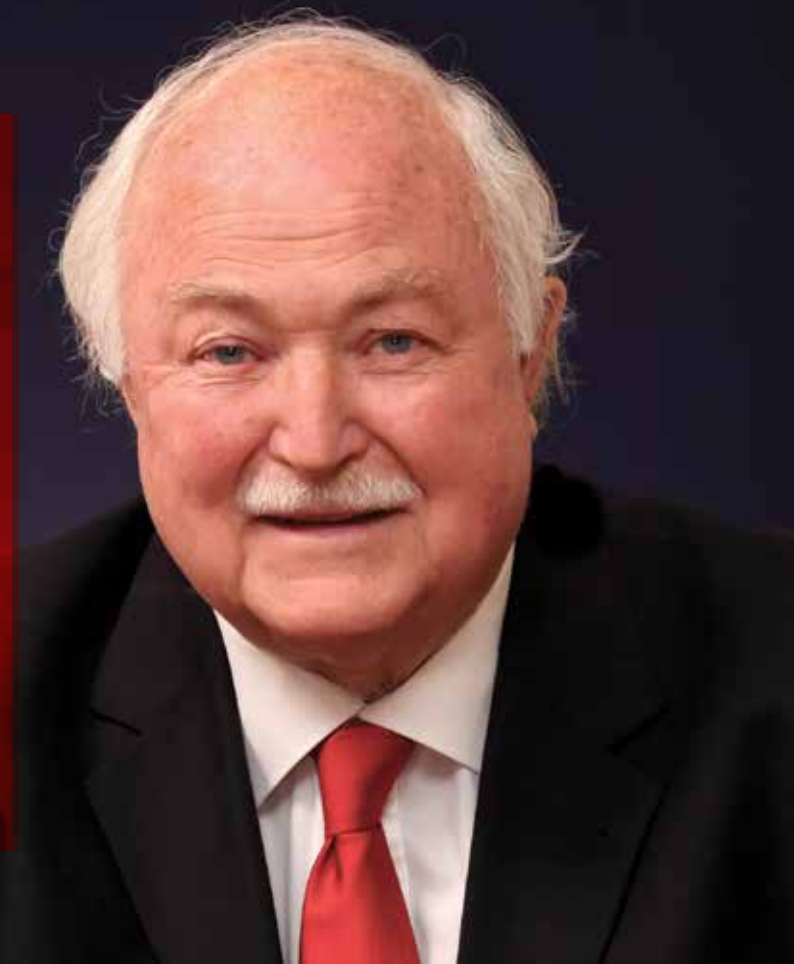


Capricorn Group, a Namibian success story

“It never occurred to me that failure was an option. We just had to succeed and make things work.”

– Koos Brandt, retired Chairman,
Capricorn Investment Group Limited



“It was the best of times;
it was the worst of times.”

– Charles Dickens, *A Tale of Two Cities*

It was a time of instability and a time for entrepreneurial ingenuity – it was the year 1982 – an era much like the present one, full of volatility in the economic and financial spheres with extraordinary opportunities arising in the ever-evolving market. And yet, on a day much like today, a group of entrepreneurs set out to challenge new frontiers in the Namibian market, not knowing then that

they would alter the course of history and create a Namibian financial group that would impact the country and Southern Africa.

These nine courageous men embarked on a journey where they faced the odds in a then cimmerian political environment and established the first-ever Namibian bank on 1 April 1982. All they had at the time was vision, self-belief, determination and meagre means to accomplish this extraordinary feat in a market dominated by external financial institutions.



Fast forward to 2013, and it is almost unbelievable that BWH (now Capricorn Group) has grown sustainably and responsibly in a phenomenal way and continued to conquer and expand. Five years ago, on 20 June 2013, BWH, a truly Namibian company, leapt into unfamiliar territory when it listed on the Namibian Stock Exchange (NSX), for the greater good of business, a nation's economic growth and in the name of relentless progression. A bell-ringing function marked the issue of Bank Windhoek Holdings ordinary shares that provided all stakeholders, including previously



disadvantaged Namibians, employees, customers and members of the Namibian public, an opportunity to acquire BWH shares and participate in the ownership of the BWH group. Prior to the listing, The Board of Directors of BWH has approved a once-off gratuitous allocation of 700 ordinary shares to Namibian staff members employed by the CIH group, as a token of appreciation for their hard work and in celebration of the listing of BWH shares on the (NSX), ensuring that all staff became shareholders in the group.

The listing was a milestone that set the stage for incredible growth that became apparent over the next five years. It is notable that Capricorn Group is the most successful listing on NSX to date and the group's books remain healthy considering the current economic environment. This is a testimony to the group's sensible management and the benefits of a regionalised decision-making model. Aside from the challenging operating environment, the group delivered a solid performance over the past five years. In 2013, Capricorn Group had a total comprehensive income of N\$515.6 million, compared to 2017's N\$931.1 million. This indicates a growth of 16% per annum over this period. The closing share price over this period also shows an increase of 78%. In 2013 an issue price of N\$8.75 per share was offered to members of the general public and the closing share price was N\$10.15 per share. By the end of June in 2017, it was N\$18.09.

“With the listing, we can say that the ownership of Bank Windhoek Holdings (now Capricorn Group) is now vested in the whole public.”
– Matheus Kristof Shikongo, Director, Capricorn Investment Group Limited

As from 1 January 2014, BWH acquired the entire issued share capital of Capricorn Asset Management (Proprietary) Limited

(“CAM”) and soon set out to develop a cohesive strategic focus for 2014 – 2017.

The AsOne strategy identified a need to establish the Group as a well-recognised and respected regional brand, and in turn, supporting local brands. This necessitated the development of a clear and well-defined brand architecture and a coordinated and integrated framework, to maximise the group’s brand equity. A monolithic brand architecture journey was embarked upon to simplify and refine the group’s brand architecture. This approach inspired the name change and new visual identity for the group. The decision to rebrand has opened exciting possibilities and signalled the birth of a value-driven brand.

The As One strategy also gave way for specific focus areas that were to be implemented over the designated period. These included: value created by offerings to customers (CVP), the value created by a reciprocal employee-employer handshake (EVP), loyalty vested in the brand through stakeholder engagement and channels and digitisation for unique customer experience. No time was wasted with the implementation, as just a year after the initial strategy development, In July 2015, a Digital Capabilities platform was established to define, deliver, operate and continuously improve on all digital channel capabilities and devices required by the group.

Then on Thursday, 22 September 2016, another profound milestone was reached when a new era, marked with the official renaming of the Bank Windhoek Holdings Group to Capricorn Investment Group Limited and its new brand values and brand proposition, was entered. This sparked the refreshing and rebranding of Capricorn Investment Holdings (CIH), who holds 41% of the shares in Capricorn Group. In the same month, Capricorn Group launched its first integrated report, and continued to grow and excel in this area, to the extent that it scooped up the Regional Integrated Reporting Award in 2017. This reward formed one of many significant focal points that transpired during 2017, as the initial

pioneering spirit of the founders continued to permeate the organisation in its unflinching way.

As Capricorn Group transitioned into a monolithic brand, new and exciting ventures developed, amongst which the expansion to Botswana and Zambia stands out prominently. By January 2017, Capricorn Group acquired the controlling shareholding of 68.7% in Capricorn Investment Holdings Botswana Limited, which in turn holds 100% of the share capital in Bank Gaborone. This transaction allowed for more synergies and collaboration between the group companies. Capricorn Group also bought 97.9% of the shares in CCHZ, which owns 100% of the share capital of Cavmont Bank in Zambia. Capricorn Group was now a regional financial services group with interests in banking, insurance, asset management, and investments with business interests throughout the Southern African region.

Based on the previously determined strategic focus area, the Employee Value proposition (EVP) work stream was established to implement a group-wide citizenship agenda, with the aim to radically redefine the employee experience by embedding the new group values and behaviours. Consequently, on 16 March 2017, the The Capricorn Way was launched across the group.

“Embedding a culture takes a few years to get right. I would like to believe that the resilience shown over the years by Capricorn Citizens would make this journey enjoyable and rewarding for all. A collaborative team effort, inspired by The Capricorn Way, can result in our group being widely recognised in the next few years as the most admired financial services firm in Africa, by our employees as well as our key stakeholders.”

– Thinus Prinsloo, Managing Director, Capricorn Group

At the hype of this transformation, the Capricorn Group brand became unparalleled as its subsidiaries converged. Capricorn Asset Management (CAM) refreshed their brand in line with the monolithic brand architecture and launched it internally and externally on 27 March 2017. It included the rebranding of the unit trusts from Bank Windhoek Unit Trusts to Capricorn Unit Trusts. Right on its heels, Bank Windhoek followed on 6 April with the launch of their new refreshed brand and later in the year on 19 October; Bank Gaborone followed suit. On 18 April 2017, the new brand Capricorn Private Wealth was launched internally with the focus on serving the banking and wealth management needs of the affluent clients of the Capricorn Group in one comprehensive offering. Capricorn Group was now elevated to a status never seen before in Namibia, and this piqued the interest of potential investors and partners.

On 12 May 2017, the largest institutional investor in Namibia, The Government Institutions Pension Fund ('GIPF') acquired a 26% interest in the issued ordinary shares of Capricorn Investment Group Limited. All the necessary regulatory approvals were received, and the transaction became effective. At the time the chairman of CIH and the Capricorn Group, Mr Koos Brandt said that they were extremely proud that GIPF has selected Capricorn Group for such a substantial investment and that it testified of GIPF's confidence in the Group to deliver attractive, yet sustainable returns and growth to investors. GIPF as a shareholder of reference to the group further enhances the value proposition of the Group to investors.

“The transaction is of great significance for GIPF as it provides GIPF with an opportunity to invest in high-quality Namibian assets, at a good price and market-related returns on behalf of the beneficiaries of GIPF. This transaction provides GIPF with a good avenue to invest locally, especially in light of increased local investment requirements,

and the reducing extent of dual-listed investments recognised as local assets.”

- Mr David Nuyoma, Chief Executive Officer, GIPF

As with all great stories success, there is always a remarkable lesson to be learned. And just so too, one of the original founding pioneers of Capricorn Group, Mr Koos Brandt, taught us that wisdom is an essential element in leadership, when he decided to retire as chairman of the boards of Bank Windhoek and Capricorn Group on 30 June 2017, but remained on these boards as a non-executive director.

He also remains the chairman of Capricorn Investment Holdings. Mr Brandt recognised that a particular stage of growth in an organisation requires a change in leadership. In his place, another capable leader, Mr Johan Swanepoel, the then vice-chairman of Bank Windhoek and Capricorn Group, became the chairman of these boards as from 1 July 2017.

In April 2018, Capricorn Group continued to impress, when the group diversified with a presence in South Africa, and June 2018 will see the launch of Capricorn Capital, the newly established corporate advisory with extensive investment banking experience and expertise.

What does the future hold for a competitive organisation such as Capricorn Group?

Considering that 2018 started off with what has become a known prediction for the group – **growth** – we can envisage more progress that will most likely become exponential. With an objective to be a catalyst of sustainable opportunities, and proving it through a substantial track record, it is clear that Capricorn Group indeed lives up to its vision and purpose – **to be a connector of positive change.**