

REVIEWED CONSOLIDATED INTERIM GROUP RESULTS

for the six months ended 31 December 2014

Bank Windhoek
Holdings Limited

A member of  Capricorn

Operating profit	Headline earnings	Net asset value per share	Interim dividend per share	Capital adequacy	Annualised return on average equity
N\$475.6m	N\$360.7m	674 cents	24 cents	15.7%	21.5%
↑ 20.2% Annual growth	↑ 17.5% Annual growth	↑ 11.4% Annual growth			

GROUP FINANCIAL PERFORMANCE

Bank Windhoek Holdings Limited delivered satisfactory results for the half year ended 31 December 2014 with operating profit increasing by 20.2% year-on-year. The growth in operating profit is in line with the compounded annual growth rate over the last five financial years, emphasising consistent sound performance of the group.

Key performance highlights

The consolidated statement of comprehensive income comparisons are based on the six months ended 31 December 2013 and 31 December 2014, whilst statement of financial position comparisons are based on balances as at 31 December 2013 and 31 December 2014:

- Headline earnings increased by 17.5% to N\$360.7m
- Normalised group total comprehensive income increased by 18.5% to N\$383.5m
- Annualised return on average equity of 21.5%
- Increase in net asset value per share of 11.4%

Net interest income

Net interest income increased by 15.1% to N\$601.5m for the half year ended 31 December 2014. The group maintained a net interest margin of 5.0% whilst making good progress with its strategy to diversify its sources of funding, to lengthen the funding maturity profile and to improve the asset/liability maturity match.

The bank has maintained low bad debt levels with the non-performing loans as a percentage of gross advances decreasing from 0.76% to 0.66% over the comparable period.

Non-interest income

For the six months ended 31 December 2014 non-interest income increased by 16.4% to N\$395.7m. The growth in non-interest income is primarily as a result of the increase in business volumes, with the leading contributors being transactional accounts and electronic banking channels. The non-interest income contribution to total income remained stable at 40.2% whilst non-interest income coverage of operating expenses improved from 74.2% to 77.8%.

Operating expenses

Disciplined cost management resulted in operating expenses increasing by 11.0% to N\$508.5m, well below the increase in operating income of 15.3%. As a direct result of the positive operating performance, the cost to income ratio improved from 53.7% to 51.7%.

Income from associates

Income from associates decreased by 20.4% to N\$41.2m, as a result of the non-recurring profit on the sale of Capricorn Unit Trust Management Company Ltd (CUTM) by associate company Sanlam Namibia Holdings (Pty) Limited included in the prior year. Excluding this profit, the income from associates would have increased by 7.0%.

Statement of financial position

Loans and advances to customers grew by 18.2% to N\$22.1bn, which is marginally higher than the growth in funding of 17.5%.

Bank Windhoek Holdings remains well capitalised, with the group's total risk-based capital adequacy ratio of 15.7%, well above the Bank of Namibia minimum regulatory requirement of 10%.

Prospects

The group has made good progress with the delivery of the key strategic initiatives identified during the 2014 financial year, with emphasis on improving customer experience and the seamless delivery of superior service. The implementation of further initiatives will continue during 2015.

In addition to the above, liquidity management will continue to be a key focus, to further diversify and improve the maturity profile of the group's funding portfolio. The group will also continue to actively investigate investment opportunities to further diversify its revenue streams.

The group continues to do business in a responsible manner with the creation of long-term stakeholder value as the central focus.

Christo de Vries
Managing Director

Koos Brandt
Chairman

BASIS OF PRESENTATION

The reviewed condensed consolidated interim financial statements of Bank Windhoek Holdings Limited for the six months ended 31 December 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. The group's principal accounting policies comply with IFRS and have been applied consistently in all material aspects with those applied during the previous financial years.

This results announcement is extracted from the reviewed condensed consolidated interim financial statements, but is not itself reviewed. These financial statements were reviewed by PricewaterhouseCoopers, who expressed an unmodified review conclusion. 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 December 2014

	31 Dec 2014 (reviewed) NS'000	31 Dec 2013 (reviewed) NS'000	Year ended 30 Jun 2014 (audited) NS'000
Interest and similar income	1,151,045	946,409	1,944,847
Interest and similar expenses	(549,501)	(423,680)	(887,949)
Net interest income	601,544	522,729	1,056,898
Impairment charges on loans and advances	(13,146)	(8,955)	(29,115)
Net interest income after loan impairment charges	588,398	513,774	1,027,783
Non-interest income	395,692	340,036	679,732
Operating income	984,090	853,810	1,707,515
Operating expenses	(508,519)	(458,295)	(914,641)
Operating profit	475,571	395,515	792,874
Share of joint arrangements' results after tax	1,187	1,101	1,151
Share of associates' results after tax	41,223	51,819	84,264
Profit before income tax	517,981	448,435	878,289
Income tax expense	(157,418)	(128,748)	(253,374)
Profit for the period / year	360,563	319,687	624,915
Other comprehensive income			
<i>Items that may subsequently be reclassified to profit or loss</i>			
Change in value of available-for-sale financial assets	22,918	17,090	14,244
Total comprehensive income for the period / year	383,481	336,777	639,159
Ordinary shares in issue ('000) ¹	501,564	501,415	501,117
Weighted average no. of ordinary shares in issue ('000) ¹	501,564	501,415	501,117
Diluted weighted average no. of ordinary shares in issue ('000) ¹	503,583	501,415	502,063
Basic earnings per share (cents)	71.9	63.8	124.7
Diluted earnings per share (cents)	71.6	63.8	124.5
Dividend per ordinary share (cents)	24.0	23.0	44.0

¹ Adjusted for shares held by the employee share trusts.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2014

	31 Dec 2014 (reviewed) NS'000	31 Dec 2013 (reviewed) NS'000	30 Jun 2014 (audited) NS'000
ASSETS			
Cash and balances with the central bank	896,029	665,902	709,431
Derivative financial instruments	1,790	8,142	2,190
Financial assets designated at fair value through profit or loss	2,024,166	2,388,492	2,104,938
Investment securities	94,965	74,893	72,047
Due from other banks	546,673	262,902	472,972
Loans and advances to customers	22,059,419	18,656,014	20,245,395
Other assets	163,299	249,205	250,320
Current tax asset	15,450	15,701	14,112
Investment in associates	243,318	217,757	209,364
Interest in joint arrangements	6,624	5,387	5,437
Intangible assets	129,586	85,904	94,239
Property, plant and equipment	134,940	126,353	130,295
Deferred tax asset	7,670	4,441	7,528
Total assets	26,323,929	22,761,093	24,318,268
LIABILITIES			
Derivative financial instruments	1,242	5,533	138
Due to other banks	331,980	62,764	282,664
Debt securities in issue	2,048,877	1,929,207	1,841,287
Deposits	20,348,773	17,357,999	18,782,411
Other liabilities	194,641	341,241	298,643
Current tax liability	1,525	-	698
Deferred tax liability	8,001	25,617	10,708
Post-employment benefits	7,989	7,290	7,561
Total liabilities	22,943,028	19,729,651	21,224,110
EQUITY			
Share capital and premium	534,558	535,169	532,435
Non-distributable reserves	185,544	154,930	170,354
Distributable reserves	2,660,799	2,341,343	2,391,369
Total shareholders' equity	3,380,901	3,031,442	3,094,158
Total equity and liabilities	26,323,929	22,761,093	24,318,268
Net asset value per share (cents)	674	605	617

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2014

	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 2013 (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	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	-	-	(1,071)	(1,071)
Balance at 31 December 2013	535,169	154,930	2,341,343	3,031,442
For the six months ended 31 December 2014 (reviewed)				
Balance at 1 July 2014	532,435	170,354	2,391,369	3,094,158
Shares held by the BWH Group	-	-	-	-
Employee Share Trusts	2,123	-	-	2,123
Total comprehensive income for the period	-	-	383,481	383,481
Profit for the period	-	-	360,563	360,563
Other comprehensive income	-	-	22,918	22,918
Share-based payment charges	-	-	4,096	4,096
Profit on sale of treasury shares	-	-	2,335	2,335
Transfer between reserves	-	15,190	(15,190)	-
Dividends	-	-	(105,292)	(105,292)
Balance at 31 December 2014	534,558	185,544	2,660,799	3,380,901
For the year ended 30 June 2014 (audited)				
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
Transfer between reserves	-	20,477	(20,477)	-
Acquisition of subsidiary	-	-	(121,491)	(121,491)
Dividends	-	-	(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 period ended 31 December 2014

	Six months ended		Year ended
	31 Dec 2014 (reviewed)	31 Dec 2013 (reviewed)	30 Jun 2014 (audited)
	N\$'000	N\$'000	N\$'000
Net cash generated from / (utilised in) operating activities	64,540	(225,127)	(535,008)
Net cash (utilised in) / generated from investing activities	(56,925)	44,386	(103,600)
Net cash generated from financing activities	27,659	561,950	689,036
Net increase in cash and cash equivalents	35,274	381,209	50,428
Cash and cash equivalents at the beginning of the period / year	1,608,749	1,558,321	1,558,321
Cash and cash equivalents at the end of the period / year	1,644,023	1,939,530	1,608,749

HEADLINE EARNINGS RECONCILIATION

for the period ended 31 December 2014

	Six months ended		Year ended
	31 Dec 2014 (reviewed)	31 Dec 2013 (reviewed)	30 Jun 2014 (audited)
	N\$'000	N\$'000	N\$'000
Profit for the period / year	360,563	319,687	624,915
Profit on sale of subsidiary by an associate included in equity accounted earnings	-	(13,309)	(13,277)
Profit on sale of subsidiary	-	-	(6,742)
Remeasurement included in equity accounted earnings	254	848	1,696
Disposal gains on sale of property, plant and equipment	(119)	(323)	(371)
Headline earnings	360,698	306,903	606,221
Basic headline earnings per share (cents)	71.9	61.2	121.0
Diluted headline earnings per share (cents)	71.6	61.2	120.7

CAPITAL ADEQUACY

as at 31 December 2014

	Six months ended		Year ended
	31 Dec 2014 (reviewed)	31 Dec 2013 (reviewed)	30 Jun 2014 (audited)
	%	%	%
Tier I risk-based capital ratio	12.6	12.3	13.5
Tier II risk-based capital ratio	3.1	4.1	2.3
Total risk-based capital ratio	15.7	16.4	15.8
Tier I leverage ratio	11.3	10.9	12.1

SUMMARY OF KEY RATIOS

for the period ended 31 December 2014

	Six months ended		Year ended
	31 Dec 2014 (reviewed)	31 Dec 2013 (reviewed)	30 Jun 2014 (audited)
	%	%	%
Profit for the period / year growth ²	12.8	28.3	26.7
Earnings per share growth ²	12.7	16.2	15.0
Annualised return on average shareholders' equity	21.5	21.8	21.9
Cost to income ratio	51.7	53.7	53.6

² Statement of comprehensive income comparisons are based on the six month periods ended December 2013 and December 2014.

INTERIM DIVIDEND

Notice is hereby given that an interim dividend of 24 cents per ordinary share was declared on 11 February 2015 for the period ended 31 December 2014.

- Last day to trade cum dividend: 20 February 2015
- First day to trade ex dividend: 23 February 2015
- Record date: 27 February 2015
- Payment date: 13 March 2015

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, 11 February 2015

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