

A long-exposure photograph of a highway at night, showing bright, curved light trails from cars. The trails are primarily yellow and white, curving through the dark blue and black night sky. The highway has multiple lanes and a guardrail on the left side.

**report to
society
2014**

The logo for WesBank, featuring a stylized 'W' with an orange and yellow gradient, followed by the word 'WesBank' in a teal sans-serif font.

WesBank
We know how

Message from the CEO

Being the CEO of such a great organisation humbles me as there is so much we can be proud of. WesBank's 2014 report to society is an attempt to demonstrate the many new and creative ideas that have contributed to the success of our business, creating convenience for our customers and value for all of our stakeholders.

I am very excited about this year's theme: **"Creating ideas that impact lives"**. It resonates with me as the timing could not be more perfect, given our renewed drive on innovation and continuously reinventing ourselves to achieve greatness.

Innovation is in our blood and our innovative mindset stretches back to the early 70s. *Indulge me as I take you through our innovation journey to date.*

70s



During the 70s if a customer wanted to buy a new car, he had to go to his bank and apply for either an extension on his home loan or a personal loan. The credit decision took up to 14 days and it was another week before the customer could drive away in his brand new car or second hand car.

80s



With the emergence of a secured vehicle finance product in the 80s and the introduction of WesBank's manual credit scorecard, the credit decision was reduced to only 2 days and the time from application to finalising the contract reduced from nearly 20 to 6 days.

90s

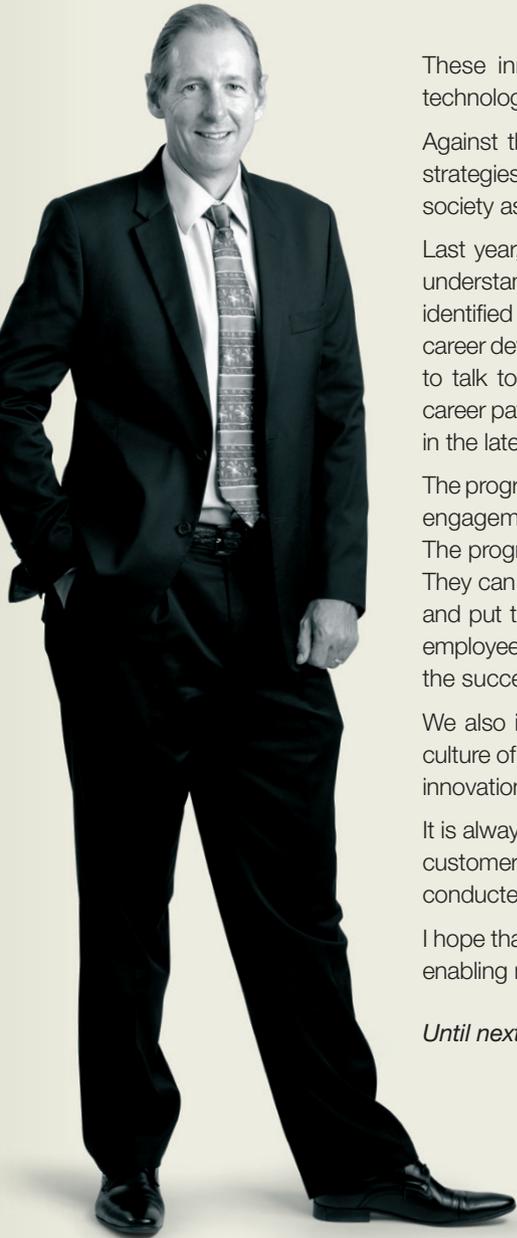


The 90s saw WesBank pioneering the concept of finance consultants on large dealer floors and computerised scoring. The credit decision took only 15 minutes and the time from application to finalising a contract was a mere 4/5 days.

00s



The introduction of fax technology and credit scoring linked to credit bureaux, meant a credit decision in just 5 minutes and application to contract taking only 3 days. WesBank's digital application and fully electronic and integrated credit scoring, reduced the credit decision even further to 1 second. Today with the introduction of iContract, a customer can walk into a dealership, apply for finance and sign his finance agreement, and drive away with a brand new vehicle in just 10 hours.



These innovations have revolutionised the motor industry and helped WesBank to grow into a technologically advanced and highly profitable business where one in three cars in SA is financed by us.

Against this backdrop, our report to society focuses on the impact of our innovations and business strategies on broader society. We have chosen saving time, saving the environment and empowering society as our three main topics for this year. More about these topics are detailed later in the report.

Last year, we touched on the iConnect Survey, the results of which helped our management team to understand the interdependent relationships between work, culture and individuality. One of the areas identified as requiring our focus was the need to reposition how employees can take advantage of the career development opportunities available in the company. We are talking here of empowering individuals to talk to their managers about career aspirations, because they have a good understanding of the career paths in WesBank. I am very pleased to share with you the launch of our job exchange programme in the later part of this year.

The programme seeks to multi-skill and, in instances, stimulate organisational performance and employee engagement by exposing our employees to opportunities across all segments in the FirstRand Group. The programme is aimed at employees who may be getting restless after being in one role for too long. They can, going forward, at the stroke of a few keys online, identify roles for which there is a skills match and put themselves forward for any opportunities arising in the business. It really puts the onus on the employee to drive their own career which we believe is what they want. We will provide feedback on the success of the initiative in next year's report.

We also introduced new shared values. We have no doubt that, as the shared values take hold, the culture of performance will be fully entrenched in our organisation. We are looking forward to seeing new innovations along the way from a team of staff who are united and focused.

It is always good when our customers acknowledge the value of our innovations. In March this year, our customers rated WesBank as #1 in the Best Car Loans category in the inaugural Bank of the Year survey conducted by the Sunday Times.

I hope that this year's report offers you a comprehensive picture of how WesBank's innovative mindset is enabling not only profitable growth but a meaningful contribution to a better South Africa.

Until next year! Chris de Kock

Chris



2%

normalised earnings

26.6%

ROE



18%

core advances

R million	Year ended 30 June		
	2014	2013	% change
Net interest income	7 775	6 853	13
Impairments	(2 081)	(1 649)	26
Non-interest revenue*	3 505	3 091	13
Operating expenses	(4 886)	(4 093)	19
Income before indirect tax	4 313	4 202	3
Indirect tax	(253)	(219)	16
Normalised profit before tax	4 060	3 983	2

* Includes share of profits from associates.

Making it easier to do business with WesBank

Our customer service landscape is ever changing. Our customers are becoming accustomed to instant answers, convenience, accessibility and alternative business engagement channels.

At WesBank we acknowledge that people's lives are becoming busier and that time is precious. WesBank's online strategy therefore, focuses on ways to make it easy for customers to do business with us.

As mentioned previously, one such innovation is iContract. The secure – web based system allows our customers to sign their asset finance contracts in their own time, 24/7, any place in the world in just ten minutes.

Allowing our customers to sign their finance contract online, also helps reduce our carbon footprint. Environmental awareness is at the top of our agenda in all aspects of our business. Since the inception of iContract, WesBank has saved 928* trees and counting. (*source Food and Trees for Africa Carbon Calculator).

Number of iContract deals written since inception to date across retail and juristic business	453 003
Average number of pages for a vehicle finance contract	15 pages
Total number of pages saved	6 795 045
Numbers of reams (500 pages per ream)	13 590
Number of trees saved	928





WesBank helps fleet owners save on repairs and maintenance cost

WesBank has developed a state-of-the-art technological platform supported by the requisite technical knowledge, skills and expertise to adjudicate, scrutinise and authorise maintenance transactions. Our managed maintenance service entails the pre-authorisation of repairs and maintenance helping our fleet managers to make an informed decision on repairs to be made, reducing unnecessary or unwarranted maintenance expenditure or claims.

The service is supported by post-repair vehicle inspections, wherever necessary, to ensure that the repairs conducted are undertaken to the customer's satisfaction.

Other benefits of managed maintenance service

- ensure that all vehicles are maintained and serviced according to original equipment manufacturer specifications;
- deliver optimal productivity of vehicles through reduced downtime on maintenance;
- minimise vehicle lifecycle costs in respect of maintenance on leased and owned vehicles; and
- provide professional technical and fleet management expertise relative to adjudication of maintenance claims.

WesBank has well established relationships with the dealer network nationally and is able to leverage these networks to ensure enhanced service delivery in respect of managing the maintenance of our customers' vehicles.

Just another way we make it easier for customers to do business with us!

Making it safer to do business with us:

RegTrack, WesBank's initiative in collaboration with the Department of Transport, aims to cut down on identity theft and fraud. All the documents (including customer's ID document and proof of residence) required to register WesBank as the title owner can now be submitted directly and electronically. No more piles of envelopes containing personal information going with drivers to individual licensing departments.

Our new shared values driving good business:

WesBank has always been proud of its shared values. They form the foundation of what WesBankers believe in and what all our employees strive to live up to. To ensure we stay relevant and competitive in the world in which we operate, we had to evaluate our current shared values.

In October last year, we launched our new, more modern and more personal shared values to our staff.

▶ **My work is my signature**

▶ **My word is my bond**

▶ **"We" strengthens "me"**

▶ **I get better and better**

We have moved our focus to individual ownership and accountability. **We've replaced the word "we" with "I" and amended our shared values to align with our new focus of individual ownership.**

The word "we" allows one to defer responsibility to another individual while **"I" highlights that my contribution is important and valued. Individual accountability creates a collective culture where each individual staff member's contribution is valued.**



Doing business with us empowers communities

Our **sustainable financial performance** allows for increasing spend initiatives aimed at empowering less fortunate communities. Every year 1% of our after-tax profit goes towards CSI initiatives and during the past financial year the WesBank Fund received a record amount of R21.2 million.

The WesBank Fund's **main focus area is helping communities across South Africa to grow their own food in an effort to alleviate hunger and malnutrition.** During our current three-year cycle our activities have positively impacted over 57 000 lives.

During the year, there were 5 043 new food gardens established as a result of the training offered in 2013, and 5 005 of these gardens are still active.

Our financial support is focused on initiatives that our partnering organisations identify as key challenges such as sustainable water access in communities. Top up grants of over R9.3 million were awarded for boreholes and JoJo tank installation.



Other highlights

– WesBank Fund mainstreaming disability toolkit:

Mainstreaming disability is one of the initiatives of the FirstRand Foundation and today only 1.6% of the gardeners we fund are living with some sort of disability. Mainstreaming in the food gardening sector is extremely difficult. To assist our partners we are currently compiling a WesBank Fund Mainstreaming Disability Toolkit. This will be a handy guide covering legal requirements, etiquette and tips on how to work with people living with a disability.

– Outcome evaluation:

Our current three-year funding cycle runs until the end of 2014. To inform our future strategy, the WesBank Fund commissioned Wits Enterprise and Wits *Siyakhana* Initiative to conduct an outcome evaluation to assess the effectiveness and relevance of the current programme. Although we only have the preliminary report the following was said about the relevance of our programme:

'FSALP has demonstrated clear relevance and social benefit in an area that is a development priority and has major potential for long-term social, economic and health benefits for addressing priority needs. The programme design is sophisticated and reflects international best practice. The SDC, though useful, introduces bias towards primarily economic dimensions of intervention. The programme can benefit by broadening its scope to more explicitly supporting activities that engage with the attitudinal, behavioural, cultural and systemic drivers of food insecurity.'

Valuing our employees

WesBank continues to make steady progress, both in creating an environment of inclusivity, where the value of diversity is appreciated as well as meeting the Employment Equity (EE) targets set a year ago. This has been achieved against a backdrop of reducing staff numbers and a tough economic environment.

The initiatives implemented as part of the EE plan enabled us to meet the targets set for 2014 at all occupational levels, except middle management where we fell 3% short of our target. Even though we did not meet this target, we have seen a 2% increase in ACI representation over the past year compared to a 1% increase in 2012/2013. In 2015, WesBank will continue to focus on four drivers of EE which are; an inclusive and diverse environment; attracting and retaining talent; growing and appropriately remunerating that talent, and acknowledging the success achieved on our journey to meet the 2016 targets.



Representation by woman remains at 60% overall with representation at management increasing 1% to 51% year-on-year. Overall ACI female representation has remained stable. The promotion of two ACI women from junior to middle management has resulted in a 1% decrease at junior management.



So what can you look forward to from us?



1

Later this year we will be launching **Driva.co.za, an innovative, secure driving portal.** The portal will have a host of value added tools, products and services to assist our retail customers to get the best overall experience from their vehicle.



2

We are starting to make our mark in Africa and aim to expand our footprint through leveraging off of FNB's expansion initiatives.



3

WesBank will continue to pioneer the road ahead keeping us ahead of our competitors. To make sure we continue to operate like a well-oiled machine we will be launching an **annual staff competition rewarding the best innovations** early next year.

