



## Interim Results

for the six months ended 31 December 2024



### Group financial performance

Capricorn Group delivered strong financial results for the six months ended 31 December 2024, with profit after tax increasing by 28.4% to N\$1.06 billion, compared to N\$827.6 million in the same period last year. This translates to a 29.1% rise in earnings per share to 196.8 cents. The annualised return on equity also improved from 16.8% to 19.1%. This gratifying performance is due to excellent results and solid all-round performances by our subsidiaries, Bank Windhoek, Bank Gaborone, Capricorn Asset Management (CAM), Entrepo and Peo Finance, as well as our associates.

### Quality earnings

The Group experienced good momentum in growth despite a difficult, albeit improving, operating environment. Operating profit for the half year increased by 27.0% compared to the same period the year before, driven by improved net interest margins, strong growth in non-interest income, and lower impairment charges.

### Improved net interest margins

Net interest income increased by 12.7% year-on-year, attributable to a 5.7% year-on-year increase in gross loans and advances and effective cost of funding management. Despite a cut of 75 basis points in the Namibian repo rate over the period, Bank Windhoek's net interest margin improved to 5.28% from 5.11%, while Bank Gaborone's margin increased to 4.39% from 4.07%.

### Growing non-interest income

Non-interest income increased by N\$179 million (16.1%) on the back of increased transaction and trading volumes. Transaction based fee income increased by 13.6%, while net trading income increased by 16.3%. Assets under management increased to N\$52.2 billion (June 2024: N\$46.6 billion) leading to an increase in asset management fees of 19.2% to N\$122 million for the period under review.

### Maintaining efficient operations

Operating expenses registered a 12.1% (N\$161 million) year-on-year increase, including an increase of N\$27 million (16.4%) in variable operational banking expenses, directly linked to increased transaction and trading volumes. Excluding these operational banking expenses, overall expense growth of 11.5% (N\$133 million) is reported. This can largely be attributed to staff costs which increased by N\$114.2 million (8.6%) and IT expenses which increased by N\$26.8 million (27.5%). Increased staff cost was primarily driven by annual salary adjustments and the filling of key vacancies, particularly in respect of IT resources, while IT expenses increased above inflation due to the weaker Namibian Dollar and significant increases in license fees.

### Healthy liquidity position

Capricorn Group retained its healthy liquidity position during the period ended 31 December 2024 with liquid assets increasing by 11.5% (N\$1.8 billion) year-on-year. Liquid assets exceeded minimum regulatory liquid asset requirements in Namibia and Botswana by 163% and 92%, respectively.

### Protecting asset quality

Asset quality remains a top priority for the group. Impairment charges decreased by 25.7% year-on-year along with improved credit risk indicators, following further reductions in both the Namibian and Botswana repo rates and a pro-active approach to credit risk management. Non-performing loans decreased by 0.6% to N\$2.39 billion, resulting in a lower NPL ratio of 4.6% (June 2024: 4.7%). The Group continues to maintain prudent provisions for expected credit losses.

Gross loans and advances increased by N\$1.18 billion since 30 June 2024, mainly driven by growth in term loans of N\$583 million and instalment finance of N\$403 million. Overdrafts and mortgage loans increased by N\$99 million and N\$100 million respectively.

### Strong capital position

The Group's capital position remains robust, with a total risk-based capital adequacy ratio of 18.1% as at 31 December 2024, up from 17.9% as at 30 June 2024.

### A positive outlook

Namibia's economy is expected to grow by 4% in 2025, with primary industries rebounding and secondary sectors like manufacturing, electricity, and water continuing their positive trajectory. Lower interest rates, sectoral growth drivers, and currency stability positions Namibia with a favourable economic outlook. Botswana's GDP is expected to grow between 3% and 4% in 2025, as the country expects to recover from the contraction experienced in 2024 on the back of a slump in the global diamond market.

The economic developments in the region should assist Capricorn Group in delivering sustained growth for the benefit of all stakeholders.

### Interim dividend

The Group declared an interim dividend of 61 cents per ordinary share, a 27.1% increase from the interim dividend per share of 48 cents declared in the comparative period. The Group considers its capital and liquidity position when declaring an interim dividend that balances prudence and future growth capacity with a fair dividend yield for investors.

### Key dates are:

- > Last day to trade cum dividend: 13 March 2025
- > First day to trade ex-dividend: 14 March 2025
- > Record date: 20 March 2025
- > Payment date: 4 April 2025

### Value created by Capricorn Group and shared among stakeholders

The group created value of N\$2.9 billion during the six months ended 31 December 2024, which was shared by its main stakeholders as follows:



	Six months ended		Year ended	
	31 December 2024 N\$ millions	31 December 2023 (reviewed) N\$ millions	% Change	30 June 2024 (audited) N\$ millions
<b>Extract of consolidated income statement</b>				
Net interest income	1,658	1,471	12.7	3,088
Impairment charges	(188)	(253)	(25.7)	(328)
<b>Net interest income after loan impairment charges</b>	<b>1,470</b>	<b>1,218</b>	<b>20.7</b>	<b>2,760</b>
Non-interest income	1,290	1,111	16.1	2,141
Operating expenses	(1,490)	(1,329)	12.1	(2,743)
<b>Operating profit</b>	<b>1,270</b>	<b>1,000</b>	<b>27.0</b>	<b>2,158</b>
Share of joint arrangements and associates results after tax	130	96	35.4	195
<b>Profit before tax</b>	<b>1,400</b>	<b>1,096</b>	<b>27.7</b>	<b>2,353</b>
Income tax expense	(337)	(268)	25.7	(617)
<b>Profit for the period</b>	<b>1,063</b>	<b>828</b>	<b>28.4</b>	<b>1,736</b>
<b>Profit attributable to ordinary shareholders</b>	<b>998</b>	<b>771</b>	<b>29.4</b>	<b>1,618</b>
<b>Extract of consolidated statement of financial position</b>				
Liquid assets	17,484	15,683	11.5	18,532
Loans and advances to customers	49,900	47,120	5.9	48,794
Other assets	3,933	3,026	30.0	3,258
<b>Total assets</b>	<b>71,317</b>	<b>65,829</b>	<b>8.3</b>	<b>70,584</b>
Capital and reserves attributable to ordinary shareholders	10,305	9,032	14.1	9,598
Non-controlling interest	541	490	10.4	513
Deposits	52,239	48,260	8.2	51,851
Other funding	6,492	6,496	(0.1)	6,822
Other liabilities	1,740	1,551	12.2	1,800
<b>Total equity and liabilities</b>	<b>71,317</b>	<b>65,829</b>	<b>8.3</b>	<b>70,584</b>
Net asset value per share (cents)	2,032	1,786	13.8	1,896
Basic earnings per share (cents)	196.8	152.4	29.1	319.6
Headline earnings per share (cents)	196.8	152.4	29.1	320.7

### Other disclosable information

#### Address

Postal address: P.O. Box 15, Windhoek, Namibia;  
Registered address: Capricorn Group Building, Kasino Street, Windhoek, Namibia;  
Tel: (+264 61) 299 1301;  
Email: investors@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: NA000A1T6SV9

#### Board of directors

Non-Executive Directors: DG Fourie (Chairperson), O Amutenya, JW Brandt, E Fahl, R Gomachas, DT Kall, MJ Prinsloo\*, DJ Reyneke\*, E Solomon\*, JJ Swanepoel  
Executive director: D Nuyoma (Group Chief Executive Officer), J Maass (Group Financial Director)  
\* South African

### Basis of presentation

The condensed consolidated interim financial statements of Capricorn Group Limited for the six months ended 31 December 2024 from which this information is derived, have been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting and the requirements of the Companies Act of Namibia. This results announcement is the responsibility of the directors and is extracted from the condensed consolidated interim financial statements, but is not itself reviewed or audited.



For the full results, please visit  
<https://www.capricorn.com.na/Pages/News-Centre/-/-Capricorn-Group-Interim-Results-as-at-31-December-2024.aspx>

[www.capricorn.com.na](http://www.capricorn.com.na)