Standard Bank Group

Governance and remuneration report

for the year ended 31 December 2022

AFRICA IS OUR HOME,
WE DRIVE HER GROWTH

Luanda – **Angola**

Standard Bank
Also trading as Stanbic Bank

Contents

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Additional information

Navigating our report

This is an interactive report.

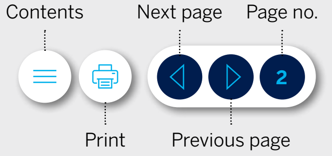
Indication of interactive content

Refers readers to information within this report.

Refers readers online, to information across our suite of reports.

Navigation bar

Navigation tools at the top right of each page and within the report are indicated alongside.



This report is best viewed in Adobe Acrobat for desktop, mobile or tablet.

Download or update to the latest Adobe Acrobat Reader

ADOBE ACROBAT READER

Our reporting suite

Our suite of reports caters for the diverse needs of our stakeholders. Our integrated report sets out our value story and intended outcomes for our stakeholders, Africa and the group, and draws information from our key supplementary reports which provide more detailed disclosure.

INTERACTIVE CONTENT

ANNUAL INTEGRATED REPORT

Assesses our ability to create and preserve value, and mitigate value erosion, in the short, medium and long term.

While intended for providers of financial capital, it contains information which may be of interest to other stakeholders.

Financial and risk management reporting

Primarily of interest to our shareholders, debt providers and regulators, providing detailed financial performance and risk and regulatory disclosures.

Annual financial statements

Sets out the group's full audited annual financial statements, including the report of the group audit committee.

Risk and capital management report

Sets out the group's approach to risk management.

Societal and climate reporting

Addressing the concerns of our clients, employees and broader society, our reports to society demonstrate how the group is fulfilling its purpose and the positive impacts it makes.

Report to society (RTS)

An assessment of our social, economic and environmental (SEE) impacts in the seven areas in which we believe we have the greatest impact and opportunity.

Environmental, social and governance (ESG) report

Provides an overview of our ESG governance structures and risk management, including information regarding ethics and conduct, people and culture, and environmental and social risk management.

Climate-related financial disclosures (CRFD) report

Discusses how the group is managing the risks and responding to the opportunities presented by climate change, aligned to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Governance and shareholder reporting

Includes information on the group's governance-related aspects of interest primarily to our shareholders, debt providers and regulators.

Governance and remuneration report

Discusses the group's governance approach and priorities and includes our remuneration policy and implementation report.

The invitation to the annual general meeting (AGM) and notice of resolutions to be tabled at the AGM are sent separately to shareholders.

Subsidiary annual reports

Our subsidiaries account to their stakeholders through their own annual and/or other reports and information, available on their respective websites, accessible from **www.standardbank.com**

Other reports addressing societal impacts

The Standard Bank of South Africa Limited (SBSA) Report to society provides an overview of SBSA SEE impacts and an update on our transformation journey and performance against the pillars of the Financial Sector Code.

Key frameworks

To satisfy various compliance reporting requirements, the disclosure requirements of the following corporate reporting and regulatory frameworks and guides, among others, are considered when preparing the reports in our reporting suite.

INTERACTIVE CONTENT

- The International Integrated Reporting Framework (2021)
- South African Companies Act, 71 of 2008, as amended (Companies Act)
- Listings Requirements of the JSE Limited (JSE Listings Requirements)
- King IV Report on Corporate Governance for South Africa 2016™*
- International Financial Reporting Standards (IFRS)
- South African Banks Act, 94 of 1990 (Banks Act)
- Global Reporting Initiative (GRI) Standards
- Task Force on Climate-Related Financial Disclosures (TCFD)
- United Nations (UN) Sustainable Development Goals (SDGs)

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* Also known as King IV and King Code. Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

Our reporting portal

All our reports and latest results presentations, booklets and SENS announcements are available at https://reporting.standardbank.com/

A glossary of financial terms, other definitions, acronyms and abbreviations used in our reports is also available on this webpage.

Corporate governance report

AFRICA IS OUR HOME,
WE DRIVE HER GROWTH / Makgadikgadi Pans – **Botswana**

Our approach to governance

The 2022 financial year came with a sense of cautious optimism, as the world began to return to normal after the two-year long pandemic. As sub-Saharan Africa recovers from the Covid-19 pandemic, the challenges of 2022 saw growth settle at 3.8%. This is expected to remain flat for 2023.

The war in Ukraine, global inflation, tighter financial constraints, droughts, growing debt burdens and the rapid deterioration in Eskom's performance from the second half of the year continued to strain a barely recovering South African economy.

The board remained steadfast in providing oversight as the group assisted its clients and the economies in which we operate to navigate through these tumultuous times.

The resilience and robustness of our governance framework, its structures and processes remained firmly intact. The board continued to uphold the highest corporate governance standards and in all its deliberations considered an integrated approach, which took into account the impact of our operations on the natural environment and on the societies and economies in which we operate.

KEY BOARD CONSIDERATIONS DURING 2022

Succession planning and changes to the board and board committees

In line with the group's corporate governance arrangements, the board regularly reviews its composition to ensure its effectiveness and the appropriateness of its skillset, experience of members, tenure, independence and diversity.

The board is grateful for the seven years in which Thulani Gcabashe chaired the board with grace and efficiency. In 2022, the group appointed its first female chairman, Nonkululeko Nyembezi.

Ben Kruger and Lwazi Bam were appointed as independent non-executive directors in June and November respectively.

Myles Ruck retired from the board effective 31 December 2022.

In accordance with the South African Reserve Bank (SARB) Prudential Authority's (PA), Directive 4 of 2018, which stipulates that chairmen of board committees must be independent non-executive directors and any non-executive directors who have served on the board for a period longer than nine years are not deemed to be independent, the board made the following changes to group directors' responsibilities which took effect from 1 January 2023:

- Kgomotso Moroka stepped down as the chairman of the group social and ethics committee (GSEC) and was succeeded by Geraldine Fraser-Moleketi. Kgomotso Moroka will remain a non-executive director of the group and a member of the group social and ethics committee until her planned retirement at the conclusion of the group's AGM in 2023.
- Myles Ruck stepped down as the chairman of the group risk and capital management committee (GRCMC) as well as the large exposure credit committee (LEC) and was succeeded by Ben Kruger.
- John Vice, the chairman of the group information technology (IT) committee, reached retirement age in September 2022 and, in line with the companies' MOI, will retire at the group's AGM in 2023. The board approved the appointment of Paul Cook as the chairman-elect of the group information technology committee (GITC) to succeed John Vice after the AGM.

The board owes a debt of gratitude to Kgomotso, Myles and John for their exemplary leadership and immense contribution during their tenure as non-executive directors and board committee chairmen.

Zola Stephen resigned as group secretary after serving the board for more than ten years. She was succeeded by Kobus Froneman who was appointed in November 2022.

Read more on board and board committee membership changes during the year on page 27 of the report.

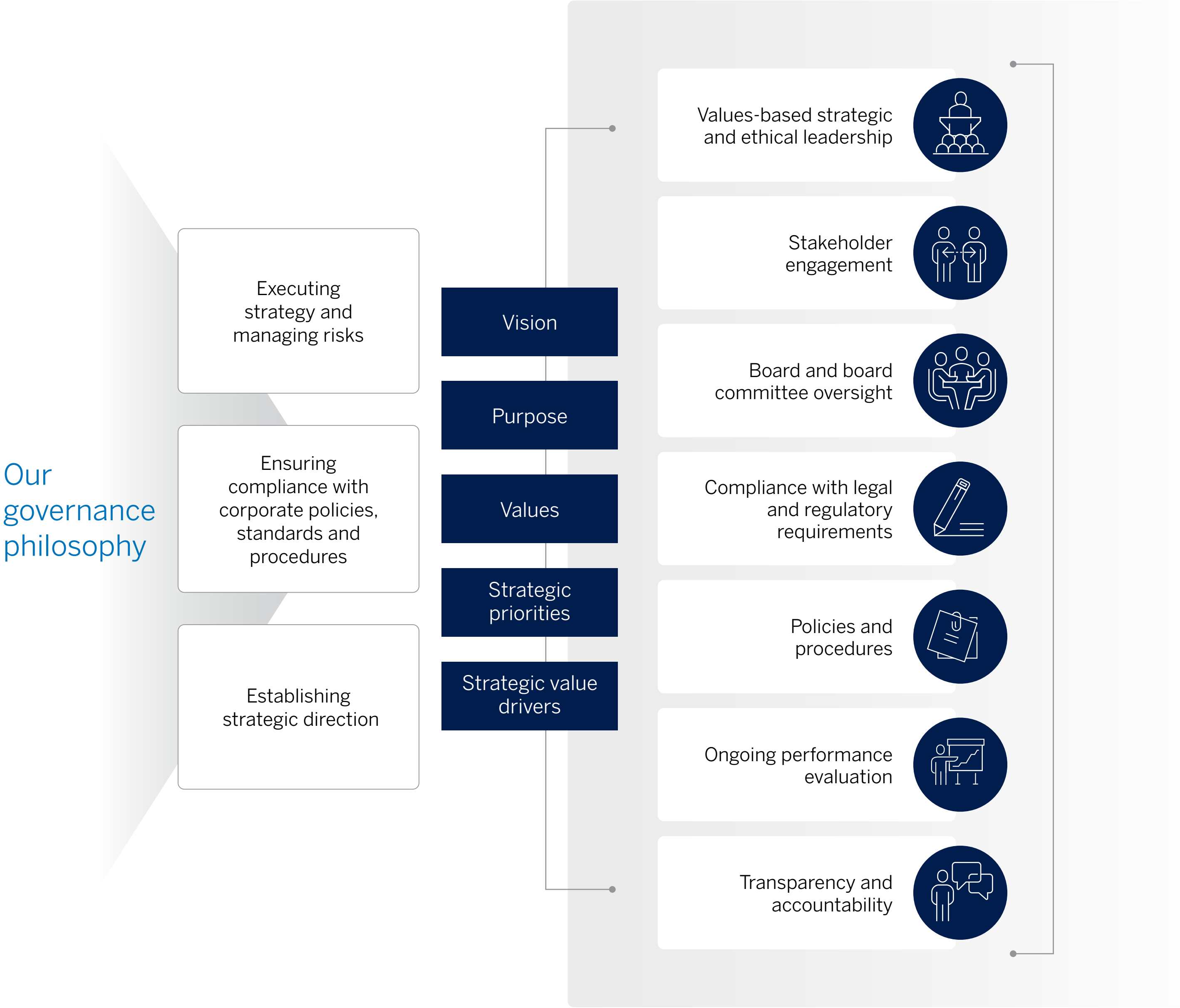
Environmental, social and governance (ESG) oversight

During 2022, the group published its climate policy setting out its 2050 net zero ambition as well as specific commitments in specific sectors such as oil and gas. This policy was discussed at length, and signed-off, by the board before its publication. Later in 2022, the board also considered additional climate commitments that will be published in Q1 2023. Furthermore, the board has interrogated the group's ESG performance as reflected in various external ratings and indices. From 2021 to 2022, the group's score on S&P's Corporate Sustainability Assessment increased from 61 to 66 reflecting improvements in the group's ESG performance. Specific ESG topics that were discussed by the board include diversity and inclusion, political party funding, Africa's just energy transition, and the group's contribution to achieving the Sustainable Development Goals (SDGs) in Africa.

Board evaluation

The board commissioned an external evaluation of its board effectiveness review in 2022. The results of the effectiveness review indicate that the overall board performance and that of its committees were considered effective. The board is satisfied that the insights gained from the evaluation process reflect a maturing trajectory in the performance and effectiveness of the board.

A summary of findings from the review can be found on page 51.



Our governance philosophy

Executing strategy and managing risks

Ensuring compliance with corporate policies, standards and procedures

Establishing strategic direction

Vision

Purpose

Values

Strategic priorities

Strategic value drivers

Values-based strategic and ethical leadership

Stakeholder engagement

Board and board committee oversight

Compliance with legal and regulatory requirements

Policies and procedures

Ongoing performance evaluation

Transparency and accountability

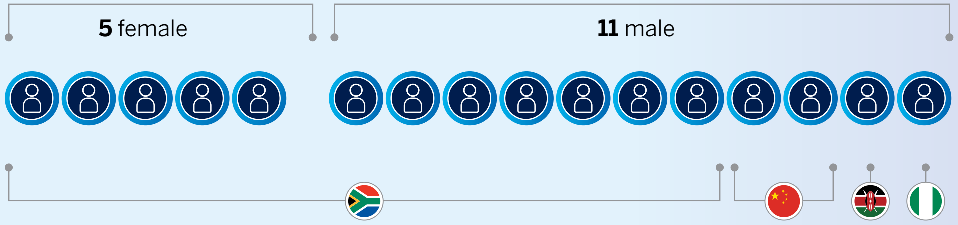
Chairman and deputy chairmen | Lead independent director | Executive directors | Non-executive directors

Board of directors

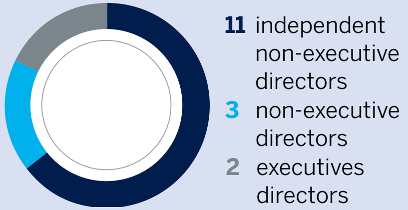
The group board

Our directors have deep experience and diverse skills, enabling the board to provide informed counsel, rigorous oversight and independent interrogation in leading integrated thinking in the group, and when guiding the group leadership council in the design and delivery of the group's strategy. Non-executive directors provide independent and objective judgement. They constructively challenge and monitor executive management's delivery of strategy within the approval framework and risk appetite agreed by the board.

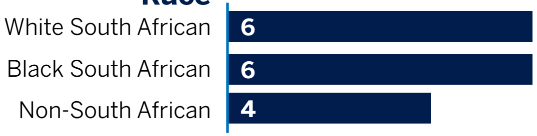
Gender



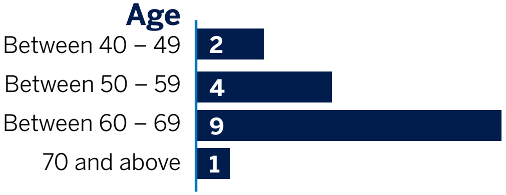
Independence



Race



Age



Nationality

- **12** South African
- **2** Chinese
- **1** Nigerian
- **1** Kenyan

Tenure

INTERACTIVE CONTENT

Chairman and deputy chairmen | Lead independent director | Executive directors | Non-executive directors

Nonkululeko Nyembezi 62

Independent non-executive chairman, SBG and SBSA

Qualifications
- BSc (Hons) (University of Manchester)
- MSc (electrical engineering) (California Institute of Technology)
- MBA (Open University Business School, UK)

Key strengths
- leadership across multiple sectors
- strategy planning and execution
- governance and corporate stewardship

External directorships
- Anglo American Plc
- Macsteel Service Centres South Africa (Pty) Limited (chairman)

Other governing body and professional positions held
- Business Leadership South Africa (chairman)
- Durban University of Technology (chancellor)

Previous roles
- CEO of ArcelorMittal South Africa
- CEO and executive director of Ichor Coal N.V
- chairman of Alexander Forbes Group Holdings Limited and the JSE Limited
- non-executive director of Old Mutual

COMMITTEE MEMBERSHIP

◉ ○ ● ● ● ● ○ ●

Appointed
1 January 2020

Appointed chairman
1 June 2022

Board meeting attendance 12/12

Xueqing Guan 59

Senior deputy chairman, SBG and non-executive director, SBG and SBSA

Qualifications
- Doctorate Degree in Economics (Southwestern University of Finance and Economics, China)

Key strengths
- proven leadership in a large international group
- solid board experience
- strong strategy management skills in banking

Appointments held
- board secretary ICBC

Previous roles
- general manager of Corporate Strategy and Investor Relations Department of ICBC
- head of Sichuan Branch, ICBC

COMMITTEE MEMBERSHIP

● ○ ● ● ○ ○ ○ ○

Appointed
1 August 2020

Board meeting attendance 12/12

Jacko Maree 67

Deputy chairman, SBG and independent non-executive director, SBG and SBSA

Qualifications
- BCom (University of Stellenbosch)
- BA and MA (politics and economics) (Oxford)
- PMD (Harvard)

Key strengths
- extensive experience in banking
- leadership of complex multi-jurisdictional businesses

External directorships
- Phembani Group Limited

Other governing body and professional positions held
- China Investment Corporation – International advisory council
- Presidential Special Envoy on Investment to South Africa

Previous roles
- chairman of Liberty Holdings Limited and Liberty Group Limited
- senior banker focusing on key client relationships
- chief executive officer of the group for more than 13 years

COMMITTEE MEMBERSHIP

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Appointed
21 November 2016

Board meeting attendance 12/12

COMMITTEES

● DAC – Directors' affairs committee ● GAC – Group audit committee ● GRCMC – Group risk and capital management committee ● GITC – Group information technology committee ● GSEC – Group social and ethics committee ● REMCO – Group remuneration committee ● GMAC – Group model approval committee ● LEC – Large exposure credit committee ◌ Committee chair elect ○ Committee chair

INTERACTIVE CONTENT

Chairman and deputy chairmen | Lead independent director | Executive directors | Non-executive directors

Trix Kennealy 64

Lead independent director SBG and independent non-executive director SBSA

Qualifications
- BCom (University of Pretoria)
- BCom (Hons) (University of Johannesburg)

Key strengths
- extensive operational and strategic management experience across a variety of industries and sectors
- extensive corporate governance experience
- broad experience in strategic financial management including restructuring, acquisitions and integrations

External directorships
- Sasol Limited

Previous roles
- chief financial officer of the South African Revenue Service
- chief operating officer of Absa corporate and business bank

COMMITTEE MEMBERSHIP

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Appointed
21 November 2016

Board meeting attendance 12/12

Sim Tshabalala 55

Chief executive officer, SBG and executive director, SBSA

Qualifications
- BA, LLB (Rhodes University)
- LLM (University of Notre Dame, USA)
- HDip Tax (University of the Witwatersrand)
- AMP (Harvard)

Key strengths
- extensive group-wide senior leadership experience, including wholesale and retail banking in South Africa and in other African regions, and linking Africa to international markets
- leadership of strategy formulation and execution
- proven track record of enhancing organisational competitiveness and ensuring sustainability

Appointments held within the group
- Stanbic Africa Holdings Limited

Other governing body and professional positions held
- Institute of International Finance
- International Monetary Conference

COMMITTEE MEMBERSHIP

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Appointed
7 March 2013

Board meeting attendance 12/12

Arno Daehnke 55

Chief finance and value management officer, SBG, and executive director, SBG and SBSA

Qualifications
- BSc, MSc (University of Cape Town)
- PhD (Vienna University of Technology)
- MBA (Milpark Business School)
- AMP (Wharton)

Key strengths
- detailed understanding of banking regulations
- financial management, budgeting and forecasting skills
- extensive balance sheet management experience, including capital and liquidity management at group and subsidiary level

Appointments held within the group
- Stanbic Africa Holdings Limited

COMMITTEE MEMBERSHIP

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Appointed
1 May 2016

Board meeting attendance 11/12

COMMITTEES

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● REMCO – Group remuneration committee ● GMAC – Group model approval committee ● LEC – Large exposure credit committee ◌ Committee chair elect ○ Committee chair

Chairman and deputy chairmen | Lead independent director | Executive directors | Non-executive directors

Lwazi Bam
Paul Cook
Geraldine Fraser-Moleketi
Ben Kruger
Li Li
Nomgando Matyumza
Kgomotso Moroka
Martin Oduor-Otieno
Atedo Peterside CON
John Vice

COMMITTEES

- ● DAC – Directors' affairs committee
- ● GAC – Group audit committee
- ● GRCMC – Group risk and capital management committee
- ● GITC – Group information technology committee
- ● GSEC – Group social and ethics committee
- ● REMCO – Group remuneration committee
- ● GMAC – Group model approval committee
- ● LEC – Large exposure credit committee
- ◌ Committee chair elect
- ○ Committee chair

Lwazi Bam ^{51}

Independent non-executive director, SBG and SBSA

Qualifications
- CA(SA)
- BCom (Hons) (University of KwaZulu Natal)
- BCompt (UNISA)
- AMP (Harvard)

Key strengths
- executive leadership of large and complex entity
- extensive experience of leading a business globally and across Sub-Saharan Africa
- deep strategic and financial skills

External directorships
- Zeda Limited (chairman)

Other governing body and professional positions held
- Presidential Climate Finance Task Team
- Nelson Mandela Foundation

Previous roles:
- chief executive officer of Deloitte Africa
- past president of the Association for the Advancement of Black Accountants in Southern Africa (ABASA)
- former chairman of the South African Institute of Chartered Accountants (SAICA)
- former chairman of the African Children's Feeding Scheme (ACFS).

COMMITTEE MEMBERSHIP

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Appointed
1 November 2022

Board meeting attendance 2/2

Paul Cook ^{42}

Independent non-executive director, SBG and SBSA

Qualifications
- Doctor of Philosophy (PhD) in physics (California Institute of Technology)
- BSc (Hons) (University of Witwatersrand)

Key strengths
- extensive knowledge and use of digital tools to reach customers, create disruptive brands, and improve the back-office operations
- venture capital investment, entrepreneurial support and incubation
- experienced in Pan-Africa macro- and micro-trends

External directorships
- managing director of Silvertree Brands
- chief executive officer of Faithful to Nature

Previous roles
- managing director, Ringier Africa Deals Group

COMMITTEE MEMBERSHIP

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Appointed
22 February 2021

Board meeting attendance 12/12

Chairman and deputy chairmen | Lead independent director | Executive directors | Non-executive directors

Lwazi Bam
Paul Cook
Geraldine Fraser-Moleketi
Ben Kruger
Li Li
Nomgando Matyumza
Kgomotso Moroka
Martin Oduor-Otieno
Atedo Peterside CON
John Vice

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- ● LEC – Large exposure credit committee
- ◌ Committee chair elect
- ○ Committee chair

Geraldine Fraser-Moleketi [62]

Independent non-executive director, SBG and SBSA

Qualifications
- DPhil honoris causa (North West University)
- DPhil honoris causa (Nelson Mandela University)
- MPA (University of Pretoria)
- Leadership Programme (Wharton)
- Fellow of the Institute of Politics (Harvard)

Key strengths
- experience in multilateral organisations, national politics and governance
- strong strategic, ethical and oversight skills
- experience in human resources oversight

External directorships
- Exxaro Resources Limited (lead independent director)
- Tiger Brands Limited (chairman)

Other governing body and professional positions held
- UN economic and social council, committee of experts of public administration (chairman)
- Nelson Mandela University (chancellor)
- Government Technical Advisory Centre Winter School Advisory Panel

Previous roles
- special envoy on gender at African Development Bank Côte d'Ivoire
- director of the UN development programme's global democratic governance group
- minister of Welfare and Population Development from 1996 to 1999, and Public Service and Administration from 1999 to 2008
- ISID Advisory Board McGill University Canada.

COMMITTEE MEMBERSHIP

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Appointed
21 November 2016

Board meeting attendance 12/12

Ben Kruger [63]

Independent non-executive director, SBG and SBSA

Qualifications
- BCom Acc (Hons) (Pretoria)
- CA(SA)
- AMP (Harvard)

Key strengths
- investment banking finance and capital markets
- risk management
- leadership of complex multi-jurisdictional businesses

Appointments held within the group
- Stanbic IBTC Holdings Plc

External directorships
- Aspen Pharmacare Holdings (lead independent director)
- JSE Limited
- Ruby Rock Investments (executive chairman)

Other governing body and professional roles
- University of Pretoria (deputy chair and member of council)

Previous roles
- executive director SBG
- joint group chief executive officer SBG
- deputy group chief executive officer SBG

COMMITTEE MEMBERSHIP

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Appointed
6 June 2022

Board meeting attendance 6/6

INTERACTIVE CONTENT

Chairman and deputy chairmen | Lead independent director | Executive directors | **Non-executive directors**

Lwazi Bam
Paul Cook
Geraldine Fraser-Moleketi
Ben Kruger
Li Li
Nomgando Matyumza
Kgomotso Moroka
Martin Oduor-Otieno
Atedo Peterside CON
John Vice

COMMITTEES

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● GMAC – Group model approval committee
● LEC – Large exposure credit committee
◌ Committee chair elect
○ Committee chair

Li Li 45

Non-executive director, SBG and SBSA

Qualifications

- Masters degree in economics (University of International Business and Economics)
- Bachelors degree in economics (Zhengzou University)

Key strengths

- senior management experience in ICBC overseas branch
- enterprise risk management
- more than ten years' experience in compliance and AML

Appointments held within the group

- ICBC Standard Bank Plc

Other governing body and professional positions held

- chief representative officer of ICBC African representative office

Previous roles

- deputy general manager of ICBC Zurich Branch
- deputy head of the preparatory team for ICBC Zurich Branch

COMMITTEE MEMBERSHIP

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as alternate to Xueqing Guan.

Appointed
11 November 2021

Board meeting attendance 12/12

Nomgando Matyumza 60

Independent non-executive director, SBG and SBSA

Qualifications

- BCompt (Hons) (University of Transkei)
- LLB (University of Natal)
- CA(SA)

Key strengths

- strong financial and executive management skills
- experience in strategy development and execution
- seasoned non-executive director in several sectors

External directorships

- Sasol Limited
- Volkswagen South Africa Limited
- Clicks Group Limited

Previous roles

- deputy chief executive officer at Transnet Pipelines
- non-executive director on the boards of Cadiz, Transnet SOC, Ithala Development Finance Corporation, WBHO and Hulamin

COMMITTEE MEMBERSHIP

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Appointed
21 November 2016

Board meeting attendance 11/12

INTERACTIVE CONTENT

Chairman and deputy chairmen | Lead independent director | Executive directors | Non-executive directors

- Lwazi Bam
- Paul Cook
- Geraldine Fraser-Moleketi
- Ben Kruger
- Li Li
- Nomgando Matyumza
- Kgomotso Moroka
- Martin Oduor-Otieno
- Atedo Peterside CON
- John Vice

COMMITTEES

🟣 DAC – Directors' affairs committee
🟣 GAC – Group audit committee
🟠 GRCMC – Group risk and capital management committee
⚫ GITC – Group information technology committee
🔴 GSEC – Group social and ethics committee
🟠 REMCO – Group remuneration committee
🟡 GMAC – Group model approval committee
🟢 LEC – Large exposure credit committee
◌ Committee chair elect
○ Committee chair

Kgomotso Moroka 68

Non-executive director, SBG and SBSA

Qualifications
- BProc (University of the North)
- LLB (University of the Witwatersrand)

Key strengths
- strong business leadership skills
- extensive experience in governance, regulation and public policy
- significant legal experience

External directorships
- Kalagadi Manganese (Pty) Ltd
- Temetayo (chairman) (Pty) Ltd
- Multichoice Group Limited and Multichoice South Africa Holdings (Pty) Ltd

Other governing body and professional positions held
- member of the Johannesburg Society of Advocates

Previous roles
- non-executive director of South African Breweries
- acting judge in the Witwatersrand Local Division
- trustee of the Nelson Mandela Children's Fund and the Apartheid Museum
- chairman of Royal Bafokeng Platinum and non-executive director of Netcare

COMMITTEE MEMBERSHIP

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Appointed
1 July 2003

Board meeting attendance 10/12

Martin Oduor-Otieno 66

Independent non-executive director, SBG and SBSA

Qualifications
- BCom (University of Nairobi)
- CPA (Kenya)
- Executive MBA (ESAMI/Maastricht Business School)
- Honorary Doctor of Business Leadership (KCA University)
- AMP (Harvard)
- Fellow at the Institute of Bankers (Kenya)

Key strengths
- extensive banking experience of over 18 years
- strategy development and execution skills
- strong leadership and governance experience

External directorships
- British American Tobacco Kenya Limited
- East African Breweries Limited (chairman)

Previous roles
- CEO of the Kenya Commercial Bank Group
- partner at Deloitte East Africa
- non-executive director Kenya Airways and GA Life Insurance Company

COMMITTEE MEMBERSHIP

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Appointed
1 January 2016

Board meeting attendance 11/12

Chairman and deputy chairmen | Lead independent director | Executive directors | Non-executive directors

Lwazi Bam
Paul Cook
Geraldine Fraser-Moleketi
Ben Kruger
Li Li
Nomgando Matyumza
Kgomotso Moroka
Martin Oduor-Otieno
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John Vice

COMMITTEES

●	DAC	– Directors' affairs committee
●	GAC	– Group audit committee
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●	GITC	– Group information technology committee
●	GSEC	– Group social and ethics committee
●	REMCO	– Group remuneration committee
●	GMAC	– Group model approval committee
●	LEC	– Large exposure credit committee
◌		Committee chair elect
○		Committee chair

Atedo Peterside CON 67

Independent non-executive director, SBG and SBSA

Qualifications
- BSc (economics) (The City University, London)
- MSc (economics) (London School of Economics and Political Science)
- Owner/President Management Programme (Harvard)

Key strengths
- strong business and banking experience as the founder and former chief executive officer of the Investment Bank and Trust Company Limited (IBTC)
- seasoned investment banker and trained economist

External directorships
- Anap Holdings Limited (chairman)
- Anap Business Jets Limited (chairman)

Other governing body and professional positions held
- Endeavor High Impact Entrepreneurship Ltd/Gte (chairman)

Previous roles
- founder and chief executive officer of the then IBTC
- chairman of Stanbic IBTC Bank Plc and Cadbury Nigeria Plc
- non-executive director of Flour Mills of Nigeria Plc, Unilever Nigeria Plc and Nigerian Breweries Plc

COMMITTEE MEMBERSHIP

● ● ○ ● ○ ● ○

Appointed
22 August 2014

Board meeting attendance 12/12

John Vice 70

Independent non-executive director, SBG and SBSA

Qualifications
- BCom, CTA (University of Natal)
- CA(SA)

Key strengths
- extensive experience in auditing, accounting, risk and practice management
- experienced IT advisor and consultant in IT strategy, risk, audit and controls
- knowledge and experience of running businesses in South Africa and various African countries

External directorships
- Anglo American Platinum Limited

Previous roles
- senior partner at KPMG Inc. where he headed the firm's audit practice, IT audit and IT consulting departments
- member of the board of Zurich Insurance South Africa Limited

COMMITTEE MEMBERSHIP

○ ● ● ◉ ○ ○ ○ ○

Appointed
21 November 2016

Board meeting attendance 12/12

✓ Applied △ Partially applied ✕ Not applied

Value creation through good corporate governance principles

The board continues to ensure that it maintains its commitment to high standards of corporate governance through transparency, good performance, effective controls, integrity and a sound, ethical culture across the group.

This is established through the following mechanisms:

Internal controls	**Adherence** to frameworks, standards, mandates and policies, and the group's Memorandum of Incorporation (MOI), which cover all aspects of the organisation's activities.
External regulations	**Compliance** with all applicable regulatory requirements, including those set out in the South African Banks Act and Companies Act, Basel Corporate Governance Principles for Banks, JSE Listings Requirements and King IV.

The King IV Code on Corporate Governance (King IV) forms the cornerstone of our corporate governance principles and practices

The governance objectives set out by the board are aligned with the principles of the King code. This report demonstrates how the board applied the King IV principles to steer and set the strategic direction of the group, approved the necessary policies and plans in support of the group's strategy, ensured the oversight and monitoring of the group's performance and appropriate accountability.

PRINCIPLES OF KING IV

Leadership, ethics and corporate citizenship ✓

1 leadership – Page 17.
2 organisational ethics – Page 17.
3 responsible corporate citizenship – Page 19.

Strategy, performance and reporting ✓

4 strategy and performance – Page 21.
5 reporting – Page 26.

Governing structures and delegation of authority ✓

6 role and responsibilities of the board – Page 27.
7 composition of the board – Page 27.
8 committees of the board – Page 32.
9 evaluation and performance of the board – Page 51.
10 appointment and delegation to management – Page 52.

Governance of functional areas ✓

11 risk governance – Page 56.
12 information and technology governance – Page 56.
13 compliance governance – Page 56.
14 remuneration governance – Page 57.
15 assurance – Page 57.

Stakeholder relationships ✓

16 stakeholder relationships – Page 58.

Leadership, ethics and corporate citizenship

PRINCIPLE 1 ✓

Leadership

The board leads the group ethically and effectively.

The board is responsible for ensuring that its conduct and that of management is aligned with the group's values and its code of ethics and conduct and that the values and code inform decision-making across the group. In executing their duties, board members are transparent, acting with integrity and fairness. Accountability is entrenched in the decision-making processes at both individual and collective level.

The governance framework outlines the board's governance structures to ensure effective board oversight. As demonstrated in the board skills matrix reflected on pages 28 and 29 of the report, board members have the required skills to discharge their duties and to provide strategic oversight of the group in accordance with the board mandate and MOI.

PRINCIPLE 2 ✓

Organisational ethics

The board governs the ethics of the group in a way that supports the establishment of an ethical culture

Entrenching ethics

First and foremost, the board and executive management set the tone from the top to instil an ethical culture by treating customers fairly, achieving positive client outcomes, acting in an ethical and sound manner and doing the right business in the right way. The board exercises oversight of executive management's efforts to foster this culture of ethics and appropriate conduct throughout the organisation. The group's overarching governance structures are robust and ensure that the board has effective oversight over the conduct and culture of the group.

The GSEC is responsible for overseeing group adherence to our values, code of ethics and conduct, as well as fulfilling our commitments under the UN Principles for Responsible Banking. It is responsible for guiding and monitoring progress against the group's social, economic and environmental (SEE) value drivers and transformation initiatives, and governs and oversees group activities relating to conduct, ethical standards and stakeholder engagement. It ensures that material stakeholder issues receive appropriate attention from the board and management.

The committee's monitoring process includes the review of quarterly conduct dashboards received from all business units and corporate functions. The GAC monitors the implementation of the remedial actions listed in the internal audit reports to ensure compliance with regulatory and legislative requirements.

Organisational ethics continued

Code of ethics and conduct

Our approach to ethics is based on three pillars, linked to our purpose and values:

Ethics pillars

Conduct in the market

Ensuring that our **clients' interests are at the centre of our business**, clients are treated fairly and our market conduct is fair and reasonable

Personal conduct

Treating one another with respect and creating an inclusive and supportive culture, empowering our people to speak up

Societal conduct

Managing our impacts on diverse stakeholders, society and the environment

Our values

- serving our customers
- delivering to our shareholders
- respecting each other
- working in teams
- upholding the highest levels of integrity
- growing our people
- being proactive
- constantly raising the bar

All group standards, policies and procedures are aligned to the group's code of ethics and conduct, are adhered to and comply with all the legal obligations of the jurisdictions in which the group operates. The subsidiary governance framework and associated policies establish a common standard of corporate governance and conduct across the group. Mechanisms are in place for employees and other stakeholders to seek advice or report concerns about unethical or unlawful behaviour on a confidential basis. Information on the whistleblowing policy and processes is regularly communicated to employees and is publicly available to external stakeholders on the group's website and in our annual ESG report.

For more information on how to report unethical behaviour: https://www.standardbank.com/sbg/standard-bank-group/regulatory/how-to-report-unethical-behaviour

Dealings in securities

The groupwide personal account trading policy, as well as the directors' and prescribed officers' dealing in group securities policy, prohibit directors and employees from trading in securities during closed periods, as well as during self-imposed embargo periods. Embargo and closed periods are in effect from 1 June until the publication of the interim results and from 1 December until the publication of year-end results. Closed periods also include any period where the group is trading under a cautionary announcement. In addition, certain nominated employees are prohibited from trading in designated securities due to the price-sensitive information they may obtain in their positions. Compliance with policies is monitored on an ongoing basis and any breaches are dealt with according to the provisions of the applicable policy and the JSE Listings Requirements. All directors and prescribed officers' dealings require prior approval from the chairman, and the group secretary retains a record of all director's dealings and approvals. During the reporting period, the group complied with the JSE's listings (equity and debt listings) and disclosure requirements.

PRINCIPLE 3

Responsible corporate citizenship

The board ensures that the group is and is seen to be a responsible corporate citizen.

✓

In agreeing the group's strategy, the board considers the social, economic and natural environments in which the group operates. It considers a full range of issues that influence the sustainability of the group's business and which creates value over the long term.

Being a responsible corporate citizen

The board oversees and monitors how the consequences of the group's activities and outputs affect the group's legitimacy and status as a responsible corporate citizen. This oversight and monitoring are performed against the group's strategic value drivers, including the overall impact on the group's SEE priorities.

Environmental, social and governance

The group is committed to driving sustainable and inclusive economic development across Africa. As Africa's largest banking group by assets, the board recognises the impact of the group's business activities on the societies, economies and environments in which it operates. The group has embedded social, economic and environmental considerations into its corporate strategy and day-to-day decision-making, and consistently works to optimise the positive impact and mitigate negative impact arising from our business decisions and activities.

The board has mandated the GSEC with oversight over social and environmental matters. It monitors the group's environmental activities, including the impact of its products and services on the societies in which we operate. It oversees the integrity of relevant external reports including the report to society, ESG report, and the **SBSA report to society.**

Responsible corporate citizenship continued

Risk oversight of climate-related financial risk

The board has delegated oversight of risk management, including climate-related financial risk and climate risk associated with our own operations to the GRCMC. Climate risk is governed as a component of environmental and social risk under the ESG risk governance framework and embedded within our enterprise-wide risk management system, and specifically our environmental and social management system (ESMS). This aims to ensure that executive management has an integrated view of our ESG risks, thereby enabling effective risk management. The framework explicitly incorporates climate-related risk and provides processes and accountability for climate-related risk identification, classification, analysis, monitoring and reporting.

Read more on the group's climate policy which details the group's commitment to achieving net zero carbon emissions from its operations and financing activities in the climate-related financial disclosures.

Relevance

As a financial services organisation, the ability to innovate is critical to remaining relevant to customers. The board is committed to ensuring the group remains agile to meet the changing needs of customers and other stakeholders. The group remains committed to becoming a truly digital financial services group. The board continues to provide oversight over management's acceleration plans towards offering a wider range of digital services, to becoming a platform-based, client-centric services business.

Political party contribution

The group does not fund political parties outside of South Africa. In South Africa, it provides funding for political parties under our democracy support programme (DSP). This board-approved funding policy is reviewed every five years. In 2021, it was decided that donations will, from 2022, be made directly to the Independent Electoral Commission (IEC), in line with arrangements provided for in the Political Party Act 6 of 2018. These guidelines are in place to guard against the risk that such contributions be used inappropriately, by the bank, its employees or third parties, to obtain business advantage. Political parties receive no other financial support from the bank.

RTS For more information regarding the funding of political parties, research institutions and NGOs refer to the RTS

Strategy, performance and reporting

PRINCIPLE 4

Strategy and performance

The board appreciates that the group's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

Delivering on good performance

The actions of the group are purpose driven and in line with board approved strategic priorities. The board appreciates the interconnectedness between the group's purpose, vision, values and legitimacy, the risks and opportunities it navigates and its architecture and performance. The group's strategic priorities are consistent with integrated thinking and link the strategic value drivers to ensure overall good performance resulting in shared social, economic and environmental value.

CLIENT FOCUS

Value for **clients**

We provide consistently excellent client and partner experiences via an expanded range of innovative solutions.

+

EMPLOYEE ENGAGEMENT

Value for **employees**

We ensure our people feel deeply connected to our purpose, and are empowered and recognised.

+

RISK AND CONDUCT

Value for all our **stakeholders**

We do the right business, the right way.

+

OPERATIONAL EXCELLENCE

Value for **clients**

We use technology and data to better serve and protect our clients, reduce costs and scale our platforms.

=

FINANCIAL OUTCOME

Value for **shareholders**

We allocate our resources to deliver attractive shareholder returns.

SEE IMPACT

Value for **society**

We drive Africa's growth by delivering shared value and positive impact. We are aligned to the United Nations (UN) Sustainable Development Goals (SDGs).

Refer to the AIR.

There are multiple ways the board engages with the group's strategy throughout the year.

The board reviews quarterly business performance updates to evaluate performance against business objectives and receives regular feedback on the group's operational performance across Africa Regions subsidiaries. The company's prescribed officers attend board meetings and are available to answer any questions relating to the group's performance.

Topics discussed at the 2022 strategy summit included an overview of geopolitical scenarios; sub-Saharan African political and economic outlook; and trends shaping the future of financial services. The aforementioned provided context for a review of business unit strategies and an overview of key initiatives to ensure sustainable growth and value. The board reviewed the group's people and culture agenda as it pertained to skills, productivity, competitiveness, transformation, diversity and inclusion before it concluded with a review of the group's updated strategic plan to achieve its Ambition 2025.

In addition to the annual board strategy summit, the board continued to take steps to improve its oversight and understanding of the implications of the new operating model.

In November, findings of a comprehensive review of Africa Regions were presented to the board. This included a view of the geographical portfolios, client strategy per country, and the approach to regulatory and fiduciary duties of each legal entity as it relates to the execution of the group's strategy and operating model.

Board meetings

1

The group secretary prepares the agendas, and includes routine items in line with the group's annual planning cycle.

2

The chairman consults with the group CEO (assisted by the group secretary) taking into account emerging issues affecting the group.

3

Care is taken to ensure that the board has enough time to consider matters critical to the group's success, including compliance and governance matters and that papers are circulated in advance of meetings.

4

At each board meeting, non-executive directors meet without the executive directors in closed sessions led by the chairman. These sessions provide non-executive directors with an opportunity to test thoughts among peers and to raise any matters not deemed appropriate for discussion in the presence of the executives. Feedback, as appropriate, is provided to the group CEO on closed session discussions.

During 2022, the board returned to a more interactive in-person model of engagement, while allowing for virtual attendance where necessary. A secure electronic software system is used to access board papers and materials. Board packs are routinely circulated to board members approximately one week prior to meetings, to provide adequate time for the board members to apply their minds to the content. A resource centre containing comprehensive reference materials is also made available to board members via this secure system.

There were 12 board meetings held in 2022:

27 January 2022
Special meeting: to discuss Mandatory Audit Firm Rotation (MAFR)

10 March 2022
Quarterly board meeting, with particular focus on financial year-end matters

24 March 2022
Special meeting: interview for the role of chairman of SBG and SBSA

29 March 2022
Special meeting: to approve amendments to the AGM notice in response to non-binding advisory resolution submitted by Aeon Investment Management and Just Share NPC

9 May 2022
Special meeting: to approve the appointment of the chairman elect

26 May 2022
Quarterly board meeting

5 July 2022
Special meeting: to approve the refinement of the group's operating model and the appointment of the chief operating officer, and to discuss talent management and succession

18 August 2022
Quarterly board meeting

3 October 2022 – 5 October 2022
Board strategy summit

4 October 2022
Special meeting: to discuss a potential strategic investment

21 November 2022
Meeting with the SARB PA and the Financial Sector Conduct Authority (FSCA)

24 November 2022
Quarterly board meeting

Link to stakeholder groups: Customers, Employees, Shareholders, Regulators, Society

Key matters considered by the board during the year:

CLIENT CENTRICITY

- discussed the impact of system outages in April and May, and supported executive's proposal on the revised operating model and management structure of the group's IT division
- through GRCMC and GSEC, monitored the impact and corrective measures being implemented to address conduct risk incidents in relation to MyMo accounts
- discussed the group's complaints management programme and management's commitment to addressing issues raised by clients
- reviewed and discussed deep drills on Africa Regions subsidiaries.

Customers, Employees, Shareholders

FINANCIAL OUTCOME

- approved the 2022 financial plan, targets and metrics
- reviewed and approved the group's annual financial statements and interim results
- approved the declaration of interim and final preference and ordinary shares dividends
- considered the adequacy of financial provisions in the annual financial statements
- considered the adequacy of the group's capital and liquidity balances, its ability to continue as a going concern as well as solvency and liquidity for interim and financial year end.

Customers, Employees, Shareholders, Regulators

RISK AND CONDUCT

- reviewed and confirmed the appropriateness and adequacy of credit metrics and ensured they remained within approved risk appetite limits
- received comprehensive updates on key risk and control matters across the group's operations
- considered the third-party risk management framework
- considered the risk management report
- reviewed and discussed common themes that contributed to regulatory penalties, including root cause analyses on relevant case studies across the industry and control enhancements implemented to reduce the residual risk for the group
- considered internal audit reports and management's remedial actions on audit findings
- considered GAC's recommendation to shareholders on the re-appointment of external auditors
- the GAC considered and approved the mandatory audit firm rotation plan
- considered the conduct dashboards of the different business segments and the corporate functions
- received feedback from the chairmen of GRCMC, GMAC, GAC, DAC, GSEC, Remco and GITC.

Customers, Employees, Shareholders, Regulators

EMPLOYEE ENGAGEMENT

- considered the adequacy of management actions regarding support provided to staff during the period, including the ongoing impact of Covid-19 and the macroeconomic pressures on staff mental wellbeing
- received updates and reviewed the group's progress against transformation, diversity and Inclusion targets
- considered the results from the annual 'Are you a Fan' employee survey.

Employees

OPERATIONAL EXCELLENCE

- approved the refinement of the group's operating model
- considered talent management and succession
- approved the appointment of the chief operating officer
- reviewed the external audit technology report for the financial year
- reviewed the group delegation of authority framework for appropriateness
- considered and discussed the group's system stability and resilience, understanding the root causes to significant disruptions to the online services delivered through the group's digital channels
- considered regular feedback on the group's 'Always On, Always Secure' programme.

SEE IMPACT

- considered group reputational matters and group's account on engagements with stakeholders, including shareholders, employees, regulators and clients
- considered SBSA and Africa Regions' corporate and social responsibility initiatives (CSI)
- considered the shareholder requisitioned non-binding advisory resolution and the group's response.

GOVERNANCE

- approved the appointment of Nonkululeko Nyembezi as chairman of the board
- approved the appointment of Ben Kruger and Lwazi Bam as independent non-executive directors
- in line with SARB Directive 4/2018, approved succession plans for chairmen of GRCMC and GSEC, as well as for the chairman of GITC who will be retiring in 2023
- considered and approved the composition of the board and its committees
- approved the appointment of directors to board committees and subsidiary boards
- approved the amendments to the board nomination and appointment policy and the management of conflicts of interest policy
- approved the 2022 corporate governance, risk and capital management process line with regulation 39 of the Banks Act
- considered the group's compliance with the SARB Prudential Standards for Financial Conglomerates, as published by the SARB Prudential Authority (PA) under relevant sections of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) which came into effect on 1 January 2022
- approved the applications to the Prudential Authority for the components of the fundamental review of the trading book market risk
- engaged with the PA as part of its regulatory oversight programme. This included engagements with the chairman in September and the board in November to discuss regulatory focus areas and strategic priorities for the group.
- revised the group's subsidiary governance framework and monitored adoption by group subsidiaries.

Access to and flow of information

Directors have unrestricted access to executive management and company information, as well as the resources required to carry out their duties and responsibilities. To give effect to this authority, any member of the board has the right to consult the group secretary, the group chief executive officer and/or the chairman to request that specific matters be included on the board agenda for discussion. Furthermore, management members may be invited to address the board or a board committee, as appropriate. Access to external specialist advice is available to directors at the group's expense in line with the board-approved policy for obtaining independent professional advice by directors. Information about the latest issues affecting the group is also circulated as and when appropriate.

Conflicts of interest

The board is committed to acting in the best interest of the group, in good faith and without undue personal conflicts of interest. Board members owe their fiduciary duties to the group and all board decisions are consistently based on ethical foundations in line with group's values.

In line with King IV, at the beginning of each board meeting, all board members are required to declare any conflicts of interest in respect of matters on the agenda. Any such conflicts are proactively managed as determined by the board and subject to legal provisions. Where conflicts have been identified, directors recuse themselves from the meeting when the board considers any matters in which they may be conflicted. The group secretary maintains a register of directors' interests, which is tabled at each board and committee meeting and any changes are submitted to the board as they occur.

In line with the JSE Debt Listings Requirements, the board's management of conflict interest policy is available online https://www.standardbank.com/sbg/standard-bank-group/who-we-are/corporate-governance.

The board is aware of directors' outside commitments and how these can affect their ability to perform their duties. When making new board appointments, the board takes into account other demands on directors' time. Prior to their appointment, directors disclose their commitments with an indication of the time involved. No additional external appointments on listed entities are undertaken without prior approval from the DAC. The maximum number of board appointments for non-executive directors is limited to four directorships on listed entities. Cross-directorships in entities not related to the group is limited to a maximum number of two directors per entity.

In the current year, the board was satisfied that directors allocated sufficient time to enable them to discharge their responsibilities effectively.

PRINCIPLE 5

Reporting

The board ensures that reports issued by the group enable stakeholders to make informed assessments of the group's performance, and its short, medium and long-term prospects.

The board acknowledges its responsibility over the integrity of external reports issued and takes into account statutory and regulatory requirements and best practice when reviewing them.

The group produces a full suite of reporting publications that caters for the diverse needs of stakeholders. Details of our reporting suite can be found on the front pages of this report. All our reports are available on the group website.

Governing structures and delegation of authority

PRINCIPLE 6

Role and responsibilities of the board

The board serves as the focal point and custodian of corporate governance in the group.

The board has overall responsibility for governance across the group and retains effective control through its governance framework which includes its corporate governance structure, the subsidiary governance framework and board-approved board and board committee mandates. Through this framework it oversees the group's strategic direction, financial goals, resource allocation and risk appetite, and holds executive management accountable for execution. The board also ensures that executive management sets the tone for good governance, based on the group's values and code of ethics and conduct, and that these are integrated in a way that supports the group operations at all levels.

PRINCIPLE 7

Composition of the board

The board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

The collective experience of board members provides a balanced mix of attributes of skills, demographics, gender, nationalities, tenure and geographical context to enable the board to fulfil its governance role and responsibilities objectively and effectively.

In line with the group's corporate governance arrangements, the board, assisted by the DAC, regularly reviews its composition to maintain its overall effectiveness and maximise the benefit of its skillset and directors' experience, tenure, independence and diversity. The size of the board is considered to be appropriate.

Changes to the board and committees in 2022

- Nonkululeko Nyembezi was appointed as chairman of the group with effect from 1 June 2022. She was appointed as chairman of DAC and as a member of Remco and GSEC, in addition to her existing membership of GRCMC, LEC and GITC.
- Ben Kruger was appointed to the board on 6 June 2022, and as a member of GRCMC, Remco, GITC and LEC on 18 August 2022. He was appointed chairman of GRCMC and LEC with effect from 1 January 2023.
- Lwazi Bam was appointed to the board on 1 November 2022, and as a member of GAC, GRCMC, GSEC and LEC with effect from 8 March 2023.
- Myles Ruck retired from the board effective from 31 December 2022.
- Kgomotso Moroka stepped down as the chairman of GSEC and was succeeded by Geraldine Fraser-Moleketi with effect from 1 January 2023. Kgomotso Moroka will remain a non-executive director and a member of GSEC until her planned retirement at the conclusion of the group's AGM in 2023.
- John Vice, the chairman of GITC, reached retirement age in September 2022 and in line with the company's MOI, will retire at the group's AGM in 2023. The board approved the appointment of Paul Cook as chairman-elect of GITC to succeed John Vice after the AGM.

Skills of our board

We set out below the number of directors who are considered as highly skilled and experienced in each area.

Banking and other financial services	Experience in banking including investment banking, retail banking, global financial markets or consumer products; and/or experience in other financial services, including insurance and asset management.	These skills enable the board to evaluate the group's business model, strategies and the industries in which it competes.	11/16
Doing business in sub-Saharan Africa, International markets	Experience in diverse geographic, political and regulatory environments in Sub-Saharan African markets and international financial markets, meeting client needs in these jurisdictions	These skills enable the board to effectively oversee the group as it operates and serves its customers across its footprint.	9/16
Client/stakeholder management	Experience in monitoring and improving client and stakeholder relationships.	These skills enable the board to effectively manage relationships with clients and stakeholders to effectively resolve issues facing the organisation.	11/16
Risk & capital management and controls	Skills and experience in assessment and management of risk (including non-financial risk) and capital management.	These skills enable the board to effectively oversee risk and capital management and understand the most significant risks facing the group.	9/16
Accounting and auditing	Knowledge of or experience in accounting, financial reporting or auditing processes and standards.	These skills enable the board to effectively oversee the group's financial position and condition and the accurate reporting thereof, and to assess the group's strategic objectives from a financial perspective.	9/16

Technology/cybersecurity	Experience with or oversight of innovative technology, cybersecurity, information systems/ data management, fintech or privacy management.	These skills enable the board to oversee the security of the group's operations, assets and systems as well as the group's ongoing investment in and development of innovative technology and digitisation.	7/16
Leadership of a large complex organisation	Senior executive experience managing business operations and strategic planning.	These skills allow board members to effectively oversee the group's complex operations.	12/16
People development, diversity and inclusion, and remuneration	Experience in senior executive development, succession planning, diversity, inclusion and executive remuneration.	These skills help the board to effectively oversee the group's efforts to recruit, retain and develop key talent and provide valuable insight in determining compensation including that of executive officers.	10/16
Public company governance	Knowledge of public company governance matters, policies and best practices.	These skills assist the board in shaping group policies, considering and adopting applicable corporate governance practices, regulations, interacting with key stakeholders and understanding the impact of various policies on the group's functions.	11/16
Regulation/public policy/ macroeconomic policy	Understanding of and experience in regulated businesses, regulatory requirements, including conduct and culture, and relationships with global regulators.	These skills enable the board to assess and oversee the group's compliance with applicable regulations and ensure appropriate conduct.	10/16
Environmental/social	Knowledge and experience in how the group's activities affect the environment (including impact on climate change) and society (including consumer protection, community development and protection of human rights, etc).	These skills enable the board to oversee and monitor on an ongoing basis its status as a responsible corporate citizen.	7/16

Ongoing director education

Ongoing director education contributes to the board's awareness of relevant trends and development of skills to offer relevant counsel and provide effective oversight as the group delivers against its strategic objectives.

In addition, directors are kept abreast of applicable laws and regulations, changes to legislation, standards and codes, as well as relevant financial sector developments that could affect the group and its operations.

Ongoing director education dates are scheduled in advance and form part of the board's annual calendar.

Topics considered in 2022 included:

Cyber risk

A global perspective by a reputable, independent, international consultant on cyber risk based on their extensive experience of being a first responder to many of the largest cyber incidents on record; as well as an overview of their assessment of Standard Bank's cyber security posture.

System stability

An in-depth review of the impact of business disruption and technology risk on client experience, as well as a review of the group's client communication strategy pertaining to system outages.

Financial conglomerate oversight

Risk and governance oversight of material subsidiaries in alignment with the Prudential Standards for Financial Conglomerates.

Diversity

The board's composition is expected to reflect the markets in which we serve. In addition to diversity of skills and experience, care is also taken to ensure diversity in gender, geographic representation and race. The board promotion of gender and race diversity policy was approved in 2018 with a voluntary target of 33% female representation on the board by 2020. Having achieved this, the board has revised its female representation target to 40% by 2025.

The board resolved to maintain the race diversity targets in line with the management control scorecard as set out in the Amended Financial Sector Code of 2017. The board continues to consider these targets in the implementation of its succession plans and is satisfied with the progress made.

Board appointment process and induction

The board's appointment process is formal and transparent in line with the board nomination and appointment policy. When considering candidates for nomination, the board considers its skills matrix, draws from director search specifications, the group's strategy, feedback from board evaluations and the gender and race diversity policy. A background search is conducted on the potential candidate and their skills, experience, availability, possible conflicts of interest and likely fit. Demonstrated integrity, proven leadership and other time commitments are also considered. A director appointed by the board holds office until the next annual general meeting in line with the group's MOI and the Companies Act.

Board appointment process:

- Taking into consideration the requirements in the group's fit and proper policy, the directors' affairs committee recommends a candidate to the board.
- The board approves the candidate's nomination and the commencement of the regulatory process.
- The regulator conducts a fit-and-proper test and provides a statement of no objection.
- The board approves the candidate as a director.
- The director retires at the AGM and is then re-elected by shareholders.

Newly appointed directors are given access to the group governance reference manual containing all relevant governance information, including the company's founding documents, mandates, governance structures, significant reports, legislation and policies. One-on-one meetings and site visits are scheduled with management and the group secretary to introduce new directors to the group and its operations. The remainder of the induction programme is tailored to each new director's specific requirements.

Board succession

The DAC ensures board continuity plans are in place for orderly succession to both board and senior executives and oversees the development of a diverse pipeline for succession.

More information about the work of the DAC on succession planning can be found on page 34.

Rotation of directors

One-third of the non-executive directors are required to retire annually, and if available and eligible, stand for re-election at the company's AGM. Directors who have been in office the longest, as calculated from the last re-election or appointment date, are also required to stand for re-election. At the upcoming 2023 AGM, Jacko Maree, Nomgando Matyumza and Nonkululeko Nyembezi will retire and being eligible, avail themselves for re-election. Ben Kruger and Lwazi Bam were appointed to the board subsequent to the 2022 AGM and in terms of MOI are required to retire at the AGM following their board appointment to avail themselves for shareholder election. Having reached retirement age in September 2022 and in line with the companies' MOI, John Vice will retire at the group's AGM in 2023.

Independence assessment

Annually, the board deliberates and approves the categorisation of directors as independent using the criteria set out in the King Code and SARB Prudential Authority Directive 4 of 2018 (the directive) objective and baseline test which set out circumstances that deem a director as not being independent.

Provision 8.1.2.8 of the directive deems non-executive directors who have served on the board for a period of nine years or more as not independent. In 2019, the group applied for and was granted exemption by the SARB Prudential Authority from the effects of this provision until May 2023 for directors who had served on the board for longer than nine years. The exemption was subject to the annual external independent assessment and pertained specifically to non-executive directors who served as board sub-committee chairmen. In view of Myles Ruck's retirement on 31 December 2022, an external assessment of his performance was not performed. Ben Kruger succeeded Myles Ruck as independent non-executive chairman of the GRCMC and LEC with effect from 1 January 2023. Similarly, Geraldine Fraser-Moleketi succeeded Kgomotso Moroka as independent, non-executive chairman of GSEC with effect from 1 January 2023.

When assessing independence of directors, the review process includes a self-assessment by each director as well as consideration of each director's circumstances by the board. Consideration is also given to whether directors' interests, position, association or relatives, are likely to influence unduly or cause bias in decision-making when judged from the perspective of a reasonable and informed third-party.

For the period under review, Kgomotso Moroka and ICBC's nominated directors, Xueqing Guan and Li Li, were not considered independent.

Separation of roles and responsibilities

The role of chairman is separate from that of the group CEO. There is a clear division of responsibilities. Care is taken to ensure that no single director has unfettered powers in the decision-making process.

Chairman

- sets the ethical tone for the board and group
- leads the board and ensures its effective functioning
- sets the board's annual work plan and agendas, in consultation with the group secretary, the group CEO and other directors
- builds and maintains stakeholder trust and confidence
- conveys feedback in a balanced and accurate manner between the board and the group CEO
- monitors the effectiveness of the board and assesses individual performance of directors
- convenes the chairmen round-table sessions with chairmen of the group's subsidiary entities to ensure alignment.

Lead independent director

- further strengthens the independence of the board
- acts as an intermediary between the chairman and other members of the board when necessary
- maintains an additional channel to deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate
- chairs discussions by the board on matters where the chairman may have a conflict of interest.

Group CEO

- develops the group's strategy and long-term plans for consideration and approval by the board
- establishes an organisational structure for the group which is appropriate for the execution of strategy
- appoints and ensures proper succession planning of the executive team, and assesses their performance
- reports to the board on the performance of the group in line with approved risk appetite and its compliance with applicable laws and corporate governance principles
- sets the tone for ethical leadership, creating an ethical environment and ensures a culture that is based on the group's values
- is the face of the company and engages with material stakeholders including clients, regulators and employees on an ongoing basis.

PRINCIPLE 8

Committees of the board

The board ensures that its arrangements for delegation within its own structures promote independent judgement and assists with the balance of power and the effective discharge of duties.

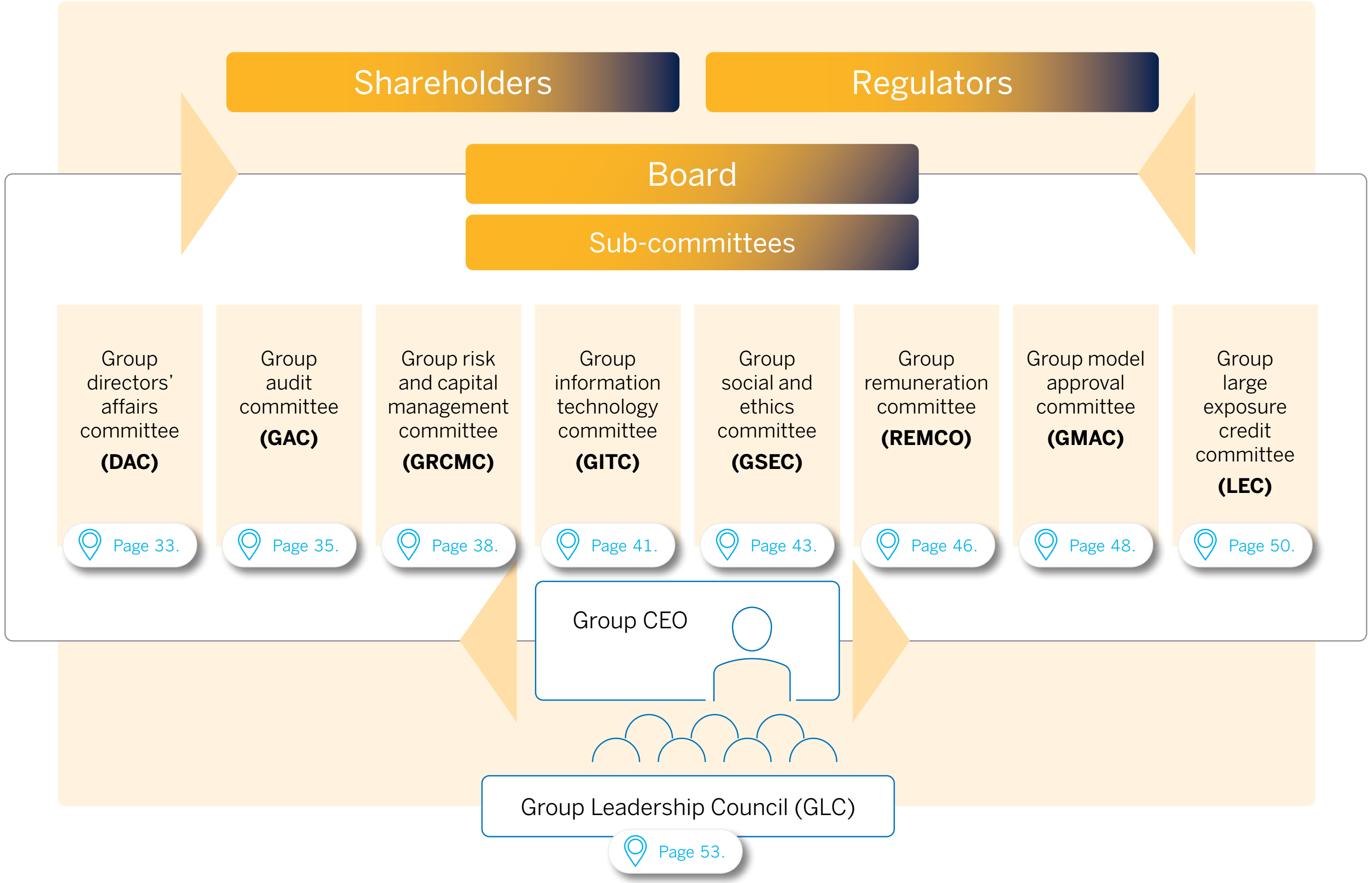
The board has delegated certain functions to its committees in line with the corporate governance framework and relevant legislation. Each committee has a board approved mandate. In determining the composition of committees, the board considers the skills and experience of its members, applicable regulations, and the committee mandate. With the exception of GITC, GSEC, LEC and GMAC, where appropriate and in line with regulations, board committees only comprise non-executive directors with the majority being independent.

Committee chairmen are accountable for the effective functioning of the committees. They provide verbal updates and submit chairmen reports to the board on committee activities at each board meeting. The minutes of committee meetings are also included in the board packs for noting. Annually, committee chairmen provide the board with an opinion on the committees' effectiveness.

The review of the board's compliance with the provisions of the respective mandates is done annually. The board is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

The group's external auditors conduct a limited assurance assessment on the review and express an opinion in this regard.

GROUP GOVERNANCE STRUCTURE



Group directors' affairs committee

Nonkululeko Nyembezi
Committee chairman

For the year under review, the committee is satisfied that it has fulfilled its obligations in terms of its mandate

KEY COMMITTEE ACTIVITIES

1. corporate governance
2. succession planning
3. board performance review
4. Standard Bank Group subsidiary governance framework

Read more on next page.

Membership	Attendance and eligibility	Date appointed to committee
Nonkululeko Nyembezi (chairman)*	2/2	1 June 2022
Geraldine Fraser-Moleketi*	6/6	30 November 2016
Trix Kennealy*	6/6	2 November 2021
Li Li**△	6/6	11 November 2021
Nomgando Matyumza*	6/6	1 April 2020
Kgomotso Moroka**	6/6	29 May 2013
Atedo Peterside*	6/6	1 April 2020

* Independent non-executive director. ** Non-executive director.
△ In his capacity as alternate to Xueqing Guan.

Collective skills and experience

- corporate governance
- public policy and law
- financial services
- business leadership of large and complex organisations

Committee composition

- chaired by the group chairman who is an independent non-executive director.
- comprises five independent non-executive directors and two non-executive directors.
- the group and the SBSA chief executive officers are standing invitees to committee meetings.
- Thulani Gcabashe retired as chairman of the board and the committee at the 2022 AGM and was succeeded by Nonkululeko Nyembezi.
- Myles Ruck retired from the board and the committee on 31 December 2022.

Committee purpose

- determines the appropriate group corporate governance structures and practices
- establishes and maintains the board continuity programme
- ensures compliance with all applicable governance-related laws, regulations and codes of conduct and practices
- assesses and ensures the effectiveness of the board and its committees.

During 2022, the committee held six meetings.

In discharging its responsibilities as set out in the committee's terms of reference, the following were some of the key focus areas for the year under review:

1

Corporate governance

- provided oversight of the group's application of the King IV principles
- considered for board approval, the following new policy:
  - Fit and Proper Policy for Key Persons
- considered for board approval, amendments to the following policies:
  - SBG/SBSA Board Nomination and Appointment Policy
  - Group Executive Management and Subsidiary Boards Nomination and Appointment Matrix
  - Directors' and Prescribed Officers' Dealings in Group Securities
- assessed non-executive director independence classification in line with the King Code criteria and SARB Prudential Authority Directive 4/2018 objective and baseline criteria
- considered and recommended to the board the 2022 corporate governance, risk and capital management process for reporting on objectives as envisaged in Regulation 39(1) of the Banks Act
- reviewed and recommended to the board the corporate governance statement and SBG AGM notice as part of the external reporting suite
- considered any shareholder requisitioned non-binding resolution following the publication of the AGM notice
- considered the 2022 AGM proxy investor analysis reports and recommendations on proxy voting and their assessment of the group's state of corporate governance
- assessed director attendance of meetings for the year, as part of each individual director's performance assessment
- recommended the 2023 board corporate calendar to the board for approval
- confirmed the group's prescribed officers in line with the requirements of the Companies Act
- considered and noted the performance contracts for the group chief executive officer, SBSA chief executive officer and prescribed officers for the year

2

Succession planning

- reviewed the composition of the board, its subcommittees and its subsidiaries including that of Africa Regions and international with focus on ensuring the appropriateness of skills, experience and diversity
- deliberated on the prospective candidates for the role of chairman of the group and recommended the final candidates to the board for the interview process
- considered and recommended for board approval the nomination and appointment of Ben Kruger and Lwazi Bam as independent non-executive directors to the board
- considered and approved the board and board committee chairmen succession plans, resulting from the implementation of the SARB Prudential Authority directive 4/2018 for the appointment of Ben Kruger as chairman of GRCMC as well as the large exposure credit committee to succeed Myles Ruck; and Geraldine Fraser-Moleketi as chairman of GSEC to succeed Kgomotso Moroka
- considered and recommended to the board for approval the appointment of Nonkululeko Nyembezi as a member of Remco and GSEC
- reviewed and recommended to the board the re-election of directors retiring by rotation at the AGM
- considered and approved the appointment of non-executive directors to subsidiary boards in line with the nomination and appointment policy
- following the acquisition of 100% shares in Liberty Holdings Limited, considered and approved the restructuring of the Liberty board and related changes which included the appointment of David Munro as the group executive responsible for Liberty integration; Yunus Suleman as chairman of Liberty and Yuresh Maharaj as the Liberty chief executive
- considered and recommended for board approval the appointment of Kobus Froneman as the group secretary of SBG and SBSA.

3

Board performance review

- approved the 2022 board evaluation process which would be externally facilitated by Korn Ferry
- considered results of the 2021 board and board committees effectiveness review. Action plans drawn from the results were recommended to the board for approval and the committee monitored the progress made on the implementation of the action plans to date.

4

Standard Bank Group subsidiary governance framework

- considered and approved the revised subsidiary governance framework following changes made to the previous version which was approved in 2017
- considered and approved the updated dispute resolution guide which set out the process to be followed when dealing with disputes that may arise between directors
- monitored the adoption of the subsidiary governance framework by group subsidiaries
- considered the composition of subsidiary boards across Africa Regions and international subsidiaries, taking into account the length of tenures, independence and gender diversity.

Group audit committee

Trix Kennealy
Committee chairman

For the year under review, the committee is satisfied that it has fulfilled its obligations in terms of its mandate

KEY COMMITTEE ACTIVITIES

1. subsidiary governance oversight
2. internal audit
3. compliance
4. tax
5. financial accounting and external reporting
6. financial control
7. non-audit services
8. interim and annual financial statements
9. external reporting
10. external audit

Read more on next page.

Membership	Attendance and eligibility	Date appointed to committee
Trix Kennealy* (chairman)	10/10	30 November 2016 (as member) 24 May 2018 (as chairman)
Lwazi Bam*	–	8 March 2023
Nomgando Matyumza*	10/10	15 August 2018
Martin Oduor-Otieno*	10/10	25 May 2016
Atedo Peterside CON*	10/10	27 May 2015
John Vice*	10/10	30 November 2016

* Independent non-executive director.

Collective skills and experience

- banking and financial services
- accounting and auditing

Committee purpose

- monitors and reviews the adequacy and effectiveness of accounting policies, financial and other internal control systems and financial reporting processes
- provides independent oversight of the group's assurance functions, with focus on combined assurance arrangements, including external audit, internal audit, compliance, risk and internal financial control functions
- reviews the independence and effectiveness of the group's external auditors, internal audit and compliance functions
- assesses the group's compliance with applicable legal, regulatory and accounting standards and policies in the preparation of fairly presented financial statements and external reports, thus providing independent oversight of the integrity thereof.

Committee composition

- chaired by an independent non-executive director
- comprises six independent non-executive directors, including the GITC and Remco chairmen
- Trix Kennealy, Martin Oduor-Otieno, Nomgando Matyumza and John Vice are considered financial experts. Atedo Peterside has extensive business and banking experience
- standing attendees at committee meetings include the following:
  - board chairman
  - group CEO
  - group chief finance and value management officer
  - group chief audit officer
  - group chief compliance officer
  - head of anti-financial crime
  - group chief risk and corporate affairs officer
  - group chief operating officer
  - external auditors
  - CEOs of SBSA, Africa Regions, BCC, CHNW, CIB and Liberty
  - group executive, Liberty integration.

During 2022, the committee held ten meetings.

This included two meetings to consider quarterly financial results for publication on SENS, a meeting with the SARB Prudential Authority following the publication of the previous year's group financial results, the annual trilateral meeting with the SARB Prudential Authority and a special meeting to approve the group's new external auditors with effect from the 2024 financial year.

1

Subsidiary governance oversight

- considered key matters raised at subsidiary board audit committee meetings, notably for those entities that are designated members of Standard Bank Group financial conglomerate, including Liberty.

2

Internal audit

- reviewed and approved internal audit's charter
- reviewed and approved the internal audit plan, noting that internal audit's planning approach continued to evolve from a more traditional static annual audit plan to a dynamic rolling six-month plan which was more suitable for a rapidly changing risk and operating environment. The internal audit plan was informed by the group's strategic objectives; value drivers; risks and opportunities identified by management and stakeholders, noting that these were considered as part of internal audit's risk assessment process; and combined assurance principles as embedded in the execution of internal audit activities. On a quarterly basis, the committee reviewed and approved proposed amendments to the plan to ensure it remained aligned to the changing nature of the group's risk profile and to prioritise emerging risks
- reviewed quarterly internal audit reports covering progress against audit plan delivery; an analysis of the cumulative results of audit outcomes for the year; a summary of satisfactory and unsatisfactory audits that were completed during the reporting period, as well as the outcomes of advisory reviews performed at the request of management or regulators; and the status of material issues previously reported. Where appropriate, management was invited to attend meetings to present an update on the status of actions implemented to address material issues
- reviewed internal audit's annual report which summarised the results and themes observed as part of internal audit's activities for the prior year. The report concluded with internal audit's assurance statement that the control environment was effective to ensure that the degree of risk taken by the group was at an acceptable level and that internal financial controls were adequate and effective in ensuring the integrity of material financial information. In addition, the committee confirmed the organisational independence of the internal audit activity
- as part of the group's external auditors' annual assessment of the internal audit function against International Standards on Auditing (ISA) 610, confirmed the work of internal audit was reliable for the purposes of the external audit engagement.

3

Compliance

- reviewed and approved the group compliance mandate, which sets out the mission, approach, accountability, roles, responsibilities and authority
- confirmed the independence and effectiveness of the group compliance function
- considered and approved group compliance and group anti-financial crime plans and monitoring activities
- reviewed quarterly group compliance reports covering progress made against the delivery of the compliance plan as well as key compliance matters across the group. The report also included a distinct section on matters that fall within the ambit of the anti-financial crime function, including its interaction with regulators; and contained an update on matters identified as part of regulators' routine and non-routine inspections
- monitored compliance with the Companies Act, the Banks Act, JSE Listings Requirements, King IV Code on Corporate Governance and other applicable legislation and regulation, and reviewed reports from internal audit, compliance and external audit in this regard
- noted that no complaints were received through the group's ethics and fraud hotline concerning accounting matters, internal audit, internal financial controls, contents of financial statements, potential violations of the law and questionable accounting or auditing matters.

4

Tax

- reviewed quarterly reports on tax matters of significance across the group, including ruling and emerging tax legislation.

5

Financial accounting and external reporting

- considered quarterly reports which outlined financial accounting and external reporting issues of significance, which affected or could affect the group in future. The audit committee considered the impact of these matters on the group's financial statements and disclosures
- reviewed periodic updates on developments in International Financial Reporting Standards (IFRS)
- reviewed management's process and progress with respect to new financial accounting and reporting developments.

6

Financial control

- on a quarterly basis, reviewed a report on internal financial control activities, as overseen by the group's internal financial control committee
- reviewed proposed amendments to the group's delegation of authority framework and recommended revised financial limits to the board for approval.

7

Non-audit services

- on a quarterly basis, considered the nature and quantum of non-audit services that were approved during the period and, as per the approval thresholds set out in the group's non-audit services policy, considered and, where deemed appropriate, approved engagements.

8

Interim and annual financial statements

- reviewed external audit's report on the adequacy of credit provisions for performing and non-performing loans and impairment tests with respect to assets and considered feedback from the external auditors regarding the models applied by management in determining such impairments
- considered and recommended to the board for approval, interim and annual financial results, after having considered an analysis of the results, relevant financial accounting issues, solvency and liquidity, going concern assessments, draft profit and dividend announcements, and after having noted capital adequacy levels as reviewed at the group risk and capital management committee
- reviewed trading updates, interim and final profit and dividend announcements for SENS publication, with due consideration of the requirements and implications of regulatory guidance notes and directives issued by the South African Reserve Bank's Prudential Authority
- reviewed the content of the JSE's annual proactive monitoring report including specific considerations in the preparation of financial statements
- reviewed regulatory, legislative and corporate governance requirements and how these were met, before approving the content of the audit committee's report for inclusion in the annual financial statements.

9

External reporting

- evaluated management's judgements and reporting decisions in relation to the annual integrated report and ensured that all material disclosures had been included
- reviewed both financial and non-financial information, forward-looking statements and sustainability information
- reviewed the annual integrated report, governance and remuneration report, risk and capital management report and reports to society and recommended these for board approval, after having considered King IV disclosure requirements.

10

External audit

- assessed the independence of external auditors, including a review of regulatory disclosure requirements, before recommending their re-appointment for shareholder approval at the group's AGM
- considered the results of management's assessment of the effectiveness of the group's external auditors as part of the financial year-end audit
- considered the independent auditors' report, with reference to the audit opinion. The report included key audit matters that were, in the external auditors' judgement, significant to the audit of the financial statements
- met with external audit during a closed session to discuss their experience from the engagement with management during the statutory audit, as well as external audit's perspective on the effectiveness of the finance function
- reviewed the external auditors' report on findings for the financial year; and at the meeting in November 2022, reviewed a progress report on findings from the preliminary audit for the year ended 31 December 2022
- reviewed the external auditors' report relating to the regulatory audit work for the year ended 31 December 2021
- approved the external audit plan, fees, and terms of engagement as specified in the engagement letter for the statutory audit for the financial year ended 31 December 2022. The external audit plan confirmed that work with internal audit continued in ensuring all assurance providers were aligned from a combined assurance perspective
- reviewed declarations made by the external auditors of matters that could potentially impact or be seen to impact the respective firms' professional judgement and independence in relation to the group, and considered the measures taken by the respective firms to remediate any identified breaches
- reviewed the results of the Independent Regulatory Board for Auditors' (IRBA's) firm inspection of both the group's external auditors, as it pertained to engagement inspections conducted by IRBA
- in January 2022, the audit committee proposed that KPMG Incorporated (KPMG) and PricewaterhouseCoopers Incorporated (PwC) continue as the joint auditors for the 2022 and 2023 financial years, whereafter KPMG's tenure as a joint auditor will conclude following the finalisation of the 2023 financial year in accordance with the mandatory audit firm rotation (MAFR) requirements. It was also proposed that PwC will remain as a joint auditor until the finalisation of the 2025 financial year. These proposals will be subject to the audit committee's periodic assessment of the respective audit firms' independence, skills and expertise, as well as shareholder approval at the relevant annual general meetings.
- following a comprehensive tender process, the audit committee confirmed the group's intent to appoint Ernst & Young Incorporated (EY) as one of the joint auditors for the financial year ending 31 December 2024. The appointment of EY and the designated audit partner is subject to approval by the South African Reserve Bank's Prudential Authority in accordance with section 61 of the Banks Act No. 94 of 1990 as amended. In terms of section 90 of the South African Companies Act No. 71 of 2008, as well as paragraph 3.86 of the JSE Listings Requirements, the appointment of EY as a joint auditor for the 2024 financial year will be recommended to the ordinary shareholders for approval at the relevant annual general meeting.

Group risk and capital management committee

Ben Kruger
Committee chairman

For the year under review, the committee is satisfied that it has fulfilled its obligations in terms of its mandate.

KEY COMMITTEE ACTIVITIES

1. financial and non-financial risk management
2. capital and liquidity risk management
3. internal capital adequacy assessment process (ICAAP)
4. regulatory matters
5. governance

Read more on next page.

Membership	Attendance and eligibility	Date appointed to committee
Ben Kruger (chairman)*	1/1	18 August 2022 (as member) 1 January 2023 (as chairman)
Lwazi Bam*	–	8 March 2023
Geraldine Fraser-Moleketi*	4/4	30 November 2016
Trix Kennealy*	4/4	30 November 2016
Li Li**△	4/4	11 November 2021
Jacko Maree*	4/4	16 August 2017
Nomgando Matyumza*	4/4	30 November 2016
Kgomotso Moroka**	4/4	28 May 2014
Nonkululeko Nyembezi*	4/4	1 April 2020
John Vice*	4/4	30 November 2016

* Independent non-executive director. ** Non-executive director.
△ In his capacity as alternate to Xueqing Guan.

Collective skills and experience

- banking and financial services
- accounting and auditing
- capital and risk management
- governance, regulation and public policy
- information technology.

Committee purpose

- provides independent and objective oversight of risk and capital management across the group
- oversees the governance of risk and capital management by directing the way risk and capital management should be approached and addressed in the group
- reviews and assesses the adequacy and effectiveness of risk and capital management governance frameworks
- ensures that risk and capital management standards and policies are well documented and support the group strategy by being appropriate and effective in operation
- evaluates and agrees the nature and extent of opportunities and associated risks to the organisation in pursuit of its strategic objectives; and support a climate of discipline and control.

Committee composition

- chaired by an independent non-executive director
- comprises eight independent non-executive directors and two non-executive directors and includes the chairmen of the board, GAC, GITC, GMAC, Remco, LEC and GSEC
- the following individuals are standing attendees at committee meetings:
  - group CEO
  - group chief finance and value management officer
  - group chief risk and corporate affairs officer
  - chief operating officer
  - CEOs of SBSA, Africa Regions, BCC, CHNW, CIB and Liberty
  - CROs of SA, AR, BCC, CHNW, CIB and Liberty
  - head of non-financial risk management
  - head of treasury and capital management
  - group chief audit officer
  - group chief legal officer
  - external auditors
  - group executive, Liberty integration
- Myles Ruck retired from the board and the committee on 31 December 2022.

During 2022, the committee held four meetings.

In addition, the chairman met with management on a number of occasions to review and discuss significant matters between scheduled committee meetings. Where necessary, committee and board members were informed of any major current risk issues which needed to be brought to their attention in a timely manner.

In discharging its responsibilities as set out in the committee's terms of reference, the following were key focus areas for the year under review:

1

Financial and non-financial risk management

- discussed an update on management actions and considerations in response to the ongoing Russia and Ukraine conflict, including detailed client segment and risk type management actions and reflections
- considered the impact of the KwaZulu-Natal floods on client segments, Liberty, as well the broader impact both from a financial and non-financial risk perspective
- considered the implications of South Africa's potential Financial Action Task Force greylisting.
- considered and approved the risk appetite statement for the group's banking operations
- periodically considered management updates and reports on events that occurred or risks that emerged and were expected to have a direct or indirect impact on the group's risk profile
- on a quarterly basis, reviewed detailed risk management reports covering key risks including credit, country, market, equity and non-financial risks across the group and at a client segment level
- continuously reviewed the macroeconomic and operating environment across the geographies and markets in which the group operates. This informed the development of the group's risk appetite across sectors and countries, ensuring concentration on specific sectors was appropriately managed and risk appetite adjusted, where appropriate
- with reference to its oversight of credit risk, continued to monitor performing and non-performing loan portfolios and management's response strategies, with particular focus on the group's exposure to high risk corporate, business and commercial, and retail customers
- with reference to its oversight of the non-financial risk profile, reviewed management reports on key contributors to operational risk and fraud losses and non-financial risk metrics by risk type, with focus on areas of priority and management's mitigating actions
- reviewed management's integrated approach to identify, rank and monitor key risks for the group in 2023
- reviewed and discussed progress with the group's environmental, social and governance (ESG) priorities, as well as the programme of work that is underway and future plans to further integrate the ESG risk management programme across the group and strengthen how the group manages and mitigates ESG risk, particularly climate risk.
- considered an update on significant insurance programmes across the group, as well as their current and renewal terms and conditions
- reviewed quarterly reports on legal and reputational risk
- reviewed and, where required, approved the group's intra-group funding exposures.

2

Capital and liquidity risk management

- reviewed the group's capital and liquidity plan for the ensuing year, as well as a three-year forecast and recommended capital adequacy target ranges to the board for approval
- on a quarterly basis, reviewed capital adequacy and liquidity ratios, including events that could have an impact on these
- reviewed and recommended to the board for approval, planned capital funding programmes.

3

Internal capital adequacy assessment process (ICAAP)

- reviewed and approved the macroeconomic scenarios for the running of the ICAAP stress testing process, as well as the planned stress testing programme of work
- reviewed and recommended to the board for approval the group's 31 December 2021 ICAAP, prior to submission to the SARB.

4

Regulatory matters

- considered implications of the Prudential Standards for Financial Conglomerates, particularly on credit standards and on the intra-group transaction and lending to related or connected parties policy.
- recommended to the board for approval, subject to the GAC's review of the independent assurance reports, the applications to the Prudential Authority for the components of the fundamental review of the trading book market risk
- periodically reviewed updates on progress to achieve BCBS 239 risk data aggregation and risk reporting (RDARR) compliance in accordance with the scope and deadlines agreed with the SARB, prior to the transition of RDARR from a programme construct to business-as-usual activities
- approved the annual update to the group's RDARR governance framework
- in accordance with SARB regulatory requirements in relation to material outsourcing, reviewed the results of analyses of risks associated with proposed outsourcing arrangements and recommended the approval of such arrangements to the board, subject to the board's review of the commercial terms of the proposed agreements
- considered updates on regulatory developments and the implications of emerging local, global and prudential regulations on the group, with particular focus on market conduct and ESG risk
- approved the annual update to the group's integrated recovery plan
- reviewed the annual risk disclosures made to shareholders to ensure timely, relevant, complete, accurate and accessible risk disclosure, in line with Basel pillar 3 disclosure requirements.

5

Governance

- reviewed and approved the group's risk governance standards, frameworks and relevant policies according to a scheduled review program.
- considered key matters raised at group risk oversight committee and key subsidiary board risk committee meetings, notably for those entities that are designated members of Standard Bank Group financial conglomerate, including Liberty.

Group information technology committee

John Vice
Committee chairman

For the year under review, the committee is satisfied that it has fulfilled its obligations in terms of its mandate.

KEY COMMITTEE ACTIVITIES

1. technology strategy
2. technology cost and investment
3. technology risk
4. information security and cybersecurity
5. data and analytics
6. governance, risk and assurance

Read more on next page.

Membership	Attendance and eligibility	Date appointed to committee
John Vice (chairman)*	4/4	30 November 2016 (as chairman)
Paul Cook (chairman elect)*	4/4	10 March 2021
Arno Daehnke~	4/4	25 May 2016
Ben Kruger*	1/1	18 August 2022
Li Li**△	4/4	11 November 2021
Nonkululeko Nyembezi*	4/4	1 April 2020
Martin Oduor-Otieno*	1/1	18 August 2022
Atedo Peterside CON*	4/4	27 May 2015
Sim Tshabalala~	4/4	27 May 2014

* Independent non-executive director. ** Non-executive director.
~ Executive director. △ In his capacity as alternate to Xueqing Guan.

Collective skills and experience

- technology strategy
- risk, audit and controls
- financial services experience
- accounting and auditing

In 2022, the group engineering committee (GEC) was reconstituted as the group information technology committee (GITC). The removal of reference to 'Engineering' is aligned to changes in the group operating model, where there is no longer reference to the broader 'engineering' construct, but rather specific focus areas including technology, information security and data and analytics, amongst other. The committee's mandate is intended to reflect the principles of King IV as they pertain to technology and information. This summary includes a combined overview of the GEC and GITC's key activities during 2022.

Committee purpose

- oversees the strategic direction and transformation of the group's information security, technology, data and analytics capabilities
- ensures that prudent and reasonable steps are taken to govern technology and information in line with King IV.

Committee composition

- chaired by an independent non-executive director
- comprises six independent non-executive directors, one non-executive director, and both executive directors
- standing invitees to committee meetings include:
  - group chief operating officer
  - group chief information officer
  - group chief information security officer
  - group chief risk and corporate affairs officer
  - group chief audit officer
  - CEOs of SBSA, Africa Regions, BCC, CHNW, CIB and Liberty
  - group executive, Liberty integration
  - the head of non-financial risk management
  - the group's external technology audit partners
- In November 2022, Paul Cook was appointed as the chairman elect, and will succeed John Vice upon his planned retirement at the conclusion of the group's AGM in 2023.

During 2022, the committee held four meetings.

In discharging its responsibilities as set out in the committee's terms of reference, the following were key focus areas for the year under review:

1

Technology strategy

- reviewed the quarterly group technology report which included an update on the group's key technology priorities including the resilience of the group's technology landscape; technology skills, capability and capacity; acceleration of the Cloud transformation journey; system stability including maintaining robust and resilient systems and simplification of the group's technology architecture
- reviewed business segment technology reports with focus on business unit level client experience, system stability, employee engagement and skills development, risk and conduct
- reviewed reports on technology outages across the group (with particular focus on SBSA) with a focus on overseeing the improvement of reliability of critical systems and enhancing the communication strategy associated with technology disruptions
- continuously monitored the results of client net promoter scores across all channels, notably digital channels, and reviewed management's action plans to consistently improve client experience associated with the group's technology landscape
- reviewed detailed reports on the group's simplification programme across business units in South Africa and across Africa Regions
- reviewed quarterly updates on the group's technology performance and risk metrics.

2

Technology cost and investment

- reviewed and monitored the group's performance against technology cost forecast and metrics
- reviewed quarterly progress reports on strategic technology initiatives.

3

Technology risk

- reviewed the technology risk profile from a non-financial risk perspective
- monitored the execution of key strategic and modernisation programmes (Always On, Simplification, Platform Modernisation and Cloud) to achieve medium term improvements in the technology risk profile.

4

Information security and cybersecurity

- reviewed the report on the group's information security and cyber risk profile and the effectiveness with which the risk is addressed across the group
- reviewed the findings and recommendations from an independent review into the group's cyber risk profile.

5

Data and analytics

- reviewed reports on the group's data strategy and objectives, as well as group data-led commercialisation initiatives that add value at scale across client segments and solutions, corporate functions and geographies
- considered an update on the data strategy journey including group's ambition as it relates to data and the alignment of objectives with the group's strategic objectives
- considered an update on the group's data commercialisation objectives, group's data architecture and infrastructure.

6

Governance and assurance

- as part of its oversight programme for the year, reviewed a detailed report on the technology risk management governance domain across technology sub-risk types as well as a quarterly risk dashboard which reflected changes in the risk profile over the period
- reviewed internal audit's perspectives on the technology risk and control environment
- considered key matters raised at subsidiary board IT committee meetings, notably for those entities that are designated members of Standard Bank Group as financial conglomerate, including Liberty.

Group social and ethics committee

Geraldine Fraser-Moleketi
Committee chairman

For the year under review, the committee is satisfied that it has fulfilled its obligations in terms of its mandate.

KEY COMMITTEE ACTIVITIES

1. stakeholder engagement
2. transformation
3. employee engagement
4. ethics and conduct
5. environmental, social and governance (ESG)
6. subsidiary governance oversight

Read more on next page.

Membership	Attendance and eligibility	Date appointed to committee
Geraldine Fraser-Moleketi (chairman)*	5/5	30 November 2016 (as a member) 1 January 2023 (as chairman)
Lwazi Bam*	–	8 March 2023
Paul Cook*	5/5	18 August 2021
Lungisa Fuzile△	5/5	15 January 2018
Jacko Maree*	5/5	30 November 2016
Kgomotso Moroka**	5/5	29 May 2013 (as member) 4 March 2015 (as previous chairman)
Nonkululeko Nyembezi*	1/1	18 August 2022
Martin Oduor-Otieno*	5/5	25 May 2016
Sim Tshabalala~	5/5	9 November 2010

* Independent non-executive director.
**Non-executive director.
~ Executive director.
△ SBSA chief executive.

Collective skills and experience

- banking
- public policy
- law
- transformation
- organisational development
- ethical leadership
- ESG
- stakeholder engagement

Committee purpose

- oversees the development of appropriate policies and frameworks to govern the group's social and ethical focus areas
- acts as the group's social conscience, recognising that stakeholder perceptions affect the group's reputation
- guides and monitors the group's social, ethical, economic, environmental, transformation and consumer relationship initiatives in line with relevant legislation, codes and regulation
- governs and oversees group activities relating to fair treatment of customers, conduct, ethical standards and stakeholder engagement
- ensures material stakeholder issues receive attention from board and management

Committee composition

- chaired by an independent non-executive director
- comprises six independent non-executive directors, one non-executive director, the group and SBSA chief executive officers
- management attendees include:
  - group chief risk and corporate affairs officer
  - CEO's of Africa Regions, BCC, CHNW, CIB and Liberty
  - chief operating officer
  - group executive, Liberty integration
  - group chief compliance officer
  - group chief people and culture officer
  - head of group corporate citizenship
- Kgomotso Moroka stepped down as committee chairman on 31 December 2022 and was succeeded by Geraldine Fraser-Moleketi. Kgomotso Moroka will remain a member of the GSEC until her planned retirement at the conclusion of the group's AGM in 2023.

During 2022, the committee held four meetings and one special meeting to discuss SBSA's employment equity plans.

In discharging its responsibilities, as set out in the committee's terms of reference, the following were some of the key focus areas for the year:

1

Stakeholder engagement

- considered quarterly stakeholder engagement reports and monitored the group's engagements with all key stakeholders
- considered regular updates from the group chief risk and corporate affairs officer on matters that could affect the group's reputation and noted stakeholder engagement plans to minimise any reputational damage
- considered customer experience, business and employee impact and overall reputational damage resulting from system outages. Noted interventions to mitigate against future reoccurrence and plans to demonstrate proactiveness
- reviewed the 2022 corporate and social responsibility (CSR) initiatives and 2021 spend for the group and noted efforts to optimise the group's CSR efforts by leveraging synergies that exist, given the integration of Liberty into the group.

2

Transformation

- reviewed the audited 2021 Standard Bank Financial Sector Code (FSC) Scorecard results and considered the bank's retained level 1 B-BBEE status. Noted the outperformance against projections for the 2021 financial year and the achievement of maximum points on all scorecard elements
- considered SBSA's enterprise and supplier development initiatives and 2022 focus areas, with particular focus on South African small businesses which experienced challenges further exacerbated by the effects of Covid-19
- considered SBSA's real impact and contribution to SA's economic transformation, with particular focus core areas of business which would have the greatest impact on society and the environment. Also considered key successes and lessons.
- considered quarterly gender dashboards as well as the gender pay gap
- reviewed management's 2021/22 employment equity plans against progress made against SBSA employment equity plans
- reviewed Procurement Spend on Supplier Development
- considered the annual update on BeWalletWise consumer education initiative, as well as the 2022 SBSA Financial Inclusion and Consumer Education plans and achievements.

3

Employee engagement

- reviewed the "Are You a Fan 2021 Deep Dive: Executive results and insights" and noted proposed actions and recommendations to enhance engagement levels of executive
- assessed the psychological wellbeing of employees through reports received from management on employee surveys conducted
- reviewed the group's compliance with occupational health and safety legislation, governance, and incident management
- reviewed the group's 2022 'Are you a Fan' survey results which measured employee eNPS to determine level of employee engagement.

4

Ethics and conduct

- as part of the annual assessment, considered the group's implementation of the Group Anti-Financial Crime framework to ensure adequacy and confirm reasonable procedures exist to identify and mitigate the risks of bribery, and tax evasion
- reviewed the quarterly conduct dashboards and conduct framework progress updates, to ensure consistent monitoring of the group's conduct
- the committee considered at length the matter related to the MyMo Accounts incident, noting the number of changes already implemented and under development to mitigate against the risk of reoccurrence. These included, scorecard recalibration, amendments to conduct dashboards, transaction monitoring work etc. Additionally, to ensure a healthy conduct culture, a conduct culture strengthening programme was developed
- approved the SBG Code of Ethics and Conduct, which was revised in line with the ethics framework and principles, to ensure alignment with legislative developments and best practice.

5

Environmental, social and governance (ESG)

- reviewed reports on progress with the implementation of the group climate policy and approved the next phase's targets and commitments for 2023
- reviewed the S&P Global Corporate Sustainability Assessment (CSA), SBG's rating and performance relative to the assessment and proposed recommendations, action plans and timeframes to further enhance SBG's rating
- approved the 2021 ESG related Annual Reporting suite, namely: the Report to Society (RTS); Environmental, Social and Governance (ESG) report; the Climate Related Financial Disclosures (TCFD) aligned report; and the Transformation report
- approved the 2022 materiality issues assessment which confirmed issues that are deemed most significant to the group and its stakeholders.

6

Subsidiary governance oversight

- considered key matters raised at subsidiary board committee meetings, notably for those entities that are designated members of Standard Bank Group financial conglomerate, including Liberty.

Group remuneration committee

Trix Kennealy
Committee chairman

For the year under review, the committee is satisfied that it has fulfilled its obligations in terms of its mandate.

KEY COMMITTEE ACTIVITIES

1. remuneration
2. incentive schemes, share-based payments and other benefits
3. subsidiary remuneration committees
4. governance

Read more on next page.

Membership	Attendance and eligibility	Date appointed to committee
Trix Kennealy (chairman)*	**4/4**	30 November 2016 (as member) 26 June 2020 (as chairman)
Ben Kruger*	**1/1**	18 August 2022
Jacko Maree*	**4/4**	30 November 2016
Nomgando Matyumza*	**4/4**	30 November 2016
Nonkululeko Nyembezi*	**1/1**	18 August 2022
Atedo Peterside CON*	**4/4**	30 November 2016

* Independent non-executive director.

Collective skills and experience

- banking
- financial and tax
- doing business in sub-Saharan Africa
- human capital
- remuneration
- risk management

Committee composition

- chaired by an independent non-executive director
- comprises six independent non-executive directors
- the group chief executive officer is a standing invitee to committee meetings unless otherwise deemed inappropriate.

Committee purpose

- assists the board in discharging its responsibilities to ensure fair and responsible remuneration by the group
- developing a remuneration philosophy and policy statement for disclosure to enable a reasonable assessment by stakeholders of reward practices and governance processes.

During 2022, the committee held four meetings.

In discharging its responsibilities set out in the committee's terms of reference, the following were key focus areas for the year under review:

1

Remuneration

- considered the financial performance of the group for the year presented by the group chief finance and value management officer, and the risk report from the group chief risk and corporate affairs officer as guidance on deliberations for the approval of incentive pools recommended by management
- discussed the group's assessment of remuneration equality on the basis of gender and race
- considered the group chief executive officer and members of the group leadership council's performance reviews as a function of setting their remuneration
- considered other senior executives' performance reviews and the implications on pay including the approval of the total remuneration of heads of business segments and corporate functions, including remuneration of executives in the top 100 category
- considered and approved the percentage increase of the guaranteed cost-to-company increase for managers and general staff
- considered and noted the arrangements in respect of international assignees including the reward review, discretionary incentive awards, incentive deferrals and share incentive awards
- considered and noted fees paid to non-executive directors of subsidiaries and ensured that the principles were aligned to the subsidiary governance framework.

2

Incentive schemes, share-based payments and other benefits

- considered the design, effectiveness and impact on the behaviour and alignment to risk management framework of the group's share incentive schemes. Reviewed and approved the:
    - performance reward plan (PRP) vesting metrics
    - deferral rates that would apply for the deferred incentive scheme for the year incentive awards for South Africa, Africa Regions and Standard Bank International
- considered the report of the group chief risk and corporate affairs officer on potential award forfeitures and clawbacks. No cases were noted that warranted forfeiture or clawback provisions being applied
- considered and noted awards withdrawn or lapsed including in instances where employees had left the group with unvested awards
- agreed the Standard Bank Group share-linked replacement awards for the Liberty share-linked awards that were forfeited as part of the Liberty transaction.

3

Subsidiary remuneration committees

- noted reports from subsidiaries' remuneration committees.

4

Governance

- considered committee chairman feedback from engagements with shareholders and investors in respect of the group's remuneration policy and implementation report
- considered and recommended for board approval the group remuneration report which sets out the group remuneration policy and the implementation report
- the outcome of the non-binding advisory vote at the annual general meeting in respect of the remuneration policy was above the requisite 75%, at 75.50% votes for and 24.50% votes against; and 75.91% votes for and 24.09% against in respect of the implementation report.

Group model approval committee

Jacko Maree
Committee chairman

For the year under review, the committee is satisfied that it has fulfilled its obligations in terms of its mandate.

KEY COMMITTEE ACTIVITIES

1. model risk oversight
2. model approvals
3. model governance

Read more on next page.

Membership	Attendance and eligibility	Date appointed to committee
Jacko Maree (chairman)*	3/3	30 November 2016 (as member) 1 March 2017 (as chairman)
Bill Blackie^	3/3	1 January 2022
Paul Cook*	3/3	10 March 2021
Arno Daehnke~	3/3	25 May 2016
Kenny Fihla^	3/3	23 June 2017
David Hodnett^	3/3	3 June 2019
Funeka Montjane^	1/3	10 March 2021
Sim Tshabalala~	3/3	29 May 2013

* Independent non-executive director.
~ Executive director.
^ Executive member.

Collective skills and experience

- banking
- regulatory risk
- credit risk
- model risk

Committee purpose

- assists the board in discharging its obligations for model risk as it pertains to the advanced internal rating-based approach for the measurement of the bank's exposure to credit risk as envisaged in the regulations of the Banks Act
- performs functions set out in regulations, including inspecting risk evaluation models for approval by the committee when necessary
- reviews model risk governance processes and monitors the group's model universe and model risk appetite.

Committee composition

- chaired by an independent non-executive director
- comprises:
  - two non-executive directors
  - group chief executive officer
  - group chief finance and value management officer
  - CEO, BCC
  - CEO, CHNW
  - CEO, CIB
  - group chief risk and corporate affairs officer
- the following are standing attendees at committee meetings:
  - CEO, SBSA
  - CROs of BCC, CHNW and CIB
  - group head model validation and heads of model validation for BCC, CHNW and CIB.

During 2022, the committee held three meetings.

In discharging its responsibilities set out in the committee's terms of reference, the following were key focus areas for the year under review:

1

Model risk oversight

- periodically reviewed the model risk report which detailed models that were classified as material and less material in accordance with the group's model risk governance framework, as well as management action plans to enhance the effectiveness and efficiency of models and their performance relative to model risk appetite
- periodically reviewed reports submitted by business which outlined model development activities, including new and emerging trends in model risk management, including data science focus areas; extracting value from alternate data sources; and designing and building capabilities for the future, including the use of machine learning techniques
- monitored the activities of CIB, BCC/CHNW and client solutions, and the group risk and TCM model approval committees
- reviewed and approved the mandates of these three subcommittees during the mandate review cycle
- reviewed reports on key interactions with regulators and considered the potential impact of regulatory reforms on model development activities
- reviewed disclosures related to model risk in the group's external reports and ICAAP submissions.

2

Model approvals

- reviewed and approved new risk models and the ongoing use of existing risk models that were classified as material in accordance with the group's model risk governance framework
- considered detailed model development reports and the outcome of validation reviews across key model performance criteria. Where relevant, validation findings, recommendations and action plans to address these, were considered as part of the review and approval of all material risk models.

3

Model governance

- reviewed progress made against self-assessment gaps, and confirmed compliance with the requirements of the group's model risk governance framework, which sets out the minimum requirements for model risk governance as well as the identification, measurement, management and reporting of model risk, in accordance with the periodic review cycle
- reviewed updates from management on the enhancement of the model risk framework to enable a risk-based approach to model risk management and risk appetite setting
- reviewed the results of the self-assessment of compliance with the South African Reserve Bank's Advanced Internal Rating Based banking regulations and confirmed that no significant areas of non-compliance were identified
- reviewed Internal Audit's independent assurance reports on internal controls for the development, validation, governance and performance of risk models.

Group large exposure credit committee

Ben Kruger
Committee chairman

KEY COMMITTEE ACTIVITIES

For the year under review, the committee is satisfied that it has fulfilled its obligations in terms of its mandate.

Review and approval of large exposures

During 2022, seven committee meetings were held and one round robin was circulated to review and approve loans, advances or credit in accordance with the committee's mandate and as aligned to regulatory requirements in respect of large exposures.

Membership	Attendance and eligibility	Date appointed to committee
Ben Kruger (chairman)*	4/4	18 August 2022 (as member) 1 January 2023 (as chairman)
Lwazi Bam*	–	8 March 2023
Carel Buitendag^	8/8	1 July 2021
Arno Daehnke~	8/8	1 July 2021
Kenny Fihla^	7/8	1 July 2021
David Hodnett^	8/8	1 July 2021
Jacko Maree*	8/8	1 July 2021
Luvuyo Masinda^	7/8	1 July 2021
Nonkululeko Nyembezi*	7/8	1 September 2021
Sim Tshabalala~	8/8	1 July 2021

* Independent non-executive director ~ Executive director
^ Executive member.

Committee purpose

- The group large exposure credit committee was established for the approval of large exposures in accordance with regulatory requirements. In this regard, the committee:
  - oversees compliance with relevant regulatory requirements in respect of large exposures to the extent and on the basis as set out in its mandate
  - reviews and approves any investments with, or loans, advances or other credit to any person where the aggregate amount exceeds 10% of the group's capital and reserves, as prescribed.

Collective skills and experience

- banking and financial services
- capital and risk management
- governance and regulation

Committee composition

- chaired by an independent non-executive director
- comprises:
  - four independent non-executive directors
  - group chief executive officer
  - group chief finance and value management officer
  - group chief risk and corporate affairs officer
  - CEO, CIB
  - CRO, CIB
  - head of credit and equity risk, CIB.

Committee operation and attendance

Committee meetings are scheduled as and when required, to review and approve applications in accordance with the committee's mandate. Given the ad hoc timing of applications, members were not always available to attend the meetings. In compliance with the committee mandate, where members who were required for quorum purposes were unable to attend a meeting, they have confirmed their review and approval of a large exposure application by signing a resolution to this effect.

PRINCIPLE 9

Evaluation and performance of the board

The board ensures that the evaluation of its own performance, and that of its committees, its chair and its individual members supports continued improvement in its performance and effectiveness

Assessing the board's effectiveness

The board assesses its performance and that of its committees in a number of ways:

Mandate self-reviews	A detailed assessment of the board and board sub-committees' compliance with the provisions of their respective mandates is done annually. The group's external auditors conduct a limited assurance assessment on the review and express an opinion in this regard.
Effectiveness evaluation	The chairman, the board and its committees undergo an effectiveness evaluation annually in terms of the Section 64B 2(b)(iv) of the Banks Act. The board alternates every other year between an externally facilitated independent evaluation, and an internal evaluation facilitated by the group secretary. Directors also participate in peer reviews.
One-on-one discussions	Evaluation of individual director performance is carried out by the chairman in one-on-one discussions with individual directors.

The annual board evaluation process provides an opportunity to identify greater efficiencies, maximise strengths and highlight areas of further development to enable the board to continually improve its performance and that of the group.

The 2022 board evaluation review was externally facilitated, and conducted by Korn Ferry in conjunction with the group secretary, with oversight by the DAC. Taking into consideration the ongoing progress from 2020, the board resolved to reappoint Korn Ferry to conduct the 2022 board evaluation to allow for continuity on the current review process and to ensure that the previous submission is properly closed out, prior to engaging a different service provider in 2024 when the next externally facilitated evaluation is carried out.

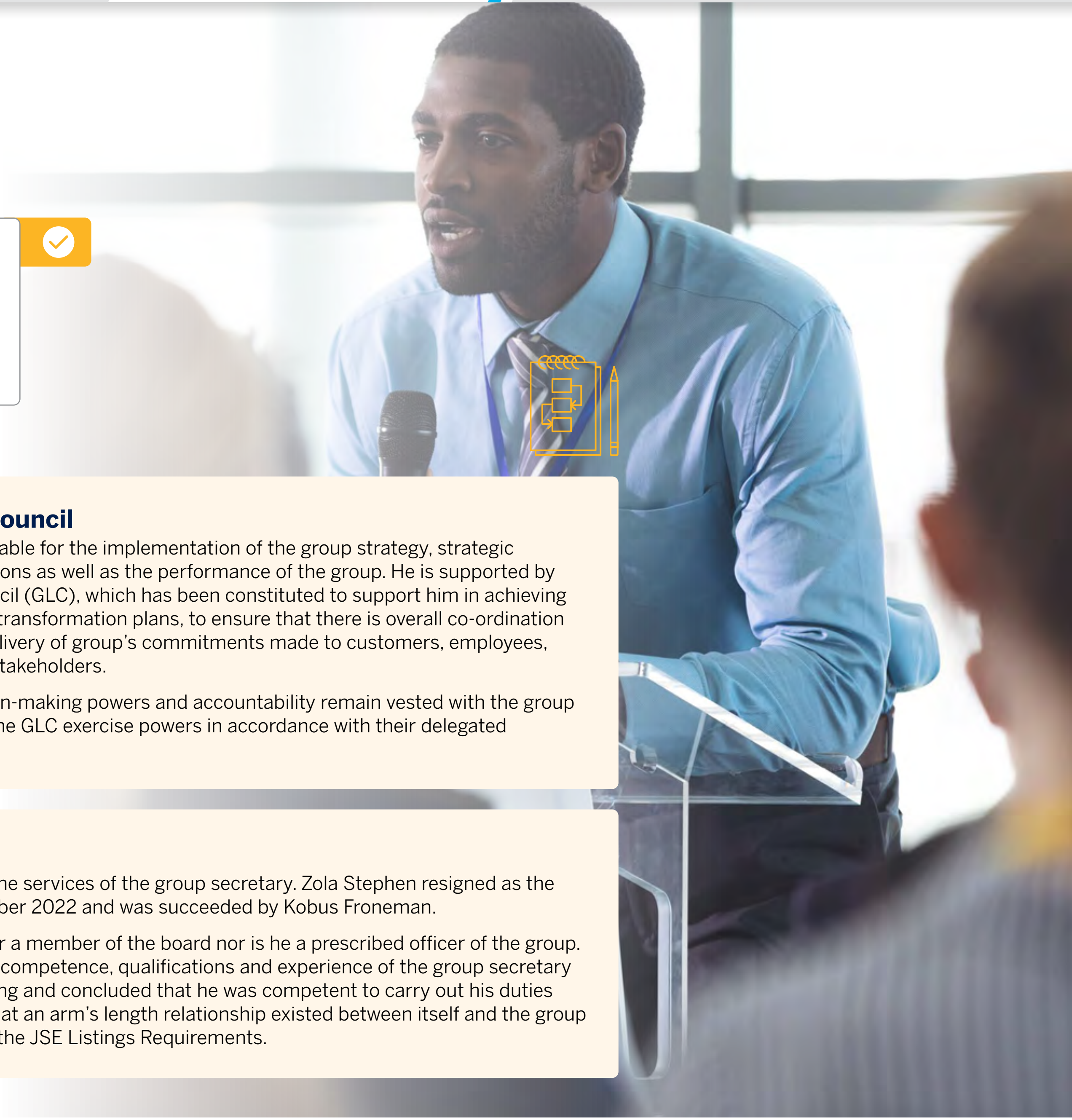
The evaluation took the form of a series of questions with opportunity to provide free text comments or observations throughout the questionnaire. While the evaluation allowed for the board to review its effectiveness in 2022, it also focused on the effectiveness of the board's oversight of new and emerging themes and the group's strategic priorities.

Key areas in the 2022 review included:

- Board and committee processes
- Board composition
- Culture and dynamics
- Partnership with management
- Leadership
- Individual director contribution
- Strategic alignment and the board mandate
- Strategic value-add.

KEY FINDINGS

1. The board is well-established and a high-performing board which continued on its 'good to great' journey.
2. Overall, the board has shown resilience, through facing and confronting complex issues. The board sub-committees are an effective element of the overall oversight and governance framework.
3. The board has been deliberate in addressing areas of improvement identified in the previous review and has made great strides in terms of aligning with the business strategy to be future-ready by driving the platform business approach.
4. There is a solid relationship of mutual respect and trust between non-executive and executive directors that enable robust interactions. The executive management team is appropriately empowered to execute the strategy, with the board playing an oversight role.
5. The chairman has extensive experience and her style has brought a fresh dynamic into the boardroom.
6. The board is operating as a strategic asset to the organisation.



PRINCIPLE 10

Appointment and delegation to management

The board ensures the appointment of, and delegation to management contributes to role clarity and the effective exercise of authority and responsibilities.

The board is responsible for appointing the group CEO and is kept abreast of executive management succession plans. It has delegated the management of the day-to-day business and affairs of the group to the group CEO, with full power on behalf of and in the name of the group. The group CEO's role is set out in writing and evaluation against his performance is carried out by the board, led by the chairman.

Group leadership council

The group CEO is accountable for the implementation of the group strategy, strategic priorities and 2025 Ambitions as well as the performance of the group. He is supported by the group leadership council (GLC), which has been constituted to support him in achieving the group's 'future-ready' transformation plans, to ensure that there is overall co-ordination across the group in the delivery of group's commitments made to customers, employees, regulators and other key stakeholders.

Ultimate executive decision-making powers and accountability remain vested with the group CEO and all members of the GLC exercise powers in accordance with their delegated authority.

The group also has in place a delegation of authority framework, which is reviewed annually in consultation with the group finance function to ensure that the financial limits remain appropriate. The group secretary monitors effective implementation of the authority delegated to the group CEO.

Group secretary

Directors have access to the services of the group secretary. Zola Stephen resigned as the group secretary in November 2022 and was succeeded by Kobus Froneman.

Kobus Froneman is neither a member of the board nor is he a prescribed officer of the group. The board considered the competence, qualifications and experience of the group secretary at its 8 March 2023 meeting and concluded that he was competent to carry out his duties and that it was satisfied that an arm's length relationship existed between itself and the group secretary as envisaged in the JSE Listings Requirements.

Group leadership council

1 2 3
INTERACTIVE CONTENT

Leading by example

The group chief executive officer, supported by the members of the group leadership council, is accountable for the implementation of strategy and the performance of the group. The skills and experience of committee members underpins the group's ability to deliver its strategy.

Sim Tshabalala

Group chief executive officer, SBG and executive director, SBG and SBSA

QUALIFICATIONS:
BA, LLB (Rhodes), LLM (University of Notre Dame, USA), HDip Tax (Wits), AMP (Harvard)

Arno Daehnke

Chief finance & value management officer, SBG and executive director, SBG and SBSA

QUALIFICATIONS:
BSc, MSc (UCT), PhD (Vienna University of Technology), MBA (Milpark), AMP (Wharton)

Bill Blackie

Chief executive officer, business & commercial clients

QUALIFICATIONS:
BCom (Rhodes), LLB (Rhodes), MBA (UCT), AMP (INSEAD)

Kenny Fihla

Chief executive officer, corporate & investment banking

QUALIFICATIONS:
MSc (University of London), MBA (Wits)

Lungisa Fuzile

Chief executive officer, SBSA

QUALIFICATIONS:
MCom (UKZN), AMP (Harvard)

Key:
Wits: University of the Witwatersrand | **UCT:** University of Cape Town | **UNISA:** University of South Africa; |
UKZN: University of KwaZulu Natal | Rhodes: Rhodes University | **UFS:** University of the Free State |
UJ: University of Johannesburg | **CEIBS:** China Europe International Business School

1 2 3
INTERACTIVE CONTENT

David Hodnett

Chief risk and corporate affairs officer

QUALIFICATIONS:
BCom (Wits), BAcc (Wits), CA(SA), MBA (Manchester Business School/University of Wales), Advanced Diploma in Banking (UJ)

Adam Ikdal

Chief strategy officer

QUALIFICATIONS:
Bachelor in Business and Administration (University of Stavanger), MSc (Strategy and Finance) (Norwegian School of Economics)

Yuresh Maharaj

Chief executive officer, Liberty

QUALIFICATIONS:
BCom (Hons) (UKZN), BCom Accounting (UKZN), CA(SA)

Funeka Montjane

Chief executive officer, consumer & high net worth clients

QUALIFICATIONS:
BCom (Hons) (Wits), MCom (UJ), CA(SA)

Key:
Wits: University of the Witwatersrand | **UCT:** University of Cape Town | **UNISA:** University of South Africa; | **UKZN:** University of KwaZulu Natal | Rhodes: Rhodes University | **UFS:** University of the Free State | **UJ:** University of Johannesburg | **CEIBS:** China Europe International Business School

1 2 3

INTERACTIVE CONTENT

David Munro

Group executive

QUALIFICATIONS:

BCom, PGDip Accounting (UCT), CA(SA), AMP (Harvard)

Margaret Nienaber

Chief operating officer

QUALIFICATIONS:

BCompt (Hons) (UFS), CA(SA)

Yinka Sanni

Chief executive officer, Africa Regions

QUALIFICATIONS:

BAgric. (Hons) (Agricultural Economics) (University of Nigeria, Nsukka), MBA (Obafemi Awolowo University, Ile-Ife Nigeria), AMP (Harvard), Global CEO Programme (CEIBS, Wharton and IESE)

Sharon Taylor

Chief people and culture officer

QUALIFICATIONS:

BCom (UKZN), BCom (Hons) (UNISA)

Key:

Wits: University of the Witwatersrand | **UCT:** University of Cape Town | **UNISA:** University of South Africa; | **UKZN:** University of KwaZulu Natal | Rhodes: Rhodes University | **UFS:** University of the Free State | **UJ:** University of Johannesburg | **CEIBS:** China Europe International Business School

Governance of functional areas

PRINCIPLE 11

Risk governance

The board governs risk in a way that supports the group in setting and achieving its strategic objectives.

On behalf of the board, GRCMC ensures oversight over the governance of risk and capital management by setting the direction for how the group's risk and capital management should be approached and addressed. It regularly reviews and assesses the adequacy and effectiveness of the enterprise-wide risk management framework by ensuring that risk and capital management standards and policies are in place which support the group strategy, are fit for purpose and are effective operationally. It evaluates and agrees the nature and extent of opportunities and associated risks that the group is willing to take in pursuit of its strategic objectives and supports a climate of discipline and control.

Read more about the activities of the GRCMC on page 39 and 40.

RCM Read more in the risk and capital management report.

PRINCIPLE 12

Information and technology governance

The board governs technology and information in a way that supports the group setting and achieving its strategic objectives

The board understands that information and technology are an integral component of the group's strategy and to achieving its 'future ready' plans to becoming a platform-based business.

The GITC assists with the oversight of the strategic direction and transformation of the group's information security, technology, data and analytics capabilities.

It ensures that prudent and reasonable steps are taken to govern technology and information in line with King IV.

Technology and information risks are integrated in the group's risk management framework and are considered by GRCMC as part of its oversight of non-financial risk. The GAC monitors the implementation of the remedial actions listed in the internal audit reports.

Refer to GITC activities on page 42.

PRINCIPLE 13

Compliance governance

The board governs compliance with applicable laws, and adopted non-binding rules, codes and standards in a way that supports the group being ethical and a good corporate citizen.

Doing the right business, the right way and complying with all applicable legislation, regulations, standards and codes is integral to the group's culture and imperative to achieving its strategy and ensuring its legacy. Oversight over compliance management is delegated to GAC which reviews and approves the mandate of the group chief compliance officer who, on a quarterly basis, reports on the status of compliance risk management across the group, significant areas of non-compliance, as well as interaction with regulators.

Refer to principle 3 on the group's governance of ethics and considerations on being a responsible corporate citizen.

Refer to GAC activities on pages 36 and 37.

PRINCIPLE 14

Remuneration governance

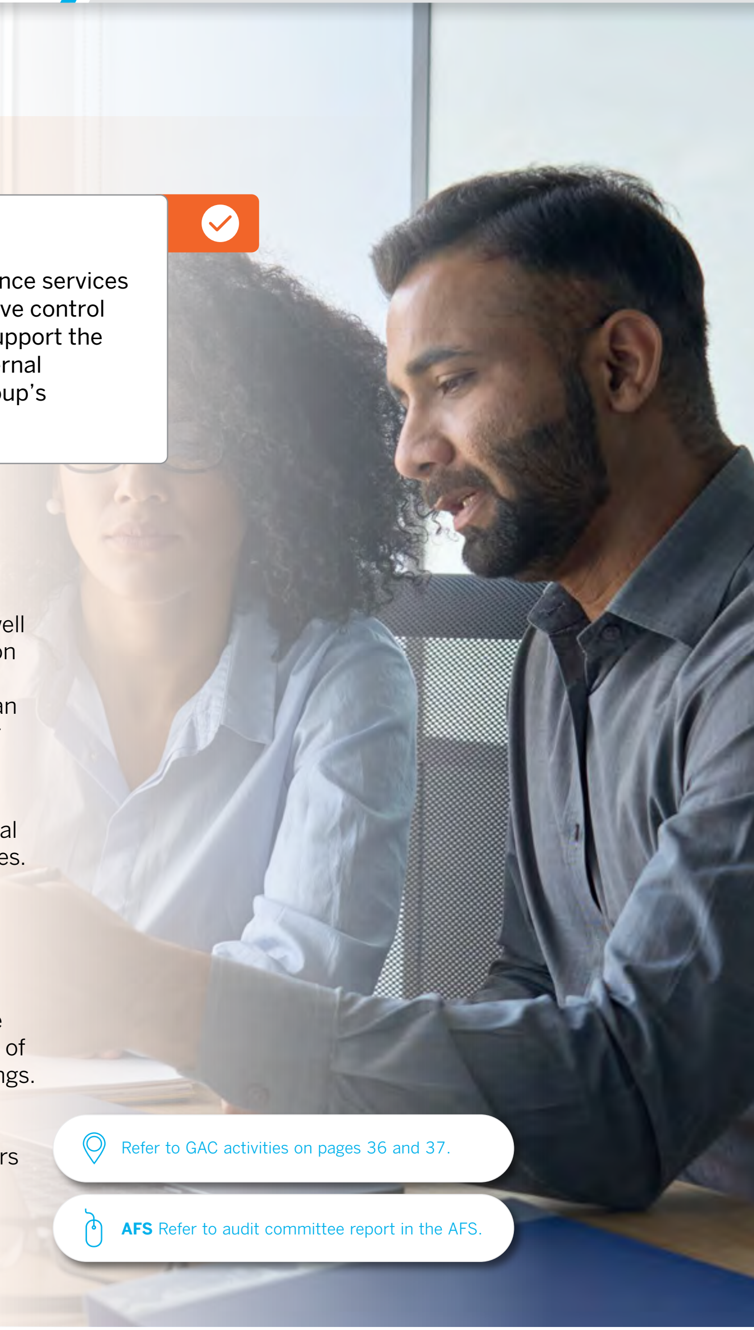
The board ensures that the group remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

Through Remco, the board ensures that the group adopts remuneration policies and practices that are aligned with the group strategy, promote sound risk management in line with group's values and code of ethics and conduct whilst creating value for the group over the long term. It reviews the remuneration policies regularly to ensure that the design and management of remuneration practices motivate sustained high performance, promote appropriate risk-taking behaviour and are linked to individual and corporate performance. It also ensures transparency and disclosure to enable a reasonable assessment by stakeholders of reward practices and governance processes within the group.

In line with the requirements of King IV and the JSE Listings Requirements, annually the group's remuneration policy and the remuneration implementation reports are tabled to shareholders for a non-binding advisory vote at the group's AGM.

For more details on the remuneration practices including remuneration policy and the implementation report, refer to the group remuneration report.

For detailed account on Remco's activities throughout the period, refer to page 47.



PRINCIPLE 15

Assurance

The board ensures that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the group's external reports.

The GAC ensures that the group applies a combined assurance model and ensures a coordinated approach to all assurance activities. It reviews the plans and work outputs of external and internal audit, as well as reports on compliance, and concludes on their adequacy to address all significant financial risks facing the business which can impair the integrity of information used for decision making and external reporting.

GAC is responsible for overseeing the adequacy of the performance of the internal audit function and adequacy of its resources. It reviews and approves the internal audit charter and audit plan, and evaluates the independence, effectiveness and performance of the internal audit function and its compliance with its charter. It also reviews significant issues raised during the internal audit processes and the adequacy of corrective action in response to such findings. In respect of the external auditors and external audit, GAC recommends the appointment of auditors to the shareholders and oversees the external audit process.

Refer to GAC activities on pages 36 and 37.

AFS Refer to audit committee report in the AFS.

Stakeholder relationships

PRINCIPLE 16

Stakeholders

In the execution of its governance role and responsibilities, the board adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the group over time.

The GSEC oversees the group's approach to stakeholder engagement on the group's legitimacy and social relevance. The group's stakeholder engagement activities are governed by the stakeholder engagement policy and stakeholder engagement principles that set out the formal processes and areas of responsibility.

Through our stakeholder engagement processes, the group is committed to understanding and being responsive to the interests and expectations of stakeholders and to partnering with them to find solutions to sustainability challenges. The group's stakeholder engagement report is tabled quarterly and considered by GSEC and the board at their meetings.

RTS Refer to RTS on our group's impact on the societies, economies and environment in which we operate.

Annual general meeting (AGM)

An important part of our approach to governing our stakeholder relationships is to ensure our shareholders' views are heard and fully considered. Our AGM provides an opportunity for the board to interact with and be accountable to shareholders. Notices of the meetings are emailed to shareholders within the timeframes established by law and are also available on the group's investor relations website. The notice includes the resolutions to be considered at the meeting, details of the percentage needed to support each resolution and how shareholders can access the AGM.

The board, including the group CEO and group chief finance and value management officer (financial director) and other key members of management, are present at the meetings to answer any questions from shareholders. Minutes of the meetings are available to shareholders on request from the group secretary's office. The voting outcome of resolutions is published through the stock exchange news service (SENS) of the JSE and posted on the group's website within 48 hours of conclusion of the meeting.

The group hosted its second virtual AGM in 2022. The board ensured that shareholders were given the opportunity to submit questions ahead of the AGM or in real time on the AGM platform, with all questions being carefully considered and answered individually by the board chairman, the group CEO and other members of the executive. In addition, extensive shareholder engagements took place with the chairman of the board, the chairman of Remco and other members of management remotely in the lead-up to the AGM in the context of seeking shareholders' views on and support for the proposed resolutions

ESG For more on engagements with shareholders, refer to the ESG report and the remuneration report on engagements relating to remuneration policy.

Shareholders’ rights

We are committed to ensuring that all holders of the same class of shares issued by the company are treated equitably. The MOI does not make any provisions for defensive mechanisms and conforms to the principle of one share, one vote and one dividend. Our MOI provides for three classes of shares, namely one class of ordinary shares and two classes of preference shares. Shares in each class have the same rights. In any class of shares, there are no non-voting or multiple voting shares, neither are there shares that limit the number of votes that can be cast by a single shareholder, other than those instances established by law. Preference shareholders are entitled to receive dividends prior to ordinary shareholders and may only vote at a general meeting if their dividend payments are in arrears for more than six months and/or vote on a resolution that affects the rights attached to the preference shares, which may cause the reduction of the company’s share capital or the winding up of the company.

Governing of group subsidiaries

Group subsidiaries have adopted the group’s subsidiary governance framework. The framework considers the requirements of the King Code, the Basel Corporate Governance Principles for Banks and developments in corporate governance directives in various jurisdictions in which we operate.

It is a living document and does not replace in-country local legislation but establishes a common standard of corporate governance across group subsidiaries. Through the alignment of governance practices and processes, the framework ensures discipline in the execution of the group’s strategy, oversight and transparency. In adopting the framework, the board ensures that there are adequate governance structures and processes in place to contribute to the effective supervision of subsidiary companies, taking into consideration the nature, size, and complexity of the different risks facing the group and its subsidiary companies. The board through the group governance office monitors on an ongoing basis, the implementation of this framework. The board has oversight over the conduct of subsidiaries through the GSEC and in-country subsidiary performance deep drills are held regularly by the group board and presented by the country chief executives.

Financial Conglomerate oversight – Liberty integration

The Prudential Standards for Financial Conglomerates, as published by the SARB Prudential Authority (PA) under relevant sections of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) came into effect on 1 January 2022. The board considered the group’s application of the responsibilities as outlined in various sections of the Standards, particularly insofar as the board of the holding company is concerned. The holding company is substantially compliant with the requirements of the Standards and where necessary, will continue to enhance its oversight over its significant subsidiaries.

To meet the requirements of embedding a corporate governance framework and the adoption of policies, processes and controls to address risks across the business and legal entity structures, Liberty will adopt the group’s subsidiary governance framework during 2023.

The implementation of a reporting matrix for the flow of information is a well-considered part of the Liberty integration and takes into consideration the oversight duties and responsibilities of the Liberty board and its board committees.

Remuneration report

AFRICA IS OUR HOME,
WE DRIVE HER GROWTH

Lake Empakaai – **Tanzania**

Background statement from the remuneration committee chair

> "The group's progress towards the ambitious target-bound commitments made to shareholders, and its exceptional performance this year – its 160th in operation – has again shown our leadership team's ability to respond to the challenges and opportunities of a complex and evolving environment. Remco, in turn, continually assesses its approach and evolves its policies to maintain the balance between the interests of shareholders and those of our executives and employees."
>
> **Trix Kennealy** Chair of the remuneration committee

Introduction

The group's ultimate aim is to drive sustainable growth and value, which brackets our targeted financial outcome and our social, economic and environmental (SEE) impact across Africa. Remco supports this shared value goal by aligning the interests of our shareholders and the expectations of our stakeholders with the energy and acumen of our leadership team and employees.

We believe our remuneration policy is sufficiently nuanced to reward executives appropriately for the execution of the group's strategy. This requires the transformation of the client experience, operating with excellence, and delivering sustainable growth and value to all our stakeholders.

Remco commends the progress the leadership team has made in delivering a holistic strategy that addresses the challenges and opportunities of operating in Africa. Directly aligned to the strategy, the remuneration scorecards we apply incentivise both short-term performance and the long-term relevance of the group in the highly contested financial services market.

The group has maintained its strong recovery from the losses endured due to the pandemic, culminating in the excellent performance achieved in 2022. Remco has ensured that employees and executives have been fairly rewarded for this achievement, aligned to the returns generated for shareholders.

Remco tracks key metrics to assess progress towards the group's medium-term strategic priorities (to 2025), which have been communicated to investors.

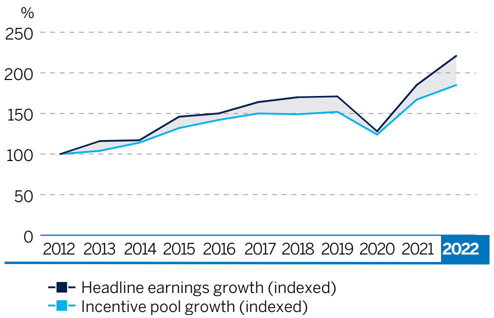
Click here for more information.

We consider the robustness of the financial performance, after allowing for the effect of any market-related tailwinds, together with the group's sustainable operational health over the long term.

We share our leadership team's confidence that the group is on track to meet our 2025 commitments.

The balance we seek between the interests of our employees and our shareholders is reflected in the graph below that shows the relative growth in headline earnings and incentive pools. The shaded area shows the cumulative impact of setting pools with a weighting towards shareholders' interests over this period.

Headline earnings vs incentive pool growth



Engaging our shareholders

At our 2022 annual general meeting (AGM), shareholders supported the non-binding advisory resolutions on our remuneration policy (75.5% support) and our implementation report (75.9% support).

Aside from the advisory vote, I always find it enlightening to engage directly with shareholders to learn from their experience and have the opportunity to answer any specific concerns they may have. These discussions often go beyond remuneration, allowing the board to garner shareholder insight on other matters related to sustainable operational health.

In response to shareholder feedback received a year ago, we increased the weighting on financial measures in the Performance Reward Plan (PRP), from 60% to 70%, provided more detail on the non-financial measures that Remco applies, and introduced caps on short-term incentives (STIs) for executive directors and prescribed officers.

These changes are testament to the benefit that Remco gains from these shareholder engagements.

Balancing financial and non-financial measures

This year, Remco added a new financial measure to the PRP scorecard for March 2023 awards, in response to comments from shareholders related to limiting the assessment of financial performance to a single metric. Remco has added headline earnings growth to the PRP scorecard which, together with return on equity (ROE), more closely aligns executive remuneration with returns generated for shareholders.

Similarly for the group's short-term incentives, Remco determines individual executive awards and incentive pools by assessing the group's key financial measures of headline earnings growth and ROE modified by an assessment of the group's non-financial strategic value drivers.

However, incentives cannot only be linked to shareholder interest. Stakeholder capitalism holds executives accountable for building a sustainable organisation that offers societal and environmental benefits for this generation and those of the future.

Remco believes that non-financial measures are fundamental to ensuring that executives are judged on the success of the group's strategy. As you will see from our scorecards, qualitative outcomes are linked to 'hard' metrics, with clear targets. Remco then uses its discretion and fair judgement to make sense of what executives did to meet the targets. Maintaining a balance between financial and non-financial measures is good for our shareholders, as it provides alignment with the group's strategy.

On this note, we are particularly pleased that our client indicators have improved this year and employee satisfaction levels remained at high levels relative to market benchmarks. Clients and employees are vital to sustainable value creation, specifically as this relates to human capital, intellectual capital, and social and relationship capital. Given that true competitive differentiation in the financial services market is found not only in digital solutions, but more so in the 'human touch', these indicators are particularly important.

Evolution of policy

An ideal remuneration policy should continually adapt. In addition to the change to the PRP financial measures, Remco amended its policy on mandatory deferral applied to short-term incentive awards, as the thresholds used to calculate deferral levels had been static for some time. Given the impact of inflation, we were deferring a larger portion of STI awards particularly for junior levels of management.

Remco brought this back into balance by amending our policy to increase mandatory deferral thresholds. However, we retained our approach to mandatory deferrals for executive directors and prescribed officers, which is to defer at least 55% of STI awards for up to three and a half years. Remco believes this policy change allows the group to maintain competitiveness at junior management levels, while maintaining the right balance for executive directors and prescribed officers.

PRP vesting

You will see that Remco determined that the conditions for vesting of the 2020 PRP awards had been met and the PRP will therefore vest this year for the first time in three years.

Remco made this determination based on our assessment of financial and non-financial performance in relation to the group's board-approved measures and targets for 2025. This entailed an evaluation of the recovery against the original performance metrics (headline earnings per share and ROE) and an assessment of how the group performed relative to the market.

Further details on Remco's assessment can be found on page 85.

We are satisfied that this level of vesting (at 62.5% of the maximum) fairly balances executive reward and outcomes for shareholders.

Pleasing performance in fragmented times

The fragmented world is becoming a reality. The US and China, although economically intertwined, are unlikely to resolve their differences, further pressuring supply chains in the post-Covid world. While there are fears that the world is deglobalising, this depiction needs nuancing. A recent McKinsey & Company report does so nicely: "The world remains deeply interconnected, and flows have proved remarkably resilient during the most recent turbulence. Furthermore, no region is self-sufficient. The challenge therefore is to harness the benefits of interconnection while managing the risks and downsides of dependency…"[1]

Remco believes that the group's coherent strategy to build a platform organisation that drives Africa's growth addresses the challenges and opportunities of our times; to which the group's performance attests.

While our Africa Regions franchise is yet to reach its full revenue potential, Africa Regions and the group as a whole performed well in the year. Group headline earnings rose 37%, to R34.2 billion, ROE improved from 13.5% to 16.4%, and the cost-to-income ratio reduced from 57.8% to 54.9%. In short, leadership is well on track to deliver our targets for 2025.

Our measures show that our clients are more satisfied with our service and our workforce is engaged and supportive of our strategy, deepening the reputational value of the group across most independent measures of brand value. Our measures to track the engagement of our people also remain favourably above industry benchmark, while the measures related to operational excellence and risk and conduct are also trending better. In terms of ESG and sustainability, which are increasingly important investor concerns, the group continues to contribute significantly to Africa's development through seven high impact SEE focus areas.

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1 (Seong, et al., 2022)

Here you will find an outline of the group's performance against the metrics that inform the executive scorecards.

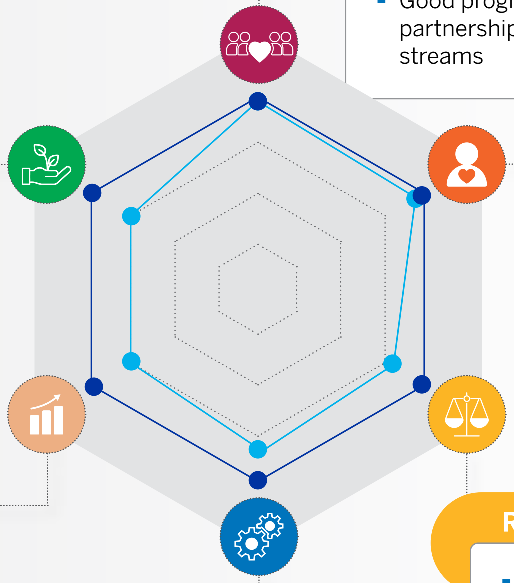
Comprehensive detail is presented in the implementation section from page 82.

Future focus for Remco

The group's recovery over the last two years is not a trend we take for granted. Remco is dedicated to building resilience and proactivity and working to ensure endeavour is aligned with outcome. We will continue to refine our executive scorecards such that operational performance, excluding any windfall gains, are always the final determinant in awarding executives fairly.

Ultimately, we are responsible for creating the incentives for a workforce of the future, with the mobility and flexibility which that entails. We will continue to adapt our reward approach to attract and retain the people we need to achieve our ambitions.

We will consider rewards in a holistic way, including succession planning, opportunities, work-life balance, and alignment to organisational purpose. Remco will play its part in driving innovation within the group, by adapting its incentives to promote the right behaviours to deliver the strategy, and the shared value it promises to our stakeholders as we approach our 2025 strategic horizon.



● Score
● Target

SEE impact

- Good progress has been made on climate change, sustainability financing and the development of appropriate policies
- Committed to net zero emissions by 2050
- Affordable housing registration growth of 63%
- Achieved positive outcomes in our SEE impact areas

Financial outcome

- ROE (16.4%) on track to achieve target and 120 basis points (bps) above the group cost of equity
- Record headline earnings with year-on-year growth of 37%

Operational excellence

- Priority 1 incidents impacted negatively but improvements shown in second half of the year
- Good progress in migrating to the cloud and simplification of our IT landscape
- Application programming interface marketplace launch
- System stability good relative to South African peer banks
- Good progress on physical footprint rationalisation

Client focus

- Consumer & High Net Worth (CHNW) client experience score in South Africa declined slightly while improving in Africa Regions. Business & Commercial Clients (BCC) scores declined while Corporate & Investment Banking (CIB) client satisfaction score remained stable
- Positive growth rates on active number of clients in CHNW and BCC
- Improved score and ranking on external surveys
- Good progress made on strategic distribution partnerships and Beyond non-financial revenue streams

Employee engagement

- Maintained positive employee net promoter score (eNPS), although down on prior year
- Regrettable turnover rate below target of 5%
- Good progress made in transformation and diversity
- Increased investment in future skills learning

Risk and conduct

- We received regulatory fines in a number of our Africa Regions entities, but operational losses remained below our risk appetite limit and we maintained a group-wide focus on compliance with changing laws and regulations
- We maintained the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) in excess of minimum regulatory requirements throughout 2022

Remuneration policy

Introduction

People are at the heart of our business. To satisfy our clients, meet their needs and accelerate our strategy to achieve higher growth and efficiency, our people must be highly skilled, experienced and engaged. Our responsibility to them is to ensure that they have the resources and advanced capabilities needed to support our ambitions and are recognised and rewarded for their performance and the value they create for our stakeholders.

The remuneration policy sets out our methodology, agreed by Remco, to remunerate our employees and to ensure that value is appropriately shared among our shareholders, senior executives and employees.

Key objectives guiding our remuneration policy

1. Measure and reward for value created for all stakeholders over the short, medium and long term.
2. Be competitive in the global marketplace for skill.
3. Reward our people fairly while avoiding a bonus-centric culture that distorts motivations and may encourage excessive and irresponsible risk-taking.
4. Promote and reward teamwork.

AIR Read more on employee engagement in our annual integrated report.

Principles that underpin our remuneration policy

Fair, responsible and transparent pay decisions

- We endeavour to promote fair and responsible pay.
- We do not discriminate based on race, gender and sexual orientation.
- Pay practices are designed to focus on achieving agreed deliverables (quantitative and qualitative) and desired behaviours that enable transparency in differentiating individual reward.
- Individual appraisals assess performance at all levels in the business, enabling fair and competitive pay.
- We differentiate individual remuneration in a transparent way based on quantitative, qualitative and behavioural performance.
- Pay practices encourage a focus on achieving agreed deliverables and behaviours, rather than hours worked.
- We aim to continuously improve the transparency of our remuneration reporting.

Fair and responsible remuneration: page 80.
Remuneration governance: page 66.
Performance assessment: page 90.

Competitiveness

- All elements of pay are influenced by market and internal pay comparisons.
- We strive for competitiveness on total reward and on the appropriate mix between fixed and variable pay for all our people, depending on their roles.
- We reward experience, performance relative to others doing similar work and performance against the market.
- Fixed remuneration includes compulsory group and country specific benefits.
- Our remuneration framework is designed to attract, motivate and retain talented people and experience across the group.
- We reward sustainable, long-term business results.
- Individual rewards are determined according to group, business unit and individual performance.
- Ongoing oversight prevents irresponsible risk-taking, and we ensure that risk adjustment forms part of pay design.
- Our deferral policy affects annual incentives above certain levels with deferred amounts indexed to the group's share price.
- Discretionary performance-based awards ensure that senior executives are significantly invested in the group's share price and performance over time, aligning their interests with those of shareholders.
- Vesting of share-linked awards is subject to specific conditions including forfeiture (malus) of unvested awards and clawback on vested or paid awards.
- Non-financial criteria have been integrated in the performance agreements of all employees across the group.
- Pay designs comply with all tax and regulatory requirements across all geographic operations.

Reward structures: page 69.
Benchmarking: page 66.
Short-term incentives: page 71.
Long-term incentives: page 75.
Risk and remuneration: page 78.

Inclusive

- We engage with all relevant stakeholders, including our people, unions, regulators and shareholders, on our remuneration policy and structures. These engagements are valuable, helping us ensure that our remuneration is fair and responsible. We endeavour to respond to all material concerns.

Shareholder engagement: page 82.

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Remuneration governance

Regulatory disclosures

The board delegates all remuneration issues to Remco. Remco is responsible for ensuring that the remuneration process is fair, responsible and supports the delivery of the group's strategy.

The committee comprises six members, all of whom are independent non-executive directors including the chair, Trix Kennealy, who was appointed in June 2020. Individual memberships in other key oversight committees ensure that the committee collectively is able to monitor risk trends across the group.

The group CEO and other members of executive management attend by invitation. No individuals are present when their own remuneration is discussed.

GOV Read more about the collective skills and experience of the committee: page 46.

Performance evaluation

No gaps were highlighted in Remco's annual evaluation of its performance against its mandate.

Remco mandate

- Review and approve the remuneration policy and strategy in the group's long-term interests.
- Determine remuneration for key executives and propose remuneration for non-executive directors for shareholder approval.
- Review and approve all proposals for incentive scheme design and modifications.

Approve

- General principles relating to terms and conditions of employment contracts;
- Terms of employment contracts with the group's key employees;
- Criteria and applicable terms for participation in annual incentive awards; and
- Recommendations for awards in terms of approved LTI plans.

Review

- The group chairman's assessment of the group CEO's performance as a function of setting his remuneration;
- The group CEO's assessment of the performance of key executives;
- The guaranteed and variable remuneration for key executives;
- The group's incentive schemes to ensure continued alignment with shareholder interests and performance-linked reward over the long term; and
- The performance measures used to determine the annual incentive awards for all employees.

Monitor

- The adequacy of other benefits for key executives; and
- Compulsory employee benefits applicable at all levels and categories of employees across the group.

- Review and approve the general terms and mandates of subsidiary remuneration committees.
- Review and consider reports from subsidiary remuneration committees on changes in remuneration practices or philosophy to ensure alignment to the group's approach as far as provided.

Benchmarking and external advice

Every year, prior to considering the pay outcome of senior executives, Remco reviews:

- Executive director and prescribed officer pay extracted from the remuneration reports of South Africa's major banks (FirstRand, Nedbank, Absa and Capitec).
- Reward outcomes and trends for senior executives in international banks extracted from remuneration reports.
- A bespoke analysis of variable incentive pools of South African banks using published annual financial statements.
- Remchannel survey data.

Remco members can access any information that helps inform their independent judgement on senior executive remuneration and the potential impact on risk, regulation or behaviour. In addition, external legal and remuneration advice is obtained to assist Remco in its decisions.

In 2022, external advisors were used to benchmark remuneration and benefits across the group and to provide opinion on remuneration regulations and compliance.

Advisors included Old Mutual Remchannel, Bowman Gilfillan, Global Remuneration Solutions – Mercer, Employment Conditions Abroad, Aon McLagan and Willis Towers Watson. This process, together with supporting information from certain specialist business units in the group, informs Remco's proposals on the remuneration policy and implementation. The committee's proposals are approved by the board, and where necessary, the group's shareholders.

Regulatory disclosures

All regulatory disclosures in this report are made in terms of the Financial Stability Board Principles for Sound Compensation Practices as well as South Africa's Companies Act, 71 of 2008, as amended, the Listings Requirements of the JSE Limited, Banks Act, 94 of 1990 (Banks Act) and the Report on Corporate Governance (King IV).

Disclosure under King IV has been adopted.

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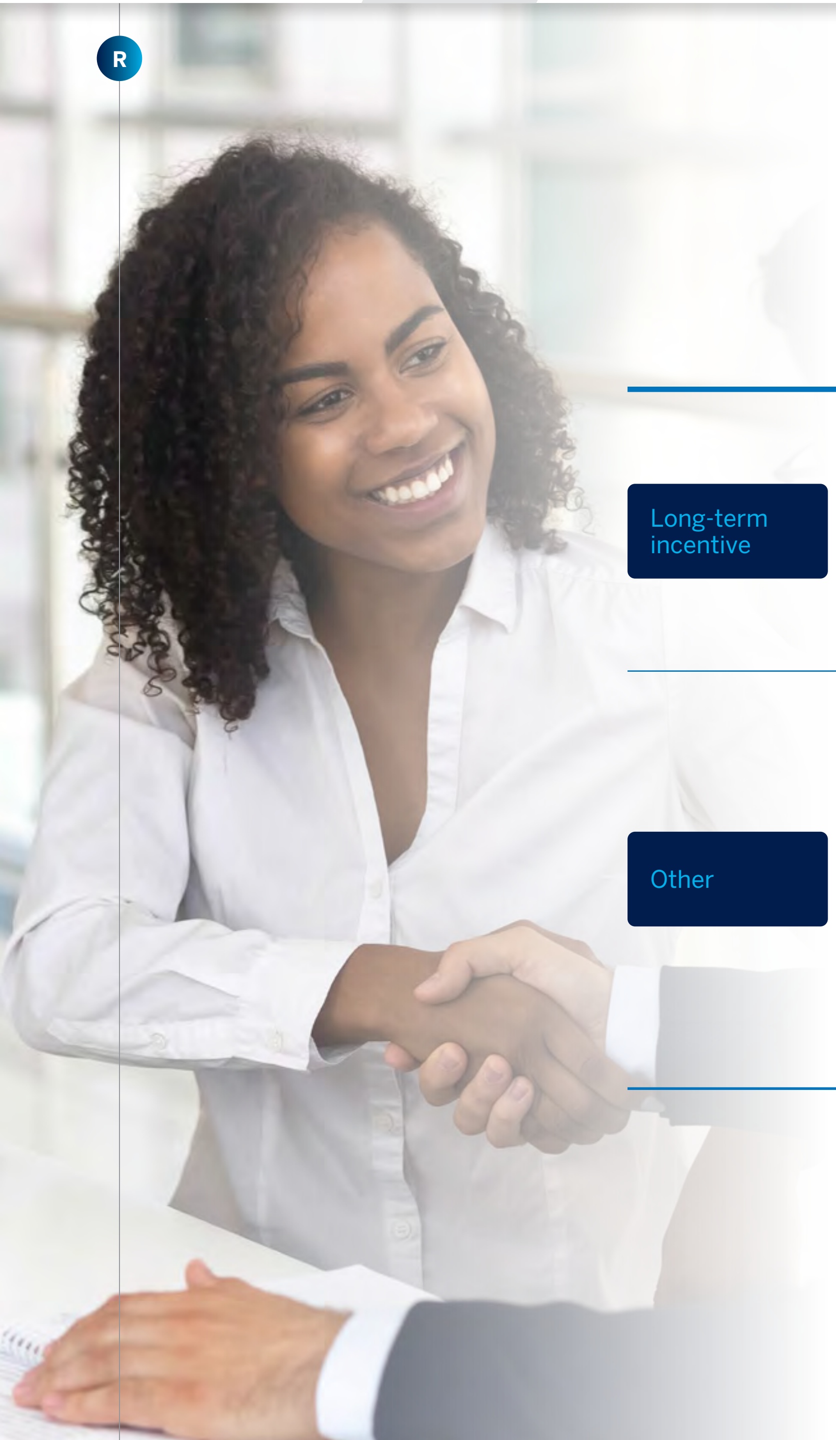
Pay practices

Our remuneration policy applies in all geographies of operation and covers the following five broad categories of employees:

- general employees
- managers
- executives
- senior executives (including group leadership council members)
- executive directors and prescribed officers.

	Remuneration policy	How this applies to executive directors and prescribed officers	More information
Performance assessment	We use a groupwide performance management system – Perform to Grow. Performance is assessed against pre-agreed individual goals aligned to business goals with qualitative and quantitative measures.	Qualitative and quantitative performance measures and objectives are set at the beginning of each year against the group's six strategic value drivers. Achievement against objectives is tracked throughout the year and evaluated at year end.	
Fixed remuneration	Business results determine the affordability of fixed remuneration increases. Increases are based on a combination of inflation, market comparisons, individual performance and experience.	Fixed remuneration is determined based on the size and complexity of the role, benchmarked to the local market, and impacted by function/ experience and individual performance.	Policy detail: page 70. Implementation: page 82. Executive directors and prescribed officers: page 90.
Short-term incentive	▪ These are annual discretionary awards of cash and share-linked awards. ▪ Banking activities results determine the size of STI pools. ▪ All permanent employees are eligible to be considered for a discretionary annual incentive award assessed against pre-agreed goals. ▪ Individual awards are based on a combination of group, business unit/support function, team and individual performance (using financial and non-financial metrics over a multi-year period) and include effective risk management and compliance criteria. ▪ Deferred awards are typically granted from mid-management level to senior management level and executives.	STIs are directly influenced by group and business unit performance (if applicable). With effect from the 2022 performance year, STIs are subject to caps, expressed as a percentage of cost to company (CTC) in March of the performance year.	Policy detail: page 71. Implementation: page 83. Executive directors and prescribed officers: page 90.



Remuneration policy		How this applies to executive directors and prescribed officers	More information
Long-term incentive	- These are forward-looking share-linked awards with a rolling three-year delivery if performance conditions are met. - Awards are limited to senior executives with longer-term decision horizons and in roles that influence the group's results and long-term strategy. - Awards are made in relation to market pay benchmarks.	Long-term awards make up a significant proportion of executive directors' and prescribed officers' total remuneration. Remco have continued to make a gradual shift in the variable pay mix with LTI awards making up a greater proportion of variable pay awards.	Policy detail: page 75. Implementation: page 84. Executive directors and prescribed officers: page 90.
Other	- We subscribe to remuneration surveys. This applies in all countries in which we operate where relevant market data is available. - We have recognised union agreements in several countries across Africa, including South Africa. - Minimum standards are in place for group benefits and allow for localisation of benefits where market practice dictates. Changes to benefits are governed by a group benefits committee. - The quantum of benefits, expressed as a percentage of remuneration, are comparable across seniority levels in all of our countries.		

R

Overview of reward structures

Total remuneration

Fixed remuneration	Variable remuneration
Basic salary	**Annual cash incentive award**
Compulsory benefits Group benefits plus compulsory country-specific benefits	**Annual deferred incentive award** Incentive awards above R1.5 million (or applicable local currency thresholds) plus discretionary deferred incentive awards
Optional benefits	**Long-term incentive award** Performance Reward Plan (PRP)
Fixed remuneration level is based on **function, experience, market pay** and **individual performance**.	Variable remuneration awards are discretionary and based on **group, business unit, team** and **individual performance**.

Page 70.
Page 71.

Note: annual incentives are not a function of guaranteed package.

Pay mix

Variable pay as a percentage of total remuneration increases with seniority and is dependent on the type of role. For example, investment banking roles generally have a higher variable pay mix than retail banking and corporate function roles. The percentage of share-linked deferred awards also increases with seniority. Market surveys inform pay mix and share awards.

Typical pay mixes:

- **General employees:** 90% fixed remuneration and 10% in STI awards.
- **Managers:** 70% – 80% fixed remuneration, 20% – 25% in cash incentive awards and the balance as share-linked deferred awards, depending on role and the performance-based incentive pools.
- **Executives:** 35% – 50% in fixed remuneration, 30% – 40% in cash incentive awards and 10% – 35% in additional share linked deferred awards, depending on role and the performance-based incentive pools.
- **Senior executives participating in the PRP:** variable pay may contribute around 80% of total annual remuneration, depending on role and the performance-based incentive pools.

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Fixed remuneration

We structure our fixed remuneration packages so that they are competitively positioned compared to our peers in our countries of operation.

Elements of fixed remuneration

Basic salary

To attract and retain employees

We seek to remain competitive relative to our peers in the fixed remuneration we offer. Our annual basic salary review considers available market data, as well as individual and business line performance. Increases take effect on 1 March each year.

Compulsory benefits

To encourage retirement savings[1] and to cater for unforeseen life events

Pension and disability plans, death cover[2] and medical insurance[3] consider country practices and requirements.

Optional benefits

To enhance the package available to employees

These benefits vary and consider country practices and requirements.

Fixed remuneration implementation: page 82.

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[1] The majority of the group's defined benefit fund arrangements have been replaced by defined contribution arrangements, except where local legislation requires otherwise or members enjoy ongoing defined benefits under old scheme rules. More information on the group's defined benefit plans can be found in the annual financial statements, available online.

[2] Death cover is provided in almost all countries of operation, either through self-insurance from within the pension funds or through external underwriting.

[3] Medical insurance is provided in most countries of operation. The level of cover varies according to local market practice. In South Africa, employees recruited from 1 March 2000 do not receive retirement healthcare benefits. Employees recruited before then receive retirement healthcare funding through a retirement healthcare benefit fund.

R

Variable remuneration

Short-term incentive awards (discretionary)

Our annual cash and deferred awards balance short-term performance and risk-taking with sustainable value creation in the longer term. When setting the STI pools, performance against the group's six strategic value drivers – client focus, employee engagement, risk and conduct, operational excellence, financial outcome and SEE impact – is considered, incentivising behaviour that aligns with the interests of our shareholders as well as our broader group of stakeholders.

Any STI awards paid as cash will normally be paid in the March payrolls.

In line with good governance practice, annual awards are deferred in part when they are above a certain threshold. This encourages a longer-term outlook in business decision-making, secures the interests of our management in the group over time, and ensures they are sensitive to the risks of forfeiture (malus) and clawback. Incentive pools and individual incentives may be adjusted for risk and control failures.

Read more on forfeiture (malus) and clawback arrangements: page 79.

Executive directors and prescribed officers

A formulaic approach is initially adopted to calculate STIs for executive directors and prescribed officers based on the financial outcomes of the group and business unit (if applicable). Remco then applies a disciplined non-formulaic approach to evaluate progress against the five remaining strategic value drivers using their judgement to assess business and individual performance. STI outcomes for executive directors are 100% aligned with group performance. STI outcomes for prescribed officers are aligned to group performance (50%) and their respective business unit performance (50%).

STI implementation: page 83.

Caps on short-term incentives for executive directors and prescribed officers

With effect from the 2022 financial year (i.e. for awards to be made in March 2023), caps have been introduced on the STIs of executive directors and prescribed officers. The caps are set as a percentage of the fixed remuneration applicable as at 1 March as follows:

STI caps

Executive director/prescribed officer	% of CTC
CEO, Standard Bank Group (SBG)	300
Chief finance & value management officer	275
CEO, CHNW	275
CEO, BCC	275
CEO, CIB	350
Chief operating officer (COO), SBG	275
Executive, SBG	275

In setting the caps the Remco considered the size, complexity and geographical footprint of the executive director and prescribed officer roles.

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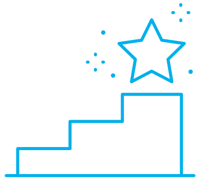
Setting the STI pool



1

Group's incentive pool

- Incentive pools are correlated to headline earnings (HE) and HE pre-minorities and incentive (HEpMI[1]) on a through-the-cycle basis and adjusted for the group's performance against its six strategic value drivers.
- Tested against the historical ratio analysis of incentive pools and profit measures.

See page 83.

- Assessed against the relative returns to shareholders and employees in the year of award and cumulatively over time.

See page 83.

- Benchmarked against the variable incentive pools of our banking competitors in South Africa by analysing their annual financial statements.

2

Business unit and corporate function pools

- Determined by group HEpMI performance (and business unit performance where relevant) on a through-the-cycle basis, and against the six strategic value drivers.
- Cascaded to the relevant group leadership council members accountable for the business units and corporate functions.
- Final pools approved by Remco.

AIR Refer to our annual integrated report for further detail.

3

Adjustments for risk

- Where deemed necessary, Remco adjusts the proposed incentive pools to reflect any significant risks not reflected in the group's performance. Adjustments can be made to the group, business unit and corporate function pools, and can be for any significant geographic area or capital risk assessed by Remco.

4

Individual proposals

- Individual STI proposals are discretionary and not based on a fixed formulaic approach.
- Determined by market pay, business unit performance, team performance and individual performance (within the constraints of the incentive pool available).
- Adjustments are made for any risk and compliance breaches.
- Participants: proposals for the group's top 400 executives are analysed by Remco and the necessary adjustments made to ensure consistency across client segments and corporate functions.
  - **Group CEO:** proposal is motivated by the group chairman and Remco recommends the proposal to the board for approval.
  - **Group leadership council members:** proposals are approved by Remco.
  - **Individual senior corporate function executives (including risk, audit and compliance):** proposals are reviewed and ratified by the relevant group leadership council member and then motivated by the group CEO to Remco for approval.

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[1] The key performance metric used by Remco.

Share-linked deferral scheme – deferred bonus scheme

Employees granted an annual incentive award greater than R1.5 million (or applicable local currency) are subject to mandatory deferral into the deferred bonus scheme (DBS), a share-linked deferral scheme. In addition, discretionary deferred awards are made to qualifying employees as part of their performance-based annual incentive award.

The mandatory deferral rates applicable to the March 2023 awards have been maintained at the same level as 2022, with the maximum marginal deferral rate at 50%. However, the thresholds have been increased to ensure deferral levels remain competitive at junior management levels.

Award value

Mandatory deferral of incentive awards

R0 to <R1.5 million	R1.5 million to <R4 million	R4 million to <R7 million	>R7 million
Cash award	Cash to R1.5 million	Cash to R1.5 million	Cash to R1.5 million
	Over R1.5 million deferred at 30%	R1.5 million to R4 million deferred at 30%	R1.5 million to R4 million deferred at 30%
		Over R4 million deferred at 40%	R4 million to R7 million deferred at 40%
			Over R7 million deferred at 50%

All Africa Regions and International deferral thresholds are set in local currency. The deferral percentages and the deferral periods are aligned across the group.

The deferred incentive is unitised into a number of units with respect to the group's share price on the date of award. DBS units are then linked to the group share price until the vesting dates and accrue notional dividends during deferral, which are payable at vesting. The awards vest in three equal tranches at 18, 30 and 42 months. The release of deferred incentive awards made in March 2023 is illustrated below.

Deferral period

Years

2022 – **Performance period**

2023 – **March** – Award

2024 – **September** – first vesting date: 33.3% of the award and a notional dividend payment

2025 – **September** – second vesting date: 33.3% of the award and a notional dividend payment

2026 – **September** – third vesting date: 33.3% of the award and a notional dividend payment

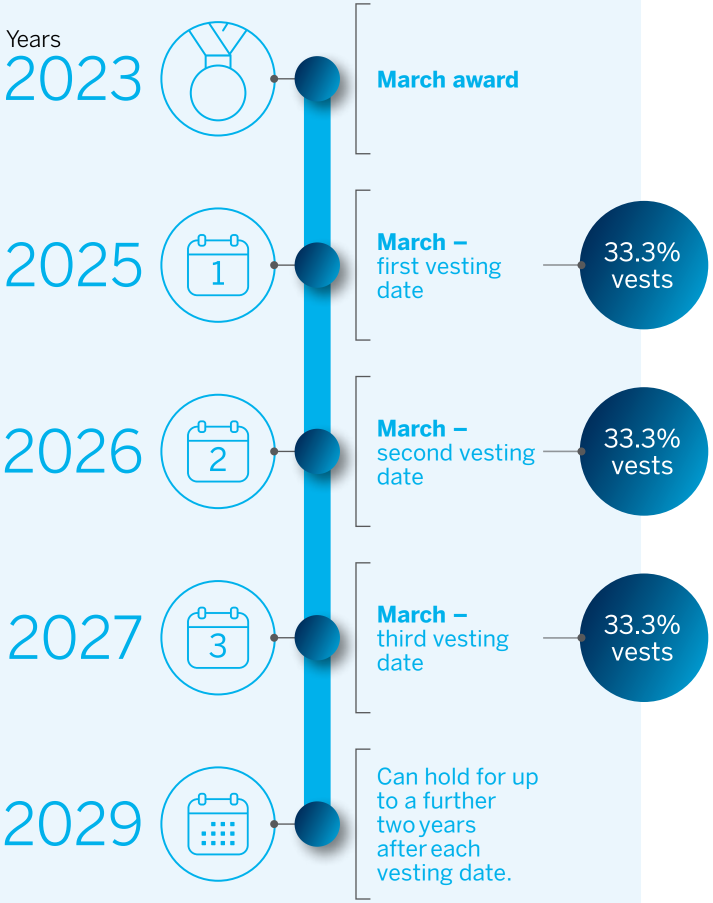
Medium-term incentive (MTI)

A small group of asset manager employees receive their deferred incentives in MTI awards. These awards are linked to the value of selected funds under management to ensure a link to client returns. The awards vest in three equal tranches at 18, 30 and 42 months.

Share-linked deferral schemes – share appreciation rights plan (SARP)

Employees with annual deferred incentive awards greater than R1 million can choose to have the value of their award, or part thereof, invested in the SARP rather than the default DBS. To the extent employees select SARP, they receive a premium of 10% of the value of their award. This premium encourages employees to accept a six-year exposure to the group's share price and compensates them for a longer vesting period in comparison to the DBS. The eventual value of the right is settled by the receipt of the SBG shares equivalent to the full value of the participation rights.

The release of rights awarded to employees in March 2023 under the SARP is illustrated alongside.



Years

2023	**March award**	
2025	**March –** first vesting date	33.3% vests
2026	**March –** second vesting date	33.3% vests
2027	**March –** third vesting date	33.3% vests
2029	Can hold for up to a further two years after each vesting date.	

R

Long-term incentive awards – PRP (discretionary)

Awards under the PRP are delivered when certain performance conditions aligned to long-term strategic objectives are met.

The PRP plays a key role in keeping executive directors, prescribed officers and senior executives focused on the future delivery of the strategy and incentivising them to achieve outcomes in the interests of shareholders and society as a whole.

Plan features:

- **Awards and dividends:** awards are made annually although individuals may not always receive an award every year. Notional dividends that accrue during the vesting period are payable on vesting.
- **Vesting and performance periods:** Awards vest after a period of three years from the award date which is typically in March. Vesting is fully subject to performance conditions set at the time of award. The performance period over which the achievement of the performance conditions is measured runs over a three-year period aligned to the group's financial year, i.e. the performance period for an award made in March runs from 1 January of that year to 31 December three years later.
- **Performance conditions and targets:** the performance conditions are set annually by Remco. The performance conditions determine the number of shares that ultimately vest.
  - They include a minimum threshold to start vesting and subsequent targets for vesting up to 200%. Straight line vesting applies for achievement between defined targets.
  - Targets are set at the commencement of an award and can only be amended by Remco in exceptional circumstances. Any exceptional circumstances will be disclosed.
  - The achievement of maximum targets leads to total reward levels in the upper quartile of market remuneration.
  - The scheme has a minimum vesting of 0% of the number of awards and a maximum cap on vesting equal to 200% of the number of awards.
  - For the 2023 award, the performance conditions were set to align to the group's 2025 Ambition communicated to the market in August 2021.

AIR Read more about our key strategic measures in our annual integrated report.

LTI implementation: page 84.

- **Vesting:** if the minimum threshold for vesting is exceeded, and to the extent that the performance conditions are achieved, the PRP award is settled with the individual in the form of shares on the applicable vesting date. Notional dividends are settled in cash.
- **Forfeiture (malus) and clawback:** forfeiture applies to all awards and clawback applies to material risk-takers for awards made on or after March 2019.
- **Remco discretion:** the PRP rules allow Remco to apply its discretion to increase or reduce the formulaic vesting outcome for awards made on or after March 2021. This change has been made to ensure that Remco can apply its judgement to achieve the appropriate result. This approach aligns with international best practice on LTI schemes.

Equity growth scheme

The equity growth scheme (EGS) represents participation rights in the future growth of the group's share price. The eventual value of the right is settled by the receipt of the group shares equivalent to the full value of the participation rights. Certain EGS awards issued prior to March 2014 included performance conditions. The EGS is a historical scheme and the last awards were made in 2016.

LTI implementation: page 84.

AFS Refer to annexure E in the annual financial statements for details of all DBS, PRP and elected EGS rights per prescribed officer and executive director which have not been exercised, and the director remuneration tables from page 130.

Share-linked scheme settlements

DBS

- **South Africa:** vested awards are settled in shares purchased from the market on vesting, avoiding any shareholder dilution. Mandatory deferred awards made to executive directors, prescribed officers and other qualifying employees are settled in cash on vesting but are linked to the group's share price during the vesting period. Notional dividends on vested awards are settled in cash.
- **Africa Regions and International:** awards and the related notional dividends are settled in cash on vesting, through the cash-settled deferred bonus scheme, but are linked to the group's share price during the vesting period.

MTI

For South African participants, vested MTI awards are settled either in units in the underlying fund(s) or cash at the choice of the participant. For participants outside of South Africa vested awards are settled in cash.

SARP

South African participants can elect to either receive shares (purchased on the market to avoid shareholder dilution) to the value of their vested and exercised awards or the cash equivalent. For participants outside of South Africa vested and exercised awards are settled in cash.

PRP

Vested awards of South African participants are settled in shares purchased on the market to avoid shareholder dilution. The awards of participants outside of South Africa are cash settled. Notional dividends on vested awards are settled in cash.

EGS

On vesting, the group issues shares but then has a buyback policy in place to prevent any shareholder dilution.

Remuneration scenarios for executive directors and prescribed officers

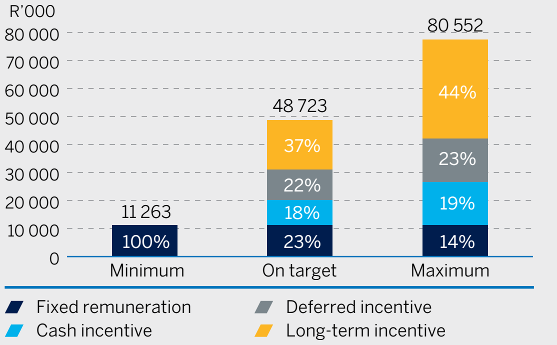
King IV requires disclosure of the potential consequences on the forward-looking total remuneration for executive directors and prescribed officers on a total single figure basis by applying the remuneration policy under minimum, on-target and maximum performance outcomes.

Remco considers the level of remuneration under these scenarios to ensure that remuneration is appropriate in terms of the group's performance and the value created for stakeholders.

The graphs on the next page show hypothetical values of total remuneration under the following scenarios:

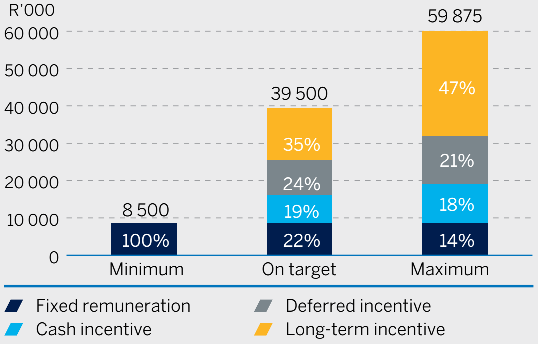
Minimum remuneration outcomes	▪ This outcome depicts a scenario in which only the fixed remuneration of the relevant individual would be paid
On-target remuneration outcomes	▪ STIs have been set based on meeting targets (across the strategic value drivers) for the group, client segment (where applicable) and the individual business unit ▪ The scenario assumes around 55% of the STI will be deferred in share-linked awards ▪ The LTI is the value at grant for the March 2021 PRP award and assumes performance conditions achievement aligned to a 100% vesting outcome in March 2024
Maximum remuneration outcomes	▪ STIs depicted are in line with the STI cap level ▪ This scenario also assumes around 55% of the STI will be deferred in share-linked awards ▪ The LTI is set at 200% of the value at grant for the March 2021 PRP award that may ultimately vest in March 2024 to reflect the maximum achievement of the performance conditions ▪ The maximum remuneration outcome would only transpire if all targets are exceeded, resulting in the delivery of significant value for shareholders

Chief executive officer, Standard Bank Group



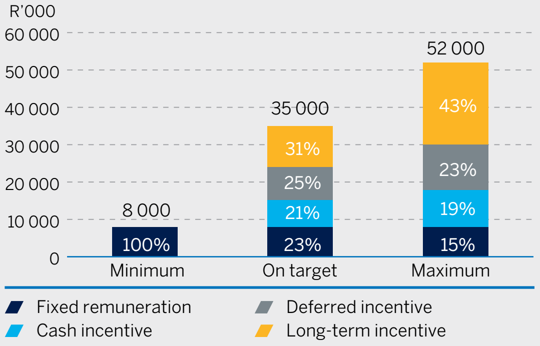
The above scenarios include conditional LTI awards of R17.75 million and R35.5 million for on target and maximum respectively.

Group chief finance & value management officer



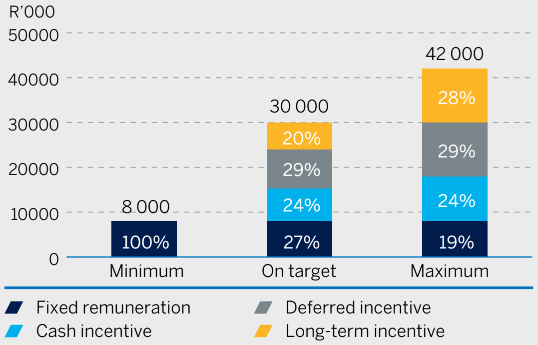
The above scenarios include conditional LTI awards of R14 million and R28 million for on target and maximum respectively.

Chief executive officer, CHNW



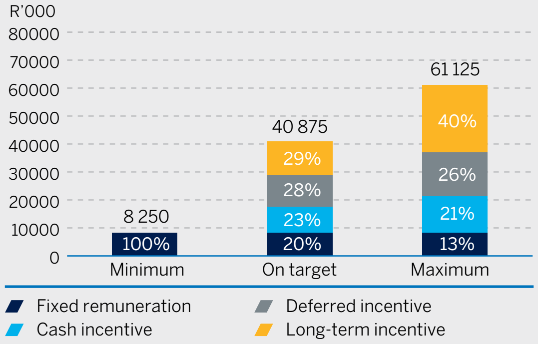
The above scenarios include conditional LTI awards of R11 million and R22 million for on target and maximum respectively.

Chief executive officer, BCC



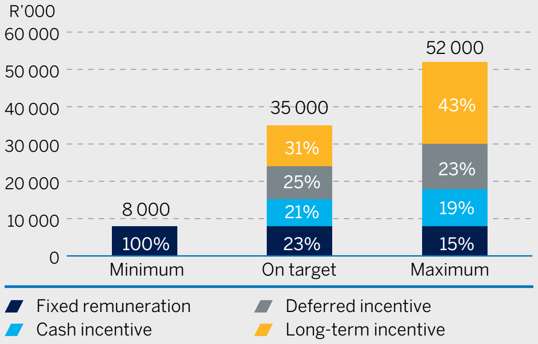
The above scenarios include conditional LTI awards of R6 million and R12 million for on target and maximum respectively.

Chief executive officer, CIB



The above scenarios include conditional LTI awards of R12 million and R24 million for on target and maximum respectively.

Chief operating officer, SBG



The above scenarios include conditional LTI awards of R11 million and R22 million for on target and maximum respectively.

R

Risk management and remuneration

Remco ensures that employees whose actions may have a material impact on the group's current and future risk profile are not rewarded for exposing the group beyond its stated risk appetite. Incentive pools and individual incentive awards are adjusted for risk, based on the processes and considerations outlined below. Forfeiture (malus) and clawback provisions ensure there is continued alignment between risk management and remuneration.

The group CEO and Remco oversee the remuneration of all senior risk and compliance employees. Incentives for these employees are independently reviewed by the chief risk and corporate affairs officer.

Future risks

The group's budget and strategic forecasting and planning process is integrated with our risk appetite and capital allocation. The process, overseen by the board, covers all countries of operation as well as the business units and the corporate functions. This forward-looking view of strategic, financial and risk outcomes allows the board and Remco to assess potential remuneration outcomes and the risks associated with achieving them. The deferral periods on the STIs (of up to 42 months) and the PRP (the three-year vesting period) are aligned to the horizons of the planning process. This incentivises the achievement of these outcomes and allows for risk-adjusted forfeiture (malus) and clawback should the need arise.

Adjustments

Specific risk-adjusted performance targets are not formulaically applied when setting and approving business unit incentive pools although Remco pays specific attention to:

- Adverse internal audit findings identifying weaknesses in the internal control environment
- Breaches of regulatory requirements applicable to operational risk losses incurred within the group's operations
- Breaches of risk appetite
- Limit breaches, particularly trading desk breaches of credit risk control governance.

Governance of risk in remuneration

Group chief risk & corporate affairs officer

- Formally reports to Remco twice a year on the application of the group enterprise risk management framework across business units and on any significant breaches of group enterprise risk management policies or limits by individuals
- Reports cover the group's risk appetite and the current and future risk profile in relation to risk appetite
- Qualitative and quantitative measures inform Remco's determination of the overall incentive pools for business units and corporate functions
- Individual incentive awards of senior managers and executives are reviewed against any breaches and adjusted, where required
- Any proposed changes to the remuneration policy are discussed with the group chief risk and corporate affairs officer

Group chief finance & value management officer

- Formally reports to Remco twice a year on risk-adjusted performance and remuneration
- Reports include an analysis of group and business unit risk-adjusted metrics across a range of risk types and their relationships to incentive pools. They also consider HE, ROE, capital, return on assets and risk-adjusted performance (economic profit and return on economic capital). The analysis quantifies the cost of capital and takes into account credit, market and operational risk

Group chief people & culture officer

- Reports annually to Remco on all significant governance breaches and their impact on individual remuneration. Breaches can result in reduced incentives, removing incentive awards and/or removing salary increases. Material breaches may result in dismissal.

Forfeitures (malus) and clawbacks

Forfeitures

(applicable since 2009 and amended in 2011)

Applies to

Individual unvested awards of DBS, cash-settled deferred bonus scheme (CSDBS), PRP, MTI and SARP and cash incentive awards prior to payment and unvested deferred awards, share incentive awards, LTIs and related notional dividends.

Triggers which may lead to forfeiture

- There is reasonable evidence of material error or culpability for a breach of group policy by the participant; and/or
- The group or relevant business unit suffers a material downturn in financial performance, for which the participant can be seen to have some responsibility; and/or
- The group or relevant business unit suffers a material failure of risk management, for which the participant can be seen to have some responsibility; and/or
- In Remco's discretion, any other circumstances.

Clawbacks

(applicable since 2019)

Applies to

Vested or paid variable incentive awards awarded to material risk-takers since March 2019 are subject to clawback conditions. The provisions apply to cash awards, deferred awards, share incentive awards, LTIs and related notional dividends.

Triggers which may lead to clawback

The discovery of:

- A negative misstatement resulting in an adjustment to the group's audited accounts (or the audited accounts of any group company) in respect of a period for which the performance conditions applicable to an award were assessed; and/or
- The events that occurred prior to award or vesting that have led to the censure of a group company by a regulatory authority or have had a significant detrimental impact on the reputation of any group company; and/or
- Action or conduct of an employee which amounts to gross misconduct that occurred prior to award or vesting; and/or
- That any information or the assessment of any performance condition(s) used to determine an award was based on a material error, or inaccurate or misleading information.

AIR Read more about how we manage our material risk types in risk and conduct in our 2022 annual integrated report.

RCM For a full report on risk and capital management.

R

Fair and responsible remuneration

Remco believes that fair and responsible remuneration means ensuring that remuneration is externally competitive, internally equitable and supports the delivery of the group's short-, medium- and long-term objectives. Our remuneration process is independently governed to enhance fairness and is applied with the same vigour and principles across the group.

Fair remuneration principles:

- Remuneration decisions are impartial and free from discrimination, self-interest, favouritism or prejudice based on race, gender and sexual orientation.
- Remuneration decisions are rational and objective.
- Pay differentiation is based on transparent and trusted processes to assess performance and identify and match benchmarks. This results in a reporting system that provides Remco with performance outcomes and remuneration proposals that are equitable and transparent.
- Horizontal fairness – employees performing the same or similar job requirements at the same or similar level of performance receive the same or similar levels of total remuneration, allowing for variations such as length of service, qualifications, performance and scarcity of relevant skills.
- Vertical fairness – differences in total remuneration between job levels can be explained and justified on a consistent basis, for example, according to factors such as risk and complexity of the job, level of responsibility of decision-making and consequence and impact on the organisation.

Responsible remuneration principles:

- Remuneration is funded by and linked to, the creation of value over the long-term, in a way that is transparently reported to internal and external stakeholders.
- Variable remuneration is clearly correlated with the achievement of criteria that measure performance and value creation over the short-, medium- and long-term, aligned to the group's strategy and strategic value drivers which include non-financial measures.
- All remuneration falls under the ambit of Remco.
- Senior executive remuneration is:
  - Approved by Remco and recommended to the board
  - Benchmarked to market
  - Managed using a rigorous process to review risk and control issues
  - Subject to forfeiture and clawback clauses
- Executive directors and prescribed officers are subject to a minimum shareholding requirement.

The pay gap and minimum salaries

Our remuneration policy is to pay for value delivered while ensuring that remuneration is competitive. The outcome of these two principles is that remuneration differs across levels, roles and geographies, creating a vertical pay gap.

Mindful of our commitment to fair and responsible remuneration, our minimum salaries enable employees to participate with dignity in the economies of the countries where they reside. We keep abreast of the minimum levels of pay in each country of operation, even if no prescribed minimum exists, and compare these minimum levels against financial service/banking minimums.

Minimum shareholding requirements

Executive directors and prescribed officers are required to maintain personal shareholdings valued as a multiple of fixed remuneration.

Group CEO
Three times fixed remuneration

Executive directors and prescribed officers
Two times fixed remuneration

Where the required personal shareholding falls short, the full after-tax value of senior executives' deferred compensation that vests is applied in acquiring additional shares until the required shareholding is in place. This provision applies to incentive awards granted from March 2012, or from when the senior executive becomes a prescribed officer or executive director. Shareholdings are monitored annually.

Executive terms of employment

The notice period for the group CEO, group chief finance & value management officer and prescribed officers is three months (extended from one month effective from January 2020). In terms of the group's memorandum of incorporation (MOI), executive directors are not subject to rotational requirements.

Restrictive covenants

Executive employment contracts include restrictive covenants on poaching of clients or employees.

Retention agreements and payments

Retention agreements are only entered into in exceptional circumstances and must be repaid should the individual leave within a stipulated period.

Guaranteed incentives

Guaranteed incentives are paid by exception and only in the context of hiring. They apply only to the first year of employment and are subject to meeting required performance standards. All guaranteed incentives are funded from the group's incentive pools and are subject to the same deferral requirements as annual discretionary incentives.

Sign-on awards/buy-out awards

To attract key employees, it is sometimes necessary to compensate for the loss of unvested awards from their previous employer. This is typically awarded through one of our share-linked incentive schemes and is subject to the normal vesting terms. In certain situations, cash buy-out awards may be made on joining, subject to repayment if the employee leaves the group within a certain period.

Severance payments

There are no pre-determined severance payments for executive directors and prescribed officers. Local legislation, market practice and, where applicable, agreements with recognised trade unions or other employee forums determine severance payments.

Change of control

There are no pre-determined payments for executive directors and prescribed officers on a change of control and share-linked unvested awards are not automatically accelerated.

Non-executive director fees

The board, and particularly its committees, spend a significant amount of time on in-depth analysis of matters relevant to the group's performance and regulatory requirements. Remco carefully considers and assesses the extent and nature of non-executive director responsibilities, including the significant amount of work involved at committee level, when determining their fees. Market conditions and comparative remuneration offered by other major South African and international banks and top South African listed companies are also considered.

Fees

Non-executive directors receive fixed fees for their services. There are no contractual arrangements relating to compensation for loss of office for either executive or non-executive directors. Non-executive directors do not receive annual incentive awards, nor do they participate in the group's LTI scheme. Remco reviews non-executive director fees annually and makes recommendations to the board for consideration and to shareholders for approval.

Terms for non-executive directors

There is no limitation on the number of times a non-executive director may stand for re-election. In terms of age, the group's MOI requires directors to cease their directorship of the group at the first AGM following their 70th birthday, unless the board has resolved prior to the convening of the AGM that the director shall not retire at that meeting and a statement to that effect is made in the notice convening the meeting.

GOV More information on director independence: page 31.

Implementation report

This section of our remuneration report sets out the remuneration decisions taken by Remco in 2022 pertaining to the group's executive directors, prescribed officers and the general workforce.

Remco is satisfied that it has achieved its mandate and that the group's remuneration policy remains appropriate. The committee is also satisfied that implementation of its remuneration policy has been carefully deliberated to achieve the best and fairest outcomes for our shareholders and executives.

Listening to shareholders

Remco's inclusive approach to remuneration requires it to listen to the concerns of our shareholders and engage with them on the challenges it faces. The Remco chair and the head of reward have met with institutional shareholders with significant holdings in 2022. These engagements with shareholders has allowed Remco to take into account a wider range of shareholder views when determining changes to the remuneration policy.

Remuneration policy changes

Following feedback from shareholders, Remco have:

1 Introduced an additional financial metric (headline earnings per share growth) to the latest PRP awards in March 2023. The revised scorecard now has the following weightings:

Metric	Weighting
Return on equity (ROE)	35%
Headline earnings per share growth	35%
Non-financial strategic value drivers	30%

2 Amended the deferral thresholds that apply to STI awards – see page 73.

Executive directors and prescribed officers

For executive directors and prescribed officers, the remuneration policy has been implemented as follows:

- **Fixed remuneration:** Remco have adjusted fixed remuneration for the first time since March 2020.
- **Variable remuneration:** individual outcomes are closely aligned to short- and long-term performance measures.
- **STI awards:** aligned to the group's 2022 financial performance and Remco's assessment of the achievement of the group's strategic value drivers. Individual awards for prescribed officers also reflect the business unit performance. STI caps were introduced effective from the 2022 financial year. All executive director and prescribed officer STI awards are below the STI cap.
- **Deferred incentive awards:** high deferral levels in the local market context with 55% of STI awards being deferred into share-linked awards that vest in three equal tranches in September 2024, September 2025 and September 2026.
- **Conditional LTI awards:** Remco approved a conditional pay-out of 125% for PRP wards that were due to vest in March 2023 based on the three-year performance period ending December 2022. This is the first pay-out since March 2020.
- **Variable pay mix:** to incentivise the execution of the group's future strategy and to reflect shareholder sentiment, Remco have continued to shift the variable pay mix with a greater proportion of variable pay awards made in conditional LTI awards.
- **Single figure total remuneration:** single figure total remuneration has increased year-on-year, reflecting the pay-out of the conditional LTI awards, although these are in line with historical norms.
- **Improved disclosures:** In addition to remuneration policy changes, Remco have continued to enhance the disclosures.

Adjustments to fixed remuneration

Remco approved the following increases to fixed remuneration with effect from March 2023:

- Increases for executive directors and prescribed officers to align with market comparators.
- 7.6% average increase to basic salaries across the group reflecting the high level of price inflation.
- 6.4% average increase to cost-to-company for managers and executives based in South Africa.
- 7.5% average increase for the fixed pay of our unionised general employees based in South Africa. Minimum salaries were increased to R231 050 per annum.

Short-term incentive awards

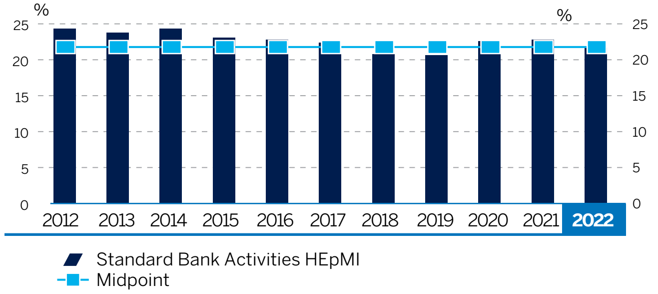
As noted on page 72, Remco sets the group's incentive pool based on performance assessed against the group's strategic value drivers on a through-the-cycle basis. Remco analyses the historical ratio of incentive pools and profit measures and assesses the relative returns to shareholders and employees in the year of award and cumulatively over time.

After Remco's evaluation of the group's financial and risk-adjusted performance for the year and delivery against the group's strategy, the incentive pool for banking activities was increased by 18%, relative to group headline earnings growth of 37%. The index graph below shows a shareholder bias over the long term.

Headline earnings vs incentive pool growth

As shown in the graph below, the 2022 incentive pool, at 21.7% of Standard Bank Activities HEpMI is below that paid in 2021 and below the 10-year average of 22.7%.

Incentive pool as a % of Standard Bank Activities HEpMI

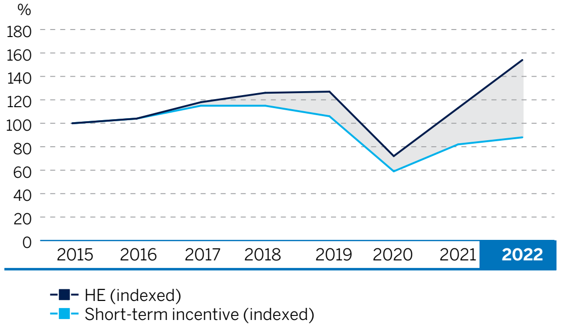


Alignment with shareholders

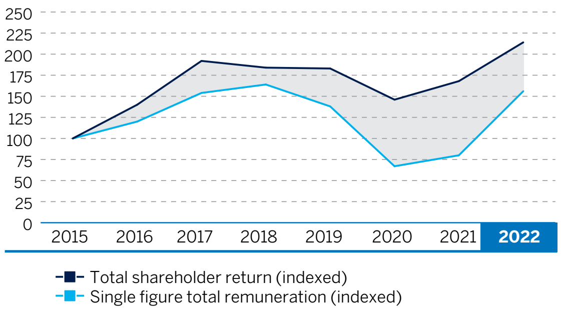
The alignment with shareholders' interests is demonstrated in the following graphs, which track:

1) HE against the group CEO's STI awards since 2015;
2) Total shareholder return against the group CEO's single figure total remuneration since 2015;
3) Headline earnings vs pool growth.

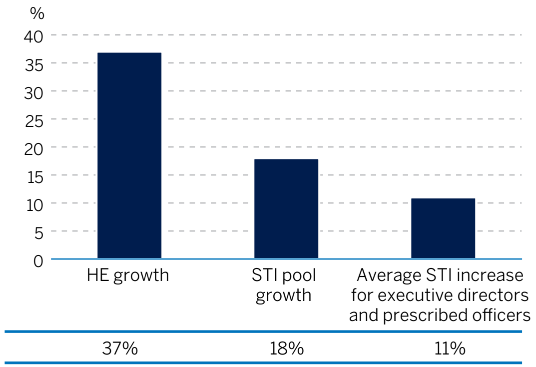
Headline earnings vs CEO's STI growth



Total shareholder return versus group CEO's single figure total remuneration



Headline earnings vs pool growth



Incentive accounting charge

The table below details the composition of the incentive accounting charge for Standard Bank Activities.

This shows a 22% increase in the context of growth in the group's headline earnings of 37%.

Rm	2022	**2021**	Change (%)
Cash incentives	6 841	**5 772**	**19**
Deferred STI and LTI	2 502	**1 900**	**32**
Total	9 343	**7 672**	**22**

The incentive accounting charge growth of 22% is above the overall pool growth of 18% given the accounting treatment for deferred STI and LTI awards which are expensed over the deferral/vesting periods.

Long-term incentive awards

The status of the PRP awards are set out below.

March 2020 awards

Status

These awards are due to vest in March 2023 with a vesting of 125% out of a maximum 200% vesting.

Performance conditions

The conditional share-linked awards were retained although the original performance conditions were amended in Q4 of 2020.

March 2021 awards

Status

Conditional share-linked awards that vest on the achievement of three-year performance targets, aligning the interests of executives and shareholders.

Performance conditions

Performance conditions were set to reflect the group's strategic priorities with a 60% weighting on financial performance (ROE) and 40% on non-financial priorities.

March 2022 awards

Status

Conditional share-linked awards that vest on the achievement of three-year performance targets, aligning the interests of executives and shareholders.

Performance conditions

Performance conditions were set to reflect the group's strategic priorities although the weighting for non-financial priorities was reduced to 30%, with the balancing 70% weighting on financial performance (ROE).

March 2023 awards

Status

Conditional share-linked awards that vest on the achievement of three-year performance targets, aligning the interests of executives and shareholders.

Performance conditions

Performance conditions continue to reflect the group's strategic priorities although an additional financial metric (headline earnings per share growth) has been added following shareholder feedback. The weighting for non-financial priorities remains constant at 30% with the balancing 70% weighting on financial performance split equally between ROE and headline earnings per share growth.

The detail on the performance conditions for each of the above awards are provided on the next page.

Long-term incentive awards continued

The performance conditions for each of the above awards are provided below:

March 2020 awards – due to vest in March 2023

The initial performance conditions for the March 2020 awards were set prior to the extent of the impact of Covid-19 on our areas of operation and financial performance being fully understood. In light of this, Remco concluded that it was in the best interests of the group to amend the performance conditions of the March 2020 award to be evaluated at the end of the three-year performance period as follows:

Remco will determine whether there should be any vesting, in the range of 0% to 200%, after assessing the following performance conditions in the period ending December 2022:

- The evaluation of the recovery in the original performance metrics, headline earnings per share (HEPS) and return on equity (ROE).
- Progress against the group's other strategic value drivers and board-approved measures.
- Remco's assessment of how the group has performed relative to the market.
- The achievement of a favourable individual performance rating for each year in the three-year performance period.

Remco have determined that a vesting percentage of 125% will apply to those participants who have achieved a favourable individual performance rating for each year in the performance period (2020 – 2022) based on the following proof points:

Recovery in HEPS and ROE

- Since the height of the impact of the pandemic on the 2020 results, HEPS grew by 57% in 2021 and by 37% in 2022. ROE increased from 8.9% in 2020 to 13.5% in 2021 and for 2022 is greater than the cost of equity at 16.4%.
- The Group delivered its highest ever headline earnings in 2022, well ahead of analyst expectations.
- The strong revenue performance is bolstered by deliberate cost containment over the performance period.
- The excellent 2022 performance was delivered despite the material impact of the Ghana sovereign default on the results.

Progress against the non-financial strategic value drivers and board-approved measures

- As set out on page 63 and in the 2021 remuneration report, strong progress has been made across the group's strategic value drivers over the performance period and we are on track to deliver our 2025 Ambition.

Performance relative to the market

- The group has delivered commendable performance relative to other South African banks when considering headline earnings growth, ROE and total shareholder return over the performance period.

Long-term incentive awards continued

March 2021 awards – three-year performance period ending 31 December 2023

The performance conditions for the March 2021 awards are summarised in the table below.

Our success measures	Weight	Measurement				
Financial		**ROE relative to COE**				
Shareholder value	60%	ROE < COE in 2023	ROE = COE in 2023	ROE = COE +2% in 2023	ROE = COE +3% in 2023	ROE = COE +4% in 2023
Non-financial		**Remco assessment scale**				
Client experience	40%	0	1	2	3	4
Employee experience		0	1	2	3	4
Risk and conduct		0	1	2	3	4
SEE impact		0	1	2	3	4
Vesting percentage		**0%**	**50%**	**100%**	**150%**	**200%**

For the financial condition, the ROE in the final performance year (2023) will be measured relative to the COE in that year.

Straight-line vesting will apply for performance between defined levels once ROE exceeds COE.

For the non-financial conditions, Remco will evaluate the level of achievement using a balanced scorecard approach aligned to the group's 2025 Ambition, which included the 2025 True North metrics for each strategic value driver.

At the end of the three-year performance period, Remco will rate each of the success measures taking the following factors into account:

- The number (or proportion) of targets which are met
- The extent to which targets are achieved or missed
- The extent to which the group has met the promises made to shareholders
- An assessment of how the group has performed relative to the market, and
- The overall strategic importance of specific metrics.

The maximum score of 4 will only be achieved if every metric and target aligned to the group's True North 2025 shareholder communication is met under each of the strategic value drivers.

In the implementation report for 2023, when the award is due to vest, the level of achievement for the non-financial measures as well as the ROE measure will be disclosed.

Long-term incentive awards continued

March 2022 awards – three-year performance period ending 31 December 2024

The performance conditions for the March 2022 awards are summarised in the table below.

Our success measures	Weight	Measurement				
Financial		**ROE relative to COE**				
Shareholder value	70%	ROE < COE in 2024	ROE = COE in 2024	ROE = COE +2 % in 2024	ROE = COE +3% in 2024	ROE = COE +4 % in 2024
Non-financial		**Remco assessment scale**				
Client experience	30%	0	1	2	3	4
Employee experience		0	1	2	3	4
Risk and conduct		0	1	2	3	4
Operational excellence		0	1	2	3	4
SEE impact		0	1	2	3	4
Vesting percentage		**0%**	**50%**	**100%**	**150%**	**200%**

For the financial condition, ROE in the final performance year (2024) will be measured relative to COE in that year.

Straight-line vesting will apply for performance between defined levels once ROE exceeds COE.

For the non-financial conditions, Remco will evaluate the level of achievement using a balanced scorecard approach aligned to the group’s 2025 Ambition, which included the 2025 True North metrics for each strategic value driver.

At the end of the three-year performance period, Remco will rate each of the success measures taking the following factors into account:

- The number (or proportion) of targets which are met
- The extent to which targets are achieved or missed
- The extent to which the group has met the promises made to shareholders
- An assessment of how the group has performed relative to the market, and
- The overall strategic importance of specific metrics.

The maximum score of 4 will only be achieved if every metric and target aligned to the group’s True North 2025 shareholder communication is met under each of the strategic value drivers.

In the implementation report for 2024, when the award is due to vest, the level of achievement for the non-financial measures as well as the ROE measure will be disclosed.

Long-term incentive awards continued

March 2023 awards – three-year performance period ending 31 December 2025

The performance conditions for the March 2023 awards are aligned to our strategic priorities and value drivers to deliver our Ambition 2025 communicated to shareholders in August 2021. The performance conditions are broadly unchanged from the March 2022 awards although a second financial metric (headline earnings per share growth) has been added with a weighting of 35%.

Our success measures	Weight	Measurement				
Financial		**ROE and HEPS growth outcome**				
Return on equity (ROE) for 2025	35%	15%	17%	18.5%	19.25%	20%
Average compound annual growth rate in headline earnings per share (HEPS)	35%	4.0%	7.5%	11.0%	12.75%	14.5%
Non-financial		**Remco assessment scale**				
Client experience	30%	0	1	2	3	4
Employee experience		0	1	2	3	4
Risk and conduct		0	1	2	3	4
Operational excellence		0	1	2	3	4
SEE impact		0	1	2	3	4
Vesting percentage		**0%**	**50%**	**100%**	**150%**	**200%**

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For the financial conditions, the ROE condition will be assessed based on the ROE for the final year of the performance period (2025). HEPS growth will be measured as the compound annual growth rate in HEPS over the full performance period (2023 – 2025).

Straight-line vesting will apply for performance between defined levels once ROE and HEPS exceeds the minimum threshold.

For the non-financial conditions, Remco will evaluate the level of achievement using a balanced scorecard approach aligned to the group's 2025 Ambition, which included the 2025 True North metrics for each strategic value driver.

At the end of the three-year performance period, Remco will rate each of the success measures taking the following factors into account:

- The number (or proportion) of targets which are met
- The extent to which targets are achieved or missed
- The extent to which the group has met the promises made to shareholders
- An assessment of how the group has performed relative to the market, and
- The overall strategic importance of specific metrics.

The maximum score of 4 will only be achieved if every metric and target aligned to the group's True North 2025 shareholder communication is met under each of the strategic value drivers.

In the implementation report for 2025, when the award is due to vest, the level of achievement for the non-financial measures as well as the ROE and HEPS measures will be disclosed.

Other reward implementation considerations

During the course of 2022, Remco have also considered and agreed the following actions.

Remuneration policy

Forfeiture (malus) and clawback	**2022 implementations**	No events led to the forfeiture and clawback triggers being implemented.	Page 79.
Minimum shareholding requirement	**2022 implementations**	All but three of the executive directors and prescribed officers have met the ongoing minimum shareholding requirements. The executives who do not currently meet the requirement are required to build up their personal shareholdings from future vesting proceeds in the share-linked deferral schemes.	Page 80.
Retention agreements and payments	**2022 implementations**	None of the executive directors or prescribed officers are subject to a retention agreement.	Page 81.
Guaranteed incentives	**2022 implementations**	No guaranteed incentive was paid to an executive director or prescribed officer.	Page 81.
Sign-on awards/ buy-out awards	**2022 implementations**	No sign-on award was given to an executive director or prescribed officer.	Page 81.
Severance payments	**2022 implementations**	None of the executive directors or prescribed officers have received special contractual severance payments.	Page 81.

Fair and responsible remuneration

Learning and career development

We invested R868 million in learning and development opportunities. In addition, we spent R60 million on bursaries for 1 711 employees. This investment together with other development opportunities and internal job and promotion opportunities allows individuals to progress their careers and therefore their earning potential.

Minimum salaries

Minimum salaries are regularly reviewed for alignment to market and prescribed norms in all our countries of operation.

Gender and race

We believe strongly in the principle of equal pay for work of equal value, which is underscored by our policy framework to ensure that employees doing similar jobs at the same level are paid equitably. This focus on pay equity is an entrenched business practice and is a key factor influencing remuneration decisions during the annual review and when appointments and promotions take place.

An analysis is performed annually across the group's employee population to identify gaps between the remuneration of female versus male employees on a like-for-like basis. This analysis includes both fixed and variable elements of remuneration. Our analysis in 2022 reaffirmed that there are no systemic issues of gender pay discrimination at a group or country level. For South African employees an analysis of income differentials by race and gender is submitted annually to the Department of Employment and Labour.

We are confident that our holistic approach to pay equity produces fair outcomes, and we will continue to robustly address any risk of unconscious bias in this regard.

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Individual performance and remuneration of executive directors and prescribed officers

Context to awards

Individual awards for executive directors and prescribed officers should be viewed in the context of the group's record headline earnings and a strong improvement in ROE and cost-to-income ratio.

The strategic progress made under the other five value drivers is also taken into account in determining individual awards.

In addition to performance, individual awards have taken the following factors into account:

- The market price for executives;
- The commercial imperative to align employee and shareholder interests over the long term;
- Providing the right incentive structure to deliver on the successful execution of the group's future strategy; and
- Ethical, political, and reputational considerations.

For the first time in three years Remco has decided to adjust fixed pay for executive directors and prescribed officers in line with managers and executive level employees and in some instances to align to market comparators.

Individual short-term incentive awards in 2022 reflect the group's strong earnings performance relative to 2021 and the performance of the business units for the prescribed officers.

Remco has continued to make a shift in paymix for its executive directors and prescribed officers by awarding a greater proportion of variable pay in the form of conditional long-term incentive awards that only deliver on the successful execution of the group's future strategy.

The deferral periods for short-term incentives continue to be the highest in the local market context.

The long term incentive (PRP) award has vested for the first time in three years.

The single figure awards are significantly higher than 2021 reflecting the PRP vesting.

Context to awards continued

The table alongside details the group's medium-term targets for each of its strategic value drivers. The individual disclosures for each executive director and prescribed officer detail the individual achievements against each strategic value driver and the link between performance and the reward outcomes.

OUR STRATEGIC PRIORITIES	Transform client experience		Execute with excellence		Drive sustainable growth and value	
OUR SUCCESS MEASURES AND VALUE DRIVERS	**CLIENT FOCUS** +	**EMPLOYEE ENGAGEMENT**	**RISK AND CONDUCT** +	**OPERATIONAL EXCELLENCE**	**FINANCIAL OUTCOME**	**SEE IMPACT**
OUR TARGETS	• Top quartile **client and partner satisfaction** scores • Active **client base** increase 1.6 times • **New revenues** from Beyond financial services of R3 billion to R4 billion • **New revenues** from strategic distribution partnerships of R5.5 billion to R6.5 billion	• Upward trend in **eNPS** • Increasingly **diverse workforce** • Improved **workforce return on investment**	• Operate within **risk appetite** and **conduct framework** • **Common equity tier (CET) I ratio** >11%	• Lower **cost to serve** • **System security and stability**	• Sustained **headline earnings growth** • **ROE** of 17% – 20% • Improving **data monetisation**	• **Positive impact** in seven chosen impact areas • **Net zero** by 2050
OUR TARGET OUTCOMES	Growth and scale		Efficiency and resilience		Legitimacy	

AIR More detail is included in our annual integrated report.

Sim Tshabalala

Chief executive officer,
Standard Bank Group

Performance against:

- **Financial strategic value driver** – above target rating
- **Non-financial strategic value drivers** – overall on-target rating

Sim's performance assessment has been based on the group's 2022 financial results and the strategic progress made under the other five value drivers.

AWARDED

R'000	2021	2022	% Increase	2023	% Increase
Fixed remuneration	10 586	**10 586**	0.0	11 263	6.4
Cash incentive	8 100	**8 650**	7.2		
Deferred incentive	9 900	**10 650**			
PRP awarded	20 000	**24 000**	20.0		
Total remuneration	48 586	**53 886**	10.9		

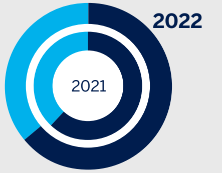
SINGLE FIGURE

R'000	2021	2022	% Increase
Fixed remuneration	10 475	**10 558**	0.8
Cash incentive	8 100	**8 650**	7.2
Deferred incentive	9 900	**10 650**	
PRP vested	–	**25 836**	
Total remuneration	28 475	**55 694**	95.6

Link between performance and remuneration

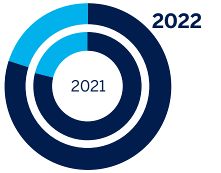
- Fixed remuneration will increase by 6.4% with effect from March 2023 in line with managers and executive level employees based in South Africa. This is the first increase since March 2020 with fixed remuneration increasing by an average of 2.2% over the last five years.
- In line with the remuneration policy for group leadership council members, short-term incentives are proposed after considering the group's financial performance and the achievement of the group's strategic value drivers.
- For executive directors, the underlying financial performance is anchored around group performance.
- The 7% increase in short-term incentive awards should be viewed in the context of:
  - Standard Bank Group's record headline earnings with a year-on-year growth of 37%;
  - Strong improvement in return on equity and cost-to-income ratio;
  - Strong achievement of the group's strategic value drivers;
  - On track to meet the group's 2025 commitments; and
  - A smaller proportion of variable pay in the form of short-term incentive awards.
- To incentivise the execution of the group's future strategy, the conditional long-term incentive award (PRP) has been increased reflecting a greater proportion of variable pay in the form of long-term incentives. Any delivery is subject to performance conditions being met as assessed by Remco.
- The total remuneration awarded by Remco of R53.9 million (of which R24 million is at risk and may not deliver any value) is 11% higher than the prior year.
- The single figure award is significantly up on the prior year, reflecting the PRP vesting for the first time in the last three years. This has meant that single figure remuneration is close to historical norms.
- The graph alongside shows that this year's single figure total remuneration of R55.7 million is 6% above on-target projected earnings and 67% of projected maximum earnings.

Deferred awards as percentage of total remuneration (%)



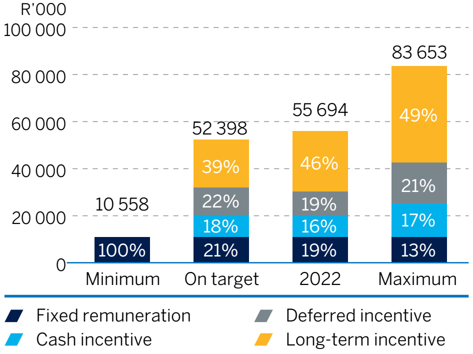
	2022	2021
Deferred for up to 3.5 years	**64**	62
Paid in cash	**36**	38

Deferred awards as percentage of total variable remuneration (%)



	2022	2021
Deferred for up to 3.5 years	**80**	79
Paid in cash	**20**	21

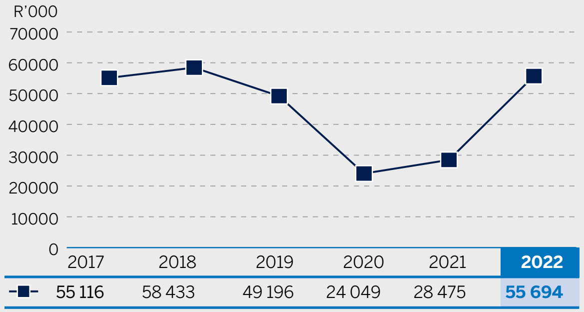
Single figure total remuneration for 2022 in relation to minimum, on-target and maximum projected remuneration scenarios



Key: ↑ Value created ↓ Value eroded <> Value preserved

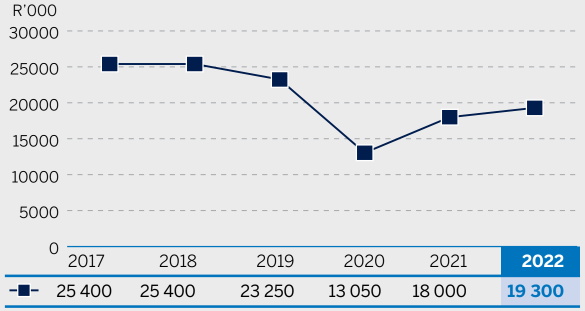
The graphs below show the history of single figure total reward and STI awards.

Total reward – single figure



	2017	2018	2019	2020	2021	**2022**
-■-	55 116	58 433	49 196	24 049	28 475	**55 694**

STI awards



	2017	2018	2019	2020	2021	**2022**
-■-	25 400	25 400	23 250	13 050	18 000	**19 300**

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

Maintained our focus on transforming client experience.

BCC's active client numbers grew by 2% in South Africa, and 8% in Africa Regions.

CHNW continued to make progress in growing its active client base, which increased by 6% in South Africa and by 12% in Africa Regions. Pleasingly, the affluent client base in CHNW in South Africa grew by 7% with now more than one million clients. We also reached the significant milestone of having one million youth clients, growing strongly by 13% compared to the prior year.

Key performance indicators

CHNW NPS South Africa
74
2021: 76
PROGRESS ↓

CHNW NPS Africa regions
37
2021: 32
PROGRESS ↑

BCC NPS South Africa
69
2021: 71
PROGRESS ↓

BCC NPS Africa Regions
20
2021: 29
PROGRESS ↓

CIB CSI
8.2
2021: 8.2
PROGRESS <>

Active CHNW clients
16.9 mn
2021: 15.7 mn
PROGRESS ↑

Active BCC clients
791 000
2021: 761 000
PROGRESS ↑

Key: ↑ Value created ↓ Value eroded <> Value preserved

EMPLOYEE ENGAGEMENT

The 2022 ‘Are You a Fan’ survey maintained a high participation rate across the group at more than 85%. The eNPS score of +42 continues to be above industry benchmarks.

We continued to invest in our people, spending R868 million in developing our people across the group. More than 50% of learning time has been invested in developing future-ready skills. In total, 9 205 employees across all geographies took part in leadership initiatives, of which 57% were women.

We were recognised as the ‘Employer of Choice’ in the sixth annual LinkedIn Top Companies awards in South Africa, and we ranked third in Nigeria. We won the overall ‘Aspirational Employer of Choice’ award in the annual SA Graduate Employers Association Awards.

In South Africa, we have improved the representation of African men and women in senior and middle management levels and achieved our targets for African men and women in middle management. The representation of persons with disabilities has also improved – to 0.9% from 0.8% in 2021. There is increased awareness of disability and reasonable accommodation, and the inclusion of LGBTQI+ employees.

At group level, succession planning is in place for 150 out of 153 key leadership roles. 40% of our succession pipeline is female and 41% is black. 25% of the successors are from Africa Regions.

Key performance indicators

eNPS	+42	2021: +47	PROGRESS ↓
Emotional NPS	+73	2021: +77	PROGRESS ↓
Training investment	R868mn	2021: R733mn	PROGRESS ↑
Regrettable turnover rate	3.4%	2021: 2.2%	PROGRESS ↓
Women in executive management positions	34.8%	2021: 34.1%	PROGRESS ↑
Black economic empowerment (BEE) status in South Africa	Level 1	2021: Level 1	PROGRESS ↑
Learning hours per employee	63	2021: 95	PROGRESS ↓

Key: ↑ Value created ↓ Value eroded <> Value preserved

RISK AND CONDUCT

Throughout 2022, the group's capital and liquidity positions remained sound and within or above board-approved ranges.

Appropriate liquidity buffers were held in line with regulatory, prudential, and internal stress-testing requirements, taking into account the group's risk profile and market conditions.

We monitor the timeous completion of all mandatory compliance and other required training courses, and where deficiencies are identified, immediate remedial action is taken.

Although our top-level metrics remain satisfactory, there were a number of instances in Africa Regions that fell below the standards we set. Although none of these were material at the group level, we are completing a comprehensive programme to address these weaknesses and there have been significant changes both to structures and to leadership.

Key performance indicators

CET 1 capital adequacy ratio	Liquidity coverage ratio	Net stable funding ratio	Compliance training completion rate
13.5%	**147%**	**124%**	**99%**
2021: 13.8%	2021: 144%	2021: 122%	2021: 98%
PROGRESS ↓	PROGRESS ↑	PROGRESS ↑	PROGRESS ↑

OPERATIONAL EXCELLENCE

Although the trend in system stability is positive, the outages we experienced in the first half of 2022 were significant system outages in South Africa, which severely impacted services to our clients.

Following these incidents, our Chief Engineering Officer resigned and Margaret Nienaber was appointed as Chief Operating Officer (COO) with responsibility for Engineering. The COO redesigned Engineering to be run as three separate portfolios: Technology, Operations and Real Estate Services, with strong leadership structures in each.

No significant incidents were experienced in the second half of the year, with seven successive months of technology stability.

Key performance indicators

Priority 1 system stability incidents	Mean time to repair	Digital solution fulfilment	Core application in the cloud
6	**7 hours**	**32%**	**28%**
2021: 16	2021: 17 hours	2021: 28%	2021: 15%
PROGRESS ↑	PROGRESS ↑	PROGRESS ↑	PROGRESS ↑

Key: ↑ Value created ↓ Value eroded <> Value preserved

FINANCIAL OUTCOME

We delivered good results for 2022. Thanks to the strong competitive positioning of our client franchise, this outcome was underpinned by continued balance sheet and franchise growth, another strong trading performance, and well-managed costs and risk.

Each business unit delivered a strong performance:

- Headline earnings in CHNW grew by 27% to R8.9 billion. CHNW achieved positive jaws of 104 bps.
- BCC's headline earnings were R8.0 billion, 51% better than the prior year. BCC achieved strongly positive jaws of 963 bps.
- CIB's headline earnings were R14.8 billion, up 11%. CIB achieved strong positive jaws of 1 067 bps.
- Liberty's earnings rebounded strongly to R1.8 billion for 2022, compared with a loss attributable to the group of R419 million in 2021.
- The group's 40% share in ICBC Standard plc (ICBCS) contributed headline earnings of R1.9 billion, compared to R500 million in 2021.

Key performance indicators

Headline earnings
R34.2bn
2021: R25.0bn
PROGRESS ↑

ROE
16.4%
2021: 13.5%
PROGRESS ↑

Revenue
R133.4bn
2021: R113.3bn
PROGRESS ↑

Cost-to-income ratio
54.9%
2021: 57.8%
PROGRESS ↑

Jaws
579bps
2021: 71bps
PROGRESS ↑

Credit loss ratio (CLR)
75 bps
2021: 73bps
PROGRESS ↓

SEE IMPACT

In March 2022, we published our Climate Policy, which sets out our commitment to achieving net zero carbon emissions from our own operations for newly built facilities by 2030, for existing facilities by 2040, and from our portfolio of financed emissions by 2050.

We have set targets and commitments for agriculture, gas, oil, and thermal coal. In our climate policy, we have committed to mobilise between R250 and R300 billion in sustainable finance by the end of 2026, which is the highest aspiration relative to peer banks. We have also committed to provide an additional R50 billion of financing for renewable energy power plants over the next three years, and to underwrite the financing of a further R15 billion of renewable energy power plants over the same timeframe. During 2022, we partnered on Africa's first renewable energy baseload project and the first ZAR-based sustainability-linked funding in the South African automotive sector.

We worked with our clients to issue the first social bond in the REIT sector.

During the year, we won 'Outstanding Leadership in Sustainable Finance' and 'Outstanding Leadership in Social Bonds' in the 2022 Global Finance Sustainable Finance Awards, as well as 'Best ESG Bond House' in the 2022 EMEA Finance Achievement Awards.

The group continues our large and active Corporate Social Investment programmes, spending R177 million in 2022, mostly on supporting access to education and training.

Key performance indicators

S&P Global Corporate Sustainability Assessment
66%
2021: 61%
PROGRESS ↑

FTSE4Good index series
3.9 Included
2021: 3.9 Included
PROGRESS <>

MSCI ESG rating
AA
2021: AA
PROGRESS <>

Sustainalytics ESG Risk rating (lower is better)
24.7 med risk
2021: 25.6 med risk
PROGRESS ↑

Bloomberg Gender Equality Index
68%
2021: 68%
PROGRESS <>

Dr Arno Daehnke

Group chief finance & value management officer

Performance against:

- **Financial strategic value driver** – above target rating
- **Non-financial strategic value drivers** – overall on-target rating

Arno's performance assessment has been based on the group's 2022 financial results and the strategic progress made under the other five value drivers.

AWARDED

R'000	2021	**2022**	% Increase	2023	% Increase
Fixed remuneration	7 000	**7 000**	0.0	8 500	21.4
Cash incentive	7 525	**8 200**	8.7		
Deferred incentive	9 225	**10 000**			
PRP awarded	14 000	**16 000**	14.3		
Total remuneration	37 750	**41 200**	9.1		

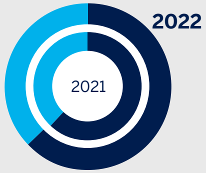
SINGLE FIGURE

R'000	2021	**2022**	% Increase
Fixed remuneration	7 014	**7 000**	(0.2)
Cash incentive	7 525	**8 200**	8.7
Deferred incentive	9 225	**10 000**	
PRP vested	–	**18 637**	
Total remuneration	23 764	**43 837**	84.5

Link between performance and remuneration

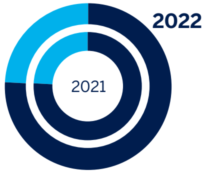
- A market-related adjustment has been made to fixed remuneration with effect from March 2023 to remain competitive. This is the first increase since March 2020.
- In line with the remuneration policy for group leadership council members, short-term incentives are proposed after considering the group's financial performance and the achievement of the group's strategic value drivers.
- For executive directors, the underlying financial performance is anchored around group performance.
- The 9% increase in short-term incentive awards should be viewed in the context of:
  - Standard Bank Group's record headline earnings with a year-on-year growth of 37%;
  - Strong improvement in return on equity and cost-to-income ratio;
  - Strong achievement of the group's strategic value drivers;
  - Relative to a special recognition that was made in FY2021 in respect of his contribution to the acquisition of Liberty Holdings Limited;
  - On track to meet the group's 2025 commitments; and
  - A smaller proportion of variable pay in the form of short-term incentive awards.
- To incentivise the execution of the group's future strategy, the conditional long-term incentive award (PRP) has been increased reflecting a greater proportion of variable pay in the form of long-term incentives. Any delivery is subject to performance conditions being met as assessed by Remco.
- The total remuneration awarded by Remco of R41.2 million (of which R16 million is at risk and may not deliver any value) is 9% higher than the prior year.
- The single figure award is significantly up on the prior year, reflecting the PRP vesting for the first time in the last three years. This has meant that single figure remuneration is close to historical norms.
- The graph alongside shows that this year's single figure total remuneration of R43.8 million is 22% above on-target projected earnings and 78% of projected maximum earnings.

Deferred awards as percentage of total remuneration (%)



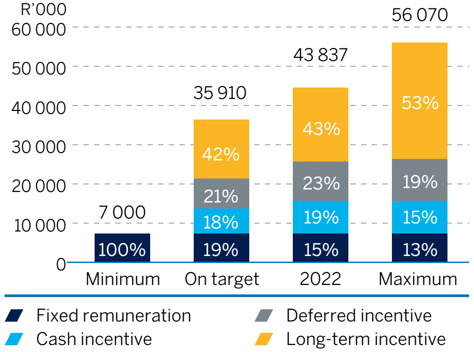
	2022	2021
■ Deferred for up to 3.5 years	**63**	62
■ Paid in cash	**37**	38

Deferred awards as percentage of total variable remuneration (%)



	2022	2021
■ Deferred for up to 3.5 years	**76**	76
■ Paid in cash	**24**	24

Single figure total remuneration for 2022 in relation to minimum, on-target and maximum projected remuneration scenarios



Key: ↑ Value created ↓ Value eroded <> Value preserved

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

Arno leads the group’s focus on the optimisation of the allocation of capital and liquidity to support our clients’ ambitions and growth requirements. This included building out and executing on optimised asset booking capabilities across the group’s balance sheet, ensuring the timely supply of capital and liquidity to support client growth initiatives, maintaining adequate balance sheet resources to support the client franchise in times of market downturns, and optimally managing capital and liquidity across the group to reduce the costs of providing banking, insurance and asset management services to our clients.

The development and execution of innovative capital and liquidity solutions (including the group’s first green syndicated offshore loan) continued in 2022, notwithstanding a challenging market environment with ongoing regulatory changes.

Our finance teams play the role of value manager and continue to focus on leading business indicators, providing early opportunities for management action and client value generation.

EMPLOYEE ENGAGEMENT

Arno continues to play a critical leadership role in the group, through his deep insights leading to data-driven decisions and optimal resource allocations in the pursuit of sustainable value creation.

He is an active contributor at both group leadership council and board levels.

Employee wellness and resilience remain a focus across our Finance teams and an excellent eNPS score was achieved in 2022.

On South Africa diversity and inclusion metrics, Finance continues to make good transformation progress with an overall representation of 77.2% Black people.

Within Finance overall, 41% of executives are women and we continue to focus on retaining and attracting females into senior roles across the geographies we operate.

Finance employees continued on their learning journeys in 2022 with, on average, 80 hours of learning hours recorded.

Key performance indicators

eNPS	Regrettable turnover for Finance (target <5%)	Women at executive level in Finance	Learning hours per finance employee
+41	**4%**	**41%**	**80**
2021: +47	2021: 3%	2021: 42%	2021: 102
PROGRESS ↓	PROGRESS ↓	PROGRESS ↓	PROGRESS ↓

Key: ↑ Value created ↓ Value eroded <> Value preserved

RISK AND CONDUCT

All level 1, 2 and 3 risk metrics have been managed within risk appetite at a group level and the group's capital ratios remain strong and above targets.

Treasury and capital management focus has shifted in 2022 from managing the crisis to optimising financial resources, while continuing to maintain adequate buffers through the use of extensive forecasting combined with scenario planning and stress testing.

Financial controls were well managed in 2022, with no material breakdowns noted. All significant financial control findings have been reported and tracked at the relevant forums, with adequate remediation plans in place to address these control findings.

Conduct dashboards for Finance employees continue to receive attention and all conduct metrics are within thresholds.

Group tax risk continues to be well managed.

Arno often leads discussions and debates at risk and credit management and board committees.

Key performance indicators

CET1 capital adequacy ratio	Liquidity coverage ratio	Net stable funding ratio	Compliance training completion rate for Finance
13.5%	**147%**	**124%**	**99%**
2021: 13.8%	2021: 144%	2021: 122%	2021: 99%
PROGRESS ↓	PROGRESS ↑	PROGRESS ↑	PROGRESS <>

OPERATIONAL EXCELLENCE

Finance systems continue to be robust with no P1 outages in 2022 and a 45% decrease in P2 outages.

At the end of 2022, 55% of Finance compute was on cloud (2021: 35%).

Digitisation continues across finance in areas such as process mapping and automation; digital assistants (Chatbots) and predictive forecasting, using machine learning.

Arno has initiated the modernisation of the group's on-premise general ledger and reporting solution to ensure continued vendor support and an agile future-ready system.

Key performance indicators

Finance system priority 1 outages

0

2020: 0

PROGRESS <>

Key: ↑ Value created ↓ Value eroded <> Value preserved

FINANCIAL OUTCOME

The group's financial performance exceeded expectations in 2022, with earnings and returns ahead of plan. High revenue growth, good cost discipline in a high inflationary environment, and diligent capital allocation resulted in a strong ROE of 16.4%, well ahead of the group's cost of equity.

The Finance teams, led by Arno, continue to perform as value managers, driving sustainable value creation for all stakeholders, and materially contributed to the excellent financial performance in 2022. This is evidenced through activities such as providing client insights, identifying and monetising value pools, balance sheet optimisations, strategic planning, resource allocation prioritisations, quarterly performance reviews of financial and non-financial value drivers, metrics and targets setting, remuneration alignment, as well as assessing business models and investment propositions.

Our transition to a world of 'beyond budgeting' continues. The strategic plan to 2025 is based on an agile, scenario-based approach which allows us to deploy resources dynamically and optimally throughout 2023 and beyond. Modernising the budgeting process has transformed a ritual process into a very useful and dynamic management tool.

In March 2022, we concluded the Liberty transaction, overcoming regulatory hurdles in a difficult environment. Arno played a critical role in initiating this transaction and driving it to close.

Finance costs overall grew by 8% in 2022 impacted by higher inflation rates, particularly in Africa Regions.

The standard of reporting in the group continues to be high and in 2022 we achieved an Excellent rating in the EY Excellence in Integrated Reporting Awards.

Key performance indicators

Headline earnings	R34.2bn	2021: R25.0bn	PROGRESS ↑
ROE	16.4%	2021: 13.5%	PROGRESS ↑
Revenue	R133.6bn	2021: R113.3bn	PROGRESS ↑
Cost-to-income ratio	54.9%	2021: 57.9%	PROGRESS ↑
Jaws	579bps	2021: 71bps	PROGRESS ↑
Credit loss ratio (CLR)	75 bps	2021: 73bps	PROGRESS ↓

SEE IMPACT

Arno is an active promoter of the group's ESG & sustainability narrative and positioning with the investment and analyst community. In 2022 we held two successful ESG-specific investor engagements to improve the understanding of the group's approach to ESG and sustainability, including the group's Climate Policy. We increased our levels of engagement with Investor Stewardship Teams. This culminated in an improved understanding of the group's ESG approach and a board-supported climate related shareholder resolution was agreed at the 2022 AGM.

A record number of investor engagements were held in 2022, actively positioning the group's value creation trajectory and associated investment case.

Key performance indicators

S&P Global Corporate Sustainability Assessment	66%	2021: 61%	PROGRESS ↑
FTSE4Good index series	3.9 Included	2021: 3.9 Included	PROGRESS <>
MSCI ESG rating	AA	2021: AA	PROGRESS <>
Sustainalytics ESG Risk rating (lower is better)	24.7 med risk	2021: 25.6 med risk	PROGRESS ↑
Bloomberg Gender Equality Index	68%	2021: 68%	PROGRESS <>

Funeka Montjane

Chief executive officer, CHNW

Performance against:

- **Financial strategic value driver** – above target rating
- **Non-financial strategic value drivers** – overall on-target rating

Funeka's performance assessment has been based on the group's 2022 financial results, CHNW's financial results and the strategic progress made under the other five value drivers.

AWARDED

R'000	2021	2022	% Increase	2023	% Increase
Fixed remuneration	7 350	**7 350**	0.0	8 000	8.8
Cash incentive	6 500	**7 550**	15.9		
Deferred incentive	8 000	**9 250**			
PRP awarded	13 000	**14 000**	7.7		
Total remuneration	34 850	**38 150**	9.5		

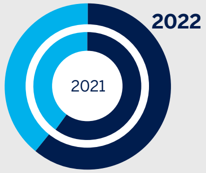
SINGLE FIGURE

R'000	2021	2022	% Increase
Fixed remuneration	7 202	**7 370**	2.3
Cash incentive	6 500	**7 550**	15.9
Deferred incentive	8 000	**9 250**	
PRP vested	–	**13 972**	
Total remuneration	21 702	**38 142**	75.8

Link between performance and remuneration

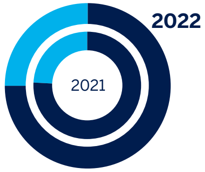
- Fixed remuneration will increase by 9% with effect from March 2023 to align with other prescribed officer roles in the group.
- As a chief executive of a business unit, the financial performance is equally anchored on performance of the CHNW business unit and the group.
- The 16% increase in short-term incentive awards is in the context of:
    - Standard Bank Group's record headline earnings with a year-on-year growth of 37% and strong improvement in the group's return on equity and cost-to-income ratio;
    - CHNW headline earnings growth of 27%;
    - Strong achievement of the group's strategic value drivers;
    - On track to meet the group's 2025 commitments; and
    - A smaller proportion of variable pay in the form of short-term incentive awards.
- To incentivise the execution of the group's future strategy, the conditional long-term incentive award (PRP) has been increased reflecting a greater proportion of variable pay in the form of long-term incentives. Any delivery is subject to performance conditions being met as assessed by Remco.
- The total remuneration awarded by Remco of R38.2 million (of which R14 million is at risk and may not deliver any value) is 10% higher than the prior year.
- The single figure award is significantly up on the prior year, reflecting the PRP vesting for the first time in the last three years. This has meant that single figure remuneration is close to historical norms.
- The graph alongside shows that this year's single figure total remuneration of R38.1 million is 15% above on-target projected earnings and 77% of projected maximum earnings.

Deferred awards as percentage of total remuneration (%)



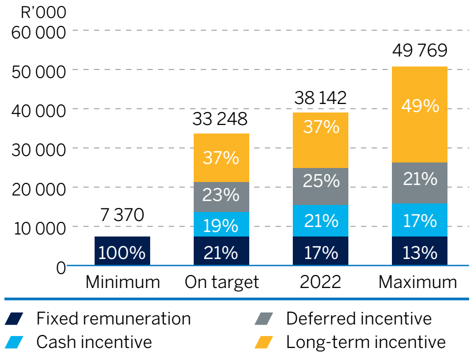
	2022	2021
▰ Deferred for up to 3.5 years	**61**	60
▱ Paid in cash	**39**	40

Deferred awards as percentage of total variable remuneration (%)



	2022	2021
▰ Deferred for up to 3.5 years	**75**	76
▱ Paid in cash	**25**	24

Single figure total remuneration for 2022 in relation to minimum, on-target and maximum projected remuneration scenarios



Key: ↑ Value created ↓ Value eroded <> Value preserved

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

The brand net promoter score for SBSA improved against the prior period, although the channel (includes branch, contact centres and relationship managers) score declined slightly. Our efforts to improve client experience have been recognised by several industry awards, including being named Best Private Bank in 2023 by Global Finance.

Africa Regions posted improved scores, with NPS increasing by five points from 32 in the prior year to 37 in 2022.

In the Nigeria Banking Industry client experience survey performed by KPMG, the Nigeria franchise has retained the number one ranking for the second year running against its peers.

The South African entity has seen a significant improvement and reduction in formal Ombudsman complaints out of all the major banks for 2022, with an overall reduction of 34% year-on-year (38% for CHNW).

Our active client base has grown by 8%. The South African client base is up 6% and Africa Regions by 12%. Encouraging growth was seen in South Africa with private banking clients growing by 16%, and reaching a significant milestone of one million youth clients, up 13%.

We continue to build deep expertise through highly experienced specialists, tailored solutions and bespoke experiences for wealth and investments clients. Our efforts have been recognised and we received various awards and accolades such as being the South Africa's best private bank 2023 by Global Finance.

Awards received

- The Standard Bank Affluent and Wealth and Investment teams have been acknowledged internationally with the following awards: Private Banker International Awards
  - Top honours: Outstanding Global Private Bank: Africa and Outstanding Wealth Management Technology Initiative-Front Office
  - Highly Commended: Best Family Office and Outstanding Wealth Management Technology Initiative-Back Office
- Global Finance
  - South Africa's best Private Bank 2023
- La Fonti
  - Best Private Bank Global; and
  - Best Private Bank for Innovation
- Euromoney 2022 Awards
  - Africa's Best Bank for Wealth Management
- Chartered Institute of Customer Management (Botswana)
  - Customer Service Excellence
- Banks and banking survey (Zimbabwe)
  - Corporate Governance Award
- CSR Network (Zimbabwe)
  - Excellence in community empowerment & social impact award

Key performance indicators

NPS South Africa
74
2021: 76
PROGRESS ↓

NPS Africa Regions
37
2021: 32
PROGRESS ↑

Client numbers
16.9
2021: 15.7
PROGRESS ↑

Digital Clients (South Africa)
3.8m
2021: 3.3m
PROGRESS ↑

Key: ↑ Value created ↓ Value eroded <> Value preserved

EMPLOYEE ENGAGEMENT

The 2022 'Are You a Fan' survey maintained a high participation rate in CHNW at 88%, with eNPS at +43 (down three points). While still a high score, it was below our expectations.

We continue to invest in building deep capabilities through mastery and development programmes like Executive Transition and Data and Behavioural Science with candidates across the continent.

Key performance indicators

eNPS	Women in executive positions	Regrettable turnover
+43	**43.2**	**1.9%**
2021: +46	2021: 41.8	2021: 3.5%
PROGRESS ↓	PROGRESS ↑	PROGRESS ↑

RISK AND CONDUCT

We continue to support our clients through targeted risk appetite, early indications show that the strategy to continue supporting our clients is yielding positive outcomes, both from a credit performance and customer sentiment perspective.

Across the continent, credit was well managed while supporting prudent growth in the lending book.

A comprehensive investigation was undertaken into improper practices in activating MyMo accounts where staff were alleged to have used their own funds to activate accounts. This matter has been taken in serious light and proactively managed. We have initiated a systematic conduct strengthening program and the staff involved have been dismissed for Financial Advisory and Intermediary Services (FAIS) Act breach. There was no negative client and anti-money laundering impact, while some negative impact on the group's reputation has been noted.

Operational risk losses have improved year-on-year and are within risk appetite, despite a surge in fraud attempts that have been observed in the vastly adoptive digital world. We are strengthening our capabilities into 2023 to manage this risk.

Key performance indicators

Credit loss ratio	Operational risk losses less than 1% of revenue
122 bps	**73bps**
2021: 134 bps	2021: 87bps
PROGRESS ↑	PROGRESS ↑

Key: ↑ Value created ↓ Value eroded <> Value preserved

OPERATIONAL EXCELLENCE

Ongoing optimisation of distribution infrastructure resulted in 9% less square meterage and 3% fewer branches from 2021, realising cost savings of over R200 million in 2022. We continue to expand our footprint through partnership access points (Instant Money retail partners) and low-cost kiosks. We are on track to deliver our target for 2025.

Key performance indicators

Physical footprint rationalisation – square meterage (‘000)
254
2021: 280

PROGRESS ↑

FINANCIAL OUTCOME

Headline earnings have increased by 27% against prior year to R8.9 billion, and ROE has increased from 14.0% to 17.3%.

Strong revenue growth, partially offset by elevated costs due to high inflationary environment in Africa Regions. Non-interest revenue in South Africa within transactional products showing good growth at 10%, reflective of the strength of the franchise.

Despite high-cost growth and significant impact of card foreign exchange loss in Ghana, we achieved pleasing positive jaws of 104bps. Cost containment remains a key focus into 2023.

Credit impairments have been well managed despite a challenging environment; improving 3% period on period and within the through the cycle range.

Key performance indicators

Headline earnings
R8.9bn
2021: R6.9bn

PROGRESS ↑

ROE
17.3%
2021: 14.0%

PROGRESS ↑

Revenue
R53.9bn
2021: R48.3bn

PROGRESS ↑

Cost-to-income ratio
61.1%
2021: 61.6%

PROGRESS ↑

Jaws
104bps
2021: 104bps

PROGRESS <>

Credit loss ratio (CLR)
122 bps
2021: 134 bps

PROGRESS ↑

Key: ↑ Value created ↓ Value eroded <> Value preserved

SEE IMPACT

In 2022, we launched a collateral backed student loan solution called Acacia. This solution caters to the 'missing middle' students who wish to study for STEM (Science, Technology, Engineering and Mathematics) careers. Furthermore, it offers wraparound support to funded students in the form of cash allowances, academic and psycho-social support to improve the overall throughput of students. Under a test and learn mandate, we have funded 42 first-year students, with a disbursement value of R3.86 million and a gearing ratio of 1:2.

We have launched a solid client value proposition in response to the energy crisis in South Africa through the LookSee platform. This is a marketplace for power and water solutions, and provides insights to assist clients with decision making and lending capability for solar. We recently launched the first Solar Score in South Africa.

We have helped homeowners install over 900 solar panels, which are collectively generating 895MWh of renewable energy per year, and 944 smart geysers, in partnership with Standard Bank Insurance we have saved homeowners over R5.5 million annually through solar installations and smart home solutions. We expect this platform to scale further in 2023.

Key performance indicators

S&P Global Corporate Sustainability Assessment
66%
2021: 61%
PROGRESS ↑

FTSE4Good Index series
3.9 Included
2021: 3.9 Included
PROGRESS <>

Bloomberg Gender Equality Index
68%
2021: 68%
PROGRESS <>

Increase in student loan funding
R448m
2021: R346m
PROGRESS ↑

Sustainalytics ESG risk rating (lower is better)
24.7 med risk
2021: 25.6 med risk
PROGRESS ↑

MSCI ESG rating
AA
2021: AA
PROGRESS <>

LookSee users
640k
2021: 103k
PROGRESS ↑

Bill Blackie

Chief executive officer, BCC

Performance against:

- **Financial strategic value driver** – above target rating
- **Non-financial strategic value drivers** – overall on-target rating

Bill's performance assessment has been based on the group's 2022 financial results, BCC's financial results and the strategic progress made under the other five value drivers.

AWARDED

R'000	2022	2023	% Increase
Fixed remuneration	7 200	8 000	11.1
Cash incentive	7 950		
Deferred incentive	9 750		
PRP awarded	14 000		
Total remuneration	**38 900**		

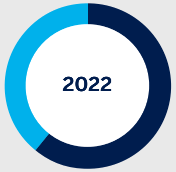
SINGLE FIGURE

R'000	2022
Fixed remuneration	7 016
Cash incentive	7 950
Deferred incentive	9 750
PRP vested	9 330
Total remuneration	**34 047**

Link between performance and remuneration

- Fixed remuneration will increase by 11% with effect from March 2023 to align with other prescribed officer roles in the group.
- As a chief executive of a business unit, the financial performance is equally anchored on performance of the BCC business unit and the group.
- The short-term incentive awards is in the context of:
  - Standard Bank Group's record headline earnings with a year-on-year growth of 37% and strong improvement in the group's return on equity and cost-to-income ratio;
  - BCC's headline earnings growth of 51%;
  - Strong achievement of the group's strategic value drivers;
  - On track to meet the group's 2025 commitments; and
  - A smaller proportion of variable pay in the form of short-term incentive awards.
- To incentivise the execution of the group's future strategy, the conditional long-term incentive award (PRP) has been increased reflecting a greater proportion of variable pay in the form of long-term incentives. Any delivery is subject to performance conditions being met as assessed by Remco.
- The total remuneration awarded by Remco is R38.9 million (of which R14 million is at risk and may not deliver any value).
- The graph alongside shows that this year's single figure total remuneration of R34.0 million is 18% above on-target projected earnings and 82% of projected maximum earnings.

Deferred awards as percentage of total remuneration (%)

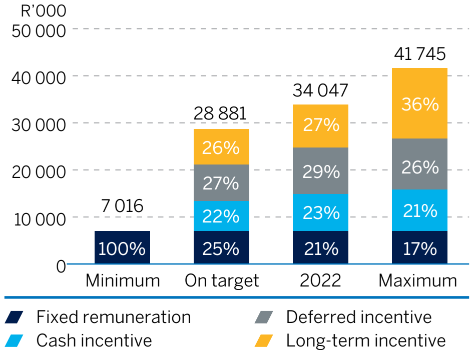


	2022
■ Deferred for up to 3.5 years	61
■ Paid in cash	39

Deferred awards as percentage of total variable remuneration (%)

	2022
■ Deferred for up to 3.5 years	75
■ Paid in cash	25

Single figure total remuneration for 2022 in relation to minimum, on-target and maximum projected remuneration scenarios



Key: ↑ Value created ↓ Value eroded <> Value preserved

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

The BCC strategy aims to drive client satisfaction, respond to client needs while delivering client acquisition and growth and remained a focal area for execution during 2022. The business targeted transformed client experience, operational excellence and driving sustainable value. The key performance goals entailed the delivery of the following three categories:

- Active growth in our client base as we re-establish our dominance in South Africa and southern regions, while enhancing our foothold across east and west Africa and increasing market share.
- Partnering our clients for their growth while delivering superior and consistent customer experience and convenient client relevant solutions.
- Collaborate and engage on the successful delivery of early-stage platforms, specifically the Trader and Agriculture Ecosystems.

Delivering on brilliant basics was supported by the progress made in digital onboarding and trade and payment platforms, empowered by driving single transactional channel decisions for enhanced feature enablement on the mobile app, digital lending and digital onboarding progress and USSD programme of work.

Driving simplification was supported by digital automation and digital lending. Scored lending capabilities were rolled out in three countries (Malawi, Ghana & Zimbabwe); optical character recognition (OCR) delivery in Uganda, Lesotho and Zambia; and CAMS simplification process delivered in Lesotho. Data cleansing was implemented where scored lending had been introduced and a KYC Robot deployed in four countries to support automated compliance processes.

Good progress has been made on providing relationship and advisory client support, with the deployment of multiple client relationship tools and ongoing capability development to enable our people.

Our Single Platform Environment has advanced, specifically relating to Unayo (~450k registered users in four countries), Enterprise Direct (virtual client relationship management capabilities), Trader (~25k registered traders across our countries of operation) and Agriculture ecosystems and the development of the SBG Mall. We will continue to develop appropriate platforms and solutions to meet the needs of our clients.

Key performance indicators

NPS south Africa	NPS Africa Regions	Active clients
69 2021: 71	**20** 2021: 29	**791k** 2021:761K
PROGRESS ↓	PROGRESS ↓	PROGRESS ↑

Key: ↑ Value created ↓ Value eroded <> Value preserved

RISK AND CONDUCT

BCC is committed to defining and establishing a clear risk appetite while embracing a culture of clear accountability and responsibility across the business. This will ensure we continue with a culture of adherence and delivery to customers enabling long term business resilience and sustainability. This intention was supported by:

- Proactively adopting a BCC risk appetite with an agile approach to responding to critical market and economic changes.
- Ensure a proactive risk and conduct culture across all markets.
- Mandatory compliance to be completed in full.
- Inculcate a culture that ensures that customers are treated fairly and with dignity.
- Automate and digitise risk services while maintaining appropriate levels of risk control.

BCC operated comfortably within level 1 risk appetite levels. Credit impairment charges were marginally lower than 2022 at R2 271 million, with a credit loss ratio (CLR) of 96 bps (2021: 111 bps). CLR tracked just below the targeted through-the-cycle range of 100 bps to 120 bps. The lower impairment charge from South Africa was partially offset by the increase in specific provisions and forward-looking coverage in Africa Regions.

Key performance indicators

Credit loss ratio
96 bps
Target
100 – 120 bps
PROGRESS ↑

Operational losses
0.4%
2021: 1%
PROGRESS ↑

Risk appetite
compliant
2021: compliant
PROGRESS <>

EMPLOYEE ENGAGEMENT

The leadership teams have remained committed to defining and executing the BCC Employee Culture, ensuring a focus on team care and growth, integration and agility which is underpinned by a clear focus on client service, with an emphasis on achievement and delivery while still maintaining attention to conduct, compliance and risk appetite requirements.

We invested in a leadership and culture initiative to establish a shared purpose and identity for BCC and drive cultural cohesion and strategic alignment across the business. This included a comprehensive review of the BCC four-year strategy, culminating in the articulation of BCC's growth ambition and "Journey to 2025." These interventions have contributed to our strong business performance and has enabled a mature and engaged team dynamic. We are confident that this investment will continue to yield sustainable benefits for our teams and our clients.

The overall participation rate in the annual Are You a Fan survey, was 89%, with the positive results decreasing marginally to +38 in 2022.

The second cohort of the award-winning Acceleration Leadership Programme commenced in October 2022, with 17 BCC delegates participating in this talent development initiative, designed to accelerate our leadership pipeline for key roles in South Africa and Africa Regions. The programme exposes executives to "Virtual Company Visits" to global corporate partners such as Amazon, Google, Development Bank of Singapore etc. thus demonstrating key multi-disciplinary practices from leading organisations.

More than 900 employees have participated in the Journey to Mastery program with >40% completion. We have also introduced regular connect opportunities for our employees (e.g. "Feel Good Friday") to encourage social and professional interaction at the office. These sessions have been well attended and positively received.

Key performance indicators

eNPS
+38
2021: +41
PROGRESS ↓

Regrettable turnover rate
3.0%
2021: 1.3%
PROGRESS ↓

Women in executive management positions
33%
2021: 32%
PROGRESS ↑

Value preserved
5.5%
2021: 5.5%
PROGRESS <>

Key: ↑ Value created ↓ Value eroded <> Value preserved

OPERATIONAL EXCELLENCE

BCC committed to adopting a sustainable and agile approach to systems, while maintaining excellent execution and customer experience which includes ongoing system enhancement and advancement to solutions within a dynamic and changing environment. A decrease in Priority 1 and Priority 2 incidents as well as a reduction in mean time to repair were seen during 2022, together with a 5% decrease in Priority 2 costs over the period. Improvement has been observed in the communication strategy, although further work is required.

Relationship building has progressed across the group to enable proactive recognition of incidents and improved communication flows. The introduction of stability governance forums and problem action tracking has led to increased resolutions during the period. Through collaborative efforts, substantial progress has been made in identifying and responding to the optimal payment channel approach for BCC.

Key performance indicators

Priority 1 system stability incidents
5
2021: 13
PROGRESS ↑

Mean time to repair (South Africa)
73%
2021: 71%
PROGRESS ↓

Mean time to repair (Africa Regions)
89%
2021: 84%
PROGRESS ↓

FINANCIAL OUTCOME

BCC improved headline earnings by 51% with an ROE of 33.7% (2021: 24.7%). The recovery in trade and transactional flows post pandemic supported positive franchise growth. Higher average interest rates in most markets and positive endowment bolstered performance despite an elevated inflationary environment.

Balance sheet growth was supported by the digitisation of the small business customer engagement model, increased access to funding through scored lending and strategic partnerships in some markets. In addition, the introduction of multiple funding solutions including Trader Direct, FlexiPay, BizFlex, and EZ Cash, supported growth of 5% in active small business customers, increase in client product entrenchment and more than 9% asset growth.

Credit impairment charges were marginally lower than 2022 at R2 271 million, with a credit loss ratio (CLR) of 96 bps (2021: 111 bps), tracking just below the targeted through-the-cycle range of 100 bps to 120 bps.

Operating expenses growth, largely driven by higher inflation and digital investment, was comfortably offset by the 22% growth in revenue leading to positive jaws, improving the cost-to-income ratio to 57.4%.

Key performance indicators

Headline earnings Value created
R8.0bn
2021: R5.3bn
PROGRESS ↑

ROE
33.7%
2021: 24.7%
PROGRESS ↑

Deposit and current account growth
R447bn
2021: R427bn
PROGRESS ↑

Loans and advances growth
R218bn
2021: R198bn
PROGRESS ↑

Cost-to-income ratio
57.4%
2021: 62.3%
PROGRESS ↑

Jaws
+963 bps
2021:
PROGRESS ↑

Key: ↑ Value created ↓ Value eroded <> Value preserved

SEE IMPACT

During the period, we selected Hello Choice and Food Forward as our partners to launch a digital relief ecosystem and to create a comprehensive online/offline solution through the OneFarm platform. OneFarm Share has delivered over 14 600 tons of produce in 2022, which translates to almost 58 million meals and over 1.2 million people fed. Through the platform, we also rescued 710 tons of food from fresh produce markets destined for landfill, reducing the impact of food wastage which is responsible for around 6% of total global greenhouse gas emissions.

We supported 766 businesses; sustained 4 289 jobs and disbursed R118.9 million in loans, grants, and other funding solutions through our enterprise development and supplier development programmes in South Africa. Across the continent we have multiple initiatives and partnerships that further support and develop our smaller business including Incubator programmes, Accelerator programmes, Ideate bootcamps and Entrepreneurship Projects.

Our Dada women entrepreneur initiative in Kenya has also been well received, and our Founders Factory partnership continues to successfully enable start-up businesses where our partnerships with Fintechs have also created >20k employment opportunities.

We supported 42k businesses with trade solutions and as part of our commitment to improve energy security for African businesses, we launched our solar energy equipment offering, an Africa China Trade Solutions renewable energy import platform across our countries of representation.

We have identified and established clear climate-related targets and ambitions for 2023 based on the learnings from 2022 and aim to be the thought leader on the continent for sustainable agriculture.

Key performance indicators

S&P Global Corporate Sustainability Assessment
66%
2021: 61%
PROGRESS ↑

FTSE4Good index series
3.9 Included
2021: 3.9 Included
PROGRESS <>

MSCI ESG rating
AA
2021: AA
PROGRESS <>

Jobs created in SMEs
4 289
2021: Target >1 500
PROGRESS ↑

SME loan disbursements
R8.6bn
2021:R4.1bn
PROGRESS ↑

Sustainalytics ESG Risk rating (lower is better)
24.7 med risk
2021: 25.6 med risk
PROGRESS ↑

Bloomberg Gender Equality Index
68%
2021: 68%
PROGRESS <>

Value of cross border payments
R436bn
2021: R287bn
PROGRESS ↑

Sustainable energy support
R377.5m
2021: R287.4m
PROGRESS ↑

Kenny Fihla

Chief executive officer, CIB

Performance against:

- **Financial strategic value driver** – above target rating
- **Non-financial strategic value drivers** – overall on-target rating

Kenny's performance assessment has been based on the group's 2022 financial results, CIB's financial results and the strategic progress made under the other five value drivers.

AWARDED

R'000	2021	2022	% Increase	2023	% Increase
Fixed remuneration	7 935	7 935	0.0	8 250	4.0
Cash incentive	9 900	11 250	13.6		
Deferred incentive	12 100	13 750			
PRP awarded	12 000	14 000	16.7		
Total remuneration	41 935	46 935	11.9		

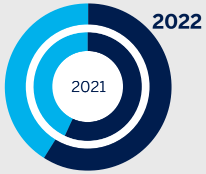
SINGLE FIGURE

R'000	2021	2022	% Increase
Fixed remuneration	7 998	7 929	(0.9)
Cash incentive	9 900	11 250	13.6
Deferred incentive	12 100	13 750	
PRP vested	–	17 311	
Total remuneration	29 998	50 240	67.5

Link between performance and remuneration

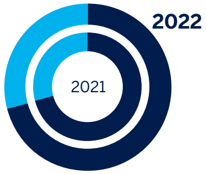
- Fixed remuneration will increase by 4.0% with effect from March 2023. This is the first increase since March 2020 with fixed remuneration increasing by an average of 1.8% over the last five years.
- As a chief executive of a business unit, the financial performance is equally anchored on performance of the CIB business unit and the group.
- The 14% increase in short-term incentive awards is in the context of:
  - Standard Bank Group's record headline earnings with a year-on-year growth of 37% and strong improvement in the group's return on equity and cost-to-income ratio;
  - CIB headline earnings growth of 11%;
  - Strong achievement of the group's strategic value drivers;
  - On track to meet the group's 2025 commitments; and
  - A smaller proportion of variable pay in the form of short-term incentive awards.
- To incentivise the execution of the group's future strategy, the conditional long-term incentive award (PRP) has been increased reflecting a greater proportion of variable pay in the form of long-term incentives. Any delivery is subject to performance conditions being met as assessed by Remco.
- The total remuneration awarded by Remco of R46.9 million (of which R14 million is at risk and may not deliver any value) is 12% higher than the prior year.
- The single figure award is significantly up on the prior year, reflecting the PRP vesting for the first time in the last three years. This has meant that single figure remuneration is close to historical norms.
- The graph alongside shows that this year's single figure total remuneration of R50.2 million is 21% above on-target projected earnings and 79% of projected maximum earnings.

Deferred awards as percentage of total remuneration (%)



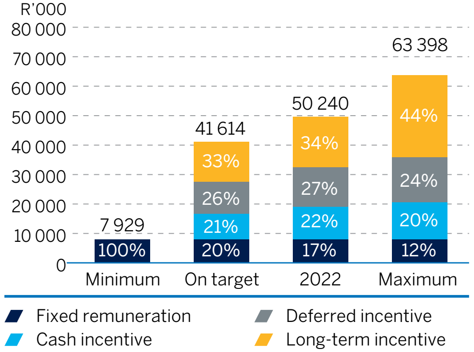
	2022	2021
▰ Deferred for up to 3.5 years	59	57
▰ Paid in cash	41	43

Deferred awards as percentage of total variable remuneration (%)



	2022	2021
▰ Deferred for up to 3.5 years	71	71
▰ Paid in cash	29	29

Single figure total remuneration for 2022 in relation to minimum, on-target and maximum projected remuneration scenarios



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PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

The franchise continues to show strong growth, with client revenue growing 31% compared to prior year with the same growth in constant currency.

Approximately 80% of CIB's revenues are derived from client activity, reflecting a strong client franchise. Our relationships with a growing number of multi-nationals, who contribute over 60% of the client revenues, remain a powerful competitive advantage.

We have seen quality growth from a number of our key sectors, including Power & Infrastructure, Mining & Metals, and Oil & Gas, and continue to benefit from our strong diversification across several industries.

The overall CIB client experience score for 2022 was 8.2 (out of 10), in line with the scores from 2020 and 2021.

Transactional Products & Services (TPS) and Investment Banking (IB) improved to a score of 8.2 in the prior year, while the score for our credit process remained steady at 8.1.

Key performance indicators

Client revenue growth
31%
2021: 4%
PROGRESS ↑

Client satisfaction index
8.2
2021: 8.2
PROGRESS <>

EMPLOYEE ENGAGEMENT

Following a global trend post Covid, CIB also experienced an increase in employee turnover, particularly where niche skills are in high demand. We leveraged our existing capabilities, and introduced new initiatives to ensure that our people remain engaged and committed. Some highlights included the following:

People Promise

We designed and rolled out our "We're All In" employee proposition to enhance our existing Human First commitment.

We shared this proposition with our people in July and continue to deliver the proof points through the various solutions that we co-created with our people.

Employee feedback

Our eNPS remained positive at +36.

We continuously obtain employee feedback from various workshops, focus groups, our "Tell Us How You Are" and in "Are You A Fan" surveys and we use this feedback to create offerings that matter to our people. This includes the design and development of the Culture Hub, Ignite Women's Development programme, Hybrid Workshop engagements, Wellbeing offerings, and the Building Your Confidence programme, which addressed challenges highlighted in the Retention workstream engagements.

Leadership changes

Within IB, the realignment of existing people and recruitment of senior profile hires has driven significant change, enabling the credible execution of existing merger and acquisition (M&A) deals and the most robust M&A pipeline in the history of the business.

The appointment of a Chief Marketing Officer has brought stability and leadership to this key function.

The percentage of woman representation at senior and executive levels improved from 26.9% to 29.3%.

Key performance indicators

eNPS
+36
2020: +38
PROGRESS ↓

Regrettable turnover rate **6.4%**
2020: 4.8%
PROGRESS ↓

Women in executive positions
29.3%
2020: 26.9%
PROGRESS ↑

Key: ↑ Value created ↓ Value eroded <> Value preserved

RISK AND CONDUCT

CIB's credit loss ratio is below the appetite of 40 bps to 60 bps at 37 bps.

We continue to hold healthy and constructive engagements with the South African Reserve Bank (SARB) across CIB, timeously responding to and complying with relevant requests on the back of Prudential Authority engagements and various risk on-site meetings.

Key performance indicators

Credit loss ratio on customer loans and advances

37 bps

2021: (5 bps)

PROGRESS ↓

Impairment charges

R2.5bn

2021: (R354m) reversal

PROGRESS <>

OPERATIONAL EXCELLENCE

Cost management

We continue to assess the relevance of certain costs across our business and operations that are performing sub-optimally.

Due to a gradual reduction in trade and investment flows between Brazil and Africa, we closed the group's office in Brazil, which will result in annual cost savings of c. R50 million.

In TPS, we continue to pursue initiatives to reduce the cost of our branch/physical presence, and these resulted in cost savings of R67 million in 2022.

Quicker decision-making

Client Coverage has begun to take greater ownership of the Portfolio Risk Management Committee (PRMC) process, which will allow quicker decisions in line with market drivers and risk appetite and should fully reflect the business strategies going forward.

A refresh of the New Business Approval Committee (NBAC) is underway and will result in simpler decision-making processes for certain products and greater accountability for client service teams.

Investment Banking has set up a Professional Portfolio Management (PPM) function to manage financial resources better, increase portfolio returns, and manage risk across the portfolios.

System stability

In line with the CIB client-centric approach, the CIB Always On programme assumed an approach that prioritised the availability of services as enabled by various platforms and applications, as opposed to the availability of systems.

The Always On programme has made good progress in managing the prioritised business services and completed the end-to-end mapping of 19 of the 31 prioritised services.

CIB's objectives for Cloud adoption remain to enable business agility, scalability, and resilience. At the end of the year, CIB had achieved 24% of computing in the cloud.

The focus on ensuring stable systems for clients continues to deliver positive results, with a reduction trend in 2022 when compared to 2021:

- 67% reduction in P1 to P4 (priority) incidents.
- 50% reduction in payments incidents with a focus on the availability of the payments service.

Key performance indicators

Priority 1 system stability incidents	Priority 2 high priority incidents	Decommissioning of legacy systems	Migration to cloud
1	**50**	**9**	**24%**
2021: 0	2021: 157	2021: 15	2021: 15%
PROGRESS ↓	PROGRESS ↑	PROGRESS ↓	PROGRESS ↑

Key: ↑ Value created ↓ Value eroded <> Value preserved

FINANCIAL OUTCOME

Key performance indicators

Headline earnings
R14.8bn
2021: R13.3bn
PROGRESS ↑

ROE
19.2%
2021: 19.4%
PROGRESS <>

Revenue
R48.8bn
2021: R38.7bn
PROGRESS ↑

Cost-to-income ratio
49.1%
2021: 53.7%
PROGRESS ↑

Jaws
1 067 bps
PROGRESS ↑

Credit loss ratio
37 bps
2021: (5bps)
PROGRESS ↑

SEE IMPACT

Sustainable finance

CIB is leading the sustainable finance evolution. We supported South Africa's and Africa's first renewable energy baseload project (Scatec) and the first ZAR-based sustainability-linked funding in the South Africa automotive sector (Motus).

We have committed to mobilising over R250 billion in sustainable finance origination by 2026, which is the highest aspiration relative to peer banks.

Key performance indicators

S&P Global Corporate Sustainability Assessment
66%
2021: 61%
PROGRESS ↑

FTSE4Good Index series
3.9 Included
2021: 3.9 Included
PROGRESS <>

MSCI ESG rating
AA
2021: AA
PROGRESS <>

Bloomberg Gender Equality Index
68%
2021: 68%
PROGRESS <>

Sustainalytics ESG risk rating (lower is better)
24.7 med risk
2021: 25.6 med risk
PROGRESS ↑

Gross mobilisation of sustainable finance
R54.5bn
2021: R22.0bn
PROGRESS ↑

Margaret Nienaber

Chief operating officer

Performance against:

- **Financial strategic value driver** – above target rating
- **Non-financial strategic value drivers** – overall on-target rating

Margaret's performance assessment has been based on the group's 2022 financial results, Client Solutions' financial results and the strategic progress made under the other five value drivers.

AWARDED

R'000	2021	**2022**	% Increase	2023	% Increase
Fixed remuneration	7 350	**7 350**	0.0	8 000	8.8
Cash incentive	8 100	**9 000**	11.1		
Deferred incentive	9 900	**11 000**			
PRP awarded	12 000	**14 000**	16.7		
Total remuneration	37 350	**41 350**	10.7		

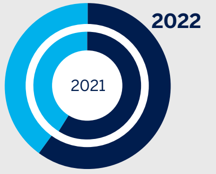
SINGLE FIGURE

R'000	2021	**2022**	% Increase
Fixed remuneration	7 242	**7 351**	1.5
Cash incentive	8 100	**9 000**	11.1
Deferred incentive	9 900	**11 000**	
PRP vested	–	**16 293**	
Total remuneration	25 242	**43 644**	72.9

Link between performance and remuneration

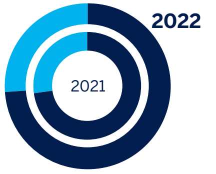
- Fixed remuneration will increase by 9% with effect from March 2023 to align with other prescribed officer roles in the group.
- As a chief executive of a business unit, the financial performance is equally anchored on performance of the Client Solutions business unit and the group.
- The short-term incentive awards is in the context of:
  - Standard Bank Group's record headline earnings with a year-on-year growth of 37% and strong improvement in the group's return on equity and cost-to-income ratio;
  - Client Solution's headline earnings growth of 39%;
  - Dual responsibility for the new chief operating officer role since July 2022;
  - Strong achievement of the group's strategic value drivers;
  - On track to meet the group's 2025 commitments; and
  - A smaller proportion of variable pay in the form of short-term incentive awards.
- To incentivise the execution of the group's future strategy, the conditional long-term incentive award (PRP) has been increased reflecting a greater proportion of variable pay in the form of long-term incentives. Any delivery is subject to performance conditions being met as assessed by Remco.
- The total remuneration awarded by Remco is R41.4 million (of which R14 million is at risk and may not deliver any value).
- The single figure award is significantly up on the prior year, reflecting the PRP vesting for the first time in the last three years. This has meant that single figure remuneration is close to historical norms.
- The graph alongside shows that this year's single figure total remuneration of R43.6 million is 24% above on-target projected earnings and 82% of projected maximum earnings.

Deferred awards as percentage of total remuneration (%)



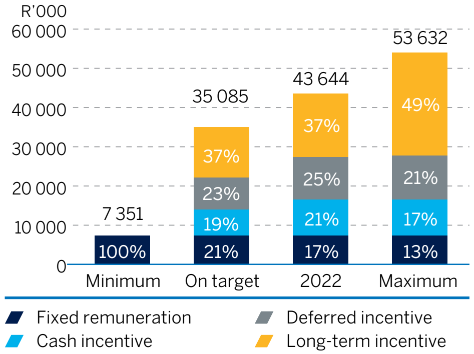
	2022	2021
Deferred for up to 3.5 years	**60**	59
Paid in cash	**40**	41

Deferred awards as percentage of total variable remuneration (%)



	2022	2021
Deferred for up to 3.5 years	**74**	73
Paid in cash	**26**	27

Single figure total remuneration for 2022 in relation to minimum, on-target and maximum projected remuneration scenarios



Key: ↑ Value created ↓ Value eroded <> Value preserved

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

Key performance indicators

Client Solutions

NPS
+50
2021: +47
PROGRESS ↑

NCCF
positive
2021: positive
PROGRESS ↑

Strategic distribution partnership revenue
R2.3bn
2021:R1.7bn
PROGRESS ↑

Beyond revenue
R1.1bn
2021: R1.0bn
PROGRESS ↑

COO

Digital channels SA NPS
56
2021: 52
PROGRESS ↑

Priority 1 incidents
6
2021: 16
PROGRESS ↑

Priority 2 incidents
426
2021:1 031
PROGRESS ↑

Mean time to repair P1 incidents
7 hrs
2021:17hrs
PROGRESS ↑

Mean time to repair P2 incidents
5 hrs
2021:15hrs
PROGRESS ↑

Brand consideration – countries where we rank 1st or 2nd
4
2021:4
PROGRESS <>

Key: ↑ Value created ↓ Value eroded <> Value preserved

EMPLOYEE ENGAGEMENT

Key performance indicators

Client Solutions

eNPS
+39
2021: +39
PROGRESS <>

Regrettable turnover rate
5.0%
2021: 3.0%
PROGRESS <>

Women in executive positions
42%
2021:37%
PROGRESS ↑

African representation at senior management level in South Africa
31%
2021: 27%
PROGRESS ↑

COO

Technology eNPS
+52
2021: +49
PROGRESS ↑

Salesforce rangers across the group
24 500
2021: 23 279
PROGRESS ↑

Engineering certifications
1 592
2021:1 435
PROGRESS ↑

4 700 SBG employees have completed the digital savviness learning module.

3 366 women participated in the 2022 #SHEDARES AWS practitioner skills certification challenge. By end of 2022, 613 had completed the training, and 100 had passed the exam.

We trained over **150** developers to produce quality APIs via our internal API Bootcamp.

Key: ↑ Value created ↓ Value eroded <> Value preserved

RISK AND CONDUCT

Key performance indicators

Client Solutions

Operating losses as a % of gross income
+0.4%
2021: -0.4%
PROGRESS ↓

Credit loss ratio
0.4%
2021: 1.3%
PROGRESS ↑

Compliance training completion rate
99%
2021: 98%
PROGRESS ↑

Regulatory breaches
1
2021: 1
PROGRESS <>

OPERATIONAL EXCELLENCE

Key performance indicators

Client Solutions

Digital solutions fulfilment
32%
2021: 28%
PROGRESS ↑

Systems decommissioned
14
2021: 10
PROGRESS ↑

Number of systems/ applications migrated to cloud
20
2021: 14
PROGRESS ↑

COO

IT Security Maturity Index
4.5
2021: 4.4
PROGRESS ↑

Reduction in legacy systems
101
2021: 73
PROGRESS ↑

Core applications on cloud
28%
2021: 15%
PROGRESS ↑

Reduction in physical footprint
126 000m^2
2021: 77 000m^2
PROGRESS ↑

Key: ↑ Value created ↓ Value eroded <> Value preserved

FINANCIAL OUTCOME

Key performance indicators

Client Solutions

Headline earnings
R15.3bn
2021: R11.0bn
PROGRESS ↑

ROE
20.6%
2021: 15.4%
PROGRESS ↑

Revenue
R83.6bn
2021: R73.0bn
PROGRESS ↑

Jaws
354bps
2021: 5bps
PROGRESS ↑

Cost-to-income ratio
61.9%
2021: 63.9%
PROGRESS ↑

SEE IMPACT

Key performance indicators

S&P Global Corporate Sustainability Assessment
66%
2021: 61%
PROGRESS ↑

FTSE4Good index series
3.9 Included
2021: 3.9 Included
PROGRESS <>

MSCI ESG rating
AA
2021: AA
PROGRESS <>

Sustainalytics ESG Risk rating (lower is better)
24.7 med risk
2021: 25.6 med risk
PROGRESS ↑

Bloomberg Gender Equality Index
68%
2021: 68%
PROGRESS <>

Client Solutions

Melville Douglas impact fund
USD61m
2021: Launched
PROGRESS ↑

Financial Fitness sessions for clients and employees
23k attendees
2021: 11k attendees
PROGRESS ↑

Green insurance product installed
545
2021: 378
PROGRESS ↑

COO

52 African SMEs have achieved partner status

David Munro

Group executive

Performance against:

- **Financial strategic value driver** – above target rating
- **Non-financial strategic value drivers** – overall on-target rating

David's performance assessment has been based on the group's 2022 financial results and the strategic progress made under the other five value drivers.

AWARDED

R'000	2022	2023	% Increase
Fixed remuneration	9 149	9 149	0.0%
Cash incentive	9 000		
Deferred incentive	11 000		
PRP awarded	–		
Total remuneration	29 149		

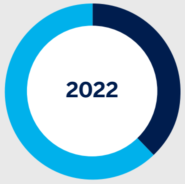
SINGLE FIGURE

R'000	2022
Fixed remuneration	7 474
Cash incentive	9 000
Deferred incentive	11 000
PRP vested	–
Total remuneration	27 474

Link between performance and remuneration

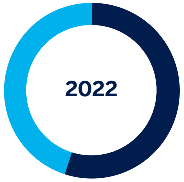
- Fixed remuneration will remain unchanged given the announcement that David will leave the group effective from 31 March 2023.
- In line with the remuneration policy for group leadership council members, short-term incentives are proposed after considering the group's financial performance and the achievement of the group's strategic value drivers.
- For executive directors, the underlying financial performance is anchored around group performance.
- The short-term incentive award should be viewed in the context of:
  - Standard Bank Group's record headline earnings with a year-on-year growth of 37%;
  - Strong improvement in return on equity and cost-to-income ratio;
  - Strong achievement of the group's strategic value drivers;
  - On track to meet the group's 2025 commitments.
- The total remuneration awarded by Remco is R29.1 million.
- The graph alongside shows that this year's single figure total remuneration of R27.5 million is 7% above on-target projected earnings and 84% of projected stretch earnings.

Deferred awards as percentage of total remuneration (%)



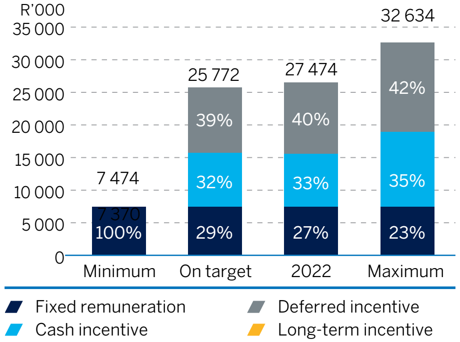
	2022
Deferred for up to 3.5 years	38
Paid in cash	62

Deferred awards as percentage of total variable remuneration (%)



	2022
Deferred for up to 3.5 years	55
Paid in cash	45

Single figure total remuneration for 2022 in relation to minimum, on-target and maximum projected remuneration scenarios



Key: ↑ Value created ↓ Value eroded <> Value preserved

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

The impact on client focus was achieved through the integration program of Liberty which was guided under the banner of Commercial Co-ordination.

Significant progress has been made in extending the group's market share of the Main Market in South Africa through the collaboration between Liberty and CHNW.

The design, implementation and release to market of Flexi-Life is a major milestone, which was achieved in record time through a deeply collaborative process. While earnings from this initiative will only emerge in the next two to three years, Flexi Funeral continues to be a major success.

In the retail affluent segment, two initiatives were undertaken to explore the improved competitiveness of the group.

In the retail affluent segment, two initiatives were undertaken to explore the improved competitiveness of the group. Both have provided good insights into positioning the group to be more competitive and relevant to clients in the future with the learnings being taken forward to 2023.

Of particular importance was focus on the commercial co-ordination between Liberty and Standard Bank Group's African Regions operations, with consistent progress being made.

EMPLOYEE ENGAGEMENT

In his role as Group Executive, David has continued to support both the Liberty Group management team as well as relevant Standard Bank Group executives as they resolve the complexities of integration and the revised operating models within their respective business units.

RISK AND CONDUCT

The integration process has assisted in deepening the connections between the original Liberty group functions and those of Standard Bank Group. This will continue to be enhanced as the next phase of design and implementation of the integration process continues for the respective business units and group functions.

OPERATIONAL EXCELLENCE

The Year 1 post acquisition budget was significantly over achieved through all design and integration work being performed using in house resources, and no consultants being employed to assist with the work as had been provided for in the plan.

The role of Group Executive in 2023 required leadership and collaboration across many executives in the group to set up the integration of Liberty successfully and sustainably. Satisfactory progress was made on all the respective areas of focus for integration during 2022.

Key: ↑ Value created ↓ Value eroded <> Value preserved

FINANCIAL OUTCOME

Aligned to the group CEO outcomes.

Read more: page 96.

Key performance indicators

Headline earnings
R34.2bn
2021: R25.0bn
PROGRESS ↑

ROE
16.4%
2021: 13.5%
PROGRESS ↑

Revenue
R133.6bn
2021: R113.3bn
PROGRESS ↑

Cost-to-income ratio
54.9%
2021: 57.9%
PROGRESS ↑

Jaws
579bps
2021: 71bps
PROGRESS ↑

Credit loss ratio (CLR)
75 bps
2021: 73bps
PROGRESS <>

SEE IMPACT

Key performance indicators

S&P Global Corporate Sustainability Assessment
66%
2021: 61%
PROGRESS ↑

FTSE4Good Index series
3.9
Included
2021: 3.9 Included
PROGRESS <>

MSCI ESG rating
AA
2021: AA
PROGRESS <>

Sustainalytics ESG Risk rating (lower is better)
24.7 med risk
2021: 25.6 med risk
PROGRESS ↑

Bloomberg Gender Equality Index
68%
2021: 68%
PROGRESS <>

Executive directors' and prescribed officers' emoluments

The two tables shown below and on the pages that follow, are awards made by Remco for 2022 and the single figure format as required by King IV.

The remuneration disclosed in the tables below is with respect to the period that individuals were classified as prescribed officers.

Executive directors' and prescribed officers' emoluments [as awarded by Remco]

R'000	Notes	2018	2019	2020	2021	2022
Sim Tshabalala*						
Cost to company package	1	10 082	10 082	10 586	10 586	**10 586**
Short-term incentive (cash)	2	11 350	10 525	5 900	8 100	**8 650**
Short-term incentive (share-linked deferral)	3	14 050	12 725	7 150	9 900	**10 650**
Short-term incentive		25 400	23 250	13 050	18 000	**19 300**
Total remuneration (excluding PRP)		35 482	33 332	23 636	28 586	**29 886**
Face value of conditional PRP awarded		14 000	16 650	17 750	20 000	**24 000**
Total remuneration (including PRP)		49 482	49 982	41 386	48 586	**53 886**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000	Notes	2018	2019	2020	2021	2022
Sim Tshabalala*						
Cash package paid during the year		8 636	8 781	9 427	8 967	**9 041**
Retirement contributions paid during the year		1 222	1 235	1 350	1 290	**1 295**
Other allowances		129	206	222	218	**222**
Cost to company package		9 987	10 222	10 999	10 475	**10 558**
Once-off allowances/payments	4	632				
Short-term incentive (cash)	2	11 350	10 525	5 900	8 100	**8 650**
Short-term incentive (share-linked deferral)	3	14 050	12 725	7 150	9 900	**10 650**
Short-term incentive		25 400	23 250	13 050	18 000	**19 300**
Total remuneration (excluding PRP)		36 019	33 472	24 049	28 475	**29 858**
PRP awards vesting	8	20 228	13 499			**22 882**
PRP notional dividend	9	2 818	2 225			**2 954**
Total remuneration (including PRP)		59 065	49 196	24 049	28 475	**55 694**

Notes are included on page 129.

Executive directors' and prescribed officers' emoluments [as awarded by Remco]

R'000	Notes	2018	2019	2020	2021	2022
Arno Daehnke*						
Cost to company package	1	6 343	6 343	7 000	7 000	**7 000**
Short-term incentive (cash)	2	8 025	8 150	4 600	7 525	**8 200**
Short-term incentive (share-linked deferral)	3	8 725	9 850	5 500	9 225	**10 000**
Short-term incentive		16 750	18 000	10 100	16 750	**18 200**
Total remuneration (excluding PRP)		23 093	24 343	17 100	23 750	**25 200**
Face value of conditional PRP awarded		12 000	12 000	14 000	14 000	**16 000**
Total remuneration (including PRP)		35 093	36 343	31 100	37 750	**41 200**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000	Notes	2018	2019	2020	2021	2022
Arno Daehnke*						
Cash package paid during the year		5 570	5 648	6 254	6 140	**6 172**
Retirement contributions paid during the year		704	702	782	765	**767**
Other allowances		20	59	103	109	**62**
Cost to company package		6 294	6 409	7 139	7 014	**7 000**
Once-off allowances/payments	4	111				
Short-term incentive (cash)	2	8 025	8 150	4 600	7 525	**8 200**
Short-term incentive (share-linked deferral)	3	8 725	9 850	5 500	9 225	**10 000**
Short-term incentive		16 750	18 000	10 100	16 750	**18 200**
Total remuneration (excluding PRP)		23 155	24 409	17 239	23 764	**25 200**
PRP awards vesting	8	11 330	7 558			**16 506**
PRP notional dividend	9	1 578	1 246			**2 131**
Total remuneration (including PRP)		36 063	33 213	17 239	23 764	**43 837**

Notes are included on page 129.

Executive directors’ and prescribed officers’ emoluments [as awarded by Remco]

R’000	Notes	2021	2022
Funeka Montjane	5		
Cost to company package	1	7 350	7 350
Short-term incentive (cash)	2	6 500	7 550
Short-term incentive (share-linked deferral)	3	8 000	9 250
Short-term incentive		14 500	16 800
Total remuneration (excluding PRP)		21 850	24 150
Face value of conditional PRP awarded		13 000	14 000
Total remuneration (including PRP)		34 850	38 150

Executive directors’ and prescribed officers’ emoluments [single figure format]

R’000	Notes	2021	2022
Funeka Montjane	5		
Cash package paid during the year		6 550	6 696
Retirement contributions paid during the year		502	515
Other allowances		150	160
Cost to company package		7 202	7 370
Short-term incentive (cash)	2	6 500	7 550
Short-term incentive (share-linked deferral)	3	8 000	9 250
Short-term incentive		14 500	16 800
Total remuneration (excluding PRP)		21 702	24 170
PRP awards vesting	8		12 375
PRP notional dividend	9		1 597
Total remuneration (including PRP)		21 702	38 142

Notes are included on page 129.

Executive directors’ and prescribed officers’ emoluments [as awarded by Remco]

R’000	Notes	2022
Bill Blackie	6	
Cost to company package	1	7 200
Short-term incentive (cash)	2	7 950
Short-term incentive (share-linked deferral)	3	9 750
Short-term incentive		17 700
Total remuneration (excluding PRP)		24 900
Face value of conditional PRP awarded		14 000
Total remuneration (including PRP)		38 900

Executive directors’ and prescribed officers’ emoluments [single figure format]

R’000	Notes	2022
Bill Blackie	6	
Cash package paid during the year		6 321
Retirement contributions paid during the year		627
Other allowances		68
Cost to company package		7 016
Once-off allowances/payments		
Short-term incentive (cash)	2	7 950
Short-term incentive (share-linked deferral)	3	9 750
Short-term incentive		17 700
Total remuneration (excluding PRP)		24 716
PRP awards vesting	8	8 264
PRP notional dividend	9	1 067
Total remuneration (including PRP)		34 047

Notes are included on page 129.

Executive directors' and prescribed officers' emoluments [as awarded by Remco]

R'000	Notes	2018	2019	2020	2021	2022
Kenny Fihla						
Cost to company package	1	7 557	7 557	7 935	7 935	7 935
Short-term incentive (cash)	2	8 650	10 025	7 400	9 900	11 250
Short-term incentive (share-linked deferral)	3	10 350	11 725	8 900	12 100	13 750
Short-term incentive		19 000	21 750	16 300	22 000	25 000
Total remuneration (excluding PRP)		26 557	29 307	24 235	29 935	32 935
Face value of conditional PRP awarded		12 000	11 150	12 000	12 000	14 000
Total remuneration (including PRP)		38 557	40 457	36 235	41 935	46 935

Executive directors' and prescribed officers' emoluments [single figure format]

R'000	Notes	2018	2019	2020	2021	2022
Kenny Fihla						
Cash package paid during the year		6 506	6 628	7 067	6 845	6 875
Retirement contributions paid during the year		853	855	925	894	896
Other allowances		229	251	235	259	158
Cost to company package		7 588	7 734	8 227	7 998	7 929
Once-off allowances/payments	4	710				
Short-term incentive (cash)	2	8 650	10 025	7 400	9 900	11 250
Short-term incentive (share-linked deferral)	3	10 350	11 725	8 900	12 100	13 750
Short-term incentive		19 000	21 750	16 300	22 000	25 000
Total remuneration (excluding PRP)		27 298	29 484	24 527	29 998	32 929
PRP awards vesting	8	9 709	6 480			15 332
PRP notional dividend	9	1 353	1 068			1 979
Total remuneration (including PRP)		38 360	37 032	24 527	29 998	50 240

Notes are included on page 129.

Executive directors’ and prescribed officers’ emoluments [as awarded by Remco]

R’000	Notes	2018	2019	2020	2021	2022
Margaret Nienaber						
Cost to company package	1	6 354	6 354	7 000	7 350	**7 350**
Short-term incentive (cash)	2	7 213	7 900	5 675	8 100	**9 000**
Short-term incentive (share-linked deferral)	3	7 913	9 600	6 875	9 900	**11 000**
Short-term incentive		15 125	17 500	12 550	18 000	**20 000**
Total remuneration (excluding PRP)		21 479	23 854	19 550	25 350	**27 350**
Face value of conditional PRP awarded		10 000	10 500	11 000	12 000	**14 000**
Total remuneration (including PRP)		31 479	34 354	30 550	37 350	**41 350**

Executive directors’ and prescribed officers’ emoluments [single figure format]

R’000	Notes	2018	2019	2020	2021	2022
Margaret Nienaber						
Cash package paid during the year		5 497	5 571	6 196	6 283	**6 371**
Retirement contributions paid during the year		589	640	718	716	**722**
Other allowances		171	220	246	243	**258**
Cost to company package		6 257	6 431	7 160	7 242	**7 351**
Once-off allowances/payments	4	78				
Short-term incentive (cash)	2	7 213	7 900	5 675	8 100	**9 000**
Short-term incentive (share-linked deferral)	3	7 913	9 600	6 875	9 900	**11 000**
Short-term incentive		15 125	17 500	12 550	18 000	**20 000**
Total remuneration (excluding PRP)		21 460	23 931	19 710	25 242	**27 351**
PRP awards vesting	8	5 655	10 789			**14 430**
PRP notional dividend	9	788	1 778			**1 863**
Total remuneration (including PRP)		27 903	36 498	19 710	25 242	**43 644**

Notes are included page 129.

Executive directors’ and prescribed officers’ emoluments [as awarded by Remco]

R’000	Notes	2022
David Munro	7	
Cost to company package	1	9 149
Short-term incentive (cash)	2	9 000
Short-term incentive (share-linked deferral)	3	11 000
Short-term incentive		20 000
Total remuneration (excluding PRP)		29 149
Face value of conditional PRP awarded	10	
Total remuneration (including PRP)		29 149

Executive directors’ and prescribed officers’ emoluments [single figure format]

R’000	Notes	2022
David Munro	7	
Cash package paid during the year		6 601
Retirement contributions paid during the year		589
Other allowances		284
Cost to company package		7 474
Short-term incentive (cash)	2	9 000
Short-term incentive (share-linked deferral)	3	11 000
Short-term incentive		20 000
Total remuneration (excluding PRP)		27 474
PRP awards vesting	10	
PRP notional dividend	10	
Total remuneration (including PRP)		27 474

1 Cost to company as awarded by Remco in March each year.

2 These are performance related short-term incentive payments in respect of the financial year under review.

3 These are performance-related deferred incentive awards issued in the March following the financial year under review. Participants can elect to have the value of the deferred awards, or part thereof, invested in the SARP rather than the default DBS. To the extent that the SARP is selected, a 10% premium of the value of the award is added. Deferred incentive awards not invested in SARP will be unitised in DBS with respect to the group’s closing share price the day results are announced. The award will be updated in the group’s annual financial statements the following year to reflect the choices made and units/rights awarded.

4 Includes a once-off payment made in respect of death in service and permanent health insurance benefits.

5 Funeka Montjane was appointed as a prescribed officer on 1 January 2021 and her remuneration is shown from this date.

6 Bill Blackie was appointed as a prescribed officer on 1 January 2022 and his remuneration is shown from this date.

7 David Munro was appointed as a prescribed officer on 11 March 2022 and his remuneration is shown from this date.

8 PRP units vesting in March 2023 (disclosed for the performance year 2022) were awarded in March 2020. The value delivered is calculated using the group’s closing share price of R167.79 at 31 December 2022 and the vesting percentage of 125% based on the achievement of performance conditions measured over the 3-year performance period ending 31 December 2022. The amount included in the single figure numbers will not be amended for the actual vesting share prices on 31 March following the performance year, however the actual payment values will be included in the settlement schedule in the 2023 remuneration report. No PRP awards vested for the performance period ending 31 December 2021 in respect of the PRP units awarded in March 2019.

9 The PRP notional dividend is calculated by multiplying the units vesting by the cumulative notional dividend granted in the period between the grant date and the vesting date. The amount included in the single figure numbers will not be amended for the actual dividends declared following the performance year, however the actual payment values will be included in the settlement schedule in the 2023 remuneration report.

10 David Munro did not receive a Standard Bank PRP award in 2020 as he was the Liberty Chief Executive at the time. He will not receive a PRP award in March 2023 as he will be leaving the group at the end of March 2023.

* All executive directors were also prescribed officers of the group.

Share-linked deferred awards

Sim Tshabalala						**Units**						**Value on settlement**		**Fair value at year end**	
Performance year	**Issue date**	**Award price**	**Value at grant date (R'000)**	**Vesting date/vesting category**	**Expiry date/final vesting date**	**Opening balance**	**Awards made during the year**	**Number of awards exercised during the year**	**Number of awards forfeited during the year**	**Balance of awards 31 December 2022**	**Exercise date share price**	**Award (R'000)[1]**	**Notional dividend (R'000)[2]**	**Award (R'000)[3]**	**Notional dividend (R'000)[4]**
Deferred bonus schemes															
2018	2019/03/07	182.43	1 667	2022/09/30		9 138		9 138			143.13	1 308	289		
2018*	2019/03/07	182.43	3 017	2022/09/30		16 537		16 537			143.13	2 367	523		
2019	2020/03/05	152.64	1 500	2022/09/30		9 827		9 827			143.13	1 407	213		
2019	2020/03/05	152.64	1 500	2023/09/30		9 828				9 828				1 649	213
2019*	2020/03/05	152.64	2 742	2022/09/30		17 961		17 961			143.13	2 571	389		
2019*	2020/03/05	152.64	2 742	2023/09/30		17 963				17 963				3 014	389
2020	2021/03/11	142.00	1 183	2022/09/30		8 333		8 333			143.13	1 193	135		
2020	2021/03/11	142.00	1 183	2023/09/30		8 333				8 333				1 398	135
2020	2021/03/11	142.00	1 183	2024/09/30		8 334				8 334				1 398	136
2020*	2021/03/11	142.00	1 200	2022/09/30		8 451		8 451			143.13	1 210	137		
2020*	2021/03/11	142.00	1 200	2023/09/30		8 451				8 451				1 418	137
2020*	2021/03/11	142.00	1 200	2024/09/30		8 451				8 451				1 418	137
Performance reward plan															
2018	2019/03/07	182.43	14 011	2022/03/31		76 800			76 800						
2019[8]	2020/03/05	152.64	16 653	2023/03/31		109 100	27 275			136 375				22 882	2 954
2020	2021/03/11	142.00	17 750	2024/03/31		125 000				125 000				20 974	2 033
2021	2022/03/11	160.33	20 009	2025/03/31			124 800			124 800				20 940	1 280
Share appreciation rights plan															
2021	2022/03/11	160.33			2026/03/11		84 694			84 694				632	
2021	2022/03/11	160.33			2027/03/11		84 695			84 695				632	
2021	2022/03/11	160.33			2028/03/11		84 695			84 695				632	
Totals for 2022			88 740									10 056	1 686	76 987	7 414

Refer to footnotes on page 137.

Arno Daehnke						Units						Value on settlement		Fair value at year end	
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date	Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2022	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
Deferred bonus schemes															
2018	2019/03/07	182.43	1 000	2022/09/30		5 483		5 483			143.13	785	173		
2018*	2019/03/07	182.43	1 909	2022/09/30		10 462		10 462			143.13	1 497	331		
2019	2020/03/05	152.64	1 333	2022/09/30		8 735		8 735			143.13	1 250	189		
2019	2020/03/05	152.64	1 333	2023/09/30		8 736				8 736				1 466	189
2019*	2020/03/05	152.64	1 950	2022/09/30		12 775		12 775			143.13	1 828	277		
2019*	2020/03/05	152.64	1 950	2023/09/30		12 776				12 776				2 144	277
2020	2021/03/11	142.00	1 067	2022/09/30		7 512		7 512			143.13	1 075	122		
2020	2021/03/11	142.00	1 067	2023/09/30		7 512				7 512				1 260	122
2020	2021/03/11	142.00	1 067	2024/09/30		7 512				7 512				1 260	122
2020*	2021/03/11	142.00	767	2022/09/30		5 399		5 399			143.13	773	88		
2020*	2021/03/11	142.00	767	2023/09/30		5 399				5 399				906	88
2020*	2021/03/11	142.00	767	2024/09/30		5 400				5 400				906	88
2021	2022/03/11	160.33	1 000	2023/09/30			6 237			6 237				1 047	64
2021	2022/03/11	160.33	1 000	2024/09/30			6 237			6 237				1 047	64
2021	2022/03/11	160.33	1 000	2025/09/30			6 238			6 238				1 047	64
2021*	2022/03/11	160.33	1 306	2023/09/30			8 147			8 147				1 367	84
2021*	2022/03/11	160.33	1 306	2024/09/30			8 147			8 147				1 367	84
2021*	2022/03/11	160.33	1 306	2025/09/30			8 148			8 148				1 367	84
Performance reward plan															
2018	2019/03/07	182.43	12 004	2022/03/31		65 800			65 800						
2019[8]	2020/03/05	152.64	12 013	2023/03/31		78 700	19 675			98 375				16 506	2 131
2020	2021/03/11	142.00	14 001	2024/03/31		98 600				98 600				16 544	1 603
2021	2022/03/11	160.33	14 013	2025/03/31			87 400			87 400				14 665	897
Equity growth scheme															
Vested															
2010	2011/03/04	98.80		A	2023/03/31	12 500				12 500				862	
2010	2011/03/04	98.80		B	2023/03/31	12 500				12 500				862	
2013	2014/03/06	126.87		B	2023/03/31	68 750				68 750				2 813	
Share appreciation rights plan															
2021	2022/03/11	160.33			2026/03/11		19 730			19 730				147	
2021	2022/03/11	160.33			2027/03/11		19 730			19 730				147	
2021	2022/03/11	160.33			2028/03/11		19 730			19 730				147	
Totals for 2022			73 926									7 208	1 180	67 877	5 961

Refer to footnotes on page 137.

Funeka Montjane						Units						Value on settlement		Fair value at year end	
Performance year	**Issue date**	**Award price**	**Value at grant date (R'000)**	**Vesting date/vesting category**	**Expiry date/final vesting date**	**Opening balance**	**Awards made during the year**	**Number of awards exercised during the year**	**Number of awards forfeited during the year**	**Balance of awards 31 December 2022**	**Exercise date share price**	**Award (R'000)[1]**	**Notional dividend (R'000)[2]**	**Award (R'000)[3]**	**Notional dividend (R'000)[4]**
Deferred bonus schemes															
2018	2019/03/07	182.43	1 583	2022/09/30		8 680		8 680			143.13	1 242	274		
2018*	2019/03/07	182.43	1 784	2022/09/30		9 777		9 777			143.13	1 399	309		
2019	2020/03/05	152.64	1 583	2022/09/30		10 372		10 372			143.13	1 485	225		
2019	2020/03/05	152.64	1 584	2023/09/30		10 375				10 375				1 741	225
2019*	2020/03/05	152.64	1 783	2022/09/30		11 683		11 683			143.13	1 672	253		
2019*	2020/03/05	152.64	1 783	2023/09/30		11 684				11 684				1 960	253
2020	2021/03/11	142.00	767	2022/09/30		5 399		5 399			143.13	773	88		
2020	2021/03/11	142.00	767	2023/09/30		5 399				5 399				906	88
2020	2021/03/11	142.00	767	2024/09/30		5 400				5 400				906	88
2020*	2021/03/11	142.00	467	2022/09/30		3 286		3 286			143.13	470	53		
2020*	2021/03/11	142.00	467	2023/09/30		3 287				3 287				552	53
2020*	2021/03/11	142.00	467	2024/09/30		3 287				3 287				552	53
2021	2022/03/11	160.33	1 267	2023/09/30			7 900			7 900				1 326	81
2021	2022/03/11	160.33	1 267	2024/09/30			7 901			7 901				1 326	81
2021	2022/03/11	160.33	1 267	2025/09/30			7 901			7 901				1 326	81
2021*	2022/03/11	160.33	1 400	2023/09/30			8 732			8 732				1 465	90
2021*	2022/03/11	160.33	1 400	2024/09/30			8 732			8 732				1 465	90
2021*	2022/03/11	160.33	1 400	2025/09/30			8 732			8 732				1 465	90
Performance reward plan															
2018	2019/03/07	182.43	9 012	2022/03/31		49 400			49 400						
2019[8]	2020/03/05	152.64	9 006	2023/03/31		59 000	14 750			73 750				12 375	1 597
2020	2021/03/11	142.00	11 005	2024/03/31		77 500				77 500				13 004	1 260
2021	2022/03/11	160.33	13 003	2025/03/31			81 100			81 100				13 608	832
Totals for 2022			63 829									7 041	1 202	53 977	4 962

Refer to footnotes on page 137.

Bill Blackie						Units						Value on settlement		Fair value at year end	
Performance year	**Issue date**	**Award price**	**Value at grant date (R'000)**	**Vesting date/vesting category**	**Expiry date/final vesting date**	**Opening balance**	**Awards made during the year**	**Number of awards exercised during the year**	**Number of awards forfeited during the year**	**Balance of awards 31 December 2022**	**Exercise date share price**	**Award (R'000)[1]**	**Notional dividend (R'000)[2]**	**Award (R'000)[3]**	**Notional dividend (R'000)[4]**
Deferred bonus schemes															
2018	2019/03/07	182.43	3 565	2022/09/30		19 540		19 540			143.13	2 797	617		
2019	2020/03/05	152.64	3 859	2022/09/30		25 280		25 280			143.13	3 618	548		
2019	2020/03/05	152.64	3 860	2023/09/30		25 285				25 285				4 243	548
2020	2021/03/11	142.00	2 606	2022/09/30		18 353		18 353			143.13	2 627	298		
2020	2021/03/11	142.00	2 606	2023/09/30		18 354				18 354				3 080	298
2020	2021/03/11	142.00	2 606	2024/09/30		18 354				18 354				3 080	298
2021	**2022/03/11**	**160.33**	**1 333**	**2023/09/30**			**8 316**			**8 316**				**1 395**	**85**
2021	**2022/03/11**	**160.33**	**1 333**	**2024/09/30**			**8 316**			**8 316**				**1 395**	**85**
2021	**2022/03/11**	**160.33**	**1 333**	**2025/09/30**			**8 317**			**8 317**				**1 396**	**85**
2021*	**2022/03/11**	**160.33**	**3 021**	**2023/09/30**			**18 842**			**18 842**				**3 161**	**193**
2021*	**2022/03/11**	**160.33**	**3 021**	**2024/09/30**			**18 842**			**18 842**				**3 161**	**193**
2021*	**2022/03/11**	**160.33**	**3 021**	**2025/09/30**			**18 842**			**18 842**				**3 161**	**193**
Performance reward plan															
2018	2019/03/07	182.43	6 002	2022/03/31		32 900			32 900						
2019[8]	2020/03/05	152.64	6 014	2023/03/31		39 400	9 850			49 250				8 264	1 067
2020	2021/03/11	142.00	6 007	2024/03/31		42 300				42 300				7 098	688
2021	**2022/03/11**	**160.33**	**5 002**	**2025/03/31**			**31 200**			**31 200**				**5 235**	**320**
Equity growth scheme															
Vested															
2010	2011/03/04	99		D	2023/03/31	3 438		3 438			175.80	265			
Totals for 2022			**55 189**									**9 307**	**1 463**	**44 669**	**4 053**

Refer to footnotes on page 137.

Kenny Fihla						Units						Value on settlement		Fair value at year end	
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date	Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2022	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
Deferred bonus schemes															
2018	2019/03/07	182.43	1 334	2022/09/30		7 311		7 311			143.13	1 046	231		
2018*	2019/03/07	182.43	2 117	2022/09/30		11 604		11 604			143.13	1 661	367		
2019	2020/03/05	152.64	1 333	2022/09/30		8 735		8 735			143.13	1 250	189		
2019	2020/03/05	152.64	1 333	2023/09/30		8 736				8 736				1 466	189
2019*	2020/03/05	152.64	2 575	2022/09/30		16 869		16 869			143.13	2 414	365		
2019*	2020/03/05	152.64	2 575	2023/09/30		16 872				16 872				2 831	365
2020	2021/03/11	142.00	1 267	2022/09/30		8 920		8 920			143.13	1 277	145		
2020	2021/03/11	142.00	1 267	2023/09/30		8 920				8 920				1 497	145
2020	2021/03/11	142.00	1 267	2024/09/30		8 921				8 921				1 497	145
2020*	2021/03/11	142.00	1 700	2022/09/30		11 972		11 972			143.13	1 714	195		
2020*	2021/03/11	142.00	1 700	2023/09/30		11 972				11 972				2 009	195
2020*	2021/03/11	142.00	1 700	2024/09/30		11 972				11 972				2 009	195
2021	2022/03/11	160.33	1 500	2023/09/30			9 356			9 356				1 570	96
2021	2022/03/11	160.33	1 500	2024/09/30			9 356			9 356				1 570	96
2021	2022/03/11	160.33	1 500	2025/09/30			9 356			9 356				1 570	96
2021*	2022/03/11	160.33	2 533	2023/09/30			15 801			15 801				2 651	162
2021*	2022/03/11	160.33	2 533	2024/09/30			15 801			15 801				2 651	162
2021*	2022/03/11	160.33	2 533	2025/09/30			15 801			15 801				2 651	162
Performance reward plan															
2018	2019/03/07	182.43	12 004	2022/03/31		65 800			65 800						
2019[8]	2020/03/05	152.64	11 158	2023/03/31		73 100	18 275			91 375				15 332	1 979
2020	2021/11/03	142.00	12 013	2024/03/31		84 600				84 600				14 195	1 376
2021	2022/03/11	160.33	12 009	2025/03/31			74 900			74 900				12 567	768
Equity growth scheme															
Vested															
2010	2011/03/04	99		A	2023/03/31	6 875		6 875			160.33	423			
2010	2011/03/04	99		B	2023/03/31	13 750		13 750			152.50	738			
Totals for 2022			79 451									10 523	1 492	66 066	6 131

Refer to footnotes on page 137.

Margaret Nienaber						Units						Value on settlement		Fair value at year end	
Performance year	**Issue date**	**Award price**	**Value at grant date (R'000)**	**Vesting date/vesting category**	**Expiry date/final vesting date**	**Opening balance**	**Awards made during the year**	**Number of awards exercised during the year**	**Number of awards forfeited during the year**	**Balance of awards 31 December 2022**	**Exercise date share price**	**Award (R'000)[1]**	**Notional dividend (R'000)[2]**	**Award (R'000)[3]**	**Notional dividend (R'000)[4]**
Deferred bonus schemes															
2018	2019/03/07	182.43	1 000	2022/09/30		5 483		5 483			143	785	173		
2018*[5]	2019/03/07	182.43	1 638	2022/09/30		8 977		8 977			143	1 285	284		
2019	2020/03/05	152.64	1 333	2022/09/30		8 735		8 735			143	1 250	189		
2019	2020/03/05	152.64	1 333	2023/09/30		8 736				8 736				1 466	189
2019*	2020/03/05	152.64	1 867	2022/09/30		12 229		12 229			143	1 750	265		
2019*	2020/03/05	152.64	1 867	2023/09/30		12 230				12 230				2 052	265
2020	2021/03/11	142.00	1 167	2022/09/30		8 216		8 216			143	1 176	134		
2020	2021/03/11	142.00	1 167	2023/09/30		8 216				8 216				1 379	134
2020	2021/03/11	142.00	1 167	2024/09/30		8 216				8 216				1 379	134
2020*[5]	2021/03/11	142.00	1 125	2022/09/30		7 922		7 922			143	1 134	129		
2020*	2021/03/11	142.00	1 125	2023/09/30		7 923				7 923				1 329	129
2020*	2021/03/11	142.00	1 125	2024/09/30		7 923				7 923				1 329	129
2021	2022/03/11	160.33	1 367	2023/09/30			8 524			8 524				1 430	87
2021	2022/03/11	160.33	1 367	2024/09/30			8 524			8 524				1 430	87
2021	2022/03/11	160.33	1 367	2025/09/30			8 525			8 525				1 430	87
2021*	2022/03/11	160.33	1 933	2023/09/30			12 058			12 058				2 023	124
2021*	2022/03/11	160.33	1 933	2024/09/30			12 059			12 059				2 023	124
2021*	2022/03/11	160.33	1 933	2025/09/30			12 059			12 059				2 023	124
Performance reward plan															
2018	2019/03/07	182.43	10 015	2022/03/31		54 900			54 900						
2019[8]	2020/03/05	152.64	10 502	2023/03/31		68 800	17 200			86 000				14 430	1 863
2020	2021/11/03	142.00	11 005	2024/03/31		77 500				77 500				13 004	1 260
2021	2022/03/11	160.33	12 009	2025/03/31			74 900			74 900				12 567	768
Totals for 2022			69 345									7 380	1 174	59 294	5 504

Refer to footnotes on page 137.

David Munro						Units						Value on settlement		Fair value at year end	
Performance year	**Issue date**	**Award price**	**Value at grant date (R'000)**	**Vesting date/vesting category**	**Expiry date/final vesting date**	**Opening balance**	**Awards made during the year**	**Number of awards exercised during the year**	**Number of awards forfeited during the year[6]**	**Balance of awards 31 December 2022**	**Exercise date share price**	**Award (R'000)[1]**	**Notional dividend (R'000)[2]**	**Award (R'000)[3]**	**Notional dividend (R'000)[4]**
Deferred bonus schemes LBH															
2018	2019/03/01	99.14	712	2022/09/01		7 183			7 183		105.21				
2019	2020/03/01	65.65	892	2022/09/01		13 587			13 587		105.21				
2019	2020/03/01	65.65	892	2023/09/01		13 588			13 588		105.21				
2020	2021/03/01	68.24	117	2022/09/01		1 711			1 711		105.21				
2020	2021/03/01	68.24	117	2023/09/01		1 711			1 711		105.21				
2020	2021/03/01	68.24	117	2024/09/01		1 711			1 711		105.21				
Long-term incentive plan LBH															
2017	2022/03/01	138.00	3 000	2022/03/01		21 739			21 739		105.21				
2017	2023/03/01	138.00	3 000	2023/03/01		21 740			21 740		105.21				
Equity growth scheme LBH															
2016	2017/05/30	30.68	7 670	2020/05/30							105.21				
2016	2017/05/30	30.68	3 835	2021/05/30							105.21				
2016	2017/05/30	30.68	3 835	2022/05/30		125 000			125 000		105.21				
2017	2018/03/01	25.70	2 891	2021/03/01							105.21				
2017	2018/03/01	25.70	1 446	2022/03/01		56 250			56 250		105.21				
2017	2018/03/01	25.70	1 446	2023/03/01		56 250			56 250		105.21				
2019	2020/11/06	55.85	23 122	2023/11/06		414 000			414 000		105.21				
2019	2020/11/06	55.85	11 561	2024/11/06		207 000			207 000		105.21				
2019	2020/11/06	55.85	11 561	2025/11/06		207 000			207 000		105.21				
Performance reward plan LBH															
2018	2019/03/01	99.14	7 500	2023/03/01		75 651			75 651		105.21				
2018	2019/03/01	99.14	7 500	2024/03/01		75 651			75 651		105.21				
2020	2021/03/01	68.24	7 750	2025/03/01		113 570			113 570		105.21				
2020	2021/03/01	68.24	7 750	2026/03/01		113 570			113 570		105.21				
Deferred bonus schemes SBG															
2022 scheme of arrangements into SBG	2022/03/01	159.41	1 577	2022/09/01			9 890	9 890			153.23	1 515	51		
2022 scheme of arrangements into SBG	2022/03/01	159.41	1 073	2023/09/01			6 730			6 730				1 129	69
2022 scheme of arrangements into SBG	2022/03/01	159.41	120	2024/09/01			752			752				126	8
2021	2022/03/11	160.33	999	2023/09/30			6 234			6 234				1 046	64
2021	2022/03/11	160.33	999	2024/09/30			6 234			6 234				1 046	64
2021	2022/03/11	160.33	1 000	2025/09/30			6 235			6 235				1 046	64
Hybrid share appreciation right															
2022 scheme of arrangements into SBG	2020/11/06	55.85	15 415	2023/11/06	2030/11/06		276 000			276 000				15 104	
2022 scheme of arrangements into SBG	2020/11/06	55.85	7 707	2024/11/06	2030/11/06		138 000			138 000				7 552	
2022 scheme of arrangements into SBG	2020/11/06	55.85	7 707	2025/11/06	2030/11/06		138 000			138 000				7 552	
Performance reward plan SBG															
2022 scheme of arrangements into SBG	2022/03/01	159.41	15 930	2024/03/31			99 932			99 932				16 768	1 025
2021	2022/03/11	160.33	11 000	2025/03/31			68 608			68 608				11 512	704
Cash remuneration scheme[7]															
2022 scheme of arrangements	2022/03/01											33 438			
Performance Reward Plan															
2021	2022/03/11	160.33	10 005	2025/03/31			62 400			62 400				10 470	640
Equity growth scheme															
Vested															
2011	2012/03/08	108.90		D	2023/03/31	61 471		61 469			176.78	4 173			
2012	2013/03/07	115.51		D	2023/03/31	131 690		108 109		23 581	176.78	6 624		1 233	
2013	2014/03/06	126.87		D	2024/03/31	105 797				105 797				4 329	
Totals for 2022			180 246									45 750	51	78 913	2 638

Refer to footnotes on page 137.

Jacko Maree						Units						Value on settlement		Fair value at year end	
Performance year	**Issue date**	**Award price**	**Value at grant date (R'000)**	**Vesting date/vesting category**	**Expiry date/final vesting date**	**Opening balance**	**Awards made during the year**	**Number of awards exercised during the year**	**Number of awards forfeited during the year**	**Balance of awards 31 December 2022**	**Exercise date share price**	**Award (R'000)[1]**	**Notional dividend (R'000)[2]**	**Award (R'000)[3]**	**Notional dividend (R'000)[4]**
Equity growth scheme															
Vested															
2011	2012/03/08	108.90		A	2023/03/31	61 471		61 471			166.34	3 531			
2012	2013/03/07	115.51		A	2023/03/31	56 594		56 594			166.34	2 877			
2014	2015/03/05	156.96		D	2025/03/05	78 445				78 445				850	
Totals for 2022												6 408		850	

* Cash settled Deferred Bonus Scheme

[1] Value on settlement is calculated by multiplying the vesting share/settlement price by the total units vesting and applying performance conditions (where applicable).

[2] Value is calculated by multiplying the notional dividend per unit with the total vesting units and applying performance conditions (where applicable).

[3] Value is calculated by multiplying the year end SBK share price of R167.79 by the total outstanding units and applying performance conditions (where applicable).

[4] Value is calculated by multiplying the notional dividend (accumulated from grant date to year-end) with the total outstanding units and applying performance conditions (where applicable). Notional dividends are subject to the vesting conditions.

[5] This award was settled with equity as opposed to cash in September 2021. This was done in order for the director to meet minimum shareholding requirements.

[6] Replacement of Liberty Holdings Limited (LHL) equity-settled schemes to SBG Incentive schemes

[7] A new cash-settled remuneration scheme was accounted for by LHL group in 2022 due to the scheme of arrangement referred to above. 50% was deferred and is payable in March 2023.

[8] The vesting percentage for the 2020 grant has been updated to 125% based on the achievement of performance conditions measured over the 3-year performance period ending 31 December 2022. This uplift has been reflected in the "awards made during the year" column.

The EGS share schemes are disclosed in the following vesting categories:

A: Includes the group leadership council members of Standard Bank Group Limited (for banking activities only)

B: Includes heads of major business lines.

C: Includes executives whose actions have a material impact on the risk exposure of the group as a whole, based on the ability to:

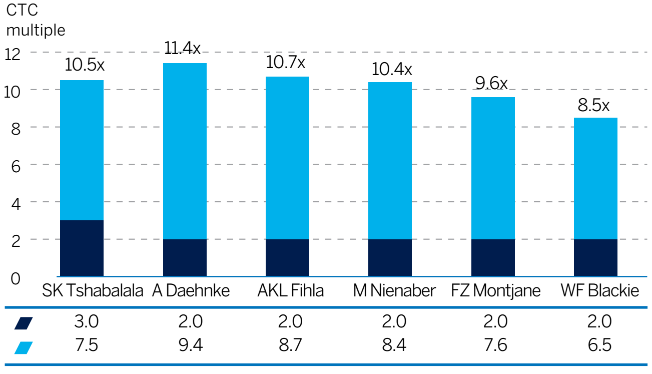
- commit significant amount of the group's risk capital;
- significantly influence the group's overall liquidity position; or
- significantly influence material risks.

D: Includes all other executives receiving any deferred variable remuneration and for whom the variable remuneration award is linked to personal or business line performance.

Share ownership culture

An ownership culture exists where executives have a substantial personal stake in the company's performance. The graphs below show the exposure of executive directors and prescribed officers to share-linked awards, made up of share-linked awards that have not yet vested and the shares that are required to be held under the minimum shareholding requirement.

Executive directors' and prescribed officers' unvested and unexercised shares



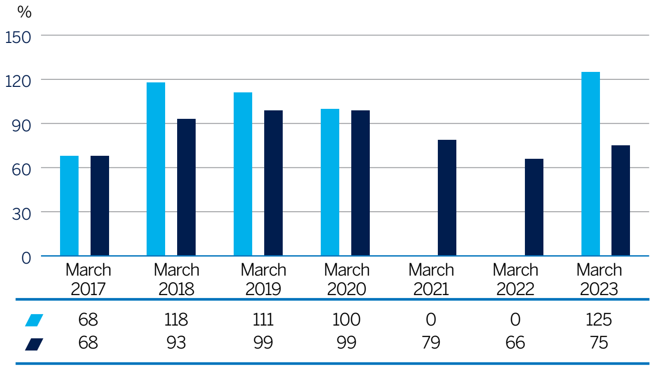
	SK Tshabalala	A Daehnke	AKL Fihla	M Nienaber	FZ Montjane	WF Blackie
■	3.0	2.0	2.0	2.0	2.0	2.0
▨	7.5	9.4	8.7	8.4	7.6	6.5

■ Minimum shareholding requirements
▨ Vesting

Vesting of conditional PRP awards

The March 2020 awards vested at 125% in March 2023 but the conditional PRP awards issued in March 2018 and March 2019 did not vest respectively in March 2021 and March 2022. The graph alongside shows the vesting history since the PRP's inception in 2014. The first vesting was in March 2017 based on the three-year performance period ending December 2016. The average vesting since inception was initially tracking close to 100% but then fell to 66% after 0% vesting in March 2021 and March 2022. Following the latest vesting in March 2023, the average vesting is 75% in the 0%–200% range.

PRP Vesting history



	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022	March 2023
▨	68	118	111	100	0	0	125
■	68	93	99	99	79	66	75

▨ Vesting
■ Cumulative vesting

AFS Full details of the number and value of awards granted during the year in terms of our share-based plans are included in the group annual financial statements, available online at www.standardbank.com/reporting.

Equity Growth Scheme

The awards in category D are elections into EGS in favour of a DBS award. All conditional EGS tranches for executive directors and prescribed officers have vested. Effective from 2017, the group no longer issues EGS and GSIS awards. The last awards in GSIS were issued in 2011 and for the EGS in 2016. Awards are now provided in terms of the group's other share schemes, notably the DBS and SARP, both of which are settled by the group to employees with shares that the group purchases from external market participants, and the cash-settled deferred bonus plan, which is settled in cash.

AFS Refer to annexure D in the group annual financial statements: Group share incentive schemes for further information.

Usage of share capital and share buy-backs for EGS and GSIS awards.

During 2022, the group allotted 367 506 shares (2021: 35 353) in terms of the group's share incentive schemes, notably the Equity Growth Scheme (EGS) and Group Share Incentive Scheme (GSIS), and 57 980 580 shares as part of the completion of the group's acquisition of the remaining non-controlling ordinary shares in Liberty Holdings Limited. No surplus capital in both 2022 and 2021 was used to purchase ordinary shares to counteract the dilutive impact of the shares issued under the equity compensation plans. Effective from 2017, the group no longer issues EGS and GSIS awards. Awards are now provided in terms of the group's other share schemes, notably the Deferred Bonus Scheme and the Share Appreciation Rights Plan (SARP), both of which are settled by the group to employees with shares that the group purchases from the open market participants, and the Cash-Settled Deferred Bonus Scheme, which is settled in cash

At the end of the year, the group would need to issue 115 705 (2021: 115 705) SBG ordinary shares to settle the outstanding GSIS options and EGS rights that were awarded to participants in previous years. The shares issued to date for the EGS and GSIS together with the expected number of shares to settle the outstanding options and rights as a percentage of the total number of shares in issue is 2.1% (2021: 2.1%).

[1] The EGS and GSIS confers rights to employees to acquire at the value of the SBG share price at the date of the option was granted. The scheme has various vesting periods and expires ten years after grant date.

Non-executive director fees

During 2022, meeting fees totalled R35.7 million (2021: R39.9 million) paid to 17 (2021: 17) non-executive directors who worked to discharge the board's responsibilities.

The board agreed that the current fee structure of a single annual fee, rather than a retainer and meeting attendance fee, was more appropriate for the group board and committees and in light of the contribution of members. It remains the group's view that the contribution of directors cannot only be judged by attendance at board and committee meetings. Fees are paid quarterly in arrears, with any increased fee amount only paid following approval by shareholders at the AGM.

	Services as directors of Standard Bank Group R'000	Standard Bank Group committee fees R'000	Services as directors of group subsidiaries R'000	Total compensation for the year R'000
2022				
TS Gcabashe[1]	3 102			3 102
LL Bam[2]	50		50	100
PLH Cook[3]	299	466	299	1 064
MA Erasmus[4]	140	113	140	393
GJ Fraser-Moleketi	299	798	299	1 396
X Guan	1 073	703	1 073	2 849
GMB Kennealy	299	2 138	299	2 736
BJ Kruger[5]	174	437	2 016	2 627
L Li[6]	299		299	598
JH Maree[7]	299	1 578	825	2 702
NNA Matyumza	299	1 102	299	1 700
Adv KD Moroka	299	945	299	1 543
NMC Nyembezi[8]	4 103	359	125	4 587
Dr. ML Oduor-Otieno	1 073	585	1 073	2 731
ANA Peterside CON	1 073	902	1 073	3 048
MJD Ruck	299	1 627	698	2 624
JM Vice	299	1 335	299	1 933
Total	13 479	13 088	9 166	35 733

	Services as directors of Standard Bank Group R'000	Standard Bank Group committee fees R'000	Services as directors of group subsidiaries R'000	Total compensation for the year R'000
2021				
TS Gcabashe[1]	6 953			6 953
PLH Cook[3]	248	304	248	800
MA Erasmus[4]	1 080	867	1 080	3 027
GJ Fraser-Moleketi	290	721	290	1 301
X Guan	1 409	657	1 409	3 475
GMB Kennealy	290	2 296	290	2 876
L Li[6]	41	88	41	170
JH Maree[7]	290	1 640	3 448	5 378
NNA Matyumza	290	1 027	290	1 607
Adv KD Moroka	290	900	290	1 480
NMC Nyembezi[8]	290	701	290	1 281
Dr. ML Oduor-Otieno	1 080	473	1 080	2 633
AC Parker[9]	118	232	118	468
ANA Peterside CON	1 080	1 045	1 080	3 205
MJD Ruck[10]	290	1 747	579	2 616
JM Vice	290	1 280	290	1 860
L Wang[11]	251	292	251	794
Total	14 580	14 270	11 074	39 924

[1] TS Gcabashe retired as chairman of the boards of SBSA and SBG on 31 May 2022.
[2] LL Bam was appointed to the SBSA and SBG boards on 1 November 2022.
[3] PLH Cook was appointed to the SBSA and SBG boards on 22 February 2021.
[4] MA Erasmus resigned from the SBSA and SBG boards on 16 February 2022.
[5] BJ Kruger was appointed to the SBSA and SBG boards on 6 June 2022.
[6] L Li was appointed to the SBSA and SBG boards on 11 November 2021.
[7] JH Maree's fees for services as a director of group subsidiaries include fees paid by Liberty Holdings Limited. He resigned from the SBSA and SBG boards on 2 March 2022.
[8] NMC Nyembezi was appointed chairman designate of the boards of SBSA and SBG on 1 June 2022.
[9] AC Parker retired from the SBSA and SBG boards on 27 May 2021.
[10] MJD Ruck for services as director of group subsidiaries includes fees paid by Stanbic Ghana. He retired from the SBSA and SBG boards on 31 December 2022.
[11] L Wang resigned from the SBSA and SBG boards on 11 November 2021.
Fees are disclosed excluding VAT.

Regulatory disclosures

The quantitative remuneration disclosures for senior management and other material risk takers required in terms of Regulation 43 of the Banks Act and Basel Pillar 3 are set out below. The qualitative disclosures are addressed elsewhere in the remuneration report.

Material risk takers are defined as follows:

- Senior management: Group leadership council (GLC) members of Standard Bank Group Limited (for banking operations only), heads of major products/businesses and major geographic regions and heads of risk management and control and other group functions
- Other material risk takers: Employees whose individual actions have a material impact on the risk exposure of the group as a whole, based on the ability to
  - commit a significant amount of the group's risk capital
  - significantly influence the group's overall liquidity position
  - significantly influence other material risks

137 individuals were identified as material risk-takers in 2022 (2021: 139).

In the tables below variable remuneration includes cash, deferred STI awards (DBS, MTI and SARP), and LTI awards (PRP).

2022 Basel Pillar 3 remuneration disclosures

REM1: Remuneration awarded during the financial year

		2022		2021	
Remuneration amount (Rm)		**Senior management**	**Other material risk-takers**	Senior management	Other material risk-takers
Fixed remuneration	Number of employees	**79**	**58**	75	64
	Total fixed remuneration[1]	**435**	**250**	379	265
	Of which: cash-based	**435**	**250**	379	265
Variable remuneration	Number of employees	**79**	**58**	75	64
	Total variable remuneration[2]	**1 249**	**656**	1 089	643
	Of which: cash-based	**453**	**296**	369	280
	Of which: share-linked instruments[3]	**796**	**360**	720	363
	Of which: deferred	**796**	**360**	720	363
Total		**1 684**	**906**	1 468	908

Notes:

[1] Fixed remuneration is cash-based and is not deferred.

[2] Variable remuneration consists of a cash portion which is not deferred and a deferred portion in the form of share-linked instruments.

[3] Consists of deferred awards in the group's share-linked schemes (DBS, MTI, SARP and PRP) shown at the award date value.

REM2: Special payments

Remuneration amount (Rm)

	2022					
	Guaranteed incentives		Sign-on/buy-out awards		Severance payments	
Special payments	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)
Senior management	0	0	2	45	1	2
Other material risk-takers	1	12	2	30	1	4

	2021					
	Guaranteed incentives		Sign-on/buy-out awards		Severance payments	
Special payments	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)
Senior management	2	8	0	0	2	10
Other material risk-takers	0	0	0	0	0	0

REM3: Deferred remuneration

Remuneration amount (Rm)

	2022				
Deferred and retained remuneration[1]	**Total amount of outstanding deferred remuneration[2]**	**Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment**	**Total amount of amendment during the year due to ex post explicit adjustments[3]**	**Total amount of amendment during the year due to ex post implicit adjustments**	**Total amount of deferred remuneration settled in the financial year**
Senior management					
Shares or share-linked instruments	**2 376**	**2 376**	**72**		**478**
Other material risk-takers					
Shares or share-linked instruments	**1 049**	**1 049**	**20**		**191**
Total	**3 425**	**3 425**	**92**		**669**

	2021				
Deferred and retained remuneration[1]	Total amount of outstanding deferred remuneration[2]	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments[3]	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration settled in the financial year
Senior management					
Shares or share-linked instruments	1 507	1 507	(200)		286
Other material risk-takers					
Shares or share-linked instruments	830	830	(62)		208
Total	2 337	2 337	(262)		494

Notes:

[1] All deferred remuneration is in the form of share-linked instruments (DBS, MTI, SARP and PRP).

[2] The year-end value of DBS and MTI awards is reflected and the intrinsic value has been used for SARP awards. The value of PRP awards is calculated as the number of instruments multiplied by the year-end share price and the actual vesting percentage for the March 2020 PRP due to vest in March 2023. Later PRP awards are estimated at 100% vesting.

[3] Ex post explicit adjustments reflect changes in the expected vesting percentage linked to the performance conditions of PRP awards.

Additional information

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