



2015

Sustainability Report

for the year ended 30 June 2015

Bank Windhoek
Holdings Limited

A member of  **Capricorn**
Investment Holdings

Index

What is in this report?

This report describes how Bank Windhoek Holdings Ltd (BWH) manages its operations in a responsible way. We outline how we are making BWH a more sustainable financial services group to serve and support our customers, employees and communities, now and in the future.

The report covers our activities from 1 July 2014 to 30 June 2015.

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1. Sustainability highlights



597

Training received
(employees)

1

Dedicated sustainability
management capacity

0

Discrimination
incidents

↑ N\$753 million
Profit after tax for the year (+20.5%)

↑ N\$1.4 million
Leadership development investment

↑ N\$6.3 million
Sponsorships and donations



1.1. Chairman's message

It gives me great pleasure to introduce Bank Windhoek Holdings Ltd (BWH) first Sustainability Report. This milestone follows the recent publication of the Annual Report of our group for the period ending 30 June 2015 in which we confirmed sustainability as a key strategic theme for the group and that we embarked on the process to develop a comprehensive sustainability and reporting framework that will integrate environmental, social and governance dimensions into our everyday operating practices. The 2015 Sustainability Report presents a baseline analysis of our sustainability performance for the period July 2014 to June 2015.

The group's objective has always been to deliver sustainable long term value to its stakeholders by growing in a responsible manner. Sustainability is, therefore, a core long term value, creating competency for BWH and its entities, and our strategy is founded upon addressing sustainability holistically to include environmental, social and economic issues.

Our group believes that growth is coupled with an acute sense of the group's social, economic and environmental responsibilities. Our group has a proven track record of being a partner in Namibia's socio-economic development and our commitment to serve the local communities in which we operate is stronger than ever. We acknowledge that our role in society has never been more important and that we have the power to help communities achieve their social and economic potential. This is precisely what we aim to do through the group's social responsibility agenda. It is also for this reason that we have made great strides in reporting on our sustainability agenda by introducing our first Sustainability Report.

Our vision is to be a leading financial services group that delivers value to all stakeholders and we understand that the relationships with our employees, customers, shareholders and communities are essential in delivering value.

2. Group overview

2.1. Group profile

Bank Windhoek Holdings Ltd (BWH) is a Namibian financial services group established in 1996 that primarily operates as an investment holding company.

Its main investments comprise of:

- 100% in Bank Windhoek Ltd;
- 100% in Namib Bou (Pty) Ltd;
- 100% in Welwitschia Insurance Brokers (Pty) Ltd;
- 100% in Capricorn Asset Management (Pty) Ltd;
- 100% in Capricorn Unit Trust Management Company Ltd;
- 29.5% in Sanlam Namibia Holdings (Pty) Ltd; and
- 28% in Santam Namibia Ltd.

BWH was listed on the Namibian Stock Exchange in June 2013. The public offer created immense public and media interest, resulting in an over-subscription of 3.5 times. Since then, the share price has increased by 77.8% from BWH's public offer price of N\$8.75 at the time of the listing in June 2013 to N\$15.56 at the end of June 2015.

The group continues to register good growth, in line with its highly consistent performance of the past five years.

At the financial year end 30 June 2015, BWH's performance indicators were as follows:

- Earnings per share 150.4 cents; a year-on-year growth of 20.6%
- Return on average equity 22.4%
- Capital adequacy 15.8% (total risk-based capital ratio)

- Operating profit N\$978.3 million; a year-on-year growth of 23.4%
- Profit after tax for the year N\$753 million; a year-on-year growth of 20.5%
- Net asset value N\$3.6 billion; a year-on-year growth of 17.8%

BWH's Annual Report can be downloaded from the website, www.bwholdings.com.na.

Entity overview

- **Bank Windhoek (BW)**, the main subsidiary and flagship brand of the group, offers a range of financial services and products via a distribution network of 53 retail branches and agencies, more than 102 ATMs countrywide as well as a total of 252 Bank Windhoek Cash Express ATMs.

- **Welwitschia Insurance Brokers (WIB)** offers a wide range of short term broker services for all types of corporate, commercial, SME, marine, aviation and personal lines insurance. WIB has 11 branches across the country.
- **Capricorn Asset Management (CAM) and Capricorn Unit Trust Management (CUTM)** provides their clients access to investments in all major asset classes, including a number of local unit trust funds, government securities trading, trust services, equity dealing, international investments and investment consulting for the retail, high net worth, corporate and institutional client.
- **Namib Bou** is a property development company specifically focused on the development of affordable housing.



2.2. BWH strategy

BWH's vision is aligned to the vision of Capricorn Investment Holdings (CIH), which is to be a leading financial services group, delivering sustainable value to all stakeholders. The group aims to achieve a sustained Return on Equity (RoE) of 20% for the next five years. We will achieve this by understanding the behaviours and needs of customers, delivering on our service promise and leveraging the skills and knowledge of our people across the group, 'As One'.

As One Strategy

Our strategic focus for the period 2014 – 2017 is to provide a unique customer experience supported by digital offerings. To reach this goal, we are developing a special value proposition for our employees, reviving our engagement with all stakeholders and creating value for our shareholders through responsible and sustainable financial services practices.

We believe that merely focusing on the immediate concerns around our balance sheet and on creating high shareholder returns, will not create long term sustainable value. The post financial crisis has conditioned us to be intolerant to a number of identified risk and compliance issues and to channel our efforts towards improving the economic fundamentals of our business which BWH has very successfully done during the past years.

Enabling themes

Our strategic focus for the next three years will also include:

- maturing our risk and compliance framework towards an integrated level throughout the group;
- moving towards integrating innovation into our processes; and
- enhancing our internal communication capabilities and channels.

Strategy highlights

During the past year, BWH's focus on the 'As One' strategy theme enhanced cross-functional teamwork and collaboration. The group decided to include a wider audience in the formulation of the strategies and plans, while maturing the collective strategic thinking ability by having more frequent strategy development, review and conversation events.

BWH is implementing leading approaches towards customer and employee strategies, and corporate sustainability. Moreover, the establishment of dedicated roles for customers, innovation, sustainability and digitisation have been highlights for the group and have improved the execution of strategic plans.

asone
strategy



2.3. Interview with the Managing Director, Christo de Vries

Q Capricorn Investment Holdings (CIH) vision is to create sustainable value for all stakeholders. What is the role of BWH in achieving that goal?

A BWH’s success and survival depends on the wellbeing of the society and the health of the environment we are operating in. As a financial services group, we have positive and maybe sometimes also unintended negative impacts on the local community through our operations in the normal course of business. Successful businesses are responsive to the broader needs of the societies in which they operate. That means we need to increase our positive impacts and reduce our negative ones.

Q How are you implementing sustainability?

A Sustainability was identified as a key strategic theme during the development of the group’s competitive strategy in 2014. Since then, BWH has developed a comprehensive sustainability and reporting framework that will guide the integration of environmental, social and economic dimensions into our everyday operating practices.

To gain some momentum we conducted an energy and water efficiency audit in our three main buildings in Windhoek in May 2015 to start reducing our environmental footprint in the short to medium term. We have recently also initiated the development of an environmental and social management strategy for Bank Windhoek’s Credit Division, to identify and manage environmental and social risks and impacts in relation to lending products and services provided to our clients.

Q What is the benefit of sustainability?

A For me, sustainability is to distinguish between profit as one of quantity or one of quality. A company with embedded sustainability

principles and a framework is able to not just look at the past and what has occurred during the year that has been. Such a company can also change the focus to the future, addressing issues and setting up sustainable targets, not only from an economic perspective but also socially, environmentally and strategically. So, sustainability is about managing social and environmental risks, and creating opportunities and enhancing our reputation.

Q Is sustainability an immediate issue today in any of our entities?

A I am often confronted with the argument that BWH, as a financial institution, does not have a large carbon footprint as it trades in assets. So why then should sustainability be a priority for us?

It is a priority for Bank Windhoek because the bank provides loans, grants and banking to companies and individuals that might have large carbon footprints and ineffective sustainability practices. Therefore, we need to be careful not to contribute indirectly to unsustainable practices in Namibia and also at the same time be ready to positively influence these companies and individuals.

It is also relevant to Welwitschia Insurance Brokers because insurance providers and brokers are of the most exposed companies to, for example, climate change, given the damage and loss associated with events such as droughts, floods, etc.



Q Describe how you go about infusing a sustainable way of thinking into the company.

A It is always tempting to make sustainability a compliance issue and adhere only to the lowest environmental or social standards for as long as possible. However, our philosophy is to look at the issue of sustainability strategically and to adopt the best relevant practices. The role of leadership is crucial in accomplishing our sustainability vision.

Our challenge is to develop a culture in which both leadership and employees hold shared assumptions and beliefs about the importance of balancing economic efficiency, social equity and environmental accountability. To achieve this, our commitment to social and environmental concerns must be communicated consistently, both in words and in actions.

The shared beliefs have to be supported by a formal performance management system. We took the approach to assign ownership of our key sustainability focus areas

to a number of executives within BWH, rather than one department. We identified specific sustainability indicators and developed measurable targets for each area.

Most importantly, I believe that ‘charity begins at home’. One of our most important stakeholders to consider is our employees. The success of implementing sustainability is closely aligned to levels of motivation, which we aim to increase through the development of a unique value proposition for all employees.

3. Sustainability strategy



3.1. Introduction

Bank Windhoek Holdings Ltd (BWH) first Sustainability Report for 2015 presents a baseline analysis of its sustainability performance for the period July 2014 to June 2015.

Sustainability was prioritised during the review of the group's competitive strategy in 2014 and was included as a key strategic objective.

From April 2014 to May 2015, BWH undertook to develop a comprehensive sustainability and reporting framework integrating environmental, social and economic performance into its everyday operating practices. Sustainability is seen as a core long term value-creating competency for BWH and its entities.

Credibility through local and global citizenship

The 2015 report covers BWH's Namibian activities, including subsidiaries but excluding associates (Santam and Sanlam). Given that Bank Windhoek remains the largest subsidiary and contributor to headline earnings, and the relative sustainability maturity in our smaller entities, our reporting

remains weighted towards Bank Windhoek. We continue to work to improve our reporting at a group wide level.

This report focuses on the most material aspects of our business in relation to our strategy. We believe an issue is material when it affects our ability to operate and achieve our strategic objectives. During February 2015 BWH launched an extensive exercise to understand the expectations of a broad group of stakeholders. The issues raised by our internal and external stakeholders are thus taken into account.

Various surveys, benchmarks and international frameworks also inform our reporting. We have considered the Global Reporting Initiative’s recent G4 Guidelines and have made a start towards reporting against this framework in this report. We will continue to improve our application of the G4 Guidelines as our sustainability maturity increases.

Ernst & Young has supported the group in the development of its sustainability framework and the identification of material issues, while BWH’s sustainability and ethics steering committee is re-

sponsible for providing oversight of the sustainability implementation and reporting process.

We welcome the views of our stakeholders on this report and the way we approach our sustainability priorities. Please contact our corporate strategy and sustainability division at sustainability@bwholdings.com.na with your feedback or questions. Alternatively, you may use the feedback facility on our website, www.bwholdings.com.na.

Q What is key to implementing sustainability successfully?

“We transform our business to be more sustainable through proper identification, definition and measurement of key performance indicators (KPI) that are linked to stakeholder needs and expectations. The essence of KPI measurement is to direct continuous, systematic and progressive improvements towards serving our stakeholders better over time. By embedding improvements into our daily operations we strive to maximise the positive impact we have in a sustainable way. Our KPI method is two-fold: first we identify the material indicators that define our key performance areas for each of our key stakeholders; and second we integrate the measurement and monitoring of our performance into the normal course of business.”

Nico van der Merwe, Group Head: Risk and Compliance



3.2. Focus and approach

Sustainability philosophy

Credibility is key to value creation. We believe that we are part of a bigger, interconnected global system. Our approach to being a responsible local and global citizen is built into the DNA of all our businesses. We aim to be open, transparent and accountable in our reporting.

Sustainability focus

Key sustainability challenges that BWH might face include climate change, poverty, health issues and resource shortages (water, energy, food). In addressing these global and local challenges we attend to all our business lines, i.e. banking, insurance, investment and asset management, lending and micro finance, as well as property development.

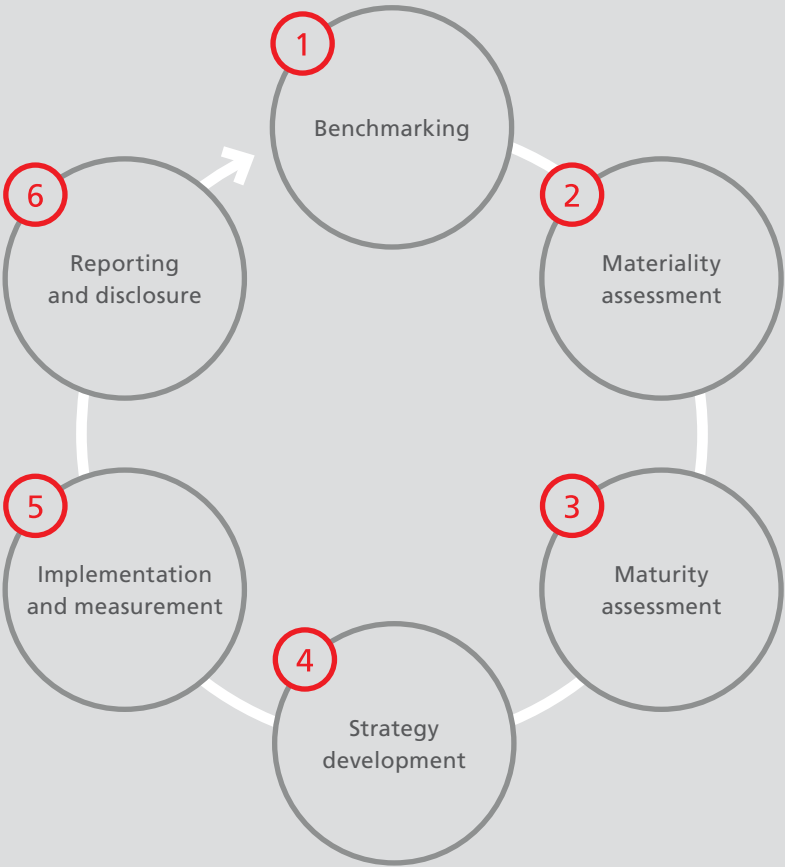
Sustainability standards

For the sustainability strategy and reporting framework, BWH is focusing on global and regional best practice standards. Global standards considered are the UN Global Compact, as well as the Global Reporting Initiative’s new G4 Guidelines. The G4 Guidelines were used to assess materiality and to create key performance indicators. The International Finance Corporation’s (IFC) Policy on Environmental and Social Sustainability and IFC’s Environmental and Social Performance Standards were adopted for the bank’s lending environment.

The local frameworks that were taken into account were Namcode (Namibia’s equivalent to King III), the Namibia Financial Sector Charter (NFSC) and Namibia Financial Sector Strategy (NFSS).

Sustainability approach

Our strategy is founded upon addressing sustainability holistically to include environmental, social, ethical and economic issues. Our approach incorporates these steps:



BWH’s process for developing a sustainability strategy based on the Ernst & Young approach.

3.3. Conceptual framework

Our conceptual framework for sustainability is designed around the external best practice landscape and our internal operational landscape, i.e. the processes and practices that would support the implementation of sustainability.

We realise that the building blocks of sustainability are driven by specific internal processes such as

stakeholder management, strategic management, the execution of change, disclosure and reporting.

Underlying the conceptual framework is appropriate infrastructure (people, process, systems) and governance. The framework is guided by the group’s vision, aspirations and business strategy.



3.4. Sustainability governance

The current ethics and sustainability steering committee, based on the authority and mandate vested in it by its terms of reference, governs sustainability and ethics related matters during the year under review.



3.5. Materiality and maturity

Presented in this report is information that we currently regard as material to our operations and stakeholders. We derive significant value from our diverse stakeholders and engage and listen to them. Through their feedback, we identify the environmental, social and governance aspects that have the greatest impact on our business and which are the greatest level of concern to our stakeholders.

Our materiality assessment refers to the stakeholder engagement process where external and internal stakeholders highlighted which key performance areas (KPAs) and associated key performance indicators (KPIs) they perceived as important. Each KPA has a list of corresponding KPIs. The list of KPAs and KPIs was extracted from the Global Reporting Initiative’s G4 Indicator Benchmark, which is an international standards reporting tool for sustainability. As such, these KPAs were ranked and rated according to relevance. The KPAs

selected by BWH’s internal stakeholders as most relevant within the reporting period are as follows:

- Economic (G4-EC)
- Environmental (G4-EN)
- Social, including labour, human rights, society, product responsibility (G4-LA, G4-HR, G4-SO, G4-PR)
- Financial sector specific (G4-FS)

Moreover, our sustainability concerns include an increased risk awareness of the proximity of natural resource shortages (water specifically), as well as climate change, energy shortage and urbanisation, which were all considered equally material for our operating context.

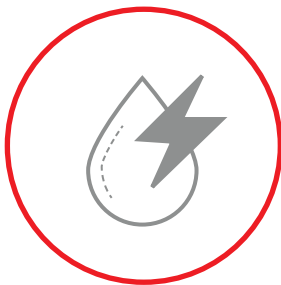
One of the most important aspects in BWH’s sustainability journey however, is to have a clear understanding of the current level of sustainability maturity of the group and where improvement is necessary over time, which is why we have developed an implementation strategy for each of the material KPIs.

The group’s 2014 – 2015 key sustainability performance areas



Society

- Community engagement
- Financial literacy
- Access to financial services



Environment

- Water and energy efficiency



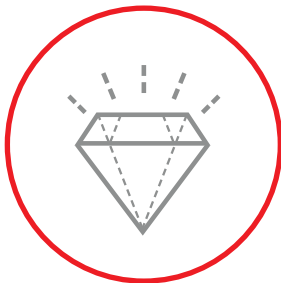
Economic

- Supply chain sustainability
- Infrastructure development



Employees

- Health and safety
- Leadership and skills development
- Diversity



Financial sector

- Customer satisfaction
- Environmental and social management system for lending

3.6. Stakeholder engagement

Businesses have a broader scope of responsibility today than was the case a few years ago. Defining those responsibilities is core to BWH’s stakeholder engagement strategy.

For the BWH group, effective stakeholder engagement is a key strategic objective. Due to changes in both the internal and external environment of the group and the implementation of a sustainability framework and strategy, BWH identified a need to update its understanding of stakeholder

expectations. Consequently, a comprehensive stakeholder audit was launched at the beginning of 2015, with the focus on our relationships and communications with stakeholders as well as on sustainability-related views.

A comprehensive report will be developed with insights on stakeholder expectations and issues. The information will be used to review our existing policy and to develop a group-wide stakeholder engagement framework and strategy.

BWH’s prioritised stakeholders for the 2015 audit were:

- government;
- regulators;
- suppliers;
- investors and analysts;
- the media;
- communities of interest; and
- corporate clients (large depositors).

Q What does stakeholder engagement mean for BWH in 2015?

“Stakeholder engagement comes in many forms, and businesses are compelled to engage their stakeholders for a myriad of reasons. What we know is that the private sector today is increasingly called upon to take responsibility contributing to solutions that will resolve some of Namibia’s social and environmental problems – from drought and unemployment to energy and water shortages. Engagement for us in 2015 is the process of exchanging information, listening to and learning from stakeholders. Stakeholder engagement has evolved as the role of corporations in society has changed over time. BWH’s evolving focus on stakeholders is to proactively, rather than reactively, engage a wider variety of stakeholders to understand their perspectives and invite feedback.”

Gida Nakazibwe-Sekandi, Non-executive Director, Capricorn Investment Holdings

3.7. Corporate governance and ethics

High corporate governance standards are fundamental in maintaining the group's position within the local and regional banking sector and the community. Continuous review and adherence to sound corporate governance practices help ensure compliance levels according to international standards and best practice.

The group continuously endeavours to enhance shareholder value, protect shareholder interests and defend their rights by practising the pursuit of excellence in corporate life. To achieve this, BWH complies with all statutory requirements and formulates and adheres to sound corporate governance practices.

Ethics and anti-corruption

BWH's ethics programme is overseen by the group's risk and compliance division and, amongst others, includes the following features:

- A whistle-blower hotline called "Tipoffs Anonymous" that allows all employees to anonymously report dishonest colleagues, clients or suppliers who may have a business relationship with the group.
- A group code of ethics and conduct which is aligned to the core values of the group. This code of ethics and conduct sets the standards for ethical behaviour within the group.

Following on the listing of BWH on the Namibian Stock Exchange and the expected adherence to the NamCode, which details ethical leadership and corporate citizenship principles, BWH has acknowledged the requirement to elevate the priority of ethics on its governance agenda.

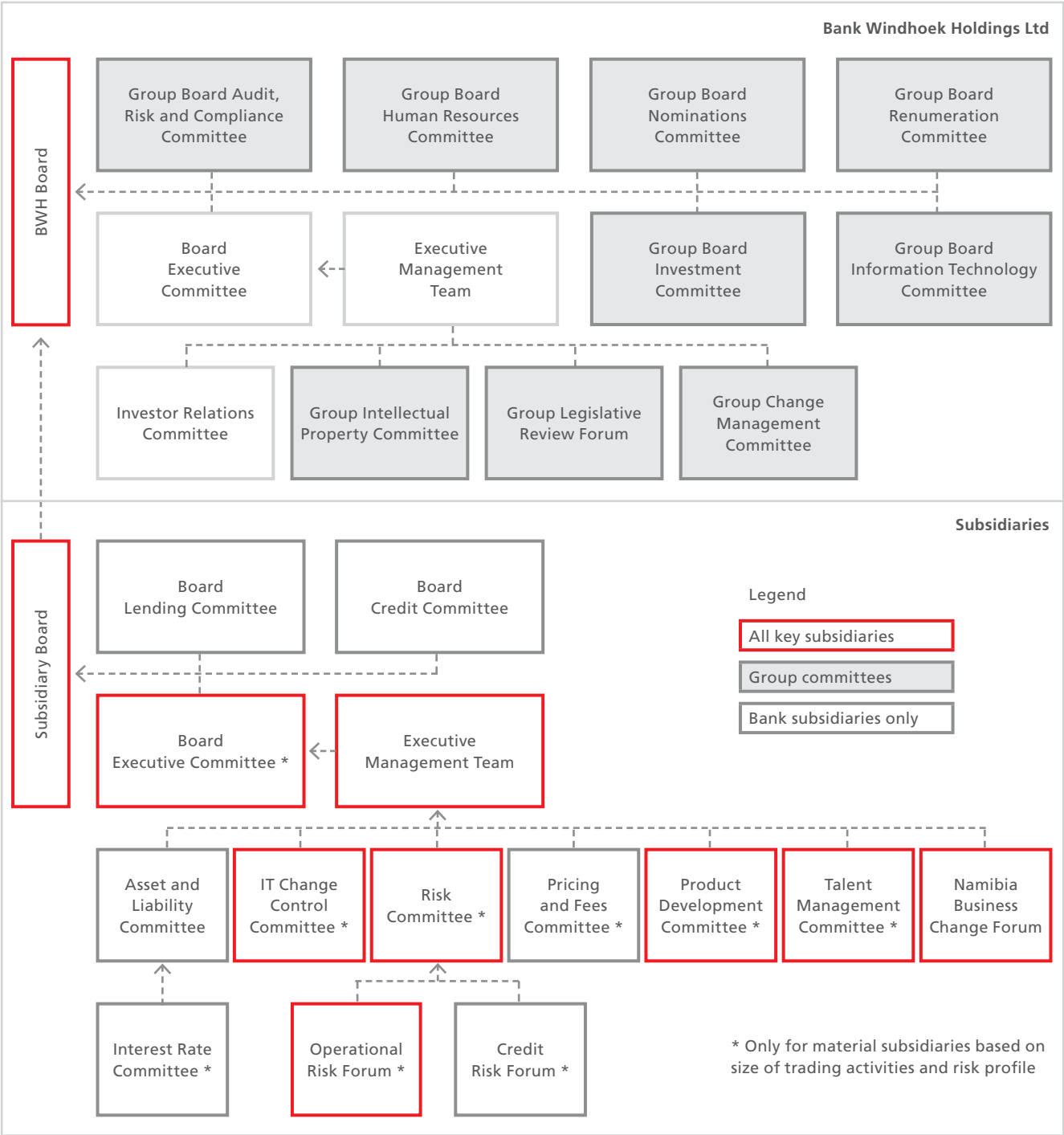
Part of the board's recognition was to identify the current state of ethics management within the BWH organisational structure. Therefore, an ethics risk assessment was conducted at the beginning of 2015 and an ethics strategy formulated, which is aligned to the organisational strategic objectives and suited to the organisation's risk profile.





Governance structure

The board has established board and management committees to assist it in providing effective oversight over the group’s operations. The board will review the structure periodically and modify it as deemed necessary. Additional committees may be formed from time to time, and the existing committees may be assigned additional responsibilities.



Governance structure.

4. Key performance areas (2014 – 2015)

4.1. Customers

Highlights



Customers are at the heart of our business. Our current market leadership (loans and advances) is a result of carefully crafting and maintaining customer satisfaction. Our bank's customer base grew by 10.9% during the reporting year (1 July 2014 to 30 June 2015).

Continuous improvement

Balancing the expectations of customers in an ever changing technological environment is a challenge we have taken on. Our project portfolio consists mainly out of technology related projects that will address the needs of our customers.

Material indicators



• Customer satisfaction (G4-PR5):

- A customer service audit was conducted for the bank during 2015. Bank Windhoek obtained a customer satisfaction of 87%, which is a higher score than the benchmark of 85% initially set as a target for the bank to achieve. Nevertheless, Bank Windhoek will continue on its current customer service delivery path of making every customer count and feel important and ensuring that action plans are in place to address areas of concern that were raised during the service audit. In an effort to

improve even more on the service quality of the bank, the bench-mark score for customer service has been increased to 90% and the service levels of branches will be measured against this higher benchmark in the 2016 audit.

• Branch network:

- Bank Windhoek has 264 924 clients (active clients with active accounts) serviced by 25 retail branches, 11 community branches and 17 agencies (total of 53). Additionally the bank has 102 Bank Windhoek ATMs across the country and 252 Cash Express machines that serve as access points for clients.
- Expansion: One new branch (Grove Mall) was established during the reporting period, as well as four additional ATMs were installed in Windhoek (1), Oshikango (2) and Grootfontein (1).
- Welwitschia Insurance Brokers services about 18 200 customers through

11 branches, including the commercial, personal lines and aviation branches, which are operated from Head Office in Windhoek.

- Capricorn Asset Management has 9 753 customers who are investing in a variety of funds that the company is offering.

- **Access to financial services (G4-FS13):**
 - Bank Windhoek has the most bank branches and agencies across the country and is well-represented in economically advantaged and disadvantaged regions when compared to other banks.
 - Bank Windhoek offers a free-of-banking-fees transactional

account (EasySave) for the low income market, which offers a Visa branded debit card, free access to Internet and mobile banking as well as an embedded life policy.

- As a co-creator of the Namibian Code of Banking Practice, Bank Windhoek embraces the principle of transparency when it comes to fees for products and services and therefore is committed to disclose these fully. For that purpose, the bank developed a new fee structure for 2015 that will help clients to better understand their product options and associated costs.

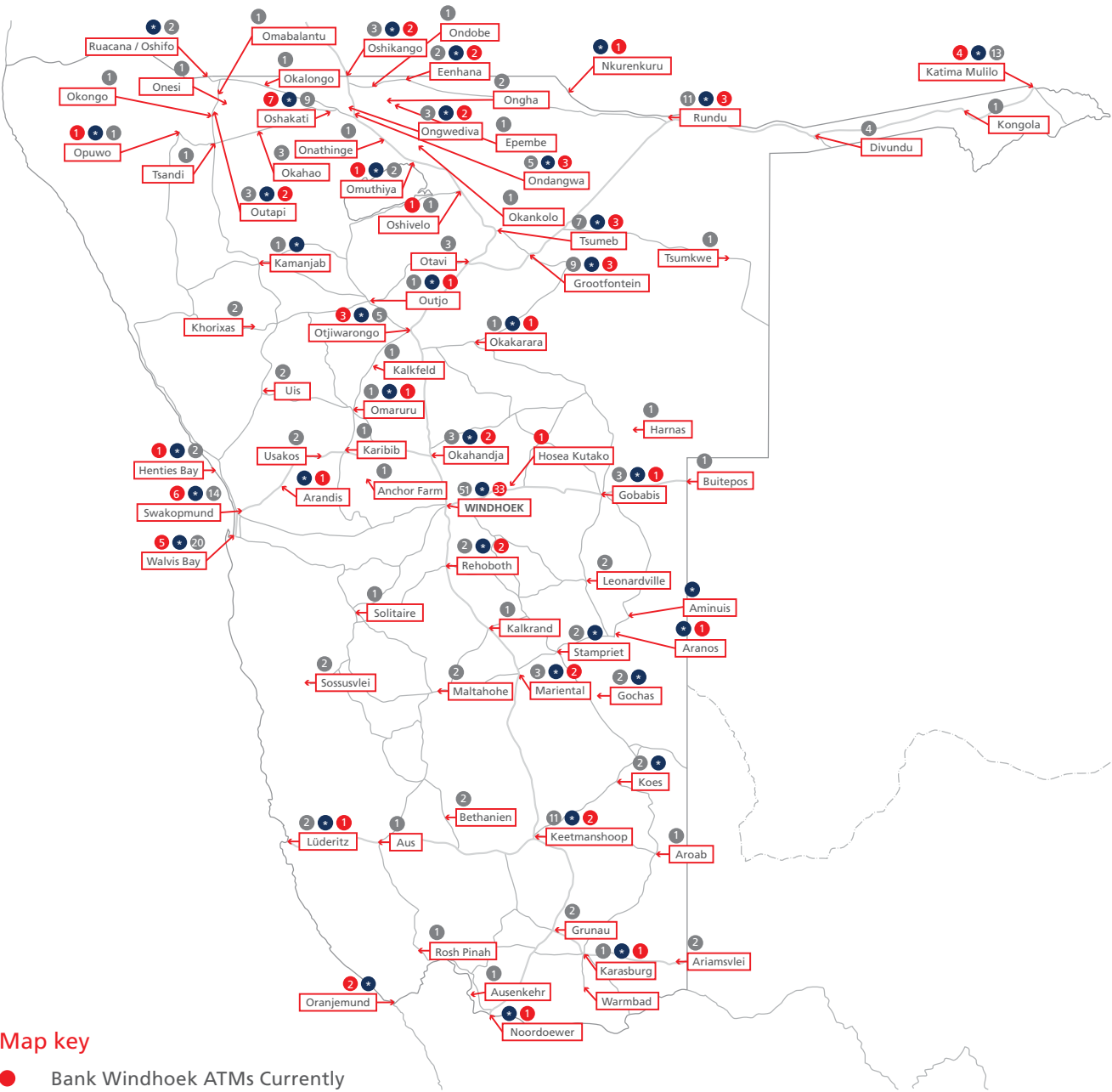
- **Environmental and social management system for the credit division (G4-FS9):**
 - A project was launched in May 2015 to develop and implement a best practice environmental and social management system (ESMS) in the management and governance of Bank Windhoek’s lending activities. Included in the ESMS project is the development of appropriate policies and procedures for the bank and to build institutional capacity to implement the system. It is based on the International Finance Corporations (IFC) Environmental and Social Performance Standards.

Q How do we make banking more affordable and accessible?

“We believe that the one way we will truly bring banking to all Namibians is through innovative technology and strong partnerships with likeminded entities. This challenge cannot be conquered alone, but we feel Bank Windhoek can lead the way in extending banking to more markets and communities.”

Ryan Geyser, Chief Customer Officer, BWH

Distribution network



- Map key**
- Bank Windhoek ATMs Currently
 - Cash Express
 - * Bank Windhoek Branches / Agencies

4.2. Employees

Highlights

Our biggest asset is people and their motivation will remain central to management’s objectives. Human resource management at BWH is focusing heavily on talent management, leadership development, engagement and communication with employees. The unionisation of Bank Windhoek, the initiation of an in-house leadership development programme and the ‘Revitalise’ programme to enhance the way we communicate and engage, as well as the implementation of a new HR operating model are recent milestones in this area.

Continuous improvement

We are proud of a diverse workforce throughout the organisation. Diversity and talent retention and attraction remains a priority of our people strategy. BWH is committed to create value for all employee groups and has initiated the development of value propositions for each staff segment.



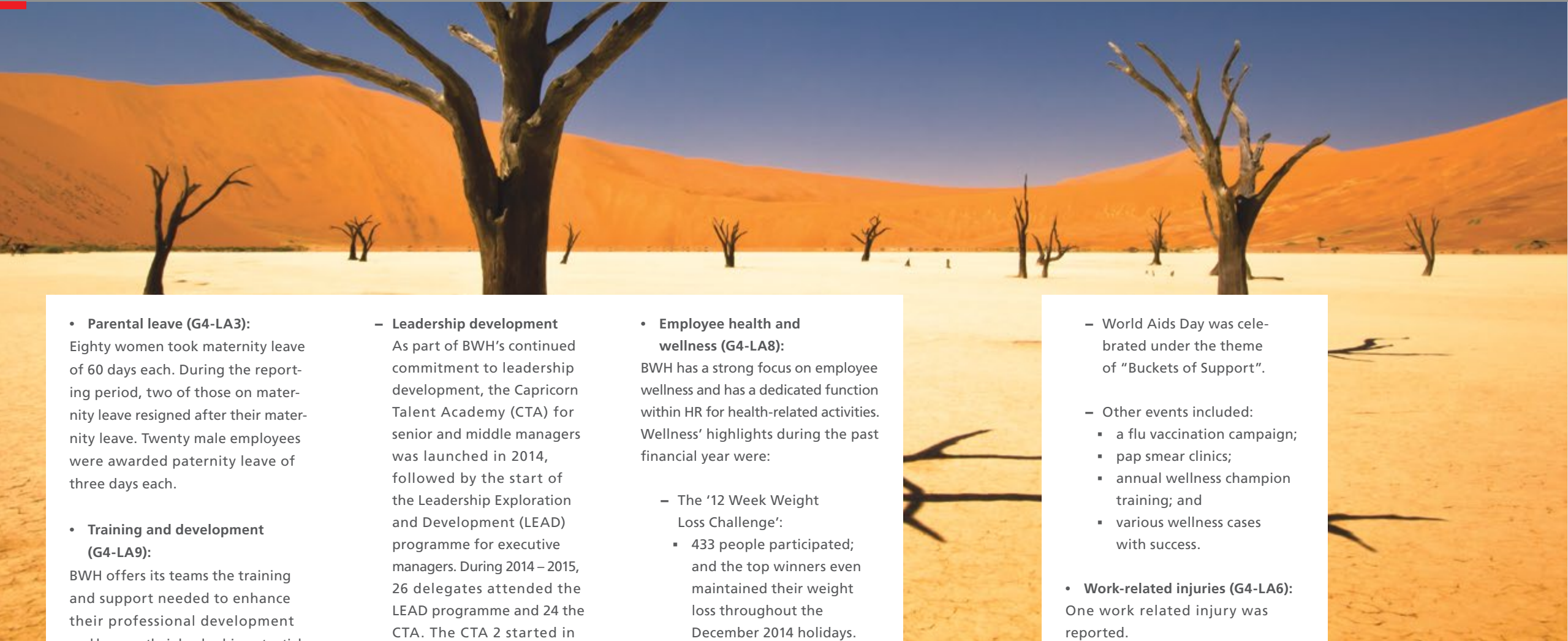
Employee diversity and turnover (G4-EC6 and G4-LA1):

BWH has a team of 1 545 employees that share the same corporate values: teamwork, excellence, learning, passion, integrity and innovation. Women account for 64.72% of the workforce, and men 35.28%. The average age is 34.

The turnover rate, based on full-time employees (excluding fixed term contracts, retirements, deaths, disabilities, dismissals and intergroup transfers), during the reporting period was 11%. 57% of terminations were women.

The employment equity statistics of Bank Windhoek Holdings Ltd are as follows:

	Actual 2014	Target set for 2015	Actual 2015
Racially advantaged	22.27%	21.13%*	20.91%
Woman	64.8%	64%	64.69%
Racially disadvantaged	75.64%	76.64%	76.86%
Persons with disabilities	0.2%	0.32%	0.38%
Women in senior management positions	29.03%	29%	29.13%
Women in middle management positions	57.08%	56%	58.63%
Racially disadvantaged in senior management	27.96%	32%	27.18%
Racially disadvantaged in middle management	41.85%	50%	52.61%
Non-Namibians	9.52%	1.91%	1.85%



• **Parental leave (G4-LA3):**

Eighty women took maternity leave of 60 days each. During the reporting period, two of those on maternity leave resigned after their maternity leave. Twenty male employees were awarded paternity leave of three days each.

• **Training and development (G4-LA9):**

BWH offers its teams the training and support needed to enhance their professional development and harness their leadership potential as well as enhancing their competencies in terms of technical skills. Financial support was given to 113 employees for professional study qualification programmes; 13 fulltime bursary holders are studying towards specialised business qualifications and 597 people attended technical skills courses. During the past financial year there was a strong focus on encouraging women to participate in the in-house courses offered.

– **Leadership development**

As part of BWH’s continued commitment to leadership development, the Capricorn Talent Academy (CTA) for senior and middle managers was launched in 2014, followed by the start of the Leadership Exploration and Development (LEAD) programme for executive managers. During 2014 – 2015, 26 delegates attended the LEAD programme and 24 the CTA. The CTA 2 started in January 2015 with 24 delegates and the LEAD 2 started on 1 July 2015 with 25 delegates while the Capricorn Talent Academy continued with group 1 of 19 delegates. BWH invested N\$1.4 million in leadership development training. The leadership development programme for supervisors offered by the bank’s Learning and Development Centre was attended by 40 supervisors.

• **Employee health and wellness (G4-LA8):**

BWH has a strong focus on employee wellness and has a dedicated function within HR for health-related activities. Wellness’ highlights during the past financial year were:

- The ‘12 Week Weight Loss Challenge’:
 - 433 people participated; and the top winners even maintained their weight loss throughout the December 2014 holidays.
- BWH Barefoot Day on 1 April:
 - Bank Windhoek staff donated 3 534 pairs of shoes to charity.
- Monthly blood donation clinics:
 - Bank Windhoek Wellness received an award as the Top Clinic Contact for the past three years.



- World Aids Day was celebrated under the theme of “Buckets of Support”.
- Other events included:
 - a flu vaccination campaign;
 - pap smear clinics;
 - annual wellness champion training; and
 - various wellness cases with success.

• **Work-related injuries (G4-LA6):**
One work related injury was reported.

• **Number of grievances (G4-LA16):**
BWH had three filed grievances addressed and resolved through formal grievance mechanisms.

• **Number of incidents of discrimination (G4-HR3):**
The group did not have any incidents of discrimination during the past year.



Q How do we make Bank Windhoek Holdings Ltd the best place to work at?

“I believe that a great workplace is built through the day-to-day relationships that employees experience. Amongst others, the key factors in a healthy relationship are trust, pride, motivation, engagement, performance, productivity and communication from both an employee and manager perspective. Therefore, during the past year we have placed the focus on leadership development, enhanced internal communication and engagement, and we have started with the development of a unique employee value proposition for the group. In HR our mission is to support the development of an environment of trust and to work together as a team. Employee satisfaction correlates highly with customer satisfaction.”

Elize Fahl, Executive Officer: Group Human Resources, BWH

4.3. Society

Highlights

During the year under review, Bank Windhoek invested N\$6.3 million in Namibian communities through its Social Investment Fund and other sponsorships and donations, with a focus on education, health, entrepreneurship and job creation. BWH is committed to growing social investment activities, especially within its smaller entities, relevant to the size of each company. The group’s donations and sponsorship approach is aimed at contributing to national development plans and delivering on BWH’s responsibility towards social welfare.

Material performance indicators

- **Community engagement (G4-SO1):**
 - Bank Windhoek’s engagement with its community is currently planned and governed by its Social Investment Fund, established in 2002. It focuses mainly on education, entrepreneurship and job creation, and health. Beneficiaries are selected based on the impact

they can make on the economic development of their communities. Decisions are also informed by governmental agenda on socioeconomic issues, through documents such as the current National Development Plan (NDP4) and Vision 2030.

Bank Windhoek is committed to a balanced approach towards CSI and therefore all sponsorships and donations are supported through a formal sponsorship and donation allocation process.

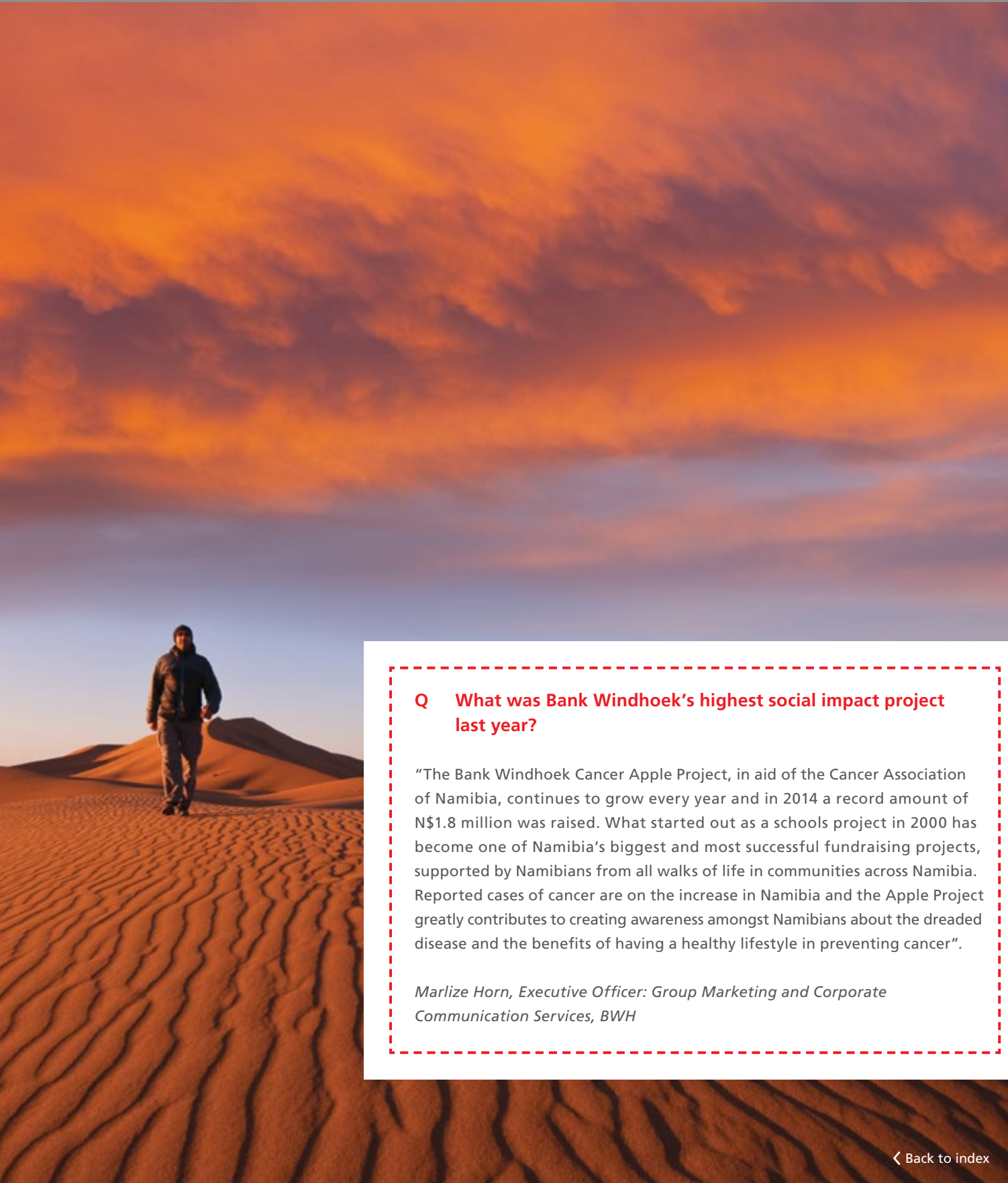
The full Corporate Social Investment (CSI) report for Bank Windhoek with details on beneficiaries, projects and amounts contributed can be reviewed under www.bankwindhoek.com.na.

- Welwitschia Insurance Brokers’ CSI involvement is through its employee initiative, People of Purpose (POP), which identifies a worthy cause each year towards which employees can

make a donation. During the past year, a school in Katutura, an Aids programme run by the Rhenish Church in Rehoboth and the School of Hearing benefited from the initiative.

- Capricorn Asset Management supported the Dairy Producers Association of Namibia, the Summerdown Boerevereniging as well as the Janine and Suzelle Davin Sport Trust.

- **Financial literacy (G4-FS16):**
 - Bank Windhoek spent N\$1.9 million on consumer education programmes during the past financial year.
 - These initiatives include a strong partnership with the Namibia Financial Literacy initiative, the training sessions at the Susanna Grau Heim and Women at Work in Windhoek, as well as regular articles on money-related matters in three different newspapers throughout the year.



Q What was Bank Windhoek’s highest social impact project last year?

“The Bank Windhoek Cancer Apple Project, in aid of the Cancer Association of Namibia, continues to grow every year and in 2014 a record amount of N\$1.8 million was raised. What started out as a schools project in 2000 has become one of Namibia’s biggest and most successful fundraising projects, supported by Namibians from all walks of life in communities across Namibia. Reported cases of cancer are on the increase in Namibia and the Apple Project greatly contributes to creating awareness amongst Namibians about the dreaded disease and the benefits of having a healthy lifestyle in preventing cancer”.

Marlize Horn, Executive Officer: Group Marketing and Corporate Communication Services, BWH

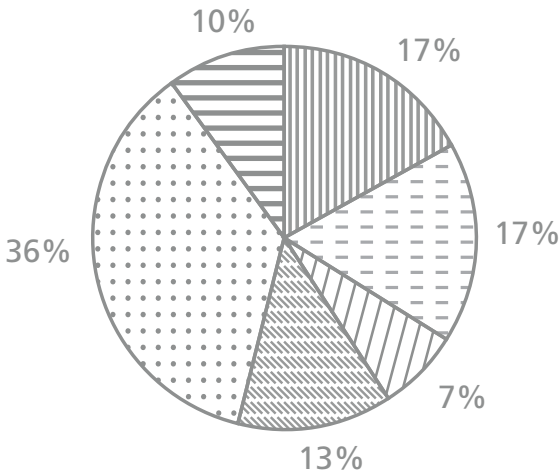
4.4. Economic contribution

Economic value added (G4-EC1) for the year ended 30 June 2015

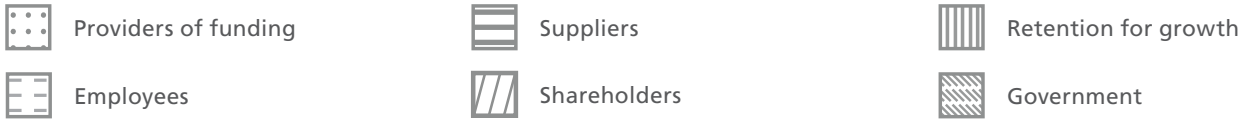
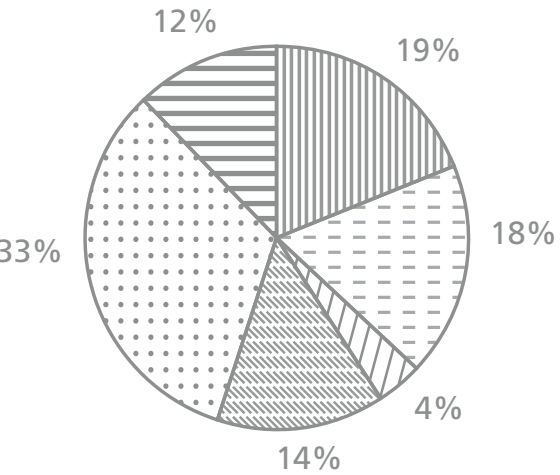
	2015 N\$'000	2014 N\$'000
Direct economic value generated		
Interest and similar income	2,425,239	1,944,847
Impairment charges on loans and advances	(58,305)	(29,115)
Non-interest income	811,891	679,732
Share of joint arrangements and associates results	88,826	85,415
	3,267,651	2,680,879
Economic value distributed		
To suppliers	321,768	308,602
To employees	569,695	470,659
Dividends to shareholders	225,637	116,415
To providers of funds	1,169,078	897,727
To government (taxes, duties, levies)	434,706	377,802
To the community	6,321	6,090
	2,727,205	2,177,295
Economic value retained for expansions and growth		
Retained income	501,233	488,023
Depreciation and amortisation	36,309	32,618
Deferred tax	(23,228)	(37,534)
	514,314	483,107
Regulatory reserves		
Credit risk reserve	26,132	20,477
Total value distributed and retained	3,267,651	2,680,879



2015



2014

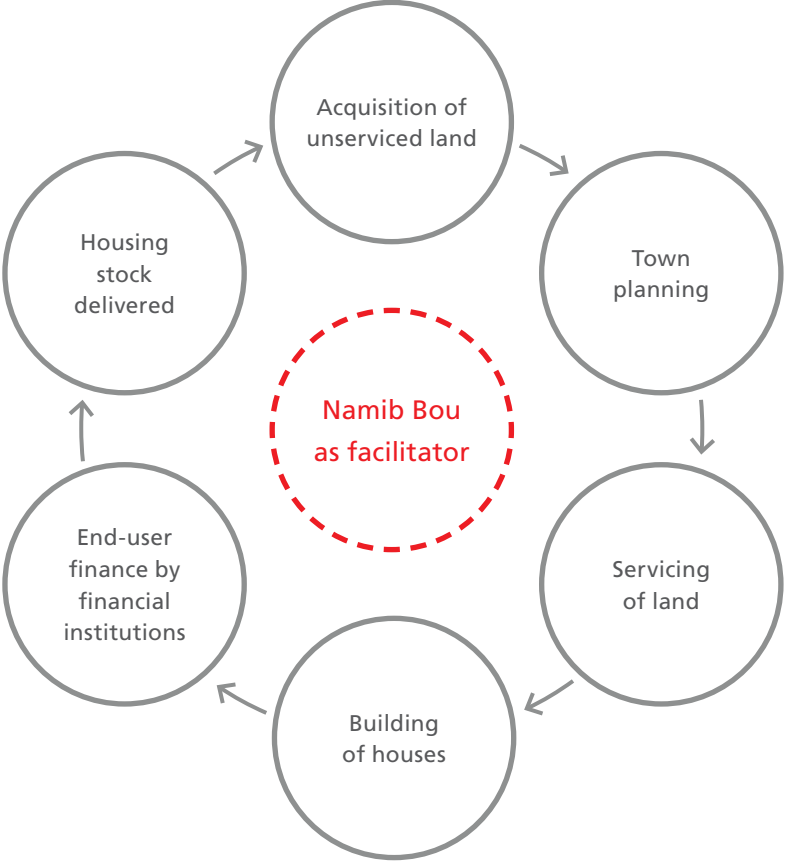


• **Infrastructure development (G4-EC7):**

The Namibian housing market is characterised by high property prices and a limited capacity to meet the demand for land and housing.

BWH’s Namib Bou acts as facilitator between the local authorities and financial institutions (commercial banks) to support the development of housing stock. During the year under review, Namib Bou launched phase two of a construction project in Ondangwa for 155 houses. The first phase (130 houses) was completed in October 2014.

Namib Bou’s services cover the entire spectrum from town planning, design, costing, sales, installation of services and construction of housing through to the final delivery of a home to a client.



Namib Bou’s primary role is that of facilitator in the provision of affordable housing, with a limited profit motive.

4.5. Supply chain

BWH aims to minimise any adverse effects of its activities in the supply chain. As part of implementing the sustainability framework, a supply chain sustainability policy and a strategy are being developed.

We have identified a strong need for integrating environmentally, socially and ethically sound choices into our supply chain management. The group expects its suppliers to act in accordance with its sustainability philosophy and policy as well as its code of ethics and conduct.



4.6. Environment

Highlights

BWH initiated its first audit on water and energy consumption for its three main buildings in Windhoek.

Continuous improvement

Against the background of increasing environmental regulations, finite resources and increasing costs (specifically energy and water), the group expects its operations to manage, measure and report on all of its environmental impacts.

- **Energy and water consumption (G4-EN3 and G4-EN8):**
As a financial services group, BWH respects the environmental laws, regulations and norms of Namibia. During the past year, the group was committed to the efficient use of all natural resources and has set targets to reduce its carbon footprint and improve its environmental performance.

As a first step, BWH has – through third-party expertise – conducted an energy and water benchmarking exercise of three of the group’s largest buildings in Windhoek, namely Capricorn House (Independence Avenue), Bank Windhoek Head Office (Independence Avenue) and CIH House (Kasino Street).

The purpose of the first phase was to enumerate the electrical energy and water consumption levels and to evaluate in broad terms the potential for energy and water saving opportunities at these facilities.

A full general energy audit on the Bank Windhoek Head Office Building, as well as a general water savings investigation was done as a second phase. The deliverable comprised a report and recommendation and the development of key performance indicators.



Q How can environmental management be integrated in to a bank’s day-to-day operations?

“There are a number of sustainability issues that intersect with our bank’s day-to-day operations, especially from an environmental perspective. Our bank’s business activities consume energy and water, which are both resources at risk of falling short in Namibia. We aim to reduce our own ecological footprint as much as possible, to support our country’s sustainability challenges. BWH is improving its eco-efficiency through a recently launched “Resource Efficiency Programme” of our main buildings in Windhoek. We don’t just do it because it is the responsible thing to do but also because it makes business sense.”

Chris Coetzee, Chief Operating Officer, Bank Windhoek



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