

Vanquis Bank Limited

2011 Remuneration Code Pillar III disclosure

Under the FSA guidance on proportionality, Vanquis Bank fall within proportionality level 3 and the below Pillar III disclosure has been prepared on this basis.

Governance

The Board of Directors of Vanquis Bank Limited (VBL) have delegated the responsibility for oversight of the Bank's remuneration policy and the remuneration decision making process to its Remuneration Committee (Remco).

The Remco comprises 3 Non-Executive Directors and is chaired by its Senior Non-Executive Director. The terms of reference for the Remco have been approved by the VBL Board of Directors. The Remco's mandate is to:

1. Determine Remuneration Policy in relation to fixed and variable pay for employees;
 2. Determine levels of fixed and variable pay for individual Code Staff;
 3. In exceptional circumstances adjust levels of fixed and variable pay for employees;
 4. Determine which employees are Code Staff for the purposes of the Remuneration Code. VBL consider the following to be Code Staff:
 1. Employees designated as FSA 'Significant Influence Functions';
 2. Senior managers that are risk takers or risk monitors; and
 3. The heads of FSA Control Functions;
1. Ensure that its decisions are consistent with an assessment of VBL's financial condition and future prospects and in the interests of its shareholder (Provident Financial plc) and other stakeholders; and
 2. Monitor that VBL is fully compliant with the requirements of the FSA's remuneration code.

Link between pay and performance

Fixed pay (salary and benefits) is primarily set taking into account market rates and benchmarks as appropriate. Variable pay is determined via a combination of long-term performance measures and individual performance ratings;

Long term business performance measures

Intended to drive employee behaviours within VBL. The measures are closely aligned with company values, compliance, ethics, promoting correct behaviour towards customers, and VBL's operational risk framework. Specific financial measures include: Profit before tax, risk adjusted margin, return on equity, new accounts booked, total accounts, net receivables, cost per account, capital adequacy compliance, and liquidity compliance.

Individual performance ratings

Individual performance ratings are part of the annual review process and reflect individual contribution against personal objectives. Appropriate risk conduct is reflected in the annual performance objectives, and subsequent rating of the employee.

Aggregate quantitative information on remuneration

10 Code Staff

Total Remuneration = £4,627,393

	Senior management	Other members of staff*	Totals
Fixed remuneration	£1,834,815	£184,705	£2,019,520
Variable remuneration	£2,494,813	£113,060	£2,607,873
Number of staff	8	2	10

*Other members of staff whose actions had a material impact on the risk profile of the firm