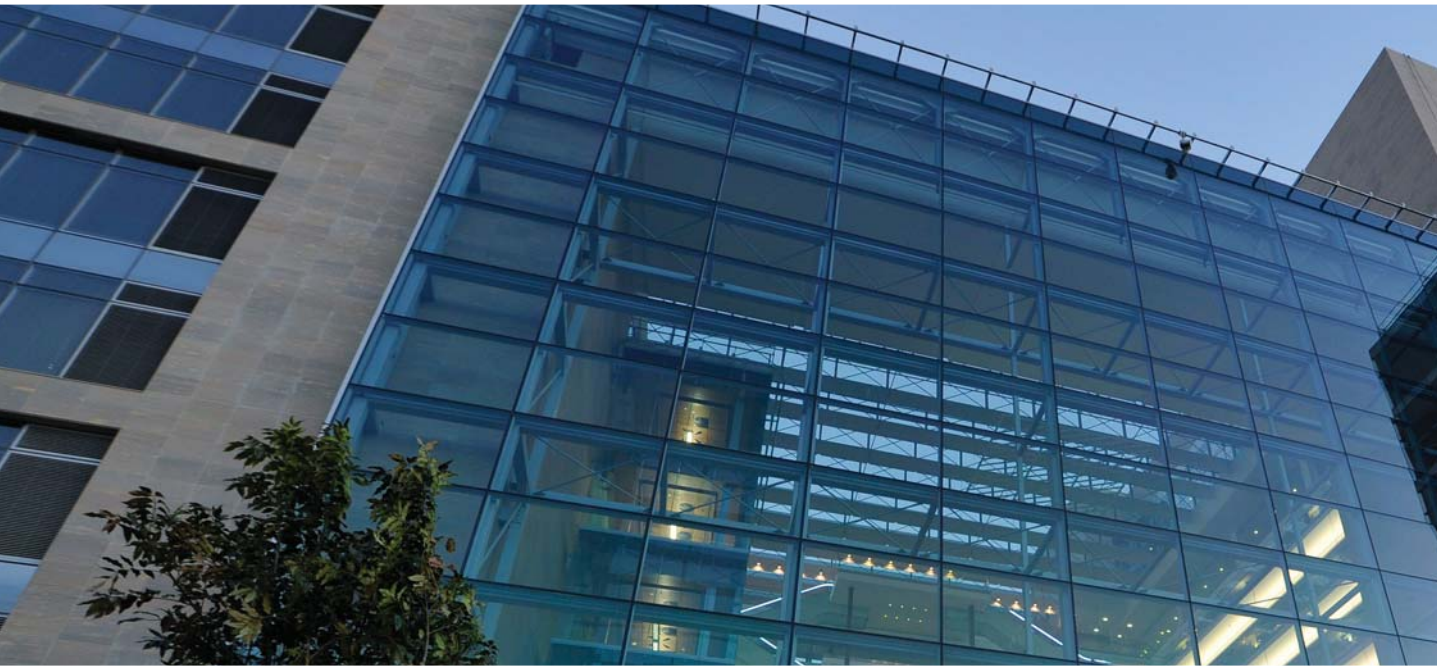
Governance and **remuneration report**

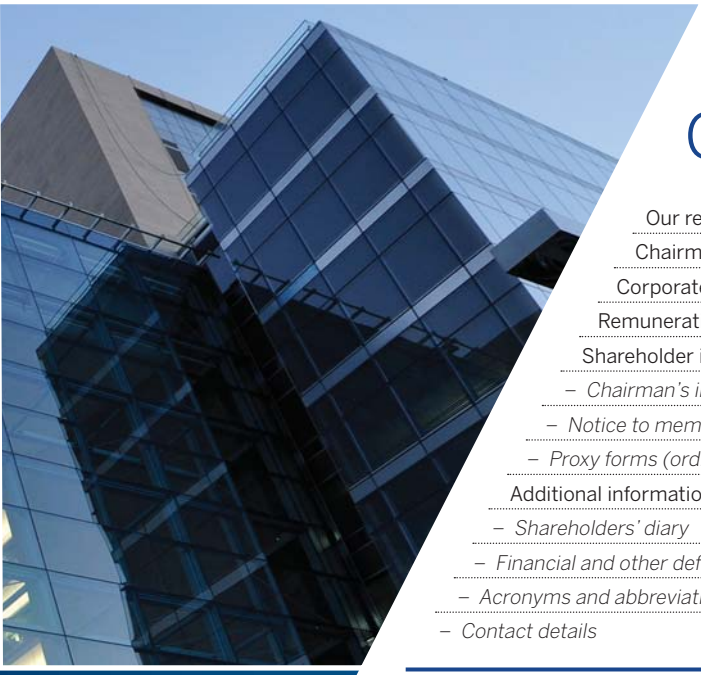
Standard Bank Group

2015

Standard Bank Moving Forward™

Also trading as Stanbic Bank





Contents

ADDITIONAL INFORMATION ONLINE

Our reports

GOVERNANCE AND REMUNERATION REPORT
(this report)

Provides shareholders with the notice of the annual general meeting (AGM) together with proxy forms and the group's full governance and remuneration information.

While in previous years the full governance and remuneration reports and the notice of the AGM were included in the group's annual integrated report, this year these reports are presented in a standalone report (this report). An overview of governance and remuneration is included in the 2015 Annual Integrated Report.

www.standardbank.com/reporting

GR

Frameworks applied

- South African Companies Act 71 of 2008 (Companies Act)
- JSE Listings Requirements
- King Report on Corporate Governance (King Code)
- South African Banks Act 94 of 1990 (Banks Act)

Assurance

Certain information in the governance and remuneration report has been extracted from the audited annual financial statements.

ANNUAL INTEGRATED REPORT

As our primary report, our annual integrated report provides a holistic assessment of the group's ability to create value over time. This report includes information extracted from the full governance and remuneration report.

www.standardbank.com/reporting

AIR

Frameworks applied

- International <IR> Framework of the International Integrated Reporting Council
- Companies Act
- JSE Listings Requirements
- King Code
- Banks Act

Assurance

While the annual integrated report is not audited, it contains certain information extracted from the group's report to society, and the audited consolidated annual financial statements, on which an unmodified audit opinion has been expressed.

REPORT TO SOCIETY

Provides an analysis of the issues material to the group's sustainability and to its stakeholders.

www.standardbank.com/sustainability

RTS

Assurance

KPMG Inc. have provided assurance over selected information in the report to society.

RISK AND CAPITAL MANAGEMENT REPORT AND ANNUAL FINANCIAL STATEMENTS

Provides a detailed discussion of the management of strategic risks related to the group's banking and insurance operations, and sets out the full audited annual financial statements for the group, including the report of the group audit committee.

www.standardbank.com/reporting

RCM AFS

Frameworks applied

- Various regulations relating to financial services, including Basel III
- IFRS
- Companies Act
- JSE Listings Requirements
- King Code
- Banks Act

Assurance

Selected information in the risk and capital management report forms part of the audited annual financial statements. KPMG Inc. and PricewaterhouseCoopers Inc. have audited selected information in the risk and capital management report and have audited the annual financial statements for the year ended 31 December 2015, on which they have expressed an unmodified opinion.

THE STANDARD BANK OF SOUTH AFRICA ANNUAL REPORT

The Standard Bank of South Africa (SBSA) is the group's largest subsidiary. The group's other subsidiaries also produce their own annual reports, which includes their audited annual financial statements, some of which are available at **www.standardbank.com/reporting**.

As a separate listed entity,

LIBERTY HOLDINGS LIMITED (Liberty)

prepares its own integrated report which is available at **www.libertyholdings.co.za**.

FINANCIAL RESULTS PRESENTATIONS AND BOOKLETS

Provides management's analysis of the group's interim and final financial results for the period and the performance of the group's business units, which are available at **www.standardbank.com/reporting**.

We produce a full suite of reporting publications to cater for the diverse needs of our broad stakeholder base. Supplementary reports and sources of information, support our annual integrated report, and are tailored to meet our readers' specific information requirements.

In previous years the group distributed its annual integrated report to all of its shareholders. In the group's 2015 suite of reporting publications, the annual integrated report is available online, on **www.standardbank.com/reporting**, with printed copies available on request from the investor relations team on **InvestorRelations@standardbank.co.za**.

In line with the previous year, the group's risk and capital management report and annual financial statements is also available online on the group's website together with other financial information, including the group's 2015 provisional results and dividend announcement.

This year the full governance and remuneration report, including the notice of the AGM and proxy forms, has been distributed to all shareholders who elected to receive communications.

This icon refers readers to information elsewhere in this report, or in other reports that form part of the group's suite of reporting publications.

Indicates that additional information is available online at **www.standardbank.com/reporting**.

Denotes text in the risk and capital management report that forms part of the group's audited financial statements.

We welcome the views of our stakeholders on our reports. Please email your feedback to **InvestorRelations@standardbank.co.za**. You can also use this address to request printed copies of our reports.

For the latest financial information, refer to our investor relations page at **www.standardbank.com/reporting** or scan the QR code to be taken there directly.

Chairman's overview

Thulani Gcabashe, Chairman

> "At the heart of our group's strategy is a commitment to the shared future we intend to create for our clients, people, shareholders and all our other stakeholders across Africa."

Dear Stakeholder

On behalf of the board, I am pleased to present the group's corporate governance report for 2015.

This letter aims to provide you with an overview of the key developments in the year, which are detailed in the rest of the report, as the board discharged its responsibilities in the context of the group's governance framework. It outlines our efforts in partnering with management to shape and articulate our strategic objectives, oversee their implementation and monitor the group's operations.

In all of our work the board remains committed to the highest standards of corporate governance, integrity and professionalism. We are cognisant of our

role in 'setting the tone from the top' in respect of the group's culture. The group's values and code of ethics continue to provide the basis for the conduct of the board and of management and staff at all levels throughout the group, as we seek to deliver superior value to all our stakeholders that reconciles the growth of this continent we call home, with the group's profitability and with socially beneficial outcomes.

Our statement on the application of the King code is set out on page 24 of this report.

Strategy and oversight

The board reconfirmed its support for the group's Africa strategy. The strategy session, held in September 2015, gave executive management the opportunity to update the board on the implementation of the strategy. This involved clarifying its central theme to place customers at the centre of everything we do, and presenting the progress made in aligning the strategies of each business unit and enabling function to the group strategy.

The board gave specific attention to the mechanisms in place to ensure increased oversight and appropriate corporate governance standards across all our subsidiaries, and specifically on the governance frameworks and principles applied by our subsidiaries in the rest of Africa.

The strategy session was followed by the Standard Bank Group Directors' Summit 2015. This two-day summit enabled the group board to interact with the non-executive directors and chief executives of our subsidiaries in the rest of Africa. The goals of the summit were to discuss the operating context and specifically the group's competitive environment, the group strategy and execution plans, and to share perspectives from across the group's operations.

Board changes

The board's composition and succession planning have been a particular focus over the last couple of years as the board has sought to align its collective experience to the group's strategic direction. The skills we require on the board must enable us to provide the strategic guidance and effective oversight needed to ensure that the group attains the primary goal and standard of excellence encapsulated by the group's vision.

A number of changes were made to the board in 2015. Two independent non-executive directors, Fred Phaswana and Lord Smith, retired at the AGM. Fred Phaswana served as our chairman since 2009, providing effective leadership and wise counsel to fellow directors and management and making an invaluable contribution to the board and its committees. Following a process led by the directors' affairs committee, which is entrusted with leading the work on board composition and succession planning, I was appointed by the board as Fred's successor on 7 May 2015. Details on the succession process are set out on page 20. Lord Smith served on the board since 2003 and saw it through many challenges, including the 2008 financial crisis. Fran du Plessis resigned from the board on 28 May 2015. The board extends its gratitude to all three directors.

To deepen our insight into the markets in which we operate and enhance our diversity of experience, we appointed Dr Martin Oduor-Otieno with effect from 1 January 2016, which has added an East African perspective to the board.

The committees continued to assist the board in executing its mandate and strengthening oversight over the group's subsidiaries. Kgomotso Moroka was appointed as chairman of the group social and ethics committee and I took over as chairman of the directors' affairs committee. There were other changes made to the composition of the committees as a result of the board changes. These are set out on page 28 – 35 of the corporate governance report.

We understand the importance of diverse perspectives on the board. With regard to gender diversity, we aim to achieve greater representation of women on the board and will make appointments in line with this commitment as we continue the search for suitable board candidates.

Board effectiveness

We evaluated the board's effectiveness during the year, along with that of its committees. The directors' affairs committee led this process, which was facilitated by the group secretary. An important aspect of board evaluations is the extent to which action plans from the process are properly implemented.

To this end, the group secretary maintains a log of the plans agreed and oversees their implementation.

The 2014 board evaluation process resulted in the implementation of plans which included placing greater focus on strategy development and implementation, appointing to the board a director with experience in doing business in East Africa and increasing engagement with operating subsidiaries on the continent. The board is satisfied with the progress made in implementing these plans.

The outcomes of the 2015 evaluation were considered by the directors' affairs committee and the board in the first quarter of 2016. The findings and key themes are discussed on page 23.

> We will also continue to empower and strengthen the board and its composition focusing on appointments and succession planning that will enhance its ability to effectively discharge its responsibilities, taking into account the strategy of the group.

Key challenges

The volume of new financial services regulations has continued to grow. As we have noted before, Africa is not homogenous and keeping up with the pace of regulatory change while also trying to balance the diverse ways in which new regulations are promulgated in different countries creates significant complexity. We continue to engage at various levels with regulatory authorities to promote regulatory frameworks that are unambiguous, cohesive and practical, and that minimise unintended consequences. A strong focus is being placed on enhancing a culture of compliance within the group, given that the group's ability to execute its strategy is premised on the trust our customers and other stakeholders have in us.

Any breach of compliance is inconsistent with our vision and our purpose, and where lapses of compliance do occur in our organisation we respond immediately by self-reporting to the authorities. In November 2015, the group's former subsidiary Standard Bank Plc (now ICBC Standard Bank Plc (ICBCS)) entered into a Deferred Prosecution Agreement (DPA) with the United Kingdom Serious Fraud Office following its self-reporting in 2013 of a suspicious transaction involving two executives of Stanbic Bank Tanzania. A DPA is a voluntary agreement through which a prosecutor agrees to suspend a prosecution in exchange for the defendant agreeing to fulfil certain requirements. The board had occasion to interrogate the matter in detail, and the matter was disclosed and explained to stakeholders in two Stock Exchange News Service announcements in November 2015.

While it is of course preferable to prevent any instances of non-compliance, it is not always possible to do so and business resilience is built on how such adversities are faced up to and dealt with. In response to this matter, focus has been given to developing in-depth training based on the lessons learnt from the investigations into this matter. The training will be rolled out across the group, led by the group's general counsel and his team. We believe that this will send a strong signal that non-compliance will not be tolerated within the group and significantly reduce the chances of a recurrence of this kind of incident.

Looking ahead

We will continue to engage more closely with the boards of our subsidiaries in the rest of Africa. This will include roundtable sessions on issues relating to governance – setting the tone from the top, best practices and approaches, enhancing interaction on the group's strategy and the key challenges facing our boards throughout the group. We will continue to monitor strategy implementation, and to support management in the important work of aligning the group's operating model and culture to the intent of the group strategy.

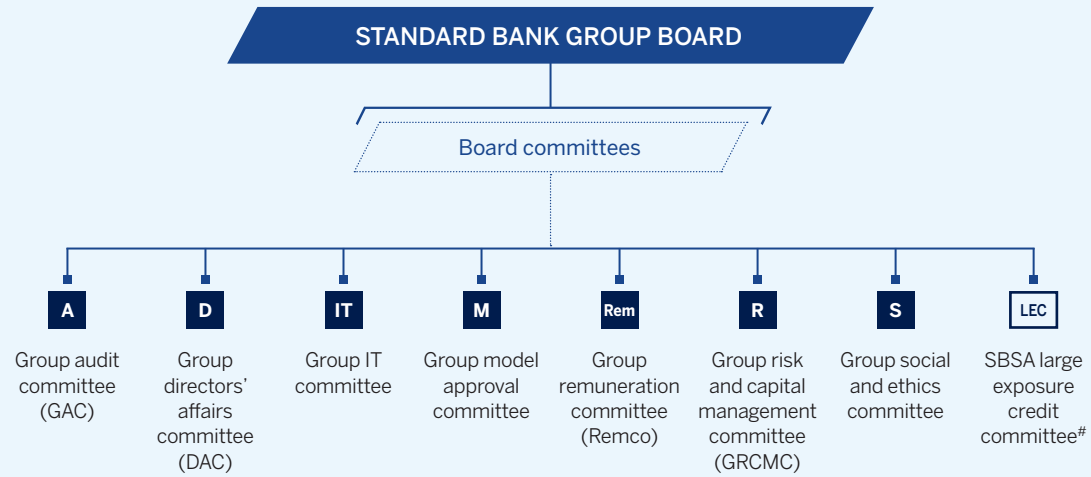
Our efforts to strengthen the board's ability to effectively discharge its responsibilities in line with the intentions of the group's strategy, through suitable appointments and succession planning, will continue. We will finalise our gender diversity policy in accordance with JSE Listings requirements.

I conclude with sincere gratitude to my fellow directors, and to each and every person in the Standard Bank family whose commitment and dedication continues to move the group forward.

Thulani Gcabashe
Chairman

Corporate governance report

Our governance structure



A subcommittee of The Standard Bank of South Africa Limited (SBSA).

Our board

1. THULANI GCABASHE /58

Chairman, SBG and SBSA
Chairman, DAC
Appointed 2003
Appointed chairman 2015

- BA (Botswana and Swaziland)
- Master's degree in urban and regional planning (Ball State)

Thulani Gcabashe was previously the chairman of Imperial Holdings, chief executive of Eskom and a director of the National Research Foundation.

External appointments

- Built Environmental Africa Capital (chairman) and related entities
- African Olive Trading 160

R D S Rem LEC

2. SHU GU /48

Deputy chairman and non-executive director, SBG
Appointed 2014

- Bachelor's degree in engineering (Shanghai Jiaotong University)
- Master's degree in economics (Dongbei University of Finance and Economics)
- Doctorate degree in economics (Shanghai University of Finance and Economics)

Dr Shu Gu has served as a senior executive vice president of the Industrial and Commercial Bank of China (ICBC) since 2013. He joined ICBC in 1998 and was appointed as general manager of finance and accounting department in 2006. In 2008, he was appointed as board secretary and concurrently general manager of corporate strategy and investor relations department. He became president of ICBC Shandong Branch in 2010.

R D IT

3. RICHARD DUNNE /67

Independent non-executive director, SBG and SBSA
Chairman, audit committee
Appointed 2009

- CTA (Wits)
- CA (SA)

Richard Dunne was previously the chief operating officer of Deloitte, South Africa.

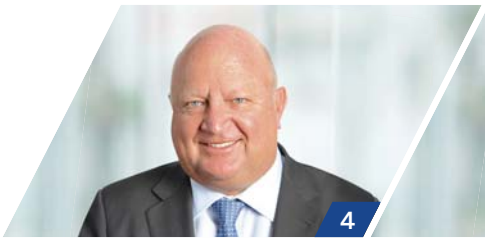
External appointments

- Anglo American Platinum
- AECI

A R IT

A	Audit committee	M	Model approval committee	S	Social and ethics committee
D	Directors' affairs committee	Rem	Remuneration committee	LEC	SBSA large exposure credit committee#
IT	IT committee	R	Risk and capital management committee		Chairman of committee

A subcommittee of SBSA.



4. BEN KRUGER /56

Group chief executive, SBG, and executive director, SBSA
Chairman, model approval committee
Appointed 2013

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

Ben Kruger is the group chief executive of SBG, and executive director of SBSA. He previously served as chairman of Standard Bank Plc.

Ben joined the group in 1985, taking up various roles in Standard Corporate Merchant Bank (SCMB). In 1998, he was appointed deputy chief executive of SCMB and chief executive of SCMB in 2001. He was appointed to group exco in 2000. From 2006 to 2008, he held the position of chief executive of global Corporate & Investment Banking (CIB) and assumed the position of deputy group chief executive of SBG in 2009. In 2011, in his capacity as deputy group chief executive, Ben assumed responsibility for both the CIB and Personal & Business Banking (PBB) business lines. In 2013, he was appointed group chief executive of SBG.

Other appointments

- ICBC Standard Bank Plc
- Stanbic Africa Holdings
- Institute of International Finance
- Leadership for Conservation in Africa

S IT M LEC

5. KGOMOTSO MOROKA /61

Independent non-executive director, SBG and SBSA
Chairman, group social and ethics committee
Appointed 2003

- BProc (University of the North)
- LLB (Wits)

Advocate Kgomotso Moroka is a senior advocate and for 15 years was a member of the Judicial Services Commission. She is currently a trustee of the Nelson Mandela Children's Fund, Project Literacy and the Apartheid Museum.

External appointments

- Gobodo Forensic and Investigative Accounting (chairman)
- Grinding Power (chairman)
- Kalagadi Manganese
- Royal Bafokeng Platinum (chairman)
- Temitayo (chairman)
- South African Breweries
- Multichoice South Africa Holdings
- Netcare

R D S

6. MARTIN LUKE ODUOR-OTIENO /59

Independent non-executive director, SBG and SBSA
Appointed 2016

- BCom (accounting) (University of Nairobi)
- Executive MBA (ESAMI/Maastricht Business School)
- Honorary doctorate of business leadership (KCA University)
- AMP (Harvard)

Dr Martin Oduor-Otieno was previously the chief executive officer of the Kenya Commercial Bank Group. He is currently an independent business advisor, having retired as partner at Deloitte East Africa.

He is a fellow of the Kenya Institute of Bankers and Institute of Certified Public Accountants of Kenya and a member of the Institute of Certified Public Secretaries of Kenya and the Institute of Directors of Kenya.

External appointments

- GA Life Insurance Company

7. ANDRÉ PARKER /64

Independent non-executive director, SBG and SBSA
Appointed 2014

- BEcon (University of Stellenbosch)
- BEcon (Hons) (University of Stellenbosch)
- MCom (University of Stellenbosch)

André Parker was previously managing director for Africa and Asia, SAB Miller Plc.

External appointments

- Tiger Brands (chairman)
- Distell
- Empresas Carozzi (Chile)

D Rem IT LEC

8. ATEDO PETERSIDE CON /60

Independent non-executive director, SBG and SBSA
Appointed 2014

- BSc (economics) (The City University, London)
- MSc (economics) (London School of Economics and Political Science)

Atedo Peterside CON was previously the chairman of the Committee on Corporate Governance of Public Companies in Nigeria. He is the founder of Stanbic IBTC Bank Plc, where he was the chief executive (then IBTC) until 2007 and chairman from 2007 until September 2014. He is currently the chairman of Stanbic IBTC Holdings Plc.

External appointments

- ANAP Holdings Limited (chairman) and related entities
- Cadbury Nigeria Plc (chairman)
- Flour Mills of Nigeria Plc
- Nigerian Breweries Plc
- Unilever Nigeria Plc

A IT

9. SIMON RIDLEY /60

Group financial director and executive director of SBG and SBSA
Appointed 2009

- BCom (Natal)
- CA (SA)
- AMP (Oxford)

Simon Ridley is the group's financial director and an executive director of SBG and SBSA.

Simon joined the group in 1999 as chief operating officer of SCMB and was appointed chief financial officer of the group in 2002. He was appointed to group exco in 2013.

Other appointments

- Standard Bank London Holdings Limited (chairman)
- Standard Advisory London Limited (chairman)
- Stanbic Africa Holdings
- Tutuwa Community Holdings
- Tutuwa Staff Holdings

M IT LEC

A	Audit committee	M	Model approval committee	S	Social and ethics committee
D	Directors' affairs committee	Rem	Remuneration committee	LEC	SBSA large exposure credit committee#
IT	IT committee	R	Risk and capital management committee		Chairman of committee

A subcommittee of SBSA.

10. MYLES RUCK /60

Independent non-executive director, SBG and SBSA
Chairman, GRCMC and the SBSA large exposure credit committee
Appointed 2002

- BBusSc (University of Cape Town)
- PMD (Harvard)

Myles Ruck was previously chief executive of SCMB, deputy chief executive of SBG and chief executive of the Liberty Group.

External appointments

- ICBC (Argentina) (vice chairman)
- Mr Price Group

R D LEC

11. PETER SULLIVAN /67

Independent non-executive director, SBG and SBSA
Chairman, IT committee
Appointed 2013

- BSc (physical education) (University of New South Wales)

Peter Sullivan was previously chief executive of Standard Chartered Bank, Africa, and an executive director and chief executive of Standard Chartered Bank, Hong Kong. He previously served as a director on Standard Bank Plc.

External appointments

- AXA China Region
- AXA Asia
- Healthcare Locums Plc (chairman)
- Techtronic Industries
- Winton Capital Group Limited

A R IT Rem

12. SIM TSHABALALA /48

Group chief executive, SBG, and chief executive, SBSA
Appointed 2013

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

Sim Tshabalala is the group chief executive of SBG, and the chief executive of SBSA.

Sim joined the group in 2000 in the project finance division of SCMB and was appointed to group exco in 2001. From 2001 to 2006, he was managing director of Stanbic Africa, and from 2003, he served concurrently as deputy chief executive of PBB. He was appointed chief executive of PBB in 2006. In June 2008, he was appointed chief executive of SBSA. In 2009, he was appointed deputy chief executive of SBG. In 2013, he was appointed chief executive of SBG.

Other appointments

- Liberty Holdings
- Liberty Group
- Stanbic IBTC Bank (chairman)
- Stanbic Africa Holdings (chairman)
- Tutuwa Community Holdings
- Banking Association of South Africa (BASA)

S IT LEC

13. SWAZI TSHABALALA /50

Independent non-executive director, SBG and SBSA
Appointed 2014

- BA (economics) (Lawrence University, USA)
- MBA (Babcock School of Management, Wake Forest University)

Swazi Tshabalala was previously the chief executive officer of the Industrial Development Group. Since 2013, she has been an executive director of Kupanua Investments.

External appointments

- Barbican Engineering Solutions
- Barbican Advisory Group
- Liberty Group
- Liberty Holdings
- Luxehold
- Top Form Trading 7
- Vivicite Africa Luxury Holdings
- XAU Investments

A M R

14. WENBIN WANG /40

Non-executive director, SBG
Appointed 2014

- Bachelor's degree in economics
- Master's degree in business administration
- PhD (management) (Renmin University of China)

Wenbin Wang joined ICBC in 2000. He previously held various positions at ICBC, including deputy general manager of the corporate strategy and investor relations department and senior executive vice president of ICBC Xi'an Branch.

R D IT

(as alternate to Shu Gu)

15. TED WOODS /69

Independent non-executive director, SBG and SBSA
Chairman, Remco
Appointed 2007

- BCom (Wits)
- CA (SA)
- MBA (Cape Town)
- CFA

A R Rem

A	Audit committee	M	Model approval committee	S	Social and ethics committee
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IT	IT committee	R	Risk and capital management committee		Chairman of committee

A subcommittee of SBSA.

Overview

The board is ultimately responsible for corporate governance within the group and providing effective leadership based on an ethical foundation. The board is accountable for the group's success in the interests of all its stakeholders.

The board's role and responsibilities are included in the terms of reference as set out in the board mandate. The mandate is reviewed at least annually and complies with the provisions of the Companies Act, Banks Act, as well as the company's memorandum of incorporation (MOI).

The group's governance framework provides for the delegation of authority for the day-to-day management of the group to the group chief executives without abdicating the board's accountability. The delegated authority is set out in writing. The group secretary monitors compliance and provides guidance on matters reserved for board decision. The delegation of authority framework is reviewed annually in consultation with the group finance function to ensure that the limits remain appropriate, taking into account the size of the group and its specific operational context.

Matters reserved for board decision include the determination of strategy for the group, any material changes in strategic direction, the approval of annual budgets, the appointment and dismissal of the group chief executives and approval of significant acquisitions or investments.

GR For more details on the board's terms of reference, refer to **page 27**.

During the year, the board held eight meetings, which included two days dedicated to the review of the group's strategy and its execution across the group. Board meetings allow for sufficient time for consideration of all matters and are normally scheduled for a full day. Care is taken to ensure that the board spends sufficient time considering matters critical to the group's success, as well as compliance and administrative matters. At the close of each board meeting, non-executive directors meet without the executive directors in closed sessions led by the chairman. The primary objective of these sessions is to provide non-executive directors with the opportunity to test thoughts among peers. The chairman, as the primary link between the board and executive management, provides feedback from the closed sessions to the group chief executives.

The board is cognisant that its actions and the interaction at board meetings help set the tone for the group's culture. Focus is placed on ensuring that all decisions taken are rational and in the best interests of the group. There is appropriate communication between the board and executive management, and respect for respective roles.

Key activities of the board in 2015

Strategy

Having considered the outlook for global and African economies, market perceptions and expectations, the board approved the central theme of the group's strategy at the annual strategy session, together with the decisions required to implement the strategy. The strategy was shared at the group's Directors' Summit attended by the board of directors and directors from the group's operations across the continent.

Operational and financial performance including monitoring

- reviewed the performance of the group chief executives against agreed measures
- considered strategic and operational updates from the group chief executives, as well as matters highlighted for the board's attention at board meetings
- reviewed quarterly finance reports against the group's budget and financial position
- approved the group's annual integrated report and financial results, and agreed dividend payments
- approved the group's budget for 2016
- reviewed and approved the mandates of the board and the board committees
- performed an in-depth review of the group's operations in Namibia.

Governance and risk

- implemented a succession plan for the role of chairman following the retirement of Fred Phaswana as group chairman at the 2015 AGM
- engaged with the Registrar of Banks and the supervisory team in line with the South African Reserve Bank's (SARB) annual supervisory programme
- reviewed risk reports and the preparation of the financial statements on a going concern basis
- considered the group's talent management and succession plans, including an in-depth review of the succession plans for the group executive and management committee roles
- received regular updates on engagement with stakeholders
- reviewed the results of the internal 2015 board evaluation process and implemented the action plans arising from the 2014/2015 external board evaluation process.

Other activities

- finalised the share purchase agreement with ICBC in respect of the disposal of a 60% controlling interest in Standard Bank Plc
- monitored the close of the ten-year lock-in period in the Tutuwa black ownership initiative which delivered a net value of R10,7 billion for participants.

Functioning of the board and its governance processes

Composition of the board

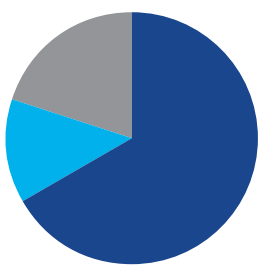
The board is constituted in terms of the company's MOI. The group has a unitary board structure comprising 15 directors, ten (67%) of whom are independent non-executive directors, two (13%) are non-executive directors and three (20%) are executive directors. The executive directors are the group chief executives and the group financial director.

In line with the provisions of the King code, the majority of the board directors are independent non-executive directors who bring diverse perspectives to board deliberations and constructively challenge management. The board's in-depth interactions with management strengthen the group's decision-making and ensure an appropriate balance of power. A clear division of responsibilities at board level ensures that no one director has unfettered powers in the decision-making process.

Apart from the executive directors, the group's prescribed officers, as defined by the Companies Act, also attend board meetings. The Act defines prescribed officers as persons who exercise general executive control over and management of the whole or a significant portion of the business and activities of the company. This ensures that there are more points of contact between the board and management.

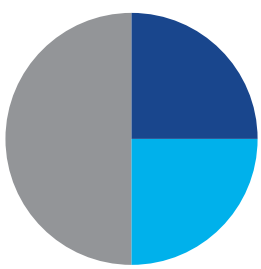
The board is effective and is considered to be of an appropriate size for the group, taking into account, among other considerations, the need to have a sufficient number of directors to structure board committees, meet regulatory requirements and adequately address the board's succession plans.

BOARD COMPOSITION



	2015	2014
Independent non-executive directors	10	12
Non-executive directors	2	2
Executive directors	3	3

NON-EXECUTIVE DIRECTOR DEMOGRAPHICS



	2015	2014
White	3	4
Black	3	4
Non-South African	6	6

Following the decision by the board to appoint directors with experience of doing business in regions outside South Africa and where the group has operations, Dr Martin Oduor-Otieno from Kenya was appointed to the board with effect from 1 January 2016. In line with the provisions of the MOI, he will retire at the AGM and stand for re-election by the members of the company.

GR Please refer to **page 10** for qualifications and brief curriculum vitae.

Composition of the board continued

Having reached the retirement age as set out in the company's MOI, Fred Phaswana and Lord Smith of Kelvin retired from the board at the AGM in May 2015. Fran du Plessis also stepped down from the board at the AGM. The chairman and the board extend their appreciation for the invaluable contribution made by Fred, Lord Smith and Fran, and wish them well.

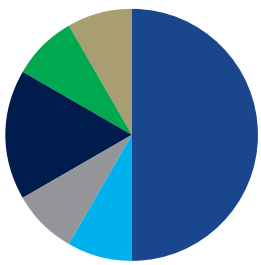
Simon Ridley, the group's financial director, having reached the executive retirement age in 2015, will retire from the group on 30 April 2016 and step down from the board. The group is grateful for his significant contribution over the past 16 years and wishes him a long and happy retirement.

Dr Arno Daehnke takes over as the group's financial director and executive director with effect from 1 May 2016. In line with the provisions of the company's MOI, he will stand for election by members of the company at the AGM. His qualifications and brief curriculum vitae are set out on page 37 of this report and in the AGM notice on page 74.

Skills, experience and diversity

The board members' collective experience provides for a balanced mix of attributes to fulfil its duties and responsibilities. The board's breadth of experience includes retail and investment banking, risk management, legal and regulatory, finance and accounting, marketing, public sector, remuneration and overall business, with several directors having chief executive experience.

MIX OF NON-EXECUTIVE DIRECTOR NATIONALITIES



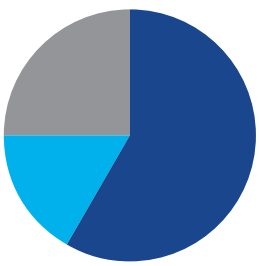
	2015	2014
South African	6	8
Australian	1	1
British	1	2
Chinese	2	2
Kenyan	1	0
Nigerian	1	1

Two of the 15 directors are women. The board continuously looks to increase its gender diversity, which is taken into account in the board succession planning.

Independence of directors

The directors' affairs committee assesses directors' independence for board approval. Independence is determined against the criteria set out in the King code and in line with the King code's recommendation, the board reviews non-executive directors with tenure beyond nine years. The review takes into account performance and factors that may impair independence. Thulani Gcabashe, Kgomotso Moroka, and Myles Ruck, have all served longer than nine years. Following the review they are considered to be independent both in character and judgement, notwithstanding tenure. Dr Shu Gu and Wenbin Wang, the non-executive directors nominated by the group's largest shareholder, ICBC, are not considered independent. All other non-executive directors are considered independent.

NON-EXECUTIVE DIRECTOR TENURE



	2015	2014
Less than three years	7	7
Greater than three but less than six years	0	2
Greater than six but less than nine years	2	1
Greater than nine years	3	4

Board appointment process and re-election of directors

The board has a formal and transparent process in place for the appointment of directors. While the appointments are a matter for the board, the authority to oversee the nomination and to carry out the interview processes has been delegated to the directors' affairs committee. Where necessary, a human resources placement agency supports the committee in identifying a broad pool of appropriate candidates. The particular attributes and experience required are identified and agreed prior to the search process. Apart from a candidate's experience, availability and likely fit, the committee also considers the candidate's integrity, as well as other directorships and commitments to ensure that they will have sufficient time to discharge their role properly. Candidates must satisfactorily meet the fit and proper test, as required by the Banks Act. The committee also considers race and gender diversity in its assessment. In line with the JSE Listings Requirement, which came into effect in November 2015, the committee is in the process of finalising the board gender diversity policy. In terms of the company's MOI a director appointed by the board holds office until the next AGM, where they must retire and stand for re-election by shareholders.

In terms of the King code and the MOI, one-third of the non-executive directors are required to retire and if available and eligible, stand for re-election at the company's AGM. Those 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 AGM, Myles Ruck, Peter Sullivan, Ted Woods and Wenbin Wang will retire and be eligible for re-election.

Succession planning	The careful management of the board succession process is vital to the effective functioning of the board. The directors' affairs committee ensures that as directors retire, candidates with the necessary skills and experience have been identified to ensure that the board's competence and balance is maintained and enhanced taking into account the group's current and future needs. Given that new non-executive directors often need time to acquaint themselves with the business of the group and its strategy, the committee takes the view that it is preferable to appoint replacement independent non-executive directors before the directors being replaced vacate office. While this temporarily increases the number of directors on the board, this is rebalanced as the retiring directors reach the end of their term, by which time, the new directors will have had sufficient time to be inducted into the business of the group, ensuring seamless continuation of the business of the board. In addition to managing non-executive director succession, the board considers the talent management and development of the senior leadership team. It is satisfied with the depth of talent in the group's senior leadership team.
Separation of chairman and group chief executives' roles	The role of chairman is distinct and separate from that of the group chief executives and there is a clear division of responsibilities. The chairman has the respect and confidence of the board, which is vital to the effective performance of his role. The chairman's responsibilities include: • leading the board and ensuring its effective functioning • setting the ethical tone for the board and company • setting the board's annual work plan and the agenda, in consultation with the group secretary, the group chief executives and the other board directors • ensuring that the board observes the highest standard of integrity and good governance • ensuring proper functioning of the group's joint group chief executive structure • conveying feedback in a balanced and accurate manner between the board and group chief executives • assessing the individual performance of directors. The board holds the group chief executives jointly and severally accountable and responsible for the group, and in the year under review, the group chief executives acted within the authority delegated to them by the board. The group chief executives' responsibilities include: • appointing the executive team and ensuring proper succession planning and performance appraisals • developing the company's strategy for consideration and approval by the board • developing and recommending budgets to the board that support the group's long-term strategy • monitoring and reporting to the board the performance of the group and its conformance with compliance laws • establishing an organisational structure for the group which is appropriate for the execution of its strategy • setting the tone for ethical leadership and creating an ethical environment • ensuring that the group complies with all relevant laws and corporate governance principles.

Appointment of the new chairman	With the retirement of Fred Phaswana as group chairman in 2015 and in line with the board's succession plans, the directors' affairs committee, in consultation with the full board, led the process to define the attributes required for the role of chairman of the group. Focus was placed on identifying a candidate who would ensure the group's continued success over the longer term. Together with the recommendations of the King code and the JSE Listings Requirements, we looked for an individual who: • is highly respected by the directors and management • is independent and free of any conflicts of interest • has knowledge of the group's markets, operations, values and shareholder expectations • is compatible with the group chief executives and other members of management, to ensure good working relationships • has a low personal ego quotient • is a good fit with the board as a whole • has the ability to guide dialogue, letting all viewpoints be heard while keeping the discussion on track. The directors' affairs committee considered external and internal candidates. Having undertaken a rigorous process, it concluded that Thulani Gcabashe was the suitable candidate for the position and recommended his appointment to the board. The board unanimously approved his appointment and believes that the group will derive substantial benefit from the appointment. Thulani Gcabashe has been a non-executive director of the group since 2003 and, in accordance with the King code, is considered independent.
Induction and director development	Induction of new directors and ongoing education of directors is the responsibility of the group secretary. The directors' affairs committee is responsible for monitoring the implementation of director induction and training plans. On appointment, directors are provided with the group's governance manual containing all relevant governance information, including the company's founding documents, mandates, governance structures, significant reports, relevant legislation and policies. One-on-one meetings and site visits are scheduled with management to introduce new directors to the group and its operations. The remainder of the induction programme is tailored to the new director's specific requirements. To ensure maximum participation in ongoing director training, dates for training are scheduled in advance and form part of the board-approved annual calendar. The directors are kept abreast of applicable legislation and regulations, changes to rules, standards and codes, as well as relevant sector developments that could affect the group and its operations. Director training in 2015 covered the following topics: • Twin Peaks, market conduct and the Treating Customers Fairly (TCF) framework • impact of macroeconomic changes on Standard Bank's value • IFRS 9: *Financial Instruments'* expected loss impairment requirements • Basel III compliant capital instruments • anti-money laundering.

Board access to information and resources	Directors have unrestricted access to group management and company information, as well as the resources required to carry out their duties and responsibilities. Access to external specialist advice is available to directors at the group's expense, in terms of the board-approved policy on independent professional advice. In addition, the group's prescribed officers, as defined in the Companies Act, attend all board meetings. External auditors are invited to attend GAC, GRCMC and group IT committee meetings.
Group secretary	The board is satisfied that an arm's length relationship exists between it and the group secretary, Zola Stephen, who is not a member of the board or a prescribed officer of the group. She holds a BProc, LLB (University of KwaZulu-Natal), and postgraduate Diploma in Corporate Law, and has over 15 years' experience in corporate governance. In addition to guiding the board on discharging its duties and responsibilities, the group secretary keeps the board abreast of relevant changes in legislation and governance best practice. All directors have access to the services of the group secretary. In line with the JSE Listings Requirements, the board considered on 2 March 2016, the competence, qualifications and experience of the group secretary and concluded that she is competent to carry out her duties.
Conflicts of interests and other commitments	In terms of the Companies Act, directors are required to disclose their outside business interests. The group secretary maintains a register of directors' interests, which is tabled at the board annually and any changes are submitted to the board as they occur. The group complies with the provisions of the Companies Act in this regard. The board is aware of the other commitments of its directors and is satisfied that all directors allocate sufficient time to enable them to discharge their responsibilities effectively.

Board evaluation

In line with the provisions of the King code the board annually conducts an evaluation of its performance. Since 2011, the board evaluation process has been externally facilitated. The services of Korn/Ferry International were retained from 2011 to 2013, and PricewaterhouseCoopers in 2014, for the purposes of conducting the board evaluation process.

In 2015, the board and committee evaluation process was undertaken internally by the group secretary. It is the intention going forward that externally facilitated evaluations will be carried out every two years.

Board and committee evaluation process

The group secretary undertook a formal evaluation by:

- preparing questionnaires that were completed by each director
- discussing the outcomes and recommendations with the chairman
- recommending actions for continuous improvement to the board

Among the areas reviewed were board and committee composition, board dynamics, culture and interactions, the board's role in the development and implementation of strategy across the group, board and committee meetings and processes, information quality and flows, stakeholder engagement and overall board effectiveness. These topics were appropriately addressed and will be regularly reviewed as a matter of good governance.

Outcomes

The evaluation concluded that the board dynamics are effective and that the board is resilient and able to confront difficult issues when they arise. The interactions between the board and its committees are considered sufficient and interactions between directors are positive and allow for sufficient candor and for each director to exercise independent judgement.

The board has a clear understanding of the boundaries where it should take the lead, where it should collaborate with management and where it should refrain from interfering with the execution and the day-to-day management of the group.

Both the board and executive succession plans are effective and take into account the current and future needs of the group.

Overall, the board and its processes were considered effective.

The key themes identified during the board evaluation process are set out below.

KEY THEMES	ACTIONS
Board and committee compositions	• through the appointment of new directors and director development, continue to ensure that the appropriate balance of skills, experience, independence, knowledge and diversity is maintained at board and committee level • staggering of the retirement dates
Board and committee operations	• review committee mandates and minimise overlap
Information to board	• continue to enhance the content and reduce the volume of information provided to the board and its committees
Oversight over group strategy implementation	• increase oversight over subsidiaries to ensure alignment with the group's strategy
Stakeholder engagement	• continue engaging with government and other key stakeholders.

Subsidiary governance framework	The group is tasked with ensuring that there is effective oversight across its subsidiaries. To achieve this, the board has approved a subsidiary governance framework, the aim of which is to ensure consistent application of sound governance practices and appropriate risk management and control environments, and to create long-term value for the group and its stakeholders. Subsidiary governance principles have been approved by the board for adoption by subsidiary boards, setting the context for the role of subsidiary boards in relation to the group. The strategy for the group is formulated and agreed on at a holding company level by the board which is responsible for monitoring strategy implementation at subsidiary level. Corporate governance and legislative requirements are monitored on an ongoing basis in all jurisdictions to ensure that local requirements are met.
King Code	The group continues to apply the principles of the King Code, which adopts an 'apply or explain' approach requiring that the group provides a reasonable explanation in instances where a principle is not applied. Exceptions and differences to the application of the King Code are monitored and reviewed annually. The board is satisfied with the group's application of the principles and the instances of non-application which occurred throughout the reporting year, have been considered and explained below. **Exceptions to the application of the King Code principles** • Principle 2.19 (paragraph 88.7): The King Code requires disclosure of actual or potential political connections or exposure for directors. The group does not discourage directors from being affiliated to political parties as it believes this contributes to strengthening South Africa's democracy. While some of the group's directors are involved with political parties in South Africa, no director is an office bearer of any political party. • Principle 2.25 (paragraph 153): The board has considered the King Code requirement that non-executive remuneration should comprise a base fee and an attendance fee per meeting. The board has agreed that the current single comprehensive annual fee structure is more appropriate for the group and is of the view that the contribution of directors cannot only be judged by meeting attendance alone. • Principle 2.25 (paragraph 173): The King Code requires that options or other conditional share awards should not vest or be exercisable within three years from the date of the grant. While the deferred bonus scheme (DBS), which is settled in Standard Bank equity shares, has an initial vesting period shorter than three years, the average vesting period for deferred bonuses is approximately three years. **Statement of differences to the King Code** Principle 7.1 (paragraph 5): The King Code recommends that the board approves the group internal audit (GIA) charter. The board has delegated this responsibility to the GAC.
Codes of banking practice	Endorsed by the members of BASA, which include Standard Bank, the code of banking practice in South Africa safeguards the interests of consumers. It is based on four key principles: fairness, transparency, accountability and reliability. These principles resonate with the group's values and will help to ensure that the Financial Services Board's TCF framework, which seeks to create a more meaningful focus on the fair treatment of customers is met.
Codes of conduct	Standard Bank is regulated by various codes of conduct in terms of the Financial Advisory and Intermediary Services Act 37 of 2002. The Act regulates financial service providers in South Africa who render advice and/or provide intermediary services to clients in relation to certain financial products. Standard Bank has also adopted BASA's code for the selling of unsecured credit that governs the relationship between banks and customers in respect of credit extension. Regular risk reviews are embedded in the credit function and provide the means to regulate credit risk appetite.

Dealings in securities	The group is committed to conducting its business professionally and ethically. The personal account trading policy and directors and prescribed officers' dealing policy prohibit directors and employees from trading in securities during closed periods, as well as during self-imposed embargo periods. Annual self-imposed embargo and closed periods are in effect from 1 June until the publication of the interim results and 1 December until the publication of year-end results. Closed periods also include any period where the group is trading under a cautionary announcement. All directors' dealings require the prior approval of the chairman, and the group secretary retains a record of all their director dealings and approvals. 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 policy and the JSE Listings Requirements. During the reporting period, the group has complied with the Listings Requirements and disclosure requirements as prescribed by the JSE.
Going concern	The board considers and assesses the group's status as a going concern in the preparation of the annual financial statements at year end. During the interim reporting period, a similar process is followed. In addition, the board considers the solvency and liquidity requirements in line with the provisions of the Companies Act. RCM AFS The board's conclusion regarding the going concern status of the group can be found in the statement of directors' responsibility for financial reporting in the annual financial statements.

Connecting with our stakeholders

The group's relevance to the markets and societies in which it operates depends on continued and meaningful engagement with all stakeholders. Building and maintaining good stakeholder relationships helps us to manage and respond to expectations, minimise reputational risk and form strong partnerships, all of which support commercial sustainability.

Individual business units undertake stakeholder engagement activities appropriate to their particular areas. At group level, the group policy, advocacy and sustainability unit engages with key stakeholders in the public and private sectors.

Board meetings include oversight of stakeholder engagement activities as a standing item. The board receives a quarterly stakeholder engagement report that collates input from the group's business units and provides an overview of engagement activities across the group.

The investor relations department facilitates regular and pertinent communication with shareholders. The chairman also encourages shareholders to attend the AGM where interaction is welcomed.

Political party contributions

Since 2004, the group has sought to strengthen democracy in South Africa by making donations to political parties represented in the National Assembly, to help them effectively engage and represent the people of the country.

An amount of R13,5 million was allocated to the democracy support programme for the electoral cycle from 2009 to 2014. The annual donation to each party was calculated using a formula based on that used by the Independent Electoral Commission to allocate its party funding: 10% of the annual disbursement amount is divided equally between all parties represented in the National Assembly, and 90% is assigned in proportion to the number of seats held by each party. The disbursement for each party is doubled in the year of a general election, to assist with campaigning activities.

Every year, each party is required to account for the use of the funds. Reports indicate that the donations are used mainly for administrative costs and party campaign materials. In 2015, the mandate for the programme was renewed for the next five years.

In 2015, the group allocated a total of R2,2 million as a direct donation (2014: R4,2 million).

Ethics and organisational integrity

Company values and ethics promote a healthy working environment and a sustainably profitable organisation. The board aims to provide effective and ethical leadership, and ensure that its conduct and that of management is aligned with the group's values and the code of ethics (the code). The code is designed to empower employees and enable effective decision-making at all levels of the business according to defined ethical principles and values.

In ensuring that the group operates ethically, the board uses the inclusive stakeholder model of governance that considers the interests of all the group's stakeholders.

The group is a member of the Ethics Institute of South Africa, which advances the practice of ethics in South Africa and a number of other countries in Africa. The Ethics Institute has certified that the group's code meets the highest standards of international best practice. The code is aligned with and supported by other group policies and procedures, and supports compliance with the relevant industry regulations and laws.

Information on accessibility, anonymity, processes and the policy relating to the whistle-blowing service was published in all business units and geographies during the year. Overall, the group's financial crime control unit held over 2 258 awareness sessions and 547 disclosures were made to the independently operated hotline during 2015.

Liberty has its own code of ethics, policy and ethics line, which is operated by an independent service provider.

The Protection of Personal Information (PoPI) Act was signed into law in 2013. While a commencement date for PoPI is yet to be decided, organisations will need to be compliant within one year of its commencement. A groupwide regulatory privacy programme is being undertaken to facilitate adherence to privacy requirements in the various jurisdictions in which the group does business.

The group is focused on bringing positive change to the markets in which it operates. As a result, we have a supportive governance framework to enable the highest standards of responsible business practice in our interactions with all our stakeholders.

Ethics management framework

Management has set up an ethics management framework in which:

- the group chief executives and group ethics officer are the formal custodians of the code and are ultimately responsible for ensuring it is applied throughout the group
- each business unit has a senior executive (business unit ethics officer) who is responsible for driving awareness of the code and act as a final arbiter in cases where difficult decisions arise
- the group ethics officer takes responsibility for the internal reporting of ethics-related incidents to management and the board through the group social and ethics committee and GAC
- the code is applicable in all countries in which the group has banking operations
- ethical incidents are reported through the ethics and fraud hotline, the group financial crime control unit, the human capital department, the ethics mailbox, business unit ethics officers and line managers
- an independent service provider operates a confidential and anonymous hotline on behalf of the group
- awareness building and training is provided throughout the organisation to ensure employees are aware of the ethics reporting options available to them
- the group's values and code are included in leadership and management training, employee orientation programmes and the employee handbook
- during 2014, an ethics e-learning programme was launched for all employees, including non-permanent employees. Training is provided in English, French and Portuguese
- values and ethics are incorporated into the group's performance management approach, where team members hold themselves and each other accountable for following the required values-based behaviours.
- the most recent review of the code was undertaken in the latter part of 2013 where the principles of the 'serving our customers' value were amended to align with TCF regulatory requirements. The revised code of ethics was launched in March 2014. In December 2014, the value 'guarding against arrogance' was amended to 'raising the bar'.

Sustainability

The report to society sets out a detailed analysis of the issues material to the group's sustainability and its stakeholders. It can be found at **www.standardbank.com/sustainability.**

Board and board committees

Group board

Members and 2015 meeting attendance /8 (including the SARB meeting and annual strategy session)

Thulani Gcabashe[1, 2] (chairman)	**8/8**	Simon Ridley[4]	**8/8**
Shu Gu[3]	**7/8**	Myles Ruck[2]	**8/8**
Richard Dunne[2]	**8/8**	Peter Sullivan[2]	**8/8**
Ben Kruger[4]	**8/8**	Sim Tshabalala[4]	**8/8**
Kgomotso Moroka[2]	**8/8**	Swazi Tshabalala[2]	**8/8**
Martin Oduor-Otieno[2, 5]	**N/A**	Wenbin Wang[3]	**8/8**
André Parker[2]	**7/8**	Ted Woods[2]	**8/8**
Atedo Peterside[2]	**8/8**		

1 Appointed chairman SBG and SBSA effective on 28 May 2015.
2 Independent non-executive director.
3 Non-executive director.
4 Executive director.
5 Appointed 1 January 2016.

Summary of key terms of reference:

- provides effective leadership based on an ethical foundation
- approves the strategy and ensures that the group's objectives take into account the need to align its strategy and risk profile, together with the performance levels and sustainability concerns of stakeholders
- reviews the corporate governance and risk and capital management processes, and ensures that there is an effective risk management process throughout the group
- delegates relevant authority to the group chief executives and monitors their performance
- determines the terms of reference and procedures of all board committees
- reviews the board and committees' performance annually
- reviews reports and minutes of board and committee meetings
- ensures that the GAC is effective and independent
- ensures consideration is given to succession planning in relation to the board, group chief executives and executive management
- considers and approves the audited annual financial statements and the annual integrated report, interim financial results, dividend announcements and notice to shareholders
- monitors stakeholder relations
- approves significant acquisitions, mergers, takeovers, divestments of operating companies, equity investments and new strategic alliances
- assumes ultimate responsibility for financial and IT governance, operational and internal systems of control, and ensures adequate reporting on these by the respective committees.

Key activities of the board in 2015 is discussed on **page 16.**

A

Group audit committee

Members and 2015 meeting attendance /8

Richard Dunne[1, 6] (chairman)	**8/8**
Atedo Peterside[2, 6]	**4/4**
Peter Sullivan[3, 6]	**8/8**
Swazi Tshabalala[4, 6]	**4/4**
Ted Woods[5, 6]	**8/8**

1 Appointed 3 December 2009.
2 Appointed 27 May 2015.
3 Appointed 6 March 2013.
4 Appointed 27 May 2015.
5 Appointed 22 May 2008.
6 Independent non-executive director.

Summary of key terms of reference:

Combined assurance model

- ensures that the group applies a combined assurance model to provide a coordinated approach to all assurance activities.

External audit

- reviews and approves the group's external audit plan
- assesses the independence and effectiveness of the external auditors on an annual basis
- oversees the appointment of external auditors, their terms of engagement and fees
- reviews significant differences of opinion between external auditors and management
- reviews the external auditors' management reports concerning deviations from and weaknesses in accounting and operational controls, and ensures that management takes appropriate action to satisfactorily resolve any issues
- annually reviews and approves the policy setting out the nature and extent for using external auditors for non-audit work.

Internal audit and financial crime

- reviews, approves and monitors the internal audit plan
- reviews and approves the internal audit charter as per the board's delegated authority
- considers and reviews the internal auditors' significant findings and management's response
- annually re-evaluates the role, independence and effectiveness of the internal audit function in the overall context of the group's risk management system
- reviews the reports and activities of the financial crime control unit to ensure the mitigation and control of fraud and related risks.

Compliance

- reviews, approves and monitors the group's compliance plan
- monitors compliance with the Companies Act, Banks Act, the JSE Rules and Listings Requirements, and all other applicable legislation and governance codes.

Financial reporting and financial controls

- reviews the group's audited annual financial statements, interim financial results, summarised financial information, dividend announcements and all financial information in the annual integrated report and recommends them to the board for approval
- evaluates the adequacy and effectiveness of the group's accounting policies and all proposed changes in accounting policies and practices
- satisfies itself as to the expertise, resources and experience of the group's finance function and the expertise of the group financial director
- reviews the basis for determination as a going concern
- reviews the effectiveness of financial management, including the management of financial risks, the quality of internal accounting control systems and reports produced including financial reporting risks and internal financial controls
- reviews the impact of new financial systems, tax and litigation matters on financial reporting
- monitors the maintenance of proper and adequate accounting records, and the overall financial and operational environment.

Annual integrated report

- recommends the annual integrated report to the board for approval
- evaluates management's judgments and reporting decisions in relation to the annual integrated report and ensures that all material disclosures are included
- reviews forward-looking statements, financial and sustainability information.

Risk management

- reviews the quarterly risk management report noting all significant financial and non-financial risks that may have an impact on the group
- considers any significant matters raised at GRCMC meetings.

Information technology

- considers the auditors' use of relevant technology and techniques to improve audit coverage and audit efficiency
- oversees IT risk in relation to financial reporting
- considers the impact of IT on financial controls.

Summary of key focus areas in 2015:

- reviewed the financial information published by the group, including the content of the annual integrated report and all other financial reports such as the annual financial statements and interim reports, and recommended them to the board for approval
- evaluated financial accounting and reporting issues that affected the group
- reviewed, approved and monitored the external audit, internal audit and compliance plans
- considered tax matters, including current and upcoming tax legislation
- monitored the group's internal control framework and the results of activities of the group internal financial control governance committee
- considered reports from internal audit, compliance and financial crime control, and monitored responses from management where required
- considered the group's external auditors' annual assessment of internal audit against the International Standards on Auditing, which confirmed that the external auditors could place reliance on internal audit's work for the purpose of the external audit
- considered the routine independent quality assurance review of audit execution, the results of which confirmed that internal audit had generally conformed with the International Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing
- considered the requirements of the Companies Act in terms of assessing the independence of external auditors
- monitored compliance with relevant legislation, including Regulation 40(4) of the Banks Act requiring directors to report annually to the Registrar of Banks on the status of internal controls, any material malfunctions and the going concern determination
- approved the audit committee report for publication in the financial statements
- reviewed and approved non-audit fees as per the policy on non-audit services.

The fees for audit and non-audit services are set out on **page 216** of the audited annual financial statements.

- considered significant matters discussed at the GRCMC meetings
- noted committee minutes of key subsidiaries, including Stanbic Africa Holdings Limited, Stanbic IBTC Bank Plc, Liberty Holdings Limited and Liberty Group Limited
- held a closed session with the group's external auditors and the audit committee chairman, who is also a member of the GRCMC, and met individually with the group chief compliance officer, the group financial director, the group chief audit officer and the head of operational risk management (who is responsible for financial crime control), without management being present on a quarterly basis and as deemed necessary
- satisfied itself as to the expertise of the financial director and financial director designate.

R

Group risk and capital management committee

Members and 2015 meeting attendance /4

Myles Ruck[1] (chairman)	4/4	Peter Sullivan[1]	3/4
Richard Dunne[1]	4/4	Swazi Tshabalala[1]	4/4
Thulani Gcabashe[1, 2]	2/2	Wenbin Wang[3, 4]	4/4
Shu Gu[3]	4/4	Ted Woods[1]	4/4
Kgomotso Moroka[1]	4/4		

1 Independent non-executive director.
2 Appointed 27 May 2015.
3 Non-executive director.
4 Alternate to Shu Gu.

Summary of key terms of reference:

- ensures the establishment of independent risk and capital management functions at a group level
- reviews and approves the risk, compliance and capital management (RCCM) governance framework, risk governance standards, governance frameworks and relevant policies
- considers and approves the group's risk appetite as set out in the risk appetite framework and risk appetite statement
- monitors the risk profile to ensure that the group is managed within its risk appetite
- considers and approves macroeconomic scenarios used for stress testing and evaluates the stress testing results
- reviews management reports on all risk types and ensures that management considers and implements appropriate risk responses
- approves the risk and capital management disclosure in published reports
- reviews and recommends the internal capital adequacy assessment process (ICAAP) and internal capital target ratio ranges to the board for approval
- reviews the impact on capital of significant transactions entered into by the group
- reviews minutes of significant credit and risk management committees.

Summary of key focus areas in 2015:

- approved relevant risk governance standards, frameworks and policies
- considered and approved the risk appetite statement for the group's banking operations
- considered and approved the macroeconomic scenarios used for 2015 group stress testing
- considered risk overviews from the group and business unit chief risk officers on events and risks that had occurred or were emerging, and which were expected to have a direct or indirect impact on the group's risk profile. It considered the group's exposure to country, single name obligor and sector concentration risk on an ongoing basis, taking into consideration the impact of the macro- and socioeconomic environment in different geographies. This included the impact of persisting drought conditions, particularly in sub-Saharan Africa, declining oil and other commodity prices on specific entities and portfolios, the associated impact on non-performing loans and credit impairments, as well as the risk of contagion and the impact of potential sovereign credit rating downgrades
- considered reports from management that covered key risks, including credit, equity, compliance, country, capital and liquidity, market, operational, legal and insurance risks
- considered reports on the group's recovery and resolution plan
- considered the group's approach to compliance with principles for effective risk data aggregation and risk reporting
- recommended the ICAAP and internal capital target ratio ranges to the board for approval
- monitored capital and liquidity ratios for the group
- considered management's report on legal matters significant to the group
- approved the risk and capital management disclosure in published reports
- reviewed minutes of key subsidiaries' risk and credit management meetings, including Stanbic IBTC Bank Plc, Liberty Holdings Limited and Liberty Group Limited
- considered key matters raised at group risk oversight committee meetings
- reviewed minutes of the group model approval committee.

RCM AFS Further details on this committee and the chairman's overview of its activities are set out in the risk and capital management report.

D

Group directors' affairs committee

Members and 2015 meeting attendance /6

Thulani Gcabashe[1, 2] (chairman)	4/6	André Parker[2, 4]	2/2
Shu Gu[3]	5/6	Myles Ruck[2]	6/6
Kgomotso Moroka[2]	5/6	Wenbin Wang[3, 5]	6/6

1 Appointed chairman on 28 May 2015.
2 Independent non-executive director.
3 Non-executive director.
4 Appointed 27 May 2015.
5 Alternate to Shu Gu.

Summary of key terms of reference:
To assist the board in:

- evaluating the adequacy, efficiency and appropriateness of the governance framework and practices across the group
- establishing director induction and training programmes
- approving the board evaluation methodology
- nominating directors as part of succession planning
- ensuring corporate governance best practice and statutory compliance.

Summary of key focus areas in 2015:

- finalised the appointment of the chairman of the board and the appointment of a non-executive director from East Africa as at 1 January 2016
- monitored the adoption and implementation of the subsidiary governance framework across the group
- monitored and ensured the successful implementation of the end of the lock-in period in respect of the group's Tutuwa initiative
- ensured training and director development
- assisted the board in ensuring that the composition of the board and its committees is adequate and meets the group's requirements.

S

Group social and ethics committee

Members and 2015 meeting attendance /3

Kgomotso Moroka[1, 2] (chairman)	3/3
Thulani Gcabashe[2, 3]	1/1
Ben Kruger[4]	3/3
Sim Tshabalala[4]	3/3

1 Appointed chairman 4 March 2015.
2 Independent non-executive director.
3 Appointed 27 May 2015.
4 Executive director.

Summary of key terms of reference:

- constituted as a committee of the board in terms of section 72 and Regulation 43 of the Companies Act
- monitors social and economic development activities, including corporate social investment
- monitors efforts to prevent and combat corruption
- monitors environmental, health and safety activities, including the impact of products and services
- monitors consumer relationships, including advertising and compliance with consumer protection laws
- monitors the implementation, reporting and training and awareness of the group's code of ethics and ethics in general
- monitors the group's transformation approach and policy, initiatives and targets.

Summary of key focus areas in 2015:

- monitored the socioeconomic development risks in the areas where the group operates. In 2015, this included an investigation into how the group could assist with South Africa's power grid crisis
- approved the revised stakeholder relations policy
- monitored the group's transformation progress and ensured the alignment of Financial Sector Codes with the Department of Trade and Industry's Generic Codes
- monitored compliance with the 2015 ethics implementation plan, as well as the group's refreshed code of ethics
- monitored the group's progress in terms of meeting the six outcomes of the TCF framework and embedding action plans into the business units according to a risk-based approach
- approved the funding for the democracy support programme for the next electoral cycle
- monitored social developments throughout Africa including the group's response to xenophobic attacks in South Africa, the Ebola pandemic in Liberia and the meningitis outbreak in Niger
- implemented the revised SBSA employment equity plan and monitored the interventions and initiatives in place to facilitate the achievement of the related targets.

IT

Group IT committee

Members and 2015 meeting attendance /4

Peter Sullivan[1] (chairman)	4/4	Simon Ridley[3, 6]	N/A
Richard Dunne[1]	4/4	Sim Tshabalala[3]	4/4
Shu Gu[2]	4/4	Wenbin Wang[2, 7]	4/4
Ben Kruger[3]	4/4		
André Parker[1, 4]	2/2		
Atedo Peterside[1, 5]	2/2		

1 Independent non-executive director.
2 Non-executive director.
3 Executive director.
4 Resigned 27 May 2015. Reappointed 2 March 2016.
5 Appointed 27 May 2015.
6 Appointed 25 November 2015.
7 Alternate to Shu Gu.

Summary of key terms of reference:

- reviews, monitors and provides guidance on matters relating to the group's IT strategy, operations, policies and controls, this includes, but is not limited to, management's strategies relating to technology and their alignment with the group's overall strategy and objectives, and management's strategies for developing or implementing new technologies and systems
- monitors the progress of major IT-related projects
- monitors and evaluates significant IT investments and expenditure, and considers the benefits realised from these investments
- reviews the group's assessment of risks associated with IT
- ensures that the group's IT governance standard is being effectively implemented
- notes IT-related policies approved by the IT steering committee and approves IT-related policies of group level significance
- considers the IT budget as a component of the group-approved budget and assesses the suitability and affordability of significant IT investments in relation to the budget
- oversees the cultivation and promotion of an ethical IT governance and management culture.

Summary of key focus areas in 2015:

- reviewed and approved the group's IT governance standard
- received regular updates from the chief information officer on the status of key matters pertaining to IT governance, operations, resilience, financial performance, strategic initiatives, architecture and the IT control environment
- considered updates on strategic programmes, with particular reference to the SAP core banking transformation programme
- reviewed reports on cybercrime, cybersecurity, logical access management and enterprise technology architecture
- reviewed reports on the IT risk profile with reference to key risks and controls, emerging industry trends, service delivery and significant IT audit findings
- reviewed the results of an independent IT governance report
- reviewed the group's IT financial performance
- monitored IT intangible assets, with a particular focus on the SAP core banking transformation programme
- reviewed interaction with the SARB relating to IT matters.

M

Group model approval committee

Members and 2015 non-executive director meeting attendance

Ben Kruger[1, 9] (chairman)	
David Munro[2]	
Simon Ridley[3, 9]	
Peter Schlebusch[4]	
Neil Surgey[5, 6]	
Swazi Tshabalala[7, 8]	2/2

1 Group chief executive, SBG.
2 Chief executive, CIB.
3 Group financial director.
4 Chief executive, PBB.
5 Chief risk officer.
6 Appointed 1 September 2015.
7 Appointed 27 May 2015.
8 Independent non-executive director.
9 Executive director.

Summary of key terms of reference:

- approves a governance and operations framework for credit modelling across the group, including policies, standards and procedures
- reviews interaction with and any concerns raised by the SARB and other home or host country regulators relating to risk models across the group
- approves the model risk governance framework and evaluates the annual self-assessment of compliance with the framework
- reviews and approves all material risk models and revisions to them
- reviews the findings of the validation of material models
- reviews the effectiveness of criteria used to determine risk ratings
- challenges aspects of risk model development and validation
- reviews the model status report and has oversight of action plans to address model inefficiencies and progress as measured against these plans
- reviews internal audit's independent assurance reports on the internal controls for the development and validation of risk models
- reviews the reports of external experts engaged to validate material models.

Summary of key focus areas in 2015:

- reviewed and approved material new risk models and the ongoing use of existing risk models
- reviewed validation findings of material and significant models, as defined in the group's model risk governance framework
- reviewed management's actions to address findings relating to specific models that were reviewed and validated
- reviewed independent assurance reports on internal controls for the development and validation of risk models and the status of implementation of actions arising from such reports
- monitored the activities of the CIB and PBB model approval committees through review and discussion of the minutes of these committees.

Rem

Group remuneration

Members and 2015 meeting attendance /4

Ted Woods[1] (chairman)	**4/4**
Thulani Gcabashe[1, 2]	**2/2**
André Parker[1]	**4/4**
Peter Sullivan[1, 2]	**1/2**

1 Independent non-executive director.
2 Appointed 27 May 2015.

GR The remuneration report, starting on **page 38**, sets out the terms of reference, work of the Remco in 2015 and focus areas for 2016.

Group management structure

RCM AFS For the list of GROC subcommittees, please refer to the risk and capital management report.

The board has delegated authority to the group chief executives to manage the day-to-day business and affairs of the group, with full power on behalf of and in the name of the group.

The group chief executives have in turn established the group executive committee (group exco) to assist them with the general executive control of the group.

The committee develops the group's strategy for consideration and approval by the board, monitors its execution, and agrees on priorities with the board, subject to statutory limits and the board's limitations on delegation of authority to the group chief executives. It assists the group chief executives in exercising general executive control of the business of the group and in the development of long-term direction and targets. It acts as a medium of communication and coordination between business units and group companies, the board, shareholders, regulators and other key stakeholders.

Members of the executive committee are the group chief executives, the group financial director, and the chief executives of PBB and CIB.

Our executive committee

1. SIM TSHABALALA /48

2. BEN KRUGER /56

3. SIMON RIDLEY /60

4. DAVID MUNRO /44

- BCom PDGA (UCT)
- CA (SA)
- AMP (Harvard)

Joined the group in 1996, appointed to exco in 2013.

David Munro is the chief executive officer of CIB, SBG and SBSA.

In 2003, he was appointed deputy chief executive officer of CIB South Africa and in 2006 was appointed chief executive of CIB South Africa. He was appointed global head of investment banking in 2009 and chief executive of global CIB in 2011. In 2014, he was appointed director of Standard Bank London Holdings Limited. In 2015, he was appointed director of ICBCS.

5. PETER SCHLEBUSCH /49

- BCom (Hons) (Wits)
- CA (SA)
- HDip Tax (RAU)
- Dip Banking Law (RAU)
- SEP (Stanford)

Joined the group in 2002, appointed to exco in 2013.

Peter Schlebusch is the chief executive officer of PBB, SBG. Peter joined the group in 2002 as director of retail products. In January 2006, he was appointed as deputy chief operations officer. In September 2006, he was appointed deputy chief executive of PBB South Africa. In 2008, he was appointed chief executive of PBB South Africa. In November 2012, he was appointed chief executive of group PBB.

GR CV details of the group chief executives and the group financial director are included on **pages 11 to 13**.

ARNO DAEHNKE /48

- BSc (UCT)
- MSc (UCT)
- PhD (Vienna University of Technology)
- MBA (Milpark University)
- AMP (Wharton)

Arno Daehnke was announced as the group financial director designate in January 2016. He will succeed Simon Ridley as the group financial director from 1 May 2016.

He has held the position as head of SBG's treasury and capital management function since 2010 and has extensive experience in key financial aspects in which the group operates, particularly financial planning under varying macroeconomic scenarios, managing a complex banking group balance sheet in volatile financial markets and a deep understanding of both local and international bank regulatory frameworks.

Remuneration report

Our people ultimately underpin the successful execution of our strategy.

We work to ensure that our pay framework supports the motivation and reward of performance, while at the same time meeting regulatory requirements and stakeholder expectations.

Review of focus areas – 2015 and 2016

We continually review our pay practices to align with shareholder interests and to ensure that the practices support our businesses and changes in our operating environment. We actively seek shareholder views and revise our reporting to improve transparency.

The growth of our businesses across Africa will see a shift in focus to pay practices in those markets going forward. We seek to remain competitive and relevant there, where often the talent is scarce.

We set practices that take into account local conditions within a group governance framework. Specific focus areas for 2016 are detailed alongside.

Focus areas and achievements in 2015

- We engaged with many significant shareholders on the group's remuneration policy
- The remuneration policy was approved at the AGM held in May 2015, with 98.3% of shareholders voting in favour of the policy
- Our 2014 remuneration report won the South African Reward Association's annual Remuneration Report award
- Following the disposal of the group's controlling interest in Standard Bank Plc (SB Plc) we aligned the former Quanto scheme with the DBS across the rest of the group (now known as Outside Africa deferred bonus scheme)
- Subsequent to the disposal, our remaining operations in the United Kingdom are now subject to the Financial Conduct Authority regulations
- The Benefits Governance Committee considered and approved several benefit changes across the group's operations in line with the group benefits philosophy

Focus areas in 2016

- We will consider the alignment of our reward offerings to any changes in the group's strategy and make recommendations where appropriate
- We will assess the extent of the share awards in the total reward of middle and senior managers and make recommendations where appropriate
- We will continue to focus on the reward of the lowest level of our employees

Chairman's Remco letter

Ted Woods, Chairman, Remco

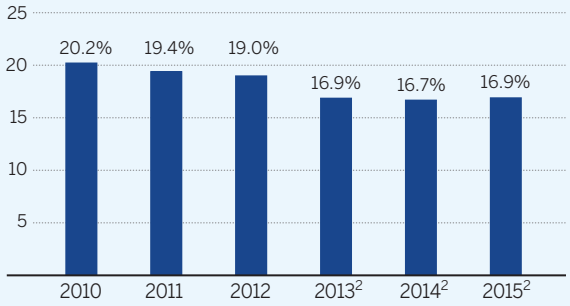
> "We guard with care our great resource of intelligent, experienced, disciplined, clear-thinking, energetic people who continuously drive growth and innovation, within clear risk boundaries, ultimately for your benefit as a shareholder."

Dear Shareholder

As the person who chairs your group's remuneration committee, or Remco, I engage often in conversations with shareholders and many other people about remuneration in the African context and more specific remuneration factors within our group. I listen to concerns, including the size of bonus pools relative to profits and the amounts of senior executive remuneration relative to performance. I should like to comment on these and other matters.

The first chart below illustrates the allocation of profits to bonus pools from 2010 to 2015. The vertical bars in the chart represent the ratio of total variable compensation for the group's banking activities to pre-tax profits, on a headline earnings basis, before charging variable remuneration.

VARIABLE COMPENSATION/PROFIT BEFORE TAX[1] BEFORE VARIABLE COMPENSATION (%)



1 Pre-tax profit excludes headline adjustable items.
2 2013 to 2015 represents continuing operations' bonus pool only.

The initial, clear observation is that the proportion of pre-tax, pre-bonus earnings allocated to variable remuneration has declined since 2010.

We do not consider this decline to be permanent. We allow a fairly wide flex in this percentage over time, depending on specific annual circumstances. During the global financial crisis, when earnings were under pressure, we allowed the percentage in this chart to increase considerably. In retrospect, that was prudent. Significantly, there is no ratchet effect in place and the higher proportions did not become the new norm.

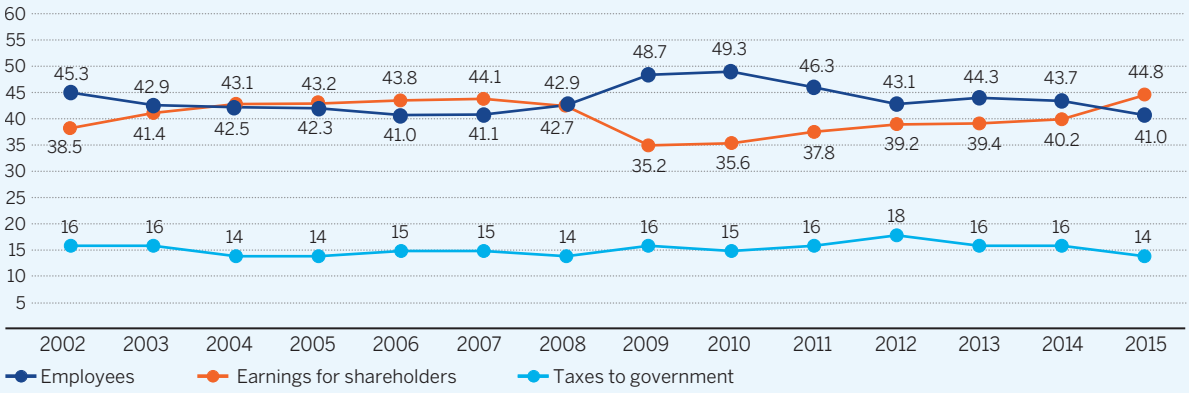
But, I am asked, is there an equitable allocation of value created in your group between shareholders and staff?

There are three big claimants on the value created in your group: employees, government through taxation and shareholders. The chart below shows the manner in which the 'value created' cake was cut over 14 years.

In the years before the financial crisis of 2009, staff and shareholders took roughly equal shares of the value created in the group. From 2009, the impact of reduced earnings in the global crisis and increased bank regulation caused us to alter that balance. Importantly by 2014 and 2015, we had restored the former approximate balance. The facts indicate conservative but effective allocations of value created to staff and shareholders.

Questions continue. How rigorously does senior executive remuneration relate to performance? Are executive remuneration levels in your group justified by a metric such as return on equity (ROE)?

DISTRIBUTION OF VALUE CREATED[3] (% of total)



3 Excluding corporate social investment spend.

Starting with **individual senior executive remuneration**, our overarching principle is that individual compensation is a direct consequence of individual value contribution, within the overall framework of group performance.

We therefore seek first to understand the value impact of each senior executive, both in the current year and in the evolving dynamic that drives us toward our strategic destinations. Gathering of complex evidence is thorough, followed by hard, robust debate in Remco. Our specific objective is to build a relatively clear view of 'individual value created'. I shall return to this subject later.

Having done the work – figuratively standing on the evidence – Remco takes decisions on individual remuneration. An element of judgement is inevitable, but this is informed judgement.

The personal impact of each employee in your group on value created will vary widely, based on many factors. Tens of thousands of our people work with diligence and determination day-by-day to deliver value and to grow their personal capabilities. Many 'go the extra mile' as a way of life, with enthusiasm and not complaint. We admire them and seek to reward them appropriately.

What may not be self-evident is that, in most complex, intellect-driven businesses, a small proportion of people deliver extraordinarily large amounts of value relative to most others. It makes good business sense to pay those people very well because their intellectual capacities, business skills and leadership qualities are so rare. They create value for shareholders at large multiples of their pay.

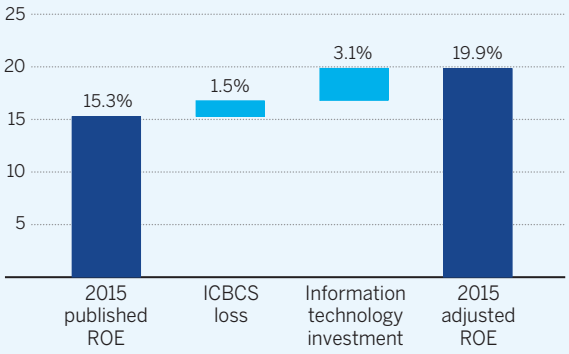
For these important reasons, some people in your group receive levels of remuneration way above the group average.

Turning now to **ROE**, this measure is widely used in shareholder and media judgements of management efficiency and effectiveness, and consequent executive pay. But this is a 'catch-all' percentage that sweeps up both strong and weak executive delivery, short-term costs of long-term strategies, and environmental headwinds or tailwinds beyond management control.

I should therefore like to comment, merely for information, on two specific influences on your group's ROE, which I separate out in the chart alongside.

The first bar represents your group's 2015 ROE of 15.3%. The second bar is additive to the first, with 1.5% representing the effect on group ROE of the loss incurred in ICBC Standard Bank Plc (ICBCS), formerly Standard Bank Plc (SB Plc). Your group now holds a minority interest in the business. I shall return to this subject below.

2015 ROE PARTIAL DECOMPOSITION (%)



The third bar represents the negative impact on 2015 earnings, and therefore ROE, of your group's replacement of its core banking information technology infrastructure. This is a discretionary, strategic cost which I shall also comment on further.

These two factors together reduced your group's 2015 ROE by about 4.6%. What, then, should be the impact on executive performance evaluations?

Your group's 40% shareholding in the London-based entity, **ICBCS**, illustrated in the second bar in the ROE chart, justifies some contextual comment because of its negative impact on earnings and ROE in 2015.

After that dramatic weekend in September 2008 when Lehman Brothers failed, it became increasingly clear that your group's strategy of building business bridges between Africa and many different economies across the world could not in future deliver acceptable ROEs. Deep recession and rapidly tightening bank regulatory boundaries overturned previously acceptable business strategies. Those forces were beyond executive control.

But our executives were decisive in gradually reshaping the out-of-Africa businesses, finally selling control of SB Plc on 1 February 2015. No such complex processes will be free of

misjudgements, or free from depressing effects on ROE, but the final outcome was a significant credit to the executive team.

Nevertheless, you may recall that in 2014, Remco reduced David Munro's variable remuneration by 62%, with Ben Kruger taking a 50% decrease. This was in response to losses in SB Plc prior to sale, and the aluminium fraud in two Chinese ports, despite strong growth in the group's banking activities' earnings before including those losses.

ICBCS, as an equity accounted associate, lies beyond the direct control of our executives. Your board has, however, tasked our senior leadership with providing every possible input to the controlling shareholder to move the business toward its strategic objectives.

The third bar in the ROE chart refers to your group's substantial investment in **information technology** capability.

A new reality is sweeping like wildfire in a strong wind across most countries. Customers demand instant banking from mobile devices. Non-banks continually launch applications that can consume traditional sources of banking revenue. These are profound and existential threats for banks.

Your group's board and senior executives focus on transforming the entire group into a leading, digitally enabled financial services firm across sub-Saharan Africa. Roughly 15 million retail customers at present count, across 20 countries will be able to access all their accounts from mobile devices and transact instantly. Complex electronic products are being launched that enable corporate clients to conduct their spectrum of banking business electronically.

For a bank to deliver either 'front end' mobile banking applications or corporate client software is relatively easy and quick. But building such products upon legacy, fragmented IT systems is a formula for future failure. All client electronic access must feed off modern, integrated core banking IT architecture if a bank is to win and retain customer support amidst cut-throat competition. Your group is within two years of completing the replacement of its core banking IT infrastructure in South Africa and most other African countries in which it operates. This will be a great enabler of our future digital bank.

But, strategically critical investment leads payback, with a 3.1% negative impact on your group's ROE for 2015. This IT transformation is a tribute to your group's leadership in 2006, for they 'hit the button' to proceed with a vastly complex, 12-year, R20 billion project that is now understood to be vital to your group's durable growth in a digitally-enabled world.

Your group's long-held strategy of expanding its **Personal & Business Banking (PBB) businesses in sub-Saharan Africa** also affects ROE and consequent judgements about executive performance. The wisdom of the strategy, however, is crystallising in light of modest growth prospects in South Africa.

Executing on that strategy in some major African economies means competing with established banks for market share and low-cost funding sources, building efficient banking platforms in new markets, each staffed by competent, experienced people, and investing in modern IT systems. Strict regulatory compliance is non-negotiable, but costly. This all means that in these countries in early years, PBB rest of Africa costs will lead revenues, and ROEs will be low.

Building in Africa is an excellent longer-term strategy for longer-term shareholders, but this is a gruelling, complex race. Some judge lower ROEs in this sphere as executive failure. Remco rewards executives for sidestepping short-termism and investing in long-term growth and shareholder wealth creation, even if it reduces ROE for a time.

Both the investment in information technology and in African business growth are destiny-shaping strategies. But, delivery demands intelligent, experienced, clear-thinking people with extraordinary motivation and determination. That alone is not sufficient. Aligning and inspiring the energies of 48 000 people is crucial for progress. Your chief executives (CEs) have worked hard to give our people a crystalline view of strategic destinations of the future.

At the **individual executive** level, it is neither practical nor appropriate for me to report on all the detail of Remco's evaluation of the CEs' impact on strategic delivery, tactical effectiveness, risk management and many other relevant aspects of bank leadership. Our CEs sign performance contracts at the start of each year that specify goals and expectations, numeric performance indicators and other measures of success. Fifteen spheres of expected delivery are included, each with underlying detail.

At the close of the year, the group chairman, Thulani Gcabashe, leads a detailed performance review in Remco. I mentioned earlier that members debate complex evidence thoroughly and fearlessly, finally leading to decision-taking.

Suffice to say that your CEs met most expectations fully in 2015. They exceeded expectations in a few spheres and fell short in others. Failures were limited in scope, but Remco nevertheless considered each, including the extent of any reputational impact.

Turning specifically to remuneration of **our CEs,** you may recall that Remco reduced their earnings sharply in 2014, with Ben Kruger taking a greater reduction than did Sim Tshabalala. Those actions responded to significant losses incurred in SB Plc in that year, despite a 32% increase in the group's banking activities' earnings excluding those specific losses.

Following those sharp reductions in the CEs' earnings in 2014, remuneration awarded to Sim Tshabalala and Ben Kruger has been normalised in 2015 after their performance evaluations. I have explained in previous years' remuneration letters that the CEs deliver the entire group together, and their remuneration is consequently equal, except in unusual circumstances such as occurred in 2014.

Our CEs' variable remuneration from 2013 to 2015 – eliminating the volatility created by SB Plc in 2014 – grew by 3.6% per annum, while banking headline earnings, pre-minorities and pre-incentives increased by 15.1% per annum.

Peter Schlebusch leads our PBB group, both in South Africa and across sub-Saharan Africa, with discipline, intelligent business thinking and his own characteristic energy and passion. He and his team have delivered compound annual growth in headline earnings in excess of 21% per annum for the past five years, with an average ROE above 18%.

In addition to his 'run-the-business' responsibilities, Peter is heading up two vast strategic thrusts. The first is to build PBB in African countries beyond South Africa, to which I referred earlier. This is a complex process of gradual gains in highly competitive markets, sometimes within demanding and pervasive regulatory boundaries. Typically in this type of 'build' process, costs will lead revenues and ROEs will be low and gradually rising. This is a high-value but long-term strategy.

Building a digitally-enabled universal bank is Peter's second great charge. I also commented on this critical subject earlier. Innovation, invention and success in building competitive advantage are important facets of Peter's mandate.

Overall, Peter demonstrated bold, thoughtful leadership and delivered strong progress across a wide range of measures. Aspects of customer experience were below expectations, but this is in prime focus for 2016. These were important elements in Peter's remuneration for 2015.

David Munro is chief executive of our Corporate & Investment Banking (CIB). In Remco's assessment, David is among those leaders in your group who create significant value for shareholders over time.

David brought both intellect and stamina to the long, complex process, which I addressed earlier, of reshaping the 'out-of-Africa' businesses and completing the sale of 60% of SB Plc. That sale was a landmark, for it released both considerable executive capacity to concentrate on the group's big strategic directions and valuable dollar-based capital.

Out of David's control in 2015 were the effects of sharp reductions in prices of oil and other commodities on losses in ICBCS, in which your group now has a 40% shareholding, and on the performance of our Nigerian business. Beyond these, CIB delivered a robust performance in difficult markets and David fully met most expectations placed on him.

Simon Ridley has carried the title of chief financial officer for 14 years, but his influence and impact reach far wider than his title denotes. Simon brings to each discussion, to each project, to each problem, a level of thoughtfulness and understanding that is rare. He draws on a remarkable depth and breadth of institutional knowledge and memory.

The spectrum of 'deliverables' in Simon's performance contract for 2015 was broad, but he has the capacity and stamina to process the complexity. In particular, he and his team marshalled the group's financial resources effectively, managed foreign currency risks efficiently and completed detailed executions of disposals outside of Africa. Simon's performance rating for the year 'exceeds expectations' and this reflects in his remuneration.

GR Total remuneration for each prescribed officer is set out on **page 57 to 59**.

On a separate subject, I have received encouraging feedback from some shareholders on our long-term incentive plan named the **Performance Reward Plan**, or PRP. This is a share-based incentive scheme designed to focus roughly 100 top executives on two interlinked measures that affect shareholder value significantly – three-year average return on equity and three-year average growth in headline earnings.

GR Details of the PRP are explained on **page 51**.

I should note that for each year's new PRP allocations, Remco sets a range of vesting thresholds for each metric, which, if attained after three years, trigger a certain percentage of the original share allocation to vest. Once set, these future 'vesting ladders' are locked down. They cannot change.

Inherent in Remco's process of deciding and locking down these vesting ladders is uncertainty about future environmental conditions, for these forces and executive delivery together determine outcomes. From this year's vantage point, the 'cone of uncertainty' over the next three years is unusually wide, allowing particularly for the possibility of a sovereign rating downgrade for South Africa.

Within that reality, Remco sets a range of vesting thresholds that are congruent with board-approved strategic targets, notwithstanding the environmental 'noise' that will affect actual vesting outcomes.

The vesting thresholds for the March 2016 tranche of PRP allocations relate to the 15% to 18% ROE targets for the group. The three-year average ROE component of the plan produces no vesting at an ROE of 15% or below. Vesting proceeds progressively as the average ROE exceeds 15%. The three-year average headline earnings growth component only begins to vest once 8% growth is achieved.

Aligning executive wealth generation with your interests as a shareholder is a priority for Remco. We require our top executives to build and maintain personal shareholdings in the group to specified value levels. In addition, all deferred remuneration tracks the group's share price until vesting. The PRP scheme, as I have mentioned, is entirely share-based. These are, we believe, positive structures in focusing executive attitudes and actions.

I have endeavoured to meet annually with many major shareholders and listen carefully to criticisms and comments. Each year Remco has made significant changes and refinements to our remuneration architecture. We endeavour to give you, the shareholder, a clear, high-level understanding of the group's remuneration governance and practices.

Returning to conversations with those people who challenge me about levels of executive pay – and many do – I repeat my comments made earlier in this letter. In most complex, intellect-driven businesses, such as Standard Bank, there will be a small proportion of people who create disproportionate value for shareholders.

Remco works to understand who those people are. They are extraordinarily valuable to you as a shareholder. We do not operate in a cocoon for talent. The very best are highly mobile and sought-after. We have lost excellent, top executives to competitors in recent years and I doubt that any leave for lower remuneration. It makes good business sense to reward outstanding people well.

I hope that I have given you a sense of the seriousness and diligence that Remco members bring to the vital subject of remuneration in the group. We guard with care our great resource of intelligent, experienced, disciplined, clear-thinking, energetic people who continuously drive growth and innovation, within clear risk boundaries, ultimately for your benefit as a shareholder.

Yours sincerely,

Ted Woods
Chairman, Remco

Remuneration policy

People are at the heart of our business. We need highly skilled and experienced people to drive the growth of our business across Africa and we need to reward them for their performance and the returns they generate for our shareholders.

AIR Our human capital report, in the 2015 annual integrated report, describes how we develop and retain our people.

We have four key objectives guiding our remuneration policy:

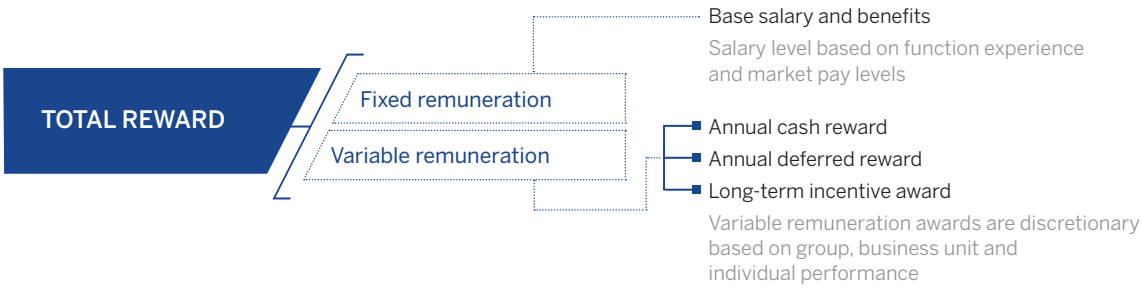
1. We measure and reward for value delivered and adjust for risk assumed
2. We aim to be competitive in remuneration in the global marketplace for skills
3. We reward our people fairly while avoiding a bonus-centric culture that distorts motivations and may encourage excessive and irresponsible risk taking
4. We promote and reward teamwork

Principles that underpin our remuneration policy

Our Remco is firmly committed to disclosing our reward policy, principles and structures to all relevant stakeholders, including our people, unions, regulators and shareholders, for them to make an assessment of our pay practices. The key principles that underpin our reward policy, reward structures and individual reward are as follows:

- we reward sustainable, long-term business results
- we do not unfairly discriminate against our people based on diversity or physical difference
- the reward focus is on total reward, being fixed and variable remuneration. We want to be competitive in both elements, but annual incentives are not a function of a guaranteed package
- we create a balance between the fixed and variable elements of total reward. A deferral policy affects annual incentives above certain levels. Deferred amounts are indexed to the group's share price and vesting is subject to specific conditions
- vesting conditions of deferred awards and long-term incentives allow for forfeiture of unvested awards
- all elements of pay are influenced by market and internal pay comparisons
- pay practices encourage a focus on achieving agreed deliverables and behaviours, rather than hours worked
- individual performance appraisals identify talent at all levels in the business, enabling fair and competitive pay. Consequence management, including reward impact, forms part of the review of performance
- individual rewards are determined according to group, business unit and individual performance
- we reward experience, performance relative to others doing similar work and performance against the market
- we differentiate individual reward in a transparent way and based on quantitative, qualitative and behavioural performance, as well as retention
- we ensure that key senior executives are significantly invested in the group's share price and performance over time, to align to shareholder interests
- pay designs comply with all tax and regulatory requirements
- ongoing oversight prevents irresponsible risk taking by individuals and we ensure that risk adjustment forms part of pay design.

Remuneration structure



Our reward policy and structures are designed to attract, motivate and retain talented people across our group. We consider the total reward and strive for the appropriate mix between fixed and variable pay for all our people, depending on their roles. The diagram above shows the composition of our total reward. The elements of this diagram are explained in the sections that follow.

Fixed remuneration

The group operates across many different countries. We take local statutory and regulatory requirements into account in how we structure our fixed remuneration. The purpose and key components of our typical reward arrangements are summarised in the following table.

ELEMENTS OF FIXED REMUNERATION

Element	Purpose	Detail
Base salary	To attract and retain employees.	We seek to remain competitive relative to our peers in the remuneration we offer. Our annual base salary review takes into account available market data, as well as individual and business unit 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 take into account in-country practices and requirements[3].
Optional benefits	To enhance the package available to employees.	These benefits (for example car allowances) vary and take into account in-country practices and requirements.

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. For more information regarding the group's defined benefit plans, refer to the group's annual financial statements.
2 Death benefit cover is provided in almost all countries, either through self-insurance from within the pension funds or through external underwriting.
3 Healthcare is provided in most countries. The level of cover varies according to local market practice. In South Africa, employees recruited from 1 March 2000 do not receive post-employment healthcare benefits. Employees recruited before then receive post-employment healthcare funding through a post-employment healthcare benefit fund.

Variable remuneration

We provide annual incentives to reward performance. This variable remuneration comprises of annual incentive awards, annual deferred awards and long-term incentive awards. All variable remuneration awards are discretionary. Incentive pools are made available for major business units and enabling functions.

Element	Purpose	Detail
Annual incentive award comprising: • annual cash award • annual deferred award	To incentivise the delivery of our objectives, balancing short-term performance and risk taking with sustainable value creation for shareholders.	Individual awards are based on a combination of group, business unit and individual performance (utilising both financial and non-financial metrics over a multi-year period) and include effective risk management and compliance criteria. Awards above R1 million (or local equivalent) are subject to deferral. GR See **page 49** for details.
Long-term incentive award	To incentivise key senior executives and critical mid-level management to base their decision-making on the group's long-term interests.	Awards for senior executives take into account the importance of long-term performance and are fully conditional. GR See **page 60** for details of the PRP for senior executives.

Annual incentive awards

How we determine annual incentive awards

Remco determines the group's incentive pools annually and oversees the principles applied in allocating these pools to business units and individual employees.

Pools are derived by evaluating:

- a combination of group and business unit financial and non-financial results against pre-determined targets
- multi-year financial metrics
- achievement towards short- and long-term strategic objectives
- capital used
- adjustments for risks taken
- future development and growth prospects
- historical and current pay ratios.

Variable remuneration is not linked to revenue or profit targets in a formulaic way.

Incentive pools for group enabling functions are reviewed by the chief executive officers and discussed by a formal internal review committee. Remco then considers, adjusts, and approves these pools.

Individual performance and the individual variable pay outcome is determined by:

- setting performance criteria at the start of each year aligned to group objectives
- evaluating the individual performance and behaviour
- determining the variable pay based on individual performance, the variable pool available and taking market pay into account
- adjusting for any risk or compliance breaches.

Following the evaluation of the group's 2015 financial and risk-adjusted performance and delivery against board-approved strategy, Remco approved an increase to the total group incentive pool for banking operations (excluding Liberty) of 18.6%. The profits, before minorities, in banking operations (relevant profit metric to compare changes in incentive pools) increased by 29%. The ratio of the variable pool to profits before tax over time is set out in the Remco chairman's letter on page 41.

Remco reviewed the fixed and variable remuneration of 408 senior executives across the group for consistency of approach.

Deferral schemes

We believe that the interests of executives should be significantly invested in the group over time, strengthening the alignment between management and shareholders. In terms of good governance, all incentive awards above a minimum level, are deferred in part, and the deferred portion is linked to the group's share price during the deferral period. The deferral also ensures that the

executives are sensitive to the risks of forfeiture.

Refer to forfeiture, as detailed on **page 55**.

The deferral rates in March 2016 have been maintained at the same level as 2015.

The group used to run two deferral schemes: the deferred bonus scheme, initiated in 2012, and the Quanto stock unit plan. Following the disposal of the group's controlling interest in SB Plc, the Quanto scheme has been aligned with the deferred bonus scheme outside Africa. Previous Quanto awards will be honoured in terms of the rules of those awards.

Types of deferral schemes

Deferred bonus scheme

In 2008, we implemented the DBS for management and executives based in South Africa, and later extended this to the rest of Africa. Remco reviews the deferral threshold, rates and vesting periods annually.

The deferred portion is linked to the group's share price during the deferral period and, for awards made from March 2012, accrues notional dividends during deferral which are payable at vesting.

Before March 2012, awards were settled in cash determined with reference to the group's share price at the vesting date. After March 2012, awards are settled in shares (DBS 2012).

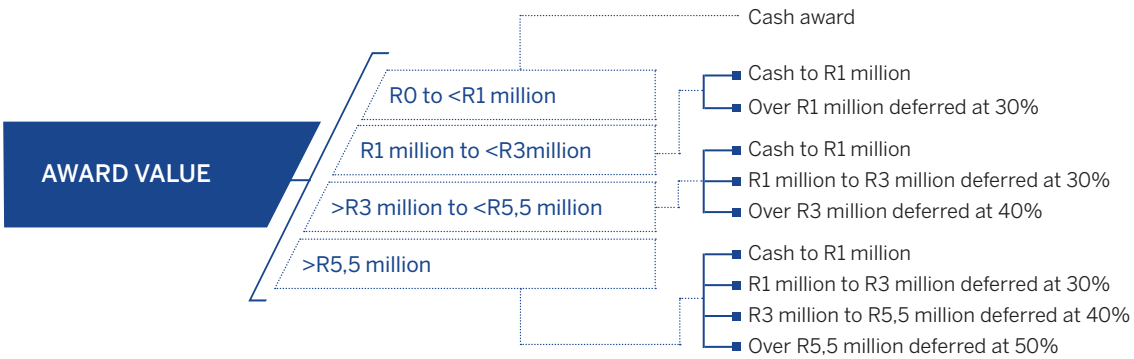
The deferral levels were increased in March 2012 for the 2011 performance year and have been maintained for the 2015 performance year at a maximum marginal rate of 50%.

Scheme	Purpose	Detail
DBS Previously employees in Africa (including South Africa) and from 2015, including outside Africa.	To encourage a longer-term outlook in business decision-making and closer alignment of performance with long-term value creation.	• Employees granted an annual performance award over a threshold of R1 million (or local currency equivalent) have part of their award deferred over a 42-month period. All awards are indexed to the group's share price and awards from March 2012 accrue notional dividends during deferral, which are payable at vesting. The awards vest in three equal tranches at 18, 30 and 42 months from date of award. • Forfeiture is triggered under certain conditions. • Additional incremental payments will continue for legacy Quanto* awards. • The maximum marginal DBS deferral rates have been maintained at 50%. * The Quanto stock unit plan has been replaced by Outside Africa DBS from 2015.

The release of deferred incentive awards made from March 2015 under the DBS for employees in South Africa and the rest of Africa and now Outside Africa is illustrated below.

2015	2016	2017	2018	2019
60% minimum standard	March award	September first vesting date: 33.3% and notional dividends	September second vesting date: 33.3% and notional dividends	September third vesting date: 33.3% and notional dividends
Performance period	**Deferral period**			

HOW DBS IS DEFERRED



Outside Africa deferral thresholds are set in local currency. The deferral percentages and the deferral periods are now aligned across the group.

Long-term incentive plans
To ensure that the long-term interests of the group are taken into account by senior executives and critical mid-level management, the group has several long-term incentive reward plans in place. The most important of these plans going forward is the PRP.

The equity growth scheme (EGS) was used in previous years and there were no awards under that scheme for the period under review. However, some executives with DBS awards over R2 million chose to defer their awards within EGS.

Performance reward plan
The PRP commenced in March 2014. The PRP rewards value delivered against specific targets. It will operate alongside the historical conditional, equity-settled long-term plans, namely the EGS for South African operations and the group share incentive scheme for non-South African operations.

Participants in the PRP were not granted awards under any of the other existing conditional plans in March 2015. The first awards with respect to future performance years under the PRP were made in March 2014. The PRP pool and individual recommendations are determined annually by Remco.

Remco sets the vesting thresholds on an annual basis, taking into account the position of the group, the external environment and expected regulatory and competitive changes over the vesting period.

Details of the PRP are provided in the table below:

Scheme	Purpose	Detail
PRP	To promote the achievement of the group's strategic long-term objectives and align the interests of those executives with overall group performance in both headline earnings growth and ROE. These are the most important financial metrics to create shareholder value and, therefore, align the interests of management and shareholders.	• Participation is limited to senior executives occupying roles that influence the achievement of the performance conditions, as well as senior executives who fulfil roles requiring long-term decision-making. • All awards are discretionary. • Annual conditional share awards are made with a three-year vesting period (individuals may not necessarily receive an award each year). Notional dividends will accrue during the vesting period and are payable on vesting. • Awards are fully subject to performance conditions which are set annually by Remco. Conditions include a minimum threshold to achieve any vesting, a target and a stretch target, with interpolation between targets. Once targets are set at the commencement of an award, they cannot be changed during the three-year vesting period. The scheme also has a maximum cap on vesting. • Awards are granted such that the achievement of stretch targets will lead to total reward levels in the upper quartile market level. • Awards that exceed the minimum threshold for vesting, vest fully after three years, based on performance targets, against equally weighted growth in HEPS and ROE targets over the performance period. Shares are purchased by the group on vesting, preventing any shareholder dilution. • All awards are subject to forfeiture.

Performance conditions for long-term incentive awards
Long-term incentive awards granted to senior executives under the PRP are subject to vesting conditions.

If achievement of the metrics results in vesting, the PRP award is settled in shares to the employee on the applicable vesting dates together with notional dividends that are settled in cash. The shares that vest (if any) and that are delivered to the employee are fully conditional on the performance metrics. The metrics for the March 2016 awards are set out in the table that follows. The metrics (average growth in HEPS and growth in ROE) will remain unchanged for the March 2016 award but the vesting thresholds have been altered by Remco in response to shareholder feedback and taking into account group strategy and targets.

AIR For an explanation of how the group measures its strategic progress both in terms of headline earnings and ROE, refer to the 2015 annual integrated report.

Metrics and vesting thresholds for March 2016 awards measured over the three years ended 31 December 2018

Average growth in HEPS[1]	ROE improvements
Vesting percentage	
Below 8% average growth in HEPS, no conditionally allocated units will vest.	For each 0.1% increase in average ROE over the performance period above 15.0% up to 15.5% average ROE, 7.5% of the ROE-related conditional units awarded vest.
Once 8% average growth in HEPS is achieved, 20% of conditionally allocated units will vest.	For each 0.1% increase in average ROE over the performance period above 15.5% average ROE, up to 16.0% average ROE, 10% of the ROE-related conditional units awarded vest.
For each 1% of average growth in HEPS in excess of 8% up to 11% average growth, 20% of conditionally allocated units will vest.	For each 0.1% increase in average ROE above 16.0%, 15% of the ROE-related conditional units awarded vest.
For each 1% average growth in HEPS in excess of 11%, 30% of conditionally allocated units will vest.	
Maximum vesting at 200% of initial HEPS-related conditional units awarded.	Maximum vesting at 200% of initial ROE-related conditional units awarded.

Performance reward plan targets currently open

March 2014 (due to vest in March 2017 based on the performance period ended 31 December 2016) –

- In terms of average growth in HEPS[2] for each 1% above zero to average CPI, 8% of the conditionally allocated units will vest. For each 1% above average CPI up to average CPI plus 5%, 10% of conditionally allocated units will vest. For each 1% above average CPI plus 5%, 15% of conditionally allocated units will vest. Maximum vesting at 200% of initial HEPS-related conditional units awarded.
- In terms of the ROE metric, for each 0.1% increase in average ROE over the performance period above a threshold (14.1% for the March 2014 awards), 8% of the ROE-related conditional units awarded vest. Maximum vesting at 200% of initial ROE-related conditional units awarded.

March 2015 (due to vest in March 2018 based on the performance period ended 31 December 2017) –

- In terms of average growth in HEPS[3], below 8% average growth in HEPS, no conditionally allocated units will vest. Once 8% average growth in HEPS is achieved, 20% of conditionally allocated units will vest. For each 1% of average growth in HEPS in excess of 8% up to 11% average growth, 20% of conditionally allocated units will vest. For each 1% average growth in HEPS in excess of 11%, 30% of conditionally allocated units will vest. Maximum vesting at 200% of initial HEPS-related conditional units awarded.
- In terms of the ROE metric for each 0.1% increase in average ROE over the performance period above 14.1% up to 15% average ROE, 7.5% of the ROE-related conditional units awarded vest. For each 0.1% increase in average ROE over the performance period above 15% ROE, 10% of the ROE-related conditional units awarded vest. Maximum vesting at 200% of the initial ROE-related conditional units awarded.

1 The average HEPS growth is relative to a normalised HEPS base of 1 359,3 cents. All references to average growth refer to the simple average of the growth rates in HEPS for each of the years within the three year period.
2 The average HEPS growth is relative to a normalised HEPS base of 1 064,9 cents.
3 Growth in HEPS is defined as growth in HEPS in 2014 of 1 209,1 cents. This is based on a *pro forma* normalised headline earnings base of R19 570 million. For further details regarding the *pro forma* normalised headline earnings, refer to the group's annual integrated report.

Equity growth scheme

Although no employees were awarded conditional EGS awards in March 2016, the scheme continues to exist. Where employees within South Africa and the rest of Africa have deferred awards above R2 million (or equivalent), they are offered a choice on award date to have the value of their deferred award, or part thereof, invested in the EGS (vesting category D), rather than the default DBS. To the extent that they select EGS, they receive a premium of 10% of the value of the award. This premium encourages executives to accept ten-year exposure to the group's share price and compensates for a longer vesting period in comparison to DBS.

	Vesting category											
	A (granted in 2012)			B (granted in 2011)			D			E (granted in 2013)		
Year	3	4	5	5	6	7	2	3	4	3	4	5
Cumulative vesting category %	50	75	100	50	75	100	33	67	100	33	67	100
Expiry	10 years			10 years			10 years			10 years		

The vesting of EGS for staff in South Africa and the rest of Africa, under vesting category D, who elect EGS, is illustrated below:

2016	2017	2018	2019	2020	2026
March award		March award: first vesting date 33%	March award: second vesting date 33%	March award: third vesting date 33%	Option/right must be exercised within ten years of the award date

There were no conditional awards made under EGS for the period under review. However, some executives with DBS awards over R2 million chose to defer their awards within EGS. Refer to the group's annual financial statements for details regarding the number of unconditional EGS rights issued during the year.

In aggregate, no more than 10% of the company's issued share capital may be allocated, and no more than 2.5% of issued share capital may be allocated to any individual.

The group purchases shares from the market to prevent shareholder dilution that arises from shares issued to participants on the exercise of EGS awards.

Previous long-term incentives (EGS) that expired or were forfeited due to non-attainment of performance targets
Awards issued from March 2008 to 2013 in the EGS require that rights will not vest in the year in which they were to have vested unless real growth in group normalised HEPS over the vesting period of these rights is achieved on a compound annual growth basis. The table below provides the vesting outcome of each conditional EGS tranche.

	Category A	Category B
March 2008	Tranches forfeited for vesting years 2010, 2011 and 2012.	Tranches forfeited for vesting years 2012, 2013 and 2014.
March 2009	Tranches forfeited for vesting years 2011, 2012 and 2013.	Tranches forfeited for vesting years 2013. Tranches vested for vesting years 2014 and 2015.
March 2010	Tranches vested for vesting years 2012, 2013 and 2014.	Tranches vested for vesting years 2014 and 2015. Last tranche still unvested and subject to performance condition: 2016.
March 2011	Tranches vested for vesting years 2013, 2014 and 2015.	First tranche vested for vesting years 2015. Last two tranches still unvested and subject to performance conditions: vesting years 2016 and 2017.
March 2012	Tranches vested for vesting years 2014 and 2015. Last tranche still unvested and subject to performance condition: vesting years 2016.	None awarded.
March 2013 (Category E)	First tranche vested for vesting year 2015. Last two tranches still unvested and subject to performance conditions: vesting years 2016 and 2017.	None awarded.

Minimum shareholding requirement
Executive directors and prescribed officers are required to maintain shareholdings valued at least at the average of their last three years' total reward. This is a long-term requirement and we expect that shareholdings will be accumulated over time.

Where the required 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. Remco monitors these shareholdings annually.

RCM AFS Refer to annexure E in the annual financial statements for details of all EGS, DBS and PRP rights per prescribed officer and executive director which have not been exercised, and the director remuneration tables that follow on **page 57**.

Risk management and remuneration

The group actively manages its current and future risks in pursuit of its strategy. 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. Bonus pools and individual bonus awards are adjusted for risk, based on the processes and considerations outlined below.

The group chief risk officer (CRO) formally reports twice a year to Remco on the application of the group's RCCM framework across major business lines and on any significant breaches of RCCM policies or limits by individuals. These reports cover the group's risk appetite and the current and future risk profile in relation to risk appetite, and provide a qualitative and quantitative measure that informs Remco's determination of the overall incentive pools for business units. The individual incentive awards of senior managers and executives are reviewed against these breaches and adjusted where required.

The group CRO is consulted when changes are made to the design of remuneration plans.

The group financial director also formally reports twice a year to Remco on risk-adjusted performance and remuneration. The report includes an analysis of group and business unit risk-adjusted metrics across a range of risk types and their relationships to incentive pools.

The group financial director's reports include consideration of headline earnings, ROE and risk-adjusted performance (economic profit and return on economic capital). This additional analysis quantifies the cost of capital and takes into account credit, market and operational risk.

Remco considers risk-adjusted return information when setting and approving business unit incentive pools. Specific risk-adjusted performance targets are not formulaically applied in determining these pools.

Remco pays specific attention to:

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

The group head of human capital reports annually to Remco on all significant governance breaches and their impact on individual remuneration. These impacts depend on the nature of the breach but could result in reduced incentives, removing incentive awards and/or removing salary increases. Material breaches may result in dismissal.

A forfeiture provision on all deferral schemes was introduced with effect from 2009 and amended in 2011. In terms of the revised forfeiture conditions, individual unvested awards of DBS, Quanto, EGS or PRP may be subject to risk adjustments after the occurrence of an actual risk event through reduction or forfeiture, in full or in part if in Remco's judgement:

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

In advance of share vesting dates in March and September each year, Remco determines whether there are any events that might lead to the forfeiture of unvested stocks.

During 2015, Remco did not implement any forfeitures.

RCM AFS The summarised risk and capital management report in the annual integrated report, describes the material risk types the group is exposed to and how it measures and manages these risks. For a full report, refer to the risk and capital management report and annual financial statements.

Disclosure of executive directors' and prescribed officers' remuneration

The financial performance for the group in 2015 reflects strong performance in the group's underlying operations. During the period, the group completed the disposal of its controlling interest in SB Plc on 1 February 2015. Earnings attributable to the disposal gains have been excluded from the incentive pool determination. The determination of annual incentive awards for executive directors and prescribed officers is covered in the Remco chairman's letter starting on page 40.

Evaluation of executive directors, and prescribed officers

A comprehensive evaluation of the chief executives was undertaken within the following categories:

- financial performance
- balance sheet structure, liquidity and funding
- shareholder interaction
- strategy design
- tactical effectiveness
- people, leadership, development and retention
- customers, clients and market share
- technology and platform efficiency and effectiveness
- innovation, invention and success in banking competitive advantage
- brand strength and reputation
- governance and risk management
- interactions with regulators
- relevance in the societies within which the bank operates
- unanticipated successes and failures
- leadership behaviours as assessed against the bank's values and guiding principles.

Similar evaluations were undertaken for the group financial director and prescribed officers taking cognisance of their roles and accountabilities.

Quantitative elements have pre-determined measures. Qualitative elements have strategic objectives. Remco uses judgement in assessing the business and individual performance, balancing short- and long-term objectives over a multi-year time-frame. This judgement includes geographic, strategic and business complexity, as well as size, competitive intensity and regulatory control.

Performance is not a single score resulting in a pay outcome, but is rather a disciplined but non-formulaic process which Remco believes is appropriate for the diversity and complexity of the business.

Pay is also assessed relative to the external market to ensure levels are competitive and reasonable.

Remco continuously monitors the correlation between remuneration and profitability over time.

This report displays the pay of the executive directors over a six-year period to demonstrate the variability of pay over time. The other prescribed officers are shown for the period that they have been serving as prescribed officers.

Regulatory disclosures

All regulatory disclosures covered under this section are made in terms of the Companies Act, JSE Listings Requirements, Banks Act, Financial Stability Board Principles for Sound Compensation Practices and the King Code.

Terms of employment for executive directors and prescribed officers

The notice period for the group chief executives, group financial director and prescribed officers is one month. In terms of the group's MOI, executive directors are not subject to rotational requirements.

Restrictive covenants

Executive employment contracts include restrictive covenants on poaching of employees or customers. No other restraints are included in contracts.

Retention agreements and payments

Retention agreements are only entered into in exceptional circumstances. Retention payments have to be repaid should the individual concerned leave within a stipulated period. None of the executive directors or prescribed officers are subject to a retention agreement.

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS

R'000	2010	2011	2012	2013	2014	2015
Executive directors						
BJ Kruger*						
Base salary paid during the year	5 138	5 268	6 014	6 559	7 352	**7 538**
Retirement contributions paid during the year	824	858	963	1 088	1 209	**1 076**
Other benefits paid during the year	232	143	132	315	199	**171**
Total fixed remuneration	6 194	6 269	7 109	7 962	8 760	**8 785**
Annual cash award in respect of the year[1]	8 666	9 506	5 900	9 400	5 275	**10 150**
Annual deferred award in respect of the year[2]	2 310	9 763	5 100	11 100	4 975	**11 850**
Total annual incentive award	10 976	19 269	11 000	20 500	10 250	**22 000**
Total reward	17 170	25 538	18 109	28 462	19 010	**30 785**
SK Tshabalala*						
Base salary paid during the year	4 668	4 713	5 098	6 384	7 378	**7 583**
Retirement contributions paid during the year	448	454	482	990	1 248	**1 129**
Other benefits paid during the year	161	227	270	274	277	**277**
Total fixed remuneration	5 277	5 394	5 850	7 648	8 903	**8 989**
Annual cash award in respect of the year[1]		8 200	8 250	9 400	7 337	**10 150**
Annual deferred award in respect of the year[2]		7 900	7 450	11 100	8 038	**11 850**
Total annual incentive award		16 100	15 700	20 500	15 375	**22 000**
Total reward	5 277	21 494	21 550	28 148	24 278	**30 989**
SP Ridley*						
Base salary paid during the year	3 184	4 087	4 617	4 900	5 328	**5 532**
Retirement contributions paid during the year	432	514	572	624	692	**677**
Other benefits paid during the year	178	212	246	286	289	**271**
Total fixed remuneration	3 794	4 813	5 435	5 810	6 309	**6 480**
Annual cash award in respect of the year[1]	2 623	5 881	5 500	6 150	5 150	**6 650**
Annual deferred award in respect of the year[2]	553	5 600	4 700	7 850	6 850	**8 350**
Total annual incentive award	3 176	11 481	10 200	14 000	12 000	**15 000**
Total reward	6 970	16 294	15 635	19 810	18 309	**21 480**

* All executive directors were also prescribed officers of the group.

Refer to footnotes on page 58.

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS CONTINUED

R'000	2013	2014	2015
Prescribed officers			
DC Munro			
Base salary paid during the year	4 596	5 355	**5 609**
Retirement contributions paid during the year	641	710	**774**
Other benefits paid during the year	200	254	**202**
Total fixed remuneration	5 437	6 319	**6 585**
Annual cash award in respect of the year[1]	15 150	5 650	**12 150**
Annual deferred award in respect of the year[2]	14 850	5 850	**13 850**
Total annual incentive award	30 000	11 500	**26 000**
Total reward	35 437	17 819	**32 585**
PL Schlebusch			
Base salary paid during the year	4 476	5 342	**5 594**
Retirement contributions paid during the year	595	709	**755**
Other benefits paid during the year	199	206	**230**
Total fixed remuneration	5 270	6 257	**6 579**
Annual cash award in respect of the year[1]	10 150	8 650	**10 650**
Annual deferred award in respect of the year[2]	10 850	8 650	**12 350**
Total annual incentive award	21 000	17 300	**23 000**
Total reward	26 270	23 557	**29 579**
Totals for all executive directors and prescribed officers			
Fixed remuneration	32 127	36 548	**37 418**
Annual incentive award[3]	106 000	66 425	**108 000**
Total reward[3]	138 127	102 973	**145 418**

1 In order to align incentive payments with the performance period to which they relate, the above variable remuneration relates to the year under review irrespective of when payment is made.

2 The DBS is a cash-settled share scheme and the DBS (2012) is an equity-settled share scheme, both of which are described from page 48. The final value of the award is dependent on the performance of the group's share price. The deferred award is issued in the following financial year. The deferred award in the table above is the total award relating to the respective performance year. Deferred bonus amounts awarded for the 2011 performance year and beyond are subject to choice. Participants can elect to have the value of the deferred award, or a part thereof, invested in the EGS rather than the default DBS (2012). To the extent that EGS is selected, a 10% premium of the value of the award is added. Deferred bonus amounts not invested in EGS will be unitised with respect to the group's closing share price on the date on which the group's year end financial results are communicated publicly. The elections and the number of units have, for the 2012 to 2014 performance years, been included in the table commencing on page 60, with the elections relating to the 2015 performance year to be disclosed in the group's 2016 annual integrated report and governance and remuneration report.

3 Excludes Bruce Hemphill who resigned with notice on 31 May 2015.

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS – FORMER PRESCRIBED OFFICER

R'000	2010	2011	2012	2013	2014	2015
JB Hemphill[1,2]						
Base salary paid during the year	4 002	4 208	4 424	4 657	5 316	**5 400**
Retirement contributions paid during the year	363	394	132	295	662	**318**
Other benefits paid during the year	101	110	387	160	154	**68**
Total fixed remuneration	4 466	4 712	4 943	5 112	6 132	**5 786**
Annual cash award in respect of the year	4 850	7 332	7 900	8 350	8 150	
Annual deferred award in respect of the year	4 650	2 713	8 850	4 150	8 150	
Total annual incentive award	9 500	10 045	11 750	12 500	16 300	
Total reward	13 966	14 757	16 693	17 612	22 432	**5 786**

1 Resigned with notice on 31 May 2015 and fulfilled the terms of a restraint agreement until 31 October 2015.
2 All emoluments made up to and including 2013 were awarded by Liberty (under its scheme and rules). Emoluments from April 2014 and for 2015 were made by Standard Bank (under its scheme and rules).

Executive directors' and prescribed officers' long-term incentives

Share incentives and share-based deferred awards not yet delivered

Standard Bank/Liberty Holdings equity growth scheme	The EGS allocates participation rights to participate in the future growth of the SBG/Liberty Holdings, as applicable, share price. The eventual value of the right is settled by the receipt of the relevant shares equivalent to the full value of the participation rights.
Standard Bank deferred bonus scheme	Employees who are awarded a short-term incentive over a certain threshold are subject to a mandatory deferral of a percentage of their incentive into the DBS. The final cash payment is calculated with reference to the number of units multiplied by the SBG share price at that date.
Deferred bonus scheme (2012)	Employees are awarded a deferred bonus, as a mandatory deferral of their short-term incentive and/or as a discretionary award, into the DBS (2012). The deferred bonus is unitised into a number of units with respect to the group's share price on the date of award. The shares are delivered to the employee on the vesting date. Notional dividends on the units are paid to the employees on the vesting date.
Performance reward plan	The group's PRP has a three-year vesting period which, effective from March 2014, is designed to incentivise the group's senior executives, whose roles enable them to contribute to and influence the group's long-term decision-making and performance results. The PRP seeks to promote the achievement of the group's strategic long-term objectives and to align the interests of those executives with overall group performance in both headline earnings growth and ROE. These are the most important financial metrics to create shareholder value, and, therefore, aligns the interests of management and shareholders. The awards are subject to the achievement of performance conditions set at award date and that determine the number of shares that ultimately vest. The awards will only vest in future in terms of the rules of the PRP. The shares, subject to meeting the pre-specified conditions, are delivered to the employee on vesting date. Notional dividends accrue during the vesting period and will be payable on vesting date.
Liberty Holdings group restricted share plan	Annual short-term incentives performance bonus payments in excess of thresholds determined annually by Liberty's remuneration committee are subject to mandatory deferral. This is achieved by investing the deferred portions of the short-term incentive awards into Liberty Holdings Limited shares, which are held in a trust, subject to vesting conditions. Also, awards are made to selected executives subject to performance conditions (service and performance) and will be forfeited if these conditions are not met.

SHARE INCENTIVES AND SHARE-BASED DEFERRED AWARDS NOT YET DELIVERED

Year in which award was made	2005	2006	2007	2008	2009	2010	2011	
	EGS	EGS	EGS	EGS	EGS	EGS	EGS	DBS
SK Tshabalala[2]								
Opening balance	50 000	45 000	50 000	112 500	37 500	125 000	200 000	
Issue or offer price	65,60	79,50	98,00	92,00	62,39	111,94	98,80	
Vesting category	B	A,B	A,B	B	B	A,B	A,B	
Expiry date	03/15	03/16	03/17	03/18	03/19	03/20	03/21	
Taken up	(50 000)							
Forfeited				(12 500)				
Granted								
Closing balance		45 000	50 000	100 000	37 500	125 000	200 000	
Benefit derived	4 165 000							
BJ Kruger								
Opening balance				25 000	50 000	200 000	200 000	
Issue or offer price				92,00	62,39	111,94	98,80	
Vesting category				B	B	A,B	A,B	
Expiry date				03/18	03/19	03/20	03/21	
Taken up								
Forfeited				(25 000)				
Granted								
Closing balance					50 000	200 000	200 000	
Benefit derived								
SP Ridley								
Opening balance		25 000	30 000	12 500	30 000	100 000	200 000	3 357
Issue or offer price		79,50	98,00	92,00	62,39	111,94	98,80	98,80
Vesting category		B	A,B	B	B	A	A,B	
Expiry date		03/16	03/17	03/18	03/19	03/20	03/21	11/15
Taken up		(25 000)						(3 357)
Forfeited				(12 500)				
Granted								
Closing balance			30 000		30 000	100 000	200 000	
Benefit derived		1 912 500						446 985

1 This table reflects bonus awards made in the 2015 and prior financial years. The awards will only vest in future in terms of the rules of the EGS, DBS (2012) and PRP. The deferred bonus awards for the 2015 performance year are only issued in the 2016 financial year with reference to the closing share price on 3 March 2016. Subsequent to 31 December 2015 and as set out in the table above, the group awarded PRP units to the prescribed officers. The PRP units disclosed in this table have been determined using the closing SBG share price of R115,00 on 2 March 2016. The actual number of PRP units will, in terms of the scheme's rules, be determined with reference to the closing SBG share price on 3 March 2016. The actual number of units will be updated in the group's 2016 annual financial statements.

2 As at 31 December 2015, SK Tshabalala has a right to 418 814 (2014: 698 339) shares as a beneficiary of the Tutuwa Managers' Trust. At 31 December 2015, the debt per share was R56,82 (2014: R52,39). Rights are subject to settlement of funding and transaction costs. Subsequent to 31 December 2014, SK Tshabalala disposed of 279 525 shares in order to settle employees' tax and associated funding and transaction costs arising on the lifting of the final restrictions imposed in terms of the group's Tutuwa initiative. Pre-approval for this transaction was obtained from the JSE.

2012		2013		2014			2015		2016
EGS	DBS (2012)[1]	EGS	DBS (2012)[1]	EGS	PRP	DBS (2012)[1]	PRP	DBS (2012)[1]	PRP
274 305		302 109			98 500	87 492			
108,90		115,51			126,87	126,87	156,96	156,96	
A,D		E,D							
03/22		03/23			03/17	09/17	03/18	09/18	
						(29 164)			
							63 700	51 208	**108 700**
274 305		302 109			98 500	58 328	63 700	51 208	**108 700**
						3 900 977			
61 471	29 883	56 594	29 436	316 322	98 500				
108,90	108,90	115,51	115,51	126,87	126,87		156,96	156,96	
A		E		D					
03/22	09/15	03/23	09/16	03/24	03/17		03/18	09/18	
	(29 883)		(14 717)						
							63 700	31 696	**108 700**
61 471		56 594	14 719	316 322	98 500		63 700	31 696	**108 700**
	3 997 150		1 968 546						
36 883	17 142	42 445	27 127		63 100	61 875			
108,90	108,90	115,51	115,51		126,87	126,87	156,96	156,96	
A		E							
03/22	09/15	03/23	09/16		03/17	09/17	03/18	09/18	
	(17 142)		(13 563)			(20 625)			
							51 000	43 642	
36 883		42 445	13 564		63 100	41 250	51 000	43 642	
	2 292 914		1 814 187			2 758 800			

SHARE INCENTIVES AND SHARE-BASED DEFERRED AWARDS NOT YET DELIVERED CONTINUED

Year in which award was made	2005	2006	2007	2008	2009	2010	2011	
	EGS	EGS	EGS	EGS	EGS	EGS	EGS	DBS
DC Munro								
Opening balance	50 000	250 000	47 500	56 250	25 000	100 000	100 000	23 380
Issue or offer price	65,60	79,50	98,00	92,00	62,39	111,94	98,80	98,80
Vesting category	B	B	A,B	B	B	A	A,B	
Expiry date	03/15	03/16	03/17	03/18	03/19	03/20	03/21	11/15
Taken up	(50 000)	(75 000)						(23 380)
Forfeited				(6 250)				
Granted								
Closing balance		175 000	47 500	50 000	25 000	100 000	100 000	
Benefit derived	4 552 500	5 786 250						4 091 266
PL Schlebusch								
Opening balance			40 000	71 875	25 000	100 000	100 000	11 914
Issue or offer price			98,00	92,00	62,39	111,94	98,80	98,80
Vesting category			A,B	B	B	B	A,B	
Expiry date			03/17	03/18	03/19	03/20	03/21	11/15
Taken up			(40 000)	(71 875)	(12 500)	(75 000)	(37 500)	(11 914)
Forfeited								
Granted								
Closing balance					12 500	25 000	62 500	
Benefit derived			2 358 400	4 669 000	1 182 125	4 728 750	2 230 000	2 001 552

1 This table reflects bonus awards made in the 2015 and prior financial years. The awards will only vest in future in terms of the rules of the EGS, DBS (2012) and PRP. The deferred bonus awards for the 2015 performance year are only issued in the 2016 financial year with reference to the closing share price on 3 March 2016. Subsequent to 31 December 2015 and as set out in the table above, the group awarded PRP units to the prescribed officers. The PRP units disclosed in this table have been determined using the closing SBG share price of R115,00 on 2 March 2016. The actual number of PRP units will, in terms of the scheme's rules, be determined with reference to the closing SBG share price on 3 March 2016. The actual number of units will be updated in the group's 2016 annual financial statements.

FORMER PRESCRIBED OFFICER

Year in which award was made	2009	2010		2011	
	EGS	EGS		EGS	
	SBG	SBG	LBH	SBG	LBH
JB Hemphill					
Opening balance	12 500	93 750	60 000	18 750	40 000
Issue or offer price	62,39	111,94	69,00	98,80	74,70
Vesting category	A,B	A,B	A	A,B	A
Expiry date	03/19	03/20	02/20	03/21	02/21
Taken up		(56 250)	(60 000)	(3 125)	(20 000)
Forfeited[2]	(12 500)	(37 500)		(15 625)	(20 000)
Granted					
Closing balance					
Benefit derived		2 536 313	5 460 000	181 969	1 706 000

1 This table reflects bonus awards made in the 2015 and prior financial years.
2 Forfeited due to resignation.
3 The awards were in the Liberty Holdings group restricted share plan.

2012		2013		2014			2015		2016
EGS	DBS (2012)[1]	EGS	DBS (2012)[1]	EGS	PRP	DBS (2012)[1]	PRP	DBS (2012)[1]	PRP
61 471	31 633	131 690	33 980	105 797	78 800	87 787			
108,90	108,90	115,51	115,51	126,87	126,87	126,87	156,96	156,96	
A		D,E		D					
03/22	09/15	03/23	09/16	03/24	03/17	09/17	03/18	09/18	
	(31 633)		(16 990)			(29 262)			
							89 200	37 271	**87 000**
61 471		131 690	16 990	105 797	78 800	58 525	89 200	37 271	**87 000**
	4 231 230		2 272 582			3 914 085			
36 883	17 908	56 594	35 928		78 800	85 521			
108,90	108,90	115,51	115,51		126,87	126,87	156,96	156,96	
A		E							
03/22	09/15	03/23	09/16		03/17	09/17	03/18	09/18	
(18 441)	(17 908)		(17 964)			(28 507)			
							63 700	55 110	**87 000**
18 442		56 594	17 964		78 800	57 014	63 700	55 110	**87 000**
1 218 766	2 395 374		2 402 865			7 626 193			

2012	2013	2014		2015	
			DBS (2012)[1]		
DBS (2012)[1]	DBS (2012)[1]	PRP	LBH	PRP	DBS (2012)[1]
55 799[3]	79 051[3]	78 800	109 816[3]		
87,90	121,02	126,87	123,39	**156,96**	**156,96**
03/16	03/17	03/17	03/18	**03/18**	**09/18**
(22 753)					
(33 046)	(79 051)	(78 800)	(109 816)	**(63 700)**	**(51 925)**
				63 700	**51 925**
3 216 364					

Remco governance

Effective governance is essential to ensure that the remuneration process is fair and supports the group's strategy.

Remco mandate

Remco comprises a majority of independent non-executive directors and is mandated to:

- review and approve the remuneration policy and strategy in the group's long-term interests
- approve general principles relating to terms and conditions of employment contracts
- approve terms of employment contracts with the group's key employees
- determine remuneration for key executives and propose remuneration for non-executive directors for shareholder approval
- review the group chairman's assessment of the performance of the chief executive officers as a function of setting their remuneration
- review the chief executives officers' assessment of the performance of key executive management
- review the guaranteed and variable remuneration for key executives
- review and approve all proposals for incentive scheme design and modifications
- review incentive schemes to ensure continued alignment with shareholder interests and linkage of reward to performance over the long-term
- approve criteria and applicable terms for participation in annual incentive bonuses
- review performance measures to be used in determining the annual incentive bonuses for all employees
- approve recommendations for awards in terms of approved long-term incentive plans
- monitor adequacy of other benefits for key executives
- monitor compulsory employee benefits applicable at all levels and categories of employees in the group
- review and approve general terms and mandates of subsidiary remuneration committees
- review and consider reports from subsidiary remuneration committees on changes in remuneration practices or philosophy.

Remco composition

Remco members have no business or other relationships that could materially interfere with their independent judgements. All Remco members are also members of key oversight committees so that they are able to monitor risk trends across the group.

The group chief executives attend meetings by invitation. Other members of executive management are invited to attend from time-to-time to assist the committee in fulfilling its mandate. No one is present when his or her remuneration is discussed.

GR Refer to **page 35** for details of Remco meeting attendance.

Access to information and advisers

Members of Remco can access any information that helps inform their independent judgement on pay. This includes any impact that pay might have on risk, regulation or behaviour.

In 2015, Remco and management used a number of external advisers to benchmark remuneration and benefits across the group. External advisers also provided opinions on remuneration regulations and compliance. Information and guidance was received from PricewaterhouseCoopers (PwC), PwC Remchannel, Global Remuneration Solutions – Mercer, Employment Conditions Abroad, McLagan and Towers Watson. In terms of market comparisons and benchmarking, reviews are made against other major South African, African and international banks and top listed companies.

Remco uses the input from these firms to inform the group's remuneration philosophy and policy. The board approves Remco's proposals and, where necessary, submits proposals to shareholders for approval.

Certain specialist business units in the group provide supporting information and documentation relating to matters considered by Remco.

Non-executive directors

In determining the fees for non-executive directors, the majority of whom are also members of board committees, Remco considers the extent and nature of their responsibilities. It also considers market conditions and reviews comparative remuneration offered by other major South African and international banks and top South African listed companies.

Proposed fees, effective from 1 January 2016, are based on a carefully considered assessment of non-executive directors' responsibility, including the significant amount of work involved at committee level. The board, and particularly its committees, chairmen and committee members, spend a significant amount of time on in-depth analysis of matters relevant to the group's performance and regulatory requirements.

Fees

Non-executive directors receive fixed fees for service on boards and board committees. There are no contractual arrangements for compensation for loss of office for either executives or non-executive directors. Non-executive directors do not receive annual incentive awards, nor do they participate in any of the group's long-term incentive schemes. Remco reviews the fees paid to non-executive directors annually and makes recommendations to the board for consideration and shareholder approval.

During 2015, a meeting fee totalling R25 million was paid to 14 non-executive directors who were required to attend and participate in the group's governance structures as part of the board discharging its 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 being paid following approval by shareholders at the AGM.

Terms for non-executive directors

There is no limitation on the number of times a non-executive director may stand for re-election subject to the maximum age of 70 years. Proposals for re-election are based on individual performance and contribution, which the directors' affairs committee reviews.

GR The corporate governance report on **page 19** provides a review of the independence of those directors who have served on the board for more than nine years.

NON-EXECUTIVE DIRECTORS' EMOLUMENTS

		Fixed remuneration				
		Services as directors of Standard Bank Group R'000	Standard Bank Group committee fees R'000	Services as directors of group subsidiaries R'000	Other benefits R'000	Total compen-sation for the year R'000
Non-executive directors						
MJD Ruck	**2015**	**233**	**810**	**2 145**		**3 188**
	2014	220	829	1 805		2 854
Adv KD Moroka	**2015**	**233**	**689**	**233**		**1 155**
	2014	220	251	220		691
TS Gcabashe[2]	**2015**	**3 446**	**155**	**119**	**251[1]**	**3 971**
	2014	220	378	264		862
EM Woods	**2015**	**233**	**1 043**	**326**		**1 602**
	2014	220	1 044	242		1 506
RMW Dunne	**2015**	**233**	**1 128**	**256**		**1 617**
	2014	220	1 133	285		1 638
PD Sullivan	**2015**	**939**	**1 131**	**1 171**		**3 241**
	2014	811	857	2 237		3 905
W Wang	**2015**	**233**	**325**			**558**
	2014	211	305			516
BS Tshabalala	**2015**	**233**	**438**	**728**		**1 399**
	2014	176	153	176		505
AC Parker	**2015**	**233**	**271**	**441**		**945**
	2014	176	165	307		648
ANA Peterside CON	**2015**	**939**	**252**	**939**		**2 130**
	2014	291		291		582
S Gu	**2015**	**939**	**528**			**1 467**
	2014	49	30			79
Total	**2015**	**7 894**	**6 770**	**6 358**	**251**	**21 273**
Total	2014	2 814	5 145	5 827		13 786

1 Use of motor vehicle.
2 Appointed as group chairman 28 May 2015.

NON-EXECUTIVE DIRECTORS' EMOLUMENTS

		Fixed remuneration				
		Services as directors of Standard Bank Group R'000	Standard Bank Group committee fees R'000	Services as directors of group subsidiaries R'000	Other benefits R'000	Total compen-sation for the year R'000
Former non-executive directors						
DDB Band[1]	**2015**					
	2014	91	333	221		645
AC Nissen[1]	**2015**					
	2014	91	42	90		223
K Kalyan[2]	**2015**					
	2014	39	18	39		96
Dr Y Liu[3]	**2015**					
	2014	34				34
S Macozoma[4]	**2015**					
	2014	220	842	2 552		3 614
HL Zhang[3]	**2015**					
	2014	34	15			49
K Yang[5]	**2015**					
	2014	731	396			1 127
TMF Phaswana[6]	**2015**	**2 315**			**151[8]**	**2 466**
	2014	5 320			301[8]	5 621
Lord Smith of Kelvin, KT[6]	**2015**	**385**	**112**	**382**		**879**
	2014	811	258	811		1 880
FA du Plessis[7]	**2015**	**95**	**155**	**165**		**415**
	2014	176	213	176		565
Total	**2015**	**2 795**	**267**	**547**	**151**	**3 760**
Total	2014	7 547	2 117	3 889	301	13 854

1 Retired on 29 May 2014.
2 Resigned on 3 March 2014.
3 Resigned on 16 January 2014.
4 Resigned on 31 December 2014.
5 Resigned on 10 December 2014.
6 Retired on 28 May 2015.
7 Resigned on 28 May 2015.
8 Use of motor vehicle.

Regulatory disclosures

The disclosure requirements of Regulation 43 of the Banks Act set out extensive quantitative and qualitative disclosures that are required to assist stakeholders understand the approaches adopted by financial services organisations in respect of risk and remuneration. The quantitative disclosures are addressed on the next page and the qualitative disclosures are addressed elsewhere in the remuneration report. The definition of material risk-takers is based on the Financial Stability Board Principles for Sound Compensation Practices.

Specific disclosures relating to aggregate 2015 (and comparative 2014) remuneration of senior managers and material risk-takers, are set out below. Variable remuneration included in the tables that follow includes cash awards, the grant date value of the award for the DBS (2012), the ZAR equivalent of the Quanto stock units and, with respect to the conditional PRP awards, an estimate based on the IFRS 2 expense as recognised in the income statement.

A total of 99 individuals, out of a population of 1 680 employees with deferred remuneration, were identified as material risk-takers in 2015 (2014: 113 out of 1 546). The number of material risk-takers has reduced mainly due to the sale of a controlling interest in SB Plc.

MATERIAL RISK-TAKERS AND ALL EMPLOYEES WITH DEFERRED VARIABLE REMUNERATION

	Number of employees	Variable remuneration as a % of total remuneration (%)	% of variable remuneration subject to deferral[1] (%)	Deferral period (years)	% of variable remuneration in shares or share-linked instruments (%)	% of variable remuneration subject to risk adjustment (%)
2015						
A. Senior executives and prescribed officers	**5**	**79.0**	**63.1**	**1 – 7**	**63.1**	**63.1**
B. Other senior executives	**52**	**73.5**	**54.5**	**1 – 7**	**54.5**	**54.5**
C. Other employees whose individual actions have a material impact on the risk exposure of the group	**42**	**74.1**	**48.0**	**1 – 7**	**48.0**	**48.0**
D. All other employees receiving variable remuneration that is subject to deferral	**1 581**	**49.8**	**31.3**	**1 – 7**	**31.3**	**31.3**
Total	**1 680**	**55.4**	**38.1**	**1 – 7**	**38.1**	**38.1**
2014						
A. Senior executives and prescribed officers	6	70.6	58.1	1 - 7	58.1	58.1
B. Other senior executives	53	69.7	55.3	1 - 7	55.3	55.3
C. Other employees whose individual actions have a material impact on the risk exposure of the group	54	66.2	50.2	1 - 7	50.2	50.2
D. All other employees receiving variable remuneration that is subject to deferral	1 453	49.7	30.5	1 - 7	30.5	30.5
Total	1 546	53.8	37.0	1 - 7	37.0	37.0

Key:
A. The executive directors and prescribed officers of Standard Bank Group Limited, and The Standard Bank of South Africa Limited, for banking operations only.
B. Heads of major business units/lines, major geographic regions and heads of risk and control, and other enabling functions.
C. This group includes staff 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, or
- significantly influence other material risks.

D. All other employees receiving any deferred variable pay and for whom the variable pay award is linked to personal or business unit performance.

[1] Includes long-term incentive award.

ANALYSIS OF TOTAL AMOUNT OF REMUNERATION OF MATERIAL RISK-TAKERS FOR THE FINANCIAL YEAR

	2015		2014	
	Number of employees	**Total remuneration Rm**	Number of employees	Total remuneration Rm
Fixed remuneration	**99**	**392**	113	417
Senior management[1]	**57**	**253**	59	241
Other material risk-takers	**42**	**139**	54	176
Variable remuneration	**99**	**1 137**	106	936
Senior management	**57**	**740**	58	575
Cash-based	**57**	**325**	57	255
Shares or share-linked instruments	**57**	**415**	57	320
Deferred remuneration[2]	**57**	**308**	57	269
Other – performance reward plan[3]	**44**	**107**	48	51
Other material risk-takers	**42**	**397**	48	361
Cash-based	**42**	**207**	46	181
Shares or share-linked instruments	**42**	**190**	46	180
Deferred remuneration[2]	**42**	**167**	46	166
Other – performance reward plan[3]	**13**	**23**	16	14

1 Senior executives and prescribed officers of the group's banking operations as defined under categories A and B in the table on the previous page.
2 The value of units in the DBS (2012) and outside Africa DBS as at award date (in 2014 Quanto was awarded). More information on the schemes are available in annexure E of the annual financial statements, and on page 49. The Black-Scholes value at award date has been used for participation rights awarded in the EGS.
3 For PRP, estimate based on the IFRS 2 expense recognised in the income statement.

Notes:
- PRP commenced in 2014.
- Some of the material risk-takers are denominated in GBP and ZAR. Values reported take into account adverse foreign exchange movements.
- Material risk-taker numbers have decreased in 2015 due to the disposal of the group's controlling interest in SB Plc.

ANALYSIS OF TOTAL AMOUNT OF REMUNERATION OF MATERIAL RISK-TAKERS FOR THE FINANCIAL YEAR

	2015		2014	
	Number of employees	**Deferred remuneration Rm**	Number of employees	Deferred remuneration Rm
Awarded during the year[1]	**99**	**475**	103	435
Senior management	**57**	**308**	57	269
Other material risk-takers	**42**	**167**	46	166
Paid during the year[2]	**96**	**567**	110	567
Senior management	**55**	**344**	58	238
Other material risk-takers	**41**	**223**	52	329
Outstanding at the end of the year[3]	**99**	**1 207**	113	1 548
Senior management	**57**	**760**	59	845
Other material risk-takers	**42**	**447**	54	703

1 Award value of amounts deferred in the deferral schemes (all share-linked).
2 Gross value of DBS and DBS (2012). Awards exercised by participants during the financial year, as well as additional incremental payments made in terms of the rules of the DBS and DBS (2012). ZAR equivalent value of Quanto stock units sold during 2015.
3 Value of the balance of vested and unvested units in the DBS and DBS (2012), and ZAR equivalent value balance of Quanto stock units held from prior year award.

Notes:
– Some of the material risk-takers are denominated in GBP and ZAR. Values reported take into account adverse foreign exchange movements.
– Material risk-taker numbers have decreased in 2015 due to the sale of a controlling interest in SB Plc.

All deferred remuneration and EGS awards are, where applicable, adjusted retrospectively in consideration of actual performance and events.

ANNUAL GRANT SHARE PRICES

	Price (R)
March 2016	**122,24**
March 2015	156,96
March 2014	126,87
March 2013	115,51
March 2012	108,90
March 2011	98,80
March 2010	111,94
March 2009	62,39

As all deferred remuneration is share-linked, a reduction in share price results in a reduction in the value of holdings.

REMUNERATION REVIEW FOREIGN EXCHANGE RATES

	USD[1]/ZAR
2015 financial year	**12,65**
2014 financial year	10,83

1 Exchange rates as applied in the group's November Remco remuneration review.

EMPLOYMENT AWARDS MADE TO MATERIAL RISK-TAKERS – QUANTITATIVE ANALYSIS

	2015		2014	
	Number of employees	**Value of awards Rm**	Number of employees	Value of awards Rm
Guaranteed bonuses	**2**	**8**	3	29
Senior management	**2**	**8**	1	7
Other material risk-takers			2	22
Sign-on awards/buy-out awards			2	3
Senior management			1	1
Other material risk-takers			1	2
Severance payments	**8**	**76**	2	14
Senior management	**2**	**34**	2	14
Other material risk-takers	**6**	**42**		

The severance payments in the table above comprise:

- contractual severance amounts (inclusive of statutory requirements)
- any ex gratia cash severance amount (if Remco-approved)
- any cash amount in lieu of notice (if Remco-approved).

The severance amounts exclude:

- long-term incentive awards which vest on normal vesting dates after retrenchment
- cash short-term incentives awarded in respect of the period before termination.

* Awards are made across the group in local currency but are reported in ZAR. Award values are, therefore, subject to prevailing exchange rates at the time of the award.

Guaranteed bonuses

Guaranteed bonuses are paid by exception in the context of hiring and only in relation to the first year. All guaranteed bonuses are funded from the total performance incentive pools and are subject to the same deferral requirements as annual discretionary incentives.

Payments of guaranteed bonuses are subject to meeting required performance standards.

Refer to **page 49** for details of deferral of annual incentive awards.

Sign-on awards/buy-out awards made on hiring

To attract key employees it is sometimes necessary to compensate for the loss of unvested awards in their previous company. This would normally be through the appropriate group scheme subject to 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. Sign-on awards without reference to losses at a previous company are discouraged.

Severance payments

Local legislation, market practice and, where applicable, agreements with recognised trade unions or other employee forums determine severance payments.

Chairman's invitation to shareholders

Dear Shareholder

"I extend an invitation to you to attend the 47th AGM of Standard Bank Group Limited (the company) to be held in the HP de Villiers Auditorium, Ground Floor, Standard Bank Centre, 6 Simmonds Street, Johannesburg on Thursday, 26 May 2016 at 9:00."

The board recognises the importance of its shareholders' presence at the AGM. This is an opportunity for you to participate in discussions relating to items included in the notice of meeting. In addition, the chairmen of various board-appointed committees, senior members of management, as well as the external auditors will be present to respond to questions from shareholders.

If you are unable to attend the AGM and hold shares in certificated form or if you have dematerialised your shares and have elected own-name registration through a Central Securities Depository Participant (CSDP) or broker, I would urge you to complete and submit the proxy form in accordance with the instructions and return it to the address indicated.

If you are not able to attend the AGM and have dematerialised your shares on STRATE and have not elected own-name registration, I would likewise urge you to submit your voting instructions to your CSDP or broker. You will need to contact them regarding their particular cut-off time for votes to be lodged with us.

If you wish to attend the AGM and have dematerialised your shares on STRATE, and you have not elected own-name registration, you will have to approach your CSDP or broker to provide you with the necessary authority in terms of the agreement that you have entered into with them.

Explanatory note on resolutions to be tabled at the AGM

The AGM will deal with the following ordinary business:

- the group's consolidated audited financial statements for the year ended 31 December 2015 (including the directors' report and the audit and risk committee report) will be presented to shareholders. Key IFRS financial information is set out on pages 88 to 91 of the annual integrated report and the complete annual financial statements are set out on the company's website at www.standardbank.com/reporting (resolution number 1)
- the company's memorandum of incorporation makes provision for the annual retirement of a certain proportion of the board of directors. The directors who retire in terms of this provision and who offer themselves for re-election have their abridged curriculum vitae included in the notice (resolution number 2)
- the reappointment of the company's joint auditors, KPMG Inc. and PricewaterhouseCoopers Inc. (resolution number 3)
- resolution number 4 provides the directors with the ability to allot and issue ordinary shares up to a maximum of 2,5% of the ordinary shares in issue at 31 December 2015
- the directors' ability to allot and issue non-redeemable, non-cumulative, non-participating preference shares is contained in the provisions of ordinary resolution 5
- to consider and endorse, by way of a non-binding advisory vote, the company's remuneration policy (resolution number 6).
- The following special resolutions will be tabled for consideration at the AGM:
  - to approve the non-executive directors' fees in respect of 2016, which have been considered by the group remuneration committee and recommended by the board (resolution number 7)
  - a renewal of the authority given by shareholders at the previous AGM that will allow the repurchase of the company's securities by the company or any subsidiary during the course of the year should the directors feel that the circumstances are appropriate. Any repurchases made will be in accordance with the Companies Act, 2008 and the Listings Requirements of the JSE Limited (resolution number 8)
  - a general authority by shareholders to permit the repurchase of the company's non-redeemable preference securities by the company or any subsidiary during the course of the year should the directors feel that the circumstances are appropriate. Any repurchases made will be in accordance with the Companies Act, 2008 and the Listings Requirements of the JSE Limited (resolution number 9)
  - to give the directors of the company authority to provide financial assistance to any company or corporation that is related or inter-related to the company (resolution number 10).

I look forward to welcoming you to the AGM.

Thulani Gcabashe
Chairman

2 March 2016

Notice to members

Notice is hereby given that the 47th annual general meeting (the meeting) of Standard Bank Group Limited (Standard Bank Group or SBG or the company) will be held in the HP de Villiers Auditorium, Ground Floor, Standard Bank Centre, 6 Simmonds Street, Johannesburg on Thursday, 26 May 2016 at 09:00.

The record date on which members must be recorded as such in the register maintained by the transfer secretaries of the company for the purposes of being entitled to attend and vote at the meeting is Friday, 20 May 2016.

The purpose of the meeting is to transact the business set out below, and to consider and, if deemed fit, to pass, with or without modification, the resolutions set out below:

1 PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

To present the annual financial statements for the year ended 31 December 2015, including the reports of the directors and the audit committee.

In order for this resolution to be approved, it must be supported by more than 50% of the voting rights exercised on the resolution.

2 RE-ELECTION OF DIRECTORS

To elect directors in place of those retiring in accordance with the provisions of the company's memorandum of incorporation.

Myles Ruck, Peter Sullivan, Ted Woods and Wenbin Wang, being eligible, offer themselves for re-election.

Dr Arno Daehnke, currently group financial director designate, assumes the role with effect 1 May 2016, being appointed an executive director in line with the JSE Listings Requirements, is required to retire at the annual general meeting following his appointment and is eligible for re-election.

Dr Martin Oduor-Otieno, who was also appointed to the board since the previous annual general meeting, is required to retire at the annual general meeting following his appointment and is also eligible for re-election.

Dr Martin Oduor-Otieno, Myles Ruck, Peter Sullivan and Ted Woods are independent non-executive directors. Details of the directors offering themselves for re-election are as follows:

	Qualifications	Date of appointment	Directorships	Committee membership
2.1 Dr Arno Daehnke (48)	BSc (Cape Town), MSc (Cape Town), PhD (Vienna University of Technology), MBA (Milpark), AMP (Wharton)	2016	Standard Bank Group, The Standard Bank of South Africa	
2.2 Dr Martin Oduor-Otieno (59)	BCom (accounting) (Nairobi), Executive MBA (ESAMI/Maastricht Business School), Honorary Doctorate of Business Leadership (KCA University), AMP (Harvard)	2016	Standard Bank Group, The Standard Bank of South Africa GA Life Insurance Company	

	Qualifications	Date of appointment	Directorships	Committee membership
2.3 Myles Ruck (60)	BBusSc (Cape Town), PMD (Harvard)	2002	Standard Bank Group, The Standard Bank of South Africa, ICBC (Argentina) (vice chairman) Mr Price Group.	Group/SBSA risk and capital management (chairman), Group/SBSA directors' affairs and SBSA large exposure credit (chairman) committees.
2.4 Peter Sullivan (67)	BSc (physical education) (University of New South Wales)	2013	Standard Bank Group, The Standard Bank of South Africa, AXA China Region, AXA Asia, Healthcare Locums Plc (chairman), Techtronic Industries, Winton Capital Group Limited.	Group/SBSA risk and capital management, Group remuneration, Group/SBSA audit and Group IT (chairman) committees.
2.5 Wenbin Wang (40)	Bachelor's degree in economics, Master's degree in business administration. PhD (Management) (Renmin University of China)	2014	Standard Bank Group.	Group directors' affairs (alternate to Dr Shu Gu), Group risk and capital management (alternate to Dr Shu Gu) and Group IT (alternate to Dr Shu Gu) committees.
2.6 Ted Woods (69)	BCom (Wits), CA(SA), MBA (Cape Town), CFA	2007	Standard Bank Group, The Standard Bank of South Africa.	Group/SBSA audit, Group/SBSA risk and capital management and Group remuneration (chairman) committees.

In order for resolution numbers 2.1 to 2.6 to be approved, each resolution must be supported by more than 50% of the voting rights exercised on the resolution.

3 REAPPOINTMENT OF AUDITORS

The audit committee has evaluated the performance of KPMG Inc. and PricewaterhouseCoopers Inc. and recommend their reappointment as joint auditors of the company.

3.1 Resolved to reappoint KPMG Inc. as auditors of Standard Bank Group for the year ending 31 December 2016.

3.2 Resolved to reappoint PricewaterhouseCoopers Inc. as auditors of Standard Bank Group for the year ending 31 December 2016.

It is proposed that the aforementioned appointments be made on a joint basis. If either resolution 3.1 or resolution 3.2 is not passed, the resolution passed shall be effective. In order for these resolutions to be approved, each resolution must be supported by more than 50% of the voting rights exercised on the resolution.

4 PLACING THE AUTHORISED BUT UNISSUED ORDINARY SHARES UNDER THE CONTROL OF THE DIRECTORS

"Resolved that the unissued ordinary shares of the company be and are hereby placed under the control of the directors of the company who are authorised to issue the ordinary shares at their discretion until the next annual general meeting of the company, subject to the provisions of the Companies Act 2008, as amended or replaced from time to time, the Banks Act, No. 94 of 1990, as amended and the Listings Requirements of the JSE Limited as amended and subject to the aggregate number of ordinary shares able to be issued in terms of this resolution being limited to two and a half percent (2.5%) of the number of ordinary shares in issue at 31 December 2015."

In order for this resolution to be approved, it must be supported by more than 50% of the voting rights exercised on the resolution.

5 PLACING THE AUTHORISED BUT UNISSUED NON-REDEEMABLE PREFERENCE SHARES UNDER THE CONTROL OF THE DIRECTORS

"Resolved that the unissued non-redeemable, non-cumulative, non-participating preference shares (non-redeemable preference shares) of the company be and are hereby placed under the control of the directors of the company who are authorised to issue the non-redeemable preference shares at their discretion until the next annual general meeting of the company, subject to the provisions of the Companies Act 2008, as amended or replaced from time to time and the Listings Requirements of the JSE Limited as amended."

In order for this resolution to be approved, it must be supported by more than 50% of the voting rights exercised on the resolution.

6 NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY

To consider and endorse, by way of a non-binding advisory vote, the company's remuneration policy as set out in the governance and remuneration report on page 46.

At the heart of Standard Bank Group's strategy lies the value we place on our people. Consequently, effective management of our groupwide human resource must be a core competency.

The group's remuneration policies are foundational to our human resource management.

The group remuneration committee (Remco), as an integral part of its wider mandate, regularly examines the group's remuneration structures and practices to ensure that they are aligned with these policies. The group's remuneration structures and practices are described in Remco's formal report to shareholders, starting on page 38 of the governance and remuneration report.

In order for this resolution to be approved, it must be supported by more than 50% of the voting rights exercised on the resolution.

7 APPROVAL OF NON-EXECUTIVE DIRECTORS' FEES

"Resolved as a special resolution that the following fees payable to the non-executive directors be approved[1]:

7.1	**Chairman of Standard Bank Group**	R5 977 500 per annum[2]
7.2	**Director of Standard Bank Group**	R248 350 per annum
7.3	**International director of Standard Bank Group**	£49 650 per annum
7.4	**Group directors' affairs committee:**	
	7.4.1 **Chairman**	R368 000 per annum
	7.4.2 **Member**	R111 800 per annum
7.5	**Group risk and capital management committee:**	
	7.5.1 **Chairman**	R757 900 per annum
	7.5.2 **Member**	R292 350 per annum
7.6	**Group remuneration committee:**	
	7.6.1 **Chairman**	R525 800 per annum
	7.6.2 **Member**	R157 600 per annum
7.7	**Group social and ethics committee:**	
	7.7.1 **Chairman**	R368 000 per annum
	7.7.2 **Member**	R111 800 per annum
7.8	**Group audit committee:**	
	7.8.1 **Chairman**	R757 900 per annum
	7.8.2 **Member**	R292 350 per annum
7.9	**Group IT committee:**	
	7.9.1 **Chairman**	R525 800 per annum
	7.9.2 **Member**	R157 600 per annum
7.10	**Ad hoc meeting attendance[3]**	R24 700 per meeting"

The reason for this resolution is to grant the company the authority to pay fees to its directors for their services as directors.

In order for this resolution to be approved, it must be supported by more than 75% of the voting rights.

1 Fee increase effective from 1 January 2016.
2 The chairman's fees include the board, subsidiary board and all committee memberships. The chairman is also the chairman of the group directors' affairs committee. A company motor vehicle, against which fringe benefit tax is levied, is made available for use by the current chairman.
3 Fee per meeting for attendance by non-executive director or persons acting in an alternate capacity (not a member of the committee) or non-executive director attendance at management/subsidiary board or committee meeting where no other fee is specifically approved. This same fee is applicable to all committees where attendance is in an ad hoc or alternate capacity.

8 GENERAL AUTHORITY TO ACQUIRE THE COMPANY'S ORDINARY SHARES

The directors of the company intend, if the circumstances are appropriate, to implement a repurchase of the company's ordinary shares as permitted in terms of the Companies Act, 2008, (the Companies Act), the Banks Act, No 94 of 1990, as amended, from time to time and the Listings Requirements of the JSE Limited, as amended from time to time (the Listings Requirements) either by the company or one of its subsidiaries.

The purpose of this special resolution is to generally approve, in terms of the provisions of the Companies Act, the acquisition by the company and/or a subsidiary of the company, of ordinary shares issued by it subject to the Listings Requirements.

The directors of the company are of the opinion that taking into consideration the maximum number of ordinary shares that could be repurchased:

- the company and the group would be in a position to repay its debts in the ordinary course of business for a period of 12 months after the date of the notice of this annual general meeting (the Next Year)
- the assets of the company and group, fairly valued in accordance with International Financial Reporting Standards, would be in excess of the liabilities of the company and the group for the Next Year
- the share capital and reserves of the company and the group for the Next Year will be adequate.

"Resolved as a special resolution that the company approves, with effect from the date of this annual general meeting, as a general approval in terms of the provisions of the Companies Act, 2008 (the Companies Act), as amended or replaced the acquisition by the company and, in terms of the Companies Act, the acquisition by any subsidiary of the company from time to time, of such number of ordinary shares issued by the company and at such price and on such other terms and conditions as the directors may from time to time determine, subject to the requirements of the Banks Act, No. 94 of 1990, as amended and the Listings Requirements, which at the date of this notice include, among others, the following:

- the authority shall be valid only until the next annual general meeting of the company or 15 months from the date on which this resolution is passed, whichever is the earlier;
- any such acquisition will be implemented through the order book operated by the trading system of the JSE Limited and done without any prior understanding or arrangement between the company and the counterparty (reported trades being prohibited);
- the acquisition must be authorised by the company's memorandum of incorporation;
- the authority is limited to the purchase of a maximum of 10% of the company's issued ordinary share capital in any one financial year;
- the acquisition must not be made at a price more than 10% above the weighted average of the market value for the ordinary shares of the company for the five business days immediately preceding the date of acquisition;
- at any point in time, the company may only appoint one agent to effect any repurchase(s) on the company's behalf;
- the company or its subsidiary may not repurchase securities during a prohibited period, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The issuer must instruct an independent third party, which makes its investment decisions in relation to the issuer's securities independently of, and uninfluenced by, the issuer, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- that an announcement containing full details of such acquisitions of shares will be published as soon as the company and/or its subsidiary(ies) has/have acquired shares constituting, on a cumulative basis, three percent (3%) of the number of shares in issue at the date of the general meeting at which this special resolution is considered and, if approved, passed, and for each three percent (3%) in aggregate of the initial number acquired thereafter; and
- in the case of an acquisition by a subsidiary of the company, the authority shall be valid only if:
  - the subsidiary is authorised by its memorandum of incorporation;
  - the shareholders of the subsidiary have passed a special resolution authorising the acquisition; and
  - the number of shares to be acquired is not more than 10% in the aggregate of the number of issued shares of the company."

In order for this resolution to be approved, it must be supported by at least 75% of the voting rights exercised on the resolution.

9 GENERAL AUTHORITY TO ACQUIRE THE COMPANY'S NON-REDEEMABLE PREFERENCE SHARES

The directors of the company intend, if the circumstances are appropriate, to implement repurchases of the company's non-redeemable, non-cumulative, non-participating, variable rate par value preference shares (the preference shares) as permitted in terms of the Companies Act, 2008, (the Companies Act), the Banks Act, No. 94 of 1990, as amended and the Listings Requirements of the JSE Limited as amended from time to time (the Listings Requirements) by the company by means of general repurchases as defined in the Listings Requirements.

The purpose of this special resolution is to generally approve, in terms of the provisions of the Companies Act, the acquisition by the company of preference shares, subject to the Listings Requirements.

The directors of the company are of the opinion that taking into consideration the maximum number of preference shares that could be repurchased:

- the company and the group would be in a position to repay its debts in the ordinary course of business for a period of 12 months after the date of the notice of this annual general meeting (the Next Year);
- the assets of the company and group, fairly valued in accordance with International Financial Reporting Standards, would be in excess of the liabilities of the company and the group for the Next Year; and
- the share capital and reserves of the company and the group for the Next Year will be adequate.

"Resolved as a special resolution that the company approves, with effect from the date of this annual general meeting, as a general approval in terms of the provisions of the Companies Act, 2008, as amended or replaced, the acquisition by the company from time to time, of such number of non-redeemable, non-cumulative, non-participating, variable rate par value preference shares (the preference shares) issued by the company and at such price and on such other terms and conditions as the directors may from time to time determine, subject to the requirements of the Banks Act, No. 94 of 1990, as amended and the Listings Requirements, which at the date of this notice include, among others, the following:

- the authority shall be valid only until the next annual general meeting of the company or 15 months from the date on which this resolution is passed, whichever is the earlier;
- any such acquisition will be implemented through the order book operated by the trading system of the JSE Limited and done without any prior understanding or arrangement between the company and the counterparty (reported trades being prohibited);
- the acquisition must be authorised by the company's memorandum of incorporation;
- the authority is limited to the purchase of a maximum of 10% of the company's issued preference share capital in any one financial year;
- the acquisition must not be made at a price more than 10% above the weighted average of the market value for the preference shares of the company for the five business days immediately preceding the date of acquisition;
- at any point in time, the company may only appoint one agent to effect any repurchase(s) on the company's behalf;
- the company may not repurchase securities during a prohibited period, unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The issuer must instruct an independent third party, which makes its investment decisions in relation to the issuer's securities independently of, and uninfluenced by, the issuer, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- that an announcement containing full details of such acquisitions of shares will be published as soon as the company has acquired shares constituting, on a cumulative basis, three percent (3%) of the number of shares in issue at the date of the general meeting at which this special resolution is considered and, if approved, passed, and for each three percent (3%) in aggregate of the initial number acquired thereafter."

In order for this resolution to be approved, it must be supported by at least 75% of the voting rights exercised on the resolution.

10 LOANS OR OTHER FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES

"Resolved as a special resolution that the provision of any financial assistance by the company, subject to the provisions of the Companies Act, 2008, to any company or corporation which is related or inter-related to the company (as defined in the Companies Act, 2008), on the terms and conditions which the directors of the company may determine, be and is hereby approved."

Companies within the group receive and provide loan financing and other support in the course of business. The reason for this special resolution is to grant the directors of the company the authority to provide financial assistance to any company or corporation which is related or inter-related to the company.

In order for this special resolution to be approved, it must be supported by more than 75% of the voting rights exercised on the resolution.

Notes in regard to other Listings Requirements applying to resolutions numbers 8 and 9

1. Directors' responsibility statement

The directors, whose names are given on pages 10 to 14 of the governance and remuneration report, collectively and individually accept full responsibility for the accuracy of the information given in these notes 1 to 5 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement in these notes 1 to 5 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the notice contains all information required by law and the Listings Requirements.

2. Major shareholders

Details of major shareholders of the company are set out on page 142 of the annual financial statements.

3. Share capital of the company

Details of the share capital of the company are set out on pages 182 to 186 of the annual financial statements.

4. Material change

There has been no material change in the financial or trading position of the company and its subsidiaries since the date of publication of the group's annual results on 3 March 2016.

5. Litigation

In the conduct of its ordinary course of business, the group is involved in litigation, lawsuits and other proceeding relating to alleged errors and omissions, or receives claims arising from the conduct of its business which can require the group to engage in legal proceedings in order to enforce and/or defend its rights.

While recognising the inherent difficulty of predicting the outcome of defended legal proceedings, management believes, based upon current knowledge and after consulting with legal counsel, that the legal proceedings currently pending against it should not have a material adverse effect on the consolidated financial position. The directors are satisfied, based on present information and the assessed probability of claims eventuating, that the group has adequate insurance programmes and provisions in place to meet such claims.

Standard Bank Group shareholders holding certificated shares and shareholders of the company who have dematerialised their shares and have elected own name registration in the sub-register maintained by the CSDP, may attend, speak and vote at the annual general meeting or may appoint one or more proxies (who need not be shareholders of the company) to attend, participate and vote at the annual general meeting on behalf of the such shareholder. A proxy form is attached to this notice of annual general meeting. Duly completed proxy forms must be returned to the transfer secretaries of Standard Bank Group or the registered office of the company to the addresses set out below, to be received by no later than 09h00 on Tuesday, 24 May 2016.

Standard Bank Group shareholders who have dematerialised their shares through a CSDP or broker and who have not elected own name registration in the sub-register maintained by a CSDP and who wish to attend the annual general meeting, should instruct their CSDP or broker to issue them with the necessary authority to attend, or if they do not wish to attend the annual general meeting, they may provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

In regard to resolution number 9, the holders of the preference shares shall be entitled to vote. Subject to the provisions of the memorandum of incorporation the holders of the preference shares shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by such holders bear to the aggregate amount of the nominal value of the ordinary and preference shares issued by the company.

Identification

In terms of section 63(1) of the Companies Act, 2008, any person attending or participating in the annual general meeting must present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote whether as a shareholder or as a proxy for a shareholder has been reasonably verified. Acceptable forms of identification include identity documents, driver's licences and passports.

On behalf of the board

Z Stephen
Group secretary
2 March 2016

Registered office
9th Floor, Standard Bank Centre
5 Simmonds Street
Johannesburg, 2001
(PO Box 7725, Johannesburg, 2000)
Fax: +27 11 636 4207

Transfer secretaries in South Africa
Computershare Investor Services
Proprietary Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)
Fax: +27 11 688 5238

Transfer secretaries in Namibia
Transfer Secretaries
Proprietary Limited
4 Robert Mugabe Avenue
(Entrance in Burg Street)
Windhoek, 9000
(PO Box 2401, Windhoek)

Proxy form – ordinary shareholders

Standard Bank Group Limited

(Registration number 1969/017128/06) (the company)

JSE share code: SBK NSX share code: SNB ISIN: ZAE000109815

To be completed by certificated ordinary shareholders and dematerialised shareholders with own name registrations only.

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company.

I/We _____ (Name in block letters)

of _____ (Address in block letters)

being a shareholder(s) and the holder(s) of _____ ordinary shares of 10 cents each and entitled to vote hereby appoint (see note 1)

1 _____ or, failing him/her

2 _____ or, failing him/her

the chairman of the annual general meeting,

as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of shareholders to be held at 09:00 on Thursday, 26 May 2016, in the HP de Villiers Auditorium, Standard Bank Centre, 6 Simmonds Street, Johannesburg, and at any adjournment thereof as follows:

		Number of votes		
Ordinary resolutions to:		For*	Against*	Abstain*
1	Adopt annual financial statements			
2	Elect directors:			
2.1	Dr Arno Daehnke			
2.2	Dr Martin Oduor-Otieno			
2.3	Myles Ruck			
2.4	Peter Sullivan			
2.5	Wenbin Wang			
2.6	Ted Woods			
3	Reappointment of auditors			
3.1	KPMG Inc.			
3.2	PricewaterhouseCoopers Inc.			
4	Place unissued ordinary shares under control of directors			
5	Place unissued preference shares under control of directors			
6	Non-binding advisory vote on remuneration policy			
Special resolutions to:				
7	Remuneration: Approve non-executive directors' fees (2016):			
7.1	Standard Bank Group chairman			
7.2	Standard Bank Group director			
7.3	Standard Bank Group International director			
7.4	Group directors' affairs committee			
7.4.1	Chairman			
7.4.2	Member			
7.5	Group risk and capital management committee			
7.5.1	Chairman			
7.5.2	Member			
7.6	Group remuneration committee			
7.6.1	Chairman			
7.6.2	Member			
7.7	Group social and ethics committee			
7.7.1	Chairman			
7.7.2	Member			
7.8	Group audit committee			
7.8.1	Chairman			
7.8.2	Member			
7.9	Group IT committee			
7.9.1	Chairman			
7.9.2	Member			
7.10	Ad hoc meeting attendance			
8	Grant: General authority to acquire the company's ordinary shares			
9	Grant: General authority to acquire the company's non-redeemable preference shares			
10	Approve: Loans or other financial assistance to related or inter-related companies			

* Insert a cross or tick or number of votes. If no options are marked, the proxy can vote as he/she deems fit.

Signed at _____ on _____ 2016

Signature _____

Assisted by (where applicable) (State capacity and full name) _____

Please provide contact details Tel: ( ) Fax: ( )

E-mail: _____

Notes to the proxy form: ordinary shares

Please read the notes below:

1 A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space provided. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2 To be effective, completed proxy forms must be lodged by not later than 09:00 on Tuesday, 24 May 2016 with either the transfer secretaries or the registered office:

South Africa:
Computershare Investor Services Proprietary Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Fax: +27 11 688 5238

Registered office:
9th Floor, Standard Bank Centre
5 Simmonds Street, Johannesburg
PO Box 7725, Johannesburg, 2000
Fax: +27 11 636 4207

3 The completion and lodging of this form of proxy will not prevent the relevant ordinary shareholder from attending the annual general meeting and speaking and voting in person at the annual general meeting instead of the proxy.

4 The chairman of the annual general meeting may accept or reject any proxy form which is completed and/or received other than in compliance with these notes.

5 The signatories must initial any alteration to this proxy form, other than the deletion of alternatives.

6 Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the company.

7 Where there are joint holders of ordinary shares:

- any one holder may sign the proxy form; and
- the vote of the senior ordinary shareholder (for that purpose seniority will be determined by the order in which the names of the ordinary shareholders who tender a vote (whether in person or by proxy) appear in the company's register) will be accepted as to the exclusion of the vote(s) of the other joint shareholders.

8 All beneficial shareholders of ordinary shares who have dematerialised their shares through a CSDP or broker, other than those shareholders who have elected to dematerialise their shares in "own-name" registrations, must provide their CSDP or broker with their voting instructions. Voting instructions must reach the CSDP or broker in sufficient time to allow the CSDP or broker to advise the company or its transfer secretaries of this instruction by no later than 09:00 on Tuesday, 24 May 2016. We recommend that you contact your CSDP or broker to ascertain their deadline for submission.

If you have dematerialised your shares and wish to attend the meeting in person, you may do so by requesting your CSDP or broker to issue you with a letter of representation in terms of the custody agreement entered into with your CSDP or broker.

Letters of representation must be lodged with the company's transfer secretaries or at the registered office of the company by no later than 09:00 on Tuesday, 24 May 2016. We recommend that you contact your CSDP or broker to ascertain their deadline for submission.

Shareholders who hold certificated shares and shareholders who have dematerialised their shares in "own name" registrations, must lodge their completed proxy forms with the company's transfer secretaries or at the registered office of the company by not later than 09:00 on Tuesday, 24 May 2016.

9 Summary in terms of section 58(8)(b)(i) of the Companies Act, 2008: Section 58(8)(b)(i) provides that if a company supplies a form of instrument for appointing a proxy, the form of proxy supplied by the company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, 2008, which summary is set out below:

- A shareholder of a company may, at any time, appoint any individual, including an individual who is not a shareholder of that company, as a proxy, among other things, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
- A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person.
- A proxy appointment must be in writing, dated and signed by the shareholder; and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation.
- A shareholder may revoke a proxy appointment in writing. A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
- A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.

Proxy form – preference shareholders

Standard Bank Group Limited

(Registration number 1969/017128/06) (the company)
JSE share code: SBPP ISIN: ZAE000056339

To be completed by certificated preference shareholders and dematerialised preference shareholders with "own name" registrations only.

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the company.

I/We _____ (Name in block letters)

of _____ (Address in block letters)

being a shareholder(s) and the holder(s) of _____ non-redeemable shares of 1 cent each and entitled to vote hereby appoint (see note 1)

1 _____ or, failing him/her

2 _____ or, failing him/her

the chairman of the annual general meeting,

as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of shareholders to be held at 09:00 on Thursday, 26 May 2016, in the HP de Villiers Auditorium, Standard Bank Centre, 6 Simmonds Street, Johannesburg, and at any adjournment thereof as follows:

	Number of votes		
	For*	Against*	Abstain*
9 Grant: General authority to acquire the company's non-redeemable preference shares			

* Insert a cross or tick or number of votes. If no options are marked, the proxy can vote as he/she deems fit.

Signed at on _____ 2016

Signature _____

Assisted by (where applicable) (State capacity and full name) _____

Please provide contact details: Tel: ( ) Fax: ( )

E-mail: _____

Notes to the proxy form: preference shares

Please read the notes below:

1 A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space provided. The person whose name stands first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2 To be effective, completed proxy forms must be lodged by not later than 09:00 on Tuesday, 24 May 2016 with either the transfer secretaries or the registered office:

South Africa:
Computershare Investor Services Proprietary Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Fax: +27 11 688 5238

Registered office:
9th Floor, Standard Bank Centre
5 Simmonds Street, Johannesburg
PO Box 7725, Johannesburg, 2000
Fax: +27 11 636 4207

3 The completion and lodging of this form of proxy will not prevent the relevant non-redeemable preference shareholder from attending the annual general meeting and speaking and voting in person at the annual general meeting instead of the proxy.

4 The chairman of the annual general meeting may accept or reject any proxy form which is completed and/or received other than in compliance with these notes.

5 The signatories must initial any alteration to this proxy form, other than the deletion of alternatives.

6 Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to this proxy form unless previously recorded by the company.

7 Where there are joint holders of non-redeemable preference shares:
- any one holder may sign the proxy form; and
- the vote of the senior shareholder (for that purpose seniority will be determined by the order in which the names of the non-redeemable preference shareholders who tender a vote (whether in person or by proxy) appear in the company's register) will be accepted as to the exclusion of the vote(s) of the other joint shareholders.

8 All beneficial shareholders of non-redeemable preference shares who have dematerialised their shares through a CSDP or broker, other than those shareholders who have elected to dematerialise their shares in "own-name" registrations, must provide their CSDP or broker with their voting instructions. Voting instructions must reach the CSDP or broker in sufficient time to allow the CSDP or broker to advise the company or its transfer secretaries of this instruction by no later than 09:00 on Tuesday, 24 May 2016. We recommend that you contact your CSDP or broker to ascertain their deadline for submission.

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- A proxy appointment must be in writing, dated and signed by the shareholder; and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation.
- A shareholder may revoke a proxy appointment in writing. A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
- A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.

Shareholders' diary

2015 FINANCIAL YEAR	
Annual general meeting	26 May 2016

2016 FINANCIAL YEAR	
Financial year end	31 December 2016
Annual general meeting	May 2017
Reports	
Interim report and declaration of interim dividend	August 2016
Summarised annual financial statements and declaration of final dividend	March 2017
Publication of annual report	April 2017

DIVIDENDS PAYMENT	
Ordinary shares:	
Interim	September 2016
Final	April 2017
6.5% first cumulative preference shares:	
Six months ending 30 June 2016	September 2016
Six months ending 31 December 2016	April 2017
Non-redeemable, non-cumulative, non-participating preference shares:	
Six months ending 30 June 2016	September 2016
Six months ending 31 December 2016	April 2017

Financial and other definitions

STANDARD BANK GROUP	
Headline earnings (Rm)	Determined, in terms of the circular issued by the South African Institute of Chartered Accountants at the request of the JSE, by excluding from reported earnings specific separately identifiable remeasurements net of related tax and non-controlling interests.
Headline earnings per ordinary share (HEPS) (cents)	Headline earnings divided by the weighted average number of ordinary shares in issue.
Return on equity (ROE) (%)	Headline earnings as a percentage of monthly average ordinary shareholders' equity.
Shares in issue (number)	Number of ordinary shares in issue as listed on the exchange operated by the JSE.
Weighted average number of shares (number)	The weighted average number of ordinary shares in issue during the year as listed on the JSE.

OTHER DEFINITIONS	
Black	African, Coloured, Indian and South African Chinese people (who fall within the ambit of the definition of black people in the relevant legislation as determined by court ruling).
CPI (%)	A South African index of prices used to measure the change in the cost of basic goods and services.
International Financial Reporting Standards (IFRS)	International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).
Tutuwa initiative	Tutuwa is the group's black economic empowerment ownership initiative entered into in terms of the Financial Sector Charter.

Acronyms and abbreviations

A	
AGM	Annual general meeting
B	
Banks Act	South African Banks Act 94 of 1990
BASA	Banking Association of South Africa
Basel	Basel Capital Accord
The board	Standard Bank Group board of directors
C	
CIB	Corporate & Investment Banking
Companies Act/the Act	South African Companies Act 71 of 2008
CRO	Chief risk officer
CSDP	Central Securities Depository Participant
The code	The group's code of ethics
The company	Standard Bank Group Limited
CPI	Consumer price index
D	
DAC	Directors' Affairs Committee
DBS	Deferred bonus scheme
E	
EGS	Equity growth scheme
Exco	Group executive committee
G	
GAC	Group audit committee
GRCMC	Group risk and capital management committee
GROC	Group risk oversight committee
GSIS	Group share incentive scheme
The group	Standard Bank Group
H	
HEPS	Headline earnings per share
I	
ICAAP	Internal capital adequacy assessment process
ICBC	Industrial and Commercial Bank of China Limited
IFRS	International Financial Reporting Standards
<IR>	Integrated reporting
IT	Information technology
J	
JSE	JSE Limited, the licensed securities exchange in Johannesburg
K	
King Code	The Code of Corporate Practices and Conduct set out in the King Report on Corporate Governance for South Africa 2009
L	
Liberty	Liberty Holdings Limited and its subsidiaries
M	
MOI	Memorandum of Incorporation
O	
Outside Africa	SBG representation in countries outside of Africa
P	
PBB	Personal & Business Banking
PoPI	Protection of personal information
PRP	Performance Reward Plan
R	
R	South African rand
RCCM	Risk compliance and capital management
Remco	Remuneration committee
Rm	Millions of rand
ROE	Return on equity
Rest of Africa	SBG representation in Africa excluding South Africa

S	
SA	South Africa
SARB	South African Reserve Bank
SBG	Standard Bank Group
SBSA	The Standard Bank of South Africa Limited
SCMB	Standard Corporate and Merchant Bank
STRATE	Strate Limited – Central Securities Depository for electronic settlement of financial instruments in South Africa
T	
TCF	Treating customers fairly
Tutuwa	Black economic empowerment ownership initiative
Twin Peaks	Financial Sector Regulation Bill
U	
USD	United States dollar
Z	
ZAR	South African rand

Contact details

Standard Bank Group Limited

Registration No 1969/017128/06
Incorporated in the Republic of South Africa

Head: Investor relations

David Kinsey
Tel: +27 11 631 3931

Group financial director

Simon Ridley
Tel: +27 11 636 3756

Group financial director designate

Arno Daehnke
Tel: +27 11 415 4184

Group secretary

Zola Stephen
Tel: +27 11 631 9106

Registered address

9th Floor, Standard Bank Centre
5 Simmonds Street
Johannesburg 2001
PO Box 7725
Johannesburg 2000

Website: **www.standardbank.com**

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Please direct all customer-related queries and comments to: Information@standardbank.co.za
Please direct all investor relations queries and comments to: InvestorRelations@standardbank.co.za

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