

CONSOLIDATED UNAUDITED GROUP RESULTS

for the six months ended 31 December 2013

Total comprehensive income

N\$336.8m
↑ **31.1%**

Annual growth

Headline earnings

N\$306.9m
↑ **22.7%**

Annual growth

Net asset value per share

605 cents
↑ **27.6%**

Annual growth

Interim dividend per share

23 cents
↑ **26.0%**

Annual growth

Capital adequacy

16.4%

Annualised return on equity

22.6%

GROUP FINANCIAL PERFORMANCE

Bank Windhoek Holdings Limited (Bank Windhoek Holdings) continued to build on its strong historical performance over the first half of the 2014 financial year, reporting profit after tax of N\$319.7m, 28.3% more than the comparable period in the prior financial year. This was achieved through good revenue growth, disciplined expense management and effective credit management.

The key performance highlights

Both the statement of comprehensive income and statement of financial position comparisons are based on the six month periods ended December 2012 and December 2013:

- Headline earnings increased by 22.7% to N\$306.9m
- Group total comprehensive income increased by 31.1% to N\$336.8m
- Interim dividend per share increased by 26.0% to 23 cents
- Annualised return on average equity is 22.6%

Net interest income increased by 16.8% to N\$522.7m, which was mainly due to the growth in interest-earning assets of 13.8% over the comparative period. The bank maintained low bad debt levels with the loan loss rate remaining stable at 0.10% and non-performing loans as a percentage of gross advances decreasing from 0.90% to 0.76%.

Non-interest income for the six months was 30.5% higher than the comparable period in the prior year. Excluding the contribution of Capricorn Unit Trust Management Company Limited (CUTM) acquired on 1 July 2013, the increase was 19.5%. The growth in non-interest income was primarily as a result of the increase in business volumes with the leading contributors being transactional accounts and electronic banking channels. Non-interest income represents 39.8% (2012: 37.3%) of the group operating income and covers 74.2% (2012: 71.1%) of the group's operating expenses.

The increase in operating expenses over and above inflation was as a direct result of the inclusion of CUTM expenses, once-off listing related expenses, investments in information technology and initiatives required by regulation. The cost to income ratio improved from 54.1% at June 2013 to 53.7% at December 2013.

Income from associates increased by 86.3% to N\$51.8m, which contributed 16.2% (2012: 11.2%) to the group's profit after tax.

Total assets grew by 12.9% to N\$22.8bn which was mainly due to the growth in loans and advances and investments in financial assets such as government stock, treasury bills and money market investments.

Bank Windhoek Limited, the banking subsidiary of Bank Windhoek Holdings, announced on 12 November 2013 the approval and listing of a N\$5.0bn Medium Term Note Programme on the Johannesburg and the Namibian Stock exchanges. The bank successfully listed its first bond of ZAR600m under this programme on the Johannesburg Stock Exchange on 19 November 2013. The bond issue was 2.89 times oversubscribed and is the main contributor to the increase of 100.0% in debt securities in issue.

Bank Windhoek Holdings remains well capitalised. The group's total risk based capital adequacy ratio improved from 13.9% at December 2012 to 16.4% at December 2013; well above the Bank of Namibia minimum regulatory requirement of 10%.

Prospects

Despite the more challenging economic environment, we remain excited about the future and the opportunities available to the group. Our management approach will remain vigilant, cautious and responsible regarding the management of clients' money and will ensure that we deliver sustainable long-term value to shareholders.

The group will continue to focus on the 5 key strategic drivers identified in 2013, mentioned below:

- Controlled asset growth;
- Capital management;
- Investment in technology and innovations;
- Diversification of income streams; and
- Focused cost efficiency programs.

The directors expect the group to meet the June 2014 total comprehensive income forecast indicated in the 2013 listing prospectus.

Christo de Vries
Managing Director

Koos Brandt
Chairman

BASIS OF PRESENTATION

The group condensed interim consolidated financial results 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.

This NENS announcement has been extracted from the group condensed interim consolidated unaudited financial results, which is available on the Bank Windhoek Holdings website.

The group's principal accounting policies have been prepared in terms of IFRS and have been applied consistently in all material aspects with those applied during the previous financial years.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 December 2013

	31 Dec 2013 (unaudited) N\$'000	31 Dec 2012 (unaudited) N\$'000	Year ended 30 Jun 2013 (audited) N\$'000
Interest and similar income	946,409	841,067	1,708,096
Interest and similar expenses	(423,680)	(393,558)	(793,642)
Net interest income	522,729	447,509	914,454
Impairment charges on loans and advances	(8,955)	(8,852)	(26,803)
Net interest income after loan impairment charges	513,774	438,657	887,651
Non-interest income	340,036	260,564	523,191
Operating income	853,810	699,221	1,410,842
Operating expenses	(458,295)	(366,681)	(762,759)
Operating profit	395,515	332,540	648,083
Share of joint ventures' results after tax	1,101	1,465	1,191
Share of associates' results after tax	51,819	27,816	60,445
Profit before income tax	448,435	361,821	709,719
Income tax expense	(128,748)	(112,629)	(216,448)
Profit for the period / year	319,687	249,192	493,271
Other comprehensive income			
<i>Items of other comprehensive income to be recycled</i>			
Net gains on available-for-sale financial assets	17,090	7,703	22,359
Total comprehensive income for the period / year	336,777	256,895	515,630
Ordinary shares in issue ('000) ^{1 2}	501,415	455,600	493,135
Weighted average no. of ordinary shares in issue ('000) ^{1 2}	501,415	454,036	455,152
Basic and diluted earnings per share (cents) ²	63.8	54.9	108.4
Interim dividend per ordinary share (cents) ²	23.0	18.25	32.75

¹ Adjusted for shares held by the employee share trusts.

² The 2012 comparatives have been adjusted to reflect the share split of four ordinary shares for every one ordinary share effective 2 April 2013.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2013

	31 Dec 2013 (unaudited) N\$'000	31 Dec 2012 (unaudited) N\$'000	30 Jun 2013 (audited) N\$'000
ASSETS			
Cash and balances with the central bank	665,902	1,293,909	852,636
Derivative financial instruments	8,142	-	12,188
Financial assets designated at fair value through profit or loss	2,388,492	1,307,054	1,493,165
Investment securities	74,893	365,783	120,446
Due from other banks	262,902	258,764	251,355
Loans and advances to customers	18,656,014	16,453,872	17,651,962
Other assets	249,205	125,744	189,704
Current tax asset	15,701	5,643	7,953
Investment in associates	217,757	193,765	191,999
Interest in joint ventures	5,387	4,560	4,286
Intangible assets	85,904	9,136	28,987
Property, plant and equipment	126,353	143,848	129,486
Deferred tax asset	4,441	5,464	4,441
Total assets	22,761,093	20,167,542	20,938,608
LIABILITIES			
Derivative financial instruments	5,533	914	7,792
Due to other banks	62,764	34,884	166,959
Debt securities in issue	1,929,207	964,415	1,323,976
Deposits	17,357,999	16,683,647	16,534,791
Other liabilities	341,241	188,816	229,079
Deferred tax liability	25,617	128,745	45,247
Post-employment benefits	7,290	5,539	6,706
Total liabilities	19,729,651	18,006,960	18,314,550
EQUITY			
Share capital and premium	535,169	115,145	466,745
Non-distributable reserves	154,930	146,370	149,877
Distributable reserves	2,341,343	1,899,067	2,007,436
Total shareholders' equity	3,031,442	2,160,582	2,624,058
Total equity and liabilities	22,761,093	20,167,542	20,938,608
Net asset value per share (cents) ²	605	474	532

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2013

	Share capital and premium	Non-distributable reserves	Distributable reserves	Total equity
	N\$'000	N\$'000	N\$'000	N\$'000
For the six months ended 31 December 2012 (unaudited)				
Balance at 1 July 2012	102,114	135,075	1,649,870	1,887,059
Issue of shares	13,031	-	-	13,031
Total comprehensive income for the period	-	-	256,895	256,895
Profit for the period	-	-	249,192	249,192
Other comprehensive income	-	-	7,703	7,703
Share-based payment charges	-	-	3,597	3,597
Transfer between reserves	-	11,295	(11,295)	-
Balance at 31 December 2012	115,145	146,370	1,899,067	2,160,582
For the six months ended 31 December 2013 (unaudited)				
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	3,674	-	-	3,674
Total comprehensive income for the period	-	-	336,777	336,777
Profit for the period	-	-	319,687	319,687
Other comprehensive income	-	-	17,090	17,090
Share-based payment charges	-	-	3,254	3,254
Transfer between reserves	-	5,053	(5,053)	-
Dividends for 2014	-	-	(1,071)	(1,071)
Balance at 31 December 2013	535,169	154,930	2,341,343	3,031,442
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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 31 December 2013

	Six months ended		Year ended
	31 Dec 2013 (unaudited)	31 Dec 2012 (unaudited)	30 Jun 2013 (audited)
	N\$'000	N\$'000	N\$'000
Net cash (utilised in) / generated from operating activities	(225,127)	719,861	(427,574)
Net cash generated from / (utilised in) investing activities	44,386	(26,706)	222,697
Net cash generated from financing activities	561,950	27,839	558,040
Net increase in cash and cash equivalents	381,209	720,994	353,163
Cash and cash equivalents at the beginning of the period / year	1,558,321	1,205,158	1,205,158
Cash and cash equivalents at the end of the period / year	1,939,530	1,926,152	1,558,321

HEADLINE EARNINGS RECONCILIATION

for the period ended 31 December 2013

	Six months ended		Year ended
	31 Dec 2013 (unaudited)	31 Dec 2012 (unaudited)	30 Jun 2013 (audited)
	N\$'000	N\$'000	N\$'000
Net profit attributable to the equity holders of the group	319,687	249,192	493,271
Loss on disposal of an associate	-	162	162
Remeasurement included in equity accounted earnings	848	848	1,696
Profit on sale of subsidiary included in equity accounted earnings	(13,309)	-	-
Disposal (gains) / losses on sale of property, plant and equipment	(323)	8	(263)
Headline earnings	306,903	250,210	494,866
Headline and diluted headline earnings per share (cents) ²	61.2	55.1	108.7

CAPITAL ADEQUACY

as at 31 December 2013

	Six months ended		Year ended
	31 Dec 2013 (unaudited)	31 Dec 2012 (unaudited)	30 Jun 2013 (audited)
	%	%	%
Tier I risk-based capital ratio	12.3	9.6	13.2
Tier II risk-based capital ratio	4.1	4.3	3.4
Total risk-based capital ratio	16.4	13.9	16.6
Tier I leverage ratio	10.9	8.2	11.4

SUMMARY OF KEY RATIOS

for the period ended 31 December 2013

	Six months ended		Year ended
	31 Dec 2013 (unaudited)	31 Dec 2012 (unaudited)	30 Jun 2013 (audited)
	%	%	%
Profit after tax growth ⁴	28.3	33.4	22.5
Earnings per share growth ⁴	16.2	32.5	22.4
Annualised return on average shareholders' equity ³	22.6	24.6	23.7
Annualised return on average assets	2.9	2.6	2.5
Cost to income ratio	53.7	52.4	54.1

³ The 30 June 2013 ratio has been adjusted for the capital raised as part of the Bank Windhoek Holdings listing.

⁴ Statement of comprehensive income comparisons are based on the six month periods ended December 2012 and December 2013.

INTERIM DIVIDEND

Notice is hereby given that an interim dividend of 23 cents per ordinary share was declared on 12 February 2014 for the period ended 31 December 2013.

- Last day to trade cum dividend: 21 February 2014
- First day to trade ex dividend: 24 February 2014
- Record date: 28 February 2014
- Payment date: 14 March 2014

Bank Windhoek Holdings Limited
(Incorporated in the Republic of Namibia)
(Registration Number: 96/300)
Share code: BWH ISIN: NA000A1T6SV9
("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 February 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