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CAPRICORN INVESTMENT GROUP LIMITED

and its subsidiaries

Registration number: 96/300

Condensed Consolidated Interim Financial Statements (reviewed)

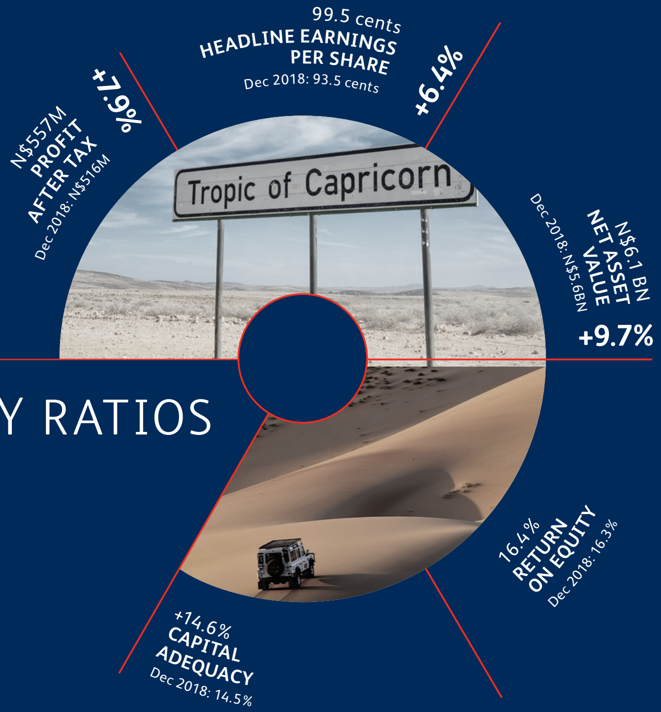
for the six months ended 31 December 2019

Capricorn Group

CONNECTORS OF POSITIVE CHANGE

Our group vision and purpose is to be the most trusted and inspiring connector of positive change, through a highly relevant, convenient and responsive network of people and channels that enables opportunities to be created, financed, transacted and secured wherever we operate.

KEY RATIOS



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01 FINANCIAL PERFORMANCE OVERVIEW

Group financial performance

Capricorn Investment Group Limited delivered satisfactory results with group profit after tax for the six months ended 31 December 2019 increasing by 7.9 % compared to the prior year. Core headline earnings per share, which excludes N$30 million restructuring costs incurred in Zambia during July 2019, increased by 10.3 % year on year.

The solid performance is mainly as a result of subsidiaries delivering on their strategies, despite difficult operating environments. Bank Windhoek, Bank Gaborone, Entrepo and Capricorn Asset Management delivered above expectations during this period. The Zambian operation is down year on year, mainly as a result of the restructuring costs mentioned above.

Net interest income

Despite a 25 basis point rate cut in both Namibia and Botswana in August 2019, the group increased net interest income by 7.9 % to N$1.13 billion (December 2018: N$1.05 billion). The growth was mainly as a result of good growth in gross loans and advances of N$2.13 billion (5.5 %) and liquid assets of N$1.4 billion (14.6 %) combined with an increase in the yield earned on assets by 30 basis points to 11.1 % .

The group also experienced an improvement in cost of funding of 17 basis points resulting in an improvement in net interest margin to 4.8 % for the six months ended 31 December 2019 (December 2018: 4.5 %). The improvement in cost of funding is mainly due to a deliberate and focused effort in Namibia and Botswana to improve the funding composition with strong growth in lower priced deposits. As a result the average cost of funding in Namibia and Botswana reduced by 29 and 54 basis points respectively compared to the comparative period last year. This benefit was, however, diluted by higher cost of funding in Zambia as a result of significant market liquidity pressures.

Impairment charges

Impairment charges increased from a low base of N$38.2 million at 31 December 2018 to N$55.6 million for the six months ended 31 December 2019. This increased charges, represents a 0.29 % loan loss rate, still well within acceptable norms given the current economic conditions.

Non-interest income

Non-interest income increased by 5.1% to N$711.7 million for the period ended 31 December 2019. While transaction-based income remained broadly flat year on year, transaction fees from electronic and digital channels increased by 12.1 % year on year, as customers continue to migrate from traditional banking channels. Asset management fees from Capricorn Asset Management increased by 11.5 % year on year and is in line with expectations.

Operating expenses

Included in operating expenses of N$1.08 billion for the current period, is an amount of N$30.0 million relating to restructuring costs incurred in Zambia as part of a turnaround plan.

Excluding restructuring costs, operating expenses were contained to a 3.5 % year on year increase, which is reflective of a deliberate drive by the group to contain costs during the current adverse economic times.

Loans and advances

Gross loans and advances increased by 5.5% (N$2.13 billion) from 31 December 2018 to N$40.50 billion as at 31 December 2019. Growth was mainly attributable to commercial term loans at Bank Windhoek increasing by N$1.40 billion (16.6 %) year on year. Overdrafts and the mortgage book increased by N$263.0 million (1.5 %) and N$231.0 million (4.1 %) respectively. Article finance reflected a decrease of N$89.0 million (2.7 %) year on year due to a reduction in new and used vehicle sales in Namibia.

Non-performing loans have increased from N$1.60 billion as at 31 December 2018 to N$1.75 billion as at 31 December 2019. The group non-performing loan ratio increased marginally from 4.2 % to 4.3 % .

FINANCIAL PERFORMANCE OVERVIEW (continued)

Investments

On 1 July 2019, the group concluded a 30% acquisition of Paratus Group Holdings Ltd. Paratus Group Holdings Ltd and its subsidiaries and associates provide services in 24 African countries, the most significant of which are Angola, Namibia, Zambia and Botswana.

Funding

During the period under review, the group maintained adequate funding and liquidity levels. Total funding increased year on year by N$3.86 billion (9.3%) to N$45.52 billion as at 31 December 2019. This translates to a loan to funding ratio of 89.0% (31 December 2018: 90.2%). Funding growth is mainly attributable to growth in deposits with term deposits, cheque deposits and negotiable certificates of deposits at Bank Windhoek being the biggest contributors. The more effective cost of funding mix, resulted in the average cost of funding reducing to 6.1% for the period ended 31 December 2019 (December 2018: 6.3%).

Total risk-based capital adequacy ratio

The group remains well capitalised with a total risk-based capital adequacy ratio of 14.6% (December 2018: 14.5%). This is well above the minimum regulatory capital requirement of 10.0%. The group's short-term Namibian national scale rating has been affirmed by Global Credit Ratings Company at A1+(NA), while the group has a good long-term Namibian national scale rating of AA-(NA). The outlook by Global Credit Ratings Company is stable.

Outlook

Following the good results in the 2019 financial year when the Namibian economy experienced material contractions, it is gratifying to report another period of positive growth for the group amidst continuing difficult economic conditions. The group is confident that through its committed and capable Capricorn citizens, continuous focus to improve processes and invest in technology it will be able to weather the economic storms and continue to perform well.

Beyond this financial year, we remain positive that the group will continue its resilience, deliver positive results, create value for all our stakeholders and be a connector of positive change in the jurisdictions where we operate.

Interim dividend

Notice is hereby given that an interim dividend of 30 cents per ordinary share was declared on 18 February 2020 for the period ended 31 December 2019.

- Last day to trade cum dividend: 6 March 2020
- First day to trade ex dividend: 9 March 2020
- Record date: 13 March 2020
- Payment date: 27 March 2020

02 STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the preparation, integrity and objectivity of the condensed consolidated interim financial statements that fairly present the state of affairs of the group at the end of the period, the profit and cash flow for the period and other information contained in this report.

To enable the directors to meet these responsibilities:

- The board and management set standards and management implements systems of internal control, accounting and information systems aimed at providing reasonable assurance that assets are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.
- The group's internal audit function, which operates unimpeded and independently from operational management, and has unrestricted access to the various group board audit, risk and compliance committees, appraises, evaluates and, when necessary, recommends improvements in the systems of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business.
- The board audit, risk and compliance committees of the group subsidiaries, together with the external and internal auditors, play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

To the best of their knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the period under review.

The group consistently adopts appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis.

The condensed consolidated interim financial statements presented on pages 6 to 23 have been prepared in accordance with the provisions of the Companies Act of Namibia, 28 of 2004 (Companies Act of Namibia) and comply with the International Accounting Standard, (IAS) 34 Interim Financial Reporting.

The directors have no reason to believe that the group will not be going concerns in the year ahead, based on forecasts and available cash resources. These financial statements have accordingly been prepared on a going concern basis.

Comprehensive insurance cover is in place as required by the Bank of Namibia BID 14 – Determinations on Minimum Insurance for Banking Institutions.

The condensed consolidated interim financial statements have been reviewed by the independent auditing firm, PricewaterhouseCoopers, who was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during the review were valid and appropriate. The independent auditor's review report is presented on page 5.

The condensed consolidated interim financial statements, set out on pages 6 to 23, were authorised and approved for issue by the board of directors on 18 February 2020 and are signed on their behalf:

JJ Swanepoel
Chairman

MJ Prinsloo
Group Chief Executive Officer

03 INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL STATEMENTS

to the shareholders of Capricorn Investment Group Limited

We have reviewed the condensed consolidated interim financial statements of Capricorn Investment Group Limited in the accompanying interim report, which comprise the condensed consolidated interim statement of financial position as at 31 December 2019 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

Directors' responsibility for the interim financial statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting and the requirements of the Companies Act of Namibia and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (ISRE 2410). ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Capricorn Investment Group Limited for the six months ended 31 December 2019 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting and the requirements of the Companies Act of Namibia.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: R Nangula Uaandja
Partner

Windhoek
18 February 2020

04 CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2019

	Notes	Six months ended		Year ended
		December 2019 N$'000 Reviewed	December 2018 N$'000 Reviewed	June 2019 N$'000 Audited
Interest and similar income		**2,497,493**	2,332,624	4,740,554
Interest and similar expenses		**(1,366,098)**	(1,283,919)	(2,607,681)
Net interest income		**1,131,395**	1,048,705	2,132,873
Impairment charges		**(55,608)**	(38,150)	(114,547)
Net interest income after impairment charges		**1,075,787**	1,010,555	2,018,326
Non-interest income		**711,706**	677,386	1,359,484
Operating income		**1,787,493**	1,687,941	3,377,810
Operating expenses		**(1,078,087)**	(1,013,655)	(2,052,038)
Operating profit		**709,406**	674,286	1,325,772
Share of joint arrangement's results after tax		**1,855**	2,063	3,675
Share of associates' results after tax		**40,895**	37,848	72,657
Profit before income tax		**752,156**	714,197	1,402,104
Income tax expense		**(194,931)**	(197,750)	(386,805)
Profit for the period/year		**557,225**	516,447	1,015,299
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Change in value of financial assets at fair value through other comprehensive income		**(6,263)**	–	7,263
Items that may subsequently be reclassified to profit or loss				
Exchange differences on net investments in foreign subsidiary		**(11,297)**	–	–
Change in value of available-for-sale financial assets		**–**	8,596	–
Exchange differences on translation of foreign operations		**2,256**	9,201	1,339
Total comprehensive income for the period/year		**541,921**	534,244	1,023,901
Profit is attributable to:				
Equity holders of the group		**509,661**	476,410	929,889
Non-controlling interests		**47,564**	40,037	85,410
		557,225	516,447	1,015,299
Total comprehensive income is attributable to:				
Equity holders of the group		**493,791**	492,269	937,616
Non-controlling interests		**48,130**	41,975	86,285
		541,921	534,244	1,023,901
Basic earnings per ordinary share (cents)	14	**99.5**	93.5	181.6
Fully diluted earnings per ordinary share (cents)	14	**99.4**	93.4	181.3

05 CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Notes	December 2019 N$'000 Reviewed	December 2018 N$'000 Reviewed	June 2019 N$'000 Audited
ASSETS				
Cash and balances with the central bank		**1,247,283**	1,578,017	1,572,616
Financial assets at fair value through profit or loss		**2,248,542**	1,887,754	2,037,188
Financial assets at amortised cost	10	**839,553**	908,721	860,314
Financial assets at fair value through other comprehensive income		**5,163,340**	4,018,834	4,742,725
Due from other banks		**1,649,729**	1,332,686	1,724,043
Loans and advances to customers		**39,715,279**	37,580,673	38,049,583
Other assets		**462,382**	431,453	554,420
Current tax asset		**116,690**	93,636	109,549
Investment in associates		**599,235**	365,955	348,716
Interest in joint arrangement		**12,871**	9,402	11,016
Intangible assets	11	**275,440**	282,924	275,839
Property and equipment	12	**477,363**	245,009	284,444
Deferred tax asset		**98,623**	186,840	107,502
Total assets		**52,906,330**	48,921,904	50,677,955
LIABILITIES				
Due to other banks		**1,273,584**	459,820	245,703
Other borrowings	13	**913,026**	1,677,307	996,372
Debt securities in issue		**5,411,139**	4,750,214	5,670,974
Deposits		**37,924,064**	34,776,118	36,984,725
Other liabilities		**858,251**	1,338,683	605,119
Current tax liability		**3,494**	1,796	2,052
Post-employment benefits		**12,628**	11,836	12,232
Total liabilities		**46,396,186**	43,015,774	44,517,177
EQUITY				
Share capital and premium		**719,543**	738,663	720,302
Non-distributable reserves		**103,502**	74,548	85,954
Distributable reserves		**5,308,263**	4,774,445	5,009,140
		6,131,308	5,587,656	5,815,396
Non-controlling interests in equity		**378,836**	318,474	345,382
Total shareholders' equity		**6,510,144**	5,906,130	6,160,778
Total equity and liabilities		**52,906,330**	48,921,904	50,677,955

06 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2019

		Non-distributable reserves			Distributable reserves						
	Share capital and premium N$'000	Insurance fund reserve N$'000	NIFSR* N$'000	Credit risk reserve N$'000	SBCR** N$'000	Fair value reserve N$'000	General banking reserve N$'000	FCTR*** N$'000	Retained earnings N$'000	Non-controlling interests N$'000	Total equity N$'000
For the six months ended 31 December 2018 (reviewed)											
Balance at 1 July 2018	724,507	53,742	–	215,911	16,847	129,811	3,814,879	4,536	654,458	276,499	5,891,190
Credit risk reserve transfer to retained earnings – IFRS 9	–	–	–	(163,422)	–	–	–	–	163,422	–	–
IFRS 9 transitional adjustment – impairment	–	–	–	–	–	–	–	–	(298,513)	–	(298,513)
IFRS 9 transitional adjustment – effective interest rate	–	–	–	–	–	–	–	–	(86,558)	–	(86,558)
Adjusted balance at the beginning of the reporting period	724,507	53,742	–	52,489	16,847	129,811	3,814,879	4,536	432,809	276,499	5,506,119
Movement in treasury shares	14,156	–	–	–	–	–	–	–	–	–	14,156
Total comprehensive income for the period	–	–	–	–	–	8,596	–	7,263	476,410	41,975	534,244
Profit for the period	–	–	–	–	–	–	–	–	476,410	40,037	516,447
Other comprehensive income	–	–	–	–	–	8,596	–	7,263	–	1,938	17,797
Share-based payment charges	–	–	–	–	5,000	–	–	–	–	–	5,000
Profit on sale of treasury shares	–	–	–	–	–	–	–	–	(1,042)	–	(1,042)
Transfer between reserves	–	(4,138)	–	(27,545)	–	–	4,138	–	27,545	–	–
Dividends	–	–	–	–	–	–	–	–	(152,347)	–	(152,347)
Balance at 31 December 2018	738,663	49,604	–	24,944	21,847	138,407	3,819,017	11,799	783,375	318,474	5,906,130
For the six months ended 31 December 2019 (reviewed)											
Balance at 1 July 2019	**720,302**	**51,125**	**–**	**34,829**	**23,221**	**695**	**3,843,797**	**5,000**	**1,136,427**	**345,382**	**6,160,778**
Movement in treasury shares	**(759)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(759)**
Total comprehensive income for the period	**–**	**–**	**(11,297)**	**–**	**–**	**(6,263)**	**–**	**1,690**	**509,661**	**48,130**	**541,921**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**509,661**	**47,564**	**557,225**
Other comprehensive income	**–**	**–**	**(11,297)**	**–**	**–**	**(6,263)**	**–**	**1,690**	**–**	**566**	**(15,304)**
Share-based payment charges	**–**	**–**	**–**	**–**	**5,000**	**–**	**–**	**–**	**–**	**–**	**5,000**
Profit on sale of treasury shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(196)**	**–**	**(196)**
Transfer between reserves	**–**	**1,614**	**–**	**27,231**	**–**	**–**	**3,657**	**–**	**(32,502)**	**–**	**–**
Change in ownership of subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,436**	**(2,436)**	**–**
Transfer of FCTR	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2**	**–**	**(2)**	**–**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(184,362)**	**(12,238)**	**(196,600)**
Balance at 31 December 2019	**719,543**	**52,739**	**(11,297)**	**62,060**	**28,221**	**(5,568)**	**3,847,454**	**6,692**	**1,431,464**	**378,836**	**6,510,144**

* Net investments in foreign subsidiary reserve (NIFSR)
** Share-based compensation reserve (SBCR)
*** Foreign currency translation reserve (FCTR)

06 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (continued)

for the six months ended 31 December 2019

		Non-distributable reserves		Distributable reserves						
	Share capital and premium N$'000	Insurance fund reserve N$'000	Credit risk reserve N$'000	SBCR** N$'000	Fair value reserve N$'000	General banking reserve N$'000	FCTR*** N$'000	Retained earnings N$'000	Non-controlling interests N$'000	Total equity N$'000
For the year ended 30 June 2019 (audited)										
Balance at 1 July 2018	724,507	53,742	215,911	16,847	129,811	3,814,879	4,536	654,458	276,499	5,891,190
Credit risk reserve transfer to retained earnings – IFRS 9	–	–	(194,536)	–	–	–	–	194,536	–	–
IFRS 9 transitional adjustment – impairment	–	–	–	–	–	–	–	(322,274)	–	(322,274)
IFRS 9 transitional adjustment – effective interest rate	–	–	–	–	–	–	–	(108,209)	–	(108,209)
Adjusted balance at the beginning of the reporting period	724,507	53,742	21,375	16,847	129,811	3,814,879	4,536	418,511	276,499	5,460,707
Movement in treasury shares	(9,633)	–	–	–	–	–	–	–	–	(9,633)
Total comprehensive income for the year	–	–	–	–	7,263	–	464	929,889	86,285	1,023,901
Profit for the year	–	–	–	–	–	–	–	929,889	85,410	1,015,299
Other comprehensive income	–	–	–	–	7,263	–	464	–	875	8,602
Share-based payment charges	–	–	–	11,802	–	–	–	–	–	11,802
Vesting of shares	5,428	–	–	(5,428)	–	–	–	–	–	–
Profit on sale of treasury shares	–	–	–	–	–	–	–	(1,042)	–	(1,042)
Transfer between reserves	–	(2,617)	13,454	–	–	28,918	–	(39,755)	–	–
Reclassification to retained earnings	–	–	–	–	(136,379)	–	–	136,379	–	–
Dividends	–	–	–	–	–	–	–	(307,555)	(17,402)	(324,957)
Balance at 30 June 2019	720,302	51,125	34,829	23,221	695	3,843,797	5,000	1,136,427	345,382	6,160,778

** Share-based compensation reserve (SBCR)
*** Foreign currency translation reserve (FCTR)

07 CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

for the six months ended 31 December 2019

	Six months ended		Year ended
	December 2019 N$'000 Reviewed	December 2018 N$'000 Reviewed	June 2019 N$'000 Audited
Cash flows from operating activities			
Cash (utilised in)/generated from operations	(421,039)	(512,711)	967,846
Dividends received	47,144	14,403	90,703
Other interest received	453	226	702
Taxes paid	(191,751)	(193,350)	(473,804)
Net cash (utilised in)/generated from operating activities	(565,193)	(691,432)	585,447
Cash flows from investing activities			
Additions to property, plant and equipment	(25,910)	(23,340)	(76,234)
Proceeds on sale of property, plant and equipment	315	148	1,229
Additions to intangible assets	(25,702)	(31,687)	(64,329)
Acquisition of associates/subsidiaries	(218,935)	(54,276)	(54,276)
Net cash utilised in investing activities	(270,232)	(109,155)	(193,610)
Cash flows from financing activities			
Treasury shares acquired	(11,712)	(21,375)	(36,572)
Treasury shares sold	10,757	36,573	23,607
Proceeds from other borrowings	–	799,555	451,360
Other borrowings payments	(83,636)	(440,158)	(770,874)
Redemption of debt securities in issue	(407,436)	(839,798)	(993,816)
Proceeds from the issue of debt securities	142,750	806,000	1,826,392
Dividends paid	(196,600)	(152,347)	(324,957)
Net cash (utilised in)/generated from financing activities	(545,877)	188,450	175,140
Net (decrease)/increase in cash and cash equivalents	(1,381,302)	(612,137)	566,977
Effects of exchange rate on cash and cash equivalents	(48,106)	34,375	23,271
Cash and cash equivalents at the beginning of the period/year	5,791,650	5,201,402	5,201,402
Cash and cash equivalents at the end of the period/year	4,362,242	4,623,640	5,791,650

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 31 December 2019

1. GENERAL INFORMATION

Capricorn Investment Group Ltd ("Capricorn Group" or "the group") is a Namibian registered company that acts as an investment holding company and provides consulting and support services to the other group companies. Its main investments comprise 100% shareholdings in Bank Windhoek Ltd (BW), Namib Bou (Pty) Ltd, Capricorn Asset Management (Pty) Ltd, Capricorn Unit Trust Management Company Ltd, Capricorn Capital (Pty) Ltd, Capricorn Mobile (Pty) Ltd and Capricorn Investment Group (Pty) Ltd. The company has a 84.8% shareholding in Capricorn Investment Holdings (Botswana) Ltd, which in turn holds 100% of the share capital in Bank Gaborone Ltd (BG), a 97.9% shareholding in Capricorn Capital Holdings Zambia PLC, which owns 100% of Cavmont Bank Ltd (CB), a 55.5% shareholding in Entrepo Holdings (Pty) Ltd (Entrepo) which owns 100% of Entrepo Life Ltd and Entrepo Finance (Pty) Ltd, a 29.5% shareholding in Sanlam Namibia Holdings (Pty) Ltd, a 28% shareholding in Santam Namibia Ltd, a 17.7% shareholding in Paratus Namibia Holdings Ltd (refer to note 21) and a 30.0% shareholding in Paratus Group Holdings Ltd.

These condensed consolidated interim financial statements were approved for issue on 18 February 2020 and have been reviewed, not audited.

2. BASIS OF PRESENTATION

The reviewed condensed consolidated interim financial statements of Capricorn Investment Group Ltd for the six months ended 31 December 2019, have been prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and presentation and disclosure requirements of (IAS) 34 Interim Financial Reporting as well as the Companies Act of Namibia. The condensed consolidated interim financial statements should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2019, which have also been prepared in accordance with IFRS.

3. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for amendments listed in note 5. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial statements for the year ended 30 June 2019, except for amendments listed in note 5.

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 31 December 2019

5. STANDARDS AND INTERPRETATIONS ISSUED

5.1 Standards and interpretations issued affecting amounts reported and disclosures in the current financial period

Standard issued affecting amounts reported and disclosures and that has a material impact on the group is IFRS 16 Leases.

Right-of-use assets of N$182,8 million and lease liabilities of N$190,6 million have been disclosed in the property and equipment and other liabilities line items on the statement of financial position respectively.

5.2 Standards and interpretations issued but not yet effective

Standard issued but not yet effective that could have a material impact on the group is IFRS 17 Insurance Contracts.

6. SEASONALITY OF OPERATIONS

Capricorn Group does not experience any significant seasonality of business operations.

7. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

7.1 Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 30 June 2019. There have been no significant changes in the risk management department or risk management policies since the year-end.

7.2 Liquidity risk

Senior debt to the value of N$142.8 million was raised during the six months ended 31 December 2019 under the group's medium-term note programme registered with the JSE.

7.3 Fair value estimation

The table alongside analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Fair value hierarchy

IFRS specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; and unobservable inputs reflect the group's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of the over-the-counter derivative contracts, traded loans and issued structured debt. The sources of input parameters like JIBAR yield curve or counterparty credit risk are Bloomberg and Reuters.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The group considers relevant and observable market prices in its valuations where possible. No transfers of financial instruments have been made between fair value hierarchy levels during the six months ended 31 December 2019. There were no changes in valuation techniques during the period.

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 31 December 2019

7. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

7.3 Fair value estimation (continued)

Assets and liabilities measured at fair value

	Level 1 N$'000	Level 2 N$'000	Level 3 N$'000	Total N$'000
As at 31 December 2019 (reviewed)				
Financial assets measured at fair value				
Financial assets measured at fair value through profit or loss	**669,875**	**1,578,667**	**–**	**2,248,542**
Financial assets measured at fair value through other comprehensive income	**2,516**	**5,159,370**	**1,454**	**5,163,340**
	672,391	**6,738,036**	**1,454**	**7,411,881**
Financial liabilities at fair value through profit or loss				
Derivative financial instruments (included in other liabilities)	**–**	**4,801**	**–**	**4,801**
As at 31 December 2018 (reviewed)				
Financial assets measured at fair value				
Financial assets measured at fair value through profit or loss	782,972	1,104,782	–	1,887,754
Financial assets measured at fair value through other comprehensive income	138,407	3,880,427	–	4,018,834
	921,379	4,985,209	–	5,906,588
Financial liabilities at fair value through profit or loss				
Derivative financial instruments (included in other liabilities)	–	3,537	–	3,537
As at 30 June 2019 (audited)				
Financial assets measured at fair value				
Financial assets at fair value through profit or loss	673,150	1,364,395	–	2,037,545
Financial assets at fair value through other comprehensive income	1,768	4,739,565	1,392	4,742,725
	674,918	6,103,960	1,392	6,780,270
Financial liabilities at fair value through profit or loss				
Derivative financial instruments (included in other liabilities)	–	5,959	–	5,959

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 31 December 2019

7. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

7.3 Fair value estimation (continued)

	Valuation technique	Type of input	Valuation inputs – ranges 31 Dec 2019 Reviewed	31 Dec 2018 Reviewed	30 June 2019 Audited
Details of level 2 fair value instruments:					
Financial assets measured at fair value					
Treasury bills	Income approach*	Note 1	**BW: 6.8% – 7.8% BG: 1.7 – 2.3%**	BW: 6.7 % – 8.4 % BG: 1.2 % – 1.5 %	BW: 6.8 % – 7.9 % BG: 1.2 % – 1.5 %
Government stock	Income approach*	Note 1	**BW & Entrepo: 7.0% – 10.4%**	BW & Entrepo: 4.7 % – 10.8 %	BW & Entrepo: 7.3 % – 9.9 %
Unit trust investments	Market approach**	Note 2	**BW: 7.1% – 7.7%**	Note 2	BW: 7.1 % – 7.7 %
Other debt securities					
– Corporate bonds	Income approach*	Note 1	**9.1%**	9.1 %	8.9 %
– OTC currency options	Income approach*	Note 1	**US$13.6 – 17.6**	US$12.6 – 15.9 €15.3 – 18.8	US$13.6 – 17.6 €16.3 – 17.1
– Derivative financial instruments	Income approach*	Note 1	**7.7% – 10.3%**	7.7 % – 8.5 %	7.7 % – 8.5 %
Financial liabilities measured at fair value					
Derivative financial instruments	Income approach*	Note 1	**7.7% – 10.3%**	7.7 % – 8.5 %	7.7 % – 8.5 %
Financial assets for which the fair value is disclosed					
Treasury bills	Income approach*	Note 1	**N/A**	BW: 6.7 % – 8.4 %	BW: 7.9 % – 10.7 %
	Income approach*	Note 1	**CB: 25.4% – 27.5%**	CB: 6.5 % – 18.8 %	CB: 13.6 % – 20.9 %
Government stock	Income approach*	Note 1	**BW: 7.5% – 10.4%**	BW: 4.7 % – 10.8 %	BW: 7.5 % – 15.2 %
	Income approach*	Note 1	**–**	CB: 16.0 % – 25.0 %	CB: 16.0 % – 25.5 %

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 31 December 2019

7. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

7.3 Fair value estimation (continued)

	Valuation technique	Type of input	Valuation inputs – ranges 31 Dec 2019 Reviewed	31 Dec 2018 Reviewed	30 June 2019 Audited
Financial assets for which the fair value is disclosed (continued)					
Loans and advances to customers					
– Discount rate	Income approach*	Note 1	**BW: 10.3% BG: 6.3% CB: 12.0% – 31.0% Entrepo: 18.5% – 21.5%**	BW: 10.5 % BG: 6.5 % CB: 10 % – 25.8 % Entrepo: 18.5 % – 21.5 %	BW: 10.5 % BG: 6.5 % CB: 12.0 % – 29.8 % Entrepo: 18.5 % – 21.5 %
– Earnings rate	Income approach*	Note 2	**BW: 6.5% – 19.1% BG: 4.3% – 41.0% CB: 8.0% – 33.3% Entrepo: 18.5% – 21.5%**	BW: 6.5 % – 19.7 % BG: 4.5 % – 32.0 % CB: 10.0 % – 30.0 % Entrepo: 18.5 % – 21.5 %	BW: 6.3 % – 19.7 % BG: 4.5 % – 32.0 % CB: 8.0 % – 30.5 % Entrepo: 18.5 % – 21.5 %
– Term to maturity	Income approach*	Note 3	**3 – 360 mths**	3 – 360 mths	3 – 360 mths
Financial liabilities for which the fair value is disclosed					
Other borrowings					
– Discount rate	Income approach*	Note 1	**BW: 7.7% – 10.6% CG: 4.2%*** **	BW: 7.9 % – 11.3 % CG: 4.7 %***	BW: 7.9 % – 10.7 % CG: 4.9 %***
– Earnings rate	Income approach*	Note 2	**BW: 7.6% – 14.5% CG: 4.2%*** **	BW: 8.0 % – 10.0 % CG: 4.7 %***	BW: 7.5 % – 15.2 % CG: 4.9 %***
Debt securities in issue					
Five-year callable bonds	Income approach*	Note 1	**BW: 8.3% BG: 3.6%**	BW: 9.0 % BG: 5.4 %	BW: 8.3 % BG: 5.8 %
Senior debt – unsecured	Income approach*	Note 1	**BW: 5.2% – 9.2% BG: 7.0%**	BW: 7.2 % – 9.7 % BG: 3.5 % – 7.5 %	BW: 5.2 % – 9.2 % BG: 3.2 % – 7.8 %
Deposits					
Promissory notes	Income approach*	Note 1	**BW: 6.8% – 7.6%**	BW: 7.2 % – 8.3 %	BW: 7.3 % – 7.9 %

* Income approach: Present value of expected future cash flows.
** Market approach: The fair value is determined with reference to the daily published market prices.
*** Loan denominated in US dollars
Note 1: Observable interest rates and yield curves observable at commonly quoted intervals.
Note 2: Contractual interest rates per transaction observable on the banking system.
Note 3: Contractual maturities per transaction observable on the banking system.
BW: Bank Windhoek Ltd
BG: Bank Gaborone
CB: Cavmont Bank Ltd
CG: Capricorn Group

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 31 December 2019

7. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

7.3 Fair value estimation (continued)

The following table represents the fair value of financial instruments carried at amortised cost on the statement of financial position:

	December 2019		December 2018		June 2019	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
N$'000	Reviewed		Reviewed		Audited	
Financial assets						
Cash and balances with the central bank	**1,247,283**	**1,247,283**	1,578,017	1,578,017	1,572,616	1,572,616
Financial assets at amortised cost	**839,553**	**894,591**	908,721	989,469	860,314	927,876
Due from other banks	**1,649,729**	**1,649,729**	1,332,686	1,332,686	1,724,043	1,724,043
Loans and advances to customers	**39,715,279**	**39,091,011**	37,580,673	37,999,473	38,049,583	39,383,373
Other assets	**462,382**	**462,382**	431,453	431,453	554,420	554,420
Financial liabilities						
Due to other banks	**1,273,584**	**1,273,584**	459,820	459,820	245,703	245,703
Other borrowings	**913,026**	**950,695**	1,677,307	1,698,545	996,372	1,014,814
Debt securities in issue	**5,411,139**	**5,617,666**	4,750,214	4,740,039	5,670,974	5,801,459
Deposits	**37,924,064**	**37,945,224**	34,776,118	34,777,648	36,984,725	36,984,956
Other liabilities	**858,251**	**858,251**	1,338,683	1,338,683	605,119	605,119

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 31 December 2019

8. CAPITAL MANAGEMENT

The table below summarises the composition of regulatory capital and the ratios of the group for the year ended 30 June 2019 and the six-month periods ended 31 December 2019 and 31 December 2018. During these three periods, the individual entities within the group complied with all of the externally imposed capital requirements to which they are subjected.

	December 2019 N$'000	December 2018 N$'000	June 2019 N$'000
	Reviewed		Audited
Tier 1 capital			
Share capital and premium	**765,507**	764,708	765,507
General banking reserves	**3,784,408**	3,824,841	3,843,797
Retained earnings	**1,441,120**	779,304	1,580,520
Minority interests	**182,106**	119,112	345,382
Subtotal	**6,173,141**	5,487,965	6,535,206
Deduct: 50% investments in group entities			
Goodwill	**(101,489)**	(101,489)	(101,489)
50% investments in deconsolidated financial subsidiaries, significant minority and majority insurance entities and significant commercial entities	**(416,231)**	(284,956)	(298,837)
Net total tier 1 capital	**5,655,421**	5,101,520	6,134,880
Tier 2 capital			
Subordinated debt	**409,572**	410,520	310,750
Five-year callable bonds	**409,572**	410,520	310,750
Current unaudited profits (including dividends paid)	**336,316**	356,466	–
Portfolio impairment	**376,114**	356,348	–
Minority interests	**57,545**	25,449	–
Subtotal	**1,179,547**	1,148,783	310,750
Deduct: 50% investments in group entities			
50% investments in deconsolidated financial subsidiaries, significant minority and majority insurance entities and significant commercial entities	**(371,874)**	(255,743)	(255,753)
Net total tier 2 capital	**807,673**	893,040	54,997
Total regulatory capital	**6,463,094**	5,994,560	6,189,877
Risk-weighted assets:			
Operational risk	**5,151,778**	4,625,671	4,866,635
Credit risk	**38,469,543**	35,959,500	37,205,932
Market risk	**801,406**	745,232	495,551
Total risk-weighted assets	**44,422,727**	41,330,403	42,568,118
Capital adequacy ratios:			
Leverage capital ratio	**11.4%**	11.2%	10.9%
Tier 1 risk-based capital ratio	**12.7%**	12.3%	12.3%
Total risk-based capital ratio	**14.6%**	14.5%	14.9%

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 31 December 2019

9. INCOME TAXES

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2019 is 27.5% (30 June 2019: 29.1% and 31 December 2018: 29.3%).

10. FINANCIAL ASSETS AT AMORTISED COST

The decrease in financial assets at amortised cost is due to the accounting of IFRS 9 impairment on financial assets.

11. INTANGIBLE ASSETS

Total additions in intangible assets during the period under review is mainly due to the capitalisation of project costs of N$25.7 million, which also represents the total additions and transfers for the period.

12. PROPERTY AND EQUIPMENT

Total additions to property and equipment during the period ended 31 December 2019 amounted to N$25.9 million.

13. OTHER BORROWINGS

	December 2019 N$'000	December 2018 N$'000	June 2019 N$'000
	Reviewed		Audited
Opening balance	**996,372**	1,313,433	1,313,433
Additions	**–**	799,555	451,360
Repayments	**(83,636)**	(440,158)	(770,874)
Accrued interest	**45,473**	66,983	140,202
Coupon payments	**(43,206)**	(68,124)	(140,793)
Foreign exchange loss/(gain)	**(1,977)**	5,618	3,044
Closing balance	**913,026**	1,677,307	996,372

Other borrowings consist of N$920 million long-term funding with IFC (International Finance Corporation), of which N$430 million has been repaid to date, as well as a long-term loan from AFD (Agence Française de Développement) of N$219 million. The balance is further made up of a Bank One loan of N$142 million and a loan from the Caliber Capital Trust of N$55 million.

The IFC loan is repayable semi-annually over a seven-year term with quarterly interest repayments. The first capital repayment was made in December 2017. Interest on the IFC loan is charged at three-month JIBAR plus an average spread of 2.95%.

The AFD loan is repayable semi-annually over a seven-year term with quarterly interest repayments. The first capital repayment is due in December 2020. Interest on the AFD loan is charged at three-month JIBAR plus a spread of 1.131%.

The interest on the Bank One loan is repayable quarterly over the one-year term of the loan with the capital amount being repayable at the end of the loan. Interest on the Bank One loan is charged at three-month LIBOR plus a spread of 2.3%.

The Caliber Capital Trust loan bears interest at Namibian prime plus 3.5% and is repayable at the end of the loan term.

The group complied with all debt covenant requirements relating to these loans in the current financial year.

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 31 December 2019

14. EARNINGS AND HEADLINE EARNINGS PER ORDINARY SHARE

	December 2019 Reviewed		
	Gross N$'000	Taxation N$'000	Net N$'000
Earnings			
Profit for the period attributable to the equity holders of the parent entity			**509,661**
Headline adjustments	(103)	29	(74)
Profit on sale of property and equipment	(103)	29	(74)
Headline earnings			**509,587**

	December 2018 Reviewed		
	Gross N$'000	Taxation N$'000	Net N$'000
Earnings			
Profit for the year attributable to the equity holders of the parent entity			476,410
Headline adjustments	14	(4)	10
Loss on disposal of property and equipment	14	(4)	10
Headline earnings			476,420

	June 2019 Audited		
	Gross N$'000	Taxation N$'000	Net N$'000
Earnings			
Profit for the year			929,889
Headline adjustments	(566)	–	(566)
Other	(566)	–	(566)
Headline earnings			929,323

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)
for the six months ended 31 December 2019

14. EARNINGS AND HEADLINE EARNINGS PER ORDINARY SHARE (CONTINUED)

	December 2019	December 2018	June 2019
	Reviewed		Audited
Number of ordinary shares in issue at period/year-end ('000)	**519,184**	519,184	519,184
Less: Treasury shares	**(7,068)**	(9,828)	(7,068)
Weighted average number of ordinary shares in issue during the period/year ('000)	**512,116**	509,356	512,116
Diluted weighted average number of ordinary shares in issue during the period/year ('000)	**512,934**	510,236	512,934
Earnings per ordinary share (cents)			
Basic	**99.5**	93.5	181.6
Fully diluted	**99.4**	93.4	181.3
Headline earnings per ordinary share (cents)			
Basic	**99.5**	93.5	181.5
Fully diluted	**99.3**	93.4	181.2

15. NET ASSET VALUE PER ORDINARY SHARE

	December 2019	December 2018	June 2019
	Reviewed		Audited
Net assets (excluding non-controlling interest) (N$'000)	**6,131,308**	5,587,656	5,815,396
Number of ordinary shares in issue at period / year-end ('000)	**512,116**	509,356	512,116
Net asset value per ordinary share (cents)	**1,197**	1,097	1,136

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)
for the six months ended 31 December 2019

16. DIVIDENDS PER SHARE

Capricorn Investment Group Limited declared and paid dividends amounting to N$186.9 million during the six month period ended 31 December 2019 (30 June 2019: N$311.5 million and 31 December 2018: N$155.8 million).

Refer to note 21 for dividends declared after the reporting period.

17. CONTINGENT ASSETS, LIABILITIES AND COMMITMENTS

	December 2019 N$'000	December 2018 N$'000	June 2019 N$'000
	Reviewed		Audited
17.1 Capital commitments			
Contracted for but not yet incurred	**9,314**	246,475	1,743
Authorised but not contracted for	**157,541**	123,464	192,645
17.2 Letters of credit	**107,460**	227,755	230,143
17.3 Liabilities under guarantees	**1,165,290**	1,106,491	1,280,854
17.4 Loan commitments	**1,827,896**	1,886,806	1,699,163

17.5 Pending litigations

There are a few pending legal or potential claims against the group, the outcome of which cannot at present be foreseen. These claims are not regarded as material, either on an individual or group basis. Provisions have been raised for these to the extent that the outcome is known.

18. RELATED PARTIES

The group did not enter into material new related party transactions and balances for the six months ended 31 December 2019.

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 31 December 2019

19. SEGMENT INFORMATION

The group considers its banking operations in Namibia and Botswana and microlending activities in Namibia as three operating segments. Other components include property development, unit trust management, asset management, and Zambian banking operations. However, these components each contribute less than 10% to the group revenue, assets and net profit after tax, therefore the group has no significant components other than banking and microlending activities. This is consistent with the internal reporting provided to the chief operating decision-maker, identified as the Group chief executive officer. The chief operating decision-maker is the person that allocates resources to and assesses the performance of the operating segment(s) of an entity.

	December 2019 N$'000	December 2018 N$'000	June 2019 N$'000
	Reviewed		Audited
Operating income			
Banking – Namibia	**1,350,649**	1,286,191	2,525,283
Microlending – Namibia	**134,208**	112,329	237,264
Banking – Botswana	**176,681**	150,202	307,683
Other	**125,955**	139,219	307,580
Total	**1,787,493**	1,687,941	3,377,810
Profit after tax for the period/year			
Banking – Namibia	**443,492**	422,180	797,715
Microlending – Namibia	**96,519**	80,037	171,823
Banking – Botswana	**32,615**	30,150	59,655
Other	**(15,401)**	(15,920)	(13,894)
Total	**557,225**	516,447	1,015,299
Total assets			
Banking – Namibia	**41,199,327**	37,938,369	39,537,291
Microlending – Namibia	**1,366,790**	1,187,057	1,264,384
Banking – Botswana	**7,901,430**	7,248,425	7,486,836
Other	**2,438,783**	2,548,053	2,389,444
Total	**52,906,330**	48,921,904	50,677,955

08 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 31 December 2019

20. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Acquisition of associate

On 1 July 2019, the group concluded a 30% acquisition in Paratus Group Holdings Ltd (Paratus). Paratus and its subsidiaries and associates provide services in 24 African countries, the most significant of which are Angola, Namibia, Zambia and Botswana.

21. EVENTS SUBSEQUENT TO PERIOD-END

Dividends declared

On 18 February 2020 an interim dividend of 30 cents per ordinary share was declared for the period ended 31 December 2019, payable on 27 March 2020. The last day to trade shares on a cum dividend basis is on 6 March 2020, the first day to trade ex dividend is 9 March 2020 and the record date is 13 March 2020. The interim dividend amounting to N$155.8 million has not been recognised as a liability in the condensed consolidated interim financial statements. It will be recognised in the statement of changes in equity for the year ended 30 June 2020.

Paratus Namibia Holdings rights issue

Effective 1 January 2020, Paratus Namibia Holdings Ltd acquired the remaining shares in Paratus Telecommunications (Pty) Ltd (registered in Namibia), through a share swap transaction with Paratus Group Holdings Ltd (registered in Mauritius). The share swap transaction resulted in the direct interest held in Paratus Namibia Holdings Ltd by Capricorn Group to decrease from 30.0% to 17.7%. The effective interest held in Paratus Namibia Holdings Ltd by Capricorn Group remains 30.0%.

22. NEW DIRECTOR APPOINTMENT

Ms Erna Solomon, an experienced information technology expert who has held various executive positions, has been appointed to the board of Capricorn Group with effect from 1 November 2019.