

2022

VALUE CREATION  
SUMMARY



Capricorn Group



# About this summary report

We invite you to use this summary report as an overview of Capricorn Group's performance for the financial year from 1 July 2021 to 30 June 2022. The purpose of this report is to keep our stakeholder updated and to ensure accessible and transparent information about our Group.

You will find a short profile of the Group in this summary, and commentary on our performance, activities and engagements as we aspire to bring about positive change.

When we refer to the Group in this summary, we mean Capricorn Group's financial services operations in Namibia and Botswana. These operations are primarily focused on banking, insurance, wealth and asset management, microfinance and telecommunications.

Any forward-looking statements in this summary are uncertain and your investment or engagement decisions should not be based on these. This summary does not replace our full integrated report and annual financial statements. It is an extract from the 2022 Integrated Annual Report approved by the board on 13 September 2022.

We are catalysts for sustainable opportunities that bring positive change. We strive to have an organisational culture that encourages exceptional performance, accountability and a strong sense of responsible behaviour. We want to improve lives through leadership in financial services by being Connectors of Positive Change.

**40**  
1982 - 2022  
CELEBRATING  
**YEARS**  
OF NAMIBIAN BANKING EXCELLENCE



This year we celebrate 40 years of banking excellence at Bank Windhoek. Our design is based on the characteristics and features of the precious stone, ruby. Through the ages, the ruby represented nobility, purity, and passion. This aligns with the conviction of a small group of Namibians, who founded Bank Windhoek with an ambition to make a difference and a value system of integrity, entrepreneurship, commitment, hard work, perseverance and dedication.

Bank Gaborone, in turn, celebrated 15 years of impactful banking in September 2021.



## Salient comments



*2022 was a year of recovery and strong execution against our strategy. Our financial performance is testimony to prudent management despite the double challenge of the high cost of funding and low liquidity levels across our two geographies.”*  
– Gerhard Fourie, chairperson

### Highlights

- > Delivering on key customer-facing projects for our #gobeyond programme
- > Expanding our growth plans for Botswana with the successful launch of microlender Peo Finance
- > Overall profit after tax increasing 16.6% to N\$1.15 billion
- > Collaboration with government to represent Namibia at COP26 and the World Economic Forum while participating in the Namibian Business Rescue Task Force
- > Opening of Capricorn Corner, our new state-of-the-art office facility in Klein Windhoek

### Constraints

- > The high cost of funding and low liquidity levels in Namibia and Botswana
- > Demand for credit remained muted in the private sector
- > The prevailing poor economic conditions meant that our credit risk increased



*I am particularly proud of the many work and income-earning opportunities provided to local businesses and their employees, especially during a challenging period for the construction industry. Capricorn Corner is a proudly Namibian building – designed, constructed, equipped, furnished, and decorated by Namibians.”*  
– Thinus Prinsloo, Group CEO



## Our Purpose

Improving lives through leadership in financial services by being **Connectors of Positive Change**.

We improve lives by making a positive difference. We do this by constantly pushing the boundaries through innovation and improvement.

Leadership is the benchmark for everything we do and the way we do everything.

The sector we play in.

Our ambition is to be the undisputed best in delivering offerings with a clear and meaningful difference. Being Connectors of Positive Change is the outcome of our purpose.

### What it means to be Connectors of Positive Change

- > We connect our customers to products and services that positively impact their lives
- > We bring positive change to our communities by being a responsible corporate citizen
- > We encourage employee volunteerism through the Changemaker initiatives
- > We connect our customers, partners and suppliers with opportunities for growth
- > We seek to find innovative ways in which to bring together our customers and their aspirations
- > We collaborate with the like-minded to bring about positive change in the countries in which we operate
- > We are catalysts of sustainable opportunities

### The Capricorn Way

We realise our purpose by making deliberate strategic choices and working according to The Capricorn Way. The Capricorn Way directs us towards positive change and is underpinned by three beliefs:

1. We believe that  
**Purpose Inspires Leadership**
2. We believe that  
**Diversity Ignites Quantum Leaps**
3. We believe that  
**Being Connected Helps Us Grow**

### Our brand values

#### Inspired

We strive to empower the communities we operate in.

#### Open

We learn from the best and share our knowledge openly.

#### Dedicated

We aim to build deep customer relationships and put the needs of customers first.

## Our footprint

88.5% of the Group's profit after tax derives from Namibia.

The main contributors are:

**66.6%**

from Bank Windhoek

**16.3%**

from Entrepo

**5.4%**

from associates in Southern Africa including Namibia

**5.6%**

from Capricorn Asset Management/Capricorn Unit Trust Management Company

**6.1%**

from Botswana through Bank Gabarone

## Our material matters

Rank	Material matter	Related principal risk and Group principal risk officer oversight	Board committee oversight	Timeframe
1	Conducting business in the right way	People Compliance Reputation Operations Technology	Group board audit, risk and compliance committee ("BARC"), Group board sustainability and ethics committee ("BSEC")	Short, medium and long term
2	Managing risks effectively	Credit Capital Liquidity Market Finance and tax	BARC	Short, medium and long term
3	Embedding a customer-centric service culture	People Technology Reputation Operations	BSEC, Group board information technology committee ("GBITC")	Short and medium term
4	Building agile and high-performing teams	People Strategic Operations	Group board human resources ("HR") committee, Group board remuneration committee ("Remco")	Short and medium term
5	Ensuring a responsible COVID-19 response	People Reputation	BARC	Short term
6	Making a positive impact in society	People Reputation	BSEC	Short, medium and long term



## Connecting for positive change

### Our stakeholders



### Key focus areas

#### In the past year we focused on

Conducting a comprehensive stakeholder audit to test the effectiveness of our stakeholder relationships and to identify stakeholder priorities.

Actively engaging with the Group's key suppliers to strengthen relationships.

Continuing to collaborate with subsidiaries on key stakeholder engagements.

Exploring online stakeholder monitoring and reporting platforms.

Increasing the Group's visibility in the media through a steady heartbeat of media releases.

#### In the next year we plan to focus on

Implementing the second Pulse survey to gauge whether there has been an improvement in the holistic wellbeing, resilience and change readiness among employees.

Enhancing the Group's stakeholder engagement plan in response to the stakeholder audit.

Conducting a dipstick brand and stakeholder audit to track brand perceptions and relationships.

Implementing an online stakeholder and monitoring and reporting platform.

Maintaining the Group's visibility in the media through a focused media strategy.



The annual Mirror survey invites employees to provide feedback on their engagement and identifies **opportunities to enhance our working environment**. In 2022, we repurposed the survey and successfully launched it with a **91% participation rate**.

In 2022 we launched the Group's Twitter account to complement the Group's **social media presence**. Content management plans are in place to ensure **brand visibility and effective communication** to stakeholders across the Group's **internal and external communication channels** (intranet, website, Facebook pages, LinkedIn, Twitter, and YouTube).

In October 2021, we recognised **Capricorn Group individuals and teams who surpassed expectations** in the past financial year through the online Capricorn Awards. This awards ceremony **celebrated the best performing branches** across different categories, the best performing region, individuals who exemplify excellent service and Group CEO awards for service, leadership and Being a Connector of Positive Change.

The MyCapricorn **employee app continues to serve as a critical engagement platform** for all Group entities with their teams. At present, **87% of our employees are registered**, and employees spend **26 hours on the app per month**. In 2022, we enhanced the app by integrating leave.

Capricorn Group hosted an **Inspire Session on mental strength titled The Road to Re-Discovery**. The session aimed to give the public a new perspective on COVID-19. The event allowed **face-to-face engagement** and was live-streamed via the Group's Facebook and YouTube pages. Attendees on both physical and virtual platforms were eager to engage on the topic.

Capricorn Group continues to **focus on employee wellness** to improve employee health, reduce absenteeism and lift productivity. With the assistance of an external provider, we **aim to detect and prevent cardiovascular and metabolic diseases** like heart attack, stroke, hypertension, obesity and diabetes. Our onsite clinic is accessible to Namibian employees. In 2022, we **raised awareness of our clinic services**, including eye testing, hearing screening and counselling. We conducted campaigns to educate employees about disease areas, including COVID-19, diabetes, breast cancer and epilepsy.

## Our strategic choices



We will transform our business using data and digital to achieve superior customer experience, lower cost to serve and scalable competitive advantage



We will grow through entrepreneurial action in order to contribute to a sustainable organisation



We will prioritise diversity, equity and inclusivity focusing on race and gender to represent the demographics in our chosen markets, including future-fit leadership, as a catalyst for growth

### Strategy formulation

### Strategy formulation and monitoring

### Strategy execution



**What is our purpose?**



**Where will we compete?**



**How will we win? How will we know if we are executing strategy?**



**What are the capabilities and competencies to execute strategy?**



**Which management systems are required to execute strategy?**



Improving lives through leadership in financial services by being Connectors of Positive Change.



Namibia and Botswana.



We will succeed by delivering on our strategic choices, creating a differentiating customer experience and achieving cost optimisation. Our strategy scorecard tracks progress via actions, outcomes, metrics and targets. We report quarterly to the board, which monitors performance and implementation.



Our core capabilities include strategic growth and distribution transformation. We invest in competencies that relate to Fourth Industrial Revolution skills, banking, management and future-fit leadership.

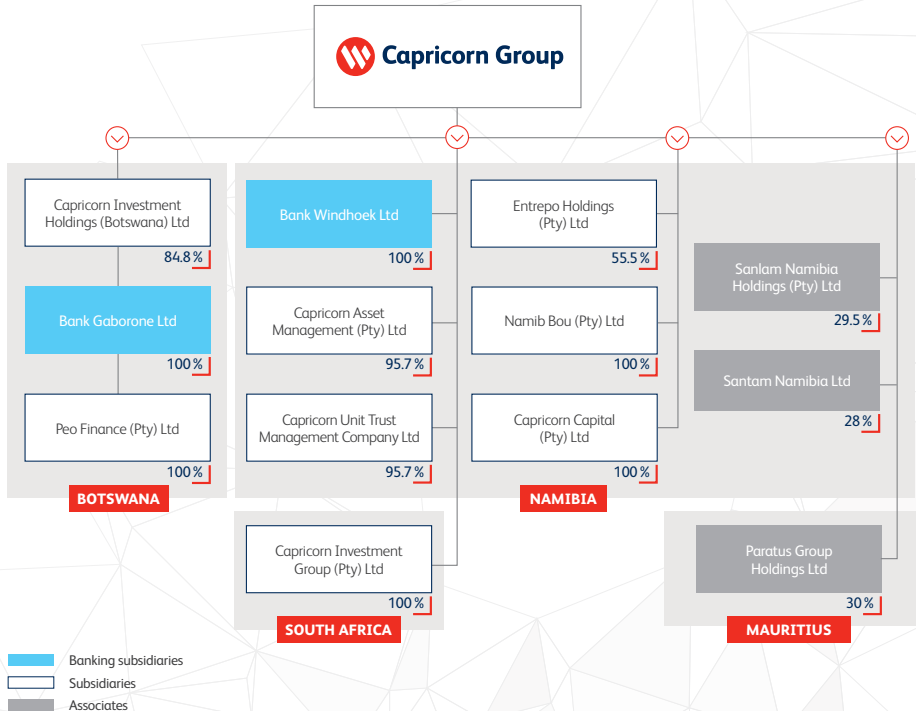


We rely on business platforms, information and analytics, risk management and systems of control to successfully execute our strategy.





## Capricorn Group operating subsidiaries and associates



The diversified nature of our Group, strong capital and liquidity position, continued resilience in challenging economic conditions and targeted growth ambitions underpin our compelling investor proposition.



## Our business model

We have a dynamic business model to create and preserve value while remaining true to our purpose.

### Inputs

#### SOCIAL AND RELATIONSHIP CAPITAL

We have long-standing and new customers across all segments in Namibia and Botswana  
We contract with a range of reliable suppliers  
Customer loyalty: Bank Windhoek is the largest locally owned bank and the second largest commercial bank in Namibia  
Bank Windhoek has a 34.8 % market share and Bank Gaborone a 7.5 % market share in loans and advances  
The Foundation and Changemaker initiatives contribute to communities in need  
The Capricorn brand is recognised and respected in the region

We maintained our social and relationship capital investment through the Foundation to support stakeholders in need.

Developing a comprehensive sustainability strategy to align sustainability initiatives across the Group is a priority in the short term.

#### HUMAN CAPITAL

1,994 permanent employees  
N\$7.6 million training investment to upskill employees  
Digital academy launched to improve our employees' digital skillsets.

Digital and data skills will be difficult to fill and expensive in the short to medium term.

#### INTELLECTUAL CAPITAL

Over 230 years' collective board member experience  
We have a Risk Culture and 14 principal risks, each with a risk owner  
We drive ethics awareness and behaviour through the Group Code of Ethics and Conduct Policy, The Capricorn Way and Suppliers Code of Conduct  
We are making progress with our #gobeyond digital transformation programme

We are investing in #gobeyond.

We are increasing our investment in cyber resilience over the short term.

#### FINANCIAL CAPITAL

Retained income of N\$6.5 billion (2021: N\$5.7 billion)  
Total assets of N\$60.4 billion  
Total loans and advances of N\$43.2 billion  
Total deposits of N\$43.6 billion  
CAM assets under management of N\$32.1 billion

Liquidity and funding in Namibia and Botswana will be constrained in the short to medium term, limiting the capital available for investment in growth projects.

We plan to modernise our branches to create a 'branch of the future' network over the medium to long term.

#### MANUFACTURED CAPITAL

66 banking branches/agencies, 171 ATMs, (including NCRS), 5,287 merchants and 5,480 POS devices  
24-hour customer contact centre  
IT systems and business continuity facilities  
Digital banking, apps and other platforms

Climate impacts from physical and transition risks and infrastructure quality might become a business constraint in the medium to long term.

When we invest in a new building or renovate an existing one, we aim to improve our energy and water efficiencies. Our new building, Capricorn Corner, utilises green technologies to reduce our environmental footprint.

Bank Windhoek's green bond positioned the bank as leader in sustainability finance. This is a potential growth area over the short, medium and long term.

#### NATURAL CAPITAL

Environmental and Social Management System  
Water, energy and paper

### Business activities

**Transactions** – we facilitate payments

**Loans, credit and deposits** – we provide credit, loans and savings or investment products

**Asset management** – we invest and manage assets on behalf of customers

**Advisory** – we provide investment banking and advisory services

**Bancassurance** – we provide short and long-term insurance products

**Foreign exchange and trade finance** – we provide currency access to global markets



**Shifts in outcomes expected over medium term as we implement our strategy**

**Outputs**

Products and Services

Banking

Specialised finance

Foreign exchange and trade finance

Lending

Wealth management

Asset management

Unit trust management

Bancassurance

Property development and evaluation

Micro-financing

**Waste**

Customer waiting time

Losses due to internal errors

**Outcomes**

**SOCIAL AND RELATIONSHIP CAPITAL**

More people are banking and insured  
 We make positive community impacts through the Foundation and Changemaker platform  
 The number of transactions increased  
 Our Net Promoter Score remained at 39%  
 Bank Windhoek received more awards

**HUMAN CAPITAL**

Employee turnover annualised at 7.07 %  
 Absenteeism at 4.96 %  
 Mirror survey results from 91 % participation rate, engagement score of 86 % and fully engaged 49 %  
 35,564 employees received training

**INTELLECTUAL CAPITAL**

New capabilities launched via bank and MyCapricorn apps  
 Non-performing loans mitigate through effective and proactive processes  
 Limited losses due to financial crime

**FINANCIAL CAPITAL**

Value created for all stakeholders (see value added statement) and dividends paid  
 Cost-to-income ratio down to 51.1 %  
 Return on equity of 15.0 % (2021:13.5 %)  
 Capricorn Group remains well capitalised with profit after tax increasing by 16.6 %  
 Business development plans are progressing

**MANUFACTURED CAPITAL**

Capricorn Group's footprint increased  
 Lower levels of cash in branches as more customers use digital banking

**NATURAL CAPITAL**

The Green Bond was fully allocated and matured last year.  
 We currently have funding from our Sustainability Bond which was issued June 2021. Up to June 2022 we raised N\$407 million in two tranches and made allocations to renewable (Solar PV) energy projects of N\$124 million and SME financing of N\$315,000  
 We are yet to finance a sustainable agriculture project

A wider variety of products and services will be linked to the Capricorn Group brand and underlying entities

Products and services will be simplified and easy to access

Less waiting time for clients and better customer experiences

Offerings will be more competitive and cost-effective

New clients in new markets/segments

New partnerships across banking and digital

Shifts in priorities and CSR based on stakeholder feedback and responses

Higher skills levels in data and digital

One team culture across subsidiaries

More diversified, inclusive and equity-representative teams

Improved workplace and employee satisfaction based on the Mirror survey, brand, communication audits and ethics survey

More client data will be available for analysis and insights

The #gobeyond programme will create a bank for the future

More diversified income streams with less exposure to interest rates

Scale achieved in Botswana will have a positive cost impact based on transaction volumes

Strong growth from new ventures making a material contribution to operating profit  
 Available and optimised capital and funding

Expanded digital footprint and capabilities  
 Scalable digital offerings/platforms

Operational efficiency will optimise resource use

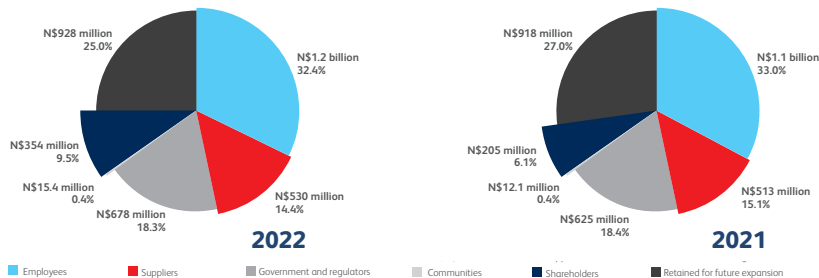
Bank Windhoek will remain a leader in sustainable financing

## Shared financial value as an outcome

	Value and ratio 2022	Value and ratio 2021	% change
<b>Stakeholder sharing in financial and other value created</b>			
<b>Employees</b> In addition to remuneration, employees receive rewards, recognition and have opportunities for career and personal development.	N\$1.2 billion 32.4%	N\$1.1 billion 33.0%	7.4
<b>Suppliers</b> Suppliers have a market for their products and services and opportunities to expand the range and nature of their contracts with the Group.	N\$530 million 14.4%	N\$513 million 15.1%	3.3
<b>Government and regulators</b> The Group pays taxes, duties and licence fees in the territories where we operate and supports government in maintaining a stable, trustworthy and well-functioning financial system.	N\$678 million 18.3%	N\$625 million 18.4%	8.6
<b>Communities</b> The Capricorn Foundation is the Group's vehicle for its main community activities in Namibia and is funded by the subsidiaries. In addition to their financial contribution to the Foundation, all subsidiaries run their CSR initiatives. The Group also runs a Changemaker employee volunteer programme to support vulnerable communities. The 2022 contribution to the communities by the Group includes funds contributed to the Foundation by the subsidiaries by 30 June 2022 but not expensed in full.	N\$15.4 million 0.4%	N\$12.1 million 0.4%	26.9
<b>Shareholders*</b> Shareholders receive dividends and benefit from funds retained for future growth opportunities.	N\$354 million 9.5%	N\$205 million 6.1%	72.5
Retained for future expansion	N\$928 million 25.0%	N\$918 million 27.0%	1.1

\* During the current year, the value shared with shareholders was updated to include only ordinary dividends. On previous reports, preference dividends were also included in this line item. In the current period, preference dividends paid to preference shareholders are disclosed as part of value shared with suppliers. Comparative numbers for 2021 have been restated to ensure comparability.

### Value and ratio





## Investment case

Operating profit  
**N\$1.51 billion**

(2021: N\$1.29 billion)

Profit after tax  
**N\$1.15 billion**

(2021: N\$983.0 million)

Net asset value per share  
**1,427 cents**

(2021: 1,294 cents)

Capital adequacy ratio  
**15.8%**

(2021: 15.0%)

Dividend per share  
**72 cents**

(2021: 60 cents)

Return on equity ("ROE")  
**15.0%**

(2021: 13.5%)

Earnings per share  
**204.9 cents**

(2021: 170.7 cents)

Headline earnings per share  
**205.4 cents**

(2021: 173.4 cents)

Price to book ratio\*  
**0.9**

(2021: 1.0)

Price earnings ratio\*  
**6.5**

(2021: 7.6)

Dividend yield\*  
**5.4%**

(2021: 4.6%)

Cost-to-income ratio  
**51.1%**

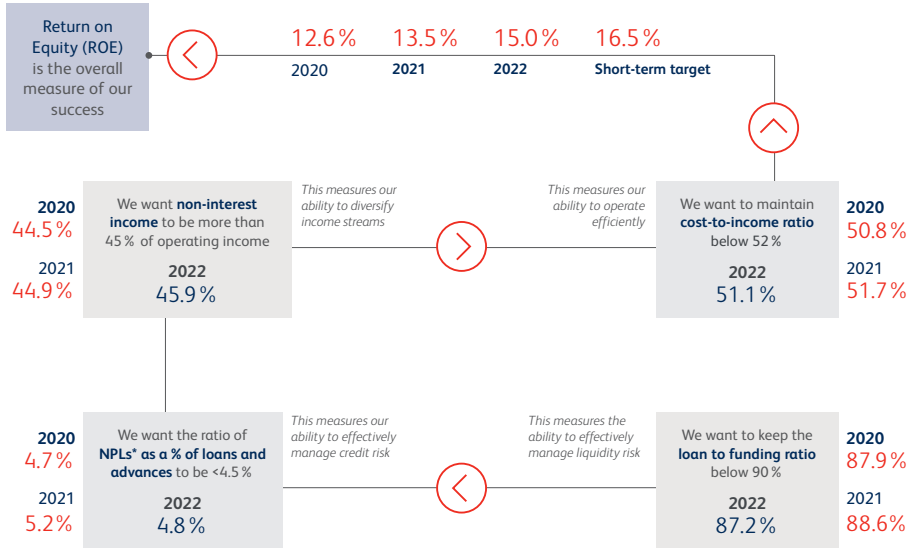
(2021: 51.7%)

\* Based on the closing share price as at 30 June 2022.

### What makes Capricorn Group a great investment?

- > A successful diversification strategy
- > A strategic and responsive investment approach
- > The quality of our operations
- > An enhanced customer experience
- > We are stable, reliable and well capitalised
- > We have a strong and respected brand
- > We have a strong ethical culture, entrepreneurial spirit and commitment to transparency

## Performance overview



\* Excluding interest in suspense

The Group delivered strong results with profit after tax increasing by 16.6% to N\$1.15 billion, despite the economic pressures exacerbated by rising inflation on the back of increased global oil and food prices. Our region fortunately witnessed increased economic activity as COVID-19 related restrictions were eased.”

– Johan Maass, Group CFO



## Financial highlights

- > ROE increased to 15.0% (2021:13.5%).
- > Group profit after tax increased by 16.6% to N\$1.15 billion (2021: N\$983.0 million), indicating a strong recovery from COVID-19.
- > Impairment charges decreased by 17.2% to N\$367.3 million, mainly attributed to an improved operating environment positively impacting the key credit risk indicators, resulting in a lower increase in provisions than what was required in 2021.
- > The Group's NPL ratio (excluding interest in suspense) recovered to 4.8%, which is better than expectations, but is a result of a deliberate attempt to manage credit risk effectively.
- > Non-interest income improved by 13.1% to N\$1.67 billion (2021: N\$1.48 billion), once again ahead of pre-pandemic levels. This is largely attributed to a N\$111.5 million increase in net trading income, mainly from foreign exchange trades and derivatives.
- > Transaction-based fee income increased by 18.7%, driven mainly by increased transaction volumes on the back of improved economic activity.
- > Bank Windhoek's net interest income increased by 7.4% as it maintained its net interest margin, while increasing market share from 33.8% to 34.8%.
- > Bank Gaborone's profit after tax increased 33.4% to BWP65.0 million (2021: BWP48.7 million).
- > Peo Finance, our newly established microlending business serving government employees in Botswana, experienced strong demand and growth in its first seven months of operations.
- > CAM and CUTM navigated a difficult year to produce a net profit after tax growth of 3.4% (2021: 12%). CAM remained the largest asset manager in Namibia with an AUM of N\$32.1 billion as at 30 June 2022. (2021: N\$31.8 billion).
- > Net asset value per share increased by 10.3% to 1,427 cents (2021: 1,294 cents).
- > Earnings per share increased by 20.0% to 204.9 cents (2021: 170.7 cents).

## Financial lowlights

- > Entrepo's profit after tax decreased to N\$199.2 million (2021: N\$226.2 million), as new business growth and net interest margins came under pressure.
- > Net interest margins at Bank Gaborone were negatively impacted due to rising cost of funding as inflation continued to soar and raised investors' expectations on interest rates. This was further exacerbated by stiff competition for funding in a decreasing liquidity environment as government bonds auctions have since been increased from quarterly to monthly. Yields on government stock increased across the curve by between 0.21% and 1.80% over the financial year, whilst inflation increased from 8.20% in June 2021 to 12.70% in June 2022. Net interest margins at Bank Gaborone decreased to 2.9% (2021: 3.8%).
- > Rising inflation accompanied by an interest rate hiking cycle is putting additional pressure on our customers to service their loans. Despite an improving NPL ratio during the current financial year, our efforts will need to be amplified to ensure that credit risk remains effectively managed.

## Salient performance of our main subsidiaries

### Bank Windhoek

**7.4%**

growth in net interest income  
(2021: 2.7%)

**13.0%**

decrease in impairment charges  
(2021: 23.8% increase)

**10.3%**

growth in non-interest income  
(2021: 4.3%)

**9.1%**

increase in liquid assets  
(2021: 2.7%)

**21.9%**

increase in operating profit  
(2021: 4.9% decrease)

**4.5%**

decrease in NPLs (including interest in suspense)  
(2021: 31.3% increase)

**34.8%**

market share in loans and advances  
(2021: 33.8%)

Net interest margin of

**4.37%**

(2021: 4.36%)

### Bank Gaborone

**7.6%**

decrease in net interest income  
(2021: 5.4%)

**58.2%**

decrease in impairment charges  
(2021: 34.0% decrease)

**33.3%**

growth in non-interest income  
(2021: 28.8%)

**27.2%**

growth in liquid assets  
(2021: 24.4%)

**23.9%**

increase in operating profit  
(2021: 12.9%)

**7.2%**

increase in NPLs (including interest in suspense)  
(2021: 2.8% decrease)

**7.5%**

market share in loans and advances  
(2021: 7.4%)

Net interest margin of

**2.91%**

(2021: 3.79%)



## Capricorn Asset Management and Capricorn Unit Trust Management

**N\$32.1 billion**

AUM

(2021: N\$31.8 billion)

**4.7%**

growth in non-interest income

(2021: 12.9%)

**4.7%**

increase in operating profit

(2021: 12.9%)

## Entrepo Finance

Loan book decreased by  
**0.4% to N\$1.391 billion**

(2021: N\$1.397 billion)

Net interest income  
decreased by

**8.7% to N\$180.3 million**

(2021: N\$197.4 million)

Loan write-offs and provisions  
increased by

**8.0% to N\$17.4 million**

(2021: N\$16.1 million)

External funding as a percentage of the total loan book  
decreased from **33.2% to 30.8%**

## Entrepo Life

Net premium income  
decreased by  
**1.2% to N\$161.3 million**

(2021: N\$163.3 million)

Claims paid increased by  
**36.3% to N\$48.4 million**

(2021: N\$35.5 million)



## Board member profiles



**Daniel Gerhardus Fourie (64)**  
BCom (Hons),  
CA(SA), CA(Nam)

Independent  
non-executive  
chairperson



**Daniel Teodor Kali (53)**  
BA, MPhil

Lead Independent  
non-executive Director



**Dirk Johannes Reyneke (60)**  
BCom, BCompt  
(Hons), CA(SA),  
NDIP in Advanced  
Banking

Independent  
non-executive director



**Marthinus Johannes Prinsloo (51)**  
BCompt (Hons),  
CA(SA), Cert.Dir.  
(SA)

Group CEO and  
executive director



**Jacobus Christiaan Brandt (79)**  
BA LLB

Non-executive director



**Erna Solomon (60)**  
BSc (Ed), BSc  
(Hons), MSc,  
Global Executive  
Development  
Programme

Independent  
non-executive director



**Johannes Jacobus Swanepoel (62)**  
BCom (Hons)  
(Accounting),  
CA(SA), CA(Nam)

Independent  
non-executive director



**Goms Menetté (55)**  
MBA, PGDip in  
Management  
Studies, NDIP  
in Business  
Administration

Non-executive director



**Gida Nakazibwe-Sekandi (69)**  
LLB, Accredited  
Public Relations  
Practitioner (APR)

Independent  
non-executive director



**Heinrich Mihe Gaomab II (52)**  
BCom (Hons),  
PGDip in  
Quantitative  
Development  
Economics, MSc  
Quantitative  
Development  
Economics

Non-executive director



**Elizabeth Fahl (62)**  
Certificates in  
Human Resources  
Management,  
Management  
Development  
Programme

Independent  
non-executive director



# Governance at a glance

## Our approach to governance

We support the principles of good corporate governance, including transparency, discipline, independence, accountability, responsibility, fairness and social conscience. By embracing these principles, we protect stakeholders' interests and our long-term sustainability.

The board and its committees are the custodians of effective leadership and ethical practices and ensure that the application of corporate governance practices delivers the desired outcomes.

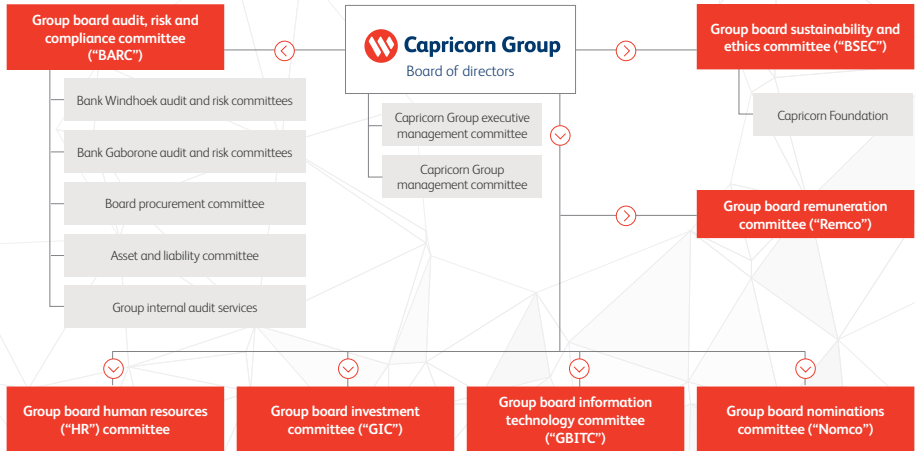
The board acknowledges its responsibility for setting the leadership tone. The board oversees management's work to embed The Capricorn Way and foster an ethical culture with behaviours based on a common set of values. We also encourage a strong Risk Culture that supports dynamic risk management.

Our key board practices and activities focus on:

- > Open and rigorous discussion
- > Active participation
- > Consensus in decision-making
- > Independent thinking and varied perspectives
- > Reliable and timely information

Find more detail about our governance approach, structures and performance in the online governance report.

## Our governance system





## Capricorn Group's social contribution

During the period under review, the Capricorn Group and its subsidiaries in Namibia and Botswana, including the Capricorn Foundation, invested N\$15.4 million in corporate social responsibility initiatives, representing 1.3% of profit after tax (2021: N\$12.1 million), in line with the Group's CSR policy guideline of 1% of profit after tax.

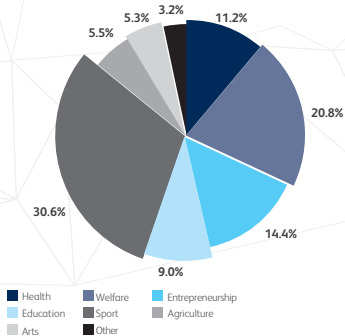
This is a consolidated view of the CSR activities of the Capricorn Foundation, Capricorn Group, Bank Windhoek, Bank Gaborone, CAM and Entrepo. Each entity has specific CSI focus areas, but all contribute to the Foundation (excluding Bank Gaborone). For a more in-depth view on our CSR activities, view our Social Value report, which is available on our website.

	2022
*Capricorn Foundation	7,737,000
Capricorn Group	1,622,385
Bank Windhoek	5,277,514
Bank Gaborone	153,818
Capricorn Asset Management	210,749
Entrepo	394,250
TOTAL	15,395,716

\* The Capricorn Foundation is funded by the Group's Namibian subsidiaries Bank Windhoek, Capricorn Asset Management and Entrepo.

In addition to the Capricorn Foundation activities focusing on key areas such as Education, Economic Advancement and Vulnerability Programmes, Capricorn Group and its subsidiaries invested in the following sectors of the community: Health, Welfare, Arts, Entrepreneurship, Education, Sport and Agriculture:

Summary of the Group's contribution per CSR category





# Capricorn Foundation

The Capricorn Foundation was established in February 2020 as a Section 21 company and registered Welfare Organisation (WO499) as Capricorn Group's main vehicle for its corporate social responsibility initiatives. Over the past two years, the Foundation has positioned itself as a thought leader in corporate social responsibility in Namibia, building strong networks and promoting collaboration with both NGOs and the government.

## The Foundation's vision

The Capricorn Foundation agreed on a new vision statement in May 2022, aligned with the Group's CSR vision.

The Capricorn Foundation aspires to be a Connector of Positive Change by being accountable to ourselves and to our stakeholders. It seeks to make an overall positive economic and social impact on society by responsibly investing in sustainable programmes that addresses national priorities in line with national and Sustainable Development Goals.

## What we do

The Foundation's main aim is to identify and fund programmes, projects or organisations that need support to impact local communities positively. We want to:

- Act as the main "vehicle" through which the Group manages its CSR activities in Namibia
- Solicit funds from other donor companies, individuals and organisations which share our vision
- Seek collaboration and partnerships between the programmes, projects or organisations supported by the organisation to achieve greater impact and consolidation of efforts
- Provide financial and non-financial (in-kind) support to identified projects, programmes or organisations
- Implement and maintain a well-defined process for monitoring and evaluating the progress and impact of our support

## What we want to achieve

The Foundation seeks to support the Group's CSR vision, definition and philosophy through the central coordination of CSR activities. We aim to achieve the following objectives:

- Live up to the Group's purpose of being "Connectors of Positive Change"
- Move away from charitable and ad-hoc corporate social investment ("CSI") to create meaningful value for society
- Run the Foundation on the principles of sustainability
- Support fewer but more impactful projects
- Improve the measurement of and reporting on the impact of our projects
- Align our CSR closer to our business model and competencies
- Partner with like-minded foundations and institutions to address national concerns
- Actively engage our stakeholders to identify community needs



# What does it mean to thrive?

It means to prosper. And through the right collaboration we can flourish together. When you prosper you find affirmation in your decisions and strengthen your resolve to reach your goals.

At Capricorn Group we want you to thrive. It all starts with collaborating with the right people. With the knowledge that you are part of something bigger.

Together, we grow our potential.

Capricorn Group, Connectors of Positive Change.

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

**Capricorn Group**



We welcome feedback from our stakeholders and would like to answer any further questions.  
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