STANDARD BANK GROUP

Governance and remuneration report 2018

Standard Bank Moving Forward™
Also trading as Stanbic Bank

Contents

Our reporting suite

Our integrated report is the primary report in a full suite of publications that caters for the diverse needs of our stakeholders.

All our reports and latest financial results presentations, booklets and SENS announcements are available online at **www.standardbank.com/reporting**, together with financial and other definitions, acronyms and abbreviations used.

Annual integrated report

Provides a holistic assessment of the group's ability to create value, in the short, medium and long term.

Key frameworks* applied
- JSE Listings Requirements
- King Code
- The International <IR> Framework of the International Integrated Reporting Council (IIRC)

Assurance
Certain information has been extracted from the group's audited annual financial statements.

Intended readers: Primarily **our providers of financial capital**, being our shareholders, depositors and bondholders, but information relevant to our other stakeholders is also included.

AIR

Reporting to society

An account of the group's social, economic and environmental impacts and how these contribute to the group's sustainability and its ability to achieve its purpose. It includes our environmental, social and governance report.

Key frameworks* applied
- King Code
- CDP (previously Carbon Disclosure Project)
- United Nations Sustainable Development Goals (SDG)
- Equator Principles
- Global Reporting Initiative (as a guide)

Assurance
PricewaterhouseCoopers Inc. has provided assurance on selected information.

Intended readers: Clients, employees and society more broadly.

RTS

THIS REPORT

Governance and remuneration report

A detailed review of the group's governance and remuneration practices, including the group's remuneration policy and implementation report.

Key frameworks* applied
- Companies Act
- Banks Act
- JSE Listings Requirements
- King Code
- Basel III

Assurance
Certain information has been extracted from the group's audited annual financial statements.

Intended readers: Shareholders, debt providers and regulators.

GOV REM

References
Refers readers to information elsewhere in this report or in our other reports, which are available online.

I — Denotes text in the remuneration report that forms part of the group's remuneration implementation report.

R — Denotes text in the remuneration report that forms part of the group's remuneration policy.

Annual financial statements

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

Key frameworks* applied

- IFRS
- Companies Act
- Banks Act
- JSE Listings Requirements
- King Code

Assurance

Unmodified audit opinion expressed by KPMG Inc. and PricewaterhouseCoopers Inc.

Intended readers: Shareholders, debt providers and regulators.

AFS

Risk and capital management report

A detailed view of the management of risks relating to the group's operations.

Key frameworks* applied

- Various regulations, including Basel III
- Banks Act
- IFRS
- JSE Listings Requirements
- King Code

Intended readers: Shareholders, debt providers and regulators.

RCM

*** Definitions:**

- Banks Act – South African Banks Act 94 of 1990
- Basel III – Basel Committee on Banking Supervision's third Basel Accords
- Companies Act – South African Companies Act 71 of 2008
- IFRS – International Financial Reporting Standards
- JSE – Johannesburg Stock Exchange
- King Code – King IV Report on Corporate Governance for South Africa, also known as King IV™. Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

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

To assist in the reduction of the group's carbon footprint, we urge our stakeholders to make use of our reporting site to view our reporting suite at **www.standardbank.com/reporting** or scan the code to be directed to the page.

Corporate governance report

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Our approach to governance

Our governance philosophy

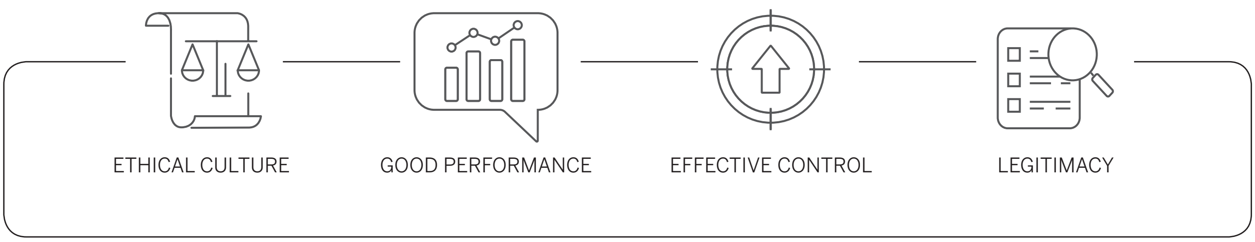
We see governance as promoting strategic decision-making that balances short, medium and long-term outcomes to reconcile the interests of the group, stakeholders and society in creating sustainable shared value.

Our approach to governance extends beyond compliance. The board believes that good governance creates shared value by underpinning responsive thinking, and protects shared value by ensuring responsible behaviour, deepening competitive advantage through enhanced accountability, effective leadership, robust risk management, clear performance management and greater transparency.

Our corporate governance framework enables the board to oversee strategic direction, financial goals, resource allocation and risk appetite, and to hold 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 that it is integrated in the way the group operates at all levels.

Achieving our governance outcomes

The King Report on Corporate Governance (King Code or King IV) forms the cornerstone of our approach to governance. We support the overarching goals of King IV, being the creation of:



www The board is satisfied with the group's application of the principles of King IV, and our application register is available online at **www.standardbank.com/pages/StandardBankGroup/web/CorporateGovernance.html**.

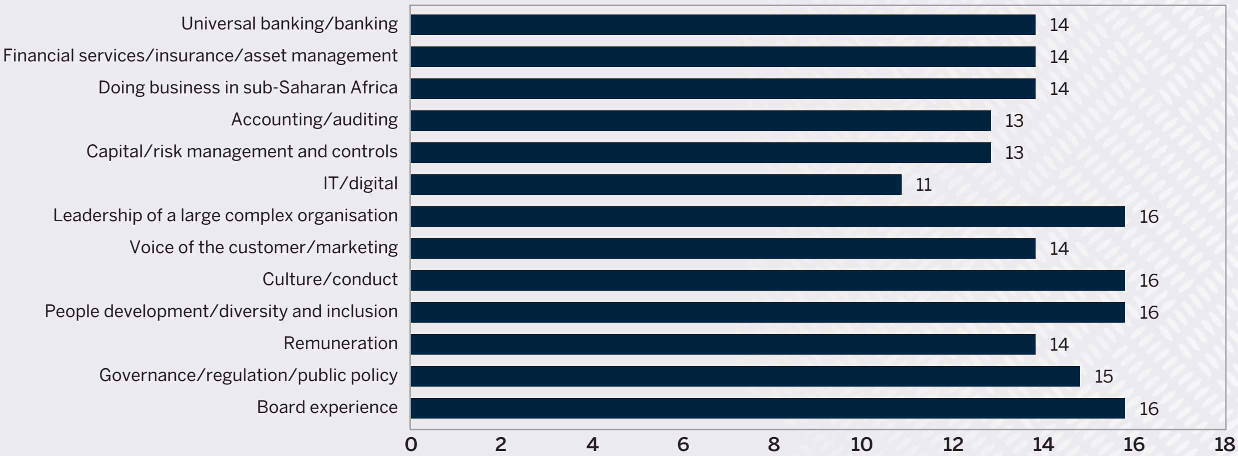
Our leadership

Board of directors

Our directors have deep experience and diverse skills, which collectively ensure that the board operates effectively to protect and create value in the design and delivery of the group's strategy, and in the execution of its duties.

Non-executive directors bring diverse perspectives to board deliberation and constructively challenge management. The board comprises 16 directors – 10 independent non-executive directors, 4 non-executive directors and 2 executive directors.

SBG director skills



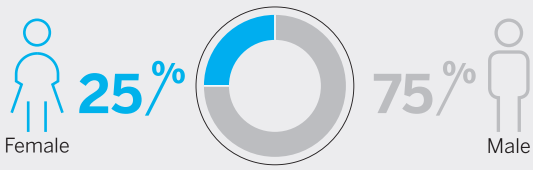
Supporting gender diversity and transformation

Diversity

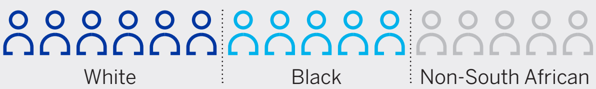
The board composition is qualitatively and quantitatively balanced in terms of skills, demographics, gender, nationalities, experience and tenure.

In 2016, the board approved its gender diversity policy and set a target to have 33% female board directors by 2020. During 2018, the diversity policy was amended to take into account race diversity in line with the JSE Listings Requirements. The board has undertaken to pursue the race diversity targets included in the Management Control Scorecard as set out in the Amended Financial Sector Code of 2017. The board considers these targets in the implementation of its succession plans.

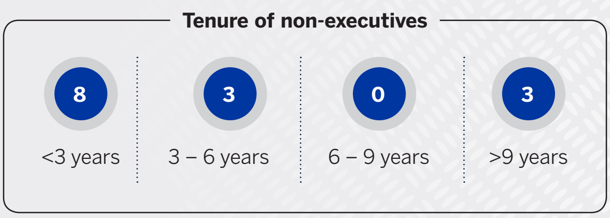
Gender

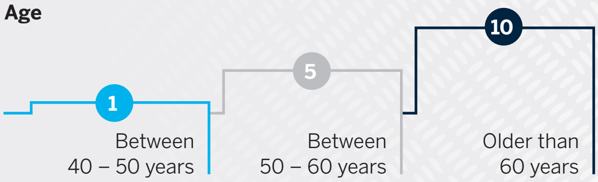


Race



Balancing experience and new insight





Our group board

CHAIRMAN AND DEPUTY CHAIRMEN

1. THULANI GCABASHE [61]

Chairman and independent non-executive director, SBG and SBSA

Key strengths: Business leadership; executive management of a complex business; solid strategic planning experience.

Appointed: 2003

Appointed chairman: 2015

2. HAO HU [56]

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

Key strengths: Proven leadership in a large international group; solid board experience; strong strategy management skills in banking.

Appointed: 2017

3. JACKO MAREE [63]

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

Key strengths: Over 35 years experience in banking and leadership; deep insight into role and challenges facing a chief executive; skilled team builder.

Appointed: 2016

LEAD INDEPENDENT DIRECTOR

4. PETER SULLIVAN [71]

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

Key strengths: Seasoned banker with international experience; over ten years leadership experience in both Africa and Asia; strong non-executive director and chairman experience with excellent coaching and mentoring skills.

Appointed: 2013

EXECUTIVE DIRECTORS

5. SIM TSHABALALA [51]

Group chief executive, SBG and executive director, SBSA

Key strengths: Extensive groupwide leadership experience; leading strategy formulation and execution; proven track record of enhancing competitiveness and ensuring sustainability; ability to manage complex stakeholder relationships.

Appointed: 2013

6. ARNO DAEHNKE [51]

Group financial director, SBG and executive director, SBSA

Key strengths: Detailed understanding of banking regulations; financial management, budgeting and forecasting skills; balance sheet management experience, including capital and liquidity management, at group and subsidiary level.

Appointed: 2016

Chairman | Deputy chairman | Lead independent director | Executive directors | Independent non-executive directors | Non-executive directors

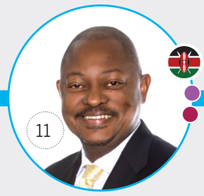
NON-EXECUTIVE DIRECTORS


7


8


9


10


11

7. GERALDINE FRASER-MOLEKETI 58

Independent non-executive director, SBG and SBSA

Key strengths: Experience in international, regional and national politics; strong strategic, ethical and oversight skills; experience in human resources oversight.

Appointed: 2016

8. TRIX KENNEALY 60

Independent non-executive director, SBG and SBSA

Key strengths: Extensive operational and strategic management experience across a variety of industries and sectors; corporate governance experience of over 30 years; broad experience in strategic financial management including restructuring, acquisitions and integrations.

Appointed: 2016

9. NOMGANDO MATYUMZA 56

Independent non-executive director, SBG and SBSA

Key strengths: Strong financial and executive management skills; experience in strategy development and execution; seasoned non-executive director in several sectors.

Appointed: 2016

10. KGOMOTSO MOROKA 64

Non-executive director, SBG and SBSA

Key strengths: Strong business leadership skills; extensive experience in governance, regulation and public policy; significant legal experience.

Appointed: 2003

11. MARTIN ODUOR-OTIENO 62

Independent non-executive director, SBG and SBSA

Key strengths: Extensive banking experience of over 18 years; strategy development and execution skills; strong leadership and governance experience.

Appointed: 2016

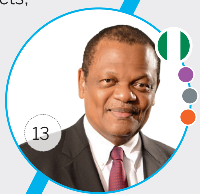

12

12. ANDRÉ PARKER 68

Independent non-executive director, SBG and SBSA

Key strengths: Extensive experience of running businesses in Africa and Asia; strong brand management experience in fast-moving consumer goods markets; non-executive director experience in South African corporates.

Appointed: 2014


13

13. ATEDO PETERSIDE CON 63

Independent non-executive director, SBG and SBSA

Key strengths: Strong business and banking experience, as the founder and former chief executive of the Investment Bank and Trust Company Limited (IBTC); seasoned investment banker and economist.

Appointed: 2014


14

14. MYLES RUCK 63

Independent non-executive director, SBG and SBSA

Key strengths: Strong banking experience with a career spanning over 30 years; experience in running a large and complex business; extensive risk management experience.

Appointed: 2002

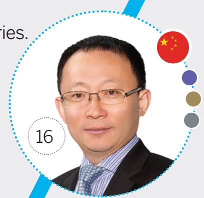

15

15. JOHN VICE 66

Independent non-executive director, SBG and SBSA

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 other African countries.

Appointed: 2016


16

16. LUBIN WANG 45

Non-executive director, SBG and SBSA

Key strengths: Senior management experience in multiple geographies; experience in a variety of corporate functions, including finance, IT, procurement and administration; strong ability to adapt to different environments.

Appointed: 2017

Non-executive directors provide independent and objective judgement. They challenge and monitor the executive directors' delivery of strategy within the approval framework and risk appetite agreed by the board.

- Group directors' affairs committee (DAC)
- Group audit committee (GAC)
- Group risk and capital management committee (GRCMC)
- Group technology and information committee (GTIC)
- SBSA large exposure credit committee** (LEC)
- Group model approval committee (GMAC)
- Group remuneration committee (REMCO)
- Group social and ethics committee (GSEC)
- Committee chairman

** A sub-committee of The Standard Bank of South Africa.

1

THULANI GCABASHE

Chairman and independent non-executive director, SBG and SBSA

8/8

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

Appointed: 2003
Appointed chairman: 2015

External directorships:
- Built Environmental Africa Capital (chairman) and related entities
- African Olive Trading 160
- Lightsource (Pty) Ltd

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

Committee membership:
- DAC (chairman)
- GRCMC
- REMCO
- GSEC
- LEC

2

HAO HU

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

6/8

Qualifications: Doctorate degree in economics (Graduate School of Chinese Academy of Social Sciences), Bachelor degree (Hunan University)

Appointed: 2017

External directorships:
- ICBC (London) Plc (chairman)

Previous roles:
- general manager of the Institutional Banking Department, ICBC
- chairman of ICBC Luxembourg S.A.

Committee membership:
- GRCMC
- DAC
- GTIC

3

JACKO MAREE

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

7/8

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

Appointed: 2016

Appointments held within the group:
- Liberty Holdings (chairman)
- Liberty Group (chairman)

Other governing body and professional positions held:
- China Investment Corporation – International advisory council
- Special Envoy on Investments to RSA

External directorships:
- Nelson Mandela Children's Hospital
- Phembani Group

Previous roles:
- chief executive of the group for more than 13 years
- senior banker focusing on key client relationships

Committee membership:
- GMAC (chairman)
- GRCMC
- REMCO
- GSEC
- LEC

4

PETER SULLIVAN

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

8/8

Qualifications: BSc (physical education) (University of New South Wales)

Appointed: 2013

External directorships:
- AXA China Region Insurance Company
- AXA Asia
- Techtronic Industries
- Circle Holdings (chairman)

Previous roles:
- chairman of Healthcare Locums Plc
- CEO of Standard Chartered Bank Africa
- CEO of Standard Chartered Bank (Hong Kong) Limited

Committee membership:
- REMCO (chairman)
- GAC
- GTIC
- GRCMC

Board attendance

5

SIM TSHABALALA

Group chief executive, SBG and executive director, SBSA

8/8

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

Appointed: 2013

Appointments held within the group:
- Stanbic IBTC Bank (chairman)
- Liberty Holdings
- Liberty Group
- Tutuwa Community Holdings

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

Committee membership:
- GTIC
- GSEC
- GMAC
- LEC

6

ARNO DAEHNKE

Group financial director, SBG and executive director, SBSA

8/8

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

Appointed: 2016

Appointments held within the group:
- Stanbic Africa Holdings

Previous role:
- head of the group's treasury and capital management function

Committee membership:
- GTIC
- GMAC
- LEC

7

GERALDINE FRASER-MOLEKETI

Independent non-executive director, SBG and SBSA

8/8

Qualifications: Master's degree in public administration (University of Pretoria), Doctorate in Philosophy (Honoris Causa) (Nelson Mandela University), Fellow of Institute of Politics (Harvard)

Appointed: 2016

Other governing body and professional positions held:
- UN Committee of experts of public administration (chairman)
- Nelson Mandela University (chancellor)
- ISID Advisory Board McGill University Canada
- Mapungubwe Institute for Strategic Reflection

External directorships:
- Exxaro Resources

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.

Committee membership:
- DAC
- GRCMC
- GSEC

8

TRIX KENNEALY

Independent non-executive director, SBG and SBSA

8/8

Qualifications: BCom (University of Pretoria), BCom (Hons) (University of Johannesburg)

Appointed: 2016

External directorships:
- Sasol

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

Committee membership:
- GAC (chairman)
- GRCMC
- REMCO

9

NOMGANDO MATYUMZA

Independent non-executive director, SBG and SBSA

8/8

Qualifications: BCompt (Hons) (University of Transkei), LLB (University of Natal), CA (SA)

Appointed: 2016

External directorships:
- Hulamin
- Sasol

Previous roles:
- deputy chief executive at Transnet Pipelines
- non-executive director on the boards of Cadiz Limited, Transnet SOC Limited, Ithala Development Finance Corporation and WBHO

Committee membership:
- GAC
- GRCMC
- REMCO

10

KGOMOTSO MOROKA

Non-executive director, SBG and SBSA

7/8

Qualifications: BProc (University of the North), LLB (University of the Witwatersrand)

Appointed: 2003

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

External directorships:
- Kalagadi Manganese
- Royal Bafokeng Platinum (chairman)
- Temetayo (chairman)
- Multichoice South Africa Holdings
- Netcare

Previous roles:
- non-executive director of South African Breweries
- acting judge in the Witwatersrand local division

Committee membership:
- GSEC (chairman)
- DAC
- GRCMC

11

MARTIN ODUOR-OTIENO

Independent non-executive director, SBG and SBSA

8/8

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)

Appointed: 2016

Other governing body and professional positions held:
- SOS Children's Villages International

External directorships:
- GA Life Insurance Company
- British American Tobacco Kenya
- East African Breweries
- Kenya Airways

Previous roles:
- CEO of the Kenya Commercial Bank Group
- partner at Deloitte East Africa

Committee membership:
- GAC
- GSEC

12

ANDRÉ PARKER

Independent non-executive director, SBG and SBSA

8/8

Qualifications: BEcon (Hons), MCom (University of Stellenbosch)

Appointed: 2014

External directorships:
- Distell
- Empresas Carozzi (Chile)

Previous roles:
- managing director, SAB Miller, Africa and Asia regions
- chairman of Tiger Brands

Committee membership:
- DAC
- GTIC
- REMCO
- LEC

Board attendance

13

ATEDO PETERSIDE CON

Independent non-executive director, SBG and SBSA

8/8

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

Appointed: 2014

Other governing body and professional positions held:
- Endeavor High Impact Entrepreneurship (chairman)

External directorships:
- ANAP Holdings Ltd (chairman)
- Cadbury Nigeria Plc (chairman)
- Flour Mills of Nigeria Plc
- Unilever Nigeria Plc
- Nigerian Breweries Plc
- ANAP Business Jets Ltd (chairman)

Previous roles:
- founder and chief executive of the then IBTC
- chairman of Stanbic IBTC Bank Plc

Committee membership:
- GAC
- GTIC
- REMCO

14

MYLES RUCK

Independent non-executive director, SBG and SBSA

8/8

Qualifications: BBusSc (University of Cape Town), PMD (Harvard)

Appointed: 2002

Appointments held in the group:
- ICBC (Argentina) (vice chairman)

Previous roles:
- deputy chief executive of Standard Bank Group
- chief executive of the Liberty Group

Committee membership:
- GRCMC (chairman)
- DAC
- LEC (chairman)

15

JOHN VICE

Independent non-executive director, SBG and SBSA

8/8

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

Appointed: 2016

External directorships:
- Anglo American Platinum

Previous roles:
- senior partner at KPMG Inc. (until his retirement there in February 2013), and headed the firm's audit practice, IT audit and IT consulting departments
- member of the board of Zurich Insurance South Africa Limited

Committee membership:
- GTIC (chairman)
- GAC
- GRCMC

16

LUBIN WANG

Non-executive director, SBG and SBSA

7/8

Qualifications: Bachelor's degree in corporate finance (Fudan University), Master's degree in accounting and finance (London School of Economics and Political Science)

Appointed: 2017

Other governing body and professional positions held:
- chief representative officer of ICBC African representative office

Appointments held within the group:
- ICBC Standard Bank Plc

Previous roles:
- executive committee member, deputy head of finance, head of IT and strategic sourcing in ICBC (Argentina)
- core member of the transitional committee of the acquisition project of Standard Bank Argentina

Committee membership:
As alternate to Hao Hu
- DAC
- GRCMC
- GTIC

Our group executive committee

Our experienced leadership team, which includes the two executive directors, collaborates to deliver on the group's strategic objectives.

The board has delegated the management of the day-to-day business and affairs of the group to the group chief executive, with full power on behalf of and in the name of the group. The group chief executive is accountable for the implementation of the group strategy, and its performance, and is supported by the group executive committee (exco).

Group exco supports the group chief executive in the delivery of promises made to customers, employees, regulators and other key stakeholders and ensuring overall coordination across the universal financial services group. Ultimate executive decision-making powers and accountability remain vested with the group chief executive and all members of the committee exercise powers in accordance with their delegated authority.

1. SIM TSHABALALA 51
Group chief executive, SBG, and executive director, SBSA
BA, LLB (Rhodes), LLM (University of Notre Dame, USA), HDip Tax (Wits), AMP (Harvard)

2. ARNO DAEHNKE 51
Group financial director, SBG and executive director, SBSA
BSc, MSc (UCT), PhD (Vienna University of Technology), MBA (Milpark Business School), AMP (Wharton)

3. SOLA DAVID-BORHA 58
Chief executive, Africa regions
BSc Economics (University of Ibadan), MBA (University of Manchester), AMP (Harvard), GCP (IESE, Wharton, CEIBS)

4. RENÉ DU PREEZ 52
General counsel
BProc (cum laude), LLB (cum laude), HDipTax (UJ)

5. KENNY FIHLA 52
Chief executive, Corporate and Investment Banking (CIB)
MSc (University of London), MBA (Wits)

6. JÖRG FISCHER 48
Head, group shared services and group real estate services
BCom (Wits), Bachelor of Accountancy (Wits), CA (SA), Advanced Certificate in Taxation (UNISA), MIT Global Executive Academy (Cambridge, MA).

7. LUNGISA FUZILE 52
Chief executive, SBSA
MCom (UKZN), AMP (Harvard)

8. ISABEL LAWRENCE 50
Group chief compliance and data officer
BA (Hons), LLM (RAU)

9. ALPHEUS MANGALE 43
Group chief information officer
NDip Computer Systems Engineering (TUT), PG Management (Henley), EDP (CCL), AMP (Harvard)

10. ZWELI MANYATHI 57
Chief executive, Personal and Business Banking (PBB)
BCom (Hons) (Unisa), PDP (New York), SEP (Wits & Harvard)

11. FUNEKA MONTJANE 40
Chief executive, PBB South Africa
BCom (Hons) (Wits), MCom (UJ), CA(SA)

12. DAVID MUNRO 48
Chief executive, Liberty
BCom, PGDip Accounting (UCT), CA(SA), AMP (Harvard)

13. MARGARET NIENABER 45
Chief executive, Wealth
BCompt (Hons) (UFS), CA(SA)

14. ROD POOLE 57
Group head, change and business transformation
BCom (Unisa)

15. THULANI SIBEKO 47
Group head, marketing and communication
BSc Bus Admin (California State University, USA), MBA (Henley), Graduate Certificate (Harvard)

16. ZOLA STEPHEN 44
Group secretary
BProc, LLB (UKZN)

17. NEIL SURGEY 60 #
Group chief risk officer and group ethics officer
BCom (UCT), AMP (Insead)

18. SHARON TAYLOR 50
Group head, human capital
BCom (UKZN), BCom (Hons) (Unisa)

19. GERT VOGEL 50
Chief executive, SB International and CIB International
BCom (UP), BCompt (Hons), MBL (UNISA), CA(SA)

Neil Surgey will be retiring from the group on 31 May 2019. He will be succeeded by David Hodnett.

1

SIM TSHABALALA

Sim Tshabalala, joined the group in 2000 in the project finance division of SCMB and was appointed to group exco in 2001. Between 2001 and 2006, he was managing director of Stanbic Africa, and was appointed chief executive of PBB in 2006. In June 2008, he was appointed chief executive of SBSA. In March 2013, he was appointed joint group chief executive, a position he held alongside Ben Kruger until September 2017. He resigned as chief executive of SBSA in January 2018.

2

ARNO DAEHNKE

Arno Daehnke joined the group in 2001 as part of the CIB, Global Markets division. In 2010, he was appointed as head of group treasury and capital management division, with responsibilities including balance sheet management, financial planning, regulatory reform and optimally deploying group financial resources. He was appointed as group financial director in May 2016.

3

SOLA DAVID-BORHA

Sola David-Borha was appointed chief executive, Africa Regions in January 2017. Prior to her appointment, she was the chief executive of Stanbic IBTC Holdings Plc and served as chief executive of Stanbic IBTC Bank from May 2011 to November 2012. She previously held various executive roles which included acting managing director of IBTC Chartered Bank Plc and executive director of CIB (excluding South Africa).

4

RENÉ DU PREEZ

René du Preez is an admitted attorney of the High Court and practised as such at Bowmans. She has spent the past 23 years working in the financial services industry. She joined the group in January 2008 in the investment banking division of CIB where she worked in legal advisory. She was appointed head of group legal for PBB and corporate functions in 2012 and as the group general counsel in June 2018. She was appointed to the group executive committee in September 2018.

5

KENNY FIHLA

Kenny Fihla joined SBSA in 2006 as CIB head of investor services. In 2007, he was appointed to the CIB executive committee and in 2008, became head of transactional products and services SA for CIB. He was appointed deputy chief executive of CIB in November 2016, and from May 2017 assumed the role of chief executive, CIB.

6

JÖRG FISCHER

Jörg Fischer joined the group in 1997 as a senior finance manager, treasury finance management and central reporting within CIB. In January 2001, he was appointed chief financial officer of PBB. In January 2006, he was appointed chief information officer for the group and in May 2010, was appointed chief operating officer of global PBB. In November 2012, he was appointed to head up the newly formed group shared services department and in 2014, group real estate services was added to this role. He currently holds the position of head group shared services and group real estate services. He was appointed to group exco in February 2019.

7

LUNGISA FUZILE

Lungisa Fuzile joined the group in January 2018 as chief executive of SBSA. Prior to his appointment, he had a 20-year career in public service. His most recent role was as director-general of the National Treasury where he was responsible for providing strategic leadership and direction to the successful execution of the legislative mandate of the National Treasury.

8

ISABEL LAWRENCE

Isabel Lawrence joined the group's legal division in 1998, where she was responsible for legal risk and transacting for PBB. She was appointed head of group legal in 2003 and was appointed group chief compliance officer in January 2012. In 2014, Isabel was appointed as a director of Standard Advisory London Limited. In 2016, she was appointed as the group data officer in addition to her current role.

9

ALPHEUS MANGALE

Alpheus Mangale joined the group as group chief information officer in 2017. Prior to this he was the chief enterprise officer at MTN South Africa, a role he held from 2014 to August 2017. He was also the managing director of Cisco Systems South Africa, from 2012 to 2014. His experience includes a 16-year tenure with Dimension Data group, where he held various executive roles across Africa, Europe, UK and the Middle East.

10

ZWELI MANYATHI

Zweli Manyathi's appointment as chief executive of PBB was effective 1 April 2018. Prior to his appointment, he was chief executive of PBB Africa Regions from August 2013. He was previously head of business banking SA and held other senior executive roles both in retail and corporate banking as well as credit and international banking.

11

FUNEKA MONTJANE

Funeka Montjane joined the group in 2008 and was appointed chief financial officer of PBB South Africa. In 2010, was appointed head of home loans PBB South Africa and in 2012 she was appointed chief executive PBB South Africa.

12

DAVID MUNRO

David Munro joined the group in 1996. In 2003, he was appointed deputy chief executive, CIB South Africa and in 2006 was appointed chief executive, CIB South Africa. In 2011, he was appointed chief executive CIB, a position he held until May 2017 when he was appointed chief executive of Liberty Holdings.

13

MARGARET NIENABER

Margaret Nienaber joined the group in 2010 as head of private clients South Africa. In 2013, she was appointed global head of wealth and investment (previously known as private clients). She was appointed chief executive of Wealth in 2017.

14

ROD POOLE

Rod Poole has held various senior executive roles within the bank including head of marketing and communication, head of human capital of Standard Bank Plc based in London, head of human capital, and chief of staff. Rod is currently group head of change and business transformation and is responsible for the portfolios of group marketing, group human capital and group strategy.

15

THULANI SIBEKO

Thulani Sibeko joined the group in January 2018 and was appointed to the group executive committee in September 2018. His experience spans 25 years in different industries. His marketing career began in FMCG were his passion for consumers and brand building developed working in diverse cultures, in regional roles in SA, USA, UK and Switzerland. He has held other senior leadership roles with his most recent experience at Nedbank, where he served as the group executive for marketing and communication.

16

ZOLA STEPHEN

Zola Stephen is the group secretary and group head of governance, having joined the group in August 2012 and being appointed as group secretary in November 2012. She has extensive experience in governance having spent 13 years at Transnet where in her last role she was a member of the group executive committee responsible for Legal, Corporate and Public Affairs, Company Secretariat and Corporate Governance and Group Compliance.

17

NEIL SURGEY

Neil Surgey joined the commercial banking division of Standard Bank in 2002 as a director in strategy and business support. He joined SCMB as director of finance and operations in 2003 and in 2006 was appointed as global chief operating officer of CIB. In 2010 he was appointed head of transactional products and services, CIB. He was appointed group chief risk officer in 2015.

18

SHARON TAYLOR

Sharon Taylor joined the group in 1991 and has held various senior executive positions in human capital. She served as the head of Human Resources for the Commercial Bank, the Corporate and Investment Bank in South Africa, the global Investment Banking product line and SBSA before taking on her current role in April 2014. She was appointed to the group executive committee in September 2018.

19

GERT VOGEL

Gert Vogel was appointed to the group executive committee in September 2018. Prior to his appointment as chief executive of Standard Bank International and CIB International, he held various roles in the group, including director of structured finance, head of debt solutions and portfolio management, head of structured solutions in London, head of treasury and capital management Standard Bank Plc (London), acting chief risk officer for CIB and from 2011 to 2015 he was the chief financial officer for the group's CIB business.

Maintaining effective control

The board has overall responsibility for governance across the group and retains effective control through the board-approved governance framework and provides for delegation of authority with clearly defined mandates and authorities while retaining its accountability.

The governance framework outlines mechanisms for the group to implement robust governance practices with defined and clear decision rights across the group.

The board has delegated certain functions to its committees, allowing the board to allocate sufficient time and attention to matters reserved for decision-making. This also allows for the delegated matters to receive in-depth focus at committee level.

The group chief executive and the executive team deliver against agreed performance targets aligned to strategy in the best interests of the group and its material stakeholders.

Performance is monitored and measured against the agreed five strategic value drivers. The board holds the relevant executive accountable for the group's operational and financial performance. Management is open and transparent in its engagements with the board and escalates material matters to the board in a timeous manner. Special board meetings are convened in need. For example, a special meeting of the board was convened in August 2018 following the developments in Nigeria relating to the Central Bank of Nigeria and MTN Nigeria matter.

Separation of roles and responsibilities

The role of chairman is separate from that of the group chief executive. There is a clear division of responsibilities. Care is taken to ensure that no single director has unfettered powers in the decision-making process. Executive directors and the group's prescribed officers attend board meetings, increasing the point of contact between the board and management.

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 chief executive and other directors
- builds and maintains stakeholder trust and confidence
- conveys feedback in a balanced and accurate manner between the board and the group chief executive
- monitors the effectiveness of the board and assesses individual performance of directors
- convenes the chairmen round-table sessions with the 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 chair 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 uppermost, or where the chairman may have a conflict of interest.

Group chief executive

- 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 the approved risk appetite, and its compliance with applicable laws and corporate governance principles
- sets the tone for ethical leadership, creating an ethical environment and ensures a culture that is based on the group's values
- is the face of the company and engages with material stakeholders including clients, regulators and employees on an ongoing basis.

Group secretary

Directors have access to the services of the group secretary. The group secretary, Zola Stephen, is not a member of the board or a prescribed officer of the group. On 6 March 2019, the board considered the competence, qualifications and experience of the group secretary and concluded that she is competent to carry out her duties, and that it is satisfied that an arm's length relationship exists between itself and the group secretary as envisaged in the JSE Listings Requirements.

Delegation of authority framework

Through the group governance framework, the board has delegated the day-to-day management of the group, in writing, to the group chief executive without abdicating the board's responsibility. The group secretary monitors the effective implementation of the delegation of authority framework including the authority delegated to the group chief executive and matters reserved for board decision.

Governing of group subsidiaries

The group's revised subsidiary governance framework was rolled out to group subsidiaries for adoption. It takes into account the requirements of King IV, the Basel Corporate Governance Principles for Banks and the developments in various jurisdictions in which we operate.

It is a living document and does not replace in-country local corporate governance codes 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. Through this 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 directors' affairs committee (DAC), through the group governance office, monitors on an ongoing basis the implementation of this framework.

Board appointment process and induction

The director's affairs committee **recommends a candidate to the board**

The board **approves the candidate's nomination** and **the commencement of the regulatory process**

The regulator **conducts a fit and proper test** and **provides a statement of no objection**

The board **approves the candidate as a director**

The director **retires at the AGM** and **is re-elected by shareholders.**

AGM | Refer to the AGM notice, available online.

The board has a formal and transparent process for appointing directors. Oversight of succession planning, the nomination process, which takes into account the board's race and gender diversity policy, and short-listing of candidates for interviews is delegated to the DAC. This committee considers the current board skills matrix, a candidate's skills, experience, availability, possible conflicts of interest and likely fit as well as demonstrated integrity, proven leadership and other time commitments. A director appointed by the board holds office until the next AGM in line with the group's memorandum of incorporation.

Newly appointed directors are provided with a group governance manual which contains 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.

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 2019 AGM, Geraldine Fraser-Moleketi, Martin Oduor-Otieno, André Parker, Myles Ruck and Peter Sullivan will retire and, being eligible, avail themselves for re-election.

In terms of the memorandum of incorporation (MOI), if a director reaches the age of 70 they will cease to be a director of the company from the end of the AGM after their seventieth birthday, unless the directors have resolved prior to the convening of the AGM in question that the director shall not retire at that meeting and a statement to that effect is made in the notice convening the meeting. Peter Sullivan has turned 71 and the directors have resolved to extend his term of office by a further year, subject to shareholder approval.

Board changes

Having reached retirement age, Richard Dunne retired from the board at the close of the group's AGM in May 2018. Richard Dunne served on the board for almost ten years, and for eight years as chairman of the group audit committee. Ben Kruger stepped down as an executive director in December 2018.

Independence assessment

Definition

Independence is determined against the criteria as set out in the King Code. An independent director should be independent in character and judgement and there should be no relationships or circumstances which are likely to affect, or could appear to affect, this independence. Independence is the absence of undue influence and bias, which can be affected by the intensity of the relationship between the director and the company rather than any particular fact such as length of service or age.

Assessment

Independent assessments of directors are conducted annually. In 2018, the review considered director performance and factors that may impair independence, including directors' interests, and demonstrated behaviour as well as individual's effective shareholding in the group's shares to ensure their shareholding is not material to their personal wealth. For directors who have served longer than nine years, a more rigorous evaluation was conducted. The process included a self-assessment by each director as well as consideration of each director's circumstances by the board. It was considered whether directors' interests, position, association or relatives, were likely to influence unduly or cause bias in decision making when judged from the perspective of a reasonable and informed third-party.

Outcome

During the period under review, the board is satisfied that there are no relationships or circumstances likely to affect, or appear to affect, the directors' judgements and that their independence is not impaired by their length of service. Thulani Gcabashe, Myles Ruck and Kgomotso Moroka have all served for periods longer than nine years. Following the rigorous annual review, the board confirmed 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, Jacko Maree, Kgomotso Moroka and ICBC's nominated directors Hao Hu and Lubin Wang, were not considered independent.

Ensuring our legitimacy

Relevance

As a financial services organisation, our ability to innovate is critical to remaining relevant to our clients. The board is committed to ensuring that the group remains agile in order to meet the changing needs of its clients and other stakeholders. The group's future depends on becoming a truly digital, integrated financial services group. In the composition of the board care is taken to ensure that we have the necessary skills to deliver on our strategy and leverage the opportunities that digitisation and innovation present.

The board is pleased with the progress the group has made in 2018 in delivering digital capabilities.

Stakeholders

The group's stakeholder engagement activities are governed by the stakeholder engagement policy that sets out formal areas of responsibility. The GSEC oversees the group's approach to stakeholder engagement, especially regarding material social and ethical matters related to our legitimacy and social relevance across our footprint. In 2018, GSEC approved the group stakeholder engagement guidelines which also apply to group subsidiaries. The guidelines are aligned to the group's values and code of ethics.

The GSEC also provides assurance to the board regarding the group's conduct continuing to be legitimate and socially relevant. The board reviews material stakeholder engagements on a quarterly basis and provides guidance where necessary.

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.

RTS | Details of the group's impact on the societies, economies and environment in which we operate, is included on our Reporting to society suite.

Being a responsible corporate citizen

The board oversees and monitors how the consequences of the group's activities and outputs affect the group's status as a responsible corporate citizen. This oversight and monitoring is performed against the strategic value drivers and impact on society, economy and environment.

RTS | Refer to the AIR and Reporting to Society suite for detailed reporting in this regard.

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. It provides an opportunity for shareholders to ask questions and vote on resolutions. The board and key members of management, including the group chief executive and group financial director, are present and available to answer questions. The joint external auditors also attend to address any queries raised. Minutes of the meeting are available from the group secretary's office.

The voting outcome of resolutions is published through the stock exchange news service (SENS) and is posted on the group's website within 24 hours of conclusion of the AGM. The quorum at the 2018 annual general meeting was 81.78% of shareholders represented in person or by proxy.

Quorum and participation at general meetings

The informed participation of shareholders at general meetings is encouraged by the board and therefore notices of general meetings are sent to shareholders within the time-frames established by law. The notices of general meetings are also posted on the company's website together with the details of the required percentage vote needed to pass each resolution.

Shareholders' rights

We are committed to ensuring that all holders of the same class of shares issued by the company are treated equitably. Standard Bank conforms to the principle of one share, one vote, one dividend and does not have any defensive mechanisms in its memorandum of incorporation (MOI). 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.

Effective governance of ethics – achieving an ethical culture

The chairman and the board set the ethical tone for the group and collectively ensure that the conduct of the board and management aligns with the group's values and code of ethics, to achieve the group's strategy. This is measured as part of the board effectiveness assessment and the performance of the executives.

GOV REM | More information on the board effectiveness assessment on page 23 and evaluation of performance in the remuneration report online.

Code of ethics

Our code of ethics is informed by the group's values, our ethical standards (as set out in anti-corruption and corporate governance legislation in our countries of operation), and globally recognised standards such as the King Code. It is aligned to group standards, policies and procedures and is certified by the Ethics Institute of South Africa as conforming to the highest standards of international best practice.

Board members are bound by the code of ethics and fiduciary duties owed to the company. Directors have the necessary competence to discharge their duties and to provide strategic direction and control of the company as provided for in the board mandate and the MOI.

The GSEC oversees the implementation, reporting, training and awareness of the group's code of ethics. The group chief executive and the chief ethics officer are responsible for entrenching the group's values and code of ethics across the group.

Entrenching ethics

The group is a large and diverse business. To drive our growth cohesively, we have agreed on a number of common guidelines, including our code of ethics and our values. These ensure that we do the right business the right way, complying with relevant laws and legislation. This is imperative to retain the trust of our stakeholders. As part of establishing an ethical culture in our day to day decision making and behaviour, we have adopted a systematic and integrated approach that requires ongoing awareness and reinforcement.

The board through GSEC considers conduct dashboards of all business units and corporate functions, and internal audit reports on measures implemented to ensure compliance with regulatory and other legislative requirements. 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 also in place for employees and other stakeholders to seek advice or report concerns about unethical or unlawful behaviour anonymously. Information on the processes and the policy relating to the whistle-blowing service is published in all business units and geographical publications during the year.

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

www | For more information on how to report unethical behaviour: **https://www.standardbank.com/standimg/StandardBankGroup/web/ReportCBehaviour.html**.

www | Report unethical behaviour: **https://www.thornhill.co.za/kpmgethicslinereport/questionnaire/main**.

Conduct metrics

All business units and corporate functions submit quarterly conduct and governance dashboards to the group executive committee, providing a barometer of the prevailing ethical climate. The dashboards, together with other mechanisms, enable us to monitor and report regularly on our conduct risk. These include:

- effectiveness of recruitment processes and employee resourcing.
- integration of new employees during on-boarding and induction.
- monitoring transparency and effectiveness of our whistleblowing processes.
- adherence to compliance training requirements.
- monitoring employee personal conduct.
- effectiveness of new client product sales.
- client satisfaction.
- effectiveness of money laundering prevention practices.
- information security processes.

Conflicts of interest

The board is committed to acting in the best interests of the group, in good faith and without undue personal conflicts of interest. All board decisions are consistently based on ethical foundations in line with the group's values. In making decisions, the board adopts a pragmatic approach to the group's core business, prudently evaluates the strategic value drivers as measures of the performance of the group and the potential trade-offs made to achieve the group strategy.

At the beginning of each meeting, directors are required to declare whether there are any conflicts of interest in relation to matters on the agenda. Directors do not participate and 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 meeting and any changes are submitted to the board as they occur. The board is aware of outside commitments of directors and is satisfied that directors allocate sufficient time to enable them to discharge their responsibilities effectively.

Compliance

As a responsible corporate citizen, we comply with the relevant laws, regulations and codes in all the countries in which we operate. The board, through the relevant board committees, considers compliance reports by executive management, internal auditors and external auditors on measures implemented to ensure compliance with regulatory and other legislative requirements.

GOV REM | Refer to GAC committee activity on page 26.

Dealings in securities

The groupwide personal account trading policy, as well as the directors' and prescribed officers' dealing in securities policy prohibit directors and employees from trading in securities during closed periods, as well as during self-imposed embargo periods. Embargo and closed periods are in effect from 1 June until the publication of the interim results and 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 policy and the JSE Listings Requirements. All directors' dealings require the prior approval of the chairman, and the group secretary retains a record of all their dealings and approvals. During the reporting period, the group has complied with the JSE's Listings Requirements.

Political party contribution

The group has an extended democracy support programme. Under this programme, the group has principles against which to approve and monitor the effective use of disbursements that support research institutions and think-tanks, organised business/business initiatives and trade unions, organisations supporting democracy and constitutionalism. The GSEC monitors the disbursements made annually and in 2018 R5.4 million was disbursed.

RTS | For more information on the funding of political parties in the national assembly and research institutions, refer to the Reporting to society suite, available online.

Delivering good performance

The board appreciates the interconnectedness between the group's purpose, vision, values and legitimacy to the risks and opportunities, the group's architecture and performance. In approving the group's strategy, it deliberates on these and considers progress it made on the implementation of the strategy and ensures that it continues to be in line with the group's values and will ensure the long-term success and sustainability of the group.

In addition to standard items on the board's agenda, the 2018 focus areas included:

- consideration of the political and economic medium-term outlook globally and in sub-Saharan Africa including its impact on the group's strategy
- reflecting on external perspectives and feedback from investors the group's relationships with clients, impact of digitisation on the future customer, growing our technological capabilities and innovation to better serve our clients and delivering a seamless universal financial services integrated group proposition
- aligning the group's governance, planning, and reporting processes to the strategic value drivers
- the risk and conduct value drivers ensuring that the group does the right business the right way
- the group's future readiness

Setting the board agenda

1 A forward planner with standing agenda items to be considered by the board is prepared by the group secretary.

2 The chairman consults with the group chief executive, assisted by the group secretary, when setting the board agenda taking into account emerging issues affecting the group.

3 Care is taken to ensure that the board has enough time to consider matters placed before it and papers are circulated in advance of meetings.

4 At the close of each board meeting, non-executive directors meet without the executive directors in closed sessions led by the chairman to 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 chief executive.

Director ongoing training

Dates for ongoing training are scheduled in advance and form part of the board approved annual calendar. Directors are kept abreast of applicable legislation and regulation, changes to rules, standards and codes, as well as relevant sector developments that could affect the group and its operations.

Topics considered in 2018 included:

Customer experience: customer feedback and customer metrics
An in-depth analysis on the health of the client franchise across the African continent.

The Standard Bank Tutuwa Community Foundation
The group's commitment and contribution to the foundation and an update on the foundation's strategy.

Auditor independence and audit quality measures
The board's response to the request from the South African Reserve Bank in its Guidance Note 2/2018, to provide an overview on how the group audit committee ensures that the requirements surrounding auditor independence and quality are met.

Factors influencing bank failures or poor financial performance
A look into three key factors that usually precede bank failures, and how Standard Bank measures against these factors. Elevated risk of loss from loans, investments, acquisitions or other exposures, inadequate capital to absorb losses, and inadequate liquidity and inability to refinance short term liabilities.

Fintech regulatory developments and implications for the group
A presentation on Fintech, the technology-enabled innovation in financial services that could result in new business models, applications, processes or products with an associated material effect on the provision of financial services.

Always On / Always Secure
A look at the 24/7, real-time availability of client facing systems, including all the systems involved in the delivery of services to clients through any of the channels the end-to-end composite systems view, and 'Always Secure'. How we honour our clients' trust by keeping their assets safe.

Access to and flow of information

Directors have unrestricted access to group management and company information, as well as the resources required to carry out their duties and responsibilities. Access to external specialist advice is available to directors at the group's expense in line with a board approved policy.

The board uses an electronic board paper system which provides quick, easy and secure access to board papers and materials (including a resource centre that contains comprehensive reference materials). Board packs are circulated via this system prior to meetings, with enough time for board members to apply their minds to the content. Information about latest issues affecting the group is also circulated as appropriate.

Assessing the board's effectiveness

The effectiveness of the board and board committees is assessed annually. Externally facilitated board and board committees' evaluations are performed every two years and internal self-evaluations performed every alternate year. The 2018 board evaluation was externally facilitated.

The evaluation process included:

1

Completion of the web-based board effectiveness questionnaire
A customised questionnaire was completed by all directors. Results from the questionnaire were considered and analysed to be used in the one-on-one interviews with directors.

2

One-on-one interviews
One-on-one interviews with each director were held. Interview templates were customised and sent to directors ahead of time.

3

Director peer review
All directors were invited to evaluate the individual performance of their peers and that of the company secretary. Individual results were shared with each director and the chairman.

Highlights from the 2018 review

Overall, the review concluded that the performance of the board and its committees was effective. The board is considered to be of high quality and well-functioning, comprising members of stature and experience. There is considerable support for both the chairman and the group chief executive. The culture of the board is seen to be healthy and robust, with strong levels of trust between the board and management, as well as amongst non-executive directors. The board is satisfied that the evaluation process contributes to its performance and effectiveness.

Topics covered in the review included – strategic alignment, board composition, overall contribution and alignment of directors, board culture, relationship with management, and processes and practices of the board.

Key areas	Findings	Areas for consideration
Strategic alignment	The execution of the group strategy was considered effective. The strategy session and ongoing discussions were considered helpful in assisting the board to understand and fulfil its oversight duties. Management and the board are aligned on the group's strategy and a cordial relationship exists between the two.	In addition to the board's strong engagement on the group strategy, it was noted that a significant amount of time was spent discussing regulatory, risk, compliance and legal matters and the board agenda could benefit further from spending more time discussing the future and the competitor landscape.
Board composition	Current board composition was considered appropriate, with the apposite balance between executives and non-executives and the majority of non-executive directors being independent. The governance structures and processes were considered good, with well-defined roles. The committee structure was also considered appropriate, enhancing the overall effectiveness of the board.	As part of the board continuity plans, consideration has to be given to the appointment of non-executive directors with the defined skills and experience to continue to support the group's strategy ambitions and fulfilment of its responsibilities, including IT, digitisation and client centricity.
Processes and practices of the board	Board meetings are well chaired. Meeting agendas are relevant, and the frequency and logistics of meetings work well. The volume of board packs has improved over the years with summaries provided where relevant. The company secretarial function supports the board effectively.	Overlaps could be further reduced where relevant in terms of aspects of the audit, risk, technology and information and the social and ethics committees.
Board culture, overall contribution and alignment of directors	There is a high level of trust and respect amongst directors. Board discussions are candid, respectful, open, transparent and focused. The board works well as a team. Difficult matters are discussed vigorously and openly.	
Relationship with management	There is a healthy relationship and trust between executives and non-executive directors. Interface between the board and the group chief executive is strong. The group chief executive is always well prepared for board meetings and executives act on board decisions swiftly and efficiently.	

Assessing committee effectiveness

The committee chairmen are accountable for the effective functioning of the committees. The assessment of board's and committees' compliance with the provisions of their respective mandates is conducted annually. For the board and committee mandates, the group's external auditors conduct a limited assurance review against this assessment and in the period under review, the board is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period. The activities of the committees encompass the strategy and five strategic value drivers.

GOV REM | Refer to page 24 to 33 for committee activities.

Our board committees

Group directors' affairs committee

Thulani Gcabashe

Membership	Attendance and eligibility	Appointed to committee
Thulani Gcabashe (chairman) Independent non-executive director	5/5	7 March 2012 (as member) 27 May 2015 (as chairman)
Geraldine Fraser-Moleketi Independent non-executive director	4/5	30 November 2016
Hao Hu Non-executive director	4/5	1 June 2017
Kgomotso Moroka Non-executive director	5/5	29 May 2013
André Parker Independent non-executive director	5/5	27 May 2015
Myles Ruck Independent non-executive director	5/5	28 May 2014
Lubin Wang (alternate to Hao Hu) Non-executive director	5/5	1 June 2017

Committee purpose

- determine the appropriate group corporate governance structures and practices
- establish and maintain the board continuity programme
- ensure compliance with all applicable laws, regulations and codes of conduct and practices
- assess and ensure the effectiveness of the board and its committees.

Committee composition, skills and experience

- chaired by the group chairman, who is an independent non-executive director
- comprises four independent non-executive directors and three non-executive directors
- the group chief executive is a standing invitee
- members have the collective skills and experience in corporate governance, public policy and law as well as financial services and business leadership experience of large complex organisations.

Key committee activities

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

The committee held five meetings during 2018. 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:

Succession planning

- considered and agreed the non-executive directors search specifications
- in light of the group strategy, considered the composition of the board, its subcommittees and that of its Africa Regions subsidiaries with focus on skills, experience, background and diversity
- considered and recommended to board for approval the amendment of the diversity policy to take into account race diversity
- considered the executive management succession plans and the appointment of the new group general counsel, René Du Preez and chief executive PBB, Zweli Manyathi
- reviewed and recommended to the board the re-election of directors retiring by rotation
- considered and approved the appointment of non-executive directors to subsidiary boards in line with the nomination and appointment policy.

Corporate governance

- the group's application of the King IV principles
- non-executive director independent classification in line with the King Code
- corporate governance statement and AGM notice as part of the external reporting suite
- 2018 AGM proxy analysis reports and considered recommendations on proxy voting and their assessment of the group's state of corporate governance
- director meeting attendance for the year and considered the 2019 board corporate calendar
- confirmed the 2018 prescribed officers in line with the Companies Act.

Board performance review

- considered results from the board and committee effectiveness review, and the chairman's report on one-on-one interviews held with directors. Action plans drawn from results were recommended to board for approval and the committee monitored progress made on the implementation board approved 2018 action plans
- approved parameters for the 2018 board evaluation process which included engaging the services of an external service provider.

Standard Bank Group subsidiary governance framework

- monitored the adoption of the subsidiary governance framework by group subsidiaries
- considered the composition of subsidiary boards across Africa Regions including length of tenures, independence, gender diversity, subsidiary boards skills matrix and themes from subsidiary boards evaluation reports on corporate governance developments in Africa Regions including Ghana, Kenya, Malawi, Lesotho, Nigeria, Swaziland and Zambia.

Group audit committee

Trix Kennealy

Membership	Attendance and eligibility	Appointed to committee
Trix Kennealy (chairman) Independent non-executive director	8/8	30 November 2016 (as member) 24 May 2018 (as chairman)
Nomgando Matyumza Independent non-executive director	2/2	15 August 2018
Martin Oduor-Otieno Independent non-executive director	8/8	25 May 2016
Atedo Peterside CON Independent non-executive director	8/8	27 May 2015
Peter Sullivan Independent non-executive director	8/8	6 March 2013
John Vice Independent non-executive director	8/8	30 November 2016

Committee purpose

- monitor and review the adequacy and effectiveness of accounting policies, financial and other internal control systems and financial reporting processes
- provide 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
- review the independence and effectiveness of the group's external auditors, internal audit and compliance functions
- assess 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, skills and experience

- chaired by an independent non-executive director
- comprises six independent non-executive directors, which includes the group technology and information and group remuneration committee chairmen
- four of the committee members are considered financial experts and include Trix Kennealy, Martin Oduor-Otieno, John Vice and Nomgando Matyumza who was appointed to the committee in August 2018. Atedo Peterside and Peter Sullivan both have extensive business and banking experience
- the group chief executive, group financial director, group chief audit officer, group chief compliance and data officer, group chief risk officer, business unit chief executives, head of group tax and the group's external auditors are standing invitees to committee meetings
- the collective skills and experience of members include banking and financial services, accounting and auditing.

Key committee activities

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

The committee met eight times during 2018, including two meetings to consider quarterly financial results for publication on SENS and the annual meeting with the SARB Prudential Authority, among other matters, the committee discussed the results of internal and external audit's assurance activities, as well as the group's combined assurance framework. 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:

Internal audit

- reviewed and approved internal audit's charter
- reviewed and approved the internal audit plan, which was informed by the group's strategic objective; 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 reports from internal audit which covered progress with 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
- considered the results of internal audit's quality assurance team's internal file review, which assessed conformance with internal audit's methodology, as well as the International Professional Practices Framework of Internal Auditing
- 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

- the group's external auditors conducted an annual assessment of the internal audit function against International Standards on Auditing (ISA) 610 and confirmed that the work of internal audit was reliable for the purposes of the external audit engagement.

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's annual plan and monitoring activities
- reviewed quarterly reports from group compliance which covered progress with delivery of the compliance plan as well as key compliance matters across the group. The report also provided an overview of interactions with various regulators in South Africa and other jurisdictions; and contained an update on matters identified as part of regulators' routine and non-routine inspections
- reviewed the findings from the SARB Prudential Authority's anti-money laundering/combating the funding of terrorism (AML/CFT) compliance inspection as conducted during the first half of 2018
- reviewed the group's money laundering control and FAIS conflict of interest management policies

Tax

- reviewed quarterly reports on tax matters of significance across the group (including ruling and emerging tax legislation)
- reviewed the results of the group tax function's self-assessment of compliance with the tax control framework, following which a revision to the framework and supporting policies was tabled and approved.

Financial accounting and external reporting issues

- 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).

Internal financial controls

- 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.

Non-audit services

- approved the annual review of the non-audit services policy, which governs the use of the group's external auditors for 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 policy, considered and where deemed appropriate, approved engagements.

Interim and annual financial results

- 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, liquidity and going concern assessments, as well as draft profit and dividend announcements
- reviewed trading updates, interim and final profit and dividend announcements for publication on SENS
- 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.

Financial reporting

- reviewed the annual integrated report, governance and remuneration report, risk and capital management report, annual financial statements and reporting to society suite and recommended these for board approval, after having considered King IV disclosure requirements
- reviewed and approved the group's IFRS 9 transition report prior to publication, as well as the SARB IFRS 9 transition report, which was submitted in compliance with SARB's directive 5 of 2017.

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 2017 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 2017 financial year, and at the meeting in November 2018, reviewed a progress report on findings from the preliminary audit for the year ended 31 December 2018
- reviewed the external auditors' report relating to the regulatory audit work for the year ended 31 December 2017
- 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 2018. The external audit plan confirmed that work with internal audit continued in ensuring all assurance providers were aligned from a combined assurance perspective
- reviewed the content of the letter from the Registrar of Banks, detailing discussions held with the group's external auditors during a meeting held on 4 December 2017
- reviewed declarations made by the external auditors on 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 external audit's independent report on the group's transition to IFRS 9
- continued to review and consider the implications for the group of the Independent Regulatory Board for Auditors' (IRBA's) mandatory audit firm rotation (MAFR) requirements, and the group's approach in response to these requirements
- at the request of the SARB in its guidance note 2/2018 to banks, the chairman of the audit committee presented an overview at the group board's prudential meeting with the SARB on 26 November 2018, on how the audit committee ensured that the requirements surrounding auditor independence and quality were met.

Oversight

- on a quarterly basis, the committee considered key matters raised at GRCMC and reviewed the minutes of key subsidiary audit committees, as well as the Africa Regions audit and risk committee.

Group risk and capital management committee

Myles Ruck

Membership	Attendance and eligibility	Appointed to committee
Myles Ruck (chairman) Independent non-executive director	4/4	1 January 2007 (as member) 6 August 2010 (as chairman)
Geraldine Fraser-Moleketi Independent non-executive director	4/4	30 November 2016
Thulani Gcabashe Independent non-executive director	4/4	27 May 2015
Hao Hu Non-executive director	3/4	1 June 2017
Trix Kennealy Independent non-executive director	4/4	30 November 2016
Jacko Maree Non-executive director	4/4	16 August 2017
Nomgando Matyumza Independent non-executive director	4/4	30 November 2016
Kgomotso Moroka Non-executive director	4/4	28 May 2014
Peter Sullivan Independent non-executive director	4/4	6 March 2013
John Vice Independent non-executive director	4/4	30 November 2016
Lubin Wang (alternate to Hao Hu) Non-executive director	4/4	1 June 2017

Committee purpose

- provide independent and objective oversight of risk and capital management across the group
- oversee the governance of risk and capital management by directing the way risk and capital management should be approached and addressed in the group
- review and assess the adequacy and effectiveness of the risk and capital management governance framework
- ensure that risk and capital management standards and policies are well documented and support the group strategy by being appropriate and effective in operation
- evaluate and agree 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, skills and experience

- chaired by an independent non-executive director
- comprises seven independent non-executive directors and four non-executive directors, including the chairmen of the board, group audit, group technology and information, group model approval, group remuneration and group social and ethics committees
- the group chief executive, group financial director, the group and business unit chief risk officers, group chief compliance and data officer, group chief audit officer, business unit chief executives, head of operational risk, group general counsel, head of treasury and capital management, and external auditors are standing attendees of committee meetings
- collective skills and experience profile of GRCMC members includes banking and financial services, accounting and auditing; capital and risk management; governance, regulation and public policy; and information technology.

Key committee activities

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

During 2018, four quarterly committee meetings were held. 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:

Risk appetite and risk profile

- 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 which covered key risk types, including credit, operational, country and market risk across the group and at a business unit 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 the group's exposure to high risk corporate and retail clients, as well as South African state-owned enterprises
- reviewed and, where required, approved the group's intra-group funding exposures
- continued to monitor the effect of consumer strain on the group's PBB portfolios. In addition, the committee reviewed PBB's credit growth strategies in target markets, particularly in South Africa where ongoing muted growth was experienced.
- with reference to its oversight of the operational risk profile, the committee considered management reports on key contributors to operational risk and fraud losses, industry trends and management's response to operational risk and financial crime
- 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.

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. At the November 2018 meeting, the committee approved the annual update to the group's RDARR governance framework
- considered updates on regulatory developments, with continued focus on market conduct, consumer credit regulations and the implications of emerging local, global and prudential regulations on the group
- reviewed and recommended to the board for approval, the group's secondary listing on A2X share exchange in South Africa during 2018
- 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 III disclosure requirements.

Internal capital adequacy assessment process (ICAAP)

- approved the macroeconomic scenarios for the running of the ICAAP 2017 financial year-end stress testing process. The scenarios were chosen primarily to target the group's key markets and included macroeconomic considerations at both a global and a South African specific level
- reviewed and recommended to the board for approval the group's 2017 ICAAP, prior to submission to the SARB.

Capital and liquidity risk management

- reviewed the group's capital and liquidity three-year forecast and recommended revised 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 the potential impact of Basel III capital reforms on the group's future capital requirements.

Governance

- reviewed and approved the group's risk governance standards, frameworks and relevant policies according to a scheduled review program. At the meeting in March 2018, the committee reviewed and approved the environmental and social risk governance standard, which defines key principles in governing environmental and social risk and opportunities across the group.

Oversight

- considered key matters raised at group risk oversight committee meetings and reviewed the minutes of key subsidiary risk and credit committee meetings on a quarterly basis.

Group technology and information committee

John Vice

Membership	Attendance and eligibility	Appointed to committee
John Vice (chairman) Independent non-executive director	4/4	30 November 2016 (as chairman)
Arno Daehnke Executive director	4/4	25 May 2016
Hao Hu Non-executive director	3/4	1 June 2017
André Parker Independent non-executive director	4/4	25 November 2015
Atedo Peterside CON Independent non-executive director	4/4	27 May 2015
Peter Sullivan Independent non-executive director	4/4	12 March 2014
Sim Tshabalala Executive director	4/4	27 May 2014
Lubin Wang (alternate to Hao Hu) Non-executive director	4/4	1 June 2017

Committee purpose

- in line with King IV and the board briefing on IT governance, as published by the IT Governance Institute, the committee ensures that prudent and reasonable steps are taken to govern technology and information
- the committee oversees the governance of technology and information to support the organisation in setting and achieving its strategic objectives.

Committee composition, skills and experience

- chaired by an independent non-executive director
- comprises four independent non-executive directors, two non-executive directors, and both executive directors
- standing invitees to committee meetings include an independent IT subject matter expert, who has been an advisor to the committee since 2014, the group chief information officer, group chief risk officer, group chief audit officer, business unit chief executives, group chief compliance and data officer, head of data management, IT executives as required and the group's external audit IT partners.

Key committee activities

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

During 2018, four quarterly committee meetings were held. 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:

Governance

- reviewed and approved the group's enterprise data management governance standard and IT cyber resilience technology standard.

Enterprise data management

- reviewed the group's strategy in respect of enterprise data management, noting that the group would be focusing on the implementation of a standardised data operating model and service catalogue; combined implementation of information risk and the requirements of data privacy regulation; simplification of information architecture to publish a number of core curated data sets and associated data products to the entire organisation; and an enhanced focus on evaluating the performance and financial returns generated by the monetisation of data
- reviewed the group's approach for monetising data, which is underpinned by the group's focus on driving a data value culture and increasing return on data investment.

IT strategy

- reviewed the group's revised IT strategy, which is aligned to the group's strategic objectives and aspirations, as well as the revised IT operating model
- reviewed the group chief information officer's quarterly report which included an update on the implementation of IT's strategy across strategic IT pillars.

IT governance

- reviewed the independent subject matter expert's fourth annual review of the group's IT governance domains, which highlighted that the maturity of enterprise-wide IT governance continued to improve
- as part of its oversight programme for the year, the committee reviewed detailed reports on the IT risk management governance domain which covered the strategic alignment of IT's ambition to the group's strategy, an overview of the group's IT risk profile and a detailed overview of top IT risks; as well as the IT resource management governance domain, which covered four key elements namely third party, human resource, software and hardware asset management
- periodically reviewed a report which outlined key initiatives that focused on further enhancing the group's IT resilience.

Cybersecurity

- considered a detailed overview of cybercrime at a global level; top cyber sub-risks affecting the financial services industry; and the group's cybersecurity strategy and roadmap
- commissioned a second independent review by an international cyber expert of the group's cyber risk strategies and capabilities, the results of which were presented to the committee in March 2019.

IT investments

- reviewed and monitored the group's performance against its IT budget and key priorities
- considered quarterly updates on strategic IT programmes.

Regulatory interaction

- considered key interactions with the SARB as they pertained to IT and the group's response to matters raised as part of the regulator's supervisory programme.

Group social and ethics committee

Kgomotso Moroka

Membership	Attendance and eligibility	Appointed to committee
Kgomotso Moroka (chairman) Non-executive director	4/4	29 May 2013 (as member) 4 March 2015 (as chairman)
Geraldine Fraser-Moleketi Independent non-executive director	3/4	30 November 2016
Lungisa Fuzile Executive director, SBSA	4/4	15 January 2018
Thulani Gcabashe Independent non-executive director	4/4	27 May 2015
Jacko Maree Non-executive director	4/4	30 November 2016
Martin Oduor-Otieno Independent non-executive director	4/4	25 May 2016
Sim Tshabalala Executive director	4/4	9 November 2010

Committee purpose

- ensure the development of appropriate policies and act as the group's social conscience, recognising that stakeholder perceptions affect the group's reputation
- guide and monitor the group's social, ethical, economic, environmental, transformation and consumer relationship initiatives in line with relevant legislation, codes and regulation.

Committee composition, skills and experience

- chaired by a non-executive director
- comprises three independent non-executive directors, two non-executive directors, and three executive directors
- members possess a combination of skills and expertise, including but not limited to banking, public policy, law, transformation, organisational development and ethical leadership.

Key committee activities

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

The committee met four times during 2018. 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:

Stakeholder engagement

- reviewed the annual corporate social investment spend and activities across the group's operations, specifically giving consideration to aligning the focus of programmes across the group
- approved the group stakeholder engagement policy and guidelines for groupwide adoption
- considered the group's quarterly stakeholder relations report, which included coverage of engagements in Africa Regions and reporting on strategic value drivers
- considered the group's sustainability programmes and strategy, specifically the direct and indirect environmental impact of these programmes
- considered regular updates from the group chief risk officer on matters that could affect the group's reputation.

Transformation

- monitored quarterly progress against targets set out in the employment equity plan and diversity dashboards
- reviewed the final 2018 SBSA Financial Sector Charter scorecard. Standard Bank is currently a Level 1 BBBEE contributor in terms of South Africa's BBBEE legislation and codes.

Employee engagement

- considered the effectiveness of the group's harassment and discrimination policies and reporting processes, as well as the impact of the 'MeToo' movement, drawing lessons from local and global cases of harassment and discrimination in the workplace
- reviewed the group's compliance with occupational health and safety legislation, governance, and incident management
- considered a report on executive pay and inequality and its impact

Ethics

- monitored the group's approach to conduct through a culture-led strategy, to embed culture and conduct, and manage conduct risk
- as part of monitoring the group's culture, considered quarterly conduct dashboards per business area and corporate functions
- noted group internal audit's report on the group's conduct risk which was considered satisfactory with room for improvement by group internal audit
- considered and noted a presentation on the bank's wholesale market conduct governance review
- received updates on the group's Anti-Bribery and Corruption (ABC) programme, development and implementation of the group's ABC programme.

Governance and risk

- approved the 2018 materiality assessment to identify the issues that were most significant to the group's ability to create value in the short, medium and long-term, and which mattered most to the group's key stakeholders.

Group remuneration committee

Peter Sullivan

Membership	Attendance and eligibility	Appointed to committee
Peter Sullivan (chairman) Independent non-executive director	4/4	27 May 2015 (as member) 17 August 2016 (as chairman)
Thulani Gcabashe Independent non-executive director	4/4	27 May 2015
Trix Kennealy Independent non-executive director	4/4	30 November 2016
Jacko Maree Non-executive director	4/4	30 November 2016
Nomgando Matyumza Independent non-executive director	3/4	30 November 2016
André Parker Independent non-executive director	3/4	28 May 2014
Atedo Peterside CON Independent non-executive director	4/4	30 November 2016

Committee purpose

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

Committee composition, skills and experience

- chaired by an independent non-executive director
- comprises only non-executive directors, six being classified as independent non-executive directors
- the group chief executive and Ben Kruger were standing invitees to committee meetings
- the collective skills and experience profile of the group remuneration committee members includes banking, financial and tax, doing business in sub-Saharan Africa, human capital, remuneration and risk management.

Key committee activities

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

The committee met four times during 2018. 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:

Remuneration

- considered latest updates on market and regulation on banking remuneration, including a report on executive pay and inequality
- considered both the financial outlook presented by the group financial director for the year and the risk report from the group chief risk officer as guidance on deliberations for the approval of bonus pools recommended by management
- considered the group chief executive and executive directors performance review as a function of setting their remuneration
- considered other senior executives' performance reviews and the implications on pay including the approval of the total compensation for the chief executives of CIB, PBB, the Africa Regions and Wealth, and the top 400 executives across the group unit
- considered and approved the percentage increase in the guaranteed cost-to-company increase for executives, managers and general staff
- considered and recommended the 2018 non-executive directors' fees for board and ultimate shareholder approval at the 2018 AGM,
- considered and noted the non-executive directors' fees paid by subsidiary entities in the group.

Incentive schemes, share-based payments and other benefits

- reviewed the group's share incentive schemes and approved the:
  - performance reward plan (PRP) vesting metrics
  - conditions set on the equity growth scheme (EGS)
  - deferral rates that would apply for the deferred bonus scheme for the year incentive awards for South Africa, the Africa Regions and Standard Bank International
- considered committee chairman feedback from engagements with shareholders, investors and agreed action plans.

Subsidiary remuneration committees

- noted reports from remuneration committees of subsidiaries.

Governance

- reviewed and approved the risk adjusted remuneration governance standards
- considered and recommended for approval the remuneration report
- considered shareholders feedback and recommendations in respect of the group's remuneration policy and implementation.

Group model approval committee

Jacko Maree

Membership	Attendance and eligibility	Appointed to committee
Jacko Maree (chairman) Non-executive director	3/3	30 November 2016 (as member) 1 March 2017 (as chairman)
Arno Daehnke Executive director	3/3	25 May 2016
Kenny Fihla Exco member	3/3	23 June 2017
Zweli Manyathi Exco member	2/3	1 April 2018
Neil Surgey Exco member	3/3	1 September 2015
Sim Tshabalala Executive director	2/3	29 May 2013

Committee purpose

- assist the board in discharging its obligations for model risk as it pertains to the advanced internal rating-based approach for the measurement of the bank's exposure to credit risk as envisaged in the regulations of the Banks Act
- perform functions set out in regulations, including inspecting risk evaluation models for approval by the committee when necessary.

Committee composition, skills and experience

- chaired by a non-executive director
- comprises one non-executive director, the group chief executive, group financial director, chief executives of PBB and CIB and the group chief risk officer
- CIB and PBB chief risk officers, the heads of CIB and PBB model development and model validation, as well as the group head of model validation, are standing attendees at committee meetings
- during 2018, Zweli Manyathi was appointed as chief executive of PBB to replace Peter Schlebusch and, in this capacity, became a member of the committee
- Martin Oduor-Otieno and Nomgando Matyumza resigned from the committee on 2 May 2018 and 15 August 2018 respectively. Ben Kruger retired from the group on 31 December 2018
- collective skills and experience profile of group model approval committee members include banking, regulatory, credit and model risk.

Key committee activities

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

During 2018, three committee meetings were held. In discharging its responsibilities, the following were some of the key focus areas for the year:

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.

Model oversight

- periodically reviewed the model status register 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 PBB and CIB which outlined model development activities, including new and emerging trends in model risk management
- monitored the activities of CIB and PBB model approval committees
- reviewed and approved the mandates of these two subcommittees during the mandate review cycle
- considered reports on key interactions with regulators.

Governance

- approved 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
- considered the results of a self-assessment against the requirements of the model risk governance framework which reflected compliance across all key model development areas
- reviewed the model risk audit plan for 2018 and periodically reviewed independent assurance reports on internal controls for the development and validation of risk models.

Remuneration report

CONTENTS

Our people ultimately underpin the successful execution of our strategy. We work to ensure that our pay framework supports the motivation and reward of performance, while at the same time meeting regulatory requirements and stakeholder expectations.

REVIEW OF FOCUS AREAS IN 2018

We continually review our pay practices to align with shareholder interests and to ensure that the practices support our businesses and changes in our operating environment. We actively seek shareholder views and revise our reporting to improve transparency. We seek to remain competitive and relevant across Africa, where often the talent is scarce and markets are competitive. We set practices that take into account local conditions within a group governance framework. Review of 2018 focus areas:

In March 2018 we executed the delivery of our performance reward plan (PRP) in respect of awards made in March 2015. We achieved 117.6% delivery out of a possible 200% of awards made.

GOV REM | See page 48.

Clawback provisions on vested or paid awards have been introduced to the group's material risk takers with effect from 1 March 2019. This applies to cash awards, deferred awards, share incentive awards, long-term incentives and related notional dividends. The events that will trigger clawback are contained in the report.

We visited several stakeholders to discuss our remuneration policy and implementation report as required by King IV. These were approved at the AGM held in May 2018 with 94.2% of shareholders in support of the remuneration policy and 95.3% of shareholders in support of the implementation report.

In November 2018, Standard Bank won the South African Reward Association's award for the Best Remuneration Report incorporating the adoption of King IV.

During 2018 the remuneration committee (Remco) resolved that the chief executives of Corporate Investment Bank (CIB), Personal Business Bank (PBB) and Wealth would have their annual short-term incentives determined by consideration of both group and business line performance. These executives are already currently aligned to group performance in their long-term incentives via the Performance Reward Plan (PRP). This change supports the group strategy of client centricity – working together in the interest of the client as a universal financial services organisation.

FOCUS AREAS IN 2019

No cost-to-company increases have been awarded to senior executives across the group in March 2019.

We will continue to focus on the employee experience of reward through benefit choice and communication, particularly across the African continent, delivering an application to our employees' mobile devices.

We will continue to ensure that reward supports our efforts in client centricity, driving our universal financial services organisation and our digital outcomes.

We will focus on gender pay across our geographic footprint.

GOV REM | See page 51.

Background statement from the chairman of the remuneration committee

Dear Shareholder

In my letter last year, I outlined the group's remuneration policy and I am pleased to report that this policy remains mostly unchanged. However, there are two notable additions to the remuneration policy.

Firstly, the introduction of a clawback clause on incentive awards that have already vested in the event of certain trigger events occurring. Secondly, we have linked the annual variable pay awards of all group executive members to both SBG performance, as well as the performance of their business units, in the ratio of 40% SBG/60% business unit in order to incentivise collaborative behaviour and performance outcomes across our universal financial services organisation. More detail is contained in the remuneration report.

Your Remco's overriding focus is to ensure that the group's earnings are fairly shared between our shareholders, senior executives and staff and accurately reflect the group's overall performance with consideration given to both the financial and non-financial metrics laid out in the group's strategic plan.

In this report I will outline the key elements of the group's financial performance, the general trading environments globally, in South Africa and across the continent and the methodology agreed by your Remco on how to share the group's earnings between shareholders, senior executives and employees. In doing so, your committee also considered how well the group performed against the strategy approved by the board. The strategy remains unchanged with three key areas of focus; client centricity, digitisation and integration into a universal financial services organisation, and measured by five strategic value drivers; client focus, employee engagement, risk and conduct, financial performance and social, economic and environmental (SEE) impact.

The operating environment in 2018 proved once again to be challenging.

Globally: uncertainty everywhere

- Geopolitical developments (Brexit, US-China trade issues) combined with rising oil prices through to the third quarter and rising US rates led to uncertainty and contributed to emerging market (EM) pressures which in turn negatively impacted EM exchange rates, including the rand and South African bank equities.

In South Africa: very challenging conditions

- 2018 started with a sense of optimism however, 'Ramaphoria' faded, policy progress remained slow and the prolonged debate on land reform contributed to uncertainty.
- The uptick in business and consumer confidence levels early in the year and demand was subdued throughout the remainder of the year.
- The country entered into a technical recession in quarter two. This combined with tax bracket creep and inflationary pressures limited spending and despite a slightly improved second half, full year GDP growth remained subdued at 0.7%.

In Africa Regions: some upside

- Economic growth in West Africa was strong and was supported by improvements in Nigeria (+2%) and strong growth in Ghana (+6%).
- East Africa also improved with average growth at 5% while South and Central Africa continued to be impacted by the sluggish environment in South Africa.
- Inflation stabilised and started to edge up in several markets driven by increases in taxes and fuel prices while interest rates have declined year-on-year.
- In general, currencies devalued relative to the USD. Angola was the standout with depreciation of the kwanza by more than 80% against the USD.

Other relevant markets

- Argentina has experienced significant upheaval following the devaluation of the ARS against the USD.
- Global fixed income, currencies and commodities were impacted by markets and lower levels of activity.

Against this backdrop the group's performance was considered to be acceptable. Despite strong headwinds experienced at various times during the year, senior management remained focused on delivering against all aspects of the strategy. While some financial targets were missed, revenue growth in Africa Regions and group return on equity (ROE) showed pleasing increases. The breadth and diversity of the group's franchise across Africa proved to be a real strength balancing markets which were under pressure with better performing markets. Continued good progress was made in the areas of client focus, employee engagement, risk and conduct and SEE.

The group's headline earnings (HE) grew to R27.9 billion, an increase of 6% from 2017. Recognising the very poor economic environment impacting on the group's largest market, South Africa, this was considered to be a fair result. ROE grew to 18%, up from 17.1% in the prior year. A pleasing result. Within these results banking activities grew HE to R25.8 billion, up 7% on the prior year, while ROE was 18.8%, up 80 basis points versus 2017.

The Remco was disappointed to note that the cost-to-income ratio remained stubbornly high and that jaws declined from the prior year to be in negative territory during 2018. However, the executive took decisive action to reduce costs in a sustainable way. Full year planned costs were reduced by R2.3 billion but not enough to counter the muted revenue growth in the key market of South Africa.

The Liberty business continued to make good progress. HE attributable to the group grew to R1.6 billion, up 11% from the prior year. Pleasingly, operating earnings were up 41% indicating good underlying growth. However, this was offset by a very poor performance in the shareholder investment portfolio, where earnings were down by 81% compared to 2017, driven by very poor market activity across the globe. ROE grew to 15.2% up from 12.7% in the prior period, evidencing good progress in normalised operating earnings which increased by 42%.

Standard Bank of South Africa (SBSA), which is now considered and managed as a separate business in its own right had a difficult year impacted by a rather uncertain and stagnant economy and increasingly intense competition. HE at R16 billion was down 1% on 2017, while ROE increased by 10 basis points to 16.7%. As the largest market in the group, the very subdued economic environment had a significant impact on group results.

The investment into Africa Regions continued to bear fruit. HE were R8 billion, up 19% on the prior year and up 26% on a constant currency basis. ROE was 24%, up from 23.8% in 2017. Africa Regions now contributes 31% of banking activities HE and 28.8% of group HE and is fulfilling its strategic potential to become a very significant and important part of the group.

From a balance sheet perspective, loans and advances were up 7% to over one trillion rand, deposits were up to 9% (wholesale up 13%, retail up 10% in respect of customer deposits) and the group is well capitalised with a tier one capital ratio of 13.5%, higher than the board approved range of 11 – 12.5%.

Non-financial strategic value drivers

In addition to the financial results, the group's performance against the other strategic value drivers showed continued improvement, strong evidence of the underlying strength of the businesses and the progress being made against the strategic imperatives.

Remuneration methodology

In assessing the performance of the group and senior executives, your committee has again carefully considered its responsibilities to all stakeholders, especially shareholders, consistent with the remuneration philosophy.

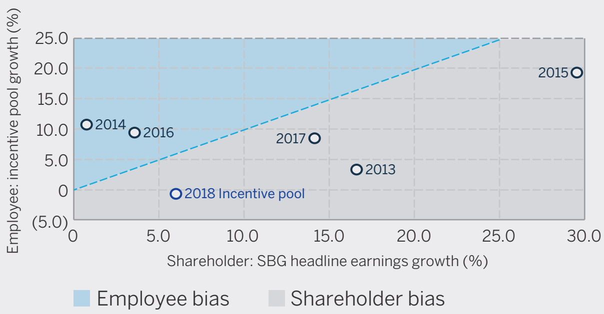
The methodology used to size incentive pools is a combination of a top down approach which articulates overall guidance to business units and countries and a bottom up approach based on executives' self-assessment of the performance of their teams, coupled with consideration of shareholders' interest and stakeholder concerns.

The policy aims to avoid a short-term bonus-centric culture but rewards sustainable performance on a through-the-cycle basis. Your committee measures performance to ensure earnings are not the result of one year's work but rather the planned outcome of work done in past years.

The following chart demonstrates how the split between shareholders and employees has varied over the past few years and highlights the relationship between HE growth and the growth in employee incentive pools.

Results for the group were acceptable but fell short of expectations. The growth in HE was 6%. The incentive pools were reviewed by the committee and agreed to be set 1% lower than last year. The proposed incentive pools for 2018 as a percentage of HE are 27.8%, down from 29.7% in 2017 and down from 30.1% in 2016.

Shareholder vs employee reward



In addition to the reduction in the incentive pools, your committee has agreed, with the support of the CE, that high earners across the group earning more than cost-to-company of R1.5 million (or equivalent) will receive no increase and for those below that earnings level only moderate increases, usually less than inflation.

Remuneration outcomes

The committee deliberated on the performance of each of the senior executives and again used current market data and published remuneration reports of local and international banks to appropriately benchmark these individuals. The performance evaluations took into account the delivery of all five value drivers in the strategic plan.

GOV REM More detail is included in the implementation report starting on page 54.

SIM TSHABALALA

In his first full year as the sole CE for the group, Sim's steady, determined style steered the group through a challenging period to produce an acceptable set of results. He used the strategic plan document to focus on areas of improvement for the group and to a very large extent mitigated many of the environmental, political and economic risks faced by the business at various points of the year. Sim's faith in the investment made into Africa Regions is beginning to pay dividends as this business is now a significant and important part of the future of the group. Sim led significant changes to the architecture of the group, where importantly he created a distinct South African franchise, simplifying and clarifying the relationship between the group and SBSA. Recognising the impact of the poor economic environment in South Africa, Sim took decisive action by implementing a broad cost reduction initiative.

HE grew 6% year-on-year and ROE rose to 18%, up from 17.1% in 2017. It was disappointing to see the cost-to-income ratio rise again after a fall last year and to see the positive jaws of the prior year decline to negative jaws in 2018. However, Sim took decisive action and reduced planned full year costs by R2.3 billion. These were perhaps the only negative metrics in an otherwise credible performance in difficult trading conditions.

Steady progress was made in the key area of client focus where client net promoter score (NPS) improved across the businesses and many prestigious awards were won. Employee engagement scores improved again and the excellent work undertaken by the group and led by Sim in the important area of SEE continued with great success.

Sim has established himself as an exemplary CEO. His intelligence, integrity, vision and energy for the success of the bank make him an extremely valuable resource for the group, the country, and the industry.

R'000	2016	2017	2018	% Change
Cost-to-company package	9 198	9 103	**9 987**	10%
Performance-related incentive in respect of the year	10 090	11 350	**11 350**	
Portion of performance-related incentive deferred in share awards	12 790	14 050	**14 050**	
Short-term incentive	22 880	25 400	**25 400**	0%
Total reward (excluding PRP)	32 078	34 503	**35 387**	3%
Face value of conditional PRP awarded	12 500	14 000	**14 000**	0%
Total reward (including PRP)	44 578	48 503	**49 387**	2%
Once-off allowances/payments*			**632**	
Total reward	44 578	48 503	**50 019**	3%

* A once-off payment was made in respect of death in service and permanent disability income benefits.
Note: No cost-to-company increases have been awarded to executive directors and prescribed officers with effect from 1 March 2019.

BEN KRUGER

2018 was Ben's last year in the group and he selflessly stepped down from the position of joint CE in 2017 and announced his retirement effective 31 December 2018. Ben has been an incredibly important executive for the bank and has had broad experience over all the various aspects of the industry, key stakeholders both across the continent and internationally and his relationship with Industrial and Commercial Bank of China (ICBC), our largest shareholder, has been invaluable and places Ben at the very summit of banking chief executives.

Ben proved to be a very valuable partner with Sim as the joint CE, a position that another executive would have struggled with. Among the many areas of responsibility that Ben undertook for the group perhaps his largest contribution was the implementation of the complex IT programme which was completed last year. It was Ben's astute management that laid the foundation for this strategically important project. This foundation was the catalyst for the future technology architecture of the group. Based on this performance and the generally challenging environment, the committee awarded Ben the following remuneration.

R'000	2016	2017	2018	% Change
Cost-to-company package	9 105	9 079	**9 906**	9%
Performance-related incentive in respect of the year	10 090	11 125	**11 125**	
Portion of performance-related incentive deferred in share awards	12 790	13 825	**13 825**	
Short-term incentive	22 880	24 950	**24 950**	0%
Total reward (excluding PRP)	31 985	34 029	**34 856**	2%
Face value of conditional PRP awarded	12 500	12 500	*****	
Total reward (including PRP)	44 485	46 529	**34 856**	(25%)
Once-off allowances/payments**			**3 022**	
Total reward	44 485	46 529	**37 878**	(19%)

* No award made due to retirement.
** A once-off payment was made in respect of death in service and permanent disability income and retirement benefits.

ARNO DAEHNKE

After two and a half years in the role as group financial director, Arno has established himself as an astute and commanding leader. He has a deep knowledge of all the numbers and has remodelled and revised the way in which the group reports its financial performance. Arno has managed the balance sheet well, achieved Basel III compliance for liquidity coverage ratio and NSFR and managed the complex IFRS 9 transition. The group remains strongly capitalised and internal financial control indicators are well-managed and maintained.

As group financial director, Arno's performance is linked to the group's results. Arno worked closely with the group CE on the cost reduction initiative which reduced planned costs by R2.3 billion. He managed complex processes to increase the group's stakes in the Nigeria and Kenya subsidiaries.

Arno is well-respected by colleagues, media and regulators alike. His role is highly complex given the number of jurisdictions, legal entities and significant regulatory requirements he has to manage. With these achievements in mind the committee recommended the following remuneration for Arno.

R'000	2016**	2017	**2018**	% Change
Cost-to-company package	3 363	5 697	**6 294**	10%
Performance-related incentive in respect of the year	7 400	8 025	**8 025**	
Portion of performance-related incentive deferred in share awards	8 100	8 725	**8 725**	
Short-term incentive	15 500	16 750	**16 750**	0%
Total reward (excluding PRP)	18 863	22 447	**23 044**	3%
Face value of conditional PRP awarded	7 000	10 000	**12 000**	20%
Total reward (including PRP)	25 863	32 447	**35 044**	8%
Once-off allowances/payments*			**111**	
Total reward	25 863	32 447	**35 155**	8%

* A once-off payment was made in respect of death in service and permanent disability income benefits.
** For the period 01/05/2016 to 31/12/2016.
Note: No cost-to-company increases have been awarded to executive directors and prescribed officers with effect from 1 March 2019.

KENNY FIHLA

Kenny and the Corporate & Investment Banking (CIB) team had a difficult year, especially in the largest market, South Africa during 2018. Headline earnings were R11.2 billion, down 1.9% on the previous year, while ROE at 19.3% was 2.7% lower than 2017. The cost-to-income ratio deteriorated to 54% and jaws were negative 4% mainly driven by revenue pressures in South Africa.

There were, however, several encouraging results which should stand the business in good stead when the South African economy, especially, improves. Client revenues were up 8% and 12% on a constant currency basis. Strong growth was recorded in the important sectors of non-banking financial institutions (NBFI) and power and infrastructure. The credit loss ratio was 16 bps. From an employee standpoint, the eNPS score increased from +7 to +14 and the emotional NPS score from +44 to +53.

While the performance was muted, Kenny demonstrated strong thoughtful leadership and fully expects a rebound in 2019 performance as markets, especially in South Africa stabilise and return to growth.

After due consideration of all factors, the committee awarded Kenny the following remuneration.

R'000	2017	**2018**
Cost-to-company package	4 015*	**7 588**
Performance-related incentive in respect of the year	9 150	**8 650**
Portion of performance-related incentive deferred in share awards	10 850	**10 350**
Short-term incentive	20 000	**19 000**
Total reward (excluding PRP)	24 015	**26 588**
Face value of conditional PRP awarded	10 000	**12 000**
Total reward (including PRP)	34 015	**38 588**
Once-off allowances/payments**		**710**
Total reward	34 015	**39 298**

* For the period 01/06/2017 to 31/12/2017. Percentage change not relevant as Kenny Fihla was appointed as a prescribed officer during 2017.
** A once-off payment was made in respect of death in service and permanent disability income benefits.
Note: No cost-to-company increases have been awarded to executive directors and prescribed officers with effect from 1 March 2019.

ZWELI MANYATHI

Zweli Manyathi as the leader of the Personal & Business Banking (PBB) business produced a good set of results for 2018. Zweli took over leadership of the PBB business in April last year, stepping up from the head of PBB Africa Regions to the top job. He has acquitted himself very well and the transition has been seamless.

Against a backdrop of very challenging macroeconomics and intensifying competition from traditional banks and new high technology entrants, PBB achieved full year headline earnings of R15.5 billion, a 10% growth on the previous year. PBB in South Africa had a more difficult year in a very challenging environment producing HE of R13.7 billion, 3% up in the prior period.

Africa Regions delivered excellent growth more than justifying the investments made over previous years. Eleven out of the fourteen countries achieved growth and the business finished the year with HE of R817 million compared to R183 million in 2017, a very significant increase.

Zweli demonstrated astute leadership in his new role and has mapped out an exciting growth strategy for the future for PBB. The committee reviewed this performance and approved the following remuneration for Zweli.

R'000	2018
Cost-to-company package	5 634*
Performance-related incentive in respect of the year Portion of performance-related incentive deferred in share awards	9 900 11 600
Short-term incentive	21 500
Total reward (excluding PRP)	27 134
Face value of conditional PRP awarded	10 000
Total reward (including PRP)	37 134

* For the period 01/04/2018 to 31/12/2018.
Note: No cost-to-company increases have been awarded to executive directors and prescribed officers with effect from 1 March 2019.

MARGARET NIENABER

Wealth under the expert management of Margaret produced a strong set of results. HE of R3.1 billion grew by 24% and ROE finished at 37% – excellent results.

The international business in particular achieved exceptional results with HE growth of 60%. During the year, Margaret led a significant shift both in the Wealth culture and in the ability of the business to deliver a fully integrated offering to clients. These initiatives resulted in a pleasing increase in the NPS to 69.

Wealth won over 20 prestigious awards from established industry publications, including the South African title of the Best Local Private Bank, reflecting Margaret's strong leadership and influence. As a result, the committee awarded the following remuneration.

R'000	2017	2018	% Change
Cost-to-company package	5 517	6 257	13%
Performance-related incentive in respect of the year Portion of performance-related incentive deferred in share awards	6 650 7 350	7 212 7 913	
Short-term incentive	14 000	15 125	8%
Total reward (excluding PRP)	19 517	21 382	10%
Face value of conditional PRP awarded	10 000	10 000	0%
Total reward (including PRP)	29 517	31 382	6%
Once-off allowances/payments*		78	
Total reward	29 517	31 460	7%

* A once-off payment was made in respect of death in service and permanent disability income benefits.
Note: No cost-to-company increases have been awarded to executive directors and prescribed officers with effect from 1 March 2019.

LOOKING FORWARD

Your committee continues to believe that the remuneration policy supports the business imperatives and the five value drivers articulated in the group's strategic plan. The committee also believes that the remuneration policy properly incentivises employees and encourages correct, professional behaviour in their everyday work. We seek to continuously improve and take input from our shareholders and other stakeholders. As chairman, I value the annual interaction with shareholders. The feedback we receive is appreciated and we strive, where possible, to include that feedback into the group's remuneration policy.

Remuneration policy

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

AIR | Our employee engagement section, in the 2018 annual integrated report, describes how we develop and retain our people.

We have four key objectives guiding our remuneration policy:

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

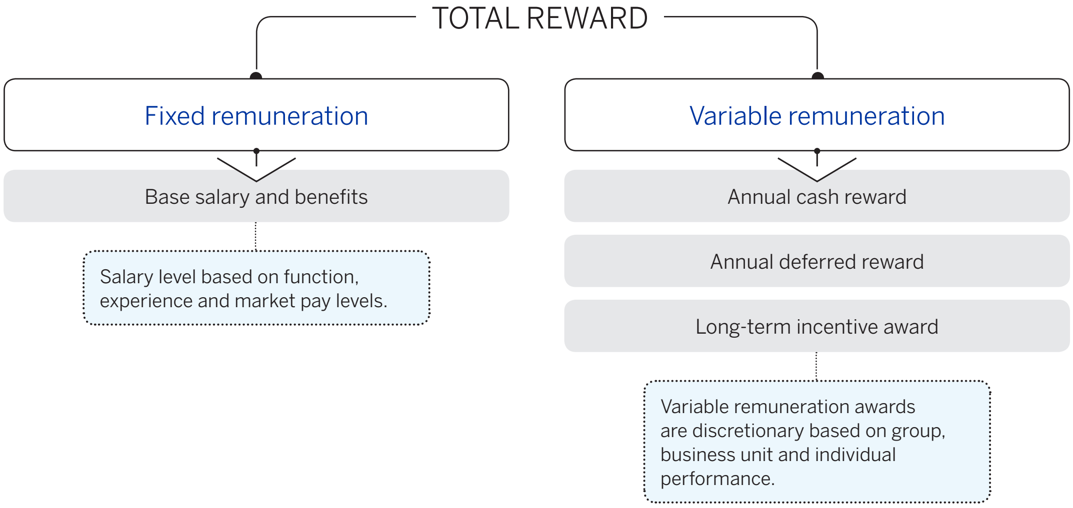
Principles that underpin our remuneration policy

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

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

GOV REM | For more detail on fair and responsible pay, refer to page 50.

Remuneration structure



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

Fixed remuneration

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

Elements of fixed remuneration

BASIC SALARY

To attract and retain employees

DETAIL

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

COMPULSORY BENEFITS

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

DETAIL

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

OPTIONAL BENEFITS

To enhance the package available to employees

DETAIL

These benefits (for example, car allowances) vary and take into account country practices and requirements.

1 The majority of the group's defined benefit fund arrangements have been replaced by defined contribution arrangements, except where local legislation requires otherwise or members enjoy ongoing defined benefits under old scheme rules. For more information regarding the group's defined benefit plans, refer to the group's annual financial statements.
2 Death benefit cover is provided in almost all countries, either through self-insurance from within the pension funds or through external underwriting.
3 Medical insurance is provided in most countries. The level of cover varies according to local market practice. In South Africa, employees recruited from 1 March 2000 do not receive post-employment healthcare benefits. Employees recruited before then receive post-employment healthcare funding through a post-employment healthcare benefit fund.

Variable remuneration

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

ANNUAL INCENTIVE AWARD COMPRISING:

- annual cash award
- annual deferred award

To incentivise the delivery of our objectives, balancing short-term performance and risk taking with sustainable value creation for our shareholders.

DETAIL

Individual awards are based on a combination of group, business unit and individual performance (utilising both financial and non-financial metrics over a multi-year period) and include effective risk management and compliance criteria.

Awards above R1 million (or applicable local currency thresholds) are subject to mandatory deferral. In addition to mandatory deferred awards, discretionary deferred share incentive awards are made to qualifying employees as part of their performance-based annual incentive award.

GOV REM | See page 44 for details on deferral schemes.

LONG-TERM INCENTIVE AWARD

To incentivise key senior executives to base their decision-making on the group's long-term interests.

DETAIL

Awards for senior executives take into account the importance of long-term performance and are fully conditional.

GOV REM | See page 76 for details of the PRP for senior executives.

Annual incentive awards

How we determine annual incentive awards

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

Pools are derived by evaluating:

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

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

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

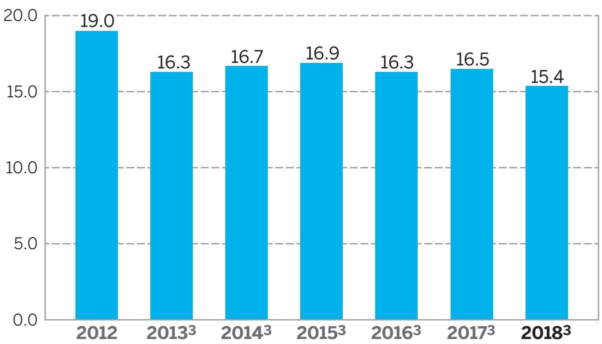
Individual performance and the individual variable pay outcome is determined by:

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

Following the evaluation of the group's 2018 financial and risk-adjusted performance and delivery against board-approved strategy, Remco decreased the total group incentive pool for banking activities (excluding Liberty) by 1%. The profits, before minorities, in banking activities (relevant profit metric to compare changes in incentive pools) increased by 7%. The ratio of the variable pool to profits before tax and variable remuneration over time is set out below.

Remco reviewed the fixed and variable remuneration of 400 senior executives across the group for consistency of approach.

Variable compensation/profit before tax[1] before variable compensation[2] (%)



1 Profit before tax excludes headline adjustable items.
2 2012 to 2014 presented on a normalised basis. Refer to **www.standardbank.com/reporting** for further details.
3 2013 to 2018 represent continuing operations' bonus pool only.

Deferral schemes

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

GOV REM | Refer to forfeiture and clawback, as detailed on page 49.

The deferral rates in March 2019 have been maintained at the same level as 2018.

Types of deferral schemes

Deferred bonus scheme (DBS)

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

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

There is a small group of Wealth and Investment employees who have their deferrals linked to selected Melville Douglas funds, to ensure linkage with client returns.

DBS awards made to South African employees are settled in shares and in cash for awards made from March 2017 to executive directors, prescribed officers and certain qualifying employees. Awards made to employees in the Africa Regions and Standard Bank International are settled in cash, including the Wealth and Investment employees who invest in Melville Douglas funds.

The deferral levels have been maintained for the 2018 performance year at a maximum marginal rate of 50%.

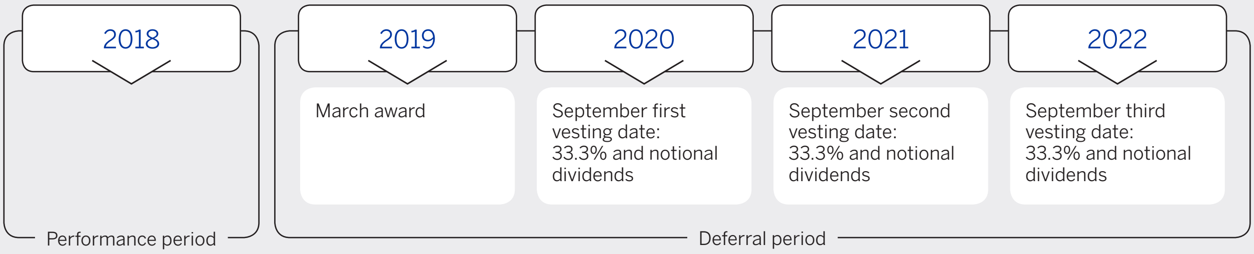
DBS

To encourage a longer-term outlook in business decision-making and closer alignment of performance with long-term value creation for employees across the group.

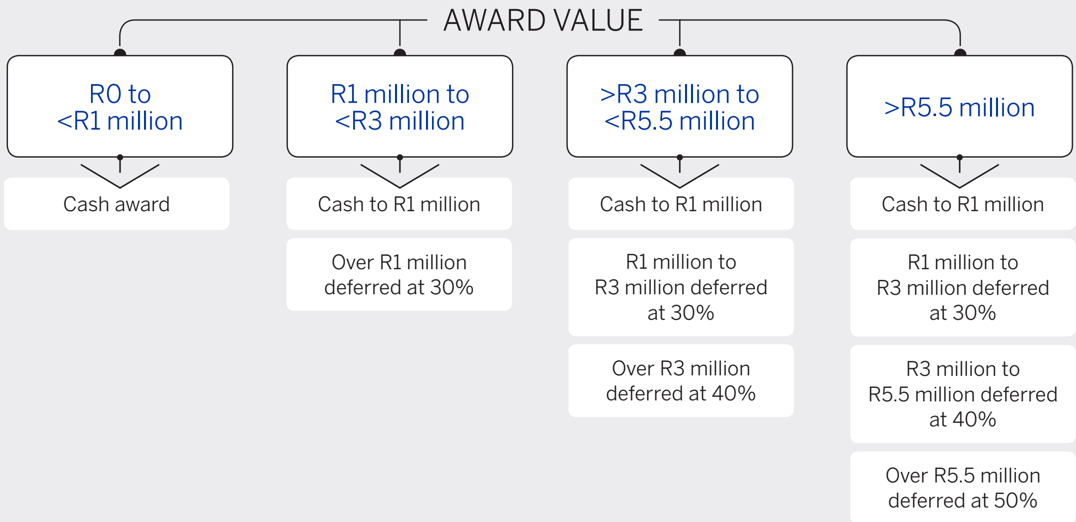
DETAIL

- Employees granted an annual performance award over a threshold of R1 million (or applicable local currency threshold) have part of their award deferred over a 42-month period.
- In addition to mandatory deferral, discretionary deferred share incentive awards under the DBS are made to qualifying employees as part of their performance-based annual incentive award.
- All awards are indexed to the group's share price and awards accrue notional dividends during deferral, which are payable at vesting. The awards vest in three equal tranches at 18, 30 and 42 months from date of award.
- Awards made to South African employees are settled in shares purchased by the group on vesting from the market, avoiding any shareholder dilution. Awards made to executive directors, prescribed officers and other qualifying employees from March 2017 are settled in cash on vesting but are linked to the group's share price during the vesting period. Awards made to Africa Regions and International employees are settled in cash on vesting but are linked to the group's share price during the vesting period. A small group of Wealth and Investment employees have their deferrals linked to the returns on selected Melville Douglas funds to ensure linkage with client returns.
- Forfeiture is triggered under certain conditions.
- Clawback is triggered under certain conditions.
- The maximum marginal DBS deferral rates have been maintained at 50%.

The release of deferred incentive awards made from March 2019 under the DBS for employees in South Africa and the cash-settled DBS for Africa Regions and Standard Bank International is illustrated below.



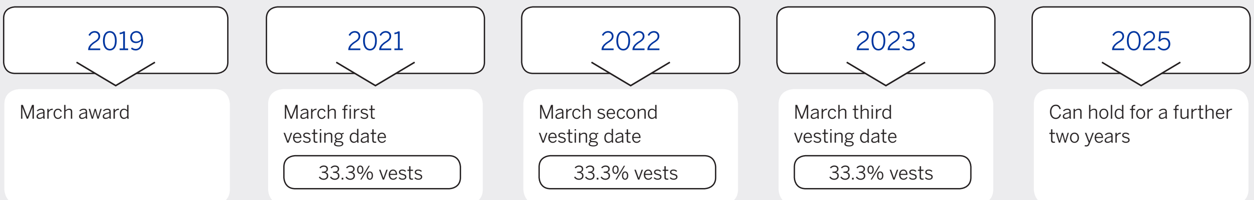
How DBS is deferred



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

Share appreciation rights plan (SARP)
In March 2019, employees with deferred awards above R1 million (or local currency equivalent) are offered a choice to have the value of their award, or part thereof invested in the SARP rather than the default DBS. To the extent they select SARP, they receive a premium of 10% of the value of the award. This premium encourages executives to accept a six-year exposure to the group's share price and compensates for a longer vesting period in comparison to DBS.

The release of rights invested from March 2019 under the SARP to employees is illustrated below.



Equity growth scheme (EGS)[1]
All conditional EGS tranches vested in the prior year for executive directors and prescribed officers.

Usage of share capital and share buy-backs (EGS and GSIS)
During the year, 1 729 572 (2017: 2 877 827) ordinary shares were issued in terms of the group's equity compensation plans, notably the EGS and group share incentive scheme (GSIS)[1]. Surplus capital was used to purchase 2 483 523 (2017: 2 030 824) ordinary shares to counteract the dilutive impact of the shares issued under the equity compensation plans. Effective from 2017, the group no longer issues EGS and GSIS awards. The last awards in GSIS were issued in 2011 and for the EGS, the last award was made in 2016. This award was a selection into EGS in favour of a DBS award. Awards are now provided in terms of the group's other share schemes, notably the deferred bonus scheme and the share appreciation rights plan, 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 scheme, which is settled in cash (refer to the group's annual financial statements, Annexure D: Group share incentive schemes for further information). At the end of the year, the group would need to issue 2 847 244 (2017: 6 159 744), 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% (2017: 2.2%).

Long-term incentive plans
To ensure that the long-term interests of the group are taken into account by senior executives and critical mid-level management, the group uses awards under two plans (PRP and DBS). Critical mid-level management, senior management and executives are awarded discretionary deferred incentive awards under the DBS.

Discretionary deferred incentive awards were made to 2 042 employees under the DBS scheme. These awards are linked to the group's share price and vest in three tranches in 18, 30 and 42 months post the award date. The PRP is a conditional long-term incentive plan awarded only to senior executives in the group.

Performance reward plan
The PRP commenced in March 2014. The PRP rewards value delivered against specific targets. The PRP pool and individual recommendations are determined annually by Remco.

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

[1] The EGS and GSIS confers rights to employees to acquire at the value of the SBG share price at the date the option was granted. The scheme has various vesting periods and expires ten years after grant date.

Details of the PRP are provided in the table below:

PRP

To promote the achievement of the group's strategic long-term objectives and align the interests of those executives with overall group performance in both headline earnings growth and ROE. These are the most important financial metrics to create shareholder value and therefore, align the interests of management and shareholders.

DETAIL

- Participation is limited to senior executives occupying roles that influence the achievement of the performance conditions, as well as senior executives who fulfil roles requiring long-term decision-making.
- All awards are discretionary.
- Annual conditional share awards are made with a three-year vesting period (individuals may not necessarily receive an award each year). Notional dividends will accrue during the vesting period and are payable on vesting.
- Awards are fully subject to performance conditions which are set annually by Remco. Conditions include a minimum threshold to achieve any vesting, a target and a stretch target, with interpolation between targets. Once targets are set at the commencement of an award, they cannot be changed during the three-year vesting period. The scheme also has a maximum cap on vesting.
- Awards are granted such that the achievement of stretch targets will lead to total reward levels in the upper quartile market level.
- Awards that exceed the minimum threshold for vesting, vest fully after three years, based on performance targets, against equally weighted growth in HEPS and ROE targets over the performance period. Shares are purchased by the group on vesting, avoiding any shareholder dilution from external market participants.
- All awards are subject to forfeiture and clawback.

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

If achievement of the metrics results in vesting, the PRP award is settled in shares to the employee on the applicable vesting dates together with notional dividends that are settled in cash. The shares that vest (if any) and that are delivered to the employee are fully conditional on the performance metrics. The metrics for the March 2019 awards are set out in the table that follows. The metrics (average growth in HEPS and growth in ROE) will remain unchanged for the March 2019 award but the vesting thresholds have been altered by Remco in response to shareholder feedback and taking into account group strategy and targets.

AIR | For an explanation of how the group measures its strategic progress both in terms of headline earnings and ROE, refer to the 2018 annual integrated report.

Metrics and vesting thresholds for March 2019 awards measured over the three years ending 31 December 2021

Average growth in HEPS[1]

Vesting percentage

- Below 8% average growth in HEPS[1], no conditionally allocated units will vest.
- Once 8% average growth in HEPS is achieved, 20% of conditionally allocated units will vest.
- For each 1% of average growth in HEPS in excess of 8% up to 11% average growth, 20% of conditionally allocated units will vest.
- For each 1% average growth in HEPS in excess of 11%, 30% of conditionally allocated units will vest.
- Maximum vesting at 200% of initial HEPS-related conditional units awarded.

ROE improvements

- For each 0.1% increase in average ROE over the performance period above 18% up to 18.5% average ROE, 7.5% of the ROE-related conditional units vest.
- For each 0.1% increase in average ROE over the performance period above 18.5% average ROE, up to 19% average ROE, 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 initial ROE-related conditional units awarded.

1 The average HEPS growth is relative to a HEPS base of 1 748.4 cents.
All references to average growth rates refer to the simple average of the growth rates in HEPS for each of the years within the three-year period.

March 2016 (due to vest in March 2019 based on the performance period ended 31 December 2018)

In terms of average growth in HEPS[2], below 8% average growth in HEPS, no conditionally allocated units will vest. Once 8% average growth in HEPS is achieved, 20% of conditionally allocated units will vest. For each 1% of average growth in HEPS in excess of 8% up to 11% average growth, 20% of conditionally allocated units will vest. For each 1% average growth in HEPS in excess of 11%, 30% of conditionally allocated units will vest. Maximum vesting at 200% of initial HEPS-related conditional units awarded.

In terms of the ROE metric, for each 0.1% increase in average ROE over the performance period above 15% up to 15.5% average ROE, 7.5% of the ROE-related conditional units awarded vest. For each 0.1% increase in average ROE over the performance period above 15.5% up to 16% average ROE 16% of the ROE-related conditional units awarded vest. For each 0.1% increase in average ROE over the performance period above 16%, 15% of the ROE-related conditional units awarded will vest. Maximum vesting at 200% of the initial ROE-related conditional units awarded.

2 The average HEPS growth is relative to a HEPS base of 1 388.9 cents.

March 2017 due to vest in March 2020 based on the performance period ended 31 December 2019)

In terms of average growth in HEPS[3] below 9% average growth in HEPS, no conditionally allocated units will vest. Once 9% average growth in HEPS is achieved, 20% of conditionally allocated units will vest. For each 1% of average growth in HEPS in excess of 9% up to 12% average growth, 20% of conditionally allocated units will vest. For each 1% average growth in HEPS in excess of 12%, 30% of conditionally allocated units will vest. Maximum vesting at 200% of initial HEPS-related conditional units awarded.

In terms of the ROE metric, for each 0.1% increase in average ROE over the performance period above 15.5% up to 16% average ROE, 7.5% of the ROE-related conditional units awarded vest. For each 0.1% increase in average ROE over the performance period above 16% average ROE, up to 16.5% average ROE, 10% of the ROE-related conditional units awarded vest. For each 0.1% increase in average ROE above 16.5%, 15% of the ROE-related conditional units awarded vest. Maximum vesting at 200% of initial ROE-related conditional units awarded.

3 The average HEPS growth is relative to a HEPS base of 1440.1 cents.

March 2018 (due to vest in March 2021 based on the performance period ended 31 December 2020)

In terms of average growth in HEPS[4], below 9% average growth in HEPS, no conditionally allocated units will vest. Once 9% average growth in HEPS is achieved, 20% of conditionally allocated units will vest. For each 1% of average growth in HEPS in excess of 9% up to 12% average growth, 20% of conditionally allocated units will vest. For each 1% average growth in HEPS in excess of 11%, 30% of conditionally allocated units will vest. Maximum vesting at 200% of initial HEPS-related conditional units awarded.

In terms of the ROE metric, for each 0.1% increase in average ROE over the performance period above 17.5% up to 18% average ROE, 7.5% of the ROE-related conditional units awarded vest. For each 0.1% increase in average ROE over the performance period above 18% up to 18.5% average ROE, 10% of the ROE-related conditional units awarded vest. For each 0.1% increase in average ROE over the performance period above 18.5%, 15% of the ROE-related conditional units awarded will vest. Maximum vesting at 200% of the initial ROE-related conditional units awarded.

4 The average HEPS growth is relative to a HEPS base of 1 640.0 cents.

Minimum shareholding requirement

Executive directors and prescribed officers are required to maintain shareholdings valued as a multiple of fixed remuneration. This is a long-term requirement and we expect that shareholdings will be accumulated over time.

The chief executive is subject to a multiple of 3 times fixed remuneration and other executive directors and prescribed officers are subject to a multiple of 2 times fixed remuneration.

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

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 76 – 89.

Risk management and remuneration

R

The group actively manages its current and future risks in pursuit of its strategy. Remco ensures that employees whose actions may have a material impact on the group's current and future risk profile, are not rewarded for exposing the group beyond its stated risk appetite. Bonus pools and individual bonus awards are adjusted for risk, based on the processes and considerations outlined below. The remuneration of risk and compliance employees has oversight by the group chief executive and by Remco in the case of senior employees.

Future risks in remuneration outcomes

The group uses a four-year budgeting, forecasting and planning process, which is integrated with our strategic objectives, risk appetite and capital allocation. The outcomes of this process are approved by the board as part of approval of the board's strategy. The process covers all the geographies that the group operates in and also covers the business lines of PBB, CIB, Wealth and the corporate functions. This forward-looking view of strategic outcomes, financial results and risk outcomes allows the board and Remco to assess potential remuneration outcomes, as well as the risks associated with achieving those outcomes. The deferral periods on the annual incentives (of up to 42 months) and the PRP (with a three-year vesting period subject to performance conditions) are aligned to the horizons of the planning process, thereby creating both the incentive to achieve these outcomes, as well as allowing for risk-adjusted forfeiture and clawback should the need arise.

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

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

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

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

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

Remco pays specific attention to:

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

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

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

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

During 2018, Remco did not implement any forfeitures.

Clawback provisions on vested or paid awards have been introduced to the Group's Material Risk Takers with effect from 1 March 2019. This applies to cash awards, deferred awards, share incentive awards, long-term incentives and related notional dividends.

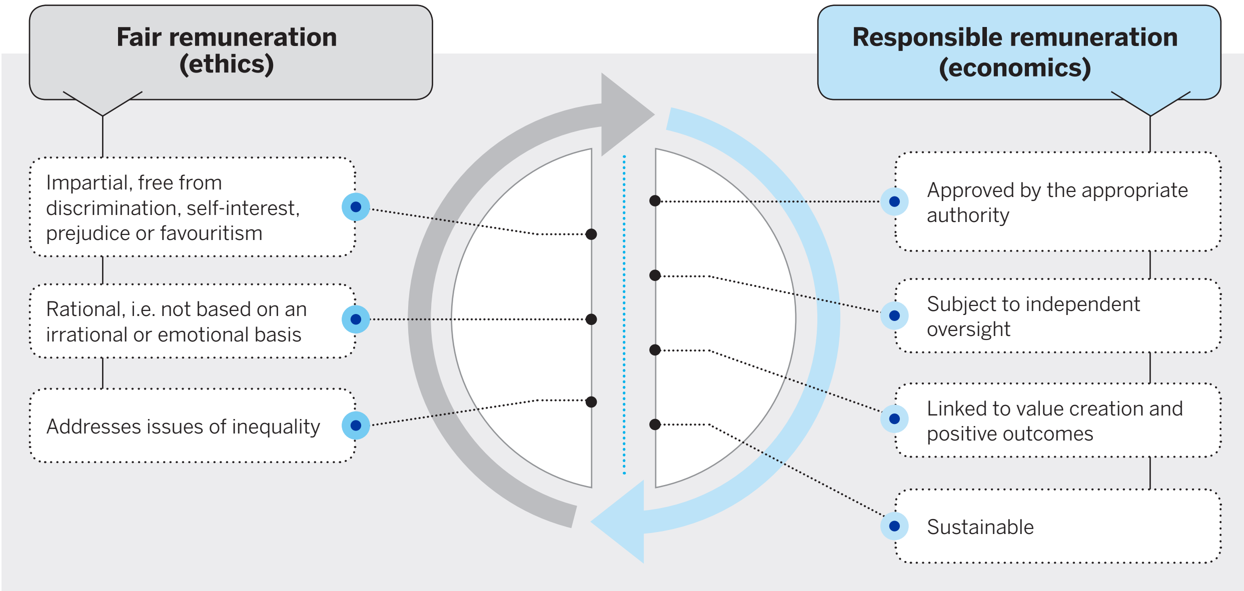
The trigger events are as follows:

- 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 discovery of 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
- The discovery of action or conduct of an employee which amounts to gross misconduct that occurred prior to award or vesting, and/or
- The discovery 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.

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

R

Fair and responsible remuneration



Remco believes that fair and responsible remuneration means ensuring that remuneration in the group is both externally competitive and internally equitable. The group's remuneration policy and implementation thereof assists the group in achieving its short-, medium- and long-term goals and is adjusted for risk taken and thereby supports sustainability. Remco ensures that the reward process is independently governed to enhance the sense of fairness. Remco recognises that fair and responsible remuneration is not just a South African issue but should apply in all the geographies that the group operates in.

The group's approach to fair and responsible remuneration

Fair remuneration	Responsible 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. • Aligned with the Employment Equity Act's principle of equal pay for work of equal value in South Africa.	Decisions are: • Funded by, and linked to, the creation of value over the long term, in a way that is transparently reported in the remuneration report. • Approved by Remco and recommended to the board.
Pay differentiation is fair when the process for measuring and rewarding performance and identifying and matching benchmarks is transparent and trusted. The remuneration system has a trusted process and reporting system that is able to present performance outcomes and reward proposals for approval equitably and transparently.	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 strategy and the value drivers.
Horizontal fairness – employees performing the same or similar job requirements at the same or similar level of performance in the organisation receive the same or similar levels of total remuneration, allowing variations according to, for example, seniority/length of service, qualifications, performance and scarcity of relevant skills.	Stakeholders (internal and external) are provided with evidence of the linkages between remuneration and value creation in the full remuneration report.
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.	All remuneration falls under the ambit of Remco and senior executive remuneration is approved by Remco and recommended to the board. Senior executive remuneration is benchmarked to market, follows a rigorous process to review risk and control issues and all share plans contain forfeiture and clawback clauses. Executive directors and prescribed officers are subject to a minimum shareholding requirement.

R

The wage gap and minimum salaries

Remco has stated that it pays for value delivered in its policy and that remuneration must be externally competitive. The outcome of these two principles is that remuneration differs across levels, roles and geographies and therefore a wage gap exists. However, Remco can satisfy itself that minimum incomes in the group are fair and enable the lowest levels in the group to participate in the economies of the countries where they reside. To this end, Remco has undertaken an exercise to determine what the minimum levels of income are in each country that the group operates in and continues to monitor this.

A comparison has been done on each of these minimums against financial service/banking minimums in each country and against prescribed minimum incomes (where these exist). This has shown that in all countries but one, the group's minimum salaries are above both market and prescribed norms.

In Angola, the minimum salary is above prescribed norms but not above market.

The group also invested R931 million for 48 210 employees in learning and development. In addition, we spent R51.8 million on bursaries for 1 933 employees.

This investment together with development opportunities, internal job opportunities, and promotion opportunities allows individuals to progress their careers and therefore their earning potential.

In order to ensure that remuneration is fair and responsible, Remco undertakes the following activities:

- seeking the input of shareholders via an annual shareholder roadshow
- continuously improving the extent and transparency of remuneration reporting
- ensuring breadth and depth of experience, as well as diversity and independence in Remco membership.

Gender pay

During 2019, the group will be investigating gender pay across its geographic footprint, including adopting a common methodology to monitor this. International studies are moving towards examining gender pay gaps for people working at the same job level in the same company and in the same function. The issue is important for the group and gender pay is also a focus area for all United Nations Women HeForShe Thematic Champions. The group became a Thematic Champion in September 2018.

SUMMARY: OUR GENERAL REMUNERATION POLICY FOR ALL EMPLOYEES

Our employee base is made up of five broad categories:

- general employees
- managers
- executives
- senior executives
- prescribed officers and executive directors.

This summary covers the first four categories of our employees and applies to all the geographies that we operate in.

1 How did we perform?

- ✓ **Business results:** Impact affordability of fixed remuneration increases and the size of short-term incentive pools.
- ✓ **Risk and control:** Incentive pools and individual incentives may be adjusted for risk and control failures.

2 How do we assess performance and determine pay?

- ✓ 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.
- ✓ Fixed remuneration increases: based on a combination of inflation, market comparisons, individual performance and experience.
- ✓ Annual incentives: based on business line and individual performance against pre-agreed goals. All employees are eligible for an annual incentive.
- ✓ Deferred awards (made under DBS): the portion of the annual incentives that is deferred into share-linked instruments. Applicable to all annual incentives in excess of R1 million (or applicable local currency threshold).
- ✓ Deferred awards (made under DBS): based on individual performance and market comparisons. Typically granted from mid-management level and includes senior management and executives.
- ✓ PRP: annual awards with a rolling three-year delivery if performance conditions are met. Awarded only to senior executives with longer-term decision horizons.

3 What are our pay practices?

- ✓ We subscribe to remuneration surveys in all the countries we operate in provided that there is enough relevant market data available.
- ✓ We have recognised union agreements in several countries across Africa, including South Africa.
- ✓ We set minimum standards on benefits and allow for localisation of benefits where market practice dictates. Changes to benefits are governed by a group benefits committee.
- ✓ All annual salary increase pools, short-term incentive pools and share incentive awards fall under the ambit of Remco.
- ✓ The percentage of variable pay of total remuneration increases with seniority and the type of role. Investment banking roles generally have a greater variable pay mix than retail banking and corporate function roles. Market surveys inform pay mix.
- ✓ The percentage of share awards of total remuneration also increases with seniority and includes scarce skills. Market surveys inform share awards and pay mix.

4 What are our pay practices?

- ✓ General employees typically have 90% fixed remuneration and the balance at risk in short-term incentive awards.
- ✓ Managers have a greater proportion of variable pay than general employees and from mid-management level would have some proportion in deferred awards in share-linked instruments. Typically 70% – 80% fixed remuneration. 20% – 25% in short-term incentives and the balance deferred awards in share-linked instruments, dependent on the type of role.
- ✓ Executives would generally have 35% – 50% in fixed remuneration, 40% – 50% in short-term incentives, including deferrals and 10% – 15% in deferred awards in share-linked instruments, dependent on the type of role.
- ✓ Pay mix is informed by market surveys and depends on the type of role.

R

DISCLOSURE OF EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION POLICY

Summary: our executive remuneration process

A comprehensive evaluation of all the executive directors and prescribed officers was undertaken and considered various categories, such as clients and market share, people, leadership, development and retention, technology and platform efficiency and effectiveness, financial performance, strategy design and execution. There is a direct link between the categories of executive evaluation and the value drivers.

1 How did we perform?

- ✓ **Financial outcomes:** single digit revenue growth due to tough macroeconomic environment and currency headwinds. Credit impairment charges and operating expenses well-managed. Banking activities headline earnings pre minority interests and incentive accounting charge (HEpMI) of R33.9 billion up 7%. SBG ROE of 18% (2017: 17.1%) within the new target band. Banking activities ROE 18.8% (2017: 18%).
- ✓ **Risk and conduct:** regulatory and economic capital within risk appetite. Credit loss ratio of 0.56% improved on prior year.
- ✓ **Client focus:** positive trend on client experience and satisfaction scores. Client transactions on digital platforms continue to exceed volumes on traditional platforms. Strengthened our franchises across Africa Regions.
- ✓ **Leadership and people:** key executive positions were filled by a combination of succession planning and external recruitment. Active participation and leadership displayed in key forums such as WEF, IMF, IIF, BLSA and BASA[1]. Good progress on employee net promoter score to +23 from +14.
- ✓ **SEE:** significant transformation in several areas, maintaining level 1 BEE status.

1 World Economic Forum (WEF), International Monetary Fund (IMF), Institute of International Finance (IIF), Business Leadership South Africa (BLSA) and Banking Association of South Africa (BASA).

2 How do we assess performance and determine pay?

- ✓ **Proactive approach to assessing performance:** enables the board to make fully informed decisions.
- ✓ **Performance is assessed in 15 categories over a multi-year period linked to the five value drivers:** this drives short-, medium- and long-term shareholder value.
- ✓ **Annual incentives and deferred awards**: based on quantitative and qualitative measures set in advance and evaluated.
- ✓ **Performance reward plan**: annual awards with a rolling three-year delivery if performance conditions are met to ensure consistent and significant long-term investment in shares to align with shareholders.
- ✓ **Minimum shareholding requirement for chief executive and prescribed officers:** ensures that together with unvested awards linked to the share price, executives are significantly invested in shares and aligned to shareholder interests.

3 How did we pay our CE and other prescribed officers?

- ✓ **CE pay level:** the board and the chief executive agreed to have no increases to fixed remuneration for senior executives and themselves for 2019 given the social and economic pressures in South Africa. Union increases for the lowest levels in the bank in South Africa were 7.3% and the minimum wage in the bank in South Africa has increased to R167 050 per annum.
- ✓ **CE annual incentives and deferred awards:** the board awarded Sim Tshabalala R25.4 million of which R14.1 million, i.e. 55.3%, was deferred for up to 3.5 years.
- ✓ **CE long-term incentives:** the board awarded Sim Tshabalala a conditional performance reward plan award with a face value at award of R14 million.
- ✓ **Prescribed officer and executive director pay levels** are set based on the overall group performance, individual business unit performance and individual performance.
- ✓ **CE pay mix in total:** over 56.7% of total remuneration is deferred in shares for up to 3.5 years.
- ✓ **Prescribed officer pay mix:** over 57.7% of the total remuneration is deferred in share-linked instruments for up to 3.5 years.

4 What are our pay practices?

- ✓ **Three remuneration elements for senior executives:**
  - fixed remuneration
  - short-term incentive (STI). Annual cash incentive with an annual deferred award over 1.5, 2.5 and 3.5 years. This element is at risk[1]
  - long-term incentive (PRP) annual awards are subject to performance conditions and vest in three years if conditions are met. This element is at risk[2].
- ✓ **Shareholder aligned remuneration philosophy:** drives remuneration decision-making across the group.
- ✓ **No special executive benefits:** in terms of severance golden parachutes. Guaranteed bonuses are paid by exception in the case of hiring and only for the first year.
- ✓ **Strong focus on share ownership and minimum shareholding requirements.**

1 Subject to an annual evaluation of the performance of each executive.
2 Subject to performance conditions set by the committee at the time of the award.

5 How do we address risk and control?

- ✓ **Strong corporate governance from the remuneration committee on executive remuneration with board oversight.**
- ✓ **Rigorous process to review risk and control issues:** which can and has led to incentive pool and individual risk adjustments for risk breaches and risk events.
- ✓ **Forfeiture clauses in all our share plans/deferred awards:** clawback clauses were introduced in March 2019 and apply to cash awards, deferred awards, share incentive awards, long-term incentive awards and related national dividends.

Why should shareholders approve our remuneration policy?

- Pay and performance are determined using a balanced framework of delivery against targets linked to value drivers.
- PRP payouts are subject to performance conditions.
- Pay practices are strongly governed by Remco and the board.
- Pay and performance are tied to extensive risk and control features.

Evaluation of executive directors, and prescribed officers

A comprehensive evaluation of all the executive directors and prescribed officers was undertaken within the following categories:

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

A summary of these evaluations is included below:

Link to the value drivers

There is a direct link between the categories of executive evaluation listed above and the value drivers. In 2018, we have chosen to highlight some key activities and outputs in the evaluations that support the group's SEE impact. For more detail on these activities please refer to the Reporting to society suite, available online.

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

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

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

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

This report displays the pay of the executive directors and prescribed officers in both the single figure format per King IV, as well as how the pay was awarded by Remco to demonstrate the variability of pay over time. The remuneration of the new prescribed officers are shown for the period that they have been serving as prescribed officers.

Regulatory disclosures

All regulatory disclosures in this report are made in terms of the Companies Act, JSE Listings Requirements, Banks Act, Financial Stability Board Principles for Sound Compensation Practices and the King Code. Disclosure under King IV has been adopted.

Terms of employment for executive directors and prescribed officers

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

Restrictive covenants

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

No other restraints are included in contracts.

Retention agreements and payments

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

Guaranteed bonuses

Guaranteed bonuses are paid by exception in the context of hiring and only in relation to the first year. All guaranteed bonuses are funded from the total performance incentive pools and are subject to the same deferral requirements as annual discretionary incentives. Payments of guaranteed bonuses are subject to meeting required performance standards. None of the executive directors or prescribed officers received a guaranteed bonus.

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

To attract key employees it is sometimes necessary to compensate for the loss of unvested awards from their previous employer. This would normally be through the appropriate group scheme subject to normal vesting terms. In certain situations, cash buy-out awards may be made on joining, subject to repayment if the employee leaves the group within a certain period. Sign-on awards without reference to losses at a previous company are discouraged. None of the executive directors or prescribed officers received a sign-on bonus.

Severance payments

Local legislation, market practice and, where applicable, agreements with recognised trade unions or other employee forums determine severance payments. None of the executive directors or prescribed officers have special contractual severance payments.

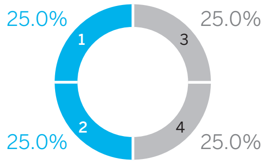
Implementation report

SIM TSHABALALA: CHIEF EXECUTIVE, STANDARD BANK GROUP

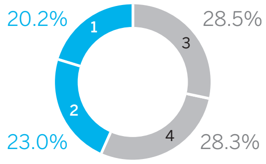
R'000	2018
1 Fixed remuneration	9 987
2 Annual cash award	11 350
3 Annual deferred award	14 050
4 PRP award	14 000
Total reward	**49 387**

Once-off allowance of R632 000 has been excluded from the above table.

2018 long-term target pay mix for group chief executive



2018 remuneration: SK Tshabalala



1 Fixed remuneration in cash
2 Short-term incentive (STI) in cash
3 Deferred for up to 3.5 years
4 Long-term incentive (LTI)[1] – 100% deferred for up to 3 years

[1] The performance reward plan (PRP) amount is the face value at award date (March 2019) and is conditional.

Cash award Deferred award

In his first full year as the sole CE for the group, Sim's steady, determined style steered the group through a challenging period to produce an acceptable set of results. He used the strategic plan document to focus on areas of improvement for the group and to a very large extent mitigated many of the environmental, political and economic risks faced by the business at various points of the year. Sim's faith in the investment made into Africa Regions is beginning to pay dividends as this business is now a significant and important part of the future of the group. Sim led significant changes to the architecture of the group, where importantly he created a distinct South African franchise, simplifying and clarifying the relationship between the group and SBSA. Recognising the impact of the poor economic environment in South Africa, Sim took decisive action by implementing a broad cost reduction initiative.

HE grew 6% year-on-year and group ROE rose to 18% up from 17.1% in 2017. It was disappointing to see the cost-to-income ratio rise again after a fall last year and to see the positive jaws of the prior year decline to negative jaws in 2018. However, Sim took decisive action and reduced planned full year costs by R2.3 billion. These were perhaps the only negative metrics in an otherwise credible performance in difficult trading conditions.

Steady progress was made in the key area of client focus where client satisfaction scores improved across the businesses and many prestigious awards were won. Employee engagement scores improved again and the excellent work undertaken by the group and led by Sim in the important area of SEE continued with great success.

Sim has established himself as an exemplary CE. His intelligence, integrity, vision and energy for the success of the bank make him an extremely valuable resource for the group, the country, and the industry.

2018 performance: overview

- Disciplined execution of strategy in delivering ROE. Group ROE 18% (2017: 17.1%). Banking activities ROE 18.8% (2017: 18%).
- Group headline earnings up 6% to R27.9 billion (2017: R26.3 billion). Banking headline earnings up 7% to R25.8 billion (2017: R24.3 billion).
- Dividend per share up 7% to 970 cents for 2018 (2017: 910 cents).
- Total income up 3% to R105.3 billion (2017: R102.7 billion) while operating expenses up 5% to R60.1 billion (2017: R57.0 billion).
- Africa Regions headline earnings up 19% to R8 billion (2017: R6.75 billion) with ROE of 24% (2017: 23.8%).
- Growth in South Africa remained weak due to low consumer and business confidence resulting in SBSA earnings falling marginally to R16 billion (2017: R16.1 billion). SBSA ROE rose slightly to 16.7% from 16.6% in 2017.
- The group's common equity tier 1 capital adequacy ratio was 13.5% which is considered prudent during challenging economic and political times.
- Focused on improving the client experience, accelerating the digitisation of the group and creating an integrated/universal financial services organisation.
- The employee engagement survey results showed eNPS rose to +23 from +14.
- Client satisfaction and client promoter scores remained at high levels or improved.

2018 key achievements

CLIENT FOCUS

- Client satisfaction and client promoter scores increased in South Africa and in Africa Regions and focus continued on placing the client at the centre of what we do
- The group was awarded Best Bank in Africa, Best Bank in South Africa and Best Bank in Namibia by The Banker.
- SBSA was voted SA's Most Valuable Brand by BrandZ
- Sim continues to model client behaviour meeting with clients formally and informally across the continent and at international conferences.

LEADERSHIP AND PEOPLE

- In 2018, a number of key leadership appointments and succession plans were implemented. Lungisa Fuzile became CE of Standard Bank South Africa in January 2018. Zweli Manyathi took over as CE of PBB in April 2018. Ben Kruger retired on 31 December 2018. These moves diversified the leadership team
- Sim represented the group at the World Economic Forum, the IMF/World Bank annual meetings, IIF, IMC, Morgan Stanley, HSBC, SA Tomorrow and Merrill Lynch conferences
- Sim was appointed a Thematic Champion of the UN Women HeForShe movement for gender equity in September 2018
- The group's eNPS rose significantly from 2017. Exceptionally strong results by global industry standards.

RISK AND CONDUCT

- All capital and liquidity positions remained sound and within board-approved ranges in terms of risk appetite and tolerance
- Operational risk losses were within operational risk appetite
- Digital fraud has decreased due to the refinement of fraud controls and improvement in behavioural analytics
- The percentage of satisfactory audits increased on prior year
- Conduct dashboards are now embedded and continue to monitor conduct across the group
- A clawback provision on vested and paid awards for all Material Risk Takers has been introduced.

FINANCIAL OUTCOMES

- The group remains on track to meet its medium-term financial objectives
- For 2018, the group's results were within market expectations
- Group headline earnings of R27.9 billion up 6%
- Group ROE of 18.0% (2017: 17.1%)
- Continued strong focus on cost control and reporting assisted to keep cost growth at 5%, and below planned spend levels. Efficiency metrics disappointed for the year given lower revenue growth.
- Delivered credible group financial aspiration, four-year financial plan and 2019 budget, within available financial resources through managing trade-off processes. Ensured that investments into groupwide digital transformation initiatives are prioritised, while at the same time reducing the cost base relating to legacy systems, processes and infrastructure not supporting the digitisation agenda
- Managed complex and well-timed process to increase stakes in Nigerian and Kenya subsidiaries.

SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACT

- Corporate social investment (CSI) spending was R141.2 million in South Africa supporting and improving access to better quality education.
- Sim co-hosted the SA Tomorrow Investment promotion conference in New York promoting South Africa's institutional and economic recovery to investors
- Sim serves on the Board of Business Leadership South Africa and is on the steering committee of the CEO Initiative
- Sim will become President of the International Monetary Conference in 2020 where he amplifies the voice of emerging market banks in global regulation making
- SBG maintained BBBEE financial sector code score at level 1
- SBG worked with more than 12 000 SMEs to grow and develop, through finance, access to value chains and business development support
- SBG has launched the careers of 1 800 university graduates since 1997 through our graduate programme across the continent
- In 2018, we celebrated the ten-year anniversary of our strategic partnership with ICBC. The partnership has provided US$10 billion in financing support to over 40 projects, leveraging investment of around US$30 billion.

BEN KRUGER: EXECUTIVE DIRECTOR, STANDARD BANK GROUP

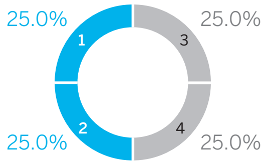
2018 performance overview

In his final year as an executive director, prior to his retirement in December 2018, Ben had accountability for the Africa Regions business and was appointed the accountable executive on select client management teams. He also took accountability for the key strategic functions of information technology, risk, legal and the group shared services operations and group real estate. He worked with Sim on the ICBC strategic relationship. He retained several board positions, including SBG, SBSA, ICBCS, Stanbic Africa Holdings and Stanbic IBTC during 2018.

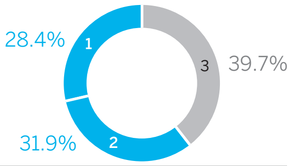
R'000		2018
1	Fixed remuneration	9 906
2	Annual cash award	11 125
3	Annual deferred award	13 825
4	PRP award	–
Total reward		**34 856**

No award made due to retirement.

2018 long-term target pay mix for an executive director



2018 remuneration: BJ Kruger



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[1] The performance reward plan (PRP) amount is the face value at award date (March 2019) and is conditional.

Cash award Deferred award

2018 was Ben's last year in the group and he selflessly stepped down from the position of joint CE in September 2017 and announced his retirement effective 31 December 2018. Ben has been an incredibly important executive for the bank and has had broad experience over all the various aspects of the industry, and with key stakeholders both across the continent and internationally. Ben's relationship with ICBC, our largest shareholder, has been invaluable. Ben has been at the very summit of banking chief executives.

Among the many areas of responsibility that Ben undertook for the group perhaps his largest contribution was the implementation of the complex IT programme which was completed last year. It was Ben's astute management that laid the foundation for this strategically important project. This foundation was the catalyst for the future technology architecture of the group.

2018 key achievements

CLIENT FOCUS

- Endeavoured to live client centricity and set the example with numerous client engagements throughout the year. Remained the responsible executive on select senior client engagement teams
- The China-Africa steerco was set up and managed to enable faster execution on this client strategy beyond South Africa
- Participated actively in the CIB lending transformation project and saw the first joint sessions of PBB/CIB credit committees, risk teams signed off pre-approved limits on 34 multinational clients and plans are underway to pre-approve limits for 500 commercial banking clients
- Teams focused on fraud risk management to eliminate friction for clients; business rules within shared services were revised to improve the customer experience with 'one and done' implementation
- Multiple deployments of technology improved the client experience across all business units and countries.

LEADERSHIP AND PEOPLE

- Employee engagement increased across all areas from the prior year
- Embedded the new leadership structure in information technology
- Overall targets for diversity, inclusion and transformation showed progress in almost all areas but will remain a critical focus area for all units in the future
- A programme was held at MIT for all group executives and CEs in Africa Regions and has contributed significantly to digital thinking in the group
- Played a guiding, coaching and mentoring role for several senior executives during the year
- The staff exchange programme with ICBC was well-received and continues to enhance the relationship at a senior level within both organisations
- Headcount continued to be tightly managed with reductions in most areas and continuous investment in talent development.

RISK AND CONDUCT

- All level 1 regulatory and economic capital risk appetite dimensions were within risk appetite at the end of December 2018
- Active participation at group, SBSA, ICBCS, Stanbic Africa Holdings and Stanbic IBTC board meetings and related board governance committees
- Actively participated in group exco and all internal governance meetings such as group risk oversight, BEE STACC and equity committees, country risk, etc.
- Conduct framework embedded in all areas and specific focus brought to control environments in the African business units and related internal audit focus areas
- Motivated faster closure of the Namibian regulatory issues pertaining to payments switch compliance and business-online migration for corporates.

FINANCIAL OUTCOMES

- Drove cost saving initiatives and efficiency measures across IT, risk and shared services
- Africa Regions delivered a commendable performance with HE of R8 billion, ROE of 24.0% and credit loss ratio of 0.48%, but cost-to-income deteriorated slightly to 52.7%
- ICBC Standard incurred a small loss for the year
- Supported the group CE in focusing teams on delivering the broader 2018 group financial result.

SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACT

- Group risk played an active role in the development and implementation of the group's SEE strategy, Reporting to society suite and a new group environmental and social risk governance standard
- Africa Regions continue to progress in their journey to embed sustainability into their business practices and kept to their commitment to contribute USD2 million to The Global Fund
- The group real estate team continued to make progress with regards to sustainability in all three key areas, namely energy, water and waste sustainability.
- IT sponsored several training and certification programmes, for example, Monash University, the University of Kwa-Zulu Natal, the University of Witwatersrand and the University of Johannesburg on cloud technologies and certification, hosted 50 immersions for SA companies on new ways of working, and working with seven schools on their STEAM (Science, Technology, Engineering, Arts and Mathematics) programme inspiring students to follow careers in IT and explaining the importance of mathematics and science
- Group shared services partnered with Harambee and provided learnerships in operations and outsourced card delivery to owner drivers from previous disadvantaged groups. The debt review team contributed to a reduction of carbon footprint by becoming 100% paperless, saving over one million pages
- Represented the group on the board of Leadership for Conservation in Africa with a mandate of safeguarding 20 million hectares of ecologically sensitive areas in Africa, including rainforests and wildlife reserves.

DR ARNO DAEHNKE, GROUP FINANCIAL DIRECTOR

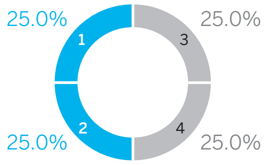
2018 performance overview

After two and half years in the role as group financial director, Arno has established himself as an astute and commanding leader. He has a deep knowledge of all the numbers and has remodelled and revised the way in which the group reports its financial performance. Arno has managed the balance sheet well, achieved Basel III compliance for liquidity coverage ratio and NSFR and managed the complex IFRS 9 transition. The group remains strongly capitalised and internal financial control indicators are well-managed and maintained.

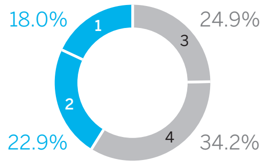
R'000		2018
1	Fixed remuneration	**6 294**
2	Annual cash award	**8 025**
3	Annual deferred award	**8 725**
4	PRP award	**12 000**
Total reward		**35 044**

Once-off allowance of R111 000 has been excluded from the above table.

2018 long-term target pay mix for chief financial officer



2018 remuneration: A Daehnke



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[1] The performance reward plan (PRP) amount is the face value at award date (March 2019) and is conditional.

Cash award   Deferred award

As group financial director Arno's performance is linked to the group's results. Arno worked closely with the group CE on the cost reduction initiative which reduced planned costs by R2.3 billion. He managed complex processes to increase the group's stakes in the Nigeria and Kenya subsidiaries.

Arno is well-respected by colleagues, media and regulators alike. His role is highly complex given the number of jurisdictions, legal entities and significant regulatory requirements he has to manage.

The group remains on track to meet its medium-term financial objectives. The group's results for 2018 were within market expectations and group headline earnings of R27.9 billion were up 6%.

2018 key achievements

CLIENT FOCUS

- Appropriate capital and liquidity raising for clients
- Successful management and optimisation of capital supply
- Embedded five strategic value drivers for the group and improved reporting on non-financial metrics, in addition to financial metrics at a group level, with a particular focus on client metrics
- Client level reporting and budgeting embedded in business lines
- Implemented a revised funds transfer pricing mechanism to better drive client franchise growth
- Maintained high quality of internal and external reporting
- Finance leading blockchain proof of concepts for improved processes for client transactions.

LEADERSHIP AND PEOPLE

- Well-respected by exco and board colleagues, plays critical role in executive decision-making for the group
- Improved employee net promoter score for finance
- Finance digital learning pathways, cross-skilling and secondments introduced
- Initiated culture change across finance to focus on innovation, digitisation, automation and client experience
- Focused efforts on diversity and finance talent development and succession planning.

RISK AND CONDUCT

- Maintained balance sheet resilience across all banking subsidiaries
- Basel III compliance achieved for liquidity coverage ratio and net stable funding ratio (NSFR)
- Managed complex IFRS 9 transition
- Achieved full compliance with the BCBS239 principles for effective risk data aggregation and risk reporting, covering 84% of the group's risk weighted assets, on track for full compliance by 2021
- Maintained groupwide internal financial controls at the required standards
- Active participation at risk and credit committees
- Group tax risk well-managed, VAT rate change implemented successfully
- Initiated and proposed a framework for third-party risk management across the group
- Continued threat of South African sovereign downgrade well-managed.

FINANCIAL OUTCOMES

- The group remains on track to meet its medium term financial objectives
- For 2018, the group's results were within market expectations
- Group headline earnings of R27.9 billion, up 6%
- Group ROE of 18.0% (2017: 17.1%)
- Continued strong focus on cost control and reporting assisted to keep cost growth at 5%, and below planned spend levels. Efficiency metrics disappointed for the year given lower revenue growth
- Delivered credible group financial aspiration, four-year financial plan and 2019 budget, within available financial resources through managing trade-off processes. Ensured that investments into groupwide digital transformation initiatives are prioritised, while at the same time reducing the cost base relating to legacy systems, processes and infrastructure not supporting the digitisation agenda
- Managed complex and well-timed process to increase stakes in Nigeria and Kenya subsidiaries
- Cost savings in finance achieved through the implementation of robotic process automation.

SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACT

- Managed and maintained BBBEE financial sector code score at level 1
- Continued to tell our story with conviction and passion through the group's annual integrated report and Reporting to society suite
- Achieved highest preferential procurement score in SA banking sector
- Introduced 142 new black-owned SME businesses as suppliers in 2018
- A2X listing completed to provide investors with an alternate and potentially cheaper platform.

KENNY FIHLA, CHIEF EXECUTIVE, CORPORATE & INVESTMENT BANKING (CIB)

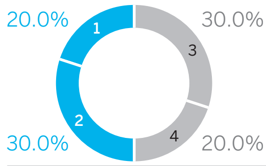
2018 performance overview

Kenny and the CIB team had a difficult year especially in the largest market, South Africa during 2018. There were, however, several encouraging results which should stand the business in good stead when the South African economy, especially, improves. Client revenues were up 8% and 12% on a constant currency basis. Strong growth was recorded in the important sectors of NBFI and power and infrastructure. The credit loss ratio was 20 bps. From an employee standpoint, the eNPS score increased from +7 to +14 and the emotional NPS score from +44 to +53.

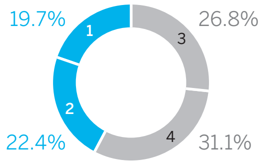
R'000		2018
1	Fixed remuneration	7 588
2	Annual cash award	8 650
3	Annual deferred award	10 350
4	PRP award	12 000
Total reward		**38 588**

Once-off allowance of R710 000 has been excluded from the above table.

2018 long-term target pay mix for chief executive CIB



2018 remuneration: AKL Fihla



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Cash award   Deferred award

Headline earnings were R11.2 billion down 2% on the previous year, while ROE at 19.3% was 2.7% lower than 2017. The cost-to-income ratio deteriorated to 54% and jaws were negative 4% mainly driven by revenue pressures in South Africa.

While the performance was muted Kenny demonstrated strong thoughtful leadership and fully expects a rebound in 2019 performance as markets, especially in South Africa stabilise and return to growth.

2018 key achievements

CLIENT FOCUS

- Approximately 80% of CIB's revenue is derived from corporate clients, reflecting a strong client franchise, the focus on budgeting at an individual client level has been key in unlocking CIB's growth ambitions
- CIB's relationships with a growing number of multinational clients remains a powerful competitive advantage, multinationals contribute the majority of the client revenues and continue to be the primary driver of revenue growth due to their resilience through economic cycles
- There is faster growth in the domestic clients segment which highlights a focus on being relevant in all markets in which CIB operates
- The purposeful and market appropriate client acquisition and increase of share of wallet helps reduce client concentration
- Client Satisfaction Index (CSI) Survey: CIB's client experience is at the highest recorded level, achieving a CSI score of 8.0 out of 10 for 2018, up from 7.8 in 2017.

LEADERSHIP AND PEOPLE

- Significant improvements in the employee engagement survey participation and employee engagement scores which provide insights to enable CIB to take focused, key actions to improve the employee experience – increased participation from 45% in 2017 to 58% in 2018. Employee net promoter score increased from +7 to +14 and the emotional promoter score increased from +44 to +53 across CIB
- Refocused the CIB learning and talent strategy aimed to improve the culture of learning and to increase the focus on talent readiness for key roles
- Initiated the leading culture programme across CIB, to drive the connection of people to strategy and to drive committed and empowered teams
- Continued priority focus on embedding diversity, inclusion and transformation initiatives and impact
- Celebrated exceptional employee contribution through recognition programmes
- Continued the transformation and modernisation of internal processes to improve client and employee experience.

RISK AND CONDUCT

- Proactive and forward-looking risk management per client sector contributed to an impairment charge below target range with no significant reputational risks
- Credit impairment charges reduced by 35% with a credit loss ratio of 16 bps, driven by a combination of improved performance and recoveries of previously impaired loans
- Focused on vigilant management of risks and proactively addressed issues through relevant governance frameworks
- Ongoing reinforcement of a culture of compliance with relevant campaigns and learning programmes
- No major employee conduct issues.

FINANCIAL OUTCOMES

- CIB produced a mixed set of results in a challenging business environment in 2018
- Client revenues increased by 8% (R30.4 billion) and 12% in constant currency (CCY), while product revenues increased by 1% (R37 billion) and 3% in CCY
- The South African franchise experienced a low growth environment with revenues down 1% (R17.1 billion), however, client revenues grew by 5% (R14.6 billion) with momentum building in financial institutions, diversified industrials and power
- Africa Regions revenues increased by 1% (R19.6 billion) and 7% in CCY; the growth was driven by the West Africa franchise (excluding Nigeria) with revenue up 6% (R3.8 billion) and 40% in CCY due to improved business activity
- South and Central Africa revenue increased by 10% (R6.4 billion) and 11% in CCY driven by Zimbabwe, Zambia and Mauritius
- East Africa delivered revenue growth of 8% (R3.3 billion) and 11% in CCY with strong performance from Kenya and mixed performance from the other countries
- Nigeria revenues were down year-on-year by (7%) (R3.1 billion) and (5%) in CCY due to non-repeat of big trades in the prior year
- Costs increased by 5% due to management of headcount and discretionary spend, leading to negative jaws of 4% and a cost-to-income ratio of 54.0% up from 51.9% in the prior year
- All these elements culminated in headline earnings of R11.2 billion (a marginal drop of 2% and growth of 1% in constant currency)
- ROE declined to 19.3% from 22.0% in the prior year.

SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACT

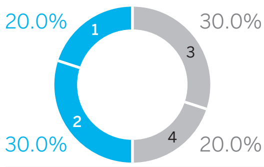
- Participated in seven renewable projects in South Africa (REIPP)
- Financed the largest infrastructure project in sub-Saharan Africa to date and the first phase of Tema Port Development
- Trans-Caledon Tunnel Authority, funding of future water supply and infrastructure for Gauteng in South Africa
- CIB participation in corporate social investment activities, for example, Mandela Day activities such as Project Wendy, where eight Wendy houses were built and donated to crèches in need for use as libraries.

ZWELI MANYATHI, CHIEF EXECUTIVE, PERSONAL & BUSINESS BANKING (PBB)

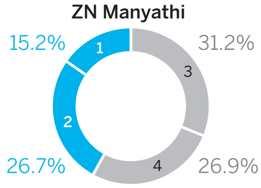
R'000		2018
1	Fixed remuneration	5 634*
2	Annual cash award	9 900
3	Annual deferred award	11 600
4	PRP award	10 000
Total reward		**37 134**

* For the period 01/04/2018 to 31/12/2018, being the period he has been a prescribed officer.

2018 long-term target pay mix for chief executive PBB



2018 remuneration: ZN Manyathi



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Cash award Deferred award

2018 performance overview

Zweli as the CE of the PBB business produced a good set of results for 2018. Zweli took over leadership of the PBB business in April last year stepping up from the head of PBB Africa Regions to the top job. He has acquitted himself very well and the transition has been seamless.

Against a backdrop of very challenging macroeconomics and intensifying competition from traditional banks and new high technology entrants, PBB achieved full year headline earnings of R15.5 billion, a 10% growth on the previous year. PBB in South Africa had a more difficult year in a very challenging environment, producing HE of R13.7 billion, 3% up on the prior period.

Africa Regions delivered excellent growth more than justifying the investments made over previous years. Eleven out of the fourteen countries achieved growth and the business finished the year with HE of R817 million compared to R183 million in 2017, a very significant increase.

Zweli demonstrated astute leadership in his new role and has mapped out an exciting growth strategy for the future for PBB.

2018 key achievements

CLIENT FOCUS

- Improvements in client NPS for SBSA from 66 to 70, and across Africa Regions from 16 to 25
- Number of targeted clients in South Africa improved by 1% and up 10% in Africa Regions
- Ombudsman complaints down to 1 203 from 1 670 in South Africa
- ATM availability improved in Africa Regions
- Acquisition of significant new clients in commercial card and merchant acquiring
- Instant money transactions up 29%
- Growth in digital mobile banking users
- Introduction of real-time clearing capability on Internet Banking and Banking App
- UCount redemptions of more than R2.1 billion since inception
- Launched new solutions: Virtual Card, Samsung Pay for SME and retail clients and Merchant Capital. ATM loans origination and fulfilment and digital card origination with ability to transact immediately
- Positive shift in vehicle and asset finance (VAF) with VAF calculators and pre-approvals on banking app and improved dealer satisfaction scores
- Growth in affluent customer numbers
- In Africa Regions, a Mandarin version of internet banking, banking app and enterprise online was launched in Angola.

LEADERSHIP AND PEOPLE

- PBB group has a clear and compelling vision where employees understand what is required of them and how this links to serving customers and creating value. This had led to an improved eNPS score of +24 in South Africa and a flat eNPS score of +23 in Africa Regions
- Employee equity targets have been exceeded at both senior management and junior management levels
- FAIS training largely complete
- The VAF leadership team have been further enhanced by new hires with leadership and specialist experience
- Leadership development has focused on the top 100 leaders through a specialised leadership programme and other development programmes for future leaders which focuses on driving customer value through innovation and engagement. Various other development programmes deal with leadership, innovation and customer engagement, across South Africa and Africa Regions.

RISK AND CONDUCT

- Operational risk losses are within risk appetite. PBB SA risk losses for 2018 were R258 million well below 2017 of R398 million. In Africa Regions operational risk losses were R111 million, well below risk appetite
- A new customer-centric risk appetite framework was rolled out in PBB SA
- Focus on VAF risk resulted in dealer training and development, a new grading model and dealer reviews
- Risk awareness to employees and customers through education, e-learning and training courses
- Improvements in Africa Regions control culture, including strong risk governance in all countries
- Completion of core banking journey in South Africa and card chip and pin rolled out in Africa regions.

SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACT

From a SEE perspective assisted clients with:

- My Fearless Next campaign which provides funding that is equal to a year's salary for entrepreneurs to convert side businesses in full-time businesses which will boost employment
- Invested in Founders Factory
- Registered R20.5 billion in home loans for previously disadvantaged customers, 16% up on 2017
- The crowdfunding platform Feenix was launched in 2017, enabling individuals and companies to donate money directly to universities on behalf of a student. To date, over R22 million has been raised and 800 students have benefitted from these funds.

FINANCIAL OUTCOMES

- Against the backdrop of extremely challenging economic and socio-political environments, PBB achieved full year headline earnings of R15.5 billion. This represents a year-on-year growth of 10%
- Revenues of R69.8 billion, partly offset by credit impairments of R5.4 billion and operating expenses of R42.3 billion
- ROE of 21.9%, above prior year of 20.0%
- A deterioration in cost-to-income ratio from 59% to 60.6% exacerbated by accounting standard changes (IFRS 9)
- PBB SA performed reasonably well by growing off the 2017 high base considering the challenging environment that characterised 2018. South Africa experienced poor economic growth driven by low business and consumer confidence
- PBB SA 2018 headline earnings of R13.7 billion, 3% year-on-year growth.
- The soft revenue growth of 1% in the context of very challenging economic environment and accounting standard changes
- ROE improved from 24.5% to 25.6%
- VAF payouts continued to grow, achieving 23% year-on-year
- Lending has seen good disbursement growth in the second half of 2018
- PBB Africa Regions' excellent growth has been broad-based with 11 out of 14 countries showing earnings growth despite macroeconomic and regulatory challenges combined with reducing interest rates
- Year-to-date headline earnings of R817 million. This is a significant improvement and is largely driven by:
  - Solid revenue growth at 8%
  - Good management of costs relative to revenue
  - A much-improved performance on impairments because of good quality business written and a better credit performance in Nigeria compared to 2017
  - The ROE of 6.4% is a good improvement.
- Headline earnings of R1 billion in Wealth International – 60% up year-on-year. The main drivers were good deposit growth, increased client activity and positive endowment on the back of higher interest rates both in the USA and the UK.

MARGARET NIENABER, CHIEF EXECUTIVE, WEALTH

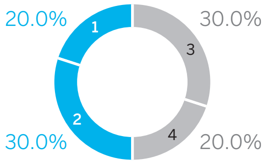
2018 performance overview

Wealth under the expert management of Margaret produced a strong set of results. HE of R3.1 billion grew by 24% and ROE finished at 37% – excellent results.

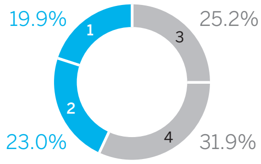
R'000		2018
1	Fixed remuneration	6 257
2	Annual cash award	7 212
3	Annual deferred award	7 913
4	PRP award	10 000
Total reward		**31 382**

Once-off allowance of R78 000 has been excluded from the above table.

2018 long-term target pay mix for chief executive Wealth



2018 remuneration: M Nienaber



1 Fixed remuneration in cash
2 Short-term incentive (STI) in cash
3 Deferred for up to 3.5 years
4 Long-term incentive (LTI)[1] – 100% deferred for up to 3 years

[1] The performance reward plan (PRP) amount is the face value at award date (March 2019) and is conditional.

Cash award   Deferred award

The international business in particular achieved exceptional results with HE growth of 60%. During the year, Margaret led a significant shift both in the Wealth culture and in the ability of the business to deliver a fully integrated offering to clients. These initiatives resulted in a pleasing increase in the client NPS to 69.

The gender equality agenda has formed an important part of the fabric of Wealth's culture. The focus on the recruitment and development of women leaders and the launch of the inaugural Wealth Academy – The Women's Series bears testimony to this.

Wealth won over 20 awards in 2018 from established industry publications, including the SA title traditionally reserved for one of our main competitors, of Best Local Private Bank.

2018 key achievements

CLIENT FOCUS

- Wealth enhanced its organisational structure and core business lines, with the aim of optimising collaboration and efficiencies within Wealth and the rest of the group, and to deliver a cohesive value proposition to the client
- Client service teams, in collaboration with PBB, have been rolled out across South Africa, highlighting the ability to interlink the operations for the benefit of the client
- By leveraging the relationship with CIB, client ecosystems have been developed that have enabled delivery of wealth solutions to the staff of multinational corporations
- Cooperation between CIB and Wealth has ensured a shared value proposition for senior executives and corporates alike. Client engagements and events have been aligned
- Considerable progress was made on advancing the Liberty Bancassurance Collaboration Plan. Launch of the Liberty high net worth proposition pioneered the Assurance Banking collaboration whereby SBG solutions are provided to Liberty clients. Supported the development of the Liberty short-term insurance capability
- The launch of the Wealth International app, which enables the viewing of and transacting on offshore accounts. It also enables cross-border payments, as well as providing the ability for clients to activate their debit cards in app
- Significant progress was made on the development of the aggregation app that will enable clients to view their global net wealth, across different asset classes, in one place
- The Leadership Academies, designed and hosted by the Wealth and Investment team, focus on enhancing thoughtful, responsible multi-generation wealth transfer and on developing the next generation of leaders. In 2018, more than 170 attendees were exposed to the latest thinking on investment principles, banking and lending, financial planning, leadership and philanthropy
- Increased client engagement achieved through signature Wealth events.

LEADERSHIP AND PEOPLE

- Wealth instils a culture of high performance and creates opportunities for continuous learning through on-the job training, mentoring and product training programmes. People are encouraged to take charge of their career paths which ultimately leads to client satisfaction. This has translated into an eNPS of +24, ahead of target and prior year's +14
- Wealth focuses on driving a culture of diversity and inclusion, ensuring that there is a fair and sustainable distribution of opportunity and that the workforce is representative of the diversity of our country. The progress on transformation and diversity targets has positively impacted staff retention, especially as it relates to client facing roles, such as Wealth managers and Relationship managers
- Talent management initiatives include:
  - The Wealth Challenge (for top performers)
  - Wealth Warriors and Wealth Creators (bespoke leadership programmes)
  - Wealth and Investment Academies (WIAs) and supporting masterclasses, driving both content and culture
- Increased engagement with employees:
  - CE Wealth – My Wealth roadshows hosted by the CE Wealth, providing an opportunity for employees to talk about top of mind issues
  - WealthConnect and Wealth Intranet launched to keep employees up to date and connected.

RISK AND CONDUCT

- A significant number of new regulatory requirements have been defined by regulators to address the perceived gaps in existing standards and to address new and emerging risks. Wealth has aligned its operations and processes to new regulation, particularly the Retail Distribution Review
- Wealth continues to promote an ethical culture of doing business the right way. This is underpinned by their risk governance structures and Wealth conduct dashboards which are well-embedded in the businesses. On an ongoing basis they continue to assess the risks that the business is exposed to, to effectively address and mitigate them
- There were no significant incidents or compliance breaches in the period under review
- Information risk is constantly being reviewed and proactive measures have been implemented to address this risk.

FINANCIAL OUTCOMES

- Headline earnings of R3.1 billion up 24% on prior year
- Robust ROE of 37%, improved from 34% in prior year
- Positive jaws of 3%
- CTI of 54%, improved from 55% in the prior year
- Exceptional performance in Wealth International with 60% growth in headline earnings (56% up in constant currency) driven by increased number of clients and related activity, growth in deposits and lending portfolio and endowment benefit. Wealth International now contributes over R1 billion to Wealth's headline earnings
- Improved combined and loss ratios in the insurance business in South Africa
- 19% growth in Nigeria assets under management
- 14% growth in the total high net worth customer base
- Investment revenue came under significant pressure in 2018 due to slower than anticipated domestic economic growth and weak domestic and global equity market returns.

SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACT

- The SEE focus has been on promoting a culture of saving, actively developing and promoting BBBEE service providers and creating financial literacy with a focus on generational wealth and low-income segments
- Promoting a culture of saving – R390 million invested in 57 000 tax free investment accounts and over R410 million of clients' assets invested in 14 000 auto share investment accounts
- Insurance procurement (supporting small business development):
  - Focus on actively developing BBBEE service providers
  - Short-term insurance procurement providers supported with their personal journeys of running successful businesses:
    - 99.16% of claims distributed between levels 1 – 4 service providers
    - R577 million spent on 100% black-owned service providers
    - R179 million spent on 100% black woman-owned service providers.
- Financial education:
  - Fostering financial literacy in low income segments
  - Preserving generational wealth through Wealth and Investment Leadership Academies targeted at children and young adults (more than 670 children of our clients have attended these academies since inception in 2014)
  - Women's Wealth Academies, both for clients and staff, focused on financial literacy, leadership development and philanthropy
  - 'Goals-based investing' financial fitness and information sessions attended by 396 staff and extended to employees of CIB clients.

Executive directors' and prescribed officers' emoluments

The analysis that follows sets out two tables for each individual. Prior to 2017, reporting did not follow the single figure format now required by King IV. Reporting at that time included performance-related incentives (both cash and deferred) in respect of the year and then the award of the forward-looking long-term incentive awards under PRP, i.e. the awards made by Remco.

Single figure reporting requires the reporting of the performance-related incentives (both cash and deferred) in respect of the year and the delivery of the past year long-term incentive awards (PRP and EGS) dependent on the fulfilment of the conditions in the year.

Both views continue to be shown, i.e. awards made by Remco and single figure format.

The remuneration disclosed in the tables below is with respect to the period that individuals were classified as prescribed officers.

Sim Tshabalala

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (AS AWARDED BY REMCO)

R'000 Executive director	2013	2014	2015	2016	2017	**2018**
SK Tshabalala*						
Cash package paid during the year	6 384	7 378	7 583	7 850	7 899	**8 636**
Retirement contributions paid during the year	990	1 248	1 129	1 106	1 076	**1 222**
Other allowances	274	277	277	242	128	**129**
Cost-to-company package	7 648	8 903	8 989	9 198	9 103	**9 987**
Once-off allowances/payments[1]						**632**
Short-term incentive (cash)[2]	9 400	7 337	10 150	10 090	11 350	**11 350**
Short-term incentive (share-linked deferral)[3]	11 100	8 038	11 850	12 790	14 050	**14 050**
Short-term incentive	20 500	15 375	22 000	22 880	25 400	**25 400**
Total reward (excluding PRP)	28 148	24 278	30 989	32 078	34 503	**36 019**
Face value of conditional PRP awarded	12 500	10 000	12 500	12 500	14 000	**14 000**
Total reward (including PRP)	40 648	34 278	43 489	44 578	48 503	**50 019**

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (SINGLE FIGURE FORMAT)

R'000 Executive director	2016[12]	2017	**2018**
SK Tshabalala*			
Cash package paid during the year	7 850	7 899	**8 636**
Retirement contributions paid during the year	1 106	1 076	**1 222**
Other allowances	242	128	**129**
Cost-to-company package	9 198	9 103	**9 987**
Once-off allowances/payments[1]			**632**
Short-term incentive (cash)[2]	10 090	11 350	**11 350**
Short-term incentive (share-linked deferral)[3]	12 790	14 050	**14 050**
Short-term incentive	22 880	25 400	**25 400**
Total reward (excluding conditional long-term incentive awards)	32 078	34 503	**36 019**
EGS awards vesting[8]	3 459	4 312	
PRP awards vesting[9]	10 219	14 658	**20 228**
PRP notional dividend[10]	1 288	1 643	**2 818**
Total reward (including conditional long-term incentive awards)	47 044	55 116	**59 065**

Refer to footnotes on page 72.

Ben Kruger

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (AS AWARDED BY REMCO)

R'000 Executive director	2013	2014	2015	2016	2017	2018
BJ Kruger*						
Cash package paid during the year	6 559	7 352	7 538	7 809	7 847	**8 480**
Retirement contributions paid during the year	1 088	1 209	1 076	1 106	1 076	**1 159**
Other allowances	315	199	171	190	156	**267**
Cost-to-company package	7 962	8 760	8 785	9 105	9 079	**9 906**
Once-off allowances/payments[1]						**3 022**
Short-term incentive (cash)[2]	9 400	5 275	10 150	10 090	11 125	**11 125**
Short-term incentive (share-linked deferral)[3]	11 100	4 975	11 850	12 790	13 825	**13 825**
Short-term incentive	20 500	10 250	22 000	22 880	24 950	**24 950**
Total reward (excluding PRP)	28 462	19 010	30 785	31 985	34 029	**37 878**
Face value of conditional PRP awarded	12 500	10 000	12 500	12 500	12 500	
Total reward (including PRP)	40 962	29 010	43 285	44 485	46 529	**37 878**

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (SINGLE FIGURE FORMAT)

R'000 Executive director	2016[12]	2017	2018
BJ Kruger*			
Cash package paid during the year	7 809	7 847	**8 480**
Retirement contributions paid during the year	1 106	1 076	**1 159**
Other allowances	190	156	**267**
Cost-to-company package	9 105	9 079	**9 906**
Once-off allowances/payments[1]			**3 022**
Short-term incentive (cash)[2]	10 090	11 125	**11 125**
Short-term incentive (share-linked deferral)[3]	12 790	13 825	**13 825**
Short-term incentive	22 880	24 950	**24 950**
Total reward (excluding conditional long-term incentive awards)	31 985	34 029	**37 878**
EGS awards vesting[8]	3 661	3 934	
PRP awards vesting[9]	10 219	14 658	**20 228**
PRP notional dividend[10]	1 288	1 643	**2 818**
Total reward (including conditional long-term incentive awards)	47 153	54 264	**60 924**

Refer to footnotes on page 72.

Arno Daehnke

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (AS AWARDED BY REMCO)

R'000 Executive director	2013	2014	2015	2016	2017	2018
A Daehnke*[4]						
Cash package paid during the year				2 986	5 084	**5 570**
Retirement contributions paid during the year				375	610	**704**
Other allowances				2	3	**20**
Cost-to-company package				3 363	5 697	**6 294**
Once-off allowances/payments[1]						**111**
Short-term incentive (cash)[2]				7 400	8 025	**8 025**
Short-term incentive (share-linked deferral)[3]				8 100	8 725	**8 725**
Short-term incentive				15 500	16 750	**16 750**
Total reward (excluding PRP)				18 863	22 447	**23 155**
Face value of conditional PRP awarded				7 000	10 000	**12 000**
Total reward (including PRP)				25 863	32 447	**35 155**

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (SINGLE FIGURE FORMAT)

R'000 Executive director	2016[12]	2017	2018
A Daehnke*[4]			
Cash package paid during the year	2 986	5 084	**5 570**
Retirement contributions paid during the year	375	610	**704**
Other allowances	2	3	**20**
Cost-to-company package	3 363	5 697	**6 294**
Once-off allowances/payments[1]			**111**
Short-term incentive (cash)[2]	7 400	8 025	**8 025**
Short-term incentive (share-linked deferral)[3]	8 100	8 725	**8 725**
Short-term incentive	15 500	16 750	**16 750**
Total reward (excluding conditional long-term incentive awards)	18 863	22 447	**23 155**
PRP awards vesting[9]	4 907	8 790	**11 330**
PRP notional dividend[10]	618	985	**1 578**
Total reward (including conditional long-term incentive awards)	24 388	32 222	**36 063**

Refer to footnotes on page 72.

Kenny Fihla

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (AS AWARDED BY REMCO)

R'000 Prescribed officer	2013	2014	2015	2016	2017	2018
AKL Fihla[5]						
Cash package paid during the year					3 507	**6 506**
Retirement contributions paid during the year					444	**853**
Other allowances					64	**229**
Cost-to-company package					4 015	**7 588**
Once-off allowances/payments[1]						**710**
Short-term incentive (cash)[2]					9 150	**8 650**
Short-term incentive (share-linked deferral)[3]					10 850	**10 350**
Short-term incentive					20 000	**19 000**
Total reward (excluding PRP)					24 015	**27 298**
Face value of conditional PRP awarded					10 000	**12 000**
Total reward (including PRP)					34 015	**39 298**

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (SINGLE FIGURE FORMAT)

R'000 Prescribed officer	2016[12]	2017	2018
AKL Fihla[5]			
Cash package paid during the year		3 507	**6 506**
Retirement contributions paid during the year		444	**853**
Other allowances		64	**229**
Cost-to-company package		4 015	**7 588**
Once-off allowances/payments[1]			**710**
Short-term incentive (cash)[2]		9 150	**8 650**
Short-term incentive (share-linked deferral)[3]		10 850	**10 350**
Short-term incentive		20 000	**19 000**
Total reward (excluding conditional long-term incentive awards)		24 015	**27 298**
PRP awards vesting[9]		10 263	**9 709**
PRP notional dividend[10]		1 150	**1 353**
Total reward (including conditional long-term incentive awards)		35 428	**38 360**

Refer to footnotes on page 72.

Zweli Manyathi

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (AS AWARDED BY REMCO)

R'000 Prescribed officer	2013	2014	2015	2016	2017	2018
ZN Manyathi[7]						
Cash package paid during the year						5 039
Retirement contributions paid during the year						467
Other allowances						128
Cost-to-company package						5 634
Short-term incentive (cash)[2]						9 900
Short-term incentive (share-linked deferral)[3]						11 600
Short-term incentive						21 500
Total reward (excluding PRP)						27 134
Face value of conditional PRP awarded						10 000
Total reward (including PRP)						37 134

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (SINGLE FIGURE FORMAT)

R'000 Prescribed officer	2016[12]	2017	2018
ZN Manyathi[7]			
Cash package paid during the year			5 039
Retirement contributions paid during the year			467
Other allowances			128
Cost-to-company package			5 634
Short-term incentive (cash)[2]			9 900
Short-term incentive (share-linked deferral)[3]			11 600
Short-term incentive			21 500
Total reward (excluding conditional long-term incentive awards)			27 134
PRP awards vesting[9]			9 709
PRP notional dividend[10]			1 353
Total reward (including conditional long-term incentive awards)			38 196

Refer to footnotes on page 72.

Margaret Nienaber

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (AS AWARDED BY REMCO)

R'000 Prescribed officer	2013	2014	2015	2016	2017	2018
M Nienaber[6]						
Cash package paid during the year					4 829	**5 497**
Retirement contributions paid during the year					542	**589**
Other allowances					146	**171**
Cost-to-company package					5 517	**6 257**
Once-off allowances/payments[1]						**78**
Short-term incentive (cash)[2]					6 650	**7 212**
Short-term incentive (share-linked deferral)[3]					7 350	**7 913**
Short-term incentive					14 000	**15 125**
Total reward (excluding PRP)					19 517	**21 460**
Face value of conditional PRP awarded					10 000	**10 000**
Total reward (including PRP)					29 517	**31 460**

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (SINGLE FIGURE FORMAT)

R'000 Prescribed officer	2016[12]	2017	2018
M Nienaber[6]			
Cash package paid during the year		4 829	**5 497**
Retirement contributions paid during the year		542	**589**
Other allowances		146	**171**
Cost-to-company package		5 517	**6 257**
Once-off allowances/payments[1]			**78**
Short-term incentive (cash)[2]		6 650	**7 212**
Short-term incentive (share-linked deferral)[3]		7 350	**7 913**
Short-term incentive		14 000	**15 125**
Total reward (excluding conditional long-term incentive awards)		19 517	**21 460**
PRP awards vesting[9]		4 395	**5 655**
PRP notional dividend[10]		493	**788**
Total reward (including conditional long-term incentive awards)		24 405	**27 903**

Refer to footnotes on page 72.

Peter Schlebusch – former prescribed officer

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (AS AWARDED BY REMCO)

R'000 Prescribed officer	2013	2014	2015	2016	2017	2018
PL Schlebusch[11]						
Cash package paid during the year	4 476	5 342	5 594	5 834	5 951	**1 602**
Retirement contributions paid during the year	595	709	755	812	704	**136**
Other allowances	199	206	230	206	295	**48**
Cost-to-company package	5 270	6 257	6 579	6 852	6 950	**1 786**
Short-term incentive (cash)[2]	10 150	8 650	10 650	11 150	12 150	**2 175**
Short-term incentive (share-linked deferral)[3]	10 850	8 650	12 350	13 850	14 850	**4 575**
Short-term incentive	21 000	17 300	23 000	25 000	27 000	**6 750**
Total reward (excluding PRP)	26 270	23 557	29 579	31 852	33 950	**8 536**
Face value of conditional PRP awarded	10 000	10 000	10 000	10 000	10 000	
Total reward (including PRP)	36 270	33 557	39 579	41 852	43 950	**8 536**

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' EMOLUMENTS (SINGLE FIGURE FORMAT)

R'000 Prescribed officer	2016[12]	2017	2018
PL Schlebusch[11]			
Cash package paid during the year	5 834	5 951	**1 602**
Retirement contributions paid during the year	812	704	**136**
Other allowances	206	295	**48**
Cost-to-company package	6 852	6 950	**1 786**
Short-term incentive (cash)[2]	11 150	12 150	**2 175**
Short-term incentive (share-linked deferral)[3]	13 850	14 850	**4 575**
Short-term incentive	25 000	27 000	**6 750**
Total reward (excluding conditional long-term incentive awards)	31 852	33 950	**8 536**
EGS awards vesting[8]	1 741	2 723	
PRP awards vesting[9]	8 176	14 658	**19 781**
PRP notional dividend[10]	1 030	1 643	**1 403**
Total reward (including conditional long-term incentive awards)	42 799	52 974	**29 720**

NOTES
1 Includes a once-off payment made in respect of death in service and permanent health insurance benefits. In the case of BJ Kruger this also includes a once-off payment in respect of retirement benefits.
2 These are performance-related short-term incentive payments in respect of the financial year under review.
3 These are deferred bonus scheme awards issued in March 2019 (for the performance year 2018) which are subject to choice. 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 bonus amounts not invested in SARP will be unitised with respect to the group's closing share price on 7 March 2019. The award will be updated in the group's 2019 annual financial statements to reflect the choices made and units/rights awarded.
4 A Daehnke was appointed as the group financial director on 1 May 2016. His fixed remuneration is shown from that date in the performance year 2016.
5 AKL Fihla was appointed as a prescribed officer on 1 June 2017. His fixed remuneration is shown from that date. The short-term incentive is for the full performance year 2017.
6 M Nienaber was appointed as a prescribed officer on 1 January 2017.
7 ZN Manyathi was appointed as a prescribed officer on 1 April 2018. His fixed remuneration is shown from that date. The short-term incentive is for the full performance year 2018.
8 EGS vesting on March 2018 (disclosed in 2017) were awarded in March 2011 and 2013 – relevant performance conditions were met as at 31 December 2017.
9 PRP units vesting were awarded in March 2015 (disclosed for the performance year 2017) and in March 2016 (disclosed for the performance year 2018). The PRP value delivered is calculated based on the group's closing share price of R178.81 as at 31 December 2018 (R195.66 for 2017) after calculating the delivery percentage based on the three year performance conditions (110.58% delivery on the 2016 awards and 117.61% delivery on the 2015 awards). The amount included in the single figure will not be updated in the 2018 remuneration report but rather included at payment value in the settlement schedule. In the case of PL Schlebusch, the PRP value of the March 2016 award is based on the group's closing share price of R218.68 as at 31 March 2018.
10 PRP notional dividend is calculated by multiplying the vesting PRP units by the cumulative notional dividend incurred between the grant date and vesting date. The amount included in the single figure will not be in the 2018 remuneration report but rather included at payment value in the settlement schedule.
11 PL Schlebusch stepped down as a prescribed officer on 1 April 2018. His fixed remuneration and short-term incentive award disclosed is for the performance period 1 January to 31 March 2018.
12 2016 single figure was illustrated for comparative purposes. 2017 was when single figure was introduced.
* All executive directors were also prescribed officers of the group.

Remuneration scenarios for executive directors and prescribed officers

Requirement

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 stretch performance outcomes. It should be noted that these are hypothetical values of total remuneration under the following assumed performance scenarios:

- **Minimum reward outcome**
  Short- and long-term incentives are awarded at Remco's discretion. The minimum reward outcome hence represents the scenario in which only the fixed remuneration of the relevant individual would be paid.

- **On-target reward outcome**
  In addition to the fixed remuneration of the relevant individual, Remco may award both short- and long-term incentives. The short-term incentive would be determined by Remco on the basis of the individual meeting the required targets and is paid out based on the prior financial year (i.e. one year's performance). The long-term incentive for this purpose has been determined on the basis of 100% of the conditional PRP awards, being the achievement of the PRP's ROE and HEPS growth conditions over the previous three financial years at the 100% achievement level.

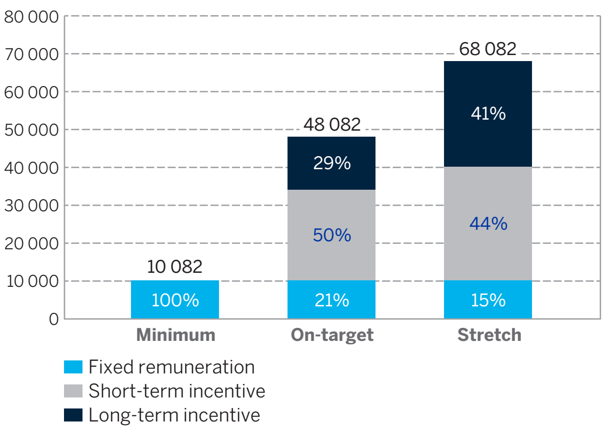
- **Stretch reward outcome**
  In addition to the fixed remuneration of the relevant individual, Remco may award both short- and long-term incentives. The short-term incentive would be determined by Remco on the basis of the individual exceeding the required targets and is paid out based on the prior financial year (i.e. one year's performance). The long-term incentive for this purpose has been determined on the basis of 200% of the conditional PRP awards, being the achievement of the PRP's maximum ROE and HEPS growth conditions over the previous three financial years. This outcome would deliver significant value for shareholders.

The percentages in the graphs that follow indicate the pay mix in each reward outcome.

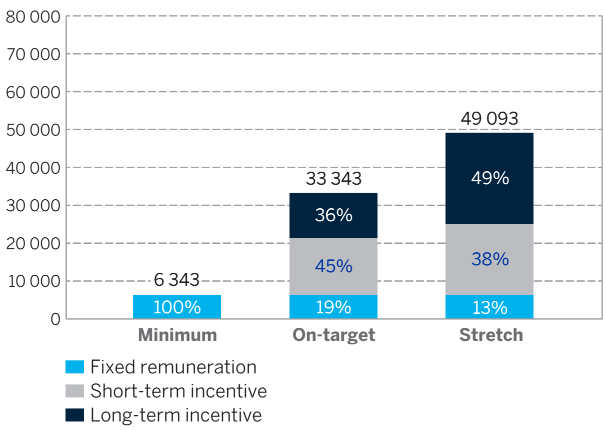
Conclusion

As can be noted from the above explanation and the graphs, a significant proportion of the individual's remuneration, notably the PRP which is conditional on growth in both headline earnings and ROE is dependent on the delivery of short- and long-term goals which is aligned with the group's strategy and the generation of long-term shareholder value. In accordance with the group's remuneration policy, Remco considers the level of remuneration that may pay out in different performance scenarios to ensure that this is considered appropriate in the context of the performance delivered and the value added for shareholders.

Group chief executive

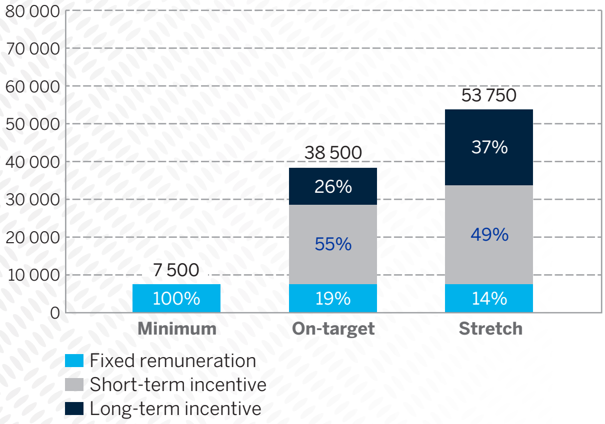


Group financial director

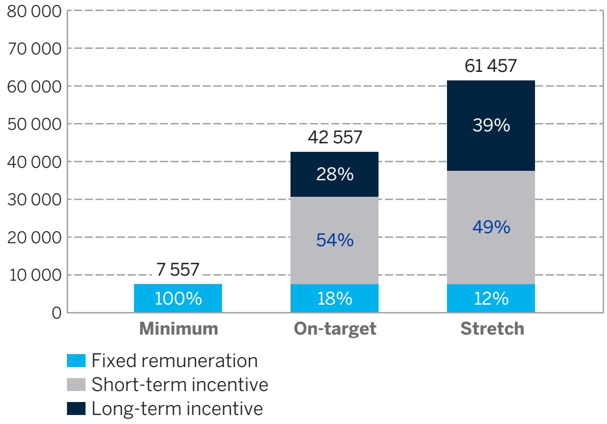


R

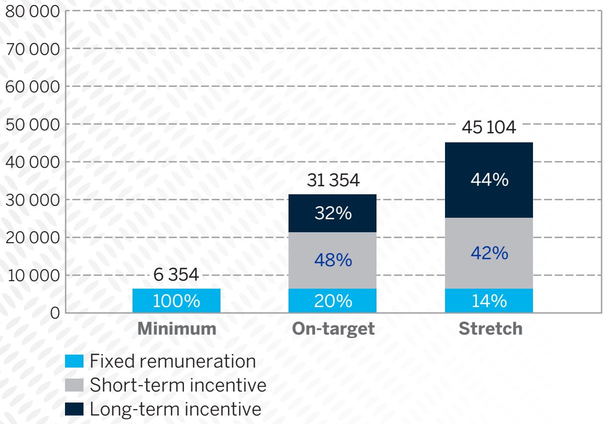
Chief executive, PBB



Chief executive, CIB



Chief executive, Wealth



Executive directors' and prescribed officers' long-term incentives

SHARE INCENTIVES AND SHARE-BASED DEFERRED AWARDS NOT YET DELIVERED

Equity growth scheme	The EGS allocates participation rights in the future growth of the group's share price. The eventual value of the right is settled by the issuing of shares equivalent to the full value of the participation rights. The awards in category D are elections into EGS in favour of a DBS award.
Share appreciation rights plan	The SARP allocates participation rights in the future growth of the group's share price. The eventual value of the right is settled by purchasing shares in the market at the time of settlement, equivalent to the full value of the participation rights.
Deferred bonus scheme	Employees are awarded a deferred bonus, as a mandatory deferral of their short-term incentive and/or as a discretionary award, into the DBS. The deferred bonus is unitised into a number of units with respect to the group's share price on the date of award. The shares are delivered to the employee on the vesting date. Notional dividends on the units are paid to the employees on the vesting date.* A select group of people in the Wealth business have their DBS awards linked to the performance of selected Melville Douglas funds. These awards are settled in cash or units in the fund at the election of the employee.
Performance reward plan	The group's PRP has a three-year vesting period which, effective from March 2014, is designed to incentivise the group's senior executives, whose roles enable them to contribute to and influence the group's long-term decision-making and performance results. The PRP seeks to promote the achievement of the group's strategic long-term objectives and to align the interests of those executives with overall group performance in both headline earnings growth and ROE. These are the most important financial metrics to create shareholder value, and, therefore aligns the interests of management and shareholders. The awards are subject to the achievement of performance conditions set at the award date and that determines 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.

* For awards to executive directors and prescribed officers post March 2016, the DBS is settled in cash.

SK Tshabalala[5]

Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/ vesting category	Expiry date/ final vesting date
Deferred bonus schemes					
2014	2015/03/05	156.96	2 679	2018/09/30	
2015	2016/03/03	122.24	3 950	2018/09/30	
2015	2016/03/03	122.24	3 950	2019/09/30	
2016	2017/03/02	155.95	1 667	2018/09/30	
2016	2017/03/02	155.95	1 667	2019/09/30	
2016	2017/03/02	155.95	1 667	2020/09/30	
2016*	2017/03/02	155.95	2 597	2018/09/30	
2016*	2017/03/02	155.95	2 597	2019/09/30	
2016*	2017/03/02	155.95	2 597	2020/09/30	
2017	**2018/03/08**	**220.97**	**1 667**	**2019/09/30**	
2017	**2018/03/08**	**220.97**	**1 667**	**2020/09/30**	
2017	**2018/03/08**	**220.97**	**1 667**	**2021/09/30**	
2017*	**2018/03/08**	**220.97**	**3 017**	**2019/09/30**	
2017*	**2018/03/08**	**220.97**	**3 017**	**2020/09/30**	
2017*	**2018/03/08**	**220.97**	**3 017**	**2021/09/30**	
Performance reward plan					
2014	2015/03/05	156.96	10 000	2018/03/31	
2015	2016/03/03	122.24	12 500	2019/03/31	
2016	2017/03/02	155.95	12 500	2020/03/31	
2017	**2018/03/08**	**220.97**	**14 009**	**2021/03/31**	
Equity growth scheme vested					
2010	2011/03/04	98.80		C	2021/03/04
2012	2013/03/07	115.51		E	2023/03/07
2012	2013/03/07	115.51		D	2023/03/07
2012	2013/03/07	115.51		E	2023/03/07
Totals for 2018			**86 432**		

* Cash-settled deferred bonus scheme.

Refer footnotes on page 88.

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 2018	Exercise date share price	Award[1] (R'000)	Notional dividend[2] (R'000)	Award[3] (R'000)	Notional dividend[4] (R'000)
17 070		17 070			175	2 987	535		
32 313		32 313			175	5 655	805		
32 315				32 315				5 778	805
10 687		10 687			175	1 870	190		
10 687				10 687				1 911	190
10 688				10 688				1 911	190
16 650		16 650			175	2 914	296		
16 650				16 650				2 977	296
16 652				16 652				2 978	296
	7 542			7 542				1 349	71
	7 542			7 542				1 349	71
	7 544			7 544				1 349	71
	13 652			13 652				2 441	128
	13 652			13 652				2 441	128
	13 652			13 652				2 441	128
74 916		74 916			219	16 383	1 643		
102 300	10 828			113 128				20 228	2 818
80 200				80 200				14 341	1 428
	63 400			63 400				11 337	596
25 000		25 000			224	3 126			
35 371		35 371			224	3 832			
231 367		231 367			224	25 064			
23 581		23 581			224	2 555			
						64 386	3 469	72 831	7 216

BJ Kruger

Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/ vesting category	Expiry date/ final vesting date
Deferred bonus schemes					
2014	2015/03/05	156.96	1 658	2018/09/30	
2015	2016/03/03	122.24	3 950	2018/09/30	
2015	2016/03/03	122.24	3 950	2019/09/30	
2016	2017/03/02	155.95	1 667	2018/09/30	
2016	2017/03/02	155.95	1 667	2019/09/30	
2016	2017/03/02	155.95	1 667	2020/09/30	
2016*	2017/03/02	155.95	2 597	2018/09/30	
2016*	2017/03/02	155.95	2 597	2019/09/30	
2016*	2017/03/02	155.95	2 597	2020/09/30	
2017	**2018/03/08**	**220.97**	**1 667**	**2019/09/30**	
2017	**2018/03/08**	**220.97**	**1 667**	**2020/09/30**	
2017	**2018/03/08**	**220.97**	**1 667**	**2021/09/30**	
2017*	**2018/03/08**	**220.97**	**2 942**	**2019/09/30**	
2017*	**2018/03/08**	**220.97**	**2 942**	**2020/09/30**	
2017*	**2018/03/08**	**220.97**	**2 942**	**2021/09/30**	
Performance reward plan					
2014	2015/03/05	156.96	10 000	2018/03/31	
2015	2016/03/03	122.24	12 500	2019/03/31	
2016	2017/03/02	155.95	12 500	2020/03/31	
2017	**2018/03/08**	**220.97**	**12 507**	**2021/03/31**	
Equity growth scheme vested					
2010	2011/03/04	98.80		B	2021/03/04
2012	2013/03/07	115.51		E	2023/03/07
2013	2014/03/06	126.87		D	2024/03/06
Totals for 2018			**83 684**		

* Cash-settled deferred bonus scheme.

Refer footnotes on page 88.

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 2018	Exercise date share price	Award[1] (R'000)	Notional dividend[2] (R'000)	Award[3] (R'000)	Notional dividend[4] (R'000)
10 566		10 566			175	1 849	331		
32 313		32 313			175	5 655	805		
32 315				32 315				5 778	805
10 687		10 687			175	1 870	190		
10 687				10 687				1 911	190
10 688				10 688				1 911	190
16 650		16 650			175	2 914	296		
16 650				16 650				2 977	296
16 652				16 652				2 978	296
	7 542			7 542				1 349	71
	7 542			7 542				1 349	71
	7 544			7 544				1 349	71
	13 312			13 312				2 380	125
	13 312			13 312				2 380	125
	13 314			13 314				2 380	125
74 916		74 916			219	16 383	1 643		
102 300	10 828			113 128				20 228	2 818
80 200				80 200				14 341	1 428
	56 600			56 600				10 121	532
25 000		25 000			215	2 910			
18 865		18 865			215	1 880			
105 442		105 442			215	9 312			
						42 773	3 265	71 432	7 143

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					
2014	2015/03/05	156.96	1 800	2018/09/30	
2015	2016/03/03	122.24	2 072	2018/09/30	
2015	2016/03/03	122.24	2 073	2019/09/30	
2016	2017/03/02	155.95	1 000	2018/09/30	
2016	2017/03/02	155.95	1 000	2019/09/30	
2016	2017/03/02	155.95	1 000	2020/09/30	
2016*	2017/03/02	155.95	1 700	2018/09/30	
2016*	2017/03/02	155.95	1 700	2019/09/30	
2016*	2017/03/02	155.95	1 700	2020/09/30	
2017	**2018/03/08**	**220.97**	**1 000**	**2019/09/30**	
2017	**2018/03/08**	**220.97**	**1 000**	**2020/09/30**	
2017	**2018/03/08**	**220.97**	**1 000**	**2021/09/30**	
2017*	**2018/03/08**	**220.97**	**1 908**	**2019/09/30**	
2017*	**2018/03/08**	**220.97**	**1 908**	**2020/09/30**	
2017*	**2018/03/08**	**220.97**	**1 909**	**2021/09/30**	
Performance reward plan					
2014	2015/03/05	156.96	5 996	2018/03/31	
2015	2016/03/03	122.24	7 004	2019/03/31	
2016	2017/03/02	155.95	7 002	2020/03/31	
2017	**2018/03/08**	**220.97**	**10 010**	**2021/03/31**	
Equity growth scheme vested					
2008	2009/03/06	62.39		A	2019/03/06
2008	2009/03/06	62.39		B	2019/03/06
2009	2010/03/05	111.94		A	2020/03/05
2009	2010/03/05	111.94		B	2020/03/05
2010	2011/03/04	98.80		A	2021/03/04
2010	2011/03/04	98.80		B	2021/03/04
2010	2011/03/04	98.80		B	2021/03/04
2013	2014/03/06	126.87		D	2024/03/06
2013	2014/03/06	126.87		D	2024/03/06
Totals for 2018			**52 782**		

* Cash-settled deferred bonus scheme.

Refer footnotes on page 88.

	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 2018	Exercise date share price	Award[1] (R'000)	Notional dividend[2] (R'000)	Award[3] (R'000)	Notional dividend[4] (R'000)
	11 468		11 468			175	2 007	359		
	16 954		16 954			175	2 967	422		
	16 956				16 956				3 032	422
	6 412		6 412			175	1 122	114		
	6 412				6 412				1 147	114
	6 413				6 413				1 147	114
	10 901		10 901			175	1 908	194		
	10 901				10 901				1 949	194
	10 901				10 901				1 949	194
		4 525			4 525				809	43
		4 525			4 525				809	43
		4 527			4 527				809	43
		8 636			8 636				1 544	81
		8 636			8 636				1 544	81
		8 637			8 637				1 544	81
	44 926		44 926			219	9 824	985		
	57 300	6 065			63 365				11 330	1 578
	44 900				44 900				8 029	799
		45 300			45 300				8 100	426
	12 500		12 500			180	1 472			
	12 500		12 500			180	1 472			
	12 500				12 500					
	12 500				12 500					
	12 500				12 500					
	9 375				9 375					
	3 125				3 125					
	45 832				45 832					
	22 918				22 918					
							20 772	2 074	43 742	4 213

AKL Fihla[6]

Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/ vesting category	Expiry date/ final vesting date
Deferred bonus schemes					
2014	2015/03/05	156.96	1 617	2018/09/30	
2015	2016/03/03	122.24	2 450	2018/09/30	
2015	2016/03/03	122.24	2 450	2019/09/30	
2016	2017/03/02	155.95	833	2018/09/30	
2016	2017/03/02	155.95	833	2019/09/30	
2016	2017/03/02	155.95	834	2020/09/30	
2016*	2017/03/02	155.95	2 033	2018/09/30	
2016*	2017/03/02	155.95	2 033	2019/09/30	
2016*	2017/03/02	155.95	2 034	2020/09/30	
2017	**2018/03/08**	**220.97**	**1 333**	**2019/09/30**	
2017	**2018/03/08**	**220.97**	**1 333**	**2020/09/30**	
2017	**2018/03/08**	**220.97**	**1 334**	**2021/09/30**	
2017*	**2018/03/08**	**220.97**	**2 283**	**2019/09/30**	
2017*	**2018/03/08**	**220.97**	**2 283**	**2020/09/30**	
2017*	**2018/03/08**	**220.97**	**2 284**	**2021/09/30**	
Performance reward plan					
2014	2015/03/05	156.96	7 000	2018/03/31	
2015	2016/03/03	122.24	6 002	2019/03/31	
2016	2017/03/02	155.95	6 004	2020/03/31	
2017	**2018/03/08**	**220.97**	**10 010**	**2021/03/31**	
Equity growth scheme vested					
2008	2009/03/06	62.39		A	2019/03/06
2008	2009/03/06	62.39		B	2019/03/06
2009	2010/03/05	111.94		A	2020/03/05
2009	2010/03/05	111.94		B	2020/03/05
2010	2011/03/04	98.80		A	2021/03/04
2010	2011/03/04	98.80		B	2021/03/04
2010	2011/03/04	98.80		B	2021/03/04
Totals for 2018			**54 983**		

* Cash-settled deferred bonus scheme.

Refer footnotes on page 88.

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 2018	Exercise date share price	Award[1] (R'000)	Notional dividend[2] (R'000)	Award[3] (R'000)	Notional dividend[4] (R'000)
10 300		10 300			175	1 803	323		
20 042		20 042			175	3 507	499		
20 044				20 044				3 584	499
5 343		5 343			175	935	95		
5 343				5 343				955	95
5 345				5 345				956	95
13 038		13 038			175	2 282	232		
13 038				13 038				2 331	232
13 040				13 040				2 332	232
	6 034			6 034				1 079	57
	6 034			6 034				1 079	57
	6 035			6 035				1 079	57
	10 333			10 333				1 848	97
	10 333			10 333				1 848	97
	10 334			10 334				1 848	97
52 452		52 452			219	11 470	1150		
49 100	5 197			54 297				9 709	1 353
38 500				38 500				6 884	685
	45 300			45 300				8 100	426
10 000		10 000			180	1 178			
10 000		10 000			180	1 178			
12 500				12 500					
12 500				12 500					
13 750				13 750					
10 312				10 312					
3 438				3 438					
						22 353	2 299	43 632	4 079

ZN 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					
2015	2016/03/03	122.24	2 650	2018/09/30	
2015	2016/03/03	122.24	2 650	2019/09/30	
2016	2017/03/02	155.95	1 250	2018/09/30	
2016	2017/03/02	155.95	1 250	2019/09/30	
2016	2017/03/02	155.95	1 250	2020/09/30	
2016*	2017/03/02	155.95	1 617	2018/09/30	
2016*	2017/03/02	155.95	1 617	2019/09/30	
2016*	2017/03/02	155.95	1 617	2020/09/30	
2017	**2018/03/08**	**220.97**	**1 333**	**2019/09/30**	
2017	**2018/03/08**	**220.97**	**1 333**	**2020/09/30**	
2017	**2018/03/08**	**220.97**	**1 334**	**2021/09/30**	
2017*	**2018/03/08**	**220.97**	**1 617**	**2019/09/30**	
2017*	**2018/03/08**	**220.97**	**1 617**	**2020/09/30**	
2017*	**2018/03/08**	**220.97**	**1 617**	**2021/09/30**	
Performance reward plan					
2015	2016/03/03	122.24	6 002	2019/03/31	
2016	2017/03/02	155.95	6 503	2020/03/31	
2017	**2018/03/08**	**220.97**	**10 010**	**2021/03/31**	
Equity growth scheme vested					
2013	2014/03/06	126.87		D	
2013	2014/03/06	126.87		D	
2013	2014/03/06	126.87		D	
2014	2015/03/05	156.96		D	
2014	**2015/03/05**	**156.96**		**D**	
Unvested rights					
2014	2015/03/05	156.96	8 904	2019/03/05	2025/03/05
Totals for 2018			**54 171**		

* Cash-settled deferred bonus scheme.

Refer footnotes on page 88.

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 2018	Exercise date share price	Award[1] (R'000)	Notional dividend[2] (R'000)	Award[3] (R'000)	Notional dividend[4] (R'000)
21 678		21 678			175	3 794	540		
21 680				21 680				3 877	540
8 015		8 015			175	1 403	143		
8 015				8 015				1 433	143
8 017				8 017				1 434	143
10 366		10 366			175	1 814	185		
10 366				10 366				1 854	185
10 368				10 368				1 854	185
6 034				6 034				1 079	57
6 034				6 034				1 079	57
6 035				6 035				1 079	57
7 316				7 316				1 308	69
7 316				7 316				1 308	69
7 317				7 317				1 308	69
49 100	5 197			54 297				9 709	1 353
41 700				41 700				7 456	742
45 300				45 300				8 100	426
43 696				43 696					
43 696				43 696					
43 697				43 697					
56 725				56 725					
56 725				56 725					
56 725				56 725				1 239[7]	
						7 011	868	44 117	4 095

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					
2014	2015/03/05	156.96	1 283	2018/09/30	
2015	2016/03/03	122.24	1 267	2018/09/30	
2015	2016/03/03	122.24	1 267	2019/09/30	
2016	2017/03/02	155.95	1 000	2018/09/30	
2016	2017/03/02	155.95	1 000	2019/09/30	
2016	2017/03/02	155.95	1 000	2020/09/30	
2016*	2017/03/02	155.95	1 283	2018/09/30	
2016*	2017/03/02	155.95	1 283	2019/09/30	
2016*	2017/03/02	155.95	1 283	2020/09/30	
2017	**2018/03/08**	**220.97**	**1 000**	**2019/09/30**	
2017	**2018/03/08**	**220.97**	**1 000**	**2020/09/30**	
2017	**2018/03/08**	**220.97**	**1 000**	**2021/09/30**	
2017*	**2018/03/08**	**220.97**	**1 450**	**2019/09/30**	
2017*	**2018/03/08**	**220.97**	**1 450**	**2020/09/30**	
2017*	**2018/03/08**	**220.97**	**1 450**	**2021/09/30**	
Performance reward plan					
2014	2015/03/05	156.96	2 998	2018/03/31	
2015	2016/03/03	122.24	3 496	2019/03/31	
2016	2017/03/02	155.95	9 996	2020/03/31	
2017	**2018/03/08**	**220.97**	**10 010**	**2021/03/31**	
Equity growth scheme vested					
2010	2011/03/04	98.80		C	2021/03/04
Totals for 2018			**44 516**		

* Cash-settled deferred bonus scheme.

Refer footnotes on page 88.

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 2018	Exercise date share price	Award[1] (R'000)	Notional dividend[2] (R'000)	Award[3] (R'000)	Notional dividend[4] (R'000)
8 177		8 177			175	1 431	256		
10 362		10 362			175	1 813	258		
10 363				10 363				1 853	258
6 412		6 412			175	1 122	114		
6 412				6 412				1 147	114
6 413				6 413				1 147	114
8 229		8 229			175	1 440	146		
8 229				8 229				1 471	146
8 230				8 230				1 472	146
	4 525			4 525				809	43
	4 525			4 525				809	43
	4 527			4 527				809	43
	6 562			6 562				1 173	62
	6 562			6 562				1 173	62
	6 562			6 562				1 173	62
22 462		22 462			219	4 912	493		
28 600	3 028			31 628				5 655	788
64 100				64 100				11 462	1 141
	45 300			45 300				8 100	426
3 125		3 125			224	391			
						11 109	1 267	38 253	3 448

PL Schlebusch

Performance year	Issue date	Award price	Value at grant date (R'000)	Vesting date/ vesting category	Expiry date/ final vesting date
Deferred bonus schemes					
2014	2015/03/05	156.96	2 883	2018/09/30[7]	
2015	2016/03/03	122.24	4 117	2018/09/30[7]	
2015	2016/03/03	122.24	4 117	2019/09/30	
2016	2017/03/02	155.95	1 667	2018/09/30[7]	
2016	2017/03/02	155.95	1 667	2019/09/30	
2016	2017/03/02	155.95	1 667	2020/09/30	
2016*	2017/03/02	155.95	2 950	2018/09/30[7]	
2016*	2017/03/02	155.95	2 950	2019/09/30	
2016*	2017/03/02	155.95	2 950	2020/09/30	
2017	**2018/03/08**	**220.97**	**1 667**	**2019/09/30**	
2017	**2018/03/08**	**220.97**	**1 667**	**2020/09/30**	
2017	**2018/03/08**	**220.97**	**1 667**	**2021/09/30**	
2017*	**2018/03/08**	**220.97**	**3 283**	**2019/09/30**	
2017*	**2018/03/08**	**220.97**	**3 283**	**2020/09/30**	
2017*	**2018/03/08**	**220.97**	**3 283**	**2021/09/30**	
Performance reward plan					
2014	2015/03/05	156.96	9 998	2018/03/31	
2015	2016/03/03	122.24	9 999	2019/03/31	
2016	2017/03/02	155.95	9 996	2020/03/31	
2017	**2018/03/08**	**220.97**	**10 010**	**2021/03/08**	
Equity growth scheme vested					
2010	2011/03/04	98.80		B	2021/03/04
2012	2013/03/07	115.51		E	2023/03/07
Totals for 2018			**79 821**		

* Cash settled deferred bonus scheme.

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					
2008	2009/03/06	62.39		A	2019/03/06
2009	2010/03/05	111.94		A	2020/03/05
2011	2012/03/08	108.90		A	2022/03/08
2012	2013/03/07	115.51		A	2023/03/07
2014	2015/03/05	156.96		D	2025/03/05
2012	2013/03/07	115.51		A	2023/03/07
2014	2015/03/05	156.96		D	2025/03/05
Unvested rights					
2014	2015/03/05	156.96		2019/03/05	2025/03/05
Totals for 2018					

* Cash-settled deferred bonus scheme.
1 Value on settlement is calculated by multiplying the vesting share/settlement price by the total units vesting and applying performance conditions (where applicable).
Performance conditions applied to the PRP award issued in March 2015 that vested in March 2018 was 117.61%, against the performance conditions as explained in the remuneration structure section of the group's remuneration report within the governance and remuneration report.
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 yearend SBK share price of R178.81 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 As at 31 December 2018, SK Tshabalala has a right to 418 814 (2017: 418 814) shares as a beneficiary of Tutuwa Managers' Trust. At 31 December 2018, the debt per share was R53.49 (2017:R54.62).
6 As at 31 December 2018, AKL Fihla has a right to 134 232 (2017: 134 232) shares as a beneficiary of Tutuwa Managers' Trust. At 31 December 2018, the debt per share was R53.49 (2017:R54.62).
7 In March 2015, deferred bonus scheme awards were converted into equity growth scheme (EGS) awards (without conditions) and are now vesting in March 2019.

	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 2018	Exercise date share price	Award[1] (R'000)	Notional dividend[2] (R'000)	Award[3] (R'000)	Notional dividend[4] (R'000)
	18 370				18 370				4 017	403
	33 677				33 677				7 364	522
	33 677				33 677				7 364	522
	10 687				10 687				2 337	90
	10 687				10 687				2 337	90
	10 688				10 688				2 337	90
	18 916				18 916				4 137	159
	18 916				18 916				4 137	159
	18 917				18 917				4 137	159
		7 542			7 542				1 649	
		7 542			7 542				1 649	
		7 544			7 544				1 650	
		14 859			14 859				3 249	
		14 859			14 859				3 249	
		14 859			14 859				3 249	
	74 916		74 916			219	16 383	1 643		
	81 800	8 658			90 458				19 781	1 403
	64 100				64 100				14 017	538
		45 300			45 300				9 906	
	12 500		12 500			224	1 563			
	18 865		18 865			224	2 044			
							19 990	1 643	96 566	4 135

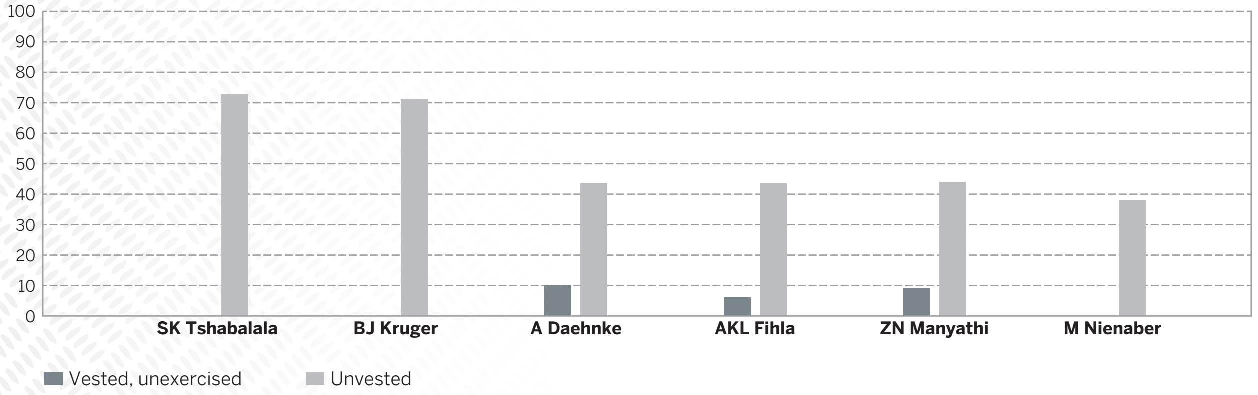
	Units						Value on settlement		Fair value at year end	
	Opening balance	Awards made during the year	Number of awards exercised during the year	Number of awards forfeited during the year	Balance of awards 31 December 2018	Exercise date share price	Award[1] (R'000)	Notional dividend[2] (R'000)	Award[3] (R'000)	Notional dividend[4] (R'000)
	62 500		62 500			180	7 360			
	500 000				500 000					
	61 471				61 471					
	37 729				37 729					
	26 148				26 148					
	18 865				18 865					
	26 148				26 148					
	26 149				26 149				571	
							7 360		571	

A share ownership culture

A true ownership culture is one where the executives feel a substantial personal stake in the company's performance. The graph below illustrates the unvested and unexercised shares of the executive directors and prescribed officers. In addition to this, these individuals are also required to hold shares in their personal capacity towards the minimum shareholding requirements.

Executive directors' and prescribed officers' unvested and unexercised shares

Awards by employee (fair value at year-end) (Rm)



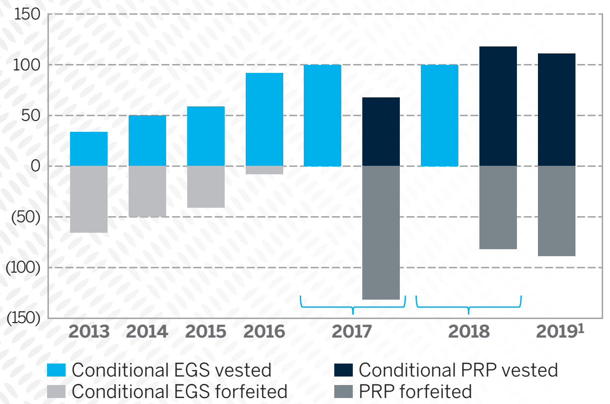
Notes
- Values have been calculated on a share price of R178.81 and are based on status of awards at 31 December 2018.
- Conditional unvested awards for 2017 and 2018 have been based on 100% of potential value.
- Conditional unvested award for 2016 has been based on 110.58% of potential value.
- Excludes awards made in March 2019.

Executive directors' and prescribed officers' actual and potential vesting of conditional EGS and PRP awards from March 2013 to March 2019

Executive directors and prescribed officers have conditional PRP awards vesting in March 2019. These awards vest through meeting certain performance conditions. The first PRP awards were made in March 2014 and there were no conditional EGS awards made from that date. There are no further conditional EGS awards to vest. The PRP vesting percentage in March 2019 is 110.58% out of a possible 200% of units allocated. Vesting will take place in March 2019 as set out in the chart below.

Full details of the number and value of awards granted during the year in terms of our share-based plans are included in the Standard Bank Group 2018 Consolidated Annual Financial Statements, available at **www.standardbank.com/reporting**.

% vesting vs. forfeiture by vesting year (%)



[1] There are no further conditional EGS to vest post 2018.

Remco governance

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

Remco mandate

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

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

Remco composition

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

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

GOV REM | Refer to page 32 for details of Remco meeting attendance.

Access to information and advisors

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

In 2018, Remco and management used a number of external advisors to benchmark remuneration and benefits across the group. External advisors also provided opinions on remuneration regulations and compliance.

Information and guidance was received from PricewaterhouseCoopers (PwC), PwC Remchannel, Global Remuneration Solutions – Mercer, Employment Conditions Abroad, McLagan and Willis Towers Watson. In terms of market comparisons and benchmarking, reviews are made against other major South African, African and international banks and top listed companies.

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

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

Non-executive directors

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

Proposed fees are based on a carefully considered assessment of non-executive directors' responsibility, including the significant amount of work involved at committee level. The board, and particularly its committees, chairs and committee members, spend a significant amount of time on in-depth analysis of matters relevant to the group's performance and regulatory requirements. In line with the executive team in the bank, it is proposed that non-executive directors' fees will not be increased in 2019.

Fees

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

During 2018, a meeting fee totalling R36.7 million (2017: R37.2 million) was paid to 15 (2017: 19) non-executive directors who were required to attend and participate in the group's governance structures as part of the board discharging its responsibilities.

The board agreed that the current fee structure of a single annual fee, rather than a retainer and meeting attendance fee, was more appropriate for the group board and committees and in light of the contribution of members. It remains the group's view that the contribution of directors cannot only be judged by attendance at board and committee meetings. Fees are paid quarterly in arrears, with any increased fee amount only being paid following approval by shareholders at the AGM.

Terms for non-executive directors

There is no limitation on the number of times a non-executive director may stand for re-election subject to the maximum age of 70 years. The MOI stipulates that if a director reaches the age of 70 they shall cease to be a director of the company from the end of the AGM after their seventieth birthday, unless the directors have resolved prior to the convening of the AGM in question that the director shall not retire at that meeting and a statement to that effect is made in the notice convening the meeting. Peter Sullivan has turned 71 and the directors have resolved to extend his term of office by a further year, subject to shareholder approval. Peter Sullivan is currently the lead independent director and also the chairman of the Group Remuneration Committee.

GOV REM | The corporate governance report on page 9 provides a review of the independence of those directors who have served on the board for more than nine years.

Non-executive directors 2018

		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
TS Gcabashe[1]	**2018**	**6 622**			**503**	**7 125**
	2017	6 306			503	6 809
RMW Dunne[2]	**2018**	**110**	**535**	**110**		**755**
	2017	263	1 280	263		1 806
GJ Fraser-Moleketi	**2018**	**277**	**714**	**277**		**1 268**
	2017	263	644	263		1 170
Dr H Hu	**2018**	**919**	**625**	**919**		**2 463**
	2017	511	347	511		1 369
GMB Kennealy	**2018**	**277**	**1 195**	**277**		**1 749**
	2017	263	904	263		1 430
JH Maree[3]	**2018**	**277**	**1 255**	**3 170**		**4 702**
	2017	263	921	3 023		4 207
NNA Matyumza	**2018**	**277**	**718**	**277**		**1 272**
	2017	263	639	263		1 165
Adv KD Moroka	**2018**	**277**	**857**	**277**		**1 411**
	2017	263	818	263		1 344
Dr ML Oduor-Otieno	**2018**	**919**	**492**	**919**		**2 330**
	2017	876	526	876		2 278
AC Parker	**2018**	**277**	**670**	**277**		**1 224**
	2017	263	676	263		1 202
ANA Peterside CON[5]	**2018**	**919**	**676**	**919**		**2 514**
	2017	876	655	1 483		3 014
MJD Ruck[4]	**2018**	**277**	**1 886**	**1 733**		**3 896**
	2017	263	1 393	1 722		3 378
PD Sullivan	**2018**	**919**	**1 492**	**919**		**3 330**
	2017	876	1 381	876		3 133
JM Vice	**2018**	**277**	**1 233**	**277**		**1 787**
	2017	263	1 274	263		1 800
L Wang	**2018**	**277**	**334**	**277**		**888**
	2017	154	157	154		465
S Gu[6]	2017	365	248	110		723
BS Tshabalala[7]	2017	226	690	226		1 142
W Wang[8]	2017	110	52	110		272
EM Woods[9]	2017	106	316	106		528
Total	**2018**	**12 901**	**12 682**	**10 628**	**503**	**36 714**
Total	2017	12 775	12 923	11 040	503	37 235

1 TS Gcabashe other benefits refer to the use of a motor vehicle.
2 RMW Dunne retired on 24 May 2018.
3 JH Maree's fees for services as a director of group subsidiaries include fees paid by Liberty Holdings Limited.
4 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.
5 Paid from Stanbic IBTC.
6 Resigned on 1 June 2017.
7 Resigned on 10 November 2017.
8 Resigned on 1 June 2017.
9 Retired on 26 May 2017.

Fees are excluding VAT.

Regulatory disclosures

The disclosure requirements of Regulation 43 of the Banks Act set out extensive quantitative and qualitative disclosures that are required to assist stakeholders understand the approaches adopted by financial services organisations in respect of risk and remuneration. The quantitative disclosures are addressed 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 have been updated to meet the directive from SARB to incorporate Basel pillar III requirements as of March 2017 in respect of remuneration.

Specific disclosures relating to aggregate 2018 (and comparative 2017) remuneration of senior managers and material risk-takers, are set out below. Variable remuneration included in the tables that follow includes cash, deferred awards (DBS and SARP), and long-term incentive awards (PRP). The award date values of DBS, SARP and PRP awards are reflected. The 2017 PRP values have been restated accordingly (they were previously valued based on the IFRS 2 expense recognised in the income statement).

A total of 113 individuals, out of a population of 2 231 employees with deferred remuneration, were identified as material risk-takers in 2018 (2017: 102 out of 2 099).

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]
2018							
A	Executive directors and prescribed officers	**6**	**79.9%**	**70.3%**	**1 – 6 years**	**70.3%**	**100.0%**
B	Other senior executives	**51**	**74.2%**	**63.4%**	**1 – 6 years**	**63.4%**	**100.0%**
C	Other employees whose individual actions have a material impact on the risk exposure of the group	**56**	**72.0%**	**55.6%**	**1 – 6 years**	**55.6%**	**100.0%**
D	All other employees receiving variable remuneration that is subject to deferral	**2 118**	**48.0%**	**35.9%**	**1 – 6 years**	**35.9%**	**35.9%**
Total		**2 231**	**53.7%**	**43.6%**	**1 – 6 years**	**43.6%**	**55.3%**
2017							
A	Executive directors and prescribed officers	6	80.5%	68.6%	1 – 6 years	68.6%	68.6%
B	Other senior executives	48	75.2%	61.5%	1 – 6 years	61.5%	61.5%
C	Other employees whose individual actions have a material impact on the risk exposure of the group	48	75.1%	53.9%	1 – 6 years	53.9%	53.9%
D	All other employees receiving variable remuneration that is subject to deferral	1 997	49.7%	33.7%	1 – 6 years	33.7%	33.7%
Total		2 099	55.3%	41.3%	1 – 6 years	41.3%	41.3%

Key:
A. The executive directors and prescribed officers of Standard Bank Group Limited, and the Standard Bank of South Africa Limited, for banking activities only.
B. Heads of major business units/lines, major geographic regions and heads of risk and control, and other corporate functions.
C. This group 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. All other employees receiving any deferred variable remuneration and for whom the variable remuneration award is linked to personal or business unit performance.

[1] Consists primarily of DBS, SARP and PRP awards, which are based on the award date value.
[2] Material risk-taker (categories A – C) remuneration is subject to clawback provisions from 1 March 2019.

2018 Basel pillar III remuneration disclosures

REM1: REMUNERATION AWARDED DURING THE FINANCIAL YEAR

Remuneration amount (Rm)		2018 Senior management[1]	2018 Other material risk-takers	2017 Senior management[1]	2017 Other material risk-takers
Fixed remuneration	Number of employees	**57**	**56**	54	48
	Total fixed remuneration[2]	**303**	**221**	271	180
	Of which: cash-based	**303**	**221**	271	180
Variable remuneration	Number of employees	**57**	**56**	54	48
	Total variable remuneration[3]	**921**	**567**	874	543
	Of which: cash-based	**324**	**252**	323	251
	Of which: shares or other share-linked instruments[4]	**597**	**315**	550	293
	Of which: deferred	**597**	**315**	550	293
Total remuneration		**1 224**	**788**	1 145	723

1 Senior executives and prescribed officers of the group's banking operations as defined under categories A and B in the table on the previous page.
2 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 shares or share-linked instruments.
4 Consists primarily of DBS, SARP and PRP awards, which are based on the award date value.

REM2: SPECIAL PAYMENTS

	2018					
	Guaranteed bonuses		Sign-on/buy-out awards		Severance payments	
Special payments	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior management	**1**	**10**	**4**	**19**	**0**	**0**
Other material risk-takers	**1**	**5**	**0**	**0**	**0**	**0**

	2017					
	Guaranteed bonuses		Sign-on/buy-out awards		Severance payments	
Special payments	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior management	2	6	3	5	2	9
Other material risk-takers	0	0	0	0	1	9

REM3: DEFERRED REMUNERATION

Deferred and retained remuneration[1]	2018 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	**1 759**	**1 759**		**29**	**709**
Other material risk-takers					
Shares or share-linked instruments	**945**	**945**		**7**	**348**
Total	**2 705**	**2 705**	**0**	**36**	**1 057**

Deferred and retained remuneration[1]	2017 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
Deferred and retained remuneration[1]					
Senior management					
Shares or share-linked instruments	2 128	2 128		41	565
Other material risk-takers					
Shares or share-linked instruments	1 006	1 006		8	250
Total	3 134	3 134	0	49	815

1 All deferred remuneration is in the form of shares or 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 2019. 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.

Additional info

Shareholders' diary

2018 financial year	
Annual general meeting	30 May 2019
2019 financial year	
Financial year end	31 December 2019
Annual general meeting	May 2020
Reports	
Interim report and declaration of interim dividend	August 2019
Summarised annual financial statements and declaration of final dividend	March 2020
Publication of annual report	April 2020
Dividend payment	
Ordinary shares:	
Interim	September 2019
Final	April 2020
6,5% first cumulative preference shares:	
Six months ending 30 June 2019	September 2019
Six months ending 31 December 2019	April 2020
Non-redeemable, non-cumulative, non-participating preference shares:	
Six months ending 30 June 2019	September 2019
Six months ending 31 December 2019	April 2020

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