

CONSOLIDATED GROUP FINANCIAL RESULTS

The reviewed consolidated results of the group for the year ended 30 June 2014

Profit after tax	Headline earnings	Net asset value per share	Dividend per ordinary share	Capital adequacy	Return on average equity
N\$624.9m ↑ 26.7%	N\$606.2m ↑ 22.5%	617 cents ↑ 16.0%	44 cents ↑ 34.4%	15.8%	21.9%

Bank Windhoek Holdings Limited continued to build on its strong historical performance during 2014, with profit growth in excess of 20% for a third consecutive year. Profit after tax grew to N\$624.9m, a 26.7% increase compared to the prior financial year.

The group has exceeded the forecasted June 2014 profit after tax included in the 2013 listing prospectus by 8.0%. This was achieved through good revenue growth, prudent expense management and effective credit management.

The key performance highlights are:

- Headline earnings increased by 22.5% to N\$606.2m
- Group total comprehensive income increased by 24.0% to N\$639.2m
- Dividend per share increased by 34.4% to 44 cents
- Return on average equity of 21.9%

Acquisitions

In line with the commitments made during the listing of Bank Windhoek Holdings on the Namibian Stock Exchange in June 2013 to further diversify its revenue streams, the group acquired 100% ownership in Capricorn Unit Trust Management Company Ltd (CUTM) on the 1st of July 2013 for N\$64.8 million and 100% of Capricorn Asset Management (Pty) Ltd (CAM) on the 1st of January 2014 for N\$128 million respectively.

Net interest income

Net interest income surpassed the one billion Namibian Dollar mark for the first time with a year on year increase of 15.6% to N\$1,057m. This is driven by the growth in average interest-earning assets of 16.2%.

The bank has maintained low bad debt levels with the loan loss rate decreasing from 0.16% to 0.15% and non-performing loans as a percentage of gross advances decreasing from 0.86% to 0.68%. This bears testimony to the quality of the loan book and the prudent credit management practices.

Non-interest income

Non-interest income increased by 29.9% compared to the prior financial year. Excluding the contributions by CUTM and CAM, non-interest income increased by 18.8%. The group further improved its efficiency and diversification ratio with non-interest income contributing 39.8% (2013: 37.1%) of the group operating income and covering 74.3% (2013: 68.6%) of the group's operating expenses.

The strong growth in non-interest income is a direct result of the constant focus on customer service resulting in increased business volumes with the leading contributors being growth in number of accounts and substantial increase in transactions through electronic banking channels.

Operating expenses

Operating expenses increased by 19.9% compared to the prior year. Excluding expenses of CUTM and CAM, operating expenses increased by 15.8%. The increase in operating expenses above inflation is a direct result of the increased focus on capacity building and investments in information technology.

Notwithstanding the above, the group has managed to deliver positive operating profit ratios, with operating income growth exceeding operating expenses growth. As a consequence the cost to income ratio improved from 54.1% to 53.6%.

Income from associates

Both of the group's associates, Santam Namibia and Sanlam Namibia, delivered strong results during the year under review with income from associates increasing by 39.4% to N\$84.3m, contributing 13.5% (2013: 12.3%) to the group's profit after tax.

Statement of financial position

Loans and advances grew by 14.7% to N\$20.2bn. The compound annual growth rate of gross loans and advances over the last five years is 15.5% while the group's loan loss rate decreased from 0.22% to 0.15% over the same five year period. The bank was therefore able to improve the quality of its loan book while delivering sustained growth.

During the year under review the group's banking subsidiary (Bank Windhoek Limited) successfully listed a N\$5bn Medium Term Note Programme on the Johannesburg Stock Exchange and issued the first two tranches of N\$600m and N\$300m respectively. These bonds were the main contributors to the increase of 95.2% in debt securities in issue. Bank Windhoek Holdings remains well capitalised. The group concluded the financial year with a total risk-based capital adequacy ratio of 15.8% (June 2013: 16.6%), well above the Bank of Namibia minimum regulatory requirement of 10%.

Prospects

As we have seen over the last 32 years, business cycles come and go, but with a vigilant, cautious and responsible approach to our business our focus remains the delivery of sustainable long-term value to all our stakeholders. The group will continue to invest in infrastructure in the years to come ensuring continuous improvement of customer experience as well as building capacity to support further growth and expansion of business activities.

Our business strategy for the year ahead includes a review of our customer value proposition and suite of products offered to clients. Combined with this, is also a focus on the electronic channels through which products and services are delivered and the innovation of new capabilities to enhance the features of electronic channels. Whilst the operating environment may be unpredictable and to a certain extent challenging, we believe that, with our committed and skilled workforce, our loyal clients and the support of our shareholders and other stakeholders, we can look forward to yet another successful year for the group.

Christo de Vries
Managing Director

Koos Brandt
Chairman

Reviewed results – auditor's opinion

The condensed consolidated financial statements for the year ended 30 June 2014, from which this information is derived, have been reviewed by PricewaterhouseCoopers, who expressed an unmodified review conclusion. The review was conducted in accordance with ISRE 2410 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. A copy of the auditor's review report is available for inspection at the company's registered office together with the financial statements identified in the auditor's report.

Basis of presentation

The reviewed condensed consolidated financial statements of Bank Windhoek Holdings Ltd for the year ended 30 June 2014, from which this information is derived, have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and presentation and disclosure requirements of International Accounting Standards (IAS) 34: 'Interim financial reporting' as well as the Namibian Companies Act.

They are available for inspection at the company's registered office, but this announcement itself is not reviewed.

The group's principal accounting policies comply with IFRS and have been applied consistently in all material aspects with the previous financial years.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2014

	2014 Reviewed N\$'000	2013 Audited N\$'000
Interest and similar income	1,944,847	1,708,096
Interest and similar expenses	(887,949)	(793,642)
Net interest income	1,056,898	914,454
Impairment charges on loans and advances	(29,115)	(26,803)
Net interest income after loan impairment charges	1,027,783	887,651
Non-interest income	679,732	523,191
Operating income	1,707,515	1,410,842
Operating expenses	(914,641)	(762,759)
Operating profit	792,874	648,083
Share of joint ventures' results after tax	1,151	1,191
Share of associates' results after tax	84,264	60,445
Profit before income tax	878,289	709,719
Income tax expense	(253,374)	(216,448)
Profit for the year	624,915	493,271
Other comprehensive income		
<i>Items that may subsequently be reclassified to profit or loss</i>		
Net gains on available-for-sale financial assets	14,244	22,359
Total comprehensive income for the year	639,159	515,630
Ordinary shares in issue ('000) ¹	501,117	493,135
Weighted average no. of ordinary shares in issue ('000) ¹	501,117	455,152
Diluted weighted average no. of ordinary shares in issue ('000) ¹	502,063	455,152
Basic earnings per share (cents)	124.7	108.4
Diluted earnings per share (cents)	124.5	108.4
Dividend per ordinary share (cents)	44.00	32.75

¹ Adjusted for shares held by the employee share trusts.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

	2014 Reviewed N\$'000	2013 Audited N\$'000
ASSETS		
Cash and balances with the central bank	709,431	852,636
Derivative financial instruments	2,190	12,188
Financial assets designated at fair value through profit or loss	2,104,938	1,493,165
Investment securities	72,047	120,446
Due from other banks	472,972	251,355
Loans and advances to customers	20,245,395	17,651,962
Other assets	250,320	189,704
Current tax asset	14,112	7,953
Investment in associates	209,364	191,999
Interest in joint ventures	5,437	4,286
Intangible assets	94,239	28,987
Property, plant and equipment	130,295	129,486
Deferred tax asset	7,528	4,441
Total assets	24,318,268	20,938,608
LIABILITIES		
Derivative financial instruments	138	7,792
Due to other banks	282,664	166,959
Debt securities in issue	1,841,287	943,115
Deposits	18,782,411	16,915,652
Other liabilities	298,643	229,079
Current tax liability	698	-
Deferred tax liability	10,708	45,247
Post-employment benefits	7,561	6,706
Total liabilities	21,224,110	18,314,550
EQUITY		
Share capital and premium	532,435	466,745
Non-distributable reserves	170,354	149,877
Distributable reserves	2,391,369	2,007,436
Total shareholders' equity	3,094,158	2,624,058
Total equity and liabilities	24,318,268	20,938,608
Net asset value per share (cents)	617	532

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2014

	Share capital and premium	Non-distributable reserves	Distributable reserves	Total equity
	N\$'000	N\$'000	N\$'000	N\$'000
For the year ended 30 June 2013 (audited)				
Balance at 1 July 2012	102,114	135,075	1,649,870	1,887,059
Issue of shares	373,002	-	-	373,002
Shares held by the BWH Group	-	-	-	-
Employee Share Trusts	(8,371)	-	-	(8,371)
Acquisition of control over share trusts	-	-	4,631	4,631
Total comprehensive income for the year	-	-	515,630	515,630
Profit for the year	-	-	493,271	493,271
Other comprehensive income	-	-	22,359	22,359
Share-based payment charges	-	-	1,644	1,644
Transfer between reserves	-	14,802	(14,802)	-
Dividends for 2013	-	-	(149,537)	(149,537)
Balance at 30 June 2013	466,745	149,877	2,007,436	2,624,058
For the year ended 30 June 2014 (reviewed)				
Balance at 1 July 2013	466,745	149,877	2,007,436	2,624,058
Issue of shares	64,750	-	-	64,750
Shares held by the BWH Group	-	-	-	-
Employee Share Trusts	940	-	-	940
Total comprehensive income for the year	-	-	639,159	639,159
Profit for the year	-	-	624,915	624,915
Other comprehensive income	-	-	14,244	14,244
Share-based payment charges	-	-	3,157	3,157
Acquisition of subsidiary	-	-	(121,491)	(121,491)
Transfer between reserves	-	20,477	(20,477)	-
Dividends for 2014	-	-	(116,415)	(116,415)
Balance at 30 June 2014	532,435	170,354	2,391,369	3,094,158

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2014

	2014 Reviewed N\$'000	2013 Audited N\$'000
Net cash utilised in operating activities	(535,008)	(208,055)
Net cash (utilised in) / generated from investing activities	(103,601)	222,697
Net cash generated from financing activities	689,037	338,521
Net increase in cash and cash equivalents	50,428	353,163
Cash and cash equivalents at the beginning of the year	1,558,321	1,205,158
Cash and cash equivalents at the end of the year	1,608,749	1,558,321

HEADLINE EARNINGS RECONCILIATION

for the year ended 30 June 2014

	2014 Reviewed N\$'000	2013 Audited N\$'000
Earnings attributable to equity holders of the group	624,915	493,271
Loss on disposal of an associate	-	162
Remeasurement included in equity accounted earnings	1,696	1,696
Profit on sale of subsidiary	(6,742)	-
Profit on sale of subsidiary by an associate included in equity accounted earnings	(13,277)	-
Disposal gains on sale of property, plant and equipment	(371)	(263)
Headline earnings	606,221	494,866
Headline earnings per share (cents)	121.0	108.7
Diluted headline earnings per share (cents)	120.7	108.7

CAPITAL ADEQUACY

for the year ended 30 June 2014

	2014 Reviewed %	2013 Audited %
Total risk-based capital ratio	15.8	16.6

SUMMARY OF KEY RATIOS

for the year ended 30 June 2014

	2014 Reviewed %	2013 Audited %
Profit after tax growth	26.7	22.5
Earnings per share growth	15.0	22.4
Return on average shareholders' equity	21.9	21.9
Return on average assets	2.8	2.5
Cost to income ratio	53.6	54.1
Growth in total assets	16.1	10.7

FINAL DIVIDEND

Notice is hereby given that a final dividend of 21 cents per ordinary share was declared on 12 August 2014 for the year ended 30 June 2014. Taking into account the 23 cents per share interim dividend, this represents a total dividend of 44 cents per ordinary share for the year ended 30 June 2014 (2013: 32.75 cents per share).

- Last day to trade cum dividend: 29 August 2014
- First day to trade ex dividend: 1 September 2014
- Record date: 5 September 2014
- Payment date: 18 September 2014

Bank Windhoek Holdings Limited
(Incorporated in the Republic of Namibia)
(Registration Number: 96/300)
Share code: BWH ISIN: NAO00A1T6SV9
("BWH" or "the group")

Directors: J C Brandt (Chairman), J J Swanepoel (Vice-Chairman),
C P de Vries (Managing Director), K B Black, F J du Toit,
E Knouwds, M J Prinsloo, G N Sekandi, E Schimming-Chase,
J M Shaetonhodi, M K Shikongo.

By order of the Board


H von Ludwiger
Company Secretary
Windhoek, 12 August 2014

Postal address: P.O. Box 15, Windhoek, Namibia
Registered address: CIH House, Kasino Street, Windhoek, Namibia
Tel: (+264 61) 299 1301
Fax: (+264 61) 299 1309
E-mail: info@bwholdings.com.na
Website: www.bwholdings.com.na

Sponsor: PSG Wealth Management (Namibia) (Pty) Limited
Member of the Namibian Stock Exchange