HSBC Bank plc – Johannesburg Branch

Pillar 3 Disclosure
31 December 2014

HSBC Bank plc publishes comprehensive Pillar 3 disclosures annually on the HSBC internet site www.hsbc.com, simultaneously with the release of the Annual Report and Accounts 2014. The interim reports and management statements include relevant summarised regulatory capital information complementing the financial and risk information presented there. The following document should be read in conjunction with the HSBC Bank plc Pillar 3 Disclosures for the year ended 31 December 2014 and the HSBC Bank plc – Johannesburg Branch ("Branch") Annual Financial statements for the year ended 31 December 2014.

1. Scope of application

The Branch's immediate holding company is HSBC Bank plc and its ultimate holding company is HSBC Holdings plc, which is incorporated in the United Kingdom with limited liability.

2. Financial performance

BA 100 Balance Sheet	**At 31 December 2014**	**At 31 December 2013**
Assets	**ZAR'000**	**ZAR'000**
Cash and balances with central bank	808 300	598 661
Short term negotiable securities	16 784 887	12 587 848
Loans and advances to customers	22 624 851	19 091 856
Gross loans and advances	22 632 382	19 098 202
Less: credit impairments	-7 531	6 346
Investment and trading securities	281 830	488 910
Derivitave financial instruments	424 645	476 480
Property and equipment	12 036	8 522
Deferred income tax assets	56 073	50 577
Other assets	648 575	741 377
Total assets	**41 641 197**	**34 044 231**
Liabilities and equities		
Deposits, current accounts and other creditors	37 135 203	30 494 456
Derivative financial instruments and other trading liabilities	395 453	523 606
Current income tax liabilities	15 708	0
Provisions	15 215	15 796
Other liabilities	845 232	901 629
Total liabilities	**38 406 811**	**31 935 487**
Total equity attributable to equity holders	3 234 386	2 111 853
Total equity	**3 234 386**	**2 111 853**
Total equity and liabilities	**41 641 197**	**34 047 340**

2. Financial performance (continued)

	At 31 December 2014	At 31 December 2013
BA 120 Income Statement	**ZAR'000**	**ZAR'000**
Interest and similar income	1 788 468	984 426
Interest expense and similar charges	-1 549 566	-877 105
Net Interest Income	**238 902**	**107 321**
Fee and commission income	817 115	860 319
Fee and commission expense	-440 760	-607 730
Net fee and commission income	**376 355**	**252 589**
Net trading income / (loss)	518 504	322 487
Other gains less losses	1 142	-10 927
Other operating income / (loss)	24 831	8 571
Non Interest revenue	**920 832**	**572 720**
Gross operating income / (loss)	**1 159 734**	**680 041**
Credit losses	1 249	-2 526
Operating expenses	-386 916	-275 113
Operating profit / (loss) before non-trading and capital items	**774 067**	**402 402**
Direct taxation	-204 119	-136 734
Profit / (loss) for the year	**569 948**	**265 668**

3. Financial position

Risk measurement and management

The Johannesburg Executive Committee is ultimately responsible for the governance of risk and capital within the Branch. In discharging this duty, it is supported by key management committees (i.e. Asset and Liability Management Committee (ALCO) and the Risk Management Committee (RMC)) which are responsible for overseeing the processes, strategies and systems for managing risk and ensuring that capital is adequate to support the Branch’s scale, complexity and strategic objectives.

The Branch’s risk governance framework follows that of the Group. The Group's framework is described on page 112 of the HSBC Holdings plc Annual Report and Accounts 2014. The Group’s risk management and measurement is further disclosed in the HSBC Holdings plc Capital and Risk Management Pillar 3 Disclosures at 31 December 2014. It details the Group’s strategies and processes; the scope and nature of its risk reporting and risk management systems.

3. Financial position (continued)

Risk measurement and management (continued)

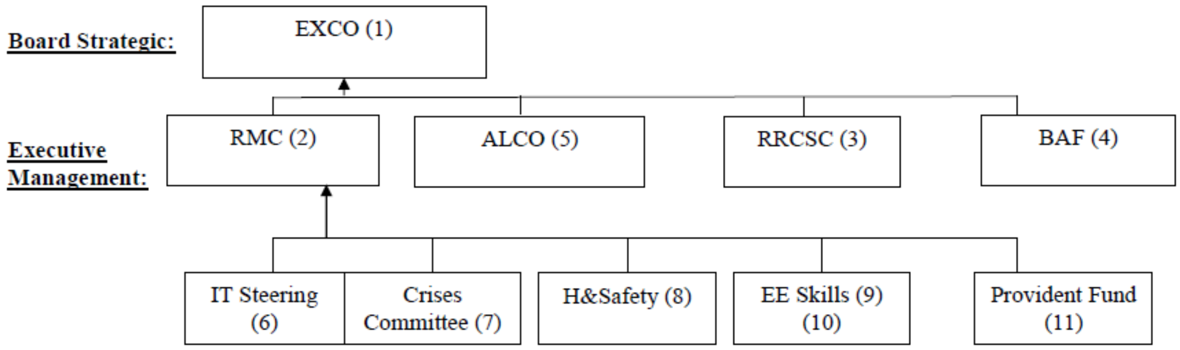
All risks impacting the Branch are monitored in the monthly Risk Management Committee, including:

- Accounting
- Financial management
- Wholesale Credit and Market Risk
- Compliance
- Security and Fraud
- Strategic
- Sustainability
- Projects
- Conduct
- Tax
- Capital and Asset &Liability Management
- Legal
- Fiduciary
- Reputational
- People
- Systems
- Operations

Risk Management is aligned with the Risk Group Framework.

The following table presents the governance structure of the Branch in 2014:

Governance Structure



Banks Act	GSM Risks
Capital Risk (5)	Market Risk (5)(2)
Compliance Risk (3)	Credit Risk (2)
Concentration Risk (2)(5)	Liquidity Risk (5)
Credit Risk (2)	Capital Risk (5)
Currency Risk (5)	Business Performance Risk (1)
Equity arising from positions held in the banks banking book (5)	Concentration Risk (5)
Interest rate Risk (5)	Legal Risk (2)
Liquidity Risk (5)	Operational Risk (7)
Market Risk (position risk) in respect of position held in the bank's trading book (5)	
Operational Risk (2)	Security Risk (6)
Reputation Risk (3)	Technological Risk (6)
Risk relating to procyclicality (2)	Business Continuity Risk (7)
Solvency Risk (5)	
Technological Risk (6) (2)	
Translation Risk (5)	
Any other risk regarded as material (3)(8)(9)(10)(11)	

The numbers in brackets reflect the committee/forum that is responsible for managing and reporting on the subject area

3. Financial position (continued)

Capital adequacy and capital structure

The following represents the capital structure, the risk weighted assets and the capital ratios for the Branch:

	ZAR millions	
	Year ended 31 December 2014	Year ended 31 December 2013
Endowment capital	1 420	885
Retained Earnings	1 815	1 238
Other Comprehensive Income	-	-11
	3 235	2 112
Regulatory adjustments	-	-
Common Equity Tier 1 Capital	3 235	2 112
Tier 2 capital and provisions	6	5
Total Qualifying Capital and Reserves	**3 241**	**2 117**
Credit Risk	20 432	12 862
Operational Risk	1 756	1 337
Market Risk	567	106
Other Risk	801	879
Total Risk Weighted Assets	**23 555**	**15 185**
Common Tier 1	**13.73%**	**13.91%**
Total Capital Ratio	**13.76%**	**13.94%**

3. Financial position (continued)

Assessing adequacy of capital

The Branch with the parent company's assistance assesses the adequacy of its capital by considering the resources necessary to cover unexpected losses arising from risks, being those which it chooses to accept (such as credit risk and market risk), and risks by which arise by virtue of its operations (such as operational risk). The Branch's capital management and policy is underpinned by the Group's capital management framework. The capital management framework and related policies define the Internal Capital Adequacy Assessment Process ('ICAAP').

This ensures that the Branch's level of capital:

- remains sufficient to support the Branch's risk profile and outstanding commitments;
- exceeds the Branch's minimum regulatory capital requirements by an appropriate buffer;
- is capable of withstanding a severe economic downturn stress scenario; and
- remains consistent with the Branch's strategic and operational goals, and Group's expectations.

Risks not explicitly assessed via capital:

- Liquidity
- Interest rate risk in the banking book

3. Financial position (continued)

Reconciliation between qualifying capital and reserve funds and accounting equity and reserves

	ZAR millions		
Reconciliation between qualifying capital and reserve funds and accounting equity and reserves	**Balance sheet amount**	**Amounts included under regulatory scope of consolidation**	**Amounts included for regulatory purposes**
Share capital and premium	1 420.0	1 420.0	1 420.0
Retained earnings	1 814.8	1 814.8	1 814.8
Other reserve funds (total of items 101 to 107)	-0.4	-0.4	-0.4
Unrealised gains and losses on available for sale items	-0.4	-0.4	-0.4
Gains and losses on derivatives held as cash flow hedges	-	-	-
Gains and losses resulting from converting foreign currency subsidiaries to the parent currency	-	-	-
Actuarial reserve	-	-	-
Unrealised gains and losses from a foreign currency hedge of a net investment in a foreign operation	-	-	-
Property revaluation reserve	-	-	-
Other reserves	-	-	-
Minority interests	-	-	-
Regulatory adjustments: (total of items 110 to 122)	-	-	-
Goodwill	-	-	-
Intangible assets other than goodwill	-	-	-
Mortgage servicing rights	-	-	-
Deferred tax assets	-	-	-
Investments in own shares, excluding amounts already derecognised in terms of Financial Reporting Standards	-	-	-
Reciprocal cross holdings in common equity	-	-	-
Shortfall of provisions to expected losses	-	-	-
Cash flow hedge reserve	-	-	-
Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	-	-	-
Defined benefit pension fund assets	-	-	-
Securitisation gain on sale (expected future margin income)	-	-	-
Investments in financial entities	-	-	-
Other	-	-	-
Qualifying common equity tier 1 capital and reserve funds	-	-	3 234.4
Additional Tier 1 instruments	-	-	-
Minority interests	-	-	-
Regulatory adjustments	-	-	-
Qualifying tier 1 capital and reserve funds	-	-	3 234.4
Tier 2 instruments	-	-	-
Minority interests	-	-	-
General allowance for credit impairments	7.5	5.9	5.9
Regulatory adjustments	-	-	-
Total	**-**	**-**	**3 240.3**

3. Financial position (continued)

Nature and extent of risk exposures

Credit Risk

All credit portfolios are measured on the simplified standardised approach.
Credit risk is the risk of financial loss if a customer or counterparty fails to meet a contractual payment obligation under contract. It arises principally from direct lending and trade finance, but also from off-balance sheet products such as counterparty risk guarantees and from the Branch's holdings of debt securities. Credit risk generates the largest regulatory capital requirement in the Branch.

Credit risk is part of the Global Risk function in HSBC. Across the Group, Credit risk fulfils the role of an independent credit control unit while engaging with the business to set priorities, define risk appetite and monitor and report high risk exposures. The credit risk function locally is supported by the Group Credit Risk function within Regional centres. Its responsibilities include: formulating policy, guiding operating companies on credit appetite, independent reviews, monitoring performance of portfolios across the group, maintaining and developing HSBC's risk rating framework and systems.

The Branch is responsible for implementing credit policies procedures and lending guidelines to meet local requirements while conforming to Group standards.
The Branch takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment allowances are provided for losses that have been incurred at the reporting date. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the branch's portfolio, could result in losses that are different from those provided for at the statement of reporting date. Management therefore carefully manages its exposure to credit risk.

The Branch structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review. Limits on the level of credit risk by product, industry sector and by country are approved quarterly by the RMC.
The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-statement of financial position exposures and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and

capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and guarantees.

The minimum regulatory credit risk capital requirements, the related risk weighted assets, and related exposures as at 31 December 2014 per sector:

ZAR millions

	Exposure At Default		Gross Credit Exposure		Risk Weighted Assets		Regulatory Capital Requirement	
	2014	2013	2014	2013	2014	2013	2014	2013
Bank	19 370	15 870	30 625	18 949	11 454 760	6 291 955	916 381	503 356
Corporate	27 377	14 376	19 927	17 096	8 396 392	6 034 832	671 711	482 787
Sovereign	17 067	13 605	17 067	13 605	0	527 913	-	42 233
Total	63 814	43 851	67 618	49 650	19 851 152	12 854 700	1 588 092	1 028 376

The residual maturity analysis by gross balance sheet exposure by category of exposure class:

ZAR millions

	Less than 1 year		1 - 5 years		5-10 years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Bank	24 843	19 401	5 782	2 537	-	-	30 625	21 938
Corporate	13 408	14 246	6 519	6 508	-	-	19 927	20 754
Public sector entities	573	-	576	-	-	-	1 149	-
Sovereign	16 929	4 958	137	1 555	-	-	17 067	6 513
Total	55 753	38 604	13 014	10 600	-	-	68 768	49 204

A breakdown of loans and advances per industry:

Loans and Advances per Industry

Loans and advances per customers	ZAR millions	
	2014	**2013**
Industry		
Agriculture, hunting, forestry and fishing	373	192
Mining and quarrying	2 175	1 951
Manufacturing	3 398	3 362
Electricity, gas and water supply	392	281
Construction	2 910	2 815
Wholesale and retail trade, repair of specified items, hotels and restaurants	4 743	3 635
Transport, storage and communication	927	292
Financial intermediation and insurance	52 513	35 367
Real estate	366	430
Business services	971	796
Community, social and personal services	1	1
Private households	-	-
Other	0	528
Total	68 768	49 650

Average gross credit exposure per reporting period:

	ZAR millions	
	2014	**2013**
Corporate	17 052	15 540
Public sector entities	-	-
Sovereign	12 672	11 524
Banks	20 556	18 954
Total	50 280	46 018

Past due and impairments

The following table discloses the allowances for specific and collective impairment losses on loans and advances:

	ZAR millions					
	Impaired Loans		**Specific Impairments**		**Collective Impairments**	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Opening balance	-	-	-	-	6	3
Credit impairments raised	-	-	-	-	2	3
Closing balance	-	-	-	-	8	6

The following table provides a breakdown per industry of the specific and collective impairments for the period ended per industry:

	ZAR millions			
Industry	**Specific Impairments**		**Collective Impairments**	
	2014	**2013**	**2014**	**2013**
Manufacturing	-	-	8	6
Total	-	-	8	6

Past due but not impaired gross financial instruments are those loans where, although customers have failed to make payments in accordance with the contractual terms of their facilities, they have not met the impaired loan criteria described below.

Impaired loans and advances are those that meet any of the following criteria:

- wholesale loans and advances classified as Customer Risk Rating ('CRR') 9 or CRR 10. These grades are assigned when the bank considers that either the customer is unlikely to pay their credit obligations in full, without recourse to security, or when the customer is more than 90 days past due on any material credit obligation to HSBC.
- renegotiated loans and advances that have been subject to a change in contractual cash flows as a result of a concession which the lender would not

otherwise consider, and where it is probable that without the concession the borrower would be unable to meet the contractual payment obligations in full, unless the concession is insignificant and there are no other indicators of impairment. Renegotiated loans remain classified as impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows, and there are no other indicators of impairment.

Loan impairment approach

Losses for impaired loans are recognised promptly when there is objective evidence that impairment of a loan or portfolio of loans has occurred. Impairment losses are calculated on individual loans and on loans assessed collectively. Losses expected from future events, no matter how likely, are not recognised. Reversals of impairment are recognised as income in the profit or loss. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. No assessment of impairment is performed for financial assets at fair value through profit or loss.

Individually assessed loans

Impairment losses are calculated by discounting the expected future cash flows of a loan at its original effective interest rate, and comparing the resultant present value with the loan's current carrying amount. Any loss is recognised in profit or loss. The carrying amount of impaired loans on the statement of financial position is reduced through the use of an allowance account.

The recoverable amount of originated loans and advances identified as impaired is calculated as the present value of the expected future cash flows, discounted at each instrument's original effective interest rate. Short-term balances are not discounted. Loans and advances are presented net of credit impairment write-downs. Specific impairments are made against the carrying amount of loans and advances that are identified as being impaired based on regular reviews of outstanding balances to reduce these loans and advances to their recoverable amounts. If management determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. The expected cash flows for portfolios of similar assets are estimated based on historic experience and taking into account the credit rating of the underlying customers and late payments of interest or penalties. Impairments and reversals of impairment write-downs are recognised in the profit or loss.

The Branch's approach for determining impairment allowances is consistent with the Parent and Group company and is explained on page 349 of the Annual Report and Accounts 2014, and the Group's definitions for accounting purposes of 'past due' and 'impaired' is set out on pages 136 and 137.

Recognition of risk mitigation under the standardised approach

Where credit risk mitigation is available in the form of an eligible guarantee and non-financial collateral, the exposure is divided into covered and uncovered portions. The covered portion, which is determined after applying an appropriate 'haircut' for currency and maturity mismatch to the amount of the protection provided, attracts the risk weight of the protection provider. The uncovered portion attracts the risk weight of the obligor.

Valuation strategies are established to monitor collateral mitigants to ensure that they will continue to provide the anticipated secure secondary repayment source. Where collateral is subject to high volatility, valuation is frequent; where stable, less so.

The Branch's approach for policies and processes relating to valuation and management of collateral is disclosed on page 68 of the HSBC Holdings plc Capital and Risk Management Pillar 3 Disclosures.

The main types of collateral accepted by the Branch are:

- cash collateral, and
- guarantees.

Credit Risk Mitigation

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

The similar agreements include derivative clearing agreements, global master repurchase agreements, and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements, and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the tables below unless they are offset in the statement of financial position.

The ISDA and similar master netting arrangements (see (ii)) do not meet the criteria for offsetting in the statement of financial position. This is because they create for the parties to the agreement a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties or following other predetermined events. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The HSBC receives and gives collateral in the form of cash and marketable securities in respect of the following transactions:

- derivatives; and
- sale and repurchase, and reverse sale and repurchase agreements.

Such collateral is subject to standard industry terms including, when appropriate, an ISDA Credit Support Annex. This means that securities received/given as collateral can be pledged or sold during the term of the transaction but have to be returned on maturity of the transaction. The terms also give each party the right to terminate the related transactions on the counterparty’s failure to post collateral.

The Branch’s approach for policies and processes is consistent with the Group and those relating to on- and off-balance sheet netting is disclosed on page 72 of the HSBC Holdings plc Capital and Risk Management Pillar 3 Disclosures.

Branch's total exposures after netting of Credit Risk Mitigation (CRM):

	ZAR millions			
	Total credit exposure pre CRM	Credit exposure post CRM	Total credit exposure pre CRM	Credit exposure post CRM
	2014		2013	
Corporate	19 927	19 370	17 096	15 870
Public sector entities	1 149	588	-	-
Sovereign	17 067	17 067	13 605	13 605
Banks	30 625	27 377	18 949	14 376
Total	68 768	64 402	49 650	43 851

Market Risk

The Branch uses the standardised approach to assess its regulatory and internal capital requirements for market risk. The Market Risk capital requirement for the Branch and the related risk weighted assets:

	ZAR millions			
	Regulatory capital requirment		Risk weighted assets	
	2014	2013	2014	2013
Market risk (Banking book)	57	10	567	106
Total	57	10	567	106

Capital requirement per sub-category of market risk:

	ZAR millions	
Regulatory capital requirment	**2014**	**2013**
Interest rate risk	37	-
Foreign exchange risk	8	8
Systemic risk add-on (pillar 2a) market risk requirement	11	2
Total	57	10

Operational Risk

The Branch uses the standardised approach to assess its regulatory and internal capital requirements for Operational Risk. The table below details the Operational Risk capital requirement for the Branch:

	ZAR millions			
	Regulatory capital requirment		Risk weighted assets	
	2014	2013	2014	2013
Operational risk	176	127	1 756	1 337
Total	176	127	1 756	1 337

Interest Rate Risk (Banking Book)

Interest rate risk in the banking book ('IRRBB') is defined as the exposure of our non-trading products to interest rates. Interest rate risk in non-trading portfolios arises principally from mismatches between the future yield on assets and their funding cost, as a result of interest rate changes. The prospective change in future net interest income from non-trading portfolios will be reflected in the current realisable value of these positions, should they be sold or closed prior to maturity. In order to manage this risk optimally, market risk in non-trading portfolios is transferred to Markets under the supervision of ALCO. Interest-rate risk is measured on a daily basis against group limits.

The transfer of market risk to books managed by Markets is usually achieved by a series of internal deals between the business units and these books. When the behavioural characteristics of a product differ from its contractual characteristics, the behavioural characteristics are assessed to determine the true underlying interest rate risk. ALCO is required to regularly monitor all such behavioural assumptions and interest rate risk positions, to ensure they comply with interest rate risk limits established by the Region.

	ZAR millions	
Change in the economic value of equity	**2014**	**2013**
Interest rate increase	-158	-149
Interest rate decrease	158	149
Impact of adverse change in specified key rates	-3	-39

Liquidity Risk

Liquidity risk is the risk that the Branch does not have sufficient financial resources to meet its obligations as they fall due or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows. Funding risk (a form of liquidity risk) arises when the liquidity needed to fund illiquid assets positions cannot be obtained at the expected terms and when required.

The management of liquidity and funding is primarily undertaken locally in the Branch in compliance with practices and limits set by Regional Asset and Liability Management team. These limits will vary according to the depth and liquidity of the market that the branch operates in. The Branch is required to be self sufficient

The Branch employs a number of measures to monitor liquidity risk. The branch also manages its intra-day liquidity positions so that it is able to meet payment and settlement obligations on a timely basis. Payment flows in real time gross settlement systems, expected peak payment flows and large time-critical payments are monitored during the day and the intra-day collateral position is managed so that there is liquidity available to meet payments.

The Branch's liquidity and funding management process includes:

- Projecting cash flows by major currency under stress scenarios
- Monitoring balance sheet liquidity and advances and deposit ratio against regulatory and internal limits
- Maintaining a diverse range of funding sources with back up facilities
- Managing contingent liquidity commitment exposures
- Monitoring depositor concentration to avoid undue reliance on large individual deposits
- Maintaining adequate liquidity and funding contingency plans as and when considered appropriate

Current accounts and savings deposits payable on demand or short notice form a significant part of the Branch's' funding. The Branch also accesses professional markets to maintain presence in the local money markets and to optimise the funding of asset maturities not naturally matched by core deposit funding. Treasury bills are considered liquid securities as a deep and liquid market exists for these securities. With this in mind, these are considered liquid in the 1-7 day bucket although maturity may be longer.

4. Remuneration

The Branch follows the approach adopted by the HSBC Group. The principle purpose of HBSC Group's remuneration strategy is designed to reward competitively the achievement of long-term sustainable performance and attract and motivate the very best people who are committed to maintaining a long-term career with the Group and performing their role in the long-term interests of the shareholders.

A global reward strategy for the HSBC Group was approved by the Group Remuneration Committee. This strategy provided a reward framework for the HSBC Group which the Branch follows. Key principles of the remuneration strategy are:

- Assess performance and values-aligned behaviour with reference to clear and relevant objectives set within a balanced scorecard framework;
- Under this framework, objectives are set under four categories – financial, process (including risk mitigation), customer and people. Significant importance is given to the achievement of efficiency and risk objectives as well as financial objectives; and

- Objectives relating to customer development and the productivity of our human capital are key to sustained financial performance and the development of the Branch and HSBC Group over the short and medium term.

As a wholly owned subsidiary, HSBC Bank plc and its branches are subject to the remuneration policy established by the Group. Details of the Group's remuneration policy, including details on the Remuneration Committee membership and its activities, our remuneration strategy and tables showing the remuneration details of HSBC's Identified Staff and Material Risk Takers may be found in the Remuneration Policy on the website (http://www.hsbc.com/investor-relations/governance) and in the Directors' Remuneration Report on pages 300 - 323 of the HSBC Holdings plc Annual Report and Accounts 2014.

The Branch does not have its own remuneration committee. The Group considers South Africa in its deliberation via the Functions and Lines of Business. As a result the Branch does not have its own remuneration pool on an entity approved basis but rather at a Function and Lines of Business. Each Function and Line of Business is separately assessed at the Group Level. This includes the Risk Function.

Other salient information on remuneration

	2014
Relevant number of employees who received a variable remuneration award during the financial year	192
	ZAR 000's
Guaranteed bonuses awarded during the financial year	400
Sign-on awards made during the financial year	-
Severance payments made during the financial year	728
Outstanding deferred remuneration:	
Shares	-
Phantom share scheme	13 334
Cash	-
Other forms of deferred remuneration	-
Remuneration paid out in the financial year:	
Fixed and variable remuneration	226 561
Deferred remuneration	63 954

HSBC

Key management have not transacted with the Branch during the year under review, except for the remuneration as indicated below.

Remuneration paid to individuals' holding a prescribed office during the financial year is R 33 743 000.

Of the amounts paid to individuals' holding a prescribed office, R 18 898 000 were Material Risk Takers as defined in the Group Policy.