

Bidvest Bank Limited



Bidvest Bank Limited
(Registration No. 2000/006478/06)

PILLAR III Public Disclosure

March 31 2014

Bidvest Bank Limited

As at 31 March 2014 the Bank Consolidated regulatory capital position was as follows:

Net qualifying capital and reserves	31 March 2014 R'000	31 March 2013 R'000
Common equity Tier I	943 863	845 112
Share capital	2 070	2 070
Share premium	525 709	525 709
Retained earnings	417 333	317 333
Other reserves	(1 249)	-
Prescribed deductions against Tier I common equity	(62 953)	(62 658)
	880 910	782 454
Tier II capital (provisions)	1 411	-
Total qualifying capital and reserves	882 321	782 454
Non qualifying capital and reserves	1 100 305	1 045 064
Retained earnings not formally appropriated	1 037 352	982 406
Prescribed deductions against capital and reserve funds	62 953	62 658
Total capital and reserves	1 982 626	1 827 518

Risk-weighted exposure	Capital requirement 31 March 2014 R'000	Risk weighted exposure 31 March 2014 R'000	Capital requirement 31 March 2013 R'000	Risk weighted exposure 31 March 2013 R'000
Credit risk				
Retail bank, corporate bank and central treasury	157 668	1 659 663	68 665	722 790
Counterparty credit risk	2 306	24 272	-	-
Retail bank, corporate bank and central treasury				
Operational risk	242 509	2 552 730	213 426	2 246 589
Retail bank, corporate bank and central treasury				
Market risk	1 487	15 648	1 066	11 216
Retail bank, corporate bank and central treasury				
Equity risk	449	4 725	326	3 436
Retail bank, corporate bank and central treasury				
Other risks	123 196	1 296 795	159 721	1 681 275
Total	527 614	5 553 833	443 204	4 665 306

Capital ratios

Total capital adequacy ratio	15.86%	16.77%
Total primary capital adequacy ratio	15.89%	16.77%

None of the exposure at 31 March 2014 was subject to rapid or material change.

Bidvest Bank Limited

As at 31 March 2014 the Bank solo regulatory capital position was as follows:

Net qualifying capital and reserves	31 March 2014 R'000	31 March 2013 R'000
Common equity Tier I	943 863	845 112
Share capital	2 070	2 070
Share premium	525 709	525 709
Retained earnings	417 333	317 333
Other reserves	(1 249)	-
Prescribed deductions against Tier I common equity	(62 953)	(62 658)
	880 910	782 454
Tier II capital (provisions)	1 411	-
Total qualifying capital and reserves	882 321	782 454
Non qualifying capital and reserves	1 094 254	1 039 014
Retained earnings not formally appropriated	1 031 301	976 356
Prescribed deductions against capital and reserve funds	62 953	62 658
Total capital and reserves	1 976 575	1 821 468

Risk-weighted exposure	Capital requirement 31 March 2014 R'000	Risk weighted exposure 31 March 2014 R'000	Capital requirement 31 March 2013 R'000	Risk weighted exposure 31 March 2013 R'000
Credit risk				
Retail bank, corporate bank and central treasury	165 966	1 659 663	68 665	722 790
Counterparty credit risk	2 427	24 272	-	-
Retail bank, corporate bank and central treasury				
Operational risk	152 201	1 522 005	118 009	1 242 203
Retail bank, corporate bank and central treasury				
Market risk	1 565	15 648	1 066	11 216
Retail bank, corporate bank and central treasury				
Equity risk	473	4 725	326	3 436
Retail bank, corporate bank and central treasury				
Other risks	129 680	1 296 795	159 721	1 681 275
Total	452 311	4 523 108	347 787	3 660 920

Capital ratios

Total capital adequacy ratio	19.46%	21.37%
Total primary capital adequacy ratio	19.49%	21.37%

None of the exposure at 31 March 2014 was subject to rapid or material change.

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COMPOSITION OF CAPITAL DISCLOSURE

BIDVEST BANK LIMITED (CONSOLIDATED)

31 March 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	417,333	
3	Accumulated other comprehensive income (and other reserves)	(1,249)	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
	<i>Public sector capital injections grandfathered until 1 January 2018</i>		
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	943,863	
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)	24,960	
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)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		

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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	62,953	
29	Common Equity Tier 1 capital (CET1)	880,910	
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)	880,910	
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)	
49	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions	1,411
51	Tier 2 capital before regulatory adjustments	1,411
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 own 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)	1,411
59	Total capital (TC = T1 + T2)	882,321
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT	
	OF WHICH:	
	OF WHICH:	
60	Total risk weighted assets	5,553,833
Capital ratios		
61	Common Equity Tier 1 (as percentage of risk weighted assets)	15.86%
62	Tier 1 (as percentage of risk weighted assets)	15.86%
63	Total capital (as percentage of risk weighted assets)	15.86%
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)	15.86%
National Minima (if different from Basel 3)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	4.50%
70	National Tier 1 minimum ratio	6.00%
71	National total capital minimum ratio	9.50%
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)	

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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)	1,411
77	Cap on inclusion of provisions in Tier 2 under standardised approach)	13,885
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)	

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MAIN FEATURES DISCLOSURE

BIDVEST BANK LIMITED (SOLO)

31 March 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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BIDVEST BANK LIMITED (SOLO)

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Common Equity Tier 1 capital: regulatory adjustments			
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11	Cash-flow hedge reserve		
12	Shortfall of provisions to expected losses		
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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)		
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		

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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	62,953	
29	Common Equity Tier 1 capital (CET1)	880,910	
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)	880,910	
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		
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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49	of which: instruments issued by subsidiaries subject to phase out		
50	Provisions		1,411
51	Tier 2 capital before regulatory adjustments		1,411
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 own 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)		1,411
59	Total capital (TC = T1 + T2)		882,321
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT		
	OF WHICH:		
	OF WHICH:		
60	Total risk weighted assets		4,523,108
Capital ratios			
61	Common Equity Tier 1 (as percentage of risk weighted assets)		19.46%
62	Tier 1 (as percentage of risk weighted assets)		19.46%
63	Total capital (as percentage of risk weighted assets)		19.50%
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)		19.50%
National Minima (if different from Basel 3)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)		4.50%
70	National Tier 1 minimum ratio		6.00%
71	National total capital minimum ratio		9.50%
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			

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76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to the application of cap)	1,411
77	Cap on inclusion of provisions in Tier 2 under standardised approach)	11,308
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

PILLAR III – DISCLOSURE REQUIREMENTS FOR REMUNERATION – 31 MARCH 2014

The Basel Committee on Banking Supervision’s guidance to improve compensation practices and strengthen supervision in this area incorporates the Financial Stability Board’s Principles for Sound Compensation Practices. In terms of this requirement firms are required to disclose clear, comprehensive and timely information about their compensation practices to facilitate constructive engagement by all stakeholders, including in particular shareholders.

The requirements have been designed to be sufficiently granular and detailed to allow meaningful assessment by market participants of a bank’s compensation practices, while not requiring disclosure of sensitive or confidential information. As a result, banks will be required to disclose qualitative and quantitative information about their remuneration practices and policies covering the following areas:

- The governance / committee structures
- The design / operation of remuneration structure, frequency of review
- The independence of remuneration for risk / compliance staff
- The risk adjustment methodologies
- The link between remuneration and performance
- The long-term performance measures (deferral, malus, clawback)
- The types of remuneration (cash / equity, fixed / variable).

The Bank is expected to publish the disclosure on an annual basis at a minimum. The disclosure should be incorporated in the Bank’s Pillar III public disclosure, or may refer to a different site or document if an equivalent disclosure has already been made under an accounting or listing requirement relating to the same time period.

The quantitative remuneration disclosure only covers senior management and other material risk takers as required.

To this end, Bidvest Bank Limited’s remuneration disclosure is set out in the table below.

Requirement	Bidvest Bank Limited disclosure
Qualitative disclosures	
(a) Information relating to the bodies that oversee remuneration. Disclosures should include: <ul style="list-style-type: none"> • Name, composition and mandate of the main body overseeing remuneration. • External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process. • A description of the scope of the bank’s remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches. • A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group. 	Stated in section 2.4 of the Bank’s Annual Financial Statements. No external consultants were approached for advice regarding remuneration during the first eight months of the 2014 financial year ending 31 March 2014. The Bank’s remuneration policy sets out the rules, regulations, procedures, forms and standard documents relating to remuneration. Remuneration is determined and agreed on the concept of Cost to Employer (CTE). The Bank considers the senior staff and other risk takers to be limited to the board of directors.
(b) Information relating to the design and structure of remuneration processes. Disclosures should include: <ul style="list-style-type: none"> • An overview of the key features and objectives of remuneration policy. 	Remuneration is discussed in section 8.1 of the Bank’s AFS. Key features of the Bank’s remuneration policy include: <ul style="list-style-type: none"> - Compliance with labour legislation, the Income tax Act, Occupational Health and

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Requirement	Bidvest Bank Limited disclosure
<p>Qualitative disclosures</p> <ul style="list-style-type: none"> • Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made. • A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee. 	<p>Safety Act and any other applicable legislation.</p> <ul style="list-style-type: none"> - Consultation with a Workplace Forum set up to represent employees and communicate remuneration-related matters to the applicable authorities. - Remuneration levels, grading and determination of CTE and structuring of the CTE. - Statutory payments in terms of the Unemployment Insurance Fund (UIF), Skills Development levy, Compensation for Occupational Injuries and Diseases Act (COIDA), Employee's tax, Leave and notice payments and overtime payments - Part time and permanent employees - Remuneration increases - Termination of employment - Fixed term employment - Employment equity - Labour brokers and Independent contractors. <p>The Bank's remuneration functions fall under the ambit of the Corporate Governance Committee. The Bank's remuneration policy was reviewed November 2013 and previously approved by the Board of Directors in November 2012.</p> <p>Remuneration of Risk and Compliance staff is based on CTE as agreed upon at the time of employment. Any additional remuneration in the form of performance bonus is based on an individual's performance and the overall performance of the Bank. There is no link between the remuneration of compliance and risk staff and the performance of the business units they oversee.</p>
<p>(c) Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures should include:</p> <ul style="list-style-type: none"> • An overview of the key risks that the bank takes into account when implementing remuneration measures. • An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed). • A discussion of the ways in which these measures affect remuneration. • A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of 	<p>Remuneration of employees is based on regular performance reviews and is informed by industry guidelines and prevailing market conditions. Executive directors' employment contracts do not contain unusual leave or other benefit provisions, and are terminable on reasonable notice. Directors' and senior management's remuneration is approved by the Corporate Governance Committee. The Bank does not offer a share incentive scheme but executives participate in the share incentive scheme of The Bidvest Group Limited. There has been no change in the measurement of performance for remuneration purposes over the past year.</p>

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Requirement	Bidvest Bank Limited disclosure
Qualitative disclosures	
	changes on remuneration.
(d)	<p>Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include:</p> <ul style="list-style-type: none"> • An overview of main performance metrics for bank, top-level business lines and individuals. • A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance. • A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.
(e)	<p>Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance. Disclosures should include:</p> <ul style="list-style-type: none"> • A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance. • A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through clawback arrangements.
(f)	<p>Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms. Disclosures should include:</p> <ul style="list-style-type: none"> • An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms). • A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees, a description the factors that determine the mix and their relative importance.
Quantitative Disclosure – Senior management and material risk takers	
(g)	<ul style="list-style-type: none"> • Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its members.
(h)	<ul style="list-style-type: none"> • Number of employees having received a variable remuneration award during the financial year. • Number and total amount of

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Requirement	Bidvest Bank Limited disclosure
Qualitative disclosures	
	<p>guaranteed bonuses awarded during the financial year.</p> <ul style="list-style-type: none"> • Number and total amount of sign-on awards made during the financial year. • Number and total amount of severance payments made during the financial year.
(i)	<ul style="list-style-type: none"> • Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. • Total amount of deferred remuneration paid out in the financial year.
(j)	<ul style="list-style-type: none"> • Breakdown of amount of remuneration awards for the financial year to show: <ul style="list-style-type: none"> - fixed and variable. - deferred and non-deferred. - different forms used (cash, shares and share-linked instruments, other forms).
(k)	<p>Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. malus, clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:</p> <ul style="list-style-type: none"> • Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. • Total amount of reductions during the financial year due to ex post explicit adjustments. • Total amount of reductions during the financial year due to ex post implicit adjustments.