Standard Bank Group

GOVERNANCE AND REMUNERATION REPORT

for the year ended 31 December 2021

Standard Bank IT CAN BE™

Also trading as Stanbic Bank

Our reporting suite

Our full suite of reports caters for the diverse needs of our stakeholders. As the central connection point of our reporting suite and the primary report to our stakeholders, the integrated report contextualises the information in our other reports. Our remaining reports provide additional disclosure on our performance for the year and satisfy various compliance reporting requirements.

Our annual integrated report

Provides an outline of our ability to create and preserve value, and guard against value erosion in the short, medium and long term.

Governance and remuneration report

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

Environmental, social and governance (ESG) report

Provides an overview of the group's processes and governance structures as they relate to social and environmental matters.

Annual financial statements

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

Risk and capital management report

Sets out the group's approach to risk management.

Report to society (RTS)

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

Climate-related financial disclosures (TCFD aligned reporting)

Discusses how the group is managing the risks and responding to the opportunities presented by climate change, aligned to Task force on climate-related financial disclosures (TCFD) reporting.

Key frameworks applied	AIR	GOV/REM	RCM	AFS	ESG	RTS
The International Integrated Reporting <IR> Framework	✓					
Companies Act, 71 of 2008, as amended (Companies Act)		✓		✓		
Johannesburg Stock Exchange (JSE) Listings Requirements	✓	✓	✓	✓		
King IV Report on Corporate Governance for South Africa 2016™*	✓	✓	✓	✓	✓	
International Financial Reporting Standards (IFRS)			✓	✓		
South African Banks Act, 94 of 1990 (Banks Act)		✓	✓	✓		
Basel Committee on Banking Supervision's public disclosure framework		✓	✓			
CDP (previously Carbon Disclosure Project)					✓	
The Financial Stability Board's TCFD					✓	
United Nations (UN) Sustainable Development Goals (SDGs)						✓

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

Subsidiary annual reports

Our subsidiaries account to their stakeholders through their own annual reports, available on their respective websites.

- The Standard Bank of South Africa Limited (SBSA)
- Liberty Holdings Limited (Liberty)
- Other subsidiary reports, including legal entities in Africa Regions.

Our reporting portal

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

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

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

Contents

Corporate governance report

Remuneration report

How to navigate our reports

The following icons refer readers to information across our reports:

Refers readers to information elsewhere in this report.

Refers readers to information in other reports online.

For information on forward-looking statements, refer to the inside back cover.

Our approach to governance

The 2021 financial year was another challenging year given the ongoing effects of Covid-19 and, in South Africa particularly, the aftermath of the July civil unrest that resulted in looting and damage to properties. The board was there to lead and provide oversight to management as the group assisted its clients and the economies in which we operate to recover from the aftermath.

In these times, the resilience and robustness of our governance framework, its structures and processes were tested. Through it all, the board continued to uphold the highest corporate governance standards and in all its deliberations, considered an integrated approach, one which took into account the impact of our operations on the natural environment and on the society and the economies in which we operate.

KEY BOARD CONSIDERATIONS DURING 2021

Environmental sustainability

The board has spent a considerable amount of time discussing environmental, social and governance (ESG) issues, particularly environmental sustainability matters. The group has made good progress in further incorporating sustainability thinking and climate change into our strategy and how we do business.

Following SBG's commitment at the 2021 AGM to publishing a climate strategy and to setting and publishing climate targets, the board is pleased to announce that it approved its first climate policy. The policy sets out the group's commitment to achieving net zero carbon emissions from its own operations by 2040 and from its financing business by 2050.

Read more about how the board has upskilled itself on ESG matters on **page 22**.

Board in times of Covid-19

The board continued its oversight role in how the group managed the effects of the pandemic on its operations, clients, employees and other stakeholders.

Read more about the board's response to Covid-19 and civil unrest on **page 15**.

All board meetings and engagements were held virtually since the institution of lockdown restrictions in March 2020, until November 2021, when the board hosted its first round of hybrid meetings. This provided an opportunity for board members to test the impact of the 'new normal' as the group transitioned to having in-person meetings.

The board conducted the group's AGM virtually for the second year in alignment with the stringent national lockdown restrictions in place in South Africa at the time.

Read more about the AGM on **page 50**.

Board changes and succession

Paul Cook was appointed to the board in February 2021. Lubin Wang, the nominated director from the Industrial and Commercial Bank of China (ICBC), resigned from the board and was replaced by Li Li in November 2021. André Parker retired from the board at the conclusion of the 2021 AGM having reached the mandatory non-executive director retirement age and Maureen Erasmus resigned from the board with effect from 16 February 2022.

The chairman of the board, Thulani Gcabashe, will be retiring from the board at the close of the 2022 AGM. An announcement of his successor would have been made at the time of the publication of this report.

In line with the group's corporate governance arrangements, the board regularly reviews its composition to ensure its effectiveness and the appropriateness of its skillset, experience of members, tenure, independence, and diversity. Succession processes are underway and on track to appoint suitable successors for directors affected by the implications of Directive 4/2018 and the Prudential Standard FC04 – Governance and Risk Management for Financial Conglomerates.

Read more about board and board committee membership changes during the year on **page 20**.

Board committee changes

In line with the group's transformation aspiration to being a platform organisation the board reconstituted the group technology and information committee to the group engineering committee (GEC). This reconstitution expands the board committee's oversight responsibilities to focus more on specific components of the group's strategic platform initiatives as well as data and technology-related innovation initiatives and strategies.

The group large exposure credit committee (GLECC) was established in 2021 for the approval of large exposures in accordance with regulatory requirements.

Read more about how the board continues to ensure its structures are relevant for meeting the group's strategy on **pages 25**. The board's digital and technology journey is also illustrated on **page 22**.

Board evaluation

The 2021 board evaluation review was internally facilitated, conducted by the group chairman in conjunction with the group secretary, with oversight by the directors' affairs committee (DAC). While the evaluation allowed for the board to review its effectiveness in 2021, the evaluation also intended to follow up on matters raised by directors in the 2020 Korn Ferry board effectiveness review, to assess whether directors were satisfied with the progress made.

A summary of findings from the review can be found on **pages 43** and **44**.

OUR GOVERNANCE PHILOSOPHY

- Establishing strategic direction
- Ensuring compliance with corporate policies, standards and procedures
- Executing strategy and managing risks

Vision – **Purpose** – **Values** – **Strategic priorities** – **Strategic value drivers**

- Stakeholder engagement
- Values-based strategic and ethical leadership
- Board and board committee oversight
- Compliance with legal and regulatory requirements
- Policies and procedures
- Ongoing performance evaluation
- Transparency and accountability

Our board

Chairman

DAC GRCMC GSEC GLECC REMCO

Thulani Gcabashe 64

Chairman and independent non-executive director, SBG and SBSA

Board meeting attendance: 11/12*

Appointed

1 July 2003
28 May 2015 as chairman

Qualifications

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

Key strengths

- business leadership
- executive management of a complex business
- solid strategic planning experience

External directorships

- Built Environment Africa Capital (chairman) and related entities
- African Olive Trading 160 (Pty) Ltd
- Lightsource (Pty) Ltd

Previous roles

- chairman of Imperial Holdings
- chief executive officer (CEO) of Eskom between 2000 and 2007.

Deputy chairmen

DAC GRCMC GEC

Xueqing Guan 58

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

Board meeting attendance: 7/12

Appointed

1 August 2020

Qualifications

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

Key strengths

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

Appointments held

- board secretary ICBC

Previous roles

- General manager of corporate strategy and investor relations department of ICBC
- Head of Sichuan branch, ICBC.

GMAC GSEC GRCMC GLECC REMCO

Jacko Maree 66

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

Board meeting attendance 12/12

Appointed

21 November 2016

Qualifications

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

Key strengths

- more than 40 years' experience in banking and leadership
- deep insights into the role and challenges facing a chief executive
- skilled team builder

Other governing body and professional positions held

- China Investment Corporation – international advisory council
- Presidential special envoy on investment to South Africa

External directorships

- Phembani Group (Pty) Ltd

Previous roles

- CEO of the group for more than 13 years
- senior banker focusing on key client relationships
- Chairman of Liberty Holdings Ltd and of Liberty Group Ltd.

* An apology was received for the 2021 March board and committee meetings due to compassionate leave taken.

Committees:

DAC	Group directors' affairs committee	GAC	Group audit committee	GSEC	Group social and ethics committee
GEC	Group engineering committee	GRCMC	Group risk and capital management committee	GMAC	Group model approval committee
REMCO	Group remuneration committee	GLECC	Group large exposure credit committee		Committee chairman

Lead independent director

GAC REMCO GRCMC DAC

Executive directors

GEC GMAC GSEC GLECC

GMAC GEC GLECC

Trix Kennealy 63

Lead independent director, SBG and independent non-executive director, SBSA

Board meeting attendance: 12/12

Appointed
21 November 2016

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

Key strengths
- extensive operational and strategic management experience across a variety of industries and sectors
- corporate governance experience spanning more than 30 years
- broad experience in strategic financial management including restructuring, acquisitions and integrations

External directorships
- Sasol Ltd

Previous roles
- chief financial officer (CFO) of the South African Revenue Service
- chief operating officer (COO) of ABSA corporate and business bank.

Sim Tshabalala 54

Group CEO, and executive director, SBG and SBSA

Board meeting attendance 11/12

Appointed
7 March 2013

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

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

Appointments held within the group
- Stanbic Africa Holdings Ltd
- Tutuwa Community Holdings (Pty) Ltd (chairman)

Other governing body and professional positions held
- Institute of International Finance
- International Monetary Conference
- Palaeontological Scientific Trust.

Arno Daehnke 54

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

Board meeting attendance: 12/12

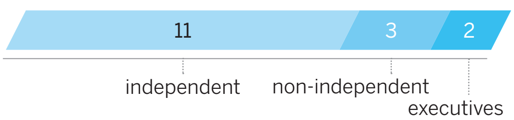
Appointed
1 May 2016

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

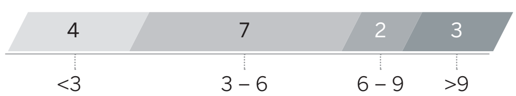
Key strengths
- detailed understanding of banking regulations
- strong financial management, budgeting and forecasting skills
- extensive balance sheet management experience, including capital and liquidity management at group and subsidiary level

Appointments held within the group
- Stanbic Africa Holdings Ltd.

Independence



Tenure (years)



Non-executive directors

GMAC GEC GSEC

DAC GRCMC GSEC

DAC GEC GRCMC [1]

Paul Cook 41

Independent non-executive director, SBG and SBSA

Board meeting attendance: 11/12*

Appointed

22 February 2021

Qualifications

- PhD in physics (California Institute of Technology)
- Bachelor of science with honours (University of the Witwatersrand)

Key strengths

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

External directorships

- Silvertree Brands
- CEO of Faithful to Nature (Pty) Ltd

Previous roles

- co-founder and managing director of Silvertree Holdings (Pty) Ltd
- managing director, Ringier Africa Deals Group.

* An apology was received for the special meeting held on 28 July 2021

Geraldine Fraser-Moleketi 61

Independent non-executive director, SBG and SBSA

Board meeting attendance: 12/12

Appointed

21 November 2016

Qualifications

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

Key strengths

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

Other governing body and professional positions held

- UN economic and social council, committee of experts of public administration (chairman)
- Nelson Mandela University (chancellor)
- Mapungubwe Institute for Strategic Reflection
- Government Technical Advisory Centre Winter School Advisory Panel

External directorships

- Exxaro Resources Ltd
- Tiger Brands Ltd (chairman)

Previous roles

- special envoy on gender at African Development Bank Côte d'Ivoire
- director of the UN development programme's global democratic governance group
- minister of welfare and population development from 1996 to 1999, and public service and administration from 1999 to 2008
- ISID Advisory Board McGill University Canada.

Li Li 44

Non-executive director, SBG and SBSA

Board meeting attendance: 2/2

Appointed

11 November 2021

Qualifications

- Master's degree in economics (University of International Business and Economics)
- Bachelor's degree in economics (Zhengzhou University)

Key strengths

- senior management experience in ICBC overseas branch
- Enterprise risk management
- more than ten years experience in Compliance and AML

Appointments held within the group

- ICBC Standard Bank Plc

Other governing body and professional positions held

- chief representative officer of ICBC African representative office

Previous roles

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

1 In capacity as alternate to Xueqing Guan.

Committees:

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GEC	Group engineering committee	GRCMC	Group risk and capital management committee	GMAC	Group model approval committee
REMCO	Group remuneration committee	GLECC	Group large exposure credit committee		Committee chairman

GRCMC GAC REMCO DAC

GSEC DAC GRCMC

GRCMC GEC GLECC

Nomgando Matyumza 59

Independent non-executive director, SBG and SBSA

Board meeting attendance: 12/12

Appointed

21 November 2016

Qualifications

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

Key strengths

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

External directorships

- Sasol Ltd
- Volkswagen of South Africa (Pty) Ltd

Previous roles

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

Kgomotso Moroka 67

Non-executive director, SBG and SBSA

Board meeting attendance: 10/12*

Appointed

1 July 2003

Qualifications

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

Key strengths

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

Other governing body and professional positions held

- member of the Johannesburg Society of Advocates

External directorships

- Kalagadi Manganese (Pty) Ltd
- Temetayo (Pty) Ltd (chairman)
- Multichoice Group Ltd and Multichoice South Africa Holdings (Pty) Ltd
- Netcare

Previous roles

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

Nonkululeko Nyembezi 62

Independent non-executive director, SBG and SBSA

Board meeting attendance: 12/12

Appointed

1 January 2020

Qualifications

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

Key strengths

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

External directorships

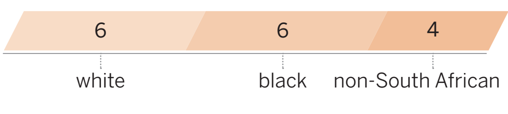
- JSE Limited (chairman)
- Anglo American Plc
- Macsteel Service Centres South Africa (Pty) Ltd (chairman)

Previous roles

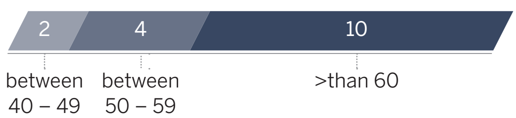
- CEO of ArcelorMittal South Africa
- CEO and executive director of Ichor Coal N.V
- chairman of Alexander Forbes Group Holdings
- non-executive director of Old Mutual.

* Apologies were received for the special board meetings held on 7 July and 28 July 2021.

Race



Age



GAC GSEC

Martin Oduor-Otieno 65

Independent non-executive director, SBG and SBSA

Board meeting attendance: 12/12

Appointed

1 January 2016

Qualifications

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

Key strengths

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

Other governing body and professional positions held

- Chairman of the Council of the Africa Executive Coaching Council (AECC)

External directorships

- GA Life Insurance Company
- British American Tobacco Kenya
- East African Breweries Ltd (chairman)

Previous roles

- CEO of the Kenya Commercial Bank Group
- partner at Deloitte East Africa
- member of SOS Children's Village International
- non-executive director of Kenya Airways Plc

GAC DAC REMCO GEC

Atedo Peterside CON 66

Independent non-executive director, SBG and SBSA

Board meeting attendance: 12/12

Appointed

22 August 2014

Qualifications

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

Key strengths

- strong business and banking experience as the founder and former CEO of the Investment Bank and Trust Company Limited
- seasoned investment banker and trained economist

Other governing body and professional positions held

- Endeavor High Impact Entrepreneurship Ltd/Gte (chairman)

External directorships

- Anap Holdings Ltd (chairman)
- Anap Business Jets Ltd (chairman)

Previous roles

- founder and CEO of the then IBTC
- chairman of Stanbic IBTC Bank Plc and Cadbury Nigeria Plc
- non-executive director of Flour Mills of Nigeria Plc, Unilever Nigeria Plc and Nigerian Breweries Plc.

Committees:

DAC	Group directors' affairs committee	GAC	Group audit committee	GSEC	Group social and ethics committee
GEC	Group engineering committee	GRCMC	Group risk and capital management committee	GMAC	Group model approval committee
REMCO	Group remuneration committee	GLECC	Group large exposure credit committee		Committee chairman

GRCMC DAC GLECC

Myles Ruck 66

Independent non-executive director, SBG and SBSA

Board meeting attendance: 11/12*

Appointed

18 January 2002

Qualifications

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

Key strengths

- strong banking experience with a career spanning over 30 years
- experience in running a large and complex business
- extensive risk management experience

Appointments held in the group

- Stanbic Bank Ghana Ltd

Previous roles

- deputy CEO of SBG
- CEO of the Liberty Group
- chairman of ICBC Argentina
- non-executive director of Bidvest Group Ltd
- non-executive director of Mr Price Group Ltd.

* An apology was received for the special meeting held on 28 July 2021

GEC GAC GRCMC

John Vice 69

Independent non-executive director, SBG and SBSA

Board meeting attendance: 11/12*

Appointed

21 November 2016

Qualifications

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

Key strengths

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

External directorships

- Anglo American Platinum Ltd

Previous roles

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

* An apology was received for the special meeting held on 6 September 2021

Nationality

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

Value creation through good corporate governance principles

The challenges presented by Covid-19 have emphasised the importance of corporate governance. The board continues to ensure that it maintains its commitment to high standards of corporate governance through transparency, good performance, effective controls, integrity and a sound, ethical culture across the group.

This is established through the following mechanisms:

Internal controls
Adherence to frameworks, standards, mandates and policies, and the group's Memorandum of Incorporation (MOI), which cover all aspects of the organisation's activities.

External regulations
Compliance with all applicable regulatory requirements, including those set out in the South African Banks Act and Companies Act, Basel Corporate Governance Principles for Banks, JSE Listings Requirements and King IV.

King IV forms the cornerstone of our corporate governance principles and practices

The governance objectives set out by the board are aligned to the principles of King IV. This report demonstrates how the board applies the King IV principles to guide and sets the strategic direction of the group, approves the necessary policies and plans that support the delivery of the group strategy, and ensures the oversight and monitoring of the group's performance while ensuring appropriate accountability.

PRINCIPLES OF KING IV

Leadership, ethics and corporate citizenship ✓

Strategy, performance and reporting ✓

Governing structures and delegation of authority ✓

Governance of functional areas ✓

Stakeholder relationships ✓

✓ Applied △ Partially applied ✗ Not applied

Leadership, ethics and corporate citizenship

LEADERSHIP

PRINCIPLE 1

The board leads the group ethically and effectively.

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

As was the case in 2020, 2021 was equally challenging for the group as it dealt with the ongoing effects of the pandemic and the social unrest in South Africa. In these challenging times, it was even more important that the board demonstrated effective leadership.

The governance framework outlines the board's governance structures and ensures effective board leadership. As demonstrated in the board skills matrix, reflected on page 21, board members have the necessary competence to discharge their duties and to provide strategic direction and control of the group as provided for in the board mandate and the MOI, in the best interests of the group.

ORGANISATIONAL ETHICS

PRINCIPLE 2

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

Entrenching ethics

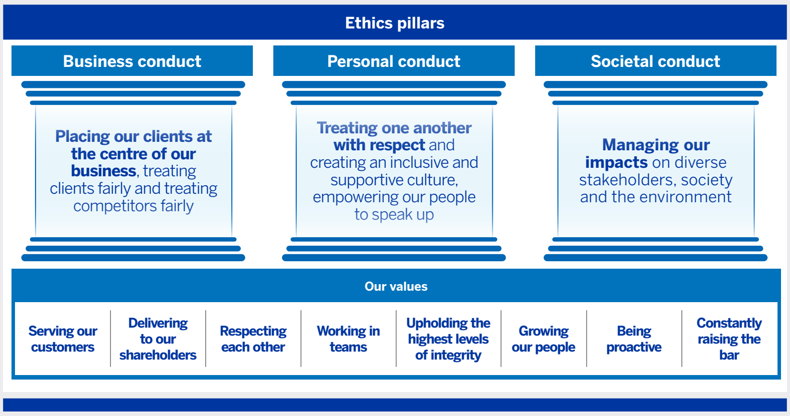
The board exercises oversight of executive management's efforts to foster a culture of ethics and appropriate conduct. The board and executive management set the tone from the top to instil a culture of treating customers fairly, achieving positive client outcomes, operating in an ethical and sound manner and doing the right business in the right way. As the group undergoes its future-ready transformation (FRT) journey, we believe that the group's overarching governance framework structures are robust to ensure that the board has effective oversight over the conduct and culture of the group.

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

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

Code of ethics and conduct

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



All group standards, policies and procedures are aligned to the code of ethics and conduct. At an absolute minimum, we adhere to and comply with all the legal obligations of the jurisdictions in which we operate. Our subsidiary governance framework and the relevant policies establish a common standard of corporate governance and conduct across the group.

Mechanisms are in place for employees and other stakeholders to seek advice or report concerns about unethical or unlawful behaviour on a confidential basis. Information on the whistle-blowing policy and processes is regularly communicated to employees and is publicly available to external stakeholders on the group's website and in our annual ESG report.

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

Dealings in securities

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

RESPONSIBLE CORPORATE CITIZENSHIP

PRINCIPLE 3

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

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

Being a responsible corporate citizen

The board oversees and monitors how the consequences of the group's activities and outputs affect it's status as a responsible corporate citizen thereby affecting its legitimacy. This oversight and monitoring are performed against the group's strategic value drivers, including the overall impact on the group's social, economic and natural environment.

Response to Covid-19 and South Africa's civil unrest

The ongoing pandemic put to test every organisation's statement on responsible corporate citizenship as organisations were called upon to step up and demonstrate this. The board is pleased with the group's demonstrable impact in the actions it took to assist its stakeholders. Our focus throughout 2020 and 2021 has been to continue serving our clients, while supporting our employees and clients as they navigate the risks brought about by the pandemic and the civil unrest. The lessons learnt from the pandemic prepared the group to respond swiftly to the impacts of the South African riots and looting in July, which placed additional strain on an already suffering economy. The group remained strategic in our response and balanced in our approach.

The board, together with the GRCMC, GEC, GSEC and the GAC played important roles in guiding and overseeing the group's response to the various impacts of the pandemic and dealing with the aftermath of the civil unrest. The board considered and endorsed management's approach to respond to and recovery from the pandemic.

RTS Read more about the group's response and support provided to clients, employees and communities in which we operate.

Environmental sustainability

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

The board has tasked GSEC to oversee the social and environmental impacts of the group's business activities, including climate-related impacts. It oversees the integrity of the relevant external reports including the report to society, ESG report, climate-related financial disclosures and the SBSA transformation report.

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

Risk oversight of climate related financial risk

The board's GRCMC has oversight of risk management, including climate-related financial risk and climate risk associated with our own operations. The board has delegated this oversight role to the GRCMC, which oversees financial and operational climate-related risk.

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

Relevance

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

Political party contribution

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

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

Strategy, performance and reporting

STRATEGY AND PERFORMANCE

PRINCIPLE 4

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

Delivering good performance

The actions of the group are purpose driven, in line with the board-approved strategic priorities and 2025 Ambitions. The board appreciates the interconnectedness between the group's purpose, vision, values and legitimacy, the risks and opportunities it navigates, its architecture and performance. The group's strategic priorities are consistent with integrated thinking and connect to the strategic value drivers to ensure overall good performance that results in shared value.

CLIENT FOCUS +	EMPLOYEE ENGAGEMENT +	RISK AND CONDUCT +	OPERATIONAL EXCELLENCE =	FINANCIAL OUTCOME	SEE IMPACT
Value for clients: We provide consistently excellent client and partner experiences via an expanded range of innovative solutions.	**Value for employees:** We ensure our people feel deeply connected to our purpose, and are empowered and recognised.	**Value for all our stakeholders:** We do the right business, the right way.	**Value for clients:** We use technology and data to better serve and protect our clients, reduce costs and scale our platforms.	**Value for shareholders:** We allocate our resources diligently to deliver attractive shareholder returns.	**Value for society:** We drive Africa's growth by delivering shared value. We are aligned to the United Nations (UN) Sustainable Development Goals (SDGs).

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

Deep-drill sessions are held on all client segments, including consumer and high net worth clients (CHNW), business and commercial clients (BCC) and corporate and investment banking (CIB). These sessions focus on the market and business competitive positioning, areas of focus for the business, and each of the segments' True North metrics. It is at these sessions where the board confirmed the revised strategic priorities, being transforming client experience; executing with excellence; and driving sustainable growth and value.

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

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

- Additional feedback from management on the progress to date from 'future-ready' workstreams was received.
- Throughout the month of July the board hosted a series of weekly 'fireside' conversations with management to discuss group performance. This included, but was not limited to:—
  - the balance between 'Future-ready Transformation' and current business priorities;
  - share price performance, annual budgeting, system stability and communication; and
  - ESG considerations.

These sessions followed a less formal approach to traditional board meetings and provided both the board and management with additional avenues to discuss group performance and get insights into the business.

Topics discussed at the 2021 strategy summit included an address by the South African Reserve Bank (SARB) governor, understanding opportunities and risks present in our competitive environment, assessing growth opportunities in Horizon 2 and 3 timeframes while preparing to support recovery in the group's markets after the pandemic and ensuring integrated sustainability thinking in the group's strategy.

Board meetings

1	2	3	4
A forward planner with standing agenda items is prepared by the group secretary.	The chairman consults with the group CEO (assisted by the group secretary) taking into account emerging issues affecting the group.	Care is taken to ensure that the board has enough time to consider matters critical to the group's success, including compliance and governance matters and that papers are circulated in advance of meetings.	At the close of each board meeting, non-executive directors meet without the executive directors in closed sessions led by the chairman. These sessions provide non-executive directors with an opportunity to test thoughts among peers and to raise any matters not deemed appropriate for discussion in the presence of the executives. Feedback is provided by the chairman to the group CEO on closed session discussions.

During 2021, the board continued to host all of its meetings virtually, with the exception of the November 2021 board meetings in which a hybrid-model was introduced. A secure electronic software system is used to access board papers and materials. Board packs are circulated to board members prior to meetings, to provide adequate time for the board members to apply their minds to the content. A resource centre containing comprehensive reference materials is also made available to board members via this secure system.

Meetings held in 2021:

Meeting	Date
Quarterly board meeting	10 March 2021
Special board meeting – to consider the buyout of the remaining non-controlling shareholding in the Liberty Group	23 March 2021
Special board meeting – to discuss an overview of the strategy and Future-ready Transformation	17 May 2021
Special board meeting – to consider the buyout of the remaining non-controlling shareholding in the Liberty Group	24 May 2021
Quarterly board meeting	26 May 2021
Special board meeting – to discuss the buyout of the remaining non-controlling shareholding in the Liberty Group	7 July 2021
Virtual strategic update / investor day	28 July 2021
Quarterly board meeting	18 August 2021
Special board meeting – approval of circulars to ordinary and preference shareholders in Liberty Holdings Limited	6 September 2021
Board strategy summit	27 – 28 September 2021
Meeting with the SARB Prudential Authority and the Financial Sector Conduct Authority (FSCA)	23 November 2021
Quarterly board meeting	25 November 2021

Key matters considered by the board during the year are included in the table below.

Value driver	Key board discussions and decisions	Link to stakeholder groups
CLIENT FOCUS	• Considered and approved SBG's intention to acquire Liberty Holdings Limited's minority interest, delisting Liberty from the JSE and to fully integrate Liberty into SBG • Deep-drill sessions were held for all client segments, including CHNW, BCC and CIB. The sessions focused on the market and business competitive positioning, areas of focus for the business, and their True North metrics • Discussed the group's complaints management programme and management's commitment to addressing address issues raised by clients • Considered deep drills on Africa Regions' subsidiaries • Considered the group strategic update and virtual tour for investors. The objective of the event was to provide the market with an update on the group's strategic direction and medium-term objectives and targets • Considered and approved the group climate policy and climate risk management framework.	
FINANCIAL OUTCOME	• Reviewed and approved the group's annual financial statements and interim results • Approved the declaration of interim and final preference and ordinary shares dividends • GAC considered the adequacy of financial provisions in the annual financial statements • Considered the adequacy of the group's capital and liquidity balances, and its ability to continue as a going concern for the interim and financial year end.	
RISK AND CONDUCT	• Reviewed and confirmed the appropriateness and adequacy of the group credit metrics and ensured they remained within approved risk appetite limits.	
	• Received comprehensive update on key risk and control matters across our operations in Africa Regions • Considered the third-party risk management framework • GAC discussed and resolved to approve the appointment of Francis Karuhanga as the group chief audit officer replacing Mike White in April 2021 • Considered the risk management report.	
	• Reviewed and discussed common themes that contributed to regulatory penalties, including root cause analyses on relevant case studies across the industry and control enhancements implemented to reduce the residual risk for the group • Considered the internal audit reports and management's remedial actions on audit findings • Considered the GAC's recommendation to shareholders on the re-appointment of external auditors • The GAC considered and approved the mandatory audit firm rotation plan • Considered the conduct dashboards of the different business segments and the corporate functions • Received feedback from the chairmen of GRCMC, GMAC, GAC, DAC, GSEC, Remco and GEC.	
EMPLOYEE ENGAGEMENT	• Considered the adequacy of management actions regarding support provided to employees during the period, including the impact of Covid-19 and the civil unrest on employees mental wellbeing • Board received updates and reviewed the group's progress against transformation, diversity and Inclusion targets • Considered the results from the annual 'Are you a Fan' employee survey • Discussed the group's youth development and employment strategy and impact, including the group's graduate, learnership/internship programme and bursary scheme.	
GOVERNANCE	• Approved the appointment of ICBC nominated non-executive director, Li Li, who replaced Lubin Wang when he resigned • Approved the 2021 corporate governance, risk and capital management process in line with regulation 39 of the Banks Act • Considered and approved the composition of the board and its committees • Approved the appointment of directors to subsidiary boards • Approved the amendments to the board nomination and appointment policy and the management of conflicts of interest policy.	

Customers Employees Shareholders Regulators Society

Value driver	Key board discussions and decisions	Link to stakeholder groups
OPERATIONAL EXCELLENCE	• Reviewed the external audit technology report for the financial year • Reviewed the group delegation of authority framework for appropriateness • Deep drills were held on the group's strategic technology investments led by the group chief innovation officer • Deep drill sessions were held on the group's core banking programme to transform client experience and ensure alignment with future business needs • Considered and approved the appointment of Yinka Sanni as the chief executive, Africa Regions in April 2021, taking over from Sola David-Borha on her retirement • Considered and discussed the group's system stability and resilience, understanding the root causes to significant disruptions to the online services delivered through the group's digital channels • Considered the engineering and the group technology report • Considered regular feedback on the group's 'Always On, Always Secure' programme.	Shareholders, Regulators, Customers
SEE IMPACT	• Considered group reputational matters and group's account on engagements with stakeholders, including shareholders, employees regulators and clients • Considered SBSA and Africa Regions' corporate and social responsibility initiatives (CSI) • Discussed SBSA's consumer financial education program assisting in the development of financial knowledge for individuals and small businesses • Considered the shareholder requisitioned non-binding advisory resolution and the group's response.	Shareholders, Regulators, Customers, Society

Customers Employees Shareholders Regulators Society

Access to and flow of information

Directors have unrestricted access to executive management and company information, as well as the resources required to carry out their duties and responsibilities. Access to external specialist advice is available to directors at the group's expense in line with the board-approved policy for obtaining independent professional advice by directors. Information about the latest issues affecting the group is also circulated as and when appropriate.

Conflicts of interest

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

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

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

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

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

REPORTING

PRINCIPLE 5

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

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

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

Governing structures and delegation of authority

ROLE AND RESPONSIBILITIES OF THE BOARD

PRINCIPLE 6

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

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

COMPOSITION OF THE BOARD

PRINCIPLE 7

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

The collective background of board members provides a balanced mix of attributes of skills, demographics, gender, nationalities, experience and tenures to enable it to fulfil its governance role and responsibilities objectively and effectively.

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

Changes to the board and committees in 2021

- Paul Cook was appointed to the boards of SBG and SBSA as an independent non-executive director on 22 February 2021. He was appointed to the GMAC and the GEC on 10 March 2021, and the GSEC on 18 August 2021.
- André Parker retired as independent non-executive director from the boards of SBG and SBSA at their respective AGMs on 27 May 2021 and 26 May 2021.
- Trix Kennealy was appointed to the DAC on 18 August 2021.
- Nonkululeko Nyembezi was appointed to the GLECC on 1 September 2021.
- Li Li was appointed in Lubin Wang's stead as the ICBC nominated director on SBG and SBSA boards with effect from 11 November 2021. He was appointed as an alternate committee member to Dr Xueqing Guan on DAC, GRCMC and GEC.

Thulani Gcabashe will be retiring from the board at the end of the 2022 AGM. His successor would have been announced at the time of publication of this report.

Skills of our board

The below indicates the number of directors who are considered as highly skilled and experienced in each area.

10/16

Banking and other financial services

Experience in banking including investment banking, retail banking, global financial markets or consumer products; and/or experience in other financial services, including insurance and asset management.

These skills enable the board to evaluate the group's business model, strategies and the industries in which it competes.

8/16

Accounting and auditing

Knowledge of or experience in accounting, financial reporting or auditing processes and standards.

These skills enable the board to effectively oversee the group's financial position and condition and the accurate reporting thereof, and to assess the group's strategic objectives from a financial perspective.

12/16

People development, diversity & inclusion and remuneration

Experience in senior executive development, succession planning, diversity, inclusion and executive remuneration.

These skills help the board to effectively oversee the group's efforts to recruit, retain and develop key talent and provide valuable insight in determining compensation including that of executive officers.

10/16

Doing business in sub-Saharan Africa/international markets and client centricity

Experience in diverse geographic, political and regulatory environments in sub-Saharan African markets and international financial markets, meeting client needs in these jurisdictions.

These skills enable the board to effectively oversee the group as it operates and serves its customers across its footprint.

5/16

IT/Digital (Technology)

Experience with or oversight of innovative technology, cybersecurity, information systems/data management, FinTech or privacy management.

These skills enable the board to oversee the security of the group's operations, assets and systems as well as the group's ongoing investment in and development of innovative technology and digitisation.

12/16

Public company governance

Skills and experience in assessment and management of risk (including non-financial risk) and capital management.

These skills enable the board to effectively oversee risk and capital management and understand the most significant risks facing the group.

9/16

Risk & capital management and controls

Skills and experience in assessment and management of risk (including non-financial risk) and capital management.

These skills enable the board to effectively oversee risk and capital management and understand the most significant risks facing the group.

13/16

Leadership of a large complex organisation

Senior executive experience managing business operations and strategic planning.

These skills allow board members to effectively oversee the group's complex operations.

10/16

Regulation/public policy

Understanding of and experience in regulated businesses, regulatory requirements, including conduct and culture, and relationships with global regulators.

These skills enable the board to assess and oversee the group's compliance with applicable regulations and ensure appropriate conduct.

8/16

Environmental/social

Understanding of and experience in regulated businesses, regulatory requirements, including conduct and culture, and relationships with global regulators.

These skills enable the board to assess and oversee the group's compliance with applicable regulations and ensure appropriate conduct.

Upskilling board members

Environmental sustainability

In the last couple of years, the board has made efforts in upskilling its knowledge and skillset of board members on ESG matters to enable it to effectively fulfil its governance role. The group:

- Partnered with institutions for training and education
  - received updates on emerging policies, regulatory frameworks on ESG
  - partnered with the School of Oriental and African Studies (SOAS) University of London for its knowledge development and hosting of the group 's first 'Journey to Zero' climate change conference
  - engaged with leading knowledge institutions, i.e., Institute of International Finance and S&P
- Leveraged directors' experience
  - The board drew from directors whose experience came from industries at the forefront of reducing the adverse impact of climate change, such as energy, agriculture, food retail, etc.
- Incorporating ESG into future director search specifications
  - The board has considered this skillset as part of its future director search specifications and incorporated this into its board continuity plans. The board recognises that many people with such skills may prefer to be independent advisors rather than accept the considerable time demands and heavy fiduciary responsibilities borne by directors, and has included this in its considerations.

Digital/technology knowledge

The group board, as well as individual in-country boards, underwent training over the last few years to ensure digital and technology upskilling. The journey included various training topics and milestones as noted in the timeline below:

Years	
2017	△ Future of financial services
2018	△ Impact of FinTech △ The future customer, growing technological capabilities and innovation
2019	△ Blockchain △ Artificial Intelligence △ Internal audit in new digital work ○ Commenced the Massachusetts Institute of Technology (MIT) educational programme for Digital Savvy Boards
2020	○ Completed the MIT Digital Savvy Board programme
2021	○ Constituted the GEC ○ Core Banking Journey – Past, Present and Future ○ Strategic Technology Investments

△ Training topics
○ Milestones

Ongoing director training

Ongoing director education ensures that the board has both the awareness of relevant trends and the appropriate skills to offer relevant counsel and provide effective oversight as the group delivers its 2025 Ambition.

Ongoing director training dates are scheduled in advance and form part of the board's annual calendar. Directors are kept abreast of applicable laws and regulations, changes to legislation, standards and codes, as well as relevant financial sector developments that could affect the group and its operations.

Other topics considered in 2021 included:

ESG

A specialist-led panel discussion on ESG coordinated by the CIB team

Anti-Financial Crime

A refresh of some of the well-known concepts of money laundering, terrorist financing and proliferation financing as well as the measures that the group has in place to mitigate these risks

Financial Conglomerate Standards

An update on the group's readiness for the implementation of the Financial Conglomerate Standards and an overview of the board's responsibilities in this regard.

Diversity

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

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

Board appointment process and induction

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

Board appointment process:

- The DAC recommends a candidate to the board
- The board approves the candidate's nomination and the commencement of the regulatory process
- The regulator conducts a fit-and-proper test and provides a statement of no objection
- The board approves the candidate as a director
- The director retires at the AGM and is then re-elected by shareholders.

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

Board succession

The DAC ensures board continuity plans are in place for orderly succession to both board and senior executives, and oversees the development of a diverse pipeline for succession. Succession planning processes are underway and on track to appoint directors to succeed the chairmen affected by the impact of provisions of Directive 4/2018 by May 2023.

Read more about the work of the DAC on succession planning on **page 27**.

Rotation of directors

One-third of the non-executive directors are required to retire annually and if available and eligible, stand for re-election at the company's AGM. Directors who have been in office the longest, as calculated from the last re-election or appointment date, are also required to stand for re-election. At the upcoming 2022 AGM, Geraldine Fraser-Moleketi, Trix Kennealy, Martin Oduor-Otieno and John Vice will retire and being eligible, avail themselves for re-election. Li Li was appointed to the board subsequent to the 2021 AGM and in terms of the group's MOI offers himself for re-election at the AGM following his board appointment.

Independence assessment

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

Provision 8.1.2.8 of the directive deems non-executive directors who have served on the board for a period of nine years or more as not independent. In 2019, the group applied for and was granted exemption by the Prudential Authority from the effects of this provision until May 2023 for directors who had served on the board for longer than nine years. The exemption is subject to the annual external independent assessment.

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

Thulani Gcabashe and Myles Ruck have served for periods longer than nine years. Taking into account the SARB Prudential Authority exemption and following a rigorous annual review, including the independent external assessment, the board concluded that Thulani Gcabashe and Myles Ruck continue to be independent in character, demonstrated behaviour, contribution to board deliberations and judgement, notwithstanding tenure.

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

Separation of roles and responsibilities

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

Chairman

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

Lead independent director

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

Group CEO

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

COMMITTEES OF THE BOARD

PRINCIPLE 8

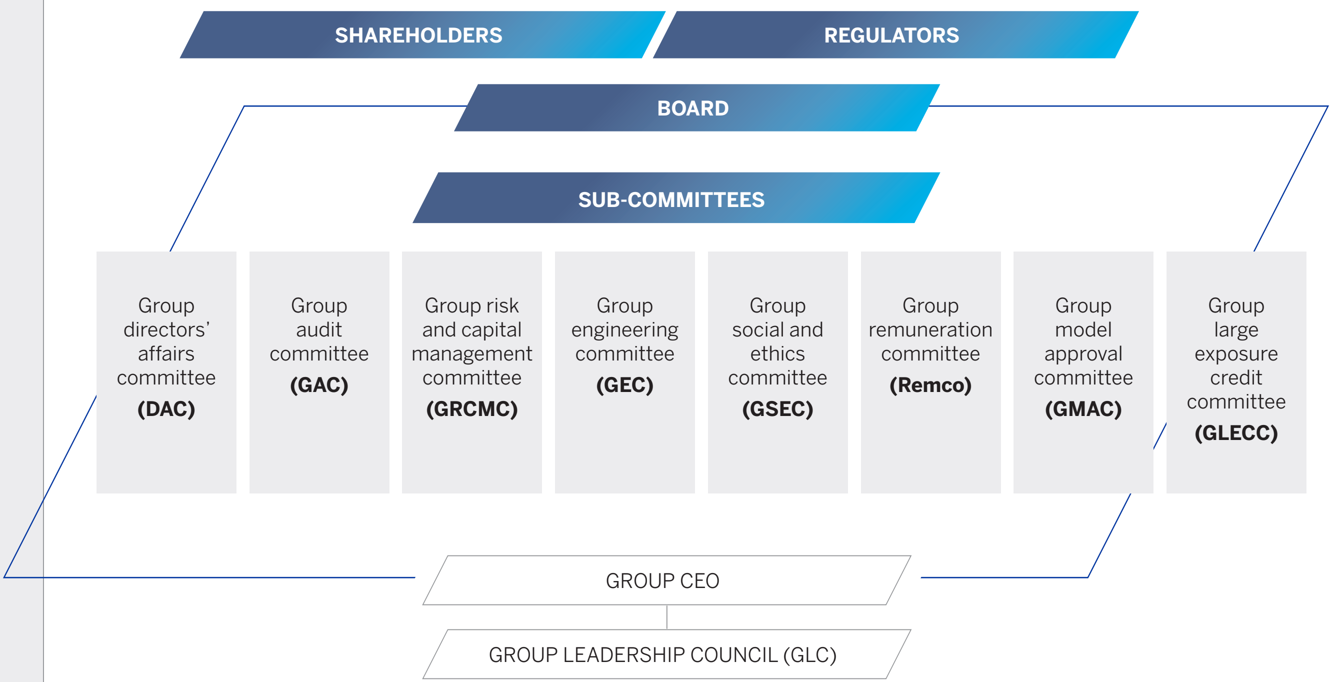
The board ensures that its arrangements for delegation within its own structures promote independent judgement and assists with the balance of power and the effective discharge of duties.

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

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

The review of the board's compliance with the provisions of the respective mandates is done annually. The group's external auditors conduct a limited assurance assessment on the review, and express an opinion in this regard.

GROUP GOVERNANCE STRUCTURE



Group directors' affairs committee

Thulani Gcabashe
Committee chairman

Membership	**Attendance and eligibility**	Date appointed to committee
Thulani Gcabashe* (chairman)	6/7	7 March 2012 (as member) 27 May 2015 (as chairman)
Geraldine Fraser-Moleketi*	7/7	30 November 2016
Trix Kennealy*	2/2	2 November 2021
Li Li△	1/1	11 November 2021
Kgomotso Moroka**	6/7	29 May 2013
Nomgando Matyumza*	6/7	1 April 2020
Atedo Peterside CON*	7/7	1 April 2020
Myles Ruck*	7/7	28 May 2014

* Independent non-executive director.
** Non-executive director.
△ in his capacity as alternate to Xueqing Guan
Apologies were received from Kgomotso Moroka and Nomgando Matyumza for the special meetings held in July and November respectively.

Collective skills and experience

- Corporate governance
- Public policy and law
- Financial services experience
- Business leadership experience of large complex organisations.

Committee purpose

- Determines the appropriate group corporate governance structures and practices
- Establishes and maintains the board continuity programme
- Ensures compliance with all applicable laws, regulations and codes of conduct and practices
- Assesses and ensures the effectiveness of the board and its committees.

Committee composition

- Chaired by the group chairman who is an independent non-executive director
- Comprises six independent non-executive directors and two non-executive directors
- The group and the SBSA CEOs are standing invitees to committee meetings
- André Parker retired from the board and the committee at the 2021 AGM, and Lubin Wang resigned from the board and the committee in November 2021.

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

Key committee activities

1 Corporate governance	**3** Board performance review
2 Succession planning	**4** Standard Bank Group subsidiary governance framework

The committee held seven meetings in the year, three of which were special committee meetings

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

1 Corporate governance

- Provided oversight of the group's application of the King IV principles
- Considered for board approval, amendments to the following policies:
  - SBG/SBSA board nomination and appointment policy
  - SBG/SBSA board management of conflicts of interest policy
  - directors and officers' insurance policy
  - group directors' indemnity policy
  - assessed non-executive director independence classification in line with the King Code criteria and SARB Prudential Authority Directive 4/2018 objective and baseline criteria
- Considered and approved the amendment to the disclosure requirements regarding directors' personal financial interest and other directorships
- Considered the legislative requirement of shareholder requisitioned non-binding advisory resolutions and learnings from international jurisdictions
- With focus on ESG matters, with particular reference to climate change, considered a position paper on the board's management of conflicts of interest and the concept of 'climate conflicted' directors, taking into account legislation/regulation
- Reviewed and recommended to the board the corporate governance statement and SBG AGM notice as part of the external reporting suite
- Considered the 2021 AGM proxy investor analysis reports and recommendations on proxy voting and their assessment of the group's state of corporate governance
- Assessed director attendance of meetings for the year, as part of each individual director's performance assessment
- Approved the 2022 board corporate calendar
- Confirmed the group's prescribed officers in line with the requirements of the Companies Act
- Considered and noted the performance contracts for the group CEO and CEO, SBSA for the year.

3 Board performance review

- Approved the 2021 board evaluation process which was internally facilitated by the group secretary
- Considered results of the board and board committees effectiveness review. Action plans drawn from results were recommended to board for approval and the committee monitored the progress made on the implementation of the action plans to date.

2 Succession planning

- Reviewed the composition of the board, its sub-committees and its subsidiaries including that of Africa Regions and international with focus on ensuring the appropriateness of skills, experience, background and diversity
- Considered and recommended for board approval the nomination and appointment of Li Li as ICBC nominated non-executive director to the board and board committees
- Considered and noted the board and board committee chairmen succession plans, taking into account the implication of the SARB Prudential Authority directive 4/2018 and the exemption granted by SARB Prudential Authority
- Reviewed and recommended to the board the re-election of directors retiring by rotation at the AGM
- Considered and approved the appointment of non-executive directors to subsidiary boards in line with the nomination and appointment policy
- In line with the group's transformation to a platform organisation, considered for board approval the reconstitution of the group technology and information committee to the group engineering committee.
- Noted the executive succession plans and approved the appointment of the Yinka Sanni as the CEO of Africa Regions taking over from Sola David-Borha following her retirement; Bill Blackie as CEO of BCC who took over from Zweli Manyathi following his retirement; and Adam Ikdal as the group strategy officer, taking over from Rod Poole following his retirement from the group.

4 Standard Bank Group subsidiary governance framework

- Monitored the adoption of the subsidiary governance framework by group subsidiaries
- Considered and approved the updated dispute resolution guideline which set out the process to be followed when dealing with disputes that arise between directors
- Considered the composition of subsidiary boards across Africa Regions and international subsidiaries, taking into account the length of tenures, independence and gender diversity, etc.

Group audit committee

Trix Kennealy
Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
Trix Kennealy* (chairman)	9/9	30 November 2016 (as member) 24 May 2018 (as chairman)
Nomgando Matyumza*	9/9	15 August 2018
Martin Oduor-Otieno*	9/9	25 May 2016
Atedo Peterside CON*	9/9	27 May 2015
John Vice*	9/9	30 November 2016

* Independent non-executive director.

Collective skills and experience

- Banking and financial services
- Accounting and auditing.

Committee purpose

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

Committee composition

- Chaired by an independent non-executive director
- Comprises five independent non-executive directors, including the GEC and Remco chairmen
- Trix Kennealy, Martin Oduor-Otieno, Nomgando Matyumza and John Vice are considered financial experts. Atedo Peterside has extensive business and banking experience
- Standing attendees at committee meetings include the following:
  - board chairman
  - group CEO
  - group finance and value management officer
  - group chief audit officer
  - group chief compliance officer
  - head of anti-financial crime
  - group chief risk and corporate affairs officer
  - external auditors
  - CEOs of client segments and client solutions
- Maureen Erasmus resigned from the board and the committee in February 2022.

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

Key committee activities

1	Oversight of the impact of Covid-19 on the group's internal control environment and financial results
2	Internal audit
3	Compliance
4	Tax
5	Financial accounting and external reporting
6	Financial control
7	Non-audit services
8	Interim and annual financial statements
9	External reporting
10	External audit

The committee met nine times during 2021, including two meetings to consider quarterly financial results for publication on SENS, the annual meeting with the SARB Prudential Authority and a special meeting to review and agree the audit firm participants in the mandatory audit firm rotation tender process.

In discharging its responsibilities, the committee's activities in 2021 did not only focus on routine areas of responsibility, but also continued to focus on matters pertaining to the impact of Covid-19 on the group, notably the financial results.

1 Oversight of the impact of Covid-19 on the group's internal control environment and financial results

- Continued to review the results of group internal audit's monitoring activities in response to the increased inherent risk profile as a result of the impact of Covid-19
- Reviewed the measures taken to ensure the internal financial control environment remained resilient despite the impact of Covid-19 on the operating environment
- Considered updates on the accounting treatment of Covid-19 relief measures offered to the group's customers, notably in relation to the South Africa Government Guaranteed Covid-19 Term Loan Scheme
- As part of the interim and financial year end reporting process, reviewed the approach adopted to determine the forward-looking impact from an IFRS 9 perspective on the group's credit provisions and accounting for expected credit losses
- Considered the results of external audit's review of management's estimation of the impact of Covid-19 on the group's annual financial statements.

2 Internal audit

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

3 Compliance

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

4 Tax

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

5 Financial accounting and external reporting

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

6 Financial control

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

7 Non-audit services

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

8 Interim and annual financial statements

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

9 External reporting

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

10 External audit

- Assessed the independence of external auditors, including a review of regulatory disclosure requirements, before recommending their re-appointment for shareholder approval at the group's AGM
- Considered the results of management's assessment of the effectiveness of the group's external auditors as part of the financial year-end audit
- Considered the independent auditors' report, with reference to the audit opinion. The report included key audit matters that were, in the external auditors' judgement, significant to the audit of the financial statements
- Met with external audit during a closed session to discuss their experience from the engagement with management during the statutory audit, as well as external audit's perspective on the effectiveness of the finance function
- Reviewed the external auditors' report on findings for the financial year, and at the meeting in November 2021, reviewed a progress report on findings from the preliminary audit for the year ended 31 December 2021
- Reviewed the external auditors' report relating to the regulatory audit work for the year ended 31 December 2020
- Approved the external audit plan, fees, and terms of engagement as specified in the engagement letter for the statutory audit for the financial year ended 31 December 2021. The external audit plan confirmed that work with internal audit continued in ensuring all assurance providers were aligned from a combined assurance perspective
- Reviewed declarations made by the external auditors of matters that could potentially impact or be seen to impact the respective firms' professional judgement and independence in relation to the group, and considered the measures taken by the respective firms to remediate any identified breaches
- Reviewed the results of the Independent Regulatory Board for Auditors' (IRBA's) firm inspection of both the group's external auditors, as it pertained to engagement inspections conducted by IRBA
- In January 2022, the audit committee proposed that KPMG Inc. (KPMG) and PricewaterhouseCoopers Inc. (PwC) will continue as the joint auditors for the 2022 and 2023 financial years, whereafter KPMG's tenure as a joint auditor will conclude following the finalisation of the 2023 financial year in accordance with the mandatory audit firm rotation (MAFR) requirements. It was also proposed that PwC will remain as a joint auditor until the finalisation of the 2025 financial year. These proposals will be subject to the audit committee's periodic assessment of the respective audit firms' independence, skills and expertise, as well as shareholder approval at the relevant AGMs
- Following a comprehensive tender process, the audit committee confirmed the group's intent to appoint Ernst & Young Inc. (EY) as one of the joint auditors for the financial year ending 31 December 2024. The appointment of EY and the designated audit partner is subject to approval by the SARB's Prudential Authority in accordance with Section 61 of the Banks Act No. 94 of 1990 as amended. In terms of section 90 of the South African Companies Act No. 71 of 2008, as well as paragraph 3.86 of the JSE Listings Requirements, the appointment of EY as a joint auditor for the 2024 financial year will be recommended to the ordinary shareholders for approval at the relevant annual general meeting.

Group risk and capital management committee

Myles Ruck
Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
Myles Ruck* (chairman)	4/4	1 January 2007 (as member) 6 August 2010 (as chairman)
Geraldine Fraser-Moleketi*	4/4	30 November 2016
Thulani Gcabashe*	3/4	27 May 2015
Trix Kennealy*	4/4	30 November 2016
Li Li△	1/1	11 November 2021
Jacko Maree*	4/4	16 August 2017
Nomgando Matyumza*	4/4	30 November 2016
Kgomotso Moroka**	4/4	28 May 2014
Nonkululeko Nyembezi*	4/4	1 April 2020
John Vice*	4/4	30 November 2016

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

Collective skills and experience

- Banking and financial services
- Accounting and auditing
- Capital and risk management
- Governance, regulation and public policy
- Information technology.

Committee purpose

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

Committee composition

- Chaired by an independent non-executive director
- Comprises eight independent non-executive directors and two non-executive directors and includes the chairmen of the board, GAC, GEC, GMAC, Remco and GSEC
- The following individuals are standing attendees at committee meetings:
  - group CEO
  - group chief finance and value management officer
  - group chief risk and corporate affairs officer
  - CEOs of Africa Regions, BCC, client solutions, CHNW and CIB
  - chief risk officers (CRO) of BCC, client solutions, CHNW and CIB
  - head of non-financial risk management
  - head of treasury and capital management
  - group chief audit officer
  - group general counsel
  - external auditors
- Lubin Wang and Maureen Erasmus resigned from the board and the committee in November 2021 and February 2022 respectively.

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

Key committee activities

1	Oversight of the impact of Covid-19 on the group's risk profile
2	Financial and non-financial risk management
3	Capital and liquidity risk management
4	Internal capital adequacy assessment process (ICAAP)
5	Regulatory matters
6	Governance

During 2021, four quarterly committee meetings were held.

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

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

1 Oversight of the impact of Covid-19 on the group's risk profile

- Continued to review reports on the impact of the Covid-19 pandemic on the group's financial and non-financial risk profile
- Continued to review reports on the performance of active Covid-19 credit debt relief portfolios, as well as expired moratorium portfolios across all business segments
- Reviewed forward-looking assessments of the macroeconomic outlook in the context of the impact of the Covid-19 pandemic on expected credit losses, credit risk, capital and liquidity metrics, as well as the appropriateness of principles applied in relation to credit provisioning for financial reporting purposes
- Reviewed and, where applicable, approved proposed updates to capital and liquidity risk appetite metrics arising from the gradual withdrawal of relief measures granted by the SARB's Prudential Authority at the onset of the Covid-19 pandemic.

2 Financial and non-financial risk management

- Considered and approved the risk appetite statement for the group's banking operations
- Periodically considered management updates and reports on events that occurred or risks that emerged and were expected to have a direct or indirect impact on the group's risk profile
- On a quarterly basis, reviewed detailed risk management reports covering key risks including credit, country, market, equity, operational and other non-financial risks across the group and at a client segment level
- Continuously reviewed the macroeconomic and operating environment across the geographies and markets in which the group operates. This informed the development of the group's risk appetite across sectors and countries, ensuring concentration on specific sectors was appropriately managed and risk appetite adjusted, where appropriate
- With reference to its oversight of credit risk, continued to monitor performing and non-performing loan portfolios and management's response strategies, with particular focus on the group's exposure to high risk corporate and retail customers
- With reference to its oversight of the non-financial risk profile, reviewed management reports on key contributors to operational risk and fraud losses and non-financial risk metrics by risk type, with focus on areas of priority and management's mitigating actions
- Reviewed management's integrated approach to identify, rank and monitor key enterprise risks for the group in 2022
- Reviewed and discussed progress with the group's ESG priorities, as well as the programme of work that is underway and future plans to further integrate the ESG risk management programme across the group and strengthen how the group manages and mitigates ESG risk
- Considered an update on significant insurance programmes across the group, as well as their current and renewal terms and conditions
- Reviewed quarterly reports on legal and reputational risk
- Reviewed and, where required, approved the group's intra-group funding exposures
- Considered key matters raised at group risk oversight committee and key subsidiary risk committee meetings on a quarterly basis.

3 Capital and liquidity risk management

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

4 Internal capital adequacy assessment process (ICAAP)

- Reviewed and approved the macroeconomic scenarios for the running of the ICAAP stress testing process, as well as the planned stress testing programme of work
- Reviewed and recommended to the board for approval the group's 31 December 2020 ICAAP, prior to submission to the SARB.

5 Regulatory matters

- Periodically reviewed updates on progress to achieve BCBS 239 risk data aggregation and risk reporting (RDARR) compliance in accordance with the scope and deadlines agreed with the SARB
- Approved the annual update to the group's RDARR governance framework
- In accordance with SARB regulatory requirements in relation to material outsourcing, reviewed the results of analyses of risks associated with proposed outsourcing arrangements and recommended the approval of such arrangements to the board, subject to the board's review of the commercial terms of the proposed agreements
- Considered updates on regulatory developments and the implications of emerging local, global and prudential regulations on the group, with particular focus on market conduct and ESG risk
- Approved the annual update to the group's integrated recovery plan
- Reviewed the annual risk disclosures made to shareholders to ensure timely, relevant, complete, accurate and accessible risk disclosure, in line with Basel pillar 3 disclosure requirements.

6 Governance

- Reviewed and approved the group's risk governance standards, frameworks and relevant policies according to a scheduled review program.

Group engineering committee

John Vice
Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
John Vice* (chairman)	4/4	30 November 2016 (as chairman)
Paul Cook*	3/3	10 March 2021
Arno Daehnke~	4/4	25 May 2016
Li Li△**	1/1	11 November 2021
Nonkululeko Nyembezi*	4/4	1 April 2020
Atedo Peterside CON*	4/4	27 May 2015
Sim Tshabalala~	4/4	27 May 2014

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

Collective skills and experience

- Technology strategy
- Risk, audit and controls
- Financial services experience
- Accounting and auditing

In 2021, in alignment with the group's future-ready transformation journey, the group technology and information committee (GTIC) was reconstituted as the group engineering committee (GEC). This reconstitution expands the board committee's oversight responsibilities to focus more specifically on the engineering and technology components of the group's strategic platform initiatives, partnerships, as well as data and technology-related innovation initiatives and strategies. While the committee continues to oversee the governance of technology and information in accordance with the requirements of the King IV and assists the other board committees with oversight of relevant technical issues, these are not the committee's core areas of focus. This summary includes a combined overview of the GTIC and GEC's key activities during 2021.

Committee purpose

- Oversees the strategic direction and transformation of the group's engineering capability, with particular focus on information security, technology and operations, data and analytics and engineering capability partnerships
- Ensures that prudent and reasonable steps are taken to govern technology and information in line with King IV and the board briefing on IT governance, as published by the IT Governance Institute.

Committee composition

- Chaired by an independent non-executive director
- Comprises four independent non-executive directors, one non-executive director, and both executive directors
- Standing invitees to committee meetings include:
  - the group chief engineering officer
  - group chief technology and operations officer
  - group chief data officer
  - group chief information security officer
  - group chief innovation officer
  - group chief risk and corporate affairs officer
  - group chief audit officer
  - CEOs of client segments and client solutions
  - relevant heads of engineering and technology functions
  - the head of non-financial risk management and the group's external technology audit partners
- André Parker retired from the board and the committee at the 2021 AGM
- Lubin Wang resigned from the board and the committee in November 2021.

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

Key committee activities

1	Engineering strategy
2	Technology strategy
3	Technology cost and investment
4	Cyber, technology and information security
5	Data and analytics
6	Governance, risk and assurance

During 2021, four quarterly committee meetings were held.

Whereas specific focus was placed on the group's response to the impact of Covid-19 on technology in 2020, oversight of the impact of the pandemic on the engineering and technology capabilities formed part of the committee's routine oversight responsibilities during 2021.

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

1 Engineering strategy

- Reviewed the group chief engineering officer's quarterly report which included an update on progress with the design and embedment of the engineering strategy and capabilities
- Reviewed a quarterly update on performance against key engineering priorities, as aligned to the group's strategic value drivers.

2 Technology strategy

- Reviewed the quarterly group technology report which included an update on the group's key technology priorities including the resilience of the group's technology landscape; technology skills, capability and capacity; acceleration of the Cloud transformation journey; system stability, strategic technology initiatives and simplification of the group's technology architecture
- Continuously monitored the results of client net promoter scores across all channels, notably digital channels, and reviewed management's action plans to consistently improve client experience associated with the group's technology landscape
- Reviewed detailed reports on the group's simplification programme across client segments and client solutions in South Africa and across Africa Regions, including key milestones achieved to date and planned short to medium term deliverables
- Reviewed quarterly updates on the group's technology performance and risk metrics.

3 Technology cost and investment

- Reviewed and monitored the group's performance against technology cost forecast and metrics
- Reviewed, approved and, where required, recommended major technology investment spend to the board for approval.

4 Cyber, technology and information security

- Reviewed a quarterly report on the group's information security and cyber risk profile and the effectiveness with which the risk is addressed across the group.

5 Data and analytics

- Reviewed reports on the group's data strategy and objectives, as well as group data-led initiatives that add value at scale across client segments, client solutions, corporate functions and geographies
- Considered a progress update on the development of a data investment framework and metrics for the consistent measurement of data, information and analytics.

6 Governance, risk and assurance

- Reviewed the independent subject matter expert's final report on the group's technology governance journey including recurring themes and challenges and potential areas of focus to maintain and exceed an acceptable technology governance maturity status
- As part of its oversight programme for the year, reviewed a detailed report on the technology risk management governance domain across technology sub-risk types as well as a quarterly risk dashboard which reflected changes in the risk profile over the period
- Reviewed internal and external audit findings related to data and technology, as well as management's response to strengthen technology and information governance practices and controls environment.

Group social and ethics committee

Kgomotso Moroka
Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
Kgomotso Moroka** (chairman)	5/5	29 May 2013 (as member) 4 March 2015 (as chairman)
Paul Cook*	1/1	18 August 2021
Geraldine Fraser-Moleketi*	5/5	30 November 2016
Lungisa Fuzile△	5/5	15 January 2018
Thulani Gcabashe*	4/5	27 May 2015
Jacko Maree*	5/5	30 November 2016
Martin Oduor-Otieno*	5/5	25 May 2016
Sim Tshabalala~	5/5	9 November 2010

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

Collective skills and experience

- Banking
- Public policy
- Law
- Transformation
- Organisational development
- Ethical leadership
- ESG
- Stakeholder engagement.

Committee purpose

- Ensures the development of appropriate policies and acts as the group's social conscience, recognising that stakeholder perceptions affect the group's reputation
- Oversees the group's SEE strategic initiatives
- Governs and oversees group activities relating to conduct, ethical standards and stakeholder engagement
- Ensures material stakeholder issues receive attention from board and management.

Committee composition

- Chaired by a non-executive director
- Comprises five independent non-executive directors, one non-executive director, the group CEO and the CEO of SBSA
- Management attendees include:
  - group chief risk and corporate affairs officer
  - CEOs of Africa Regions, BCC, client solutions, CHNW and CIB
  - CRO of BCC
  - group chief compliance officer
  - chief people and culture officer
  - head of group corporate citizenship
  - head of inclusion.

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

Key committee activities

1	Stakeholder engagement
2	Transformation
3	Employee engagement
4	Ethics
5	Reporting
6	Environmental sustainability

During 2021, four quarterly committee meetings were held and one special meeting to discuss the group's ESG programme.

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

1 Stakeholder engagement

- Monitored the impact of the group's Covid-19 response on stakeholders, particularly clients, employees and society
- Monitored the impact of the group's response to civil unrest in respect of SBSA's business and the impact on stakeholders including clients and employees
- Considered quarterly stakeholder engagement report and monitored group's engagements with all key stakeholders
- Considered and approved changes to the stakeholder engagement policy taking into account the group architecture and clarifying the group's role and responsibilities as a corporate citizen
- Reviewed the annual corporate social investment and sponsorship spend on initiatives across the group for effectiveness and ensured alignment with the group's strategy and identity as a responsible corporate citizen
- Considered regular updates from the group chief risk and corporate affairs officer on matters that could affect the group's reputation.

2 Transformation

- Considered quarterly gender dashboards as well as the gender pay gap
- Considered SBSA's plans in pursuit of Financial Sector Charter (FSC) Scorecard elements and the overall 2020 FSC report where SBSA retained its Level 1 BBBEE contributor status
- Regularly monitored progress made against SBSA employment equity plans and considered management's 2020/21 employment equity plans
- Considered a presentation on SBSA's Youth Development Programme as well as a yearly update on Walletwise, SBSA's socio-economic development and financial consumer education initiative.

3 Employee engagement

- Considered the appropriateness of management's Covid-19 employee wellness plans to support employees. For employees working on group premises, assessed the health safety measures in place, ensured that sufficient support was provided to enable those working from home
- Assessed the psychological wellbeing of employees through reports received from management on employee surveys conducted and the employee wellbeing report
- Reviewed the group's compliance with occupational health and safety legislation, governance, and incident management and noted the rollout of e-learnings on occupational health and safety to 16 countries
- Reviewed the group's 2021 'Are you a Fan' survey results which measured employee eNPS to determine level of employee engagement.

4 Ethics

- Considered as part of the annual assessment, the group's approach to the institutionalisation of an ethical culture and noted focus areas and projects underway in 2021
- As part of monitoring the group's conduct, considered management's account of each client segment and corporate function's conduct through the regular presentation of conduct dashboards and considered quarterly conduct framework progress updates
- Considered and approved updates to the group's anti-bribery and corruption policy and prevention of the facilitation of tax evasion policy and noted the group conduct risk and group anti-fraud policies.

5 Reporting

- Approved the 2021 materiality assessment conducted which confirmed issues most significant to the group's and its stakeholders.
- Approved the group's annual report to society, the ESG report, SBSA transformation report and the TCFD climate-related disclosure.

6 Environmental sustainability

- Considered the group's ESG programmes including the group's commitment to shareholders to publish a climate strategy and set and publish climate targets
- Recommended the group's climate policy to the board for approval.

Group remuneration committee

Trix Kennealy
Committee chairman

Membership	**Attendance and eligibility**	Date appointed to committee
Trix Kennealy* (chairman)	6/6	30 November 2016 (as member) 26 June 2020 (as chairman)
Thulani Gcabashe*	6/6	27 May 2015
Jacko Maree*	6/6	28 May 2014
Nomgando Matyumza*	6/6	30 November 2016
Atedo Peterside CON*	6/6	30 November 2016

* Independent non-executive director.

Collective skills and experience

- Banking
- Financial and tax
- Doing business in sub-Saharan Africa
- Human capital
- Remuneration
- Risk management.

Committee purpose

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

Committee composition

- Chaired by an independent non-executive director
- Comprises five independent non-executive directors
- The group and the SBSA CEOs are standing invitees to committee meetings
- Maureen Erasmus resigned from the board and the committee in February 2022.

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

Key committee activities

1	Remuneration
2	Incentive schemes, share-based payments and other benefits
3	Subsidiary remuneration committees
4	Governance

During 2021, six committee meetings were held.

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

1 Remuneration

- Considered the economic outlook in light of Covid-19 and its impact on remuneration
- Considered the financial performance of the group for the year presented by the group finance and value management officer and the risk report from the group chief risk and corporate affairs officer as guidance on deliberations for the approval of incentive pools
- Deliberated on the implications of the SARB Guidance Note regarding the payment of executive bonuses, and management's response to it and impact on remuneration for the year
- Considered the latest market and regulatory updates on banking remuneration, including a report on executive pay and trends during the pandemic
- Discussed the group's assessment of remuneration equality on the basis of gender and race
- Considered the group CEO and members of the GLC's performance reviews as a function of setting their remuneration
- Considered other senior executives' performance reviews and the implications on pay including the approval of the total remuneration of heads of client segments and corporate functions, including remuneration of executives in the top 100
- Considered and approved the percentage increase of the guaranteed cost-to-company increase for managers and general staff
- Considered and noted the arrangements in respect of international assignees including the reward review, discretionary awards, deferrals and share incentive awards.
- Considered and noted fees paid to non-executive directors of subsidiaries and ensured that the principles were aligned to the subsidiary governance framework.

2 Incentive schemes, share-based payments and other benefits

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

3 Subsidiary remuneration committees

- Noted reports from subsidiaries remuneration committees.

4 Governance

- Considered committee chairman feedback from engagements with shareholders and investors in respect of the group's remuneration policy and implementation report
- Considered and recommended for board approval the group remuneration report which set out the group remuneration policy and the implementation report
- The outcome of the non-binding advisory vote at the AGM in respect of the remuneration policy was below the requisite 75%, at 68.05% votes for and 31.95% votes against. In line with King IV requirements, a SENS announcement was issued inviting dissenting shareholders to engage with the group.

Group model approval committee

Jacko Maree
Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
Jacko Maree* (chairman)	3/3	30 November 2016 (as member) 1 March 2017 (as chairman)
Bill Blackie^	–	1 January 2022
Paul Cook*	2/2	10 March 2021
Arno Daehnke~	3/3	25 May 2016
Kenny Fihla^	3/3	23 June 2017
Keith Fuller^#	1/1	–
David Hodnett^	3/3	3 June 2019
Funeka Montjane^	2/2	10 March 2021
Sim Tshabalala~	3/3	29 May 2013

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

Keith Fuller served as interim group chief risk and corporate affairs officer and David Hodnett served as CEO, BCC between August 2021 and December 2021.

Collective skills and experience

- Banking
- Regulatory risk
- Credit risk
- Model risk.

Committee purpose

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

Committee composition

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

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

Key committee activities

1	Model approvals
2	Model risk oversight
3	Model governance

During 2021, three committee meetings were held.

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

1 Model approvals

- Reviewed and approved material new risk models and the ongoing use of existing risk models
- Considered detailed model development reports and the outcome of validation reviews across key model performance criteria. Where relevant, validation findings, recommendations and action plans to address these, were considered as part of the review and approval of all material risk models.

2 Model risk oversight

- Periodically reviewed the model risk profile which detailed all models, both material and less material, as well as management action plans to enhance the effectiveness and efficiency of models and progress as measured against these plans
- Periodically reviewed reports submitted by business which outlined model development activities, including new and emerging trends in model risk management, including data science focus areas; extracting value from alternate data sources; and designing and building capabilities for the future, including the use of machine learning techniques
- Monitored the activities of the three model approval sub-committees, namely CIB; CHNW, BCC and CS; and the group risk and treasury and capital management (TCM) model approval committees
- Reviewed and approved the mandates of these three sub-committees during the mandate review cycle
- Reviewed reports on key interactions with regulators and considered the potential impact of regulatory reforms on model development activities
- Reviewed disclosures related to model risk in the group's external reports and ICAAP submissions.

3 Model governance

- Reviewed progress made against self-assessment gaps, and confirmed compliance with the requirements of the group's model risk governance framework, which sets out the minimum requirements for model risk governance as well as the identification, measurement, management and reporting of model risk, in accordance with the periodic review cycle
- Reviewed updates from management on the enhancement of the model risk framework to enable a risk-based approach to model risk management and risk appetite setting
- Approved the model risk appetite statement which defined risk appetite for models that were in the scope of the model risk governance framework, including regulatory, finance and risk models.
- Reviewed the results of the self-assessment of compliance with the SARB's Advanced Internal Rating Based banking regulations and confirmed that no significant areas of non-compliance were identified
- Reviewed internal audit's independent assurance reports on internal controls for the development, validation, governance and performance of risk models
- Monitored the ongoing use of robust model validation processes and controls on critical and material models, therein ensuring that model performance was monitored closely under current Covid-19 market conditions.

Group large exposure credit committee

Myles Ruck
Committee chairman

Membership	Attendance and eligibility	Date appointed to committee
Myles Ruck* (chairman)	6/6	1 July 2021
Carel Buitendag^	6/6	1 July 2021
Arno Daehnke~	5/6	1 July 2021
Kenny Fihla^	4/6	1 July 2021
Thulani Gcabashe*	5/6	1 July 2021
David Hodnett^	5/6	1 July 2021
Jacko Maree*	5/6	1 July 2021
Luvuyo Masinda^	6/6	1 July 2021
Nonkululeko Nyembezi*	4/4	1 September 2021
Sim Tshabalala~	4/6	1 July 2021

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

Collective skills and experience
- Banking and financial services
- Capital and risk management
- Governance and regulation.

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

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

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

Committee operation and attendance

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

Key committee activities.

Review and approval of large exposures

During 2021, six committee meetings were held to review and approve loans, advances or credit in accordance with the committee's mandate and as aligned to regulatory requirements in respect of large exposures.

EVALUATION AND PERFORMANCE OF THE BOARD

PRINCIPLE 9

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

Assessing the board's effectiveness

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

Mandate reviews

A detailed assessment of the board and board sub-committees' compliance with the provisions of their respective mandates is done annually. The group's external auditors conduct a limited assurance assessment on the review and express an opinion in this regard.

Effectiveness evaluation

The chairman, the board and its committees undergo an effectiveness evaluation annually in terms of the Section 64B 2(b)(iv) of the Banks Act. The board alternates every other year between an externally facilitated independent evaluation, and an internal evaluation facilitated by the group secretary. Directors also participate in peer reviews.

One-on-one discussions

Evaluation of individual director performance is carried out by the chairman in one-on-one discussions with individual directors.

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

The 2021 board evaluation review was internally facilitated, conducted by group chairman in conjunction with the group secretary, with oversight by the DAC. This evaluation took the form of a series of questions with opportunity to provide free text comments or observations throughout the questionnaire. While the evaluation allowed for the board to review its effectiveness in 2021, the evaluation also intended to follow up on matters raised by directors in the 2020 Korn Ferry board effectiveness review, to assess whether directors were satisfied with progress.

Key areas reviewed in the 2021 board evaluation review included:

- **Strategic alignment and client-centricity**
- **Board composition**
- **Board dynamics and culture**
- **Relationship with management**
- **Individual director performance**
- **Processes and practice**
- **Board committees**

Key Findings

1 Overall, board members agree that the board is operating effectively in the areas assessed, and that there has been follow up and improvement on areas highlighted in the 2020 Korn Ferry board effectiveness review. Board relationship with executive management is positive and board culture allows members to raise and discuss issues with candour, frankness, and respect.

2 The overall experience and expertise of board members is sufficient to guide and support the group in achieving its strategic priorities and Ambition 2025.

3 Board members are satisfied with the level of oversight provided regarding the implementation of the group strategy and believe they receive the necessary support and information to enable effective oversight. Significant progress has been made on board oversight role over how the group manages ESG matters.

4 Board committees are appropriately constituted and support the board in fulfilling its governance role, therefore improving its overall effectiveness.

APPOINTMENT AND DELEGATION TO MANAGEMENT

PRINCIPLE 10

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

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

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

Group leadership council

The group CEO is accountable for the implementation of the group strategy, strategic priorities and 2025 ambitions as well as the performance of the group. He is supported by the group leadership council (GLC), which has been constituted to support the group CEO in achieving the group's plans, to ensure that there is overall co-ordination across the group in the delivery of group's commitments made to customers, employees, regulators and other key stakeholders.
Ultimate executive decision-making powers and accountability remain vested with the group CEO and all members of the GLC exercise powers in accordance with their delegated authority.

Group secretary

Directors have access to the services of the group secretary. The group secretary, Zola Stephen, is neither a member of the board nor is she a prescribed officer of the group. The board considered the competence, qualifications and experience of the group secretary at its 10 March 2022 meeting and concluded that she was competent to carry out her duties and that it was satisfied that an arm's length relationship existed between itself and the group secretary as envisaged in the JSE Listings Requirements.

Group leadership council

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

SIM TSHABALALA

Group chief executive officer, executive director, SBG and SBSA

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

ARNO DAEHNKE

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

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

KENNY FIHLA

Chief executive officer, corporate and investment banking

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

DAVID HODNETT

Chief risk and corporate affairs officer

Qualifications: BCom (Wits), Bachelor of Accountancy (Wits), CA(SA), MBA (Manchester Business School/University of Wales), Advanced Diploma in Banking (RAU)

LUNGISA FUZILE

Chief executive officer, SBSA

Qualifications: MCom (UKZN), AMP (Harvard)

BILL BLACKIE

Chief executive officer, business and commercial clients

Qualifications: BCom (Rhodes University), LLB (Rhodes University), MBA (UCT), AMP (INSEAD)

ALPHEUS MANGALE

Chief engineering officer

Qualifications: NDip Computer Systems Engineering (TUT), PG Management (Henley), EDP (CCL), AMP (Harvard)

FUNEKA MONTJANE

Chief executive officer, consumer and high net worth clients

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

Key:
Wits: University of the Witwatersrand |
UCT: University of Cape Town |
UNISA: University of South Africa; |
UKZN: University of Kwa-Zulu Natal |
TUT: Tshwane University of Technology |
GIBS: Gordon's Institute of Business |
UFS: University of the Free State |
UJ: University of Johannesburg

DAVID MUNRO

Group executive
Liberty Integration

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

MARGARET NIENABER

Chief executive officer, client solutions

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

ADAM IKDAL

Chief strategy officer

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

YINKA SANNI

Chief executive officer, Africa Regions

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

THULANI SIBEKO

Chief brand and marketing officer

Qualifications: BSc Bus Admin (California State University, Sacramento), MBA (Henley), Graduate Certificate (Harvard), CM(SA)

SHARON TAYLOR

Chief people and culture officer

Qualifications: BCom (UKZN), BCom (Hons) (UNISA)

ADRIAN VERMOOTEN

Chief innovation officer

Qualifications: MBA in New Venture Creation (Bond University, Australia)

Key:

Wits: University of the Witwatersrand |
UCT: University of Cape Town |
UNISA: University of South Africa; |
UKZN: University of Kwa-Zulu Natal |
TUT: Tshwane University of Technology |
GIBS: Gordon's Institute of Business |
UFS: University of the Free State |
UJ: University of Johannesburg

Governance of functional areas

RISK GOVERNANCE

PRINCIPLE 11

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

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

Read more about the activities of the GRCMC on **page 33**.

RCM Read more in the risk and capital management report.

INFORMATION AND TECHNOLOGY GOVERNANCE

PRINCIPLE 12

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

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

The group engineering committee assists with the oversight of the strategic direction and transformation of the group's engineering capability, with a particular focus on information security, technology and operations, data and analytics and engineering capability partnerships

It ensures that prudent and reasonable steps are taken to govern technology and information in line with King IV and the board briefing on IT governance, as published by the IT Governance Institute.

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

Refer to GEC activities on **page 35**.

COMPLIANCE GOVERNANCE

PRINCIPLE 13

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

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

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

Refer to GAC activities on **page 29**.

REMUNERATION GOVERNANCE

PRINCIPLE 14

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

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

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

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

For detailed account on Remco's activities throughout the period, refer to **page 39**.

ASSURANCE

PRINCIPLE 15

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

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

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

Refer to GAC activities on **page 29**.

AFS Refer to audit committee report in the AFS.

Stakeholder relationships

STAKEHOLDERS

PRINCIPLE 16

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

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

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

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

Annual general meeting (AGM)

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

The board, including the group CEO and group finance and value management officer and other key members of management, are present at the meetings to answer any questions from shareholders. Minutes of the meetings are available to shareholders on request from the group secretary's office. The voting outcome of resolutions is published through the stock exchange news service (SENS) of the JSE and posted on the group's website within 24 hours of the conclusion of the meeting.

The group hosted its second virtual AGM in 2021. The board ensured that shareholders were given the opportunity to submit questions ahead of the AGM or in real time on the AGM platform, with all questions being carefully considered and answered individually by the board chairman, the group CEO and other members of the executive. In addition, extensive shareholder engagements took place with the chairman of the board, the chairman of Remco and other members of management remotely in the lead-up to the AGM in the context of seeking shareholders' views on and support for the proposed resolutions.

The non-binding advisory vote at the AGM in respect of the Remuneration Policy was below the requisite 75%, at 68.05% votes for and 31.95% votes against. Engagement with the dissenting shareholders in line with King IV requirements were held and a SENS announcement was issued inviting dissenting shareholders to engage with the group. Other engagements with shareholders were held throughout the year, including other matters raised at the AGM.

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

Shareholders' rights

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

Governing of group subsidiaries

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

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

How we assess and reward our leaders, to ensure we continue to create and protect sustainable value.

REMUNERATION REPORT

Background statement from the remuneration committee chair

Trix Kennealy
Chair of the remuneration committee

Aligning interests of shareholders, stakeholders and society

Some two years ago, when the pandemic hit, the group committed to a three-phase approach: respond, recover, re-imagine. The group's operational and financial recovery has been steady and in the last year outpaced expectations, even as the socioeconomic implications of the pandemic persist.

Further, the group's strategy update in August 2021 presented ambitious target-bound commitments to our stakeholders. This showed we are well on the way to re-imagining the business in a post-pandemic world, and in modernising the group for the digital era in a challenging – yet promising – African market.

Our strategy aims to make the group more efficient, innovative, competitive and sustainable as a digital platform organisation. This requires that we transform our client experience and execute with excellence, to deliver sustainable growth and value. Remco was pleased to note the specificity of the financial targets and, increasingly, also the non-financial targets that underpin the strategy, by which we will measure the group's progress on its strategic path to 2025.

We also note the balancing of expectations and interests of shareholders, stakeholders and society in the detailed strategies for each of the group's strategic value drivers. In summary, these will build loyalty and better engagement with our clients, by serving them in ways that go beyond traditional financial services, and ensure we are able to secure the talent, relationships and resources we need to remain relevant and competitive.

Listening to, and hearing, our shareholders

Our 2021 annual general meeting (AGM) saw shareholders support all ordinary and special resolutions by healthy majorities. However, the non-binding advisory resolution on Standard Bank's remuneration policy received 68% in favour, falling short of the required 75%, and our implementation report cleared the threshold with 79% of shareholders in favour.

This gave us another opportunity to listen to shareholders and to better align their preferences and perspectives with those of executives and the long-term benefit of the group. Their feedback following the failed vote, together with the shareholder engagements earlier in the year, helped us adjust our policy accordingly.

We value active shareholders and, besides listening to them as we are required to do on the basis of a negative advisory vote, we are dedicated to ensuring their voices are heard in our decision-making. Indeed, the enhanced disclosures, with the tightening up of definitions and parameters for non-financial measures, and the increase in weighting for financial measures in the Performance Reward Plan (PRP) are the result of shareholder feedback.

We trust that our processes for arriving at decisions are clearer and simpler to assess. Transparency is all important and we remain committed to ongoing improvements in that regard. We have refined our descriptions of what constitutes value creation, setting clearer boundaries for discussion. Further, the crystallisation of our strategic priorities and associated targets allows for better oversight of executive performance across all dimensions of value.

Balancing financial and non-financial incentives

Non-financial measures in executive remuneration are becoming increasingly important, with providers of capital, governments and social actors adding their voices to the call for stakeholder involvement. Environmental, social and governance (ESG) and sustainability are imperatives; companies must show that they are being run on ethical grounds, with due consideration of societal impact. Further, the concept of integrated reporting is based on the idea that companies enhance or deplete value which we measure across six value drivers, five of which are non-financial.

Another way of thinking about financial versus non-financial performance measures is in terms of lag and lead indicators. By definition, non-financial measures are lead indicators, anticipating the positive outcomes of brave and prescient decision-making; be they operational or in the wider realm of ESG.

The rise of non-financial metrics creates a challenge: the responsibility for remuneration committees to make, and justify, judgements on financial rewards. Our discretion is underpinned by a commitment to balanced outcomes and shared value, as encapsulated in our purpose and the clearly defined strategy that gives effect to it.

Our strategy depends on earning the trust of shareholders and winning the trust of stakeholders in Africa. And thus far the signs of progress are good. We have had clear indication from the market that our strategy is sound and sufficiently balanced to address the expectations of all our stakeholders. Therefore, at the

"Careful alignment of the interests of our shareholders with those of our executives, is the yardstick of our reward decisions. The extraordinary conditions of last year required us to moderate the negative impact on executives in the longer-run interests of all our stakeholders. It is gratifying that the group's better-than expected financial recovery and strong strategic progress in 2021 allowed us to restore the balance, with a leaning towards our shareholders."

heart of our non-financial measures, is how well executives are executing this strategy.

Evolution of policy

Remco obtained independent advice on a range of remuneration policy and implementation issues during 2021, as well as obtaining independent remuneration benchmark analysis from a range of survey providers.

Whereas there were no significant changes in policy from the previous reporting year, some modifications are worth mentioning:

- Shareholders expressed concern about uncapped short-term incentives (STIs) (given their potential to reward risky decisions). We heard their concern and have implemented STI caps for executive directors and prescribed officers.
- As of March 2022 our Performance Reward Plan (PRP) awards will change. The PRP awards made in March 2021 had 60% financial (defined purely in terms of return on equity (ROE)) with the caveat that our ROE metric includes a cost to equity consideration. Shareholders expressed concern that 40% for non-financial strategic drivers is too high. In response to the feedback, the PRP weighting will change to 70% financial and 30% non-financial.
- Further, some major investors feel that we have not been clear enough on what constitutes recovery from the effects of the pandemic and that we should pin this down with hard metrics.

The policy changes we have made should ensure that shareholders feel assured that there is an even greater alignment between executive pay outcomes and the key financial measures. In the case of our STIs, the main financial driver is headline earnings, which provides a hard metric to align shareholder and executive interest according to a set formula. And our long-term incentives (LTIs) now have a greater weight of 70% on our ROE metric which includes cost of equity (COE) as the first hurdle. Further, it is important to note that not all non-financial measures require discretionary evaluation, even though they assess qualitative outcomes; increasingly, they have 'hard' metrics and targets assigned to them.

In sum, we believe that we have achieved a balance between non-financial and financial measures that is good for shareholders.

A study of FTSE 350 companies showed that, "firms combining non-financial and financial performance measures in chief executive officer (CEO) bonus plans tend to have a stronger CEO bonus pay sensitivity to shareholder returns than firms using financial measures alone." And further, "…that boards of directors adopting non-financial performance measures are able to better align CEO incentives with shareholder interests."[1]

The question is how to improve relative return on capital while meeting the increasingly stringent requirements of ESG and sustainability. In rewarding executives we are looking for evidence of them having achieved this balance.

A balanced performance in a year of change

The banking performance of the South African franchise, even before reversal of credit provisioning, is most pleasing. On a constant currency basis our Africa Regions franchise performed well, notwithstanding difficulties in Nigeria. This has translated into positive financial measures of performance for 2021. Group headline earnings rose 57%, to R25.0 billion; ROE improved by 460 basis points (bps) to 13.5%; impairment charges fell 52% and our credit loss ratio (CLR) returned to pre-pandemic levels.

More importantly, as leading indicators of positive momentum, the signs are that our strategy is working, with notable improvement across all five of our non-financial strategic value drivers.

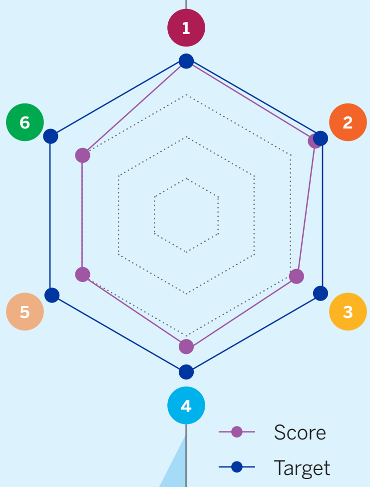
Client satisfaction scores across the business are good, and we commend executive leadership for protecting our reputation by dealing decisively with system outages in the first quarter. Our Consumer & High Net Worth (CHNW) client franchise in South Africa is growing again; there is growth in clients, deposits and lending in Africa Regions; our modern core banking system is in place; and physical channels have been rationalised to enable digital transition of high-volume transactions.

The flywheel of this progress is of course our people, so it is most heartening to see an exceptionally good employee net promoter score (eNPS), despite the pressures of the pandemic and the significant internal changes made in the last year.

We are also happy about headway made on the Liberty deal and the work done in updating our strategy and setting out clear targets for 2025, which link nicely with progress on rationalising our internal structures.

In terms of ESG and sustainability, we are satisfied with the progress being made in evolving meaningful measurements to account for the group's commitments in our seven social, economic and environmental (SEE) focus areas. Certainly, the group has an exemplary record of meeting the transformational requirements of South Africa and in promoting a spirit of hope

1. Myojung Cho, S. I. Y. Y., 2019. The use of non-financial performance measures in CEO bonus compensation. Corporate Governance: An International Review, 27(4), pp. 301-316.



CLIENT FOCUS

- Client experience scores improved in CHNW and Business & Commercial Clients (BCC), with Corporate and Investment Bank (CIB) maintaining a high score
- Positive growth rates on active number of clients in CHNW and BCC
- Improved score and ranking on external surveys
- Good progress made on strategic distribution partnerships and Beyond revenue

OPERATIONAL EXCELLENCE

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

EMPLOYEE ENGAGEMENT

- Improved eNPS and ahead of target
- Regrettable turnover rate well below target of 5%
- Good progress made in transformation and diversity
- Increased investment in future skills learning

FINANCIAL OUTCOME

- ROE (13.6%) ahead of target, however, behind cost of equity (14.7%)

RISK AND CONDUCT

- We received regulatory fines in a number of our Africa Regions entities, but operational losses remained below our risk appetite limit and we maintained a group-wide focus on compliance with changing laws and regulations.
- We maintained the Liquidity coverage ratio (LCR) and the Net stable funding ratio (NSFR) in excess of minimum regulatory requirements throughout 2021.

SEE IMPACT

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

AIR For detail of progress made in our strategic value drivers, refer to our annual integrated report.

and inclusivity for Africa at large. The development of such measures will bring further substantiation to these purpose-led imperatives.

The diagram above summarises our progress against our strategic value drivers.

All this amounts to a decisive recovery in the making and a commensurate increase in the STI pool. Our position is that executives be rewarded for these positive developments, but that in doing so we lean toward favouring shareholders – in effect, reversing the approach we took last year given the extraordinary circumstances. It is fair that the executives share in the success of a decisive recovery, but not unduly so. The diagram on page 72 illustrates the point.

Future focus for remco

Sustainability is the watchword of our corporate era. By definition, sustainability is about lead indicators, it is about the expected impacts – both on the organisation and on society at large – of current decisions. How we determine this depends on a myriad of factors, not least of all our values. But we can all agree on one thing and that is the importance of growing enterprise value within a shifting African operating context.

It is common cause that notwithstanding Africa's socioeconomic challenges, a growing consumer class and rapid technological change are combining to make for exciting prospects. The only way to convert this potential is with a medium- to longer-term strategy that ensures we expand our offering beyond traditional financial services.

Our strategy is clear that by 2025 we should have created, and that we should participate in, ecosystems of value (for clients, partners and for the group) across various areas: e.g. agriculture, health, energy, international trade and home services. The ecosystems we have identified will enable the group to share in the significant revenue opportunities these value pools present.

As remco, it is our responsibility to ensure we show confidence in the right executives at the right time, encouraging them to build ecosystems of value that establish the group as a digital platform organisation; one that serves our clients with excellence, and is equipped to compete profitably and sustainably in the years and decades ahead.

Our job is to identify the lead indicators that will substantially upgrade enterprise value by 2025 and ensure sustainable growth for the group and shared value for our stakeholders. I can attest to complex and nuanced discussions within the committee as we discern the most meaningful indicators to evidence progress toward our strategic ambition.

Operating across African countries presents numerous conundrums and trade-offs. Global investors expect world-class ESG standards, not always in keeping with the developmental imperatives of such markets. Expertise is in short supply in Africa, as is consistent sound governance. Directors must navigate the challenge with subtlety and grit.

And, given our strategy, they must have an instinct for innovation, a bias for action and a hunger to be first to market. If you are not a first mover, especially in terms of ecosystems, then someone else will enjoy the advantage.

Therefore remco must consider the central concern of retaining scarce skills and expertise, particularly those associated with the digital revolution. Having the right leaders is the key differentiator in a competitive business environment. In your reading of our implementation report, we trust you will agree that we have struck a reasonable balance in our remuneration policy between incentivising the execution of our strategy and ensuring that pay stays within the bounds of what is proportionate and appropriate.

AIR Detail of our strategy is available in our annual integrated report.

R

Remuneration policy

Introduction

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

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

Key objectives guiding our remuneration policy

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

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

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Principles that underpin our remuneration policy

Fair, responsible and transparent pay decisions

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

Fair and responsible remuneration: page **69**.

Remuneration governance: page **59.**

Performance assessment: page **60**.

Competitiveness

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

Reward structures: page **61**.

Benchmarking: page **59**.

Short-term incentives: page **62**.

Long-term incentives: page **64**.

Risk and remuneration: page **67**.

Inclusive

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

Shareholder engagement: page **71**.

R

Remuneration governance

Regulatory disclosures

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

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

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

GOV Read more about the collective skills and experience of the committee: page **21**.

Performance evaluation

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

Remco mandate

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

APPROVE

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

REVIEW

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

MONITOR

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

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

Benchmarking and external advice

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

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

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

In 2021, external advisors were used to benchmark remuneration and benefits across the group and to provide opinion on remuneration regulations and compliance. Advisors included Old Mutual Remchannel, Bowman Gilfillan, Global Remuneration Solutions – Mercer, Employment Conditions Abroad, McLagan and Willis Towers Watson. This process, together with supporting information from certain specialist client segments in the group, informs remco's proposals on the remuneration policy and implementation. The committee's proposals are approved by the board, and where necessary, the group's shareholders.

Regulatory disclosures

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

R

Pay practices

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

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

	Remuneration policy	How this applies to executive directors and prescribed officers	More information
Performance assessment	We use a groupwide performance management system – Perform to Grow. Performance is assessed against pre-agreed individual goals aligned to business goals with qualitative and quantitative measures.	Qualitative and quantitative performance measures and objectives are set at the beginning of each year against the group's six strategic value drivers. Achievement against objectives is tracked throughout the year and evaluated at year end.	
Fixed remuneration	Business results determine the affordability of fixed remuneration increases. Increases are based on a combination of inflation, market comparisons, individual performance and experience.	Fixed remuneration is determined based on the size and complexity of the role, benchmarked to the local market, and impacted by function/ experience and individual performance.	Policy detail: page **61**. Implementation: page **71**. Executive directors and prescribed officers: page **101**.
Short-term incentive	• These are annual discretionary awards of cash and share-linked awards. • Banking activities results determine the size of STI pools. • All permanent employees are eligible to be considered for a discretionary annual incentive award assessed against pre-agreed goals. • Individual awards are based on a combination of group, client segment/support function, team and individual performance (using financial and non-financial metrics over a multi-year period) and include effective risk management and compliance criteria. • Deferred awards are typically granted from mid-management level to senior management level and executives.	STIs are directly influenced by group and client segment performance (if applicable). With effect from the 2022 performance year, STIs are subject to caps, expressed as a percentage of Cost to company (CTC) in the March of the performance year.	Policy detail: page **62**. Implementation: page **72**. Executive directors and prescribed officers: page **101**.
Long-term incentive	• These are forward-looking share-linked awards with a rolling three-year delivery if performance conditions are met. • Awards are limited to senior executives with longer-term decision horizons and in roles that influence the group's results and long-term strategy. • Awards are made in relation to market pay benchmarks.	Long-term awards make up a significant proportion of executive directors' and prescribed officers' total remuneration. Remco have started to make a gradual shift in the variable pay mix with LTI awards making up a greater proportion of variable pay awards.	Policy detail: page **64**. Implementation: page **73**. Executive directors and prescribed officers: page **101**.
Other	• We subscribe to remuneration surveys. This applies in all countries in which we operate where relevant market data is available. • We have recognised union agreements in several countries across Africa, including South Africa. • Minimum standards are in place for group benefits and allow for localisation of benefits where market practice dictates. Changes to benefits are governed by a group benefits committee. • The quantum of benefits, expressed as a percentage of remuneration, are comparable across seniority levels in all of our countries.		

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Overview of reward structures

TOTAL REMUNERATION

Fixed remuneration	Variable remuneration
Basic salary	**Annual cash incentive award**
Compulsory benefits Group benefits plus compulsory country-specific benefits	**Annual deferred incentive award** Incentive awards above R1 million (or applicable local currency thresholds) plus discretionary deferred incentive awards
Optional benefits	**Long-term incentive award** Performance Reward Plan (PRP)

Page **63**.
Page **64**.

Fixed remuneration level is based on **function, experience, market pay** and **individual performance**.

Variable remuneration awards are discretionary and based on **group, client segment, team** and **individual performance**.

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

Pay mix

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

Typical pay mixes:

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

Fixed remuneration

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

Elements of fixed remuneration

Basic salary	Compulsory benefits	Optional benefits
To attract and retain employees We seek to remain competitive relative to our peers in the fixed remuneration we offer. Our annual basic salary review considers available market data, as well as individual and business line performance. Increases take effect on 1 March each year.	**To encourage retirement savings[1] and to cater for unforeseen life events** Pension and disability plans, death cover[2] and medical insurance[3] consider country practices and requirements.	**To enhance the package available to employees** These benefits vary and consider 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. More information on the group's defined benefit plans can be found in the annual financial statements, available online.
2 Death cover is provided in almost all countries of operation, either through self-insurance from within the pension funds or through external underwriting.
3 Medical insurance is provided in most countries of operation. The level of cover varies according to local market practice. In South Africa, employees recruited from 1 March 2000 do not receive post-employment healthcare benefits. Employees recruited before then receive post-employment healthcare funding through a post-employment healthcare benefit fund.

Fixed remuneration implementation: page **71**.

R

Variable remuneration

Short-term incentive awards (discretionary)

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

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

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

Read more on forfeiture (malus) and clawback arrangements: page **68**.

Executive directors and prescribed officers

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

STI implementation: page **72**.

Introduction of caps on short-term incentives for executive directors and prescribed officers

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

STI caps

Executive director/prescribed officer	% of CTC
CEO, Standard Bank Group (SBG)	300
Chief Finance & Value Management Officer	275
CEO, CIB	350
CEO, Client Solutions	275
CEO, CHNW	275
CEO, BCC	275

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

Setting the STI pool

1 Group's incentive pool

- Incentive pools are correlated to headline earnings (HE) and HE pre-minorities and incentive (HEpMI[1]) on a through-the-cycle basis and adjusted for the group's performance against its six strategic value drivers.
- Tested against the historical ratio analysis of incentive pools and profit measures (see page 72).
- Assessed against the relative returns to shareholders and employees in the year of award and cumulatively over time (see page 72).
- Benchmarked against the variable incentive pools of our banking competitors in South Africa by analysing their annual financial statements.

[1] The key performance metric used by remco.

2 Client segment and corporate function pools

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

AIR Refer to our annual integrated report for further detail.

3 Adjustments for risk

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

4 Individual proposals

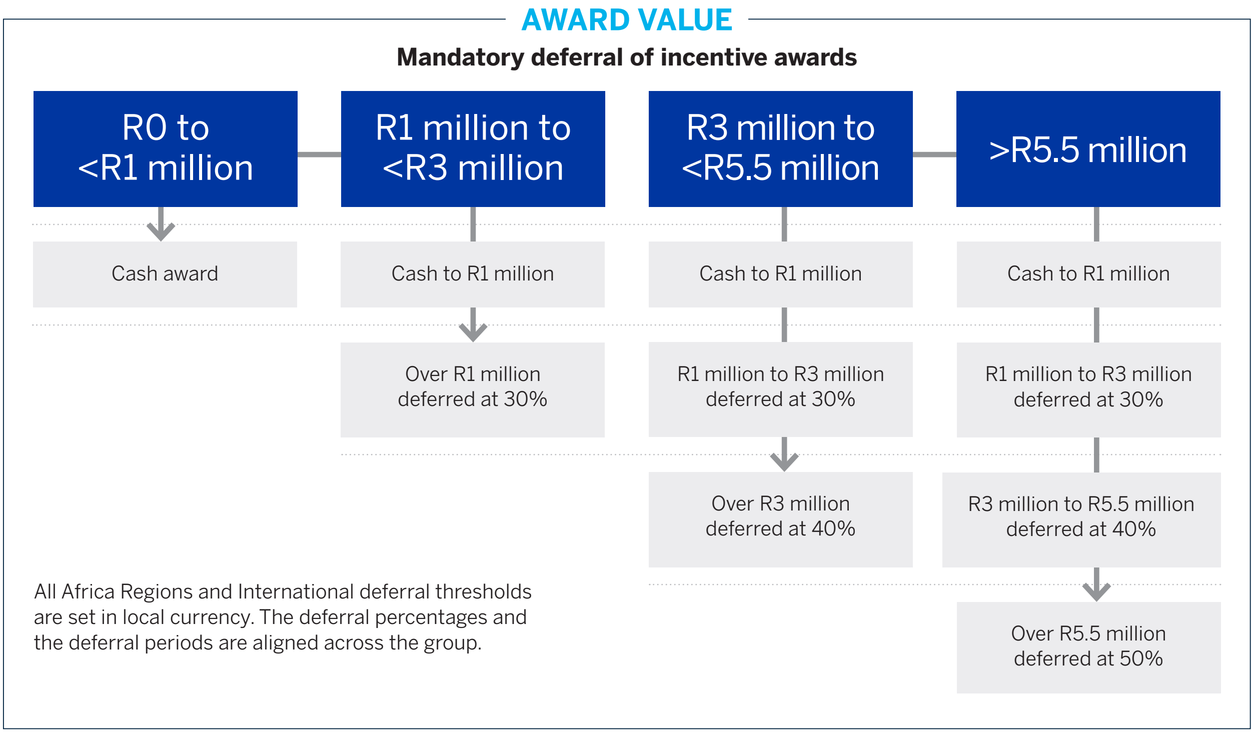
- Individual STI proposals are discretionary and not based on a fixed formulaic approach.
- Determined by market pay, client segment performance, team performance and individual performance (within the constraints of the incentive pool available).
- Adjustments are made for any risk and compliance breaches.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

R

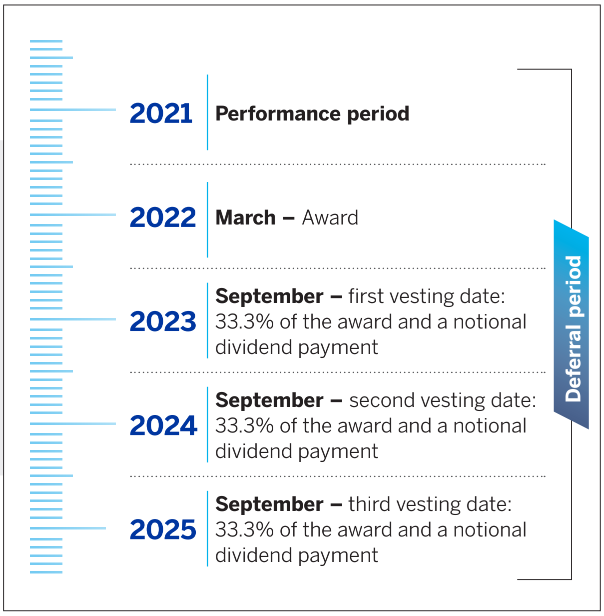
Share-linked deferral scheme – deferred bonus scheme

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

The mandatory deferral rates applicable to the March 2022 awards have been maintained at the same level as 2021, with the maximum marginal deferral rate at 50%.



The deferred incentive is unitised into a number of units with respect to the group's share price on the date of award. DBS units are then linked to the group share price until the vesting dates and accrue notional dividends during deferral, which are payable at vesting. The awards vest in three equal tranches at 18, 30 and 42 months. The release of deferred incentive awards made in March 2022 is illustrated alongside.



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

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

The release of rights awarded to employees in March 2022 under the SARP is illustrated below.

2022	**March award**	
2024	**March –** first vesting date	**33.3% vests**
2025	**March –** second vesting date	**33.3% vests**
2026	**March –** third vesting date	**33.3% vests**
2028	Can hold for up to a further two years after each vesting date.	

Long-term incentive awards – PRP (discretionary)

Awards under the PRP are delivered when certain performance conditions aligned to long-term strategic objectives are met. The PRP plays a key role in keeping executive directors, prescribed officers and senior executives focused on the future delivery of the strategy and incentivising them to achieve outcomes in the interests of shareholders and society as a whole.

Plan features:

- **Awards and dividends:** awards are made annually although individuals may not always receive an award every year. Notional dividends that accrue during the vesting period are payable on vesting.
- **Vesting and performance periods:** Awards vest after a period of three years from the award date which is typically in March. Vesting is fully subject to performance conditions set at the time of award. The performance period over which the achievement of the performance conditions is measured runs over a three-year period aligned to the group's financial year, i.e. the performance period for an award made in March runs from 1 January of that year to 31 December three years later.
- **Performance conditions and targets:** the performance conditions are set annually by remco. The performance conditions determine the number of shares that ultimately vest.
  - They include a minimum threshold to start vesting and subsequent targets for vesting up to 200%. Straight line vesting applies for achievement between defined targets.
  - Vesting thresholds are set relative to relevant underlying minimum levels of performance, allowing for changing market conditions.
  - Targets are set at the commencement of an award and can only be amended by remco in exceptional circumstances. Any exceptional circumstances will be disclosed.
  - The achievement of maximum targets leads to total reward levels in the upper quartile of market remuneration.
  - The scheme has a minimum vesting of 0% of the number of awards and a maximum cap on vesting equal to 200% of the number of awards.
  - For the 2022 award, the performance conditions were set to align to the group's True North 2025 metrics and targets communicated to the market in August 2021.

AIR Read more about our key strategic measures in our strategy on page **33** of the annual integrated report.

LTI implementation: page **73** in the implementation report.

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

R

Equity growth scheme

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

LTI implementation: page **122**.

AFS Refer to annexure E in the annual financial statements for details of all DBS, PRP and elected EGS rights per prescribed officer and executive director which have not been exercised, and the director remuneration tables that follow on pages **108–121**.

Share-linked scheme settlements

DBS

- **South Africa:** awards are settled in shares purchased by the group from the market on vesting, avoiding any shareholder dilution. Mandatory deferred awards made to executive directors, prescribed officers and other qualifying employees are settled in cash on vesting but are linked to the group's share price during the vesting period.
- **Africa Regions and International:** awards are settled in cash on vesting, through the cash-settled deferred bonus scheme, but are linked to the group's share price during the vesting period.
- **Wealth and Investment:** a small group of employees have their deferrals linked to the returns on selected Melville Douglas funds to ensure a link to client returns.

SARP

The group purchases the shares on vesting to avoid any shareholder dilution for external market participants.

PRP

The group purchases the shares on vesting to avoid any shareholder dilution for external market participants.

EGS

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

R

Remuneration scenarios for executive directors and prescribed officers

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

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

The graphs alongside show hypothetical values of total remuneration under the following scenarios:

Minimum reward outcomes

- This outcome depicts a scenario in which only the fixed remuneration of the relevant individual would be paid.

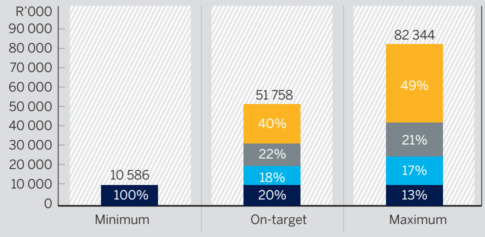
On-target reward outcomes

- STIs have been set based on meeting targets (across the strategic value drivers) for the group, client segment (where applicable) and the individual
- The scenario assumes around 55% of the STI will be deferred in share-linked awards
- The LTI is the value at grant for the most recent PRP award and assumes performance conditions achievement aligned to a 100% vesting outcome.

Maximum reward outcomes

- STIs depicted are in line with the STI cap level.
- This scenario also assumes around 55% of the STI will be deferred in share-linked awards
- The LTI is set at 200% of the value at grant for the most recent PRP award to reflect the maximum achievement of the performance conditions
- The maximum reward outcome would only transpire if all targets are exceeded, resulting in the delivery of significant value for shareholders.

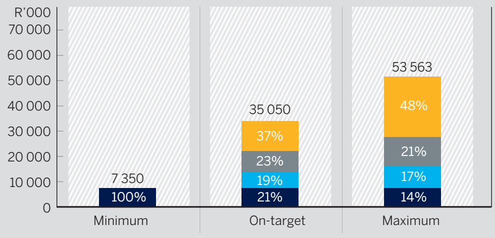
CHIEF EXECUTIVE OFFICER STANDARD BANK GROUP



The above scenarios include conditional LTI awards of R20 million and R40 million for on-target and maximum respectively.

Fixed remuneration · Deferred incentive · Cash incentive · Long-term incentive

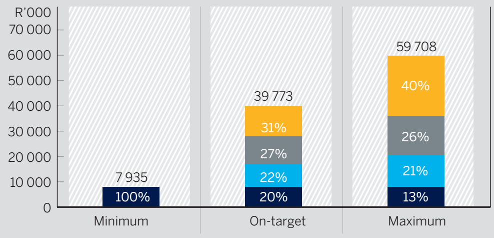
CHIEF EXECUTIVE OFFICER, CHNW



The above scenarios include conditional LTI awards of R13 million and R26 million for on-target and maximum respectively.

Fixed remuneration · Deferred incentive · Cash incentive · Long-term incentive

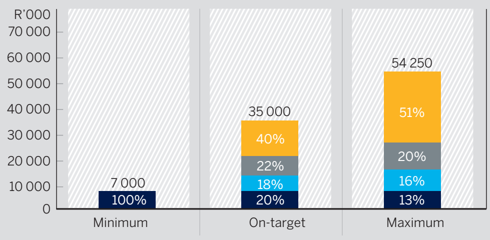
CHIEF EXECUTIVE OFFICER, CIB



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

Fixed remuneration · Deferred incentive · Cash incentive · Long-term incentive

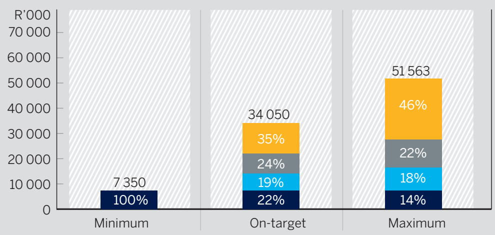
GROUP CHIEF FINANCE & VALUE MANAGEMENT OFFICER



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

Fixed remuneration · Deferred incentive · Cash incentive · Long-term incentive

CHIEF EXECUTIVE OFFICER, CLIENT SOLUTIONS



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

Fixed remuneration · Deferred incentive · Cash incentive · Long-term incentive

R

Risk management and remuneration

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

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

Future risks

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

Governance of risk in remuneration

Group chief risk & corporate affairs officer

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

Group chief finance & value management officer

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

Group chief people & culture officer

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

Adjustments

Specific risk-adjusted performance targets are not formulaically applied when setting and approving client segment incentive pools although remco pays specific attention to:

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

R

RISK MANAGEMENT AND REMUNERATION continued

Forfeitures (malus) and clawbacks

FORFEITURES
(applicable since 2009 and amended in 2011)

APPLIES TO

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

TRIGGERS WHICH MAY LEAD TO FORFEITURE

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

CLAWBACKS
(applicable since 2019)

APPLIES TO

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

TRIGGERS WHICH MAY LEAD TO CLAWBACK

The discovery of:

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

AIR Read more about how we manage our material risk types in risk and conduct in our 2021 annual integrated report.

RCM For a full report on risk and capital management.

R

Fair and responsible remuneration

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

Fair remuneration decisions are:

- Impartial, free from discrimination, free from self-interest, favouritism or prejudice on grounds including race, gender and sexual orientation
- Rational and objective
- South Africa: aligned with the Employment Equity Act's principle of equal pay for work of equal value.

- Pay differentiation is based on transparent and trusted processes to assess performance and identify and match benchmarks. This results in a reporting system that provides remco with performance outcomes and reward proposals that are equitable and transparent.

- Horizontal fairness – employees performing the same or similar job requirements at the same or similar level of performance receive the same or similar levels of total remuneration, allowing for variations such as length of service, qualifications, performance and scarcity of relevant skills.

- Vertical fairness – differences in total remuneration between job levels can be explained and justified on a consistent basis, for example, according to factors such as risk and complexity of the job, level of responsibility of decision-making and consequence and impact on the organisation.

Responsible remuneration decisions are:

- Remuneration is funded by, and linked to, the creation of value over the long term, in a way that is transparently reported to internal and external stakeholders.

- Variable remuneration is clearly correlated with the achievement of criteria that measure performance and value creation over the short, medium and long term, aligned to the group's strategy and strategic value drivers which include non-financial measures.

- All remuneration falls under the ambit of remco.
- Senior executive remuneration is:
  - Approved by remco and recommended to the board
  - Benchmarked to market
  - Managed using a rigorous process to review risk and control issues
  - Subject to forfeiture and clawback clauses
- Executive directors and prescribed officers are subject to a minimum shareholding requirement.

The wage gap and minimum salaries

Our remuneration policy is to pay for value delivered while ensuring that remuneration is competitive. The outcome of these two principles is that remuneration differs across levels, roles and geographies, creating a vertical wage gap. Mindful of income gaps and our commitment to fair and responsible remuneration, our minimum incomes enable employees in the lowest employment band to participate with dignity in the economies of the countries where they reside. Remco keeps abreast of the minimum levels of income in each country of operation, even if no prescribed minimum income exists, and compares these minimum levels against financial service/banking minimums. Remco is aware of the various pay gap ratios that are in use in other jurisdictions and is aware of the reviews and recommendation by various bodies on pay gap disclosure. When such guidance or regulations have been finalised, remco will make the appropriate disclosures.

Minimum shareholding requirements

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

Group CEO
Three times fixed remuneration

Executive directors and prescribed officers
Two times fixed remuneration

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

R

Executive terms of employment

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

Restrictive covenants

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

Retention agreements and payments

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

Guaranteed incentives

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

Sign-on awards/buy-out awards

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

Severance payments

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

Change of control

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

Non-executive director fees

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

Fees

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

Terms for non-executive directors

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

GOV More information on director independence: page **23**.

I

Implementation report

This section of our remuneration report sets out the reward decisions taken by remco in 2021 pertaining to the group's executive directors, prescribed officers and the general workforce.

Remco is satisfied that it has achieved its mandate and that the group's remuneration policy remains appropriate. However, having consulted with a wider set of shareholders following the failed AGM vote, remco has made some amendments to its remuneration policy and made further improvements to the level of disclosures.

The committee is satisfied that implementation of its remuneration policy has been carefully deliberated to achieve the best and fairest outcomes for our shareholders and executives.

Remuneration policy changes

Remco have made the following remuneration policy changes:

1. **Introduction of caps on STIs for executive directors and prescribed officers** – With effect from the 2022 financial year (i.e. for awards to be made in March 2023 and beyond), caps have been introduced to the STIs of executive directors and prescribed officers. The caps are shown on page 62.

2. **Change to non-financial performance weighting for PRP awards**

   Remco have responded to shareholder concerns that a 40% weighting on non-financial strategic drivers is too high and have therefore reduced the weighting on non-financial strategic drivers to 30% for the latest PRP awards in March 2022.

Improved disclosures

In addition to remuneration policy changes, remco have enhanced the disclosures covering the PRP performance measures, the minimum shareholding requirement and STI pools.

Executive directors and prescribed officers

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

- **Fixed remuneration:** for a second year, remco have agreed not to adjust fixed remuneration.
- **Variable remuneration:** individual outcomes are closely aligned to short- and long-term performance measures.
- **STI awards:** aligned to the group's 2021 financial performance and remco's assessment of the achievement of the group's strategic value drivers. Individual awards for prescribed officers also reflect the client segment performance.
- **STI caps:** remco have approved the introduction of caps for STI awards. These caps will apply with effect from March 2023 awards.
- **Deferred incentive awards:** high deferral levels in the local market context with 55% of STI awards being deferred into share-linked awards that vest in three equal tranches in September 2023, September 2024 and September 2025.
- **Conditional LTI awards:** there will be no conditional pay-outs for PRP awards that were due to vest in March 2022 based on the three-year performance period ending December 2021. This is a second year of no payments.
- **Variable pay mix:** to incentivise the execution of the group's future strategy and to reflect shareholder sentiment, remco have started to make a gradual shift in the variable pay mix with a greater proportion of variable pay awards made in conditional LTI awards.
- **Single figure total remuneration:** single figure total remuneration has increased year-on-year although these are still low relative to historical awards due to the zero vesting of the conditional March 2019 PRP awards that have been evaluated on the three-year performance for the period ending December 2021.

Adjustments to fixed remuneration

Remco approved the following increases to fixed remuneration with effect from March 2022:

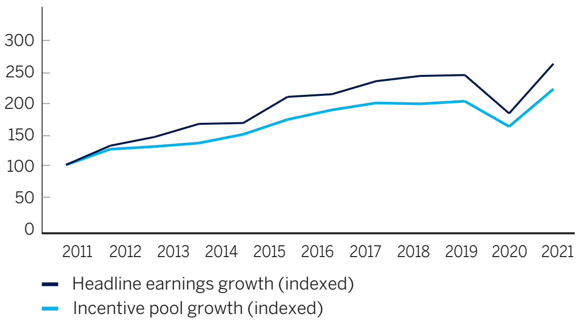
- No increases for executive directors and prescribed officers.
- 5.8% average increase to basic salaries across the group.
- 4.5% average increase to cost-to-company for managers and executives based in South Africa.
- 6.0% average increase for the fixed pay of our unionised general employees based in South Africa. Minimum salaries were increased to R215 700 per annum.

Short-term incentive awards

As noted on page 62, remco sets the group's incentive pool based on performance assessed against the group's strategic value drivers on a through-the-cycle basis. Remco analyses the historical ratio of incentive pools and profit measures and assesses the relative returns to shareholders and employees in the year of award and cumulatively over time.

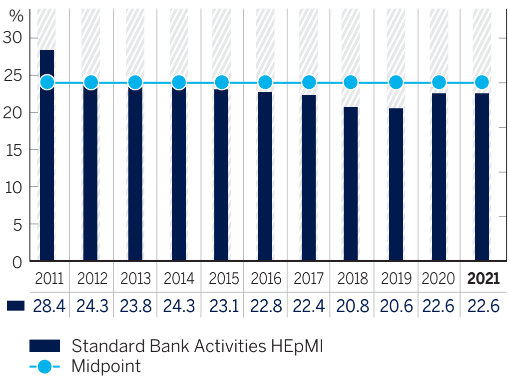
After remco's evaluation of the group's financial and risk-adjusted performance for the year and delivery against the group's strategy, the incentive pool for banking activities was increased by 42%, relative to group headline earnings growth of 57%. The index graph alongside shows a shareholder bias over the long term.

HEADLINE EARNINGS VS INCENTIVE POOL GROWTH



As shown in the graph below, the 2021 incentive pool as a percentage of Standard Bank Activities in HEpMI is in line with that paid in 2020.

INCENTIVE POOL AS A % OF STANDARD BANK ACTIVITIES HEpMI



Incentive accounting charge

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

This shows a 23% increase in the context of growth in the group's headline earnings of 57%.

Rm	FY2020	**FY2021**	Change (%)
Cash incentives	4 318	**5 772**	34
Deferred bonus	1 915	**1 900**	(1)
Total	6 233	**7 672**	23

The incentive accounting charge growth is below the overall pool growth of 42% given the various accounting treatment (deferred STI is charged over the deferral periods) and because of the non-delivery of the LTI awards that were due to vest in March 2022.

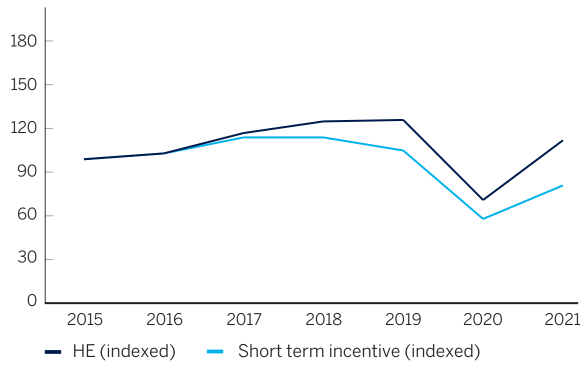
Alignment with shareholders

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

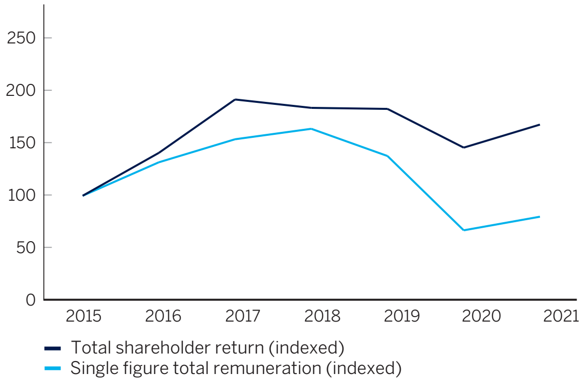
1) HE against the group CEO's STI awards since 2015;

2) Total shareholder return against the group CEO's single figure total remuneration since 2015;

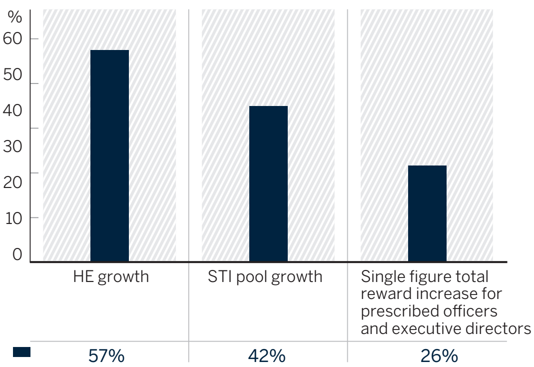
HEADLINE EARNINGS VERSUS GROUP CEO'S STI AWARDS



TOTAL SHAREHOLDER RETURN VERSUS GROUP CEO'S SINGLE FIGURE TOTAL REMUNERATION



SHAREHOLDER ALIGNMENT



Replacement of Liberty Group Holdings share-linked awards

In anticipation of the de-listing of the Liberty shares pursuant to Standard Bank's acquisition of the minority shareholdings, thought was given to the appropriate treatment of outstanding share awards made in terms of the various Liberty share-linked schemes.

In line with corporate governance requirements, the approach followed sought to reflect outcomes that are fair and responsible to all stakeholders through overall alignment to shareholder value creation and avoiding windfall gains, whilst retaining key executives and managers critical to the successful integration of Liberty into the broader group. Other factors considered include the nature, intention and value of the various outstanding awards, the remaining vesting periods, the availability of equivalent Standard Bank share-linked replacement instruments and the legal requirements of the Liberty share scheme rules.

Accordingly, a multi-faceted approach was followed in addressing the Liberty share awards:

Recent awards: Between 67% and 100% of the value on the transaction date was replaced with Standard Bank awards. The performance conditions applied to the replacement awards are no less stretching than those applicable to the awards which they replaced (where applicable). Depending on the award, up to one third of the value on the transaction date is to be settled in cash, with half of this amount falling due on transaction date and the remainder payable one year later (together with interest accrued at a retail rate), subject to continued employment.

Older awards with smaller values: After accounting for the impact of potential performance condition achievement, the full value on the transaction date is to be settled in cash. Half of this amount falls due on transaction date and the remainder is payable one year later (together with interest accrued at a retail rate), subject to continued employment.

Long-term incentive awards

The status of the PRP awards are set out below.

MARCH 2022 AWARDS

STATUS

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

PERFORMANCE CONDITIONS

Performance conditions continue to reflect the group's strategic priorities although the weighting for non-financial priorities has been reduced to 30% following shareholder feedback, with the balancing 70% weighting on financial performance (ROE).

MARCH 2021 AWARDS

STATUS

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

PERFORMANCE CONDITIONS

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

MARCH 2020 AWARDS

STATUS

These awards have been impacted by Covid-19 results.

PERFORMANCE CONDITIONS

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

MARCH 2019 AWARDS

STATUS

These awards were due to vest in March 2022, but the threshold performance conditions have not been met.

PERFORMANCE CONDITIONS

Remco have agreed that individual awards would lapse without vesting.

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

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

The performance conditions for the March 2022 awards are aligned to our strategic priorities and value drivers to deliver our purpose and promise as shown on the following page. The performance conditions are broadly unchanged from the March 2021 awards with two exceptions:

- The weighting for non-financial priorities has been reduced to 30% following shareholder feedback.
- Operational excellence has been included in the non-financial measures in line with the group's refined strategic value drivers.

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

For the financial condition, ROE in the final performance year (2024) will be measured relative to the COE in that year. Straight-line vesting will apply for performance between defined levels once ROE exceeds COE. This measure was chosen as it reflects earnings and returns.

For the non-financial conditions, remco will evaluate the level of achievement using a balanced scorecard approach aligned to the group's 2025 Ambition, which included the 2025 True North metrics for each strategic value driver, as communicated at our strategic update event in August 2021.

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

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

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

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

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

The performance conditions for the March 2021 awards are very similar to the March 2022 awards except that the weighting for non-financial priorities is 40% and the non-financial metrics are aligned to the four strategic value drivers that were in place at the time of the award.

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

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

For the financial condition, the ROE in the final performance year (2023) will be measured relative to the COE in that year. Straight-line vesting will apply for performance between defined levels once ROE exceeds COE. This measure was chosen as it reflects earnings and returns.

For the non-financial conditions, remco will evaluate the level of achievement using a balanced scorecard approach aligned to the group's 2025 Ambition, which included the 2025 True North metrics for each strategic value driver, as communicated at our strategic update event in August 2021.

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

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

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

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

March 2020 awards – three-year performance period ending 31 December 2022

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

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

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

There will be full transparency and if there is any vesting this will be disclosed in the 2022 Implementation Report together with the key considerations and rationale of why the vesting occurred. It is also noted that these awards are not expected to lead to outsized outcomes and they are expected to be aligned to shareholders' performance.

March 2019 awards – three-year performance period ending December 2021

These awards were due to vest in March 2022, but the threshold performance conditions set out in the table below have not been met.

Performance period ending December 2021

AVERAGE GROWTH IN HEADLINE EARNINGS PER SHARE (HEPS)[1]

- Below 8%: no conditionally allocated units will vest.
- Once 8% is achieved: 20% of conditionally allocated units will vest.
- For each 1% of average growth in HEPS in excess of 8% up to 11%: 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.

AVERAGE ROE

- For each 0.1% increase in average ROE above 18% up to 18.5%: 7.5% of the ROE-related conditional units awarded vest.
- For each 0.1% increase in average ROE above 18.5% up to 19%: 10% of the ROE-related conditional units awarded vest.
- For each 0.1% increase in average ROE above 19%: 15% 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 HEPS base of 1 748.4 cents for 2019 awards.

Other reward implementation considerations

During the course of 2021, remco have also considered and agreed the following actions.

Remuneration policy

Forfeiture (malus) and clawback

2021 implementations

No events led to the forfeiture and clawback triggers being implemented. However, remco have delayed vesting of some unvested awards while individual investigations have taken place.

Page **68.**

Minimum shareholding requirement

2021 implementations

All but one of the executive directors and prescribed officers have met the ongoing minimum shareholding requirements. The executive who does not currently meet the requirement is required to build up their personal shareholding from future vesting proceeds in the share-linked deferral schemes.

Page **69.**

Retention agreements and payments

2021 implementations

None of the executive directors or prescribed officers are subject to a retention agreement.

Page **70.**

Guaranteed incentives

2021 implementations

No guaranteed incentive was paid to an executive director or prescribed officer.

Page **70.**

Sign-on awards/buy-out awards

2021 implementations

No sign-on award was given to an executive director or prescribed officer.

Page **70.**

Severance payments

2021 implementations

None of the executive directors or prescribed officers have received special contractual severance payments.

Page **70.**

Fair and responsible remuneration

Learning and career development

We invested R733 million in learning and development opportunities. In addition, we spent R59.8 million on bursaries for 1 868 employees. This investment together with other development opportunities and internal job and promotion opportunities allows individuals to progress their careers and therefore their earning potential.

Minimum salaries

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

Gender and race

Our analysis in 2021 continues to indicate a more balanced gender equity pay distribution across countries and a more balanced race pay distribution in South Africa. The analysis indicates there are no systemic or entrenched issues. Any gaps are addressed during the annual remuneration review and when promotions take place. We are confident that our approach produces fair outcomes and we will continue to robustly address any risk of unconscious bias.

Individual performance and remuneration of executive directors and prescribed officers

Context to awards

Individual awards for executive directors and prescribed officers should be viewed in the context of a strong earnings recovery in 2021 although it is noted that the group's earnings are still below 2019 levels and the improved ROE is still below the COE.

In addition to considering the financial results, the strategic progress made under the other five value drivers is also taken into account in determining individual awards.

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

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

Remco has decided to apply no increases in fixed pay for executive directors and prescribed officers.

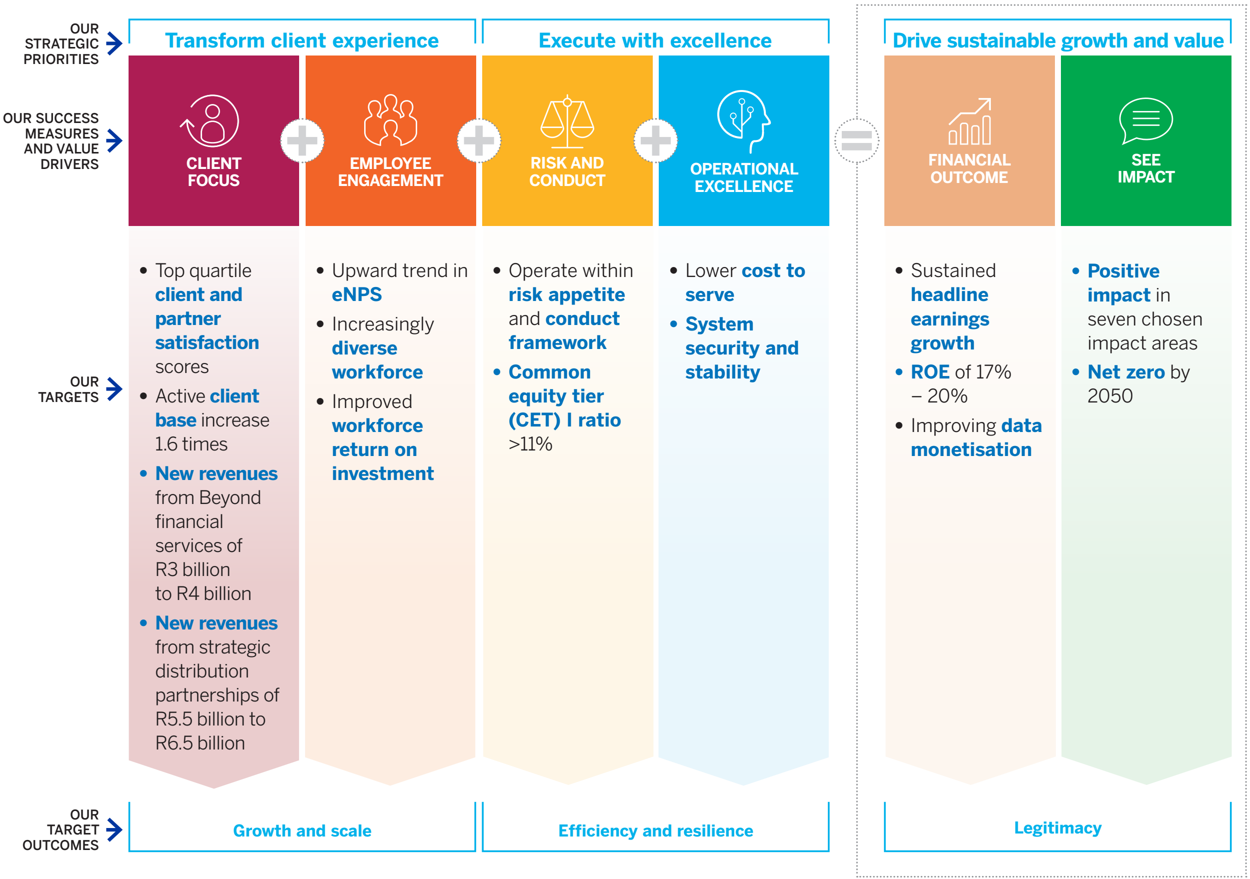
Individual STI awards in 2021 reflect the group's strong recovery in earnings relative to 2020 and the performance of the client segments for the prescribed officers.

Remco has decided to make a gradual shift in pay mix for its executive directors and prescribed officers by awarding a greater proportion of variable pay in the form of conditional LTI awards that only deliver on the successful execution of the group's future strategy.

The deferral rates and terms for STI continue to be the highest in the local market context.

A second year of non-delivery of the LTI award has led to consecutive years when single figure remuneration is significantly below historical norms.

The table below details the group's medium-term True North targets for each of its strategic value drivers, as communicated at our strategic update event. The individual disclosures for each executive director and prescribed officer detail the individual achievements against each strategic value driver and the link between performance and the reward outcomes.



AIR More detail is included in our annual integrated report.

Sim Tshabalala

Chief executive officer, Standard Bank Group

Performance against:

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

Sim's performance assessment has been based on the group's 2021 financial results and the strategic progress made under the other five value drivers.

Remuneration awarded by remco for 2021

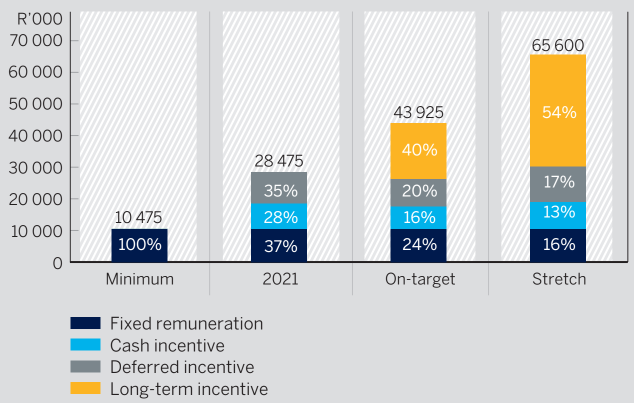
AWARDED

R'000	2020	2021	% Increase	2022
Fixed remuneration	10 586	**10 586**	0.0	10 586
Cash incentive	5 900	**8 100**	37.9	
Deferred incentive	7 150	**9 900**		
PRP awarded	17 750	**20 000**	12.7	
Total reward	41 386	**48 586**	17.4	

SINGLE FIGURE

R'000	2020	2021	% Increase
Fixed remuneration	10 999	**10 475**	(4.8)
Cash incentive	5 900	**8 100**	37.9
Deferred incentive	7 150	**9 900**	
PRP awarded	–	**–**	
Total reward	24 049	**28 475**	18.4

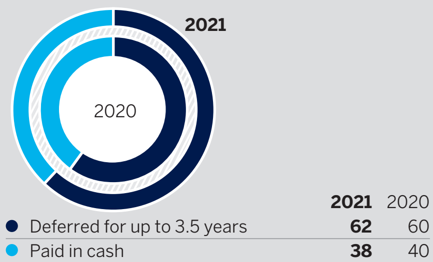
SINGLE FIGURE TOTAL REWARD FOR 2021 IN RELATION TO MINIMUM, ON-TARGET AND STRETCH PROJECTED REWARD



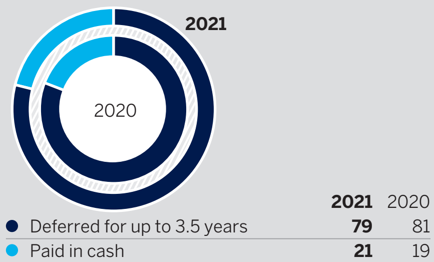
Link between performance and reward

- Fixed remuneration will not increase with effect from March 2022. This is the second year that fixed pay has not increased.
- The underlying financial performance is anchored around group headline earnings.
- The 38% increase in STI awards is in the context of:
  - Standard Bank Group headline earnings growth of 57%
  - On target rating of the group's strategic value drivers
  - An increase in LTI awards.
- To incentivise the execution of the group's future strategy, the conditional LTI award (PRP) has been increased from the prior year, reflecting a greater proportion of variable pay in the form of LTIs. Any delivery is subject to future performance conditions being met as assessed by remco.
- The total remuneration awarded by remco of R48.6 million (of which R20 million is at risk and may not deliver any value) is 17% higher than the prior year.
- The single figure award is 18% up on the prior year, reflecting the increase in the STI awarded for 2021.
- A second year of non-delivery of the PRP award evaluated on the three-year performance period ending December 2021, has meant that single figure remuneration is around half that of historical norms.
- The graph below shows that this year's single figure total reward of R28.5 million is 65% of the reward for on-target projected earnings and 43% of the reward for projected stretch earnings.

DEFERRED AWARDS AS PERCENTAGE OF TOTAL REWARD (%)

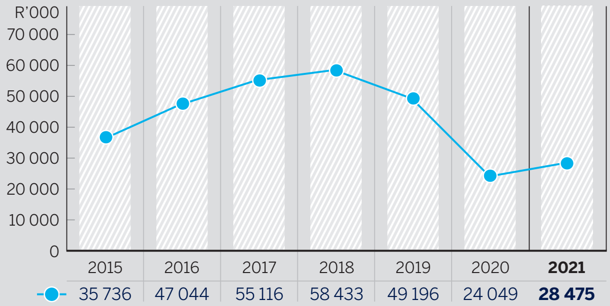


DEFERRED AWARDS AS PERCENTAGE OF TOTAL VARIABLE REWARD (%)



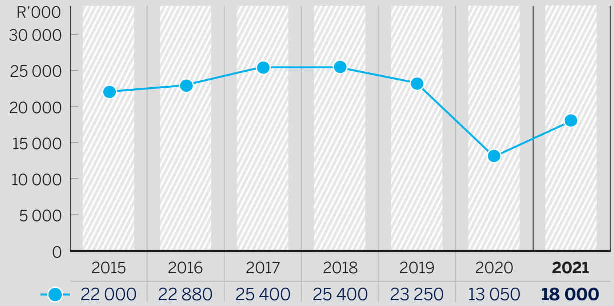
The graphs below show the history of single figure total reward and STI awards.

TOTAL REWARD – SINGLE FIGURE



2015	2016	2017	2018	2019	2020	**2021**
35 736	47 044	55 116	58 433	49 196	24 049	**28 475**

STI AWARDS



2015	2016	2017	2018	2019	2020	**2021**
22 000	22 880	25 400	25 400	23 250	13 050	**18 000**

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

Client experience improved in CHNW and BCC, and CIB maintained a high score.

BCC's net active client numbers grew by 2% in South Africa over 2021, and by 12% in Africa Regions.

CHNW's active client numbers grew by 8% in 2021, reaching 15.7 million. Active client numbers in South Africa grew by 9% to reach the landmark of just over 10 million active clients. Within this, growth was particularly rapid among Wallet (basic transactional services) users in South Africa, which grew 21%. In Africa Regions, active CHNW clients grew by 6% to 5.5 million, and banking, insurance investment clients grew by 10% to 5.4 million.

KEY PERFORMANCE INDICATORS

CHNW NPS South Africa
76
2020: 73
Progress ↑

CHNW NPS Africa regions
32
2020: 30
Progress ↑

SA-CSI (client satisfaction survey)
3rd
2020: 5th
Progress ↑

BCC NPS South Africa
71
2020: 64
Progress ↑

BCC NPS Africa Regions
29
2020: 26
Progress ↑

CIB CSI
8.2
2020: 8.2
Progress <>

Active CHNW clients
15.7mn
2020: 14.5mn
Progress ↑

Active BCC clients
761 000
2020: 726 000
Progress ↑

Key:

↑ Value created.
↓ Value eroded.
<> Value preserved.

EMPLOYEE ENGAGEMENT

During 2021, Sim undertook full day virtual visits to colleagues and clients in three South African provinces (Kwa-Zulu Natal, Western Cape and Eastern Cape) and to six Africa Regions countries (Nigeria, Namibia, Tanzania, Angola, Zambia, and Ghana.)

In 2021, more than 70% of our people continued to work remotely. Thanks to excellent work by many teams, the group's essential services operated without material disruption and we were able to make good strategic progress, discussed in detail below.

People and Culture continued to support colleagues through this difficult period by way of workplace support to employees classified as essential services workers, engagements with unions, providing wellbeing services, and offering special leave and benefit provisions, including parental leave for school closures and leave for self-quarantine. People and Culture continue to provide accurate, relevant, and helpful information about the pandemic and about vaccination.

The 2021 'Are You a Fan' survey had a participation rate across the group of 86%, 3% higher than in 2020.

We continued to invest in our people, spending more than R733 million on learning across the group. 7 565 employees across all geographies took part in leadership initiatives, of which 54% were women. The 'Journey to Greatness' leadership programme reached more than 1 010 executives and senior managers in 2021, providing training on how to lead and manage a modern digital business. At the end of 2021, 94% of our employees are active on our learning ecosystem, MyLearning, compared with our target of 80%, with 5.3 per RTS learning items completed. Employees spent an average of 95 hours on learning this year, up from 87 hours in 2020, and 41% of this time investment focused on building digital skills, including future-ready transformation, Salesforce, data, and technology skills. We now have more Salesforce 'Rangers' (that is, trained users) than any other company in the world except Salesforce itself.

In South Africa, we met our revised 2021 employment equity targets for Black and African people in top management, although we are below our target for black women in top management. We continued to improve the representation of Black and African people at every management level, with the exception of black women in top management.

In Africa Regions, 25 executives have now completed the Last Mile programme, of whom seven have been promoted into chief executive roles, and of whom two are women.

At group level, the Breakthrough Headwinds programme, launched in 2021, focuses specifically on the development of female leaders. A cohort of six female successors are being mentored by female members of the group leadership council (GLC).

In order to encourage innovations that will create valuable new digital client and employee experiences and solutions, we continue to run 'Out of the Blue' challenges and group Hackathons.

KEY PERFORMANCE INDICATORS

eNPS
+47
2020: +44
Progress ↑

Emotional NPS
+77
2020: +66
Progress ↑

Training investment
R733mn
2020: R678mn
Progress ↑

Regrettable turnover rate
2.2%
2020: 1.4%
Progress ↓

Women in executive positions
36.4%
2020: 33.6%
Progress ↑

Black economic empowerment (BEE) status in South Africa
Level 1
2020: Level 1
Progress <>

Learning hours per employee
95
2020: 87
Progress ↑

RISK AND CONDUCT

Throughout 2021, the group maintained its capital and liquidity positions within the board-approved risk appetite statement limits. Appropriate liquidity buffers were held in line with regulatory, prudential, and internal stress-testing requirements, taking into account the group's risk profile and market conditions.

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

Our systems performed well during the year from a security perspective, with no material cyber crime incidents in 2021.

Although the top-level metrics remain satisfactory, there were a number of areas that are below the high standards set. In response to this, the group leadership committee has prioritised the risk environment in each of our countries of operation and this led to an encouraging reduction in overdue matters in the third and fourth quarters.

KEY PERFORMANCE INDICATORS

CET 1	LCR	NSFR	Compliance training completion rate
13.8%	144%	122%	98%
2020: 13.2%	2020: 135%	2020: 125%	2020: 98%
Progress ↑	Progress ↑	Progress ↓	Progress <>

OPERATIONAL EXCELLENCE

In addition to the metrics listed, we shut down 73 redundant legacy systems, and we reduced our physical footprint by >77 000m^2 in 2021.

KEY PERFORMANCE INDICATORS

P1 system stability incidents	Digital solution fulfilment
16	28%
2020: 13	2020: 23%
Progress ↓	Progress ↑

FINANCIAL OUTCOME

Our 2021 results reflect the reasonably strong recovery of the world and South African economies – but, pleasingly, also emerge from the growing competitiveness of many of the group's businesses. Our Africa Regions businesses, however, felt the effects of the pandemic more strongly in 2021 than in 2020.

KEY PERFORMANCE INDICATORS

Headline earnings
R25.0bn
2020: R15.9bn
Progress ↑

ROE
13.5%
2020: 8.9%
Progress ↑

Revenue
R114bn
2020: R109bn
Progress ↑

Credit loss ratio (CLR)
73 bps
2020: 151bps
Progress ↑

Cost-to-income ratio
57.9%
2020: 58.2%
Progress ↑

SEE IMPACT

We announced a set of sustainability commitments during our strategy update in August 2021 and published a climate strategy with quantified targets in March 2022.

During 2021, we provided 14 sustainable finance loan facilities (use of proceeds and performance-based loans) across the healthcare, consumer, real estate, public sector, industrial and power and infrastructure sectors, to the value of R16.2 billion. We arranged eight sustainable finance bonds to the value of R5.8 billion (use of proceeds and sustainability linked bonds; excluding bonds/funding raised by Standard Bank) across the healthcare, financial services, power and real estate sectors.

In line with our view that weight placed on 'social' should be equal to that on 'environmental' in ESG matters, The Standard Bank of South Africa Limited (SBSA) issued its first social bond in August 2021. The R2 billion social bond raised funding to support the financing of mortgage loans in the affordable housing target market, with a focus on women borrowers.

The group spent more than R160 million on corporate social investment, mainly in education and health care, during 2021.

KEY PERFORMANCE INDICATORS

S&P global corporate sustainability assessment
61%
2020: 60%

FTSE4Good index series
3.9
Included
2020: Included

MSCI ESG rating
AA
2020: AA

CDP Climate Score
C
2020: C

Sustainalytics ESG Risk rating (lower is better)
25.6 med risk
(298 out of 1 011 banks)
2020: 25.5 med risk (266 out of 975 banks)

Bloomberg Gender Equality Index
68%
2020: n/a

Dr Arno Daehnke

Group chief finance & value management officer

Performance against:

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

Arno's performance has been based on the group's 2021 financial results and the strategic progress made under the other five value drivers.

Remuneration awarded by remco for 2021

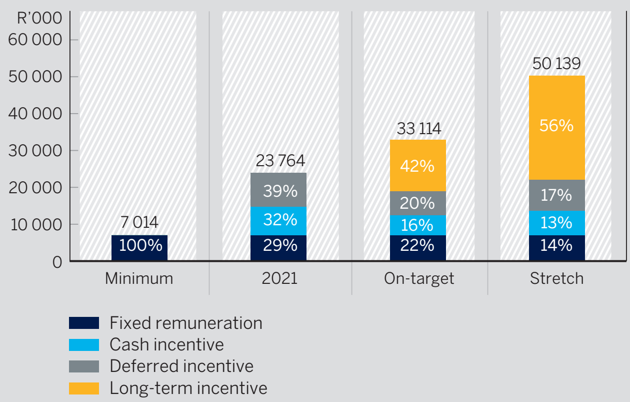
AWARDED

R'000	2020	**2021**	% Increase	2022
Fixed remuneration	7 000	**7 000**	0.0	7 000
Cash incentive	4 600	**7 525**	65.8	
Deferred incentive	5 500	**9 225**		
PRP awarded	14 000	**14 000**	0.0	
Total reward	31 100	**37 750**	21.4	

SINGLE FIGURE

R'000	2020	**2021**	% Increase
Fixed remuneration	7 139	**7 014**	(1.7)
Cash incentive	4 600	**7 525**	65.8
Deferred incentive	5 500	**9 225**	
PRP awarded	–	**–**	
Total reward	17 239	**23 764**	37.9

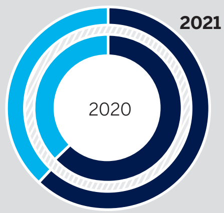
SINGLE FIGURE TOTAL REWARD FOR 2021 IN RELATION TO MINIMUM, ON-TARGET AND STRETCH PROJECTED REWARD



Link between performance and reward

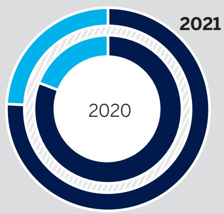
- Fixed remuneration will not increase with effect from March 2022. This is the second consecutive year that fixed pay has not increased.
- The underlying financial performance is anchored around group headline earnings.
- The 66% increase in STI awards is in the context of:
  - Standard Bank Group headline earnings growth of 57%
  - Above target rating of the group's strategic value drivers and
  - Special recognition for his contribution to the acquisition of Liberty Group Holdings.
- The conditional LTI award (PRP award) has been made to incentivise the execution of the group's future strategy. Any delivery is subject to performance conditions being met as assessed by remco.
- The total remuneration awarded by remco of R37.8 million (of which R14 million is at risk and may not deliver any value) is 21% higher than the prior year.
- The single figure award is 38% up on the prior year, reflecting the increase in the STI awarded for 2021.
- A second year of non-delivery of the PRP award, evaluated on the three-year performance period ending December 2021, has meant that single figure remuneration is lower than historical norms.
- The graph below shows that this year's single figure total reward of R23.8 million is 72% of the reward for on-target projected earnings and 47% of the reward for projected stretch earnings.

DEFERRED AWARDS AS PERCENTAGE OF TOTAL REWARD (%)



	2021	2020
Deferred for up to 3.5 years	**62**	63
Paid in cash	**38**	37

DEFERRED AWARDS AS PERCENTAGE OF TOTAL VARIABLE REWARD (%)



	2021	2020
Deferred for up to 3.5 years	**76**	81
Paid in cash	**24**	19

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

Appropriate capital and liquidity raising was executed to support client growth. Focus was on optimising the capital stack by revising risk targets at a group and entity level and executing on the issuance plan which, in 2021, comprised R3.5 billion of additional tier 1 and R3.2 billion of tier II capital of which R1.4 billion was issued as a green bond. From a liquidity perspective, a total of R3.5 billion in social senior bonds were issued in the local market. All pricing was well within guidance and below pre-covid levels in certain instances.

The finance community continues to perform the role of value manager and focuses on leading financial and non-financial indicators in our monthly reporting, providing early opportunities for management action. Our monthly reporting is reliable with a clearly articulated storyline with detailed and valuable productivity insights.

The shift to client segment reporting in line with our new operating model was completed for 1H21 reporting and the strategic update held in August 2021.

KEY PERFORMANCE INDICATORS

Pivot to client segment reporting
completed for 1H21.

EMPLOYEE ENGAGEMENT

Arno continued to display a high level of leadership participation at group leadership council and board level, particularly with regard to driving the group's 2021 Ambition and strategic update held in August 2021.

Arno keeps the executive and the group focused on what matters most and plays a key role in setting our future direction.

Employee wellness and resilience remained a focus in Finance with the eNPS score increasing to +47. During the year we maintained high levels of engagement, albeit using digital channels.

A strong focus on upskilling and re-skilling across finance continued. We have started to measure learning hours across Finance and are pleased to see in excess of 100 hours of learning achieved, on average, per employee in Finance.

Transformation targets were achieved for finance in South Africa and our representation of women in executive positions continues to increase.

KEY PERFORMANCE INDICATORS

eNPS for Finance	Regrettable turnover for finance (target <5%)	Women at executive level in finance	Learning hours per finance employee
+47	3%	42%	102
2020: +43	2020: 3%	2020: 39%	
Progress ↑	Progress <>	Progress ↑	

Key:

↑ Value created.
↓ Value eroded.
<> Value preserved.

RISK AND CONDUCT

The Covid-19 crisis continued to demand a great deal from Finance teams including a new level of forecasting and stress testing, execution of innovative capital and liquidity solutions to supplement capital and debt issuance into challenging markets and a keen awareness of regulation interventions, all of which was handled in a timeous and professional manner.

Despite another difficult year, all level 1, 2 and 3 risk metrics have been managed within risk appetite and the group's capital ratios remain strong and above targets.

No material breakdowns in financial controls were noted in 2021. All significant financial control findings are reported and tracked, and adequate remediation plans are put place to address these control findings.

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

Full group compliance with the BCBS239 principles for effective risk data aggregation and risk reporting was achieved in 2021.

Group tax risk continues to be well managed.

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

CET I capital adequacy ratio	LCR	NSFR	Finance compliance completion rate
13.8%	144%	122%	99%
2020: 13.2%	2020: 135%	2020: 125%	2020: 97%
Progress ↑	Progress ↑	Progress ↓	Progress ↑

OPERATIONAL EXCELLENCE

Despite working from home, we continued our journey to modernise finance using robotic process automation (RPA) and artificial intelligence (AI) for predictive forecasting and anomaly detection.

Finance has made impressive progress in digitising routine work over the year.

Finance systems continue to be robust with outages improved on an excellent 2020 performance.

Finance's cloud migration journey is ahead of target (38% complete).

During 2021, the Finance team created a new capability for process mapping and optimisation and an improved process mapping tool has been successfully implemented.

Predictive forecasting, using machine learning, has been scaled in parts of the group with 90% accuracy and significant time saving.

Six further Finance data sets were curated.

KEY PERFORMANCE INDICATORS

Finance system outages (P1)	Finance system outages (P2)
0	12
2020: –	2020: 16

FINANCIAL OUTCOME

The group's financial performance was ahead of base case expectations in 2021, with a better than anticipated recovery in credit impairments, but still within the range of outcomes we had anticipated at the beginning of the year. Arno played an active role in managing the group's financial recovery from Covid-19.

Focused group cost management allowed for positive jaws for the year.

A good improvement in the group's ROE was achieved, however, this important measure of performance remains below the group's COE.

Finance costs were well managed in the year, growing 2%.

The standard of reporting in the group continues to be high and in 2021 we achieved a Top 10 place in the EY Excellence in Integrated Reporting Awards.

Our transition to a world of beyond budgeting continues. The 2022 plan was delivered using an agile, scenario-based approach which will allow us to deploy resources dynamically and optimally throughout 2022. Modernising the budget has transformed a ritual process into a very useful and dynamic management tool.

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

KEY PERFORMANCE INDICATORS

Headline earnings
R25.0bn
2020: R15.9bn
Progress ↑

ROE
13.5%
2020: 8.9%
Progress ↑

Jaws ratio
54 bps
2020: -306 bps
Progress ↑

CLR
73 bps
2020: 151 bps
Progress ↑

Finance direct cost growth
2%
2020: -2%
Progress ↓

SEE IMPACT

Arno played an important role in elevating the group's ESG narrative as part of the strategic update and he effectively addressed activist shareholder concerns ahead of the AGM held in May 2021.

See additional commentary in the scorecard for the CEO SBG on page 82.

Funeka Montjane

Chief executive officer, CHNW

Performance against:

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

Funeka's performance has been based on the group's 2021 financial results, the CHNW segment results and the strategic progress made under the other five value drivers.

Remuneration awarded by remco for 2021

AWARDED

R'000	2021	2022
Fixed remuneration	7 350	7 350
Cash incentive	6 500	
Deferred incentive	8 000	
PRP awarded	13 000	
Total reward	**34 850**	

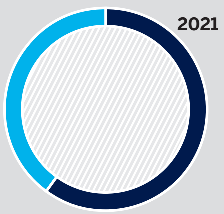
SINGLE FIGURE

R'000	2021
Fixed remuneration	7 202
Cash incentive	6 500
Deferred incentive	8 000
PRP awarded	–
Total reward	**21 702**

Link between performance and reward

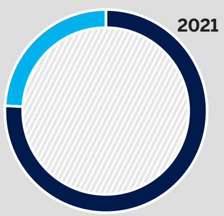
- Fixed remuneration will not increase with effect from March 2022.
- As a chief executive of a client segment, the financial performance is equally anchored on performance of the CHNW client segment and group.
- The STI award is in the context of:
  - Standard Bank Group headline earnings growth of 57%
  - CHNW clients segment headline earnings growth of 127% and
  - Achievement of the group's strategic value drivers.
- The total remuneration awarded by remco is R34.9 million (of which R13 million is at risk and may not deliver any value).
- The single figure awards of R21.7 million reflects the non-delivery of the PRP award evaluated on the three-year performance period ending December 2021.

DEFERRED AWARDS AS PERCENTAGE OF TOTAL REWARD (%)



	2021
Deferred for up to 3.5 years	60
Paid in cash	40

DEFERRED AWARDS AS PERCENTAGE OF TOTAL VARIABLE REWARD (%)



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

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

Being a leader in client experience is vital for our CHNW business and we are pleased with the progress to date across the continent. Client experience in our South African franchise improved as measured through the Net Promoter Score (NPS increasing by 3 points to 76).

Furthermore, the SA-CSI survey by Consulta reflects an improvement of 2 notches to 3rd place and above industry average reflective of deliberate actions to transform client experience. Africa Regions posted improved scores, with NPS increasing by 2 points from 30 in the previous year to 32 in 2021. In the Nigeria Banking Industry client experience survey performed by KPMG, our Nigeria franchise was ranked first when measured against its peers.

In the South Africa franchise we grew new-to-bank active client base by over one million; with unique active clients growing by 9% from 2020 (main market up 10%, and affluent at 5%) and 85% of these clients registered on our digital platforms. This growth was underpinned by the investment in our client facing bankers through the universal banker journey, which improved our sales capability three-fold. Flexi Funeral policies reached a milestone of one million new policies, making it the fastest growing funeral plan in the market when compared with peer banks in South Africa. The close collaboration between Standard Bank Financial Consultants and Liberty has contributed meaningfully in growing our investment deals by 35% and risk deals by 14%.

While our Africa Regions franchise continues to grow the client base meaningfully, improving by 6% across regions and digitally active clients up by 17%.

Standard Bank Wealth and Investment was the recipient of various awards from the Private Banker international and the Euromoney Awards for Excellence in 2021, while Standard Bank was voted as Africa's Best Bank for Wealth Management.

KEY PERFORMANCE INDICATORS

South Africa NPS	Africa Regions NPS	SA-CSI
76	32	3rd
2020: 73	2020: 30	2020: 5th
Progress ↑	Progress ↑	Progress ↑

Active client numbers	Digital active clients – South Africa	Digital active clients – Africa Regions
15.7mn	+22%	+17%
2020: 14.5mn		
Progress ↑	Progress ↑	Progress ↑

Key:

↑ Value created.
↓ Value eroded.
<> Value preserved.

EMPLOYEE ENGAGEMENT

We continue to invest in future skills of our teams with key programmes such as:

- Universal Banker journey, which is near completion with meaningful results, as reflected in client growth within the South Africa franchise.
- Data Science, Behavioural Economics and the Credit Academy.

After a challenging year, with significant changes, the eNPS remains high, flat from 2020 at +46.

The regrettable turnover, in a year characterised by change, was reflective of the leadership focus on developing and supporting the team.

Women representation at senior and executive levels improved to 47% up from 40% in 2020, reflective of our commitment to transformation and diversity.

KEY PERFORMANCE INDICATORS

eNPS	Regrettable turnover	Women representation
+46	1.0%	47%
2020: +46	2020: 0.6%	2020: 40%
Progress <>	Progress ↓	Progress ↑

RISK AND CONDUCT

We continue to support our clients through targeted risk appetite, allowing us to maximise on market opportunities. Early indications show that the strategy to continue supporting our clients through all macroeconomic cycles is yielding positive outcomes, both from a credit performance and client sentiment perspective.

Across the continent, credit was well managed whilst prudently growing the lending book. Where we had challenges, there has been sufficient management attention and we continue to see good momentum in the growth of the lending books. We are pleased by our progress in the development of scored lending across the continent, without significant losses.

Operational risk losses are receiving significant focus as a surge in fraud attempts is observed in the vastly adoptive digital world.

Across the group we continue to strengthen the assurance capabilities, with adoption of integrated risk assurance framework, ensuring that we are proactive in the identification of risk, solutioning for the risk timeously and ensuring that the issues do not reappear.

KEY PERFORMANCE INDICATORS

CLR	Know Your Customer (KYC) compliance	Risk appetite
137 bps	99%	Compliant
2020: 231 bps	2020: 100%	
Progress ↑		

OPERATIONAL EXCELLENCE

Ensuring that our digital platforms such as 'Always on' remains critical in transforming our client experience. We continue to make progress in this regard, with improvement in outages, and time to recovery from the prior year. Our focus on system stability remains heightened.

KEY PERFORMANCE INDICATORS

P1 incidents	P2 incidents	Mean time to repair P2 incidents
16	1 042	16 hours
2020: 23	2020: 1 424	2020: 46 hours
Progress ↑	Progress ↑	Progress ↑

FINANCIAL OUTCOME

CHNW performance reflects a strong recovery from the impact of Covid-19 pandemic with headline earnings growth of 127% to R6 890 million and improvement in ROE from 6.3% to 13.9%.

Net interest income (NII) was 6% against 2020, fuelled by robust asset and deposit growth of 9% and 11% (respectively), partially offset by negative endowment. The easing of lockdown restrictions in 2021 supported economic recovery across the continent. This supported non interest revenue (NIR) growth of 5% as client activity rebounded resulting in increased transactional activity.

Credit impairments declined by 36% to R7 934 million (2020: R12 361 million) and the CLR improved to 137 bps (2020: 231 bps) below the through-the-cycle range (100 bps – 150 bps), albeit still higher than 2019.

Whilst we continue to invest in digital capabilities and solutions to transform client experience, costs grew by 4% with positive jaws of 79bps and cost to income improving to 61.5%.

KEY PERFORMANCE INDICATORS

Headline earnings	ROE	Cost-to-income	Revenue
R6.9bn	13.9%	61.5%	R48.2bn
2020: R3.0bn	2020: 6.3%	2020: 62.0%	2020: R45.9bn
Progress ↑	Progress ↑	Progress ↑	Progress ↑

SEE IMPACT

We continue to drive financial inclusion across the continent through purpose-led innovation and solutions:

Affordable Housing had meaningful growth of R5 billion registrations and is up 63% to 2020, and 90% to 2019.

We have broadened our reach and increased financial access through instant money, which has over 50 000 access points for sending and redemption vouchers through retail partnerships. Furthermore, the number of Instant Money senders increased by 16% to 2.2 million, and the value of vouchers purchased reached R26.6 billion, resulting in an increase of 26% from 2020. We have over 6 million instant money receivers.

In Africa Regions, we have focused on scaling mobile money platforms such as Unayo which is live in four countries (Malawi, Eswatini, Kenya and Botswana) with over 100 000 users.

See additional commentary in the scorecard for the CEO SBG on page 82.

KEY PERFORMANCE INDICATORS

Affordable Housing Registrations

R5.0bn

2020: R3.1bn

Progress ↑

Increase in Instant Money sent values

R26.6bn

2020: R21.1bn

Progress ↑

Unayo

>100 000

users in 4 counties

Kenny Fihla

Chief executive officer, CIB

Performance against:

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

Kenny's performance has been based on the group's 2021 financial results, the CIB segment results and the strategic progress made under the other five value drivers.

Remuneration awarded by remco for 2021

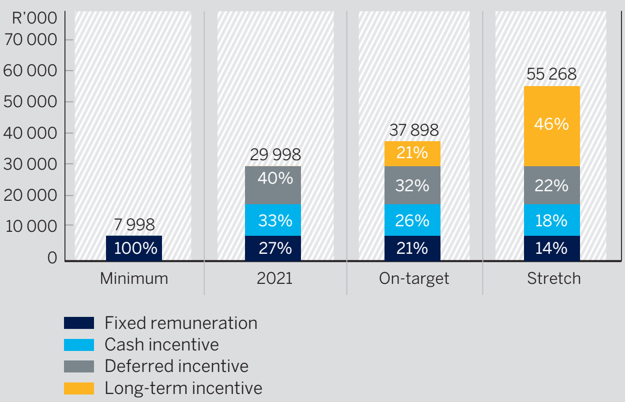
AWARDED

R'000	2020	2021	% Increase	2022
Fixed remuneration	7 935	**7 935**	0.0	7 935
Cash incentive	7 400	**9 900**	35.0	
Deferred incentive	8 900	**12 100**		
PRP awarded	12 000	**12 000**	0.0	
Total reward	36 235	**41 935**	15.7	

SINGLE FIGURE

R'000	2020	2021	% Increase
Fixed remuneration	8 227	**7 998**	(2.8)
Cash incentive	7 400	**9 900**	35.0
Deferred incentive	8 900	**12 100**	
PRP awarded	–	**–**	
Total reward	24 527	**29 998**	22.3

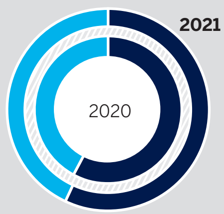
SINGLE FIGURE TOTAL REWARD FOR 2021 IN RELATION TO MINIMUM, ON-TARGET AND STRETCH PROJECTED REWARD



Link between performance and reward

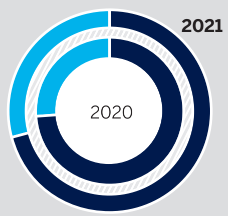
- Fixed remuneration will not increase with effect from March 2022. This is the second consecutive year that fixed pay has not increased.
- As a chief executive of a client segment, the financial performance is equally anchored on performance of the CIB segment and group.
- The 35% increase in STI awards is in the context of:
  - Standard Bank Group headline earnings growth of 57%
  - CIB segment headline earnings growth of 43%
  - Achievement of the group's strategic value drivers.
- The total remuneration awarded by remco of R41.9 million (of which R12 million is at risk and may not deliver any value) is 16% higher than the prior year.
- The single figure award is 22% up on the prior year, reflecting the increase in the STI awarded for 2021.
- A second year of non-delivery of the PRP award, evaluated on the three-year performance period ending December 2021, has meant that single figure remuneration is lower than historical norms.
- The graph below shows that this year's single figure total reward of R30.0 million is 79% of the reward for on-target projected earnings and 54% of the reward for projected stretch earnings.

DEFERRED AWARDS AS PERCENTAGE OF TOTAL REWARD (%)



	2021	2020
Deferred for up to 3.5 years	**57**	58
Paid in cash	**43**	42

DEFERRED AWARDS AS PERCENTAGE OF TOTAL VARIABLE REWARD (%)



	2021	2020
Deferred for up to 3.5 years	**71**	74
Paid in cash	**29**	26

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

The client sentiment remains healthy, with ratings remaining flat in 2021 following a three-year upward trend, at a CSI score of 8.2 out of 10 for 2021 (2020: 8.2, 2019: 8.1).

96% of the surveyed client population (2 344) were satisfied with our proactive engagement during Covid-19.

The franchise continues to show resilience in a challenging macro-economic climate, with client revenues flat (R32.1 billion) off a high base in 2020.

Approximately 85% of CIB's revenue is derived from corporate clients, reflecting a strong client franchise. The relationships with a growing number of multinational clients is healthy across our footprint and remains a competitive advantage; multinationals contribute approximately 60% of the client revenues and continue to be the primary contributor to our client franchise.

CIB experienced good brand affinity across most of our key markets.

International events and key activities were successfully hosted, albeit online (for example, Africa Investor Conference, South Africa Tomorrow, inaugural SBG Climate Summit), and continue to carry a high level of awareness among targeted institutional clients and corporates.

Successfully rolled out the new CIB client brand campaign 'ALL IN' which was well received by the market.

KEY PERFORMANCE INDICATORS

Client revenue growth
0%
2020: 4%
Progress <>

CSI
8.2
2020: 8.2
Progress <>

EMPLOYEE ENGAGEMENT

In line with our commitment to deliver our People Promise within CIB, we are delivering the people proof points with a particular focus on recognition, retention wellbeing, culture and learning.

Our employee engagement scores remained consistent at +38 in 2021. The high participation rate of 76% enabled us to gain great insights to enhance our people experience and ensure that we continue to focus on being a people-centric organisation which helps our people "find new ways to make their dreams possible".

We continued to build capability and succession internally through focused programmes on future successors, e.g. in 2021 we introduced the CIB Leadership Development Programme, APEX, continued the Accelerate Programme, a key initiative which supports succession with purposeful and targeted development and continued our Women's Development Programme, Ignite with a focus on supporting the development of our Black and female talent.

Appointments have been made into key CIB strategy committee roles as a result of internal succession bench strength. The majority of these vacancies were due to individuals being promoted or taking on other key roles within the group, adversely impacting our female senior management population.

Celebrated exceptional performance and contribution through our recognition programmes, Beyond Excellence and Mark of Excellence.

Pioneered and delivered various wellbeing activities to support our people mentally and physically through Covid-19.

KEY PERFORMANCE INDICATORS

eNPS
+38
2020: +38
Progress <>

Women at executive level
26.9%
2020: 27.7%
Progress ↓

Regrettable turnover (target <5%)
4.8%
2020: 2.7%
Progress ↓

Key:

↑ Value created.
↓ Value eroded.
<> Value preserved.

RISK AND CONDUCT

The CIB CLR is below the through-the-cycle range of 40 to 60 bps at (6) bps. The net impairment release is a result of higher risk stage 2 exposures being either maturing, had limits reviewed, or the debt been repaid. No new significant and material stage 3 provisions were raised as sufficient provisions were made in 2020.

KEY PERFORMANCE INDICATORS

CLR on loans to clients

-6bps

2020: 80bps

Progress ↑

CIB impairment charges

-R311m (reversal)

2020: R4.2bn (provision)

Progress ↑

OPERATIONAL EXCELLENCE

IT modernisation: Always on, execution capacity improved significantly with system teams fully staffed, allowing teams to achieve the targets set to remediate technology components and bring about more stability.

Cloud migrations: The cloud programme has delivered 17 migration pilots as committed to for 2021.

Simplification: Seven applications were decommission in 2021, as committed.

FINANCIAL OUTCOME

KEY PERFORMANCE INDICATORS

Headline earning
R13.4bn
2020: R9.4bn
Progress ↑

ROE
19.6%
2020: 13.8%
Progress ↑

Revenue growth
5%
2020: 5%
Progress ↑

Cost-to-income ratio
53.3%
2020: 54.4%
Progress ↑

Jaws
2.1%
2020: 2.9%
Progress ↓

SEE IMPACT

Sustainable finance — ESG:

ESG is as a vital component of our future growth. ESG has taken centre stage in the market's investment and capital allocation decisions. This provides us with an avenue for further partnership with our clients in their sustainability journeys, especially as it relates to environmental and social themes.

We have seen exponential growth of the global sustainable finance market. We are able to provide our clients with market-leading solutions through our offering of innovative financial instruments.

We have gained momentum in our sustainable finance business, lending R26.9 billion growth over the prior year (2020: R13.5 billion).

See additional commentary in the scorecard for the CEO SBG on page 82.

Margaret Nienaber

Chief executive officer, Client Solutions
(previously Chief executive, Wealth)

Performance against:

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

Margaret's performance has been based on the group's 2021 financial results, the Client Solutions results and the strategic progress made under the other five value drivers.

Remuneration awarded by remco for 2021

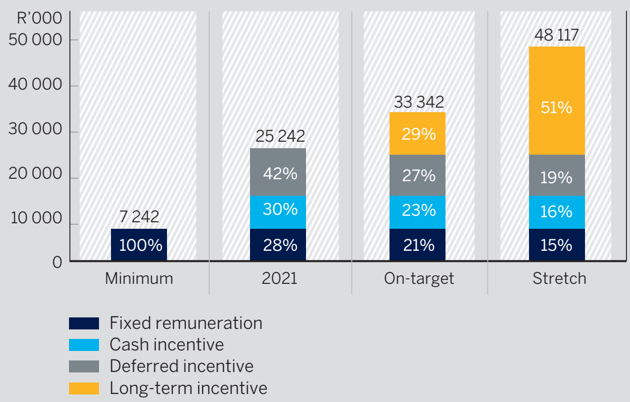
AWARDED

R'000	2020	2021	% Increase	2022
Fixed remuneration	7 000	**7 350**	5.0	7 350
Cash incentive	5 675	**8 100**	43.4	
Deferred incentive	6 875	**9 900**		
PRP awarded	11 000	**12 000**	9.1	
Total reward	30 550	**37 350**	22.3	

SINGLE FIGURE

R'000	2020	2021	% Increase
Fixed remuneration	7 160	**7 242**	1.1
Cash incentive	5 675	**8 100**	43.4
Deferred incentive	6 875	**9 900**	
PRP awarded	–	**–**	
Total reward	19 710	**25 242**	28.1

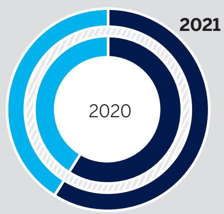
SINGLE FIGURE TOTAL REWARD FOR 2021 IN RELATION TO MINIMUM, ON-TARGET AND STRETCH PROJECTED REWARD



Link between performance and reward

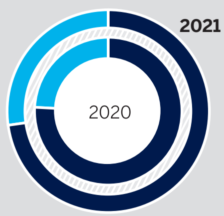
- Fixed remuneration will not increase with effect from March 2022.
- As a chief executive of Client Solutions, the financial performance is equally anchored on performance of the Client Solutions segment and group.
- The 43% increase in STI awards is in the context of:
  - Standard Bank Group headline earnings growth of 57%;
  - Client Solutions headline earnings growth of 74%;
  - Achievement of the group's strategic value drivers; and
  - An increase in LTI awards.
- To incentivise the execution of the group's future strategy, the conditional LTI award (PRP award) has been increased from the prior year, reflecting a greater proportion of variable pay in the form of LTIs. Any delivery is subject to performance conditions being met as assessed by remco.
- The total remuneration awarded by remco of R37.4 million (of which R12 million is at risk and may not deliver any value) is 22% higher than the prior year.
- The single figure award is 28% up on the prior year, reflecting the increase in the STI awarded for 2021.
- A second year of non-delivery of the PRP award, evaluated on the three-year performance period ending December 2021, has meant that single figure remuneration is lower than historical highs.
- The graph below shows that this year's single figure total reward of R25.2 million is 76% of the reward for on-target projected earnings and 52% of the reward for projected stretch earnings.

DEFERRED AWARDS AS PERCENTAGE OF TOTAL REWARD (%)



	2021	2020
Deferred for up to 3.5 years	**59**	59
Paid in cash	**41**	41

DEFERRED AWARDS AS PERCENTAGE OF TOTAL VARIABLE REWARD (%)



	2021	2020
Deferred for up to 3.5 years	**73**	76
Paid in cash	**27**	24

PERFORMANCE SCORECARD ASSESSED AGAINST STRATEGIC VALUE DRIVERS

CLIENT FOCUS

- Launched Pension Fund Administration business in Mozambique.
- Instant Money in South Africa passed the three million transactions per month milestone and over R1 billion processed through Pep stores.
- Pan Africa Debt Fund launched in collaboration with STANLIB.
- Flexi-Funeral solution fastest growing funeral policy in South Africa exceeding one million customers and now fully digital on SBG Mobile.
- Vehicle and asset finance Namibia now the market leader.
- Fitbit pay and Apple pay launched in South Africa.
- Pin on Glass enables merchants to accept payments on smartphones and tablets and was launched in 11 countries.
- First to market with a Shari'ah trust offering in South Africa.
- Launch of eVouchers enabling customers to purchase Uber, Play Station, Showmax, Steam and Spotify vouchers on SBG Mobile.
- Fully digital Agriculture Insurance product developed and implemented in Uganda as part of Onefarm platform.
- Profiling of SBG through thought leadership, platform paper and journalist interviews.
- SBG Mall prototype delivered.

2021 AWARDS

PRM Diamond Arrow Award
- Best Fleet Management Company providing fleet cards to the private sector

Raging Bull Awards
- Melville Douglas: Best Offshore Management Company

MTN App of the year
- Shyft won for best financial solution

Euromoney Best Private Bank and Wealth Management Survey
- Serving Business Owners, South Africa
- Technology Innovation or Emerging Technology Adoption, Africa and South Africa
- Serving Ultra High Net Worth Clients (>USD30 million – USD250 million), South Africa

International Investment Awards
- IPB – Excellence in Private Banking category in 2019, 2020 and 2021

Euromoney Awards for Excellence
- Africa's Best Bank for Wealth Management

Global Islamic Finance Awards
- Excellence Awards for Premier Islamic Banking (Sharia'ah Banking)

South African Listed Tracker Awards
- Best Total Return Performance, Foreign and Commodity ETFs, five years: 1nvest Rhodium ETF
- Best Total Return Performance, Commodity ETFs, three years: 1nvest Rhodium ETF
- Best Tracking Efficiency, Foreign and Commodity ETFs, three years: 1nvest Gold ETF
- Best Capital Raising Commodity ETFs, one year: 1nvest Platinum ETF

Global Brand Awards
- Best Asset Management Company in Nigeria

KEY PERFORMANCE INDICATORS

NPS
70
2020: 69

Progress ↑

Key:

↑ Value created.
↓ Value eroded.
<> Value preserved.

EMPLOYEE ENGAGEMENT

- New Client Solutions structure implemented. The focus has been on getting the right people in the right roles.
- Formation of the mandate, rationale for the existence of Client Solutions and how it will create value for stakeholders.
- Setting up of a diverse and motivated leadership team.
- Formation of an exciting identity and culture for Client Solutions, with buy in from stakeholders ('Startup with Scale').
- Good progress on transformation in South Africa which remains a key focus area. Strong gender progress in Africa Regions with 50% of Client Solutions head appointments being female.
- 'HOPE' communication campaign launched—an opportunity for staff to hear insights from renowned speakers, talk about top-of-mind issues and help them navigate through difficult personal challenges whilst continuing to inspire hope.
- Creation of new capabilities: Platform domain, Salesforce COE and Future of Payments capability.
- Beyond Challenge launched to all employees across SBG encouraging them to suggest non-financial services and solutions that we can offer to the market.
- Strategy, execution priorities and focus areas defined and simplified. Client Solutions and client segments connect sessions have successfully cascaded the focus areas to all employees.
- Diversity and Inclusion is a key focus for Client Solutions and numerous talent development programmes exist to nurture Client Solutions employees.
- Client Solutions launched a Mentorship programme.
- Developed and launched Insurance Academy across Africa Regions. Recognised by the South Africa Board for People Practices (SABPP) 2021 Award for digital learning, strategic alignment and learning practice for an organisation.
- Client Solutions launched a digital learning Academy, 'My BIBI Journey'. This will serve as an Induction platform and information hub for employees.

KEY PERFORMANCE INDICATORS

eNPS

+39

2020: +38

Progress ↑

Regrettable turnover rate

3.0%

2020: 1.4%

Progress ↓

RISK AND CONDUCT

- Overall, the business has an overarching focus on embracing a strong conduct culture, with this being reflected in the quarterly conduct dashboards.
- Client Solutions business units operate within risk appetite.
- International Client Solutions experienced a regulatory breach, which was self-identified and self-reported, taking immediate steps to remediate the issue. No regulatory breaches in South Africa and Africa Regions were experienced.
- Continued to have a strong focus on implementing a conduct culture where employees feel empowered to do the right business the right way. Strong focus on being truthful.

KEY PERFORMANCE INDICATORS

Operating losses as a % of gross income
-0.4%
2020: 0.3%

Credit loss ratio
1.3%
2020: 2.2%

Compliance training completion rate
98%
2020: N/A

OPERATIONAL EXCELLENCE

Truly Digital

- E-commerce enablement for debit and prepaid cards
- New or limit increase of an overdraft on SBG Mobile
- Flexi-Funeral fully digital on SBG Mobile app
- Shyft launched investment capabilities
- SnapScan launched a wallet capability
- Short-Term Insurance App in Kenya launched

Modernisation Journeys

- Vehicle and asset finance: Good progress with more than 2 000 dealers onboarded
- Payments: Good progress with the completion of Debicheck roadmap
- Card: request for proposal evaluation just completed

Salesforce

- Clear decommissioning strategy and accountabilities
- Focused spend
- Progress in going live

KEY PERFORMANCE INDICATORS

Digital solutions fulfilment
28%
2020: 23%

Progress ↑

Systems decommissioned
10
2020: N/A

Progress ↑

FINANCIAL OUTCOME

We are pleased with the resilient results. Client Solutions headline earnings of R11.1 billion is up by 74% year-on-year (CCY:76%) with an increase in ROE to 15.3% compared to prior year's 8.9%. We are especially pleased with the positive 0.15% jaws moving from -9.5% jaws in the prior year. We are paying attention to all aspects of underlying costs to ensure we bring down the overall cost to serve.

KEY PERFORMANCE INDICATORS

Headline earnings	R11.1bn	2020: R6.4bn	Progress ↑
ROE	15.3%	2020: 8.9%	Progress ↑
Revenue	R73.3bn	2020: R70.5bn	Progress ↑
Jaws	0.15%	2020: -9.5%	Progress ↑
Cost-to-income	63.9%	2020: 64.0%	Progress ↑

SEE IMPACT

- Melville Douglas impact fund launched
- Deepening Financial Inclusion:
  - Beneficiary Care provided for 13 000 orphaned children, providing much needed monthly distributions to the guardians of these children to fund their basic education and other needs
  - 60 virtual Financial Fitness sessions for clients and employees with >11 000 attendees (2020: 7 848)
  - Affordable housing registrations up 64% YoY
  - Providing tailored support for more than 750 small and medium-sized enterprises clients' participants, including access to finance and skills development, access to markets, and cash flow solutions, through our incubator in Mozambique
- International Client Solutions has successfully completed a carbon audit of their entire business as the first steps on their journey to achieving their target by 2025.

See additional commentary in the scorecard for the CEO SBG on page 82.

Executive directors' and prescribed officers' emoluments

The two tables shown below and on the pages that follow, are awards made by remco for 2021 and the single figure format as required by King IV.

The remuneration disclosed in the tables below is with respect to the period that individuals were classified as prescribed officers.

Executive directors' and prescribed officers' emoluments [as awarded by REMCO]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
SK Tshabalala*						
Cost to company package	1	9 500	10 082	10 082	10 586	**10 586**
Short-term incentive (cash)	2	11 350	11 350	10 525	5 900	**8 100**
Short-term incentive (share-linked deferral)	3	14 050	14 050	12 725	7 150	**9 900**
Short-term incentive		25 400	25 400	23 250	13 050	**18 000**
Total reward (excluding PRP)		34 900	35 482	33 332	23 636	**28 586**
Face value of conditional PRP awarded		14 000	14 000	16 650	17 750	**20 000**
Total reward (including PRP)		48 900	49 482	49 982	41 386	**48 586**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
SK Tshabalala*						
Cash package paid during the year		7 899	8 636	8 781	9 427	**8 967**
Retirement contributions paid during the year		1 076	1 222	1 235	1 350	**1 290**
Other allowances		128	129	206	222	**218**
Cost to company package		9 103	9 987	10 222	10 999	**10 475**
Once-off allowances/payments	4		632			
Short-term incentive (cash)	2	11 350	11 350	10 525	5 900	**8 100**
Short-term incentive (share-linked deferral)	3	14 050	14 050	12 725	7 150	**9 900**
Short-term incentive		25 400	25 400	23 250	13 050	**18 000**
Total reward (excluding conditional long-term incentive awards)		34 503	36 019	33 472	24 049	**28 475**
EGS awards vesting	9	4 312				
PRP awards vesting	10	14 658	20 228	13 499		
PRP notional dividend	11	1 643	2 818	2 225		
Total reward (including conditional long-term incentive awards)		55 116	59 065	49 196	24 049	**28 475**

Notes are included on page 106.

Executive directors' and prescribed officers' emoluments [as awarded by REMCO]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
A Daehnke*						
Cost to company package	1	6 000	6 343	6 343	7 000	**7 000**
Short-term incentive (cash)	2	8 025	8 025	8 150	4 600	**7 525**
Short-term incentive (share-linked deferral)	3	8 725	8 725	9 850	5 500	**9 225**
Short-term incentive		16 750	16 750	18 000	10 100	**16 750**
Total reward (excluding PRP)		22 750	23 093	24 343	17 100	**23 750**
Face value of conditional PRP awarded		10 000	12 000	12 000	14 000	**14 000**
Total reward (including PRP)		32 750	35 093	36 343	31 100	**37 750**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
A Daehnke*						
Cash package paid during the year		5 084	5 570	5 648	6 254	**6 140**
Retirement contributions paid during the year		610	704	702	782	**765**
Other allowances		3	20	59	103	**109**
Cost to company package		5 697	6 294	6 409	7 139	**7 014**
Once-off allowances/payments	4		111			
Short-term incentive (cash)	2	8 025	8 025	8 150	4 600	**7 525**
Short-term incentive (share-linked deferral)	3	8 725	8 725	9 850	5 500	**9 225**
Short-term incentive		16 750	16 750	18 000	10 100	**16 750**
Total reward (excluding conditional long-term incentive awards)		22 447	23 155	24 409	17 239	**23 764**
PRP awards vesting	10	8 790	11 330	7 558		
PRP notional dividend	11	985	1 578	1 246		
Total reward (including conditional long-term incentive awards)		32 222	36 063	33 213	17 239	**23 764**

Notes are included on page 106.

Executive directors' and prescribed officers' emoluments [as awarded by REMCO]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
AKL Fihla	5					
Cost to company package	1	3 979	7 557	7 557	7 935	**7 935**
Short-term incentive (cash)	2	9 150	8 650	10 025	7 400	**9 900**
Short-term incentive (share-linked deferral)	3	10 850	10 350	11 725	8 900	**12 100**
Short-term incentive		20 000	19 000	21 750	16 300	**22 000**
Total reward (excluding PRP)		23 979	26 557	29 307	24 235	**29 935**
Face value of conditional PRP awarded		10 000	12 000	11 150	12 000	**12 000**
Total reward (including PRP)		33 979	38 557	40 457	36 235	**41 935**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
AKL Fihla	5					
Cash package paid during the year		3 507	6 506	6 628	7 067	**6 845**
Retirement contributions paid during the year		444	853	855	925	**894**
Other allowances		64	229	251	235	**259**
Cost to company package		4 015	7 588	7 734	8 227	**7 998**
Once-off allowances/payments	4		710			
Short-term incentive (cash)	2	9 150	8 650	10 025	7 400	**9 900**
Short-term incentive (share-linked deferral)	3	10 850	10 350	11 725	8 900	**12 100**
Short-term incentive		20 000	19 000	21 750	16 300	**22 000**
Total reward (excluding conditional long-term incentive awards)		24 015	27 298	29 484	24 527	**29 998**
PRP awards vesting	10	10 263	9 709	6 480		
PRP notional dividend	11	1 150	1 353	1 068		
Total reward (including conditional long-term incentive awards)		35 428	38 360	37 032	24 527	**29 998**

Notes are included on page 106.

Executive directors' and prescribed officers' emoluments [as awarded by REMCO]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
FZ Montjane	7					
Cost to company package	1					**7 350**
Short-term incentive (cash)	2					**6 500**
Short-term incentive (share-linked deferral)	3					**8 000**
Short-term incentive						**14 500**
Total reward (excluding PRP)						**21 850**
Face value of conditional PRP awarded						**13 000**
Total reward (including PRP)						**34 850**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
FZ Montjane	7					
Cash package paid during the year						**6 550**
Retirement contributions paid during the year						**502**
Other allowances						**150**
Cost to company package						**7 202**
Once-off allowances/payments	4					
Short-term incentive (cash)	2					**6 500**
Short-term incentive (share-linked deferral)	3					**8 000**
Short-term incentive						**14 500**
Total reward (excluding conditional long-term incentive awards)						**21 702**
PRP awards vesting	10					
PRP notional dividend	11					
Total reward (including conditional long-term incentive awards)						**21 702**

Notes are included on page 106.

Executive directors' and prescribed officers' emoluments [as awarded by REMCO]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
ZN Manyathi	8					
Cost to company package	1		5 625	7 500	7 875	**7 875**
Short-term incentive (cash)	2		9 900	9 900	3 950	**4 650**
Short-term incentive (share-linked deferral)	3		11 600	11 600	4 750	**2 350**
Short-term incentive			21 500	21 500	8 700	**7 000**
Total reward (excluding PRP)			27 125	29 000	16 575	**14 875**
Face value of conditional PRP awarded			10 000	11 150	12 000	
Total reward (including PRP)			37 125	40 150	28 575	**14 875**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
ZN Manyathi	8					
Cash package paid during the year			5 039	6 735	7 010	**4 280**
Retirement contributions paid during the year			467	600	625	**383**
Other allowances			128	185	199	**134**
Cost to company package			5 634	7 520	7 834	**4 797**
Once-off allowances/payments	12					**483**
Short-term incentive (cash)	2		9 900	9 900	3 950	**4 650**
Short-term incentive (share-linked deferral)	3		11 600	11 600	4 750	**2 350**
Short-term incentive			21 500	21 500	8 700	**7 000**
Total reward (excluding conditional long-term incentive awards)			27 134	29 020	16 534	**12 280**
PRP awards vesting	10		9 709	7 019		
PRP notional dividend	11		1 353	1 157		
Total reward (including conditional long-term incentive awards)			38 196	37 196	16 534	**12 280**

Notes are included on page 106.

Executive directors' and prescribed officers' emoluments [as awarded by REMCO]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
M Nienaber	6					
Cost to company package	1	6 000	6 354	6 354	7 000	**7 350**
Short-term incentive (cash)	2	6 650	7 213	7 900	5 675	**8 100**
Short-term incentive (share-linked deferral)	3	7 350	7 913	9 600	6 875	**9 900**
Short-term incentive		14 000	15 125	17 500	12 550	**18 000**
Total reward (excluding PRP)		20 000	21 479	23 854	19 550	**25 350**
Face value of conditional PRP awarded		10 000	10 000	10 500	11 000	**12 000**
Total reward (including PRP)		30 000	31 479	34 354	30 550	**37 350**

Executive directors' and prescribed officers' emoluments [single figure format]

R'000 Prescribed officers	Notes	2017	2018	2019	2020	2021
M Nienaber	6					
Cash package paid during the year		4 829	5 497	5 571	6 196	**6 283**
Retirement contributions paid during the year		542	589	640	718	**716**
Other allowances		146	171	220	246	**243**
Cost to company package		5 517	6 257	6 431	7 160	**7 242**
Once-off allowances/payments	4		78			
Short-term incentive (cash)	2	6 650	7 213	7 900	5 675	**8 100**
Short-term incentive (share-linked deferral)	3	7 350	7 913	9 600	6 875	**9 900**
Short-term incentive		14 000	15 125	17 500	12 550	**18 000**
Total reward (excluding conditional long-term incentive awards)		19 517	21 460	23 931	19 710	**25 242**
PRP awards vesting	10	4 395	5 655	10 789		
PRP notional dividend	11	493	788	1 778		
Total reward (including conditional long-term incentive awards)		24 405	27 903	36 498	19 710	**25 242**

1 CTC reflects what is awarded by remco in March each year.
2 These are performance related STI payments in the March following the financial year under review.
3 These are performance-related deferred incentive awards issued in the March following the financial year under review. Participants can elect to have the value of the deferred awards, or part thereof, invested in the SARP rather than the default DBS. To the extent that the SARP is selected, a 10% premium of the value of the award is added. Deferred incentive awards not invested in SARP will be unitised in DBS with respect to the group's closing share price the day results are announced. The award will be updated in the group's annual financial statements the following year to reflect the choices made and units/rights awarded.
4 Includes a once-off payment made in respect of death in service and permanent health insurance benefits.
5 AKL Fihla was appointed as a prescribed officer on 1 June 2017. His fixed remuneration is shown from that date. The STI is for the full performance year 2017.
6 M Nienaber was appointed as a prescribed officer on 1 January 2017.
7 FZ Montjane was appointed as a prescribed officer on 1 January 2021.
8 ZN Manyathi retired from the group on 9 August 2021. His fixed remuneration and STI award disclosed is for the performance period 1 January to 9 August 2021.
9 EGS vesting on March 2018 (disclosed in 2017) were awarded in March 2011 and 2013. The relevant performance conditions were met as at 31 December 2017.
10 There were no PRP awards vesting for the performance period ending 2021 in respect of the PRP units awarded in March 2019. The PRP awards vesting in earlier performance years are calculated based on the group's closing share price at the end of the performance period (R168.32 for December 2019, R178.81 for December 2018 and R195.66 for December 2017) and the conditional percentage delivery based on the three-year performance conditions (0% delivery on the 2019 awards, 0% delivery on the 2018 awards, 100.0% delivery on the 2017 awards, 110.58% delivery on the 2016 awards and 117.61% delivery on the 2015 awards). The amount included in the single figure numbers above are not amended for the actual vesting share prices on 31 March following the performance year. The actual payment values will be included in the settlement schedule.
11 PRP notional dividend is calculated by multiplying the vesting PRP units by the cumulative notional dividend granted in the period between the grant date and the vesting date. The amount included in the single figure numbers are not amended for the actual dividends declared following the performance year. The actual payment values will be included in the settlement schedule.
12 Includes a once-off payment made in respect of leave paid on retirement.
* All executive directors were also prescribed officers of the group.

Share-linked deferred awards for executive directors and prescribed officers

Standard Bank equity growth scheme

The EGS represents participation rights in the future growth of the group's share price. The eventual value of the right is settled by the receipt of the group's shares equivalent to the full value of the participation rights. Certain EGS awards issued prior to March 2014 included performance conditions.

Deferred bonus scheme

Employees are awarded a deferred incentive, as a mandatory deferral of their STI or as discretionary award, into the deferred bonus scheme. The deferred incentive 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 for equity-settled share incentives. The cash settled deferred bonus scheme awards are settled in cash 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 is an equity-settled share scheme with a three-year vesting period that 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 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.

Share appreciation rights plan

The SARP represents participation rights in the future growth of the group's share price. The eventual value of the right is settled by the receipt of the group's shares equivalent to the full value of the participation rights.

SK Tshabalala

Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date
Deferred bonus schemes					
2017	2018/03/08	220.97	1 667	2021/09/30	
2017*	2018/03/08	220.97	3 017	2021/09/30	
2018	2019/03/07	182.43	1 666	2021/09/30	
2018	2019/03/07	182.43	1 667	2022/09/30	
2018*	2019/03/07	182.43	3 017	2021/09/30	
2018*	2019/03/07	182.43	3 017	2022/09/30	
2019	2020/03/05	152.64	1 500	2021/09/30	
2019	2020/03/05	152.64	1 500	2022/09/30	
2019	2020/03/05	152.64	1 500	2023/09/30	
2019*	2020/03/05	152.64	2 742	2021/09/30	
2019*	2020/03/05	152.64	2 742	2022/09/30	
2019*	2020/03/05	152.64	2 742	2023/09/30	
2020	**2021/03/11**	**142.00**	**1 183**	**2022/09/30**	
2020	**2021/03/11**	**142.00**	**1 183**	**2023/09/30**	
2020	**2021/03/11**	**142.00**	**1 183**	**2024/09/30**	
2020*	**2021/03/11**	**142.00**	**1 200**	**2022/09/30**	
2020*	**2021/03/11**	**142.00**	**1 200**	**2023/09/30**	
2020*	**2021/03/11**	**142.00**	**1 200**	**2024/09/30**	
Performance reward plan					
2017	2018/03/08	220.97	14 009	2021/03/31	
2018	2019/03/07	182.43	14 011	2022/03/31	
2019	2020/03/05	152.64	16 653	2023/03/31	
2020	**2021/03/11**	**142.00**	**17 750**	**2024/03/31**	
Totals for 2021			**96 349**		

Refer to footnotes no page 120.

	Units						Value on settlement		Fair value at year end	
	Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2021	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
	7 544		7 544			144	1 090	232		
	13 652		13 652			144	1 972	420		
	9 135		9 135			144	1 319	195		
	9 138				9 138				1 279	195
	16 536		16 536			144	2 388	353		
	16 537				16 537				2 315	353
	9 827		9 827			144	1 419	112		
	9 827				9 827				1 376	112
	9 828				9 828				1 376	112
	17 961		17 961			144	2 594	205		
	17 961				17 961				2 515	205
	17 963				17 963				2 515	205
		8 333			8 333				1 167	50
		8 333			8 333				1 167	50
		8 334			8 334				1 167	50
		8 451			8 451				1 183	51
		8 451			8 451				1 183	51
		8 451			8 451				1 183	51
	63 400			63 400						
	76 800				76 800				10 753	1 639
	109 100				109 100				15 275	1 244
		125 000			125 000				17 501	750
							10 782	1 517	61 955	5 118

A Daehnke Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date
Deferred bonus schemes					
2017	2018/03/08	220.97	1 000	2021/09/30	
2017*	2018/03/08	220.97	1 909	2021/09/30	
2018	2019/03/07	182.43	1 000	2021/09/30	
2018	2019/03/07	182.43	1 000	2022/09/30	
2018*	2019/03/07	182.43	1 908	2021/09/30	
2018*	2019/03/07	182.43	1 909	2022/09/30	
2019	2020/03/05	152.64	1 333	2021/09/30	
2019	2020/03/05	152.64	1 333	2022/09/30	
2019	2020/03/05	152.64	1 333	2023/09/30	
2019*	2020/03/05	152.64	1 950	2021/09/30	
2019*	2020/03/05	152.64	1 950	2022/09/30	
2019*	2020/03/05	152.64	1 950	2023/09/30	
2020	**2021/03/11**	**142.00**	**1 067**	**2022/09/30**	
2020	**2021/03/11**	**142.00**	**1 067**	**2023/09/30**	
2020	**2021/03/11**	**142.00**	**1 067**	**2024/09/30**	
2020*	**2021/03/11**	**142.00**	**767**	**2022/09/30**	
2020*	**2021/03/11**	**142.00**	**767**	**2023/09/30**	
2020*	**2021/03/11**	**142.00**	**767**	**2024/09/30**	
Performance reward plan					
2017	2018/03/08	220.97	10 010	2021/03/31	
2018	2019/03/07	182.43	12 004	2022/03/31	
2019	2020/03/05	152.64	12 013	2023/03/31	
2020	**2021/03/11**	**142.00**	**14 001**	**2024/03/31**	
Equity growth scheme					
Vested					
2010	2011/03/04	98.80		A	2023/03/31
2010	2011/03/04	98.80		B	2023/03/31
2010	2011/03/04	98.80		B	2023/03/31
2013	2014/03/06	126.87		D	2024/03/06
2013	2014/03/06	126.87		D	2024/03/06
Totals for 2021			**72 105**		

Refer to footnotes no page 120.

	Units						Value on settlement		Fair value at year end	
	Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2021	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
	4 527		4 527			144	654	139		
	8 637		8 637			144	1 247	266		
	5 481		5 481			144	792	117		
	5 483				5 483				768	117
	10 460		10 460			144	1 511	223		
	10 462				10 462				1 465	223
	8 735		8 735			144	1 262	100		
	8 735				8 735				1 223	100
	8 736				8 736				1 223	100
	12 775		12 775			144	1 845	146		
	12 775				12 775				1 789	146
	12 776				12 776				1 789	146
		7 512			7 512				1 052	45
		7 512			7 512				1 052	45
		7 512			7 512				1 052	45
		5 399			5 399				756	32
		5 399			5 399				756	32
		5 400			5 400				756	32
	45 300			45 300						
	65 800				65 800				9 213	1 404
	78 700				78 700				11 019	897
		98 600			98 600				13 805	592
	12 500				12 500				515	
	9 375				9 375				386	
	3 125				3 125				129	
	45 832				45 832				602	
	22 918				22 918				301	
							7 311	991	49 651	3 956

F Montjane

Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date
Deferred bonus schemes					
2017	2018/03/08	220.97	1 584	2021/09/30	
2017*	2018/03/08	220.97	1 784	2021/09/30	
2018	2019/03/07	182.43	1 583	2021/09/30	
2018	2019/03/07	182.43	1 583	2022/09/30	
2018*	2019/03/07	182.43	1 783	2021/09/30	
2018*	2019/03/07	182.43	1 784	2022/09/30	
2019	2020/03/05	152.64	1 583	2021/09/30	
2019	2020/03/05	152.64	1 583	2022/09/30	
2019	2020/03/05	152.64	1 584	2023/09/30	
2019*	2020/03/05	152.64	1 783	2021/09/30	
2019*	2020/03/05	152.64	1 783	2022/09/30	
2019*	2020/03/05	152.64	1 783	2023/09/30	
2020	**2021/03/11**	**142.00**	**767**	**2022/09/30**	
2020	**2021/03/11**	**142.00**	**767**	**2023/09/30**	
2020	**2021/03/11**	**142.00**	**767**	**2024/09/30**	
2020*	**2021/03/11**	**142.00**	**467**	**2022/09/30**	
2020*	**2021/03/11**	**142.00**	**467**	**2023/09/30**	
2020*	**2021/03/11**	**142.00**	**467**	**2024/09/30**	
Performance reward plan					
2017	2018/03/08	220.97	8 021	2021/03/31	
2018	2019/03/07	182.43	9 012	2022/03/31	
2019	2020/03/05	152.64	9 006	2023/03/31	
2020	**2021/03/11**	**142.00**	**11 005**	**2024/03/31**	
Totals for 2021			**60 946**		

Refer to footnotes no page 120.

	Units						Value on settlement		Fair value at year end	
	Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2021	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
	7 167		7 167			144	1 035	220		
	8 072		8 072			144	1 166	248		
	8 679		8 679			144	1 253	185		
	8 680				8 680				1 215	185
	9 775		9 775			144	1 412	209		
	9 777				9 777				1 369	209
	10 372		10 372			144	1 498	118		
	10 372				10 372				1 452	118
	10 375				10 375				1 453	118
	11 683		11 683			144	1 687	133		
	11 683				11 683				1 636	133
	11 684				11 684				1 636	133
		5 399			5 399				756	32
		5 399			5 399				756	32
		5 400			5 400				756	32
		3 286			3 286				460	20
		3 287			3 287				460	20
		3 287			3 287				460	20
	36 300			36 300						
	49 400				49 400				6 916	1 054
	59 000				59 000				8 261	673
		77 500			77 500				10 851	465
							8 051	1 113	38 437	3 244

AKL Fihla Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date
Deferred bonus schemes					
2017	2018/03/08	220.97	1 334	2021/09/30	
2017*	2018/03/08	220.97	2 284	2021/09/30	
2018	2019/03/07	182.43	1 333	2021/09/30	
2018	2019/03/07	182.43	1 334	2022/09/30	
2018*	2019/03/07	182.43	2 117	2021/09/30	
2018*	2019/03/07	182.43	2 117	2022/09/30	
2019	2020/03/05	152.64	1 333	2021/09/30	
2019	2020/03/05	152.64	1 333	2022/09/30	
2019	2020/03/05	152.64	1 333	2023/09/30	
2019*	2020/03/05	152.64	2 575	2021/09/30	
2019*	2020/03/05	152.64	2 575	2022/09/30	
2019*	2020/03/05	152.64	2 575	2023/09/30	
2020	**2021/03/11**	**142.00**	**1 267**	**2022/09/30**	
2020	**2021/03/11**	**142.00**	**1 267**	**2023/09/30**	
2020	**2021/03/11**	**142.00**	**1 267**	**2024/09/30**	
2020*	**2021/03/11**	**142.00**	**1 700**	**2022/09/30**	
2020*	**2021/03/11**	**142.00**	**1 700**	**2023/09/30**	
2020*	**2021/03/11**	**142.00**	**1 700**	**2024/09/30**	
Performance reward plan					
2017	2018/03/08	220.97	10 010	2021/03/31	
2018	2019/03/07	182.43	12 004	2022/03/31	
2019	2020/03/05	152.64	11 158	2023/03/31	
2020	**2021/03/11**	**142.00**	**12 013**	**2024/03/31**	
Equity growth scheme					
Vested					
2010	2011/03/04	98.80		A	2023/03/31
2010	2011/03/04	98.80		B	2023/03/31
2010	2011/03/04	98.80		B	2023/03/31
Totals for 2021			**76 329**		

Refer to footnotes no page 120.

Units						Value on settlement		Fair value at year end	
Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2021	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
6 035		6 035			144	872	186		
10 334		10 334			144	1 492	318		
7 308		7 308			144	1 055	156		
7 311				7 311				1 024	156
11 602		11 602			144	1 676	248		
11 604				11 604				1 625	248
8 735		8 735			144	1 262	100		
8 735				8 735				1 223	100
8 736				8 736				1 223	100
16 869		16 869			144	2 436	192		
16 869				16 869				2 362	192
16 872				16 872				2 362	192
	8 920			8 920				1 249	54
	8 920			8 920				1 249	54
	8 921			8 921				1 249	54
	11 972			11 972				1 676	72
	11 972			11 972				1 676	72
	11 972			11 972				1 676	72
45 300			45 300						
65 800				65 800				9 213	1 404
73 100				73 100				10 235	833
	84 600			84 600				11 845	508
13 750		6 875		6 875	142	300		283	
10 312				10 312				425	
3 438				3 438				142	
						9 093	1 200	50 737	4 111

M Nienaber					
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date
Deferred bonus schemes					
2017	2018/03/08	220.97	1 000	2021/09/30	
2017*[5]	2018/03/08	220.97	1 450	2021/09/30	
2018	2019/03/07	182.43	1 000	2021/09/30	
2018	2019/03/07	182.43	1 000	2022/09/30	
2018*[5]	2019/03/07	182.43	1 637	2021/09/30	
2018*	2019/03/07	182.43	1 638	2022/09/30	
2019	2020/03/05	152.64	1 333	2021/09/30	
2019	2020/03/05	152.64	1 333	2022/09/30	
2019	2020/03/05	152.64	1 333	2023/09/30	
2019*[5]	2020/03/05	152.64	1 867	2021/09/30	
2019*	2020/03/05	152.64	1 867	2022/09/30	
2019*	2020/03/05	152.64	1 867	2023/09/30	
2020	**2021/03/11**	**142.00**	**1 167**	**2022/09/30**	
2020	**2021/03/11**	**142.00**	**1 167**	**2023/09/30**	
2020	**2021/03/11**	**142.00**	**1 167**	**2024/09/30**	
2020*	**2021/03/11**	**142.00**	**1 125**	**2022/09/30**	
2020*	**2021/03/11**	**142.00**	**1 125**	**2023/09/30**	
2020*	**2021/03/11**	**142.00**	**1 125**	**2024/09/30**	
Performance reward plan					
2017	2018/03/08	220.97	10 010	2021/03/31	
2018	2019/03/07	182.43	10 015	2022/03/31	
2019	2020/03/05	152.64	10 502	2023/03/31	
2020	**2021/03/11**	**142.00**	**11 005**	**2024/03/31**	
Totals for 2021			**65 733**		

Refer to footnotes no page 120.

Units						Value on settlement		Fair value at year end	
Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2021	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
4 527		4 527			144	654	139		
6 562		6 562			144	948	202		
5 481		5 481			144	792	117		
5 483				5 483				768	117
8 976		8 976			144	1 296	192		
8 977				8 977				1 257	192
8 735		8 735			144	1 262	100		
8 735				8 735				1 223	100
8 736				8 736				1 223	100
12 229		12 229			144	1 766	139		
12 229				12 229				1 712	139
12 230				12 230				1 712	139
	8 216			8 216				1 150	49
	8 216			8 216				1 150	49
	8 216			8 216				1 150	49
	7 922			7 922				1 109	48
	7 923			7 923				1 109	48
	7 923			7 923				1 109	48
45 300			45 300						
54 900				54 900				7 687	1 172
68 800				68 800				9 633	784
	77 500			77 500				10 851	465
						6 718	889	42 843	3 499

Z Manyathi					
Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date
Deferred bonus schemes					
2017	2018/03/08	220.97	1 334	2021/09/30	
2017*	2018/03/08	220.97	1 617	2021/09/30	
2018	2019/03/07	182.43	1 333	2021/09/30	
2018	2019/03/07	182.43	1 334	2022/09/30	
2018*	2019/03/07	182.43	1 267	2021/09/30	
2018*	2019/03/07	182.43	1 267	2022/09/30	
2019	2020/03/05	152.64	1 333	2021/09/30	
2019	2020/03/05	152.64	1 333	2022/09/30	
2019	2020/03/05	152.64	1 333	2023/09/30	
2019*	2020/03/05	152.64	2 533	2021/09/30	
2019*	2020/03/05	152.64	2 533	2022/09/30	
2019*	2020/03/05	152.64	2 534	2023/09/30	
2020	**2021/03/11**	**142.00**	**1 033**	**2022/09/30**	
2020	**2021/03/11**	**142.00**	**1 033**	**2023/09/30**	
2020	**2021/03/11**	**142.00**	**1 033**	**2024/09/30**	
2020*	**2021/03/11**	**142.00**	**550**	**2022/09/30**	
2020*	**2021/03/11**	**142.00**	**550**	**2023/09/30**	
2020*	**2021/03/11**	**142.00**	**550**	**2024/09/30**	
Performance reward plan					
2017	2018/03/08	220.97	10 010	2021/03/31	
2018	2019/03/07	182.43	10 015	2022/03/31	
2019	2020/03/05	152.64	11 158	2023/03/31	
2020	**2021/03/11**	**142.00**	**12 013**	**2024/03/31**	
Share appreciation rights plan					
2018	2019/03/07	182.43			2023/03/31
2018	2019/03/07	182.43			2024/03/07
2018	2019/03/07	182.43			2025/03/07
Equity growth scheme					
Vested					
2013	2014/03/06	126.87		D	2024/03/06
2013	2014/03/06	126.87		D	2024/03/06
2013	2014/03/06	126.87		D	2024/03/06
2014	2015/03/05	156.96		D	2025/03/05
2014	2015/03/05	156.96		D	2025/03/05
2014	2015/03/05	156.96		D	2025/03/05
Totals for 2021			**67 696**		

Refer to footnotes no page 120.

	Units						Value on settlement		Fair value at year end	
	Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2021	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
	6 035		6 035			144	872	186		
	7 317		7 317			144	1 057	225		
	7 308		7 308			144	1 055	156		
	7 311				7 311				1 024	156
	6 943		6 943			144	1 003	148		
	6 944				6 944				972	148
	8 735		8 735			144	1 262	100		
	8 735				8 735				1 223	100
	8 736				8 736				1 223	100
	16 596		16 596			144	2 397	189		
	16 596				16 596				2 324	189
	16 599				16 599				2 324	189
		7 277			7 277				1 019	44
		7 277			7 277				1 019	44
		7 277			7 277				1 019	44
		3 873			3 873				542	23
		3 873			3 873				542	23
		3 874			3 874				542	23
	45 300			45 300						
	54 900				54 900				7 687	1 172
	73 100				73 100				10 235	833
		84 600			84 600				11 845	508
	29 823				29 823					
	29 823				29 823					
	29 824				29 824					
	43 696				43 696				574	
	43 696				43 696				574	
	43 697				43 697				574	
	56 725				56 725					
	56 725				56 725					
	56 725				56 725					
							7 646	1 004	45 262	3 596

JH Maree Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/vesting category	Expiry date/final vesting date
Equity growth scheme					
Vested					
2011	2012/03/08	108.90		A	2023/03/31
2012	2013/03/07	115.51		A	2023/03/31
2014	2015/03/05	156.96		D	2025/03/05
2012	2013/03/07	115.51		A	2023/03/31
2014	2015/03/05	156.96		D	2025/03/05
2014	2015/03/05	156.96		D	2025/03/05
Totals for 2021					

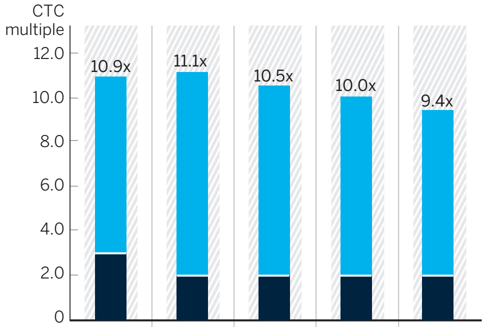
* Cash-settled DBS.
1 Value on settlement is calculated by multiplying the vesting share/settlement price by the total units vesting and applying performance conditions (where applicable).
2 Value is calculated by multiplying the notional dividend per unit with the total vesting units and applying performance conditions (where applicable).
3 Value is calculated by multiplying the year end SBK share price of R140.01 by the total outstanding units and applying performance conditions (where applicable).
4 Value is calculated by multiplying the notional dividend (accumulated from grant date to year-end) with the total outstanding units and applying performance conditions (where applicable). Notional dividends are subject to the vesting conditions.
5 This award was settled with equity as opposed to cash in September 2021. This was done in order for the director to meet minimum shareholding requirements.

	Units						Value on settlement		Fair value at year end	
	Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2021	Exercise date share price	Award (R'000)[1]	Notional dividend (R'000)[2]	Award (R'000)[3]	Notional dividend (R'000)[4]
	61 471				61 471				1 912	
	37 729				37 729				924	
	26 148				26 148					
	18 865				18 865				462	
	26 148				26 148					
	26 149				26 149					
									3 298	

Share ownership culture

An ownership culture exists where executives have a substantial personal stake in the company's performance. The graphs below show the exposure of executive directors and prescribed officers to share-linked awards, made up of share-linked awards that have not yet vested and the shares that are required to be held under the minimum shareholding requirement.

Executive directors' and prescribed officers' unvested and unexercised shares



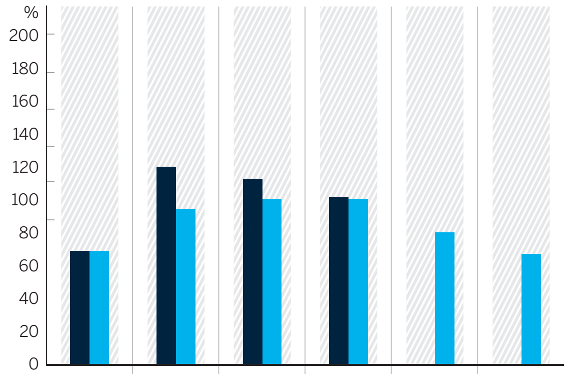
	SK Tshabalala	A Daehnke	AKL Fihla	M Nienaber	FZ Montjane
Minimum shareholding requirements	3.0	2.0	2.0	2.0	**2.0**
Additional invested share-linked awards	7.9	9.1	8.5	8.0	**7.4**

Vesting of conditional PRP awards

Conditional PRP awards issued in March 2018 and March 2019 did not vest respectively in March 2021 and March 2022 in line with the achievement of the performance conditions for the three-year period ending 31 December 2020 and 2021. The graph alongside shows the vesting history since the PRP's inception in 2014. The first vesting was in March 2017 based on the three-year performance period ending December 2016. The average vesting since inception was initially tracking close to 100%. However, with 0% vesting in March 2021 and March 2022, the average vesting has fallen to around 66% in the 0%–200% range.

AFS Full details of the number and value of awards granted during the year in terms of our share-based plans are included in the group annual financial statements, available online at **www.standardbank.com/reporting.**

PRP VESTING HISTORY



	March 2017	March 2018	March 2019	March 2020	March 2021	**March 2022**
Vesting	68	118	111	100	0	**0**
Cumulative vesting	68	93	99	99	79	**66**

Equity Growth Scheme

The awards in category D are elections into EGS in favour of a DBS award. All conditional EGS tranches for executive directors and prescribed officers have vested. Effective from 2017, the group no longer issues EGS and GSIS awards. The last awards in GSIS were issued in 2011 and for the EGS in 2016. Awards are now provided in terms of the group's other share schemes, notably the DBS and SARP, both of which are settled by the group to employees with shares that the group purchases from external market participants, and the cash-settled deferred bonus plan, which is settled in cash.

AFS refer to annexure D in the group annual financial statements: Group share incentive schemes for further information.

Usage of share capital and share buy-backs for EGS and GSIS awards.

During the year, 35 353 (2020: 231 636) ordinary shares were issued in terms of the group's equity compensation plans, notably the Equity Growth Scheme and Group Share Incentive Scheme. No surplus capital was used to purchase ordinary shares in 2021 (2020: no shares) to counteract the dilutive impact of the shares issued under the equity compensation plans. Effective from 2017, the group no longer issues EGS and GSIS awards. The last awards in GSIS were issued in 2011 and for the EGS, the last award was made in 2016. Awards are now provided in terms of the group's other share schemes, notably the DBS and the SARP, both of which are settled by the group to employees with shares that the group purchases from external market participants, and the CSDBS, which is settled in cash. At the end of the year, the group would need to issue 115 705 (2020: 383 111) SBG ordinary shares to settle the outstanding GSIS options and EGS rights that were awarded to participants in previous years. The shares issued to date for the EGS and GSIS together with the expected number of shares to settle the outstanding options and rights as a percentage of the total number of shares in issue is 2.1% (2020: 2.1%).

1 The EGS and GSIS confers rights to employees to acquire at the value of the SBG share price at the date of the option was granted. The scheme has various vesting periods and expires ten years after grant date.

Non-executive director fees

During 2021, meeting fees totalled R39.9 million (2020: R37.9 million) paid to 17 (2020: 17) non-executive directors who worked to discharge the board's responsibilities.

The board agreed that the current fee structure of a single annual fee, rather than a retainer and meeting attendance fee, was more appropriate for the group board and committees and in light of the contribution of members. It remains the group's view that the contribution of directors cannot only be judged by attendance at board and committee meetings. Fees are paid quarterly in arrears, with any increased fee amount only paid following approval by shareholders at the AGM.

Non-executive directors

	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 compensation for the year R'000
2021					
TS Gcabashe	**6 953**				**6 953**
PLH Cook[2]	**248**	**304**	**248**		**800**
MA Erasmus	**1 080**	**867**	**1 080**		**3 027**
GJ Fraser-Moleketi	**290**	**721**	**290**		**1 301**
X Guan[3]	**1 409**	**657**	**1 409**		**3 475**
GMB Kennealy	**290**	**2 296**	**290**		**2 876**
L Li[9]	**41**	**88**	**41**		**170**
JH Maree[5]	**290**	**1 640**	**3 448**		**5 378**
NNA Matyumza	**290**	**1 027**	**290**		**1 607**
Adv KD Moroka	**290**	**900**	**290**		**1 480**
NMC Nyembezi	**290**	**701**	**290**		**1 281**
Dr. ML Oduor-Otieno	**1 080**	**473**	**1 080**		**2 633**
AC Parker[11]	**118**	**232**	**118**		**468**
ANA Peterside CON	**1 080**	**1 045**	**1 080**		**3 205**
MJD Ruck	**290**	**1 747**	**579**		**2 616**
JM Vice	**290**	**1 280**	**290**		**1 860**
L Wang	**251**	**292**	**251**		**794**
Total	**14 580**	**14 270**	**11 074**		**39 924**
2020					
TS Gcabashe[1]	6 953			364	7 317
MA Erasmus	1 055	680	1 055		2 790
GJ Fraser-Moleketi	290	662	290		1 242
X Guan[3]	121	274	121		516
GMB Kennealy	290	1 635	290		2 215
BP Mabelane[4]	170	229	170		569
JH Maree[5]	290	1 348	3 355		4 993
NNA Matyumza	290	967	290		1 547
Adv KD Moroka	290	900	290		1 480
NMC Nyembezi[6]	290	401	290		981
Dr. ML Oduor-Otieno	1 055	473	1 055		2 583
AC Parker	290	762	290		1 342
ANA Peterside CON	1 055	775	1 055		2 885
MJD Ruck[7]	290	1 367	1 288		2 945
PD Sullivan[8]	517	704	517		1 738
JM Vice	290	1 280	290		1 860
L Wang[9]	290	351	290		931
Total	13 826	12 808	10 936	364	37 934

1 TS Gcabashe other benefits relate to use of motor vehicle.
2 PLH Cook was appointed to SBSA and SBG boards on 22 February 2021.
3 X Guan was appointed to SBSA and SBG boards on 1 August 2020.
4 BP Mabelane was appointed to SBSA and SBG boards on 1 January 2020 and resigned from the boards and committees on 31 July 2020.
5 JH Maree's fees for services as a director of group subsidiaries include fees paid by Liberty Holdings Limited.
6 NMC Nyembezi joined SBSA and SBG boards on 1 January 2020.
7 MJD Ruck's fees for services as a director of group subsidiaries include fees paid by Industrial and Commercial Bank of China (Argentina) S.A.
8 PD Sullivan retired on 26 June 2020.
9 L Wang resigned from the boards and committees on 11 November 2021.
10 L Li was appointed to the SBSA and SBG boards on 11 November 2021.
11 AC Parker retired from the SBSA and SBG boards on 27 May 2021.

Fees are disclosed excluding VAT.

Regulatory disclosures

Regulation 43 of the Banks Act sets out extensive quantitative and qualitative disclosures that are required to assist stakeholder understanding of the approaches adopted by financial services organisations in respect of risk and remuneration.

The quantitative disclosures are addressed below 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. The tables meet the directive from SARB to incorporate Basel pillar III requirements in respect of remuneration.

Specific disclosures relating to the aggregate 2021 (and comparative 2020) remuneration of senior managers and material risk-takers are set out below. Variable remuneration includes cash, deferred STI awards (DBS, CSDBS and SARP), and LTI awards (PRP). The award date values of DBS, CSDBS, SARP and PRP awards are reflected. 139 individuals, out of 2 724 employees with deferred remuneration, were identified as material risk-takers in 2021 (2020: 124 out of 1 924).

Following a review, remco have re-classified Category A material risk-takers as those employees who are included in the group's key decision-making forum, the global leadership council (previously known as group exco). Previously this category only included executive directors and prescribed officers.

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[2]
2021							
A	Group leadership council members	**15**	**78.1**	**72.6**	**1-6 years**	**72.6**	**100.00**
B	Other senior executives	**60**	**72.4**	**63.0**	**1-6 years**	**63.0**	**100.00**
C	Other employees whose individual actions have a material impact on the risk exposure of the group	**64**	**70.9**	**56.4**	**1-6 years**	**56.4**	**100.00**
D	All other employees receiving variable remuneration that is subject to deferral	**2 585**	**45.3**	**36.0**	**1-6 years**	**36.0**	**36.0**
Total		**2 724**	**51.3**	**44.3**	**1-6 years**	**44.3**	**56.0**
2020							
A	Group leadership council members	20	70.6	75.2	1-6 years	75.2	100.0
B	Other senior executives	46	66.7	61.9	1-6 years	61.9	100.0
C	Other employees whose individual actions have a material impact on the risk exposure of the group	58	66.7	56.7	1-6 years	56.7	100.0
D	All other employees receiving variable remuneration that is subject to deferral	1 800	41.4	35.0	1-6 years	35.0	35.0
Total		1 924	47.6	44.5	1-6 years	44.5	56.9

Key:
A. This category includes the Group leadership council members of Standard Bank Group Limited (for banking operations only).
B. This category includes heads of major business lines, major geographic regions and heads of risk and control, and other corporate functions.
C. This category includes employees whose individual actions have a material impact on the risk exposure of the group as a whole, based on the ability to:
– commit a significant amount of the group's risk capital;
– significantly influence the group's overall liquidity position; or
– significantly influence other material risks.
D. This category includes all other employees receiving any deferred variable remuneration and for whom the variable remuneration award is linked to personal or business line performance.

Notes:
1. Consists of deferred awards in the group's share-linked schemes. Awards in DBS, CS DBS, SARP and PRP awards are based on the award date value.
2. Material risk taker (categories A–C) remuneration is subject to clawback provisions.

FY2021 Basel Pillar 3 remuneration disclosures

REM1: Remuneration awarded during the financial year

Remuneration amount (Rm)		2021 Senior management[1]	2021 Other material risk-takers	2020 Senior management[1]	2020 Other material risk-takers
Fixed remuneration	Number of employees	**75**	**64**	66	58
	Total fixed remuneration[2]	**379**	**265**	374	241
	Of which: cash-based	**379**	**265**	374	241
Variable remuneration	Number of employees	**75**	**64**	66	58
	Total variable remuneration[3]	**1 089**	**644**	804	482
	Of which: cash-based	**369**	**280**	262	209
	Of which: share-linked instruments[4]	**720**	**363**	542	274
	Of which: deferred	**720**	**363**	542	274
Total		**1 469**	**908**	1 179	723

Notes:
1. Senior management includes Category A and B material risk takers as defined on the previous table.
2. Fixed remuneration is cash-based and is not deferred.
3. Variable remuneration consists of a cash portion which is not deferred and a deferred portion in the form of share-linked instruments.
4 Consists of deferred awards in the group's share-linked schemes. Awards in DBS, CS DBS, SARP and PRP awards are based on the award date value.

REM2: Special payments

Remuneration amount (Rm)

Special payments	2021 Guaranteed bonuses		2021 Sign-on/buy-out awards		2021 Severance payments	
	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)
Senior management	**2**	**8**	**0**	**0**	**2**	**10**
Other material risk-takers	**0**	**0**	**0**	**0**	**0**	**0**

Special payments	2020 Guaranteed bonuses		2020 Sign-on/buy-out awards		2020 Severance payments	
	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)	Number of employees	Total amount (Rm)
Senior management	0	0	0	0	2	14
Other material risk-takers	0	0	0	0	0	0

REM3: Deferred remuneration

Remuneration amount (Rm)

Deferred and retained remuneration[1]	2021				
	Total amount of outstanding deferred remuneration[2]	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments[3]	Total amount of deferred remuneration paid out in the financial year
Senior management					
Shares or share-linked instruments	**1 507**	**1 507**	**0**	**(200)**	**286**
Other material risk-takers					
Shares or share-linked instruments	**830**	**830**	**0**	**(62)**	**208**
Total	**2 337**	**2 337**	**0**	**(262)**	**494**

Deferred and retained remuneration[1]	2020				
	Total amount of outstanding deferred remuneration[2]	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments[3]	Total amount of deferred remuneration paid out in the financial year
Senior management					
Shares or share-linked instruments	1 195	1 195	0	(139)	351
Other material risk-takers					
Shares or share-linked instruments	681	681	0	(43)	210
Total	1 876	1 876	0	(181)	561

Notes:
1. All deferred remuneration is in the form of share-linked instruments.
2. Consists primarily of DBS, SARP and PRP awards. The year-end value of DBS awards is reflected and the intrinsic value has been used for SARP awards. The value of PRP awards is calculated as the number of instruments multiplied by the year-end share price and the actual vesting percentage for PRP for delivery in March 2022. Later PRP awards are estimated at 100% vesting.
3. Ex post implicit adjustments reflect changes in the expected vesting percentage linked to the performance conditions of deferred awards.

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