Bidvest Bank Limited

(Registration No. 2000/006478/06)

PILLAR III Public Disclosure

September 2014

Bidvest Bank Limited

As at 30 September 2014 the Bank Consolidated regulatory capital position was as follows:

Net qualifying capital and reserves	30 September 2014 R'000	30 September 2013 R'000
Common equity Tier I	**1 012 379**	947 056
Share capital	**2 070**	2 070
Share premium	**525 709**	525 709
Retained earnings	**478 959**	417 333
Other reserves	**5 641**	1 944
Prescribed deductions against Tier I common equity	**(73 771)**	(57 820)
	938 608	889 236
Tier II capital (provisions)	**1 711**	5 176
Total qualifying capital and reserves	**940 319**	894 412
Non qualifying capital and reserves	**1 105 399**	951 151
Retained earnings not formally appropriated	**1 031 628**	893 331
Prescribed deductions against capital and reserve funds	**73 771**	57 820
Total capital and reserves	**2 045 718**	1 845 563

Risk–weighted exposure	Capital requirement 30 September 2014 R'000	Risk weighted exposure 30 September 2014 R0'000	Capital requirement 30 September 2013 R'000	Risk weighted exposure 30 September 2013 R'000
Credit risk Retail bank, corporate bank and central treasury	**176 096**	**1 760 960**	111 840	1 177 267
Counterparty credit risk Retail bank, corporate bank and central treasury	**1 564**	**15 641**	-	-
Operational risk Retail bank, corporate bank and central treasury	**189 975**	**1 899 752**	228 460	2 404 843
Market risk Retail bank, corporate bank and central treasury	**1 882**	**18 817**	2 138	22 502
Equity risk Retail bank, corporate bank and central treasury	**499**	**4 992**	388	4 084
Other risks	**111 977**	**1 119 772**	129 009	1 357 990
Total	**481 993**	**4 819 934**	471 835	4 966 686

Capital ratios				
Total capital adequacy ratio	**20.26%**		18.01%	
Total primary capital adequacy ratio	**20.23%**		17.90%	

None of the exposure at 30 September 2014 was subject to rapid or material change.

Bidvest Bank Limited

As at 30 September 2014 the Bank solo regulatory capital position was as follows:

Net qualifying capital and reserves	**30 September 2014 R'000**	30 September 2013 R'000
Common equity Tier I	**1 012 379**	947 056
Share capital	**2 070**	2 070
Share premium	**525 709**	525 709
Retained earnings	**478 959**	417 333
Other reserves	**5 641**	1 944
Prescribed deductions against Tier I common equity	**(73 771)**	(57 820)
	938 608	889 236
Tier II capital (provisions)	**1 711**	-5 176
Total qualifying capital and reserves	**940 319**	894 412
Non qualifying capital and reserves	**1 098 317**	951 151
Retained earnings not formally appropriated	**1 024 546**	893 331
Prescribed deductions against capital and reserve funds	**73 771**	57 820
Total capital and reserves	**2 038 636**	1 845 563

Risk–weighted exposure	**Capital requirement 30 September 2014 R'000**	**Risk weighted exposure 30 September 2014 R0'000**	Capital requirement 30 September 2013 R'000	Risk weighted exposure 30 September 2013 R'000
Credit risk Retail bank, corporate bank and central treasury	**176 096**	**1 760 960**	111 840	1 177 267
Counterparty credit risk Retail bank, corporate bank and central treasury	**1 564**	**15 641**	-	-
Operational risk Retail bank, corporate bank and central treasury	**168 545**	**1 685 453**	130 541	1 374 119
Market risk Retail bank, corporate bank and central treasury	**1 882**	**18 817**	2 138	22 502
Equity risk Retail bank, corporate bank and central treasury	**499**	**4 992**	388	4 084
Other risks	**115 466**	**1 154 658**	129 009	1 357 990
Total	**464 052**	**4 640 521**	347 787	3 935 962

Capital ratios		
Total capital adequacy ratio	**20.26%**	22.72%
Total primary capital adequacy ratio	**20.23%**	22.59%

None of the exposure at 30 September 2014 was subject to rapid or material change.

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COMPOSITION OF CAPITAL DISCLOSURE

BIDVEST BANK LIMITED (CONSOLIDATED)
30 September 2014

		R'000	R'000
	Basel III common disclosure used during the transition of regulatory adjustments from 1 June 2013 to 1 January 2018		**Amounts subject to pre-Basel III treatment**
	Common Equity Tier I capital: instruments and reserves		
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	527,779	
2	Retained earnings	478,959	
3	Accumulated other comprehensive income (and other reserves)	5,641	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
	Public sector capital injections grandfathered until 1 January 2018		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	Common Equity Tier 1 capital before regulatory adjustments	**1 012 379**	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)	14,831	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	35,778	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		
11	Cash-flow hedge reserve		
12	Shortfall of provisions to expected losses		
13	Securitisation gain on sale		
14	Gains and losses due to changes in own credit risk on fair valued liabilities		
15	Defined benefit pension fund net assets		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)		
17	Reciprocal cross-holdings in common equity		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)		
19	Significant investments in common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)		
20	Mortgage servicing rights (amount above 10% threshold)		

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21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold	
23	of which: significant investments in the common stock of financials	
24	of which: mortgage servicing rights	
25	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments	23,162
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
	OF WHICH:	
	OF WHICH:	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	**Total regulatory adjustments to Common equity Tier 1**	**73,771**
29	**Common Equity Tier 1 capital (CET1)**	**938,608**
	Additional Tier 1 capital: instruments	
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	
31	of which: classified as equity under applicable accounting standards	
32	of which: classified as liabilities under applicable accounting standards	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	
34	Additional Tier 1 instruments (and CET1) instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	Of which: instruments issued by subsidiaries subject to phase out	
36	**Additional Tier 1 capital before regulatory adjustments**	**-**
	Additional Tier 1 capital: regulatory adjustments	
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41	National specific regulatory adjustments	
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
	OF WHICH:	
	OF WHICH:	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	**Total regulatory adjustments to Additional Tier 1 capital**	**-**
44	**Additional Tier 1 capital (AT1)**	-
45	**Tier 1 capital (T1 = CET1 + AT1)**	**938,608**
	Tier 2 capital and provisions	

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46	**Directly issued qualifying Tier 2 instruments plus related stock surplus**	
47	**Directly issued capital instruments subject to phase out from Tier 2**	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
49	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions	1,711
51	Tier 2 capital before regulatory adjustments	**1,711**
	Tier 2 capital: regulatory adjustments	
52	Investment in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments	
54	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not won more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
55	regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments	
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
	OF WHICH:	
	OF WHICH:	
57	**Total regulatory adjustments to Tier 2 capital**	**-**
58	**Tier 2 capital (T2)**	**1,711**
59	**Total capital (TC = T1 + T2)**	**940,319**
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
	OF WHICH:	
	OF WHICH:	
60	**Total risk weighted assets**	4,819,934
	Capital ratios	
61	Common Equity Tier 1 (as percentage of risk weighted assets)	20.23%
62	Tier 1 (as percentage of risk weighted assets)	20.23%
63	Total capital (as percentage of risk weighted assets)	20.26%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	4.62%
65	of which: capital conservation buffer requirements	2.50%
66	of which: bank-specific countercyclical buffer requirement	0.00%
67	of which: G-SIB buffer requirement	0.00%
68	Common Equity Tier 1 available to meet buffers (as percentage of risk weighted assets)	20.23%
	National Minima (if different from Basel 3)	
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	5.62%
70	National Tier 1 minimum ratio	7.18%
71	National total capital minimum ratio	10.00%
	Amounts below the threshold for deductions (before risk weighting)	
72	Non-significant investments in the capital of other financials	

73	Significant investments in the common stock of financials	
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
	Applicable caps on the inclusion of provisions in Tier 2	
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to the application of cap)	1,711
77	Cap on inclusion of provisions in Tier 2 under standardised approach)	21,236
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to the application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)	
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

Bidvest Bank Limited

MAIN FEATURES DISCLOSURE

BIDVEST BANK LIMITED (SOLO)

30 September 2014

Disclosure for main features of regulatory capital instruments		
1	Issuer	The Bidvest Group Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	
	Regulatory treatment	
4	Transitional Basel III rules	N/A
5	Post-transitional Basel III rules	N/A
6	Eligible at solo / group / group & solo	Group & solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	R528m
9	Par value of instrument	R0.01
10	Accounting classification	Shareholders’ equity
11	Original date of issuance	April 2000
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend / coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20	Fully discretionary, partially discretionary or mandatory	N/A
21	Existence of step up or other incentive to redeem	N/A
22	Con-cumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down feature	N/A
31	If write-down, write down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to)	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

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COMPOSITION OF CAPITAL DISCLOSURE

BIDVEST BANK LIMITED (SOLO)
30 September 2014

		R'000	R'000
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	Public sector capital injections grandfathered until 1 January 2018		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	Common Equity Tier 1 capital before regulatory adjustments	**1,012,379**	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)	14,831	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	35,778	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		
11	Cash-flow hedge reserve		
12	Shortfall of provisions to expected losses		
13	Securitisation gain on sale		
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15	Defined benefit pension fund net assets		
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17	Reciprocal cross-holdings in common equity		
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19	Significant investments in common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)		
20	Mortgage servicing rights (amount above 10% threshold)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
22	Amount exceeding the 15% threshold		

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23	of which: significant investments in the common stock of financials		
24	of which: mortgage servicing rights		
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26	National specific regulatory adjustments	23,162	
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH:		
	OF WHICH:		
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28	**Total regulatory adjustments to Common equity Tier 1**	**73,771**	
29	**Common Equity Tier 1 capital (CET1)**	**938,608**	
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus		
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Directly issued capital instruments subject to phase out from Additional Tier 1		
34	Additional Tier 1 instruments (and CET1) instruments not included in line 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
35	Of which: instruments issued by subsidiaries subject to phase out		
36	**Additional Tier 1 capital before regulatory adjustments**	**-**	
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1 instruments		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		
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	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH:		
	OF WHICH:		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	**Total regulatory adjustments to Additional Tier 1 capital**	**-**	
44	**Additional Tier 1 capital (AT1)**	-	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**938,608**	
	Tier 2 capital and provisions		
46	**Directly issued qualifying Tier 2 instruments plus related stock surplus**		
47	**Directly issued capital instruments subject to phase out from Tier 2**		

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48	Tier 2 instruments (and CET1 and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
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55	regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments	
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
	OF WHICH:	
	OF WHICH:	
57	**Total regulatory adjustments to Tier 2 capital**	**-**
58	**Tier 2 capital (T2)**	**1,711**
59	**Total capital (TC = T1 + T2)**	**940,319**
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
	OF WHICH:	
	OF WHICH:	
60	**Total risk weighted assets**	4,640,521
	Capital ratios	
61	Common Equity Tier 1 (as percentage of risk weighted assets)	20.23%
62	Tier 1 (as percentage of risk weighted assets)	20.23%
63	Total capital (as percentage of risk weighted assets)	20.26%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	4.62%
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Applicable caps on the inclusion of provisions in Tier 2		
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83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	