




## Annual Results

for the year ended 30 June 2024

Capricorn Group delivered a strong financial performance with year-on-year growth of 17.7% in profit after tax to N\$1.74 billion over the N\$1.48 billion previously reported in 2023. Return on equity ("ROE") increased to 17.9% from the 17.6% reported in the previous financial year. This can be attributed to excellent results and solid all-round performances across our portfolio of businesses, which includes the banking subsidiaries, Bank Windhoek and Bank Gaborone, as well as Capricorn Asset Management ("CAM"), Entrepo Group, Peo Finance and our associates.

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**Return on equity**  
**17.9%**  
(2023: N\$17.6%)
- 
**Dividend per share**  
**112**  
(2023: 100)
- 
**Earnings per share**  
**319.6**  
(2023: 292.00\*)
- 
**Profit after tax**  
**N\$1.74 billion**  
(2023: N\$1.58 billion\*)
- 
**Cost to income ratio**  
**50.0%**  
(2023: 51.0%\*)
- 
**Capital adequacy ratio**  
**17.9%**  
(2023: 16.8%)
- 
**Gross loans and advances**  
**N\$50.7 billion**  
(2023: N\$47.2 billion)
- 
**Net asset value per share**  
**1,896**  
(2023: 1.683\*)

\* Restated to account for the introduction of IFRS 17.

### Other disclosable information

**Address**  
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 Registered address: Capricorn Group Building, Kasino Street, Windhoek, Namibia  
 Tel: (+264 61) 299 1301; Fax: (+264 61) 299 1309  
 Email: investorrelations@capricorn.com.na  
 Sponsor: PSG Wealth Management (Namibia) (Pty) Limited  
 Member of the Namibian Stock Exchange (Incorporated in the Republic of Namibia)  
 (Date of Registration: 5 September 1996)  
 (Registration Number: 96/300)  
 Share code: CGP ISIN: NA000A1T65V9

**Board of directors**  
 Non-executive directors: DG Fourie (Chairperson), JW Brandt, E Fahl, HM Gaomab II, DT Kali, G Menetté, MJ Prinsloo\*, DJ Reyneke\*, G Sekandi\*\*, E Solomon\*, JJ Swanepoel  
 Executive director: D Nuyoma (Group chief executive officer)

\* South African \*\* Ugandan

**Basis of presentation**  
 The audited annual financial statements of Capricorn Group Limited for the year ended 30 June 2024, from which this information is derived, have been prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia. This results announcement is the responsibility of the directors and is extracted from the audited annual financial statements, but is not itself reviewed or audited.

The Group implemented IFRS 17 in the current year, which requires full retrospective application for disclosure purposes. Consequently, the comparative numbers in the prior period ended 30 June 2023 were restated. Following this restatement, the Group's profit after tax and earnings per share for the year ended 30 June 2024 increased by 9.9% and 9.5% respectively. All comparisons to figures from the prior period throughout this announcement are based on the restated amounts, unless explicitly stated otherwise.

The Group's performance is presented below in terms of earnings quality, credit quality, liquidity and capital depth, the four main pillars of the Group's business.

### Quality earnings

The Group experienced good momentum in growth despite a difficult operating environment. For the year under review, the Group increased its operating profit by 12.7% on the back of improved net interest margins and strong growth in non-interest income, despite pressure from increased impairment charges.

	Year ended 30 June 2024 Audited N\$'000	Year ended 30 June 2023 (Restated) Audited N\$'000	% Change
<b>Extract of consolidated statement of comprehensive income</b>			
Net interest income	3,088,106	2,718,214	13.6%
Impairment charges	(328,461)	(235,610)	39.4%
<b>Net interest after loan impairments charges</b>	<b>2,759,645</b>	<b>2,482,604</b>	<b>11.2%</b>
Non-interest income	2,141,351	1,875,412	14.2%
Operating expenses	(2,742,890)	(2,443,939)	12.2%
<b>Operating profit</b>	<b>2,158,106</b>	<b>1,914,077</b>	<b>12.7%</b>
Share of associates results after tax	195,077	182,336	7.0%
<b>Profit before tax from continuing operations</b>	<b>2,353,183</b>	<b>2,096,413</b>	<b>12.2%</b>
Taxation	(617,401)	(516,472)	19.5%
<b>Profit after tax</b>	<b>1,735,782</b>	<b>1,579,941</b>	<b>9.9%</b>
<b>Extract of consolidated statement of financial position</b>			
Liquid assets	18,518,266	15,542,765	19.1%
Loans and advances to customers	48,793,608	45,396,558	7.5%
Other assets	3,271,758	2,869,600	14.0%
<b>Total assets</b>	<b>70,583,632</b>	<b>63,808,923</b>	<b>10.6%</b>
Capital and reserves attributable to ordinary shareholders	9,597,777	8,516,683	12.7%
Non-controlling interests	513,101	476,136	7.8%
Deposits	51,851,462	45,784,775	13.3%
Other funding	6,821,592	7,103,512	(4.0%)
Other liabilities	1,799,700	1,927,817	(6.6%)
<b>Total equity and liabilities</b>	<b>70,583,632</b>	<b>63,808,923</b>	<b>10.6%</b>
Basic earnings per share (cents)	319.6	292.0	9.5%
Headline earnings per share (cents)	320.7	300.4	6.8%
Net asset value per share (cents)	1,896	1,683	12.7%

### Maintaining efficient operations

Operating expenses increased by 12.2%, which is higher than inflation. This rise can be attributed to a 22.9% increase in variable operational banking expenses, directly linked to increased transaction and trading volumes. Excluding these variable operational banking expenses, the growth in overall expenses was contained at 11.2%. Much of this growth is associated with increased employee costs, driven by annual increases and the recruitment of talent to fill key positions, especially in the information technology space. Information technology expenditure increased by 22.0% compared to the previous financial year on the back of significant investment in digital and data related projects and as a consequence of a weakening currency. The Group, nevertheless improved its cost to income ratio to 50.0% (2023 restated: 51.0%).

### Protecting asset quality

The Group has well-developed capabilities in protecting the quality of its lending assets. The Group's non-performing loans (NPLs) decreased on the back of some large recoveries during the financial year. The Group's NPL ratio, excluding interest in suspense, improved from 4.5% in 2023 to 4.0%. Despite these large recoveries, the difficult macroeconomic environment and prolonged period of higher interest rates negatively impacted credit risk indicators, leading to an increase in impairment charges to N\$328.5 million (2023: N\$235.6 million). The Group's loan loss rate increased from 0.51% to 0.67%, still in line with industry norms.

Gross loans and advances increased by 7.4% to N\$50.7 billion this year, mainly attributable to growth in term loans and article finance.

### Ensuring adequate liquidity

The Group will always prioritise adequate liquidity over profit maximisation. Overall, the Group maintained a strong liquidity position, with liquid assets increasing by 19.1% to N\$18.5 billion (2023: N\$15.5 billion). Liquid assets exceeded the minimum regulatory requirements in Namibia and Botswana by 127% and 143% respectively at the financial year-end, while the Group's loan to funding ratio of 86.3% remains below its internal

### Improved net interest margins

Net-interest income before impairment charges increased by 13.6% to N\$3.1 billion (2023: N\$2.7 billion). Interest income growth was driven by higher interest rates and a 7.5% year-on-year growth in the loan book. Bank Windhoek's net interest income grew by 9.9% in 2024 on the back of 4.6% loan book growth and the endowment effect of the higher interest rate cycle. Bank Gaborone's net interest income increased by 40.8% due to continued loan book growth and an improved net interest margin.

### Growing non-interest income

Non-interest income increased by 14.2%, largely attributable to a 12.6% increase in transaction-based fees on the back of increased transaction volumes especially on digital channels. Asset management fees from Capricorn Asset Management increased by 12.9% due to strong growth in assets under management.

threshold of 90.0%. Notwithstanding these surpluses, the Group maintains a N\$1.0 billion contingency funding reserve for its two banking subsidiaries.

### Strong Capital Position

The Group improved on its strong capital position, with a total risk-based capital adequacy ratio of 17.9% (2023: 16.9%) well above the minimum regulatory requirement of 12.5%.

### A positive outlook

Our world is fraught with geopolitical tensions and economic uncertainties. Yet, despite a volatile global picture, there are promising signs of growth, especially in Namibia where significant oil discoveries have been made. There are also very promising developments in the renewable energy sector, especially green hydrogen. Capricorn Group is proud to contribute to discussions regarding Namibia's energy future and to support initiatives promoting sustainable growth and development. The Group is well-positioned and adequately resourced to capitalise on the opportunities available in Namibia and Botswana.

As a Group, we create more value than the value the individual Group businesses would be able to create as stand-alone businesses. We achieve this through unity in diversity, intentional collaboration and leveraging synergies within our environment.

### Final dividend

The Group declared a final dividend of 64 cents per ordinary share. Including the interim dividend of 48 cents per ordinary share, this represents a total dividend of 112 cents per ordinary share (2023: 100 cents). This is a 12.0% increase on the total dividend per share for 2023. The Group continues to balance offering attractive returns for shareholders with retaining capital to drive growth and diversification.

### The dividend payment details are as follows:

- > Last day to trade cum dividend: 27 September 2024
- > First day to trade ex-dividend: 30 September 2024
- > Record date: 4 October 2024
- > Payment date: 18 October 2024

## Delivering value for our stakeholders

The Group's positive financial performance for the year ended 30 June 2024 enabled the Group to create value for all its stakeholders and contribute to the socioeconomic development of Namibia and Botswana.

The Group's stakeholders shared in the total value created by the Group of N\$5.1 billion as follows:

#### Our people

**▲ 11.3%** **N\$1.3 billion**

Our success is attributed to good leadership, the right culture, skills, support, and the handshake between our organisation and employees in achieving superior performance.

#### Our customers

As part of our customer-centric culture, Capricorn Group's subsidiaries and associates continues to create value for customers through a combination of financial products, services and enhanced customer experience.

**New home loans**  
**N\$2.2 billion**

**New vehicle and asset finance**  
**N\$3.8 billion**

**New SME loans**  
**N\$3.4 billion**

**New business loans**  
**N\$6.3 billion**

**Sustainability bond loans**  
**N\$390.70 million**

**Digital transformation**  
**N\$403 million**  
Over the last four years, the Group has invested N\$403 million in the digital transformation of its retail banks to improve operational efficiencies and the overall customer experience.

**Cash-accepting ATMs**  
**50**

**Retail banking branches**  
**65**

**Total ATMs**  
**196**

**Digitally active customers**  
**39.5%**

#### Our shareholders

**▲ 36.9%** **N\$560 million**

A pleasing N\$560 million was paid to shareholders in dividends during the financial year. In addition, in recognition of our business strength, a dividend payment of N\$332 million will be made to shareholders on 18 October 2024. The healthy growth in share price and dividends over the financial year has resulted in a shareholder return of 39%.

#### Our governments

**▲ 16.5%** **N\$1.2 billion**

The Group pays direct and in-direct taxes in the territories we operate to governments. Through our tax contribution, governments are enabled to deliver on their national development plans, including improving and maintaining public infrastructure and fund public services such as health, education and welfare programmes.

#### Our suppliers

**▲ 13.9%** **N\$924 million**

The Group is committed to procure from local suppliers as far as possible and to supporting BEE and SME start-ups, enabling them to enter the market.

#### Our communities

**▲ 19.1%** **N\$25.8 million**

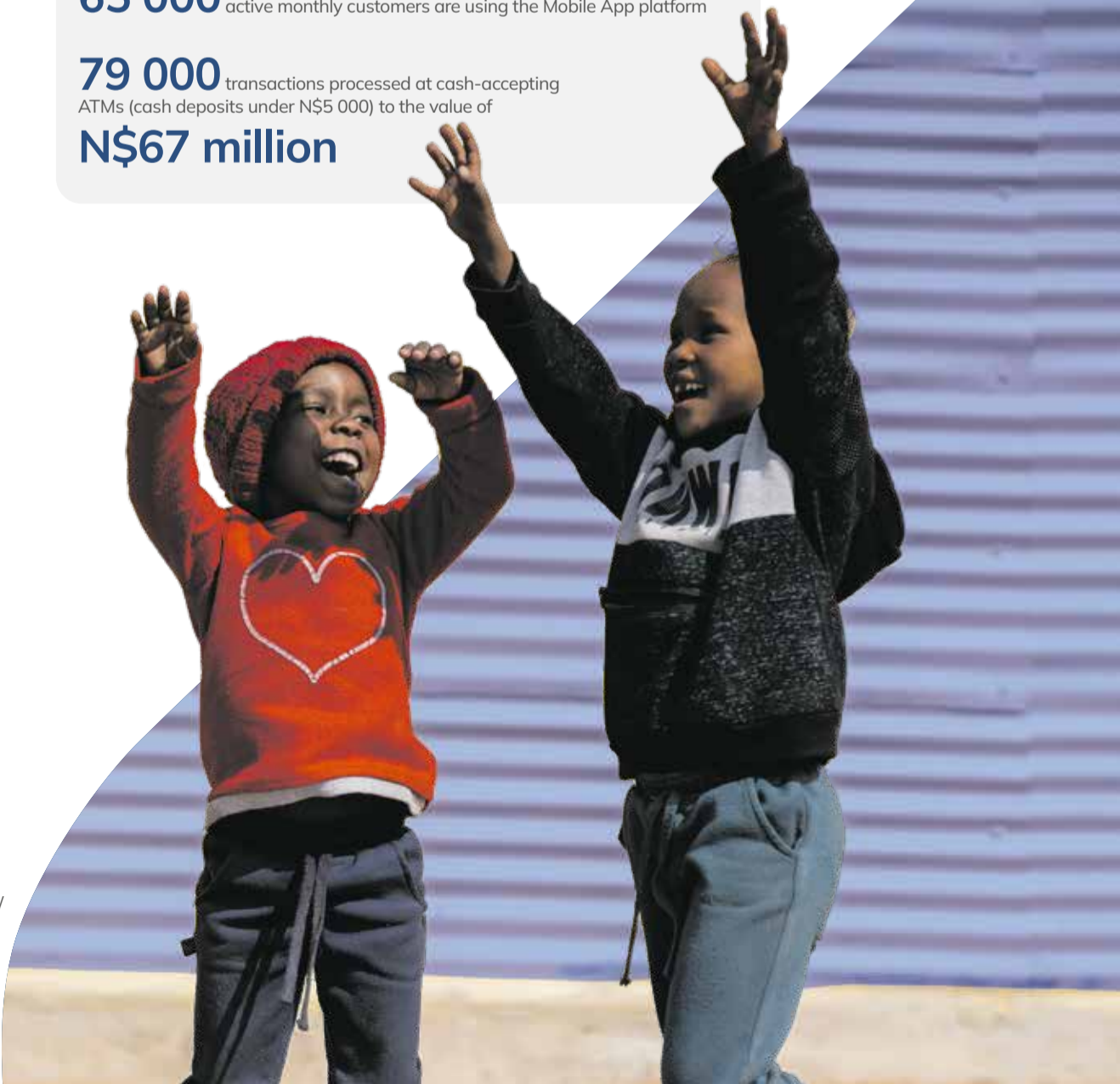
We are a socially responsible Group that is strongly obliged to its stakeholders. We take pride in the value we create through our CSR initiatives by positively impacting lives. See our 2024 Social Value Report on [www.capricorn.com.na](http://www.capricorn.com.na)


#### Retained for future growth

**▲ 9.3%** **N\$1.1 billion**

We allow for sufficient financial reserves to fund growth opportunities.

**Bank Windhoek**  
**54%** increase in transaction value over the last financial year  
**35%** increase in transaction volume over the last financial year  
**65 000** active monthly customers are using the Mobile App platform  
**79 000** transactions processed at cash-accepting ATMs (cash deposits under N\$5 000) to the value of  
**N\$67 million**



For the full results, please visit  

<https://www.capricorn.com.na/Pages/News-Centre/Capricorn-Group-Annual-Results-2024.aspx>  
[www.capricorn.com.na](http://www.capricorn.com.na)