






report
to
society

2015

For decades, we have used the
power of innovation
to build a better South Africa.

This report highlights just some of the ways in which we continue to invest our experience, expertise and talent for innovation into empowering our people, our customers and their communities in South Africa and beyond.

Key financial results

Normalised earnings		10%
ROE		23.2%
Core advances		10%

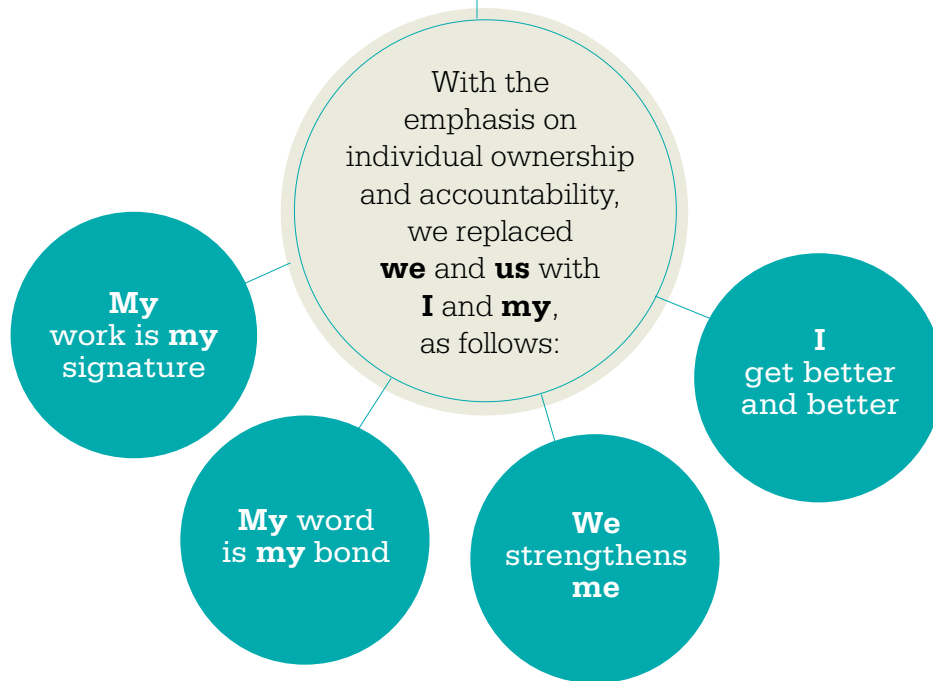
OPERATIONAL HIGHLIGHTS

WesBank continues to focus on **growing its core business**, while concurrently **developing meaningful and sustainable earning streams** from activities **complementary** to the core instalment finance operation in South Africa

About us

OUR SHARED VALUES

Last October, we updated the shared values that underpin our business, making them more relevant to the world we now operate in.



Winning recognition

1 is the ranking that our customers awarded us in the **BEST CAR LOANS CATEGORY** of the inaugural Bank of the Year survey conducted by the Sunday Times



invested in our
people

Our people in numbers

- ▶ Our 2015 **headcount was 2 705**, 5% down on the 2014 total of **2 849**
- ▶ We had **247 internal talent** moves during the year; of these, **28% were internal appointments, 33% transfers and 39% promotions**
- ▶ We had a total of **205** external appointments; of these, **74% were ACI** (African, Coloured and Indian) and **71% were** management level appointments

TRANSFORMING SOUTH AFRICA FROM WITHIN



- | | | | |
|--|---|--|--|
| <ul style="list-style-type: none"> ▶ We are taking active steps towards recruiting a workforce that reflects South Africa's demographics – and we recognise we still have work to do in key areas | <ul style="list-style-type: none"> ▶ We achieved our 2015 employment equity targets for all occupational levels except middle management | <ul style="list-style-type: none"> ▶ Even though we fell short on this target, we have achieved a 2% year-on-year increase in ACI representation at middle management level | <ul style="list-style-type: none"> ▶ Our disability declarations have increased by four from 53 to 57 |
|--|---|--|--|



Female representation in our workforce has remained stable in recent years

61%

of our employees are women

49%

of our managers are also women, a 1% rise year-on-year

At management level, women are represented as follows:

36% senior management

46% middle management

56% junior management

TRAINING AND DEVELOPMENT

- ▶ To achieve our strategic objectives, we continue to invest significant time and resources into developing our people's capabilities across all areas
- ▶ Skills development, leadership development and risk and compliance training are the three focus areas in this part of our business
- ▶ With transformation in mind, we place a particular emphasis on developing our ACI employees
- ▶ Total training spend for 2015 was R149 million; of this, we spent 63.9% on ACI employees, 53.9% on all WesBank women and 36.3% on ACI women

Skills development

SKILLING UP

- ▶ We develop our people's skills primarily through learnerships that lead to recognised qualifications for employees and meet our business needs
- ▶ We also make bursaries available to our top talents, with a maximum of 50 bursars at any one time
- ▶ After the Skills Development Levy rebate was cut from 40% to 20% in 2014, we redesigned our approach to skills development, making it more strategic
- ▶ The aim: to ensure lower funding still delivers maximum impact





Risk and compliance training

REDUCING RISKS, MAXIMISING COMPLIANCE

- ◆ In today's increasingly regulated environment, it is essential that our people are fully trained in risk and compliance
- ◆ 64% of our training numbers during 2015 fell under this area of our business
- ◆ To maximise cost efficiencies, we carry out most risk and compliance training using eLearning channels



Leadership development

LEADING THE LEADERS

- ◆ Those enrolled on our internal WesBank leadership programmes continue to achieve significant personal and professional growth
- ◆ We began the year with approval for a three-year strategic leadership development initiative – the Leadership Landscape Project
- ◆ **Pillar 1** of this project involves psychometric assessments to objectively determine our senior leadership potential and pipeline
- ◆ **147** senior and selected middle managers completed assessments and the analysis of their results is underway
- ◆ **Pillar 2** involves developing personalised development plans for each senior manager based on Pillar 1 analysis and recommendations
- ◆ **212** staff took part in our various leadership development programmes in 2015, including **71** ACI males and **94** ACI females



**enterprise
development**

EQUIPPING EMERGING ENTERPRISES TO THRIVE

WesBank actively supports the FirstRand group's B-BBEE supplier transformation and development strategy. This strategy incorporates a number of objectives that are essential to transforming South Africa's economy. These include:

- ▶ Increasing procurement spend with existing suppliers holding the targeted B-BBEE credentials
- ▶ Transforming existing suppliers by encouraging and helping them to raise current levels of black ownership and black women ownership
- ▶ Identifying opportunities to engage with new B-BBEE suppliers and increase spending with them
- ▶ Building and capacitating suppliers through the group's enterprise and supplier development programme

Case study

VUMELA: SUPPORTING THE SPIRIT OF ENTERPRISE

- ▶ Launched in 2009 on behalf of FirstRand, the Vumela enterprise development fund supports South Africa's development by investing in high-potential small and medium enterprises (SMEs)
- ▶ To date, Vumela has committed **R104 million** for investment into **10 SMEs** across five sectors including education, manufacturing and technology

In 2014-15, Vumela invested in ventures in the education, healthcare and shop fitting sectors:



- ▶ Destiny Changers Education Group, a private education business



- ▶ Business for Good, which manufactures retail merchandise



- ▶ Coega Autospray, which supplies the automotive industry



- ▶ Envande, rubber recycling specialists


A person is running on a paved road during a golden hour, likely sunrise or sunset. The scene is bathed in warm, orange light, creating a hazy atmosphere. The runner is wearing a red long-sleeved shirt and dark leggings with a red stripe down the side. The text 'health and wellbeing' is overlaid in a white-bordered box. 'health and' is in white, and 'wellbeing' is in a larger, bold orange font.

health and wellbeing

HEALTH IS WEALTH

- ◆ We think of **investing in our employees' health** and well-being as a win-win
- ◆ Promoting a **healthy lifestyle at work** helps people cut the risk of serious illness and enhance their quality of life
- ◆ In return, it reduces healthcare costs, cuts sick leave – and **boosts productivity at work**

PROMOTING HEALTHIER LIFESTYLES



During the year, we placed a particularly strong emphasis on encouraging our people to take their health and wellbeing seriously. Here is a snapshot of the campaigns and initiatives we launched with our partners under the It's My Life banner:

- ◆ **Health assessments**, involving over 460 staff, encouraged people to establish their HIV status and provided follow-up support
- ◆ **Blood drive**, which attracted 800 participants and raised awareness around the importance of giving blood
- ◆ **Fairland Wellness Day** to raise awareness around support available for a cross-section of conditions and attracted over 1 100 participants
- ◆ Our **Staff Financial Assistance Fund** was launched as a one-off project to support staff earning below R200 000 annually
- ◆ **Various other programmes** provided support and advice on conditions such as cervical cancer and TB



**invested in our
customers**



**SERVICE
EXCELLENCE**

DOING BUSINESS WITH WESBANK? IT'S SIMPLE



As digital technology becomes increasingly sophisticated,
our customers expect us to deliver faster access and higher levels of service online



iContract – which **allows customers to sign asset finance contracts with us anywhere in the world in just 10 minutes** – is just one example of this strategy in action



Our strategic response involves using **our talent for technological innovation** to make it even easier for customer to do business with us

iContract: THE SUCCESS STORY CONTINUES

The increasing popularity of iContract exemplifies our talent for using technology to benefit our customers:

- ◆ By the end of 2011, only 20% of our deals were signed through iContract
- ◆ Just 12 months later, that figure had risen sharply to 62,6% after passing the 50% mark six months earlier
- ◆ By June 2015, 82% of deals were concluded using iContract

Financial education



MAKING MONEY MAKE SENSE

- ◆ The average level of financial literacy among South Africans is notoriously low
- ◆ This has a direct impact on the well-being of our customers and their families
- ◆ In response, we have allocated around R2.5 million annually since 2014 specifically towards educating customers about vehicle finance
- ◆ Among other topics, our financial education programme covers budgeting, structuring finance contracts, car insurance, managing debt – and how to avoid repossessions



Products and services

MEETING OUR CLIENTS' NEEDS

With clients' needs and challenges in mind, we continue to launch innovative products and services. During the year, for example, we introduced:

- ◆ **Generator finance** for business, in partnership with FNB, to help to keep enterprises running during power outages
- ◆ **Improved online processes** and increasingly automated credit scoring systems, which help small businesses obtain quicker decisions on finance applications
- ◆ A **smarter and simpler approach** to assessing finance applications from young graduates without a credit record



Products and services

DRIVING DOWN THE COST OF FLEET MANAGEMENT

- Some years ago, we implemented a state-of-the-art technology platform to adjudicate, scrutinise and authorise maintenance transactions
- This platform continues to go from strength to strength
- Among many other positives, the service maximises vehicle performance by minimising downtime and cuts maintenance costs on leased and owned vehicles

PROTECTING OUR CUSTOMERS FROM CRIMINALS

- We invest heavily in protecting our customers' information and eliminating identity fraud.
- For example, we use IDX, an industry tool that allows banks to assess people's incomes by sharing their bank statements quickly and safely
- Another example of our security first approach is RegTrack, a system we developed in collaboration with the Department of Transport
- Designed to cut down identity theft and fraud, RegTrack allows title owners to register with WesBank safely by submitting all documentation electronically



Other
areas to
consider in
2015

Empowerment
investment

Financial
education

New
products and
services



**invested in our
communities**



CSI

TOWARDS A MORE EQUITABLE SOCIETY

- ▶ Every year, **1% of our after-tax profit goes to CSI initiatives** through the WesBank Fund
- ▶ During the past financial year, the **fund received a record R21.2 million**
- ▶ To ensure this money delivers maximum returns, we focus on initiatives **designed to help communities to alleviate hunger and malnutrition by growing their own food**
- ▶ We also help them develop their expertise in making a **sustainable living from agricultural enterprises**

83 937

individual lives have benefited directly from our CSI investment during the current three-year funding cycle

8 475

new food gardens were established following the training we provided in 2014; 8306 are still active



A food garden is an asset.

With smart investment, this asset **can yield financial returns**

For this reason, the WesBank Fund supports the provision of expertise to micro-farmers in targeted communities

Employee volunteering activities

TOGETHER WE ARE STRONGER

The volunteer spirit is alive and well at WesBank.

Not only is it helping to **uplift thousands of lives outside our business**, but it also delivering internal benefits by allowing our staff volunteers to **live and breathe one of our core values - we strengthens me**



- At group level, we align our voluntary activities with the FirstRand Volunteer Programme, which – among other areas – covers **educational and environmental initiatives**
- Our staff volunteers are involved in a **wide range of areas** – from supporting the elderly and disabled to caring for abused and sick children; animal welfare to adult mentoring and community feeding schemes
- Just some of the charities and campaigns our volunteers support include the **Cancer Association of South Africa through Movember and the Shavathon, Can Drive, Bucket of Basics, Dreamfields Soccer Day, Rally to Read and Mandela Day**

R100 00

worth of meal bags were distributed to needy communities through our partnership with Stop Hunger Now



STOP HUNGER NOW.



Strategic developments

We are starting to **make our mark in Africa** and aim to **grow our footprint** by capitalising on FNB's expansion initiatives

To keep the spirit of innovation alive, we are also launching **an annual competition** that rewards staff for their pioneering ideas

looking ahead

**Our determination
to serve our customers
through innovation
remains as strong as ever**