

DATE: 23 April 2015

Capitec Bank Holdings Limited  
1 Quantum Street  
Techno Park  
Stellenbosch  
7600

**Attention: Mr Gerrie Fourie**

Dear Gerrie

**RE: ACQUISITION OF 5,284,735 CAPITEC BANK HOLDINGS LIMITED SHARES FROM THE GOVERNMENT EMPLOYEES PENSION FUND**

Our recent correspondence regarding Petratouch's investment into Capitec Bank Holdings refers.

Petratouch (Pty) Ltd, a broad-based black economic empowerment consortium ("Petratouch"), is pleased to inform Capitec Bank Holdings Limited ("Capitec") that it has concluded a transaction with Government Employees Pension Fund ("GEPF") and the Public Investment Corporation SOC Limited ("PIC"), whereby it will acquire 5,284,735 Capitec shares.

Petratouch is a Broad Based Black Economic Empowerment entity with meaningful allocations being held by Black Women and BEE Designated Groups. The PIC's Enterprise Development Trust is a 5% shareholder in the consortium. Key members of the consortium have remained close to Capitec over the years and have watched it grow from strength to strength. We are excited by the prospect of becoming a meaningful shareholder in this world-class company.

Salient features of the transaction and Petratouch's funding include:

- Petratouch has agreed to hold the Capitec shares acquired until at least 28 February 2017. To the extent that Capitec shares or ordinary shares of Petratouch are sold prior to this date, such shares will be sold to an entity defined as a broad based black economic empowerment company in terms of Broad Based Black Economic Empowerment Act, 2003 (Act no 54 of 2003) as amended;
- Petratouch made an offer to GEPF on 27 February 2015 and the transaction was negotiated during March 2015. The parties reached agreement at a price of R325.17 per share, representing a 15% discount to the 30 day volume weighted average price at 27 February 2015 of R382.56;
- The transaction is subject to the fulfilment of certain suspensive conditions by no later than 30 April 2015, including successful capital raising by Petratouch;

- To this end, we have concluded a funding agreement with Investec Bank Limited (“Investec”), whereby the shares acquired will be ceded and/or pledged to them as security for our funding obligations. We understand that this needs to be done on the basis that Capitec’s periodic broad based black economic empowerment verification and certification as contemplated in the BEE Codes is not negatively impacted;
- The funding agreement requires that a certain component of market and share price risk must be hedged through the sale of call options to and acquisition of put options from Investec. This requires that the Capitec shares acquired are lent to Investec Securities (Pty) Ltd and that Investec Securities (Pty) Ltd can sell a component of the shares to sufficiently hedge out its share price exposure.

Petratouch would appreciate the opportunity to discuss this funding with Capitec management in more detail, with a particular focus on the placement of the shares sold so as not to negatively impact Capitec’s share price.

I hope you find the above in order, please do not hesitate to contact us should you have any queries. We look forward to progressing with you over the coming days and in person on 28 April 2015.

Yours sincerely



**Tshépo Mahloele**

Executive Director: Petratouch (Pty) Ltd