

2009 SUSTAINABILITY REPORT

The logo for WesBank, featuring a stylized 'W' with a blue and orange gradient, followed by the text 'esBank' in a blue sans-serif font.

A division of FirstRand Bank Ltd.

we know how



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Objectives for the next year

CEO's statement

The past year has without a doubt been among the most challenging in our history. The weakening South African economy, compounded by the global economic meltdown has put immense pressure on the motor industry, as well as many of our intermediary partners in the equipment and light-aircraft industries. It is during these challenging times that one needs to remember the core values of one's organisation.

During the past 12 months we had to make a number of tough decisions, particularly in respect of cost cutting initiatives which included an employment freeze. While there have been changes within the company, we have maintained our focus on being the employer of first choice and have spent more time and effort communicating with our staff than ever before. WesBank retained first place in the Deloitte's Best Company to Work For survey in the large company category, which sends a clear message about the commitment and calibre of our people.

We continue to see the importance of our joint venture strategy with leading motor and industrial equipment manufacturers. During the reporting period, we were proud to launch new joint ventures in the form of Cat Financial, Land Rover Financial Services, Jaguar Financial Services and Dekra.

The Home of WesBank in Fairland continues to illustrate the importance we attach to being a good corporate citizen, particularly in regard to the impact we have on the natural environment. The building received the overall award for Innovative Excellence in Property Development as well as the top place in the Office Developments category at the 2009 SAPOA Awards for Innovative Excellence in Property Development.

Even in these economically challenging times making a sustainable difference in underprivileged communities remains a key focus for WesBank. The current global food crisis has also affected South Africa. Creating and ensuring sustainable food security at the micro community level is therefore becoming an increasingly important focus area for the WesBank Fund. We have also recognised the role that our procurement practices play in contributing to economic development and will continue to find sustainable efficiencies within our value chain. Similarly, our

BRIAN RILEY, CEO – WESBANK



Kaizen philosophy remains a strategic imperative for WesBank and during the 2008 Kaizen Challenge, WesBank completed 209 projects resulting in a saving of R28 million through operational efficiencies. The 2008 challenge was the third annual Kaizen Challenge and this obsession for continuous gradual improvement has been successfully embedded into the WesBank culture.

To have the discipline of following a set of sound sustainability management principles is not something an organisation turns on and off depending on the business cycle. At WesBank, we remain as committed as ever to creating a sustainable business model for all of our stakeholders. Having said that, we have not wasted a good crisis and the changes made during the last year will help us emerge from the cycle as a more sustainable, efficient and successful operation for our staff, customers, business partners, suppliers and communities.

Brian Riley
CEO WesBank

Report parameters

The information reflected in this report pertains to the financial year ending 30 June 2009.

This year FirstRand Limited has produced an integrated annual report which combines financial and non financial information more extensively than the company has done before. WesBank's sustainability report is complementary to FirstRand's integrated report and is not a substitute for it. The purpose of WesBank's report is to communicate specific sustainability information to our stakeholders.

WesBank's reporting methodology aligns with that of FirstRand's integrated report, which is closely aligned with the Global Reporting Initiative's (GRI) G3 guidelines and takes cognisance of the recommendations set out in the King Committee on Governance's Code of Governance Principles for South Africa (2009) (King III Code), the JSE Socially Responsible Investment (SRI) index, the BEE transformation requirements set out by the Financial Sector Charter and the Department of Trade and Industry's (dti) Codes of Good Practice.

DEFINING BOUNDARY

The boundary, scope and content for the report have been determined in accordance with the principles outlined by the GRI G3 reporting guideline, the GRI Finance Sector Supplement and relevant G3 Indicator Protocols and Technical Protocols.

The report aims to provide a balanced and reasonable representation of WesBank's performance in respect of sustainability management. Material disclosures including management approaches and performance indicators have been selected through an iterative process using the principles of materiality and stakeholder inclusiveness. In accordance with the approach set out in FirstRand's non financial accounting policies, this report focuses on substance over form and does not disclose competitive information.

WesBank defines material topics as those reflecting significant economic, environmental and social impacts, or those that would influence the decisions of our stakeholders. These topics are addressed on the basis of materiality and relevance to our stakeholders.

DATA MEASUREMENT

Data reported pertains to the financial year ending 30 June 2009, with the exception of data in respect of the company's carbon footprint and certain BEE transformation figures. Due to the duration of the carbon footprint calculation, carbon footprint figures represent the externally prepared carbon emissions data for the prior financial year. Corporate Social Investment (CSI), skills development, and procurement figures reflect the externally audited BEE transformation data reported to the dti per calendar year.

The data measurement techniques employed in producing this report are replicable and information is not reported if the margin for error is believed to be sufficient to substantially influence the ability of stakeholders to make informed decisions about our performance. Data measurement techniques, estimates and underlying assumptions are described where is materially necessary to do so.

STAKEHOLDER ENGAGEMENT

Our stakeholders are defined as entities and individuals that are significantly affected by our activities and those who have the ability to significantly affect our ability to implement strategies and achieve objectives. We have identified our stakeholders as regulators, shareholders, employees, customers, business partners, suppliers, communities, the natural environment.

WesBank's stakeholder engagement processes include formal processes such as annual general meetings and liaison with union representatives and informal processes such as direct contact, internet sites, advertising and press releases.

Detail on regulator and shareholder engagement processes are published in FirstRand's integrated annual report. Stakeholder engagement mechanisms for other stakeholders are detailed in the relevant stakeholder section of this report.

WesBank does not make all policies publicly available. Relevant policies are however disclosed to interested stakeholders on request.

WesBank profile

The WesBank brand is well established in South African society. Long known as the “Wheels Bank”, it has grown to become the country’s foremost vehicle and asset finance company.

Although WesBank boasts having more than 40 years of experience in providing asset finance solutions to individuals and all sizes of companies, its history dates back to the late 1800s when Robinson South African Banking Company was established in London. By the early 1900s the company was known as the Colonial Banking and Trust Company Limited. In 1968 Colonial Bank and Trust Company merged with Western Credit Africa Limited, a company which focused on finance for the customer through the motor dealer channel.

Today, WesBank is a division of FirstRand Bank Ltd and its structure is designed to align operational units as closely as possible with the operations of its major partners in those markets. This allows each business unit to take ownership of its operations, while leveraging off of Group strength. Its revenue

generating business units include motor division, corporate division, fleet division, loans division and international division, as well as its investments into a number of subsidiaries and associates.

WesBank employs over 4000 people and provides asset finance to over 640 000 customers. Its head office is in Fairland, Johannesburg – an environmentally friendly building which is home to its call centre operations, support divisions and the executive management team. Trained finance and insurance consultants are located in the showrooms of most major motor dealers across South Africa, while a sales force of asset finance specialists service the corporate and business market. Through WesBank’s diverse business model, it provides asset finance and related services to customers across the motor, corporate and fleet sector.

Highlights

FINANCIAL HIGHLIGHTS

R million	2009	2008	% change
Income before indirect tax	438	863	(49)
Indirect tax	(105)	(129)	19
Advances WesBank Consolidated	92 274	99 949	(8)
Cost to income ratio (%) WesBank Consolidated	52.1	53.5	
Cost to income ration (%) WesBank South Africa	41.9	41.8	
Non-performing loans (%)	5.0	3.2	

A more detailed financial report can be seen in FirstRand's integrated annual report which is available on the company website (www.firststrand.co.za).

NON FINANCIAL HIGHLIGHTS

	2009	2008	% change
Customers (000)	645	661	(2)
Workforce at 1 July	3 124	4 435	
African, Coloured, Indian (ACI) employees	1 730	2 575	
Skills development investment (R'000) ¹	31 076	35 409	(12)
Coverage of HIV Aids policy (%)	100	100	
Number of suppliers ¹	6 293	*	
Number of Broad Based Black Economic Empowerment (BBBEE) suppliers ¹	495	*	
Procurement spend (R'000) ¹	696 038	616 780	12
BBBEE procurement spend (R'000) ¹	415 699	*	
CO ₂ Emissions (Metric tons) ²	42 352	*	
Environmental & social risk: policy coverage (%)	100	100	
CSI spend (R'000) ¹	6 730	7 115	(5)

2009 workforce data excludes non permanent staff which are included for prior years

¹ Data reflects 2008 calendar year

² Data reflects prior financial year

* Comparative not available

Sustainability risks and opportunities

The table below describes the key sustainability risks and opportunities currently being addressed by WesBank.

Risk/opportunity	Response
System outages and downtime	Implemented business continuity plan and the appointment of an IT Risk officer
Customer indebtedness	Dedicated call centre and specialised products
Meeting employment equity (EE) and economic empowerment targets	Provided employment opportunities to black candidates
Managing our impact on the environment	Identified and implemented energy efficiency initiatives

Mechanisms for identifying and developing management systems for new sustainability risks and opportunities in respect of direct risks, indirect risk and sustainability opportunities are described below:

DIRECT RISKS

WesBank has taken steps to ensure that risk management processes cover the legal, regulatory and reputational risks associated with direct environmental and social impacts. These risk reporting procedures have been informed by the Environmental, Social and Governance (ESG) framework. Board oversight is provided by FirstRand's Audit, risk and compliance committee.

INDIRECT RISKS

Indirect ESG risks are addressed by a policy guideline for responsible finance which addresses environmental and social risk in credit and lending. This document forms part of a Group-wide framework for addressing the Equator Principles (EP), and provides for internal monitoring and management of ESG performance beyond the requirements set out in the EPs.

This process is driven by the FirstRand Banking Group's Regulatory risk management function with board level oversight provided by the Audit, risk and compliance committee.

Sustainability opportunities

Sustainability opportunities are identified via two mechanisms. The first is through organic growth and the implementation of sustainability solutions at business unit level. The second is WesBank's participation in FirstRand's Sustainability forum and Environmental forum. Both of these forums actively pursue sustainability opportunities through research and development and, where necessary, incubating new projects until mature enough to be fully integrated into the operations of the business unit concerned.

Prioritising risks and opportunities

Challenges and opportunities are prioritised taking business performance implications and stakeholder materiality into consideration. WesBank defines materiality according to the GRI G3 guidelines definition and with reference to both internal and external factors.

Current sustainability priorities concern improved business continuity planning, investing in recruiting and retaining employment equity candidates and top talent, addressing customer indebtedness, managing our carbon footprint and implementing ESG risk management standards in line with FirstRand's adoption of the EPs for the financial year starting 1 July 2009.

Management approach and performance indicators

The management information and performance data disclosed in this report reflects WesBank's understanding of what is most relevant to its business and to its stakeholders. For this reason disclosures are made according to stakeholder categories.

EMPLOYEES

WesBank employs 4004 staff (3124 permanent and 880 non permanent) – who are frequently acknowledged as its most important asset. Employee categories range from non administrative Level F staff to strategy formulating Level A staff.

Workforce performance indicators

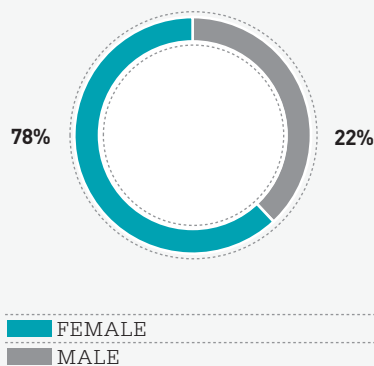
	2009	2008	2007
Workforce at 1 July	3 124	4 435	3 368
African, Coloured, Indian (ACI) employees	1 730	2 575	1 794
Female staff	2 425	2 704	2 061
Skills development investment (R'000)	31 076	35 409	26 930
HIV Aids policy coverage (%)	100	100	100
Workplace injuries	9	*	*
Workplace fatalities	0	*	*

2009 workforce data excludes non permanent staff which are included for prior years

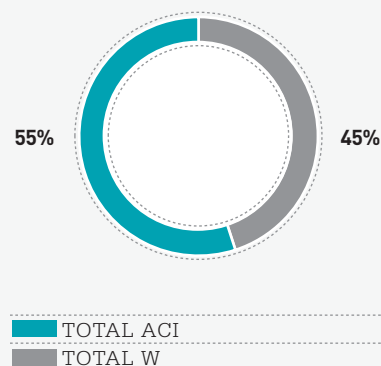
* Comparative not available

WesBank's workforce profile by gender and racial composition is shown graphically below.

2009 Workforce profile by gender



2009 Workforce profile by race



During the 2009 financial year, the global economic crisis, consumer indebtedness and high new vehicle inflation negatively impacted the South African motor industry. This economic slow down has necessitated a controlled reduction in WesBank's staff numbers. Structured processes are in place to ensure that as far as is possible, affected staff was redeployed within WesBank or within the broader FirstRand Group.

PERFORMANCE AGAINST TARGETS FOR 2009

In 2008 WesBank committed to the following employee objectives. The table below summarises progress made in respect of these objectives.

Objective	Activity
Enhance leadership development programmes	Evaluated existing programmes and developed an integrated framework including coaching and mentoring
Enhance staff well being	Implemented an integrated and enhanced wellness approach with joint accountability: employees to manage their wellbeing and WesBank to create culture of organisational well being
Continue to meet changing skills requirements	Reviewed business skills requirements to understand how current learning and development solutions help achieve our brand promise "We Know How"
Achieve EE Targets	EE targets not met due to pressure on WesBank's recruitment policy and staff employment freeze due to the global economic crisis

MATERIAL ISSUES

WesBank has acted on the following issues of material significance from a human resources point of view. These are: remuneration, employment equity and diversity management, training and development, talent management and occupational health and safety.

Remuneration

Salary reviews take place annually according to individual employee performance against agreed performance indicators set out in their performance contracts. In parallel, salary increase guidelines are negotiated between WesBank and the relevant employee unions.

All fulltime employees are members of defined benefit or defined contribution pension and/or provident fund schemes operated under the control of the relevant governing legislation. New employees joining the Group become members of a defined contribution pension and/or provident fund scheme.

Employment equity and diversity management

WesBank values the diversity of its people and the advantages that diversity brings. WesBank is committed to equitable transformation, not only in race, gender, social background and physical ability, but also in the overall cultural transformation of its workforce.

WesBank's Financial Sector Charter EE reporting has been aligned to the Department of Trade and Industry Codes of Good Practice EE report and the Department of Labour's occupational levels. The current economic slow down has resulted in WesBank scaling down on recruitment, which is the primary source of acquiring African Coloured and Indian (ACI) talent. This will impact negatively on the achievement of targets at Middle and Junior Management levels.

WesBank has initiated a targeted selection programme for the recruitment and advancement of black staff into senior management positions. African females will be given priority at this level. In addition, a talent management strategy is being implemented to develop and retain ACI staff to ensure a sustainable talent pipeline is in place.

Detailed performance in respect of the FirstRand Group's workforce composition is available in FirstRand's integrated annual report.

Training and development

WesBank's training spend for 2009 was R31 million, 12% less than in the previous year.

ACI spend was 2,16% of payroll, down on previous years. The decline in training spend is reflective of the current economic condition and financial pressures.

WesBank has begun creating assessments for all work-based learning programmes in order to enable these to be classified as category E (Registered skills programmes). All WesBank learning modules are outcomes-based and unit standard aligned.

Learnerships remain the primary vehicle for ACI skills development. The 2009 target is 163, and WesBank has committed to offering learnership opportunities to existing staff in the financial year starting 1 July 2009. Learnerships are niched to meet business needs and to address critical scarce skills such as financial analysis.

The bank is focusing on the following qualifications:

- Asset Based Finance level 3 – collections
- Asset Based Finance level 4 – non corporate marketers
- Debt Recovery level 4 – collections
- Retail Insurance level 4 – to insure FAIS compliance

Talent management

WesBank's aim is to attract, develop and retain talented, passionate employees who are, or will become, experts in the field of asset finance. The establishment of a talent pipeline that identifies people from designated groups for appointment and promotion into senior positions will ensure all staff, regardless of race or gender, are encouraged to realise their full potential.

Health and safety

During the 2009 financial year, zero fatalities and 9 workplace injuries were reported. 77 days were lost due to injury.

Health and safety at WesBank is managed in conjunction with FirstRand Banking Group's Environmental Health and Safety office. The environmental health and safety programme has a reporting line to the board of directors via the FirstRand Banking Group's Compliance committee.

Every 18 months, business units undertake a process of reviewing health and safety risk assessments. This is a proactive step to ensure that the number of incidents is kept to a minimum. Employees are made aware of potential risks in their respective work areas and of control measures for mitigating these risks. An incident reporting process is in place and this is communicated to all employees in the Bank. FirstRand has appointed corporate industrial and risk consultants to attend to all injuries on duty and provide monthly incident statistics for the Group.

Every quarter FirstRand Banking Group's Corrective action log committee discusses all incidents of non compliance with the relevant Subject Matter Experts (SMEs), including an occupational health and safety SME. This is done to ensure that incidents are resolved and measures are taken to prevent reoccurrence.

WesBank aims to attract, develop and retain talented, passionate employees who are, or will become, experts in the field of asset finance.

HIV Aids

WesBank is covered by FirstRand's comprehensive HIV Aids policy which applies to WesBank's entire workforce. Key elements of the policy address the strategic and proactive management of HIV Aids and ensuring that employees have access to holistic and sustainable health care programmes. We take the view that HIV Aids should be managed as any other life threatening condition. As such, employees who are HIV positive will not be subject to any form of discrimination in the workplace. The policy places special emphasis on education, prevention, non-discrimination, confidentiality, voluntary counseling and testing, incapacity management and sick leave entitlement.

The decision to deal with HIV Aids as a strategic business imperative is one that carries the full support of FirstRand, the CEO of WesBank and his executive team.

Employee engagement

During the period under review, WesBank has spent more time and effort communicating with employees than ever before. Methods for employee engagement include Brian's Corner, a bi weekly communication from the CEO, half yearly Imbizo's (face to face communication), informal meetings with the CEO and other business unit heads, electronic media, employee surveys, forums, circulars, WesBankers World staff magazine and group interactive forums, such as the diversity forums.

CUSTOMERS

WesBank is South Africa's leading asset financier with 645 305 customers across three main divisions, including motor, corporate and fleet.

Customer performance indicators

	2009	2008	2007
Number of customers (000)	645	661	*
Customer satisfaction (%)	53	72	69
Customer complaints ¹	236 ¹	*	*

¹ Data reflects period between end December 2008 and 1 July

* Comparative not available

2009 workforce data includes non permanent staff which are included for prior years

PERFORMANCE AGAINST TARGETS FOR 2009

In our 2008 sustainability report we committed to the following customer objectives. The table below summarises progress made in respect of these.

Objective	Activity
Improve customer experience	Added self-help functionality to internet site, allowing customers to manage own accounts electronically
Deliver on brand promise "We Know How", by raising the bar for service expertise	Enhanced Expertise indicator now includes the measurement of identified customer touch points

MATERIAL ISSUES

WesBank aims to ensure the provision of solutions to address material issues facing customers. In addition to improving performance in the areas outlined above, WesBank has also addressed customer satisfaction, customer indebtedness, financial support for BEE franchisees and the regulatory environment.

Customer satisfaction

Prompt service delivery is critical to WesBank's customers. A satisfied customer is a potential brand ambassador and it is important to continue to align WesBank's customer experience with our brand promise. The WesBank Expertise indicator measures how well staff live up to the brand promise of "We Know How".

The WesBank Expertise indicator uses a rating between 0 and 10 to gauge customer loyalty and to determine the number of customer promoters (9 and 10 ratings) and detractors (0 to 6 ratings). These results are reported to the WesBank and divisional Excos on a monthly basis.

The Expertise Indicator score for WesBank during the 2009 financial year is 53%, this represents a decline from 72% in 2008, which we can largely attribute to the fact that during the past

year Expertise indicator platforms have been developed for all customer touch points beyond the initial point-of-sale experience, including the WesBank Contact centre. This is clearly a high volume operational environment where one expects to achieve lower service ratings than during the "honeymoon" phase when a customer is acquired. Having said that, a detailed action plan is being implemented to address service resolution.

In addition to internally driven customer satisfaction surveys, the Ombudsman for Banking Services investigates complaints by members of the public, mediates between the parties to resolve the dispute and where the mediation is not successful, makes recommendations for the settlement of complaints.

WesBank started keeping an accurate account of complaints to the Banking Ombudsman from December 2008. During the past six months 236 WesBank complaints were taken to the ombudsman. WesBank also measures complaints addressed to the CEO on a weekly basis and communicates these numbers to staff every Monday. Monthly meetings are held with all relevant divisions to discuss the complaints received, as well as the corrective measures that need to be put in place in order to address customer service.

Customer indebtedness

During the past financial year, the recessionary economic climate has made it difficult for customers to honour their monthly vehicle finance repayments. WesBank appreciates that these are exceptional times and in order to assist customers, it has invested in a special call centre, introduced new product solutions for assisting customers to better cope with the strain of their debt and embarked on a consumer education drive utilising consumer media. During the reporting period, WesBank assisted 727 customers with extending their original contract period and 55 689 customers with payment arrangements in order to improve their monthly cash flow.

The main theme around consumer education is to advise consumers to speak to their bank and make arrangements before falling into arrears. During the past financial year, as part of their consumer education public relations drive, WesBank published a number of consumer focused media releases and participated in consumer radio shows.

Financial support for BEE franchisees

In partnership with WesBank, the retail group Pick 'n Pay has adopted the Score conversion project as a core component of their BEE strategy. The project objective is to bring world class supermarkets into previously disadvantaged areas under the ownership of black entrepreneurs. As part of this project,

WesBank's Corporate division has provided finance to 17 aspiring black entrepreneurs.

Regulatory environment

FirstRand Banking Group is subject to the oversight of the Registrar of Banks and compliance with the relevant regulations affecting financial services providers is of utmost importance.

FirstRand works closely with law makers and regulators to protect its stakeholders' interests in order to avoid reputational damage and to prevent or mitigate against the potential negative impact of either new, or changes to existing statutes or regulations.

WesBank and its business units implement a range of regulations dealing with customer relationships. These are overseen by Group compliance, with board oversight via the FirstRand Audit risk and compliance committee. Regulations for which WesBank has implemented compliance measures include:

- The National Credit Act (NCA)
- The Code of Banking Practice
- The Financial Intelligence Centres Act
- The Financial Advisory and Intermediary Services Act
- The Promotion of Access to Information Act

During the reporting period WesBank assisted 727 customers with extending their original contract period and 55 689 customers with payment arrangements in order to improve their monthly cash flow.

NEWSFLASH

In an effort to improve the quality and standard of vehicle testing in South Africa, WesBank formed a joint venture with DEKRA Automotive Pty Ltd. The importance of quality vehicle testing cannot be overstated, as it plays a significant role in reducing vehicle accidents and human fatalities.

SUPPLIERS

WesBank recognises the importance of its procurement practices as a way of contributing to economic development and finding sustainable efficiencies within its value chain.

Supplier performance indicators

	2009	2008	2007
Total Number of suppliers	6 293	*	*
Number of BEE suppliers	495	*	*
Procurement spend (R'000)	696 038	616 780	386 679
BBBEE procurement spend (R'000)	415 699	*	*

Note: Data reflects prior calendar year

* Comparative not available

The diagram below shows the composition of WesBank's procurement spend by category and portion of spend invested with BBBEE suppliers.

PERFORMANCE AGAINST TARGETS FOR 2009

In our 2008 sustainability report, we committed to the following supplier objectives. The table below summarises progress made in respect of these objectives.

Objective	Activity
Institute defined contracts with all our suppliers	Existing service level agreements (SLAs) were evaluated and new SLAs are being implemented with existing suppliers where necessary
Enhance procurement governance processes to ensure greater process efficiency	Informed and educated staff about procurement processes, Broad Based Black Economic Empowerment (BBBEE) and take-on requirements for new suppliers by adding information to the intranet and by developing self help facilities

In addition to the processes in place for addressing the material issues outlined above WesBank also implemented measures for investing in suppliers.

Investing in suppliers

WesBank's approach to the BBBEE status of suppliers is business and value based and is not driven by legal imperatives. WesBank implements FirstRand's Group-wide BBBEE procurement policy which sets out guidelines for implementing BBBEE procurement practices.

Performance against targets in respect of BBBEE procurement is monitored at WesBank and is reported quarterly to the FirstRand board via the Transformation monitoring committee.

FirstRand's procurement practice requires suppliers to provide updated BBBEE certification on an annual basis as these certificates are only valid for 1 calendar year.

The majority of our suppliers are rated and committed to BBBEE. We have empowered Exempt Micro Enterprises (EME's) by advising them on how they can qualify as rated enterprises. Our supplier application forms have been updated and all suppliers are required to register on the dti BEE portal. This enables suppliers to obtain a valid rating online and eliminates risk to the Bank in respect of fronting. This process is two fold, as while the supplier has the benefit of obtaining the certification as well as free advertising on the dti website, our BBBEE spend is increased.

Supplier engagement

Primary engagement channels for suppliers include face to face communication, transactional communication and surveys. A due diligence is performed which includes discussion with procurement managers from other FirstRand operating divisions, prior to engaging with a supplier.

COMMUNITIES

The WesBank Fund and the WesBank Volunteers programme are our two primary vehicles for Corporate Social Investment (CSI) giving. The WesBank Fund is managed by Tshikululu Social Investments, a non profit corporate social investment consultancy. A breakdown of direct impacts channelled through the WesBank fund is detailed below.

Community investment indicators

Community investment (R'000)	2009	2008	2007
Corporate Social Investment (CSI)			
Community care	0	700	3 417
Education	0	265	1 667
Sustainable livelihoods & food gardens	3 730	3 350	3 251
Emergency relief & disaster management	700	500	0
Substance abuse	2 300	2 300	0
Total CSI spend	6 730	7 115	8 335
Employee volunteer funds raised and matched	181	287	171
Total community investment	6 911	7 402	8 506

PERFORMANCE AGAINST TARGETS FOR 2009

The table below summarises progress made in respect of the community objectives outlined in WesBank's 2008 sustainability report.

Objective	Activity
Transformation and upliftment of beneficiaries	Undertook research to inform further financial commitment to "sustainable thinking"
Create staff pride in the fact that WesBank is a responsible organisation	Explored how WesBank volunteers can engage with WesBank Fund beneficiaries
Assess Volunteers programme impact on communities	Hosted workshop with Non Profit Organisations (NPOs) supported by volunteers over the past 3 years to obtain NPO feedback on Volunteers programme
Increase number of staff volunteers	Encouraged more volunteers to activate the FirstRand "matching" financial grant by volunteering their time with an approved charity. As a result WesBank has 4 new volunteers initiatives with 500 more staff volunteering
Increase payroll giving	Encouraged divisional teams to implement payroll giving for staff who cannot volunteer their time

DIRECT IMPACT

CSI Giving

During the reporting period, WesBank donated 1% of net profit after tax to direct CSI. This amounted to a rand value of R6.7 million for 16 community projects.

In keeping with the FirstRand Foundation's programmatic approach to its CSI, the WesBank Fund seeks to support fewer organisations with larger grants in order to maximise the impact of the spend and to foster sustainability and provide an opportunity for partnerships with grantees.

Agricultural Livelihood Knowledge Sharing Workshop

The current global food insecurity crisis has also affected South Africa. Creating and ensuring sustainable food security at the micro community level is becoming a key focus area for the WesBank Fund. The First Rand Foundation trustees approved an additional R250 000 grant towards the roll-out of five Agricultural Livelihoods Knowledge Sharing workshops. The roll out of five workshops is as a result of the successful pilot session delivered in Cape Town in 2008.

The Development Continuum, developed by Rob Small during last year's workshop will form the basis for the WesBank Knowledge Sharing Workshops going forward. The main outcomes for these workshops have been identified as creating sustainable communities and empowering individuals and communities with the knowledge and skills to diversify their income sources, and thereby restore their self respect, self reliance and self confidence.

Employee volunteering

The WesBank Volunteers programme gives every WesBank staff member the opportunity to become involved in charity and or fundraising initiatives through working alongside colleagues for the benefit of their communities. The WesBank Volunteers programme's primary objective is to ensure that participation in initiatives will lead to sustainable community transformation.

The value of employee volunteer funds donated in 2009 amounted to R181 000.

Indirect impact

WesBank's indirect community impact relates to the secondary and tertiary impacts that our activities have on our stakeholders. Examples of this are the education of children of our employees, the stimulation of emerging businesses through BBBEE procurement practices and the socio-economic implications of financial inclusion activities and public sector projects.

Indirect impacts are detailed throughout this report. Mechanisms for monitoring and controlling potential negative indirect community impacts include the application of national laws and legislation, good corporate governance, effective management of all risks and opportunities and engagement with civil society groups and labor organisations.

Case Study: Bergville WesBank Fleet Division

For the past three years WesBank's Fleet division has been supporting approximately 40 homes on the beautiful mountain slopes of Bergville. These homes care for orphans and vulnerable children within the community. In April a group of 12 staff including Greg Mokwena paid a visit to Bergville and had an amazing experience reaching out to about 10 families. The Volunteers from Fleet division took a "large" supply of basic groceries, clothing, biscuits and winter blankets for each member of the household. Many of these families could not believe their good fortune as they were down to their last meal.

At the end of the home visits the team of volunteers went to the school that WesBank built and took some time to play soccer with the school children. Greg joined the Liverpool team and it came as no surprise when he scored the winning goal in a penalty shoot out. During dinner that evening John, the Methodist minister, said that he is amazed at the senior management of WesBank's commitment. Not only do they contribute financially but together with their staff take time to make the journey to Bergville to visit the families. This is what makes WesBank so unique and great.

Due to the ongoing support from WesBank's Fleet division there is noticeable progress in the well being of the families that they care for.



NATURAL ENVIRONMENT

WesBank's environmental performance is evaluated independently on an annual basis via FirstRand's listing on the JSE Socially Responsible Investment (SRI) index. In 2009 the SRI index classed FirstRand as a low environmental impact company.

Environmental performance indicators

Direct Impact	2009
Carbon emissions¹ (Tonnes of CO₂e)	
Business fleet travel	14 298
Electricity (owned buildings)	27 004
Paper use	202
Business air travel	848
Total carbon emissions	42 352
Indirect Impact	
Environmental & social risk: policy coverage (%)	100

Comparative not available due to change in measurement methodology

PERFORMANCE AGAINST TARGETS FOR 2009

In our 2008 Sustainability Report, we committed to a number of environmental objectives. The table below summarises progress made in respect of these objectives.

Objective	Activity
Extend scope of Carbon Footprint Assessment	Extended scope of assessment to include more data on business fleet travel, paper use, business road travel and business air travel
Determine implementation issues for FirstRand's Climate change strategy	FirstRand's Climate change strategy includes GHG emission reduction targets. We have determined these implementation requirements for WesBank
Reduce percentage of CO ₂ emissions from business air travel	Implemented reduction in air travel and now ongoing with monitoring of all flight bookings
Reduce emissions from company cars	Changed company policy to cater for the purchase of low emissions/fuel efficient vehicles only
Reduce paper consumption	Introduced an e-statement drive to customers
Enhance environmental awareness among staff	Developed "Did you Know" environmental questions to enhance awareness

DIRECT AND INDIRECT IMPACTS

WesBank's environmental impacts can be categorised as direct impacts and indirect impacts. Both direct and indirect impacts are regulated through application of relevant legislation, subscription to voluntary external regulations and ongoing internal self regulation.

All environmental issues are monitored by FirstRand's Environmental forum. The Environmental forum is composed of representatives of FirstRand's operating divisions and reports significant information to the board of directors via the Audit, risk and compliance committee.

DIRECT IMPACTS

Our primary direct environmental impact is through our operations at Fairland, Johannesburg. We have gone to extraordinary lengths to ensure the new home of WesBank is one of the most energy-efficient buildings in the country.

Energy management

Among other ecologically friendly aspects, the WesBank Fairland building has:

- Balanced artificial lighting system for the work environment, with natural light sources throughout the building
- Lighting level sensors and controls that sense heat density and switch the lights off when rooms are unoccupied
- Solar roof panels that provide hot water to all ablution facilities in the building
- Sunscreens and solar reflector panels that help reduce the energy consumption of the building's air-conditioning and insulation systems

As a result of these energy saving initiatives WesBank's projected energy saving for the 2010 financial year is expected to amount to approximately R1 million.

Current energy efficiency initiatives include the installation of motion sensors and energy efficient lamps in other key buildings and reducing the use of after hours lighting. Other initiatives being implemented concern air conditioning, information technology and hot water efficiencies.

Planned initiatives include the piloting of deep retrofitting of buildings with energy efficient fixtures in collaboration with the Clinton Climate Initiative and extending the reach of existing projects to new premises.

Materials and waste management

Various waste management procedures exist at WesBank. In line with the requirements of the new National Environmental Management Waste Act, (Act 59 of 2008) WesBank has processes in place to ensure the successful recycling of waste products in Fairland. Waste products in Fairland include paper waste, cardboard, glass, e-waste, plastic waste and polystyrene waste. Paper recycling bins are provided at every copy and printer machine in Fairland. These bins are collected by cleaning staff and are taken to the recycling area in the basement where all

refuse is separated and compacted before being transported to a central waste management facility on site for collections by micro entrepreneurs in the recycling industry. This eliminates the need for large refuse trucks to visit the site. On average WesBank recycles 65% of its waste every month.

Water management

WesBank's operations are not water intensive. Where possible water consumption is managed and reduced on an ad hoc basis. WesBank collects between thirty to sixty kilo litres of condensate water on a daily basis from the air-conditioning plant at the Fairland building. The water is used to irrigate the landscape surrounding the building. The attenuation pond collects storm water from the Fairland site and releases it into the adjacent stream to reduce erosion and flooding.

FirstRand's Environmental forum has given consideration to a more comprehensive water management programme. This will be implemented when an appropriate international best-practice framework has been identified.

Carbon emissions and carbon management strategy

For the year ended June 2008, WesBank's greenhouse gas emissions were 42352 metric tonnes, with electricity consumption still the major contributor to our total greenhouse gas profile.

An increase in WesBank's carbon footprint is explained by the extension of the scope of the carbon emissions calculation to include more comprehensive data on business fleet travel, paper use, business road travel and business air travel. In addition to this the scope of the calculation for electricity use was extended to include new buildings.

FirstRand's CO₂e emissions per capita are 10.2 metric tonnes, and the Group's carbon reduction strategy will aim to reduce the per capita emission to 9 metric tonnes. WesBank's carbon management strategy is defined within the scope of FirstRand's top initiatives to reduce GHG emissions. These are:

- reducing energy consumption by at least 11% between 2008 – 2012
- ecologically friendly features facilitating conservative use of natural resources in new buildings
- change to paperless environments for paper intensive processes
- use of video conferencing and telephone conferencing facilities to reduce travel

INDIRECT IMPACT

WesBank's indirect environmental impact relates to the impacts that the activities of customers and suppliers have on the natural environment. While it is not possible to accurately describe our indirect environmental impact we ensure that appropriate mechanisms are in place to monitor and control operational, legislative and regulatory risks in respect of environmental performance. The application of legislative requirements in respect of environmental impact assessment for large transactions is an important component of this process.

Environmental Management System

WesBank manages its indirect environmental impact related to the activities of customers and suppliers by applying the principles of an Environmental Risk Management System (EMS). The EMS is based on the Equator Principles (EP) framework and forms an important part of the internal risk reporting and screening processes that will enable compliance with the EP.

The EMS is a set of internally established policies, common procedures and resources that enable FirstRand's operating divisions to reasonably ensure that the environmental and social risks of projects are screened and that the company will reasonably be able to advise clients on appropriate mitigation measures that should be incorporated to manage these risks.

The EMS includes an environmental and social risk assessment process that determines the environmental and social impacts and risks (including labour and human rights) of proposed project

finance deals. Depending on the nature and scale of the project the assessment may include a full-scale environmental and social assessment or application of environmental silting, pollution standards, design criteria, or construction standards.

Environmental legislation

The National Environmental Management Act (NEMA) aims to provide for cooperative environmental governance through the establishment of principles for decision making in respect of environmental issues. The Act also provides for certain aspects of the administration and enforcement of other environmental management laws.

WesBank ensures best practice in line with new and emerging environmental regulation via participation in FirstRand's environmental forum with board level oversight provided by FirstRand's Audit, risk and compliance committee.

CASE STUDY: WesBank shows commitment to making a sustainable difference in disadvantaged communities

Environmental responsibility is at the top of WesBank's agenda in all aspects of our business and creating an awareness of the harmful affects of carbon emission is the first step in reducing our carbon footprint. As such, tree planting forms part of every WesBank Super Series race meeting. The WesBank Super Series is South Africa's premier track racing series and during the 2008 racing season WesBank illustrated their commitment to the natural environment by donating over 1 200 trees to disadvantaged communities across the country.

During the 2009 WesBank Super Series season, in addition to the trees donations, WesBank donated 5 Permaculture (natural food garden) starter packs to disadvantaged communities across South-Africa. The objective of the food gardens is to provide fresh vegetables to the communities and employment opportunities for unemployed community members. The Permaculture Food Garden Starter Packs are

supplied by Food and Trees for Africa (FTFA) and include the delivery of tools, seed and seedlings, compost, educational materials and a disposable cameras to record the project's progress. The package offers the basic tools and resources that will allow motivated communities to develop a functional food garden.



Objectives for the next year

Unfavourable market and economic conditions are likely to continue into the 2010 financial year. WesBank's customers are likely to continue experiencing economic stress and this is likely to have an indirect impact on other stakeholders. As described previously however, WesBank's commitment to the implementation of sound sustainability practices remains unaffected by the economic climate. As such our focus during the coming year will be on ensuring good operational performance, which will require several priority sustainability management objectives to be met. These objectives include:

- Further refined and integrated environmental, social, and governance risk reporting processes
- Further integration of financial and non financial reporting to stakeholders
- Implementation of further energy efficiencies via FirstRand's Environmental forum
- Implementation of the Group's carbon management strategy via FirstRand's Environmental forum
- Incremental improvement on sustainability objectives addressed in this sustainability report

In addition to these objectives, WesBank will aim to:

- Respond effectively to customer indebtedness
- Respond effectively to human resource pressures and ensure opportunities for internal deployment of affected staff are found
- Realise employment equity objectives
- Further increase our BBBEE procurement spend
- Continue with existing CSI programmes
- Continue to improve the accuracy of our carbon emissions calculation
- Continue to implement our carbon management and energy efficiency strategies
- Accurately measure energy efficiencies

Assurance and signoff

ASSURANCE

Assurance process

FirstRand has commissioned the following independent sources to provide assurance and commentary on its 2009 divisional Sustainability Reports:

- BEE transformation performance has been externally audited by SizweNtsaluba VSP
- FirstRand's carbon footprint data has been externally prepared by PricewaterhouseCoopers
- Group Internal Audit performed a limited review of the statements and quantitative data contained in the divisional Sustainability Reports

Assurance statement

Based on the results of the work performed, this sustainability report:

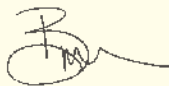
- provides confidence in the information presented within the report. The level of data accuracy was found to be within acceptable limits, but additional improvements were recommended to management to reduce potential for minor anomalies and mis-statements
- appropriately reflects environmental, social and economic performance achieved during the period
- represents a fair statement of FirstRand's corporate social responsibility initiatives
- contains quantitative data which is free from material misstatement

Notwithstanding that the data collection process is sufficiently transparent, WesBank shows continued improvement and refinement on its method of collecting data for the Sustainability Report to ensure an even more accurate result. All suggested changes were satisfactorily addressed by WesBank management prior to finalising the report.

Overall, FirstRand internal audit is satisfied that the report is an appropriate representation of WesBank's sustainability performance during the reporting period, based on the limited material sampling approach applied to the assurance engagement.

SIGNOFF

This report was compiled by Laura Brown, and was signed off by Brian Riley, CEO WesBank, 14 September 2009 at Fairland, Johannesburg



Laura Brown



Brian Riley

Contact information

COMPANY INFORMATION

Directors

LL Dippenaar (Chairman), PK Harris (Chief executive officer), SE Nxasana (Chief executive officer designate), VW Bartlett, JP Burger (Financial director), DJA Craig (British), L Crouse, PM Goss, Dr NN Gwagwa, G Moloi, AP Nkuna, AT Nzimande, D Premnarayan (Indian), KB Schoeman, KC Shubane, RK Store, BJ van der Ross, Dr JH van Greuning, Dr F van Zyl Slabbert, MH Visser.

Secretary and registered office

AH Arnott, BCom, CA(SA)
4th Floor, 4 Merchant Place
1 Fredman Drive, Sandton, 2196

Postal address

PO Box 786273, Sandton, 2146
Telephone: +27 11 282 1808
Telefax: +27 11 282 8088
Web address: www.firststrand.co.za

Sponsor

(In terms of JSE requirements)
Rand Merchant Bank (a division of FirstRand Bank Limited)

Corporate Finance

1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton, 2196
Telephone: +27 11 282 1847
Telefax: +27 11 282 8215

Transfer secretaries – South Africa

Transfer secretaries – South Africa
Computershare Investor Services (Pty) Limited
70 Marshall Street, Johannesburg, 2001

Postal address

PO Box 61051, Marshalltown, 2107
Telephone: +27 11 370 5000
Telefax: +27 11 688 5221

Transfer secretaries – Namibia

Transfer Secretaries (Pty) Limited
Shop No 12, Kaiserkrone Centre
Post Street Mall, Windhoek

Postal address

PO Box 2401, Windhoek, Namibia
Telephone: +264 612 27647
Telefax: +264 612 48531

STOCK EXCHANGES

JSE Limited (“JSE”)

<i>Ordinary shares</i>	<i>Share code</i>	<i>ISIN code</i>
FirstRand Limited	FSR	ZAE 000066304

Non cumulative non redeemable preference shares

“B”	FSRP	ZAE 000060141
“B1”	FSP	ZAE 000070900

Namibian Securities Exchange (“NSE”)

<i>Ordinary shares</i>	<i>Share code</i>	<i>ISIN code</i>
FirstRand Limited	FSR	ZAE 000066304
FNB Namibia Holdings Limited	FNB	NA 0003475176

Botswana Securities Exchange of South Africa (“JSE”)

<i>Ordinary shares</i>	<i>Share code</i>	<i>ISIN code</i>
FNB Botswana Holdings Limited	FNBB	BW000000066

Bond Exchange of South Africa (“BESA”)

Subordinated debt

<i>Issuer</i>	<i>Bond code</i>	<i>ISIN code</i>
FirstRand Bank Limited	FRB01	ZAG000021585
FirstRand Bank Limited	FRB02	ZAG000021593
FirstRand Bank Limited	FRB03	ZAG000026774
FirstRand Bank Limited	FRB05	ZAG000031337
FirstRand Bank Limited	FRB06	ZAG000045758
FirstRand Bank Limited	FRB07	ZAG000047598
FirstRand Bank Limited	FRB08	ZAG000047796
FirstRand Bank Limited	FRB09	ZAG000047804
Momentum Group Limited	MGL01	ZAG000029935

Upper Tier II

<i>Issuer</i>	<i>Bond code</i>	<i>ISIN code</i>
FirstRand Bank Limited	FRBC21	ZAG000052283
FirstRand Bank Limited	FRBC22	ZAG000052390

For queries or comments regarding FirstRand's Sustainability programme, please email firststrand.sustain@fnb.co.za

For queries or comments regarding FirstRand's Transformation programme, please email transformation@firststrand.co.za