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report to
society





REPORT TO SOCIETY

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From Brian Riley, WesBank's Chief Executive

+95%

Normalised earnings

26%

Normalised ROE

+28%

Growth in new business

It is satisfying, once again to begin our report to society on an optimistic note. During the past financial year we have seen the benefits of some of the tough decisions we recently had to make (particularly in respect of cost-cutting initiatives and a staff employment freeze) in response to the global economic crisis.

These benefits, coupled with a significant but tenuous economic recovery, resulted in a great year for WesBank.



In my research into organisational efficiencies and value creation I have often noted references to the fact that the Chinese word for crisis “wēijī” is composed of two characters “wēi” (危) and “jī” (机), denoting “danger” and “opportunity” respectively.

While some language experts argue that the meaning of “ji” in “weiji” is actually closer in meaning to “crucial point” than it is to “opportunity”, in practice we at WesBank have experienced recent economic events as both an opportunity and a crucial point!

“ One of the main points of agreement about the impact of the global economic crisis is that it has provided an opportunity to spend time looking objectively at business processes and how they impact value creation, and more importantly sustainable value creation. ”

During the last year we have continued our journey toward continual improvement of every aspect of our operations. Our efforts have been guided by key principles of efficiency and the elimination of waste, with a focus on customer value and the sharing of its rewards with those responsible for creating them, our valued staff.

This has accompanied both significant financial gains and some difficult and humbling change. We have worked tirelessly to solve problems with intelligence rather than money or other resources, and this has required every staff member to look for ways of doing things differently – and more effectively.

One of the biggest challenges during a period of structural enhancement is the humility that comes along with looking at one's own processes with an objective eye. We have noticed that WesBank's experience of this process has been a cleansing and revitalising one.

As employees become more fully empowered to manage their own value creation for the organisation, and therefore their contribution to society, so their energy, self esteem and ambitions can grow and flourish. This process creates a noticeable and positive change in the energy shared by our employees – some of my colleagues at FirstRand have even commented that you “can feel the energy” when walking into WesBank's head-office at Fairland.

I want to thank all of our stakeholders for their contributions to this energy which, when combined with our expertise, drives the creation of sustainable value.

Regards,
Brian



who we are to
one another...

WesBank was the first South African financial institution to specialise in vehicle financing. Our roots stem back to 1956 and by continually adding value to our brand, we have expanded our range of products and services to our customers. In the 1980s and 1990s, WesBank's portfolio increased with the addition of personal loans, fleet management and corporate finance.

Today, WesBank is the leader in vehicle and asset finance solutions in South-Africa. It is a division of FirstRand Bank Ltd. Revenue generating business units include the Motor Division, Corporate Division, Fleet Division, Loans Division and International Division, as well as investments into a number of subsidiaries and associates.

At WesBank we believe that diversity drives innovation and efficiency.

VALUES DRIVING VALUE

As a values-driven organisation all WesBank employees are encouraged to uphold our four key values:

- The customer comes first
- Employees must be seen as individuals
- Quality is pursued in everything we do
- Profitable growth drives stakeholder value.

We understand the interconnectedness between these values and recognise employees, and employee development as a key value driver for ensuring their place in the WesBank brand. We continue to provide communication platforms to enable regular interaction between our employees and the leadership team of the bank. These platforms include a bi-weekly electronic communication from our CEO, half yearly Imbizo's, monthly "Come spend an hour" sessions with the CEO and other business heads to mention just a few.

LEADERSHIP: GROWING OUR OWN TIMBER

In addition to the above, we have formal channels for developing leaders from within WesBank's ranks. During 2010 we successfully ran the first Learner-Leader programme for 87 leaders across all broadband salary levels. Due to the great success of the programme, our Executive Team has approved the extension of the Leadership Development Programme (LDP) to a further 95 leaders in 2011.

Through our Volunteers Programme we provide opportunities for our staff to become actively involved in social and environmental initiatives to better the lives of those less fortunate.

TAKING THE WESBANK ENERGY TO COMMUNITIES

A team of volunteers from Customer Refinance and Insurance "adopted" Bottom School Primary, which is a primary school situated in Slovoville, Roodepoort.

This school was originally a mine school and was taken over by the Gauteng Department in 1994. Being a section 20 school means that the pupils do not pay school fees and teachers undertake to teach, carry out extra mural activities and raise funds to support the 631 children from Grade R to Grade 7.

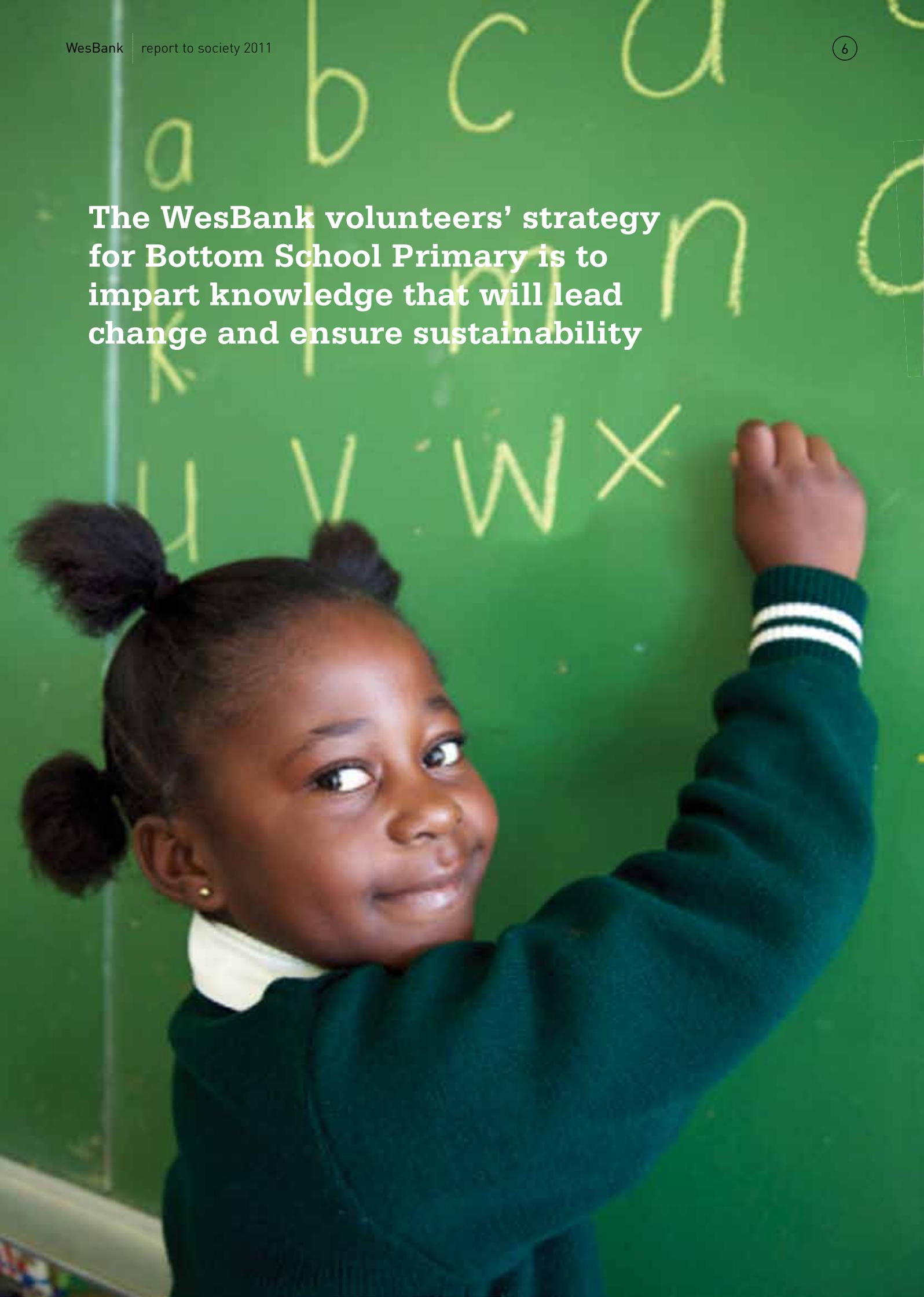
The WesBank volunteers' strategy for Bottom School Primary is to impart knowledge that will lead change and ensure sustainability (skills transfer).

During the year under review the volunteers focused on two major campaigns. The first one was a "cleaning up and going green" campaign that took place on 12 March, from 09:00 to 12:00. They assisted the school by helping to get their grounds clean and tidy, even planting 25 fruit trees for them. This was a great success.

The second campaign is taking over the grade 7's "market day". Teaching the children basic finance, sustainability and entrepreneurial skills, unleashing their creativity and unique talents.



The WesBank volunteers' strategy for Bottom School Primary is to impart knowledge that will lead change and ensure sustainability





who we are
to customers...

WesBank has 634 763 customers across three main divisions, including motor, corporate and fleet. The WesBank brand represents a proposition of “wheels and more” reflecting a shift toward being a lifestyle enabler to our customers.

CUSTOMER SATISFACTION

Prompt service delivery remains critical to us and is one of the key non-financial performance indicators. The The WesBank Expertise Indicator allows us to measure how well staff live up to the brand promise using a rating between 0 and 10 to gauge customer loyalty and determine the number of customers that actively promote the WesBank Brand.

The customer satisfaction score for WesBank during the 2011 financial year translated to 62% and this number represents an encouraging increase from the 60% recorded in 2010.

The Kaizen Philosophy

Gradual, continuous improvement, without large capital expenditure, involving everyone in the organisation.

The WesBank business model is designed around customer value because customer value is seen as the main driver of value creation for all stakeholders.

It is all about the customer, if what you do does not add value to the customer – **CUT IT OUT.**

Eliminating costs,
Motion,
Idle time,
Errors,
Over-processing



INNOVATION FOR CONVENIENCE AND COST EFFICIENCY

Recently we have also started to explore digital platforms as a vehicle to engage with our existing, as well as potential customers.

The launch of WesBank Mobi enables customers to receive their vehicle and asset statements via their cell phones. This allows us to service customers 24/7 from the comfort of their homes. Since the launch of WesBank Online two years ago, we achieved the following:

- 5 % of all applications were generated online
- 10% of our customers used the account self-service functionality on the WesBank website
- 45% of our customers received their statements via email, minimising our direct impact on the environment.

RESPONSIBLE LENDING FOR SUSTAINABLE PROFITS

The current financial climate has created extreme pressure on consumers' ability to honour their financial obligations. This resulted in uninformed, cash-strapped consumers responding to opportunistic advertising of debt counsellors promising to relieve debt problems.

During the past two years we often saw desperate, over-committed consumers falling prey to misleading advertising of debt counsellors. In order to raise awareness of the pros and cons of using debt counsellors we participated in a combined advertising and PR campaign. The campaign was a joint effort between the Banking Council and the National Credit Regulator.

WORKING WITH TAXI OWNERS FOR SAFER PUBLIC TRANSPORT

"My taxi – My Business" a training programme was developed specifically for taxi-drivers and looks at the contribution of the taxi industry to the SA economy, the importance of good customer care, how good customer relations can lead to a sustainable business and the role competition plays in creating better service.

The programme was a combination of classroom and experiential learning.



who we are to society...

Our commitment to society is seen through our corporate social investment (CSI) activities, our ongoing initiatives to reduce our direct and indirect impact on the environment, as well as our engagement with key suppliers.

CORPORATE SOCIAL INVESTMENT

Our CSI philosophy is simple, we believe in making a measurable impact through funding that will empower communities to become self supporting. Our volunteers initiatives are a true reflection of our logo "Wesbank Cares Heads, Hearts and Hands". Volunteering at Wesbank is more than just feeding the poor, we also impart our knowledge, skills, know-how and our love and attention.

Only in breaking the cycle of poverty and dependence can people regain their dignity and catch a glimpse of a brighter future. In order to develop sustainable progress, it is critical to influence people's thinking – moving them beyond the victim mentality and empowering them to take responsibility for their own development.

During the year under review, the WesBank Fund has spent R6 780 459 on creating long-term social value for the communities in which we operate.

GROWING AT GRASSROOTS

In 2009 the WesBank Fund, as part of the Agricultural Livelihoods programme, introduced the "A re Lemeng" (Let's get planting) workshops. These workshops are critical to the sustainability of the programme partners as they are developed to empower individuals and communities with the knowledge and skills to plant and maintain their own home or community food garden. This in turn assists in creating food security as well as sustainable livelihoods at the micro level.

During the period under review five more communities were empowered with the knowledge and skill to plant and maintain their own home or community food gardens.

So what?

In this report we have tried to give you some insight into who we are as an organisation and how our corporate culture influences our dealings with stakeholders. But what does it all mean and how does it translate to enabling a better more sustainable society?

Simply put, great financial performance enables WesBank to make a greater contribution toward creating a better society.

FINANCIAL HIGHLIGHTS

R million	2011	2010	% change
Income before indirect tax	2 714	1 426	90
Indirect tax	(166)	(126)	(32)
Income before tax	2 548	1 300	96
Advances	102 125	92 724	10
Cost-to-income ratio (%)	46.5	51.9	
NPLs (%)	4.3	5.5	