

Ash Brook Investments 15 (Pty) Ltd

Registration Number: 2006/034744/07

91 Central Street
Houghton
Johannesburg
2198

DATE: 28 February 2011

ATT: **André du Plessis**
Capitec Bank Holdings Limited


RE: **Transaction between the Capitec BEE Consortium and the Public Investment Corporation**

Dear André

Following the various negotiations held to date between the Capitec BEE Consortium, being Ash Brook Investments 15 (Pty) Ltd ("Ash Brook") and Coral Lagoon Investments 194 (Pty) Ltd ("Coral Lagoon"), Capitec Bank Holdings Limited ("Capitec") and the Government Employees Pension Fund, represented by the Public Investment Corporation SOC Limited ("the PIC"); the Capitec BEE Consortium hereby summarises its intentions as follows:

1. Coral Lagoon, who currently owns 10 million Capitec shares, is to sell a sufficient number of Capitec shares ("the Sale Shares") to the PIC in order to redeem all their current funding, costs and associated taxes. We expect the quantum of Sale Shares to be approximately 5.25 million, with the balance of approximately 4.75 million shares to remain in Coral Lagoon.
2. The price at which the PIC will acquire the Sale Shares is R156.11 per share. This was calculated as a 15% discount to the 10 day VWAP (volume weighted average price) at 8 February 2012.
3. PIC are to warehouse the Sale Shares while a new black economic empowerment transaction is structured and negotiated in good faith between the PIC, the existing Capitec BEE Consortium members and potentially, additional Black groups/individuals ("NewCo"). The shareholders and structure of NewCo are to be approved by Capitec and the PIC.
4. NewCo will acquire the Sale Shares from the PIC with funding provided by the PIC on terms to be negotiated between the parties.
5. The Sale Shares, once acquired by NewCo, will have a ten year BEE lock-in and must thus be held by Black parties for a period of ten years from the date of the proposed transaction. Barring this condition, the Sale Shares will be normal Capitec shares in all respects.
6. Conditions attached to the approximately 4.75 million shares that remain in Coral Lagoon will remain in full force and effect and will thus be held by Black parties under the terms of the existing agreement between Capitec and the Capitec BEE Consortium.
7. The sale referred to in 1 and 2 above is an interim step in concluding the NewCo transaction referred to in 3, 4 and 5 above. Coral Lagoon is able to effect the transaction as a result of Capitec releasing all BEE and other restrictions attached to the Sale Shares. This release of restrictions is intended for the period that the Sale Shares are warehoused by the PIC only. It

Directors: B. Rugara; L.M. Nyhonyha; R.J. Huntley; T. Mahloele; Z. Nzama




was as a result of the negotiated settlement between the Capitec BEE Consortium and the Industrial Development Corporation of South Africa Limited ("IDC") over the IDC preference shares used in the original acquisition of 10 million Capitec shares, which offer expires on 28 February 2012.

For the sake of clarity, the discount referred to in 2 above is solely due to the 10 year BEE lock-in restriction that will be attached to the Sale Shares under the NewCo transaction.

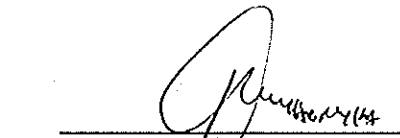
The Capitec BEE Consortium will use their best endeavours to forthwith implement the transaction referred to above through negotiating and obtaining appropriate funding for the acquisition of the Sale Shares by NewCo from the PIC. This finance is to be for a period of five years, whereafter refinancing will be sought in order to maintain the 10 year BEE lock-in referred to above.

This letter is signed by the Board of directors of Ash Brook and Coral Lagoon on behalf of the Capitec BEE Consortium.


Yours sincerely,



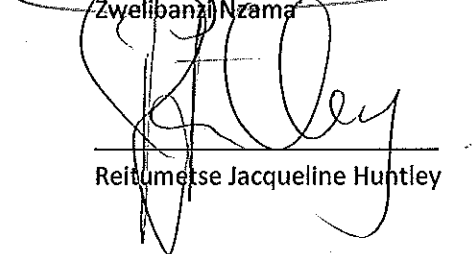
Tshepo Mahloele



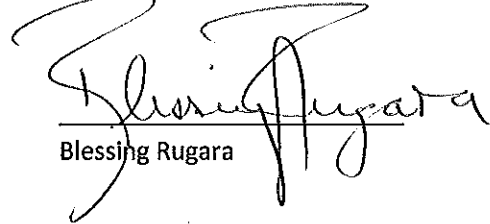
Litha Mveliso-Nyhonyha



Zwelibanzi Nzama



Reitumetse Jacqueline Huntley



Blessing Rugara