movement in the income statement⁽¹⁾				
New loan sales and further drawdowns	138 944	60 277	51 846	251 067
Stage 1 to stage 2	(167 530)	540 121	—	372 591
Stage 1 to stage 3	(135 416)	—	1 034 091	898 675
Stage 2 to stage 3	—	(259 548)	559 398	299 850
Stage 2 to stage 1	84 849	(304 779)	—	(219 930)
Stage 3 to stage 1	25 550	—	(109 954)	(84 404)
Stage 3 to stage 2	—	40 830	(48 412)	(7 582)
Remain in same stage	(28 843)	(110 645)	301 445	161 957
Loans and advances settled in the current year	(95 148)	(58 437)	(488 197)	(641 782)
Modifications	—	—	97 852	97 852
Write-offs	(912)	(13 378)	(1 521 637)	(1 535 927)
Change in forward-looking information ⁽²⁾	(152 716)	8 551	(13 670)	(157 835)
Balance as at 28 February 2026	795 611	1 029 551	4 045 603	5 870 765
2025				
Balance as at 1 March 2024	1 544 977	1 519 483	3 792 605	6 857 065
Movement in the income statement⁽¹⁾				
New loan sales and further drawdowns	108 603	33 154	26 082	167 839
Stage 1 to stage 2	(159 596)	560 754	—	401 158
Stage 1 to stage 3	(186 661)	—	1 331 213	1 144 552
Stage 2 to stage 3	—	(325 686)	700 872	375 186
Stage 2 to stage 1	137 811	(485 268)	—	(347 457)
Stage 3 to stage 1	36 895	—	(150 454)	(113 559)
Stage 3 to stage 2	—	44 349	(51 372)	(7 023)
Remain in same stage	(19 808)	39 291	370 810	390 293
Loans and advances settled in the current year	(125 520)	(88 521)	(351 172)	(565 213)
Modifications	—	—	(65 886)	(65 886)
Write-offs	(4 525)	(46 043)	(1 389 323)	(1 439 891)
Change in forward-looking information ⁽²⁾	(205 343)	(124 954)	(30 534)	(360 831)
Balance as at 28 February 2025	1 126 833	1 126 559	4 182 841	6 436 233

⁽¹⁾ Movement in the income statement is based on the loan stage at the beginning of the year. Where loans were settled or written off during the year, the individual lines in the table have not been grossed up to reflect the movement in the ECL provision during the year up to that point.

⁽²⁾ Changes in forward-looking SICR are detailed in the 'Critical accounting estimates and judgements in applying accounting policies' section of this note.

**Credit Card**

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	582 518	392 091	1 077 651	2 052 260
Movement in the income statement⁽¹⁾				
New loan sales and further drawdowns	247 506	93 190	114 624	455 320
Stage 1 to stage 2	(68 313)	375 150	—	306 837
Stage 1 to stage 3	(49 268)	—	617 362	568 094
Stage 2 to stage 3	—	(86 189)	235 141	148 952
Stage 2 to stage 1	42 194	(155 844)	—	(113 650)
Stage 3 to stage 1	4 098	—	(20 247)	(16 149)
Stage 3 to stage 2	—	12 384	(20 166)	(7 782)
Remain in same stage	82 905	8 291	16 503	107 699
Loans and advances settled in the current year	(21 296)	(19 807)	(156 186)	(197 289)
Modifications	—	—	1 459	1 459
Write-offs	(1 046)	(10 944)	(451 182)	(463 172)
Change in forward-looking information ⁽²⁾	(137 863)	(70 673)	(3 595)	(212 131)
Balance as at 28 February 2026	681 435	537 649	1 411 364	2 630 448
2025				
Balance as at 1 March 2024	412 213	294 874	902 556	1 609 643
Movement in the income statement⁽¹⁾				
New loan sales and further drawdowns	164 015	37 308	50 977	252 300
Stage 1 to stage 2	(53 900)	229 637	—	175 737
Stage 1 to stage 3	(45 708)	—	456 423	410 715
Stage 2 to stage 3	—	(72 681)	186 286	113 605
Stage 2 to stage 1	36 094	(138 431)	—	(102 337)
Stage 3 to stage 1	3 188	—	(16 225)	(13 037)
Stage 3 to stage 2	—	18 453	(15 779)	2 674
Remain in same stage	(62 663)	(2 407)	(3 094)	(68 164)
Loans and advances settled in the current year	(22 608)	(15 157)	(125 792)	(163 557)
Modifications	—	—	(23 862)	(23 862)
Write-offs	(1 767)	(12 321)	(337 660)	(351 748)
Change in forward-looking information ⁽²⁾	153 654	52 816	3 821	210 291
Balance as at 28 February 2025	582 518	392 091	1 077 651	2 052 260

⁽¹⁾ Movement in the income statement is based on the loan stage at the beginning of the year. Where loans were settled or written off during the year, the individual lines in the table have not been grossed up to reflect the movement in the ECL provision during the year up to that point.

⁽²⁾ Changes in forward-looking SICR are detailed in the 'Critical accounting estimates and judgements in applying accounting policies' section of this note.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Personal Banking continued

Factors impacting and contributing to significant changes in the ECL during the year

The net credit impairment charge increased by 10% from R7.0 billion to R7.7 billion, and the credit loss ratio (CLR) increased marginally from 8.1% to 8.2%. The gross loan book grew by 9% to R98 billion (2025: R89.5 billion) and the provision for ECL grew by 3% from R24.2 billion to R25 billion. There was a reduction in the ECL coverage ratio from 27.0% to 25.5%.

As macroeconomic conditions improved towards the end of the 2025 financial year, credit-granting criteria were relaxed leading to higher loan disbursements and growth in the loan book.

Total loan disbursements grew by 27% to R68.7 billion from R53.9 billion. Term Loan disbursements increased by 20% to R29.7 billion, while Credit Card disbursements grew by 45% to R31.2 billion, due to targeted, more personalised credit offerings to lower-risk clients. Credit Card limit sales to new clients increased from R5.1 billion to R7.4 billion. Disbursements to clients earning more than R50 000 increased by 50%. Growth in Access Facility disbursements was modest at 3%, consistent with the product's strategic direction.

The introduction of innovative loan offerings contributed to the growth in loan disbursements. Purpose Loans continue to enable clients to obtain credit structured to meet their specific needs, with total disbursements amounting to R3.1 billion (2025: R1.7 billion). The ease of securing direct and app-based loans contributed R2.0 billion in loan disbursements (2025: R866 million). Repay-As-You-Earn Loan disbursements reached R65 million since their launch in mid-July 2025 and Our Accessible Credit Card accounted for R50 million in disbursements.

The overall growth in loan disbursements resulted in an increase in the upfront provision for ECL charges on new business from R3.1 billion to R3.9 billion.

The improvement in the quality of the loan book and the higher proportion of lower-risk Credit Card loans in the book resulted in an increase of 17% in repayments from R64.6 billion to R75.8 billion. For this reason, the growth in the gross loan book was not as high as the growth in loan disbursements. The improvement in book quality led to a positive shift in the distribution of the loan book across the loan book stages and category classifications.

The table below reflects the positive shift in the loan book distribution.

	As at the end of			
	February 2026		February 2025	
	R'm	%	R'm	%
Stage 1	55 585	57	50 393	56
Stage 2	16 335	17	14 080	16
Stage 3	26 092	26	25 072	28
Total	98 012	100	89 545	100

The shift in the distribution of the gross loan book was positive, with the proportion of the book in stage 3 decreasing by 2%.

Default balances grew from R18.9 billion to R19.5 billion. Debt review balances in default decreased by R0.1 billion to R5.5 billion, while rolls into debt review grew marginally from R3.3 billion to R3.4 billion, and settlements on debt review balances increased by R0.2 billion. Other transitions into default dropped from R8.2 billion to R8.0 billion, reflecting improved quality in the loan book. This contributed to the decrease in the stage 3 balances as a proportion of the total loan book.

The higher loan disbursements and improvement in book quality drove an increase of 1% in the proportion of the loan book in stage 1. In stage 2, the up-to-date loans with SICR grew as a result of the growth in the Term Loan and Credit Card balances in stage 1 of the loan book. During the year, R7.2 billion in balances transitioned into arrears in stages 2 and 3 (2025: R6.8 billion) but arrears balances grew by 6%, lower than the growth rate of the total book, indicating an improvement in the quality of arrears.



The growth in the provision for ECL was impacted by the decrease in the forward-looking macroeconomic (FLI) provision for ECL and the movement in provision percentages as reflected in the coverage ratios. The FLI provision for ECL accounts for the effects of future macroeconomic conditions on the provision for ECL using key economic indicators that affect the Group's credit clients. The FLI provision for ECL decreased from R877 million to R290 million.

The decrease was due to an improvement in the macroeconomic environment during the course of the 2025 calendar year. We entered the 2026 calendar year with a more stable macroeconomic environment with economic growth remaining modest. Inflation had eased providing relief on our clients' expenditures and the repo rate had decreased by 75 basis points to 6.75%, lowering interest costs. The rand had strengthened and our baseline economic scenario anticipated gross domestic product (GDP) growth of 1.4% for the 2026 calendar year.

We were able to release the supplement of R117 million that was held at the end of the 2025 financial year to address the potential risk associated with the discontinuation of the United States of America (USA) aid to South Africa and the possibility of South Africa's exclusion from the African Growth and Opportunity Act (AGOA) as the impact of the tariffs became evident and AGOA was renewed for another year.

The conflict involving Iran in the Middle East began at the end of February 2026. To address the impact of possible global geopolitical tensions, we included a severe economic scenario in our assessment of the FLI provision for ECL. The scenario anticipated a sustained period of elevated oil prices coupled with a significant depreciation of the exchange rate, resulting in higher inflation levels. Based on this scenario, R101 million was included in the provision.

The total ECL coverage ratio decreased to 25.5% (2025: 27.0%) and is analysed by stage in the table below.

%	As at the end of	
	February 2026	February 2025
Stage 1	6.5	7.3
Stage 2	23.2	24.5
Stage 3	67.4	68.0
Total	25.5	27.0

The overall coverage ratio declined from 27% to 25.5%, reflecting improvement in the quality of the loan book and the release of R587 million from the FLI provision for ECL.

For the Term Loan book, the coverage ratio decreased from 29.1% to 27.5%. While improved loan quality contributed to a 1.3% reduction, there was minor deterioration in the stage 1 up-to-date category, resulting from an increase in the coverage ratio on new loan disbursements to 8.7% from 8.3%. The proportion of clients classified under stage 1 rose from 31% to 32%. This increase partially resulted from the migration of balances previously in stage 2 with SICR last year to stage 1 following the release of the USA aid overlay included in the FLI provision for ECL. The FLI provision for ECL release accounted for a 0.3% decrease in the overall coverage ratio.

The Access Facility book's overall coverage ratio decreased from 27.3% to 26.5%. Book deterioration led to a 0.3% rise in the coverage ratio. Continued tightening of credit-granting criteria during the comparative period had a positive effect on book quality, however, distribution shifted toward stage 3, as older facility tranches continue to cycle through. This deterioration was offset by a 1.1% reduction in coverage resulting from the FLI provision for ECL release.

The Credit Card book coverage declined from 16.9% to 16.4%. Book growth of 40% increased the coverage ratio by 0.7%, driven by new low-limit Credit Cards, increased loan disbursements and limit enhancements for existing clients. The impact of portfolio expansion was mitigated by the release of the FLI provision for ECL.

7. Loans and advances continued

Personal Banking continued

Critical accounting estimates and judgements in applying accounting policies

The preparation of the Group's financial statements requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Management applies their judgement based on historical evidence, current events and actions that may be undertaken in future. Actual results may differ from estimates.

The measurement of the provision for ECL on loans and advances represents the most material assumptions, estimates and judgements applied in preparing the consolidated financial statements.

Judgements

Significant increase in credit risk (SICR)

In terms of IFRS 9, all loans and advances exposures that are up-to-date are assessed at each reporting date to determine whether there has been a SICR since initial recognition of the loan or advance, in which case an impairment equal to the lifetime ECL is recognised. If, at the reporting date, the credit risk on a loan or advance has not increased significantly since initial recognition, the Group recognises a 12-month ECL.

The Group identifies SICR for clients who are up-to-date on their credit product but who have reached certain behaviour risk thresholds or where specific events have occurred that automatically trigger a SICR.

The Group considers reasonable and supportable information based on the Group's historical experience, credit risk assessment and forward-looking information (including macroeconomic factors) when determining whether the credit risk (i.e. the risk of default) of loans and advances has increased significantly since initial recognition. The assessment of SICR is key in determining when to move from measuring an impairment provision for ECL based on a 12-month ECL to one that is based on a lifetime ECL (the move from stage 1 to stage 2).

The Group uses behaviour score thresholds to identify a SICR. If a client's behaviour score reduced to such an extent that it breaches the predetermined threshold, the client will be placed in SICR. The SICR thresholds are reviewed monthly to ensure that they can identify SICR throughout the lifetime of the credit product.

The purpose of the behaviour score in the ECL model is to determine homogenous risk segments used to estimate a client's default risk. Separate scorecards are used for the different products, each utilising Capitec product-specific behaviour and savings account information as well as credit exposure and repayment behaviour at external credit providers. The behaviour score is updated monthly on all existing credit clients to ensure that Capitec has a consistently updated view of the client.

The volume of up-to-date accounts that rolled into stage 3 based on historical trends is considered in determining the empirical SICR requirement. This is then adjusted by considering future default rates based on forward-looking information (including macroeconomic factors).

The following events will result in a Term Loan client being automatically classified as having a SICR:

- The client is employed by an employer subject to a loan stop or granting pullback
- The client has an Access Facility that has been rescheduled and has not yet rehabilitated
- The client is unemployed or has been retrenched
- The client has a pay-date managed Credit Card that is 1 month in arrears or worse, or a non-pay-date managed Credit Card that is 2 months in arrears or worse.

The following events will result in an Access Facility client being automatically classified as having a SICR:

- The client is unemployed or has been retrenched
- The client has a Term Loan that is up-to-date but classified as stage 3
- The client has a pay-date managed Credit Card that is 1 month in arrears or worse, or a non-pay-date managed Credit Card that is 2 months in arrears or worse
- The client transfers more than 70% of their Access Facility or Term Loan instalments to their savings account 3 days prior or post the collection date for 3 consecutive months
- The client has utilised 90% of their Access Facility limit and transferred an amount from their Access Facility to their savings account 3 days prior or post the collection date for the last 3 consecutive months.



The following events will result in a Credit Card client being automatically classified as having a SICR:

- The client has a Term Loan that is 3 months or more in arrears or is up-to-date but classified as stage 3
- The client is unemployed or has been retrenched.

Sensitivity analysis

The analysis below reflects the stage 2 ECL on up-to-date loans with SICR and applied for debt review more than 6 months ago if the deterioration or improvement in the SICR transfer ratio is stressed by 5%. The methodology changed from the prior year when the factor used as a behavioural score threshold was stressed.

For categories of SICR, other than forward-looking SICR, the sensitivity analysis is as follows:

Impact of SICR on provision for ECL	Positive	Base	Negative
2026			
Shifting of the SICR threshold by 5% (R'm)	2 559	2 659	2 763
Percentage of the total SICR ECL (%)	(3.8)	—	3.9
2025			
Shifting of the SICR threshold by 5% (R'm)	2 374	2 486	2 725
Percentage of the total SICR ECL (%)	(4.7)	—	9.5

The base in the table above is the balance that is currently included in the provision for ECL. The positive column represents the provision for ECL balance if there was a favourable shift in the SICR threshold that resulted in fewer clients being placed in the SICR loan category, and the negative column represents the provision for ECL balance if there was an unfavourable shift in the SICR threshold that resulted in more clients being placed in the SICR loan category.

The sensitivity analysis of 'forward-looking SICR' is included in the 'forward-looking information incorporated in the impairment of loans and advances section below.

Estimates

Forward-looking information incorporated in the impairment of loans and advances

It is a fundamental principle of IFRS 9 that the Group's provision for ECL against potential future losses should consider expected changes in the economic environment in the future. Forward-looking information has been incorporated in measuring the provision for ECL through the application of quantitative modelling and expert judgement-based adjustments. The methodology for incorporating forward-looking information is consistent with the prior year.

To capture the effects of changes to the economic environment in the future, the forward-looking model for Personal Banking considers economic variables specific to South Africa that directly impact the Group's clients. Four forward-looking scenarios are incorporated into the range of reasonably possible outcomes.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Personal Banking continued

Critical accounting estimates and judgements in applying accounting policies continued

Estimates continued

Forward-looking information incorporated in the impairment of loans and advances continued

In the prior year, the range of reasonable possible outcomes incorporated baseline, positive, very positive and negative scenarios. The baseline scenario reflected a high degree of economic uncertainty and was aligned with a contractionary economic environment. To maintain a balanced probability-weighted distribution of scenarios as required by IFRS 9, a very positive scenario was included in the calculation of the provision for ECL to represent the potential for economic recovery.

In the current year, the Group has returned to a conventional set of baseline, positive, negative and severe scenarios. The baseline is no longer based on a negative economic forecast. The introduction of a severe scenario reflects the economic uncertainty created by the recent global economic turmoil.

Management considered the set of 4 forward-looking macroeconomic scenarios and they were approved by the ALCO.

The main considerations of the ALCO in setting the scenarios are outlined below. These impact the forecast macroeconomic variables:

- The positive scenario assumes greater reform momentum and performance from both the government and state-owned enterprises. Additionally, it projects a stronger currency and rising potential growth to offset demand pressures, resulting in a steady-state inflation rate of 3%. Favourable supply-side developments are expected to contribute to GDP growth reaching 2.1% in 2026, thereby creating room for monetary policy easing.
- The baseline scenario anticipates GDP growth of 1.4% in 2026, with no definitive evidence that potential growth has increased. Ongoing inflationary pressures, stemming from higher administrative and food prices as well as gradual currency depreciation, necessitate that the SARB maintains an elevated policy rate to reinforce the new inflation target.
- In the negative scenario, reform momentum is expected to slow, resulting in GDP growth of 0.4% in 2026, accompanied by sustained inflationary pressures, increased political uncertainty and weak investment and credit demand. Elevated administrative prices and currency depreciation will require a more restrictive monetary policy.
- The severe scenario anticipates increasing global geopolitical tensions, with the conflict involving Iran in the Middle East acting as a catalyst. It anticipates a sustained period of elevated oil prices, with Brent crude remaining above USD100 per barrel through the end of 2026, coupled with a significant depreciation of the exchange rate to ZAR20/USD1, resulting in higher inflation levels. Consequently, the SARB adopts a tighter monetary policy stance over a prolonged period, which leads to slower economic growth and places increased pressure on employment and household credit conditions.

The probability weightings for the 12-month forecast period, which drive most of the forward-looking information impact, for each of the scenarios, as set out in the following table, were accepted by management.

Scenario probability (%)	2026	2025
Severe	10	—
Negative	20	15
Baseline	50	55
Positive	20	25
Very positive	—	5

The relevance of each scenario to Capitec's loan book is proven by a historical linear relationship to a change in a basket of macroeconomic variables. The most important variables used in the forward-looking information models include unemployment, the repo rate, inflation and the real wage rate.



The following table reflects the variables that were used.

Macroeconomic variable ⁽¹⁾⁽²⁾	2025				2026				2027			
	Severe	Negative	Base	Positive	Severe	Negative	Base	Positive	Severe	Negative	Base	Positive
2026												
Real GDP (%)	1.18	1.18	1.31	1.46	(0.21)	0.18	1.39	2.40	(0.32)	0.20	0.98	1.70
Consumer Price Index (CPI) (%)	3.23	3.23	3.23	3.23	5.93	4.28	3.82	3.42	7.74	4.42	3.76	3.18
CPI Food and non-alcoholic beverages (FNAB) (%)	4.11	4.11	4.11	4.11	7.18	5.08	4.67	4.30	9.62	5.27	4.46	3.62
Unemployment (%)	32.20	32.20	32.20	32.20	33.68	33.08	32.52	31.56	34.39	33.26	32.69	31.73
Repo rate (%)	7.18	7.18	7.18	7.18	7.67	6.92	6.55	6.38	9.07	6.81	6.20	5.72
Real private sector credit extension	(0.23)	(0.23)	(0.21)	(0.19)	(1.76)	(0.72)	(0.17)	0.47	(2.73)	(0.61)	0.19	1.00
Real wage rate (%)	2.23	2.23	2.25	2.29	(0.43)	1.26	1.89	2.43	(1.69)	0.56	1.13	1.77
Petrol price cents per litre	2 165	2 165	2 165	2 165	2 361	2 194	2 184	2 174	2 672	2 309	2 291	2 271
Producer Price Index (PPI)	1.69	1.69	1.69	1.69	6.18	3.49	2.85	2.20	7.08	3.36	2.77	2.07

Macroeconomic variable ⁽¹⁾	2024				2025				2026			
	Negative	Baseline	Positive	Very positive	Negative	Baseline	Positive	Very positive	Negative	Baseline	Positive	Very positive
2025												
Unemployment rate (%) Econometrix	32.63	32.63	32.63	32.63	34.40	33.73	32.75	32.37	34.60	33.63	33.10	32.37
Unemployment rate (%) Bureau for Economic Research (BER)	32.50	32.50	32.50	32.50	34.10	33.30	32.40	32.00	33.50	32.60	32.10	31.00
Headline inflation CPI	4.45	4.45	4.45	4.45	7.12	4.85	4.24	3.51	7.72	5.79	4.33	3.45
Petrol price cents per litre	(0.13)	(0.13)	(0.13)	(0.13)	12.88	(4.62)	(4.86)	(12.54)	10.12	6.36	0.51	(1.98)
CPI: Electricity	13.41	13.41	13.41	13.41	22.22	14.72	14.72	14.72	20.29	14.04	14.04	14.04
CPI: Petrol	(0.49)	(0.49)	(0.49)	(0.49)	12.76	(4.74)	(4.98)	(12.66)	9.83	6.07	0.22	(2.27)
CPI: FNAB	4.55	4.55	4.55	4.55	7.17	6.01	4.67	4.63	7.58	6.31	4.51	4.30
Real private sector credit extension	(0.05)	(0.05)	(0.05)	(0.05)	(5.36)	(0.08)	1.42	1.71	(5.44)	(0.52)	2.71	4.17
Real private sector credit extension	(1.03)	(1.03)	(1.03)	(1.03)	(3.57)	(0.86)	0.38	0.82	(4.05)	(0.96)	1.70	3.40
Real GDP	0.80	0.80	0.80	0.80	(4.41)	(1.90)	2.03	2.48	(0.06)	0.09	2.09	3.06
Total employment	2.28	2.28	2.28	2.28	(1.00)	0.07	1.62	1.80	0.27	0.59	1.76	2.20
Real disposable income	0.99	0.99	0.99	0.99	(1.78)	0.15	2.19	2.83	(0.16)	0.51	2.20	2.99
Real wage rate	(2.92)	(2.92)	(2.92)	(2.92)	(3.39)	(1.82)	0.59	0.86	(0.29)	(0.16)	1.20	1.79
Repo rate (%)	8.15	8.15	8.15	8.15	8.78	7.65	7.35	7.09	9.70	8.23	7.25	6.75

⁽¹⁾ Year-on-year percentage change, unless otherwise stated.

⁽²⁾ During the current year, the set of macroeconomic variables incorporated was refined with the objective of applying the variables with the highest correlation to the loan book to simplify the forward-looking models.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Personal Banking continued

Critical accounting estimates and judgements in applying accounting policies continued

Estimates continued

Impact of forward-looking information on ECL – 2026

The economic variables are correlated to determine the impact of forward-looking macroeconomic information on the provision for ECL for Term Loan, Access Facility and Credit Cards grouped into different internally developed client behaviour score segments. Macroeconomic variables are correlated with historical client default data per risk segment. This relationship is used to determine the impact of forward-looking macroeconomic information on expected default rates and recoveries and the provision for ECL is adjusted accordingly.

The correlation included the selection of the most appropriate macroeconomic variables per segment including the related delay lags. Based on the segmentation, management determined a range of PD values and recovery rates for each of the risk segments that would be impacted by a change in specific macroeconomic variables under each of the 4 scenarios (baseline, positive, negative and severe).

Impact of forward-looking information on ECL – 2025

The economic variables are correlated to determine the impact of forward-looking macroeconomic information on the provision for ECL for Term Loan, Access Facility and Credit Card grouped into different internally developed client behaviour score segments. Macroeconomic variables are correlated with historical client default data per risk segment. This relationship is used to determine the impact of forward-looking macroeconomic information on expected default rates and recoveries and the provision for ECL is adjusted accordingly.

The correlation included the selection of the most appropriate macroeconomic variables per segment including the related delay lags. Based on the segmentation, management determined a range of PD values and recovery rates for each of the risk segments that would be impacted by a change in specific macroeconomic variables under each of the 4 scenarios (severe, negative, baseline, positive and very positive).

The impact of forward-looking information on the ECL based on the 4 scenarios is reflected below.

Impact of forward-looking information on the provision for ECL	R'm	Percentage (%) change
2026		
Probability-weighted impact of all 4 scenarios	290	
100% severe	1 332	359.1
100% negative	508	75.0
100% baseline	169	(41.9)
100% positive	(144)	(149.8)
2025		
Probability-weighted impact of all 4 scenarios	877	
100% negative	1 693	93.0
100% baseline	894	1.9
100% positive	461	(47.4)
100% very positive	326	(62.9)

Event-driven management credit estimates

Certain events/risks that may not be incorporated into the statistical forward-looking model arise from time to time. In such instances, the additional inclusions in the provision for ECL over and above the adjustment to the provision for ECL arising from forward-looking information are reviewed and approved by the Credit Committee monthly.

In the current and comparative years, an amount was added to the provision for ECL to consider the impact on the provision for ECL of a change in the retrenchment cover. The retrenchment insurance changed from covering the full outstanding balance to covering 24 instalments for new loans originated from 10 May 2020. In addition, an amount was added to the provision for ECL to reflect increased credit risk among clients who demonstrate recurring gambling behaviour.



Modelling assumptions

Historical data may not always be reflective of the future. The way in which it is used by the statistical models (PD, EAD and LGD) to estimate the timing and amount of the forecast cash flows, based on historical default data, roll rates and recoveries, requires consideration of subsegments.

These include aspects such as client risk groups, time on book, product term, payment frequency, default statuses, employment, industry and rescheduling status as well as the behaviour score of the client.

Business Banking

Credit risk exposure

Business Banking offers business banking products that are common to the banking industry. The core market focus is established small and medium-sized businesses across a wide variety of industries as well as Personal Banking for the respective entrepreneurs. A Group subsidiary, Capitec Rental Finance, provides rental finance solutions with its focus being office automation, telecommunications and information technology (IT).

Gross loans and advances exposures by economic sector are as follows:

R'000	GROUP	
	2026	2025
Business Banking		
Real estate	5 708 304	5 090 296
Manufacturing and logistics	2 876 036	1 832 987
Retail and wholesale	6 248 088	4 577 594
Financial and business	8 144 318	6 155 754
Construction and transport	3 486 468	2 798 579
Mining and agricultural	964 871	399 523
Education and community	2 039 351	1 739 473
Other	922 010	745 272
Gross loans and advances	30 389 446	23 339 478

Credit risk management

Credit risk is managed through every stage of the credit life cycle by following a combination of governance, decision support and business support. The types and levels of security taken to mitigate credit-related risks depend on the risk profile, track record and payment history of the client as well as the risk inherent in the product offering.

The Group adopts a measured approach to credit granting for its Business Banking clients, within a specifically defined and structured approval process. The granting of credit is managed via a mandated approval process automated on the Bank's workflow system. Levels of credit approval mandates are determined by the experience of the mandated individual, with dual or multiple sign-offs on all material values. Mandates have also been accorded to frontline management within predetermined rules and parameters as approved by the RCMC, which approvals are evaluated and monitored by the BCC on an ongoing basis.

An ongoing weekly review is undertaken by the BCC of all new and renewal proposals for lending in excess of R2 million (in aggregate per client). This meeting covers a wide variety of topics, including reporting on excess and arrear positions, security-related matters, possible changes in risk grades, the Bank's advances portfolio composition and performance, and any other relevant credit-related matters requiring specific discussion. Adverse behavioural patterns, such as continual excesses above approved limits and arrears on loan facilities, are monitored closely by the Credit department and are discussed at the weekly BCC meeting with appropriate actions being taken.

Identified accounts with continued behavioural concerns and/or financial underperformance are monitored by way of monthly 'watch list' meetings and reporting. To protect the Group, prompt action is taken by senior internal stakeholders, including the Business Banking Executive, on large defaults. This action has seen a good measure of historical success given our flat structure that drives agility.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Business Banking continued

Collateral and other credit enhancements

The Group employs a range of policies and practices to mitigate credit risk for its Business Banking clients. The most common of these is accepting collateral for funds advanced. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. Business Banking prepares a valuation of the collateral obtained as part of the loan origination process and this assessment is reviewed periodically. The principal collateral types for loans and advances are:

- mortgages over residential and commercial properties
- pledge and cession over business assets, such as stock and accounts receivable
- pledge and cession over financial instruments, such as pledge of call and savings accounts, fixed and notice deposits.

Longer-term finance and lending to small and medium-sized businesses are generally secured, while Credit Card facilities are generally unsecured. Business Banking's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by Business Banking since the acquisition of the collateral.

Business Banking closely monitors collateral held for loans and advances considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses.

The fair value of collateral and other credit enhancements is determined by referencing the realisable value of security held before adjusting for expected recoveries.

All Business Banking clients are accorded a risk grading. The risk grading is dependent on the client's creditworthiness and standing with the Group and is subject to ongoing assessment of the client's financial standing and the acceptability of their dealings with the Group, including adherence to repayment terms and compliance with other set conditions.

Terminology used to discuss the credit quality of loans and advances

Rehabilitated	Clients with rescheduled loans are deemed to be rehabilitated once they have made contractual payments for 6 consecutive months post rescheduling and are up-to-date with their amended contractual obligations. This is supported by statistical analysis.
Rescheduling	Rescheduling refers to an amendment of the original terms of a loan agreement. This can be done in the normal course of business (defined as a restructure). Rescheduling can also be used as a rehabilitation mechanism for clients who would otherwise not be able to meet their commitments (defined as distressed restructure). A reschedule is classified as stage 1 when there is no indication of SICR, as stage 2 when there is an indication of SICR and as stage 3 where the borrower is in arrears.
Rescheduled from up-to-date not rehabilitated	These are loans and advances relating to clients who were fully up-to-date with their original contractual obligations, have contacted the Group to reschedule the original terms of their loan due to a change in their circumstances and have made payments under the rescheduled terms. These clients are up-to-date with their amended contractual obligations post rescheduling but have not yet made payments for 6 consecutive months under the amended agreement. Loans rescheduled from up-to-date are considered to be stage 1 once these loans have rehabilitated, unless there is an indication of SICR, in which case the loan will be in stage 2. The loans are seen as stage 2 until they have rehabilitated.
Rescheduled from arrears not rehabilitated	These are loans and advances relating to clients who were in arrears and were subsequently rescheduled and have made payments under the rescheduled terms. These clients are up-to-date with their amended contractual obligations but have not yet made payments for 6 consecutive months under the amended agreement. Loans rescheduled from arrears are considered to be stage 1 once these loans have rehabilitated, unless there is an indication of SICR, in which case the loan will be in stage 2. The loans are seen as stage 2 until they have rehabilitated.
Up-to-date loans and advances, rehabilitated rescheduled loans	Clients who are fully up-to-date with their original contractual obligations, or clients with amended contractual obligations and who have rehabilitated post rescheduling, are classified as up-to-date. SICR is identified for loans and advances that are up-to-date but have reached certain behaviour risk thresholds, or specific events have occurred that indicate a SICR.



Analysis of net loans and advances by stage

The tables that follow contain an analysis of the credit risk exposure of loans and advances for which a provision for ECL is recognised. The gross carrying amount of the financial assets below also represents the Group's maximum exposure to credit risk on these assets.

Business Loans⁽¹⁾

	Stage 1 12-month ECL		Stage 2 Lifetime ECL				Stage 3 Lifetime ECL	Total
	Up-to-date	Up to 1 month in arrears	Up-to-date loans with SICR	2 and 3 months in arrears	Rescheduled from up-to- date (not yet rehabilitated)	Rescheduled from arrears (not yet rehabilitated)	More than 3 months in arrears, legal statuses and applied for business rescue liquidations	
R'000								
2026								
Gross loans and advances	14 328 880	251 879	841 903	96 732	230 714	10 570	1 530 455	17 291 133
Provision for ECL	(349 340)	(8 520)	(109 805)	(16 036)	(12 452)	(1 373)	(1 036 324)	(1 533 850)
Net loans and advances	13 979 540	243 359	732 098	80 696	218 262	9 197	494 131	15 757 283
ECL coverage by category (%)	2.4	3.4	13.0	16.6	5.4	13.0	67.7	8.9
2025								
Gross loans and advances	9 793 220	192 107	621 040	90 559	174 290	13 906	1 140 334	12 025 456
Provision for ECL	(248 614)	(7 029)	(110 957)	(14 804)	(19 004)	(2 216)	(653 731)	(1 056 355)
Net loans and advances	9 544 606	185 078	510 083	75 755	155 286	11 690	486 603	10 969 101
ECL coverage by category (%)	2.5	3.7	17.9	16.3	10.9	15.9	57.3	8.8

⁽¹⁾ Business Loans include leases.

ECL coverage by stage (%)	2026	2025
Stage 1	2.5	2.6
Stage 2	11.8	16.3
Stage 3	67.7	57.3

Analysis of up-to-date loans and advances in stage 1

R'000	2026	2025
Up-to-date not previously rescheduled	14 326 724	9 790 692
Rescheduled from up-to-date and rehabilitated	1	2 528
Rescheduled from arrears and rehabilitated	2 155	—
Gross loans and advances – stage 1	14 328 880	9 793 220

Analysis of up to 1 month in arrears loans and advances in stage 1

R'000	2026	2025
Up to 1 month in arrears not previously rescheduled	251 879	192 107
Gross loans and advances – stage 1	251 879	192 107

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Business Banking continued

Analysis of net loans and advances by stage continued

Mortgage Loans

R'000	Stage 1 12-month ECL		Stage 2 Lifetime ECL				Stage 3 Lifetime ECL	Total
	Up-to-date	Up to 1 month in arrears	Up-to-date loans with SICR	2 and 3 months in arrears	Rescheduled from up-to- date (not yet rehabilitated)	Rescheduled from arrears (not yet rehabilitated)	More than 3 months in arrears, legal statuses and applied for business rescue liquidations	
2026								
Gross loans and advances	11 515 817	207 824	397 608	37 642	21 583	17 431	900 408	13 098 313
Provision for ECL	(32 383)	(772)	(18 586)	(2 557)	(956)	(893)	(196 784)	(252 931)
Net loans and advances	11 483 434	207 052	379 022	35 085	20 627	16 538	703 624	12 845 382
ECL coverage by category (%)	0.3	0.4	4.7	6.8	4.4	5.1	21.9	1.9
2025								
Gross loans and advances	9 548 074	115 083	560 999	67 732	24 649	20 692	976 793	11 314 022
Provision for ECL	(29 246)	(871)	(33 630)	(3 360)	(739)	(1 836)	(242 106)	(311 788)
Net loans and advances	9 518 828	114 212	527 369	64 372	23 910	18 856	734 687	11 002 234
ECL coverage by category (%)	0.3	0.8	6.0	5.0	3.0	8.9	24.8	2.8

ECL coverage by stage (%)	2026	2025
Stage 1	0.3	0.3
Stage 2	4.8	5.9
Stage 3	21.9	24.8

Analysis of up-to-date loans and advances in stage 1

R'000	2026	2025
Up-to-date not previously rescheduled	11 509 708	9 539 878
Rescheduled from up-to-date and rehabilitated	6 109	8 196
Gross loans and advances – stage 1	11 515 817	9 548 074

Analysis of up to 1 month in arrears loans and advances in stage 1

R'000	2026	2025
Up to 1 month in arrears not previously rescheduled	207 824	115 083
Gross loans and advances – stage 1	207 824	115 083



Definition of stages

Stage 1

These are loans and advances which are up-to-date or up to 1 month in arrears with no indication of SICR. This includes distressed restructured loans that have rehabilitated.

An ECL representing the lifetime cash shortfall arising from possible default events up to 12 months into the future from the reporting date is recognised at the time of initial recognition of the loans and advances.

An ECL continues to be determined on this basis until there is a SICR or the loan or advance becomes credit-impaired.

A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the loan or advance and the cash flows that the Group expects to receive over the contractual life of the loan or advance.

Stage 2

The Group monitors loans and advances subject to the impairment requirements at each reporting date to determine whether evidence exists that there has been a SICR since initial recognition of the loan or advance. The 12-month ECL is extended to a lifetime ECL for these clients.

The following loans and advances are included in stage 2:

- Loans that have experienced a SICR since initial recognition
- Loans where the forward-looking information indicates SICR
- Loans that are between 2 and 3 months in arrears
- Up-to-date loans that restructured from up-to-date (not yet rehabilitated)
- Up-to-date loans that restructured from arrears (not yet rehabilitated).

The Business Banking segment considers a loan to have experienced a SICR if the borrower is on the watch list or meets 1 or more of the following criteria:

- Significant adverse changes in the business, financial or economic conditions in which the borrower operates
- Actual or expected forbearance or restructuring
- An actual or expected significant adverse change in the operating results of the borrower
- Early signs of cash flow/liquidity problems such as a delay in the servicing of trade creditors/loans.

Irrespective of the outcome of the assessment according to the above-mentioned criteria, Business Banking considers a loan to have experienced a SICR if the borrower is more than 1 month past due on their contractual payments.

Stage 3 (credit-impaired assets)

The Group defines loans and advances as being credit-impaired when 1 or more events that have a detrimental impact on the estimated future cash flows of the loan or advance have occurred.

Interest on loans and advances categorised as stage 3 is recognised in profit or loss net of ECL impairments.

A lifetime ECL is applied to stage 3 (credit-impaired) loans. A loan or advance is defined as being in default, which is aligned with the definition of credit-impaired, when it meets 1 or more of the following criteria.

Quantitative criteria

The borrower is more than 3 months past due on contractual payments.

The borrower meets 'unlikelihood to pay' criteria, which indicate that the borrower is in significant financial difficulty. These are instances where, *inter alia*:

- the borrower is in long-term forbearance
- the borrower is deceased
- the borrower is insolvent
- the borrower is in breach of financial covenant(s)
- an active market for the financial assets has disappeared because of financial difficulty/inability to meet contractual obligations and the borrower is in arrears
- it is becoming probable that the borrower may enter bankruptcy.

7. Loans and advances continued

Business Banking continued

Implementation of the ECL measurement

The extent of the provision for ECL for loans and advances measured at amortised cost is calculated using complex models and significant assumptions about future economic conditions and credit behaviour.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These 3 components are multiplied and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

This effectively calculates an ECL for each future month, which is then discounted to the reporting date. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The portfolios are based on product type. The product types include Mortgage Loans, Current Accounts, Credit Cards, Instalment Sales and Leases, Structured Loans and Medium-term Loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower on a 12-month or lifetime basis
- For revolving products, the EAD is predicted by adding a 'credit conversion factor' to the current drawn balance, which allows for the expected drawdown of the remaining limit by the time of default.

The 12-month and lifetime LGDs are determined based on the factors that impact the recoveries made post default:

- For secured products, this is primarily based on collateral type, projected collateral values and time to recovery
- For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers.

The assumptions underlying the ECL calculation, such as how the maturity profile of the PDs changes, are monitored and reviewed periodically.

The current risk assessment framework for Business Banking includes stringent credit risk assessments that are performed during the lifetime of the exposures and it is believed that these will incorporate sufficient forward-looking assessment. Additional ECLs are recognised by way of a management overlay after significant expert consultation with Executive Management and seasoned credit professionals.



Credit quality

The Group adapted its internal credit rating policy to the Basel PD master scale as required by Basel III. The Basel PD master scale is a list of prescribed risk grades which classify a borrower based on their PD. The mapping process is comprehensive and allows the Group to rate all borrowers on a uniform scale regardless of the product. Since all borrowers are represented on a uniform scale, it enables the Group to compare various portfolios consistently and accurately.

The Capitec PD master scale ranges from Capitec Bank (CB) bands 1 – 25 depending on the product and reporting segment. Borrower PDs are determined at each reporting date and mapped to the Capitec PD master scale.

The lower CB bands indicate lower PDs and therefore a higher likelihood that a borrower will meet their financial obligations. Conversely, higher CB bands reflect higher PDs and an increased likelihood of default.

For modelling simplicity and alignment across business areas, the CB bands are further grouped into 3 categories:

- Low risk: CB1 – CB18
- Medium risk: CB19 – CB20
- High risk: CB21 – CB25.

The allocation of CB bands per product, together with the associated risk-based scorecards used in the Capitec PD master scale, is presented by reporting segment based on the reporting date CB bands.

Material product group	Capitec PD master rating scale	Scorecard
Business Banking portfolio	CB1 – 25	Business Banking client level behaviour score

Business Loans⁽¹⁾

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Low	12 343 611	—	—	12 343 611
Medium	1 002 908	—	—	1 002 908
High	1 234 240	1 179 919	—	2 414 159
Default	—	—	1 530 455	1 530 455
On-balance sheet	14 580 759	1 179 919	1 530 455	17 291 133
Low	1 020 592	—	—	1 020 592
Medium	—	—	—	—
High	95 134	—	—	95 134
Off-balance sheet	1 115 726	—	—	1 115 726
2025⁽²⁾				
Low	7 396 628	—	—	7 396 628
Medium	1 036 791	—	—	1 036 791
High	1 551 908	899 795	—	2 451 703
Default	—	—	1 140 334	1 140 334
On-balance sheet	9 985 327	899 795	1 140 334	12 025 456
Low	625 201	—	—	625 201
Medium	42 807	—	—	42 807
High	129 879	5 035	—	134 914
Default	—	—	14 547	14 547
Off-balance sheet	797 887	5 035	14 547	817 469

⁽¹⁾ Business Loans include leases.

⁽²⁾ In the prior year, credit quality was disclosed based on reporting date CB bands. The CB bands have been aggregated into low, medium and high categories, to enhance comparability with current year presentation.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Business Banking continued

Credit quality continued

Mortgage Loans

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Low	11 308 637	—	—	11 308 637
Medium	279 403	—	—	279 403
High	135 601	474 264	—	609 865
Default	—	—	900 408	900 408
On-balance sheet	11 723 641	474 264	900 408	13 098 313
Low	348 920	—	—	348 920
Medium	—	—	—	—
High	—	—	—	—
Default	—	—	—	—
Off-balance sheet	348 920	—	—	348 920
2025⁽¹⁾				
Low	8 166 832	—	—	8 166 832
Medium	1 227 268	—	—	1 227 268
High	269 057	674 072	—	943 129
Default	—	—	976 793	976 793
On-balance sheet	9 663 157	674 072	976 793	11 314 022
Low	240 470	—	—	240 470
Medium	6 727	—	—	6 727
High	—	—	—	—
Default	—	—	—	—
Off-balance sheet	247 197	—	—	247 197

⁽¹⁾ In the prior year, credit quality was disclosed based on reporting date CB bands. The CB bands have been aggregated into low, medium and high categories, to enhance comparability with current year presentation.



Analysis of gross loans and advances

Business Loans⁽¹⁾

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	9 985 327	899 795	1 140 334	12 025 456
Net loan sales	68 598 237	689 167	22 008	69 309 412
New loan sales and further drawdowns ⁽²⁾	69 227 396	710 942	38 372	69 976 710
Loans derecognised (other than write-off) ⁽³⁾	(629 159)	(21 775)	(16 364)	(667 298)
Income accrued for the year ⁽⁴⁾	1 654 094	69 033	50 816	1 773 943
Transfers				
Stage 1 to stage 2	(540 064)	540 064	—	—
Stage 1 to stage 3	(576 940)	—	576 940	—
Stage 2 to stage 3	—	(96 178)	96 178	—
Stage 3 to stage 2	—	1 637	(1 637)	—
Stage 3 to stage 1	1 843	—	(1 843)	—
Stage 2 to stage 1	115 246	(115 246)	—	—
Repayments	(64 656 984)	(808 353)	(70 893)	(65 536 230)
Write-offs	—	—	(281 448)	(281 448)
Balance as at 28 February 2026	14 580 759	1 179 919	1 530 455	17 291 133
2025				
Balance as at 1 March 2024	8 140 114	707 463	682 548	9 530 125
Net loan sales	49 696 259	776 920	13 414	50 486 593
New loan sales and further drawdowns ⁽²⁾	50 078 373	865 340	21 917	50 965 630
Loans derecognised (other than write-off) ⁽³⁾	(382 114)	(88 420)	(8 503)	(479 037)
Income accrued for the year ⁽⁴⁾	1 231 591	34 887	116 937	1 383 415
Transfers				
Stage 1 to stage 2	(535 243)	535 243	—	—
Stage 1 to stage 3	(440 073)	—	440 073	—
Stage 2 to stage 3	—	(141 925)	141 925	—
Stage 3 to stage 2	—	32	(32)	—
Stage 3 to stage 1	5 260	—	(5 260)	—
Stage 2 to stage 1	26 432	(26 432)	—	—
Repayments ⁽³⁾	(48 139 013)	(986 393)	(103 129)	(49 228 535)
Write-offs	—	—	(146 142)	(146 142)
Balance as at 28 February 2025	9 985 327	899 795	1 140 334	12 025 456

⁽¹⁾ Business Loans include leases.

⁽²⁾ Monthly Credit Card and Overdraft disbursements are included in new loan sales and further drawdowns. Amounts are transferred immediately to the staging of the existing balances for drawdowns.

⁽³⁾ During the current year, a separate line item was introduced for loans derecognised (other than write-off), consistent with the presentation of the Personal Banking loans and advances. Prior year presentation has been changed to reclassify the portion of loans derecognised (other than write-off), previously included in repayments, into net loan sales. The change in disclosure had no impact on the total gross carrying amount of loans and advances.

⁽⁴⁾ Income accrued for the year comprises interest received on loans, initiation fees and monthly service fees.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Business Banking continued

Analysis of gross loans and advances continued

Mortgage Loans

R'000

	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	9 663 157	674 072	976 793	11 314 022
Net loan sales	3 114 254	(43 566)	(50 621)	3 020 067
New loan sales and further drawdowns	3 917 143	—	—	3 917 143
Loans derecognised (other than write-off) ⁽¹⁾	(802 889)	(43 566)	(50 621)	(897 076)
Income accrued for the year ⁽²⁾	1 173 812	37 457	82 719	1 293 988
Transfers				
Stage 1 to stage 2	(20 267)	20 267	—	—
Stage 1 to stage 3	(176 467)	—	176 467	—
Stage 2 to stage 3	—	(48 655)	48 655	—
Stage 3 to stage 2	—	4 840	(4 840)	—
Stage 3 to stage 1	42 758	—	(42 758)	—
Stage 2 to stage 1	119 514	(119 514)	—	—
Repayments	(2 193 120)	(50 637)	(205 575)	(2 449 332)
Write-offs	—	—	(80 432)	(80 432)
Balance as at 28 February 2026	11 723 641	474 264	900 408	13 098 313
2025				
Balance as at 1 March 2024	8 196 194	668 404	749 320	9 613 918
Net loan sales	2 849 227	(31 905)	(15 572)	2 801 750
New loan sales and further drawdowns	3 367 053	—	—	3 367 053
Loans derecognised (other than write-off) ⁽¹⁾	(517 826)	(31 905)	(15 572)	(565 303)
Income accrued for the year ⁽²⁾	1 035 488	56 085	114 612	1 206 185
Transfers				
Stage 1 to stage 2	(220 349)	220 349	—	—
Stage 1 to stage 3	(148 801)	—	148 801	—
Stage 2 to stage 3	—	(137 073)	137 073	—
Stage 3 to stage 2	—	—	—	—
Stage 3 to stage 1	2 226	—	(2 226)	—
Stage 2 to stage 1	36 003	(36 003)	—	—
Repayments ⁽¹⁾	(2 086 831)	(65 785)	(119 088)	(2 271 704)
Write-offs	—	—	(36 127)	(36 127)
Balance as at 28 February 2025	9 663 157	674 072	976 793	11 314 022

⁽¹⁾ During the current year, a separate line item was introduced for loans derecognised (other than write-off), consistent with the presentation of the Personal Banking loans and advances. Prior year presentation has been changed to reclassify the portion of loans derecognised (other than write-off), previously included in repayments, into net loan sales. The change in disclosure had no impact on the total gross carrying amount of loans and advances.

⁽²⁾ Income accrued for the year comprises interest received on loans, initiation fees and monthly service fees.



Analysis of provision for ECL

Business Loans⁽¹⁾

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	255 643	146 981	653 731	1 056 355
Movement in the income statement⁽²⁾				
New loan sales and further drawdowns	158 735	23 650	81 662	264 047
Stage 1 to stage 2	(3 374)	29 981	—	26 607
Stage 1 to stage 3	(18 759)	—	253 769	235 010
Stage 2 to stage 3	—	(17 064)	57 015	39 951
Stage 2 to stage 1	25 349	(52 342)	—	(26 993)
Stage 3 to stage 1	25	—	(1 184)	(1 159)
Stage 3 to stage 2	—	62	(485)	(423)
Remain in same stage	(9 658)	(8 519)	214 362	196 185
Loans and advances settled in the current year	(31 899)	(5 853)	(14 000)	(51 752)
Write-offs	(585)	(288)	(202 182)	(203 055)
Change in forward-looking information ⁽³⁾	(17 617)	23 058	(6 364)	(923)
Balance as at 28 February 2026	357 860	139 666	1 036 324	1 533 850
2025				
Balance as at 1 March 2024	218 263	136 687	438 403	793 353
Movement in the income statement⁽²⁾				
New loan sales and further drawdowns	98 760	59 427	35 957	194 144
Stage 1 to stage 2	(3 993)	23 935	—	19 942
Stage 1 to stage 3	(11 755)	—	199 475	187 720
Stage 2 to stage 3	—	(20 432)	50 511	30 079
Stage 2 to stage 1	252	(5 072)	—	(4 820)
Stage 3 to stage 1	126	—	(2 998)	(2 872)
Stage 3 to stage 2	—	7	(19)	(12)
Remain in same stage	(24 885)	3 425	102 587	81 127
Loans and advances settled in the current year	(23 275)	(53 828)	(63 204)	(140 307)
Write-offs	(337)	(160)	(109 648)	(110 145)
Change in forward-looking information ⁽³⁾	2 487	2 992	2 667	8 146
Balance as at 28 February 2025	255 643	146 981	653 731	1 056 355

⁽¹⁾ Business Loans include leases.

⁽²⁾ Movement in the income statement is based on the loan stage at the beginning of the year. Where loans were settled or written off during the year, the individual lines in the table have not been grossed up to reflect the movement in the provision for ECL during the year up to that point.

⁽³⁾ Changes in forward-looking SICR are detailed in the 'Critical accounting estimates and judgements in applying accounting policies' section of this note.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Business Banking continued

Analysis of provision for ECL continued

Mortgage Loans

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	30 117	39 565	242 106	311 788
Movement in the income statement⁽¹⁾				
New loan sales and further drawdowns	18 843	957	1 899	21 699
Stage 1 to stage 2	(437)	3 719	—	3 282
Stage 1 to stage 3	(547)	—	22 139	21 592
Stage 2 to stage 3	—	(2 180)	4 725	2 545
Stage 2 to stage 1	348	(4 391)	—	(4 043)
Stage 3 to stage 1	120	—	(2 948)	(2 828)
Stage 3 to stage 2	—	146	(242)	(96)
Remain in same stage	(10 719)	114	20 740	10 135
Loans and advances settled in the current year	(4 113)	(2 171)	(7 637)	(13 921)
Write-offs	(69)	—	(46 769)	(46 838)
Change in forward-looking information ⁽²⁾	(388)	(12 767)	(37 229)	(50 384)
Balance as at 28 February 2026	33 155	22 992	196 784	252 931
2025				
Balance as at 1 March 2024	45 883	48 597	192 496	286 976
Movement in the income statement⁽¹⁾				
New loan sales and further drawdowns	13 671	4 586	1 065	19 322
Stage 1 to stage 2	(1 284)	5 163	—	3 879
Stage 1 to stage 3	(595)	—	24 510	23 915
Stage 2 to stage 3	—	(6 228)	16 448	10 220
Stage 2 to stage 1	75	(1 738)	—	(1 663)
Stage 3 to stage 1	3	—	(194)	(191)
Stage 3 to stage 2	—	—	—	—
Remain in same stage	(8 947)	(3 313)	30 198	17 938
Loans and advances settled in the current year	(8 002)	(1 381)	(3 435)	(12 818)
Write-offs	—	(47)	(21 095)	(21 142)
Change in forward-looking information ⁽²⁾	(10 687)	(6 074)	2 113	(14 648)
Balance as at 28 February 2025	30 117	39 565	242 106	311 788

⁽¹⁾ Movement in the income statement is based on the loan stage at the beginning of the year. Where loans were settled or written off during the year, the individual lines in the table have not been grossed up to reflect the movement in the provision for ECL during the year up to that point.

⁽²⁾ Changes in forward-looking SICR are detailed in the 'Critical accounting estimates and judgements in applying accounting policies' section of this note.



Factors impacting and contributing to significant changes in the ECL during the year

The credit impairment charge increased by 72% to R633 million driven by the 30% growth in the gross loan book and a change in the mix of the loan book.

Growth in the loan book was driven by an increase of 48% in loan disbursements. Loan disbursements excluding Overdrafts grew by 36% to R11 billion, and new Overdraft limits loaded amounted to R5.9 billion, reflecting growth of 75%. Mortgage Loan disbursements increased by 16%, and Business Loan disbursements excluding overdrafts grew by 50%. The provision for ECL held on new loan disbursements amounted to R286 million at year-end (2025: R213 million).

The growth in disbursements was driven by the scored lending products. Scored lending currently comprises Overdrafts and Term Loans, with large Commercial Loans and Mortgages still assessed by a Business Banker (intuitive lending). Scored lending allows clients access to funds to grow their businesses more quickly while granting credit within our risk appetite.

Scored lending disbursements were R3.1 billion, up by 134% (2025: R1.4 billion), of which R1.3 billion were Merchant Loans. Merchant Loans are granted to Business Banking merchants on the basis of the turnover earned through their card machines. Capitec retains a percentage of the daily turnover to settle the loan. The availability of this loan offer encourages more clients to utilise Capitec card machines, converting them from cash to card payments.

The scored lending book grew by 87% to R3.4 billion and the intuitive loan book grew by 24% to R27.3 billion. The increase in the CLR was partly due to the growth in the scored lending book on which the provision percentage is higher than for intuitive loans.

The table below details the trend in the coverage ratios.

%	As at the end of	
	February 2026	February 2025
Stage 1	1.5	1.5
Stage 2	9.8	11.8
Stage 3	50.7	42.3
Total	5.9	5.9

The overall coverage ratio remained stable. The decrease in the stage 2 coverage ratio and the increase in the stage 3 coverage ratio were the result of the following factors:

- The change of the proportion and mix of loans in stage 2. Stage 2 loans comprise 5% of the book compared to 7% in the comparative year. Mortgage Loans that are covered at a lower percentage than Business Loans comprised 1% of the stage 2 book compared to 3% in the comparative year
- The mix of loans in stage 3. Mortgage Loans comprise 1% less of the stage 3 loan book than in the comparative year. This resulted in the average provision percentages at which the stage 3 loans are provided increasing
- The growth of the stage 3 loan book from R2.1 billion to R2.4 billion, although stage 3 loans comprise 8% of the total loan book (2025: 9%). As balances remain in stage 3 for longer periods of time, the provision percentage applied to them increases.

7. Loans and advances continued

Business Banking continued

Critical accounting estimates and judgements in applying accounting policies

The preparation of the Group's financial statements requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Management applies its judgement based on historical evidence, current events and actions that may be undertaken in future. Actual results may ultimately differ from estimates.

The measurement of the provision for ECL on loans and advances represents the most material assumptions, estimates and judgements applied in preparing the consolidated financial statements.

Judgements

Significant increase in credit risk (SICR)

In terms of IFRS 9, all loans and advances exposures that are up-to-date are assessed at each reporting date to determine whether there has been a SICR since initial recognition of the loan or advance, in which case an impairment equal to the lifetime ECL is recognised. If, at the reporting date, the credit risk on a loan or advance has not increased significantly since initial recognition, the Group recognises a 12-month ECL.

The Group identifies SICR for clients who are up-to-date on their credit product but who have reached certain behaviour risk thresholds or where specific events have occurred that automatically trigger a SICR.

The Group considers reasonable and supportable information based on the Group's historical experience, credit risk assessment and forward-looking information (including macroeconomic factors) when determining whether the credit risk (i.e. the risk of default) of loans and advances has increased significantly since initial recognition. The assessment of SICR is key in determining when to move from measuring a provision for ECL based on a 12-month ECL to one that is based on a lifetime ECL (the move from stage 1 to stage 2). The Group's ECL framework aligns with the Group's credit-granting strategy.

The SICR criteria for Business Banking clients are noted on **page 210**.

Sensitivity analysis

The ECL would increase by R30 million (2025: R97 million) if a lifetime ECL was applied to 5% of the current stage 1 portfolio. If we applied a lifetime provision for ECL to accounts that are between 1 and 30 days in arrears at the reporting date, the ECL would increase by R6 million (2025: R2 million).

Estimates

Forward-looking information incorporated in the impairment of loans and advances

It is a fundamental principle of IFRS 9 that the Group's provision for ECL against potential future losses should consider expected changes in the economic environment in the future. Forward-looking information has been incorporated in measuring the provision for ECL through the application of quantitative modelling and expert judgement-based adjustments. The methodology for incorporating forward-looking information is consistent with the prior year.

To capture the effects of changes to the economic environment in the future, the forward-looking model for Business Banking considers economic variables specific to South Africa that directly impact the Group's clients. Four forward-looking scenarios are incorporated into the range of reasonably possible outcomes.

In the prior year, the range of reasonable possible outcomes incorporated baseline, positive, very positive and negative scenarios. The baseline scenario reflected a high degree of economic uncertainty and was aligned with a contractionary economic environment. To maintain a balanced probability-weighted distribution of scenarios as required by IFRS 9, a very positive scenario was included in the calculation of the provision for ECL to represent the potential for economic recovery.

In the current year, the Group has returned to a conventional set of baseline, positive, negative and severe scenarios. The baseline is no longer based on a negative economic forecast. The introduction of a severe scenario reflects the economic uncertainty created by the recent global economic turmoil.

Management considered the set of 4 forward-looking macroeconomic scenarios and they were approved by the ALCO.



The main considerations of the ALCO in setting the scenarios are outlined below. These impact the forecast macroeconomic variables:

- The positive scenario assumes greater reform momentum and performance from both the government and state-owned enterprises. Additionally, it projects a stronger currency and rising potential growth to offset demand pressures, resulting in a steady-state inflation rate of 3%. Favourable supply-side developments are expected to contribute to GDP growth reaching 2.1% in 2026, thereby creating room for monetary policy easing.
- The baseline scenario anticipates GDP growth of 1.4% in 2026, with no definitive evidence that potential growth has increased. Ongoing inflationary pressures, stemming from higher administrative and food prices as well as gradual currency depreciation, necessitate that the SARB maintains an elevated policy rate to reinforce the new inflation target.
- In the negative scenario, reform momentum is expected to slow, resulting in GDP growth of 0.4% in 2026, accompanied by sustained inflationary pressures, increased political uncertainty and weak investment and credit demand. Elevated administrative prices and currency depreciation will require a more restrictive monetary policy.
- The severe scenario anticipates increasing global geopolitical tensions, with the conflict involving Iran in the Middle East acting as a catalyst. It anticipates a sustained period of elevated oil prices, with Brent crude remaining above USD100 per barrel through the end of 2026, coupled with a significant depreciation of the exchange rate to ZAR20/USD1, resulting in higher inflation levels. Consequently, the SARB adopts a tighter monetary policy stance over a prolonged period, which leads to slower economic growth and places increased pressure on employment and household credit conditions.

The probability weightings for the 12-month forecast period, which drive most of the forward-looking information impact, for each of the scenarios, as set out in the table below, were accepted by management.

Scenario probability (%)	2026	2025
Severe	10	—
Negative	20	15
Baseline	50	55
Positive	20	25
Very positive	—	5

The relevance of each scenario to Capitec's loan book is proven by a historical linear relationship to a change in a basket of macroeconomic variables. The most important variables used in the forward-looking information models include unemployment, the repo rate, inflation and the real wage rate. The table below reflects the variables that were used.

Macroeconomic variable ⁽¹⁾⁽²⁾	2025				2026				2027			
	Severe	Negative	Base	Positive	Severe	Negative	Base	Positive	Severe	Negative	Base	Positive
2026												
GDP	1.18	1.18	1.31	1.46	(0.21)	0.18	1.39	2.40	(0.34)	0.20	0.98	1.70
Private sector credit	2.15	2.15	2.17	2.19	0.87	2.71	3.49	4.55	(2.24)	1.18	2.43	3.78
Firm sector credit	4.16	4.16	4.17	4.19	3.67	5.50	6.47	7.86	(1.86)	2.55	4.13	5.87
Household sector credit	(0.23)	(0.23)	(0.21)	(0.19)	(1.76)	(0.72)	(0.17)	0.47	(2.73)	(0.61)	0.19	1.00
Repo rate (%)	7.18	7.18	7.18	7.18	7.67	6.92	6.55	6.38	9.07	6.81	6.20	5.72
Unemployment rate (%)	32.20	32.20	32.20	32.20	33.68	33.08	32.52	31.56	34.39	33.26	32.69	31.73

⁽¹⁾ Year-on-year percentage change, unless otherwise stated.

⁽²⁾ During the current period, the set of macroeconomic variables incorporated was refined with the objective of simplifying the forward-looking models.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Business Banking continued

Critical accounting estimates and judgements in applying accounting policies continued

Estimates continued

Forward-looking information incorporated in the impairment of loans and advances continued

Macroeconomic variable ⁽¹⁾	2024				2025				2026			
	Negative	Baseline	Positive	Very positive	Negative	Baseline	Positive	Very positive	Negative	Baseline	Positive	Very positive
2025												
Private sector credit	0.19	0.19	0.19	0.19	(4.35)	0.15	1.46	1.80	(4.04)	(0.05)	2.65	3.78
Household sector credit	(0.80)	(0.80)	(0.80)	(0.80)	(2.54)	(0.64)	0.42	0.91	(2.63)	(0.49)	1.65	3.01
Firm sector credit	(1.33)	(1.33)	(1.33)	(1.33)	(8.00)	0.20	1.62	2.31	(7.83)	(0.79)	2.38	3.81
Unemployment rate (%) Econometrix	32.63	32.63	32.63	32.63	34.44	33.73	32.75	32.37	34.57	33.63	33.08	31.95
Unemployment rate (%) BER	32.46	32.46	32.46	32.46	34.05	33.35	32.38	32.01	33.53	32.61	32.07	30.98
Household debt of disposable income (%)	62.01	62.01	62.01	62.01	61.54	61.53	60.93	60.85	60.03	60.92	60.60	60.86
Headline inflation (CPI)	4.45	4.45	4.45	4.45	7.12	4.85	4.24	3.51	7.72	5.79	4.33	3.45
PPI	3.05	3.05	3.05	3.05	4.92	2.94	2.88	2.01	5.44	4.35	4.17	3.60
House price index	(3.02)	(3.02)	(3.02)	(3.02)	(6.98)	(1.85)	0.46	1.80	(6.95)	(3.46)	0.32	3.11

⁽¹⁾ Year-on-year percentage change, unless otherwise stated.

Impact of forward-looking information on ECL – 2026

As in the previous year, the forward-looking macroeconomic information in the 2026 table was incorporated into ECL estimates through the application of quantitative modelling and expert judgement-based post-model adjustments. The Group stratifies aspects such as client risk segments, product type and the behaviour score of the client. The risk segmentation of the forward-looking macroeconomic model was expanded to use the most appropriate macroeconomic variables. These are correlated to determine the impact of forward-looking macroeconomic information on the ECL for loans grouped into 7 internally developed risk segments.

Impact of forward-looking information on ECL – 2025

The forward-looking macroeconomic information in the 2025 table was incorporated into ECL estimates through the application of quantitative modelling and expert judgement-based post-model adjustments. The Group stratifies aspects such as client risk segments, product type and the behaviour score of the client. The risk segmentation of the forward-looking macroeconomic model was expanded to use the most appropriate macroeconomic variables. These are correlated to determine the impact of forward-looking macroeconomic information on the ECL for loans grouped into 7 internally developed risk segments.

The impact of forward-looking information on the ECL, based on the 4 scenarios, is reflected below.

Impact of forward-looking information on the provision for ECL	R'm	Percentage (%) change
2026		
Probability-weighted impact of all 4 scenarios	32	
100% severe	112	248.8
100% negative	64	99.1
100% baseline	24	(24.9)
100% positive	(19)	(160.4)
2025		
Probability-weighted impact of all 4 scenarios	91	
100% negative scenario	157	72.9
100% baseline scenario	96	5.0
100% positive scenario	56	(39.0)
100% very positive scenario	39	(57.7)



Event-driven management credit estimates

A management overlay on certain stage 3 loans is determined on a client-by-client basis after considering client-specific circumstances and consultation with Executive Management and seasoned credit professionals.

Modelling assumptions

Management judgement is required to consider how historical data is used to project ECL. In response to this, all components of the ECL statistical model (PD, EAD and LGD) used to estimate the timing and amount of forecast cash flows based on historical default data and recoveries have been recalibrated.

Detailed analysis of leases (rental assets) included in Business Loans

R'000	2026	2025
Gross investment in lease receivables		
Less than 1 year	949 494	878 954
1 to 2 years	699 415	669 468
2 to 3 years	477 144	477 442
3 to 4 years	291 012	261 806
4 to 5 years	98 783	100 071
More than 5 years	6 130	11 930
Gross investment in lease receivables	2 521 978	2 399 671
Unearned finance income	(468 457)	(470 327)
Net investment in lease receivables	2 053 521	1 929 344
Net lease receivables		
Less than 1 year	922 528	855 212
1 to 5 years	1 128 323	1 069 457
More than 5 years	2 670	4 674
Net investment in lease receivables	2 053 521	1 929 343
Less: ECL	(186 842)	(200 163)
Net lease receivable	1 866 679	1 729 180

The accumulated allowance for uncollectible minimum lease payments receivable included in the provision for ECL at the reporting date was R186.8 million (2025: R200.2 million). The reconciliation of the provision for ECL forms part of the Business Loans reconciliation.

Accounting policies

Leases consist of Rental Finance agreements regarded as finance leases. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Rental Finance agreements are typically granted to Business Banking clients to lease security equipment, copiers and telecommunication equipment.

The provision for ECL is measured as either a 12-month or lifetime ECL depending on whether a SICR has occurred since initial recognition, or a lease is credit-impaired. Measurement considers forward-looking information. The ECL is the discounted result of PD, EAD and LGD without factoring in any collateral or residual values in the LGD.

Rights are accorded to suppliers and business partners to buy back the assets on termination of the lease agreement once the last rental has been paid. Buy-backs occur at nominal values as invariably the life of the asset equates to the period of the lease or close thereto. Evergreen arrangements can be made where the client continues to utilise the asset after the term of the agreement is concluded and continues to pay rental. When an evergreen lease is cancelled, the ownership of the asset passes to the client for a nominal amount. If the rental agreement does not proceed to term due to arrears on the account, the asset is repossessed and disposed of at market-related prices. A condition of the rental agreement is that the client is accountable for insuring the asset over the term of the rental agreement against loss, theft or destruction.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

Accounting policies continued

Analysis of the amounts recognised in profit or loss for Rental Finance

Leases included in Business Loans

R'000	2026	2025
Selling profit or loss	5 920	4 667
Finance income on the net investment in leases	275 875	269 817
Income relating to variable lease payments not included in the measurement of the net investment in leases	24 064	28 761

Significant changes in the carrying amount of the net investment in finance leases for the year

New rental agreements amounted to R835.8 million (2025: R783.6 million), while the cost of early-settled deals was R93.5 million (2025: R84.1 million). The capital portion of bad debts written off was R24.6 million (2025: R31.1 million).

Collateral held as security and other credit enhancements relating to credit-impaired financial assets in stage 3

R'000	Gross exposure	Impairment allowance	Carrying amount	Fair value of collateral held
2026				
Business Loans	1 530 455	(1 036 324)	494 131	477 208
Mortgage Loans	900 408	(196 784)	703 624	703 624
	2 430 863	(1 233 108)	1 197 755	1 180 832
2025				
Business Loans	1 140 334	(653 731)	486 603	486 603
Mortgage Loans	976 793	(242 106)	734 687	734 687
	2 117 127	(895 837)	1 221 290	1 221 290

Where the fair value of the collateral is greater than the carrying amount, the fair value of the collateral has been limited to the carrying amount. The total fair value of collateral held on stage 3 loans is R1.3 billion (2025: R1.6 billion).

The fair value of collateral and other credit enhancements is determined by referencing the realisable value of security held before adjusting for expected recoveries.

Description of collateral held as security and other credit enhancements

Method of valuation

Cession of debtors	15% – 75% of debtors due and payable under 90 days and depending on debtor credit quality
Pledge of shares	50% of listed shares value, zero for unlisted shares
Pledge and cession of assets (specific and general)	Variable depending on asset type and value
Cession of life and endowment policies	100% of surrender value
Pledge of call and savings accounts, fixed and notice deposits	100% of asset value
Vacant land	50% of professional valuation
Residential properties	80% of professional valuation
Commercial and industrial properties	70% of professional valuation
Catering, industrial and office equipment	Variable depending on asset type and depreciated value
Trucks	Variable depending on asset type and depreciated value
Earthmoving equipment	Variable depending on asset type and depreciated value
Motor vehicles	Variable depending on asset type and depreciated value
General notarial bond	Variable depending on asset type and depreciated value
Special notarial bond	Variable depending on asset type and depreciated value



All collateral held by the Bank in respect of a loan or advance can be realised in accordance with the terms of the agreement or the facility conditions applicable thereto. Cash collateral and pledged assets that can be realised in accordance with the terms of the pledge and cession or suretyship are applied in the reduction of related exposures. Pledged assets, other than cash or cash equivalent collateral and tangible security articles, are appropriated and disposed of, where necessary, after legal action and in compliance with the applicable Court rules and directives.

A client in default will be advised of the default and afforded an opportunity to regularise the arrears. Failing normalisation of the account, legal action and repossession procedures will be followed and all attached assets will be disposed of in accordance with the applicable legislation. In the case of insolvent and deceased estates, the duly appointed liquidator or trustee will dispose of all assets.

At the end of the financial year ended 28 February 2026, the EAD for loans in all stages where the collateral held exceeded the carrying amount of the advance amounted to R12.1 billion (2025: R10.1 billion).

AvaFin

Credit risk exposure

AvaFin offers unsecured online consumer loans to its clients in Poland, Czechia, Latvia, Spain and Mexico and is therefore exposed to credit risk. Concentration credit risk exposure has been presented by geographical location as clients are dispersed across a number of countries.

Gross loans and advances exposure by geographical location is as follows:

R'000	GROUP	
	2026	2025
AvaFin		
Poland	789 800	677 998
Latvia	589 442	340 343
Czechia	677 320	583 672
Spain	471 958	367 146
Mexico	844 545	671 098
Other	—	975
Gross loans and advances	3 373 065	2 641 232

Credit risk management

Credit risk management processes require that decisions, especially policy changes, be agreed upon by all teams in the various countries and the AvaFin group. At the AvaFin group level, various teams play distinct roles in supporting decision-making and ensuring portfolio quality:

- Credit Risk Analyst team – This team provides daily support to the country Heads of Risk, monitoring key performance indicators to drive process improvements and stability. They are the primary counterpart in decision-making processes
- Debt Collection Analyst team – This team supports the Head of Debt Collection in managing the entire debt collection process, from early-stage collections to non-performing loan portfolio management, including portfolio sales
- Data Science team – This team offers technical support to teams, develops scorecards and conducts complex analyses
- Profitability/Pricing and Portfolio Management teams – These teams provide a high-level overview of portfolio performance and offer guidance to Credit Risk Analysts and the country teams, ensuring that portfolios align with the risk appetite of the AvaFin group.

At a country level, 2 departments are responsible for credit risk management:

- Credit Risk – Manages processes related to loan origination
- Debt Collection – Manages processes related to the collection of overdue loans.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

AvaFin continued

Credit risk mitigation

Credit risk policy and profitability monitoring are designed to maintain controlled default rates and accurate pricing across risk score bands. A risk-adjusted approach is used to minimise exposure to clients for whom we have less data available and provide the borrower with credit they can repay. The non-performing loan portfolio is managed through regular monthly portfolio sales to ensure stable and predictable provisions for ECL over the long term. Portfolio sales or forward flow agreements are in place in Latvia and Spain. The agreements are concluded with external counterparties and the sales occur when the portfolio has reached the contracted days past due. The Polish portfolio is settled based on credit default swap agreements. Portfolio sales in Czechia and Mexico are not regular occurrences.

Terminology used to discuss the credit quality of loans and advances

Up-to-date loans and advances	Loans which are up-to-date or up-to-date, with or without extensions are classified as stage 1.
1 to 30 days in arrears	Loans up to 30 days in arrears with or without extensions are classified as stage 2.
31 to 60 days in arrears	Loans between 31 and 60 days in arrears with or without extensions are classified as stage 2.
More than 60 days in arrears	Loans more than 60 days in arrears with or without extensions are classified as stage 3.

Analysis of net loans and advances by stage

The following tables contain an analysis of the credit risk exposure of loans and advances for which a provision for ECL is recognised.

R'000	Stage 1 12-month ECL	Stage 2 Lifetime ECL		Stage 3 Lifetime ECL	Total
	Up-to-date	1 to 30 days in arrears	31 to 60 days in arrears	More than 60 days in arrears	
2026					
Gross loans and advances	1 880 023	307 029	205 633	980 380	3 373 065
Provision for ECL	(173 422)	(107 283)	(99 366)	(873 455)	(1 253 526)
Net loans and advances	1 706 601	199 746	106 267	106 925	2 119 539
ECL coverage by category (%)	9.2	34.9	48.3	89.1	37.2
2025					
Gross loans and advances	1 548 215	241 086	144 798	707 133	2 641 232
Provision for ECL	(147 234)	(68 912)	(58 528)	(576 938)	(851 612)
Net loans and advances	1 400 981	172 174	86 270	130 195	1 789 620
ECL coverage by category (%)	9.5	28.6	40.4	81.6	32.2

Analysis of up-to-date loans and advances in stage 1

R'000	2026	2025
Up-to-date not previously rescheduled	1 344 814	1 096 463
Rescheduled from up-to-date and rehabilitated	280 514	228 197
Rescheduled from arrears and rehabilitated	254 695	223 555
Gross loans and advances – stage 1	1 880 023	1 548 215



Definition of stages

Stage 1

Stage 1 loans are exposures which are up-to-date, with or without extensions. These loans have no indication of a SICR since initial recognition.

An ECL representing the lifetime cash shortfall arising from possible default events up to 12 months into the future from the reporting date is recognised at the time of initial recognition of the loan or advance.

An ECL continues to be determined on this basis until there is a SICR or the loan or advance becomes credit-impaired.

A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the loan or advance and the cash flows that the Group expects to receive over the contractual life of the loan or advance.

Stage 2

Stage 2 loans are exposures between 1 and 60 days in arrears, with or without extensions.

The Group monitors loans and advances subject to the impairment requirements at each reporting date to determine whether evidence exists that there has been a SICR since initial recognition of the financial instrument. The 12-month ECL is extended to a lifetime ECL for these clients.

Stage 3

Stage 3 loans are exposures more than 60 days in arrears, with or without extensions. A loan or advance is defined as being in default and credit-impaired when it is more than 60 days past due. A lifetime ECL is applied to stage 3 (credit-impaired) loans.

Implementation of ECL measurement

ECL measurement is underpinned by the principles of IFRS 9. AvaFin uses the Markov chain method and migration matrices to calculate a 12-month PD. Loans and advances in stage 1 are measured based on a 12-month ECL and a lifetime ECL is determined for loans and advances in stage 2 and stage 3. AvaFin applies the ECL model to loans and advances to clients as well as to undrawn commitments.

To calculate ECL with higher accuracy, AvaFin established a 3-tier approach to define homogenous groups in terms of client default and recovery behaviour.

Tier 1: Each country is assessed separately.

Tier 2: Each brand and product in-country is assessed separately as client profiles, loan sizes and maturities vary, however, in some instances, risk profiles are very similar and/or data availability is limited, which is the case for recently launched brands/products. When this occurs, specific brands/products are grouped together or specific brands/products are used as a proxy for others.

Tier 3: Each risk category is determined based on an internal credit scoring. The staging and delay buckets are assessed separately as risk profiles and ECL are usually different.

The key inputs used for measuring ECL are:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD).

PD is an estimate of the likelihood that a borrower will default on a loan within a certain period. The PD is applied to each homogenous group separately and is based on the migration of the loan book. Due to the homogenous nature of the loan book, the PD is assessed individually for each borrower. This means that the risk of default is evaluated specifically for each borrower based on their financial situation, credit history and other relevant factors. Markov chain modelling is used to derive migration matrices that track loan portfolio movements between the stages.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

AvaFin continued

Implementation of ECL measurement

PD may be adjusted to reflect the forecast of future conditions and to remove the effects of the conditions in the historical periods that are not relevant to the future contractual cash flows. Thus, forward-looking factors are incorporated into the PD calculation.

PD is discounted by an effective interest rate proxy to represent the time value of money.

LGD is an estimate of the loss arising on default. It is calculated as the difference between contractual cash flows and the discounted recovery rate, which includes all expected cash recoveries after default.

EAD is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest and expected drawdowns on committed facilities.

EAD is calculated for each product, risk grade and loan age combination.

Credit quality

The internal credit rating scale used to classify clients as low, medium and high risk was determined with reference to the client's credit-granting score at the grant date. Risk bands range from grade 1 (lowest risk) to grade 9 (highest risk). Low-risk bands apply to clients with a grade of 1 to 3, medium-risk bands 4 to 6 and high-risk bands 7 to 9.

AvaFin

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Low	1 438 610	271 151	412 571	2 122 332
Medium	302 551	150 392	322 909	775 852
High	138 862	91 119	244 900	474 881
On-balance sheet	1 880 023	512 662	980 380	3 373 065
Low	330 076	—	—	330 076
Medium	47 413	—	—	47 413
High	21 252	—	—	21 252
Off-balance sheet	398 741	—	—	398 741
2025				
Low	1 010 498	195 958	320 640	1 527 096
Medium	365 853	121 205	255 486	742 544
High	171 864	68 721	131 007	371 592
On-balance sheet	1 548 215	385 884	707 133	2 641 232
Low	303 065	—	—	303 065
Medium	27 809	—	—	27 809
High	7 733	—	—	7 733
Off-balance sheet	338 607	—	—	338 607



Analysis of gross loans and advances

AvaFin

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	1 548 215	385 884	707 133	2 641 232
Net loan sales	11 828 326	—	—	11 828 326
New loan sales and further drawdowns ⁽¹⁾	11 828 326	—	—	11 828 326
Income accrued for the year ⁽²⁾	2 844 971	258 531	59 499	3 163 001
Transfers				
Stage 1 to stage 2	(3 393 607)	3 393 607	—	—
Stage 1 to stage 3	—	—	—	—
Stage 2 to stage 3	—	(2 033 215)	2 033 215	—
Stage 3 to stage 2	—	—	—	—
Stage 3 to stage 1	—	—	—	—
Stage 2 to stage 1	624 552	(624 552)	—	—
Repayments	(11 520 514)	(836 616)	(174 172)	(12 531 302)
Portfolio sales	—	(21 757)	(1 535 146)	(1 556 903)
Foreign currency translation loss	(51 920)	(9 220)	(16 895)	(78 035)
Write-offs	—	—	(93 254)	(93 254)
Balance as at 28 February 2026	1 880 023	512 662	980 380	3 373 065
2025				
Balance as at the acquisition date 1 May 2024 ⁽³⁾	1 247 270	317 571	397 388	1 962 229
Net loan sales	7 836 257	—	—	7 836 257
New loan sales and further drawdowns ⁽¹⁾	7 836 257	—	—	7 836 257
Income accrued for the year ⁽²⁾	1 934 930	180 574	42 441	2 157 945
Transfers				
Stage 1 to stage 2	(1 609 346)	1 609 346	—	—
Stage 1 to stage 3	—	—	—	—
Stage 2 to stage 3	—	(1 043 544)	1 043 544	—
Stage 3 to stage 2	—	—	—	—
Stage 3 to stage 1	—	—	—	—
Stage 2 to stage 1	52 594	(52 594)	—	—
Repayments	(7 871 033)	(604 525)	(106 826)	(8 582 384)
Portfolio sales	—	(10 134)	(614 120)	(624 254)
Foreign currency translation loss ⁽³⁾	(42 457)	(10 810)	(13 527)	(66 794)
Write-offs	—	—	(41 767)	(41 767)
Balance as at 28 February 2025	1 548 215	385 884	707 133	2 641 232

⁽¹⁾ New loan sales are originated in stage 1 with a subsequent change in staging to year-end reflected under transfers.

⁽²⁾ Income accrued for the year comprises interest received on loans and initiation fees.

⁽³⁾ The comparative analysis of gross loans and advances has been updated to align the translation of opening balances with IAS 21. The update affects the presentation of the opening balance and foreign exchange movements in the comparative note only and has no impact on the previously reported statement of financial position or income statement.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

AvaFin continued

Analysis of provision for ECL

AvaFin

R'000	Stage 1	Stage 2	Stage 3	Total
2026				
Balance as at 1 March 2025	147 234	127 440	576 938	851 612
Movement in the income statement⁽¹⁾				
New loan sales and further drawdowns	1 256 870	—	—	1 256 870
Stage 1 to stage 2	(322 473)	1 211 401	—	888 928
Stage 1 to stage 3	—	—	—	—
Stage 2 to stage 3	—	(725 128)	1 759 297	1 034 169
Stage 2 to stage 1	59 297	(221 805)	—	(162 508)
Stage 3 to stage 1	—	—	—	—
Stage 3 to stage 2	—	—	—	—
Remain in same stage	(4 652)	36 671	85 742	117 761
Loans and advances settled in the current year	(959 333)	(218 896)	(1 441 483)	(2 619 712)
Foreign currency translation gain	(3 521)	(3 034)	(13 793)	(20 348)
Write-offs	—	—	(93 246)	(93 246)
Balance as at 28 February 2026	173 422	206 649	873 455	1 253 526
2025				
Balance as at the acquisition date ⁽²⁾	107 036	105 185	330 854	543 075
Movement in the income statement⁽¹⁾				
New loan sales and further drawdowns	809 131	—	—	809 131
Stage 1 to stage 2	(145 576)	531 970	—	386 394
Stage 1 to stage 3	—	—	—	—
Stage 2 to stage 3	—	(345 155)	864 756	519 601
Stage 2 to stage 1	4 758	(17 396)	—	(12 638)
Stage 3 to stage 1	—	—	—	—
Stage 3 to stage 2	—	—	—	—
Remain in same stage	—	—	(6 412)	(6 412)
Loans and advances settled in the current year	(624 472)	(143 583)	(559 239)	(1 327 294)
Foreign currency translation gain ⁽²⁾	(3 643)	(3 581)	(11 262)	(18 486)
Write-offs	—	—	(41 759)	(41 759)
Balance as at 28 February 2025	147 234	127 440	576 938	851 612

⁽¹⁾ Movement in the income statement is based on the loan stage at the beginning and end of the year. Where loans were settled or written off during the year, the individual lines in the table have not been grossed up to reflect the movement in the provision for ECL during the year up to that point.

⁽²⁾ The comparative analysis of provision for ECL has been updated to align the translation of opening balances with IAS 21. The update affects the presentation of the opening balance and foreign exchange movements in the comparative note only and has no impact on the previously reported statement of financial position or income statement.

Factors impacting and contributing to significant changes in the ECL during the year

AvaFin's credit impairment charge amounted to EUR80.2 million (R1.6 billion) for the year (2025 for 10 months: EUR42.7 million; R830 million). The CLR was 53.2% (2025 annualised: 42.6%).

The charge was impacted by high loan disbursements, the consequent growth in the loan book and an increase in the Czechia stage 3 loan book. Loan disbursements amounted to EUR629.0 million (R12.7 billion) (2025 for 10 months: EUR406.8 million; R7.9 billion) with a monthly average of EUR52.4 million (R1.1 billion) (2025: EUR 40.7 million; R784 million). 75% to 80% of the loans issued were 1-month loans (2025: more than 90%).

Gross loans and advances were EUR179 million (R3.4 billion) (2025: EUR137 million; R2.6 billion), with a provision for ECL coverage ratio of 37.2% (2025: 32.2%). The coverage ratio on up-to-date loans was 9.2%, down from 9.5% in 2025, while the stage 2 coverage ratio grew from 33.0% in 2025 to 40.3%. Balances outstanding for more than 60 days were provided at 89.1% up from 81.6% in 2025.



%	As at the end of	
	February 2026	February 2025
Stage 1	9.2	9.5
Stage 2	40.3	33.0
Stage 3	89.1	81.6
Total	37.2	32.2

The increase in the overall coverage ratio resulted from growth in the loan book.

The stage 1 coverage ratio remains stable with the stage 1 book growing from R1.5 billion to R1.9 billion, but only representing 55.7% of the book (2025: 58.6%).

During the year, as AvaFin issued longer-term loans in Mexico and Spain, these products resulted in higher provisions for ECL. These tranches carry a higher coverage ratio and a significant portion has moved into stages 2 and 3.

Critical accounting estimates and judgements in applying accounting policies

Judgements

Significant increase in credit risk (SICR)

At each reporting date, all loans and advances classified as stage 1 are assessed to determine if there has been a SICR since initial recognition of the instrument, in which case an impairment equal to the lifetime ECL is recognised.

If at the reporting date the credit risk on a loan or advance has not increased significantly since the last assessment, a 12-month ECL is recognised.

AvaFin identifies SICR for clients where specific events have occurred that trigger a SICR.

Estimates

Forward-looking information incorporated in the impairment of loans and advances

It is a fundamental principle of IFRS 9 that AvaFin's provision for ECL against potential future losses should consider changes in the economic environment in the future. Forward-looking information has been incorporated in measuring the provision for ECL through the application of quantitative modelling and expert judgement-based adjustments.

Forward-looking information analysed when considering the necessity to adjust the PD when measuring the loss allowance includes:

External variables

- Real GDP growth rate
- Inflation rate
- Unemployment rate
- Regulatory changes
- Other events that may have an impact on the general economy (e.g. pandemic, war in adjacent countries).

Internal variables

- Underwriting assumptions (changing risk appetite)
- Internal processes expected improvements.

Notes to the financial statements continued

Year ended 28 February 2026

7. Loans and advances continued

AvaFin continued

Critical accounting estimates and judgements in applying accounting policies continued

Estimates continued

Forward-looking information incorporated in the impairment of loans and advances continued

Internal variables continued

AvaFin's product portfolio includes mainly short-term products on which macroeconomic factors have minimal impact due to their limited duration. For the longer-term products in Latvia, with tenures of up to 84 months, the Risk team conducts an annual review to assess the influence of key macroeconomic indicators on the PD. Based on this analysis, the potential long-term effects on credit losses are assessed. Thus far, no significant correlations between macroeconomic factors and PD have been identified. Instead, observed variations are more strongly linked to changes in risk policies and adjustments to risk appetite. The Latvian gross loan book comprises 17.5% of AvaFin's gross loan book. During the 2025/2026 financial year, longer-term products with maturities of up to 4 months were introduced in Mexico and Spain. These products represented less than 2% of AvaFin's gross loan book.

Modelling assumptions

Historical data may not always be reflective of the future. The way in which it is used by the statistical models (PD, EAD and LGD) to estimate the timing and amount of the forecast cash flows, based on historical default data, roll rates and recoveries, requires the consideration of subsegments.

These include aspects such as client risk groups, time on book, product term, payment frequency, default statuses, employment, industry and rescheduling status as well as the behaviour score of the client.

8. Other receivables

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Financial receivables	6 196 156	5 581 838	1 978	2 174
Deposits	1 988	2 022	—	—
CODI loan facility	2 921 068	2 724 583	—	—
Cost ⁽¹⁾	2 928 147	2 730 201	—	—
Provision for ECL	(7 079)	(5 618)	—	—
Other receivables	3 273 100	2 855 233	1 978	2 174
Accrued income	219 646	254 810	—	—
Clearing accounts	1 512 692	1 223 227	—	—
Sundry receivables	1 540 762	1 377 196	1 978	2 174
Non-financial receivables	441 637	443 347	—	566
Prepayments	441 637	443 347	—	566
Other receivables	6 637 793	6 025 185	1 978	2 740
Current portion	6 313 256	5 644 815	1 978	2 740
Non-current portion	324 537	380 370	—	—
Total other receivables	6 637 793	6 025 185	1 978	2 740
Maximum exposure to credit risk	6 203 235	5 587 456	1 978	2 174

⁽¹⁾ The CODI loan facility includes an amount of R123 million (2025: R182 million) relating to an obligation arising from the balance of covered deposits at the reporting date. The corresponding accrual is included in other liabilities. Refer to **note 17**.



Accounting policies

Other receivables comprise the facility held with the Corporation for Deposit Insurance (CODI), Capitec Connect Airtime Advances, VAS Airtime Advances, prepayments which comprise IT and business development expenses, other deposits that meet the definition of financial assets and other receivables.

These classes of debt instruments are held for the collection of their contractual cash flows which represent SPPI and they are measured at amortised cost. Interest income from these financial assets is included in interest income on the Group's income statement using the effective interest method.

CODI loan facility

South Africa's Deposit Insurance Scheme (DIS) is administered by the CODI. The CODI's purpose is to safeguard eligible bank depositors in the rare event of a bank failure. It operates as a subsidiary of the SARB and began its operations on 1 April 2024.

The DIS loan is a compulsory loan that all registered banks must provide to CODI. The loan balance must be kept at 3% of the covered deposit balances on a monthly basis. Member banks are required to top up the facility should the covered deposit balances increase, conversely CODI will repay the member bank should covered deposit balances decrease. The loan is only settled when the member bank relinquishes its banking licence or when CODI determines that the liquidity tier in the DIS is no longer needed.

The CODI loan facility was initially recognised at fair value plus or minus any transaction costs in terms of IFRS 9 and subsequently measured at amortised cost. Interest income on the CODI facility is calculated at a rate lower than the current repo rate and a uniform rate is applied to all member banks. For this reason, the interest rate is considered to be a market rate.

Refer to **note 22**: Interest and similar income and expenses for the accounting policy relating to interest income on the CODI loan facility and CODI premiums and subscriptions included in the interest expense.

Impairment recognition

Other receivables are subject to the impairment requirements of IFRS 9. Impairment losses are presented as part of the credit impairment charge in profit or loss.

The CODI loan facility comprises stage 1 balances with no movements between the stages. The provision for ECL was measured as a 12-month ECL because the credit risk has not increased significantly since initial recognition and no balances were credit-impaired at the statement of financial position date.

The provision for ECL on the other financial receivables is calculated using the simplified approach. This results in a lifetime ECL being recognised. The impairment losses calculated were not material given the short-dated maturity of the balances. As at the statement of financial position date, only Capitec Connect Airtime Advances, included within other financial receivables, have been credit-impaired.

Credit quality of other receivables

At the statement of financial position date, the international long-term credit ratings, using Moody's ratings, were as follows:

R'000	GROUP			Total carrying amount
	Ba1 to Ba3	Not rated ⁽¹⁾	ECL	
2026				
Financial receivables	2 928 147	3 275 088	(7 079)	6 196 156
2025				
Financial receivables	2 730 201	2 857 255	(5 618)	5 581 838

⁽¹⁾ Financial receivables that are not rated comprise accrued income, clearing accounts and sundry receivables for the Group and sundry receivables for the Company. These receivables are short-term in nature, and are considered to have a low probability of default, therefore the ECL has been assessed as insignificant.

Notes to the financial statements continued

Year ended 28 February 2026

8. Other receivables continued

Accounting policies continued

Credit quality of other receivables continued

R'000	COMPANY			Total carrying amount
	Ba1 to Ba3	Not rated ⁽¹⁾	ECL	
2026				
Financial receivables	—	1 978	—	1 978
2025				
Financial receivables	—	2 174	—	2 174

⁽¹⁾ Financial receivables that are not rated comprise accrued income, clearing accounts and sundry receivables for the Group and sundry receivables for the Company. These receivables are short-term in nature, and are considered to have a low PD, therefore the ECL has been assessed as insignificant.

9. Insurance contract assets/(liabilities)

The Group sells Credit Life Insurance, Funeral Plan (from November 2024) and Life Cover (from June 2024) policies on its own licence, via Capitec Life. The Group also has in-force funeral policies through a contractual cell captive arrangement with a registered insurance company (cell captive insurer). The cell captive arrangement is currently closed to new business. The Credit Life policies sold through the Guardrisk Life Limited (Guardrisk) cell captive were transferred to Capitec Life on 1 September 2025. Refer to the section Policy transfer from Guardrisk cell captive from **page 256** for further details.

The insurance contracts issued and reinsurance contracts held are disclosed by product lines, namely Life Insurance (Funeral Plan and Life Cover policies) and Credit Life Insurance policies. The in-substance reinsurance contract created by the cell captive arrangement are not consolidated but are recognised as insurance contracts issued. The accounting policies for insurance contracts issued are also applicable to the in-substance reinsurance contract issued, unless otherwise specified.

The results of the in-substance reinsurance contract created by the cell captive arrangement are net of any tax that the cell insurer is liable to pay and, up until 31 October 2024, net of any reinsurance agreement the cell insurer may have. The reinsurance agreement with Sanlam for the funeral business in the cell captive ceased on 31 October 2024, in exchange for a recapture amount which adjusted the CSM. The unwind of both the recapture amount and any remaining CSM for the in-force book at the recapture date is reflected in the results of the in-substance reinsurance contract.

The following table reflects the insurance contract asset position by the product line:

R'000	2026	2025
Life Insurance	1 996 418	3 639 926
Credit Life	—	664 138
Insurance contract assets	1 996 418	4 304 064
Current portion	5 616 402	5 981 720
Non-current portion	(3 619 984)	(1 677 656)

The following table reflects the insurance contract liability position by the product line:

R'000	2026
Credit Life	(551 800)
Insurance contract liabilities	(551 800)
Current portion	(413 387)
Non-current portion	(138 413)



The following table reflects the reinsurance contract asset position by the product line:

R'000	2026	2025
Life Insurance	33 951	1 380
Current portion	21 205	2 659
Non-current portion	12 746	(1 279)

Accounting policies

Transition approach

IFRS 17 requires the Group to apply the standard retrospectively unless it is impracticable to do so. Given that the accounting policies previously applied by the Group did not require performing best estimate valuations of the insurance contract assets, the Company concluded that it would be impracticable to apply IFRS 17 retrospectively for periods prior to the transition date (i.e. 1 March 2022). The Group elected to apply the modified retrospective approach (MRA) to groups of contracts before the transition date.

The Group applied modifications in the following areas:

- The profitability assessment was based on the profitability at the transition date rather than the initial recognition date. There were no onerous groups of contracts at the transition date
- All contracts issued before the transition date were included in a single cohort for each portfolio
- The Group estimated the future cash flows at the initial recognition date as the future cash flows at the transition date, adjusted for the actual cash flows that occurred between these 2 dates
- The locked-in and current discount rates were based on the government bond yield curve
- The Group estimated the RA by adjusting the risk adjustment at the date of transition by the expected release of risk before the transition date
- The CSM remaining at the transition date was determined by comparing the remaining coverage units at the transition date with the coverage units provided before the transition date.

Scope

The Group accepts significant insurance risk from its policyholders when issuing insurance contracts and in-substance reinsurance contracts in the normal course of business. All the Group's insurance contracts are classified as insurance contracts without direct participation features and there are no investment components within the insurance contracts issued.

The cell captive arrangement transfers significant insurance risk to the Group due to the Group's contractual obligation to maintain the capital requirements of the cell captive. This arrangement creates an in-substance insurance contract between the Group and the cell insurer, with the Group acting as a reinsurer to the cell captive arrangement.

For the current period, the Group also holds reinsurance contracts in the ordinary course of business to compensate for claims relating to the Life Cover product line.

The Group recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group of contracts becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- The date when a group of contracts becomes onerous.

The Group recognises groups of reinsurance contracts held that cover the losses of separate insurance contracts on a proportionate basis at the later of:

- The beginning of the coverage period of the group of contracts
- The initial recognition of any underlying insurance contract.

9. Insurance contract assets/(liabilities) continued

Accounting policies continued

Level of aggregation

The Group allocates insurance contracts issued and reinsurance contracts held that are managed together and are subject to similar risks to portfolios. The Group has defined portfolios of insurance contracts issued and reinsurance contracts held based on its product lines, namely Credit Life Insurance and Life Insurance (Funeral Plan and Life Cover) contracts. For determining the level of aggregation of insurance contracts issued and reinsurance contracts held, the Group identifies a contract as the smallest unit of account. The same unit of account applies to the in-substance reinsurance agreement, since the Group's rights and obligations extend to the policyholders in the cell captive.

Each portfolio of insurance contracts issued and reinsurance contracts held is further disaggregated into groups of contracts that are issued within a financial year (annual cohorts).

Portfolios of insurance contracts issued are further divided into 3 categories based on the expected profitability at initial recognition: onerous contracts, contracts with no significant risk of becoming onerous and the remainder.

Portfolios of reinsurance contracts held are further divided into 3 categories based on the expected profitability at initial recognition: net gain contracts, contracts with no significant possibility of becoming a net gain and the remainder.

For each portfolio, the Group considers whether reasonable and supportable information is available to conclude that a set of contracts will all be in the same profitability group. The sets of contracts are based on the rating factors used to determine the premium rates at initial recognition. The expected profitability of sets of contracts at inception is determined based on the existing measurement models and assumptions.

The Group elected to include, in the same group, contracts where its ability to set prices for clients with different characteristics is constrained by regulation, for instance, premium ceilings.

Separating components of an insurance contract

The Group assessed its products to determine whether they contain components which must be accounted for under another IFRS Accounting Standard rather than IFRS 17. Currently, the product lines do not include any distinct components that require separation.

Contract boundary

The measurement of a group of insurance contracts includes all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when:

- the Group has the practical ability to reassess the risks of an individual client and reprice the insurance contracts to fully reflect those reassessed risks
- the Group has the practical ability to reassess the risks of a portfolio and reprice the portfolio to fully reflect those reassessed risks, and the pricing of premiums up to the date when the risks are reassessed does not allow for risks after that date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

The Group determined that for its current product lines, the contract boundaries are consistent with the policy periods.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

The substantive rights and obligations of both parties will end if there is a unilateral right to cancel the reinsurance contract.



Measurement of insurance and reinsurance contracts – initial recognition

The Group applies the General Measurement Model to all insurance contracts issued and reinsurance contracts held.

A group of insurance contracts is measured as the total of fulfilment cash flows and a CSM. Fulfilment cash flows are probability-weighted estimates of future cash flows, discounted to the present value to reflect the time value of money and financial risks (i.e. a best estimate liability), plus an RA. In the case of reinsurance contracts held, the effect of any risk, where material, of non-performance by the reinsurer is included in the fulfilment cash flows.

The discount rates reflect the characteristics of the cash flows including timing, currency and liquidity of cash flows.

The CSM at initial recognition represents the unearned profit that will be recognised as the insurance contract services are provided under the insurance contracts in the group. The CSM on initial recognition is measured at an amount which, unless the group of contracts is onerous, results in no income or expenses arising on that initial recognition.

For reinsurance contracts held, the CSM at initial recognition represents the unearned gain or loss that will be recognised as the Group receives reinsurance services under the reinsurance contract.

For a group of insurance contracts that are onerous at initial recognition, a loss is recognised in profit or loss immediately with no CSM recognised on initial recognition. For a group of reinsurance contracts held on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group, the Group establishes a loss recovery component and, as a result, recognises a gain in profit or loss.

The RA represents the compensation that is required for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts that arise from non-financial risk. For reinsurance contracts held, the RA is adjusted to reflect the non-performance uncertainty that is ceded to the reinsurer.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:

- premiums
- expected future claims and benefits
- an allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- claims handling costs
- policy administration and maintenance costs
- an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts.

Measurement of insurance and reinsurance contracts – subsequent to initial recognition

For insurance contracts issued, the carrying amount of a group of contracts is measured at the end of each reporting period as the sum of:

- the liability for remaining coverage (LFRC), comprising the fulfilment cash flows relating to future service, the CSM at that date and other cell captive net assets which reflect the Group's contribution to the cell captive arrangement as well as cash retained in the cell captive arrangement which has not yet been distributed to the Group
- the liability for incurred claims (LIC), comprising the fulfilment cash flows relating to incurred but not yet paid claims at that date.

For reinsurance contracts held, the carrying amount of a group of contracts is measured at the end of each reporting period as the sum of:

- the asset for remaining coverage (ARC), comprising the fulfilment cash flows relating to future service and the CSM at that date
- amounts recoverable on incurred claims (ARIC), comprising the fulfilment cash flows relating to incurred but not yet recovered claims at that date.

9. Insurance contract assets/(liabilities) continued

Accounting policies continued

Measurement of insurance and reinsurance contracts – subsequent to initial recognition continued

Changes in fulfilment cash flows

The fulfilment cash flows are updated by the Group for current assumptions at the end of every reporting period using the current estimates of the amount, timing and uncertainty of future cash flows and discount rates. How the changes in estimates of the fulfilment cash flows are treated depends on which estimates are being updated:

- Changes that relate to current or past service are recognised in profit or loss
- Changes that relate to future service are recognised by adjusting the CSM or the loss component of the LFRC/ARC.

The following adjustments relate to future service and therefore adjust the CSM:

- Changes in estimates of the present value of future cash flows in the LFRC/ARC, except for the following adjustments which do not relate to future service and therefore do not adjust the CSM:
 - Changes in the fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereto
 - Changes in the fulfilment cash flows relating to the LIC
 - Experience adjustments that relate to current service
- Changes in the RA that relate to future service.

The changes in estimates that relate to future service are measured at locked-in discount rates per group.

Contractual service margin

The CSM at the end of the reporting period represents the profit (gain or loss in the case of reinsurance contracts held) in the group of contracts that has not yet been recognised in profit or loss because it relates to future services to be provided.

At the end of each reporting period, the CSM is adjusted by group to reflect the effect of the following changes:

- The effect of any new contracts added to the group of contracts
- Interest accreted on the carrying amount of the CSM measured at locked-in discount rates
- The changes in fulfilment cash flows relating to future service, except to the extent that:
 - such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss
 - such decreases in the fulfilment cash flows are allocated to the loss component of the LFRC/ARC
- The amount recognised as insurance revenue for services provided during the reporting period determined after all other adjustments above.

The amount of the CSM released in the period is determined by allocating the CSM at the end of the period equally to each coverage unit provided in the current period and expected to be provided in the future and recognising in profit or loss the amount allocated to coverage units provided in the current period. The number of coverage units in a group of contracts is the quantity of insurance or reinsurance contract services provided by the contracts in the group of contracts, determined by considering the quantity of the benefits provided and the expected coverage period.

The sum assured is used for coverage units across all product lines. The coverage units are updated at the end of each reporting period. The coverage period is the period during which the Group provides insurance contract services. The expected coverage period is set to ensure that each group of contracts runs off as expected based on the contract duration and the valuation assumptions.

Loss component

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the Group being equal to the fulfilment cash flows. A loss component is established by the Group in the LFRC for such onerous groups depicting the losses recognised.

For reinsurance contracts held, the loss recovery component is adjusted based on the corresponding adjustments to any loss component of the underlying insurance contracts and the reinsured portion of these underlying insurance contracts. The loss recovery component is not adjusted for any material increases in the loss component related to any cash flows that are not reinsured.



Measurement of insurance and reinsurance contracts – modification and derecognition

The Group derecognises insurance contracts issued and reinsurance contracts held when:

- the rights and obligations relating to the contract are extinguished (i.e. discharged, cancelled or expired), or
- the contract is modified such that the modification results in the contract falling outside the scope of IFRS 17, a change in the measurement model, different separable components, substantial changes to the contract boundary, or an instance requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

The Group treats all other contract modifications as changes in estimates of the fulfilment cash flows.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group does not pay insurance acquisition cash flows before the related group of contracts is recognised.

Insurance revenue

As the Group provides services under a group of contracts, it reduces the LFRC and recognises insurance revenue, which is measured at the amount of consideration the Group expects to be entitled to in exchange for those services.

The insurance revenue consists of the sum of the changes in the LFRC due to:

- insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period
- changes in the RA recognised for the risk expired
- amounts of the CSM recognised in profit or loss for the services provided in the period
- experience adjustments for premium receipts and insurance acquisition cash flows relating to current or past service
- an allocation of premiums for the recovery of insurance acquisition cash flows.

For the in-substance reinsurance contract, the acquisition and maintenance expenses incurred within the cell arrangements are treated as a reduction in insurance revenue and presented as part of experience adjustments for premium receipts.

Insurance service expenses

Insurance service expenses arising from a group of contracts issued comprise:

- incurred claims and other directly attributable expenses incurred in the current period
- amortisation of insurance acquisition cash flows
- changes relating to past service (i.e. changes in the fulfilment cash flows relating to the LIC for prior periods)
- changes relating to future service (i.e. losses on onerous contracts and reversals of those losses).

For the in-substance reinsurance contract, the insurance service expenses include the actual tax incurred during the reporting period.

Reinsurance income/expenses

Reinsurance income and expenses arising from a group of contracts held comprise:

- changes in the RA recognised for the risk expired
- amounts of the CSM recognised in profit or loss for the services received in the period
- experience adjustments for premium payments and reinsurance claims
- changes in the non-performance risk of the reinsurer where material
- changes in the incurred claims for past service recoverable from the reinsurance contracts held.

Insurance and reinsurance finance income/expenses

Insurance and reinsurance finance income and expenses comprise the change in the carrying amount of the group of contracts arising from:

- the effect of the time value of money and changes in the time value of money
- the effect of financial risk and changes in financial risk.

Notes to the financial statements continued

Year ended 28 February 2026

9. Insurance contract assets/(liabilities) continued

Accounting policies continued

Insurance and reinsurance finance income/expenses continued

For the in-substance reinsurance contract, the insurance finance income/expenses include the interest earned by other cell captive net assets.

The Group elected to disaggregate the change in the RA between the insurance service result and insurance finance income or expenses.

Loss components

The Group aggregates contracts that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience change.

The Group does not currently have any loss components as none of the groups of contracts was onerous at initial recognition nor have they become onerous subsequently.

Insurance and reinsurance cash flows

For insurance contracts issued on the Group's own licence, the cash flows consist of premiums received, claims and directly attributable expenses.

For reinsurance contracts held by the Group, the cash flows consist of reinsurance premiums paid and reinsurance recoveries.

For the in-substance reinsurance contract, the cash flows consist of the following items:

- Premiums received are presented net of directly attributable maintenance and acquisition expenses incurred in the cell captives
- For Credit Life Insurance, claims and other expenses represent claims and tax incurred in the cell captive
- For funeral insurance, claims and other expenses represent tax incurred during the year and, from 1 November 2024, claims incurred during the year since all claims were settled by the reinsurer as per the reinsurance agreement up to 31 October 2024
- Distribution received represents any cash distribution received by the Group from the cell captives
- Cell captive cash flows represent the undistributed cash flows above for the year.

The impact of the cell captive arrangements on insurance contract assets/liabilities

The in-substance reinsurance contract created by the cell captive arrangement is not consolidated, but is recognised as insurance contracts issued. The accounting policies for insurance contracts issued are also applicable to in-substance reinsurance contracts issued, unless otherwise specified.

For insurance contracts issued, the carrying amount of the cell captive insurance contracts issued includes other cell captive net assets which reflect the Group's contribution to the cell captive arrangement as well as cash retained in the cell captive arrangement which has not yet been distributed to the Group.

The cell captive net assets that were included in the LFRC and present value of future cash flows of the 2 portfolios were as follows:

R'000	2026	2025
Life Insurance	4 722 806	4 465 913
Credit Life	—	1 371 199
Insurance contract assets	4 722 806	5 837 112

The inclusion of the cell captive net assets with the fulfilment cash flow and CSM liabilities resulted in an overall net asset position for both portfolios as at 28 February 2025. As at 28 February 2026, the Life Insurance portfolio continues to reflect an asset position due to the cell captive net assets. Following the section 50 of the Insurance Act, Act 18 of 2017 (section 50)) transfer on 1 September 2025, which ended in-substance reinsurance accounting for the Credit Life portfolio, this portfolio reflected a liability as at 28 February 2026.

Excluding the cell captive net assets would result in a liability position of R2 727 million (2025: R826 million) for the Life Insurance portfolio and a liability in the prior year of R707 million for the Credit Life portfolio.



Life Insurance

Roll-forward of the net asset for Life Insurance contracts issued showing the asset/(liability) for remaining coverage and the LIC. Included in the asset/(liability) for remaining coverage are the other cell captive net assets of R4 723 million (2025: R4 466 million).

R'000	Asset for remaining coverage	Liability for incurred claims	Total asset
Insurance contract assets as at 1 March 2025	3 921 672	(281 746)	3 639 926
Insurance revenue			
Contracts under the MRA	2 704 546	—	2 704 546
Contracts written after transition	6 343 626	—	6 343 626
Insurance service expense			
Incurred claims and other expenses	—	(5 705 036)	(5 705 036)
Amortisation of insurance acquisition cash flows	(13 181)	—	(13 181)
Adjustment to liabilities for past claims	—	38 441	38 441
Insurance service result	9 034 991	(5 666 595)	3 368 396
Interest accreted	(216 420)	—	(216 420)
Effect of changes in interest rates and other financial assumptions	(767 636)	—	(767 636)
Net cell captive interest income	396 940	—	396 940
Insurance finance expense	(587 116)	—	(587 116)
Total changes in the income statement	8 447 875	(5 666 595)	2 781 280
Cash flows			
Premiums received	(9 363 245)	—	(9 363 245)
Claims and other expenses paid	—	5 622 225	5 622 225
Insurance acquisition cash flows paid	53 178	—	53 178
Distribution received	(2 850 000)	—	(2 850 000)
Cell captive cash flows	2 113 054	—	2 113 054
Total cash flows	(10 047 013)	5 622 225	(4 424 788)
Insurance contract assets as at 28 February 2026	2 322 534	(326 116)	1 996 418
Insurance contract assets as at 1 March 2024	1 911 837	—	1 911 837
Insurance revenue			
Contracts under the MRA	1 714 169	—	1 714 169
Contracts written after transition	2 468 717	—	2 468 717
Insurance service expense			
Incurred claims and other expenses	—	(2 314 872)	(2 314 872)
Amortisation of insurance acquisition cash flows	(583)	—	(583)
Adjustment to liabilities for past claims	—	(61 779)	(61 779)
Insurance service result	4 182 303	(2 376 651)	1 805 652
Interest accreted	(223 541)	—	(223 541)
Effect of changes in interest rates and other financial assumptions	(93 216)	—	(93 216)
Net cell captive interest income	385 186	—	385 186
Insurance finance income	68 429	—	68 429
Total changes in the income statement	4 250 732	(2 376 651)	1 874 081
Cash flows			
Premiums received	(4 575 326)	—	(4 575 326)
Claims and other expenses paid	—	2 094 905	2 094 905
Cell captive cash flows	2 328 018	—	2 328 018
Total cash flows	(2 240 897)	2 094 905	(145 992)
Insurance contract assets as at 28 February 2025	3 921 672	(281 746)	3 639 926

Notes to the financial statements continued

Year ended 28 February 2026

9. Insurance contract assets/(liabilities) continued

Accounting policies continued

Life Insurance continued

Roll-forward of the net asset for life reinsurance contracts held showing the ARC and the ARIC. No reinsurance contracts were held on Capitec Life's own licence prior to the transition to IFRS 17.

R'000	Liability for remaining coverage	Amounts recoverable on incurred claims	Total asset
Reinsurance contract assets as at 1 March 2025	(2 943)	4 323	1 380
Allocation of reinsurance premiums	(33 007)	—	(33 007)
Amounts recoverable from reinsurers			
Amounts recoverable for claims and other expenses	—	44 036	44 036
Changes in amounts recoverable arising from changes in the liability for incurred claims	—	(1 293)	(1 293)
Reinsurance (expense)/income	(33 007)	42 743	9 736
Interest accreted	119	—	119
Effect of changes in interest rates and other financial assumptions	2 910	—	2 910
Reinsurance finance income	3 029	—	3 029
Total changes in the income statement	(29 978)	42 743	12 765
Cash flows			
Premiums paid	31 581	—	31 581
Reinsurance claims received	—	(11 775)	(11 775)
Total cash flows	31 581	(11 775)	19 806
Reinsurance contract assets as at 28 February 2026	(1 340)	35 291	33 951
Reinsurance contract assets as at 1 March 2024	—	—	—
Allocation of reinsurance premiums	(7 407)	—	(7 407)
Amounts recoverable from reinsurers			
Amounts recoverable for claims and other expenses	—	5 953	5 953
Reinsurance (expense)/income	(7 407)	5 953	(1 454)
Interest accreted	7	—	7
Effect of changes in interest rates and other financial assumptions	(470)	—	(470)
Reinsurance finance expense	(463)	—	(463)
Total changes in the income statement	(7 870)	5 953	(1 917)
Cash flows			
Premiums paid	4 927	—	4 927
Reinsurance claims received	—	(1 630)	(1 630)
Total cash flows	4 927	(1 630)	3 297
Reinsurance contract assets as at 28 February 2025	(2 943)	4 323	1 380



Roll-forward of the net asset for Life Insurance contracts issued showing the estimates of the present value of future cash flows, the RA and CSM. Included in the estimates of the present value of future cash flows are the other cell captive net assets of R4 723 million (2025: R4 466 million).

R'000	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total asset
Insurance contract assets as at 1 March 2025	10 250 348	(2 017 889)	(4 592 533)	3 639 926
Changes that relate to current services				
CSM recognised for current service provided	—	—	1 828 057	1 828 057
RA recognised for the risk expired	—	711 811	—	711 811
Experience adjustments	790 087	—	—	790 087
Changes that relate to future services				
Contracts initially recognised in the period	3 788 675	(898 298)	(2 890 377)	—
Changes in estimates that adjust the CSM	413 980	272 036	(686 016)	—
Changes that relate to past services				
Adjustment to liabilities for past claims	11 736	26 705	—	38 441
Insurance service result	5 004 478	112 254	(1 748 336)	3 368 396
Interest accreted	513 685	(164 768)	(565 337)	(216 420)
Effect of changes in interest rates and other financial assumptions	(460 938)	(306 698)	—	(767 636)
Net cell captive interest income	396 940	—	—	396 940
Insurance finance income/(expense)	449 687	(471 466)	(565 337)	(587 116)
Total changes in the income statement	5 454 165	(359 212)	(2 313 673)	2 781 280
Cash flows				
Premiums received	(9 363 245)	—	—	(9 363 245)
Claims and other expenses paid	5 622 225	—	—	5 622 225
Insurance acquisition cash flows paid	53 178	—	—	53 178
Distribution received	(2 850 000)	—	—	(2 850 000)
Cell captive cash flows	2 113 054	—	—	2 113 054
Total cash flows	(4 424 788)	—	—	(4 424 788)
Insurance contract assets as at 28 February 2026	11 279 725	(2 377 101)	(6 906 206)	1 996 418

Roll-forward of the CSM disaggregated between groups of insurance contracts measured under the MRA and those that are not, for the year ended 28 February 2026.

R'000	Contracts written after transition	Contracts under MRA	Total CSM
CSM as at 1 March 2025	(2 789 261)	(1 803 272)	(4 592 533)
Changes that relate to current services			
CSM recognised for current service provided	1 414 769	413 288	1 828 057
Changes that relate to future services			
Contracts initially recognised in the period	(2 890 377)	—	(2 890 377)
Changes in estimates that adjust the CSM	(457 281)	(228 735)	(686 016)
	(1 932 889)	184 553	(1 748 336)
Interest accreted	(373 787)	(191 550)	(565 337)
Total changes in the income statement	(2 306 676)	(6 997)	(2 313 673)
CSM as at 28 February 2026	(5 095 937)	(1 810 269)	(6 906 206)

Notes to the financial statements continued

Year ended 28 February 2026

9. Insurance contract assets/(liabilities) continued

Accounting policies continued

Life Insurance continued

R'000	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total asset
Insurance contract assets as at 1 March 2024	6 359 786	(1 057 143)	(3 390 806)	1 911 837
Changes that relate to current services				
CSM recognised for current service provided	—	—	1 060 827	1 060 827
RA recognised for the risk expired	—	396 675	—	396 675
Experience adjustments	409 929	—	—	409 929
Changes that relate to future services				
Contracts initially recognised in the period	2 474 816	(646 490)	(1 828 326)	—
Changes in estimates that adjust the CSM	598 684	(551 786)	(46 898)	—
Changes that relate to past services				
Adjustment to liabilities for past claims	(61 779)	—	—	(61 779)
Insurance service result	3 421 650	(801 601)	(814 397)	1 805 652
Interest accreted	268 098	(104 309)	(387 330)	(223 541)
Effect of changes in interest rates and other financial assumptions	(38 380)	(54 836)	—	(93 216)
Net cell captive interest income	385 186	—	—	385 186
Insurance finance income/(expense)	614 904	(159 145)	(387 330)	68 429
Total changes in the income statement	4 036 554	(960 746)	(1 201 727)	1 874 081
Cash flows				
Premiums received	(4 575 326)	—	—	(4 575 326)
Claims and other expenses paid	2 094 905	—	—	2 094 905
Insurance acquisition cash flows paid	6 411	—	—	6 411
Cell captive cash flows	2 328 018	—	—	2 328 018
Total cash flows	(145 992)	—	—	(145 992)
Insurance contract assets as at 28 February 2025	10 250 348	(2 017 889)	(4 592 533)	3 639 926

Roll-forward of the CSM disaggregated between groups of insurance contracts measured under the MRA and those that are not, for the year ended 28 February 2025.

R'000	Contracts written after transition	Contracts under MRA	Total CSM
CSM as at 1 March 2024	(1 552 114)	(1 838 692)	(3 390 806)
Changes that relate to current services			
CSM recognised for current service provided	665 132	395 695	1 060 827
Changes that relate to future services			
Contracts initially recognised in the period	(1 828 326)	—	(1 828 326)
Changes in estimates that adjust the CSM	124 968	(171 866)	(46 898)
	(1 038 226)	223 829	(814 397)
Interest accreted	(198 921)	(188 409)	(387 330)
Total changes in the income statement	(1 237 147)	35 420	(1 201 727)
CSM as at 28 February 2025	(2 789 261)	(1 803 272)	(4 592 533)



Recapture fee

Capitec Ins gave notice of the termination of the funeral product cooperation arrangement (the arrangement) during the 2024 financial year. On 1 November 2024, the effective date, Sanlam ceased to provide reinsurance and any administration services to the Life Insurance Company Limited (Centriq) cell captive held by Capitec Ins. Capitec Life has taken over the administration of the in-force insurance book and has commenced writing new funeral business on its own insurance licence from the effective date. The policies in force on the effective date remain on the Centriq cell captive licence and will be transferred to the Capitec Life licence at a later date, subject to regulatory approval.

As a result of the termination, a reinsurance recapture amount of R1.9 billion was paid to Sanlam on 1 November 2024. The reinsurance recapture amount represents the loss of future expected profits due to the Sanlam group for the policies in force in terms of the arrangement up to 31 October 2024.

Financial impact

The financial impact of the recapture transaction is disclosed in the table on the following page.

Prior to 1 November 2024, the in-substance reinsurance contract was measured with reference to Capitec's 70% participation in the arrangement. The R1.9 billion consideration entitles Capitec to an additional 30% participation in the in-force book from 1 November 2024. From 1 November 2024, the funeral product is no longer reinsured.

Consequently, the projected cash flows from the in-substance reinsurance contract were increased by the additional participation rights acquired but also decreased by the consideration paid. To the extent that there was a difference between the increase in the fulfilment cash flows from the additional participation and the consideration paid, it adjusted the CSM. The transaction resulted in a profit of R2.3 million through profit or loss for 2025.

R'000	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total impact on profit or loss
CSM recognised for current service provided	—	—	(67 319)	(67 319)
Experience adjustments	(10 144)	—	—	(10 144)
Changes in estimates that adjust the CSM	183 577	(509 798)	326 221	—
Effect of changes in interest rates and other financial assumptions	106 504	(26 741)	—	79 763
Total impact	279 937	(536 539)	258 902	2 300

The balance of the CSM as at 28 February 2026 is expected to unwind as follows:

R'000	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	>10 years
Opening balance	(6 906 206)	(5 930 867)	(5 225 755)	(4 661 091)	(4 189 104)	(3 787 032)	(2 260 925)
CSM released	1 675 271	1 336 207	1 157 527	1 033 480	937 075	3 581 725	5 651 464
Interest accretion	(699 932)	(631 095)	(592 863)	(561 493)	(535 003)	(2 055 618)	(3 390 539)
Closing balance	(5 930 867)	(5 225 755)	(4 661 091)	(4 189 104)	(3 787 032)	(2 260 925)	—

The balance of the CSM as at 28 February 2025 was expected to unwind as follows:

R'000	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	>10 years
Opening balance	(4 592 533)	(3 976 501)	(3 539 020)	(3 189 034)	(2 894 502)	(2 641 436)	(1 683 046)
CSM released	1 066 355	852 517	748 073	676 607	620 252	2 440 352	3 974 908
Interest accretion	(450 323)	(415 036)	(398 087)	(382 075)	(367 186)	(1 481 962)	(2 291 862)
Closing balance	(3 976 501)	(3 539 020)	(3 189 034)	(2 894 502)	(2 641 436)	(1 683 046)	—

The insurance contract services are largely provided in a linear fashion and the aggregated time bands in the CSM maturity analysis reflect a linear release pattern as expected.

Notes to the financial statements continued

Year ended 28 February 2026

9. Insurance contract assets/(liabilities) continued

Accounting policies continued

Life Insurance continued

The components of new business for Life Insurance policies issued are disclosed in the table below.

R'000	2026	2025
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	(8 491 842)	(3 252 951)
Estimates of insurance acquisition cash flows	(138 817)	(89 436)
Estimate of present value of future cash outflows	(8 630 659)	(3 342 387)
Estimates of present value of future cash inflows	12 419 334	5 817 203
Risk adjustment for non-financial risk	(898 298)	(646 490)
Contractual service margin	(2 890 377)	(1 828 326)
Total income statement impact	—	—

Roll-forward of the net asset for life reinsurance contracts held showing the estimates of the present value of future cash flows, the RA and CSM. No reinsurance contracts were held on Capitec Life's own licence prior to the transition to IFRS 17.

R'000	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total asset
Reinsurance contract assets as at 1 March 2025	(13 618)	6 813	8 185	1 380
Changes that relate to current services				
CSM recognised for current service received	—	—	3 196	3 196
RA recognised for the risk expired	—	409	—	409
Experience adjustments	7 424	—	—	7 424
Changes that relate to future services				
Contracts initially recognised in the period	(25 438)	10 207	15 231	—
Changes in estimates that adjust the CSM	38 285	4 938	(43 223)	—
Changes that relate to past services				
Changes in amounts recoverable arising from changes in the liability for incurred claims	(516)	(777)	—	(1 293)
Reinsurance income/(expense)	19 755	14 777	(24 796)	9 736
Interest accreted	(2 017)	805	1 331	119
Effect of changes in interest rates and other financial assumptions	684	2 226	—	2 910
Reinsurance finance (expense)/income	(1 333)	3 031	1 331	3 029
Total changes in the income statement	18 422	17 808	(23 465)	12 765
Cash flows				
Premiums paid	31 581	—	—	31 581
Reinsurance claims received	(11 775)	—	—	(11 775)
Total cash flows	19 806	—	—	19 806
Reinsurance contract assets as at 28 February 2026	24 610	24 621	(15 280)	33 951



R'000	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total asset
Reinsurance contract assets as at 1 March 2024	—	—	—	—
Changes that relate to current services				
CSM recognised for current service received	—	—	(1 306)	(1 306)
RA recognised for the risk expired	—	352	—	352
Experience adjustments	(500)	—	—	(500)
Changes that relate to future services				
Contracts initially recognised in the period	(11 197)	4 614	6 583	—
Changes in estimates that adjust the CSM	(4 066)	1 381	2 685	—
Reinsurance (expense)/income	(15 763)	6 347	7 962	(1 454)
Interest accreted	(366)	151	222	7
Effect of changes in interest rates and other financial assumptions	(785)	315	—	(470)
Reinsurance finance (expense)/income	(1 151)	466	222	(463)
Total changes in the income statement	(16 914)	6 813	8 184	(1 917)
Cash flows				
Premiums paid	4 927	—	—	4 927
Reinsurance claims received	(1 630)	—	—	(1 630)
Total cash flows	3 297	—	—	3 297
Reinsurance contract assets as at 28 February 2025	(13 617)	6 813	8 184	1 380

The balance of the reinsurance CSM as at 28 February 2026 is expected to unwind as follows:

R'000	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	>10 years
Opening balance	(15 280)	(13 209)	(11 728)	(10 562)	(9 591)	(8 827)	(5 959)
CSM released	3 553	2 794	2 413	2 174	2 006	8 194	17 851
Interest accretion	(1 482)	(1 313)	(1 247)	(1 203)	(1 242)	(5 326)	(11 892)
Closing balance	(13 209)	(11 728)	(10 562)	(9 591)	(8 827)	(5 959)	—

The balance of the reinsurance CSM as at 28 February 2025 is expected to unwind as follows:

R'000	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	>10 years
Opening balance	8 184	6 920	6 074	5 391	4 803	4 297	2 722
CSM released	(2 020)	(1 534)	(1 355)	(1 233)	(1 127)	(4 362)	(7 865)
Interest accretion	756	688	672	645	621	2 787	5 143
Closing balance	6 920	6 074	5 391	4 803	4 297	2 722	—

The reinsurance contract services are largely received in a linear fashion and the aggregated time bands in the CSM maturity analysis reflect a linear release pattern as expected.

The components of new business for life reinsurance policies issued are disclosed in the table below.

R'000	2026	2025
Estimate of present value of future cash inflows	(212 860)	(104 501)
Estimates of present value of future cash outflows	187 422	93 304
Risk adjustment for non-financial risk	10 207	4 614
Contractual service margin	15 231	6 583
Total income statement impact	—	—

Notes to the financial statements continued

Year ended 28 February 2026

9. Insurance contract assets/(liabilities) continued

Accounting policies continued

Credit Life

Policy transfer from Guardrisk cell captive

In June 2025, the Prudential Authority (PA) approved the transfer of the in-force Credit Life book from the Guardrisk cell captive (owned by Capitec Ins) to Capitec Life as per section 50. Through the section 50 transfer process, Capitec Life replaced Guardrisk as the underwriter of the existing Credit Life Insurance policies issued to Capitec Bank Limited clients at 1 September 2025.

The insurance risk to which Capitec is exposed is unchanged by the section 50 transfer. Prior to the transfer, Capitec bore the ultimate responsibility to settle benefits to the underlying policyholders through the share subscription agreement in place with Guardrisk, which required that Capitec Ins ensure that the Guardrisk cell captive is sufficiently capitalised to meet all its obligations. Given that Capitec is in substantially the same commercial and economic position before and after the transfer, the section 50 transfer has not resulted in a significant change in the financial position or performance of the Group.

The section 50 transfer resulted in a R3 million gain to the Group at the transfer date because of the derecognition of the in-substance reinsurance contract. The R3 million gain consists of a decrease of R298 million in the asset in respect of the compensation paid by Guardrisk to Capitec Life in exchange for the insurance liabilities transferred by Guardrisk to Capitec Life, offset by an increase in the asset because of the derecognition of the Capitec Ins LFRC and LIC of R64 million and R237 million, respectively.

The Credit Life Insurance LIC at 28 February 2026 includes claims from policies issued under the Capitec Life licence, as well as policies originally issued under the Guardrisk licence where the insured event occurred post the section 50 transfer. As at 1 September 2025, an LIC of R237 million was held by the Group for policies initially under the Guardrisk licence with insured events occurring prior to the transfer date. The Group derecognised the R237 million Capitec Ins LIC at transfer and recognised an LFRC of the same amount within Capitec Life. An LFRC was recognised in Capitec Life since Capitec Life did not provide insurance contract services to the transferred policies before the transfer date. This LFRC balance reduced to R94 million at 28 February 2026 due to claims settled and changes in the estimates of ultimate claims. The Credit Life Insurance LIC decreased from R558 million in 2025 to R497 million in 2026. This decrease is driven by the reclassification of the LIC at transfer.

Roll-forward of the net liability for Credit Life Insurance contracts issued showing the ARC/LFRC and the LIC. Post the section 50 transfer, the balance included in the ARC/LFRC for the cell captive investment balance and other cell captive net assets is nil (2025: R1 371 million).

R'000	Asset/ (liability) for remaining coverage	Liability for incurred claims	Total asset/ (liability)
Insurance contract assets as at 1 March 2025	1 222 121	(557 983)	664 138
Insurance revenue			
Contracts under the MRA	484 273	—	484 273
Contracts written after transition	3 082 797	—	3 082 797
Insurance service expense			
Incurred claims and other expenses	—	(1 484 280)	(1 484 280)
Amortisation of insurance acquisition cash flows	(2 255)	—	(2 255)
Adjustment to liabilities for past claims	—	121 372	121 372
Insurance service result	3 564 815	(1 362 908)	2 201 907
Interest accreted	(85 272)	—	(85 272)
Effect of changes in interest rates and other financial assumptions	260 090	—	260 090
Net cell captive interest income	52 802	—	52 802
Insurance finance income	227 620	—	227 620
Total changes in the income statement	3 792 435	(1 362 908)	2 429 527



R'000	Asset/ (liability) for remaining coverage	Liability for incurred claims	Total asset/ (liability)
Cash flows			
Premiums received	(3 351 649)	—	(3 351 649)
Claims and other expenses paid	—	1 423 747	1 423 747
Insurance acquisition cash flows paid	1 532	—	1 532
Distribution received	(1 430 392)	—	(1 430 392)
Cell captive cash flows	9 727	—	9 727
Total cash flows	(4 770 782)	1 423 747	(3 347 035)
Contracts transferred from Guardrisk on 1 September 2025	(298 430)	—	(298 430)
Insurance contract liabilities as at 28 February 2026	(54 656)	(497 144)	(551 800)

R'000	Asset for remaining coverage	Liability for incurred claims	Total asset
Insurance contract assets as at 1 March 2024	1 497 885	(448 778)	1 049 107
Insurance revenue			
Contracts under the MRA	1 108 302	—	1 108 302
Contracts written after transition	2 077 295	—	2 077 295
Insurance service expense			
Incurred claims and other expenses	—	(1 422 516)	(1 422 516)
Amortisation of insurance acquisition cash flows	(1 480)	—	(1 480)
Adjustment to liabilities for past claims	—	85 187	85 187
Insurance service result	3 184 117	(1 337 329)	1 846 788
Interest accreted	(74 685)	—	(74 685)
Effect of changes in interest rates and other financial assumptions	17 629	—	17 629
Net cell captive interest income	115 461	—	115 461
Insurance finance income	58 405	—	58 405
Total changes in the income statement	3 242 522	(1 337 329)	1 905 193
Cash flows			
Premiums received	(3 137 363)	—	(3 137 363)
Claims and other expenses paid	—	1 228 124	1 228 124
Insurance acquisition cash flows paid	4 774	—	4 774
Distribution received	(1 300 000)	—	(1 300 000)
Cell captive cash flows	914 303	—	914 303
Total cash flows	(3 518 286)	1 228 124	(2 290 162)
Insurance contract assets as at 28 February 2025	1 222 121	(557 983)	664 138

Notes to the financial statements continued

Year ended 28 February 2026

9. Insurance contract assets/(liabilities) continued

Accounting policies continued

Credit Life continued

Roll-forward of the net asset for Credit Life Insurance contracts issued showing the estimates of the present value of future cash flows, the RA and CSM. Included in the prior year estimates of the present value of future cash flows are the other cell captive net assets of R1 371 million.

R'000	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total asset/(liability)
Insurance contract assets as at 1 March 2025	4 225 645	(640 648)	(2 920 859)	664 138
Changes that relate to current services				
CSM recognised for current service provided	—	—	1 754 329	1 754 329
RA recognised for the risk expired	—	242 816	—	242 816
Experience adjustments	83 390	—	—	83 390
Changes that relate to future services				
Contracts initially recognised in the period	1 813 361	(288 903)	(1 524 458)	—
Changes in estimates that adjust the CSM	(1 531 291)	270 328	1 260 963	—
Changes that relate to past services				
Adjusted to liabilities for past claims	99 499	21 873	—	121 372
Insurance service result	464 959	246 114	1 490 834	2 201 907
Interest accreted	288 963	(49 537)	(324 698)	(85 272)
Effect of changes in interest rates and other financial assumptions	311 789	(51 699)	—	260 090
Net cell captive interest income	52 802	—	—	52 802
Insurance finance income/(expense)	653 554	(101 236)	(324 698)	227 620
Total changes in the income statement	1 118 513	144 878	1 166 136	2 429 527
Cash flows				
Premiums received	(3 351 649)	—	—	(3 351 649)
Claims and other expenses paid	1 423 747	—	—	1 423 747
Insurance acquisition cash flows paid	1 532	—	—	1 532
Distribution from cell captive	(1 430 392)	—	—	(1 430 392)
Cell captive cash flows	9 727	—	—	9 727
Total cash flows	(3 347 035)	—	—	(3 347 035)
Contracts transferred from Guardrisk on 1 September 2025	1 716 909	(295 570)	(1 719 769)	(298 430)
Insurance contract liabilities as at 28 February 2026	3 714 032	(791 340)	(3 474 492)	(551 800)



Roll-forward of the CSM disaggregated between groups of insurance contracts measured under the MRA and those that are not, for the year ended 28 February 2026.

R'000	Contracts written after transition	Contracts under MRA	Total CSM
CSM as at 1 March 2025	(2 043 138)	(877 721)	(2 920 859)
Changes that relate to current services			
CSM recognised for current service provided	1 492 606	261 723	1 754 329
Changes that relate to future services			
Contracts initially recognised in the period	(1 524 458)	—	(1 524 458)
Changes in estimates that adjust the CSM	600 419	660 544	1 260 963
	568 567	922 267	1 490 834
Interest accreted	(280 152)	(44 546)	(324 698)
Total changes in the income statement	288 415	877 721	1 166 136
Contracts transferred from Guardrisk on 1 September 2025	(1 719 769)	—	(1 719 769)
CSM as at 28 February 2026	(3 474 492)	—	(3 474 492)

R'000	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total asset
Insurance contract assets as at 1 March 2024	4 415 867	(663 258)	(2 703 502)	1 049 107
Changes that relate to current services				
CSM recognised for current service provided	—	—	1 377 420	1 377 420
RA recognised for the risk expired	—	213 046	—	213 046
Experience adjustments	171 135	—	—	171 135
Changes that relate to future services				
Contracts initially recognised in the period	1 373 002	(213 284)	(1 159 718)	—
Changes in estimates that adjust the CSM	109 033	32 327	(141 360)	—
Changes that relate to past services				
Adjustment to liabilities for past claims	36 716	48 471	—	85 187
Insurance service result	1 689 886	80 560	76 342	1 846 788
Interest accreted	272 925	(53 911)	(293 699)	(74 685)
Effect of changes in interest rates and other financial assumptions	21 668	(4 039)	—	17 629
Net cell captive interest income	115 461	—	—	115 461
Insurance finance income/(expense)	410 054	(57 950)	(293 699)	58 405
Total changes in the income statement	2 099 940	22 610	(217 357)	1 905 193
Cash flows				
Premiums received	(3 137 363)	—	—	(3 137 363)
Claims and other expenses paid	1 228 124	—	—	1 228 124
Insurance acquisition cash flows paid	4 774	—	—	4 774
Distribution from cell captive	(1 300 000)	—	—	(1 300 000)
Cell captive cash flows	914 303	—	—	914 303
Total cash flows	(2 290 162)	—	—	(2 290 162)
Insurance contract assets as at 28 February 2025	4 225 645	(640 648)	(2 920 859)	664 138

Notes to the financial statements continued

Year ended 28 February 2026

9. Insurance contract assets/(liabilities) continued

Accounting policies continued

Credit Life continued

Roll-forward of the CSM disaggregated between groups of insurance contracts measured under the MRA and those that are not, for the year ended 28 February 2025.

R'000	Contracts written after transition	Contracts under MRA	Total CSM
CSM as at 1 March 2024	(1 504 384)	(1 199 118)	(2 703 502)
Changes that relate to current services			
CSM recognised for current service provided	934 341	443 079	1 377 420
Changes that relate to future services			
Contracts initially recognised in the period	(1 159 718)	—	(1 159 718)
Changes in estimates that adjust the CSM	(138 636)	(2 724)	(141 360)
	(364 013)	440 355	76 342
Interest accreted	(174 741)	(118 958)	(293 699)
Total changes in the income statement	(538 754)	321 397	(217 357)
CSM as at 28 February 2025	(2 043 138)	(877 721)	(2 920 859)

The insurance contract services are largely provided in a linear fashion and the aggregated time bands in the CSM and the estimates of the present value of future cash flows maturity analysis reflect a linear release pattern as expected in both the current and prior year.

The balance of the CSM as at 28 February 2026 is expected to unwind as follows:

R'000	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	>10 years
Opening balance	(3 474 492)	(2 418 987)	(1 745 021)	(1 300 328)	(996 841)	(788 704)	(273 051)
CSM released	1 391 134	914 809	630 512	451 612	335 287	886 466	501 124
Interest accretion	(335 629)	(240 843)	(185 819)	(148 125)	(127 150)	(370 813)	(228 073)
Closing balance	(2 418 987)	(1 745 021)	(1 300 328)	(996 841)	(788 704)	(273 051)	—

The balance of the CSM as at 28 February 2025 was expected to unwind as follows:

R'000	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	>10 years
Opening balance	(2 920 859)	(2 036 872)	(1 468 401)	(1 093 723)	(837 365)	(658 929)	(231 796)
CSM released	1 166 641	782 526	545 381	393 649	290 780	734 435	400 110
Interest accretion	(282 654)	(214 055)	(170 703)	(137 291)	(112 344)	(307 302)	(168 314)
Closing balance	(2 036 872)	(1 468 401)	(1 093 723)	(837 365)	(658 929)	(231 796)	—

The balance of the estimates of the present value of future cash flows as at 28 February 2026 is expected to unwind as follows:

R'000	<1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	>10 years
Opening balance	3 714 032	2 809 960	2 096 129	1 531 749	1 155 223	887 700	250 819
Cash flow unwind	(1 126 551)	(885 132)	(700 017)	(485 724)	(351 681)	(864 214)	(346 992)
Interest	222 479	171 301	135 637	109 198	84 158	227 333	96 173
Closing balance	2 809 960	2 096 129	1 531 749	1 155 223	887 700	250 819	—

No unwind of the estimates of the present value of future cash flows is required for 2025 as the Credit Life Insurance contract balance was in an asset position.



The components of new business for Credit Life Insurance policies issued are disclosed in the table below.

R'000	2026	2025
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	(1 392 474)	(1 138 037)
Estimates of insurance acquisition cash flows	(1 925)	(5 264)
Estimate of present value of future cash outflows	(1 394 399)	(1 143 301)
Estimates of present value of future cash inflows	3 207 760	2 516 303
Risk adjustment for non-financial risk	(288 903)	(213 284)
Contractual service margin	(1 524 458)	(1 159 718)
Total income statement impact	—	—

The table below details the effect on the statement of financial position of the Credit Life Insurance contracts transferred from the Guardrisk cell captive on 1 September 2025.

R'000	2026
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	(1 526 814)
Estimates of insurance acquisition cash flows	(1 935)
Estimate of present value of future cash outflows	(1 528 749)
Estimates of present value of future cash inflows	3 245 658
Risk adjustment for non-financial risk	(295 570)
Contractual service margin	(1 719 769)
Total impact on insurance contract liabilities	298 430
Cash consideration received	(298 430)
Total income statement impact	—

Critical estimates and judgements

Critical estimates and judgements concerning the carrying amounts of insurance assets and liabilities are those that, within the next 12 months, may result in a material change to the Group's financial statements. The Group based its assumptions, estimates and judgements on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments may, however, change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimates of future cash flows

The Group uses deterministic projections to estimate the present value of future cash flows. The following assumptions were used when estimating future cash flows:

Mortality and morbidity rates

Experience analysis is used to derive the mortality and morbidity assumptions. These assumptions are reviewed annually by considering the most recent experience. Changes are made to the mortality and morbidity assumptions where it is likely that the experience will persist in the future.

The Group uses an internally constructed mortality table when deriving mortality and morbidity assumptions. The internal curve is constructed using 3 years of historical mortality experience from March 2022 to February 2025, stripping out the impact of COVID-19 on mortality. An internally constructed table is used as it reflects the insurance book's experience and considers recent trends in mortality.

Across all products, the expected mortality rate for the next financial year is 1.3 per 100 lives (2025: 1.3 per 100 lives). For Credit Life Insurance, the expected morbidity rate for the next financial year is 1.3 per 1 000 lives (2025: 1.2 per 1 000 lives).

9. Insurance contract assets/(liabilities) continued

Critical estimates and judgements continued

Estimates of future cash flows continued

Expenses

Attributable expense assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The projected expense cash flows allow for expected inflation if appropriate. Expenses incorporate information from the annual business plans, which include estimates of future expenses expected to be incurred.

The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics.

For the in-substance reinsurance contract issued, expense assumptions are based on the third-party cell captive agreements.

Across all products, the expected expenses for the next financial year are 4.1% of premiums (2025: 3.6%). The increase in the expense assumption results from a change in methodology, which now includes an allowance for the unwinding of once-off expenses.

Lapse rates

Lapses relate to the termination of policies due to non-payment of premiums or voluntary termination of policies by policyholders. Lapse rates are determined using statistical measures based on the Group's recent experience and vary by product type, policy duration and the risk category used in pricing.

Across all products, the expected lapse rate for the next financial year is 24.6% of policies in force at year-end (2025: 25.3%).

Retrenchment rates

Retrenchment relates to the policyholder suffering a loss of employment or the inability to earn an income. The retrenchment rates are determined using statistical measures based on the Group's recent experience. The assumption for Credit Life Insurance varies by the risk category used in pricing.

For Credit Life Insurance, the expected number of retrenchments for the next financial year is 1.5 per 100 lives (2025: 1.2 per 100 lives).

Liability for incurred claims and amounts recoverable on incurred claims

An LIC is set up to cover the ultimate cost of settling all claims incurred in the past but unpaid at the reporting date plus an RA. The Group's approach is to separately calculate the LIC for each risk decrement i.e. death, permanent disability, temporary disability, retrenchment lump sum and retrenchment monthly instalment.

The Group applies the Bornhuetter-Ferguson method to estimate the ultimate cost of settling all claims incurred. This technique uses a combination of historical claim payment patterns and the expected loss ratio to determine the total expected claims related to events that have already occurred.

The main assumption underlying this technique is that the Group's past claims development experience can be used to project future claims development and hence ultimate claims costs.

The same methodology is applied to calculate the ARIC for reinsurance contracts held.

Discount rates

Insurance contract assets and liabilities are calculated by discounting expected future cash flows at a risk-free rate. The risk-free rate is determined by reference to the nominal government bond yield curves published by the PA. The PA publishes the risk-free forward rates. All insurance products use the same risk-free forward rate.

Management uses judgement to assess liquidity characteristics of the asset/liability cash flows. The Group's insurance contracts are not considered to be less liquid than the financial assets used to derive the risk-free forward yield curve. As such, the Group did not adjust the risk-free forward yield for an illiquidity premium. The Group did not make any other adjustments to the risk-free yield. The table below contains the risk-free forward rates used.



	Portfolio duration									
	1 year		3 years		5 years		10 years		20 years	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
%										
Risk-free forward curve	6.0	7.4	8.1	9.7	8.7	11.7	9.7	14.9	8.3	11.3

Risk adjustment for non-financial risk

The main sources of non-financial risk are mortality risk and lapse risk. Other risks included in the RA are disability, expenses and retrenchment. The Group has estimated the RA using a Value at Risk (VaR) methodology. The VaR methodology requires the Group to compute the reduction in profits that it can possibly incur on the insurance book at a confidence level that meets the risk appetite.

The RA is calculated as the difference between a stressed liability and the best estimate liability, using stresses based on the regulatory underwriting stresses, calibrated to the confidence level detailed below.

The RA for insurance and reinsurance contracts corresponds to an 80% confidence level over a 1-year period (2025: 80%). The RA is applied to both the LFRC and LIC for insurance contracts issued and the ARC and ARIC for reinsurance contracts held.

Coverage units

For groups of insurance contracts, the quantity of benefits is the contractually agreed sum assured over the period of the contracts. The coverage units for the current period are based on the actual coverage units for the current period. The coverage units for future periods are based on the discounted value of the expected coverage units over the remaining expected coverage period after allowing for reassessments at the end of the current period.

Model and assumption changes

During the current year, the Group implemented the following model and assumption changes:

- The RA was recalibrated to allow for the current business mix, resulting in an increase in the risk adjustment
- Alignment of the valuation basis to actual experience for the year changed the estimates of the present value of future cash flows that adjusted the CSM for Credit Life Insurance and Life Insurance.

Risk management

Insurance and reinsurance risk

The Group is exposed to insurance risk through its third-party cell captive agreements as well as through the writing of insurance contracts on its own licence.

The in-force funeral policies in the cell captives are no longer reinsured because of a recapture transaction effective 1 November 2024. Life Cover written on Capitec Life's own licence is reinsured. The Group does not hold any reinsurance on the Credit Life policies and funeral policies written on Capitec Life's own licence.

Risk governance – cell captives

The insurance risk on the policies in the cell captives is twofold:

- The risk that the Group has insufficient capital to settle valid claims made by policyholders
- The Group has a contractual obligation to maintain the solvency of the cell captives and ensure that sufficient capital exists to meet their obligations.

The Group's Board of Directors is responsible for risk management and views it as an integral part of providing a responsible return on shareholders' equity. To assist the Board, the Group is managed through a system of internal controls functioning throughout the entities. Risk awareness pervades every aspect of the business and is the responsibility of each employee of the Group.

The Group's RCMC assists the Board in reviewing the processes followed to identify risk and assesses their impact on the cell captives. The committee includes Independent Non-Executive Directors and operates in compliance with a formal charter.

9. Insurance contract assets/(liabilities) continued

Risk management continued

Risk governance – cell captives continued

The RCMC provides oversight over risk management for the cell captives and is responsible for the following insurance operations:

- Providing oversight of the product types
- Financial resource management
- Approving new products.

The licensed cell captive insurers have robust corporate governance and regulatory frameworks in place to manage insurance risk. The cell captive insurers have the following subcommittees in place which govern and challenge inputs, models and the results of valuations:

- Audit Committee and Risk Committee (RISCO)
- Risk management function
- Internal audit function
- Compliance function
- Actuarial control function.

The licensed cell captive insurers perform various functions, including (but not limited to) premium rating, capital and reserving requirements and risk mitigating strategies.

Senior management of the Group actively monitor and review the work performed by the licensed cell captive insurers. Items such as monthly results, premium collections, claims experience and solvency are discussed and debated in detail to ensure that they are reasonable and align with the Group's risk appetite. Any material changes to calculations and/or identified risks are summarised and presented to the RCMC.

Risk governance – Capitec Life

Capitec Life's Audit, Risk and Capital Management Committee (ARCMC) assists the Board in reviewing the processes followed to identify risk and in assessing the potential impact of identified risks in Capitec Life's environment. The committee is comprised of 3 Independent Non-Executive Directors. The committee's terms of reference are detailed in a Board-approved charter.

The ARCMC ensures that risk assessment is an ongoing process and that a formal risk assessment is undertaken at least quarterly. The Company operates in a structured manner with defined processes and procedures enabling risk assessment within a controlled environment. An assessment of key risks is performed and weightings are assigned to risks based on impact and probability. Existing controls are assessed and, if necessary, adjusted. Thereafter, reports are generated at regular intervals to enable monitoring of risk levels.

The Insurance Executive Committee (EXCO) sets the tone, for day-to-day risk management, by managing risks as part of managing and monitoring the achievement of Capitec Life's strategic objectives. In addition to the Insurance EXCO, Capitec Life has 3 Risk Management Committees which report to the ARCMC.

- The RISCO provides a forum for the discussion, coordination and direction of management's efforts in mitigating operational, business and reputational risks to acceptable levels and for providing oversight over compliance-related matters, including, *inter alia*, overseeing and monitoring that it meets its legal and regulatory obligations. It promotes and sustains a sound risk culture
- The ALCO provides a forum for the discussion, coordination and direction of management's approach to capital management, reinsurance management and the management of underwriting (insurance) risk, market risk (including asset-liability management), credit risk and liquidity risk
- The Product Approval and Conduct Committee provides a forum for the discussion, coordination and direction of policies and required procedures to ensure that products that go to market are appropriate, that fair treatment of clients is embedded and maintained as part of product development and to direct management's approach to the management of market conduct risk.



General risk management

The insurance risk is managed in 2 key processes:

- The pricing of the Insurance business
- Management of the in-force book.

Product design and pricing

The Group ensures that the insurance portfolio is priced correctly and understood in detail by following the steps below:

- Rigorous and proactive risk management ensures sound product design and accurate pricing. This includes:
 - challenging assumptions, methodologies and results
 - debating and challenging product relevance, the target market, market competitiveness and treating clients fairly
 - identifying potential risk
 - thoroughly reviewing policy terms and conditions
- Risk-based pricing is applied and the mix of business by channel is also monitored
- Maintaining the appropriate reinsurance cover where necessary is an important component of the pricing and product design to keep the insurance risk within appetite.

Management of the in-force book

The Group assesses and manages the insurance risk relating to the in-force book as follows:

- Monitoring and reporting on claims experience by considering incidence rates and claims ratios
- The actuarial valuation process involves the long-term projection of expected future cash flows arising from in-force policies and the setting up of insurance liabilities
- Experience investigations are performed annually to understand the actual experience compared to the basis used in valuations and pricing. These investigations are signed off by the Head of the Actuarial function. Where required, changes are made to pricing and product design
- Asset and liability management is performed to ensure that assets backing insurance liabilities are appropriate and liquid
- Stress and scenario analyses are performed and provide insights into the insurance risk and future capital position.

Assessment and management

The assessment and management of insurance risk are influenced by the frequency and severity of claims, especially to the extent that claims paid are more frequent and/or greater than originally estimated. The Group manages insurance risk through monitoring incidence rates, claims ratios and the business mix.

Detailed risk management per risk type

Insurance risk is the risk of losses due to experience being different from the assumptions used in pricing or reserving such as severity, frequency, trend, volatility or level of occurrence rates. The insurance products expose the Group to insurance risks such as:

Mortality (death) and morbidity risk

The risk that mortality and morbidity rates and the associated cash flows are different from those assumed is managed as follows:

- Monitoring of trends and experience of the insurance portfolio
- Validation and fraud checks are performed at the claim stage to ensure that only valid claims in line with the terms and conditions of the policy are paid
- Reinsurance is used within the Group's appetite in some cases.

Retrenchment risk

The risk that retrenchment rates and the associated cash flows are different from those assumed is managed as follows:

- Identification of retrenchment risk is controlled by the Bank's credit scoring
- Monitoring of trends and experience of the insurance portfolio
- Validation and fraud checks are performed at the claim stage to ensure that only valid claims in line with the terms and conditions are paid.

Notes to the financial statements continued

Year ended 28 February 2026

9. Insurance contract assets/(liabilities) continued

Risk management continued

Detailed risk management per risk type continued

Catastrophe risk

The risk that stems from extreme or irregular events contingent on mortality, morbidity or retrenchment whose effects are not expected. The risk is managed as follows:

- Monitoring of trends and experience of the insurance portfolio.

Lapse and cancellation risk

The risk that lapse rates and the associated cash flows are different from those assumed as well as the risk of mass lapse are managed as follows:

- Monitoring of lapse, cancellation and collection rates is regularly reviewed to ensure they remain optimal.

Reinsurance non-performance risk

The risk that the reinsurer is unable to pay eligible claims is managed as follows:

- Applying principles outlined in the Company's reinsurance and other risk transfer policy, including minimum credit ratings of reinsurers.

Expense risk

The risk that expense and/or expense inflation is different from that assumed in pricing and valuations. It is managed through the Group's rigorous budgeting process.

The insurance risk for Credit Life contracts is primarily linked to credit risk which is disclosed in detail in **note 7**.

Exposure by sum assured

The following tables demonstrate the insurance exposure by sum assured. For the in-substance reinsurance contract issued, the Group applied a look-through approach detailing the sum assured gross of any reinsurance.

Total exposure by size of sum assured for Life Insurance

	Age of life assured					
	0 to 18		19 to 65		>65	
	Balance R'000	%	Balance R'000	%	Balance R'000	%
Funeral Plan sum assured at risk						
2026						
R0 – R50 000	126 035 529	98.5	258 028 462	56.7	25 898 720	97.1
R50 001 – R100 000	1 880 531	1.5	96 482 049	21.2	768 514	2.9
R100 001 – R500 000	37 360	—	36 346 591	8.0	3 377	—
R500 001 – R3 000 000	3 735	—	64 148 795	14.1	—	—
Total sum assured	127 957 155	100.0	455 005 897	100.0	26 670 611	100.0
2025						
R0 – R50 000	113 455 893	98.4	222 927 418	63.3	21 311 015	97.6
R50 001 – R100 000	1 787 843	1.6	83 050 830	23.6	531 821	2.4
R100 001 – R500 000	28 526	—	14 977 801	4.2	—	—
R500 001 – R3 000 000	4 750	—	31 385 673	8.9	—	—
Total sum assured	115 277 012	100.0	352 341 722	100.0	21 842 836	100.0



Total exposure by sum assured for Credit Life Insurance

Retail sums assured at risk	Death		Retrenchment		Permanent disability		Temporary disability	
	Balance R'000	%	Balance R'000	%	Balance R'000	%	Balance R'000	%
2026								
R0 – R50 000	24 761 294	30.1	24 260 046	34.6	24 761 294	30.1	26 608 525	58.6
R50 001 – R100 000	18 119 784	22.0	18 673 663	26.7	18 119 784	22.0	16 217 482	35.7
R100 001 – R150 000	13 709 765	16.6	13 736 604	19.6	13 709 765	16.6	2 408 285	5.3
R150 001 – R200 000	11 014 315	13.4	9 735 105	13.9	11 014 315	13.4	120 313	0.3
R200 001 – R250 000	7 636 605	9.3	2 588 251	3.7	7 636 605	9.3	26 395	—
>R250 000	7 106 315	8.6	1 019 346	1.5	7 106 315	8.6	29 540	0.1
Total sum assured	82 348 078	100.0	70 013 015	100.0	82 348 078	100.0	45 410 540	100.0
2025								
R0 – R50 000	22 387 924	29.6	21 899 218	34.0	22 387 924	29.6	24 251 455	58.1
R50 001 – R100 000	16 323 141	21.6	16 973 968	26.4	16 323 141	21.6	15 248 084	37.7
R100 001 – R150 000	13 264 245	17.6	13 458 606	20.9	13 264 245	17.6	1 956 052	4.0
R150 001 – R200 000	10 710 566	14.2	8 975 795	14.0	10 710 566	14.2	83 202	0.2
R200 001 – R250 000	7 206 338	9.5	2 151 967	3.4	7 206 338	9.5	13 418	—
>R250 000	5 692 041	7.5	867 698	1.3	5 692 041	7.5	12 961	—
Total sum assured	75 584 255	100.0	64 327 252	100.0	75 584 255	100.0	41 565 172	100.0

The insurance exposure is based on the outstanding loan balance that is payable on the occurrence of an insured event.

Interest rate risk

The Group is exposed to interest rate risk on insurance contracts. Fulfilment cash flows are measured using current discount rates, and changes in the carrying amount of groups of contracts due to changes in discount rates are recognised in profit or loss. The underlying other cell captive net assets, which consist of cash and money market funds, are exposed to interest rate risk. The impact of changes in interest rates is included in the sensitivity analysis.

The Group monitors exposure to interest rate risks by performing regular scenario analysis and comparing results to internal thresholds. The current exposure is considered within the internally determined thresholds. Should thresholds be approached, management will respond with an appropriate strategy, which could include financial hedging strategies or alternative reporting measures which isolate temporary volatility in the results.

Liquidity risk

Capital and liquidity management

Capital and liquidity management is governed by a capital management policy setting out the requirements pertaining to capital management, liquidity management, investment and asset liability management. The Insurance Business has its own ALCO which meets monthly and provides oversight over these matters.

The Group's licensed insurer, Capitec Life, performs quarterly as well as annual reporting of its solvency position on the regulatory basis (as set out in the Prudential Standards and Financial Soundness Standards for Insurers) to the PA, in line with regulatory requirements.

Capital and liquidity levels are monitored against targets to ensure that appropriate management action is taken within acceptable time frames to maintain capital and liquidity at acceptable levels.

Capitec Life conducts an own risk and solvency assessment on an annual basis.

Notes to the financial statements continued

Year ended 28 February 2026

9. Insurance contract assets/(liabilities) continued

Risk management continued

Liquidity risk

Claims development tables

The following tables show the estimates of cumulative incurred claims, including both reported but not yet paid and incurred but not yet reported for each successive event year at each reporting date, together with cumulative payments to date.

As required by IFRS 17 *Insurance Contracts*, in setting claims provisions, the Group considers the probability and magnitude of future experience being more adverse than assumed which is reflected in the RA. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

The claims development tables have been further disaggregated to include all years for which there are gross claims outstanding. Comparatives have been updated.

Credit Life Insurance – undiscounted liabilities for incurred claims

R'000	Event year 2024	Event year 2025	Event year 2026	Total
2026				
Estimate of ultimate claims cost (undiscounted)⁽¹⁾				
At the end of the event year	62 193	364 624	771 962	
1 year later	73 825	315 485		
2 years later	68 992			
Cumulative claims and other directly attributable expenses paid	(68 917)	(273 581)	(349 318)	(691 816)
Gross cumulative claims liabilities – event years from 2024 to 2026	75	41 904	422 644	464 623
Effect of the RA				32 521
Total gross liabilities for incurred claims				497 144

⁽¹⁾ The decrease in the LIC from R558 million in 2025 to R497 million in 2026 was driven by the section 50 transaction disclosure changes. Refer to Policy transfer from Guardrisk cell captive on **page 256** for further details.

R'000	Event year 2023 ⁽¹⁾	Event year 2024	Event year 2025	Total
2025				
Estimate of ultimate claims cost (undiscounted)				
At the end of the event year	842 730	871 473	920 542	
1 year later	785 575	835 181		
2 years later	769 310			
Cumulative claims and other directly attributable expenses paid	(769 111)	(749 283)	(477 762)	(1 996 156)
Gross cumulative claims liabilities – event years from 2023 to 2025	199	85 898	442 780	528 877
Effect of the RA				29 106
Total gross liabilities for incurred claims				557 983

⁽¹⁾ The claims development table was further disaggregated to include the 2023 event year so that all event years for which there were gross claims outstanding are disclosed.


Life Insurance – undiscounted liabilities for incurred claims gross of reinsurance

R'000	Event year 2024	Event year 2025	Event year 2026	Total
2026				
Estimate of ultimate claims cost (undiscounted)				
At the end of the event year	—	4 345 577	4 951 830	
1 year later	3 400 887	4 260 138		
2 years later	3 405 476			
Cumulative claims and other directly attributable expenses paid	(3 405 153)	(4 248 974)	(4 653 579)	(12 307 706)
Gross cumulative claims liabilities – event years from 2024 to 2026	323	11 164	298 251	309 738
Effect of the RA				16 378
Total gross liabilities for incurred claims				326 116

R'000	Event year 2023 ⁽¹⁾	Event year 2024	Event year 2025	Total
2025				
Estimate of ultimate claims cost (undiscounted)				
At the end of the event year	—	—	4 345 577	
1 year later	—	3 400 887		
2 years later	2 500 512			
Cumulative claims and other directly attributable expenses paid	(2 500 319)	(3 394 721)	(4 097 581)	(7 492 302)
Gross cumulative claims liabilities – event years from 2023 to 2025	193	6 166	247 996	254 355
Effect of the RA				27 391
Total gross liabilities for incurred claims				281 746

⁽¹⁾ The claims development table was further disaggregated to include the 2023 event year so that all event years for which there were gross claims outstanding are disclosed.

Life Insurance – undiscounted liabilities for incurred claims net of reinsurance

R'000	Event year 2024	Event year 2025	Event year 2026	Total
2026				
Estimate of ultimate claims cost (undiscounted)				
At the end of the event year	—	4 345 577	4 910 008	
1 year later	3 400 887	4 253 355		
2 years later	3 405 476			
Cumulative claims and other directly attributable expenses paid	(3 405 153)	(4 239 981)	(4 647 193)	(12 292 327)
Gross cumulative claims liabilities – event years from 2024 to 2026	323	13 374	262 815	276 512
Effect of the RA				14 313
Total gross liabilities for incurred claims				290 825

Notes to the financial statements continued

Year ended 28 February 2026

9. Insurance contract assets/(liabilities) continued

Risk management continued

Liquidity risk continued

Claims development tables continued

Life Insurance – undiscounted liabilities for incurred claims net of reinsurance continued

R'000	Event year 2023 ⁽¹⁾	Event year 2024	Event year 2025	Total
2025				
Estimate of ultimate claims cost (undiscounted)				
At the end of the event year	—	—	4 340 253	
1 year later	—	3 400 887		
2 years later	2 500 512			
Cumulative claims and other directly attributable expenses paid	(2 500 319)	(3 394 721)	(4 095 951)	(7 490 672)
Gross cumulative claims liabilities – event years from 2023 to 2025	193	6 166	244 302	250 661
Effect of the RA				26 762
Total gross liabilities for incurred claims				277 423

⁽¹⁾ The claims development table was further disaggregated to include the 2023 event year so that all event years for which there were gross claims outstanding are disclosed.

Before 1 November 2024, Sanlam was responsible for paying 100% of claims on funeral policies as per the Sanlam reinsurance agreement. As a result, the estimate of ultimate claims for the 2023 and 2024 incident years was disclosed as zero (presented as net of reinsurance held by the cell).

Excluding the effect of the Sanlam reinsurance agreement, the estimate of ultimate claims for incident year 2023 was R2 498 million in the event year. This estimate decreased to R2 497 million 1 year later and subsequently increased to R2 501 million after 2 years, as at 2025.

For claims with a 2024 incident year, the estimate of ultimate claims amounted to R3 422 million in the event year. This estimate reduced to R3 401 million 1 year later, as at 2025.

As the claims are settled in 12 months, this disclosure is not required for the Life Insurance portfolio, but it is provided as enhanced disclosure.

Sensitivities

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, detailing the impact on profit after tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in assumptions, assumptions were changed on an individual basis. The table below contains the impact of insurance contracts issued net of reinsurance contracts held.

R'000	Change in assumptions %	Impact on profit after tax	Impact on equity
2026			
Mortality rates	10	(646 819)	(646 819)
Morbidity rates	10	(6 657)	(6 657)
Lapse and cancellation rates: Increase	10	118 201	118 201
Lapse and cancellation rates: Decrease	(10)	(157 631)	(157 631)
Retrenchment rate	10	(38 472)	(38 472)
Expenses	10	(58 777)	(58 777)
Valuation discount rate: Increase	1	58 422	58 422
Valuation discount rate: Decrease	(1)	(117 142)	(117 142)



R'000	Change in assumptions %	Impact on profit after tax	Impact on equity
2025			
Mortality rates	10	(277 637)	(277 637)
Morbidity rates	10	(5 683)	(5 683)
Lapse and cancellation rates: Increase	10	(2 497)	(2 497)
Lapse and cancellation rates: Decrease	(10)	1 031	1 031
Retrenchment rate	10	(31 019)	(31 019)
Expenses	10	(23 790)	(23 790)
Valuation discount rate: Increase	1	(35 548)	(35 548)
Valuation discount rate: Decrease	(1)	29 997	29 997

An increase in mortality, morbidity, expense and retrenchment rates results in a reduction in profit and equity, while the other sensitivities could either reduce or increase profit and equity depending on the economic conditions and business profiles.

Credit risk

The Group is exposed to credit risk because it holds a reinsurance contract for Life Cover policies as well as through the other cell captive net assets, which reflect the Group's contribution to the cell captive arrangements, as well as cash retained in the cell captive arrangements which has not yet been distributed to the Group.

Reinsurance credit risk

The Group only holds reinsurance contracts with the Reinsurance Group of America which has a credit rating of Aa3. The table below details the Group's maximum exposure to credit risk arising from reinsurance contracts held.

R'000	2026	2025
Liability for remaining coverage	(1 340)	(2 943)
Amounts recoverable on incurred claims	35 291	4 323
Total credit risk exposure arising from reinsurance contracts	33 951	1 380

Cell captive counterparty credit risk

The table below details the Group's maximum exposure to credit risk arising from the other cell captive net assets, cell insurer and corresponding credit rating.

R'000	Other net asset balance	Credit rating
2026		
Centriq Life Insurance Company Limited (Sanlam Limited)	4 722 806	A1 to A3
2025		
Centriq Life Insurance Company Limited (Sanlam Limited)	4 465 913	Ba1 to Ba3
Guardrisk Life Limited (Momentum Metropolitan Holdings Limited)	1 371 199	Ba1 to Ba3

Notes to the financial statements continued

Year ended 28 February 2026

10. Financial assets – equity instruments at fair value through other comprehensive income

R'000	GROUP			
	African Bank	SWIFT	PayInc	Total
2026				
Balance at the beginning of the year	69 340	12 546	—	81 886
Additions	—	—	278 673	278 673
Fair value adjustment (loss)/profit on remeasurement to FVOCI	(10 000)	1 719	—	(8 281)
Balance at the end of the year	59 340	14 265	278 673	352 278
Cost	100 000	2 306	278 673	380 979
Fair value adjustment (loss)/profit on remeasurement to FVOCI	(40 660)	11 959	—	(28 701)
Balance at the end of the year	59 340	14 265	278 673	352 278
2025				
Balance at the beginning of the year	69 340	13 075	—	82 415
Fair value adjustment (loss)/profit on remeasurement to FVOCI	—	(529)	—	(529)
Balance at the end of the year	69 340	12 546	—	81 886
Cost	100 000	2 306	—	102 306
Fair value adjustment (loss)/profit on remeasurement to FVOCI	(30 660)	10 240	—	(20 420)
Balance at the end of the year	69 340	12 546	—	81 886

Accounting policies

Financial assets at FVOCI comprise unlisted equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition to recognise in this category because they are strategic investments. The Group holds an equity investment in African Bank Holdings Limited (African Bank) and is a participant in a consortium that recapitalised African Bank. The other members of the consortium comprise the Public Investment Corporation and 5 other South African banks.

The Group further holds an equity investment in the Society for Worldwide Interbank Financial Telecommunication (SWIFT), the global cooperative that facilitates international banking transactions of which almost all banks worldwide are members.

The Group also holds an equity investment in South African Bankers Services Company Limited (PayInc, formerly trading as BankservAfrica), a South African payments service provider that facilitates the processing and settlement of domestic electronic payment transactions between banks and other financial institutions.

The Group's election of FVOCI results in fair value gains and losses being recognised in other comprehensive income and not subsequently being reclassified to profit or loss, including on disposal. Impairment losses and reversals of impairment losses are not reported separately from other changes in fair value. Dividends, when representing a return on these investments, are recognised through profit or loss when the Group's right to receive such payments is established.

The cash flows are classified as investing activities.

Measurement

The fair value of financial assets that are not listed or quoted in an active market is determined using valuation techniques. Refer to **note 33.7**.



11. Interest in subsidiaries, associates and joint ventures

Interest in subsidiaries

R'000	COMPANY 2026	2025
Interest in subsidiaries		
Investment in unlisted subsidiaries at cost	7 028 741	7 028 891
Capitec Bank Limited		
Opening balance	5 719 109	5 720 518
Preference shares repurchased	(149)	(1 409)
Closing balance	5 718 960	5 719 109
Capitec Ins Proprietary Limited		
Opening balance	108 000	108 000
Closing balance	108 000	108 000
Capitec Insurance Holdings Proprietary Limited		
Opening balance	384 000	384 000
Closing balance	384 000	384 000
Avafin Holding Limited		
Opening balance	817 781	—
Carrying value of previously held interest	—	283 073
Interest acquired	—	534 708
Closing balance	817 781	817 781

Investments in subsidiaries

Subsidiaries	Domicile	Holding	Direct/Indirect	Nature of business
Capitec Bank Limited ⁽¹⁾	South Africa	100% (2025: 100%)	Direct	Banking
Capitec Ins Proprietary Limited	South Africa	100% (2025: 100%)	Direct	Investment holding – insurance cell captive
Capitec Insurance Holdings Proprietary Limited	South Africa	100% (2025: 100%)	Direct	Investment holding – insurance
Capitec Bank Holdings Share Trust ⁽²⁾	South Africa	Nil (100% effective interest) (2025: Nil (100% effective interest))	Direct	Share incentive trust
Capitec Bank Group Employee Empowerment Trust	South Africa	Nil (100% effective interest) (2025: Nil (100% effective interest))	Direct	Employee empowerment trust
Avafin Holding Limited	Cyprus	97.075% (2025: 97.075%)	Direct	Foreign lending
Capitec Life Limited	South Africa	100% (2025: 100%)	Indirect	Holder of Life Insurance licence
Capitec Rental Finance Proprietary Limited	South Africa	100% (2025: 100%)	Indirect	Rental finance
Capitec Properties Proprietary Limited ⁽³⁾	South Africa	100% (2025: 100%)	Indirect	Dormant
CB Employee Holdings Proprietary Limited	South Africa	100% (2025: 100%)	Indirect	Investment holding
Capitec Foundation Trust	South Africa	Nil (100% effective interest) (2025: Nil (100% effective interest))	Indirect	Corporate Social Investment

⁽¹⁾ All holdings are in the ordinary and preference share capital of the subsidiaries.

⁽²⁾ The carrying amount of the investment in Capitec Bank Holdings Share Trust is less than R1 000.

⁽³⁾ Capitec Bank Holdings Limited sold its investment in Capitec Properties Proprietary Limited to Capitec Bank Limited in a common control transaction on 11 February 2026. The carrying amount of the investment was R1 000. The company is dormant at year-end.

Notes to the financial statements continued

Year ended 28 February 2026

11. Interest in subsidiaries, associates and joint ventures continued

Investments in subsidiaries

All material subsidiaries were reviewed for indicators of impairment in the current year. Indicators of impairment would be, for example, loss-making and/or negative net asset value. No indicators were noted, which is consistent with the prior year.

Interest in associates and joint ventures

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Interest in associates and joint ventures				
Investment in associates and joint ventures	345 944	285 341	7 061	25 000
Interest in associates				
Avafin Holding Limited				
Opening balance	—	417 292	—	283 073
Share in profit ⁽¹⁾	—	42 417	—	—
Foreign currency translation reserve	—	(16 039)	—	—
Remeasurement loss on deemed disposal ⁽²⁾	—	(160 597)	—	—
Fair value of associate prior to step acquisition ⁽²⁾	—	(283 073)	—	—
Derecognition of associate ⁽²⁾	—	—	—	(283 073)
Closing balance	—	—	—	—
Praelexis Proprietary Limited				
Opening balance	20 826	20 518	25 000	25 000
Impairment on investment in associate	(13 660)	—	(17 939)	—
Share of profit	387	308	—	—
Closing balance	7 553	20 826	7 061	25 000
Interest in joint ventures				
Imvelo Ventures Proprietary Limited				
Opening balance	264 515	289 246	—	—
Interest acquired ⁽³⁾	87 400	15 000	—	—
Share of loss	(13 524)	(39 731)	—	—
Closing balance	338 391	264 515	—	—
Interest in associates and joint ventures	345 944	285 341	7 061	25 000
Share of net (loss)/profit of associates and joint ventures	(13 137)	2 994	—	—

⁽¹⁾ The Group equity accounted the investment in AvaFin for the period 1 March 2024 to 30 April 2024.

⁽²⁾ The Group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date.

⁽³⁾ Class B ordinary shares were acquired during the year at a cost of R87 million (2025: R15 million).

Investment in associates and joint ventures

Associates/Joint ventures	Domicile	Holding	Nature of business
Praelexis Proprietary Limited	South Africa	33.33% (2025: 33.33%)	Artificial intelligence
Imvelo Ventures Proprietary Limited	South Africa	49% (2025: 49%)	Broad-based black economic empowerment (B-BBEE) investment



Analysis of investment in associates and joint ventures

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Praelexis Proprietary Limited				
Income statement				
Revenue	48 395	39 697	48 395	39 697
Interest income	403	815	403	815
Depreciation	(153)	(327)	(153)	327
Profit from continuing operations after tax	806	2 109	806	2 109
Total comprehensive income	806	2 109	806	2 109
Reconciliation to carrying amounts				
Non-current assets	10 111	8 051	10 111	8 051
Current assets	19 588	15 492	19 588	15 492
Cash and cash equivalents	4 042	9 232	4 042	9 232
Current liabilities	(7 043)	(1 693)	(7 043)	(1 693)
Net assets at 100%	22 656	21 850	22 656	21 850
The Group's share of net assets (33.33%)	7 553	7 283	7 553	7 283
Fair value adjustments and acquisition effects	17 447	17 717	17 447	17 717
Cumulative share of impairment loss	(13 660)	—	(17 939)	—
Cumulative share of loss	(3 787)	(4 174)	—	—
Carrying amount of investment in Praelexis Proprietary Limited	7 553	20 826	7 061	25 000
Imvelo Ventures Proprietary Limited				
Income statement				
Revenue	11 311	28 139	—	—
Interest income	1 167	1	—	—
Interest expense	(1 182)	(3 666)	—	—
Depreciation	(142)	(142)	—	—
Income tax	22 654	13 349	—	—
Loss from continuing operations after tax	(81 860)	(47 562)	—	—
Total comprehensive loss	(81 860)	(47 562)	—	—
Reconciliation to carrying amounts				
Non-current assets	292 508	340 948	—	—
Current assets	54 993	—	—	—
Non-current liabilities	—	(25 241)	—	—
Current liabilities	(801)	(2 911)	—	—
Net assets at 100%	346 700	312 796	—	—
The Group's share of net assets (54.10%)(1)(2)	187 565	169 223	—	—
Fair value adjustments and acquisition effects	141 037	71 979	—	—
Cumulative share of profit	9 789	23 313	—	—
Carrying amount of investment in Imvelo Ventures Proprietary Limited	338 391	264 515	—	—

(1) The Group's effective profit share is 54.1%, due to the investment in class B shares (10% of profit) and investment in class A shares (49% of remaining 90% of profit).

(2) Disclosure of investment in associates has been enhanced to reconcile net assets to carrying amounts. Comparatives have been updated to reflect the change in presentation.

The Group considered all impairment indicators as at 28 February 2026 and recognised an impairment loss of R13.7 million on its equity investment in Praelexis. Apart from this, no investments were impaired at the reporting date.

Notes to the financial statements continued

Year ended 28 February 2026

12. Property and equipment

R'000	GROUP			Total
	Land and buildings	Computer equipment	Office equipment and vehicles	
2026				
Carrying amount at the beginning of the year	1 276 170	1 674 281	1 028 040	3 978 491
Cost	1 391 586	3 722 734	2 600 413	7 714 733
Accumulated depreciation	(115 416)	(2 048 453)	(1 572 373)	(3 736 242)
Additions	2 300	528 084	522 573	1 052 957
Foreign currency translation loss	(23)	(30)	(7)	(60)
Disposals	—	(18 134)	(7 479)	(25 613)
Depreciation charge	(27 627)	(470 599)	(391 224)	(889 450)
Carrying amount at the end of the year	1 250 820	1 713 602	1 151 903	4 116 325
Cost	1 393 834	4 090 050	2 680 047	8 163 931
Accumulated depreciation	(143 014)	(2 376 448)	(1 528 144)	(4 047 606)
Carrying amount at the end of the year	1 250 820	1 713 602	1 151 903	4 116 325
Non-current portion	1 250 820	1 713 602	1 151 903	4 116 325
2025				
Carrying amount at the beginning of the year	900 378	1 574 985	1 035 967	3 511 330
Cost	991 045	3 650 441	2 728 539	7 370 025
Accumulated depreciation	(90 667)	(2 075 456)	(1 692 572)	(3 858 695)
Additions	400 860	540 247	337 327	1 278 434
Acquisition of subsidiary	532	3 047	894	4 473
Foreign currency translation loss	(16)	(407)	(129)	(552)
Disposals	—	(54 129)	(4 605)	(58 734)
Depreciation charge	(25 584)	(389 462)	(341 414)	(756 460)
Carrying amount at the end of the year	1 276 170	1 674 281	1 028 040	3 978 491
Cost	1 391 586	3 722 734	2 600 413	7 714 733
Accumulated depreciation	(115 416)	(2 048 453)	(1 572 373)	(3 736 242)
Carrying amount at the end of the year	1 276 170	1 674 281	1 028 040	3 978 491
Non-current portion	1 276 170	1 674 281	1 028 040	3 978 491

Accounting policies

Land and buildings comprise owner-occupied properties and completed buildings. All property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.



Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate costs to their residual values over their estimated useful lives, which currently are as follows:

Asset description	Asset class	Estimated useful life
Automated teller machines (ATMs)	Computer equipment	10 years
Banking application hardware	Computer equipment	3 – 5 years
Buildings	Land and buildings	50 years
Computer equipment	Computer equipment	3 – 7 years
Motor vehicles	Office equipment and vehicles	5 years
Office equipment	Office equipment and vehicles	5 – 10 years
Leasehold improvements	Land and buildings	5 – 10 years

The assets' residual values and useful lives are reviewed annually and adjusted, if appropriate. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in profit or loss. Assets destroyed in insured events are derecognised when it is not probable that future economic benefits from the destroyed asset will flow to the Group. Compensation from insurance companies is included in profit or loss when it becomes receivable.

Property and equipment are assessed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and/or if there is any indication that the asset may be impaired.

If there is an indication of impairment, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss. To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units (CGUs)). Previously impaired assets are reviewed for possible reversal of impairment at each reporting date. Impairment reversals may not result in the asset's carrying value being higher than the carrying value had the asset not been impaired in previous years.

13. Right-of-use assets

	GROUP Premises
R'000	
2026	
Carrying amount at the beginning of the year	1 827 237
Cost	4 362 389
Accumulated depreciation	(2 535 152)
Additions and modifications	438 861
Foreign currency translation gain	119
Terminations and modifications	(73 353)
Depreciation charge	(490 767)
Carrying amount at the end of the year	1 702 097
Cost	4 727 732
Accumulated depreciation	(3 025 635)
Carrying amount at the end of the year	1 702 097
Current portion	353 988
Non-current portion	1 348 109
Future cash outflows to which the Group is potentially exposed that are not reflected in the measurement of lease liabilities:	
Leases not yet commenced to which the Group is committed	102 068

Notes to the financial statements continued

Year ended 28 February 2026

13. Right-of-use assets continued

R'000	GROUP Premises
2025	
Carrying amount at the beginning of the year	1 856 615
Cost	3 914 773
Accumulated depreciation	(2 058 158)
Additions and modifications	547 312
Acquisition of subsidiary	5 269
Foreign currency translation loss	(26)
Terminations and modifications	(111 223)
Depreciation charge	(470 710)
Carrying amount at the end of the year	1 827 237
Cost	4 362 389
Accumulated depreciation	(2 535 152)
Carrying amount at the end of the year	1 827 237
Current portion	344 157
Non-current portion	1 483 080
Future cash outflows to which the Group is potentially exposed that are not reflected in the measurement of lease liabilities:	
Leases not yet commenced to which the Group is committed	145 192

Accounting policies

At inception of an agreement, the Group assesses whether an agreement is, or contains, a lease. If the agreement conveys the right to control the use of an identified asset for a period of time in exchange for consideration it is, or contains, a lease. An agreement conveys the right to control the use of an identified asset if:

- the agreement involves the use of an identified asset – this may be specified explicitly or implicitly and should be a physically distinct asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not an identified asset
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use
- the Group has the right to direct the use of the asset. The Group has the right to direct use of the asset when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either (i) the Group has the right to operate the asset; or (ii) the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception, or on reassessment of an agreement that contains a lease component, the Group allocates the consideration in the agreement to each lease component on the basis of its relative stand-alone price.

Where the Group is the lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost (which is equal to the lease liability adjusted for upfront deposits) and increased by initial direct costs incurred and the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group applies the cost model subsequent to the initial measurement of the right-of-use asset.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.



The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group enters into leases for branches, off-site ATM locations, office space and storage facilities.

Where the Group is the lessor

Subletting is incidental to the Group's occupation of certain properties. Rental from the subletting of leased premises is recognised on a straight-line basis over the lease term.

14. Intangible assets including goodwill

R'000	GROUP					Total
	Computer software ⁽¹⁾	Internally generated intangible assets ⁽²⁾	Core deposit intangible	Client relationships	Goodwill	
2026						
Carrying value at the beginning of the year	292 743	245 268	—	—	1 090 702	1 628 713
Cost	1 039 110	382 880	80 780	17 721	1 090 702	2 611 193
Accumulated amortisation	(746 367)	(137 612)	(80 780)	(17 721)	—	(982 480)
Additions	59 709	23 390	—	—	—	83 099
Foreign currency translation loss	(3 216)	(784)	—	—	(13 125)	(17 125)
Disposals	—	(9 810)	—	—	—	(9 810)
Amortisation	(102 808)	(87 341)	—	—	—	(190 149)
Carrying value at the end of the year	246 428	170 723	—	—	1 077 577	1 494 728
Cost	1 019 152	395 677	—	—	1 077 577	2 492 406
Accumulated amortisation	(772 724)	(224 954)	—	—	—	(997 678)
Carrying value at the end of the year	246 428	170 723	—	—	1 077 577	1 494 728
2025						
Carrying value at the beginning of the year	249 851	265 100	30 784	6 753	849 487	1 401 975
Cost	975 114	323 179	80 780	17 721	849 487	2 246 281
Accumulated amortisation	(725 263)	(58 079)	(49 996)	(10 968)	—	(844 306)
Additions	34 867	59 701	—	—	—	94 568
Acquisition of subsidiary	138 216	—	—	—	241 908	380 124
Foreign currency translation loss	(4 905)	—	—	—	(693)	(5 598)
Disposals	(19 624)	—	—	—	—	(19 624)
Amortisation	(105 662)	(79 533)	(30 784)	(6 753)	—	(222 732)
Carrying value at the end of the year	292 743	245 268	—	—	1 090 702	1 628 713
Cost	1 039 110	382 880	80 780	17 721	1 090 702	2 611 193
Accumulated amortisation	(746 367)	(137 612)	(80 780)	(17 721)	—	(982 480)
Carrying value at the end of the year	292 743	245 268	—	—	1 090 702	1 628 713

⁽¹⁾ The remaining estimated useful life of banking application software included in computer software as at 28 February 2026 is 3 years.

⁽²⁾ The remaining estimated useful life of the SAP software included in internally generated assets as at 28 February 2026 is 4 years.

14. Intangible assets including goodwill continued

Accounting policies

Computer software

Computer software comprises the main banking infrastructure applications, which are purchased from vendors, and software licences which are acquired and capitalised based on the costs incurred to acquire and bring to use the specific software. Computer software is carried at cost less accumulated amortisation and impairment losses.

Costs associated with developing and maintaining computer software programs are recognised as an expense when incurred apart from development costs that meet the criteria for internally generated intangible assets.

Amortisation is calculated using the straight-line method to allocate costs to the residual values over the estimated useful lives, which currently are as follows:

• Banking application software	8 – 10 years
• Desktop application software	2 – 4 years
• Server software	3 – 5 years

The assets' useful lives are reviewed annually and adjusted where appropriate.

The Group recognises monthly subscription fees for the use of software that is stored in the cloud (software as a service) as an expense if the software:

- is not specifically customised for the Group's purpose
- is an off-the-shelf software package that is available on a subscription basis, or for purchase by any other user
- at the end of the agreement period, the right to access and use the service terminates. As the supplier or its licensors retain all ownership and intellectual property rights to the services, including the programs and ancillary software, as well as anything developed or delivered in terms of the agreement, the Group does not consider having a right to access the supplier's application software as sufficient to indicate that at the agreement's inception the Group controls a resource that meets the definition of an intangible asset.

The Group recognises the monthly subscription fee paid upfront as a prepaid asset until the point that the Group has received the related services.

Internally generated intangible assets

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use
- Management intends to complete the software product and use or sell it
- There is an ability to use or sell the software product
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available
- The expenditure attributable to the software product during its development can be reliably measured.

Development expenditure that does not meet these criteria is recognised as an expense when incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation is calculated using the straight-line method to allocate costs to the residual values over the estimated useful lives, which are currently as follows:

• Internally generated intangible assets	3 – 10 years

The assets' useful lives are reviewed annually and adjusted where appropriate.



Impairment of intangible assets with finite useful lives

Computer software and internally generated intangible assets are assessed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or if there is any indication that the asset may be impaired.

If there is an indication of impairment, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised immediately in profit or loss. To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. These groupings are CGUs. Previously impaired assets are reviewed for possible reversal of impairment at each reporting date. An impairment reversal may not result in the asset's carrying value being higher than the carrying value had the asset not been impaired in previous years.

Goodwill

Goodwill is tested annually for impairment unless there is an impairment indicator, in which case the test is performed more than once a year. Should an impairment of goodwill be required, it will be recognised in profit or loss. Where goodwill is separately identified and reported, the impairment may not be reversed.

Critical accounting estimates and judgements in applying accounting policies

Judgements

Intangible assets: Goodwill impairment determination – Business Banking

Mercantile was acquired in the 2020 financial year as a business bank and its operations and goodwill are monitored by Capitec management as a separate CGU from Capitec's Personal Banking operations.

The goodwill allocated to the Business Banking CGU as at 28 February 2026 is R849 million (2025: R849 million). As at 28 February 2026, management reviewed the assumptions and estimates used in the impairment calculation and determined that the recoverable amount exceeds the carrying amount. The recoverable amount is determined based on the higher of the fair value less costs to sell or value in use. In the case of Business Banking this was determined to be the fair value less costs to sell.

The fair value less cost to sell is calculated using a free cash flow to equity model taking into account cash flows for a 7-year forecast period. A forecast period of greater than 5 years was used to consider the impact of the rebranding of Business Banking to Capitec Business as well as the initial effect of reduced pricing that was implemented on 1 March 2024. A terminal value is determined using the Gordon Growth Model calculation.

The calculation used cash flow projections based on financial budgets approved by management and other management assumptions as per the following table. These projections consider actual growth in transactional volumes and in clients for certain business lines over the past year. The risks associated with the impact of the ongoing global geopolitical tension and current macroeconomic conditions were considered by stressing the variables as per the table. The various growth rates applied to the variables are consistent with forecasts included in industry reports specific to the industry in which the CGU operates, historical performance, management's expectation of market developments and management's forecast of new client revenues, which management believes will result from leveraging the Capitec Bank brand and the Business Banking process. The terminal growth rate does not exceed the historical long-term average growth rate for the country.

Notes to the financial statements continued

Year ended 28 February 2026

14. Intangible assets including goodwill continued

Critical accounting estimates and judgements in applying accounting policies continued

Judgements continued

Stressing any one of the key assumptions as per the following table will not result in an impairment as the recoverable amount is sufficiently more than the carrying amount.

The table below sets out the key assumptions and the related stress.

Key assumptions (%)	Value	Stressed value
2026		
Compound growth rate – credit business	18.8	17.9
Compound growth rate – other business	11.0	10.0
Terminal growth rate	3.0	2.0
Capital asset pricing model (CAPM) discount rate	12.6	13.5
2025		
Compound growth rate – credit business	14.5	13.5
Compound growth rate – other business	11.4	10.5
Terminal growth rate	4.5	3.5
CAPM discount rate	13.7	14.6

The compound growth rate projected for the credit business increased in the current year. This reflects improved growth expectations as the business continues to capture a greater share of the SME and Emerging Market banking segments through its simple and affordable offering.

In the fair value hierarchy, these unobservable inputs would be described as level 3.

The future cash flows, which reflect specific risks relating to the CGU, were discounted using the expected rate of return while maximising the use of market observable data. The expected rate of return was calculated using the CAPM.

For purposes of the calculation of the CAPM discount rate, the following assumptions were used:

Key assumptions	Approach to determining value	Value
2026		
Risk-free rate (%)	10-year South African government bond rate	7.7
Equity risk premium (%)	Available studies from Ibbotson, the Stocks, Bonds, Bills and Inflation® (SBBBI®) Yearbook, Damodaran studies, equity risk premium implied by stock markets and others	6.0
Beta coefficient	Listed South African banks based on 5 years of monthly returns regressed against local index returns	0.82
Cost of equity (%)		12.6
2025		
Risk-free rate (%)	10-year South African government bond rate	9.5
Equity risk premium (%)	Available studies from Ibbotson, the SBBBI® Yearbook, Damodaran studies, equity risk premium implied by stock markets and others	4.5
Beta coefficient	Listed South African banks based on 5 years of monthly returns regressed against local index returns	0.93
Cost of equity (%)		13.7

A post-tax discount rate was used to discount post-tax cash flows in the determination of the fair value less cost to sell.



Intangible assets: Goodwill impairment determination – Avafin Holding Limited (AvaFin)

AvaFin was acquired on 1 May 2024 and consolidated as of that date. AvaFin's operations and goodwill are monitored by Capitec management as a separate CGU from Capitec's Personal and Business Banking operations. The Group considered the economic environment in which AvaFin operates to be an indicator of potential impairment in terms of IAS 36 *Impairment of Assets*.

The goodwill allocated to the AvaFin CGU as at 28 February 2026 is R228 million (2025: R242 million). As at 28 February 2026, management reviewed the assumptions and estimates used in the impairment calculation and determined that the recoverable amount exceeds the carrying amount. The recoverable amount is determined based on the higher of the fair value less costs to sell or the value in use. In the case of AvaFin, this was determined to be the value in use.

The value in use is determined using a DCF model based on projected free cash flows over a 10-year forecast period. A forecast period in excess of 5 years was applied to reflect the expected growth and development arising from leveraging the Capitec brand and funding capabilities, together with AvaFin's operational processes. Cash flows beyond the forecast period are extrapolated using a terminal value calculated in accordance with the Gordon Growth Model.

In the prior year, a dividend payout rate was used to determine approximate free cash flows. In the current year, a net funding ratio has been used to determine free cash flows because AvaFin is utilising Group funding.

Each country within the AvaFin group is affected by different factors such as government regulations, markets, economic and legal environments, and each country's future cash flows are determined using the most appropriate method taking into consideration the factors that specifically affect it. The impact of the global geopolitical tension on the financial performance was taken into account by adjusting future cash flows based on actual performance over the recent impacted period.

The projected future free cash flows were discounted using the expected rate of return. The expected rate of return was calculated using the CAPM.

The table below sets out the key assumptions and related stress.

Key assumptions	Value	Stressed value
2026		
Net growth rate (%)	10.4	10.0 – 10.8
Net funding ratio	0.14	0.10 – 0.18
Beta coefficient	0.98	0.95 – 1.01
Terminal growth rate (%)	1.3	1.1 – 1.5
CAPM discount rate (%)	17.4	15.4 – 19.4
2025		
Net growth rate (%)	5.4	5.2 – 5.6
Dividend payout rate (%)	84.2	75 – 95
Beta coefficient	0.98	0.96 – 1
Terminal growth rate (%)	1.8	1.6 – 2
CAPM discount rate (%)	25.0	24 – 26

In the fair value hierarchy, these unobservable inputs would be described as level 3.

Based on the assumptions above, the value in use was calculated by applying Capitec's shareholding (97.075%) and the exchange rate as at financial year-end.

Notes to the financial statements continued

Year ended 28 February 2026

14. Intangible assets including goodwill continued

Critical accounting estimates and judgements in applying accounting policies continued

Judgements continued

Intangible assets: Goodwill impairment determination – Avafin Holding Limited (AvaFin) continued

The increase in the net growth rate reflects revised long-term growth expectations following the normalisation of exceptional growth in earlier periods and the low growth in the current year. Forecast growth of 41% from December 2025 to December 2026 reflects expected recovery and continued business development initiatives. The impact of the volatile geopolitical environment in Eastern Europe has been considered in determining the growth assumptions. Stressing any one of the key assumptions as per the previous table would not have resulted in a difference of more than R190 million to the recoverable amount (2025: R52 million). No impairment of goodwill was identified.

For purposes of the calculation of the CAPM discount rate, the following assumptions were used:

Key assumptions	Approach to determining value	Value
2026		
Risk-free rate (%)	The risk-free rate is extracted (market-risk-premium.com) per country and apportioned by the country's contribution to the total value of the loan book	5.2
Equity risk premium (%)	The risk premium is extracted (NYU Stern School of Business) per country and apportioned by the country's contribution to the total value of the loan book	5.7
Beta coefficient	Available studies published by the NYU Stern School of Business for the 3-year average beta for banks in Western Europe and for financial services	0.98
Small stock premium (%)	A combined small stock premium and firm-specific risk determined based on AvaFin-specific factors such as size, management, strategy and financing	5.2
Country risk premium (%)	The country risk premium is extracted (NYU Stern School of Business) per country and apportioned by the country's contribution to the total value of the loan book	1.5
Cost of equity (%)		17.4
2025		
Risk-free rate (%)	The risk-free rate is extracted (market-risk-premium.com) per country and apportioned by the country's contribution to the total value of the loan book	5.4
Equity risk premium (%)	The risk premium is extracted (market-risk-premium.com) per country and apportioned by the country's contribution to the total value of the loan book	5.9
Beta coefficient	Available studies published by the NYU Stern School of Business for the 3-year average beta for banks in Western Europe and for financial services	0.98
Small stock premium (%)	A combined small stock premium and firm-specific risk determined based on AvaFin-specific factors such as size, management, strategy and financing	14.0
Cost of equity (%)		25.0



15. Deferred income tax asset/liability

Deferred income tax asset

R'000	GROUP						Total
	Impairments, provisions and accruals	Share- based payments	Other reserves	Capital allow- ances ⁽¹⁾	Lease liability	Pre- payments	
2026							
Balance at the beginning of the year	3 117 180	104 265	118	(540 178)	642 782	28 586	3 352 753
Income statement charge	475 324	—	—	33 481	(35 873)	(22 750)	450 182
Debited directly to equity	—	52 844	—	—	—	—	52 844
Debited to equity through other comprehensive income	—	—	(362)	—	—	—	(362)
Foreign currency translation gains and losses	(8 894)	—	—	32	(37)	—	(8 899)
Balance at the end of the year	3 583 610	157 109	(244)	(506 665)	606 872	5 836	3 846 518
Estimated to be recovered within 1 year							1 639 233
Estimated to be recovered after 1 year							2 207 285
Balance at the end of the year							3 846 518

⁽¹⁾ Capital allowances include the deferred tax related to right-of-use assets.

R'000	GROUP								Total
	Impairments, provisions and accruals	Share- based payments	Other reserves	Cash flow hedge	Capital allow- ances ⁽¹⁾	Lease liability	Intangible assets	Pre- payments	
2025									
Balance at the beginning of the year	2 456 068	18 172	(1 965)	(2 778)	(558 878)	649 060	(10 510)	19 733	2 568 902
Acquisition of subsidiary	160 422	—	—	—	(1 033)	1 172	—	—	160 561
Income statement charge	520 647	—	—	—	19 730	(7 444)	10 510	8 853	552 296
Debited directly to equity	—	86 093	—	—	—	—	—	—	86 093
Debited to equity through other comprehensive income	—	—	2 083	2 778	—	—	—	—	4 861
Foreign currency translation gains and losses	(19 957)	—	—	—	3	(6)	—	—	(19 960)
Balance at the end of the year	3 117 180	104 265	118	—	(540 178)	642 782	—	28 586	3 352 753
Estimated to be recovered within 1 year									1 443 733
Estimated to be recovered after 1 year									1 909 020
Balance at the end of the year									3 352 753

⁽¹⁾ Capital allowances include the deferred tax related to right-of-use assets.

Notes to the financial statements continued

Year ended 28 February 2026

15. Deferred income tax asset/liability continued

Deferred income tax liability

R'000	GROUP							Total
	Impairments, provisions and accruals	Share-based payments	Insurance contract zero-isation	Capital allowances ⁽¹⁾	Lease liability	Intangible assets	Pre-payments	
2026								
Balance at the beginning of the year	95 622	(27 546)	31 323	(12 105)	1 375	(328)	92	88 433
Income statement charge	183 382	27 546	(31 323)	11 501	62	—	(46)	191 122
Foreign currency translation gain	(2 097)	—	—	—	—	—	—	(2 097)
Balance at the end of the year	276 907	—	—	(604)	1 437	(328)	46	277 458
Estimated to be recovered within 1 year								277 458
Estimated to be recovered after 1 year								—
Balance at the end of the year								277 458
2025								
Balance at the beginning of the year	—	—	—	—	—	—	—	—
Acquisition of subsidiary	179	—	—	—	—	—	—	179
Income statement charge	95 338	(27 546)	31 323	(12 105)	1 375	(328)	92	88 149
Foreign currency translation loss	105	—	—	—	—	—	—	105
Balance at the end of the year	95 622	(27 546)	31 323	(12 105)	1 375	(328)	92	88 433
Estimated to be recovered within 1 year								88 433
Estimated to be recovered after 1 year								—
Balance at the end of the year								88 433

⁽¹⁾ Capital allowances include the deferred tax related to right-of-use assets.

Accounting policies

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax laws and rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

The principal temporary differences arise from depreciation of property and equipment, ECLs, revaluation of certain financial assets and liabilities, prepaid expenses and tax losses carried forward. Deferred tax assets are raised only to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are only offset when the entity has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority on either (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax liabilities or assets are expected to be settled or recovered.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



16. Deposits and wholesale funding

R'000	GROUP	
	2026	2025
Deposits		
By maturity		
Within 1 month	130 339 159	119 869 801
1 to 3 months	18 307 894	11 837 729
3 months to 1 year	22 082 697	20 684 585
1 to 2 years	8 352 952	9 281 570
2 to 5 years	10 090 701	10 961 802
Total deposits	189 173 403	172 635 487
Wholesale funding		
By maturity		
Within 1 month	2 070	207 231
1 to 3 months	19 089	212 393
3 months to 1 year	1 195 563	1 333 969
1 to 2 years	104 453	974 817
2 to 5 years	80 542	177 205
Total wholesale funding	1 401 717	2 905 615
By nature		
Deposits		
Call accounts	107 387 192	99 949 640
Current accounts	11 558 946	13 213 078
Term and notice deposits ⁽¹⁾	20 001 702	10 624 980
Foreign currency deposits	1 277 373	1 416 578
Fixed deposits ⁽¹⁾	48 948 190	47 431 211
Total deposits	189 173 403	172 635 487
Wholesale funding		
Listed senior bonds ⁽²⁾	754 184	1 506 121
Unlisted negotiable instruments	610 753	1 308 216
Other wholesale funding	36 780	91 278
Total wholesale funding	1 401 717	2 905 615
Total deposits and wholesale funding	190 575 120	175 541 102

⁽¹⁾ The prior year Personal Banking notice deposits of R7.2 billion that were incorrectly included in fixed deposits have been restated and included in term and notice deposits.

⁽²⁾ Comprises notes listed in terms of Capitec Bank's domestic medium-term note (DMTN) programme registered on the JSE's Debt Board.

Notes to the financial statements continued

Year ended 28 February 2026

16. Deposits and wholesale funding continued

Description	Nominal amount	Issue date	Term	Rate
2026				
Listed senior bonds				
Senior debt – listed bonds – floating rate ⁽¹⁾	R750 million	31 October 2023	3 years	3-month JIBAR plus 1.08% ⁽²⁾
Unlisted negotiable instruments				
Zero coupon bonds	EUR3 million	Various in 2025	1 year	Discount equal to 13% of issue price
Bonds – floating rate	EUR20 million	Various between 2022 – 2024	4 years	3-month EURIBOR plus 9.30%
Other wholesale funding				
COVID-19 SME Loan Guarantee Scheme	R620 million ⁽³⁾	Various between 2020 – 2021	5 years	Repo rate
2025				
Listed senior bonds				
Senior debt – listed bonds – floating rate ⁽¹⁾	R750 million	21 November 2022	3 years	3-month JIBAR plus 1.30% ⁽²⁾
Senior debt – listed bonds – floating rate ⁽¹⁾	R750 million	31 October 2023	3 years	3-month JIBAR plus 1.08% ⁽²⁾
Unlisted negotiable instruments				
Zero coupon bonds	EUR11 million	Various in 2024	1 year	Discount equal to 13% of issue price
Bonds – floating rate	EUR15 million	Various between 2022 – 2023	4 years	3-month EURIBOR plus 9.30%
Other wholesale funding				
COVID-19 SME Loan Guarantee Scheme	R620 million ⁽³⁾	Various between 2020 – 2021	5 years	Repo rate
Crowdfunding platform	EUR5 million	Various between 2023 – 2024	1 year	Various between 13.5% – 14%
Crowdfunding platform – Japan	JPY2.54 billion	Various between 2023 – 2024	1 year	Various between 10.5% – 12.5%
Marketplace platform loan – Czechia	EUR9 million	19 September 2024	Various	11%
Marketplace platform loan – Spain	EUR9 million	19 September 2024	Various	11%
Marketplace platform loan – Mexico	EUR0.2 million	19 September 2024	Various	10%

⁽¹⁾ Comprises notes listed in terms of Capitec Bank's DMTN programme registered on the JSE's Debt Board.

⁽²⁾ JIBAR is to be amended to the ZARONIA. The SARB announced on 3 December 2025 that the JIBAR will be permanently discontinued after its final publication on 31 December 2026.

⁽³⁾ Nominal amount at the grant date which will amortise over a period of 5 years.



R'000	GROUP	
	Senior listed bonds	Total
2026		
Reconciliation of movements in cash flows arising from financing activities		
Opening balance as at 1 March 2025	1 506 120	1 506 120
Initiation fees	347	347
Redemption of institutional bonds and other funding	(750 000)	(750 000)
Interest expense accrued	109 358	109 358
Interest paid	(111 641)	(111 641)
Balance as at 28 February 2026	754 184	754 184
COVID-19 SME Loan Guarantee Scheme		36 780
Other funding (operating activities: unlisted negotiable instruments and other wholesale funding) ⁽¹⁾		610 753
Total wholesale funding⁽¹⁾		1 401 717
2025		
Reconciliation of movements in cash flows arising from financing activities		
Opening balance as at 1 March 2024	2 766 278	2 766 278
Initiation fees	571	571
Redemption of institutional bonds and other funding	(1 250 000)	(1 250 000)
Interest expense accrued	196 659	196 659
Swap interest accrued	733	733
Interest paid	(208 121)	(208 121)
Balance as at 28 February 2025	1 506 120	1 506 120
COVID-19 SME Loan Guarantee Scheme		91 279
Other funding (operating activities: unlisted negotiable instruments and other wholesale funding) ⁽¹⁾		1 308 216
Total wholesale funding⁽¹⁾		2 905 615

⁽¹⁾ Cash flows from unlisted negotiable instruments and other wholesale funding are classified as operating cash flows for cash flow purposes as this funding finances the Group's day-to-day operations. Refer to **note 36**.

Covenants

The table below reflects the covenants that exist on unlisted negotiable instruments acquired via the acquisition of AvaFin. AvaFin has covenants for bonds issued to external parties. The conditions of the covenants include maintaining certain loan-to-value (LTV) ratios, advance rates (ratio of issued bonds to pledged assets), net debt ratios and levels of total consolidated assets and equity. If AvaFin breaches any of these covenants, the lender has the right to terminate the funding and immediately call for full payment of the outstanding debt balance.

EUR'000	2026	2025
Unlisted negotiable instruments		
Fixed bonds	22 478	11 194
Floating bonds	—	20 000
Loan platforms	—	36 710
	22 478	67 904
Current portion	22 199	47 904
Non-current portion	279	20 000
	22 478	67 904

Notes to the financial statements continued

Year ended 28 February 2026

16. Deposits and wholesale funding continued

Covenants continued

R'000

Unlisted negotiable instruments	2026	2025
Fixed bonds	422 703	215 668
Floating bonds	—	385 306
Loan platforms	—	707 242
	422 703	1 308 216
Current portion	417 459	922 910
Non-current portion	5 244	385 306
	422 703	1 308 216

Bonds issued – INVL Bridge Finance

The bonds were issued and approved by AvaFin Latvia SIA. The bonds are secured by a registered pledge established by AvaFin Latvia and a guarantee by AvaFin to secure the fulfilment of all present and future obligations arising from the issued bonds.

Bonds issued ⁽¹⁾	Nominal amount R	Issued bonds	Issue date	Issue price per bond R	Interest rate	Maturity date
2026						
INVL Bridge Finance	17 808	4 500	5 June 2025	17 257	— %	5 June 2026
Covenant				Limit	LTV 2026	Covenant met
LTV				75%	45.17	Yes
2025						
INVL Bridge Finance	20 539	8 937	5 June 2024	18 176	— %	5 June 2025
	19 726	2 400	30 August 2024	17 462	— %	29 August 2025
Covenant				Limit	LTV 2025	Covenant met
LTV				75%	71.41%	Yes

⁽¹⁾ In the current year, amounts have been presented in rand in order to enhance clarity and comparability; comparatives have been updated to reflect the enhanced presentation.



Bonds issued – Multitude Bank PLC

The bonds were issued and approved by AvaFin under Polish law. The bonds are secured by a pledge established by KIM Finance and MDP Finance (subsidiaries of the AvaFin group) to secure the fulfilment of the obligations of the issuer (AvaFin).

Bonds issued ⁽¹⁾	Nominal amount R	Issued bonds	Issue date	Issue price per bond R	Interest rate	Maturity date
2026						
Multitude – Series C bonds	1 880 500	100	13 June 2022	1 681 250	3-month EURIBOR plus 9.3%	14 June 2026
Multitude – Series D bonds	1 880 500	50	23 June 2023	2 025 750	3-month EURIBOR plus 9.3%	14 June 2027
Multitude – Series E bonds	1 880 500	50	28 October 2024	1 914 040	3-month EURIBOR plus 9.3%	28 October 2028
Covenant						
				Limit	2026	Covenant met
Advance rate ⁽²⁾				90%	55.07	Yes
Net debt				2.75	1.50	Yes
2025						
Multitude – Series C bonds	1 681 250	100	13 June 2022	1 681 250	3-month EURIBOR plus 9.3%	14 June 2026
Multitude – Series D bonds	2 025 750	50	23 June 2023	2 025 750	3-month EURIBOR plus 9.3%	14 June 2027
Multitude – Series E bonds	1 914 040	50	28 October 2024	1 914 040	3-month EURIBOR plus 9.3%	28 October 2028
Covenant						
				Limit	2025	Covenant met
Advance rate ⁽²⁾				90%	69.90%	Yes
Net debt				2.75	1.22	Yes

⁽¹⁾ In the current year, amounts have been presented in rand in order to enhance clarity and comparability; comparatives have been updated to reflect the enhanced presentation.

⁽²⁾ Ratio of issued bonds to pledged assets.

Notes to the financial statements continued

Year ended 28 February 2026

16. Deposits and wholesale funding continued

Covenants continued

Crowdfunding platform

AvaFin engages the services of a crowdfunding platform company which acts as an intermediary between AvaFin and investors to raise financing using online platforms. In terms of the agreement, AvaFin must comply with facility limits that are dependent on its consolidated total assets and equity.

Consolidated total assets	Consolidated total equity	Facility limit
2026		
None	None	—
2025		
More than EUR120 million	More than EUR31 million	EUR47 million
More than EUR110 million	More than EUR28 million	EUR43 million
More than EUR100 million	More than EUR25 million	EUR39 million
More than EUR90 million	More than EUR20 million	EUR35 million
More than EUR80 million	More than EUR18 million	EUR30 million

Loan marketplace platform

In previous years, AvaFin acquired part of its financing via a loan marketplace platform which assigned claims arising out of the loans originated by its subsidiaries to investors in exchange for cash transfers with buy-back guarantees for unpaid loans. In such cases, AvaFin must buy back the loan from investors together with accrued interest calculated at the agreed rate. The last of this type of funding was settled during the current year and the platform will not be used again as AvaFin obtains funding from the Group going forward.

No covenants exist for the financing obtained via the loan marketplace platform.

17. Other liabilities

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Financial liabilities				
Trade payables	5 254 013	5 683 637	713	1 376
Dividends payable	4 602	1 284	20 146	12 544
Accruals	3 143 046	2 640 716	2 269	141
ECL for undrawn loan commitments ⁽¹⁾	77 746	97 832	—	—
Non-financial liabilities				
Bonus accruals	136 971	181 676	—	—
Share appreciation rights (note 41)	929 042	494 547	—	—
Restricted share plan (RSP) (note 39.4)	54 256	44 921	—	—
Total other liabilities	9 599 676	9 144 613	23 128	14 061
Current portion	8 332 760	8 423 456	23 128	14 061
Non-current portion	1 266 916	721 157	—	—

⁽¹⁾ For loan commitments, detailed in note 7, the loss allowance is recognised as a provision for ECL to the extent that the ECLs exceed the gross carrying amount of the loans at a client level.

Accounting policy

Financial liabilities are measured at amortised cost and non-financial liabilities are measured in accordance with IAS 19 *Employee Benefits* and IFRS 2 *Share-based Payment*.



18. Lease liabilities

R'000	GROUP	
	2026	2025
Lease liabilities	2 237 470	2 367 195
Total lease liabilities	2 237 470	2 367 195
Reconciliation of lease liabilities		
Balance at the beginning of the year	2 367 195	2 383 183
Additions and modifications	444 329	543 826
Acquisition of subsidiary	—	5 950
Foreign exchange translation (gain)/loss	(323)	6 752
Terminations and lease modifications	(83 879)	(131 204)
Interest	219 759	226 110
Lease payments	(709 611)	(667 422)
Balance at the end of the year	2 237 470	2 367 195
Maturity analysis – contractual undiscounted cash flows		
Less than 1 year	667 732	643 203
1 to 5 years	1 774 238	1 924 338
More than 5 years	598 838	734 155
Total undiscounted lease liabilities at year-end	3 040 808	3 301 696
Lease liabilities included in the statement of financial position at year-end		
Current portion	381 174	337 140
Non-current portion	1 856 296	2 030 055
Amounts related to leases recognised in profit or loss		
Interest on lease liability	219 759	226 110
Sublease rental income	1 418	1 291
Expense relating to short-term and low-value leases ⁽¹⁾	10 184	8 069
Rental refunds	—	78
Amounts recognised in the statement of cash flows		
Total cash flow for leases	709 611	667 422
Portion included in operating activities	220 532	226 208
Portion included in financing activities	489 079	441 214

⁽¹⁾ In the current period, the Group has included the expense relating to low-value leases to enhance the disclosure. Comparative figures have been updated to ensure consistency and improved presentation.

Accounting policies

The Group enters into premises and other leases. Premises leases are leases for branches, off-site ATM locations, office space and storage facilities. Other leases are short-term or leases of low-value items.

A lease liability is initially measured at the present value of the remaining lease payments on the commencement date, discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be determined, the lessee uses the lessee's incremental borrowing rate.

The incremental borrowing rate is applied on a portfolio basis where it is not expected that the effect on the financial statements would differ materially from the rate for an individual lease. The rate is based on the 3-month swap curve and the basis for this curve is the 3-month JIBAR. The term structures of base rates and spreads are solved to a single rate for each lease maturity, to take into account the fixed-rate nature of the incremental borrowing rates in IFRS 16. Inputs considered include a Capitec-specific margin, aligning the maturities of our bonds in issue to the cash flows of the lease portfolio, adjusting the curve to reflect a secured lending rate and updating the convention of the curve to a monthly convention.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

18. Lease liabilities continued

Accounting policies continued

Lease payments included in the measurement of the lease liability comprise the following: fixed payments; variable lease payments that depend on an index or a rate; amounts payable under a residual value guarantee; and the exercise price under a purchase option that the Group is certain to exercise.

Rental agreements are typically for fixed periods of 5 years but may include extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Most of the premises leases include an option to renew the lease for an additional period of the same duration after the end of the agreement term. The Group includes extension options when determining the lease term as branches are a strategic part of the business.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases – interest rate benchmark reform

Refer to **note 33.2.1** for details on the transition from JIBAR to ZARONIA as part of the interest rate benchmark reform.

In the current period, the Group assessed the impact of the transition on lease liabilities, which are linked to JIBAR. Given the existing use of spreads that are solved into a single rate for each lease, the transition to ZARONIA is not expected to have a material quantitative impact on the measurement of lease liabilities.

Leases – extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of branches, the following factors are the most relevant:

- Where there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The assessment is reviewed if a significant event or a significant change in circumstances that is within the control of the Group occurs.

Short-term and low-value leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of equipment that have a lease term shorter than 12 months and leases of low-value assets.

Low-value assets comprise IT equipment.

The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



19. Employee benefit liabilities

R'000	GROUP		Total
	Performance incentive scheme	Post- retirement medical benefits	
2026			
Balance at the beginning of the year	60	10 710	10 770
Additions	—	1 356	1 356
Used during the year	(60)	(1 605)	(1 665)
Balance at the end of the year	—	10 461	10 461
2025			
Balance at the beginning of the year	781	11 589	12 370
Additions	—	1 099	1 099
Used during the year	(721)	(1 978)	(2 699)
Balance at the end of the year	60	10 710	10 770
R'000		2026	2025
Non-current portion		10 461	10 770

Accounting policies

Performance incentive scheme

The Group operated a performance incentive scheme for senior and other employees who were seen to be in leadership roles critical to the current and future success of the Group's business (leadership).

Leadership qualified for a cash-settled performance bonus scheme. The scheme rewarded leadership based on the growth in headline earnings and, to foster a long-term approach by management, the bonus vested over a 3-year period. The performance incentive scheme included in employee benefit liabilities represented the non-current portion of the cash election.

The scheme evolved into the RSP as detailed in **note 39.4** and disclosed in **note 18** in the 2023 financial year, and the performance incentive scheme for leadership ran down in the current year.

Post-retirement medical benefits

Capitec Bank Limited (Business Banking division) provides for post-retirement medical benefits to certain retired employees. These benefits are only applicable to employees who were members of the Mercantile Bank Limited medical aid scheme prior to May 2000, who elected to retain benefits in 2005, and are based on these employees remaining in service up to retirement age.

The costs of the defined benefit plan are assessed using the projected unit credit method. Under this method, the current service costs of providing post-retirement medical benefits are recognised in profit or loss.

The effect of settlements on the liability is recognised in profit or loss and any remeasurement of the defined benefit liability (which includes actuarial gains and losses) is recognised in other comprehensive income. The net post-retirement liability recognised in the consolidated statement of financial position reflects the full value of the plan deficit. The liability is non-current. The cash flows relating to settlement of the liability are included in cash flows from operations.

The scheme is valued annually by independent actuaries and was last valued on 28 February 2026. It is the actuaries' opinion that the plan is in a sound financial position.

A reconciliation of the opening to closing balance of the post-retirement medical benefits, cash flow, income statement and other comprehensive income impacts, as well as the principal actuarial assumptions used in determining the defined benefit value, is detailed as follows.

Notes to the financial statements continued

Year ended 28 February 2026

19. Employee benefit liabilities continued

Accounting policies continued

Post-retirement medical benefits continued

R'000	GROUP	
	2026	2025
Present value of total service liabilities	10 461	10 710
Liability in the statement of financial position	10 461	10 710
The amounts recognised in total profit for the year are as follows:		
Net interest cost	971	1 093
Employee cost	(1 597)	(1 625)
Current service cost	8	6
Employer benefits payments	(1 605)	(1 631)
Total included in total profit for the year	(626)	(532)
The amounts recognised in the statements of other comprehensive income are as follows:		
Remeasurement of defined benefit obligation	377	(347)
Total included in other comprehensive income	377	(347)
Reconciliation of the movement in the present value of total service liabilities:		
Balance at the beginning of the year	10 710	11 589
Current service cost	8	6
Interest costs	971	1 093
Remeasurement of defined benefit obligation	377	(347)
Employer benefits payments	(1 605)	(1 631)
Balance at the end of the year	10 461	10 710
The principal actuarial assumptions used were as follows:		
Discount rate (%)	7.9	9.8
Rate of medical inflation (%)	4.6	5.7
Salary inflation (%)	4.1	5.2

The effect of a 1% increase/decrease on the assumed rate of medical inflation would be an increase in the liability in the amount of R0.6 million (2025: R0.6 million) or a decrease of R0.6 million (2025: R0.6 million).

20. Share capital and premium

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Authorised				
Ordinary shares⁽¹⁾				
500 000 000 shares of R0.01 each	5 000	5 000	5 000	5 000
Non-redeemable, non-cumulative and non-participating preference shares				
100 000 000 shares of R0.01 each	1 000	1 000	1 000	1 000
Loss-absorbent preference shares (conversion)⁽²⁾				
100 000 000 shares of R0.01 each	1 000	1 000	1 000	1 000
Loss-absorbent preference shares (write-off)⁽²⁾				
100 000 000 shares of R0.01 each	1 000	1 000	1 000	1 000

⁽¹⁾ At the AGM held on 18 July 2025, the shareholders authorised that 5 804 992 shares equal to 5% of the issued ordinary shares of the Company be placed under the control of the Directors until the next AGM.

⁽²⁾ At the AGM held on 18 July 2025, the shareholders authorised that loss-absorbent convertible capital securities to a maximum aggregate issue price not exceeding R1.5 billion, but subject to a conversion into ordinary shares not exceeding 5 000 000 ordinary shares (over and above the authority reflected in (1)), be placed under the control of the Directors until the next AGM.



	GROUP		COMPANY	
	2026	2025	2026	2025
Number of shares issued⁽¹⁾				
Number of shares in issue per the shareholders' register	116 099 843	116 099 843	116 099 843	116 099 843
Number of shares in issue for accounting purposes ⁽²⁾	115 626 991	115 626 991	115 626 991	115 626 991
Treasury shares	(259 402)	(277 289)	—	—
Issued share capital – R'000				
Shares of R0.01	1 156	1 156	1 156	1 156
Share premium	5 647 864	5 647 864	5 647 864	5 647 864
Treasury shares	(163 617)	(173 674)	—	—
Ordinary share capital and premium	5 485 403	5 475 346	5 649 020	5 649 020
461 996 (2025: 463 612) shares of R0.01 each at par	5	5	5	5
Share premium	41 697	41 843	41 697	41 843
Preference share capital and premium – non-redeemable, non-cumulative and non-participating⁽³⁾	41 702	41 848	41 702	41 848
Total issued share capital and premium⁽³⁾⁽⁴⁾	5 527 105	5 517 194	5 690 722	5 690 868
Reconciliation – treasury shares – R'000				
Opening balance	173 674	192 479	—	—
Treasury shares repurchased – RSP	45 279	32 411	—	—
Treasury shares repurchased – Share options	198 654	141 462	—	—
Shares distributed for employee share options at cost	(205 120)	(120 824)	—	—
Shares forfeited	(15 327)	—	—	—
Vested shares	(33 543)	(71 854)	—	—
Closing balance	163 617	173 674	—	—
Reconciliation – number of treasury shares				
Opening balance	277 289	292 246	—	—
Repurchased shares and restricted shares	69 399	77 323	—	—
Shares delivered to option holders	(87 286)	(92 280)	—	—
Closing balance	259 402	277 289	—	—

⁽¹⁾ All issued ordinary and preference shares are fully paid up. No ordinary shares were cancelled in the current or prior year. Preference shares with an original value of R0.1 million (par and premium) (2025: R1.4 million) were repurchased and cancelled during the year. The average price paid was R109.13 (2025: R101.84) per share.

⁽²⁾ The 472 852 shares that were issued in terms of the Izindaba Ezinhle Employee Share Scheme during the year ended February 2022 are deemed to be unissued for accounting purposes at a Group level. At a Company level, to the extent that cash was received for 50% of the subscription price related to the 472 852 shares issued, these shares were recorded separately in equity. The additional share capital and share premium will be recognised for accounting purposes on expiry of the 5-year trade restriction. Full details are set out in **note 39.2**. These shares are not included in treasury shares as they are deemed to be unissued for accounting purposes.

⁽³⁾ The preference shares carry a coupon rate of 83.33% (2025: 83.33%) of the prime rate on a face value of R100 per share. At year-end, 83.90% (2025: 83.84%) of these shares had been repurchased. The total amount paid for the preference shares repurchased during the year was R0.2 million (2025: R1.6 million).

⁽⁴⁾ Refer to **note 36.8** for details regarding the acquisition of shares to settle share options. During the year, a net debit of R239.9 million (R175.1 million after tax) to retained earnings was realised on settlement of share options as reflected in the statement of changes in equity (2025: R140.2 million (R102.3 million after tax)).

Accounting policies

Categories of share capital

Authorised share capital consists of:

- ordinary shares
- non-redeemable, non-cumulative and non-participating preference shares
- convertible or written off loss-absorbent preference shares.

Share issue costs

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the financial statements continued

Year ended 28 February 2026

20. Share capital and premium continued

Accounting policies continued

Treasury shares

Where the Company or other group entities purchase the Company's equity share capital, the consideration paid is deducted from total shareholders' equity as shares held by the Group until they are cancelled or sold.

Preference shares

As the preference shares are non-redeemable, non-cumulative and non-participating, they are included in equity.

21. Reserves

R'000	GROUP 2026	2025	COMPANY 2026	2025
Cash flow hedge reserve				
Balance at the beginning of the year	—	7 244	—	6 720
Amount recognised in other comprehensive income during the year	—	(9 190)	—	(12 330)
Amount released to hedged item during the year	—	—	—	2 281
Amount reclassified from other comprehensive income to profit or loss for the year	—	(733)	—	—
	—	(2 679)	—	(3 329)
Deferred tax recognised in other comprehensive income during the year	—	2 679	—	3 329
Balance at the end of the year	—	—	—	—
Other reserves⁽¹⁾				
Balance at the beginning of the year	(23 292)	(17 661)	—	—
Amount recognised in other comprehensive income during the year	(8 659)	(7 714)	—	—
Employee benefits reserve	(377)	347	—	—
Other reserves	(8 282)	(8 061)	—	—
	(31 951)	(25 375)	—	—
Deferred tax recognised in other comprehensive income during the year	(362)	2 083	—	—
Balance at the end of the year	(32 313)	(23 292)	—	—
Foreign currency translation reserve				
Balance at the beginning of the year	(18 310)	101 574	—	—
Amount reclassified to profit or loss on deemed disposal of associate	—	(85 535)	—	—
Amount recognised in other comprehensive income during the year	(43 952)	(34 349)	—	—
Balance at the end of the year	(62 262)	(18 310)	—	—
Share option reserve⁽²⁾				
Balance at the beginning and end of the year	515 809	515 809	23 831	23 831

⁽¹⁾ The other reserves include the employee benefit reserve and a reserve relating to an equity investment.

⁽²⁾ The details of the Izindaba Ezinhle Employee Share Scheme and the co-investment plan and SARs scheme are set out in **note 39**.



22. Interest and similar income and expenses

22.1 Interest income calculated using the effective interest method

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Interest income				
Loans and advances	21 266 465	19 180 706	—	—
Loan origination fees	2 874 494	2 061 595	—	—
Term deposit investments	394 628	943 866	—	—
Bank balances	177 771	126 537	723	676
Resale agreements	396 765	209 424	—	—
SARB settlement balances	496 329	231 837	—	—
Fixed-rate government bonds	1 237 277	1 219 322	—	—
Floating-rate government bonds	1 200 745	208 744	—	—
Treasury bills	3 808 456	5 006 575	—	—
Corporate bonds	8 573	9 035	—	—
Floating-rate notes	7 757	—	—	—
CODI loan facility	193 021	170 122	—	—
Other interest income	2 128	—	—	—
Total interest income calculated using the effective interest method	32 064 409	29 367 763	723	676

Accounting policies

Interest income on instruments measured at amortised cost

Interest income is recognised in profit or loss for all instruments measured at amortised cost using the effective interest method. Interest income is considered to be revenue for the Group.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The original effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the original effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options). The calculation includes all fees paid or received between parties to the agreement that are an integral part of the effective interest rate.

Once a financial asset or a group of similar financial assets have been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss, which is the effective interest rate calculated at origination of the financial asset measured at amortised cost.

Loan origination fees that relate to the creation of a financial asset are amortised over the expected term of the loan using the effective interest method and are included in interest income.

Interest income is calculated on the carrying amount of credit-impaired (stage 3) instruments and is calculated on the gross carrying amount prospectively if these instruments subsequently cure. Suspended interest increases the loss allowance and will be released through credit impairments over time.

Interest income on the CODI loan facility

Interest income on the CODI loan facility is calculated at the current repo rate. A uniform rate is applied to all member banks. For this reason, the interest rate is considered to be a market rate. Interest income is recognised in profit or loss and included in interest income calculated using the effective interest method.

Notes to the financial statements continued

Year ended 28 February 2026

22. Interest and similar income and expenses continued

22.2 Interest income from financial assets at FVTPL

R'000	GROUP	
	2026	2025
Financial assets at FVTPL	1 245 265	860 595

Accounting policies

Interest income on instruments measured at FVTPL

Financial assets at FVTPL consist of interest-bearing investments in money market funds, treasury bills and term deposits. The financial assets are held with the objective of collecting contractual cash flows and selling the financial assets, and fair value movements are thus classified as interest income in profit or loss.

Interest income on the investments is determined based on the movement in the fair value of the investment for the accounting period. Refer to **note 33.7** for details regarding the valuation of the investments.

Cash flows generated from the investments are classified as operating cash flows as these cash flows are used to fund short-term operating commitments.

22.3 Interest expense and other similar charges

R'000	GROUP	
	2026	2025
Interest expense and other similar charges		
Call and current accounts	(3 373 289)	(4 714 598)
Notice, term, foreign and fixed deposits	(5 194 982)	(4 511 749)
Listed senior bonds	(109 705)	(197 231)
Unlisted wholesale funding	(129 120)	(212 248)
IFRS 16 Leases	(219 759)	(226 110)
CODI loan facility	(197 087)	(164 971)
COVID-19 SME Loan Guarantee Scheme	(4 876)	(14 514)
Bank balances	(978)	(1 289)
Total interest expense	(9 229 796)	(10 042 710)

Accounting policies

Interest expense on instruments measured at amortised cost

Interest expense is recognised in profit or loss for all instruments measured at amortised cost using the effective interest method. Interest expense is recognised separately from other fair value movements.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The original effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial liability. When calculating the original effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options). The calculation includes all fees paid or received between parties to the agreement that are an integral part of the effective interest rate.

CODI loan facility

All registered banks that hold deposits are required to participate in the DIS. Member banks are mandated to advance a loan to CODI (refer to the accounting policy included in **note 8**) and to pay a premium and levy based on the level of deposits held.

DIS premiums are charged monthly at a rate of 0.02% of the Bank's covered deposits, while the levy is charged annually at 0.015% of the Bank's covered deposits. These expenses must be paid by the Bank indefinitely unless the Bank voluntarily surrenders its banking licence to the PA or fails. These costs are not capitalised to the facility but are charged to profit or loss and form part of the interest expense line on the income statement.



23. Net transaction and commission income

R'000	GROUP	
	2026	2025
Transaction fee and commission income		
Branch, cash and self-service transactions ⁽¹⁾	7 991 206	7 878 814
Digital transactions ⁽¹⁾	6 880 846	4 957 219
Monthly fees, debit orders and other transactions	5 622 683	5 290 199
Card machine transactions	3 794 520	3 179 253
Commission income	4 374 789	3 546 371
Total transaction fee and commission income	28 664 044	24 851 856
Transaction fee and commission expense		
Branch, cash and self-service transactions ⁽¹⁾	(3 330 416)	(2 994 171)
Digital transactions ⁽¹⁾	(932 918)	(630 865)
Monthly fees, debit orders and other transactions	(1 170 078)	(1 079 194)
Card machine transactions	(1 595 383)	(1 519 157)
Commission expense	(110 688)	(93 617)
Total transaction fee and commission expense	(7 139 483)	(6 317 004)
Net transaction and commission income	21 524 561	18 534 852

⁽¹⁾ Capitec Connect transactions are reported as part of branch, cash and self-service, or digital transaction categories depending on the channel used by the client.

Accounting policies

Transaction income and expenses are recognised when the performance obligations are met at a point in time. Card commission income and expenses and card machine transactions are from the Group's ATM and card machine networks. Branch, cash and self-service transaction income, digital transaction income and related expenses are generated through the Group's branch network and various electronic banking channels that the Group has, namely the banking app, USSD and the internet banking platform. Transaction income also includes monthly fees and fees on debit orders and other transactions.

Transaction fee income and commission income are based on a single performance obligation per transaction and therefore no significant judgements are made when allocating the transaction price to performance obligations.

Transaction fee and commission expenses are incremental and directly attributable to the generation of transaction fee and commission income.

The consideration for services is not variable. Fees are fixed and determined per transaction. Accordingly, no significant estimates or judgements are required in determining the amount or timing of revenue recognition in terms of IFRS 15 *Revenue from Contracts with Customers*.

Commission income

The Group is entitled to commission income for providing the service of arranging for other parties to transfer services to its clients. The Group is an agent as its performance obligation is to arrange for the provision of the specified service by another party. The Group does not control the specified service provided by another party before that service is transferred to the client. When (or as) the Group as an agent satisfies a performance obligation, revenue is recognised in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified services to be provided by the other party. The Group's commission might be the net amount of consideration that is retained after paying the other party the consideration received in exchange for the services to be provided by that party. The revenue is recognised at a point in time and includes commission income from the sale of prepaid mobile network services, electricity, national lottery tickets, vouchers and enabling clients to pay bills on the banking application.

Commission expenses

Commission expenses are incremental and directly attributable to the generation of commission income. Commission expenses include service fees which are recognised as an expense when the services are received.

23. Net transaction and commission income continued

Capitec Connect

Capitec is a mobile virtual network operator using the mobile network infrastructure of Cell C. The Capitec Connect client offering enables clients to subscribe for mobile network services, namely Prepaid Airtime, minutes, data and SMSes on the Capitec banking application.

The Group is acting as the principal as it is primarily responsible for fulfilling the promise to provide the mobile network services. When Capitec satisfies a performance obligation, the revenue it recognises at the point in time is the gross amount of the consideration to which it expects to be entitled to in exchange for the SIM cards and mobile network services.

SIM cards

A SIM card fee, determined by Capitec, is deducted from the client's main transactional savings account when the client becomes a Capitec Connect subscriber. The SIM cards are distinct goods and represent a single performance obligation. The Group satisfies the performance obligation at a point in time and recognises revenue when it satisfies the performance obligation by delivering the SIM card to a subscriber.

The cost of SIM cards is recognised in the statement of financial position until the cards are issued to clients. The costs of the purchase of SIM cards comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the Group from the South African Revenue Service (SARS) and transport, handling and other costs directly attributable to the acquisition of the SIM cards, materials and services. Trade discounts, rebates and other similar items will be deducted in determining the costs of purchase.

Initial fees payable to Cell C per subscriber are recognised as an expense as incurred as the fee is not explicitly chargeable to the subscriber.

When the SIM cards are sold, the cost of those SIM cards is recognised as an expense in the period in which the related revenue is recognised.

Mobile network services

The Capitec Connect mobile network services are considered to be separate performance obligations.

Capitec considers the terms of the agreement and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which Capitec expects to be entitled to in exchange for transferring the mobile network services to a subscriber, excluding amounts collected on behalf of third parties (for example, value-added tax).

The Group transfers control of the mobile network services over time and therefore satisfies a performance obligation and recognises revenue over time as the services are provided, as clients simultaneously receive and consume the benefits as the Group performs.

Revenue is recognised based on actual units of mobile network services provided during the reporting period as a proportion of the total units of network services to be provided and is accounted for in transaction fee and commission income in profit or loss.

Usage fees are payable by Capitec to Cell C for the usage or consumption of the bearers on the Cell C network by Capitec's clients. Usage fees are recognised in transaction fee and commission expenses in profit or loss.

Capitec cannot distinguish whether the monthly general and administration fees payable to Cell C for subscribers relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations) and therefore recognises these fees as transaction fee and commission expenses in profit or loss when incurred.

A contract liability is recognised as the Group's obligation to transfer the network services to a subscriber for which the Group has received consideration (or an amount of consideration is due) from the client. The contract liability is recognised as a trade payable and presented as part of other liabilities.



Capitec Connect Airtime Advances

The client is charged a fee every time an advance is made. The Group recognises its share of the advance fee as part of transaction fee and commission income in profit or loss.

Capitec pays the third party a service fee as consideration for operating the offering through their system. The service fee is recognised as part of transaction fee and commission expenses in profit or loss.

24. Net insurance result

R'000	GROUP		Total
	Life Insurance	Credit Life	
2026			
Insurance revenue			
Experience adjustments	(19 187)	(7 675)	(26 862)
Expected insurance service expenses incurred in the period	6 498 617	1 536 656	8 035 273
Change in the RA	727 504	281 505	1 009 009
Amount of CSM recognised in profit or loss	1 828 057	1 754 329	3 582 386
Allocation of premiums for the recovery of insurance acquisition cash flows	13 181	2 255	15 436
Total insurance revenue	9 048 172	3 567 070	12 615 242
Disaggregated between pre- and post-transition			
Contracts under the MRA	2 704 546	484 273	3 188 819
Contracts written after transition	6 343 626	3 082 797	9 426 423
Total insurance revenue	9 048 172	3 567 070	12 615 242
Insurance service expense			
Incurred claims and other expenses	(5 705 036)	(1 484 281)	(7 189 317)
Amortisation of insurance acquisition cash flows	(13 181)	(2 255)	(15 436)
Changes to liabilities for incurred claims	38 441	121 373	159 814
Total insurance service expenses	(5 679 776)	(1 365 163)	(7 044 939)
Reinsurance income/(expense)			
Experience adjustments for premium payments	966	—	966
Expected recovery on insurance service expenses	(35 365)	—	(35 365)
Change in the RA	(1 804)	—	(1 804)
CSM recognised in the current period	3 196	—	3 196
Claims recovered	44 036	—	44 036
Changes to liabilities for incurred claims	(1 293)	—	(1 293)
Total reinsurance income	9 736	—	9 736
Insurance service result	3 378 132	2 201 907	5 580 039
Insurance finance income/(expense)			
Interest accreted	(216 420)	(85 272)	(301 692)
Effect of changes in financial assumptions	(767 636)	260 090	(507 546)
Net cell captive interest income	396 940	52 802	449 742
Total insurance finance income	(587 116)	227 620	(359 496)
Reinsurance finance income/(expense)			
Interest accreted	119	—	119
Effect of changes in financial assumptions	2 910	—	2 910
Total reinsurance finance income	3 029	—	3 029
Net insurance result	2 794 045	2 429 527	5 223 572

Notes to the financial statements continued

Year ended 28 February 2026

24. Net insurance result continued

R'000	GROUP		Total
	Life Insurance	Credit Life	
2025			
Insurance revenue			
Experience adjustments	2 170 674	10 789	2 181 463
Expected insurance service expenses incurred in the period	525 157	1 532 123	2 057 280
Change in the RA	424 066	266 118	690 184
Amount of CSM recognised in profit or loss	1 060 827	1 377 420	2 438 247
Allocation of premiums for the recovery of insurance acquisition cash flows	2 162	(853)	1 309
Total insurance revenue	4 182 886	3 185 597	7 368 483
Disaggregated between pre- and post-transition			
Contracts under the MRA	1 714 169	1 108 302	2 822 471
Contracts written after transition	2 468 717	2 077 295	4 546 012
Total insurance revenue	4 182 886	3 185 597	7 368 483
Insurance service expense			
Incurred claims and other expenses	(2 314 872)	(1 422 516)	(3 737 388)
Amortisation of insurance acquisition cash flows	(583)	(1 480)	(2 063)
Changes to liabilities for incurred claims	(61 779)	85 187	23 408
Total insurance service expenses	(2 377 234)	(1 338 809)	(3 716 043)
Reinsurance income/(expense)			
Experience adjustments for premium payments	138	—	138
Expected recovery on insurance service expenses	(5 962)	—	(5 962)
Change in the RA	(277)	—	(277)
CSM recognised in the current period	(1 306)	—	(1 306)
Claims recovered	5 953	—	5 953
Total reinsurance expense	(1 454)	—	(1 454)
Insurance service result	1 804 198	1 846 788	3 650 986
Insurance finance income/(expense)			
Interest accreted	(223 541)	(74 685)	(298 226)
Effect of changes in financial assumptions	(93 216)	17 629	(75 587)
Net cell captive interest income	385 186	115 461	500 647
Total insurance finance income	68 429	58 405	126 834
Reinsurance finance income/(expense)			
Interest accreted	7	—	7
Effect of changes in financial assumptions	(470)	—	(470)
Total reinsurance finance expense	(463)	—	(463)
Total net insurance result	1 872 164	1 905 193	3 777 357

Refer to **note 9** for the accounting policies related to the net insurance result.



25. Dividend income

R'000	GROUP	
	2026	2025
Ordinary dividends	11 530	—
Dividend income	11 530	—

R'000	COMPANY	
	2026	2025
Ordinary dividends	8 179 239	6 304 221
Preference dividends	4 082	4 476
Dividend income⁽¹⁾	8 183 321	6 308 697

⁽¹⁾ Dividend income is considered to be revenue for the Company.

Accounting policies

Dividend income is recognised in profit or loss when the entity's right to receive payment is established. Dividends on listed preference shares accrue on a day-to-day basis based on the terms of the underlying instruments.

Dividend income is recognised separately from other fair value movements.

26. Credit impairments

R'000	GROUP	
	2026	2025
Bad debts written off	12 260 393	8 543 461
Movement in provision for ECL	(1 659 454)	298 172
Gross credit impairment charge	10 600 939	8 841 633
Bad debts recovered	(624 482)	(583 247)
Net credit impairment charge	9 976 457	8 258 386

Accounting policies

Credit impairments are recognised in profit or loss as per IFRS 9's requirements.

The gross credit impairment charge is split between the gross value of loans written off during the year (including the gross reduction in the balance owed as a result of loan modifications) and the movement in the provision for ECL. For details on the write-off point and loan modifications, refer to **note 7**.

The movement in the provision for ECL comprises all elements in the movement in the provision for ECL as disclosed in **note 7** other than the ECL raised directly against the interest received for loans in stage 3. It includes the ECL raised directly in other liabilities for undrawn loan commitments where the ECL exceeds the gross carrying amount of the loans at a client level.

The table below shows the interest accrued on stage 3 loans and advances as well as the ECL raised directly to other liabilities.

R'000	GROUP	
	2026	2025
Elimination of interest on loans in stage 3	(3 468 094)	(3 138 315)
Movement in excess ECL on undrawn commitments	(20 086)	16 369

Included in bad debts recovered are recoveries of R201 million (2025: R192 million) on loans and advances written off after 1 March 2018 under the IFRS 9 write-off policy.

Notes to the financial statements continued

Year ended 28 February 2026

27. Operating expenses

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
The following items are included in operating profit before tax:				
(Gain)/Loss on disposal of property and equipment	(2 798)	19 285	—	—
Loss on disposal of intangible assets	9 810	19 624	—	—
Depreciation on property and equipment	889 450	756 460	—	—
Depreciation on right-of-use assets – premises	490 767	470 710	—	—
Amortisation of intangible assets	190 149	222 732	—	—
Advertising and marketing expenses	1 101 444	746 113	3 671	2 729
Bank charges and cash handling fees	327 270	300 681	4	4
Consumables	398 304	424 122	—	—
Communication expenses	256 922	231 822	—	—
Security and cash-in-transit fees	790 944	667 650	—	—
IT expenses	3 007 881	2 559 376	—	—
Equipment expenses	508 019	426 865	—	—
Premises expenses	303 689	262 526	—	—
Professional fees	204 330	255 323	3 059	2 333
Subscriptions	612 260	505 413	1 168	1 193
Auditors' remuneration⁽¹⁾				
Financial statement audit fees – current year ⁽²⁾	72 275	62 523	769	633
Financial statement audit fees – prior year ⁽²⁾	8 408	1 747	32	—
Other services	4 586	3 341	—	—
Total auditors' remuneration	85 269	67 611	801	633
Employee costs				
Salaries and bonus costs	9 468 557	8 966 536	—	—
Equity-settled share-based payment (per notes 39.1, 39.3, 39.4 and 39.5)	162 529	86 258	—	—
Cash-settled share-based payment (per notes 39.4 and 39.5)	57 281	111 181	—	—
Cash-settled SARs (per note 39.1)	691 257	407 443	—	—
Training cost	165 070	122 396	—	—
Training refund	(35 021)	(27 996)	—	—
Total employee costs	10 509 673	9 665 818	—	—
Attributable insurance service expenses	(324 716)	(68 846)	—	—

⁽¹⁾ The audit fee disclosure by auditor is disclosed in the Directors' report.

⁽²⁾ Included in the audit fees are disbursements and costs for work required by regulations.

Accounting policy

Operating expenses are classified by nature and measured using the accrual principle.



28. Income and deferred tax expense

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Current tax	5 601 329	4 454 693	13 381	13 742
Current year – local taxes	5 469 648	4 346 132	13 381	13 742
Current year – foreign taxes	121 787	113 163	—	—
Adjustment for prior years – local taxes	11 505	(5 021)	—	—
Adjustment for prior years – foreign taxes	(1 611)	419	—	—
Deferred tax	(259 060)	(464 144)	—	—
Current year – local taxes	(207 579)	(417 102)	—	—
Current year – foreign taxes	(50 764)	(51 830)	—	—
Adjustment for prior years – local taxes	(113)	4 854	—	—
Adjustment for prior years – foreign taxes	(604)	(66)	—	—
Income tax expense⁽¹⁾	5 342 269	3 990 549	13 381	13 742
Effective tax rate (%)	24	22	—	—
The tax on profit before tax differs from the theoretical amount that would arise using the basic normal company tax rate as follows:				
Operating profit before tax	22 179 489	17 739 665	8 168 375	6 308 697
Tax calculated at the local tax rate of 27%	5 934 255	4 718 796	2 205 461	1 703 348
Tax calculated at the foreign tax rates applicable to profits in the country concerned	41 378	70 548	—	—
Adjustments for prior years	9 177	186	—	—
Local taxes	11 391	(160)	—	—
Foreign taxes	(2 214)	346	—	—
Income not subject to tax⁽²⁾	(1 809 930)	(710 275)	(2 209 496)	(1 703 346)
Local taxes	(1 794 938)	(706 430)	(2 209 496)	(1 703 346)
Foreign taxes	(14 992)	(3 845)	—	—
Expenses not deductible for tax purposes⁽³⁾	1 172 091	(50 418)	17 416	13 740
Local taxes	1 121 019	(74 006)	17 416	13 740
Foreign taxes	51 072	23 588	—	—
Allowances not in the income statement⁽⁴⁾	(30 668)	(26 929)	—	—
Local taxes	(25 527)	(23 161)	—	—
Foreign taxes	(5 141)	(3 768)	—	—
Movement in unutilised tax losses	99	(143)	—	—
Local taxes	99	(143)	—	—
Capital gains tax	100	—	—	—
Local taxes	100	—	—	—
Tax refund	(983)	(25 182)	—	—
Foreign taxes	(983)	(25 182)	—	—
Statutory rate differential between the Trust and Company	26 750	13 966	—	—
Income tax expense	5 342 269	3 990 549	13 381	13 742

⁽¹⁾ Foreign taxes relate to the AvaFin group. The Group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date.

⁽²⁾ Income not subject to tax relates to a distribution received from the cell captive, dividends received from Group subsidiaries and the Group's share of profit of associates and joint ventures.

⁽³⁾ Expenses not deductible for tax purposes relate to fair value adjustments, capital expenditure and SARS interest and penalties.

⁽⁴⁾ The adjustment regarding allowances not in the income statement relates to learnership agreements as per section 12H of the Income Tax Act, Act 58 of 1962 (Income Tax Act).

28. Income and deferred tax expense continued

Accounting policies

Income tax payable on profits, based on the applicable tax law, is recognised as an expense in the period in which profits arise. The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the date of the statement of financial position. Current tax and deferred tax are recognised in profit or loss, except to the extent that they relate to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The Group has determined that the global minimum top-up tax, which it is required to pay under Pillar Two legislation, is an income tax in the scope of IAS 12. The Group has applied temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The Group recognises liabilities for uncertain tax positions in accordance with the criteria defined within IAS 12 *Income Taxes* and IFRIC 23 *Uncertainty over Income Tax Treatments*, based on objective estimates of the amount of tax that may be due, which is calculated, where relevant, with reference to expert advice received. Where payment is determined to be possible but not probable, the tax exposure is disclosed as a contingent liability. The Group recognises probable liabilities based on objective estimates of the amount of tax that may be due. Where the final tax determination is different from the amounts that were initially recorded, the difference will impact the income tax and deferred income tax in the period in which such determination is made.

The Group recognises and measures uncertain tax positions on non-income-based taxes according to the IFRS Accounting Standards applicable to the uncertain tax position.

International Tax Reform – Pillar Two

Capitec Bank Holdings Limited is the ultimate Parent entity of the Group. The Group is within scope of the Pillar Two global minimum tax rules as it is an MNE as defined, with consolidated Group revenue exceeding the required EUR750 million threshold in at least 2 of the 4 immediately preceding financial years.

Under the legislation, the Group will be liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.

Six of the jurisdictions in which the Group operates, South Africa, Poland, Austria, Cyprus, Czechia and Spain, have enacted Pillar Two legislation to implement the global minimum top-up tax at 28 February 2026. Mexico has not yet enacted the legislation.

The Group performed an impact assessment of its exposure in relation to the Pillar Two legislation for the 2026 financial year. Based on the outcome of the assessment, the Group does not anticipate being subject to a material top-up tax exposure in any of the jurisdictions in which it operates.

The transitional safe harbours apply to all jurisdictions in which Capitec operates with the exception of Mexico. For Mexico, the GMTA calculation for 2026 results in an effective tax rate above 15%. As such, no top-up tax provision is required. The GMTA mandates a minimum level of tax on Capitec, ensuring that income generated by the Group in any jurisdiction is subject to a minimum effective tax rate of 15%.



29. Earnings per share attributable to ordinary shareholders

R'000	GROUP	
	2026	2025
Net profit attributable to ordinary shareholders	16 833 389	13 742 245
Preference dividend	(4 082)	(4 476)
Discount on repurchase of preference shares	(32)	(181)
Net profit after tax attributable to ordinary shareholders	16 829 275	13 737 588
Weighted average number of ordinary shares in issue ('000)	115 627	115 627
Adjustment for average treasury shares	(276)	(288)
Weighted average number of ordinary shares in issue ('000)	115 351	115 339
Adjustment for:		
Exercise of share options	367	320
Weighted average number of ordinary shares for diluted earnings per share ('000)	115 718	115 659
Basic earnings per share (cents)	14 590	11 911
Diluted earnings per share (cents)	14 543	11 878

Accounting policies

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit after tax attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share

To calculate diluted earnings per share, the net profit after tax attributable to ordinary equity shareholders is divided by the weighted average number of ordinary shares in issue adjusted to assume conversion of all potentially dilutive ordinary shares.

Potentially dilutive shares consist of share options as detailed in the notes. The number of shares that could have been acquired at fair value (the average annual share price of the Company's shares) is determined based on the monetary value of the subscription rights attached to outstanding share options. The result is compared to the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the weighted average number of shares as an issue of ordinary shares for no consideration. No adjustment is made to earnings.

To calculate the impact on diluted earnings and diluted headline earnings per share (HEPS), the shares issued in terms of the Izindaba Ezinhle Employee Share Scheme are accounted for as share options for which the treasury stock method per IAS 33 *Earnings per Share* is applied.

Notes to the financial statements continued

Year ended 28 February 2026

30. Headline earnings per share attributable to ordinary shareholders

R'000	GROUP	
	2026	2025
Net profit after tax attributable to ordinary shareholders	16 829 275	13 737 588
Non-headline items:		
Impairment of investment in associates and joint ventures	13 660	—
Deemed disposal of associate	—	(27 245)
Remeasurement loss on deemed disposal of associate	—	58 290
Reclassification of other comprehensive income to profit or loss relating to deemed disposal of associate	—	(85 535)
(Gain)/Loss on disposal of property and equipment	(2 071)	13 949
Taxable (gain)/loss	(2 961)	18 388
Income tax	727	(5 336)
Non-deductible loss	163	897
Loss on disposal of intangible assets	7 161	14 326
Taxable loss	9 810	19 624
Income tax	(2 649)	(5 298)
Headline earnings	16 848 025	13 738 618
Basic headline earnings per share (cents)	14 606	11 912
Diluted headline earnings per share (cents)	14 560	11 879

Accounting policies

Headline earnings per share

HEPS is calculated subject to the SAICA Headline Earnings Circular 1/2023. HEPS is calculated by dividing headline earnings by the weighted average number of ordinary shares in issue during the year.

Headline earnings takes the net profit after tax attributable to ordinary equity shareholders, used in the calculation of basic earnings, and excludes all separately identifiable remeasurements net of tax. Excluded remeasurements include profit/loss on disposal of property and equipment and intangible assets.



31. Dividends declared

The Company declared the following dividends for the current and previous financial years:

	Dividends per share (cents)	R'000	Declared	Last day of trade	Payment date
2026					
Ordinary dividend					
Interim	2 620	3 041 816	1 October 2025	21 October 2025	27 October 2025
Final	5 360	6 222 952	22 April 2026	12 May 2026	18 May 2026
Preference dividend					
Interim	454.95	2 104	29 August 2025	16 September 2025	22 September 2025
Final	428.18	1 978	27 February 2026	17 March 2026	23 March 2026
2025					
Ordinary dividend					
Interim	2 085	2 420 682	1 October 2024	15 October 2024	21 October 2024
Final	4 425	5 137 418	23 April 2025	13 May 2025	19 May 2025
Preference dividend					
Interim	493.59	2 302	31 August 2024	17 September 2024	23 September 2024
Final	469.00	2 174	28 February 2025	17 March 2025	24 March 2025

Accounting policies

Dividends on ordinary shares and preference shares that are classified as equity are recognised in equity in the period in which they are approved by the Group's Directors. Dividends received on treasury shares are eliminated on consolidation. Dividends for the year that are declared after the statement of financial position date are dealt with in the Directors' report.

32. Segment information

Operating segments are identified based on internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision-Maker (CODM) to allocate resources to the segments and to assess their performance. The Group EXCO, headed by the CEO, has been identified as the CODM, which is responsible for assessing the performance of and allocating resources to the segments.

The CODM identified 3 operating segments within the South African economic environment – Personal Banking, Business Banking and the Insurance business. AvaFin, a foreign subsidiary, was also identified as an operating segment. The business is widely distributed with no reliance on any major clients. In addition, no client accounts for more than 10% of revenue. Operating segments are aggregated based on quantitative or qualitative significance.

The CODM regularly reviews the operating results and gross loans and advances of Personal Banking, Business Banking, the Insurance business and AvaFin for which detailed financial information is made available on a monthly basis and against which performance is measured, and resources are allocated across the segments.

32. Segment information continued

Within the segments, there are various products and services from which the Group derives its revenue. These include:

Personal Banking

- Transactional banking services
- Loan products that are granted to Personal Banking clients. There are 3 different loan products granted, namely Term Loan, Credit Cards and Access Facility
- Flexible, notice, fixed and tax-free savings
- VAS including enabling clients to purchase prepaid mobile network services, electricity, national lottery tickets and vouchers and the ability to pay bills on the banking application
- Capitec Connect, a mobile virtual network operator using the mobile network infrastructure of Cell C, offering its own products and services.

Business Banking

- Loan products that are granted to Business Banking clients. There are 5 different loan products granted, namely Term Loan, Mortgage Loans, Overdrafts, Instalment Sales and Leases, and Credit Card
- Call and notice deposits
- Treasury products that comprise foreign currency exchange spot trades and foreign currency exchange forward contracts.

Insurance

The following long-term insurance products are provided by the Group:

- Credit Life Insurance which provides cover for the settlement of debt in the event of death, permanent disability, temporary disability and retrenchment
- Funeral Plan and Life Cover (together Life Insurance). The Funeral Plan provides cover for funeral costs. Life cover provides cover in the event of death or disability by way of a lump sum, income over 24 months or other pre-selected needs (e.g. a child's education).

For the current financial year, all products have been sold on the Group's own Capitec Life licence. In the prior year, up until 31 October 2024, Funeral Plan policies were sold via a cell captive agreement with Centriq. On 1 September 2025, the Credit Life policies written on the Guardrisk cell captive were transferred to Capitec Life. No policies remain in the Guardrisk cell captive and this cell captive was wound up in December 2025. Since 1 November 2024 and 7 May 2023, no new business has been written on the Centriq and Guardrisk cell captives, respectively.

AvaFin

- Short- and medium-term unsecured loan products
- Credit line products – Revolving credit line with a perpetual contractual period and the option to reuse funds and repay the loan in multiple instalments
- Instalment loans – Loans that are repaid over time with a set number of scheduled payments.

The revenue from external parties and all other items of income, expenses, profits or losses reported in the segment report are measured in a manner consistent with that in the income statement. The fees from external clients for each major group of products and services are disclosed in **notes 22 to 24**.



R'000	GROUP 2026				
	Personal Banking	Business Banking	Insurance	AvaFin	Total
Interest and similar income and expenses					
Interest income⁽¹⁾	27 150 061	3 634 498	224 775	3 354 778	33 309 674
Interest income on lending calculated using the effective interest method	17 726 830	3 067 931	—	3 346 198	24 140 959
Interest income on investments calculated using the effective interest method ⁽¹⁾⁽²⁾	8 376 555	566 567	26 186	8 580	7 923 450
Interest income on financial assets at FVTPL	1 046 676	—	198 589	—	1 245 265
Interest expense and other similar charges ⁽¹⁾⁽²⁾	(8 567 758)	(1 514 890)	—	(201 586)	(9 229 796)
Net interest income	18 582 303	2 119 608	224 775	3 153 192	24 079 878
Credit impairments	(7 742 669)	(633 345)	—	(1 600 443)	(9 976 457)
Bad debts written off	(10 686 989)	(361 881)	—	(1 211 523)	(12 260 393)
Movement in provision for credit impairments	2 333 934	(272 566)	—	(401 914)	1 659 454
Bad debts recovered	610 386	1 102	—	12 994	624 482
Net interest income after credit impairments	10 839 634	1 486 263	224 775	1 552 749	14 103 421
Non-interest income					
Loan fee income	1 423 470	2	—	27 048	1 450 520
Loan fee expense	(12 658)	(5)	—	—	(12 663)
Net loan fee income	1 410 812	(3)	—	27 048	1 437 857
Transaction fee and commission income⁽¹⁾	26 001 466	2 808 818	—	—	28 664 044
Branch, cash and self-service transactions	7 935 198	56 008	—	—	7 991 206
Digital transactions	6 524 838	356 008	—	—	6 880 846
Monthly fees, debit orders and other transactions ⁽¹⁾	4 901 289	735 031	—	—	5 622 683
Card machine transactions ⁽¹⁾	3 815 219	111 904	—	—	3 794 520
Commission income	2 824 922	1 549 867	—	—	4 374 789
Transaction fee and commission expense⁽¹⁾	(5 985 925)	(1 286 161)	—	—	(7 139 483)
Branch, cash and self-service transactions	(3 322 114)	(8 302)	—	—	(3 330 416)
Digital transactions	(848 241)	(84 677)	—	—	(932 918)
Monthly fees, debit orders and other transactions	(802 552)	(367 526)	—	—	(1 170 078)
Card machine transactions ⁽¹⁾	(902 330)	(825 656)	—	—	(1 595 383)
Commission expense	(110 688)	—	—	—	(110 688)
Net transaction and commission income	20 015 541	1 522 657	—	—	21 524 561
Insurance revenue	—	—	12 615 242	—	12 615 242
Insurance service expense	—	—	(7 044 939)	—	(7 044 939)
Net expense from reinsurance contracts held	—	—	9 736	—	9 736
Insurance service result	—	—	5 580 039	—	5 580 039
Insurance finance income	—	—	(359 496)	—	(359 496)
Reinsurance finance expense	—	—	3 029	—	3 029
Net insurance result	—	—	5 223 572	—	5 223 572
Foreign currency income	60 632	576 583	7	39 719	676 941
Foreign currency expense	(95 385)	(419 845)	(56)	(41 624)	(556 910)
Net foreign currency income	(34 753)	156 738	(49)	(1 905)	120 031
Dividend income	11 530	—	—	—	11 530
Other income/(expense) ⁽¹⁾	132 823	30 304	93 971	(137 095)	23 486
Net non-interest income⁽¹⁾	21 535 953	1 709 696	5 317 494	(111 952)	28 341 037
Income from operations after credit impairments⁽¹⁾	32 375 587	3 195 959	5 542 269	1 440 797	42 444 458

⁽¹⁾ Consolidation entries are not included in the 4 segments. Refer to the table on intersegmental revenue and expenses on page 314.

⁽²⁾ The Business Banking assets include an amount of R6.1 billion (2025: R11.1 billion) in investments that are placed with Personal Banking and are eliminated against liabilities on consolidation. Interest on the investments amounted to R525 million (2025: R448 million) and is disclosed as interest income on investments calculated using the effective interest method in Business Banking and as interest expense in Personal Banking and which is eliminated on consolidation.

Notes to the financial statements continued

Year ended 28 February 2026

32. Segment information continued

R'000	GROUP 2026				
	Personal Banking	Business Banking	Insurance	AvaFin	Total
Operating expenses⁽¹⁾	(16 851 555)	(2 023 776)	(232 965)	(1 240 030)	(20 238 172)
Advertising and marketing expenses	(453 547)	(52 290)	(15 344)	(580 263)	(1 101 444)
Amortisation	(93 659)	(38 983)	(17 238)	(40 269)	(190 149)
Bank charges and cash handling fees ⁽¹⁾	(300 742)	(15 869)	(24 296)	—	(327 270)
Consumables	(391 608)	(5 703)	—	(993)	(398 304)
Communication expenses	(204 201)	(46 400)	(12)	(6 309)	(256 922)
Depreciation	(1 336 227)	(37 874)	—	(6 116)	(1 380 217)
Employee costs	(8 592 600)	(1 427 510)	(209 043)	(280 520)	(10 509 673)
Equipment cost	(497 906)	(5 614)	(16)	(4 483)	(508 019)
IT expenses	(2 662 110)	(213 926)	(109 098)	(22 747)	(3 007 881)
Other operating expenses ⁽¹⁾	(685 365)	(87 062)	(160 372)	(135 504)	(971 786)
Premises expenses	(280 642)	(12 481)	—	(10 566)	(303 689)
Professional fees	(96 014)	(35 577)	(13 054)	(59 685)	(204 330)
Security and cash-in-transit fees	(787 783)	(3 141)	—	(20)	(790 944)
Subscriptions	(469 151)	(41 346)	(9 208)	(92 555)	(612 260)
Attributable insurance service expenses ⁽²⁾	—	—	324 716	—	324 716
Share of net loss of associates and joint ventures	(13 137)	—	—	—	(13 137)
Impairment of investment in associates and joint ventures	(13 660)	—	—	—	(13 660)
Operating profit before tax⁽¹⁾	15 497 235	1 172 183	5 309 304	200 767	22 179 489
Income and deferred tax expense	(4 150 274)	(301 469)	(821 406)	(69 120)	(5 342 269)
Profit for the year⁽¹⁾	11 346 961	870 714	4 487 898	131 647	16 837 220
Profit attributable to					
Ordinary shareholders ⁽¹⁾	11 346 961	870 714	4 487 898	127 816	16 833 389
Non-controlling interest	—	—	—	3 831	3 831
	11 346 961	870 714	4 487 898	131 647	16 837 220

⁽¹⁾ Consolidation entries are not included in the 4 segments. Refer to the table on intersegmental revenue and expenses below.

⁽²⁾ Insurance operating expenses reallocated to insurance service expenses.

R'000	GROUP 2026				
	Personal Banking	Business Banking	Insurance	AvaFin	Total
Intersegmental revenue					
Interest income on investments calculated using the effective interest method ⁽¹⁾⁽²⁾⁽³⁾	503 111	524 736	26 591	—	1 054 438
Interest expense and other similar charges ⁽¹⁾⁽²⁾⁽³⁾	(524 736)	(444 859)	—	(84 843)	(1 054 438)
Monthly fees, debit orders and other transactions ⁽⁴⁾	—	13 637	—	—	13 637
Bank charges and cash handling fees ⁽⁴⁾	(13 637)	—	—	—	(13 637)
Transaction fee and commission income – Card machine transactions ⁽⁵⁾	129 601	3 002	—	—	132 603
Transaction fee and commission expense – Card machine transactions ⁽⁵⁾	(3 002)	(129 601)	—	—	(132 603)
Other income ⁽⁶⁾	—	96 517	—	—	96 517
Other operating expenses ⁽⁶⁾	—	—	(96 517)	—	(96 517)

⁽¹⁾ Personal Banking provides revolving credit and an overdraft facility to Business Banking. Interest on these facilities amounted to R503 million and is included in interest income on investments for Personal Banking and interest expense for Business Banking.

⁽²⁾ Business Banking assets include an amount of R6.1 billion in investments that are placed with Personal Banking. Interest on the investments amounted to R525 million and is disclosed as interest income on investments calculated using the effective interest method in Business Banking and as interest expense in Personal Banking.

⁽³⁾ Personal Banking provides funding to AvaFin.

⁽⁴⁾ Business Banking provides payment solutions to Personal Banking as part of its product offering. Business Banking earns transaction fee income and Personal Banking incurs bank charges as these services are provided.

⁽⁵⁾ Card machine transactions comprise interchange transactions between Personal and Business Banking.

⁽⁶⁾ Personal Banking provides outsourced services and devices to Insurance. The transaction is disclosed as other income for Personal Banking and services received for Insurance.



	GROUP 2025				
R'000	Personal Banking	Business Banking	Insurance	AvaFin	Total
Interest and similar income and expenses					
Interest income⁽¹⁾	25 459 006	3 097 941	65 159	2 159 062	30 228 358
Interest income on lending calculated using the effective interest method	16 501 110	2 589 600	—	2 151 590	21 242 300
Interest income on investments calculated using the effective interest method ⁽¹⁾⁽²⁾	8 160 203	508 341	2 257	7 472	8 125 463
Interest income on financial assets at FVTPL	797 693	—	62 902	—	860 595
Interest expense and other similar charges ⁽¹⁾⁽²⁾	(9 233 387)	(1 217 425)	—	(144 708)	(10 042 710)
Net interest income	16 225 619	1 880 516	65 159	2 014 354	20 185 648
Credit impairments	(7 060 856)	(367 897)	—	(829 633)	(8 258 386)
Bad debts written off	(7 829 918)	(184 753)	—	(528 790)	(8 543 461)
Movement in provision for credit impairments	201 182	(190 817)	—	(308 537)	(298 172)
Bad debts recovered	567 880	7 673	—	7 694	583 247
Net interest income after credit impairments	9 164 763	1 512 619	65 159	1 184 721	11 927 262
Non-interest income					
Loan fee income	1 273 561	64	—	18 703	1 292 328
Loan fee expense	(6 036)	(357)	—	—	(6 393)
Net loan fee income	1 267 525	(293)	—	18 703	1 285 935
Transaction fee and commission income⁽¹⁾	22 760 677	2 189 895	—	—	24 851 856
Branch, cash and self-service transactions	7 848 910	29 903	—	—	7 878 813
Digital transactions	4 694 378	262 841	—	—	4 957 219
Monthly fees, debit orders and other transactions ⁽¹⁾	4 678 998	628 176	—	—	5 290 200
Card machine transactions ⁽¹⁾	3 162 203	98 792	—	—	3 179 253
Commission income	2 376 188	1 170 183	—	—	3 546 371
Transaction fee and commission expense⁽¹⁾	(5 495 179)	(903 567)	—	—	(6 317 004)
Branch, cash and self-service transactions	(2 986 998)	(7 174)	—	—	(2 994 172)
Digital transactions	(567 805)	(63 060)	—	—	(630 865)
Monthly fees, debit orders and other transactions	(763 870)	(315 324)	—	—	(1 079 194)
Card machine transactions ⁽¹⁾	(1 082 889)	(518 009)	—	—	(1 519 156)
Commission expense	(93 617)	—	—	—	(93 617)
Net transaction and commission income	17 265 498	1 286 328	—	—	18 534 852
Insurance revenue	—	—	7 368 483	—	7 368 483
Insurance service expense	—	—	(3 716 043)	—	(3 716 043)
Net expense from reinsurance contracts held	—	—	(1 454)	—	(1 454)
Insurance service result	—	—	3 650 986	—	3 650 986
Insurance finance income	—	—	126 834	—	126 834
Reinsurance finance expense	—	—	(463)	—	(463)
Net insurance result	—	—	3 777 357	—	3 777 357
Foreign currency income	—	567 550	—	—	567 550
Foreign currency expense	—	(431 956)	—	—	(431 956)
Net foreign currency income	—	135 594	—	—	135 594
Dividend income	—	—	—	—	—
Other income ⁽¹⁾	122 314	(24 473)	115 279	(42 952)	147 991
Net non-interest income⁽¹⁾	18 655 337	1 397 156	3 892 636	(24 249)	23 881 729
Income from operations after credit impairments⁽¹⁾	27 820 100	2 909 775	3 957 795	1 160 472	35 808 991

⁽¹⁾ Consolidation entries are not included in the 4 segments. Refer to the table on intersegmental revenue and expenses on **page 316**.

⁽²⁾ The Business Banking assets include an amount of R6.1 billion (2025: R11.1 billion) in investments that are placed with Personal Banking and are eliminated against liabilities on consolidation. Interest on the investments amounted to R525 million (2025: R448 million) and is disclosed as interest income on investments calculated using the effective interest method in Business Banking and as interest expense in Personal Banking and which is eliminated on consolidation.

Notes to the financial statements continued

Year ended 28 February 2026

32. Segment information continued

R'000	GROUP 2025				
	Personal Banking	Business Banking	Insurance	AvaFin	Total
Operating expenses⁽¹⁾	(15 013 627)	(1 909 340)	(282 906)	(895 305)	(18 099 565)
Advertising and marketing expenses	(302 743)	(53 034)	(12 870)	(377 466)	(746 113)
Amortisation	(93 230)	(44 560)	(14 251)	(33 153)	(185 194)
Amortisation of intangible assets – core deposits and client relationships ⁽¹⁾	—	—	—	—	(37 538)
Bank charges and cash handling fees ⁽¹⁾	(308 868)	(3 280)	(1 897)	(3 610)	(300 681)
Consumables	(411 121)	(12 181)	—	(820)	(424 122)
Communication expenses	(197 479)	(30 330)	—	(4 013)	(231 822)
Depreciation	(1 180 377)	(40 738)	—	(6 055)	(1 227 170)
Employee costs	(7 917 178)	(1 376 924)	(166 078)	(205 638)	(9 665 818)
Equipment cost	(408 143)	(16 594)	(9)	(2 119)	(426 865)
IT expenses	(2 258 730)	(187 661)	(99 366)	(13 619)	(2 559 376)
Other operating expenses ⁽¹⁾	(522 952)	(82 307)	(37 429)	(52 288)	(672 799)
Premises expenses	(241 227)	(12 240)	—	(9 059)	(262 526)
Professional fees	(95 675)	(21 670)	(12 771)	(125 208)	(255 324)
Security and cash-in-transit fees	(665 059)	(2 571)	—	(20)	(667 650)
Subscriptions	(410 845)	(25 250)	(7 081)	(62 237)	(505 413)
Attributable insurance service expenses ⁽²⁾	—	—	68 846	—	68 846
Share of net profit of associates and joint ventures	2 994	—	—	—	2 994
Deemed disposal of investment in associate	27 245	—	—	—	27 245
Operating profit before tax⁽¹⁾	12 836 712	1 000 435	3 674 889	265 167	17 739 665
Income and deferred tax expense	(3 450 091)	(273 087)	(215 208)	(62 298)	(4 000 684)
Tax on amortisation of intangible assets ⁽¹⁾	—	—	—	—	10 135
Profit for the year⁽¹⁾	9 386 621	727 348	3 459 681	202 869	13 749 116
Profit attributable to					
Ordinary shareholders ⁽¹⁾	9 386 621	727 348	3 459 681	195 998	13 742 245
Non-controlling interest	—	—	—	6 871	6 871
	9 386 621	727 348	3 459 681	202 869	13 749 116

⁽¹⁾ Consolidation entries are not included in the 4 segments. Refer to the table on intersegmental revenue and expenses below.

⁽²⁾ Insurance operating expenses reallocated to insurance service expenses.

R'000	GROUP 2025				
	Personal Banking	Business Banking	Insurance	AvaFin	Total
Intersegmental revenue					
Interest income on investments calculated using the effective interest method ⁽¹⁾⁽²⁾	104 408	447 953	—	—	552 361
Interest expense and other similar charges ⁽¹⁾⁽²⁾	(447 953)	(104 408)	—	—	(552 361)
Monthly fees, debit orders and other transactions ⁽²⁾	—	16 974	—	—	16 974
Bank charges and cash handling fees ⁽²⁾	(16 974)	—	—	—	(16 974)
Transaction fee and commission income – Card machine transactions ⁽⁴⁾	79 439	2 303	—	—	81 742
Transaction fee and commission expense – Card machine transactions ⁽⁴⁾	(2 303)	(79 439)	—	—	(81 742)
Other income ⁽²⁾	22 177	—	—	—	22 177
Other operating expenses ⁽²⁾	—	—	(22 177)	—	(22 177)

⁽¹⁾ Personal Banking provides revolving credit and an Overdraft facility to Business Banking. Interest on these facilities amounted to R104 million and is included in interest income on investments for Personal Banking and interest expense for Business Banking.

⁽²⁾ Business Banking assets include an amount of R11.1 billion in investments that are placed with Personal Banking. Interest on the investments amounted to R448 million and is disclosed as interest income on investments calculated using the effective interest method in Business Banking and as interest expense in Personal Banking.

⁽³⁾ Business Banking provides payment solutions to Personal Banking as part of its product offering. Business Banking earns transaction fee income and Personal Banking incurs bank charges as these services are provided.

⁽⁴⁾ Card machine transactions comprise interchange transactions between Personal and Business Banking.

⁽⁵⁾ Personal Banking provides outsourced services and devices to Insurance. The transaction is disclosed as other income for Personal Banking and services received for Insurance.



R'000	GROUP				
	Personal Banking	Business Banking	Insurance	AvaFin	Total
2026					
Assets					
Loans and advances	73 037 973	28 602 665	—	2 119 539	103 760 177
Other ⁽¹⁾⁽²⁾	148 329 351	9 011 944	9 276 078	1 166 464	158 446 088
Goodwill – acquisition of AvaFin	—	—	—	—	228 090
Goodwill – acquisition of Mercantile ⁽¹⁾	—	—	—	—	849 487
Total assets⁽¹⁾⁽²⁾	221 367 324	37 614 609	9 276 078	3 286 003	263 283 842
Liabilities⁽³⁾					
Deposits ⁽¹⁾⁽⁴⁾	163 255 378	26 697 517	—	—	189 173 403
Wholesale funding	754 184	36 780	—	610 753	1 401 717
Other ⁽¹⁾⁽²⁾	16 802 572	6 957 778	627 487	480 353	13 195 842
Total liabilities⁽¹⁾⁽⁴⁾	180 812 134	33 692 075	627 487	1 091 106	203 770 962
2025					
Assets					
Loans and advances	65 384 522	21 971 336	—	1 789 620	89 145 478
Other ⁽¹⁾⁽²⁾	138 719 782	14 137 670	5 503 941	912 389	148 227 492
Goodwill – acquisition of AvaFin ⁽⁵⁾	—	—	—	—	241 215
Goodwill – acquisition of Mercantile ⁽¹⁾	—	—	—	—	849 487
Total assets⁽¹⁾⁽²⁾	204 104 304	36 109 006	5 503 941	2 702 009	238 463 672
Liabilities⁽³⁾					
Deposits ⁽¹⁾⁽⁴⁾	150 694 431	21 971 374	—	—	172 635 487
Wholesale funding	1 506 120	91 279	—	1 308 216	2 905 615
Other ⁽¹⁾⁽²⁾	24 215 466	2 089 394	354 430	505 874	12 009 275
Total liabilities⁽¹⁾⁽⁴⁾	176 416 017	24 152 047	354 430	1 814 090	187 550 377

⁽¹⁾ Consolidation entries are not included in the 4 segments.

⁽²⁾ Business Banking assets include an amount of R6.1 billion (2025: R11.1 billion) in investments that are placed with Personal Banking and are eliminated against liabilities on consolidation.

⁽³⁾ Liabilities have been included to enhance presentation. Comparatives have been updated for this change in presentation

⁽⁴⁾ Business Banking deposits include an amount of R7 million (2025: R4 million) placed by Personal Banking and an amount of R903 million (2025: R137 million) placed by Capitec Life

⁽⁵⁾ The Group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date.

33. Financial risk management

Capitec's risk governance is anchored in its enterprise risk management framework, which guides the identification, measurement, mitigation, monitoring and reporting of material risks. The framework integrates risk oversight into strategic planning, capital allocation and business decision-making, promoting prudent risk-taking and long-term resilience.

The Board holds ultimate accountability for strategy, financial resilience and regulatory compliance. The Board monitors the implementation of risk strategy, approves the risk appetite and ensures that risks are managed within tolerance levels.

Oversight of financial risks is delegated to the RCMC, supported by subcommittees such as RISCO, the ALCO, the Data Steering Committee (Data Steerco) and the Credit Committees. The RCMC comprises 4 Independent Non-Executive Directors, 2 Non-Executive Directors and 1 Executive Director.

33. Financial risk management continued

The specific risks dealt with by each RCMC subcommittee, which comprises Executive and senior management, are as follows:

- RISCO – legal, compliance, operational and reputational risk
- Credit Committees – credit and counterparty risk
- ALCO – interest rate, market, currency, counterparty and capital adequacy risk
- Data Steerco – technology and information risk.

Risk appetite is explicitly aligned to strategic objectives. Each material initiative is assessed to ensure expected returns justify risk consumption, enabling optimal capital deployment within defined tolerances.

Robust risk data aggregation protocols, aligned to Basel Committee on Banking Supervision 239, support timely and accurate decision-making. Internal Audit and second-line validation functions provide assurance over risk metrics and methodologies.

A strong risk culture, driven by Executive leadership, embeds risk-aware behaviour across operations and reinforces stakeholder trust.

33.1 Credit risk

Credit risk arises from the Group's lending and counterparty exposures. It is managed through a combination of prudent underwriting standards, portfolio monitoring and early-warning systems.

The Credit Committees for Personal and Business Banking oversee credit risk governance, supported by the Group Risk team, which provides independent oversight and policy guidance. Credit risk is assessed using internal rating models, stress testing and scenario analysis to ensure alignment with risk appetite and regulatory expectations.

Mitigation strategies include:

- diversification across sectors and geographies
- conservative lending criteria
- ongoing monitoring of borrower performance
- use of collateral and guarantees where appropriate.

Credit exposures are regularly reported to the RCMC and the ALCO, with trends and emerging risks flagged for strategic response.

Personal Banking primarily grants unsecured loans, with client loan balances on the statement of financial position exposed to credit risk. Given the client base's credit characteristics, exposure to systemic credit risk is inherently higher. However, single-name concentration risk remains low due to the large number of clients, smaller average loan sizes and broad distribution across economic sectors and provinces.

Business Banking offers a range of lending and transactional products tailored to established SMEs operating across various industries, as well as Personal Banking services to the respective entrepreneurs. A subsidiary, Capitec Rental Finance, provides Rental Finance solutions focused on office automation, telecommunications and IT.

33.2 Market risk

Market risk refers to potential losses arising from movements in market prices and rates, including interest rates and foreign currency exchange rates.

The Board determines market risk limits, which are reviewed at least annually or more often depending on prevailing market conditions.



33.2.1 Interest rate risk

Interest rate risk arises from mismatches in the repricing of interest-sensitive assets and liabilities, including:

- fixed- and variable-rate loans and advances
- fixed- and variable-rate deposits and borrowings
- Sovereign debt securities.

Cash flow interest rate risk

Cash flow interest rate risk is managed primarily through natural hedges and, where necessary, portfolio hedging using interest rate swaps. Exposure is assessed using net interest income and economic value of equity sensitivity metrics, evaluated on both contractual and behavioural bases. Scenario analyses include both parallel and non-parallel interest rate shocks.

ZARONIA

The Financial Stability Board initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace the existing interbank offered rates with alternative risk-free rates to improve market efficiency and mitigate systemic risk across financial markets. The SARB published the ZARONIA as the official successor rate to the JIBAR, and announced on 3 December 2025 that the JIBAR will be permanently discontinued after its final publication on 31 December 2026.

The Market Practitioners Group (MPG) published a detailed transition path for financial market participants, structured around 3 key pillars: Pillar 1 – Adoption in derivative markets; Pillar 2 – Adoption in cash markets; and Pillar 3 – Transition in legacy positions. The MPG formally launched the ZARONIA First Initiative for the linear derivatives market in May 2025.

The Group has established a dedicated project team responsible for managing the transition and ensuring full compliance with the applicable frameworks. The project team identified the primary risks arising from the transition as operational and systems readiness, legal and contractual matters and reputational considerations. The following mitigation measures have been implemented:

Operational and systems risk: JIBAR is no longer ingested into core systems. A focused impact assessment was completed for the limited population of affected instruments, with no material issues identified. ZARONIA has been successfully onboarded following the completion of data quality and control validation processes.

Legal and contractual risk: A comprehensive review of affected contracts has been performed to ensure references to JIBAR have been appropriately amended and robust fallback provisions included where required.

Reputational risk: Relevant internal stakeholders have been engaged, and the implications of the transition have been communicated. Engagement with external stakeholders is ongoing to support an orderly and well-managed transition.

The Group has limited exposure to JIBAR, refer to **note 16**, **note 5** and **note 18** for details regarding the financial instruments linked to JIBAR, respectively.

Monitoring of interest rate risk

Board-approved risk management tolerances are monitored by the RCMC and the ALCO. The Group interest rate risk profile is monitored by the ALCO at its monthly meetings. The ALCO considers the results of management's analyses of the impact of interest rates on the Group.

To measure interest rate risk, interest rate-sensitive assets and liabilities are aggregated into defined time bands in accordance with interest repricing dates. Reports that take alternative strategies and interest rate forecasts into consideration are presented to the RCMC and the ALCO on a regular basis. The reports include the impact of interest rate strategy on the Group's gross margin.

Notes to the financial statements continued

Year ended 28 February 2026

33. Financial risk management continued

33.2 Market risk continued

33.2.1 Interest rate risk continued

Sensitivity analysis

The ALCO meets monthly and considers the results of management's analysis of the impact of interest rates on the Group which includes, *inter alia*, the results of various models and the impact of the interest rate strategy on the gross margin. The following sensitivity analysis is a run-off analysis and reflects the interest rate repricing impact in the static balances of the statement of financial position of a 400 basis point interest rate shock over 12 months. Variable-rate-sensitive items would be impacted immediately by the interest rate shock. The net variable-rate exposure amounts to a R30.8 billion liability position (2025: R36.6 billion liability position). Fixed-rate items would not be impacted and funds received from maturing items are assumed to be reinvested at variable market interest rates. Net fixed-rate exposures maturing within 12 months amount to an asset position of R72.8 billion (2025: R69.9 billion asset position) and net fixed-rate exposures maturing after 12 months amount to an asset position of R25.2 billion (2025: R19.4 billion asset position).

Currently, our profit before tax is expected to increase by R821.4 million (2025: R585.9 million) in the case of a 400 basis point upward shock and decrease by R2 020.5 million (2025: R1 480.0 million) in the case of a 400 basis point downward shock. Due to contractual interest rate floors on saving products, liability repricing in downward interest rate scenarios is constrained, while asset yields continue to reprice. This results in a greater adverse impact on net interest income under downward shocks compared to the income benefit from equivalent upward shocks.

400 basis points R'000	Impact on income statement	
	2026 Pre-tax	2025 ⁽¹⁾ Pre-tax
Increase	821 438	585 926
Decrease	(2 020 466)	(1 479 989)

⁽¹⁾ The comparative interest rate sensitivity has been revised to apply a 0% floor on savings interest rates, reflecting that savings rates cannot become negative, which results in asymmetry between upward and downward shocks.

Currently, our equity is expected to increase by R599.6 million (2025: R427.7 million) in the case of a 400 basis point upward shock and decrease by R1 474.9 million (2025: R1 080.4 million) in the case of a 400 basis point downward shock.

400 basis points R'000	Impact on equity	
	2026 Post-tax	2025 ⁽¹⁾ Post-tax
Increase	599 650	427 726
Decrease	(1 474 940)	(1 080 392)

⁽¹⁾ The comparative interest rate sensitivity has been revised to apply a 0% floor on savings interest rates, reflecting that savings rates cannot become negative, which results in asymmetry between upward and downward shocks.



Interest rate gap

The table below illustrates the Group's interest rate gap on its interest-bearing assets and liabilities. The table is a summary of the interest rate mismatches within the Group's statement of financial position arising from interest rate repricing and varying maturity dates on fixed-rate and floating-rate assets and liabilities.

R'000	Note	GROUP						Non-contractual	Adjustment
		Carrying amount	Demand to 1 month	1 to 3 months	3 months to 1 year	More than 1 year			
2026									
Cash and cash equivalents – Sovereigns	3	10 913 937	10 913 937	—	—	—	—	—	
Cash and cash equivalents – banks	3	38 751 072	38 751 337	—	—	—	—	(265)	
Derivative assets	42	243 086	13 910	125 815	80 317	23 044	—	—	
Financial investments at amortised cost	5	78 459 450	4 861 274	10 361 621	34 775 491	28 579 726	—	(118 662)	
Term deposit investments	6	5 757 264	1 074 986	1 610 041	3 073 633	—	—	(1 396)	
Loans and advances Personal Banking – Term Loan ⁽¹⁾	7	59 827 188	2 706 722	3 189 348	12 323 450	29 381 401	12 602 525	(376 258)	
Loans and advances Personal Banking – Access Facility ⁽¹⁾	7	22 145 493	510 381	1 046 662	3 596 078	12 091 401	4 900 971	—	
Loans and advances Personal Banking – Credit Card ⁽¹⁾	7	16 038 992	709 263	1 313 908	4 496 934	7 665 139	1 853 748	—	
Loans and advances Business Banking – Business Loans	7	17 291 132	6 490 363	524 698	2 276 460	6 469 156	1 530 455	—	
Loans and advances Business Banking – Mortgage Loans	7	13 098 313	143 209	215 552	753 304	11 085 840	900 408	—	
Loans and advances AvaFin	7	3 373 065	2 670 999	232 555	227 541	241 970	—	—	
		265 898 992	68 846 381	18 620 200	61 603 208	95 537 677	21 788 107	(496 581)	
Derivative liabilities	42	190 038	17 409	98 116	52 923	21 590	—	—	
Deposits	16	189 173 403	130 339 160	18 307 894	22 082 696	18 443 653	—	—	
Wholesale funding	16	1 401 717	2 070	19 089	1 195 563	184 995	—	—	
		190 765 158	130 358 639	18 425 099	23 331 182	18 650 238	—	—	

⁽¹⁾ The interest rate gap for loans and advances – Personal Banking has been enhanced to provide a more detailed breakdown of the underlying loan product categories presented within the table. Comparative information has been updated accordingly to align with the current period presentation.

Notes to the financial statements continued

Year ended 28 February 2026

33. Financial risk management continued

33.2 Market risk continued

33.2.1 Interest rate risk continued

Interest rate gap continued

				GROUP					
R'000	Note	Carrying amount	Demand to 1 month	1 to 3 months	3 months to 1 year	More than 1 year	Non-contractual	Adjustment	
2025									
Cash and cash equivalents – Sovereigns	3	13 187 888	13 187 888	—	—	—	—	—	
Cash and cash equivalents – banks	3	31 375 447	31 375 704	—	—	—	—	(257)	
Derivative assets	42	37 614	20 709	4 401	12 457	47	—	—	
Financial investments at amortised cost	5	76 336 706	5 399 857	13 640 700	33 435 845	23 966 326	—	(106 022)	
Term deposit investments	6	5 546 480	3 537 801	960 750	1 048 254	—	—	(325)	
Personal Banking – Term Loan ⁽¹⁾	7	53 778 436	2 355 715	2 845 513	11 021 891	25 478 712	12 402 224	(325 619)	
Loans and advances Personal Banking – Access Facility ⁽¹⁾	7	23 612 152	549 342	1 127 724	3 876 046	13 168 058	4 890 982	—	
Loans and advances Personal Banking – Credit Card ⁽¹⁾	7	12 154 594	534 737	990 600	3 390 392	5 779 010	1 459 855	—	
Loans and advances Business Banking – Business Loans	7	12 025 456	4 517 734	331 143	1 479 624	4 556 621	1 140 334	—	
Loans and advances Business Banking – Mortgage Loans	7	11 314 022	125 269	165 619	659 671	9 386 670	976 793	—	
Loans and advances AvaFin	7	2 641 232	2 165 026	211 533	131 759	132 914	—	—	
		242 010 027	63 769 782	20 277 983	55 055 939	82 468 358	20 870 188	(432 223)	
Derivative liabilities	42	21 140	4 913	4 230	11 996	1	—	—	
Deposits	16	172 635 487	119 869 802	11 837 729	20 684 584	20 243 372	—	—	
Wholesale funding	16	2 905 615	207 231	212 393	1 333 969	1 152 022	—	—	
		175 562 242	120 081 946	12 054 352	22 030 549	21 395 395	—	—	

⁽¹⁾ The interest rate gap for loans and advances – Personal Banking has been enhanced to provide a more detailed breakdown of the underlying loan product categories presented within the table. Comparative information has been updated accordingly to align with the current period presentation.

Compliance with the prescribed maximum interest rates

The NCA prescribes the ceilings for the maximum interest rates that may be charged for Personal Banking lending. The Group operates within the ambit of the NCA ceilings when pricing its Personal Banking loans and advances.

33.2.2 Currency risk

Foreign currency risk arises from:

- Foreign exchange services offered by Business Banking
- translation risk from AvaFin's euro-denominated assets and liabilities
- operational expenditure and balance sheet mismatches involving foreign currencies arising from Personal Banking activities.

Business Banking

Business Banking manages short-term foreign currency exposures relating to clients' trade imports, exports and interest flows on foreign liabilities in terms of approved limits.

Foreign exchange exposures are managed by entering into forward exchange contracts in the interbank market to minimise volatility and ensure compliance with internal and regulatory limits.

The Group has conservative net open foreign currency position limits that are well below the limits allowed by the SARB. For the year under review, the highest net open position recorded, for any single day, was R47.9 million (2025: R165.9 million).



Sensitivity analysis with all other variables held constant:

Equity (post-tax)

R'000	US dollar	Euro	Pound sterling	Other	Total
2026					
Rand weakens by 10%	(1 040)	24	51	(316)	(1 281)
Rand strengthens by 10%	1 040	(24)	(51)	316	1 281
2025					
Rand weakens by 10%	184	66	400	(85)	565
Rand strengthens by 10%	(184)	(66)	(400)	85	(565)

Sensitivity analysis on pre-tax profit with all other variables held constant:

Pre-tax

R'000	US dollar	Euro	Pound sterling	Other	Total
2026					
Rand weakens by 10%	(1 424)	32	69	(433)	(1 756)
Rand strengthens by 10%	1 424	(32)	(69)	433	1 756
2025					
Rand weakens by 10%	252	90	548	(116)	774
Rand strengthens by 10%	(252)	(90)	(548)	116	(774)

The transaction exposures and foreign exchange contracts at the reporting date are summarised as follows:

R'000	US dollar	Euro	Pound sterling	Other	Total
2026					
Total foreign exchange assets	993 408	186 995	72 930	22 658	1 275 991
Total foreign exchange liabilities	(995 337)	(186 458)	(74 383)	(22 441)	(1 278 619)
Commitments to purchase foreign currency	2 702 593	957 543	36 830	469 240	4 166 206
Commitments to sell foreign currency	(2 686 424)	(958 404)	(36 070)	(465 129)	(4 146 027)
Year-end effective net open foreign currency positions	14 240	(324)	(693)	4 328	17 551
2025					
Total foreign exchange assets	1 006 433	321 476	89 061	27 650	1 444 620
Total foreign exchange liabilities	(999 634)	(312 440)	(87 184)	(25 261)	(1 424 519)
Commitments to purchase foreign currency	1 086 559	278 142	52 947	53 047	1 470 695
Commitments to sell foreign currency	(1 095 880)	(288 078)	(60 299)	(54 277)	(1 498 534)
Year-end effective net open foreign currency positions	(2 522)	(900)	(5 475)	1 159	(7 738)

Notes to the financial statements continued

Year ended 28 February 2026

33. Financial risk management continued

33.2 Market risk continued

33.2.2 Currency risk

AvaFin

AvaFin has foreign currency exposure resulting from commercial transactions and recognised assets and liabilities denominated in a currency other than its presentation currency, which is the euro.

Sensitivity analysis

A 10% weakening or strengthening of the euro against the following currencies at the reporting date would increase/(decrease) equity and profit or loss by the amounts illustrated below. This analysis is based on the assumption that all other variables are held constant.

R'000	Polish złoty	Czech koruna	Danish krone	Mexican peso	US dollar	Japanese yen	Total
Impact on equity							
2026							
Euro weakens by 10%	107 507	34 626	—	7 881	1	—	150 015
Euro strengthens by 10%	(107 507)	(34 626)	—	(7 881)	(1)	—	(150 015)
2025							
Euro weakens by 10%	92 132	37 254	13	44 919	3	(6 085)	168 236
Euro strengthens by 10%	(92 132)	(37 254)	(13)	(44 919)	(3)	6 085	(168 236)
Impact on profit							
2026							
Euro weakens by 10%	57 194	22 423	—	624	1	—	80 242
Euro strengthens by 10%	(57 194)	(22 423)	—	(624)	(1)	—	(80 242)
2025							
Euro weakens by 10%	42 710	22 641	13	36 242	3	(6 072)	95 537
Euro strengthens by 10%	(42 710)	(22 641)	(13)	(36 242)	(3)	6 072	(95 537)

The foreign currency-denominated monetary assets and liabilities at the reporting date are summarised as follows:

R'000	Polish złoty	Czech koruna	Danish krone	Mexican peso	US dollar	Japanese yen	Total
2026							
Foreign currency-denominated assets	1 092 830	391 825	—	646 882	37	1	2 131 575
Foreign currency-denominated liabilities	(125 263)	(80 194)	—	(575 952)	(28)	—	(781 437)
	967 567	311 631	—	70 930	9	1	1 350 138
2025							
Foreign currency-denominated assets	1 292 016	405 935	119	472 829	28	257 357	2 428 284
Foreign currency-denominated liabilities	(462 830)	(70 649)	—	(68 560)	—	(312 122)	(914 161)
	829 186	335 286	119	404 269	28	(54 765)	1 514 123



33.2.3 Other market risk

The Group does not engage in proprietary trading activities and, therefore, has minimal exposure to market risk. Should the Group consider entering into proprietary trading activities, such actions would require prior evaluation and approval by both the ALCO and the RCMC.

Market risk oversight is the responsibility of the ALCO, which approves relevant policies, monitors exposures and ensures adherence to prudential and regulatory limits. Group Treasury manages interest rate and foreign currency risk on a day-to-day basis, while the Group Risk team provides independent oversight, ensuring exposures remain within risk appetite and are reported to the ALCO.

33.2.4 Credit spread in the banking book

Credit spread risk in the banking book exposure is currently limited and not actively managed. The Group's holdings do not present material sensitivity to credit spread movements. This position is reviewed periodically to ensure ongoing alignment with regulatory expectations and evolving market conditions.

33.3 Liquidity risk

The Group maintains a low appetite for liquidity risk and manages liquidity cautiously in line with its approved asset and liability management policy. The ALCO governs liquidity and funding risk, ensuring strategic alignment of the capital and funding composition across the Group.

Group Treasury maintains a diversified funding base across tenors, while the Group Risk team provides independent oversight and ensures compliance with internal and regulatory standards. The Group's maturity profile reflects its deliberate strategy of funding long-term assets with long-term liabilities and maintaining limited reliance on core call deposits.

Our conservative approach sometimes results in the holding of cash in excess of immediate operational requirements. Surplus liquidity is prudently managed through short-term money market instruments ensuring that obligations can be met as they fall due without incurring unacceptable losses.

The following table analyses the Group's assets and liabilities into maturity groupings based on the remaining period, at the statement of financial position date, to the contractual maturity date. The table was prepared on the following basis:

- Asset and liability cash flows are presented on an undiscounted basis with an adjustment to reflect the total discounted result
- The cash flows of floating-rate financial instruments are calculated using published forward market rates at the statement of financial position date
- The cash flows of the derivative financial instruments are included on a gross basis
- Contractual cash flows with respect to items which have not yet been recorded in the statement of financial position are excluded. Refer to **note 37**
- Adjustments to loans and advances to clients relate to initiation fee income
- Non-contractual loans comprise discounted stage 3 loans and advances that are more than 3 months in arrears and have legal statuses (including debt review) but exclude loans where debt review was applied for less than 6 months ago. They are shown as non-contractual because they are subject to legal collection processes.

Notes to the financial statements continued

Year ended 28 February 2026

33. Financial risk management continued

33.3 Liquidity risk continued

Maturities of assets and liabilities⁽¹⁾⁽²⁾

R'000	Note	GROUP						Adjust- ment ⁽³⁾	Total
		Demand to 1 month	1 to 3 months	3 months to 1 year	More than 1 year	Non- contractual			
2026									
Undiscounted assets									
Cash and cash equivalents – Sovereigns ⁽⁴⁾	3	10 913 937	—	—	—	—	—	—	10 913 937
Cash and cash equivalents – banks ⁽⁴⁾	3	38 751 337	—	—	—	—	(265)	—	38 751 072
Financial assets at FVTPL	4	2 910 569	100 000	740 619	1 363 913	—	—	—	5 115 101
Derivative assets	42	13 910	125 815	80 317	23 044	—	—	—	243 086
Financial investments at amortised cost	5	4 925 207	10 473 678	37 567 571	38 918 619	—	(118 662)	—	91 766 413
Term deposit investments	6	1 080 500	1 620 264	3 217 657	—	—	(1 396)	—	5 917 025
Current income tax asset	36.3	—	—	5 556	—	—	—	—	5 556
Loans and advances Personal Banking	7	5 346 684	8 160 793	30 679 444	80 091 504	19 357 244	(376 258)	—	143 259 411
Loans and advances Business Banking – Business Loans	7	6 583 821	707 451	2 933 384	7 701 575	1 530 455	—	—	19 456 686
Loans and advances Business Banking – Mortgage Loans	7	243 015	410 018	1 607 640	18 495 351	900 408	—	—	21 656 432
Loans and advances AvaFin	7	2 763 959	286 833	290 274	532 106	—	—	—	3 873 172
Other receivables	8	3 932 492	805 220	899 132	324 537	234 775	—	—	6 196 156
Financial assets – equity instruments at FVOCI	10	—	—	—	352 278	—	—	—	352 278
Undiscounted assets		77 465 431	22 690 072	78 021 594	147 802 927	22 022 882	(496 581)	—	347 506 325
Adjustments for undiscounted assets		(2 979 038)	(3 186 375)	(14 866 885)	(50 559 552)	—	—	—	(71 591 850)
Discounted assets									
Loan impairment provision for ECL		(1 196 842)	(628 025)	(2 373 361)	(6 372 215)	(16 190 038)	—	—	(26 760 481)
Total discounted assets		73 289 551	18 875 672	60 781 348	90 871 160	5 832 844	(496 581)	—	249 153 994
Undiscounted liabilities									
Derivative liabilities	42	17 409	98 116	52 923	21 590	—	—	—	190 038
Current income tax liabilities	36.3	—	328 939	—	—	—	—	—	328 939
Deposits	16	130 710 471	18 641 097	23 542 185	21 947 579	—	—	—	194 841 332
Wholesale funding	16	2 273	29 235	1 251 150	221 724	—	—	—	1 504 382
Other liabilities	17	6 013 702	1 610 482	708 576	951 604	315 312	—	—	9 599 676
Lease liability	18	43 617	116 158	507 957	2 373 076	—	—	—	3 040 808
Employee benefit liabilities	19	—	—	—	10 461	—	—	—	10 461
Undiscounted liabilities		136 787 472	20 824 027	26 062 791	25 526 034	315 312	—	—	209 515 636
Adjustments for undiscounted liabilities		(371 507)	(347 106)	(1 551 042)	(4 304 277)	—	—	—	(6 573 932)
Total discounted liabilities		136 415 965	20 476 921	24 511 749	21 221 757	315 312	—	—	202 941 704
Net liquidity (shortfall)/excess ⁽⁵⁾⁽⁶⁾		(60 518 883)	1 238 020	49 585 442	115 904 678	5 517 532	(496 581)	—	111 230 208
Cumulative liquidity (shortfall)/excess ⁽⁶⁾⁽⁷⁾		(60 518 883)	(59 280 863)	(9 695 421)	106 209 257	111 726 789	111 230 208	—	111 230 208

Refer to the footnotes on page 329.



		GROUP							
R'000	Note	Demand to 1 month	1 to 3 months	3 months to 1 year	More than 1 year	Non- contractual	Adjust- ment ⁽³⁾	Total	
2025									
Undiscounted assets									
Cash and cash equivalents – Sovereigns ⁽⁴⁾	3	13 187 888	—	—	—	—	—	13 187 888	
Cash and cash equivalents – banks ⁽⁴⁾	3	31 375 704	—	—	—	—	(257)	31 375 447	
Financial assets at FVTPL	4	1 349 010	—	—	—	—	—	1 349 010	
Derivative assets	42	20 707	4 401	12 457	47	—	—	37 612	
Financial investments at amortised cost	5	5 463 117	13 809 372	36 445 578	35 572 029	—	(106 022)	91 184 074	
Term deposit investments	6	3 542 602	971 230	1 085 476	—	—	(325)	5 598 983	
Loans and advances Personal Banking	7	4 860 969	7 431 079	27 886 904	72 200 542	18 753 061	(325 619)	130 806 936	
Loans and advances Business Banking – Business Loans	7	4 586 821	463 953	1 963 903	5 501 530	1 140 334	—	13 656 541	
Loans and advances Business Banking – Mortgage Loans	7	221 470	354 654	1 474 929	16 321 496	976 793	—	19 349 342	
Loans and advances AvaFin	7	2 334 068	278 653	172 636	292 293	—	—	3 077 650	
Other receivables	8	4 056 219	462 255	494 995	380 370	187 999	—	5 581 838	
Financial assets – equity instruments at FVOCI	10	—	—	—	81 886	—	—	81 886	
Undiscounted assets		70 998 575	23 775 597	69 536 878	130 350 193	21 058 187	(432 223)	315 287 207	
Adjustments for undiscounted assets		(2 631 913)	(3 052 630)	(13 999 709)	(47 431 804)	—	—	(67 116 056)	
Discounted assets									
Loan impairment provision for ECL		(950 553)	(604 065)	(2 281 006)	(6 256 074)	(15 437 105)	—	(25 528 803)	
Total discounted assets		67 416 109	20 118 902	53 256 163	76 662 315	5 621 082	(432 223)	222 642 348	
Undiscounted liabilities									
Derivative liabilities	42	4 912	4 230	11 996	1	—	—	21 139	
Current income tax liabilities	36.3	—	377 124	—	—	—	—	377 124	
Deposits	16	120 007 429	11 539 937	22 233 436	24 122 293	—	—	177 903 095	
Wholesale funding	16	208 683	242 867	1 451 676	1 300 436	—	—	3 203 662	
Other liabilities	17	6 026 014	1 773 266	624 176	515 984	205 175	—	9 144 615	
Lease liability	18	37 519	111 878	493 806	2 658 493	—	—	3 301 696	
Employee benefit liabilities	19	—	—	—	10 770	—	—	10 770	
Undiscounted liabilities		126 284 557	14 049 302	24 815 090	28 607 977	205 175	—	193 962 101	
Adjustments for undiscounted liabilities		(139 083)	265 193	(1 698 093)	(4 928 171)	—	—	(6 500 154)	
Total discounted liabilities		126 145 474	14 314 495	23 116 997	23 679 806	205 175	—	187 461 947	
Net liquidity (shortfall)/excess ⁽⁵⁾⁽⁶⁾		(56 236 535)	9 122 230	42 440 782	95 486 142	5 415 907	(432 223)	95 796 303	
Cumulative liquidity (shortfall)/ excess ⁽⁶⁾⁽⁷⁾		(56 236 535)	(47 114 305)	(4 673 523)	90 812 619	96 228 526	95 796 303	95 796 303	

Refer to the footnotes on **page 329**.

Notes to the financial statements continued

Year ended 28 February 2026

33. Financial risk management continued

33.3 Liquidity risk continued

Maturities of assets and liabilities⁽¹⁾⁽²⁾ continued

R'000	Note	GROUP						Total
		1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	More than 10 years	
2026								
Undiscounted assets								
Financial assets at FVTPL	4	305 920	67 212	67 170	263 388	660 223		1 363 913
Derivative assets	42	23 044	—	—	—	—	—	23 044
Financial investments at amortised cost	5	3 083 767	2 226 181	2 916 639	30 287 482	404 550	—	38 918 619
Loans and advances Personal Banking	7	30 068 234	21 255 499	14 539 225	10 669 618	3 558 928	—	80 091 504
Loans and advances Business Banking – Business Loans	7	3 095 452	2 276 781	1 474 454	674 035	160 908	19 945	7 701 575
Loans and advances Business Banking – Mortgage Loans	7	1 945 324	1 910 785	1 777 386	1 691 595	6 720 273	4 449 988	18 495 351
Loans and advances AvaFin	7	244 202	141 714	74 806	43 665	27 719	—	532 106
Other receivables	8	154 303	70 752	54 710	44 772	—	—	324 537
Financial assets – equity instruments at FVOCI	10	—	—	—	352 278	—	—	352 278
Undiscounted assets		38 920 246	27 948 924	20 904 390	44 026 833	11 532 601	4 469 933	147 802 927
Adjustments for undiscounted assets		(14 807 782)	(10 858 058)	(8 397 808)	(9 684 590)	(5 611 804)	(1 199 510)	(50 559 552)
Discounted assets								
Loan impairment provision for ECL		(2 421 461)	(1 803 346)	(1 249 108)	(703 740)	(176 962)	(17 598)	(6 372 215)
Total discounted assets		21 691 003	15 287 520	11 257 474	33 638 503	5 743 835	3 252 825	90 871 160
Undiscounted liabilities								
Derivative liabilities	42	21 590	—	—	—	—	—	21 590
Deposits	16	9 619 490	5 107 424	3 959 440	3 261 225	—	—	21 947 579
Wholesale funding	16	119 312	102 412	—	—	—	—	221 724
Other liabilities	17	445 710	224 654	121 476	96 692	63 072	—	951 604
Lease liability	18	599 275	473 223	391 681	310 059	595 874	2 964	2 373 076
Employee benefit liabilities	19	3 487	3 487	3 487	—	—	—	10 461
Undiscounted liabilities		10 808 864	5 911 200	4 476 084	3 667 976	658 946	2 964	25 526 034
Adjustments for undiscounted liabilities		(1 379 592)	(1 050 667)	(841 787)	(726 284)	(303 809)	(2 138)	(4 304 277)
Total discounted liabilities		9 429 272	4 860 533	3 634 297	2 941 692	355 137	826	21 221 757
Net liquidity excess ⁽⁵⁾⁽⁶⁾		25 689 921	20 234 378	15 179 198	39 655 117	10 696 693	4 449 371	115 904 678
Cumulative liquidity excess ⁽⁶⁾⁽⁷⁾		15 994 500	36 228 878	51 408 076	91 063 193	101 759 886	106 209 257	106 209 257

Refer to the footnotes on page 329.



		GROUP						
R'000	Note	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	5 to 10 years	More than 10 years	Total
2025								
Undiscounted assets								
Derivative assets	42	47	—	—	—	—	—	47
Financial investments at amortised cost	5	1 996 821	2 845 903	1 986 537	2 676 158	26 066 610	—	35 572 029
Loans and advances Personal Banking	7	27 410 919	19 176 782	13 120 184	9 438 938	3 053 719	—	72 200 542
Loans and advances Business Banking – Business Loans	7	2 216 106	1 635 938	1 004 607	476 276	155 489	13 114	5 501 530
Loans and advances Business Banking – Mortgage Loans	7	1 791 172	1 712 534	1 666 572	1 505 699	5 816 019	3 829 500	16 321 496
Loans and advances AvaFin	9	134 144	77 832	41 093	23 985	15 239	—	292 293
Other receivables	10	194 216	81 925	56 323	47 906	—	—	380 370
Financial assets – equity instruments at FVOCI	10	—	—	—	81 886	—	—	81 886
Undiscounted assets		33 743 425	25 530 914	17 875 316	14 250 848	35 107 076	3 842 614	130 350 193
Adjustments for undiscounted assets		(12 982 973)	(10 211 636)	(7 543 899)	(7 356 223)	(8 224 375)	(1 112 698)	(47 431 804)
Discounted assets								
Loan impairment provision for ECL		(2 356 101)	(1 764 371)	(1 243 236)	(717 676)	(159 681)	(15 009)	(6 256 074)
Total discounted assets		18 404 351	13 554 907	9 088 181	6 176 949	26 723 020	2 714 907	76 662 315
Undiscounted liabilities								
Derivative liabilities	42	1	—	—	—	—	—	1
Deposits	16	10 576 060	5 866 783	4 123 376	3 556 074	—	—	24 122 293
Wholesale funding	16	1 064 769	130 170	105 497	—	—	—	1 300 436
Other liabilities	17	155 152	175 148	58 690	34 788	92 551	(345)	515 984
Lease liability	18	598 580	513 357	433 270	379 131	726 574	7 581	2 658 493
Employee benefit liabilities	19	3 630	3 570	3 570	—	—	—	10 770
Undiscounted liabilities		12 398 192	6 689 028	4 724 403	3 969 993	819 125	7 236	28 607 977
Adjustments for undiscounted liabilities		(1 454 476)	(1 175 685)	(954 286)	(860 351)	(478 025)	(5 348)	(4 928 171)
Total discounted liabilities		10 943 716	5 513 343	3 770 117	3 109 642	341 100	1 888	23 679 806
Net liquidity excess ⁽⁵⁾⁽⁶⁾		18 989 132	17 077 515	11 907 677	9 563 179	34 128 270	3 820 369	95 486 142
Cumulative liquidity excess ⁽⁶⁾⁽⁷⁾		14 315 609	31 393 124	43 300 801	52 863 980	86 992 250	90 812 619	90 812 619

⁽¹⁾ For the Company, the contractual maturities of the financial assets and liabilities are all on demand to 1 month.

⁽²⁾ Assets and liabilities other than financial assets and liabilities are included in the analysis to provide a holistic view of liquidity management.

⁽³⁾ The adjustment includes adjustments to loan origination fees, deferred income and ECL.

⁽⁴⁾ The definitions of Sovereign, banks, corporate and retail are aligned with the Banks Act Regulations.

⁽⁵⁾ Calculated as undiscounted assets net of the loan provision for ECL less undiscounted liabilities.

⁽⁶⁾ Off-balance sheet guarantees and letters of credit for Business Banking to the value of R861 million (2025: R660 million) and R8 million (2025: R31 million), respectively, and irrevocable loan commitments to the value of R16 518 million (2025: R14 268 million) that have a maturity of demand to 1 month have not been included above.

⁽⁷⁾ Much of the liquidity shortfall in the demand to 3-month categories results from the investment of excess cash in treasury bills and government bonds with maturities in excess of 3 months. These instruments are highly liquid and can be converted to cash should the need arise. Refer to note 33.7.

33.4 Capital adequacy risk

Capitec maintains capital levels well above the minimum regulatory requirements, supported by conservative buffers and ongoing stress testing. This prudent approach ensures the Group's resilience under adverse economic conditions and supports sustainable growth and innovation.

The Group's capital management objectives are to:

- ensure sufficient risk capital is available, including buffers for unexpected losses, to protect depositors and shareholders and support business sustainability across economic cycles
- achieve targeted returns on equity through efficient capital allocation
- maintain adequate capital to support business growth and Strategic Initiatives
- comply with the Banks Act, related regulations and PA requirements.

Notes to the financial statements continued

Year ended 28 February 2026

33. Financial risk management continued

33.4 Capital adequacy risk continued

Capital is managed through the Internal Capital Adequacy Assessment Process, incorporating stress testing and scenario analysis. The RCMC oversees quarterly assessments, while the ALCO monitors capital adequacy monthly to ensure it supports growth and risk coverage.

The Group has complied with all regulatory capital requirements. For further details, refer to the consolidated Pillar 3 report on our website.

33.5 Gains and losses per category of financial assets and financial liabilities

R'000	Note	GROUP					Total
		At FVTPL		At FVOCI	At amortised cost		
		Held for trading	Financial assets	Designated as hedges	Financial assets	Financial liabilities	
2026							
Interest income calculated using the effective interest method	22.1	—	—	—	32 064 409	—	32 064 409
Interest income on financial assets at FVTPL	22.2	—	1 245 265	—	—	—	1 245 265
Interest expense	22.3	—	—	—	—	(9 229 796)	(9 229 796)
Loan fee income		—	—	—	1 450 520	—	1 450 520
Loan fee expense		—	—	—	(12 663)	—	(12 663)
Transaction fee and commission income	23	—	—	—	—	28 664 044	28 664 044
Transaction fee and commission expense	23	—	—	—	—	(7 139 483)	(7 139 483)
Foreign currency income		676 941	—	—	—	—	676 941
Foreign currency expense		(556 910)	—	—	—	—	(556 910)
Credit impairments	26	—	—	—	(9 976 457)	—	(9 976 457)
2025							
Interest income calculated using the effective interest method	22.1	—	—	—	29 367 763	—	29 367 763
Interest income on financial assets at FVTPL	22.2	—	860 595	—	—	—	860 595
Interest expense	22.3	—	—	—	—	(10 042 710)	(10 042 710)
Loan fee income		—	—	—	1 292 328	—	1 292 328
Loan fee expense		—	—	—	(6 393)	—	(6 393)
Transaction fee and commission income	23	—	—	—	—	24 851 856	24 851 856
Transaction fee and commission expense	23	—	—	—	—	(6 317 004)	(6 317 004)
Fair value gains on derivatives designated as hedges	21	—	—	(733)	—	—	(733)
Foreign currency income		567 550	—	—	—	—	567 550
Foreign currency expense		(431 956)	—	—	—	—	(431 956)
Credit impairments	26	—	—	—	(8 258 386)	—	(8 258 386)



33.6 Fair value hierarchy and classification of financial assets and financial liabilities

Valuation processes

Determination of fair values and valuation processes

Fair values are market-based, calculated with reference to observable inputs available in the market, then less observable inputs and finally unobservable inputs only where observable inputs or less observable inputs are unavailable.

Fair values are calculated consistently with the unit of account used for the measurement of the asset or liability in the statement of financial position and income statement and assume an orderly market on a going concern basis.

The Group Finance department performs the valuations of financial assets and liabilities required for financial reporting purposes. Selecting the most appropriate valuation methods and techniques is an outcome of internal discussion and deliberation between members of the Finance team who have modelling and valuation experience. The valuations are reported to the CFO and Audit Committee. Changes in fair values are analysed at each reporting date.

Hierarchy of fair value of financial instruments

The hierarchy is based on the extent to which the inputs to valuation techniques are observable or unobservable. The hierarchy categorises the inputs to valuation techniques used to measure fair value into 3 levels.

Level 1 inputs reflect observable market data obtained from independent sources and consist of unadjusted quoted prices in active markets for assets and liabilities.

Level 2 inputs are inputs, other than quoted market prices in level 1, that are directly or indirectly observable for the asset or liability.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs reflect the Group's assessment of what inputs would likely be from the perspective of the market.

The Group considers relevant and observable market inputs where these are available. Unobservable inputs are used in the absence of observable inputs.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels 1, 2 and 3 during the year.

The fair value hierarchy is applied to both those assets and liabilities measured at FVTPL, assets held at FVOCI and those measured using amortised cost. The table that follows summarises the classification of financial assets and financial liabilities and their fair values.

Notes to the financial statements continued

Year ended 28 February 2026

33. Financial risk management continued

33.6 Fair value hierarchy and classification of financial assets and financial liabilities continued

Hierarchy of fair value of financial instruments continued

R'000	Note	GROUP						Hierarchy of valuation technique
		At FVTPL		At FVOCI	At amortised cost	Total	Fair value	
		Financial assets	Held for trading	Financial assets	Financial assets			
2026								
Financial assets								
Cash and cash equivalents ⁽¹⁾	3	—	—	—	49 665 009	49 665 009	49 665 009	Level 2
Financial assets at FVTPL		4 715 019	—	—	—	4 715 019	4 715 019	
Money market funds	4	2 848 507	—	—	—	2 848 507	2 848 507	Level 2
Fixed-rate government bonds	4	854 126	—	—	—	854 126	854 126	Level 1
Floating-rate government bonds	4	205 416	—	—	—	205 416	205 416	Level 1
Treasury bills	4	806 970	—	—	—	806 970	806 970	Level 2
Derivative assets	42	—	243 086	—	—	243 086	243 086	Level 2
Financial investments at amortised cost		—	—	—	78 459 450	78 459 450	80 125 031	
Treasury bills	5	—	—	—	49 670 249	49 670 249	49 766 980	Level 2
Fixed-rate government bonds	5	—	—	—	13 232 851	13 232 851	14 450 992	Level 1
Floating-rate government bonds	5	—	—	—	15 005 647	15 005 647	15 355 989	Level 1
Floating-rate notes	5	—	—	—	480 558	480 558	480 796	Level 2
Corporate bonds	5	—	—	—	70 145	70 145	70 274	Level 2
Term deposit investments ⁽¹⁾	6	—	—	—	5 757 264	5 757 264	5 757 264	Level 2
Loans and advances		—	—	—	103 760 177	103 760 177	108 382 982	
Personal Banking – Term Loan	7	—	—	—	43 354 701	43 354 701	46 106 327	Level 3
Personal Banking – Access Facility	7	—	—	—	16 274 728	16 274 728	16 818 680	Level 3
Personal Banking – Credit Card	7	—	—	—	13 408 544	13 408 544	14 337 039	Level 3
Business Banking – Business Loans	7	—	—	—	15 757 283	15 757 283	16 122 612	Level 3
Business Banking – Mortgage Loans	7	—	—	—	12 845 382	12 845 382	12 878 794	Level 3
AvaFin ⁽¹⁾	7	—	—	—	2 119 539	2 119 539	2 119 530	Level 3
Other receivables ⁽¹⁾⁽²⁾	8	—	—	—	6 196 156	6 196 156	6 196 156	Level 2
Financial assets – Equity instruments at FVOCI	10	—	—	352 278	—	352 278	352 278	Level 3

⁽¹⁾ The fair values of these assets and liabilities closely approximate their carrying amounts due to their short-term or on-demand repayment terms.

⁽²⁾ Other receivables per the statement of financial position include non-financial receivables totalling R0.4 billion.



R'000	Note	GROUP				Hierarchy of valuation technique
		At FVTPL	At amortised cost	Total	Fair value	
		Held for trading	Financial liabilities			
2026						
Financial liabilities						
Derivative liabilities	42	190 038	—	190 038	190 038	Level 2
Deposits and bonds		—	190 575 120	190 575 120	174 373 444	
Listed bonds	16	—	754 184	754 184	756 203	Level 2
Unlisted fixed-term institutional deposits	16	—	647 533	647 533	647 604	Level 2
Deposits	16	—	189 173 403	189 173 403	172 969 637	Level 2
Trade and other payables ⁽¹⁾⁽²⁾	17	—	5 336 361	5 336 361	5 336 361	Level 2

⁽¹⁾ The fair values of these assets and liabilities closely approximate their carrying amounts due to their short-term or on-demand repayment terms.

⁽²⁾ Other liabilities per the statement of financial position include non-financial liabilities totalling R4.3 billion.

GROUP								
R'000	Note	At FVTPL		At FVOCI	At amortised cost	Total	Fair value	Hierarchy of valuation technique
		Financial assets	Held for trading	Financial assets	Financial assets			
2025								
Financial assets								
Cash and cash equivalents ⁽¹⁾	3	—	—	—	44 563 334	44 563 334	44 563 334	Level 2
Financial assets at FVTPL		1 349 010	—	—	—	1 349 010	1 349 010	
Money market funds	4	793 671	—	—	—	793 671	793 671	Level 2
Term deposits	4	200 466	—	—	—	200 466	200 466	Level 2
Treasury bills	4	354 873	—	—	—	354 873	354 873	Level 2
Derivative assets	42	—	37 614	—	—	37 614	37 614	Level 2
Financial investments at amortised cost		—	—	—	76 336 706	76 336 706	76 371 657	
Treasury bills	5	—	—	—	52 207 117	52 207 117	52 149 950	Level 2
Fixed-rate government bonds	5	—	—	—	13 033 050	13 033 050	13 036 602	Level 1
Floating-rate government bonds	5	—	—	—	11 024 821	11 024 821	11 115 798	Level 1
Corporate bonds	5	—	—	—	71 718	71 718	69 307	Level 2
Term deposit investments ⁽¹⁾	6	—	—	—	5 546 480	5 546 480	5 546 480	Level 2
Loans and advances		—	—	—	89 145 478	89 145 478	93 604 789	
Personal Banking – Term Loan	7	—	—	—	38 106 269	38 106 269	40 860 607	Level 3
Personal Banking – Access Facility	7	—	—	—	17 175 919	17 175 919	18 241 781	Level 3
Personal Banking – Credit Card	7	—	—	—	10 102 334	10 102 334	10 452 999	Level 3
Business Banking – Business Loans	7	—	—	—	10 969 102	10 969 102	11 227 431	Level 3
Business Banking – Mortgage Loans	7	—	—	—	11 002 234	11 002 234	11 032 351	Level 3
Loans and advances AvaFin ⁽¹⁾	7	—	—	—	1 789 620	1 789 620	1 789 620	Level 3
Other receivables ⁽¹⁾⁽²⁾	8	—	—	—	5 581 838	5 581 838	5 581 838	Level 2
Financial assets – Equity instruments at FVOCI	10	—	—	81 886	—	81 886	81 886	Level 3

⁽¹⁾ The fair values of these assets and liabilities closely approximate their carrying amounts due to their short-term or on-demand repayment terms.

⁽²⁾ Other receivables per the statement of financial position include non-financial receivables totalling R0.4 billion.

Notes to the financial statements continued

Year ended 28 February 2026

33. Financial risk management continued

33.6 Fair value hierarchy and classification of financial assets and financial liabilities continued

Valuation processes continued

Hierarchy of fair value of financial instruments continued

		GROUP				
		At FVTPL	At amortised cost			Hierarchy of valuation technique
R'000	Note	Held for trading	Financial liabilities	Total	Fair value	
2025						
Financial liabilities						
Derivative liabilities	42	21 140	—	21 140	21 140	Level 2
Deposits and bonds		—	175 541 102	175 541 102	168 329 790	
Listed bonds	16	—	1 506 121	1 506 121	1 510 815	Level 2
Unlisted fixed-term institutional deposits	16	—	1 399 494	1 399 494	1 398 468	Level 2
Deposits	16	—	172 635 487	172 635 487	165 420 507	Level 2
Trade and other payables ⁽¹⁾⁽²⁾	17	—	5 782 753	5 782 753	5 782 753	Level 2

⁽¹⁾ The fair values of these assets and liabilities closely approximate their carrying amounts due to their short-term or on-demand repayment terms.

⁽²⁾ Other liabilities per the statement of financial position include non-financial liabilities totalling R3.4 billion.

33.7 Fair value calculation methods, inputs and techniques

Item and description	Valuation technique
Personal Banking loans and advances	The expected present value technique was applied, discounting probability-weighted cash flows at a discount rate that ensures that no day 1 fair value gain or loss arises on new loans. This considers that loans are granted at market-related rates at the time of initiation. The level 3 fair value disclosed for loans and advances required the use of significant judgement by management in determining what a market-based valuation would be. An income approach was used, which calculated an expected present value in terms of a discount rate for a hypothetical market participant applied to the valuation cash flows. In summary, this approach calculates a discount rate which reflects the cost to the market participant plus that participant's required rate of return on investment.
Business Banking loans and advances	The fair value of loans and advances that are carried at amortised cost approximates the carrying value reported as they bear variable rates of interest. The fair value is adjusted for deterioration of the credit quality of the book. These are classified as level 3.
AvaFin loans and advances	The expected present value technique was applied, discounting expected future cash flows at a discount rate that ensures that no day 1 fair value gain or loss arises on new loans. The rate is calculated on a portfolio level per country and per product. The determination of expected future cash flows is based on historical values. Management determines the method according to which historical values are used to determine expected future cash flows. These are classified as level 3. Foreign currency loans are translated to the reporting currency using market foreign exchange rates.
Financial assets at FVTPL – Money market funds	Financial assets (money market funds) with underlying debt securities are valued using DCF models, external valuations and published price quotations on the JSE equity and debt interest rate market, or external valuations that are based on published market inputs with the main assumptions being market input, uplifted with inflation. These instruments are classified as level 2 as the markets that they are quoted on are not considered to be active.
Financial assets at FVTPL – Term deposits	Future cash flows are discounted using a market-related interest rate adjusted for credit inputs over the contractual period. These instruments are classified as level 2.



Item and description	Valuation technique
Financial assets at FVTPL – Treasury bills	These instruments are valued using quoted prices from the JSE debt market. As the markets that they are quoted on are not considered to be active, these instruments are classified as level 2.
Financial investments at FVTPL – Fixed- and floating-rate government bonds	The JSE debt market bond pricing model uses the JSE debt market mark-to-market bond yield. The market that these are quoted on is considered to be active and therefore these instruments are classified as level 1.
Financial assets – Equity instruments at FVOCI – SWIFT	The equity investment in SWIFT is valued using the share price provided in the latest share position report. The share price is considered to approximate the price that would be received to sell the instrument in an orderly transaction between market participants at the reporting date. This instrument is classified as level 3.
Financial assets – Equity instruments at FVOCI – African Bank Holdings Limited	The equity investment in African Bank Holdings Limited is valued based on the net asset value in the financial statements at the latest reporting date adjusted by a marketability discount of 45% because the shares are not listed and sale is restricted in terms of the rules of the consortium. This instrument is classified as level 3.
Financial assets – Equity instruments at FVOCI – PayInc	The equity investment in PayInc is valued using the most recent transaction price as an estimate of fair value. As the investment was acquired close to the reporting date, the purchase price is considered to approximate the price that would be received to sell the instrument in an orderly transaction between market participants at the measurement date. This instrument is classified as level 3.
Term deposit investments	Future cash flows are discounted using a market-related interest rate adjusted for credit inputs over the contractual period. These instruments are classified as level 2.
Financial investments at amortised cost – Treasury bills	These instruments are valued using quoted prices from the JSE debt market. As the markets that they are quoted on are not considered to be active, these instruments are classified as level 2.
Financial investments at amortised cost – Fixed- and floating-rate government bonds	The JSE debt market bond pricing model uses the JSE debt market mark-to-market bond yield. The market that these are quoted on is considered to be active and therefore these instruments are classified as level 1.
Financial investments at amortised cost – Corporate bonds	The present value technique was applied. For fixed-rate instruments, future cash outflows were discounted using the rate adjusted by changes in market rates since the origination. For floating-rate instruments, with rate recalculation periods not longer than 3 months, no adjustment of market rates was assumed. All instruments are reviewed for credit risk changes since origination. These instruments are classified as level 2.
Financial investments at amortised cost – Floating-rate notes	An income approach was applied. The valuation was determined using a DCF methodology, whereby expected future cash flows were derived from the contractual terms of the floating-rate notes and observable forward interest rate curves. These cash flows were discounted using a market-based rate that incorporates the time value of money and the credit risk of the issuer. The valuation makes use of observable market inputs, including interest rate curves and credit spread information obtained from market participants. As the instrument is unlisted and not traded in an active market, no quoted prices were available. These instruments are classified as level 2.
Derivative assets and liabilities	Derivatives, both assets and liabilities, were valued using the income approach. Derivatives comprise foreign exchange contracts. Foreign exchange contracts were valued using applicable forward rates. These instruments are classified as level 2. The fair value of publicly traded derivatives and securities is based on quoted market values at the reporting date.
Deposits and bonds with call features	Specified terms for future repayment as well as retail deposits with a call feature which allows them to be withdrawn on demand. The fair values of the retail call deposits closely approximate their carrying amounts due to their demand nature. These are classified as level 2.

Notes to the financial statements continued

Year ended 28 February 2026

33. Financial risk management continued

33.7 Fair value calculation methods, inputs and techniques continued

Item and description	Valuation technique
Listed senior bonds	A market approach was used. Calculations used the all-in closing bond prices provided by the JSE's Interest Rate and Currency debt market. The pricing method used by the JSE links the bond at issue to a liquid government bond (a companion bond). The companion is chosen to best fit the characteristics of the Capitec issue, with the time to maturity being the most important factor. Spread information is obtained from market participants and is used to adjust the price subsequent to issue. Very small and very large trades are excluded due to the inherent discounts associated with large trades as well as the premium often charged for odd-lot trades. These instruments are classified as level 2.
Unlisted fixed-term institutional deposits	These comprise unlisted bonds, unlisted fixed-term negotiable instruments and other unlisted fixed-term wholesale instruments. The income approach was used. Fair values were calculated by discounting the contractual cash flows using publicly quoted closing swap curve rates from a large bank market-maker with a risk premium adjustment to account for non-performance risk. The market rate on the curve was determined with reference to the remaining maturity of the liability. These are classified as level 2.
Personal Banking fixed-term deposits	An income approach was used. Fair values were calculated by discounting the contractual cash flows using publicly quoted, closing Capitec fixed-term deposit rates. The relevant rate used was that which matched the remaining maturity of the fixed deposit. These are classified as level 2.
Secured funding	Is carried at amortised cost which approximates the fair value reported as they bear variable rates of interest. These are classified as level 2.

34. Retirement benefits

R'000	GROUP 2026	2025
The Group contributed on behalf of all employees who elected to be members of the provident fund. The provident fund, a defined contribution fund, is administered independently of the Group and is subject to the Pension Funds Act, Act 24 of 1956. The amount contributed is included in salaries and bonus costs as per note 27 .	912 220	792 218

It is compulsory for all new employees to be members of the provident fund. The Group has no exposure in respect of any post-retirement benefits payable other than those set out in **note 19**.

Accounting policies

The Group contributes to provident and retirement funds classified as defined contribution funds.

The Group pays fixed contributions to privately administered provident or retirement fund plans on a contractual basis. The Group has no further payment obligations.

The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



35. Related party transactions

During the year, the Company and its subsidiaries in the ordinary course of business entered into various transactions with other group companies.

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Subsidiaries				
Dividends				
Ordinary dividend received (Capitec Bank Limited)	—	—	4 559 234	5 004 221
Preference dividend received (Capitec Bank Limited)	—	—	4 087	4 476
Ordinary dividend received (Capitec Ins Proprietary Limited)	—	—	3 620 000	1 300 000
Management fees received – Capitec Bank Limited	—	—	7 996	6 236
Joint venture				
Grants paid	11 500	32 359	—	—
Service fees	5 601	2 209	—	—
Imvelo Ventures Proprietary Limited	17 101	34 568	—	—
Rent received				
Praelexis Proprietary Limited	388	1 120	—	—
Service received				
Praelexis Proprietary Limited	19 629	18 873	—	—
Bank account				
Capitec Bank Limited	—	—	5 361	4 095
Loans due to:				
Capitec Bank Limited ⁽¹⁾	—	—	(43 935)	(39 238)
Key management⁽²⁾				
Key management employees' remuneration				
Salaries and other short-term benefits	92 830	91 198	—	—
Post-employment benefits	4 444	3 398	—	—
Share-based payments	415 055	283 101	—	—
Key management employees' compensation paid by subsidiaries	512 329	377 697	—	—

⁽¹⁾ The loan due to Capitec Bank Limited bears interest as agreed by the parties from time to time and has no fixed repayment terms. No interest was charged on the loan in the current period (2025: Rnil). Capitec Bank Limited will not demand payment of the loan within 12 months after the date that the financial statements are signed. Refer to **note 36.6** for movements in the loan due to Capitec Bank Limited.

⁽²⁾ Key management are considered to be the members of the Group EXCO, excluding development members. Key management compensation, however, excludes Executive Directors' remuneration which is disclosed separately.

Notes to the financial statements continued

Year ended 28 February 2026

35. Related party transactions continued

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Loans and advances and share option scheme loans advanced to Directors and key management by subsidiaries (included in loans and advances to clients)				
Loans outstanding at the beginning of the year	10 697	1 122	—	—
Loans advanced during the year	35 352	28 044	—	—
Interest and fees charged on loans during the year	992	858	—	—
Loan repayments during the year	(26 896)	(19 327)	—	—
Loans outstanding at the end of the year	20 145	10 697	—	—
Deposits from Directors and key management				
Deposits at the beginning of the year	31 482	24 755	—	—
Interest earned during the year	1 843	1 874	—	—
(Withdrawals)/Deposits made during the year	(1 267)	4 853	—	—
Deposits at the end of the year	32 058	31 482	—	—

Loans and advances to Directors and key management are provided in the ordinary course of business. These transactions are conducted on terms no more favourable than those available to other employees or clients and are subject to the Group's standard credit risk assessment and monitoring procedures. ECLs recognised on balances outstanding from Directors and key management personnel are not material.

Savings and deposit accounts held by Directors and key management are maintained under standard commercial terms and conditions applicable to all clients. These accounts are operated in the ordinary course of business and do not carry preferential terms.

Directors' interest in agreements

All Directors of Capitec Bank Holdings Limited have given notice that they did not have a material interest in any significant agreement with the Company or any of its subsidiaries which could have given rise to a conflict of interest during the year.

Directors' interest in share capital

At year-end, the Directors held, in aggregate, directly or indirectly, beneficially or non-beneficially, interests in R20 million (2025: 21.0 million) Capitec Bank Holdings Limited shares, equivalent to 17.4% (2025: 18.1%) of the issued ordinary share capital.



The individual interests of the Directors are as follows:

Ordinary shares	Number of shares held				Total	
	Beneficial		Non-beneficial		Shares	%
	Direct	Indirect ⁽¹⁾	Direct	Indirect ⁽¹⁾		
2026						
NF Bhettay	—	—	—	—	—	—
SL Botha (Chairman)	1 176	—	—	—	1 176	—
SA du Plessis	700	—	—	—	700	—
CH Fernandez	—	—	—	—	—	—
N Ford-Hoon	—	—	—	—	—	—
GR Hardy ⁽²⁾	884	4 127	—	—	5 011	—
GR Lee ⁽²⁾⁽³⁾	10 985	—	—	—	10 985	0.01
MSdP le Roux ⁽⁴⁾	—	—	—	13 143 493	13 143 493	11.32
V Mahlangu	—	—	—	—	—	—
RR Malhotra ⁽⁵⁾	—	—	—	—	—	—
PJ Mouton	1 688	6 967 393	—	74 938	7 044 019	6.07
CA Otto	—	—	—	—	—	—
Total shares held⁽⁶⁾	15 433	6 971 520	—	13 218 431	20 205 384	17.40
2025						
NF Bhettay	—	—	—	—	—	—
SL Botha (Chairman)	—	—	—	—	—	—
SA du Plessis	700	—	—	—	700	—
CH Fernandez	—	—	—	—	—	—
N Ford-Hoon	—	—	—	—	—	—
GM Fourie ⁽²⁾⁽⁷⁾	16 022	1 015 203	—	7 707	1 038 932	0.89
GR Hardy ⁽²⁾	4 018	—	—	—	4 018	—
MSdP le Roux ⁽⁴⁾	—	—	—	13 164 393	13 164 393	11.34
V Mahlangu	—	—	—	—	—	—
PJ Mouton	—	6 685 622	—	66 914	6 752 536	5.82
CA Otto	—	—	—	—	—	—
JP Verster ⁽⁸⁾	—	—	—	—	—	—
Total shares held⁽⁶⁾	20 740	7 700 825	—	13 239 014	20 960 579	18.05

⁽¹⁾ Includes shareholding through associates as defined in terms of the JSE Listings Requirements.

⁽²⁾ The Executive Directors are Prescribed Officers of the Company.

⁽³⁾ Mr GR Lee was appointed to the Board, effective 19 July 2025.

⁽⁴⁾ Mr MSdP le Roux's associates, Fynbos Ekwiteit Proprietary Limited (Fynbos), previously known as Limietberg Sekuriteit Proprietary Limited, and Kalander Sekuriteit Proprietary Limited (Kalander), underwent a restructure resulting in Fynbos transferring Capitec Bank Holdings Limited (Capitec) shares to Kalander such that Fynbos' direct shareholding in Capitec is 4.89% and Kalander's direct shareholding in Capitec is 6.41%. Further to announcements released on the Stock Exchange News Service (SENS) on 28 June 2024, 18 July 2024 and 2 August 2024, Kalander cash-settled the hedging and financing transaction announced on SENS on 15 and 19 November 2021, and implemented new hedging and refinancing transactions over 260 000 shares, released from the settled transactions. Further to announcements released on SENS on 23 October 2024 and 4 November 2024, Kalander cash-settled the hedging and financing transaction announced on SENS on 20 December 2021, with a portion of the maturity of the transaction extended as per SENS on 23 August 2024, and implemented new hedging and refinancing transactions over 475 000 shares, released from the settled transactions. Further to announcements released on SENS on 22 November 2024 and 5 February 2025, Kalander settled a portion of the hedging and financing transactions announced on 3 August 2021 by selling 28 800 Capitec shares, cash-settled the remainder, and implemented a new hedging and refinancing transaction over 195 000 shares, released from the settled transactions. Further to announcements released on SENS on 27 June 2025 and 2 July 2025, Kalander settled a portion of the hedging and financing transactions announced on 16 May 2022 and 4 July 2022 by selling 20 900 Capitec shares, cash-settled the remainder, and implemented a new hedging and refinancing transaction over 672 220 shares, released from the settled transactions. Further to an announcement released on SENS on 24 October 2025, Kalander cash-settled the hedging and financing transactions announced on 15 June 2022, 22 November 2024 and 5 February 2025 and implemented new hedging and refinancing transactions over 350 000 shares, released from the settled transactions (collectively referred to as the 'refinancing' transactions). In aggregate, 3.06 million Capitec shares are subject to the hedging transactions as at 28 February 2026 (2025: 3.43 million). Financing facilities are covered by 1.64 million Capitec shares (2025: 2.58 million). The intention remains to cash-settle the hedge and financing transactions.

⁽⁵⁾ Mr RR Malhotra was appointed on 1 March 2025.

⁽⁶⁾ No transactions occurred after year-end and before the date of approval of the financial statements that can impact any shareholding of any Director.

⁽⁷⁾ Mr GM Fourie retired, effective 18 July 2025.

⁽⁸⁾ Mr JP Verster stepped down from the Board, effective 31 May 2024.

Notes to the financial statements continued

Year ended 28 February 2026

35. Related party transactions continued

Directors' interest in the share incentive scheme – share options

Director	Maturity date ⁽¹⁾	Issue date	Strike price R	Opening balance number of share options	(Share options exercised/cancelled)/ Share options granted			Closing balance number of share options
					Number of share options	Market price R	Exercise date	
2026								
GR Lee (direct beneficial)	8 April 2025	8 April 2020	973.05	1 555	(1 555)	3 428.00	23 May 2025	—
	12 April 2025	11 February 2021	1 392.19	984	(984)	3 428.00	23 May 2025	—
	23 April 2025	22 February 2022	2 067.19	755	(755)	3 428.00	23 May 2025	—
	1 July 2025	1 July 2022	2 106.13	140	(140)	3 479.44	22 July 2025	—
	8 April 2026	8 April 2020	973.05	1 555	—	—	—	1 555
	12 April 2026	11 February 2021	1 392.19	984	—	—	—	984
	21 April 2026	21 February 2023	1 828.19	1 945	—	—	—	1 945
	23 April 2026	22 February 2022	2 067.19	755	—	—	—	755
	1 July 2026	1 July 2022	2 106.13	139	—	—	—	139
	26 March 2027	26 March 2024	2 056.24	3 185	—	—	—	3 185
	12 April 2027	11 February 2021	1 392.19	984	—	—	—	984
	21 April 2027	21 February 2023	1 828.19	1 946	—	—	—	1 946
	23 April 2027	22 February 2022	2 067.19	755	—	—	—	755
	1 July 2027	1 July 2022	2 106.13	139	—	—	—	139
	26 March 2028	26 March 2024	2 056.24	3 185	—	—	—	3 185
	21 April 2028	21 February 2023	1 828.19	1 946	—	—	—	1 946
	23 April 2028	22 February 2022	2 067.19	754	—	—	—	754
	23 April 2028	24 February 2025	3 047.35	—	1 725	—	—	1 725
	1 July 2028	1 July 2022	2 106.13	139	—	—	—	139
	19 July 2028	21 July 2025	3 054.85	—	501	—	—	501
	26 March 2029	26 March 2024	2 056.24	3 185	—	—	—	3 185
	21 April 2029	21 February 2023	1 828.19	1 946	—	—	—	1 946
	23 April 2029	24 February 2025	3 047.35	—	1 725	—	—	1 725
	19 July 2029	21 July 2025	3 054.85	—	501	—	—	501
	26 March 2030	26 March 2024	2 056.24	3 185	—	—	—	3 185
	23 April 2030	24 February 2025	3 047.35	—	1 724	—	—	1 724
	19 July 2030	21 July 2025	3 054.85	—	501	—	—	501
	23 April 2031	24 February 2025	3 047.35	—	1 724	—	—	1 724
	19 July 2031	21 July 2025	3 054.85	—	500	—	—	500
Total options				30 161	5 467		—	35 628

⁽¹⁾ The Director has 9 months after maturity to exercise the share options.



Director	Maturity date ⁽¹⁾	Issue date	Strike price R	Opening balance number of share options	(Share options exercised/cancelled)/ Share options granted			Closing balance number of share options
					Number of share options	Market price R	Exercise date	
2026								
GR Hardy (direct beneficial)	28 September 2024	28 September 2020	911.63	412	(412)	3 446.96	5 June 2025	—
	23 April 2025	22 February 2022	2 067.19	1 134	(1 134)	4 046.09	22 October 2025	—
	1 July 2025	1 July 2022	2 106.13	413	(413)	4 046.09	22 October 2025	—
	28 September 2025	28 September 2020	911.63	411	—	—	—	411
	21 April 2026	21 February 2023	1 828.19	2 764	—	—	—	2 764
	23 April 2026	22 February 2022	2 067.19	1 134	—	—	—	1 134
	1 July 2026	1 July 2022	2 106.13	412	—	—	—	412
	28 September 2026	28 September 2020	911.63	411	—	—	—	411
	26 March 2027	26 March 2024	2 056.24	4 039	—	—	—	4 039
	21 April 2027	21 February 2023	1 828.19	2 763	—	—	—	2 763
	23 April 2027	22 February 2022	2 067.19	1 134	—	—	—	1 134
	1 July 2027	1 July 2022	2 106.13	412	—	—	—	412
	26 March 2028	26 March 2024	2 056.24	4 039	—	—	—	4 039
	21 April 2028	21 February 2023	1 828.19	2 763	—	—	—	2 763
	23 April 2028	22 February 2022	2 067.19	1 133	—	—	—	1 133
	23 April 2028	24 February 2025	3 047.35	—	1 823	—	—	1 823
	1 July 2028	1 July 2022	2 106.13	412	—	—	—	412
	26 March 2029	26 March 2024	2 056.24	4 039	—	—	—	4 039
	21 April 2029	21 February 2023	1 828.19	2 763	—	—	—	2 763
	23 April 2029	24 February 2025	3 047.35	—	1 823	—	—	1 823
	26 March 2030	26 March 2024	2 056.24	4 039	—	—	—	4 039
	23 April 2030	24 February 2025	3 047.35	—	1 822	—	—	1 822
	23 April 2031	24 February 2025	3 047.35	—	1 823	—	—	1 823
Total options				34 627	5 332			39 959
Total options held by Directors				64 788	10 799			75 587

⁽¹⁾ The Director has 9 months after maturity to exercise the share options.

Notes to the financial statements continued

Year ended 28 February 2026

35. Related party transactions continued

Directors' interest in the share incentive scheme – SARs

Director	Maturity date ⁽¹⁾	Issue date	SAR exercise price R	Opening balance number of SARs	(SARs exercised/cancelled)/ SARs granted		Exercise date	Closing balance number of SARs
					Number of SARs	Market price R		
2026								
GR Lee (direct beneficial)	8 April 2025	8 April 2020	973.05	1 555	(1 555)	3 428.00	23 May 2025	—
	12 April 2025	11 February 2021	1 392.19	984	(984)	3 428.00	23 May 2025	—
	23 April 2025	22 February 2022	2 067.19	755	(755)	3 428.00	23 May 2025	—
	1 July 2025	1 July 2022	2 106.13	140	(140)	3 479.44	22 July 2025	—
	8 April 2026	8 April 2020	973.05	1 555	—	—	0	1 555
	12 April 2026	11 February 2021	1 392.19	984	—	—	0	984
	21 April 2026	21 February 2023	1 828.19	1 945	—	—	—	1 945
	23 April 2026	22 February 2022	2 067.19	755	—	—	—	755
	1 July 2026	1 July 2022	2 106.13	139	—	—	—	139
	26 March 2027	26 March 2024	2 056.24	3 185	—	—	—	3 185
	12 April 2027	11 February 2021	1 392.19	984	—	—	—	984
	21 April 2027	21 February 2023	1 828.19	1 946	—	—	—	1 946
	23 April 2027	22 February 2022	2 067.19	755	—	—	—	755
	1 July 2027	1 July 2022	2 106.13	139	—	—	—	139
	26 March 2028	26 March 2024	2 056.24	3 185	—	—	—	3 185
	21 April 2028	21 February 2023	1 828.19	1 946	—	—	—	1 946
	23 April 2028	22 February 2022	2 067.19	754	—	—	—	754
	23 April 2028	24 February 2025	3 047.35	—	1 725	—	—	1 725
	1 July 2028	1 July 2022	2 106.13	139	—	—	—	139
	19 July 2028	21 July 2025	3 054.85	—	501	—	—	501
	26 March 2029	26 March 2024	2 056.24	3 185	—	—	—	3 185
	21 April 2029	21 February 2023	1 828.19	1 946	—	—	—	1 946
	23 April 2029	24 February 2025	3 047.35	—	1 725	—	—	1 725
	19 July 2029	21 July 2025	3 054.85	—	501	—	—	501
	26 March 2030	26 March 2024	2 056.24	3 185	—	—	—	3 185
	23 April 2030	24 February 2025	3 047.35	—	1 725	—	—	1 725
	19 July 2030	21 July 2025	3 054.85	—	501	—	—	501
	23 April 2031	24 February 2025	3 047.35	—	1 724	—	—	1 724
	19 July 2031	21 July 2025	3 054.85	—	501	—	—	501
Total SARs				30 161	5 469			35 630

⁽¹⁾ The Director has 9 months after maturity to exercise the share options.



Director	Maturity date ⁽¹⁾	Issue date	SAR exercise price R	Opening balance number of SARs	(SARs exercised/cancelled)/ SARs granted			Closing balance number of SARs
					Number of SARs	Market price R	Exercise date	
2026								
GR Hardy (direct beneficial)	23 April 2025	22 February 2022	2 067.19	1 134	(1 134)	4 046.09	22 October 2025	—
	1 July 2025	1 July 2022	2 106.13	413	(413)	4 046.09	22 October 2025	—
	28 September 2025	28 September 2020	911.63	411	—	—	—	411
	21 April 2026	21 February 2023	1 828.19	2 764	—	—	—	2 764
	23 April 2026	22 February 2022	2 067.19	1 134	—	—	—	1 134
	1 July 2026	1 July 2022	2 106.13	412	—	—	—	412
	28 September 2026	28 September 2020	911.63	411	—	—	—	411
	26 March 2027	26 March 2024	2 056.24	4 039	—	—	—	4 039
	21 April 2027	21 February 2023	1 828.19	2 763	—	—	—	2 763
	23 April 2027	22 February 2022	2 067.19	1 134	—	—	—	1 134
	1 July 2027	1 July 2022	2 106.13	412	—	—	—	412
	26 March 2028	26 March 2024	2 056.24	4 039	—	—	—	4 039
	21 April 2028	21 February 2023	1 828.19	2 763	—	—	—	2 763
	23 April 2028	22 February 2022	2 067.19	1 133	—	—	—	1 133
	23 April 2028	24 February 2025	3 047.35	—	1 823	—	—	1 823
	1 July 2028	1 July 2022	2 106.13	412	—	—	—	412
	26 March 2029	26 March 2024	2 056.24	4 039	—	—	—	4 039
	21 April 2029	21 February 2023	1 828.19	2 763	—	—	—	2 763
	23 April 2029	24 February 2025	3 047.35	—	1 822	—	—	1 822
	26 March 2030	26 March 2024	2 056.24	4 039	—	—	—	4 039
23 April 2030	24 February 2025	3 047.35	—	1 823	—	—	1 823	
23 April 2031	24 February 2025	3 047.35	—	1 822	—	—	1 822	
Total SARs				34 215	5 743			39 958
Total SARs held by Directors				64 376	11 212			75 588

⁽¹⁾ The Director has 9 months after maturity to exercise the share options.

Notes to the financial statements continued

Year ended 28 February 2026

35. Related party transactions continued

Directors' interest in the share incentive scheme – Co-investment plan

Director	Maturity date ⁽¹⁾	Issue date	Strike price R	Opening balance number of rights	Rights exercised/Rights granted			Closing balance number of share rights
					Number of rights	Market price R	Exercise date	
2026								
GR Lee (direct beneficial)	8 April 2025	8 April 2021	1 106.93	681	—	—	—	681
	20 April 2026	20 April 2022	1 683.74	847	—	—	—	847
	8 April 2027	8 April 2021	999.00	681	—	—	—	681
	20 April 2028	20 April 2022	1 519.57	846	—	—	—	846
	10 June 2028	10 June 2024	1 674.82	1 119	—	—	—	1 119
	8 April 2029	8 April 2021	901.60	681	—	—	—	681
	20 April 2030	20 April 2022	1 371.42	846	—	—	—	846
	10 June 2030	10 June 2024	1 511.53	1 119	—	—	—	1 119
	8 April 2031	8 April 2021	813.70	680	—	—	—	680
	20 April 2032	20 April 2022	1 237.70	846	—	—	—	846
	10 June 2032	10 June 2024	1 364.15	1 118	—	—	—	1 118
Total rights				9 464	—	—	—	9 464
GR Hardy (direct beneficial)	8 April 2025	8 April 2021	1 106.93	439	—	—	—	439
	20 April 2026	20 April 2022	1 683.74	1 139	—	—	—	1 139
	8 April 2027	8 April 2021	999.00	438	—	—	—	438
	20 April 2028	20 April 2022	1 519.57	1 138	—	—	—	1 138
	7 June 2028	7 June 2024	1 674.82	1 419	—	—	—	1 419
	8 April 2029	8 April 2021	901.60	438	—	—	—	438
	20 April 2030	20 April 2022	1 371.42	1 138	—	—	—	1 138
	7 June 2030	7 June 2024	1 511.53	1 419	—	—	—	1 419
	8 April 2031	8 April 2021	813.70	438	—	—	—	438
	20 April 2032	20 April 2022	1 237.70	1 138	—	—	—	1 138
	7 June 2032	7 June 2024	1 364.15	1 418	—	—	—	1 418
Total rights				10 562	—	—	—	10 562
Total rights held by Directors				20 026	—	—	—	20 026

⁽¹⁾ The Director has until the last year of the final tranche to exercise all tranches.



Directors' remuneration

The total share option income relating to Directors amounted to R29 073 530 (2025: expense of R15 175 394) and the SARs expense amounted to R108 722 629 (2025: R78 420 955) due to the increase in the Capitec share price during the current year.

Directors remunerated by Capitec Bank Limited

R'000	Salaries ⁽¹⁾	Fringe benefits	Bonuses	Fees	Total	Fair value of options and rights granted during the year at the reporting date
2026						
Executive⁽²⁾						
GM Fourie ⁽³⁾	7 497	1 042	—	—	8 539	—
GR Hardy	10 649	119	5 204	—	15 972	5 720
GR Lee ⁽⁴⁾	7 647	75	3 724	—	11 446	979
Non-Executive⁽⁵⁾						
NF Bhettay	—	—	—	1 554	1 554	—
SL Botha (Chairman)	—	—	—	6 635	6 635	—
SA du Plessis	—	—	—	2 143	2 143	—
CH Fernandez	—	—	—	1 420	1 420	—
N Ford-Hoon	—	—	—	2 000	2 000	—
MSdP le Roux	—	—	—	686	686	—
V Mahlangu	—	—	—	1 819	1 819	—
RR Malhotra ⁽⁶⁾	—	—	—	1 793	1 793	—
PJ Mouton	—	—	—	1 289	1 289	—
CA Otto	—	—	—	1 071	1 071	—
Total Directors' remuneration	25 793	1 236	8 928	20 410	56 367	6 699
2025						
Executive⁽²⁾						
GM Fourie	18 662	118	11 022	—	29 802	11 491
GR Hardy	9 844	121	5 870	—	15 835	9 302
Non-Executive⁽⁵⁾						
NF Bhettay	—	—	—	1 259	1 259	—
SL Botha (Chairman)	—	—	—	5 590	5 590	—
SA du Plessis	—	—	—	2 031	2 031	—
CH Fernandez	—	—	—	1 346	1 346	—
N Ford-Hoon	—	—	—	1 750	1 750	—
MSdP le Roux	—	—	—	650	650	—
V Mahlangu	—	—	—	1 724	1 724	—
PJ Mouton	—	—	—	1 222	1 222	—
CA Otto	—	—	—	1 049	1 049	—
JP Verster ⁽⁷⁾	—	—	—	1 244	1 244	—
Total Directors' remuneration	28 506	239	16 892	17 865	63 502	20 793

⁽¹⁾ Salaries includes the Company's contribution to the provident fund. Refer to **note 34**.

⁽²⁾ The Executive Directors are Prescribed Officers of the Company.

⁽³⁾ Mr GM Fourie retired on 18 July 2025.

⁽⁴⁾ Mr GR Lee was appointed as Capitec CEO on 19 July 2025.

⁽⁵⁾ These Directors serve on the Board of Capitec Bank Holdings Limited. Directors of Capitec Bank Holdings Limited render the majority of their services to Capitec Bank Limited.

⁽⁶⁾ Mr RR Malhotra was appointed on 1 March 2025.

⁽⁷⁾ Mr JP Verster retired on 31 May 2024.

Notes to the financial statements continued

Year ended 28 February 2026

35. Related party transactions continued

Directors' remuneration

Directors remunerated by Capitec Life Limited

R'000	Salaries	Fringe benefits	Bonuses	Fees	Total	Fair value of options and rights granted during the year at the reporting date
2026						
Non-Executive						
CH Fernandez	—	—	—	414	414	—
N Ford-Hoon	—	—	—	485	485	—
Total Directors' remuneration	—	—	—	899	899	—
2025						
Non-Executive						
CH Fernandez	—	—	—	392	392	—
N Ford-Hoon ⁽¹⁾	—	—	—	341	341	—
JP Verster ⁽²⁾	—	—	—	345	345	—
Total Directors' remuneration	—	—	—	1 078	1 078	—

⁽¹⁾ Ms N Ford-Hoon was appointed to the Board of Capitec Life on 3 June 2024.

⁽²⁾ Mr JP Verster retired on 31 May 2024.

Prescribed Officers' remuneration⁽¹⁾

Prescribed Officers remunerated by Capitec Bank Limited

R'000	Salaries	Fringe benefits	Bonuses	Total	Fair value of options and rights granted during the year at the reporting date
2026					
R Butler	7 041	95	3 441	10 577	3 025
W de Bruyn	10 229	89	4 998	15 316	7 988
KR Kumbier	8 414	75	4 109	12 598	6 575
GR Lee ⁽²⁾	3 230	48	2 317	5 595	5 412
HAI Lourens	11 304	125	5 524	16 953	7 286
B Maluleke ⁽³⁾	7 563	40	3 649	11 252	—
I Moola	6 019	49	2 974	9 042	5 303
F Viviers	6 576	471	3 211	10 258	2 823
Total Prescribed Officers' remuneration	60 376	992	30 223	91 591	38 412
2025					
R Butler	6 552	89	3 881	10 522	4 162
W de Bruyn	9 518	93	5 638	15 249	7 026
KR Kumbier	7 889	77	4 656	12 622	5 016
GR Lee	7 762	99	4 629	12 490	7 329
HAI Lourens	10 549	129	6 231	16 909	5 413
I Moola	5 292	47	3 121	8 460	5 828
F Viviers	6 170	351	3 639	10 160	3 291
Total Prescribed Officers' remuneration	53 732	885	31 795	86 412	38 065

⁽¹⁾ The members of the Group EXCO are the Prescribed Officers of the Company. The Executive Directors' remuneration is disclosed with Directors' remuneration.

⁽²⁾ Mr GR Lee was appointed as Capitec CEO on 19 July 2025.

⁽³⁾ Ms B Maluleke was appointed as Executive: Personal Banking on 1 April 2025.



Prescribed Officers remunerated by Capitec Life Limited

R'000	Salaries	Fringe benefits	Bonuses	Total	Fair value of options and rights granted during the year at the reporting date
2026					
KE Barker ⁽²⁾	5 378	4 359	—	9 737	—
R Botha ⁽³⁾	2 151	22	993	3 166	—
Total Prescribed Officers' remuneration	7 529	4 381	993	12 903	—
2025					
KE Barker	5 075	47	3 063	8 185	6 116
Total Prescribed Officers' remuneration	5 075	47	3 063	8 185	6 116

⁽¹⁾ The members of the Group EXCO are the Prescribed Officers of the Company. The Executive Directors' remuneration is disclosed with Directors' remuneration.

⁽²⁾ Ms KE Barker resigned from the Board on 11 August 2025. Included in her fringe benefits is an ex gratia payment of R4.3 million.

⁽³⁾ Mr RA Botha was appointed as acting Executive: Insurance on 11 August 2025.

The total share option expense relating to Prescribed Officers amounted to R35 886 339 (2025: R28 744 036) and the SARs expense amounted to R171 053 180 (2025: R141 774 143). The expense includes the movement on all tranches.

No financial assistance was granted to Prescribed Officers for the subscription of share options. The Capitec Bank Holdings Share Trust holds collateral in the form of Capitec Bank Holdings shares at 120% of the value of the loan given to the Prescribed Officer who takes out a loan to buy the shares in Capitec Bank Holdings. Loans to Prescribed Officers outstanding at the reporting date amounted to R20 516 716 (2025: R10 203 184).

Notes to the financial statements continued

Year ended 28 February 2026

36. Notes to the cash flow statements

36.1 Cash flow from operations

R'000	Note	GROUP		COMPANY	
		2026	2025	2026	2025
Net profit before tax and equity accounted earnings		22 192 626	17 736 671	8 168 375	6 308 697
Deduct interest income calculated using the effective interest method		(32 064 409)	(29 367 763)	(723)	(676)
Deduct interest on investments at FVTPL		(1 245 265)	(860 595)	—	—
Add back interest expenses		9 229 796	10 042 710	—	—
Deduct dividend income		(11 530)	—	(8 183 321)	(6 308 697)
Adjusted for non-cash items					
Movement in provision for ECL ⁽¹⁾		1 630 999	3 436 489	—	—
Bad debts written off		12 260 393	8 543 461	—	—
Lease liability remeasurement		(9 678)	(20 075)	—	—
Depreciation		902 675	756 460	—	—
Unrealised foreign exchange loss		126 359	34 883	—	—
Depreciation – right-of-use assets – premises		490 767	470 710	—	—
Amortisation of intangible assets		190 149	222 732	—	—
Loss on disposal of assets		7 012	38 909	—	—
Equity-settled share-based payment		162 529	86 258	—	—
IFRS 17 non-cash items ⁽²⁾		(2 257 000)	(2 898 883)	—	—
Remeasurement loss on deemed disposal of associate ⁽³⁾		—	58 290	—	—
Reclassification of other comprehensive income to profit or loss relating to deemed disposal of associate ⁽³⁾		—	(85 535)	—	—
Impairment of investment in associate		13 660	—	17 939	—
Movements in assets and liabilities					
Loans and advances	36.2	(28 408 938)	(19 158 818)	—	—
Financial investments at FVTPL	4	(3 331 622)	(762 624)	—	—
Other receivables	36.2	(605 660)	(3 300 662)	762	252 100
Insurance contract assets	36.2	5 116 446	1 555 763	—	—
Reinsurance contract assets		(32 571)	(1 380)	—	—
Derivatives		(35 298)	(17 307)	—	—
Deposits and other wholesale funding	36.2	15 754 325	19 896 038	—	—
Trade and other payables	36.2	19 181	2 952 410	1 466	502
Movements in employee benefit liabilities		(309)	(1 600)	—	—
Share-based employee costs – SARs		434 495	231 088	—	—
Share-based employee costs – RSP		31 426	(46 072)	—	—
Fair value gains reclassified to profit or loss		—	(733)	—	—
Restricted cash balances ⁽⁴⁾	3	—	106 512	—	—
Inventory		(152 229)	—	—	—
Cash flow from operations		408 329	9 647 337	4 498	251 926

⁽¹⁾ The movement in the provision for ECL on assets other than loans and advances is included in the movement in the provision for ECL.

⁽²⁾ The IFRS 17 non-cash items represent the net insurance result earned in the Guardrisk (up to 31 August 2025) and Centriq cell captives.

⁽³⁾ The Group acquired a controlling interest in AvaFin on 1 May 2024, and AvaFin's results were consolidated from that date.

⁽⁴⁾ The restricted cash balances relate to Capitec Life, a wholly-owned subsidiary of the Group. These cash balances can only be utilised to fulfil Capitec Life's obligations in terms of a binder agreement with Centriq.



36.2 Movement in operating assets and liabilities

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Movement in loans and advances to clients	(28 408 938)	(19 158 818)	—	—
Gross loans and advances opening balance	115 525 891	102 990 453	—	—
Gross loans and advances closing balance	(131 774 184)	(115 525 891)	—	—
Acquisition of subsidiary	—	1 962 215	—	—
Foreign currency translation loss	(78 035)	(74 199)	—	—
Movement in accrued interest	177 783	32 065	—	—
Bad debts written off	(12 260 393)	(8 543 461)	—	—
Other receivables	(605 660)	(3 300 662)	762	252 100
Opening balance	6 025 185	2 571 704	2 740	254 840
Acquisition of subsidiary	—	149 410	—	—
Foreign currency translation loss	(4 350)	(6 847)	—	—
Movement in provision for ECL	(3 774)	(5 618)	—	—
Movement in accrued interest – CODI	15 072	15 874	—	—
Closing balance	(6 637 793)	(6 025 185)	(1 978)	(2 740)
Insurance contract assets	5 116 446	1 555 763	—	—
Opening balance	4 304 064	2 960 944	—	—
IFRS 17 non-cash items	2 257 000	2 898 883	—	—
Closing balance	(1 444 618)	(4 304 064)	—	—
Deposits and wholesale funding⁽¹⁾	15 754 325	19 896 038	—	—
Movement in deposits	16 521 819	19 631 633	—	—
Acquisition of subsidiary	—	(926 564)	—	—
Foreign currency translation (loss)/gain	(15 533)	46 032	—	—
Movement in other wholesale funding	(751 961)	1 144 937	—	—
Trade and other payables	19 181	2 952 410	1 465	502
Movement in trade and other payables	7 919	3 561 214	1 465	502
Foreign currency translation gain	11 262	7 568	—	—
Acquisition of subsidiary	—	(616 372)	—	—

⁽¹⁾ Relates to deposits and unlisted negotiable instruments and other wholesale funding. Refer to **note 16**.

36.3 Income tax paid

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Balance at the beginning of the year	377 124	251 977	—	—
Acquisition of subsidiary	—	121 469	—	—
Current tax expense (refer to note 28)	5 601 329	4 454 693	13 381	13 742
Foreign currency translation loss	5 655	4 639	—	—
Balance at the end of the year	(323 383)	(377 124)	232	—
Income tax paid	5 660 725	4 455 654	13 613	13 742

Notes to the financial statements continued

Year ended 28 February 2026

36. Notes to the cash flow statements continued

36.4 Proceeds from the disposal of property and equipment

R'000	GROUP	
	2026	2025
Disposal of property and equipment	25 613	58 734
Gain/(Loss) on the sale of property and equipment	2 798	(19 285)
Disposal of property and equipment per the statement of cash flows	28 411	39 449

Proceeds from the disposal of property and equipment are classified as investing cash flows.

36.5 Dividends paid

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Balance at the beginning of the year	1 284	3 023	12 544	9 643
Ordinary dividend (Group: net of treasury shares)	8 165 136	6 297 739	8 184 056	6 304 221
Preference dividend	4 082	4 476	4 082	4 476
Balance at the end of the year	(4 602)	(1 284)	(20 146)	(12 544)
Dividends paid	8 165 900	6 303 954	8 180 536	6 305 796

Dividends paid are classified as financing cash flows.

36.6 Net debt reconciliation – Group loans

R'000	COMPANY	
	2026	2025
Group loans payable at the beginning of the year	39 238	37 791
Loans from Group companies – granted	14 116	10 029
Loans from Group companies – repaid	(9 419)	(8 582)
Group loans payable at the end of the year	43 935	39 238

36.7 Lease liability cash flow

R'000	GROUP	
	2026	2025
Lease liability cash flow	709 611	667 422
Lease liability opening balance	2 367 195	2 383 183
New leases	444 329	543 826
Terminations	(83 879)	(131 204)
Acquisition of subsidiary	—	5 950
Foreign exchange translation (gain)/loss	(323)	6 752
IFRS 16 interest	219 759	226 110
Lease liability closing balance	(2 237 470)	(2 367 195)
Total cash flow lease liability	709 611	667 422
Portion included in operating activities	220 532	226 208
Portion included in financing activities	489 079	441 214

The portion of the lease liability cash flow that is included in operating activities comprises interest paid. The portion included in financing activities comprises lease rentals paid.



36.8 Realised loss on settlement of employee share options less participants' contributions

R'000	GROUP	
	2026	2025
Shares acquired for settlement of options per the cash flow statement	(198 868)	(141 669)
Participants' contribution on settlement of share options per the cash flow statement	8 620	4 155
Strike price of share options	147 646	136 110
Adjusted for non-cash flow items:		
Net settlement of share options	(139 026)	(131 955)
Realised loss on settlement of employee share options less participants' contributions	(190 248)	(137 514)

36.9 Interest received

R'000	GROUP		COMPANY	
	2026	2025	2026	2025
Interest income per the income statement	33 309 674	30 228 358	723	676
Adjusted for accrued interest income (non-cash items)				
Investments at amortised cost	144 372	(116 402)	—	—
Term deposits	148 145	(274 558)	—	—
Loans and advances	(177 783)	(32 065)	—	—
Financial assets at FVTPL	(34 387)	(32 406)	—	—
CODI loan facility	755	(15 874)	—	—
Interest received per the statement of cash flows	33 390 776	29 757 053	723	676

Interest received is classified as cash flows from operating activities.

36.10 Interest paid

R'000	GROUP	
	2026	2025
Interest expense per the income statement	(9 229 796)	(10 042 710)
Adjusted for accrued interest expense (non-cash items)		
Deposits	16 097	9 720
Senior listed bonds	(2 283)	(10 728)
Lease liabilities	(773)	(97)
Interest paid per the statement of cash flows	(9 216 755)	(10 043 815)

Interest paid is classified as cash flows from operating activities.

Notes to the financial statements continued

Year ended 28 February 2026

37. Commitments and contingent liabilities

R'000	GROUP	
	2026	2025
Capital commitments – approved by the Board		
Contracted for:		
Property and equipment ⁽¹⁾	545 049	143 523
Intangible assets	75	61 448
Not contracted for:		
Property and equipment	1 370 180	196 006
Intangible assets	63 122	185 604
Total capital commitments	1 978 426	586 581
Loan commitments – gross of the provision for ECL		
Personal Banking loan commitments – off-balance sheet	15 923 151	13 893 431
Access Facility	10 332 677	10 024 759
Credit Card	5 590 474	3 868 672
Business Banking loan commitments – off-balance sheet	595 216	374 293
Mortgage Loans	500 102	289 943
Credit Card	95 114	84 350
Guarantees – Business Banking	861 355	659 843
Letters of credit – Business Banking	8 075	30 529
AvaFin foreign currency-denominated loan commitments	398 741	338 607
Total loan commitments, guarantees and letters of credit	17 786 538	15 296 703

⁽¹⁾ Contracted capital commitments for property and equipment include property amounting to R245 million (2025: Rnil).

Accounting policies

The Group does not recognise capital commitments, loan commitments, guarantees, letters of credit and contingent liabilities on the statement of financial position.

A contingent liability is a liability that does not meet the recognition criteria per IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

A contingent liability arises when the Group has a possible obligation arising from a past event whose existence will only be confirmed by the occurrence or non-occurrence of 1 or more uncertain future events not wholly within the control of the Group, or the Group has a present obligation that arose from a past event that cannot be recognised on the statement of financial position as the amount of the obligation cannot be reliably measured or it is not probable that an outflow of resources embodying future economic benefits will be required to settle the obligation. The Group measures contingent liabilities based on the best estimate required to settle the contingent liability at the end of the reporting period.

Capital commitments are measured in accordance with the IFRS Accounting Standard applicable to the capital commitment.

A provision for ECL is recognised on the off-balance sheet loan commitments, guarantees and letters of credit in terms of IFRS 9 *Financial Instruments*.

For agreements that contain both a drawn and undrawn component where the Group cannot separately identify the provision for ECL on the undrawn component, the provision for ECL on the undrawn component is recognised with the provision for ECL on the loan component. To the extent that the provision for ECLs exceeds the gross carrying amount of the loans at a client level, the excess is recognised as a provision for ECL in other liabilities in the statement of financial position. The loss allowance on the undrawn loan commitments of clients who have no outstanding balances is also recognised as a provision for ECL in other liabilities. Refer to **note 17**.



38. Borrowing powers

In terms of the memorandum of incorporation of Capitec Bank Holdings Limited, the Directors may at their discretion raise or borrow money for the purpose of the business of the Company without limitation.

These borrowing powers are subject to the limitations of the Banks Act and section 45(3)(a)(ii) of the Companies Act. A special resolution was passed at the AGM on 18 July 2025 authorising the Board to approve that the Company provides any financial assistance that it deems fit to any related or interrelated company to the Company, on the terms and conditions and for the amounts that the Board may determine.

39. Share incentive schemes

39.1 Share options, SARs and the Share Incentive Trust

Accounting policies

Share options

The Group operates equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options on grant date, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Non-market vesting conditions are included in assumptions about the number of share options that are expected to become exercisable. At each statement of financial position date, the entity revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to retained income in the statement of changes in equity over the remaining vesting period.

The fair value of equity instruments granted is measured on grant date using a Black-Scholes valuation model, which considers the market price on grant date, the cost of funding as well as an assumption on the actual percentage of shares that will be delivered.

Share appreciation rights

The Group also has cash-settled share-based compensation plans. The fair value of the liability incurred for employee services received is recognised as an expense over the vesting period. Until the liability is settled, the Group remeasures the fair value of the liability at each reporting date and at the date of settlement, with any changes in value recognised in profit or loss for the period.

Share Incentive Trust

The share incentive scheme is authorised and adopted by the shareholders of Capitec Bank Holdings Limited. The trustees act in terms of the powers bestowed on them by the trust deed and receive instructions from time to time from the Boards of Capitec Bank Holdings Limited and the Bank. The Bank provides the finance required from time to time by the trustees to perform their duties. Service costs of share options issued to employees of subsidiaries of Capitec Bank Holdings Limited are financed by the relevant subsidiary.

The Group allows its employees to purchase shares in Capitec Bank Holdings Limited up to a value not exceeding 25% (2025: 25%) of their monthly salary.

The purchase price includes a subsidy of 20% (2025: 20%) and the transaction costs are borne by the Company.

The shares are held by the trustees on behalf of the participants for as long as required to save the holding expenses of a broker account for participants.

The Group offers share options to members of management who are able to make significant contributions to the achievement of the Bank's objectives. Share options are conditional on the employee completing the vesting period applicable to each group of share options issued to that employee.

The share incentive scheme prescribes that share options, with durations ranging from 3 to 6 years, should be allocated at the market value, determined as the weighted average price per share over a period of 30 trading days on the JSE prior to the date of allocation.

Notes to the financial statements continued

Year ended 28 February 2026

39. Share incentive schemes continued

39.1 Share options, SARs and the Share Incentive Trust continued

Accounting policies continued

Share Incentive Trust continued

	2026		2025	
	Weighted average strike price R	Number	Weighted average strike price R	Number
Options issued to employees of the Group				
Balance at the beginning of the year	1 587.26	585 599	1 361.40	547 447
Options granted	3 047.61	96 685	2 063.17	157 928
Options cancelled and/or lapsed	2 109.93	(20 434)	911.63	(4 511)
Options exercised	1 260.38	(111 390)	1 069.31	(115 265)
Balance at the end of the year	1 989.71	550 460	1 587.26	585 599
SARs issued to employees of the Group				
Balance at the beginning of the year	1 576.94	584 906	1 344.35	546 463
SARs granted	3 047.61	96 675	2 063.17	157 914
SARs cancelled and/or lapsed	2 109.93	(20 431)	911.63	(4 511)
SARs exercised	1 240.16	(110 978)	1 045.61	(114 960)
Balance at the end of the year	1 984.07	550 172	1 576.94	584 906

	2026		2025	
	Weighted average strike price R	Number	Weighted average strike price R	Number
Analysis of outstanding share options by year of maturity				
Financial year				
2024/2025 ⁽¹⁾	—	—	958.64	4 361
2025/2026 ⁽²⁾	976.52	6 761	1 253.26	114 206
2026/2027	1 350.35	128 396	1 355.91	130 130
2027/2028	1 851.12	118 093	1 855.88	120 726
2028/2029	2 289.67	117 721	1 991.00	98 531
2029/2030	2 359.30	94 812	1 948.96	75 265
2030/2031	2 619.29	59 967	2 096.12	39 475
2031/2032	3 008.34	24 710	2 458.48	2 905
	1 989.71	550 460	1 587.26	585 599

⁽¹⁾ The 2024/2025 year represents options vested but not yet exercised for the year ended 28 February 2025. All remaining years are unvested at 28 February 2025.

⁽²⁾ The 2025/2026 year represents options vested but not yet exercised for the year ended 28 February 2026. All remaining years are unvested at 28 February 2026.

Number	2026	2025
Shares available from the previous year	10 832	2 772
Shares purchased/issued during the year	55 923	63 322
Shares utilised for settlement of options	(61 681)	(55 262)
Shares available for settlement of options	5 074	10 832
Total options exercised	(111 390)	(115 265)
Shares retained due to net settlement	49 709	60 003
Settled in shares	(61 681)	(55 262)



Analysis of outstanding SARs by year of maturity	2026		2025	
	Weighted average strike price R	Number	Weighted average strike price R	Number
Financial year				
2024/2025 ⁽¹⁾	—	—	961.99	3 823
2025/2026 ⁽²⁾	980.34	6 494	1 233.62	114 065
2026/2027	1 329.66	128 395	1 335.66	130 129
2027/2028	1 839.80	118 089	1 844.92	120 722
2028/2029	2 289.67	117 707	1 991.00	98 527
2029/2030	2 359.30	94 812	1 948.96	75 262
2030/2031	2 619.29	59 966	2 096.12	39 474
2031/2032	3 008.34	24 709	2 458.48	2 904
Total outstanding SARs	1 984.07	550 172	1 576.94	584 906

⁽¹⁾ The 2024/2025 year represents rights vested but not yet exercised for the year ended 28 February 2025. All remaining years are unvested at 28 February 2025.

⁽²⁾ The 2025/2026 year represents rights vested but not yet exercised for the year ended 28 February 2026. All remaining years are unvested at 28 February 2026.

39.2 Izindaba Ezinhle Employee Share Scheme

Accounting policies

The Izindaba Ezinhle Employee Share Scheme is accounted for in terms of IFRS 2 *Share-based Payment* (IFRS 2). The scheme entailed the issuing of shares to participating employees.

The scheme was accounted for in terms of IFRS 2 as a cash-settled share-based payment transaction by Capitec Bank Limited in so far as Capitec Bank Limited had an obligation to pay 50% of the subscription price, on behalf of the employees, to Capitec Bank Holdings Limited, with the remaining balance being funded through loans provided to the participating employees.

The part of the scheme funded by the loans was accounted for as equity-settled in both the Capitec Bank Limited and Capitec Bank Holdings Limited separate financial statements. The cash received by Capitec Bank Holdings Limited as part of the cash-settled share-based payment transaction is separately accounted for in equity in Capitec Bank Holdings Limited's separate financial statements. The whole scheme is accounted for as equity-settled for the Group as the shares of Capitec Bank Holdings Limited were issued to employees of the Group. The Izindaba Ezinhle Employee Share Scheme entry in equity in the separate financial statements is eliminated on consolidation to recognise a share option reserve.

The fair value of the equity instruments granted was measured using a Monte Carlo simulation, an option pricing model which takes into account the market price on grant date, the cost of funding as well as an assumption on the actual shares that will be delivered on repayment of the loan after 5 years. The fair value on the grant date is recognised in profit or loss, with a corresponding increase in equity (share option reserve) in terms of IFRS 2 in the consolidated financial statements. As there are no service or performance conditions attached to the scheme, the expense is recognised on the grant date. A 5-year trade restriction is imposed in respect of the issued shares.

Capitec retains 50% of the dividends for the purpose of settling the accrued interest payable on the loans, and the remaining 50% of the dividends are paid to the participating employees. Employees do not need to be in the employment of the Group on any predetermined dates in future, therefore vesting occurred on the grant date.

The employees will be required to repay the loans and interest thereon at the end of the 5-year period. Capitec's recourse is limited to the number of shares that were issued to the employees in terms of the pledge and cession agreement with the employee. The loans to the employees will not be recognised in terms of IFRS 9 *Financial Instruments* as Capitec may not pursue full recourse to the employees in respect of the loans.

	Date awarded	Exercise date	Number of shares
2022			
Shares awarded	22 February 2022	22 February 2027	472 852

Notes to the financial statements continued

Year ended 28 February 2026

39. Share incentive schemes continued

39.2 Izindaba Ezinhle Employee Share Scheme continued

Capitec Bank Holdings Limited separate financial statements

Cash in the amount of R492.0 million, received from Capitec Bank on behalf of the employees, was separately recognised in equity in the separate financial statements of Capitec Bank Holdings Limited due to the 5-year trade restriction that was imposed on the shares. The cash was previously recognised in the statement of cash flows as cash flows from financing activities. The 472 852 shares will be recognised as issued on expiry of the 5-year trade restriction based on the settlement of the outstanding loan amount. The part of the scheme funded through the loans to the employees of the Capitec Bank Holdings Limited Group is accounted for as equity-settled in both the Capitec Bank Limited and Capitec Bank Holdings Limited separate financial statements. The fair value of the equity instruments granted is measured using a Monte Carlo simulation and amounted to R23.8 million.

Capitec Bank Holdings Limited consolidated financial statements

The cash received from Capitec Bank Limited recognised in equity in the Capitec Bank Holdings Limited separate financial statements was eliminated on consolidation to recognise a share option reserve to account for the transaction as equity-settled for the Group. The transaction is recognised as equity-settled for the Group as Capitec shares were issued to the employees of the Group.

The transaction represents an in-substance option for the employees to acquire a variable number of shares in future, therefore a share option reserve was recognised on consolidation. The fair value of the equity instruments granted is measured using a Monte Carlo simulation, a share option pricing model which takes into account the market price on grant date, the cost of funding as well as an assumption on the actual number of shares that will be delivered. The fair value on the grant date of R515.8 million was previously recognised in profit or loss as part of employee costs, with a corresponding increase in equity as a share option reserve. As there are no service or performance conditions attached to the scheme, the expense is recognised on the grant date.

The following assumptions were used to measure the fair value at the grant date:

Grant date	22 February 2022
Risk-free rate (%)	4.50
Growth rate (%)	4.50
Expected volatility (%)	30
Dividend forecast	Capitec Bank Holdings Limited 5-year dividend forecast
Dividend yield (%)	1.74
Prime lending rate (%)	7.5
Official rate of interest (%)	5.0
Capitec Bank Holdings Limited share price at the grant date (rand)	2 081
Loan value per share (rand)	1 041
Estimated future loan value/strike price (rand)	1 214
Total employee loan value (rand)	491 978 863

The growth rate and expected volatility were determined using the historical share prices of Capitec Bank Holdings Limited. The growth rate is deemed appropriate based on consumer price inflation and the expected volatility excludes the impact of extreme events.

The dividend forecast up to the 2027 financial year in conjunction with projected future share prices as at each dividend payment date was used to determine the dividend yield.

The official rate of interest is as defined in section 1(1) of the Income Tax Act.



39.3 Co-investment plan share right scheme

Accounting policies

Capitec Bank Holdings Limited granted share rights directly to the employees of Capitec Bank and Capitec Life as consideration for services rendered as part of a bonus arrangement and in an effort to retain the services of specific employees. The strike price of the share options reduces by 5% per annum over the vesting period.

The fair value of the share right granted is measured on the grant date using an appropriate valuation model, which takes into account the market price on the grant date, the fact that employees will not be entitled to dividends until the shares vest, as well as an assumption regarding the actual percentage of shares that will be delivered. The fair value on the grant date will be recognised in profit or loss on a straight-line basis over the vesting period of the equity instruments, adjusted to reflect actual levels of vesting, with a corresponding increase in equity.

The share options will vest in equal tranches of 25% at the end of each employment period for all grants up to and including the 2024 financial year grant, as follows:

Tranche	Percentage	Vesting period
1	25	4 years
2	25	6 years
3	25	8 years
4	25	10 years

The share options granted in the 2025 and 2026 financial years vest in equal thirds at the end of each employment period as follows:

Tranche	Percentage	Vesting period
1	33.4	4 years
2	33.3	6 years
3	33.3	8 years

The share-based payment expense was calculated using a Monte Carlo option pricing model, which is reflective of the underlying characteristics of the co-investment plan share option scheme. The fair value on the grant date was recognised in profit or loss with a corresponding increase in equity. There are no subsequent measurement considerations as this is an equity-settled share-based payment transaction.

The following assumptions and data were used to measure the fair value at the grant date:

Growth rate	%
8 April 2021	4.50
20 April 2022	4.50
18 April 2023	5.18
7 June 2024	6.21
10 June 2024	6.21
14 May 2025	5.13

The table below provides details of the reconciliation of the co-investment plan share rights.

Number	2026	2025 ⁽¹⁾
Balance at the beginning of the year	115 060	77 910
Options granted	33 063	37 150
Options exercised/waived	(1 996)	—
Balance at the end of the year	146 127	115 060

⁽¹⁾ In the prior financial year, the disclosure for the Group's co-investment plan did not include a reconciliation of share rights. This information has been included in the current year's disclosure to enhance transparency.

Notes to the financial statements continued

Year ended 28 February 2026

39. Share incentive schemes continued

39.3 Co-investment plan share right scheme continued

Accounting policies continued

Year granted	Year maturing	Strike price R	Share price on issue date R	Volatility used in valuation %	Dividend yield %	Risk-free rate %	Closing balance of options outstanding	Fair value on issue date ignoring vesting conditions R'000	Expected vesting proportion ⁽¹⁾ %	Portion of the term expired %	Value taking into account expected vesting proportion R'000
2026											
2021/2022	2025/2026	1 359.02	1 363.00	30.0	2.76	8.13	4 692	4 086	97.0	100.0	4 995
	2027/2028	1 599.55	1 362.68	30.0	2.76	8.13	4 689	4 083	97.0	81.5	3 329
	2029/2030	1 443.60	1 362.68	30.0	2.76	8.13	4 689	4 083	97.0	61.1	2 496
	2031/2032	1 302.85	1 362.68	30.0	2.76	8.13	4 685	4 079	97.0	48.9	1 995
2022/2023	2026/2027	1 441.20	2 069.00	30.0	1.61	5.77	8 159	11 465	97.0	96.5	11 061
	2028/2029	1 300.69	2 069.00	30.0	1.61	5.77	8 157	11 463	97.0	64.3	7 371
	2030/2031	1 173.87	2 069.00	30.0	1.61	5.77	8 155	11 460	97.0	48.2	5 528
	2032/2033	1 059.42	2 069.00	30.0	1.61	5.77	8 151	11 454	97.0	38.6	4 420
2023/2024	2027/2028	1 762.97	1 670.00	29.0	2.69	7.87	6 215	6 582	97.0	71.6	4 710
	2029/2030	1 591.08	1 670.00	29.0	2.69	7.87	6 210	6 577	97.0	47.7	3 136
	2031/2032	1 435.95	1 670.00	29.0	2.69	7.87	6 209	6 576	97.0	35.8	2 351
	2033/2034	1 295.94	1 670.00	29.0	2.69	7.87	6 205	6 571	97.0	28.6	1 879
2024/2025	2028/2029	1 674.82	2 185.00	28.1	2.42	8.63	11 272	14 744	97.0	43.2	6 366
	2030/2031	1 511.53	2 185.00	28.1	2.42	8.63	11 265	14 735	97.0	28.8	4 242
	2032/2033	1 364.15	2 185.00	28.1	2.42	8.63	11 257	14 724	97.0	21.6	3 179
	2028/2029	1 674.82	2 159.00	28.1	2.42	8.63	1 119	1 446	97.0	43.2	621
	2030/2031	1 511.53	2 159.00	28.1	2.42	8.63	1 119	1 446	97.0	28.8	414
	2032/2033	1 364.15	2 159.00	28.1	2.42	8.63	1 118	1 445	97.0	21.6	310
2025/2026	2029/2030	2 357.98	3 532.26	28.6	2.21	7.34	10 924	21 668	97.0	19.8	4 300
	2031/2032	2 128.08	3 532.26	28.6	2.21	7.34	10 919	21 658	97.0	13.2	2 866
	2033/2034	1 920.59	3 532.26	28.6	2.21	7.34	10 918	21 656	97.0	9.9	2 149
Total							146 127	202 001	97.0	45.4	77 718
2025											
2021/2022	2025/2026	1 087.22	1 362.68	30.0	1.74	4.50	4 692	8 582	100.0	97.3	8 353
	2027/2028	951.31	1 362.68	30.0	1.74	4.50	4 689	8 576	100.0	64.9	5 566
	2029/2030	815.41	1 362.68	30.0	1.74	4.50	4 689	8 576	100.0	48.7	4 174
	2031/2032	679.51	1 362.68	30.0	1.74	4.50	4 685	8 569	100.0	38.9	3 337
2022/2023	2026/2027	1 653.75	2 069.00	30.0	1.61	5.77	8 159	11 589	100.0	71.5	8 289
	2028/2029	1 447.03	2 069.00	30.0	1.61	5.77	8 157	11 586	100.0	47.7	5 523
	2030/2031	1 240.31	2 069.00	30.0	1.61	5.77	8 155	11 583	100.0	35.8	4 143
	2032/2033	1 033.60	2 069.00	30.0	1.61	5.77	8 151	11 578	100.0	28.6	3 312
2023/2024	2027/2028	1 344.76	1 670.00	29.0	2.69	7.87	6 639	6 684	100.0	46.5	3 110
	2029/2030	1 176.67	1 670.00	29.0	2.69	7.87	6 634	6 679	100.0	31.0	2 072
	2031/2032	1 008.57	1 670.00	29.0	2.69	7.87	6 632	6 677	100.0	23.3	1 554
	2033/2034	840.48	1 670.00	29.0	2.69	7.87	6 628	6 673	100.0	18.6	1 242
2024/2025	2028/2029	1 260.71	2 185.00	28.1	2.42	8.63	11 272	14 194	100.0	18.2	2 584
	2030/2031	1 092.62	2 185.00	28.1	2.42	8.63	11 265	14 185	100.0	12.1	1 722
	2032/2033	924.52	2 185.00	28.1	2.42	8.63	11 257	14 175	100.0	9.1	1 290
	2028/2029	1 260.71	2 159.00	28.1	2.42	8.63	1 119	1 392	100.0	18.0	251
	2030/2031	1 092.62	2 159.00	28.1	2.42	8.63	1 119	1 392	100.0	12.0	167
	2032/2033	924.52	2 159.00	28.1	2.42	8.63	1 118	1 391	100.0	9.0	126
Total							115 060	154 081	100.0	35.1	56 815

⁽¹⁾ Executive employee turnover of 3% per annum (2025: 0%) was used to estimate the likelihood of vesting conditions realising. This is re-estimated on an annual basis.



The growth rate and expected volatility were determined using the historical share prices of Capitec Bank Holdings Limited. The growth rate is deemed appropriate based on consumer price inflation and the expected volatility excludes the impact of extreme events.

The dividends were determined using the dividend forecast up to the 2035 financial year in conjunction with projected future share prices as at each dividend payment date.

39.4 Restricted share plan

Accounting policies

Management and other employees who are seen to be in leadership roles critical to the current and future success of the Group's business are awarded the opportunity to participate in Capitec Bank's RSP during October of each financial year. The members' bonuses, as calculated in terms of the RSP, are split into 3 tranches, the first of which is paid in cash on the bonus payment date for the relevant financial year. Participants are given the opportunity to choose whether the remaining two-thirds of their bonus should be settled in cash or Capitec Bank Holdings Limited ordinary shares.

The third of the bonus that is settled in cash is accounted for as a short-term employee benefit in terms of IAS 19 *Employee Benefits*. The two-thirds of the bonus for which participants have the right to choose whether the bonus should be settled in cash or equity instruments is accounted for in terms of IFRS 2 *Share-based Payment*.

In terms of the principles of IFRS 2, the Group has granted the participants the right to choose whether the share-based payment transaction should be settled in cash or by receipt of equity instruments, therefore, the Group has granted a compound financial instrument, which includes a debt component (the right to payment in cash) and an equity component (the right to settlement in equity instruments rather than in cash). The fair value of the compound financial instrument is the sum of the fair values of the 2 components.

The fair value of the debt component of the RSP is remeasured at the reporting date to reflect the fair value of the consideration that will be transferred upon settlement of the liability.

The fair value of the equity component of the RSP is measured at the grant date using an appropriate valuation model, which takes into account the market price on grant date, the fact that employees will not be entitled to dividends until the shares vest, as well as an assumption of the actual percentage of shares that will be delivered.

The fair value at the reporting date in relation to both the debt and equity components is recognised in profit or loss on a straight-line basis over the vesting period, adjusted to reflect actual levels of vesting, with a corresponding increase/(decrease) in liabilities and equity, respectively.

Both components will vest in equal tranches at the end of each reporting period.

Notes to the financial statements continued

Year ended 28 February 2026

39. Share incentive schemes continued

39.4 Restricted share plan continued

Accounting policies continued

Debt component

The following table provides details regarding the results of the valuation of the RSP to which IFRS 2 was applied.

Year granted	Year maturing	Fair value on issue date ignoring vesting conditions R'000	Expected vesting proportion %	Portion of the term expired %	Value taking into account expected vesting proportion R'000
2026					
2023/2024	2026/2027	18 549	94.7	93.3	16 380
2024/2025	2026/2027	16 796	94.7	88.8	14 122
	2027/2028	16 796	94.7	53.5	8 507
2025/2026	2027/2028	30 762	94.7	31.5	9 331
	2028/2029	30 762	94.7	19.9	5 914
Total		113 665	94.7	47.7	54 256
2025					
2022/2023	2025/2026	13 179	94.3	91.8	11 403
2023/2024	2025/2026	18 662	94.3	86.5	15 217
	2026/2027	18 662	94.3	52.7	9 270
2024/2025	2026/2027	26 834	94.3	22.2	5 613
	2027/2028	26 834	94.3	13.5	3 418
Total		104 171	94.3	43.1	44 921

Employee turnover of 5.3% per annum (2025: 5.7%) was used to estimate the likelihood of vesting conditions realising. This is re-estimated on an annual basis.

Equity component

Year granted	Year maturing	Fair value on issue date ignoring vesting conditions R'000	Expected vesting proportion %	Portion of the term expired %	Value taking into account expected vesting proportion R'000
2026					
2023/2024	2026/2027	16 089	94.7	93.3	14 208
2024/2025	2026/2027	19 981	94.7	88.8	16 801
	2027/2028	19 981	94.7	53.5	10 121
2025/2026	2027/2028	9 744	94.7	34.8	3 212
	2028/2029	10 018	94.7	19.9	2 103
Total		75 813	94.7	61.3	46 444
2025					
2022/2023	2025/2026	16 194	94.3	91.8	14 012
2023/2024	2025/2026	17 340	94.3	86.5	14 139
	2026/2027	17 340	94.3	52.7	8 614
2024/2025	2026/2027	11 746	94.3	22.2	2 457
	2027/2028	11 746	94.3	13.5	1 496
Total		74 366	94.3	54.8	40 718

Employee turnover of 5.3% per annum (2025: 5.7%) was used to estimate the likelihood of vesting conditions realising. This is re-estimated on an annual basis.



39.5 Conditional share rights

Accounting policies

During the 2025 financial year, a conditional share rights (CSR) incentive scheme was introduced for senior and strategic leadership employees in the Group. The scheme replaces the RSP awards for 'senior' leadership as defined by the previous RSP rules and splits this category into senior and strategic leadership.

Employees included in the CSR scheme will receive a cash incentive and a share option incentive based on their monthly gross remuneration package (GRP). The cash incentive will be determined with reference to the growth in headline earnings for the following financial year and the employees' individual performance review. The cash incentive is accounted for in terms of IAS 19 *Employee Benefits*.

The share option incentive is determined as a factor of monthly GRP, headline earnings for the following year and the employees' individual performance review. The options granted in this scheme are granted at a zero strike price. The share option incentive is accounted for in terms of IFRS 2 *Share-based Payment* as an equity-settled scheme as the employees will receive shares in Capitec Bank Holdings Limited. The equity-settled scheme vests in 2 tranches of 50% each of the total award. The tranches vest in years 3 and 4 (in the case of the 2025 financial year special award, in years 2 and 3) after granting. The grant date is determined as the date at which the employees are informed that they are part of the scheme. The impacts of headline earnings growth and employee performance are market vesting conditions that impact the fair value in year 2.

The fair value of the equity component of CSR is measured at the grant date using an appropriate valuation model, which takes into account the monthly GRP at the grant date, the fact that employees will not be entitled to dividends until the shares vest, the forecast headline earnings growth and an assumption for employee performance. The last 2 items are reassessed after year 1 (during year 2) headline earnings growth is published and the annual performance review has been completed.

Number	2026	2025
Balance at the beginning of the year	44 454	—
Options granted	22 634	45 744
Options waived	(4 593)	(1 290)
Balance at the end of the year	62 495	44 454
Analysis of outstanding share options by year of maturity	2026	2025
Financial year		
2026/2027	7 531	9 249
2027/2028	22 250	22 248
2028/2029	23 715	12 957
2029/2030	8 999	—
Total outstanding share options	62 495	44 454

Notes to the financial statements continued

Year ended 28 February 2026

39. Share incentive schemes continued

39.5 Conditional share rights continued

Accounting policies continued

The following table provides details regarding the valuation of the CSR to which IFRS 2 was applied.

Year granted	Share price on issue date R	Volatility used in valuation %	Dividend yield %	Year maturing	Risk-free rate %	Number of share options outstanding	Fair value on issue date ignoring vesting conditions R'000	Expected vesting proportion %	Percentage consumed %	Fair value taking into account expected vesting proportion R'000
2026										
2024/2025	2 078.57	41.9	2.4	2026/2027	8.4	5 188	10 649	99.0	96.3	10 188
	2 788.19	41.9	2.4	2026/2027	8.4	793	1 735	97.0	81.1	1 360
	2 858.02	41.9	2.4	2026/2027	8.4	333	694	96.0	78.8	526
	2 327.86	41.9	2.4	2026/2027	8.7	716	1 495	98.0	91.4	1 345
	3 236.50	42.4	2.0	2026/2027	7.6	208	501	94.0	66.2	312
	3 236.50	42.4	2.0	2026/2027	7.6	293	865	94.0	66.2	538
	2 078.57	41.9	2.4	2027/2028	8.5	16 322	32 693	91.0	64.3	19 066
	2 858.02	41.9	2.4	2027/2028	8.5	411	880	91.0	59.5	474
	3 236.50	41.9	2.4	2027/2028	8.5	342	886	91.0	55.2	443
	3 261.18	41.9	2.4	2027/2028	8.5	69	193	91.0	53.6	94
	2 327.86	41.9	2.4	2027/2028	8.5	120	245	91.0	63.0	140
	2 788.19	41.9	2.4	2027/2028	7.5	792	1 691	88.0	54.1	807
	2 327.86	41.9	2.4	2027/2028	8.7	715	1 457	90.0	60.9	798
	2 858.02	42.4	2.0	2027/2028	7.5	332	680	88.0	52.5	313
	3 236.50	42.4	2.0	2027/2028	7.5	208	491	86.0	44.1	186
	3 236.50	42.4	2.0	2027/2028	7.7	292	845	86.0	44.1	320
	2 078.57	40.8	2.1	2027/2028	7.7	349	702	91.0	64.3	409
	2 078.57	41.9	2.4	2028/2029	8.7	10 601	20 720	83.0	48.2	8 273
	2 858.02	41.9	2.4	2028/2029	8.7	409	854	83.0	43.1	305
	3 236.50	41.9	2.4	2028/2029	8.7	341	861	83.0	38.9	278
	3 261.18	41.9	2.4	2028/2029	8.7	68	185	83.0	37.4	57
	2 327.86	41.9	2.4	2028/2029	8.7	119	237	83.0	46.8	92
	2 078.57	42.4	2.0	2028/2029	7.5	227	448	83.0	48.2	179
	2 078.57	42.4	2.0	2028/2029	7.6	74	146	83.0	48.2	58
	2 078.57	40.8	2.1	2028/2029	7.7	226	445	83.0	48.2	178
	2 078.57	40.8	2.1	2028/2029	7.5	121	238	83.0	48.2	95
	2 078.57	40.8	2.1	2028/2029	7.8	99	195	83.0	48.2	78
	2 078.57	40.8	2.0	2028/2029	8.5	93	183	83.0	48.2	73
2025/2026	3 089.90	41.9	2.4	2027/2028	8.7	2 298	6 809	90.0	46.7	2 864
	3 089.90	41.9	2.4	2028/2029	8.7	11 337	32 777	82.0	31.9	8 594
	3 089.90	41.9	2.4	2029/2030	8.7	8 999	25 389	75.0	24.2	4 618
Total						62 495	146 189	87.8	54.9	63 061



Year granted	Share price on issue date R	Volatility used in valuation %	Dividend yield %	Year maturing	Risk-free rate %	Number of share options outstanding	Fair value on issue date ignoring vesting conditions R'000	Expected vesting proportion %	Percentage consumed %	Fair value taking into account expected vesting proportion R'000
2025										
2024/2025	2 078.57	41.9	2.4	2026/2027	8.4	6 906	13 834	96.0	46.7	6 189
	2 788.19	42.4	2.0	2026/2027	7.6	793	1 704	95.0	31.2	504
	2 858.02	42.4	2.0	2026/2027	7.6	333	682	95.0	28.9	186
	3 236.50	40.8	2.1	2026/2027	7.7	501	1 338	94.0	16.3	204
	2 327.86	40.8	2.1	2026/2027	8.5	716	1 465	96.0	41.5	581
	2 078.57	41.9	2.4	2027/2028	8.5	18 967	37 076	92.0	31.1	10 647
	2 858.02	41.9	2.4	2027/2028	7.5	66	145	92.0	21.8	29
	2 788.19	42.4	2.0	2027/2028	7.5	792	1 668	91.0	20.8	316
	2 858.02	42.4	2.0	2027/2028	7.5	345	720	92.0	21.8	145
	3 236.50	42.4	2.0	2027/2028	7.7	208	487	92.0	13.6	61
	2 858.02	42.4	2.0	2027/2028	7.6	332	666	91.0	19.3	117
	3 236.50	40.8	2.1	2027/2028	7.7	134	384	92.0	13.6	48
	3 261.18	40.8	2.1	2027/2028	7.5	69	189	92.0	10.5	18
	3 236.50	40.8	2.1	2027/2028	7.8	500	1 308	90.0	10.9	128
	2 327.86	40.8	2.1	2027/2028	8.6	715	1 433	92.0	27.7	364
	2 327.86	40.8	2.0	2027/2028	8.5	120	241	92.0	28.6	64
	2 078.57	41.9	2.4	2028/2029	8.7	12 020	22 928	89.0	23.4	4 748
	2 858.02	41.9	2.4	2028/2029	7.6	65	139	89.0	15.8	20
	2 858.02	42.4	2.0	2028/2029	7.6	344	703	89.0	15.8	99
	3 236.50	42.4	2.0	2028/2029	7.9	208	478	89.0	9.6	41
	3 236.50	40.8	2.1	2028/2029	7.9	133	374	89.0	9.6	32
	3 261.18	40.8	2.1	2028/2029	7.5	68	183	89.0	7.3	12
	2 327.86	40.8	2.0	2028/2029	8.7	119	235	89.0	21.3	44
Total						44 454	88 380	91.6	21.2	24 597

The growth rate and expected volatility were determined using the historical share price of Capitec Bank Holdings Limited.

Notes to the financial statements continued

Year ended 28 February 2026

40. Share options

Data utilised in the valuation of share options granted

The table below provides details regarding the data used in the valuation of the share options to which IFRS 2 has been applied. The Black-Scholes option pricing model was used to value the share options.

Year granted	Strike price R	Share price on issue date R	Volatility used in valuation %	Dividend yield %	Year maturing	Risk-free rate %	Number of share options outstanding	Fair value on issue date ignoring vesting conditions R'000	Expected vesting proportion %	Value taking into account expected vesting proportion R'000
2026										
2019/2020	1 374.59	1 379.00	19.6	1.1	2025/2026	7.6	2 207	1 022	100.0	1 022
2020/2021	973.05	1 024.70	38.8	1.5	2026/2027	7.8	26 814	12 461	99.4	12 388
	884.83	881.77	41.8	1.8	2026/2027	6.0	677	249	97.1	242
	1 006.83	1 132.50	42.1	1.4	2026/2027	5.8	4 565	2 412	96.5	2 328
	911.63	987.25	41.8	1.6	2025/2026	5.4	4 150	1 685	100.0	1 685
	911.63	987.25	41.8	1.6	2026/2027	6.0	13 151	5 819	96.8	5 634
	1 383.62	1 430.26	42.3	1.0	2026/2027	5.9	356	235	95.3	224
2021/2022	1 375.55	1 351.15	41.8	1.1	2026/2027	6.1	1 385	763	100.0	763
	1 375.55	1 351.15	41.8	1.1	2027/2028	6.6	1 385	843	94.6	798
	1 392.19	1 405.00	42.2	1.1	2026/2027	5.2	22 754	13 138	99.3	13 053
	1 392.19	1 405.00	42.2	1.1	2027/2028	5.6	22 750	14 401	94.0	13 535
	1 663.60	1 879.85	41.5	2.1	2026/2027	6.0	551	428	97.2	416
	1 663.60	1 879.85	41.5	2.1	2027/2028	6.4	551	459	92.0	423
	1 616.73	1 790.00	41.5	2.6	2025/2026	6.0	404	262	100.0	262
	1 616.73	1 790.00	41.5	2.6	2026/2027	6.5	403	285	96.8	276
	1 616.73	1 790.00	41.5	2.6	2027/2028	6.9	403	305	91.6	279
2022/2023	2 067.19	2 096.24	41.4	1.7	2026/2027	6.6	645	493	100.0	493
	2 067.19	2 096.24	41.4	1.7	2027/2028	7.0	645	548	94.6	519
	2 067.19	2 096.24	41.4	1.7	2028/2029	7.3	645	596	89.5	534
	2 067.19	2 090.49	41.6	1.5	2026/2027	6.7	21 368	16 892	99.2	16 754
	2 067.19	2 090.49	41.6	1.5	2027/2028	7.0	21 363	18 736	93.8	17 580
	2 067.19	2 090.49	41.6	1.5	2028/2029	7.3	21 358	20 349	88.8	18 061
	2 106.13	1 970.00	41.7	3.0	2026/2027	8.2	889	569	98.1	558
	2 106.13	1 970.00	41.7	3.0	2027/2028	8.5	889	631	92.9	586
	2 106.13	1 970.00	41.7	3.0	2028/2029	8.8	888	683	87.8	599
2023/2024	1 828.19	1 794.92	42.7	1.5	2026/2027	7.4	33 181	20 085	99.2	19 927
	1 828.19	1 794.92	42.7	1.5	2027/2028	7.6	33 183	23 079	93.9	21 662
	1 828.19	1 794.92	42.7	1.5	2028/2029	7.9	33 183	25 677	88.8	22 797
	1 828.19	1 794.92	42.7	1.5	2029/2030	8.1	33 183	27 959	84.0	23 483
	1 698.52	1 592.22	41.9	2.7	2026/2027	8.8	1 336	630	97.2	612
	1 698.52	1 592.22	41.9	2.7	2027/2028	9.0	1 336	730	91.9	671
	1 698.52	1 592.22	41.9	2.7	2028/2029	9.3	1 335	813	86.9	706
	1 698.52	1 592.22	41.9	2.7	2029/2030	9.6	1 335	883	82.2	726
	1 445.18	1 521.49	41.5	3.2	2026/2027	8.8	321	159	98.3	156
	1 445.18	1 521.49	41.5	3.2	2027/2028	9.0	321	178	93.0	166
	1 445.18	1 521.49	41.5	3.2	2028/2029	9.2	321	194	88.0	170
	1 445.18	1 521.49	41.5	3.2	2029/2030	9.5	321	207	83.2	172
2024/2025	2 056.24	2 113.53	41.9	2.4	2027/2028	8.5	34 800	24 382	94.2	22 975
	2 056.24	2 113.53	41.9	2.4	2028/2029	8.7	34 796	27 720	89.1	24 708
	2 056.24	2 113.53	41.9	2.4	2029/2030	9.0	34 790	30 536	84.3	25 749
	2 056.24	2 113.53	41.9	2.4	2030/2031	9.3	34 786	32 938	79.8	26 275
	2 208.81	2 788.19	42.4	2.2	2027/2028	8.0	467	532	92.7	493
	2 208.81	2 788.19	42.4	2.2	2028/2029	8.2	467	583	87.6	511
	2 208.81	2 788.19	42.4	2.2	2029/2030	8.8	467	631	82.9	523



Year granted	Strike price R	Share price on issue date R	Volatility used in valuation %	Dividend yield %	Year maturing	Risk-free rate %	Number of share options outstan- ding	Fair value on issue date ignoring vesting conditions R'000	Expected vesting propor- tion %	Value taking into account expected vesting proportion R'000
2026										
2024/2025	2 208.81	2 788.19	42.4	2.2	2030/2031	8.8	467	661	78.4	518
	2 817.05	2 942.78	42.4	2.2	2028/2029	8.0	802	908	87.0	790
	2 817.05	2 942.78	42.4	2.2	2029/2030	8.2	802	997	82.3	821
	2 817.05	2 942.78	42.4	2.2	2030/2031	8.8	802	1 085	77.9	845
	2 817.05	2 942.78	42.4	2.2	2031/2032	8.8	802	1 138	73.7	838
	2 099.90	2 290.00	42.4	2.2	2028/2029	8.8	526	492	88.6	436
	2 099.90	2 290.00	42.4	2.2	2029/2030	8.8	526	533	83.9	447
	2 099.90	2 290.00	42.4	2.2	2030/2031	8.8	526	567	79.3	450
	2 099.90	2 290.00	42.4	2.2	2031/2032	8.8	525	593	75.1	445
2025/2026	3 047.35	3 089.90	40.9	2.2	2028/2029	7.8	22 899	24 209	88.8	21 487
	3 047.35	3 089.90	40.9	2.2	2029/2030	7.9	22 887	27 668	84.0	23 231
	3 047.35	3 089.90	40.9	2.2	2030/2031	8.1	22 885	30 680	79.4	24 370
	3 047.35	3 089.90	40.9	2.2	2031/2032	8.4	22 883	33 318	75.1	25 037
	3 054.85	3 479.44	40.9	2.2	2028/2029	7.8	501	657	87.6	575
	3 054.85	3 479.44	40.9	2.2	2029/2030	7.9	501	738	82.9	611
	3 054.85	3 479.44	40.9	2.2	2030/2031	8.1	501	808	78.4	633
	3 054.85	3 479.44	40.9	2.2	2031/2032	8.4	500	867	74.2	643
Total							550 460	458 098	89.7	403 671
2025										
2019/2020	1 175.01	1 349.99	24.6	1.4	2025/2026	7.6	17 620	33 314	99.5	24 588
	1 374.59	1 379.00	19.6	1.2	2025/2026	7.7	2 207	3 634	95.6	3 226
2020/2021	973.05	1 024.70	38.8	1.5	2025/2026	7.6	616	1 295	100.0	1 267
	973.05	1 024.70	38.8	1.5	2025/2026	7.6	26 203	54 676	99.3	53 509
	973.05	1 024.70	38.8	1.5	2026/2027	7.7	616	1 296	100.0	1 057
	973.05	1 024.70	38.8	1.5	2026/2027	7.7	26 198	51 175	92.8	41 739
	911.63	987.25	41.8	1.6	2024/2025	7.6	3 957	8 558	100.0	—
	911.63	987.25	41.8	1.6	2025/2026	7.7	13 582	28 244	96.2	24 964
	911.63	987.25	41.8	1.6	2026/2027	7.6	13 567	26 341	89.9	19 404
	884.83	881.77	41.8	1.8	2025/2026	7.7	678	1 432	96.5	1 282
	884.83	881.77	41.8	1.8	2026/2027	7.6	677	1 334	90.3	996
	1 006.83	1 132.50	42.1	1.4	2025/2026	7.7	4 566	9 059	95.8	7 898
	1 006.83	1 132.50	42.1	1.4	2026/2027	7.6	4 565	8 488	89.6	6 167
	1 383.62	1 430.26	42.3	1.0	2025/2026	7.7	356	578	94.3	478
	1 383.62	1 430.26	42.3	1.0	2026/2027	7.6	356	555	88.2	382
	1 392.19	1 405.00	42.2	1.1	2025/2026	7.6	477	804	100.0	782
	1 392.19	1 405.00	42.2	1.1	2025/2026	7.6	22 281	37 273	99.2	36 220
	1 392.19	1 405.00	42.2	1.1	2026/2027	7.7	477	823	100.0	645
	1 392.19	1 405.00	42.2	1.1	2026/2027	7.7	22 277	35 657	92.8	27 943
	1 392.19	1 405.00	42.2	1.1	2027/2028	7.6	477	846	100.0	555
	1 392.19	1 405.00	42.2	1.1	2027/2028	7.6	22 273	34 259	86.7	22 494

Notes to the financial statements continued

Year ended 28 February 2026

40. Share options continued

Data utilised in the valuation of share options granted continued

Year granted	Strike price R	Share price on issue date R	Volatility used in valuation %	Dividend yield %	Year maturing	Risk-free rate %	Number of share options outstanding	Fair value on issue date ignoring vesting conditions R'000	Expected vesting proportion %	Value taking into account expected vesting proportion R'000
2025										
2021/2022	1 375.55	1 351.15	41.8	1.1	2025/2026	7.6	1 385	2 353	100.0	—
	1 375.55	1 351.15	41.8	1.1	2026/2027	7.7	1 385	2 247	93.5	1 796
	1 375.55	1 351.15	41.8	1.1	2027/2028	7.6	1 385	2 156	87.4	1 437
	1 663.60	1 879.85	41.5	2.1	2025/2026	7.7	552	769	96.7	672
	1 663.60	1 879.85	41.5	2.1	2026/2027	7.6	551	759	90.4	531
	1 663.60	1 879.85	41.5	2.1	2027/2028	7.7	551	747	84.5	435
	1 616.73	1 790.00	41.5	2.6	2024/2025	7.6	404	589	100.0	—
	1 616.73	1 790.00	41.5	2.6	2025/2026	7.7	404	579	96.1	494
	1 616.73	1 790.00	41.5	2.6	2026/2027	7.6	403	568	89.9	387
	1 616.73	1 790.00	41.5	2.6	2027/2028	7.7	403	556	84.0	316
	2 067.19	2 096.24	41.4	1.7	2025/2026	7.6	425	434	100.0	413
	2 067.19	2 096.24	41.4	1.7	2025/2026	7.6	20 948	21 157	99.0	20 169
	2 067.19	2 096.24	41.4	1.7	2026/2027	7.7	425	500	100.0	363
	2 067.19	2 096.24	41.4	1.7	2026/2027	7.7	20 943	22 830	92.6	16 541
	2 067.19	2 096.24	41.4	1.7	2027/2028	7.6	425	558	100.0	326
	2 067.19	2 096.24	41.4	1.7	2027/2028	7.7	20 938	23 810	86.6	13 912
	2 067.19	2 096.24	41.4	1.7	2028/2029	7.8	425	605	100.0	296
	2 067.19	2 096.24	41.4	1.7	2028/2029	7.8	20 933	24 119	80.9	11 802
2022/2023	2 067.19	2 096.24	41.4	1.7	2025/2026	7.6	645	650	100.0	—
	2 067.19	2 096.24	41.4	1.7	2026/2027	7.7	645	696	93.5	522
	2 067.19	2 096.24	41.4	1.7	2027/2028	7.6	645	731	87.4	438
	2 067.19	2 096.24	41.4	1.7	2028/2029	7.8	645	743	81.7	371
	2 106.13	1 970.00	41.7	3.0	2025/2026	7.8	370	374	100.0	332
	2 106.13	1 970.00	41.7	3.0	2025/2026	7.8	891	879	97.8	781
	2 106.13	1 970.00	41.7	3.0	2026/2027	7.7	369	435	100.0	290
	2 106.13	1 970.00	41.7	3.0	2026/2027	7.8	889	958	91.4	638
	2 106.13	1 970.00	41.7	3.0	2027/2028	7.7	369	485	100.0	258
	2 106.13	1 970.00	41.7	3.0	2027/2028	7.8	889	998	85.5	532
	2 106.13	1 970.00	41.7	3.0	2028/2029	7.8	369	525	100.0	233
	2 106.13	1 970.00	41.7	3.0	2028/2029	7.8	888	1 009	79.9	448
	1 828.19	1 794.92	42.7	1.5	2026/2027	7.7	1 454	1 976	100.0	1 263
	1 828.19	1 794.92	42.7	1.5	2026/2027	7.7	32 676	41 135	92.6	26 284
	1 828.19	1 794.92	42.7	1.5	2027/2028	7.6	1 451	2 125	100.0	1 032
	1 828.19	1 794.92	42.7	1.5	2027/2028	7.6	32 679	41 441	86.6	20 121
	1 828.19	1 794.92	42.7	1.5	2028/2029	7.8	1 451	2 254	100.0	882
	1 828.19	1 794.92	42.7	1.5	2028/2029	7.8	32 679	41 103	81.0	16 084
	1 828.19	1 794.92	42.7	1.5	2029/2030	7.9	1 451	2 361	100.0	774
	1 828.19	1 794.92	42.7	1.5	2029/2030	7.9	32 679	40 246	75.7	13 195
2023/2024	1 698.52	1 592.22	41.9	2.7	2026/2027	7.6	1 336	1 808	90.3	892
	1 698.52	1 592.22	41.9	2.7	2027/2028	7.7	1 336	1 785	84.4	661
	1 698.52	1 592.22	41.9	2.7	2028/2029	7.8	1 335	1 744	78.9	516
	1 698.52	1 592.22	41.9	2.7	2029/2030	8.0	1 335	1 691	73.8	417
	1 445.18	1 521.49	41.5	3.2	2026/2027	7.7	321	497	91.6	281
	1 445.18	1 521.49	41.5	3.2	2027/2028	7.7	321	479	85.7	203
	1 445.18	1 521.49	41.5	3.2	2028/2029	7.8	321	461	80.1	157
	1 445.18	1 521.49	41.5	3.2	2029/2030	7.9	321	442	74.9	125
	2 056.24	2 113.53	41.9	2.4	2027/2028	7.6	1 317	1 727	100.0	535



Year granted	Strike price R	Share price on issue date R	Volatility used in valuation %	Dividend yield %	Year maturing	Risk-free rate %	Number of share options outstanding	Fair value on issue date ignoring vesting conditions R'000	Expected vesting proportion %	Value taking into account expected vesting proportion R'000
2025										
2024/2025	2 056.24	2 113.53	41.9	2.4	2027/2028	7.6	34 800	39 700	87.0	12 291
	2 056.24	2 113.53	41.9	2.4	2028/2029	7.8	1 317	1 873	100.0	435
	2 056.24	2 113.53	41.9	2.4	2028/2029	7.8	34 796	40 256	81.3	9 341
	2 056.24	2 113.53	41.9	2.4	2029/2030	7.9	1 317	1 992	100.0	370
	2 056.24	2 113.53	41.9	2.4	2029/2030	7.9	34 790	40 015	76.1	7 429
	2 056.24	2 113.53	41.9	2.4	2030/2031	8.1	1 317	2 092	100.0	324
	2 056.24	2 113.53	41.9	2.4	2030/2031	8.1	34 786	39 308	71.1	6 082
	2 208.81	2 788.19	42.4	2.2	2027/2028	7.7	467	502	85.3	104
	2 208.81	2 788.19	42.4	2.2	2028/2029	7.8	467	512	79.7	80
	2 208.81	2 788.19	42.4	2.2	2029/2030	7.9	467	512	74.5	64
	2 208.81	2 788.19	42.4	2.2	2030/2031	8.2	467	504	69.7	52
	2 099.90	2 290.00	42.4	2.2	2028/2029	7.8	2 103	2 394	80.8	497
	2 099.90	2 290.00	42.4	2.2	2029/2030	7.9	2 103	2 383	75.6	395
	2 099.90	2 290.00	42.4	2.2	2030/2031	8.1	2 103	2 343	70.7	324
	2 099.90	2 290.00	42.4	2.2	2031/2032	8.4	2 103	2 282	66.1	271
	2 817.05	2 290.00	42.4	2.2	2028/2029	7.8	802	718	79.0	88
	2 817.05	2 942.78	42.4	2.2	2029/2030	8.0	802	742	73.9	73
	2 817.05	2 942.78	42.4	2.2	2030/2031	8.3	802	750	69.1	62
	2 817.05	2 942.78	42.4	2.2	2031/2032	8.6	802	748	64.6	53
Total							585 599	816 361	89.7	472 086

The growth rate and expected volatility were determined using the historical share prices of Capitec Bank Holdings Limited.

Assumptions

Executive employee turnover

Executive employee turnover of 5.4% per annum (2025: 6.5%) was used to estimate the likelihood of vesting conditions realising. This is re-estimated on an annual basis.

Maturity

The Human Resources and Remuneration Committee (REMCO) approved changes to the performance conditions relating to share options granted in 2019/2020. These performance conditions are that the 3-year average HEPS growth must exceed the 3-year average of CPI plus the percentage growth in GDP plus 4%, and the attained return on equity (ROE) must outperform the 3-year average ROE of the 4 traditional banks in South Africa. Each performance condition carries a weighting of 50% and is measured over a cumulative 3-year performance period. The ROE performance consists of 2 tiers.

- Tier 1 (50% vesting): ROE outperforms 3-year average ROE of the 4 traditional banks.
- Tier 2 (full vesting): ROE outperforms 3-year average ROE of the 4 traditional banks by 2%.

The assumption that both of the above performance conditions would be met was used to estimate the realisation of these vesting conditions. The 2021 financial year was not considered when determining whether the performance measures were met as the results for the year were impacted by the COVID-19 pandemic.

Notes to the financial statements continued

Year ended 28 February 2026

41. Share appreciation rights

Data utilised in the valuation of SARs granted

The table below provides details regarding the data used in the valuation of the SARs to which IFRS 2 has been applied. SARs are expected to vest and are re-estimated on an annual basis.

Year granted	Strike price ⁽¹⁾⁽²⁾ R	Year maturing	Risk-free rate %	Number of SARs outstanding	Fair value R'000	Portion of term expired %	Expected vesting proportion %	Liability at year-end R'000
2026								
2019/2020	1 374.59	2025/2026 ⁽³⁾	6.8	2 207	7 435	100.0	100.0	7 435
2020/2021	973.05	2026/2027	6.8	26 814	101 019	98.2	99.0	98 573
	911.63	2025/2026 ⁽³⁾	6.8	3 883	14 879	100.0	100.0	14 879
	911.63	2026/2027	6.8	13 151	50 137	90.3	97.0	43 821
	884.83	2026/2027	6.8	677	2 600	91.2	97.0	2 304
	1 006.83	2026/2027	6.8	4 565	16 977	89.3	96.0	14 625
	1 392.19	2026/2027	6.8	22 754	76 254	97.7	99.0	73 979
	1 392.19	2027/2028	6.6	22 750	76 104	81.8	94.0	58 523
	439.64	2026/2027	6.7	356	1 512	85.5	95.0	1 232
2021/2022	367.71	2026/2027	6.8	1 385	6 060	99.9	100.0	6 052
	367.71	2027/2028	6.6	1 385	5 965	83.2	95.0	4 697
	1 663.60	2026/2027	6.8	551	1 701	89.8	97.0	1 485
	1 663.60	2027/2028	6.5	551	1 705	74.9	92.0	1 174
	1 616.73	2025/2026 ⁽³⁾	6.8	404	1 263	100.0	100.0	1 263
	1 616.73	2026/2027	6.8	403	1 263	88.2	97.0	1 077
	1 616.73	2027/2028	6.5	403	1 264	73.5	92.0	850
	2 067.19	2026/2027	6.8	20 234	54 285	96.4	99.0	51 886
	2 067.19	2026/2027	6.8	1 134	3 042	96.4	99.0	2 908
	2 067.19	2027/2028	6.6	21 363	58 062	77.7	94.0	42 341
	2 067.19	2028/2029	6.5	21 358	58 661	65.1	89.0	33 887
2022/2023	2 067.19	2026/2027	6.8	645	1 726	99.9	100.0	1 724
	2 067.19	2027/2028	6.6	645	1 750	79.9	95.0	1 322
	2 067.19	2028/2029	6.5	645	1 769	66.6	89.0	1 053
	2 106.13	2026/2027	6.9	889	2 358	91.5	98.0	2 118
	2 106.13	2027/2028	6.6	889	2 389	73.2	93.0	1 624
	2 106.13	2028/2029	6.5	888	2 415	61.0	88.0	1 293
	1 828.19	2026/2027	6.8	33 181	96 867	95.4	99.0	91 680
	1 828.19	2027/2028	6.6	33 183	97 550	72.5	94.0	66 370
	1 828.19	2028/2029	6.5	33 183	98 002	58.4	89.0	50 831
	1 828.19	2029/2030	6.5	33 183	98 485	49.0	84.0	40 489
2023/2024	1 698.52	2026/2027	6.8	1 335	4 077	82.6	97.0	3 270
	1 698.52	2027/2028	6.5	1 335	4 088	61.9	92.0	2 327
	1 698.52	2028/2029	6.5	1 336	4 100	49.5	87.0	1 765
	1 698.52	2029/2030	6.6	1 336	4 109	41.3	82.0	1 395
	1 445.18	2026/2027	6.9	321	1 059	89.8	98.0	935
	1 445.18	2027/2028	6.6	321	1 057	67.4	93.0	662
	1 445.18	2028/2029	6.5	321	1 055	53.9	88.0	500
	1 445.18	2029/2030	6.5	321	1 052	44.9	83.0	393
2024/2025	2 056.24	2027/2028	6.6	34 797	94 841	64.2	94.0	57 367
	2 056.24	2028/2029	6.5	34 792	95 810	48.1	89.0	41 085
	2 056.24	2029/2030	6.5	34 787	96 831	38.5	84.0	31 430
	2 056.24	2030/2031	6.6	34 786	97 873	32.1	80.0	25 047
	2 208.81	2027/2028	6.6	467	1 212	54.1	93.0	607
	2 208.81	2028/2029	6.5	467	1 230	40.5	88.0	437
	2 208.81	2029/2030	6.5	467	1 249	32.4	83.0	336
	2 208.81	2030/2031	6.7	467	1 268	27.0	78.0	269

Refer to the footnotes on page 371.



Year granted	Strike price ⁽¹⁾⁽²⁾ R	Year maturing	Risk-free rate %	Number of SARs outstanding	Fair value R'000	Portion of term expired %	Expected vesting proportion %	Liability at year-end R'000
2026								
2024/2025	2 099.81	2028/2029	6.5	526	1 430	45.7	89.0	579
	2 099.81	2029/2030	6.5	526	1 447	36.5	84.0	443
	2 099.81	2030/2031	6.6	525	1 462	30.4	79.0	353
	2 099.81	2031/2032	6.8	525	1 479	26.1	75.0	290
	2 817.05	2028/2029	6.5	802	1 724	37.2	87.0	559
	2 817.05	2029/2030	6.6	802	1 793	29.8	82.0	440
	2 817.05	2030/2031	6.7	802	1 858	24.8	78.0	359
	2 817.05	2031/2032	6.9	802	1 918	21.3	74.0	301
2025/2026 ⁽⁴⁾	3 047.35	2028/2029	6.5	22 888	44 313	31.9	89.0	12 538
	3 047.35	2029/2030	6.5	22 889	46 745	24.2	84.0	9 507
	3 047.35	2030/2031	6.6	22 885	48 949	19.5	79.0	7 594
	3 047.35	2031/2032	6.8	22 881	50 990	16.4	75.0	6 269
	3 054.85	2028/2029	6.5	501	980	20.2	88.0	173
	3 054.85	2029/2030	6.5	501	1 033	15.1	83.0	130
	3 054.85	2030/2031	6.7	501	1 080	12.1	78.0	103
	3 054.85	2031/2032	6.8	501	1 125	10.1	74.0	84
Total				550 172	1 562 736	60.6	89.8	929 042
2025								
2019/2020	1 175.01	2025/2026	7.6	17 620	33 314	98.7	99.5	32 873
	1 374.59	2025/2026	7.7	2 207	3 634	88.8	95.6	3 226
2020/2021	973.05	2025/2026	7.6	26 819	55 962	97.9	99.3	54 767
	973.05	2026/2027	7.7	616	1 296	81.6	100.0	1 057
	973.05	2026/2027	7.7	26 198	51 175	81.6	92.8	41 739
	911.63	2024/2025 ⁽⁵⁾	7.6	3 419	7 394	100.0	100.0	7 394
	911.63	2025/2026	7.7	13 231	27 514	88.4	96.2	24 319
	911.63	2026/2027	7.6	13 567	26 341	73.7	89.9	19 404
	911.63	2027/2028	7.7	210	437	88.4	96.2	386
	884.83	2025/2026	7.7	678	1 432	89.5	96.5	1 282
	884.83	2026/2027	7.6	677	1 334	74.6	90.3	996
	1 006.83	2025/2026	7.7	4 566	9 059	87.2	95.8	7 898
	1 006.83	2026/2027	7.6	4 565	8 488	72.7	89.6	6 167
	1 392.19	2025/2026	7.6	22 758	38 071	97.2	99.2	36 995
	1 392.19	2026/2027	7.7	477	823	78.4	100.0	645
	1 392.19	2026/2027	7.7	22 277	35 657	78.4	92.8	27 943
	1 392.19	2027/2028	7.6	477	846	65.7	100.0	555
	1 392.19	2027/2028	7.6	22 273	34 259	65.7	86.7	22 494
	439.64	2025/2026	7.7	356	874	82.6	94.3	723
	439.64	2026/2027	7.6	356	806	68.9	88.2	555

Refer to the footnotes on **page 371**.

Notes to the financial statements continued

Year ended 28 February 2026

41. Share appreciation rights continued

Data utilised in the valuation of SARs granted continued

Year granted	Strike price ⁽¹⁾⁽²⁾ R	Year maturing	Risk-free rate %	Number of SARs outstanding	Fair value R'000	Portion of term expired %	Expected vesting proportion %	Liability at year-end R'000
2025								
2021/2022	367.71	2025/2026	7.6	1 385	3 748	99.9	100.0	3 745
	367.71	2026/2027	7.7	1 385	3 452	80.0	93.5	2 760
	367.71	2027/2028	7.6	1 385	3 177	66.6	87.4	2 117
	1 663.60	2025/2026	7.7	552	769	87.3	96.7	672
	1 663.60	2026/2027	7.6	551	759	69.9	90.4	531
	1 663.60	2027/2028	7.7	551	747	58.2	84.5	435
	1 616.73	2024/2025 ⁽³⁾	7.6	404	589	100.0	100.0	589
	1 616.73	2025/2026	7.7	404	579	85.3	96.1	494
	1 616.73	2026/2027	7.6	403	568	68.2	89.9	388
	1 616.73	2027/2028	7.7	403	556	56.9	84.0	316
	2 067.19	2025/2026	7.6	21 373	21 587	95.3	99.0	20 578
	2 067.19	2026/2027	7.7	425	500	72.5	100.0	363
	2 067.19	2026/2027	7.7	20 943	22 830	72.5	92.6	16 541
	2 067.19	2027/2028	7.6	425	558	58.4	100.0	326
	2 067.19	2027/2028	7.6	20 938	23 810	58.4	86.6	13 912
	2 067.19	2028/2029	7.8	425	605	48.9	100.0	296
	2 067.19	2028/2029	7.8	20 933	24 119	48.9	80.9	11 802
2022/2023	2 067.19	2025/2026	7.6	645	650	99.9	100.0	649
	2 067.19	2026/2027	7.7	645	696	74.9	93.5	522
	2 067.19	2027/2028	7.6	645	731	60.0	87.4	438
	2 067.19	2028/2029	7.8	645	743	50.0	81.7	371
	2 106.13	2025/2026	7.8	370	374	88.8	100.0	332
	2 106.13	2025/2026	7.8	891	879	88.8	97.8	781
	2 106.13	2026/2027	7.7	369	435	66.6	100.0	290
	2 106.13	2026/2027	7.7	889	958	66.6	91.4	638
	2 106.13	2027/2028	7.7	369	485	53.3	100.0	258
	2 106.13	2027/2028	7.7	889	998	53.3	85.5	532
	2 106.13	2028/2029	7.8	369	525	44.4	100.0	233
	2 106.13	2028/2029	7.8	888	1 009	44.4	79.9	448
	1 828.19	2026/2027	7.7	1 454	1 976	63.9	100.0	1 263
	1 828.19	2026/2027	7.7	32 676	41 135	63.9	92.6	26 284
	1 828.19	2027/2028	7.6	1 451	2 125	48.6	100.0	1 032
	1 828.19	2027/2028	7.6	32 679	41 441	48.6	86.6	20 121
	1 828.19	2028/2029	7.8	1 451	2 254	39.1	100.0	882
	1 828.19	2028/2029	7.8	32 679	41 103	39.1	81.0	16 084
	1 828.19	2029/2030	7.9	1 451	2 361	32.8	100.0	774
	1 828.19	2029/2030	7.9	32 679	40 246	32.8	75.7	13 195
2023/2024	1 698.52	2026/2027	7.6	1 335	1 807	49.4	90.3	892
	1 698.52	2027/2028	7.7	1 335	1 784	37.0	84.4	661
	1 698.52	2028/2029	7.8	1 336	1 745	29.6	78.9	517
	1 698.52	2029/2030	8.0	1 336	1 692	24.7	73.8	418
	1 445.18	2026/2027	7.7	321	497	56.6	91.6	281
	1 445.18	2027/2028	7.7	321	479	42.4	85.7	203
	1 445.18	2028/2029	7.8	321	461	33.9	80.1	157
	1 445.18	2029/2030	7.9	321	442	28.3	74.9	125

Refer to the footnotes on page 371.



Year granted	Strike price ⁽¹⁾⁽²⁾ R	Year maturing	Risk-free rate %	Number of SARs outstanding	Fair value R'000	Portion of term expired %	Expected vesting proportion %	Liability at year-end R'000
2025								
2024/2025 ⁽⁴⁾	2 056.24	2027/2028	7.6	1 317	1 727	31.0	100.0	535
	2 056.24	2027/2028	7.6	34 797	39 696	31.0	87.0	12 289
	2 056.24	2028/2029	7.8	1 317	1 873	23.2	100.0	435
	2 056.24	2028/2029	7.8	34 792	40 251	23.2	81.3	9 340
	2 056.24	2029/2030	7.9	1 317	1 992	18.6	100.0	370
	2 056.24	2029/2030	7.9	34 787	40 012	18.6	76.1	7 428
	2 056.24	2030/2031	8.1	1 317	2 092	15.5	100.0	324
	2 056.24	2030/2031	8.1	34 786	39 308	15.5	71.1	6 082
	2 208.81	2027/2028	7.7	467	502	20.8	85.3	104
	2 208.81	2028/2029	7.8	467	512	15.6	79.7	80
	2 208.81	2029/2030	7.9	467	512	12.5	74.5	64
	2 208.81	2030/2031	8.2	467	504	10.4	69.7	52
	2 099.90	2028/2029	7.8	2 102	2 393	20.7	80.8	496
	2 099.90	2029/2030	7.9	2 102	2 382	16.6	75.6	395
	2 099.90	2030/2031	8.1	2 102	2 342	13.8	70.7	324
	2 099.90	2031/2032	8.4	2 102	2 281	11.9	66.1	288
	2 817.05	2028/2029	7.8	802	718	12.3	79.0	88
	2 817.05	2029/2030	8.0	802	742	9.9	73.9	73
	2 817.05	2030/2031	8.3	802	750	8.2	69.1	62
	2 817.05	2031/2032	8.6	802	748	7.0	64.6	54
Total				584 906	819 037	55.1	89.4	494 547

⁽¹⁾ SARs are granted at a strike price equal to the 30-day weighted average share price up to and including the day before the resolution granting the respective SARs was passed. There is a fixed ratio between the number of SARs and share options granted.

⁽²⁾ As the SARs are granted at the same strike price as the share options and there is a fixed ratio between the number of SARs and share options granted, the fair value at the grant date of the SARs matches that of the share options.

⁽³⁾ The liability at year-end for these tranches represents the total value of SARs of R23.6 million (2025: R8.0 million) that have vested and are not yet exercised.

⁽⁴⁾ The fair value at the grant date of the share appreciation rights granted during the year was R118.9 million (2025: R135.2 million).

Assumptions

Rights valuation

All rights were valued using the Black-Scholes model and the following variables (with expected price volatility based on annualised volatility):

	2026	2025
Dividend yield (%)	1.92	2.18
Volatility (%) ⁽¹⁾	26.14	40.88
Ex-dividend share price	4 658.44	3 012.52

⁽¹⁾ The expected price volatility is based on an unadjusted 5-year annualised volatility.

Notes to the financial statements continued

Year ended 28 February 2026

41. Share appreciation rights continued

Data utilised in the valuation of SARs granted continued

Assumptions continued

Rights valuation continued

Executive employee turnover assumption

Executive employee turnover of 5.4% per annum (2025: 6.5%) was used to estimate the likelihood of vesting conditions realising. This is re-estimated on an annual basis.

Maturity

The REMCO approved changes to the performance conditions relating to share options granted in 2019/2020. These performance conditions are that the 3-year average HEPS growth must exceed the 3-year average of CPI plus the percentage growth in GDP plus 4%, and the attained ROE must outperform the 3-year average ROE of the 4 traditional banks in South Africa. Each performance condition carries a weighting of 50% and is measured over a cumulative 3-year performance period. The ROE performance consists of 2 tiers.

- Tier 1 (50% vesting): ROE outperforms 3-year average ROE of the 4 traditional banks
- Tier 2 (full vesting): ROE outperforms 3-year average ROE of the 4 traditional banks by 2%.

The assumption that both of these performance conditions would be met was used to estimate the realisation of these vesting conditions. The 2021 financial year was not considered when determining whether the performance measures were met as the results for the year were impacted by the COVID-19 pandemic.

42. Derivative financial instruments

R'000	Fair values	
	Assets	Liabilities
2026		
Foreign exchange contracts	138 795	174 544
Forward currency swap contracts	104 291	15 494
Derivative financial instruments	243 086	190 038
2025		
Foreign exchange contracts	28 542	5 433
Forward currency swap contracts	9 072	15 707
Derivative financial instruments	37 614	21 140

Forward foreign exchange contracts and forward currency swap contracts – designated as economic hedges

R'000	Notional		Fair values ⁽¹⁾	
	Foreign	R	Assets	Liabilities
2026				
Foreign exchange contracts – US dollar	211 545	3 700 646	129 117	163 509
Foreign exchange contracts – euro	15 737	318 656	8 825	10 516
Foreign exchange contracts – pound sterling	1 358	30 087	457	358
Foreign exchange contracts – other	141 114	41 799	396	161
Total foreign exchange contracts		4 091 188	138 795	174 544
Forward currency swap contracts – US dollar	27 577	460 271	7 054	11 768
Forward currency swap contracts – euro	44 113	937 583	95 045	1 882
Forward currency swap contracts – pound sterling	240	5 308	13	131
Forward currency swap contracts – Mexican peso	486 000	456 415	2 179	1 713
Forward currency swap contracts – other	—	—	—	—
Total forward currency swap contracts		1 859 577	104 291	15 494
Derivative financial instruments		5 950 765	243 086	190 038



R'000	Notional Foreign	R	Fair values ⁽¹⁾	
			Assets	Liabilities
2025				
Foreign exchange contracts – US dollar	45 560	850 576	10 351	4 382
Foreign exchange contracts – euro	7 953	156 962	17 731	256
Foreign exchange contracts – pound sterling	1 495	34 758	24	282
Foreign exchange contracts – other	127 004	57 891	436	513
Total foreign exchange contracts		1 100 187	28 542	5 433
Forward currency swap contracts – US dollar	54 653	1 019 848	7 412	13 062
Forward currency swap contracts – euro	16 931	331 838	1 272	2 323
Forward currency swap contracts – pound sterling	1 576	36 486	388	33
Forward currency swap contracts – other	717	7 480	—	289
Total forward currency swap contracts		1 395 652	9 072	15 707
Derivative financial instruments		2 495 839	37 614	21 140

R'000	2026	2025
Derivative assets per the statement of financial position		
Current portion	220 043	37 566
Non-current portion	23 043	48
Total foreign currency exchange contracts and swap contracts	243 086	37 614
Derivative liabilities per the statement of financial position		
Current portion	168 448	21 139
Non-current portion	21 590	1
Total foreign currency exchange contracts and swap contracts	190 038	21 140

Credit quality of derivative assets

At the statement of financial position date, the international long-term credit ratings, using Moody's ratings, were as follows:

R'000	Ba1 to Ba3	Not rated	ECL	Total carrying amount
2026				
Derivative assets	—	243 086	—	243 086
2025				
Derivative assets	—	37 614	—	37 614

Accounting policies

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks.

42. Derivative financial instruments continued

Accounting policies continued

The Group designates certain derivatives as:

- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge)
- economic hedges if not qualifying in terms of the hedge accounting criteria classified as FVTPL.

Derivative financial instruments exclude equity instruments that are accounted for in terms of IFRS 2 *Share-based Payment*.

The use of derivatives is restricted to the hedging of forecast cash flows for specific transactions. Currently, derivatives are limited to forward foreign exchange contracts and forward currency swap contracts.

The Group also facilitates the process for Business Banking clients to enter into forward exchange contracts.

Treatment of hedges qualifying as cash flow hedges

The Group applies IAS 39 to hedge accounting with the disclosures required by IFRS 7.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and deferred within equity. The gain or loss relating to the ineffective portion is recognised in profit or loss immediately.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the interest payments that are hedged are recognised as an expense).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss within the movement in financial instruments held at FVTPL, disclosed under operating expenses.

At the inception of the transaction, the Group designates the relationship between hedging instruments and hedged items as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Movements on the hedging reserve in shareholders' equity are shown in **note 21**.

Treatment of economic hedges classified as FVTPL

Derivatives are only held to cover economic exposures.

Derivatives are classified as held for trading and measured at FVTPL to the extent that they are not part of a designated hedging relationship. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. Changes in the fair value of derivatives classified as FVTPL are taken to profit or loss immediately. The recognition of the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument and, if so, the nature of the item being hedged. Transaction costs are expensed.

All derivative contracts are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Fair values are obtained from quoted market prices, where available. Alternatively, valuation techniques based on observable market prices are used where possible, failing which, estimates are used.

Forward foreign exchange contracts designated as economic hedges

Forward foreign exchange contracts represent commitments to purchase or sell foreign currency, including undelivered spot transactions, and were entered into to match corresponding expected future transactions.



43. Events after the reporting period

The United States of America and Israel's military offensive was launched against Iran on 28 February 2026 and has already been considered in the forward-looking ECL model. Specifically, the severe scenario assumes that the economic conditions will deteriorate further. Refer to the Critical accounting estimates and judgements in applying accounting policies section in **note 7**.

In terms of IAS 10 *Events after the Reporting Period*, non-adjusting post-balance sheet events are events that are indicative of a condition that arose after the reporting period. We have concluded that the uncertainty surrounding the global geopolitical environment due to the prolonged Iran conflict after our reporting date on 28 February 2026 is a non-adjusting event. This may have further negative impacts on the South African economy and our business for the year ending 28 February 2027. However, it is not possible to accurately estimate the financial effect as the situation remains fluid.

Statutory information

as at 28 February 2025

	2026		2025	
	Shares held Number	Shareholding %	Shares held Number	Shareholding %
Beneficial owners with an interest of 5% or more in the Company's ordinary shares				
Government Employees Pension Fund	18 281 676	15.75	18 063 141	15.56
MSdP le Roux	13 143 493	11.32	13 164 393	11.34
Kalander Trust and its subsidiaries ⁽¹⁾	7 436 464	6.40	7 457 364	6.42
Fynbos Trust and its subsidiaries	5 675 753	4.89	5 675 753	4.89
Related party	31 276	0.03	31 276	0.03
Lebashe Investment Group Proprietary Limited ⁽²⁾	—	—	7 654 840	6.59
JF Mouton Familie Trust and its subsidiaries	7 044 019	6.07	5 917 727	5.10

B-BBEE shareholding

Shareholder

Lebashe Investment Group Proprietary Limited	4 472 146	3.85	7 654 840	6.59
Lebashe Investment Group Proprietary Limited	3 384 214	2.91	4 529 773	3.90
K2017134938 (South Africa) Proprietary Limited	1 087 932	0.94	3 125 067	2.69
Izindaba Ezinhle Employee Share Scheme ⁽³⁾	428 835	0.37	429 014	0.37
CB Employee Holdings Proprietary Limited	235 763	0.20	235 763	0.20
Total B-BBEE shareholding	5 136 744	4.42	8 319 617	7.16

Shareholding by Executive Management excluding Directors of the Company⁽⁴⁾

Shareholder

HAI Lourens	501 505	0.43	498 379	0.43
W de Bruyn	105 819	0.09	102 000	0.09
F Viviers	24 653	0.02	21 493	0.02
KR Kumbier	19 447	0.02	15 269	0.01
GR Lee ⁽⁴⁾⁽⁵⁾	—	—	8 292	0.01
R Butler	4 809	—	3 164	—
B Maluleke ⁽⁶⁾	2 122	—	—	—
I Moola	826	—	324	—
RA Botha ⁽⁷⁾	622	—	—	—
KE Barker ⁽⁸⁾	444	—	396	—
Total Executive Management shareholding	660 247	0.56	649 317	0.56

⁽¹⁾ Kalander Trust's indirect beneficial ownership is primarily held through Kalander Sekuriteit Proprietary Limited which holds 5.28% in Capitec.

⁽²⁾ Lebashe Investment Group Proprietary Limited advised the Company on 16 April 2026, on the prescribed form, that it had decreased its aggregate interest in Capitec to 3.85%.

⁽³⁾ Shares with a 5-year trade restriction. Refer to **note 39.2**. A total of 89% of the shares were awarded to employees who meet B-BBEE requirements.

⁽⁴⁾ Executive Directors' shareholdings are presented in the related party note. Refer to **note 35**.

⁽⁵⁾ Mr GR Lee was appointed to the Board as Executive Director on 19 July 2025.

⁽⁶⁾ Ms B Maluleke was appointed as Executive: Personal Banking on 1 April 2025.

⁽⁷⁾ Mr RA Botha was appointed as acting Executive: Insurance on 11 August 2025.

⁽⁸⁾ Ms KE Barker resigned on 11 August 2025.



Analysis of shareholders holding ordinary shares as at 28 February 2026

	Number of shareholders	% of total	Number of shares	% of interest
1 – 1 000	53 170	95.42	3 327 994	2.87
1 001 – 10 000	1 751	3.14	5 584 946	4.81
10 001 – 100 000	638	1.15	19 598 591	16.88
100 001 and over	164	0.29	87 588 312	75.44
Total shareholding	55 723	100.00	116 099 843	100.00

Shareholder spread

Public shareholders⁽¹⁾	45 129	80.99	92 095 011	79.32
Holdings less than 5%	45 128	80.99	73 813 335	63.58
Holdings of 5% or more	1	—	18 281 676	15.74

Non-public shareholders excluding Directors and their associates

Holdings less than 5%	10 556	18.94	2 623 551	2.26
Izindaba Ezinhle Employee Share Scheme	10 432	18.72	472 695	0.41
Holdings of senior managers under the RSP	112	0.20	22 371	0.02
Prescribed Officers of the Company excluding Directors of the Company or any of its subsidiaries	9	0.02	660 247	0.58
K2017134938 (South Africa) Proprietary Limited	1	—	1 087 932	0.94
Trustees of the Capitec Bank Group Employee Empowerment Trust	1	—	235 763	0.20
Trustees of the Capitec Bank Holdings Share Trust	1	—	144 543	0.12
There is no non-public shareholder, excluding Directors and their associates, that holds 5% or more	—	—	—	—

Directors (refer to page 339 for details)

Directors	38	0.07	21 381 281	18.42
Associates of Directors of the Company	26	0.05	21 128 048	18.20
Directors of the Company	6	0.01	17 150	0.02
Directors of subsidiaries of the Company	6	0.01	236 083	0.20

Total shareholding	55 723	100.00	116 099 843	100.00

Analysis of shareholders holding non-redeemable, non-cumulative, non-participating preference shares

1 – 1 000	2 252	95.59	56 827	12.30
1 001 – 10 000	98	4.16	290 763	62.94
10 001 – 100 000	6	0.25	114 406	24.76
Total preference shares held	2 356	100.00	461 996	100.00

Shareholder spread

Public shareholders	2 355	99.96	459 796	99.52
Holdings less than 5%	2 354	99.92	429 796	93.03
Holdings of 5% and more	1	0.04	30 000	6.49

Non-public shareholders

There are no non-public shareholders or Directors or their associates that hold preference shares	—	—	—	—
Directors	1	0.04	2 200	0.48
Directors of subsidiaries of the Company	1	0.04	2 200	0.48

Total preference shares held	2 356	100.00	461 996	99.52

⁽¹⁾ The Group applies the definition as envisaged in paragraph 4.25 of the JSE Listings Requirements to define public shareholders.

Abbreviations and acronyms

African Bank	African Bank Holdings Limited	EAD	Exposure at default
AGM	Annual General Meeting	EAR Rule	IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023
AGOA	African Growth and Opportunity Act		
AI	Artificial intelligence		
ALCO	Asset and Liability Committee		
AML	Anti-money laundering	ECD	Early Childhood Development
ARC	Asset for remaining coverage	ECL	Expected credit loss
ARCMC	Audit, Risk and Capital Management Committee	EFT	Electronic funds transfer
ARIC	Amounts recoverable on incurred claims	EMS	Economic and Management Sciences
ATB	Afrika Tikkun Bambanani	ERG	Employee resource group
ATM	Automated teller machine	ESG	Environmental, social and governance
AvaFin	Avafin Holding Limited	EUR	Euro
AWS	Amazon Web Services	EURIBOR	Euro Interbank Offered Rate
B-BBEE	Broad-based black economic empowerment	EXCO	Executive Committee
Banks Act	Banks Act, Act 94 of 1990	FLI provision for ECL	Forward-looking macroeconomic provision for ECL
BCC	Business Banking Credit Committee	FNAB	Food and non-alcoholic beverages
BDO	BDO Limited	Forex	Foreign exchange
BER	Bureau for Economic Research	FVOCI	Fair value through other comprehensive income
BSC	Business Support Centre		
Capitec	Capitec Bank Holdings Limited	FVTPL	Fair value through profit or loss
Capitec Bank	Capitec Bank Limited	GB	Gigabyte
Capitec Ins	Capitec Ins Proprietary Limited	GDP	Gross domestic product
Capitec Life	Capitec Life Limited	GHG	Greenhouse gas
CAPM	Capital asset pricing model	GloBE	Global Anti-Base Erosion
CAR	Capital adequacy ratio	GMTA	Global Minimum Tax Act
CB	Capitec Bank	GRIT	Gender Rights in Tech
Centriq	Centriq Life Insurance Company Limited	GRP	Gross remuneration package
CEO	Chief Executive Officer	Guardrisk	Guardrisk Life Limited
CEO values	The values that govern the behaviour of our employees are client first, energy and ownership	HEPS	Headline earnings per share
		HR	Human resources
CFO	Chief Financial Officer	IAS	International Accounting Standard
CFT	Countering the financing of terrorism	IASB	International Accounting Standards Board
CGU	Cash-generating unit	ICAAP	Internal Capital Adequacy Assessment Process
CLR	Credit loss recovery		
CODI	Corporation for Deposit Insurance	IFRIC®	IFRS Interpretations Committee
CODM	Chief Operating Decision-Maker	IFRS® Accounting Standards	International Financial Reporting Standards
COE	Cost of equity	Income Tax Act	Income Tax Act, Act 58 of 1962
Companies Act	Companies Act of South Africa, Act 71 of 2008, as amended	Innovatio	Innovatio Risk Solutions Limited
COVID-19	Coronavirus disease 2019, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)	IoDSA	Institute of Directors South Africa
		IRBA Code	Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors
CPI	Consumer Price Index		
CSAT	Client satisfaction score	ISAs	International Standards on Auditing
CSI	Corporate Social Investment	ISIN	International Securities Identification Numbering
CSM	Contractual service margin	IT	Information technology
CSR	Conditional share rights	IT GRC	IT Governance, Risk and Compliance Committee
DAC	Directors' Affairs Committee		
Data Steerco	Data Steering Committee	JIBAR	Johannesburg Interbank Average Rate
DCF	Discounted cash flow	JPY	Japanese yen
Deloitte	Deloitte & Touche	JSE	Johannesburg Stock Exchange Limited
DIS	Deposit Insurance Scheme		
DMTN	Domestic medium-term note		



kg	Kilogram	Remote banking	Remote banking refers to both banking app and USSD transactions
King Code/ the Code	The King Code (specifically King IV™ and the updated King V™) is a voluntary South African framework establishing best practices for corporate governance, emphasising ethical leadership, sustainability, and stakeholder inclusivity	RISCO	Risk Committee
King IV™	King IV Report on Corporate Governance for South Africa, 2016™	ROE	Return on equity
King V™	King V Report on Corporate Governance for South Africa, 2025™	RSP	Restricted share plan
KPI	Key performance indicator	RWA	Risk-weighted assets
KPMG	KPMG Inc.	SAHL	SA Home Loans Proprietary Limited
LEX Committee	Large Exposures Committee	SAICA	South African Institute of Chartered Accountants
LFRC	Liability for remaining coverage	SARA	South African Reward Association
LGD	Loss given default	SARB	South African Reserve Bank
LIC	Liability for incurred claims	SARs	Share appreciation rights
LTI	Long-term incentive	SARS	South African Revenue Service
LTV	Loan-to-value	SASBO	SASBO – The Finance Union
m ²	Square metre	SBBI®	Stocks, Bonds, Bills and Inflation
Mercantile	Mercantile Bank Limited (name changed to Mer Pastcomp Limited in January 2021)	SCC	Scored Credit Committee
MGC	Model Governance Committee	Section 50	Section 50 of the Insurance Act, Act 18 of 2017
MMMP	Middle Management Mastery Programme	SENS	Stock Exchange News Service
MNE	Multinational enterprise	SESCO	Social, Ethics and Sustainability Committee
Moody's	Moody's Ratings	SICR	Significant increase in credit risk
MOS	Management operating system	SIM	Subscriber Identity Module
MPG	Market Practitioners Group	Simply Home Loans	Simply Home Loans (RF) Limited
MRA	Modified retrospective approach	SMEs	Small and medium-sized enterprises
MSR	Minimum shareholding requirements	SMS	Short Message Service
MWh	Megawatt hour	SPPI	Solely payments of principal and interest
NCA	National Credit Act, Act 34 of 2005	SPV	Special purpose vehicle
NPC	Non-profit company	STEM	Science, technology, engineering and mathematics
NQF	National Qualifications Framework	STI	Short-term incentive
NSA	New standardised approach	SWIFT	Society for Worldwide Interbank Financial Telecommunications
NYU	New York University	tCO ₂ e	Tonnes of carbon dioxide equivalent
PA	Prudential Authority	TGP	Total guaranteed pay
PayInc	South African Bankers Services Company Limited (PayInc, formerly trading as BankservAfrica)	the Bank	Capitec Bank Limited
PBCC	Personal Banking Credit Committee	the Group	Capitec Bank Holdings Limited and subsidiaries
PCAF	Partnership for Carbon Accounting Financials	Thuma Mina	Thuma Mina Teaching
PD	Probability of default	UK	United Kingdom
POPIA	Protection of Personal Information Act, Act 4 2013	UN	United Nations
PPI	Producer Price Index	UN SDGs	United Nations Sustainable Development Goals
Quality client	Quality banking clients are those clients who have stable inflows into their account and stable product usage over a consecutive 3-month period	UNICEF	United Nations Children's Fund
RA	Risk adjustment for non-financial risk	US	United States
RCMC	Risk and Capital Management Committee	USA	United States of America
REMCO	Human Resources and Remuneration Committee	USD	US dollar
		USSD	Unstructured Supplementary Service Data
		VaR	Value at Risk methodology
		VAS	Value-Added Services
		VAT	Value-added tax
		VWAP	Volume-weighted average price
		WSA	Whole School Approach
		ZAR	South African rand
		ZARONIA	South African Rand Overnight Index Average

Shareholders' calendar

Financial year-end	28 February 2026
Profit announcement	22 April 2026
Integrated annual report	22 April 2026
AGM	31 July 2026
Interim report	30 September 2026



Contact information

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

Directors

SL Botha (*Chairman*)
 GM Fourie (*CEO*)⁽¹⁾ (retired on 18 July 2025)
 GR Lee (*CEO*)⁽¹⁾ (appointed on 19 July 2025)
 NF Bhattay
 SA du Plessis
 CH Fernandez
 N Ford-Hoon
 GR Hardy (*CFO*)⁽¹⁾
 MSdP le Roux
 V Mahlangu
 RR Malhotra (appointed on 1 March 2025)
 PJ Mouton
 CA Otto

⁽¹⁾ Executive Director

Group Company Secretary and registered office

YM Mouton
 5 Neutron Road, Techno Park, Stellenbosch, 7600

Postal address

PO Box 12451, Die Boord, Stellenbosch, 7613

Transfer secretary

Computershare Investor Services Proprietary Limited

Registration number: 2004/003647/07
 Rosebank Towers, 15 Biermann Avenue
 Rosebank, Johannesburg, 2196
 Private Bag X9000, Saxonwold, 2132

Sponsor

PSG Capital Proprietary Limited

Registration number: 2006/015817/07
 1st Floor, Ou Kollege Building
 35 Kerk Street, Stellenbosch, 7600
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