

The logo for Bidvest Bank is centered in a dark blue horizontal bar. The word "Bidvest" is on the left, followed by a white square icon containing a dark blue arrow pointing to the right, and the word "Bank" is on the right. The background of the entire page is a light gray grid with various financial charts, including line graphs and candlestick charts, overlaid on it.

Bidvest  Bank

**Unaudited consolidated interim financial results
for the half year ended December 31 2011**

Consolidated condensed statement of comprehensive income

for the	Half year ended		Year ended
	December 31		June 30
	2011	2010*	2011
R'000	Unaudited	Unaudited	Audited
Interest income	38 355	50 501	93 523
Interest expense	(4 144)	(16 991)	(52 501)
Net interest income	34 211	33 510	41 022
Net fee, commission and trading income	202 716	243 667	409 932
Net income from leasing activities	209 869	139 128	397 116
Operating income	446 796	416 305	848 070
Net credit impairment release/(charges)	860	(2 264)	(2 239)
Operating income after credit impairment	447 655	414 041	845 831
Operating expenditure	(233 963)	(217 592)	(445 758)
Operating income before indirect taxation	213 693	196 449	400 073
Indirect taxation	(5 243)	(5 106)	(11 247)
Profit before direct taxation	208 449	191 343	388 826
Direct taxation	(56 397)	(45 727)	(105 309)
Profit for the period	152 052	143 090	283 517

*December 2010 has been restated for comparative purposes.

Consolidated condensed statement of cash flows

for the	Half year ended		Year ended
	December 31		June 30
	2011	2010*	2011
R'000	Unaudited	Unaudited	Audited
Cash flows from operating activities	591 441	363 415	611 346
Cash flows from investing activities	(202 876)	(428 383)	(416 104)
Proceeds on disposal of equipment and leased assets	73 444	231 527	209 006
Dividends received	634	804	1 581
Acquisition of leased assets	(241 792)	(640 194)	(544 755)
Acquisition of equipment	(17 026)	(10 131)	(45 537)
Acquisition of intangible assets	(2 360)	(4 217)	(10 984)
Disposal of investment securities	4 667	(6 172)	4 667
Acquisition of investment securities	(20 444)	—	(30 082)
Cash flows from financing activities	(46 276)	(239 908)	(243 488)
Proceeds from share issues	90 000	—	—
Decrease in intergroup loans	(136 276)	(239 908)	(243 488)
Net increase/(decrease) in cash and cash equivalents	342 288	(304 876)	(48 246)
Cash and cash equivalents at beginning of period	927 336	975 582	975 582
Cash and cash equivalents at end of period	1 269 624	670 706	927 336

*December 2010 has been restated for comparative purposes.

Consolidated condensed statement of financial position

as at	December 31		June 30
R'000	2011	2010*	2011
	Unaudited	Unaudited	Audited
Assets			
Cash and cash equivalents	1 269 624	670 706	927 336
Derivative financial assets	24 139	28 695	17 831
Loans and advances	645 743	373 005	680 246
Leased assets	1 647 347	1 924 667	1 702 077
Investment securities	101 992	66 895	82 714
Other assets	289 755	298 935	208 490
Total assets	3 978 598	3 362 903	3 618 694
Equity and liabilities			
Equity	1 482 331	1 102 158	1 235 251
Share capital	2 070	1 980	1 980
Share premium	525 709	435 799	435 799
Retained earnings	951 592	663 987	798 014
Fair value reserve	2 959	392	(542)
Liabilities	2 496 267	2 260 745	2 383 443
Intergroup loans	483 272	474 264	619 548
Derivative financial liabilities	29 027	23 680	13 376
Deposits	1 459 813	1 176 681	1 360 381
Other liabilities	413 143	394 937	235 305
Taxation	111 013	191 183	154 833
Total equity and liabilities	3 978 598	3 362 903	3 618 694

*December 2010 has been restated for comparative purposes.

Consolidated condensed statement of changes in equity

for the	Half year ended		Year ended
	December 31		June 30
R'000	2011	2010*	2011
	Unaudited	Unaudited	Audited
Share premium	2 070	1 980	1 980
Balance at the beginning of the period	1 980	1 980	1 980
Transactions with owners			
– issue of shares	90	–	–
Share premium	525 709	435 799	435 799
Balance at the beginning of the period	435 799	435 799	435 799
Transactions with owners			
– issue of shares	89 910	–	–
Fair value reserve	2 959	391	(542)
Balance at the beginning of the period	(542)	1 187	1 187
Items recognised directly in equity			
– fair value adjustment on investment	3 501	(796)	(1 729)
Retained earnings	951 592	663 987	798 014
Balance at the beginning of the period	798 014	513 892	513 892
Attributable profit	152 052	145 616	283 517
Transactions with owners, recorded directly in equity			
Share-based payment transactions	1 526	4 479	605
Total equity	1 482 331	1 102 158	1 235 251

Commentary

The Bank showed satisfactory results for the half year ended December 31 2011. The branch banking division has performed well under the pressure of a slow economy. The prior year results benefited from the 2010 World Cup. Pleasing growth has been achieved by the lending, leasing and global trading divisions.

Basis of presentation

These condensed financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the interpretations adapted by the International Accounting Standards Board, South African Interpretations of Generally Accepted Accounting Practice and have been prepared in compliance with IAS34: Interim Financial Reporting and the Companies Act, 2008.

The financial statements have been prepared using accounting policies that comply with IFRS and which are consistent with those applied in the preparation of the financial statements of the year ended June 30 2011.

Unaudited results

These results have not been reviewed or reported on by the Group's auditors. The condensed financial statements have been prepared under the supervision of L de Waal CA(SA), Financial Director and were approved by the board of directors on 23 February 2012.

Directors of Bidvest Bank Limited

NG Payne (Chairman), AC Salomon (Managing Director), LT de Waal (Financial Director), B Joffe, EK Diack, LI Jacobs, P Nyman, JL Pamensky

Company Secretary

DJ Crawley

Registration number 2000/006478/06

Registered office

Bidvest House
18 Crescent Drive, Melrose Arch
Johannesburg 2196 South Africa
0860 111 177

Prior period errors and related restatements

Reclassification of loans and advances to operating leases

In the prior year certain operating rental agreements were incorrectly classified as loans and advances. The 2010 comparatives have been restated as follows:

	Effect on 2010 R'000
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<i>Consolidated statement of financial position</i>	
Increase in leased assets	123 657
Increase in accumulated depreciation	(27 014)
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Decrease in loans and advances	96 643
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<i>Consolidated statement of comprehensive income</i>	
Increase in rental income	32 261
Increase in depreciation	(27 014)
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Decrease in interest income	5 247
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This prior period error was a classification error and did not impact profit for the period and retained earnings. The reclassification had no tax impact.

Revision of residual values of leased assets

In the prior year material net profits on the realisation of leased assets were realised by the acquired subsidiary Bidvest Capital (Pty) Ltd which was indicative that residual values of leased assets required reassessment in terms of IAS 16 Property, Plant and Equipment. The non-reassessment of the residual values post the inception of rental agreements gave rise to cumulative depreciation charged on leased assets being overstated and the carrying value of leased assets being understated. The purchase price paid by the Company to The Bidvest Group Limited was based on the net asset value as at June 1 2010. As a result of the foregoing the purchase price required adjustment. The 2010 comparatives have been restated to correct this error as follows:

Decrease in accumulated depreciation on acquired leased assets	206 755
Increase in deferred taxation	(57 891)
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Increase in amount due to holding company	148 864
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Prior period errors and related restatements *continued*

Accrual for maintenance obligations

In the prior year the accrual for maintenance obligations on leased assets at the acquisition date of Bidvest Capital (Pty) Ltd was understated. The adjustment to the net asset value at the date of acquisition gave rise to a premium being paid which was charged against equity. The 2010 comparatives have been restated to correct this error as follows:

	Effect on 2010 R'000
Increase in other liabilities – accrual for maintenance obligations	49 000
Decrease in deferred taxation	(13 720)
Premium on acquisition of subsidiary charged against equity	(32 400)
Net income statement effect	2 880

Consolidated statement of financial position

Leased assets

Carrying value of leased assets as previously stated	1 602 311
Reclassification adjustment for operating leases	96 643
Adjustment for the revision of residual values	225 713
Restated carrying value of leased assets	1 924 667

Loans and advances

Carrying value of loans and advances as previously stated	455 500
Detailed disclosure of derivative asset	(28 695)
Reallocation of arrears from other assets	42 843
Reclassification adjustment for operating leases	(96 643)
Restated carrying value of loans and advances	373 005

Other assets

Carrying value of other assets as previously stated	242 794
Reallocation of Equipment and intangibles to other assets	98 984
Reallocation of arrears to loans and advances	(42 843)
Restated carrying value of other assets	298 935

Intergroup loans

Carrying value of intergroup loans as previously stated	325 400
Adjustment for the revision of residual values	148 864
Restated carrying value of intergroup loans	474 264

Prior period errors and related restatements *continued*

	Effect on 2010 R'000
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<i>Other liabilities</i>	
Carrying value of other liabilities	345 937
Adjustment for the revision of accrual for maintenance obligations	49 000
Restated carrying value of other liabilities – accrual for maintenance obligations	394 937
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<i>Deposits</i>	
Carrying value of deposits	1 200 361
Detailed disclosure of derivative liability	(23 680)
Restated carrying value of deposits	1 176 681
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<i>Taxation</i>	
Total taxation as previously stated	141 704
Adjustment for revision of depreciation	5 308
Adjustment for the revision of residual values	57 891
Adjustment for the revision of other liabilities – accrual for maintenance obligations	(13 720)
Restated taxation	191 183
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<i>Consolidated statement of comprehensive income</i>	
<i>Interest income</i>	
Interest income as previously stated	169 693
Reclassification adjustment of interest income included in leasing activities	(53 445)
Reclassification of interdivisional interest	(60 500)
Reclassification adjustment for operating leases	(5 247)
Restated interest income	50 501
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<i>Interest expense</i>	
Interest expense as previously stated	105 244
Imputed interest cost of leasing activities	(27 753)
Reclassification of interdivisional interest	(60 500)
Restated interest expense	16 991
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<i>Income from leasing activities</i>	
Income as previously stated	68 720
Reclassification adjustment for operating leases	32 261
Decrease due to maintenance fund accruals	(4 000)
Adjustment for the revision of residual values	(18 958)
Imputed interest cost	(27 753)
Reclassification of other income to leasing income	35 413
Reallocation of interest included in interest income	53 445
Restated leasing income	139 128
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<i>Other income</i>	
Other income as previously stated	37 455
Reclassification of other income to leasing income	(35 413)
Restated other income	2 042
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